

Northern Arizona University

JLBC: Lorenzo Martinez

OSPB: Keith Fallstrom

DESCRIPTION	FY 2003	FY 2004	FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	2,101.9	2,060.7		2,060.7
Personal Services	89,425,100	93,761,700		93,761,700
Employee Related Expenditures	23,858,100	30,974,300		30,974,300
Professional and Outside Services	2,409,800	1,646,000		1,646,000
Travel - In State	559,400	594,800		594,800
Travel - Out of State	467,300	35,300		35,300
Other Operating Expenditures	14,841,600	12,371,700		12,371,700
Library Acquisitions	1,953,300	1,679,400		1,679,400
Equipment	775,600	1,753,600		1,753,600
OPERATING SUBTOTAL	134,290,200	142,816,800		142,816,800
SPECIAL LINE ITEMS				
NAU - Yuma	2,249,100	2,308,200		2,308,200
AGENCY TOTAL	136,539,300	145,125,000		145,125,000
FUND SOURCES				
General Fund	110,980,300	110,980,300		110,980,300
<u>Other Appropriated Funds</u>				
University Collections Fund	25,559,000	34,144,700		34,144,700
SUBTOTAL - Other Appropriated Funds	25,559,000	34,144,700		34,144,700
SUBTOTAL - Appropriated Funds	136,539,300	145,125,000		145,125,000
Other Non-Appropriated Funds	102,486,500	109,033,500		110,862,300
Federal Funds	41,518,200	42,078,400		42,643,300
TOTAL - ALL SOURCES	280,544,000	296,236,900		298,630,600

CHANGE IN FUNDING SUMMARY

FY 2004 to FY 2005 JLBC

	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	0	0.0%
Non Appropriated Funds	2,393,700	1.6%
Total - All Sources	2,393,700	0.8%

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 137 degree programs to approximately 16,400 students in 9 colleges, schools and 1 center, and provides academic programs at many instructional sites throughout the state and at the Yuma Campus that operates in conjunction with Arizona Western College.

PERFORMANCE MEASURES	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Recommend.
• % of graduating seniors who rate their overall university experience as “good”/“excellent”	97	97	95	97
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with ranked faculty	95	93	90	93
• Average number of years taken to graduate for student who began as freshman	5	4.7	4.7	4.5
• Degrees granted to statewide students	675	1,631	1,529	1,700
• % of agency staff turnover	21.2	15.2	16	15.0
• Administration as a % of total cost	1.8	2.2	1.9	1.9

RECOMMENDED CHANGES FROM FY 2004

JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Agency.

Operating Budget

The JLBC recommends \$142,816,800 for the operating budget in FY 2005. This amount includes \$108,672,100 from the General Fund and \$34,144,700 from the University Collections Fund. These amounts are unchanged from FY 2004.

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JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

The appropriated monies are not to be used for scholarships.

Enrollment Growth **GF** **\$ 0**

The JLBC recommendation does not provide formula adjustments for changes in student enrollment in FY 2005. The student enrollment funding formula is based on a comparison of 3-year rolling weighted averages from year to year. The funding formula of 22:1:0.5 increases or decreases funding for 1 faculty and 0.5 support FTE Positions for every 22 full-time equivalent (FTE) student increase or decrease. The incremental FTE student decrease from FY 2004 to FY 2005 is (632), which represents a (3.7)% decline.

Any unencumbered balances remaining in the collections account on June 30, 2004 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. THE EXPENDITURE PLAN SHALL ALSO INCLUDE AS AN INFORMATIONAL ITEM, ANY ADDITIONAL LOCAL RETENTION AMOUNTS ABOVE THE AMOUNTS ESTIMATED IN THE ORIGINAL FY 2005 BUDGET REQUEST. (New language recommended to provide a more complete picture of changes in total tuition revenue collections.)

Based on the formula, \$(3,477,300) and (43.1) FTE Positions would have been reduced for the incremental student enrollment change from FY 2004 to FY 2005. NAU estimates loss in tuition collections as a result of decreased enrollment to be \$(3,584,100). This reduction would normally have been offset by a General Fund increase so as to prevent any net impact to the budget.

Special Line Items

NAU - Yuma

The JLBC recommends \$2,308,200 from the General Fund for the NAU - Yuma campus in FY 2005. This amount is unchanged from FY 2004. NAU operates a campus in Yuma in conjunction with Arizona Western College. The line item includes 31 FTE Positions.

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 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	40,654,000	41,244,300
Year-End Fund Balance	10,243,200	11,049,500
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	44,024,900	49,845,200
Year-End Fund Balance	11,834,300	11,007,800
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	9,932,800	10,362,800
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	40,423,700	40,970,500
Year-End Fund Balance	0	0
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	1,094,500	1,107,900
Year-End Fund Balance	2,884,900	3,083,300
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	492,100	500,600
Year-End Fund Balance	267,400	145,900
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	285,000	275,000
Year-End Fund Balance	6,933,000	6,958,000

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
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	17,030,500	17,168,400
Year-End Fund Balance	10,185,600	13,098,000
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	25,559,000	34,144,700
Year-End Fund Balance	0	0

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