

## Arizona State University

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	7,727.6	8,171.0	8,171.0 <sup>1/</sup>
Personal Services	528,723,700	546,217,600	546,217,600
Employee Related Expenditures	145,914,600	151,998,100	170,627,100
Professional and Outside Services	40,314,900	26,156,900	26,156,900
Travel - In State	11,300	70,000	70,000
Travel - Out of State	65,400	533,900	533,900
Other Operating Expenditures	67,627,700	110,041,200	112,409,900
Equipment	1,715,600	1,188,600	1,188,600
<b>OPERATING SUBTOTAL</b>	<b>784,373,200</b>	<b>836,206,300</b>	<b>857,204,000 <sup>2/</sup></b>
<b>SPECIAL LINE ITEMS</b>			
2003 Research Infrastructure Lease-Purchase Payment	13,458,700	13,451,900	13,462,100 <sup>3/</sup>
2017 Capital Infrastructure Funding	12,381,200	12,533,500	12,784,200 <sup>4/</sup>
Arizona Financial Aid Trust	5,985,800	5,985,800	5,985,800
Biomedical Informatics	3,731,700	3,723,500	3,884,300
Eastern Europe Cultural Collaborative	0	250,000	250,000 <sup>5/</sup>
Political History and Leadership Program	0	250,000	0
Downtown Phoenix Campus	104,874,100	104,815,500	108,951,300
One-Time Funding	0	0	54,000,000 <sup>6/</sup>
School of Civic and Economic Thought and Leadership	3,024,700	5,764,200	6,006,500 <sup>7/</sup>
TRIF - Lease Purchase Payment	3,459,200	0	0
<b>AGENCY TOTAL</b>	<b>931,288,600</b>	<b>982,980,700</b>	<b>1,062,528,200 <sup>8/9/10/</sup></b>
<b>FUND SOURCES</b>			
General Fund	324,717,400	385,261,900	465,044,700 <sup>11/12/13/</sup>
<u>Other Appropriated Funds</u>			
Technology and Research Initiative Fund	3,459,200	0	0
University Collections Fund	603,112,000	597,718,800	597,483,500 <sup>14/</sup>
SUBTOTAL - Other Appropriated Funds	606,571,200	597,718,800	597,483,500
<b>SUBTOTAL - Appropriated Funds</b>	<b>931,288,600</b>	<b>982,980,700 <sup>15/</sup></b>	<b>1,062,528,200</b>
Other Non-Appropriated Funds	2,192,958,800	2,394,541,500	2,543,695,900
Federal Funds	580,777,200	534,638,800	534,638,800
<b>TOTAL - ALL SOURCES</b>	<b>3,705,024,600</b>	<b>3,912,161,000</b>	<b>4,140,862,900</b>

**AGENCY DESCRIPTION** — Established in 1885, Arizona State University (ASU) is one of 3 public universities governed by the Arizona Board of Regents (ABOR).

### FOOTNOTES

- <sup>1/</sup> Includes 580.1 GF and 598 OF FTE Positions funded from Special Line Items in FY 2023.
- <sup>2/</sup> Of the amount appropriated to the Arizona state university operating budget, \$21,200,000 is onetime funding. On or before September 1, 2022, Arizona state university shall provide a detailed expenditure plan to the joint legislative budget committee that includes a description of the intended purposes and the estimated costs of each expenditure. (General Appropriation Act)
- <sup>3/</sup> A.R.S. § 15-1670 appropriates \$13,462,100 to ASU from the General Fund in FY 2023 to finance lease-purchase payments for research infrastructure projects.
- <sup>4/</sup> A.R.S. § 15-1671 appropriates \$12,784,200 to ASU from the General Fund in FY 2023 for capital infrastructure projects.
- <sup>5/</sup> Arizona state university shall use monies appropriated for the eastern Europe cultural collaborative to facilitate cultural and academic exchanges between university faculty and students and academic institutions in eastern Europe. (General Appropriation Act)

