

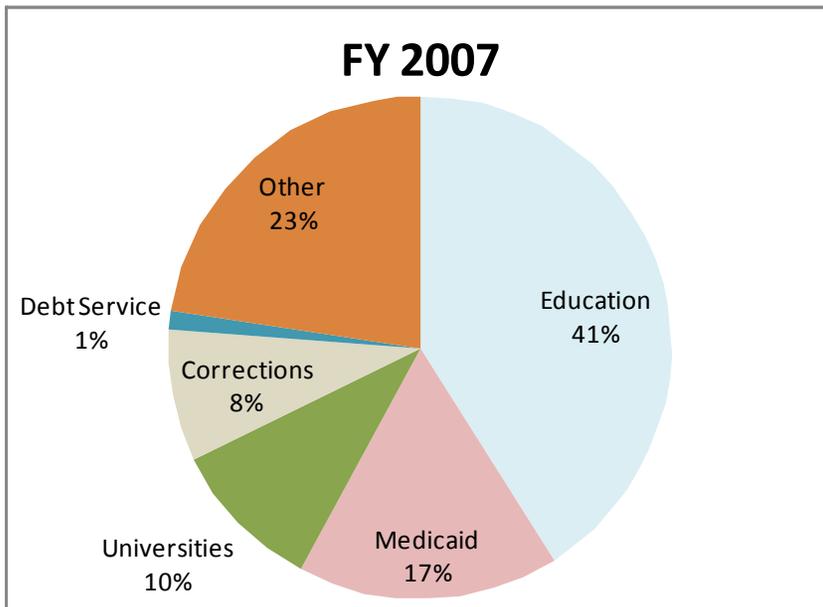
The background features a large, faint, circular seal of the State Auditor of the State of Texas. The seal contains the text "SEAL OF THE STATE AUDITOR OF THE STATE OF TEXAS" around the perimeter and "1912" at the bottom. In the center of the seal is a figure holding a scale and a sword, with a banner above it.

FY 2012 - FY 2013
Budget and Other Stuff

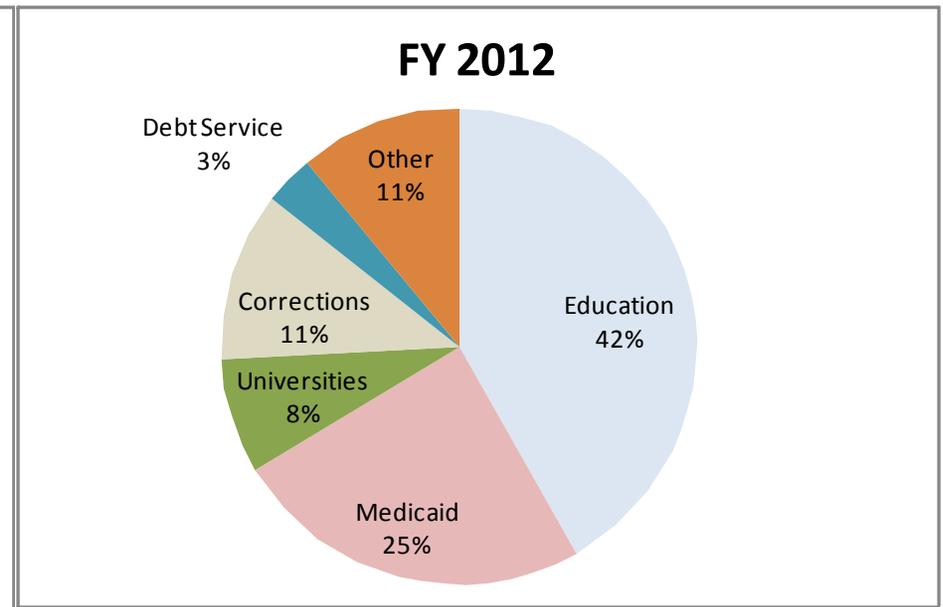
ATRA Outlook Conference
November 18, 2011



