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“The General Fund budget shortfall is projected to be \$(530) million in FY 2011 and \$(975) million in FY 2012.”

This report has been prepared for the Arizona Legislature by the Joint Legislative Budget Committee Staff on January 28, 2011.

Summary



December was the fifth consecutive month of year-over-year growth in General Fund revenue collections. General Fund revenues totaled \$856.4 million. Excluding the temporary 1-cent sales tax, these collections were 11.0% above last year.

December revenue growth was driven by gains in individual and corporate income tax collections. Individual income tax collections increased 7.8% compared to the prior year, however, this increase is likely due to changes in the state income tax withholding rates. Corporate income tax collection growth was almost entirely due to the substantial amount of refunds in December 2009.

Given these 2 factors, the substantial increase in December revenue growth does not necessarily indicate a sustained economic recovery.

General Fund collections were above the forecast by \$18.3 million in December. For the 6 months year-to-date, revenues are \$(15.8) million below forecast.

In comparison, December 2010 General Fund spending was \$592.5 million, or \$(46.0) million below last year. December expenditures were lower than the prior year in part due to the Department of Education having lower payments than were budgeted for the Homeowner Rebate program, and paying a lower percentage of yearly funding compared to the prior year.

Fiscal year-to-date, General Fund revenues of \$4.1 billion have been offset by \$5.1 billion in spending for a \$1 billion gap. The state

began FY 2011 with an operating balance of \$1.5 billion. The divergence of revenues and spending year-to-date has caused the operating fund balance to decline to \$630.8 million at the end of December. The state pays its bills out of the operating fund balance, which consists of General Fund monies and certain dedicated funds.

Baseline and Executive Budget Summary

In mid-January the JLBC released its FY 2012 Baseline budget. (Please see the [FY 2011 and FY 2012 JLBC Baseline](#) for a presentation summarizing the Baseline). The Baseline reflects a consensus economic forecast and statutory funding formula requirements. The Baseline does not represent a budget proposal. In summary:

- The General Fund budget shortfall is projected to be \$(530) million in FY 2011 and \$(975) million in FY 2012.
- FY 2012 General Fund revenues are forecasted to grow by 5.4% and revenues would equal \$8.3 billion. (See Finance Advisory Committee discussion on page 5).
- Overall, General Fund spending would grow by \$842 million, or 10.0%. This includes an \$876 million increase to replace the loss of one-time federal assistance. FY 2012 spending would equal \$9.3 billion.

The Executive projects the General Fund budget shortfall to be \$(764) million in FY 2011 and \$(1.1) billion in FY 2012. Because they were constructed in a slightly different

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manner, the JLBC and Executive baseline shortfall estimates are not directly comparable. However, adjusting for these methodological differences, the estimates are comparable.

The Executive would address the FY 2012 shortfall with the following proposals:

- Budget reductions – \$903 million
- Rollovers - \$115 million
- Fund transfers - \$86 million

December Revenues

Table 1

	General Fund Revenues (\$ in Millions)		
	FY 2011 Collections	Difference From Budget Forecast	Difference From FY 2010
December	\$ 856.4	\$ 18.3	\$ 175.4
Year-to-Date	\$ 4,107.6	\$ (15.8)	\$ 750.3

Sales Tax collections were \$341.1 million in December. Excluding the \$67.0 million from the temporary 1-cent increase, collections were \$274.5 million, or 0.7% above December 2009. December is the third consecutive month to show positive year-over-year growth. December's smaller gain is due in part to the timing of state holidays, which means that some December collections will be reflected in January.

While positive, collections lagged projections. Including the 1-cent increase, collections were \$(13.6) million below the forecast. The year-to-date loss is \$(108.3) million.

Individual Income Tax net revenues were \$342.5 million in December, or 7.8% above the prior year. Collections were \$15.7 million above the forecast. Year-to-date, revenues have grown 9.7% and are \$73.9 million above forecast through December.

As indicated in *Table 3* below, withholding tax payments increased by 7.4% in December, making 9 of the past 10 months positive. This increase continues to be difficult to interpret due to changes in the state withholding system. (See the August MFH for additional information.)