- 6/ A. The sum of \$80,000,000 is appropriated from the state general fund in fiscal year 2022-2023 to Arizona state university and northern Arizona university for capital improvements and operating expenditures as follows:
1. Arizona state university: \$54,000,000
  2. Northern Arizona university: \$26,000,000
- B. Of the amount appropriated for northern Arizona university in subsection A of this section, \$5,000,000 shall be used to expand program offerings on the northern Arizona university campus located in Yuma.
- C. On or before August 1, 2022, each university shall report the intended use of the monies to the joint legislative budget committee.
- D. Before spending the monies appropriated in subsection A of this section for capital improvements, each university shall submit the scope, purpose and estimated cost of the capital improvements for review by the joint committee on capital review pursuant to section 41 1252, Arizona Revised Statutes. (General Appropriation Act footnote)
- 7/ The appropriated amount for the school of civic and economic thought and leadership line item shall be used to operate a single stand-alone academic entity within Arizona state university. The appropriated amount may not supplant any existing state funding or private or external donations to the existing centers or to the school. The appropriated monies and all private and external donations to the school, 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 school and may not be used for indirect costs of the university. On or before October 1, 2022, the school 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 that includes at least the following information for the school:
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 enrollment.
  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 school to appear before the committees to report on the school's annual achievements. (General Appropriation Act footnote)
- 8/ 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)
- 9/ The appropriated monies may not be used by the Arizona state university college of law legal clinic for any lawsuits involving inmates of the state department of corrections in which this state is the adverse party. (General Appropriation Act footnote)
- 10/ General Appropriations Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 11/ The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)
- 12/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 13/ The FY 2023 General Fund budget is \$465,044,700. This amount includes \$361,449,300 in ASU's individual section of the FY 2023 General Appropriation Act, \$54,000,000 in section 117 of the General Appropriation Act for one-time operating and capital funding, \$13,462,100 in A.R.S. § 15-1670 lease-purchase appropriations, \$12,784,200 in A.R.S. § 15-1671 capital infrastructure appropriations, and \$23,349,100 for statewide adjustments.
- 14/ Any unencumbered balances remaining in the university collections fund on June 30, 2022 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 spent for supplemental life insurance or supplemental retirement. (General Appropriation Act footnote)
- 15/ In addition to the appropriated amounts reported in the table, the FY 2021 General Appropriation Act included \$28,386,400 in FY 2022 for the occurrence of a 27<sup>th</sup> pay period. Of this amount, \$9,115,000 is from the General Fund and \$19,271,400 is from the University Collections Fund.
-

### **Operating Budget**

The budget includes \$857,204,000 and 6,992.9 FTE Positions in FY 2023 for the operating budget. These amounts consist of:

	<b>FY 2023</b>
General Fund	\$315,863,100
University Collections Fund	541,340,900

FY 2023 adjustments are as follows:

#### **Remove FY 2022 One-Time Operating Funding**

The budget includes a decrease of \$(18,831,300) from the General Fund in FY 2023 to remove one-time operating funding.

#### **FY 2023 One-Time Operating Funding**

The budget includes an increase of \$21,200,000 from the General Fund in FY 2023 for one-time operating funding. The budget requires ASU to submit a detailed expenditure plan to JLBC by September 1, 2022 that includes a description of the intended purposes and the estimated costs of each expenditure. The 3-year budget plan also includes \$21,200,000 in one-time funding in FY 2024 and FY 2025.

#### **Statewide Adjustments**

The budget includes an increase of \$18,629,000 in FY 2023 for statewide adjustments. This amount consists of:

General Fund	18,841,700
University Collections Fund	(212,700)

*(Please see the Agency Detail and Allocations section.)*

Student enrollment counts and tuition and fee levels for students will determine the amount of university tuition and fee collections. The University Collections Fund amount will ultimately be adjusted to reflect these revenue amounts. *(Please see the ASU Other Issues Section and ABOR for more information.)*

### **2003 Research Infrastructure Lease-Purchase Payment**

The budget includes \$13,462,100 from the General Fund in FY 2023 for the 2003 Research Infrastructure Lease-Purchase Payment line item. FY 2023 adjustments are as follows:

#### **Refinance Adjustment**

The budget includes an increase of \$10,200 from the General Fund in FY 2023 to adjust the Certificates of Participation (COPs) payment.