FY 2007 vs FY 2012 Budgets



Total General Fund Budget \$9.6 Billion



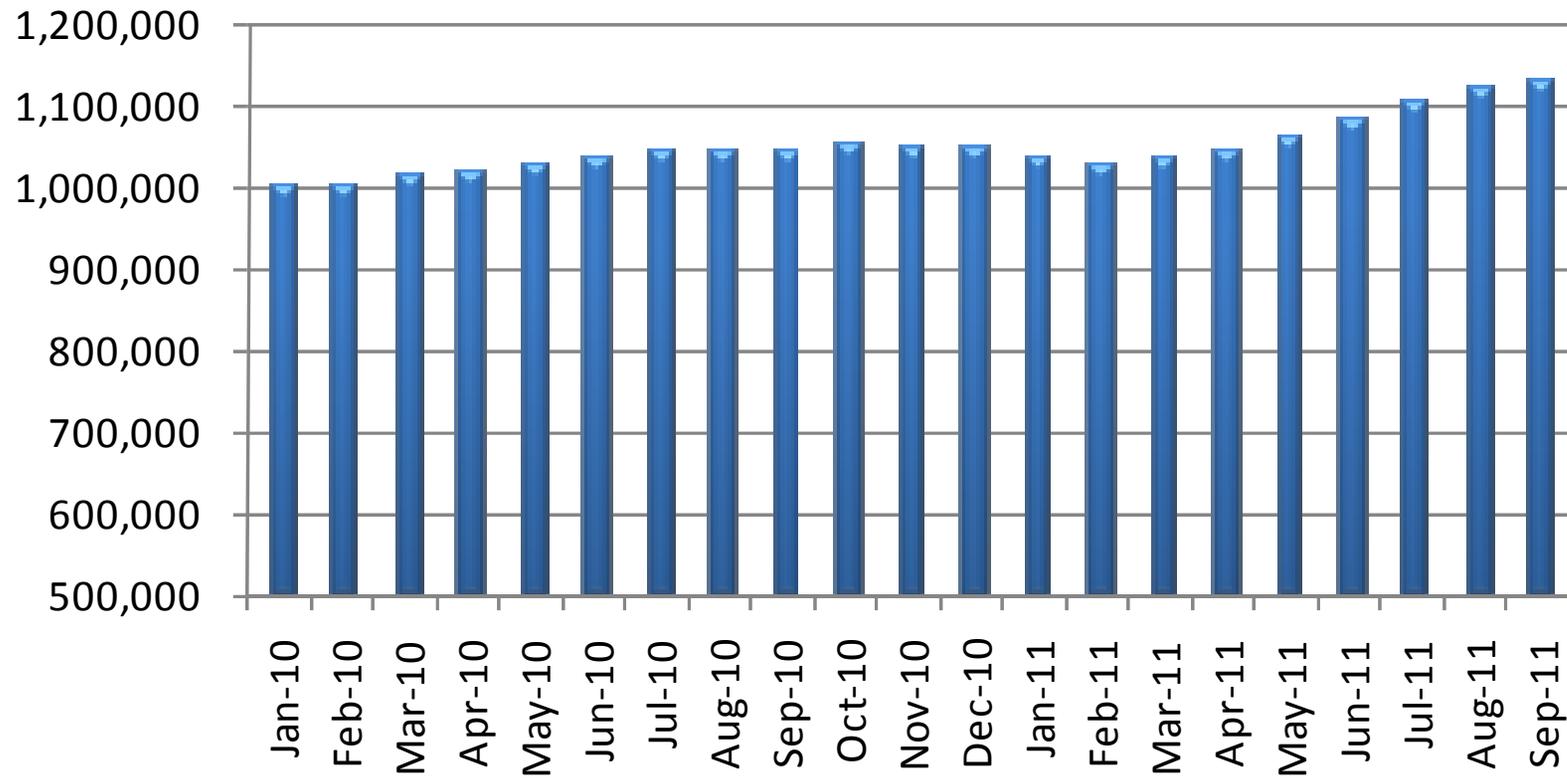
Total General Fund Budget \$8.3 Billion

General Fund budget reduced 13.5%
