

University of Arizona - Main Campus

	FY 2020 ACTUAL	FY 2021 ESTIMATE	FY 2022 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	6,021.3	5,767.2	5,769.2 ^{1/}
Personal Services	335,167,600	238,829,600	238,829,600
Employee Related Expenditures	113,617,700	81,544,200	84,266,400
Professional and Outside Services	9,759,400	3,253,300	3,253,300
Travel - In State	79,900	103,900	103,900
Travel - Out of State	875,000	43,000	43,000
Other Operating Expenditures	85,423,100	29,999,700	141,128,300
OPERATING SUBTOTAL	544,922,700	353,773,700	467,624,500 ^{2/}
SPECIAL LINE ITEMS			
2003 Research Infrastructure Lease-Purchase Payment	14,250,200	14,251,500	14,248,900 ^{3/}
2017 Capital Infrastructure Funding	10,762,700	10,953,200	11,087,900 ^{4/}
Agriculture	41,189,000	41,739,700	41,441,300
Arizona Cooperative Extension	15,102,900	14,676,400	15,077,000
Arizona Financial Aid Trust	2,729,400	2,729,400	2,729,400
Arizona Geological Survey	834,100	948,500	1,148,500 ^{5/}
Center for the Philosophy of Freedom	1,751,200	2,556,800	3,763,700 ^{6/}
Kazakhstan Studies Program	0	0	250,000 ^{7/}
School of Mining	0	0	4,000,000
Mining, Mineral and Natural Resources Educational Museum	85,300	428,800	428,800
Natural Resource Users Law and Policy Center	0	0	500,000 ^{8/}
One-Time Funding	9,450,000	0	0
Sierra Vista Campus	6,839,100	6,250,700	6,196,300
AGENCY TOTAL	647,916,600	448,308,700	568,496,300 ^{9/10/}
FUND SOURCES			
General Fund	215,808,900	207,722,200	250,739,100 ^{11/12/13/}
<u>Other Appropriated Funds</u>			
University Collections Fund	432,107,700	240,586,500 ^{14/}	317,757,200 ^{15/}
SUBTOTAL - Other Appropriated Funds	432,107,700	240,586,500	317,757,200
SUBTOTAL - Appropriated Funds	647,916,600	448,308,700	568,496,300 ^{16/}
Other Non-Appropriated Funds	1,215,251,200	1,106,756,100	1,125,969,200
Federal Funds	213,120,200	192,709,200	195,421,000
TOTAL - ALL SOURCES	2,076,288,000	1,747,774,000	1,889,886,500

AGENCY DESCRIPTION — Established in 1885, The University of Arizona (UA) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). Upon its establishment, UA received the federal land grant for Arizona, allowing the creation of agricultural and mining programs that continue today.

FOOTNOTES

- ^{1/} Includes 962.9 GF and 283.2 OF FTE Positions funded from Special Line Items in FY 2022.
- ^{2/} The amount appropriated for the operating budget includes \$5,886,500 to backfill tuition costs associated with the fiscal year 2021-2022 employer health insurance premium increases. The legislature intends that any future employer health insurance premium increases continue to be allocated using the overall allocation of state general fund and appropriated tuition monies. (General Appropriation Act footnote)
- ^{3/} A.R.S. § 15-1670 appropriates \$14,248,900 to UA-Main from the General Fund in FY 2022 to finance lease-purchase payments for research infrastructure projects.
- ^{4/} A.R.S. § 15-1671 appropriates \$11,087,900 to UA-Main from the General Fund in FY 2022 for capital infrastructure projects.

