

Arizona Board of Regents

	FY 2019 ACTUAL	FY 2020 ESTIMATE	FY 2021 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	25.9	25.9	25.9
Personal Services	1,511,800	1,416,600	1,492,000
Employee Related Expenditures	484,000	526,500	533,400
Professional and Outside Services	28,900	75,500	75,500
Other Operating Expenditures	337,300	380,700	380,700
Equipment	1,400	3,700	3,700
OPERATING SUBTOTAL	2,363,400	2,403,000	2,485,300
SPECIAL LINE ITEMS			
Adaptive Athletics	0	160,000	160,000 ^{1/}
Arizona Teachers Academy	0	15,000,000	15,000,000
Arizona Teachers Incentive Program	90,000	90,000	90,000
Arizona Transfer Articulation Support System	213,700	213,700	213,700
Washington D.C. Internships	0	300,000	300,000 ^{2/}
Western Interstate Commission Office	153,000	153,000	153,000
WICHE Student Subsidies	4,078,000	4,078,000	4,078,000
AGENCY TOTAL	6,898,100	22,397,700	22,480,000 ^{3/4/5/}
FUND SOURCES			
General Fund	6,898,100	22,397,700	22,480,000
SUBTOTAL - Appropriated Funds	6,898,100	22,397,700	22,480,000
Other Non-Appropriated Funds	7,137,800	7,532,500	7,532,500
Federal Funds	600	250,000	250,000
TOTAL - ALL SOURCES	14,036,500	30,180,200	30,262,500

AGENCY DESCRIPTION — Article 11 of the Arizona Constitution creates the Arizona Board of Regents (ABOR). ABOR governs the 3 state institutions comprising the Arizona University System: Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (UA). The board is legally, fiscally, and strategically responsible for the state universities.

FOOTNOTES

- 1/ The Arizona board of regents shall distribute monies appropriated for the adaptive athletics line item to each university under the jurisdiction of the board to maintain and operate an intercollegiate adaptive athletics program that provides opportunities for competitive wheelchair and adaptive sports to students and community members with disabilities. The monies may be spent only when the university collects matching monies of gifts, grants and donations for the intercollegiate adaptive athletics program from sources other than this state. Universities may spend the monies only on scholarships, equipment, uniforms, travel expenses and tournament fees for participants in the intercollegiate adaptive athletics program. The monies may not be used for administrative costs, personal services or employee related expenditures. (General Appropriation Act footnote)
- 2/ The Arizona board of regents shall distribute monies appropriated for Washington, D.C. internships in equal amounts to each of the three universities under the jurisdiction of the board to provide student internships in Washington, D.C. in partnership with a third-party organization selected by the Arizona board of regents. (General Appropriation Act footnote)
- 3/ Within ten days after the acceptance of the universities' semiannual all funds budget reports, the Arizona board of regents shall submit a current year expenditure plan to the joint legislative budget committee for review. The expenditure plan shall include the use of all projected tuition and fee revenues by expenditure category, including operating expenses, plant fund, debt service and financial aid. The plan shall include the amount by which each expenditure category is projected to increase over the prior year and shall provide as much detail as the university budget requests. The plan shall include the total revenue and expenditure amounts from all tuition and student fee

revenues, including base tuition, differential tuition, program fees, course fees, summer session fees and other miscellaneous and mandatory student fee revenues. (General Appropriation Act footnote)

- 4/ When determining any statewide adjustments, the joint legislative budget committee staff shall use the overall allocation of state general fund and appropriated tuition monies for each university in determining that university's specific adjustment. (General Appropriation Act footnote)
- 5/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Operating Budget

The budget includes \$2,485,300 and 25.9 FTE Positions from the General Fund in FY 2021 for the operating budget. FY 2021 adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$82,300 from the General Fund in FY 2021 for statewide adjustments. *(Please see the Agency Detail and Allocations section.)*

Adaptive Athletics

The budget includes \$160,000 from the General Fund in FY 2021 for Adaptive Athletics. This amount is unchanged from FY 2020.

ABOR is required to distribute monies in this line item to the 3 state universities for intercollegiate adaptive athletics programs for students with physical challenges. These programs may only use this appropriation when matching monies are collected, and may only use monies for scholarships, equipment, uniforms, travel expenses, and tournament fees for program participants. ABOR distributed monies in this line item to the University of Arizona in FY 2020.

