

EXECUTIVE SUMMARY

Item Name: FY 2023 Annual Budgets for Arizona State University, Northern Arizona University, University of Arizona and the Board's System Office (ASU, NAU, UArizona, ABOR)

Action Item

Requested Action: The universities and board office ask the board to review and approve the FY 2023 Annual Budgets for Arizona State University, Northern Arizona University, University of Arizona and board office, as described in this executive summary.

Background/History of Previous Board Action

- The Annual Budget combines general purpose, designated and restricted fund budgets into a consolidated budget format that includes projected revenues and expenditures for the fiscal year for each university and the system office. The budgets include:
 - Projected tuition and fee revenues based on current enrollment projections, auxiliary revenues, grants and contracts, and other revenues that support the annual budget.
 - Projected expenses by natural expense classification (salaries & wages, benefits, operating expense, scholarships and fellowships, depreciation, and interest on indebtedness).
 - The universities' monthly days cash on hand projection, in accordance with the Board's liquidity measure guidelines, established to manage acceptable levels of working capital, or "reserves."

In addition, the following material are included with each universities' annual budget:

- FY 2023 Budget Overview includes an overview of expected revenues, major initiatives/strategic investments planned for FY 2023, and enrollment assumptions for the upcoming academic year.
- Incremental Allocation of General-Purpose funds identifies the changes in sources and the planned uses in support of university strategic plans. General-Purpose funds support general operations and activities and consist of general fund appropriations, tuition and fees revenue, investment income, facilities & administration (F&A) recovery, and general university contingency funds.

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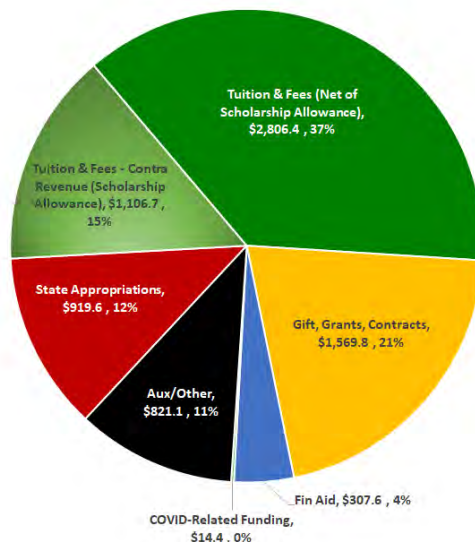
- State Expenditure Authority (SEA). SEA is the total legislatively authorized spending which includes general fund appropriations and tuition and fees that support the state budget. Arizona Department of Administration uses the board-approved SEA to load the universities' state budget into the state accounting system.
- Tuition and Fees not part of the state budget (local collections) support student-related services and programs, debt service, plant funds and student financial aid.
- A schedule of accounts with deficits over \$100,000 including a brief description of a plan to eliminate each of the deficits.

Discussion

FY 2023 Annual Budget

- The FY 2023 annual budget for the universities and system office totals \$7.5 billion in gross revenues. State general fund appropriations represent 12 percent of the total budget. The combination of state general fund and net tuition and fee revenues make up nearly half of the total budget at approximately 50 percent.
 - For FY 2023, general fund appropriations have not yet been finalized by the state legislature. Therefore, the general appropriations shown are the governor's recommended levels. The universities and ABOR office will include final appropriations in the Fall - Financial Status Update.
- Gross revenues less tuition and fees scholarship allowances (\$1.04 billion) represent the amount available for university operations, or \$6.4 billion.

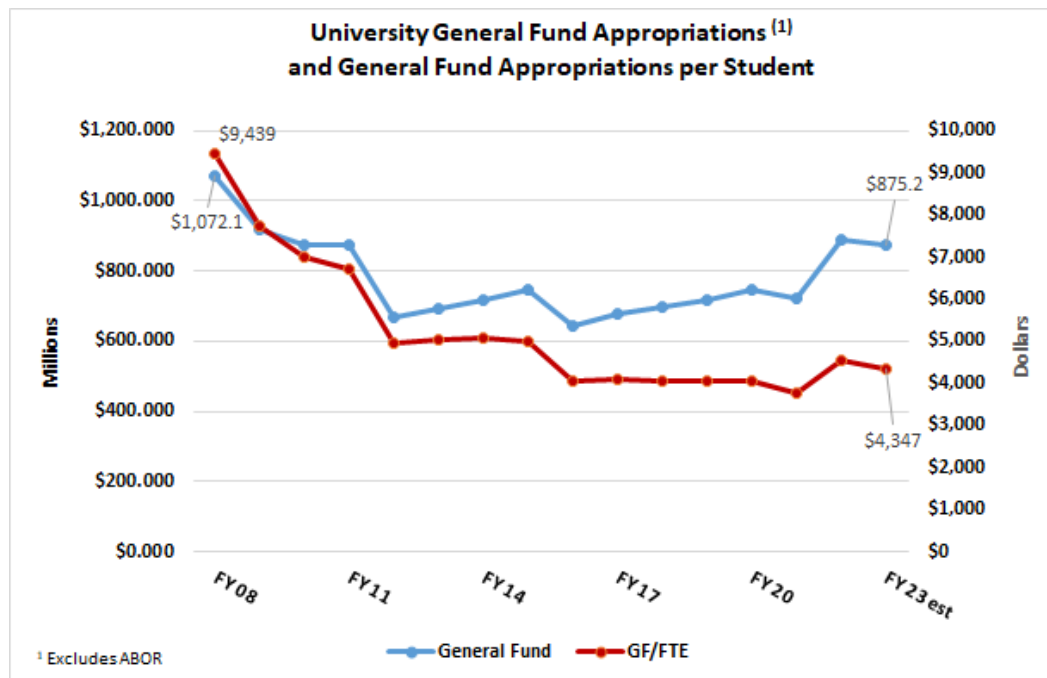
FY 2023 Gross Revenue – \$7.5 Billion (\$6.4 Billion Net Revenue)



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State Support

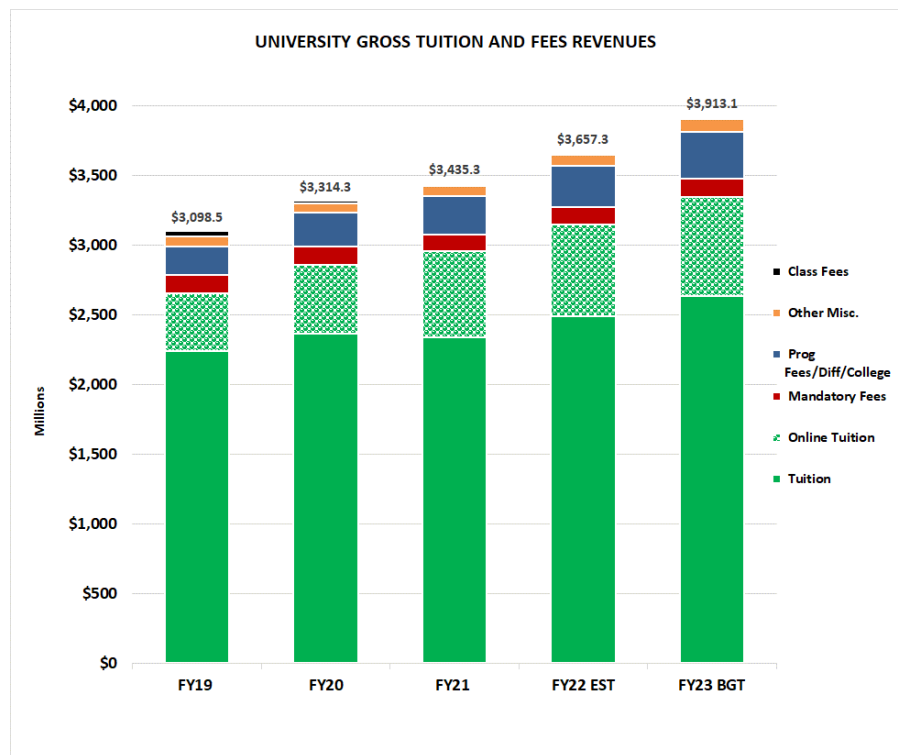
- FY 2023 preliminary general fund appropriations total \$919.6 million for the system, an increase of \$19.7 million or 2 percent over FY 2022. The appropriation includes:
 - \$46.0 million increase for New Economy Initiative, (\$21.2M ASU, \$10.1M NAU, \$14.7M UArizona)
 - \$12.5 million increase for Arizona Promise Program
 - \$5.0 increase for Freedom Schools expansion and graduate programs
 - \$500,000 increase for Agricultural Workforce Program
 - \$20.3 million for Health Insurance Trust Fund (HITF)
 - \$865,400 for Research Infrastructure and Capital Infrastructure financing
 - \$65.5 million reduction for prior year one-time funding.



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Tuition and Fee Revenues

- The estimated FY 2023 gross revenue from tuition and fees (T&F) is \$3.9 billion, an increase of \$255.8 million or 7.0 percent over FY 2022 estimate. Compared to the tuition and fees estimates presented during the tuition and fee setting process in March 2022, ASU has no changes to its tuition revenue estimates. NAU and UArizona show slightly higher tuition revenues due to a change in the mix of students and slightly higher enrollment at NAU, and for UArizona revised projections for its distributed and micro-campuses. The projections include revenues from tuition, including online tuition and summer and winter sessions tuition, program fees, differential tuition, college fees, class fees, mandatory and miscellaneous fees.



Gross Tuition and Fee Revenues by University

GROSS TUITION AND FEE REVENUES					
(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022 EST	FY 2023 BGT
ASU	\$1,825.6	\$2,013.3	\$2,134.3	\$2,282.0	\$2,448.8
NAU	\$382.3	\$389.6	\$379.4	\$369.5	\$377.4
UA	\$890.6	\$911.4	\$921.6	\$1,005.8	\$1,086.9
Total	\$3,098.5	\$3,314.3	\$3,435.3	\$3,657.3	\$3,913.1

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Student Enrollment

- ASU and UArizona are maintaining their enrollment projections presented in March 2022, during the tuition setting process. The current enrollment projection for Fall 2022 is 201,335 students for the system, an increase of 5,620 students or approximately 2.9 percent. ASU estimates the greatest growth at 3.8 percent, followed by UArizona at 3.2 percent. NAU estimates a decline of 1.7 percent which is an improvement from their estimate of -3.2 percent (-858 FTE) presented during tuition setting in March 2022. ASU and UArizona expect nearly 50 percent of their student growth to come from online enrollment.

University Enrollment Projections for FY 2023

	ASU	NAU	UA	Total
Enrollment				
Fall 21 Actual	121,763	27,123	46,829	195,715
Fall 22 Estimate	126,335	26,650	48,350	201,335
Projected Increase over prior year actuals- Fall 2022 vs Fall 2021	4,572 3.8%	(473) -1.7%	1,521 3.2%	5,620 2.9%
UNDERGRADUATE				
Res	294	(579)	(285)	(570)
NR	2,912	34	1,613	4,559
GRADUATE				
Res	(2)	(16)	82	64
NR	1,368	88	111	1,567
Total	4,572	(473)	1,521	5,620
Est Fall 2022 Online Enrollment	2,246	(382)	671	2,535
Online as a % of projected incr	49%	81%	44%	45%

Change in International Student Enrollment	1,598	55	197
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Total Revenue, Expenses and Change in Net Position – FY 2022 and FY 2023

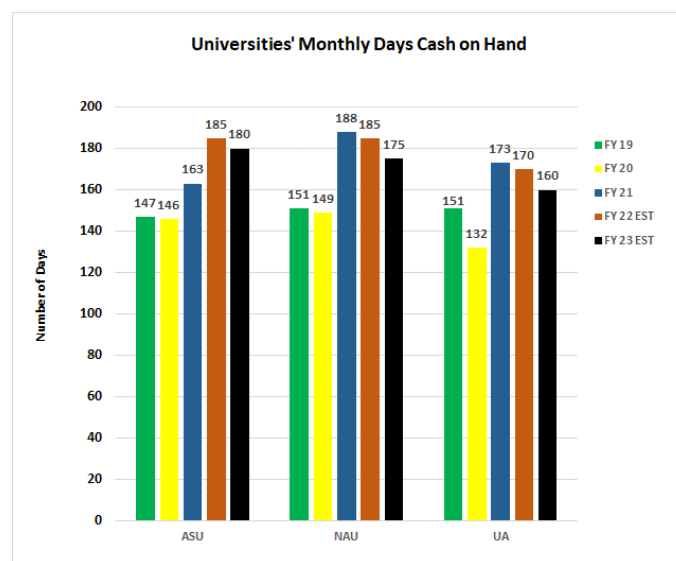
(\$ in Millions)	FY 2022 Budget			FY 2022 Estimate			FY 2023 Budget		
	Total Revenues	Total Expenses	Change in Net Position	Total Revenues	Total Expenses	Change in Net Position	Total Revenues	Total Expenses	Change in Net Position
Arizona State University	\$3,407.0	\$3,293.1	\$113.9	\$3,497.6	\$3,296.7	\$200.9	\$3,479.1	\$3,439.8	\$39.3
Northern Arizona University	\$648.3	\$634.3	\$14.0	\$686.1	\$670.0	\$16.1	\$620.4	\$612.5	\$7.9
University of Arizona	\$2,171.8	\$2,167.3	\$4.5	\$2,272.7	\$2,205.1	\$67.6	\$2,321.0	\$2,274.8	\$46.2
ABOR	\$16.5	\$36.8	(\$20.3)	\$17.7	\$27.0	(\$9.3)	\$18.4	\$27.1	(\$8.7)
SYSTEM	\$6,243.6	\$6,131.5	\$112.1	\$6,474.1	\$6,198.8	\$275.3	\$6,438.9	\$6,354.2	\$84.7

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- FY 2023 estimated expenditures for the system are \$6.4 billion, an increase of \$155.4 million or 2.5 percent over the FY 2022 projected expenditures. Each university includes a schedule of planned uses of the incremental general-purpose funds that identify strategic investments. These funding priorities align with each university's Operational and Financial Review (OFR) and priorities identified during the tuition setting process.

University Liquidity Measure

- The chart below shows the universities' projected monthly days cash on hand. The goal for the universities is to maintain the Monthly Days Cash on Hand ratio within a range of plus or minus 25% of Moody's most currently published (2019) median among rated public colleges and universities, which is 159. Cash reserves is one factor that Moody's uses to assess credit risk and evaluate credit profiles for higher education institutions.
- For FY 2023, all three universities are within the prescribed range of between 119 days and 199 days.



Statutory/Policy Requirements

- ABOR Policy 3-403 – 3-404 Annual Operating Budget
- A.R.S. §15-1626 – General Administrative Powers and Duties of the Board
- A.R.S. §15-1662 – Universities; funds and accounts.

Committee Review and Recommendation

The Finance, Capital and Resources Committee reviewed this item at its May 26, 2022 meeting, and recommended forwarding the item to the full board for approval.

