

## **FY 2010 Budget for the Arizona Department of Water Resources (ADWR)**

**Issue:** As an unintended consequence of the FY 09 budget adjustments, early budget drafts show that ADWR has been left with a proposed base budget of only \$10.1 million for FY 2010, 56% less than our FY 08 budget of \$23 million. Clearly, this is an impossible situation. We believe ADWR should do its part to help solve this unprecedented budget crisis but not in such a devastating and disproportional way.

**Solution:** Increase the ADWR base budget to \$18.4 million and take \$8.3 million directly from the Arizona Water Bank Authority (AWBA) Nevada resource (incentive/insurance) account for the General Fund.

- This is a revenue neutral solution
- This will require use of a “notwithstanding” in the budget legislation, as was done in the FY 2009 budget during the last legislative session.
- An \$18.4 million base budget for ADWR would represent a reduction of 20% consistent with other state agencies

### **Background:**

- In FY 2008 the Arizona Department of Water Resources (ADWR) budget was \$24.1 million, \$23 million from the general fund and \$1.1 million from the assured and adequate water supply fund.
- As of January 30, 2009 our FY 2009 budget was \$22.4 million but our general fund component had been reduced to \$11.6 million and a one time backfill of \$9.8 million from the Arizona Water Bank in addition to \$1 million from the assured and adequate water supply fund.
- Now as the Legislature considers a FY 2010 budget we find ourselves in the early draft budgets with a \$10.1 million general fund base and no recommendation for any backfill funding. That means that ADWR’s FY 2010 budget would be 56% below their FY 2008 budget while the rest of the state agency budgets average a 20% reduction. If ADWR was assessed a reduction comparable to the other agencies, their FY 2010 general fund share would be \$18.4 million.
- The proposed ADWR FY 2010 budget would require us to cut up to 105 of our 182 employees in addition to the 50 vacancies that are currently frozen. We could not begin to accomplish our mission with that few employees.
- Our primary mission is to protect Arizona’s existing water supplies and provide sustainable water supplies for our future needs. A sustainable water supply is essential for economic recovery and growth.