

The background of the slide is a stylized, yellow-toned illustration of the Arizona State Capitol building. The central dome is prominent, topped with the Statue of Liberty. The building features classical architectural elements like columns and a pediment. The text 'Budget Briefing' is overlaid in large, bold, black letters across the middle of the image.

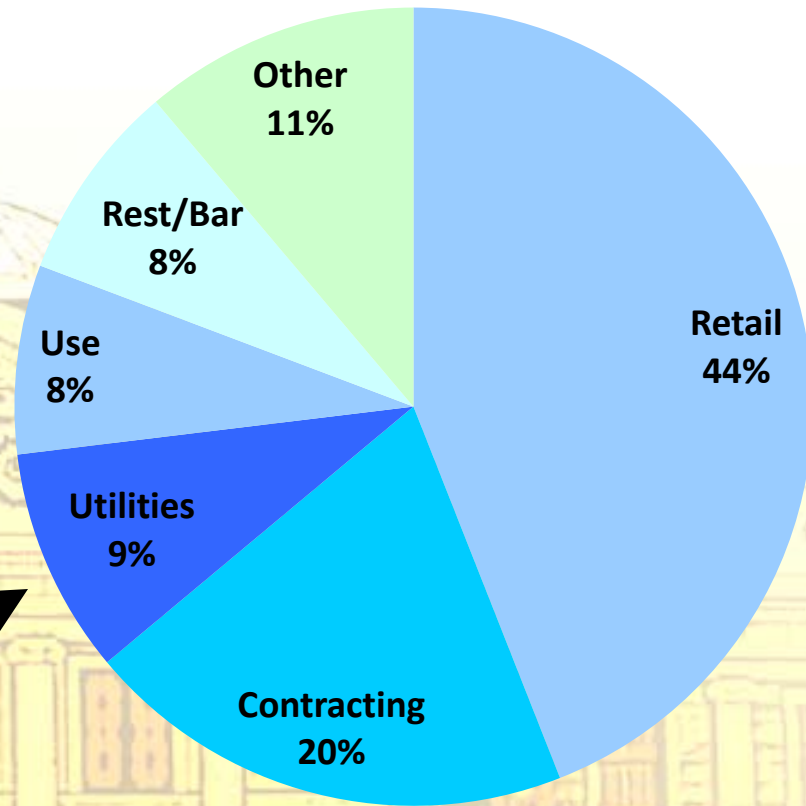
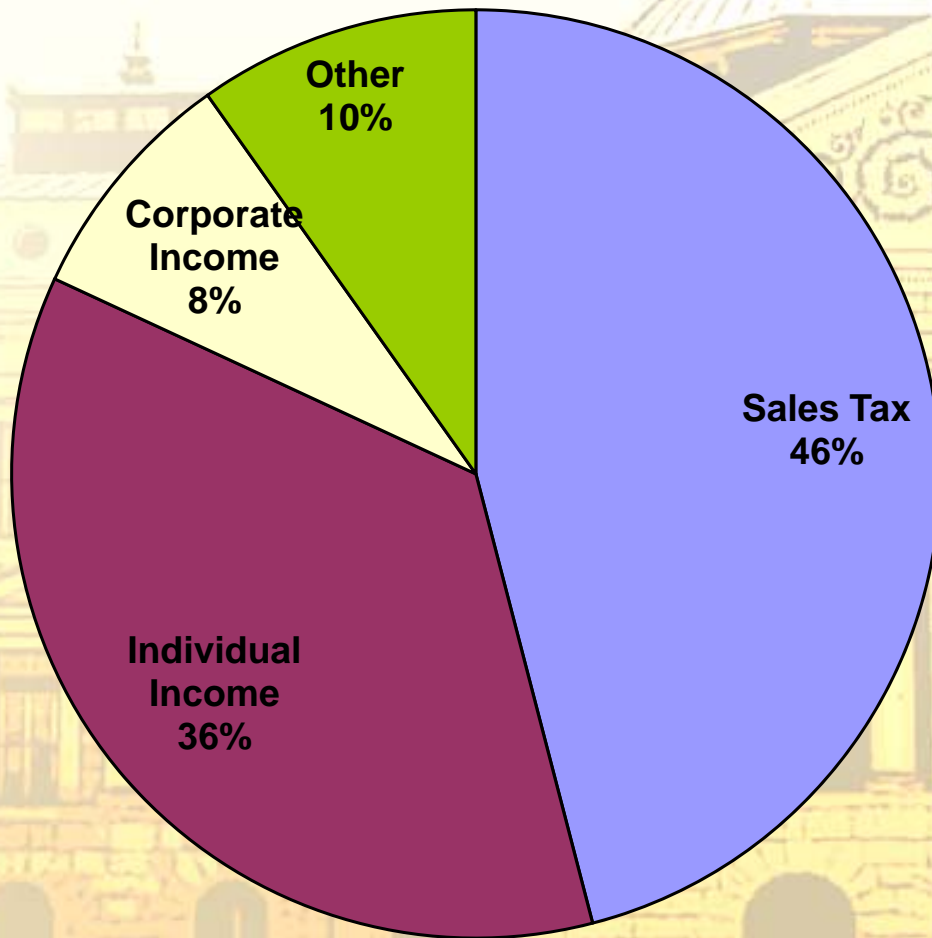
# Budget Briefing



