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"While January collections showed large gains, base sales tax revenues only increased 2.5%, reflecting a mild growth in December holiday sales."

Summary

January collections continued the trend of growing revenues in FY 2012, as every month this year has shown an increase compared to the prior year. January General Fund revenues totaled \$893.4 million. Excluding budget transfers, these collections were 10.2% above last year. Year-to-date, General Fund revenue is 8.1% higher than the prior year.

While January collections showed large gains, base sales tax revenues only increased 2.5%, reflecting a mild growth in December holiday sales. In addition, the increase in Individual Income tax collections was due to \$60 million of one-time payments. Absent this one-time gain, overall base revenue growth would have been 3.0% in January.

Beginning with this February report, actual revenue collections are compared to the Baseline consensus forecast published last month. The Baseline forecast is based on estimates presented at the January Finance Advisory Committee meeting.

General Fund collections exceeded that Baseline forecast by \$46.5 million in January. Without the one-time collections discussed above, revenues would have been \$(13.5) million below forecast. In addition, Individual Income tax refunds in February are running significantly higher than expected, which could negatively affect February's forecast variance.

In comparison to revenue of \$893.4 million, January 2012 General Fund spending was \$650 million, or \$(124) million below last year. January expenditures were lower than the

prior year in part because of Department of Health Services (DHS) spending which was significantly lower due to changes in the timing of a transfer for the Medicaid state match for the Behavioral Health program. Fiscal year-to-date, General Fund revenues of \$5.5 billion have been offset by \$6.0 billion in spending.

State Appropriations Limit Report – JLBC Staff is required to annually report by February 15 on how state spending compares to the constitutional appropriations limit. The Arizona Constitution limits the appropriation of certain state revenues to no more than 7.41% of Arizona personal income. Total FY 2012 state appropriations (both General and Other Funds) would be \$13.33 billion, or 5.64% of personal income. The FY 2013 JLBC Baseline includes spending of \$13.31 billion, which would be 5.26% of personal income.

Truth in Taxation Report – Every February, county assessors update their estimates of assessed property value. Based on that information, JLBC Staff is statutorily required to publish the K-12 qualifying tax rate (QTR) for the upcoming year under the truth in taxation (TNT) provisions. Based on property data received from the county assessors this month, growth in new construction will be 1.43%, which is slightly higher than the 1.40% assumed under the FY 2013 JLBC Baseline. The impact of the higher than-projected new construction growth is that the Arizona Department of Education's formula costs will decrease by \$(6.7) million in FY 2013 relative to the JLBC Baseline.

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This report has been prepared for the Arizona Legislature by the Joint Legislative Budget Committee Staff on February 20, 2012.

January Revenues

Table 1

General Fund Revenues (\$ in Millions)

	<u>FY 2012 Collections</u>	<u>Difference From Forecast</u>	<u>Difference From FY 2011</u>
January	\$ 893.4	\$ 46.5	\$ 83.6
Year-to-Date	\$ 5,456.8	\$ 46.5	\$ 539.2

Sales Tax collections were \$435.4 million, or 3.3% above January 2011 and \$(3.0) million below the January JLBC Baseline forecast. Excluding the \$88.0 million from the temporary 1-cent sales tax increase, collections were \$347.4 million, or 2.5% above January 2011. The temporary 1-cent continues to grow more than the base tax because of certain exemptions.

Year-to-date, base sales tax collections are 5.3% above the prior year and are \$(2.5) million below forecast.

Table 2 displays the January growth rates for the largest categories.

Table 2

Sales Tax Growth Rates Compared to Prior Year

	<u>January</u>	<u>YTD</u>
Retail	3.5%	6.7%
Contracting	1.3%	9.8%
Utilities	1.6%	0.8%
Use	2.6%	6.3%
Restaurant & Bar	6.2%	7.6%

Retail and contracting together account for about 60% of all sales tax revenues. January retail, which reflects December's holiday sales, grew by 3.5%. Retail began to grow last December. In recent months, retail growth has continued to grow, but at a slower rate, due in part to the stronger base in the prior year. This trend may continue considering the high growth rates last February through June. Contracting collections also slowed this month.

