

## University of Arizona - Main Campus

	FY 2018 ACTUAL	FY 2019 ESTIMATE	FY 2020 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	6,064.5	6,092.5	6,092.5 <sup>1/</sup>
Personal Services	310,997,700	320,031,400	320,031,400
Employee Related Expenditures	107,904,800	111,234,700	111,234,700
Professional and Outside Services	6,919,700	1,406,700	1,406,700
Travel - In State	109,700	49,300	49,300
Travel - Out of State	905,400	45,500	45,500
Other Operating Expenditures	62,453,400	57,581,100	57,581,100
<b>OPERATING SUBTOTAL</b>	<b>489,290,700</b>	<b>490,348,700</b>	<b>490,348,700</b>
<b>SPECIAL LINE ITEMS</b>			
2003 Research Infrastructure Lease-Purchase Payment	14,249,300	14,251,000	14,250,200 <sup>2/</sup>
2017 Capital Infrastructure Funding	0	10,551,700	10,762,700 <sup>3/</sup>
Agriculture	49,255,600	44,951,900	44,951,900
Arizona Cooperative Extension	14,955,000	16,462,300	16,462,300
Arizona Financial Aid Trust	2,729,400	2,729,400	2,729,400
Arizona Geological Survey	908,300	948,500	948,500
Center for the Philosophy of Freedom	3,500,000	3,526,500	2,526,500 <sup>4/</sup>
Mining, Mineral and Natural Resources Educational Museum	109,000	428,800	428,800
One-Time Funding	3,157,700	2,164,800	0
Sierra Vista Campus	8,242,100	7,574,500	7,574,500
<b>AGENCY TOTAL</b>	<b>586,397,100</b>	<b>593,938,100</b>	<b>590,983,500 <sup>5/6/</sup></b>
<b>FUND SOURCES</b>			
General Fund	199,600,900	208,836,400	205,881,800 <sup>7/8/9/</sup>
<u>Other Appropriated Funds</u>			
University Collections Fund	386,796,200	385,101,700	385,101,700 <sup>10/</sup>
SUBTOTAL - Other Appropriated Funds	386,796,200	385,101,700	385,101,700
<b>SUBTOTAL - Appropriated Funds</b>	<b>586,397,100</b>	<b>593,938,100</b>	<b>590,983,500</b>
Other Non-Appropriated Funds	1,060,868,900	1,078,505,200	1,115,343,400
Federal Funds	255,529,200	263,195,500	272,407,300
<b>TOTAL - ALL SOURCES</b>	<b>1,902,795,200</b>	<b>1,935,638,800</b>	<b>1,978,734,200</b>

**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 had 39,632 full-time equivalent students at its campuses (excluding the Health Sciences Center) in fall 2018. Upon its establishment, UA received the federal land grant for Arizona, allowing the creation of agricultural and mining programs that continue today.

### FOOTNOTES

- <sup>1/</sup> Includes 898.4 GF and 386.1 OF FTE Positions funded from Special Line Items in FY 2020.
- <sup>2/</sup> A.R.S. § 15-1670 appropriates \$14,250,200 to UA-Main from the General Fund to finance lease-purchase payments for research infrastructure projects.
- <sup>3/</sup> A.R.S. § 15-1671 appropriates \$10,762,700 to UA-Main from the General Fund in FY 2020 for capital infrastructure projects.
- <sup>4/</sup> The appropriated amount for the Center for the Philosophy of Freedom line item may not supplant any existing state funding or private or external donations to the Center or the Philosophy Department of the University of Arizona. The appropriated monies and all private and external donations to the Center, including any remaining balances from prior fiscal years, shall be deposited in a separate account, shall be used only for the direct operation of the Center and may not be used for indirect costs of the university. The Center shall submit a report to the President of the Senate, the Speaker of the House of Representatives, the Chairpersons of the Senate Education Committee and the House of

Representatives Education Committee and the Director of the Joint Legislative Budget Committee on or before October 1, 2019. The report shall include at least the following information for the Center: 1) The total amount of funding received from all sources, 2) A description of faculty positions and courses offered, 3) The total undergraduate and graduate student participation, 4) Significant community events, initiatives or publications.

