

**FY 2009**  
**JLBC Baseline Summary**

**January 2008**

**JLBC**

**FY 2009**

**JLBC Baseline Summary**

Prepared By

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***SUMMARY***

## FY 2009 JLBC BASELINE

### Overview

The JLBC is providing 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 JLBC Baseline does not represent a budget proposal. The FY 2009 JLBC General Fund estimates do not generally include discretionary changes in either spending or tax policy. By providing an estimate of available resources after statutory requirements, however, the JLBC Baseline will provide guidance on the size of a projected budget shortfall. As such, the JLBC Baseline is only a starting point for discussion on the FY 2009 budget.

The FY 2009 JLBC Baseline calculations result in a budget shortfall of \$(1.7) billion.

### FY 2008

As a first step in developing a FY 2009 budget, the enacted FY 2008 budget has been re-estimated. The General Fund balance being carried forward from FY 2007 to FY 2008 had originally been anticipated to be \$529 million. Due to weak revenue growth at the end of FY 2007 and technical re-estimates, the FY 2007 ending balance is \$378 million.

The enacted FY 2008 budget was originally based on 6.0% base revenue growth, prior to tax law adjustments. Due to the weaker than budgeted FY 2007 results, FY 2008 revenues would now have to grow by 8.4% to reach the budgeted levels. During the first 6 months of FY 2008, however, General Fund revenue growth has continued to be below expectations. Based on the four-sector consensus (described below), FY 2008 revenue growth is now estimated to be 1.5%. This growth rate would mean that the state will collect \$(698) million less in new ongoing General Fund revenues below the enacted FY 2008 budget. Total FY 2008 General Fund revenues are projected to be \$9.76 billion.

The JLBC Baseline includes \$64 million in General Fund FY 2008 supplemental estimates—\$57 million for the Arizona Health Care Cost Containment System and \$7 million for the Department of Health Services (DHS). *See FY 2008 and FY 2009 Supplementals section for more information.*

The original FY 2008 budget had a projected FY 2008 year-end General Fund balance of \$1 million. After adjusting for the lower FY 2007 beginning balance, lower FY 2008 revenues, and FY 2008 supplemental estimates, the year-end balance is now forecast to be a shortfall of \$(973) million.

### FY 2009 Baseline Revenues

A FY 2009 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 2009 growth rate of 1.0%. This rate represents underlying growth in state revenues, excluding urban revenue sharing, previously-enacted tax law changes and \$367 million in one-time monies. The latter is primarily the FY 2008 beginning balance, which will not be available in FY 2009. After adjusting for these factors, the projected decrease in FY 2009 General Fund revenues is \$(343) million, or (3.5)%, which would result in General Fund revenue of \$9.41 billion. *See the General Fund Revenue section on page 57 for more information.*

### FY 2009 Baseline Spending

Statutory funding formulas and other obligations are expected to generate the following new FY 2009 General Fund costs:

- Health and Welfare programs: \$287 million;
- Department of Education: \$174 million;
- Prison operating expenses: \$57 million; and
- Higher Education formulas: \$16 million

These issues are discussed in the *JLBC Baseline Book*.

Excluding one-time spending, the JLBC FY 2009 Baseline budget would increase total permanent ongoing spending by \$465 million, or 4.4%, to a level of \$11.11 billion.

The Baseline also includes a reduction of \$(52) million in one-time expenditures between FY 2008 and FY 2009. This reduction includes savings of \$(38) million to reflect the one-time funding of certain initiatives in the FY 2008 budget and savings of \$(14) million from reduced capital expenditures.

The JLBC Baseline includes one-time FY 2009 expenditures of \$6 million for the Capital Outlay budget. These expenditures were funded in the FY 2007 and FY 2008

Capital Outlay bills; no General Fund monies have been included in the Baseline for new capital projects.

When adjusting for these one-time expenses, total FY 2009 General Fund Baseline spending would equal \$11.14 billion. This amount represents an increase of \$413 million, or 3.8% over FY 2008.

The Baseline does not include funding for a state employee pay adjustment or for state employee health and dental insurance cost increases.

### General Fund Shortfall

Given forecasted revenues of \$9.41 billion and a formula spending level of \$11.14 billion, the FY 2009 JLBC Baseline has a \$(1.73) 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. The state can have a cash balance but a deficit in ongoing funds through the use of one-time revenue and/or expenditure savings. Under the FY 2009 JLBC Baseline, ongoing spending exceeds ongoing revenues by \$(1.69) billion, or 18.0%.

The long term forecast through FY 2011 is comparable to FY 2009. The structural shortfall is projected to be in the \$(1.7) billion to \$(1.9) billion range. These 3-year estimates, however, are very sensitive to small percent changes in revenue and spending growth. These estimates also assume the continuation of several provisions in the FY 2009 JLBC Baseline which do not have permanent authorization. If these provisions are not continued, the structural shortfall would be reduced by \$(98) million. *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 have a 2-year appropriation cycle. In the first regular session of each legislative biennium, the Legislature adopts both the annual and the biennial budgets. The JLBC Baseline includes FY 2009 funding for all these annual budget units. The JLBC also includes

FY 2009 funding for 5 other agencies defined as biennial budget units in statute, but which received only FY 2008 funding last year -- the Department of Financial Institutions, State Mine Inspector, the Arizona Navigable Stream Adjudication Commission, the Department of Public Safety, and the State Treasurer. The JLBC also recommends supplemental FY 2008 and FY 2009 funding and budget reductions for selected budget units. *See FY 2008 and FY 2009 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 JLBC includes a FY 2009 Other Fund appropriated spending level of \$2.93 billion, or (1.4)% below FY 2008. This amount includes \$942,700 of FY 2008 supplemental funding and \$1,455,900 of FY 2009 supplemental funding for agencies with already-enacted FY 2009 budgets.

The level of FY 2009 non-appropriated state funds is expected to be \$6.56 billion, while non-appropriated federal funds are forecasted to be \$8.31 billion. When all appropriated and non-appropriated fund sources are combined, total state spending would be \$29.0 billion in FY 2009 before any action 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 JLBC Baseline Assumptions
- Number of State Employees
- Budget Reconciliation Bill provisions, which are statutory revisions associated with enacting a FY 2009 budget
- Major Footnote Changes
- FY 2008 and FY 2009 Supplementals
- Performance Budgeting, including Strategic Program Area Reviews and Performance Measures, and
- Long-Term General Fund projections.

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

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

	<b>FY 2008</b> <b>Estimate <u>2/</u></b>	<b>FY 2009</b> <b>JLBC Baseline</b>
<b>REVENUES</b>		
On-going Revenues	\$10,073,094,300	\$10,173,825,200
Enacted Tax Law Changes	0	(33,500,000)
Urban Revenue Sharing	(684,538,900)	(727,677,400)
Revised On-going Revenues	9,388,555,400	9,412,647,800
One-time Revenues		
Balance Forward	377,947,000	0
Corporate Consolidated Returns	(55,500,000)	0
Unclaimed Property Revenue	45,000,000	0
Subtotal One-time Revenues	367,447,000	0
<b>Total Revenues</b>	<b>\$9,756,002,400</b>	<b>\$9,412,647,800</b>
<b>EXPENDITURES</b>		
Operating Budget Appropriations	10,575,582,200	11,145,698,800
FY 2008 Supplementals	64,072,300	0
Administrative Adjustments	96,000,000	62,120,800
Revertments	(95,570,500)	(102,540,400)
Subtotal On-going Expenditures	10,640,084,000	11,105,279,200
One-time Expenditures		
Capital Outlay	19,934,500	5,707,000
21st Century Fund Transfer	25,000,000	25,000,000
Other Major One-time Expenditures <u>3/</u>	43,900,700	5,800,000
Subtotal One-time Expenditures	88,835,200	36,507,000
<b>Total Expenditures</b>	<b>\$10,728,919,200</b>	<b>\$11,141,786,200</b>
<b>Ending Balance <u>4/</u></b>	<b>(\$972,916,800)</b>	<b>(\$1,729,138,400)</b>
On-going (Structural) Fund Balance <u>5/</u>	(\$1,251,528,600)	(\$1,692,631,400)

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

2/ Reflects the current status of FY 2008, including updated revenues

3/ Please see the Summary of One-time Operating Budget Items on page 7 for a detailed list.

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

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

## **SUMMARY OF FY 2009 JLBC BASELINE ASSUMPTIONS**

- The JLBC is providing 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, as the estimates do not generally include discretionary changes in either spending or tax policy.
- In contrast to the General Fund Baseline, the JLBC includes some discretionary adjustments for non-General Fund monies.

### **General Fund Baseline Revenues**

- The FY 2009 General Fund revenue forecast is \$9.41 billion. Based on a consensus forecast, FY 2009 ongoing base revenues are projected to increase 1.0% over the current FY 2008 forecast. This growth rate reflects ongoing revenue prior to tax law changes. (*Page 57 – JLBC Summary*)
- Previously enacted tax law changes will reduce ongoing revenue by an estimated \$(33.5) million in FY 2009 relative to FY 2008. The major change is the on-going phase-in of the revisions in the corporate income tax sales factor.

### **General Fund Baseline Spending**

- The FY 2009 General Fund JLBC Baseline spending would total \$11.14 billion. Of this amount, \$36.5 million reflects one-time adjustments.
- FY 2009 Baseline General Fund spending would grow by \$413 million above FY 2008, an increase of 3.9%. Excluding \$88 million in one-time items in FY 2008, ongoing spending would grow by \$465 million, or 4.4%.
- The entire state budget, including both appropriated and non-appropriated funds, is projected to be \$29 billion.

### **General Fund Balances**

- In terms of FY 2009, the JLBC Baseline consensus revenue estimate is \$9.41 billion compared to Baseline spending of \$11.14 billion. The JLBC Baseline cash balance is \$(1.7) billion. (*Page 2 – JLBC Summary*) Given the state's constitutional requirements, the state's budget must ultimately have a cash balance. During the session, the Legislature will make adjustments to resolve the shortfall.
- The state's fiscal condition is also evaluated by the comparison between the state's permanent ongoing revenues and permanent ongoing spending. The state can have a balanced cash budget, but a structural deficit, if it uses one-time revenues and/or one-time spending reductions in its budget. The FY 2009 structural shortfall is comparable to the \$(1.7) billion cash shortfall.
- Based on continuing current policy, the state is projected to have at least a \$(1.7) billion structural shortfall through FY 2011. The shortfall would decline \$100 million when the calculation is adjusted for the expiration of current statutory authorizations. (*Page 63 – JLBC Summary*)

### **Budget Stabilization Fund**

- With deposits in FY 2007, the state's Budget Stabilization Fund balance reached \$674 million. This amount brought the fund to its statutorily capped level of 7% of General Fund revenues. (*Page 61 – JLBC Summary*)
- In FY 2008, the 7% cap decreases to \$656 million, which will be reached through a combination of \$674 million in beginning balance, \$27 million in interest earnings, and \$(44) million transferred to the General Fund in order to remain within the cap. In FY 2009, the 7% cap increases to \$660 million.

### **Urban Revenue Sharing**

- Urban Revenue Sharing (URS) distributions for FY 2009 will total \$727.7 million. By statute, URS is normally based on 15% of income tax collections 2 years prior which would equate to \$709.9 million in FY 2009. Statute, however, provides that for FY 2009 only, the URS distribution will consist of a set amount of \$717.1 million, plus a special distribution of \$10.5 million, for a total distribution amount of \$727.7 million.

### **Education**

#### **Department of Education (*Page 108 – JLBC Baseline Book*)**

- Direct state assistance to the operations and maintenance of K-12 schools would grow by \$174.2 million, or 4.0%, including:
  - ⇒ An increase of 31,500 students, or 3.0%, for a total of 1,093,300, at a cost of \$171.7 million.
  - ⇒ An across-the-board 2.0% inflation adjustment in state assistance, at a cost of \$108.0 million.
  - ⇒ A \$(68) million decrease for prior year formula savings.
  - ⇒ A \$(44.5) million net decrease for 13.3% property value growth, Truth in Taxation, and Homeowner's Rebate.
  - ⇒ \$7.6 million in Joint Technological Education District (JTED) spending to fully fund the permanent statutory formula.



### **School Facilities Board** (Page 206 – JLBC Baseline Book)

- While the School Facilities Board has requested \$460 million for new school construction in FY 2009, the JLBC Baseline provides \$370 million in cash. This latter amount is unchanged from FY 2008, due to the JLBC awaiting better information on the impact of the state's housing downturn.
- School facility building renewal funding spending would continue at the same FY 2008 \$86.3 million amount.
- SFB spending would increase by \$4.8 million for debt service and one-time adjustments.

### **Universities** (Page 228 – JLBC Baseline Book)

- The Universities' General Fund spending would increase by \$10.2 million, or 0.9%. This amount includes:
  - ⇒ \$20.7 million to fund university enrollment growth.
  - ⇒ \$(10.5) million for one-time funding in FY 2008 for the schematic design of Phoenix Biomedical Campus buildings.
- The Universities' \$1.1 billion General Fund spending level would fund 113,251 full-time equivalent students in FY 2009.

### **Community Colleges** (Page 52 – JLBC Baseline Book)

- Community College General Fund would increase by \$6.2 million, or 3.7%, to fund 100% of the statutory funding formula.
- This amount includes rural county Equalization Aid at a cost of \$5.5 million.
- Enrollment is projected to decline by (198) full-time equivalent students for a total enrollment of 118,308.

## **Health and Welfare**

### **AHCCCS** (Page 22 – JLBC Baseline Book)

- AHCCCS' General Fund spending would increase by \$197.5 million, or 15.6%, to a level of \$1.5 billion. Most of this amount is for caseload and inflation increases in Title 19 indigent health care services.
- Based on a consensus forecast model, caseloads are projected to increase 5.8%. Total caseload is estimated to be 1.2 million by June 2009. Healthcare provider payments would increase by 6% for inflation and utilization.
- The increase in General Fund spending includes \$26.4 million to offset declining tobacco tax revenues.
- The KidsCare Parents Program would expire as required by statute. The General Fund cost to retain the program in FY 2009 would be \$11.4 million.
- The elimination of one-time expenditures saves an additional \$(11.3) million in FY 2009, including \$(8) million for Healthcare Group.

### **Department of Health Services** (Page 135 – JLBC Baseline Book)

- DHS' General Fund spending would increase by \$47.2 million, or 8.1%. This amount includes:
  - ⇒ \$44.3 million for the department's Behavioral Health Services. Caseloads are projected to grow by 4.2% while provider rates would grow by 6% for inflation and utilization.
  - ⇒ \$1.3 million for Children's Rehabilitative Services programs. Caseloads are projected to grow by 2.6% while provider rates would grow by 6% for inflation and utilization.
  - ⇒ \$1.6 million for the annual debt service payment for the new forensic unit of the Arizona State Hospital, which was authorized by the Legislature in 2007.

### **Department of Economic Security** (Page 68 – JLBC Baseline Book)

- DES funding would increase by \$42.1 million, or 5.3%. This amount includes:
  - ⇒ \$35 million for 1,113 new clients, or 6.2%, in the Title 19 Developmental Disabilities Long Term Care program. Total caseload would equal 21,073.
  - ⇒ \$8.4 million due to caseload growth in TANF. The TANF Program is projected to grow by 5.8% to serve 90,500 individuals.

## **Criminal Justice**

### **Department of Corrections** (Page 58 – JLBC Baseline Book)

- ADC General Fund spending would increase by \$56.7 million, or 6.2%. This amount includes:
  - ⇒ \$11.5 million to annualize funding for 2,060 previously authorized "rented" provisional beds.
  - ⇒ \$9.3 million for 6.4% inmate population growth and 6% health care inflation adjustment.
  - ⇒ \$36.5 million for operating costs associated with 4,000 new state and 2,000 new private beds, authorized by the 2007 Legislature. This amount includes \$10.4 million for the debt service payment to construct the 4,000 state prison beds at a cost of \$200 million.
- The JLBC Baseline funds 215 net new inmates per month and a FY 2009 year-end inmate population of 41,318.
- ADC is expected to have a 1,998 bed shortfall by June 2009, decreasing to a shortfall of 288 beds in December 2009 when all 6,000 state and private beds are anticipated to be on-line.

**Judiciary** (Page 170 – JLBC Baseline Book)

- Judiciary funding would increase by \$117,200, or 0.1%, including:
  - ⇒ \$179,200 for the state share of 2 new Superior Court judgeships.
  - ⇒ \$(62,000) for one-time FY 2008 Equipment.

**Transportation**

- ADOT's non-General Fund operating costs would increase by \$1.4 million, or 0.3%, including an increase of \$3.2 million for highway maintenance and a decrease of \$(2) million for one-time equipment. (Page 212 – JLBC Baseline Book)

**Capital Outlay**

- The JLBC Baseline includes \$5.7 million in General Fund capital projects. The following amounts represent the final year of multiple year projects previously approved by the Legislature. (Page 265 – JLBC Baseline Book)
  - ⇒ \$2.2 million to renovate the former state health laboratory
  - ⇒ \$1.0 million to build a Navajo Multipurpose Center.
  - ⇒ \$1.5 million to upgrade the Department of Public Safety's microwave communications system.
  - ⇒ \$1.0 million to complete the Yuma Welcome Center.

**State Employee Issues**

**FTE Positions** (Page 33 – JLBC Summary)

- The JLBC Baseline would fund an increase of 621.8 Full-Time Equivalent (FTE) Positions. This 1.2% increase would bring total appropriated FTE Positions to 52,548.5.

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

- The JLBC Baseline excludes funding for new state employee pay increases.
- The JLBC Baseline excludes funding for the employer share of health insurance and retirement costs. In lieu of any other action, state agencies would absorb these costs.

**Other**

**Biennial Annualization** (Page 18 – JLBC Summary)

- The JLBC Baseline includes \$14.0 million from the General Fund and \$10.7 million from Other Appropriated Funds to provide funding for FY 2008 statewide adjustments for biennial agencies in FY 2009. These adjustments were originally appropriated as statewide adjustments for FY 2008 only in the FY 2008 General Appropriation Act.

**Performance Measures** (Page 55 – JLBC Summary)

- A total of 5 agencies did not measure some aspect of their performance as required in the General Appropriation Act.

## SUMMARY OF ONE-TIME OPERATING BUDGET ITEMS

<u>Agency 1/</u>	<u>FY 2008</u>	<u>FY 2009</u>	
AHCCCS	9,965,400	-	KidsCare Parents
AHCCCS	2,685,300	-	HPV Vaccines
AHCCCS	8,000,000	-	Healthcare Group
AHCCCS	600,000	-	211 Funding
Commerce, Department of	2,000,000	2,000,000	GADA Deposit
Community Colleges, Arizona	1,000,000	1,000,000	NCCD Public Safety Training Facility
Corrections, State Department of	900,000	-	Carpool Vans
Criminal Justice Commission, AZ	900,000	800,000	Criminal Justice Information System
Criminal Justice Commission, AZ	-	2,000,000	Meth Grants
Education, Department of	1,000,000	-	Tech Grants
Education, Department of	1,000,000	-	Teach America
Education, Department of	1,000,000	-	Non-Title I Reading Grant Pilot Program
Land Department, State	1,000,000	-	Forest Grants
Revenue, Department of	850,000	-	Small City Grants
School Facilities Board	2,500,000	-	Utilities Grants
Universities - ASU	5,250,000	-	Schematic Design - Downtown Med School
Universities - U of A	5,250,000	-	Schematic Design - Downtown Med School
<b>Total One-time Expenditures</b>	<b>\$ 43,900,700</b>	<b>\$ 5,800,000</b>	

1/ Represents only major items of \$500,000 or above. Agency budgets may also include other one-time expenditures, especially for equipment.

***BUDGET NUMBERS BY AGENCY***

## FY 2009 GENERAL FUND SUMMARY BY AGENCY

	FY 2008 Estimate	1/	FY 2009 JLBC	2/	FY 2009 JLBC - FY 2008
<b><u>BUDGET UNITS</u></b>					
Administration, AZ Department of	\$33,312,200		\$28,755,900		(4,556,300)
Administrative Hearings, Office of	1,283,300		1,283,300	*	0
Agriculture, AZ Department of	12,481,600		12,703,600	*	222,000
AHCCCS	1,269,136,000		1,466,666,500		197,530,500
Arts, Arizona Commission on the	2,127,600		2,127,600	*	0
Attorney General - Department of Law	24,651,900		23,710,200	*	(941,700)
Biomedical Research Commission, Arizona	1,000,000		1,000,000	*	0
Capital Postconviction Public Defender Ofc, State	737,900		737,900	*	0
Charter Schools, State Board for	1,129,500		1,088,600	*	(40,900)
Commerce, Department of	15,925,100		15,925,100	*	0
Community Colleges, Arizona	167,744,800		173,928,100		6,183,300
Corporation Commission	5,857,400		5,857,400	*	0
Corrections, State Department of	910,277,200		967,000,800		56,723,600
Criminal Justice Commission, Arizona	2,202,000		4,102,000	*	1,900,000
Deaf and the Blind, Schools for the	22,010,400		22,067,900	*	57,500
Economic Security, Department of	794,336,400		836,399,100		42,062,700
Education, Department of	4,363,465,100		4,537,675,200		174,210,100
Emergency & Military Affairs, Dept of	14,581,600		14,534,500	*	(47,100)
Environmental Quality, Department of	32,979,000		32,729,000	*	(250,000)
Equal Opportunity, Governor's Office of	260,800		260,800	*	0
Equalization, State Board of	672,900		672,900	*	0
Executive Clemency, Board of	1,153,500		1,153,500	*	0
Financial Institutions, State Department of	4,081,800		4,006,800		(75,000)
Fire, Building and Life Safety, Department of	3,922,100		3,896,600	*	(25,500)
Geological Survey, Arizona	1,151,900		1,151,900	*	0
Government Information Tech. Agency	2,000,000		2,000,000	*	0
Governor, Office of the	7,476,900		7,476,900	*	0
Gov's Ofc of Strategic Planning & Budgeting	2,313,600		2,313,600	*	0
Health Services, Department of	583,432,200		630,645,600		47,213,400
Historical Society, Arizona	4,521,300		4,521,300	*	0
Historical Society, Prescott	780,700		780,700	*	0
Indian Affairs, AZ Commission of	237,700		237,700	*	0
Insurance, Department of	7,800,800		7,800,800	*	0
Judiciary					
Supreme Court	18,412,600		18,389,600		(23,000)
Court of Appeals	14,127,800		14,088,800		(39,000)
Superior Court	95,681,100		95,860,300		179,200
SUBTOTAL - Judiciary	<u>128,221,500</u>		<u>128,338,700</u>		<u>117,200</u>
Juvenile Corrections, Department of	81,449,800		81,449,800		0
Land Department, State	27,329,500		26,548,800	*	(780,700)
Law Enforcement Merit System Council	79,300		79,300	*	0
Legislature					
Auditor General	18,791,500		18,491,500	*	(300,000)
House of Representatives	14,276,500		14,276,500	*	0
Joint Legislative Budget Committee	3,040,900		3,040,900	*	0
Legislative Council	5,717,100		5,717,100	*	0
Library, Archives & Public Records, AZ State	7,787,600		7,787,600	*	0
Senate	9,476,300		9,476,300	*	0
SUBTOTAL - Legislature	<u>59,089,900</u>		<u>58,789,900</u>	*	<u>(300,000)</u>
Liquor Licenses & Control, Department of	3,646,200		3,646,200	*	0
Medical Student Loans, Board of	1,500,000		1,500,000	*	0
Mine Inspector, State	1,884,800		1,884,800		0
Mines & Mineral Resources, Department of	950,800		950,800	*	0
Navigable Stream Adjudication Commission	180,000		180,000		0
Nursing, State Board of	167,300		167,300	*	0
Occupational Safety & Health Review Board	0		0	*	0
Parks Board, Arizona State	28,212,200		28,712,200	*	500,000
Personnel Board	370,800		370,800	*	0
Pioneers' Home, AZ	1,260,000		1,260,000	*	0
Postsecondary Education, Commission for	7,427,300		7,427,300	*	0

	FY 2008 Estimate	1/	FY 2009 JLBC	2/	FY 2009 JLBC - FY 2008
Public Safety, Department of	177,708,000		177,489,300		(218,700)
Racing, Arizona Department of	2,851,100		2,851,100	*	0
Radiation Regulatory Agency	2,249,700		2,304,300	*	54,600
Rangers' Pensions, Arizona	13,400		13,700	*	300
Real Estate Department, State	4,614,000		4,689,500	*	75,500
Revenue, Department of	76,942,100		74,353,800	*	(2,588,300)
School Facilities Board	532,695,100		537,496,300		4,801,200
Secretary of State	7,222,300		7,105,700	*	(116,600)
Tax Appeals, State Board of	317,900		317,900	*	0
Tourism, Office of	15,649,400		16,622,200	*	972,800
Transportation, Department of	86,600		86,600		0
Treasurer, State	5,616,700		5,403,500		(213,200)
Universities					
Arizona State University - Main Campus	416,764,800		415,459,100		(1,305,700)
Arizona State University - East Campus	25,915,900		32,009,300		6,093,400
Arizona State University - West Campus	53,604,400		56,796,300		3,191,900
Northern Arizona University	160,868,800		167,368,600		6,499,800
Board of Regents	20,598,000		20,598,000		0
University of Arizona - Main Campus	362,389,200		358,257,000		(4,132,200)
University of Arizona - Health Sciences Center	80,954,200		80,845,800		(108,400)
SUBTOTAL - Universities	1,121,095,300		1,131,334,100		10,238,800
Veterans' Services, Department of	9,284,800		8,397,900	*	(886,900)
Water Resources, Department of	24,074,600		24,815,800	*	741,200
Weights and Measures, Department of	1,710,800		1,699,400	*	(11,400)
Statewide Adjustments - FY 08 Unallocated	536,500		0		(536,500)
<b>OPERATING BUDGET TOTAL</b>	10,619,482,900		11,151,498,800		532,015,900
			0		
FY 2008 Supplementals	64,072,300		0		(64,072,300)
GF Transfer - Arizona 21st Century Fund	25,000,000		25,000,000	*	0
Capital	19,934,500		5,707,000	*	(14,227,500)
Administrative Adjustments	96,000,000		62,120,800		(33,879,200)
Revertments	(95,570,500)		(102,540,400)		(6,969,900)
<b>GRAND TOTAL</b>	<b>\$10,728,919,200</b>		<b>\$11,141,786,200</b>		<b>\$412,867,000</b>

1/ Does not include proposed supplementals in individual agencies.

