

University of Arizona - Main Campus

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	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	5,679.6	5,368.4	5,218.4
Personal Services	232,968,700	269,795,400	269,795,400
Employee Related Expenditures	72,545,400	83,599,600	83,599,600
Professional and Outside Services	9,471,500	6,785,800	6,785,800
Travel - In State	129,700	116,400	116,400
Travel - Out of State	596,500	135,500	135,500
Other Operating Expenditures	46,913,900	47,446,700	51,333,000
Library Acquisitions	8,435,400	8,128,700	8,128,700
Equipment	2,808,100	1,667,300	1,667,300
OPERATING SUBTOTAL	373,869,200	417,675,400	421,561,700
SPECIAL LINE ITEMS			
Agriculture	35,942,900	36,965,700	36,965,700
Arizona Cooperative Extension	13,882,400	12,889,600	12,889,600
Research Infrastructure Lease-Purchase Payment	14,253,000	14,253,000	14,253,000
Sierra Vista Campus	3,955,800	4,910,900	4,910,900
AGENCY TOTAL	441,903,300	486,694,600	490,580,900
FUND SOURCES			
General Fund	288,371,200	271,315,400	271,315,400
<u>Other Appropriated Funds</u>			
University Collections Fund	153,532,100	215,379,200	219,265,500
SUBTOTAL - Other Appropriated Funds	153,532,100	215,379,200	219,265,500
SUBTOTAL - Appropriated Funds	441,903,300	486,694,600	490,580,900
Other Non-Appropriated Funds	603,365,600	649,355,900	676,705,500
Federal Funds	288,711,000	231,230,900	234,633,800
TOTAL - ALL SOURCES	1,333,979,900	1,367,281,400	1,401,920,200

CHANGE IN FUNDING SUMMARY

	FY 2010 to FY 2011 Baseline	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	3,886,300	1.8%
Total Appropriated Funds	3,886,300	0.8%
Non-Appropriated Funds	30,752,500	3.5%
Total - All Sources	34,638,800	2.5%

AGENCY DESCRIPTION — Established in 1885, The University of Arizona (UA) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). As a primary research institution, UA offers 345 degree-programs to approximately 38,000 full- and part-time students in 31 colleges and schools at its Main Campus in Tucson. Upon its establishment, UA received the federal land grant for Arizona, allowing the creation of agricultural and mining programs that continue today. UA-South is a satellite campus of the university in Sierra Vista.

Operating Budget

General Fund \$212,192,100
 University Collections Fund 209,369,600

The Baseline includes \$421,561,700 and 4,355.2 FTE Positions for the operating budget in FY 2011. These amounts consist of:

FY 2011 adjustments would be as follows:

State Fiscal Stabilization Fund GF 0

The Baseline continues a decrease of \$(3,107,700) from the General Fund in FY 2011 as related to federal stimulus funding stipulations identified in Laws 2009, 3rd Special Session, Chapter 11, Section 15. Chapter 11 stipulates that if the state receives federal assistance from the State Fiscal Stabilization Fund established by the American Recovery and Reinvestment Act of 2009 (ARRA), university General Fund appropriations would be reduced by a total of \$(10,000,000). The UA-Main reduction was allocated in the same manner that ABOR implemented universitywide reductions in FY 2009 and FY 2010. (See more information on ARRA in the Summary Book and the ABOR narrative pages.)

Enrollment Growth OF 3,886,300

The Baseline includes an increase of \$3,886,300 from the University Collections Fund in FY 2011 for enrollment growth.

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

The Baseline includes no funding for General Fund enrollment growth. If General Fund enrollment growth was funded, it would have provided an increase of \$4,371,900. These amounts would have funded projected growth in student enrollment, as calculated by the part-statutory, part-conventional student enrollment funding formula. Formula enrollment is projected to grow by 568 full-time equivalent (FTE) students, to 20,816 FTE students in FY 2011.

Laws 2009, 3rd Special Session, Chapter 9 requires the universities to separately report out-of-state student enrollment. The legislative intent was to use this information as a basis to exclude out-of-state students from enrollment growth calculations. As part of the enrollment calculation, the projected growth of 323 FTE out-of-state students was not included in the above calculation. Total out-of-state FTE students are projected at 11,850 in FY 2011.

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 Position, and their associated General Fund costs, for every 22-FTE student change. The average salary per FTE is \$70,100.

