

**ANNUAL BUDGET
FY 1991
SUMMARY OF RECOMMENDATIONS
AND
ECONOMIC AND REVENUE FORECAST**

JLBC

**Prepared By:
THE STAFF OF THE
JOINT LEGISLATIVE BUDGET COMMITTEE
STATE OF ARIZONA
JANUARY 22, 1990**

JOINT LEGISLATIVE BUDGET COMMITTEE

The Joint Legislative Budget Committee was first established on April 25, 1966, pursuant to Laws 1966, Ch. 96. Thereafter, Laws 1979, Ch. 187 expanded and altered the Committee membership. The Committee members are:

Representative John Wettaw, Chairman - 1989	Senator Pat Wright Chairman - 1990
Representative Carmen Cajero	Senator Jan Brewer
Representative Ruth Eskesen	Senator Jaime Gutierrez
Representative Henry Evans	Senator A. V. "Bill" Hardt
Representative Mark Killian	Senator John Hays
Representative Jim Meredith	Senator John Mawhinney
Representative Jim Miller	Senator Tom Patterson
Representative Polly Rosenbaum	Senator Doug Todd

The primary powers and duties of the Joint Legislative Budget Committee relate to ascertaining facts and making recommendations to the legislature regarding all facets of the state budget, state revenues and expenditures, future fiscal needs, and the organization and functions of state government.

The Joint Legislative Budget Committee appoints a Staff Director and Chief Executive Officer who is responsible for providing staff support and sound technical analysis to the Committee. The objectives and major products of the staff of the Joint Legislative Budget Committee are:

- o Analysis and Recommendations for the Annual State Budget, which are presented in January of each year;
- o Technical, analytical, and preparatory support in the development of appropriations bills considered by the legislature;
- o An annual Appropriations Report, which is published shortly after the budget is completed and provides detail on the budget along with a further explanation of legislative intent;
- o Support to the Joint Committee on Capital Review with respect to all capital outlay issues including land acquisition, new construction, and building renewal projects.
- o Preparation of fiscal notes or those bills considered by the legislature having a fiscal impact on the state or any of its political subdivisions;
- o Management and Fiscal Research Reports related to state programs and state agency operations;
- o Periodic economic and state revenue forecasts;
- o Periodic analysis of economic activity, state budget conditions, and the relationship of one to the other.

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JULY ROSENBAUM

January 22, 1990

The Honorable Pat Wright
Chairman
Joint Legislative Budget Committee
State of Arizona

The Honorable John Wettaw
Vice-Chairman
Joint Legislative Budget Committee
State of Arizona

Dear Senator Wright and Representative Wettaw:

On behalf of the Staff of the Joint Legislative Budget Committee, it is my pleasure to transmit to you and the entire 39th Legislature of the State of Arizona, our Budget Analysis and Recommendations for Fiscal Year 1991, which begins on July 1 of this year.

In spite of budget cuts in each of the past three fiscal years, and successive tax increases of over \$100 million both in 1988 and 1989, the JLBC Staff estimates a \$323 million "Current Services Budget" deficit for FY 1991. Against this backdrop the JLBC Staff Analysis and Recommendations presents the Arizona Legislature with two distinctly paths for achieving a balanced budget for FY 1991:

- The JLBC Staff Recommendation is largely a Current Services Budget with selected policy issue changes the Staff believes merit attention. In order to achieve a balanced budget, the JLBC Staff has estimated FY 1991 General Fund Revenues on a "Current Law" basis. Accordingly, and without changing any tax laws, the State would retain 100% of the "Income Tax Windfall" and the State Property Tax would be \$1.25 per hundred of assessed value.
- As an alternative to the JLBC Staff recommendation, and in response to substantial legislative interest, the JLBC Staff has developed a 10% Budget Reduction Option (also known as a "Revenue Neutral Budget"). This alternative represents, for every General Fund agency, a 10% cut from the Current Services Budget. Therefore, this option represents 90% of the Current Services Budget.

Our recommendations are contained in four volumes:

- (1) A Summary of Recommendations and Economic and Revenue Forecast;
- (2) An Analysis and Recommendations book, which contains detailed recommendations, by agency, and by program;
- (3) Capital Outlay Budget Recommendations by the Staff of the Joint Committee On Capital Review.
- (4) An appendix report entitled, Non-Appropriated Funds and Specific Fund Which Include Appropriated Dollars.

The Staff of the Joint Legislative Budget Committee looks forward to working with you, the Senate and House Appropriations Committees, and the entire 39th Arizona Legislature in developing the Appropriations Acts and related Appropriations Report for FY 1991.

Sincerely,

Theodore A. Ferris
Staff Director and
Legislative Budget Analyst

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**DESCRIPTION OF METHODOLOGY
EMPLOYED IN DEVELOPING JLBC STAFF RECOMMENDED BUDGET
FOR FY 1991**

CURRENT SERVICES BUDGET

As a major step in developing the JLBC budget recommendation for FY 1991, a "Current Services Budget" (CSB) was prepared for each agency, department or budget unit. The Current Services Budget represents a spending plan which would allow each agency, department, or budget unit to provide or maintain a comparable set of services or level of real financial support as was provided in the previous fiscal period, subject to certain adjustments. A Current Services Budget serves two purposes:

- 1) It allows for an important early comparison of estimated FY 1991 revenues to estimated FY 1991 current services spending and, thereby, facilitates better planning and the establishment of realistic guidelines for JLBC Staff and the legislature in developing a balanced budget for FY 1991;
- 2) It provides a "benchmark" against which to set targets for the establishment of priorities for both incremental and decremental changes to the budget.

A Current Services Budget begins with the current year's appropriation (FY 1990) and makes adjustments for:

- One-time appropriations (decrease)
- Annualization of partial year funding (increase)
- General cost inflation (increase)
- Specific cost considerations (increase)
- Demographic changes such as population served, enrollments, etc. (increase or decrease)
- Statutory programmatic requirements, including scheduled start-ups, decreases, increases, or elimination of programs (increases or decreases)
- Vacancy Savings, based upon recent trend (increase or decrease)

The Current Services Budget includes a standard set of vacancy factors, which represent a percentage of an agency's unexpended Personal Services. Agencies typically do not spend 100% of Personal Services for a number of reasons. For example, employee turnover will normally result in positions being vacant for some period of time. In addition, the departure of long-term employees will often result in savings as they are replaced by less-experienced, lower-paid personnel.

The standard vacancy factors vary with the number of agency personnel. Larger organizations tend to have more turnover, which results in greater vacancy savings. The Executive has used these same factors in developing their recommendation:

<u>Agency FTE Positions</u>	<u>Vacancy Factor</u>
0-25	0.0%
26-50	1.0
51-100	1.5
101-250	2.0
251 and over	3.0

These factors are guidelines and may be adjusted if historical or other factors indicate a higher or lower rate.

For FY 1991 each agency's average health insurance premium was increased by 18% and 15% for dental insurance. This growth factor reflects the rapid increase in health insurance prices nationwide. It may be necessary to revise this estimate once the Department of Administration (DOA) receives insurance companies' bids for FY 1991 health coverage.

The JLBC Staff in projecting the Current Services Budget requirements for FY 1991 used an estimated standard inflation factor of 4.5%. A special inflation rate of 11% was used for medical expenses. In-state Lodging rates were increased, on average, 15% to reflect changes recommended by the Department of Administration and approved by the Joint Legislative Budget Committee.

The JLBC Staff developed the above adjustments in consultation with the Executive Budget Office. For the most part, these adjustments were made uniformly throughout the various State agencies in both the JLBC Staff and Executive recommendations.

JLBC STAFF RECOMMENDED POLICY ISSUES

A second major step in the development of the JLBC Staff budget recommendation is an analysis of policy issues. Such issues represent either an increase or decrease in the level of spending as compared to the Current Services Budget. As such, a policy issue either enhances or reduces the comparable set of services or level of real financial support that was provided in the previous fiscal period.

The JLBC Staff Recommendation is largely a "Current Services Budget", with selected policy issue changes which the Staff believes merit attention. Overall, the Staff recommendation represents 99% of a CSB, although the individual percentage varies by agencies. A major cost saving measure recommended by the JLBC Staff is the elimination of the 4.5% general inflation factor, which is intended to reflect the impact of inflation on the cost of supplies, materials, etc., for an overall savings of \$13,708,800. The legislature has traditionally funded a general inflation factor, although it was eliminated in FY 1988 (2.5%) and FY 1989 (3.5%) as a cost-saving measure.

In order to achieve a balanced budget, the JLBC Staff has estimated FY 1991 General Fund Revenues on a "Current Law" basis. Accordingly, and without changing any tax laws, the State would retain 100% of the "Income Tax Windfall", and the State Property Tax Rate would be \$1.25 per hundred of assessed value. As a result, total revenues would be increased by \$298.9 million.

BUDGET REDUCTION OPTION

As an alternative to the JLBC Staff recommendation, and in response to substantial legislative interest, the JLBC Staff has developed a 10% Budget Reduction Option (also known as a "Revenue-Neutral Budget"). This alternative represents, for every General Fund agency, a 10% cut from the CSB for that agency and, therefore, represents 90% of a CSB. Specific program reductions or eliminations are offered and prioritized for each agency. The Staff has developed "hard", permanent cuts, emphasizing "Reductions-in-Force" wherever possible. This is based upon the belief that a permanent, down-sizing of government is called for if taxes are not raised. Under this alternative, it is assumed that the legislature chooses to treat the "Income Tax Windfall" and the State Property Tax Rate as was done in the current year. Accordingly, the revenue estimate for the "Budget Reduction Option" is \$298.9 million lower than the General Fund revenue estimate used in the JLBC Staff recommendation. A Budget Reduction Option is not provided for non-General Fund agencies.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Arizona Revised Statutes Section 41-1273(D) requires the Legislative Budget Analyst (JLBC) to . . ."prepare for distribution an analysis of the Governor's budget as soon after the budget is presented to the legislature as is possible. The analysis, among other things, shall include recommendations of the budget analyst for revisions in expenditures."

We have highlighted the differences between the JLBC Staff and the Executive recommendation for each agency in each section of our analysis; namely, the Current Services Budget, JLBC Staff Recommended Policy Issues, and Budget Reduction

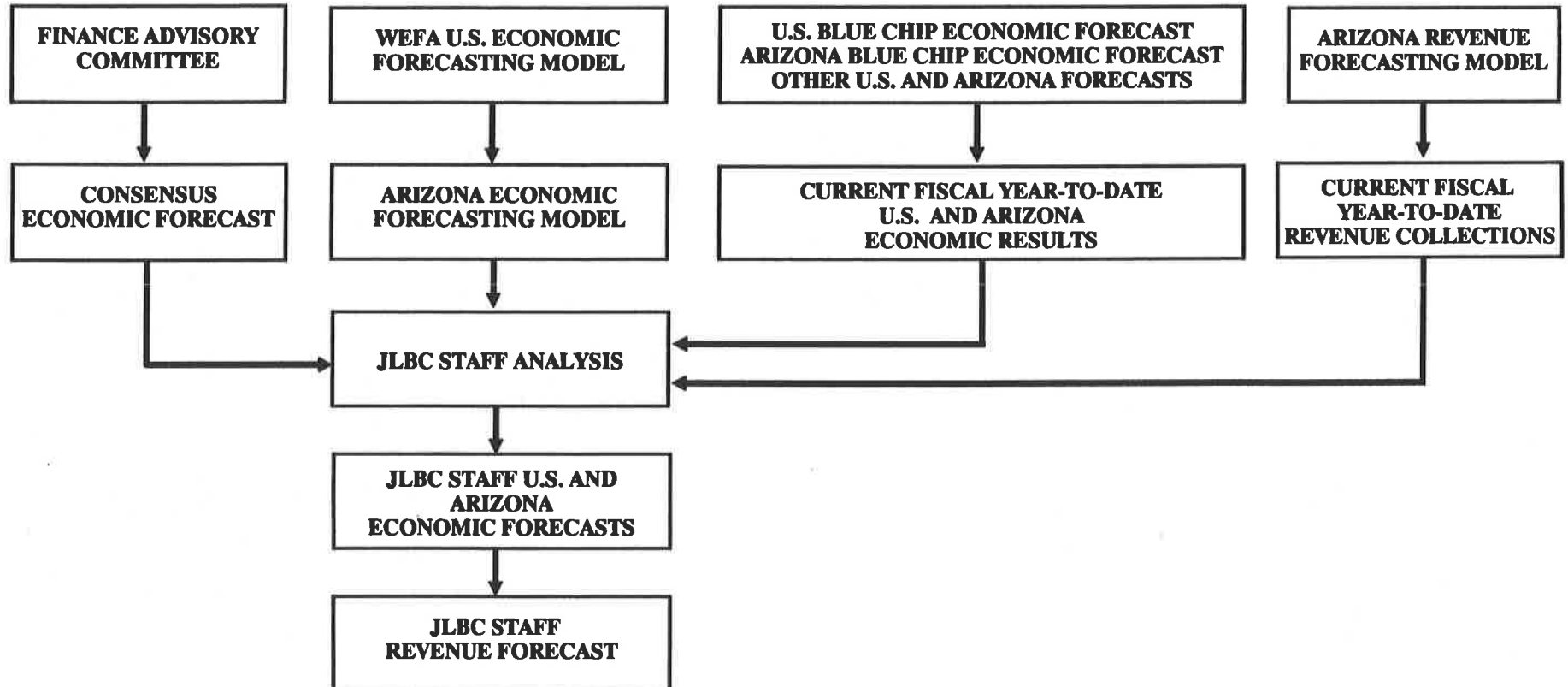
Option. Any policy issues recommended by the Governor and not addressed under these sections are addressed under the heading "Other Issues for Legislative Consideration."

Other Significant Revisions in the Format of the JLBC Staff Analysis and Recommendations for FY 1991 Book include:

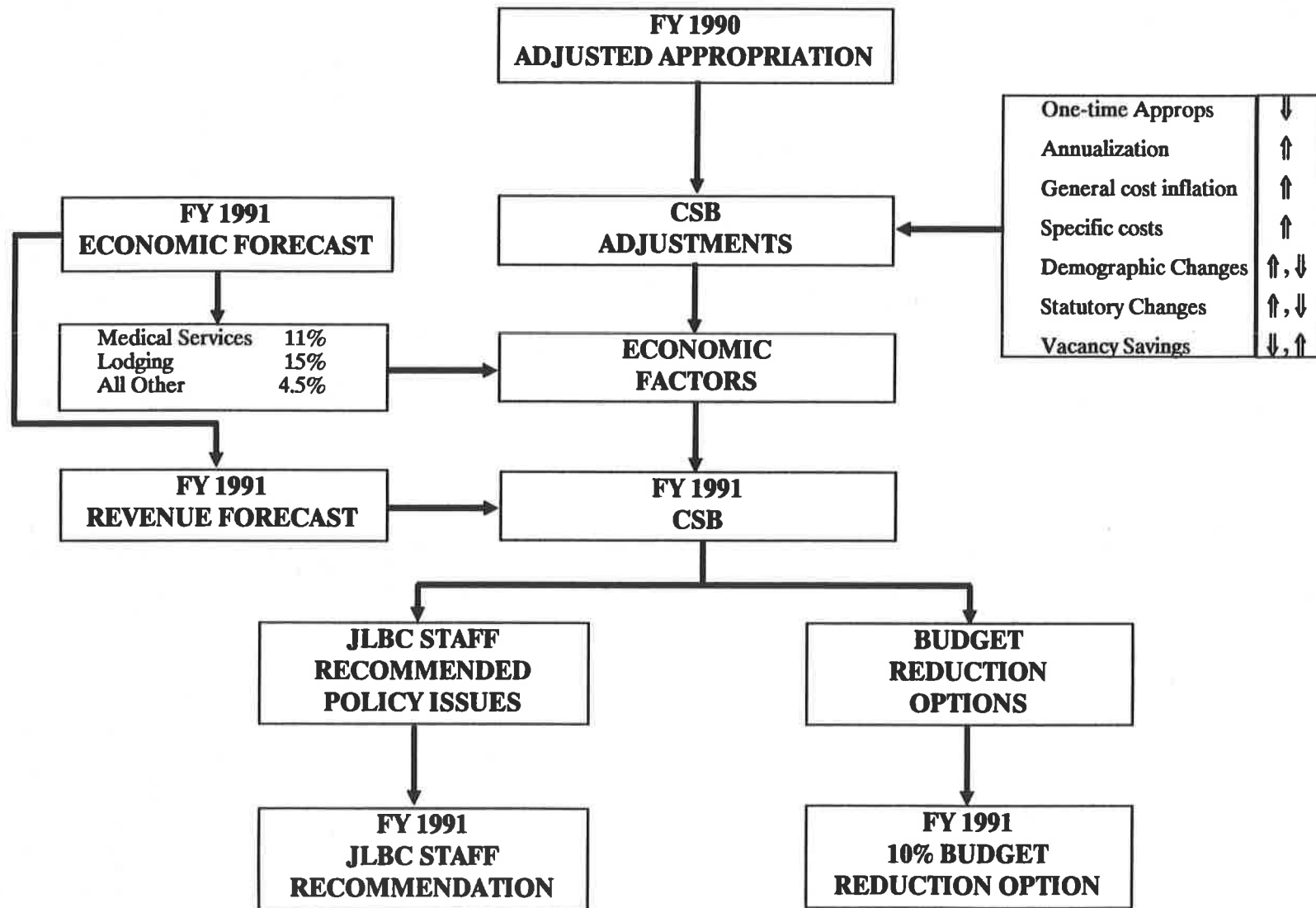
The FTE position count shown at the top of each page has been revised, in certain cases, to reflect FTE positions funded in Special Line Items. Previously, the FTE position count included only those positions funded through the "Personal Services" line item.

The "Actual" column (FY 1989) has been deleted for all agencies in order to make room for the "10% Budget Reduction Option" column.

**JOINT LEGISLATIVE BUDGET COMMITTEE STAFF
ECONOMIC AND REVENUE FORECASTING**



**FY 1991
JLBC STAFF
BUDGET DEVELOPMENT METHODOLOGY**



**CALCULATION OF THE
STATE APPROPRIATIONS LIMIT
FY 1990 AND FY 1991**

Article IX, Section 17 of the Constitution of the State of Arizona, establishes a limit on state appropriations. Under this limit, the appropriation of certain state revenues may not exceed 7.18% of Arizona Personal Income. In general, these revenues consist of (1) taxes, (2) University collections and (3) licenses, fees and permits. These revenues may be either general or earmarked for special purposes. The appropriation of certain other State revenues is not restricted by the appropriations limitation. These revenues include (1) interest and dividends, (2) amounts received from the issuance of bonds, (3) receipts from sales and rentals and consideration for services, (4) contributions, grants and gifts, (5) amounts received by the State in the capacity of trustee, custodian or agent, etc. These revenues too, may be general or earmarked for special purposes.

An inter-agency group, comprised of both Legislative and Executive Staff, recently reviewed the spending limitation for FY 1990. Information developed during that review showed that the State was well below the spending limit. If appropriations for FY 1991 are equal to or less than the amounts recommended by the JLBC Staff, the State should not exceed this constitutional limit. A detailed analysis of the spending limitation will be completed for FY 1991 prior to final adoption of the FY 1991 budget.

JLBC STAFF RECOMMENDS THE ESTABLISHMENT OF A BUDGET STABILIZATION FUND

Like 47 other states, Arizona has a balanced-budget requirement (Art. IX, Sec. 3-4). Any unforeseen deficit in the general fund becomes the first obligation in the ensuing fiscal period. Attempts are made to eliminate prospective deficits prior to the conclusion of a fiscal year. Surpluses are returned to the people of the state either through tax cuts or new or expanded programs. However, the combination of a rapidly-growing, but highly-volatile state economy, and miniscule projected carry-forward balances has resulted in an unintended game of "budget roulette" in recent years.

Even more so than the national economy, Arizona's economy experiences expansions and recessions of varying magnitudes. During the recessionary phase of the business cycle, there is an increased need for state-provided services, particularly in the area of social services and protection and safety. However, the slow economic activity associated with a recession leaves the state with insufficient revenues to fund such programs. This places even greater strains on the economy itself by forcing decision-makers to choose between spending cuts or tax increases--two unpalatable alternatives during a recession.

In response to fluctuations in revenues and corresponding funding problems, a sizeable majority of states (34) have enacted a variety of counter-cyclical fiscal strategies. Although there are several types of Budget Stabilization Funds in effect today, all share a common theme: To set aside revenues during times of strong economic growth, and to spend these revenues during periods of weak growth or decline. Their common purpose is to provide a built-in revenue stabilizer in order to reduce the state's vulnerability to economic fluctuations.

Several benefits to Arizona would arise from the establishment of such a county-cyclical fiscal policy. Among these benefits, a Budget Stabilization Fund would:

1. Combat the "tax-spend syndrome", whereby recession-induced tax increases lead to revenue surpluses during periods of economic expansion, which lead to new program initiatives or tax cuts during an expansion, only to be followed by more severe revenues shortfalls in the next recession, and so on and so forth;
2. Cushion peaks and valleys in revenues and expenditures;
3. Achieve efficiencies in capital outlays in construction programs which typically are the first items to be cut in a recession (Resource prices, labor included, are typically cheaper in recessionary times.); and,
4. Lessen unemployment and the loss of income associated with economic recessions (i.e. it is anti-recessionary) and would smooth revenue and expenditure fluctuations over the business cycle.

The best time to start a BSF is when the economy is soft and no pay-in is required. Thereafter, as the economy rebounds, monies can be set aside to prepare for the next economic slowdown.

The "Fiscal 2000" Committee has recommended such a contingency fund. The JLBC Staff has developed a formula-driven Budget Stabilization Fund for the Legislature to consider.

JLBC

STAFF ORGANIZATION

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SEN. PAT WRIGHT, Chairman 1990

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& JLBC Committee Clerk**
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Interns

Approved
Date: 9/27/89

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 Senator Patricia (Pat) Wright, Chairman 1990

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Boxing Commission
 Coliseum & Expo Ctr.
 CORRECTIONS, DEPT. OF (2)
 Lottery Commission
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 Tax Appeals Board
 Treasurer
 Uniform State Laws

Keith Brainard

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 Game & Fish Dept.
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 NORTHERN ARIZONA UNIVERSITY (2)
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 Parks Board
 Private Postsecondary Ed. Bd.
 Retirement System
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 Criminal Justice Commission
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 Indian Affairs Commission
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 Mine Inspector
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 Secretary of State

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 Pioneers' Home
 Rangers' Pension
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 Building & Fire Safety
 Contractors, Registrar of
 *Dispensing Opticians Bd.
 *Funeral Dir. & Embalm. Bd.
 Hearing Impaired, Council for
 *Homeopathic Med. Exam. Bd.
 *Naturopathic Physicians Bd.
 *Nursing Care Inst. Admin. Bd.
 *Optometry Board
 *Physical Therapy Exam. Bd.
 *Podiatry Examiners Bd.
 *Psychologist Exam. Bd.
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 Structural Pest Control Bd.
 *Veterinary Med. Exam. Bd.
 *DOA Central Board Services

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 Historical Society - Arizona
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 Tourism, Office of

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 Regents, Board of
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 CORRECTIONS, DEPT. OF (1)
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 FEDERAL FUNDS
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 ning/land acquisition, new
 construction and building
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Barber Examiners Board
 Cosmetology Board
 Dental Examiners Board
 LAND DEPT.
 Medical Examiners Board
 Nursing Board
 Osteopathic Examiners Board
 Personnel Board
 Pharmacy Board
 WATER RESOURCES, DEPT. OF

(1) Lead Assignment
 (2) Secondary Assignment

JLBC

FY 1991
COMPARISON OF MAJOR POLICY ISSUES
EXECUTIVE V. JLBC STAFF V. BUDGET REDUCTION OPTION

MAJOR POLICY ISSUE	EXECUTIVE RECOMMENDATION	JLBC STAFF RECOMMENDATION	10% BUDGET REDUCTION OPTION
K-12 "Roll-Over"	Continue Roll-Over of \$100 Million to FY 1992	Full Funding; Eliminate Roll-Over at a Cost of \$100 Million	Eliminate Roll-Over at a Cost of \$100 Million
Additional State Aid (a.k.a. - "Homeowners' Rebate")	Full Funding at a 56% subsidy level up to a maximum of \$500	Reduce Subsidy to 25% up to a maximum of \$250 to save \$100 Million	Eliminate subsidy altogether except for that necessary to limit homeowners' total primary levy to 1% of market value (Total savings of \$157 Million)
State Employees' Pay Package/Provider Increase	3% General Adjustment; 0.75% Merit Pay; 0.25% Inequity Pay; 4% for Providers'	4.5% General Adjustment; 0.5% Inequity Pay; 4% for Providers'	No Increase
Across-the-Board Cuts	4.8% Lump-Sum Cut of Total General Fund Recommendation, for a savings of \$170 Million	Eliminate 4.5% General Inflation Factor where it applies for a savings of \$13.7 Million	Minimum 10% Specific Cuts for Each General Fund Agency Based Upon Estimated Current Services Budget, for a savings of \$376 Million
Tax Increases	\$170 Million Tax Increase from Corporate and Individual Income Tax, Mining Severance Tax, and Cigarette Tax	\$298.9 Million Increase based upon "Current Law" with Respect to Taxes; State would retain 100% of Income Tax "Windfall"; State Property Tax would remain at \$1.25	Assumes continuation of prior year policy with respect to the Income Tax "Windfall" and the State Property Tax Rate.
Capital Outlay -- Building Renewal Formula (BRF)	50% Funding of BRF	75% Funding of BRF	75% Funding of BRF
Continued Expansion of Behavioral Health Funding	\$21.5 Million of New Monies, which includes \$10 Million for Children	\$16.7 Million of New Monies, which includes \$7.3 Million for Children	\$6.7 Million of New Monies, which includes \$2.3 Million for Children
Shift of Highway Funds from ADOT to DPS	Recommends shifting \$8.5 Million from Highway Funds to fund the Highway Patrol	No Funding Shift Recommended	Includes Shift of \$18.1 Million from HURF monies to fund the Highway Patrol
Transfer CRS Funding for Title 19 recipients from AHCCCS to DHS	Recommends transfer of \$7,453,100 from AHCCCS to DHS	No Transfer	No Transfer
Welfare Reform (DES)	\$16.3 Million of New Monies	\$15.7 Million of New Monies, which represents DES' estimate of "mandatory" programs; JLBC detailed analysis pending	\$8.3 Million of New Monies
AHCCCS Long-Term Care/ Non-Federal Share	Counties continue to pay at a cost of \$116 Million v. \$95.4 Million in FY 1990	Counties continue to pay	Counties continue to pay

FY 1991
STATE OF ARIZONA
GENERAL FUND REVENUES AND EXPENDITURES
JLBC STAFF AND EXECUTIVE RECOMMENDATIONS

	<u>Executive</u>	<u>JLBC Staff</u>	<u>Budget Reduction Option</u>
REVENUES:			
• Beginning Balance	\$ 27,590,100	\$ 28,859,300	\$ 28,859,300
• Estimated Base Revenues	3,287,274,400	3,247,050,000	3,247,050,000
• Increased Taxes	<u>170,000,000</u>	<u>298,900,000</u>	<u>-0-</u>
Total Available Revenues	\$3,484,864,500	\$3,574,809,300	\$3,275,909,300
EXPENDITURES:			
• Recommended Appropriations -			
- Operating	\$3,374,703,400	\$3,497,717,300	\$3,161,566,500
- Capital Outlay	15,623,000	25,563,700	19,676,500
- State Empl. Pay/Provider Increase	46,410,700	55,800,000	-0-
- Other Appropriations	1,625,000	1,625,000	1,625,000
• Supplemental/Contingency Appropriations	30,000,000	-0-	30,000,000
• Adm. Adjustments & Emergencies	11,000,000	12,000,000	13,000,000
• Change in Continuing Appropriations	4,000,000	4,000,000	4,000,000
• Revertments	<u>(30,000,000)</u>	<u>(35,000,000)</u>	<u>(10,000,000)</u>
Total Estimated Expenditures	\$3,453,362,100	\$3,561,706,000	\$3,219,868,000
ENDING BALANCE:	<u>\$ 31,502,400</u>	<u>\$ 13,103,300</u>	<u>\$ 56,041,300</u>

JLBC Staff
1/18/90

GOVERNOR'S PROPOSED TAX INCREASES

(Amounts in Millions)

1. Corporate Income Tax:

- Conform to Federal Income Definition for "80/20" and "Possessions" Corporations: \$11.7
- Repeal of Foreign Tax Credit Subtraction 3.1
- Repeal Federal Tax Subtraction; Expand Tax Brackets; Lower Top Rate from 10.5% to 9.3% 24.5
- Sub-Total \$39.3

2. Individual Income Tax:

- Repeal Federal Tax Subtraction; Expand Tax Brackets 69.3

3. Mining Severance Taxes:

- Raise Top Tax Rate from 2.5% to 5%, with Effective Rate Floating from 2.5% to 5% Depending upon Industry Profitability 30.9

4. Cigarette Tax:

- Increase Tax Rate from 15 cents per pack to 25 cents per pack 30.5

TOTAL \$170.0

JLBC STAFF "CURRENT LAW" INCREASES

- ### **1. Individual Income Tax - Retain 100% of Income Tax Windfall related to 1986 Federal Income Tax Reform \$134.0**

- ### **2. State Property Tax Rate - Do not reduce the State Property Tax Rate from the \$1.25 per \$100 of Assessed Value Currently Established in A.R.S. § 42-208 164.9**

TOTAL \$298.9

**FY 1991
GENERAL FUND
RECOMMENDED STATE EMPLOYEE AND PROVIDER PAY INCREASE
(\$ MILLIONS)**

Category	Executive		JLBC Staff		Budget Reduction Option	
	Percent Increase	GF Cost	Percent Increase	GF Cost	Percent Increase	GF Cost
State Employees						
• General Pay Increase	3.00%	\$28.8	4.50%	\$43.7	-0-%	\$-0-
• Performance-Oriented Pay	0.75	7.2	-0-	-0-	-0-	-0-
• Inequity Adjustments	0.25	2.4	0.50	4.8	-0-	-0-
SUB-TOTAL	4.00%	\$38.4	5.00%	\$48.5	-0-%	\$-0-
Providers	3.30%	\$7.9	4.00% ^{1/}	\$7.3	-0-%	\$-0-
TOTAL GENERAL FUND COST		\$46.3		\$55.8		\$-0-

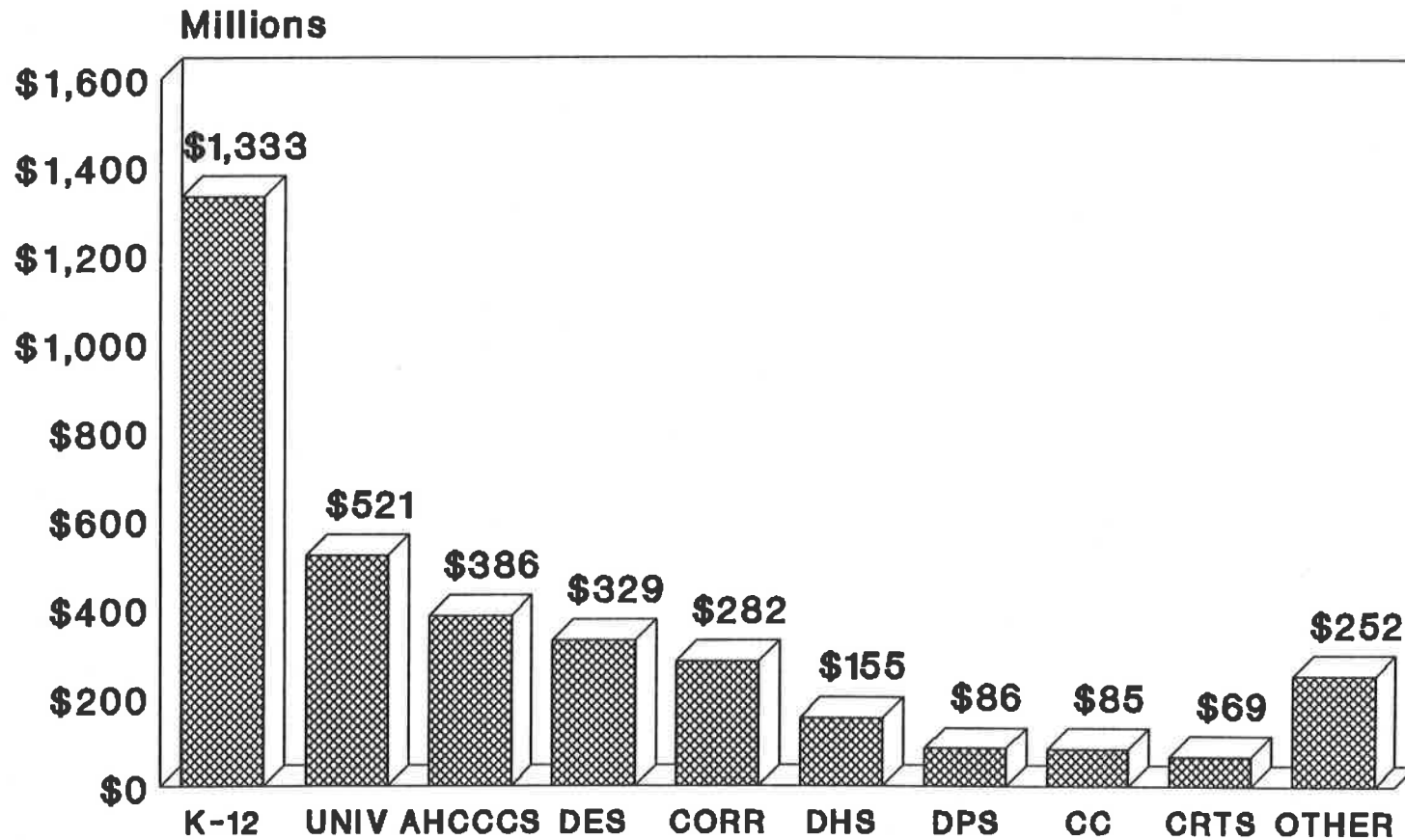
^{1/} In recent years, the Legislature has granted providers an increase equal to 80% of the pay increase granted to state employees, plus 20% of the general inflation factor used in determining state agency budgets.

