

# Arizona State University

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	7,698.2	8,285.7	8,285.7 <sup>1/</sup>
Personal Services	614,628,700	627,841,800	627,841,800
Employee Related Expenditures	169,227,200	182,004,400	182,004,400
Professional and Outside Services	69,886,500	63,283,800	63,283,800
Travel - In State	112,700	127,200	127,200
Travel - Out of State	2,452,800	498,500	498,500
Other Operating Expenditures	106,960,900	214,096,300	207,696,300
Equipment	1,282,600	6,950,400	6,950,400
<b>OPERATING SUBTOTAL</b>	<b>964,551,400</b>	<b>1,094,802,400</b>	<b>1,088,402,400</b> <sup>2/3/</sup>
<b>SPECIAL LINE ITEMS</b>			
2003 Research Infrastructure Lease-Purchase Payment	13,462,100	13,468,200	13,459,300 <sup>4/</sup>
2017 Capital Infrastructure Funding	12,784,200	13,039,900	13,300,700 <sup>5/</sup>
Arizona Financial Aid Trust	5,985,800	5,985,800	5,985,800
Biomedical Informatics	3,479,200	3,746,100	3,746,100
Collegiate Women's Wrestling Program	0	500,000	0
Downtown Phoenix Campus	112,024,600	133,816,600	133,816,600
Eastern Europe Cultural Collaborative	250,000	250,000	250,000 <sup>6/</sup>
One-Time Funding	54,000,000	0	0
School of Civic and Economic Thought and Leadership <sup>2/</sup>	6,006,500	0	0
<b>AGENCY TOTAL</b>	<b>1,172,543,800</b>	<b>1,265,609,000</b>	<b>1,258,960,900</b> <sup>8/9/10/</sup>
<b>FUND SOURCES</b>			
General Fund	465,044,700	411,201,900	404,553,800 <sup>11/12/13</sup>
<b>Other Appropriated Funds</b>			
University Collections Fund	707,499,100	854,407,100	854,407,100 <sup>14/</sup>
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>707,499,100</b>	<b>854,407,100</b>	<b>854,407,100</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>1,172,543,800</b>	<b>1,265,609,000</b>	<b>1,258,960,900</b>
Other Non-Appropriated Funds	2,731,635,100	2,794,213,000	2,808,849,500
Federal Funds	581,605,400	564,486,200	564,486,200
<b>TOTAL - ALL SOURCES</b>	<b>4,485,784,300</b>	<b>4,624,308,200</b>	<b>4,632,296,600</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 475.9 GF and 764 OF FTE Positions funded from Special Line Items in FY 2025.
- <sup>2/</sup> Of the amount appropriated to the Arizona state university operating budget, \$21,200,000 is onetime funding. On or before September 1, 2024, 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, 2024, 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 2024-2025 be consistent with the amount appropriated in fiscal year 2022-2023. (General Appropriation Act footnote)

- 4/ A.R.S. § 15-1670 appropriates \$13,459,300 to ASU from the General Fund in FY 2025 to finance lease-purchase payments for research infrastructure projects.
- 5/ A.R.S. § 15-1671 appropriates \$13,300,700 to ASU from the General Fund in FY 2025 for capital infrastructure projects.
- 6/ 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)
- 7/ The School of Civic and Economic Thought and Leadership is funded in the operating budget starting in FY 2024.
- 8/ 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)
- 9/ 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)
- 10/ General Appropriations Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 11/ The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)
- 12/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 13/ The FY 2025 General Fund Baseline is \$404,553,800. This amount includes \$377,793,800 in ASU's individual section of the FY 2025 General Appropriation Act, \$13,459,300 in A.R.S. § 15-1670 lease-purchase appropriations, and \$13,300,700 in A.R.S. § 15-1671 capital infrastructure appropriations.
- 14/ Any unencumbered balances remaining in the university collections fund on June 30, 2024 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 \$1,088,402,400 and 7,045.8 FTE Positions in FY 2025 for the operating budget. These amounts consist of:

