

FY 2011
Baseline Summary

January 2010

JLBC

FY 2011
Baseline Summary

Prepared By

THE STAFF OF THE
JOINT LEGISLATIVE BUDGET COMMITTEE

1716 West Adams Street
Phoenix, Arizona 85007
Phone: (602) 926-5491
FAX: (602) 926-5416
E-mail: jlbcwebmaster@azleg.gov
JLBC Web site: <http://www.azleg.gov/jlbc.htm>

JLBC

INDEX - Baseline

Page No.

Summary

FY 2011 Baseline	1
Statement of General Fund Revenues and Expenditures with One-Time Financing Sources.....	3
Summary of FY 2011 Baseline Assumptions	4
Overview of the American Recovery and Reinvestment Act	7

Budget Numbers by Agency

FY 2011 General Fund Summary by Agency	11
FY 2011 Other Appropriated Funds Summary by Agency	13
FY 2010 Supplementals.....	20
Summary of Federal and Other Non-Appropriated Fund Expenditures for Fiscal Years 2009, 2010 and 2011	21
State Personnel Summary by Full-Time Equivalent (FTE) Positions for Fiscal Years 2010 and 2011	33

Specific Spending Changes By Agency

General Fund - Detailed List of FY 2011 Changes Above/(Below) FY 2010 by Agency.....	35
Other Funds - Detailed List of FY 2011 Changes Above/(Below) FY 2010 by Agency.....	46

Budget Reconciliation Bill Provisions

FY 2011 Budget Reconciliation Bill Provisions	51
---	----

Major Footnote Changes

Major Footnote Changes.....	57
-----------------------------	----

Performance Budgeting

Strategic Program Area Reviews (SPARs)	61
--	----

Revenue Forecast

General Fund Revenue	63
Budget Stabilization Fund	67

FY 2011 - FY 2013 Projections

Long-Term General Fund Estimates.....	69
---------------------------------------	----

SUMMARY

FY 2011 BASELINE

Overview

This document provides General Fund Baseline revenue and spending estimates. The revenue projections reflect a consensus economic forecast while the spending estimates represent funding formula requirements and other obligations. The Baseline does not represent a budget proposal.

By providing an estimate of available resources after statutory requirements, the Baseline will provide guidance on the size of a projected budget shortfall. As such, the Baseline is only a starting point for discussion on the FY 2011 budget.

The Baseline calculations result in a budget shortfall estimate of \$(1.45) billion in FY 2010 and \$(2.59) billion in FY 2011.

FY 2010

The current estimated FY 2010 shortfall is \$(1.45) billion. This amount includes a \$(481) million shortfall from FY 2009 and \$(970) million from FY 2010 issues, including \$(882) million from lower than forecasted revenues and \$147 million in FY 2010 supplementals.

The enacted FY 2010 budget was originally based on (0.9)% base revenue growth, prior to tax law adjustments. During the first 6 months of FY 2010, however, preliminary General Fund revenues declined by (16.6)% compared to the same time period in FY 2009. The Baseline assumes the FY 2010 year-end revenue decline will be (10.8)%, based on the JLBC Staff forecast. At this rate, the state would collect \$(882) million less in ongoing General Fund revenues than in the enacted FY 2010 budget. Total FY 2010 General Fund revenues are projected to be \$6.91 billion.

The Baseline includes \$147 million in FY 2010 General Fund supplementals for health care, including \$83 million for the Arizona Health Care Cost Containment System and \$44 million for the Department of Health Services. These supplementals are the result of higher than projected caseloads and less-than-anticipated revenues from tobacco taxes, tobacco settlement, and federal stabilization monies. The Baseline also includes \$20 million for the Department of Corrections (ADC) resulting from health care providers' unwillingness to contract with ADC at AHCCCS rates.

FY 2011 Baseline Revenues

A FY 2011 General Fund Baseline revenue estimate was developed using a consensus forecasting process. This consensus averages the results of the following 4 forecasts:

- The projections of the Finance Advisory Committee (FAC), an independent 15-member group of public and private sector economists,
- The econometric forecasting baseline model of the University of Arizona's Economic and Business Research (EBR) Center,
- EBR's conservative forecast model, and
- The JLBC Staff forecast.

This four-sector consensus forecast yields a FY 2011 revenue increase of \$353 million, or 5.1%. This rate represents the underlying growth in state revenues, excluding urban revenue sharing, previously-enacted tax law changes and one-time revenues.

Including all factors, state revenues are projected to decline from \$6.91 billion in FY 2010 to \$6.88 billion in FY 2011. Besides the \$353 million growth in base revenues, the state would:

- Gain \$155 million from a lower Urban Revenue Sharing distribution, which is based on 15% of income tax collections from 2 years prior. The decline from FY 2008 to FY 2009 in income tax collections will result in less money distributed to cities and towns than in FY 2010.
- Lose a net of \$(528) million in one-time FY 2010 revenues.

(See the General Fund Revenue section for more information.)

FY 2011 Baseline Spending

Statutory funding formulas and other obligations are expected to generate \$1.11 billion, or 13.3%, in new FY 2011 General Fund costs. Of that amount, \$776 million restores one-time Federal funding to support statutory funding formulas in K-12 and health and welfare programs. *(See the Overview of the American Recovery and Reinvestment Act section for more information.)*

Without the one-time Federal backfill, spending would grow by \$335 million, or 3.5%, including:

- Health and Welfare programs: \$436 million;
- K-12: \$(103) million;
- Debt Service: \$66 million;

- Prisons: \$68 million; and
- Technical Adjustments: \$(130) million

Overall state General Fund spending would equal \$9.47 billion.

The Baseline includes a limited adjustment for K-12 inflation and no Medicaid rate adjustment. If the full K-12 inflation rate had been applied along with a 5% Medicaid capitation adjustment, spending would have grown another \$160 million.

General Fund Shortfall

Given forecasted revenues of \$6.88 billion and a formula spending level of \$9.47 billion, the FY 2011 Baseline has a \$(2.59) billion shortfall.

Beyond its cash balance, a budget is also evaluated by the difference between ongoing revenues and expenditures. This concept is known as the “structural” balance. Under the FY 2011 Baseline, ongoing spending exceeds ongoing revenues for a structural shortfall of \$(3.21) billion.

The long-term forecast through FY 2013 is comparable to FY 2011. The structural shortfall is projected to decline slightly to \$(2.59) billion in FY 2013. These 3-year estimates, however, are very sensitive to small percent changes in revenue and spending growth. *See Long-Term General Fund Estimates section for more information.*

Annual and Biennial Budgets

The state has both an annual and biennial budget process. Under state law, the annual budget process is limited to 17 large agencies, while the remainder of the state’s 116 budget units has a 2-year appropriation cycle. In the first regular session of each legislative biennium, the Legislature typically adopts both the annual and the biennial budgets. Given the magnitude of the original FY 2010 budget shortfall, the Legislature appropriated only FY 2010 funding for all budget units, regardless of whether they were annual or biennial budget units. As a result, the Baseline includes FY 2011 funding for all agencies. The Baseline also includes supplemental FY 2010 funding for selected budget units. *(See FY 2010 Supplemental section for more information.)*

Other Funds

Besides the General Fund, the state has dedicated special revenue funds. Only a portion of these monies is subject to legislative appropriation. The Baseline includes a FY 2011 Other Fund appropriated spending level of \$3.04 billion, or (1.4)% below FY 2010. The Baseline also reduces Arizona Department of Transportation FY 2010 State Highway Fund spending by \$(76) million to align expenditures with revenues.

The level of FY 2011 non-appropriated state funds is expected to be \$6.68 billion, while non-appropriated federal funds are forecasted to be \$11.15 billion. When all appropriated and non-appropriated fund sources are combined, total state spending would be \$30.3 billion in FY 2011 before any action is taken to reduce the General Fund shortfall.

Other Information

This Summary volume also includes sections with information on the following topics:

- A narrative Summary of Baseline Assumptions;
- Overview of the American Recovery and Reinvestment Act (ARRA);
- FY 2010 Supplementals;
- Number of State Employees;
- Budget Reconciliation Bill provisions, which are statutory revisions associated with enacting a FY 2011 budget;
- Major Footnote Changes;
- Performance Budgeting; and
- Long-Term General Fund projections.

In addition, the Baseline Book provides line item detail on individual agencies.

**STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES 1/
WITH ONE-TIME FINANCING SOURCES**

	FY 2010 Enacted	FY 2011 Baseline
REVENUES		
Ongoing Revenues	\$6,866,401,200	\$7,219,713,000
Enacted Revenue Changes <u>2/</u>	0	(11,392,400)
Urban Revenue Sharing	(628,649,100)	(473,986,800)
Net On-going Revenues	\$6,237,752,100	\$6,734,333,800
One-time Financing Sources		
Balance Forward	(\$480,713,000)	\$0
Other Revenue Changes <u>3/</u>	65,420,000	0
State Asset Sale/Lease-Purchase	735,419,300	0
Fund Transfers <u>4/</u>	349,261,900	141,282,400
Subtotal One-time Revenues	\$669,388,200	\$141,282,400
Total Revenues	\$6,907,140,300	\$6,875,616,200
EXPENDITURES		
Operating Budget Appropriations	\$9,647,072,800	\$9,986,283,600
FY 2010 Supplementals <u>5/</u>	130,813,200	\$0
Administrative Adjustments	72,731,600	\$73,607,000
Revertments	(113,241,600)	(\$112,905,100)
Subtotal Ongoing Expenditures	\$9,737,376,000	\$9,946,985,500
One-time Expenditures		
Capital Outlay	\$10,400,000	\$400,000
Capital Outlay Prior Year Reversions	(450,000)	0
Temporary Federal Assistance <u>6/</u>	(1,254,693,300)	(478,385,200)
Payment Deferrals	(134,889,100)	0
Subtotal One-time Expenditures	(\$1,379,632,400)	(\$477,985,200)
Total Expenditures	\$8,357,743,600	\$9,469,000,300
Ending Balance <u>7/</u>	(\$1,450,603,300)	(\$2,593,384,100)
Structural Shortfall <u>8/</u>	(\$3,499,623,900)	(\$3,212,651,700)

1/ Significant one-time revenues and expenditures are separately detailed so as to permit the calculation of ongoing revenue and expenditures.

2/ See page 64 for details.

3/ See page 64 for details.

4/ See page 39 for details of FY 2011 Baseline transfers, which reflect the continuation of prior year Fund Reduction and Transfers (FRATs).

5/ See page 20 for details. After adjusting for an overestimate of federal match rate savings, the net cost is \$147.1 million.

6/ See page 9 for details.

7/ This calculation reflects the difference between total revenues and total expenditures.

8/ This calculation reflects the difference between ongoing revenues and expenditures.

SUMMARY OF FY 2011 BASELINE ASSUMPTIONS

- The Baseline represents the status of the General Fund budget under existing statutory requirements. The revenue projections reflect the consensus economic forecasts while the spending estimates represent funding formula requirements and other obligations.

General Fund Balances

- Given FY 2010 revenues of \$6.91 billion and spending of \$8.36 billion, the state has a projected current year shortfall of \$(1.45) billion.
- In terms of FY 2011, the Baseline revenue estimate is \$6.88 billion compared to Baseline spending of \$9.47 billion. The Baseline cash balance is \$(2.59) billion. *(Page 3 – Summary)*
- The state’s fiscal condition is also evaluated by the comparison between the state’s permanent ongoing revenues and permanent ongoing spending. The FY 2011 structural shortfall is estimated to be \$(3.21) billion.
- The state is projected to continue having a structural shortfall of \$(2.6) billion to \$(3) billion through FY 2013. *(Page 69 – Summary)*

General Fund Baseline Revenues

- Based on the JLBC Staff forecast, FY 2010 base revenues are projected to decline by (10.8)%, including tax law changes. Including one-time revenues, projected FY 2010 revenues are \$6.91 billion, which is \$(1.31) billion below the enacted budget.
- The FY 2011 General Fund revenue forecast is \$6.88 billion. FY 2011 ongoing base revenues are projected to increase 5.1% above the current FY 2010 forecast. *(Page 63 – Summary)*
- The \$6.88 billion revenue estimate includes \$141 million in one-time revenue and \$(11) million in previously enacted tax law reductions.

General Fund Baseline Spending

- FY 2010 General Fund Baseline spending is projected to be \$8.36 billion, including \$147.1 million in supplementals due to higher Medicaid caseloads and prison health care costs.
- The FY 2011 General Fund Baseline spending totals \$9.47 billion.
- FY 2011 General Fund Baseline spending would grow by \$1.11 billion above the current FY 2010 enacted budget, an increase of 13.3%. Of this increase, \$776 million is due to the General Fund backfilling a decline in temporary federal assistance.
- Excluding one-time federal assistance, spending would grow by \$335 million, or 3.5%.
- The entire state budget, including both appropriated and non-appropriated funds, is projected to be \$30.3 billion.

Urban Revenue Sharing

- Urban Revenue Sharing (URS) distributions for FY 2011 will total \$474.0 million. By statute, URS is based on 15% of income tax collections 2 years prior. This amount is a reduction of \$(154.7) million compared to FY 2010, due to the substantial decline in income tax revenues.

Education

Department of Education *(Page 166 – Baseline Book)*

- ADE spending would increase by \$369 million, or 10.4%, including:
 - ⇒ An increase of 9,300 students, or 0.9%, for a total of 1,059,800, at a cost of \$52.0 million.
 - ⇒ \$5.4 million for a 1.2% inflation adjustment for transportation and charter additional assistance. The state has traditionally inflated the per pupil “base level” as well. That adjustment would have cost another \$61.4 million.
 - ⇒ \$(38.3) million net decrease for (3.0)% property value growth, Truth in Taxation, and Homeowner’s Rebate.
 - ⇒ \$(116.1) million decrease to remove one-time funding pertaining to the FY 2009 cash balances reduction.
 - ⇒ \$472.1 million to replace one-time federal Education Stabilization monies to support the K-12 formula.
 - ⇒ The Baseline continues the \$602.6 million rollover from FY 2011 to FY 2012.

School Facilities Board *(Page 396 – Baseline Book)*

- SFB spending would increase by \$22.8 million, or 21.8%. This amount includes:
 - ⇒ \$14.8 million to pay for increased debt service associated with past lease-purchase agreements
 - ⇒ \$8 million to backfill one-time FY 2010 debt service savings.
- The Baseline would continue the new construction moratorium enacted for FY 2010.

Universities (Page 425 – Baseline Book)

- The Universities' General Fund spending would essentially not change from FY 2010.
- University enrollment is projected to be 118,632 full-time equivalent students in FY 2011, representing a comparable increase of 4,255 in-state students, or 5.3% above FY 2010. University enrollment growth is not part of a statutorily-required formula and is not included in the Baseline. Enrollment growth would have cost \$32.2 million.
- The Baseline includes a \$(1.4) million reduction for the Nursing Pilot Program since the multi-year appropriation has expired.

Community Colleges (Page 81 – Baseline Book)

- The Community College's General Fund spending would increase by \$7.5 million, or 5.5%, to fund the statutory funding formulas.
- Enrollment is projected to increase by 5,363 full-time equivalent students, or 4.5%, for a total enrollment of 123,797.

Health and Welfare

AHCCCS (Page 24 – Baseline Book)

- AHCCCS' General Fund spending would increase by \$582.6 million, or 49.0%, including:
 - ⇒ \$201.4 million for caseload growth
 - ⇒ \$225.0 million to backfill one-time funds from the American Recovery and Reinvestment Act (ARRA), which temporarily provided an enhanced federal match rate through December 2010.
 - ⇒ \$117.9 million for a technical adjustment related to the FY 2010 payment deferral.
 - ⇒ \$38.3 million to replace declining tobacco tax and tobacco settlement revenues.
- Due to several of these same factors, the Baseline includes a \$82.6 million FY 2010 supplemental.
- Total caseloads are projected to increase 14.4% through June 2010 and 5.3% from June 2010 to June 2011. Total population would reach 1.5 million by June 2011.
- Healthcare provider payments would not increase for inflation and utilization. A 5% adjustment would have otherwise cost \$65.0 million.

Department of Health Services (Page 240 – Baseline Book)

- DHS' General Fund spending would increase by \$105.1 million, or 23.7%. This amount includes:
 - ⇒ \$46.2 million to fund statutory caseload growth for the Title 19 Behavioral Health Services program.
 - ⇒ \$63.0 million to backfill one-time funds from ARRA, which temporarily provided an enhanced federal match rate through December 2010.
 - ⇒ \$(4.2) million to shift Assurance and Licensure costs to the Health Services Licensing Fund.
- Due to several of these same factors, the Baseline includes a \$44.5 million FY 2010 supplemental.
- Total number of individuals receiving Title 19 behavioral health services is projected to increase 9.7% through June 2010 and 5.2% from June 2010 to June 2011. The total served population would reach 126,000 by June 2011.
- Healthcare provider payments would not increase for inflation and utilization. A 5% adjustment would have otherwise cost \$19.8 million.

Department of Economic Security (Page 124 – Baseline Book)

- DES funding would increase by \$69.0 million, or 12.9%. This amount includes:
 - ⇒ \$19.5 million for an increase of 1,382 new clients, or 6.5%, in the Title 19 Developmental Disabilities Long Term Care program. Total caseload would equal 23,830.
 - ⇒ \$32.4 million to backfill one-time ARRA funds, which temporarily provided an enhanced federal match rate through December 2010.
 - ⇒ \$17 million for a technical adjustment related to the payment deferral.
- Payments would not increase for inflation. A 3% adjustment for provider rate inflation and 5% adjustment for medical inflation would have otherwise cost \$8.8 million.

Criminal Justice

Department of Corrections (Page 95 – Baseline Book)

- ADC General Fund spending would increase by \$68.4 million, or 7.9%. This amount includes:
 - ⇒ \$58.1 million for start-up and operating costs associated with the 4,000 state beds authorized by Laws 2007, Chapter 261.
 - ⇒ \$40.0 million to annualize the cost of utilizing all 2,000 private beds also authorized by Chapter 261.
 - ⇒ \$20.0 million to restore a portion of the savings previously taken for adopting the Arizona Health Care Cost Containment System (AHCCCS) rate structure.

- ⇒ \$11.0 million to restore one-time FY 2010 debt service savings. The Baseline also includes a FY 2010 supplemental for this issue.
- ⇒ \$(60.7) million from phasing out 2,912 provisional beds in accordance with the ADC bed plan.
- The Baseline does not include funds for population growth or health care inflation.
- ADC is expected to have a 5,510 bed shortfall by June 2010 and 5,002 by June 2011.

Debt Service

- The Baseline includes \$43.0 million annual debt service payment for the \$735 million State building leaseback debt issuance.

State Employee Issues

FTE Positions (*Page 33 – Summary*)

- The Baseline would fund a change of (626.2) Full-Time Equivalent (FTE) Positions from the revised FY 2010 count, including:
 - ⇒ 746.3 additional positions to open 4,000 new state prison beds.
 - ⇒ A decline of (1,389) FTE Positions associated with the 5% reductions mandated by last year’s budget legislation. In combination with the FTE reduction implemented midway through FY 2010, the total 5% reduction is (2,142) FTE Positions.
 - ⇒ An increase of 16.5 FTE Positions due to technical changes.
- These adjustments would bring total appropriated FTE Positions to 48,653.5.

Employee Pay and Salary Issues (*Page iv – Baseline Book*)

- The Baseline excludes funding for new state employee pay increases.
- The Baseline does not include a change in funding for the employer share of health insurance and retirement costs.

OVERVIEW OF THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

In February 2009, the federal government enacted the American Recovery and Reinvestment Act (ARRA) to address the nationwide recession. As of October 2009, Arizona has been awarded \$2,837,556,500 from the legislation. ARRA funding and its General Fund impacts are outlined in detail below.

General Provisions – Arizona’s allocation of increased funding through ARRA is accomplished via several mechanisms:

- Increased funding for existing federal programs, managed by existing federal agencies.
- Creation of new federal programs, managed by existing federal agencies.
- Expansion of programs, along with new funding, for programs operated by state agencies.
- Direct and indirect state budget relief. (*See Enhanced FMAP and State Fiscal Stabilization Fund narratives below.*)

The stated goal of ARRA was to implement increased federal funding in an accelerated manner, coupled with increased accountability and reporting requirements for how these new Federal Funds are spent.

Enhanced FMAP – In order to prevent substantial budget reductions at the state level, ARRA implemented several programs designed to provide direct relief to state budgets. One of these was the enhanced federal medical assistance percentage (FMAP), which ARRA temporarily increased through December 2010. FMAP is the proportion of Title XIX costs that are paid for by the federal government. Pending federal legislation may include an extension of the enhanced FMAP until July 2011.

Effective October 1, 2008 the enhanced FMAP allows Arizona to reduce General Fund support for Title XIX programs in the Arizona Health Care Cost Containment System (AHCCCS), the Department of Health Services (DHS), and the Department of Economic Security (DES) as the federal government pays a greater share of existing program costs. *Table 1* below compares historical levels of the FMAP with the recent enhanced FMAP.

<u>Fiscal Year</u>	<u>FMAP</u>
2006	67.1%
2007	66.6%
2008	66.3%
2009 (Jul – Sept)	65.8%
2009 (Oct – Mar)	75.0%
2009 (Apr – June)	75.9%
2009 (Total)	72.9%
2010	75.9%
2011 (July – Dec)	75.9%
2011 (Jan – June)	65.9%
2011 (Total)	70.9%

Table 2 outlines the expected General Fund savings associated with the enhanced FMAP through FY 2011.

<u>Agency</u>	<u>FY 2009 FMAP Savings</u>	<u>FY 2010 FMAP Savings</u>	<u>FY 2011 FMAP Savings</u>
AHCCCS	\$320,238,700	\$560,006,800	\$356,885,200
DES	57,812,900	83,804,600	51,366,100
DHS	<u>83,168,300</u>	<u>138,767,900</u>	<u>70,133,900</u>
Total	\$461,218,900	\$782,579,300	\$478,385,200

Because the enhanced FMAP is currently scheduled to end in December 2010 (halfway through FY 2011), FY 2011 enhanced FMAP savings are estimated to decline by \$(304,194,100), which will be backfilled with General Fund monies.

While ARRA permitted Arizona to realize savings by reducing General Fund support for Title XIX agencies, the legislation imposed several requirements in order for states to qualify for the enhanced FMAP. These provisions are as follows:

- Political subdivisions (e.g. county governments) may not pay a greater share of program costs than they did as of September 30, 2008.
- Eligibility standards, methodologies, or procedures may not be more restrictive than those that were in effect as of July 1, 2008.
- A state must comply with prompt pay requirements.
- Enhanced FMAP savings may not be credited towards a state’s Rainy Day Fund.

State Fiscal Stabilization Fund – ARRA also implemented the State Fiscal Stabilization Fund (SFSF), a program which distributed monies to states through a population-based formula. In total, Arizona will receive \$1,016,955,200, which must be obligated within 2 years of receipt. The state was eligible to receive approximately the first two-thirds of SFSF funds in mid-2009, while the remaining one-third is scheduled to be disbursed in the first quarter of calendar year (CY) 2010. ARRA requires that Arizona’s allocation be distributed as follows:

- Education Stabilization Fund - 81.8% for the support of elementary, secondary, and postsecondary education, as well as early childhood education programs/services.
- Government Services Fund - 18.2% for public safety and “other government services”.

Education Stabilization Fund - Arizona is expected to receive \$831,869,300 for the Education Stabilization Fund. Pending federal legislation may increase the state’s allocation. ARRA requirements focus on 2 major areas:

- Maintenance of Effort (MOE) - Arizona must certify that it will maintain “state support” at least at the level found in FY 2006 for both the K-12 system and the higher education system as a whole. For the purposes of complying with MOE requirements, ARRA treats K-12 and the higher education system as 2 distinct entities; both must be at or above their FY 2006 funding levels.

ARRA includes a process whereby a state can apply for a “waiver” from the maintenance of effort provisions, which would allow the state to spend below its FY 2006 spending level and still receive stabilization funds. However, ARRA requires states seeking a waiver to meet a separate criteria — a state’s total education spending as a percentage of “total revenues available to the state” must not have declined from the prior fiscal year for the fiscal year in which the waiver is sought.

- Restoration Amounts - Arizona must use these funds to restore “state support” for K-12 and higher education to the levels of spending in FY 2008 or FY 2009, whichever is greater. For restoration purposes, K-12 and higher education are treated as 2 distinct entities as well. If insufficient funds exist, ARRA outlines a formula whereby the remaining funds are distributed between K-12 and higher education proportionally.

Fiscal Stabilization Fund Implementation

K-12 (FY 2009) – For primary and secondary education, ARRA requires that states only consider the amount of state funds provided through “primary and secondary education funding formulae.” For Arizona, the Governor has chosen to define this as Basic State Aid (BSA) and Additional State Aid (ASA) General Fund payments to school districts and charter schools. It does not, however, include funds distributed from the Classroom Site Fund. (*Please see the Arizona Department of Education Formula Programs section for more information*).

The initial calculation for the distribution of Education Stabilization funds was based on Arizona’s BSA/ASA funding level after the revisions made in Laws 2009, 1st Special Session, Chapters 1 and 6. At this point, BSA/ASA funding was above the actual FY 2008 level. Therefore, Arizona was under no obligation to restore past reductions made to the K-12 system.

However, the state was free to make additional reductions to our funding formulae and backfill these reductions with ARRA funds. Laws 2009, 1st Regular Session, Chapter 5 required that “if this state receives federal assistance from the federal education stabilization fund,” \$(250,000,000) was reduced from the Arizona Department of Education (ADE) FY 2009 appropriation and transferred to the General Fund. For technical reasons, Arizona did not

receive any education stabilization funds in FY 2009, and the \$(250,000,000) reduction was not triggered.

K-12 (FY 2010) – The FY 2010 budget (SB 1188, as amended by HB 2643) originally presumed \$(222,114,000) of savings by reducing ADE’s FY 2010 appropriation and backfilling this reduction with ARRA funds. This provision was line-item vetoed by the Governor.

In order to compensate for the lost FY 2009 savings, Laws 2009, 3rd Special Session, Chapter 11 included a \$472,114,000 “cut and backfill” for ADE (\$250,000,000 + \$222,114,000). While this reduction was signed into law, the Governor line-item vetoed a reference to using the funds for FY 2010 expenses, presumably to keep flexibility in using the funds to pay for expenses from multiple years.

K-12 (FY 2011) – The Baseline includes a \$472,114,000 increase to ADE’s General Fund budget to restore the one-time reduction made in FY 2010. Given the FY 2010 distribution of stabilization funds to ADE and the Higher Education system, approximately \$176,945,900 is available for distribution from the SFSF in FY 2010 and FY 2011. Arizona public schools may receive additional SFSF monies in FY 2010 or FY 2011. Due to the limited availability of SFSF funds, this amount would be less than the first distribution of \$472,114,000.

Higher Education (FY 2009) – When calculating the restoration amounts for the higher education system, ARRA requires states to only consider “state support,” which is defined as:

- Direct appropriations to Institutions of Higher Education (IHEs).
- May not include support for capital projects or research and development; or tuition and fees paid by students.
- Financial assistance may be considered “state support” when the assistance is appropriated directly to IHEs.

In total, Arizona’s state support for IHEs following the revisions made in Laws 2009, 1st Special Session, Chapters 1 and 6 was \$1,058,069,900. This consisted of \$920,390,100 for the University system and \$137,679,800 for Community Colleges. However, total state support for IHE’s in FY 2008 was \$1,240,879,300; therefore, the higher education system was entitled to approximately \$182,809,400 in stabilization funds to restore past reductions. This amount was disbursed for FY 2009.

The \$182,809,400 in FY 2009 restoration monies were distributed as follows: \$28,671,000 to the Community College system and \$154,138,400 to the Universities. (*See the “ARRA” narrative of the Community Colleges and Arizona Board of Regents sections for more information.*)

Higher Education (FY 2010) – In addition, the FY 2010 budget assumed \$10,000,000 of savings

associated with reducing the University system's appropriation and backfilling this reduction with stabilization funds. Laws 2009, 3rd Special Session, Chapter 11, Section 15 enacts this reduction and states that the Arizona Board of Regents is to reduce funding to the various institutions in proportion to their state General Fund appropriations.

