

Overview

Arizona State University (ASU) has developed an annual budget for Fiscal Year (FY) 2021 that 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 principles embodied in its Charter.

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.

There are many facets to ASU's investment plan; however, its goals are centered on access, student success, research and innovation of public value, and meaningful public service. To achieve these goals, ASU must develop sufficient financial capacity to build and maintain the required human and technological systems. 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.

ASU achieved outstanding results this past fiscal year. For the fifth consecutive year, ASU was named the nation's most innovative school by U.S. News & World Report for its curriculum, faculty, students, campus life, technology, and facilities. The demand for an ASU degree continues to be strong. During academic year 2019-20, ASU conferred a total of 29,389 degrees, including 20,308 undergraduate and 9,081 graduate degrees. ASU's fall 2019 full-time equivalent (FTE) enrollment was up 6.6 percent over the prior year. On campus FTE enrollment grew by 2.9 percent, including strong Arizona resident FTE enrollment growth of 4.1 percent. Online FTE enrollment increased by 18.5 percent, evidence of the continued success of ASU Online. Moreover, ASU student success continues to improve with the 2019-20 first-year retention rate for residents hitting an all-time high of 88.7 percent. For residents, the four-year graduation rate was 53.6 percent and the six-year rate hit 70.4 percent; these rates are expected to climb in subsequent years with the improvement in retention rates.



This past year, ASU received several new accolades of its growing reputation and influence. The Princeton Review named ASU to its list of "Best Value Colleges." The Fiske Guide to College 2020, one of the most authoritative college guides in the U.S., has placed ASU in its top 10 list of "Best Buy" public universities in the nation for excellence and value. For 2020, ASU was ranked as the top university in the nation and fifth in the world in achieving the United Nations Sustainable Development Goals, according to Times Higher Education magazine.

ASU's exponential growth in research and discovery has continued unabated. With expenditures quintupling since 2002, ASU now ranks seventh in total research expenditures among institutions without a medical school. Recently, one of the two ASU-led Engineering Research Centers was renewed by the National Science Foundation with a \$16.4 million award. The Center for Bio-mediated and Bio-inspired Geotechnics will continue its work to find nature-inspired solutions for sustainable, resilient, and cost-effective civil infrastructure systems for the next five years. Researchers at the ASU Biodesign Institute are advancing efforts toward effective, pre-made cancer vaccines that leverage common mutations in ribonucleic acid (RNA). Results in mice have already shown this approach to be as effective as complex



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therapies that are 1,000 times the cost. An ASU spinout company, Calviri, builds on these efforts and will eventually conduct human clinical trials.

A \$30 million gift from State Farm funded Pathways for the Future at ASU, a new workforce development program that targets high school and transfer students, as well as working adults. This program is aimed at creating connections among students, faculty, mentors, and employers that enable lifelong learning, and providing learners the knowledge necessary for life and work in the 21st century. Biodesign Institute's compact X-ray free electron laser (CXFEL) took a major leap forward this year with a comprehensive design study, supported by a \$4.7 million grant from the National Science Foundation. The CXFEL is poised to revolutionize our understanding of viruses and other pathogens, as well as countless other molecules and materials.

This summer, in an effort to make COVID-19 diagnostic testing easier and more readily available for Arizonans, researchers at Arizona State University developed the state's first saliva-based test. This innovative solution has proven to be as accurate as methods using nasopharyngeal (NP) swab collection while proving to be less invasive to participants, safer to healthcare workers, less consumptive of personal protective equipment, and less labor intensive to administer.

