

# Northern Arizona University

	FY 2013 ACTUAL	FY 2014 ESTIMATE	FY 2015 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	2,057.2	2,057.2	2,057.2
Personal Services	134,943,100	145,539,400	145,539,400
Employee Related Expenditures	38,308,000	42,164,500	42,164,500
Professional and Outside Services	12,319,800	10,104,800	10,104,800
Travel - In State	422,600	460,000	460,000
Travel - Out of State	759,500	459,000	459,000
Other Operating Expenditures	11,701,600	12,983,100	12,983,100
Equipment	203,900	573,000	573,000
<b>OPERATING SUBTOTAL</b>	<b>198,658,500</b>	<b>212,283,800</b>	<b>212,283,800</b>
<b>SPECIAL LINE ITEMS</b>			
Parity Funding	3,302,600	6,605,200	9,907,800
NAU - Yuma	2,290,200	2,446,500	2,446,500
Research Infrastructure Lease-Purchase Payment	5,900,000	5,900,000	5,900,000
Teacher Training	2,145,600	2,290,600	2,290,600
<b>AGENCY TOTAL</b>	<b>212,296,900</b>	<b>229,526,100</b>	<b>232,828,700</b>
<b>FUND SOURCES</b>			
General Fund	104,887,800	109,245,000	112,547,600
<u>Other Appropriated Funds</u>			
University Collections Fund	107,409,100	120,281,100	120,281,100
SUBTOTAL - Other Appropriated Funds	107,409,100	120,281,100	120,281,100
<b>SUBTOTAL - Appropriated Funds</b>	<b>212,296,900</b>	<b>229,526,100</b>	<b>232,828,700</b>
Other Non-Appropriated Funds	179,638,100	188,657,700	191,057,600
Federal Funds	73,120,100	73,851,500	74,589,800
<b>TOTAL - ALL SOURCES</b>	<b>465,055,100</b>	<b>492,035,300</b>	<b>498,476,100</b>

**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 145 degree programs and 64 certificate programs to 26,606 students in 9 colleges/divisions through its campus in Flagstaff and its distance learning programs. Besides its online offerings, the university provides programs through 37 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 \$212,283,800 and 2,027.8 FTE Positions in FY 2015 for the operating budget. These amounts consist of:

	<b>FY 2015</b>
General Fund	\$92,002,700
University Collections Fund	120,281,100

These amounts are unchanged from FY 2014.

## Parity Funding

The Baseline includes \$9,907,800 from the General Fund in FY 2015 for the Parity Funding Special Line Item (SLI). FY 2015 adjustments would be as follows:

<b>Parity Funding Increase</b>	<b>GF</b>	<b>3,302,600</b>
The Baseline includes an increase of \$3,302,600 from the General Fund in FY 2015 to move towards aligning NAU's per pupil funding to that of the higher University of Arizona amount.		

Along with the \$6,605,200 of appropriated funding in FY 2013 and FY 2014, this adjustment would bring total 3-year parity funding to \$9,907,800. (See ABOR narrative for more information.)

## **NAU - Yuma**

The Baseline includes \$2,446,500 and 29.4 FTE Positions from the General Fund in FY 2015 for NAU-Yuma. These amounts are unchanged from FY 2014.

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 2015 for the Research Infrastructure Lease-Purchase Payment Special Line Item. This amount is unchanged from FY 2014.

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 \$2,290,600 from the General Fund in FY 2015 for the Teacher Training Special Line Item. This amount is unchanged from FY 2014.

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.)*

It is the intent of the Legislature to appropriate funding to Arizona State University and Northern Arizona University with the goal of achieving per student funding parity between the universities under the jurisdiction of the Arizona Board of Regents no later than the beginning of FY 2017.

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 \$112,547,600, which includes a deferral of \$30,494,800 from FY 2015 to FY 2016 and the \$5,900,000 lease-purchase appropriation in Laws 2003, Chapter 267.

