ARIZONA BOARD OF REGENTS
ASU ◆ NAU ◆ UA

ABOR Board Office
FY 2026 Annual Budget Proposal

The budgets managed by the office of the Arizona Board of Regents are generally divided into two categories: the board office's operating budget and the budgets of individual ABOR-administered programs.

ABOR Program Budgets

ABOR administers three different types of programs: Statutory, Regent, and Retirement. Over the last few years, the board and the legislature allocated specific funding to ABOR to implement new programing. The board office also administers the various retirement programs offered by the universities. Table 1 provides a list of ABOR programs with funding amounts for FY 2024 through FY 2026 (est.).

Table 1: Program Budgets	FY 2024	FY 2025	FY 2026 (est.)
Statutory Programs			
Adaptive Athletics	$160,000	$160,000	$160,000
Arizona Promise Program	40,000,000	20,000,000	20,000,000
Military Spouses Scholarship	10,000,000	10,000,000	10,000,000
Arizona Teachers Academy	15,000,000	16,000,000	16,000,000
Arizona Teachers Incentive Program	90,000	90,000	90,000
Arizona Transfer Articulation	213,700	213,700	213,700
LEAP Program	2,441,600	2,441,600	2,441,600
Veterinary Loan Assistance	-	-	-
Washington DC Internships	300,000	300,000	300,000
WICHE	4,231,000	4,259,397	4,259,397
ABOR-Managed TRIF Programs			
Attainment/Workforce (ABOR)	5,000,000	5,000,000	5,000,000
Regents Grants	12,000,000	8,000,000	8,000,000
Community Grants	1,200,000	1,000,000	1,000,000
General Education Assessment	300,000	300,000	300,000
Partner Program	2,400,000	1,400,000	1,400,000
TRIF Administration ABOR	2,000,000	2,000,000	2,000,000
Retirement Programs			
Retirement Investment Advisor	340,000	345,000	345,000
Recordkeeping Fees	1,153,000	-	-
Retirement Legal Fees	10,000	10,000	10,000
Total	**$96,839,300**	**$71,519,697**	**$71,519,697**

ABOR Operating Budget

The ABOR office operating budget includes funding that is available for board office staffing, administration, and initiatives, less those costs that can be allocated to the programs listed above.

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To facilitate investments in board priorities for FY26, we are maintaining a disciplined, priority focused budget framework designed to enhance operational efficiency and optimize resource allocation towards strategic objectives.

The baseline FY 2026 ABOR office operating budget forecasts $11.7 million in revenue, derived from state appropriations and university assessments. This is matched by $11.7 million in planned expenditures, reflecting a balanced and disciplined financial plan for the upcoming fiscal year.

In developing the FY26 budget, we have carefully accounted for the sustained impact of inflation on core operational costs, including personnel, technology, professional services, and administrative functions. These inflationary pressures have been incorporated into our projections to ensure realistic cost assumptions and the continued delivery of essential services. Despite rising costs, this budget reflects a deliberate reduction in projected spending across operating expense categories to accommodate a flat budget for the year.

We remain committed to prudent fiscal management and will continue to monitor economic conditions closely. Where possible, we will pursue cost avoidance strategies to mitigate future financial risks and preserve flexibility within our operating framework. This budget reflects the ABOR office's continued focus on operational efficiency, aligning with our broader streamlining efforts. These efforts have enabled the office to adapt to significant changes in board operations through disciplined prioritization and the strategic use of accumulated fund balances.

Table 2: Budget Proposal	FY 2024 Budget	FY 2025 Budget	FY 2026 Proposed
Revenue			
General Fund	$2,649,500	$3,165,600	$3,165,600
University Assessment			
Arizona State University	1,788,314	4,578,282	4,578,282
Northern Arizona University	331,338	844,956	844,956
University of Arizona	1,252,347	3,198,762	3,198,762
Additional State Revenues	-	-	-
Total Revenue	**$6,021,500**	**$11,787,600**	**$11,787,600**
Expenses			
Personal Services	$5,746,105	$6,443,437	$6,803,438
ERE	1,951,976	2,248,369	2,370,769
Other Operating Expenses	2,836,320	6,084,117	5,641,546
Allocated and Indirect Cost Recovery	(2,952,048)	(2,988,323)	(3,028,153)
Total Expenses			
Structural Balance (Deficit)	(1,560,853)	-	-

Arizona Board of Regents - System Office

$ in millions

	ACTUAL	ACTUAL	BUDGET	QTR 3 PROJECTED	BUDGET	VARIANCE		VARIANCE	
Name	FY 2023	FY 2024	FY 2025 BGT	FY 2025 EST-Q3	FY 2026 BGT	FY 26 BGT vs FY25 ESTIMATE		FY 26 BGT vs FY25 BGT	
General Appropriated (Governor's Recommended Budget)	102.2	98.8	55.7	55.7	55.8	0.1	0%	0.1	0%
Appropriated GF - Research Infrasstructure									-
Appropriated GF - Capital Infrasstructure									-
Appropriated GF - Arizona Financial Aid Trust (AFAT)									-
State Appropriation Transfer - Arizona Teachers Academy	(16.9)	(30.0)	(16.0)	(16.0)	(16.0)	0.0	0%	0.0	0%
State Appropriation Transfer - AZ Promise	(19.4)	(40.0)	(20.0)	(20.0)	(20.0)	0.0	0%	0.0	0%
State Appropriation Transfer - Other	(16.0)	(12.0)	(10.0)	(10.0)	(10.0)	0.0	0%	0.0	0%
Subtotal State Appropriations	49.9	16.8	9.7	9.7	9.8	0.1	1%	0.1	1%
Tuition and Fees							-		-
Scholarship Allowance									
Subtotal Net T&F									
Grants & Contracts - Research	0.2	0.3	0.3	0.3	0.0	(0.3)	-100%	(0.3)	-100%
COVID-19 Relief Funding									
Financial Aid Grants (Primarily Federal Pell Grants)									
Technology & Research Initiative (TRIF)	2.0	2.0	2.0	2.0	2.0	0.0	0%	0.0	0%
Private Gifts									
Auxiliary Revenues, Net									
Other Revenues	10.1	14.0	14.0	14.0	14.2	0.2	1%	0.2	1%
Subtotal Other Revenues	12.3	16.2	16.3	16.3	16.2	(0.1)	0%	(0.1)	0%
							-		-
Total Revenues	62.2	33.0	26.0	26.0	26.0	0.0	0%	0.0	0%
Personal Services (Salaries & Wages)	5.4	7.4	6.4	6.4	6.8	0.4	6%	0.4	6%
Employee Related Expenses	1.8	2.2	2.2	2.2	2.4	0.1	5%	0.1	5%
All Other Operating Expenses	7.0	5.7	2.6	2.6	2.6	0.0	0%	0.0	0%
Scholarship & Fellowships (Net of Scholarship Allowance)						0.0	-	0.0	-
Aid to Organizations & Individuals	47.9	15.4	14.7	14.7	14.2	(0.5)	-3%	(0.5)	-3%
Interest on Indebtedness									
Subtotal Expenses	62.2	30.7	26.0	26.0	26.0	0.0	0%	0.0	0%
Depreciation									
Pension Liability (GASB 68 & GASB 45)									
Compensated Absenses Accrued and Used but not paid (GASB 101)									
Moody's Monthly Liquidity									
Daily Liquidity Measure (calculated - Moody's Monthly Liquidity / Monthly Day Cash on Hand)									
Monthly Days Cash on Hand									
Increase/(Decrease) in Net Position	0.0	2.3	0.0	0.0	0.0				

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