Individual Income Tax net revenues were \$423.7 million in January, or 16.9% above the prior year. Collections were \$45.8 million above the JLBC Baseline forecast. Year-to-date, revenues have grown 9.8%.

As indicated in Table 3, withholding increased by 1.8% in January for a year-to-date increase of 3.2%. The large increase in Estimated and Final Payments reflects about \$60 million in what the Department of Revenue called

"unusual activity" in Estimated Payments. Due to taxpayer confidentiality, the department was unable to be more specific. Without this activity, Estimated Payments would have grown 6% - 7%.

Table 3

Individual Income Tax Growth Rates Compared to Prior Year

	<u>January</u>	<u>YTD</u>
Withholding	1.8%	3.2%
Estimated + Final Payments	74.9%	34.1%
Refunds	41.9%	(16.4)%

Corporate Income Tax net collections were \$33.1 million in January, which is \$7.8 million above the prior year. Collections were \$10.3 million above the JLBC Baseline forecast. Year-to-date, collections have grown 33.4%.

The **Lottery Commission** reports that January ticket sales were \$52.7 million, which is \$(1.7) million, or (3.1)%, below sales in the prior year. Year-to-date ticket sales are \$345.5 million, which is 6.8% above last year's sales.

Non-General Fund

Tobacco Tax revenues were \$23.3 million in January. Collections were down (21.0)% compared to the prior year. Year-to-date collections are down (2.0)%, and are \$(6.9) million below forecast.

Less than 10% of tobacco taxes are deposited directly into the General Fund. The remainder primarily goes to AHCCCS and the Department of Health Services to defray the General Fund cost of operating those programs, along with funding the Early Childhood Development and Health Board.

Highway User Revenue Fund (HURF) revenues consist of gasoline and use fuel (diesel) tax, motor carrier fees (commercial carriers), vehicle license tax and registration fees, and various other fees. HURF collections of \$99.2 million in January were down \$(3.5) million, or (3.4)%, compared to January of last year. Year-to-date revenues are down (0.6)%.

"In recent months, retail growth has continued to grow, but at a slower rate, due in part to the stronger base in the prior year."

Table 4

General Fund Revenue: Change from Previous Year and January Baseline Forecast January 2012

