51st Legislature
2nd Regular Session wrap up
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The second regular session of Arizona’s 51st Legislature began on January 13, 2014 and lasted 101 days, ending when the Legislature adjourned Sine Die at 1:46am on April 24, 2014, just past the 100-day deadline. There were 1,205 bills, and 113 memorials or resolutions introduced, with only 338 passed by the Legislature. Of those, 278 bills were signed into law by Governor Jan Brewer, while 25 were vetoed.

Governor Brewer kicked off the session with her final State of the State address. She began with accolades for the state, praising Arizona’s resiliency against a terrible recession. She reflected upon numerous accomplishments that have helped move Arizona forward, grow our economy and spur innovation. The Governor also announced that she had abolished Child Protective Services (CPS), which came as a surprise to most. She called for a complete overhaul and redesign of the agency in light of the recent serious problems. Attention was also called to University and K-12 investment. The tone was set for the year ahead; CPS and child welfare, along with education, were top priorities for most lawmakers throughout the session.

Early in January the Governor rolled out the Executive FY15 budget proposal, building on details she outlined in her State of the State address and Four Cornerstones policy document. The Governor once again demonstrated a commitment to investment in higher education by suggesting an allocation of $32.6 million to the university system—of which $21.6 million was directed to Arizona State University (ASU) for parity funding. Also included was a onetime allocation of $10 million to the Arizona Board of Regents (ABOR) for urgent university capital projects.

However, this was only the beginning of a long budget negotiation process between the Governor, the Senate, and House of Representatives. The Governor’s $9.36 billion budget proposal started things off. The following months were filled with discussions and several iterations of how the state’s money should be allocated. The Senate passed a $9.18 billion budget; the House of Representatives came back with their own budget priorities—including increased funding for higher education. Leadership, members, and staff began countless hours of painstaking work on a compromise budget. Among legislators’ top concerns was that the Senate budget didn’t go far enough to address the needs of child welfare, as well as education — specifically funding for district-sponsored charter schools. The negotiations over district-sponsored charter school funding became so untenable that a group of Representatives, many of the same who had been instrumental in passing the budget in 2013, halted talks and walked out.

University funding was also a contentious issue in the budget negotiation process; however, ASU’s team ensured there were always strong legislative champions holding up our priorities during those negotiations. The ASU lobbying team met with every member of the legislature over the course of the fall and spring, and continually communicated the details and importance of ASU’s priorities during the legislative session. The result of this was consistent appropriation support for ASU in every budget version released, including the final budget signed by the Governor.
Compromise was found in a $9.24 billion budget that was approved by both houses and sent to the Governor. This compromise budget did provide additional funds for the universities, K-12 education, and child welfare; however, not enough to meet the Governor’s priorities, especially for an overhaul of CPS. Governor Brewer signed the budget, but included line item vetoes, bringing the final Arizona FY 2015 budget to $9.2 billion. In her signing letter, Brewer made clear that there will be a special session to address the child welfare and CPS issues not taken care of in this budget. The special session is expected to take place not long after the close of the regular session.
ASU achievements

For ASU the most notable achievement of this legislative session is the action that was taken to correct the historic disparity in per-student funding among the three Arizona universities. Resolution of the longstanding funding disparity among our state universities has been achieved with the enactment of the FY15 state budget, which includes the appropriation of $21.5 million in parity close-out funds, and $2.0 million in additional funds added into the university's base funding. Parity has been at the forefront of our legislative priorities for the past three years, and thanks to that dedication and focus, $45.5 million, plus the $2.0 million in additional funds has been added to the university's base funding. We would like to express our gratitude for the enormous and continued support our Sun Devil community has shown to support parity. Thank You!

ASU is now excited to move forward with a solid footing for the performance funding model, which is the future of public higher education investment in the state of Arizona. During the legislative session, and in the time leading up to it, ASU worked closely with the Governor’s office and many in the legislature to instill an understanding of the importance of this investment in higher education as an enterprise model. Due to diligent efforts by those at ASU, ABOR, and our sister institutions, significant progress was made with the Governor’s office related to understanding and refining the detailed fiscal mechanics of investment in the performance funding model. Our work continues, but has built momentum, and a partnership to ensure ASU’s performance funding model will be understood as an important investment in higher education as the state’s FY16 priorities are taking shape.