2/ Includes annualization of FY 2008 standard adjustments in FY 2009.

\* Already enacted.

## FY 2009 OTHER APPROPRIATED FUNDS SUMMARY BY AGENCY

	FY 2008 Estimate	1/	FY 2009 JLBC	2/	FY 2009 JLBC - FY 2008
<b><u>BUDGET UNITS</u></b>					
Accountancy, State Board of					
Board of Accountancy Fund	\$2,356,900		\$2,357,600	*	\$700
Acupuncture Board of Examiners					
Acupuncture Board of Examiners Fund	130,500		130,500	*	0
Administration, AZ Department of					
Air Quality Fund	575,100		850,100		275,000
Automation Operations Fund	24,529,600		24,230,600		(299,000)
Capital Outlay Stabilization Fund	11,443,900		11,443,900		0
Corrections Fund	741,700		741,700		0
Highway User Revenue Fund	150,000		0		(150,000)
Motor Vehicle Pool Revolving Fund	11,787,900		12,737,800		949,900
Payroll Clearing Fund	0		0		0
Personnel Division Fund	18,437,500		18,552,400		114,900
Risk Management Revolving Fund	91,733,700		93,070,900		1,337,200
Special Employee Health Insurance Trust Fund	5,630,700		5,530,700		(100,000)
State Surplus Materials Revolving Fund and Federal Surplus Materials Revolving Fund	4,716,600		4,716,600		0
Telecommunications Fund	3,181,700		3,181,700		0
Telecommunications Fund - Infrastructure Improvements Account	4,713,700		4,713,700		0
Watercraft Licensing Fund	0		0		0
Total - AZ Department of Administration	177,642,100		179,770,100		2,128,000
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	905,900		902,800	*	(3,100)
Citrus, Fruit and Vegetable Revolving Fund	1,092,400		1,092,400	*	0
Commercial Feed Fund	302,000		302,000	*	0
Fertilizer Materials Fund	308,000		308,000	*	0
Livestock Custody Fund	79,400		79,400	*	0
Pesticide Fund	388,400		388,400	*	0
Agricultural Consulting and Training Fund	106,500		106,500	*	0
Dangerous Plants, Pests and Diseases Fund	40,000		40,000	*	0
Arizona Protected Native Plant Fund	195,300		195,300	*	0
Seed Law Fund	54,500		54,500	*	0
Total - AZ Department of Agriculture	3,481,600		3,478,500	*	(3,100)
AHCCCS					
Budget Neutrality Compliance Fund	2,683,100		2,841,000		157,900
Children's Health Insurance Program Fund	146,611,000		129,953,700		(16,657,300)
Healthcare Group Fund	8,468,700		6,521,000		(1,947,700)
Physician Recruitment Fund	0		0		0
Temporary Medical Coverage Fund	1,976,400		973,900		(1,002,500)
Tobacco Products Tax Fund Emergency Health Services Account	29,264,100		25,716,500		(3,547,600)
Tobacco Tax and Health Care Fund Medically Needy Account	78,306,100		62,886,200		(15,419,900)
Total - AHCCCS	267,309,400		228,892,300		(38,417,100)
Appraisal, State Board of					
Board of Appraisal Fund	623,600		623,600	*	0
Attorney General - Department of Law					
Antitrust Enforcement Revolving Fund	243,200		243,200	*	0
Attorney Gen'l Legal Svcs Cost Allocation Fund	6,775,900		6,775,900	*	0
Collection Enforcement Revolving Fund	4,916,900		4,913,900	*	(3,000)
Consumer Fraud Revolving Fund	2,214,600		2,214,600	*	0
Interagency Service Agreements Fund	13,477,100		13,469,200	*	(7,900)
Risk Management Revolving Fund	9,958,800		9,921,700	*	(37,100)
Victims' Rights Fund	3,282,900		3,282,900	*	0
Total - Attorney General - Department of Law	40,869,400		40,821,400	*	(48,000)

	FY 2008 Estimate	<u>1/</u>	FY 2009 JLBC	<u>2/</u>	FY 2009 JLBC - FY 2008
Automobile Theft Authority					
Auto Theft Authority Fund	5,551,200		5,958,700	*	407,500
Barbers, Board of					
Board of Barbers Fund	346,500		329,900	*	(16,600)
Biomedical Research Commission, Arizona					
Tobacco Tax and Health Care Fund	0				
Health Research Account	500,000		500,000	*	0
Behavioral Health Examiners, Board of					
Board of Behavioral Health Examiners Fund	1,394,400		1,379,300	*	(15,100)
Chiropractic Examiners, State Board of					
Board of Chiropractic Examiners Fund	523,500		525,100	*	1,600
Commerce, Department of					
Bond Fund	145,400		145,400	*	0
CEDC Fund	2,318,600		2,318,600	*	0
Oil Overcharge Fund	184,000		184,000	*	0
State Lottery Fund	287,300		287,300	*	0
Total - Department of Commerce	2,935,300		2,935,300	*	0
Contractors, Registrar of	0				
Registrar of Contractors Fund	15,597,700		12,277,000	*	(3,320,700)
Corporation Commission					
Arizona Arts Trust Fund	51,300		51,300	*	0
Investment Management Regulatory and Enforcement Fund	935,100		935,100	*	0
Pipeline Safety Revolving Fund	55,400		0	*	(55,400)
Public Access Fund	4,385,400		4,848,200	**	462,800
Securities Regulatory and Enforcement Fund	3,976,800		3,976,800	*	0
Utility Regulation Revolving Fund	14,049,300		14,029,800	*	(19,500)
Total - Corporation Commission	23,453,300		23,841,200	*	387,900
Corrections, State Department of					
Alcohol Abuse Treatment Fund	599,300		599,300		0
Corrections Fund	29,054,700		29,054,700		0
Penitentiary Land Fund	2,925,400		2,254,900		(670,500)
Prison Construction and Operations Fund	17,626,600		15,050,000		(2,576,600)
State Charitable, Penal and Reformatory Institutions Land Fund	570,000		4,062,500		3,492,500
State Education Fund for Correctional Education	1,161,400		429,900		(731,500)
Transition Office Fund	180,000		180,000		0
Transition Program Drug Treatment Fund	600,000		600,000		0
Total - State Department of Corrections	52,717,400		52,231,300		(486,100)
Cosmetology, Board of					
Board of Cosmetology Fund	1,855,600		1,763,900	*	(91,700)
Criminal Justice Commission, Arizona					
Criminal Justice Enhancement Fund	955,000		799,900	*	(155,100)
Victim Compensation and Assistance Fund	3,800,000		3,800,000	*	0
State Aid to County Attorneys Fund	1,052,500		1,052,500	*	0
State Aid to Indigent Defense Fund	999,200		999,200	*	0
Total - Arizona Criminal Justice Commission	6,806,700		6,651,600	*	(155,100)
Deaf and the Blind, AZ Schools for the					
Schools for the Deaf and the Blind Fund	14,317,600		14,695,400	*	377,800
Deaf and the Hard of Hearing, Comm. for the					
Telecommunication Fund for the Deaf	5,448,100		5,448,100	*	0
Dental Examiners, State Board of					
Dental Board Fund	1,145,800		1,111,600	*	(34,200)
Drug & Gang Prevention Resource Center					
Drug and Gang Prevention Resource Center Fund	305,800		305,800	*	0
Intergovernmental Agreements and Grants	336,600		336,600	*	0
Total - Drug & Gang Prevention Resource Center	642,400		642,400	*	0
Economic Security, Department of					
Child Abuse Prevention Fund	1,576,900		1,576,900		0
Child Support Enforcement Administration Fund	15,119,600		15,119,600		0
Children and Family Services Training Program Fund	209,600		209,600		0
Domestic Violence Shelter Fund	1,700,000		1,700,000		0



	FY 2008 Estimate	FY 2009 JLBC	FY 2009 JLBC - FY 2008
Federal Child Care and Development Fund			
Block Grant	117,652,500	117,652,500	0
Federal Reed Act Grant	3,495,700	3,495,700	0
Federal Temporary Assistance for Needy Families Block Grant	234,652,800	234,652,800	0
Homeless Trust Fund	0	0	0
Long Term Care System Fund	25,000,900	27,522,800	2,521,900
Public Assistance Collections Fund	517,000	517,000	0
Risk Management Fund	271,500	271,500	0
Special Administration Fund	2,206,000	2,206,000	0
Spinal and Head Injuries Trust Fund	2,570,900	2,570,900	0
Statewide Cost Allocation Plan Fund	1,000,000	1,000,000	0
Tobacco Tax and Health Care Fund			
Medically Needy Account	0	0	0
Tobacco Tax and Health Care Fund			
Health Research Account	200,000	200,000	0
Utility Assistance Fund	500,000	0	(500,000)
Workforce Investment Act Grant	55,937,200	55,937,200	0
<b>Total - Department of Economic Security</b>	<b>462,610,600</b>	<b>464,632,500</b>	<b>2,021,900</b>
Education, Department of			
Permanent State School Fund	45,220,700	45,220,700	0
Proposition 301 Fund	7,000,000	7,000,000	0
School Improvement Revenue Bond Debt Service Fund	0	0	0
English Learners Compensatory Instruction Fund	0	0	0
E-Learning Pilot Program Fund	0	0	0
Teacher Certification Fund	2,406,500	2,595,300	188,800
<b>Total - Department of Education</b>	<b>54,627,200</b>	<b>54,816,000</b>	<b>188,800</b>
Emergency & Military Affairs, Dept of			
Emergency Response Fund	132,700	132,700 *	0
Environmental Quality, Department of			
Air Permits Administration Fund	6,038,500	6,038,500 *	0
Air Quality Fund	5,250,500	5,247,500 *	(3,000)
Emissions Inspection Fund	37,490,600	37,490,600 *	0
Hazardous Waste Management Fund	795,000	795,000 *	0
Indirect Cost Recovery Fund	10,768,900	10,768,800 *	(100)
Recycling Fund	2,331,100	2,331,100 *	0
Solid Waste Fee Fund	1,511,200	1,511,200 *	0
Underground Storage Tank Fund	22,000	22,000 *	0
Used Oil Fund	137,800	137,800 *	0
Water Quality Fee Fund	5,929,000	5,909,000 *	(20,000)
<b>Total - Department of Environmental Quality</b>	<b>70,274,600</b>	<b>70,251,500 *</b>	<b>(23,100)</b>
Exposition and State Fair Board, AZ			
Arizona Exposition and State Fair Fund	16,358,000	16,358,000 *	0
Funeral Directors and Embalmers, Board of			
Board of Funeral Directors & Embalmers Fund	353,900	353,900 *	0
Game and Fish Department, AZ			
Game and Fish Fund	31,096,000	30,727,300 *	(368,700)
Waterfowl Conservation Fund	43,400	43,400 *	0
Wildlife Endowment Fund	16,000	16,000 *	0
Watercraft Licensing Fund	6,178,900	5,996,400 *	(182,500)
Game, Nongame, Fish and Endangered Species Fund	333,100	333,100 *	0
<b>Total - AZ Game and Fish Department</b>	<b>37,667,400</b>	<b>37,116,200 *</b>	<b>(551,200)</b>
Gaming, Department of			
Tribal State Compact Fund	2,259,700	2,246,700 *	(13,000)
State Lottery Fund	300,000	300,000 *	0
Arizona Benefits Fund	13,001,300	14,013,800 *	1,012,500
<b>Total - Department of Gaming</b>	<b>15,561,000</b>	<b>16,560,500 *</b>	<b>999,500</b>
Government Information Tech. Agency			
Information Technology Fund	2,841,000	2,843,800 *	2,800
State Web Portal Fund	3,700,000	5,000,000 *	1,300,000
<b>Total - Government Information Technology Agency</b>	<b>6,541,000</b>	<b>7,843,800 *</b>	<b>1,302,800</b>
Health Services, Department of			
Arizona State Hospital Fund	6,032,600	6,032,600	0
ASH Land Earnings Fund	350,000	350,000	0

	FY 2008 Estimate <sup>1/</sup>	FY 2009 JLBC <sup>2/</sup>	FY 2009 JLBC - FY 2008
Capital Outlay Stabilization Fund	1,578,100	1,578,100	0
Child Fatality Review Fund	100,000	100,000	0
Emergency Medical Services Operating Fund	5,360,500	5,360,500	0
Environmental Laboratory Licensure Revolving Fund	976,400	976,400	0
Federal Child Care and Development Fund Block Grant	829,200	829,200	0
Hearing and Speech Professionals Fund	343,200	343,200	0
Indirect Cost Fund	9,053,000	9,053,000	0
Newborn Screening Program Fund	6,829,600	6,168,600	(661,000)
Nursing Care Institution Resident Protection Fund	438,000	38,000	(400,000)
Substance Abuse Services Fund	2,500,000	2,500,000	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	35,324,800	35,324,800	0
Vital Records Electronic System Fund	502,200	502,200	0
Total - Department of Health Services	71,217,600	70,156,600	(1,061,000)
Historical Society, Arizona Capital Outlay Stabilization Fund	193,200	193,700 *	500
Homeopathic Medical Examiners, Board of Bd of Homeopathic Medical Examiners Fund	97,500	118,200 **	20,700
Housing, Department of Housing Trust Fund	897,300	955,400 *	58,100
Housing Development Fund	0	0 *	0
Total - Department of Housing	897,300	955,400 *	58,100
Industrial Commission of AZ Industrial Commission Administrative Fund	20,033,000	20,020,100 *	(12,900)
Insurance, Department of Captive Insurance Regulatory & Supervision Fund	0	0 *	0
Tobacco Tax and Health Care Fund - Medically Needy Account	200,000	0 *	(200,000)
Total - Department of Insurance	200,000	0 *	(200,000)
Judiciary - Supreme Court Confidential Intermediary and Fiduciary Fund	488,900	488,900	0
Court Appointed Special Advocate Fund	3,456,000	3,456,000	0
Criminal Justice Enhancement Fund	3,068,200	3,068,200	0
Defensive Driving School Fund	5,419,300	5,419,300	0
Judicial Collection Enhancement Fund	12,082,000	12,082,000	0
State Aid to the Courts Fund	3,945,900	2,945,900	(1,000,000)
Total - Supreme Court	28,460,300	27,460,300	(1,000,000)
Judiciary - Superior Court Criminal Justice Enhancement Fund	7,052,200	7,052,200	0
Judicial Collection Enhancement Fund	3,425,700 <sup>3/</sup>	3,425,700	0
Drug Treatment and Education Fund	500,000	500,000	0
Total - Superior Court	10,977,900	10,977,900	0
SUBTOTAL - Judiciary	39,438,200	38,438,200	(1,000,000)
Juvenile Corrections, Department of ADOA Risk Management Fund	0	0	0
Criminal Justice Enhancement Fund	689,800	689,800	0
State Charitable, Penal and Reformatory Institutions Land Fund	1,098,600	1,098,600	0
State Education Fund for Committed Youth	2,682,500	2,682,500	0
Total - Department of Juvenile Corrections	4,470,900	4,470,900	0
Land Department, State Due Diligence Fund	500,000	500,000 *	0
Environmental Special Plate Fund	220,000	220,000 *	0
ADOA Risk Management Fund	0	0 *	0
Total - State Land Department	720,000	720,000 *	0
Legislature Library, Archives & Public Records, AZ State Records Services Fund	680,600	680,600 *	0
Total - Legislature	680,600	680,600 *	0
Lottery Commission, AZ State State Lottery Fund	69,113,700 <sup>4/</sup>	70,427,500 * <sup>4/</sup>	1,313,800

	FY 2008 Estimate	<u>1/</u>	FY 2009 JLBC	<u>2/</u>	FY 2009 JLBC - FY 2008
Medical Board, Arizona					
Arizona Medical Board Fund	5,849,100		5,849,100	*	0
Medical Student Loans, Board of					
Medical Student Loan Fund	309,800		309,800	*	0
Mine Inspector, State					
Aggregate Mining Reclamation Fund	0		0		0
Naturopathic Physician Examiners Board					
Naturopathic Physicians Board of Medical Examiners Fund	611,300		608,700	*	(2,600)
Nursing, State Board of					
Board of Nursing Fund	3,816,100		3,603,500	*	(212,600)
Nursing Care Institution Administrators Board					
Nursing Care Institution Administrators' Licensing & Assisted Living Facility Managers' Certification Fund	377,000		377,000	*	0
Occupational Therapy Examiners, Board of					
Occupational Therapy Fund	247,000		247,000	*	0
Opticians, State Board of Dispensing					
Board of Dispensing Opticians Fund	127,400		125,400	*	(2,000)
Optometry, State Board of					
Board of Optometry Fund	203,500		203,500	*	0
Osteopathic Examiners, AZ Board of					
Board of Osteopathic Examiners Fund	694,800		694,800	*	0
Parks Board, Arizona State					
State Parks Enhancement Fund	7,701,900		7,201,900	*	(500,000)
Law Enforcement and Boating Safety Fund	1,092,700		1,092,700	*	0
Off-Highway Vehicle Recreation Fund	0		0	*	0
Reservation Surcharge Fund	541,100		541,100	*	0
Total - Arizona State Parks Board	9,335,700		8,835,700	*	(500,000)
Pharmacy, AZ State Board of					
Board of Pharmacy Fund	2,520,800		1,912,000	*	(608,800)
Physical Therapy Examiners, Board of					
Board of Physical Therapy Fund	393,700		363,500	*	(30,200)
Pioneers' Home, AZ					
Miners' Hospital Fund	1,751,000		1,751,000	*	0
State Charitable Fund	3,558,400		3,662,600	*	104,200
Total - AZ Pioneers' Home	5,309,400		5,413,600	*	104,200
Podiatry Examiners, State Board of					
Podiatry Fund	144,300		144,400	*	100
Postsecondary Education, Commission for					
Postsecondary Education Fund	2,955,200		3,855,200	**	900,000
Private Postsecondary Education, Board for					
Board for Private Postsecondary Education Fund	336,600		336,600	*	0
Psychologist Examiners, State Board of					
Board of Psychologist Examiners Fund	389,800		410,900	**	21,100
Public Safety, Department of					
Arizona Deoxyribonucleic Acid Identification Fund	5,750,100		6,603,200		853,100
Arizona Highway Patrol Fund	21,321,400		21,620,000		298,600
Automated Fingerprint Identification Fund	3,299,200		3,299,200		0
Crime Laboratory Assessment Fund	5,881,400		5,844,600		(36,800)
Criminal Justice Enhancement Fund	3,290,300		3,290,300		0
Highway User Revenue Fund	10,000,000		10,000,000		0
Motor Vehicle Liability Insurance Enf. Fund	0		0		0
Motorcycle Safety Fund	205,000		205,000		0
Parity Compensation Fund	3,398,300		3,398,300		0
Risk Management Fund	296,200		296,200		0
Safety Enforcement and Transportation Infrastructure Fund	1,564,100		1,564,100		0
State Highway Fund	10,000,000		10,000,000		0
Total - Department of Public Safety	65,006,000		66,120,900		1,114,900
Racing, Arizona Department of					
County Fair Racing Fund	450,000		450,000	*	0
Racing Administration Fund	67,000		67,000	*	0
Total - Arizona Department of Racing	517,000		517,000	*	0

	FY 2008 Estimate	1/ FY 2009 JLBC	2/ FY 2009 JLBC - FY 2008
Radiation Regulatory Agency			
State Radiologic Technologist Certification Fund	291,800	291,800 *	0
Residential Utility Consumer Office			
Residential Utility Consumer Office Revolving Fund	1,313,100	1,313,100 *	0
Respiratory Care Examiners, Board of			
Board of Respiratory Care Examiners' Fund	264,700	263,000 *	(1,700)
Retirement System, Arizona State			
Long-Term Disability Administration Account	2,800,000	2,800,000 *	0
State Retirement System Administration Account	20,067,800	21,014,600 *	946,800
Total - Arizona State Retirement System	<u>22,867,800</u>	<u>23,814,600 *</u>	<u>946,800</u>
Revenue, Department of			
Tobacco Tax and Health Care Fund	630,500	662,800 *	32,300
Estate and Unclaimed Property Fund	3,439,200	3,418,800 *	(20,400)
Risk Management Fund	0	0 *	0
Liability Setoff Fund	430,900	425,100 *	(5,800)
Total - Department of Revenue	<u>4,500,600</u>	<u>4,506,700 *</u>	<u>6,100</u>
Secretary of State			
Election Systems Improvement Fund	15,002,000	4,002,000 *	(11,000,000)
Professional Employer Organization Fund	98,200	98,200 *	0
Total - Secretary of State	<u>15,100,200</u>	<u>4,100,200 *</u>	<u>(11,000,000)</u>
State Boards' Office			
Special Services Revolving Fund	280,000	280,000 *	0
Structural Pest Control Commission			
Structural Pest Control Commission Fund	2,888,400	2,787,100 *	(101,300)
Technical Registration, State Board of			
Technical Registration Fund	1,766,600	1,754,400 *	(12,200)
Transportation, Department of			
Air Quality Fund	71,700	71,700	0
Driving Under the Influence Abatement Fund	143,300	143,300	0
Highway User Revenue Fund	617,000	617,000	0
Motor Vehicle Liability Insurance Enforcement Fund	2,456,900	2,456,900	0
Safety Enforcement and Transportation Infrastructure Fund	2,172,400	2,172,400	0
State Aviation Fund	2,641,900	2,353,900	(288,000)
State Highway Fund	418,166,800	419,955,200	1,788,400
Transportation Department Equipment Fund	39,147,800	39,147,800	0
Vehicle Inspection & Title Enforcement Fund	1,809,700	1,719,700	(90,000)
Total - Department of Transportation	<u>467,227,500</u>	<u>468,637,900</u>	<u>1,410,400</u>
Treasurer, State			
State Treasurer's Management Fund	33,800	1,300	(32,500)
Total - State Treasurer	<u>33,800</u>	<u>1,300</u>	<u>(32,500)</u>
Universities			
Arizona State University - Main Campus			
University Collections Fund	233,624,000	236,073,700	2,449,700
Tobacco Tax and Health Care Fund		0	
Medically Needy Account	0	0	0
Total - Arizona State University - Main Campus	<u>233,624,000</u>	<u>236,073,700</u>	<u>2,449,700</u>
Arizona State University - East Campus			
University Collections Fund	21,338,400	25,151,200	3,812,800
Technology and Research Initiative Fund	2,000,000	2,000,000	0
Total - Arizona State University - East Campus	<u>23,338,400</u>	<u>27,151,200</u>	<u>3,812,800</u>
Arizona State University - West Campus			
University Collections Fund	23,057,400	25,092,500	2,035,100
Technology and Research Initiative Fund	1,600,000	1,600,000	0
Total - Arizona State University - West Campus	<u>24,657,400</u>	<u>26,692,500</u>	<u>2,035,100</u>
Northern Arizona University			
University Collections Fund	47,823,200	51,739,600	3,916,400
University of Arizona - Main Campus			
University Collections Fund	128,539,700	129,244,900	705,200
University of Arizona - Health Sciences Center			
University Collections Fund	14,158,700	14,063,000	(95,700)
SUBTOTAL - Universities	<u>472,141,400</u>	<u>484,964,900</u>	<u>12,823,500</u>

	FY 2008 Estimate	FY 2009 JLBC	FY 2009 JLBC - FY 2008
Veterans' Services, Department of			
State Veterans' Conservatorship Fund	747,400	747,400 *	0
State Home for Veterans' Trust Fund	13,740,400	13,740,400 *	0
Total - Department of Veterans' Services	<u>14,487,800</u>	<u>14,487,800 *</u>	<u>0</u>
Veterinary Medical Examining Board			
Veterinary Medical Examining Board Fund	480,200	470,700 *	(9,500)
Water Resources, Department of			
Assured and Adequate Water Supply Admin Fund	1,124,600	1,124,600 *	0
Weights and Measures, Department of			
Air Quality Fund	1,544,900	1,552,700 *	7,800
Motor Vehicle Liability Insurance Enf. Fund	135,000	324,000 **	189,000
Total - Department of Weights and Measures	<u>1,679,900</u>	<u>1,876,700 **</u>	<u>196,800</u>
Statewide Adjustments - FY 08 - Unallocated	2,191,900	0	(2,191,900)
Lease-Purchase/PLTO	0	(150,000)	(150,000)
Supplementals	942,700	0	(942,700)
<b>OPERATING BUDGET TOTAL</b>	<u>\$2,605,579,400</u>	<u>\$2,571,079,000</u>	<u>(\$34,500,400)</u>
Capital	<u>368,959,000</u>	<u>362,471,200</u>	<u>(6,487,800)</u>
<b>GRAND TOTAL</b>	<u><u>2,974,538,400</u></u>	<u><u>2,933,550,200</u></u>	<u><u>(40,988,200)</u></u>

1/ Does not include proposed supplementals in individual agencies.

