
FY 2025 JLBC Baseline with Executive Comparison

January 16, 2024



Key Points

- FY 24 General Fund revenues have fallen short of the enacted forecast. The Individual Income Tax is the primary underperformer.
- Due to declining revenues, the budget is projected to have a shortfall of \$(835) M in FY 24 and \$(879) M in FY 25, or a combined total of \$(1.7) B.
- The Legislature may opt to continue \$369 M of traditional “ongoing one-times” and litigation-related one-time spending in FY 25.
- We will need \$2.2 billion of shortfall solutions after adjusting for the \$369 M in continued one-time spending and a \$100 M ending balance.
- The shortfalls continue through FY 27, the last year of the 3-year budget window. The projected FY 27 shortfall is \$(187) M.

After 6 Months of FY 24: \$(480) M General Fund Revenue Loss

- Relative to Enacted FY 24 Budget

- Individual Income Tax collections have dropped (27.7)% compared to last year and are \$(481) M less than anticipated. Likely due to:
 - Lower pre-tax income, such as capital gains, and
 - The logistics of the 2.5% tax rate. The enacted budget included \$(2.3) B for the impact of the rate reduction.
- Corporate Income Tax growth started strong but is now negative.
 - (8.1)% less than the prior year and \$(9) M below forecast.
- Sales Tax has grown 4.2%, but is \$(36) M below forecast.
 - Retail sales drives this result, but contracting still posting double digit gains.

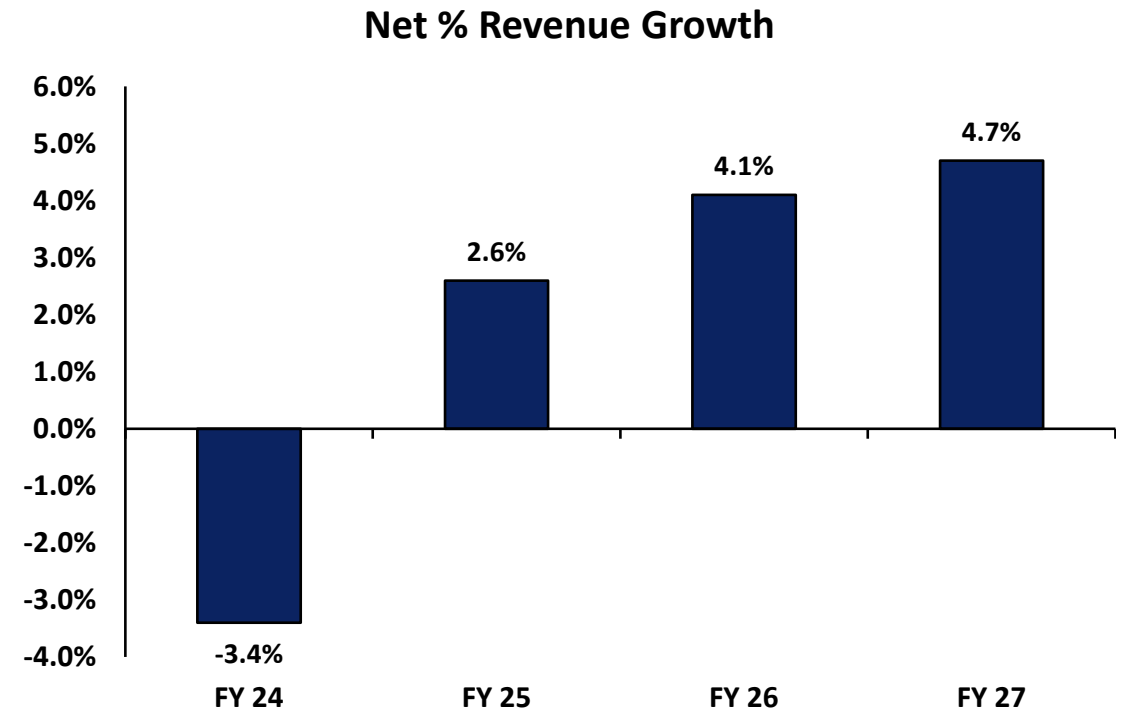
Forecasting State Revenues

January Forecast: Revenue Projected to Decline in FY 24

- With Accelerating Recovery in FY 25 through FY 27

FY 25-FY 27 4-Sector Components

- Finance Advisory Committee
- UA model – base forecast
- UA model – more cautious
- JLBC Staff (sole source of FY 24)

