

Arizona State University - East Campus

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| | FY 2009 ACTUAL | FY 2010 ESTIMATE | FY 2011 BASELINE |
|--|-------------------|---------------------|---------------------|
| OPERATING BUDGET | | | |
| <i>Full Time Equivalent Positions</i> | 580.0 | 541.1 | 526.1 |
| Personal Services | 23,272,100 | 28,072,400 | 28,072,400 |
| Employee Related Expenditures | 6,891,600 | 8,071,000 | 8,071,000 |
| Professional and Outside Services | 13,866,800 | 12,037,600 | 12,037,600 |
| Travel - In State | 21,900 | 11,400 | 11,400 |
| Travel - Out of State | 162,400 | 63,200 | 63,200 |
| Other Operating Expenditures | 7,081,900 | 4,569,600 | 5,749,500 |
| Library Acquisitions | 140,500 | 199,400 | 199,400 |
| Equipment | 1,154,800 | 772,000 | 772,000 |
| OPERATING SUBTOTAL | 52,592,000 | 53,796,600 | 54,976,500 |
| SPECIAL LINE ITEMS | | | |
| Research Infrastructure Lease-Purchase Payment | 917,000 | 917,000 | 917,000 |
| TRIF Lease-Purchase Payment | 2,000,000 | 2,000,000 | 2,000,000 |
| AGENCY TOTAL | 55,509,000 | 56,713,600 | 57,893,500 |

FUND SOURCES

| | | | |
|---|-------------------|-------------------|-------------------|
| General Fund | 26,471,900 | 25,101,300 | 25,101,300 |
| <u>Other Appropriated Funds</u> | | | |
| Technology and Research Initiative Fund | 2,000,000 | 2,000,000 | 2,000,000 |
| University Collections Fund | 27,037,100 | 29,612,300 | 30,792,200 |
| SUBTOTAL - Other Appropriated Funds | 29,037,100 | 31,612,300 | 32,792,200 |
| SUBTOTAL - Appropriated Funds | 55,509,000 | 56,713,600 | 57,893,500 |
| Other Non-Appropriated Funds | 10,846,700 | 20,713,800 | 21,809,100 |
| Federal Funds | 8,829,100 | 3,308,900 | 3,573,500 |
| TOTAL - ALL SOURCES | 75,184,800 | 80,736,300 | 83,276,100 |

CHANGE IN FUNDING SUMMARY

| | FY 2010 to FY 2011 Baseline | |
|--------------------------|-----------------------------|----------|
| | \$ Change | % Change |
| General Fund | 0 | 0.0% |
| Other Appropriated Funds | 1,179,900 | 3.7% |
| Total Appropriated Funds | 1,179,900 | 2.1% |
| Non-Appropriated Funds | 1,359,900 | 5.7% |
| Total - All Sources | 2,539,800 | 3.1% |

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 a total of 45 professional and technical baccalaureate, master's, and doctoral programs to 9,146 full- and part-time students. ASU-East is located at the 600-acre site of the former Williams Air Force Base in southeast Mesa.

Operating Budget

The Baseline includes \$54,976,500 and 526.1 FTE Positions for the operating budget in FY 2011. These amounts consist of:

| | |
|-----------------------------|--------------|
| General Fund | \$24,184,300 |
| University Collections Fund | 30,792,200 |

FY 2011 adjustments would be as follows:

State Fiscal Stabilization Fund GF 0
 The Baseline continues a decrease of \$(287,500) from the General Fund in FY 2011 as related to federal stimulus funding stipulations identified in Laws 2009, 3rd Special Session, Chapter 11, Section 15. Chapter 11 stipulates that if the state receives federal assistance from the State Fiscal

Stabilization Fund established by the American Recovery and Reinvestment Act of 2009 (ARRA), university General Fund appropriations would be reduced by a total of \$(10,000,000). The ASU-East reduction was allocated in the same manner that ABOR implemented universitywide reductions in FY 2009 and FY 2010. (*See more information on ARRA in the Summary Book and the ABOR narrative pages.*)

Enrollment Growth OF 1,179,900

The Baseline includes an increase of \$1,179,900 from the University Collections Fund in FY 2011 for enrollment growth.