This legislation also states that it is the intent of the Legislature that the University system will receive stabilization funds above and beyond the \$10,000,000 backfill, should the Governor choose to allocate the funds in this manner.

The Universities and Community Colleges incurred another \$(40,596,800) in net reductions. These amounts may also be backfilled with stabilization funds, depending on their availability.

Higher Education (FY 2011) – The Baseline does not include funding to the University system to restore the \$(10,000,000) reduction made in FY 2010. Given the FY 2010 distribution of stabilization funds to ADE and the Higher Education system, approximately \$176,945,900 is available for distribution from the SFSF in FY 2010 and FY 2011. Arizona's Higher Education system may receive additional SFSF monies in FY 2010 or FY 2011. Due to the limited availability of SFSF funds, this amount would be less than the first distribution of \$182,809,400.

Government Services Fund (2010) – Arizona is expected to receive \$185,085,800 for the Government Services Fund. The uses of these funds are largely unrestricted, except that Arizona's use of the funds is contingent upon meeting the MOE requirements discussed previously.

The FY 2010 budget assumes \$78,900,000 of savings related to the Government Services Fund by making the following reductions:

<u>Agency</u>	<u>FY 2010 Reduction</u>	<u>Reduction Area/Program</u>
ADC	\$50,000,000	Correctional Officer Personal Services
DES	17,300,000	Autism and State-only Developmental Disabilities
DHS	<u>11,600,000</u>	Community Health Centers
Total	\$78,900,000	

In its original form, Laws 2009, 1st Regular Session, Chapter 12 and Laws 2009, 3rd Special Session, Chapter 11 included language that stated it was the intent of the Legislature that monies from the Government Services Fund be used to backfill the above reductions. These intent statements were signed into law, with the exception of the ones pertaining to the DES backfill. In Arizona, the

Legislature does not have the authority to appropriate Federal Funds.

During budget discussions in 2009, the Governor's Office stated their intent to use \$26,000,000 for DES caseload growth in Child Protective Services, Adoption and Children Services. In October 2009, the Governor also awarded \$1,700,000 in order to repair the Arizona State Fair Veterans' Memorial Coliseum roof.

Given the above distributions, approximately \$78,485,800 of the \$185,085,800 in Government Services funds would be remaining for use in FY 2011.

Government Services Fund (2011) – Given the projected balance of Government Services Funds, the Baseline includes no additional funding to restore the \$78,900,000 in FY 2010 reductions. The remaining balance may be used to continue the FY 2010 distributions. The Governor, however, may decide to allocate this funding differently.

FY 2010 Federal Assistance Savings

The Baseline includes \$1,254,693,300 worth of one-time savings in FY 2010 associated with ARRA. These savings are displayed in *Table 4* and are distributed as follows:

<u>Agency</u>	<u>FY 2010 General Fund Savings</u>
AHCCCS	\$560,006,800
DES	83,804,600
ADE	472,114,000
DHS	<u>138,767,900</u>
Total	\$1,254,693,300

FY 2011 Federal Assistance Savings

The Baseline includes \$478,385,200 worth of one-time savings in FY 2011 associated with ARRA, which consists entirely of reductions related to the enhanced FMAP. These savings are outlined in *Table 5* below, and are as follows:

<u>Agency</u>	<u>FY 2011 General Fund Savings</u>
AHCCCS	\$356,885,200
DES	51,366,100
DHS	<u>70,133,900</u>
Total	\$478,385,200

FY 2011 General Fund Backfill

The Baseline includes \$776,308,100 from the General Fund to backfill one-time reductions made in FY 2010 associated with ARRA. The Baseline only backfills the loss of Federal Funds if they were used to support the cost of state statutory funding formulas. These backfills are required due to the expiration of the enhanced FMAP in December 2010 and the exhaustion of most of the

Education Stabilization funds. *Table 6* shows the distribution of these backfills:

<u>Agency</u>	<u>FY 2011 General Fund Backfill</u>
AHCCCS	\$203,121,600
DES	32,438,500
ADE	472,114,000
DHS	<u>68,634,000</u>
Total	\$776,308,100

BUDGET NUMBERS BY AGENCY

FY 2011 GENERAL FUND SUMMARY BY AGENCY

	FY 2010 Estimate	FY 2011 Baseline	FY 2011 Baseline - FY 2010
BUDGET UNITS			
Administration, AZ Department of	\$17,830,300	\$17,404,400	(425,900)
Administrative Hearings, Office of	934,300	934,300	0
Agriculture, AZ Department of	8,584,900	8,584,900	0
AHCCCS	1,178,047,500	1,760,609,200	582,561,700
Arts, Arizona Commission on the	895,900	895,900	0
Attorney General - Department of Law	17,987,400	17,987,400	0
Capital Postconviction Public Defender Ofc, State	647,000	647,000	0
Charter Schools, State Board for	823,900	823,900	0
Commerce, Department of	6,221,000	3,589,000	(2,632,000)
Community Colleges, Arizona	135,344,300	142,828,800	7,484,500
Corporation Commission	589,800	589,800	0
Corrections, State Department of	868,927,000	937,289,400	68,362,400
Deaf and the Blind, Schools for the	21,268,400	21,268,400	0
Economic Security, Department of	546,080,200	615,033,200	68,953,000
Education, Department of	3,533,990,400	3,902,881,900	368,891,500
Emergency & Military Affairs, Dept of	10,491,900	10,526,300	34,400
Environmental Quality, Department of	12,779,100	12,779,100	0
Equal Opportunity, Governor's Office of	196,600	196,600	0
Equalization, State Board of	602,500	602,500	0
Executive Clemency, Board of	880,200	880,200	0
Financial Institutions, State Department of	2,973,000	2,973,000	0
Fire, Building and Life Safety, Department of	2,185,000	2,185,000	0
Geological Survey, Arizona	801,400	801,400	0
Government Information Tech. Agency	757,300	757,300	0
Governor, Office of the	7,043,900	7,043,900	0
Gov's Ofc of Strategic Planning & Budgeting	1,993,500	1,993,500	0
Health Services, Department of	444,195,900	549,321,700	105,125,800
Historical Society, Arizona	3,870,700	3,870,700	0
Historical Society, Prescott	692,000	692,000	0
Independent Redistricting Commission	0	500,000	500,000
Indian Affairs, AZ Commission of	117,100	117,100	0
Insurance, Department of	5,625,800	5,625,800	0
Judiciary			
Supreme Court	17,262,100	17,262,100	0
Court of Appeals	14,063,500	14,063,500	0
Superior Court	88,194,800	88,300,100	105,300
SUBTOTAL - Judiciary	119,520,400	119,625,700	105,300
Juvenile Corrections, Department of	63,331,200	63,331,200	0
Land Department, State	6,622,200	6,526,000	(96,200)
Law Enforcement Merit System Council	71,900	71,900	0
Legislature			
Auditor General	16,546,700	16,546,700	0
House of Representatives	13,000,900	13,000,900	0
Joint Legislative Budget Committee	2,548,300	2,548,300	0
Legislative Council	4,856,200	4,856,200	0
Library, Archives & Public Records, AZ State	0	0	0
Senate	8,244,800	8,244,800	0
SUBTOTAL - Legislature	45,196,900	45,196,900	0
Liquor Licenses & Control, Department of	702,700	0	(702,700)
Medical Student Loans, Board of	801,900	801,900	0
Mine Inspector, State	1,161,700	1,161,700	0
Mines & Mineral Resources, Department of	858,700	858,700	0
Navigable Stream Adjudication Commission	136,300	136,300	0
Nursing, State Board of	0	0	0
Parks Board, Arizona State	20,000,000	20,000,000	0
Pioneers' Home, AZ	0	1,562,000	1,562,000
Postsecondary Education, Commission for	4,042,000	4,042,000	0
Public Safety, Department of	43,589,200	43,589,200	0
Racing, Arizona Department of	5,677,700	5,677,700	0
Radiation Regulatory Agency	1,418,000	1,429,500	11,500

	FY 2010 Estimate	<u>1/</u>	FY 2011 Baseline	FY 2011 Baseline - FY 2010
Rangers' Pensions, Arizona	14,000		14,200	200
Real Estate Department, State	3,021,400		3,021,400	0
Revenue, Department of	37,611,900		39,611,900	2,000,000
School Facilities Board	104,779,700		127,616,500	22,836,800
Secretary of State	18,403,300	<u>2/</u>	13,456,400	(4,946,900)
Tax Appeals, State Board of	258,800		258,800	0
Tourism, Office of	10,655,200		10,655,200	0
Transportation, Department of	58,400		58,400	0
Treasurer, State	3,607,500		1,115,100	(2,492,400)
Universities				
Arizona State University - Tempe/DPC	326,349,100		326,349,100	0
Arizona State University - East Campus	25,101,300		25,101,300	0
Arizona State University - West Campus	43,935,700		43,935,700	0
Northern Arizona University	133,118,100		133,118,100	0
Board of Regents	18,598,300		17,230,300	(1,368,000)
Universitywide Reductions	0		0	0
University of Arizona - Main Campus	271,315,400		271,315,400	0
University of Arizona - Health Sciences Center	73,234,900		73,234,900	0
SUBTOTAL - Universities	891,652,800		890,284,800	(1,368,000)
Veterans' Services, Department of	7,602,500		7,602,500	0
Water Resources, Department of	16,879,900		16,879,900	0
Weights and Measures, Department of	1,216,900		1,216,900	0
OPERATING BUDGET TOTAL	8,242,271,300		9,458,036,300	1,215,765,000
FY 2010 Supplementals	147,071,800		0	(147,071,800)
Asset Sale and Lease-Back Debt Service	0		43,000,000	43,000,000
Lease-Purchase Adjustments	0		9,002,300	9,002,300
AZNet Adjustments	0		(2,165,200)	(2,165,200)
Veterinary Med Bd Backfill	250,000		0	(250,000)
Psychologist Examiners Backfill	300,000		25,000	(275,000)
Chiropractors Backfill	148,000		0	(148,000)
Funeral Directors Backfill	100,000		0	(100,000)
Tourism Fund Restoration	200,000		0	(200,000)
Capital	10,400,000		400,000	(10,000,000)
Administrative Adjustments	72,731,600		73,607,000	875,400
One-time DPS Revertments	(2,037,500)		0	2,037,500
Capital Revertments	(450,000)		0	450,000
Revertments	(113,241,600)		(112,905,100)	336,500
GRAND TOTAL	\$8,357,743,600		\$9,469,000,300	\$1,111,256,700

1/ Includes adjustments through 5th Special Session.

2/ Monies for the Library and Archives are now shown as a division within the Secretary of State.

FY 2011 OTHER APPROPRIATED FUNDS SUMMARY BY AGENCY

	FY 2010 Estimate	1/ FY 2011 Baseline	FY 2011 Baseline - FY 2010
<u>BUDGET UNITS</u>			
Accountancy, State Board of			
Board of Accountancy Fund	\$1,902,400	\$1,902,400	\$0
Acupuncture Board of Examiners			
Acupuncture Board of Examiners Fund	129,700	129,700	0
Administration, AZ Department of			
Air Quality Fund	714,100	714,100	0
Automation Operations Fund	19,195,900	19,195,900	0
Capital Outlay Stabilization Fund	17,411,800	17,411,800	0
Corrections Fund	568,900	568,900	0
Motor Vehicle Pool Revolving Fund	10,530,500	10,530,500	0
Personnel Division Fund	14,884,700	15,280,400	395,700
Risk Management Revolving Fund	92,472,200	92,472,200	0
Special Employee Health Insurance Trust Fund	5,249,800	5,249,800	0
State Surplus Materials Revolving Fund and Federal Surplus Materials Revolving Fund	4,071,800	4,071,800	0
Telecommunications Fund	1,796,200	1,796,200	0
Telecommunications Fund - Infrastructure Improvements Account	4,713,700	0	(4,713,700)
Total - AZ Department of Administration	171,609,600	167,291,600	(4,318,000)
Administrative Hearings, Office of			
Healthcare Group Fund	14,500	14,500	0
Agriculture, AZ Department of			
Aquaculture Fund	9,200	9,200	0
Egg Inspection Fund	904,400	904,400	0
Citrus, Fruit and Vegetable Revolving Fund	1,028,700	1,028,700	0
Commercial Feed Fund	302,000	302,000	0
Fertilizer Materials Fund	307,700	307,700	0
Livestock Custody Fund	79,400	79,400	0
Pesticide Fund	388,300	388,300	0
Agricultural Consulting and Training Fund	0	0	0
Dangerous Plants, Pests and Diseases Fund	40,000	40,000	0
Arizona Protected Native Plant Fund	197,700	197,700	0
Seed Law Fund	54,600	54,600	0
Total - AZ Department of Agriculture	3,312,000	3,312,000	0
AHCCCS			
Budget Neutrality Compliance Fund	2,993,500	3,117,300	123,800
Children's Health Insurance Program Fund	114,978,200	81,352,400	(33,625,800)
Healthcare Group Fund	6,179,700	6,179,700	0
Temporary Medical Coverage Fund	0	0	0
Tobacco Products Tax Fund Emergency Health Services Account	23,331,800	19,222,900	(4,108,900)
Tobacco Tax and Health Care Fund Medically Needy Account	53,738,100	38,295,800	(15,442,300)
Total - AHCCCS	201,221,300	148,168,100	(53,053,200)
Appraisal, State Board of			
Board of Appraisal Fund	624,200	624,200	0
Attorney General - Department of Law			
Antitrust Enforcement Revolving Fund	242,800	242,800	0
Attorney Gen'l Legal Svcs Cost Allocation Fund	5,651,600	5,651,600	0
Collection Enforcement Revolving Fund	3,313,400	3,313,400	0
Consumer Protection-Consumer Fraud Rev. Fund	3,513,700	3,513,700	0
Interagency Service Agreements Fund	13,440,400	13,440,400	0
Risk Management Revolving Fund	9,037,400	9,037,400	0
Victims' Rights Fund	3,248,200	3,248,200	0
Total - Attorney General - Department of Law	38,447,500	38,447,500	0
Automobile Theft Authority			
Automobile Theft Authority Fund	5,140,200	5,140,200	0
Barbers, Board of			
Board of Barbers Fund	329,900	329,900	0

	FY 2010 Estimate	^{1/} FY 2011 Baseline	FY 2011 Baseline - FY 2010
Biomedical Research Commission, Arizona			
Tobacco Tax and Health Care Fund			
Health Research Account	500,000	500,000	0
Behavioral Health Examiners, Board of			
Board of Behavioral Health Examiners Fund	1,378,800	1,378,800	0
Chiropractic Examiners, State Board of			
Board of Chiropractic Examiners Fund	476,600	453,200	(23,400)
Commerce, Department of			
CEDC Fund	3,769,100	3,769,100	0
Commerce Development Bond Fund	145,400	145,400	0
Oil Overcharge Fund	185,700	185,700	0
State Lottery Fund	268,100	268,100	0
Total - Department of Commerce	4,368,300	4,368,300	0
Contractors, Registrar of			
Registrar of Contractors Fund	12,232,700	12,232,700	0
Corporation Commission			
Arizona Arts Trust Fund	51,800	51,800	0
Investment Management Regulatory and Enforcement Fund	711,800	711,800	0
Public Access Fund	6,275,800	6,069,800	(206,000)
Securities Regulatory and Enforcement Fund	4,408,400	4,408,400	0
Utility Regulation Revolving Fund	13,449,300	13,449,300	0
Total - Corporation Commission	24,897,100	24,691,100	(206,000)
Corrections, State Department of			
Alcohol Abuse Treatment Fund	554,400	554,400	0
Corrections Fund	29,017,600	29,017,600	0
Penitentiary Land Fund	979,200	979,200	0
Prison Construction and Operations Fund	11,499,400	11,499,400	0
State Charitable, Penal and Reformatory Institutions Land Fund	360,000	360,000	0
State Education Fund for Correctional Education	507,500	507,500	0
Transition Office Fund	180,000	180,000	0
Transition Program Drug Treatment Fund	555,000	555,000	0
Total - State Department of Corrections	43,653,100	43,653,100	0
Cosmetology, Board of			
Board of Cosmetology Fund	1,759,500	1,759,500	0
Criminal Justice Commission, Arizona			
Criminal Justice Enhancement Fund	684,100	684,100	0
Drug and Gang Prevention Resource Center Fund	0	235,200	235,200
State Aid to County Attorneys Fund	973,600	973,600	0
State Aid to Indigent Defense Fund	924,300	924,300	0
Victim Compensation and Assistance Fund	3,792,500	3,792,500	0
Total - Arizona Criminal Justice Commission	6,374,500	6,609,700	235,200
Deaf and the Blind, AZ Schools for the			
Schools for the Deaf and the Blind Fund	14,806,600	14,806,600	0
Total - AZ Schools for the Deaf and the Blind	14,806,600	14,806,600	0
Deaf and the Hard of Hearing, Comm. for the			
Telecommunication Fund for the Deaf	4,079,200	4,079,200	0
Dental Examiners, State Board of			
Dental Board Fund	1,106,500	1,106,500	0
Drug & Gang Prevention Resource Center			
Drug and Gang Prevention Resource Center Fund	235,200	0	(235,200)
Intergovernmental Agreements and Grants	344,400	344,400	0
Total - Drug & Gang Prevention Resource Center	579,600	344,400	(235,200)
Economic Security, Department of			
Child Abuse Prevention Fund	1,459,100	1,459,100	0
Child Support Enforcement Administration Fund	15,352,700	15,352,700	0
Children and Family Services Training Program Fund	209,600	209,600	0
Domestic Violence Shelter Fund	2,220,000	2,220,000	0
Federal Child Care and Development Fund Block Grant	130,448,600	130,448,600	0

	FY 2010 Estimate	FY 2011 Baseline	FY 2011 Baseline - FY 2010
Federal Reed Act Grant	3,524,200	3,524,200	0
Federal Temporary Assistance for Needy Families Block Grant	283,150,700	283,150,700	0
Long Term Care System Fund	26,469,400	26,469,400	0
Public Assistance Collections Fund	427,600	427,600	0
Risk Management Fund	271,500	0	(271,500)
Special Administration Fund	1,135,300	1,135,300	0
Spinal and Head Injuries Trust Fund	1,875,400	1,875,400	0
Statewide Cost Allocation Plan Fund	1,000,000	1,000,000	0
Tobacco Tax and Health Care Fund Health Research Account	200,000	0	(200,000)
Workforce Investment Act Grant	55,954,800	55,954,800	0
Total - Department of Economic Security	523,698,900	523,227,400	(471,500)
Education, Department of			
Permanent State School Fund	46,475,500	46,475,500	0
Proposition 301 Fund	7,000,000	7,000,000	0
Teacher Certification Fund	2,283,600	2,283,600	0
Total - Department of Education	55,759,100	55,759,100	0
Emergency & Military Affairs, Dept of Emergency Response Fund	132,700	132,700	0
Environmental Quality, Department of			
Air Permits Administration Fund	5,252,000	5,252,000	0
Air Quality Fund	4,763,800	4,763,800	0
Clean Water Revolving Fund	5,000,000	5,000,000	0
Emissions Inspection Fund	33,116,600	33,116,600	0
Hazardous Waste Management Fund	740,900	740,900	0
Indirect Cost Recovery Fund	10,382,700	10,382,700	0
Recycling Fund	0	0	0
Solid Waste Fee Fund	1,163,700	1,163,700	0
Underground Storage Tank Fund	22,000	22,000	0
Used Oil Fund	138,300	138,300	0
Water Quality Fee Fund	5,210,200	5,210,200	0
Total - Department of Environmental Quality	65,790,200	65,790,200	0
Exposition and State Fair Board, AZ Arizona Exposition and State Fair Fund	13,753,000	13,753,000	0
Financial Institutions, Department of Financial Services Fund	0	1,249,200	1,249,200
Funeral Directors and Embalmers, Board of Board of Funeral Directors & Embalmers Fund	351,200	351,200	0
Game and Fish Department, AZ			
Game and Fish Fund	35,063,800	34,489,300	(574,500)
Game, Nongame, Fish and Endangered Species Fund	332,000	332,000	0
Watercraft Licensing Fund	4,468,800	4,688,800	220,000
Waterfowl Conservation Fund	43,400	43,400	0
Wildlife Endowment Fund	16,000	16,000	0
Total - AZ Game and Fish Department	39,924,000	39,569,500	(354,500)
Gaming, Department of			
Tribal State Compact Fund	1,986,200	1,986,200	0
State Lottery Fund	300,000	300,000	0
Arizona Benefits Fund	10,895,700	9,913,400	(982,300)
Total - Department of Gaming	13,181,900	12,199,600	(982,300)
Government Information Tech. Agency			
Information Technology Fund	3,236,700	3,236,700	0
State Web Portal Fund	3,900,000	3,900,000	0
Total - Government Information Technology Agency	7,136,700	7,136,700	0
Health Services, Department of			
Arizona State Hospital Fund	11,159,500	11,159,500	0
ASH Land Earnings Fund	1,150,000	1,150,000	0
Health Services Licensing Fund	4,493,400	8,656,100	4,162,700
Capital Outlay Stabilization Fund	1,578,000	1,578,000	0
Child Fatality Review Fund	99,100	99,100	0
Emergency Medical Services Operating Fund	5,154,800	5,154,800	0
Environmental Laboratory Licensure Revolving Fund	935,200	935,200	0

	FY 2010 Estimate	<u>1/</u>	FY 2011 Baseline	FY 2011 Baseline - FY 2010
Federal Child Care and Development Fund				
Block Grant	832,200		832,200	0
Hearing and Speech Professionals Fund	321,900		321,900	0
Indirect Cost Fund	7,827,500		7,827,500	0
Newborn Screening Program Fund	6,812,700		6,812,700	0
Nursing Care Institution Resident Protection Fund	38,000		38,000	0
Substance Abuse Services Fund	2,250,000		2,250,000	0
Tobacco Tax and Health Care Fund				
Health Research Account	1,000,000		1,000,000	0
Tobacco Tax and Health Care Fund				
Medically Needy Account	36,324,800		36,324,800	0
Vital Records Electronic System Fund	433,700		433,700	0
Total - Department of Health Services	80,410,800		84,573,500	4,162,700
Historical Society, Arizona				
Capital Outlay Stabilization Fund	194,200		194,200	0
Homeopathic & Integrated Medicine Examiners, Bd of Bd of Homeopathic & Integrated Medicine Exmnr's Fund	104,900		104,900	0
Housing, Department of				
Housing Trust Fund	949,600		949,600	0
Total - Department of Housing	949,600		949,600	0
Industrial Commission of AZ				
Industrial Commission Administrative Fund	19,983,100		19,983,100	0
Judiciary - Supreme Court				
Confidential Intermediary and Fiduciary Fund	488,700		488,700	0
Court Appointed Special Advocate Fund	2,949,900		2,949,900	0
Criminal Justice Enhancement Fund	3,663,200		3,037,400	(625,800)
Defensive Driving School Fund	5,331,000		5,331,000	0
Judicial Collection Enhancement Fund	16,509,300		12,009,300	(4,500,000)
Photo Enforcement Fund	4,056,600		4,056,600	0
State Aid to the Courts Fund	2,945,500		2,945,500	0
Total - Supreme Court	35,944,200		30,818,400	(5,125,800)
Judiciary - Superior Court				
Criminal Justice Enhancement Fund	6,975,900		6,975,900	0
Judicial Collection Enhancement Fund	5,032,100		5,032,100	0
Drug Treatment and Education Fund	500,000		500,000	0
Total - Superior Court	12,508,000		12,508,000	0
SUBTOTAL - Judiciary	48,452,200		43,326,400	(5,125,800)
Juvenile Corrections, Department of				
Criminal Justice Enhancement Fund	556,000		556,000	0
State Charitable, Penal and Reformatory Institutions Land Fund	1,098,600		1,098,600	0
State Education Fund for Committed Youth	2,281,000		2,281,000	0
Total - Department of Juvenile Corrections	3,935,600		3,935,600	0
Land Department, State				
Due Diligence Fund	500,000		500,000	0
Environmental Special Plate Fund	260,000		260,000	0
Trust Land Management Fund	9,820,400		9,820,400	0
State Parks Heritage Fund	3,465,000		3,465,000	0
Total - State Land Department	14,045,400		14,045,400	0
Legislature				
Library, Archives & Public Records, AZ State Records Services Fund	0	<u>2/</u>	0	0
Total - Legislature	0		0	0
Liquor Licenses & Control, Department of				
Liquor Licenses Fund	1,945,100		2,647,800	702,700
Lottery Commission, AZ State				
State Lottery Fund	78,473,700	<u>3/</u>	81,204,600	2,730,900
Medical Board, Arizona				
Arizona Medical Board Fund	5,853,400		5,853,400	0
Medical Student Loans, Board of				
Medical Student Loan Fund	47,000		47,000	0
Mine Inspector, State				
Aggregate Mining Reclamation Fund	155,800		269,800	114,000
Total - State Mine Inspector	155,800		269,800	114,000

	FY 2010 Estimate	FY 2011 Baseline	FY 2011 Baseline - FY 2010
Naturopathic Physicians Medical Board			
Naturopathic Physicians Medical Board Fund	604,800	604,800	0
Nursing, State Board of			
Board of Nursing Fund	4,153,900	4,153,900	0
Nursing Care Institution Administrators Board			
Nursing Care Institution Administrators' Licensing & Assisted Living Facility Managers' Certification Fund	379,600	379,600	0
Occupational Therapy Examiners, Board of			
Occupational Therapy Fund	246,500	246,500	0
Opticians, State Board of Dispensing			
Board of Dispensing Opticians Fund	125,200	125,200	0
Optometry, State Board of			
Board of Optometry Fund	203,400	203,400	0
Osteopathic Examiners, AZ Board of			
Board of Osteopathic Examiners Fund	702,000	702,000	0
Parks Board, Arizona State			
Law Enforcement and Boating Safety Fund	1,092,700	1,092,700	0
State Parks Enhancement Fund	7,831,200	7,831,200	0
Reservation Surcharge Fund	455,000	455,000	0
Total - Arizona State Parks Board	9,378,900	9,378,900	0
Personnel Board			
Personnel Board Account of the Personnel Division Fund	329,100	329,100	
Pest Management, Office of			
Pest Management Fund	2,663,200	2,300,000	(363,200)
Pharmacy, AZ State Board of			
Board of Pharmacy Fund	1,931,400	1,981,400	50,000
Physical Therapy Examiners, Board of			
Board of Physical Therapy Fund	362,000	362,000	0
Pioneers' Home, AZ			
Miners' Hospital Fund	2,998,300	2,541,100	(457,200)
State Charitable Fund	3,725,000	2,051,600	(1,673,400)
Total - AZ Pioneers' Home	6,723,300	4,592,700	(2,130,600)
Podiatry Examiners, State Board of			
Podiatry Fund	144,500	144,500	0
Postsecondary Education, Commission for			
Postsecondary Education Fund	3,854,800	3,854,800	0
Private Postsecondary Education, Board for			
Board for Private Postsecondary Education Fund	337,100	337,100	0
Psychologist Examiners, State Board of			
Board of Psychologist Examiners Fund	401,800	366,000	(35,800)
Public Safety, Department of			
Arizona Deoxyribonucleic Acid Identification Fund	4,022,400	4,022,400	0
Arizona Highway Patrol Fund	18,554,900	18,554,900	0
Automated Fingerprint Identification Fund	3,021,300	3,021,300	0
Crime Laboratory Assessment Fund	5,115,600	5,115,600	0
Crime Laboratory Operations Fund	9,620,000	9,620,000	0
Criminal Justice Enhancement Fund	2,863,100	2,863,100	0
Highway User Revenue Fund Fees	78,626,200	78,626,200	0
Motorcycle Safety Fund	205,000	205,000	0
Parity Compensation Fund	3,023,300	3,023,300	0
Photo Enforcement Fund	22,534,300	22,534,300	0
Risk Management Fund	296,200	296,200	0
Safety Enforcement and Transportation Infrastructure Fund	1,504,600	1,504,600	0
State Highway Fund	41,256,000	41,256,000	0
Total - Department of Public Safety	190,642,900	190,642,900	0
Radiation Regulatory Agency			
State Radiologic Technologist Certification Fund	269,300	269,300	0