JLBC Staff
1/17/90

NINE LARGEST AGENCIES

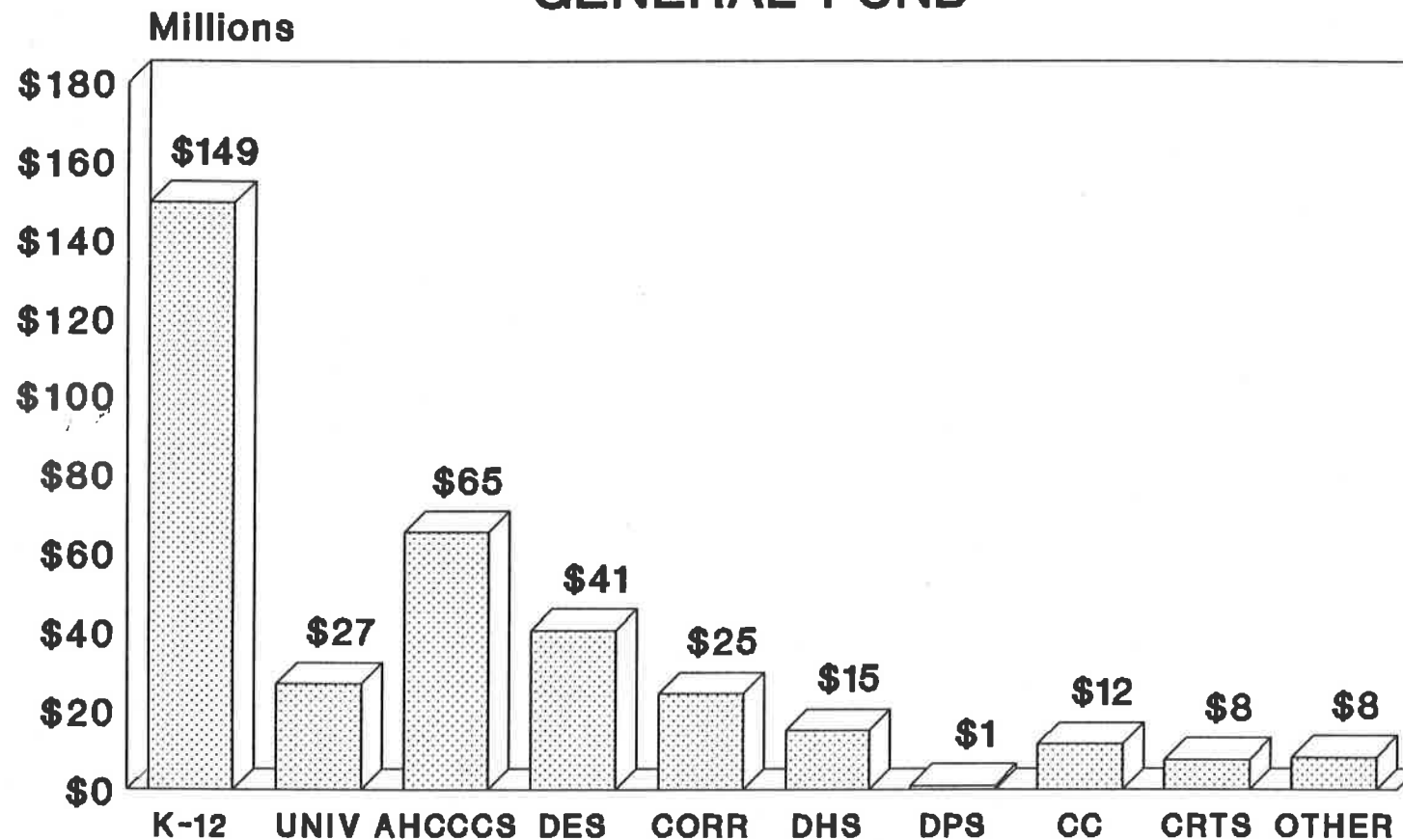
FY 1991 JLBC STAFF RECOMMENDATION

GENERAL FUND



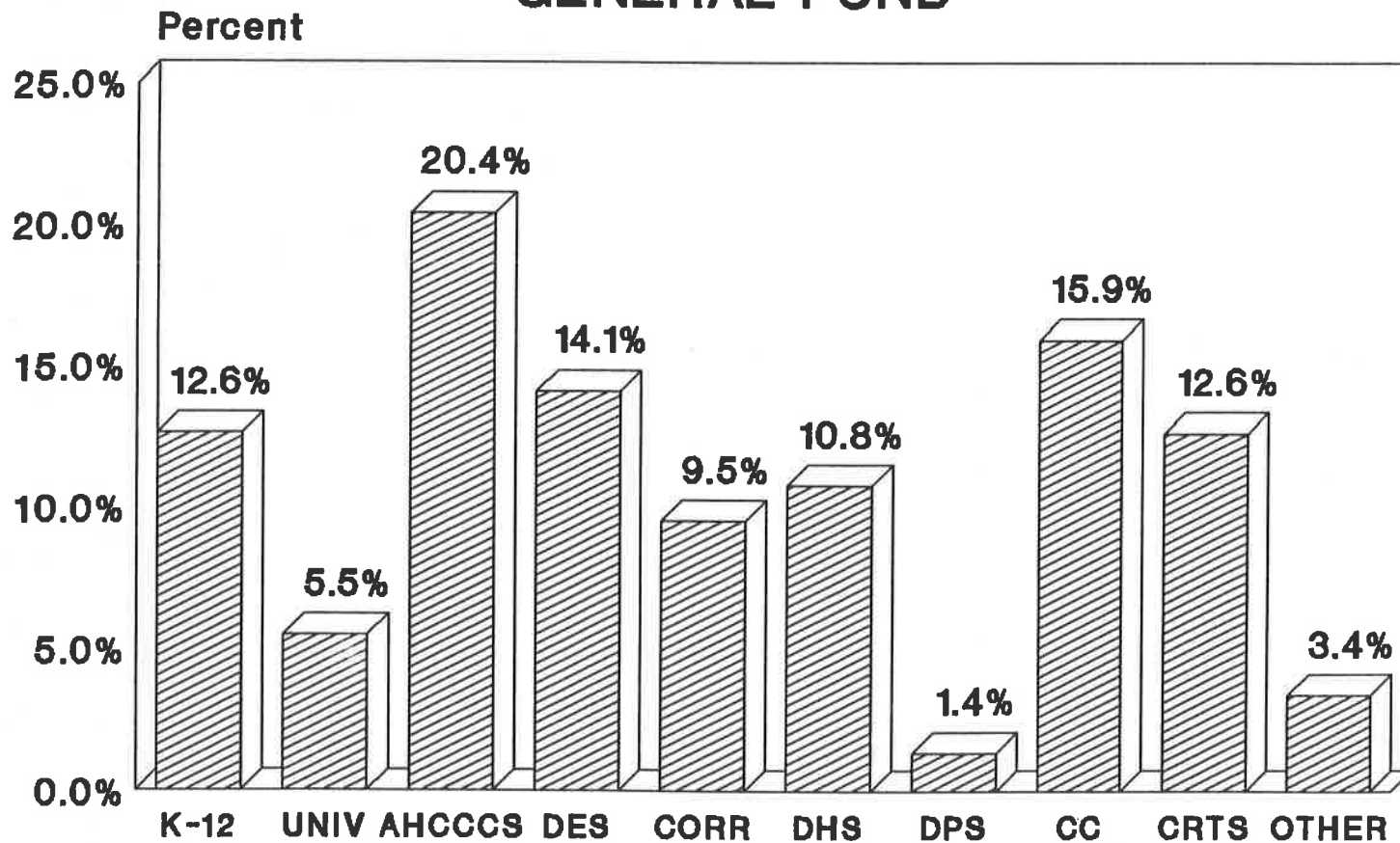
TOTAL FY 1991 OPERATING BUDGET: \$3,498 MILLION

**NINE LARGEST AGENCIES
JLBC STAFF RECOMMENDATION
DOLLAR CHANGE FROM FY 1990
GENERAL FUND**



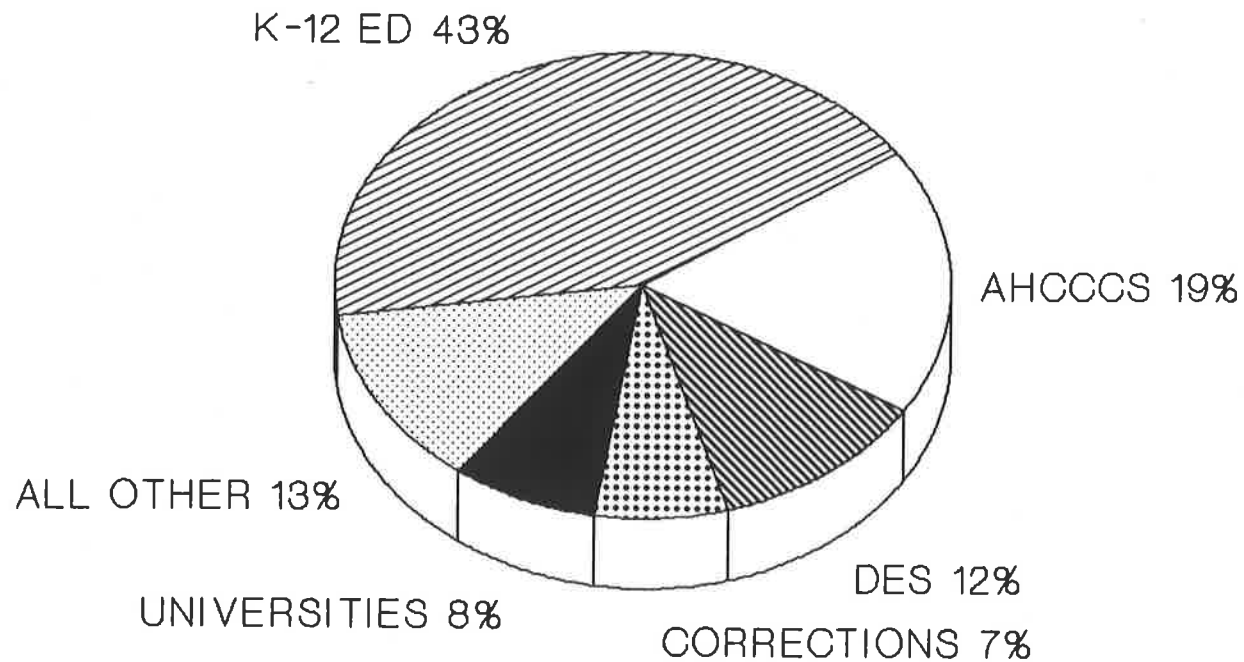
TOTAL DOLLAR INCREASE FROM FY 1990 : \$351 MILLION

**NINE LARGEST AGENCIES
JLBC STAFF RECOMMENDATION
PERCENT CHANGE FROM FY 1990
GENERAL FUND**

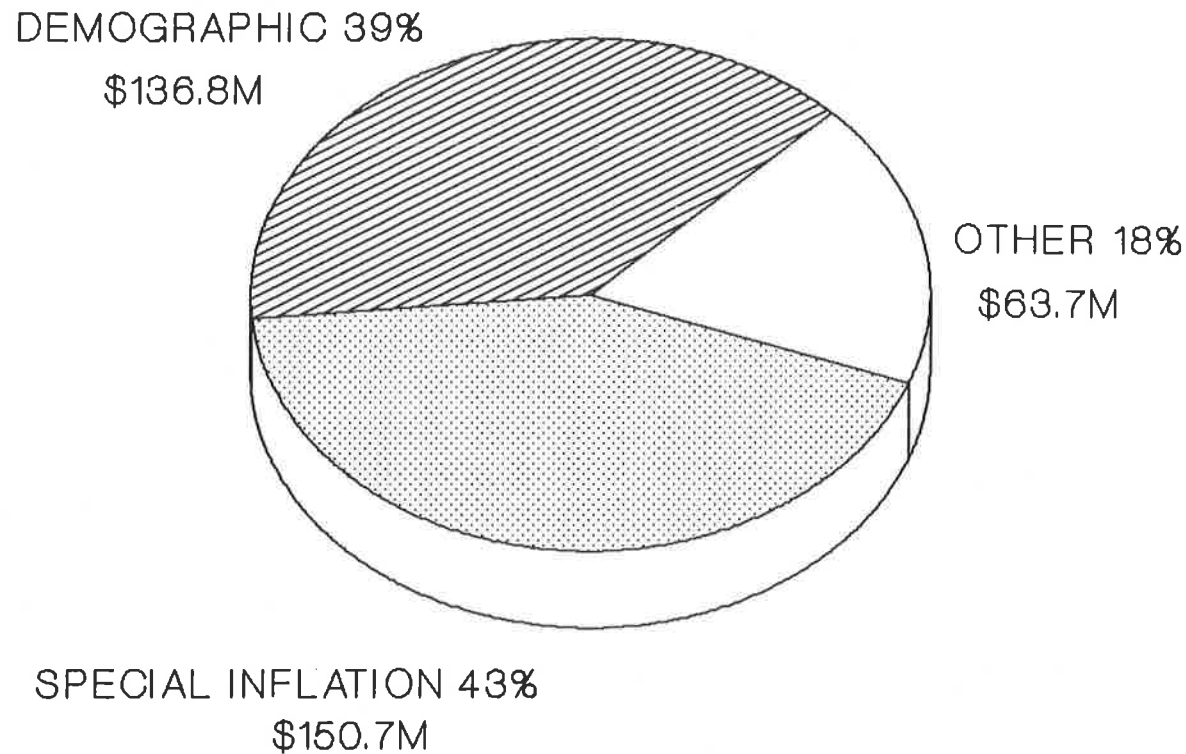


OVERALL PERCENT INCREASE FROM FY 1990: 11.2%

**FY 1991
JLBC STAFF RECOMMENDATION
SHARE OF DOLLAR INCREASE FROM FY 1990
GENERAL FUND**

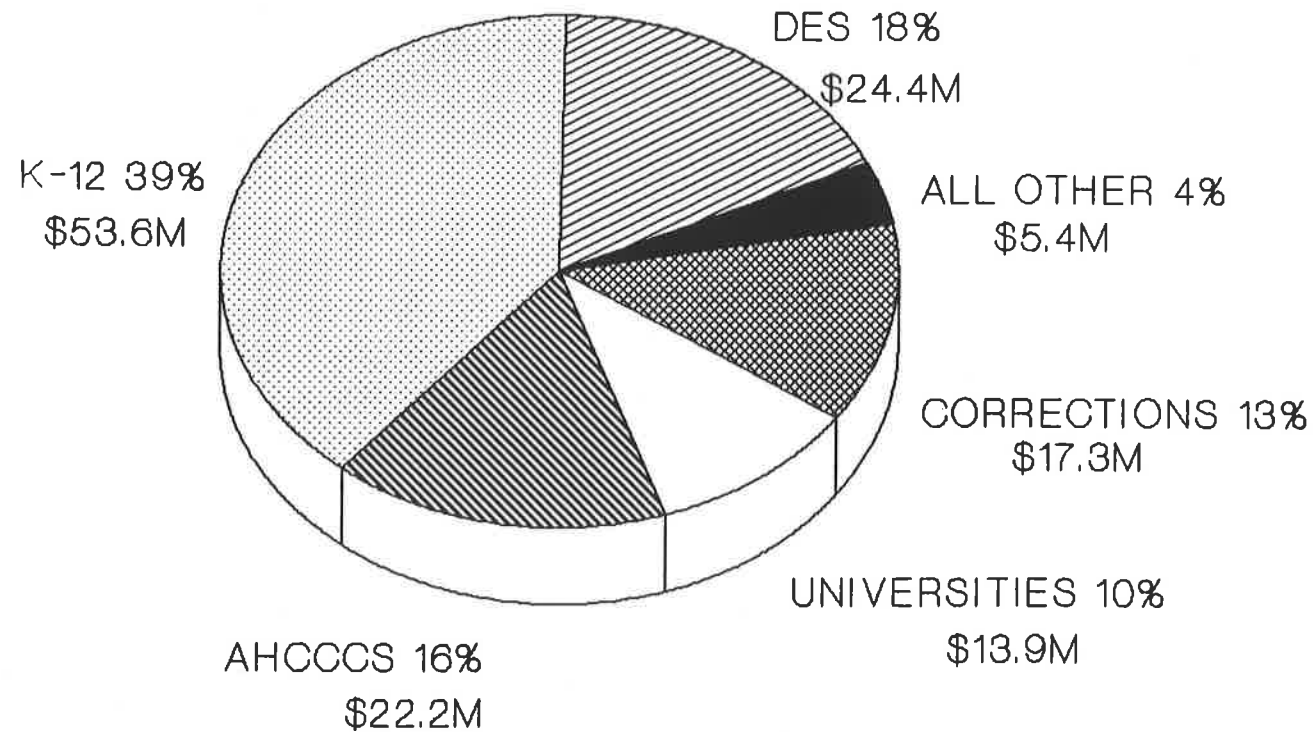


**FY 1991
JLBC STAFF RECOMMENDATION
MAJOR REASONS FOR CHANGE
GENERAL FUND**



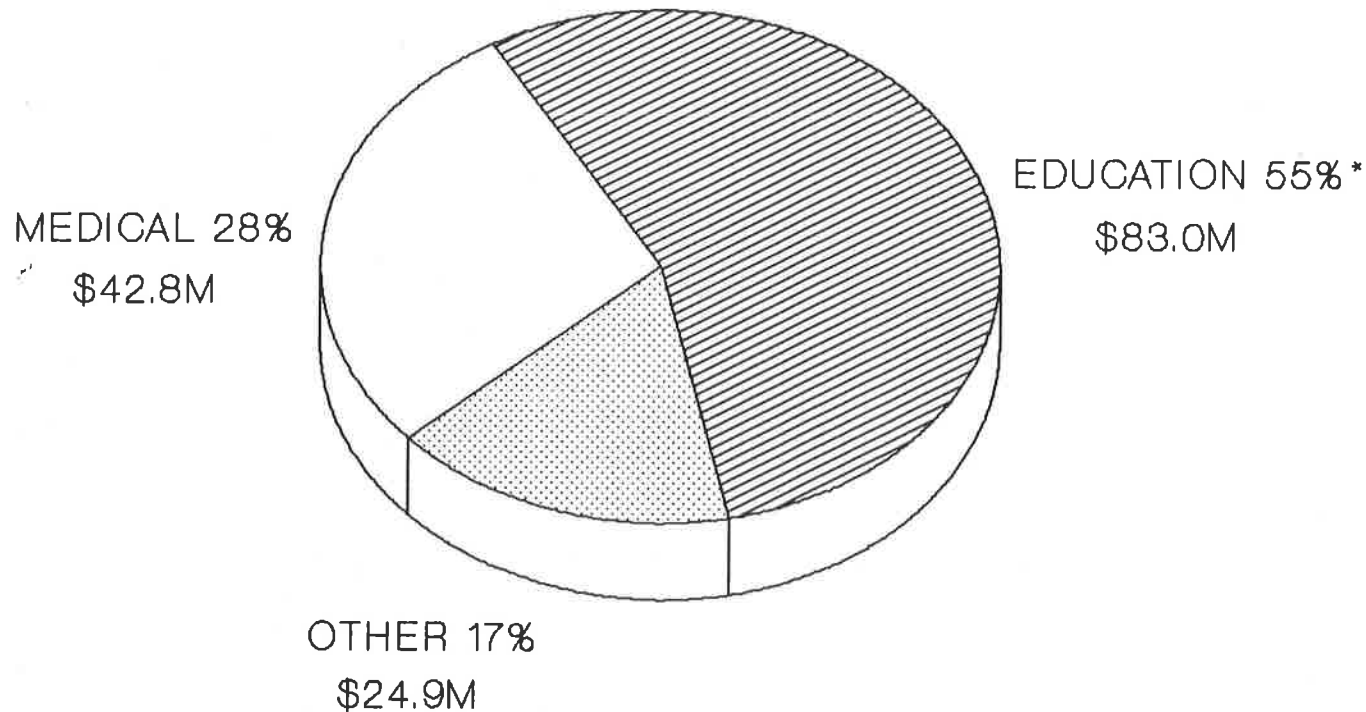
TOTAL CHANGE: \$351.2 MILLION

**FY 1991
JLBC STAFF RECOMMENDATION
DISTRIBUTION OF DEMOGRAPHIC INCREASE
GENERAL FUND**



TOTAL DEMOGRAPHIC INCREASE: \$136.8M

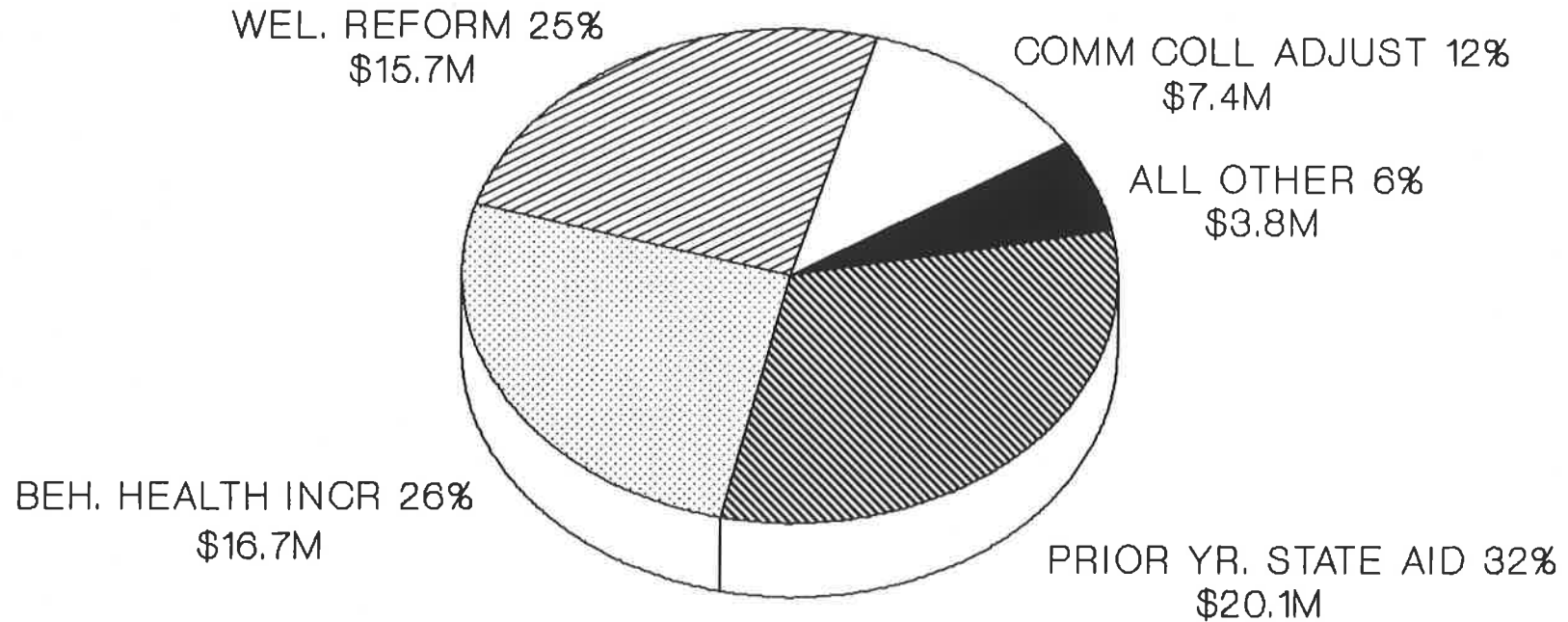
**FY 1991
JLBC STAFF RECOMMENDATION
DISTRIBUTION OF SPECIAL INFLATION
GENERAL FUND**



• GNP DEFLATOR FOR K-12 AND COMMUNITY COLLEGES

TOTAL SPECIAL INFLATION INCREASE:\$150.7M

**FY 1991
JLBC STAFF RECOMMENDATION
DISTRIBUTION OF "OTHER" INCREASE
GENERAL FUND**



TOTAL "OTHER" INCREASE: \$63.7 MILLION

FY 1991
JLBC STAFF OPERATING BUDGET RECOMMENDATION
EXPLANATION OF CHANGES
MAJOR STATE AGENCIES
GENERAL FUND

<u>AGENCY</u>	<u>TOTAL GENERAL FUND CHANGE</u>
1. <u>Department of Education (K-12)</u>	\$149,492,700
A. Basic State Aid	\$215,156,400
• Base Adjustment	\$11,654,300
(Reflects updated FY 1990 assessed valuation, County Equalization and Endowment Earnings estimates and the retirement "recapture")	
• 4.2% Increase in GNP Deflator	80,090,600
• 4% Increase in Elementary Average Daily Membership (ADM) and 0% in high school ADM	53,448,700
• Savings from 2% Net Increase in A.V.	(13,555,300)
• Deferral Repayment	100,000,000
• Retirement "Recapture"	(18,000,000)
• Other Basic State Aid Adjustments	1,518,100
B. Prior Year State Aid	20,063,000
• FY 1990 Payment for FY 1989 Deferral	80,250,000
• FY 1991 Payment for FY 1990 Deferral	100,313,000
C. Additional State Aid	(84,800,000)
• FY 1990 Original	157,000,000
• FY 1991 JLBC Recommendation	72,200,000
(Based upon reducing state "buydown" rate to 25% and lowering state cap from \$500 to \$250)	
D. Other Considerations	(926,700)
2. <u>AHCCCS</u>65,467,500
A. 18% Increase in Member Months	21,203,100
B. 11% Medical Cost Factor	38,042,300
C. Prepaid Medical Management Information System-Implementation	2,167,500
D. Other Considerations	4,054,600

FY 1991
JLBC STAFF OPERATING BUDGET RECOMMENDATION
EXPLANATION OF CHANGES
MAJOR STATE AGENCIES
GENERAL FUND

<u>AGENCY</u>	<u>TOTAL GENERAL FUND CHANGE</u>
3. <u>Corrections</u>	\$24,515,400
A. Costs of New Adult Facilities and Annualization	\$14,920,600
B. 6.2% Increase in Adult Population (+800)	2,370,400
C. Replacement of Corrections Fund for Operational Expenditure	6,185,500
D. 11% Medical Cost Factor	1,398,800
E. Arizona Corrections Industries/Reduction of Subsidy	(693,800)
F. Reserve for New Juvenile Agency Costs	250,000
G. Other Considerations	83,900
4. <u>Economic Security</u>	40,645,000
A. Federal Welfare Reform Expansions (DES Request)	15,686,900
B. 13.1% AFDC/20% GA Growth, including Staff	11,353,800
C. Social Service Programs	11,212,900
• Demographics	\$6,440,300
• Inflation/Special Cost	1,972,600
• Replacement of Federal Funds Offset	2,800,000
D. Other Considerations	2,391,400
5. <u>Health Services</u>	15,122,000
A. Behavioral Health Expansion	16,684,400
• Childrens' Behavioral Health	7,300,000
• Chronically Mentally Ill	6,445,800
• Regional Beds	1,837,600
• Other Mental Health Services	1,101,000

FY 1991
JLBC STAFF OPERATING BUDGET RECOMMENDATION
EXPLANATION OF CHANGES
MAJOR STATE AGENCIES
GENERAL FUND

<u>AGENCY</u>	<u>TOTAL GENERAL FUND CHANGE</u>
5. <u>Health Services</u> (Cont'd)	
B. 11% Medical Cost Factor	\$1,435,300
C. ERE Rate Adjustment	1,086,700
D. CMI Pilot Program	(4,275,000)
E. Other Considerations	190,600
6. <u>Universities</u>	\$27,093,200
A. Student Enrollment Growth	8,809,500
(Based upon +2,925 FTE Students-- 3 year weighted rolling average and 22:1.5 formula)	
B. ASU-West New Facilities Opening	2,613,100
C. ASU-West Lease/Purchase Payment	4,415,500
D. New Facilities Support at Main Campuses	2,434,900
E. Equity Funding for ASU/NAU	4,122,400
F. ERE Rate Adjustment	4,919,600
G. Faculty and Classified Employee Salary Enhancement	10,006,700
H. Collections Adjustment	(11,638,200)
I. Library Acquisitions	1,523,200
J. Other Considerations	(113,500)
7. <u>Courts</u>	7,710,200
A. Supreme Court	1,763,100
• New Building Support	\$1,320,400
• Other Considerations	442,700

FY 1991
JLBC STAFF OPERATING BUDGET RECOMMENDATION
EXPLANATION OF CHANGES
MAJOR STATE AGENCIES
GENERAL FUND

<u>AGENCY</u>	<u>TOTAL GENERAL FUND CHANGE</u>
7. <u>Courts</u> (Cont'd)	
B. Court of Appeals	\$1,012,900
• New Building Support	\$469,300
• Other Considerations	543,600
C. Superior Court	4,934,200
• Demographic Growth in Probation Programs	4,636,100
• Other Considerations	298,100
8. <u>Public Safety</u>	\$1,167,300
A. Replacement Equipment	397,100
B. ERE Rate Adjustment	906,900
C. Highway Patrol Manpower	381,600
D. Other Considerations	(518,300)
9. <u>Community Colleges</u>	11,743,600
A. 5.4% Increase in FTSE's (+3,820)	673,600
B. 4.2% Increase in GNP Deflator	2,888,300
C. Equalization for Counties with Low Property Values	756,800
D. Replace One-Time Deduction, Maricopa County	4,941,800
E. Reduced Retirement Recapture	2,429,700
F. Other Considerations	53,400
10. <u>All Other State Agencies</u>	\$ 8,247,800
11. <u>TOTAL</u>	<u>\$351,204,700</u>

STATE OF ARIZONA
JLBC STAFF RECOMMENDATIONS
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
GENERAL FUND

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
GENERAL GOVERNMENT				
DEPT. OF ADMINISTRATION	26,719,200	30,414,500	3,695,300	13.83%
OFFICE/AFFIRMATIVE ACTION	222,400	228,500	6,100	2.74%
ATTORNEY GENERAL	17,814,500	17,856,700	42,200	0.24%
DEPARTMENT OF COMMERCE	4,166,700	3,708,000	(458,700)	-11.01%
SUPREME COURT	5,357,200	7,120,300	1,763,100	32.91%
COURT OF APPEALS	6,644,600	7,657,500	1,012,900	15.24%
SUPERIOR COURT	48,833,700	53,767,900	4,934,200	10.10%
COMM. ON JUDICIAL CONDUCT	100,000	100,000	0	0.00%
COMMISSION ON APPEALS	4,000	4,000	0	0.00%
OFFICE OF THE GOVERNOR	3,279,300	3,335,000	55,700	1.70%
LAW ENF MERIT SYS CNCL	42,100	41,000	(1,100)	-2.61%
LEGISLATURE	27,537,800	28,457,800	920,000	3.34%
PERSONNEL BOARD	217,700	235,200	17,500	8.04%
DEPARTMENT OF REVENUE	44,988,700	45,071,600	82,900	0.18%
DEPT OF ST-SECY OF STATE	1,819,700	3,042,300	1,222,600	67.19%
ST. BOARD OF TAX APPEALS	445,100	463,100	18,000	4.04%
OFFICE OF TOURISM	3,558,600	3,941,100	382,500	10.75%
STATE TREASURER	3,705,500	3,654,600	(50,900)	-1.37%
AZ COMM ON UNFRM ST LAWS	19,000	17,600	(1,400)	-7.37%
General Government-Subtotal	195,475,800	209,116,700	13,640,900	6.98%

HEALTH & WELFARE

STATE OF ARIZONA
 JLBC STAFF RECOMMENDATIONS
 FISCAL YEAR 1991
 (COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
 GENERAL FUND

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
AHCCCS	320,488,400	385,955,900	65,467,500	20.43%
DEPT OF ECONOMIC SECURITY	287,933,800	328,578,800	40,645,000	14.12%
DEPT OF ENVIRON QUALITY	16,278,400	15,518,000	(760,400)	-4.67%
DEPT OF HEALTH SERVICES	139,965,400	155,087,400	15,122,000	10.80%
AZ CNCL FOR HEARING IMPRD	203,800	198,500	(5,300)	-2.60%
AZ COMM ON INDIAN AFFAIRS	155,400	158,800	3,400	2.19%
PIONEERS' HOME	2,913,000	2,846,600	(66,400)	-2.28%
ARIZONA RANGERS' PENSIONS	16,800	8,800	(8,000)	-47.62%
VETERANS' SERVICES COMM	720,700	809,100	88,400	12.27%
Health & Welfare-Subtotal	768,675,700	889,161,900	120,486,200	15.67%
INSPECTION & REGULATION				
AG EMPL RELATIONS BD	189,000	192,200	3,200	1.69%
COMM OF AG & HORT	5,658,300	5,722,000	63,700	1.13%
BANKING DEPARTMENT	3,827,600	3,902,400	74,800	1.95%
BUILDING AND FIRE SAFETY	2,872,700	2,872,900	200	0.01%
REGISTRAR OF CONTRACTORS	4,021,200	3,791,700	(229,500)	-5.71%
CORPORATION COMMISSION	4,959,600	4,863,900	(95,700)	-1.93%
DAIRY COMMISSIONER	526,900	508,500	(18,400)	-3.49%
DEPT. OF INSURANCE	2,717,600	3,028,700	311,100	11.45%
DEPT OF LIQUOR LICENSES	2,083,600	2,050,300	(33,300)	-1.60%
ARIZONA LIVESTOCK BOARD	3,842,200	3,780,300	(61,900)	-1.61%
STATE MINE INSPECTOR	580,900	619,100	38,200	6.58%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATIONS
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
GENERAL FUND

