

1716 W. Adams
Phoenix, AZ 85007

Phone:
(602) 926-5491
Fax:
(602) 926-5416



www.azleg.gov/jlbc.htm

“Year-to-date... FY 2018 General Fund revenues are 3.2% above the prior year and are \$18.8 million above forecast.”

This report has been prepared for the Arizona Legislature by the Joint Legislative Budget Committee Staff on November 20, 2017.

Summary

October 2017 General Fund revenue collections totaled \$741.5 million, and were essentially flat compared to October 2016.

October collections were close to the enacted budget projections, only posting a \$(1.0) million forecast loss for the month.

In terms of the state's individual revenue categories, modest forecast gains in the Sales Tax category were offset by losses in the Corporate Income Tax category. Most of the state's other revenue categories came in at or near forecast.

Year-to-date, excluding Urban Revenue Sharing and one-time fund transfers, FY 2018 General Fund revenues are 3.2% above the prior year and are \$18.8 million above forecast.

In comparison to October revenues of \$741.5 million, October 2017 spending was \$722.6 million, which is an increase of \$4.5 million from the prior year.

Fiscal year-to-date, General Fund revenues of \$3.13 billion have been exceeded by \$4.53 billion of expenditures

The operating fund balance consists of the General Fund and certain dedicated funds. The operating balance as of mid-November 2017 is \$1.1 billion. This amount has declined from the beginning of FY 2018, when the operating fund balance was at \$2.4 billion. The operating fund balance typically declines in the beginning of the state's fiscal year as the state makes large K-12 rollover payments to school districts.

In addition to the state's operating fund, the Budget Stabilization Fund (BSF) has a balance of \$456.1 million.

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October Revenues

	<u>FY 2018 Collections</u>	<u>Difference From Enacted Forecast</u>	<u>Difference From FY 2017</u>
October	\$ 741.5	\$ (1.0)	\$ (0.6)
Year-to-Date	\$ 3,125.4	\$ 18.8	\$ 95.6

Sales Tax collections of \$386.6 million were 4.9% above October 2016 and \$6.8 million above the forecast for the month. Year-to-date, collections have increased by 5.4% and are \$24.8 million above the enacted budget forecast.

October Sales tax collections by category are shown in Table 2. The 5 major categories of the state's sales tax shown in the table account for approximately 90% of total collections. Most of October's revenue gain was attributable to the restaurant/bar and retail categories.

	<u>October</u>	<u>YTD</u>
Retail	6.1%	4.8%
Contracting	(2.0)%	11.4%
Use	(5.7)%	9.0%
Restaurant & Bar	10.9%	5.1%
Utilities	4.4%	1.5%

Individual Income Tax net revenues of \$367.6 million in October were \$3.3 million more than in the prior year and \$1.1 million above the forecast for the month. Year-to-date, revenue has grown 4.3% over the prior year.

As indicated in Table 3, October withholding increased by 8.4% from last year and were \$6.2 million above the forecast. Collections during the month were helped by an increase in the number of processing days compared to October 2016. Year-to-date withholding collections are 6.1% above FY 2017.

October estimated and final payments of \$76.1 million were 28.1% above last year and \$8.8 million above the forecast. A portion of the increase from last year may reflect delays that occurred in October 2016 in processing returns of taxpayers that took extensions on their Tax Year 2015 returns. Year to date, payments are 10.6% above those collected during the same period of FY 2017.

October Individual Income Tax refunds totaled \$(80.9) million – this compares to \$(38.8) million in October 2016 and a forecasted amount of \$(67.0) million. The increase in refunds compared to last year also largely reflects processing delays that occurred in October 2016 on returns from taxpayers who filed extensions on their Tax Year 2015 returns.

	<u>October</u>	<u>YTD</u>
Withholding	8.4%	6.1%
Estimated/Final Payments	28.1%	10.6%
Refunds	108.7%	48.1%

Corporate Income Tax net collections were \$16.4 million in October, which was \$(14.2) million less than in the prior year and \$(9.0) million below forecast. Year to date, collections are \$(18.6) million below prior year collections.

Insurance Premium Tax collections of \$1.5 million in October were \$(2.5) million below the prior year and \$(3.5) million below the forecast. Year to date, collections are 2.4% above last year.