Fiscal Year 2021 Budget Highlights				
(\$ millions)	FY 2021 Budget	FY 2020 Budget	Change	% Change
Revenue	\$ 3,043.0	\$ 2,911.8	\$ 131.2	4.5%
Expense	3,078.0	2,870.5	207.5	7.2%
Net Result	\$ (35.0)	\$ 41.3	\$ (76.3)	(184.7%)

Fiscal Year 2021 Revenue

The FY 2021 budget includes an increase in revenue of \$131.2 million, or 4.5 percent, over the FY 2020 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 net tuition and fee revenues that represent 52.9 percent of total revenue. Recognizing the financial hardship on some families as a result of the COVID-19 pandemic, ASU did not increase tuition rates for on campus students and implemented a modest increase for online students. Because of this action, the budgeted increase in gross tuition and fees of \$143.4 million or 7.3 percent is almost entirely attributable to enrollment growth, which is expected to climb by 4.4 percent over the prior year. Scholarship allowance is anticipated to increase by \$68.0 million, driven largely by growth in the resident student population, most of whom qualify for institutional scholarships, as well as growth in the population with greater financial need that qualify for Pell grants. Tuition and fee revenue, net of scholarship allowance, is estimated to increase



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by \$75.4 million or 4.9 percent. Financial aid grants, primarily comprised of Federal Pell grants, are expected to increase by \$19.0 million or 10.7 percent versus the FY 2020 budget.

ASU's reputation and recognition drive strong demand for its degrees. The overall FTE enrollment growth of 4.4 percent is comprised of online enrollment growth at 19.5 percent and an immersion enrollment decline of 1.1 percent. Overall, resident student enrollment is projected to increase by 1,081 FTE or 1.9 percent; nonresident domestic student enrollment is projected to increase by 5,179 FTE or 12.1 percent; and international student enrollment is projected to decline by 1,396 FTE or 14.0 percent, reflecting the impact of COVID-19 and other national policy decisions on international enrollment.

Budgeted FY 2021 public investment revenues reflect the outcome of the 2020 legislative session. The enacted budget reflects a reduction of \$18.9 million in one-time FY 2020 operating support. After accounting for all changes, the total FY 2021 public investment of \$324.7 million represents an \$18.2 million or 5.3 percent decline compared to the FY 2020 budget.

ASU continues to achieve strong growth in sponsored research activity, and anticipates this trend to continue in FY 2021. The budget includes an increase of \$61.0 million or 15.4 percent in research grants and contracts over the FY 2020 budget.

Because of the anticipated effects of the COVID-19 pandemic, the FY 2021 budget accounts for a \$60.5 million decrease in auxiliary revenues related to University Housing and Dining, Sun Devil Athletics, and ASU Gammage. Given the current economic climate, private gift revenue is budgeted to decline from \$95.4 million in FY 2020 to \$92.0 million in FY 2021. Furthermore, ASU has budgeted the use of \$48.5 million in CARES Act revenue for FY 2021 to fund additional student scholarships and to cover a portion of costs incurred to maintain a safe and healthy environment for all campus community members; this funding includes enhancing cleaning protocols for all campus buildings, purchasing and maintaining outdoor classroom furniture, building Zoom technology-enabled classrooms, distributing laptops to students for remote instruction, designing and deploying COVID-19 testing systems, and buying personal protective equipment and supplies.

Fiscal Year 2021 Expense

Strategic investments are critical to attaining the goals assigned to ASU by the Arizona Board of Regents in the Enterprise Plan. ASU's investment priorities are those discussed with the Regents in February as part of the Operational and Financial Review (OFR). The priorities include a focus on access for all qualified Arizona residents, support of academic achievement through expansion of faculty with an emphasis on tenured and tenure-track hires, additional student support positions to accommodate enrollment growth,



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increased research space, and investment in technology to facilitate learning outcomes. More specifically, the FY 2021 budget includes the following:

- Increase of \$61.0 million in research-awarded spending, which is recovered through a commensurate increase in grants and contracts revenue.
- Increase of \$49.9 million (over FY20 projected) in institutional financial aid (including the use of some one-time funds from the CARES Act).
- Increase of \$38.2 million for academic programs to support student enrollment growth; \$18.5 million has been included to recruit additional new faculty beyond those supported by enrollment growth funding, focusing on both accomplished senior faculty and promising early-career academics.
- Increase of \$25.7 million for support services and facility costs, including \$2.0 million in student support services, \$6.6 million in debt service for new and renovated buildings, \$10.6 million for costs related to leases, custodial services, and building operations and maintenance, and \$6.5 million in research facility and technology investments.

