



State of Arizona

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## Governor Jan Brewer: Strong Budget Projections a Sign of Steady Recovery

*Ending balance forecast better than expected for FY '13*

PHOENIX – Governor Jan Brewer today celebrated positive news regarding state budget projections, offering the latest indication of Arizona’s improving economy and financial outlook that has resulted from the governor’s sound fiscal leadership.

The state has estimated the fiscal 2013 ending cash balance at \$895 million – more than \$200 million above the enacted forecast. This figure does not include an additional \$454 million held in the State’s rainy day fund.

Fiscal Year	Ending Balance <i>*in Millions</i>	Rainy Day Fund	Total
FY 2009	(\$480.7)	\$2.7	(\$478.0)
FY 2010	(\$5.7)	\$0	(\$5.7)
FY 2011	\$3.2	\$0	\$3.2
FY 2012	\$396.9	\$250	\$646.9
FY 2013	\$895.0	\$454.1	\$1,349.1

Governor Brewer’s Medicaid Restoration Plan is a critical component of Arizona’s future budget stability. With the phase-out of Prop 100 revenues – which gave the state temporary revenue to stabilize the budget and place Arizona on sound footing – during FY 2014 the state budget will be temporarily out of balance. The Medicaid Restoration Plan fixes that imbalance by shifting the costs of the Prop 204 population off the General Fund. With that plan in place, current projections show Arizona will no longer be operating under a structural deficit after FY 2014 – something that wouldn’t be possible without the governor’s plan.

“This remarkable cash carryforward is a stark contrast to Arizona’s position just a few short years ago when we faced one of the largest budget deficits in the country, and a sign of our steadily-growing economic comeback,” said Governor Brewer. “Of course, when it comes to managing and stabilizing state finances, our job is never complete. As we celebrate our improving economy, it is important that the state be mindful to not revert to the policies and practices that pushed it to the brink in the first place.”

The improvement in the state budget reflects the success of Governor Brewer’s plan that she presented more than three years ago to permanently reduce spending and ensure we continue to live within our budget.

Under Governor Brewer's leadership, the state has improved its methods by requiring long-term budgeting and better identifying one-time revenues. From fiscal 2009 to 2011, the state reduced expenditures more than \$2 billion dollars.

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