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	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	793.0	816.0 ^{1/}	845.9
Personal Services	35,946,700	41,305,100	44,444,600
Employee Related Expenditures	9,169,900	9,749,900	10,748,600
Professional and Outside Services	7,987,300	8,751,100	8,751,100
Travel - In State	59,800	108,700	111,800
Travel - Out of State	316,600	28,500	38,800
Other Operating Expenditures	6,027,300	6,730,300	8,000,800
Library Acquisitions	1,338,300	1,231,000	1,231,000
Equipment	2,016,100	2,036,600	2,129,800
OPERATING SUBTOTAL	62,862,000	69,941,200	75,456,500
SPECIAL LINE ITEMS			
TRIF Lease-Purchase Payment	1,600,000	1,600,000	1,600,000
AGENCY TOTAL	64,462,000	71,541,200	77,056,500^{2/3/4/}
FUND SOURCES			
General Fund	44,844,300	49,095,800	53,604,400 ^{5/}
<u>Other Appropriated Funds</u>			
Technology and Research Initiative Fund	1,600,000	1,600,000	1,600,000
University Collections Fund	18,017,700	20,845,400	21,852,100 ^{6/}
SUBTOTAL - Other Appropriated Funds	19,617,700	22,445,400	23,452,100
SUBTOTAL - Appropriated Funds	64,462,000	71,541,200	77,056,500
Other Non-Appropriated Funds	8,878,100	10,607,300	11,128,500
Federal Funds	3,654,700	4,023,700	4,426,200
TOTAL - ALL SOURCES	76,994,800	86,172,200	92,611,200

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 8,200 full- and part-time students. ASU-West is located at a 300-acre site in northwest Phoenix.

^{1/} The amounts include 6 FTE Positions and their associated funding above the appropriated FY 2007 amounts. A footnote in the FY 2007 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, 2007 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 appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above. (General Appropriation Act footnote)

PERFORMANCE MEASURES	FY 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	Approved
• % of graduating seniors who rate their overall university experience as “good”/“excellent”	98	96	96	98
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with ranked faculty 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.	72	67	61	72
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with professors of any rank	--	--	40	45
• Average number of years taken to graduate for students who began as freshmen Comments: The FY 2007 budget provided 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. Sufficient trending data is now available to implement this measure.	--	--	4.4	4.5

Operating Budget

The budget provides \$75,456,500 and 845.9 FTE Positions for the operating budget in FY 2008. This amount consists of:

	FY 2008
General Fund	\$53,604,400
University Collections Fund	21,852,100

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$1,870,300 from the General Fund in FY 2008 for statewide adjustments. (Please see the Statewide Adjustments section at the end of this Appropriations Report for detail.)

Enrollment Growth

The budget provides an increase of \$2,635,600 and 17.8 FTE Positions in FY 2008 for enrollment growth. This amount consists of:

General Fund	1,628,900
University Collections Fund	1,006,700

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 224 full-time equivalent (FTE) students, to 6,523 FTE students in FY 2008.

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 0.75 support FTE Positions, and their associated General Fund costs, for every 22-FTE-student change. The average salary per FTE is \$67,900, as requested by the university and adjusted for employee related expenditures.

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

Credit Hour Threshold

The budget provides an increase of \$9,400 and 0.1 FTE Position from the General Fund in FY 2008 to add funding for 1.3 less ASU-West students over the credit hour threshold between FY 2007 and FY 2008.

A.R.S. § 15-1661 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 (ABOR) to raise tuition rates for those students.

In FY 2007, the credit hour threshold was 155 credit hours. This threshold declines to 150 hours in FY 2008 and 145 hours thereafter. ASU-West reported 12 FTE students over the threshold in FY 2006 and 10.7 FTE students in FY 2007, or a net decrease of (1.3) FTE students over the credit hour threshold at the West Campus in FY 2007. The net decrease is the result of students over the threshold from the previous fiscal year graduating.

School of Criminal Justice and Criminology

The budget provides an increase of \$1,000,000 and 12 FTE Positions from the General Fund in FY 2008 to enhance the School of Criminal Justice and Criminology. To meet student demand and community need for more professionals in the criminal justice system, the appropriation will be used to hire 2 additional faculty members and accommodate 12 part-time graduate teaching assistantships. ASU-West will also hire 3 additional staff members dedicated to modeling the school's curriculum after those at John Jay College or the University of Maryland, each of which offer Executive Masters degrees, specialized training to criminal justice employees, and cohort programs for undergraduate students. The appropriation will also support an annual statewide victimization survey that will gauge the level of victimization experienced by Arizona residents, as well as solicit survey information about criminal justice practices and experiences with the criminal justice system.

Special Line Items

TRIF Lease-Purchase Payment

The budget provides \$1,600,000 from the Technology and Research Initiative Fund (TRIF) for lease-purchase payment requirements in FY 2008. This amount is unchanged from FY 2007.

Laws 2000, 5th Special Session, Chapter 1 appropriated \$1,100,000 from TRIF to make the initial lease-purchase payment in FY 2002 on \$21,600,000 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 2007, Chapter 265) includes several provisions affecting the state universities. For further explanation of this act, please see *Additional Legislation* in the *Arizona Board of Regents* section.