More generally, salaries and wages are expected to increase by \$47.1 million or 4.0 percent and benefit costs are expected to increase by \$9.6 million or 2.5 percent over the FY 2020 projection. ASU has sought to manage expenses associated with salaries, wages, and benefits carefully by selectively filling vacant positions and closing others.

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. ASU projects that post-retirement health care benefits will continue to rise as more employees elect state-sponsored coverage when they retire and as health care costs continue to rise nation-wide. A modest increase in pension-related expense is also included in this estimate due to long-term recognition of actuarial changes in assumptions; these adjustments are primarily due to a change in the applied discount rate. ASU is projecting a net expense of \$25.0 million in FY 2021.

All other operating expenses are expected to increase by \$50.8 million or 5.8 percent over the FY 2020 budget. This increase is driven by several factors, including partnership payments for online programs, increased research volume, and operations and maintenance of campus facilities and equipment. As described earlier, ASU made major investments to build a safe and healthy environment for all campus community members by enhancing cleaning protocols for all campus buildings, purchasing and maintaining outdoor classroom furniture, building Zoom technology-enabled classrooms, distributing laptops to students



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for remote instruction, designing and deploying COVID-19 testing systems, and buying personal protective equipment and supplies.

Depreciation, another non-cash expense, is expected to increase by \$8.6 million while interest expense is expected to increase by \$3.0 million.

Fiscal Year 2021 Net Result

For FY 2021, Arizona State University has budgeted for a decrease of \$35.0 million in net position; this compares to a FY 2020 budgeted increase of \$41.3 million and a FY 2020 projected increase of \$6.7 million in net position. Several factors contribute to this net result, including a decline in public investment, restraint in increasing tuition rates, an unwavering commitment to provide Arizona residents with access to a world-class education through institutionally-funded financial aid, and the revenue losses and incremental expenses attributable to the COVID-19 pandemic. Furthermore, the FY 2021 budget does not account for any potential increased public investment in the current year beyond what has been legislatively enacted as of the date of this submittal. Considering all of these factors, Arizona State University is well-positioned to meet the challenges ahead with broad student appeal for its academic programs, exponential growth in its research enterprise, strong liquidity with 138 projected days of cash on hand on June 30, 2021, and prudent financial investments to support ASU's long-term growth trajectory and fulfillment of the values embodied in its charter.

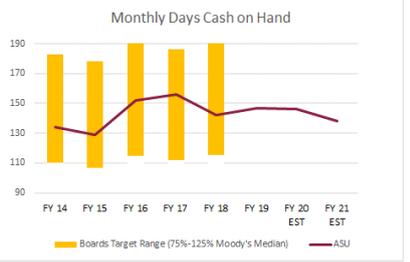


UNIVERSITY OPERATING BUDGET
FY 2021 (WITH FY 2020 COMPARATIVE BUDGET DATA)
(\$ millions)