The **Lottery Commission** reports that October ticket sales were \$69.8 million, which is \$9.9 million, or 16.6%, above sales in October 2016. Year-to-date sales are 22.8% above the prior year. Distributions of Lottery revenues for ticket sales that occurred from July through October are not expected to be deposited to the General Fund until November.

Highway User Revenue Fund (HURF) collections of \$118.8 million in October were up 3.1% compared to October of last year and were \$(0.4) million below forecast. Year-to-date collections are 2.6% above last year.

October collections of \$7.0 million in the **Transfers and Reimbursements** category were \$5.9 million above the prior year and \$5.4 million above the forecast. The October increase was partly driven by a \$3.2 million payment from Mylan to the state as part of a nationwide settlement for overbilling Medicaid programs for the company's EpiPen emergency allergy shot.

Due to delays in reporting final September revenues for various revenues sources, DOR has made **technical adjustments** to prior month collection figures. For October, DOR has decreased the amount of prior General Fund revenue collections by \$(0.4) million, and the adjustment has been included in the reported year-to-date results.

Table 4

General Fund Revenue: Change from Previous Year and Budget Forecast October 2017

	Current Month					FY 2018 YTD (Four Months)				
	Actual October 2017	Change From October 2016		Budget Forecast		Actual October 2017	Change from October 2016		Budget Forecast	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
<u>Taxes</u>										
Sales and Use	\$386,557,546	\$17,889,639	4.9 %	\$6,804,820	1.8 %	\$1,537,838,452	\$78,397,429	5.4 %	\$24,811,099	1.6 %
Income - Individual	367,613,957	3,326,618	0.9	1,053,410	0.3	1,497,974,880	61,145,691	4.3	8,840,472	0.6
- Corporate	16,432,091	(14,246,583)	(46.4)	(8,955,982)	(35.3)	97,723,076	(18,604,123)	(16.0)	(8,455,240)	(8.0)
Property	5,760,338	936,340	19.4	(846,635)	(12.8)	6,238,266	649,440	11.6	(1,053,391)	(14.4)
Luxury - Tobacco	2,158,087	(110,239)	(4.9)	0	0.0	7,696,624	(291,225)	(3.6)	(254,518)	(3.2)
- Liquor	3,016,961	(396,282)	(11.6)	0	0.0	10,898,992	565,025	5.5	737,408	7.3
Insurance Premium	1,545,913	(2,531,305)	(62.1)	(3,457,854)	(69.1)	156,382,637	3,724,252	2.4	1,005,097	0.6
Other Taxes	64,797	13,252	25.7	(190,068)	(74.6)	179,130	(1,006,146)	(84.9)	(1,186,966)	(86.9)
Sub-Total Taxes	\$783,149,691	\$4,881,439	0.6 %	(\$5,592,309)	(0.7) %	\$3,314,932,057	\$124,580,342	3.9 %	\$24,443,962	0.7 %
<u>Other Revenue</u>										
Lottery	0	0	--	0	--	0	(12,801,793)	(100.0)	0	--
License, Fees and Permits	2,896,918	480,732	19.9	120,127	4.3	13,925,735	2,775,822	24.9	3,956,545	39.7
Interest	4,055	(14,728)	(78.4)	(1,761)	(30.3)	259,373	138,597	114.8	169,487	188.6
Sales and Services	2,135,792	854,365	66.7	327,289	18.1	6,966,641	(33,718)	(0.5)	(1,179,692)	(14.5)
Other Miscellaneous	3,035,254	(10,453,849)	(77.5)	(1,261,479)	(29.4)	5,633,329	(13,685,777)	(70.8)	(8,783,630)	(60.9)
Disproportionate Share	0	0	--	0	--	0	0	--	0	--
Transfers and Reimbursements	6,976,224	5,850,524	519.7	5,391,581	340.2	10,619,083	1,539,345	17.0	197,331	1.9
Sub-Total Other Revenue	\$15,048,244	(\$3,282,957)	(17.9) %	\$4,575,756	43.7 %	\$37,404,161	(\$22,067,524)	(37.1) %	(\$5,639,958)	(13.1) %
TOTAL BASE REVENUE	\$798,197,934	\$1,598,483	0.2 %	(\$1,016,553)	(0.1) %	\$3,352,336,219	\$102,512,818	3.2 %	\$18,804,003	0.6 %
<u>Other Adjustments</u>										
Urban Revenue Sharing	(56,730,840)	(1,432,326)	2.6	0	0.0	(226,923,360)	(5,729,304)	2.6	0	(0.0)
One-Time Transfers	0	(729,948)	(100.0)	0	--	0	(1,191,548)	(100.0)	0	--
Sub-Total Other Adjustments	(56,730,840)	(2,162,274)	4.0 %	0	0.0 %	(226,923,360)	(6,920,852)	3.1 %	0	(0.0) %
TOTAL GENERAL FUND REVENUE	\$741,467,094	(\$563,791)	(0.1) %	(\$1,016,553)	(0.1) %	\$3,125,412,859	\$95,591,966	3.2 %	\$18,804,003	0.6 %
<u>Non-General Funds</u>										
Highway User Revenue Fund	\$118,847,503	\$3,541,907	3.1 %	(\$373,555)	(0.3) %	\$472,888,486	\$12,084,725	2.6 %	(\$7,079,177)	(1.5) %