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 2023 General Appropriation Act. In total, the universities have issued \$482,500,000 in COPs for research infrastructure projects. Of this amount, ASU has issued \$206,200,000 in COPs. *(Please see the ABOR section for more information.)*

### **2017 Capital Infrastructure Funding**

The budget includes \$12,784,200 from the General Fund in FY 2023 for the 2017 Capital Infrastructure Funding line item. FY 2023 adjustments are as follows:

#### **Inflation Adjustment**

The budget includes an increase of \$250,700 from the General Fund in FY 2023 for a 2.0% increase in capital infrastructure funding.

A.R.S. § 15-1671 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 2023 General Appropriation Act.

A.R.S. § 15-1670 increases the appropriation annually by the lesser of 2% or inflation, as measured by the change in the GDP deflator from the second quarter of the second preceding calendar year to the second quarter of the calendar year immediately preceding the fiscal year (in the example of FY 2023, from the second quarter of CY 2020 to the second quarter of CY 2021). *(Please see the Lottery Bonds and Capital Infrastructure Funding Program Summary on the JLBC website.)*

### **Arizona Financial Aid Trust**

The budget includes \$5,985,800 from the General Fund in FY 2023 for the Arizona Financial Aid Trust (AFAT). This amount is unchanged from FY 2022. *(Please see the ABOR section for more information.)*

### **Biomedical Informatics**

The budget includes \$3,884,300 and 20.4 FTE Positions in FY 2023 for the Biomedical Informatics Department. These amounts consist of:

General Fund	2,040,700
University Collections Fund	1,843,600

FY 2023 adjustments are as follows:

#### **Statewide Adjustments**

The budget includes an increase of \$160,800 in FY 2023 for statewide adjustments. This amount consists of:

General Fund	161,600
University Collections Fund	(800)

This multidisciplinary department incorporates computer science, biology, and engineering to organize and analyze medical data.

#### **Eastern Europe Cultural Collaborative**

The budget includes \$250,000 from the General Fund in FY 2023 for the Eastern Europe Cultural Collaborative. FY 2023 adjustments are as follows:

#### **Ongoing Funding**

The budget includes an increase of \$250,000 from the General Fund in FY 2023 to provide ongoing support for the Eastern Cultural Collaborative.

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

The budget includes a decrease of \$(250,000) from the General Fund in FY 2023 to remove one-time funding for the Eastern Europe Cultural Collaborative.

The budget requires these monies to be used to facilitate cultural and academic exchanges between university faculty and students and academic institutions in eastern Europe.

#### **Political History and Leadership Program**

The budget includes no funding from the General Fund in FY 2023 for the Political History and Leadership Program. FY 2023 adjustments are as follows:

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

The budget includes a decrease of \$(250,000) from the General Fund in FY 2023 to remove one-time funding for expansion of the Political History and Leadership Program within the ASU School of Historical, Philosophical and Religious Studies. The FY 2022 budget required that the monies be used at the sole discretion and approval of the program's lead.

#### **Downtown Phoenix Campus**

The budget includes \$108,951,300 and 1,134.4 FTE Positions in FY 2023 for programs headquartered at the Downtown Phoenix Campus. These amounts consist of:

General Fund	54,652,300
University Collections Fund	54,299,000

FY 2023 adjustments are as follows:

#### **Statewide Adjustments**

The budget includes an increase of \$4,135,800 in FY 2023 for statewide adjustments. This amount consists of:

General Fund	4,157,600
University Collections Fund	(21,800)

The Downtown Phoenix Campus offers undergraduate and graduate programs in disciplines including health, nursing, journalism, mass communication, teaching and public programs. The campus opened in 2006.