Given the relatively flat growth in wages and salaries, however, it is increasingly likely that taxpayers are over-withholding and some of those gains will result in higher refunds in April. As a result, the Department of Revenue has further revised the withholding schedule by adding additional lower withholding options. These options became available on January 1, 2011.

Table 2

Individual Income Tax Growth Rates Compared to Prior Year

	December	YTD
Withholding	7.4%	5.6%
Estimated + Final Payments	7.5%	0.2%
Refunds	(14.9)%	(24.1)%

Corporate Income Tax net collections were \$98.7 million in December, or \$36.1 million more than the prior year. Collections were \$26.2 million above the forecast. Most of the growth over the prior December is due to lower refunds, which totaled \$5.0 million. In December of the prior year, refunds totaled \$(35.8) million.

Year-to-date through December, revenues are up 115.5% and are \$36.2 million above forecast.

The **Lottery Commission** reports that December ticket sales were \$53.6 million, which is \$6.9 million, or 14.7%, above sales in the prior year. Year-to-date, ticket sales are \$269.2 million, which is 4.9% above last year's sales. The General Fund share of sales has increased significantly more than sales, however, due to changes in the distribution formula.

Non-General Fund

Tobacco Tax revenues were \$25.5 million in December. Collections were down (5.8)% compared to the prior year, and were \$(2.4) million below the budget estimate for the

"December is the third consecutive month to show positive year-over-year growth [in sales tax collections]."

December Revenues (Continued)

month. Year-to-date collections are down (2.0)% and are \$(1.0) million below the budget estimate.

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 \$101.8 million in December were up \$7.1 million or 7.5% compared to December of last year. Year-to-date, revenues have grown 2.2%.

Table 3

General Fund Revenue: Change from Previous Year and Enacted Budget Forecast December 2010