The Chairpersons of the Senate Education Committee and the House of Representatives Education Committee may request the Director of the Center to appear before the committees to report on the Center's annual achievements. (General Appropriation Act footnote)

- 5/ Other than scholarships awarded through the Arizona Financial Aid Trust, the appropriated monies may not be used for scholarships or any student newspaper. (General Appropriation Act footnote)
- 6/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 7/ The state General Fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 8/ The FY 2020 General Fund Baseline is \$205,881,800. This amount includes \$180,868,900 that would be included in UA - Main's individual section of the FY 2020 General Appropriation Act, \$14,250,200 in A.R.S. § 15-1670 lease-purchase appropriations, \$10,762,700 in A.R.S. § 15-1671 capital infrastructure appropriations, and elimination of prior year one-time funding.
- 9/ The increased state General Fund appropriation from Laws 2014, Chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)
- 10/ Any unencumbered balances remaining in the University Collections Fund on June 30, 2019 and all collections received by the university during the fiscal year are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the Permanent Land Funds are appropriated in compliance with the Enabling Act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. (General Appropriation Act footnote)

**Operating Budget**

The Baseline includes \$490,348,700 and 4,808 FTE Positions in FY 2020 for the operating budget. These amounts consist of:

	<b>FY 2020</b>
General Fund	128,320,900
University Collections Fund	362,027,800

These amounts are unchanged from FY 2019.

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.)*

**2003 Research Infrastructure Lease-Purchase Payment**

The Baseline includes \$14,250,200 from the General Fund in FY 2020 for the 2003 Research Infrastructure Lease-Purchase Payment line item. FY 2020 adjustments are as follows:

**Refinance Adjustment**

The Baseline includes a decrease of \$(800) from the General Fund in FY 2020 to adjust the Certificates of Participation (COPs) payment.

As amended by the FY 2017 Higher Education Budget Reconciliation Bill (BRB), A.R.S. § 15-1670 appropriates an annual amount 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.

Since this funding appears in A.R.S. § 15-1670, this funding would not appear in the FY 2020 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.

*(Please see the Long-Term Budget Impacts narrative below and the 2003 Research Infrastructure narrative in the ABOR section for more information.)*

**2017 Capital Infrastructure Funding**

The Baseline includes \$10,762,700 from the General Fund in FY 2020 for the 2017 Capital Infrastructure Funding line item. FY 2020 adjustments are as follows:

### **Inflation Adjustment**

The Baseline includes an increase of \$211,000 from the General Fund in FY 2020 for a 2% increase in Capital Infrastructure Funding.

Laws 2017, Chapter 328 established A.R.S. § 15-1671, which provides General Fund appropriations from FY 2019 - FY 2043 for new university research facilities, building renewal, or other capital construction projects. Since this funding appears in A.R.S. § 15-1671, this funding would not appear in the FY 2020 General Appropriation Act. A.R.S. § 15-1671 increases the appropriation annually by the lesser of 2% or inflation.

*(Please see the 2017 University Infrastructure Funding narrative in the Capital Outlay - ABOR Building System section for more information.)*

### **Agriculture**

The Baseline includes \$44,951,900 and 814.9 FTE Positions in FY 2020 for the Agriculture Programs. These amounts consist of:

General Fund	28,592,600
University Collections Fund	16,359,300

These amounts are unchanged from FY 2019.

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 \$16,462,300 and 354.8 FTE Positions in FY 2020 for the Arizona Cooperative Extension. These amounts consist of:

General Fund	14,562,300
University Collection Fund	1,900,000

These amounts are unchanged from FY 2019.

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

### **Arizona Financial Aid Trust**

The Baseline includes \$2,729,400 from the General Fund in FY 2020 for the Arizona Financial Aid Trust (AFAT). This amount is unchanged from FY 2019. *(Please see the Other Issues: Arizona Financial Aid Trust narrative in the ABOR section for more information).*

### **Arizona Geological Survey**

The Baseline includes \$948,500 from the General Fund in FY 2020 for the Arizona Geological Survey. This amount is unchanged from FY 2019.

The Geological Survey investigates Arizona's geology and provides technical advice and assistance to state and local government agencies, industry and other members of the public concerning the geologic environment and the development and use of mineral resources in Arizona.

*(Please see Geological Survey Transfer in Other Issues in the University of Arizona section of the FY 2018 Baseline Book for more information.)*

### **Center for the Philosophy of Freedom**

The Baseline includes \$2,526,500 and 37.4 FTE Positions from the General Fund in FY 2020 for the Center for the Philosophy of Freedom (CPF). FY 2020 adjustments are as follows:

#### **Remove One-Time Funding**

The Baseline includes a decrease of \$(1,000,000) from the General Fund in FY 2020 for the elimination of one-time funding for operating expenditures. The Center budgeted the one-time monies to support faculty salaries and several initiatives, which include: a personal finance curriculum, a scholarly network that promotes best practices in teaching philosophy and politics, and a dual enrollment course for high school students in Ethics, Economy, and Entrepreneurship.