2/ Includes annualization of FY 2008 standard adjustments in FY 2009.

3/ Expenditure authority adjusted upward by \$700,000 as permitted by the General Appropriation Act.

4/ Revised Lottery forecast.

5/ Reflects tuition collections receipts above the amount appropriated by the Legislature in FY 2008. A footnote in the FY 2008 General Appropriation Act appropriated any tuition collections receipts above the appropriated amount to the university.

\* Already enacted.

\*\* Already enacted plus proposed supplemental.

**SUMMARY OF FY 2009 ANNUALIZATION AND OTHER ADJUSTMENTS I/**

<u>Budget Units</u>	General Fund Biennial Annualization	Other Fund Biennial Annualization	Other Fund PLTO/ Lease- Purchase
Accountancy, State Board of	-	67,400	2,600
Acupuncture Examiners, Board of	-	5,000	-
Administration, Department of	-	-	(215,100)
Administrative Hearings, Office of	69,400	-	-
Agriculture, AZ Department of	586,100	126,600	-
Appraisal, State Board of	-	29,900	-
Arts, Arizona Commission on the	39,500	-	-
Attorney General - Department of Law	2,327,300 <sup>2/</sup>	2,907,600	(48,000)
Automobile Theft Authority	-	145,800	-
Barbers, Board of	-	11,800	-
Behavioral Health Examiners, Board of	-	55,100	-
Capital Postconviction Public Defender Ofc, State	16,200	-	-
Charter Schools, State Board for	37,600	-	-
Chiropractic Examiners, State Board of	-	19,100	-
Commerce, Department of	202,900	67,900	-
Contractors, Registrar of	-	368,500	-
Corporation Commission	314,900	870,600	-
Cosmetology, Board of	-	58,500	-
Criminal Justice Commission, Arizona	-	19,300	900
Deaf and the Blind, Schools for the	1,386,600	-	-
Deaf and the Hard of Hearing, Comm. for the	-	60,800	-
Dental Examiners, State Board of	-	39,000	-
Drug & Gang Prevention Resource Center	-	26,000	-
Economic Security, Department of	-	-	400
Emergency & Military Affairs, Dept of	251,300	-	-
Environmental Quality, Department of	417,700	676,700	55,300
Equal Opportunity, Governor's Office of	15,600	-	-
Equalization, State Board of	19,400	-	-
Executive Clemency, Board of	66,100	-	-
Exposition and State Fair Board, AZ	-	291,900	-
Fire, Building and Life Safety, Department of	132,600	-	-
Funeral Directors and Embalmers, Board of	-	13,300	-
Game and Fish Department, AZ	-	765,200	-
Gaming, Department of	-	304,700	-
Geological Survey, Arizona	78,000	-	-
Government Information Tech. Agency	-	85,200	2,800
Governor, Office of the	342,100	-	-
Gov's Ofc of Strategic Planning & Budgeting	103,700	-	-
Health Services, Department of	-	-	42,600
Historical Society, Arizona	122,500	-	500
Historical Society, Prescott	46,700	-	-
Homeopathic Medical Examiners, Board of	-	4,300	-
Housing, Department of	-	46,100	-
Indian Affairs, AZ Commission of	14,400	-	-
Industrial Commission of AZ	-	603,900	-
Insurance, Department of	435,000	-	-
Judiciary			
Supreme Court	-	-	1,600
Court of Appeals	-	-	-
Superior Court	-	-	-
SUBTOTAL - Judiciary	-	-	1,600
Land Department, State	631,000	-	-
Law Enforcement Merit System Council	5,100	-	-

<u>Budget Units</u>	<u>General Fund Biennial Annualization</u>	<u>Other Fund Biennial Annualization</u>	<u>Other Fund PLTO/ Lease- Purchase</u>
Legislature			
Auditor General	599,600	-	-
House of Representatives	421,700	-	-
Joint Legislative Budget Committee	92,300	-	-
Legislative Council	141,000	-	-
Library, Archives & Public Records, AZ State	251,300	-	-
Senate	283,300	-	-
SUBTOTAL - Legislature	1,789,200	18,100	-
Liquor Licenses & Control, Department of	112,100	-	-
Lottery Commission, AZ State	-	285,500	-
Medical Board, Arizona	-	281,400	-
Mines & Mineral Resources, Department of	110,900	-	-
Naturopathic Physician Examiners Board	-	24,700	-
Nursing, State Board of	1,300	142,000	-
Nursing Care Institution Administrators Board	-	18,300	-
Occupational Therapy Examiners, Board of	-	7,100	-
Opticians, State Board of Dispensing	-	5,300	-
Optometry, State Board of	-	9,100	-
Osteopathic Examiners, AZ Board of	-	34,200	-
Parks Board, Arizona State	312,200	352,600	-
Personnel Board	12,900	-	-
Pharmacy, AZ State Board of	-	65,500	-
Physical Therapy Examiners, Board of	-	13,900	-
Pioneers' Home, AZ	24,000	203,800	-
Podiatry Examiners, State Board of	-	5,600	-
Postsecondary Education, Commission for	6,500	14,100	-
Private Postsecondary Education, Board for	-	18,200	-
Psychologist Examiners, State Board of	-	15,500	-
Racing, Arizona Department of	103,200	-	-
Radiation Regulatory Agency	63,600	9,900	-
Real Estate Department, State	251,000	-	-
Residential Utility Consumer Office	-	39,200	2,500
Respiratory Care Examiners, Board of	-	11,200	-
Retirement System, Arizona State	-	634,200	-
Revenue, Department of	2,504,600	67,500	-
Secretary of State	125,700	5,400	-
State Boards' Office	-	20,000	-
Structural Pest Control Commission	-	118,200	(100)
Tax Appeals, State Board of	12,700	-	-
Technical Registration, State Board of	-	54,200	4,000
Veterans' Services, Department of	177,300	473,600	-
Veterinary Medical Examining Board	-	19,700	-
Water Resources, Department of	648,100	24,200	-
Weights and Measures, Department of	59,200	39,200	-
<b>TOTAL</b>	<b>13,976,200</b>	<b>10,701,600</b>	<b>(150,000)</b>

1/ Reflects annualization of FY 2008 employee salary, retirement, health insurance, rent and Attorney General and human resources pro rata charge costs for biennial budget units in FY 2009. The Privatized Lease To Own (PLTO)/Lease Purchase column reflects new adjustments in FY 2009.

2/ Attorney General General Fund Biennial Annualization is reduced to reflect a scheduled lease-purchase decrease .

## FY 2008 AND FY 2009 SUPPLEMENTALS

	Change to Original '08 Budget		Change to Original '09 Budget <u>2/</u>
<b><u>General Fund</u></b>			
AHCCCS	57,000,000		0
Department of Health Services	7,072,300		0
State Land Department	(200,000)	<u>1/</u>	0
AZ Navigable Stream Adjudication Commission	200,000		0
General Fund - Total	\$64,072,300		\$0
<b><u>Other Funds</u></b>			
Corporation Commission	0		53,100
Board of Homeopathic Medical Examiners	0		22,400
Commission for Postsecondary Education	675,000	<u>1/</u>	900,000
State Board of Psychologist Examiners	0		13,500
Arizona State Retirement System	267,700	<u>1/</u>	267,700
Weights and Measures, Department of	0		199,200
Other Funds - Total	\$942,700		\$1,455,900

1/ Represents biennial budget units that already have an enacted FY 2008 budget.

2/ Represents biennial budget units that already have an enacted FY 2009 budget.



**SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES  
For Fiscal Years 2007, 2008 and 2009 I/**

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
<b>BUDGET UNITS</b>			
Department of Administration (ADA)			
Administration - AFIS II Collections (4203)	1,547,600	1,738,600	1,738,600
Americans with Disabilities Act, Arizona Office for (2001)	239,100	207,000	148,400
Certificate of Participation (5005)	35,980,300	36,439,700	28,994,500
Construction Insurance (4219)	1,051,900	1,381,800	1,825,100
Consumer Loss Recovery (2469)	7,100	80,000	50,000
Co-Op State Purchasing Agreement (4213)	174,000	316,400	6,601,200
Electronic Commerce (2482)	0	0	0
Emergency Telecommunication Services Revolving (2176)	21,319,600	23,964,100	23,964,100
Employee Related Expenditures/Benefits Admin (ITA3035)	35,024,700	33,449,700	36,791,700
Federal Grants (2000)	398,800	34,400	24,600
IGA & ISA Fund (2500)	12,443,800	28,490,800	7,551,500
Management Services Division Plan Deposits (3196)	0	0	0
Personnel Division (1107)	0	0	0
Privatized Lease to Own (5010)	21,003,000	11,017,600	11,304,700
Retiree Accumulated Sick Leave (YYA3200)	10,570,200	11,227,200	11,895,900
Special Employee Health Insurance Trust (ITA3015)	598,382,900	625,272,200	740,386,800
Special Events (2503)	16,200	25,100	25,100
Special Services Revolving (4208)	2,095,800	2,219,900	2,219,900
State Employee Suggestion Program Award (3190)	0	0	0
State Employee Travel Reduction (2261)	570,400	638,700	638,700
State Traffic and Parking Control (2453)	11,900	18,500	18,500
Statewide Donation (2025)	208,300	384,700	276,200
Department of Administration - Subtotal	<u>\$741,045,600</u>	<u>\$776,906,400</u>	<u>\$874,455,500</u>
Office of Administrative Hearings (HGA)			
IGA and ISA (2500)	\$1,546,300	\$1,630,700	\$1,630,300
Arizona Department of Agriculture (AHA)			
Administrative Support (2436)	34,600	40,800	40,800
Agriculture Protection, Arizona (2381)	7,500	0	0
Beef Council (2083)	615,700	620,000	620,000
Citrus Research Council (2299)	45,300	42,000	42,000
Commodity Promotion (2458)	16,400	1,100	1,100
Cotton Research and Protection Council Abatement (2013)	2,076,300	2,100,000	2,138,300
Designated (3011)	1,304,800	1,339,100	1,017,200
Equine Inspection (2489)	4,200	4,200	4,200
Federal (2000)	7,010,600	3,887,200	3,608,700
Federal-State Inspection, Arizona (2113)	2,919,700	3,491,100	3,491,100
Grain Research, Arizona (2201)	118,900	114,200	114,200
Iceberg Lettuce Research Council (2259)	99,400	95,800	95,800
Indirect Cost Recovery (9000)	99,900	208,900	208,900
Livestock and Crop Conservation (2378)	1,312,700	1,927,500	1,927,500
Arizona Department of Agriculture - Subtotal	<u>\$15,666,000</u>	<u>\$13,871,900</u>	<u>\$13,309,800</u>
AHCCCS (HCA)			
County Contributions (2120/2223)	275,630,100	295,596,500	309,731,800
Employee Recognition (2025)	51,400	55,000	55,000
Federal Funds (2120/2223)	3,268,421,900	3,585,437,400	3,935,053,700
Federal - Medicaid Direct Services (2120)	37,059,700	39,342,800	39,670,200
Federal Grants (2000)	597,300	5,942,900	5,942,900
Healthcare Group (3197)	70,729,200	62,142,600	65,003,500
Hospital Loan Residency (2532)	0	0	0
Intergovernmental Service (2438)	7,269,000	9,411,900	9,411,900
Proposition 202 - Trauma & Emergency Services (2494)	22,714,800	30,210,500	35,949,800
Third Party Collections (3791/3019)	28,400	194,700	194,700
Tobacco Litigation Settlement, Arizona (TRA2561)	90,319,600	92,004,100	92,004,100
Tobacco Products Tax Fund - Proposition 204 Protection Account	60,456,700	61,455,100	54,004,600
Tobacco Tax & Health Care - Medically Needy Account (1306)	1,300,900	0	0
Tobacco Tax & Health Care - Premium Sharing Demonstration Project (2151)	0	0	0
AHCCCS - Subtotal	<u>\$3,834,579,000</u>	<u>\$4,181,793,500</u>	<u>\$4,547,022,200</u>

**SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES  
For Fiscal Years 2007, 2008 and 2009 1/**

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
AZ Commission on the Arts (HUA)			
Arts Endowment (3106)	419,000	1,058,000	1,058,000
Arts Special Revenues (2116)	899,900	899,900	899,900
Arts Trust, Arizona (3014)	1,391,500	1,420,600	1,420,600
AZ Commission on the Arts - Subtotal	<u>\$2,710,400</u>	<u>\$3,378,500</u>	<u>\$3,378,500</u>
Attorney General - Department of Law (AGA)			
Anti-Racketeering Revolving (2131)	44,277,500	22,165,700	22,400,700
Attorney General Expendable Trust (3102)	0	0	0
CJEF Distribution to County Attorneys (2068)	4,286,300	4,417,300	4,598,600
Colorado River Land Claims Revolving (2430)	1,400	1,400	1,400
Court-Ordered Trust (3180)	109,098,500	2,048,400	2,048,400
Criminal Case Processing (2461)	25,900	28,400	30,700
Federal Funds (2117)	5,627,400	6,480,100	6,807,000
Intergovernmental Agreements (2500)	367,800	280,600	283,900
Motor Carrier Safety Revolving (2380)	0	0	0
Prosecuting Attorneys' Advisory Council Training (2057)	1,251,300	1,251,300	1,251,300
Street Gang Enforcement Revolving (1022)	70,000	106,300	106,600
Victim Witness (2228)	51,700	56,900	65,900
Attorney General - Department of Law - Subtotal	<u>\$165,057,800</u>	<u>\$36,836,400</u>	<u>\$37,594,500</u>
Automobile Theft Authority (ATA)			
Federal Grants (2000)	\$0	\$0	\$0
Arizona Biomedical Research Commission			
Disease Control Research (DIA2090)	1,848,700	4,351,700	\$4,359,100
Tobacco Tax & Health Care - Health Research Account (DSA2096)	5,576,500	12,933,300	12,043,900
Arizona Biomedical Research Commission - Subtotal	<u>\$7,425,200</u>	<u>\$17,285,000</u>	<u>\$16,403,000</u>
Citizens Clean Election Commission			
Citizens Clean Election Fund (2425)	\$11,083,900	\$15,808,200	\$9,996,700
Department of Commerce (EPA)			
Arizona Twenty-First Century Competitive Initiative (2524)	0	0	0
Commerce and Economic Development Commission (2245)	719,200	2,349,300	2,169,300
CEDC Local Communities (2498)	542,200	218,000	218,000
Commerce Workshops (2149)	306,800	346,300	346,300
Donations (3189)	626,800	709,300	715,300
Federal Funds (2000)	5,971,500	5,209,900	4,543,000
Greater AZ Development Authority Revolving (2311)	384,200	737,100	737,100
IGA/ISA (9500)	412,200	444,000	444,000
Indirect Cost Recovery (9000)	148,800	203,400	203,400
International Development Authority (NA)	0	0	0
Job Training (1237)	6,119,600	51,553,600	26,478,500
Military Installation (1010)	0	0	0
Nursing Education Demonstration Project (2514)	0	0	0
Oil Overcharge (3171)	680,400	764,800	764,800
Recycling (2289)	95,800	96,600	96,600
Department of Commerce - Subtotal	<u>\$16,007,500</u>	<u>\$62,632,300</u>	<u>\$36,716,300</u>
Arizona Community Colleges (CMA)			
Tribal Assistance (NA)	548,900	564,500	554,000
Workforce Development Accounts (varies by account)	17,971,700	18,730,200	19,123,500
Arizona Community Colleges - Subtotal	<u>\$18,520,600</u>	<u>\$19,294,700</u>	<u>\$19,677,500</u>
State Compensation Fund (TRA)			
State Compensation Fund (9002) 2/	\$608,330,000	\$608,330,000	\$608,330,000
Registrar of Contractors (RGA)			
Residential Contractors' Recovery (3155)	\$6,247,300	6,445,700	6,452,500
Corporation Commission (CCA)			
Federal (2000)	278,700	410,700	410,700
Public Access - Money on Deposit Subaccount (2334)	0	0	0
Statewide Donations (ADA2025)	43,400	62,000	2,700
Utility Siting (2076)	85,900	0	0
Utility Surety (2321)	0	0	0
Corporation Commission - Subtotal	<u>\$408,000</u>	<u>\$472,700</u>	<u>\$413,400</u>
State Department of Corrections (DCA)			
Correctional Industries Revolving, Arizona (4002)	27,736,500	33,903,900	33,903,900
Corrections Donations (3147)	69,700	50,000	50,000
Criminal Justice Enhancement (2035)	4,951,300	5,632,700	5,632,700

## SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES For Fiscal Years 2007, 2008 and 2009 1/

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
Drug Treatment and Education Revolving (2277)	0	0	
Federal (2000)	1,265,900	28,103,000	28,103,000
Indirect Cost Recovery (9000)	25,000	24,900	24,900
Inmate Store Proceeds (2505)	964,200	450,300	450,300
Interagency Service Agreement (2500)	519,100	636,600	636,600
Penitentiary Land (3140)	0	0	0
Risk Management Insurance Reimbursement (3748)	295,100	250,000	250,000
Special Services (3187)	4,407,800	3,850,000	3,850,000
State Charitable, Penal, and Reformatory Institutions Land (3141)	225,200	0	0
State DOC Revolving (2515)	3,837,300	3,598,800	3,598,800
Statewide Employee Recognition Gifts/Donation (2449)	0	0	0
State Department of Corrections - Subtotal	<u>\$44,297,100</u>	<u>\$76,500,200</u>	<u>\$76,500,200</u>
Arizona Criminal Justice Commission (JCA)			
Driving Under the Influence Abatement (2422)	1,752,500	2,158,300	2,084,100
Drug & Gang Enforcement Account (2134)	7,372,600	8,561,500	8,922,400
Federal Grants (2000)	14,989,400	20,759,700	21,613,700
Resource Center (2280)	295,900	295,900	295,900
Arizona Criminal Justice Commission - Subtotal	<u>\$24,410,400</u>	<u>\$31,775,400</u>	<u>\$32,916,100</u>
Arizona State Schools for the Deaf and the Blind (SDA)			
Enterprise (4222)	92,900	105,500	105,500
Federal Grants (2000)	1,892,500	3,513,900	3,455,800
Instructional Improvement (2492)	115,500	231,900	231,900
Non-Federal Grants (2011)	823,000	53,200	48,800
Regional Cooperatives (4221)	14,881,900	18,162,400	18,162,400
ASDB Classroom Site (2486)	2,218,300	2,850,000	2,850,000
Trust (3148)	70,900	150,000	150,000
Arizona State Schools for the Deaf and the Blind - Subtotal	<u>\$20,095,000</u>	<u>\$25,066,900</u>	<u>\$25,004,400</u>
Commission for the Deaf and the Hard of Hearing (DFA)			
Private Grants (2423)	0	20,200	0
Commission for the Deaf & the Hard of Hearing - Subtotal	<u>\$0</u>	<u>\$20,200</u>	<u>\$0</u>
Arizona Drug and Gang Prevention Resource Center (DPA)			
Federal Grants & Intergovernmental Agreements (9445)	1,086,600	1,337,400	1,336,000
Private and Non-Profit Grants (9446)	26,700	57,400	57,400
AZ Drug and Gang Prevention Resource Center - Subtotal	<u>\$1,113,300</u>	<u>\$1,394,800</u>	<u>\$1,393,400</u>
Arizona Early Childhood Development & Health Board			
Early Childhood Development & Health (NA)	\$330,100	\$27,249,500	\$25,776,000
Department of Economic Security (DEA)			
Capital Investment (2093)	7,700	7,500	7,500
Child Passenger Restraint (2192)	223,600	215,000	215,000
Child Protective Services Expedited Substance Abuse Treatment (2421)	0	0	0
Child Support Enforcement Administration (2091)	3,997,900	4,157,800	4,157,800
Community-Based Marriage and Communication Skills Program (2434)	0	0	0
DES Client Trust (3152)	1,648,500	1,688,500	1,688,500
Developmentally Disabled Client Services Trust (2019)	160,300	160,300	160,300
Economic Security Donations (3145)	10,800	11,000	11,000
Federal Grants (2000)	598,717,000	612,887,300	612,887,300
Industries for the Blind, Arizona (4003)	17,919,100	19,008,400	19,008,400
Joint Substance Abuse Treatment (2429)	0	0	0
Long Term Care System - Federal Matched (2225)	469,139,400	518,367,400	577,445,700
Mesa Land (3151)	0	0	0
Neighbors Helping Neighbors (2348)	33,900	29,600	29,600
Special Olympics Arizona (3207)	85,000	85,000	85,000
Unemployment Insurance Benefits (TRA9005)	226,418,800	255,000,000	255,000,000
Utility Assistance (3092)	709,000	918,000	0
Dept. of Economic Security - Subtotal	<u>\$1,319,071,000</u>	<u>\$1,412,535,800</u>	<u>\$1,470,696,100</u>
Department of Education (EDA)			
Academic Contest (1006)	0	0	0
American Competitiveness Project (2361)	0	0	0
Assistance for Education (2420)	0	75,000	75,000
Certificate of Participation (5005)	0	0	0
Character Education Special Plate (2522)	0	0	0
Charter Schools Stimulus (1007)	0	0	0

**SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES  
For Fiscal Years 2007, 2008 and 2009 I/**

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
Classroom Site (2471)	412,772,200	510,777,600	553,874,200
Displaced Pupils Choice Grant (2533)	0	0	0
E-Learning (1020)	0	0	0
Education Commodity (4210)	125,400	164,000	164,000
Education Donations (2025)	1,660,500	1,101,400	1,101,400
English Learner Classroom Personnel Bonus (2485)	0	0	0
Extraordinary Special Education Needs (2483)	0	0	0
Failing Schools Tutoring (2470)	5,509,800	1,500,000	1,500,000
Federal (2000)	873,434,900	889,375,400	889,375,400
Full-Day Kindergarten (2507)	0	0	0
Golden Rule Special Plate (2513)	0	0	0
Government Education, Arizona (2362)	0	0	0
IGA and ISA (2500)	2,620,400	2,800,300	2,800,300
Indirect Cost Recovery (9000)	4,298,000	5,617,400	5,617,400
Instructional Improvement (2492)	34,669,300	45,000,000	45,000,000
Internal Services (4209)	2,685,800	1,123,700	1,123,700
Mathematics or Science Achievement Program (2363)	0	0	0
Production Revolving (4211)	1,598,600	1,534,000	1,534,000
Proposition 301 (1014)	98,384,600	94,425,100	94,425,100
Research Based Reading Instruction & Reading Instruction Training (2413)	0	0	0
Scholarships for Pupils with Disabilities Program, AZ (2534)	0	0	0
Special Education (1009)	0	0	0
Statewide Compensatory Instruction (2528)	0	0	0
Structured English Immersion, Arizona (2535)	0	0	0
Youth Farm Loan, Arizona (2136)	0	0	0
Department of Education - Subtotal	<u>\$1,437,759,500</u>	<u>\$1,553,493,900</u>	<u>\$1,596,590,500</u>
Department of Emergency & Military Affairs (MAA)			
Camp Navajo (2106)	8,792,300	8,207,700	8,411,000
Emergency Management Registration Fees (2087)	31,200	31,200	31,200
Federal Funds - Emergency (2000)	63,541,700	29,648,000	14,332,300
Federal Funds - Military (2000)	30,094,800	31,011,200	35,896,500
Freedom Academy (2104)	0	0	0
Morale, Welfare and Recreation (2124)	65,500	67,700	64,900
National Guard (2140)	246,900	186,500	187,000
National Guard Relief (NA)	0	0	0
Nuclear Emergency Management (AEA2138)	0	0	0
State Armory Property (2146)	1,370,000	8,500	8,500
Department of Emergency & Military Affairs - Subtotal	<u>\$104,142,400</u>	<u>\$69,160,800</u>	<u>\$58,931,400</u>
Department of Environmental Quality (EVA)			
Air Quality - Clean Air Subaccount (2240)	0	0	0
Brownfields Cleanup Revolving Loan (2456)	0	0	0
Clean Air Fund Balance, Arizona (2250)	0	0	0
Clean Air, Arizona (1238)	0	0	0
Clean Water Revolving (2254)	109,189,500	97,917,900	97,917,900
Donations (2449)	7,800	3,000	3,000
Drinking Water Revolving (2307)	82,490,300	45,918,000	45,918,000
Federal (2000)	17,086,200	19,356,800	19,356,800
Greenfields Program (2309)	0	0	0
Hardship Grant (2437)	4,100	5,000	0
IGA & ISA (2500)	1,653,700	2,463,200	2,463,200
Institutional and Engineering Control (2563)	0	0	0
Intergovernmental Agreements (2180)	0	0	0
Monitoring Assistance (2308)	557,500	664,600	664,600
Small Water Systems (2225)	0	0	0
Specific Site Judgment (3006)	50,300	0	0
Technical Appeals Program (3411)	0	0	0
UST - Area A Assurance Account (2271)	16,353,100	19,655,700	19,655,700
UST - Cleanup Municipalities (2271)	0	0	0
UST - Grant Account (2271)	0	0	0
UST - Municipal Tank Closure & Corrective Action Program Account (2271)	470,000	470,000	470,000
UST - Non-Maricopa County Assurance Account (2271)	16,557,300	19,859,800	19,859,800
UST - Policy Commission (2271)	10,000	10,000	10,000

**SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES  
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	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
UST - Regulatory Account (2271)	1,050,500	1,050,500	1,050,500
UST - Technical Appeals (2271)	10,000	10,000	10,000
Voluntary Lawn & Garden Equipment Emissions Reduction (2306)	0	0	0
Voluntary Remediation (2564)	264,100	559,100	559,100
Voluntary Vehicle Repair & Retrofit (2365)	803,800	1,045,900	1,045,900
Water Quality Assurance Revolving (2221)	16,516,000	23,022,900	23,022,900
Water Supply Development (NA)	0	0	0
Department of Environmental Quality - Subtotal	<u>\$263,074,200</u>	<u>\$232,012,400</u>	<u>\$232,007,400</u>
Equal Opportunity, Governor's Office of (AFA)			
Equal Employment & Economic Development (2000)	\$60,700	68,000	58,000
State Department of Financial Institutions (BDA)			
Escrow Recovery, Arizona (2341)	0	0	0
IGA and ISA Fund (2500)	265,600	261,600	261,600
Receivership Revolving (3023)	36,900	41,200	41,200
Revolving (2126)	1,471,600	1,200,000	1,200,000
State Department of Financial Institutions - Subtotal	<u>\$1,774,100</u>	<u>\$1,502,800</u>	<u>\$1,502,800</u>
Department of Fire, Building and Life Safety (MMA)			
Arson Detection Reward (2169)	4,600	4,600	4,600
Building and Fire Safety (2211)	112,400	111,400	111,400
Condominium and Planned Community Hearing Office (2537)	29,400	0	0
Consumer Recovery (3090)	0	0	0
Manufactured Housing Cash Bond (3722)	0	0	0
Mobile Home Relocation (2237)	592,400	613,500	613,500
Department of Fire, Building and Life Safety - Subtotal	<u>\$738,800</u>	<u>\$729,500</u>	<u>\$729,500</u>
Arizona Game & Fish Department (GFA)			
Conservation Development (2062)	1,005,000	3,005,100	3,005,100
Federal (2000)	0	0	0
Firearms Safety and Ranges (2442)	3,201,200	465,300	0
Game and Fish Big Game Permit (3712)	0	0	0
Game and Fish Federal Revolving (2028)	27,637,800	29,649,300	28,861,600
Game and Fish Heritage, AZ (2295)	11,036,800	12,266,300	11,662,900
Game and Fish Publications Revolving (4007)	284,600	235,500	235,500
Indirect Cost Recovery (9000)	1,817,000	1,888,500	1,888,700
Off Highway Vehicle Recreation (2253)	882,900	1,065,000	1,040,900
Trust (3111)	6,294,400	2,072,100	2,072,100
Wildlife Conservation, AZ (2497)	4,940,500	10,482,600	7,322,200
Wildlife Theft Prevention (2080)	143,800	161,600	161,600
Arizona Game & Fish Department - Subtotal	<u>\$57,244,000</u>	<u>\$61,291,300</u>	<u>\$56,250,600</u>
Arizona Geological Survey (GSA)			
Federal Grants (2000)	264,300	301,600	245,200
Geological Survey (3030)	536,900	824,200	493,700
Arizona Geological Survey - Subtotal	<u>\$801,200</u>	<u>\$1,125,800</u>	<u>\$738,900</u>
Office of the Governor (GVA)			
Arizona Fund (3021)	0	0	0
County Fairs Livestock & Agricultural Promotion (2037)	1,147,500	1,405,500	1,205,000
Energy Conservation, Arizona (3209)	0	0	0
Federal Grant (2000)	13,817,300	26,605,500	18,704,200
Governor's Arizona Promotional & Public Service (3207)	16,700	16,700	16,700
Governor's Domestic Violence Prevention (2025)	0	0	0
Governor's Endowment Partnership (3206)	1,500	0	2,000
Governor's Office for Children (3192)	0	0	0
Governor's Spirit of Excellence (3208)	0	0	0
Prevention of Child Abuse (2439)	579,600	681,400	630,000
Public Interest (3016)	0	0	0
Office of the Governor - Subtotal	<u>\$15,562,600</u>	<u>\$28,709,100</u>	<u>\$20,557,900</u>
Department of Health Services (HSA)			
Addiction Reduction and Recovery (2523)	0	0	0
Arizona State Hospital Capital Construction (ADA2466)	0	0	0
Breast and Cervical Cancer Screening and Diagnostic Special Plate Fund (2513)	0	0	0
Children's Behavioral Health Tobacco Settlement (63021)	0	0	0
Donations - DHS (3010/2025)	532,300	364,600	364,600
Donations - Statewide (2025)	13,700	11,800	11,800

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	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
Federal Grants (2000)	262,013,500	261,557,200	261,560,700
IGA/County Contributions (2144/2500)	77,772,100	73,847,700	73,847,700
Indirect Cost Recovery (9000)	0	0	0
Internal Services (4202)	0	0	0
Medical Services Enhancement (MSEF) (TRA2186)	0	0	0
Oral Health (2329)	82,700	53,300	53,300
Prescription Drug Advisory Council (3040)	0	0	0
Risk Assessment (2427)	46,300	46,300	46,300
Serious Mental Illness Services (2464)	0	0	0
Smoke-Free Arizona (2541)	905,000	883,600	883,600
Title XIX Services (2500)	566,929,100	659,756,800	740,569,800
Tobacco Tax & Health Care - Health Crisis Fund (2312)	140,400	1,000,000	1,000,000
Tobacco Tax & Health Care - Health Education Account (1308)	30,881,800	30,703,400	30,703,400
Tobacco Tax & Health Care - Health Research Account (DSA2096)	0	0	0
Tobacco Tax & Health Care - Medically Needy Account (1306)	46,900	46,900	46,900
Vital Records Electronic Systems (3039)	1,301,000	1,000,000	0
Department of Health Services - Subtotal	<u>\$940,664,800</u>	<u>\$1,029,271,600</u>	<u>\$1,109,088,100</u>
Arizona Historical Society (HIA)			
Federal Grants (2000)	0	0	0
Permanent Arizona Historical Society Revolving (2900)	161,300	234,100	226,500
Preservation and Restoration (2125)	54,100	41,600	41,700
Private (9447)	549,300	543,300	506,500
Private Grants (9449)	50,100	123,800	44,800
Restricted (9448)	315,100	6,894,200	31,220,200
Trust (9450)	1,700	8,600	10,000
Arizona Historical Society - Subtotal	<u>\$1,131,600</u>	<u>\$7,845,600</u>	<u>\$32,049,700</u>
Prescott Historical Society of Arizona (PHA)			
Sharlot Hall Historical Society (9505)	\$783,400	\$1,381,900	\$1,381,900
Department of Homeland Security (HLA)			
Federal Funds (2000)	\$6,338,100	\$14,737,600	\$14,702,700
Arizona Department of Housing (HDA)			
Federal Funds (2000)	63,387,600	64,916,000	66,875,700
Housing Development (2313)	231,600	381,700	0
Housing Program (9600)	4,070,400	4,780,300	5,022,000
Housing Trust (2235)	24,903,000	37,793,200	48,595,700
IGA & ISA Fund (2500)	3,091,000	4,722,300	5,125,800
Arizona Department of Housing - Subtotal	<u>\$95,683,600</u>	<u>\$112,593,500</u>	<u>\$125,619,200</u>
Arizona Commission of Indian Affairs (IAA)			
IGA and ISA (2500)	0	0	0
Arizona Indian Town Hall (4014)	3,500	42,000	17,000
Publications (4013)	0	8,300	4,000
Statewide Donations (2025)	10,500	18,500	11,000
AZ Commission of Indian Affairs - Subtotal	<u>\$14,000</u>	<u>\$68,800</u>	<u>\$32,000</u>
Industrial Commission of Arizona (ICA)			
Federal Grants (2000)	4,348,200	4,821,400	4,810,400
Revolving (2002)	220,100	224,200	224,200
Special (9003)	60,275,400	49,774,900	42,375,000
Industrial Commission of Arizona- Subtotal	<u>\$64,843,700</u>	<u>\$54,820,500</u>	<u>\$47,409,600</u>
Department of Insurance (IDA)			
Assessment Fund for Voluntary Plans (2316)	176,900	185,200	185,200
Captive Insurance Regulatory/Supervision (2377)	283,200	338,200	338,200
Financial Surveillance (2473)	299,800	369,300	369,300
Health Care Appeals (2467)	138,100	150,800	150,800
Insurance Examiners' Revolving (2034)	4,991,200	5,482,200	5,682,200
Life and Disability Insurance Guaranty (2154)	1,103,800	1,548,900	1,548,900
Property and Casualty Insurance Guaranty, AZ (2114)	1,213,600	4,132,100	4,132,100
Receivership Liquidation (3104)	98,400	109,200	109,200
Department of Insurance - Subtotal	<u>\$8,305,000</u>	<u>\$12,315,900</u>	<u>\$12,515,900</u>
Judiciary - Supreme Court (SPA)			
Alternative Dispute Resolution (3245)	101,100	513,400	513,400
Certified Reporters (2440)	122,500	160,000	160,000

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	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
Grants and Special Revenue (2084)	8,164,100	9,160,900	9,160,900
Lengthy Trial, Arizona (2382)	608,800	613,100	613,100
Public Defender Training (3013)	0	72,900	72,900
Judiciary - Supreme Court - Subtotal	<u>\$8,996,500</u>	<u>\$10,520,300</u>	<u>\$10,520,300</u>
Judiciary - Superior Court (SPA)			
Community Punishment Program Fines (2119)	93,000	100,000	100,000
Criminal Justice Enhancement (2075)	0	0	0
Drug Enforcement Account (2075)	1,822,300	1,909,200	1,909,200
Drug Treatment and Education (2277)	4,235,900	4,422,400	4,422,200
Grants and Special Revenue (2084)	1,631,200	1,551,900	1,551,900
Juvenile Delinquent Reduction (2193)	705,000	507,700	507,700
State Aid to Detention (2141)	55,500	55,000	55,000
Judiciary - Superior Court - Subtotal	<u>\$8,542,900</u>	<u>\$8,546,200</u>	<u>\$8,546,000</u>
Department of Juvenile Corrections (DJA)			
Corrections (2088)	0	0	0
Career Technical Education, DJC (2326)	0	0	0
Federal (2000)	3,352,500	2,455,400	2,455,400
IGA and ISA Fund (2500)	479,800	473,300	473,300
Indirect Cost Recovery (9000)	25,100	77,000	77,000
Instructional Improvement (2492)	0	0	0
Juvenile Corrections (3024)	85,700	88,900	88,900
State Education System for Committed Youth Classroom Site (2487)	236,400	199,500	199,500
Statewide Employee Recognition Gifts/Donations (2025/2449)	800	3,000	3,000
Training Institute (2001)	0	0	0
Department of Juvenile Corrections - Subtotal	<u>\$4,180,300</u>	<u>\$3,297,100</u>	<u>\$3,297,100</u>
State Land Department (LDA)			
CAP Municipal & Industrial Repayment (2129)	9,100	0	0
Community Protection Initiative (2343)	0	0	0
Cooperative Forestry (2232)	4,441,000	5,716,900	5,873,600
Federal (2000)	9,400	2,800	0
Federal Reclamation Trust (2024)	36,700	0	0
Fire Suppression (2360)	12,889,400	12,407,700	9,326,100
Interagency Agreements (2212)	487,100	0	0
State Land Department (2451)	550,100	600,000	600,000
Military Airport Land Exchange (NA)	0	0	0
Resource Analysis Division Revolving (4009)	112,700	690,100	114,700
Riparian Acquisition Trust (3201)	0	0	0
Universities Timber Land Account (3134)	7,400	0	0
State Land Department - Subtotal	<u>\$18,542,900</u>	<u>\$19,417,500</u>	<u>\$15,914,400</u>
Legislature - Auditor General (AUA)			
Audit Services Revolving (2242)	\$1,459,200	\$1,812,000	\$1,812,000
Legislature - Dept. of Library, Archives & Public Records (LAA)			
Federal Grants (2000)	3,220,900	3,220,900	3,220,900
Gift Shop Revolving (4008)	68,600	68,400	68,400
State Library (2115)	341,100	340,800	340,900
Legislature - Dept. of Library, Archives & Pub. Recs - Subtotal	<u>\$3,630,600</u>	<u>\$3,630,100</u>	<u>\$3,630,200</u>
Department of Liquor Licenses and Control (LLA)			
Anti-Racketeering Revolving (2131)	0	0	0
Audit Surcharge (3010)	165,700	165,700	165,700
Enforcement Surcharge - Enforcement Unit (3012)	384,500	384,500	384,500
Enforcement Surcharge - Multiple Complaints (3011)	421,200	421,200	421,200
Federal Grants (2000)	502,500	0	0
Liquor License Lottery (3015)	98,300	98,300	98,300
Department of Liquor Licenses & Control - Subtotal 3/	<u>\$1,572,200</u>	<u>\$1,069,700</u>	<u>\$1,069,700</u>
Arizona State Lottery Commission (LAO)			
State Lottery (2122)	\$261,130,000	262,167,200	270,738,800
Local Transportation Assistance (NA)	23,000,000	23,000,000	23,000,000
County Assistance (NA)	7,650,000	7,650,000	7,650,000
MassTransit (LTAF II) (NA)	9,783,800	18,000,000	18,000,000
Arizona State Lottery Commission - Subtotal	<u>\$301,563,800</u>	<u>\$310,817,200</u>	<u>\$319,388,800</u>
State Mine Inspector (MIA)			
Abandoned Mines Safety (2408)	0	54,800	0
Federal Grants (2000)	267,400	277,400	277,400

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	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
IGA and ISA (2500)	0	50,000	0
State Mine Inspector - Subtotal	\$267,400	\$382,200	\$277,400
Department of Mines & Mineral Resources (MNA)			
Mines and Mineral Resources (3156)	\$230,300	\$236,300	\$236,300
State Board of Nursing (BNA)			
Nurse Aide Training & Registration (2000)	\$544,200	\$544,200	\$544,200
AZ Parents Commission on Drug Education & Prevention (PCA)			
Drug Treatment and Education (2277)	\$3,082,100	\$3,100,000	\$3,100,000
Arizona State Parks Board (PRA)			
Development Rights Retirement (NA)	0	0	0
Federal (2000)	3,547,800	3,171,500	3,007,500
Heritage, AZ State Parks Board (2296)	10,983,400	12,410,000	12,410,000
Land Conservation - Administration Account (2432)	164,100	500,000	102,459,700
Land Conservation - Donation Account (2432)	0	0	0
Land Conservation - Public Conservation Account (2432)	0	48,100,000	0
Off Highway Vehicle Recreation (2253)	1,084,000	2,100,000	2,100,000
Partnership (2448)	335,500	305,000	305,000
Publications and Souvenir Revolving (4010)	556,000	650,000	650,000
State Lake Improvement (2105)	4,616,800	12,274,000	10,274,000
State Parks Enhancement (2202)	411,100	2,198,100	2,698,100
State Parks Fund (3117)	253,600	275,000	275,000
Trail Fund, Arizona (2525)	0	0	0
Arizona State Parks Board - Subtotal	\$21,952,300	\$81,983,600	\$134,179,300
Arizona State Board of Pharmacy (PMA)			
Controlled Substances Prescription Monitoring Program (2359)	0	231,700	248,700
Federal Grant (2000)	56,500	36,000	20,000
Arizona State Board of Pharmacy - Subtotal	\$56,500	\$267,700	\$268,700
Arizona Pioneers' Home (PIA)			
IGA & ISA Fund (2500)	0	0	0
Pioneers' Home Fund (Cemetery Proceeds) (3144)	0	0	0
Pioneer's Home Fund (Donations) (3143)	0	0	0
Statewide Employee Recognition Gifts (2449)	0	0	0
Arizona Pioneers' Home - Subtotal	\$0	\$0	\$0
Commission for Postsecondary Education (PEA)			
Early Graduation Scholarship (2364)	0	0	0
Postsecondary Education Grant (2129)	0	0	0
Private Postsecondary Education Student Financial Assistance (2128)	0	0	0
Teachers Incentive Program, Arizona (2249)	0	0	0
Commission for Postsecondary Education - Subtotal	\$0	\$0	\$0
Arizona Power Authority (PAA)			
Hoover Uprating (NA)	28,770,300	30,219,700	30,880,700
Power Authority, Arizona (9506)	6,290,600	6,089,100	6,090,100
Arizona Power Authority - Subtotal	\$35,060,900	\$36,308,800	\$36,970,800
State Board for Private Postsecondary Education (PVA)			
Student Tuition Recovery (3027)	\$104,100	\$207,400	\$174,400
Department of Public Safety (PSA)			
Anti-Racketeering Revolving (3123)	5,419,400	19,166,800	15,619,500
Conferences, Workshops, and Other Education (2700)	35,800	36,200	36,200
Criminal Justice Enhancement (3702)	0	750,000	0
DPS Administration (2322)	991,600	857,400	857,400
DPS Licensing Fund (9590)	875,900	1,324,300	1,324,300
Driving Under the Influence Abatement (2422)	0	0	0
Families of Fallen Police Officers Special Plate Fund (2386)	0	0	0
Federal Grants and Reimbursements (2000)	36,067,600	38,084,300	34,043,300
Fingerprint Clearance Card (2433)	2,664,400	3,366,100	3,366,100
Fingerprinting Fund, Board of (2435)	333,900	566,800	535,100
IGA and ISA Fund (2500)	8,803,400	11,290,300	11,290,300
Indirect Cost Recovery (9000)	151,100	1,400,100	1,400,100
Motor Carrier Safety Revolving (2380)	0	1,100	1,100
Peace Officers' Training (2049)	6,476,300	9,358,300	9,358,300
Records Processing (2278)	6,952,900	7,509,100	7,509,100
Statewide Donations (2025)	8,000	8,000	8,000



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	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
State Highway Work Zone Safety (2480)	114,400	326,000	326,000
Department of Public Safety - Subtotal	\$68,894,700	\$94,044,800	\$85,674,800
Public Safety Personnel Retirement System (NA)			
Fire Fighter and Peace Officer Cancer Insurance Policy			
Program Administrative Expenses (NA)	11,200	32,500	63,000
Investment and Administrative Expenses (NA)	6,838,100	8,184,000	12,238,000
Public Safety Personnel Retirement System - Subtotal	\$6,849,300	\$8,216,500	\$12,301,000
Arizona Department of Racing (RCA)			
Breeders Award, Arizona (2206)	983,700	1,200,000	1,200,000
County Fairs Racing Betterment (2207)	1,113,400	1,200,000	1,200,000
Greyhound Adoption (2015)	2,500	3,800	3,000
Stallion Award, Arizona (2315)	43,100	95,000	60,000
Arizona Department of Racing - Subtotal	\$2,142,700	\$2,498,800	\$2,463,000
Radiation Regulatory Agency (AEA)			
Federal Grants (2000)	309,800	239,100	239,100
Nuclear Emergency Management (2138)	0	0	0
Radiation Regulatory Agency - Subtotal	\$309,800	\$239,100	\$239,100
State Real Estate Department (REA)			
Condominium Recovery (3121)	0	3,100	8,000
Education Revolving (4011)	155,200	45,200	36,600
Recovery (3119)	284,700	285,600	282,500
State Real Estate Department - Subtotal	\$439,900	\$333,900	\$327,100
Arizona State Retirement System (RSA)			
Administration Account - Investment Expenses (1407)	\$38,673,600	\$60,067,900	\$64,120,500
Department of Revenue (RVA)			
Client County Equipment Capitalization (2457)	318,400	270,300	270,300
Escheated Estates (3745)	0	0	0
Estate and Unclaimed Property (1520)	22,541,100	22,541,100	22,541,100
Revenue Publications Revolving (2166)	179,700	196,800	196,800
Special Collections (2168)	0	0	0
Waste Tire (2356)	0	0	0
Department of Revenue - Subtotal	\$23,039,200	\$23,008,200	\$23,008,200
School Facilities Board (SFA)			
Building Renewal (2465)	0	0	0
Deficiencies Correction (2455)	3,260,800	68,500	0
Emergency Deficiencies Correction (2484)	89,500	500,000	500,000
Energy and Water Savings Grant, AZ (7777)	0	0	0
Lease to Own Debt Service (2373)	0	0	0
New School Facilities (2460)	82,120,600	78,684,100	92,751,600
School Capital Equity (2273)	0	0	0
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)	63,018,500	65,846,700	65,843,200
School Improvement Revenue Bond Proceeds (3335)	0	0	0
State Land Trust Bond Debt Service (5030)	25,433,700	19,301,300	24,248,200
State Land Trust Bond Proceeds (3339)	0	300	0
School Facilities Board - Subtotal	\$173,923,100	\$164,400,900	\$183,343,000
Secretary of State - Department of State (STA)			
Blue Book Revolving, Arizona (2006)	0	25,000	5,000
Data Processing Acquisition (2265)	9,600	366,600	60,000
Elections System Improvement (2357)	0	0	0
Election Training (2521)	0	0	0
Health Care Directives Registry (2508)	34,000	70,000	70,000
Standing Political Committee Administrative (2426)	0	0	0
Secretary of State - Department of State - Subtotal	\$43,600	\$461,600	\$135,000
Sports and Tourism Authority, Arizona			
Facility Revenue Clearing Account	14,633,600	13,256,700	13,916,800
Maricopa County Stadium Revenue	1,299,100	1,338,100	1,378,200
Tourism Revenue Clearing Account	24,067,100	25,276,600	26,539,100
Arizona Sports and Tourism Authority - Subtotal	\$39,999,800	\$39,871,400	\$41,834,100
Structural Pest Control Commission (SBA)			
Federal Certification and Enforcement Grant (2000)	\$86,100	\$36,800	\$0
Office of Tourism (TOA)			
Tourism (2236)	\$12,947,700	\$14,014,400	\$15,923,300

**SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES  
For Fiscal Years 2007, 2008 and 2009 1/**

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
Department of Transportation (DTA)			
Highways Magazine, Arizona (2031)	7,705,600	8,087,000	8,620,600
Aviation Federal Funds (2267)	2,417,000	2,556,800	2,630,300
Cash Deposits (2266)	49,600	50,000	50,000
Contract Counsel (4212)	0	0	0
ADOT Donations (3080)	0	0	0
Federal Grants (2097)	2,899,500	4,771,500	3,235,600
Grand Canyon Airport Authority Operating (GCA2459)	0	0	0
Highway Expansion & Extension Loan Program (2417)	199,300	204,300	204,300
Local Agency Deposits (3701)	119,500	62,800	62,800
Maricopa Regional Area Road (2029)	58,573,100	61,647,000	61,647,000
Motor Carrier Safety Revolving (2380)	0	0	0
Professional Baseball Club Special Plate, AZ (2540)	0	4,000	4,000
Rental Tax and Bond Deposit (3737)	0	0	0
Shared Location and Advertising Agreements Expense (2414)	300	0	0
Transplantation Awareness Fund (NA)	0	0	0
Underground Storage Tank Revolving (3728)	0	0	0
Department of Transportation - Subtotal	<u>\$71,963,900</u>	<u>\$77,383,400</u>	<u>\$76,454,600</u>
Arizona Board of Regents (BRA)			
Federal (2000)	923,300	1,285,700	1,251,200
Mathematics, Science, & Special Education Teacher Loan (2358)	0	0	0
Nursing Education Demonstration Project (NA)	0	0	0
Regents Local (NA)	792,800	1,259,300	1,013,500
Technology and Research Initiative (2472)	1,824,700	8,462,600	5,318,700
Tobacco Litigation Settlement Fund, AZ (NA)	0	0	0
Trust Land (3131/3132/3134/3136)	2,304,800	2,322,700	2,285,000
Arizona Board of Regents - Subtotal	<u>\$5,845,600</u>	<u>\$13,330,300</u>	<u>\$9,868,400</u>
Arizona State University - Main Campus			
Auxiliary (NA)	113,549,800	109,293,100	113,664,900
Designated (NA)	264,230,300	291,068,000	302,708,600
Endowment and Life Income (NA)	1,030,900	1,072,100	1,115,000
Federal Grant (NA)	137,558,600	148,425,700	160,766,000
Federal Indirect Cost Recovery (NA)	0	0	0
Indirect Cost Recovery (Non-Federal) (NA)	32,100	35,300	38,800
Loan (NA)	207,500	215,800	224,500
Restricted (Excluding Federal Funds) (NA)	97,134,600	106,859,900	104,731,300
Arizona State University - Main Campus - Subtotal	<u>\$613,743,800</u>	<u>\$656,969,900</u>	<u>\$683,249,100</u>
Arizona State University - East Campus			
Auxiliary (NA)	869,400	734,900	764,300
Designated (NA)	6,956,900	5,657,400	5,883,700
Endowment and Life Income (NA)	500	500	500
Federal Grant (NA)	2,805,600	3,088,900	3,397,800
Federal Indirect Cost Recovery (NA)	0	0	0
Indirect Cost Recovery (Non-Federal) (NA)	0	0	0
Restricted (Excluding Federal Funds) (NA)	2,633,600	3,105,600	3,044,600
Arizona State University - East Campus - Subtotal	<u>\$13,266,000</u>	<u>\$12,587,300</u>	<u>\$13,090,900</u>
Arizona State University - West Campus			
Auxiliary (NA)	1,155,100	985,600	1,025,000
Designated (NA)	8,430,100	10,047,800	10,449,400
Endowment and Life Income (NA)	2,100	2,200	2,300
Federal Grant (NA)	3,984,800	4,384,100	4,822,500
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)	2,424,100	1,810,900	1,620,500
Arizona State University - West Campus - Subtotal	<u>\$15,996,200</u>	<u>\$17,230,600</u>	<u>\$17,919,700</u>
Northern Arizona University			
Auxiliary (NA)	46,375,700	46,952,700	48,361,400
Designated (NA)	53,736,500	61,531,700	63,377,700
Endowment and Life Income (NA)	0	0	0
Federal Grant (NA)	43,867,500	44,744,700	45,639,600
Federal Indirect Cost Recovery (NA)	2,140,700	2,183,500	2,227,200

**SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES  
For Fiscal Years 2007, 2008 and 2009 I/**

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
Indirect Cost Recovery (Non-Federal) (NA)	1,312,100	1,338,400	1,365,100
Loan (NA)	218,400	225,000	225,000
Restricted (Excluding Federal Funds) (NA)	27,385,500	27,933,300	28,491,900
Northern Arizona University - Subtotal	<u>\$175,036,400</u>	<u>\$184,909,300</u>	<u>\$189,687,900</u>
University of Arizona - Main Campus			
Auxiliary (NA)	214,758,800	214,289,300	218,201,000
Designated (NA)	229,803,100	233,018,000	237,163,800
Endowment and Life Income (NA)	0	0	0
Federal Grant (NA)	223,757,000	221,469,300	226,368,800
Loan (NA)	1,669,900	1,700,100	1,719,800
Restricted (Excluding Federal Funds) (NA)	110,071,400	119,313,200	120,889,000
University of Arizona - Main Campus - Subtotal	<u>\$780,060,200</u>	<u>\$789,789,900</u>	<u>\$804,342,400</u>
University of Arizona - Health Sciences Center			
Auxiliary (NA)	13,020,400	10,828,000	11,085,200
Designated (NA)	25,909,200	26,529,000	27,166,800
Endowment and Life Income (NA)	0	0	0
Federal Grant (NA)	96,699,400	97,043,400	99,096,400
Restricted (Excluding Federal Funds) (NA)	59,209,500	62,368,100	63,917,000
Teratogen Information Program (NA)	0	0	0
University of Arizona - Health Sciences Ctr - Subtotal	<u>\$194,838,500</u>	<u>\$196,768,500</u>	<u>\$201,265,400</u>
Veterans' Services, Department of (VSA)			
Federal (2000)	387,400	412,800	412,800
Military Family Relief (2339)	0	0	0
Southern Arizona Veterans' Cemetery Trust (2499)	70,700	94,200	94,200
Statewide Employee Recognition Gifts (2449)	1,500	6,000	6,000
Veterans' Cemetery (2481)	5,000	70,000	20,000
Veterans' Donation (2441)	885,600	765,000	815,000
Department of Veterans' Services - Subtotal	<u>\$1,350,200</u>	<u>\$1,348,000</u>	<u>\$1,348,000</u>
Department of Water Resources (WCA)			
Administrative (3025)	0	0	0
Augmentation and Conservation Assistance (2213)	883,400	568,900	1,211,400
Colorado Riverwater Use Fee (2538)	0	0	0
Dam Repair (2218)	158,200	0	0
Federal Grants (2000)	721,500	324,800	309,800
Flood Warning System (1021)	300	0	0
General Adjudications (2191)	21,300	1,800	1,800
Indirect Cost Recovery (9000)	1,667,800	1,841,600	1,841,600
Interagency Service Agreement (2500)	223,500	0	0
Production and Copying (2411)	35,900	20,000	20,000
Publications and Mailings (2410)	20,100	12,000	12,000
Purchase and Retirement Fund (2474)	0	0	0
Statewide Donations (2025)	184,600	0	0
Water Banking, Arizona (2110)	71,569,500	30,603,100	30,603,100
Water Protection, Arizona (1302)	2,262,700	2,035,700	3,485,700
Water Quality, Arizona (2304)	458,300	662,000	662,000
Well Administration and Enforcement (2491)	826,300	1,117,400	1,117,400
Department of Water Resources - Subtotal	<u>\$79,033,400</u>	<u>\$37,187,300</u>	<u>\$39,264,800</u>
<b>OPERATING TOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES</b>	<u>\$12,565,136,100</u>	<u>\$13,377,196,900</u>	<u>\$14,123,622,400</u>
Subtotal - Other Funds	5,647,630,900	5,925,404,200	6,183,746,100
Subtotal - Federal Funds	6,917,505,200	7,451,792,700	7,939,876,300
<b>OPERATING TOTAL - FEDERAL AND OTHER NON-APPROPRIATED EXPENDITURES</b>	<u><u>\$12,565,136,100</u></u>	<u><u>\$13,377,196,900</u></u>	<u><u>\$14,123,622,400</u></u>
<b>CAPITAL - NON-APPROPRIATED</b>			
Aviation Federal Funds (2267)	3,362,000	4,048,000	3,443,000
Federal Grants (2097)	347,140,000	357,653,000	369,285,000
Economic Strength Project (2244)	457,000	1,650,000	1,650,000
Highway Expansion & Extension Loan Program (2417)	5,797,000	66,459,000	66,459,000
Local Agency Deposits (3701)	33,885,000	42,302,000	42,302,000

**SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES  
For Fiscal Years 2007, 2008 and 2009 1/**

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate
Maricopa Regional Area Road (2029)	200,866,000	266,697,000	266,697,000
Department of Public Safety Federal Funds	1,600,000	1,600,000	1,600,000
<b>CAPITAL TOTAL - FEDERAL AND OTHER NON- APPROPRIATED FUND EXPENDITURES</b>	<b>\$593,107,000</b>	<b>\$740,409,000</b>	<b>\$751,436,000</b>
Subtotal - Other Funds	241,005,000	377,108,000	377,108,000
Subtotal - Federal Funds	352,102,000	363,301,000	374,328,000
<b>CAPITAL TOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES</b>	<b>\$593,107,000</b>	<b>\$740,409,000</b>	<b>\$751,436,000</b>
<b>GRAND TOTAL - FEDERAL AND OTHER NON- APPROPRIATED FUND EXPENDITURES</b>	<b>\$13,158,243,100</b>	<b>\$14,117,605,900</b>	<b>\$14,875,058,400</b>
Subtotal - Other Funds	5,888,635,900	6,302,512,200	6,560,854,100
Subtotal - Federal Funds	7,269,607,200	7,815,093,700	8,314,204,300
<b>GRAND TOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES</b>	<b>\$13,158,243,100</b>	<b>\$14,117,605,900</b>	<b>\$14,875,058,400</b>

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.

2/ Agency did not provide updated estimates since last year.

3/ Agency did not provide JLBC Staff with updated estimates for individual funds since last year.

NA = No Fund Number

## STATE PERSONNEL SUMMARY

### By Full-Time Equivalent Positions for Fiscal Years 2008 and FY 2009 <sup>1/</sup>

	Fiscal Year 2008			Fiscal Year 2009		
	General Fund	Other Fund	Total	General Fund	Other Fund	Total
<b>BUDGET UNITS</b>						
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	301.3	562.4	863.7	301.3	562.4	863.7
Capital Outlay	0.0	5.0	5.0	0.0	5.0	5.0
Administrative Hearings, Office of	15.0	0.0	15.0	15.0	0.0	15.0
Agriculture, Arizona Department of	195.7	53.5	249.2	195.7	53.5	249.2
AHCCCS <sup>2/</sup>	1,457.6	172.0	1,629.6	1,457.6	172.0	1,629.6
Appraisal, State Board of	0.0	4.5	4.5	0.0	4.5	4.5
Arts, Arizona Commission on the	11.5	0.0	11.5	11.5	0.0	11.5
Attorney General - Department of Law	211.2	433.7	644.9	211.2	433.7	644.9
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	13.0	0.0	13.0
Chiropractic Examiners, State Board of	0.0	5.0	5.0	0.0	5.0	5.0
Commerce, Department of	65.9	14.0	79.9	65.9	14.0	79.9
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	98.3	223.0	321.3	98.3	223.0	321.3
Corrections, State Department of	9,749.9	6.0	9,755.9	10,103.1	6.0	1,109.1
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	293.8	293.4	587.2	293.8	293.4	587.2
Deaf and the Hard of Hearing, Commission for the	0.0	16.0	16.0	0.0	16.0	16.0
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 <sup>3/</sup>	2,811.7	1,287.5	4,099.2	2,833.6	1,287.5	4,121.1
Education, Department of	195.9	63.0	258.9	195.9	65.0	260.9
Emergency and Military Affairs, Department of <sup>4/</sup>	95.6	0.0	95.6	95.6	0.0	95.6
Environmental Quality, Department of	176.7	296.7	473.4	176.7	296.7	473.4
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	15.0	0.0	15.0
Exposition & State Fair Board, AZ	0.0	186.0	186.0	0.0	186.0	186.0
Financial Institutions, State Department of	57.1	0.0	57.1	57.1	0.0	57.1
Fire, Building and Life Safety, Department of	54.7	0.0	54.7	54.7	0.0	54.7
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	274.5	274.5	0.0	274.5	274.5
Gaming, Department of	0.0	123.0	123.0	0.0	123.0	123.0
Geological Survey, Arizona	12.3	0.0	12.3	12.3	0.0	12.3
Government Information Technology Agency	3.0	21.0	24.0	3.0	21.0	24.0
Governor's Office of Strategic Planning & Budgeting	26.0	0.0	26.0	26.0	0.0	26.0
Health Services, Department of <sup>5/</sup>	1,524.9	177.2	1,702.1	1,524.9	177.2	1,702.1
Historical Society, Arizona	59.9	0.0	59.9	59.9	0.0	59.9
Historical Society of AZ, Prescott	16.0	0.0	16.0	16.0	0.0	16.0
Homeopathic Medical Examiners, Bd. of	0.0	1.0	1.0	0.0	1.0	1.0
Housing, Department of	0.0	12.0	12.0	0.0	12.0	12.0
Indian Affairs, AZ Commission of	3.0	0.0	3.0	3.0	0.0	3.0
Industrial Commission of Arizona	0.0	294.0	294.0	0.0	294.0	294.0
Insurance, Department of	106.5	0.0	106.5	106.5	0.0	106.5
Judiciary						
Supreme Court	157.3	36.7	194.0	157.3	36.7	194.0
Court of Appeals	147.5	0.0	147.5	147.5	0.0	147.5
Superior Court	226.1	8.4	234.5	228.1	8.4	236.5
SUBTOTAL - Judiciary	530.9	45.1	576.0	532.9	45.1	578.0
Juvenile Corrections, Department of	1,095.7	68.0	1,163.7	1,095.7	68.0	1,163.7
Land Department, State	230.9	0.0	230.9	232.9	0.0	232.9
Law Enforcement Merit System Council	1.0	0.0	1.0	1.0	0.0	1.0
Legislature						
Auditor General	209.4	0.0	209.4	209.4	0.0	209.4
Joint Legislative Budget Committee	35.0	0.0	35.0	35.0	0.0	35.0
Legislative Council	49.8	0.0	49.8	49.8	0.0	49.8
Library, Archives & Public Records, Arizona State	107.8	8.0	115.8	107.8	8.0	115.8
SUBTOTAL - Legislature	402.0	8.0	410.0	402.0	8.0	410.0
Liquor Licenses & Control, Department of	47.2	0.0	47.2	47.2	0.0	47.2

BUDGET UNITS	Fiscal Year 2008			Fiscal Year 2009		
	General	Other	Total	General	Other	Total
	Fund	Fund		Fund	Fund	
Lottery Commission, Arizona State	0.0	110.0	110.0	0.0	110.0	110.0
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
Mine Inspector, State	17.0	0.0	17.0	17.0	0.0	17.0
Mines & Mineral Resources, Department of	7.0	0.0	7.0	7.0	0.0	7.0
Naturopathic Physicians Bd. of Medical Examiners	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	1.0	40.2	41.2	1.0	40.2	41.2
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	103.0	146.3	249.3	103.0	146.3	249.3
Personnel Board	3.0	0.0	3.0	3.0	0.0	3.0
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, Commission 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	1,496.5	612.3	2,108.8	1,506.5	617.3	2,123.8
Racing, Arizona Department of	41.0	5.5	46.5	41.0	5.5	46.5
Radiation Regulatory Agency 4/	30.0	5.0	35.0	31.0	5.0	36.0
Rangers' Pensions, Arizona	0.0	0.0	0.0	0.0	0.0	0.0
Real Estate Department, State	72.4	0.0	72.4	74.4	0.0	74.4
Residential Utility Consumer Office	0.0	12.0	12.0	0.0	12.0	12.0
Respiratory Care Examiners, Board of	0.0	4.0	4.0	0.0	4.0	4.0
Retirement System, Arizona State	0.0	235.0	235.0	0.0	235.0	235.0
Revenue, Department of	1,134.0	30.0	1,164.0	1,134.0	30.0	1,164.0
School Facilities Board	20.0	0.0	20.0	20.0	0.0	20.0
Secretary of State, Department of State	46.3	2.0	48.3	46.3	2.0	48.3
State Boards' Office	0.0	3.0	3.0	0.0	3.0	3.0
Structural Pest Control Commission	0.0	40.0	40.0	0.0	41.0	41.0
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 6/	39.0	0.0	39.0	39.0	0.0	39.0
Transportation, Department of	2.0	4,742.0	4,744.0	2.0	4,746.0	4,748.0
Treasurer, State	34.4	0.0	34.4	34.4	0.0	34.4
Uniform State Laws, Commission on	0.0	0.0	0.0	0.0	0.0	0.0
Universities 7/						
Regents, Arizona Board of	27.9	0.0	27.9	27.9	0.0	27.9
Arizona State University - Main Campus	6,969.0	0.0	6,969.0	7,010.8	0.0	7,010.8
Arizona State University - East Campus	546.0	0.0	546.0	610.3	0.0	610.3
Arizona State University - West Campus	814.0	0.0	814.0	847.9	0.0	847.9
Northern Arizona University	2,198.9	0.0	2,198.9	2,263.0	0.0	2,263.0
University of Arizona - Main Campus	5,667.8	0.0	5,667.8	5,679.5	0.0	5,679.5
University of Arizona - Health Sciences Center	967.2	0.0	967.2	966.1	0.0	966.1
SUBTOTAL - Universities	17,190.8	0.0	17,190.8	17,405.5	0.0	17,405.5
Veterans' Services, Department of	130.3	246.0	376.3	130.3	246.0	376.3
Veterinary Medical Examining Board, AZ. State	0.0	5.5	5.5	0.0	5.5	5.5
Water Resources, Department of	219.7	12.0	231.7	219.7	12.0	231.7
Weights and Measures, Department of	23.4	17.0	40.4	23.4	17.0	40.4
<b>TOTAL APPROPRIATED FUNDS</b>	<b>40,516.0</b>	<b>11,410.7</b>	<b>51,926.7</b>	<b>41,125.8</b>	<b>11,422.7</b>	<b>52,548.5</b>

1/ 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 2007, FY 2008 and FY 2009 can be found in the individual agency pages.

2/ Excludes 1,549.4 FTE Positions in FY 2008 and 1,549.4 FTE Positions in FY 2009 that are Federally funded (Title XIX funds).

3/ Excludes 1,709.3 FTE Positions in FY 2008 and 1,747.4 in FY 2009 funded by the Long Term Care System Fund and Federal Funds for Child Support Enforcement.

4/ Includes 4.5 General Fund (GF) FTE Positions in the Department of Emergency and Military Affairs and 4 GF FTE Positions in the Radiation Regulatory Agency for FY 2008 and FY 2009 appropriated by Laws 2007, Chapter 25.

5/ Excludes 119.3 FTE Positions in FY 2008 and 119.3 FTE Positions in FY 2009 that are Federally funded (Title XIX funds).

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

BUDGET UNITS	Fiscal Year 2008			Fiscal Year 2009		
	General	Other	Total	General	Other	Total
	Fund	Fund		Fund	Fund	

7/ 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 2008 General Appropriation Act appropriates any tuition receipts above the original appropriations to the universities. Although FY 2008 tuition receipts were above the original appropriation, the universities adjusted positions downward by (186.3) FTE Positions in FY 2008.

***SPECIFIC SPENDING CHANGES BY AGENCY***



**General Fund**  
**Detailed List of FY 2009 Changes Above/(Below) FY 2008 by Agency**

	JLBC GF		
	FY 2008	FY 09 Changes	FY 2009
<b>OPERATING SPENDING CHANGES</b>			
<b>DOA - Arizona Department of Administration</b>	\$33,312,200		
DOA - Standard/Technical		0	
DOA - ENSCO		(4,556,300)	
			28,755,900
<b>OAH - Office of Administrative Hearings</b>	1,283,300		
OAH - Standard/Technical		69,400	
OAH - Enacted Adjustment		(69,400) *	
			1,283,300
<b>AGR - Department of Agriculture</b>	12,481,600		
AGR - Standard/Technical		586,100	
AGR - Enacted Adjustment		(364,100) *	
AGR - Agricultural Inspections of Ports			
			12,703,600
<b>AXS - AHCCCS</b>	1,269,136,000		
AXS - Standard/Technical		0	
AXS - Formula Growth		197,690,700	
AXS - KidsCare Parents Statutory Expiration		(9,628,700)	
AXS - Eliminate One-time 2-1-1 Equipment		(600,000)	
AXS - Eliminate One-time Healthcare Group Subsidy		(8,000,000)	
AXS - Eliminate One-time HPV Vaccine		(2,685,300)	
AXS - Enacted Outlier Methodology Revision		(5,664,200)	
AXS - Tobacco Tax Revenue Offset		26,418,000	
			1,466,666,500
<b>ART - Arizona Commission on the Arts</b>	2,127,600		
ART - Standard/Technical		39,500	
ART - Enacted Adjustment		(39,500) *	
			2,127,600
<b>ATT - Attorney General</b>	24,651,900		
ATT - Standard/Technical		2,327,300	
ATT - Enacted Adjustment		(3,269,000) *	
			23,710,200
<b>BIO - Biomedical Research Commission</b>	1,000,000		
BIO - Enacted Adjustment		0 *	
			1,000,000
<b>CPD - State Capital Postconviction Defender Office</b>	737,900		
CPD - Standard/Technical		16,200	
CPD - Enacted Adjustment		(16,200) *	
			737,900
<b>CHA - State Board for Charter Schools</b>	1,129,500		
CHA - Standard/Technical		37,600	
CHA - Enacted Adjustment		(78,500) *	
			1,088,600
<b>COM - Department of Commerce</b>	15,925,100		
COM - Standard/Technical		202,900	
COM - Enacted Adjustment		(202,900) *	
			15,925,100
<b>CCO - Arizona Community Colleges</b>	167,744,800		
CCO - Operating State Aid Formula		689,000	
CCO - Capital Outlay State Aid Formula		(20,000)	

	JLBC GF		
	FY 2008	FY 09 Changes	FY 2009
CCO - Equalization Aid Formula		5,497,600	
CCO - Tribal Community Colleges		16,700	
			173,928,100
<b>COR - Corporation Commission</b>	5,857,400		
COR - Standard/Technical		314,900	
COR - Enacted Adjustment		(314,900) *	
			5,857,400
<b>DOC - Department of Corrections</b>	910,277,200		
DOC - Standard/Technical		0	
DOC - 4,000 New State Beds		18,534,100	
DOC - 2,000 New Private Beds		17,967,600	
DOC - Water and Wastewater Projects		345,300	
DOC - Annualize 2,060 Provisional Beds		11,547,300	
DOC - Population Growth		4,445,500	
DOC - Health Care		4,831,000	
DOC - Equipment and Van Pool One-time Funding		(947,200)	
			967,000,800
<b>JUS - Arizona Criminal Justice Commission</b>	2,202,000		
JUS - Standard/Technical		0	
JUS - Enacted Adjustment - County Meth		2,000,000 *	
JUS - Enacted Adjustment - Info System		(100,000)	
			4,102,000
<b>SDB - AZ State Schools for the Deaf and the Blind</b>	22,010,400		
SDB - Standard/Technical		1,386,600	
SDB - Enacted Adjustment		(1,329,100) *	
			22,067,900
<b>DES - Department of Economic Security</b>	794,336,400		
DES - Standard/Technical		0	
DES - ADMINISTRATION			
DES - Lease-Purchase Savings		(443,200)	
DES - DEVELOPMENTAL DISABILITIES			
DES - DD Title 19 Long Term Care		35,215,400	
DES - BENEFITS AND MEDICAL ELIGIBILITY			
DES - General Assistance Caseload		(1,106,700)	
DES - TANF Cash Benefits Caseloads		8,405,300	
DES - AGING AND COMMUNITY SERVICES			
DES - Eliminate One-time Funding		(8,100)	
			836,399,100
<b>ADE - Arizona Department of Education</b>	4,363,465,100		
ADE - Standard/Technical		0	
ADE - BASIC STATE AID			
ADE - Basic State Aid and Other Formula Growth		177,470,100	
ADE - OTHER			
ADE - Teach America One-time Funding		(1,000,000)	
ADE - Physical Education One-time Funding		(110,000)	
ADE - Professional Development One-time Funding		(150,000)	
ADE - Reading Grants - Non-Title I One-time Funding		(1,000,000)	
ADE - Technology Grants One-time Funding		(1,000,000)	
			4,537,675,200
<b>EMA - Department of Emergency &amp; Military Affairs</b>	14,581,600		
EMA - Standard/Technical		251,300	
EMA - Enacted Adjustment		(298,400) *	
			14,534,500

	JLBC GF		
	FY 2008	FY 09 Changes	FY 2009
<b>DEQ - Department of Environmental Quality</b>	32,979,000		
DEQ - Standard/Technical		417,700	
DEQ - Enacted Adjustment		(667,700) *	
			32,729,000
<b>OEO - Governor's Office of Equal Opportunity</b>	260,800		
OEO - Standard/Technical		15,600	
OEO - Enacted Adjustment		(15,600)	
			260,800
<b>EQU - State Board of Equalization</b>	672,900		
EQU - Standard/Technical		19,400	
EQU - Enacted Adjustment		(19,400) *	
			672,900
<b>EXE - Board of Executive Clemency</b>	1,153,500		
EXE - Standard/Technical		66,100	
EXE - Enacted Adjustment		(66,100) *	
			1,153,500
<b>BAN - Dept of Financial Institutions</b>	4,081,800		
BAN - Standard/Technical		0	
BAN - Automation Project Completion		(75,000)	
			4,006,800
<b>BFS - Department of Fire, Building &amp; Life Safety</b>	3,922,100		
BFS - Standard/Technical		132,600	
BSF - Enacted Adjustment		(158,100) *	
			3,896,600
<b>GEO - Arizona Geological Survey</b>	1,151,900		
GEO - Standard/Technical		78,000	
GEO - Enacted Adjustment		(78,000) *	
			1,151,900
<b>GTA - Government Information Technology Agy</b>	2,000,000		
GTA - Standard/Technical		0	
GTA - Enacted Adjustment		0 *	
			2,000,000
<b>GOV - Office of the Governor</b>	7,476,900		
GOV - Standard/Technical		342,100	
GOV - Enacted Adjustment		(342,100)	
			7,476,900
<b>OSP - Gov's Ofc of Strategic Planning &amp; Budgeting</b>	2,313,600		
OSP - Standard/Technical		103,700	
OSP - Enacted Adjustment		(103,700) *	
			2,313,600
<b>DHS - Department of Health Services</b>	583,432,200		
DHS - Standard/Technical		0	
DHS - Eliminate One-time Equipment		(37,100)	
DHS - BEHAVIORAL HEALTH			
DHS - Title XIX Caseload		47,615,400	
DHS - IMD Waiver		(2,000,000)	
DHS - ARIZONA STATE HOSPITAL			
DHS - Lease-Purchase Payment		1,635,100	
			630,645,600
<b>AZH - Arizona Historical Society</b>	4,521,300		
AZH - Standard/Technical		122,500	
AZH - Enacted Adjustment		(122,500) *	
			4,521,300

	JLBC GF		
	FY 2008	FY 09 Changes	FY 2009
<b>PAZ - Prescott Historical Society</b>	780,700		
PAZ - Standard/Technical		46,700	
PAZ - Enacted Adjustment		(46,700) *	
			780,700
<b>CIA - Arizona Commission of Indian Affairs</b>	237,700		
CIA - Standard/Technical		14,400	
CIA - Enacted Adjustment		(14,400) *	
			237,700
<b>INS - Department of Insurance</b>	7,800,800		
INS - Standard/Technical		435,000	
INS - Enacted Adjustment		(435,000) *	
			7,800,800
<b>SPA - Judiciary - Supreme Court</b>	18,412,600		
SPA - Standard/Technical		0	
SPA - Eliminate One-time Funding		(23,000)	
SPA - Continue Time Payment Fee Surcharge			
			18,389,600
<b>COA - Judiciary - Court of Appeals</b>	14,127,800		
COA - Standard/Technical - Division I		0	
COA - Standard/Technical - Division II		0	
COA - Eliminate One-time Funding		(39,000)	
			14,088,800
<b>SUP - Judiciary - Superior Court</b>	95,681,100		
SUP - Standard/Technical		0	
SUP - 2 New Judgeships		179,200	
SUP - Adult Standard Probation Shift, \$1.2 M		0	
			95,860,300
<b>DJC - Department of Juvenile Corrections</b>	81,449,800		
DJC - Standard/Technical		0	
			81,449,800
<b>LAN - State Land Department</b>	27,329,500		
LAN - Standard/Technical		631,000	
LAN - Enacted Adjustment		(1,411,700) *	
			26,548,800
<b>LEM - Law Enforcement Merit System Council</b>	79,300		
LEM - Standard/Technical		5,100	
LEM - Enacted Adjustment		(5,100) *	
			79,300
<b>Legislature</b>			
<b>AUD - Auditor General</b>	18,791,500		
AUD - Standard/Technical		599,600	
AUD - Enacted Adjustment		(899,600) *	
			18,491,500
<b>HOU - House of Representatives</b>	14,276,500		
HOU - Standard/Technical		421,700	
HOU - Enacted Adjustment		(421,700) *	
			14,276,500
<b>JLBC - Joint Legislative Budget Committee</b>	3,040,900		
JLBC - Standard/Technical		92,300	
JLBC - Enacted Adjustment		(92,300) *	
			3,040,900
<b>LEG - Legislative Council</b>	5,717,100		
LEG - Standard/Technical		141,000	
LEG - Enacted Adjustment		(141,000) *	

