

## What is Arizona Forward?

Starting July 1, the beginning of fiscal year 2026-27, the University of Arizona is adopting Arizona Forward as its new budget model. The budget model guides how the university allocates tuition revenue and research-related funding to support financial stability and long-term planning.

The model is used to decide how tuition and research-related funding is divided among colleges. It helps connect the work happening across campus, such as teaching, enrolling students and conducting research, with how funding is distributed.

Think of it like slicing a pie. The pie is the total funding the university receives from tuition. Arizona Forward determines each college's "slice" based on teaching, enrollment and research activity.

## Why this matters

Arizona Forward is a new framework for how the university distributes net tuition revenue and facilities and administrative cost recovery revenue funding to colleges based on teaching, enrollment and research activity.

- Net tuition revenue is the actual income the university retains from tuition after deducting financial aid and other discounts.
- Facilities and administrative cost recovery revenue is the funding the university receives from research grants to cover the overhead costs of supporting research.

## Benefits of the model

- Arizona Forward creates clearer connections between university activity and funding and helps colleges plan for the future.
- The model supports student success and enrollment growth and encourages innovation and new program development.

## Guiding principles

The model was developed using the following guiding principles:

- Student-centered focus
- Transparency and simplicity
- Data-informed decision making
- Responsiveness and adaptability
- Strategic alignment
- Accountability and incentive
- Financial sustainability and predictability
- Support for academic, research and administrative excellence

## What is changing?

- Funding for academic units is more clearly connected to courses being taught, student enrollment and research activity, giving colleges greater visibility into how funding is distributed.
- The model incentivizes long-term planning, program development and enrollment growth strategies.

## What is not changing?

- The All Funds process will continue to be the primary way the university sets budgets.
- Funding for support and administrative units will continue to flow through central allocations.
- The model does not change the total amount of funding available — only how certain funding is distributed.

## How the model works

While the All Funds process remains the university's primary budgeting process, Arizona Forward provides a framework for how certain funding is distributed based on academic unit activity.

- **Undergraduate Tuition**
  - Funding is shared between the colleges that own the courses students take (85%) and the colleges where students' majors, minors and certificates are housed (15%). Minors and certificates are weighted as a percentage of a major.
  - To provide stability, funding is based on a three-year average of student credit hours and enrollment activity rather than a single year.
- **Graduate Tuition**
  - Graduate funding follows a similar approach, with funding shared between the colleges that own the courses (60%) and the colleges offering the graduate programs, including minors and certificates (40%). Minors and certificates are weighted as a percentage of a major.
  - Funding is based on the actual activity of each student rather than an average rate.
- **Research Funding**
  - Most funding is distributed to the college where the research is conducted (88%), with the remaining portion going to the Office of Research and Partnerships research development fund (12%).
  - Of the amount that goes to the college, at least 2% will go to the principal investigator.
- **Supplemental Funding**
  - There will be an assessment on colleges' revenues to fund the operations of the university's support unit activities and the supplemental funding allocated to colleges.
  - Supplemental funding is allocated through the All Funds planning process. These allocations are determined as university senior leaders review revenues, expenses and strategic priorities together.

## A collaborative process

- Arizona Forward is the result of more than a year of design, testing and analysis.
- The working group includes representatives from across the university, with over half of them being faculty and staff members from academic colleges.
- Academic leadership, finance officers, faculty governance, Staff Council members and more provided input during meetings and presentations, which helped refine the model.
- The transition is designed to avoid disruption. The first year will focus on understanding the model and incorporating it into planning.