## **OTHER ISSUES FOR LEGISLATIVE CONSIDERATION**

### **Payment Deferral**

The Baseline includes \$30,494,800 from the General Fund in FY 2014 payments that were deferred until FY 2015 and includes a FY 2015 General Fund payment deferral of \$(30,494,800) until FY 2016. These amounts constitute a portion of a \$200,000,000 university-wide payment deferral. The payment deferral is unchanged from FY 2011. (*Please see ABOR for more information.*)

The FY 2015 General Fund budget is \$112,547,600. Of this amount:

- \$76,152,800 would be included in NAU’s section of the FY 2015 General Appropriation Act.
- \$30,494,800 was appropriated in the FY 2014 General Appropriation Act (Laws 2013, 1<sup>st</sup> Special Session, Chapter 1) to reflect the deferral of FY 2014 monies to FY 2015.
- \$5,900,000 was appropriated in Laws 2003, Chapter 267 for a lease-purchase payment.

SUMMARY OF FUNDS	FY 2013 Actual	FY 2014 Estimate
<b>Auxiliary Fund (UNI8906/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Sales revenues of substantially self-supporting university services.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	64,024,700	62,162,900
<b>Year-End Fund Balance</b>	13,972,700	10,344,300
<b>Designated Fund (UNI8905/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Retained tuition and fees, summer session fees, student aid administrative allowances, and unrestricted gifts and grants.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	93,647,500	101,870,800
<b>Year-End Fund Balance</b>	90,417,200	61,943,700
<b>Endowment and Life Income Fund (UNI8904/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To support endowment operations and compensate designated beneficiaries.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Federal Grants (UNI8903/A.R.S. § 15-1666)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal grants and contracts.		
<b>Purpose of Fund:</b> To support specific operating and research purposes as identified by the federal government.		
<b>Funds Expended</b>	68,964,300	69,654,200
<b>Year-End Fund Balance</b>	0	0
<b>Federal Indirect Cost Recovery Fund (UNI8902/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federally-sponsored research programs.		
<b>Purpose of Fund:</b> To assist and promote federally sponsored research.		
<b>Funds Expended</b>	4,155,800	4,197,300
<b>Year-End Fund Balance</b>	6,524,600	6,524,600
<b>Indirect Cost Recovery Fund (Non-Federal) (UNI8900/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Non-federally sponsored research programs.		
<b>Purpose of Fund:</b> To assist and promote non-federally sponsored research.		
<b>Funds Expended</b>	657,200	1,563,600
<b>Year-End Fund Balance</b>	3,832,000	4,268,400
<b>Loan Fund (UNI8901/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Interest on federal student loans and reimbursements from federal loan forgiveness programs.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	220,300	224,000
<b>Year-End Fund Balance</b>	28,708,300	30,221,100

SUMMARY OF FUNDS	FY 2013 Actual	FY 2014 Estimate
<b>Restricted Fund (Excluding Federal Funds) (UNI8907/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To support specific operating and research purposes as identified by the private or non-federal donating entities.		
<b>Funds Expended</b>	20,575,000	20,830,600
<b>Year-End Fund Balance</b>	12,143,400	10,143,400
<b>University Capital Improvement Lease-to-Own and Bond Fund (BRA3042/A.R.S. § 15-1682.03)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> University system revenues.		
<b>Purpose of Fund:</b> To pay annual debt service payments for the \$800,000,000 university Lottery bonding package. Lottery bond debt service0020is 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> )		
<b>Funds Expended</b>	513,400	2,005,800
<b>Year-End Fund Balance</b>	0	0
<b>University Collections Fund (NAA1421/A.R.S. § 15-1626)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Tuition and registration fees, as well as a portion of university trust land earnings.		
<b>Purpose of Fund:</b> To operate the university.		
<b>Funds Expended</b>	107,409,100	120,281,100
<b>Year-End Fund Balance</b>	0	0