	Current Month					FY 2012 YTD (Seven Months)				
	Actual January 2012	Change From				Actual January 2012	Change from			
		January 2011		Forecast			January 2011		Forecast	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Taxes										
Sales and Use - Base*	\$347,418,964	\$8,457,408	2.5 %	(\$2,533,407)	(0.7) %	\$2,131,105,082	\$107,380,635	5.3 %	(\$2,533,407)	(0.1) %
- 1¢ Increase*	\$87,970,921	5,409,312	6.6	(487,852)	(0.6)	528,963,318	51,516,048	10.8	(487,853)	(0.1)
Income - Individual	423,694,950	61,199,096	16.9	45,827,514	12.1	2,149,625,155	192,689,457	9.8	45,827,514	2.2
- Corporate	33,127,294	7,842,902	31.0	10,344,754	45.4	355,203,044	88,959,734	33.4	10,344,754	3.0
Property	907,433	115,024	14.5	99,853	12.4	10,007,731	(1,768,745)	(15.0)	99,853	1.0
Luxury - Tobacco	2,278,595	(455,943)	(16.7)	(370,454)	(14.0)	14,599,022	(15,061)	(0.1)	(370,454)	(2.5)
- Liquor	4,220,768	(28,660)	(0.7)	(126,251)	(2.9)	19,536,819	1,848,648	10.5	(126,251)	(0.6)
Insurance Premium	40,237	(70,500)	(63.7)	(43,292)	(51.8)	159,742,297	(17,700,296)	(10.0)	(43,292)	(0.0)
Estate	0	0	--	0	--	200,825	(236,547)	(54.1)	0	0.0
Other Taxes	62,711	(4,544)	(6.8)	(3,909)	(5.9)	325,239	(506,989)	(60.9)	(3,909)	(1.2)
Sub-Total Taxes	\$899,721,873	\$82,464,095	10.1 %	\$52,706,956	6.2 %	\$5,369,308,533	\$422,166,884	8.5 %	\$52,706,956	1.0 %
Other Revenue										
Lottery	5,528,740	(1,024,900)	(15.6)	(2,639,605)	(32.3)	29,955,740	6,570,470	28.1	(2,639,605)	(8.1)
License, Fees and Permits	2,225,976	(849,685)	(27.6)	(497,749)	(18.3)	16,577,291	242,486	1.5	(497,750)	(2.9)
Interest	6,663	(272,588)	(97.6)	(3,337)	(33.4)	2,098,513	(440,299)	(17.3)	(3,337)	(0.2)
Sales and Services	1,559,403	229,435	17.3	(3,448,583)	(68.9)	9,394,501	(1,955,134)	(17.2)	(3,448,583)	(26.9)
Other Miscellaneous	6,081,616	3,828,110	169.9	4,351,586	251.5	22,165,564	10,069,895	83.3	4,351,586	24.4
Disproportionate Share	0	0	--	0	--	0	(27,146,306)	(100.0)	0	--
Transfers and Reimbursements	603,860	270,852	81.3	(3,973,684)	(86.8)	12,113,152	(2,199,929)	(15.4)	(3,973,684)	(24.7)
Sub-Total Other Revenue	16,006,258	2,181,224	15.8 %	(6,211,372)	(28.0) %	92,304,762	(14,858,816)	(13.9) %	(6,211,372)	(6.3) %
TOTAL BASE REVENUE	\$915,728,131	\$84,645,319	10.2 %	\$46,495,584	5.3 %	\$5,461,613,294	\$407,308,068	8.1 %	\$46,495,584	0.9 %
Other Adjustments										
Urban Revenue Sharing	(35,368,620)	4,131,923	--	0	0.0	(247,580,340)	28,923,461	--	0	0.0
Budget Plan Transfers	13,075,732	(5,220,248)	(28.5)	0	0.0	229,937,809	90,114,271	64.4	0	0.0
Tax Recovery Program	0	0	--	0	--	12,867,428	12,867,428	--	0	0.0
Sub-Total Other Adjustments	(22,292,888)	(1,088,325)	5.1 %	0	0.0 %	(4,775,103)	131,905,160	-- %	0	(0.0) %
TOTAL GENERAL FUND REVENUE	\$893,435,243	\$83,556,994	10.3 %	\$46,495,584	5.5 %	\$5,456,838,192	\$539,213,229	11.0 %	\$46,495,584	0.9 %
Non-General Funds										
Highway User Revenue Fund	\$99,208,602	(\$3,480,926)	(3.4) %	(\$4,405,132)	(4.3) %	\$690,744,240	(\$4,177,491)	(0.6) %	(\$13,374,464)	(1.9) %
Tobacco Tax (All Funds Total)	\$23,345,895	(\$6,218,499)	(21.0) %	(\$8,193,064)	(26.0) %	\$188,376,493	(\$3,940,376)	(2.0) %	(\$6,925,797)	(3.5) %

* Total January collections including the temporary 1¢ increase approved by the voters in May 2010 were \$435.4 million. This amount is \$13.9 million, or 3.3%, above January 2011 and \$(3.0) million, or (0.7)%, below forecast. Year-to-date, total collections including the 1¢ increase were \$2,660.1 million. This amount is \$158.9 million, or 6.4%, above January 2011 and \$(3.0) million below forecast.

Economic Indicators

NATIONAL

The Conference Board's **Leading Economic Index** increased 0.4% in December, following a 0.2% increase in November and a 0.6% increase in October. December's 0.4% gain, which was primarily the result of fewer initial unemployment claims and a favorable interest-rate spread, signals continued growth in the next few months. Beginning in December 2011, there were major changes to the components and methodology of the index, in addition to the annual revisions. The new methodology shows a much sharper decline in the leading economic index during the 2007-2009 recession than previously reported. Additionally, under the new methodology, the index shows a more gradual recovery than under prior methodology.