	FY 2010 Estimate	<u>1/</u>	FY 2011 Baseline	FY 2011 Baseline - FY 2010
Residential Utility Consumer Office				
Residential Utility Consumer Office				
Revolving Fund	1,308,700		1,308,700	0
Respiratory Care Examiners, Board of				
Board of Respiratory Care Examiners' Fund	263,100		263,100	0
Retirement System, Arizona State				
Long-Term Disability Administration Account	2,800,000		2,800,000	0
State Retirement System Administration				
Account	20,430,100		20,430,100	0
Total - Arizona State Retirement System	<u>23,230,100</u>		<u>23,230,100</u>	0
Revenue, Department of				
Department of Revenue Administrative Fund	22,662,500		22,662,500	0
Estate and Unclaimed Property Fund	0		0	0
Liability Setoff Fund	401,200		401,200	0
Tobacco Tax and Health Care Fund	667,300		667,300	0
Total - Department of Revenue	<u>23,731,000</u>		<u>23,731,000</u>	0
Secretary of State				
Election Systems Improvement Fund	7,722,800		7,722,800	0
Records Services Fund	678,800	<u>2/</u>	678,800	0
Professional Employer Organization Fund	98,900		98,900	0
Total - Secretary of State	<u>8,500,500</u>		<u>8,500,500</u>	0
State Boards' Office				
Special Services Revolving Fund	285,200		226,800	(58,400)
Technical Registration, State Board of				
Technical Registration Fund	1,756,400		1,756,400	0
Transportation, Department of				
Air Quality Fund	72,700		72,700	0
Driving Under the Influence Abatement Fund	145,400		145,400	0
Highway User Revenue Fund	620,400		620,400	0
Motor Vehicle Liability Insurance				
Enforcement Fund	2,032,700		2,032,700	0
Safety Enforcement and Transportation				
Infrastructure Fund	2,009,900		2,009,900	0
State Aviation Fund	1,748,300		1,748,300	0
State Highway Fund	398,222,300		322,400,000	(75,822,300)
Transportation Department Equipment Fund	27,791,800		27,791,800	0
Vehicle Inspection & Title Enforcement Fund	1,578,700		1,578,700	0
Total - Department of Transportation	<u>434,222,200</u>		<u>358,399,900</u>	<u>(75,822,300)</u>
Treasurer, State				
State Treasurer's Management Fund	88,300		2,580,700	2,492,400
Total - State Treasurer	<u>88,300</u>		<u>2,580,700</u>	<u>2,492,400</u>
Universities				
Arizona State University - Tempe/DPC				
University Collections Fund	316,565,200	<u>4/</u>	334,243,300	17,678,100
Total - Arizona State University - Main Campus	<u>316,565,200</u>		<u>334,243,300</u>	<u>17,678,100</u>
Arizona State University - East Campus				
University Collections Fund	29,612,300	<u>4/</u>	30,792,200	1,179,900
Technology and Research Initiative Fund	2,000,000		2,000,000	0
Total - Arizona State University - East Campus	<u>31,612,300</u>		<u>32,792,200</u>	<u>1,179,900</u>
Arizona State University - West Campus				
University Collections Fund	28,307,400	<u>4/</u>	26,906,800	(1,400,600)
Technology and Research Initiative Fund	1,600,000		1,600,000	0
Total - Arizona State University - West Campus	<u>29,907,400</u>		<u>28,506,800</u>	<u>(1,400,600)</u>
Northern Arizona University				
University Collections Fund	73,068,900	<u>4/</u>	78,308,200	5,239,300
University of Arizona - Main Campus				
University Collections Fund	215,379,200	<u>4/</u>	219,265,500	3,886,300
University of Arizona - Health Sciences Center				
University Collections Fund	21,380,000	<u>4/</u>	22,259,200	879,200
SUBTOTAL - Universities	<u>687,913,000</u>		<u>715,375,200</u>	<u>27,462,200</u>
Veterans' Services, Department of				
State Veterans' Conservatorship Fund	751,800		751,800	0
State Home for Veterans' Trust Fund	13,830,800		13,830,800	0
Total - Department of Veterans' Services	<u>14,582,600</u>		<u>14,582,600</u>	0

	FY 2010 Estimate	<u>1/</u>	FY 2011 Baseline	FY 2011 Baseline - FY 2010
Veterinary Medical Examining Board				
Veterinary Medical Examining Board Fund	470,400		470,400	0
Water Resources, Department of				
Assured and Adequate Water Supply Admin Fund	951,600		277,000	(674,600)
Water Banking Fund	0		0	0
Total - Department of Water Resources	951,600		277,000	(674,600)
Weights and Measures, Department of				
Air Quality Fund	1,424,200		1,424,200	0
Motor Vehicle Liability Insurance Enf. Fund	323,500		323,500	0
Total - Department of Weights and Measures	1,747,700		1,747,700	0
State Employee Health Insurance - FY 10 - Unallocated	179,300		0	(179,300)
OPERATING BUDGET TOTAL	<u>\$2,935,906,100</u>		<u>\$2,831,071,300</u>	<u>(\$104,834,800)</u>
FY 2010 Supplementals	(75,822,300)		0	75,822,300
Lease-Purchase Adjustments	0		2,716,300	2,716,300
AZNet Adjustments	0		(1,838,600)	(1,838,600)
Capital	223,608,600		208,144,100	(15,464,500)
GRAND TOTAL	<u><u>3,083,692,400</u></u>		<u><u>3,040,093,100</u></u>	<u><u>(43,599,300)</u></u>

1/ Includes adjustments through 5th Special Session.

2/ Monies for the Library and Archives are now shown as a division within the Secretary of State.

3/ Revised Lottery forecast.

4/ Reflects tuition collections receipts above the amount appropriated by the Legislature in FY 2010. A footnote in the FY 2010 General Appropriation Act appropriated any tuition collections receipts above the appropriated amount to the university.

FY 2010 SUPPLEMENTALS

	Change to Original '10 Budget
<u>General Fund</u>	
AHCCCS	\$82,571,500
Department of Corrections	20,000,000
Department of Health Services	44,500,300
General Fund - Total	\$147,071,800 ^{1/}
<u>Other Funds</u>	
Department of Transportation	(\$75,822,300)
Other Funds - Total	(\$75,822,300)

^{1/} The Supplemental total includes \$16.3 million for an overestimate of federal match rate savings plus \$130.8 million for higher than expected caseload.

SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES
For Fiscal Years 2009, 2010 and 2011 1/

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
<u>BUDGET UNITS</u>			
Department of Administration (ADA)			
Administration - AFIS II Collections (4203)	1,353,700	2,291,300	1,627,800
Capitol Police Administrative Towing (1999)	0	68,500	68,500
Certificate of Participation (5005)	163,678,700	146,843,100	69,953,700
Construction Insurance (4219)	547,400	2,370,800	2,138,800
Consumer Loss Recovery (2469)	0	50,000	50,000
Co-Op State Purchasing Agreement (4213)	861,900	1,946,900	1,946,900
Electronic Commerce (2482)	0	0	0
Emergency Telecommunication Services Revolving (2176)	22,225,400	26,732,200	26,732,200
Employee Related Expenditures/Benefits Admin (ITA3035)	40,950,400	33,671,800	34,222,700
Federal Grants (2000)	236,200	27,500	27,500
IGA & ISA Fund (2500)	17,836,600	6,973,000	6,973,000
Management Services Division Plan Deposits (3196)	0	0	0
Payroll Administration (9230)	7,000	7,000	7,000
Privatized Lease to Own (5010)	12,311,500	11,736,100	12,045,200
Racing Investigation (2369)	0	0	0
Retiree Accumulated Sick Leave (YYA3200)	11,133,800	11,491,000	11,831,000
Special Employee Health Insurance Trust (ITA3015)	743,324,100	688,274,000	797,544,700
Special Events (2503)	32,300	51,300	51,300
Special Services Revolving (4208)	1,776,900	1,844,800	1,844,800
State Employee Suggestion Program Award (3190)	0	0	0
State Employee Travel Reduction (2261)	560,100	498,900	498,900
Statewide Donations (2025)	220,100	46,800	46,800
Traffic and Parking Control (2453)	12,200	4,700	4,700
Department of Administration - Subtotal	\$1,017,068,300	\$934,929,700	\$967,615,500
Office of Administrative Hearings (HGA)			
IGA and ISA (2500)	\$1,490,400	\$1,400,500	\$1,400,500
Arizona Department of Agriculture (AHA)			
Administrative Support (2436)	41,700	40,500	40,500
Agricultural Consulting and Training (1239)	0	0	0
Agricultural Products Marketing (2368)	105,000	212,900	212,900
Agricultural Protection (2381)	15,200	0	0
Beef Council (2083)	602,600	620,000	620,000
Citrus Research Council (2299)	49,500	0	0
Commodity Promotion (2458)	9,500	5,700	5,700
Cotton Research and Protection Council Abatement (2013)	1,733,200	1,610,700	1,610,700
Designated (3011)	478,300	567,900	567,900
Equine Inspection (2489)	2,000	1,900	1,900
Federal (2000)	4,287,400	4,497,100	4,497,100
Federal-State Inspection (2113)	3,018,000	3,065,500	3,065,500
Grain Research (2201)	138,200	138,200	138,200
Iceberg Lettuce Research Council (2259)	99,800	39,000	39,000
Indirect Cost Recovery (9000)	170,200	195,000	195,000
Livestock and Crop Conservation (2378)	1,522,600	2,358,700	2,358,700
Arizona Department of Agriculture - Subtotal	\$12,273,200	\$13,353,100	\$13,353,100
AHCCCS (HCA)			
County Funds (2120/2223)	54,172,300	314,601,300	319,350,500
Employee Recognition (2025)	20,500	25,000	25,000
Federal - Medicaid Direct Services (2120)	27,505,200	27,099,300	26,013,200
Federal Funds (2000)	6,593,800	27,201,100	24,070,700
Federal Title XIX Funds (2120/2223)	4,729,464,600	5,198,468,700	5,664,005,600
Healthcare Group (3197)	59,933,600	53,799,800	56,903,000
Hospital Loan Residency (2532) <u>1/</u>	0	0	0
IGA and ISA Fund (2500)	0	12,330,000	12,330,000
Intergovernmental Service (2438)	8,362,200	8,059,700	8,059,700
Proposition 202 - Trauma & Emergency Services (2494)	0	27,479,000	27,479,000
Third Party Collections (3791/3019)	7,916,400	7,500,800	7,500,800
Tobacco Litigation Settlement, Arizona (TRA2561)	125,588,500	118,280,200	108,211,300
Tobacco Tax & Health Care - Medically Needy Account (1306)	0	0	0

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Tobacco Products Tax Fund - Proposition 204			
Protection Account	46,828,900	48,996,700	40,367,900
AHCCCS - Subtotal	<u>\$5,066,386,000</u>	<u>\$5,843,841,600</u>	<u>\$6,294,316,700</u>
AZ Commission on the Arts (HUA)			
Arts Endowment (3106)	1,076,100	120,300	120,300
Arts Special Revenues (2116)	450,200	116,600	116,600
Arts Trust, Arizona (3014)	1,922,800	1,423,700	1,423,700
Federal Grant (2000)	572,600	806,500	806,500
Federal Grants - American Recovery & Reinvestment Act (2999)	0	322,900	0
AZ Commission on the Arts - Subtotal	<u>\$4,021,700</u>	<u>\$2,790,000</u>	<u>\$2,467,100</u>
Attorney General - Department of Law (AGA)			
Anti-Racketeering Revolving (2131)	19,940,400	19,921,100	19,921,100
Attorney General Expendable Trust (3102)	0	0	0
CJEF Distribution to County Attorneys (2068)	4,456,100	4,125,400	4,125,400
Colorado River Land Claims Revolving (2430)	0	0	0
Court-Ordered Trust (3180)	843,000	843,000	843,000
Criminal Case Processing (2461)	73,400	77,000	77,000
Federal Grants - American Recovery & Reinvestment Act (2999)	1,240,700	2,674,500	2,676,300
Federal Grants (2117)	3,241,000	4,510,300	0
Federal Grants (2000)	0	2,414,000	3,314,000
Intergovernmental Agreements (2500)	146,600	1,487,200	1,487,200
Motor Carrier Safety Revolving (2380)	0	0	0
Prosecuting Attorneys' Advisory Council Training (2057)	1,117,300	1,871,000	1,871,000
Street Gang Enforcement Revolving (1022)	108,600	34,800	0
Victim Witness (2228)	59,000	75,200	75,200
Attorney General - Department of Law - Subtotal	<u>\$31,226,100</u>	<u>\$38,033,500</u>	<u>\$34,390,200</u>
Automobile Theft Authority (ATA)			
Federal Grants (2000)	\$0	\$0	\$0
Arizona Biomedical Research Commission (DIA)			
Disease Control Research (2090)	\$3,117,500	\$3,161,800	\$3,161,800
Tobacco Tax & Health Care - Health Research Account (2096)	11,474,500	8,957,700	8,957,700
Arizona Biomedical Research Commission - Subtotal	<u>\$14,592,000</u>	<u>\$12,119,500</u>	<u>\$12,119,500</u>
Capital Postconviction Public Defender Office, Arizona			
Federal Grants	\$0	\$136,800	\$136,800
Citizens Clean Elections Commission			
Citizens Clean Elections Fund (2425)	\$12,671,100	\$8,671,700	\$21,375,500
Department of Commerce (EPA)			
Arizona Twenty-First Century Competitive Initiative (2524) <u>1/</u>	0	0	0
Biofuels Conversion Program, Arizona (NA)	0	0	0
Commerce and Economic Development Commission (2245)	90,600	58,400	58,400
CEDC Local Communities (2498)	0	0	0
Commerce Workshops (2149)	261,200	120,200	120,200
Donations (3189)	677,300	624,300	624,300
Federal Funds (2000)	7,933,900	7,329,600	7,329,600
Federal Grants - American Recovery & Reinvestment Act (2999)	55,900	40,686,500	40,686,500
Greater AZ Development Authority Revolving (2311)	422,400	412,200	412,200
IGA/ISA (9500)	1,045,200	625,300	625,300
Indirect Cost Recovery (9000)	305,600	303,700	303,700
International Development Authority (NA)	0	0	0
Job Training (1237)	5,729,200	5,980,000	5,980,000
Military Installation (1010) <u>1/</u>	0	0	0
Nursing Education Demonstration Project (2514) <u>1/</u>	0	0	0
Oil Overcharge (3171)	734,900	503,100	503,100
Recycling (2289)	102,700	0	0
Department of Commerce - Subtotal	<u>\$17,358,900</u>	<u>\$56,643,300</u>	<u>\$56,643,300</u>
Arizona Community Colleges (CMA)			
Tribal Assistance (NA)	510,300	496,200	493,300
Workforce Development Accounts (varies by account)	15,030,500	13,840,200	14,615,000
Arizona Community Colleges - Subtotal	<u>\$15,540,800</u>	<u>\$14,336,400</u>	<u>\$15,108,300</u>
State Compensation Fund (TRA)			
State Compensation Fund (9002)	\$612,400,000	\$444,200,000	\$358,400,000
Constable Ethics Standards & Training Board (CNA)			
Constable Ethics Standards & Training (2346)	\$125,200	\$308,500	\$308,500
Registrar of Contractors (RGA)			

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Residential Contractors' Recovery (3155)	7,306,700	6,248,600	6,250,100
Corporation Commission (CCA)			
Federal (2000)	472,700	685,800	696,000
IGA and ISA (2500)	0	0	0
Public Access - Money on Deposit Subaccount (2334)	0	0	0
Statewide Donations (ADA2025)	86,600	150,000	150,000
Utility Siting (2076)	98,100	0	0
Corporation Commission - Subtotal	\$657,400	\$835,800	\$846,000
State Department of Corrections (DCA)			
Correctional Industries Revolving, Arizona (4002)	29,083,600	30,157,500	30,157,500
Corrections Donations (3147)	4,300	1,000	1,000
Criminal Justice Enhancement (2035)	5,565,800	5,867,400	5,867,400
Federal (2000)	15,387,100	15,354,100	15,354,100
Federal Grants - American Recovery & Reinvestment Act (2999)	0	50,000,000	50,000,000
Indirect Cost Recovery (9000)	1,318,800	1,059,500	1,059,500
Inmate Store Proceeds (2505)	472,500	472,500	472,500
Interagency Service Agreement (2500)	223,200	105,000	105,000
Penitentiary Land (3140)	0	0	0
Risk Management Insurance Reimbursement (3748)	445,600	360,000	360,000
Special Services (3187)	3,413,100	3,385,500	3,385,500
State Charitable, Penal, and Reformatory Institutions Land (3141)	0	0	0
State DOC Revolving (2515)	2,327,100	3,330,000	3,330,000
Statewide Employee Recognition Gifts/Donations (2449)	0	0	0
State Department of Corrections - Subtotal	\$58,241,100	\$110,092,500	\$110,092,500
Arizona Criminal Justice Commission (JCA)			
Driving Under the Influence Abatement (2422)	1,002,400	1,387,500	1,387,500
Drug & Gang Enforcement Account (2134)	10,772,700	5,037,100	4,801,900
Federal Grants (2000)	14,770,700	21,821,300	21,997,800
Resource Center (2280)	0	0	0
Arizona Criminal Justice Commission - Subtotal	\$26,545,800	\$28,245,900	\$28,187,200
Arizona State Schools for the Deaf and the Blind (SDA)			
ASDB Classroom Site (2486)	1,197,400	1,870,200	1,870,200
Enterprise (4222)	77,300	77,100	77,100
Federal Grants (2000)	2,183,300	4,640,100	4,640,100
IGA and ISA (2500)	0	0	0
Instructional Improvement (2492)	168,000	167,500	167,500
Non-Federal Grants (2011)	37,000	33,900	33,900
Regional Cooperatives (4221)	15,619,000	16,595,500	16,595,500
Trust (3148)	70,500	65,800	65,800
Arizona State Schools for the Deaf and the Blind - Subtotal	\$19,352,500	\$23,450,100	\$23,450,100
Commission for the Deaf and the Hard of Hearing (DFA)			
Private Grants (2423)	7,700	0	0
Commission for the Deaf & the Hard of Hearing - Subtotal	\$7,700	\$0	\$0
Arizona Drug and Gang Prevention Resource Center (DPA)			
Federal Grants & Intergovernmental Agreements (9445)	622,200	123,000	123,000
Private and Non-Profit Grants (9446)	28,800	104,600	104,600
AZ Drug and Gang Prevention Resource Center - Subtotal	\$651,000	\$227,600	\$227,600
Arizona Early Childhood Development & Health Board			
Early Childhood Development & Health (2542)	\$30,919,400	\$159,099,600	\$156,521,600
Department of Economic Security (DEA)			
Capital Investment (2093)	0	127,100	127,100
Child Passenger Restraint (2192)	175,400	180,000	180,000
Child Protective Services Expedited Substance Abuse Treatment (2421) <u>1</u> /	0	0	0
Child Support Enforcement Administration (2091)	9,402,700	9,570,500	9,570,500
Client Trust (3152)	1,385,900	1,730,000	1,730,000
Community-Based Marriage and Communication Skills Program (2434) <u>1</u> /	0	0	0
Developmentally Disabled Client Services Trust (2019)	70,400	124,000	124,000
Donations (3145)	99,200	100,700	100,700
Federal Grants (2000)	921,716,900	1,240,278,900	716,153,300
Industries for the Blind, Arizona (4003)	20,580,300	20,699,000	20,699,000
Joint Substance Abuse Treatment (2429) <u>1</u> /	0	0	0
Long Term Care System - Federal Matched (2225)	569,998,000	656,870,300	661,890,000
Mesa Land (3151)	0	100	100

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Neighbors Helping Neighbors (2348)	26,000	80,000	80,000
Special Olympics Tax Refund (3207)	50,000	100,000	100,000
Unemployment Insurance Benefits (TRA9005)	737,651,900	968,292,700	687,567,400
Utility Assistance (3092)	601,300	0	0
Dept. of Economic Security - Subtotal	\$2,261,758,000	\$2,898,153,300	\$2,098,322,100
Department of Education (EDA)			
Academic Contest (1006) <u>1/</u>	0	0	0
American Competitiveness Project (2361)	8,900	0	0
Assistance for Education (2420)	99,800	99,500	99,500
Character Education Special Plate (2522)	148,300	0	0
Charter Schools Stimulus (1007)	0	0	0
Classroom Site (2471)	360,628,300	263,862,700	285,821,500
Displaced Pupils Choice Grant (2533) <u>1/</u>	0	0	0
Early Graduation Scholarship (2364)	0	0	0
E-Learning (2527) <u>1/</u>	0	0	0
Education Commodity (4210)	100,800	234,900	234,900
Education Donations (2025)	239,700	50,000	50,000
English Learner Classroom Personnel Bonus (2485)	0	0	0
Extraordinary Special Education Needs (2483)	0	0	0
Failing Schools Tutoring (2470)	643,700	1,500,000	1,500,000
Federal (2000)	960,293,200	1,449,479,500	977,365,500
Full-Day Kindergarten (2507) <u>1/</u>	0	0	0
Golden Rule Special Plate (2513)	158,800	150,000	150,000
Government Education, Arizona (2362) <u>1/</u>	0	0	0
IGA and ISA (2500)	2,122,600	1,419,500	1,419,500
Indirect Cost Recovery (9000)	4,976,000	4,399,900	4,399,900
Instructional Improvement (2492)	44,595,400	49,275,200	49,275,200
Internal Services (4209)	5,498,500	3,956,000	3,956,000
Mathematics or Science Achievement Program (2363) <u>1/</u>	0	0	0
Production Revolving (4211)	986,100	1,173,000	1,173,000
Proposition 301 (1014)	93,594,000	94,280,500	94,280,500
Research Based Reading Instruction & Reading			
Instruction Training (2413) <u>1/</u>	0	0	0
Scholarships for Pupils with Disabilities Program, AZ (2534) <u>1/</u>	0	0	0
Special Education (1009) <u>1/</u>	0	0	0
Statewide Compensatory Instruction (2528) <u>1/</u>	0	0	0
Structured English Immersion, Arizona (2535) <u>1/</u>	0	0	0
Youth Farm Loan, Arizona (2136)	0	20,000	20,000
Department of Education - Subtotal	\$1,474,094,100	\$1,869,900,700	\$1,419,745,500
Department of Emergency & Military Affairs (MAA)			
Camp Navajo (2106)	10,432,600	10,437,100	10,437,100
Emergency Management Registration Fees (2087)	0	0	0
Federal Funds - Emergency (2000)	12,575,700	15,158,400	15,158,400
Federal Funds - Military (2000)	64,575,600	51,590,800	51,590,800
Freedom Academy (2104)	0	0	0
Morale, Welfare and Recreational (2124)	66,500	66,500	66,500
National Guard (2140)	153,900	153,900	153,900
National Guard Relief (NA)	0	0	0
Nuclear Emergency Management (2138)	0	0	0
State Armory Property (2146)	0	0	0
Department of Emergency & Military Affairs - Subtotal	\$87,804,300	\$77,406,700	\$77,406,700
Department of Environmental Quality (EVA)			
Air Quality - Clean Air Subaccount (2240)	0	0	0
Brownfields Cleanup Revolving Loan (2456)	0	0	0
Clean Air, Arizona (1238)	0	0	0
Clean Air Fund Balance, Arizona (2250)	0	0	0
Clean Water Revolving (2254)	140,527,200	97,921,200	97,921,200
Donations (2449)	11,100	8,000	8,000
Drinking Water Revolving (2307)	59,683,800	45,921,300	45,921,300
Federal (2000)	18,615,000	17,782,300	17,782,300
Federal Grants - American Recovery & Reinvestment Act (2999)	906,800	45,137,500	45,137,500
Greenfields Program (2309)	0	0	0
Hardship Grant (2437)	23,600	0	0
IGA & ISA (2500)	3,081,000	1,356,700	1,356,700
Institutional and Engineering Control (2563)	16,300	10,500	10,500

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Intergovernmental Agreements (2180)	0	0	0
Monitoring Assistance (2308)	452,800	685,300	685,300
Small Water Systems (2225)	0	0	0
Specific Site Judgment (3006)	0	0	0
Technical Appeals Program (3411)	0	0	0
UST - Area A Assurance Account (2271)	9,722,800	11,899,000	11,899,000
UST - Cleanup Municipalities (2271)	0	0	0
UST - Grant Account (2271)	26,500	0	0
UST - Municipal Tank Closure & Corrective Action Program Account (2271)	131,100	522,500	522,500
UST - Non-Maricopa County Assurance Account (2271)	19,441,200	14,349,400	14,349,400
UST - Policy Commission (2271)	0	0	0
UST - Regulatory Account (2271)	692,500	683,200	683,200
UST - Technical Appeals (2271)	0	0	0
Voluntary Lawn & Garden Equipment Emissions Reduction (2306)	0	0	0
Voluntary Remediation (2564)	228,400	206,500	206,500
Voluntary Vehicle Repair & Retrofit (2365)	996,100	0	0
Water Quality Assurance Revolving (2221)	11,455,400	10,957,000	10,957,000
Department of Environmental Quality - Subtotal	<u>\$266,011,600</u>	<u>\$247,440,400</u>	<u>\$247,440,400</u>
Equal Opportunity, Governor's Office of (AFA)			
Equal Employment & Economic Development (2000)	66,500	68,000	68,000
Exposition and State Fair Board, AZ (CLA)			
Capital Outlay (4006)	0	814,400	814,400
State Department of Financial Institutions (BDA)			
Escrow Recovery, Arizona (2341)	77,300	10,000	10,000
IGA and ISA Fund (2500)	182,800	139,800	139,800
Mortgage Recovery (1997)	0	0	0
Receivership Revolving (3023)	74,200	500,500	500,500
Revolving (2126)	2,707,700	968,300	968,300
State Department of Financial Institutions - Subtotal	<u>\$3,042,000</u>	<u>\$1,618,600</u>	<u>\$1,618,600</u>
Department of Fire, Building and Life Safety (MMA)			
Arson Detection Reward (2169)	500	500	500
Building and Fire Safety (2211)	198,900	198,900	198,900
Condominium and Planned Community Hearing Office (2537)	11,300	0	0
Consumer Recovery (3090)	1,098,800	200,000	200,000
Interagency Service Agreement (2500)	0	0	0
Manufactured Housing Cash Bond (3722)	0	0	0
Mobile Home Relocation (2237)	1,301,600	1,301,600	1,301,600
Department of Fire, Building and Life Safety - Subtotal	<u>\$2,611,100</u>	<u>\$1,701,000</u>	<u>\$1,701,000</u>
Arizona Game & Fish Department (GFA)			
Big Game Permit (3712)	0	0	0
Conservation Development (2062)	1,005,000	4,005,000	4,005,000
Federal (2000)	63,100	0	0
Federal Revolving (2028)	30,404,700	33,533,100	34,561,200
Firearms Safety and Ranges (2442)	325,500	0	0
Game and Fish Trust (3111)	3,280,100	3,490,400	3,490,400
Heritage (2295)	5,276,800	10,654,100	10,940,200
IGA and ISA (2500)	20,100	0	0
Indirect Cost Recovery (9000)	2,093,400	2,497,500	2,497,500
Kaibab Co-op (3714)	3,000	77,900	77,900
Off Highway Vehicle Recreation (2253)	734,500	1,584,400	1,584,400
Publications Revolving (4007)	169,500	127,800	127,800
Wildlife Conservation (2497)	6,012,500	7,222,200	7,370,200
Wildlife Theft Prevention (2080)	164,600	161,400	161,400
Arizona Game & Fish Department - Subtotal	<u>\$49,552,800</u>	<u>\$63,353,800</u>	<u>\$64,816,000</u>
Arizona Geological Survey (GSA)			
Federal Grants (2000)	766,400	717,400	762,400
Geological Survey (3030)	714,800	594,400	594,400
Arizona Geological Survey - Subtotal	<u>\$1,481,200</u>	<u>\$1,311,800</u>	<u>\$1,356,800</u>
Government Information Technology Agency (GTA)			
Federal Grants (2000)	\$593,000	\$1,268,400	\$1,264,400
IGA and ISA (2500)	418,500	18,000	0
Government Information Technology Agency - Subtotal	<u>\$1,011,500</u>	<u>\$1,286,400</u>	<u>\$1,264,400</u>
Office of the Governor (GVA)			

