

Arizona State University - Main Campus

JLBC: Leah Kritzer
 OSPB: Patrick Makin

DESCRIPTION	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	6,969.0	7,073.0	7,073.0
Personal Services	347,100,000	367,235,000	363,258,000
Employee Related Expenditures	91,245,500	98,876,100	97,980,300
Professional and Outside Services	30,209,300	34,228,400	34,228,400
Travel - In State	222,000	242,100	232,400
Travel - Out of State	3,697,800	4,131,400	4,099,000
Other Operating Expenditures	38,535,800	48,304,800	49,738,000
Library Acquisitions	9,609,300	10,243,800	10,243,800
Equipment	14,226,400	17,882,500	17,587,600
OPERATING SUBTOTAL	534,846,100	581,144,100	577,367,500
SPECIAL LINE ITEMS			
ABOR Tuition Increase	0	0	21,986,900
Biomedical Informatics	2,583,000	2,996,600	2,996,600
Downtown Phoenix Campus	50,117,000	59,412,000	70,387,500
Research Infrastructure Lease-Purchase Payment	13,555,000	13,555,000	13,555,000
Student and Faculty Retention	15,064,000	0	0
AGENCY TOTAL	616,165,100	657,107,700	686,293,500
FUND SOURCES			
General Fund	404,668,200	396,428,700	396,428,700
<u>Other Appropriated Funds</u>			
University Collections Fund	211,496,900	260,679,000	289,864,800
SUBTOTAL - Other Appropriated Funds	211,496,900	260,679,000	289,864,800
SUBTOTAL - Appropriated Funds	616,165,100	657,107,700	686,293,500
Other Non-Appropriated Funds	558,239,400	684,335,200	711,708,600
Federal Funds	149,444,200	163,231,000	175,007,400
TOTAL - ALL SOURCES	1,323,848,700	1,504,673,900	1,573,009,500

CHANGE IN FUNDING SUMMARY

	FY 2009 to FY 2010 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	29,185,800	11.2%
Total Appropriated Funds	29,185,800	4.4%
Non-Appropriated Funds	39,149,800	4.6%
Total - All Sources	68,335,600	4.5%

AGENCY DESCRIPTION — Established in 1885, Arizona State University (ASU) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). As a primary research institution, ASU offers more than 260 degree programs to 52,734 full- and part-time students in 12 colleges and schools at its Main Campus in Tempe. ASU also has an expanding Downtown Phoenix Campus that is budgeted as a unit of the Main Campus. The downtown campus has 8,431 full- and part-time students and offers 22 degree programs.

PERFORMANCE MEASURES	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2010 JLBC
• % of graduating seniors who rate their overall university experience as “good”/“excellent”	95	95	93	96
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with ranked faculty	68	69	70	71
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with professors of any rank	32	31	27	35
• Average number of years taken to graduate for students who began as freshmen	4.7	4.7	4.7	4.6
• External dollars for research and creative activity (\$ in millions)	179	192	202	--

Operating Budget

The JLBC includes \$577,367,500 and 6,278.5 FTE Positions for the operating budget in FY 2010. These amounts consist of:

General Fund	\$343,666,300
University Collections Fund	233,701,200

The FY 2010 adjustments would be as follows:

Cronkite School Shift	GF	(5,365,400)
	OF	(3,849,800)

This adjustment would decrease funding by \$(9,215,200) and (56.7) FTE Positions in FY 2010. This OF amount consists of the University Collections Fund.

These amounts would fund a shift of the (713) FTE students from the Cronkite School in FY 2010 to reflect the shift in enrollment for those students from the ASU Main Campus to the Downtown Phoenix Campus. In FY 2009, the Walter Cronkite School of Journalism and Mass Communication moved from the ASU Main Campus to the Downtown Phoenix Campus. *(For additional information on the Cronkite school shift, please see the Downtown Phoenix Campus Special Line Item section.)*

Enrollment Growth	OF	5,438,600
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This adjustment would increase enrollment funding by \$5,438,600 from the University Collections Fund in FY 2010.

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

The JLBC includes no funding for General Fund enrollment growth. If General Fund enrollment growth

was funded, it would have provided an increase of \$7,579,800. These amounts would have funded projected growth in student enrollment, as calculated by the part-statutory, part-conventional student enrollment funding formula. Projected formula enrollment is growing by 1,007 full-time equivalent (FTE) students. This enrollment projection does not include the shift in enrollment from the Main Campus to Downtown Phoenix Campus. The Walter Cronkite School of Journalism and Mass Communication moved to the Downtown Phoenix Campus at the beginning of FY 2009.