- 5/ The university of Arizona may not use monies appropriated for the Arizona geological survey line item for any other purpose and may not transfer the monies appropriated for the Arizona geological survey to the operating budget or any other line item. (General Appropriation Act footnote)
- 6/ The appropriated amount for the center for the philosophy of freedom line item may not supplant any existing state funding or private or external donations to the center or the philosophy department of the university of Arizona. The appropriated monies and all private and external donations to the center, including any remaining balances from prior fiscal years, shall be deposited in a separate account, shall be used only for the direct operation of the center and may not be used for indirect costs of the university. On or before October 1, 2021, the center shall submit a report to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate education committee and the house of representatives education committee and the director of the joint legislative budget committee that includes at least the following information for the center:
1. The total amount of funding received from all sources.
 2. A description of faculty positions and courses offered.
 3. The total undergraduate and graduate student participation.
 4. Significant community events, initiatives or publications.
- The chairpersons of the senate education committee and the house of representatives education committee may request the director of the center to appear before the committees to report on the center's annual achievements. (General Appropriation Act footnote)
- 7/ The university of Arizona shall use monies appropriated for the Kazakhstan studies program to facilitate academic exchanges between university students and academic institutions in Kazakhstan. (General Appropriation Act footnote)
- 8/ The amount appropriated for the natural resource users law and policy center line item shall be used by the natural resource users law and policy center within the Arizona cooperative extension to assist claimants in the general stream adjudication of water rights pursuant to section 15-1647, Arizona Revised Statutes. (General Appropriation Act footnote)
- 9/ Other than scholarships awarded through the Arizona financial aid trust, the appropriated monies may not be used for scholarships or any student newspaper. (General Appropriation Act footnote)
- 10/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 11/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 12/ The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)
- 13/ The FY 2022 General Fund budget is \$250,739,100. This amount includes \$227,404,000 in UA - Main's individual section of the FY 2022 General Appropriation Act, \$14,248,900 in A.R.S. § 15-1670 lease-purchase appropriations, \$11,087,900 in A.R.S. § 15-1671 capital infrastructure appropriations, and \$(2,001,700) for statewide adjustments.
- 14/ The FY 2021 University Collections Fund represents the appropriated portion of UA Main Campus tuition and fee revenues. In addition, \$569,828,300 of the FY 2021 Other Non-Appropriated Funds represents the non-appropriated portion of tuition and fee revenues. These tuition amounts are based on estimates submitted by the universities in September 2020 and are subject to changes in enrollment. Please see the [ABOR agency page](#) for a discussion of how these amounts compare to the most recent estimates submitted by the universities.
- 15/ Any unencumbered balances remaining in the university collections fund on June 30, 2021 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 expended for supplemental life insurance or supplemental retirement. (General Appropriation Act footnote)
- 16/ In addition to the appropriated amounts reported in the table, the FY 2021 General Appropriation Act included \$16,483,100 in FY 2022 for the occurrence of a 27th pay period. Of this amount, \$5,540,800 is from the General Fund and \$10,942,300 is from the University Collections Fund.

Operating Budget

The budget includes \$467,624,500 and 4,523.1 FTE Positions in FY 2022 for the operating budget. These amounts consist of:

	FY 2022
General Fund	\$166,099,300
University Collections Fund	301,525,200

FY 2022 adjustments are as follows:

Ongoing Operating Funding

The budget includes an increase of \$19,200,000 from the General Fund in FY 2022 for ongoing operating funding.

One-Time Operating Funding

The budget includes a one-time increase of \$9,600,000 from the General Fund in FY 2022 for one-time operating funding.

One-Time Wind Tunnel Funding

The budget includes a one-time increase of \$3,500,000 from the General Fund in FY 2022 for materials, labor and installation costs related to the research, development and infrastructure upgrades of a hypersonic wind tunnel.

Backfill Employee Health Insurance Costs

The budget includes an increase of \$5,886,500 from the General Fund in FY 2022 to backfill tuition costs associated with the FY 2022 employer health insurance premium increases. The budget includes a Legislative intent statement that any future increases continue to be allocated using the overall allocation of General Fund and appropriated tuition monies, consistent with one-time premium adjustment in prior fiscal years.

Tuition Revenue Adjustment

The budget includes an increase of \$81,677,100 from the University Collections Fund to adjust the appropriation for the university's revised tuition revenue estimates.

Statewide Adjustments

The budget includes a decrease of \$(6,012,800) in FY 2022 for statewide adjustments. This amount consists of:

General Fund	(1,688,400)
University Collections Fund	(4,324,400)

(Please see the Agency Detail and Allocations section.)

