

University of Arizona - Main Campus

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	6,294.5	6,089.0	6,089.0 ^{1/}
Personal Services	346,349,000	317,311,100	317,311,100
Employee Related Expenditures	116,853,000	103,731,200	120,600,000
Professional and Outside Services	22,234,100	19,469,500	19,469,500
Travel - In State	163,000	30,400	30,400
Travel - Out of State	1,295,100	448,500	448,500
Other Operating Expenditures	110,779,400	71,094,900	69,494,800
Equipment	7,250,900	1,022,100	1,022,100
OPERATING SUBTOTAL	604,924,500	513,107,700	528,376,400 ^{2/3/}
SPECIAL LINE ITEMS			
Operating Budget Lump Sum Reduction	0	0	(6,562,200) ^{4/}
2003 Research Infrastructure Lease-Purchase Payment	14,252,500	14,255,300	14,247,300 ^{5/}
2017 Capital Infrastructure Funding	11,309,700	11,535,900	11,766,600 ^{6/}
Agriculture	56,586,900	38,255,700	38,969,300
Arizona Cooperative Extension	17,942,900	15,890,900	15,287,100
Arizona Financial Aid Trust	2,729,400	2,729,400	2,729,400 ^{7/}
Arizona Geological Survey	1,148,500	1,148,500	1,208,200
Center for the Philosophy of Freedom ^{8/}	4,840,000	0	0
College of Veterinary Medicine	20,652,200	23,528,400	23,862,400 ^{9/}
Kazakhstan Studies Program	250,000	250,000	250,000 ^{10/}
Mining, Mineral and Natural Resources Educational Museum	438,700	430,300	432,100
Natural Resource Users Law and Policy Center	2,009,500	1,522,400	1,571,800 ^{11/}
On-Farm Irrigation Efficiency Fund Deposit	0	15,200,000	0
School of Mining	4,476,000	4,084,000	4,170,200 ^{12/}
Sierra Vista Campus	6,298,900	4,191,400	4,253,600
Space Analog for the Moon and Mars	0	1,500,000	0
Veterinary Diagnostic Laboratory	5,000,000	2,500,000	2,584,200
AGENCY TOTAL	752,859,700	650,129,900	643,146,400 ^{13/14/}
FUND SOURCES			
General Fund	299,423,000	302,897,200	295,913,700 ^{15/16/17/}
<u>Other Appropriated Funds</u>			
University Collections Fund	453,436,700	347,232,700	347,232,700 ^{18/}
SUBTOTAL - Other Appropriated Funds	453,436,700	347,232,700	347,232,700
SUBTOTAL - Appropriated Funds	752,859,700	650,129,900	643,146,400
Other Non-Appropriated Funds	1,645,569,200	1,925,178,700	1,963,110,700
Federal Funds	278,982,300	290,141,500	295,944,600
TOTAL - ALL SOURCES	2,677,411,200	2,865,450,100	2,902,201,700

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 1,066.0 GF and 360.2 OF FTE Positions funded from Special Line Items in FY 2025.

^{2/} Of the amount appropriated to the university of Arizona operating budget, \$14,700,000 is onetime funding. On or before September 1, 2024, 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 for 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, 2024, 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 2024-2025 be consistent with the amount appropriated in fiscal year 2022-2023, except that the university may allocate to the center the lump sum reduction of not more than 3.45 percent prescribed by this act. (General Appropriation Act footnote)
- 4/ The universities under the jurisdiction of the Arizona board of regents may not reduce monies allocated from operating lump sum appropriations to the Arizona state university school of civic and economic thought and leadership, the northern Arizona university economic policy institute and the university of Arizona center for the philosophy of freedom by more than 3.45 percent of the total amount allocated to the school, institute or center. (General Appropriation Act footnote)
- 5/ A.R.S. § 15-1670 appropriates \$14,247,300 to UA-Main from the General Fund in FY 2025 to finance lease-purchase payments for research infrastructure projects.
- 6/ A.R.S. § 15-1671 appropriates \$11,766,600 to UA-Main from the General Fund in FY 2025 for capital infrastructure projects.
- 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 starting 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/ 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)
- 14/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 15/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 16/ The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)

17/ The FY 2025 General Fund budget is \$295,913,700. This amount includes \$257,806,000 in UA - Main's individual section of the FY 2025 General Appropriation Act, \$(6,562,200) for an operating lump sum reduction, \$14,247,300 in A.R.S. § 15-1670 lease-purchase appropriations, \$11,766,600 in A.R.S. § 15-1671 capital infrastructure appropriations, and \$18,656,000 for statewide adjustments.

