

Arizona State University - East Campus

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DESCRIPTION	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	546.0	580.0	580.0
Personal Services	25,678,500	31,225,400	31,225,400
Employee Related Expenditures	7,249,800	8,545,100	8,545,100
Professional and Outside Services	7,147,000	4,123,600	4,123,600
Travel - In State	31,900	69,800	69,800
Travel - Out of State	205,200	133,700	133,700
Other Operating Expenditures	4,712,000	10,767,100	15,568,600
Library Acquisitions	163,700	502,400	502,400
Equipment	690,300	1,325,300	1,325,300
OPERATING SUBTOTAL	45,878,400	56,692,400	61,493,900
SPECIAL LINE ITEMS			
ABOR Tuition Increase	0	0	2,287,400
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	48,795,400	59,609,400	66,698,300

FUND SOURCES

General Fund	25,471,200	30,489,200	30,489,200
<u>Other Appropriated Funds</u>			
Technology and Research Initiative Fund	2,000,000	2,000,000	2,000,000
University Collections Fund	21,324,200	27,120,200	34,209,100
SUBTOTAL - Other Appropriated Funds	23,324,200	29,120,200	36,209,100
SUBTOTAL - Appropriated Funds	48,795,400	59,609,400	66,698,300
Other Non-Appropriated Funds	16,184,500	20,545,100	21,367,200
Federal Funds	2,984,100	3,235,400	3,507,200
TOTAL - ALL SOURCES	67,964,000	83,389,900	91,572,700

CHANGE IN FUNDING SUMMARY

	FY 2009 to FY 2010 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	7,088,900	24.3%
Total Appropriated Funds	7,088,900	11.9%
Non-Appropriated Funds	1,093,900	4.6%
Total - All Sources	8,182,800	9.8%

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, masters, and doctoral programs to 9,614 full- and part-time students. It is located at the 600-acre site of the former Williams Air Force Base in southeast Mesa.

PERFORMANCE MEASURES	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2010 JLBC
• % of graduating seniors who rate their overall university experience as “good”/“excellent”	97	96	94	97
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with ranked faculty	63	66	67	68
• % of full-time undergraduate students enrolled per semester in 3 or more primary courses with professors of any rank	25	23	23	27
• Average number of years taken to graduate for students who began as freshmen	4.7	5.4	5.1	5.0

Operating Budget

The JLBC includes \$61,493,900 and 580.0 FTE Positions for the operating budget in FY 2010. These amounts consist of:

General Fund	\$29,572,200
University Collections Fund	31,921,700

The FY 2010 adjustments would be as follows:

Enrollment Growth OF 4,801,500

This adjustment would increase enrollment funding by \$4,801,500 from the University Collections Fund in FY 2010.

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

The JLBC includes no funding for General Fund enrollment growth. If General Fund enrollment growth was funded, it would have provided an increase of \$6,891,200. These amounts would have funded projected growth in student enrollment, as calculated by the part-statutory, part-conventional student enrollment funding formula. Projected formula enrollment is growing by 917 full-time equivalent (FTE) students, to 5,228 FTE students in FY 2010.

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 is \$70,200, as requested by the university and adjusted for Employee Related Expenditures.

Credit Hour Threshold GF 0

The JLBC includes no credit hour threshold adjustment. This adjustment would have decreased enrollment funding by \$(44,400) and (0.5) FTE Positions from the General Fund in FY 2010 to eliminate funding for 5.9 additional ASU-East students over the credit hour threshold between FY 2009 and FY 2010.

A.R.S. § 15-1661 prohibits funding state university students who have earned credit hours in excess of a credit hour threshold, with certain exceptions. Meanwhile, A.R.S. § 15-1626 allows the Arizona Board of Regents (ABOR) to raise tuition rates for those students.

This threshold was 150 hours in FY 2008 and declined to 145 hours in FY 2009. ASU-East reported 7.1 FTE students over the threshold in FY 2008 and 13 FTE students in FY 2009, or a net increase of 5.9 FTE students over the credit hour threshold at ASU-East in FY 2009.

ABOR Tuition Increase

The JLBC includes \$2,287,400 from the University Collections Fund for the FY 2010 tuition increase approved by the Arizona Board of Regents (ABOR).

The FY 2010 adjustments would be as follows:

FY 2010 Tuition Increase OF 2,287,400

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ASU estimates that it will generate a university-wide total of \$26,600,000 in additional tuition collections due to the FY 2010 tuition increases approved by ABOR at its December 2008 meeting. The JLBC assumes that ASU-East will receive approximately \$2,287,400 of the \$26,600,000. ASU has not yet decided how it will allocate the additional revenue.

(Please see the ABOR budget narrative pages for more information.)

Research Infrastructure Lease-Purchase Payment

The JLBC includes \$917,000 from the General Fund for the Research Infrastructure Lease-Purchase Payment Special Line Item in FY 2010. This amount is unchanged from FY 2009.

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 will 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 JLBC includes \$2,000,000 from the Technology and Research Initiative Fund (TRIF) for lease-purchase payment requirements in FY 2010. This amount is unchanged from FY 2009.

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 are not to be used for scholarships.

The appropriated monies are not to be used to support 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, 2009 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.

STATUTORY CHANGES

The JLBC would include a permanent law provision that would require the ASU East Campus to be separated as an individual budget unit from all other ASU campus units.

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 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	678,700	2,131,100
Year-End Fund Balance	376,200	280,500
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	12,038,400	10,056,900
Year-End Fund Balance	9,298,600	7,391,300
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	700	700
Year-End Fund Balance	1,062,500	1,202,700
Federal Grant Fund (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	2,984,100	3,235,400
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	28,100

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
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	3,466,700	8,356,400
Year-End Fund Balance	1,090,400	807,200
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	21,324,200	27,120,200
Year-End Fund Balance	0	0