

University of Arizona - Main Campus

	FY 2022 ACTUAL	FY 2023 ESTIMATE	FY 2024 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	5,975.5	6,294.5	6,294.5 ^{1/}
Personal Services	331,900,000	356,825,700	356,825,700
Employee Related Expenditures	110,341,500	113,505,500	109,778,700
Professional and Outside Services	12,749,800	19,531,600	19,531,600
Travel - In State	69,500	38,500	38,500
Travel - Out of State	468,700	412,300	412,300
Other Operating Expenditures	70,998,100	75,637,800	79,007,500
Equipment	2,703,500	1,026,000	1,026,000
OPERATING SUBTOTAL	529,231,100	566,977,400	566,620,300 ^{2/3/}
SPECIAL LINE ITEMS			
2003 Research Infrastructure Lease-Purchase Payment	14,248,900	14,252,500	14,255,300 ^{4/}
2017 Capital Infrastructure Funding	11,087,900	11,309,700	11,535,900 ^{5/}
Agriculture	49,005,100	38,651,000	35,318,400
Arizona Cooperative Extension	15,077,000	17,119,900	15,890,900 ^{6/}
Arizona Financial Aid Trust	2,729,400	2,729,400	2,729,400
Arizona Geological Survey	1,148,500	1,148,500	1,148,500 ^{7/}
Center for the Philosophy of Freedom	3,763,700	4,840,000	0 ^{8/}
College of Veterinary Medicine	0	8,000,000	8,000,000 ^{9/}
Kazakhstan Studies Program	250,000	250,000	250,000 ^{10/}
Mining, Mineral and Natural Resources Educational Museum	428,800	438,700	430,300
Natural Resource Users Law and Policy Center	500,000	2,009,500	1,522,400 ^{11/}
On-Farm Irrigation Efficiency Fund Deposit	0	0	15,200,000
School of Mining	4,000,000	4,476,000	4,084,000 ^{12/}
Sierra Vista Campus	6,528,000	5,031,700	4,723,100
Space Analog for the Moon and Mars	0	0	1,500,000 ^{13/}
Veterinary Diagnostic Laboratory	0	5,000,000	2,500,000
AGENCY TOTAL	637,998,400	682,234,300	685,708,500 ^{14/15/}
FUND SOURCES			
General Fund	250,739,100	299,423,000	302,897,200 ^{16/17/18/}
<u>Other Appropriated Funds</u>			
University Collections Fund	387,259,300	382,811,300	382,811,300 ^{19/}
SUBTOTAL - Other Appropriated Funds	387,259,300	382,811,300	382,811,300
SUBTOTAL - Appropriated Funds	637,998,400	682,234,300	685,708,500
Other Non-Appropriated Funds	1,461,458,300	1,457,122,800	1,457,122,800
Federal Funds	238,899,600	247,619,500	247,619,500
TOTAL - ALL SOURCES	2,338,356,300	2,386,976,600	2,390,450,800

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 1,097.1 GF and 128 OF FTE Positions funded from Special Line Items in FY 2024.
- ^{2/} Of the amount appropriated to the university of Arizona operating budget, \$16,300,000 is onetime funding. On or before September 1, 2023, the university of Arizona 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)