	JLBC GF		
	FY 2008	FY 09 Changes	FY 2009
			5,717,100
<b>LIBR - AZ State Library, Archives &amp; Public Records</b>	7,787,600		
LIBR - Standard/Technical		251,300	
LIBR - Enacted Adjustment		(251,300) *	
			7,787,600
<b>SEN - Senate</b>	9,476,300		
SEN - Standard/Technical		283,300	
SEN - Enacted Adjustment		(283,300) *	
			9,476,300
<b>LIQ - Department of Liquor Licenses &amp; Control</b>	3,646,200		
LIQ - Standard/Technical		112,100	
LIQ - Enacted Adjustment		(112,100) *	
			3,646,200
<b>MSL - Board of Medical Student Loans</b>	1,500,000		
MSL - Standard/Technical		0	
MSL - Enacted Adjustment		0 *	
			1,500,000
<b>MIN - State Mine Inspector</b>	1,884,800		
MIN - Standard/Technical		0	
MIN - Abandoned Mine Safety		132,000	
MIN - One-time Equipment		(132,000)	
			1,884,800
<b>MMR - Department of Mines &amp; Mineral Resources</b>	950,800		
MMR - Standard/Technical		110,900	
MMR - Enacted Adjustment		(110,900) *	
			950,800
<b>NAV - AZ Navigable Steam Adjudication Comm.</b>	180,000		
NAV - Standard/Technical		0	
			180,000
<b>NUR - State Board of Nursing</b>	167,300		
NUR - Standard/Technical		1,300	
NUR - Enacted Adjustment		(1,300) *	
			167,300
<b>SPB - Arizona State Parks Board</b>	28,212,200		
SPB - Standard/Technical		312,200	
SPB - Enacted Adjustment		187,800 *	
			28,712,200
<b>PER - Personnel Board</b>	370,800		
PER - Standard/Technical		12,900	
PER - Enacted Adjustment		(12,900) *	
			370,800
<b>PIO - Arizona Pioneers' Home</b>	1,260,000		
PIO - Standard/Technical		24,000	
PIO - Enacted Adjustment		(24,000) *	
			1,260,000
<b>POS - Commission for Postsecondary Education</b>	7,427,300		
POS - Standard/Technical		6,500	
POS - Enacted Adjustment		(6,500) *	
			7,427,300
<b>DPS - Department of Public Safety</b>	177,708,000		
DPS - Standard/Technical		0	
DPS - Elimination of One-time Equipment		(218,700)	
			177,489,300

	JLBC GF		
	FY 2008	FY 09 Changes	FY 2009
<b>RAC - Arizona Department of Racing</b>	2,851,100		
RAC - Standard/Technical		103,200	
RAC - Enacted Adjustment		(103,200) *	
			2,851,100
<b>RAD - Radiation Regulatory Agency</b>	2,249,700		
RAD - Standard/Technical		63,600	
RAD - Enacted Adjustment		(9,000) *	
			2,304,300
<b>ARP - Arizona Rangers' Pensions</b>	13,400		
ARP - Standard/Technical		0	
ARP - Enacted Adjustment		300 *	
			13,700
<b>REA - State Real Estate Department</b>	4,614,000		
REA - Standard/Technical		251,000	
REA - Enacted Adjustment		(175,500)	
			4,689,500
<b>REV - Department of Revenue</b>	76,942,100		
REV - Standard/Technical		2,504,600	
REV - Enacted Adjustment		(4,242,900) *	
REV - Small City Grants - One-time Funding		(850,000)	
			74,353,800
<b>SFB - School Facilities Board</b>	532,695,100		
SFB - Standard/Technical		0	
SFB - New School Debt Service		7,301,200	
SFB - Utility Grants - One-time Funding		(2,500,000)	
			537,496,300
<b>SOS - Secretary of State</b>	7,222,300		
SOS - Standard/Technical		125,700	
SOS - Enacted Adjustment		(242,300) *	
			7,105,700
<b>TAX - State Board of Tax Appeals</b>	317,900		
TAX - Standard/Technical		12,700	
TAX - Enacted Adjustment		(12,700) *	
			317,900
<b>TOU - Office of Tourism</b>	15,649,400		
TOU - Enacted Adjustment		972,800 *	
			16,622,200
<b>DOT - Department of Transportation</b>	86,600		
DOT - Standard/Technical		0	
			86,600
<b>TRE - State Treasurer</b>	5,616,700		
TRE - Standard/Technical		0	
TRE - One-time Funding		(213,200)	
TRE - Management Fee BRB			
			5,403,500
<b>UNI - Universities</b>			
<b>UNI - Arizona Board of Regents</b>	20,598,000		
UNI - Standard/Technical		0	
			20,598,000
<b>UNI - ASU - Main Campus</b>	416,764,800		
UNI - Standard/Technical		0	
UNI - ASU Main Enrollment Formula		3,944,300	
UNI - ASU Biomedical Campus Phx		(5,250,000)	
			415,459,100

	JLBC GF		
	FY 2008	FY 09 Changes	FY 2009
<b>UNI - ASU - East Campus</b>	25,915,900		
UNI - Standard/Technical		0	
UNI - ASU East Enrollment Formula		6,093,400	
			32,009,300
<b>UNI - ASU - West Campus</b>	53,604,400		
UNI - Standard/Technical		0	
UNI - ASU West Enrollment Formula		3,191,900	
			56,796,300
<b>UNI - Northern Arizona University</b>	160,868,800		
UNI - Standard/Technical		0	
UNI - NAU Enrollment Growth		6,499,800	
			167,368,600
<b>UNI - UA - Main Campus</b>	362,389,200		
UNI - Standard/Technical		0	
UNI - UA Main Enrollment Formula		1,117,800	
UNI - UA Main Biomedical Campus Phx		(5,250,000)	
			358,257,000
<b>UNI - UA - Health Sciences Center</b>	80,954,200		
UNI - Standard/Technical		0	
UNI - UA - HSC Enrollment Formula		(108,400)	
			80,845,800
<b>VSC - Department of Veterans' Services</b>	9,284,800		
VSC - Standard/Technical		177,300	
VSC - Enacted Adjustment		(1,064,200) *	
			8,397,900
<b>WAT - Department of Water Resources</b>	24,074,600		
WAT - Standard/Technical		648,100	
WAT - Enacted Adjustment		93,100 *	
			24,815,800
<b>WEI - Department of Weights &amp; Measures</b>	1,710,800		
WEI - Standard/Technical		59,200	
WEI - Enacted Adjustment		(70,600) *	
			1,699,400
<b>OTH - Other</b>			
OTH - Unallocated '08 Adjustments	536,500	(536,500)	0
OTH - 21st Century Fund Deposit - Enacted	25,000,000	0 *	25,000,000
OTH - FY 08 Supplementals - Title 19	64,072,300	(64,072,300)	0
OTH - Administrative Adjustments	96,000,000	(33,879,200)	62,120,800
OTH - Revertments	(95,570,500)	(6,969,900)	(102,540,400)
<b>TOTAL - OPERATING SPENDING CHANGES</b>	<b>\$10,708,984,700</b>	<b>\$427,094,500</b>	<b>\$11,136,079,200</b>
<b>CAPITAL SPENDING CHANGES (One-time)</b>			
ADOA Building Renewal	0	0	0
One-time ADOA System FY '08 Funding	14,227,500	(14,227,500)	0
Renovate Old Health Lab for Ag Lab - Enacted	2,207,000	0 *	2,207,000
Yuma Welcome Center - Enacted	1,000,000	0 *	1,000,000
DPS Microwave Tower - Enacted	1,500,000	0 *	1,500,000
DES - Navajo Multipurpose Building - Enacted	1,000,000	0 *	1,000,000
<b>TOTAL - CAPITAL SPENDING CHANGES</b>	<b>\$19,934,500</b>	<b>(\$14,227,500)</b>	<b>\$5,707,000</b>
<b>TOTAL - ALL SPENDING CHANGES</b>	<b>\$10,728,919,200</b>	<b>\$412,867,000</b>	<b>\$11,141,786,200</b>

	JLBC GF		
	FY 2008	FY 09 Changes	FY 2009
<b>REVENUE CHANGES</b>			
REV - Ongoing Revenue	9,388,555,400	24,092,400	9,412,647,800
REV - One-time Revenue	367,447,000	(367,447,000)	0
<b>TOTAL - REVENUE CHANGES</b>	<b>\$9,756,002,400</b>	<b>(\$343,354,600)</b>	<b>\$9,412,647,800</b>
<b>ENDING BALANCE</b>	<b>(\$972,916,800)</b>	<b>(\$756,221,600)</b>	<b>(\$1,729,138,400)</b>

\* Already enacted



**Other Funds**  
**Detailed List of FY 2009 Changes Above/(Below) FY 2008 by Agency**

	FY 2008	JLBC OF FY 09 Changes	FY 2009
<b>OPERATING SPENDING CHANGES</b>			
<b>SBA - State Board of Accountancy</b>	2,356,900		
SBA - Standard/Technical		67,400	
SBA - Enacted Adjustment		(66,700) *	
			2,357,600
<b>ACU - Board of Acupuncture Examiners</b>	130,500		
ACU - Standard/Technical		5,000	
ACU - Enacted Adjustment		(5,000) *	
			130,500
<b>DOA - Arizona Department of Administration</b>	177,642,100		
DOA - Standard/Technical			
DOA - HRIS COP Debt Service Increase		114,900	
DOA - Risk Mgmt		(1,354,900)	
DOA - Risk Mgmt - Highway Hazards		(150,000)	
DOA - Workers' Comp		3,652,100	
DOA - One-time Equipment		(1,259,000)	
DOA - Health Savings Account Study		(100,000)	
DOA - Employee Bus Subsidy		275,000	
DOA - Fleet Vehicle		949,900	
			179,770,100
<b>OAH - Office of Administrative Hearings</b>	14,500		
OAH - Standard/Technical		0	
OAH - Enacted Adjustment		0 *	
			14,500
<b>AGR - Department of Agriculture</b>	3,481,600		
AGR - Standard/Technical		126,600	
AGR - Enacted Adjustment		(129,700) *	
			3,478,500
<b>AXS - AHCCCS</b>	267,309,400		
AXS - Standard/Technical		0	
AXS - Caseload and Capitation Growth		26,111,100	
AXS - KidsCare Parents Statutory Expiration		(42,610,500)	
AXS - HCG Administrative Costs		(1,947,700)	
AXS - TMC Premium Collection Adjustment		(1,002,500)	
AXS - Tobacco Tax Revenue Offset		(18,967,500)	
			228,892,300
<b>APP - State Board of Appraisal</b>	623,600		
APP - Standard/Technical		29,900	
APP - Enacted Adjustment		(29,900) *	
			623,600
<b>ATT - Attorney General</b>	40,869,400		
ATT - Standard/Technical		2,907,600	
ATT - Enacted Adjustment		(2,955,600) *	
			40,821,400
<b>ATA - Automobile Theft Authority</b>	5,551,200		
ATA - Standard/Technical		145,800	
ATA - Enacted Adjustment		261,700 *	
			5,958,700
<b>BAR - Board of Barbers</b>	346,500		
BAR - Standard/Technical		11,800	
BAR - Enacted Adjustment		(28,400) *	

	FY 2008	JLBC OF FY 09 Changes	FY 2009
			329,900
<b>BHE - Board of Behavioral Health Examiners</b>	1,394,400		
BHE - Standard/Technical		55,100	
BHE - Enacted Adjustment		(70,200) *	
			1,379,300
<b>BIO - Biomedical Research Commission</b>	500,000		
BIO - Enacted Adjustment		0 *	
			500,000
<b>BCE - State Board of Chiropractic Examiners</b>	523,500		
BCE - Standard/Technical		19,100	
BCE - Enacted Adjustment		(17,500) *	
			525,100
<b>COM - Department of Commerce</b>	2,935,300		
COM - Standard/Technical		67,900	
COM - Enacted Adjustment		(67,900) *	
			2,935,300
<b>ROC - Registrar of Contractors</b>	15,597,700		
ROC - Standard/Technical		368,500	
ROC - Enacted Adjustment		(3,689,200) *	
			12,277,000
<b>COR - Corporation Commission</b>	23,453,300		
COR - Standard/Technical		870,600	
COR - Enacted Adjustment		(874,100) *	
COR - STARPAS Automation Upgrade		338,300 **	
COR - Annual Reports Staffing		53,100 **	
			23,841,200
<b>DOC - Department of Corrections</b>	52,717,400		
DOC - Standard/Technical		0	
DOC - Leap Year Funding		(576,600)	
DOC - New State Beds		2,822,000	
DOC - Education Adjustment		(731,500)	
DOC - Inmate Transportation Vehicle Replacement		(2,000,000)	
			52,231,300
<b>COS - Board of Cosmetology</b>	1,855,600		
COS - Standard/Technical		58,500	
COS - Enacted Adjustment		(150,200) *	
			1,763,900
<b>JUS - Arizona Criminal Justice Commission</b>	6,806,700		
JUS - Standard/Technical		19,300	
JUS - Enacted Adjustment		(174,400) *	
			6,651,600
<b>SDB - AZ State Schools for the Deaf and the Blind</b>	14,317,600		
SDB - Standard/Technical		0	
SDB - Enacted Adjustment		377,800 *	
			14,695,400
<b>HEA - Comm for the Deaf &amp; the Hard of Hearing</b>	5,448,100		
HEA - Standard/Technical		60,800	
HEA - Enacted Adjustment		(60,800) *	
			5,448,100
<b>DEN - Board of Dental Examiners</b>	1,145,800		
DEN - Standard/Technical		39,000	
DEN - Enacted Adjustment		(73,200) *	
			1,111,600
<b>PRC - Drug &amp; Gang Prevention Resource Center</b>	642,400		

	JLBC OF		
	FY 2008	FY 09 Changes	FY 2009
PRC - Standard/Technical		26,000	
PRC - Enacted Adjustment		(26,000) *	
			642,400
<b>DES - Department of Economic Security</b>	462,610,600		
DES - Standard/Technical		0	
DES - Enacted Utility Assistance Fund Adjustment		(500,000)	
DES - State-Only Provider Rates		2,521,900	
			464,632,500
<b>ADE - Arizona Department of Education</b>	54,627,200		
ADE - Standard/Technical			
ADE - Teacher Certification		188,800	
			54,816,000
<b>EMA - Department of Emergency &amp; Military Affairs</b>	132,700		
EMA - Standard/Technical		0	
EMA - Enacted Adjustment		0 *	
			132,700
<b>DEQ - Department of Environmental Quality</b>	70,274,600		
DEQ - Standard/Technical		676,700	
DEQ - Enacted Adjustment		(699,800) *	
			70,251,500
<b>COL - Arizona Exposition and State Fair Board</b>	16,358,000		
COL - Standard/Technical		291,900	
COL - Enacted Adjustment		(291,900) *	
			16,358,000
<b>EMB - Board of Funeral Directors and Embalmers</b>	353,900		
EMB - Standard/Technical		13,300	
EMB - Enacted Adjustment		(13,300) *	
			353,900
<b>FIS - Arizona Game and Fish Department</b>	37,667,400		
FIS - Standard/Technical		765,200	
FIS - Enacted Adjustment		(1,316,400) *	
			37,116,200
<b>GAM - Department of Gaming</b>	15,561,000		
GAM - Standard/Technical		304,700	
GAM - Enacted Adjustment		694,800 *	
			16,560,500
<b>GTA - Government Information Technology Agy</b>	6,541,000		
GTA - Standard/Technical		85,200	
GTA - Enacted Adjustment		1,217,600 *	
			7,843,800
<b>DHS - Department of Health Services</b>	71,217,600		
DHS - Standard/Technical		0	
DHS - Nursing Care Incentive Grants - One-time Funding		(400,000)	
DHS - Newborn Screening Program - One-time Funding		(661,000)	
			70,156,600
<b>AZH - Arizona Historical Society</b>	193,200		
AZH - Standard/Technical		0	
AZH - Enacted Adjustment		500 *	
			193,700
<b>HOM - Board of Homeopathic Medical Examiners</b>	97,500		
HOM - Standard/Technical		4,300	
HOM - Enacted Adjustment		(6,000) *	
HOM - Auditor General's Performance Audit		22,400 **	

	FY 2008	JLBC OF FY 09 Changes	FY 2009
			118,200
<b>HOU - Department of Housing</b>	897,300		
HOU - Standard/Technical		46,100	
HOU - Enacted Adjustment		12,000 *	
			955,400
<b>IND - Industrial Commission</b>	20,033,000		
IND - Standard/Technical		603,900	
IND - Enacted Adjustment		(616,800) *	
			20,020,100
<b>INS - Department of Insurance</b>	200,000		
INS - Standard/Technical		0	
INS - Enacted Adjustment		(200,000) *	
			0
<b>SPA - Judiciary - Supreme Court</b>	28,460,300		
SPA - Standard/Technical			
SPA - Criminal Case Processing - Eliminate One-time Funding		(1,000,000)	
			27,460,300
<b>SUP - Judiciary - Superior Court</b>	10,977,900		
SUP - Standard/Technical		0	
			10,977,900
<b>DJC - Department of Juvenile Corrections</b>	4,470,900		
DJC - Standard/Technical		0	
			4,470,900
<b>LAN - State Land Department</b>	720,000		
LAN - Standard/Technical		0	
LAN - Enacted Adjustment		0 *	
			720,000
<b>LIBR - AZ State Library, Archives &amp; Public Records</b>	680,600		
LIBR - Standard/Technical		18,100	
LIBR - Enacted Adjustment		(18,100) *	
			680,600
<b>LOT - Arizona State Lottery Commission</b>	69,113,700		
LOT - Standard/Technical		285,500	
LOT - Enacted Adjustment		304,900 *	
LOT - Revised Forecast		723,400	
			70,427,500
<b>MED - Arizona Medical Board</b>	5,849,100		
MED - Standard/Technical		281,400	
MED - Enacted Adjustment		(281,400) *	
			5,849,100
<b>MSL - Board of Medical Student Loans</b>	309,800		
MSL - Standard/Technical		0	
MSL - Enacted Adjustment		0 *	
			309,800
<b>NAT - Naturopathic Physician Examiners Board</b>	611,300		
NAT - Standard/Technical		24,700	
NAT - Enacted Adjustment		(27,300) *	
			608,700
<b>NUR - State Board of Nursing</b>	3,816,100		
NUR - Standard/Technical		142,000	
NUR - Enacted Adjustment		(354,600) *	
			3,603,500
<b>NCI - Nursing Care Inst. Administrators Board</b>	377,000		

	JLBC OF		
	FY 2008	FY 09 Changes	FY 2009
NCI - Standard/Technical		18,300	
NCI - Enacted Adjustment		(18,300) *	
			377,000
<b>OCC - Board of Occupational Therapy Examiners</b>	247,000		
OCC - Standard/Technical		7,100	
OCC - Enacted Adjustment		(7,100) *	
			247,000
<b>DIS - State Board of Dispensing Opticians</b>	127,400		
DIS - Standard/Technical		5,300	
DIS - Enacted Adjustment		(7,300) *	
			125,400
<b>OPT - State Board of Optometry</b>	203,500		
OPT - Standard/Technical		9,100	
OPT - Enacted Adjustment		(9,100) *	
			203,500
<b>OST - Arizona Board of Osteopathic Examiners</b>	694,800		
OST - Standard/Technical		34,200	
OST - Enacted Adjustment		(34,200) *	
			694,800
<b>SPB - Arizona State Parks Board</b>	9,335,700		
SPB - Standard/Technical		352,600	
SPB - Enacted Adjustment		(852,600) *	
			8,835,700
<b>PHA - Arizona State Board of Pharmacy</b>	2,520,800		
PHA - Standard/Technical		65,500	
PHA - Enacted Adjustment		(674,300) *	
			1,912,000
<b>PHY - Board of Physical Therapy Examiners</b>	393,700		
PHY - Standard/Technical		13,900	
PHY - Enacted Adjustment		(44,100) *	
			363,500
<b>PIO - Arizona Pioneers' Home</b>	5,309,400		
PIO - Standard/Technical		203,800	
PIO - Enacted Adjustment		(99,600) *	
			5,413,600
<b>POD - State Board of Podiatry Examiners</b>	144,300		
POD - Standard/Technical		5,600	
POD - Enacted Adjustment		(5,500) *	
			144,400
<b>POS - Commission for Postsecondary Education</b>	2,955,200		
POS - Standard/Technical		14,100	
POS - Enacted Adjustment		(14,100) *	
POS - Additional LEAP Grants		900,000 **	
			3,855,200
<b>PRI - Board for Private Postsecondary Education</b>	336,600		
PRI - Standard/Technical		18,200	
PRI - Enacted Adjustment		(18,200) *	
			336,600
<b>PSY - State Board of Psychologist Examiners</b>	389,800		
PSY - Standard/Technical		15,500	
PSY - Enacted Adjustment		(7,900) *	
PSY - Operating Expenses		13,500 **	
			410,900

	JLBC OF		
	FY 2008	FY 09 Changes	FY 2009
<b>DPS - Department of Public Safety</b>	65,006,000		
DPS - Standard/Technical			
DPS - One-time Equipment		(183,700)	
DPS - DNA Testing		1,000,000	
DPS - Concealed Carry Weapons Unit Staffing		298,600	
			66,120,900
<b>RAC - Arizona Department of Racing</b>	517,000		
RAC - Standard/Technical		0	
RAC - Enacted Adjustment		0 *	
			517,000
<b>RAD - Radiation Regulatory Agency</b>	291,800		
RAD - Standard/Technical		9,900	
RAD - Enacted Adjustment		(9,900) *	
			291,800
<b>RUC - Residential Utility Consumer Office</b>	1,313,100		
RUC - Standard/Technical		39,200	
RUC - Enacted Adjustment		(39,200) *	
			1,313,100
<b>RES - Board of Respiratory Care Examiners</b>	264,700		
RES - Standard/Technical		11,200	
RES - Enacted Adjustment		(12,900) *	
			263,000
<b>RET - Arizona State Retirement System</b>	22,867,800		
RET - Standard/Technical		634,200	
RET - ERE Correction		267,700 **	
RET - Enacted Adjustment		44,900 *	
			23,814,600
<b>REV - Department of Revenue</b>	4,500,600		
REV - Standard/Technical		67,500	
REV - Enacted Adjustment		(61,400) *	
			4,506,700
<b>SOS - Secretary of State</b>	15,100,200		
SOS - Standard/Technical		5,400	
SOS - Enacted Adjustment		(11,005,400) *	
			4,100,200
<b>SBO - State Boards' Office</b>	280,000		
SBO - Standard/Technical		20,000	
SBO - Enacted Adjustment		(20,000) *	
			280,000
<b>PES - Structural Pest Control Commission</b>	2,888,400		
PES - Standard/Technical		118,200	
PES - Enacted Adjustment		(219,500) *	
			2,787,100
<b>TEC - State Board of Technical Registration</b>	1,766,600		
TEC - Standard/Technical		54,200	
TEC - Enacted Adjustment		(66,400) *	
			1,754,400
<b>DOT - Department of Transportation</b>	467,227,500		
DOT - Standard/Technical		0	
DOT - One-Time Costs		(2,012,600)	
DOT - Third Party Workload		204,000	
DOT - Highway Maintenance Workload		3,219,000	

	FY 2008	JLBC OF FY 09 Changes	FY 2009
			468,637,900
<b>TRE - State Treasurer</b>	33,800		
TRE - Standard/Technical		0	
TRE - Remote Access		(32,500)	
			1,300
<b>UNI - Universities</b>			
<b>UNI - ASU - Main Campus</b>	233,624,000		
UNI - Standard/Technical		0	
UNI - Enrollment Growth		2,449,700	
			236,073,700
<b>UNI - ASU - East Campus</b>	23,338,400		
UNI - Standard/Technical		0	
UNI - Enrollment Growth		3,812,800	
			27,151,200
<b>UNI - ASU - West Campus</b>	24,657,400		
UNI - Enrollment Growth		2,035,100	
			26,692,500
<b>UNI - Northern Arizona University</b>	47,823,200		
UNI - Standard/Technical		0	
UNI - Enrollment Growth		3,916,400	
			51,739,600
<b>UNI - UA - Main Campus</b>	128,539,700		
UNI - Standard/Technical		0	
UNI - Enrollment Growth		705,200	
			129,244,900
<b>UNI - UA - Health Sciences Center - ED</b>	14,158,700		
UNI - Standard/Technical		0	
UNI - Enrollment Growth		(95,700)	
			14,063,000
<b>VSC - Department of Veterans' Services</b>	14,487,800		
VSC - Standard/Technical		473,600	
VSC - Enacted Adjustment		(473,600) *	
			14,487,800
<b>VME - Veterinary Medical Examining Board</b>	480,200		
VME - Standard/Technical		19,700	
VME - Enacted Adjustment		(29,200) *	
			470,700
<b>WAT - Department of Water Resources</b>	1,124,600		
WAT - Standard/Technical		24,200	
WAT - Enacted Adjustment		(24,200) *	
			1,124,600
<b>WEI - Department of Weights &amp; Measures</b>	1,679,900		
WEI - Standard/Technical		39,200	
WEI - Taxi Enforcement		199,200 **	
WEI - Enacted Adjustment		(41,600) *	
			1,876,700
<b>OTH - Other</b>			
OTH - Unallocated '08 Adjustments	2,191,900	(2,191,900)	0
OTH - FY 08 Supplementals	942,700	(942,700)	0
OTH - Lease-Purchase/PLTO	0	(150,000)	(150,000)
<b>TOTAL - OPERATING SPENDING CHANGES</b>	<b>\$2,605,579,400</b>	<b>(\$34,500,400)</b>	<b>\$2,571,079,000</b>

	JLBC OF		
	FY 2008	FY 09 Changes	FY 2009
<b>CAPITAL SPENDING CHANGES</b>			
<u>Building Renewal</u>			
One-time '08 Building Renewal	13,341,300	(13,341,300)	0
Arizona Department of Administration	0	6,100,000	6,100,000
Arizona Exposition and State Fair Board	0	1,794,300	1,794,300
Game & Fish Department	0	531,000	531,000
Arizona Lottery Commission	0	68,000	68,000
Arizona Department of Transportation	0	4,208,900	4,208,900
<u>New Projects</u>			
ADOT One-time Road Projects	239,801,800	(239,801,800)	0
ADOT Statewide Highway Construction	0	92,420,000	92,420,000
ADOT Controlled Access Highways	0	114,467,000	114,467,000
ADOT Debt Service	0	98,695,000	98,695,000
ADOT Highway Fund Deposit to STAN	62,000,000	(62,000,000)	0
ADOT Airport Planning & Development - '09	0	31,200,000	31,200,000
ADOT Airport Planning & Development - '08 One-time	25,306,000	(25,306,000)	0
ADOT Non-Road One-time '08 Projects	23,783,900	(23,783,900)	0
ADOT DPS Microwave Communications System - Enacted	826,000	0 *	826,000
ADOT De-Icer Buildings	0	1,825,000	1,825,000
ADOT Far Southeast Valley Maintenance Yard	0	4,350,000	4,350,000
ADOT Vehicle Wash Systems	0	2,075,000	2,075,000
ADOT Oil/Asphalt Storage Tanks	0	1,389,000	1,389,000
DOA Tucson Office Building Renovations	1,500,000	(1,500,000)	0
DOA Fire Systems	0	491,000	491,000
Game & Fish One-time '08 Projects	2,400,000	(2,400,000)	0
Game & Fish Boat Shade Canopies	0	120,000	120,000
Game & Fish Boat Registration Kiosks	0	240,000	240,000
Game & Fish Shooting Range Access	0	150,000	150,000
Game & Fish Preventative Maintenance	0	30,000	30,000
Game & Fish Microwave Communications System	0	207,000 *	207,000
Game & Fish Headquarters Construction	0	80,000	80,000
Game & Fish Yuma Regional Office Remodel/Expansion	0	954,000	954,000
Game & Fish Mesa Regional Office Paving Project	0	250,000	250,000
<b>TOTAL - CAPITAL SPENDING CHANGES</b>	<b>\$368,959,000</b>	<b>(\$6,487,800)</b>	<b>\$362,471,200</b>
<b>TOTAL - ALL OTHER FUND CHANGES</b>	<b>\$2,974,538,400</b>	<b>(\$40,988,200)</b>	<b>\$2,933,550,200</b>

\* Already enacted

\*\* Already enacted plus proposed supplemental



***BUDGET RECONCILIATION BILL PROVISIONS***

## FY 2009 BUDGET RECONCILIATION BILL PROVISIONS

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

### Department of Administration

#### *Employee Health Insurance*

- As session law, continue to prohibit ADOA from implementing a differentiated health insurance premium in FY 2009 based on the integrated or non-integrated status of the provider beginning October 1, 2008.

