

# University of Arizona - Main Campus

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DESCRIPTION	FY 2005 ACTUAL	FY 2006 ESTIMATE	FY 2007 JLBC
<b>OPERATING BUDGET</b>			
Full Time Equivalent Positions	5,589.1	5,589.1	5,559.4
Personal Services	227,755,000	236,136,600	234,456,100
Employee Related Expenditures	58,271,300	58,044,000	57,655,800
Professional and Outside Services	2,659,700	2,664,000	2,664,000
Travel - In State	176,400	255,200	249,300
Travel - Out of State	825,400	293,700	273,800
Other Operating Expenditures	31,728,100	33,841,400	34,002,800
Library Acquisitions	8,233,400	8,128,700	8,128,700
Equipment	2,359,900	3,603,200	3,448,300
<b>OPERATING SUBTOTAL</b>	<b>332,009,200</b>	<b>342,966,800</b>	<b>340,878,800</b>
<b>SPECIAL LINE ITEMS</b>			
Agriculture	49,046,700	49,097,000	49,097,000
Sierra Vista Campus	3,784,100	4,167,600	4,167,600
<b>AGENCY TOTAL</b>	<b>384,840,000</b>	<b>396,231,400</b>	<b>394,143,400</b>
<b>FUND SOURCES</b>			
General Fund	278,843,000	288,100,100	285,765,300
<u>Other Appropriated Funds</u>			
University Collections Fund	105,997,000	108,131,300	108,378,100
SUBTOTAL - Other Appropriated Funds	105,997,000	108,131,300	108,378,100
<b>SUBTOTAL - Appropriated Funds</b>	<b>384,840,000</b>	<b>396,231,400</b>	<b>394,143,400</b>
Other Non-Appropriated Funds	494,789,300	504,400,700	510,685,600
Federal Funds	236,792,000	243,796,100	251,110,100
<b>TOTAL - ALL SOURCES</b>	<b>1,116,421,300</b>	<b>1,144,428,200</b>	<b>1,155,939,100</b>

## CHANGE IN FUNDING SUMMARY

	FY 2006 to FY 2007 JLBC	
	\$ Change	% Change
General Fund	(2,334,800)	(0.8%)
Other Appropriated Funds	246,800	0.2%
Total Appropriated Funds	(2,088,000)	(0.5%)
Non Appropriated Funds	13,598,900	1.8%
Total - All Sources	11,510,900	1.0%

**AGENCY DESCRIPTION** — Established in 1885, the University of Arizona (UA) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). As a primary research institution, UA offers over 380 degree-programs to approximately 37,000 full- and part-time students in 29 colleges and schools at its Main Campus in Tucson. Upon its establishment, UA received the federal land grant for Arizona, allowing the creation of agricultural and mining programs that continue today. UA South is a satellite campus of the university in Sierra Vista.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	JLBC
<ul style="list-style-type: none"> <li>% of graduating seniors who rate their overall university experience as “good”/“excellent”</li> </ul> <p>Comments: The percentage of graduating seniors rating their overall university experience as “excellent” was 34% in FY 2003 and 35% in both FY 2004 and 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.</p>	95	94	95	96
<ul style="list-style-type: none"> <li>% of full-time undergraduate students enrolled per semester in 3 or more primary courses with ranked faculty</li> </ul> <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>	80	78	75	80
<ul style="list-style-type: none"> <li>% of full-time undergraduate students enrolled per semester in 3 or more primary courses with professors of any rank (NEW)</li> </ul> <p>Comments: The JLBC recommends a new performance measure to specifically ascertain undergraduate student contact with professors. Professors of some rank taught 52% of all undergraduate primary class sections at UA in FY 2005, compared to 47% nationally in FY 2004.</p>	--	--	--	60
<ul style="list-style-type: none"> <li>Average number of years taken to graduate for students who began as freshmen</li> </ul> <p>Comments: To reduce freshmen’s average number of years to graduation, UA is expanding its academic advising services and standardizing its general education requirements.</p>	4.6	4.7	4.7	4.6