- 3/ Any appropriated monies allocated by the university for the center for the philosophy of freedom 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, 2023, 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. The legislature intends that appropriated monies allocated by the university for the center for the philosophy of freedom in fiscal year 2023-2024 be consistent with the amount appropriated in fiscal year 2022-2023. (General Appropriation Act footnote)
- 4/ A.R.S. § 15-1670 appropriates \$14,225,300 to UA-Main from the General Fund in FY 2024 to finance lease-purchase payments for research infrastructure projects.
- 5/ A.R.S. § 15-1671 appropriates \$11,535,900 to UA-Main from the General Fund in FY 2024 for capital infrastructure projects.
- 6/ Of the amount appropriated for the Arizona cooperative extension line item, \$1,000,000 shall be used for the agricultural workforce development program. (General Appropriation Act footnote)
- 7/ 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)
- 8/ The Center for the Philosophy of Freedom is funded in the operating budget in FY 2024.
- 9/ The amount appropriated to the college of veterinary medicine line item shall be distributed to the college of veterinary medicine to increase the number of students that are residents of this state. Before spending these monies, the university of Arizona shall report to the joint legislative budget committee all of the following information for the college of veterinary medicine:
1. The current number of students who are residents of this state.
 2. The current number of students who are not residents of this state. (General Appropriation Act footnote)
- 10/ The university of Arizona shall use monies appropriated for the Kazakhstan studies program to facilitate academic exchanges between university students and academic institutions in Kazakhstan. (General Appropriation Act footnote)
- 11/ 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. Of the amount appropriated, at least \$500,000 shall be used to assist claimants in the general stream adjudication of water rights pursuant to section 15-1647, Arizona Revised Statutes. (General Appropriation Act footnote)
- 12/ One hundred percent of the land earnings and interest from the school of mines land fund shall be distributed to the university of Arizona school of mining and mineral resources in compliance with the enabling act and the Constitution of Arizona. (General Appropriation Act footnote)
- 13/ The amount appropriated for the space analog for the Moon and Mars line item shall be used for the continued progression of the space analog for the Moon and Mars program at Biosphere 2 at the university of Arizona. The legislature intends that the amount appropriated in fiscal year 2023-2024 be used to fund the continued progression of the program across fiscal years 2023-2024, 2024-2025, and 2025-2026. (General Appropriation Act footnote)
- 14/ 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)
- 15/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 16/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 17/ The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)

- 18/ The FY 2024 General Fund budget is \$302,897,200. This amount includes \$286,710,800 in UA - Main's individual section of the FY 2023 General Appropriation Act, \$14,255,300 in A.R.S. § 15-1670 lease-purchase appropriations, \$11,535,900 in A.R.S. § 15-1671 capital infrastructure appropriations, and (9,604,800) for statewide adjustments
- 19/ 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 \$566,620,300 and 5,069.4 FTE Positions in FY 2024 for the operating budget. These amounts consist of:

	<u>FY 2024</u>
General Fund	\$191,753,300
University Collections Fund	374,867,000

Adjustments are as follows:

Remove One-Time Wind Tunnel Funding

The budget includes a decrease of \$(3,000,000) from the General Fund in FY 2024 for elimination of one-time wind tunnel funding. The FY 2022 budget also included \$3,500,000 in one-time wind tunnel funding.

One-Time Operating Funding

The budget includes a one-time increase of \$1,600,000 from the General Fund in FY 2024 for one-time operating funding.

The FY 2023 budget's 3-year plan included \$14,700,000 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 \$1,600,000 for a total of \$16,300,000 in FY 2024 and \$14,700,000 in 2025. The monies will be removed in FY 2026.

UA reported that the FY 2023 monies will be used to expand Arizona Cooperative Extension programs, Cancer Engineering research and workforce training programs, and support the university's One Health Initiatives. UA is required to report a detailed expenditure plan for its FY 2024 appropriation by September 1, 2023.

CPF Funding

The budget includes an increase of \$4,840,000 and 53.8 FTE Positions from the General Fund in FY 2024 to fund the Center for the Philosophy of Freedom (CPF) 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 CPF in

FY 2024 be consistent with the amount appropriated in FY 2023.

Statewide Adjustments

The budget includes a decrease of \$(3,797,100) 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 UA-Main Other Issues Section and ABOR for more information.)*

2003 Research Infrastructure Lease-Purchase Payment

The budget includes \$14,255,300 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 \$2,800 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, UA has issued \$201,300,000 in COPs.

(Please see the ABOR section for more information.)

2017 Capital Infrastructure Funding

The budget includes \$11,535,900 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 \$226,200 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.)*

Agriculture

The budget includes \$35,318,400 and 672.6 FTE Positions in FY2024 for the Agriculture Programs. These amounts consist of:

General Fund	29,279,300
University Collections Fund	6,039,100

Adjustments are as follows:

Statewide Adjustments

The budget includes a decrease of \$(3,332,600) from the General Fund in FY 2024 for statewide adjustments.

