

## University of Arizona - Health Sciences Center

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DESCRIPTION	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	967.2	966.1	966.1
Personal Services	51,282,600	51,397,500	51,531,400
Employee Related Expenditures	13,632,600	11,877,400	11,906,500
Professional and Outside Services	775,700	754,700	754,700
Travel - In State	61,000	50,300	50,600
Travel - Out of State	188,800	11,600	12,700
Other Operating Expenditures	3,747,400	3,616,700	4,450,800
Library Acquisitions	1,074,700	1,018,500	1,018,500
Equipment	868,600	441,100	451,000
<b>OPERATING SUBTOTAL</b>	<b>71,631,400</b>	<b>69,167,800</b>	<b>70,176,200</b>
<b>SPECIAL LINE ITEMS</b>			
ABOR Tuition Increase	0	0	3,219,700
Clinical Rural Rotation	437,400	414,600	414,600
Clinical Teaching Support	9,969,700	9,521,100	9,521,100
Liver Research Institute	526,700	522,400	522,400
Phoenix Medical Campus	9,820,200	12,782,000	12,481,600
Telemedicine Network	2,230,800	2,132,200	2,132,200
<b>AGENCY TOTAL</b>	<b>94,616,200</b>	<b>94,540,100</b>	<b>98,467,800</b>
<b>FUND SOURCES</b>			
General Fund	80,548,000	77,996,600	77,996,600
<u>Other Appropriated Funds</u>			
University Collections Fund	14,068,200	16,543,500	20,471,200
SUBTOTAL - Other Appropriated Funds	14,068,200	16,543,500	20,471,200
<b>SUBTOTAL - Appropriated Funds</b>	<b>94,616,200</b>	<b>94,540,100</b>	<b>98,467,800</b>
Other Non-Appropriated Funds	105,517,800	109,254,900	110,695,600
Federal Funds	93,257,500	95,293,900	97,387,300
<b>TOTAL - ALL SOURCES</b>	<b>293,391,500</b>	<b>299,088,900</b>	<b>306,550,700</b>

### CHANGE IN FUNDING SUMMARY

	FY 2009 to FY 2010 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	3,927,700	23.7%
Total Appropriated Funds	3,927,700	4.2%
Non-Appropriated Funds	3,534,100	1.7%
Total - All Sources	7,461,800	2.5%

**AGENCY DESCRIPTION** — In 1994, the University of Arizona (UA) joined its Colleges of Medicine, Nursing, Pharmacy, and Public Health, its School of Health Professions, the University Medical Center, and university physicians into the Arizona Health Sciences Center (AHSC). AHSC enrolls over 1,800 undergraduate and graduate students at its 48-acre campus in Tucson. AHSC currently operates a medical campus in Phoenix that opened in FY 2008.



has not yet decided how it will allocate the additional revenue.

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

**Clinical Rural Rotation**

The JLBC includes \$414,600 and 6.1 FTE Positions from the General Fund for the Clinical Rural Rotation program in FY 2010. This amount is unchanged from FY 2009.

This line item funds the Rural Health Professions Program, which enables nurse practitioner, medical, and pharmacy students to plan and complete clinical practice rotations in rural and medically under-served sites throughout the state.

**Clinical Teaching Support**

The JLBC includes \$9,521,100 and 212 FTE Positions from the General Fund for Clinical Teaching Support in FY 2010. This amount is unchanged from FY 2009.

Clinical Teaching Support provides hospital training, through internships and residencies, for medical, nursing, clinical, and other health students in a wide variety of specialty areas. Students fill all the above-mentioned FTE Positions. Since participation in the program has been stable for several years, the funding summary above includes these FTE Positions.

**Liver Research Institute**

The JLBC includes \$522,400 and 6.5 FTE Positions from the General Fund for the Liver Research Institute in FY 2010. This amount is unchanged from FY 2009.

The Liver Research Institute conducts clinical studies on all liver diseases, focusing on chemical and natural agents that may offer a cure for such ailments. The line item also supports a research development program that actively pursues outside grants and donations.

**Phoenix Medical Campus**

The budget provides \$12,481,600 and 60.8 FTE Positions for the Phoenix Medical Campus (PMC) in FY 2009. This amount consists of:

General Fund	11,705,900
University Collections Fund	775,700

These amounts fund the following adjustment:

<b>Fund Shift</b>	<b>GF</b>	<b>(179,500)</b>
	<b>OF</b>	<b>(120,900)</b>

This adjustment would decrease enrollment funding by \$(300,400) and (1.9) FTE Positions in FY 2010 to shift

funding from the PMC Special Line Item to the Operating Budget. This OF amount consists of the University Collections Fund.