Arizona Teachers Academy

The budget includes \$15,000,000 from the General Fund in FY 2021 for the Arizona Teachers Academy. This amount is unchanged from FY 2020.

The Arizona Teachers Academy provides tuition and fee awards to university students enrolled in education and non-education majors, community college students enrolled in post-baccalaureate teacher certification programs, and teachers seeking national board certification. For every year of receipt, students agree to teach 1 year in an Arizona public school.

ABOR provides centralized administrative processes for the academy, including distributing appropriated monies to eligible postsecondary institutions. Statute sets the following annual award amounts, to be distributed after all other aid received by the student:

- \$10,000 for non-resident university students
- \$5,000 for resident university students
- \$3,000 for community college students
- \$2,500 for national board certification students

Laws 2020, Chapter 85 amended the programs to allow academy graduates to fulfill their service commitment by teaching in schools primarily serving public school students with disabilities, require universities to admit freshman and sophomore students to the academy, add accelerated models for teachers who are currently teaching dual enrollment courses, and allow colleges that are owned, operated or chartered by an Indian tribe to participate in the academy.

Monies appropriated in this line item are deposited to the Arizona Teachers Academy Fund. Statute also requires the annual appropriation for the academy to be reduced each fiscal year by the amount of monies remaining in the fund at the end of the prior fiscal year. While the budget includes \$15,000,000 for the academy in FY 2021, this amount will ultimately be reduced by the amount of unspent monies at the end of FY 2020.

ABOR is required to submit a report to JLBC by March 1 of each year, which includes current academy enrollment and estimated monies committed from the appropriation. A second report is due September 1, which includes data for the number of students completing the academy, students continuing in the academy, students in repayment, and ABOR's methodology for distributing monies appropriated for the academy.

As of March 1, 2020, total academy enrollment for full-time equivalent students was 3,221, of which 1,822 are undergraduate students, 375 are graduate students, 476 are community college post-baccalaureate students, 340 are teachers seeking a national board certification, and 208 are academy graduates receiving induction services in their first year of teaching. In addition, ABOR reports a total of \$16.0 million in funds are committed for the costs of the academy in FY 2021, of which \$15.6 million is for scholarships and \$450,000 is for administration and marketing expenses.

Arizona Teachers Incentive Program

The budget includes \$90,000 from the General Fund in FY 2021 for the Arizona Teachers Incentive Program (ATIP). This amount is unchanged from FY 2020.

Laws 1990, Chapter 340 mandated that ABOR establish and administer a loan program for students of deaf and blind education at the UA College of Education. Students may earn forgiveness for their loans by teaching in an Arizona deaf and blind program for a time equal to their period of loan support. ATIP distributes \$50,000 in loans among 10 students each year, as well as \$40,000 to the UA College of Education for deaf and blind instructional resources.

Arizona Transfer Articulation Support System

The budget includes \$213,700 from the General Fund in FY 2021 for the Arizona Transfer Articulation Support System (ATASS). This amount is unchanged from FY 2020.

A.R.S. § 15-1824 establishes ATASS as a joint initiative, among the public community colleges and universities, to facilitate efficient transfer of course curricula and credits. ATASS is also developing a shared statewide student and financial information database. The tribal colleges and community college districts overall also contribute \$277,200 to the system each year.

Washington D.C. Internships

The budget includes \$300,000 from the General Fund in FY 2021 for Washington D.C. Internships. This amount is unchanged from FY 2020.

ABOR distributes monies in this line item in equal amounts to each of the 3 state universities to provide internships in partnership with a third-party organization. These monies fund approximately 40 student internships each year.

Western Interstate Commission Office

The budget includes \$153,000 from the General Fund in FY 2021 for the Western Interstate Commission Office. This amount is unchanged from FY 2020.

Monies in this line item pay the state's share of administrative expenditures for the Western Interstate Commission on Higher Education (WICHE), in accordance with A.R.S. § 15-1742. The WICHE central office sets the administrative fee.

WICHE Student Subsidies

The budget includes \$4,078,000 from the General Fund in FY 2021 for WICHE student subsidies. This amount is unchanged from FY 2020.

Monies in this line item provide subsidies to Arizona students participating in the WICHE Professional Student Exchange Program (PSEP). Since the Arizona University System does not currently offer programs in dentistry, optometry, osteopathy, or podiatry, PSEP allows interested students to enroll in these programs at private in-state institutions or other public western universities.