	<b>FY 2025</b>
General Fund	\$318,626,400
University Collections Fund	769,776,000

Adjustments are as follows:

**Remove One-Time Operating Funding**

The Baseline includes a decrease of \$(2,400,000) from the General Fund in FY 2025 for the elimination of one-time 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 increased 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 2024 monies will be used to expand its engineering programs, help fund the Electrified Processes for Industry without Carbon Institute, growing ASU Core Facilities, funding high-tech workforce development programs, and expanding faculty and toolsets for Macro Technology Works.

**Remove One-Time Funding**

The Baseline includes a decrease of \$(4,000,000) from the General Fund in FY 2025 for the elimination of one-time ASU Center for American Institutions funding. The FY 2024 budget included 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.

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 \$13,459,300 from the General Fund in FY 2025 for the 2003 Research Infrastructure Lease-Purchase Payment line item. Adjustments are as follows:

**Refinance Adjustment**

The Baseline includes a decrease of \$(8,900) from the General Fund in FY 2025 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 \$13,300,700 from the General Fund in FY 2025 for the 2017 Capital Infrastructure Funding line item. Adjustments are as follows:

**Inflation Adjustment**

The Baseline includes an increase of \$260,800 from the General Fund in FY 2025 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 2025 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 2025, from the second quarter of CY 2022 to the second quarter of CY 2023). *(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 2025 for the Arizona Financial Aid Trust (AFAT). This amount is unchanged from FY 2024. *(Please see the ABOR section for more information.)*

**Biomedical Informatics**

The Baseline includes \$3,746,100 and 24.3 FTE Positions in FY 2025 for the Biomedical Informatics line item. These amounts consist of:

General Fund	1,900,100
University Collections Fund	1,846,000

These amounts are unchanged from FY 2024.

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

**Collegiate Women's Wrestling Program**

The Baseline includes no funding in FY 2025 for the Collegiate Women's Wrestling Program line item. Adjustments are as follows:

**Remove One-Time Funding**

The Baseline includes a decrease of \$(500,000) from the General Fund in FY 2025 for the elimination of one-time funding 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 Baseline includes \$133,816,600 and 1,215.6 FTE Positions in FY 2025 for programs headquartered at the Downtown Phoenix Campus. These amounts consist of:

General Fund	51,031,500
University Collections Fund	82,785,100

These amounts are unchanged from FY 2024.

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 Baseline includes \$250,000 from the General Fund in FY 2025 for the Eastern Europe Cultural Collaborative. This amount is unchanged from FY 2024.

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

### **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 2025 General Fund Baseline is \$404,553,800. Of this amount:

- \$377,793,800 is included in ASU's individual section of the FY 2025 General Appropriation Act.
- \$13,459,300 is appropriated in A.R.S. § 15-1670 for a research infrastructure lease-purchase payment.
- \$13,300,700 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, ASU's General Fund costs are projected to decrease by \$(20,939,400) in FY 2026 below FY 2025 and increase by

\$267,500 in FY 2027 above FY 2026. These estimates are based on:

- Decreases of \$(5,400) in FY 2026 and \$(3,800) in FY 2027 to adjust for university debt service costs.
- Increases of \$266,000 in FY 2026 and \$271,300 in FY 2027 to increase the university's annual Capital Infrastructure Funding appropriation.
- Decrease of \$(21,200,000) in FY 2026 to remove one-time operating funding.

### **University Collections and FTE Positions Adjustments**

Including statewide adjustments, the FY 2024 General Appropriation Act appropriated \$706,031,800 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 2024 to the Joint Legislative Budget Committee in June 2023, and ASU incorporated the adjusted FY 2024 amounts as part of their FY 2025 budget submission. Accordingly, the estimated FY 2024 amount has been adjusted by \$148,375,300 to \$854,407,100.

