

Arizona State University - East Campus

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	425.6	416.2	416.2
Personal Services	25,818,100	26,638,700	26,638,700
Employee Related Expenditures	7,691,700	8,605,300	8,605,300
Professional and Outside Services	4,293,100	4,554,600	4,554,600
Travel - In State	45,900	36,500	36,500
Travel - Out of State	97,700	15,000	15,000
Other Operating Expenditures	8,588,000	16,453,600	16,751,600
Equipment	1,342,300	664,900	664,900
OPERATING SUBTOTAL	47,876,800	56,968,600	57,266,600
SPECIAL LINE ITEMS			
Parity Funding	6,647,000	0	0
Research Infrastructure Lease-Purchase Payment	917,000	917,000	917,000
TRIF Lease-Purchase Payment	2,000,000	2,000,000	2,000,000
AGENCY TOTAL	57,440,800	59,885,600	60,183,600
FUND SOURCES			
General Fund	25,853,400	22,162,700	22,460,700
<u>Other Appropriated Funds</u>			
Technology and Research Initiative Fund	2,000,000	2,000,000	2,000,000
University Collections Fund	29,587,400	35,722,900	35,722,900
SUBTOTAL - Other Appropriated Funds	31,587,400	37,722,900	37,722,900
SUBTOTAL - Appropriated Funds	57,440,800	59,885,600	60,183,600
Other Non-Appropriated Funds	16,050,700	19,047,100	20,447,300
Federal Funds	8,211,400	8,377,200	8,377,200
TOTAL - ALL SOURCES	81,702,900	87,309,900	89,008,100

AGENCY DESCRIPTION — Established as a separate budget unit in 1994, Arizona State University - East Campus (ASU - East), also known as the Polytechnic Campus, currently offers 43 professional and technical Baccalaureate, Master's, and Doctoral degree programs and 11 undergraduate certificate programs to 14,632 full- and part-time students. ASU - East is located at the 600-acre site of the former Williams Air Force Base in southeast Mesa.

Operating Budget

The Baseline includes \$57,266,600 and 416.2 FTE Positions in FY 2017 for the operating budget. These amounts consist of:

	FY 2017
General Fund	\$21,543,700
University Collections Fund	35,722,900

FY 2017 adjustments would be as follows:

Additional Resources GF 298,000

The Baseline includes an increase of \$298,000 from the General Fund in FY 2017 for ASU - East's share of additional university resources. The 3-year budget plan associated with the enacted FY 2016 budget included

\$8,200,000 in system-wide ongoing additional resources for the university system beginning in FY 2017. (Please see the Arizona Board of Regents (ABOR) section for more information.)

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. (Please see the ABOR section for more information.)

Research Infrastructure Lease-Purchase Payment

The Baseline includes \$917,000 from the General Fund in FY 2017 for the Research Infrastructure Lease-Purchase

Payment line item. This amount is unchanged from FY 2016.

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 - East has issued \$19,000,000 in COPs for the Interdisciplinary Science & Technology Building II, which is now complete.

TRIF Lease-Purchase Payment

The Baseline includes \$2,000,000 from the Technology and Research Initiative Fund (TRIF) in FY 2017 for lease-purchase payment requirements. This amount is unchanged from FY 2016.

Laws 2000, 5th Special Session, Chapter 1 appropriated \$1,400,000 from TRIF to make the initial lease-purchase payment in FY 2002 on \$27,500,000 in infrastructure development at ASU - East. Beginning in FY 2003, the lease-purchase payment increased to \$2,000,000, which will be the annual lease-purchase payment through FY 2021.

* * *

FORMAT — Operating Lump Sum with Special Line Items by Agency

FOOTNOTES

Standard Footnotes (Please see the ABOR section for university-wide footnotes.)

It is the intent of the Legislature that the state General Fund base funding for Arizona State University - East Campus is \$21,543,700. This appropriation includes a deferral of \$5,750,200 from FY 2017 to FY 2018. This deferral shall be paid as required in this act. *(Please see Other Issues for more information.)*

Other Issues

FY 2016 Supplemental

The FY 2017 Baseline would include a FY 2016 supplemental appropriation of \$2,283,200 from the General Fund to ASU for health insurance adjustments. This supplemental would be divided between all ASU

campuses. In FY 2017, ASU’s appropriation would be further adjusted for the annualization of savings associated with lower employer contribution rates for health insurance. (Please see the Health Insurance Trust Fund section in the ABOR narrative for more information.)