**State of Arizona**  
**Janice K. Brewer, Governor**

April 9, 2009

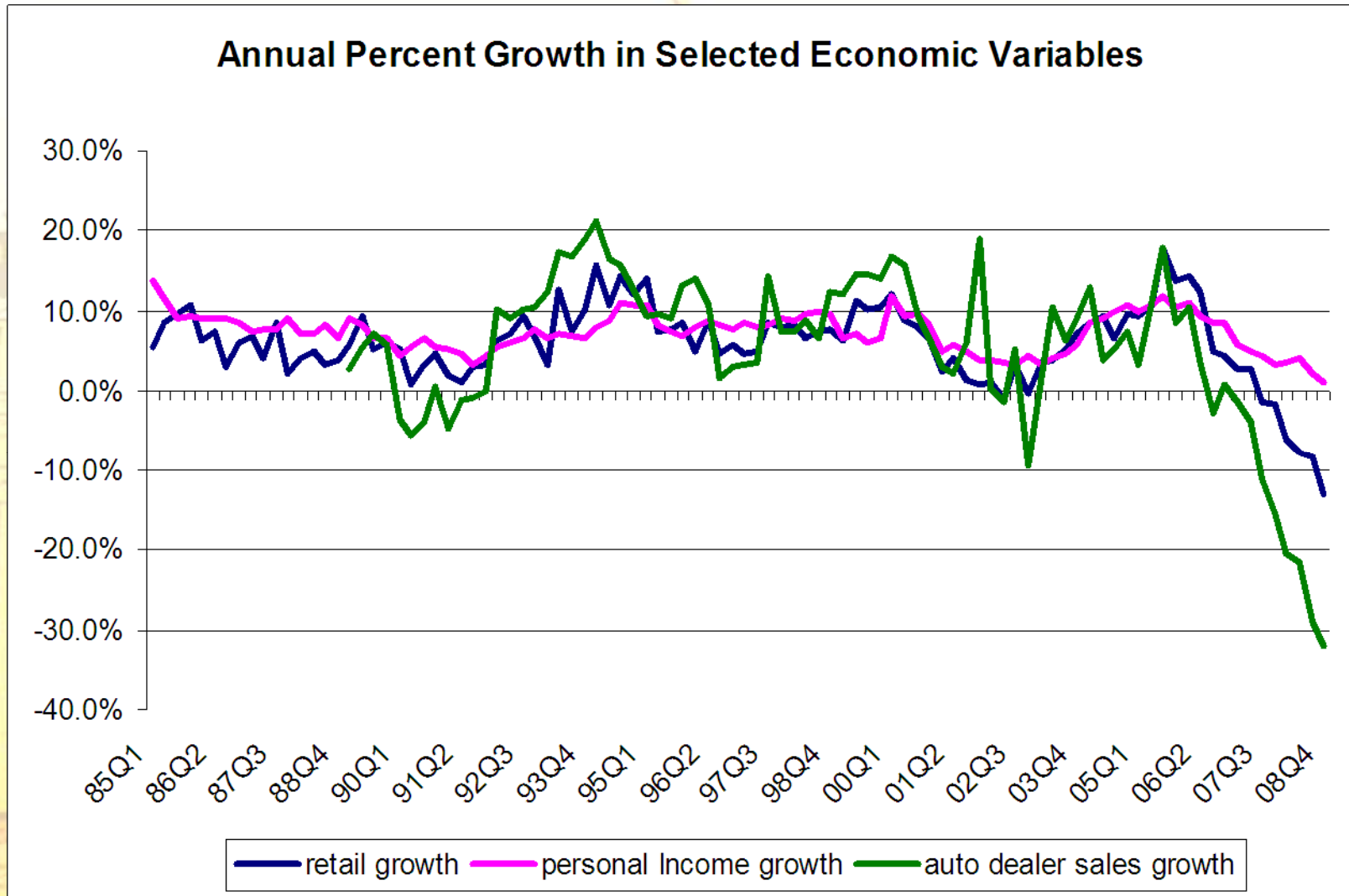
# Arizona's Revenue Streams



