

# Arizona Board of Regents

	FY 2014 ACTUAL	FY 2015 ESTIMATE	FY 2016 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	25.9	25.9	25.9
Personal Services	1,622,500	1,497,500	1,497,500
Employee Related Expenditures	460,900	551,000	551,000
Professional and Outside Services	20,300	24,000	24,000
Other Operating Expenditures	245,600	280,000	280,000
<b>OPERATING SUBTOTAL</b>	<b>2,349,300</b>	<b>2,352,500</b>	<b>2,352,500</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	5,000,000	5,000,000	5,000,000
Student Financial Assistance	10,041,200	10,041,200	10,041,200
Western Interstate Commission Office	131,000	137,000	137,000
WICHE Student Subsidies	4,077,400	4,094,000	4,094,000
<b>AGENCY TOTAL</b>	<b>21,902,600</b>	<b>21,928,400</b>	<b>21,928,400</b>
<b>FUND SOURCES</b>			
General Fund	21,902,600	21,928,400	21,928,400
<b>SUBTOTAL - Appropriated Funds</b>	<b>21,902,600</b>	<b>21,928,400</b>	<b>21,928,400</b>
Other Non-Appropriated Funds	12,728,600	16,244,800	11,310,800
Federal Funds	387,600	1,085,000	939,700
<b>TOTAL - ALL SOURCES</b>	<b>35,018,800</b>	<b>39,258,200</b>	<b>34,178,900</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 \$2,352,500 and 25.9 FTE Positions from the General Fund in FY 2016 for the operating budget. These amounts are unchanged from FY 2015.

### **Arizona Teachers Incentive Program**

The Baseline includes \$90,000 from the General Fund in FY 2016 for the Arizona Teachers Incentive Program (ATIP). This amount is unchanged from FY 2015.

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 2014, 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 2016 for the Arizona Transfer Articulation Support System (ATASS). This amount is unchanged from FY 2015.

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 2014 and are projected to also contribute \$277,200 in both FY 2015 and FY 2016.

### **Performance Funding**

The Baseline includes \$5,000,000 from the General Fund in FY 2016 for the Performance Funding Special Line Item (SLI). This amount is unchanged from FY 2015 and

represents a continuation of the same \$5,000,000 that was appropriated in FY 2015.

The FY 2015 appropriation of \$5,000,000 to ABOR was distributed as follows:

- \$2,348,800 to ASU - Tempe/Downtown Phoenix
- \$165,300 to ASU - East
- \$190,900 to ASU - West
- \$1,090,000 to NAU
- \$1,205,000 to UA - Main

These amounts are the same as the FY 2014 performance funding. The FY 2016 Baseline retains these same \$5,000,000 funds in ABOR with the distribution by university to be determined later.

The \$5,000,000 was first appropriated in FY 2013. These funds were distributed as follows:

- \$2,192,000 to ASU - Tempe/Downtown Phoenix
- \$156,300 to ASU - East
- \$271,700 to ASU - West
- \$1,035,000 to NAU
- \$1,345,000 to UA - Main

Unlike the FY 2014 and FY 2015 monies, the FY 2013 allocation is appropriated directly to each university.

In summary, the FY 2013 - FY 2016 budgets provided a total increase of \$10,000,000 from the General Fund for performance funding. Of that amount, \$5,000,000 has been allocated to individual campuses and \$5,000,000 remains in ABOR.

*Background* - 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 uses 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. At the present time, ABOR and the universities are discussing revisions to further refine the model. An ongoing budget footnote requires that ABOR report the final allocation of performance funding to the JLBC by July 1 of each year.

A budget footnote requires that ABOR use the adopted performance funding model in developing and submitting future budget requests for the universities under its jurisdiction, and that the Legislature use the performance funding model in the development of future fiscal year appropriations for the universities. *(Please see Performance Funding in Other Issues for Legislative Consideration for additional information.)*

### ***Student Financial Assistance***

The Baseline includes \$10,041,200 from the General Fund in FY 2016 for Student Financial Assistance. This amount is unchanged from FY 2015.

