

# Northern Arizona University

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DESCRIPTION	FY 2005 ACTUAL	FY 2006 ESTIMATE	FY 2007 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	2,063.0	2,083.8	2,074.9
Personal Services	94,283,800	103,734,300	103,230,500
Employee Related Expenditures	28,857,000	35,440,600	35,280,400
Professional and Outside Services	2,249,200	1,971,300	1,971,300
Travel - In State	540,700	581,200	579,400
Travel - Out of State	708,500	32,300	26,300
Other Operating Expenditures	20,445,000	14,431,400	14,405,800
Library Acquisitions	2,016,300	1,679,400	1,679,400
Equipment	1,557,400	1,744,300	1,697,900
<b>OPERATING SUBTOTAL</b>	<b>150,657,900</b>	<b>159,614,800</b>	<b>158,871,000</b>
<b>SPECIAL LINE ITEMS</b>			
NAU - Yuma	2,159,700	2,266,000	2,266,000
<b>AGENCY TOTAL</b>	<b>152,817,600</b>	<b>161,880,800</b>	<b>161,137,000</b>
<b>FUND SOURCES</b>			
General Fund	114,964,200	122,336,800	121,593,000
<u>Other Appropriated Funds</u>			
University Collections Fund	37,853,400	39,544,000	39,544,000
SUBTOTAL - Other Appropriated Funds	37,853,400	39,544,000	39,544,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>152,817,600</b>	<b>161,880,800</b>	<b>161,137,000</b>
Other Non-Appropriated Funds	94,545,400	118,116,000	118,421,800
Federal Funds	46,734,900	47,669,400	48,384,600
<b>TOTAL - ALL SOURCES</b>	<b>294,097,900</b>	<b>327,666,200</b>	<b>327,943,400</b>

## CHANGE IN FUNDING SUMMARY

	FY 2006 to FY 2007 JLBC	
	\$ Change	% Change
General Fund	(743,800)	(0.6%)
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	(743,800)	(0.5%)
Non Appropriated Funds	1,021,000	0.6%
Total - All Sources	277,200	0.1%

**AGENCY DESCRIPTION** — Established in 1899, Northern Arizona University (NAU) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). NAU offers 163 degree-programs to approximately 20,000 students in 9 colleges and schools and 1 center at its campus in Flagstaff. The university's primary focus is undergraduate residential education. The university is also responsible for providing the large majority of statewide public distance learning programs, both over the Internet and through 29 instructional sites, including a Yuma Campus that operates in conjunction with Arizona Western College.



155 credit hours. This threshold declines to 150 hours in FY 2008 and 145 hours thereafter.

For the purposes of this reduction, JLBC Staff counts all credits, including transferred credits, earned by undergraduate and post-baccalaureate students. Although NAU estimates no enrollment growth in FY 2007, the university reports 131 FTE students over the credit hour threshold in FY 2006. The JLBC uses only the FY 2006 student count, rather than a 3-year weighted rolling average, to calculate this reduction.

**Alumni Association OF 0**  
The JLBC recommends amending A.R.S. § 15-1626 to prevent the use of tuition collections for alumni association funding.

Beginning with the FY 2005 General Appropriation Act, a footnote has prohibited the use of General Fund appropriations for alumni offices. In FY 2006, NAU estimates a total alumni association budget of \$580,200 and 7.2 FTE Positions. These amounts consist of \$577,000 and 7.2 FTE Positions from locally-retained (non-appropriated) tuition and \$3,200 from other non-appropriated sources.

A.R.S. § 15-1626 authorizes ABOR to allocate tuition collections between the appropriated operating budgets, under legislative control, and non-appropriated funds, locally retained by the universities. However, during the October 2005 JLBC meeting, the Committee expressed interest in preventing the use of any tuition collections for alumni association funding.

**Special Line Items**

**NAU - Yuma**

The budget provides \$2,266,000 and 29.4 FTE Positions from the General Fund for NAU-Yuma in FY 2007. This amount is unchanged from FY 2006. NAU operates a campus in Yuma in conjunction with Arizona Western College.

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

**JLBC RECOMMENDED FOOTNOTES**

*Standard Footnotes*

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

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

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.

**JLBC RECOMMENDED STATUTORY CHANGES**

**Local Retention Review**

The JLBC recommends amending A.R.S. § 15-1626 to require an annual submission from every university with detailed line-item information for each program supported by the local retention of tuition and fee revenues. The report, due October 1, would include budgets, by fund, for the past, current, and upcoming fiscal years. The JLBC also recommends amending A.R.S. § 15-1626 to subject the universities' locally-retained tuition expenditure plan for the upcoming fiscal year to Committee review.

**Alumni Association Funding**

The JLBC recommends amending A.R.S. § 15-1626 to prevent the use of any tuition collections for alumni association funding.

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
<b>Auxiliary Fund</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, and intercollegiate athletics.		
<b>Funds Expended</b>	43,066,300	48,019,200
<b>Year-End Fund Balance</b>	13,651,100	14,300,200

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
<b>Designated Fund (No Fund Number/A.R.S. § 15-1601)</b>		<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>	31,067,400	49,368,300
<b>Year-End Fund Balance</b>	34,959,700	33,348,200
<b>Endowment and Life Income Fund (No Fund Number/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Interest income on invested endowment and life income gifts, a portion of financial aid trust fees assessed to students, and a portion of university trust land earnings.		
<b>Purpose of Fund:</b> To accumulate earnings to a level that will support a financial aid program.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	12,465,700	13,315,700
<b>Federal Grant Fund (No Fund Number/A.R.S. § 15-1666)</b>		<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>	45,816,900	46,733,100
<b>Year-End Fund Balance</b>	0	0
<b>Federal Indirect Cost Recovery Fund (No Fund Number/A.R.S. § 15-1601)</b>		<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>	918,000	936,300
<b>Year-End Fund Balance</b>	2,955,500	2,842,400
<b>Indirect Cost Recovery Fund (Non-Federal) (No Fund Number/A.R.S. § 15-1601)</b>		<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>	393,600	401,500
<b>Year-End Fund Balance</b>	268,700	220,400
<b>Loan Fund (No Fund Number/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Interest on federal student loans and reimbursements from federal loan forgiveness programs.		
<b>Purpose of Fund:</b> To provide roughly one-third the amount of federal student loans. The federal government provides the other two-thirds. The amounts displayed do not include an administrative allowance, which is reflected in the Designated Fund.		
<b>Funds Expended</b>	432,800	350,000
<b>Year-End Fund Balance</b>	6,968,800	6,983,800
<b>Restricted Fund (Excluding Federal Funds) (No Fund Number/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Private and non-federal grants, including non-appropriated Technology and Research Initiative Fund grants ( <i>please see the Arizona Board of Regents Summary of Funds,</i> ) 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>	19,585,300	19,977,000
<b>Year-End Fund Balance</b>	14,679,400	19,769,400

<b>SUMMARY OF FUNDS</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>
<b>University Collections Fund</b> (NAA1421/A.R.S. § 15-1626)		<b>Appropriated</b>
<b>Source of Revenue:</b> Tuition and registration fees, as well as a portion of university trust land earnings.		
<b>Purpose of Fund:</b> To operate the university.		
<b>Funds Expended</b>	37,853,400	39,544,000
<b>Year-End Fund Balance</b>	0	0