

| Budget Stabilization Fund<br>(\$ in Thousands) |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                          |                           |                          |                   |                   |                   |                   |                           |                           |                         |                   |                         |                         |                         |                          |                             |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|---------------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|---------------------------|---------------------------|-------------------------|-------------------|-------------------------|-------------------------|-------------------------|--------------------------|-----------------------------|
| General Fund Revenues                          | Actual<br>FY 1991 | Actual<br>FY 1992 | Actual<br>FY 1993 | Actual<br>FY 1994 | Actual<br>FY 1995 | Actual<br>FY 1996 | Actual<br>FY 1997 | Actual<br>FY 1998 | Actual<br>FY 1999 | Actual<br>FY 2000 | Actual<br>FY 2001        | Actual<br>FY 2002         | Actual<br>FY 2003        | Actual<br>FY 2004 | Actual<br>FY 2005 | Actual<br>FY 2006 | Actual<br>FY 2007 | Actual<br>FY 2008         | Actual<br>FY 2009         | Actual<br>FY 2010       | Actual<br>FY 2011 | Actual<br>FY 2012       | Actual<br>FY 2013       | Actual<br>FY 2014       | Actual<br>FY 2015        | Estimate<br>FY 2016         |
| Adjusted Revenues <sup>1/</sup>                | 3,346,343.0       | 3,488,215.0       | 3,784,822.0       | 4,073,279.0       | 4,463,928.0       | 4,661,314.0       | 5,039,858.0       | 5,229,161.3       | 5,635,400.0       | 5,960,280.0       | 6,180,843.1              | 6,241,933.3               | 6,231,800.0              | 6,683,990.1       | 7,667,181.1       | 8,783,484.4       | 9,557,670.7       | 8,789,560.0               | 6,475,885.7               | 5,704,623.5             | 8,085,523.6       | 8,717,164.5             | 9,118,948.3             | 8,337,631.3             | 8,934,730.0              | 9,265,659.2                 |
| Statutory Limit of Revenues                    | 15.000%           | 15.000%           | 15.000%           | 15.000%           | 5.000%            | 5.000%            | 5.000%            | 5.634%            | 6.333%            | 7.000%            | 7.000%                   | 7.000%                    | 7.000%                   | 7.000%            | 7.000%            | 7.000%            | 7.000%            | 7.000%                    | 7.000%                    | 7.000%                  | 7.000%            | 7.000%                  | 7.000%                  | 7.000%                  | 7.000%                   | 7.000%                      |
| Maximum Balance                                | 501,951.5         | 523,232.3         | 567,723.3         | 610,991.9         | 223,196.4         | 233,130.0         | 251,992.9         | 294,610.9         | 356,889.9         | 417,219.6         | 432,659.0                | 436,935.3                 | 436,226.0                | 467,879.3         | 536,702.7         | 614,843.9         | 669,036.9         | 615,269.2                 | 453,312.0                 | 399,323.6               | 565,986.7         | 610,201.5               | 638,326.4               | 583,634.2               | 625,431.1                | 648,596.1                   |
| <b>Arizona Personal Income in Prior CY</b>     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                          |                           |                          |                   |                   |                   |                   |                           |                           |                         |                   |                         |                         |                         |                          |                             |
| Real Adjusted Annual Income Growth             | 0.90%             | -0.70%            | 0.44%             | 4.04%             | 6.81%             | 8.26%             | 6.39%             | 5.97%             | 7.10%             | 5.94%             | 7.31%                    | 2.10%                     | 1.67%                    | 1.98%             | 5.53%             | 6.74%             | 5.96%             | 2.88%                     | -0.98%                    | -7.19%                  | -0.42%            | 3.42%                   | 1.99%                   | 0.85%                   | 2.12%                    | 3.07%                       |