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 \$51 - \$95 in FY 2015, depending on the university. All students pay roughly the same fee, except part-time students, who pay half the regular fee. The FY 2016 Baseline would continue to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees in FY 2016.

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 2014, AFAT disbursed \$19,080,400. *(For more information, please see the Other Issues for Legislative Consideration section on Financial Aid.)*

### ***Western Interstate Commission Office***

The Baseline includes \$137,000 from the General Fund in FY 2016 for the Western Interstate Commission Office. This amount is unchanged from FY 2015.

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 \$4,094,000 from the General Fund in FY 2016 for WICHE student subsidies. This amount is unchanged from FY 2015.

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 2015, the board is providing subsidies to 172 Arizona students, which is (2) fewer than FY 2014. 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 100% 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

### *Standard Footnotes*

#### Performance Funding

The Arizona Board of Regents shall allocate the \$5,000,000 appropriation for performance funding to the 3 universities under its jurisdiction in accordance with a performance funding model to be adopted by the board that is substantially similar to what the board used in allocating the performance funding appropriation for FY 2015.

It is the intent of the Legislature that the Arizona Board of Regents adopt a performance funding model and report to the Joint Legislative Budget Committee the final allocation of the \$5,000,000 performance funding lump sum appropriation on or before July 1, 2015. The formula must be consistent with board objectives previously adopted in the board's enterprise plan. The performance funding model must use select performance metrics that include, at a minimum, 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 and mathematics, as well as other high-value degrees that are in short supply or are essential to the state's long-term economic development strategy.

It is further the intent of the Legislature that the Arizona Board of Regents use the adopted performance funding model in developing and submitting future budget requests for the universities under its jurisdiction, and that the Legislature use the performance funding model in the development of future fiscal year appropriations for the universities under the jurisdiction of the Arizona Board of Regents.

#### ABOR Specific

Within 10 days after the acceptance of the universities' semiannual all funds budget reports, the Arizona Board of Regents must submit an expenditure plan for review to the Joint Legislative Budget Committee. The expenditure plan must 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 must provide as much detail as the university budget requests.

#### Universitywide

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

The increased state General Fund appropriations from Laws 2014, Chapter 18 may not be used for medical marijuana research.

The appropriated may not be used for scholarships or any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2015 and all collections received by a 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.

## 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 2014, the state's match would grow to \$24,710,800 or an increase of \$14,669,600 over the current appropriation in FY 2016.
- As session law in the General Appropriation Act, continue the \$200,000,000 universitywide payment deferral to the universities from FY 2016 to FY 2017.
- As session law, continue to require 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, 2015. This assessment is expected to generate \$869,800 from the universities and \$768,500 from the community colleges. (*Please see the Arizona Department of Education budget narrative for more information.*)

**OTHER ISSUES FOR LEGISLATIVE CONSIDERATION**

**Long Term Budget Impacts**

Beyond FY 2016 Baseline changes, the JLBC Staff estimates the previously appropriated 2003 Research Infrastructure Financing payments will result in an increase of \$3.9 million in FY 2017 over FY 2016, and an increase of \$3.7 million in FY 2018 over FY 2017. (Please see 2003 Research Infrastructure Refinancing and Capital Outlay - Arizona Board of Regents in Other Issues for Legislative Consideration for more information.)

**Tuition Revenues**

To improve transparency, the JLBC Staff recommends that the Legislature consider adopting a uniform approach in the FY 2016 budget and either appropriate all or none of tuition.

Total FY 2015 tuition and fees are projected to be \$1.84 billion. Of this amount, \$1.07 billion is appropriated while \$777.1 million is non-appropriated. Statute allows the universities to retain a portion of tuition collections for expenditures, as approved by ABOR pursuant to A.R.S. § 15-1626A. These “locally” retained tuition monies are considered non-appropriated. Any remaining tuition collections are part of the appropriated budget. While Financial Aid and Debt Service are primarily non-appropriated, general operating expenses appear in both appropriated and non-appropriated budgets.