ANNUAL BUDGET

	FY21 BUDGET	FY20 ESTIMATE	FY20 BUDGET	VARIANCE BETWEEN FY 2021 BGT & FY 2020 EST		VARIANCE BETWEEN FY 2020 EST & FY 2020 BGT	
Revenues							
State General Fund Appropriation	\$292.8	\$310.2	\$311.2	(\$17.4)	-5.6%	(\$1.0)	-0.3%
State Appropriation - Research Infrastructure	\$13.5	\$13.5	\$13.5	\$0.0	0.0%	\$0.0	0.0%
State Appropriation - Capital Infrastructure	\$12.4	\$12.2	\$12.2	\$0.2	1.6%	\$0.0	0.0%
State Appropriation - AFAT	\$6.0	\$6.0	\$6.0	\$0.0	0.0%	\$0.0	0.0%
Tuition and Fees	\$2,113.4	\$2,013.3	\$1,970.0	\$100.1	5.0%	\$43.3	2.2%
<i>less Scholarship Allowance</i>	(\$502.2)	(\$462.7)	(\$434.2)	(\$39.5)	8.5%	(\$28.5)	6.6%
Net Tuition and Fees	\$1,611.2	\$1,550.6	\$1,535.8	\$60.6	3.9%	\$14.8	1.0%
Grants & Contracts -- Research	\$456.0	\$423.2	\$395.0	\$32.8	7.8%	\$28.2	7.1%
Financial Aid Grants (Primarily Federal Pell Grants)	\$197.0	\$186.8	\$178.0	\$10.2	5.5%	\$8.8	4.9%
Arizona Teachers Academy	tbd	\$7.1	\$0.0	(\$7.1)	-100.0%	\$7.1	--
CARES Act Revenue	\$48.5	\$15.0	\$0.0	\$33.5	223.3%	\$15.0	--
Private Gifts	\$92.0	\$93.6	\$95.4	(\$1.6)	-1.7%	(\$1.8)	-1.9%
Technology & Research Initiative Fund (TRIF)	\$35.7	\$34.1	\$34.0	\$1.6	4.5%	\$0.1	0.3%
Auxiliary Revenues, Net	\$129.9	\$170.2	\$190.4	(\$40.3)	-23.7%	(\$20.2)	-10.6%
Other Revenues	\$148.0	\$149.0	\$140.3	(\$1.0)	-0.7%	\$8.7	6.2%
Total Other Revenues	\$1,107.1	\$1,079.0	\$1,033.1	\$28.1	2.6%	\$45.9	4.4%
Total Revenues	\$3,043.0	\$2,971.5	\$2,911.8	\$71.5	2.4%	\$59.7	2.1%
Expenses							
Salaries and Wages	\$1,213.5	\$1,166.4	\$1,153.0	\$47.1	4.0%	\$13.4	1.2%
Benefits	\$390.1	\$380.5	\$361.9	\$9.6	2.5%	\$18.6	5.1%
All Other Operating	\$921.7	\$860.1	\$870.9	\$61.6	7.2%	(\$10.8)	-1.2%
Scholarships & fellowships, Net of Scholarship Allowance	\$311.9	\$292.9	\$280.5	\$19.0	6.5%	\$12.4	4.4%
Interest on Indebtedness	\$65.7	\$65.3	\$62.7	\$0.4	0.6%	\$2.6	4.1%
Depreciation	\$150.1	\$143.6	\$141.5	\$6.5	4.5%	\$2.1	1.5%
Pension Liability/OPEB (GASB 68 & GASB 45)	\$25.0	\$56.0	\$0.0	(\$31.0)	-55.4%	\$56.0	--
Total Expenses	\$3,078.0	\$2,964.8	\$2,870.5	\$113.2	3.8%	\$94.3	3.3%
Net Increase	(\$35.0)	\$6.7	\$41.3	(\$41.7)	-623.1%	(\$34.6)	-83.8%

Monthly Days Cash on Hand
Monthly days cash on hand is projected to be 138 days at June 30, 2021.





FY 2021 OPERATING BUDGET
INCREMENTAL ALLOCATION OF GENERAL PURPOSE¹ FUNDS
(\$ millions)

FY 2020 Base General Purpose Funds **\$ 2,441.9**

Changes in Incremental General Purpose Funds

Return of FY 2020 One-time General Fund Appropriation	(18.9)
Return of FY 2020 One-time Health Insurance Premium Standard A	(1.1)
University Capital Infrastructure Funding	0.2
Research Infrastructure Lease-Purchase Payment Adjustment	(0.0)
One-time Health Insurance Premium Standard Adjustment	2.5
Retirement Rate Increase Standard Adjustment	0.1
Total Change in Public Investment	<u>(17.2)</u>
Revenues from Tuition and Fees - Incremental FY 2021 Budgeted T	148.6
Net Change in Resources	131.4

Allocation of Incremental General Purpose Funds

Financial Aid	62.6
Enrollment Growth - Related Expenses	38.2
Investment in Programs Supported By Fees	27.2
Investment in Faculty Hiring and Academic Support	18.5
Facilities Costs (O&M, utilities, leases)	10.6
Debt Service	6.6
Research Facility Investments	5.0
Support Services Investments	2.0
Benefit Costs	1.5
Technology Investments	1.5
Internal Reallocations	<u>(42.3)</u>
Net Change in Budget Allocations	131.4

