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ERNEST G. JOHNSON
Executive Director

ARIZONA CORPORATION COMMISSION

September 1, 2010

Honorable Janice K. Brewer
Governor
1700 W. Washington Street
Phoenix, AZ 85007

Dear Governor Brewer:

We greatly appreciate all of the work you and the Legislature have put into dealing with the current financial crisis in the State. We are pleased to present our biennial budget request for FY 2012 and FY 2013.

We continue to emphasize that our Corporations and Securities Divisions deposit far more revenue to the General Fund than the Commission expends in GF appropriations (\$24.5 million compared to \$600,000 in FY 2010). In addition, the Securities Division returned over \$1,000,000 last year in restitution to defrauded victims. **Finally, it is important to recognize that despite the overall poor economic situation in Arizona last fiscal year, our Corporations division signed up over 57,000 new corporations (including LLCs), a slight increase from the previous fiscal year.**

We appreciate your support of our constitutional mission and look forward to working with you and the Legislature on this difficult budget situation. If you or your staff has any questions, feel free to contact our Executive Director, Ernest Johnson, at 542-3931, or any of us directly.

Sincerely,

Handwritten signature of Kristin K. Mayes in black ink.

Kristin K. Mayes, Chairman

Handwritten signature of Gary Pierce in black ink.

Gary Pierce, Commissioner

Handwritten signature of Paul Newman in black ink.

Paul Newman, Commissioner

Handwritten signature of Sandra D. Kennedy in black ink.

Sandra D. Kennedy, Commissioner

Handwritten signature of Bob Stump in black ink.

Bob Stump, Commissioner



State of Arizona Budget Request

State Agency
Corporation Commission

A.R.S. Citation: Arizona Constitution, Article XV

Governor BREWER:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2012 and Fiscal Year 2013.

To the best of my knowledge all statements and explanations contained in the estimates submitted are true and correct.

Agency Head: Ernest G. Johnson

Title: Executive Director


(signature)

Phone: (602) 542-4140

Prepared By: Peter Vazquez

Email Address: pvazquez@azcc.gov

Date Prepared: Tuesday, August 31, 2010

	FY 2011		FY 2012		FY 2012		FY 2011		FY 2013	
	Expd. Plan	Fund. Issue	Total Budget	Fund. Issue	Total Budget	Expd. Plan	Fund. Issue	Total Budget	Fund. Issue	Total Budget
Total Amount Requested:	24,768.9	(37.5)	24,731.4	24,768.9	24,731.4	24,768.9	(37.5)	24,731.4	(37.5)	24,731.4
General Fund	622.2	1.2	623.4	622.2	623.4	622.2	1.2	623.4	1.2	623.4
Utility Regulation Revolving Fund	13,135.5	(70.3)	13,065.2	13,135.5	13,065.2	13,135.5	(70.3)	13,065.2	(70.3)	13,065.2
Security Regulatory and Enforcement Fund	4,298.4	9.6	4,308.0	4,298.4	4,308.0	4,298.4	9.6	4,308.0	9.6	4,308.0
Public Access Fund	5,964.4	19.0	5,983.4	5,964.4	5,983.4	5,964.4	19.0	5,983.4	19.0	5,983.4
Securities Investment Management Fund	697.2	2.8	700.0	697.2	700.0	697.2	2.8	700.0	2.8	700.0
Arizona Arts Trust Fund	51.2	0.2	51.4	51.2	51.4	51.2	0.2	51.4	0.2	51.4

Total Amount Requested:

General Fund
Utility Regulation Revolving Fund
Security Regulatory and Enforcement Fund
Public Access Fund
Securities Investment Management Fund
Arizona Arts Trust Fund