In FY 2019, ABOR provided subsidies to 167 Arizona students. Participating students receive admissions preference and subsidized tuition. A.R.S. § 15-1745 requires graduates to practice 1 year in Arizona, or 6 months in an under-served Arizona community, for each year of WICHE support. Participants who fail to meet their service requirements must repay 100% of their subsidies, plus interest.

The WICHE central office determines subsidy amounts for each program through negotiations with participating institutions. As rough guidance, WICHE subsidies are intended to cover the difference between resident and non-resident tuition at a public university or approximately half the private university tuition rate.

Other Issues

This section includes information on the following topics:

- Statutory Changes
- Long-Term Budget Impacts
- FY 2022 27th Pay Period Funding
- Land Trust Funds
- Arizona Financial Aid Trust
- 2003 Research Infrastructure Refinancing
- 2017 University Capital Infrastructure Funding
- One-Time Funding
- Higher Education Emergency Relief Fund
- University System Summary Tables

Statutory Changes

The Higher Education BRB makes the following statutory changes:

- As session law, continues to suspend the statutory requirement that the state provide a 2:1 ratio of state

funding to student fees deposited into the Arizona Financial Aid Trust (AFAT).

Long-Term Budget Impacts

As part of the budget's 3-year spending plan, universitywide General Fund costs are projected to increase by \$703,100 in FY 2022 below FY 2021, and increase by \$847,100 in FY 2023 above FY 2022. These estimates are based on:

- Increases of \$150,900 and \$275,500 in FY 2022 and FY 2023, respectively, to adjust for university debt service costs. *(Please see the 2003 Research Infrastructure Refinancing narrative for more information.)*
- Increases of \$552,200 and \$571,600 in FY 2022 and FY 2023, respectively, to increase the universities' annual Capital Infrastructure Funding appropriation by 1.97% in FY 2022 and 2% in FY 2023. (The GDP inflator is currently projected at 1.97% for FY 2022 and 2.31% for FY 2023; statute funds the lesser of 2% or the actual rate). *(Please see the 2017 University Infrastructure Funding narrative in the Capital Outlay - ABOR Building System section for more information.)*

FY 2022 27th Pay Period Funding

The enacted budget included funding to state agencies for an additional 27th pay period that will occur in FY 2021. Due to differences in pay periods, the Universities will have a 27th pay period one year after the rest of state government. In total, the Universities were allocated \$20,052,100 General Fund and \$36,887,300 Other Appropriated Funds for 27th pay period costs in FY 2022.

Section 118 of the FY 2021 General Appropriation Act appropriated funding for this issue in FY 2022 as follows:

- ASU – \$28,386,400, which includes \$9,115,000 from the General Fund and \$19,271,400 from the University Collections Fund (appropriated tuition revenue)
- NAU – \$7,798,100, which includes \$2,939,500 from the General Fund and \$4,858,600 from the University Collections Fund
- UA Main Campus – \$16,483,100, which includes \$5,540,800 from the General Fund and \$10,942,300 from the University Collections Fund
- UA Health Sciences Center – \$4,271,800, which includes \$2,456,800 from the General Fund and \$1,815,000 from the University Collections Fund

Land Trust Funds

As a beneficiary of the Arizona State Land Trust, ABOR receives monies generated from lease revenues and the proceeds from land sales that are invested into “permanent funds,” pursuant to Article X, Section 7 of the Arizona Constitution.

ABOR distributes state land trust monies to the universities from 6 funds. These distributions are allocated to the universities in accordance with A.R.S. § 15-1662, 15-1663, and ABOR Policy 3-606. The universities' land trust monies are non-appropriated. ABOR may expend them “as it deems expedient,” with 1 exception: the Universities Land Fund. This fund is comprised of the University Land Code and the UA Land - 1881 Fund. All proceeds in the Universities Land Fund, including the UA Land - 1881 Fund, are distributed proportionately among the 3 universities based upon the total student credit hours in the fall semester of the previous year. The Universities Land Fund provides matching funds for the interest earned on nonpublic endowment monies donated to attract and retain faculty, otherwise known as the Eminent Scholars Program. ABOR amended Board Policy 3-606 in 2017 to direct all Universities Land Fund incremental revenues from Proposition 123 (distributions beyond the first 2.5% distribution rate) to the universities for general use, rather than the Eminent Scholars Grant.

