

University of Arizona - Main Campus

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DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	5,589.1	5,591.7	5,572.8
Personal Services	238,242,600	252,864,600	251,628,700
Employee Related Expenditures	67,993,000	66,721,600	66,261,200
Professional and Outside Services	2,246,600	3,197,900	3,197,900
Travel - In State	129,800	217,700	170,900
Travel - Out of State	630,200	273,300	265,300
Other Operating Expenditures	26,934,600	44,912,100	44,057,600
Library Acquisitions	8,284,800	8,128,700	8,128,700
Equipment	2,079,700	3,352,900	3,208,300
OPERATING SUBTOTAL	346,541,300	379,668,800	376,918,600
SPECIAL LINE ITEMS			
Agriculture	51,471,900	42,268,300	42,256,900
Arizona Cooperative Extension	0	11,735,700	11,728,500
Research Infrastructure Lease-Purchase Payment	0	0	14,253,000
Sierra Vista Campus	4,080,000	5,595,900	4,393,300
AGENCY TOTAL	402,093,200	439,268,700	449,550,300
FUND SOURCES			
General Fund	293,785,200	320,798,100	331,883,100
<u>Other Appropriated Funds</u>			
University Collections Fund	108,308,000	118,470,600	117,667,200
SUBTOTAL - Other Appropriated Funds	108,308,000	118,470,600	117,667,200
SUBTOTAL - Appropriated Funds	402,093,200	439,268,700	449,550,300
Other Non-Appropriated Funds	527,539,400	539,516,600	547,331,300
Federal Funds	226,443,000	232,332,900	239,321,100
TOTAL - ALL SOURCES	1,156,075,600	1,211,118,200	1,236,202,700
CHANGE IN FUNDING SUMMARY			
	<u>FY 2007 to FY 2008 JLBC</u>		
	<u>\$ Change</u>	<u>% Change</u>	
General Fund	11,085,000	3.5%	
Other Appropriated Funds	(803,400)	(0.7%)	
Total Appropriated Funds	10,281,600	2.3%	
Non Appropriated Funds	14,802,900	1.9%	
Total - All Sources	25,084,500	2.1%	

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.

Since a decline in enrollment also contributes to a decline in university tuition and fee collections, the University Collections Fund amount reflects the decrease in revenues.

Credit Hour Threshold GF (43,600)

The JLBC includes a decrease of \$(43,600) and (0.5) FTE Positions from the General Fund in FY 2008 to eliminate funding for 6 additional UA-Main 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 is 155 credit hours. This threshold declines to 150 hours in FY 2008 and 145 hours thereafter. Within the new guidelines of Chapter 352, UA reported 42 FTE students over the threshold in FY 2006 and 48 FTE students in FY 2007, or a net increase of 6 FTE students over the credit hour threshold at the Main Campus in FY 2007.

**One-Time Funding for
Arizona Water Institute GF (500,000)**

The JLBC includes a decrease of \$(500,000) and (5) FTE Positions from the General Fund in FY 2008 to reflect one-time funding for researching state water issues.

Laws 2006, Chapter 350 provided \$1,500,000 and 15 FTE Positions from the General Fund in FY 2007, divided evenly between the 3 universities, for funding to collaboratively improve water policy and management in the state. Chapter 350 and the Executive both designated the funding as one-time as part of the FY 2007 budget process. The Executive's approach to this item in FY 2008 is not known as of this writing.

Of the \$1,500,000 appropriated in FY 2007, approximately \$1,100,000 is dedicated to projects that include collaboratively resolving water issues in the state, such as sustainable water management, education efforts related to water, and technology transfer and economic development. The remaining \$400,000 is dedicated to the employment of project coordinators and associate directors. These are university employees acting as visiting researchers to the Department of Water Resources, the Department of Commerce, and the Department of Environmental Quality. Without continued funding, the Water Institute would have to find an alternative source of funding for these initiatives.

Special Line Items

Agriculture

The JLBC includes \$42,256,900 and 611.8 FTE Positions for Agriculture programs in FY 2008. This amount consists of:

General Fund	33,606,600
University Collections Fund	8,650,300

These amounts would fund the following adjustments:

Standard Changes GF (11,400)

The JLBC includes a decrease of \$(11,400) from the General Fund in FY 2008 for standard changes.

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.

Arizona Cooperative Extension

The JLBC includes \$11,728,500 and 178.7 FTE Positions from the General Fund for the Arizona Cooperative Extension in FY 2008. This amount would fund the following adjustment:

Standard Changes GF (7,200)

The JLBC includes a decrease of \$(7,200) from the General Fund in FY 2008 for standard changes.

This line item supports Agriculture Experiment Stations and Cooperative Extension services that provide non-credit community outreach seminars and youth programs throughout the state.

Research Infrastructure Lease-Purchase Payment

The JLBC includes \$14,253,000 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 14,253,000

The JLBC includes an increase of \$14,253,000 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, UA-Main has issued \$201.3 million in COPs for the following projects:

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Auxiliary Fund (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Sales revenues of substantially self-supporting university services.		
Purpose of Fund: 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.		
Funds Expended	202,844,800	210,684,200
Year-End Fund Balance	42,848,500	40,788,800
Designated Fund (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Retained tuition and fees, summer session fees, student aid administrative allowances, and unrestricted gifts and grants.		
Purpose of Fund: 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.		
Funds Expended	219,490,400	223,220,000
Year-End Fund Balance	59,387,200	55,674,700
Endowment and Life Income Fund (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: 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.		
Purpose of Fund: To support endowment operations and compensate designated beneficiaries.		
Funds Expended	0	0
Year-End Fund Balance	139,663,200	142,226,200
Federal Grant Fund (No Fund Number/A.R.S. § 15-1666)		Non-Appropriated
Source of Revenue: Federal grants and contracts.		
Purpose of Fund: To support specific operating and research purposes as identified by the federal government.		
Funds Expended	226,443,000	232,332,900
Year-End Fund Balance	16,408,900	16,845,100
Loan Fund (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Interest on federal student loans and reimbursements from federal loan forgiveness programs.		
Purpose of Fund: To provide 27% of the amount of federal student loans. The federal government provides the other 73%.		
Funds Expended	2,041,500	2,066,700
Year-End Fund Balance	17,483,400	17,594,000
Restricted Fund (Excluding Federal Funds) (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: 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.		
Purpose of Fund: To support specific operating and research purposes as identified by the private or non-federal donating entities.		
Funds Expended	103,162,700	103,545,700
Year-End Fund Balance	7,475,600	6,457,300
University Collections Fund (UAA1402/A.R.S. § 15-1626)		Appropriated
Source of Revenue: Tuition and registration fees, as well as a portion of university trust land earnings.		
Purpose of Fund: To operate the university.		
Funds Expended	108,308,000	118,470,600
Year-End Fund Balance	0	0