	FY 2011		FY 2012		FY 2011		FY 2012		FY 2013	
	Expd. Plan	Fund. Issue	Total Budget	Fund. Issue	Total Budget	Expd. Plan	Fund. Issue	Total Budget	Fund. Issue	Total Budget
Total Amount Planned:	1,126.0	(31.2)	1,094.8	1,126.0	1,094.8	1,126.0	(31.2)	1,094.8	(31.2)	1,094.8
Federal Grant Fund	682.1	0.0	682.1	682.1	682.1	682.1	0.0	682.1	0.0	682.1
Statewide Donations Fund	31.2	(31.2)	0.0	31.2	0.0	31.2	(31.2)	0.0	(31.2)	0.0
Utility Siting Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Economic Recovery Fund	412.7	0.0	412.7	412.7	412.7	412.7	0.0	412.7	(365.6)	47.1

Total Amount Planned:

Federal Grant Fund
Statewide Donations Fund
Utility Siting Fund
Federal Economic Recovery Fund

Date Printed:

Transmittal Statement

All dollars are presented in thousands.

Funding Issues List

Agency: CCA Corporation Commission

FY 2013

FY 2012

Priority	Funding Issue Title	Category	Total FTE	Total Amount	General Fund	Other Funds	Non-App Funds	Total FTE	Total Amount	General Fund	Other Funds	Non-App Funds
1	ARRA grant expiring in FY 2013	Decision Pack	0.0	0.0	0.0	0.0	0.0	(3.0)	(365.6)	0.0	0.0	(365.6)
1	Securities Division : Private Grant Expiring	Decision Pack	0.0	(31.2)	0.0	0.0	(31.2)	0.0	(31.2)	0.0	0.0	(31.2)
1	Baseline Adjustments - Risk Management Charges	Decision Pack	0.0	(37.5)	1.2	(38.7)	0.0	0.0	(37.5)	1.2	(38.7)	0.0
Total:			0.0	(68.7)	1.2	(38.7)	(31.2)	(3.0)	(434.3)	1.2	(38.7)	(396.8)
Decision Package Total:			0.0	(68.7)	1.2	(38.7)	(31.2)	(3.0)	(434.3)	1.2	(38.7)	(396.8)

Funding Issue Detail

Agency: CCA Corporation Commission

Issue: 1 ARRA grant expiring in FY 2013

Issue Category: Decision Package

Justification: This baseline adjustment is to record the expiration of the ARRA grant in FY 2013.

Program: 7-1 Utilities
Fund: 2999-N Federal Economic Recovery Fund (Non-Appropriated)

Calculated ERE: \$0.00
Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	(2.0)
Personal Services	0.0	(123.0)
Employee Related Expenses	0.0	(44.9)
Subtotal Personal Services and ERE:	0.0	(167.9)
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	(10.0)
Travel Out-of-State	0.0	(50.0)
Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	0.0	(50.0)
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	0.0	(277.9)

Program: 8-1 Legal
Fund: 2999-N Federal Economic Recovery Fund (Non-Appropriated)

Calculated ERE: \$0.00
Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	(1.0)
Personal Services	0.0	(65.0)
Employee Related Expenses	0.0	(22.7)
Subtotal Personal Services and ERE:	0.0	(87.7)
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	0.0
Travel Out-of-State	0.0	0.0
Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	0.0	0.0
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	0.0	(87.7)

Funding Issue Detail

Agency: CCA Corporation Commission

Issue: 1 Securities Division : Private Grant Expiring

Issue Category: Decision Package

Justification: The Securities Division was awarded a grant from the Investors Protection Trust, that had been extended in the past. Grant funds are set to expire after December 31st, 2010.

This DP is to clear amounts rolling forward.

Program: 4-1 Securities

Fund: 2025-N Statewide Donations Fund (Non-Appropriated)

Calculated ERE: \$0.00

Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	0.0
Personal Services	0.0	0.0
Employee Related Expenses	0.0	0.0
Subtotal Personal Services and ERE:	0.0	0.0
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	0.0
Travel Out-of-State	0.0	0.0
Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	(31.2)	(31.2)
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	(31.2)	(31.2)

Funding Issue Detail

Agency: CCA Corporation Commission

Issue: 1 Baseline Adjustments - Risk Management Charges

Issue Category: Decision Package

Justification: This Baseline adjustment brings the Risk Management charges back in line with the available appropriated funds based on authorized FTE count. Since FY 2003, the majority of Risk Management charges were paid from the URRF due to cash availability in the first quarter of each FY when the premiums are due. Now that all funds have sufficient cash flow as a result of the GF to OF revenues policy shift, this expenditure may be reallocated appropriately. For FY 2012 and FY 2013, the ACC will again see a decrease in charges as identified by ADOA Risk Management. This DP reflects the reduction of (\$37.5 thousand) from the prior two fiscal years; from \$102,900 to \$65,400 total.

