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"In total, year-to-date General Fund collections are \$69.5 million above the [budget] forecast."

Summary

April collections were substantially higher than the prior year, as the state experienced a significant increase in Individual Income Tax (IIT) payments. April General Fund revenues totaled \$934.6 million. Excluding one-time adjustments, these base collections were 14.8% above last year. Overall April collections were \$53.6 million above the January Baseline forecast.

Year-to-date, base revenues are 7.7% higher than last year. In total, year-to-date General Fund collections are \$69.5 million above the January forecast. The recently enacted budget assumed FY 2012 collections at the level of the January forecast.

In comparison to monthly revenues of \$934.6 million, April 2012 General Fund spending was \$476.9 million, or \$(144.7) million less than last year. Fiscal year-to-date, General Fund revenues of \$7.3 billion have been offset by \$7.2 billion in spending.

April Individual Income Taxes

Arizona's April Individual Income Tax collections were 23.1% higher than April 2011. Withholding and payments both grew strongly, while refunds were virtually flat.

Historically, stock market capital gains have played a large role when April IIT revenues grow more quickly than anticipated. This factor may help explain at least some of the April 2012 growth. Over the past 2 years, the S&P 500 has increased by as much as 56%. Since approximately 40% of capital gains are

taken within 2 years of acquisition, the 2010-2011 stock market recovery could be fueling the Arizona growth.

In comparison to Arizona's 23.1% growth in April collections, nationwide federal individual income tax growth was 14.8%. This disparity suggests that there may be Arizona-specific factors affecting IIT payments. The underlying causes of the Arizona growth may become clearer in the next several months as more detailed tax information becomes available.

Even though the processing "season" for tax returns typically lasts until June, a significant portion of payments and refunds have already been processed by the end of April. Given this schedule and preliminary May revenue data, it appears that at least some of the current forecast overage will remain at the end of FY 2012.

FY 2013 Budget Enactment

The Legislature passed the FY 2013 budget, which was approved by the Governor on May 7th. For a complete list of spending changes, long-term projections, and statutory changes associated with the budget, please see the [JLBC Budget Proposal Summary](#).

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April Revenues

Table 1

General Fund Revenues (\$ in Millions)			
	<u>FY 2012 Collections</u>	<u>Difference From January Forecast</u>	<u>Difference From FY 2011</u>
April	\$ 934.6	\$ 53.6	\$ 107.6
Year-to-Date	\$ 7,325.5	\$ 69.5	\$ 668.9

Sales Tax collections were \$407.2 million, or 5.0% above April 2011 and \$5.6 million above the January JLBC Baseline forecast for the month. Excluding the \$82.4 million from the temporary 1-cent sales tax increase, collections were \$324.8 million, or 4.5% above April 2011. The temporary 1-cent continues to grow more than the base tax because of certain exemptions.

Year-to-date, base sales tax collections remain at 5.1% above the prior year and are \$3.9 million above forecast.

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

Table 2 Sales Tax Growth Rates Compared to Prior Year		
	<u>April</u>	<u>YTD</u>
Retail	2.0%	6.0%
Contracting	0.8%	7.8%
Utilities	1.9%	0.9%
Use	28.8%	6.6%
Restaurant & Bar	8.3%	7.8%

Retail and contracting together account for about 60% of all sales tax revenues. April retail, which reflects March sales, grew by 2.0%. As we have noted in prior reports, the retail category began to grow in December 2010.

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 in the last five months of the prior fiscal year, particularly the double digit growth rates in April through June of 2011. Contracting collections have been more volatile than retail, and increased by only 0.8% this month.

Individual Income Tax net revenues were \$376.8 million in April, or \$70.8 million greater than the prior year. Collections were \$54.8 million above the JLBC Baseline forecast. Year-to-date, revenues have grown 9.3% and are \$40.8 million above forecast.

The April increase relative to the forecast was the result of greater than expected withholding tax collections, as well as higher than anticipated final payments. Withholding was \$22.2 million over forecast, and payments were \$33.4 million over.