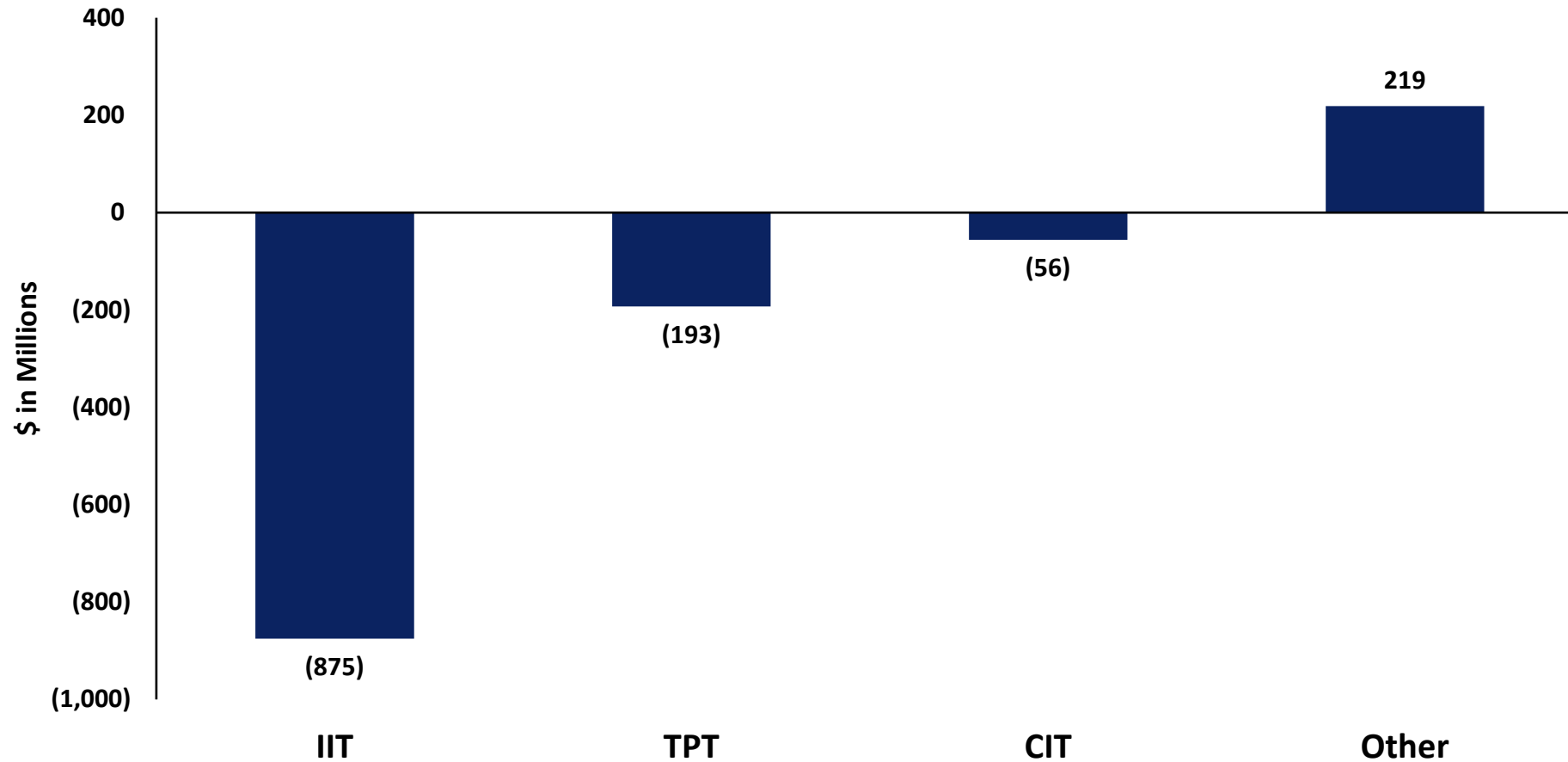


Excludes balance forward, one-time tax rebate and
urban revenue sharing

See Appendix A and B

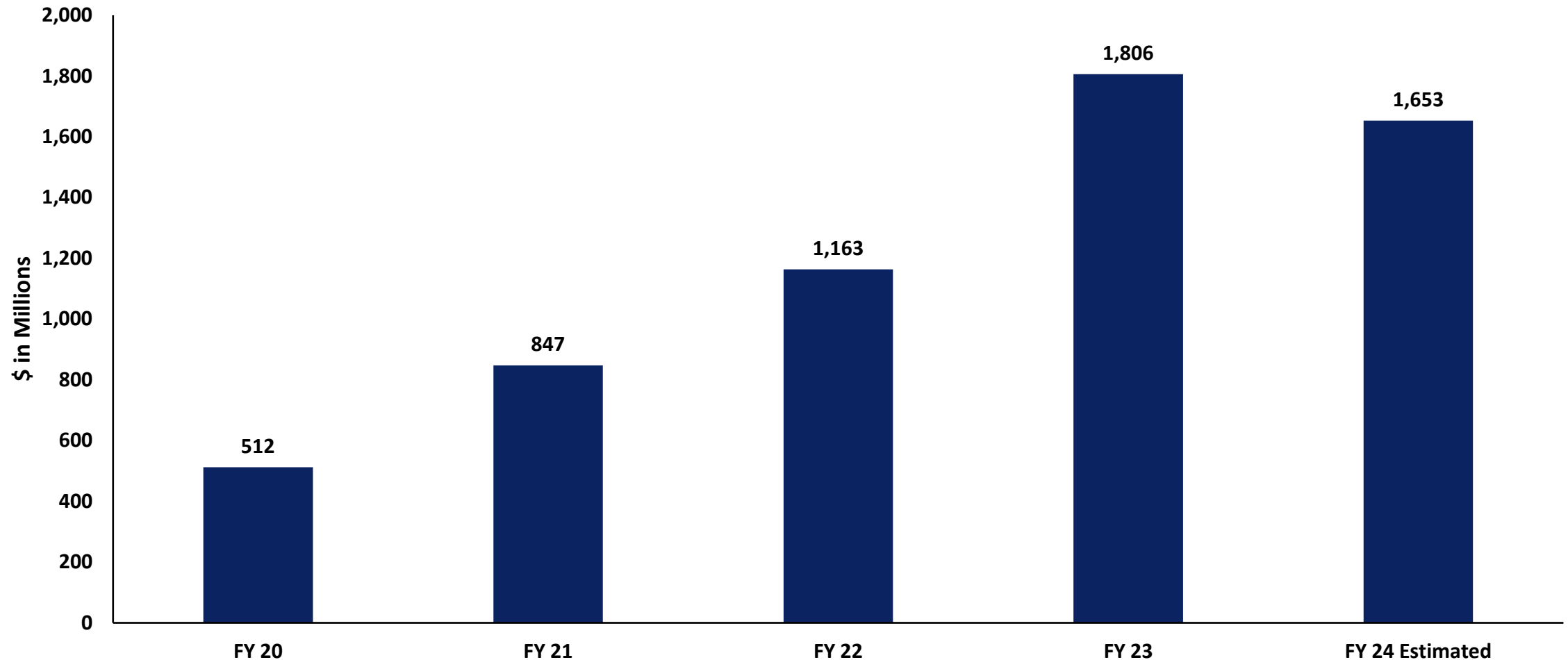
January Forecast Reduces FY 24 Revenue by \$(905) M

- Compared to Enacted Budget



Corporate Income Tax Grew 250% Between FY 20 and FY 23

- In FY 24, Projected to Decline (8.5)%; Blip or Bubble Bursting?



JLBC – Executive Revenue Differences

- Executive is \$823 M above JLBC in FY 24/FY 25

	(\$ in M) <u>Exec > JLBC</u>
FY 24	436
FY 25	387
FY 26	200
FY 27	199

This revenue comparison excludes Executive proposed tax law changes:

- Executive would eliminate some (all?) School Tuition Organization tax credits starting in FY 26 at a revenue gain of \$185 M.
- Executive would expand the Low Income Housing Tax Credit starting in FY 26 at a cost of \$8 M in FY 26 and \$16 M in FY 27. Extends the credit from FY 33 to FY 42.

