

Northern Arizona University

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Subcommittee: Education

DESCRIPTION	FY 2002 ACTUAL	FY 2003 ESTIMATE	FY 2004	
			OSPB	JLBC
PROGRAM BUDGET				
NAU	138,749,400	140,656,200	141,463,900	140,351,700
NAU - Yuma SLI	2,283,200	2,224,200	2,239,600	2,268,200
<i>Program Subtotal - NAU</i>	141,032,600	142,880,400	143,703,500	142,619,900
6th SS Lump Sum Reduction SLI	0	(6,209,000)	(6,209,000)	(6,209,000)
AGENCY TOTAL	141,032,600	136,671,400	137,494,500	136,410,900

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	2,194.1	2,060.7	2,072.2	2,072.3
Personal Services	92,571,000	93,392,000	93,917,200	93,470,600
Employee Related Expenditures	22,789,700	25,215,800	24,896,900	24,621,400
Professional and Outside Services	3,275,500	1,520,300	1,520,300	1,520,300
Travel - In State	574,500	598,400	606,100	597,400
Travel - Out of State	647,700	45,600	45,600	42,000
Other Operating Expenditures	15,001,800	15,708,600	16,230,800	15,958,200
Library Acquisitions	2,486,100	2,259,200	2,259,200	2,259,200
Equipment	1,403,100	1,916,300	1,987,800	1,882,600
OPERATING SUBTOTAL	138,749,400	140,656,200	141,463,900	140,351,700
Special Line Items (SLI)	2,283,200	(3,984,800)	(3,969,400)	(3,940,800)
AGENCY TOTAL	141,032,600	136,671,400	137,494,500	136,410,900

FUND SOURCES

General Fund	111,974,900	110,980,300	111,998,400	109,721,200
<u>Other Appropriated Funds</u>				
Board of Nursing Fund	0	0	0	500,000
Federal Temporary Assistance for Needy Families Block Grant	230,000	0	0	0
University Collections Fund	28,827,700	25,691,100	25,496,100	26,189,700
SUBTOTAL - Other Appropriated Funds	29,057,700	25,691,100	25,496,100	26,689,700
SUBTOTAL - Appropriated Funds	141,032,600	136,671,400	137,494,500	136,410,900
<u>Other Non-Appropriated Funds</u>				
Other Non-Appropriated Funds	91,101,800	104,179,800	NA	106,820,300
Federal Funds	40,444,200	41,508,100	NA	42,769,400
TOTAL - ALL SOURCES	272,578,600	282,359,300	NA	286,000,600

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC	
	\$ Change	% Change
General Fund	(1,259,100)	(1.1%)
Other Appropriated Funds	998,600	3.9%
Total Appropriated Funds	(260,500)	(0.2%)

AGENCY DESCRIPTION — Established in 1899, Northern Arizona University (NAU) is one of 3 state universities governed by the Arizona Board of Regents. The university offers more than 150 degree programs to approximately 17,500 students in 10 colleges and schools and provides academic programs at many instructional sites throughout the state and at the Yuma educational center that operates in conjunction with Arizona Western College.

PERFORMANCE MEASURES	FY 2002 Appropriation	FY 2002 Actual	FY 2003 Appropriation	FY 2004 Recommend.
• % of graduating seniors who rate their overall university experience as “good”/“excellent”	97	96	97	95
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with ranked faculty	95	93	95	90
• Number of degrees granted:	4,900	4,912	4,900	--
Bachelor’s	3,000	2,873	3,000	--
Master’s	1,840	1,924	1,840	--
First Professional	35	77	40	--
Doctorate	60	38	60	--
• Average number of years taken to graduate for student who began as freshmen	5	4.7	5	4.7
• Degrees granted to statewide students	660	1,519	675	1,529
• % of agency staff turnover	21.2	15.8	21.2	16
• Administration as a % of total cost	1.9	2.1	1.8	1.9

RECOMMENDED CHANGES FROM FY 2003

Standard Changes	GF	FY 2004
	OF	\$72,300
		4,100

Enrollment Growth **GF** **828,600**
The JLBC recommends a General Fund increase for student enrollment growth. This amount includes 11.6 FTE Positions. The recommendation reflects 91% of the enrollment formula funding.

Student enrollment is based on a comparison of 3-year rolling weighted averages from year to year. The recommended amount reflects a FY 2004 student enrollment of 17,221, or a 170 student increase of 1% from FY 2003. The funding formula of 22:1:0.5 increases or decreases funding for 1 faculty and 0.5 support FTE Positions for every 22 student increase or decrease.

By comparison, actual enrollment went from 17,057 in fall 2001 to 17,189 in fall 2002 for an increase of 132 or 0.8%.

Fund Adjustments for Increased Collections	GF	(494,500)
	OF	494,500

The JLBC recommends a General Fund decrease of \$(494,500) and a corresponding University Collections Fund increase of \$494,500 as a result of higher tuition and fee collections. Increases in collections are available to offset the General Fund and maintain the base operating budget.

Eliminate State Aid for Undergraduates with over 140 credit hours **GF** **(718,300)**

The JLBC recommends a General Fund decrease to eliminate state funding for undergraduate students with over 140 credit hours. Most undergraduate degree programs require 120 credit hours (select majors and dual

degrees require additional credit hours). The reduction in funding is equivalent to 166 FTE students.