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
County Fairs Livestock & Agricultural Promotion (2037)	1,668,500	0	0
Endowment Partnership (3206)	0	0	0
Energy Conservation (3209)	0	0	0
Federal Grants (2000)	15,829,500	13,650,100	10,081,300
Governor's Arizona Promotional & Public Service (3207)	14,500	14,500	14,500
IGA and ISA (2500)	1,333,500	1,333,500	1,333,500
Indirect Cost Recovery (9000)	365,400	529,700	529,700
Prevention of Child Abuse (2439)	496,300	496,300	496,300
Office of the Governor - Subtotal	\$19,707,700	\$16,024,100	\$12,455,300
Department of Health Services (HSA)			
Addiction Reduction and Recovery (2523) 1/	336,200	0	0
Breast and Cervical Cancer Screening and Diagnostic Special Plate Fund (2513)	123,300	150,000	150,000
Donations - DHS (3010/2025)	896,800	896,800	896,800
Donations - Statewide (2025)	6,400	400	400
Federal Grants (2000)	297,893,600	297,031,900	297,031,900
IGA/County Contributions (2144/2500)	90,599,100	94,141,600	94,141,600
Internal Services (4202)	0	0	0
Oral Health (2329)	300,800	480,000	480,000
Risk Assessment (2427)	26,600	26,600	26,600
Serious Mental Illness Services (2464)	0	0	0
Smoke-Free Arizona (2541)	3,590,100	2,437,900	2,437,900
Title XIX Services (2500)	916,351,400	966,462,300	1,002,122,800
Tobacco Tax & Health Care - Health Crisis Fund (2312)	388,000	0	0
Tobacco Tax & Health Care - Health Education Account (1308)	20,921,500	21,012,000	21,012,000
Tobacco Tax & Health Care - Health Research Account (DSA2096)	0	0	0
Tobacco Tax & Health Care - Medically Needy Account (1306)	0	0	0
Department of Health Services - Subtotal	\$1,331,433,800	\$1,382,639,500	\$1,418,300,000
Arizona Historical Society (HIA)			
Federal Grants (2000)	0	0	0
Permanent Arizona Historical Society Revolving (2900)	352,100	337,700	339,700
Preservation and Restoration (2125)	56,000	27,900	28,000
Private (9447)	476,800	406,500	363,000
Private Grants (9449)	49,100	28,700	127,400
Restricted (9448)	213,000	217,100	180,700
Trust (9450)	3,500	9,600	9,700
Arizona Historical Society - Subtotal	\$1,150,500	\$1,027,500	\$1,048,500
Prescott Historical Society of Arizona (PHA)			
Sharlot Hall Historical Society (9505)	\$925,900	\$869,900	\$869,900
Department of Homeland Security (HLA)			
Federal Funds (2000)	\$41,737,300	\$47,607,000	\$47,607,000
Arizona Department of Housing (HDA)			
Federal Funds (2000)	75,347,500	121,965,000	126,229,800
Housing Development (2313)	8,800	0	0
Housing Program (9600)	3,491,300	2,837,300	2,871,700
Housing Trust (2235)	31,204,400	17,043,800	16,719,400
IGA & ISA Fund (2500)	6,595,900	3,100,000	3,137,200
Arizona Department of Housing - Subtotal	\$116,647,900	\$144,946,100	\$148,958,100
Arizona Commission of Indian Affairs (IAA)			
IGA and ISA (2500)	0	0	0
Indian Town Hall, Arizona (4014)	0	0	0
Publications (4013)	0	0	0
Statewide Donations (2025)	0	0	0
AZ Commission of Indian Affairs - Subtotal	\$0	\$0	\$0
Industrial Commission of Arizona (ICA)			
Federal Grants (2000)	4,336,300	4,344,600	4,344,600
Revolving (2002)	158,900	184,200	184,200
Special (9003)	75,138,200	56,882,400	56,283,000
Industrial Commission of Arizona- Subtotal	\$79,633,400	\$61,411,200	\$60,811,800
Department of Insurance (IDA)			
Assessment Fund for Voluntary Plans (2316)	198,000	135,100	175,000
Captive Insurance Regulatory/Supervision (2377)	141,600	135,500	135,500

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Financial Surveillance (2473)	364,800	400,900	400,900
Health Care Appeals (2467)	219,600	231,900	231,900
Insurance Examiners' Revolving (2034)	4,298,900	4,081,200	4,081,200
Life and Disability Insurance Guaranty (2154)	1,437,100	1,446,200	1,446,200
Property and Casualty Insurance Guaranty, AZ (2114)	721,600	726,700	726,700
Receivership Liquidation (3104)	54,900	68,300	68,300
Department of Insurance - Subtotal	<u>\$7,436,500</u>	<u>\$7,225,800</u>	<u>\$7,265,700</u>
Judiciary - Supreme Court (SPA)			
Alternative Dispute Resolution (3245)	163,600	750,000	750,000
Certified Reporters (2440)	113,800	115,500	115,500
Grants and Special Revenue (2084)	11,140,200	17,238,100	17,238,100
Lengthy Trial, Arizona (2382)	557,600	887,700	887,700
Public Defender Training (3013)	730,400	710,000	710,000
Judiciary - Supreme Court - Subtotal	<u>\$12,705,600</u>	<u>\$19,701,300</u>	<u>\$19,701,300</u>
Judiciary - Superior Court (SPA)			
Community Punishment Program Fines (2119)	0	100,000	100,000
Drug and Gang Enforcement Account (2074)	1,782,900	2,287,400	2,287,400
Drug Treatment and Education (2277)	3,764,700	3,947,600	3,947,600
Grants and Special Revenue (2084)	2,276,100	1,867,700	1,867,700
Juvenile Delinquent Reduction (2193)	0	0	0
State Aid to Detention (2141)	23,100	25,000	25,000
Judiciary - Superior Court - Subtotal	<u>\$7,846,800</u>	<u>\$8,227,700</u>	<u>\$8,227,700</u>
Department of Juvenile Corrections (DJA)			
Career Technical Education, DJC (2326)	0	0	0
DJC Restitution (2476)	14,700	15,000	15,000
Federal (2000)	2,394,800	2,634,800	2,634,800
IGA and ISA Fund (2500)	269,700	0	0
Indirect Cost Recovery (9000)	300	97,500	97,500
Instructional Improvement (2492)	15,000	15,000	15,000
Juvenile Corrections (3024)	105,600	48,100	48,100
State Education System for Committed Youth Classroom Site (2487)	208,100	205,000	205,000
Statewide Employee Recognition Gifts/Donations (2025/2449)	1,400	2,500	2,500
Training Institute (2001)	0	5,000	5,000
Department of Juvenile Corrections - Subtotal	<u>\$3,009,600</u>	<u>\$3,022,900</u>	<u>\$3,022,900</u>
State Land Department (LDA)			
CAP Municipal & Industrial Repayment (2129)	134,000	0	0
Community Protection Initiative (FOA2343) <u>1</u>	0	0	0
Cooperative Forestry (FOA2232)	9,232,800	7,804,200	7,804,200
Federal (2000)	0	0	0
Federal Reclamation Trust (2024)	295,400	0	0
Fire Suppression (FOA2360)	17,564,600	17,884,100	17,884,100
Interagency Agreements (2212)	129,000	0	0
Military Airport Land Exchange (NA)	0	0	0
Off-Highway Vehicle Recreation (2253)	74,700	286,000	286,000
Resource Analysis Division Revolving (4009)	301,800	288,300	285,000
Riparian Acquisition Trust (3201)	0	0	0
State Land Department (2451)	468,200	490,000	490,000
Universities Timber Land Account (3134)	0	0	0
State Land Department - Subtotal	<u>\$28,200,500</u>	<u>\$26,752,600</u>	<u>\$26,749,300</u>
Legislature - Auditor General (AUA)			
Audit Services Revolving (2242)	\$2,174,200	\$2,613,900	\$2,613,900
Department of Liquor Licenses and Control (LLA)			
Anti-Racketeering Revolving (2131)	0	0	0
Audit Surcharge (3010)	176,300	163,300	147,800
Enforcement Surcharge - Enforcement Unit (3012)	180,500	296,000	347,500
Enforcement Surcharge - Multiple Complaints (3011)	290,100	295,700	301,800
Federal Grants (2000)	130,500	140,000	140,000
Liquor License Lottery (3015)	0	0	0
Department of Liquor Licenses & Control - Subtotal	<u>\$777,400</u>	<u>\$895,000</u>	<u>\$937,100</u>
Arizona State Lottery Commission (LAO)			
State Lottery (2122)	284,661,600	313,043,000	330,662,300
Local Transportation Assistance (NA)	21,850,000	20,700,000	23,000,000
County Assistance (NA)	7,267,500	6,885,000	7,650,000
University Capital Improvement (NA)	0	0	5,028,600

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Mass Transit (LTAF II) (NA)	9,024,300	8,910,000	10,890,000
Arizona State Lottery Commission - Subtotal	\$322,803,400	\$349,538,000	\$377,230,900
State Mine Inspector (MIA)			
Abandoned Mines Safety (2408)	35,500	115,000	115,000
Federal Grants (2000)	317,700	282,800	282,800
IGA and ISA (2500)	0	0	0
State Mine Inspector - Subtotal	\$353,200	\$397,800	\$397,800
Department of Mines & Mineral Resources (MNA)			
Mines and Mineral Resources (3156)	\$396,600	\$411,700	\$411,700
State Board of Nursing (BNA)			
Nurse Aide Training & Registration (2000)	\$414,600	\$414,600	\$414,600
AZ Parents Commission on Drug Education & Prevention (PCA)			
Drug Treatment and Education (2277)	\$2,785,100	\$2,576,200	\$2,576,200
Arizona State Parks Board (PRA)			
Arizona Trail Fund (2525)	104,400	25,800	25,800
Development Rights Retirement (NA)	0	0	0
Federal (2000)	4,205,800	4,006,900	4,006,900
Heritage (2296)	24,596,900	23,757,800	23,757,800
Land Conservation - Administration Account (2432)	2,212,000	2,225,000	2,225,000
Land Conservation - Donation Account (2432)	0	0	0
Land Conservation - Public Conservation Account (2432)	33,165,100	11,350,000	11,350,000
Off Highway Vehicle Recreation (2253)	1,393,200	1,721,400	1,721,400
Partnership (2448)	190,900	174,800	174,800
Publications and Souvenir Revolving (4010)	522,700	462,500	462,500
State Lake Improvement (2105)	11,492,600	6,518,800	6,518,800
State Parks Enhancement (2202)	438,300	448,300	448,300
State Parks Fund (3117)	317,000	0	0
Arizona State Parks Board - Subtotal	\$78,638,900	\$50,691,300	\$50,691,300
Office of Pest Management			
Federal Fund (2000)	\$93,300	\$125,700	\$125,700
Arizona State Board of Pharmacy (PMA)			
Controlled Substances Prescription Monitoring Program (2359)	0	0	0
Federal Grants (2000)	28,500	1,500	1,500
Arizona State Board of Pharmacy - Subtotal	\$28,500	\$1,500	\$1,500
Arizona Pioneers' Home (PIA)			
IGA and ISA (2500)	0	0	0
Pioneers' Home Fund (Cemetery Proceeds) (3144)	17,500	29,000	29,000
Pioneer's Home Fund (Donations) (3143)	21,000	3,000	3,000
Statewide Employee Recognition Gifts (2449)	10,100	9,500	9,500
Arizona Pioneers' Home - Subtotal	\$48,600	\$41,500	\$41,500
Commission for Postsecondary Education (PEA)			
Early Graduation Scholarship (2364)	0	0	0
Postsecondary Education Grant Program (2530) 1/	0	0	0
Private Postsecondary Education Student Financial Assistance (2128) 1/	0	0	0
Teachers Incentive Program (2249)	0	0	0
Commission for Postsecondary Education - Subtotal	\$0	\$0	\$0
Arizona Power Authority (PAA)			
Hoover Uprating (NA)	33,405,800	31,326,900	31,326,900
Power Authority, Arizona (9506)	6,031,800	4,105,800	4,105,800
Arizona Power Authority - Subtotal	\$39,437,600	\$35,432,700	\$35,432,700
State Board for Private Postsecondary Education (PVA)			
Student Tuition Recovery (3027)	\$283,700	\$262,600	\$262,600
Department of Public Safety (PSA)			
Anti-Racketeering Revolving (3123)	18,565,900	5,449,500	5,449,500
Conferences, Workshops, and Other Education (2700)	49,500	24,000	24,000
Criminal Justice Enhancement (3702)	0	0	0
DPS Administration (2322)	2,140,100	1,740,700	1,415,800
DPS Licensing Fund (2490)	1,059,400	1,051,400	1,051,400
Driving Under the Influence Abatement (2422)	0	0	0
Families of Fallen Police Officers Special Plate Fund (2386)	0	100,000	100,000
Federal Grants and Reimbursements (2000)	37,807,900	44,606,500	36,255,200
Fingerprint Clearance Card (2433)	2,698,000	2,703,100	2,703,100
Fingerprinting Fund, Board of (2435)	560,200	517,800	517,800

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
IGA and ISA Fund (2500)	8,583,200	6,886,200	5,247,600
Indirect Cost Recovery (9000)	877,000	1,313,400	1,313,400
Motor Carrier Safety Revolving (2380)	100	0	0
Peace Officers' Training (2049)	7,503,600	7,378,500	7,366,500
Public Safety Equipment Fund (2391)	500,000	677,600	1,611,600
Records Processing (2278)	4,833,100	4,542,500	4,542,500
State Highway Work Zone Safety (2480)	0	0	0
Statewide Donations (2025)	37,500	37,500	37,500
Department of Public Safety - Subtotal	\$85,215,500	\$77,028,700	\$67,635,900
Public Safety Personnel Retirement System (NA)			
Fire Fighter and Peace Officer Cancer Insurance Policy			
Program Administrative Expenses (NA)	21,000	20,000	20,000
Investment and Administrative Expenses (NA)	29,606,700	28,850,000	28,850,000
Public Safety Personnel Retirement System - Subtotal	\$29,627,700	\$28,870,000	\$28,870,000
Arizona Department of Racing (RCA)			
Breeders Award, Arizona (2206)	753,800	0	0
County Fair Racing (2170)	0	0	0
County Fairs Racing Betterment (2207)	1,095,400	0	0
Greyhound Adoption (2015)	1,600	3,000	3,000
Racing Administration (2018)	0	0	0
Racing Investigation (2369)	6,400	43,600	10,000
Stallion Award (2315)	59,400	0	0
Unarmed Combat (2393)	0	3,900	3,900
Arizona Department of Racing - Subtotal	\$1,916,600	\$50,500	\$16,900
Radiation Regulatory Agency (AEA)			
Federal Grants (2000)	399,700	399,700	399,700
Laser Safety (2138)	0	60,000	60,000
Nuclear Emergency Management (2138) <u>1/</u>	0	0	0
Service Fees Increase (1050)	349,100	500,000	500,000
Radiation Regulatory Agency - Subtotal	\$748,800	\$959,700	\$959,700
State Real Estate Department (REA)			
Condominium Recovery (3121)	5,000	5,000	5,000
Education Revolving (4011)	50,000	20,000	20,000
Real Estate Recovery (3119)	130,500	30,000	30,000
State Real Estate Department - Subtotal	\$185,500	\$55,000	\$55,000
Arizona State Retirement System (RSA)			
Administration Account - Investment Expenses (1407)	\$41,100,300	\$51,752,100	\$51,752,100
Long-Term Disability Administration Account (1408)	51,000	0	0
Arizona State Retirement System - Subtotal	\$41,151,300	\$51,752,100	\$51,752,100
Department of Revenue (RVA)			
Client County Equipment Capitalization (2457)	116,100	142,000	142,000
Escheated Estates (3745)	0	0	0
Estate and Unclaimed Property (1520)	22,267,200	29,767,200	27,267,200
Revenue Publications Revolving (2166)	104,900	28,500	28,500
Special Collections (2168)	0	0	0
Statewide Employee Recognition Gifts/Donations (2449)	1,500	0	0
Waste Tire (2356)	0	0	0
Department of Revenue - Subtotal	\$22,489,700	\$29,937,700	\$27,437,700
School Facilities Board (SFA)			
Building Renewal (2465) <u>1/</u>	0	0	0
Building Renewal Grant (7777) <u>1/</u>	0	0	0
Deficiencies Correction (2455)	406,900	400,000	0
Emergency Deficiencies Correction (2484)	2,173,200	2,343,300	0
Land Trust Bond Debt Service (5030)	24,248,200	24,249,000	24,249,300
Land Trust Bond Proceeds (3339)	0	0	0
Lease to Own Debt Service (2373) <u>1/</u>	0	0	0
New School Facilities (2460) <u>1/</u>	217,154,500	63,583,300	57,312,300
School Facilities Revenue Bond Debt Service (5010)	0	0	0
School Facilities Revenue Bond Proceeds (3325)	0	0	0
School Improvement Revenue Bond Debt Service (5020)	64,305,100	64,304,300	64,302,800
School Improvement Revenue Bond Proceeds (3335)	0	0	0
School Facilities Board - Subtotal	\$308,287,900	\$154,879,900	\$145,864,400
Secretary of State - Department of State (STA)			
Blue Book Revolving, Arizona (2006)	0	0	0
Data Processing Acquisition (2265)	65,200	15,900	15,900

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Federal Grants (LAA2000)	3,860,400	3,556,800	3,556,800
Gift Shop Revolving (LAA4008)	73,200	64,700	64,700
Health Care Directives Registry (2508)	30,600	0	0
Notary Bond (3000)	0	62,600	62,600
Standing Political Committee Administrative (2426)	54,900	0	0
State Library (LAA2115)	306,400	281,000	281,000
Secretary of State - Department of State - Subtotal	<u>\$4,390,700</u>	<u>\$3,981,000</u>	<u>\$3,981,000</u>
Office of Tourism (TOA)			
Tourism (2236)	\$11,592,100	\$11,334,400	\$11,334,400
Department of Transportation (DTA)			
Highways Magazine, Arizona (2031)	5,721,100	5,249,800	5,249,800
Aviation Federal Funds (2267)	0	0	0
Cash Deposits (2266)	1,200	1,200	1,200
Contract Counsel (4212)	0	0	0
ADOT Donations (3080)	0	0	0
Emergency Medical Services Special Plate (NA)	0	0	0
Federal Grants (2097)	1,516,300	1,516,300	1,516,300
Highway Expansion & Extension Loan Program (2417)	142,600	142,600	142,600
International Development Authority, AZ (1994)	0	0	0
Local Agency Deposits (3701)	164,800	164,800	164,800
Maricopa Regional Area Road (2029)	32,830,700	32,830,500	32,830,500
Motor Carrier Safety Revolving (2380)	0	0	0
Professional Baseball Club Special Plate, AZ (2540)	171,200	171,200	171,200
Professional Basketball Club Special Plate Fund, AZ (2543)	0	0	0
Professional Football Club Special Plate, AZ (NA)	0	0	0
Railroad Review Fund (NA)	0	0	0
Rental Tax and Bond Deposit (3737)	0	0	0
Shared Location and Advertising Agreements Expense (2414)	0	0	0
Statewide Employee Recognition Gifts/Donations (2449)	44,500	44,500	44,500
Transplantation Awareness Fund (NA)	0	0	0
Underground Storage Tank Revolving (3728)	0	0	0
Department of Transportation - Subtotal	<u>\$40,592,400</u>	<u>\$40,120,900</u>	<u>\$40,120,900</u>
State Treasurer			
Criminal Justice Enhancement (3702)	\$0	\$5,617,000	\$5,617,000
Arizona Board of Regents (BRA)			
Federal (2000)	1,681,500	1,309,700	1,279,400
Health Education Center Program, AZ (BRA2) <u>1/</u> Mathematics, Science, & Special Education Teacher Loan (2358) <u>1/</u>	0	0	0
Nursing Education Demonstration Project (2514)	0	0	0
Regents Local (BRA1)	1,073,500	1,397,300	1,457,900
Technology and Research Initiative (2472)	2,852,800	1,253,400	1,384,400
Trust Land (3131/3132/3134/3136)	4,630,100	4,458,200	4,439,000
University Capital Improvement Lease-to-Own & Bond (3042)	0	0	0
Arizona Board of Regents - Subtotal	<u>\$10,237,900</u>	<u>\$8,418,600</u>	<u>\$8,560,700</u>
Arizona State University - Tempe/DPC			
Auxiliary (NA)	123,266,600	145,807,000	151,639,200
Designated (NA)	305,230,300	381,895,900	350,595,000
Endowment and Life Income (NA)	1,224,100	1,273,100	1,324,000
Federal Grants (NA)	163,258,900	175,261,600	187,164,300
Federal Grants - American Recovery & Reinvestment Act (2999)	57,465,400	0	0
Federal Indirect Cost Recovery (NA)	260,300	272,900	283,800
Indirect Cost Recovery (Non-Federal) (NA)	51,700	54,200	56,400
Loan (NA)	147,200	153,000	159,200
Restricted (Excluding Federal Funds) (NA)	166,767,600	167,955,000	181,865,000
Arizona State University - Main Campus - Subtotal	<u>\$817,672,100</u>	<u>\$872,672,700</u>	<u>\$873,086,900</u>
Arizona State University - East Campus			
Auxiliary (NA)	599,400	630,400	655,700
Designated (NA)	6,183,400	12,806,600	13,318,800
Endowment and Life Income (NA)	600	600	700
Federal Grants (NA)	3,063,800	3,308,900	3,573,500
Federal Grants - American Recovery & Reinvestment Act (2999)	5,765,300	0	0
Federal Indirect Cost Recovery (NA)	0	0	0
Indirect Cost Recovery (Non-Federal) (NA)	0	0	0

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Loan (NA)	0	0	0
Restricted (Excluding Federal Funds) (NA)	4,063,300	7,276,200	7,833,900
Arizona State University - East Campus - Subtotal	<u>\$19,675,800</u>	<u>\$24,022,700</u>	<u>\$25,382,600</u>
Arizona State University - West Campus			
Auxiliary (NA)	486,300	648,200	674,100
Designated (NA)	3,850,800	23,160,300	24,086,700
Endowment and Life Income (NA)	2,200	2,300	2,400
Federal Grants (NA)	4,653,300	5,025,600	5,427,800
Federal Grants - American Recovery & Reinvestment Act (2999)	6,591,800	0	0
Federal Indirect Cost Recovery (NA)	0	0	0
Indirect Cost Recovery (Non-Federal) (NA)	0	0	0
Loan (NA)	0	0	0
Restricted (Excluding Federal Funds) (NA)	2,574,100	4,541,000	4,722,600
Arizona State University - West Campus - Subtotal	<u>\$18,158,500</u>	<u>\$33,377,400</u>	<u>\$34,913,600</u>
Northern Arizona University			
Auxiliary (NA)	43,575,700	50,733,300	52,800,600
Designated (NA)	53,081,900	105,695,600	93,948,400
Endowment and Life Income (NA)	0	0	0
Federal Grants (NA)	49,375,800	50,364,500	51,372,000
Federal Grants - American Recovery & Reinvestment Act (2999)	23,491,600	0	0
Federal Indirect Cost Recovery (NA)	2,142,000	2,184,900	2,228,400
Indirect Cost Recovery (Non-Federal) (NA)	866,500	883,900	901,500
Loan (NA)	0	350,000	400,000
Restricted (Excluding Federal Funds) (NA)	30,416,400	31,024,800	31,645,300
Northern Arizona University - Subtotal	<u>\$202,949,900</u>	<u>\$241,237,000</u>	<u>\$233,296,200</u>
University of Arizona - Main Campus			
Auxiliary (NA)	233,103,200	241,140,800	244,428,800
Designated (NA)	213,372,000	249,051,900	270,203,100
Endowment and Life Income (NA)	0	0	0
Federal Grants (NA)	185,634,000	188,133,200	190,674,200
Federal Grants - American Recovery & Reinvestment Act (2999)	60,824,300	0	0
Federal Indirect Cost Recovery (NA)	42,252,700	43,097,700	43,959,600
Indirect Cost Recovery (Non-Federal) (NA)	9,830,900	10,027,500	10,228,100
Loan (NA)	763,400	773,700	784,200
Restricted (Excluding Federal Funds) (NA)	146,296,100	148,362,000	151,061,300
University of Arizona - Main Campus - Subtotal	<u>\$892,076,600</u>	<u>\$880,586,800</u>	<u>\$911,339,300</u>
University of Arizona - Health Sciences Center			
Auxiliary (NA)	10,887,800	10,957,000	11,139,400
Designated (NA)	22,410,400	22,816,700	23,391,900
Endowment and Life Income (NA)	0	0	0
Federal Grants (NA)	68,713,800	69,770,600	73,589,200
Federal Indirect Cost Recovery (NA)	22,305,400	22,751,400	23,206,400
Indirect Cost Recovery (Non-Federal) (NA)	4,715,800	4,810,100	4,906,300
Restricted (Excluding Federal Funds) (NA)	84,872,500	86,172,800	87,718,400
University of Arizona - Health Sciences Ctr - Subtotal	<u>\$213,905,700</u>	<u>\$217,278,600</u>	<u>\$223,951,600</u>
Veterans' Services, Department of (VSA)			
Federal (2000)	563,300	6,636,300	10,636,300
Military Family Relief (2339)	11,600	255,000	255,000
Military Installation (1010)	0	0	0
Southern Arizona Veterans' Cemetery Trust (2499)	108,400	116,800	116,800
Statewide Employee Recognition Gifts (2449)	4,000	3,000	3,000
Veterans' Cemetery (2481)	0	0	0
Veterans' Donation (2441)	1,118,200	786,700	786,700
Department of Veterans' Services - Subtotal	<u>\$1,805,500</u>	<u>\$7,797,800</u>	<u>\$11,797,800</u>
Department of Water Resources (WCA)			
Administrative (3025)	0	0	0
Augmentation and Conservation Assistance (2213)	1,001,500	1,159,900	1,159,900
Colorado River Water Use Fee Clearing (2538)	9,300	5,000	5,000
Dam Repair (2218)	292,300	180,000	180,000
Federal Grants (2000)	337,600	393,500	301,500
Flood Warning System (1021)	3,300	3,000	3,000
General Adjudications (2191)	28,500	21,800	21,800
Indirect Cost Recovery (9000)	1,199,400	1,258,100	1,258,100
Interagency Service Agreement (2500)	164,500	140,000	140,000
Production and Copying (2411)	17,500	20,000	20,000

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Publications and Mailings (2410)	11,500	12,000	12,000
Purchase and Retirement Fund (2474)	0	0	0
Statewide Donations (2025)	96,500	95,000	95,000
Water Banking, Arizona (2110)	8,068,000	3,720,800	3,720,800
Water Protection, Arizona (1302)	2,848,500	514,600	514,600
Water Storage, State (2287)	0	0	0
Water Quality, Arizona (2304)	496,900	304,800	304,800
Well Administration and Enforcement (2491)	575,000	233,700	233,700
Department of Water Resources - Subtotal	<u>\$15,150,300</u>	<u>\$8,062,200</u>	<u>\$7,970,200</u>
OPERATING TOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES	\$15,932,769,500	\$17,722,918,600	\$16,957,862,900
Subtotal - Other Funds	6,423,890,100	6,711,754,400	6,426,083,000
Subtotal - Federal Funds	9,508,879,400	11,011,164,200	10,531,779,900
OPERATING TOTAL - FEDERAL AND OTHER NON-APPROPRIATED EXPENDITURES	<u>\$15,932,769,500</u>	<u>\$17,722,918,600</u>	<u>\$16,957,862,900</u>
CAPITAL - NON-APPROPRIATED			
Aviation Federal Funds (2267)	3,875,000	7,083,000	2,688,000
Federal Grants (2097)	598,333,000	616,283,000	616,283,000
Economic Strength Project (2244)	1,053,000	1,019,000	1,019,000
Highway Expansion & Extension Loan Program (2417)	4,013,000	0	0
Local Agency Deposits (3701)	38,977,000	36,000,000	36,000,000
Maricopa Regional Area Road (2029)	215,145,000	208,847,000	214,698,000
Department of Public Safety Federal Funds	2,127,000	119,100	0
CAPITAL TOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES	\$863,523,000	\$869,351,100	\$870,688,000
Subtotal - Other Funds	259,188,000	245,866,000	251,717,000
Subtotal - Federal Funds	604,335,000	623,485,100	618,971,000
CAPITAL TOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES	<u>\$863,523,000</u>	<u>\$869,351,100</u>	<u>\$870,688,000</u>
GRAND TOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES	\$16,796,292,500	\$18,592,269,700	\$17,828,550,900
Subtotal - Other Funds	6,683,078,100	6,957,620,400	6,677,800,000
Subtotal - Federal Funds	10,113,214,400	11,634,649,300	11,150,750,900
GRAND TOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES	<u>\$16,796,292,500</u>	<u>\$18,592,269,700</u>	<u>\$17,828,550,900</u>

^{1/} If General Fund monies are deposited into a non-appropriated fund, the expenditures of these monies are not displayed in this chart to avoid double counting.

