

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

| | Actual FY 1992 | Actual FY 1993 | Actual FY 1994 | Actual FY 1995 | Actual FY 1996 | Actual FY 1997 | Actual FY 1998 | Actual FY 1999 | Actual FY 2000 | Actual FY 2001 | Actual FY 2002 | Actual FY 2003 | Actual FY 2004 | Actual FY 2005 | Actual FY 2006 | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Actual FY 2010 | Estimate FY 2011 | Estimate FY 2012 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|-------------------|---------------------|---------------------|
| General Fund Revenues | | | | | | | | | | | | | | | | | | | | | |
| Adjusted Revenues | 3,488,215.3 | 3,784,822.0 | 4,073,278.9 | 4,463,733.0 | 4,661,181.8 | 5,039,857.8 | 5,229,384.5 | 5,635,341.2 | 5,960,280.0 | 6,181,782.6 | 6,239,325.1 | 6,217,459.1 | 6,882,328.3 | 7,950,117.6 | 9,284,689.5 | 9,621,871.0 | 8,764,880.2 | 6,966,898.5 | 6,297,247.5 | 7,762,446.1 | 8,369,515.8 |
| Statutory Limit of Revenues | 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% |
| Maximum Balance | 523,232.3 | 567,723.3 | 610,991.8 | 223,186.7 | 233,130.0 | 251,992.9 | 294,623.5 | 356,886.2 | 417,219.6 | 432,724.8 | 436,752.8 | 435,222.1 | 481,763.0 | 556,508.2 | 649,928.3 | 673,531.0 | 613,541.6 | 487,682.9 | 440,807.3 | 543,371.2 | 585,866.1 |
| Arizona Personal Income in Prior CY | | | | | | | | | | | | | | | | | | | | | |
| Real Adjusted Annual Income Growth | -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% | 1.96% |
| 7-Year Average Income Growth | <u>3.51%</u> | <u>2.16%</u> | <u>1.97%</u> | <u>2.42%</u> | <u>3.26%</u> | <u>3.78%</u> | <u>4.65%</u> | <u>5.65%</u> | <u>6.52%</u> | <u>6.84%</u> | <u>5.78%</u> | <u>5.26%</u> | <u>4.70%</u> | <u>4.68%</u> | <u>4.25%</u> | <u>3.98%</u> | <u>3.63%</u> | <u>3.22%</u> | <u>4.68%</u> | <u>1.98%</u> | <u>1.19%</u> |
| Annual Difference | -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% | 0.77% |
| BSF Transactions | | | | | | | | | | | | | | | | | | | | | |
| Beginning BSF Balance | 0.0 | 0.0 | 0.0 | 42,145.7 | 223,186.7 | 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 | 2,767.1 | 0.0 | 0.0 |
| BSF Formula Recommendation | (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) | 58,994.6 |
| Deposits | 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 | 0.0 |
| Withdrawals ^{1/} | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>(69,425.4)</u> | <u>(332,490.8)</u> | <u>(53,028.7)</u> | <u>(643.2)</u> | <u>(9,485.6)</u> | <u>(80.9)</u> | <u>(6.9)</u> | <u>(505,576.0)</u> | <u>(223,000.0)</u> | <u>(2,767.1)</u> | <u>0.0</u> | <u>0.0</u> |
| Actual BSF Net Transfer | 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) ^{2/} | (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 | 0.0 |
| Balance Before Interest Earnings | 0.0 | 0.0 | 42,000.0 | 220,962.6 | 223,186.7 | 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) | 0.0 | 0.0 | 0.0 |
| Interest Earnings & Equity Gains/Losses | 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 | 7,126.6 | 0.0 | 0.0 | 0.0 |
| Ending BSF Balance Before Statutory Limit | 0.0 | 0.0 | 42,145.7 | 224,999.0 | 235,336.0 | 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 | 2,767.1 | 0.0 | 0.0 | 0.0 |
| Excess Amount Reverted to General Fund | 0.0 | 0.0 | 0.0 | (1,812.3) | (2,206.0) | 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 |
| Ending BSF Balance | 0.0 | 0.0 | 42,145.7 | 223,186.7 | 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 | 2,767.1 | 0.0 | 0.0 | 0.0 |
| Percent of Revenues | 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% | 2.0% | 5.4% | 7.0% | 2.5% | 0.0% | 0.0% | 0.0% | 0.0% |

Footnote:

^{1/} 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.

^{2/} 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.

^{3/} For FY 2002 and FY 2003, the Legislature authorized BSF withdrawals for ASH payments in the amounts of \$20 million and \$17 million, respectively.

^{4/} 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.

^{5/} 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, 1st 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.

^{6/} Laws 2010, 7th 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.