General Fund Offset for Board of Nursing Funds to the College of Nursing	GF	(250,000)
	OF	500,000

The JLBC recommends a Board of Nursing Fund increase of \$500,000 and a General Fund decrease of \$(250,000) for a net increase of \$250,000 to the College of Nursing for temporary enhancements to help address nursing shortage issues such as recruitment, scholarships, grants, or equipment. The same increase is recommended for ASU and UofA. The Board of Nursing Fund balance, which is currently \$3.4 million and is expected to rise to \$5 million by FY 2005, could fund this option for approximately 2 years.

Fund Optional Retirement at ASRS Rate	GF	(697,200)
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The JLBC recommends a General Fund decrease to fund the optional retirement program at the Arizona State Retirement System (ASRS) rate of 5.7%. Pursuant to A.R.S. § 15-1628, the Arizona Board of Regents is authorized to establish an optional retirement program for eligible employees, in which each of the employer and employee contributions are 7% of the participant’s compensation. A.R.S. § 15-1628 also stipulates that appropriations for optional retirement shall not exceed the ASRS rate. In previous fiscal years, the agency’s appropriations have included a 7% contribution for the optional retirement program.

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JLBC RECOMMENDED FORMAT — Detailed Line Item by Agency. *(In the FY 2003 budget, the agency had an Operating Lump Sum with Special Line Items by Agency format.)*

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

The appropriated monies are not to be used for scholarships.

Any unencumbered balances remaining in the collections account on June 30, 2003 and all collections received by the university during the fiscal year, when paid into the State Treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the Permanent Land Funds are appropriated in compliance with the Enabling Act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the State Treasury, together with any unencumbered balance in the

summer session account, are hereby appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above. Within 10 days of the acceptance of the universities' semiannual all funds budget reports, the Arizona Board of Regents shall inform the Joint Legislative Budget Committee of any tuition revenue amounts that are different from the amounts appropriated by the Legislature and shall submit an expenditure plan for any tuition revenue amounts that are greater than the appropriated amounts to the Joint Legislative Budget Committee for its review.

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Auxiliary (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Sales and services from substantially self-supporting activities.		
Purpose of Fund: To account for transactions of substantially self-supporting, non-educational activities that primarily provide services for students, faculty, staff, and the public. Auxiliary enterprises include student housing, bookstores, student unions, intercollegiate athletics, internal service operations, and others.		
Funds Expended	38,706,600	42,408,000
Year-End Fund Balance	9,404,300	7,282,500
Designated (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Tuition and fees retained by the university, summer session fees, administrative costs of student aid, and unrestricted gifts and grants.		
Purpose of Fund: To account for transactions related to academic year tuition and fees retained by the university, the summer sessions programs, the recovery of administrative costs of student aid, and the use of unrestricted gifts. The resources in this fund have been designated for specific purposes by the university. Indirect Cost Recovery, which is part of Designated Funds, is presented separately.		
Funds Expended	35,172,800	43,510,000
Year-End Fund Balance	11,646,900	9,917,600
Endowment and Life Income (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Gifts, investment income, and financial aid trust fees assessed to students.		
Purpose of Fund: For the following purposes: Permanent Endowment Funds are subject to the restrictions of donor gifts requiring that the principal be invested in perpetuity and that only the income be used. Term Endowments provide that, upon the passage of a stated period of time, all or part of the principal may be expended. Quasi-endowments have been established by the university for the same purposes as Endowment Funds.		
Funds Expended	0	0
Year-End Fund Balance	9,182,300	9,182,300
Federal Grants (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Federal grants.		
Purpose of Fund: To account for current operating funds restricted in use by the federal government.		
Funds Expended	39,111,700	40,081,700
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Federal Indirect Cost Recovery (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Indirect costs recovered from federal sponsored research programs.		
Purpose of Fund: To account for transactions designated for various activities that assist or promote sponsored research.		
Funds Expended	1,332,500	1,426,400
Year-End Fund Balance	2,687,300	2,977,800
Federal Temporary Assistance for Needy Families Block Grant (No Fund Number/A.R.S. § 15-1601)		Appropriated
Source of Revenue: Federal grant monies appropriated by Laws 2000, Chapter 228. No additional funds were appropriated in FY 2003.		
Purpose of Fund: To fund character training education.		
Funds Expended	230,000	0
Year-End Fund Balance	0	0
Indirect Cost Recovery - Non Federal (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Indirect costs recovered from non-federal sponsored research programs and grants.		
Purpose of Fund: To account for transactions related to the summer session programs, the recovery of indirect costs of sponsored research programs, the recovery of administrative programs, the recovery of administrative costs of student aid, and the use of unrestricted gifts and grants.		
Funds Expended	267,600	331,000
Year-End Fund Balance	453,200	453,200
Loan (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Interest earned on student loans for programs funded by the federal government.		
Purpose of Fund: To account for loans made to assist students in financing of their education.		
Funds Expended	327,400	275,000
Year-End Fund Balance	6,789,000	6,814,000
Restricted (Excluding Federal Funds) (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Grants from private donors and non-federal agencies.		
Purpose of Fund: To account for current funds expendable for operating purposes, but restricted by donors or non-federal agencies as to the specific purposes for which they may be expended.		
Funds Expended	16,627,400	17,655,800
Year-End Fund Balance	7,614,900	8,697,100
University Collections (NAA1421/A.R.S. § 15-1626)		Appropriated
Source of Revenue: Tuition, registration fees, and other revenues.		
Purpose of Fund: To provide operating funding.		
Funds Expended	27,756,600	24,708,700
Year-End Fund Balance	0	0

[Click here to return to the Table of Contents](#)