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

The budget includes \$54,000,000 from the General Fund in FY 2023 for one-time funding. FY 2023 adjustments are as follows:

#### **One-Time Operating and Capital Funding**

The budget includes an increase of \$54,000,000 from the General Fund in FY 2023 for one-time operating and capital funding. ASU is required to report the intended use of the monies to JLBC by August 1, 2022. Before spending any monies for capital improvements, ASU is required to submit the scope, purpose and estimated cost to JCCR for review.

#### **School of Civic and Economic Thought and Leadership**

The budget includes \$6,006,500 and 23.3 FTE Positions from the General Fund in FY 2023 for the School of Civic and Economic Thought and Leadership (SCETL) line item. FY 2023 adjustments are as follows:

#### **Ongoing Funding**

The budget includes an increase of \$2,804,100 from the General Fund in FY 2023 to provide ongoing support for SCETL.

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

The budget includes a decrease of \$(2,750,000) from the General Fund in FY 2023 to remove one-time funding for SCETL.

### Statewide Adjustments

The budget includes an increase of \$188,200 from the General Fund in FY 2023 for statewide adjustments.

SCETL began matriculating students in fall 2017. The school currently offers a bachelors and minor program with coursework focused in 4 areas: history of moral and political thought, political economy and the history of economic thought, American political and economic thought, and the theory and practice of leadership and statesmanship. In 2020, the school began enrolling for a Master of Arts in classical liberal education and leadership program. The school also hosts community lecture series and events related to public affairs.

### Other Issues

This section includes information on the following topics:

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

#### Summary

ASU's FY 2023 General Fund budget is \$465,044,700. Of this amount:

- \$361,449,300 is included in ASU's individual section of the FY 2023 General Appropriation Act.
- \$54,000,000 is a one-time appropriation in section 117 of the FY 2023 General Appropriation Act for capital improvements and operating expenditures.
- \$13,462,100 is appropriated in A.R.S. § 15-1670 for a research infrastructure lease-purchase payment.
- \$12,784,200 is appropriated in A.R.S. § 15-1671 for new university research facilities, building renewal, or other capital construction projects.
- \$23,349,100 is for statewide adjustments.

#### Long-Term Budget Impacts

As part of the budget's 3-year spending plan, ASU's General Fund costs are projected to decrease by \$(53,738,200) in FY 2024 below FY 2023, and increase by \$251,900 in FY 2025 above FY 2024.

These estimates are based on:

- A \$(54,000,000) decrease in FY 2024 to remove one-time operating and capital funding.
- A \$6,100 increase in FY 2024 and \$(8,900) decrease in FY 2025 to adjust for university debt service costs.

- Increases of \$255,700 in FY 2024 and \$260,800 in FY 2025 to increase the university's annual Capital Infrastructure Funding appropriation.

### University Collections and FTE Positions Adjustments

Including statewide adjustments, the FY 2022 General Appropriation Act appropriated \$599,978,900 from the University Collections Fund to ASU. The Collections Fund for ASU 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 2022 to the Joint Legislative Budget Committee in June 2021, and ASU incorporated the adjusted FY 2022 amounts as part of their FY 2023 budget submission. Accordingly, the estimated FY 2022 amount has been adjusted by \$(2,260,100) to \$597,718,800.

The FY 2022 FTE Position count has also been adjusted. The FY 2022 General Appropriation Act originally appropriated 7,727.6 FTE Positions in FY 2022 for ASU. The General Fund accounted for 2,550 FTE Positions and the University Collections Fund accounted for the remaining 5,177.6 FTE Positions. The estimated number of FY 2022 FTE Positions has been adjusted by 443.4 to 8,171. The General Fund accounts for 3,044.2 FTE Positions and the University Collections Fund accounts for the remaining 5,126.8 FTE Positions.