

# Arizona Board of Regents

	FY 2012 ACTUAL	FY 2013 ESTIMATE	FY 2014 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	25.9	25.9	25.9
Personal Services	1,588,800	1,436,000	1,436,000
Employee Related Expenditures	443,100	521,600	521,600
Professional and Outside Services	50,500	62,400	62,400
Other Operating Expenditures	338,300	330,600	330,600
<b>OPERATING SUBTOTAL</b>	<b>2,420,700</b>	<b>2,350,600</b>	<b>2,350,600</b>
<b>SPECIAL LINE ITEMS</b>			
Arizona Teachers Incentive Program	90,000	90,000	90,000
Arizona Transfer Articulation Support System	213,700	213,700	213,700
Performance Funding	0	5,000,000	5,000,000
Student Financial Assistance	10,041,200	10,041,200	10,041,200
Western Interstate Commission Office	125,000	125,000	125,000
WICHE Student Subsidies	4,106,000	4,106,000	4,106,000
<b>AGENCY TOTAL</b>	<b>16,996,600<sup>1/</sup></b>	<b>21,926,500</b>	<b>21,926,500</b>
<b>FUND SOURCES</b>			
General Fund	16,996,600	21,926,500	21,926,500
<b>SUBTOTAL - Appropriated Funds</b>	<b>16,996,600</b>	<b>21,926,500</b>	<b>21,926,500</b>
Other Non-Appropriated Funds	7,341,900	11,144,600	9,035,400
Federal Funds	365,500	1,075,900	1,005,900
<b>TOTAL - ALL SOURCES</b>	<b>24,704,000</b>	<b>34,147,000</b>	<b>31,967,800</b>

**AGENCY DESCRIPTION** — Article 11 of the Arizona Constitution creates the Arizona Board of Regents (ABOR). ABOR governs the 3 state institutions comprising the Arizona University System: Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (UA). The board is legally, fiscally, and strategically responsible for the state universities.

## Operating Budget

The Baseline includes \$2,350,600 and 25.9 FTE Positions from the General Fund in FY 2014 for the operating budget. These amounts are unchanged from FY 2013.

## Arizona Teachers Incentive Program

The Baseline includes \$90,000 from the General Fund in FY 2014 for the Arizona Teachers Incentive Program (ATIP). This amount is unchanged from FY 2013.

Laws 1990, Chapter 340 mandated that ABOR establish and administer a loan program for students of deaf and blind education at the UA College of Education. Students may earn forgiveness for their loans by teaching in an Arizona deaf and blind program for a time equal to their period of loan support. In FY 2012, ATIP distributed \$50,000 in loans among 10 students, as well as \$40,000 to

the UA College of Education for deaf and blind instructional resources.

## Arizona Transfer Articulation Support System

The Baseline includes \$213,700 from the General Fund in FY 2014 for the Arizona Transfer Articulation Support System (ATASS). This amount is unchanged from FY 2013.

A.R.S. § 15-1824 establishes ATASS as a joint initiative, among the public community colleges and universities, to facilitate efficient transfer of course curricula and credits. ATASS is also developing a shared statewide student and financial information database. The tribal colleges and community college districts overall contributed \$277,200 to the system in FY 2012 and are projected to also contribute \$277,200 in both FY 2013 and FY 2014.

<sup>1/</sup> Includes a total of \$70,100 GF appropriated in FY 2012 for costs associated with an additional pay period. These expenditures were not reflected in the individual agency tables in the FY 2012 Appropriations Report.

### **Performance Funding**

The Baseline includes \$5,000,000 from the General Fund in FY 2014 for the Performance Funding Special Line Item (SLI). This amount is unchanged from FY 2013.

The following amounts were reallocated from the university budgets to ABOR to fund the \$5,000,000 performance-based funding SLI: \$2,030,000 from ASU - Tempe/Downtown Phoenix, \$156,300 from ASU - East, \$271,700 from ASU - West, \$834,600 from NAU, and \$1,707,400 from UA - Main.

