

# Arizona State University - East Campus

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	315.0	342.0	366.1
Personal Services	13,740,900	16,370,500	17,709,300
Employee Related Expenditures	3,093,900	3,906,500	4,284,300
Professional and Outside Services	(55,300)	215,500	215,500
Travel - In State	24,000	20,200	25,000
Travel - Out of State	167,600	13,100	29,200
Other Operating Expenditures	2,569,100	1,981,200	1,982,600
Library Acquisitions	234,200	158,000	158,000
Equipment	1,103,400	728,000	853,500
<b>OPERATING SUBTOTAL</b>	<b>20,877,800</b>	<b>23,393,000</b>	<b>25,257,400</b>
<b>SPECIAL LINE ITEMS</b>			
Lease-Purchase Payment	1,870,000	2,000,000	2,000,000
<b>AGENCY TOTAL</b>	<b>22,747,800</b>	<b>25,393,000</b>	<b>27,257,400</b>
<b>FUND SOURCES</b>			
General Fund	12,460,000	13,040,200	13,952,300
<u>Other Appropriated Funds</u>			
Technology and Research Initiative Fund	1,870,000	2,000,000	2,000,000
University Collections Fund	8,417,800	10,352,800	11,305,100
SUBTOTAL - Other Appropriated Funds	10,287,800	12,352,800	13,305,100
<b>SUBTOTAL - Appropriated Funds</b>	<b>22,747,800</b>	<b>25,393,000</b>	<b>27,257,400</b>
Other Non-Appropriated Funds	4,487,900	4,746,700	5,024,200
Federal Funds	2,795,400	3,074,900	3,382,300
<b>TOTAL - ALL SOURCES</b>	<b>30,031,100</b>	<b>33,214,600</b>	<b>35,663,900</b>

## CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	912,100	7.0%
Other Appropriated Funds	952,300	7.7%
Total Appropriated Funds	1,864,400	7.3%
Non Appropriated Funds	584,900	7.5%
Total - All Sources	2,449,300	7.4%

**AGENCY DESCRIPTION** — Established as a separate budget unit in 1994, Arizona State University - East Campus (ASU-East) currently offers baccalaureate, masters, and non-degree programs in 18 professional and technical fields to approximately 2,700 students. It is located at the 600-acre site of the former Williams Air Force Base in southeast Mesa.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Estimate	JLBC
• % of graduating seniors who rate their overall university experience as “good”/“excellent”	93	95	94	96
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with ranked faculty	71	64	71	66
• Average number of years taken to graduate for students who began as freshmen	5.2	5.4	5.1	5.2
• % of agency staff turnover	10.1	10.1	10	--
• Administration as a % of total cost	5.2	4.1	3.9	--

**Comments:** The percentage of graduating seniors rating their overall university experience as “excellent” was 33% in FY 2003 and 33% in FY 2004. The percentage of undergraduate students taught by ranked faculty declined between FY 2003 and FY 2004. To reduce freshmen’s average number of years to graduation, ASU is limiting entry-level English and mathematics classes to under 20 students and expanding its academic advising services.

**RECOMMENDED CHANGES FROM FY 2005**

Academic Level	Credit Hours / FTE
Lower-Division Undergraduate	15
Upper-Division Undergraduate	12
Graduate and Professional	10
Nursing and Engineering - All Levels	10

**Operating Budget**

The JLBC recommends \$25,257,400 for the operating budget in FY 2006. This amount consists of \$13,952,300 from the General Fund and \$11,305,100 from the University Collections Fund. These amounts would fund the following adjustments:

		<b>FY 2006</b>
<b>Enrollment Growth</b>	<b>GF</b>	<b>\$912,100</b>
	<b>OF</b>	<b>952,300</b>

The JLBC recommends an increase of \$1,864,400 and 24.1 FTE Positions in FY 2006 for enrollment growth. This amount consists of \$912,100 from the General Fund and \$952,300 from the University Collections Fund. These amounts are based on the current enrollment funding formula.

The universities calculate student enrollment, in units of full-time equivalent (FTE) students, by weighing credit hours according to different academic levels. The current enrollment formula applies to all state universities and calculates FTE students based on 3 levels. This formula is summarized below:

Academic Level	Credit Hours/FTE
Lower-Division Undergraduate	15
Upper-Division Undergraduate	12
Graduate and Professional	10

However, the Arizona Board of Regents (ABOR) has approved formula changes for each university to account for new and distinct missions and to provide additional support for high-cost specialty programs. ASU is requesting a revised formula for determining enrollment, as summarized below:

ABOR has stated that the new formula would be used to seek funding only for future enrollment changes and would not be used to request additional money for current enrollment levels. Therefore, ASU has recalculated its FY 2005 total enrollment base according to the new formula, has assumed that base to be fully funded, and is seeking additional appropriations only for the increase in projected FY 2006 total enrollment.

Both funding formulas use student enrollment projections for the next academic year based on a weighted rolling average of the current and past 2 academic years, with the past academic year receiving double the weight of each of the other 2 years. The JLBC determines funding changes to add or subtract 1 faculty and 0.5 support FTE Positions, and their associated costs, for every 22-FTE-student change. Since enrollment growth also contributes to an increase in university tuition and fee collections, the JLBC divides these funding changes between the General Fund and the University Collections Fund.