	Current Month					FY 2011 YTD (Six Months)				
	Actual December 2010	Change From December 2009		Forecast		Actual December 2010	Change from December 2009		Forecast	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Taxes										
Sales and Use w/o 1¢ *	\$274,456,847	\$1,793,729	0.7 %	(\$7,778,682)	(2.8) %	\$1,684,762,892	(\$7,866,237)	(0.5) %	(\$65,578,378)	(3.7) %
Income - Individual	342,502,655	24,732,445	7.8	15,709,179	4.8	1,594,439,845	141,633,917	9.7	73,896,556	4.9
- Corporate	98,736,833	36,107,213	57.7	26,196,933	36.1	240,958,916	129,126,757	115.5	36,157,516	17.7
Property	5,093,451	(149,431)	(2.9)	1,393,451	37.7	10,984,067	(487,159)	(4.2)	2,634,067	31.5
Luxury - Tobacco	1,297,767	(573,784)	(30.7)	(902,528)	(41.0)	11,879,546	(1,129,736)	(8.7)	(3,630,749)	(23.4)
- Liquor	2,774,228	(491,322)	(15.0)	359,306	14.9	13,326,422	(591,540)	(4.3)	(641,500)	(4.6)
Insurance Premium	41,297,192	459,419	1.1	4,797,192	13.1	177,331,855	3,625,563	2.1	12,731,855	7.7
Estate	0	0	--	0	--	437,372	103,988	31.2	437,372	--
Other Taxes	521,424	324,788	165.2	468,924	893.2	764,972	308,062	67.4	449,972	142.8
Sub-Total Taxes	\$766,680,398	\$62,203,057	8.8 %	\$40,243,776	5.5 %	\$3,734,885,887	\$264,723,615	7.6 %	\$56,456,711	1.5 %
Other Revenue										
Lottery	(690,790)	(3,922,090)	--	(5,890,790)	--	16,831,629	1,294,029	8.3	(9,168,371)	(35.3)
License, Fees and Permits	2,014,251	(440,619)	(17.9)	14,251	0.7	13,259,143	(54,185)	(0.4)	759,143	6.1
Interest	303,307	269,486	796.8	303,307	--	2,259,561	1,085,023	92.4	2,259,561	--
Sales and Services	1,301,199	391,018	43.0	(998,801)	(43.4)	10,019,667	(1,673,223)	(14.3)	(3,780,334)	(27.4)
Other Miscellaneous	(2,901,832)	(2,776,551)	--	(7,801,832)	--	9,842,163	(10,832,503)	(52.4)	(19,157,837)	(66.1)
Disproportionate Share	27,146,306	27,146,306	--	0	0.0	27,146,306	27,146,306	--	0	0.0
Transfers and Reimbursements	613,020	(3,843,447)	(86.2)	(1,786,980)	(74.5)	13,980,073	(18,611,565)	(57.1)	(419,927)	(2.9)
Sub-Total Other Revenue	27,785,461	16,824,103	153.5 %	(16,160,845)	(36.8) %	93,338,542	(1,646,117)	(1.7) %	(29,507,764)	(24.0) %
TOTAL BASE REVENUE	\$794,465,859	\$79,027,160	11.0 %	\$24,082,931	3.1 %	\$3,828,224,429	\$263,077,498	7.4 %	\$26,948,947	0.7 %
Other Adjustments										
Urban Revenue Sharing	(39,500,543)	12,886,509	--	0	0.0	(237,003,259)	77,319,054	--	0	0.0
1¢ TPT Increase*	66,977,935	66,977,935	--	(5,829,995)	(8.0)	394,885,660	394,885,660	--	(42,717,208)	(9.8)
Budget Plan Transfers	34,454,551	16,542,885	92.4	0	0.0	121,527,559	15,063,789	14.1	0	0.0
Sub-Total Other Adjustments	61,931,942	96,407,328	-- %	(5,829,995)	(8.6) %	279,409,960	487,268,503	-- %	(42,717,208)	(13.3) %
TOTAL GENERAL FUND REVENUE	\$856,397,801	\$175,434,489	25.8 %	\$18,252,935	2.2 %	\$4,107,634,389	\$750,346,001	22.3 %	(\$15,768,261)	(0.4) %
Non-General Funds										
Highway User Revenue Fund	\$101,786,000	\$7,067,000	7.5 %	\$5,645,947	5.9 %	\$592,232,000	\$13,009,000	2.2 %	\$4,321,152	0.7 %
Tobacco Tax (All Funds Total)	\$25,536,941	(\$1,576,610)	(5.8) %	(\$2,350,193)	(8.4) %	\$162,752,475	(\$3,252,194)	(2.0) %	(\$1,010,856)	(0.6) %

* Sales and Use line excludes revenue from the temporary 1¢ increase approved by the voter in May 2010. That revenue is shown under One-Time Revenues. Total November collections including the 1¢ increase were \$341.4 million. This amount is \$68.8 million, or 25.2%, above November 2009 and \$(13.6) million, or (3.8)%, below forecast. Year to date, total collections including the 1¢ increase were \$2.08 billion. This amount is \$387.0 million, or 22.9%, above November 2009 and \$(108.3) million, or (4.9)%, below forecast.

FAC Meeting

At its January 20, 2011 meeting, the Finance Advisory Committee (FAC) heard presentations on General Fund Revenue collections, the U.S. economy, and state cash flows.

JLBC Staff provided members with the latest 4-sector consensus estimates for the “Big 3” revenue collections. The 4-sector consensus estimate is a composite of equally weighted estimates from:

- The University of Arizona Economic and Business Research (EBR) General Fund baseline model;
- The EBR conservative forecast model;
- The FAC panel; and
- JLBC Staff.

For FY 2011, base revenue collections are expected to grow 5.2%.

The 4-sector consensus forecast projects base revenue growth of 5.4% in FY 2012. Each component of the 4-sector consensus showed improvement from FY 2011, with the most significant positive growth in the Corporate Income Tax category.

Given the 4-sector consensus forecast, JLBC Staff outlined the latest budget shortfall estimates for FY 2011 and FY 2012.

In addition to the JLBC Staff presentation, panel members heard formal presentations from economist Elliott Pollack and the State Treasurer, Doug Ducey.

The presenters and FAC panelists generally believed that the recession has ended in Arizona, but there were still concerns about how the recovery could be a gradual process and less robust than in prior years.