Spending Adjustments

Baseline Spending Projections

- Baseline reflects changes to active statutory/other funding formulas:
 - ADE, Medicaid and the Community Colleges.
- Follows guidance of the enacted budget 3-year plan in terms of \$2.9 B in one-time FY 24 spending:
 - Of that amount \$2.3 B was deleted in the FY 25 estimates
 - \$571 M was retained in FY 25, primarily \$333 M of water supply funding and \$126 M in K-12 new school construction.
- \$369 M of traditional “ongoing one-times” and litigation-related one-time spending were not continued in FY 25:
 - School building repairs, \$183 M; State employee health insurance, \$73 M; and ADC prison health care and related costs, \$113 M.

FY 25 Baseline Spending Projected To Decrease By \$(1.5) B

FY 25 Ongoing Spending Changes

	<u>\$ in M</u>
Medicaid Formula	499
ADE – K-12 Formula	319
Other	<u>8</u>
Total	826

Total Spending Changes \$(1,485) M

Total Spending \$16,271 M

% Change (8.4)%

FY 25 One-Time Spending Deletions

	<u>\$ in M</u>
One-Time K-12 State Aid Supplement	(300)
K-12 Building Renewal Grants *	(183)
State Employee Health Insurance *	(73)
Corrections Dept Operating Funding *	(113)
Housing Funding	(190)
Other Agency Spending	(674)
Transportation Projects	(620)
Capital Projects	<u>(158)</u>
Total	(2,311)

* Executive budget continues in FY 25

Executive Caseloads are \$(137) M below JLBC in FY 24 and FY 25

- Smaller Differences in Other Years

Executive Caseload Forecasts Above (+)/Below(-) JLBC Baseline (\$ in M)

	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Medicaid	65	(51)	(123)	(163)
ADE (Excluding ESAs)	(75)	(76)	71	136
Exec below JLBC	(10)	(127)	(52)	(27)

ESA Spending Trends

- The FY 24 budget assumed \$625 M of ESA awards for 68,000 students.
- Actual enrollment is currently 72,000 and awards are \$690 M. Baseline assumes final awards reach \$703 M by end of FY 24.
- Public school enrollment is projected to decline by (1.0)% in FY 24 compared to FY 23, which will offset the ESA shortfall.
- Baseline includes \$(44) M FY 24 ex-appropriation in ADE for estimated formula savings.
- Forecast assumes ESA enrollment grows to 82,000 in FY 25 with total awards of \$825 M.

Executive FY 2025 ESA Proposal \$(413) M Below Baseline

- Executive proposes limiting universal ESA eligibility to pupils who previously attended public school for 100 days, among other changes
- With program changes, Executive estimates total FY 25 ESA enrollment of 27,000 and awards of \$411 M.
- Compared with enacted FY 24 budget, the Executive calculates a savings of \$(244) M.
- Compared with the FY 25 Baseline, Executive ESA enrollment is lower by (55,000) and awards are \$(413) M lower.
- Without program changes, Executive ESA estimates are similar to Baseline

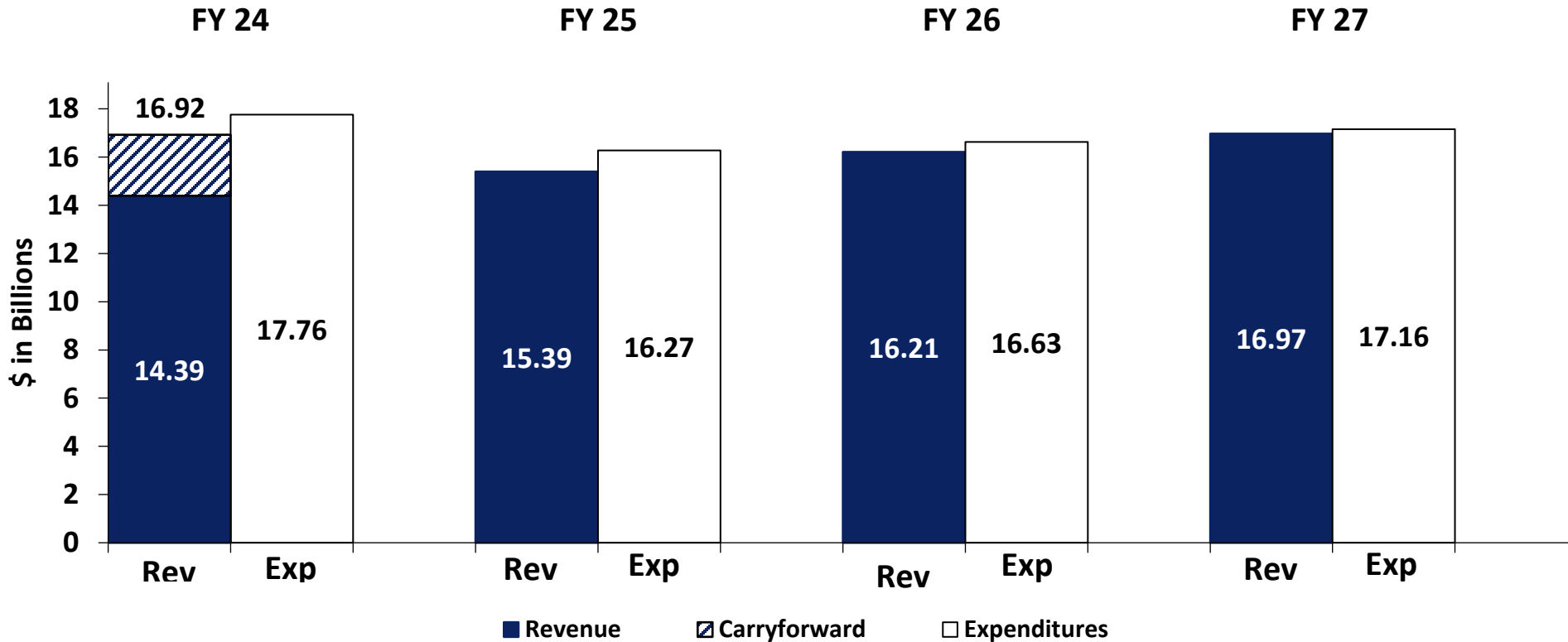
Projected Ending Balances

Excludes \$1.5 B in Budget Stabilization Fund

More Information in Appendix C

Projected Shortfall of \$(835) M in FY 24 & \$(879) M in FY 25

- Assumes Each Year's Shortfall is Resolved and Not Carried Into the Following Year



