

University of Arizona - Main Campus

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	5,767.2	5,975.5	5,975.5 ^{1/}
Personal Services	307,463,100	303,304,400	303,304,400
Employee Related Expenditures	102,783,100	101,288,000	101,288,000
Professional and Outside Services	9,671,600	10,089,800	10,089,800
Travel - In State	11,200	39,900	39,900
Travel - Out of State	39,500	438,000	438,000
Other Operating Expenditures	61,056,800	43,331,900	30,231,900
Equipment	2,762,900	7,000	7,000
OPERATING SUBTOTAL	483,788,200	458,499,000	445,399,000
SPECIAL LINE ITEMS			
2003 Research Infrastructure Lease-Purchase Payment	14,251,500	14,248,900	14,252,500 ^{2/}
2017 Capital Infrastructure Funding	10,953,200	11,087,900	11,309,700 ^{3/}
Agriculture	41,325,300	37,317,700	37,317,700
Arizona Cooperative Extension	14,676,400	15,077,000	15,077,000
Arizona Financial Aid Trust	2,729,400	2,729,400	2,729,400
Arizona Geological Survey	948,500	1,148,500	1,148,500 ^{4/}
Center for the Philosophy of Freedom	2,556,800	3,763,700	2,513,700 ^{5/}
Kazakhstan Studies Program	0	250,000	0
Mining, Mineral and Natural Resources Educational Museum	428,800	428,800	428,800
Natural Resource Users Law and Policy Center	0	500,000	500,000 ^{6/}
School of Mining	0	4,000,000	4,000,000
Sierra Vista Campus	4,361,500	6,277,200	6,277,200
AGENCY TOTAL	576,019,600	555,328,100	540,953,500 ^{7/8/}
FUND SOURCES			
General Fund	207,722,200	250,739,100	236,364,500 ^{9/10/11/}
<u>Other Appropriated Funds</u>			
University Collections Fund	368,297,400	304,589,000	304,589,000 ^{12/}
SUBTOTAL - Other Appropriated Funds	368,297,400	304,589,000	304,589,000
SUBTOTAL - Appropriated Funds	576,019,600	555,328,100 ^{13/}	540,953,500
Other Non-Appropriated Funds	1,202,283,400	1,431,692,100	1,431,692,100
Federal Funds	219,410,400	225,133,800	225,133,800
TOTAL - ALL SOURCES	1,997,713,400	2,212,154,000	2,197,779,400

AGENCY DESCRIPTION — Established in 1885, The University of Arizona (UA) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). Upon its establishment, UA received the federal land grant for Arizona, allowing the creation of agricultural and mining programs that continue today.

FOOTNOTES

- 1/ Includes 1,297.8 GF and 302.9 OF FTE Positions funded from Special Line Items in FY 2023.
- 2/ A.R.S. § 15-1670 appropriates \$14,252,500 to UA-Main from the General Fund in FY 2023 to finance lease-purchase payments for research infrastructure projects.
- 3/ A.R.S. § 15-1671 appropriates \$11,309,700 to UA-Main from the General Fund in FY 2023 for capital infrastructure projects.
- 4/ The university of Arizona may not use monies appropriated for the Arizona geological survey line item for any other purpose and may not transfer the monies appropriated for the Arizona geological survey to the operating budget or any other line item. (General Appropriation Act footnote)

- 5/ 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. On or before October 1, 2022, 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 that includes 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)
- 6/ The amount appropriated for the natural resource users law and policy center line item shall be used by the natural resource users law and policy center within the Arizona cooperative extension to assist claimants in the general stream adjudication of water rights pursuant to section 15-1647, Arizona Revised Statutes. (General Appropriation Act footnote)
- 7/ 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)
- 8/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 9/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 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/ The FY 2023 General Fund Baseline is \$236,364,500. This amount includes \$210,802,300 in UA - Main's individual section of the FY 2023 General Appropriation Act, \$14,252,500 in A.R.S. § 15-1670 lease-purchase appropriations, and \$11,309,700 in A.R.S. § 15-1671 capital infrastructure appropriations.
- 12/ 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)
- 13/ In addition to the appropriated amounts reported in the table, the FY 2021 General Appropriation Act included \$16,483,100 in FY 2022 for the occurrence of a 27th pay period. Of this amount, \$5,540,800 is from the General Fund and \$10,942,300 is from the University Collections Fund.