| 7-Year Average Income Growth                   | 5.31%             | 3.51%             | 2.16%             | 1.97%             | 2.42%             | 3.26%             | 3.78%             | 4.65%             | 5.65%             | 6.52%             | 6.84%                    | 5.78%                     | 5.26%                    | 4.70%             | 4.68%             | 4.25%             | 3.98%             | 3.63%                     | 3.22%                     | 1.98%                   | 1.35%             | 0.32%                   | 0.32%                   | -0.38%                  | -0.26%                   | 0.42%                       |
| Annual Difference                              | -4.41%            | -4.21%            | -1.72%            | 2.07%             | 4.39%             | 5.00%             | 2.61%             | 1.32%             | 1.45%             | -0.58%            | 0.47%                    | -3.68%                    | -3.59%                   | -2.72%            | 0.85%             | 2.49%             | 1.98%             | -0.75%                    | -4.20%                    | -11.87%                 | -2.40%            | 2.07%                   | 1.67%                   | 1.23%                   | 2.38%                    | 2.65%                       |
| <b>BSF Transactions</b>                        |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                          |                           |                          |                   |                   |                   |                   |                           |                           |                         |                   |                         |                         |                         |                          |                             |
| Beginning BSF Balance                          | 0.0               | 0.0               | 0.0               | 0.0               | 42,145.7          | 223,196.4         | 233,130.0         | 245,810.9         | 291,669.6         | 385,266.2         | 407,666.3                | 391,523.8                 | 64,719.3                 | 13,765.7          | 13,524.8          | 160,834.5         | 501,612.8         | 676,979.8                 | 218,640.5                 | 2,956.1                 | 189.0             | 0.0                     | 250,062.8               | 454,101.7               | 455,333.9                | 457,627.4                   |
| BSF Formula Recommendation                     | (147,626.4)       | (141,012.9)       | (59,902.2)        | 78,345.8          | 178,816.9         | 223,196.4         | 121,660.3         | 66,526.1          | 75,822.8          | 0.0               | 28,013.3                 | 0.0                       | (224,085.4)              | (169,505.0)       | 56,813.9          | 190,912.8         | 173,913.0         | 0.0                       | (369,161.5)               | (768,687.6)             | (136,911.0)       | 167,370.3               | 145,576.6               | 112,163.1               | 198,435.6                | 236,770.3                   |
| Deposits                                       | 0.0               | 0.0               | 0.0               | 42,000.0          | 178,816.9         | 0.0               | 0.0               | 30,000.0          | 75,115.0          | 0.0               | 36,000.0                 | 0.0                       | 0.0                      | 0.0               | 156,490.5         | 332,957.6         | 148,000.3         | 12,025.0                  | 0.0                       | 0.0                     | 0.0               | 250,000.0 <sup>8/</sup> | 200,000.0 <sup>8/</sup> | 0.0                     | 0.0                      | 0.0                         |
| Withdrawals <sup>2/</sup>                      | 0.0               | 0.0               | 0.0               | 0.0               | 0.0               | 0.0               | 0.0               | 0.0               | 0.0               | 0.0               | (69,425.4)               | (332,490.8) <sup>4/</sup> | (53,028.7) <sup>4/</sup> | (643.2)           | (9,485.6)         | (80.9)            | (6.9)             | (505,576.0) <sup>5/</sup> | (223,000.0) <sup>6/</sup> | (2,767.1) <sup>7/</sup> | 0.0               | 0.0                     | 0.0                     | (2,000.0) <sup>9/</sup> | (1,000.0) <sup>10/</sup> | (587.8) <sup>11/, 12/</sup> |
| Actual BSF Net Transfer                        | 0.0               | 0.0               | 0.0               | 42,000.0          | 178,816.9         | 0.0               | 0.0               | 30,000.0          | 75,115.0          | 0.0               | (33,425.4) <sup>3/</sup> | (332,490.8)               | (53,028.7)               | (643.2)           | 147,004.9         | 332,876.7         | 147,993.4         | (493,551.0)               | (223,000.0)               | (2,767.1)               | 0.0               | 250,000.0               | 200,000.0               | (2,000.0)               | (1,000.0)                | (587.8)                     |