Cash Balance

\$(835) M

\$(879) M

\$(420) M

\$(187) M

Executive Budget

Executive Solutions to the \$1.7 B Baseline Shortfall

- Positive #s Reduce Shortfall/Negative #s Increase Shortfall

(\$ in M)	
(1,714)	JLBC FY 24 & 25 Baseline Shortfall
823	Higher FY 24 & FY 25 Executive Revenue Estimates
137	Executive Lower K-12/Medicaid Caseload Spending
770	Executive Claws Back Pre-FY 25 Spending
737	Executive Reduces FY 25 Spending
300	Executive Sweeps Dedicated Fund Balances to the General Fund
(344)	Executive Adds New FY 25 Non-Caseload Ongoing Spending
(527)	Executive Adds New FY 25 One-time Spending
<u>(48)</u>	All Other
1,848	Total Executive Solutions
134	Executive FY 25 Ending Balance

Executive Claws Back \$(770) M of Existing Spending

- See Appendices D – F for Details

- \$163 M Operating (33 projects)
 - \$15 M Prescott Rodeo
 - \$7 M ADE Administration
- \$188 M Capital (9 projects)
 - \$65 M ADC Repairs
 - \$48 M West Adams Renovations
 - \$25 M Northwest Arizona Veterans Home
- \$419 M Transportation (23 projects)
 - \$113 M I-10 West Valley Widening (Citrus to SR 85)
 - \$88 M SR 24 East Valley Extension
 - \$49 M SR 347 and Riggs Road Overpass

Executive Deletes \$(737) M of FY 25 Funding

- Relative to JLBC Baseline

(\$ in M)	
(413)	ESA Limitations (Exec Scoring of \$244 M)
(300)	Eliminate Most of 3 rd Year of Long Term Water Fund
(9)	Racing – Purse Enhancement and County Fair
<u>(15)</u>	All Other
(737)	Total

Exec Sweeps \$300 M from Dedicated Funds to the General Fund

- Combined Between FY 24 and FY 25 (See Appendix G)

\$ in M

36	ADOT Highway Fund Interest
13	ADOT Aviation Fund
13	State Parks Board (cancelled projects)
16	Attorney General Anti-Racketeering (including local pass-through \$)
25	Corporation Commission Securities Regulatory Fund
25	DIFI Funds (including Auto Theft and Financial Services)
23	Land Department Trust Management Fund
10	Registrar of Contractors Residential Recovery Fund
41	“90/10” Regulatory Boards (such as Medical Board and Nursing Board)
<u>98</u>	All Other
300	Total

Executive Adds \$344 M of Ongoing FY 25 Initiatives

- Above JLBC Baseline

(\$ in M)	
193	ADC Inmate Health Care
11	ADC Inmate Food Services
5	DPS Fentanyl Efforts (“SAFE”) + \$10 M one-time
20	AHCCCS Behavioral Health Provider Rate Increases
38	DCS Operating Costs
6	DCS Backfill to Allow Child to Retain Social Security Benefit
16	DCS Provider Rate Increases
6	DES Adult Protective Services staffing
21	Backfill Lost Federal Victim of Crime Act Funding (VOCA)
<u>28</u>	All Other
344	Total

Executive Adds \$527 M of One-Time FY 25 Initiatives

- Above JLBC Baseline

(\$ in M)	
183	ADOA – School Facilities Building Repairs
101	State Employee Health Insurance (Employer Contribution)
54	ADC – Private Prisons Rate Increases
20	Universities – Arizona Promise Program for Tuition Subsidies
15	Universities – Arizona Teachers Academy
24	DCS – Kinship Support and Congregate Care Services
100	DES – Child Care
10	AHCCCS – Non-Medicaid Crisis Behavioral Health Services
10	DEQ – Water Quality Fee Fund Deposit
<u>10</u>	Fentanyl Efforts
527	Total

Final Thoughts

- The Executive budget consists of over 250 different changes to the Baseline.
 - Several different challenges in completing due diligence on these changes. For example:
- Fund transfers will need to be examined for existing balances and legal issues.
- There are issues associated with the clawback of existing appropriations:
 - The Executive makes appropriations available in quarterly allotments. The Executive can defer allotments but cannot withhold funds indefinitely.
 - We will need to examine the clawbacks for the availability of funds and any contractual issues with eliminating the appropriations.

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Senior Administrative Assistant / JLBC Clerk.....	Kristy Paddack
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Appendix A: January Revenue Forecast

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Sales Tax				
JLBC Forecast	2.7%	4.8%	4.6%	4.9%
UA – Low	1.3%	2.2%	4.4%	4.6%
UA – Base	2.8%	4.0%	5.0%	4.9%
FAC	3.3%	3.6%	4.8%	5.3%
Average:	2.5%	3.7%	4.7%	4.9%
Individual Income Tax with Deferral				
JLBC Forecast	-10.5%	5.0%	4.9%	5.4%
UA – Low	-8.1%	6.8%	5.6%	5.7%
UA – Base	-6.0%	7.3%	6.2%	6.2%
FAC	-9.8%	4.6%	5.5%	5.3%
Average:	-8.6%	6.0%	5.6%	5.7%
Corporate Income Tax				
JLBC Forecast	-8.5%	0.0%	3.0%	4.5%
UA – Low	6.2%	1.7%	2.6%	3.0%
UA – Base	8.7%	2.4%	3.6%	4.3%
FAC	3.2%	-0.7%	6.8%	6.2%
Average:	2.4%	0.9%	4.0%	4.5%

JLBC Weighted Average	-3.4%	4.3%	4.5%	5.0%
UA Low Weighted Average	-1.4%	3.7%	4.6%	4.8%
UA Base Weighted Average	0.4%	4.9%	5.2%	5.3%
FAC Consensus Weighted Average	-1.4%	3.4%	5.3%	5.4%
“Big-3” Weighted Average	-1.5%	4.1%	4.9%	5.1%
Consensus Weighted Average ^{1/}	-1.8% ^{2/}	2.6%	4.1%	4.7%

^{1/} Represents ongoing revenue adjusted for small revenue categories.

^{2/} Baseline revenue forecast for FY 2024 is solely based on the JLBC Staff sector forecast of (3.4)%.