### AHCCCS

#### *County Acute Care Contributions*

- As session law, set the County Acute Care contribution at \$49,583,000. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328.

#### *County ALTCS Contributions*

- As session law, set county ALTCS contributions at \$257,502,600.

#### *Disproportionate Share Hospitals (DSH) Withholding*

- As session law, establish FY 2009 disproportionate share distributions to the Maricopa County Hospital District, the Arizona State Hospital and private qualifying disproportionate share hospitals.

#### *Disproportionate Share Uncompensated Care (DUC) Pool*

- As session law, require the collection of \$2,646,200 in DUC pool contributions from counties other than Maricopa.

### Department of Corrections

#### *Budget Structure*

- As session law, require the Department of Corrections to report actual FY 2008, estimated FY 2009, and requested FY 2010 expenditures as delineated in the FY 2009 General Appropriation Act when the department submits the FY 2010 budget request pursuant to A.R.S. § 35-133.

### Department of Economic Security

#### *Child Care Income Eligibility*

- As session law, continue to permit DES to reduce income eligibility levels for all child care programs. Require report to JLBC within 15 days of change in levels.

### Arizona Department of Education

#### *2% Inflation Adjustment*

- As permanent law, increase by 2% the formula funding “base level” in A.R.S. § 15-901(B2), the charter school “Additional Assistance” amounts per pupil in A.R.S. § 15-185(B4) and the transportation funding amounts per route mile in A.R.S. § 15-945.

#### *Desegregation Cap*

- As session law, continue through FY 2009 a “soft cap” that allows desegregation expenditures to increase for enrollment growth and inflation.

#### *Rapid Decline Formula*

- As session law, continue to fund Rapid Decline at 50% for FY 2009.

#### *Tax Rates*

- As session law, specify the official K-12 QTR for FY 2009, 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.

#### *ADM Audits*

- As session law, continue to authorize the Department of Education or Auditor General to conduct Average Daily Membership audits of school districts and charter schools.

### Department of Emergency and Military Affairs

#### *Non-lapsing FY 2008 Appropriation for Multi-Purpose Facility for Project Challenge*

- As session law, extend the non-lapsing of \$500,000 from the FY 2008 General Fund appropriation from June 30, 2008 to September 30, 2008.

**Department of Health Services***Restoration to Competency Cost Sharing*

- As session law, continue to require Maricopa and Pima Counties and all cities to pay 86% of cost of Restoration to Competency treatment in FY 2009.

**Department of Public Safety***Redirect CJEF Revenues*

- As session law, continue to redirect 9% of CJEF revenues, formerly deposited into the General Fund, to DPS to fund the department's crime lab operations in FY 2009.

**Department of Revenue***Business Reengineering/Integrated Tax System (BRITS)*

- As session law, continue to require the full Legislature to authorize in legislation any BRITS contract extensions or modifications for FY 2009 that increase the contractor's share of gain-sharing proceeds from state revenues.

**State Treasurer***Justice of the Peace Salaries*

- As session law, continue to fund state share of Justice of the Peace salaries at 38.5% in FY 2009.

**Universities/Board of Regents***Arizona Financial Aid Trust (AFAT)*

- As session law, suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into AFAT.

**Other***Federal Funds*

- As session law, continue to require unrestricted federal funds received between February 1, 2008 and June 30, 2009 to be deposited in the General Fund for the payment of essential government services. Retroactive to January 31, 2008.

***MAJOR FOOTNOTE CHANGES***

## MAJOR FOOTNOTE CHANGES

The JLBC would include the major modification of footnotes as detailed below. This list does not include footnotes pertaining to one-time reports or appropriations.

### Arizona Department of Administration

- Adds a footnote specifying the distribution of funding to county attorneys for immigration enforcement. The distribution is the same as the initial allocation in Laws 2007, Chapter 279, but specifies that county attorneys may enter into agreements with county sheriffs or other law enforcement agencies or jurisdictions for the purposes of implementing A.R.S. § 23-212.

### AHCCCS

- Deletes the requirement to submit a report on the agency's use of cost savings resulting from an agreement with another state, because this has been a long-standing agreement that is not anticipated to change significantly.
- Deletes the requirement to submit a report on reimbursement from the federal government under the Medicaid Direct Services Claiming Act as this funding goes directly to school districts.
- Deletes the requirement specifying how the Arizona Department of Administration Data Center Charges are used because the agency has the flexibility to transfer funds between its other Special Line Items.

### State Department of Corrections

- Deletes the footnote addressing State Department of Corrections' health and dental insurance charges, as the footnote is no longer necessary.

### Department of Economic Security

- Deletes the requirement to submit a report on progress made in meeting the federal TANF work participation requirement. If the Department of Economic Security (DES) does not meet the requirement and is charged a penalty, the Legislature would be notified if additional funding is requested.
- Deletes the requirement to submit a report on the intended use of the appropriation for Adoption Services – Family Preservation Projects because DES' stated objectives for this program are consistent with the Legislature's original intent.
- Deletes the requirement of a review of an expenditure plan for monies appropriated to the Workforce Investment Act – Discretionary line item prior to expenditure because this program's expenditure plan is consistent from year to year and is in accordance with purpose of the funds.
- Deletes the requirement to distribute a portion of Federal TANF Block Grant monies to councils of governments and tribal governments. DES has used TANF Block Grant monies for this purpose in prior years and is expected to continue to do so in future years.

### Department of Education

- Adds a footnote specifying that the operating budget includes \$400,000 for Risk Management Training. The FY 2008 budget included first-time funding for this issue as a separate appropriation. For simplicity, this funding is incorporated into the operating budget for FY 2009, with a footnote being added to indicate its intended use.
- Deletes the requirement to give persons under 21 years of age priority in gaining access to services pertaining to general education development testing, as standard practice now generally reflects that requirement.
- Deletes the footnote establishing parameters for allocating funds from the State Block Grant for Vocational Education program, as those parameters now reflect current, long-standing practice.

### Department of Environmental Quality

- Deletes 3 footnotes relating to the expenditure of fees in excess of appropriated amounts for the Air Permits Administration Fund, Indirect Cost Recovery Fund, and Water Quality Fee Fund. These footnotes adjust the appropriations upward when revenues exceed the original appropriation. The Air Permits Administration Fund is automatically adjusted to match the actual final receipts to the fund. Indirect Cost Recovery Fund and Water Quality Fee Fund appropriations may be adjusted upon review by the JLBC. As a result of this proposal, the Department of Environmental Quality will be able to expend above the appropriation only after receiving a supplemental.

### **Governor's Office of Strategic Planning and Budgeting**

- Adds a footnote requiring the Governor's Office of Strategic Planning and Budgeting to submit to the JLBC or its staff any report or item requiring review within 10 days of receipt of that report from an agency.

### **Department of Health Services**

- Deletes the requirement that the first \$4,500,000 of the Tobacco Tax and Health Care Fund – Medically Needy Account be allocated to Community Health Centers. The JLBC expects AHCCCS to distribute the Tobacco Tax and Health Care Fund monies in FY 2009 similar to how they were distributed in FY 2008.

### **Department of Public Safety**

- Deletes all reporting requirements associated with sworn officer salary adjustments. These monies have been distributed on an ongoing basis for salaries and the department has already reported on this funding.
- Modifies the footnote that specifies \$10,000,000 is to be used for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM). This footnote will now allow the Department of Public Safety (DPS) to provide up to 85% of Personal Services and Employee Related Expenditures and all capital related equipment costs rather than 85% of all costs. In addition, the footnote changes enforcement requirements with regards to any officer's lawful contact with suspected illegal aliens and identifies enforcement tasks for any funded officers. The footnote no longer includes language regarding immigration verification relative to an ongoing investigation or an informant relationship, and eliminates the quarterly reporting requirement.
- Modifies the GIITEM footnote regarding the \$10,045,900 used for 100 DPS GIITEM personnel. The footnote no longer includes language regarding immigration verification relative to an ongoing investigation or an informant relationship, makes other technical changes, and eliminates the quarterly reporting requirement.

### **Arizona Department of Transportation**

- Deletes the requirement for semiannual progress reports on third party transactions as the Arizona Department of Transportation has increased its use of third parties and reduced the quality assurance backlog.

### **State Treasurer**

- Modifies the referenced management fee from 8 to 6 basis points.

### **Universities**

- Deletes the requirement that the Arizona State University budget requests include as much detail for the Downtown Phoenix Campus as for any other budget program. The expanded Downtown Phoenix Campus has been operational since fall 2006 and the JLBC granted future operational and capital plans for the campus a favorable review in October 2007. Also deletes the related footnote that requires, notwithstanding A.R.S. § 35-173C, any proposed transfer to or from the amounts appropriated for the Downtown Phoenix Campus line item to receive prior review by the JLBC.
- Deletes the requirement of the University of Arizona – Health Sciences Center budget request to include as much detail for the Phoenix Medical Campus as for any other budget program. The Phoenix Medical Campus has been operational since 2006 and the JLBC granted future operational and capital plans for the campus a favorable review in September 2005. Also deletes the related footnote that requires, notwithstanding A.R.S. § 35-173C, any proposed transfer to or from the amounts appropriated for the Phoenix Medical Campus line item to receive prior review by the JLBC.
- Deletes the requirement that the University of Arizona and the Arizona Board of Regents provide updates concerning items such as the formal relationship between the Phoenix Medical Campus and area hospitals, partnerships with private medical schools, and availability of clinical rotations for medical students in this state.

### **Weights and Measures**

- Adds a footnote requiring the department to confirm that the applicant is in compliance with A.R.S. § 23-212 before any taxi license is issued.

### **Other**

- Modifies the JLBC review footnote by deleting the requirement that JLBC review all items within 45 days of receiving the request.

***PERFORMANCE BUDGETING***

## PERFORMANCE BUDGETING

<b>Strategic Program Area Reviews (SPARs)</b>
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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 (OSPB) are a permanent part of the biennial budget process and result in decisions to retain, eliminate, or modify particular programs. There were 2 SPARs in this year’s process, with participating agencies as noted in *Table 1* below.

A.R.S. § 41-1275 establishes the process for the Legislature to review the SPARs. The President of the Senate and the Speaker of the House of Representatives are required to assign these SPARs to the Appropriations Committees and may additionally assign the SPARs to an appropriate standing committee. The assigned standing committees or the Appropriations Committees shall hold at least 1 public hearing to receive public input and to develop recommendations whether to retain, eliminate, or modify the program subject to the SPAR process.

**Substance Abuse**

This SPAR updates a 1998 Program Area Review which found that 13 different state agencies provided substance abuse services at a cost of \$60 million. Besides updating the list of which state agencies provide substance abuse services and at what funding level, the SPAR also examines the coordination and evaluation of substance abuse services to determine the progress that has been made since the initial review 8 years ago.

In FY 2007, 12 agencies received public funding for substance abuse programs, and the state spent an estimated \$172.0 million on substance abuse efforts. Of this amount, \$58.4 million (34%) came from the state General Fund and \$84.9 million (49%) came from federal monies.

*JLBC Key Findings and Recommendations*

- The framework for coordination has improved in the past decade due to the receipt of a federal grant and the formation of Arizona Substance Abuse Partnership (ASAP). Anecdotal information suggests that actual coordination efforts may have improved, but it remains difficult to quantify these efforts.
- There is no set of “best practices” available for state substance abuse coordination efforts.
- Additional measures establishing the effectiveness of substance abuse programs are still needed, but progress has been made since the last program review in 1998.
- The Drug and Gang Prevention Resource Center should be responsible for compiling an ongoing annual report which includes substance use-related data, resources, and strategies for both substance abuse prevention and treatment.

**Debt and Third Party Financing**

This SPAR provides a review of the debt and third party financing agreements used by state agencies.

In total, 8 state agencies and bonding authorities issue state debt. According to the Arizona Department of Revenue’s most recent annual Report of Indebtedness, state agencies’ level of debt was \$5.2 billion in FY 2006. Beyond these obligations, outstanding debt associated with state authorities that can issue debt on behalf of local governments or other entities was \$3 billion in FY 2006.

<b>Table 1</b>	
<b>SPAR Programs/Agencies</b>	
<p><b><u>Substance Abuse</u></b></p> <ul style="list-style-type: none"> <li>Department of Corrections</li> <li>Administrative Office of the Courts</li> <li>Arizona Criminal Justice Commission</li> <li>Drug and Gang Prevention Resource Center</li> <li>Department of Economic Security</li> <li>Department of Education</li> <li>Governor’s Office</li> <li>Department of Health Services</li> <li>Department of Juvenile Corrections</li> <li>Arizona Medical Board</li> <li>Arizona State Board of Pharmacy</li> <li>Department of Public Safety</li> </ul>	<p><b><u>Debt and Third Party Financing</u></b></p> <ul style="list-style-type: none"> <li>Arizona Department of Administration</li> <li>Department of Commerce</li> <li>Greater Arizona Development Authority</li> <li>Arizona Health Facilities Authority</li> <li>Arizona Department of Housing</li> <li>Arizona Housing Finance Authority</li> <li>Arizona School Facilities Board</li> <li>Arizona Department of Transportation</li> <li>Arizona Board of Regents</li> <li>Arizona State University</li> <li>Northern Arizona University</li> <li>University of Arizona</li> <li>Water Infrastructure Finance Authority</li> </ul>



*JLBC Key Findings and Recommendations*

- The state could benefit from having a third party review debt-related financial transactions that come before the Joint Committee on Capital Review.
- The Legislature may wish to consider requiring a Debt Affordability Report (DAR).

<b>Performance Measures</b>
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The General Appropriation Act has included performance measure targets for most agencies since FY 2002. Agencies have been expected to report results for these targets as part of their budget and strategic plan submittals.

A provision in the FY 2008 General Appropriation Act required agencies to submit FY 2007 results for

performance measures in the General Appropriation Act as part of their FY 2009 budget request. If an agency failed to submit this information, they were required to submit a report in their FY 2009 request explaining why the agency failed to submit the results.

*Table 2* lists the agencies and the 7 specific performance measures for which the agency did not provide a result as part of the budget request. Of the 7 measures, 2 involve some measure of customer or client satisfaction. Further details on these measures, as well as on other measures, can be found in each agency’s narrative. In FY 2008, there were 42 specific performance measures for which the agencies did not provide a FY 2006 result as part of the budget request. Of the 42 measures, 37 involved some measure of customer or client satisfaction.

**Table 2**

**Unreported FY 2007 Performance Measure Results**

<u>Agency / Cost Center</u>	<u>Performance Measure</u>
AHCCCS - Administration	Customer satisfaction rating for eligibility determination clients (Scale 1-8)
Arizona Community Colleges	% of students who transfer to AZ public universities without loss of credits
Arizona Community Colleges	No. of applied Baccalaureate programs collaboratively developed with universities
State Board of Equalization	Cost per parcel (in dollars)
State Board of Equalization	Parcels appeals received
School Facilities Board	% of school districts inspected meeting minimum adequacy standards
State Mine Inspector	Customer satisfaction rating for mines (Scale 1-8)

***REVENUE FORECAST***

## GENERAL FUND REVENUE

### FY 2008

FY 2008 General Fund total resources are projected to be \$9.76 billion. As indicated in *Table 1* below, the revised FY 2008 revenue estimate is \$(697.9) million lower than the estimate from the FY 2008 budget enacted in the spring of 2007.

**Table 1**

#### FY 2008 Revenue Forecast (\$ in Millions)

Adopted FY 2008 Revenue Estimate	\$10,076.0
Revised Revenue Forecast	(697.9)
Revised FY 2008 Revenue Estimate	\$9,378.1

As described below in the FY 2009 section, the JLBC Staff has used a consensus forecasting process to develop both its FY 2008 and FY 2009 General Fund revenue estimates. *Table 2* below provides the growth rates from each sector of the forecast for FY 2008. These estimates reflect ongoing revenue estimates prior to tax law changes. The weighted average of the components of the 4-sector process provides an estimated base revenue growth rate (prior to tax law changes) for FY 2008 of 1.5%.

**Table 2**

#### FY 2008 Quartile Forecast Percentages

	FAC	UA Low	UA Base	JLBC <sup>1/</sup>	Avg.
Sales Tax	1.7%	(1.9)%	(1.1)%	2.5%	0.3%
Individual Income Tax	2.1%	0.6%	5.8%	3.0%	2.9%
Corporate Income Tax	(2.4)%	1.6%	4.9%	1.9%	1.5%
Weighted Average	1.4%	(0.5)%	2.3%	2.6%	1.5%

The individual revenue detail for FY 2008 is found in *Table 4* at the end of this section. The FY 2008 forecast in *Table 4* reflects the 4-sector consensus forecast as noted in *Table 2*, adjusted for tax law changes.

Once adjusted for tax law changes, the revised FY 2008 estimate assumes a decrease of (1.0)% in ongoing revenues (excluding Urban Revenue Sharing) compared to the prior year. Tax law changes impacting FY 2008 revenue collections are summarized in the Economic and Revenue Forecast Section of the FY 2008 Appropriations Report. Adjusting for Urban Revenue Sharing, the revised FY 2008 estimate is (2.5)% below FY 2007.

Through December, year-to-date ongoing revenues are (1.7)% below the same period in FY 2007. After adjusting

for Urban Revenue Sharing, total revenue collections are (3.3)% below last fiscal year. Through December, year-to-date revenues are \$(440) million below the original budget forecast.

The FY 2008 General Fund total resource estimate of \$9.76 billion includes permanent revenues of \$9.39 billion and one-time revenues of \$367.4 million. FY 2008 one-time revenues include a balance forward from FY 2007 of \$377.9 million, \$(55.5) million in credits to corporations filing consolidated tax returns, and \$45.0 million from the sale of securities held in the Unclaimed Property Fund. See *One-Time Revenues* discussion below for more information.

### FY 2009

Projected FY 2009 General Fund total resources are \$9.41 billion. This amount includes \$9.45 billion of FY 2008 revenues, less the impact of \$(33.5) million from tax law changes enacted in prior years. Prior to tax law changes, ongoing revenues are expected to increase by 1.0% over FY 2008 collections (excluding Urban Revenue Sharing). After adjusting for the tax law changes, and including Urban Revenue Sharing, total projected resources are (3.5)% less than FY 2008. The decrease in total resources is primarily due to the absence of a carry forward balance from FY 2008.

The JLBC FY 2009 estimated growth rates for the "Big 3" ongoing revenue categories (sales tax, individual income tax and corporate income tax) were developed through a consensus process. The JLBC revenue estimate is based on averaging the results of the following 4 forecasts:

- Finance Advisory Committee panel forecast of December 10, 2007. This independent panel consists of 16 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* below.

In FY 2009, sales tax revenue is projected to increase by 0.2%. Individual income tax collections are forecast to increase by 2.8%, while corporate income tax collections are forecast to decrease by (2.3)%.

**Table 3**  
**FY 2009 Quartile Forecast Percentages**

	<u>FAC</u>	<u>UA</u> <u>Low</u>	<u>UA</u> <u>Base</u>	<u>JLBC</u>	<u>Avg</u>
Sales Tax	3.5%	(4.3)%	(1.3)%	3.0%	0.2%
Individual Income Tax	3.1%	(0.6)%	3.7%	4.8%	2.8%
Corporate Income Tax	(1.5)%	(8.5)%	(2.3)%	3.2%	(2.3)%
Weighted Average	2.8%	(3.2)%	0.7%	3.8%	1.0%

The FY 2009 forecast for the remaining categories, which constitute about 2% of the total, 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.

Urban Revenue Sharing – A portion of state individual and corporate income tax collections is shared with incorporated cities and towns within the state through Urban Revenue Sharing (URS). The distribution is based on collections 2 years prior. A.R.S. § 43-206 provides that the percentage of state income taxes to be distributed to incorporated cities and towns in the state is 15%.

Laws 2006, Chapter 351 provides that, for FY 2009 only, the URS distribution will consist of a set amount of \$717,127,600 rather than 15% of FY 2007 individual and corporate income tax collections. Without this provision, URS would otherwise have been \$709,936,400.

Chapter 351 also provides that, for FY 2009 only, cities and towns are to receive a special one-time URS distribution of \$10,549,800 as repayment of the reduction in the URS distribution percentage to 14.8% in FY 2003 and FY 2004.

Under the provisions of Chapter 351, FY 2009 URS distributions total \$727,677,400 (\$717,127,600 + \$10,549,800). This total distribution represents an increase of 6.3% over the FY 2008 distribution amount.

Tax Law Changes – Several tax law changes enacted in prior years will either take effect or be further phased-in during FY 2009. The combined incremental impact of these changes is estimated to be \$(33.5) million compared to FY 2008.

- Corporate Sales Factor – Laws 2005, Chapter 289 allows a multi-state corporation to elect an enhanced sales factor formula to compute its Arizona income tax liability. This new tax calculation took effect in tax year 2007, and the second year of its phase-in is estimated to incrementally reduce revenue by \$(30.0)

million in FY 2009. By its full phase-in in FY 2011, the revenue impact is projected to be \$(120) million.

- College Savings Plan – Laws 2007, Chapter 258 provides an individual income tax subtraction for contributions to any college savings plan which is compatible with Internal Revenue Code § 529 (529 plans) beginning in tax year 2008, and continuing through tax year 2012. This provision is expected to result in an estimated reduction in individual income tax collections of \$(2.5) million in FY 2009. A 529 plan is an education savings plan operated by a state or educational institution designed to help families set aside funds for future college costs. Currently, interest income in 529 accounts is tax-free, and withdrawals for qualified higher education expenses are federal and state income tax-free. The provisions of Chapter 258 will also make 529 contributions eligible for a state income tax deduction of up to \$1,500 for married filing jointly, or \$750 for a single filer or head of household.
- Military Relief Fund Credit – Laws 2007, Chapter 258 provides an individual income tax credit for donations to the Military Relief Fund for the purpose of aiding family members of injured or deceased military personnel. This provision is effective beginning in tax year 2008, with an initial revenue impact beginning in FY 2009. The credits are capped at \$1.0 million per year on a first-come first-serve basis.