**RECOMMENDED CHANGES FROM FY 2006**

**Operating Budget**

The JLBC recommends \$340,878,800 for the operating budget in FY 2007. This amount consists of:

	<u>FY 2007</u>
General Fund	\$242,642,500
University Collections Fund	98,236,300

These amounts include the following adjustments:

<b>Enrollment Growth</b>	<b>GF</b>	<b>294,000</b>
	<b>OF</b>	<b>246,800</b>

The JLBC recommends an increase of \$540,800 and 3.8 FTE Positions in FY 2007 for enrollment growth. These amounts consist of:

General Fund	294,000
University Collections Fund	246,800

These amounts would finance projected growth in student enrollment, as calculated by the part-statutory, part-conventional student enrollment funding formula. Projected formula enrollment is growing by 55 full-time equivalent (FTE) students, to 32,490 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, adds or subtracts 1 faculty and 0.5 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 GF (2,628,800)**

The JLBC recommends a decrease of \$(2,628,800) and (33.5) FTE Positions from the General Fund in FY 2007 to eliminate funding for UA-Main students with over 155 credit hours.

A.R.S. § 15-1661, as amended by Laws 2005, Chapter 330, now prohibits appropriations supporting state

university students who have earned credit hours in excess of a credit hour threshold, with the exception of students whose chosen programs require additional credit hours for a degree. Meanwhile A.R.S. § 15-1626, also amended by Chapter 330, now allows ABOR 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.

For the purposes of this reduction, JLBC Staff counts all credits, including transferred credits, earned by undergraduate and post-baccalaureate students. Within these guidelines, UA reports 492 FTE students over the credit hour threshold at the Main Campus 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, UA estimates a total alumni association budget of \$1.7 million and 25.1 FTE Positions. These amounts consist of \$1.1 million and 17.7 FTE Positions from locally-retained (non-appropriated) tuition and \$0.6 million and 7.4 FTE Positions 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**

**Agriculture**  
 The JLBC recommends \$49,097,000 and 790.5 FTE Positions for Agriculture programs in FY 2007. These amounts consist of:

General Fund	40,787,700
University Collections Fund	8,309,300

These amounts are unchanged from FY 2006.

This line item supports agricultural academic programs in Animal Systems; Environment and Natural Resources; Family, Youth, and Community; Human Nutrition, Food Safety and Health; Marketing, Trade, and Economics; and Plant Systems. It also supports Agriculture Experiment Stations and Cooperative Extension services that provide non-credit community outreach seminars throughout the state.

**Sierra Vista Campus**

The JLBC recommends \$4,167,600 and 55.4 FTE Positions for the Sierra Vista Campus in FY 2007. These amounts consist of:

General Fund	2,335,100
University Collections Fund	1,832,500

These amounts are unchanged from FY 2006.

UA South offers upper-division undergraduate programs in 13 disciplines for community college transfer students. The satellite campus also offers 2 certificate and 2 master's programs. While ABOR authorized this UA branch campus for Sierra Vista in 1995, the Legislature has not formally established the campus in statute.

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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>	197,009,300	203,895,300
<b>Year-End Fund Balance</b>	39,378,600	36,079,400
<b>Designated Fund</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.		
<b>Funds Expended</b>	203,696,100	207,257,900
<b>Year-End Fund Balance</b>	43,551,200	45,699,000
<b>Endowment and Life Income Fund</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, 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>	121,382,400	127,312,600
<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>	236,792,000	243,796,100
<b>Year-End Fund Balance</b>	21,876,200	24,899,200
<b>Loan Fund</b> (No Fund Number/A.R.S. § 15-1601)		<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 27% of the amount of federal student loans. The federal government provides the other 73%.		
<b>Funds Expended</b>	591,800	601,600
<b>Year-End Fund Balance</b>	17,410,700	17,590,700
<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>	93,492,100	92,645,900
<b>Year-End Fund Balance</b>	8,927,000	9,476,200
<b>University Collections Fund</b> (UAA1402/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>	105,997,000	108,131,300
<b>Year-End Fund Balance</b>	0	0