Student enrollment counts and tuition and fee levels for students will determine the amount of university tuition and fee collections. The University Collections Fund amount will ultimately be adjusted to reflect these revenue amounts. *(Please see the UA-Main Other Issues Section and ABOR for more information.)*

2003 Research Infrastructure Lease-Purchase Payment

The budget includes \$14,248,900 from the General Fund in FY 2022 for the 2003 Research Infrastructure Lease-Purchase Payment line item. FY 2022 adjustments are as follows:

Refinance Adjustment

The budget includes a decrease of \$(2,600) from the General Fund in FY 2022 to adjust the Certificates of Participation (COPs) payment.

As amended by the FY 2017 Higher Education Budget Reconciliation Bill (BRB), A.R.S. § 15-1670 appropriates an annual amount from the General Fund to the state university system from FY 2008 through FY 2031 to finance lease-purchase payments for research infrastructure project agreements entered into before July 1, 2006.

Since this funding appears in A.R.S. § 15-1670, this funding would not appear in the FY 2022 General Appropriation Act. In total, the universities have issued \$482,500,000 in COPs for research infrastructure projects. Of this amount, UA has issued \$201,300,000 in COPs.

(Please see the Long-Term Budget Impacts narrative below and the 2003 Research Infrastructure narrative in the ABOR section for more information.)

2017 Capital Infrastructure Funding

The budget includes \$11,087,900 from the General Fund in FY 2022 for the 2017 Capital Infrastructure Funding line item. FY 2022 adjustments are as follows:

Inflation Adjustment

The budget includes an increase of \$134,700 from the General Fund in FY 2022 for a 1.23% increase in Capital Infrastructure Funding.

Laws 2017, Chapter 328 established A.R.S. § 15-1671, which provides General Fund appropriations from FY 2019 - FY 2043 for new university research facilities, building renewal, or other capital construction projects. Since this funding appears in A.R.S. § 15-1671, this funding would not appear in the FY 2022 General Appropriation Act.

A.R.S. § 15-1670 increases the appropriation annually by the lesser of 2% or inflation, as measured by the change in the GDP deflator from the second preceding calendar year to the calendar year immediately preceding the fiscal year (in the example of FY 2022, from CY 2019 to CY 2020).

Given the timing of standard data revisions by the Bureau of Economic Analysis (BEA), the preceding year GDP may not be available until after enactment of the budget. To ensure certainty of our estimate, the FY 2022 Higher Education BRB includes a statutory change that the growth rate be determined using a full year's data in the second quarter of a calendar year. As a result, the provision will increase the appropriation annually by the

lesser of 2% or inflation, as measured by the change in the GDP deflator from the second quarter of the second preceding calendar year to the second quarter of the calendar year immediately preceding the fiscal year. In FY 2023, the adjustment will be calculated based on the change from the second quarter of CY 2020 to the second quarter of CY 2021. *(Please see the ABOR section for more information.)*

(Please see the [Lottery Bonds and Capital Infrastructure Funding Program Summary on the JLBC website](#) for more information.)

Agriculture

The budget includes \$41,441,300 and 779.8 FTE Positions in FY 2022 for the Agriculture Programs. These amounts consist of:

General Fund	28,642,300
University Collections Fund	12,799,000

FY 2022 adjustments are as follows:

Statewide Adjustments

The budget includes a decrease of \$(298,400) in FY 2022 for statewide adjustments. This amount consists of:

General Fund	(156,800)
University Collections Fund	(141,600)

This line item supports agricultural academic programs in Animal Systems; Environment and Natural Resources; Family, Youth, and Community; Human Nutrition, Food Safety and Health; Marketing, Trade, and Economics; and Plant Systems.

Arizona Cooperative Extension

The budget includes \$15,077,000 and 353.7 FTE Positions from the General Fund in FY 2022 for the Arizona Cooperative Extension. FY 2022 adjustments are as follows:

One-Time Agriculture Workforce Program

The budget includes a one-time increase of \$500,000 from the General Fund in FY 2022 to provide funding for the Agriculture Workforce Development Program. The FY 2022 Higher Education BRB established the program to provide reimbursement to food-producing organizations for the costs of hiring apprentices. UA is required to submit a report to the Governor, Speaker of the House of Representatives, and the Senate President on December 1 of each year regarding the effectiveness of the program.