“The 4-sector consensus forecast projects base revenue growth of 5.4% in FY 2012. Each component of the 4-sector consensus showed improvement from FY 2011.”

Summary of Recent Agency Reports

AHCCCS – Report on Healthcare Group – Pursuant to A.R.S. § 36-2912AA, the Arizona Health Care Cost Containment System (AHCCCS) submitted its quarterly financial report for Healthcare Group (HCG) for the period July 1, 2010 to September 30, 2010. The agency reports that HCG's revenues were \$600,600 greater than their expenditures, after adjustments and before fund transfers, for the 1st quarter of FY 2011. HCG began FY 2011 with total unpaid prior year obligations and other liabilities of \$12.4 million. As of September 30, 2010, total liability was \$12.1 million.

Pursuant to A.R.S. § 36-2912Z, AHCCCS reports that, as of October 2010, total statewide HCG medical plan enrollment was 9,401, with participating members from 3,503 employers. This is a decline of (3,279) participating members (25.9% decline) and (1,178) employers (25.2% decline) from a year earlier. AHCCCS believes that the worsening economy and discontinued outreach has contributed to the declining enrollment. (Aaron Galeener)

Arizona Criminal Justice Commission – Report on Criminal Justice Enhancement Fund – Pursuant to A.R.S. § 41-2401C, the Arizona Criminal Justice Commission (ACJC) is providing its annual report on Criminal Justice Enhancement Fund (CJEF) monies distributed to law enforcement agencies. CJEF consists of a 47% assessment on certain fines, penalties, and forfeitures imposed and collected by the courts. In FY 2010, CJEF revenues totaled \$45.8 million and the total funds available for the fiscal year, including the beginning balance and adjustments, was \$64.4 million. In FY 2010, CJEF revenues decreased by (4.0)% from FY 2009; CJEF expenditures totaled \$39 million and fund transfers totaled \$7.1 million. (James Alcantar)

State Forester – Report on Fire Suppression Activities – A.R.S. § 37-623.02E requires the State Land Commissioner to submit a report by December 31 of each year on the uses of monies authorized to be expended from the Fire Suppression Revolving Fund. In FY 2010, there was a total of \$15.2 million in liabilities incurred by the fund. Of the liabilities, the department made payments of \$14.2 million in FY 2010; most of the remaining \$1.0 million in unpaid liabilities are for services reimbursable by the federal government.

In terms of fire fighting activity, Fire Suppression Revolving Fund monies were used to fight a total of 614 fires, resulting in a total liability of \$13.8 million. (Art Smith)

Arizona Game and Fish Department – Cost Benefit Report for Electronic Transactions – Pursuant to A.R.S. § 35-142O, all agencies are required to submit a cost benefit report when the percentage of electronic transactions first exceeds at least 30% of an agency's total transactions. The cost benefit report is required by statute to include the costs of convenience fees, the amount of revenue generated, and any realized cost savings.

The Arizona Game and Fish Department reports that in FY 2010, 32.43% of all transactions processed were done electronically. In other words, out of a total of 233,462 transactions, 75,702 were processed electronically. The department was charged a total of \$104,000 for processing fees associated with electronic transactions. The department was able to partially offset the processing fees by charging customers a convenience fee for electronic processing (a total of \$67,000). The department's report does not address whether they were able to reduce their operating expenses with greater online processing. (Ted Nelson)

State Mine Inspector – Mining Reclamation Consulting Expenditures Annual Report – Pursuant to A.R.S. § 27-1234B, the State Mine Inspector is required to report annually on payments made to consultants for assistance in the review of sand and gravel reclamation plans in order to ensure that the lands used for mining are properly reclaimed for public use once mining is completed. In FY 2010, the State Mine Inspector expended \$33,000 on 4 consultants for 23 mines that are currently in the reclamation process. There is a consulting fee of \$2,775 for each operation. The State Mine Inspector initially pays 50% of consulting fees up front (\$1,387.50) and the balance upon publication of the review.