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ARIZONA UNIVERSITY SYSTEM FY 2023 ANNUAL BUDGET

FY 2023 (WITH FY 2022 COMPARATIVE BUDGET DATA)

(\$ millions)

	FY 2023 BUDGET	FY 2022 ESTIMATE	FY 2022 BUDGET	VARIANCE BETWEEN		VARIANCE BETWEEN	
				FY 2023 BGT & FY 2022 EST		FY 2022 EST & FY 2022 BGT	
Revenues							
State General Fund Appropriation	\$812.6	\$800.2	\$692.4	\$12.4	1.6%	\$107.8	15.6%
State Appropriation - Research Infrastructure	\$33.1	\$32.7	\$32.7	\$0.4	1.1%	\$0.0	0.0%
State Appropriation - Capital Infrastructure	\$28.9	\$28.4	\$28.4	\$0.5	1.8%	\$0.0	0.0%
State Appropriation - AFAT	\$10.0	\$10.0	\$10.0	\$0.0	0.0%	\$0.0	0.0%
Total General Fund Appropriation	\$884.6	\$871.4	\$763.6	\$13.3	1.5%	\$107.8	14.1%
State Appropriations Transfer - Arizona Teachers Academy	\$15.7	\$23.2	\$13.8	(\$7.5)	-32.3%	\$9.4	68.1%
State Appropriations Transfer - Arizona Promise Program	\$19.3	\$5.3	\$0.0	\$14.0	264.2%	\$5.3	--
Tuition and Fees	\$3,913.1	\$3,657.3	\$3,578.8	\$255.8	7.0%	\$78.5	2.2%
less Scholarship Allowance	(\$1,106.7)	(\$1,082.3)	(\$1,037.4)	(\$24.4)	2.3%	(\$44.9)	4.3%
Net Tuition and Fees	\$2,806.4	\$2,575.0	\$2,541.4	\$231.4	9.0%	\$33.6	1.3%
Grants & Contracts -- Research	\$1,263.2	\$1,218.0	\$1,199.3	\$45.2	3.7%	\$18.7	1.6%
Financial Aid Grants (Primarily Federal Pell Grants)	\$307.6	\$295.9	\$299.4	\$11.7	4.0%	(\$3.5)	-1.2%
Higher Education Emergency Relief (HEERF) -- Student	\$0.0	\$203.1	\$216.7	(\$203.1)	-100.0%	(\$13.6)	-6.3%
Higher Education Emergency Relief (HEERF) -- Institutional	\$14.4	\$155.9	\$159.9	(\$141.5)	-90.8%	(\$4.0)	-2.5%
Private Gifts	\$219.1	\$206.0	\$201.8	\$13.1	6.4%	\$4.2	2.1%
Technology & Research Initiative Fund (TRIF)	\$87.5	\$129.5	\$86.0	(\$42.0)	-32.4%	\$43.5	50.6%
Auxiliary Revenues, Net	\$492.2	\$451.9	\$423.1	\$40.3	8.9%	\$28.8	6.8%
Other Revenues	\$328.9	\$339.0	\$338.7	(\$10.1)	-3.0%	\$0.3	0.1%
Total Other Revenues	\$2,712.9	\$2,999.2	\$2,924.9	(\$286.4)	-9.5%	\$74.3	2.5%
Total Revenues	\$6,438.9	\$6,474.1	\$6,243.7	(\$35.2)	-0.5%	\$230.4	3.7%
Expenses							
Salaries and Wages	\$2,690.7	\$2,568.6	\$2,523.1	\$122.1	4.8%	\$45.5	1.8%
Benefits	\$872.6	\$830.0	\$841.6	\$42.6	5.1%	(\$11.6)	-1.4%
All Other Operating	\$1,765.5	\$1,704.5	\$1,679.4	\$61.0	3.6%	\$25.1	1.5%
HEERF Student Emergency Grants	\$0.0	\$205.5	\$216.7	(\$205.5)	-100.0%	(\$11.2)	-5.2%
Scholarships & fellowships, Net of Scholarship Allowance	\$428.4	\$300.0	\$302.5	\$128.4	42.8%	(\$2.5)	-0.8%
AZ Promise Marketing/Administration	\$0.2	\$0.2	\$6.3	\$0.0	0.0%	(\$6.1)	-96.4%
Interest on Indebtedness	\$152.0	\$153.7	\$155.1	(\$1.7)	-1.1%	(\$1.4)	-0.9%
Depreciation	\$403.0	\$387.1	\$365.0	\$15.9	4.1%	\$22.1	6.1%
Pension Liability/OPEB (GASB 68 & GASB 45)	\$40.0	\$47.5	\$40.0	(\$7.5)	-15.8%	\$7.5	18.8%
Other Expenses (ABOR)	\$1.7	\$1.7	\$1.7	\$0.0	0.0%	\$0.0	0.8%
Total Expenses	\$6,354.2	\$6,198.8	\$6,131.5	\$155.4	2.5%	\$67.4	1.1%
Net Increase	\$84.7	\$275.3	\$112.2	(\$190.5)	-69.2%	\$163.1	145.3%

EXECUTIVE SUMMARY

**ARIZONA UNIVERSITY SYSTEM
 PRELIMINARY FY 2023 STATE EXPENDITURE AUTHORITY**

	Preliminary FY 2023 State General Fund Appropriation	FY 2023 Tuition & Fee Revenue and Other Miscellaneous Revenue Supporting State Operating Budget	FY 2023 State Expenditure Authority
ASU	399,256.2	706,031.8	1,105,288.0
NAU (1)	134,625.7	130,397.3	265,023.0
UA	267,463.5	382,811.3	650,274.8
UA AHSC	76,897.7	66,675.3	143,573.0
Total UA	344,361.2	449,486.6	793,847.8
Subtotal Universities	878,243.1	1,285,915.7	2,164,158.8
System Office	44,096.9	-	44,096.9
Administration	2,181.4		2,181.4
Student Assistance Programs/Pass-Thru	41,915.5		41,915.5
AUS-State Expenditure Authority	\$922,340.0	\$1,285,915.7	\$2,208,255.7

(1) State General Fund Appropriations Include \$3M Tgen pass through.

EXECUTIVE SUMMARY

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FY 2023 Annual Budget

Overview

ASU Charter

ASU is a comprehensive **public research university**, measured not by whom it excludes, but by **whom it includes** and **how they succeed**; advancing **research and discovery** of public value; and assuming **fundamental responsibility** for the economic, social, cultural and overall health of the **communities it serves**.

Arizona State University's annual operating budget for Fiscal Year 2023 reflects the investment plan designed to achieve the challenging performance goals set by the Arizona Board of Regents and to facilitate the continued advancement of the ASU Charter principles.

There are multiple facets to ASU's investment plan; its goals are centered on access, student success, research and innovation of public value, and meaningful public service. ASU's progress is evidenced by its leadership position in student access, national standing in academic quality, competitiveness in interdisciplinary research and scholarship, and consistent delivery of innovative solutions to address critical social, technical, cultural, and environmental issues facing 21st century Arizona.

The demand for an ASU degree is stronger than ever. ASU's fall 2021 full-time equivalent (FTE) enrollment was up 4.1 percent over the prior year, including campus immersion FTE enrollment growth of 3.0 percent and digital immersion FTE enrollment growth of 6.3 percent. Moreover, for resident campus immersion students, ASU's first-year retention rate reached 88.7 percent and the four-year and six-year graduation rates grew to 55.8 percent and 69.4 percent, respectively.

ASU received many accolades over the last year celebrating the university's achievements and influence. For the seventh consecutive year, ASU was named the nation's most innovative school by *U.S. News & World Report* for its groundbreaking efforts addressing curriculum, faculty, students, campus life, technology and facilities. *The Princeton Review* named ASU to its list of "Best Value Colleges". *The Fiske Guide to Colleges 2022*, one of the most authoritative college guides in the U.S., placed ASU on its top 10 list of "Best Buy" public universities in the nation for excellence and value. For 2022, ASU ranked in the top 8 percent of universities worldwide, according to *Times Higher Education*, evidenced by ASU's sharpened focus on advancing standards of excellence and commitment to student access and success. Additionally, in FY 2022 ASU was ranked as the top university in the nation and second in the world in achieving the United Nations' Sustainable Development Goals, according to *Times Higher Education*.

**#1 in the U.S.
for innovation**
ASU ahead of MIT and Stanford
— U.S. News & World Report, 7 years, 2016–2022

ASU has held a leadership position throughout the pandemic, with over 1.3 million COVID tests administered and over 1.3 million vaccinations delivered to the university community and across the state. Despite the disruption of the pandemic, ASU's innovation has continued unabated as evidenced by fifty new online degree programs; the launching of Dreamscape Learn's virtual reality biology lab courses; the addition of eleven new international university partners, including one in Kyiv, Ukraine; and the creation of a donor-funded program for Afghan women who have been displaced from education by unrest in their country.



FY 2023 Annual Budget

ASU's Learning Enterprise embarked on several new initiatives in FY 2022. This year, ASU directly served nearly 200,000 learners and reached millions more through informal learning assets. In January 2022, the Thunderbird School of Global Management launched the Francis and Dionne Najafi 100 Million Learners Global Initiative, aiming to offer accredited online world-class education in forty different languages to learners across the globe at no cost to the learner. ASU Prep Digital served over 40,000 learners worldwide, including over 3,500 K-12 learners at Arizona campuses, and 14,000 teachers, preparing them for online and hybrid teaching. In March 2022, ASU launched Study Hall's new "How to College" channel and received over 300,000 views. Later this year, ASU will pilot a new offering, "ASUforLife", aiming to provide support to learners during times of transition through learning content, services, and experience.

In partnership with the Ira A. Fulton Schools of Engineering, Learning Enterprise's CareerCatalyst team is developing new in-demand workforce education programs in microelectronics and a new portfolio of "human skills" specializations to support the future of work in Arizona and beyond. ASU continues to play a critical role in Arizona's New Economy Initiative as demonstrated by the creation of five science and technology centers (STCs) serving as magnets for industry in growing fields. With three STCs supporting the semiconductor industry, ASU is fueling a U.S. semiconductor revolution - with Arizona at the epicenter - to address chip shortages and reduce dependence on foreign manufacturing. In addition, ASU is accelerating its trajectory of excellence in the aerospace industry. Spacecraft for two ASU-led NASA missions (LunaH-Map and Psyche) are headed to Kennedy Space Center to prepare for launch in 2022, and ASU's Interplanetary Initiative is leading a consortium of universities contributing to Orbital Reef, the world's first business park in space, led by Blue Origin with \$130 million in funding from the National Aeronautics and Space Administration (NASA).

The Julie Ann Wrigley Global Futures Laboratory is creating solutions to ensure that all life on earth can thrive. The recently completed Allen Coral Atlas is the world's first comprehensive map of shallow water reefs. It enables decision-makers to improve monitoring of changes to these critical, yet fragile, ecosystems. ASU also installed a prototype MechanicalTree™ on its Tempe campus. Using technology developed at ASU that is being commercialized by Carbon Collect, each MechanicalTree can remove as much carbon from the atmosphere as 1,000 real trees. At scale, it offers a valuable tool in the effort to address climate change. To date, startup companies based on ASU research have exceeded \$1 billion in external funding with OncoMyx Therapeutics, an ASU Biodesign Institute startup, receiving \$50 million in series B financing in December 2021 to advance therapies that use viruses to kill cancer cells without harming healthy tissue.



FY 2023 Annual Budget

Fiscal Year 2023 Budget Highlights (\$ in Millions)				
	FY 2023 Budget	FY 2022 Budget	\$ Change	% Change
Revenues	\$ 4,071.5	\$ 3,986.8	\$ 84.7	2.1%
Public Investment	416.7	356.8	59.9	16.8%
Tuition and Fees	2,448.8	2,277.8	171.0	7.5%
Grants and Contracts	710.6	874.6	(164.0)	(18.8)%
All Other Revenues	495.4	477.6	17.8	3.7%
Expenses	\$ 4,032.2	\$ 3,872.9	\$ 159.3	4.1%
Salaries & Wages	1,342.4	1,257.0	85.4	6.8%
Benefits	421.7	412.6	9.1	2.2%
All Other Operating	1,048.0	1,020.6	27.4	2.7%
Scholarships and Fellowships	899.2	907.6	(8.4)	(0.9)%
Interest on Indebtedness	80.3	71.9	8.4	11.7%
Depreciation	200.6	163.2	37.4	22.9%
Pension Liability/OPEB	40.0	40.0	0.0	0.0%
Net Increase	\$ 39.3	\$ 113.9	\$ (74.6)	(65.5)%

Note: Revenue and expense figures have been modified to reflect scholarship allowance as a Scholarships and Fellowships expense rather than contra-revenue. Grants and contracts include research, financial aid grants and Higher Education Emergency Relief (HEERF) revenue. All other revenues include private gifts, Technology and Research Initiative Fund (TRIF), net auxiliary revenues and other revenues. Scholarships and Fellowships include HEERF student grants and scholarship allowance.

Fiscal Year 2023 Revenues

The FY 2023 budget includes an increase in revenue of \$84.7 million, or 2.1 percent, over the FY 2022 budget. A description of each of the key components follows.

The largest investors in Arizona State University continue to be students and their parents, as evidenced by gross tuition and fee revenue that represents 60.1 percent of total revenue. For the eleventh year in a row, ASU continues to uphold its twenty-year commitment to raise resident tuition by no more than 3 percent annually. Gross tuition and fees are projected to be \$171.0 million or 7.5 percent higher than the FY 2022 budget. Financial aid grants, primarily comprised of Federal Pell grants, are expected to increase by \$3.0 million or 1.5 percent versus the FY 2022 budget.



FY 2023 Annual Budget

ASU's reputation and recognition continue to drive strong demand for its degrees and programs. The FY 2023 budget assumes an overall FTE enrollment growth of 3.8 percent, comprised of digital immersion enrollment growth of 5.7 percent and campus immersion enrollment growth of 2.8 percent. Overall, resident student enrollment is budgeted to increase by 291 FTE or 0.5 percent; nonresident domestic student enrollment is budgeted to increase by 2,682 FTE or 5.2 percent; and international student enrollment is budgeted to increase by 1,598 FTE or 15.4 percent.

Budgeted FY 2023 public investment revenues reflect the Governor's executive budget recommendations, including \$21.2 million in ongoing funding for the New Economy Initiative, \$9.9 million in ongoing funding for Arizona Promise, \$8.3 million in ongoing funding for Health Insurance Trust Fund tuition backfill, and \$2.8 million in ongoing funding for the School for Civic and Economic Thought and Leadership (SCETL). The total FY 2023 public investment of \$416.7 million represents a \$59.9 million or 16.8 percent increase compared to the FY 2022 budget.

ASU continues to achieve strong growth in sponsored research activity and anticipates this trend to continue in FY 2023. The budget includes an increase of \$32.0 million or 6.7 percent in research grants and contracts revenue over the FY 2022 budget. Other significant changes in budgeted revenue include an increase of \$26.8 million or 12.5 percent in net auxiliary revenues over the FY 2022 budget. For FY 2023, private gift revenue is projected to increase by \$6.0 million or 6.7 percent over the FY 2022 budget. The FY 2023 budget includes a decrease of \$10.9 million or 8.0 percent in other revenues compared to the FY 2022 budget, due to lower projected net investment earnings. Furthermore, ASU's FY 2022 budget reflected \$199.0 million in one-time federal Higher Education Emergency Relief Fund (HEERF) revenue, which will not recur in FY 2023.

