

University of Arizona - Main Campus

JLBC: Leah Ruggieri
 OSPB: Stacey Morley

DESCRIPTION	FY 2007 ACTUAL	FY 2008 ESTIMATE	FY 2009 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	5,591.7	5,667.8	5,679.5
Personal Services	250,618,300	261,870,600	262,690,500
Employee Related Expenditures	69,507,800	67,851,300	68,047,700
Professional and Outside Services	2,061,400	1,867,500	1,867,500
Travel - In State	144,200	159,000	161,000
Travel - Out of State	720,600	183,400	190,100
Other Operating Expenditures	41,567,900	58,062,000	58,799,200
Library Acquisitions	8,894,600	8,128,700	8,128,700
Equipment	1,215,200	2,738,700	2,799,500
OPERATING SUBTOTAL	374,730,000	400,861,200	402,684,200
SPECIAL LINE ITEMS			
Agriculture	40,542,200	40,427,500	40,427,500
Arizona Cooperative Extension	13,139,600	14,511,900	14,511,900
Phoenix Biomedical Campus Schematic Design	0	5,250,000	0
Research Infrastructure Lease-Purchase Payment	0	14,253,000	14,253,000
Sierra Vista Campus	4,999,800	5,625,300	5,625,300
Student and Faculty Retention	0	10,000,000	10,000,000
AGENCY TOTAL	433,411,600	490,928,900	487,501,900
FUND SOURCES			
General Fund	311,624,300	362,389,200	358,257,000
<u>Other Appropriated Funds</u>			
University Collections Fund	121,787,300	128,539,700	129,244,900
SUBTOTAL - Other Appropriated Funds	121,787,300	128,539,700	129,244,900
SUBTOTAL - Appropriated Funds	433,411,600	490,928,900	487,501,900
Other Non-Appropriated Funds	556,303,200	568,320,600	577,973,600
Federal Funds	223,757,000	221,469,300	226,368,800
TOTAL - ALL SOURCES	1,213,471,800	1,280,718,800	1,291,844,300

CHANGE IN FUNDING SUMMARY	FY 2008 to FY 2009 JLBC	
	\$ Change	% Change
General Fund	(4,132,200)	(1.1%)
Other Appropriated Funds	705,200	0.5%
Total Appropriated Funds	(3,427,000)	(0.7%)
Non Appropriated Funds	14,552,500	1.8%
Total - All Sources	11,125,500	0.9%

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 2005	FY 2006	FY 2007	FY 2009
	Actual	Actual	Actual	JLBC
• % of graduating seniors who rate their overall university experience as “good”/“excellent”	95	95	96	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.	75	76	78	80
• % 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 54% of undergraduate primary class sections at UA in FY 2007.	--	50	46	50
• Average number of years taken to graduate for students who began as freshmen Comments: To reduce freshmen’s average number of years to graduation, UA is expanding its academic advising services and standardizing its general education requirements.	4.7	4.7	4.7	4.6

Operating Budget

The JLBC includes \$402,684,200 and 4,740.6 FTE Positions for the operating budget in FY 2009. This amount consists of:

General Fund	\$282,796,800
University Collections Fund	119,887,400

FY 2009 adjustments would be as follows:

Enrollment Growth	GF	1,064,700
	OF	705,200

This adjustment would be an increase of \$1,769,900 and 11.1 FTE Positions in FY 2009 for enrollment growth. This amount consists of:

General Fund	1,064,700
University Collections Fund	705,200

These amounts would fund projected growth in student enrollment, as calculated by the part-statutory, part-conventional student enrollment funding formula. Projected formula enrollment is growing by 140 full-time equivalent (FTE) students, to 32,461 FTE students in FY 2009.

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:

Academic Level	Credit Hours/FTE
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 \$70,400, 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 53,100

This adjustment would be an increase of \$53,100 and 0.6 FTE Position from the General Fund in FY 2009 to add funding for 7 fewer UA-Main students being over the credit hour threshold between FY 2008 and FY 2009.

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.

This threshold was 150 hours in FY 2008 and declines to 145 hours in FY 2009. UA-Main reported 48 FTE

Student and Faculty Retention

The JLBC includes \$10,000,000 and 91 FTE Positions from the General Fund for Student and Faculty Retention in FY 2009. These amounts are unchanged from FY 2008.

In total, the 3 state universities received \$29,800,000 in FY 2008 to improve student and faculty retention at their respective institutions. Additionally, Laws 2007, Chapter 255 required ABOR to submit a student retention report on December 1 of every year that details for each university the number of existing full-time positions dedicated to student retention, the number of new hires and other related expenditures funded through legislative appropriations dedicated to student retention, and freshman and sophomore retention rates. UA uses its appropriation to invest in individualized and small-group student learning opportunities guided by learning specialists, teaching teams, and academic advisors. UA also uses a portion of the appropriation to recruit and retain faculty.

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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, 2008 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.

Deletion of Prior Year Footnotes

The JLBC deletes the one-time footnote that requires Arizona State University and the University of Arizona to jointly submit an expenditure plan to the Joint Committee on Capital Review before expending amounts appropriated for the Phoenix Biomedical Campus Schematic Design.

The JLBC deletes the footnote that requires both universities to jointly submit the scope, purpose and estimated cost of the Phoenix Biomedical Campus to the Joint Committee on Capital Review for its review after schematic design is complete.

SUMMARY OF FUNDS	FY 2007 Actual	FY 2008 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	214,758,800	214,289,300
Year-End Fund Balance	43,844,700	41,185,300
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	229,803,100	233,018,000
Year-End Fund Balance	67,900,800	76,884,200

SUMMARY OF FUNDS	FY 2007 Actual	FY 2008 Estimate
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	121,382,400	127,312,600
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	223,757,000	221,469,300
Year-End Fund Balance	18,953,500	19,173,600
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	1,669,900	1,700,100
Year-End Fund Balance	14,689,800	14,947,900
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	110,071,400	119,313,200
Year-End Fund Balance	7,857,000	8,740,400
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	121,787,300	128,539,700
Year-End Fund Balance	0	0