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	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	757.0	793.0 ^{1/}	810.0
Personal Services	32,354,600	38,529,600	41,131,800
Employee Related Expenditures	7,592,900	9,274,900	10,428,900
Professional and Outside Services	1,101,100	989,100	989,100
Travel - In State	49,300	105,200	108,600
Travel - Out of State	298,300	17,200	28,500
Other Operating Expenditures	9,877,100	9,767,300	10,706,000
Library Acquisitions	1,219,200	1,254,600	1,254,600
Equipment	3,596,700	3,353,700	3,442,100
OPERATING SUBTOTAL	56,089,200	63,291,600	68,089,600
SPECIAL LINE ITEMS			
Lease-Purchase Payment	1,600,000	1,600,000	1,600,000
AGENCY TOTAL	57,689,200	64,891,600	69,689,600^{2/3/4/}
FUND SOURCES			
General Fund	40,323,100	44,844,300	48,752,000 ^{5/}
<u>Other Appropriated Funds</u>			
Technology and Research Initiative Fund	1,600,000	1,600,000	1,600,000
University Collections Fund	15,766,100	18,447,300	19,337,600 ^{6/}
SUBTOTAL - Other Appropriated Funds	17,366,100	20,047,300	20,937,600
SUBTOTAL - Appropriated Funds	57,689,200	64,891,600	69,689,600
Other Non-Appropriated Funds	10,328,800	11,646,800	12,173,000
Federal Funds	2,047,000	2,251,600	2,476,800
TOTAL - ALL SOURCES	70,065,000	78,790,000	84,339,400

AGENCY DESCRIPTION — Established as a separate budget unit in 1984, Arizona State University - West Campus (ASU-West) currently offers over 40 baccalaureate and selective master's and certificate programs in the professional and liberal arts to nearly 8,000 full- and part-time students. ASU-West is located at a 300-acre site in northwest Phoenix.

^{1/} The amounts include 113.5 FTE Positions and their associated funding above the appropriated FY 2006 amounts. A footnote in the FY 2006 General Appropriation Act appropriates any tuition collections receipts above the original amount to the university. (See footnote #6)

^{2/} The appropriated monies are not to be used for scholarships. (General Appropriation Act footnote)

^{3/} The appropriated monies are not to be used to support any student newspaper. (General Appropriation Act footnote)

^{4/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

^{5/} The state General Fund appropriations shall not be used for alumni association funding. (General Appropriation Act footnote)

^{6/} Any unencumbered balances remaining in the collections account on June 30, 2006 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. (General Appropriation Act footnote)

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	Approved
<ul style="list-style-type: none"> % of graduating seniors who rate their overall university experience as “good”/“excellent” <p>Comments: The percentage of graduating seniors rating their overall university experience as “excellent” was 36% in FY 2005. In prior years, ASU-West did not discern its overall university experience rating by the individual percentages of graduating seniors who chose “excellent” versus “good”. By gathering the impressions of only graduating seniors, this measure overlooks the potentially negative opinions of students who chose to transfer or who otherwise left the university.</p>	97	98	96	98
<ul style="list-style-type: none"> % of full-time undergraduate students enrolled per semester in 3 or more primary courses with ranked faculty <p>Comments: Ranked faculty includes all instructors with the exception of unpaid volunteers and graduate students. Therefore, this measure does not address undergraduate student contact with professors.</p>	72	72	67	72
<ul style="list-style-type: none"> % of full-time undergraduate students enrolled per semester in 3 or more primary courses with professors of any rank <p>Comments: The budget provides a new performance measure to specifically ascertain undergraduate student contact with professors. Professors of some rank taught 46% of all undergraduate primary class sections at ASU in FY 2005, compared to 47% nationally in FY 2004.</p>	--	--	--	60
<ul style="list-style-type: none"> Average number of years taken to graduate for students who began as freshmen <p>Comments: The budget provides a new performance measure for freshman tenure at ASU-West. Other ASU campuses already possess this measure. ASU-West did not serve lower-division undergraduates until FY 2002. Therefore, by FY 2007, sufficient trending data will be available to implement this measure.</p>	--	--	--	4.5

Operating Budget

The budget provides \$68,089,600 for the operating budget in FY 2007. This amount consists of:

	<u>FY 2007</u>
General Fund	\$48,752,000
University Collections Fund	19,337,600

These amounts include an increase of \$2,519,800 from the General Fund for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

The budget also includes the following adjustments:

Enrollment Growth

The budget provides an increase of \$2,343,600 and 17.9 FTE Positions in FY 2007 for enrollment growth. These amounts consist of:

General Fund	1,453,300
University Collections Fund	890,300

These amounts finance projected growth in student enrollment, as calculated by the part-statutory, part-conventional student enrollment funding formula. Projected formula enrollment is growing by 205 full-time

equivalent (FTE) students, to 6,299 FTE students in FY 2007.

A.R.S. § 15-1661 codifies, for all state universities, the first calculation of the enrollment funding formula. This first step derives student enrollment, in units of FTE students, by weighing total earned credit hours according to 3 different academic levels. These weights are summarized below:

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

The second calculation of the enrollment funding formula, which does not appear in statute, projects student enrollment for the next academic year based on a weighted rolling average of the next, current, and prior academic years, with the current academic year receiving double the weight of each of the other 2 years.

The third calculation, which also does not appear in statute, historically has added or subtracted 1 faculty and 0.5 support FTE Positions, and their associated General Fund costs, for every 22-FTE-student change. In FY 2007 however, the budget provides approximate increases of 1 faculty and 0.75 support FTE Positions, and their associated General Fund costs, for every 22-FTE-student change.

Since enrollment growth also contributes to an increase in university tuition and fee collections, the University Collections Fund amount reflects these additional revenues.

Over 155 Credit Hour Reduction

The budget provides a decrease of \$(65,400) and (0.9) FTE Positions from the General Fund in FY 2007 to eliminate funding for ASU-West students with over 155 credit hours.

A.R.S. § 15-1661, as amended by the Higher Education Budget Reconciliation Bill (Laws 2006, Chapter 352), prohibits funding state university students who have earned credit hours in excess of a credit hour threshold, with certain exceptions. Meanwhile A.R.S. § 15-1626 allows the Arizona Board of Regents to raise tuition rates for those students.

In FY 2007, the credit hour threshold is 155 credit hours. This threshold declines to 150 hours in FY 2008 and 145 hours thereafter. Within the new guidelines of Chapter 352, ASU reports 12 FTE students over the credit hour threshold at the West Campus.

Special Line Items

Lease-Purchase Payment

The budget provides \$1,600,000 from the Technology and Research Initiative Fund (TRIF) for lease-purchase payment requirements in FY 2007. This amount is unchanged from FY 2006.

Laws 2000, 5th Special Session, Chapter 1 appropriated \$1.1 million from TRIF to make the initial lease-purchase payment in FY 2002 on \$21.6 million in infrastructure development at ASU-West. This session law also included the legislative intention to appropriate future lease-purchase payments from TRIF. The payment schedule runs through FY 2021.

This lease-purchase agreement funded the construction of a new Classroom Laboratory/Computer Classroom Building and a central plant expansion. ASU-West completed both projects in spring 2004.

The TRIF revenue source is an automatic appropriation of a portion of a 0.6% sales tax increase, authorized by voters through Proposition 301 in the November 2000 General Election. ABOR administers the fund.

Additional Legislation

Higher Education Budget Reconciliation Bill

The Higher Education Budget Reconciliation Bill (Laws 2006, Chapter 352) includes several provisions affecting the state universities. For further explanation of this act, please see *Additional Legislation* in the *Arizona Board of Regents* section.