

# Arizona State University

	FY 2022 ACTUAL	FY 2023 ESTIMATE	FY 2024 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	7,775.1	7,724.9	7,724.9 <sup>1/</sup>
Personal Services	541,911,600	572,106,200	574,375,700
Employee Related Expenditures	150,147,500	174,622,700	171,984,900
Professional and Outside Services	45,362,300	25,342,300	25,342,300
Travel - In State	64,700	96,200	96,200
Travel - Out of State	1,071,500	539,700	539,700
Other Operating Expenditures	83,532,300	190,062,900	199,594,500
Equipment	13,235,100	2,249,100	2,249,100
<b>OPERATING SUBTOTAL</b>	<b>835,325,000</b>	<b>965,019,100</b>	<b>974,182,400</b> <sup>2/3/4/</sup>
<b>SPECIAL LINE ITEMS</b>			
2003 Research Infrastructure Lease-Purchase Payment	13,451,900	13,462,100	13,468,200 <sup>5/</sup>
2017 Capital Infrastructure Funding	12,533,500	12,784,200	13,039,900 <sup>6/</sup>
Arizona Financial Aid Trust	5,985,800	5,985,800	5,985,800
Biomedical Informatics	3,716,200	3,701,700	3,561,100
Collegiate Women's Wrestling Program	0	0	500,000 <sup>7/</sup>
Downtown Phoenix Campus	103,645,300	109,867,100	106,246,300
Eastern Europe Cultural Collaborative	250,000	250,000	250,000 <sup>8/</sup>
One-Time Funding	0	54,000,000	0
Political History and Leadership Program	250,000	0	0
School of Civic and Economic Thought and Leadership	5,764,200	6,006,500	0 <sup>9/</sup>
<b>AGENCY TOTAL</b>	<b>980,921,900</b>	<b>1,171,076,500</b>	<b>1,117,233,700</b> <sup>10/11/12/</sup>
<b>FUND SOURCES</b>			
General Fund	385,261,900	465,044,700	411,201,900 <sup>13/14/15/</sup>
<u>Other Appropriated Funds</u>			
University Collections Fund	595,660,000	706,031,800	706,031,800 <sup>16/</sup>
SUBTOTAL - Other Appropriated Funds	595,660,000	706,031,800	706,031,800
<b>SUBTOTAL - Appropriated Funds</b>	<b>980,921,900</b>	<b>1,171,076,500</b>	<b>1,117,233,700</b>
Other Non-Appropriated Funds	2,376,994,100	2,540,209,700	2,540,209,700
Federal Funds	771,722,400	578,074,500	578,074,500
<b>TOTAL - ALL SOURCES</b>	<b>4,129,638,400</b>	<b>4,289,360,700</b>	<b>4,235,517,900</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 573.6 GF and 577 OF FTE Positions funded from Special Line Items in FY 2024.
- <sup>2/</sup> Of the amount appropriated to the Arizona state university operating budget, \$23,600,000 is onetime funding. On or before September 1, 2023, 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 footnote)
- <sup>3/</sup> Any appropriated monies allocated by the university for the school of civic and economic thought and leadership shall be used to operate a single stand-alone academic entity within Arizona state university. The appropriated monies 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 for 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, 2023, 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.

The legislature intends that appropriated monies allocated by the university for the school of civic and economic thought and leadership in fiscal year 2023-2024 be consistent with the amount appropriated in fiscal year 2022-2023. (General Appropriation Act footnote)

- 4/ Any appropriated monies allocated by Arizona state university for the center for American institutions shall be used at the sole discretion and on approval of the lead of the center and may not supplant any existing state funding or private or external donations to the center. The appropriated monies and all private and external donations for the center, including 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 any indirect costs of the university.

On or before October 1, 2024, the center for American institutions shall submit a report to the joint legislative budget committee that includes the total amount of funding received from all sources and a description of the center's activities and accomplishments.

Of the monies appropriated to the operating lump sum, the legislature intends that \$4,000,000 be deposited in a separate account for the center for American institutions. (General Appropriation Act footnote)

- 5/ A.R.S. § 15-1670 appropriates \$13,468,200 to ASU from the General Fund in FY 2024 to finance lease-purchase payments for research infrastructure projects.

- 6/ A.R.S. § 15-1671 appropriates \$13,039,900 to ASU from the General Fund in FY 2024 for capital infrastructure projects.