The University was also successful on many system-wide goals; both through the passage of helpful legislation, and ensuring harmful legislation was either amended or defeated. ASU works closely with the Arizona public university system and our sister institutions on system-wide goals and concerns; however, in many instances ASU played the primary role on an issue.

TECHNOLOGY TRANSFER
With the passage and signing of SB1392: Universities; Intellectual Property, the technology transfer process for our researchers has been streamlined and improved.

ENSURING SAFETY
Multiple harmful gun bills were successfully amended to exclude universities, thereby ensuring our campuses continue to be safe and gun free.

SPARKY PLATES
The revenue stream tied to ASU’s Medallion Scholars was protected by ensuring license plate legislation would not harm our Sparky Plates.

CRITICAL RESEARCH
Protective language was drafted and successfully amended to a bill which, without the ASU amendment, would have had the effect of outlawing the sharing of information necessary to critical research and university operations.
**RETIREMENT**

Many bills related to retirement were introduced this session. We worked diligently in collaboration with the ASU Human Resources team to ensure any retirement bill that might have been harmful to ASU employees and retirees was neutralized; and showed support for those few measures that were helpful and made it through the process.

**STUDENT VETERANS**

Significant work was done related to student veteran's rights and veteran's supportive campuses. Steven Borden and ASU helped to lead discussions in several stakeholder meetings resulting in an improved outcome for student veteran success in the higher education environment in Arizona.

**GENERATING SUPPORT**

Finally the “Impact Arizona–Jobs 2020” second research infrastructure initiative was introduced to our state elected officials and many community members, and received a positive reception. A bill was introduced by the Senate appropriations chairman; however, it did not progress past this step in the legislative process. The communications work that was accomplished since the roll out of the campaign has laid the ground work with the Legislature, Governor and business community to generate support moving forward with a successful long term campaign.
The ASU Working Group was established and chaired by Representative Jeff Dial with the goal of updating the members on university and higher education issues, research activities, partnerships, and ASU’s progress. The group consisted of members from the House and Senate, and met on a biweekly basis. Top ASU faculty, administrators, and staff made presentations on a wide variety of topics.

**President Michael Crow** was invited to provide a presentation regarding ASU’s legislative priorities and our FY15 budget request. He also gave an update on the university.

**Dean Jonathan Koppel of the College of Public Programs** was asked to present on the curriculum offered through the college. He also talked about the current and perspective projects they have been working on in Arizona.

Our University Planner, **Richard Stanley**, and Dr. **Wesley Decker** from Mayo were invited to provide information about the programs and projects on which ASU and Mayo have partnered. They also discussed future goals of the partnerships and the economic benefits to the state.

In order to receive an update on the economy and the upcoming budget negotiations, ASU’s economist **Dr. Dennis Hoffman** visited the Capitol, and spoke to the working group. He discussed revenue projections and the economic health of the state.

**Coach Herb Sendek**, and Sr. Associate in Athletics **Dawn Rogers** came down to tell the group the latest news on the basketball program. The two provided an update on the new stadium, goals for athletics and answered questions regarding facilities.

For the last working group, **ASU Football Coach Todd Graham** was invited to speak. Coach touched on football, team dynamics, university athletics, and the upcoming athletic season.
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ASU presentations

Dr. Michael Crow — President, Arizona State University
President Crow provided expert testimony and a presentation to both the Senate and House of Representatives Appropriations Committees, as well as to the House Higher Education and Workforce Development Committee. At each hearing President Crow outlined the university’s achievements and innovations over the years, making crystal clear the positive impact ASU has had on Arizona and the valley.

Sethuraman “Panch” Panchanathan — Senior Vice President, Office of Knowledge Enterprise Development
At the request of the chairman of the Higher Education and Workforce Development Committee, Dr. Panchanathan provided an informative presentation on ASU’s research enterprise. Panch was able to explain the value and impact of ASU research in the real world and in the classroom.