Either full appropriation or full non-appropriation would make tuition collections more transparent since they would no longer be split as locally retained (non-appropriated) and appropriated. The appropriation of all tuition would require flexibility to account for variance between the projected tuition and actual collections. If tuition were entirely non-appropriated, the universities would reduce administrative costs of the current split approach. The state would lose the interest generated when the tuition funds flow to the state before returning to the individual university for use. Based on the FY 2014 interest on appropriated tuitions, the interest from the 3 universities’ appropriated tuition was \$218,500.

If non-appropriated, the JLBC Staff recommends that university fund structure be made more transparent. The locally retained tuition monies are currently in funds labeled as “Designated” funds. The Designated Fund for each university includes the retained tuition and fees, and includes monies from other sources. The JLBC Staff recommends tuition and fees be retained in one fund and labeled as such.

**Parity Funding**

Beginning in FY 2013, the Legislature began appropriating funds to ASU and NAU to increase their per pupil General Fund support to the higher level of UA. The original intent of the parity funding was to add \$76.4 million collectively to the ASU and NAU budgets in \$15.3 million

annual increments between FY 2013 and FY 2017. The FY 2013 budget added the first \$15.3 million. The FY 2014 budget added another \$15.3 million (for a total of \$30.5 million).

Rather than continue to fund a new incremental parity appropriation through FY 2017, the FY 2015 budget added an additional final parity appropriation of \$27.5 million for a total of \$58.0 million. In making the FY 2015 appropriation, the legislative intent was that the parity funding would continue at this level without further increases.

The \$58,040,000 was allocated as follows:

- \$38,843,100 to ASU - Tempe/Downtown Phoenix
- \$6,647,000 to ASU - East
- \$12,549,900 to NAU

With this final parity appropriation, the parity funding for FY 2016 and beyond would be rolled into the operating budgets of ASU and NAU. The Baseline would also eliminate any associated footnotes.

**2003 Research Infrastructure Refinancing**

Laws 2003, Chapter 267 appropriated for FY 2008 to FY 2031 monies for lease-purchase capital financing of research infrastructure projects such as installations and facilities for continuance and growth of scientific and technological research activities at the university to the respective universities each year.

The Baseline includes a reduction of \$(2.5) million from the General Fund in FY 2016 to amend research infrastructure lease-purchase payments to their actual debt service obligations. ABOR recently refinanced the Certificates of Participation (COPs) for the 2003 research infrastructure appropriation, resulting in total savings across all 3 universities of \$(5.6) million in FY 2015, \$(8.1) million in FY 2016 and \$(4.3) million in FY 2017. The \$(2.5) million reduction reflects the additional savings in FY 2016 beyond that of FY 2015. Since Section 134 of the FY 2015 General Appropriation Act reduced individual campus appropriations by these amounts through FY 2017, the additional savings would not need to appear in the FY 2016 General Appropriation Act. Due to Section 134, the General Fund amounts need to be adjusted by \$(2,523,300) for ASU, \$1,700 for NAU, and \$400 for UA. The university savings are as follows:

	<b><u>FY 2015</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>
ASU	\$ (522,600)	\$(3,045,900)	\$(2,329,800)
NAU	(408,500)	(406,800)	(1,653,200)
UA	<u>(4,659,800)</u>	<u>(4,659,400)</u>	<u>(274,600)</u>
<b>Total</b>	<b><u>\$(5,590,900)</u></b>	<b><u>\$(8,112,100)</u></b>	<b><u>\$(4,257,600)</u></b>

After FY 2017, the savings are generally less than \$600,000. The majority of the savings would accrue to NAU. (Please see Capital Outlay - Arizona Board of Regents sections for additional information.)

**Payment Deferral**

The Baseline includes \$200,000,000 from the General Fund for universitywide FY 2015 payments deferred until FY 2016 and includes a universitywide FY 2016 General Fund payment deferral of \$(200,000,000) until FY 2017. The payment deferral has been unchanged since FY 2011.

The FY 2016 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	\$ (78,929,800)
<b>Total</b>	<b>\$ (200,000,000)</b>

**University System Summary Tables**

Table 2 summarizes the FY 2016 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 2015 increases in tuition collections.