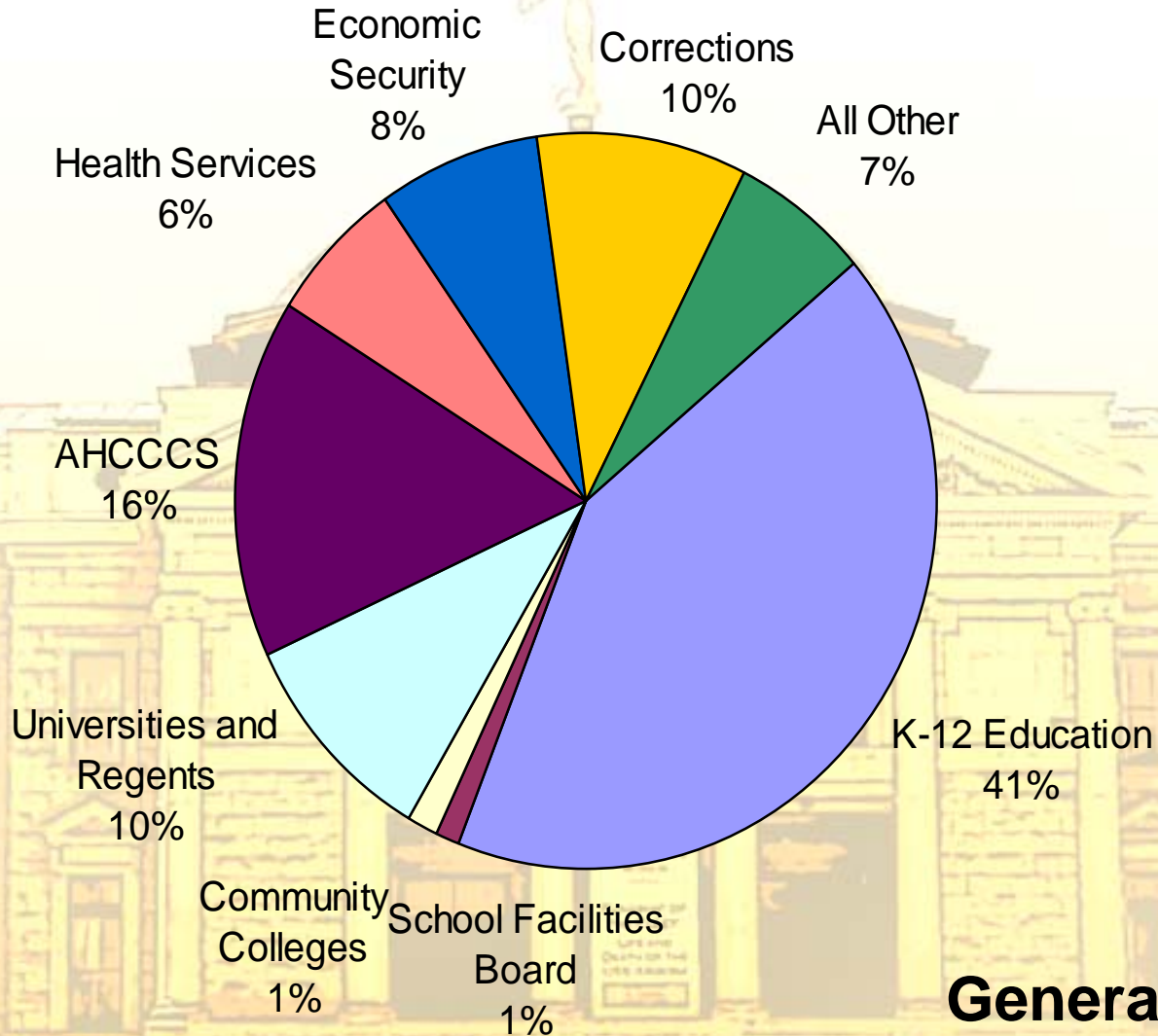
## General Fund Revenue

FY08 Actual Collections  
(before Urban Revenue Sharing distribution)