Program: 1-1 Administration
Fund: 1000-A General Fund (Appropriated)

Calculated ERE: \$0.00
Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	0.0
Personal Services	0.0	0.0
Employee Related Expenses	0.0	0.0
Subtotal Personal Services and ERE:	0.0	0.0
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	0.0
Travel Out-of-State	0.0	0.0
Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	1.2	1.2
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	1.2	1.2

Program: 1-1 Administration
Fund: 2172-A Utility Regulation Revolving (Appropriated)

Calculated ERE: \$0.00
Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	0.0
Personal Services	0.0	0.0
Employee Related Expenses	0.0	0.0
Subtotal Personal Services and ERE:	0.0	0.0
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	0.0
Travel Out-of-State	0.0	0.0
Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	(4.8)	(4.8)
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	(4.8)	(4.8)

Funding Issue Detail

Agency: CCA Corporation Commission

Issue: 1 Baseline Adjustments - Risk Management Charges

Issue Category: Decision Package

Program: 1-1 Administration
Fund: 2264-A Securities Regulatory & Enforcement (Appropriated)

Calculated ERE: \$0.00
Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	0.0
Personal Services	0.0	0.0
Employee Related Expenses	0.0	0.0
Subtotal Personal Services and ERE:	0.0	0.0
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	0.0
Travel Out-of-State	0.0	0.0
Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	9.6	9.6
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	9.6	9.6

Program: 1-1 Administration
Fund: 2333-A Public Access Fund (Appropriated)

Calculated ERE: \$0.00
Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	0.0
Personal Services	0.0	0.0
Employee Related Expenses	0.0	0.0
Subtotal Personal Services and ERE:	0.0	0.0
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	0.0
Travel Out-of-State	0.0	0.0
Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	19.0	19.0
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	19.0	19.0

Program: 1-1 Administration
Fund: 2404-A Securities Investment Management Fund (Appropriated)

Calculated ERE: \$0.00
Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	0.0
Personal Services	0.0	0.0
Employee Related Expenses	0.0	0.0
Subtotal Personal Services and ERE:	0.0	0.0
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	0.0
Travel Out-of-State	0.0	0.0

Funding Issue Detail

Agency: CCA Corporation Commission

Issue: 1 Baseline Adjustments - Risk Management Charges Issue Category: Decision Package

Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	2.8	2.8
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	2.8	2.8

Program: 1-1 Administration
Fund: 3014-A Arizona Arts Trust Fund (Appropriated)

Calculated ERE: \$0.00
Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	0.0
Personal Services	0.0	0.0
Employee Related Expenses	0.0	0.0
Subtotal Personal Services and ERE:	0.0	0.0
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	0.0
Travel Out-of-State	0.0	0.0
Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	0.2	0.2
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	0.2	0.2

Program: 7-1 Utilities
Fund: 2172-A Utility Regulation Revolving (Appropriated)

Calculated ERE: \$0.00
Uniform Allowance: \$0.00

Justification:

Expenditure Categories	FY 2012	FY 2013
FTE	0.0	0.0
Personal Services	0.0	0.0
Employee Related Expenses	0.0	0.0
Subtotal Personal Services and ERE:	0.0	0.0
Professional & Outside Services	0.0	0.0
Travel In-State	0.0	0.0
Travel Out-of-State	0.0	0.0
Food	0.0	0.0
Aid to Organizations & Individuals	0.0	0.0
Other Operating Expenditures	(65.5)	(65.5)
Equipment	0.0	0.0
Capital Outlay	0.0	0.0
Debt Services	0.0	0.0
Cost Allocation	0.0	0.0
Transfers	0.0	0.0
Program / Fund Total:	(65.5)	(65.5)