NA = No Fund Number

STATE PERSONNEL SUMMARY
By Full-Time Equivalent Positions for Fiscal Years 2010 and 2011 1/2/

BUDGET UNITS	Fiscal Year 2010			Fiscal Year 2011		
	General	Other	Total	General	Other	Total
	Fund	Fund		Fund	Fund	
Accountancy, State Board of	0.0	13.0	13.0	0.0	13.0	13.0
Acupuncture Board of Examiners	0.0	1.0	1.0	0.0	1.0	1.0
Administration, Arizona Department of	223.8	506.9	730.7	217.8	506.9	724.7
Capital Outlay	0.0	5.0	5.0	0.0	5.0	5.0
Administrative Hearings, Office of	13.0	0.0	13.0	12.0	0.0	12.0
Agriculture, Arizona Department of	171.7	50.5	222.2	166.7	50.5	217.2
AHCCCS 3/	1,285.0	172.0	1,457.0	1,246.0	172.0	1,418.0
Appraisal, State Board of	0.0	4.5	4.5	0.0	4.5	4.5
Arts, Arizona Commission on the	10.5	0.0	10.5	9.5	0.0	9.5
Attorney General - Department of Law	186.2	411.7	597.9	180.2	411.7	591.9
Automobile Theft Authority	0.0	6.0	6.0	0.0	6.0	6.0
Barbers, Board of	0.0	4.0	4.0	0.0	4.0	4.0
Behavioral Health Examiners, Board of	0.0	17.0	17.0	0.0	17.0	17.0
Biomedical Research Commission, AZ	0.0	0.0	0.0	0.0	0.0	0.0
Capital Postconviction Public Defender Office, State	7.0	0.0	7.0	7.0	0.0	7.0
Charter Schools, State Board for	10.0	0.0	10.0	9.0	0.0	9.0
Chiropractic Examiners, State Board of	0.0	5.0	5.0	0.0	5.0	5.0
Commerce, Department of	48.9	18.0	66.9	47.9	18.0	65.9
Community Colleges, Arizona	0.0	0.0	0.0	0.0	0.0	0.0
Contractors, Registrar of	0.0	144.8	144.8	0.0	144.8	144.8
Corporation Commission	6.0	302.3	308.3	6.0	302.3	308.3
Corrections, State Department of	9,546.9	6.0	9,552.9	10,009.2	6.0	10,015.2
Cosmetology, Board of	0.0	24.5	24.5	0.0	24.5	24.5
Criminal Justice Commission, AZ	0.0	8.0	8.0	0.0	8.0	8.0
Deaf & the Blind, AZ State Schools for the	288.3	292.9	581.2	279.3	292.9	572.2
Deaf and the Hard of Hearing, Commission for the	0.0	15.0	15.0	0.0	15.0	15.0
Dental Examiners, State Board of	0.0	11.0	11.0	0.0	11.0	11.0
Drug & Gang Prevention Resource Center, AZ	0.0	6.3	6.3	0.0	6.3	6.3
Economic Security, Department of 4/	2,768.6	1,373.4	4,142.0	2,352.6	1,373.4	3,726.0
Education, Department of	171.9	66.0	237.9	166.9	66.0	232.9
Emergency and Military Affairs, Department of 5/	84.6	0.0	84.6	82.6	0.0	82.6
Environmental Quality, Department of	116.0	355.4	471.4	112.0	355.4	467.4
Equal Opportunity, Governor's Office of	4.0	0.0	4.0	4.0	0.0	4.0
Equalization, State Board of	7.0	0.0	7.0	7.0	0.0	7.0
Executive Clemency, Board of	15.0	0.0	15.0	14.0	0.0	14.0
Exposition & State Fair Board, AZ	0.0	184.0	184.0	0.0	184.0	184.0
Financial Institutions, State Department of	47.1	0.0	47.1	46.1	19.0	65.1
Fire, Building and Life Safety, Department of	48.0	0.0	48.0	47.0	0.0	47.0
Funeral Directors & Embalmers, State Board of	0.0	4.0	4.0	0.0	4.0	4.0
Game and Fish Department, Arizona	0.0	273.5	273.5	0.0	273.5	273.5
Gaming, Department of	0.0	123.0	123.0	0.0	123.0	123.0
Geological Survey, Arizona	11.3	0.0	11.3	10.3	0.0	10.3
Government Information Technology Agency	4.0	19.0	23.0	4.0	19.0	23.0
Governor's Office of Strategic Planning & Budgeting	23.0	0.0	23.0	22.0	0.0	22.0
Health Services, Department of 6/	1,332.4	177.2	1,509.6	1,146.8	322.8	1,469.6
Historical Society, Arizona	52.9	0.0	52.9	50.9	0.0	50.9
Historical Society of AZ, Prescott	14.0	0.0	14.0	13.0	0.0	13.0
Homeopathic & Integrated Medicine Examrs., Bd. of	0.0	1.0	1.0	0.0	1.0	1.0
Housing, Department of	0.0	11.0	11.0	0.0	11.0	11.0
Indian Affairs, AZ Commission of	3.0	0.0	3.0	3.0	0.0	3.0
Industrial Commission of Arizona	0.0	279.0	279.0	0.0	279.0	279.0
Insurance, Department of	93.5	0.0	93.5	90.5	0.0	90.5
Judiciary						
Supreme Court	136.5	36.5	173.0	130.5	38.5	169.0
Court of Appeals	137.8	0.0	137.8	133.8	0.0	133.8
Superior Court	218.1	8.4	226.5	213.8	8.7	222.5
SUBTOTAL - Judiciary	492.4	44.9	537.3	478.1	47.2	525.3
Juvenile Corrections, Department of	964.7	65.0	1,029.7	936.7	65.0	1,001.7
Land Department, State	106.0	103.9	209.9	101.0	103.9	204.9
Law Enforcement Merit System Council	1.0	0.0	1.0	1.0	0.0	1.0
Legislature						
Auditor General	205.4	0.0	205.4	199.4	0.0	199.4
Joint Legislative Budget Committee	30.0	0.0	30.0	29.0	0.0	29.0
Legislative Council	43.8	0.0	43.8	42.8	0.0	42.8
SUBTOTAL - Legislature	279.2	0.0	279.2	271.2	0.0	271.2
Liquor Licenses & Control, Department of	0.0	42.0	42.0	0.0	42.0	42.0
Lottery Commission, Arizona State	0.0	104.0	104.0	0.0	104.0	104.0
Medical Board, AZ	0.0	58.5	58.5	0.0	58.5	58.5
Medical Student Loans, Board of	0.0	0.0	0.0	0.0	0.0	0.0

BUDGET UNITS	Fiscal Year 2010			Fiscal Year 2011		
	General	Other	Total	General	Other	Total
	Fund	Fund		Fund	Fund	
Mine Inspector, State	15.0	0.0	15.0	14.0	0.0	14.0
Mines & Mineral Resources, Department of	7.0	0.0	7.0	7.0	0.0	7.0
Naturopathic Physicians Medical Board	0.0	7.0	7.0	0.0	7.0	7.0
Navigable Stream Adjudication Commission, AZ	2.0	0.0	2.0	2.0	0.0	2.0
Nursing, State Board of	0.0	40.2	40.2	0.0	40.2	40.2
Nursing Care Institution of Administrators, Bd	0.0	5.0	5.0	0.0	5.0	5.0
Occupational Safety & Health Review Board	0.0	0.0	0.0	0.0	0.0	0.0
Occupational Therapy Examiners, Board of	0.0	3.0	3.0	0.0	3.0	3.0
Opticians, State Board of Dispensing	0.0	1.0	1.0	0.0	1.0	1.0
Optometry, State Board of	0.0	2.0	2.0	0.0	2.0	2.0
Osteopathic Examiners, AZ Board of	0.0	6.7	6.7	0.0	6.7	6.7
Parks Board, Arizona State	0.0	232.3	232.3	0.0	232.3	232.3
Personnel Board	0.0	3.0	3.0	0.0	3.0	3.0
Pest Management, Office of	0.0	40.0	40.0	0.0	40.0	40.0
Pharmacy, AZ State Board of	0.0	18.0	18.0	0.0	18.0	18.0
Physical Therapy Examiners, Board of	0.0	3.8	3.8	0.0	3.8	3.8
Pioneers' Home, AZ	0.0	115.8	115.8	0.0	115.8	115.8
Podiatry Examiners, State Board of	0.0	1.0	1.0	0.0	1.0	1.0
Postsecondary Education, Commission of	5.0	5.0	10.0	5.0	5.0	10.0
Private Postsecondary Education, Board for	0.0	4.0	4.0	0.0	4.0	4.0
Psychologist Examiners, State Board of	0.0	4.0	4.0	0.0	4.0	4.0
Public Safety, Department of	357.8	1,734.0	2,091.8	347.8	1,734.0	2,081.8
Racing, Arizona Department of	41.5	0.0	41.5	40.5	0.0	40.5
Radiation Regulatory Agency 5/	27.0	5.0	32.0	27.0	5.0	32.0
Rangers' Pensions, Arizona	0.0	0.0	0.0	0.0	0.0	0.0
Real Estate Department, State	57.0	0.0	57.0	55.0	0.0	55.0
Residential Utility Consumer Office	0.0	11.0	11.0	0.0	11.0	11.0
Respiratory Care Examiners, Board of	0.0	4.0	4.0	0.0	4.0	4.0
Retirement System, Arizona State	0.0	236.0	236.0	0.0	236.0	236.0
Revenue, Department of	579.0	294.0	873.0	563.0	294.0	857.0
School Facilities Board	18.0	0.0	18.0	17.0	0.0	17.0
Secretary of State, Department of State	135.1	10.0	145.1	131.1	10.0	141.1
State Boards' Office	0.0	3.0	3.0	0.0	3.0	3.0
Tax Appeals, State Board of	4.0	0.0	4.0	4.0	0.0	4.0
Technical Registration, State Board of	0.0	23.0	23.0	0.0	23.0	23.0
Tourism, Office of 7/	38.0	0.0	38.0	37.0	0.0	37.0
Transportation, Department of	2.0	4,546.0	4,548.0	2.0	4,546.0	4,548.0
Treasurer, State	30.4	0.0	30.4	0.0	29.4	29.4
Uniform State Laws, Commission on	0.0	0.0	0.0	0.0	0.0	0.0
Universities 8/						
Regents, Arizona Board of	25.9	0.0	25.9	25.9	0.0	25.9
Arizona State University - Tempe/DPC Campus	6,562.0	0.0	6,562.0	6,377.0	0.0	6,377.0
Arizona State University - East Campus	541.1	0.0	541.1	526.1	0.0	526.1
Arizona State University - West Campus	818.7	0.0	818.7	795.7	0.0	795.7
Northern Arizona University	1,972.9	0.0	1,972.9	1,913.9	0.0	1,913.9
University of Arizona - Main Campus	5,368.4	0.0	5,368.4	5,218.4	0.0	5,218.4
University of Arizona - Health Sciences Center	948.1	0.0	948.1	923.1	0.0	923.1
SUBTOTAL - Universities	16,237.1	0.0	16,237.1	15,780.1	0.0	15,780.1
Veterans' Services, Department of	113.3	246.0	359.3	110.3	246.0	356.3
Veterinary Medical Examining Board, AZ. State	0.0	5.5	5.5	0.0	5.5	5.5
Water Resources, Department of	210.2	6.5	216.7	203.2	4.0	207.2
Weights and Measures, Department of	18.9	18.5	37.4	17.9	18.5	36.4
TOTAL APPROPRIATED FUNDS	36,335.2	12,944.5	49,279.7	35,515.2	13,138.3	48,653.5

1/ FTE counts incorporate the FTE reduction requirements stipulated in Laws 2009, 3rd Special Session, Chapter 11.

2/ FTE Positions shown for individual agencies include only those positions funded by appropriated funds. The detail for changes in FTE Positions that occurred between FY 2010 and FY 2011 can be found in the individual agency pages.

3/ Excludes 1,506.4 FTE Positions in FY 2010 and FY 2011 that are Federally funded (Title XIX funds).

4/ Excludes 1,747.4 FTE Positions in FY 2010 and FY 2011 funded by the Long Term Care System Fund and Federal Funds for Child Support Enforcement.

5/ Includes 4.5 General Fund FTE Positions in the Department of Emergency and Military Affairs and 4 General Fund FTE Positions in the Radiation Regulatory Agency for FY 2010 and FY 2011 appropriated by Laws 2009, 1st Regular Session, Chapter 73.

6/ Excludes 118.8 FTE Positions in FY 2010 and FY 2011 that are Federally funded (Title XIX funds).

7/ The agency does not appear in the General Appropriation Act, therefore, the FTE Positions displayed are for informational purposes only.

8/ All university FTE Positions are attributed to the General Fund, although the universities fund these positions from Other Appropriated Funds, as well. A footnote in the FY 2010 General Appropriation Act appropriates any tuition receipts above the original appropriations to the universities. FY 2010 tuition receipts were above the original appropriation; as a result, the universities adjusted positions upward by 872.7 FTE Positions in FY 2010.

SPECIFIC SPENDING CHANGES BY AGENCY

Detailed List of General Fund Changes by Agency

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
OPERATING SPENDING CHANGES			
DOA - Arizona Department of Administration	\$17,830,300		\$17,404,400
DOA - Telecommunications Lease Payment		(425,900)	
OAH - Office of Administrative Hearings	\$934,300		\$934,300
AGR - Department of Agriculture	\$8,584,900		\$8,584,900
AXS - AHCCCS	\$1,178,047,500		\$1,760,609,200
AXS - Caseload Growth		239,696,100	
AXS - Payment Deferral Adjustment		117,889,100	
AXS - Temporary Federal Assistance (FMAP) Restoration		224,976,500	
ART - Arizona Commission on the Arts	\$895,900		\$895,900
ATT - Attorney General	\$17,987,400		\$17,987,400
CPD - State Capital Postconviction Public Defender Office	\$647,000		\$647,000
CHA - State Board for Charter Schools	\$823,900		\$823,900
COM - Department of Commerce	\$6,221,000		\$3,589,000
COM - End of Nursing Pilot Program		(2,632,000)	
CCO - Arizona Community Colleges	\$135,344,300		\$142,828,800
CCO - Formula Growth		7,484,500	
COR - Corporation Commission	\$589,800		\$589,800
DOC - Department of Corrections	\$868,927,000		\$937,289,400
DOC - 2,000 New Private Beds		39,977,700	
DOC - 4,000 New State Beds		58,101,700	
DOC - Provisional Bed Savings		(60,717,000)	
DOC - Reduce AHCCCS Rate Savings		20,000,000	
DOC - Restore One-time Debt Service Savings		11,000,000	
SDB - AZ State Schools for the Deaf and the Blind	\$21,268,400		\$21,268,400
DES - Department of Economic Security	\$546,080,200		\$615,033,200
DES - DD Caseload Growth		19,514,500	
DES - Temporary Federal Assistance (FMAP) Restoration		32,438,500	
DES - Payment Deferral Adjustment		17,000,000	
ADE - Arizona Department of Education	\$3,533,990,400		\$3,902,881,900
ADE - Basic State Aid and Other Formula Changes		(103,222,500)	
ADE - Temporary Federal Assistance (Stabilization) ADE Offset		472,114,000	

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
EMA - Department of Emergency & Military Affairs	\$10,491,900		\$10,526,300
EMA - Nuclear Emergency Management		34,400	
DEQ - Department of Environmental Quality	\$12,779,100		\$12,779,100
OEO - Governor's Office of Equal Opportunity	\$196,600		\$196,600
EQU - State Board of Equalization	\$602,500		\$602,500
EXE - Board of Executive Clemency	\$880,200		\$880,200
DFI - Dept of Financial Institutions	\$2,973,000		\$2,973,000
BFS - Department of Fire, Building & Life Safety	\$2,185,000		\$2,185,000
GEO - Arizona Geological Survey	\$801,400		\$801,400
GTA - Government Information Technology Agy	\$757,300		\$757,300
GOV - Office of the Governor	\$7,043,900		\$7,043,900
OSP - Gov's Ofc of Strategic Planning & Budgeting	\$1,993,500		\$1,993,500
DHS - Department of Health Services	\$444,195,900		\$549,321,700
DHS - Caseload Growth		46,250,800	
DHS - Temporary Federal Assistance (FMAP) Restoration		63,037,700	
DHS - Assurance and Licensure Fund Shift		(4,162,700)	
AZH - Arizona Historical Society	\$3,870,700		\$3,870,700
PAZ - Prescott Historical Society	\$692,000		\$692,000
IND - Independent Redistricting Commission	\$0		\$500,000
IND - New Redistricting Cycle		500,000	
CIA - Arizona Commission of Indian Affairs	\$117,100		\$117,100
INS - Department of Insurance	\$5,625,800		\$5,625,800
SPA - Judiciary - Supreme Court	\$17,262,100		\$17,262,100
COA - Judiciary - Court of Appeals	\$14,063,500		\$14,063,500
SUP - Judiciary - Superior Court	\$88,194,800		\$88,300,100
SUP - New Judgeship		105,300	
DJC - Department of Juvenile Corrections	\$63,331,200		\$63,331,200
LAN - State Land Department	\$6,622,200		\$6,526,000

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
LAN - Reduced CAP Water Payment		(96,200)	
LEM - Law Enforcement Merit System Council	\$71,900		\$71,900
Legislature			
AUD - Auditor General	\$16,546,700		\$16,546,700
HOU - House of Representatives	\$13,000,900		\$13,000,900
JLBC - Joint Legislative Budget Committee	\$2,548,300		\$2,548,300
LEG - Legislative Council	\$4,856,200		\$4,856,200
SEN - Senate	\$8,244,800		\$8,244,800
LIQ - Department of Liquor Licenses & Control	\$702,700		\$0
LIQ - Annualize Fund Shift		(702,700)	
MSL - Board of Medical Student Loans	\$801,900		\$801,900
MIN - State Mine Inspector	\$1,161,700		\$1,161,700
MMR - Department of Mines & Mineral Resources	\$858,700		\$858,700
NAV - AZ Navigable Steam Adjudication Comm.	\$136,300		\$136,300
SPB - Arizona State Parks Board	\$20,000,000		\$20,000,000
PIO - Arizona Pioneers' Home	\$0		\$1,562,000
PIO - General Fund Backfill/Loss of Land Earnings		1,562,000	
POS - Commission for Postsecondary Education	\$4,042,000		\$4,042,000
DPS - Department of Public Safety	\$43,589,200		\$43,589,200
RAC - Arizona Department of Racing	\$5,677,700		\$5,677,700
RAD - Radiation Regulatory Agency	\$1,418,000		\$1,429,500
RAD - Nuclear Emergency Management		11,500	
ARP - Arizona Rangers' Pensions	\$14,000		\$14,200
ARP - Inflation Adjustment		200	
REA - State Real Estate Department	\$3,021,400		\$3,021,400
REV - Department of Revenue	\$37,611,900		\$39,611,900
REV - Shift BRITS Support		2,000,000	
SFB - School Facilities Board	\$104,779,700		\$127,616,500
SFB - New School Debt Service		14,836,800	

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
SFB - Restore One-time Debt Service Savings		8,000,000	
SOS - Secretary of State	\$18,403,300		\$13,456,400
SOS - Election Year Regular Funding		3,400,000	
SOS - Eliminate Special Election Funding		(8,346,900)	
TAX - State Board of Tax Appeals	\$258,800		\$258,800
TOU - Office of Tourism	\$10,655,200		\$10,655,200
DOT - Department of Transportation	\$58,400		\$58,400
TRE - State Treasurer	\$3,607,500		\$1,115,100
TRE - Shift Treasurer to Management Fees (No net gain)		(2,492,400)	
UNI - Universities			
UNI - Arizona Board of Regents	\$18,598,300		\$17,230,300
UNI - End of Nursing Pilot Program		(1,368,000)	
UNI - ASU - Tempe/DPC	\$326,349,100		\$326,349,100
UNI - ASU - East Campus	\$25,101,300		\$25,101,300
UNI - ASU - West Campus	\$43,935,700		\$43,935,700
UNI - Northern Arizona University	\$133,118,100		\$133,118,100
UNI - UA - Main Campus	\$271,315,400		\$271,315,400
UNI - UA - Health Sciences Center	\$73,234,900		\$73,234,900
UNI - Universities - Universitywide Lump Sum Reduction			
VSC - Department of Veterans' Services	\$7,602,500		\$7,602,500
WAT - Department of Water Resources	\$16,879,900		\$16,879,900
WEI - Department of Weights & Measures	\$1,216,900		\$1,216,900
OTH - Other			
OTH - AHCCCS Supplemental	\$82,571,500	(82,571,500)	0
OTH - DHS Supplemental	\$44,500,300	(44,500,300)	0
OTH - Corrections Supp. - Restore AHCCCS Rate Savings	\$20,000,000	(20,000,000)	0
OTH - Asset Sale and Lease-Back Debt Service	\$0	43,000,000	43,000,000
OTH - Veterinary Med Bd Backfill	\$250,000	(250,000)	0
OTH - Psychologist Examiners Backfill	\$300,000	(275,000)	25,000
OTH - Chiropractors Backfill	\$148,000	(148,000)	0
OTH - Funeral Directors Backfill	\$100,000	(100,000)	0
OTH - Tourism Fund Restoration	\$200,000	(200,000)	0
OTH - Prior Year Reversions	(\$2,037,500)	2,037,500	0

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
OTH - Administrative Adjustments	\$72,731,600	875,400	73,607,000
OTH - Revertments	(\$113,241,600)	336,500	(112,905,100)
OTH - Lease-Purchase Increase	\$0	9,002,300	9,002,300
OTH - AzNet Charges	\$0	(2,165,200)	(2,165,200)
TOTAL - OPERATING SPENDING CHANGES	\$8,347,793,600	\$1,120,806,700	\$9,468,600,300
CAPITAL SPENDING			
Veteran's Home Funding - One-time Funding	\$10,000,000	(10,000,000)	0
Prior Year Capital Reversion - One-time Savings	(\$450,000)	450,000	0
Exposition and State Fair Renovations	\$400,000	0	400,000
TOTAL - CAPITAL SPENDING	\$9,950,000	(\$9,550,000)	\$400,000
TOTAL - OPERATING & CAPITAL SPENDING	\$8,357,743,600	\$1,111,256,700	\$9,469,000,300
TOTAL - ALL SPENDING	\$8,357,743,600	\$1,111,256,700	\$9,469,000,300
FUND TRANSFERS 2/			
DOA - Arizona Department of Administration			
DOA - Administration - AFIS II Collections Continued FRAT/Salary LSR		(424,000)	
DOA - Air Quality Continued FRAT/Salary LSR		(136,000)	
DOA - Automation Operations Continued FRAT/Salary LSR		(4,957,900)	
DOA - Capital Outlay Stabilization Continued FRAT/Salary LSR		(815,800)	
DOA - Construction Insurance Continued FRAT/Salary LSR		(192,200)	
DOA - Co-Op State Purchasing Agreement Continued FRAT/Salary LSR		(224,200)	
DOA - Corrections Continued FRAT/Salary LSR		(167,500)	
DOA - Emergency Telecommunication Services Revolving Continued FRAT/Salary LSR		(2,198,400)	
DOA - Motor Vehicle Pool Revolving Continued FRAT/Salary LSR		(2,205,200)	
DOA - Personnel Division Continued FRAT/Salary LSR		(3,600,900)	
DOA - Risk Management Revolving Fund Continued FRAT/Salary LSR		(581,300)	
DOA - Special Employee Health Insurance Trust Continued FRAT/Salary LSR		(251,100)	
DOA - Special Services Revolving Continued FRAT/Salary LSR		(400,300)	
DOA - State Employee Travel Reduction Continued FRAT/Salary LSR		(36,100)	
DOA - State Surplus Materials Revolving Continued FRAT/Salary LSR		(647,600)	
DOA - Telecommunications Continued FRAT/Salary LSR		(1,414,100)	
AGR - Department of Agriculture			
AGR - Citrus, Fruit & Vegetable Revolving Continued FRAT/Salary LSR		(72,000)	
AGR - Designated Continued FRAT/Salary LSR		(46,000)	
AXS - AHCCCS			

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
AXS - Healthcare Group Continued FRAT/Salary LSR		(361,900)	
AXS - Intergovernmental Services Continued FRAT/Salary LSR		(653,500)	
AXS - Third Party Collections Continued FRAT/Salary LSR		(608,200)	
ART - Arizona Commission on the Arts			
ART - Arts Trust Continued FRAT/Salary LSR		(115,400)	
ATT - Attorney General			
ATT - Anti-Racketeering Revolving Continued FRAT/Salary LSR		(862,100)	
ATT - CJEF Distributions Continued FRAT/Salary LSR		(334,500)	
ATT - Collection Enforcement Revolving Continued FRAT/Salary LSR		(1,634,200)	
ATT - Consumer Fraud Revolving Continued FRAT/Salary LSR		(449,200)	
ATT - Legal Services Cost Allocation Continued FRAT/Salary LSR		(1,064,800)	
ATT - Risk Management Revolving Continued FRAT/Salary LSR		(789,000)	
ATA - Automobile Theft Authority			
ATA - Automobile Theft Authority Continued FRAT/Salary LSR		(881,700)	
COM - Department of Commerce			
COM - CEDC Continued FRAT/Salary LSR		(305,600)	
COM - Commerce Workshops Continued FRAT/Salary LSR		(51,600)	
COM - GADA Revolving Continued FRAT/Salary LSR		(68,800)	
COM - IGA and ISA Continued FRAT/Salary LSR		(50,700)	
COM - Arizona Job Training Continued FRAT/Salary LSR		(1,935,000)	
COM - Lottery Continued FRAT/Salary LSR		(19,500)	
COM - Military Installation Continued FRAT/Salary LSR		(235,000)	
COR - Corporation Commission			
COR - Investment Management Regulatory & Enf. Continued FRAT/Salary LSR		(224,100)	
COR - Public Access Continued FRAT/Salary LSR		(764,600)	
COR - Securities Regulatory & Enforcement Continued FRAT/Salary LSR		(357,400)	
COR - Utility Regulation Revolving Continued FRAT/Salary LSR		(1,090,500)	
DOC - Department of Corrections			
DOC - Alcohol Abuse Treatment Continued FRAT/Salary LSR		(44,900)	
DOC - AZ Correctional Industry Revolving Continued FRAT/Salary LSR		(3,043,800)	
DOC - Corrections Continued FRAT/Salary LSR		(37,200)	
DOC - Indirect Cost Recovery Continued FRAT/Salary LSR		(208,300)	
DOC - Prison Construction & Operations Continued FRAT/Salary		(932,400)	
DOC - Special Services Continued FRAT/Salary LSR		(274,500)	
DOC - State DOC Revolving Continued FRAT/Salary LSR		(611,000)	
DOC - State Education Fund for Correctional Education Continued FRAT/Salary LSR		(76,800)	
DOC - Transition Program Drug Treatment Continued FRAT/Salary LSR		(45,000)	