18/ 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 budget includes \$528,376,400 and 4,662.8 FTE Positions in FY 2025 for the operating budget. These amounts consist of:

	FY 2025
General Fund	\$207,022,000
University Collections Fund	321,354,400

Adjustments are as follows:

Remove One-Time Operating Funding

The budget includes a decrease of \$(1,600,000) from the General Fund in FY 2025 for the elimination of one-time operating funding.

The FY 2023 budget's 3-year plan included \$14,700,000 from the General Fund for one-time operating funding in FY 2023, FY 2024, and FY 2025. The enacted FY 2024 budget's 3-year budget plan increased one-time funding in FY 2024 by \$1,600,000 for a total of \$16,300,000. The FY 2025 amount remained at \$14,700,000 and maintained no funding in FY 2026 and beyond.

The FY 2025 budget's 3-year plan did not change these budget assumptions. The FY 2025 budget, however, did assume that the remaining year of one-time monies of \$14,700,000 would be used for the university AZ Healthy Tomorrow initiative. As part of the initiative, UA plans to double the number of medical school graduates.

Statewide Adjustments

The budget includes an increase of \$16,868,700 from the General Fund in FY 2025 for statewide adjustments. *(Please see the Agency Detail 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.)*

Operating Budget Lump Sum Reduction

The budget includes a decrease of \$(6,562,200) from the General Fund in FY 2025 for a lump sum reduction. Agencies receiving a lump sum reduction will apply the reduction to the operating lump sum appropriation in the FY 2026 budget request submittal.

Unless otherwise noted, agencies have discretion in how the reduction in spending is achieved. The FY 2025 budget specifies that UA may not reduce monies allocated from the operating lump sum appropriation to the Center for the Philosophy of Freedom by more than 3.45% of the total amount allocated to the center.

The FY 2026 Baseline Book will incorporate the agency's planned reduction into the operating budget display.

2003 Research Infrastructure Lease-Purchase Payment

The budget includes \$14,247,300 from the General Fund in FY 2025 for the 2003 Research Infrastructure Lease-Purchase Payment line item. Adjustments are as follows:

Refinance Adjustment

The budget includes a decrease of \$(8,000) 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 does not appear in the FY 2025 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 \$11,766,600 from the General Fund in FY 2025 for the 2017 Capital Infrastructure Funding line item. Adjustments are as follows:

Inflation Adjustment

The budget includes an increase of \$230,700 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 does 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.)*

Agriculture

The budget includes \$38,969,300 and 699.8 FTE Positions in FY 2025 for the Agriculture Programs. These amounts consist of:

General Fund	29,992,900
University Collections Fund	8,976,400

Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$713,600 from the General Fund in FY 2025 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 \$15,287,100 and 276.3 FTE Positions from the General Fund in FY 2025 for the Arizona Cooperative Extension. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(1,000,000) from the General Fund in FY 2025 to remove one-time funding to the Agriculture Workforce Development Program, which incentivizes food producing agricultural organizations to hire apprentices by partially offsetting apprenticeship costs.

Statewide Adjustments

The budget includes an increase of \$396,200 from the General Fund in FY 2025 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 2025 for the Arizona Financial Aid Trust (AFAT). This amount is unchanged from FY 2024. *(Please see the ABOR section for more information).*

Arizona Geological Survey

The budget includes \$1,208,200 and 20.9 FTE Positions from the General Fund in FY 2025 for the Arizona Geological Survey. Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$59,700 from the General Fund in FY 2025 for statewide adjustments.

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.

