

# University of Arizona - Health Sciences Center

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| DESCRIPTION                           | FY 2005<br>ACTUAL | FY 2006<br>ESTIMATE | FY 2007<br>JLBC   |
|---------------------------------------|-------------------|---------------------|-------------------|
| <b>OPERATING BUDGET</b>               |                   |                     |                   |
| <i>Full Time Equivalent Positions</i> | 892.0             | 892.0               | 910.6             |
| Personal Services                     | 45,047,000        | 46,443,200          | 46,597,000        |
| Employee Related Expenditures         | 9,960,900         | 10,204,500          | 10,240,400        |
| Professional and Outside Services     | 617,700           | 377,100             | 377,100           |
| Travel - In State                     | 43,200            | 49,000              | 49,600            |
| Travel - Out of State                 | 162,500           | 11,600              | 13,400            |
| Other Operating Expenditures          | 3,923,800         | 1,732,500           | 2,350,500         |
| Library Acquisitions                  | 1,141,800         | 1,062,000           | 1,062,000         |
| Equipment                             | 303,100           | 308,800             | 323,000           |
| <b>OPERATING SUBTOTAL</b>             | <b>61,200,000</b> | <b>60,188,700</b>   | <b>61,013,000</b> |
| <b>SPECIAL LINE ITEMS</b>             |                   |                     |                   |
| Clinical Rural Rotation               | 526,700           | 485,800             | 485,800           |
| Clinical Teaching Support             | 9,434,500         | 9,733,000           | 9,733,000         |
| Liver Research Institute              | 843,800           | 512,600             | 512,600           |
| Phoenix Medical Campus                | 0                 | 6,000,000           | 6,000,000         |
| Telemedicine Network                  | 1,184,300         | 1,191,900           | 1,191,900         |
| <b>AGENCY TOTAL</b>                   | <b>73,189,300</b> | <b>78,112,000</b>   | <b>78,936,300</b> |

## FUND SOURCES

|                                      |                    |                    |                    |
|--------------------------------------|--------------------|--------------------|--------------------|
| General Fund                         | 54,849,100         | 63,208,600         | 63,422,700         |
| <u>Other Appropriated Funds</u>      |                    |                    |                    |
| University Collections Fund          | 18,340,200         | 14,903,400         | 15,513,600         |
| SUBTOTAL - Other Appropriated Funds  | 18,340,200         | 14,903,400         | 15,513,600         |
| <b>SUBTOTAL - Appropriated Funds</b> | <b>73,189,300</b>  | <b>78,112,000</b>  | <b>78,936,300</b>  |
| Other Non-Appropriated Funds         | 74,205,200         | 75,717,500         | 76,474,700         |
| Federal Funds                        | 106,786,800        | 109,989,600        | 113,290,100        |
| <b>TOTAL - ALL SOURCES</b>           | <b>254,181,300</b> | <b>263,819,100</b> | <b>268,701,100</b> |

## CHANGE IN FUNDING SUMMARY

|                          | FY 2006 to FY 2007 JLBC |          |
|--------------------------|-------------------------|----------|
|                          | \$ Change               | % Change |
| General Fund             | 214,100                 | 0.3%     |
| Other Appropriated Funds | 610,200                 | 4.1%     |
| Total Appropriated Funds | 824,300                 | 1.1%     |
| Non Appropriated Funds   | 4,057,700               | 2.2%     |
| Total - All Sources      | 4,882,000               | 1.9%     |

**AGENCY DESCRIPTION** — In 1994, the University of Arizona (UA) joined its Colleges of Medicine, Nursing, Pharmacy, and Public Health, its School of Health Professions, the University Medical Center, and university physicians into the Arizona Health Sciences Center (AHSC). AHSC enrolls over 1,700 undergraduate and graduate students at its 48-acre campus in Tucson. AHSC is also constructing a new, 4.5 acre campus in Phoenix that will open in FY 2008.

| PERFORMANCE MEASURES   | FY 2003<br>Actual | FY 2004<br>Actual | FY 2005<br>Actual | FY 2007<br>JLBC |
|--|-------------------|-------------------|-------------------|-----------------|
| • % of graduating seniors who rate their overall university experience as “good”/“excellent”   | 98                | 100               | 95                | 99              |
| Comments: The percentage of graduating seniors rating their overall university experience as “excellent” was 32% in FY 2003, 30% in FY 2004, and 35% in FY 2005. 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. |                   |                   |                   |                 |





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.