In FY 2009, the PMC Special Line Item received an increase of \$300,400 for enrollment growth, which should have instead been added to the Operating Budget. The JLBC would include a reallocation of the FY 2009 enrollment growth funding.

The Joint Legislative Budget Committee favorably reviewed detailed operational and capital plans for PMC at its September 28, 2005 meeting, with the provision that review did not constitute endorsement of any level of General Fund appropriations for PMC. UA envisions, by FY 2025, adding at least 1,200,000 square-feet to house 680 medical students, 1,660 science students, and 140 bioinformatics students.

The FY 2009 Education Budget Reconciliation Bill (Laws 2008, Chapter 287) authorized ABOR to enter into lease-to-own and bond transactions for new facilities and building renewal projects. The bill required ABOR to allocate \$470,000,000 for construction of the University of Arizona Phoenix Biomedical Campus. The JLBC would repeal the use of lottery revenues for these debt service payments. The JLBC would also repeal \$935,400,000 of ABOR's \$1,000,000,000 in bonding authority. *(For additional information on the ABOR University Capital Projects, please see the Capital Outlay – Arizona Board of Regents Building System section of this report.)*

In December 2006, the College of Medicine entered into a memorandum of understanding (MOU) with Banner Health, under which Banner Health would become the college's primary academic hospital affiliation in Phoenix. UA indicates that the Banner MOU is no longer effective and the College of Medicine is seeking other opportunities to construct a new teaching hospital on the Phoenix Biomedical Campus or build a new comprehensive cancer center in conjunction with the UA College of Medicine's Arizona Cancer Center.

**Telemedicine Network**

The JLBC includes \$2,132,200 and 14.9 FTE Positions from the General Fund for the Telemedicine Network in FY 2010. This amount is unchanged from FY 2009. In FY 2009, UA-HSC transferred 7 FTE Positions from its operating budget to the Telemedicine Network SLI. These FTE Positions are continued in FY 2010.

Telemedicine is the use of computers, video imaging, broadband Internet channels, and other telecommunication technologies to diagnose and treat patients in rural communities and state penitentiaries.

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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, 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.

*Deletion of Prior Year Footnotes*

The JLBC would delete the footnote requiring the university budget requests to provide as much detail for the Phoenix Medical Campus as for any other budget program and requiring any proposed transfer appropriated for the Phoenix Medical Campus Line Item to be reviewed by the Joint Legislative Budget Committee. The Phoenix Medical Campus has been in operation since 2006 and the JLBC granted future operational and capital plans for the campus a favorable review in September 2005.

The JLBC would delete the footnote requiring the University of Arizona and the Arizona Board of Regents report to the Joint Legislative Budget Committee updates concerning the Phoenix Medical Campus by August 2008 and February 2009, as the campus has been in operation since 2006.

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
<b>Auxiliary Fund</b> (No Fund Number/A.R.S. § 15-1601) <span style="float: right;"><b>Non-Appropriated</b></span>		
<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>	12,040,100	12,607,300
<b>Year-End Fund Balance</b>	3,451,200	3,514,000
<b>Designated Fund</b> (No Fund Number/A.R.S. § 15-1601) <span style="float: right;"><b>Non-Appropriated</b></span>		
<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.		
<b>Funds Expended</b>	18,420,500	18,729,400
<b>Year-End Fund Balance</b>	20,687,600	21,184,600
<b>Endowment and Life Income Fund</b> (No Fund Number/A.R.S. § 15-1601) <span style="float: right;"><b>Non-Appropriated</b></span>		
<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>	63,649,200	65,350,700
<b>Federal Grant Fund</b> (No Fund Number/A.R.S. § 15-1666) <span style="float: right;"><b>Non-Appropriated</b></span>		
<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>	70,235,100	72,404,900
<b>Year-End Fund Balance</b>	1,093,000	1,775,100

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
<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>	23,022,400	22,889,000
<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>	4,327,400	4,414,000
<b>Year-End Fund Balance</b>	0	0
<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 Funds</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>	70,729,800	73,504,200
<b>Year-End Fund Balance</b>	35,883,900	37,061,700
<b>University Collections Fund</b> (UAA1403/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>	14,068,200	16,543,500
<b>Year-End Fund Balance</b>	0	0