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
OCCUP SFTY & HLTH REV BD	10,300	9,400	(900)	-8.74%
DEPARTMENT OF RACING	2,436,600	2,359,700	(76,900)	-3.16%
RADIATION REGULATORY AGCY	1,274,000	1,294,400	20,400	1.60%
REAL ESTATE DEPARTMENT	2,783,100	2,844,000	60,900	2.19%
DEPT OF WEIGHT/MEASURES	2,120,400	2,143,700	23,300	1.10%
BEHAVIOR HEALTH EXAMINERS	50,000	0	(50,000)	-100.00%
BOXING COMMISSION	55,300	53,100	(2,200)	-3.98%
Inspection & Reg-Subtotal	\$40,009,300	\$40,036,300	27,000	0.07%
EDUCATION				
AZ COMMISSION ON THE ARTS	1,586,300	1,563,400	(22,900)	-1.44%
BD OF DIR FOR COMM COLL	73,607,300	85,350,900	11,743,600	15.95%
SCH FOR THE DEAF & BLIND	11,762,700	13,425,500	1,662,800	14.14%
DEPARTMENT OF EDUCATION	1,183,450,400	1,332,943,100	149,492,700	12.63%
AZ HISTORICAL SOCIETY	1,986,900	3,163,600	1,176,700	59.22%
PRESCOTT HIST SOCIETY	514,600	508,000	(6,600)	-1.28%
MED STUDENT LOANS BOARD	5,000	3,000	(2,000)	-40.00%
BOARD OF REGENTS	6,624,600	6,547,200	(77,400)	-1.17%
A.S.U. - MAIN CAMPUS	176,384,100	184,251,900	7,867,800	4.46%
A.S.U. - WEST	14,281,900	22,845,300	8,563,400	59.96%
NORTHERN AZ UNIVERSITY	63,279,700	67,109,200	3,829,500	6.05%
U. OF A. - MAIN CAMPUS	189,716,100	196,510,500	6,794,400	3.58%
U. OF A. - COLL OF MED	43,292,300	43,407,800	115,500	0.27%

U. Total 520,671,900

STATE OF ARIZONA
JLBC STAFF RECOMMENDATIONS
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
GENERAL FUND

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
----- Education-Subtotal	\$1,766,491,900	\$1,957,629,400	191,137,500	10.82%
PROTECTION & SAFETY				
DEPARTMENT OF CORRECTIONS	228,231,800	252,519,000	24,287,200	10.64%
JUVENILE CORRECTIONS DEPT	29,389,000	29,617,200	228,200	0.78%
AZ CRIMINAL JUSTICE COMM	900,000	0	(900,000)	-100.00%
DEPT OF EMER & MIL AFFRS	4,043,200	4,158,600	115,400	2.85%
BD OF PARDONS AND PAROLES	1,563,800	1,758,500	194,700	12.45%
DEPT OF PUBLIC SAFETY	84,915,100	86,082,400	1,167,300	1.37%
Protection & Safety-Subtotal	\$349,042,900	\$374,135,700	25,092,800	7.19%
DEPT OF TRANSPORTATION	82,000	73,100	(8,900)	-10.85%
Transportation-Subtotal	\$82,000	\$73,100	(8,900)	-10.85%
NATURAL RESOURCES				
COMM ON AZ ENVIRONMENT	111,200	114,300	3,100	2.79%
ARIZONA GEOLOGICAL SURVEY	535,600	552,300	16,700	3.12%
STATE LAND DEPARTMENT	7,878,500	8,151,700	273,200	3.47%
DEPT OF MINERAL RESOURCES	362,400	386,900	24,500	6.76%
OIL AND GAS CONSERVATION	187,400	172,000	(15,400)	-8.22%
STATE PARKS BOARD	5,811,400	6,141,600	330,200	5.68%
DEPT OF WATER RESOURCES	11,848,500	12,045,400	196,900	1.66%

STATE OF ARIZONA
 JLBC STAFF RECOMMENDATIONS
 FISCAL YEAR 1991
 (COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
 GENERAL FUND

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
Natural Resources-Subtotal	\$26,735,000	\$27,564,200	829,200	3.10%
GENERAL FUND TOTAL	\$3,146,512,600	\$3,497,717,300	\$351,204,700	11.16%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATION
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
OTHER FUNDS

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
GENERAL GOVERNMENT				
DEPT. OF ADMINISTRATION	337,700	345,600	7,900	2.34%
COLISEUM/EXPOSITION CNTR	11,668,200	13,059,500	1,391,300	11.92%
DEPARTMENT OF COMMERCE	1,296,100	1,725,000	428,900	33.09%
AZ. LOTTERY	44,999,100	41,115,400	(3,883,700)	-8.63%
STATE RETIREMENT SYSTEM	2,808,700	3,005,100	196,400	6.99%
OFFICE OF TOURISM	2,000,000	2,000,000	0	0.00%
General Government-Subtotal	\$63,109,800	\$61,250,600	(\$1,859,200)	-2.95%
HEALTH & WELFARE				
DEPT OF ECONOMIC SECURITY	764,700	631,300	(133,400)	-17.44%
DEPT OF HEALTH SERVICES	2,377,300	2,471,300	94,000	3.95%
VETERANS' SERVICES COMM	639,000	573,800	(65,200)	-10.20%
Health & Welfare-Subtotal	\$3,781,000	\$3,676,400	(\$104,600)	-2.77%
INSPECTION & REGULATION				
COMM OF AG & HORT	1,345,500	1,383,900	38,400	2.85%
CORPORATION COMMISSION	5,273,900	5,566,400	292,500	5.55%
INDUSTRIAL COMMISSION	11,801,700	11,590,300	(211,400)	-1.79%
DEPARTMENT OF RACING	321,400	337,800	16,400	5.10%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATION
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
OTHER FUNDS

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
RADIATION REGULATORY AGCY	89,700	90,900	1,200	1.34%
RES UTILITY CONSUMER OFC	923,200	1,007,400	84,200	9.12%
BOARD OF ACCOUNTANCY	650,100	655,600	5,500	0.85%
BARBER EXAMINERS BD	134,200	134,100	(100)	-0.07%
BEHAVIOR HEALTH EXAMINERS	0	171,900	171,900	N/A
BOXING COMMISSION	6,100	7,100	1,000	16.39%
CHIROPRACTIC EXAMINERS BD	186,000	199,200	13,200	7.10%
BOARD OF COSMETOLOGY	538,400	541,400	3,000	0.56%
BOARD OF DENTAL EXAMINERS	377,500	398,300	20,800	5.51%
EGG INSPECTION BOARD	190,900	187,000	(3,900)	-2.04%
FUNERAL DIR.& EMBALM BD	144,400	152,300	7,900	5.47%
HOMEOPATHIC MED EXAM BD	8,400	11,100	2,700	32.14%
BOARD OF MEDICAL EXAM	2,137,800	2,142,400	4,600	0.22%
NATUROPATHIC PHYS EXAM BD	27,800	26,700	(1,100)	-3.96%
BOARD OF NURSING	953,100	892,300	(60,800)	-6.38%
NURS CARE INST ADMIN BD	61,300	62,300	1,000	1.63%
DISPENSING OPTICIANS BD	51,900	50,000	(1,900)	-3.66%
BOARD OF OPTOMETRY	99,200	97,300	(1,900)	-1.92%
OSTEOPATHIC EXAMINERS BD	210,900	251,200	40,300	19.11%
BOARD OF PHARMACY	604,600	615,100	10,500	1.74%
PHYSICAL THERAPY EXAM BD	63,800	64,000	200	0.31%
PODIATRY EXAMINERS BOARD	42,100	38,200	(3,900)	-9.26%
BD OF PRIV POSTSECOND ED	123,000	121,800	(1,200)	-0.98%
PSYCHOLOGIST EXAMINERS BD	124,200	121,800	(2,400)	-1.93%
STRUCT. PEST CONTROL COMM	965,100	1,080,500	115,400	11.96%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATION
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
OTHER FUNDS

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
BD OF TECH REGISTRATION	709,500	768,400	58,900	8.30%
VETERINARY MED EXAM BD	144,300	153,100	8,800	6.10%
Inspection & reg-Subtotal	\$28,310,000	\$28,919,800	\$609,800	2.15%
EDUCATION				
SCH FOR THE DEAF & BLIND	3,962,300	4,543,000	580,700	14.66%
A.S.U. - MAIN CAMPUS	52,911,900	56,296,600	3,384,700	6.40%
A.S.U. - WEST	2,737,800	3,243,400	505,600	18.47%
NORTHERN AZ UNIVERSITY	16,145,800	18,852,500	2,706,700	16.76%
U. OF A. - MAIN CAMPUS	55,489,400	59,884,800	4,395,400	7.92%
U. OF A. - COLL OF MED	1,911,900	2,557,700	645,800	33.78%
Eduation-Subtotal	\$133,159,100	\$145,378,000	\$12,218,900	9.18%
PROTECTION & SAFETY				
DEPARTMENT OF CORRECTIONS	6,185,500	0	(6,185,500)	-100.00%
AZ CRIMINAL JUSTICE COMM	3,110,200	323,100	(2,787,100)	-89.61%
DEPT OF PUBLIC SAFETY	1,822,000	1,822,000	0	0.00%
Protection & Safety-Subtotal	\$11,117,700	\$2,145,100	(\$8,972,600)	-80.71%
DEPT OF TRANSPORTATION	175,225,600	182,246,800	7,021,200	4.01%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATION
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
OTHER FUNDS

AGENCY -----	FY 1990 ADJUSTED APPROPRIATIONS -----	FY 1991 JLBC STAFF RECOMMENDATION -----	FY 1990-91 INCREASE -DECREASE -----	FY 1990-91 PERCENT CHANGE -----
Transportation-Subtotal	\$175,225,600	\$182,246,800	\$7,021,200	4.01%
NATURAL RESOURCES				
GAME AND FISH DEPARTMENT	15,610,700	15,765,500	154,800	0.99%
STATE PARKS BOARD	2,031,500	9,728,300	7,696,800	378.87%
Natural Resources-Subtotal	\$17,642,200	\$25,493,800	\$7,851,600	44.50%
OTHER FUNDS TOTAL	\$432,345,400	\$449,110,500	\$16,765,100	3.88%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATION
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
TOTAL FUNDS

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
GENERAL GOVERNMENT				
DEPT. OF ADMINISTRATION	27,056,900	30,760,100	3,703,200	13.69%
OFFICE/AFFIRMATIVE ACTION	222,400	228,500	6,100	2.74%
ATTORNEY GENERAL	17,814,500	17,856,700	42,200	0.24%
COLISEUM/EXPOSITION CNTR	11,668,200	13,059,500	1,391,300	11.92%
DEPARTMENT OF COMMERCE	5,462,800	5,433,000	(29,800)	-0.55%
SUPREME COURT	5,357,200	7,120,300	1,763,100	32.91%
COURT OF APPEALS	6,644,600	7,657,500	1,012,900	15.24%
SUPERIOR COURT	48,833,700	53,767,900	4,934,200	10.10%
COMM. ON JUDICIAL CONDUCT	100,000	100,000	0	0.00%
COMM ON APP & TRL CRT APT	4,000	4,000	0	0.00%
OFFICE OF THE GOVERNOR	3,279,300	3,335,000	55,700	1.70%
LAW ENF MERIT SYS CNCL	42,100	41,000	(1,100)	-2.61%
LEGISLATURE	27,537,800	28,457,800	920,000	3.34%
AZ. LOTTERY	44,999,100	41,115,400	(3,883,700)	-8.63%
PERSONNEL BOARD	217,700	235,200	17,500	8.04%
STATE RETIREMENT SYSTEM	2,808,700	3,005,100	196,400	6.99%
DEPARTMENT OF REVENUE	44,988,700	45,071,600	82,900	0.18%
DEPT OF ST-SECY OF STATE	1,819,700	3,042,300	1,222,600	67.19%
ST. BOARD OF TAX APPEALS	445,100	463,100	18,000	4.04%
OFFICE OF TOURISM	5,558,600	5,941,100	382,500	6.88%
STATE TREASURER	3,705,500	3,654,600	(50,900)	-1.37%
AZ COMM ON UNFRM ST LAWS	19,000	17,600	(1,400)	-7.37%
General Government-Subtotal	\$258,585,600	\$270,367,300	\$11,781,700	4.56%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATION
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
TOTAL FUNDS

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
HEALTH & WELFARE				
AHCCCS	320,488,400	385,955,900	65,467,500	20.43%
DEPT OF ECONOMIC SECURITY	288,698,500	329,210,100	40,511,600	14.03%
DEPT OF ENVIRON QUALITY	16,278,400	15,518,000	(760,400)	-4.67%
DEPT OF HEALTH SERVICES	142,342,700	157,558,700	15,216,000	10.69%
AZ CNCL FOR HEARING IMPRD	203,800	198,500	(5,300)	-2.60%
AZ COMM ON INDIAN AFFAIRS	155,400	158,800	3,400	2.19%
PIONEERS' HOME	2,913,000	2,846,600	(66,400)	-2.28%
ARIZONA RANGERS' PENSIONS	16,800	8,800	(8,000)	-47.62%
VETERANS' SERVICES COMM	1,359,700	1,382,900	23,200	1.71%
Health & Welfare-Subtotal	\$772,456,700	\$892,838,300	\$120,381,600	15.58%
INSPECTION & REGULATION				
AG EMPL RELATIONS BD	189,000	192,200	3,200	1.69%
COMM OF AG & HORT	7,003,800	7,105,900	102,100	1.46%
BANKING DEPARTMENT	3,827,600	3,902,400	74,800	1.95%
BUILDING AND FIRE SAFETY	2,872,700	2,872,900	200	0.01%
REGISTRAR OF CONTRACTORS	4,021,200	3,791,700	(229,500)	-5.71%
CORPORATION COMMISSION	10,233,500	10,430,300	196,800	1.92%
DAIRY COMMISSIONER	526,900	508,500	(18,400)	-3.49%
INDUSTRIAL COMMISSION	11,801,700	11,590,300	(211,400)	-1.79%
DEPT. OF INSURANCE	2,717,600	3,028,700	311,100	11.45%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATION
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
TOTAL FUNDS

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
DEPT OF LIQUOR LICENSES	2,083,600	2,050,300	(33,300)	-1.60%
ARIZONA LIVESTOCK BOARD	3,842,200	3,780,300	(61,900)	-1.61%
STATE MINE INSPECTOR	580,900	619,100	38,200	6.58%
OCCUP SFTY & HLTH REV BD	10,300	9,400	(900)	-8.74%
DEPARTMENT OF RACING	2,758,000	2,697,500	(60,500)	-2.19%
RADIATION REGULATORY AGCY	1,363,700	1,385,300	21,600	1.58%
REAL ESTATE DEPARTMENT	2,783,100	2,844,000	60,900	2.19%
RES UTILITY CONSUMER OFC	923,200	1,007,400	84,200	9.12%
DEPT OF WEIGHT/MEASURES	2,120,400	2,143,700	23,300	1.10%
BOARD OF ACCOUNTANCY	650,100	655,600	5,500	0.85%
BARBER EXAMINERS BD	134,200	134,100	(100)	-0.07%
BEHAVIOR HEALTH EXAMINERS	50,000	171,900	121,900	243.80%
BOXING COMMISSION	61,400	60,200	(1,200)	-1.95%
CHIROPRACTIC EXAMINERS BD	186,000	199,200	13,200	7.10%
BOARD OF COSMETOLOGY	538,400	541,400	3,000	0.56%
BOARD OF DENTAL EXAMINERS	377,500	398,300	20,800	5.51%
EGG INSPECTION BOARD	190,900	187,000	(3,900)	-2.04%
FUNERAL DIR.& EMBALM BD	144,400	152,300	7,900	5.47%
HOMEOPATHIC MED EXAM BD	8,400	11,100	2,700	32.14%
BOARD OF MEDICAL EXAM	2,137,800	2,142,400	4,600	0.22%
NATUROPATHIC PHYS EXAM BD	27,800	26,700	(1,100)	-3.96%
BOARD OF NURSING	953,100	892,300	(60,800)	-6.38%
NURS CARE INST ADMIN BD	61,300	62,300	1,000	1.63%
DISPENSING OPTICIANS BD	51,900	50,000	(1,900)	-3.66%
BOARD OF OPTOMETRY	99,200	97,300	(1,900)	-1.92%
OSTEOPATHIC EXAMINERS BD	210,900	251,200	40,300	19.11%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATION
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
TOTAL FUNDS

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
BOARD OF PHARMACY	604,600	615,100	10,500	1.74%
PHYSICAL THERAPY EXAM BD	63,800	64,000	200	0.31%
PODIATRY EXAMINERS BOARD	42,100	38,200	(3,900)	-9.26%
BD OF PRIV POSTSECOND ED	123,000	121,800	(1,200)	-0.98%
PSYCHOLOGIST EXAMINERS BD	124,200	121,800	(2,400)	-1.93%
STRUCT. PEST CONTROL COMM	965,100	1,080,500	115,400	11.96%
BD OF TECH REGISTRATION	709,500	768,400	58,900	8.30%
VETERINARY MED EXAM BD	144,300	153,100	8,800	6.10%
Inspection & Reg-Subtotal	\$68,319,300	\$68,956,100	\$636,800	0.93%
EDUCATION				
AZ COMMISSION ON THE ARTS	1,586,300	1,563,400	(22,900)	-1.44%
BD OF DIR FOR COMM COLL	73,607,300	85,350,900	11,743,600	15.95%
SCH FOR THE DEAF & BLIND	15,725,000	17,968,500	2,243,500	14.27%
DEPARTMENT OF EDUCATION	1,183,450,400	1,332,943,100	149,492,700	12.63%
AZ HISTORICAL SOCIETY	1,986,900	3,163,600	1,176,700	59.22%
PRESCOTT HIST SOCIETY	514,600	508,000	(6,600)	-1.28%
MED STUDENT LOANS BOARD	5,000	3,000	(2,000)	-40.00%
BOARD OF REGENTS	6,624,600	6,547,200	(77,400)	-1.17%
A.S.U. - MAIN CAMPUS	229,296,000	240,548,500	11,252,500	4.91%
A.S.U. - WEST	17,019,700	26,088,700	9,069,000	53.29%
NORTHERN AZ UNIVERSITY	79,425,500	85,961,700	6,536,200	8.23%
U. OF A. - MAIN CAMPUS	245,205,500	256,395,300	11,189,800	4.56%
U. OF A. - COLL OF MED	45,204,200	45,965,500	761,300	1.68%

STATE OF ARIZONA
JLBC STAFF RECOMMENDATION
FISCAL YEAR 1991
(COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
TOTAL FUNDS

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
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Education-Subtotal	\$1,899,651,000	\$2,103,007,400	\$203,356,400	10.70%
PUBLIC SAFETY				
DEPARTMENT OF CORRECTIONS	234,417,300	252,519,000	18,101,700	7.72%
JUVENILE CORRECTIONS DEPT	29,389,000	29,617,200	228,200	0.78%
AZ CRIMINAL JUSTICE COMM	4,010,200	323,100	(3,687,100)	-91.94%
DEPT OF EMER & MIL AFFRS	4,043,200	4,158,600	115,400	2.85%
BD OF PARDONS AND PAROLES	1,563,800	1,758,500	194,700	12.45%
DEPT OF PUBLIC SAFETY	86,737,100	87,904,400	1,167,300	1.35%
Public Safety-Subtotal	\$360,160,600	\$376,280,800	\$16,120,200	4.48%
DEPT OF TRANSPORTATION	175,307,600	182,319,900	7,012,300	4.00%
Transportation-Subtotal	\$175,307,600	\$182,319,900	\$7,012,300	4.00%
NATURAL RESOURCES				
COMM ON AZ ENVIRONMENT	111,200	114,300	3,100	2.79%
GAME AND FISH DEPARTMENT	15,610,700	15,765,500	154,800	0.99%
ARIZONA GEOLOGICAL SURVEY	535,600	552,300	16,700	3.12%
STATE LAND DEPARTMENT	7,878,500	8,151,700	273,200	3.47%
DEPT OF MINERAL RESOURCES	362,400	386,900	24,500	6.76%
OIL AND GAS CONSERVATION	187,400	172,000	(15,400)	-8.22%

STATE OF ARIZONA
 JLBC STAFF RECOMMENDATION
 FISCAL YEAR 1991
 (COMPARED WITH FISCAL YEAR 1990 ADJUSTED APPROPRIATIONS)
 TOTAL FUNDS

AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 JLBC STAFF RECOMMENDATION	FY 1990-91 INCREASE -DECREASE	FY 1990-91 PERCENT CHANGE
STATE PARKS BOARD	7,842,900	15,869,900	8,027,000	102.35%
DEPT OF WATER RESOURCES	11,848,500	12,045,400	196,900	1.66%
Natural Resources-Subtotal	\$44,377,200	\$53,058,000	\$8,680,800	19.56%
ALL FUNDS-TOTAL	\$3,578,858,000	\$3,946,827,800	\$367,969,800	10.28%

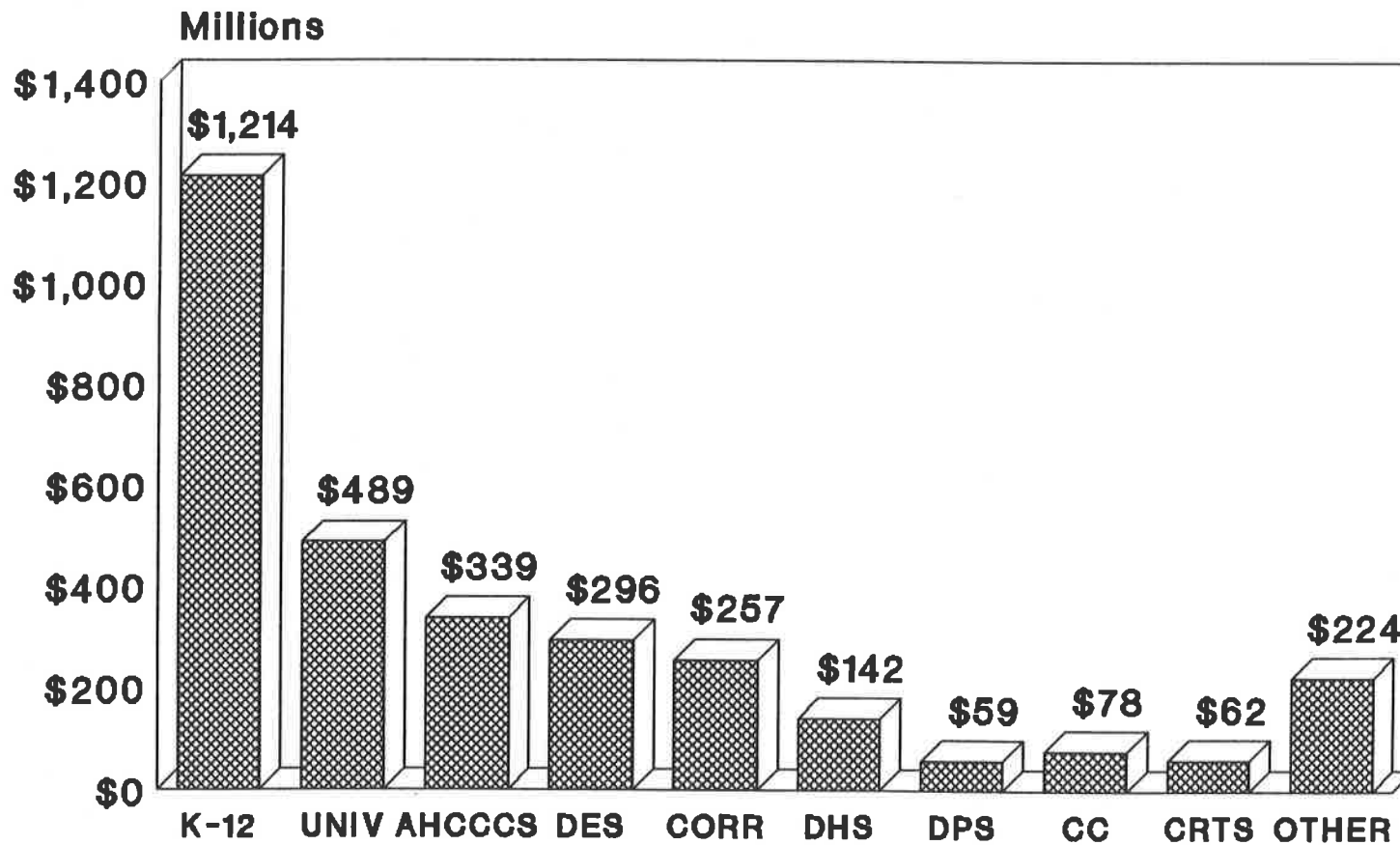
FY 1991
NINE LARGEST AGENCIES
CURRENT SERVICES BUDGET vs JLBC STAFF vs BUDGET REDUCTION OPTION
GENERAL FUND

AGENCY	FY 1991 CURRENT SERVICES BUDGET	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 BUDGET REDUCT OPTION	\$ DIFFERENCE JLBC-CSB BUDGETS	\$ DIFFERENCE BRO-CSB BUDGETS
K-12	1,349,048,600	1,332,943,100	1,213,920,900	(16,105,500)	(135,127,700)
UNIVERSITIES	532,131,700	520,671,900	488,925,500	(11,459,800)	(43,206,200)
AHCCCS	386,318,700	385,955,900	339,363,000	(362,800)	(48,955,700)
DEPT ECONOMIC SECURITY	331,081,700	328,578,800	296,062,500	(2,502,900)	(35,019,200)
CORRECTIONS	286,796,600	282,136,200	257,456,900	(4,660,400)	(29,339,700)
DEPT HEALTH SERVICES	158,126,300	155,087,400	142,313,700	(3,038,900)	(15,812,600)
COMMUNITY COLLEGES	86,981,000	85,350,900	78,282,900	(1,630,100)	(8,698,100)
PUBLIC SAFETY	86,155,700	86,082,400	59,440,100	(73,300)	(26,715,600)
COURTS	69,458,000	68,649,700	61,575,000	(808,300)	(7,883,000)
ALL OTHER	251,228,600	252,261,000	224,226,000	1,032,400	(27,002,600)
TOTAL	\$3,537,326,900	\$3,497,717,300	\$3,161,566,500	(39,609,600)	(375,760,400)

NINE LARGEST AGENCIES

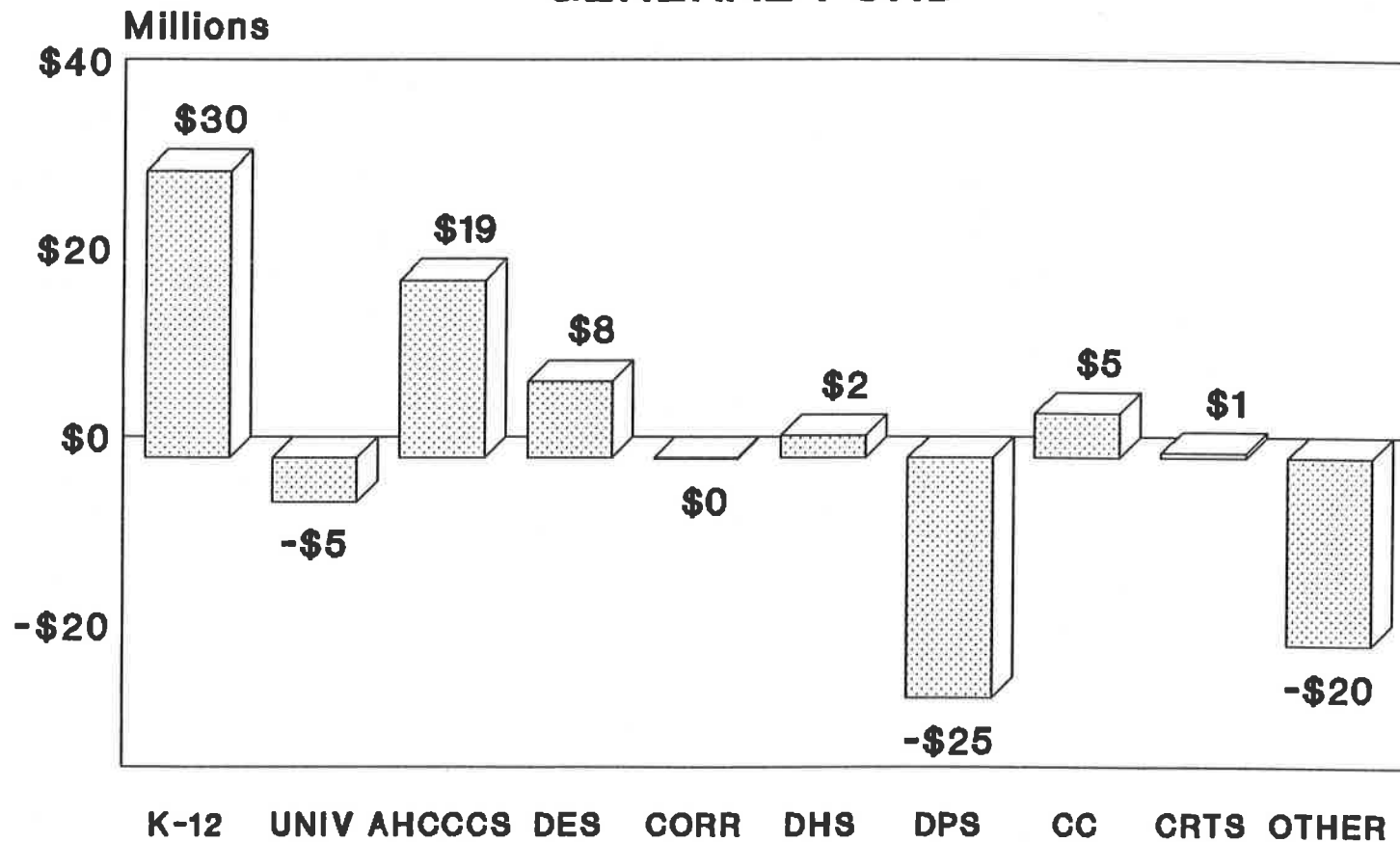
FY 1991 BUDGET REDUCTION OPTION

GENERAL FUND



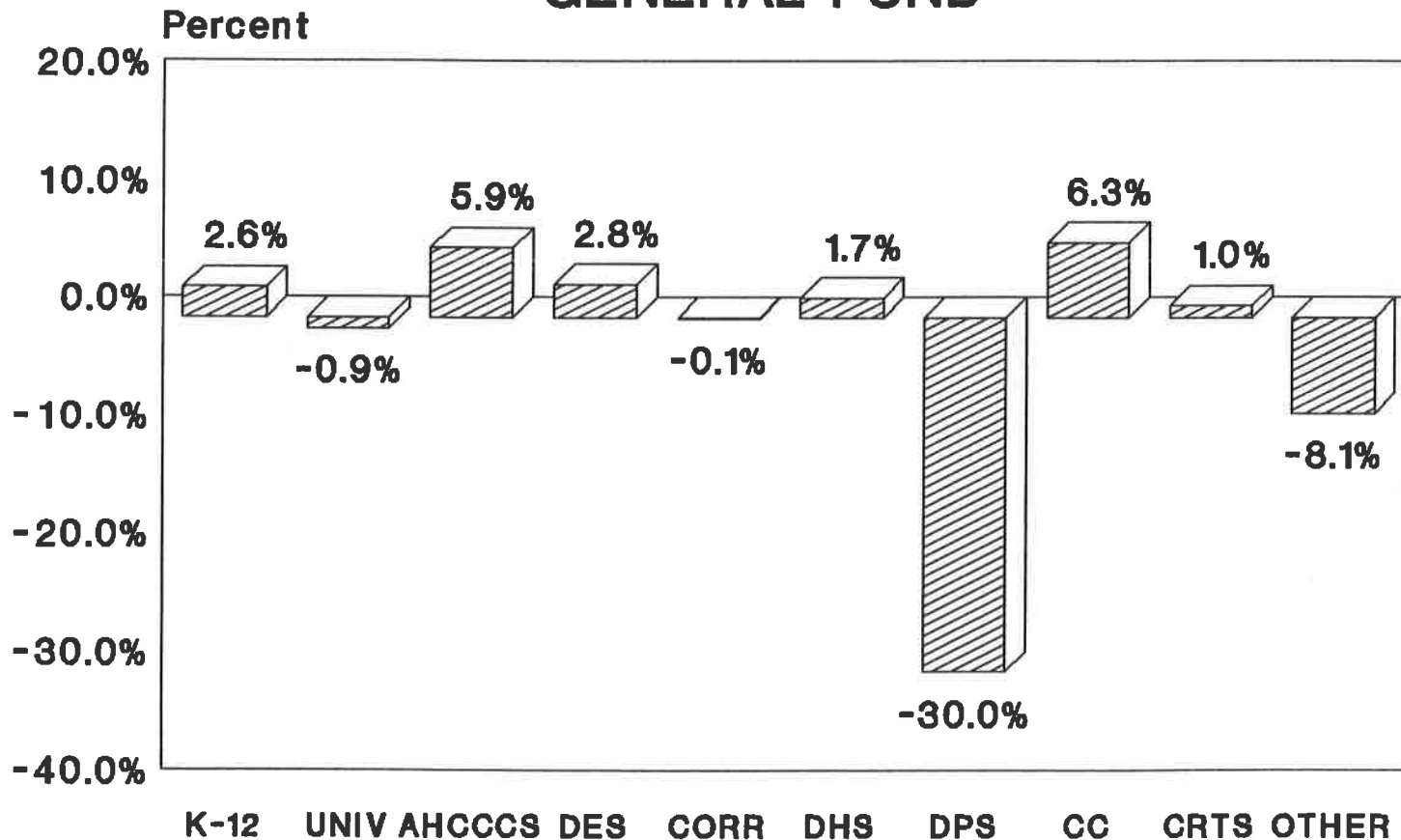
TOTAL FY 1991 OPERATING BUDGET: \$3,162 MILLION