Agriculture

The Baseline includes \$36,965,700 and 585.4 FTE Positions for the Agriculture Programs in FY 2011. These amounts consist of:

General Fund	30,541,500
University Collections Fund	6,424,200

These amounts are unchanged from FY 2010.

This line item supports agricultural academic programs in Animal Systems; Environment and Natural Resources; Family, Youth, and Community; Human Nutrition, Food Safety and Health; Marketing, Trade, and Economics; and Plant Systems.

Arizona Cooperative Extension

The Baseline includes \$12,889,600 and 205.1 FTE Positions for the Arizona Cooperative Extension in FY 2011. These amounts consist of:

General Fund	11,189,600
University Collections Fund	1,700,000

These amounts are unchanged from FY 2010.

This line item supports Agriculture Experiment Stations and Cooperative Extension services that provide non-credit community outreach seminars and youth programs throughout the state.

Research Infrastructure Lease-Purchase Payment

The Baseline includes \$14,253,000 from the General Fund for the Research Infrastructure Lease-Purchase Payment Special Line Item in FY 2011. This amount is unchanged from FY 2010.

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 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, UA-Main has issued \$201,300,000 in COPs for the following projects:

- \$68,700,000 for construction of the Thomas W. Keating Bioresearch Building;
- \$62,600,000 for construction of the Medical Research Building;
- \$51,800,000 for additions to the Chemistry Building;
- \$18,200,000 for construction of the ABC Building at the College of Medicine - Phoenix.

UA-Main has completed each of these projects.

Sierra Vista Campus

The Baseline includes \$4,910,900 and 72.7 FTE Positions for the Sierra Vista Campus in FY 2011. These amounts consist of:

General Fund	3,139,200
University Collections Fund	1,771,700

These amounts are unchanged from FY 2010.

UA-South offers upper-division undergraduate programs in 16 disciplines for community college transfer students. The satellite campus also offers 3 certificate and 3 master’s programs. While ABOR authorized this UA branch campus for Sierra Vista in 1995, the Legislature has not formally established the campus in statute.

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FORMAT — Operating Lump Sum with Special Line Items by Agency

FOOTNOTES

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, 2010 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.

Deletion of Prior Year Footnotes

The Baseline would delete the footnote that prohibited the use of appropriated monies for the implementation of the Centennial Scholars Program, as the program has not been established.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

5% FTE Position Reduction

UA-Main was originally budgeted 5,111.5 General Fund FTE Positions in FY 2010. Laws 2009, 3rd Special Session, Chapter 11, Section 17 mandates a 5% General Fund FTE Position reduction by February 1, 2010. Given the mid-year implementation, this provision requires UA-Main to reduce an additional 106 General Fund FTE Positions in FY 2010 and 256 General Fund FTE Positions in FY 2011. This reduction is allocated to the operating budget; the agency may allocate to Special Line Items. UA-Main revised their FY 2010 Estimate to 5,474.4 General Fund FTE Positions; as a result, the aforementioned FTE reductions have been applied to this figure.

SUMMARY OF FUNDS	FY 2009 Actual	FY 2010 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	233,103,200	241,140,800
Year-End Fund Balance	43,911,200	41,551,400

SUMMARY OF FUNDS	FY 2009 Actual	FY 2010 Estimate
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	213,372,000	249,051,900
Year-End Fund Balance	144,737,900	147,220,800
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	0	0
Year-End Fund Balance	99,657,000	94,014,900
Federal Grants (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	185,634,000	188,133,200
Year-End Fund Balance	7,082,900	9,244,600
Federal Grants - American Recovery and Reinvestment Act (ARRA) (UNI2999/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: One-time Federal Funds allocated by the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).		
Purpose of Fund: One-time Federal Funds to be used by the university as part of the State Fiscal Stabilization Fund for education programs.		
Funds Expended	60,824,300	0
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	42,252,700	43,097,700
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	9,830,900	10,027,500
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 27% of the amount of federal student loans. The federal government provides the other 73%.		
Funds Expended	763,400	773,700
Year-End Fund Balance	17,562,000	17,440,200

SUMMARY OF FUNDS	FY 2009 Actual	FY 2010 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	146,296,100	148,362,000
Year-End Fund Balance	16,319,100	4,065,400
University Collections Fund (UAA1402/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	153,532,100	215,379,200
Year-End Fund Balance	0	0