Appendix B: FY 23 – FY 25 January Forecast

FORECAST REVENUE GROWTH								
(\$ in Thousands)								
	ACTUAL FY 2023	% CHANGE PRIOR YR	FORECAST FY 2024	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR	FORECAST FY 2025	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR
Sales and Use	7,677,789.3	6.5%	7,885,089.6	2.7%	207,300.3	8,173,718.4	3.7%	288,628.8
Income - Individual	5,239,552.9	-30.4%	4,689,399.8	-10.5%	(550,153.1)	4,967,499.1	5.9%	278,099.3
- Corporate	1,806,311.4	55.3%	1,652,774.9	-8.5%	(153,536.5)	1,666,740.6	0.8%	13,965.7
Property	22,208.0	-17.1%	21,763.9	-2.0%	(444.2)	21,328.6	-2.0%	(435.3)
Luxury - Tobacco	18,686.8	-10.5%	19,220.7	2.9%	533.8	19,028.5	-1.0%	(192.2)
- Liquor	45,379.8	4.1%	46,875.2	3.3%	1,495.4	49,500.2	5.6%	2,625.0
Insurance Premium	761,342.0	7.6%	769,716.8	1.1%	8,374.8	797,426.6	3.6%	27,709.8
Other Taxes	18,354.0	12.6%	19,730.6	7.5%	1,376.6	21,170.9	7.3%	1,440.3
Subtotal - Taxes	15,589,624.2	-6.7%	15,104,571.4	-3.1%	(485,052.8)	15,716,412.9	4.1%	611,841.5
Other Non-Tax Revenues:								
Lottery	175,812.0	-4.3%	222,285.2	26.4%	46,473.2	234,637.8	5.6%	12,352.6
Gaming Revenue	49,377.2	373.1%	36,590.0	-25.9%	(12,787.2)	39,157.0	7.0%	2,567.0
Licenses, Fees and Permits	42,181.8	3.9%	45,050.1	6.8%	2,868.4	46,942.2	4.2%	1,892.1
Interest	366,763.2	690.7%	360,000.0	-1.8%	(6,763.2)	240,000.0	-33.3%	(120,000.0)
Sales and Services	33,156.3	9.2%	34,482.5	4.0%	1,326.3	35,861.8	4.0%	1,379.3
Other Miscellaneous	178,644.0	14.7%	185,789.8	4.0%	7,145.8	193,221.4	4.0%	7,431.6
Transfers and Reimbursements	275,596.9	64.7%	166,909.0	-39.4%	(108,687.8)	80,301.0	-51.9%	(86,608.0)
Disproportionate Share Revenue	98,139.0	11.7%	75,853.5	-22.7%	(22,285.5)	74,162.9	-2.2%	(1,690.6)
Subtotal - Other Non-Tax	1,219,670.3	68.8%	1,126,960.2	-7.6%	(92,710.1)	944,284.1	-16.2%	(182,676.0)
Net Ongoing Revenue	16,809,294.5	-3.6%	16,231,531.6	-3.4%	(577,762.9)	16,660,697.0	2.6%	429,165.5
Urban Revenue Sharing (URS)	(1,106,958.7)	N/A	(1,564,826.3)	N/A	(457,867.7)	(1,268,255.6)	N/A	296,570.8
Net Ongoing Revenue w/ URS	15,702,335.8	-5.9%	14,666,705.3	-6.6%	(1,035,630.6)	15,392,441.4	4.9%	725,736.3
One-Time Financing Sources:								
Attorney General Settlement	75,462.1	N/A	0.0	-100.0%	(75,462.1)	0.0	N/A	0.0
TPT Diversions	(2,287,489.6)	N/A	0.0	N/A	2,287,489.6	0.0	N/A	0.0
One-Time Income Tax Rebate	0.0	N/A	(272,956.4)	N/A	(272,956.4)	0.0	N/A	272,956.4
Subtotal - One-Time Financing Sources	(2,212,027.5)	N/A	(272,956.4)	N/A	1,939,071.2	0.0	N/A	272,956.4
Subtotal - Revenues	13,490,308.3	-19.2%	14,393,748.9	6.7%	903,440.6	15,392,441.4	6.9%	998,692.7
Balance Forward	4,709,446.0	426.4%	2,527,233.0	-46.3%	(2,182,213.0)	0.0	-100.0%	(2,527,233.0)
Total - Resources	18,199,754.3	3.4%	16,920,981.9	-7.0%	(1,278,772.4)	15,392,441.4	-9.0%	(1,528,540.4)

Appendix B: FY 26 – FY 27 January Forecast

FORECAST REVENUE GROWTH						
(\$ in Thousands)						
	FORECAST FY 2026	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR	FORECAST FY 2027	% CHANGE PRIOR YR	\$ CHANGE PRIOR YR
Sales and Use	8,557,678.1	4.7%	383,959.7	8,979,299.8	4.9%	421,621.7
Income - Individual	5,243,240.4	5.6%	275,741.2	5,539,962.4	5.7%	296,722.0
- Corporate	1,733,167.0	4.0%	66,426.4	1,811,385.3	4.5%	78,218.3
Property	20,902.0	-2.0%	(426.6)	20,484.0	-2.0%	(418.0)
Luxury - Tobacco	18,838.2	-1.0%	(190.3)	18,649.8	-1.0%	(188.4)
- Liquor	52,272.2	5.6%	2,772.0	55,199.5	5.6%	2,927.2
Insurance Premium	830,121.0	4.1%	32,694.5	864,156.0	4.1%	34,035.0
Other Taxes	22,652.9	7.0%	1,482.0	24,238.6	7.0%	1,585.7
Subtotal - Taxes	16,478,871.8	4.9%	762,458.9	17,313,375.3	5.1%	834,503.5
Other Non-Tax Revenues:						
Lottery	250,185.7	6.6%	15,547.9	266,504.7	6.5%	16,319.0
Gaming Revenue	41,010.9	4.7%	1,853.9	42,955.0	4.7%	1,944.1
Licenses, Fees and Permits	48,913.8	4.2%	1,971.6	50,968.2	4.2%	2,054.4
Interest	135,000.0	-43.8%	(105,000.0)	87,000.0	-35.6%	(48,000.0)
Sales and Services	37,296.3	4.0%	1,434.5	38,788.1	4.0%	1,491.9
Other Miscellaneous	200,950.2	4.0%	7,728.9	208,988.3	4.0%	8,038.0
Transfers and Reimbursements	80,859.5	0.7%	558.5	81,437.6	0.7%	578.1
Disproportionate Share Revenue	74,428.5	0.4%	265.6	74,452.7	0.0%	24.2
Subtotal - Other Non-Tax	868,644.9	-8.0%	(75,639.2)	851,094.5	-2.0%	(17,550.5)
Net Ongoing Revenue	17,347,516.7	4.1%	686,819.7	18,164,469.8	4.7%	816,953.1
Urban Revenue Sharing (URS)	(1,141,591.4)	N/A	126,664.1	(1,194,163.2)	N/A	(52,571.7)
Net Ongoing Revenue w/ URS	16,205,925.3	5.3%	813,483.8	16,970,306.6	4.7%	764,381.4
One-Time Financing Sources:						
Attorney General Settlement	0.0	N/A	0.0	0.0	N/A	0.0
TPT Public Infrastructure	0.0	N/A	0.0	0.0	N/A	0.0
One-Time Income Tax Rebate	0.0	N/A	0.0	0.0	N/A	0.0
Subtotal - One-Time Financing Sources	0.0	N/A	0.0	0.0	N/A	0.0
Subtotal - Revenues	16,205,925.3	5.3%	813,483.8	16,970,306.6	4.7%	764,381.4
Balance Forward	0.0	N/A	0.0	0.0	N/A	0.0
Total - Resources	16,205,925.3	5.3%	813,483.8	16,970,306.6	4.7%	764,381.4