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
JUS - Arizona Criminal Justice Commission			
JUS - Criminal Justice Enhancement Continued FRAT/Salary LSR		(104,100)	
JUS - DUI Abatement Continued FRAT/Salary LSR		(112,500)	
JUS - Drug & Gang Enforcement Continued FRAT/Salary LSR		(489,500)	
JUS - Drug & Gang Prevention Resource Center Continued FRAT/Salary LSR		(67,200)	
JUS - State Aid to County Attorneys Continued FRAT/Salary LSR		(78,900)	
JUS - State Aid to Indigent Defense Continued FRAT/Salary LSR		(74,900)	
JUS - Victims Compensation & Assistance Continued FRAT/Salary LSR		(307,500)	
HEA - Commission for the Deaf and the Hard of Hearing			
HEA - Telecommunication Fund for the Deaf Continued FRAT/Salary LSR		(1,370,000)	
DES - Department of Economic Security			
DES - Child Abuse Preventsion Continued FRAT/Salary LSR		(118,300)	
DES - Child Support Enforcement Administration Continued FRAT/Salary LSR		(796,900)	
DES - Domestic Violence Shelter Contineud FRAT/Salary LSR		(180,000)	
DES - Public Assistance Collections Continued FRAT/Salary LSR		(92,200)	
DES - Special Administration Continued FRAT/Salary LSR		(439,100)	
DES - Spinal and Head Injuries Trust Continued FRAT/Salary LSR		(694,300)	
ADE - Arizona Department of Education			
ADE - Indirect Cost Recovery Continued FRAT/Salary LSR		(356,800)	
ADE - Internal Services Continued FRAT/Salary LSR		(791,900)	
ADE - Production Revolving Continued FRAT/Salary LSR		(355,800)	
ADE - Teacher Certification Continued FRAT/Salary LSR		(372,500)	
DEQ - Department of Environmental Quality			
DEQ - Air Permits Administration Continued FRAT/Salary LSR		(769,300)	
DEQ - Air Quality Continued FRAT/Salary LSR		(1,068,100)	
DEQ - Emissions Inspection Continued FRAT/Salary LSR		(449,700)	
DEQ - Hazardous Waste Mgmt Continued FRAT/Salary LSR		(59,600)	
DEQ - Indirect Cost Recovery Continued FRAT/Salary LSR		(2,417,300)	
DEQ - Monitoring Assistance Continued FRAT/Salary LSR		(129,700)	
DEQ - Recycling Continued FRAT/Salary LSR		(1,517,900)	
DEQ - Solid Waste Fee Continued FRAT/Salary LSR		(347,000)	
DEQ - Specific Site Judgment Fund Continued FRAT/Salary LSR		(80,000)	
DEQ - Underground Storage Tank Revolving Continued FRAT/Salary LSR		(4,621,700)	
DEQ - Voluntary Remediation Continued FRAT/Salary LSR		(21,500)	
DEQ - Voluntary Vehicle Repair & Retrofit Program Continued FRAT/Salary LSR		(747,200)	
DEQ - Water Quality Assurance Revolving Continued FRAT/Salary LSR		(371,300)	
DEQ - Water Quality Fee Continued FRAT/Salary LSR		(704,200)	
COL - Arizona Exposition and State Fair Board			

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
COL - Arizona Exposition and State Fair Continued FRAT/Salary LSR		(2,576,500)	
DFI - Dept of Financial Institutions			
DFI - Revolving Continued FRAT/Salary LSR		(254,600)	
FIS - Arizona Game and Fish Department			
FIS - Heritage Continued FRAT/Salary LSR		(1,335,100)	
FIS - Off-Highway Vehicle Recreation Continued FRAT/Salary LSR		(78,600)	
GEO - Arizona Geological Survey			
GEO - Geological Survey Continued FRAT/Salary LSR		(48,200)	
GTA - Government Information Technology Agy			
GTA - Information Technology Continued FRAT/Salary LSR		(459,700)	
GTA - State Web Portal Continued FRAT/Salary LSR		(1,100,000)	
DHS - Department of Health Services			
DHS - Emergency Medical Services Operating Continued FRAT/Salary LSR		(847,600)	
DHS - Environmental Laboratory Licensure Revolving Continued FRAT/Salary LSR		(41,300)	
DHS - Hearing and Speech Professionals Continued FRAT/Salary LSR		(20,900)	
DHS - Indirect Cost Continued FRAT/Salary LSR		(1,289,900)	
DHS - Substance Abuse Services Continued FRAT/Salary LSR		(250,000)	
DHS - Vital Records Electronic Systems Continued FRAT/Salary LSR		(66,000)	
HOU - Department of Housing			
HOU - Housing Program Continued FRAT/Salary LSR		(963,700)	
HOU - Housing Trust Continued FRAT/Salary LSR		(1,458,900)	
HOU - IGA and ISA Continued FRAT/Salary LSR		(251,400)	
INS - Department of Insurance			
INS - Captive Insurance Regulatory/Supervision Continued FRAT/Salary LSR		(65,400)	
INS - Financial Surveillance Continued FRAT/Salary LSR		(31,600)	
INS - Insurance Examiners' Revolving Continued FRAT/Salary LSR		(926,500)	
SPA - Judiciary - Supreme Court			
SPA - Alternative Dispute Resolution Continued FRAT/Salary LSR		(74,700)	
SPA - Court Appointed Special Advocate Continued FRAT/Salary LSR		(500,000)	
SPA - Criminal Justice Enhancement Continued FRAT/Salary LSR		(17,000)	
SPA - Defensive Driving School Continued FRAT/Salary LSR		(66,500)	
SPA - Public Defender Training Continued FRAT/Salary LSR		(71,000)	
SUP - Judiciary - Superior Court			
SUP - Criminal Justice Enhancement Continued FRAT/Salary LSR		(45,200)	
SUP - Drug Treatment and Education Continued FRAT/Salary LSR		(31,100)	

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
DJC - Department of Juvenile Corrections			
DJC - Criminal Justice Enhancement Continued FRAT/Salary LSR		(130,600)	
DJC - State Ed Fund for Committed Youth Continued FRAT/Salary LSR		(422,400)	
LAN - State Land Department			
LAN - Cooperative Forestry Continued FRAT/Salary LSR		(45,400)	
LAN - Fire Suppression Continued FRAT/Salary LSR		(280,100)	
LIQ - Department of Liquor Licenses & Control			
LIQ - Liquor License & Special Collections Continued FRAT/Salary LSR		(60,000)	
LIQ - Liquor Licenses Continued FRAT/Salary LSR		(214,700)	
LOT - Arizona State Lottery Commission			
LOT - State Lottery Continued FRAT/Salary LSR		(1,528,400)	
MMR - Department of Mines & Mineral Resources			
MMR - Mines and Mineral Resources Continued FRAT/Salary LSR		(16,200)	
PAR - Parents Commission on Drug Ed & Prevention			
PAR - Drug Treatment and Education Continued FRAT/Salary LSR		(636,500)	
SPB - Arizona State Parks Board			
SPB - Heritage Continued FRAT/Salary LSR		(1,948,600)	
SPB - Off-Highway Vehicle Recreation Continued FRAT/Salary LSR		(116,600)	
SPB - Partnerships Continued FRAT/Salary LSR		(14,000)	
SPB - Publications and Souvenirs Continued FRAT/Salary LSR		(60,200)	
SPB - Reservation Surcharge Revolving Continued FRAT/Salary LSR		(96,600)	
SPB - State Lake Improvement Continued FRAT/Salary LSR		(528,500)	
SPB - State Parks Continued FRAT/Salary LSR		(19,700)	
SPB - State Parks Enhancement Continued FRAT/Salary LSR		(1,954,800)	
DPS - Department of Public Safety			
DPS - Anti-Racketeering Continued FRAT/Salary LSR		(526,300)	
DPS - Auto Fingerprint Identification Continued FRAT/Salary LSR		(274,000)	
DPS - Crime Laboratory Assessment Continued FRAT/Salary LSR		(762,400)	
DPS - Crime Laboratory Operations Continued FRAT/Salary LSR		(780,000)	
DPS - Criminal Justice Enhancement Continued FRAT/Salary LSR		(447,100)	
DPS - DNA Identification System Continued FRAT/Salary LSR		(593,200)	
DPS - DPS Administration Continued FRAT/Salary LSR		(206,100)	
DPS - DPS Licensing Continued FRAT/Salary LSR		(163,000)	
DPS - Fingerprint Clearance Card Continued FRAT/Salary LSR		(404,100)	
DPS - Board of Fingerprinting Continued FRAT/Salary LSR		(109,100)	
DPS - Highway Patrol Continued FRAT/Salary LSR		(3,003,300)	
DPS - Indirect Cost Recovery Continued FRAT/Salary LSR		(183,500)	
DPS - Parity Compensation Continued FRAT/Salary LSR		(516,200)	
DPS - Peace Officers Training Continued FRAT/Salary LSR		(787,300)	
DPS - Public Safety Equipment Continued FRAT/Salary LSR		(810,300)	
DPS - Records Processing Continued FRAT/Salary LSR		(1,015,000)	

	FY 2010 Revised	FY 2011 GF Baseline 1/	FY 2011 Baseline Total
DPS - SETIF Continued FRAT/Salary LSR		(122,000)	
RAD - Radiation Regulatory Agency			
RAD - Radiation Certification Continued FRAT/Salary LSR		(21,300)	
REV - Department of Revenue			
REV - DOR Administrative Continued FRAT/Salary LSR		(1,837,500)	
REV - Liability Set-off Fund Continued FRAT/Salary LSR		(23,700)	
DOT - Department of Transportation			
DOT - Arizona Highways Magazine Continues FRAT/Salary LSR		(425,700)	
DOT - Economic Strength Project Continued FRAT/Salary LSR		(100,000)	
DOT - Motor Vehicle Liability Insurance Enforcement Continued FRAT/Salary LSR		(406,800)	
DOT - SETIF Continued FRAT/Salary LSR		(163,000)	
DOT - State Aviation Continued FRAT/Salary LSR		(526,400)	
DOT - Transportation Department Equipment Continued FRAT/Salary LSR		(4,549,200)	
DOT - Vehicle Inspection and Title Enforcement Continued FRAT/Salary LSR		(117,700)	
DOT - Suspend Highway Patrol Vehicle Replacement VLT Fund Transfer		(6,780,000)	
DOT - Continue Prior Year VLT Fund Transfer		(8,390,600)	
DOT - Continue Prior Yr ADOT Operating Reduction/VLT Fund Transfer		(28,000,000)	
UNI - Arizona Board of Regents			
UNI - AZ Board of Regents Local Funds Continued FRAT/Salary LSR		(228,600)	
WAT - Department of Water Resources			
WAT - Arizona Water Banking Continued FRAT/Salary LSR		(301,700)	
WAT - Arizona Water Protection Continued FRAT/Salary LSR		(41,700)	
WAT - Arizona Water Quality Continued FRAT/Salary LSR		(88,000)	
WAT - Assured and Adequate Water Supply Continued FRAT/Salary LSR		(173,000)	
WAT - Augmentation & Conservation Assistance Continued FRAT/Salary LSR		(229,200)	
WAT - Indirect Cost Recovery Continued FRAT/Salary LSR		(357,400)	
WAT - Well Administration & Enforcement Continued FRAT/Salary LSR		(123,000)	
WEI - Department of Weights & Measures			
WEI - Air Quality Continued FRAT/Salary LSR		(108,600)	
SUBTOTAL - Continued FRAT/Salary LSR		(98,111,800)	
SUBTOTAL - FUND TRANSFERS		(43,170,600)	
SUBTOTAL		(141,282,400)	
TOTAL - FUND TRANSFERS	(340,871,300)	199,588,900	(141,282,400)

	FY 2010 Revised	FY 2011 GF Baseline <u>1/</u>	FY 2011 Baseline Total
			141,282,400
REVENUE CHANGES			
REV - Ongoing Revenue	6,237,752,100	499,074,100	6,734,333,800
REV - One-time Revenue	328,516,900	(328,516,900)	0
REV - Shift Treasurer to Management Fees		(2,492,400)	
TOTAL - REVENUE CHANGES	\$6,566,269,000	\$168,064,800	\$6,734,333,800
ENDING BALANCE	(\$1,450,603,300)	(\$2,593,384,100)	(\$2,593,384,100)

1/ Represents FY 2011 Baseline cost above FY 2010 enacted budget.

2/ Represents continuation of prior year Fund Reduction and Transfer (FRAT) and the Salary Lump Sum Reduction (LSR). The FRATs/LSR are reductions in agency non-General Fund spending authority, in which the savings are transferred to the General Fund. Since the transfers have not been permanently authorized, they are re-enacted annually.

Detailed List of Other Fund Changes by Agency

	FY 2010 Revised	FY 2011 OF Baseline 1/	FY 2011 Baseline Total
OPERATING SPENDING CHANGES			
SBA - State Board of Accountancy	1,902,400		1,902,400
ACU - Acupuncture Board of Examiners	129,700		129,700
DOA - Arizona Department of Administration	171,609,600		167,291,600
DOA - HRIS COP Payment - Personnel Div Fund		395,700	
DOA - Telecommunications Fund - Infrastructure Improvements		(4,713,700)	
OAH - Office of Administrative Hearings	14,500		14,500
AGR - Department of Agriculture	3,312,000		3,312,000
AXS - AHCCCS	201,221,300		148,168,100
AXS - Prop 204 DES Eligibility Statutory Adjustment		123,800	
AXS - Tobacco Tax Decline		(19,551,200)	
AXS - KidsCare Caseload Decline/Other		(33,625,800)	
APP - State Board of Appraisal	624,200		624,200
ATT - Attorney General	38,447,500		38,447,500
ATA - Automobile Theft Authority	5,140,200		5,140,200
BAR - Board of Barbers	329,900		329,900
BHE - Board of Behavioral Health Examiners	1,378,800		1,378,800
BIO - Biomedical Research Commission	500,000		500,000
BCE - State Board of Chiropractic Examiners	476,600		453,200
BCE - Budget Realignment		(23,400)	
COM - Department of Commerce	4,368,300		4,368,300
ROC - Registrar of Contractors	12,232,700		12,232,700
COR - Corporation Commission	24,897,100		24,691,100
COR - Automation Funding from Public Access		(206,000)	
DOC - Department of Corrections	43,653,100		43,653,100
COS - Board of Cosmetology	1,759,500		1,759,500
JUS - Arizona Criminal Justice Commission	6,374,500		6,609,700
JUS - Shift Drug & Gang PRC Fund/Include Arizona Youth Survey		235,200	
SDB - AZ State Schools for the Deaf and the Blind	14,806,600		14,806,600

	FY 2010 Revised	FY 2011 OF Baseline 1/	FY 2011 Baseline Total
HEA - Comm for the Deaf & the Hard of Hearing	4,079,200		4,079,200
DEN - Board of Dental Examiners	1,106,500		1,106,500
PRC - Drug & Gang Prevention Resource Center	579,600		344,400
PRC - Shift to ACJC		(235,200)	
DES - Department of Economic Security	523,698,900		523,227,400
DES - Disaster Recovery Funding		(271,500)	
DES - Autism Training and Oversight Funding		(200,000)	
ADE - Arizona Department of Education	55,759,100		55,759,100
EMA - Department of Emergency & Military Affairs	132,700		132,700
DEQ - Department of Environmental Quality	65,790,200		65,790,200
COL - Arizona Exposition and State Fair Board	13,753,000		13,753,000
DFI - Dept of Financial Institutions	0		1,249,200
DFI - Loan Originator Licensing		385,700	
DFI - Additional Examiners		686,200	
DFI - Information Technology Budget		177,300	
EMB - Board of Funeral Directors and Embalmers	351,200		351,200
FIS - Arizona Game and Fish Department	39,924,000		39,569,500
FIS - Eliminate One-time Funding		(774,500)	
FIS - Fuel and Repair		150,000	
FIS - Aquatic Invasive Species Project		220,000	
FIS - Lapsed Angler Marketing		50,000	
GAM - Department of Gaming	13,181,900		12,199,600
GAM - Revenue Realignment		(982,300)	
GTA - Government Information Technology Agy	7,136,700		7,136,700
DHS - Department of Health Services	80,410,800		84,573,500
DHS - Assurance & Licensure Fund Shift		4,162,700	
AZH - Arizona Historical Society	194,200		194,200
HOM - Board of Homeopathic & Integrated Medicine Examiners	104,900		104,900
HOU - Department of Housing	949,600		949,600
IND - Industrial Commission	19,983,100		19,983,100
SPA - Judiciary - Supreme Court	35,944,200		30,818,400
SPA - Reduce One-Time Funding		(5,125,800)	

	FY 2010 Revised	FY 2011 OF Baseline 1/	FY 2011 Baseline Total
SUP - Judiciary - Superior Court	12,508,000		12,508,000
DJC - Department of Juvenile Corrections	3,935,600		3,935,600
LAN - State Land Department	14,045,400		14,045,400
LIQ - Department of Liquor Licenses & Control	1,945,100		2,647,800
LIQ - Annualize Fund Shift to Liquor Fee Fund		702,700	
LOT - Arizona State Lottery Commission	78,473,700		81,204,600
LOT - Sales-Related Costs		2,730,900	
MED - Arizona Medical Board	5,853,400		5,853,400
MSL - Board of Medical Student Loans	47,000		47,000
MIN - State Mine Inspector	155,800		269,800
MIN - Increased Workload		114,000	
NAT - Naturopathic Physicians Medical Board	604,800		604,800
NUR - State Board of Nursing	4,153,900		4,153,900
NCI - Nursing Care Inst. Administrators Board	379,600		379,600
OCC - Board of Occupational Therapy Examiners	246,500		246,500
DIS - State Board of Dispensing Opticians	125,200		125,200
OPT - State Board of Optometry	203,400		203,400
OST - Arizona Board of Osteopathic Examiners	702,000		702,000
SPB - Arizona State Parks Board	9,378,900		9,378,900
PER - Personnel Board	329,100		329,100
PES - Office of Pest Management	2,663,200		2,300,000
PES - Spending Realignment		(363,200)	
PHA - Arizona State Board of Pharmacy	1,931,400		1,981,400
PHA - Controlled Substance Prescription Drug Monitoring		50,000	
PHY - Board of Physical Therapy Examiners	362,000		362,000
PIO - Arizona Pioneers' Home	6,723,300		4,592,700
PIO - Budget Realignment		(568,600)	
PIO - Loss of Land Trust Earnings		(1,562,000)	
POD - State Board of Podiatry Examiners	144,500		144,500

	FY 2010 Revised	FY 2011 OF Baseline 1/	FY 2011 Baseline Total
POS - Commission for Postsecondary Education	3,854,800		3,854,800
PRI - Board for Private Postsecondary Education	337,100		337,100
PSY - State Board of Psychologist Examiners	401,800		366,000
PSY - Budget Realignment		(71,800)	
PSY - One-Time Expenditure for Behavior Analysts		36,000	
DPS - Department of Public Safety	190,642,900		190,642,900
RAD - Radiation Regulatory Agency	269,300		269,300
RUC - Residential Utility Consumer Office	1,308,700		1,308,700
RES - Board of Respiratory Care Examiners	263,100		263,100
RET - Arizona State Retirement System	23,230,100		23,230,100
REV - Department of Revenue	23,731,000		23,731,000
SOS - Secretary of State	8,500,500		8,500,500
SBO - State Boards' Office	285,200		226,800
SBO - Budget Realignment		(58,400)	
TEC - State Board of Technical Registration	1,756,400		1,756,400
DOT - Department of Transportation	434,222,200		358,399,900
DOT - Expenditure Plan Realignment (SHF)	See Other	(75,822,300)	
TRE - State Treasurer	88,300		2,580,700
TRE - Shift Treasurer to Mangement Fees		2,492,400	
UNI - Universities			
UNI - ASU - Tempe/DPC	316,565,200		334,243,300
UNI - ASU Main - Enrollment Growth		17,678,100	
UNI - ASU - East Campus	31,612,300		32,792,200
UNI - ASU East - Enrollment Growth		1,179,900	
UNI - ASU - West Campus	29,907,400		28,506,800
UNI - ASU West - Enrollment Growth		(1,400,600)	
UNI - Northern Arizona University	73,068,900		78,308,200
UNI - NAU - Enrollment Growth		5,239,300	
UNI - UA - Main Campus	215,379,200		219,265,500
UNI - UA Main - Enrollment Growth		3,886,300	
UNI - UA - Health Sciences Center	21,380,000		22,259,200

	FY 2010 Revised	FY 2011 OF Baseline 1/	FY 2011 Baseline Total
UNI - UA - HSC - Enrollment Growth		879,200	
VSC - Department of Veterans' Services	14,582,600		14,582,600
VME - Veterinary Medical Examining Board	470,400		470,400
WAT - Department of Water Resources	951,600		277,000
WAT - Align Spending to Revenue		(674,600)	
WEI - Department of Weights & Measures	1,747,700		1,747,700
OTH - Other			
OTH - Unallocated '09 Adjustments	179,300	(179,300)	0
OTH - Lease-Purchase/PLTO	0	2,716,300	2,716,300
OTH - AzNet Charges	0	(1,838,600)	(1,838,600)
OTH - ADOT Expenditure Plan Realignment - Supplemental	(75,822,300)	75,822,300	0
TOTAL - OPERATING SPENDING CHANGES	\$2,860,083,800	(\$28,134,800)	\$2,831,949,000
CAPITAL SPENDING CHANGES			
<u>Building Renewal</u>			
Arizona Department of Administration	1,000,000	0	1,000,000
Arizona Exposition and State Fair Board	1,832,900	(1,832,900)	0
Game & Fish Department	473,200	33,600	506,800
Arizona Lottery Commission	0	75,600	75,600
Arizona Department of Transportation	1,050,000	0	1,050,000
<u>New Projects</u>	0		0
ADOT '10/'11 Statewide Highway Construction	539,000	(539,000)	0
ADOT '10/'11 Controlled Access Highways	85,498,000	333,000	85,831,000
ADOT '10/'11 Debt Service	101,813,000	(7,050,000)	94,763,000
ADOT '10/'11 Airport Planning & Development	27,128,000	(4,650,300)	22,477,700
Game & Fish '11 Migratory Waterfowl Habitat	0	100,000	100,000
Game & Fish '11 Yuma Office Paving Project	0	60,000	60,000
Game & Fish '10/'11 Ben Avery Shooting Facility Improvements	950,000	(150,000)	800,000
Game & Fish '10/'11 Silver Creek Hatchery Remodel/Expansion	1,900,000	(900,000)	1,000,000
Game & Fish '10/'11 Radio Tower	250,000	0	250,000
Game & Fish '10/'11 Preventative Maintenance	30,000	0	30,000
Game & Fish '10/'11 Shooting Range Access	150,000	50,000	200,000
Game & Fish '10 Kingman Regional Office Remodel/Expansion	889,500	(889,500)	0
Game & Fish '10 Pinetop Regional Office Paving Project	75,000	(75,000)	0
Game & Fish '10 Pinetop Regional Office Canopies	30,000	(30,000)	0
TOTAL - CAPITAL SPENDING CHANGES	\$223,608,600	(\$15,464,500)	\$208,144,100
TOTAL - ALL OTHER FUND CHANGES	\$3,083,692,400	(\$43,599,300)	\$3,040,093,100

1/ Represents FY 2011 Baseline cost above FY 2010 enacted budget

BUDGET RECONCILIATION BILL PROVISIONS

FY 2011 BUDGET RECONCILIATION BILL PROVISIONS

The Baseline would include the enactment of statutory changes associated with its funding amount. The following provisions would be grouped by subject into Budget Reconciliation Bills (BRBs).

Arizona Department of Administration

1. As session law, continue to prohibit implementation of a differentiated health insurance premium in FY 2011 based on the integrated or non-integrated status of the provider, beginning October 1, 2010.

Office of Administrative Hearings

2. As session law, suspend the requirement that the office hear appealed actions and contested cases within 60 days of the filing.

Arizona Department of Agriculture

3. As session law, permit the director, upon recommendation from the Agricultural Advisory Council, to continue to increase fees in FY 2011. The bill would include an intent clause that limits additional revenues up to \$561,000.

AHCCCS

4. As session law, set the County Acute Care contribution at \$51,438,400. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328.
5. As session law, establish FY 2011 disproportionate share distributions to the Maricopa County Hospital District, the Arizona State Hospital, and private qualifying disproportionate share hospitals.
6. As session law, require the collection of \$2,646,200 in the Disproportionate Uncompensated Care pool contributions from counties other than Maricopa. Exclude these contributions from county expenditure limitations.
7. As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations.
8. As session law, continue to exclude AHCCCS from the ambulance provider rates set by the Department of Health Services (DHS).
9. As session law, continue the FY 2010 risk contingency rate reduction for all managed care organizations. Continue to impose a reduction on funding for all managed care organizations administrative funding levels.
10. As session law, continue to prohibit increases in institutional and non-institutional provider rates in the contract year beginning October 1, 2010.
11. As session law, require AHCCCS to suspend total Acute Care payments of \$344,201,700 to health plans for 1 month. Stipulate that the health plans shall receive 0.5% interest for the delayed payment.
12. As session law, continue to permit AHCCCS to expend Federal Funds made available by local or tribal spending unless the spending would reduce the enhanced federal matching rate under the federal stimulus or cause the administration to exceed any limitations of federal spending.
13. As session law, continue to state that it is the intent of the Legislature that AHCCCS comply with the Federal False Claims Act, achieve the maximum savings as possible under the federal act, and continue to consider best available technologies to consider fraud.
14. As session law, set county Arizona Long Term Care System (ALTCS) contributions at \$228,205,400. Specifies that without the passage of the American Recovery and Reinvestment Act (ARRA) of 2009, county ALTCS contributions would have been \$267,912,100.
15. As session law, amend Laws 2009, 3rd Special Session, Chapter 3 to change the 50/50 split for reversion of excess ALTCS appropriations to 62.2/37.8 in FY 2009 and 60/40 in FY 2010.
16. As session law, change 50/50 split for reversion of excess appropriations in ALTCS to 58.6% counties/41.4% state for July 1, 2010 – December 31, 2010 to ensure compliance with ARRA Federal Medical Assistance Percentage (FMAP) provisions.
17. As session law, require AHCCCS to transfer a) Acute Care county savings due to the receipt of the enhanced FMAP in FY 2010 to counties by December 31, 2011, b) Acute Care county savings in FY 2011 to the counties within 6 months of the expiration of the enhanced FMAP, and c) any county savings from the Proposition 204 – DES Eligibility line item in FY 2011 back to the counties to conform with federal stimulus requirements.

Attorney General

18. As permanent law, continue to permit the use of monies available in the Consumer Fraud Revolving Fund for any operating costs incurred by the Attorney General, including costs associated with the Tobacco Master Settlement Agreement arbitration. This provision was previously in session law.
19. As permanent law, continue to permit the use of monies available in the Collection Enforcement Revolving Fund for any operating expenses incurred by the Attorney General. This provision was previously in session law.

Department of Commerce

20. As session law, continue to amend Laws 2004, Chapter 235, Section 14 to reduce the Military Installation Fund deposit by \$(2,800,000) in FY 2011.
21. As permanent law, continue to allow the department to use the Lottery Fund, Bond Fund and Commerce and Economic Development Fund for operating. This provision was previously in session law.
22. As session law, continue to amend Laws 2007, Chapter 260, Section 6 to eliminate the FY 2011 \$27,500,000 advance appropriation to the 21st Century Fund.

Arizona Community Colleges

23. As session law, continue to suspend capital outlay funding for FY 2011.
24. As session law, continue to notwithstanding the 20% cap to the community college districts' ability to use capital outlay monies for operating.

Registrar of Contractors

25. As session law, continue to allow 14% of prior fiscal year revenues from the Residential Contractor's Recovery Fund to be used for employee and contracted services, equipment, and for operational costs, rather than 10% of the fund balance.

