

University of Arizona - Main Campus

	FY 2014 ACTUAL	FY 2015 ESTIMATE	FY 2016 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	5,365.0	5,393.0	5,393.0
Personal Services	266,590,600	289,631,500	289,631,500
Employee Related Expenditures	86,192,800	93,401,600	93,401,600
Professional and Outside Services	3,281,300	4,710,100	4,710,100
Travel - In State	90,300	82,600	82,600
Travel - Out of State	611,000	75,300	75,300
Other Operating Expenditures	38,394,900	48,940,500	48,940,500
Equipment	1,009,700	1,809,400	1,809,400
OPERATING SUBTOTAL	396,170,600	438,651,000	438,651,000
SPECIAL LINE ITEMS			
Agriculture	38,818,200	38,195,600	38,195,600
Arizona Cooperative Extension	13,040,900	16,360,200	16,360,200
Freedom Center	497,900	500,000	500,000
Research Infrastructure Lease-Purchase Payment	13,723,400	9,593,200	9,593,600
Sierra Vista Campus	5,837,200	7,601,500	7,601,500
AGENCY TOTAL	468,088,200	510,901,500	510,901,900
FUND SOURCES			
General Fund	208,501,000	209,341,200	209,341,600
<u>Other Appropriated Funds</u>			
University Collections Fund	259,587,200	301,560,300	301,560,300
SUBTOTAL - Other Appropriated Funds	259,587,200	301,560,300	301,560,300
SUBTOTAL - Appropriated Funds	468,088,200	510,901,500	510,901,900
Other Non-Appropriated Funds	903,944,600	919,876,100	943,465,200
Federal Funds	234,892,200	235,609,500	241,771,900
TOTAL - ALL SOURCES	1,606,925,000	1,666,387,100	1,696,139,000

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 356 degree-programs to approximately 37,131 full-time students in 39 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 branch campus of the university in Sierra Vista.

Operating Budget

The Baseline includes \$438,651,000 and 4,624.1 FTE Positions in FY 2016 for the operating budget. These amounts consist of:

	FY 2016
General Fund	\$153,189,200
University Collections Fund	285,461,800

These amounts are unchanged from FY 2015.

The Baseline also includes \$2,000,000 from the General Fund in FY 2016 and FY 2017 for university operating expenditures appropriated in a footnote in the FY 2015

General Appropriation Act. As a result, these monies do not appear in the FY 2016 General Appropriation Act.

Student enrollment growth and tuition and fee increases for students will contribute to an increase in university tuition and fee collections. The University Collections Fund amount will ultimately be adjusted to reflect these additional revenues.

Agriculture

The Baseline includes \$38,195,600 and 515.1 FTE Positions in FY 2016 for the Agriculture Programs. These amounts consist of:

General Fund 28,628,200
 University Collections Fund 9,567,400

These amounts are unchanged from FY 2015.

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 \$16,360,200 and 181.1 FTE Positions in FY 2016 for the Arizona Cooperative Extension. These amounts consist of:

General Fund 14,660,100
 University Collections Fund 1,700,100

These amounts are unchanged from FY 2015.

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

Freedom Center

The Baseline includes \$500,000 from the General Fund in FY 2016 for the Freedom Center. This amount is unchanged from FY 2015.

This line item supports the Freedom Center, which is within the UA College of Social and Behavioral Sciences. The Freedom Center's functions include: published research, undergraduate education, graduate education, and community outreach.

Research Infrastructure Lease-Purchase Payment

The Baseline includes \$9,593,600 from the General Fund in FY 2016 for the Research Infrastructure Lease-Purchase Payment SLI. FY 2016 adjustments would be as follows:

Refinance Adjustment GF 400

The Baseline includes an increase of \$400 from the General Fund in FY 2016 to adjust anticipated savings from the refinance of Certificates of Participation (COPs) for research infrastructure projects from the previous year.

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. The FY 2015 General Appropriation Act (Laws 2014, Chapter 18) reduced the UA research infrastructure appropriation of

\$14,253,000 by \$(4,659,800) in FY 2015, \$(4,659,400) in FY 2016, and \$(274,600) in FY 2017.

Since this funding appears in Laws 2003, Chapter 267 and Laws 2014, Chapter 18, Section 134, this funding does not appear in the General Appropriation Act. In total, the universities have issued \$482,500,000 in COPs for research infrastructure projects. Of this amount, UA-Main has issued \$187,200,000 in COPs.

Sierra Vista Campus

The Baseline includes \$7,601,500 and 72.7 FTE Positions in FY 2016 for the Sierra Vista Campus. These amounts consist of:

General Fund 2,770,500
 University Collections Fund 4,831,000

These amounts are unchanged from FY 2015.

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 Arizona Board of Regents (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 \$197,748,000. This appropriation includes a deferral of \$62,153,100 from FY 2016 to FY 2017. This deferral shall be paid as required in this act. *(The General Fund base funding of \$197,748,000 plus the \$14,253,000 in Laws 2003, Chapter 267, lease-purchase appropriations, plus the \$2,000,000 from a FY 2015 General Appropriation Act footnote, less \$(4,659,400) in savings from the refinance of Certificates of Participation for research infrastructure in a FY 2015 General Appropriation Act footnote, equals the FY 2016 total of \$209,341,600. The \$62,153,100 deferral amount was appropriated by Laws 2014, Chapter 18.)*

Deletion of Prior Year Footnotes

The Baseline does not include the provision that appropriated \$2,000,000 in FY 2016 and FY 2017 from the state General Fund to University of Arizona - Main Campus for operating expenditures since the monies were already appropriated with the initial footnote.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Payment Deferral

The Baseline includes \$62,153,100 from the General Fund for FY 2015 payments that were deferred until FY 2016 and would include a FY 2016 General Fund payment deferral of \$(62,153,100) until FY 2017. 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 2016 General Fund budget is \$209,341,600. Of this amount:

- \$135,594,900 would be included in UA - Main individual section of the FY 2016 General Appropriation Act.

- \$62,153,100 was appropriated in the FY 2015 General Appropriation Act (Laws 2014, Chapter 18) to reflect the deferral of FY 2015 monies to FY 2016.
- \$14,253,000 was appropriated in Laws 2003, Chapter 267 for a research infrastructure lease-purchase payment.
- \$(4,659,400) was reduced in Section 134 of the FY 2015 General Appropriation Act for research infrastructure savings.
- \$2,000,000 was appropriated in Laws 2014, Chapter 18 for university operating expenditures in FY 2016.

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 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	203,875,500	210,596,100
Year-End Fund Balance	29,499,100	29,172,600
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	521,907,900	528,377,600
Year-End Fund Balance	152,826,100	116,860,600
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 support endowment operations and compensate designated beneficiaries.		
Funds Expended	0	0
Year-End Fund Balance	163,149,900	168,051,200
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	188,519,100	188,755,000
Year-End Fund Balance*	(4,262,500)	4,544,100
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	46,373,100	46,854,500
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
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	9,337,900	9,524,700
Year-End Fund Balance	0	0
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	1,216,100	1,240,400
Year-End Fund Balance	21,656,000	22,031,100
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	155,608,500	158,688,600
Year-End Fund Balance	41,061,500	39,381,600
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. (<i>Please see the Capital Outlay ABOR Building System narrative for more information.</i>)		
Funds Expended	11,998,700	11,448,700
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	259,587,300	301,560,300
Year-End Fund Balance	0	0

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