

Arizona State University - East Campus

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	425.6	416.2	416.2
Personal Services	25,818,100	26,638,700	26,638,700
Employee Related Expenditures	7,691,700	8,788,000	8,689,200
Professional and Outside Services	4,293,100	4,554,600	4,554,600
Travel - In State	45,900	36,500	36,500
Travel - Out of State	97,700	15,000	15,000
Other Operating Expenditures	8,588,000	16,453,600	16,782,300
Equipment	1,342,300	664,900	664,900
OPERATING SUBTOTAL	47,876,800	57,151,300	57,381,200
SPECIAL LINE ITEMS			
Elimination of Payment Deferral	0	5,750,200 ^{1/}	0
Parity Funding	6,647,000	0	0
Research Infrastructure Lease-Purchase Payment	917,000	917,000	917,000 ^{2/}
TRIF Lease-Purchase Payment	2,000,000	2,000,000	2,000,000
AGENCY TOTAL	57,440,800	65,818,500	60,298,200^{3,4/}
FUND SOURCES			
General Fund	25,853,400	28,095,600	22,575,300 ^{5/6/7/}
<u>Other Appropriated Funds</u>			
Technology and Research Initiative Fund	2,000,000	2,000,000	2,000,000
University Collections Fund	29,587,400	35,722,900	35,722,900 ^{8/}
SUBTOTAL - Other Appropriated Funds	31,587,400	37,722,900	37,722,900
SUBTOTAL - Appropriated Funds	57,440,800	65,818,500	60,298,200
Other Non-Appropriated Funds	16,050,700	19,047,100	20,447,300
Federal Funds	8,211,400	8,377,200	8,377,200
TOTAL - ALL SOURCES	81,702,900	93,242,800	89,122,700

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 43 professional and technical Baccalaureate, Master's, and Doctoral degree programs and 11 undergraduate certificate programs to 14,632 full- and part-time students. ASU - East is located at the 600-acre site of the former Williams Air Force Base in southeast Mesa.

- ^{1/} The FY 2017 General Appropriation Act includes a one-time FY 2016 supplemental General Fund appropriation of \$5,750,200 for the elimination of ASU - East's share of the universitywide payment deferral.
- ^{2/} A.R.S. § 15-1670 appropriates \$917,000 from the General Fund in FY 2017 to finance lease-purchase payments for research infrastructure projects.
- ^{3/} The appropriated monies may not be used for scholarships or any student newspaper. (General Appropriation Act footnote)
- ^{4/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- ^{5/} The state General Fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- ^{6/} The FY 2017 General Fund budget as adjusted for statewide adjustments is \$22,575,300. This amount includes \$21,574,400 in ASU - East's individual section of the FY 2017 General Appropriation Act, \$83,900 for statewide adjustments, and the \$917,000 in A.R.S. § 15-1670 lease-purchase appropriations.
- ^{7/} The increased state General Fund appropriation from Laws 2014, Chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)
- ^{8/} Any unencumbered balances remaining in the collections account on June 30, 2016 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. Monies 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)

Operating Budget

The budget includes \$57,381,200 and 416.2 FTE Positions in FY 2017 for the operating budget. This amount consists of:

	FY 2017
General Fund	\$21,658,300
University Collections Fund	35,722,900

These amounts fund the following adjustments:

Additional Resources

The budget includes an increase of \$328,700 from the General Fund in FY 2017 for ASU - East's share of additional university resources. *(Please see the University Additional Resources narrative in the Arizona Board of Regents (ABOR) section for more information.)*

Statewide Adjustments

The budget includes a decrease of \$(98,800) from the General Fund in FY 2017 for statewide adjustments.