Table 1 compares university land trust revenues from FY 2015 (prior to Proposition 123) and FY 2021. The funds will have estimated revenues of \$13,008,300 in FY 2021. *(Please see the Land Department narrative for more information.)*

Table 1

State Land Trust Revenues: Universities ^{1/}

	<u>FY 2015</u>	<u>FY 2021</u>
Military Institute	\$ 83,800	\$ 118,100
Normal Schools	296,600	590,700
A&M Colleges	445,100	1,210,100
School of Mines ^{2/}	499,800	1,194,500
Universities Land Fund	3,834,800	9,894,900
University Land Code	2,175,400	2,594,100
U of A Land - 1881	<u>1,659,400</u>	<u>7,300,800</u>
Total	\$ 5,160,100	\$ 13,008,300

^{1/} Includes income from the Treasurer's distribution and lease revenues from the universities' state land trust property.

^{2/} Only the University of Arizona receives monies from the School of Mines Fund.

Table 2

FY 2018 – 2031 Research Infrastructure Appropriations

<u>Fiscal Year</u>	<u>ASU</u>	<u>NAU</u>	<u>UA</u>	<u>Total</u>
2018	\$ 13,481,000	\$ 5,896,500	\$ 14,249,300	\$ 33,626,800
2019	13,478,700	5,896,200	14,251,000	33,625,900
2020	13,456,300	5,899,500	14,250,200	33,606,000
2021	13,458,700	4,879,500	14,251,500	32,589,700
2022	13,451,900	5,039,800	14,248,900	32,740,600
2023	13,462,100	5,301,500	14,252,500	33,016,100
2024	13,468,200	5,302,900	14,255,300	33,026,400
2025	13,459,300	4,885,500	14,247,300	32,592,100
2026	13,453,900	4,884,500	14,248,400	32,586,800
2027	13,450,100	4,884,300	14,251,300	32,585,700
2028	13,436,200	4,894,000	14,254,100	32,584,300
2029	13,430,800	4,888,400	14,251,500	32,570,700
2030	13,423,500	4,892,000	14,252,500	32,568,000
2031	<u>13,428,800</u>	<u>4,889,300</u>	<u>14,255,800</u>	<u>32,573,900</u>
2018 - 2031	\$188,339,500	\$72,433,900	\$199,519,600	\$460,293,000

^{1/} FY 2018 – 2031 research infrastructure General Fund appropriations as specified in A.R.S. § 15-1670, as amended by the FY 2017 Higher Education BRB.

Arizona Financial Aid Trust

Pursuant to A.R.S. § 15-1642, General Fund monies match financial aid tuition surcharges collected from university students for the Arizona Financial Aid Trust (AFAT). The AFAT fee is 1% of the full-time resident undergraduate base tuition rate, or \$58-\$120 in FY 2020 on the main campuses, depending on the university. All students pay roughly the same fee, except part-time students, who pay half the regular fee.

The budget continues to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees in FY 2020. The budget also maintains each university's allocation of General Fund AFAT appropriations at their FY 2020 level, which appears in the individual university budgets.

Based on student fees contributed to AFAT in FY 2019, the state's match would be \$38,337,000, or an increase of \$28,295,800 over the \$10,041,200 appropriation in FY 2021.

Each university retains 25% of its annual AFAT student fees and state contributions in an AFAT endowment account. The remaining 75% of the student fees and state contributions, as well as 75% of the endowment's annual interest earnings, are used to provide immediate assistance for needy in-state students.

In addition to student fee revenue, the FY 2020 Higher Education Budget Reconciliation Bill (BRB) requires universities to deposit 20% of cumulative net income from the sale of transfer of intellectual property exceeding \$1.0 million to AFAT. Universities previously deposited a portion of income to the General Fund.

In FY 2019, AFAT disbursed \$26,301,800. *(Please see Table 7 for additional information on financial aid.)*

2003 Research Infrastructure Refinancing

Laws 2003, Chapter 267, which established A.R.S. § 15-1670, appropriated for FY 2008 to FY 2031 monies to the universities each year for lease-purchase capital financing of research infrastructure projects such as installations and facilities for the continuance and growth of scientific and technological research activities.

Due to subsequent refinancing, the FY 2017 Higher Education BRB amended A.R.S. § 15-1670 to revise the FY 2018 to FY 2031 research infrastructure appropriations to correspond to the universities' current debt service schedules. *(Please see Table 2 for more information.)*

The budget includes a decrease of \$(1,016,300) from the General Fund in FY 2021 to adjust appropriations for research infrastructure lease-purchase payments to the universities' actual debt service obligations. Of this amount, the General Fund appropriations are adjusted \$2,400 for ASU, \$(1,020,000) for NAU, and \$1,300 for UA.