Consumer prices, as measured by the **U.S. Consumer Price Index (CPI)**, rose by 0.2% in January. This increase followed 3 months of essentially no change to overall consumer prices. Year-over-year, the CPI was up by 2.9% in January. Core inflation, which excludes energy and food prices, also increased by 0.2% in January. Year-over-year, core inflation was 2.3% in January. With gasoline prices rising, the CPI is poised to increase in the coming months.

ARIZONA

The Federal Reserve Bank of Philadelphia's **coincident index** gauges current economic activity in each state. The index combines 4 indicators: employment, average hours worked in manufacturing, unemployment rate, and inflation-adjusted wages.

Most states nationwide saw an increase in their coincident index in December, with Arizona posting somewhat lower growth compared to other states. In December, Arizona's coincident index was unchanged compared to the prior month. Year-over-year, the Arizona index is 1.7% above last year. While this is a significant improvement, Arizona's index is still (12.9)% below its peak, which occurred in August 2007. See [Tracking Arizona's Recovery](#) for additional historical information.

The Federal Reserve Bank of Philadelphia also publishes a **leading index** for each state that forecasts economic conditions for the next 6

months. In addition to the coincident index, Arizona's leading index is based on Arizona housing permits, Arizona initial unemployment insurance claims, national delivery times from a manufacturing survey, and the interest rate spread between the 3-month and 10-year Treasury instruments.

Using a 3-month average, Arizona's leading index projects that state GDP will grow at an annualized rate of 1.6% over the next 6 months. This is lower than the 2.2% revised growth projection in November, and lower than the 1.9% projection in December 2010.

Housing

The number of Maricopa County **pending foreclosures** decreased from 19,979 in December to 18,287 in January. The January total is (64.5)% below the peak in December 2009 (51,466). See [Tracking Arizona's Recovery](#) for additional historical information.

Another measure of the health of the Arizona real estate market is permitting activity. Single-family housing permits declined for the sixth consecutive year in 2011. For the 12 - month period through December, a total of 10,637 **single-family building permits** had been issued statewide, a (3.1)% decrease from last year.

While the single-family sector appears to still be struggling, the multi-family housing sector seems to be more healthy, in part due to declining apartment vacancy rates. For the 12 - month period ending in December, a total of 2,749 **multi-family building permits** had been issued in the state, a 64.7% increase from the prior year. While this growth is significant, multi-family permitting activity still remains approximately (78)% below the peak of activity in June 2006.

Employment

Due to the annual revision of employment data (also known as "benchmarking"), January's employment and unemployment figures will not be released until the first week of March. For this reason, this month's issue of *Monthly Fiscal Highlights* does not include any employment statistics.

"For the 12 - month period ending in December, a total of 2,749 multi-family building permits had been issued in the state, a 64.7% increase from the prior year."

Economic Indicators (Continued)

State Agency Data

In February, total AHCCCS caseloads equaled 1.32 million members, a (0.6)% decrease from the prior month. Overall AHCCCS caseloads are currently (2.0)% below February 2011 levels.

The traditional AHCCCS population, which consists primarily of lower-income children and their parents, increased 0.1% from January and 5.8% from a year ago. The total population in this program is almost 900,000. This growth has been offset by declines in other populations. The Proposition 204 childless adult program has not allowed new participants since July and this population has declined (71,633) since July to 145,493. Of the decline, (10,603) is attributed to members who were transferred to the SSI program. As a whole, the Proposition 204 program has declined (2.8)% compared to the prior month, and (20.7)% from the prior year.

There were 39,748 **TANF recipients** in the state in January, a monthly caseload increase of 0.3%. Year over-year, the number of TANF recipients has declined by (9.3)%. This decline is the result of changes to the statutory lifetime limit a person may receive cash assistance. The FY 2011 budget reduced the lifetime limit to 36 months. The FY 2012 budget further reduces this limit to 24 months. Previously, the maximum had been 60 months. The FY 2012 budget assumed caseloads of approximately 36,000 in FY 2012.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. In January, there were a total 1.1 million food stamp recipients in the state, a (0.5)% decrease over the prior month. Compared to the same month last year, food stamp participation was up by 8.9%. The number of food stamp recipients began increasing steadily in July 2007, after several years in the 550,000 to 575,000 range.