FY 2021 Base General Purpose Funds **\$ 2,573.3**

Strategic Metric Addressed			
Student Educational Success and Learning	Educational	Discover New Knowledge	Impact Arizona
Freshman retention, enrollment, grad rates, etc.	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

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



FY 2021 BUDGET SUMMARY
APPROPRIATED FUNDS EXPENDITURE AUTHORITY
(\$ thousands)

	FY 2021 BUDGET	FY 2020 BUDGET	CHANGE
University Revenues			
Resident Tuition	\$ 548,463.7	\$ 531,965.0	\$ 16,498.7
Non Resident Tuition	1,012,943.9	965,515.9	47,428.0
Program Fees	34,951.1	61,102.7	(26,151.6)
College Fees	117,259.5	52,661.9	64,597.6
Other Student Fees	4,375.5	8,085.6	(3,710.1)
Miscellaneous Revenues	6,777.7	6,455.0	322.7
Total University Revenues	\$ 1,724,771.4	\$ 1,625,786.1	\$ 98,985.3
 University Revenues Retained for Local Uses			
Support for Local Operating Budgets	\$ 532,013.2	\$ 437,518.3	\$ 94,494.9
Regents Financial Aid Set Aside	188,419.7	174,345.9	14,073.8
Other Financial Aid	302,164.9	276,822.3	25,342.6
Plant Funds	20,000.0	20,000.0	0.0
Debt Service/COPS/Lease Purchase	78,597.7	62,503.0	16,094.7
Total Retained for Local Uses	\$ 1,121,195.5	\$ 971,189.5	\$ 150,006.0
 University Revenues Supporting the Operating Budget	\$ 603,575.9	\$ 654,596.6	\$ (51,020.7)
Plus: Public Investment ¹	328,317.4	345,516.8	(17,199.4)
Total Appropriated Funds Expenditure Authority	\$ 931,893.3	\$ 1,000,113.4	\$ (68,220.1)

1. Includes \$3.6M of Appropriated Technology and Research Initiative Funds (TRIF)



FY 2021

LOCAL RETENTION

LOCAL COLLECTIONS FROM TUITION AND FEES	FY 2021 BUDGET	FY 2020 BUDGET	CHANGE
OPERATING FUNDS FROM TUITION AND FEES			
<i>DESIGNATED</i>			
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 Fee Allocation	82,484,900	43,709,400	38,775,500
College Tuition Allocation	29,431,700	25,776,300	3,655,400
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	321,137,200	272,612,500	48,524,700
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 Student Support Fee Allocation	2,150,800	2,072,300	78,500
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	-
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	3,733,800	2,482,800	1,251,000



FY 2021

LOCAL RETENTION

<u>LOCAL COLLECTIONS FROM TUITION AND FEES</u>	<u>FY 2021 BUDGET</u>	<u>FY 2020 BUDGET</u>	<u>CHANGE</u>
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	24,168,800	24,722,700	(553,900)
Employee Benefit Adjustments/Contingencies	200,000	200,000	-
SUBTOTAL	<u>\$ 515,130,700</u>	<u>\$ 423,399,500</u>	<u>\$ 91,731,200</u>
<i>AUXILIARY</i>			
Memorial Union	1,129,200	1,129,200	-
Recreation Sports	827,100	827,100	-
SUBTOTAL	<u>1,956,300</u>	<u>1,956,300</u>	<u>-</u>
OPERATING FUNDS SUBTOTAL	<u>\$ 517,087,000</u>	<u>\$ 425,355,800</u>	<u>\$ 91,731,200</u>