The chart below summarizes enrollment growth and funding as calculated by the current and new methods:

	<u>Current</u>	<u>New</u>
Funded Formula FY 05 Enrollment	2,239	2,382
Projected Formula FY 06 Enrollment	2,593	2,745
Student FTE Enrollment Growth	354	363
Percentage Enrollment Growth	15.8	15.2
New Faculty FTE Positions	16.1	16.5
Total New FTE Positions	24.1	24.8
GF Increase (in thousands)	\$912.1	\$935.3
OF Increase (in thousands)	952.3	976.5

**Special Line Items**

**Lease-Purchase Payment**

The JLBC recommends \$2,000,000 from the Technology and Research Initiative Fund (TRIF) for Lease-Purchase Payment requirements in FY 2006. This amount is unchanged from FY 2005.

Laws 2000, 5<sup>th</sup> Special Session, Chapter 1 appropriated \$1.4 million from TRIF to make the initial lease-purchase payment in FY 2002 on \$27.5 million in infrastructure development at ASU-East. This session law also included the legislative intention to appropriate future lease-purchase payments from TRIF. The payment schedule runs through FY 2021.

To date, ASU-East has renovated or newly constructed 6 buildings. Roadway, pedestrian, and landscape improvements, as well as lighting and emergency telephone installations, are ongoing. ASU-East intends to complete all capital improvement projects associated with this lease-purchase by June 2005.

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

**JLBC RECOMMENDED FOOTNOTES**

*Standard Footnotes*

The state General Fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

Any unencumbered balances remaining in the collections account on June 30, 2005 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 2006 budget request.

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>Auxiliary</b> (No Fund Number/A.R.S. § 15-1601)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Sales revenues of substantially self-supporting university services.		
<b>Purpose of Fund:</b> To provide university-related non-academic services for students, faculty, staff, and the public. Auxiliary enterprises include student housing, bookstores, student unions, intercollegiate athletics, and internal operations.		
<b>Funds Expended</b>	266,800	277,400
<b>Year-End Fund Balance</b>	65,200	27,700
<b>Designated</b> (No Fund Number/A.R.S. § 15-1601)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Retained tuition and fees, summer session fees, student aid administrative allowances, and unrestricted gifts and grants.		
<b>Purpose of Fund:</b> To provide and administer student financial aid, to pay debt service on university bonds, and to run summer and winter session programs. The university designates monies in the fund into sub-accounts for specific purposes. Indirect Cost Recovery, a Designated sub-account, is presented separately.		
<b>Funds Expended</b>	2,895,700	3,011,400
<b>Year-End Fund Balance</b>	2,447,200	2,909,900

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>Endowment and Life Income</b> (No Fund Number/A.R.S. § 15-1601)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Interest income on invested endowment and life income gifts, as well as a portion of financial aid trust fees assessed to students.		
<b>Purpose of Fund:</b> To support endowment operations and compensate designated beneficiaries.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	350,300	452,100
<b>Federal Grants</b> (No Fund Number/A.R.S. § 15-1601)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal grants and contracts.		
<b>Purpose of Fund:</b> To support specific operating and research purposes as identified by the federal government.		
<b>Funds Expended</b>	2,736,800	3,010,500
<b>Year-End Fund Balance</b>	0	0
<b>Federal Indirect Cost Recovery</b> (No Fund Number/A.R.S. § 15-1601)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federally sponsored research programs.		
<b>Purpose of Fund:</b> To assist and promote federally sponsored research.		
<b>Funds Expended</b>	58,600	64,400
<b>Year-End Fund Balance</b>	0	0
<b>Indirect Cost Recovery - Non-Federal</b> (No Fund Number/A.R.S. § 15-1601)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Non-federally sponsored research programs.		
<b>Purpose of Fund:</b> To assist and promote non-federally sponsored research.		
<b>Funds Expended</b>	40,100	44,100
<b>Year-End Fund Balance</b>	96,600	156,300
<b>Restricted (Excluding Federal Funds)</b> (No Fund Number/A.R.S. § 15-1601)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Private and non-federal grants, as well as a portion of financial aid trust fees assessed to students.		
<b>Purpose of Fund:</b> To support specific operating and research purposes as identified by the private or non-federal donating entities.		
<b>Funds Expended</b>	1,285,300	1,413,800
<b>Year-End Fund Balance</b>	299,200	501,100
<b>Technology and Research Initiative</b> (No Fund Number/A.R.S. § 15-1648)		<b>Appropriated</b>
<b>Source of Revenue:</b> Automatic appropriations of a portion of sales tax, as authorized by voters through Proposition 301 in the November 2000 General Election and as governed by statute.		
<b>Purpose of Fund:</b> To make lease-purchase payments on certificates of participation used for technology and research capital projects.		
<b>Funds Expended</b>	1,870,000	2,000,000
<b>Year-End Fund Balance</b>	0	0
<b>University Collections</b> (ASA1411/A.R.S. § 15-1626)		<b>Appropriated</b>
<b>Source of Revenue:</b> Tuition and registration fees.		
<b>Purpose of Fund:</b> To operate the university.		
<b>Funds Expended</b>	8,417,800	10,352,800
<b>Year-End Fund Balance</b>	0	0

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