The 3-month average count of the **Department of Correction's (ADC) inmate population** decreased to 39,965 inmates between November 2011 and January 2012. Relative to the prior 3-month period, the population has decreased by (66) inmates. Compared to a year ago, the population has declined by (181) inmates.

Economic Indicators (Continued)

Table 5

ECONOMIC INDICATORS

Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
- Unemployment Rate (SA)	December	8.7%	(0.0)%	(0.9)%
- Initial Unemployment Insurance Claims	December	21,373	0.1%	(7.9)%
- Unemployment Insurance Claimants	December	55,173	(5.7)%	(16.0)%
- Non-Farm Employment - Total	December	2.45 million	(0.1)%	1.6%
Manufacturing	December	152,000	(0.3)%	2.1%
Construction	December	112,500	(1.9)%	2.8%
- Average Weekly Hours, Manufacturing	December	41.3	2.2%	1.5%
- Contracting Tax Receipts (3-month average)	Nov-Jan	\$34.5 million	(1.2)%	1.7%*
- Retail Sales Tax Receipts (3-month average)	Nov-Jan	\$157.8 million	11.8%	5.0%*
- Residential Building Permits (3-month moving average)				
Single-family	Oct-Dec	780	(6.9)%	21.2%
Multi-unit	Oct-Dec	262	(0.1)%	60.9%
- Greater Phoenix Existing Home Sales				
Single-Family	December	7,940	11.8%	(2.6)%
Townhouse/Condominium	December	1,190	10.7%	(10.2)%
- Greater Phoenix Median Resale Home Price				
Single-Family	December	\$125,000	(0.8)%	(3.8)%
Townhouse/Condominium	December	\$78,265	(3.2)%	(6.7)%
- Greater Phoenix S&P/Case-Shiller Home Price Index (Jan. 2000 = 100)	November	101.12	0.6%	(3.6)%
- Foreclosure Activity, Maricopa County				
Pending Foreclosures (Active Notices)	January	18,287	(8.5)%	(54.2)%
- Greater Phoenix Total Housing Inventory, (ARMLS)	January	25,025	1.3%	(41.6)%
- Phoenix Sky Harbor Air Passengers	November	3.30 million	0.1%	4.0%
- Arizona Average Natural Gas Price (\$ per thousand cubic feet)	November	\$5.48	8.9%	(8.8)%
- Arizona Consumer Confidence Index (1985 = 100)	1 st Quarter 2012	69.5	20.9%	10.7%
- Arizona Coincident Index (July 1992 = 100)	December	178.48	0.0%	1.7%
- Arizona Leading Index -- 6 month projected growth rate	Oct-Dec	1.6%	(0.6)%	(0.3)%
- Arizona Personal Income	3rd Quarter 2011	\$232.2 billion	0.2%	4.3%
- Arizona Population	July 1, 2011	6.48 million	N/A	1.1%
- AHCCCS Recipients	February	1,317,035	(0.6)%	(2.0)%
Acute Care Traditional		896,002	0.1%	5.7%
Spend Down		-	(100.0)%	(100.0)%
Prop 204 Childless Adults		145,493	(5.2)%	(34.6)%
Other Prop 204		154,896	(0.4)%	2.8%
Kids Care		12,149	(5.4)%	(45.2)%
Long-Term Care – Elderly & DD		51,773	(0.2)%	2.0%
Emergency Services		56,722	1.6%	27.4%
- TANF Recipients	January	39,748	0.3%	(9.3)%
- SNAP (Food Stamps) Recipients	January	1,142,242	(0.5)%	8.9%
- ADC Inmate Growth (3-month average)	Nov-Jan	39,965	(66) inmates	(181) inmates
- Probation Caseload (Adult/Juvenile)				
Non-Maricopa	December	18,630	21	(965)
Maricopa County	December	25,637	87	(456)
United States				
- Gross Domestic Product (Chained 2005 dollars, SAAR)	4th Quarter 2011 (1st Estimate)	\$13.4 trillion	2.8%	1.6%
- Consumer Confidence Index (1985 = 100)	January	61.1	(5.7)%	(5.7)%
- Leading Indicators Index (2004 = 100)	December	94.3	0.4%	2.8%
- U.S. Semiconductor Billings (3-month moving average)	Oct-Dec	\$4.36 billion	(4.9)%	(4.6)%
- Consumer Price Index, SA (1982-84 = 100)	January	227.51	0.2%	2.9%