Fiscal Year 2023 Expenses

Carefully targeted investments are critical to accomplishing the goals set forth in ASU's Strategic Enterprise Plan. ASU's investment priorities are those discussed with the Regents each February as part of President Crow's State of the ASU Public Enterprise and Arizona State University address. Those priorities include, but are not limited to, a focus on the fundamental principle of accessibility to all students qualified to study at a research university, the attainment of national standing in academic quality for each college and school, regional economic competitiveness through research and discovery, and strengthening Arizona's interactive network of teaching, learning and discovery resources to reflect the scope of ASU's comprehensive knowledge enterprise. With these goals in mind, the FY 2023 budget includes the following:

- Increases of \$156.1 million in the use of general purpose funds for academic and other student-centered programs, including \$46.2 million of enrollment growth-related expenses; \$36.4 million in institutionally-funded financial aid; \$26.3 million for investment in programs supported by fees; \$21.1 million for new faculty positions (focusing on both accomplished senior faculty and promising early-career academics) and academic support beyond those supported by enrollment growth funding; \$14.2 million to fund merit-based salary increases to recognize high-performing faculty and staff and to enhance employee retention; and \$11.9 million for fringe benefit increases.
- Increases of \$29.7 million in the use of general purpose funds for student support services and facility costs, including \$9.4 million in investments for support services, \$7.8 million in debt service



FY 2023 Annual Budget

for new and renovated buildings, \$7.0 million for costs related to leases, custodial services and building operations and maintenance, and \$5.5 million in technology investments.

More generally, salaries and wages are expected to increase by \$85.4 million or 6.8 percent, and benefit costs, which represent 31.4 percent of the salaries and wages amount, are expected to increase by \$9.1 million or 2.2 percent over the FY 2022 budget.

Other post-employment benefits (OPEB) and pension costs represent the non-cash recognition of ASU's proportionate share of Arizona's unfunded pension actuarial liability and related post-retirement health care benefits. For FY 2023, ASU is budgeted to remain at the FY 2022 projected amount of \$40.0 million for net OPEB expenses.

All other operating expenses are expected to increase by \$27.4 million or 2.7 percent over the FY 2022 budget. This increase is driven by several factors, including partnership payments for online programs and non-capital software. Depreciation, another non-cash expense, is expected to increase by \$37.4 million or 22.9 percent over the FY 2022 budget, while interest on indebtedness expense is expected to increase by \$8.4 million or 11.7 percent.

Fiscal Year 2023 Net Increase

For FY 2023, Arizona State University has budgeted for a projected increase in net position of \$39.3 million; this compares to a FY 2022 budgeted increase of \$113.9 million. Several factors contribute to the FY 2023 net result, including the exhaustion of one-time federal Higher Education Emergency Relief Fund (HEERF) revenue in FY 2022, a decline of COVID-19 testing and vaccination activity, and increases in personal services costs (e.g., salaries, wages, and benefits). Considering all of these factors, Arizona State University remains well-positioned to meet the challenges ahead with broad student appeal for its academic programs, revenue diversification through a steadily growing research enterprise and higher levels of donor support, healthy liquidity with 180 projected days of cash on hand at June 30, 2023 (near the upper end of ABOR's target range), and prudent financial investments to support ASU's long-term growth trajectory and fulfillment of the values embodied in its Charter.



UNIVERSITY OPERATING BUDGET
 FY 2023 (WITH FY 2022 COMPARATIVE BUDGET DATA)
 (\$ millions)

FY 2023 ANNUAL BUDGET

Revenues

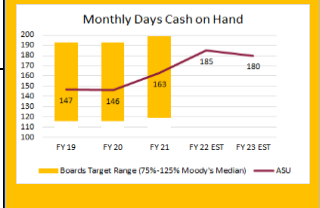
State General Fund Appropriation	\$367.0	\$362.4	\$317.3	\$4.6	1.3%	\$45.1	14.2%
State Appropriation - Research Infrastructure	\$13.5	\$13.5	\$13.5	\$0.0	0.0%	\$0.0	0.0%
State Appropriation - Capital Infrastructure	\$12.8	\$12.5	\$12.5	\$0.3	2.4%	\$0.0	0.0%
State Appropriation - AFAT	\$6.0	\$6.0	\$6.0	\$0.0	0.0%	\$0.0	0.0%
Total General Fund Appropriation	\$399.3	\$394.4	\$349.3	\$4.9	1.2%	\$45.1	12.9%
State Appropriations Transfer - Arizona Teachers Academy	\$7.5	\$15.0	\$7.5	(\$7.5)	-50.0%	\$7.5	100.0%
State Appropriations Transfer - Arizona Promise Program	\$9.9	\$3.7		\$6.2	167.6%	\$3.7	--
Tuition and Fees	\$2,448.8	\$2,282.0	\$2,277.8	\$166.8	7.3%	\$4.2	0.2%
<i>less Scholarship Allowance</i>	(\$592.4)	(\$590.0)	(\$579.8)	(\$2.4)	0.4%	(\$10.2)	1.8%
Net Tuition and Fees	\$1,856.4	\$1,692.0	\$1,698.0	\$164.4	9.7%	(\$6.0)	-0.4%
Grants & Contracts -- Research	\$507.0	\$491.5	\$475.0	\$15.5	3.2%	\$16.5	3.5%
Financial Aid Grants (Primarily Federal Pell Grants)	\$203.6	\$196.0	\$200.6	\$7.6	3.9%	(\$4.6)	-2.3%
Higher Education Emergency Relief (HEERF) – Student	\$0.0	\$126.0	\$134.1	(\$126.0)	-100.0%	(\$8.1)	-6.0%
Higher Education Emergency Relief (HEERF) – Institutional/Other	\$0.0	\$68.3	\$64.9	(\$68.3)	-100.0%	\$3.4	5.2%
Private Gifts	\$96.0	\$94.2	\$90.0	\$1.8	1.9%	\$4.2	4.7%
Technology & Research Initiative Fund (TRIF)	\$33.9	\$43.9	\$38.0	(\$10.0)	-22.8%	\$5.9	15.5%
Auxiliary Revenues, Net	\$240.4	\$235.9	\$213.6	\$4.5	1.9%	\$22.3	10.4%
Other Revenues	\$125.1	\$136.7	\$136.0	(\$11.6)	-8.5%	\$0.7	0.5%
Total Other Revenues	\$1,206.0	\$1,392.5	\$1,352.2	(\$186.5)	-13.4%	\$40.3	3.0%
Total Revenues	\$3,479.1	\$3,497.6	\$3,407.0	(\$18.5)	-0.5%	\$90.6	2.7%

Expenses

Salaries and Wages	\$1,342.4	\$1,272.9	\$1,257.0	\$69.5	5.5%	\$15.9	1.3%
Benefits	\$421.7	\$399.8	\$412.6	\$21.9	5.5%	(\$12.8)	-3.1%
All Other Operating	\$1,048.0	\$1,002.1	\$1,020.6	\$45.9	4.6%	(\$18.5)	-1.8%
HEERF Student Emergency Grants	\$0.0	\$126.0	\$134.1	(\$126.0)	-100.0%	(\$8.1)	-6.0%
Scholarships & fellowships, Net of Scholarship Allowance	\$306.8	\$184.0	\$193.7	\$122.8	66.7%	(\$9.7)	-5.0%
Interest on Indebtedness	\$80.3	\$76.8	\$71.9	\$3.5	4.6%	\$4.9	6.8%
Depreciation	\$200.6	\$195.1	\$163.2	\$5.5	2.8%	\$31.9	19.5%
Pension Liability/OPEB (GASB 68 & GASB 45)	\$40.0	\$40.0	\$40.0	\$0.0	0.0%	\$0.0	0.0%
Total Expenses	\$3,439.8	\$3,296.7	\$3,293.1	\$143.1	4.3%	\$3.6	0.1%
Net Increase	\$39.3	\$200.9	\$113.9	(\$161.6)	-80.4%	\$87.0	76.4%

Monthly Days Cash on Hand

Monthly days cash on hand is projected to be 180 days at June 30, 2023.





FY 2023 ANNUAL BUDGET

INCREMENTAL ALLOCATION OF GENERAL PURPOSE¹ FUNDS

(\$ millions)

<u>FY 2022 Base General Purpose Funds</u>	<u>\$ 2,750.4</u>
Changes in Incremental General Purpose Funds	
Removal of FY 2022 One-time Appropriations	\$ (31.2)
New Economy Initiative	21.2
Freedom Schools	2.8
Incremental HITF Premium Appropriation	3.7
HITF Tuition Backfill	8.3
Capital Infrastructure Funding	0.3
Research Infrastructure Lease-Purchase Payment Adjustment	-
Retirement Rate Increase Standard Adjustment	(0.1)
Total Change in Public Investment	\$ 5.0
Revenues from Tuition and Fees - Incremental FY 2023 Budgeted Tuition and Fees	174.5
Net Change in Resources	<u>\$ 179.5</u>
Allocation of Incremental General Purpose Funds	
Enrollment Growth-Related Expenses	\$ 46.2
Financial Aid	36.4
Investment in Programs Supported By Fees	26.3
Investment in Faculty Hiring and Academic Support	21.1
Salary Merit Program	14.2
Benefit Increases	11.9
Support Services Investments	9.4
Debt Service	7.8
Facilities Costs (O&M, utilities, leases)	7.0
Technology Investments	5.5
Internal Reallocations	(6.3)
Net Change in Budget Allocations	<u>\$ 179.5</u>
<u>FY 2023 Base General Purpose Funds</u>	<u>\$ 2,929.9</u>

Strategic Metric Addressed			
Student Educational Success and Learning	Educational	Discover New Knowledge	Impact Arizona
Freshman retention, enrollment, grad rates, etc.	Bachelor's degrees awarded, graduate degrees, E&G, certifications and credentials	Research and development, licenses and options, inventions	Public service, degrees in high demand fields, etc.
x	x		x
x	x		x
x	x		x
x	x	x	
x	x	x	
x	x		
x	x	x	
x	x	x	
x	x	x	x

¹ General Purpose Funds include Appropriated General Funds and Appropriated and Non-Appropriated tuition and fees, but exclude Non-Appropriated Other Designated Funds, Auxiliary Funds and Restricted Funds.



FY 2023 ANNUAL BUDGET

STATE EXPENDITURE AUTHORITY

(\$ thousands)

	FY 2023 BUDGET	FY 2022 BUDGET	CHANGE
University Revenues			
Resident Tuition	\$ 568,105.2	\$ 565,619.3	\$ 2,485.9
Non Resident Tuition	1,231,650.5	1,090,145.1	141,505.4
Program Fees	42,045.7	41,374.0	671.7
College Fees	156,841.0	151,472.5	5,368.5
Other Student Fees	7,154.9	4,874.0	2,280.9
Miscellaneous Revenues	6,924.0	6,520.0	404.0
Total University Revenues	\$ 2,012,721.3	\$ 1,860,004.9	\$ 152,716.4
 University Revenues Retained for Local Uses			
Support for Local Operating Budgets	\$ 644,205.2	\$ 640,682.3	\$ 3,522.9
Regents Financial Aid Set Aside	212,469.1	201,894.9	10,574.2
Other Financial Aid	327,380.0	306,913.8	20,466.2
Plant Funds	23,500.0	21,500.0	2,000.0
Debt Service/COPS/Lease Purchase	99,135.2	91,295.1	7,840.1
Total Retained for Local Uses	\$ 1,306,689.5	\$ 1,262,286.1	\$ 44,403.4
 University Revenues Supporting the Operating Budget	\$ 706,031.8	\$ 597,718.8	\$ 108,313.0
Plus: Public Investment	399,256.2	349,326.4	49,929.8
Total Appropriated Funds Expenditure Authority	\$ 1,105,288.0	\$ 947,045.2	\$ 158,242.8



FY 2023 ANNUAL BUDGET

LOCAL COLLECTIONS

	FY 2023 BUDGET	FY 2022 BUDGET	CHANGE
LOCAL COLLECTIONS FROM TUITION			
OPERATING FUNDS			
<u>DESIGNATED</u>			
Academic Affairs	\$ 5,200	\$ 5,200	\$ -
AECP - International Teaching Assistants	105,500	105,500	-
Associated Students - ASU	1,035,600	1,035,600	-
Campus Environment Team	4,800	4,800	-
Career Services	48,900	48,900	-
Child and Family Services	75,600	75,600	-
College Tuition Allocation	38,477,600	35,565,600	\$ 2,912,000
Commencement	15,000	15,000	-
Constituent Advocacy	150,000	150,000	-
Dining Services Management	38,000	38,000	-
Distance Learning Technology	1,169,500	1,169,500	-
EdPlus at ASU Investments	378,262,700	387,645,100	(9,382,400)
Environmental Health & Safety	219,600	219,600	-
Federal Direct Loan Administration	173,600	173,600	-
Fine Arts Activities	307,900	307,900	-
Fine Arts Program	60,000	60,000	-
Fine Arts Theatres	605,900	605,900	-
Forensics	106,100	106,100	-
Graduate Support Program	439,400	439,400	-
Honors College	3,000	3,000	-
Intercampus Shuttle Services	174,000	174,000	-
Interpreters Theatre	35,700	35,700	-
KASC Radio	22,000	22,000	-
Learning Communities	6,500	6,500	-
Library Support	376,100	376,100	-



FY 2023 ANNUAL BUDGET

LOCAL COLLECTIONS

	FY 2023 BUDGET	FY 2022 BUDGET	CHANGE
LOCAL COLLECTIONS FROM TUITION			
Local Support for Academic/Administrative Units	41,153,900	41,153,900	-
Mona Plummer Aquatic Complex	141,900	141,900	-
Overseas Study Abroad Program Costs	3,961,100	3,842,600	118,500
Special Events	196,800	196,800	-
Student Affairs Initiatives	275,800	275,800	-
Student Counseling	5,000	5,000	-
Student Financial Assistance Administration	423,000	423,000	-
Student Forum	45,000	45,000	-
Student Government	20,000	20,000	-
Student Health Services	225,000	225,000	-
Student Organizations	21,000	21,000	-
Student Orientation and Forums	10,600	10,600	-
Student Recreation/Intramurals	3,007,500	3,007,500	-
Student Union/Activities	558,700	558,700	-
Summer Bridge Program	335,200	335,200	-
University Minority Cultural Program	126,200	126,200	-
University Sustainability Initiatives	100,000	100,000	-
Research Asst./Teaching Asst. Benefit Costs	25,207,300	24,115,400	1,091,900
Employee Benefit Adjustments/Contingencies	200,000	200,000	-
SUBTOTAL	\$ 497,932,200	\$ 503,192,200	\$ (5,260,000)
AUXILIARY			
Memorial Union	1,129,200	1,129,200	-
Recreation Sports	827,100	827,100	-
SUBTOTAL	1,956,300	1,956,300	-
OPERATING FUNDS SUBTOTAL	\$ 499,888,500	\$ 505,148,500	\$ (5,260,000)