between FY 2007 and FY 2012



Economy

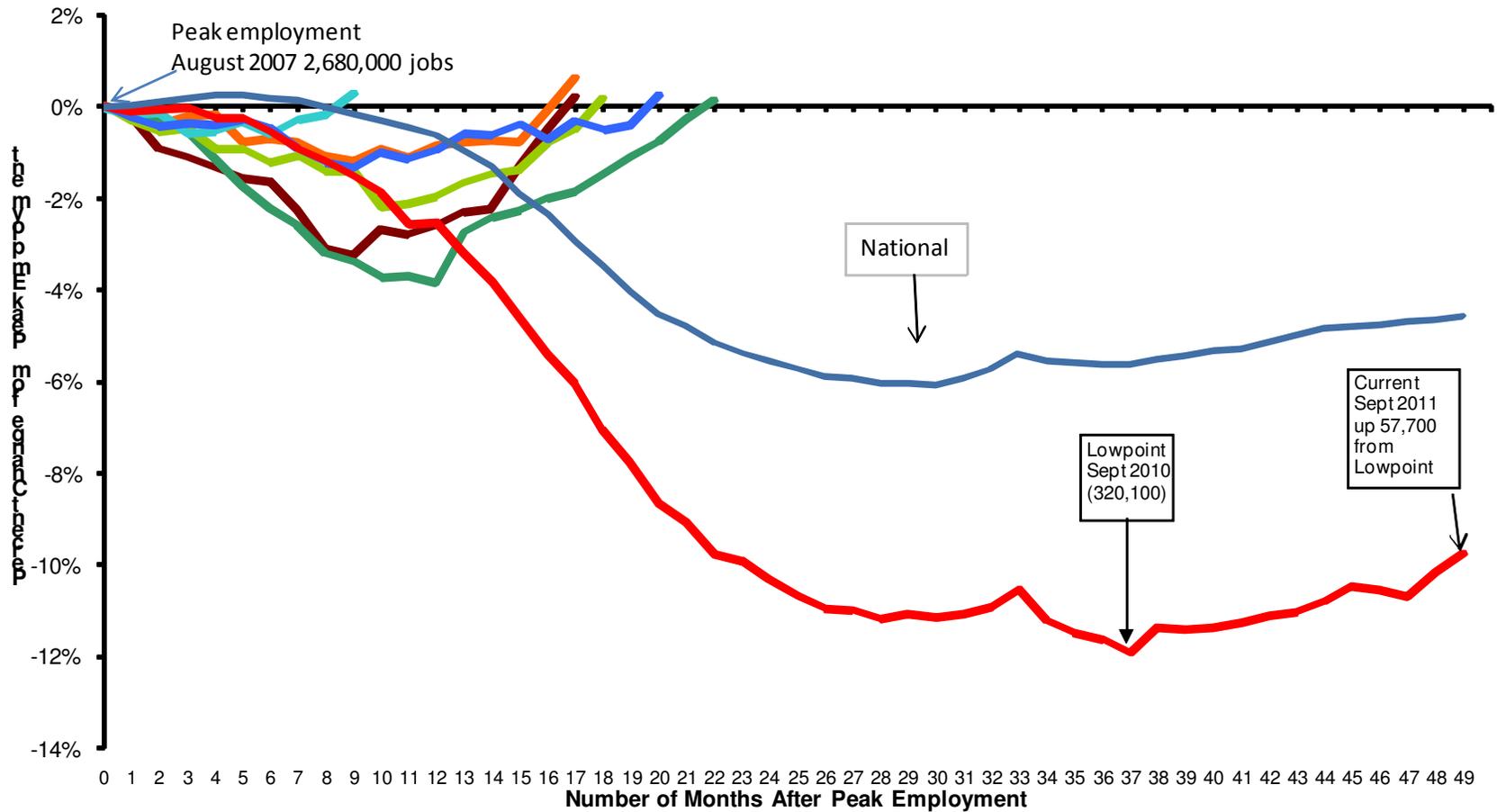
SNAP Enrollment





Economy

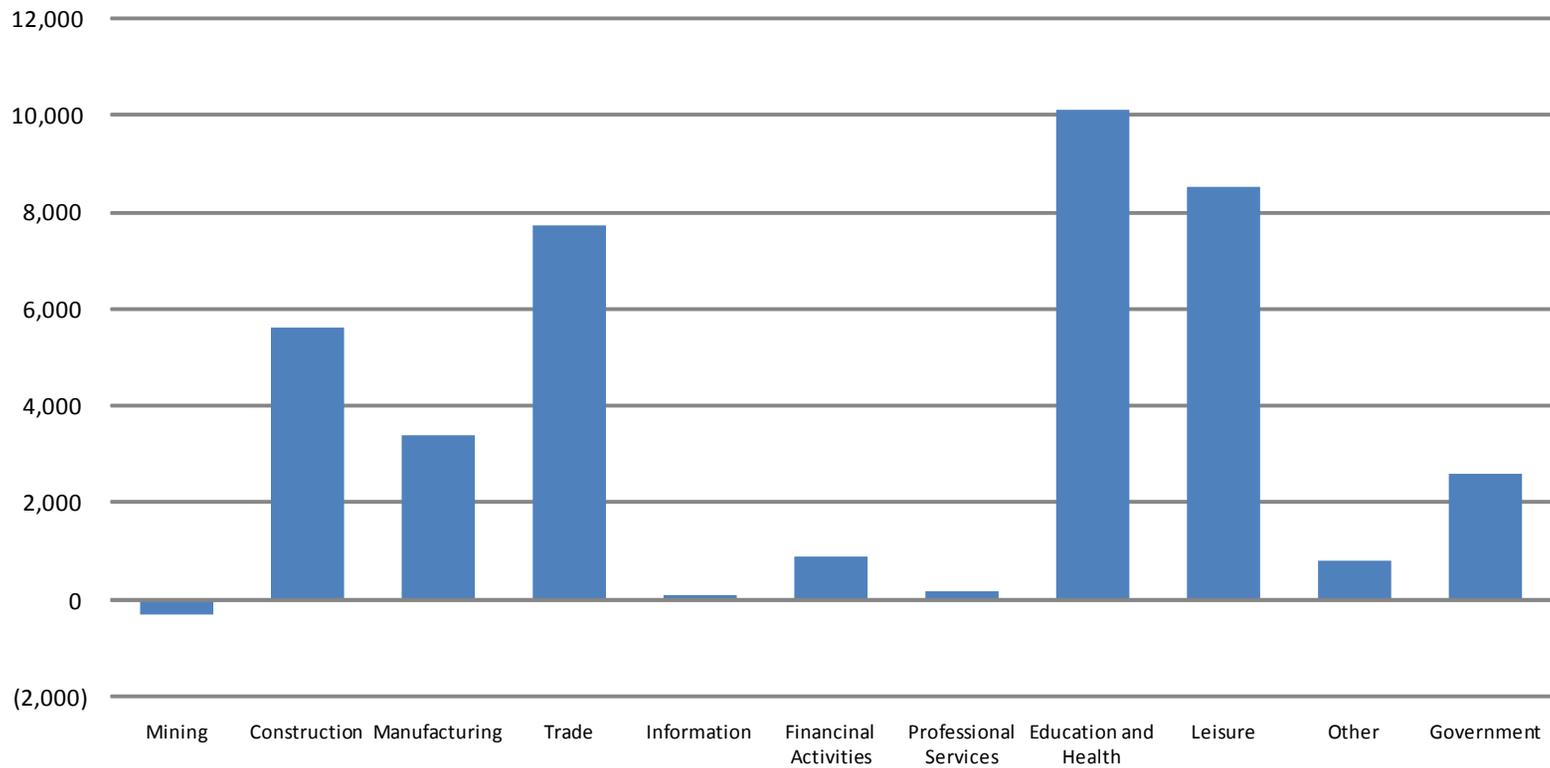
Arizona Job Loss Non-Farm Seasonally Adjusted