As indicated in Table 3, withholding increased by 11.8% in April for a year-to-date increase of 3.9%. The large withholding gain this month is related to an extra main processing day in April compared to the prior year.

Total Payments grew by 11.2% in April for a year-to-date increase of 19.8%.

Refund were slightly greater compared to April of last year, and year-to-date are up 3.3%.

Table 3 Individual Income Tax Growth Rates Compared to Prior Year		
	<u>April</u>	<u>YTD</u>
Withholding	11.8%	3.9%
Estimated + Final Payments	11.2%	19.8%
Refunds	0.7%	3.3%

Corporate Income Tax net collections were \$90.1 million in April, which is \$6.2 million above the prior year. Collections were \$(8.4) million below the JLBC Baseline forecast. Year-to-date, collections have grown 28.2% and are \$33.7 million above forecast.

The **Lottery Commission** reports that April ticket sales were \$54.6 million, which is \$3.0 million, or 5.9%, above sales in the prior year. Year-to-date ticket sales are \$539.3 million, which is 11.0% above last year's sales.

Non-General Fund

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 \$107.8 million in April were down \$(2.9) million, or (2.6)%, compared to April of last year. Year-to-date revenues are up 0.2% compared to the prior year.

"Year-to-date, Individual Income Tax revenues have grown 9.3% and are \$40.8 million above forecast."

Table 4

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

	Current Month					FY 2012 YTD (Ten Months)				
	Actual April 2012	Change From April 2011		January Forecast		Actual April 2012	Change from April 2011		January Forecast	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Taxes										
Sales and Use - Base*	\$324,812,322	14,001,072	4.5 %	1,149,822	0.4 %	\$3,040,868,875	\$146,299,817	5.1 %	\$3,934,753	0.1 %
- 1¢ Increase*	\$82,418,332	5,309,786	6.9	4,421,592	5.7	758,688,622	67,014,634	9.7	11,255,071	1.5
Income - Individual	376,806,890	70,766,022	23.1	54,761,661	17.0	2,526,079,916	215,687,464	9.3	40,846,634	1.6
- Corporate	90,149,454	6,244,711	7.4	(8,397,595)	(8.5)	523,587,876	115,164,506	28.2	33,740,734	6.9
Property	929,089	11,775	1.3	(90,723)	(8.9)	12,204,908	(1,551,572)	(11.3)	(39,728)	(0.3)
Luxury - Tobacco	1,957,338	(775,408)	(28.4)	0	0.0	20,526,607	(233,808)	(1.1)	(411,327)	(2.0)
- Liquor	2,821,830	(99,567)	(3.4)	0	0.0	26,304,948	1,420,560	5.7	329,111	1.3
Insurance Premium	42,003,825	974,465	2.4	(66,054)	(0.2)	290,966,969	(23,348,707)	(7.4)	(7,672,283)	(2.6)
Estate	0	0	--	0	--	200,825	(236,547)	(54.1)	0	0.0
Other Taxes	71,038	(5,106)	(6.7)	(15,337)	(17.8)	1,620,469	(442,682)	(21.5)	186,446	13.0
Sub-Total Taxes	\$921,970,118	\$96,427,750	11.7 %	\$51,763,366	5.9 %	\$7,201,050,016	\$519,773,665	7.8 %	\$82,169,412	1.2 %
Other Revenue										
Lottery	9,639,340	2,318,600	31.7	1,619,926	20.2	49,922,260	7,148,070	16.7	(7,156,760)	(12.5)
License, Fees and Permits	2,249,557	534,096	31.1	(84,132)	(3.6)	23,153,940	235,417	1.0	(839,988)	(3.5)
Interest	2,456,344	2,455,066	--	2,446,344	--	4,561,285	2,671,706	141.4	2,429,435	114.0
Sales and Services	1,799,690	343,202	23.6	(984,891)	(35.4)	22,309,603	(955,982)	(4.1)	(1,918,839)	(7.9)
Other Miscellaneous	3,278,519	3,779,750	--	2,388,580	268.4	28,241,675	9,508,668	50.8	4,854,361	20.8
Disproportionate Share	17,869,682	17,869,682	--	0	0.0	17,869,682	(9,276,624)	(34.2)	0	0.0
Transfers and Reimbursements	211,259	91,224	76.0	(3,549,154)	(94.4)	12,907,175	(2,312,464)	(15.2)	(10,084,008)	(43.9)
Sub-Total Other Revenue	37,504,391	27,391,620	270.9 %	1,836,673	5.1 %	158,965,621	7,018,792	4.6 %	(12,715,798)	(7.4) %
TOTAL BASE REVENUE	\$959,474,509	\$123,819,370	14.8 %	\$53,600,039	5.9 %	\$7,360,015,636	\$526,792,457	7.7 %	\$69,453,614	1.0 %
Other Adjustments										
Urban Revenue Sharing	(35,368,620)	4,131,923	--	0	0.0	(353,686,200)	41,319,230	--	0	0.0
Budget Plan Transfers	10,497,532	(20,392,931)	(66.0)	0	0.0	306,259,907	87,924,099	40.3	0	0.0
Tax Recovery Program	0	0	--	0	--	12,867,428	12,867,428	--	0	0.0
Sub-Total Other Adjustments	(24,871,088)	(16,261,008)	188.9 %	0	0.0 %	(34,558,865)	142,110,757	-- %	0	(0.0) %
TOTAL GENERAL FUND REVENUE	\$934,603,421	\$107,558,362	13.0 %	\$53,600,039	6.1 %	\$7,325,456,772	\$668,903,215	10.0 %	\$69,453,614	1.0 %
Non-General Funds										
Highway User Revenue Fund	\$107,830,689	(\$2,884,622)	(2.6) %	(\$3,881,060)	(3.5) %	\$1,009,762,191	\$1,907,599	0.2 %	(\$7,163,092)	(0.7) %