A.R.S. § 27-935B requires this same report for payments made to consultants for assistance in the review of reclamation plans for materials other than sand and gravel. In FY 2010, there were no plan submittals that required consulting expenditures. (Ted Nelson)

Public Programs Eligibility Report - As enacted in the 2006 election, Proposition 300 limits participation in certain state programs to citizens, legal residents, or other persons lawfully present in the United States, and requires semi-annual reports to the Joint Legislative Budget Committee. Below is a summary of the reports:

Universities - At the 3 universities, 134,360 students registered for the fall 2010 semester. Of the total students registered, the universities were able to verify the legal immigration status of 121,322 students. Additionally, the universities reported that 15,670 of these students did not require verification because they have either not requested, or received in-state tuition or state supported financial aid. The universities

Summary of Recent Agency Reports (Continued)

reported that a total of 106 students were unverifiable due to their inability to provide the requisite documentation. The total for the 3 components listed above exceeds the number of students who registered because 2,738 students provided verification but were not legally required to do so.

Department of Economic Security - The department reported that 7,490 applications were received for child care assistance during the reporting period of June 1, 2010 to November 30, 2010. Of this number, 3 were denied because criteria for citizenship or legal residency were not met.

Arizona Department of Education - The department reported that 15,873 people applied for instruction in Arizona Adult Education during the reporting period of June 1, 2010 to November 30, 2010. Of this amount, 544 people were denied instruction because they failed to provide acceptable evidence of citizenship or legal residence in the United States.

Community Colleges - Statewide, the Community Colleges reported a total of 273,773 students classified as in-state. They reported 2,186 students who were not entitled to be classified as in-state because of a lack of lawful immigration status. Additionally, 108,838 students applied for financial aid. Of those who applied, the community colleges reported that 270 were not entitled to any aid because they were not lawfully present in the United States. (Aaron Galeener)

Arizona Board of Regents/Arizona Community Colleges – Report on Articulation – Pursuant to A.R.S. § 15-1824, the Arizona Board of Regents (ABOR) and the community colleges are required to submit an annual report by December 15 of their progress on both articulation and meeting statewide

postsecondary education needs.

This year's progress in implementing the transfer model and support systems include:

- More than 6,700 community college students completed the Arizona General Education Curriculum, which satisfies lower division general education requirements at the universities. This is a 10% increase over last year and a 300% increase over 2002 (when tracking first began).
- The Academic Program Articulation Steering Committee now includes representation from K-12 to address curriculum and communication between K-12 and postsecondary education.
- As required by Laws 2010, 2nd Regular Session, Chapter 242, ABOR and the community colleges selected a shared numbering system for implementation. (Marge Zylla)

Arizona Board of Regents – Report on Loan Forgiveness Program – Pursuant to A.R.S. § 15-1782, the Arizona Board of Regents (ABOR) recently reported on the progress of the Mathematics, Science, and Special Education (MSSE) Teacher Loan Forgiveness Program. The program allows ABOR to grant up to 5-year loans to eligible in-state students who agree to a service commitment to teach in a public school.

For 2009-2010 academic year, there were 89 recipients. This total includes 68 loan renewals and 21 new recipients. Of the MSSE recipients, 36 are studying mathematics, 19 are studying science, and 34 are studying special education. Teacher retention data is not yet applicable, since the program began in spring 2008.

A total of \$529,205 was dispersed to students under the loan forgiveness program in FY 2010. (Leatta McLaughlin)

School Facilities Board – Report on Funding Estimates – Pursuant to A.R.S. § 15-2002, the School Facilities Board (SFB) is required to report the estimated amounts necessary in FY 2012 and FY 2013 for the New School Facilities, Building Renewal, and Emergency Deficiencies Correction Programs.

In FY 2012, SFB estimates a total funding requirement of \$453,445,600, including \$211,852,000 of lease-purchase authority for the New School Facilities Program (or \$88,546,000 in FY 2012 to pay on a cash basis) and \$241,593,600 for the Building Renewal Program. The new construction estimate assumes the current construction limitation is lifted in FY 2012. The Building Renewal amount is based on the current statutory formula, which was suspended in FY 2011 in favor of a \$2,667,900 discretionary grant program.