Economy – Job Growth

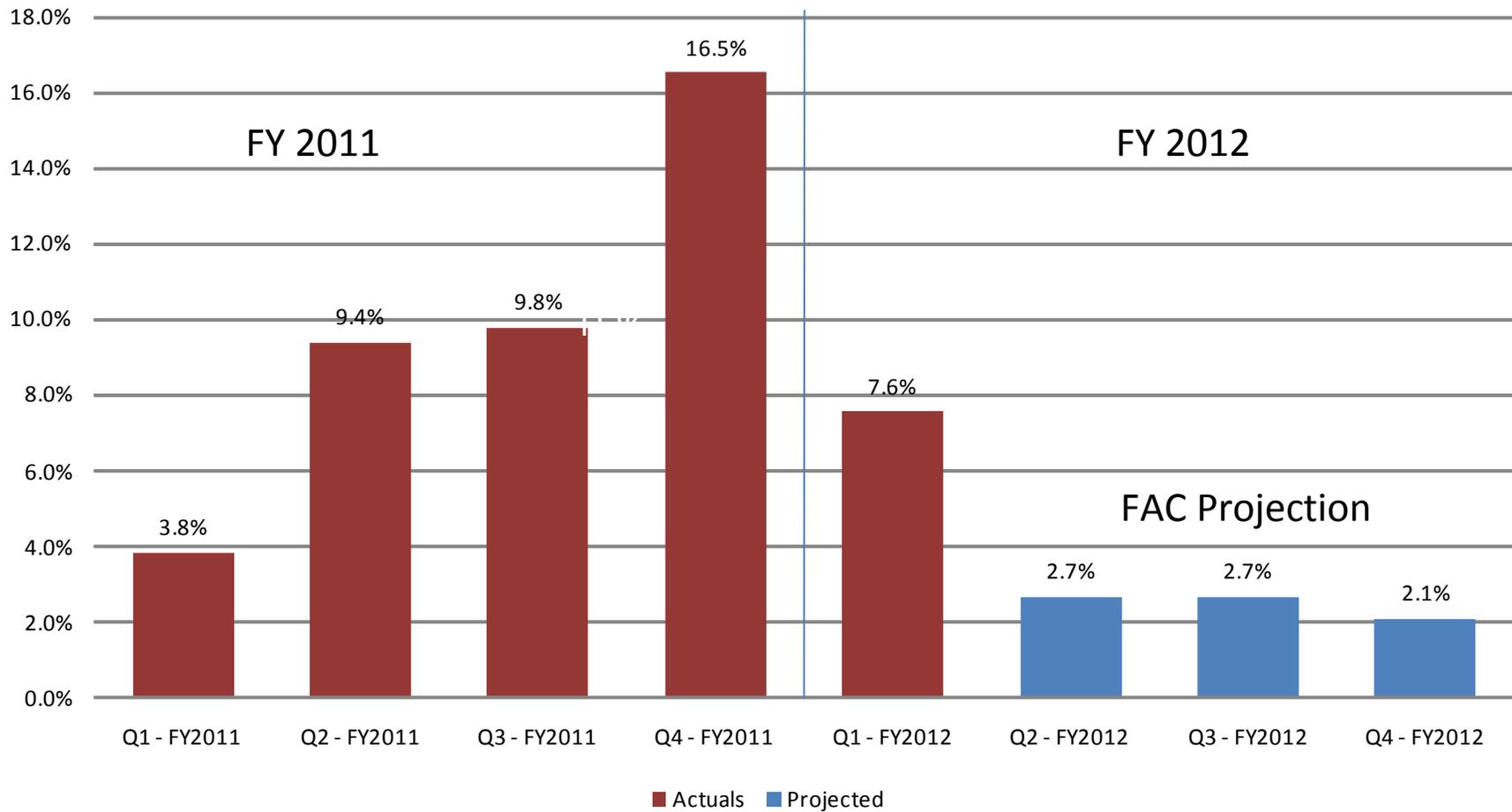
**2011 Arizona Job Growth
First Three Quarters - 40,000 Jobs Created**





Budget

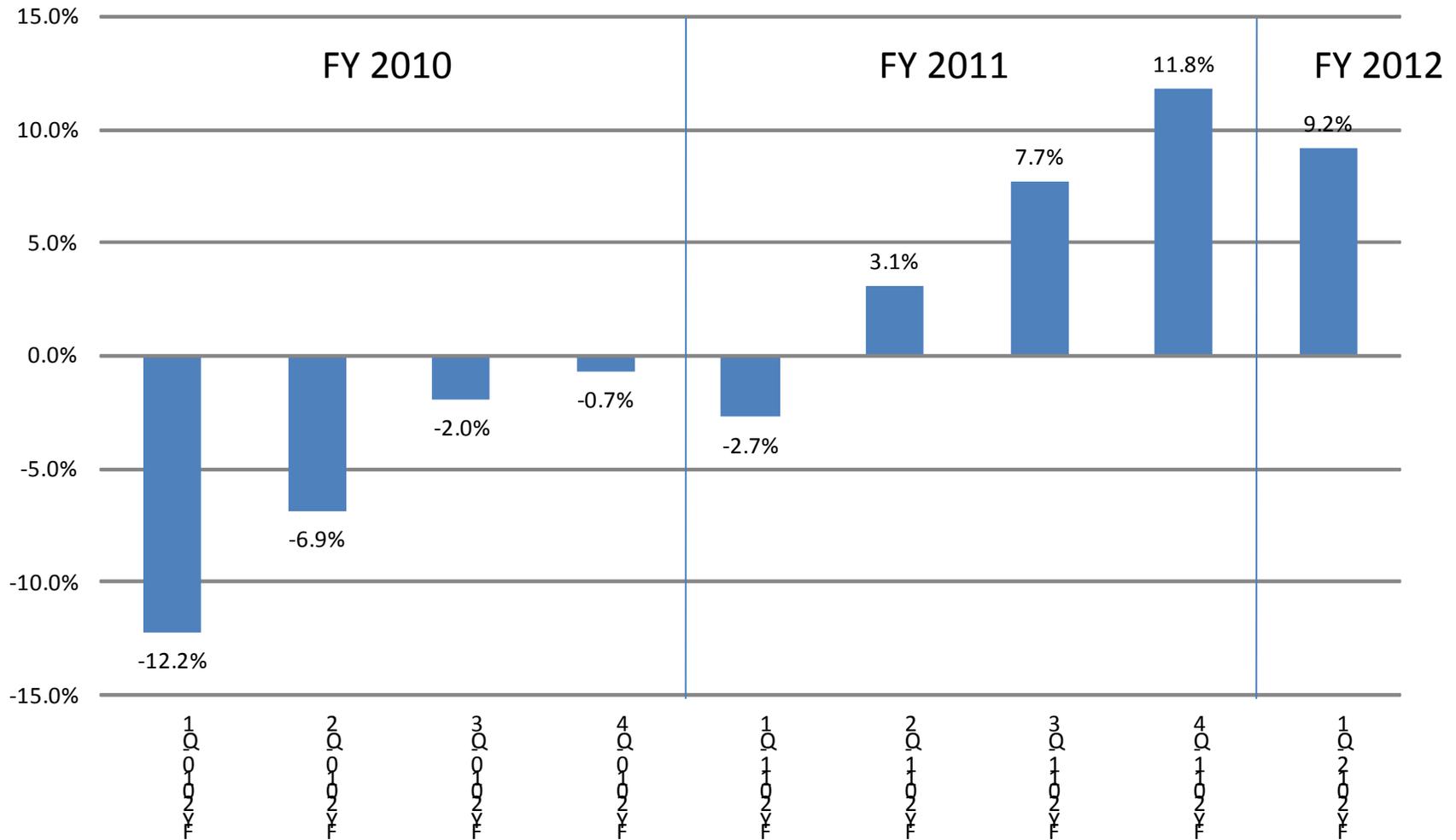
Quarterly revenue growth (year-over-year)