NINE LARGEST AGENCIES BUDGET REDUCTION OPTION DOLLAR CHANGE FROM FY 1990 GENERAL FUND



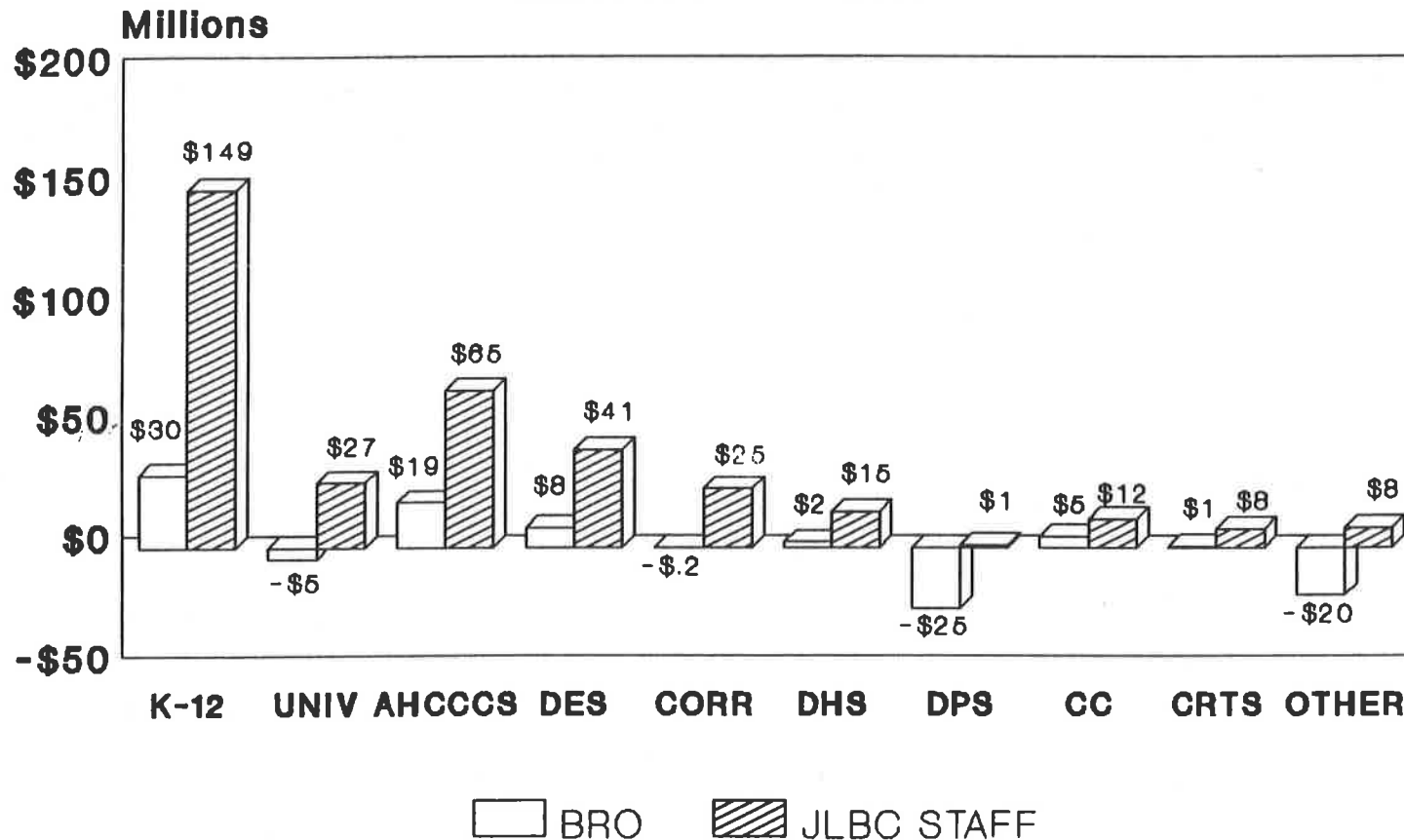
TOTAL DOLLAR INCREASE FROM FY 1990: \$15.1 MILLION

NINE LARGEST AGENCIES BUDGET REDUCTION OPTION PERCENT CHANGE FROM FY 1990 GENERAL FUND



OVERALL PERCENT INCREASE FROM FY 1990: 0.5%

NINE LARGEST AGENCIES BRO VS. JLBC STAFF RECOMMENDATION DOLLAR CHANGE FROM FY 1990 GENERAL FUND



STATE OF ARIZONA
BUDGET REDUCTION OPTION
FISCAL YEAR 1991
(COMPARED WITH FY 1990 & JLBC STAFF RECOMMENDATION)
GENERAL FUND

	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 BUDGET REDUCTION OPTION	\$ DIFFERENCE BRO - FY 1990	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 BRO - JLBC REC
GENERAL GOVERNMENT					
DEPT. OF ADMINISTRATION	26,719,200	26,588,700	(130,500)	30,414,500	(3,825,800)
OFFICE/AFFIRMATIVE ACTION	222,400	196,000	(26,400)	228,500	(32,500)
ATTORNEY GENERAL	17,814,500	16,170,800	(1,643,700)	17,856,700	(1,685,900)
DEPARTMENT OF COMMERCE	4,166,700	3,255,100	(911,600)	3,708,000	(452,900)
SUPREME COURT	5,357,200	6,224,200	867,000	7,120,300	(896,100)
COURT OF APPEALS	6,644,600	7,002,100	357,500	7,657,500	(655,400)
SUPERIOR COURT	48,833,700	48,244,700	(589,000)	53,767,900	(5,523,200)
COMM. ON JUDICIAL CONDUCT	100,000	100,000	0	100,000	0
COMM ON APP & TRL CRT APT	4,000	4,000	0	4,000	0
OFFICE OF THE GOVERNOR	3,279,300	3,001,500	(277,800)	3,335,000	(333,500)
LAW ENF MERIT SYS CNCL	42,100	36,900	(5,200)	41,000	(4,100)
LEGISLATURE	27,537,800	25,718,000	(1,819,800)	28,457,800	(2,739,800)
PERSONNEL BOARD	217,700	220,200	2,500	235,200	(15,000)
DEPARTMENT OF REVENUE	44,988,700	40,787,000	(4,201,700)	45,071,600	(4,284,600)
DEPT OF ST-SECY OF STATE	1,819,700	2,768,300	948,600	3,042,300	(274,000)
ST. BOARD OF TAX APPEALS	445,100	0	(445,100)	463,100	(463,100)
OFFICE OF TOURISM	3,558,600	3,325,000	(233,600)	3,941,100	(616,100)
STATE TREASURER	3,705,500	3,367,700	(337,800)	3,654,600	(286,900)
AZ COMM ON UNFRM ST LAWS	19,000	15,700	(3,300)	17,600	(1,900)
Subtotal	195,475,800	187,025,900	(8,449,900)	209,116,700	(22,090,800)
HEALTH & WELFARE					
AHCCCS	320,488,400	339,363,000	18,874,600	385,955,900	(46,592,900)

STATE OF ARIZONA
BUDGET REDUCTION OPTION
FISCAL YEAR 1991
(COMPARED WITH FY 1990 & JLBC STAFF RECOMMENDATION)
GENERAL FUND

	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 BUDGET REDUCTION OPTION	\$ DIFFERENCE BRO - FY 1990	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 BRO - JLBC REC
HEALTH & WELFARE					
DEPT OF ECONOMIC SECURITY	287,933,800	296,062,500	8,128,700	328,578,800	(32,516,300)
DEPT OF ENVIRON QUALITY	16,278,400	14,006,100	(2,272,300)	15,518,000	(1,511,900)
DEPT OF HEALTH SERVICES	139,965,400	142,313,700	2,348,300	155,087,400	(12,773,700)
AZ CNCL FOR HEARING IMPRD	203,800	182,200	(21,600)	198,500	(16,300)
AZ COMM ON INDIAN AFFAIRS	155,400	143,900	(11,500)	158,800	(14,900)
PIONEERS' HOME	2,913,000	2,606,800	(306,200)	2,846,600	(239,800)
ARIZONA RANGERS' PENSIONS	16,800	8,800	(8,000)	8,800	0
VETERANS' SERVICES COMM	720,700	736,100	15,400	809,100	(73,000)
Subtotal	768,675,700	795,423,100	26,747,400	889,161,900	(93,738,800)
INSPECTION & REGULATION					
AG EMPL RELATIONS BD	189,000	172,500	(16,500)	192,200	(19,700)
COMM OF AG & HORT	5,658,300	5,171,300	(487,000)	5,722,000	(550,700)
BANKING DEPARTMENT	3,827,600	3,523,700	(303,900)	3,902,400	(378,700)
BUILDING AND FIRE SAFETY	2,872,700	2,615,000	(257,700)	2,872,900	(257,900)
REGISTRAR OF CONTRACTORS	4,021,200	3,435,800	(585,400)	3,791,700	(355,900)
CORPORATION COMMISSION	4,959,600	4,631,400	(328,200)	4,863,900	(232,500)
DAIRY COMMISSIONER	526,900	457,200	(69,700)	508,500	(51,300)
DEPT. OF INSURANCE	2,717,600	2,546,100	(171,500)	3,028,700	(482,600)
DEPT OF LIQUOR LICENSES	2,083,600	1,867,500	(216,100)	2,050,300	(182,800)
ARIZONA LIVESTOCK BOARD	3,842,200	3,088,200	(754,000)	3,780,300	(692,100)
STATE MINE INSPECTOR	580,900	559,800	(21,100)	619,100	(59,300)
OCCUP SFTY & HLTH REV BD	10,300	9,400	(900)	9,400	0
DEPARTMENT OF RACING	2,436,600	2,235,100	(201,500)	2,359,700	(124,600)

STATE OF ARIZONA
BUDGET REDUCTION OPTION
FISCAL YEAR 1991
(COMPARED WITH FY 1990 & JLBC STAFF RECOMMENDATION)
GENERAL FUND

	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 BUDGET REDUCTION OPTION	\$ DIFFERENCE BRO - FY 1990	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 BRO - JLBC REC
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INSPECTION & REGULATION					
RADIATION REGULATORY AGCY	1,274,000	1,134,500	(139,500)	1,294,400	(159,900)
REAL ESTATE DEPARTMENT	2,783,100	2,550,400	(232,700)	2,844,000	(293,600)
DEPT OF WEIGHT/MEASURES	2,120,400	1,948,000	(172,400)	2,143,700	(195,700)
BOARD OF ACCOUNTANCY	0		0	0	0
BEHAVIOR HEALTH EXAMINERS	50,000	0	(50,000)	0	0
BOXING COMMISSION	55,300	44,600	(10,700)	53,100	(8,500)
HOMEOPATHIC MED EXAM BD	0		0	0	0
DISPENSING OPTICIANS BD	0		0	0	0
PHYSICAL THERAPY EXAM BD	0		0	0	0
VETERINARY MED EXAM BD	0		0	0	0
Subtotal	40,009,300	35,990,500	(4,018,800)	40,036,300	(4,045,800)
EDUCATION					
AZ COMMISSION ON THE ARTS	1,586,300	1,393,400	(192,900)	1,563,400	(170,000)
BD OF DIR FOR COMM COLL	73,607,300	78,282,900	4,675,600	85,350,900	(7,068,000)
SCH FOR THE DEAF & BLIND	11,762,700	11,485,800	(276,900)	13,425,500	(1,939,700)
DEPARTMENT OF EDUCATION	1,183,450,400	1,213,920,900	30,470,500	1,332,943,100	(119,022,200)
AZ HISTORICAL SOCIETY	1,986,900	1,849,500	(137,400)	3,163,600	(1,314,100)
PRESCOTT HIST SOCIETY	514,600	459,500	(55,100)	508,000	(48,500)
MED STUDENT LOANS BOARD	5,000	3,000	(2,000)	3,000	0
BOARD OF REGENTS	6,624,600	6,003,500	(621,100)	6,547,200	(543,700)
A.S.U. - MAIN CAMPUS	176,384,100	173,985,200	(2,398,900)	184,251,900	(10,266,700)
A.S.U. - WEST	14,281,900	20,927,200	6,645,300	22,845,300	(1,918,100)
NORTHERN AZ UNIVERSITY	63,279,700	63,309,500	29,800	67,109,200	(3,799,700)

STATE OF ARIZONA
BUDGET REDUCTION OPTION
FISCAL YEAR 1991
(COMPARED WITH FY 1990 & JLBC STAFF RECOMMENDATION)
GENERAL FUND

	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 BUDGET REDUCTION OPTION	\$ DIFFERENCE BRO - FY 1990	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 BRO - JLBC REC
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EDUCATION					
U. OF A. - MAIN CAMPUS	189,716,100	184,651,200	(5,064,900)	196,510,500	(11,859,300)
U. OF A. - COLL OF MED	43,292,300	40,048,900	(3,243,400)	43,407,800	(3,358,900)
Subtotal	1,766,491,900	1,796,320,500	29,828,600	1,957,629,400	(161,308,900)
PROTECTION & SAFETY					
DEPARTMENT OF CORRECTIONS	228,231,800	230,662,900	2,431,100	252,519,000	(21,856,100)
JUVENILE CORRECTIONS DEPT	29,389,000	26,794,000	(2,595,000)	29,617,200	(2,823,200)
AZ CRIMINAL JUSTICE COMM	900,000	0	(900,000)	0	0
DEPT OF EMER & MIL AFFRS	4,043,200	3,771,400	(271,800)	4,158,600	(387,200)
BD OF PARDONS AND PAROLES	1,563,800	1,592,400	28,600	1,758,500	(166,100)
DEPT OF PUBLIC SAFETY	84,915,100	59,440,100	(25,475,000)	86,082,400	(26,642,300)
Subtotal	349,042,900	322,260,800	(26,782,100)	374,135,700	(51,874,900)
TRANSPORTATION					
DEPT OF TRANSPORTATION	82,000	12,700	(69,300)	73,100	(60,400)
Subtotal	82,000	12,700	(69,300)	73,100	(60,400)
NATURAL RESOURCE					
COMM ON AZ ENVIRONMENT	111,200	0	(111,200)	114,300	(114,300)
GAME AND FISH DEPARTMENT	0		0	0	0

STATE OF ARIZONA
BUDGET REDUCTION OPTION
FISCAL YEAR 1991
(COMPARED WITH FY 1990 & JLBC STAFF RECOMMENDATION)
GENERAL FUND

	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 BUDGET REDUCTION OPTION	\$ DIFFERENCE BRO - FY 1990	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 BRO - JLBC REC
NATURAL RESOURCE					
ARIZONA GEOLOGICAL SURVEY	535,600	500,300	(35,300)	552,300	(52,000)
STATE LAND DEPARTMENT	7,878,500	7,056,300	(822,200)	8,151,700	(1,095,400)
DEPT OF MINERAL RESOURCES	362,400	353,200	(9,200)	386,900	(33,700)
OIL AND GAS CONSERVATION	187,400	136,500	(50,900)	172,000	(35,500)
STATE PARKS BOARD	5,811,400	5,543,500	(267,900)	6,141,600	(598,100)
DEPT OF WATER RESOURCES	11,848,500	10,943,200	(905,300)	12,045,400	(1,102,200)
Subtotal	26,735,000	24,533,000	(2,202,000)	27,564,200	(3,031,200)
GENERAL FUND TOTAL	3,146,512,600	3,161,566,500	15,053,900	3,497,717,300	(336,150,800)

FY 1991
NINE LARGEST AGENCIES
EXECUTIVE RECOMMENDATION vs JLBC STAFF RECOMMENDATION
GENERAL FUND

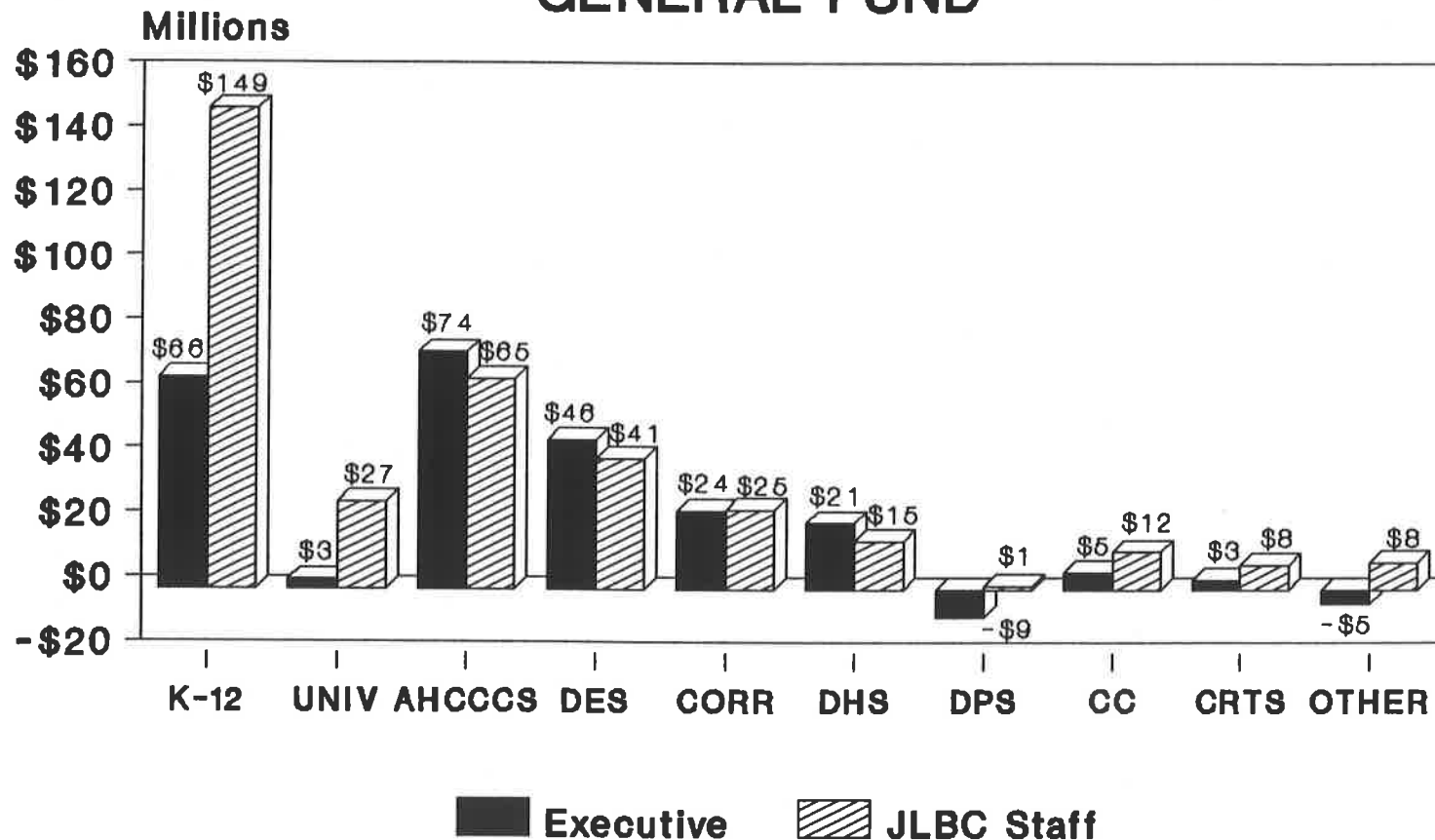
AGENCY	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 EXECUTIVE RECOMMENDATION	FY 1991 JLBC STAFF RECOMMENDATION	\$ DIFFERENCE STAFF REC - EXEC REC	% DIFF STAFF REC -EXEC REC
K-12	1,183,450,400	1,249,182,000	1,332,943,100	83,761,100	7.08%
UNIVERSITIES	493,578,700	496,390,300	520,671,900	24,281,600	4.92%
AHCCCS	320,488,400	394,075,300	385,955,900	(8,119,400)	-2.53%
DEPT ECONOMIC SECURITY	287,933,800	334,350,600	328,578,800	(5,771,800)	-2.00%
CORRECTIONS	257,620,800	281,975,700	282,136,200	160,500	0.06%
DEPT HEALTH SERVICES	139,965,400	160,601,600	155,087,400	(5,514,200)	-3.94%
COMMUNITY COLLEGES	73,607,300	78,790,400	85,350,900	6,560,500	8.91%
PUBLIC SAFETY	84,915,100	76,201,900	86,082,400	9,880,500	11.64%
COURTS	60,939,500	63,817,700	68,649,700	4,832,000	7.93%
				0	
ALL OTHER	244,013,200	239,317,900	252,261,000	12,943,100	5.30%
TOTAL	\$3,146,512,600	\$3,374,703,400	\$3,497,717,300	123,013,900	3.91%

FY 1991
JLBC STAFF VS EXECUTIVE RECOMMENDATIONS
DOLLAR CHANGE FROM FY 1990
GENERAL FUND

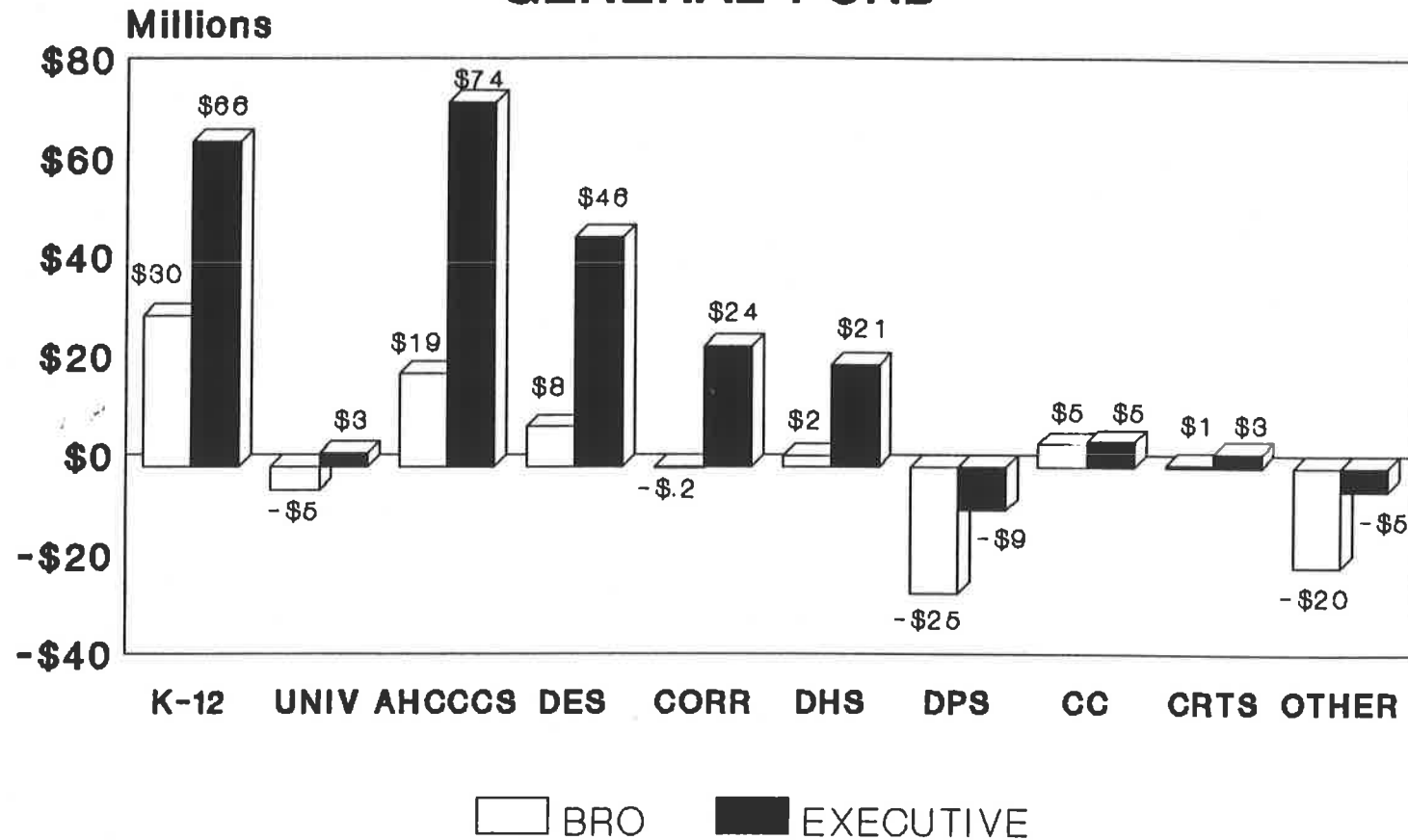
<u>AGENCY</u>	<u>Executive</u>	<u>JLBC Staff</u>	<u>10% Budget Red. Option</u>
• K-12	\$ 65,731,600	\$ 149,492,700	\$ 30,470,500
• Universities	2,811,600	27,093,200	(4,653,200)
• AHCCCS	73,586,900	65,467,500	18,874,600
• Economic Security	46,416,800	40,645,000	8,128,700
• Corrections	24,354,900	24,515,400	(163,900)
• Health Services	20,636,200	15,122,000	2,348,300
• Public Safety	(8,713,200)	1,167,300	(25,475,000)
• Community Colleges	5,183,100	11,743,600	4,675,600
• Courts	2,878,200	7,710,200	635,500
• All Other Agencies	(4,695,300)	8,247,800	(19,787,200)
• Capital Outlay	(4,300,500)	5,640,200	(247,000)
• State Empl. Pay/Provider Increase	46,410,700	55,800,000	-0-
• Previous Appropriations	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,625,000</u>
TOTAL	<u>\$271,926,000</u>	<u>\$414,269,900</u>	<u>\$16,431,900</u>

JLBC Staff
1/18/90

NINE LARGEST AGENCIES EXECUTIVE VS. JLBC STAFF RECOMMENDATION DOLLAR CHANGE FROM FY 1990 GENERAL FUND



NINE LARGEST AGENCIES BRO VS. EXECUTIVE RECOMMENDATION DOLLAR CHANGE FROM FY 1990 GENERAL FUND



STATE OF ARIZONA
COMPARISON OF JLBC STAFF vs EXECUTIVE BUDGET RECOMMENDATION
ALL APPROPRIATED FUNDS
FISCAL YEAR 1991

AGENCY	EXECUTIVE RECOMMENDATION			JLBC STAFF RECOMMENDATION		
	GENERAL FUND	OTHER FUND	TOTAL	GENERAL FUND	OTHER FUND	TOTAL
GENERAL GOVERNMENT						
DEPT. OF ADMINISTRATION	29,503,700	350,200	29,853,900	30,414,500	345,600	30,760,100
OFFICE/AFFIRMATIVE ACTION	223,800	0	223,800	228,500	0	228,500
ATTORNEY GENERAL	17,569,900	0	17,569,900	17,856,700	0	17,856,700
COLISEUM/EXPOSITION CNTR	0	12,238,000	12,238,000	0	13,059,500	13,059,500
DEPARTMENT OF COMMERCE	3,723,500	1,295,600	5,019,100	3,708,000	1,725,000	5,433,000
SUPREME COURT	5,538,000	0	5,538,000	7,120,300	0	7,120,300
COURT OF APPEALS	6,943,300	0	6,943,300	7,657,500	0	7,657,500
SUPERIOR COURT	51,227,900	0	51,227,900	53,767,900	0	53,767,900
COMM. ON JUDICIAL CONDUCT	104,300	0	104,300	100,000	0	100,000
COMM ON APP & TRL CRT APT	4,200	0	4,200	4,000	0	4,000
OFFICE OF THE GOVERNOR	3,174,900	0	3,174,900	3,335,000	0	3,335,000
LAW ENF MERIT SYS CNCL	39,200	0	39,200	41,000	0	41,000
LEGISLATURE	27,084,500	0	27,084,500	28,457,800	0	28,457,800
AZ. LOTTERY	0	42,865,200	42,865,200	0	41,115,400	41,115,400
PERSONNEL BOARD	215,900	0	215,900	235,200	0	235,200
STATE RETIREMENT SYSTEM	0	3,264,500	3,264,500	0	3,005,100	3,005,100
DEPARTMENT OF REVENUE	43,007,000	0	43,007,000	45,071,600	0	45,071,600
DEPT OF ST-SECY OF STATE	2,939,700	0	2,939,700	3,042,300	0	3,042,300
ST. BOARD OF TAX APPEALS	619,200	0	619,200	463,100	0	463,100
OFFICE OF TOURISM	3,497,200	2,000,000	5,497,200	3,941,100	2,000,000	5,941,100
STATE TREASURER	3,523,800	0	3,523,800	3,654,600	0	3,654,600
AZ COMM ON UNFRM ST LAWS	16,900	0	16,900	17,600	0	17,600
General Government-Subtotal	\$198,956,900	\$62,013,500	\$260,970,400	\$209,116,700	\$61,250,600	\$270,367,300

STATE OF ARIZONA
COMPARISON OF JLBC STAFF vs EXECUTIVE BUDGET RECOMMENDATION
ALL APPROPRIATED FUNDS
FISCAL YEAR 1991

AGENCY	EXECUTIVE RECOMMENDATION			JLBC STAFF RECOMMENDATION		
	GENERAL FUND	OTHER FUND	TOTAL	GENERAL FUND	OTHER FUND	TOTAL
HEALTH & WELFARE						
AHCCCS	394,075,300	0	394,075,300	385,955,900	0	385,955,900
DEPT OF ECONOMIC SECURITY	334,350,600	635,600	334,986,200	328,578,800	631,300	329,210,100
DEPT OF ENVIRON QUALITY	9,909,900	5,000,000	14,909,900	15,518,000	0	15,518,000
DEPT OF HEALTH SERVICES	160,601,600	2,511,500	163,113,100	155,087,400	2,471,300	157,558,700
AZ CNCL FOR HEARING IMPRD	194,100	0	194,100	198,500	0	198,500
AZ COMM ON INDIAN AFFAIRS	155,700	0	155,700	158,800	0	158,800
PIONEERS' HOME	2,790,600	0	2,790,600	2,846,600	0	2,846,600
ARIZONA RANGERS' PENSIONS	8,400	0	8,400	8,800	0	8,800
VETERANS' SERVICES COMM	788,000	336,300	1,124,300	809,100	573,800	1,382,900
Health & Welfare-Subtotal	\$902,874,200	\$8,483,400	\$911,357,600	\$889,161,900	\$3,676,400	\$892,838,300
INSPECTION & REGULATION						
AG EMPL RELATIONS BD	184,200	0	184,200	192,200	0	192,200
COMM OF AG & HORT	5,375,900	1,401,300	6,777,200	5,722,000	1,383,900	7,105,900
BANKING DEPARTMENT	3,648,800	0	3,648,800	3,902,400	0	3,902,400
BUILDING AND FIRE SAFETY	2,785,500	0	2,785,500	2,872,900	0	2,872,900
REGISTRAR OF CONTRACTORS	3,754,400	0	3,754,400	3,791,700	0	3,791,700
CORPORATION COMMISSION	4,659,500	5,560,700	10,220,200	4,863,900	5,566,400	10,430,300
DAIRY COMMISSIONER	486,200	0	486,200	508,500	0	508,500
INDUSTRIAL COMMISSION	0	11,647,600	11,647,600	0	11,590,300	11,590,300
DEPT. OF INSURANCE	3,029,700	0	3,029,700	3,028,700	0	3,028,700
DEPT OF LIQUOR LICENSES	2,047,300	0	2,047,300	2,050,300	0	2,050,300
ARIZONA LIVESTOCK BOARD	3,612,800	0	3,612,800	3,780,300	0	3,780,300
STATE MINE INSPECTOR	582,900	0	582,900	619,100	0	619,100

STATE OF ARIZONA
COMPARISON OF JLBC STAFF vs EXECUTIVE BUDGET RECOMMENDATION
ALL APPROPRIATED FUNDS
FISCAL YEAR 1991

AGENCY	EXECUTIVE RECOMMENDATION			JLBC STAFF RECOMMENDATION		
	GENERAL FUND	OTHER FUND	TOTAL	GENERAL FUND	OTHER FUND	TOTAL
OCCUP SFTY & HLTH REV BD	8,900	0	8,900	9,400	0	9,400
DEPARTMENT OF RACING	2,434,800	318,200	2,753,000	2,359,700	337,800	2,697,500
RADIATION REGULATORY AGCY	1,194,200	90,400	1,284,600	1,294,400	90,900	1,385,300
REAL ESTATE DEPARTMENT	2,677,500	0	2,677,500	2,844,000	0	2,844,000
RES UTILITY CONSUMER OFC	0	974,100	974,100	0	1,007,400	1,007,400
DEPT OF WEIGHT/MEASURES	2,015,800	0	2,015,800	2,143,700	0	2,143,700
BOARD OF ACCOUNTANCY	0	667,200	667,200	0	655,600	655,600
BARBER EXAMINERS BD	0	135,800	135,800	0	134,100	134,100
BEHAVIOR HEALTH EXAMINERS	0	266,500	266,500	0	171,900	171,900
BOXING COMMISSION	49,800	12,400	62,200	53,100	7,100	60,200
CHIROPRACTIC EXAMINERS BD	0	201,100	201,100	0	199,200	199,200
BOARD OF COSMETOLOGY	0	535,600	535,600	0	541,400	541,400
BOARD OF DENTAL EXAMINERS	0	0	0	0	398,300	398,300
EGG INSPECTION BOARD	0	188,500	188,500	0	187,000	187,000
FUNERAL DIR. & EMBALM BD	0	157,600	157,600	0	152,300	152,300
HOMEOPATHIC MED EXAM BD	0	12,000	12,000	0	11,100	11,100
BOARD OF MEDICAL EXAM	0	2,140,900	2,140,900	0	2,142,400	2,142,400
NATUROPATHIC PHYS EXAM BD	0	28,000	28,000	0	26,700	26,700
BOARD OF NURSING	0	1,027,200	1,027,200	0	892,300	892,300
NURS CARE INST ADMIN BD	0	63,700	63,700	0	62,300	62,300
DISPENSING OPTICIANS BD	0	53,400	53,400	0	50,000	50,000
BOARD OF OPTOMETRY	0	99,300	99,300	0	97,300	97,300
OSTEOPATHIC EXAMINERS BD	0	232,500	232,500	0	251,200	251,200
BOARD OF PHARMACY	0	617,800	617,800	0	615,100	615,100
PHYSICAL THERAPY EXAM BD	0	65,400	65,400	0	64,000	64,000
PODIATRY EXAMINERS BOARD	0	39,900	39,900	0	38,200	38,200
BD OF PRIV POSTSECOND ED	0	134,000	134,000	0	121,800	121,800
PSYCHOLOGIST EXAMINERS BD	0	123,700	123,700	0	121,800	121,800