Monthly Indicators

NATIONAL

According to the U.S. Department of Commerce Bureau of Economic Analysis, the **U.S. Real Gross Domestic Product (GDP)** increased at an annual rate of 3.0% in the third quarter of 2017, following growth of 3.1% in the second quarter. The latest readings represented the first consecutive quarters of at least 3.0% growth since the third quarter of 2014. GDP has been bolstered by strong growth in consumption expenditures, business fixed investment, and exports. Increases in these categories were partly offset by decreases in residential investment and state and local government spending.

The Conference Board's **U.S. Consumer Confidence Index** increased by 4.4% to 125.9 in October. The latest reading is 24.9% above the index in October 2016. The large increase in October reflected broad improvement in consumers' assessments and near-term expectations of the economy. The percentage of surveyed individuals that think jobs are currently plentiful minus the percent that think jobs are scarce reached 18.8%, which was the highest reading since July 2001. Economists also expect that a portion of the monthly increase in confidence reflected improving stock market performance.

According to the U.S. Department of Commerce Bureau of Economic Analysis, the **U.S. Personal Consumption Expenditure Price Index (PCEPI)** increased 0.4% in September, building on 0.2% growth in August. Monthly growth was boosted by energy prices, which rose 6.8% during the month. The index's year-over-year growth rate grew from 1.4% to 1.6% during the month, which remains below the Federal Reserve Bank's 2.0% annual inflation target. The index for core inflation (all items less food and energy) was 1.3% above the reading in September 2016.

Consumer prices, as measured by the **U.S. Consumer Price Index (CPI)**, increased 0.1% in October and increased 2.0% above October 2016 prices. The index increase is primarily due to a 0.3% increase in the shelter index. The energy index slightly decreased due to a gasoline index decrease outweighing increases in other indexes. Core inflation (all items less food and energy) increased 0.2%, and other increases include the indexes for medical care, used vehicles, and education. The indexes for new vehicles, recreation and apparel saw decreases for the month.

The Conference Board's **U.S. Leading Economic Index** decreased (0.2)% in September to 128.6 and stands 4.0% above its September 2016 reading. Partially because of hurricane disasters, average weekly initial claims and average workweek of production worker components made significant negative contributions. The volatile building permits index also contributed to the monthly decrease. Of the index's 10 components, 6 made positive contributions for the month, most notable

among them the increasingly strong Institute for Supply Chain Management (ISM) index for new orders.

ARIZONA

Housing

Single-family housing construction is increasing. In September, Arizona's 12-month total of **single-family building permits** was 26,719, or 11.7% more than a year ago. The comparable single-family permit growth rate for the entire U.S. was 9.5%.

The 12-month total of multi-family building permits has been up and down. In September, Arizona's total of 10,103 **multi-family building permits** was (5.0)% less than in 2016. Nationwide multi-family permits were (2.5)% less than in 2016.

Tourism

Revenue per available room was \$67.68 in September, which was (0.8)% below the amount in September 2016. **Ridership** through Phoenix Sky Harbor Airport during the month was down (0.6)% compared to September 2016.