- 7/ Of the amount appropriated for the collegiate women's wrestling program, up to \$150,000 may be used for costs incurred to establish and maintain a collegiate women's wrestling program at Arizona state university. The remaining monies shall be used to award athletic scholarships on a first come, first served basis to any individual who meets the following criteria:

1. Participates in the women's wrestling program.
2. Is or will be enrolled full time at Arizona state university.
3. Has an overall grade point average of 3.0 or higher on a 4.0 scale, or the equivalent.
4. Is ranked in the top ten of the student's weight class according to a national high school ranking system, except that students who are ranked in the top five of a national high school ranking system shall be given priority. If the student does not have a current national high school rank because the student has graduated from high school, the requirement may be satisfied by the student's most recent national high school rank.

Scholarships awarded shall be equal to the cost of tuition, room, board, books and university fees charged by Arizona state university, reduced by the amount of any federal aid scholarships or public grants or any other financial gifts, grants or aid received by that individual. (General Appropriation Act footnote)

- 8/ 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 footnote)

- 9/ The School of Civic and Economic Thought and Leadership is funded in the operating budget in FY 2024.

- 10/ 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)

- 11/ 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)

- 12/ General Appropriations Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

- 13/ The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)

- 14/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)

- 15/ The FY 2024 General Fund budget is \$411,201,900. This amount includes \$391,698,400 in ASU's individual section of the FY 2024 General Appropriation Act, \$13,468,200 in A.R.S. § 15-1670 lease-purchase appropriations, \$13,039,900 in A.R.S. § 15-1671 capital infrastructure appropriations, and \$(7,004,600) for statewide adjustments.

16/ Any unencumbered balances remaining in the university collections fund on June 30, 2023 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)

**Operating Budget**

The budget includes \$974,182,400 and 6,574.3 FTE Positions in FY 2024 for the operating budget. These amounts consist of:

	<b>FY 2024</b>
General Fund	\$325,026,400
University Collections Fund	649,156,000

Adjustments are as follows:

**One-Time Operating Funding**

The budget includes a one-time increase of \$2,400,000 from the General Fund in FY 2024 for operating funding.

The FY 2023 budget's 3-year plan included \$21,200,000 from the General Fund for one-time operating funding in FY 2023, FY 2024, and FY 2025. This amount was included in the FY 2024 Baseline. The revised 3-year budget plan increases one-time funding in FY 2024 by \$2,400,000, for a total of \$23,600,000 in FY 2024 and \$21,200,000 in FY 2025. These monies will be removed in FY 2026.

ASU reported that the FY 2023 monies will be used to expand its engineering programs, establish new Science and Technology Centers, and for industry engagement programs, including executive education, tuition assistance programs, and business startup support. ASU is required to report a detailed expenditure plan for its FY 2024 appropriation by September 1, 2023.

**SCETL Funding**

The budget includes an increase of \$6,006,500 and 26.7 FTE Positions from the General Fund in FY 2024 to fund the School of Civic and Economic Thought and Leadership (SCETL) in the operating budget rather than as its own line item. The budget includes a legislative intent statement that that appropriated monies allocated by the university for SCETL in FY 2024 be consistent with the amount appropriated in FY 2023.

**Center for American Institutions**

The budget includes a one-time increase of \$4,000,000 from the General Fund in FY 2024 for the ASU Center for American Institutions. The budget includes a legislative intent statement that \$4,000,000 from the operating budget appropriation be deposited to a separate account

to be used for the direct support of the center. By October 1, 2024, the center is required to submit a report that includes the total amount of funding received from all sources and a description of the center's activities and accomplishments. The center was previously known as the Political History and Leadership Program and received a one-time appropriation of \$250,000 from the General Fund in FY 2022 as a separate line item.

**Statewide Adjustments**

The budget includes a decrease of \$(3,243,200) from the General Fund in FY 2024 for statewide adjustments. *(Please see the Agency Details 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 \$13,468,200 from the General Fund in FY 2024 for the 2003 Research Infrastructure Lease-Purchase Payment line item. Adjustments are as follows:

**Refinance Adjustment**

The budget includes an increase of \$6,100 from the General Fund in FY 2024 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 2024 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 \$13,039,900 from the General Fund in FY 2024 for the 2017 Capital Infrastructure Funding line item. Adjustments are as follows:

#### **Inflation Adjustment**

The budget includes an increase of \$255,700 from the General Fund in FY 2024 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 2024 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 2024, from the second quarter of CY 2021 to the second quarter of CY 2022). *(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 2024 for the Arizona Financial Aid Trust (AFAT). This amount is unchanged from FY 2023. *(Please see the ABOR section for more information.)*

### **Biomedical Informatics**

The budget includes \$3,561,100 and 23.6 FTE Positions in FY 2024 for the Biomedical Informatics line item. These amounts consist of:

General Fund	1,900,100
University Collections Fund	1,661,000

Adjustments are as follows:

#### **Statewide Adjustments**

The budget includes a decrease of \$(140,600) from the General Fund in FY 2024 for statewide adjustments.