Appendix C: General Fund Balance Sheet

STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES WITH ONE-TIME FINANCING SOURCES

	FY 2024 Baseline	FY 2025 Baseline	FY 2026 Baseline	FY 2027 Baseline
REVENUES				
Ongoing Revenues	\$16,231,531,600	\$16,660,697,000	\$17,347,516,700	\$18,164,469,800
Urban Revenue Sharing	(1,564,826,300)	(1,268,255,600)	(1,141,591,400)	(1,194,163,200)
Net Ongoing Revenues	\$14,666,705,300	\$15,392,441,400	\$16,205,925,300	\$16,970,306,600
One-Time Revenues				
Balance Forward	\$2,527,233,000			
One-Time Income Tax Rebate	(272,956,400)			
Subtotal One-Time Revenues	\$2,254,276,600	\$0	\$0	\$0
Total Revenues	\$16,920,981,900	\$15,392,441,400	\$16,205,925,300	\$16,970,306,600
EXPENDITURES				
Ongoing Operating Appropriations	\$15,002,625,400	\$15,725,501,000	\$16,488,259,700	\$16,913,230,100
FY 2024 Supplementals/Ex-Appropriations	(108,392,200)			
Administrative Adjustments	125,000,000	130,000,000	145,000,000	160,000,000
Revertments	(145,000,000)	(155,000,000)	(180,000,000)	(200,000,000)
Subtotal Ongoing Expenditures	\$14,874,233,200	\$15,700,501,000	\$16,453,259,700	\$16,873,230,100
One-Time Expenditures				
Capital Outlay	\$187,946,500	\$29,832,100	\$23,700,000	
Transportation Funding	620,209,600			
Operating One-Time Spending	1,884,608,800	208,057,400	149,231,000	284,034,700
Water Supply Funding	189,200,000	333,000,000		
Subtotal One-Time Expenditures	\$2,881,964,900	\$570,889,500	\$172,931,000	\$284,034,700
Total Expenditures	\$17,756,198,100	\$16,271,390,500	\$16,626,190,700	\$17,157,264,800
Ending Balance ^{1/}	(\$835,216,200)	(\$878,949,100)	(\$420,265,400)	(\$186,958,200)

^{1/} The displayed ending balance shortfalls are presumed to be resolved prior to the end of the fiscal year.

Appendix D: Executive Proposed Operating Budget Clawbacks of Existing Pre-FY 25 Spending

		\$ in thousands	\$ in thousands
		Pre-FY 2024	FY 2024
1	Executive Budget GF Operating Revisions		
2	ADOA - FY 2023 Healthcare Interoperability Grants	(7,386.8)	
3	ADOA - FY 2023 Fire Incident Management System Grants	(5,934.5)	
4	ADOA - K-12 Alternative Transportation		(15,000.0)
5	ADOA - Fire Incident Management Software		(6,100.0)
6	ADOA - Healthcare Interoperability Software/Technology Grant		(1,598.3)
7	ADOA - Miami Unified School District - Miami & Kornegay Gym Floors		(350.0)
8	ADOA/APF - FY 2023 Business One-Stop	(9,114.3)	
9	ADOA/APF - School Financial Transparency Portal		(3,500.0)
10	Corrections - Inmate Dog Training		(650.0)
11	DES - Graham County Rehabilitation Center		(830.0)
12	ADE - Consumable Art/Music Supplies		(10,000.0)
13	ADE - Administration		(7,186.1)
14	ADE - Education and Career Exploration Program		(5,000.0)
15	DEMA - National Guard Uniform Allowance		(300.0)
16	DHS - Psilocybin Research		(5,000.0)
17	Legislature - JLBC - FY 2022 Clawback Prior Year Operating Lump Sum	(604.1)	
18	Legislature - Legislative Council - FY 16 - FY 22 Clawback Prior Years Operating Lump Sum	(14,779.0)	
19	Legislature - Senate - FY 2022 Clawback Prior Year Operating Lump Sum	(1,721.7)	
20	Mine Inspector - Administrative Costs		(300.0)
21	Parks - State Lake Improvement Fund		(5,200.0)
22	Parks - Smartphone Application		(535.6)
23	Treasurer - Secure Ballot Paper		(5,000.0)
24	Treasurer - Nonprofit Volunteer Rodeo Organization		(15,300.0)
25	Treasurer - SR 30 Utility Relocation		(5,025.0)
26	Treasurer - International Dark Sky Discover Center		(5,000.0)
27	Treasurer - County Recorder Voter Registration Accuracy Review		(3,000.0)
28	Treasurer - Sun City Transportation Study		(850.0)
29	Treasurer - Snowflake Sewer Lift Station		(375.0)
30	Treasurer - County Property Owner Notification Systems		(63.1)
31	WIFA - Glendale Irrigation and Xeriscaping		(405.0)
32	WIFA - Mohave Wash Recharge Basin		(1,700.0)
33	WIFA - Gilbert Wells Project		(13,900.0)
34	DWR - Brackish Groundwater Pilot		(11,000.0)
35	Total - GF Operating Revisions	\$ (39,540.4)	\$ (123,168.1)

Appendix E: Executive Proposed Capital Budget Clawbacks of Existing Pre-FY 25 Spending