For FY 2013, the board estimates it will need funding in the amount of \$385,752,900. Of this total, \$120,000,000 is for the New School Facilities Program and \$265,752,900 is for the Building Renewal Program. SFB did not request to transfer any monies from the New School Facilities Fund to the Emergency Deficiencies Correction Fund in FY 2012 or FY 2013 due to insufficient monies in the New School Facilities Fund. (Jack Brown)

December Spending

FY 2011 Spending

December 2010 spending of \$592.5 million was \$(46.0) million lower than December 2009 (See Table 5).

- In December, the Arizona Department of Education spending was \$(90.2) million lower than the prior year. December expenditures were lower due to ADE having lower than budgeted Homeowners Rebates and paying a lower percentage of yearly funding compared to the prior year.
- University spending was \$56.1 million in December, or \$56.0 million higher than the prior year. The increased expenditure amount reflects a rollover of the monthly payment last year. This year the rollover has been spread out over the course of the fiscal year.
- Department of Economic Security (DES) spending was \$1.7 million in December or \$(2.0) million less than the prior year. The lower expenditure amount reflects operating transfers among agency funds and does not reflect actual expenditures.

Table 4

General Fund Spending (\$ in Millions)

Agency	<u>Dec 10</u>	<u>Change from Dec 09</u>	<u>Year to Date</u>	<u>YTD Change from FY 10</u>
AHCCCS	121.7	(7.7)	765.0	19.7
Corrections	80.0	1.5	447.5	27.5
Economic Security	1.7	(2.0)	433.6	(14.0)
Education	293.4	(90.2)	2,217.1	(132.4)
Health Services	13.3	(3.9)	236.6	(65.3)
Public Safety	2.0	0.1	29.8	(12.2)
School Facilities Board	0.1	0.1	33.3	(48.9)
Universities	56.1	56.0	547.1	64.9
Leaseback Debt Service	-	-	52.1	52.1
Other	<u>24.2</u>	<u>0.1</u>	<u>385.6</u>	<u>19.6</u>
Total	592.5	(46.0)	5,095.6	(141.1)

Agency	General Fund Spending (\$ in Thousands)			YTD Change from FY 10
	December 10	Change from December 09	Year-to-Date	
Department of Administration	1,207.7	(9.8)	12,724.0	2,263.0
Department of Admin Sale/Leaseback D/S	-	-	52,066.9	52,066.9
Office of Administrative Hearings	0.1	(11.4)	459.7	(65.5)
Department of Agriculture	640.3	(3.9)	5,298.9	(233.6)
AHCCCS	121,710.2	(7,743.9)	765,006.3	19,691.3
Arizona Commission on the Arts	49.9	25.1	375.4	18.3
Attorney General	1,349.7	(57.5)	10,583.0	(755.5)
AZ Capital Post Conviction Public Defender	64.0	0.1	330.3	(35.5)
State Board of Charter Schools	49.9	(5.1)	445.6	13.0
Board of Chiropractic Examiners	-	-	-	(148.0)
Department of Commerce	(43.5)	(175.7)	2,594.4	836.7
Community Colleges	-	-	66,213.2	-
Corporation Commission	47.3	(38.7)	303.4	(5.4)
Department of Corrections	79,951.9	1,478.1	447,495.5	27,519.0
Board of Cosmetology	-	-	-	(252.0)
AZ Criminal Justice Commission	-	-	-	4.6
AZ State Schools for the Deaf & Blind	2,508.7	2,325.0	12,588.1	2,787.2
Department of Economic Security	1,702.5	(2,039.3)	433,598.5	(14,018.0)
Department of Education	293,423.6	(90,187.4)	2,217,129.7	(132,389.8)
DEMA	781.9	502.7	5,449.8	1,102.8
Department. of Environmental Quality	-	(525.4)	0.6	(3,083.2)
DEQ – WQARF	-	-	7,000.0	-
Office of Equal Opportunity	(2.3)	(1.5)	96.6	(13.1)
State Board of Equalization	109.9	57.9	350.6	(38.1)
Board of Executive Clemency	58.3	(12.2)	527.9	(93.1)
Department of Financial Institutions	205.7	(80.3)	1,633.2	(403.9)
Department of Fire, Life, Bldg Safety	71.2	(253.8)	1,410.2	(130.8)
Office of the State Forrester	46.5	46.5	1,409.4	1,409.4
Board of Funeral Directors	-	-	-	(100.0)
Arizona Geological Survey	45.3	(6.8)	309.3	(139.3)
Government Information Tech.	38.9	(3.3)	270.7	8.7
Governor	435.8	(396.3)	4,230.4	(675.6)
Gov. - OSPB	(17.4)	(462.6)	952.5	(154.0)
Department of Health Services	13,332.7	(3,892.9)	236,564.6	(65,337.5)
Arizona Historical Society	202.4	(15.1)	4,231.3	1,648.1
Prescott Historical Society of AZ	54.1	4.6	338.9	25.0
Independent Redistricting Comm.	-	-	-	(25.5)
Commission on Indian Affairs	3.4	(2.0)	27.8	(35.7)
Department of Insurance	418.3	(39.7)	3,395.0	(119.3)
Judiciary				
Supreme Court	1,266.1	238.0	14,239.8	3,337.5
Superior Court	944.5	(249.8)	36,949.2	(4,783.2)
Court of Appeals	760.6	(60.0)	8,388.9	695.6
Department of Juvenile Corrections	3,874.9	(384.3)	31,625.5	(6,898.7)
State Land Department	409.5	(2,641.6)	1,950.6	(8,532.4)