STATE OF ARIZONA
COMPARISON OF JLBC STAFF vs EXECUTIVE BUDGET RECOMMENDATION
ALL APPROPRIATED FUNDS
FISCAL YEAR 1991

AGENCY	EXECUTIVE RECOMMENDATION			JLBC STAFF RECOMMENDATION		
	GENERAL FUND	OTHER FUND	TOTAL	GENERAL FUND	OTHER FUND	TOTAL
STRUCT. PEST CONTROL COMM	0	1,107,500	1,107,500	0	1,080,500	1,080,500
BD OF TECH REGISTRATION	0	774,600	774,600	0	768,400	768,400
VETERINARY MED EXAM BD	0	153,300	153,300	0	153,100	153,100
Inspection & Reg-Subtotal	\$38,548,200	\$28,830,200	\$67,378,400	\$40,036,300	\$28,919,800	\$68,956,100
EDUCATION						
AZ COMMISSION ON THE ARTS	1,523,400	0	1,523,400	1,563,400	0	1,563,400
BD OF DIR FOR COMM COLL	78,790,400	0	78,790,400	85,350,900	0	85,350,900
SCH FOR THE DEAF & BLIND	12,051,800	4,417,600	16,469,400	13,425,500	4,543,000	17,968,500
DEPARTMENT OF EDUCATION	1,249,182,000	0	1,249,182,000	1,332,943,100	0	1,332,943,100
AZ HISTORICAL SOCIETY	2,977,000	0	2,977,000	3,163,600	0	3,163,600
PRESCOTT HIST SOCIETY	484,700	0	484,700	508,000	0	508,000
MED STUDENT LOANS BOARD	4,800	0	4,800	3,000	0	3,000
BOARD OF REGENTS	6,451,600	0	6,451,600	6,547,200	0	6,547,200
A.S.U. - MAIN CAMPUS	173,851,000	53,672,500	227,523,500	184,251,900	56,296,600	240,548,500
A.S.U. - WEST	21,181,800	3,177,100	24,358,900	22,845,300	3,243,400	26,088,700
NORTHERN AZ UNIVERSITY	64,433,700	18,258,800	82,692,500	67,109,200	18,852,500	85,961,700
U. OF A. - MAIN CAMPUS	189,199,400	54,717,700	243,917,100	196,510,500	59,884,800	256,395,300
U. OF A. - COLL OF MED	41,272,800	2,042,600	43,315,400	43,407,800	2,557,700	45,965,500
Education-Subtotal	\$1,841,404,400	\$136,286,300	\$1,977,690,700	\$1,957,629,400	\$145,378,000	\$2,103,007,400
PROTECTION & SAFETY						
DEPARTMENT OF CORRECTIONS	252,313,600	0	252,313,600	252,519,000	0	252,519,000
JUVENILE CORRECTIONS DEPT	29,662,100	0	29,662,100	29,617,200	0	29,617,200

STATE OF ARIZONA
COMPARISON OF JLBC STAFF vs EXECUTIVE BUDGET RECOMMENDATION
ALL APPROPRIATED FUNDS
FISCAL YEAR 1991

AGENCY	EXECUTIVE RECOMMENDATION			JLBC STAFF RECOMMENDATION		
	GENERAL FUND	OTHER FUND	TOTAL	GENERAL FUND	OTHER FUND	TOTAL
AZ CRIMINAL JUSTICE COMM	2,325,000	321,800	2,646,800	0	323,100	323,100
DEPT OF EMER & MIL AFFRS	3,903,300	0	3,903,300	4,158,600	0	4,158,600
BD OF PARDONS AND PAROLES	1,751,300	0	1,751,300	1,758,500	0	1,758,500
DEPT OF PUBLIC SAFETY	76,201,900	10,322,000	86,523,900	86,082,400	1,822,000	87,904,400
Protection & Safety-Subtotal	\$366,157,200	\$10,643,800	\$376,801,000	\$374,135,700	\$2,145,100	\$376,280,800
TRANSPORTATION						
DEPT OF TRANSPORTATION	74,600	179,411,100	179,485,700	73,100	182,246,800	182,319,900
Transportation-Subtotal	\$74,600	\$179,411,100	\$179,485,700	\$73,100	\$182,246,800	\$182,319,900
NATURAL RESOURCES						
COMM ON AZ ENVIRONMENT	111,300	0	111,300	114,300	0	114,300
GAME AND FISH DEPARTMENT	0	16,004,200	16,004,200	0	15,765,500	15,765,500
ARIZONA GEOLOGICAL SURVEY	526,100	0	526,100	552,300	0	552,300
STATE LAND DEPARTMENT	7,849,100	0	7,849,100	8,151,700	0	8,151,700
DEPT OF MINERAL RESOURCES	331,400	0	331,400	386,900	0	386,900
OIL AND GAS CONSERVATION	175,500	9,758,300	9,933,800	172,000	9,728,300	9,900,300
STATE PARKS BOARD	6,150,700	0	6,150,700	6,141,600	0	6,141,600
DEPT OF WATER RESOURCES	11,543,800	0	11,543,800	12,045,400	0	12,045,400
Natural Resources-Subtotal	\$26,687,900	\$25,762,500	\$52,450,400	\$27,564,200	\$25,493,800	\$53,058,000
STATE TOTAL	\$3,374,703,400	\$451,430,800	\$3,826,134,200	\$3,497,717,300	\$449,110,500	\$3,946,827,800

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
GENERAL FUND

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
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GENERAL GOVERNMENT						
DEPT. OF ADMINISTRATION	23,172,100	26,719,200	34,979,100	30,414,500	29,503,700	910,800
OFFICE/AFFIRMATIVE ACTION	194,900	222,400	392,400	228,500	223,800	4,700
ATTORNEY GENERAL	18,411,000	17,814,500	19,098,000	17,856,700	17,569,900	286,800
DEPARTMENT OF COMMERCE	3,005,300	4,166,700	5,796,900	3,708,000	3,723,500	(15,500)
SUPREME COURT	5,037,600	5,357,200	8,851,500	7,120,300	5,538,000	1,582,300
COURT OF APPEALS	5,512,000	6,644,600	9,121,100	7,657,500	6,943,300	714,200
SUPERIOR COURT	37,287,700	48,833,700	62,133,400	53,767,900	51,227,900	2,540,000
COMM. ON JUDICIAL CONDUCT	59,000	100,000	142,900	100,000	104,300	(4,300)
COMM ON APP & TRL CRT APT	3,400	4,000	4,000	4,000	4,200	(200)
OFFICE OF THE GOVERNOR	3,330,500	3,279,300	3,335,000	3,335,000	3,174,900	160,100
LAW ENF MERIT SYS CNCL	45,600	42,100	50,400	41,000	39,200	1,800
LEGISLATURE	26,005,700	27,537,800	29,623,400	28,457,800	27,084,500	1,373,300
PERSONNEL BOARD	210,800	217,700	311,700	235,200	215,900	19,300
DEPARTMENT OF REVENUE	34,328,600	44,988,700	46,457,400	45,071,600	43,007,000	2,064,600
DEPT OF ST-SECY OF STATE	2,925,200	1,819,700	6,802,300	3,042,300	2,939,700	102,600
ST. BOARD OF TAX APPEALS	389,400	445,100	722,000	463,100	619,200	(156,100)
OFFICE OF TOURISM	3,407,400	3,558,600	8,216,300	3,941,100	3,497,200	443,900
STATE TREASURER	3,012,400	3,705,500	3,896,600	3,654,600	3,523,800	130,800
AZ COMM ON UNFRM ST LAWS	12,300	19,000	17,700	17,600	16,900	700
Subtotal	166,350,900	195,475,800	239,952,100	209,116,700	198,956,900	10,159,800
HEALTH & WELFARE						
AHCCCS	244,771,100	320,488,400	584,890,600	385,955,900	394,075,300	(8,119,400)

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
GENERAL FUND

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
HEALTH & WELFARE						
DEPT OF ECONOMIC SECURITY	256,378,900	287,933,800	385,486,200	328,578,800	334,350,600	(5,771,800)
DEPT OF ENVIRON QUALITY	15,736,200	16,278,400	17,626,700	15,518,000	9,909,900	5,608,100
DEPT OF HEALTH SERVICES	110,702,500	139,965,400	203,643,500	155,087,400	160,601,600	(5,514,200)
AZ CNCL FOR HEARING IMPRD	126,500	203,800	232,700	198,500	194,100	4,400
AZ COMM ON INDIAN AFFAIRS	144,000	155,400	180,800	158,800	155,700	3,100
PIONEERS' HOME	2,778,966	2,913,000	2,988,000	2,846,600	2,790,600	56,000
ARIZONA RANGERS' PENSIONS	16,200	16,800	8,800	8,800	8,400	400
VETERANS' SERVICES COMM	690,600	720,700	896,600	809,100	788,000	21,100
Subtotal	631,344,966	768,675,700	1,195,953,900	889,161,900	902,874,200	(13,712,300)
INSPECTION & REGULATION						
AG EMPL RELATIONS BD	170,100	189,000	192,700	192,200	184,200	8,000
COMM OF AG & HORT	5,767,000	5,658,300	9,685,200	5,722,000	5,375,900	346,100
BANKING DEPARTMENT	2,954,700	3,827,600	5,178,300	3,902,400	3,648,800	253,600
BUILDING AND FIRE SAFETY	2,592,500	2,872,700	3,398,600	2,872,900	2,785,500	87,400
REGISTRAR OF CONTRACTORS	3,714,200	4,021,200	4,986,500	3,791,700	3,754,400	37,300
CORPORATION COMMISSION	4,643,600	4,959,600	5,961,800	4,863,900	4,659,500	204,400
DAIRY COMMISSIONER	454,700	526,900	518,300	508,500	486,200	22,300
DEPT. OF INSURANCE	2,397,600	2,717,600	3,491,100	3,028,700	3,029,700	(1,000)
DEPT OF LIQUOR LICENSES	2,072,100	2,083,600	2,852,300	2,050,300	2,047,300	3,000
ARIZONA LIVESTOCK BOARD	3,679,300	3,842,200	3,937,400	3,780,300	3,612,800	167,500
STATE MINE INSPECTOR	741,200	580,900	1,041,600	619,100	582,900	36,200
OCCUP SFTY & HLTH REV BD	8,400	10,300	9,400	9,400	8,900	500
DEPARTMENT OF RACING	1,934,100	2,436,600	2,623,500	2,359,700	2,434,800	(75,100)

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
GENERAL FUND

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
INSPECTION & REGULATION						
RADIATION REGULATORY AGCY	1,271,100	1,274,000	1,681,700	1,294,400	1,194,200	100,200
REAL ESTATE DEPARTMENT	2,580,800	2,783,100	3,093,700	2,844,000	2,677,500	166,500
DEPT OF WEIGHT/MEASURES	1,549,300	2,120,400	2,884,100	2,143,700	2,015,800	127,900
BOARD OF ACCOUNTANCY	503,611	0	0	0	0	0
BEHAVIOR HEALTH EXAMINERS	0	50,000	0	0	0	0
BOXING COMMISSION	36,100	55,300	59,600	53,100	49,800	3,300
HOMEOPATHIC MED EXAM BD	5,700	0	0	0	0	0
DISPENSING OPTICIANS BD	48,600	0	0	0	0	0
PHYSICAL THERAPY EXAM BD	52,600	0	0	0	0	0
VETERINARY MED EXAM BD	134,400	0	0	0	0	0
Subtotal	37,311,711	40,009,300	51,595,800	40,036,300	38,548,200	1,488,100
EDUCATION						
AZ COMMISSION ON THE ARTS	1,545,000	1,586,300	2,400,000	1,563,400	1,523,400	40,000
BD OF DIR FOR COMM COLL	75,118,300	73,607,300	109,363,800	85,350,900	78,790,400	6,560,500
SCH FOR THE DEAF & BLIND	10,858,200	11,762,700	18,178,900	13,425,500	12,051,800	1,373,700
DEPARTMENT OF EDUCATION	1,109,149,800	1,183,450,400	1,521,215,100	1,332,943,100	1,249,182,000	83,761,100
AZ HISTORICAL SOCIETY	1,828,200	1,986,900	4,435,100	3,163,600	2,977,000	186,600
PRESCOTT HIST SOCIETY	481,000	514,600	591,500	508,000	484,700	23,300
MED STUDENT LOANS BOARD	10,000	5,000	20,000	3,000	4,800	(1,800)
BOARD OF REGENTS	5,198,400	6,624,600	7,058,000	6,547,200	6,451,600	95,600
A.S.U. - MAIN CAMPUS	167,001,500	176,384,100	228,142,700	184,251,900	173,851,000	10,400,900
A.S.U. - WEST	10,649,500	14,281,900	30,472,700	22,845,300	21,181,800	1,663,500
NORTHERN AZ UNIVERSITY	60,730,600	63,279,700	83,134,200	67,109,200	64,433,700	2,675,500

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
GENERAL FUND

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
EDUCATION						
U. OF A. - MAIN CAMPUS	186,099,400	189,716,100	248,209,600	196,510,500	189,199,400	7,311,100
U. OF A. - COLL OF MED	41,056,700	43,292,300	49,551,700	43,407,800	41,272,800	2,135,000
Subtotal	1,669,726,600	1,766,491,900	2,302,773,300	1,957,629,400	1,841,404,400	116,225,000
PROTECTION & SAFETY						
DEPARTMENT OF CORRECTIONS	212,774,100	228,231,800	291,785,500	252,519,000	252,313,600	205,400
JUVENILE CORRECTIONS DEPT	27,392,200	29,389,000	31,563,900	29,617,200	29,662,100	(44,900)
AZ CRIMINAL JUSTICE COMM	0	900,000	3,589,500	0	2,325,000	(2,325,000)
DEPT OF EMER & MIL AFFRS	4,119,800	4,043,200	4,872,700	4,158,600	3,903,300	255,300
BD OF PARDONS AND PAROLES	1,475,700	1,563,800	1,995,400	1,758,500	1,751,300	7,200
DEPT OF PUBLIC SAFETY	69,635,200	84,915,100	95,332,300	86,082,400	76,201,900	9,880,500
Subtotal	315,397,000	349,042,900	429,139,300	374,135,700	366,157,200	7,978,500
TRANSPORTATION						
DEPT OF TRANSPORTATION	50,000	82,000	79,900	73,100	74,600	(1,500)
Subtotal	50,000	82,000	79,900	73,100	74,600	(1,500)
NATURAL RESOURCE						
COMM ON AZ ENVIRONMENT	113,700	111,200	181,700	114,300	111,300	3,000
GAME AND FISH DEPARTMENT	0	0	1,146,700	0	0	0

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
GENERAL FUND

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
NATURAL RESOURCE						
ARIZONA GEOLOGICAL SURVEY	526,400	535,600	665,500	552,300	526,100	26,200
STATE LAND DEPARTMENT	7,364,200	7,878,500	9,355,300	8,151,700	7,849,100	302,600
DEPT OF MINERAL RESOURCES	462,900	362,400	474,400	386,900	331,400	55,500
OIL AND GAS CONSERVATION	180,000	187,400	190,500	172,000	175,500	(3,500)
STATE PARKS BOARD	5,595,803	5,811,400	8,128,900	6,141,600	6,150,700	(9,100)
DEPT OF WATER RESOURCES	10,942,600	11,848,500	13,557,300	12,045,400	11,543,800	501,600
Subtotal	25,185,603	26,735,000	33,700,300	27,564,200	26,687,900	876,300
GENERAL FUND TOTAL	2,845,366,780	3,146,512,600	4,253,194,600	3,497,717,300	3,374,703,400	123,013,900

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
OTHER FUND

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENDATION	\$ DIFFERENCE JLBC REC - EXEC. REC
GENERAL GOVERNMENT						
DEPT. OF ADMINISTRATION	298,900	337,700	355,300	345,600	350,200	(4,600)
COLISEUM/EXPOSITION CNTR	11,366,300	11,668,200	13,059,500	13,059,500	12,238,000	821,500
DEPARTMENT OF COMMERCE	53,900	1,296,100	1,346,800	1,725,000	1,295,600	429,400
AZ. LOTTERY	34,102,600	44,999,100	45,343,900	41,115,400	42,865,200	(1,749,800)
STATE RETIREMENT SYSTEM	3,008,300	2,808,700	8,651,700	3,005,100	3,264,500	(259,400)
OFFICE OF TOURISM	1,967,100	2,000,000	2,000,000	2,000,000	2,000,000	0
Subtotal	50,797,100	63,109,800	70,757,200	61,250,600	62,013,500	(762,900)
HEALTH & WELFARE						
DEPT OF ECONOMIC SECURITY	342,600	764,700	646,200	631,300	635,600	(4,300)
DEPT OF ENVIRON QUALITY	198,100	0	0	0	5,000,000	(5,000,000)
DEPT OF HEALTH SERVICES	1,798,200	2,377,300	1,986,800	2,471,300	2,511,500	(40,200)
VETERANS' SERVICES COMM	328,800	639,000	646,300	573,800	336,300	237,500
Subtotal	2,667,700	3,781,000	3,279,300	3,676,400	8,483,400	(4,807,000)
INSPECTION & REGULATION						
COMM OF AG & HORT	1,199,100	1,345,500	1,403,600	1,383,900	1,401,300	(17,400)
CORPORATION COMMISSION	5,021,700	5,273,900	6,297,100	5,566,400	5,560,700	5,700
INDUSTRIAL COMMISSION	9,930,000	11,801,700	11,844,900	11,590,300	11,647,600	(57,300)
DEPT. OF INSURANCE	0	0	2,867,700	0	0	0
DEPARTMENT OF RACING	244,100	321,400	337,600	337,800	318,200	19,600

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
OTHER FUND

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENDATION	\$ DIFFERENCE JLBC REC - EXEC. REC
INSPECTION & REGULATION						
RADIATION REGULATORY AGCY	99,000	89,700	91,000	90,900	90,400	500
RES UTILITY CONSUMER OFC	878,100	923,200	994,300	1,007,400	974,100	33,300
DEPT OF WEIGHT/MEASURES	0	0	0	0	0	0
BOARD OF ACCOUNTANCY	0	650,100	713,600	655,600	667,200	(11,600)
BARBER EXAMINERS BD	126,600	134,200	145,300	134,100	135,800	(1,700)
BEHAVIOR HEALTH EXAMINERS	0	0	365,000	171,900	266,500	(94,600)
BOXING COMMISSION	4,200	6,100	12,500	7,100	12,400	(5,300)
CHIROPRACTIC EXAMINERS BD	161,000	186,000	219,900	199,200	201,100	(1,900)
BOARD OF COSMETOLOGY	539,100	538,400	590,500	541,400	535,600	5,800
BOARD OF DENTAL EXAMINERS	404,800	377,500	422,600	398,300	0	398,300
EGG INSPECTION BOARD	168,100	190,900	193,400	187,000	188,500	(1,500)
FUNERAL DIR. & EMBALM BD	97,300	144,400	166,700	152,300	157,600	(5,300)
HOMEOPATHIC MED EXAM BD	0	8,400	11,900	11,100	12,000	(900)
BOARD OF MEDICAL EXAM	1,812,900	2,137,800	2,465,700	2,142,400	2,140,900	1,500
NATUROPATHIC PHYS EXAM BD	23,000	27,800	27,800	26,700	28,000	(1,300)
BOARD OF NURSING	892,700	953,100	1,034,500	892,300	1,027,200	(134,900)
NURS CARE INST ADMIN BD	52,400	61,300	63,300	62,300	63,700	(1,400)
DISPENSING OPTICIANS BD	0	51,900	51,000	50,000	53,400	(3,400)
BOARD OF OPTOMETRY	74,400	99,200	99,200	97,300	99,300	(2,000)
OSTEOPATHIC EXAMINERS BD	199,600	210,900	252,400	251,200	232,500	18,700
BOARD OF PHARMACY	576,400	604,600	610,700	615,100	617,800	(2,700)
PHYSICAL THERAPY EXAM BD	0	63,800	65,400	64,000	65,400	(1,400)
PODIATRY EXAMINERS BOARD	38,800	42,100	39,700	38,200	39,900	(1,700)
BD OF PRIV POSTSECOND ED	120,900	123,000	151,700	121,800	134,000	(12,200)
PSYCHOLOGIST EXAMINERS BD	83,600	124,200	124,900	121,800	123,700	(1,900)
STRUCT. PEST CONTROL COMM	602,800	965,100	1,429,300	1,080,500	1,107,500	(27,000)

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
OTHER FUND

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
INSPECTION & REGULATION						
BD OF TECH REGISTRATION	670,300	709,500	805,700	768,400	774,600	(6,200)
VETERINARY MED EXAM BD	0	144,300	168,900	153,100	153,300	(200)
Subtotal	24,020,900	28,310,000	34,067,800	28,919,800	28,830,200	89,600
EDUCATION						
SCH FOR THE DEAF & BLIND	3,748,800	3,962,300	4,124,600	4,543,000	4,417,600	125,400
A.S.U. - MAIN CAMPUS	46,183,500	52,911,900	48,167,700	56,296,600	53,672,500	2,624,100
A.S.U. - WEST	1,279,900	2,737,800	3,103,000	3,243,400	3,177,100	66,300
NORTHERN AZ UNIVERSITY	13,423,700	16,145,800	15,668,300	18,852,500	18,258,800	593,700
U. OF A. - MAIN CAMPUS	46,701,700	55,489,400	45,869,800	59,884,800	54,717,700	5,167,100
U. OF A. - COLL OF MED	1,687,300	1,911,900	1,911,900	2,557,700	2,042,600	515,100
Subtotal	113,024,900	133,159,100	118,845,300	145,378,000	136,286,300	9,091,700
PROTECTION & SAFETY						
DEPARTMENT OF CORRECTIONS	0	6,185,500	0	0	0	0
AZ CRIMINAL JUSTICE COMM	5,790,000	3,110,200	330,700	323,100	321,800	1,300
DEPT OF PUBLIC SAFETY	12,697,000	1,822,000	1,822,000	1,822,000	10,322,000	(8,500,000)
Subtotal	18,487,000	11,117,700	2,152,700	2,145,100	10,643,800	(8,498,700)

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
OTHER FUND

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
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TRANSPORTATION						
DEPT OF TRANSPORTATION	161,375,000	175,225,600	193,264,100	182,246,800	179,411,100	2,835,700
Subtotal	161,375,000	175,225,600	193,264,100	182,246,800	179,411,100	2,835,700
NATURAL RESOURCE						
GAME AND FISH DEPARTMENT	15,011,900	15,610,700	16,320,600	15,765,500	16,004,200	(238,700)
STATE PARKS BOARD	2,532,900	2,031,500	9,773,600	9,728,300	9,758,300	(30,000)
Subtotal	17,544,800	17,642,200	26,094,200	25,493,800	25,762,500	(268,700)
GENERAL FUND TOTAL	387,917,400	432,345,400	448,460,600	449,110,500	451,430,800	(2,320,300)

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
TOTAL FUNDS

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
GENERAL GOVERNMENT						
DEPT. OF ADMINISTRATION	23,471,000	27,056,900	35,334,400	30,760,100	29,853,900	906,200
OFFICE/AFFIRMATIVE ACTION	194,900	222,400	392,400	228,500	223,800	4,700
ATTORNEY GENERAL	18,411,000	17,814,500	19,098,000	17,856,700	17,569,900	286,800
COLISEUM/EXPOSITION CNTR	11,366,300	11,668,200	13,059,500	13,059,500	12,238,000	821,500
DEPARTMENT OF COMMERCE	3,059,200	5,462,800	7,143,700	5,433,000	5,019,100	413,900
SUPREME COURT	5,037,600	5,357,200	8,851,500	7,120,300	5,538,000	1,582,300
COURT OF APPEALS	5,512,000	6,644,600	9,121,100	7,657,500	6,943,300	714,200
SUPERIOR COURT	37,287,700	48,833,700	62,133,400	53,767,900	51,227,900	2,540,000
COMM. ON JUDICIAL CONDUCT	59,000	100,000	142,900	100,000	104,300	(4,300)
COMM ON APP & TRL CRT APT	3,400	4,000	4,000	4,000	4,200	(200)
OFFICE OF THE GOVERNOR	3,330,500	3,279,300	3,335,000	3,335,000	3,174,900	160,100
LAW ENF MERIT SYS CNCL	45,600	42,100	50,400	41,000	39,200	1,800
LEGISLATURE	26,005,700	27,537,800	29,623,400	28,457,800	27,084,500	1,373,300
AZ. LOTTERY	34,102,600	44,999,100	45,343,900	41,115,400	42,865,200	(1,749,800)
PERSONNEL BOARD	210,800	217,700	311,700	235,200	215,900	19,300
STATE RETIREMENT SYSTEM	3,008,300	2,808,700	8,651,700	3,005,100	3,264,500	(259,400)
DEPARTMENT OF REVENUE	34,328,600	44,988,700	46,457,400	45,071,600	43,007,000	2,064,600
DEPT OF ST-SECY OF STATE	2,925,200	1,819,700	6,802,300	3,042,300	2,939,700	102,600
ST. BOARD OF TAX APPEALS	389,400	445,100	722,000	463,100	619,200	(156,100)
OFFICE OF TOURISM	5,374,500	5,558,600	10,216,300	5,941,100	5,497,200	443,900
STATE TREASURER	3,012,400	3,705,500	3,896,600	3,654,600	3,523,800	130,800
AZ COMM ON UNFRM ST LAWS	12,300	19,000	17,700	17,600	16,900	700
Subtotal	217,148,000	258,585,600	310,709,300	270,367,300	260,970,400	9,396,900

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
TOTAL FUNDS

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
HEALTH & WELFARE						
AHCCCS	244,771,100	320,488,400	584,890,600	385,955,900	394,075,300	(8,119,400)
DEPT OF ECONOMIC SECURITY	256,721,500	288,698,500	386,132,400	329,210,100	334,986,200	(5,776,100)
DEPT OF ENVIRON QUALITY	15,934,300	16,278,400	17,626,700	15,518,000	14,909,900	608,100
DEPT OF HEALTH SERVICES	112,500,700	142,342,700	205,630,300	157,558,700	163,113,100	(5,554,400)
AZ CNCL FOR HEARING IMPRD	126,500	203,800	232,700	198,500	194,100	4,400
AZ COMM ON INDIAN AFFAIRS	144,000	155,400	180,800	158,800	155,700	3,100
PIONEERS' HOME	2,778,966	2,913,000	2,988,000	2,846,600	2,790,600	56,000
ARIZONA RANGERS' PENSIONS	16,200	16,800	8,800	8,800	8,400	400
VETERANS' SERVICES COMM	1,019,400	1,359,700	1,542,900	1,382,900	1,124,300	258,600
Subtotal	634,012,666	772,456,700	1,199,233,200	892,838,300	911,357,600	(18,519,300)
INSPECTION & REGULATION						
AG EMPL RELATIONS BD	170,100	189,000	192,700	192,200	184,200	8,000
COMM OF AG & HORT	6,966,100	7,003,800	11,088,800	7,105,900	6,777,200	328,700
BANKING DEPARTMENT	2,954,700	3,827,600	5,178,300	3,902,400	3,648,800	253,600
BUILDING AND FIRE SAFETY	2,592,500	2,872,700	3,398,600	2,872,900	2,785,500	87,400
REGISTRAR OF CONTRACTORS	3,714,200	4,021,200	4,986,500	3,791,700	3,754,400	37,300
CORPORATION COMMISSION	9,665,300	10,233,500	12,258,900	10,430,300	10,220,200	210,100
DAIRY COMMISSIONER	454,700	526,900	518,300	508,500	486,200	22,300
INDUSTRIAL COMMISSION	9,930,000	11,801,700	11,844,900	11,590,300	11,647,600	(57,300)
DEPT. OF INSURANCE	2,397,600	2,717,600	6,358,800	3,028,700	3,029,700	(1,000)
DEPT OF LIQUOR LICENSES	2,072,100	2,083,600	2,852,300	2,050,300	2,047,300	3,000
ARIZONA LIVESTOCK BOARD	3,679,300	3,842,200	3,937,400	3,780,300	3,612,800	167,500
STATE MINE INSPECTOR	741,200	580,900	1,041,600	619,100	582,900	36,200

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
TOTAL FUNDS

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENDATION	\$ DIFFERENCE JLBC REC - EXEC. REC
INSPECTION & REGULATION						
OCCUP SFTY & HLTH REV BD	8,400	10,300	9,400	9,400	8,900	500
DEPARTMENT OF RACING	2,178,200	2,758,000	2,961,100	2,697,500	2,753,000	(55,500)
RADIATION REGULATORY AGCY	1,370,100	1,363,700	1,772,700	1,385,300	1,284,600	100,700
REAL ESTATE DEPARTMENT	2,580,800	2,783,100	3,093,700	2,844,000	2,677,500	166,500
RES UTILITY CONSUMER OFC	878,100	923,200	994,300	1,007,400	974,100	33,300
DEPT OF WEIGHT/MEASURES	1,549,300	2,120,400	2,884,100	2,143,700	2,015,800	127,900
BOARD OF ACCOUNTANCY	503,611	650,100	713,600	655,600	667,200	(11,600)
BARBER EXAMINERS BD	126,600	134,200	145,300	134,100	135,800	(1,700)
BEHAVIOR HEALTH EXAMINERS	0	50,000	365,000	171,900	266,500	(94,600)
BOXING COMMISSION	40,300	61,400	72,100	60,200	62,200	(2,000)
CHIROPRACTIC EXAMINERS BD	161,000	186,000	219,900	199,200	201,100	(1,900)
BOARD OF COSMETOLOGY	539,100	538,400	590,500	541,400	535,600	5,800
BOARD OF DENTAL EXAMINERS	404,800	377,500	422,600	398,300	0	398,300
EGG INSPECTION BOARD	168,100	190,900	193,400	187,000	188,500	(1,500)
FUNERAL DIR. & EMBALM BD	97,300	144,400	166,700	152,300	157,600	(5,300)
HOMEOPATHIC MED EXAM BD	5,700	8,400	11,900	11,100	12,000	(900)
BOARD OF MEDICAL EXAM	1,812,900	2,137,800	2,465,700	2,142,400	2,140,900	1,500
NATUROPATHIC PHYS EXAM BD	23,000	27,800	27,800	26,700	28,000	(1,300)
BOARD OF NURSING	892,700	953,100	1,034,500	892,300	1,027,200	(134,900)
NURS CARE INST ADMIN BD	52,400	61,300	63,300	62,300	63,700	(1,400)
DISPENSING OPTICIANS BD	48,600	51,900	51,000	50,000	53,400	(3,400)
BOARD OF OPTOMETRY	74,400	99,200	99,200	97,300	99,300	(2,000)
OSTEOPATHIC EXAMINERS BD	199,600	210,900	252,400	251,200	232,500	18,700
BOARD OF PHARMACY	576,400	604,600	610,700	615,100	617,800	(2,700)
PHYSICAL THERAPY EXAM BD	52,600	63,800	65,400	64,000	65,400	(1,400)
PODIATRY EXAMINERS BOARD	38,800	42,100	39,700	38,200	39,900	(1,700)

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
TOTAL FUNDS

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
INSPECTION & REGULATION						
BD OF PRIV POSTSECOND ED	120,900	123,000	151,700	121,800	134,000	(12,200)
PSYCHOLOGIST EXAMINERS BD	83,600	124,200	124,900	121,800	123,700	(1,900)
STRUCT. PEST CONTROL COMM	602,800	965,100	1,429,300	1,080,500	1,107,500	(27,000)
BD OF TECH REGISTRATION	670,300	709,500	805,700	768,400	774,600	(6,200)
VETERINARY MED EXAM BD	134,400	144,300	168,900	153,100	153,300	(200)
Subtotal	61,332,611	68,319,300	85,663,600	68,956,100	67,378,400	1,577,700
EDUCATION						
AZ COMMISSION ON THE ARTS	1,545,000	1,586,300	2,400,000	1,563,400	1,523,400	40,000
BD OF DIR FOR COMM COLL	75,118,300	73,607,300	109,363,800	85,350,900	78,790,400	6,560,500
SCH FOR THE DEAF & BLIND	14,607,000	15,725,000	22,303,500	17,968,500	16,469,400	1,499,100
DEPARTMENT OF EDUCATION	1,109,149,800	1,183,450,400	1,521,215,100	1,332,943,100	1,249,182,000	83,761,100
AZ HISTORICAL SOCIETY	1,828,200	1,986,900	4,435,100	3,163,600	2,977,000	186,600
PRESCOTT HIST SOCIETY	481,000	514,600	591,500	508,000	484,700	23,300
MED STUDENT LOANS BOARD	10,000	5,000	20,000	3,000	4,800	(1,800)
BOARD OF REGENTS	5,198,400	6,624,600	7,058,000	6,547,200	6,451,600	95,600
A.S.U. - MAIN CAMPUS	213,185,000	229,296,000	276,310,400	240,548,500	227,523,500	13,025,000
A.S.U. - WEST	11,929,400	17,019,700	33,575,700	26,088,700	24,358,900	1,729,800
NORTHERN AZ UNIVERSITY	74,154,300	79,425,500	98,802,500	85,961,700	82,692,500	3,269,200
U. OF A. - MAIN CAMPUS	232,801,100	245,205,500	294,079,400	256,395,300	243,917,100	12,478,200
U. OF A. - COLL OF MED	42,744,000	45,204,200	51,463,600	45,965,500	43,315,400	2,650,100
Subtotal	1,782,751,500	1,899,651,000	2,421,618,600	2,103,007,400	1,977,690,700	125,316,700

JOINT LEGISLATIVE BUDGET COMMITTEE
AGENCY BUDGET COMPARISON SUMMARY
TOTAL FUNDS

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
PROTECTION & SAFETY						
DEPARTMENT OF CORRECTIONS	212,774,100	234,417,300	291,785,500	252,519,000	252,313,600	205,400
JUVENILE CORRECTIONS DEPT	27,392,200	29,389,000	31,563,900	29,617,200	29,662,100	(44,900)
AZ CRIMINAL JUSTICE COMM	5,790,000	4,010,200	3,920,200	323,100	2,646,800	(2,323,700)
DEPT OF EMER & MIL AFFRS	4,119,800	4,043,200	4,872,700	4,158,600	3,903,300	255,300
BD OF PARDONS AND PAROLES	1,475,700	1,563,800	1,995,400	1,758,500	1,751,300	7,200
DEPT OF PUBLIC SAFETY	82,332,200	86,737,100	97,154,300	87,904,400	86,523,900	1,380,500
Subtotal	333,884,000	360,160,600	431,292,000	376,280,800	376,801,000	(520,200)
TRANSPORTATION						
DEPT OF TRANSPORTATION	161,425,000	175,307,600	193,344,000	182,319,900	179,485,700	2,834,200
Subtotal	161,425,000	175,307,600	193,344,000	182,319,900	179,485,700	2,834,200
NATURAL RESOURCE						
COMM ON AZ ENVIRONMENT	113,700	111,200	181,700	114,300	111,300	3,000
GAME AND FISH DEPARTMENT	15,011,900	15,610,700	17,467,300	15,765,500	16,004,200	(238,700)
ARIZONA GEOLOGICAL SURVEY	526,400	535,600	665,500	552,300	526,100	26,200
STATE LAND DEPARTMENT	7,364,200	7,878,500	9,355,300	8,151,700	7,849,100	302,600
DEPT OF MINERAL RESOURCES	462,900	362,400	474,400	386,900	331,400	55,500
OIL AND GAS CONSERVATION	180,000	187,400	190,500	172,000	175,500	(3,500)
STATE PARKS BOARD	8,128,703	7,842,900	17,902,500	15,869,900	15,909,000	(39,100)
DEPT OF WATER RESOURCES	10,942,600	11,848,500	13,557,300	12,045,400	11,543,800	501,600
END	0	0	0	0	0	0

JOINT LEGISLATIVE BUDGET COMMITTEE
 AGENCY BUDGET COMPARISON SUMMARY
 TOTAL FUNDS

	FY 1989 ACTUAL EXPENDITURES	FY 1990 ADJUSTED APPROPRIATIONS	FY 1991 AGENCY REQUEST	FY 1991 JLBC STAFF RECOMMENDATION	FY 1991 EXECUTIVE RECOMMENATION	\$ DIFFERENCE JLBC REC - EXEC. REC
	-----	-----	-----	-----	-----	-----
Subtotal	42,730,403	44,377,200	59,794,500	53,058,000	52,450,400	607,600
GENERAL FUND TOTAL	3,233,284,180	3,578,858,000	4,701,655,200	3,946,827,800	3,826,134,200	120,693,600

THE U.S. ECONOMY

I. FY 89 IN REVIEW

The U.S. economy grew again in FY 1989 for the seventh year without interruption, the longest peacetime boom this century. Real GNP in FY 1989 grew by 3.5% compared to 4.9% the previous year. This slowdown was largely due to tightening of the money supply by the Federal Reserve to dampen higher inflation that year, caused by (1) a farm belt drought, (2) higher oil prices, and (3) a lower dollar. Inflation as measured by the Consumer Price Index was 4.6% for FY 1989 compared to 4.1% the previous year, although by the year's end inflation was moderating. The tight monetary policy contributed to a decline in investment spending and overall industrial production as can be seen in the charts hereafter. Unemployment declined for the seventh consecutive year, averaging 5.3% in FY 1989.