| Balance Before Interest Earnings               | 0.0               | 0.0               | 0.0               | 42,000.0          | 220,962.6         | 223,196.4         | 233,130.0         | 275,810.9         | 366,784.6         | 385,266.2         | 374,240.9                | 59,033.0                  | 11,690.6                 | 13,122.5          | 160,529.7         | 493,711.2         | 649,606.2         | 183,428.8                 | (4,359.5)                 | 189.0                   | 189.0             | 250,000.0               | 450,062.8               | 452,101.7               | 454,333.9                | 457,039.6                   |
| Interest Earnings & Equity Gains/Losses        | 0.0               | 0.0               | 0.0               | 145.7             | 4,036.4           | 12,149.3          | 12,680.9          | 15,858.7          | 18,481.6          | 22,400.1          | 17,282.9                 | 5,686.3                   | 2,075.1                  | 402.3             | 304.8             | 7,901.7           | 27,373.6          | 35,211.6                  | 7,315.6                   | 0.0                     | 0.0               | 62.8                    | 4,038.9                 | 3,232.2                 | 3,293.5                  | 3,806.8                     |
| Ending BSF Balance Before Statutory Limit      | 0.0               | 0.0               | 0.0               | 42,145.7          | 224,999.0         | 235,345.7         | 245,810.9         | 291,669.6         | 385,266.2         | 407,666.3         | 391,523.8                | 64,719.3                  | 13,765.7                 | 13,524.8          | 160,834.5         | 501,612.8         | 676,979.8         | 218,640.5                 | 2,956.1                   | 189.0                   | 189.0             | 250,062.8               | 454,101.7               | 455,333.9               | 457,627.4                | 460,846.5                   |
| Excess Amount Reverted to General Fund         | 0.0               | 0.0               | 0.0               | 0.0               | (1,802.6)         | (2,215.7)         | 0.0               | 0.0               | N/A               | 0.0               | 0.0                      | 0.0                       | 0.0                      | 0.0               | 0.0               | 0.0               | 0.0               | 0.0                       | 0.0                       | 0.0                     | 0.0               | 0.0                     | 0.0                     | 0.0                     | 0.0                      | 0.0                         |
| Ending BSF Balance                             | 0.0               | 0.0               | 0.0               | 42,145.7          | 223,196.4         | 233,130.0         | 245,810.9         | 291,669.6         | 385,266.2         | 407,666.3         | 391,523.8                | 64,719.3                  | 13,765.7                 | 13,524.8          | 160,834.5         | 501,612.8         | 676,979.8         | 218,640.5                 | 2,956.1                   | 189.0                   | 189.0             | 250,062.8               | 454,101.7               | 455,333.9               | 457,627.4                | 460,846.5                   |
| Percent of Revenues                            | 0.0%              | 0.0%              | 0.0%              | 1.0%              | 5.0%              | 5.0%              | 4.9%              | 5.6%              | 6.8%              | 6.8%              | 6.3%                     | 1.0%                      | 0.2%                     | 0.2%              | 2.1%              | 5.7%              | 7.1%              | 2.5%                      | 0.0%                      | 0.0%                    | 0.0%              | 2.9%                    | 5.0%                    | 5.5%                    | 5.1%                     | 5.0%                        |

**Footnote:**  
<sup>1/</sup> General Fund revenue from FY 1991 through FY 2015 represent the actual amount, as determined by the Economic Estimates Commission (EEC). General Fund revenue for FY 2016 was estimated by the JLBC Staff.  
<sup>2/</sup> Between FY 2001 and FY 2007, a total of \$119.1 million was transferred from the BSF to the General Fund to pay for the alternative fuel tax credits (as required by Laws 2000, 7th Special Session, Chapter 1). The BSF transfer each year was as follows: \$49.4 million in FY 2001, \$61.9 million in FY 2002, \$5.5 million in FY 2003, \$0.6 million in FY 2004, \$1.5 million in FY 2005, \$80,900 in FY 2006, and \$6,900 in FY 2007.  
