

Northern Arizona University

	FY 2012 ACTUAL	FY 2013 ESTIMATE	FY 2014 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	2,057.2	2,057.2	2,057.2 ^{1/}
Personal Services	127,229,300	130,094,700	130,094,700
Employee Related Expenditures	39,728,600	41,244,000	41,244,000
Professional and Outside Services	8,895,700	5,880,700	5,880,700
Travel - In State	272,500	366,700	366,700
Travel - Out of State	543,800	0	0
Other Operating Expenditures	17,847,100	19,816,800	20,851,800
Equipment	387,800	353,700	353,700
OPERATING SUBTOTAL	194,904,800	197,756,600	198,791,600
SPECIAL LINE ITEMS			
Parity Funding	0	3,302,600	6,605,200 ^{2/}
NAU - Yuma	3,006,500	3,066,700	3,066,700
Research Infrastructure Lease-Purchase Payment	5,900,000	5,900,000	5,900,000 ^{3/}
Teacher Training	2,179,500	2,290,600	2,290,600 ^{4/}
AGENCY TOTAL	205,990,800	212,316,500^{5/}	216,654,100^{6/7/}
FUND SOURCES			
General Fund	108,251,900	104,907,400	109,245,000 ^{8/9/}
<u>Other Appropriated Funds</u>			
University Collections Fund	97,738,900	107,409,100	107,409,100 ^{10/}
SUBTOTAL - Other Appropriated Funds	97,738,900	107,409,100	107,409,100
SUBTOTAL - Appropriated Funds	205,990,800	212,316,500	216,654,100
Other Non-Appropriated Funds	180,237,100	193,794,000	197,733,700
Federal Funds	75,447,800	76,202,400	76,964,400
TOTAL - ALL SOURCES	461,675,700	482,312,900	491,352,200

1/ Includes 29.4 GF FTE Positions funded from Special Line Items in FY 2014.

2/ It is the intent of the Legislature to appropriate funding to Arizona State University and Northern Arizona University with the goal of achieving per student funding parity between the universities under the jurisdiction of the Arizona Board of Regents no later than the beginning of FY 2017. (General Appropriation Act footnote)

3/ Includes \$5,900,000 from the General Fund appropriated by Laws 2003, Chapter 267 to finance lease-purchase payments for research infrastructure projects.

4/ The appropriated amount for the Teacher Training line item shall be distributed to the Arizona K-12 Center for Program Implementation and Mentor Training for the Arizona Mentor Teacher program prescribed by the State Board of Education. (General Appropriation Act footnote)

5/ In addition to these amounts, the FY 2013 General Appropriation Act included a one-time FY 2013 adjustment of \$(19,600) GF for a state employee health insurance premium holiday. (Please see the FY 2013 General Fund Adjustments section.)

6/ The appropriated monies shall not be used for scholarships or any student newspaper. (General Appropriation Act footnote)

7/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

8/ The state General Fund appropriations shall not be used for alumni association funding. (General Appropriation Act footnote)

9/ It is the intent of the Legislature that the General Fund base funding for Northern Arizona University is \$103,345,000. This appropriation includes a deferral of \$30,494,800 from FY 2014 to FY 2015. This deferral shall be paid as required in this act. (General Appropriation Act footnote) The General Fund base funding of \$103,345,000 plus the \$5,900,000 in Laws 2003, Chapter 267, lease-purchase appropriations equals the FY 2013 total of \$109,245,000. The \$30,494,800 deferral amount was appropriated by Laws 2012, Chapter 294.

10/ Any unencumbered balances remaining in the collections account on June 30, 2013 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. (General Appropriation Act footnote)

AGENCY DESCRIPTION — Established in 1899, Northern Arizona University (NAU) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). The university’s primary focus is undergraduate residential education. NAU offers 136 degree programs and 62 certificate programs to 26,002 students in 9 colleges/divisions through its campus in Flagstaff and its extended campus programs, also known as distance learning programs. The university is responsible for providing the large majority of statewide extended campus programs, both over the Internet and through 35 instructional sites, including a Yuma Branch Campus that operates in conjunction with Arizona Western College and NAU Yavapai, a partnership with Yavapai Community College.

Operating Budget

The budget includes \$198,791,600 and 2,027.8 FTE Positions in FY 2014 for the operating budget. These amounts consist of:

	FY 2014
General Fund	\$91,382,500
University Collections Fund	107,409,100

These amounts fund the following adjustments:

Performance Funding Reallocation

The budget includes an increase of \$1,035,000 from the General Fund in FY 2014 for the distribution of FY 2013 performance funding. This amount was reallocated from ABOR. New FY 2014 performance funding was appropriated to ABOR and will be subsequently distributed to individual universities. *(Please see ABOR for more information.)*

Student enrollment growth and tuition and fee increases for students will contribute to an increase in university tuition and fee collections and the University Collections Fund amount will ultimately be adjusted to reflect these additional revenues. *(See the Arizona Board of Regents (ABOR) narrative for a discussion of performance funding.)*

Parity Funding

The budget includes \$6,605,200 from the General Fund in FY 2014 for the Parity Funding Special Line Item (SLI). This amount includes the following adjustments:

Parity Funding Increase

The budget includes an increase of \$3,302,600 from the General Fund in FY 2014 to align NAU’s per pupil funding to that of the higher University of Arizona amount.

The FY 2013 General Appropriation Act included \$15,273,700 from the General Fund in the Arizona Board of Regents’ budget in order to align ASU’s and NAU’s General Fund per student funding to that of the higher UA amount. The FY 2014 General Appropriation Act incorporates ASU’s and NAU’s share of the FY 2013 funding into each university’s base and also includes and additional equal amount of funding in FY 2014. Of this amount, \$11,971,100 is for ASU and \$3,302,600 is for

NAU with the goal that per student funding parity is achieved among the universities no later than the beginning of FY 2017.

NAU - Yuma

The budget includes \$3,066,700 and 29.4 FTE Positions from the General Fund in FY 2014 for NAU-Yuma. These amounts are unchanged from FY 2013.

NAU operates this campus in conjunction with the Arizona Western College in Yuma.

Research Infrastructure Lease-Purchase Payment

The budget includes \$5,900,000 from the General Fund in FY 2014 for the Research Infrastructure Lease-Purchase Payment Special Line Item. This amount is unchanged from FY 2013.

Laws 2003, Chapter 267 appropriated a total of \$34,625,000 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, NAU has issued \$77,475,000 in COPs.

Teacher Training

The budget includes \$2,290,600 from the General Fund in FY 2014 for the Teacher Training Special Line Item. This amount is unchanged from FY 2013.

The Teacher Training program serves to increase the number of teachers serving as mentors under the Teacher Training (“Master Teacher”) program. The Arizona K-12 Center is affiliated with NAU and is located in downtown Phoenix.

Other Issues

Payment Deferral

The budget includes \$30,494,800 from the General Fund for FY 2013 payments that were deferred until FY 2014 and includes a FY 2014 General Fund payment deferral of \$(30,494,800) until FY 2015. These amounts constitute a portion of a \$200,000,000 university-wide payment deferral. The payment deferral is unchanged from FY 2011. (*Please see ABOR for more information.*)

The FY 2014 General Fund budget is \$109,245,000. Of this amount:

- \$72,850,200 would be included in NAU's section of the FY 2014 General Appropriation Act.
- \$30,494,800 was appropriated in the FY 2013 General Appropriation Act (Laws 2012, Chapter 294) to reflect the deferral of FY 2013 monies to FY 2014.
- \$5,900,000 was appropriated in Laws 2003, Chapter 267 for a lease-purchase payment.