# Arizona's Revenue Trends



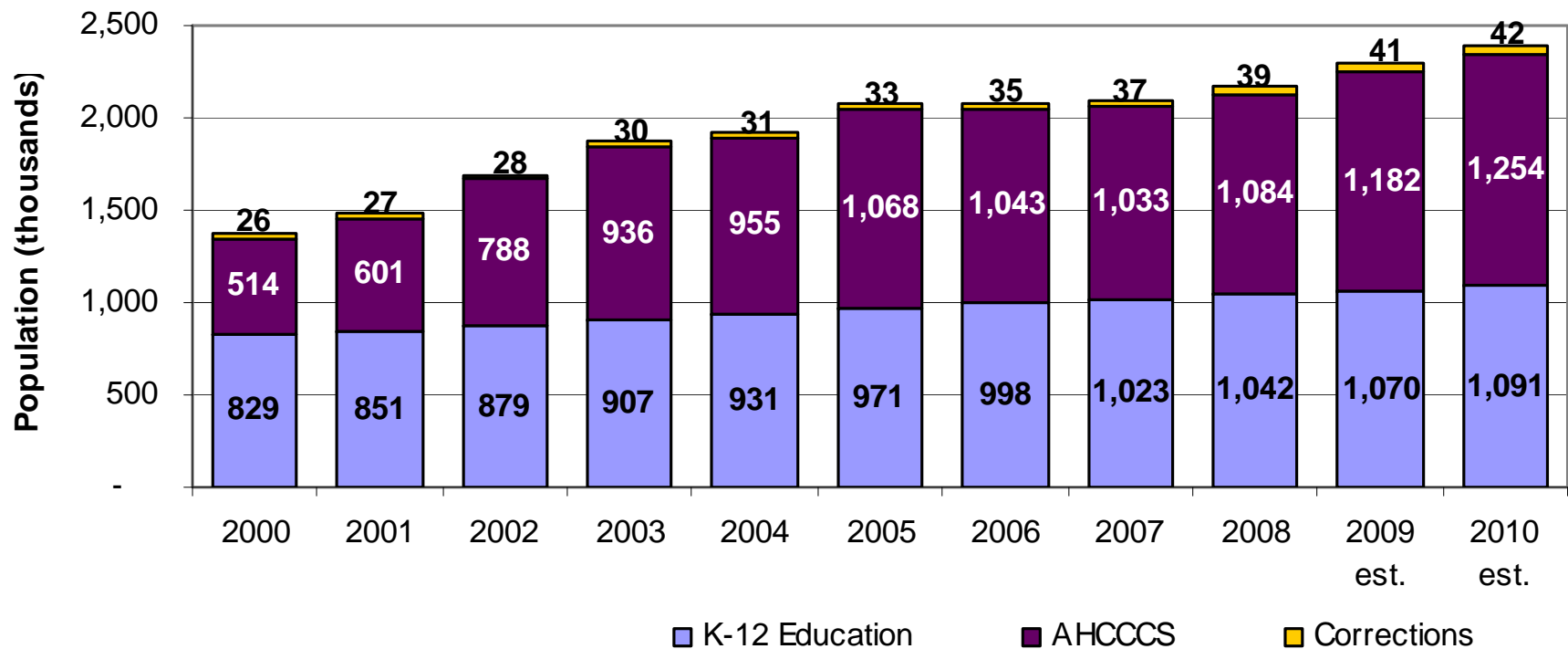
# Arizona's Expenditures



**General Fund  
Appropriations**

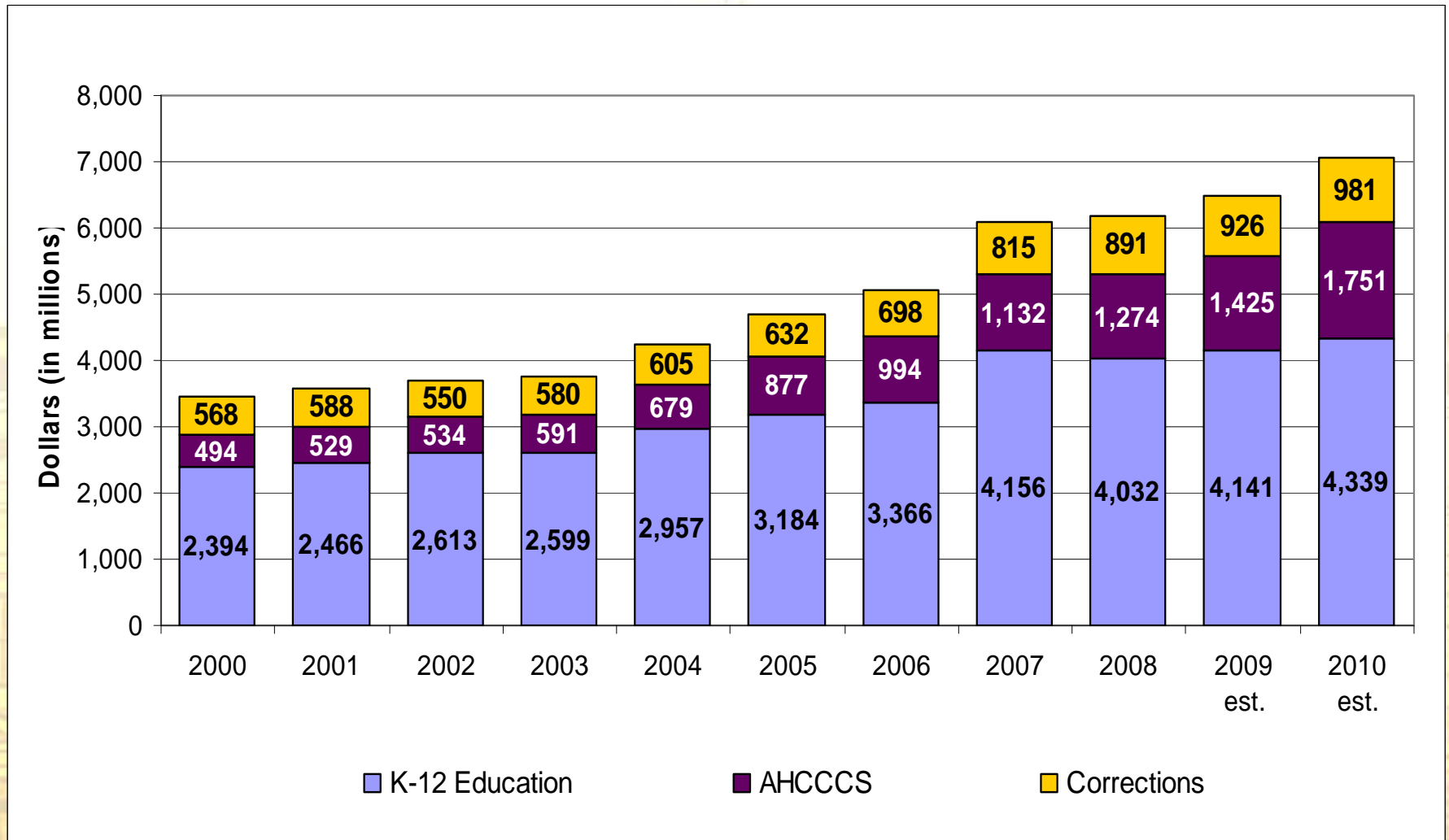