FY 2023 ANNUAL BUDGET

LOCAL COLLECTIONS

	FY 2023 BUDGET	FY 2022 BUDGET	CHANGE
LOCAL COLLECTIONS FROM TUITION			
<i>FINANCIAL AID</i>			
Regents Financial Aid Set Aside	\$ 212,469,100	\$ 201,894,900	\$ 10,574,200
Other Financial Aid - Institutional Financial Aid	289,241,900	270,422,800	18,819,100
Other Financial Aid - CRESMET/CONACYT/NEEP	371,400	371,400	-
Teach for America Scholarships	100,000	100,000	-
Other Financial Aid - Graduate Scholars Program	600,000	600,000	-
Graduate Fellowship Program	2,366,200	2,366,200	-
CONACYT Fellowship Program	144,900	144,900	-
Other Fin. Aid - School of Engineering Program	1,760,000	1,760,000	-
SUBTOTAL	\$ 507,053,500	\$ 477,660,200	\$ 29,393,300
<i>MINOR CAPITAL/FACILITIES MAINTENANCE PROJECTS</i>	\$ 23,500,000	\$ 21,500,000	\$ 2,000,000
<i>ENERGY MANAGEMENT CONTRACT</i>	4,940,100	5,037,500	(97,400)
<i>DEBT SERVICE</i>	94,195,100	86,257,600	7,937,500
TOTAL LOCAL COLLECTIONS FROM TUITION	\$ 1,129,577,200	\$ 1,095,603,800	\$ 33,973,400
LOCAL COLLECTIONS FROM PROGRAM/COLLEGE FEES			
<i>DESIGNATED</i>			
College Fee Allocation	\$ 119,426,200	\$ 115,083,600	\$ 4,342,600
Graduate Student Support Fee Allocation	5,938,500	2,466,800	3,471,700
Local Support for Academic Units	18,952,000	17,983,400	968,600
SUBTOTAL	\$ 144,316,700	\$ 135,533,800	\$ 8,782,900



FY 2023 ANNUAL BUDGET

LOCAL COLLECTIONS

	FY 2023 BUDGET	FY 2022 BUDGET	CHANGE
LOCAL COLLECTIONS FROM TUITION			
<i>FINANCIAL AID</i>			
Business Financial Aid Set Aside	\$ 3,199,500	\$ 2,859,400	\$ 340,100
Engineering Financial Aid Set Aside	327,400	277,300	50,100
Health Solutions Financial Aid Set Aside	593,900	608,500	(14,600)
Integrative Sciences and Arts Financial Aid Set Aside	18,100	29,800	(11,700)
Journalism Financial Aid Set Aside	96,000	131,300	(35,300)
Law Financial Aid Set Aside	2,159,000	2,148,400	10,600
Liberal Arts and Sciences Financial Aid Set Aside	118,100	112,300	5,800
Nursing Financial Aid Set Aside	606,500	589,400	17,100
College Fee Financial Aid	24,460,700	23,563,600	897,100
Graduate Student Support Fee Financial Aid	1,216,400	505,200	711,200
Student Technology Fee Financial Aid Set Aside	-	323,300	(323,300)
SUBTOTAL	\$ 32,795,600	\$ 31,148,500	\$ 1,647,100
TOTAL LOCAL COLLECTIONS FROM PROGRAM/COLLEGE FEES	\$ 177,112,300	\$ 166,682,300	\$ 10,430,000
TOTAL LOCAL COLLECTIONS	\$ 1,306,689,500	\$ 1,262,286,100	\$ 44,403,400



FY 2022 REPORTABLE DEFICITS OF \$100,000 OR MORE

<u>COST CENTER</u>	FY 2021 ACTUAL ENDING SURPLUS/(DEFICIT)	FY 2022 REVENUES AND TRANSFERS IN	FY 2022 EXPENDITURES AND TRANSFERS OUT	FY 2022 OPERATING MARGIN	FY 2022 ENDING SURPLUS/(DEFICIT)
Sun Devil Athletics Operations	\$2,151,200	\$89,911,000	\$99,242,600	(\$9,331,600)	(\$7,180,400)

Description

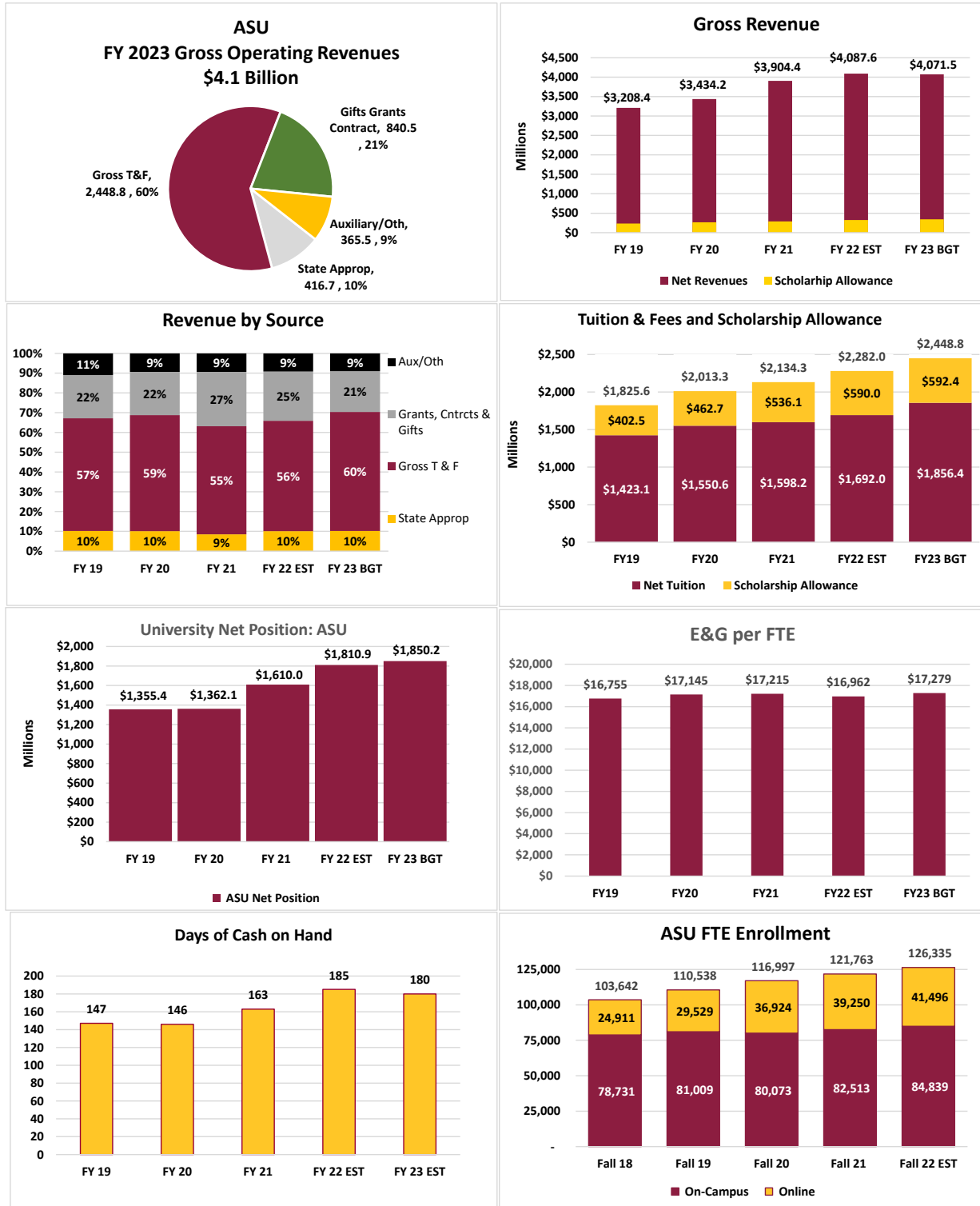
There are several significant factors contributing to SDA's projected FY 2022 operating deficit. Covid-related issues continue to affect FY 2022 revenue, especially tickets and sponsorships. Ticket prices were kept at FY 2020 levels for FY 2022. Forecasted FY 2022 corporate sponsorships and licensing net revenue are \$1.8 million less than originally budgeted in FY 2020 (pre-Covid). Approximately \$4.7 million in gifts related to football and men's basketball tickets were received and recorded as revenue in FY 2020. Due to Covid, fans were not able to attend FY 2021 games to which the gifts were tied. In the interest of fan retention, goodwill and game-related revenue, SDA allowed the gifts to apply to FY 2022 events. SDA is experiencing many of the same types of Covid-related cost increases as the rest of the nation, especially with service provider, travel and meal costs, as well as pressure on salaries and wages. To address the deficit, SDA leadership plans to hold FY 2023 operating budget categories at FY 2021 levels – 15% less than originally budgeted in FY 2020 – where possible, without negatively impacting revenue and student-athlete well-being. SDA's new multi-purpose arena is expected to generate long-term incremental net revenue. Although there is uncertainty as to the amount, it is expected that the Pac-12 Conference's revenue distribution to SDA will significantly increase, with a new media rights agreement in place no later than FY 2025.

ARIZONA STATE UNIVERSITY - TUITION AND FEES REVENUE
 (\$000)

	FY19	FY20	FY21	FY22 EST	FY23 BGT	Δ FY22/FY23	
Tuition - Immersion	1,053,521	1,131,995	1,108,378	1,195,621	1,267,803	72,181.8	6%
NR UG	472,205	496,099	482,162	527,598	578,880	51,281.3	10%
RES UG	397,652	438,449	440,456	437,686	448,627	10,940.9	2%
NR Grad	134,197	147,333	133,547	180,150	190,315	10,164.6	6%
RES Grad	49,467	50,114	52,213	50,187	49,982	(205.0)	0%
Tuition - Online	331,668	399,232	493,897	523,765	565,254	41,488.9	8%
NR UG	224,376	271,079	336,219	354,911	368,053	13,141.4	4%
RES UG	40,958	50,473	59,868	65,282	63,853	(1,429.8)	-2%
NR Grad	50,674	59,801	76,751	81,796	102,429	20,633.2	25%
RES Grad	15,660	17,879	21,059	21,776	30,920	9,144.1	42%
Prog Fees/Diff Tuition	164,166	120,425	94,967	102,052	122,945	20,892.5	20%
UG	80,504	47,048	17,057	15,171	14,297	(874.7)	-6%
Grad	83,662	73,377	77,910	86,881	108,648	21,767.2	25%
College Fees	0	78,841	134,158	147,233	154,873	7,639.7	5%
UG		65,983	121,542	133,834	143,887	10,052.8	8%
Grad		12,858	12,616	13,399	10,986	(2,413.1)	-18%
Course Fees	26,876	6,872	1,035	871	283	(587.6)	-67%
UG	25,680	6,282	232	296	283	(12.8)	-4%
Grad	1,196	590	803	575	0	(574.8)	-100%
Extended Ed							
Summer & Winter Sessions	149,505	181,260	205,007	208,000	219,344	11,344.3	5%
Mandatory Fees	51,102	49,540	44,518	46,653	50,032	3,378.8	7%
UG	33,874	38,977	34,047	35,581	36,057	475.7	1%
Grad	17,228	10,563	10,471	11,072	13,975	2,903.1	26%
Other Misc	48,768	45,146	52,348	57,835	68,289	10,453.7	18%
Total Tuition & Fees	1,825,606	2,013,311	2,134,308	2,282,031	2,448,823	166,792.1	7%
Yearly Change	8%	10%	6%	7%	7%		
Scholarship Allowance	402,554	462,730	536,128	590,000	592,400		
Net Tuition and Fees	1,423,052	1,550,581	1,598,180	1,692,031	1,856,423		



FY 2023 ANNUAL BUDGET



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FY23 Annual Budget Submission

Introduction

The annual budget process provides an opportunity to assess NAU's operations and is a key element of the overall business planning process, in conjunction with the tuition setting process and Operational and Financial Review process. Each component is a key operational decision point where strategic investments and reallocations are considered to ensure that they support the strategic direction of NAU, and in turn, support our students, faculty, and staff.

As NAU moves to operationalizing the recently announced NAU 2025 Elevating Excellence Strategic Plan, NAU transitions operations from managing the significant impacts of the COVID-19 pandemic to one that looks to provide A Bold and Boundless Future for All rooted in a commitment to providing equitable post-secondary value.

Overview

NAU submits the FY23 Annual Budget that projects a net position increase of \$7.9M. This net position change reflects the projected financial statement view and is influenced by the remaining federal one-time HEERF (Higher Education Emergency Relief Funds) funding that complements NAU's other funding sources. On a cash, or annual budgeting view, the budget submitted is balanced. The monthly days cash on hand metric is expected to be 175 days based on the projected expenditure level for this upcoming year. This reflects a decrease from the anticipated FY22 monthly days cash on hand metric of 185 days and keeps NAU within the board approved financial liquidity range and well positioned in terms of financial liquidity. NAU remains committed to monitoring the impacts that both revenue and spending has on its balance sheet, and in turn, its credit ratings.

Revenue

NAU projects revenue in FY23 to decrease 5% over its FY22 revenue budget and decrease 10% compared to expected 2022 actual results. The largest driver of the year to year revenue decline is the reduction of HEERF revenue which for FY22 is estimated to be \$77M for both the student and institutional components. At the budgeted revenue level, the distribution of FY23 revenue sources varies from the FY22 sources in that the remaining one-time Federal HEERF funding expected for FY23 is anticipated to comprise only 2% of revenue as compared to 13% in the FY22 budget. HEERF funding of \$14M will extend to the upcoming year as the timing of technological investments planned to use institutional funds have been impacted this year by supply chain issues in addition to the recently announced MSI (Minority Serving Institution) allocation of \$4M being made at the end of the current year.

Net tuition and fees and state appropriations comprise approximately 56% of NAU's budgeted FY23 revenue sources and are the primary funding source for the instruction and support for NAU's students. A slight increase in net tuition and fees revenue is projected in FY23 compared to the FY22 projection while the FY23 state appropriation is projected to decrease as the removal of FY22 one time state appropriation funding is not completely offset by the New Economy

Initiative investment included in the Executive's fiscal year 2023 budget proposal. The FY23 budget numbers do reflect the continuation of the \$3.0 million appropriation which is considered a pass through appropriation to TGEN.

NAU expects its other revenue categories to see improvement in the upcoming fiscal year. Auxiliary revenue is projected to increase by 18% compared to the FY22 budget and by 6% over expected FY22 results with increased student demand for on campus university housing and more meal plans purchased as the primary drivers. Revenue from TRIF funding is expected to maintain levels reflected in the most recently adopted three year plan. NAU's revenue growth from grants and contracts revenue will increase slightly from ongoing sponsored project activity. Increased campus activities, including Road Scholar program activities, will drive a slight increase in the Other Revenue category from projected FY22 levels. Philanthropic gift revenue is expected to increase from FY22 levels as efforts to diversify the university's revenue stream continue to provide additional financial support for university operations. Further, NAU will continue to pursue external opportunities for incremental and sustainable funding to help support critical investments and help spur additional activity in conjunction with the NAU 2025 Elevating Excellence Strategic Plan.

As approved by the Board at its February 2018 meeting and important to note, NAU's FY23 budget includes an estimate of \$0.7 million from Proposition 123 distributions, for use as general-purpose funds. This is the same level of Proposition 123 funding included in the FY18 through FY23 budgets.

Enrollment

Enrollment assumptions for this upcoming year have been updated from the tuition and fee setting process. The projections include a 473 FTE decrease for Fall 2022 as compared to the 858 decrease initially projected in March. The decrease projected for the upcoming year is primarily the result of smaller roll through of previous year's incoming cohorts. The projections for Fall 2022 incoming cohort reflect the second year of increased enrollment from the incoming first year cohort and the highest level of Resident accepts in institutional history. NAU, however, is expected to have fewer international and domestic non-resident undergraduate students this fall even as graduate enrollments are projected to increase compared to the prior year.

