

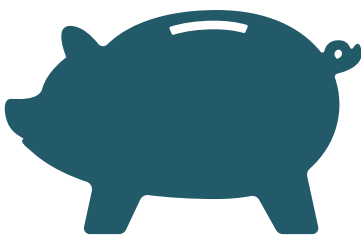
*“Because I’m proposing that we secure Arizona’s future and prepare responsibly for the unexpected and the inevitable -- by bringing our Rainy Day Fund, to record-breaking balance of one billion dollars.*

*“If ever there were a way to protect public education, to protect the pay raises our teachers have earned and deserve, to prevent budget gimmicks, band-aids and massive cuts down the line; to avoid tax increases and budget standoffs and government shutdowns -- it’s through this thoughtful, prudent and fiscally-conservative approach.”*

**Governor Doug Ducey**  
2019 State of the State Address

## SAVING FOR A RAINY DAY

Arizona’s Rainy Day Fund was created in **1990** as a reserve of funds the state can tap during economic downturns. By preparing for the unexpected, Arizona can ensure its priorities remain funded while avoiding the dire fiscal choices experienced during the Great Recession.



## THE CURRENT BALANCE

At the end of FY 2018, the Rainy Day Fund balance was approximately \$457.8 million, or 4.5 percent of General Fund revenues. **At \$1 billion, the Rainy Day Fund will reach its highest dollar amount** and the highest percentage of General Fund revenue **since its creation**, helping better prepare the state for the next economic downturn.

## RAISING THE CAP

Currently, state law caps the balance at **7%** of general fund revenues. Fiscal experts have estimated that Arizona’s Rainy Day Fund balance should hold at least **10%** of General Fund revenues to better shield the State against recessionary downturns.



Governor Ducey’s plan would raise the cap to **10%**, and with a deposit of \$542 million – the Fund’s balance will be at its highest level since its inception, at \$1 billion, or about **9%** of projected FY 2020 General Fund revenues.