FY09 Adjusted Appropriations

# Arizona's Expenditure Trends



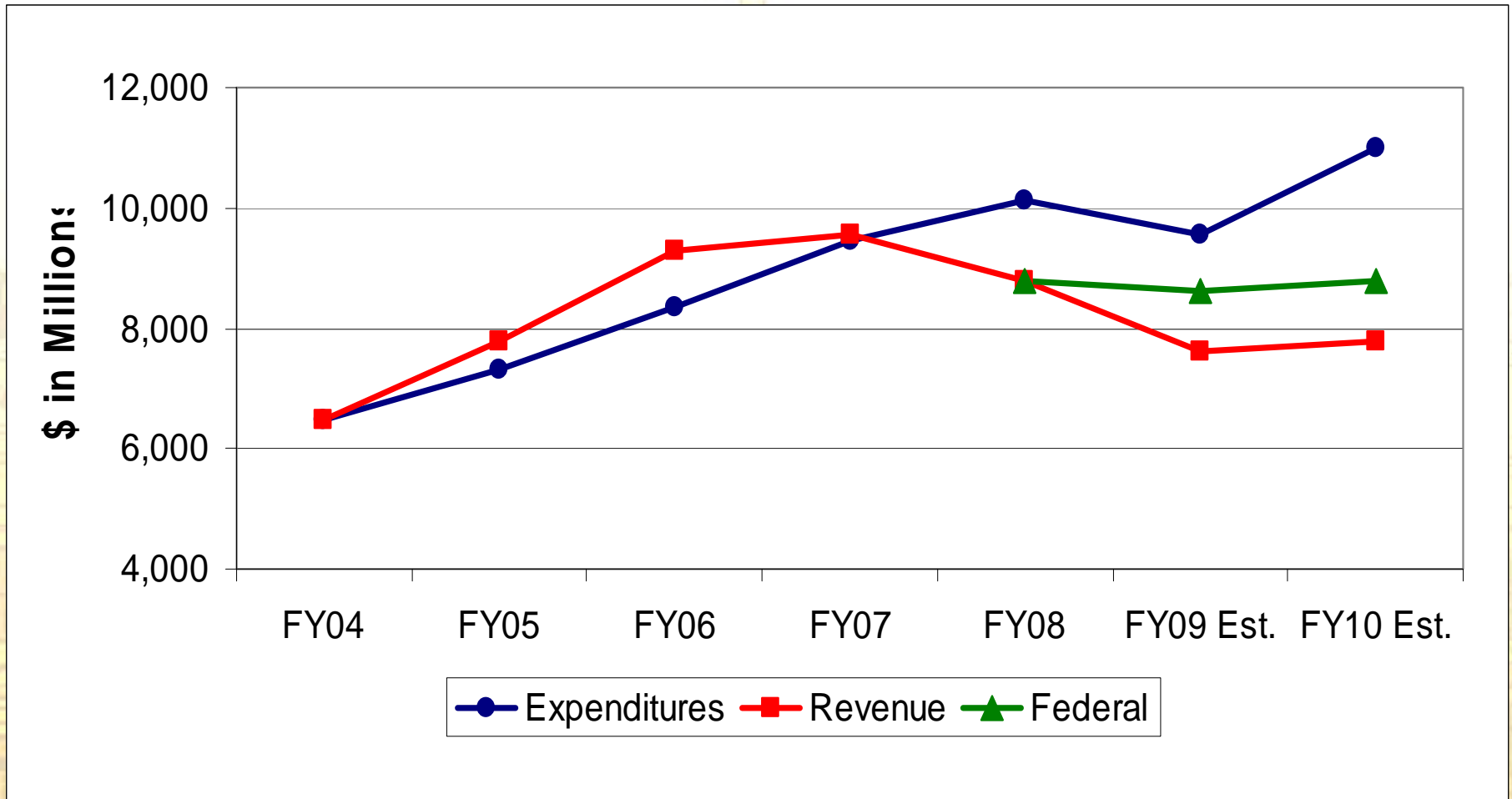
Caseload and enrollment for K-12 Education, AHCCCS, and Corrections are expected to grow by 107,000 from FY09 to FY10.

# Arizona's Expenditure Trends



The caseload growth translates to an increased funding requirement, from FY09 to FY10, amounting to \$600 million.