NAU's commitment to balancing student affordability with the predictability of a tuition pricing model has been rooted in the Pledge tuition program on the Flagstaff campus, which will continue for this upcoming year. NAU remains dedicated to providing a number of accessible educational options to students and their families who are increasingly first generation students across diverse ethnicities. Tuition pricing and financial aid changes have been announced for Fall 2023 as strategies to support NAU's access mission.

Major Initiatives/Strategic Investments

NAU's initiatives for FY23 focus on aligning expenditures to the projected revenue base while pursuing targeted investments that will propel and be guided by NAU's Elevating Excellence roadmap in the following seven areas:

- Academic Excellence
- Student Success
- Commitment to Indigenous Peoples

- Impactful Scholarship
- Mission-Drive and Diverse Faculty and Staff
- Community Engagement
- Sustainable Stewardship of Resources

Strategic Priority Investment Areas

Programmatic investments in the New Economy Initiative: NAU's planned investments include those for the continued build out of several programs to address Arizona's increasing need for workforce development in high demand fields such as mental and physical health care programs – the primary focus of the New Economy Initiative investment at NAU. These program investments align with the continued development of Allied Health programs at the Phoenix BioScience Core including the final buildout of the Physician Assistant program cohort increase by ten students in fall 2022. Expansion of nursing programs at statewide locations including Yuma and expansion of the Doctoral program in Clinical Psychology align with the New Economy Initiative investment. Investments of incremental recurring general purpose funds are estimated at \$10.1 million.

Investments in NAU Faculty, Staff and Students: Investment in NAU's faculty, staff and students is an important university initiative. Our success is highly dependent on our continued ability to attract and retain high quality faculty and staff and investing in this talent through strategic and meritorious adjustments is critical. To fund permanent salary adjustments and increasing health insurance costs, ongoing review of resource allocations are made throughout the university to identify efficiencies that can then be reinvested in our faculty and staff. With one of the lowest faculty and staff per 100 student ratios among our ABOR peers, NAU has demonstrated its commitment to running an efficient, student centered enterprise. NAU has announced adjustments to salaries for teaching track faculty track and for the lowest student employment wage for FY23. The University Budget Advisory Board will review strategies and make a recommendation on how to achieve the goal of reaching a 10% increase for faculty and staff salaries over a three year time frame. Investments of incremental recurring general purpose funds are estimated at \$3.0 million.

Investments in Infrastructure and Technology: Investments in technology have been a primary focus of NAU's strategy to provide flexibility and accessibility to enhance the student experience and will continue for this upcoming year. NAUFlex was installed in classrooms on the Flagstaff campus as well as statewide sites during the pandemic and in combination with investments to expand and enhance WiFi on the Flagstaff campus continue to be an important investment for this upcoming year. These investments complement ongoing investments in facility fire life safety projects and other deferred maintenance projects that are critical to support a safe environment for students, faculty and staff and are also important to recruiting and retaining students. Investments of general purpose funds and one time funds are estimated at \$4.0 million.

Operational changes to impact expenditures

Personnel Costs: Salaries, wages and benefit costs are the largest university expenditure and a number of actions have been adopted that impact FY23. Implementation of the noted wage adjustments for teaching track faculty and students will complement the upcoming work toward working the goal to reach a 10% increase over three years for faculty and staff. Adjustments on the latter initiative will have a half year expense impact on the FY23 budget.

Operational budget expenditures across all departments: From contracts and leases that were renegotiated to reduce in operational expenditures from travel to training, all units across the university reviewed and identified opportunities to reduce non-personnel expenditures as a primary source of addressing the budget reductions in FY22. Moving into FY23, operational expenditures will increase in conjunction with increased campus activity levels. These increases will align with the anticipated student enrollment levels and will facilitate important residential campus student experiences that is important to student success and retention.

Expenses

NAU projects operating expenses will decrease 9% over the FY22 expense levels as one time expenditures supported by HEERF funds are removed from the expenditure base. A significant component in the expenditure base is personnel costs which comprise nearly 60% of the university's operating costs.

The estimated increase in the Other Operating Expense category for FY23 is the result of NAU's operational activities with travel activity continuing to increase from low levels during the pandemic, increased campus activity that drive a range of expenditures including utility usage, and higher costs associated with a range of goods and services including utilities and technology purchases. Depreciation expense is projected to increase to \$46.0 million as current capital projects such as the Student Athlete High Performance Center have been completed.

NAU remains a good steward of available resources whether it is through investments from the state, students or external philanthropic partners. NAU operates an efficient and student centered enterprise and will continue a number of initiatives on that front during the upcoming year including contract and lease reviews, targeted optimization reviews of the new administrative service delivery framework to increase specific activity effectiveness, and further leveraging technology to address document management and workflow. Additionally, the focus on strategic procurement priorities will be a key area of focus given issues with procurement supply chains.

Summary

NAU's FY23 annual budget submission reflects its continued commitment to the success of its students and the employees who work to support those students as well as the long term mission and viability of the institution. Maintaining a budget for FY23 that aligns revenue with expenditures is a critical component to the fiscal health needed and operational structure required to remain a viable institution over the long term that extends beyond 2023. NAU remains committed to working closely with the State of Arizona to identify funding that will support its long standing mission to serve Arizona through maximizing the opportunities that await in FY23.



FY 2023 ANNUAL BUDGET

UNIVERSITY OPERATING BUDGET
FY 2023 (WITH FY 2022 COMPARATIVE BUDGET DATA)
 (\$ millions)

	FY 2023	FY 2022	FY 2022	VARIANCE BETWEEN		VARIANCE BETWEEN	
	BUDGET	ESTIMATE	BUDGET	FY 2023 BGT & FY 2022 EST		FY 2022 EST & FY 2022 BGT	
Revenues							
State General Fund Appropriation (w/o TGEN)	\$120.2	\$121.3	\$100.6	(\$1.1)	-0.9%	\$20.7	20.6%
State Appropriation - Research Infrastructure	\$5.3	\$5.0	\$5.0	\$0.3	5.2%	\$0.0	0.0%
State Appropriation - Capital Infrastructure	\$4.8	\$4.8	\$4.8	\$0.0	0.0%	\$0.0	0.0%
State Appropriation - AFAT	\$1.3	\$1.3	\$1.3	\$0.0	0.0%	\$0.0	0.0%
Total General Fund Appropriation	\$131.6	\$132.4	\$111.7	(\$0.8)	-0.6%	\$20.7	18.5%
State Appropriations Transfer - Arizona Teachers Academy	\$6.7	\$6.7	\$4.8	\$0.0	0.0%	\$1.9	39.6%
State Appropriations Transfer - Arizona Promise Program	\$4.3	\$1.6	\$0.0	\$2.7	168.8%	\$1.6	--
Tuition and Fees	\$377.4	\$369.5	\$376.4	\$7.9	2.1%	(\$6.9)	-1.8%
<i>less Scholarship Allowance</i>	(\$171.2)	(\$165.4)	(\$164.4)	(\$5.8)	3.5%	(\$1.0)	0.6%
Net Tuition and Fees	\$206.2	\$204.1	\$212.0	\$2.1	1.0%	(\$7.9)	-3.7%
Grants & Contracts -- Research	\$72.0	\$70.0	\$68.0	\$2.0	2.9%	\$2.0	2.9%
Financial Aid Grants (Primarily Federal Pell Grants)	\$42.5	\$42.5	\$42.5	\$0.0	0.0%	\$0.0	0.0%
Higher Education Emergency Relief (HEERF) – Student	\$0.0	\$38.9	\$39.4	(\$38.9)	-100.0%	(\$0.5)	-1.3%
Higher Education Emergency Relief (HEERF) – Institutional/Other	\$14.4	\$37.7	\$47.9	(\$23.3)	-61.8%	(\$10.2)	-21.3%
Private Gifts	\$25.0	\$20.0	\$20.0	\$5.0	25.0%	\$0.0	0.0%
Technology & Research Initiative Fund (TRIF)	\$17.7	\$39.7	\$16.0	(\$22.0)	-55.4%	\$23.7	148.1%
Auxiliary Revenues, Net	\$69.0	\$65.0	\$58.5	\$4.0	6.2%	\$6.5	11.1%
Other Revenues	\$31.0	\$27.5	\$27.5	\$3.5	12.7%	\$0.0	0.0%
Total Other Revenues	\$271.6	\$341.3	\$319.8	(\$69.7)	-20.4%	\$21.5	6.7%
Total Revenues	\$620.4	\$686.1	\$648.3	(\$65.7)	-9.6%	\$40.5	6.2%
Expenses							
Salaries and Wages	\$270.0	\$270.0	\$263.0	\$0.0	0.0%	\$7.0	2.7%
Benefits	\$90.0	\$89.0	\$92.0	\$1.0	1.1%	(\$3.0)	-3.3%
All Other Operating	\$149.0	\$163.5	\$129.9	(\$14.5)	-8.9%	\$33.6	25.9%
HEERF Student Emergency Grants	\$0.0	\$41.3	\$39.4	(\$41.3)	-100.0%	\$1.9	4.8%
Scholarships & fellowships, Net of Scholarship Allowance	\$37.7	\$34.0	\$41.7	\$3.7	10.9%	(\$7.7)	-18.5%
Interest on Indebtedness	\$19.8	\$20.7	20.7	(\$0.9)	-4.4%	\$0.0	0.0%
Depreciation	\$46.0	\$44.0	47.5	\$2.0	4.5%	(\$3.5)	-7.4%
Pension Liability/OPEB (GASB 68 & GASB 45)	\$0.0	\$7.5	-	(\$7.5)	-100.0%	\$7.5	--
Total Expenses	\$612.5	\$670.0	\$634.3	(\$57.5)	-8.6%	\$35.8	5.6%
Net Increase	\$7.9	\$16.1	\$14.1	(\$8.2)	-51.1%	\$2.0	14.5%



FY 2023 ANNUAL BUDGET

INCREMENTAL ALLOCATION OF GENERAL PURPOSE FUNDS (\$ millions)

FY 2022 Base Budget	\$ 426.0
Changes in Incremental Funding	
Tuition and Fees - rate changes	\$ 8.0
Tuition and Fees—enrollment and mix shift	(13.8)
State Appropriation—FY23 New Economy Initiative Executive Budget	10.1
State Appropriation—FY23 research infrastructure funding	.3
State Appropriation—FY23 university capital infrastructure funding	.1
State Appropriation— Remove FY22 One Time Appropriation	(12.2)
Other including investment income	1.5
	(\$6.0)
Net Change in Resources	
Allocation of Incremental Resources	
New Economy Investment—health professions (Net NEI change)	1.1
Technology and Facility Infrastructure	1.0
Faculty, Staff and Student Salary and Wage Investment	3.0
Student Financial Aid	3.0
Debt Service	(1.2)
Strategic Reallocations	(12.9)
	\$(6.0)
Net Change in Budget Allocations	\$(6.0)
FY 2023 Base Budget	\$420.0

Strategic Metric Addressed			
Student Educational Success & Learning	Educational	Discover New Knowledge	Impact Arizona
e.g., Fr retention, enrollment, grad rates, etc.	e.g., Bachelors degrees awarded, grad degrees, E&G, certifications and credentials	e.g., Research and development, licenses & options, inventions	e.g., Public service, degrees in high demand fields, etc
Note which metrics addressed in each quadrant for each line item			
X	X	X	X
X	X	X	X
X	X	X	X
X	X	X	X
X	X	X	X
X	X	X	X

1. General Purpose Funds include state general funds, tuition and fees, investment income, administrative service charge, facilities & administration revenue (indirect cost recovery). Excludes Restricted & Auxiliary Funds.

FY 2023 ANNUAL BUDGET

STATE EXPENDITURE AUTHORITY (*\$ thousands*)

	FY23 BUDGET	FY22 BUDGET	CHANGE
University Revenues			
Resident Tuition	\$ 176,175.5	\$ 181,982.3	\$ (5,807.3)
Non Resident Tuition	126,694.0	125,035.2	1,658.8
Program Fees	5,925.0	5,848.4	76.6
Other Student Fees	0.0	0.0	0.0
Miscellaneous Revenues	6,935.0	4,935.0	2,000.0
Total University Revenues	\$ 315,729.0	\$ 317,800.9	\$ (2,071.9)
 University Revenues Retained for Local Uses			
Support for Local Operating Budgets	\$ 11,164.1	\$ 13,989.1	\$ (2,825.0)
Regents Financial Aid Set Aside	30,174.1	33,000.0	(2,825.9)
Other Financial Aid	128,793.5	124,628.5	4,165.0
Plant Funds	1,000.0	1,000.0	0.0
Debt Service/COPS/Lease Purchase	14,200.0	10,200.0	4,000.0
Total Retained for Local Uses	\$ 185,331.7	\$ 182,817.6	\$ 2,514.1
 University Revenues Remitted to State (State Collections)	 \$ 130,397.3	 \$ 134,983.3	 \$ (4,586.0)
Plus: State General Fund Appropriation	134,625.7	117,701.2	16,924.5
Total State Expenditure Authority	\$ 265,023.0	\$ 252,684.5	\$ 12,338.5

% CHANGES IN INCREMENTAL REVENUES

State General Funds 14.4%
 Tuition -1.4%
 Program, Other Student Fees and Misc. Revenue 19.3%

USES OF INCREMENTAL REVENUES (% Change)

Local Operating Budgets -20.2% Other Financial Aid 3.3%
 Regents Financial Aid Set Aside -8.6%
 Plant/Debt Service/COPS/Lease Purchase 0%

FY 2023 ANNUAL BUDGET

LOCAL COLLECTIONS

	FY23 BUDGET	FY22 BUDGET	CHANGE
LOCAL COLLECTIONS FROM TUITION AND FEES			
OPERATING FUNDS FROM TUITION			
Child Care	43,900	43,900	0
Graduate Assistant Tuition Remission	2,400,000	2,400,000	0
College of Arts and Letters Support	93,360	93,400	(40)
School of Communications Support. Radio, Cable, Forensics	2,750	2,800	(50)
Online and Educational Innovation and Partnerships Investment	7,396,800	10,261,700	(2,864,900)
Employee Benefit Contingency	50,000	50,000	0
Operations: Collections	502,300	502,300	0
SUBTOTAL	\$ 10,489,110	\$ 13,354,100	\$ (2,864,990)
 <i><u>AUXILIARY</u></i>			
	\$ 0	\$ 0	\$ 0
	0	0	0
SUBTOTAL	\$ 0	\$ 0	\$ 0
OPERATING FUNDS SUBTOTAL	\$ 10,489,110	\$ 13,354,100	\$ (2,864,990)

FY 2023 ANNUAL BUDGET

LOCAL COLLECTIONS (Cont.)

OPERATING FUNDS FROM TUITION AND FEES (cont.)