Employment

According to the Office of Economic Opportunity (OEO), the state added 18,700 **nonfarm jobs** in October over September. The average job gain for October in the prior 5 years was 27,800.

Compared to October 2016, Arizona added 32,000 net new jobs in October this year, which was an increase of 1.2%. The average year-over-year job growth rate through the first 10 months of 2017 is 1.8%. The last time the state's annual job growth rate was below 2% was in 2011.

The slowdown in job growth over the last 4 months is primarily due to the private service-providing industries in the state, including retail trade, information, and other services.

The state's **regular unemployment rate** decreased from 4.7% in September to 4.5% in October. This is the lowest recorded jobless rate since December 2007. Compared to October 2016, the jobless rate is down by (0.5)%. The U.S. unemployment rate decreased from 4.2% in September to 4.1% in October.

The U.S. Bureau of Labor Statistics releases estimates quarterly for a broader measure of labor underutilization called the **total unemployment rate**. Besides the "regularly" unemployed, the measure also includes persons who are available to work but stopped looking for a job ("discouraged workers"), and persons who had to settle for part-time employment ("underemployed workers").

Monthly Indicators (Continued)

The Arizona rate averaged 9.9% from the third quarter of 2016 through the third quarter of 2017. This rate is (0.6)% below the reading issued for the prior period. The state's 9.9% rate was the eighth highest of any state. The national average for the measure was 8.9% during the quarter.

OEO reported that 18,027 **initial claims for unemployment insurance** were filed in October, an increase of 1.4% compared to the same month last year, the largest year-over-year increase for a month since January 2017.

According to OEO, the state had a total of 26,024 claimants receiving **unemployment insurance benefits** in October, a decrease of (4.7)% from September. This figure is (8.3)% below the October 2016 level.

In September, the **Average Weekly Hours** worked by individuals in Arizona's private sector was 34.8 hours. This workload was 0.6% above the level during the prior month and 2.1% above the level in September 2016.

The **Average Hourly Earnings** received by private sector workers was \$25.46, which is (0.7)% below the average in the prior month. September earnings were 5.2% above the average in September 2016.

State Agency Data

At the beginning of November 2017, the total **AHCCCS caseload** was 1.87 million members. Since the federal health care expansion in January 2014, the overall AHCCCS population has grown by 609,320 members.

Total monthly enrollment decreased by (3,600) during October and is 0.2% higher than a year ago. The monthly decrease was largely driven by enrollment in the Traditional and Proposition 204 populations of low income parents and children, which collectively decreased by (3,100), or (0.2)%.

Laws 2016, Chapter 112 reopened enrollment in KidsCare program in September 1, 2016. Following the enrollment freeze in January 2010, the KidsCare caseload had dropped to 500 members by August 2016. Through November 1, 2017, enrollment in the program reached 23,800, or 700 more than the prior month's enrollment.

In January 2014, the state started accepting new enrollment to the Proposition 204 childless adults program. In October 2017, the childless adult population decreased by (800), or (0.2)%. At 317,000, this population is 0.1% higher than a year ago.

The state also opted to expand adult Medicaid coverage to 133% of FPL. Their enrollment decreased

by (500) in October and now totals 82,100 individuals. Enrollment is 1.2% higher than a year ago. The federal government currently funds 95% of this population's cost.

There were 17,242 **TANF recipients** in the state in October, representing a (2.2)% decrease from September. The year-over-year number of TANF recipients has declined by (14.1)%. The statutory lifetime limit on cash assistance is 24 months.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. In October, 905,694 people received food stamp assistance in the state, representing a (0.8)% decrease over September caseloads. Compared to October caseloads last year, the level of food stamp participation has declined by (7.2)%.

The **inmate population** was 42,261 as of October 31, 2017. This is a 0.1% increase since September and a (0.8)% decrease since last year.

Based on information the Department of Child Safety provided for September 2017, **reports of child maltreatment** totaled 47,093 over the last 12 months, a decrease of (3.0)% over the prior year. There were 16,005 **children in out-of-home care** as of August 2017, or (11.4)% less than in August 2016. Compared to the prior month, the number of out-of-home children decreased by (1.9)%.