II. FY 90 IN MID-PASSAGE

Economic growth in the fourth quarter of 1989 was expected by most economists to be very slow. This was partly due to temporary factors--the earthquake in San Francisco, the after-effects of Hurricane Hugo and a machinists' strike at Boeing. The long awaited "soft landing" for the economy, a slowing rather than an outright recession, might have started at this time. The consensus of economists is that there will be no recession in FY 1990, but it is likely to be a very sluggish environment with real GNP growth in the range of 2-2.5%.

Interest rates declined in the fourth quarter of 1989, although short-term interest rates fell more than long rates. The Federal Reserve's continuing battle to reduce inflation without causing a recession has been largely successful. When the economy showed weaker economic activity, particularly in manufacturing, the Federal Reserve reinforced the decline in interest rates with a decrease in the Federal Discount Rate, the rate at which member banks of the Federal Reserve System can borrow short-term funds.

Long-term interest rates fell again by December 1989 and they are expected to remain in the 8.5-9.5% range in FY 1990. Further substantial declines in the remainder of FY 1990 are not expected for two reasons: First, while inflation has been substantially reduced people apparently still believe it is down but not out for the long-term, which gives a floor to the level which long term rates will fall.

II. FY 90 IN MID-PASSAGE

(Continued)

Second, the difference between U.S. interest rates and interest rates in Europe and Japan has narrowed. Interest rates in the U.S. in the 1980's had been substantially higher than overseas and this provided a strong incentive for foreign central banks, private sector companies and a few individuals, particularly from Japan, to invest in U.S. government securities issued to finance the continuing U.S. federal deficit. Non-domestic purchases of U. S. securities have been as much as 20% of total U.S. federal government bond issues in recent years and that demand has helped to move U.S. interest rates down. That incentive is reduced when the difference in interest rates is reduced. While foreign investment in U.S. securities is expected to continue for the first half of 1990 there is some risk that the rate of foreign investment will decline and this will prevent interest rates from falling further, as the U.S. must maintain competitive returns to sell bonds.

III. OUTLOOK FOR FY 1991

The probability of a recession in FY 1990 is relatively small according to the consensus of forecasters who predict a slowdown followed by moderate growth in FY 1991. Real Gross National Product is expected to be 2.3% in FY 1990 and 2.3% in FY 1991.

A slowdown in export growth, already started in 1989 due to the strengthening of the dollar against world currencies, less robust equipment investment, and more modest growth of consumer spending is expected to continue in FY 1991. (See Charts I, III and V).

Part of the reason for the slowing of GNP growth in FY 1991 will be an expected decline in the growth rate of real consumer expenditures, which has been at a high level since the last recession in 1982, and this will be caused by an expected reduction in the growth rate of personal incomes, from 8.8% to 6.6%.

Government spending is expected to contribute to slower growth in FY 1991 for two reasons: (1) There will be further deficit reduction measures and recent developments toward political reform in Eastern Europe that should have the effect of reducing U.S. defense expenditures. (2) Because of the continuing size of the federal deficit, fiscal policy is not as viable a tool of economic management in the U.S. today.

The rate of growth of total Investment spending is expected to decline moderately in FY 1991. This will be partly caused by a moderate decline in Industrial Production growth.

III. OUTLOOK FOR FY 1991 (Continued)

Inflation in FY 1991 is expected to remain about the same level as FY 1990, around 4.1% while unemployment is expected to drift slightly higher, to 5.5% from 5.3% due to the slowing of the economy.

One concern is corporate debt. The seven year economic boom allowed many companies to increase debt substantially. U.S. companies have historically had less debt than average firms in other industrial countries but have about the same ratio today. Interest payments now account for a quarter of aggregate U.S. company cash-flow and that proportion is dangerously higher for some firms. It would not take much of an increase in interest rates or a downturn in business to tip many firms into insolvency.

The outlook for the U.S. trade deficit is cloudy. The dollar has strengthened against most currencies, making imports cheaper, and with fiscal policy constrained and the U.S. saving rate still very low, though improving, the trade deficit is expected to remain in the \$110 - \$120 billion range.

This raises a familiar scenario. The Japanese and other foreign investors will reduce their rate of financing the federal deficit, leading to a decline in the dollar that would force up interest rates, start a recession and a resumption of inflation. This has been discussed for years. Private foreign investment did dry up temporarily in 1987. Since then the current account deficit has been increasingly financed through asset sales, the selling of American companies and property.

The manufacturing slowdown will probably continue in FY 1991 but it is unlikely to be severe enough to send the economy into recession. Much of the current and expected weakness is centered around the auto industry. While new orders are generally soft, factories have kept their inventories on a tight leash, particularly stocks of materials and supplies.

Most important, the Fed has been pushing down interest rates since June 1989, and further policy easing seems certain. Car sales are weak now but buyers may be waiting for Detroit's next round of attractive deals--due possibly by early 1990.

IV. RISKS TO THE FORECAST

Positive

Positive scenario - No recession in FY 1990 but possibly a mild recession in FY 1991. Continued growth in the rest of the world would cause U.S. export growth to be stronger than expected. Domestic investment in the U.S. would increase as firms attempted to keep pace with world demand for U.S. exports. Increased demand for labor and materials would cause the inflation rate to increase in early FY 1991. Sudden Fed tightening again in late FY 1990 could send the economy into a mild recession by the middle of FY 1991.

Negative

Negative scenario - The weakness in demand shown in the fourth quarter of 1989 could carry over into the first quarter of 1990 while the strong dollar sharply reduces U.S. exports. The continuation of weakness in corporate profits results in a decline in business confidence and then investment. This would result in lower employment rates and the U.S. would be in a mild recession by the end of the first quarter or beginning of the second quarter of FY 1990. Modest recovery would take place in the second half of FY 1991.

TABLE I

REAL GROSS NATIONAL PRODUCT ^{1/}

(Billions of 1982 Dollars)

	Actual				Forecast			
	FY 1988		FY 1989		FY 1990		FY 1991	
Real Gross National Product	\$3,948.5	4.9%	\$4,087.8	3.5%	\$4,183.5	2.3%	\$4,277.7	2.3%
Personal Consumption Expenditures	2,556.6	3.0	2,632.6	3.0	2,707.1	2.8	2,770.8	2.3
Durable	404.1	3.3	418.9	3.6	428.2	2.2	434.6	1.5
Non-Durable	895.1	1.2	911.7	1.8	925.8	1.5	940.0	1.5
Services	1,257.4	4.3	1,302.0	3.5	1,353.1	3.9	1,396.2	3.2
Gross Private Domestic Investment	703.3	10.6	720.9	2.5	720.3	(0.1)	741.7	3.0
Fixed Investment	673.5	6.1	696.1	3.3	699.7	(0.5)	720.3	2.9
Non-Residential	481.7	10.5	501.5	4.1	513.4	2.4	523.5	2.0
Structures	123.9	2.1	120.9	(2.4)	120.1	(0.6)	119.5	(0.5)
Producer's Durable Equipment	357.9	13.8	380.6	6.4	393.3	3.3	404.0	2.7
Residential	191.8	(3.5)	194.5	1.4	186.3	(4.2)	196.8	5.7
Change in Business Inventories	29.8	20.0	24.9	(16.6)	20.6	(17.2)	21.4	3.7
Net Exports	(94.9)	25.8	(63.7)	32.8	(57.3)	10.0	(57.9)	(1.1)
Exports	495.6	19.1	560.1	13.0	597.5	6.7	629.6	5.4
Imports	590.5	8.5	623.8	5.6	654.8	5.0	687.5	5.0
Government Purchases	783.6	1.3	798.0	1.9	813.4	1.9	823.1	1.2

^{1/} Details may not add to totals due to rounding.

TABLE II

KEY U.S. ECONOMIC INDICATORS

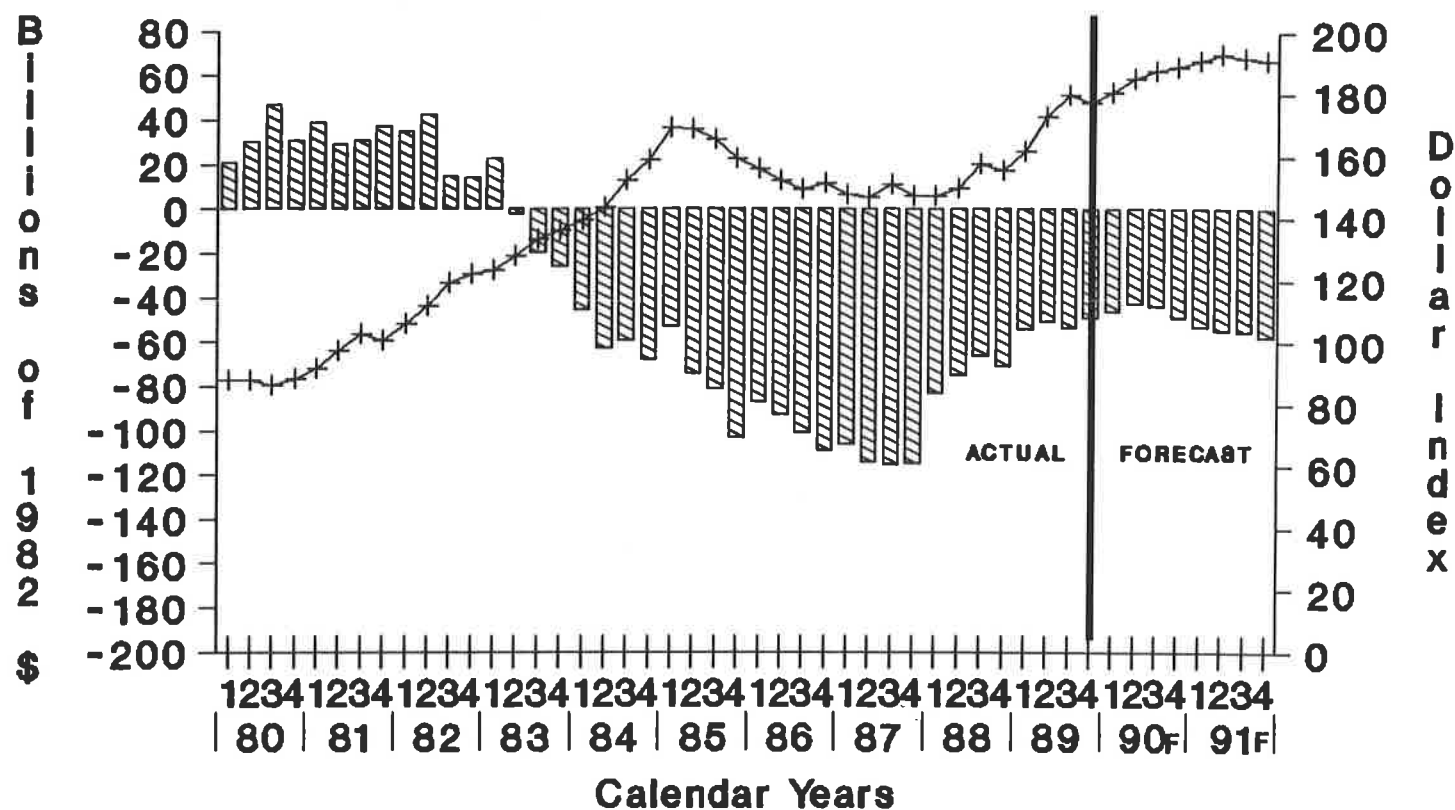
	<u>Actual FY 1986</u>	<u>Actual FY 1987</u>	<u>Actual FY 1988</u>	<u>Actual FY 1989</u>	<u>Forecast FY 1990</u>	<u>Forecast FY 1991</u>
Real Gross National Product ^{1/}	3.5%	2.2%	4.9%	3.5%	2.3%	2.3%
GNP Deflator ^{1/}	2.7	3.2	2.9	4.0	4.1	4.2
Consumer Price Index ^{1/}	2.8	2.2	4.1	4.6	4.2	3.8
Industrial Production ^{1/}	1.4	1.5	5.7	4.8	1.2	2.4
Three Month T-Bill ^{2/}	6.8	5.5	6.0	7.9	7.6	7.8
Aaa Corporate Bonds ^{2/}	10.0	8.8	9.8	9.7	8.9	9.5
Wage and Salary Employment ^{1/}	2.5	2.2	3.2	3.2	2.2	1.5
Manufacturing Employment ^{1/}	(1.7)	(1.0)	1.6	1.8	(0.3)	(0.3)
Unemployment Rate ^{2/}	7.1	6.7	5.8	5.3	5.5	5.6

^{1/} Annual Percent Change.

^{2/} Average Rate for Year.

CHART I

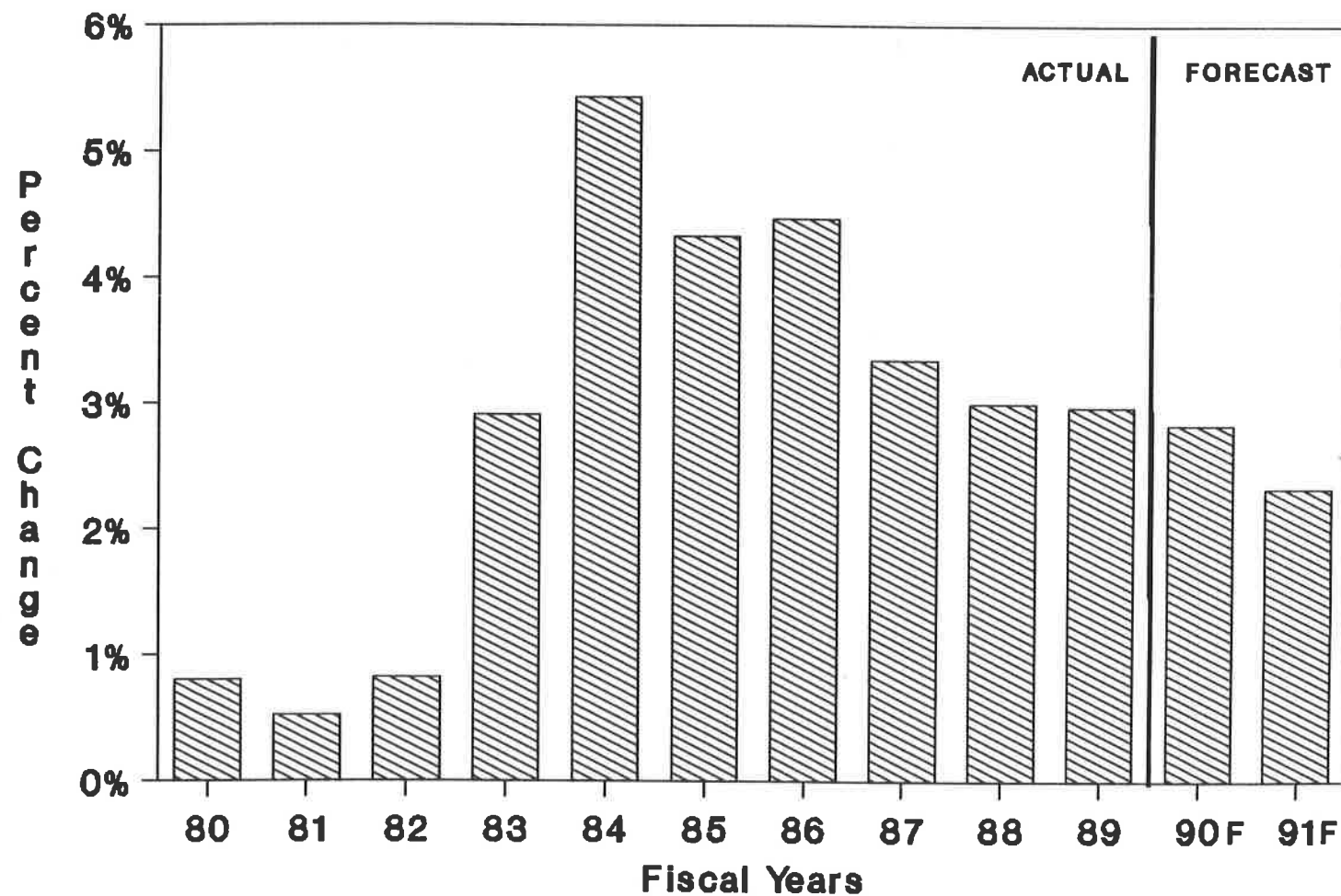
U.S. NET EXPORTS & DOLLAR EXCHANGE INDEX