FINANCIAL AID

Regents Financial Aid Set Aside	\$ 30,174,100	\$ 33,000,000	\$ (2,825,900)
Other Financial Aid - Institutional Financial Aid	127,964,102	123,808,500	4,155,602
SUBTOTAL	\$ 158,138,202	\$ 123,808,500	\$ 1,329,702

<u>MINOR CAPITAL PROJECTS/PLANT FUNDS</u>	\$ 1,000,000	\$ 1,000,000	\$ 0
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<u>DEBT SERVICE</u>	14,200,000	10,200,000	4,000,000
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TOTAL LOCAL RETENTION FROM TUITION	\$ 183,827,312	\$ 181,362,600	\$ 2,464,712
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LOCAL COLLECTIONS FROM PROGRAM FEES

DESIGNATED OPERATING FUNDS

Doctorate of Physical Therapy (DPT) Program Fee	\$ 187,000	\$ 187,000	\$ 0
Physician Assistant (PA) Program Fee	312,800	312,800	0
Occupational Therapy (OT) Program Fee	92,200	92,200	0
Athletic Training (AT) Program Fee	43,000	43,000	0
Clinical PsyD Program	40,000	0	40,000

FINANCIAL AID

Physical Therapy Financial Aid Set Aside	\$ 232,600	\$ 232,000	\$ 600
Physician Assistant Financial Aid Set Aside	284,200	285,000	(800)
Occupational Therapy Financial Aid Set Aside	204,700	204,000	700
Athletic Training Financial Aid Set Aside	15,300	12,000	3,300
Doctor of Clinical Psychology Financial Aid Set Aside	92,600	87,000	5,600
SUBTOTAL	\$ 829,400	\$ 820,000	\$ 9,400

TOTAL LOCAL RETENTION FROM PROGRAM FEES	\$ 1,504,400	\$ 1,455,000	\$ 49,400
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FY 2023 ANNUAL BUDGET

FY 2023 LOCAL BUDGETS WITH DEFICITS OF \$100,000 OR MORE

	FY21 ACTUAL ENDING <u>SURPLUS/(DEFICIT)</u>	FY22 PROJECTED ENDING <u>SURPLUS/(DEFICIT)</u>	FY23 ESTIMATED REVENUES AND TRANSFERS IN	FY23 ESTIMATED EXPENDITURES AND TRANSFERS OUT	FY23 PROJECTED ENDING <u>SURPLUS/(DEFICIT)</u>
	\$	\$	\$	\$	\$

Deficits: None

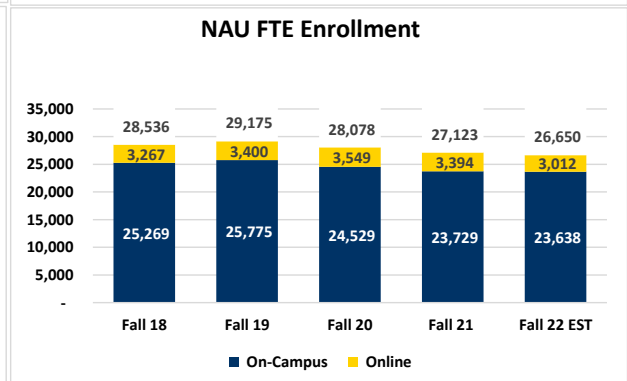
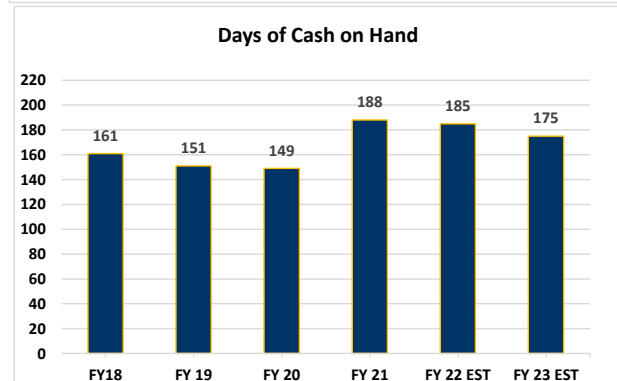
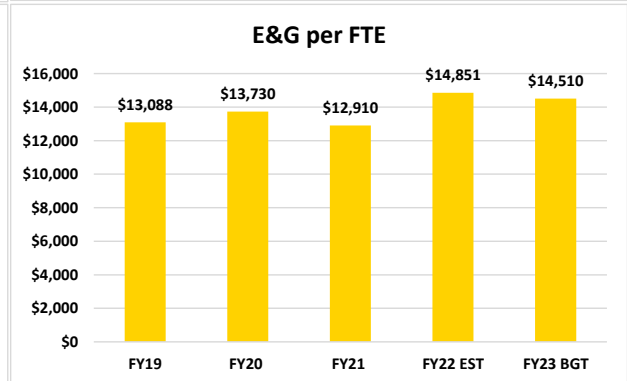
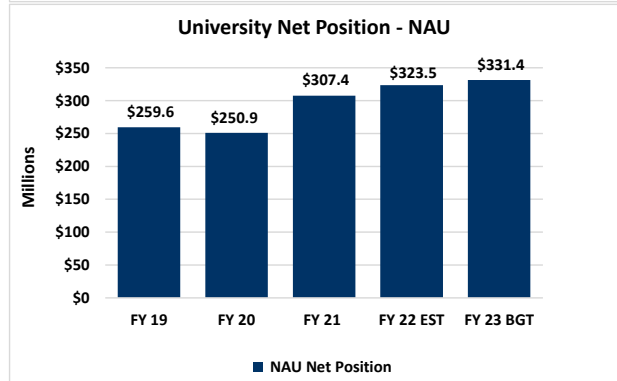
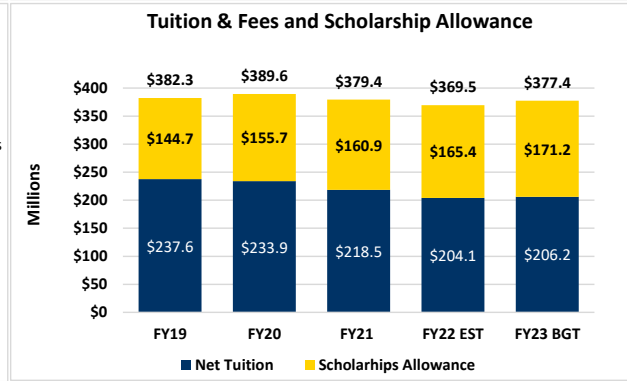
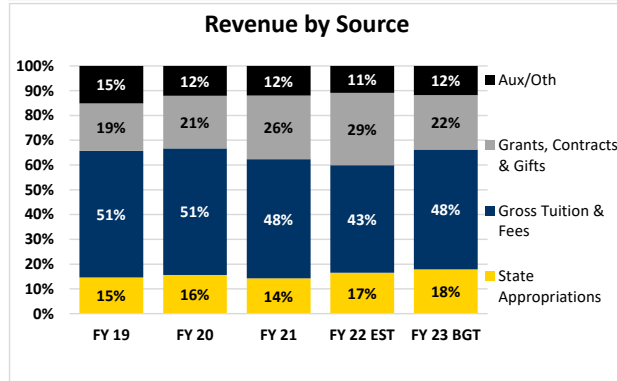
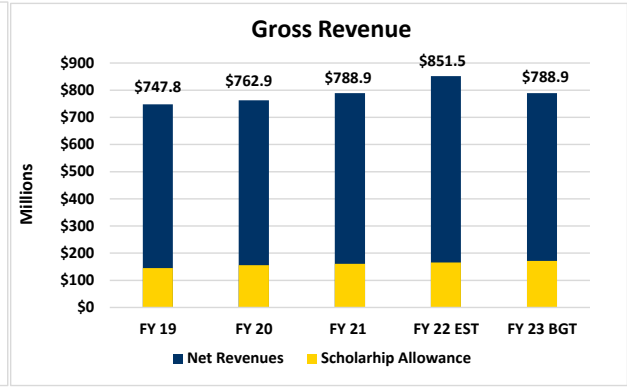
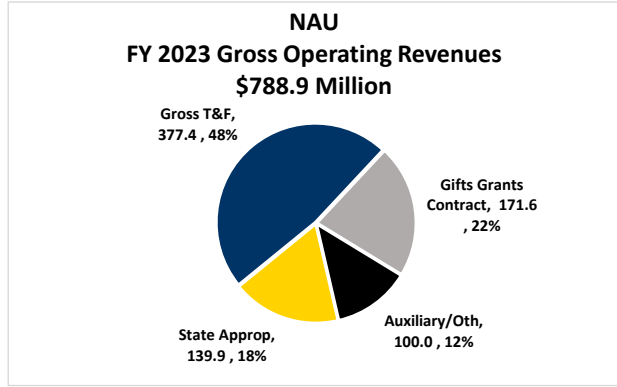
NORTHERN ARIZONA UNIVERSITY - TUITION AND FEES REVENUE

(\$000)

	FY19	FY20	FY21	FY22 EST	FY23 BGT	Δ FY22/FY23	
Base Tuition	277,798	280,917	267,446	264,666	266,220	1,554	1%
NR UG	114,842	113,696	102,739	98,627	99,575	948	1%
RES UG	140,457	141,553	139,270	137,068	135,879	(1,189)	-1%
NR Grad	6,040	7,294	7,729	11,294	11,795	501	4%
RES Grad	16,459	18,374	17,709	17,677	18,971	1,294	7%
Online	33,618	35,126	38,448	35,809	36,648	839	2%
NR UG	6,284	8,043	11,095	8,837	9,705	868	10%
RES UG	17,387	15,908	14,643	13,842	12,484	(1,358)	-10%
NR Grad	2,929	3,308	3,834	4,527	5,619	1,092	24%
RES Grad	7,017	7,866	8,876	8,603	8,841	238	3%
Prog Fees	7,877	10,728	11,479	11,791	7,100	(4,691)	-40%
UG	2,867	4,941	4,793	4,760	-	(4,760)	-100%
Grad	5,010	5,786	6,685	7,031	7,100	69	1%
College Fee	-	-	0	0	13,073	13,073	--
UG					13,073	13,073	--
Grad		-		-	-	0	--
Course Fees	5,187	4,022	3,251	3,223	-	(3,223)	-100%
UG	5,094	3,949	3,198	3,161	-	(3,161)	-100%
Grad	93	73	53	62	-	(62)	-100%
Ext Ed Fees	211	-	-	-	-	0	--
Summer & Winter Sessions	25,521	25,900	26,203	22,300	22,700	400	2%
Mandatory Fees	27,797	28,737	28,502	27,422	27,209	(213)	-1%
UG	25,527	26,279	25,706	24,875	24,575	(300)	-1%
Grad	2,270	2,458	2,796	2,547	2,634	87	3%
Other Misc	4,322	4,178	4,022	4,273	4,400	127	3%
Total Tuition & Fees	382,331	389,609	379,351	369,484	377,350	7,866	2%
Yearly Change	5%	2%	-3%	-3%	2%		
Scholarship Allowance	144,726	155,697	160,899	165,400	171,165		
Net Tuition and Fees	237,605	233,912	218,452	204,084	206,185		



FY 2023 ANNUAL BUDGET





University of Arizona FY 2023 Annual Budget

Overview

The University of Arizona is pleased to submit its FY 2023 annual budget for approval by the Arizona Board of Regents. This budget was developed with input from student leaders, shared governance representatives, and University administration. It reflects initiatives that are aligned with the University's mission and materials presented in recent months to the Board of Regents during tuition setting.

Serving as a guide for investment are the 5 Pillars of the University of Arizona Strategic Plan:

- The Wildcat Journey—driving student success for a rapidly changing world
- Grand Challenges—tackling critical problems at the edges of human endeavor
- Arizona Advantage—driving social, cultural, and economic impact
- Arizona Global—engaging the world
- Institutional Excellence—ensuring UArizona lives its values and innovative culture to enable a high-performing academic and administrative enterprise

The annual budget presented here reflects the University's investments in these key strategic areas and its commitment to the promises made to its students, their parents, faculty and staff, and the state of Arizona.

The FY 2023 budget projects a \$46.2 million increase in net position and represents a balanced budget from a cash perspective. Additionally, it is projected that the University will have 160 monthly days cash on hand at the close of FY 2023. This places the UArizona metric within the required range, which is 25% plus or minus the median among rated public colleges and universities per Moody's.

Revenues

FY 2023 revenues are projected to be \$2.32 billion, a \$48.3 million increase over the FY 2022 revised projections, representing a 2.1% increase. Significant revenue changes from FY 2022 revised projections are attributed to the following:

- \$8.5 million increase in state funding as currently outlined in the Governor's executive budget proposal. FY22 revised estimates includes additional one-time allocations not in appropriations for "27th pay period."
- \$27.7 million increase in grants and contracts due largely to forecasted changes in sponsored research activity primarily in the medical sciences.
- \$64.9 million increase in net tuition and fee revenues from enrollment growth and tuition rate increases. This increase is consistent with our projections during the tuition setting process. It reflects an expected increase of 1,520 student FTE enrollments overall. This net increase is driven by increases in both online and traditional enrollments, particularly among non-resident undergraduate students.



University of Arizona FY 2023 Annual Budget

- Approved tuition rate increases for students entering the Fall 2022 guaranteed tuition cohort are 2% for undergraduate resident students and 5.6% for undergraduate non-resident students.
- FY22 represents the last year of one-time Higher Education Emergency Relief Funds (HEERF) and therefore will result in a decrease of \$88.1 million.
- A \$2.3 million decrease in Other Revenues primarily due to updated expectations around investment income returns.
- \$31.8 million increase in Auxiliary revenues primarily due to expected return of on-campus events and services.

Expenses

FY 2023 expenses are projected to be \$2.27 billion, an increase of \$69.7 million over the FY 2022 revised projections. This represents a 3.2% increase. Expenditure changes reflect the strategic investments to be made from General Purpose funds (detailed in the next section) as well as increases in auxiliary, sponsored research, and other activities.

- Salaries and Wages are expected to increase approximately \$51.5 million or 5%. This is attributable to a campus-wide salary program targeting a 4% increase as well as expected increases in overall workforce as campus returns to more normal operations.
- Benefits are projected to increase \$19.3 million, approximately 5.7%, associated with the above referenced increases in Salary and Wages.
- All Other Operating expenses are expected to increase \$29.5 million, representing a 5.5% increase. This increase is attributable largely to an increase in Grant and Contract activity as well as the return of Auxiliary sales and associated Cost of Goods Sold.
- Interest on indebtedness reflects a decrease of \$4.3 million primarily related to the refinancing efforts made during FY21.
- Scholarships and Fellowships expenditures will increase short of those previously funded from HEERF funding, the net decline to students will be \$34.7 million.



University of Arizona FY 2023 Annual Budget

FY 2023 Strategic Investments

From our General Purpose Funds, we plan to make a number of strategic investments. These investments are aligned with our strategic plan and priorities and will be funded via incremental sources as well as funds identified for reallocation.

- Financial Aid, \$24.2 million as compared to FY 2022 forecast with \$20.7 million in waivers and \$3.5 million other awards. The percentage of institutional tuition discount is expected to remain consistent with FY 2022 forecast levels as we have modified our institutional aid policies for incoming students.
- Faculty, Staff, and Graduate Assistant Salary Adjustments, \$25.9 million – the University is focused on providing annual salary adjustments based upon performance in order to reward employees and improve its competitiveness in retaining this highly valued resources. In addition, the University will adjust wages to meet the new State Minimum Wage.
- Strategic Planning Initiatives support of \$25.9 million. This funding will support a variety of initiatives designed to improve retention, completion, and new program development.
- \$3 million in additional student services support needed as enrollment increases, \$5.9 million in new facilities related costs as new buildings and leased space come online, and \$27 million in investments in our IT infrastructure associated with our financial system and student engagement system.
- \$2.7 million to be used to support MD students in the Colleges of Medicine and \$6.5 million to support a new cohort of College of Veterinary Medicine students.
- The Governor’s executive budget proposal is assumed to be dedicated for New Economy initiatives budgeted at \$14.7 million.
- The remainder of the listed investments represent an internal budget model allocation process and the dollar amounts reflected in the proposal are consistent with comparing the FY 2022 original budget to the FY 2023 original budget and also reflect the new realities embedded in the FY 2022 revised forecasts.

