

Arizona State University - Tempe/DPC

	FY 2012 ACTUAL	FY 2013 ESTIMATE	FY 2014 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	6,098.2	6,142.9	6,142.9
Personal Services	337,233,800	356,350,300	356,350,300
Employee Related Expenditures	108,931,700	116,462,900	116,462,900
Professional and Outside Services	39,826,500	42,086,400	42,086,400
Travel - In State	221,100	234,000	234,000
Travel - Out of State	3,415,900	3,638,000	3,638,000
Other Operating Expenditures	53,843,100	45,157,900	45,157,900
Equipment	17,153,700	18,127,700	18,127,700
OPERATING SUBTOTAL	560,625,800	582,057,200	582,057,200
SPECIAL LINE ITEMS			
Biomedical Informatics	1,951,200	1,955,200	1,955,200
Course Redesign Technology and Capital	0	10,222,200 ^{1/}	10,222,200
Downtown Phoenix Campus	97,171,800	102,227,600	102,227,600
Research Infrastructure Lease-Purchase Payment	13,555,000	13,555,000	13,555,000
AGENCY TOTAL	673,303,800^{2/}	710,017,200^{3/}	710,017,200
FUND SOURCES			
General Fund	247,742,900	257,332,200	257,332,200
<u>Other Appropriated Funds</u>			
University Collections Fund	425,560,900	452,685,000	452,685,000
SUBTOTAL - Other Appropriated Funds	425,560,900	452,685,000	452,685,000
SUBTOTAL - Appropriated Funds	673,303,800	710,017,200	710,017,200
Other Non-Appropriated Funds	615,383,800	708,380,300	714,014,400
Federal Funds	272,818,900	278,619,300	299,009,000
TOTAL - ALL SOURCES	1,561,506,500	1,697,016,800	1,723,040,600

AGENCY DESCRIPTION — Established in 1885, Arizona State University (ASU) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). As a primary research institution, ASU offers 285 Baccalaureate, Master’s, Doctoral and first professional degree programs, and 65 undergraduate and graduate certificate programs to 60,168 full- and part-time students at its Tempe Campus. The Downtown Phoenix Campus (DPC), budgeted as a unit of the Tempe Campus, offers 56 degree programs and 26 certificate programs to 19,041 full- and part-time students.

Operating Budget

The Baseline includes \$582,057,200 and 5,293.7 FTE Positions in FY 2014 for the operating budget. These amounts consist of:

	FY 2014
General Fund	\$209,378,800
University Collections Fund	372,678,400

These amounts are unchanged from FY 2013.

Student enrollment growth and tuition and fee increases for students will contribute to an increase in university tuition and fee collections and the University Collections Fund amount will ultimately be adjusted to reflect these additional revenues. (See the Arizona Board of Regents (ABOR) narrative for a discussion of performance funding.)

Prior to FY 2014, annual increases would have been calculated by the part-statutory, part-conventional student enrollment funding formula that was based in part on projected student growth. This formula is discontinued due to the FY 2013 Higher Education Budget

^{1/} Originally appropriated to the Arizona Board of Regents (ABOR). (Please see Course Redesign Technology and Capital Special Line Item narrative for more information.)
^{2/} Includes a total of \$17,804,100 GF appropriated in FY 2012 for costs associated with an additional pay period. These expenditures were not reflected in the individual agency tables in the FY 2012 Appropriations Report.
^{3/} In addition to these amounts, the FY 2013 General Appropriation Act included one-time FY 2013 adjustments for a state employee health insurance premium holiday. The adjustments include a reduction of \$(4,348,300) GF for the premium holiday.

Reconciliation Bill (BRB) (Laws 2012, Chapter 301) requirement that ABOR and the universities adopt a performance funding model by July 1, 2012. *(Please see Other Issues for Legislative Consideration for more information.)*

Biomedical Informatics

The Baseline includes \$1,955,200 and 14.2 FTE Positions from the General Fund in FY 2014 for the Biomedical Informatics Department. These amounts are unchanged from FY 2013.

This multidisciplinary department incorporates computer science, biology, and engineering to organize and analyze medical data. This department moved from the Downtown Phoenix Campus to Mayo Clinic’s hospital in Phoenix last year.