Cody Friesen — President and Founder of Fluidic Energy

David Wade — CEO of Pollen-Tech
In order to demonstrate some of that “real world value” the leaders of two of ASU’s top spin-offs—companies that are a direct result of ASU research—came to the Capitol to make presentations at the request of the chairman of the Appropriations Committee, and the chairman of the House Higher Education and Workforce Development Committee. David and Cody are shining examples of what ASU research produces.

Research Matters Tour — ASU researchers on the Tempe Campus
In order to capitalize on the momentum and interest generated by the legislative committee presentations, ASU Research Matters Tours were established. The initial tour highlighted research at the Tempe campus, and was attended by legislators, as well as staffers from the Governor’s office, the Legislature, and JLBC. The tour provided the attendees with a deeper understanding of the value of ASU, our research and its connection to the budgeting and legislative processes at the Capitol.
Fiscal Year 2015 Budget

The Governor came together with the state Legislature and worked diligently to create the compromise budget, which was signed into law on April 11th, 2013. The $9.2 billion FY15 state budget supports higher education, with a $38.5 million increase in new funding, over the current base level funding support provided for in statute.

Higher Education Highlights of the FY 2015 Budget

ASU:
- $21.5 million in parity funding
- $2.0 million in new additional funding added into the university’s baseline appropriation.

ABOR System Wide:
- $4.5 million in additional appropriations: $2.0 million to ASU and University of Arizona (UA)
- $500,000 to Northern Arizona University (NAU).
- $27.5 million for parity to ASU and NAU
- $3.5 million for the UA cooperative extension program
- $3.0 million to ABOR for university building renewal
  A reduction of $5.6 million created by the state’s sweep of savings generated by refinancing state issued research infrastructure bonds.

Parity Funding:

Over the past five decades, funding per full-time equivalent (FTE) student has been addressed periodically to achieve parity in funding among the three Arizona universities. At the direction of the Arizona state Legislature in 2011, ABOR studied the longstanding differences in state investment amount per FTE student. Funding disparity for ASU totaled nearly $60 million. ABOR established a five-year funding plan to eliminate that disparity. The first year of the parity funding plan was appropriated in FY 2013. The FY 2015 budget appropriates $21.5 million to close out the parity issue two years ahead of time. Resolution of the longstanding funding disparity among our state universities has been achieved with the enactment of this state budget. $45.5 million in parity monies have been added to the university’s base level funding. This funding will allow ASU to continue tuition stabilization, improve instructional support and student services, increase faculty, as well as address the problems created by unfunded enrollment growth.
Performance Funding:
An innovative new funding model for the state’s universities has been developed by ABOR, at the direction of the Governor and state Legislature. The performance funding model was first unveiled in 2011; it laid out a plan that ties the distribution of future state funding directly to the performance and progress of each individual university.

Performance is measured via three metrics that are critical to the growth and diversification of the Arizona economy:

- The number of degrees awarded
- The number of student credit hours successfully completed
- The level of sponsored research and public service expenditures

ASU is now excited to move forward with a stable base for the performance funding model. This is the future of public higher education funding in the state of Arizona. We look forward to our continued work together with our Governor, state Lawmakers and our Sun Devil community of advocates to ensure the performance funding model is fully supported and funded. This strong partnership, and ultimately an investment by the state of Arizona, will allow our three state universities to move forward into a new funding environment in which each will be given the opportunity to thrive. The universities will be rewarded based upon successes, achievements and innovations. There are exciting things to come for Arizona.
ASU could not have achieved its advocacy goals during this—or any—session without the help of many people. We thank Governor Brewer, Speaker Tobin and President Biggs for their leadership and support on the budget. We are grateful to those Arizona legislators who never wavered in their dedication to a budget supportive of ASU and higher education. The strong and supportive community within and surrounding Arizona State University must also be acknowledged for everything they do. The energy, enthusiasm, and insight of such an active community of students, faculty, staff, alumni, retirees, and community members is remarkable, and we are grateful for it. Our work will continue next year as we advance an agenda that will aid ASU in its quest to pursue research and discovery that benefits the public good, and assume major responsibility for the economic, social, and cultural vitality, health and well-being of our community.

Thank you for your continued support of Arizona State University.

GO DEVILS!