

# Arizona State University - East Campus

JLBC: Leah Ruggieri  
 OSPB: Judith Padres

DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	390.0	491.0	532.5
Personal Services	17,823,100	24,288,100	27,111,300
Employee Related Expenditures	4,436,400	5,849,200	6,487,100
Professional and Outside Services	704,300	909,500	909,500
Travel - In State	28,200	31,600	38,700
Travel - Out of State	197,100	27,800	51,600
Other Operating Expenditures	4,665,700	4,284,800	6,782,300
Library Acquisitions	264,400	308,100	308,100
Equipment	664,300	857,800	1,074,700
<b>OPERATING SUBTOTAL</b>	<b>28,783,500</b>	<b>36,556,900</b>	<b>42,763,300</b>
<b>SPECIAL LINE ITEMS</b>			
Research Infrastructure Lease-Purchase Payment	0	0	917,000
TRIF Lease-Purchase Payment	2,000,000	2,000,000	2,000,000
<b>AGENCY TOTAL</b>	<b>30,783,500</b>	<b>38,556,900</b>	<b>45,680,300</b>
<b>FUND SOURCES</b>			
General Fund	15,811,700	19,980,900	24,695,500
<u>Other Appropriated Funds</u>			
Technology and Research Initiative Fund	2,000,000	2,000,000	2,000,000
University Collections Fund	12,971,800	16,576,000	18,984,800
SUBTOTAL - Other Appropriated Funds	14,971,800	18,576,000	20,984,800
<b>SUBTOTAL - Appropriated Funds</b>	<b>30,783,500</b>	<b>38,556,900</b>	<b>45,680,300</b>
Other Non-Appropriated Funds	6,265,900	8,167,900	8,571,100
Federal Funds	2,962,000	3,258,200	3,584,100
<b>TOTAL - ALL SOURCES</b>	<b>40,011,400</b>	<b>49,983,000</b>	<b>57,835,500</b>

## CHANGE IN FUNDING SUMMARY

	FY 2007 to FY 2008 JLBC	
	\$ Change	% Change
General Fund	4,714,600	23.6%
Other Appropriated Funds	2,408,800	13.0%
Total Appropriated Funds	7,123,400	18.5%
Non Appropriated Funds	729,100	6.4%
Total - All Sources	7,852,500	15.7%

**AGENCY DESCRIPTION** — Established as a separate budget unit in 1994, Arizona State University - East Campus (ASU-East), also known as the Polytechnic Campus, currently offers 30 professional and technical baccalaureate, masters, and non-degree programs to over 5,000 full- and part-time students. It is located at the 600-acre site of the former Williams Air Force Base in southeast Mesa.

PERFORMANCE MEASURES	FY 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	JLBC
• % of graduating seniors who rate their overall university experience as “good”/“excellent”	95	95	97	96
• % 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.	65	67	63	68
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with professors of any rank Comments: Professors of some rank taught 46% of all undergraduate primary class sections at ASU in FY 2005, compared to 47% nationally in FY 2004.	--	--	37	40
• Average number of years taken to graduate for students who began as freshmen Comments: To reduce freshmen’s average number of years to graduation, ASU is adding class sections and reducing section sizes, especially for first-year English and mathematics classes, as well as increasing student advising, library, and financial aid resources.	5.4	4.9	4.7	4.8

**CHANGES FROM FY 2007**

**Operating Budget**

The JLBC includes \$42,763,300 and 532.5 FTE Positions for the operating budget in FY 2008. This amount consists of:

	<b>FY 2008</b>
General Fund	\$23,778,500
University Collections Fund	18,984,800

These amounts would fund the following adjustments:

**Rebase Retirement Rates                      GF                      (11,300)**

The JLBC includes a decrease of \$(11,300) from the General Fund in FY 2008 for rebasing Public Safety Personnel Retirement System retirement rates at actual FY 2007 levels. The actual rates that will be charged to the agency in FY 2007 are lower than were assumed in the FY 2007 budget; this reduction leaves sufficient funds to pay the actual rates. Increases for FY 2008 changes to rates are funded separately as a statewide item and would be distributed to agencies at a later time.