The budget assumes the \$500,000 General Fund appropriation will be provided in FY 2022 and FY 2023.

Statewide Adjustments

The budget includes a decrease of \$(99,400) from the General Fund in FY 2022 for statewide adjustments.

This line item supports Agriculture Experiment Stations and Cooperative Extension services that provide non-credit community outreach seminars and youth programs throughout the state.

Arizona Financial Aid Trust

The budget includes \$2,729,400 from the General Fund in FY 2022 for the Arizona Financial Aid Trust (AFAT). This amount is unchanged from FY 2021. *(Please see the Other Issues: Arizona Financial Aid Trust narrative in the ABOR section for more information.)*

Arizona Geological Survey

The budget includes \$1,148,500 and 2 FTE Positions from the General Fund in FY 2022 for the Arizona Geological Survey. FY 2022 adjustments are as follows:

Program Funding Increase

The budget includes an increase of \$200,000 and 2 FTE Positions from the General Fund in FY 2022 to provide additional operating support for the Arizona Geological Survey.

The Geological Survey investigates Arizona's geology and provides technical advice and assistance to state and local government agencies, industry and other members of the public concerning the geologic environment and the development and use of mineral resources in Arizona.

Center for the Philosophy of Freedom

The budget includes \$3,763,700 and 35 FTE Positions from the General Fund in FY 2022 for the Center for the Philosophy of Freedom (CPF). FY 2022 adjustments are as follows:

One-Time Funding

The budget includes a one-time increase of \$1,250,000 from the General Fund in FY 2022 to increase CPF funding on a one-time basis.

Statewide Adjustments

The budget includes a decrease of \$(43,100) from the General Fund in FY 2022 for statewide adjustments.

This line item supports the CPF, which is within the UA Department of Political Economy and Moral Science. The CPF's functions include publishing research, undergraduate education, graduate education, and community outreach.

Kazakhstan Studies Program

The budget includes \$250,000 from the General Fund in FY 2022 for the Kazakhstan Studies Program. FY 2022 adjustments are as follows:

One-Time Funding

The budget includes a one-time increase of \$250,000 from the General Fund in FY 2022 for the Kazakhstan Studies Program. The budget requires the monies to be used to facilitate academic exchanges between university students and academic institutions in Kazakhstan.

School of Mining

The budget includes \$4,000,000 from the General Fund in FY 2022 for the School of Mining. FY 2022 adjustments are as follows:

Operating Funding

The budget includes an increase of \$4,000,000 from the General Fund in FY 2022 to provide operating funding to the UA School of Mining.

Mining, Mineral and Natural Resources Educational Museum

The budget includes \$428,800 and 1 FTE Position from the General Fund in FY 2022 for the Mining, Mineral, and Natural Resources Educational Museum. These amounts are unchanged from FY 2021.

This line item funds a curator and monies that will be used by the University to pay for repairs to the building.

Natural Resource Users Law and Policy Center

The budget includes \$500,000 from the General Fund in FY 2022 for the Natural Resource Users Law and Policy Center. FY 2022 adjustments are as follows:

Water Rights Adjudication

The budget includes an increase of \$500,000 from the General Fund in FY 2022 to provide program funding to offer pro bono assistance to claimants who are small landowners in the general stream adjudication of water rights. The program was established by the FY 2022 Higher Education BRB. The university is required to

submit a report on assistance activities to the Governor, Speaker of the House of Representatives, and Senate President on November 15 of each year.

Sierra Vista Campus

The budget includes \$6,196,300 and 74.6 FTE Positions in FY 2022 for the Sierra Vista Campus. These amounts consist of:

General Fund	2,763,300
University Collections Fund	3,433,000

FY 2022 adjustments are as follows:

Statewide Adjustments

The budget includes a decrease of \$(54,400) in FY 2022 for statewide adjustments. This amount consists of:

General Fund	(14,000)
University Collections Fund	(40,400)

UA - Sierra Vista offers upper-division undergraduate programs in 16 disciplines for community college transfer students. While ABOR authorized this UA branch campus for Sierra Vista in 1995, the Legislature has not formally established the campus in statute.