* Total April collections including the temporary 1¢ increase approved by the voters in May 2010 were \$407.2 million. This amount is \$19.3 million, or 5.0%, above April 2011 and \$5.6 million, or 1.4%, above forecast. Year-to-date, total collections including the 1¢ increase were \$3,799.6 million. This amount is \$213.3 million, or 5.9%, above April 2011 and \$15.2 million above forecast.

Economic Indicators

NATIONAL

According to the U.S. Department of Commerce Bureau of Economic Analysis, the **U.S. Real Gross Domestic Product** for the first quarter of 2012 increased at an annual rate of 2.2%. This growth represents a deceleration however, from the 3.0% rate estimated for the fourth quarter of 2011. The slow-down was mainly due to reduced non-residential fixed investment and slowing inventory investment, relative to the fourth quarter of 2011. Federal spending also decreased significantly for a second consecutive quarter.

The Conference Board's **U.S. Leading Economic Index** shrank by (0.1)% in April from March, but was 1.9% above the April 2011 reading. The decline in April was the first monthly drop in the index since September 2011 and was primarily due to a decrease in building permits.

The Conference Board's **U.S. Consumer Confidence Index** declined by (0.4)% in April. The latest drop was caused by lowered optimism of job prospects and scaled back expectations of making large purchases and investments, in the short term. Though April's reading is the index's second consecutive monthly decrease, the size of the decline was modest and the reading is still 4.8% above the April 2011 amount.

Consumer prices, as measured by the **U.S. Consumer Price Index (CPI)**, were unchanged in April and increased 2.3% for the year. The leveling off of prices in April was mainly due to a (2.6)% decline in the price of gasoline. Core inflation, which excludes energy and food prices, increased by 0.2% in April and 2.3% over the past year.

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.