Since this funding appears in A.R.S. § 15-1670, this funding does not appear in the FY 2021 General Appropriation Act. In total, the universities have issued \$482,500,000 in COPs for research infrastructure projects.

2017 University Capital Infrastructure Funding

Laws 2017, Chapter 328 established A.R.S. § 15-1671, which provides General Fund appropriations from FY 2019 - FY 2043 for new university research facilities, building renewal, or other capital construction projects. The law appropriated \$27,000,000 to the universities in FY 2019 and increases the appropriation each year thereafter by the lesser of 2.0% or inflation.

The budget includes an increase of \$487,400 from the General Fund in FY 2021, or 1.77%, for the inflation adjustment. Of this amount, the General Fund appropriations are adjusted \$215,300 for ASU, \$81,600 for NAU, and \$190,500 for UA.

The original FY 2019 allocated amounts are based on each university's share of the systemwide transaction privilege tax (TPT) collections in FY 2016.

One-Time Funding

The universities received One-Time Funding appropriations from FY 2017 to FY 2020 for one-time capital improvements or operating expenditures. The FY 2021 budget does include monies for One-Time Funding.

See Table 3 for a history of the allocation by university.

Table 3
History of One-Time University Funding (\$ in millions)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
ASU	\$ 7.0	\$ 6.6	\$ 4.2	\$18.9
NAU	4.0	3.2	1.6	6.7
UA	<u>8.0</u>	<u>3.2</u>	<u>2.2</u>	<u>9.5</u>
Total	\$19.0	\$13.0	\$ 8.0	\$35.0 ^{1/}

^{1/} Numbers do not add due to rounding.

Higher Education Emergency Relief Fund

Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act distributes funds from the Higher Education Emergency Relief Fund to institutions of higher education (IHE) based 75% on the relative share of full-time equivalent students of in-person Pell grant recipients and 25% on in-person non-Pell grant recipients enrolled at the institution. The CARES Act requires that

50% of monies received under this section be distributed to students as emergency financial aid grants.

Section 18004(a)(2) of the CARES Act requires additional monies be distributed according the above formula to Historically Black Colleges and Universities, American Indian Tribally Controlled Colleges and Universities, Minority Servings Institutions, and Strengthening Institutions Program participants.

Arizona's public universities have received a total of \$121,536,979 from the Higher Education Emergency Relief Fund. (Please see Table 4 for distributions by university and the Budget Highlights section for more information on federal CARES Act funding).

Table 4
Higher Education Emergency Relief Fund Distribution

	<u>Section 18004(a)(1)</u>	<u>Section 18004(a)(2)</u>	<u>Total</u>
ASU	\$ 63,533,137	-	\$ 63,533,137
NAU	23,577,854	\$1,157,111	24,734,965
UA	<u>30,953,447</u>	<u>2,315,430</u>	<u>33,268,877</u>
Total	\$118,064,438	\$3,472,541	\$121,536,979

University System Summary Tables

The University Summary Tables address the following:

- Total Spending Authority
- Tuition Distribution
- Tuition Rates
- Financial Aid
- Enrollment

Total Spending Authority

In total, the universities' total projected spending authority in FY 2021 is \$7.1 billion, including \$741.6 million from the General Fund and \$3.3 billion of tuition/fee collections. This latter amount is not adjusted for any FY 2021 tuition rate changes. Table 5 summarizes the FY 2021 expenditure authority amounts for the Arizona University System.

Tuition Distribution

A.R.S. § 15-1626 allows the universities to retain a portion of tuition collections for expenditures, as approved by ABOR. These "locally" retained tuition monies are considered non-appropriated and are deposited into accounts labeled as "Designated" funds. Any remaining tuition revenues are deposited to university "Collections" funds as part of the appropriated budget. While Financial Aid and Debt Service are primarily non-appropriated,

Table 5

FY 2021 Summary of Spending Authority

	Appropriated Funds			Non-Appropriated Funds		Total ^{3/}
	General Fund	Collections Fund ^{1/}	Tech & Research Fund (TRIF)	Federal Funds	Other Funds ^{2/}	
ABOR	\$ 22,480,000	\$ 0	\$ 0	\$ 250,000	\$ 7,532,500	\$ 30,262,500
ASU	324,717,400	657,196,000	3,600,000	467,982,100	2,078,448,500	3,531,944,000
NAU	109,804,600	156,298,700	0	118,654,000	366,753,700	751,511,000
UA-Main	207,722,200	354,801,800	0	223,726,700	1,265,837,800	2,052,088,500
UA-Health Sciences	76,897,700	55,697,400	0	159,096,800	395,628,300	687,320,200
Total	\$741,621,900	\$1,223,993,900	\$3,600,000	\$969,709,600	\$4,114,200,800	\$7,053,126,200

^{1/} This amount excludes FY 2021 tuition rate changes.