Operating Budget

The Baseline includes \$445,399,000 and 4,374.8 FTE Positions in FY 2023 for the operating budget. These amounts consist of:

	FY 2023
General Fund	\$152,999,300
University Collections Fund	292,399,700

FY 2023 adjustments are as follows:

Remove One-Time Operating Funding

The Baseline includes a decrease of \$(9,600,000) from the General Fund in FY 2023 to remove one-time operating funding.

Remove One-Time Wind Tunnel Funding

The Baseline includes a decrease of \$(3,500,000) from the General Fund in FY 2023 to remove one-time funding for materials, labor and installation costs related to the research, development and infrastructure upgrades of a hypersonic wind tunnel.

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 UA-Main Other Issues Section and ABOR for more information.)*

2003 Research Infrastructure Lease-Purchase Payment

The Baseline includes \$14,252,500 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 \$3,600 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, UA has issued \$201,300,000 in COPs.

(Please see the ABOR section for more information.)

2017 Capital Infrastructure Funding

The Baseline includes \$11,309,700 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 \$221,800 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.)*

Agriculture

The Baseline includes \$37,317,700 and 1,100.6 FTE Positions in FY 2023 for the Agriculture Programs. These amounts consist of:

General Fund	28,642,300
University Collections Fund	8,675,400

These amounts are unchanged from FY 2022.

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 \$15,077,000 and 350.4 FTE Positions from the General Fund in FY 2023 for the Arizona Cooperative Extension. These amounts are unchanged from FY 2022.

The FY 2022 budget included a one-time increase of \$500,000 from the General Fund in FY 2022 to provide funding for the Agriculture Workforce Development Program. The 3-year budget plan also included \$500,000 in one-time funding in FY 2023. This funding will be removed in FY 2024.

Laws 2021, Chapter 410 established the program to provide reimbursement to food-producing organizations for the costs of hiring apprentices. UA is required to submit a report to the Governor, Speaker of the House of Representatives, and the Senate President on December 1 of each year regarding the effectiveness of the program.

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 2023 for the Arizona Financial Aid Trust (AFAT). This amount is unchanged from FY 2022. *(Please see the ABOR section for more information.)*

Arizona Geological Survey

The Baseline includes \$1,148,500 from the General Fund in FY 2023 for the Arizona Geological Survey. These amounts are unchanged from FY 2022.

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.

Center for the Philosophy of Freedom

The Baseline includes \$2,513,700 and 41.2 FTE Positions from the General Fund in FY 2023 for the Center for the Philosophy of Freedom (CPF). FY 2023 adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(1,250,000) from the General Fund in FY 2023 to remove one-time CPF funding.

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.

Kazakhstan Studies Program

The Baseline includes no funding from the General Fund in FY 2023 for the Kazakhstan Studies 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 the Kazakhstan Studies Program. The FY 2022 budget required the monies to be used to facilitate academic exchanges between university students and academic institutions in Kazakhstan.

Mining, Mineral and Natural Resources Educational Museum

The Baseline includes \$428,800 and 1 FTE Position from the General Fund in FY 2023 for the Mining, Mineral, and Natural Resources Educational Museum. These amounts are unchanged from FY 2022.

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

Natural Resource Users Law and Policy Center

The Baseline includes \$500,000 and 5.4 FTE Positions from the General Fund in FY 2023 for the Natural Resource Users Law and Policy Center. These amounts are unchanged from FY 2022.

This line item funds pro bono assistance to claimants who are small landowners in the general stream adjudication of water rights. The university is required to submit a report on assistance activities to the Governor, Speaker of the House of Representatives, and Senate President on November 15 of each year.

School of Mining

The Baseline includes \$4,000,000 and 18.2 FTE Positions from the General Fund in FY 2023 for the School of Mining. These amounts are unchanged from FY 2022.

This line item provides operating funding for the UA School of Mining.

Sierra Vista Campus

The Baseline includes \$6,277,200 and 83.9 FTE Positions in FY 2023 for the Sierra Vista Campus. These amounts consist of:

General Fund	2,763,300
University Collections Fund	3,513,900

These amounts are unchanged from FY 2022.