The CPF also received a one-time allocation of \$1,000,000 in FY 2018, which the Center used for faculty salaries and to support its initiatives.

This line item supports the CPF, which is within the UA Department of Political Economy and Moral Science. The CPF's functions include publishing research, undergraduate education, graduate education, and community outreach.

**Mining, Mineral and Natural Resources Educational Museum**

The Baseline includes \$428,800 and 1 FTE Position from the General Fund in FY 2020 for the Mining, Mineral, and Natural Resources Educational Museum. These amounts are unchanged from FY 2019.

This line item funds a curator and monies that will be used by the University to pay for repairs to the building.

*(Please see the FY 2018 Baseline Book and FY 2018 Appropriations Report for more information).*

**One-Time Funding**

The Baseline includes no funding in FY 2020 from the General Fund for the One-Time Funding line item. FY 2020 adjustments are as follows.

**Remove One-Time Funding**

The Baseline includes a decrease of \$(2,164,800) from the General Fund in FY 2020 for the elimination of one-time funding.

The FY 2019 budget included \$2,164,800 of one-time funding for UA for capital improvements or operating expenditures. UA used its FY 2019 one-time funding on information technology infrastructure and security projects.

This one-time allocation was also funded in FY 2017 (\$8,000,000) and FY 2018 (\$3,157,700).

**Sierra Vista Campus**

The Baseline includes \$7,574,500 and 76.4 Positions in FY 2020 for the Sierra Vista Campus. These amounts consist of:

General Fund	2,759,900
University Collections Fund	4,814,600

These amounts are unchanged from FY 2019.

UA - Sierra Vista 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.

**Other Issues**

This section includes information on the following topics:

- Summary
- Long-Term Budget Impacts
- University Collections and FTE Positions Adjustments

**Summary**

UA - Main's FY 2020 General Fund Baseline is \$205,881,800. Of this amount:

- \$180,868,900 would be included in UA - Main's individual section of the FY 2019 General Appropriation Act.
- \$14,250,200 is appropriated in A.R.S. § 15-1670 for a research infrastructure lease-purchase payment.
- \$10,762,700 is appropriated in A.R.S. § 15-1671 for new university research facilities, building renewal, or other capital construction projects.

**Long-Term Budget Impacts**

As part of the Baseline's 3-year spending plan, UA - Main's General Fund costs are projected to increase by \$216,600 in FY 2021 above FY 2020, and increase by \$217,000 in FY 2022 above FY 2021.

These estimates are based on:

- A \$1,300 increase in FY 2021 and a \$(2,600) decrease in FY 2022 to adjust for university debt service costs. *(Please see the 2003 Research Infrastructure Refinancing narrative for more information.)*
- Increases of \$215,300 and \$219,600 in FY 2021 and FY 2022, respectively, to increase the university's annual Capital Infrastructure Funding appropriation by 2% each year. (The GDP inflator is currently projected at 2.50% for FY 2021 and 2.70% for FY 2022; statute funds the lesser of 2% or the actual rate). *(Please see the 2017 University Capital Infrastructure Funding narrative in the Capital Outlay - ABOR Building System section for more information.)*

**University Collections and FTE Positions Adjustments**

Including statewide adjustments, the FY 2019 General Appropriation Act appropriated \$412,085,600 from the University Collections Fund to UA - Main in FY 2019. 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 differ from the appropriated amount, the annual General Appropriation Act includes a footnote permitting the universities to expend those amounts as well as 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 (or being below) the appropriated amount. The Universities reported the adjustments to the University Collections Fund for FY 2019 to the Joint Legislative Budget Committee in July 2018, and UA incorporated the adjusted FY 2019 amounts as part of their FY 2020 budget submission. Accordingly, the estimated FY 2019 amount has been adjusted downward by \$(26,983,900) to \$385,101,700.

The FY 2019 FTE Position count has also been adjusted. The FY 2019 General Appropriation Act originally appropriated 6,064.5 FTE Positions in FY 2019 for UA - Main. The General Fund accounted for 2,084.4 FTE Positions and the University Collections Fund accounted for the remaining 3,980.1 FTE Positions. The estimated number of FY 2019 FTE Positions has been adjusted by 28 to 6,092.5. The General Fund accounts for 2,156.6 FTE Positions and the University Collections Fund accounts for the remaining 3,935.9 FTE Positions.

