#AZONTHERISE

ARIZONA BUDGET FY 2017

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"We can be responsible with our budget, invest in the future, and allow the people to keep more of the dollars they earn."

Governor Doug Ducey
State of the State
January 11, 2016

FISCAL RESPONSIBILITY

- Balances the budget and eliminates the structural deficit – first structural balance since 2007
- Pays down debt/deferrals from Great Recession in FY16– Universities $200M, Department of Economic Security $21M, and Department of Child Safety $11M
- $8M small business tax cut
- Responsibly budgets to allow for other tax cuts & fiscal impact with $18M cushion
- Ongoing spending growth is 1.2%, less than the 2.9% population plus inflation growth projected in FY 2017
- 58% of the new FY 2017 spending is one time.

EDUCATION

- K-12 funding settlement adds $3.5B over 10 years
- Special legislative session added $224M to the K-12 base this year – $172M from the State Land Trust and $52.4M from the General Fund
- $181.4M in new K-12 funding beyond increases from the settlement:
  - » $60M for enrollment, inflation and other adjustments
  - » $53.6M for public school capital improvement
  - » $29M for JTED base support with an ongoing commitment
  - » $31M increase to base school funding to help with transition to current-year funding
  - » $6.5M for the multi-site charter small school weight
  - » $1.2M to delay District Sponsored Charter Schools reduction
  - » $100,000 for a Geography Literacy initiative
- New credit enhancement program will increase the credit rating for public school construction projects, saving schools and taxpayers millions
- $37M to Universities in FY17 beyond eliminating the $200M deferral and a further adjustment of $4M in FY16:
- $705M in state support to universities. Universities will have $5.7B in total funds

HIGHLIGHTS

Total revenue: $9.71B	Ending cash balance: $127M	Ongoing revenue: $9.43B	Structural balance: $61M
Total spending: $9.58B	Rainy day balance: $460M	Ongoing spending: $9.37B	

CHILD AND PUBLIC SAFETY

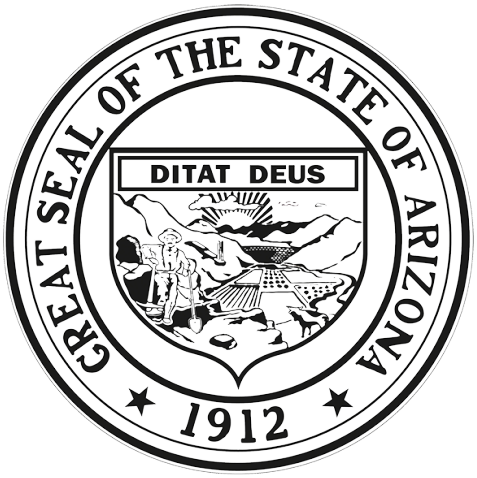
- New $116M two-year investment in child safety
- DCS benchmarks commit to the resolution of the backlog by the end of FY 2017 and a significant reduction in the out-of-home population over the next two years
- Brings total child safety spending to $974M in FY17
- Focus on safely reducing the growth rate of children in state care
- $3M increase to eliminate court delays in child welfare dependency cases
- $22.6M General Fund and $4M in other funds to expand the border strike force, targeting illegal drug trafficking
- $1.6M in other funds to open 100-bed community corrections center, to reduce recidivism

GOVERNMENT THAT WORKS

- $10M for a new veterans' home in Flagstaff
- $2M General Fund and $450,000 in other funds to help over a thousand people with disabilities get off the waitlist for vocational rehabilitative services.
- Savings captured from common sense consolidations, including the elimination of the Department of Weights and Measures and the consolidation of Department of Fire, Building and Life Safety into other agencies.
- $15M in strategic IT investments, modernizing State government
- $387,500 to implement new wildland-firefighting procedures and improve safety
- $4.2M for state building renovations that will allow the state to sell off under-utilized buildings

"Tough and painful decisions had to be made. Today, thanks to our improving economy, we have the chance to invest again."

Lorenzo Romero
Director of the Governor's OSPB
Arizona Republic
January 27, 2016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