Other Issues

This section includes information on the following topics:

- Summary
- Long-Term Budget Impacts
- COVID-Related Spending
- University Collections and FTE Positions Adjustments

Summary

UA - Main's FY 2022 General Fund budget is \$250,739,100. Of this amount:

- \$227,404,000 is included in UA - Main's individual section of the FY 2022 General Appropriation Act.
- \$14,248,900 is appropriated in A.R.S. § 15-1670 for a research infrastructure lease-purchase payment.
- \$11,087,900 is appropriated in A.R.S. § 15-1671 for new university research facilities, building renewal, or other capital construction projects.
- \$(2,001,700) is for statewide adjustments.

These amounts exclude the FY 2022 funding already appropriated in the FY 2021 General Appropriation Act for the occurrence of a 27th University pay period.

Long-Term Budget Impacts

As part of the budget's 3-year spending plan, UA - Main's General Fund costs are projected to decrease by \$(14,359,900) in FY 2023 below FY 2022, and increase by \$209,300 in FY 2024 above FY 2023.

These estimates are based on:

- A \$(9,600,000) decrease in FY 2023 to remove one-time operating funding.
- A \$(1,250,000) decrease in FY 2023 to remove one-time funding for the Center for the Philosophy of Freedom.
- A \$(3,500,000) decrease in FY 2023 to remove one-time wind tunnel funding.
- A \$(250,000) decrease in FY 2023 to remove one-time funding for Kazakhstan Studies Program.
- A \$3,600 increase in FY 2023 and a \$2,800 increase in FY 2024 to adjust for university debt service costs. *(Please see the 2003 Research Infrastructure Refinancing narrative for more information.)*
- Increases of \$236,500 in FY 2023 and \$206,500 in FY 2024 to increase the university's annual Capital Infrastructure Funding. *(Please see the 2017 University Capital Infrastructure Funding narrative in the Capital Outlay - ABOR Building System section for more information.)*

COVID-Related Spending

As part of the state response to COVID-19, the Executive has allocated monies to the universities for mitigation, distance learning, furlough prevention, and other COVID-related costs. As of June 2021, the Executive's spending plan included \$46,000,000 from the federal Coronavirus Relief Fund for UA.

In addition to the Executive allocations, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the 2021 Consolidated Appropriations Act (CAA), and the American Rescue Plan (ARP) Act distribute funds from the Higher Education Emergency Relief Fund to institutions of higher education (IHE) based on the relative share of full-time equivalent students of in-person Pell grant recipients enrolled at the institution. The CARES and ARP Acts require that 50% of monies received be distributed to students as emergency financial aid grants. The CAA requires student grants to be awarded in an at least an equivalent amount to grants provided under the CARES Act allocations.

UA has received a total of \$164,782,086 from the Higher Education Emergency Relief Fund. Of this amount, at

least \$73,202,574 is required to be used for student grants. *(Please see the [Arizona Board of Regents narrative](#), Other Issues section for more information).*

University Collections and FTE Positions Adjustments

Including statewide adjustments, the FY 2021 General Appropriation Act appropriated \$354,801,800 from the University Collections Fund to UA - Main. The Collections Fund for UA - Main represents a portion of tuition, fees and a portion of land earnings. *(Please see ABOR Other Issues for more information.)* If collections differ from the appropriated amount, the annual General Appropriation Act includes a footnote permitting the universities to expend those amounts as well as a separate footnote requiring the submission of a report detailing any adjustments to the appropriated amounts.

ABOR sets tuition in the spring (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 2021 to the Joint Legislative Budget Committee in September 2020, and UA incorporated the adjusted FY 2021 amounts as part of their FY 2022 budget submission. Accordingly, the estimated FY 2021 amount has been adjusted downward by \$(114,215,300) to \$240,586,500.