Projected formula enrollment growth of 1,007 FTE students, combined with a shift of (713) FTE students from the Cronkite School, equals a net increase of 294 to the ASU Main Campus in FY 2010. This would result in a projected total of 46,767 FTE students for ASU-Main in FY 2010.

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 Position, and their associated

General Fund costs, for every 22-FTE-student change. The average salary per FTE is \$70,000, as requested by the university and adjusted for Employee Related Expenditures.

Credit Hour Threshold GF 0

The JLBC includes no credit hour threshold adjustment. This adjustment would have decreased enrollment funding by \$(255,800) and (2.7) FTE Position from the General Fund in FY 2010 to eliminate funding for 34 additional ASU-Main students over the 145 credit hours threshold between FY 2009 and FY 2010.

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 declined to 145 hours in FY 2009. ASU-Main reported 110 FTE students over the threshold in FY 2008 and 144 FTE students in FY 2009, or a net increase of 34 FTE students over the credit hour threshold at the Main Campus in FY 2009.

ABOR Tuition Increase

The JLBC includes \$21,986,900 from the University Collections Fund for the FY 2010 tuition increase approved by the Arizona Board of Regents (ABOR).

The FY 2010 adjustments would be as follows:

FY 2010 Tuition Increase OF 21,986,900

ASU estimates that it will generate a university-wide total of \$26,600,000 in additional tuition collections due to the FY 2010 tuition increases approved by ABOR at its December 2008 meeting. The JLBC assumes that ASU-Main will receive approximately \$21,986,900 of the \$26,600,000. ASU has not yet decided how it will allocate the additional revenue.

(Please see the ABOR budget narrative pages for more information.)

Biomedical Informatics

The JLBC includes \$2,996,600 and 20.8 FTE Positions from the General Fund for the Biomedical Informatics Department in FY 2010. This amount is unchanged from FY 2009.

This multidisciplinary department incorporates computer science, biology, and engineering to organize and analyze medical data. The department is closely integrated with the University of Arizona Phoenix Medical Campus. *(For more information on this campus, please see the University of Arizona - Health Sciences Center section.)*

Downtown Phoenix Campus

The JLBC includes \$70,387,500 and 773.7 FTE Positions for programs headquartered at the Downtown Phoenix Campus in FY 2010. These amounts consist of:

General Fund	36,210,800
University Collections Fund	34,176,700

The FY 2010 adjustments would be as follows:

Cronkite School Shift GF 5,365,400
OF 3,849,800

This adjustment would increase funding by \$9,215,200 and 56.7 FTE Positions in FY 2010. This OF amount consists of the University Collections Fund.

These amounts would fund a shift of the 713 FTE students from the Cronkite School in FY 2010 to reflect the shift in enrollment for those students from the ASU Main Campus to the Downtown Phoenix Campus. In FY 2009, the Walter Cronkite School of Journalism and Mass Communication moved from the ASU Main Campus to the Downtown Phoenix Campus.

Enrollment Growth OF 1,760,300

This adjustment would increase enrollment funding by \$1,760,300 from the University Collections Fund in FY 2010.

The JLBC includes no funding for General Fund enrollment growth. If General Fund enrollment growth was funded, it would have provided an increase of \$2,453,300. These amounts would have funded projected growth in student enrollment, as calculated by the part-statutory, part-conventional student enrollment funding formula. *(For more information, please see the enrollment funding formula explanation in the Operating Budget section of this report.)* Projected formula enrollment for students enrolled in programs funded by the downtown campus is growing by 327 FTE students. This growth is separate from the Cronkite School shift in enrollment from the Main Campus to the Downtown Phoenix Campus.

Projected formula enrollment growth of 327 FTE students, combined with a shift of 713 FTE students from the Cronkite School, equals a net increase of 1,040 to the Downtown Phoenix Campus for a projected total of 4,143 FTE students in FY 2010.

ASU first offered classes in downtown Phoenix in 1986, at the site of the former Phoenix Union High School. (That facility has been renovated to house the Phoenix Medical Campus.) In 1990, ASU relocated those classes across the street to a 160,000 square-foot, 4.5 acre facility known as the Mercado.

In fall of 2006, ASU opened the ASU Downtown Phoenix Campus, which currently houses the Colleges of Public

Programs and Nursing and Healthcare Innovation as well as the University College. The Cronkite School of Journalism and Mass Communication moved from the ASU Main Campus to the Downtown Phoenix Campus in the fall of 2008. KAET-TV/Channel 8, the Phoenix Public Broadcasting Station, is scheduled to move to the campus in early 2009. ASU expects to house a total of 1,300 students in residence halls on its Downtown Phoenix Campus. The first phase of residence halls opened in the fall of 2008. The second phase of residence hall buildings is scheduled to be completed in the fall of 2009.