In March, 48 out of 50 states had increases in their coincident indexes. Arizona's coincident index increased by 0.4% compared to the prior

month. Year-over-year, the Arizona index is 2.7% above last year. While this is a significant improvement, Arizona's index is still (11.7)% 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 4.6% over the next 6 months. This is higher than the 4.2% growth projection in January, and higher than the 2.4% projection in March 2011.

Housing

The number of Maricopa County **pending foreclosures** increased slightly from 18,029 in March to 18,056 in April. This represents the second monthly increase in this measure after 15 consecutive months of declines in pending foreclosures. The April total, however, is substantially below the peak in December 2009 (51,466). See [Tracking Arizona's Recovery](#) for additional historical information.

The total housing inventory in the Greater Phoenix area decreased from 34,515 in April 2011 to 20,676 in April 2012, a (40.1)% decrease. In the Metropolitan Phoenix area, the **median price of a single family home** was \$134,900 in March. This represents an increase of 8.4% from February, and a 4.7% increase from March of last year.

Another measure of the health of the Arizona real estate market is permitting activity. Single-family housing permits increased in March 2012. For the 3-month period through March, a total of 1,112 **single-family building permits** had been issued statewide, a 38.9% increase from last year. However, this is still far below a more normal 3-month average of 3,000 to 4,000 permits. See [Tracking Arizona's Recovery](#) for additional historical information.

"The leveling off of prices in April was mainly due to a (2.6)% decline in the price of gasoline."

Economic Indicators (Continued)

Although the performance of the single-family housing sector has improved recently, multi-family housing continues to be the strongest sector. For the 3-month period ending in March, a total of 475 **multi-family building permits** had been issued in the state, a 140.7% increase from the prior year. Even with this growth, multi-family permitting activity still remains (71.8)% below the peak of activity in April 2007.

Employment

The state added 9,300 **nonfarm jobs** in April over March. This monthly increase of 0.4% was twice the average growth rate for April in the prior 10 years. The major sectors leading the job gains in April were professional and business services (+3,600), trade, transportation, and utilities (+2,800), and construction (+1,900). Additionally, April marked the third consecutive month with month-over-month job gains.

Year over year, employers in the state added 46,000, or 1.9%, net new jobs in April. Most major sectors contributed to this net increase in nonfarm employment. The **construction** industry alone can be credited for more than 15% of these gains, or 7,200 net new jobs. Year over year, construction employment is up by 6.6%. While this increase is impressive, it is worth noting that small net gains will result in large percentage increases since the construction industry lost more jobs than any other sector of the economy during the last recession. In spite of 9 consecutive months with year-over-year job gains, the construction sector remains more than 50% below peak employment in July 2006.

In spite of the recent improvement, the state would need to add another 250,000 jobs to return to pre-recession employment levels. At the current job growth rate, the Arizona economy remains several years away from regaining all the job losses incurred during the last recession.

The latest unemployment figures released by the Arizona Department of Administration (ADOA) showed that the state's seasonally adjusted **jobless rate** fell from 8.6% in March to 8.2% in April. This was also the third straight month with a falling unemployment rate. A closer look at the survey data, however, indicates that a little more than half of the reduction in unemployment was attributable to people exiting the labor force as opposed to gaining new employment. Many of these individuals were likely discouraged by the prospect of finding a new job and therefore opted to abandon their job search. This suggests that the unemployment rate could increase somewhat when these discouraged workers decide to resume their job search.

See [Tracking Arizona's Recovery](#) for additional historical

information.

State Agency Data

At the beginning of May, total AHCCCS caseloads equaled 1.29 million members, a (0.5)% decrease from the prior month. Overall AHCCCS caseloads are currently (4.5)% below May 2011 levels.

The traditional AHCCCS population, which consists primarily of lower-income children and their parents, decreased (0.1)% from April and increased 4.0% 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 (100,879) since July to 123,613. Of the decline, (11,050) is attributed to members who were transferred to the SSI program. As a whole, the Proposition 204 program has declined (2.7)% compared to the prior month, and (26.8)% from the prior year.