Budget

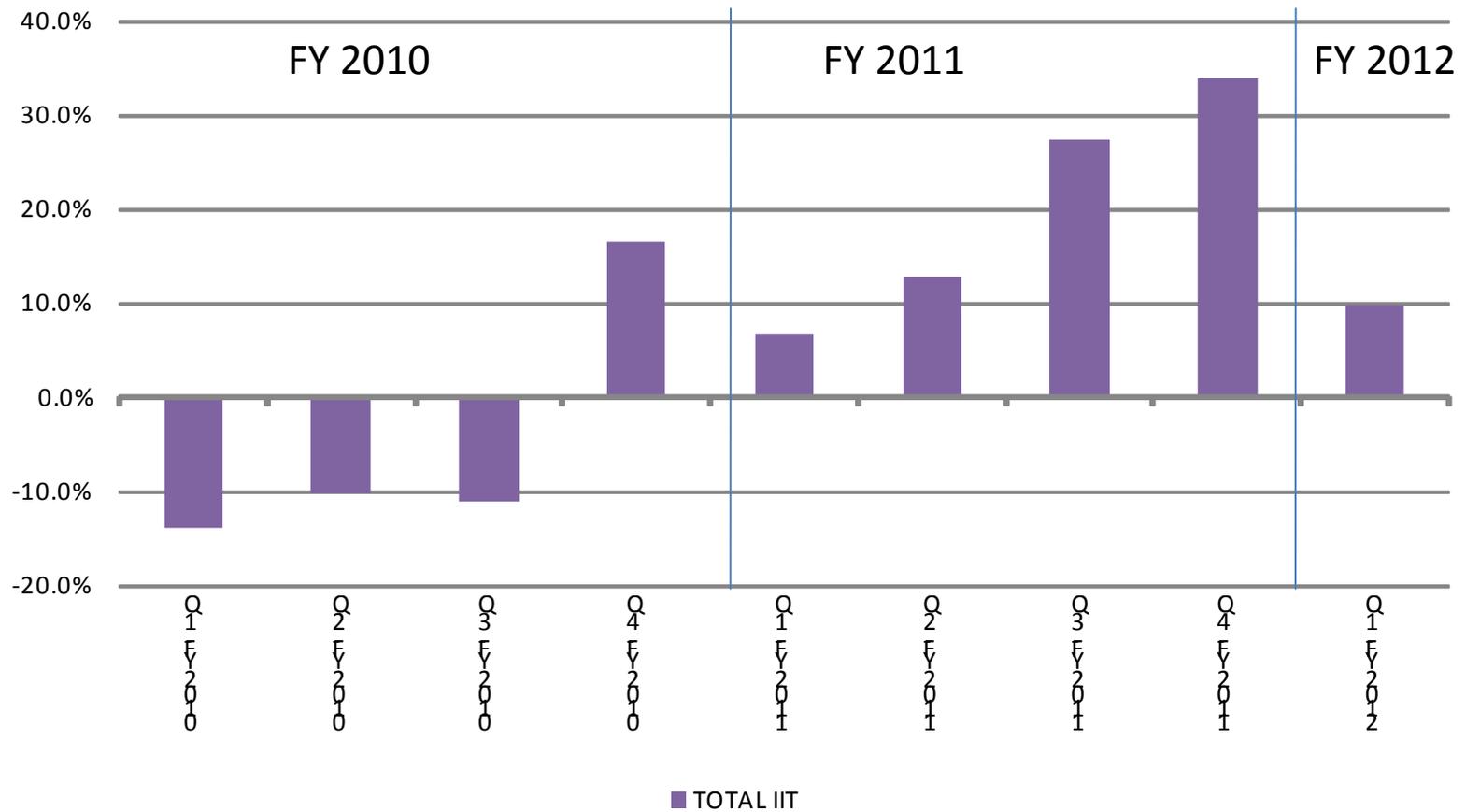
Retail Sales Tax Collections Quarterly Growth





