

March 19, 2021

Dear Campus Leaders,

We are writing to share the updates to RCM for FY21, which arise from adjusting our forecast activity to reflect the year-to-date actual activity, and to incorporate the outlook to year-end based on the Spring student census data.

Highlights include:

- **Undergraduate Net Tuition Revenue**, which makes up the largest percentage of our net tuition and fee revenue, is now forecast to decline by \$43M as compared with FY20. While this continues to represent a significant challenge for us, it is a \$12M improvement from the previously forecast \$55M decline, which was based on Fall Census data.
- **Graduate Revenues and Undergraduate Metrics** have also been updated.
- **Facilities & Administrative Cost Recovery** is now forecasted to increase \$4.7M to \$99.5M in FY21, up from \$94.8M.
- **Furlough & Furlough-Based Salary Program** figures are now updated to reflect the earlier-than-expected end of employee contributions, which occurred at the close of calendar year 2020.

You can find the full revised model, along with the overall summary and supporting documents, at rcm.arizona.edu.

As shared in our recent message, we continue to leverage the lessons learned from RCM to create our new budget model, Activity-Informed Budgeting (AIB), which aims to reduce complexity and increase transparency around how we finance the mission.

In alignment with the guiding principles we developed for AIB, our community will have multilayered opportunities to remain actively engaged in the process. Faculty, staff, and students from across the University – including shared and student governance voices – will serve on the AIB Stakeholder Advisory Group and the Communications Committee. These teams will provide rapid, actionable insight on data and individual proposed components on a frequent basis. Faculty and academic professionals will have additional opportunities to provide targeted insight and ideas through the College AIB Work Groups. Our business and support colleagues will utilize similar feedback loops through their leadership. And the broader community will be able to participate through direct engagement opportunities.

We remain committed to supporting you and your teams in responding to the evolving impacts of the pandemic. Together, we will work toward our common goal: ensuring the lasting success of the University's long-term educational, research, service, and land-grant missions.

Sincerely, and with continued gratitude for all that you are doing,

Liesl Folks

Senior Vice President for Academic Affairs & Provost

Lisa Rulney

Senior Vice President for Business Affairs & CFO

This email was sent to: SPBAC, SLT, Provost and Deans Council, Cabinet, Vice Presidents, CABO/UFO/RUBO, Department Heads, and Directors.

Privacy Statement

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Land Acknowledgment

We respectfully acknowledge the University of Arizona is on the land and territories of Indigenous peoples. Today, Arizona is home to 22 federally recognized tribes, with Tucson being home to the O'odham and the Yaqui. Committed to diversity and inclusion, the University strives to build sustainable relationships with sovereign Native Nations and Indigenous communities through education offerings, partnerships, and community service.