Course Redesign Technology and Capital

The Baseline includes \$10,222,200 and 45 FTE Positions from the General Fund in FY 2014 for the Course Redesign Technology and Capital Special Line Item (SLI). These amounts are unchanged from FY 2013.

The FY 2013 General Appropriation Act included \$15,273,700 from the General Fund in the Arizona Board of Regents’ budget in order to align ASU’s and NAU’s General Fund per student funding to that of the higher UA amount. Of this amount, \$11,971,100 is for ASU and \$3,302,600 is for NAU with the goal that per student funding parity is achieved among the universities by the beginning of FY 2017.

These monies shall be used by ASU for innovative course redesign technologies and capital improvements that will maintain or improve learning outcomes and decrease per-student costs for large enrollment or high-failure rate classes.

Downtown Phoenix Campus

The Baseline includes \$102,227,600 and 790 FTE Positions in FY 2014 for programs headquartered at the Downtown Phoenix Campus (DPC). These amounts consist of:

General Fund	22,221,000
University Collections Fund	80,006,600

These amounts are unchanged from FY 2013.

The DPC offers undergraduate and graduate programs in disciplines including health, nursing, journalism, mass communication, teaching and public programs. The campus opened in 2006 with 2,700 students and had a full-time student enrollment of 9,300 in fall 2011.

Research Infrastructure Lease-Purchase Payment

The Baseline includes \$13,555,000 from the General Fund in FY 2014 for the Research Infrastructure Lease-Purchase

Payment Special Line Item. This amount is unchanged from FY 2013.

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, ASU-Tempe/DPC has issued \$187,200,000 in COPs.

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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 monies shall not be used by the Arizona State University College of Law Legal Clinic for any lawsuits involving inmates of the State Department of Corrections in which the state is the adverse party.

It is the intent of the Legislature that the General Fund base funding for Arizona State University - Tempe and Downtown Phoenix Campuses is \$257,332,200, which includes a deferral of \$74,760,400 from FY 2014 to FY 2015 and the \$13,555,000 in Laws 2003, Chapter 267 lease-purchase appropriation.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Payment Deferral

The Baseline includes \$74,760,400 from the General Fund for FY 2013 payments that were deferred until FY 2014 and includes a FY 2014 General Fund payment deferral of \$(74,760,400) until FY 2015. These amounts constitute a portion of a \$200,000,000 universitywide payment deferral. The payment deferral is unchanged from FY 2011. *(Please see ABOR for more information.)*

The FY 2014 General Fund Baseline is \$257,332,200. Of this amount:

- \$169,016,800 would be included in ASU-Tempe/DPC’s individual section of the FY 2014 General Appropriation Act.
- \$74,760,400 was appropriated in the FY 2013 General Appropriation Act (Laws 2012, Chapter 294) to reflect the deferral of FY 2013 monies to FY 2014.
- \$13,555,000 was appropriated in Laws 2003, Chapter 267 for a lease-purchase payment.

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 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	116,942,600	115,975,600
Year-End Fund Balance	9,140,300	4,638,700
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	390,363,200	474,455,400
Year-End Fund Balance	305,659,400	322,600,500
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 support endowment operations and compensate designated beneficiaries.		
Funds Expended	0	0
Year-End Fund Balance	83,943,600	83,943,600
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	272,818,900	278,619,300
Year-End Fund Balance*	200	(100)
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	0	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	0	0
Year-End Fund Balance	0	0
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	329,500	1,901,300
Year-End Fund Balance	17,353,400	9,320,900

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 Estimate
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	235,700	0
Year-End Fund Balance	13,684,600	13,684,600
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 (please see the ABOR Summary of Funds), 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	107,079,100	115,532,300
Year-End Fund Balance	41,924,100	65,763,200
University Capital Improvement Lease-to-Own and Bond Fund (BRA3042/A.R.S. § 15-1682.03)		Non-Appropriated
Source of Revenue: University system revenues.		
Purpose of Fund: To pay annual debt service payments for the \$800,000,000 university Lottery bonding package. Lottery bond debt service is paid with no more than 80% Lottery revenues and at least 20% state university system revenues. The fund is comprised of the state university system revenues portion of the debt service payments. <i>(Please see the Capital Outlay ABOR Building System narrative for more information.)</i>		
Funds Expended	433,700	515,700
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	425,560,900	452,685,000
Year-End Fund Balance	0	0

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