**Enrollment Growth                              GF                      3,905,800**  
**OF                      2,408,800**

The JLBC includes an increase of \$6,314,600 and 42.6 FTE Positions in FY 2008 for enrollment growth. This amount consists of:

General Fund	3,905,800
University Collections Fund	2,408,800

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 536 full-time equivalent (FTE) students, to 3,511 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                      GF                      (96,900)**

The JLBC includes a decrease of \$(96,900) and (1.1) FTE Positions from the General Fund in FY 2008 to eliminate funding for 13.4 additional ASU-East students over the 150 credit hours threshold between FY 2007 and FY 2008.

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 (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. Within the new guidelines of Chapter 352, ASU reported 3 FTE students over the threshold in FY 2006 and 16.4 FTE students in FY 2007, or a net increase of 13.4 FTE students over the credit hour threshold at the East Campus in FY 2007.

**Special Line Items**

**Research Infrastructure Lease-Purchase Payment**

The JLBC includes \$917,000 from the General Fund for the Research Infrastructure Lease-Purchase Payment in FY 2008. This amount would fund the following adjustment:

**Lease-Purchase Payment                      GF                      917,000**

The JLBC includes an increase of \$917,000 from the General Fund in FY 2008 to make the first debt service payment associated with the financing for research infrastructure projects.

Laws 2003, Chapter 267 appropriated a total of \$34.6 million from the General Fund to the state university system from FY 2008 through FY 2031 to finance lease-purchase payments for research infrastructure project agreements entered into before July 1, 2006. Therefore, this funding will not appear in the General Appropriation Act. In total, the universities have issued \$482.5 million in Certificates of Participation (COPs) for research infrastructure projects. Of this amount, ASU-East has issued \$19 million in COPs for the Interdisciplinary Science & Technology Building II, which is now complete.

**TRIF Lease-Purchase Payment**

The JLBC includes \$2,000,000 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, 5<sup>th</sup> Special Session, Chapter 1 appropriated \$1.4 million from TRIF to make the initial lease-purchase payment in FY 2002 on \$27.5 million in infrastructure development at ASU-East. This session law also included the legislative intention to appropriate future lease-

purchase payments from TRIF. The payment schedule runs through FY 2021.

ASU-East renovated or newly constructed 6 buildings. Additionally, the campus made roadway, pedestrian, and landscape improvements, and installed lighting and emergency telephones. ASU-East expended all monies from this lease-purchase by June 2005 and completed the project, with non-appropriated monies, by fall 2005.

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.

\* \* \*

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

**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, 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 hereby appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

**OTHER ISSUES FOR LEGISLATIVE CONSIDERATION**

**ABOR Tuition Increases**

On November 30, 2006, ABOR approved tuition amounts (excluding fees) for FY 2008. *(For more information, please see the Arizona Board of Regents section of this report.)*

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 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>	679,500	706,600
<b>Year-End Fund Balance</b>	280,700	306,100
<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. Indirect Cost Recovery, a Designated sub-account, is presented separately.		
<b>Funds Expended</b>	3,301,000	5,014,900
<b>Year-End Fund Balance</b>	5,793,500	8,202,900
<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>	589,700	734,900
<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>	2,957,100	3,252,800
<b>Year-End Fund Balance</b>	0	0
<b>Federal Indirect Cost Recovery Fund</b> (No Fund Number/A.R.S. § 15-1601)		<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>	4,900	5,400
<b>Year-End Fund Balance</b>	0	0
<b>Indirect Cost Recovery Fund (Non-Federal)</b> (No Fund Number/A.R.S. § 15-1601)		<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>	3,500	3,900
<b>Year-End Fund Balance</b>	268,200	370,200
<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 Fund</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>	2,281,900	2,442,500
<b>Year-End Fund Balance</b>	271,300	159,800

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
<b>Technology and Research Initiative Fund</b> (No Fund Number/A.R.S. § 15-1648)		<b>Appropriated</b>
<b>Source of Revenue:</b> Automatic appropriations of a portion of a 0.6% sales tax, as authorized by voters through Proposition 301 in the November 2000 General Election and as governed by statute.		
<b>Purpose of Fund:</b> To make lease-purchase payments on certificates of participation used for technology and research capital projects.		
<b>Funds Expended</b>	2,000,000	2,000,000
<b>Year-End Fund Balance</b>	0	0
 <b>University Collections Fund</b> (ASA1411/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>	12,971,800	16,576,000
<b>Year-End Fund Balance</b>	0	0