According to the most recent information from the Administrative Office of the Courts, the Maricopa County **probation caseload** was 28,591 as of September 2017. This was a decrease of (14) below the prior month, and a 839 increase since last September. In addition, the state's non-Maricopa County probation caseload was 19,188. This was an increase of 88 above the prior month, and a 220 increase since last September. These figures represent standard and intensive probation caseloads, including both adult and juvenile probation.

Table 5

MONTHLY 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				
<i>Employment</i>				
- Regular Unemployment Rate	October	4.5%	(0.2)%	(0.5)%
- Total Unemployment Rate (discouraged/underemployed)	3 rd Q 2017	9.9%	(0.6)%	(1.0)%
- Initial Unemployment Insurance Claims	October	18,027	18.8%	1.4%
- Unemployment Insurance Recipients	October	26,024	(4.7)%	(8.3)%
- Non-Farm Employment - Total	October	2,782,500	0.7%	1.2%
Manufacturing	October	164,500	0.4%	3.2%
Construction	October	140,500	0.0%	2.2%
- Average Weekly Hours, Private Sector	September	34.8	0.6%	2.1%
- Average Hourly Earnings, Private Sector	September	\$25.46	(0.7)%	5.2%
<i>Sales</i>				
- Retail Taxable Sales				
Motor Vehicles/Misc. Auto	April	\$1,117 million	15.3%	5.4%
Furniture/Home Furnishings	April	\$342.9 million	4.1%	4.3%
Building Material/Lawn & Garden	April	\$463.6 million	26.6%	9.3%
<i>Building</i>				
- Residential Building Permits (12-month avg)				
Single-family	September	26,719	0.9%	11.7%
Multi-family	September	10,103	(6.1)%	(5.0)%
- Maricopa County/Other, Home Sales (ARMLS)				
Single-Family (Pending Sales)	September	4,817	(14.9)%	(20.1)%
- Maricopa County/Other, Median Home Price (ARMLS)				
Single-Family (Pending Sales)	September	\$262,000	1.6%	7.4%
- Phoenix S&P/C Home Price Index (2000 = 100)	August	172.20	0.8%	5.8%
- Maricopa Pending Foreclosures	September	2,595	(7.0)%	(26.0)%
- Greater Phoenix Total Housing Inventory, (ARMLS)	September	21,820	1.7%	(9.4)%
<i>Tourism</i>				
- Phoenix Sky Harbor Air Passengers	September	3,151,034	(10.7)%	(0.6)%
- National Park Visitors	July	2,251,309	22.1%	7.5%
- State Park Visitors	September	222,465	12.6%	17.5%
- Revenue Per Available Hotel Room	September	\$67.68	17.7%	(0.8)%
<i>General Measures</i>				
- Arizona Consumer Confidence Index (1985 = 100)	4th Q 2016	91.7	3.7%	12.9%
- Arizona Leading Index -- 6 month projected growth	September	9.8%	4.7%	5.2%
- Arizona Personal Income	2nd Q 2017	\$290.3 billion	0.9%	3.9%
- Arizona Population	July 2016	6,931,071	N/A	1.7%
- State Debt Rating				
Standards & Poor's/Moody's	May	AA / Aa2	N/A	N/A
Outlook	May	Stable	N/A	N/A
<i>Agency Measures</i>				
- AHCCCS Recipients	November 1 st	1,867,462	(0.2)%	0.2%
Acute Care Traditional		1,071,917	(0.2)%	(1.7)%
Prop 204 Childless Adults		317,026	(0.2)%	0.1%
Other Prop 204		192,028	(0.4)%	3.5%
Adult Expansion		82,052	(0.6)%	1.2%
Kids Care I		23,849	2.8%	159.7%
Long-Term Care – Elderly & DD		60,600	0.3%	3.1%
Emergency Services		119,990	0.0%	(1.0)%
- Department of Child Safety (DCS)				
Annual Reports of Child Maltreatment (12-month total)	September	47,093	(0.1)%	(3.0)%
DCS Out-of-Home Children	August	16,005	(1.9)%	(11.4)%
Filled Caseworkers (1406 Budgeted)	October	1,336	3	(5)
- ADC Inmate Growth	October	42,261	0.1%	(0.8)%
- Department of Economic Security				
- TANF Recipients	October	17,242	(2.2)%	(14.1)%
- SNAP (Food Stamps) Recipients	October	905,694	(0.8)%	(7.2)%
- Judiciary Probation Caseload				
Non-Maricopa	September	19,188	88	220
Maricopa County	September	28,591	(14)	839
United States				
- Gross Domestic Product	3 rd Q, 2017 (1 st Estimate)	\$17.2 trillion	2.3%	3.0%
(Chained 2009 dollars, SAAR)				
- Consumer Confidence Index (1985 = 100)	October	125.9	4.4%	24.9%
- Leading Indicators Index (2010 = 100)	September	128.6	(0.2)%	4.0%
- Consumer Price Index, SA (1982-84 = 100)	October	246.6	0.1%	2.0%
- Personal Consumption Price Index (2009 = 100)	September	113.1	0.4%	1.6%