This amount reflects ASU - East's allocation of state health insurance premium costs in FY 2017 compared to its revised FY 2016 allocation. *(Please see the Health Insurance Trust Fund narrative in the ABOR section and the Agency Detail and Allocations section for more information.)*

The \$21,658,300 General Fund amount for the operating budget includes \$2,000,000 that was appropriated for FY 2017 in the FY 2015 General Appropriation Act (Laws 2014, Chapter 18). As a result, these monies do not appear in the FY 2017 General Appropriation Act (Laws 2016, Chapter 117).

Student enrollment growth and tuition and fee increases for students will contribute to an increase in university tuition and fee collections. The University Collections Fund amount will ultimately be adjusted to reflect these additional revenues. *(Please see the ABOR section for more information.)*

Elimination of Payment Deferral

The budget includes no funding in FY 2017 for the Elimination of Payment Deferral line item. This amount funds the following adjustments:

Remove One-Time Funding

The budget includes a decrease of \$(5,750,200) from the General Fund in FY 2017 to remove a one-time payment to eliminate ASU - East's share of the universitywide payment deferral in FY 2016. *(Please see the Payment*

Deferral narrative in the ABOR section for more information.)

Research Infrastructure Lease-Purchase Payment

The budget includes \$917,000 from the General Fund in FY 2017 for the Research Infrastructure Lease-Purchase Payment line item. This amount is unchanged from FY 2016.

Laws 2003, Chapter 267, which established A.R.S. § 15-1670, 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, 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 budget includes \$2,000,000 from the Technology and Research Initiative Fund (TRIF) in FY 2017 for lease-purchase payment requirements. This amount is unchanged from FY 2016.

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. Beginning in FY 2003, the lease-purchase payment increased to \$2,000,000, which will be the annual lease-purchase payment through FY 2021.

Other Issues

FY 2016 Supplemental

The budget includes \$182,700 from the General Fund in FY 2016 for a one-time supplemental for the revised allocation of health insurance premium adjustments. *(Please see the Health Insurance Trust Fund narrative in the ABOR section for more information.)*

Summary

ASU - East's FY 2017 General Fund budget is \$22,575,300. Of this amount:

- \$21,574,400 is included in ASU - East's individual section of the FY 2017 General Appropriation Act.
- \$83,900 is part of statewide adjustments.
- \$917,000 is appropriated in A.R.S. § 15-1670 for a research infrastructure lease-purchase payment.

University Collections and FTE Positions Adjustments

The FY 2016 General Appropriation Act (Laws 2015, Chapter 8) appropriated \$29,466,500 from the University Collections Fund to ASU - East in FY 2016. The Collections Fund for ASU - East represents a portion of tuition, fees and a portion of land earnings. *(Please see ABOR Other Issues for more information.)* If collections exceed the appropriated amount, the annual General Appropriation Act includes a footnote permitting the universities to expend those amounts as well and a separate footnote requiring the submission of a report detailing any adjustments to the appropriated amounts.

ABOR sets tuition in the spring (independent of the legislative process). Any revised tuition rates as well as changes in enrollment can result in collections exceeding the appropriated amount. The Universities reported the adjustments to the University Collections Fund for FY 2016 to the Joint Legislative Budget Committee in July 2015, and ASU incorporated the adjusted FY 2016 amounts as part of their FY 2017 budget submission. Accordingly, the FY 2016 amount in the budget has been adjusted upward by \$6,256,400 to \$35,722,900.

The budget also adjusts the number of FTE Positions in FY 2016 to align with General Fund and Collections Fund tuition revenue adjustments. Laws 2015, Chapter 8 originally appropriated 425.6 FTE Positions in FY 2016 for the ASU - East Campus. The General Fund accounted for 168.4 FTE Positions and the University Collections Fund accounted for the remaining 257.2 FTE Positions. The budget reduces the total amount of FY 2016 FTE Positions by (9.4) to 416.2. The General Fund accounts for 155.2 FTE Positions and the University Collections Fund accounts for the remaining 261 FTE Positions. The total number and fund source of FTE Positions changed because adjustments to FTE Positions have not been made in several years.