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

The Baseline includes no funding for General Fund enrollment growth. If General Fund enrollment growth was funded, it would have provided an increase of \$1,377,200. These amounts would have funded projected growth in student enrollment, as calculated by the part-statutory, part-conventional student enrollment funding formula. Formula enrollment is projected to grow by 182 full-time equivalent (FTE) students, to 4,108 FTE students in FY 2011.

Laws 2009, 3rd Special Session, Chapter 9 requires the universities to separately report out-of-state student enrollment. The legislative intent was to use this information as a basis to exclude out-of-state students from enrollment growth calculations. As part of the enrollment calculation, the projected decline of (28) FTE out-of-state students was not included in the above calculation. Total out-of-state FTE students are projected at 873 in FY 2011.

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 Position is \$70,100.

Research Infrastructure Lease-Purchase Payment

The Baseline includes \$917,000 from the General Fund for the Research Infrastructure Lease-Purchase Payment Special Line Item in FY 2011. This amount is unchanged from FY 2010.

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 does 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-East has issued \$19,000,000 in COPs for the Interdisciplinary Science & Technology Building II, which is now complete.

TRIF Lease-Purchase Payment

The Baseline includes \$2,000,000 from the Technology and Research Initiative Fund (TRIF) for lease-purchase payment requirements in FY 2011. This amount is unchanged from FY 2010.

Laws 2000, 5th Special Session, Chapter 1 appropriated \$1,400,000 from TRIF to make the initial lease-purchase payment in FY 2002 on \$27,500,000 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 shall not be used for scholarships or 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, 2010 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 Baseline would delete the footnote that prohibited the use of appropriated monies for the implementation of the Centennial Scholars Program, as the program has not been established.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

5% FTE Position Reduction

ASU-East was originally budgeted 522 General Fund FTE Positions in FY 2010. Laws 2009, 3rd Special Session, Chapter 11, Section 17 mandates a 5% General Fund FTE Position reduction by February 1, 2010. Given the mid-year implementation, this provision requires ASU-East to reduce an additional 11 General Fund FTE Positions in FY 2010 and 26 General Fund FTE Positions in FY 2011. ASU-East revised their FY 2010 Estimate to 552.1 General Fund FTE Positions; as a result, the aforementioned FTE reductions have been applied to this figure.

| SUMMARY OF FUNDS | FY 2009 Actual | FY 2010 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 | 599,400 | 630,400 |
| Year-End Fund Balance | 159,300 | 370,100 |
| 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. Indirect Cost Recovery, a Designated Fund sub-account, is presented separately. | | |
| Funds Expended | 6,183,400 | 12,806,600 |
| Year-End Fund Balance | 11,083,400 | 11,231,800 |
| 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 | 600 | 600 |
| Year-End Fund Balance | 975,400 | 975,400 |
| Federal Grants (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 | 3,063,800 | 3,308,900 |
| Year-End Fund Balance | 0 | 0 |

| SUMMARY OF FUNDS | FY 2009 Actual | FY 2010 Estimate |
|---|-------------------|-------------------------|
| Federal Grants - American Recovery and Reinvestment Act (ARRA) (UNI2999/A.R.S. § 35-142) | | Non-Appropriated |
| Source of Revenue: One-time Federal Funds allocated by the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). | | |
| Purpose of Fund: One-time Federal Funds to be used by the university as part of the State Fiscal Stabilization Fund for education programs. | | |
| Funds Expended | 5,765,300 | 0 |
| 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 | 0 | 0 |
| Year-End Fund Balance | 0 | 0 |
| 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 | 0 | 0 |
| Year-End Fund Balance | 0 | 0 |
| 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 | 0 | 0 |
| Year-End Fund Balance | 27,600 | 27,600 |
| 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 | 4,063,300 | 7,276,200 |
| Year-End Fund Balance | 3,297,000 | 2,340,100 |
| Technology and Research Initiative Fund (No Fund Number/A.R.S. § 15-1648) | | Appropriated |
| Source of Revenue: 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. | | |
| Purpose of Fund: To make lease-purchase payments on certificates of participation used for technology and research capital projects. | | |
| Funds Expended | 2,000,000 | 2,000,000 |
| Year-End Fund Balance | 0 | 0 |
| 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 | 27,037,100 | 29,612,300 |
| Year-End Fund Balance | 0 | 0 |