UA - Sierra Vista offers upper-division undergraduate programs 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 2023 General Fund Baseline is \$236,364,500. Of this amount:

- \$210,802,300 would be included in UA - Main's individual section of the FY 2023 General Appropriation Act.
- \$14,252,500 is appropriated in A.R.S. § 15-1670 for a research infrastructure lease-purchase payment.
- \$11,309,700 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 decrease by \$(271,000) in FY 2024 below FY 2023, and increase by \$222,700 in FY 2025 above FY 2024.

These estimates are based on:

- A \$(500,000) decrease in FY 2024 to remove one-time funding for the Agriculture Workforce Development Program.
- A \$2,800 increase in FY 2024 and a \$(8,000) decrease in FY 2025 to adjust for university debt service costs.
- Increases of \$226,200 in FY 2024 and \$230,700 in FY 2025 to increase the university's annual Capital Infrastructure Funding.

University Collections and FTE Positions Adjustments

Including statewide adjustments, the FY 2022 General Appropriation Act appropriated \$317,757,200 from the University Collections Fund to UA - Main. 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 2022 to the Joint Legislative Budget Committee in June 2021, and UA incorporated the adjusted FY 2022 amounts as part of their FY 2023 budget submission. Accordingly, the estimated FY 2022 amount has been adjusted downward by \$(13,168,200) to \$304,589,000.

The FY 2022 FTE Position count has also been adjusted. The FY 2022 General Appropriation Act originally appropriated 5,769.2 FTE Positions in FY 2022 for UA - Main. The General Fund accounted for 2,619.8 FTE Positions and the University Collections Fund accounted for the remaining 3,149.4 FTE Positions. The estimated number of FY 2022 FTE Positions has been adjusted by 206.3 to 5,975.5. The General Fund accounts for 2,884.4 FTE Positions and the University Collections Fund accounts for the remaining 3,091.1 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	175,300,200	276,758,200
Year-End Fund Balance	46,702,700	39,371,700
Capital Infrastructure Fund - UA (UNI3003/A.R.S. § 15-1671)		Non-Appropriated
Source of Revenue: General Fund appropriations and university local funds. UA received 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.		
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

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
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	192,316,100	266,972,600
Year-End Fund Balance	291,935,400	297,669,200
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	437,799,500	538,346,200
Year-End Fund Balance	203,471,500	207,541,000
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	21,837,600	22,274,300
Year-End Fund Balance	179,129,000	180,065,000
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	168,596,300	173,578,100
Year-End Fund Balance	19,139,200	17,804,200
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	49,725,400	50,719,900
Year-End Fund Balance	0	0
Geological Survey Fund (UNI3030/A.R.S. § 27-107)		Non-Appropriated
Source of Revenue: Indirect cost recovery funds, and other state and local grants, fees, contracts, agreements, MOUs and other university funds.		
Purpose of Fund: To investigate and describe Arizona's geologic setting and to finance map publication and production expenses.		
Funds Expended	141,800	99,000
Year-End Fund Balance	518,400	531,400
Geological Survey Fund - Federal Grants (UNI3031/A.R.S. § 27-107)		Non-Appropriated
Source of Revenue: Federal grants and contracts.		
Purpose of Fund: To carry out federal grants and contracts awarded to the Arizona Geological Survey.		
Funds Expended	1,088,700	835,800
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Geological Survey Fund - Mining, Mineral and Natural Resources Educational Museum		Non-Appropriated
Account (UNI9999/A.R.S. § 27-107)		
Source of Revenue: 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.		
Purpose of Fund: Monies in this account are to be used exclusively for the restoration, maintenance, and operations of the Mining, Mineral, and Natural Resources Educational Museum.		
Funds Expended	8,500	22,100
Year-End Fund Balance	2,277,100	2,425,000
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	10,624,500	10,837,000
Year-End Fund Balance	0	0
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	1,053,500	1,066,000
Year-End Fund Balance	27,291,500	26,225,500
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	337,168,400	289,303,100
Year-End Fund Balance	74,618,900	73,842,500
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	26,033,300	26,013,600
Year-End Fund Balance	0	0
University Collections Fund (UAA1402/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	368,297,400	304,589,000
Year-End Fund Balance	0	0