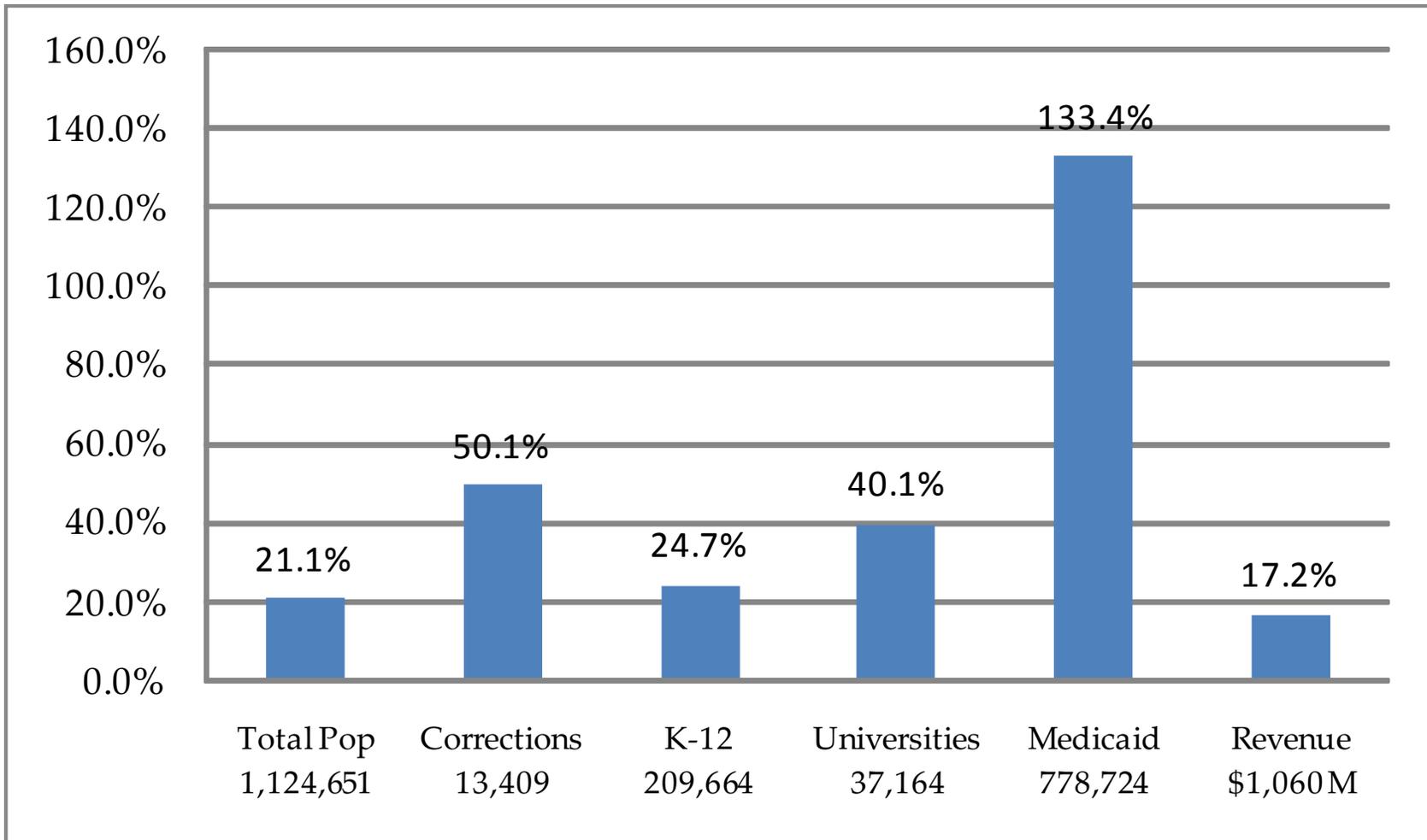
Individual Income

Quarterly Individual Income Tax Growth





Enrollment Growth FY 2001 to FY 2011





FY 2014 Impacts

- Revenue Loss

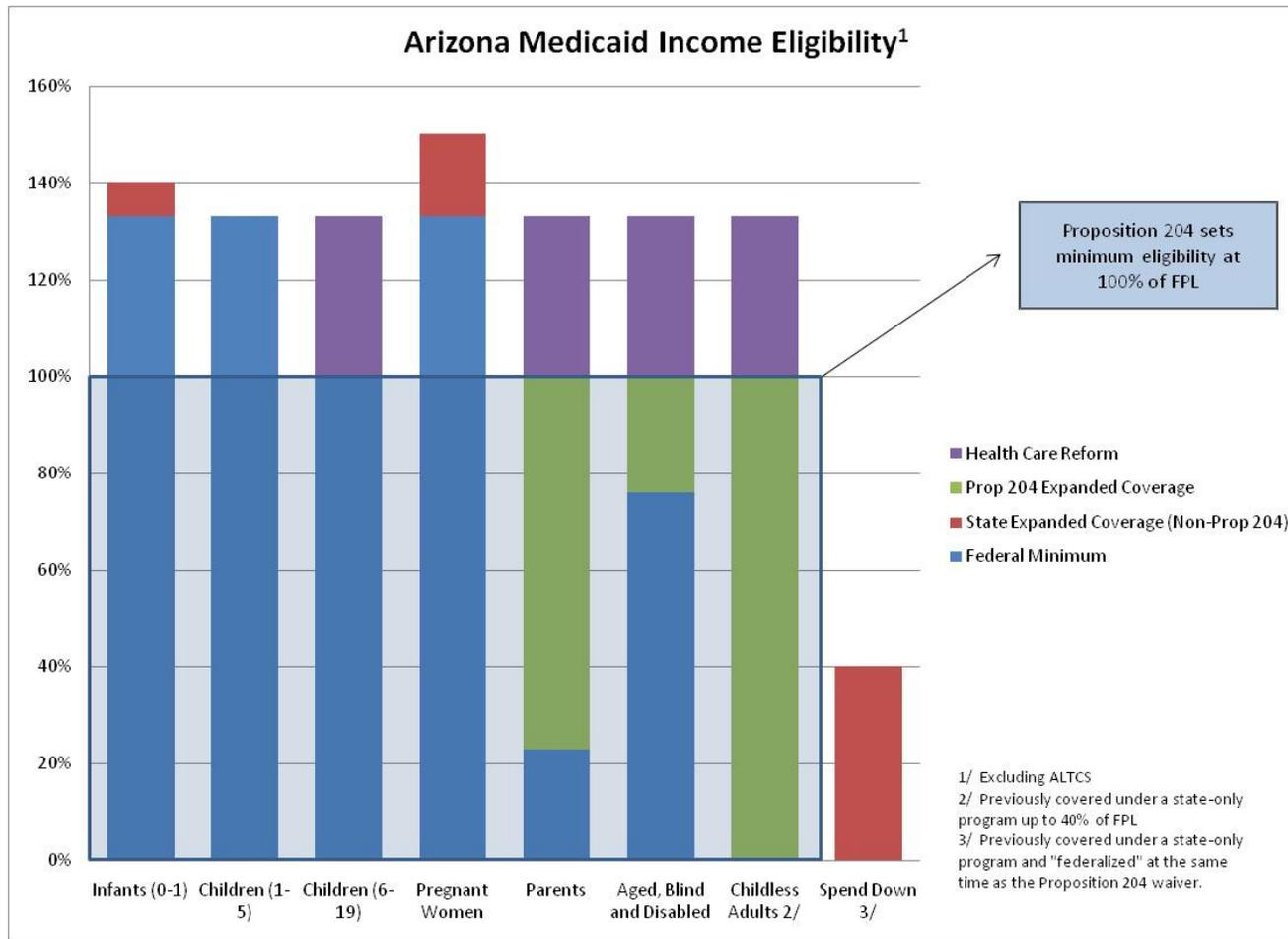
The temporary one-cent sales tax ends June 1, 2013 creating a FY 2014 \$945 million loss of revenue.

- Federal Healthcare Reform

Federal HealthCare reform kicks in January 1, 2014 restoring and expanding the Prop. 204 population.