		\$ in thousands	\$ in thousands
		Pre-FY 2024	FY 2024
1	Executive Budget GF Capital Revisions		
2	Capital - ADOA - Building Renewal	(12,875.8)	(22,554.2)
3	Capital - ADOA - FY 2023 West Adams Building Renovations	(47,798.2)	
4	Capital - ADOA - FY 2023 Building Demolition	(68.6)	
5	Capital - ADC - HVAC Replacement Funding		(33,396.4)
6	Capital - ADC - Building Renewal		(31,764.5)
7	Capital - DPS - Aviation Hanger Enhancement		(320.0)
8	Legislature - Legislative Council - FY 2023 Capital Improvements	(4,894.9)	
9	Legislature - Legislative Council - FY 2022 Repair, Restore, & Renovate Historic Capitol	(9,721.6)	
10	Capital - DVS - FY 2022 Northwestern Arizona Veterans' Home	(25,000.0)	
11	Total - GF Capital Revisions	\$ (100,359.1)	\$ (88,035.1)

Appendix F: Executive Proposed Transportation Budget Clawbacks of Existing Pre-FY 25 Spending

		\$ in thousands	\$ in thousands
		Pre-FY 2024	FY 2024
1	Executive Budget GF Capital Revisions		
2	Capital - ADOT - US-95 Improvements (Wellton Mohawk Canal to Aberdeen Rd)		(19,825.0)
3	Capital - ADOT - SR 347 Intersections (Casa Blanca/Cement Plant)		(18,000.0)
4	Capital - ADOT - Repave US-60 between Morristown and Wickenburg		(10,460.0)
5	Capital - ADOT - I-10 & Jackrabbit Trail Interchange		(5,000.0)
6	Capital - ADOT - Navajo County SR 260 Improvements		(4,210.0)
7	Capital - ADOT - SR 24 Extension (Allocate to Queen Creek/Collaborate w/ Pinal County)		(87,500.0)
8	Capital - ADOT - FY 2023 Additional I-10 Lanes (SR-85 to Citrus Road)	(113,000.0)	
9	Capital - ADOT - FY 2023 Maricopa County I-11 Tier 2 Study	(24,999.4)	
10	Capital - ADOT - FY 2023 SR 347/Riggs Road Overpass Construction	(24,000.0)	
11	Capital - ADOT - FY 2023 US-191 Pavement Rehabilitation (Mile Post 163 to 173)	(21,252.0)	
12	Capital - ADOT - FY 2023 US-191 Pavement Rehabilitation (Armory Road to East Safford)	(18,457.0)	
13	Capital - ADOT - FY 2023 Tier 2 Study (North-South Corridor to Pinal)	(12,279.0)	
14	Capital - ADOT - FY 2023 Loop 101 Screen Wall (51st Ave to 59th Ave)	(9,314.0)	
15	Capital - ADOT - FY 2023 SR-90 Pavement Rehabilitation (Campus Drive to Border Patrol Station)	(7,562.5)	
16	Capital - ADOT - FY 2023 SR 303 & US-60 Interchange Design	(5,043.0)	
17	Capital - ADOT - FY 2023 SR 74 Interchange Study and Design at Lake Pleasant Parkway	(4,650.0)	
18	Capital - ADOT - FY 2023 SR 90 Improvements (Monson Road to Campus Drive)	(3,300.0)	
19	Capital - ADOT - FY 2023 Tier 2 Study (Sonoran Corridor in Pima)	(2,400.0)	
20	Capital - ADOT - FY 2023 SR 87 Design of Improvements near Coolidge	(269.0)	
21	Capital - ADOT - FY 2023 SR69/SR169 Roundabout	(244.5)	
22	Capital - ADOT - FY 2023 Design for Loop 303 Improvements (I-17 to Lake Pleasant Parkway)	(178.0)	
23	Capital - ADOT - FY 2021 Overpass Construction at Riggs Rd & SR 347	(25,000.0)	
24	Capital - ADOT - FY 2021 SR 90 Improvements near Fort Huachuca	(1,705.8)	
25	Total - GF Transportation Revisions	\$ (273,654.2)	\$ (144,995.0)

Appendix G: Executive Proposed Fund Sweeps

FY 2024 Proposed Fund Transfers

	FY 2023 Actual	FY 2024 Estimate	FY 2025 Executive Budget
Administration, Department of			
Certificate of Participation Fund	0.0	2,550.0	0.0
State Employee Travel Reduction Fund	0.0	777.8	0.0
State Web Portal Fund	0.0	1,436.2	0.0
Capitol Mall Consolidation Fund	0.0	630.4	0.0
Fire Incident Management Fund	0.0	5,185.0	0.0
Co-op State Purchasing Fund	0.0	1,091.5	0.0
Total	0.0	11,670.9	0.0
Arizona Health Care Cost Containment System			
Prescription Drug Rebate Fund	0.0	11,642.5	0.0
Total	0.0	11,642.5	0.0
Athletic Training, Board of			
Athletic Training Fund	0.0	170.0	0.0
Total	0.0	170.0	0.0
Attorney General			
Anti-Racketeering Revolving Fund - Operations	0.0	4,250.0	0.0
Anti-Racketeering Revolving Fund - Pass Through	0.0	11,900.0	0.0
Collection Enforcement Revolving Fund - Operating	0.0	212.5	0.0
Total	0.0	16,362.5	0.0
Behavioral Health Examiners, Board of			
Behavioral Health Examiner Fund	0.0	3,590.2	0.0
Total	0.0	3,590.2	0.0
Chiropractic Examiners, Board of			
Chiropractic Examiners Board Fund	0.0	432.0	0.0
Total	0.0	432.0	0.0
Constable Ethics Standards & Training Board			
Constable Ethics Standards and Training Fund - Admin	0.0	85.0	0.0
Total	0.0	85.0	0.0
Contractors, Registrar of			
Residential Contractors' Recovery Fund	0.0	10,200.0	0.0
Total	0.0	10,200.0	0.0
Corporation Commission			
Utility Regulation Revolving Fund	0.0	2,125.0	0.0
Securities Regulatory and Enforcement Fund	0.0	24,733.9	0.0
Total	0.0	26,858.9	0.0