*Adjusted for 1¢ sales tax

JLBC Meeting

At its January 31, 2012 meeting, the Joint Legislative Budget Committee considered the following issues:

Arizona Department of Administration – Review of the Arizona Public Safety Communication Advisory

Commission – The Committee gave a favorable review of ADOA's FY 2011 annual report, which summarized the commission's progress for the statewide interoperability design project.

JCCR Meeting

At its February 7, 2012 meeting, the Joint Committee on Capital Review considered the following issues:

Arizona State University – Review of Recreation Facilities Bond Projects – The Committee gave a favorable review of a \$56.9 million bond issuance to build a new Student Services Recreation Facility at the Downtown Phoenix campus and expanded recreation facility space at the Tempe campus.

Arizona State University – Review of Athletic Facilities Renovations Bond Projects – The Committee gave a

favorable review of a \$4.7 million bond issuance to fund renovations of 9 athletic facilities on the Tempe campus.

Arizona State University – Review of Student Housing Bond Refinance – The Committee gave a favorable review of a \$17.1 million bond issuance to refinance a student housing bond at the East campus.

Arizona Department of Administration – Consider Recommending FY 2012 Rent Exemption – The Committee recommended a technical rent exemption.

Summary of Recent Agency Reports

ADOA/Treasurer – Report on Reconciliation of General Fund Balance for FY 2011 – Pursuant to A.R.S. § 41-172A and A.R.S. § 35-131F the Office of the State Treasurer and the Arizona Department of Administration (ADOA) are required to submit reports reconciling any difference between agencies in the year-end General Fund balance. ADOA and the Treasurer currently report FY 2011 year-end General Fund balances (including dedicated subaccounts and excluding claims payable) of \$60.1 million and \$59.4 million, respectively. After final accounting, the unreserved General Fund balance was \$3.2 million. The difference leaves an unreconciled General Fund balance of \$704,000. ADOA and the Treasurer report that they will continue to try to isolate the source of the difference. (Eric Billings)

Department of Public Safety – Quarterly Report on the GIITEM Fund – Pursuant to A.R.S. § 41-1724, the Department of Public Safety (DPS) is required to report quarterly on Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Fund expenditures. During the second quarter of FY 2012, DPS expended \$572,600 in the form of a grant to the Maricopa County Sheriff's Office. Year-to-date, DPS has expended \$1.4 million of the FY 2012 non-lapsing \$2.6 million appropriation for local law enforcement grants. Additionally, DPS spent or encumbered \$1.7 million of the FY 2011 non-lapsing \$2.6 million appropriation. The remaining \$919,600 in the FY 2011 and \$1.2 million in the FY 2012 appropriations will be available for use through FY 2012 and FY 2013, respectively.

Additionally, the GIITEM Border Security and Law Enforcement Subaccount received \$710,523 in criminal fine and fee revenues in the second quarter of FY 2012 or a total of \$748,323 year-to-date. These monies are being

used to reimburse the General Fund for a \$1.0 million appropriation made to the Pinal County Sheriff pursuant to Laws 2011, Chapter 308. (Eric Billings)

Department of Revenue – Report on Temporary Collectors – A FY 2012 General Appropriation Act footnote requires the Department of Revenue (DOR) to report on the results of temporary collectors. Beginning in FY 2010, DOR was appropriated \$3 million from the General Fund for temporary collectors to assist in the collection of already established debt.