SUMMARY OF FUNDS	FY 2018 Actual	FY 2019 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>	291,637,600	290,787,300
<b>Year-End Fund Balance</b>	33,736,000	30,595,100
<b>Capital Infrastructure Fund - UA (UNI3003/A.R.S. § 15-1671)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> General Fund appropriations and university local funds. UA will receive a General Fund appropriation of \$10,551,700 starting in FY 2019, and this amount will annually increase by 2% or the rate of inflation, whichever is less, through FY 2043. The university must provide a 1:1 match of its own funds for any General Fund appropriations which are used to pay debt service.		
<b>Purpose of Fund:</b> To pay the cost of, or debt service on debt financing for, university capital projects. Systemwide, projects funded by the universities' capital infrastructure funds may not cumulatively exceed \$1.0 billion in principal. <i>(Please see the Capital Outlay ABOR Building System narrative for more information.)</i> Expenditures are not displayed to avoid double counting of: 1) Annual General Fund appropriations which are deposited into the fund; and 2) University system revenues which are used as matching funds for debt service. These amounts are displayed elsewhere in the University's budget.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	9,674,200
<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 subaccounts for specific purposes. Indirect Cost Recovery, a Designated Fund subaccount, is presented separately.		
<b>Funds Expended</b>	638,542,900	643,845,900
<b>Year-End Fund Balance</b>	263,243,200	271,043,100
<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>	1,674,100	1,724,300
<b>Year-End Fund Balance</b>	169,637,900	173,002,800

SUMMARY OF FUNDS	FY 2018 Actual	FY 2019 Estimate
<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>	208,548,300	215,005,400
<b>Year-End Fund Balance</b>	33,534,000	41,640,600
<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>	45,979,100	47,358,500
<b>Year-End Fund Balance</b>	0	0
<b>Geological Survey Fund (UNI3030/A.R.S. § 27-107)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Indirect cost recovery funds, and other state and local grants, fees, contracts, agreements, MOUs and other university funds. The FY 2017 Agency Consolidation Budget Reconciliation Bill established this fund and placed the Geological Survey under the University of Arizona.		
<b>Purpose of Fund:</b> To investigate and describe Arizona's geologic setting and to finance map publication and production expenses.		
<b>Funds Expended</b>	361,200	380,000
<b>Year-End Fund Balance</b>	547,400	394,400
<b>Geological Survey Fund - Federal Grants (UNI3031/A.R.S. § 27-107)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal grants and contracts.		
<b>Purpose of Fund:</b> To carry out federal grants and contracts awarded to the Arizona Geological Survey.		
<b>Funds Expended</b>	1,001,800	831,600
<b>Year-End Fund Balance</b>	0	0
<b>Geological Survey Fund – Mining, Mineral and Natural Resources Educational Museum Account (UNI9999/A.R.S. § 27-107)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Ongoing revenues from the Arizona Centennial Special Fund established by A.R.S. § 28-2448 are deposited in this account of the Geological Survey Fund. Donations or other financial contributions can be deposited into this account.		
<b>Purpose of Fund:</b> Monies in this account are to be used exclusively for the restoration, maintenance, and operations of the Mining, Mineral, and Natural Resources Educational Museum. The FY 2017 Agency Consolidation Budget Reconciliation Bill established this account and transferred all unexpended and unencumbered monies in the Arizona Centennial Special Plate Fund to it.		
<b>Funds Expended</b>	28,600	70,000
<b>Year-End Fund Balance</b>	946,400	1,036,400
<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>	9,817,000	10,111,400
<b>Year-End Fund Balance</b>	0	0
<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>	55,200	56,800
<b>Year-End Fund Balance</b>	26,097,700	28,515,100

SUMMARY OF FUNDS	FY 2018 Actual	FY 2019 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>	91,861,500	104,655,500
<b>Year-End Fund Balance</b>	55,138,100	56,540,400
<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 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> ).		
<b>Funds Expended</b>	26,890,800	26,874,000
<b>Year-End Fund Balance</b>	0	0
<b>University Collections Fund (UAA1402/A.R.S. § 15-1626)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Tuition and registration fees, as well as a portion of summer session and university trust land earnings.		
<b>Purpose of Fund:</b> To operate the university.		
<b>Funds Expended</b>	386,796,200	385,101,700
<b>Year-End Fund Balance</b>	0	0