Enrollment for KidsCare, which provides coverage for children with incomes above those in the traditional population, has declined since an enrollment freeze was implemented in January 2010. Enrollment declined (4.7)% compared to the prior month and (44.6)% from the prior year. Beginning on May 1, 2012, AHCCCS began a new program, entitled KidsCare II. KidsCare II provides coverage for children up to 175% of the Federal Poverty. The state match is provided by voluntary payments from political subdivisions. At the beginning of May, 352 children were enrolled in KidsCare II.

There were 39,467 **TANF recipients** in the state in April, a monthly caseload increase of 0.6%. Year-over-year, the number of TANF recipients has declined by (5.5)%. 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 April, there were a total 1.1 million food stamp recipients in the state, a (0.6)% decrease over the prior month. Compared to the same month last year, food stamp participation was up by 6.2%. The number of food stamp recipients began increasing steadily in July 2007, after several years in the 550,000 to 575,000 range.

Economic Indicators (Continued)

The 3-month average count of the **Department of Correction's (ADC) inmate population** increased to 39,940 inmates between February 2012 and April 2012. Relative to the prior 3-month period, the population has increased by 22 inmates. Compared to a year ago, the population has declined by (191) inmates.

Table 5

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 (SA)	April	8.2%	(0.4)%	(1.4)%
- Initial Unemployment Insurance Claims	April	29,208	42.3%	(2.1)%
- Unemployment Insurance Recipients	April	57,118	9.1%	(12.7)%
- Non-Farm Employment - Total	April	2.47 million	0.4%	1.9%
Manufacturing	April	150,300	0.1%	0.9%
Construction	April	116,800	1.7%	6.6%
- Average Weekly Hours, Manufacturing	March	41.2	(0.2)%	1.7%
- Contracting Tax Receipts (3-month average)	Feb-Apr	\$30.9 million	(3.8)%	2.7%*
- Retail Sales Tax Receipts (3-month average)	Feb-Apr	\$150.0 million	(5.7)%	4.7%*
- Residential Building Permits (3-month moving average)				
Single-family	Jan-Mar	1,112	14.6%	38.9%
Multi-unit	Jan-Mar	475	(5.1)%	140.7%
- Greater Phoenix Home Sales				
Single-Family	March	9,632	17.7%	(12.9)%
Townhouse/Condominium	March	1,640	15.2%	(8.1)%
- Greater Phoenix Median Home Price				
Single-Family	March	\$134,900	8.4%	4.7%
Townhouse/Condominium	March	\$81,000	4.5%	(4.7)%
- Greater Phoenix S&P/Case-Shiller Home Price Index (Jan. 2000 = 100)	February	104.12	1.2%	3.3%
- Foreclosure Activity, Maricopa County				
Pending Foreclosures (Active Notices)	April	18,056	0.1%	(43.9)%
- Greater Phoenix Total Housing Inventory, (ARMLS)	April	20,676	(5.4)%	(40.1)%
- Phoenix Sky Harbor Air Passengers	March	3.83 million	21.4%	1.7%
- Arizona Average Natural Gas Price (\$ per thousand cubic feet)	February	\$5.35	3.9%	(14.1)%
- Arizona Consumer Confidence Index (1985 = 100)	2nd Quarter 2012	68.6	(1.3)%	32.2%
- Arizona Coincident Index (July 1992 = 100)	March	181.49	0.4%	2.7%
- Arizona Leading Index -- 6 month projected growth rate	Jan-Mar	4.6%	0.4%	2.2%
- Arizona Personal Income	4th Quarter 2011	\$235.5 billion	0.9%	4.5%
- Arizona Population	July 1, 2011	6.48 million	N/A	1.1%
- AHCCCS Recipients	May	1,286,796	(0.5)%	(4.5)%
Acute Care Traditional		888,046	(0.1)%	4.0%
Spend Down		-	-	(100.0)%
Prop 204 Childless Adults		123,613	(5.5)%	(44.3)%
Other Prop 204		152,142	(0.1)%	0.6%
Kids Care		10,614	(4.7)%	(44.6)%
Kids Care II		352	-	-
Long-Term Care – Elderly & DD		52,213	0.2%	2.2%
Emergency Services		59,816	2.1%	32.6%
- TANF Recipients	April	39,467	0.6%	(5.5)%
- SNAP (Food Stamps) Recipients	April	1,133,042	(0.6)%	6.2%
- ADC Inmate Growth (3-month average)	Feb - April	39,940	22 inmates	(191) inmates
- Probation Caseload (Adult/Juvenile)				
Non-Maricopa	February	18,368	(49)	(709)
Maricopa County	February	25,481	(149)	(585)
United States				
- Gross Domestic Product (Chained 2005 dollars, SAAR)	1st Quarter 2012 (1 st Estimate)	\$13.5 trillion	2.2%	2.1%
- Consumer Confidence Index (1985 = 100)	April	69.2	(0.4)%	4.8%
- Leading Indicators Index (2004 = 100)	April	95.5	(0.1)%	1.9%
- U.S. Semiconductor Billings (3-month moving average)	Dec-Feb	\$4.35 billion	(1.7)%	(5.8)%
- Consumer Price Index, SA (1982-84 = 100)	April	229.2	0.0%	2.3%