Net Exports
 + U.S. Dollar Index

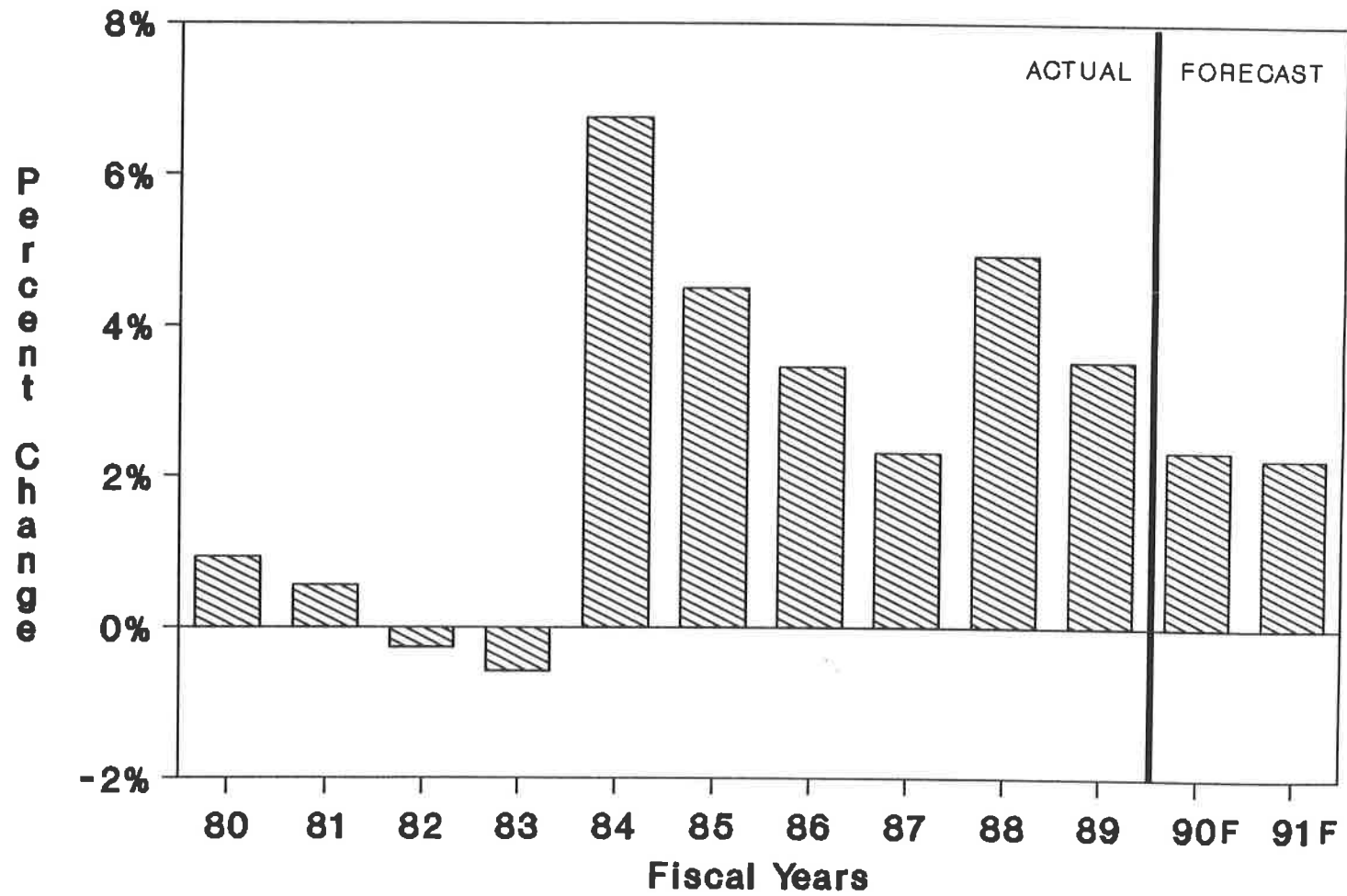
U.S. REAL CONSUMPTION 1982 \$

CHART III



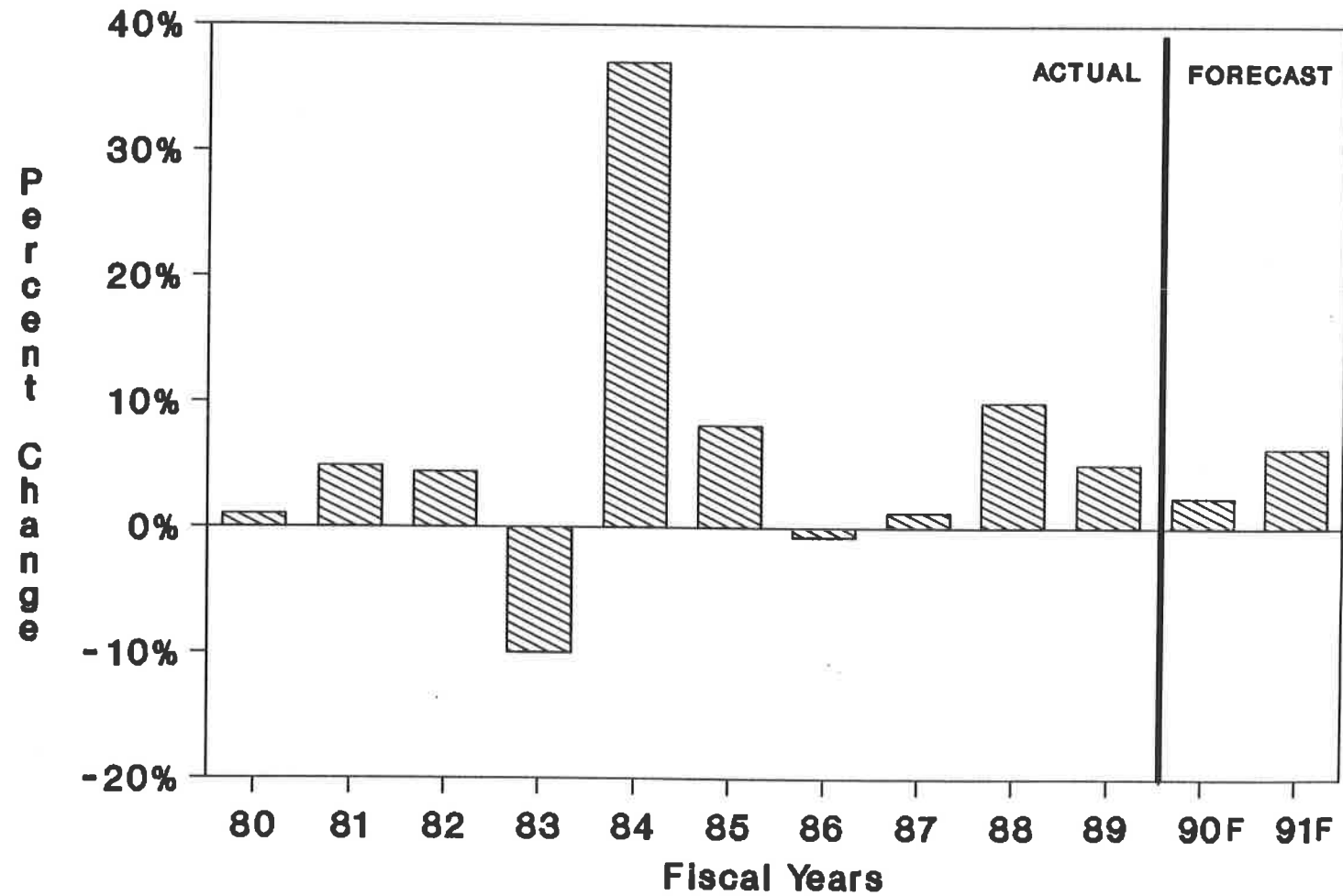
U.S. REAL GNP 1982 \$

CHART II



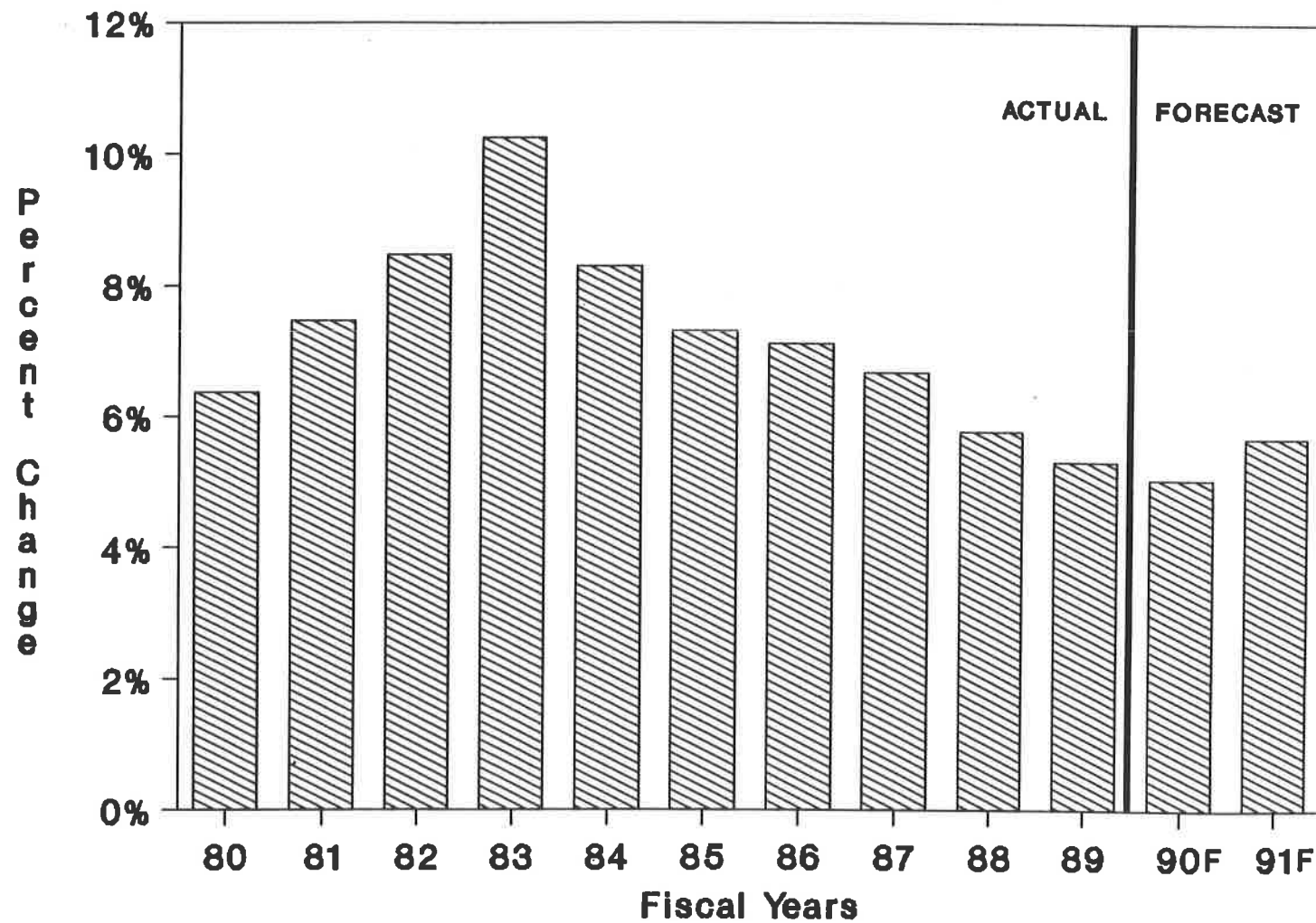
REAL INVESTMENT SPENDING 1982 \$

CHART V



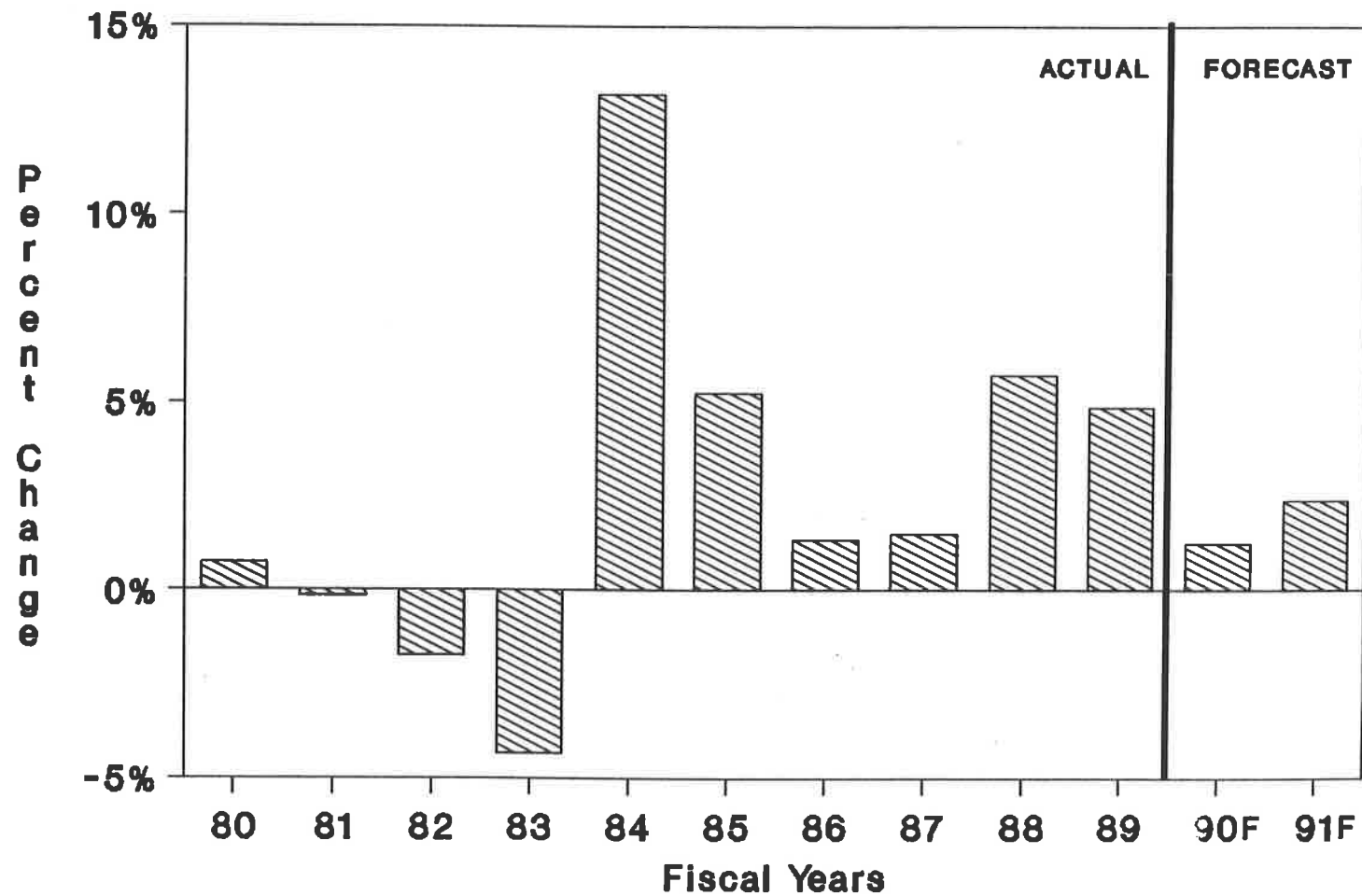
U.S. UNEMPLOYMENT RATE

CHART VI



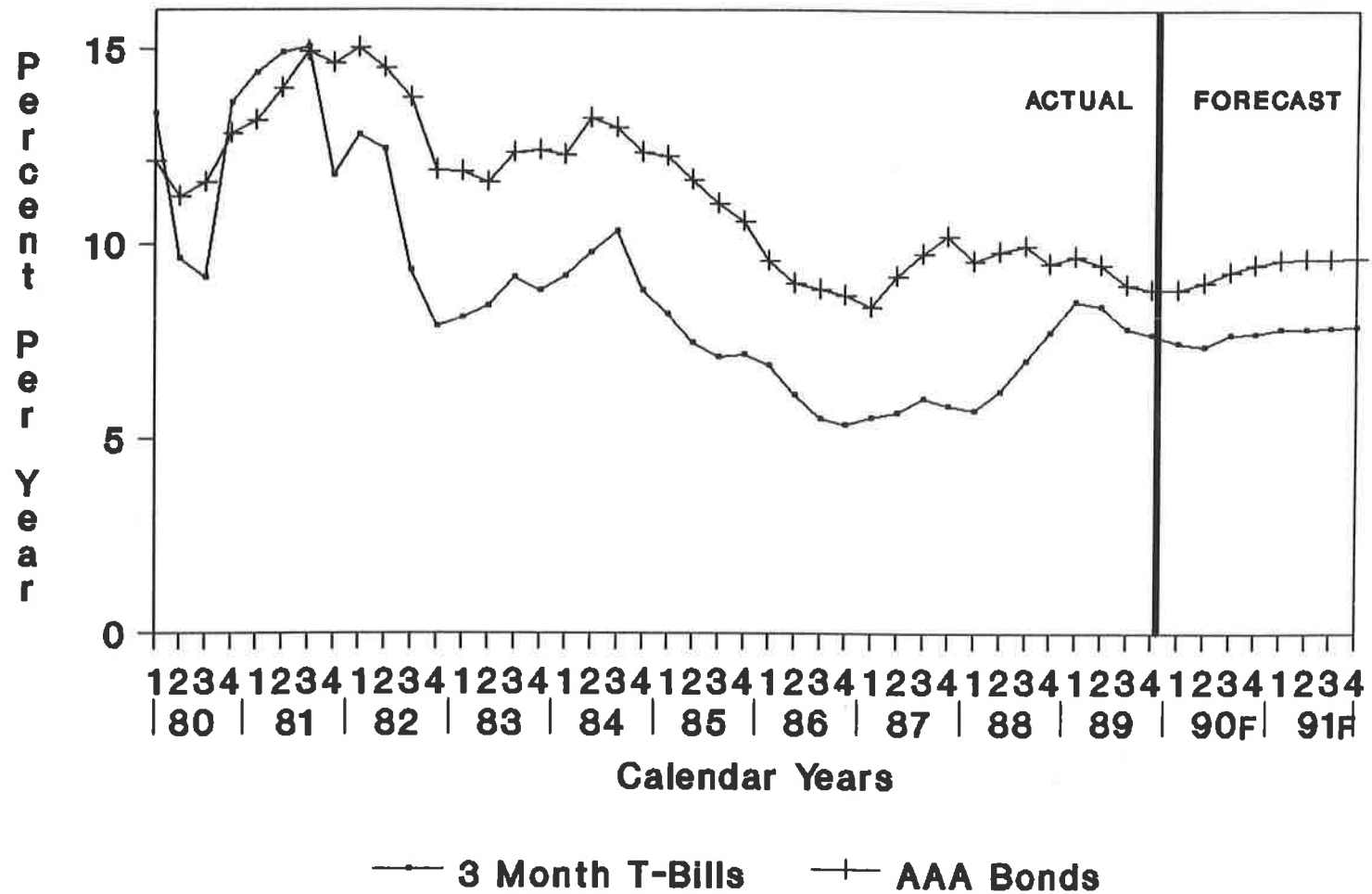
FEDERAL RESERVE BOARD INDUSTRIAL PRODUCTION INDEX

CHART VII



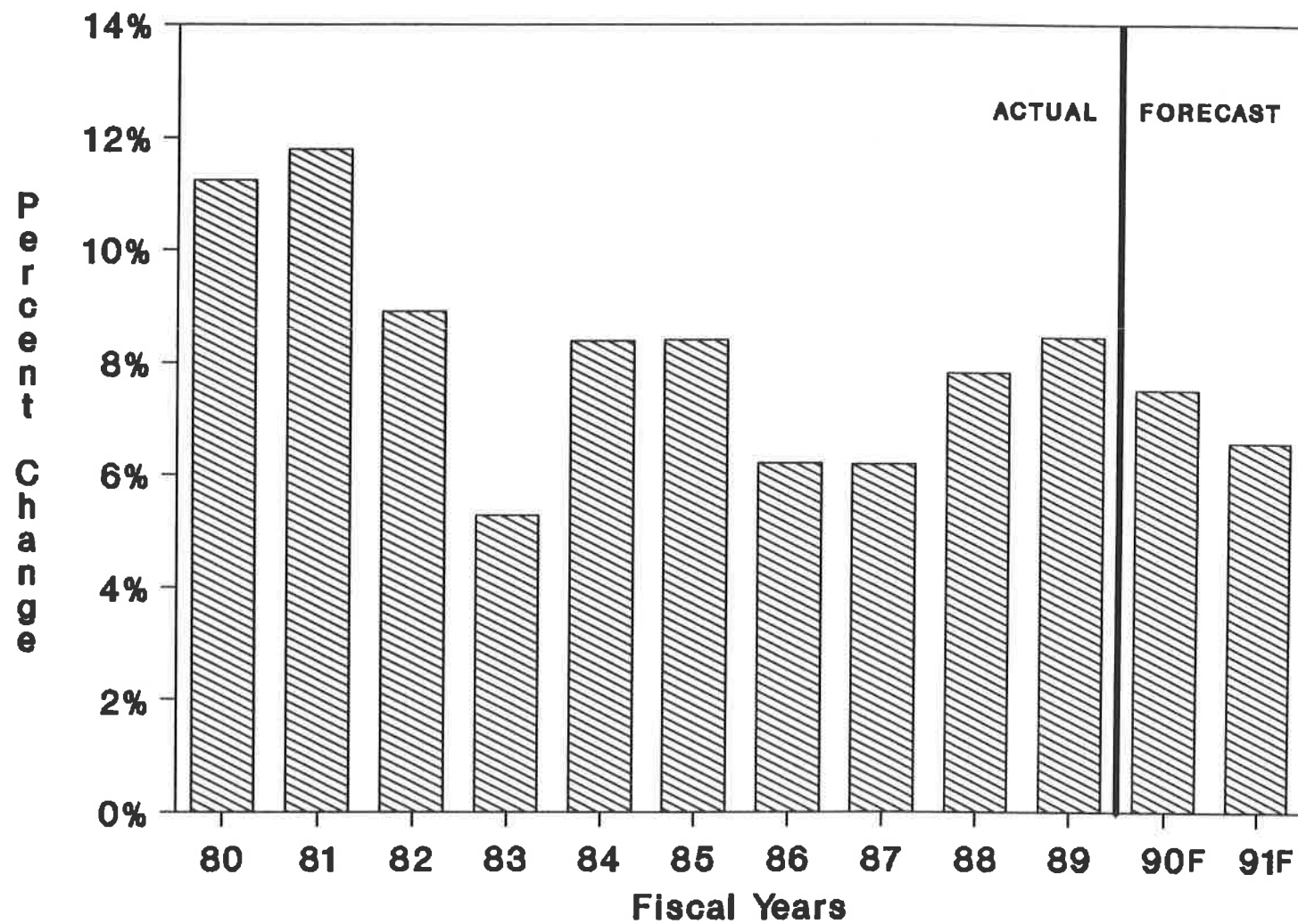
INTEREST RATES

CHART VIII



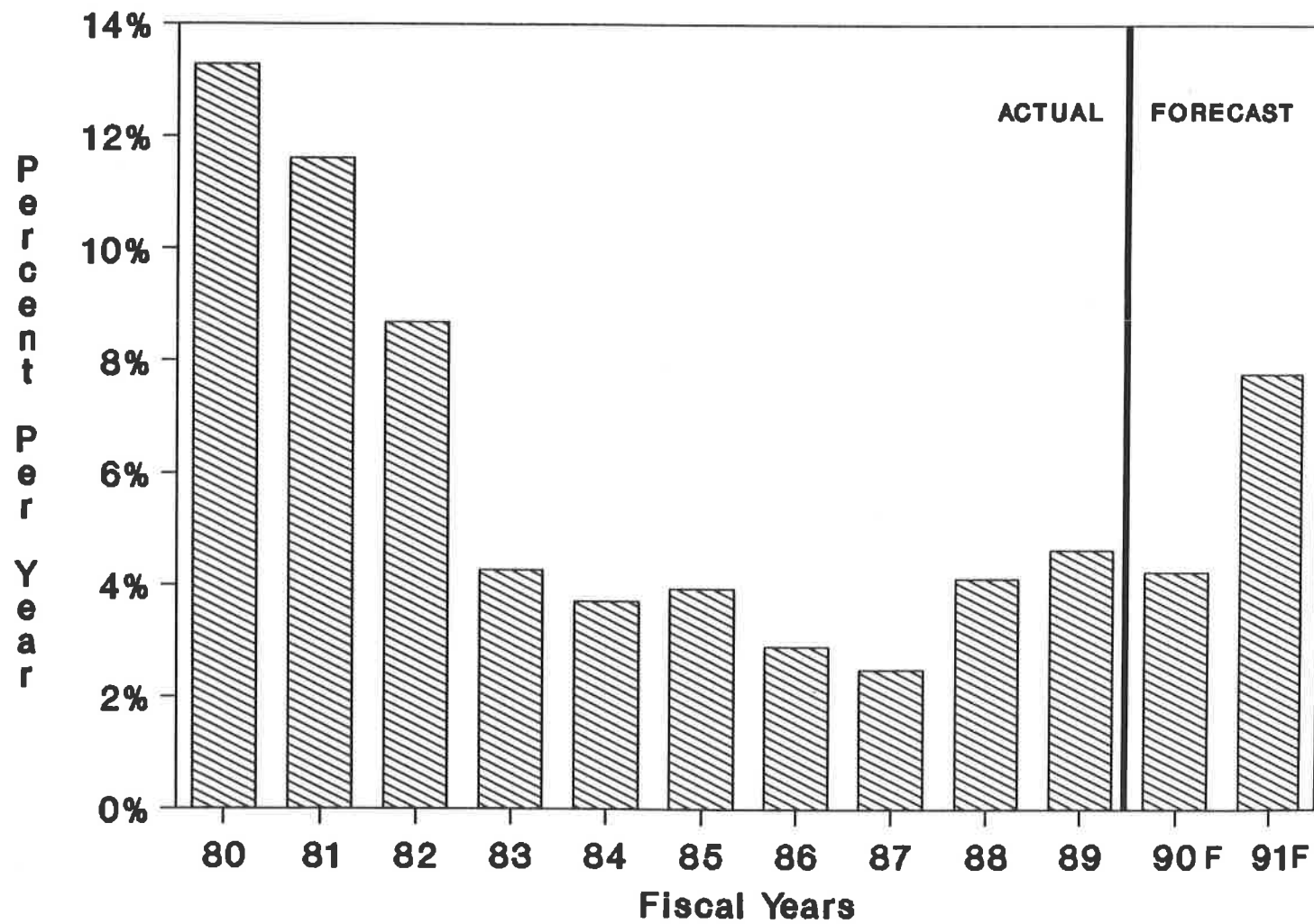
U.S. NOMINAL PERSONAL INCOME

CHART IX



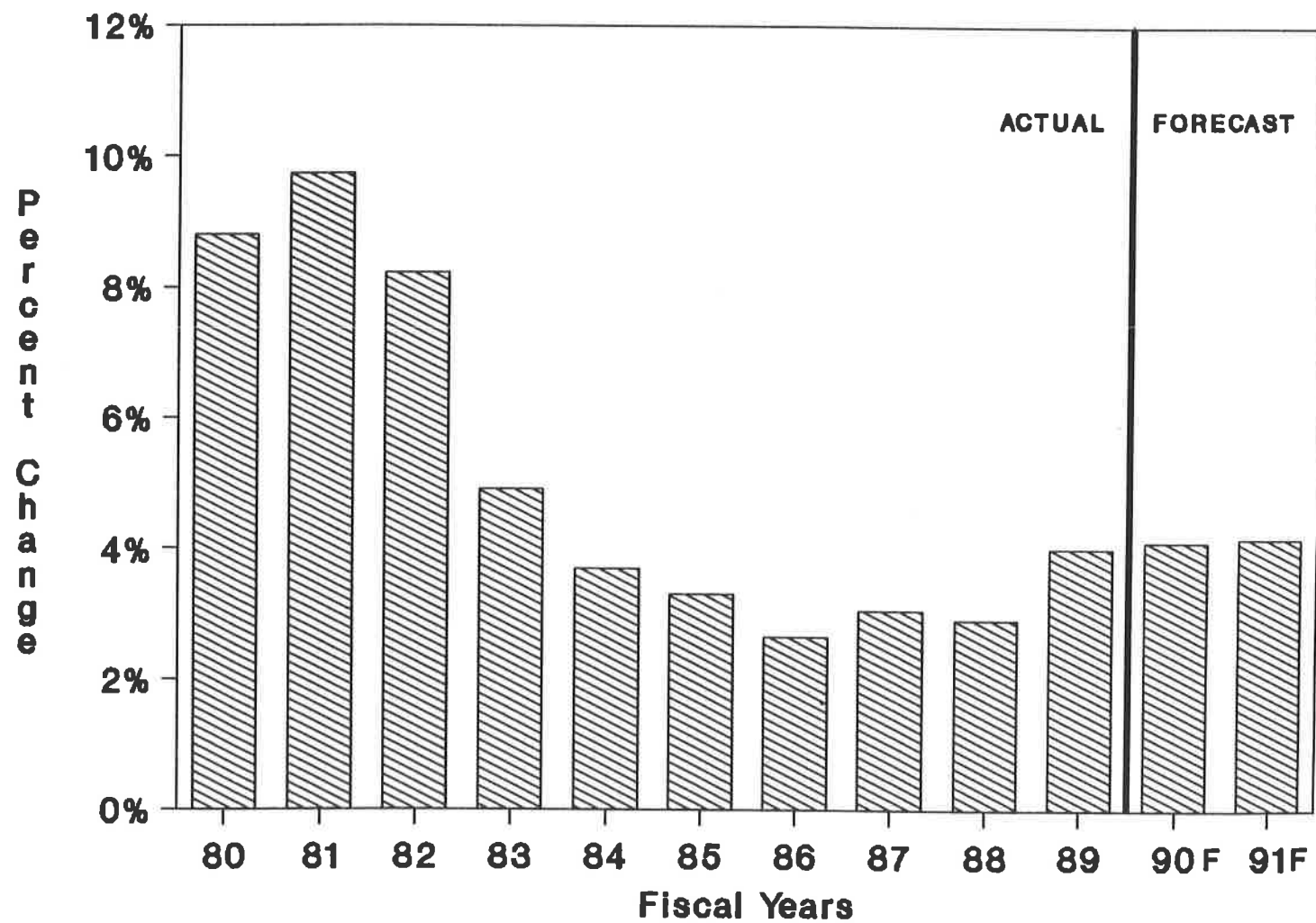
CONSUMER PRICE INDEX

CHART X



GNP PRICE DEFLATOR

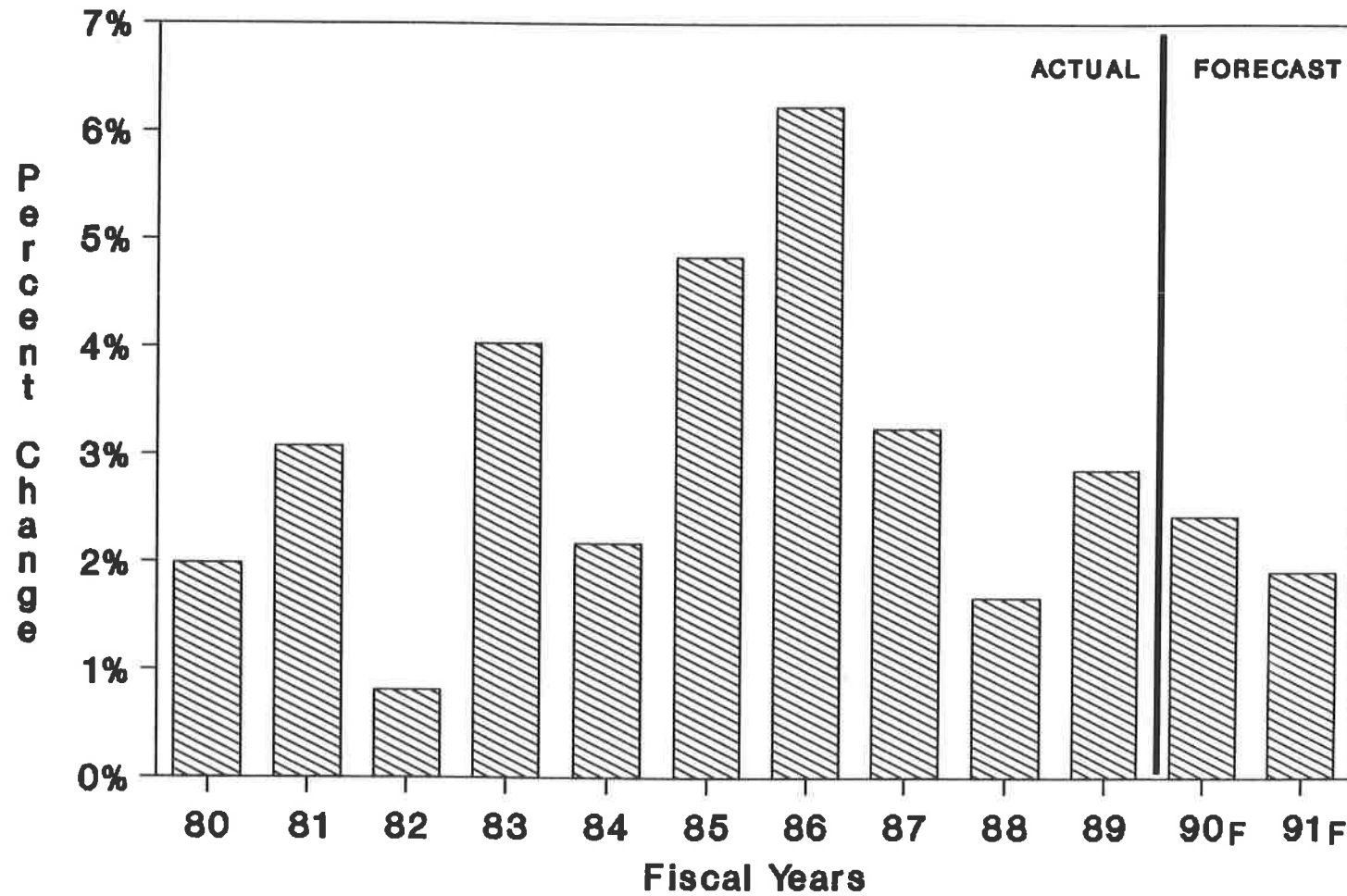
CHART XI



REAL GOVERNMENT SPENDING

Total Federal, State and Local in 1982 \$

CHART IV



THE ARIZONA ECONOMY

THE OUTLOOK ONE YEAR AGO

Our outlook for FY 1990 has not changed significantly since January 1989. In general, FY 1990 was expected to be a low-growth year, and this is still our expectation. There have been certain modifications, generally minor, to our forecast for key Arizona economic indicators. Arizona personal income is probably the best overall measure of the state of the Arizona economy. In current dollars, this was forecast to increase by 7.3, as compared with our current forecast of 7.0%. Similarly, our forecast for Arizona personal income in constant dollar terms (adjusted for inflation) has remained essentially the same, with an increase of 2.9% forecast a year ago and 2.8% for our current forecast. The fact that inflation-adjusted Arizona personal income has remained essentially constant, while current dollar Arizona personal income has declined modestly, indicates that our current outlook for inflation is slightly more optimistic than it was last January.

In terms of employment, our forecast for total wage and salary employment in FY 1990 is now calling for an increase of 2.5%, down from our year-ago forecast of 2.9%.

Probably the most significant change in the outlook is in Retail Sales. Whereas our forecast last year was for an increase of 4.4%, our current forecast is for growth of 6.0%.

Other economic indicators of interest include population which, for FY 1990, was expected to increase by 2.1% and is now expected to increase by 2.3%. The unemployment rate was expected to be 7.0% one year-ago and is now expected to be 6.2%.

TABLE III

KEY ARIZONA ECONOMIC INDICATORS YEAR-AGO FORECAST VS CURRENT FORECAST

	Forecast FY 1990	
	<u>Year Ago</u>	<u>Current</u>
Personal Income - Current Dollars	7.3%	7.0%
- Constant Dollars	2.9	2.8
Retail Sales	4.4	6.0
Population	2.1	2.3
Wage and Salary Employment	2.9	2.5
Unemployment Rate	7.0	6.2

THE ARIZONA ECONOMY
(Continued)

THE CURRENT FORECAST

Arizona's economy continued to show a general lack of momentum as calendar 1989 drew to a close. Table IV, ARIZONA WAGE AND SALARY EMPLOYMENT, compares job growth in December 1989 with that of one year earlier, in December 1988. We estimate that as of December 1989, the important Goods-Producing ^{1/} sector showed a decline of 2.1% from December 1988. The Service-Providing ^{2/} sector is estimated to have increased by only 2.9% over December 1988, well below its growth in more ebullient times.

The overall outlook, however, remains positive, despite a construction recession and a weak Manufacturing sector. Probably the greatest potential risk to the Arizona economy during our forecast period is the possibility of a national recession. Overall, we expect employment to show modest growth improvement during FY 1991.

Mining, which at one time employed over 27,000 persons, was down to 10,700 persons during 1986. The price of copper has been strong over the past twenty-four months and we expect mining employment to increase by 1.2% in FY 1990 and by 0.4% in FY 1991.

Construction employment reached its peak in mid-1986 and has been declining to its present depressed state since that time. In FY 1991 we expect construction employment to bottom out and, on the average, to show a very slight increase over FY 1990.

The Service-Producing sector accounts for over three-quarters of the employment in Arizona. Historically, this area has been a pillar of strength, but growth has declined and we expect it to be relatively flat during our forecast period.

Tables V and VI summarize the JLBC Staff view of significant positive and negative factors for FY 1990 and FY 1991. In FY 1991 we expect construction employment to bottom out but to show little rebound.

^{1/} Manufacturing, Construction, Mining

^{2/} Transportation, Communications, Public Utilities, Trade, Finance, Insurance, Real Estate, Services, Government

THE ARIZONA ECONOMY
(Continued)

THE CURRENT FORECAST

Table VII shows the JLBC Staff forecast for eight Arizona variables. We expect growth in Arizona Personal Income to be at 7.0% for FY 1990 and 7.5% for FY 1991 in current dollar terms with growth in constant dollar terms at 2.8% in FY 1990 and 3.2% in FY 1991.

Growth in Retail Sales is expected to be in the 6.0% range during the forecast period.

Population growth is expected to increase by 2.3% in FY 1990 and by 2.4% in FY 1991.

Table VIII ARIZONA WAGE AND SALARY EMPLOYMENT, PERCENT GROWTH OVER PRIOR YEAR shows anticipated employment growth in each sector for FY 1990 and 1991 together with estimated actual growth in FY 1989.

Chart XII is a bar chart which compares growth rates for current and constant dollar Arizona personal income for FY 1975 through FY 1991.

Chart XIII is a bar chart which compares growth rates for U.S. and Arizona current dollar personal income for FY 1975 through FY 1991.

Chart XIV is a bar chart which compares growth rates for U.S. and Arizona constant dollar personal income for FY 1975 through FY 1991.

Chart XV is a bar chart which compares U.S. and Arizona growth rates for constant dollar per-capita personal income. In recent years, Arizona growth has shown a substantial slowing relative to the U.S. and our forecast indicates that this will continue. In general, this chart shows that the Arizona economy is dependent upon population growth. Actually, much of Arizona's stronger growth is illusory, in that it reflects our stronger population growth. Per capita income in Arizona remains some 10% below the U.S. average.

Chart XVI is a line graph which compares U.S. and Arizona unemployment rates for FY 1974 through FY 1991.

TABLE IV

ARIZONA WAGE AND SALARY EMPLOYMENT

	Estimated ¹ December 1988		Estimated ¹ December 1989	
	Employment	% Change ²	Employment	% Change ²
Goods Producing				
Manufacturing	\$ 193,900	2.1%	\$ 193,900	0.0%
Mining	12,100	4.3	12,100	0.0
Construction	94,400	(5.8)	88,000	(7.3)
Total Goods Producing	300,400	(0.5)	294,000	(2.1)
Service Providing				
Transportation, Communication, etc.	75,900	1.6	77,400	2.0
Trade	363,200	0.9	378,700	4.3
Finance, Insurance, Real Estate	94,100	(2.2)	94,100	0.0
Services	371,000	3.6	380,300	2.5
Government	253,200	2.0	260,300	2.8
Total Service Producing	1,157,400	1.7	1,190,800	2.9
Total Wage and Salary Employment	\$1,457,800	1.3%	\$1,484,800	1.9%
 Memo: Certain Manufacturing Sectors				
Machinery	\$ 65,700	0.0%	\$ 62,000	(5.6)%
Aircraft and Missiles	25,600	(5.5)	26,000	(2.3)

1 Employment numbers for 1988 and 1989 will be rebenchmarked early in 1990. Employment numbers for 1989 will be rebenchmarked again early in 1991. Amounts shown include an estimate of the effect of rebenchmarking.

2 Percentage change column shows change from corresponding month in prior year.

TABLE V

ARIZONA OUTLOOK - FY 1990

FY 1990 Summary: The forecast for the Arizona economy reflects modest growth. There is some risk of a National recession on top of our Arizona Construction recession.

FY 1990

Positive Factors	Negative Factors
1) Low value of U.S. dollar will bolster Arizona tourism and the competitiveness of Arizona industries. 2) Continued strength in Arizona Copper industry with copper prices at relatively high levels. 3) Inflation is expected to be modest. 4) Increased awareness of the need for Arizona economic development effort.	1) Continuation of recession in the Construction industry. 2) Some risk of National recession on top of our Arizona Construction recession. 3) Slow in-migration to Arizona. 4) Weakness in Semiconductor and computer industries.

TABLE VI

ARIZONA OUTLOOK - FY 1991

FY 1991 Summary: The forecast for the Arizona economy reflects, in general, modest improvement in growth. Arizona Construction employment will bottom out, but little rebound will take place. There might still be some risk of a National recession.

FY 1991

Positive Factors	Negative Factors
1) Bottoming out of Arizona Construction employment.	1) Little rebound in Construction employment.
2) Continued strength in Copper industry.	2) Continued slow in-migration to Arizona.
3) Modest improvement in manufacturing growth.	3) Some risk of National recession.
4) Possible economic improvements resulting from expanded and coordinated economic development efforts.	4) Probable decline in defense and research and development employment.
5) Flat or slightly lower interest rates.	5) Lower defense and research and development outlays.

TABLE VII

KEY ARIZONA ECONOMIC INDICATORS

	<u>Actual</u> <u>FY 1986</u>	<u>Actual</u> <u>FY 1987</u>	<u>Actual</u> <u>FY 1988</u>	<u>Actual</u> <u>FY 1989</u>	<u>Forecast</u> <u>FY 1990</u>	<u>Forecast</u> <u>FY 1991</u>
Personal Income - Current Dollars ^{1/}	10.1	8.7	8.1	8.1	7.0	7.5
- Constant Dollars ^{1/}	7.3	5.5	5.0	3.9	2.8	3.2
Retail Sales ^{1/3/}	7.3	3.9	4.8	5.7	6.0	6.2
Population ^{1/}	4.1	3.4	2.8	2.2	2.3	2.4
Wage and Salary Employment ^{1/}	8.9	6.4	3.2	2.5	2.5	3.2
Manufacturing Employment ^{1/}	9.2	2.1	1.2	1.0	0.3	2.1
Construction Employment ^{1/}	19.0	8.9	(8.9)	(8.1)	(7.9)	0.5
Unemployment Rate ^{2/}	6.5	6.9	5.7	6.0	6.2	6.2

^{1/} Annual Percent Change.

^{2/} Average Rate for Year.

^{3/} Based on DOR definition of Retail Sales.