JLBC Meeting

At its November 16, 2017 meeting, the Joint Legislative Budget Committee considered the following issues:

Department of Administration – Review of Public Safety Broadband – The Committee gave a favorable review of ADOA's annual report on expenditures for the State and Local Implementation Grant Program (SLIGP). These monies are part of a nationwide planning effort associated with a public safety broadband network.

Attorney General – Review of Allocation of Settlement Monies – The Committee gave a favorable review a \$469,000 expenditure plan for a staff attorney and other litigation costs associated with opioid manufacturers. These monies were deposited into the Consumer Remediation Subaccount resulting from the State v. McKesson Corporation settlement. The favorable review includes a provision that clarifies the one-time nature of these monies.

Department of Child Safety – Review of FY 2018 First Quarter Benchmarks – The Committee gave a favorable review of the report assessing DCS' progress toward meeting benchmarks for the number of caseworks, caseload standards, the number of backlog cases and open reports, and reducing the number of children in out-of-home care.

Department of Economic Security – Review of Staffing Plan for the Division of Developmental Disabilities – The Committee gave a favorable review of the department's plan to hire 90 positions mandated by the federal government at the Arizona Training Program at Coolidge, and an unfavorable review of DES' lack of data on their out-of-home placement costs. The review included provisions with cost data and long-term plan reporting requirements.

Department of Education – Review of State Aid Correction for Bonita Elementary – The Committee gave a favorable review of a plan to provide Bonita Elementary School with \$115,600 in corrected state aid funding following the settlement of two tax appeals in Arizona Tax Court.

Department of Education – Review of Joint Technical Education District Quarterly Reports – The Committee gave a favorable review of ADE's June 2017 and September 2017 JTED quarterly reports.

Summary of Recent Agency Reports

Arizona Department of Administration – Report on Administrative Adjustments – Pursuant to A.R.S § 35-191, the Arizona Department of Administration (ADOA) submitted their report on administrative adjustments. A.R.S § 35-191 allows administrative adjustments for goods and services received after the end of the fiscal year if written documentation is provided by an agency and approved by ADOA. Statute requires ADOA to report any approvals for goods or services ordered in one fiscal year but received beyond August 30 of the following fiscal year. For FY 2017, ADOA did not grant any approvals for administrative adjustments for orders for goods or services made in FY 2017 and received after August 31, 2017. (Rebecca Perrera)

AHCCCS – Report on Systematic Alien Verification for Entitlements Program – Pursuant to A.R.S. § 36-2903.03, the Arizona Health Care Cost Containment System (AHCCCS) provided its latest report on the collection and verification of documentation associated with the Systematic Alien Verification for Entitlements (SAVE) program.

AHCCCS, in conjunction with the Department of Economic Security (DES), performed 149,549 verifications of immigration status in FY 2017. During this period, AHCCCS and DES referred 63 individuals (52 citizens, 11 non-citizens) for prosecution for fraudulent schemes, prohibited acts, theft, or forgery. AHCCCS and DES identified 2 fraudulent permanent residency documents utilizing the SAVE program during FY 2017. (Jon Stall)

Summary of Recent Agency Reports *(Continued)*

AHCCCS – Report on Uncompensated Hospital Costs and Hospital Profitability – Pursuant to A.R.S. § 36-2903.08, AHCCCS reported on uncompensated hospital costs and hospital profitability for Arizona hospitals for the previous fiscal year. AHCCCS used data from the 2015 and 2016 Uniform Accounting Reports (UAR), statutorily required audited financial statements.