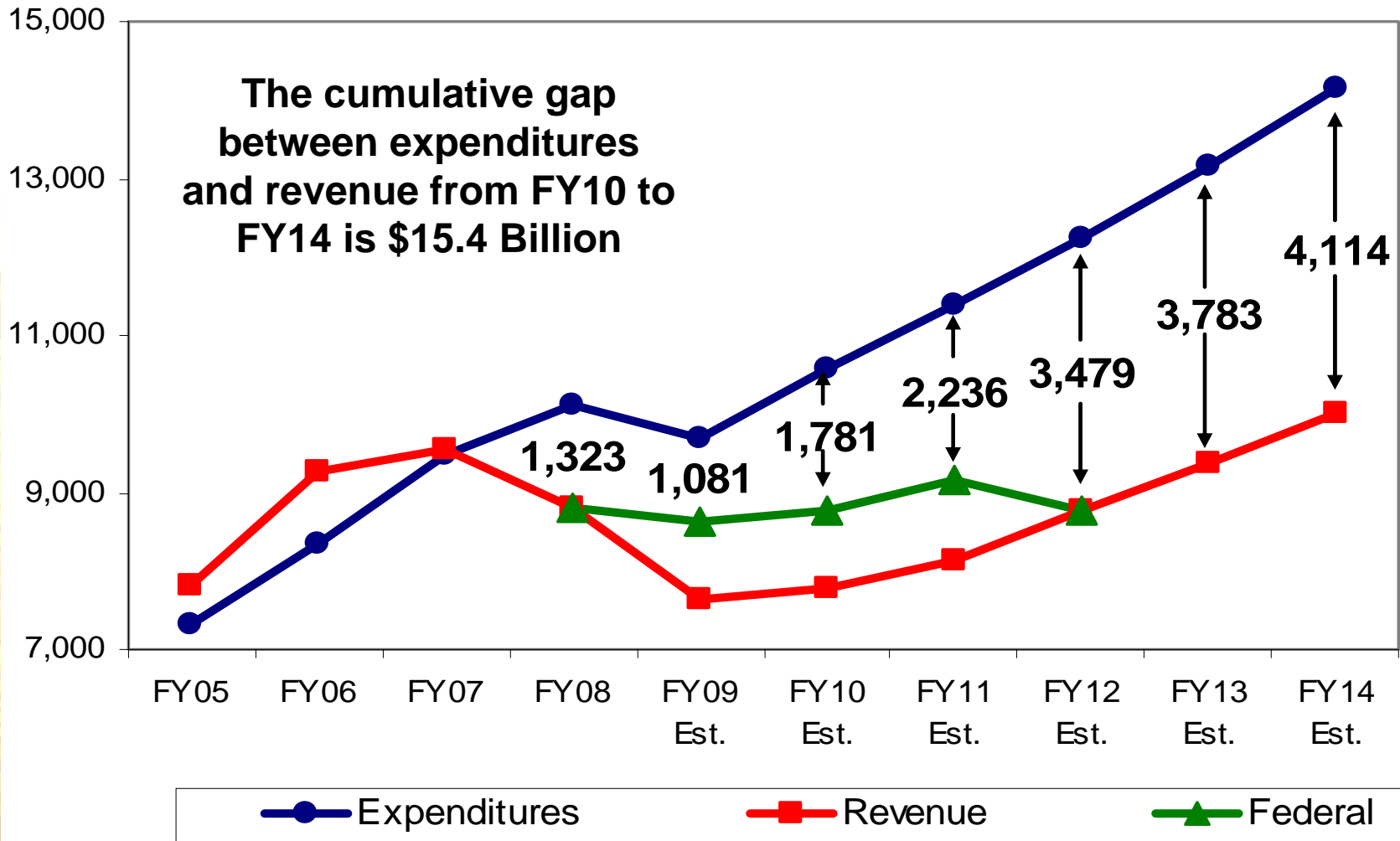
# Arizona's Budget Crisis



# How The Gap Has Been Filled

	<u>FY 2008</u>	<u>FY 2009</u>
	<u>in millions</u>	
• <b>Agency Reductions</b> (Permanent)	248	584
• <b>Rainy Day Fund</b> (Temporary)	560	130
• <b>K-12 Rollover</b> (Temporary)	336	0
• <b>Other Fund Transfers</b> (Temporary)	290	467
• <b>Federal Assistance</b> (Temporary)	0	500

# Arizona's Future Fiscal Crisis



# **Building A Better Arizona – Governor Jan Brewer’s 5 Point Plan**

- 1. Reform budget process – focus on long-term needs and resources**
- 2. Improve Prop. 105 – The Voter Protection Act**
- 3. Further spending cuts, reduce general fund by \$1 billion**
- 4. Provide tax reform to attract business and more jobs**
- 5. Temporary tax increase - \$1 billion revenue to bridge the gap in our budget shortfall**

# Fiscal Reforms



- Substantial, Further Spending Cuts
- Reduction of Automatic Spending Growth
- Economic Vitality Tax Reform
- Long-term Financial Planning
- Long-term Capital Planning
- Effective Limits on Spending Growth
- Temporary Budget Balancing Tax Increase

The background of the slide is a stylized, yellow-toned illustration of the Arizona State Capitol building. The central dome is topped with the Arizona State Spirit, a winged figure holding a torch. The building features classical architectural elements like columns and a pediment with decorative carvings.

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