

University of Arizona - Health Sciences Center

	FY 2024 ACTUAL	FY 2025 ESTIMATE	FY 2026 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,149.6	1,044.0	1,044.0
Personal Services	53,579,500	53,598,800	53,598,800
Employee Related Expenditures	17,349,800	17,056,100	17,056,100
Professional and Outside Services	4,724,500	9,296,100	9,296,100
Travel - In State	56,400	31,200	31,200
Travel - Out of State	162,500	120,100	120,100
Other Operating Expenditures	5,558,300	7,253,800	7,253,800
Equipment	351,600	0	0
OPERATING SUBTOTAL	81,782,600	87,356,100	87,356,100 ^{1/}
SPECIAL LINE ITEMS			
AZ Reach	500,000	0	0
Board of Medical Student Loans	2,000,000	0	0
Clinical Rural Rotation	353,600	353,600	353,600
Clinical Teaching Support	8,587,000	8,587,000	8,587,000
Fall Prevention Studies	1,000,000	0	0
Liver Research Institute	440,400	440,400	440,400
Phoenix Medical Campus	33,631,000	38,544,100	38,544,100
Telemedicine Network	1,670,000	1,670,000	1,670,000
AGENCY TOTAL	129,964,600	136,951,200	136,951,200 ^{2/3/}
FUND SOURCES			
General Fund	80,397,700	75,428,400	75,428,400 ^{4/5/}
<u>Other Appropriated Funds</u>			
University Collections Fund	49,566,900	61,522,800	61,522,800 ^{6/}
SUBTOTAL - Other Appropriated Funds	49,566,900	61,522,800	61,522,800
SUBTOTAL - Appropriated Funds	129,964,600	136,951,200	136,951,200
Other Non-Appropriated Funds	374,864,000	409,550,400	417,731,100
Federal Funds	226,899,000	284,089,800	383,982,400
TOTAL - ALL SOURCES	731,727,600	830,591,400	938,664,700

AGENCY DESCRIPTION — The University of Arizona’s Health Sciences Center (UA-HSC) includes its Colleges of Medicine Tucson and Phoenix, Nursing, Pharmacy, and Public Health. UA-HSC also currently operates a medical campus in Phoenix that opened in FY 2006.

FOOTNOTES

- ^{1/} The legislature intends that \$8,000,000 of the amount appropriated to the health sciences center operating lump sum appropriation line item be used to expand the college of medicine Phoenix campus and to develop and administer a primary care physician scholarship program at the college of medicine Phoenix campus and the college of medicine Tucson campus. The legislature intends that the \$8,000,000 not be annualized in future years. (General Appropriations Act footnote)
- ^{2/} Other than scholarships awarded through the Arizona financial aid trust, the appropriated monies may not be used for scholarships or any student newspaper. (General Appropriations Act footnote)
- ^{3/} General Appropriations Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- ^{4/} The state general fund appropriation may not be used for alumni association funding. (General Appropriations Act footnote)
- ^{5/} The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriations Act footnote)
- ^{6/} Any unencumbered balances remaining in the university collections fund on June 30, 2025 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 Appropriations Act footnote)

Operating Budget

The Baseline includes \$87,356,100 and 730.4 FTE Positions in FY 2026 for the operating budget. These amounts consist of:

	FY 2026
General Fund	\$41,107,600
University Collections Fund	46,248,500

These amounts are unchanged from FY 2025.

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-HSC Other Issues Section and ABOR for more information.)*

Clinical Rural Rotation

The Baseline includes \$353,600 and 4.2 FTE Positions from the General Fund in FY 2026 for the Clinical Rural Rotation program. These amounts are unchanged from FY 2025.

This line item funds the Rural Health Professions Program, which enables nurse practitioner, medical, and pharmacy students to plan and complete clinical practice rotations in rural and medically under-served sites throughout the state.

Clinical Teaching Support

The Baseline includes \$8,587,000 from the General Fund in FY 2026 for Clinical Teaching Support. This amount is unchanged from FY 2025.

Clinical Teaching Support provides hospital training, through internships and residencies, for medical, nursing, clinical, and other health students in a wide variety of specialty areas. Students fill all the above-mentioned FTE Positions.

Liver Research Institute

The Baseline includes \$440,400 and 6.2 FTE Positions from the General Fund in FY 2026 for the Liver Research Institute. These amounts are unchanged from FY 2025.

The Liver Research Institute conducts clinical studies on all liver diseases, focusing on chemical and natural agents that may offer a cure for such ailments. The line item also supports a research development program that actively pursues outside grants and donations.

Phoenix Medical Campus

The Baseline includes \$38,544,100 and 291.7 FTE Positions in FY 2026 for the Phoenix Medical Campus (PMC). These amounts consist of:

General Fund	\$23,269,800
University Collections Fund	15,274,300

These amounts are unchanged from FY 2025.

In addition to the monies appropriated in this line item, a General Appropriations Act footnote states legislative intent that \$8,000,000 from the UA Health Sciences Center operating budget appropriation be used to expand the College of Medicine Phoenix Campus and to develop and administer a primary care physician scholarship program at both the Phoenix and Tucson Campuses.

Telemedicine Network

The Baseline includes \$1,670,000 and 11.5 FTE Positions from the General Fund in FY 2026 for the Telemedicine Network. These amounts are unchanged from FY 2025.

Telemedicine is the use of computers, video imaging, broadband Internet, and other telecommunication technologies to diagnose and treat patients in rural communities.

Other Issues

University Collections and FTE Positions Adjustments

Including statewide adjustments, the FY 2025 General Appropriations Act appropriated \$69,546,500 from the University Collections Fund to UA - HSC. The Collections Fund for UA - HSC 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 Appropriations 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 2025 to the Joint Legislative Budget Committee in June 2024, and UA incorporated the adjusted FY 2025 amounts as part of their FY 2026 budget submission. Accordingly,

the estimated FY 2025 amount has been adjusted by \$(8,023,700) to \$61,522,800.

The FY 2025 FTE Position count has also been adjusted. The FY 2025 General Appropriations Act originally appropriated 1,154.9 FTE Positions in FY 2025 for the UA - HSC. The General Fund accounted for 570.5 FTE Positions and the University Collections Fund accounted for the remaining 584.4 FTE Positions. The estimated number of FY 2025 FTE Positions has been adjusted by (110.9) to 1,044. The General Fund accounts for 541.7 FTE Positions and the University Collections Fund accounts for the remaining 502.3 FTE Positions.

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 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	296,200	17,200
Year-End Fund Balance	49,100	31,900
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	254,934,500	278,119,000
Year-End Fund Balance	158,656,100	161,563,700
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	20,645,500	20,638,700
Year-End Fund Balance	18,250,000	16,710,600
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	20,078,500	20,881,600
Year-End Fund Balance	173,248,100	179,296,400
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	169,900,800	225,951,600
Year-End Fund Balance	(28,803,200)	(29,048,100)

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 Estimate
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	56,998,200	58,138,200
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	7,722,900	7,877,300
Year-End Fund Balance	0	0
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	(9,222,900)	0
Year-End Fund Balance	18,604,300	18,620,800
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	80,409,300	82,016,600
Year-End Fund Balance	47,513,400	41,715,200
University Collections Fund (UAA1403/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	49,566,900	61,522,800
Year-End Fund Balance	0	0