^{2/} Expenditures of non-appropriated funds include transfers of funds to non-operating accounts for capital and debt service expenses. The total expenditures of gross non-appropriated tuition are estimated to be \$2,068,340,100 based on FY 2020 amounts, as reflected in Table 5. This amount excludes FY 2021 enrollment growth and tuition rate changes.

^{3/} Total universitywide funding includes gross tuition revenues.

general operating expenses are paid from both appropriated and non-appropriated tuition accounts.

ABOR's July 2019 tuition revenue report projects FY 2020 gross tuition and fees to be \$3.3 billion systemwide. Of this amount, \$1.2 billion is appropriated while \$2.1 billion is non-appropriated.

The reported gross tuition revenues reflect the amounts the universities would receive if all students paid full published tuition and fee rates. The actual amounts paid by students after accounting for tuition waivers and other gift aid awarded by the universities would constitute net tuition. The universities project \$851.1 million in tuition

waivers and awards in FY 2020, for a total net tuition of \$2.4 billion. (See Table 6).

FY 2020 and FY 2021 revenues are expected to be impacted by changes in enrollment due to the COVID-19 pandemic. The total impact on university revenue is unknown at this time.

Tuition Rates

ABOR approved FY 2021 tuition rates on May 7, 2020. There were no tuition increases for resident students. Non-resident tuition increases are as follows:

Table 6

Use of FY 2020 Tuition/Fees by University ^{1/}

	ASU	NAU	UA	Total
Appropriated				
Operating Budget ^{2/}	\$ 654,596,600	\$ 156,154,500	\$ 409,127,500	\$ 1,219,878,600
Non-Appropriated				
Operating Budget ^{3/}	\$ 747,537,500	\$ 84,537,600	\$ 252,489,600	\$ 1,084,564,700
Financial Aid ^{4/}	485,399,900	145,393,900	220,326,200	851,120,000
Plant Fund	20,000,000	1,000,000	4,000,000	25,000,000
Debt Service	62,503,000	17,000,000	28,152,400	107,655,400
Subtotal	\$1,315,440,400	\$247,931,500	\$ 504,968,200	\$2,068,340,100
Total Gross Tuition ^{5/}	\$1,970,037,000	\$404,086,000	\$914,095,700	\$3,288,218,700
Net Tuition ^{5/}	\$1,484,637,100	\$258,692,100	\$693,769,500	\$2,437,098,700

^{1/} As reported in FY 2020 Tuition Revenue Report submitted by ABOR in July 2019.

^{2/} Appropriated tuition includes \$(39.9) million adjustment made by ABOR to the amounts originally included as part of the FY 2020 state budget to reflect estimated revenue adjustments resulting from the tuition setting process in spring 2019.

^{3/} Includes non-appropriated tuition revenues to be expended on instruction, organized research, public service, student services, auxiliary enterprises, and institutional support.

^{4/} Financial aid represents scholarship allowances provided by the universities (excluding federal loans, private grants, etc.) to offset the cost of tuition. Amounts include scholarship awards and tuition waivers except employee tuition reductions, which are recorded as employee benefit expenses.

^{5/} The reported gross tuition revenues reflect the amounts the universities would receive if all students paid full published tuition and fee rates. The actual amounts paid by students after accounting for tuition waivers and other gift aid awarded by the universities constitutes net tuition.

- ASU increased tuition for all non-resident students by up to 5.0%. The actual tuition increase will be determined at a later date but may not exceed 5.0%.
- Since FY 2009, NAU has maintained a guaranteed tuition model for incoming freshmen. As a result, NAU did not increase tuition for current students, but increased tuition and mandatory fees by 0.5% for incoming non-resident undergraduate students, and 4.8% for non-resident graduate students.
- UA began a similar tuition guarantee program in FY 2015. UA did not increase tuition for non-resident students for FY 2021.