TABLE VIII

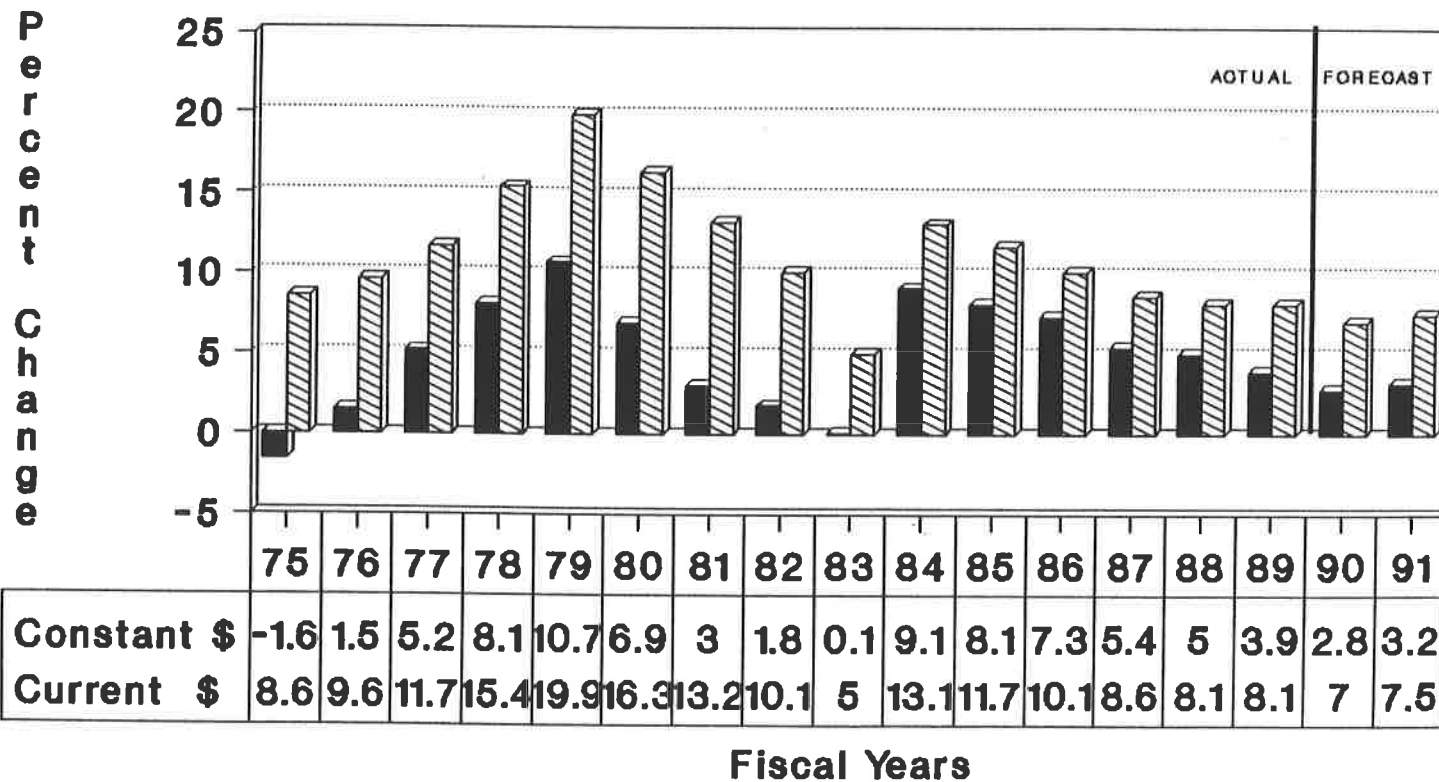
ARIZONA WAGE AND SALARY EMPLOYMENT
PERCENT GROWTH OVER PRIOR YEAR
(Based on Average Employment)

	Estimated FY 1989	Forecast	
		FY 1990	FY 1991
<u>Goods Producing</u>			
Manufacturing	1.0%	0.3%	2.1%
Mining	3.9	1.2	0.4
Construction	(8.1)	(7.9)	0.5
Total Goods Producing	(1.9)	(2.2)	1.6
<u>Service Providing</u>			
Transportation, Communication and Public Utilities	2.7	2.8	3.0
Trade	3.8	3.8	3.0
Finance, Insurance, Real Estate	(1.4)	0.0	4.0
Services	6.0	5.8	5.8
Government	3.0	2.8	0.4
Total Service Producing	3.7	3.7	3.2
<u>Total Wage and Salary Employment</u>	<u>2.5%</u>	<u>2.5%</u>	<u>3.2%</u>

ARIZONA PERSONAL INCOME CHART XII

CURRENT AND CONSTANT DOLLARS

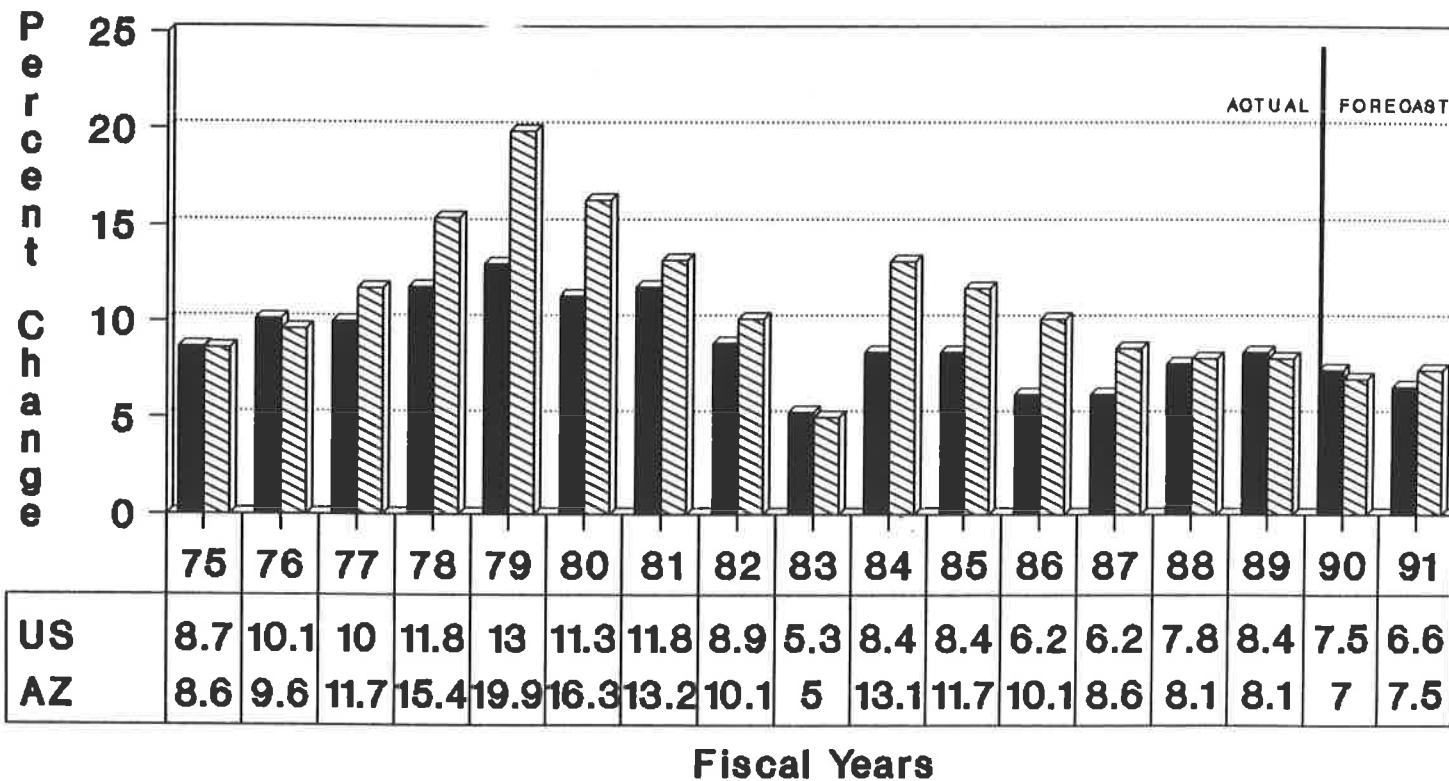
Constant \$
 Current \$



U.S. AND ARIZONA CURRENT DOLLAR PERSONAL INCOME

CHART XIII

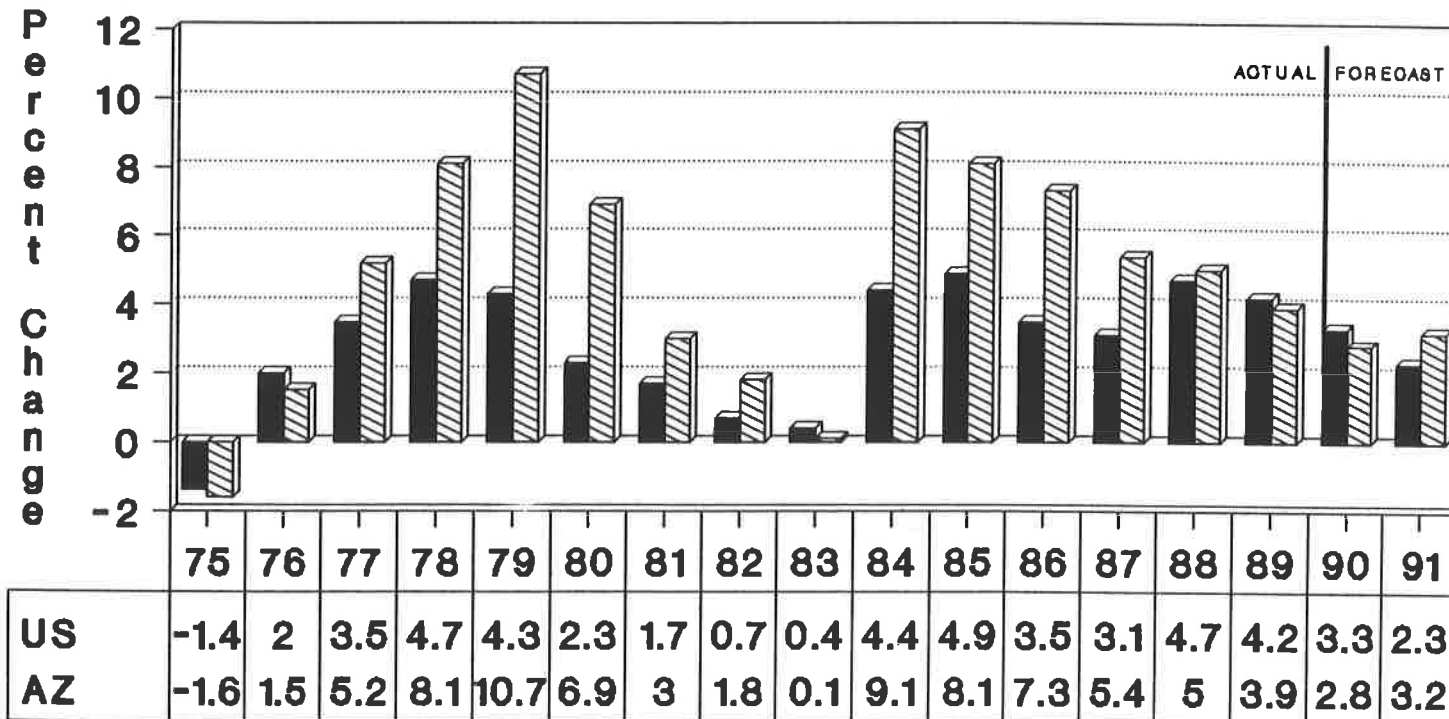
■ US ▨ AZ



U.S. AND ARIZONA CONSTANT DOLLAR PERSONAL INCOME

CHART XIV

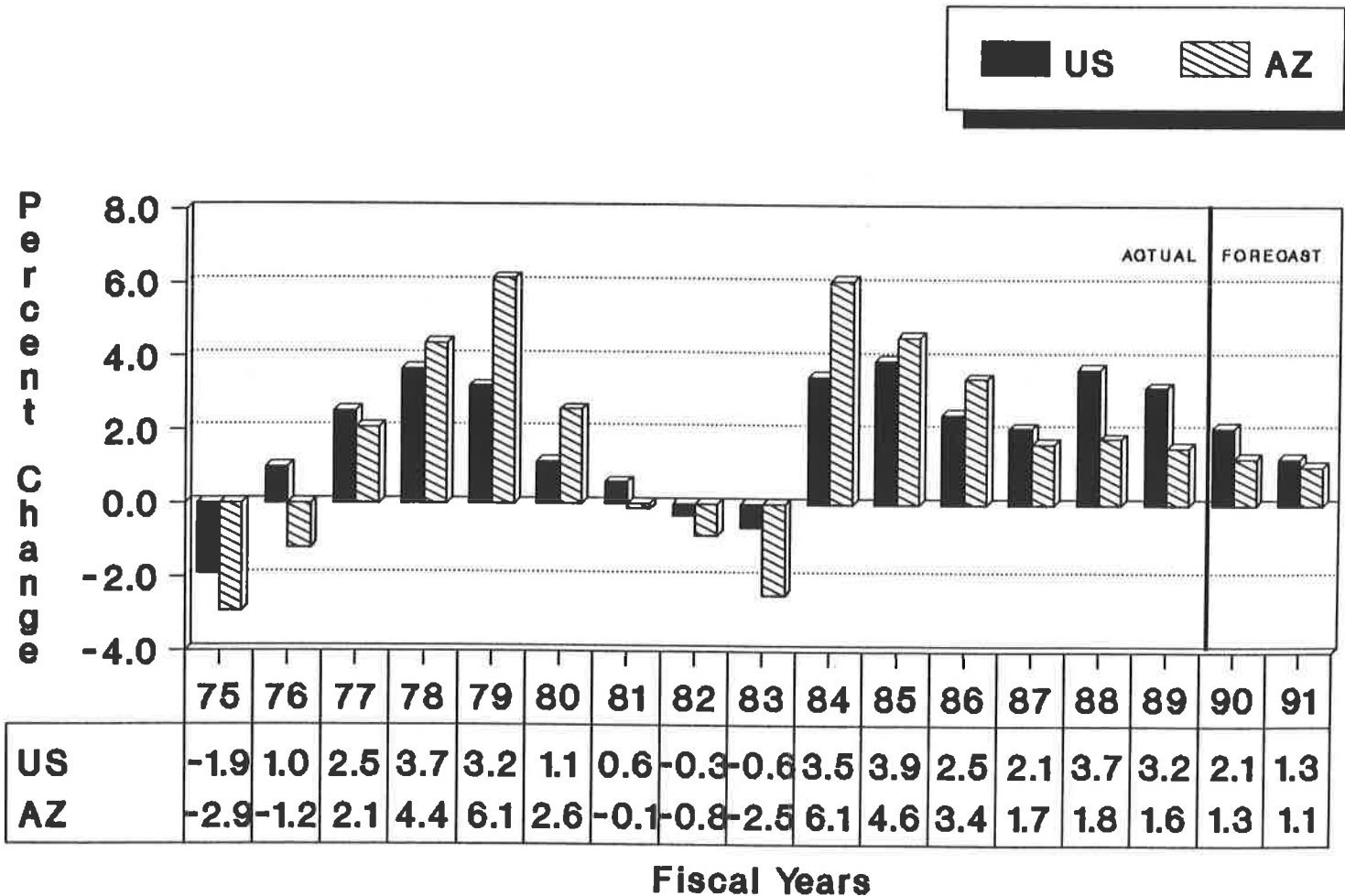
■ US ▨ AZ



Fiscal Year

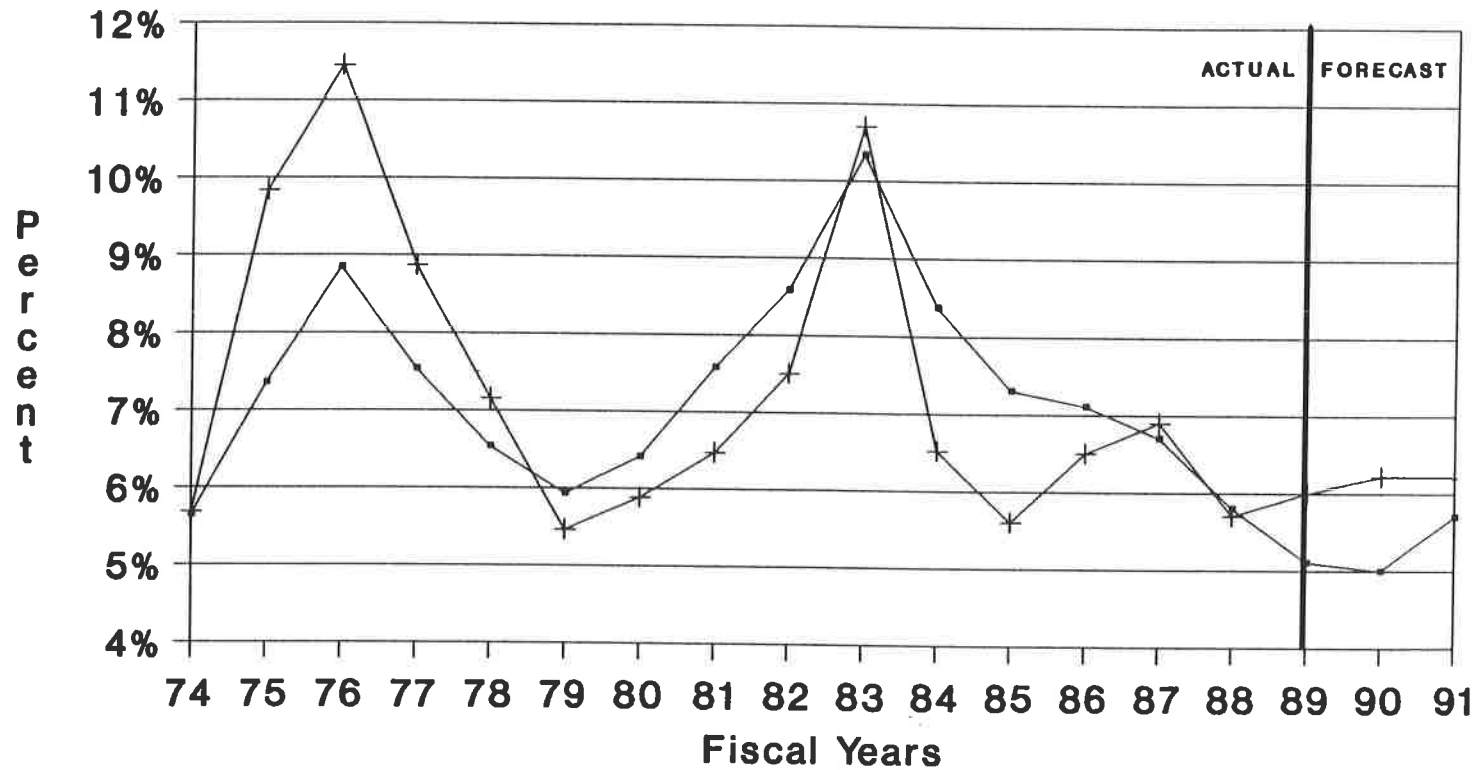
U.S. AND ARIZONA CONSTANT DOLLAR PER CAPITA INCOME

CHART XV



UNEMPLOYMENT RATES UNITED STATES AND ARIZONA

CHART XVI



—■— United States —+— Arizona

GENERAL FUND REVENUE

FY 1990 AND FY 1991 FORECAST

The JLBC Staff General Fund revenue forecast reflects a continuation of the slowing of revenue growth experienced in recent years, although the slowing is not immediately visible. Our forecast for FY 1990 is for an increase of 9.8% in General Fund revenue. Included, however, is \$114.6 million of revenue enhancements passed by the Thirty-Ninth Legislature, First Regular Session. In addition, FY 1990 includes \$82.0 million for accelerated collection of certain taxes, as passed by the Thirty-Ninth Legislature, Second Special Session. If the effect of these enhancements is eliminated (as well as enhancements of \$197.9 for FY 1989), the General Fund revenue growth is estimated to be just 3.0%.

Our forecast for FY 1991 is for an increase of 12.3%. Here too, certain adjustments must be made to arrive at the underlying revenue growth. Our forecast for FY 1991 is based on current law. This means that (1) the State Property Tax rate for educational purposes remains at \$1.25 per \$100 of assessed value (A.R.S. § 42-208) as opposed to last year's rate of \$.47 per \$100 of assessed value, (2) the State Property Tax rate for general purposes would remain at last year's rate of zero (A.R.S. § 42-206), and (3) the entire Individual Income Tax "windfall" is retained in the General Fund, compared with the prior year when, effectively, only \$44 million of the "windfall" was retained. Since the laws relating to the "windfall" have been session laws, all of the "windfall" will be retained in the General Fund if no additional Legislative action is taken.

The Sales and Use Tax category has been forecast to increase by 8.5% in FY 1990 and by 3.7% in FY 1991. Elimination of the Sales Tax portion of the previously mentioned enhancements would show increases of approximately 5.0% in FY 1990 and 6.7% in FY 1991.

Income Tax collections are forecast to show an increase of 13.6% in FY 1990 and 15.8% in FY 1991. Here too, revenue enhancements are the major factor in the above normal growth in the forecast year.

Property Tax collections are forecast to grow by 43.4% in FY 1990 and by 112.6% in FY 1991. Enhancements result in above normal growth for both FY 1990 and FY 1991. As was previously noted, our forecast is based on current law which establishes a State Property Tax rate of \$1.25, unless reduced by the Legislature.

Growth in the Motor Vehicle License Tax will be 20.1% in FY 1990 due to an increase of the minimum tax to \$30. Growth in FY 1991 will be a more normal 9.0%.

GENERAL FUND REVENUE
(Continued)

With respect to non-tax revenues, the decline in FY 1990 Interest collections is essentially a function of the State's weak cash flow position. Lottery collections are expected to increase by an abnormally low 7.7% in FY 1990 and by 21.6% in FY 1991. Fixed distributions of Lottery revenues are (1) Local Transportation Assistance Fund (\$23.0 million) and (2) County Assistance Fund (\$7.65 million). After these fixed distributions are made, all remaining distributions are to the General Fund.

FY 1990 AND FY 1991 FORECAST

The following exhibits and charts follow this narrative:

Table IX, STATEMENT OF PROJECTED BASE REVENUE, JLBC STAFF ESTIMATE has been discussed previously in some detail. Essentially, the exhibit compares each of the three years shown with the preceding year.

Table X, STATEMENT OF PROJECTED BASE REVENUE, COMPARISON OF EXECUTIVE AND JLBC STAFF ESTIMATES compares the Executive and JLBC Staff forecasts for FY 1990 and FY 1991. Amounts included in FY 1991 for the Executive and JLBC Staff which represent a change from FY 1990 are as follows:

<u>Governor's Proposed</u> <u>Tax Package (000's)</u>		<u>Increases Due to JLBC Staff</u> <u>Current Law Assumption (000's)</u>	
Mining Severance Tax	\$ 30,900.0	Individual Income Tax (Retain all "windfall")	\$134,000.0
Corporate Income Tax	39,300.0	Salt River Project (Rate at \$1.25)	5,400.0
Individual Income Tax	69,300.0	Property Taxes (Rate at \$1.25)	<u>159,500.0</u>
Cigarette Tax	<u>30,500.0</u>		
TOTAL	<u>\$170,000.0</u>	TOTAL	<u>\$298,900.0</u>

For FY 1990, the JLBC Staff forecast exceeds that of the Executive by \$10,092,600. For FY 1991, the JLBC Staff exceeds the Executive by \$88,675,600. However, after exclusion of the above items from both the Executive and JLBC Staff forecasts, the JLBC Staff forecast is below that of the Executive by \$40,224,400.

FY 1990 AND FY 1991 FORECAST
(Continued)

Chart XVII shows, in graphic form, the percent and dollar growth in FY 1991 over FY 1990 for significant categories of General Fund revenue based on JLBC Staff estimates.

Chart XVIII shows, for FY 1991, major categories of General Fund revenue as a percent of total Revenue.

Chart XIX shows, for 13 years, dollars of General Fund Revenue as a bar chart and percent change as a line graph. In terms of percent change, Arizona has had very strong years and also some years which exhibited much lower growth. It should be noted that the Fiscal Years 1979 through 1982 were years when the Consumer Price Index was near or at double digit inflation. Also shown are "underlying growth rates" (after elimination of enhancements) for FY 1989, FY 1990, and FY 1991.

TABLE IX

**STATE OF ARIZONA
GENERAL FUND
STATEMENT OF PROJECTED BASE REVENUE
JLBC STAFF ESTIMATE**

(Thousands)

	Actual FY 1989		Forecast FY 1990		Forecast FY 1991	
	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>
Sales and Use	\$1,338,809.7	7.1%	\$1,452,400.0	8.5%	\$1,505,900.0	3.7%
Income	968,464.7	10.9	1,100,280.0	13.6	1,274,600.0	15.8
Property	92,715.7	37.6	133,000.0	43.4	282,800.0	112.6
Luxury	69,052.9	(2.5)	68,100.0	(1.4)	69,500.0	2.1
Insurance Premium	79,720.3	3.8	117,000.0	46.8	91,000.0	(22.2)
Motor Vehicle License - Regular	83,293.4	39.2	100,000.0	20.1	109,000.0	9.
- HURF Transfer	(13,789.0)	11.0	(15,200.0)	10.2	(16,200.0)	6.6
Pari Mutuel	6,135.4	(0.9)	6,000.0	(2.2)	6,200.0	3.3
Estate	24,079.7	(22.3)	25,000.0	3.8	26,250.0	5.0
Other Taxes	<u>2,492.7</u>	(44.7)	<u>1,600.0</u>	(35.8)	<u>1,600.0</u>	0.0
Sub-Total - Taxes	<u>2,650,975.5</u>	9.2	<u>2,988,180.0</u>	12.7	<u>3,350,650.0</u>	12.1
<u>Other Non-Tax Revenues</u>						
Lottery	69,150.9	100.4	74,500.0	7.7	90,600.0	21.6
Licenses, Fees and Permits	33,061.7	(3.7)	34,000.0	2.8	35,700.0	5.0
Interest	35,015.9	30.7	23,500.0	(32.9)	30,100.0	28.1
Sales and Services	4,713.9	(38.5)	3,700.0	(21.5)	4,000.0	8.1
Miscellaneous, Transfers, Reimbursements	<u>82,640.0</u>	159.7	<u>34,000.0</u>	(58.9)	<u>34,900.0</u>	2.6
Sub-Total - Other Non-Tax Revenues	<u>224,582.4</u>	66.2	<u>169,700.0</u>	(24.4)	<u>195,300.0</u>	15.1
<u>Total Base Revenue</u>	<u>\$2,875,557.9</u>	<u>12.2%</u>	<u>\$3,157,880.0</u>	<u>9.8%</u>	<u>\$3,545,950.0</u>	<u>12.3%</u>

TABLE X

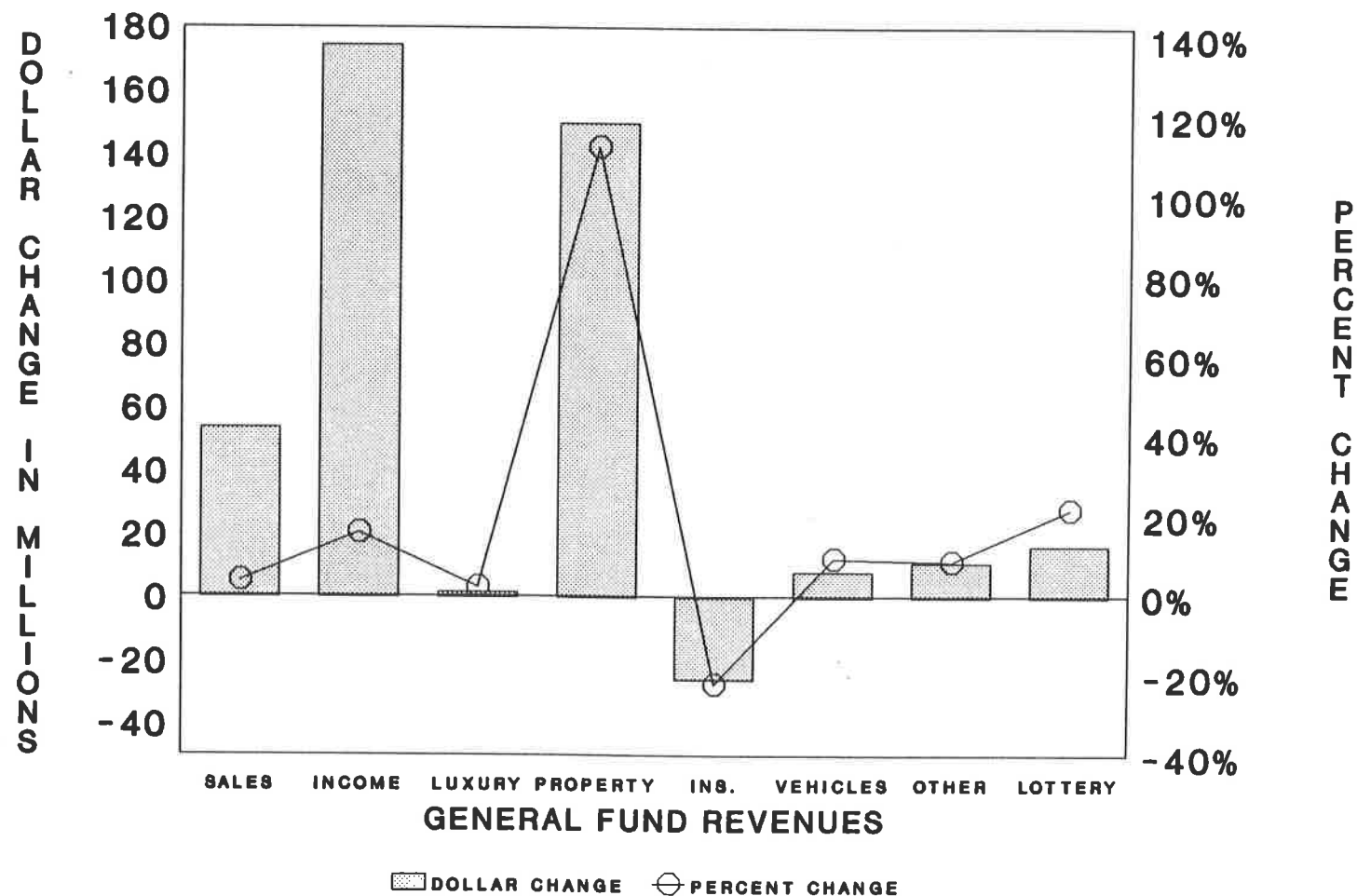
**STATE OF ARIZONA
GENERAL FUND
STATEMENT OF PROJECTED BASE REVENUE
COMPARISON OF EXECUTIVE AND JLBC STAFF ESTIMATES**

(Thousands)

	FY 1990			FY 1991		
	<u>Executive Estimate</u>	<u>JLBC Staff Estimate</u>	<u>Difference</u>	<u>Executive Estimate</u>	<u>JLBC Staff Estimate</u>	<u>Difference</u>
<u>Taxes</u>						
Sales and Use	\$1,450,400.0	\$1,452,400.0	\$ 2,000.0	\$1,542,900.0	\$1,505,900.0	\$ (37,000.0)
Income	1,090,380.0	1,100,280.0	9,900.0	1,282,710.0	1,274,600.0	(8,110.0)
Property	135,320.0	133,000.0	(2,320.0)	135,420.0	282,800.0	147,380.0
Luxury	69,050.0	68,100.0	(950.0)	99,550.0	69,500.0	(30,050.0)
Insurance Premium	118,100.0	117,000.0	(1,100.0)	96,930.0	91,000.0	(5,930.0)
Motor Vehicle Licenses - Regular	100,800.0	100,000.0	(800.0)	104,300.0	109,000.0	4,700.0
- HURF Transfer	(15,200.0)	(15,200.0)	0.0	(16,200.0)	(16,200.0)	0.0
Parl Mutuel	6,200.0	6,000.0	(200.0)	6,200.0	6,200.0	0.0
Estate	23,000.0	25,000.0	2,000.0	23,000.0	26,250.0	3,250.0
Other Taxes	<u>1,600.0</u>	<u>1,600.0</u>	<u>0.0</u>	<u>1,700.0</u>	<u>1,600.0</u>	<u>(100.0)</u>
Sub-Total - Taxes	<u>2,979,650.0</u>	<u>2,988,180.0</u>	<u>8,530.0</u>	<u>3,276,510.0</u>	<u>3,350,650.0</u>	<u>74,140.0</u>
<u>Other Non-Tax Revenues</u>						
Lottery	76,000.0	74,500.0	(1,500.0)	83,700.0	90,600.0	6,900.0
Licenses, Fees and Permits	33,719.7	34,000.0	280.3	37,118.7	35,700.0	(1,418.7)
Interest	21,660.0	23,500.0	1,840.0	30,190.0	30,100.0	(90.0)
Sales and Services	4,355.5	3,700.0	(655.5)	4,397.4	4,000.0	(397.4)
Miscellaneous, Transfers, Reimbursements	<u>32,402.2</u>	<u>34,000.0</u>	<u>1,597.8</u>	<u>25,358.3</u>	<u>34,900.0</u>	<u>9,541.7</u>
Sub-Total - Other Non-Tax Revenues	<u>168,137.4</u>	<u>169,700.0</u>	<u>1,562.6</u>	<u>180,764.4</u>	<u>195,300.0</u>	<u>14,535.6</u>
<u>Total Base Revenue Including Proposed FY 1991 Changes</u>	<u>\$3,147,787.4</u>	<u>\$3,157,880.0</u>	<u>\$ 10,092.6</u>	<u>\$3,457,274.4</u>	<u>\$3,545,950.0</u>	<u>\$ 88,675.6</u>
<u>Less: Effect of Proposed FY 1991 Changes</u>						
Governors Tax Package	0.0	0.0	0.0	(170,000.0)	0.0	170,000.0
JLBC Current Law Assumption	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(298,900.0)</u>	<u>(298,900.0)</u>
<u>Total Base Revenue on FY 1990 Basis</u>	<u>\$3,147,787.4</u>	<u>\$3,157,880.0</u>	<u>\$ 10,092.6</u>	<u>\$3,287,274.4</u>	<u>\$3,247,050.0</u>	<u>\$ (40,224.4)</u>

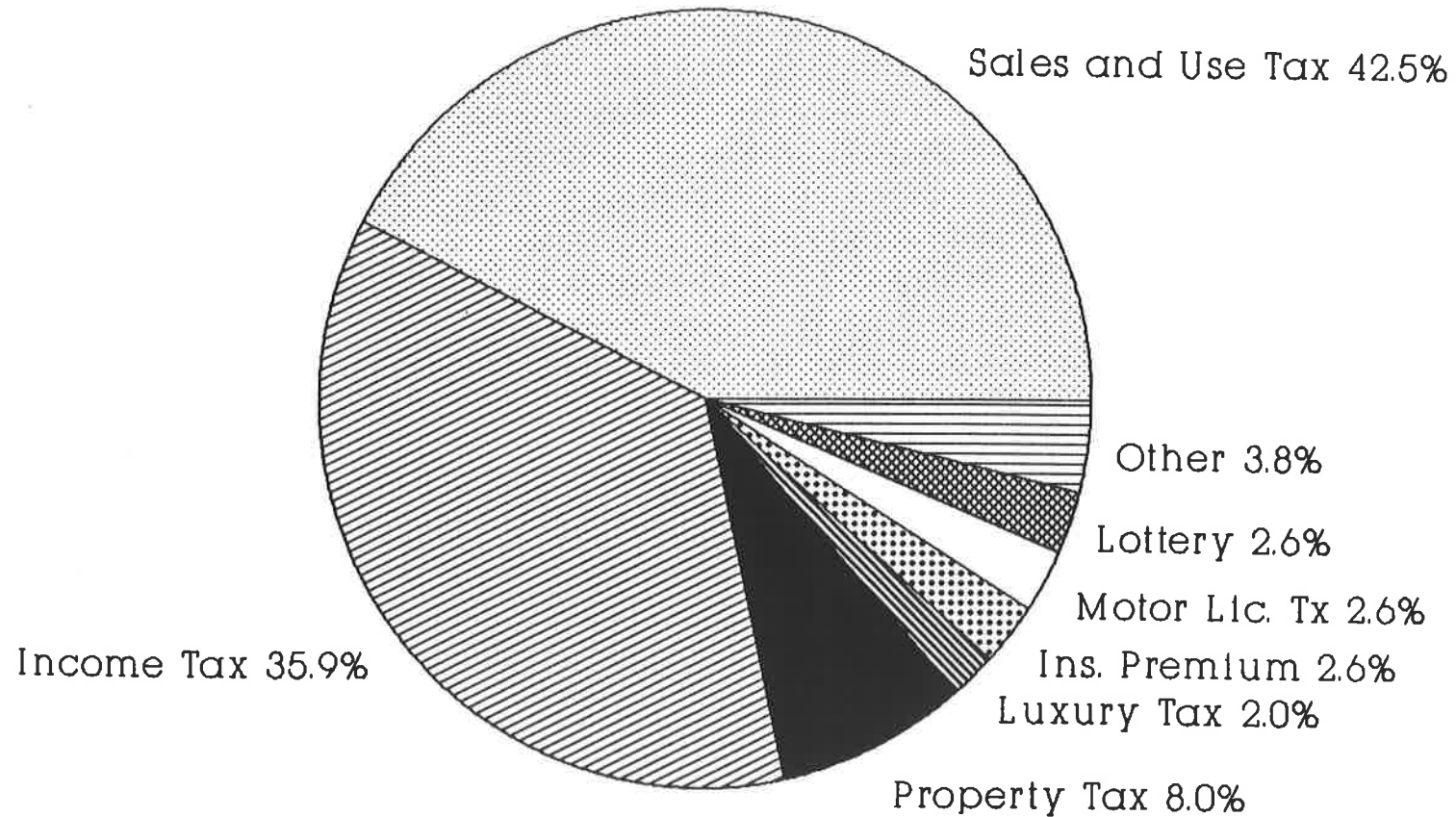
FY 1991 GENERAL FUND REVENUE **DOLLAR AND PERCENT CHANGE FROM LAST YEAR**

CHART XVII



GENERAL FUND REVENUE SOURCES AS A PERCENT OF TOTAL

CHART XVIII



FY 1991

GENERAL FUND BASE REVENUE COLLECTIONS

CHART XIX