The FY 2013 Higher Education Budget Reconciliation Bill (BRB) (Laws 2012, Chapter 301), required ABOR and the universities to adopt a performance funding model by July 1, 2012. The model is to use performance metrics that include the increase in degrees awarded, the increase in completed student credit hours, and the increase in externally generated research and public service funding. The formula may give added weight to degrees related to science, technology, engineering, mathematics, and other high-value degrees that are in short supply or that are essential to the state's long-term economic development strategy. The universities are to submit their annual budget requests based on this funding model. (*See the Other Issues for Legislative Consideration section for additional information.*)

### **Student Financial Assistance**

The Baseline includes \$10,041,200 from the General Fund in FY 2014 for Student Financial Assistance. This amount is unchanged from FY 2013.

Pursuant to A.R.S. § 15-1642, monies in this line item match financial aid tuition surcharges collected from university students. The Arizona Financial Aid Trust (AFAT) fee is 1% of the full-time resident undergraduate tuition rate, or \$46 - \$91 in FY 2012, depending on the university. All students pay roughly the same fee, except part-time students, who pay half the regular fee. The FY 2013 Higher Education BRB suspended the statutory requirement that the state provide a 2:1 ratio of state funding to student fees in FY 2013.

AFAT retains 25% of all annual receipts as an endowment. ABOR distributes the remaining monies, proportionally to each university's respective contribution, to provide immediate assistance for needy in-state students. In FY 2012, AFAT disbursed \$13,532,100 in financial aid.

### **Western Interstate Commission Office**

The Baseline includes \$125,000 from the General Fund in FY 2014 for the Western Interstate Commission Office. This amount is unchanged from FY 2013.

Monies in this line item pay the state's share of administrative expenditures for the Western Interstate

Commission on Higher Education (WICHE), in accordance with A.R.S. § 15-1742. The WICHE central office sets the administrative fee.

### **WICHE Student Subsidies**

The Baseline includes \$4,106,000 from the General Fund in FY 2014 for WICHE student subsidies. This amount is unchanged from FY 2013.

Monies in this line item provide subsidies to Arizona students participating in the WICHE Professional Student Exchange Program (PSEP). Since the Arizona University System does not offer programs in dentistry, optometry, occupational therapy, osteopathy, physician assistance, or veterinary medicine, PSEP allows interested students to enroll in these programs at private in-state institutions or other public western universities.

In FY 2012, the board is providing subsidies to 187 Arizona students, which is the same as FY 2011. Participating students receive admissions preference and subsidized tuition. A.R.S. § 15-1745 requires graduates to practice 1 year in Arizona, or 6 months in an under-served Arizona community, for each year of WICHE support. Participants who fail to meet their service requirements must repay 50% of their subsidies, plus interest.

The WICHE central office determines subsidy amounts for each program through negotiations with participating institutions. As rough guidance, WICHE subsidies are intended to cover the difference between resident and non-resident tuition at a public university or approximately half the private university tuition rate.

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**FORMAT** — Operating Lump Sum with Special Line Items by Agency

### **FOOTNOTES**

#### *ABOR Specific Standard Footnotes*

Within 10 days of the acceptance of the universities' semiannual all funds budget reports, the Arizona Board of Regents shall submit an expenditure plan for review to the Joint Legislative Budget Committee. The expenditure plan shall include any tuition revenue amounts that are greater than the appropriated amounts and all retained tuition and fee revenue expenditures for the current fiscal year. The additional revenue expenditure plan shall provide as much detail as the university budget requests.

#### *Universitywide 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, 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.

The Course Redesign Technology and Capital appropriation shall become available for use by Arizona State University and Northern Arizona University after the Arizona Board of Regents approves an expenditure plan. The Arizona Board of Regents shall review the expenditure plan before October 1, 2013. The monies must be used for innovative course redesign technologies and capital improvements that will maintain or improve learning outcomes and decrease per student costs for large enrollment or high failure rate classes. Of this amount, \$11,971,100 shall be distributed to the Arizona State University campuses and \$3,302,600 shall be distributed to Northern Arizona University. The Arizona Board of Regents shall notify the Joint Legislative Budget Committee Staff of the amounts allocated to each Arizona State University campus. It is the intent of the Legislature that these monies be budgeted to the individual campuses beginning in FY 2014. It is the intent of the Legislature to appropriate funding to Arizona State University and Northern Arizona University in FY 2014 through FY 2017 with the goal of achieving per student funding parity between the universities under the jurisdiction of the Arizona Board of Regents at the beginning of FY 2017.