Agency	December 10	Change from December 09	Year-to-Date	YTD Change from FY 10
Law Enforcement Merit System	6.3	3.9	41.4	1.8
Legislature				
Auditor General	1,688.7	22.7	10,057.6	1,062.5
House of Representatives	952.0	(249.2)	6,720.3	(287.8)
Joint Legislative Budget Comm.	180.2	(37.1)	1,228.3	(115.8)
Legislative Council	370.8	68.3	2,751.0	(218.9)
Senate	724.9	(121.1)	4,803.6	(167.6)
Department of Liquor Licenses	-	(3.9)	3.3	(736.6)
Board of Medical Student Loans	135.1	(178.7)	343.8	(402.2)
Mine Inspector	111.5	1.2	666.7	(77.0)
Department of Mines & Mineral Resources	28.1	(6.0)	772.2	365.2
Nav. Streams & Adjudication	6.9	(0.8)	90.6	3.1
OSHA	-	(3.8)	-	(7.8)
Board of Osteopathic Examiners	-	-	-	(100.0)
Arizona State Parks Board	-	-	20,000.0	(1,900.3)
Pioneers' Home	147.0	147.0	675.9	675.9
Board of Psychologist Examiners	-	-	25.0	(275.0)
Comm. for Postsecondary Ed.	452.7	(31.5)	610.4	(761.7)
Department of Public Safety	2,015.9	98.7	29,808.8	(12,228.6)
Arizona Department of Racing	127.0	85.9	3,168.1	(130.9)
Radiation Regulatory Agency	0.9	0.9	697.5	(73.7)
Arizona Rangers Pension	1.2	0.1	7.1	0.1
Real Estate Department	170.3	(76.1)	1,785.6	(332.5)
Department of Revenue	2,285.1	5,127.0	20,263.7	5,044.2
School Facilities Board	103.3	0.1	33,253.7	(48,945.7)
Secretary of State	682.5	(662.8)	10,117.0	4,526.4
Tax Appeals Board	22.8	9.3	152.6	6.9
Office of Tourism	-	-	-	200.0
Department of Transportation	2.2	2.2	19.5	(13.2)
State Treasurer	-	(267.0)	-	(1,563.0)
Universities				
Board of Regents	5.7	(42.5)	10,573.4	(3,730.0)
Arizona State University	25,400.9	25,400.9	242,982.9	31,053.2
Northern Arizona University	8,551.9	8,551.9	81,805.1	10,463.2
University of Arizona	22,135.0	22,135.0	211,739.2	27,071.5
Veterinary Medical Examiners Board	-	-	-	(250.0)
Department of Veteran Services	(1,437.4)	(1,880.6)	6,562.0	2,509.4
Department of Water Resources	624.2	(933.5)	3,136.2	(6,278.3)
Department of Weights & Measures	44.8	(20.8)	582.1	(105.8)
Other	1,261.2	1,513.9	1,611.6	-20,359.6
Grand Total	592,504.3	(45,968.7)	5,095,621.9	(141,118.2)