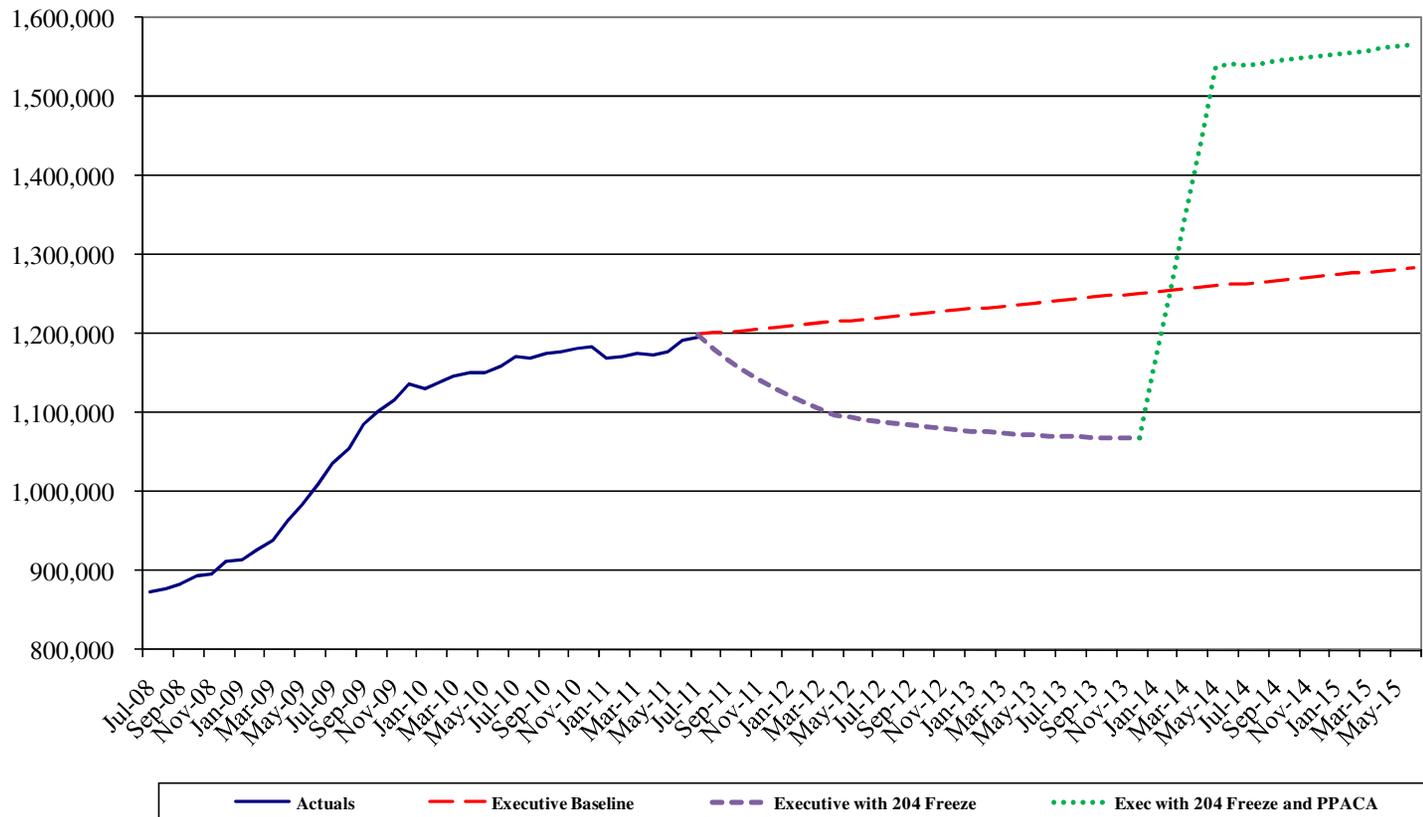
Healthcare Reform





Federal Healthcare Reform

**AHCCCS TXIX Capitation Member Months
Actuals and Forecasts**





Budget Picture

General Fund Ongoing Expenditures and Revenues





Principles

- Focus on end-of-term structurally balanced budget
- Maintain new budget baseline – funding increases based on need, not restoration
- Keep faith with the Prop. 100 voters – support K-12, public safety, and health care
- Use temporary resources for long-term state fiscal health (infrastructure, systems and equipment refresh; debt/rollover retirement, budget balances)