*Adjusted for 1¢ sales tax

Summary of Recent Agency Reports

Arizona Commerce Authority – Annual Report on the Healthy Forest Enterprise Incentives Program – Pursuant to A.R.S. § 41-1516 I the Arizona Commerce Authority is required to report on the Healthy Forest Enterprise Incentives Program regarding the: 1) quantity and measured weight of qualifying forest products reported; 2) number of new full-time employees hired in qualified employment positions; and 3) number of all full-time employees employed in qualified employment positions. In calendar year 2011 the total weight of qualified harvest, processed, or transported forest products was 355,818 tons; however, none of the companies participated in the tax credit portion of the program.

The Healthy Forest Enterprise Incentives Program allows businesses primarily engaged in the harvesting, initial processing, or transporting of forest products in Arizona to exempt qualified purchases from use and transaction privilege taxes, a 50% reduction in the use fuel tax, a reduction in the assessment ratio of personal and real property from 25% to 5%, and an income tax credit of up to \$3,000 per employee on new jobs created. (Eric Billings)

Arizona Department of Administration – Report on FY 2010 Federal Financial Participation Repayment – Pursuant to the FY 2013 General Appropriation Act (Laws 2012, Chapter 294, Section 107), \$10.4 million is appropriated to the Department of Administration (ADOA) from the Risk Management Revolving Fund in FY 2012 for the settlement of debts incurred due to disallowed fund transfers and expenditures of federal participation monies in FY 2010 and FY 2011. Prior to expending these monies, the bill requires ADOA to report to the Joint Legislative Budget Committee regarding the final agreement with the federal government.

ADOA reports that the current total repayment amount to date is \$5.9 million. Disallowed fund transfers to the General Fund constitute \$5 million of the total repayment. The amount owed to the federal government from disallowed expenditures associated with the Information Technology and Attorney General pro rata charges total \$290,000 and \$619,000, respectively. Subsequent to submitting the report, ADOA made the FY 2010 repayment in order meet the May 9 deadline established by the federal government. The final agreement for the FY 2011 repayment has yet to be reached. (Brett Searle)

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 third quarter of FY 2012, DPS expended \$572,700 in GIITEM Immigration Enforcement Grant monies. Year-to-date, DPS has expended \$1.9 million of the FY 2012 non-lapsing \$2.6 million appropriation for local law enforcement grants. Of this amount, \$1.6 million was provided to the Maricopa County Sheriff's Office and the remaining \$326,500 was granted to the Pinal County Sheriff's Office per statute. Additionally, to date, DPS spent or encumbered \$2.0 million of the FY 2011 non-lapsing \$2.6 million appropriation, including \$356,800 in the third quarter. The remaining \$562,800 in the FY 2011 and \$677,800 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 \$471,300 in criminal fine and fee revenues in the third quarter of FY 2012, for a total of \$892,000 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. The GIITEM Border Security and Law Enforcement Subaccount also received \$232,800 in Indigent Defense Fund revenue in the third quarter and \$598,200 year-to-date, of which, \$315,500 was used for a grant to the Pima County Sheriff's Office including \$98,212 in the third quarter. (Eric Billings)