FY 2024 Proposed Fund Transfers

	FY 2023 Actual	FY 2024 Estimate	FY 2025 Executive Budget
Corrections, Department of			
Corrections Fund	0.0	7,463.9	0.0
DOC - Alcohol Abuse Treatment Fund	0.0	878.1	0.0
Transition Program Fund	0.0	2,297.3	0.0
Community Corrections Enhancement Fund	0.0	117.5	0.0
Arizona Correctional Industries Revolving Fund	0.0	11,491.8	0.0
Total	0.0	22,248.6	0.0
Criminal Justice Commission, Arizona			
Criminal Justice Enhancement Fund	0.0	582.3	0.0
Fingerprint Clearance Card Fund	0.0	550.0	0.0
Total	0.0	1,132.3	0.0
Dental Examiners, Board of			
Dental Board Fund	0.0	1,663.9	0.0
Total	0.0	1,663.9	0.0
Economic Opportunity, Office of			
Office of Economic Opportunity Operations Fund	0.0	1,700.0	0.0
Total	0.0	1,700.0	0.0
Economic Security, Department of			
Special Administration Fund	0.0	1,971.2	0.0
Economic Security Capital Investments Fund	0.0	431.1	0.0
Total	0.0	2,402.3	0.0
Education, Department of			
Results-Based Funding Fund	0.0	5,573.9	0.0
Total	0.0	5,573.9	0.0
Exposition and State Fair, Arizona			
Arizona Exposition and State Fair Fund	0.0	3,159.0	0.0
Total	0.0	3,159.0	0.0
Fingerprinting, Board of			
Board of Fingerprinting Fund	0.0	892.5	0.0
Total	0.0	892.5	0.0
Gaming, Department of			
Breeders Award Fund	0.0	93.5	0.0
Total	0.0	93.5	0.0
Health Services, Department of			
Disease Control Research Fund	0.0	811.2	0.0
Nursing Care Institution Resident Protection Revolving Fund	0.0	1,303.1	0.0

FY 2024 Proposed Fund Transfers

	FY 2023 Actual	FY 2024 Estimate	FY 2025 Executive Budget
Prescription Drug Rebate Fund	0.0	1,000.0	0.0
Health Services Lottery Fund	0.0	1,940.3	0.0
Total	0.0	5,054.6	0.0
Industrial Commission of Arizona			
Industrial Commission Administration Fund	0.0	1,145.2	0.0
Special Fund	0.0	760.1	0.0
Total	0.0	1,905.3	0.0
Insurance and Financial Institutions, Department of			
Financial Services Fund	0.0	15,688.5	0.0
Insurance Examiners Revolving Fund	0.0	358.4	0.0
Automobile Theft Authority Fund	0.0	7,377.7	0.0
Captive Insurance Regulatory and Supervision Fund	0.0	80.9	0.0
Financial Surveillance Fund	0.0	321.3	0.0
Receivership Revolving Fund	0.0	694.8	0.0
Total	0.0	24,521.6	0.0
Juvenile Corrections, Department of			
Juvenile Corrections CJEF Distribution Fund	0.0	1,098.6	0.0
Total	0.0	1,098.6	0.0
Land Department, State			
ADOA Risk Management Fund	0.0	343.0	0.0
IGA and ISA Fund	0.0	24.0	0.0
Universities Timber Land Account Fund	0.0	98.7	0.0
Trust Land Management Fund	0.0	23,180.3	0.0
Total	0.0	23,646.0	0.0
Liquor Licenses and Control, Department of			
K Fund Enforcement Surcharges Fund	0.0	170.0	0.0
Total	0.0	170.0	0.0
Massage Therapy, Board of			
Massage Therapy Board Fund	0.0	510.0	0.0
Total	0.0	510.0	0.0
Medical Board			
Medical Examiners Board Fund	0.0	8,521.3	0.0
Total	0.0	8,521.3	0.0
Mine Inspector, State			
Aggregate Mining Reclamation Fund	0.0	38.5	0.0
Total	0.0	38.5	0.0

FY 2024 Proposed Fund Transfers

	FY 2023 Actual	FY 2024 Estimate	FY 2025 Executive Budget
Naturopathic Physicians Board of Medical Examiners			
Naturopathic Board Fund	0.0	1,417.9	0.0
Total	0.0	1,417.9	0.0
Nursing, Board of			
Nursing Board Fund	0.0	8,075.0	0.0
Total	0.0	8,075.0	0.0
Occupational Therapy Examiners, Board of			
Occupational Therapy Fund	0.0	680.0	0.0
Total	0.0	680.0	0.0
Optometry, Board of			
Board of Optometry Fund	0.0	387.1	0.0
Total	0.0	387.1	0.0
Osteopathic Examiners, Board of			
Osteopathic Examiners Board Fund	0.0	2,303.9	0.0
Total	0.0	2,303.9	0.0
Parks, Arizona State			
State Lake Improvement Fund	0.0	5,200.0	0.0
State Parks Revenue Fund	0.0	13,707.9	0.0
Total	0.0	18,907.9	0.0
Pharmacy, Board of			
Pharmacy Board Fund	0.0	5,688.3	0.0
Total	0.0	5,688.3	0.0
Physical Therapy Examiners, Board of			
Physical Therapy Fund	0.0	680.0	0.0
Total	0.0	680.0	0.0
Psychologist Examiners, Board of			
Psychologist Examiners Board Fund	0.0	1,428.5	0.0
Total	0.0	1,428.5	0.0
Public Safety, Department of			
Fingerprint Clearance Card Fund	0.0	4,250.0	0.0
DPS Licensing Fund	0.0	85.0	0.0
Concealed Weapons Permit Fund	0.0	2,924.7	0.0
Total	0.0	7,259.7	0.0

FY 2024 Proposed Fund Transfers

	FY 2023 Actual	FY 2024 Estimate	FY 2025 Executive Budget
Residential Utility Consumer Office			
Residential Utility Consumer Office Revolving Fund	0.0	425.0	0.0
Total	0.0	425.0	0.0
Technical Registration, Board of			
Technical Registration Board Fund	0.0	4,487.7	0.0
Total	0.0	4,487.7	0.0
Transportation, Department of			
State Aviation Fund	0.0	12,750.0	0.0
State Highway Fund	0.0	264,491.7	18,729.4
Abandoned Vehicles Administration Fund	0.0	255.0	0.0
Shared Location & Advertisement Agreement Expense	0.0	75.1	0.0
Highway Expansion & Extension Loan Program Fund	0.0	3.9	0.0
Motor Vehicle Dealer Enforcement Fund	0.0	212.5	0.0
Total	0.0	277,788.2	18,729.4
Treasurer, State			
State Treasurer's Operating Fund	0.0	414.8	0.0
Total	0.0	414.8	0.0
Veterinary Medical Examining Board			
Veterinary Medical Examiners Board Fund	0.0	1,312.7	0.0
Total	0.0	1,312.7	0.0
Water Resources, Department of			
Arizona Water Protection Fund	0.0	2,087.3	0.0
Total	0.0	2,087.3	0.0
Grand Total	0.0	518,687.9	18,729.4