Table 3 shows enrollment for Arizona University System students. Between fall 2013 and fall 2014, enrollment increased from 140,144 FTE to 146,611 FTE, or 4.6%. Spring enrollment is traditionally lower than the fall. Prior to the FY 2014 budget, 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 4 shows ABOR changes to resident and non-resident undergraduate tuition from FY 2014 to FY 2015. While NAU has maintained a guaranteed tuition model for incoming freshman over the previous 6 years, UA will begin a similar program beginning in FY 2015. ASU previously provided guaranteed tuition; however, for 10 years beginning in FY 2015, ASU will limit annual tuition growth to between 0% and 3%.

Table 5 shows the financial aid distribution and the sources of aid for the Arizona University System in FY 2014. Of the \$2.0 billion total financial aid distributions in FY 2014, the state appropriated \$1.9 billion, university institutional services provided \$669.5 million, and AFAT (made up of both state and institutional funds) accounted for \$19.1 million.

Table 6 displays total tuition collections for the Arizona University System, which equal an estimated \$1.8 billion in FY 2015 and \$1.9 billion in FY 2016. The FY 2015 amount reflects estimated student growth and does not reflect any tuition changes.

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.

	<b>Appropriated Funds</b>			<b>Non-Appropriated Funds</b>		<b>Total</b>
	<b>General Fund</b>	<b>Collections Fund <sup>1/</sup></b>	<b>Tech &amp; Research Fund (TRIF)</b>	<b>Federal Funds</b>	<b>Other Funds</b>	
ABOR	\$ 21,928,400	\$ 0	\$ 0	\$ 939,700	\$ 11,310,800	\$ 34,178,900
ASU-Tempe/DPC	287,581,000	516,830,500	0	291,467,000	940,803,000	2,036,681,500
ASU-East	25,853,400	29,509,500	2,000,000	6,344,000	14,669,000	78,375,900
ASU-West	33,328,100	40,975,500	1,600,000	11,567,000	20,977,000	108,447,600
NAU	118,282,900	132,857,500	0	75,631,500	213,856,400	540,628,300
UA-Main	209,341,600	301,560,300	0	241,771,900	943,465,200	1,696,139,000
UA-Health Sciences	69,585,300	43,434,900	0	97,012,500	235,951,500	445,984,200
<b>Total</b>	<b>\$765,900,700</b>	<b>\$1,065,168,200</b>	<b>\$3,600,000</b>	<b>\$724,733,600</b>	<b>\$2,381,032,900</b>	<b>\$4,940,435,400</b>

<sup>1/</sup> Excludes FY 2016 tuition adjustments.

**Table 3**  
**Arizona University System 45<sup>th</sup> Day Enrollment <sup>1/</sup>**

	<b>Fall 2013</b>	<b>Spring 2014</b>	<b>Fall 2014</b>	<b>Fall 2013 to Fall 2014 % Change</b>
ASU-Tempe/ DPC	64,393	61,346	68,612	6.6%
ASU-East	5,177	4,992	5,687	9.8%
ASU-West	6,344	5,995	6,610	4.2%
NAU	24,593	23,367	25,743	4.7%
UA-Main	36,606	34,682	37,131	1.4%
UA-Health Sciences	<u>3,031</u>	<u>2,866</u>	<u>2,828</u>	<u>(6.7)%</u>
<b>Total</b>	<b>140,144</b>	<b>133,249</b>	<b>146,611</b>	<b>4.6%</b>

<sup>1/</sup> Adjusted FTE does not include students with excess credit hours.

**Table 4**  
**Arizona University System  
FY 2015 Undergraduate and Graduate Tuition <sup>1/</sup>**

	<b>Resident Undergraduate</b>		<b>Resident Graduate</b>		<b>Non-Resident Undergraduate</b>		<b>Non-Resident Graduate</b>	
	<b>Tuition</b>	<b>Increase</b>	<b>Tuition</b>	<b>Increase</b>	<b>Tuition</b>	<b>Increase</b>	<b>Tuition</b>	<b>Increase</b>
ASU	\$10,157	1.5%	\$11,283	4.3%	\$24,503	3.6%	\$26,717	3.5%
NAU	\$9,989	2.6%	\$9,165	4.5%	\$22,509	1.9%	\$20,249	1.9%
UofA	\$10,957	5.4%	\$11,723	1.8%	\$29,421	8.7%	\$28,705	4.8%

<sup>1/</sup> Reflects tuition rates for new students at NAU and UA and all classes at ASU. NAU and UA provide a guaranteed tuition rate for each incoming class, while ASU annual undergraduate tuition growth is limited to 3% through FY 2024.