Corporation Commission

26. As permanent law, continue to allow mutual fund filing fees to be deposited in the Securities Regulatory and Enforcement Fund and then redirected to the General Fund in February and June of each fiscal year. This provision was previously in session law.

State Department of Corrections

27. As session law, continue to require the department to report actual FY 2010, estimated FY 2011, and requested FY 2012 expenditures as delineated in the FY 2011 General Appropriation Act when the department submits its FY 2012 budget request pursuant to A.R.S. § 35-113.
28. As permanent law, continue to permit the use of monies appropriated to the Transition Office Fund for any operating expenses related to the Transition Program. This provision was previously in session law.

Arizona Criminal Justice Commission/Arizona Drug and Gang Prevention Resource Center

29. As permanent law, shift the Drug and Gang Prevention Resource Center Fund from the Drug and Gang Prevention Resource Center to Arizona Criminal Justice Commission (ACJC) for the purpose of conducting the Arizona Youth Survey, a statutorily required survey of 8th, 10th, and 12th grade students in schools across Arizona. This shift was done on a transitional basis in FY 2010 through an IGA between ACJC and the Drug and Gang Prevention Resource Center.

Department of Economic Security

30. As session law, continue to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if DES has reasonable cause to believe that the recipient uses illegal drugs.
31. As session law, continue to permit the Department of Economic Security (DES) to reduce income eligibility levels for all child care programs. Require DES to report to Joint Legislative Budget Committee (JLBC) within 15 days of any change in levels.

Department of Education

32. As session law, continue the \$(144,000,000) Soft Capital reduction required for FY 2010 by Laws 2009, 4th Special Session, Chapter 2. As session law, continue to exempt school districts with fewer than 600 K-8 pupils from 50% of the K-8 Soft Capital reductions and districts with fewer than 600 high school pupils from 50% of the high school Soft Capital reductions that they otherwise would receive for FY 2011.
33. As permanent law, increase by 1.2% the transportation funding levels prescribed in A.R.S. § 15-945A5 and the charter school "Additional Assistance" amounts prescribed in A.R.S. § 15-185B4.
34. As permanent law, specify the official K-12 QTR and State Equalization Tax Rate (SETR) for FY 2011, as adjusted for compliance with the Truth in Taxation law (A.R.S. § 41-1276) and the business property tax changes instituted by Laws 2007, Chapter 258.
35. As session law, continue to fund state aid for Joint Technological Education Districts (JTEDs) in FY 2011 at a percentage that would freeze statewide JTED costs at the prior year level.
36. As session law, continue to "hold harmless" a JTED if the adjustment factor otherwise would cause it to receive less state aid in FY 2011 than in FY 2010, apart from reductions due to changes in student counts, property values and other technical factors.

37. As session law, continue to set the maximum base level increase for Career Ladder districts at 5.0% rather than 5.5% and limit the program only to teachers who participated in the prior year.
38. As session law, continue to suspend new funding for the early graduation program, but continue to fund existing students with available fund balances.
39. As session law, continue to defer \$602,627,700 in Basic State Aid payments for FY 2011 until FY 2012. Appropriate \$602,627,700 in FY 2012 for these deferred Basic State Aid payments and \$886,200 for related interest costs in FY 2012. Allow the State Board of Education to make the rollover payment no later than August 29, 2011.
40. As session law, continue to require school districts to include in the FY 2011 revenue estimates that they use for computing their FY 2011 tax rates the rollover monies that they will receive for FY 2011 in July or August 2011.
41. As session law, continue to suspend the "Actual Utilities Cost" funding formula in A.R.S. § 15-910.04 and related reporting requirements currently prescribed in A.R.S. § 15-910.03.
42. As session law, continue to suspend the new teacher performance pay funding formula in A.R.S. § 15-977G3.
43. As session law, continue to permit school districts to use Soft Capital funding for FY 2011 for any operating or capital expenditures.
44. As session law, continue to suspend the annual AIMS Intervention and Dropout Prevention performance audit for FY 2011.
45. As session law, continue to allow school districts and charter schools to charge tuition for full day Kindergarten (FDK) in FY 2011 if they decide not to provide free FDK in FY 2011 due to funding reductions continued from FY 2010.

Department of Emergency and Military Affairs

46. As session law, continue the \$(1,100,000) reduction to the Governor's Emergency Fund deposit in FY 2011.

Department of Environmental Quality

47. As permanent law, continue to suspend the Underground Storage Tank Revolving Fund Assurance Account administrative cap for FY 2011, as was done in FY 2010, to allow the department to utilize up to \$6,531,000 for program operating costs. This provision was previously in session law.
48. As session law, continue to reduce the transfer from the Corporate Income Tax to the WQARF program to \$7,000,000.

Board of Executive Clemency

49. As permanent law, continue to require the Chairman to also act as the Executive Director. This provision was previously in session law.
50. As session law, continue to limit members of the Board of Executive Clemency, excluding the Chairman, from working more than 30 hours per week and restrict them from being eligible for paid leave or any other benefits provided to state employees.

Department of Health Services

51. As session law, continue to require all cities and counties to pay 100% of cost of Restoration to Competency treatment in FY 2011. Allows counties to use any source of county revenue to make the transfers.
52. As session law, continue to require cities and counties to pay 25% of the cost of treatment and confinement for sexually violent persons. Allows counties to use any source of county revenue to make the transfers and exempts county contributions from county expenditure limitations.
53. As session law, continue to require DHS to provide a list of priority services for non-title XIX services on their website and provide 30 days' notice before revising priorities. Specifies that behavioral health providers and division contractors are not liable for refusing to provide uncompensated or underfunded nonemergency, non-title XIX behavioral health services to persons who are not seriously mentally ill.
54. Additional fee authority - see provision 80.

Department of Insurance

55. As session law, continue to notwithstanding the requirement for the Department of Insurance to recover at least 95% but not more than 110% of the department's appropriated budget.
56. As permanent law, continue to allow the department to use up to \$100,000 from the Captive Insurance Regulatory and Supervision Fund for operating expenses. This provision was previously in session law.

Judiciary

57. As session law, continue to suspend the reporting requirements for the Annual Juvenile Intensive Probation Report, the Community Punishment Program Report, the Emancipation of Minors Report, the Annual Drug Treatment and Education Fund Report, the Annual Lengthy Trial Fund Report, the Annual Child Support Committee Report, and the Annual Domestic Relations Committee Report.

58. As session law, suspend A.R.S. § 12-270, which requires the Legislature to annually appropriate 40% of any cost savings related to a reduction in probation revocations, to be deposited in the Adult Probation Services Fund of each county if there is a reduction in the percentage of supervised probationers who are convicted of new felony offenses.
59. As session law, continue to suspend county non-supplanting requirements associated with funding for probation services, criminal case processing, and alternative dispute resolution programs and require the counties to report on reductions in county funding as a result of the elimination of the non-supplanting provisions.

State Land Department

60. As session law, continue to shift the statutory \$3,000,000 Fire Suppression appropriation from the General Fund to the State Parks Heritage Fund. The appropriation from the Heritage Fund will be made as 2 appropriations of \$1,500,000, the first on January 1, 2011 and the second on April 1, 2011. At the end of calendar year 2011, the unobligated balance in the Fire Suppression Fund above \$2,000,000 reverts to the Heritage Fund.
61. Additional fee authority - see provision 80.

Board of Medical Student Loans

62. As session law, notwithstanding the requirement in A.R.S. § 15-1723A that at least 50% of loan monies be apportioned for students attending private medical schools retroactive to June 30, 2010.

Arizona State Parks Board

63. As permanent law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs. This provision was previously in session law.
64. As session law, continue to allow State Parks Enhancement Fund monies to be used for the operation of state parks as appropriated by the Legislature or for capital needs as approved by the Joint Committee on Capital Review in FY 2011.

Commission for Postsecondary Education

65. As session law, continue to suspend new funding for the Early Graduation Scholarship Program for FY 2011, but continue to fund students currently in the program with available fund balances.

Department of Public Safety

66. As permanent law, continue to redirect 9% of Criminal Justice Enhancement Fund revenues, formally deposited into the General Fund, to DPS to fund the department's crime laboratory operations. These monies will be deposited into DPS' Crime Laboratory Assessment Fund. This provision was previously in session law.
67. As session law, continue to exempt state photo enforcement citations from being included in judicial productivity credit calculations in FY 2011.
68. As session law, continue to suspend the schedule established by A.R.S. § 28-6537 and A.R.S. § 28-6993 governing the level of Highway User Revenue Fund and State Highway Fund revenues available to fund the Department of Public Safety's (DPS) Highway Patrol costs.
69. As session law, continue to reduce the Laws 2007, Chapter 261 advance appropriation of \$3,440,000 from the DNA Identification System Fund to \$980,000 in FY 2011. These monies were originally appropriated to fund the operating costs of expanded testing provisions and the design and construction of an expanded crime lab in Phoenix.

Radiation Regulatory Agency

70. Additional fee authority - see provision 80.

School Facilities Board

71. As session law, continue to prohibit SFB from authorizing or awarding funding for the design or construction of any new school facility or for school site acquisition. Continue to require school districts to submit capital plans during FY 2011 and permit SFB to review and award new school facilities, subject to future appropriations.
72. As session law, continue to suspend the Building Renewal Fund formula for FY 2011.

Office of Tourism

73. As session law, continue to suspend the Tourism funding formula in A.R.S. § 42-5029.

Department of Transportation

74. As session law, continue to require that the amount of Vehicle License Tax collected from the 5-year registration option, which is over and above what would have been collected had the vehicles been registered for 2 years, be deposited into the General Fund.

State Treasurer

75. As session law, continue to fund the state share of Justice of the Peace salaries at 19.25% in FY 2011.

Universities

76. As permanent law, clarify that future enrollment growth shall be calculated based on the enrollment of Arizona residents only. The FY 2010 Higher Education Budget Reconciliation Bill required the Arizona Board of Regents to separately report out-of-state students. Legislative intent was for this report to be used specifically for enrollment growth calculations. This statutory change makes that clarification.
77. As session law, continue to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT).
78. As session law, continue to defer a \$100,000,000 FY 2011 payment to the universities until FY 2012. The \$100,000,000 payment would have otherwise been paid to the universities in May and June 2011, but will now instead be paid no later than October 1, 2011.

Department of Water Resources

79. As session law, continue a change to A.R.S. § 45-2112 to suspend the statutory \$5,000,000 transfer from the General Fund to the Water Protection Fund in FY 2011.

Revenues

80. As session law, continue the FY 2010 fee raising authority for the Department of Health Services, the Radiation Regulatory Agency, and the State Land Department. The bill exempts recreation fees from the fee raising authority granted the State Land Department. The bill adds an intent clause that limits additional revenues to \$600,000 each for the Department of Health Services and the State Land Department, and \$500,000 for the Radiation Regulatory Agency.

Statewide

81. As session law, continue to specify that any non-lapsing monies appropriated from the General Fund that remain unexpended or unencumbered at the close of FY 2011 shall be counted as part of the closing balance.
82. As session law, continue to require the Governor's Office of Economic Recovery to report on the use of ARRA Funds by October 1. Allow the reports to be transmitted electronically by posting them on the state's stimulus tracking website.
83. As session law, continue to require unrestricted Federal Funds, excluding ARRA funds, to be deposited in the General Fund for the payment of essential government services.
84. As session law, continue to allow agencies to implement a furlough for FY 2011 and direct ADOA to prescribe implementation procedures. Also, exempt ADOA from rulemaking requirements for the purpose of prescribing procedures.
85. As session law, notwithstanding A.R.S. § 35-121 to permit annual budgets for all departments.
86. As permanent law, require the Arizona Department of Administration to annually submit a Working Capital Surplus Report associated with meeting the requirement for tax-exempt deficit financing concerning the \$735,419,300 sale/lease-back agreement to the JLBC by December 31.

MAJOR FOOTNOTE CHANGES

MAJOR FOOTNOTE CHANGES

The Baseline includes the following major modification of footnotes. Most changes are designed to increase agency flexibility as they implement budgets with reduced funding levels. This list does not include footnotes pertaining to one-time reports or appropriations.

Arizona Department of Administration

- Deletes the non-lapsing footnote for the Relocation Special Line Item since this Special Line Item's funding will be shifted into the operating budget beginning in FY 2011.
- Deletes the Corrections Fund footnote pertaining to the use of funds.

Arizona Department of Administration - Capital Outlay

- Deletes 3 building renewal footnotes due to the limited amount of building renewal funding included in the Baseline.

Office of Administrative Hearings

- Deletes the footnote requiring the agency to enter into interagency service agreements as that authority is now in permanent law.

Attorney General

- Deletes the footnote stating that the appropriation for State Grand Jury expenses is for costs incurred pursuant to A.R.S. § 21-426C and is limited to the amount appropriated, as it requires compliance with current law.

Department of Commerce

- Deletes the footnote requiring the Department of Commerce to utilize \$250,000 from the Commerce and Economic Development Fund for the implementation of cross-industry business/infrastructure development projects and related project coordination in support of regional technology councils and high technology clusters operating in Arizona.

Arizona Community Colleges

- Deletes the footnote that prohibited the use of appropriated monies for the implementation of the Centennial Scholars Program, as the program has not been established.

Corporation Commission

- Deletes the footnote requiring a report on the total number of filings received and processed by the Corporations Division and the amount of time, in business days, to process each type of service.

State Department of Corrections

- Deletes the footnote requiring JLBC review of transfers between various line items.
- Deletes the footnote that relates to eliminating an employee's geographic stipend if they transfer to another facility. That policy has already been implemented by the Arizona Department of Corrections.

Arizona Criminal Justice Commission

- Converts the footnote requiring JLBC review of expenditures of any State Aid to the County Attorneys Fund, State Aid to the Indigent Defense Fund, and Victims Compensation and Assistance Fund monies above the appropriated amount to requiring a report.

Arizona State Schools for the Deaf and the Blind

- Converts the footnote requiring JLBC review of expenditures of any Arizona State Schools for the Deaf and the Blind Fund monies above the appropriated amount to requiring a report.

Department of Economic Security

- Deletes footnotes requiring JLBC review of transfers to or from the appropriations for Children Support Services, CPS Emergency Placement, CPS Residential Placement, Foster Care Placement, Day Care Subsidy, Temporary Assistance for Needy Families Cash Benefits, and Transitional Child Care.
- Deletes the footnote mandating that monies appropriated for the Day Care Subsidy and Transitional Child Care be used only to provide services to residents of Arizona who are United States citizens or who are otherwise legally present in the United States. Laws 2009, 3rd Special Session, Chapter 7 amended permanent law to require proof of lawful presence before receiving public benefits.

- Converts the footnote requiring JLBC review of expenditures of Workforce Investment Act Grant monies above the appropriated amount to requiring a report.
- Deletes the footnote requiring that DES does not operate more welfare offices than it operated in FY 2006, as that number is already below the 2006 level.
- Deletes the footnote indicating the Legislature's intent that agencywide reductions are taken against administrative functions and not programmatic functions.
- Deletes the footnote indicating the Legislature's intent that available surplus monies for developmental disabilities programs be applied toward the waiting list.
- Deletes the footnote requiring the appropriation for assistive technology from the Vocational Rehabilitation program be used to create a statewide clearinghouse for assistive technology because the Vocational Rehabilitation federal match cannot be used for this purpose.

Department of Education

- Deletes the footnote that allocates funding from the Small Pass-Through Programs Special Line Item to various entities, since only 2 entities (the Academic Contest Fund and Economic Academic Council) continue to receive funding from the program.

Department of Environmental Quality

- Deletes the footnote requiring JLBC review of transfers from the Arizona Pollutant Discharge Elimination System line item.
- Deletes the footnote requiring JLBC review of water quality permit processing times.
- Converts the footnote requiring JLBC review of expenditures of all Air Permits Administration revenues above the appropriated amount to requiring a report.
- Converts the footnote requiring JLBC review of expenditures of all Indirect Cost Recovery Fund revenues above the appropriated amount to requiring a report.

Department of Health Services

- Deletes the footnote requiring JLBC review of transfers between various line items.
- Deletes the footnote requiring that the appropriation for AIDS Reporting and Surveillance and Renal Nonrenal Disease Management be used to provide services only to legal residents of the United States or those who are present in the country legally. Laws 2009, 3rd Special Session, Chapter 7 amended permanent law to require proof of lawful presence before receiving public benefits.
- Deletes the footnote indicating the Legislature's intent that agencywide reductions are taken against administrative functions and not against programmatic functions

Independent Redistricting Commission

- Adds a footnote stating that the commission's appropriation is exempt from lapsing, except that all unexpended and unencumbered funds at the end of the redistricting cycle revert to the General Fund.

State Land Department

- Deletes the footnote requiring an annual report on the funding added for Trust land management as the increased funding has been eliminated.

Arizona State Parks Board

- Converts the footnote requiring JLBC review of expenditures of Reservation Surcharge Revolving Fund monies above the appropriated amount to requiring a report.

Department of Public Safety

- Deletes the footnote preventing DPS from taking their lump sum reductions against sworn personnel as the lump sum reduction has been allocated to other areas of DPS' budget.

Department of Transportation

- Converts the footnote requiring Motor Vehicle Division processing report from quarterly to annually.
- Deletes the footnote requiring JLBC review of transfers between various line items.

Department of Transportation - Capital Outlay

- Deletes 3 building renewal footnotes due to the limited amount of building renewal funding included in the Baseline.

Universities

- Deletes the footnote that prohibited the use of appropriated monies for the implementation of the Centennial Scholars Program, as the program has not been established.
- Deletes the footnote that allocated use of the Math and Science Teacher line item since the Arizona Board of Regents has reduced funding below the appropriation level.

PERFORMANCE BUDGETING

PERFORMANCE BUDGETING

Strategic Program Area Reviews (SPARs)

A.R.S. § 41-1275 establishes the Strategic Program Area Review (SPAR) process. The SPARs provide an opportunity for the Governor and the Legislature to evaluate the effectiveness and efficiency of programs crossing state agency lines. These reviews by JLBC Staff and the Governor's Office of Strategic Planning and Budgeting (OSP) are a permanent part of the biennial budget process and result in decisions to retain, eliminate, or modify particular programs.

A.R.S. § 41-1275 requires JLBC Staff, in consultation with OSPB, to recommend to the Joint Legislative Budget Committee program areas for SPAR by January 1 of every odd-numbered year. As a result of the budget shortfall, it is likely that issues of effectiveness and efficiency of programs that cross state agency lines will be discussed in the upcoming session. Because the SPAR process would duplicate the efforts taken during session, no program areas were subject to SPAR in the current cycle.

REVENUE FORECAST

GENERAL FUND REVENUE

FY 2010

FY 2010 General Fund Baseline revenues are projected to be \$6.91 billion. As indicated in *Table 1* below, the revised FY 2010 revenue estimate is \$(1.31) billion lower than the estimate from the FY 2010 budget enacted June 30, 2009.

Table 1

FY 2010 Revenue Forecast (\$ in Millions)

Adopted FY 2010 Revenue Estimate	\$8,221.0
Revised Revenue Forecast	\$(1,313.9)
Revised FY 2010 Revenue Estimate	\$6,907.1

As described in the FY 2011 section below, the JLBC Staff uses a consensus forecasting process to develop its General Fund revenue estimates. *Table 2* below shows the projected FY 2010 growth rates for the “Big 3” General Fund revenue sources (sales tax, individual and corporate income tax) provided by each of the components comprising the 4-sector consensus forecast. These estimates reflect ongoing revenue prior to tax law changes.

Table 2

FY 2010 Quartile Forecast Percentages

	FAC	UA Low	UA Base	JLBC	Avg
Sales	(11.0)%	(12.5)%	(8.3)%	(9.0)%	(10.2)%
Individual Income	(6.6)%	(2.8)%	6.6%	(10.8)%	(3.4)%
Corporate Income	(26.5)%	(24.3)%	(16.5)%	(30.0)%	(24.3)%
Weighted Average ^{1/}	(10.7)%	(9.9)%	(3.5)%	(11.5)%	(8.9)%

^{1/} Once adjusted for tax law changes and minor revenue categories, the FY 2010 decline would be (8.3)%.

Based on the weighted average of the components of the 4-sector consensus forecast, General Fund base revenue would decline by (8.9)% in FY 2010. After adjusting for tax law changes and small revenue categories, the revenue loss would be (8.3)%.

Based on preliminary December data, year-to-date ongoing revenues are (16.6)% below the same period in FY 2009. To reach the FY 2010 consensus forecast of (8.3)%, base revenue would have to increase by 1.9% over the remaining 6 months of the current fiscal year. While the loss rate is expected to improve in the second half of FY 2010, a 1.9% increase seems optimistic. As a result, the Baseline uses the JLBC Staff forecast of a (11.5)% General Fund revenue decline in FY 2010.

The individual revenue detail for FY 2010 is found in *Table 4* at the end of this section.

Once adjusted for tax law changes, minor revenues, and Urban Revenue Sharing, the revised FY 2010 estimate is (10.5)% below FY 2009.

The FY 2010 General Fund total resource estimate of \$6.91 billion includes permanent revenues of \$6.24 billion and one-time revenues of \$669.4 million. FY 2010 one-time revenues include a negative balance forward from FY 2009 of \$(480.7) million, \$65.4 million in other revenues related to lottery proceeds, county contributions, and the acceleration of unclaimed property, \$735.4 million in state asset sale lease-back proceeds, and \$349.3 million in fund transfers. (*See One-Time Revenues discussion below for more information.*)

FY 2011

Projected FY 2011 General Fund Baseline resources are \$6.88 billion. This amount includes \$(11.4) million in prior year enacted revenue law changes, and \$141.3 million in on-going fund transfers. Prior to tax law and budget legislation changes, ongoing revenues are expected to increase by 5.1% over FY 2010 collections (excluding Urban Revenue Sharing). After accounting for tax law and budget legislation changes, Urban Revenue Sharing, and one-time revenues, total projected resources are (0.5)% less than FY 2010. The decrease in total resources is primarily due to a significant reduction in the use of one-time financing sources in FY 2011.

The FY 2011 Baseline estimated growth rates for the “Big 3” ongoing revenue categories were developed through a consensus process. The Baseline revenue estimate is based on averaging the results of the following 4 forecasts:

- Finance Advisory Committee panel forecast of January 2010. This independent panel consists of 15 public and private sector economists that meets 3 times a year to provide the Legislature with guidance on the status of the Arizona economy.
- The University of Arizona Economic and Business Research (EBR) General Fund Baseline model. The model is a simultaneous-equation model consisting of more than 100 equations which are updated on a regular basis to reflect changes in the economy. The model uses more than 200 variables related to Arizona’s economy and is updated quarterly.
- EBR’s conservative forecast model, and
- JLBC Staff projections.

The growth rates from each sector of the forecast are detailed in *Table 3*.

Table 3**FY 2011 Quartile Forecast Percentages**

	<u>FAC</u>	UA <u>Low</u>	UA <u>Base</u>	<u>JLBC</u>	<u>Avg</u>
Sales	3.9%	2.6%	7.5%	4.6%	4.7%
Individual Income	5.8%	0.9%	6.5%	6.3%	4.9%
Corporate Income	7.6%	17.8%	28.0%	14.6%	17.0%
Weighted Average ^{1/}	4.9%	3.0%	8.6%	5.9%	5.6%

^{1/} Once adjusted for minor revenue categories, the FY 2011 increase is 5.1%.

In FY 2011, sales tax revenue is projected to increase by 4.7%. Individual and corporate income tax collections are forecast to grow by 4.9% and 17.0%, respectively.

The FY 2011 forecast for the remaining categories was based on JLBC Staff estimates. Following is a discussion of some of these categories, as well as the impact of enacted tax law changes.

Tax Law Changes – Several tax law changes enacted in prior years will either take effect or be further phased-in during FY 2011. The combined incremental impact of these changes is estimated to be \$(11.4) million compared to FY 2010.

- Phoenix Convention Center – Laws 2003, Chapter 266 requires the state to contribute to the expansion and renovation of the Phoenix Convention Center. The state's obligation for this project is to pay the debt service on \$300 million of construction bonds, beginning with \$5 million the first year after construction is completed. This obligation increases over a period of years to a maximum of \$30 million per year. The first \$(5.0) million payment will occur in FY 2010. The incremental debt service cost in FY 2011 is \$(5.0) million, for a total payment of \$(10.0) million.
- Charitable Contribution Tax Credit – Laws 2009, Chapter 80 eliminates the requirement for a taxpayer to establish a Baseline year to qualify for the charitable contribution credit. This change to the credit is expected to reduce revenues by \$(5.0) million in FY 2010. The incremental revenue loss in FY 2011 is estimated to be \$(0.9) million.
- Renewable Energy Tax Credit – Laws 2009, Chapter 96 provides income and property tax incentives for renewable energy companies that build headquarters or manufacturing facilities in the state. The credit is capped at \$70 million annually. However, the revenue loss in FY 2011, the first year the credit is available to businesses, is estimated to be limited to \$(5.0) million.

- Business Reengineering/Integrated Tax System (BRITS) Shift – Laws 2009, 4th Special Session, Chapter 3 authorizes the Department of Revenue (DOR) to use up to \$2.0 million of General Fund revenues in FY 2010 to pay for BRITS operational support costs. The FY 2011 Baseline, however, provides a direct General Fund appropriation of \$2.0 million to DOR for this purpose. Since DOR will receive a \$2 million appropriation in FY 2011 as opposed to paying BRITS costs directly from General Fund revenues, this amount will constitute a revenue increase in FY 2011.
- Treasurer's Management Fees – Laws 2009, Chapter 89 authorizes the Treasurer to use a portion of the management fees on invested funds for their operating budget. Prior to this change, all management fees were deposited into the General Fund. The Baseline shifts \$2,492,400 of the Treasurer's operating budget from the General Fund to management fees. As a result, there will be a General Fund revenue decrease of an equal amount.

None of these estimates account for any offsetting tax collections generated by new economic activity associated with the tax reductions. These "dynamic" impacts usually occur over several years.

One-Time Revenues

One-time financing sources are often used to help balance the budget. The following is a discussion of actual and expected one-time financing sources included in the FY 2010 and FY 2011 budgets.

FY 2010

Balance Forward – The FY 2010 General Fund balance forward is estimated to have a deficit of \$(480.7) million.

Other Revenues – One-time revenues totaling \$65.4 million include:

- County Lottery – Laws 2009, 4th Special Session, Chapter 3 provides that \$4.0 million of lottery proceeds that otherwise would have been distributed to the counties through the County Assistance Fund, Local Transportation Assistance Fund, and Local Transportation Assistance Fund II be deposited into the General Fund.
- County Contributions – Laws 2009, 4th Special Session, Chapter 3 requires Maricopa and Pima counties to transfer a total of \$22.0 million to the General Fund in FY 2010.
- Unclaimed Property Acceleration – Laws 2009, 4th Special Session, Chapter 3 accelerates the presumption of abandonment schedule by 1 to 3 years for a number of unclaimed property types, which is expected to generate additional General Fund

revenues of \$39.4 million in FY 2010. The original estimate provided by DOR was \$73.6 million. However, this amount was later revised to \$39.4 million.

Asset Sale – Laws 2009, 3rd Special Session, Chapter 6 authorizes the Department of Corrections to enter into sale lease-back agreements for existing state buildings. This transaction is estimated to generate \$735.4 million in FY 2010 proceeds.

Fund Transfers – Laws 2009, 1st Regular Session, Chapters 11 and 12, Laws 2009, 3rd Special Session, Chapter 12, Laws 2009, 4th Special Session, Chapter 3, and Laws 2009, 5th Special Session, Chapter 1 provide for a total of \$349.3 million in agency fund transfers in FY 2010.

FY 2011

Fund Transfers – The Baseline continues \$141.3 million in fund transfers in FY 2011 from the prior fiscal year. Non-General Fund agencies had their spending authority reduced in FY 2010 and the savings were transferred to the General Fund (otherwise known as Fund Reduction and Transfer – FRAT). The \$141.3 million in reductions and the related General Fund transfers are continued in FY 2011. See detailed list of FY 2011 changes on page 39 for further information.

The individual revenue detail for FY 2010 and FY 2011 is found in *Table 4* at the end of this section.