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 budget includes \$15,890,900 and 268.8 FTE Positions from the General Fund in FY 2024 for the Arizona Cooperative Extension. Adjustments are as follows:

Remove One-Time FY 2023 Funding

The budget includes a decrease of \$(500,000) from the General Fund in FY 2024 to remove one-time funding for the Agricultural Workforce Development Program. These monies were appropriated one-time in FY 2022 and FY 2023.

One-Time FY 2024 Funding

The budget includes a one-time increase of \$1,000,000 from the General Fund in FY 2024 for the Agriculture Workforce Development Program, which incentivizes food producing agricultural organizations to hire apprentices by partially offsetting apprenticeship costs.

Statewide Adjustments

The budget includes a decrease of \$(1,729,000) from the General Fund in FY 2024 for statewide adjustments.

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 budget includes \$2,729,400 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).*

Arizona Geological Survey

The budget includes \$1,148,500 and 20.9 FTE Positions from the General Fund in FY 2024 for the Arizona Geological Survey. This amount is unchanged from FY 2023.

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 budget includes no funding in FY 2024 for the Center for the Philosophy of Freedom line item. Adjustments are as follows:

CPF Funding

The budget includes a decrease of \$(4,840,000) and (53.8) FTE Positions from the General Fund in FY 2024 to fund the Center for the Philosophy of Freedom (CPF) in the UA operating budget rather than as its own line item.

CPF 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.

College of Veterinary Medicine

The budget includes \$8,000,000 and 106.5 FTE Positions from the General Fund in FY 2024 for the College of Veterinary Medicine. This amount is unchanged from FY 2023.

The funding is intended to increase the number of students that are Arizona residents enrolled in the college. UA is required to submit a report to JLBC before spending the monies that includes the current split of enrolled resident and nonresident students.

Kazakhstan Studies Program

The budget includes \$250,000 and 2.8 FTE Positions from the General Fund in FY 2024 for the Kazakhstan Studies Program. This amount is unchanged from FY 2023.

The monies in this line item are used to facilitate academic exchanges between university students and academic institutions in Kazakhstan.

Mining, Mineral and Natural Resources Educational Museum

The budget includes \$430,300 and 1.2 FTE Positions from the General Fund in FY 2024 for the Mining, Mineral, and Natural Resources Educational Museum. Adjustments are as follows:

Statewide Adjustments

The budget includes a decrease of \$(8,400) from the General Fund in FY 2024 for statewide adjustments.

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

As session law, the FY 2023 Higher Education BRB re-directs ADOA to convey the Mining, Mineral and Natural Resources Museum to the University of Arizona. As directed by Laws 2017, Chapter 221, ADOA previously conveyed the museum to UA. However, the deed stipulated that the museum revert back to ADOA if the museum did not open to the public by June 15, 2022. The museum did not open to the public by this date. Following the conveyance and reversion of the museum, the FY 2023 Higher Education BRB re-directs ADOA to convey the museum to UA. The museum is not yet open.

Natural Resource Users Law and Policy Center

The budget includes \$1,522,400 and 17.8 FTE Positions from the General Fund in FY 2024 for the Natural Resource Users Law and Policy Center. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(450,000) from the General Fund in FY 2024 for the elimination of one-time endangered species study funding.

Statewide Adjustments

The budget includes a decrease of \$(37,100) from the General Fund in FY 2024 for statewide adjustments.

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.

On-Farm Irrigation Efficiency Fund Deposit

The budget includes \$15,200,000 from the General Fund in FY 2024 for the On-farm Irrigation Efficiency Fund Deposit line item. Adjustments are as follows:

One-Time Funding

The budget includes a one-time increase of \$15,200,000 from the General Fund in FY 2024 for deposit to the On-Farm Irrigation Efficiency Fund.

The On-Farm irrigation Efficiency Program provides grants and data collection for irrigation efficiency systems to reduce on-farm use of groundwater, surface water, mainstream Colorado River water, or water delivered through the Central Arizona Project while minimizing or eliminating the use of flood irrigation or fallowing to reduce on-farm use.