The following amounts have been allocated from the university campuses to the Arizona Board of Regents for Performance Funding: \$2,030,000 from Arizona State University - Tempe and Downtown Phoenix Campuses, \$156,300 from Arizona State University - East, \$271,700 from Arizona State University - West, \$834,600 from Northern Arizona University, and \$1,707,400 from the University of Arizona - Main campus. The performance funding formula shall be as prescribed by law. The Arizona Board of Regents shall report the final allocation of performance funding to the Joint Legislative Budget Committee on or before July 1, 2013.

**STATUTORY CHANGES**

The Baseline would:

- As session law, continue to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into AFAT. Based on student fees contributed to AFAT in FY 2011, the state’s match would grow to \$21,363,000 or an increase of \$11,321,800, over the current appropriation in FY 2014.

- As session law in the General Appropriation Act, continue the FY 2012 \$200,000,000 universitywide payment deferral to the universities from FY 2014 to FY 2015.
- As permanent law, require ABOR’s existing student enrollment report to delineate between out-of-state and in-state full-time equivalent students (FTE) (A.R.S. § 15-1626).
- As session law, require ABOR to report on whether their performance funding model can be used to determine the total systemwide performance budget request.

**OTHER ISSUES FOR LEGISLATIVE CONSIDERATION**

***Continued Student Deposit***

The FY 2012 K-12 Education BRB (Laws 2011, Chapter 29) required each university and community college to deposit \$6 per each full-time student into the Department of Education’s Education Learning and Accountability Fund by December 1, 2011. The FY 2013 K-12 Education BRB (Laws 2012, Chapter 300) requires each university and community college to deposit \$6 per each full-time student into the fund again by December 31, 2012. This assessment is expected to generate \$765,600 from the universities and \$872,800 from the community colleges. The FY 2014 Baseline does not continue this charge. *(Please see Arizona Department of Education budget narrative for more information.)*

***Payment Deferral***

The Baseline includes \$200,000,000 from the General Fund for universitywide FY 2013 payments that were deferred until FY 2014 and includes a universitywide FY 2014 General Fund payment deferral of \$(200,000,000) until FY 2015. The payment deferral is unchanged from FY 2011. *(Please see the individual university narrative pages for more information.)*

The FY 2014 payment deferrals are allocated among the universities as follows:

ASU-Tempe/DPC	\$ (74,760,400)
ASU-East	(5,750,200)
ASU-West	<u>(10,064,800)</u>
ASU Subtotal	(90,575,400)
NAU	(30,494,800)
UA-Main	(62,153,100)
UA-HSC	<u>(16,776,700)</u>
UA Subtotal	<u>(78,929,800)</u>
<b>Total</b>	<b>\$(200,000,000)</b>

***Performance Funding***

According to the FY 2013 Higher Education Budget BRB, ABOR and the universities were to adopt a performance funding model by July 1, 2012. The model is to use performance metrics that include the increase in degrees awarded, the increase in completed student credit hours, and the increase in externally generated research and public service funding. The formula may give added weight to degrees related to science, technology,

engineering, mathematics, and other high-value degrees that are in short supply or that are essential to the state's long-term economic development strategy.

The universities have requested \$40.9 million in General Fund monies in FY 2014. This total request level was not derived from the performance model. Instead, ABOR based the total request on the percentage of revenue growth that the state experienced in FY 2012. ABOR applied state's percentage revenue growth, approximately 6.5%, to the total university budget to generate the \$40.9 million request.

ABOR, however, did use the performance model to allocate a portion of the \$40.9 million request to each university. ABOR allocated 54.6% to ASU (\$22.3 million), 20.7% to NAU (\$8.5 million), and 24.7% to UA (\$10.1 million).

These percentages were calculated by ABOR based on 3 weighted metrics: increase in degrees awarded, the increase in completed student credit hours, and the increase in externally generated research and public service funding. The value attached to each metric is partially based on a formula and partially based on discretionary weights to certain areas of focus.