Table 4

GENERAL FUND REVENUE - FY 2010-FY 2011

FORECAST REVENUE GROWTH								
(\$ in Thousands)								
	ACTUAL FY 2009	% CHANGE PRIOR YR	FORECAST FY 2010	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR	FORECAST FY 2011	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR
Taxes:								
Sales and Use	3,756,407.2	-13.7%	3,440,151.8	-8.4%	(316,255.4)	3,601,838.9	4.7%	161,687.1
Income	2,567,754.4	-24.6%	2,298,589.9	-10.5%	(269,164.5)	2,411,910.4	4.9%	113,320.5
-Individual								
-Corporate	592,157.3	-26.8%	381,360.6	-35.6%	(210,796.7)	446,191.9	17.0%	64,831.3
Property	18,244.5	-9.0%	17,000.0	-6.8%	(1,244.5)	15,000.0	-11.8%	(2,000.0)
Luxury	29,808.4	-8.2%	30,538.8	2.5%	730.4	30,538.8	0.0%	0.0
-Tobacco								
-Liquor	28,856.0	1.0%	29,838.5	3.4%	982.5	29,838.5	0.0%	0.0
Insurance Premium	411,370.9	1.1%	398,000.0	-3.3%	(13,370.9)	412,600.0	3.7%	14,600.0
Estate	210.4	-34.3%	0.0	-100.0%	(210.4)	0.0	N/A	0.0
Other Taxes	1,165.8	-21.5%	630.0	-46.0%	(535.8)	630.0	0.0%	0.0
Sub-Total - Taxes	7,405,974.7	-18.2%	6,596,109.6	-10.9%	(809,865.2)	6,948,548.5	5.3%	352,438.9
Other Non-Tax Revenues:								
Lottery	31,000.0	-36.0%	41,847.2	35.0%	10,847.2	46,615.0	11.4%	4,767.8
Licenses, Fees and Permits	34,531.6	-8.6%	39,000.0	12.9%	4,468.4	35,000.0	-10.3%	(4,000.0)
Interest	19,669.4	-79.3%	0.0	-100.0%	(19,669.4)	0.0	N/A	0.0
Sales and Services	48,241.7	-15.7%	55,000.0	14.0%	6,758.3	51,000.0	-7.3%	(4,000.0)
Other Miscellaneous	53,700.6	17.5%	47,523.1	-11.5%	(6,177.5)	47,523.1	0.0%	0.0
Transfers and Reimbursements	33,770.4	-0.8%	17,816.4	-47.2%	(15,954.0)	21,816.4	22.5%	4,000.0
Disproportionate Share Revenue	67,687.5	-6.2%	69,104.9	2.1%	1,417.4	69,210.0	0.2%	105.1
Sub-Total - Other Non-Tax	288,601.2	-26.1%	270,291.6	-6.3%	(18,309.6)	271,164.5	0.3%	872.9
Subtotal On-Going Revenue	7,694,575.9	-18.6% ^{1/}	6,866,401.2	-10.8% ^{2/}	(828,174.8)	7,219,713.0	5.1%	353,311.8
Enacted Revenue Law Changes	0.0	N/A	0.0	N/A	0.0	(11,392.4)	N/A	(11,392.4)
Subtotal w/Tax Law Changes	7,694,575.9	-18.6%	6,866,401.2	-10.8%	(828,174.8)	7,208,320.6	5.0%	341,919.4
Urban Revenue Sharing (URS)	(727,677.4) ^{3/}	6.3%	(628,649.1)	-13.6%	99,028.3	(473,986.8)	-24.6%	154,662.3
Subtotal w/Tax Law Changes/URS	6,966,898.5	-20.5%	6,237,752.1	-10.5%	(729,146.5)	6,734,333.8	8.0%	496,581.7
One-Time Financing Sources:								
Balance Forward	1,000.0	-99.7%	(480,713.0)	-48171.3%	(481,713.0)	0.0	-100.0%	480,713.0
Other Revenue	118,893.3	N/A	0.0	-100.0%	(118,893.3)	0.0	N/A	0.0
Prior Year SFB Bond Proceeds	344,000.0	N/A	0.0	-100.0%	(344,000.0)	0.0	N/A	0.0
Fund Transfers - '09	667,749.8	130.1%	0.0	-100.0%	(667,749.8)	0.0	N/A	0.0
BSF Transfer	150,000.0	-69.2%	0.0	-100.0%	(150,000.0)	0.0	N/A	0.0
Other Revenue Changes	0.0	N/A	65,420.0	N/A	65,420.0	0.0	-100.0%	(65,420.0)
State Asset Sale/Lease-Purchase	0.0	N/A	735,419.3	N/A	735,419.3	0.0	-100.0%	(735,419.3)
Fund Transfers	0.0	N/A	349,261.9	N/A	349,261.9	141,282.4	-59.5%	(207,979.5)
Sub-Total - One-Time Financing Sources	1,281,643.1	11.0%	669,388.2	-47.8%	(612,254.9)	141,282.4	-78.9%	(528,105.8)
Total Revenue	8,248,541.6	-16.8%	6,907,140.3	-16.3%	(1,341,401.4)	6,875,616.2	-0.5%	(31,524.1)

^{1/} The (18.6)% FY '09 growth rate includes \$(34.5) million in tax law and other revenue changes. Adjusting for these changes, the base FY '09 growth rate is (18.2)%.

^{2/} The (10.8)% FY 10 decline includes \$(47.4) million in tax law and other revenue changes. Adjusting for these changes, the base FY '10 decline is (10.1)%.

^{3/} While this amount is usually a deduction to revenue, the FY '09 amount was appropriated in Laws 2006, Chapter 351. FY '09 is shown as a revenue deduction for comparability.

BUDGET STABILIZATION FUND

Background

The Budget Stabilization Fund (BSF) for Arizona was enacted in 1990 (A.R.S. § 35-144). The fund is administered by the State Treasurer, who is responsible for transferring General Fund money into and out of the BSF as required by law. The BSF is designed to set revenue aside during times of above-trend economic growth and to utilize this revenue during times of below-trend growth.

The Formula

There is a statutory formula to calculate the amount to be appropriated to (deposit) or transferred out (withdrawal) of the BSF. The formula is based on total annual Arizona personal income (excluding transfer payments) adjusted for inflation.

The January Budget documents of the JLBC and the Governor are to include estimates of the amounts to be appropriated to or transferred from the BSF for the upcoming budget year. The final determination of the amount to be appropriated or transferred is based on calculations from the Arizona Economic Estimates Commission (EEC). This final calculation is not made until June 1 of the budget year. The EEC determines the annual growth rate of inflation-adjusted total state personal income, the trend growth rate over the past 7 years, and the calculated appropriation to or transfer from the BSF. The EEC calculations, however, do not result in any automatic deposits or withdrawals, as they must be authorized by legislative action. In practice, the formula has only served as a general guideline and has infrequently been used to determine the actual deposit or withdrawal.

Key features of the BSF can be summarized as follows:

- The deposit into or withdrawal from the BSF for a given fiscal year is determined by comparing the annual growth rate of inflation adjusted Arizona Personal Income (AZPI) for the calendar year ending in the fiscal year to the trend growth rate of inflation adjusted AZPI for the most recent 7 years.
- Adjusted personal income in the BSF formula is defined as total Arizona personal income less transfer payments, adjusted by the gross domestic product price deflator index.
- If the annual growth rate exceeds the trend growth rate, the “excess” percent multiplied by General Fund revenue of the prior fiscal year would equal the amount to be deposited into the BSF.
- If the annual growth rate of Arizona personal income is both less than 2% and less than the trend growth rate, the deficiency when multiplied by the General

Fund revenue of the prior year would equal the amount to be withdrawn from the BSF. This 2% floor avoids withdrawing monies from the BSF when economic conditions are slowing but there is not a recession.

- By a two-thirds majority, the Legislature, with the concurrence of the Governor, can decrease a deposit or increase a withdrawal.
- The BSF's total balance cannot be larger than 7.0% of the current year's General Fund revenues, excluding the beginning balance.
- In addition to the fixed income investments, the Treasurer is allowed to invest up to 25% of the BSF in equity securities.

Deposits/Withdrawals

FY 2008

Laws 2008, Chapter 53 authorized a BSF transfer of \$487.0 million to the General Fund in FY 2008 to help balance the state budget. Moreover, Chapter 53 stipulated that if the FY 2008 General Fund ending balance were less than \$0, the Treasurer would be required to transfer an amount equal to the negative ending balance plus \$1.0 million from the BSF to the General Fund. The FY 2008 shortfall of \$(72.0) million combined with the \$1.0 million ending balance requirement resulted in a transfer from the BSF to the General Fund of \$73.0 million. The actual transfer occurred in FY 2009.

In comparison, the actual formula calculation would not have resulted in a FY 2008 BSF deposit. Arizona real adjusted personal income grew by 2.88% in CY 2007 compared to the 7-year average annual growth rate of 3.63%. Although the annual growth rate was (0.75)% below trend, it still remained 0.88% above the 2% floor. Since only one of the 2 requirements for withdrawals was met, the BSF formula recommended no change for FY 2008.

FY 2009

Laws 2008, Chapter 285 provided a transfer of \$20.0 million to the General Fund as a means to help balance the FY 2009 budget.

In terms of the FY 2009 formula calculation, Arizona real adjusted personal income declined by (0.98)% in CY 2008 compared to the trend growth rate of 3.22%. Since the annual growth rate was both less than the trend growth rate and 2.0%, the BSF formula recommended a BSF withdrawal of \$(369.2) million in FY 2009. Instead, the Legislature transferred \$150.0 million to the General Fund plus \$73.0 million related to FY 2008. These transfers essentially depleted the balance in the BSF.

FY 2010

Arizona real adjusted personal income is estimated to decline by (7.28)% in CY 2009. Since this is both less than 2.0% and the trend growth rate of 2.06%, the BSF formula is expected to recommend a BSF withdrawal of \$(650.7) million in FY 2010. This recommendation cannot be implemented, however, since the fund was essentially depleted in FY 2009.

FY 2011

Arizona real adjusted personal income is forecast to decrease by (2.15)% in CY 2010. Since this is both less than 2.0% and the trend growth rate of 1.51%, the BSF formula is projected to recommend a BSF withdrawal of \$(228.3) million in FY 2011. This formula recommendation cannot be implemented since the BSF was essentially depleted in FY 2009.

Table 1

Budget Stabilization Fund ^{1/}
(\$ in Thousands)

	<u>Actual</u> <u>FY 2008</u>	<u>Actual</u> <u>FY 2009</u>	<u>Estimate</u> <u>FY 2010</u>	<u>Estimate</u> <u>FY 2011</u>
General Fund Revenues				
Adjusted Revenues	\$8,764,880.2	\$6,966,898.5	\$6,237,752.1	\$6,734,333.8
Statutory Limit of Revenues	7.0%	7.0%	7.0%	7.0%
Maximum Balance	613,541.6	487,682.9	436,642.6	471,403.4
Arizona Personal Income in Prior CY				
Real Adjusted Annual Income Growth	2.88%	(0.98)%	(7.28)%	(2.15)%
7-Year Average Income Growth	<u>3.63%</u>	<u>3.22%</u>	<u>2.06%</u>	<u>1.51%</u>
Annual Difference	(0.75)%	(4.20)%	(9.34)%	(3.66)%
BSF Transactions				
Beginning BSF Balance	676,979.9	218,640.5	2,767.1	2,836.3
BSF Formula Recommendation	0.0	(369,161.5)	(650,708.3)	(228,301.7)
Actual Transfer In				
Actual Appropriation – L'06, Ch. 344	9,808.6	0.0	0.0	0.0
Return of ASH Construction Fund Payments ^{2/}	<u>2,216.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
SUBTOTAL	12,025.0	0.0	0.0	0.0
Actual Transfer Out				
Monies above 7% Cap Transferred to General Fund ^{3/}	(18,576.0)	0.0	0.0	0.0
Fund Transfer to General Fund – L'08, Ch. 53 ^{4/}	(487,000.0)	0.0	0.0	0.0
Conditional Transfer – L'08, Ch. 53 ^{5/}	0.0	(73,000.0)	0.0	0.0
Fund Transfer to General Fund – L'08, Ch. 285 ^{6/}	0.0	(20,000.0)	0.0	0.0
Fund Transfer to General Fund – L'09, 1 st SS., Ch. 1 ^{7/}	<u>0.0</u>	<u>(130,000.0)</u>	<u>0.0</u>	<u>0.0</u>
SUBTOTAL	(505,576.0)	(223,000.0)	0.0	0.0
Balance	183,428.9	(4,359.5)	2,767.1	2,836.3
Interest Earnings & Equity Gains/Losses	35,211.6	7,126.6	69.2	99.3
Ending BSF Balance	\$218,640.5	\$2,767.1	\$2,836.3	\$2,935.5
Percent of Revenues	2.5%	0.0%	0.0%	0.0%

^{1/} BSF history prior to FY 2008 can be found on the JLBC website.

^{2/} According to the Treasurer's Office, an amount of \$2.2 million was returned to the BSF in August 2007 for previous payments related to the construction of the Arizona State Hospital (ASH).

^{3/} According to the Treasurer's Office, the General Accounting Office (GAO) determined that the BSF exceeded the maximum allowable fund balance by \$18.6 million in FY 2007. For this reason, the Treasurer's Office transferred \$18.6 million from the BSF to the General Fund in FY 2008.

^{4/} Laws 2008, Chapter 53 authorized a transfer of \$(487.0) million to General Fund to help balance the FY 2008 budget.

^{5/} Laws 2008, Chapter 53 provided that if the FY 2008 General Fund ending balance were less than \$0, the Treasurer would be required to transfer an amount equal to the negative ending balance plus \$1.0 million. The amount of transfer was determined to be \$(73.0) million. Actual BSF withdrawal was made in FY 2009.

^{6/} Laws 2008, Chapter 285 authorized a transfer of \$(20.0) million to the General Fund to help balance the FY 2009 budget.

^{7/} Laws 2009, 1st Special Session, Chapter 1 authorized a transfer of \$(130.0) million to the General Fund to help balance the FY 2009 budget. This transfer brought the BSF balance to \$2.8 million.

FY 2011 - FY 2013 PROJECTIONS

LONG-TERM GENERAL FUND ESTIMATES

Summary

The JLBC Staff has developed General Fund Baseline estimates through FY 2013 to assist the Legislature in evaluating the state's long-run fiscal condition. Given the multiple years involved in these calculations, long-run estimates are especially sensitive to small percent changes in revenue and spending growth. For example, a 1% change in the growth rate of either revenue or spending in FY 2011 through FY 2013 would change the cumulative ending balance calculations by \$400-\$600 million. As a result, the following projections are subject to considerable change.

Based on the assumptions described below, the cash shortfall is estimated to be \$(2.82) billion in FY 2012 and \$(2.45) billion in FY 2013.

Baseline Revenues

The Baseline revenue estimates are based on a consensus forecasting process. As with FY 2011 revenues, the long-run estimates are based on the average of 4 different forecasts. This process is described in more detail in the *General Fund Revenue* section.

The projected overall ongoing General Fund growth is 6.2% in FY 2012 and 8.6% in FY 2013. *Table 1* includes the individual forecast components. These estimates reflect economic expansion during both FY 2012 and FY 2013, returning to historical growth rates. These growth rates reflect revenue growth prior to tax law changes and Urban Revenue Sharing.

In FY 2012, enacted tax law changes will reduce revenue growth by \$(6) million relative to FY 2011. In FY 2013, there is an additional \$(5) million in reductions relative to FY 2012. The primary reason for these adjustments is the impact of Laws 2003, Chapter 266 which requires the state to contribute to the expansion and renovation of the Phoenix Convention Center. The state's obligation for this project is to pay the debt service on \$300 million of construction bonds, beginning with \$5 million the first year after construction is completed. This obligation increases over a period of years to a maximum of \$30 million per year. In FY 2011 the payment is \$10 million and will increase \$5 million (for a total of \$15 million) in FY 2012 and another \$5 million (for a total of \$20 million) in FY 2013.

The estimated revenues also assume a continuation of certain fund transfers in FY 2012 and FY 2013. These fund transfers assume reductions to the spending levels of non-General Fund agency funds. An amount equal to the

spending reduction is then transferred to the General Fund. As these spending reductions are expected to continue, the transfers are also assumed to continue.

The projected level of General Fund revenue is \$7.40 billion in FY 2012 and \$8.04 billion in FY 2013. These estimates assume that any prior year shortfall is eliminated before the beginning of the following fiscal year.

Table 1					
Consensus Forecast Percentages					
	<u>FAC</u>	<u>UA Low</u>	<u>UA Base</u>	<u>JLBC</u>	<u>Avg</u>
<u>FY 2012</u>					
Sales Tax Individual	6.4%	4.4%	5.5%	7.9%	6.1%
Income Tax Corporate	8.0%	2.7%	3.7%	6.6%	5.3%
Income Tax Wgt Avg	17.0%	10.8%	15.0%	6.0%	12.2%
					6.2%
<u>FY 2013</u>					
Sales Tax Individual	6.9%	11.3%	10.1%	8.0%	9.1%
Income Tax Corporate	6.7%	9.0%	8.6%	6.7%	7.8%
Income Tax Wgt Avg	9.9%	15.5%	10.4%	4.2%	10.0%
					8.7%

Baseline Spending

The long-term General Fund expenditures reflect the requirements of existing statutory funding formulas and other obligations. Excluding one-time items, permanent ongoing baseline spending is projected to increase 2.8% in FY 2012 and 2.7% in FY 2013. In addition to normal rates of statutory formula growth, the long-term projections assume that temporary federal assistance of \$478 million does not continue in FY 2012 and FY 2013. Including this one-time cost increases the FY 2012 spending growth rate to 8.0%.

Overall spending, including one-time adjustments, would be \$10.22 billion in FY 2012 and \$10.49 billion in FY 2013. (*See page 72 for the projected spending levels of major agencies.*)

These estimates may be conservative as they do not include any potential discretionary funding increases or inflationary increases. Inflation in Title XIX programs and K-12 funding would add an estimated \$145 million in FY 2012 and \$171 million in FY 2013.

Additionally, health care changes currently being considered at the federal level to reduce the number of uninsured could dramatically affect state Medicaid costs beginning in FY 2013. Based on Arizona Health Care Cost Containment System (AHCCCS) estimates, the Federal House of Representatives has approved legislation which would save the state nearly \$1 billion in FY 2013, with continuing annual savings between \$650 million and \$1 billion. Alternatively, the approved Senate bill would cost between \$400 and \$720 million annually beginning in FY 2014.

Ending Balance and Ongoing Revenue and Spending

The projected FY 2012 and FY 2013 ending balances are a product of both baseline revenue and spending projections for those 2 years as well as legislative decisions. The balance can be discussed in terms of the ending cash balance by comparing total spending to total revenues. Alternatively, the year-end position can be evaluated by excluding one-time revenues and expenditures and instead comparing ongoing or permanent spending to ongoing revenues. This is also called the structural balance.

The following analysis assumes that any solutions to the FY 2010 and FY 2011 shortfalls are not permanent. Any permanent solutions in prior years would correspondingly reduce the shortfall in future years.

Assuming the continuation of current policies and the projected revenue and spending assumptions, the projected ending cash balance in FY 2012 is a \$(2.82) billion shortfall. This difference would decline to \$(2.45) billion in FY 2013. In comparison, the projected ending cash shortfall is \$(2.59) billion in FY 2011. *(See page 71 for a Statement of General Fund Revenues and Expenditures.)*

The structural shortfall is \$(2.96) billion in FY 2012 and \$(2.60) billion in FY 2013. The difference from the projected cash shortfall is due to the temporary continuation of fund transfer revenues totaling \$141 million in FY 2012 and FY 2013.

**STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES 1/
WITH ONE-TIME FINANCING SOURCES**

	FY 2010 Enacted	FY 2011 Baseline	FY 2012 Forecast	FY 2013 Forecast
REVENUES				
Ongoing Revenues	\$6,866,401,200	\$7,219,713,000	\$7,666,628,900	\$8,333,094,900
Enacted Revenue Changes	0	(11,392,400)	(\$6,100,000)	(\$5,000,000)
Urban Revenue Sharing	(628,649,100)	(473,986,800)	(\$401,992,600)	(\$428,715,300)
Net On-going Revenues	<u>\$6,237,752,100</u>	<u>\$6,734,333,800</u>	<u>\$7,258,536,300</u>	<u>\$7,899,379,600</u>
One-time Financing Sources				
Balance Forward	(\$480,713,000)	\$0	\$0	\$0
Other Revenue Changes	65,420,000	0	0	0
State Asset Sale/Lease-Purchase	735,419,300	0	0	0
Fund Transfers	<u>349,261,900</u>	<u>141,282,400</u>	<u>141,282,400</u>	<u>141,282,400</u>
Subtotal One-time Revenues	<u>\$669,388,200</u>	<u>\$141,282,400</u>	<u>\$141,282,400</u>	<u>\$141,282,400</u>
Total Revenues	\$6,907,140,300	\$6,875,616,200	\$7,399,818,700	\$8,040,662,000
EXPENDITURES				
Operating Budget Appropriations	\$9,647,072,800	\$9,986,283,600	\$10,271,292,600	\$10,540,694,800
FY 2010 Supplementals 2/	130,813,200	\$0	0	0
Administrative Adjustments	72,731,600	\$73,607,000	73,388,300	79,609,100
Reversions	<u>(113,241,600)</u>	<u>(\$112,905,100)</u>	<u>(122,475,500)</u>	<u>(125,708,300)</u>
Subtotal Ongoing Expenditures	<u>\$9,737,376,000</u>	<u>\$9,946,985,500</u>	<u>\$10,222,205,400</u>	<u>\$10,494,595,600</u>
One-time Expenditures				
Capital Outlay	\$10,400,000	\$400,000	\$0	\$0
Capital Outlay Prior Year Reversions	(450,000)	0	0	0
Temporary Federal Assistance	(1,254,693,300)	(478,385,200)	0	0
Payment Deferrals	<u>(134,889,100)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal One-time Expenditures	<u>(\$1,379,632,400)</u>	<u>(\$477,985,200)</u>	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$8,357,743,600	\$9,469,000,300	\$10,222,205,400	\$10,494,595,600
Ending Balance 3/	(\$1,450,603,300)	(\$2,593,384,100)	(\$2,822,386,700)	(\$2,453,933,600)
Structural Shortfall 4/	(\$3,499,623,900)	(\$3,212,651,700)	(\$2,963,669,100)	(\$2,595,216,000)

1/ Significant one-time revenues and expenditures are separately detailed so as to permit the calculation of ongoing revenue and expenditures.

2/ See page 20 for details. After adjusting for an overestimate of federal match rate savings, the net cost is \$147.1 million.

3/ This calculation reflects the difference between total revenues and total expenditures.

4/ This calculation reflects the difference between ongoing revenues and expenditures.

Major Budget Units

EXPENDITURES	FY 10 Estimate	FY 2011 \$ Above FY 10	FY 2011 Baseline	FY 2012 \$ Above FY 11	FY 2012 Forecast	FY 2013 \$ Above FY 12	FY 2013 Forecast
Operating Budget							
-- Department of Administration	17,830,300	(425,900)	17,404,400	0	17,404,400	0	17,404,400
-- AHCCCS	1,877,798,300	239,696,100	2,117,494,400	63,524,800	2,181,019,200	65,430,600	2,246,449,800
-- Attorney General	17,987,400	0	17,987,400	0	17,987,400	0	17,987,400
-- Department of Commerce	6,221,000	(2,632,000)	3,589,000	0	3,589,000	0	3,589,000
-- Community Colleges	135,344,300	7,484,500	142,828,800	10,000,000	152,828,800	10,000,000	162,828,800
-- Department of Corrections	868,927,000	68,362,400	937,289,400	67,065,100	1,004,354,500	985,600	1,005,340,100
-- Department of Economic Security	646,884,800	19,514,500	666,399,300	10,397,500	676,796,800	10,709,400	687,506,200
-- Department of Education	4,006,104,400	(103,222,500)	3,902,881,900	88,281,600	3,991,163,500	158,613,900	4,149,777,400
-- Department of Environmental Quality	12,779,100	0	12,779,100	0	12,779,100	0	12,779,100
-- Department of Health Services	577,367,500	42,088,100	619,455,600	14,033,800	633,489,400	14,454,800	647,944,200
-- Judiciary	119,520,400	105,300	119,625,700	0	119,625,700	0	119,625,700
-- Department of Juvenile Corrections	63,331,200	0	63,331,200	0	63,331,200	0	63,331,200
-- State Land Department	6,622,200	(96,200)	6,526,000	0	6,526,000	0	6,526,000
-- State Parks Board	20,000,000	0	20,000,000	(20,000,000)	0	0	0
-- Department of Public Safety	43,589,200	0	43,589,200	0	43,589,200	0	43,589,200
-- Department of Revenue	37,611,900	2,000,000	39,611,900	0	39,611,900	0	39,611,900
-- School Facilities Board	104,779,700	22,836,800	127,616,500	33,131,200	160,747,700	5,807,900	166,555,600
-- Office of Tourism	10,655,200	0	10,655,200	0	10,655,200	0	10,655,200
-- Universities	891,652,800	(1,368,000)	890,284,800	0	890,284,800	0	890,284,800
-- Department of Water Resources	16,879,900	0	16,879,900	0	16,879,900	0	16,879,900
-- All Other Budgets	166,225,700	(6,033,900)	160,191,800	(3,400,000)	156,791,800	3,400,000	160,191,800
-- FY 11 Lease-Purchase Payments	0	9,002,300	9,002,300	0	9,002,300	0	9,002,300
-- FY 11 AZNet Charges	0	(2,165,200)	(2,165,200)	0	(2,165,200)	0	(2,165,200)
Total - Operating Budget	9,648,112,300	295,146,300	9,943,258,600	263,034,000	10,206,292,600	269,402,200	10,475,694,800
-- FY 10 Supplementals	110,813,200	(110,813,200)	0	0	0	0	0
-- DOC AHCCCS Rates Savings	20,000,000	(20,000,000)	0	0	0	0	0
-- Capital Outlay	10,400,000	(10,000,000)	400,000	0	0	0	0
-- Capital Outlay Prior Year Reversions	(450,000)	450,000	0	0	0	0	0
-- Backfills	998,000	(973,000)	25,000	(25,000)	0	0	0
-- Administrative Adjustments	72,731,600	875,400	73,607,000	656,700	73,388,300	6,220,800	79,609,100
-- Revertments	(113,241,600)	336,500	(112,905,100)	(26,385,100)	(122,475,500)	(3,232,800)	(125,708,300)
-- New Debt Service	0	43,000,000	43,000,000	22,000,000	65,000,000	0	65,000,000
-- Payment Deferrals	(134,889,100)	134,889,100	0	0	0	0	0
-- Prior Year Revetments	(2,037,500)	2,037,500	0	0	0	0	0
-- Temporary Federal Assitance - Continued	(1,254,693,300)	776,308,100	(478,385,200)	478,385,200	0	0	0
Total Spending	8,357,743,600	1,111,256,700	9,469,000,300	737,665,800	10,222,205,400	272,390,200	10,494,595,600

**STAFF OF THE
JOINT LEGISLATIVE BUDGET COMMITTEE**

- Director..... Richard Stavneak
- Office Manager..... Linda Monsanto
- Deputy Directors Steve Schimpp
..... Stefan Shepherd
- Assistant Directors Tim Everill
..... Eric Jorgensen
..... Kim Cordes-Sween
- Chief Economist..... Hans Olofsson
- Principal Fiscal Analysts Jay Chilton
..... Bob Hull
..... Martin Lorenzo
..... Leatta McLaughlin
..... Amy Upston
- Senior Fiscal Analysts Juan Beltran
..... Eric Billings
..... Art Smith
- Fiscal Analysts Jack Brown
..... Aaron Galeener
..... Steve Grunig
..... Jon McAvoy
..... Marge Zylla
- Assistant Fiscal Analyst Ted Nelson
- Senior Administrative Assistant Sharon Savage
- Administrative Assistant/JLBC Clerk/JCCR Clerk..... Sandy Schumacher