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**

Corporate Consolidated Credit – Laws 1994, Chapter 41 changed the methodology under which groups of corporations could file Arizona corporate income tax returns by allowing them to file a consolidated return similar to their federal returns. Eligible corporations could also elect to file amended returns for tax years 1986 through 1993, as long as they were filed by January 1, 1995. These amended returns resulted in tax credits for previous corporate income tax payments, as well as accrued interest. The tax credits totaled about \$115 million, were nonrefundable, and the total was to be spread over 10 years. In the 11<sup>th</sup> year, the Department of Revenue is required to refund all unused credits. It is currently estimated that the “11<sup>th</sup> year” payment in FY 2008 will total about \$(55.5) million.

Unclaimed Property – Laws 2007, Chapter 260 permits the Department of Revenue to liquidate securities in the Unclaimed Property Fund immediately. Chapter 260 also includes session law which provides that the proceeds from the sales of these securities are to be deposited into the General Fund in FY 2008, rather than the statutory split

between the General Fund, Department of Housing, and Department of Racing. The sale of securities currently held in the Unclaimed Property Fund is estimated to generate approximately \$45.0 million for the General Fund in FY 2008.

The individual revenue detail for FY 2008 and FY 2009 is found in *Table 4* at the end of this section.

Table 4

## GENERAL FUND REVENUE - FY 2008 - FY 2009

FORECAST REVENUE GROWTH								
(\$ in Thousands)								
	PRELIM ACT FY 2007	% CHANGE PRIOR YR	FORECAST FY 2008	% CHANGE PRIOR YR	\$ CHANGE ACTUAL	FORECAST FY 2009	% CHANGE PRIOR YR	\$ CHANGE FORECAST
<b>Taxes:</b>								
Sales and Use	4,512,830.8	5.6%	4,526,269.3	0.3%	13,438.5	4,537,321.8	0.2%	11,052.5
Income								
-Individual	3,747,386.9	1.6%	3,669,885.5	-2.1%	(77,501.4)	3,774,142.3	2.8%	104,256.8
-Corporate	986,169.6	12.8%	969,062.1	-1.7%	(17,107.5)	947,173.7	-2.3%	(21,888.4)
Property	24,486.0	-2.1%	24,000.0	-2.0%	(486.0)	25,000.0	4.2%	1,000.0
Luxury								
-Tobacco	37,566.9	-5.1%	33,753.4	-10.2%	(3,813.5)	33,753.4	0.0%	0.0
-Liquor	28,241.9	4.0%	29,374.8	4.0%	1,132.9	30,544.7	4.0%	1,169.9
Insurance Premium	399,817.0	7.0%	414,356.2	3.6%	14,539.2	437,900.0	5.7%	23,543.8
Estate	(550.8)	-104.7%	234.8	-142.6%	785.6	0.0	-100.0%	(234.8)
Other Taxes	1,328.6	6.3%	600.0	-54.8%	(728.6)	630.0	5.0%	30.0
Sub-Total - Taxes	9,737,276.9	4.5%	9,667,536.1	-0.7%	(69,740.8)	9,786,465.9	1.2%	118,929.8
<b>Other Non-Tax Revenues:</b>								
Lottery	52,922.3	15.8%	44,725.3	-15.5%	(8,197.0)	48,824.2	9.2%	4,098.9
Licenses, Fees and Permits	40,235.8	18.5%	40,854.4	1.5%	618.6	42,135.0	3.1%	1,280.6
Interest	104,473.0	40.6%	101,000.0	-3.3%	(3,473.0)	82,000.0	-18.8%	(19,000.0)
Sales and Services	63,734.9	6.8%	66,744.0	4.7%	3,009.1	69,250.0	3.8%	2,506.0
Other Miscellaneous	44,434.9	19.2%	47,807.3	7.6%	3,372.4	49,000.0	2.5%	1,192.7
Transfers and Reimbursements	19,481.1	-24.1%	30,856.9	58.4%	11,375.8	22,579.8	-26.8%	(8,277.1)
Disproportionate Share Revenue	113,127.3	4.7%	73,570.3	-35.0%	(39,557.0)	73,570.3	0.0%	0.0
Sub-Total - Other Non-Tax	438,409.3	14.0%	405,558.2	-7.5%	(32,851.1)	387,359.3	-4.5%	(18,198.9)
<b>Subtotal On-Going Revenue</b>	<b>10,175,686.2</b>	<b>4.9%</b> <sup>1/</sup>	<b>10,073,094.3</b>	<b>-1.0%</b> <sup>2/</sup>	<b>(102,591.9)</b>	<b>10,173,825.2</b>	<b>1.0%</b>	<b>100,730.9</b>
Corporate Sales Factor Phase-In	0.0	N/A	0.0	N/A	0.0	(30,000.0)	N/A	(30,000.0)
529 College Savings Plan	0.0	N/A	0.0	N/A	0.0	(2,500.0)	N/A	(2,500.0)
Military Families Relief Fund	0.0	N/A	0.0	N/A	0.0	(1,000.0)	N/A	(1,000.0)
<b>Subtotal w/Tax Law Changes</b>	<b>10,175,686.2</b>	<b>4.9%</b>	<b>10,073,094.3</b>	<b>-1.0%</b>	<b>(102,591.9)</b>	<b>10,140,325.2</b>	<b>0.7%</b>	<b>67,230.9</b>
Urban Revenue Sharing (URS)	(551,230.7)	29.6%	(684,538.9)	24.2%	(133,308.2)	(727,677.4) <sup>3/</sup>	6.3%	(43,138.5)
<b>Subtotal w/Tax Law Changes/URS</b>	<b>9,624,455.5</b>	<b>3.8%</b>	<b>9,388,555.4</b>	<b>-2.5%</b>	<b>(235,900.1)</b>	<b>9,412,647.8</b>	<b>0.3%</b>	<b>24,092.4</b>
<b>One-Time Financing Sources:</b>								
Balance Forward	1,046,460.1	63.8%	377,947.0	-63.9%	(668,513.1)	0.0	-100.0%	(377,947.0)
FY 2007 Liquor License Fees	450.0	N/A	0.0	-100.0%	(450.0)	0.0	N/A	0.0
FY 2007 Revised TPT Threshold	(55,200.0)	N/A	0.0	-100.0%	55,200.0	0.0	N/A	0.0
FY 2007 Corporate Consolidated Credit	(4,000.0)	N/A	(55,500.0)	1287.5%	(51,500.0)	0.0	-100.0%	55,500.0
FY 2007 Fund Transfer - SFB	60,080.5	N/A	0.0	-100.0%	(60,080.5)	0.0	N/A	0.0
FY 2008 Unclaimed Property	0.0	N/A	45,000.0	N/A	45,000.0	0.0	-100.0%	(45,000.0)
Sub-Total - One-Time Financing Sources	1,047,790.6	61.4%	367,447.0	-64.9%	(680,343.6)	0.0	-100.0%	(367,447.0)
<b>Total Revenue</b>	<b>10,672,246.1</b>	<b>7.5%</b>	<b>9,756,002.4</b>	<b>-8.6%</b>	<b>(916,243.7)</b>	<b>9,412,647.8</b>	<b>-3.5%</b>	<b>(343,354.6)</b>

1/ The 4.9% FY 2007 growth rate includes \$(190.7) million in tax law and other revenue changes. Adjusting for these changes, the actual FY 2007 growth rate was 6.9%.

2/ The (1.0)% FY 2008 growth rate includes \$(255.5) million in tax law and other revenue changes. Adjusting for these changes, the base FY 2008 growth rate is 1.5%.

3/ While this amount is usually a deduction to revenue, the FY 2009 amount was appropriated in Laws 2006, Chapter 351. FY 2009 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 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 available to the Treasurer, the 1998 Legislature allowed the Treasurer to invest up to 25% of the BSF in equity securities (Laws 1998, Chapter 266).

### Alternative Uses

Laws 2000, 7th Special Session, Chapter 1 required that the refund payments for alternative fuel vehicle tax credits and Consumer Loss Recovery Fund liabilities would be funded by the Budget Stabilization Fund up to \$200 million. Between FY 2001 and FY 2007, an amount of \$118.9 million was paid from the BSF for alternative fuel costs. It is estimated that total costs will be about \$122 million. For this reason, about \$3.1 million remains in reserve.

### Deposits/Withdrawals

Laws 2006, Chapter 344 provided a FY 2007 appropriation of \$9.8 million to the BSF. This appropriation was based on a 2006 mid-session estimate of the dollar amount required to bring the FY 2007 fund balance up to the cap.

The FY 2007 ending balance was capped at \$673.5 million (7% of \$9.62 billion). In the absence of the 7% cap, the combination of a beginning balance of \$649.6 million, the Chapter 344 deposit of \$9.8 million, and interest earnings of \$29.1 million would have resulted in a FY 2007 ending balance of \$688.5 million. To remain within the cap, \$15.0 million was transferred from the BSF to the General Fund.

The maximum fund balance for FY 2008 is projected to be \$656.5 million (7% of \$9.38 billion - FY 2008 revenue is less than in FY 2007 due to the elimination of a large carry-forward). With a beginning balance of \$673.5 million and expected interest earnings of \$26.9 million, the FY 2008 ending balance is projected to be \$44.0 million above the cap. To remain with the cap, this amount would have to be transferred from the BSF to the General Fund.

Arizona real adjusted personal income is projected to grow by 4.53% in CY 2007 compared to a 7-year average annual

growth rate of 3.60%. Since the annual growth rate is expected to exceed the trend by 0.93%, the BSF formula would result in a recommended fund deposit of \$89.5 million in FY 2008.

For FY 2009, the maximum fund balance is projected to be \$659.6 million (7% of \$9.42 billion). The combination of an estimated beginning balance of \$656.5 million and expected interest earnings of \$26.3 million would bring the FY 2009 ending balance to \$682.8 million. This amount is \$23.1 million above the cap.

Arizona real adjusted personal income is expected to grow by 0.86% in CY 2008 compared to the trend growth rate of 3.60%. Since the annual growth rate is projected to be both less than the trend growth rate and 2.0%, the BSF formula recommends a BSF withdrawal of \$(257.0) million in FY 2009. However, as noted earlier, BSF formula recommendations do not result in automatic deposits or withdrawals, as they must first be authorized by legislative action.

**Table 1**

**Budget Stabilization Fund  
(\$ in Thousands)**

	<u>Actual FY 2006</u>	<u>Actual FY 2007</u>	<u>Estimate FY 2008</u>	<u>Estimate FY 2009</u>
<b>General Fund Revenues</b>				
Adjusted Revenues	\$9,284,689.5	\$9,621,871.0	\$9,378,055.4	\$9,423,197.6
Statutory Limit of Revenues	7.0%	7.0%	7.0%	7.0%
Maximum Balance	649,928.3	673,531.0	656,463.9	659,623.8
<b>Arizona Personal Income in Prior CY</b>				
Real Adjusted Annual Income Growth	6.74%	5.96%	4.53%	0.86%
7-Year Average Income Growth	4.25%	3.98%	3.60%	3.60%
Annual Difference	2.49%	1.98%	0.93%	(2.74)%
<b>BSF Transactions</b>				
Beginning BSF Balance	160,834.5	649,613.2	673,531.0	656,463.9
BSF Formula Recommendation	190,912.8	173,913.0	89,483.4	(256,958.7)
<b>Actual Transfer In</b>				
Conditional Appropriation - L'05, Ch. 286, Part 1 <sup>1/</sup>	332,957.6	0.0	0.0	0.0
Conditional Appropriation - L'05, Ch. 286, Part 2 <sup>2/</sup>	148,000.3	0.0	0.0	0.0
Actual Appropriation - L'06, Ch. 344	<u>0.0</u>	<u>9,808.6</u>	<u>0.0</u>	<u>0.0</u>
SUBTOTAL	480,957.9	9,808.6	0.0	0.0
<b>Actual Transfer Out</b>				
Payment of Alternative Fuel Credits <sup>3/</sup>	<u>(80.9)</u>	<u>(6.9)</u>	<u>0.0</u>	<u>0.0</u>
SUBTOTAL	(80.9)	(6.9)	0.0	0.0
Balance	641,711.5	659,414.9	673,531.0	656,463.9
Interest Earnings & Equity Gains/Losses <sup>4/</sup>	7,901.7	29,069.0	26,941.2	26,258.6
BSF Transfer to General Fund To Remain Within Fund Cap	0.0	(14,952.9)	(44,008.3)	(23,098.6)
<b>Ending BSF Balance</b>	<b>\$649,613.2</b>	<b>\$673,531.0</b>	<b>\$656,463.9</b>	<b>\$659,623.8</b>
<b>Percent of Revenues</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>

<sup>1/</sup> Actual revenues exceeded the budget forecast for the first 6 months of FY 2006, which triggered an appropriation of \$333.0 million to the BSF.

<sup>2/</sup> Actual revenues exceeded the budget forecast for the last 6 months of FY 2006, which triggered an appropriation of \$148.0 million to the BSF.

<sup>3/</sup> The alternative fuel credit payout of BSF money was \$(118.9) million between FY 2001 and FY 2007. It is estimated that the ultimate total could be \$(122) million. For this reason, the BSF balance includes \$3.1 million in reserve monies.

<sup>4/</sup> Assumes a rate of return of 4.0% in FY 2008 and FY 2009.



***FY 2009 - FY 2011 PROJECTIONS***

## LONG-TERM GENERAL FUND ESTIMATES

The JLBC Staff has developed General Fund Baseline estimates through FY 2011 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 2009 through FY 2011 would change the ending balance calculations by over \$600 million. As a result, the following projections are subject to considerable change.

### Baseline Revenues

The JLBC Baseline revenue estimates are based on a consensus forecasting process. As with FY 2009 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 3.7% in FY 2010 and 7.5% in FY 2011. *Table 1* includes the individual forecast components. These estimates continue to be cautious in FY 2010, with one estimate reflecting a recession. However, the estimates reflect economic expansion during FY 2011, returning to historical growth rates. These growth rates reflect revenue growth prior to tax law changes and Urban Revenue Sharing.

In FY 2010, enacted tax law changes will reduce revenue growth by \$34 million relative to FY 2009. In FY 2011, there is an additional \$34 million in reductions relative to FY 2010. The primary reason for these adjustments is the continued phase-in of the change in the Corporate Sales Factor as required in A.R.S. § 43-1139, which reduces revenue by \$29 million in FY 2010 and an additional \$29 million in FY 2011. The enacted tax law changes also include the impact of Laws 2003, Chapter 266 which requires the state to contribute to the expansion and renovation of the Phoenix Civic Plaza. 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. It is currently anticipated that this first \$5 million payment will occur in FY 2010, and increase by an additional \$5 million (for a total of \$10 million) in FY 2011.

The projected level of General Fund revenue is \$9.75 billion in FY 2010 and \$10.49 billion in FY 2011. These estimates assume that any prior year shortfall is eliminated before the beginning of the following fiscal year.

<b>Table 1</b>					
<b>Consensus Forecast Percentages</b>					
	<u>FAC</u>	<u>UA Low</u>	<u>UA Base</u>	<u>JLBC</u>	<u>Avg</u>
<b><u>FY 2010</u></b>					
Sales Tax Individual	6.8%	(0.1)%	3.7%	4.9%	3.8%
Income Tax Corporate	7.1%	0.3%	3.9%	6.8%	4.5%
Income Tax	2.2%	(5.5)%	0.5%	2.2%	(0.2)%
Wgt Avg					3.7%
<b><u>FY 2011</u></b>					
Sales Tax Individual	9.4%	6.3%	8.8%	6.7%	7.8%
Income Tax Corporate	9.2%	5.2%	7.7%	7.8%	7.5%
Income Tax	7.8%	5.5%	2.7%	7.8%	6.0%
Wgt Avg					7.5%

### 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 about 5.0% in both FY 2010 and FY 2011. In addition to normal rates of statutory formula growth, the long-term projections include \$90 million in FY 2010 for 6,000 new prison beds that would open in FY 2009 and FY 2010.

Overall spending, including one-time adjustments, would be \$11.68 billion in FY 2010 and \$12.26 billion in FY 2011. *See page 66 for the projected spending levels of major agencies.*

These estimates may be conservative as they do not include any potential discretionary funding increases.

### Ending Balance and Ongoing Revenue and Spending

The projected FY 2010 and FY 2011 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 cash ending 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.

A second factor that influences this analysis is basing estimates on existing statutory authority or current policy. The latter assumes the continuation of several provisions in the FY 2009 JLBC Baseline which do not have permanent authorization beyond FY 2009.

In terms of expiring statutory authority, the single largest provision concerns the State Equalization Assistance Property Tax, which is suspended from FY 2007 through FY 2009. Without further legislative action, the tax will be re-instated in FY 2010. The tax would reduce the state General Fund contribution to the K-12 statutory funding formula by \$250 million in FY 2010.

In addition, the annual Budget Reconciliation Bills (BRB) include several provisions which suspend certain statutory requirements for 1 year at a time. The single largest savings is the partial suspension of the School Facilities Board building renewal formula. If the suspension is allowed to expire in FY 2010, the state would have an additional cost of \$142 million. No longer suspending other minor provisions would add another \$10 million in state costs in FY 2010. The current savings associated with these provisions are as follows:

	<u>\$ in M</u>
AHCCCS DUC Pool	\$2.6
ADE Desegregation Cap	0.8
ADE Rapid Decline	1.5
DHS Restoration to Competency	1.5
Parks Board Fees	0.7
Treasurer Justice of the Peace Salaries	0.1
DWR Water Protection Fund	<u>3.0</u>
<b>Total</b>	<b>\$10.2</b>

*These provisions are discussed in the Budget Reconciliation Bill section for annual budget units.*

The following analysis also assumes that any solutions to the FY 2008 and FY 2009 shortfalls are not permanent. Any permanent solutions in prior years would correspondingly reduce the shortfall in future years.

Current Policy

If current policies are continued, the Equalization Assistance Property Tax would remain suspended beyond FY 2009. In addition, all BRB savings would be extended as well. Assuming the continuation of current policies and the projected revenue and spending assumptions, the projected ending cash balance in FY 2010 is a \$(1.93) billion shortfall. This difference would decline slightly to \$(1.77) billion in FY 2011. In comparison, the projected ending cash shortfall is \$(1.73) billion in FY 2009. See page 65 for a Statement of General Fund Revenues and Expenditures.

The structural shortfall differs slightly from the projected cash shortfall due to \$25 million in one-time spending in both FY 2010 and FY 2011.

Current Statutory Authority

If the long-term estimates were evaluated instead from the perspective of current statutory authority, the Equalization Assistance Property Tax would be reinstated and the other BRB savings would be discontinued. The total net effect would be a General Fund savings of \$98 million. These adjustments would reduce both the cash and structural shortfall by a corresponding \$98 million compared to the current policy estimates.

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

	FY 2008 Estimate <sup>2/</sup>	FY 2009 JLBC	FY 2010 JLBC Forecast	FY 2011 JLBC Forecast
<b>REVENUES</b>				
Ongoing Revenues	\$10,073,094,300	\$10,173,825,200	\$10,515,517,200	\$11,267,631,000
Enacted Tax Law Changes	0	(33,500,000)	(34,000,000)	(34,000,000)
Urban Revenue Sharing	(684,538,900)	(727,677,400)	(728,394,700)	(740,777,500)
Revised On-going Revenues	9,388,555,400	9,412,647,800	9,753,122,500	10,492,853,500
One-time Revenues				
Balance Forward	377,947,000	0	0	0
Corporate Consolidated Returns	(55,500,000)	0	0	0
Unclaimed Property Revenue	45,000,000	0	0	0
Subtotal One-time Revenues	367,447,000	0	0	0
<b>Total Revenues</b>	<b>\$9,756,002,400</b>	<b>\$9,412,647,800</b>	<b>\$9,753,122,500</b>	<b>\$10,492,853,500</b>
<b>EXPENDITURES</b>				
Operating Budget Appropriations	10,575,582,200	11,145,698,800	11,733,176,800	12,292,255,300
FY 2008 Supplementals	64,072,300	0	0	0
Administrative Adjustments	96,000,000	62,120,800	66,651,300	91,518,800
Revertments	(95,570,500)	(102,540,400)	(140,798,100)	(147,507,100)
Subtotal On-going Expenditures	10,640,084,000	11,105,279,200	11,659,030,000	12,236,267,000
One-time Expenditures				
Capital Outlay	19,934,500	5,707,000	0	0
21st Century Fund Transfer	25,000,000	25,000,000	25,000,000	25,000,000
Other Major One-time Expenditures <sup>3/</sup>	43,900,700	5,800,000	0	0
Subtotal One-time Expenditures	88,835,200	36,507,000	25,000,000	25,000,000
<b>Total Expenditures</b>	<b>\$10,728,919,200</b>	<b>\$11,141,786,200</b>	<b>\$11,684,030,000</b>	<b>\$12,261,267,000</b>
<b>Ending Balance <sup>4/</sup></b>	<b>(\$972,916,800)</b>	<b>(\$1,729,138,400)</b>	<b>(\$1,930,907,500)</b>	<b>(\$1,768,413,500)</b>
On-going (Structural) Fund Balance <sup>5/ 6/</sup>	(\$1,251,528,600)	(\$1,692,631,400)	(\$1,905,907,500)	(\$1,743,413,500)

<sup>1/</sup> Significant one-time revenues and expenditures are separately detailed so as to permit the calculation of on-going revenue and expenditures.

<sup>2/</sup> Reflects the current status of FY 2008, including updated revenues

<sup>3/</sup> Please see the Summary of One-time Operating Budget Items on page 7 for a detailed list.

<sup>4/</sup> This calculation reflects the difference between total revenues and total expenditures.

<sup>5/</sup> This calculation reflects the difference between on-going revenues and expenditures.

<sup>6/</sup> The FY 2010 and FY 2011 spending projections assume the continuation of several provisions in the FY 2009 JLBC Baseline which do not have permanent authorization. Without the continuation of these provisions, the on-going shortfall in FY 2010 and FY 2011 would be \$(98) million less than projected.

## Major Budget Units

<b>EXPENDITURES</b>	<b>FY 2008 Estimate</b>	<b>FY 2009 JLBC</b>	<b>\$ Above FY 08</b>	<b>FY 2010 JLBC Forecast</b>	<b>\$ Above FY 09</b>	<b>FY 2011 JLBC Forecast</b>	<b>\$ Above FY 10</b>
Operating Budget							
-- Department of Administration	33,312,200	28,755,900	(4,556,300)	28,755,900	0	28,755,900	0
-- AHCCCS	1,269,136,000	1,466,666,500	197,530,500	1,598,666,500	132,000,000	1,742,546,500	143,880,000
-- Attorney General	24,651,900	23,710,200	(941,700)	23,710,200	0	23,710,200	0
-- Department of Commerce	15,925,100	15,925,100	0	15,925,100	0	15,925,100	0
-- Community Colleges	167,744,800	173,928,100	6,183,300	180,363,400	6,435,300	187,036,800	6,673,400
-- Department of Corrections	910,277,200	967,000,800	56,723,600	1,066,614,600	99,613,800	1,099,708,400	33,093,800
-- Department of Economic Security	794,336,400	836,399,100	42,062,700	880,689,200	44,290,100	927,324,600	46,635,400
-- Department of Education	4,363,465,100	4,537,675,200	174,210,100	4,760,856,200	223,181,000	5,009,255,200	248,399,000
-- Department of Environmental Quality	32,979,000	32,729,000	(250,000)	32,729,000	0	32,729,000	0
-- Department of Health Services	583,432,200	630,645,600	47,213,400	680,466,600	49,821,000	734,223,500	53,756,900
-- Judiciary	128,221,500	128,338,700	117,200	128,338,700	0	128,338,700	0
-- Department of Juvenile Corrections	81,449,800	81,449,800	0	81,449,800	0	81,449,800	0
-- State Land Department	27,329,500	26,548,800	(780,700)	26,548,800	0	26,548,800	0
-- State Parks Board	28,212,200	28,712,200	500,000	28,712,200	0	28,712,200	0
-- Department of Public Safety	177,708,000	177,489,300	(218,700)	177,489,300	0	177,489,300	0
-- Department of Revenue	76,942,100	74,353,800	(2,588,300)	74,353,800	0	74,353,800	0
-- School Facilities Board	532,695,100	537,496,300	4,801,200	542,537,600	5,041,300	547,831,000	5,293,400
-- Office of Tourism	15,649,400	16,622,200	972,800	17,643,600	1,021,400	18,716,100	1,072,500
-- Universities	1,121,095,300	1,131,334,100	10,238,800	1,151,608,200	20,274,100	1,171,882,300	20,274,100
-- Department of Water Resources	24,074,600	24,815,800	741,200	24,815,800	0	24,815,800	0
-- All Other Budgets	210,309,000	210,902,300	593,300	210,902,300	0	210,902,300	0
-- FY 08 Unallocated Adjustments	536,500	0	(536,500)	0	0	0	0
-- One-time Spending	(43,900,700)	(5,800,000)	38,100,700	0	5,800,000	0	0
Total - Operating Budget	10,575,582,200	11,145,698,800	570,116,600	11,733,176,800	587,478,000	12,292,255,300	559,078,500
-- FY 08 Supplementals	64,072,300	0	(64,072,300)	0	0	0	0
-- Capital Outlay	19,934,500	5,707,000	(14,227,500)	0	(5,707,000)	0	0
-- Administrative Adjustments	96,000,000	62,120,800	(33,879,200)	66,651,300	4,530,500	91,518,800	24,867,500
-- Revertments	(95,570,500)	(102,540,400)	(6,969,900)	(140,798,100)	(38,257,700)	(147,507,100)	(6,709,000)
-- One-time Fund Transfers	25,000,000	25,000,000	0	25,000,000	0	25,000,000	0
-- New One-time Expenditures	43,900,700	5,800,000	(38,100,700)	0	(5,800,000)	0	0
Total Spending	10,728,919,200	11,141,786,200	412,867,000	11,684,030,000	542,243,800	12,261,267,000	577,237,000

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