As noted above, ABOR did not use their model to determine their overall performance funding request. By using the model to allocate the shares of the performance request, however, ABOR has made progress in implementing the FY 2013 BRB language. The JLBC Staff suggests that the Legislature consider adding a one-time reporting requirement on whether the ABOR model can be used to derive the overall performance request.

Prior to the FY 2014 performance funding request, the appropriated funding increases for the universities were based on a part-statutory, part-conventional student enrollment funding formula that was based in part on projected student growth. Increases to the General Fund component of that calculation have been suspended since FY 2010.

#### ***Parity Funding/Course Redesign Technology and Capital***

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. 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 by the beginning of FY 2017. These amounts are currently reflected in the individual agency budgets. (See ASU - Tempe/DPC, ASU - East and NAU for additional information.)

These monies are to be used by ASU and NAU for innovative course redesign technologies and capital improvements that will maintain or improve learning

outcomes and decrease per-student costs for large enrollment or high-failure rate classes.

#### ***University System Summary Tables***

*Table 1* summarizes the FY 2014 expenditure authority amounts for the Arizona University System. The Collections Fund amounts for each campus includes growth, as reported by the universities, due to FY 2013 increases in tuition collections. The General Fund amounts do not include additional growth.

*Table 2* shows enrollment for Arizona University System students in fall 2011, spring 2012, and fall 2012. ASU-Tempe enrollment decreased by (1,367) FTE for a total of 50,020 in fall 2012, ASU DPC grew by 1,619 for a total of 11,355, ASU East increased by 137 for a total of 5,057, ASU West increased by 286 for a total of 6,155, NAU increased by 1,253 for a total of 23,990, UA Main increased by 1,137 for a total of 36,607, and UA Health Sciences increased by 160 for a total of 2,772. Prior to the FY 2014 Baseline, the university system projected enrollment was calculated 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. Enrollment information is now based on actual enrollment data.

*Table 3* shows ABOR changes to resident and non-resident undergraduate tuition from FY 2012 to FY 2013.

*Table 4* shows the financial aid distribution and the sources of aid for the Arizona University System in FY 2012. Of \$1,850,370,500 total financial aid distributions in FY 2012, the state appropriated \$1,849,200, university institutional services provided \$601,199,800, and AFAT (made up of both state and institutional funds) accounted for \$13,532,100.

*Table 5* displays total tuition collections for the Arizona University System, which equal an estimated \$1,583,089,800 in FY 2013 and \$1,626,324,700 in FY 2014. The FY 2014 amount includes \$74,352,100 that accounts for the FY 2014 approved tuition increases, which are not incorporated into the individual university narratives. The \$74,352,100 amount will be allocated between appropriated and non-appropriated funds, however, that has yet to be determined.

The universities annually project their expenditure needs for financial aid, facilities (plant fund), debt service, and the operating budget. A.R.S. § 15-1626 authorizes ABOR to then allocate collections between the appropriated operating budgets, under legislative control, and non-appropriated funds, locally retained by the universities.

Table 1

## FY 2014 Summary of Spending Authority

	Appropriated Funds			Non-Appropriated Funds		Total
	General Fund	Collections Fund <sup>1/</sup>	Tech & Research Fund (TRIF)	Federal Funds	Other Funds	
ABOR	\$ 21,926,500	\$ 0	\$ 0	\$ 1,005,900	\$ 9,035,400	\$ 31,967,800
ASU-Tempe/DPC	257,332,200	452,685,000	0	299,009,000	714,014,400	1,723,040,600
ASU-East	20,771,200	35,590,900	2,000,000	5,311,000	37,979,200	101,652,300
ASU-West	33,071,700	40,390,200	1,600,000	8,668,000	43,319,400	126,995,300
NAU	104,907,400	107,409,100	0	76,964,400	197,733,700	487,014,600
UA-Main	207,793,500	269,918,000	0	290,148,200	854,734,100	1,622,593,800
UA-Health Sciences	61,585,300	43,920,300	0	112,351,500	172,030,900	389,888,000
<b>Total</b>	<b>\$707,333,800</b>	<b>\$949,913,500</b>	<b>\$3,600,000</b>	<b>\$793,458,000</b>	<b>\$2,028,847,100</b>	<b>\$4,483,152,400</b>

<sup>1/</sup> Excludes FY 2014 tuition increase.