The FY 2021 FTE Position count has also been adjusted. The FY 2021 General Appropriation Act originally appropriated 6,021.3 FTE Positions in FY 2021 for UA - Main. The General Fund accounted for 2,271.2 FTE Positions and the University Collections Fund accounted for the remaining 3,750.1 FTE Positions. The estimated number of FY 2021 FTE Positions has been adjusted by (254.1) to 5,767.2. The General Fund accounts for 2,617.8 FTE Positions and the University Collections Fund accounts for the remaining 3,149.4 FTE Positions.

University of Arizona - Health Sciences Center

	FY 2020 ACTUAL	FY 2021 ESTIMATE	FY 2022 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,366.4	1,308.8	1,308.8 ^{1/}
Personal Services	51,659,600	58,066,000	58,066,000
Employee Related Expenditures	16,680,600	18,683,800	18,683,800
Professional and Outside Services	643,800	495,000	495,000
Travel - In State	44,100	25,800	25,800
Travel - Out of State	138,300	14,700	14,700
Other Operating Expenditures	6,060,200	3,907,200	11,907,200
OPERATING SUBTOTAL	75,226,600	81,192,500	89,192,500 ^{2/}
SPECIAL LINE ITEMS			
Clinical Rural Rotation	317,600	353,600	353,600
Clinical Teaching Support	8,586,800	8,587,000	8,587,000
Liver Research Institute	439,400	440,400	440,400
Phoenix Medical Campus	39,095,300	41,517,600	33,517,600
Telemedicine Network	1,669,000	1,670,000	1,670,000
AGENCY TOTAL	125,334,700	133,761,100	133,761,100 ^{3/4/}
FUND SOURCES			
General Fund	76,897,900	76,897,700	76,897,700 ^{5/6/}
<u>Other Appropriated Funds</u>			
University Collections Fund	48,436,800	56,863,400 ^{7/}	56,863,400 ^{8/}
SUBTOTAL - Other Appropriated Funds	48,436,800	56,863,400	56,863,400
SUBTOTAL - Appropriated Funds	125,334,700	133,761,100	133,761,100 ^{9/}
Other Non-Appropriated Funds	432,842,900	365,169,500	362,726,500
Federal Funds	141,898,900	132,903,100	135,638,400
TOTAL - ALL SOURCES	700,076,500	631,833,700	632,126,000

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/ Includes 447.1 GF and 70.4 OF FTE Positions funded from Special Line Items in FY 2022.
- 2/ 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 Appropriation Act footnote)
- 3/ Other than scholarships awarded through the Arizona financial aid trust, the appropriated monies may not be used for scholarships or any student newspaper. (General Appropriation Act footnote)
- 4/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 5/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 6/ The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)
- 7/ The FY 2021 University Collections Fund represents the appropriated portion of UA Health Sciences Center tuition and fee revenues. In addition, \$239,302,800 of the FY 2021 Other Non-Appropriated Funds represents the non-appropriated portion of tuition and fee revenues. These tuition amounts are based on estimates submitted by the universities in September 2020 and are subject to changes in enrollment. Please see the [ABOR agency page](#) for a discussion of how these amounts compare to the most recent estimates submitted by the universities.

- 8/ Any unencumbered balances remaining in the university collections fund on June 30, 2021 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 expended for supplemental life insurance or supplemental retirement. (General Appropriation Act footnote)
- 9/ In addition to the appropriated amounts reported in the table, the FY 2021 General Appropriation Act included \$4,271,800 in FY 2022 for the occurrence of a 27th pay period. Of this amount, \$2,456,800 is from the General Fund and \$1,815,000 is from the University Collections Fund.

Operating Budget

The budget includes \$89,192,500 and 791.3 FTE Positions in FY 2022 for the operating budget. These amounts consist of:

	FY 2022
General Fund	\$42,576,900
University Collections Fund	46,615,600

FY 2022 adjustments are as follows:

Shift Scholarship Funding to Operating Budget

The budget includes an increase of \$8,000,000 from the General Fund in FY 2022 to shift funding for the Primary Care Physician Scholarship Program from the Phoenix Medical Campus line item to the operating budget. Shifting the funding to the operating budget allows the university to award scholarships to medical students on both the Phoenix and Tucson medical campuses.