*New Footnotes*

University budget requests shall provide as much detail for the Phoenix Medical Campus as for any other budget program. Notwithstanding A.R.S. § 35-173.C, any proposed transfer to or from the amounts appropriated for the Phoenix Medical Campus line item shall require prior JLBC review. *(The JLBC recommends, in keeping with the intent of Laws 2005, Chapter 330, maintaining the distinction of PMC appropriations as they join the AHSC base budget.)*

The University of Arizona and Arizona Board of Regents shall report, on August 15, 2006 and February 15, 2007, updates concerning the formal relationship between the Phoenix Medical Campus and area hospitals, partnerships with private medical schools, the availability of clinical rotations for medical students in the state, the creation of new residency positions within the state, the expansion of medical services in the state’s rural areas, the attraction of out-of-state medical students to practice within the state, and any other strategies being considered or employed to prevent a doctor shortage in the state or the rural areas of the state. *(The JLBC recommends continuing the reporting*

*requirement, initially set forth by the Committee in its review of PMC, on these issues.)*

**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.

**Clinical Rotations**

The JLBC recommends amending A.R.S. Title 15, Chapter 13, Article 9 to permanently prohibit public and private medical schools from restricting their associated hospitals from offering clinical rotations to qualified osteopathic or allopathic medical students. The Legislature initially passed this provision as session law in Laws 2005, Chapter 330.

| SUMMARY OF FUNDS   | FY 2005<br>Actual | FY 2006<br>Estimate |
|--|-------------------|---------------------|
| <b>Auxiliary Fund</b> (No Fund Number/A.R.S. § 15-1601) <span style="float: right;"><b>Non-Appropriated</b></span>   |                   |                     |
| <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>  | 8,294,500         | 9,172,300           |
| <b>Year-End Fund Balance</b>   | 2,977,500         | 2,972,900           |
| <b>Designated Fund</b> (No Fund Number/A.R.S. § 15-1601) <span style="float: right;"><b>Non-Appropriated</b></span>  |                   |                     |
| <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. |                   |                     |
| <b>Funds Expended</b>  | 18,456,600        | 18,897,700          |
| <b>Year-End Fund Balance</b>   | 16,513,200        | 19,336,500          |
| <b>Endowment and Life Income Fund</b> (No Fund Number/A.R.S. § 15-1601) <span style="float: right;"><b>Non-Appropriated</b></span>   |                   |                     |
| <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 support endowment operations and compensate designated beneficiaries.   |                   |                     |
| <b>Funds Expended</b>  | 0                 | 0                   |
| <b>Year-End Fund Balance</b>   | 56,238,400        | 60,716,400          |

| SUMMARY OF FUNDS  | FY 2005<br>Actual | FY 2006<br>Estimate     |
|---|-------------------|-------------------------|
| <b>Federal Grant Fund</b> (No Fund Number/A.R.S. § 15-1666)   |                   | <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>   | 106,786,800       | 109,989,600             |
| <b>Year-End Fund Balance</b>  | 17,570,800        | 18,021,900              |
| <b>Restricted Fund (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, 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>   | 47,389,600        | 47,602,400              |
| <b>Year-End Fund Balance</b>  | 7,808,200         | 7,807,100               |
| <b>Teratogen Information Program Fund</b> (No Fund Number/A.R.S. § 42-5252)   |                   | <b>Non-Appropriated</b> |
| <b>Source of Revenue:</b> A 0.01% telecommunication services excise tax.  |                   |                         |
| <b>Purpose of Fund:</b> To establish a statewide toll-free telephone number for information and referrals on possible teratogen exposure and to develop education programs and materials. A teratogen is a physical, infectious, or chemical agent that causes a change in the normal development of a human embryo or fetus. |                   |                         |
| <b>Funds Expended</b>   | 64,500            | 45,100                  |
| <b>Year-End Fund Balance</b>  | 0                 | 0                       |
| <b>University Collections Fund</b> (UAA1403/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>   | 18,340,200        | 14,903,400              |
| <b>Year-End Fund Balance</b>  | 0                 | 0                       |