<sup>3/</sup> There was a \$20 million withdrawal in FY 2001 to pay for the construction of the Arizona State Hospital (ASH). However, since the \$20 million withdrawal was reimbursed from from the Tobacco Settlement Fund in the same fiscal year, the actual net BSF transfer related to ASH was \$0 in FY 2001. In addition, \$16 million was deposited from the General Fund to the BSF to offset the alternative fuel tax credit cost.  
<sup>4/</sup> For FY 2002 and FY 2003, the Legislature authorized BSF withdrawals for ASH payments in the amounts of \$20 million and \$17 million, respectively.  
<sup>5/</sup> The total BSF transfer of \$505.6 million was comprised of a base amount of \$487.0 million to help balance the FY 2008 budget, as provided by Laws 2008, Chapter 53, and a reversion of \$18.6 million to the General Fund (amount determined by the General Accounting Office) owing to the FY 2007 BSF ending balance exceeding its statutory cap.  
<sup>6/</sup> The total BSF transfer of \$223.0 million was the result of a \$20.0 million transfer authorized by Laws 2008, Chapter 53 to help balance the FY 2009 budget, and a subsequent \$130 million transfer as provided by Laws 2009, 1<sup>st</sup> Special Session, Chapter 1 also for the purpose of balancing the FY 2009 budget. The remaining amount of \$73.0 million was due to the "trigger" under Laws 2008, Chapter 53, which provided that if the FY 2008 General Fund ending balance was less than \$0, the Treasurer would be required to transfer an amount equal to the negative ending balance plus \$1.0 million. The amount was determined to be \$73.0 million. Actual BSF withdrawal was made in FY 2009.  
<sup>7/</sup> Laws 2010, 7<sup>th</sup> Special Session, Chapter 1 authorized a transfer of \$(2.8) million to the General Fund to help balance the FY 2010 budget. This transfer brought the BSF balance to \$0.  
<sup>8/</sup> Laws 2012, Chapter 294 authorized the transfer of \$250.0 million in FY 2012 and \$200.0 million in FY 2013 from the General Fund to the BSF.  
<sup>9/</sup> Laws 2013, 1<sup>st</sup> Special Session, Chapter 9 authorized a total transfer of \$2.0 million in BSF interest earnings in FY 2014. Of this amount, \$1.0 million was appropriated for deposit in the Arts Fund administered by the Arizona Commission on the Arts and \$1.0 million to the State Parks Revenue Fund administered by the Arizona State Parks Board.  
<sup>10/</sup> Laws 2014, Chapter 9 appropriated \$1.0 million from BSF interest earnings to the Arizona Commission on the Arts for FY 2015. Additionally, Laws 2015, Chapter 8 authorized a transfer equal to the negative ending balance for FY 2015 plus \$12.0 million. At the time of enactment, the FY 2015 ending balance was projected to be \$(132.3) million, which would have resulted in a BSF transfer of \$144.3 million in FY 2015. However, since the actual FY 2015 ending balance was positive, Chapter 8 did not "trigger" a conditional transfer into the BSF.  
<sup>11/</sup> Laws 2016, Chapter 219 authorizes BSF monies to be used to pay a wildland fire suppression claim that is awaiting reimbursement from a federal agency. After a federal agency makes payment on a claim, the State Forester must reimburse the BSF within 45 days. Not more than \$10 million in unreimbursed claims can be outstanding from the fund at any time.  
<sup>12/</sup> Laws 2016, Chapter 117 authorizes the Department of Child Safety (DCS) and Department of Economic Security (DES) to use up to \$35 million each from the BSF to provide funding for reimbursement grants in FY 2016. Chapter 117 requires the BSF to be fully reimbursed by September 1, 2016. Only DES exercised the use of this "bridge loan" and reimbursed the BSF by September 1, 2016.