The FY 2024 FTE Position count has also been adjusted. The FY 2024 General Appropriation Act originally appropriated 7,724.9 FTE Positions in FY 2024 for ASU. The General Fund accounted for 2,743.4 FTE Positions and the University Collections Fund accounted for the remaining 4,981.5 FTE Positions. The estimated number of FY 2024 FTE Positions has been adjusted by 560.8 to 8,285.7. The General Fund accounts for 2,567.7 FTE Positions and the University Collections Fund accounts for the remaining 5,718 FTE Positions.

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Auxiliary Fund (UNI8906/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Sales revenues of substantially self-supporting university services.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	307,117,400	318,553,300
<b>Year-End Fund Balance</b>	(2,532,100)	43,100
<b>Capital Infrastructure Fund - ASU (UNI3001/A.R.S. § 15-1671)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Designated Fund - Other (UNI8905/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Retained summer session fees, student aid administrative allowances, and unrestricted gifts and grants.		
<b>Purpose of Fund:</b> To provide and administer student financial aid, to pay debt service on university bonds, and to run summer and winter session programs.		
<b>Funds Expended</b>	311,677,700	336,059,500
<b>Year-End Fund Balance</b>	298,367,300	242,824,500
<b>Designated Fund - Tuition and Fees (UNI8905/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Retained tuition and fees.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	1,551,056,100	1,614,462,300
<b>Year-End Fund Balance</b>	573,519,900	623,358,700
<b>Endowment and Life Income Fund (UNI8904/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To support endowment operations and compensate designated beneficiaries.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	155,414,100	155,414,100
<b>Federal Grants (UNI8903/A.R.S. § 15-1666)</b>		<b>Federal Funds</b>
<b>Source of Revenue:</b> Federal grants and contracts.		
<b>Purpose of Fund:</b> To support specific operating and research purposes as identified by the federal government.		
<b>Funds Expended</b>	499,710,900	487,954,100
<b>Year-End Fund Balance</b>	0	0
<b>Federal Indirect Cost Recovery Fund (UNI8902/A.R.S. § 15-1601)</b>		<b>Federal Funds</b>
<b>Source of Revenue:</b> Federally-sponsored research programs.		
<b>Purpose of Fund:</b> To assist and promote federally-sponsored research.		
<b>Funds Expended</b>	81,894,500	76,532,100
<b>Year-End Fund Balance</b>	53,752,500	60,313,900

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
<b>Indirect Cost Recovery Fund (Non-Federal) (UNI8900/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Non-federally-sponsored research programs.		
<b>Purpose of Fund:</b> To assist and promote non-federally-sponsored research.		
<b>Funds Expended</b>	101,656,800	95,280,900
<b>Year-End Fund Balance</b>	66,920,500	75,089,100
<b>Loan Fund (UNI8901/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal student loan program awards and interest collected on outstanding federal student loans.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	519,700	0
<b>Year-End Fund Balance</b>	13,271,300	13,271,300
<b>Restricted Fund (Excluding Federal Funds) (UNI8907/A.R.S. § 15-1601)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To support specific operating and research purposes as identified by the private or non-federal donating entities.		
<b>Funds Expended</b>	448,447,100	418,693,400
<b>Year-End Fund Balance</b>	91,852,600	109,716,100
<b>University Capital Improvement Lease-to-Own and Bond Fund (BRA3042/A.R.S. § 15-1682.03)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> University system revenues.		
<b>Purpose of Fund:</b> 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).		
<b>Funds Expended</b>	11,160,300	11,163,600
<b>Year-End Fund Balance</b>	0	0
<b>University Collections Fund (ASA1411/A.R.S. § 15-1626)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Tuition and registration fees.		
<b>Purpose of Fund:</b> To operate the university. Please see the Designated Fund - Tuition and Fees for more information on Non-Appropriated tuition expenditures.		
<b>Funds Expended</b>	707,499,100	854,407,100
<b>Year-End Fund Balance</b>	0	0