DOR reports that through December 2011, 56 temporary collectors have been hired and trained at a cost of \$1.6 million. Through December, DOR estimated that these temporary collectors have generated approximately \$34.1 million in total funds, which resulted in \$25.2 million in additional revenue to the General Fund. It was originally estimated that they would generate a total of \$52.9 million in additional General Fund revenue in FY 2012. (Eric Billings)

School Facilities Board – Report on Energy Cost Savings Contracts – Pursuant to Laws 2009, Chapter 101, the School Facilities Board (SFB) is required to submit an annual report outlining energy cost savings contracts entered into by school districts pursuant to A.R.S. § 15-213.01, including details on actual energy cost savings.

Over 2 fiscal years (FY 2010 and FY 2011), SFB reported that school districts completed 64 projects which produce \$12.4 million in annual energy cost savings. These projects include the installation of solar photovoltaic systems along with upgrading the energy efficiency of traditional facilities items such as HVAC units and lighting. (Jack Brown)

January Spending

January 2012 spending of \$649.7 million was \$(124.0) million less than December 2010 (*See Table 6*).

This decline was primarily due to changes in the timing of a transfer for the Medicaid state match for the Behavioral Health program.

In addition, Universities spending was \$(11.3) million less than the prior year. The Universities received a \$198 million lump sum reduction in FY 2012, which will be spread out throughout the fiscal year.

Table 6 General Fund Spending (\$ in Millions)				
Agency	<u>January 12</u>	<u>Change from January 11</u>	<u>Year to Date</u>	<u>YTD Change from FY 11</u>
AHCCCS	120.9	(4.4)	948.3	58.0
Corrections	74.2	(13.3)	543.2	8.3
Economic Security	49.4	27.0	483.6	27.6
Education	260.5	(43.9)	2,480.4	(41.1)
Health Services	11.2	(92.7)	443.0	102.5
Public Safety	2.4	0.1	37.0	5.1
School Facilities Board	30.6	30.4	163.5	130.1
Universities	47.7	(11.3)	513.0	(93.0)
Leaseback	0.0	0.0	49.1	3.0
Debt Service				
Other	<u>52.8</u>	<u>(15.7)</u>	<u>315.7</u>	<u>(93.1)</u>
Total	649.7	(124.0)	5,976.8	107.4

Table 7				
Agency	General Fund Spending (\$ in Thousands)		Year-to-Date	YTD Change from FY 11
	January 12	Change from January 11		
Department of Administration	680.4	(51.9)	10,698.7	(2,757.6)
Department of Admin Sale/Leaseback D/S	-	-	49,050.7	(3,016.2)
Office of Administrative Hearings	62.8	(97.9)	493.6	(126.9)
Department of Agriculture	659.6	478.4	4,839.0	(641.1)
AHCCCS	120,898.6	(4,356.5)	948,255.8	57,994.3
Attorney General	1,125.7	27.9	10,201.7	(1,479.1)
AZ Capital Post Conviction Public Defender	55.5	(38.4)	355.3	(68.8)
State Board of Charter Schools	49.1	8.1	443.0	(43.6)
Department of Commerce/AZ Commerce Authority	2,625.0	2,513.1	18,375.0	15,668.7
Community Colleges	17,144.3	(15,962.2)	51,433.0	(47,886.8)
Corporation Commission	40.1	7.5	317.8	(18.2)
Department of Corrections	74,203.1	(13,297.6)	543,247.6	8,251.4
AZ State Schools for the Deaf & Blind	1,622.8	(479.4)	12,745.2	(1,945.1)
Department of Economic Security	49,406.1	26,994.4	483,625.5	27,615.3
Department of Education	260,513.9	(43,851.9)	2,480,438.7	(41,056.8)
DEMA	713.3	(1,149.0)	4,104.6	(3,207.6)
Department of Environmental Quality	-	-	-	(0.6)
DEQ – WQARF	-	-	7,000.0	-
Office of Equal Opportunity	11.2	(12.6)	104.6	(15.8)
State Board of Equalization	21.9	(60.1)	389.0	(43.5)
Board of Executive Clemency	52.3	3.9	490.2	(86.1)
Department of Financial Institutions	179.3	17.6	1,631.9	(162.9)
Department of Fire, Life, Bldg Safety	221.2	229.2	1,127.0	(275.2)
State Forester	245.7	(106.3)	3,225.5	1,464.1
Arizona Geological Survey	80.9	(12.9)	540.1	137.1
Government Information Tech.	-	(37.4)	(3.1)	(311.2)
Governor/OSPB	693.8	148.8	3,681.8	(2,046.0)
Department of Health Services	11,217.4	(92,710.8)	442,957.5	102,464.7
Arizona Historical Society	200.3	9.7	2,035.1	(2,386.8)
Prescott Historical Society of AZ	96.8	59.5	429.0	52.8
Independent Redistricting Comm.	607.0	607.0	2,560.9	2,560.9
Commission of Indian Affairs	0.1	(3.3)	27.9	(3.4)
Department of Insurance	403.0	38.3	3,166.8	(592.8)
Judiciary	-	-	-	-
Supreme Court	1,978.1	1,564.3	8,914.5	(5,741.6)
Superior Court	9,085.1	(383.8)	45,913.5	(502.1)
Court of Appeals	1,079.2	(363.1)	8,194.6	(1,636.6)
Department of Juvenile Corrections	4,166.2	718.7	28,594.0	(6,479.1)
State Land Department	118.2	(129.4)	700.7	(1,497.5)
Law Enforcement Merit System	4.7	(0.3)	33.0	(13.4)
Legislature				
Auditor General	1,333.8	254.0	10,375.4	(762.0)
House of Representatives	991.0	63.6	7,079.1	(568.5)