Table 2

Arizona University System 45<sup>th</sup> Day Enrollment <sup>1/</sup>

	Fall 2011	Spring 2012	Fall 2012	Fall 2011 to Fall 2012 % Change
	ASU-Tempe/ DPC	61,123	56,987	61,375
ASU-East	4,920	4,935	5,057	2.8%
ASU-West	5,869	5,837	6,155	4.9%
NAU	22,737	21,718	23,990	5.5%
UA-Main	35,470	33,381	36,607	3.2%
UA-Health Sciences	<u>2,612</u>	<u>2,712</u>	<u>2,772</u>	<u>6.1%</u>
<b>Total</b>	<b>132,732</b>	<b>125,570</b>	<b>135,955</b>	<b>2.4%</b>

<sup>1/</sup> Enrollment includes 240 full-time equivalent students with excess credit hours in fall 2011, 395 in spring 2012 and 271 in fall 2012.

Table 3

Arizona University System  
FY 2012 to FY 2013 Undergraduate Tuition and Fees Changes <sup>1/</sup>

	Resident <sup>2/</sup>				Non-Resident <sup>2/</sup>			
	FY 2012	FY 2013	\$ Change	% Change	FY 2012	FY 2013	\$ Change	% Change
ASU	\$8,736 to \$9,716	\$8,740 to \$9,720	\$4	0.0004%	\$22,315	\$22,973	\$658	2.9%
ASU-Distance Ed.	N/A	\$6,490	N/A	N/A	N/A	\$9,490	N/A	N/A
NAU	\$5,960 to \$8,824	\$6,909 to \$9,271	\$447 to \$949	5.1% to 15.9%	\$17,058 to \$21,179	\$18,136 to \$21,626	\$447 to \$1,078	2.1% to 6.3%
NAU-Distance Ed.	\$4,803 to \$6,317	\$4,948 to \$6,508	\$145 to \$191	3.0%	\$14,283 to \$17,650	\$14,715 to \$18,190	\$432 to \$540	3.0%
UofA-Main/HSC	\$10,035	\$10,035	\$0	0%	\$25,494	\$26,231	\$737	2.9%
UofA-South	\$7,941	\$7,941	\$0	0%	\$25,071	\$25,808	\$737	2.9%

<sup>1/</sup> The amounts represent combined full-time tuition for fall and spring semesters, as well as mandatory fees. Undergraduates must take at least 12 credit hours to qualify for full-time status. Mandatory fees include AFAT and student recreation charges, but do not include special class or program fees.

<sup>2/</sup> NAU provides a guaranteed tuition rate for each incoming class. ASU previously had a tuition commitment rate for each incoming class, however, both ASU and UA currently do not have tuition guarantees.

**Table 4**

**FY 2012 Financial Aid Distribution by Source**  
(\$ in Thousands) <sup>1/</sup>

	<u>Federal</u>	<u>State</u> <sup>2/</sup>	<u>Institutional</u> <sup>3/</sup>	<u>Private/Other</u> <sup>4/</sup>	<u>Total</u>
Grants	\$206,107.5	\$1,600.6	\$429,454.6	\$132,379.0	\$ 769,541.7
Loans	699,059.1	248.6	0.0	202,621.0	901,928.7
Employment	<u>7,154.9</u>	<u>0.0</u>	<u>171,745.2</u>	<u>0.0</u>	<u>178,900.1</u>
<b>Total</b>	<b>\$912,321.5</b>	<b>\$1,849.2</b>	<b>\$601,199.8</b>	<b>\$335,000.1</b>	<b>\$1,850,370.5</b>

<sup>1/</sup> Information provided by ABOR.  
<sup>2/</sup> State sources of aid include revenues from the Commission for Postsecondary Education and the Board of Medical Student Loans.  
<sup>3/</sup> Institutional sources of aid include revenues from: Local Retention, the Collegiate License Plate Fund, Foundation funds, and Financial Aid Carry Forward from previous years.  
<sup>4/</sup> Private/Other sources of aid include AFAT, which is a combination of both state and institutional sources of aid.