School of Mining

The budget includes \$4,084,000 and 64 FTE Positions from the General Fund in FY 2024 for the School of Mining. Adjustments are as follows:

Statewide Adjustments

The budget includes a decrease of \$(392,000) from the General Fund in FY 2024 for statewide adjustments.

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

A General Appropriation Act footnote requires 100% of the land earnings and interest from the School of Mines land fund to be distributed to the University of Arizona School of Mining and Mineral Resources.

Sierra Vista Campus

The budget includes 4,723,100 and 60.5 FTE Positions in FY 2024 for the Sierra Vista Campus. These amounts consist of:

General Fund	2,817,900
University Collections Fund	1,905,200

Adjustments are as follows:

Statewide Adjustments

The budget includes a decrease of \$(308,600) from the General Fund in FY 2024 for statewide adjustments.

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.

Space Analog for the Moon and Mars

The budget includes \$1,500,000 from the General Fund in FY 2024 for the Space Analog for the Moon and Mars project. Adjustments are as follows:

One-Time Funding

The budget includes a one-time increase of \$1,500,000 from the General Fund in FY 2024 for the Space Analog for the Moon and Mars at the University of Arizona. A General Appropriations Act footnote requires the funding to be used for the continued progression of the space analog for the Moon and Mars program at Biosphere 2 and includes a legislative intent statement that the monies be used to support the program for 3 years, in FY 2024, FY 2025, and FY 2026.

Veterinary Diagnostic Laboratory

The budget includes \$2,500,000 and 10 FTE Positions from the General Fund in FY 2024 for the Veterinary Diagnostic Laboratory. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(2,500,000) from the General Fund in FY 2024 for the elimination of one-time funding for the Veterinary Diagnostic Lab.

The Veterinary Diagnostic Laboratory provides diagnostic service in animal health to veterinarians, animal owners, university researchers, and state and federal agencies.

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 2024 General Fund budget is \$302,897,200. Of this amount:

- \$286,710,800 is included in UA - Main's individual section of the FY-2024 General Appropriation Act.
- \$14,255,300 is appropriated in A.R.S. § 15-1670 for a research infrastructure lease-purchase payment.
- \$11,535,900 is appropriated in A.R.S. § 15-1671 for new university research facilities, building renewal, or other capital construction projects.
- \$(9,604,800) is for statewide adjustments

Long-Term Budget Impacts

As part of the budget's 3-year spending plan, UA - Main's General Fund costs are projected to decrease by \$(19,077,300) in FY 2025 below FY 2024 and decrease by \$(14,463,600) in FY 2026 below FY 2025.

These estimates are based on:

- An \$(8,000) decrease in FY 2025 and a \$1,100 increase in FY 2026 to adjust for university debt service costs.
- Increases of \$230,700 in FY 2025 and \$235,300 in FY 2026 to increase the university's annual Capital Infrastructure Funding.
- Decreases of \$(1,600,000) in FY 2025 and \$(14,700,000) FY 2026 to remove one-time operating funding.
- A \$(1,000,000) decrease in FY 2025 to remove one-time funding for the Agriculture Workforce Development Program.
- A \$(15,200,000) decrease in FY 2025 to remove one-time funding for a On-Farm Irrigation Efficiency Fund deposit.
- A \$(1,500,000) decrease in FY 2025 to remove one-time funding for the Space Analog for the Moon and Mars.

University Collections and FTE Positions Adjustments

Including statewide adjustments, the FY 2023 General Appropriation Act appropriated \$304,407,700 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 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 UA incorporated the adjusted FY 2023 amounts as part of their FY 2024 budget submission. Accordingly, the estimated FY 2023 amount has been adjusted upward by \$78,403,600 to \$382,811,300.

The FY 2023 FTE Position count has also been adjusted. The FY 2023 General Appropriation Act originally appropriated 5,975.5 FTE Positions in FY 2023 for UA - Main. The General Fund accounted for 2,884.4 FTE Positions and the University Collections Fund accounted for the remaining 3,091.1 FTE Positions. The estimated number of FY 2023 FTE Positions has been adjusted by 319 to 6,294.5. The General Fund accounts for 2,850.3 FTE Positions and the University Collections Fund accounts for the remaining 3,444.2 FTE Positions.