

Arizona State University

	FY 2022 ACTUAL	FY 2023 ESTIMATE	FY 2024 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	7,775.1	7,724.9	7,724.9 ^{1/}
Personal Services	541,911,600	572,106,200	572,106,200
Employee Related Expenditures	150,147,500	174,622,700	174,622,700
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	190,062,900
Equipment	13,235,100	2,249,100	2,249,100
OPERATING SUBTOTAL	835,325,000	965,019,100	965,019,100 ^{2/}
SPECIAL LINE ITEMS			
2003 Research Infrastructure Lease-Purchase Payment	13,451,900	13,462,100	13,468,200 ^{3/}
2017 Capital Infrastructure Funding	12,533,500	12,784,200	13,039,900 ^{4/}
Arizona Financial Aid Trust	5,985,800	5,985,800	5,985,800
Biomedical Informatics	3,716,200	3,701,700	3,701,700
Eastern Europe Cultural Collaborative	250,000	250,000	250,000 ^{5/}
Political History and Leadership Program	250,000	0	0
Downtown Phoenix Campus	103,645,300	109,867,100	109,867,100
One-Time Funding	0	54,000,000	0
School of Civic and Economic Thought and Leadership	5,764,200	6,006,500	6,006,500 ^{6/}
AGENCY TOTAL	980,921,900	1,171,076,500	1,117,338,300 ^{7/8/9/}
FUND SOURCES			
General Fund	385,261,900	465,044,700	411,306,500 ^{10/11/12/}
<u>Other Appropriated Funds</u>			
University Collections Fund	595,660,000	706,031,800	706,031,800 ^{13/}
SUBTOTAL - Other Appropriated Funds	595,660,000	706,031,800	706,031,800
SUBTOTAL - Appropriated Funds	980,921,900	1,171,076,500	1,117,338,300
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
TOTAL - ALL SOURCES	4,129,638,400	4,289,360,700	4,235,622,500

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 600.3 GF and 577 OF FTE Positions funded from Special Line Items in FY 2024.
- ^{2/} Of the amount appropriated to the Arizona state university operating budget, \$21,200,000 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)
- ^{3/} 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.
- ^{4/} A.R.S. § 15-1671 appropriates \$13,039,900 to ASU from the General Fund in FY 2024 for capital infrastructure projects.
- ^{5/} 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)
- ^{6/} 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, 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. (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/ 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)
- 9/ General Appropriations Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 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 state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 12/ The FY 2024 General Fund Baseline is \$411,306,500. This amount includes \$384,798,400 in ASU's individual section of the FY 2024 General Appropriation Act, \$13,468,200 in A.R.S. § 15-1670 lease-purchase appropriations, and \$13,039,900 in A.R.S. § 15-1671 capital infrastructure appropriations.
- 13/ 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 Baseline includes \$965,019,100 and 6,547.6 FTE Positions in FY 2024 for the operating budget. These amounts consist of:

	FY 2024
General Fund	\$315,863,100
University Collections Fund	649,156,000

These amounts are unchanged from FY 2023.

The FY 2023 budget included \$21,200,000 from the General Fund for one-time operating funding. ASU reported that these 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.

The 3-year budget plan also includes \$21,200,000 in one-time funding in FY 2024 and FY 2025. These monies will be removed in FY 2026.

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 \$13,468,200 from the General Fund in FY 2024 for the 2003 Research Infrastructure Lease-Purchase Payment line item. Adjustments are as follows:

Refinance Adjustment

The Baseline 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 Baseline 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 Baseline 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 Baseline 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 Baseline includes \$3,701,700 and 23.6 FTE Positions in FY 2024 for the Biomedical Informatics line item. These amounts consist of:

General Fund	2,040,700
University Collections Fund	1,661,000

These amounts are unchanged from FY 2023.

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

Eastern Europe Cultural Collaborative

The Baseline 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.

Downtown Phoenix Campus

The Baseline includes \$109,867,100 and 1,127 FTE Positions in FY 2024 for programs headquartered at the Downtown Phoenix Campus. These amounts consist of:

General Fund	54,652,300
University Collections Fund	55,214,800

These amounts are unchanged from FY 2023.

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

One-Time Funding

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

Remove One-Time Operating and Capital Funding

The Baseline 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 Baseline includes \$6,006,500 and 26.7 FTE Positions from the General Fund in FY 2024 for the School of Civic and Economic Thought and Leadership (SCETL) line item. These amounts are unchanged from FY 2023.

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.

- Increases of \$260,800 in FY 2025 and \$266,000 in FY 2026 to increase the university’s annual Capital Infrastructure Funding appropriation.
- A \$(21,200,000) decrease in FY 2026 to remove one-time operating funding.

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 Baseline is \$411,306,500. Of this amount:

- \$384,798,400 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.

Long-Term Budget Impacts

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

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.

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 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	271,191,700	300,957,200
Year-End Fund Balance	19,313,300	11,728,800

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 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	184,296,800	276,201,000
Year-End Fund Balance	168,271,500	146,353,400
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	1,445,958,200	1,591,934,500
Year-End Fund Balance	785,603,300	812,982,300
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	136,353,600	136,353,600
Federal Grants (UNI8903/A.R.S. § 15-1666)		Federal Funds
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	699,502,900	504,806,700
Year-End Fund Balance	0	0
Federal Indirect Cost Recovery Fund (UNI8902/A.R.S. § 15-1601)		Federal Funds
Source of Revenue: Federally-sponsored research programs.		
Purpose of Fund: To assist and promote federally-sponsored research.		
Funds Expended	72,219,500	73,267,800
Year-End Fund Balance	0	0
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	89,911,200	91,705,600
Year-End Fund Balance	29,509,700	33,301,900

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 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	2,460,500	0
Year-End Fund Balance	11,388,200	11,388,200
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	372,019,400	268,251,100
Year-End Fund Balance	86,016,900	86,016,700
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	11,156,300	11,160,300
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	595,660,000	706,031,800
Year-End Fund Balance	0	0