**Table 5**  
**FY 2014 Financial Aid Distribution by Source  
(\$ in Thousands) <sup>1/</sup>**

	<b>Federal</b>	<b>State <sup>2/</sup></b>	<b>Institutional <sup>3/</sup></b>	<b>Private/Other <sup>4/</sup></b>	<b>Total</b>
Grants	\$225,307.1	\$1,672.4	\$502,710.1	\$185,226.3	\$ 914,915.9
Loans	690,815.0	229.1	60.1	229,708.4	920,812.6
Employment	<u>7,191.9</u>	<u>0.0</u>	<u>166,750.4</u>	<u>0.0</u>	<u>173,942.3</u>
<b>Total</b>	<b>\$923,314.0</b>	<b>\$1,901.5</b>	<b>\$669,520.6</b>	<b>\$414,934.7</b>	<b>\$2,009,670.9 <sup>5/</sup></b>

<sup>1/</sup> Information provided by ABOR.  
<sup>2/</sup> State sources of aid include revenues from the Commission for Postsecondary Education.  
<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.  
<sup>5/</sup> Numbers do not add due to rounding.

<b>Tuition Revenue Allocation</b>			
	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate <sup>2/</sup></b>
<u>Appropriated</u>			
Operating Budget	\$ 956,217,600	\$ 1,065,168,200 <sup>1/</sup>	\$ 1,065,168,200
<u>Non-Appropriated</u>			
Operating Budget	\$ 160,930,800	\$ 191,571,500	\$ 223,252,000
Financial Aid	430,025,400	465,718,800	481,607,900
Plant Fund	31,332,600	33,463,300	40,055,800
Debt Service	<u>89,608,200</u>	<u>86,312,800</u>	<u>92,346,300</u>
<i>Subtotal</i>	\$ <i>711,897,000</i>	\$ <i>777,066,400</i>	\$ <i>837,262,000</i>
<b>Total</b>	<b>\$1,668,114,600</b>	<b>\$1,842,234,700</b>	<b>\$1,902,430,200</b>
<sup>1/</sup> This amount reflects appropriated tuition collections and fees as allocated by ABOR and favorably reviewed by the JLBC at its September 2014 meeting.			
<sup>2/</sup> The source for these non-appropriated amounts are the universities' FY 2016 budget requests from October 2014. The appropriated amount includes all FY 2016 estimated tuition collections and fees at that time, but do not reflect FY 2016 tuition adjustments that may be approved by ABOR in spring 2015.			

<b>SUMMARY OF FUNDS</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>
<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 \$4,528,200 in FY 2014 and are expected to be \$4,773,900 in FY 2015 and \$4,860,200 in FY 2016.		
<b>Funds Expended</b>		0
<b>Year-End Fund Balance</b>		0
<b>Federal Funds (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>	387,600	1,085,000
<b>Year-End Fund Balance</b>	19,000	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>	5,512,200	7,966,500
<b>Year-End Fund Balance</b>	2,766,500	200,000
<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 \$65,274,500 in FY 2014 and are estimated to be \$62,385,000 in FY 2015 and \$63,500,000 in FY 2016.		
<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>	3,351,300	4,467,000
<b>Year-End Fund Balance</b>	476,500	0

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
<b>Trust Land Fund (BRA3131/3132/3134/3136/A.R.S. § 15-1662)</b>		<b>Non-Appropriated</b>
<p><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 \$3,811,300 in FY 2014 and are estimated to be the same in FY 2015 and FY 2016.</p> <p><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.</p>		
<b>Funds Expended</b>	3,865,100	3,811,300
<b>Year-End Fund Balance</b>	0	0