

Arizona State University

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	7,727.6	8,171.0	8,171.0 ^{1/}
Personal Services	528,723,700	546,217,600	546,217,600
Employee Related Expenditures	145,914,600	151,998,100	151,998,100
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	91,209,900
Equipment	1,715,600	1,188,600	1,188,600
OPERATING SUBTOTAL	784,373,200	836,206,300	817,375,000
SPECIAL LINE ITEMS			
2003 Research Infrastructure Lease-Purchase Payment	13,458,700	13,451,900	13,462,100 ^{2/}
2017 Capital Infrastructure Funding	12,381,200	12,533,500	12,784,200 ^{3/}
Arizona Financial Aid Trust	5,985,800	5,985,800	5,985,800
Biomedical Informatics	3,731,700	3,723,500	3,723,500
Eastern Europe Cultural Collaborative	0	250,000	0
Political History and Leadership Program	0	250,000	0
Downtown Phoenix Campus	104,874,100	104,815,500	104,815,500
School of Civic and Economic Thought and Leadership	3,024,700	5,764,200	3,014,200 ^{4/}
TRIF - Lease Purchase Payment	3,459,200	0	0
AGENCY TOTAL	931,288,600	982,980,700	961,160,300 ^{5/6/7/}
FUND SOURCES			
General Fund	324,717,400	385,261,900	363,441,500 ^{8/9/10/}
Other Appropriated Funds			
Technology and Research Initiative Fund	3,459,200	0	0
University Collections Fund	603,112,000	597,718,800	597,718,800 ^{11/}
SUBTOTAL - Other Appropriated Funds	606,571,200	597,718,800	597,718,800
SUBTOTAL - Appropriated Funds	931,288,600	982,980,700 ^{12/}	961,160,300
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
TOTAL - ALL SOURCES	3,705,024,600	3,912,161,000	4,039,495,000

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

FOOTNOTES

- ^{1/} Includes 580.1 GF and 598 OF FTE Positions funded from Special Line Items in FY 2023.
- ^{2/} 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.
- ^{3/} A.R.S. § 15-1671 appropriates \$12,784,200 to ASU from the General Fund in FY 2023 for capital infrastructure projects.
- ^{4/} 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)

- 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/ 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)
- 7/ General Appropriations Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 8/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 9/ The FY 2023 General Fund Baseline is \$363,441,500. This amount would \$337,195,200 in ASU's individual section of the FY 2023 General Appropriation Act, \$13,462,100 in A.R.S. § 15-1670 lease-purchase appropriations, and \$12,784,200 in A.R.S. § 15-1671 capital infrastructure appropriations.
- 10/ The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)
- 11/ 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)
- 12/ 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 27th 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 Baseline includes \$817,375,000 and 6,992.9 FTE Positions in FY 2023 for the operating budget. These amounts consist of:

	<u>FY 2023</u>
General Fund	\$275,821,400
University Collections Fund	541,553,600

FY 2023 adjustments are as follows:

Remove One-Time Operating Funding

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

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 Baseline 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 Baseline 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 Baseline 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 Baseline 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 2022 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 Baseline 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 Baseline includes \$3,723,500 and 20.4 FTE Positions in FY 2023 for the Biomedical Informatics Department. These amounts consist of:

General Fund	1,879,100
University Collections Fund	1,844,400

These amounts are unchanged from FY 2022.

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

Eastern Europe Cultural Collaborative

The Baseline includes no funding from the General Fund in FY 2023 for the Eastern Europe Cultural Collaborative. FY 2023 adjustments are as follows:

Remove One-Time Funding

The Baseline 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 FY 2022 budget required 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 Baseline 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 Baseline 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 Baseline includes \$104,815,500 and 1,134.4 FTE Positions in FY 2023 for programs headquartered at the Downtown Phoenix Campus. These amounts consist of:

General Fund	50,494,700
University Collections Fund	54,320,800

These amounts are unchanged from FY 2022.

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.

School of Civic and Economic Thought and Leadership

The Baseline includes \$3,014,200 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:

Remove One-Time Funding

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

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 Baseline is \$363,441,500. Of this amount:

- \$337,195,200 is included in ASU's individual section of the FY 2023 General Appropriation Act.
- \$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.

Long-Term Budget Impacts

As part of the Baseline's 3-year spending plan, ASU's General Fund costs are projected to increase by \$261,800 in FY 2024 above FY 2023, and increase by \$251,900 in FY 2025 above FY 2024.

These estimates are based on:

- 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.

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 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	114,845,700	159,849,900
Year-End Fund Balance	16,475,200	6,011,400

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Capital Infrastructure Fund - ASU (UNI3001/A.R.S. § 15-1671)		Non-Appropriated
Source of Revenue: General Fund appropriations and university local funds. ASU received a General Fund appropriation of \$11,927,400 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.		
Purpose of Fund: To pay the cost of, or debt service on debt financing for, university capital projects. Systemwide, debt issuances that are repaid by the universities' capital infrastructure funds may not cumulatively exceed \$1.0 billion in principal. (Please see the Capital Outlay ABOR Building System narrative for more information). Expenditures are not displayed to avoid double counting of General Fund appropriations and university system revenues.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Designated Fund - Other (UNI8905/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Retained 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.		
Funds Expended	108,125,900	278,749,900
Year-End Fund Balance	177,889,100	157,164,200
Designated Fund - Tuition and Fees (UNI8905/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Retained tuition and fees.		
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. Please see the University Collections Fund for more information on Appropriated tuition expenditures.		
Funds Expended	1,466,160,300	1,602,860,400
Year-End Fund Balance	423,500,300	487,869,800
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	243,978,200	243,978,200
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	534,764,800	473,903,900
Year-End Fund Balance	0	0
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	46,012,400	60,734,900
Year-End Fund Balance	35,840,000	39,109,200
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	25,909,900	24,807,200
Year-End Fund Balance	20,132,000	21,430,600

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Loan Fund (UNI8901/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Federal student loan program awards and interest collected on outstanding federal student loans.		
Purpose of Fund: To disburse awards from federal student loan programs, including any university match required, and to fund the costs of repayment programs. Expenditures displayed reflect costs of loan program administration and do not include awards to students.		
Funds Expended	2,778,500	0
Year-End Fund Balance	11,219,200	11,219,200
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 (please see the ABOR Summary of Funds), 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	463,516,100	317,117,800
Year-End Fund Balance	71,023,900	63,894,100
Technology and Research Initiative Fund (UNI2472/A.R.S. § 15-1648)		Appropriated
Source of Revenue: A portion of the 0.6% education sales tax allocated pursuant to A.R.S. § 42-5029 and § 42-5029.02. The education sales tax established by Laws 2018, Chapter 74 replaced the Proposition 301 sales tax beginning in FY 2022.		
Purpose of Fund: To make lease-purchase payments on certificates of participation used for technology and research capital projects.		
Funds Expended	3,459,200	0
Year-End Fund Balance	0	0
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. (Please see the Capital Outlay ABOR Building System narrative for more information).		
Funds Expended	11,622,400	11,156,300
Year-End Fund Balance	0	0
University Collections Fund (ASA1411/A.R.S. § 15-1626)		Appropriated
Source of Revenue: Tuition and registration fees.		
Purpose of Fund: To operate the university. Please see the Designated Fund - Tuition and Fees for more information on Non-Appropriated tuition expenditures.		
Funds Expended	603,112,000	597,718,800
Year-End Fund Balance	0	0