College of Veterinary Medicine

The budget includes \$23,862,400 and 269.4 FTE Positions in FY 2025 for the College of Veterinary Medicine. These amounts consist of:

General Fund	\$8,334,000
University Collections Fund	15,528,400

Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$334,000 from the General Fund in FY 2025 for statewide adjustments.

The original General Fund appropriation of \$8,000,000 was 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 2.4 FTE Positions from the General Fund in FY 2025 for the Kazakhstan Studies Program. These amounts are unchanged from FY 2024.

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 \$432,100 and 1.2 FTE Positions from the General Fund in FY 2025 for the Mining, Mineral, and Natural Resources Educational Museum. Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$1,800 from the General Fund in FY 2025 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.

The museum is not yet open. Please see the *FY 2024 Appropriations Report* for additional background.

Natural Resource Users Law and Policy Center

The budget includes \$1,571,800 and 23.6 FTE Positions from the General Fund in FY 2025 for the Natural Resource Users Law and Policy Center. Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$49,400 from the General Fund in FY 2025 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 no funding in FY 2025 for a On-Farm Irrigation Efficiency Fund Deposit. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease \$(15,200,000) from the General Fund in FY 2025 for the elimination of a one-time 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 \$4,170,200 and 62 FTE Positions from the General Fund in FY 2025 for the School of Mining. Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$86,200 from the General Fund in FY 2025 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 4,253,600 and 55.4 FTE Positions in FY 2025 for the Sierra Vista Campus. These amounts consist of:

General Fund	2,880,100
University Collections Fund	1,373,500

Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$62,200 from the General Fund in FY 2025 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 no funding in FY 2025 for the UA Space Analog for the Moon and Mars project. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(1,500,000) from the General Fund in FY 2025 for the elimination of one-time funding for the Space Analog for the Moon and Mars project. An FY 2024 General Appropriations Act footnote required the funding to be used for the continued progression of the space analog for the Moon and Mars program at Biosphere 2 and included 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 \$2,584,200 and 15.2 FTE Positions from the General Fund in FY 2025 for the Veterinary Diagnostic Laboratory. Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$84,200 from the General Fund in FY 2025 for statewide adjustments.

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 2025 General Fund budget is \$295,913,700. Of this amount:

- \$257,806,000 is included in UA - Main's individual section of the FY 2025 General Appropriation Act.
- \$(6,562,200) is for an operating budget lump sum reduction.
- \$14,247,300 is appropriated in A.R.S. § 15-1670 for a research infrastructure lease-purchase payment.

- \$11,766,600 is appropriated in A.R.S. § 15-1671 for new university research facilities, building renewal, or other capital construction projects.
- \$18,656,000 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 \$(14,463,600) in FY 2026 below FY 2025 and increase by \$242,900 in FY 2027 above FY 2026.

These estimates are based on:

- Increases of \$1,100 in FY 2026 and \$2,900 in FY 2027 to adjust for university debt service costs.
- Increases of \$235,300 in FY 2026 and \$240,000 in FY 2027 to increase the university's annual Capital Infrastructure Funding.
- Decreases of \$(14,700,000) FY 2026 to remove one-time operating funding.

University Collections and FTE Positions Adjustments

Including statewide adjustments, the FY 2024 General Appropriation Act appropriated \$382,811,300 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 2024 to the Joint Legislative Budget Committee in June 2023, and UA incorporated the adjusted FY 2024 amounts as part of their FY 2025 budget submission. Accordingly, the estimated FY 2024 amount has been adjusted downward by \$(35,578,600) to \$347,232,700.

The FY 2024 FTE Position count has also been adjusted. The FY 2024 General Appropriation Act originally appropriated 6,294.5 FTE Positions in FY 2024 for UA - Main. The General Fund accounted for 2,850.3 FTE Positions and the University Collections Fund accounted for the remaining 3,444.2 FTE Positions. The estimated number of FY 2024 FTE Positions has been adjusted by (205.5) to 6,089.0. The General Fund accounts for 2,808.5 FTE Positions and the University Collections Fund accounts for the remaining 3,280.5 FTE Positions.