ASU and the City of Phoenix have planned for a Downtown Phoenix Campus that encompasses 2 million square feet on 15 acres and roughly bordered by Fillmore, Van Buren, 3rd Street, and 1st Avenue. This location places the facility 2 city blocks from the Phoenix Medical Campus. A City of Phoenix bond election in March 2006 approved \$188,000,000 to acquire (through purchase or condemnation) the necessary land, renovate 300,000 square feet of existing facilities, and construct up to 400,000 square feet of new facilities. The renovation of existing facilities was completed in the fall of 2006. Construction of additional facilities for the College of Nursing and Health Care Innovation are currently underway and are scheduled to open in the fall of 2009.

In total, ASU's financial obligations include lease-purchase payments for the Mercado; all operations, utilities, maintenance, facilities security, building renewal, and non-capital equipment costs; a portion of interest charges for projects already underway; the construction and operation of parking facilities; and a Civic Center usage fee. Additionally, ASU will transfer without cost its ownership of the Mercado to the City of Phoenix once ASU has repaid the existing indebtedness.

ASU hopes to complete the development of the downtown campus by 2020, at which time the program would include housing for 4,000 students and also accommodate 15,000 students and 1,800 faculty and staff.

Research Infrastructure Lease-Purchase Payment

The JLBC includes \$13,555,000 from the General Fund for the Research Infrastructure Lease-Purchase Payment Special Line Item in FY 2010. This amount is unchanged from FY 2009.

Laws 2003, Chapter 267 appropriated a total of \$34,600,000 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 \$482,500,000 in Certificates of Participation (COPs) for research infrastructure projects. Of this amount, ASU-Main has issued \$187,200,000 in COPs for the following projects:

- \$80,700,000 for the Biodesign Institute at ASU Building B;
- \$93,300,000 for the Interdisciplinary Science & Technology Buildings I and II;
- \$13,200,000 for the Arizona Biomedical Collaborative Building at the Downtown Phoenix Campus.

ASU-Main has completed each of these projects.

Student and Faculty Retention

The JLBC includes no funding for the Student and Faculty Retention Special Line Item in FY 2010. This amount is unchanged from FY 2009.

In FY 2009, \$15,064,000 and 138 FTE Positions were shifted from the Student and Faculty Retention Special Line Item to the Operating Budget. In total, the 3 state universities received \$29,800,000 in FY 2008 to improve student and faculty retention at their respective institutions.

ASU uses its appropriation to increase stipends to faculty and graduate teaching assistants and associates, increase course availability and reduce class sizes, enhance student advising, and create a new enrollment management system.

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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 appropriated monies shall not be used by the Arizona State University College of Law Legal Clinic for any lawsuits involving inmates of the State Department of Corrections in which the state is the adverse party.

The state General Fund appropriations shall not be used for alumni association funding.

Any unencumbered balances remaining in the collections account on June 30, 2009 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.

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 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	126,558,800	177,391,500
Year-End Fund Balance	21,068,300	23,245,300
Designated Fund (No Number 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. Indirect Cost Recovery, a Designated Fund sub-account, is presented separately.		
Funds Expended	332,375,800	378,745,800
Year-End Fund Balance	117,812,400	68,544,300
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	1,431,400	1,488,700
Year-End Fund Balance	94,150,000	92,657,200
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	149,205,300	162,980,100
Year-End Fund Balance	0	0
Federal Indirect Cost Recovery Fund (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Federally sponsored research programs.		
Purpose of Fund: To assist and promote federally sponsored research.		
Funds Expended	238,900	250,900
Year-End Fund Balance	2,948,000	1,208,700
Indirect Cost Recovery Fund (Non-Federal) (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Non-federally sponsored research programs.		
Purpose of Fund: To assist and promote non-federally sponsored research.		
Funds Expended	72,600	76,200
Year-End Fund Balance	895,500	367,200

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
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 one-third the amount of federal student loans. The federal government provides the other two-thirds. The amounts displayed do not include an administrative allowance, which is reflected in the Designated Fund.		
Funds Expended	496,100	515,900
Year-End Fund Balance	12,905,400	13,089,400
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	97,304,700	126,117,100
Year-End Fund Balance	38,470,100	29,591,500
University Collections Fund (ASA1411/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	211,496,900	260,679,000
Year-End Fund Balance	0	0