**Table 5**

**Tuition Revenue Allocation**

	<u>FY 2012</u> <u>Actual</u>	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2014</u> <u>Estimate</u> <sup>1/</sup>
<u>Appropriated</u>			
Operating Budget	\$ 865,722,400	\$ 949,913,600	\$ 972,188,800
<u>Non-Appropriated</u>			
Operating Budget	\$ 94,441,900	\$ 126,842,900	\$ 133,329,700
Financial Aid	384,407,400	401,858,500	409,737,800
Plant Fund	18,502,100	18,502,100	19,002,100
Debt Service	<u>82,595,700</u>	<u>85,972,700</u>	<u>92,066,300</u>
<i>Subtotal</i>	\$ 579,947,100	\$ 633,176,200	\$ 654,135,900
<b>Total</b>	<b>\$1,445,669,500</b>	<b>\$1,583,089,800</b>	<b>\$1,626,324,700</b>

<sup>1/</sup> The source for these non-appropriated amounts are the universities' FY 2014 budget requests. The appropriated amount includes all FY 2014 estimated tuition collections and fees.

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 Estimate
<b>Arizona Health Education Center Program Fund (BRA2/A.R.S. § 5-522)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Lottery proceeds.		
<b>Purpose of Fund:</b> To provide funding for the 5 Arizona Area Health Education Centers, which work to improve healthcare access for rural and underserved communities. These funds are passed through to the universities, and therefore expenditures are not displayed to avoid double counting. Pass-through funds totaled \$4,528,800 in FY 2012 and are expected to be the same in both FY 2013 and FY 2014.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Federal Fund (BRA2000/A.R.S. § 15-1666)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Grants from the United States Department of Education.		
<b>Purpose of Fund:</b> To support pre-service, retraining, and in-service educational programs improving the instructional and management skills of K-12 and vocational school teachers and administrators, with an emphasis on core subjects.		
<b>Funds Expended</b>	365,500	1,075,900
<b>Year-End Fund Balance</b>	70,000	0
<b>Regents Local Fund (BRA1/A.R.S. § 15-1626)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Contributions of retained tuition from the 3 universities.		
<b>Purpose of Fund:</b> To supplement the ABOR operating budget.		
<b>Funds Expended</b>	2,746,100	4,698,200
<b>Year-End Fund Balance</b>	2,435,200	216,100

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 Estimate
<b>Technology and Research Initiative Fund (BRA2472/A.R.S. § 15-1648)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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. Total receipts were \$56,882,700 in FY 2012 and are estimated to be \$56,999,100 in FY 2013.		
<b>Purpose of Fund:</b> To provide grants for university technology and research initiatives, with preference given to federal or private partnerships, as well as to programs for non-traditional students; also, for up to 20% of fund monies, to support capital projects, including debt service, relating to technology and research. The displayed expenditures represent only that portion of tax receipts utilized by ABOR. The board transfers all other receipts to university Restricted Funds, which reflect those monies.		
<b>Funds Expended</b>	778,400	2,565,500
<b>Year-End Fund Balance</b>	2,065,500	0
<b>Trust Land Fund (BRA3131/3132/3134/3136/ A.R.S. § 15-1662)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies derived from the lease, sale, or other disposition of lands granted to the state by the United States for the use and benefit of the universities. Land funds are allocated for Agricultural and Mechanical Colleges, Military Institutes, Universities, and Normal Schools, respectively. Total land earnings were \$3,837,300 in FY 2012 and are estimated to be \$3,837,300 in FY 2013.		
<b>Purpose of Fund:</b> To operate agricultural and mechanical colleges, to support university Reserve Officers' Training Corps programs, to match private funds attracting distinguished faculty, and to operate teacher training programs, respectively. The displayed expenditures represent only that portion of trust land earnings transferred to university endowments to support outstanding faculty. ABOR transfers all other trust land earnings to University Collections Funds, which reflect those monies.		
<b>Funds Expended</b>	3,817,400	3,880,900
<b>Year-End Fund Balance</b>	43,600	0