Economic Indicators (Continued)

Table 6

ECONOMIC INDICATORS

<u>Indicator</u>	<u>Time Period</u>	<u>Current Value</u>	<u>Change From Prior Period</u>	<u>Change From Prior Year</u>
Arizona				
- Unemployment Rate	December	9.4%	0.0%	0.2%
- Initial Unemployment Insurance Claims	December	23,208	(0.5)%	(18.8)%
- Unemployment Insurance Claimants	December	65,644	(7.3)%	(33.0)%
- Non-Farm Employment - Total	December	2.45 million	0.1%	1.5%
Manufacturing	December	149,900	0.9%	(0.3)%
Construction	December	113,700	(3.6)%	(0.6)%
- Average Weekly Hours, Manufacturing	December	40.8	0.5%	5.2%
- Contracting Tax Receipts (3-month average)	Sept-Nov	\$33.2 million	7.0%	(6.6)%
- Retail Sales Tax Receipts (3-month average)	Sept-Nov	\$127.8 million	(1.2)%	0.8%
- Residential Building Permits (3-month moving average)				
Single-unit	Sep-Nov	689	(13.0)%	(33.4)%
Multi-unit	Sep-Nov	199	21.8%	245.7%
- Greater Phoenix Existing Home Sales				
Single-Family	December	8,155	19.1%	(16.8)%
Townhouse/Condominium	December	1,325	29.3%	(12.3)%
- Greater Phoenix Median Home Sales Price				
Single-Family	December	\$129,900	(3.8)%	(10.4)%
Townhouse/Condominium	December	\$83,900	3.6%	(16.1)%
- Foreclosure Activity, Maricopa County				
Foreclosure Notices (Notice of Trustee's Sales Recorded)	December	5,766	(2.1)%	(26.8)%
Pending Foreclosures (Active Notices)	December	41,478	(0.7)%	(19.4)%
Greater Phoenix S&P/Case-Shiller Home Price Index (Jan. 2000 = 100)	November	104.85	(1.1)%	(6.4)%
- Arizona Months Supply of Housing, (ARMLS)	December	5.1 months	(1.6) months	(0.1) months
- Phoenix Sky Harbor Air Passengers	November	3.18 million	(1.9)%	3.4%
- Arizona Average Natural Gas Price (\$ per thousand cubic feet)	November	\$6.01	9.1%	(19.2)%
- Arizona Consumer Confidence Index (1985 = 100)	4 th Quarter 2010	56.3	14.7%	N/A
- Arizona Coincident Index (July 1992 = 100)	December	180.33	0.2%	1.4%
- Arizona Personal Income	3 rd Quarter 2010	\$225.4 billion	0.7%	3.4%
- Arizona Population	April 1, 2010	6.39 million	N/A	N/A
- AHCCCS Recipients	January	1,342,249	(0.7)%	(1.4)%
- TANF Recipients	December	45,017	(0.2)%	(48.7)%
- SNAP (Food Stamps) Recipients	December	1,084,239	(0.5)%	6.1%
- ADC Inmate Growth (3-month average)	Oct-Dec	40,256	(50) inmates	(411) inmates
- Probation Caseload (Adult/Juvenile)				
Non-Maricopa	October	19,530	(98)	(195)
Maricopa County	October	26,447	(227)	(2,658)
United States				
- Gross Domestic Product (Chained 2005 dollars, SAAR)	4 th Quarter 2010 (Advance Estimate)	\$13.4 trillion	3.2%	2.8%
- Consumer Confidence Index (1985 = 100)	January	60.6	13.7%	7.3%
- Leading Indicators Index (2004 = 100)	December	112.4	1.0%	5.8%
- U.S. Semiconductor Billings (3-month moving average)	Aug-Oct	\$4.81 billion	0.0%	30.7%
- Consumer Price Index, SA (1982-84 = 100)	December	220.3	0.5%	1.4%