



OFFICE OF THE
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Arizona Treasurer Kimberly Yee Announces Results for Stress Test on Operating Cash and Endowment Distributions

PHOENIX, AZ – Arizona State Treasurer Kimberly Yee announced the release of the ‘stress test’ results on the State’s Operating Cash and Permanent Land Endowment Trust Fund (PLETF) distributions. The annual stress tests estimate how long the state’s cash balance would remain positive during an economic downturn and whether there would be a decrease in endowment distributions. This is the Arizona Treasurer’s Office second annual stress test.

“This stress test provides policymakers a view on how budgeting decisions today can affect taxpayers tomorrow,” said Arizona Treasurer Kimberly Yee. “Despite the economic effects of the COVID-19 pandemic, the state’s budget outlook is positive, tax revenues are growing, and the state’s operating cash balance remains strong. For the first six months of FY 2021, operating cash is up 44% year over year to an average of \$3.2 billion, excluding federal CARES Act funds,” Treasurer Yee said.

Using nearly 30 years of historical data, the tests were designed to mirror different “what-if” scenarios from past recessionary periods of Arizona. These periods included the Great Financial Crisis of 2007-2009, the 2000 Tech Bubble Crash, 1987 Black Monday Crash and the 1980’s recession.

“As policymakers consider budget decisions, I encourage continued efforts to solidify our much-improved financial position with this analysis. The great state of Arizona is in a strong economic position and has the ability to weather potential downturns,” Yee added.

The full report including background, definitions, methodology, reasoning, and results is [HERE](#).

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