Agency	January 12	Change from January 11	Year-to-Date	YTD Change from FY 11
Joint Legislative Budget Comm.	138.8	24.8	1,155.0	(187.4)
Legislative Council	269.8	(32.2)	3,266.6	213.5
Senate	753.6	191.3	4,859.9	(506.0)
Board of Medical Student Loans	-	-	20.5	(323.3)
Mine Inspector	79.8	5.5	669.1	(71.8)
Department of Mines & Mineral Resources	-	(20.9)	-	(793.1)
Navigable Stream Adjudication Comm.	6.8	0.6	96.9	0.1
OSHA	-	-	-	-
Arizona State Parks Board	-	0.0	-	(20,000.0)
Pioneers' Home	398.9	257.7	1,507.3	690.1
Comm. for Postsecondary Ed.	698.4	698.4	1,396.8	786.4
Department of Public Safety	2,350.7	295.9	36,975.6	5,111.9
Arizona Department of Racing	30.5	(102.7)	2,701.0	(600.4)
Radiation Regulatory Agency	239.0	(85.7)	989.0	(33.3)
Arizona Rangers Pension	-	(1.2)	-	(8.3)
Real Estate Department	148.0	19.8	1,465.1	(448.7)
Department of Revenue	1,634.4	(4,251.8)	30,368.9	4,219.1
School Facilities Board	30,566.5	30,428.3	163,521.0	130,129.1
Secretary of State	731.1	111.3	5,764.8	(4,972.0)
Tax Appeals Board	28.4	13.5	164.3	(3.3)
Department of Transportation	7.1	1.5	24.2	(0.8)
State Treasurer	87.4	(94.6)	1,949.9	156.6
Universities				
Board of Regents	5,191.2	2,310.2	15,706.8	2,252.3
Arizona State University	19,169.4	(6,231.5)	224,761.0	(43,622.8)
Northern Arizona University	6,431.6	(2,120.3)	75,516.2	(14,840.9)
University of Arizona	16,872.6	(5,262.5)	197,037.8	(36,836.5)
Department of Veteran Services	1,098.6	612.3	4,994.2	(2,054.1)
Department of Water Resources	(287.8)	(1,748.8)	2,811.9	(1,785.3)
Department of Weights & Measures	84.0	(25.5)	627.5	(64.1)
Other	403.6	364.7	647.0	204.4
Grand Total	649,719.9	(124,002.9)	5,976,792.1	107,447.5