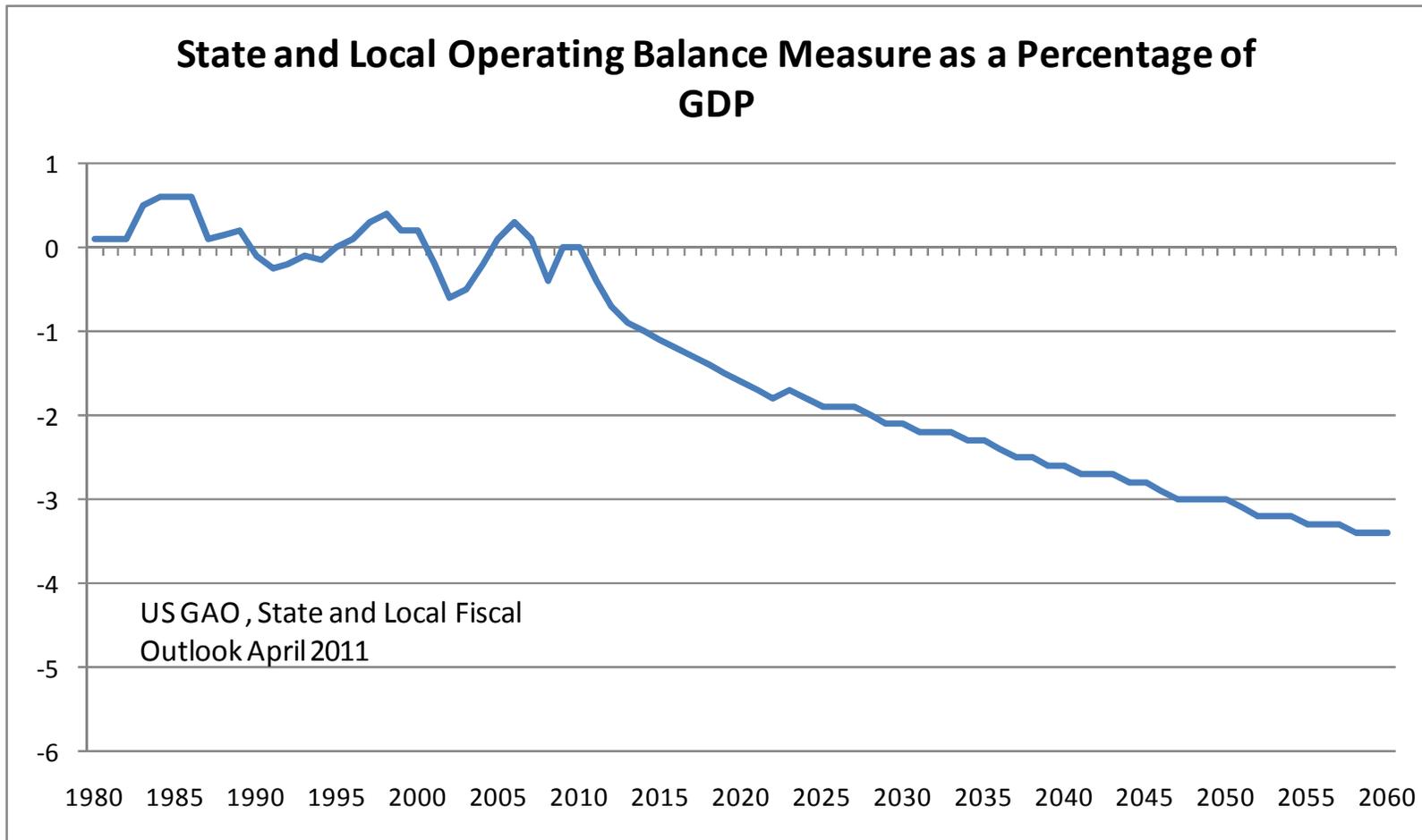


Agency and Other Funding Requests

- Debt reduction
- Rollover retirement
- Systems refresh
- Equipment refresh
- K-12 equipment refresh
- K-12 capital (building renewal)
- K-12 inflation
- State personnel system
- State capital (building renewal)
- Federal fund backfills
- Behavioral health
- Medicaid inflation
- Local Government
- University funding
- Prison expansion



Long-Term Medicaid Impact





Long-Term Medicaid Impact