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LOCAL RETENTION

<u>LOCAL COLLECTIONS FROM TUITION AND FEES</u>	<u>FY 2021 BUDGET</u>	<u>FY 2020 BUDGET</u>	<u>CHANGE</u>
<i>FINANCIAL AID</i>			
Regents Financial Aid Set Aside	188,419,700	174,345,900	14,073,800
Other Financial Aid - Institutional Financial Aid	272,312,400	252,931,300	19,381,100
College Fee Financial Aid	17,973,100	8,952,500	9,020,600
Graduate Student Support Fee Financial Aid	440,500	424,400	16,100
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	1,800,000	566,200
CONACYT Fellowship Program	144,900	144,900	-
Other Fin. Aid - School of Engineering Program	1,760,000	1,760,000	-
SUBTOTAL	\$ 484,488,200	\$ 441,430,400	\$ 43,057,800
<i>MINOR CAPITAL/FACILITIES MAINTENANCE PROJECTS</i>	20,000,000	20,000,000	-
<i>ENERGY MANAGEMENT CONTRACT</i>	5,381,100	5,381,100	-
<i>DEBT SERVICE</i>	73,216,600	57,121,900	16,094,700
TOTAL LOCAL RETENTION FROM TUITION	\$ 1,100,172,900	\$ 949,289,200	\$ 150,883,700



FY 2021

LOCAL RETENTION

LOCAL COLLECTIONS FROM TUITION AND FEES	FY 2021 BUDGET	FY 2020 BUDGET	CHANGE
LOCAL COLLECTIONS FROM PROGRAM FEES			
<i>DESIGNATED</i>			
Local Support for Academic Units	14,926,200	12,162,500	2,763,700
<i>FINANCIAL AID</i>			
Business Financial Aid Set Aside	2,265,300	3,117,600	(852,300)
Engineering Financial Aid Set Aside	275,300	1,464,300	(1,189,000)
Health Solutions Financial Aid Set Aside	574,100	1,253,200	(679,100)
Integrative Sciences and Arts Financial Aid Set Aside	35,500	-	35,500
Journalism Financial Aid Set Aside	96,900	167,700	(70,800)
Law Financial Aid Set Aside	1,933,500	2,112,300	(178,800)
Liberal Arts and Sciences Financial Aid Set Aside	90,600	133,000	(42,400)
Nursing Financial Aid Set Aside	521,900	539,600	(17,700)
Student Technology Fee Financial Aid Set Aside	303,300	950,100	(646,800)
SUBTOTAL	\$ 21,022,600	\$ 21,900,300	\$ (877,700)
TOTAL LOCAL RETENTION FROM PROGRAM FEES	\$ 21,022,600	\$ 21,900,300	\$ (877,700)
TOTAL LOCAL COLLECTIONS	\$ 1,121,195,500	\$ 971,189,500	\$ 150,006,000



FY2020 REPORTABLE DEFICITS OF \$100,000 OR MORE

<u>COST CENTER</u>	FY 2019 ACTUAL ENDING SURPLUS/(DEFICIT)	FY 2020 REVENUES AND TRANSFERS IN	FY 2020 EXPENDITURES AND TRANSFERS OUT	FY 2020 OPERATING MARGIN	FY 2020 ENDING SURPLUS/(DEFICIT)
Sun Devil Athletics Operations	\$ (3,760,900)	\$ 90,849,200	\$ 95,363,300	\$ (4,514,100)	\$ (8,275,000)

Description

The FY 2020 operating deficit for Sun Devil Athletics (SDA) was primarily driven by COVID-19 impacts during the spring that affected ticket sales, sponsorships, and NCAA/PAC-12 revenue distributions to universities. Another factor was continuing contractual buyout payments to former football coaches. Given the high degree of uncertainty in FY 2021 with the COVID-19 pandemic, SDA leadership is evaluating various scenarios related to anticipated revenue shortfalls and resultant management steps to be taken. Thus far, SDA has implemented several mitigation strategies, including no merit increase for employees, reductions in pay-for-performance bonuses, a hiring freeze on administrative positions, and a 15% reduction to operating budgets for teams and administrative units. Beyond that, SDA leadership is evaluating further opportunities for expense reductions to mitigate potential operating losses in the current year.



FY 2021 ANNUAL BUDGET