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

### **Collegiate Women's Wrestling Program**

The budget includes \$500,000 from the General Fund in FY 2024 for the Collegiate Women's Wrestling Program line item. Adjustments are as follows:

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

The budget includes a one-time increase of \$500,000 from the General Fund in FY 2024 to award athletic scholarships to full-time students participating in the collegiate women's wrestling program who have an overall GPA of at least 3.0 and are ranked in the top ten of their weight class, with priority given to students ranked in to the top 5 of their weight class. Up to \$150,000 may be used for costs associated with establishing and maintain the program.

### **Downtown Phoenix Campus**

The budget includes \$106,246,300 and 1,127 FTE Positions in FY 2024 for programs headquartered at the Downtown Phoenix Campus. These amounts consist of:

General Fund	51,031,500
University Collections Fund	55,214,800

Adjustments are as follows:

#### **Statewide Adjustments**

The budget includes a decrease of \$(3,620,800) from the General Fund in FY 2024 for statewide adjustments.

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.

### **Eastern Europe Cultural Collaborative**

The budget includes \$250,000 from the General Fund in FY 2024 for the Eastern Europe Cultural Collaborative. This amount is unchanged from FY 2023.

These monies are used to facilitate cultural and academic exchanges between university faculty and students and academic institutions in eastern Europe.

### **One-Time Funding**

The budget includes no funding in FY 2024 for one-time funding. Adjustments are as follows:

### Remove One-Time Operating and Capital Funding

The budget includes a decrease of \$(54,000,000) from the General Fund in FY 2024 to remove one-time operating and capital funding. ASU reported that these monies will be used to construct a new academic building on the Polytechnic (East) campus, renovate research laboratories, and purchase equipment.

### School of Civic and Economic Thought and Leadership

The budget includes no funding in FY 2024 for the School of Civic and Economic Thought and Leadership (SCETL) line item. Adjustments are as follows:

#### SCETL Funding

The budget includes a decrease of \$(6,006,500) and (26.7) FTE Positions from the General Fund in FY 2024 to fund the School of Economic Thought and Leadership in the ASU operating budget rather than as its own line item.

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 2024 General Fund budget is \$411,201,900. Of this amount:

- \$391,698,400 is included in ASU's individual section of the FY 2024 General Appropriation Act.
- \$13,468,200 is appropriated in A.R.S. § 15-1670 for a research infrastructure lease-purchase payment.
- \$13,039,900 is appropriated in A.R.S. § 15-1671 for new university research facilities, building renewal, or other capital construction projects.
- \$(7,004,600) 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 \$(6,648,100) in FY 2025 below FY 2024, and decrease by \$(20,939,400) in FY 2026 below FY 2025.

These estimates are based on:

- A \$(8,900) decrease in FY 2025 and \$(5,400) decrease in FY 2026 to adjust for university debt service costs.
- Increases of \$260,800 in FY 2025 and \$266,000 in FY 2026 to increase the university's annual Capital Infrastructure Funding appropriation.
- Decreases of \$(2,400,000) in FY 2025 and \$(21,200,000) in FY 2026 to remove one-time operating funding.
- A \$(4,000,000) decrease in FY 2025 to remove one-time funding for the Center for American Institutions.
- A \$(500,000) decrease in FY 2025 to remove one-time funding for the Collegiate Women's Wrestling Program.

### University Collections and FTE Positions Adjustments

Including statewide adjustments, the FY 2023 General Appropriation Act appropriated \$597,483,500 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 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 2023 to the Joint Legislative Budget Committee in June 2022, and ASU incorporated the adjusted FY 2023 amounts as part of their FY 2024 budget submission. Accordingly, the estimated FY 2023 amount has been adjusted by \$108,548,300 to \$706,031,800.

The FY 2023 FTE Position count has also been adjusted. The FY 2023 General Appropriation Act originally appropriated 8,171 FTE Positions in FY 2023 for ASU. The General Fund accounted for 3,044.2 FTE Positions and the University Collections Fund accounted for the remaining 5,126.8 FTE Positions. The estimated number of FY 2023 FTE Positions has been adjusted by (446.1) to 7,724.9. The General Fund accounts for 2,743.4 FTE Positions and the University Collections Fund accounts for the remaining 4,981.5 FTE Positions.