Summary

The University of Arizona continually works to implement efficiencies and identify savings opportunities. It is committed to its students, parents, employees, and the State to providing the most efficient and effective services as possible. The FY 2023 budget is one example of this commitment.

FY 2023 ANNUAL BUDGET

**UNIVERSITY OPERATING BUDGET
 FY 2023 (WITH FY 2022 COMPARATIVE BUDGET DATA)
 (\$ millions)**

	FY 2023	FY 2022	FY 2022	VARIANCE BETWEEN		VARIANCE BETWEEN	
	BUDGET	ESTIMATE	BUDGET	FY 2023 BGT & FY 2022 EST		FY 2022 EST & FY 2022 BGT	
Revenues							
State General Fund Appropriation	\$316.1	\$307.6	\$265.9	\$8.5	2.8%	\$41.7	15.7%
State Appropriation - Research Infrastructure	\$14.3	\$14.2	\$14.2	\$0.1	0.7%	\$0.0	0.0%
State Appropriation - Capital Infrastructure	\$11.3	\$11.1	\$11.1	\$0.2	1.8%	\$0.0	0.0%
State Appropriation - AFAT	\$2.7	\$2.7	\$2.7	\$0.0	0.0%	\$0.0	0.0%
Total General Fund Appropriation	\$344.4	\$335.6	\$293.9	\$8.8	2.6%	\$41.7	14.2%
State Appropriations Transfer - Arizona Teachers Academy	\$1.5	\$1.5	\$1.5	\$0.0	0.0%	\$0.0	0.0%
State Appropriations Transfer - Arizona Promise Program	\$5.1	\$0.0	\$0.0	\$5.1	--	\$0.0	--
Tuition and Fees	\$1,086.9	\$1,005.8	\$924.6	\$81.1	8.1%	\$81.2	8.8%
<i>less Scholarship Allowance</i>	<i>(\$343.1)</i>	<i>(\$326.9)</i>	<i>(\$293.2)</i>	<i>(\$16.2)</i>	5.0%	<i>(\$33.7)</i>	11.5%
Net Tuition and Fees	\$743.8	\$678.9	\$631.4	\$64.9	9.6%	\$47.5	7.5%
Grants & Contracts -- Research	\$684.0	\$656.3	\$656.3	\$27.7	4.2%	\$0.0	0.0%
Financial Aid Grants (Primarily Federal Pell Grants)	\$60.4	\$56.3	\$56.3	\$4.1	7.3%	\$0.0	0.0%
Higher Education Emergency Relief (HEERF) – Student	-	38.2	43.2	<i>(\$38.2)</i>	-100.0%	<i>(\$5.0)</i>	-11.6%
Higher Education Emergency Relief (HEERF) – Institutional/Other	-	49.9	47.1	<i>(\$49.9)</i>	-100.0%	\$2.8	5.9%
Private Gifts	\$98.1	\$91.8	\$91.8	\$6.3	6.9%	\$0.0	0.0%
Technology & Research Initiative Fund (TRIF)	\$33.9	\$43.9	\$30.0	<i>(\$10.0)</i>	-22.8%	\$13.9	46.3%
Auxiliary Revenues, Net	\$182.8	\$151.0	\$151.0	\$31.8	21.1%	\$0.0	0.0%
Other Revenues	\$167.0	\$169.3	\$169.3	<i>(\$2.3)</i>	-1.4%	\$0.0	0.0%
Total Other Revenues	\$1,226.2	\$1,256.7	\$1,245.0	(\$30.5)	-2.4%	\$11.7	0.9%
Total Revenues	\$2,321.0	\$2,272.7	\$2,171.8	\$48.3	2.1%	\$100.9	4.6%
Expenses							
Salaries and Wages	\$1,073.1	\$1,021.6	\$999.0	\$51.5	5.0%	\$22.6	2.3%
Benefits	\$358.9	\$339.6	\$335.6	\$19.3	5.7%	\$4.0	1.2%
All Other Operating	\$565.4	\$535.9	\$524.5	\$29.5	5.5%	\$11.4	2.2%
HEERF Student Emergency Grants	\$0.0	\$38.2	\$43.2			<i>(\$5.0)</i>	-11.6%
Scholarships & fellowships, Net of Scholarship Allowance	\$69.1	\$65.6	\$60.8	\$3.5	5.3%	\$4.8	7.9%
Interest on Indebtedness	\$51.9	\$56.2	\$56.2	<i>(\$4.3)</i>	-7.7%	\$0.0	0.0%
Depreciation	\$156.4	\$148.0	\$148.0	\$8.4	5.7%	\$0.0	0.0%
Pension Liability/OPEB (GASB 68 & GASB 45)				\$0.0	--	\$0.0	--
Total Expenses	\$2,274.8	\$2,205.1	\$2,167.3	\$69.7	3.2%	\$37.8	1.7%
Net Increase	\$46.2	\$67.6	\$4.5	(\$21.4)	-31.7%	\$63.1	1402.2%

Monthly Days Cash on Hand

Monthly days cash on hand is projected to be 160 days at June 30, 2023.



Year	Days
FY 19	151
FY 20	132
FY 21	175
FY 22 EST	170
FY 23 EST	160

Legend: ■ Boards Target Range (75%-125% Moody's Median) — UA



ANNUAL BUDGET

INCREMENTAL ALLOCATION OF GENERAL PURPOSE¹ FUNDS (\$ millions)

FY22 Base Budget **\$ 1,246.2**

Changes in Incremental Funding	
State General Fund Appropriations	50.5
Other Revenues	19.3
Revenues from Tuition and Fees FY22	137.9
Net Change in Resources	207.7

Allocation of Incremental Resources	
Student Financial Aid	24.2
Investment in Workforce Development for the New Economy	14.7
Faculty & Staff Salary Program	25.9
Benefits Costs	3.9
Enrollment Growth Expenses	3.0
Strategic Plan Investments	25.9
Debt Service	1.9
Facilities Costs (operations & maintenance, utilities)	4.0
Investments in programs supported by fees	7.8
Veterinary Medicine Program	6.5
College of Medicine MD programs	2.7
Financials Modernization and IT Investments	27.0
Departmental Budget Model Allocations	26.4
FY22 Center for the Philosophy of Freedom	1.3
FY22 Arizona Geological Survey	0.2
FY22 New Economy	17.6
FY22 Backfill Employee Health Insurance Costs	5.9
FY22 Agriculture Workforce Program	0.5
FY22 Natural Resource Users Law and Policy Center	0.5
FY22 School of Mining	4.0
FY22 Kazakhstan Programs	0.3
FY22 Wind Tunnel	3.5
Net Change in College and Administrative Budget Allocations	\$ 207.7

FY23 Base Budget **\$ 1,453.9**

Strategic Metric Addressed			
Student Educational Success & Learning	Educational	Discover New Knowledge	Impact Arizona
e.g. Fr retention, enrollment, grad rates, etc.	e.g. Bachelors degrees awarded, grad degrees, E&G, certifications and credentials	e.g. Research and development, licenses & options, inventions	e.g. Public service, degrees in high demand fields, etc.
Note which metrics addressed in each quadrant for each line item			
X	X		
	X	X	X
X	X	X	X
X	X	X	X
X	X	X	X
X	X	X	X
X	X	X	X
	X		X
	X		X
X	X	X	X
X	X	X	X
	X	X	X
	X		X
	X	X	X
	X		X
	X	X	

¹ General Purpose Funds include state general funds, tuition and fees, investment income, administrative service charge, and facilities and administration revenue (indirect cost recovery).

FY 2023



ANNUAL BUDGET

STATE EXPENDITURE AUTHORITY BY APPROPRIATION CAMPUS (\$ thousands)

	FY23 BUDGET			FY22 BUDGET	CHANGE
	MAIN	AHS	TOTAL		
University Revenues					
Resident Tuition	\$ 251,080.2	\$ 23,860.0	\$ 274,940.2	\$ 270,885.3	\$ 4,054.9
Non Resident Tuition	496,074.8	10,493.2	506,568.0	398,296.0	108,272.0
Online Tuition Revenue	107,665.2	-	107,665.2	91,044.3	16,620.9
Program Fees	36,366.8	-	36,366.8	33,505.9	2,860.9
Miscellaneous Revenues ¹	(13,360.7)	36,959.3	23,598.6	17,474.1	6,124.5
Total University Revenues	\$ 877,826.3	\$ 71,312.5	\$ 949,138.8	\$ 811,205.6	\$ 137,933.2
University Revenues Retained for Local Uses					
Support for Local Operating Budgets	\$ 162,531.6	\$ -	\$ 162,531.6	\$ 133,390.3	\$ 29,141.3
Program Fees/Differential Tuition	31,275.5	-	31,275.5	28,815.1	2,460.4
Regents Financial Aid Set Aside	53,166.8	2,691.2	55,858.0	52,409.6	3,448.4
Other Financial Aid	221,508.1	1,946.0	223,454.1	202,709.4	20,744.7
Plant Funds	4,776.5	-	4,776.5	4,776.5	-
Debt Service/COPS/Lease Purchase	21,756.5	-	21,756.5	28,152.4	(6,395.9)
Total Retained for Local Uses	\$ 495,015.0	\$ 4,637.2	\$ 499,652.2	\$ 450,253.3	\$ 49,398.9
Appropriated Tuition	\$ 382,811.3	\$ 66,675.3	\$ 449,486.6	\$ 360,952.3	\$ 88,534.3
Plus: State General Fund Appropriation	267,463.5	76,897.7	344,361.2	293,949.2	50,412.0
Total State Expenditure Authority	\$ 650,274.8	\$ 143,573.0	\$ 793,847.8	\$ 654,901.5	\$ 138,946.3

¹ Miscellaneous Revenues include Distributed, Summer Session Reimbursement, and other Miscellaneous Revenues. It also includes a tuition transfer from Main Campus to support units within the AHS Campus.

FY 2023



ANNUAL BUDGET

LOCAL COLLECTIONS

	FY23 BUDGET			FY22 BUDGET	CHANGE
	MAIN	AHS	TOTAL		
LOCAL COLLECTIONS FROM TUITION AND FEES					
OPERATING FUNDS					
<i>DESIGNATED</i>					
Admissions Recruiting	3,555,500	-	3,555,500	\$ 3,555,500	-
Advising Resource Center	202,100	-	202,100	479,200	(277,100)
Applied Biosciences Program	144,800	-	144,800	145,000	(200)
ASUA	161,600	-	161,600	161,600	-
ASUA-Cart Service	149,300	-	149,300	149,300	-
Bursar Billing Support	3,600,000	-	3,600,000	3,000,000	600,000
Campus Brand Engagement	485,100	-	485,100	-	485,100
Campus Health and Wellness	196,300	-	196,300	196,300	-
Campus Life Administration	59,700	-	59,700	-	59,700
CATS Academics	679,200	-	679,200	-	679,200
Dean of Students	962,000	-	962,000	701,000	261,000
Digital Innovation/Stewardship	4,900	-	4,900	4,900	-
Distance Education Program	15,169,000	-	15,169,000	10,744,700	4,424,300
Diversity & Inclusion	2,091,600	-	2,091,600	728,500	1,363,100
Early Outreach	315,000	-	315,000	315,000	-
Enrollment Management	2,435,000	-	2,435,000	1,092,500	1,342,500
Enrollment Marketing	1,149,500	-	1,149,500	1,895,400	(745,900)
FM Student Recreation O&M	259,300	-	259,300	259,300	-
Graduate & Professional Student Council	238,800	-	238,800	240,300	(1,500)
Graduate College	753,900	-	753,900	1,211,900	(458,000)
Graduate Scholarships	3,559,200	-	3,559,200	3,559,200	-
Hispanic Serving Institution	417,900	-	417,900	417,900	-
Learning Disabilities Mandated Services	1,149,100	-	1,149,100	296,000	853,100
Library Acquisitions	461,200	-	461,200	461,200	-
Merchant Credit Card Banking Fees	468,200	-	468,200	468,200	-
Military/ROTC Programs	219,000	-	219,000	219,000	-
Minority Student Recruitment	185,200	-	185,200	185,200	-

FY 2023



ANNUAL BUDGET

LOCAL COLLECTIONS

	FY23 BUDGET			FY22 BUDGET	CHANGE
	MAIN	AHS	TOTAL		
New Start Program	265,800	-	265,800	311,700	(45,900)
Office of the Registrar	1,314,500	-	1,314,500	1,543,900	(229,400)
Online Program Support	107,665,200	-	107,665,200	91,044,300	16,620,900
Student Activities	94,800	-	94,800	94,800	-
Student Affairs Systems Group	654,600	-	654,600	820,300	(165,700)
Student Child Care Voucher Program	354,800	-	354,800	283,100	71,700
Student Engagement	1,160,700	-	1,160,700	1,160,700	-
Student Financial Aid Office	1,816,000	-	1,816,000	1,816,000	-
Student Programs	116,700	-	116,700	116,700	-
Student Services	959,700	-	959,700	1,093,700	(134,000)
Student Services Support - Student Union O&M	1,238,400	-	1,238,400	1,143,100	95,300
Student Transitions/Retention	3,817,500	-	3,817,500	755,900	3,061,600
Student Travel Support	50,300	-	50,300	50,300	-
Sustainability Projects	796,000	-	796,000	796,000	-
Think Tank	1,719,200	-	1,719,200	946,300	772,900
UA Commencement	1,059,700	-	1,059,700	559,700	500,000
UA Library Administration	260,100	-	260,100	260,100	-
UA Presents	33,200	-	33,200	24,600	8,600
Utilities	82,000	-	82,000	82,000	-
OPERATING FUNDS SUBTOTAL	\$ 162,531,600	\$ -	\$ 162,531,600	\$ 133,390,300	\$ 29,141,300
<i>FINANCIAL AID</i>					
Main Campus Financial Aid - ABOR Policy	53,166,800	-	53,166,800	50,052,100	3,114,700
Student Aid Awards (formerly tuition waivers)	216,416,800	1,946,000	218,362,800	198,018,600	20,344,200
College of Medicine Financial Aid - ABOR Policy	-	1,307,700	1,307,700	1,293,300	14,400
College of Medicine-Phx Financial Aid - ABOR Policy	-	1,383,500	1,383,500	1,064,200	319,300
SUBTOTAL	\$ 269,583,600	\$ 4,637,200	\$ 274,220,800	\$ 250,428,200	\$ 23,792,600
MINOR CAPITAL PROJECTS/START UP FUNDS	4,776,500	-	4,776,500	4,776,500	-
DEBT SERVICE	21,756,500	-	21,756,500	28,152,400	(6,395,900)
TOTAL LOCAL RETENTION FROM TUITION	\$ 458,648,200	\$ 4,637,200	\$ 463,285,400	\$ 416,747,400	\$ 46,538,000