Table 7 only includes major tuition categories at main university campuses. A comprehensive list can be found on the [ABOR website](#).

Financial Aid

The Arizona University System distributed \$2.9 billion in financial aid in FY 2019. Of the \$2.9 billion total financial aid distributions in FY 2019, the federal government financed \$1.2 billion and university institutional sources provided \$1.1 billion. The latter includes \$864 million of foregone tuition collections in the form of waivers and awards. (Please see Table 8 for details.)

Enrollment

Between fall 2018 and fall 2019, university enrollment increased from 178,426 FTE to 185,622, or 4.0%, as displayed in Table 9. Spring enrollment is traditionally lower than the fall.

Table 7

**Arizona University System
FY 2021 Undergraduate and Graduate Tuition ^{1/}**

	<u>Resident Undergraduate</u>		<u>Resident Graduate</u>		<u>Non-Resident Undergraduate</u>		<u>Non-Resident Graduate</u>	
	<u>Tuition</u>	<u>Increase</u>	<u>Tuition</u>	<u>Increase</u>	<u>Tuition</u>	<u>Increase</u>	<u>Tuition</u>	<u>Increase</u>
ASU	\$11,338	0.0%	\$12,608	0.0%	\$29,428 - \$30,868 ^{2/}	0.0% - 5.0%	\$32,288 - \$33,858	0.0% - 5.0%
NAU	\$11,896	0.0%	\$11,726	0.0%	\$26,642	0.5%	\$26,954	4.8%
UA	\$12,671	0.0%	\$13,207	0.0%	\$36,698	0.0%	\$33,334	0.0%

^{1/} Reflects tuition rates for new students at NAU and UA and all classes at ASU. NAU and UA provide a guaranteed tuition rate for each incoming class, whereas ASU does not.

^{2/} ABOR also approved a rate increase of up to 5% for international undergraduate students at ASU, which will be set between \$31,828 and \$33,388.

Table 8

**FY 2019 Financial Aid Distribution by Source
(\$ in Thousands) ^{1/}**

	<u>Federal</u>	<u>State ^{2/}</u>	<u>Institutional ^{3/}</u>	<u>Private/Other ^{4/}</u>	<u>Total</u>
Grants	\$336,118.0	\$746.4	\$863,800.3	\$232,864.3	\$1,433,529.0
Loans	838,677.6	383.7	0.0	369,938.2	1,208,999.5
Employment	<u>12,462.5</u>	<u>0.0</u>	<u>214,504.5</u>	<u>0.0</u>	<u>226,967.0</u>
Total	\$1,187,258.1	\$1,130.1	\$1,078,304.8	\$602,802.5	\$2,869,495.5

^{1/} Information from ABOR FY 2019 Financial Aid Report.

^{2/} State sources of aid include revenues from the Commission for Postsecondary Education.

^{3/} Institutional sources of aid include revenues from: Local Retention, the Collegiate License Plate Fund, Foundation funds, and Financial Aid Carry Forward from previous years.

^{4/} Private/Other sources of aid include AFAT, which is a combination of both state and institutional sources of aid.

Table 9

Arizona University System 45th Day Enrollment ^{1/}

	Fall 2018	Spring 2019	Fall 2019	Fall 2018 To Fall 2019	Fall 2019 Residents
ASU-Tempe	66,526	63,432	72,896	9.6%	37,664
ASU-DPC	19,284	19,890	21,672	12.4%	11,329
ASU-East	7,570	6,202	7,618	0.6%	4,201
ASU-West	<u>10,348</u>	<u>10,306</u>	<u>8,707</u>	<u>-15.9%</u>	<u>4,646</u>
ASU Subtotal	103,728	99,830	110,893	6.9%	57,840
NAU	29,274	27,092	29,011	-0.9%	19,052
UA-Main	39,632	37,273	39,881	0.6%	23,837
UA-Health Sciences	<u>5,792</u>	<u>5,326</u>	<u>5,837</u>	<u>0.8%</u>	<u>4,483</u>
UA Subtotal	45,424	42,599	45,718	0.6%	28,320
Total	178,426	169,521	185,622	4.0%	105,212

^{1/} Adjusted FTE counts as reported by ABOR and the universities include both graduate and undergraduate students and exclude excess credit hours taken by students. Spring enrollment figures are the average of the full academic year (spring and fall semesters).