



State of Arizona

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Governor Brewer's Remarks to the Arizona Board of Regents
April 30, 2009

It's such an honor and pleasure to be attending my first meeting of the Board of Regents.

I know I don't have to brief you on the condition of the budget crisis and I also know that you have been well briefed on the stimulus and the potential uses of this money.

We read with interest the FACT report and appreciate the thoughtfulness and willingness to help comprehensively address the worst budget shortfall our state has ever seen.

I recognize and appreciate that you as leaders are all struggling through your own financial crisis (as much as I am). I know you are also faced with very difficult decisions, one of which is before you today. Regents, you also will recall that despite calls for our state to reject federal stimulus funds, I decided to notify the President of the United States that Arizona should get it's fair share and will apply for and accept federal stimulus funds.

Clearly a great deal of responsibility is placed in the Governor's Office to both apply for and be accountable for the distribution of these funds.

Under the prescribed formulas, Arizona is projected to receive a little over \$1 billion in State Fiscal Stabilization Funds, 82% of which are specifically for K-12 and higher education. These federal stimulus dollars won't solve our state's budget problems,... but they will help.

Our mission today is to utilize the federal stimulus dollars effectively to mitigate your current university budget shortfall.

To that end, I bring to you today my personal commitment as your Governor to utilize and apply federal stimulus dollars over the next couple of years in a way that can best mitigate the impacts of today's

proposals to dramatically increase tuition. But with that commitment, I require your commitment to the development of a long-term plan to reform your business model.

The fact of the matter is once these federal dollars are used up, our university system will likely face another huge financial shortfall. Thus, you need to begin preparations immediately for the day that these federal dollars disappear.

As you know my five-point budget plan to build a better Arizona was created to be comprehensive, sustainable and to look long-term. Your budget plans for today must be the same and must consider tomorrow. We cannot crush or defeat the aspirations of our students. And I firmly believe, our economic future is incumbent upon your success. These incredible challenges we face today should be viewed as an opportunity to make the big changes we need for the future.

So here's what I'd like your commitment to. By this fall, I want to see a new business model that is accountable, predictable, and affordable to taxpayers, parents and students.

And I know the Regents have already spent much time talking about such issues, but we cannot delay action any longer,...now is the time to be bold and to act.

- Accountability means looking at graduation rates, retention rates, and transfer rates.
- Predictability means having the classes that you need to graduate as well as knowing how much it will cost to graduate.
- Affordability means giving students choices and financial certainty that recognize differences in the types of degrees, types of institutions, and the location of our students.

Having almost all of our undergraduates in research level universities is too expensive.

In summary, it is my strong desire to work closely with you to build a plan that will return our state to the path of prosperity. We must use these federal stimulus dollars wisely and make good use of the extra time they provide us. Make no mistake, a lack of progress on a plan to provide accountability, predictability and affordability will quickly bring us to a cliff by 2012. Together, we can avoid the cliff, correct our economic ship, and provide an excellent education to our students who represent the foundation of our future.

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