

Northern Arizona University

	FY 2011 ACTUAL	FY 2012 ESTIMATE	FY 2013 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,989.0	2,057.2	2,057.2
Personal Services	127,554,900	124,426,200	124,426,200
Employee Related Expenditures	41,264,800	42,141,500	42,141,500
Professional and Outside Services	4,654,400	1,958,000	1,958,000
Travel - In State	424,500	431,500	431,500
Travel - Out of State	630,200	0	0
Other Operating Expenditures	27,460,200	18,732,900	20,654,700
Equipment	1,605,300	1,039,800	1,039,800
OPERATING SUBTOTAL	203,594,300	188,729,900	190,651,700
SPECIAL LINE ITEMS			
NAU - Yuma	3,133,900	2,970,800	2,970,800
Research Infrastructure Lease-Purchase Payment	5,900,000	5,900,000	5,900,000
Teacher Training	2,000,000	2,000,000	2,000,000
AGENCY TOTAL	214,628,200	199,600,700	199,600,700
FUND SOURCES			
General Fund	133,118,100	101,861,800	101,861,800
<u>Other Appropriated Funds</u>			
University Collections Fund	81,510,100	97,738,900	99,660,700
SUBTOTAL - Other Appropriated Funds	81,510,100	97,738,900	99,660,700
SUBTOTAL - Appropriated Funds	214,628,200	199,600,700	201,522,500
Other Non-Appropriated Funds	174,829,200	196,286,600	200,000,900
Federal Funds	76,247,900	76,715,900	77,483,000
TOTAL - ALL SOURCES	465,705,300	472,603,200	479,006,400

AGENCY DESCRIPTION — Established in 1899, Northern Arizona University (NAU) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). The university's primary focus is undergraduate residential education. NAU offers 136 degree programs and 63 certificate programs to 25,364 students in 9 colleges/divisions through its campus in Flagstaff and its extended campus programs, also known as distance learning programs. The university is responsible for providing the large majority of statewide extended campus programs, both over the Internet and through 35 instructional sites, including a Yuma Branch Campus that operates in conjunction with Arizona Western College and NAU Yavapai, a partnership with Yavapai Community College.

Operating Budget

The Baseline includes \$190,651,700 and 2,027.8 FTE Positions in FY 2013 for the operating budget. These amounts consist of:

	FY 2013
General Fund	\$90,991,000
University Collections Fund	99,660,700

FY 2013 adjustments would be as follows:

Enrollment Growth OF 1,921,800

The Baseline includes an increase of \$1,921,800 from the University Collections Fund in FY 2013 for enrollment growth. The Baseline includes no funding for General Fund enrollment growth. If General Fund enrollment

growth were funded, it would have provided an increase of \$2,104,600. Formula enrollment is projected to grow by 262 Full-Time Equivalent (FTE) students, to 16,574 FTE students in FY 2013. These amounts would have funded the projected growth in student enrollment, as calculated by the part-statutory, part-conventional student enrollment funding formula. This amount excludes projected growth of 264 out-of-state students. (*Please see ABOR for more information.*)

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

NAU - Yuma

The Baseline includes \$2,970,800 and 29.4 FTE Positions from the General Fund in FY 2013 for NAU-Yuma. This amount is unchanged from FY 2012.

NAU operates this campus in conjunction with the Arizona Western College in Yuma.

Research Infrastructure Lease-Purchase Payment

The Baseline includes \$5,900,000 from the General Fund in FY 2013 for the Research Infrastructure Lease-Purchase Payment Special Line Item. This amount is unchanged from FY 2012.

Laws 2003, Chapter 267 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, NAU has issued \$77,475,000 in COPs.

Teacher Training

The Baseline includes \$2,000,000 from the General Fund in FY 2013 for the Teacher Training Special Line Item. This amount is unchanged from FY 2012.

The Teacher Training program serves to increase the number of teachers serving as mentors under the Teacher Training (“Master Teacher”) program. The Arizona K-12 Center is affiliated with NAU and is located in downtown Phoenix.

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FORMAT — Operating Lump Sum with Special Line Items by Agency

FOOTNOTES

Standard Footnotes (Please see ABOR for universitywide standard footnotes.)

The appropriated amount for the Teacher Training line item shall be distributed to the Arizona K-12 Center for Program Implementation and Mentor Training for the Arizona Mentor Teacher program prescribed by the State Board of Education.

It is the intent of the Legislature that the General Fund base funding for Northern Arizona University is \$101,861,800, which includes a deferral of \$30,494,800 from FY 2013 to FY 2014 and the \$5,900,000 in Laws 2003, Chapter 267 lease-purchase appropriation.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Payment Deferral

The Baseline includes \$30,494,800 from the General Fund for FY 2012 payments that were deferred until FY 2013 and includes a FY 2013 General Fund payment deferral of \$(30,494,800) until FY 2014. These amounts constitute a portion of a \$200,000,000 university-wide payment deferral. The payment deferral is unchanged from FY 2012. *(Please see ABOR for more information.)*

The FY 2013 General Fund Baseline is \$101,861,800. Of this amount:

- \$65,467,000 would be included in NAU’s section of the FY 2013 General Appropriation Act.
- \$30,494,800 was appropriated in the FY 2012 General Appropriation Act (Laws 2011, Chapter 24) to reflect the deferral of FY 2012 monies to FY 2013.
- \$5,900,000 was appropriated in Laws 2003, Chapter 267 for a lease-purchase payment.

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
Auxiliary Fund (UNI8906/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	66,719,800	73,367,400
Year-End Fund Balance*	2,415,600	(9,361,600)

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
Designated Fund (UNI8905/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	74,253,400	88,873,000
Year-End Fund Balance	85,161,400	50,414,600
Endowment and Life Income Fund (UNI8904/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 accumulate earnings to a level that will support a financial aid program.		
Funds Expended	0	0
Year-End Fund Balance	18,367,000	19,538,000
Federal Grants (UNI8903/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	74,427,600	75,171,900
Year-End Fund Balance	0	0
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	291,700	0
Year-End Fund Balance	0	0
Federal Indirect Cost Recovery Fund (UNI8902/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	1,528,600	1,544,000
Year-End Fund Balance	5,731,200	6,749,400
Indirect Cost Recovery Fund (Non-Federal) (UNI8900/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	830,100	838,400
Year-End Fund Balance	3,113,200	3,962,600
Loan Fund (UNI8901/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 of 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	235,100	225,000
Year-End Fund Balance	7,041,600	7,016,600

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
Restricted Fund (Excluding Federal Funds) (UNI8907/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 ABOR 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	32,159,600	32,481,200
Year-End Fund Balance	10,186,000	5,214,400
University Capital Improvement Lease-to-Own and Bond Fund (BRA3042/A.R.S. § 15-1682.03)		Non-Appropriated
Source of Revenue: Lottery proceeds.		
Purpose of Fund: To pay annual debt service payments for the \$800,000,000 university Lottery bonding package. The fund will be comprised of no more than 80% Lottery revenues and at least 20% state university system revenues. (<i>Please see the Capital Outlay ABOR Building System narrative for more information.</i>)		
Funds Expended	631,200	501,600
Year-End Fund Balance	0	0
University Collections Fund (NAA1421/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	81,510,100	97,738,900
Year-End Fund Balance	0	0

*As reported by the agency. Actual ending balances will not be negative.