

University of Arizona - Main Campus

	FY 2012 ACTUAL	FY 2013 ESTIMATE	FY 2014 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	5,805.5	5,365.0	5,365.0
Personal Services	254,376,500	250,840,100	250,840,100
Employee Related Expenditures	79,180,000	85,455,900	85,455,900
Professional and Outside Services	22,610,100	18,767,900	18,767,900
Travel - In State	107,300	95,800	95,800
Travel - Out of State	445,100	88,400	88,400
Other Operating Expenditures	45,303,000	50,804,000	50,804,000
Equipment	3,471,000	828,000	828,000
OPERATING SUBTOTAL	405,492,900	406,880,100	406,880,100
SPECIAL LINE ITEMS			
Agriculture	37,939,100	36,767,100	36,767,100
Arizona Cooperative Extension	12,602,700	12,779,800	12,779,800
Research Infrastructure Lease-Purchase Payment	14,253,000	14,253,000	14,253,000
Sierra Vista Campus	6,294,200	7,031,500	7,031,500
AGENCY TOTAL	476,581,900^{1/}	477,711,500^{2/}	477,711,500
FUND SOURCES			
General Fund	226,387,700 ^{3/}	207,793,500	207,793,500
<u>Other Appropriated Funds</u>			
University Collections Fund	250,194,200	269,918,000	269,918,000
SUBTOTAL - Other Appropriated Funds	250,194,200	269,918,000	269,918,000
SUBTOTAL - Appropriated Funds	476,581,900	477,711,500	477,711,500
Other Non-Appropriated Funds	796,720,000	832,274,900	854,734,100
Federal Funds	273,725,200	281,936,700	290,148,200
TOTAL - ALL SOURCES	1,547,027,100	1,591,923,100	1,622,593,800

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 more than 300 degree-programs to approximately 40,000 full- and part-time students in 39 colleges and schools at its Main Campus in Tucson, a campus in Phoenix, and UA-South, which is a branch campus in Sierra Vista. Upon its establishment, UA received the federal land grant for Arizona, allowing the creation of agricultural and mining programs that continue today.

Operating Budget

The Baseline includes \$406,880,100 and 4,622.1 FTE Positions in FY 2014 for the operating budget. These amounts consist of:

	FY 2014
General Fund	\$150,844,700
University Collections Fund	256,035,400

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 Reconciliation Bill (BRB) (Laws 2012, Chapter 301)

^{1/} Includes a total of \$14,451,100 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*.

^{2/} 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 \$(3,674,800) GF for the premium holiday.

^{3/} UA actual spending exceeded their appropriation by \$2,435,700, which they state is due to their use of previous unspent encumbered balances in FY 2012.

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.)*

Agriculture

The Baseline includes \$36,767,100 and 515.1 FTE Positions in FY 2014 for the Agriculture Programs. These amounts consist of:

General Fund	28,708,600
University Collections Fund	8,058,500

These amounts are unchanged from FY 2013.

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 \$12,779,800 and 155.1 FTE Positions in FY 2014 for the Arizona Cooperative Extension. These amounts consist of:

General Fund	11,079,800
University Collections Fund	1,700,000

These amounts are unchanged from FY 2013.

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 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 for research infrastructure projects.

Sierra Vista Campus

The Baseline includes \$7,031,500 and 72.7 FTE Positions in FY 2014 for the Sierra Vista Campus. These amounts consist of:

General Fund	2,907,400
University Collections Fund	4,124,100

These amounts are unchanged from FY 2013.

UA-South offers upper-division undergraduate programs in 16 disciplines for community college transfer students. 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 (Please see ABOR for universitywide standard footnotes.)

It is the intent of the Legislature that the General Fund base funding for University of Arizona - Main Campus is \$193,540,500, which includes a deferral of \$62,153,100 from FY 2014 to FY 2015 and the \$14,253,000 Laws 2003, Chapter 267, lease-purchase appropriation.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Payment Deferral

The Baseline includes \$62,153,100 from the General Fund for FY 2013 payments that were deferred until FY 2014 and includes a FY 2014 General Fund payment deferral of \$(62,153,100) 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 \$207,793,500. Of this amount:

- \$131,387,400 would be included in UA-Main’s individual section of the FY 2014 General Appropriation Act.
- \$62,153,100 was appropriated in the FY 2013 General Appropriation Act (Laws 2012, Chapter 294) to reflect the deferral of FY 2013 monies to FY 2014.
- \$14,253,000 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	190,926,800	200,254,700
Year-End Fund Balance	20,510,800	27,559,300
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	440,497,900	454,513,600
Year-End Fund Balance	221,323,500	193,959,100
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	136,901,100	143,578,700
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	223,335,600	230,035,500
Year-End Fund Balance	32,218,100	53,280,300
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	50,389,600	51,901,200
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	8,528,000	8,783,800
Year-End Fund Balance	0	0

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	410,400	464,200
Year-End Fund Balance	20,336,600	21,181,600
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 (<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	154,717,600	166,409,100
Year-End Fund Balance*	(3,700,300)	1,024,000
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	1,639,300	1,849,500
Year-End Fund Balance	0	0
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	250,194,200	269,918,000
Year-End Fund Balance	0	0