April Spending

April 2012 General Fund spending was \$476.9 million. April expenditures were less than the prior year primarily due to the timing of education formula payments.

FY 2012 Spending

April 2012 spending of \$476.9 million was \$(144.7) million less than May 2011 (See Table 6).

- The Department of Education spent \$241.1 million, or \$(98.5) million less than the previous year due to the timing of formula payments.
- The Community College's spending was \$(16.0) million less than the prior year, as the system's quarterly state aid payment declined due to reductions enacted in the FY 2012 budget.
- In April, Universities spending was \$(12.0) million less than the prior year. The universities received a \$198 million lump sum reduction in FY 2012, which is spread out throughout the fiscal year.

Agency	<u>April 12</u>	<u>Change from April 11</u>	<u>Year to Date</u>	<u>YTD Change from FY 11</u>
AHCCCS	7.3	(20.9)	1,196.6	24.6
Corrections	80.4	(4.2)	757.7	21.8
Economic Security	36.4	11.9	532.5	15.4
Education	241.1	(98.5)	2,903.6	(116.5)
Health Services	10.6	0.1	473.2	61.0
Public Safety	2.8	0.1	42.4	5.1
School Facilities Board	0.1	(0.1)	163.7	96.4
Universities	44.1	(12.0)	641.1	(136.4)
Leaseback Debt Service	-	-	49.1	3.0
Other	<u>54.1</u>	<u>(21.1)</u>	<u>424.6</u>	<u>(105.9)</u>
Total	476.9	(144.7)	7,184.5	(131.5)

Agency	General Fund Spending (\$ in Thousands)			YTD Change from FY 11
	April 12	Change from April 11	Year-to-Date	
Department of Administration	715.0	(888.4)	12,721.0	(5,067.4)
Department of Admin Sale/Leaseback D/S	-	-	49,050.7	(3,016.2)
Office of Administrative Hearings	64.8	(71.6)	682.1	(119.6)
Department of Agriculture	634.0	110.6	6,384.3	(728.0)
AHCCCS	7,305.2	(20,906.1)	1,196,608.5	24,615.9
Attorney General	1,161.3	73.2	13,576.3	(306.1)
AZ Capital Post Conviction Public Defender	52.9	(17.8)	516.5	(82.2)
State Board of Charter Schools	55.3	10.3	600.9	3.7
Department of Commerce/AZ Commerce Authority	2,625.0	2,503.7	26,250.0	23,232.1
Community Colleges	17,144.3	(15,962.3)	68,577.3	(63,849.0)
Corporation Commission	32.0	(12.0)	419.3	(92.0)
Department of Corrections	80,418.3	(4,208.9)	757,686.9	21,814.0
AZ State Schools for the Deaf & Blind	1,829.0	(1,862.9)	17,202.7	(2,579.6)
Department of Economic Security	36,387.5	11,944.4	532,478.4	15,432.8
Department of Education	241,136.9	(98,505.9)	2,903,648.4	(116,530.5)
DEMA	959.9	425.6	5,750.8	(3,238.6)
Department. of Environmental Quality	-	-	-	(0.6)
DEQ – WQARF	-	-	7,000.0	-
Office of Equal Opportunity	13.7	5.1	143.6	(3.6)
State Board of Equalization	24.1	2.1	455.5	(34.4)
Board of Executive Clemency	67.9	19.8	660.6	(69.8)
Department of Financial Institutions	206.2	53.0	2,184.9	(68.0)
Department of Fire, Life, Bldg Safety	216.8	109.8	1,505.9	(243.2)
Office of the State Forester	240.4	(1,310.0)	3,842.7	296.1
Arizona Geological Survey	88.0	59.6	736.4	166.8
Government Information Tech.	-	(26.1)	(3.1)	(410.4)
Governor	419.5	26.1	3,911.6	(1,345.8)
Gov. - OSPB	122.3	(14.0)	1,476.8	(90.0)
Department of Health Services	10,562.6	324.6	473,161.9	60,979.7
Arizona Historical Society	199.3	30.7	2,602.1	(2,337.8)
Prescott Historical Society of AZ	40.5	(11.0)	558.3	(57.0)
Independent Redistricting Comm.	173.4	169.7	3,620.7	3,616.3
Commission on Indian Affairs	9.3	5.5	44.5	(5.9)
Department of Insurance	406.2	50.0	4,256.1	(507.0)
Judiciary	-	-	-	-
Supreme Court/Superior Court	12,304.3	1,280.8	79,906.1	(2,932.5)
Court of Appeals	985.7	(266.1)	11,089.9	(1,467.6)
Department of Juvenile Corrections	3,072.3	67.3	37,730.4	(5,685.2)
State Land Department	117.7	(385.2)	861.6	(2,114.9)
Law Enforcement Merit System	4.9	(0.4)	47.3	(12.9)
Legislature				
Auditor General	1,318.0	226.3	14,318.0	(113.0)
House of Representatives	998.7	140.1	10,084.3	(70.8)
Joint Legislative Budget Comm.	141.7	26.6	1,613.5	(104.7)

