

University of Arizona - Main Campus

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	5,393.0	5,605.5	5,605.5
Personal Services	271,490,700	314,469,100	314,469,100
Employee Related Expenditures	85,849,200	96,224,400	96,224,400
Professional and Outside Services	3,242,700	4,405,900	4,405,900
Travel - In State	88,200	82,000	82,000
Travel - Out of State	631,200	74,600	74,600
Other Operating Expenditures	38,532,600	50,606,900	52,921,200
Equipment	2,980,100	1,601,800	1,601,800
OPERATING SUBTOTAL	402,814,700	467,464,700	469,779,000
SPECIAL LINE ITEMS			
Agriculture	37,199,400	39,423,400	39,423,400
Arizona Cooperative Extension	14,020,500	16,017,700	16,017,700
Freedom Center	492,100	500,000	500,000
Research Infrastructure Lease-Purchase Payment	9,593,200	9,593,600	13,978,400
Sierra Vista Campus	6,227,300	7,649,600	7,649,600
AGENCY TOTAL	470,347,200	540,649,000	547,348,100
FUND SOURCES			
General Fund	209,341,200	179,499,400	186,198,500
<u>Other Appropriated Funds</u>			
University Collections Fund	261,006,000	361,149,600	361,149,600
SUBTOTAL - Other Appropriated Funds	261,006,000	361,149,600	361,149,600
SUBTOTAL - Appropriated Funds	470,347,200	540,649,000	547,348,100
Other Non-Appropriated Funds	961,364,600	972,910,900	998,423,500
Federal Funds	218,280,200	222,645,800	229,325,000
TOTAL - ALL SOURCES	1,649,992,000	1,736,205,700	1,775,096,600

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 362 degree-programs and 4 specialist programs to approximately 42,000 full- and part-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 \$469,779,000 and 4,627.8 FTE Positions in FY 2017 for the operating budget. These amounts consist of:

	FY 2017
General Fund	\$126,120,700
University Collections Fund	343,658,300

FY 2017 adjustments would be as follows:

Additional Resources	GF	2,314,300
The Baseline includes an increase of \$2,314,300 from the General Fund in FY 2017 for UA - Main'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.)

The \$126,120,700 General Fund amount for the operating budget includes \$2,000,000 that was appropriated for FY 2017 in the FY 2015 General Appropriation Act (Laws 2014, Chapter 18). As a result, these monies would not appear in the FY 2017 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. *(Please see the ABOR section for more information.)*

Agriculture

The Baseline includes \$39,423,400 and 715.6 FTE Positions in FY 2017 for the Agriculture Programs. These amounts consist of:

General Fund	28,538,100
University Collections Fund	10,885,300

These amounts are unchanged from FY 2016.

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 \$16,017,700 and 186.8 FTE Positions in FY 2017 for the Arizona Cooperative Extension. These amounts consist of:

General Fund	14,317,700
University Collection Fund	1,700,000

These amounts are unchanged from FY 2016.

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 2017 for the Freedom Center. This amount is unchanged from FY 2016.

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 \$13,978,400 from the General Fund in FY 2017 for the Research Infrastructure Lease-Purchase

Payment line item. FY 2017 adjustments would be as follows:

Refinance Adjustment GF 4,384,800

The Baseline includes an increase of \$4,384,800 from the General Fund in FY 2017 for the 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 would not appear in the FY 2017 General Appropriation Act. In total, the universities have issued \$482,500,000 in COPs for research infrastructure projects. Of this amount, UA has issued \$201,300,000 in COPs.

Sierra Vista Campus

The Baseline includes \$7,649,600 and 75.3 FTE Positions in FY 2017 for the Sierra Vista Campus. These amounts consist of:

General Fund	2,743,600
University Collections Fund	4,906,000

These amounts are unchanged from FY 2016.

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 state General Fund base funding for University of Arizona - Main Campus is \$170,220,100. This appropriation includes a

deferral of \$62,153,100 from FY 2017 to FY 2018. This deferral shall be paid as required in this act. *(Please see the Other Issues section for more information.)*

Other Issues

FY 2016 Supplemental

The FY 2017 Baseline would include a FY 2016 supplemental appropriation of \$1,752,600 from the General Fund to UA for health insurance adjustments. This supplemental would be divided between all UA campuses. In FY 2017, UA's appropriation would be further adjusted for the annualization for 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 \$62,153,100 from the General Fund for FY 2016 payments that were deferred until FY 2017 and includes a FY 2017 General Fund payment deferral of \$(62,153,100) 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 \$186,198,500. Of this amount:

- \$108,067,000 would be included in UA – Main's individual section of the FY 2017 General Appropriation Act.
- \$62,153,100 was appropriated in the FY 2016 General Appropriation Act to reflect the deferral of FY 2016 monies to FY 2017.
- \$14,253,000 was appropriated in Laws 2003, Chapter 267 for a research infrastructure lease-purchase payment.
- \$(274,600) was reduced in Section 134 of the FY 2015 General Appropriation Act for Research Infrastructure savings.
- \$2,000,000 was appropriated by a footnote in the FY 2015 General Appropriation Act.

University Collections and FTE Positions Adjustments

The FY 2016 General Appropriation Act (Laws 2015, Chapter 8) appropriated \$300,783,000 from the

University Collections Fund to UA - Main in FY 2016. The Collections Fund for UA - Main 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 UA 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 \$60,366,600 to \$361,149,600.

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 5,393 FTE Positions in FY 2016 for the UA - Main. The General Fund accounted for 2,306.1 FTE Positions and the University Collections Fund accounted for the remaining 3,086.9 FTE Positions. The Baseline increases the total amount of FY 2016 FTE Positions by 212.5 to 5,605.5. The General Fund accounts for 1,937.7 FTE Positions and the University Collections Fund accounts for the remaining 3,667.8 FTE Positions. The total number and fund sourcing of FTE Positions significantly increased 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	210,012,200	215,646,900
Year-End Fund Balance	30,905,000	31,324,700
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. Tuition and mandatory registration fees comprise \$274,751,500 and \$281,868,400 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	538,475,100	549,244,600
Year-End Fund Balance	140,901,600	130,395,600
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	160,138,400	163,431,200
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	172,508,900	175,959,000
Year-End Fund Balance*	(14,907,300)	(32,137,600)
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	45,771,300	46,686,800
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	10,575,600	10,787,200
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 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	757,500	772,600
Year-End Fund Balance	22,582,800	23,528,000
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	186,230,700	169,555,800
Year-End Fund Balance	46,417,100	47,807,400
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	15,313,500	26,903,800
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. Tuition and mandatory registration fees comprise \$312,005,900 and \$353,801,200 of the total FY 2015 and FY 2016 revenue, respectively.		
Purpose of Fund: To operate the university.		
Funds Expended	261,006,000	361,149,600
Year-End Fund Balance	0	0

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