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 budget includes \$353,600 and 5.9 FTE Positions from the General Fund in FY 2022 for the Clinical Rural Rotation program. These amounts are unchanged from FY 2021.

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 budget includes \$8,587,000 and 205.2 FTE Positions from the General Fund in FY 2022 for Clinical Teaching Support. These amounts are unchanged from FY 2021.

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 budget includes \$440,400 and 6.3 FTE Positions from the General Fund in FY 2022 for the Liver Research Institute. These amounts are unchanged from FY 2021.

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 budget includes \$33,517,600 and 285.4 FTE Positions in FY 2022 for the Phoenix Medical Campus (PMC). These amounts consist of:

General Fund	23,269,800
University Collections Fund	10,247,800

FY 2022 adjustments are as follows:

Shift Scholarship Funding to Operating Budget

The budget includes a decrease of \$(8,000,000) from the General Fund in FY 2022 to shift funding for the Primary Care Physician Scholarship Program from the Phoenix Medical Campus line item to the operating budget. Shifting the funding to the operating budget allows the university to award scholarships to medical students on both the Phoenix and Tucson medical campuses.

Laws 2008, Chapter 287 authorized ABOR to enter into lease-to-own and bond transactions up to a maximum of \$800,000,000 to pay for building renewal projects and new facilities of which ABOR was required to allocate \$376,000,000 for the Phoenix Medical Campus. Of that amount, the JCCR has reviewed \$283,445,000. The FY 2022 Higher Education Budget Reconciliation Bill (BRB) repeals this specific allocation for the Phoenix Medical Campus, which will allow ABOR to shift the remaining unused bonding allocation to other projects. *(For additional information on university lottery bonding, please see the Capital Outlay - ABOR Building Systems section of this report. For historical information, please see the FY 2015 Appropriations Report.)*

Telemedicine Network

The budget includes \$1,670,000 and 14.7 FTE Positions from the General Fund in FY 2022 for the Telemedicine Network. These amounts are unchanged from FY 2021.

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

Other Issues

Higher Education Emergency Relief Fund

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, the 2021 Consolidated Appropriations Act (CAA), and the American Rescue Plan (ARP) Act distribute funds from the Higher Education Emergency Relief Fund to institutions of higher education (IHE) based on the relative share of full-time equivalent students of in-person Pell grant recipients enrolled at the institution. The CARES and ARP Acts require that 50% of monies received be distributed to students as emergency financial aid grants. The CAA requires student grants to be awarded in an at least an equivalent amount to grants provided under the CARES Act allocations.

UA has received a total of \$164,782,086 from the Higher Education Emergency Relief Fund. Of this amount, at least \$73,202,574 is required to be used for student grants. *(Please see the [Arizona Board of Regents narrative](#), Other Issues section for more information).*

University Collections and FTE Positions Adjustments

Including statewide adjustments, the FY 2021 General Appropriation Act appropriated \$55,697,400 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 Appropriation Act includes a footnote permitting the universities to expend those amounts as well as a separate footnote requiring the submission of a report detailing any adjustments to the appropriated amounts.

ABOR sets tuition in the spring (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 2021 to the Joint Legislative Budget Committee in September 2020, and UA incorporated the adjusted FY 2021 amounts as part of their FY 2022 budget submission. Accordingly, the estimated FY 2021 amount has been adjusted upward by \$1,166,000 to \$56,863,400.

The FY 2021 FTE Position count has also been adjusted. The FY 2021 General Appropriations Act originally appropriated 1,366.4 FTE Positions in FY 2021 for the UA - HSC. The General Fund accounted for 824.7 FTE Positions and the University Collections Fund accounted for the remaining 541.7 FTE Positions. The estimated number of FY 2021 FTE Positions has been adjusted by (57.6) to 1,308.8. The General Fund accounts for 784.1 FTE Positions and the University Collections Fund accounts for the remaining 524.7 FTE Positions.