Payment Deferral

The Baseline includes \$5,750,200 from the General Fund for FY 2016 payments that were deferred until FY 2017 and includes a FY 2017 General Fund payment deferral of \$(5,750,200) until FY 2018. These amounts constitute a portion of a \$200,000,000 university-wide payment deferral. The payment deferral is unchanged from FY 2011. (Please see the ABOR section for more information.)

The FY 2017 General Fund Baseline is \$22,460,700. Of this amount:

- \$15,793,500 would be included in ASU - East’s individual section of the FY 2017 General Appropriation Act.
- \$5,750,200 was appropriated in the FY 2016 General Appropriation Act to reflect the deferral of FY 2016 monies to FY 2017.
- \$917,000 was appropriated in Laws 2003, Chapter 267 for a research infrastructure lease-purchase payment.

University Collections and FTE Positions Adjustments

The FY 2016 General Appropriation Act (Laws 2015, Chapter 8) appropriated \$29,466,500 from the University Collections Fund to ASU - East in FY 2016. The Collections Fund for ASU - East represents a portion of tuition, fees and a portion of land earnings. (Please see ABOR Other Issues for more information.) If collections exceed the appropriated amount, the annual General Appropriation Act includes a footnote permitting the universities to expend those amounts as well and a separate footnote requiring the submission of a report detailing any adjustments to the appropriated amounts.

ABOR sets tuition in the spring (independent of the legislative process). Any revised tuition rates as well as changes in enrollment can result in collections exceeding the appropriated amount. The Universities reported the adjustments to the University Collections Fund for FY 2016 to the Joint Legislative Budget Committee in July 2015, and ASU incorporated the adjusted FY 2016 amounts as part of their FY 2017 budget submission. Accordingly, the FY 2016 amount in the Baseline has been adjusted upward by \$6,256,400 to \$35,722,900.

The Baseline also adjusts the number of FTE Positions in FY 2016 to align with General Fund and Collections Fund tuition revenue adjustments. Laws 2015, Chapter 8 originally appropriated 425.6 FTE Positions in FY 2016 for the ASU - East Campus. The General Fund accounted for 168.4 FTE Positions and the University Collections Fund accounted for the remaining 257.2 FTE Positions. The Baseline reduces the total amount of FY 2016 FTE

Positions by (9.4) to 416.2. The General Fund accounts for 155.2 FTE Positions and the University Collections Fund accounts for the remaining 261 FTE Positions. The total number and fund source of FTE Positions changed because adjustments to FTE Positions have not been made in several years.

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 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	1,545,600	1,661,000
Year-End Fund Balance	227,100	227,100
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. Tuition and mandatory registration fees comprise \$37,309,200 and \$37,968,700 of the total FY 2015 and FY 2016 revenue, respectively.		
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	12,390,100	15,228,500
Year-End Fund Balance	18,210,000	18,210,000
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	85,000	85,000
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	8,211,400	8,377,200
Year-End Fund Balance	0	0
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	2,115,000	2,157,600
Year-End Fund Balance	490,300	908,000

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 Estimate
Technology and Research Initiative Fund (UNI2472/A.R.S. § 15-1648)		Appropriated
Source of Revenue: Automatic appropriations of a portion of a 0.6% sales tax, as authorized by voters through Proposition 301 in the November 2000 General Election and as governed by statute.		
Purpose of Fund: To make lease-purchase payments on certificates of participation used for technology and research capital projects.		
Funds Expended	2,000,000	2,000,000
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. Tuition and mandatory registration fees comprise \$29,260,600 and \$35,464,800 of the total FY 2015 and FY 2016 revenue, respectively.		
Purpose of Fund: To operate the university.		
Funds Expended	29,587,400	35,722,900
Year-End Fund Balance*	(200)	(200)

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