Agency	April 12	Change from April 11	Year-to-Date	YTD Change from FY 11
Legislative Council	330.0	42.6	4,230.2	291.6
Senate	786.3	155.9	6,934.1	(267.7)
Board of Medical Student Loans	-	-	41.1	(319.7)
Mine Inspector	104.1	22.3	931.1	(13.9)
Department of Mines & Mineral Resources	-	-	-	(815.8)
Nav. Streams & Adjudication	7.9	2.0	118.1	5.5
OSHA	-	-	-	-
Arizona State Parks Board	-	-	-	(20,000.0)
Pioneers' Home	5.7	(80.7)	1,582.8	315.3
Comm. for Postsecondary Ed.	-	(609.9)	1,396.8	176.0
Department of Public Safety	2,751.0	487.9	42,441.5	5,108.0
Arizona Department of Racing	28.9	(115.6)	2,800.9	(884.4)
Radiation Regulatory Agency	219.5	(63.7)	1,297.1	(17.4)
Arizona Rangers Pension	-	-	-	(8.3)
Real Estate Department	157.6	26.5	1,922.1	(417.6)
Department of Revenue	1,847.1	(4,959.7)	37,080.1	(1,038.1)
School Facilities Board	80.3	(140.2)	163,729.9	96,415.4
Secretary of State	970.8	(777.1)	7,975.1	(5,885.0)
Tax Appeals Board	20.5	4.9	213.3	(2.1)
Department of Transportation	7.2	(6.7)	44.9	(6.5)
State Treasurer	1,754.2	462.9	3,866.3	572.7
Universities				
Board of Regents	495.8	415.0	16,399.1	(237.4)
Arizona State University	20,335.7	(5,065.2)	282,269.1	(62,317.4)
Northern Arizona University	6,431.6	(2,120.3)	94,811.0	(21,201.8)
University of Arizona	16,872.6	(5,262.5)	247,655.5	(52,623.9)
Department of Veteran Services	1,011.6	(149.5)	7,101.5	(3,359.1)
Department of Water Resources	148.0	(214.0)	3,873.0	(1,678.9)
Department of Weights & Measures	98.0	23.7	887.4	(20.1)
Other	212.2	(24.1)	891.6	(101.4)
Grand Total	476,931.5	(144,729.3)	7,184,457.3	(131,459.0)