FY 2023



ANNUAL BUDGET

LOCAL COLLECTIONS

	FY23 BUDGET			FY22 BUDGET	CHANGE
	MAIN	AHS	TOTAL		
LOCAL COLLECTIONS FROM PROGRAM FEES					
College of Architecture & Landscape Architecture	815,500	-	815,500	751,300	64,200
College of Agriculture and Life Sciences	761,900	-	761,900	701,900	60,000
College of Engineering	3,299,300	-	3,299,300	3,039,800	259,500
College of Fine Arts	468,800	-	468,800	431,900	36,900
College of Medicine-Tucson	105,300	-	105,300	97,000	8,300
College of Nursing	2,868,400	-	2,868,400	2,642,700	225,700
R Ken Coit College of Pharmacy	6,316,500	-	6,316,500	5,819,600	496,900
College of Public Health	489,300	-	489,300	450,800	38,500
College of Science	941,600	-	941,600	867,500	74,100
College of Social and Behavioral Science	2,021,300	-	2,021,300	1,862,300	159,000
Eller College of Management	9,122,300	-	9,122,300	8,404,800	717,500
W.A. Franke Honors College	1,880,900	-	1,880,900	1,732,900	148,000
James E Rogers College of Law	2,184,400	-	2,184,400	2,012,600	171,800
SUBTOTAL	\$ 31,275,500	\$ -	\$ 31,275,500	\$ 28,815,100	\$ 2,460,400
<i>FINANCIAL AID</i>					
College of Architecture & Landscape Architecture Financial Aid	132,700	-	132,700	122,300	10,400
College of Agriculture and Life Sciences Financial Aid	124,000	-	124,000	114,300	9,700
College of Engineering Financial Aid	537,100	-	537,100	494,800	42,300
College of Fine Arts Financial Aid	76,300	-	76,300	70,300	6,000
College of Medicine-Tucson Financial Aid	17,100	-	17,100	15,800	1,300
College of Nursing Financial Aid	466,900	-	466,900	430,200	36,700
R Ken Coit College of Pharmacy Financial Aid	1,028,300	-	1,028,300	947,400	80,900
College of Public Health Financial Aid	79,700	-	79,700	73,400	6,300
College of Science Financial Aid	153,300	-	153,300	141,200	12,100
College of Social and Behavioral Science Financial Aid	329,100	-	329,100	303,200	25,900
Eller College of Management Financial Aid	1,485,000	-	1,485,000	1,368,200	116,800
W.A. Franke Honors College Financial Aid	306,200	-	306,200	282,100	24,100
James E Rogers College of Law Financial Aid	355,600	-	355,600	327,600	28,000
SUBTOTAL	\$ 5,091,300	\$ -	\$ 5,091,300	\$ 4,690,800	\$ 400,500
TOTAL LOCAL RETENTION FROM PROGRAM FEES	\$ 36,366,800	\$ -	\$ 36,366,800	\$ 33,505,900	\$ 2,860,900
TOTAL LOCAL COLLECTIONS	\$ 495,015,000	\$ 4,637,200	\$ 499,652,200	\$ 450,253,300	\$ 49,398,900

FY 2023



ANNUAL BUDGET

FY 2023 LOCAL BUDGETS WITH DEFICITS OF \$100,000 OR MORE

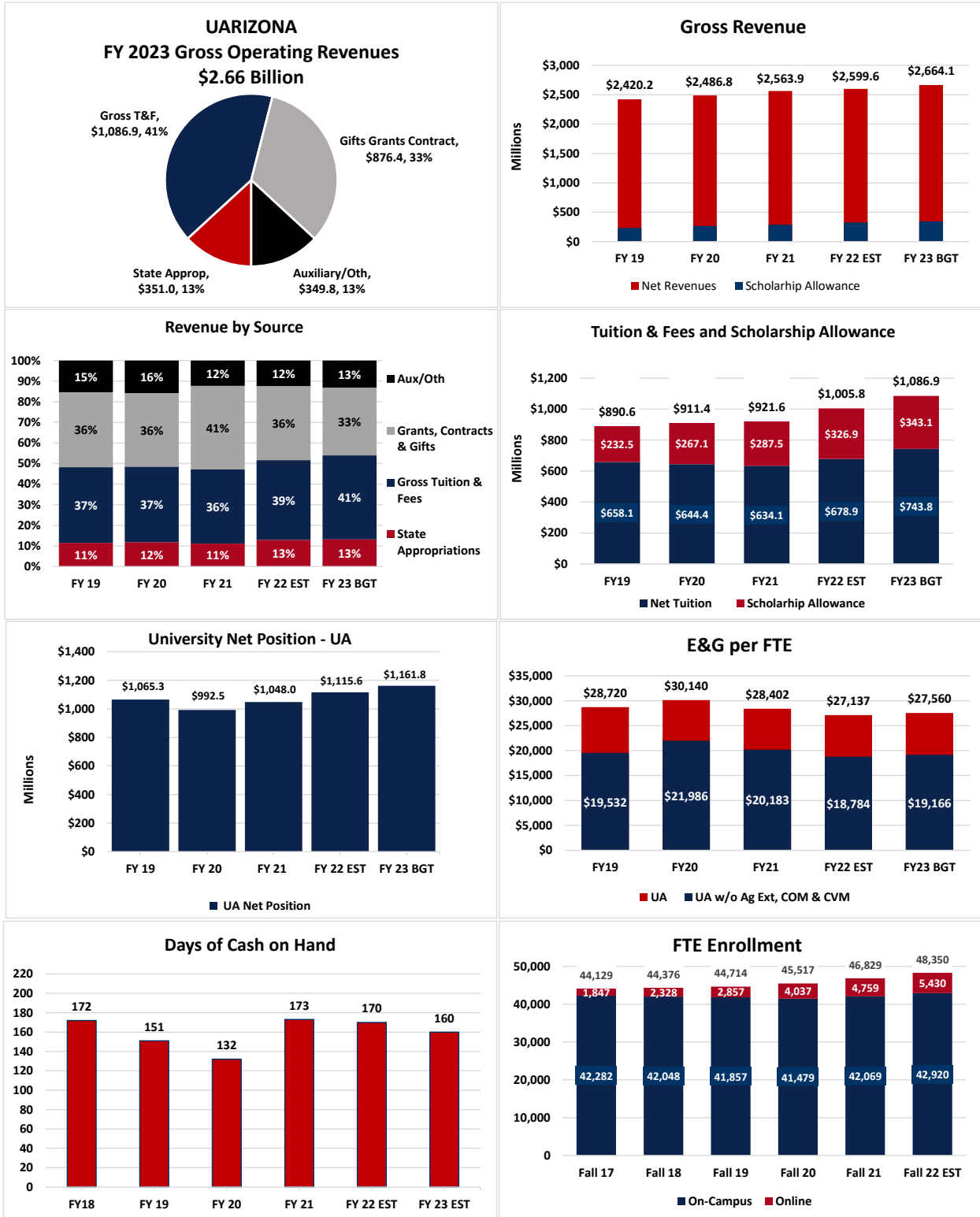
UNIT	FY22 ENDING BALANCE	FY23 ESTIMATED REVENUES AND TRANSFERS IN	FY23 ESTIMATED EXPENDITURES AND TRANSFERS OUT	FY23 ENDING BALANCE
<i>Deficits: None</i>				

UNIVERSITY OF ARIZONA - TUITION AND FEES REVENUE
 (\$000)

	FY 19	FY20	FY21	FY22 EST	FY23 BGT	Δ FY22/FY23	
Fall/Spring Base Tuition	675,140	686,575	668,894	723,348	781,508	58,160	8%
NR UG	344,182	351,092	329,548	383,999	433,709	49,710	13%
RES UG	216,985	219,660	218,009	211,176	208,388	(2,788)	-1%
NR Grad	57,894	60,323	62,918	67,080	72,859	5,779	9%
RES Grad	56,080	55,500	58,418	61,093	66,552	5,460	9%
Online	49,671	59,496	82,339	95,404	107,665	12,261	13%
NR UG	8,593	12,771	21,316	26,420	29,816	3,396	13%
RES UG	7,639	11,354	18,951	23,489	26,508	3,019	13%
NR Grad	16,921	17,899	21,290	23,022	25,981	2,959	13%
RES Grad	16,517	17,472	20,782	22,473	25,362	2,888	13%
Prog Fees/Diff	33,607	32,938	32,730	34,723	36,367	1,644	5%
UG	17,191	16,907	16,705	18,751	19,639	888	5%
Grad	16,416	16,031	16,024	15,972	16,728	756	5%
College Fee	-	-	-	-	-	-	-
UG			-	-	-	-	-
Grad		-	-	-	-	-	-
Course Fees	6,174	6,363	6,979	7,272	7,536	264	4%
UG	5,680	5,855	6,421	6,690	6,934	243	4%
Grad	494	509	558	581	603	21	4%
Ext Ed Fees	16,996	13,805	17,302	28,649	29,506	858	3%
Non Degree	4,217	5,137	5,742	5,163	5,259	96	2%
Summer Session	37,005	37,926	38,090	39,689	41,290	1,601	4%
Mandatory Fees	46,880	49,585	50,683	51,318	57,206	5,888	11%
UG	38,442	40,660	41,560	42,081	46,909	4,828	11%
Grad	8,438	8,925	9,123	9,237	10,297	1,060	11%
Other Misc	20,869	19,581	18,879	20,255	20,548	293	1%
Total Tuition & Fees	890,558	911,407	921,637	1,005,821	1,086,886	81,065	8%
Yearly Change	3%	2%	3%	9%	8%		
Scholarship Allowance	232,468	267,055	287,545	326,900	343,100		
Net Tuition and Fees	658,090	644,352	634,092	678,921	743,786		



FY 2023 ANNUAL BUDGET





**ABOR System Office
FY 2023 Annual Budget**

Introduction and Background

The proposed Arizona Board of Regents FY 2023 budget is \$49.3 million. The budget is comprised of ABOR programs and pass-through funds of \$39.6 million, and ABOR operating expenses of \$9.8 million.

FY 2023 Budget

The FY 2023 portion of programs and pass-through funds represents a decrease of \$1.7 million, or 4%, that is primarily due to remaining one-time funds from Proposition 207 (marijuana funds) for the Arizona Teachers Academy.

The FY 2023 operating budget represents an increase \$1.6 million, or 20%. The operating budget will support increased staffing related to:

- Expansion of advocacy efforts;
- Implementation of attainment initiatives and partnerships;
- Continued buildout of the board office data collection, analysis and reporting section (to support the board, as well as the expanded advocacy and attainment activities);
- Annualized costs of expanding the Academic Affairs and Legal sections; and
- General board office support.

The last table shows the revenues and expenses related to direct operating expenses.



ABOR OPERATING BUDGET

FY 2023 (WITH FY 2022 COMPARATIVE BUDGET DATA)

(\$ millions)

FY 2023 ANNUAL BUDGET

	FY 2023	FY 2022	FY 2022	VARIANCE BETWEEN		VARIANCE BETWEEN	
	BUDGET	ESTIMATE	BUDGET	FY 2023 BGT & FY 2022 EST		FY 2022 EST & FY 2022 BGT	
Revenues							
State General Fund Appropriation	\$30.0	\$29.5	\$29.9	\$0.5	1.6%	(\$0.4)	-1.4%
GF - Commission for Postsecondary Education to ABOR	\$1.3	\$1.3	\$1.3	\$0.0	0.0%	\$0.0	0.0%
GF - Transfer out from ACPE AZ Teacher Student Loan Program (Private School Students)	\$0.4	\$0.4	\$0.4	\$0.0	0.0%	\$0.0	0.0%
GF - Transfer-out: state appropriations: ATA, AZ Promise, Adaptive Athletics, DC Internships	(\$22.3)	(\$22.2)	(\$23.0)	(\$0.1)	0.2%	\$0.7	-3.2%
				\$0.0	--	\$0.0	--
Total General Fund Appropriation	\$9.3	\$8.9	\$8.6	\$0.4	4.6%	\$0.3	648.1%
Tuition and Fees							
less Scholarship Allowance				\$0.0	--	\$0.0	--
Net Tuition and Fees	\$0.0	\$0.0	\$0.0	\$0.0	--	\$0.0	--
Grants & Contracts -- Research	\$0.2	\$0.2		\$0.0	10.1%	\$0.2	--
Financial Aid Grants (Primarily Federal Pell Grants)	\$1.1	\$1.1	\$0.0	\$0.0	0.0%	\$1.1	--
Higher Education Emergency Relief (HEERF) -- Student	\$0.0	\$0.0		\$0.0	--	\$0.0	--
Higher Education Emergency Relief (HEERF) -- Institutional/Other	\$0.0	\$0.0		\$0.0	--	\$0.0	--
Private Gifts	\$0.0	\$0.0		\$0.0	--	\$0.0	--
Technology & Research Initiative Fund (TRIF)	\$2.0	\$2.0	\$2.0	\$0.0	0.0%	\$0.0	0.0%
Auxiliary Revenues, Net	\$0.0	\$0.0		\$0.0	--	\$0.0	--
Other Revenues	\$5.8	\$5.5	\$5.9	\$0.3	5.8%	(\$0.4)	-7.2%
Total Other Revenues	\$9.1	\$8.7	\$7.9	\$0.3	3.8%	\$0.8	10.7%
Total Revenues	\$18.4	\$17.7	\$16.5	\$0.7	4.2%	\$1.1	6.9%
Expenses							
Salaries and Wages	\$5.2	\$4.1	\$4.1	\$1.1	28.2%	(\$0.0)	-1.1%
Benefits	\$2.0	\$1.6	\$1.4	\$0.4	27.0%	\$0.2	11.5%
All Other Operating	\$3.1	\$3.0	\$4.4	\$0.1	3.3%	(\$1.4)	-31.2%
HEERF Student Grants				\$0.0	--	\$0.0	--
Other Financial Assistance/Pass-through Funds	\$14.8	\$16.4	\$6.3	(\$1.6)	-9.7%	\$10.1	161.0%
AZ Promise Marketing/Administration	\$0.2	\$0.2	\$6.3	\$0.0	0.0%	(\$6.1)	-96.4%
Interest on Indebtedness	\$0.0	\$0.0	\$6.3	\$0.0	--	(\$6.3)	-100.0%
Depreciation	\$0.0	\$0.0	\$6.3	\$0.0	--	(\$6.3)	-100.0%
Pension Liability/OPEB (GASB 68 & GASB 45)	\$0.0	\$0.0	\$0.0	\$0.0	--	\$0.0	--
Other Expenses	\$1.7	\$1.7	\$1.7	\$0.0	0.0%	\$0.0	0.8%
Total Expenses	\$27.1	\$27.0	\$36.8	\$0.1	0.2%	\$0.1	2602.5%
Net Increase	(\$8.7)	(\$9.3)	(\$20.3)	\$0.7	-7.3%	\$10.9	-53.9%



FY 2023 ANNUAL BUDGET

ABOR Operating Budget

	FY 2023 BGT	FY 2022 EST
Carryforward	\$1,317,281	\$1,576,947
Revenue		
General Fund	\$2,455,400	\$2,421,300
University Assessment	\$3,372,000	\$3,372,038
TRIF	\$2,000,000	\$1,553,004
Other	\$340,000	\$585,094
Total Revenue	\$8,167,400	\$7,931,436
Expenses		
Personal Services	\$5,179,130	\$4,056,367
ERE	\$1,983,269	\$1,561,503
Professional Services	\$1,495,710	\$1,493,910
Other Operating Expenses	\$1,130,805	\$1,079,322
Total Expenses	\$9,788,914	\$8,191,102
BALANCE	(\$304,233)	\$1,317,281
Structural Deficit	(\$1,621,514)	(\$259,666)