From 2015 to 2016, total uncompensated care costs decreased by \$(6.8) million, from \$349.3 million to \$342.5 million (1.9% decrease). The average uncompensated care costs per hospital decreased from \$3.4 million to \$3.3 million during this time. Total net operating profitability increased by \$167.0 million, from \$667.6 million in 2015 to \$834.6 million in 2016 (25.0% increase).

The reduction to uncompensated care and increase to net operating profitability during this time was partly driven by an 8.3% increase in Medicaid enrollment. Figures above exclude impacts to the publicly-operated Maricopa Medical Center. (Jon Stall)

AHCCCS – Report on Proposition 206 Provider Rate Adjustments – Pursuant to a provision adopted by JLBC at its June 2017 meeting, AHCCCS reported on long term care provider rate adjustments associated with Proposition 206 paid sick leave implemented on July 1, 2017. The rates had not been finalized at the time of the meeting. AHCCCS reports that the rate adjustments were as follows:

- 0.6% for Elderly and Physically Disabled (EPD) home and community-based services (HCBS) providers;
- 0.4% for Developmental Disabilities (DD) HCBS providers; and
- 0.3% for Nursing Facility services.

The estimated total funds costs of the adjustment are \$4.0 million for the EPD program and \$3.6 million for the DD program in FY 2018. The agency indicated that these costs are within budget. (Patrick Moran)

Department of Child Safety – Monthly Report on Hiring – Pursuant to a FY 2018 General Appropriation Act footnote, the Department of Child Safety (DCS) reported on its progress in hiring and retaining child safety staff through October 2017. (See *Table 6 below.*)

The number of direct line child safety staff (caseworkers, caseworkers in training, caseworkers awaiting training and hotline staff) was 1,336 in October, or (70) fewer staff than the number of funded positions. Most of the difference between funded positions and filled positions was driven by lower-than-budgeted staffing of caseworkers, which was partly offset by higher-than-budgeted staff in training. Total direct line staff increased by 3 since September.

There were also 1,392 non-direct line child safety staff in October, or (119) fewer staff than the funded staffing level. The budgeted staffing level is 1,511 excluding Attorney General positions. Total non-direct line positions increased by 11 compared to September. (Patrick Moran)

Arizona Commerce Authority – Annual Report on Arizona Competes Fund – Pursuant to A.R.S. § 41-1545.04, the Arizona Commerce Authority (ACA) provided its annual report on 1) grants from the previous fiscal year and other projects currently funded from the Arizona Competes Fund, and 2) performance measures for the recipients including job creation, capital investment and average wages.

New FY 2017 Grants

ACA awarded 15 grants from the Arizona Competes Fund totaling \$13.6 million in FY 2017.

ACA awarded new 8 grants totaling \$11.9 million for the purpose of expanding or retaining businesses in Arizona. The largest grant of \$4.0 million was awarded to Caterpillar Global Mining LLC.

	<u>Funded</u>	<u>October</u>	<u>Difference</u>
Caseworkers	1,190	1,019	(171)
Hotline Staff	76	71	(5)
Staff in Training	<u>140</u>	<u>246</u>	<u>106</u>
<i>Subtotal - Direct Line</i>	1,406	1,336	(70)
<i>Subtotal - Non-Direct Line Staff</i>	<u>1,511</u>	<u>1,392</u>	<u>(119)</u>
Grand Total ^{1/}	2,917	2,728	(189)

^{1/} Excludes 276.2 Attorney General Staff.

Summary of Recent Agency Reports (Continued)

Each recipient agreed, as part of the granting process, to meet certain metrics regarding job creation. The 8 recipients agree, over the next 3 years, to create a collective total of 5,226 new jobs, retain 3,202 existing jobs, provide average annual wages above the county median wage, make a collective capital investment of \$250.7 million, and pay for at least 65% of health insurance costs.

Additionally, ACA made \$1.5 million in new grants as part of the Arizona Innovation Challenge (AIC) grant program to 6 early-stage companies for the purposes of funding the start-up costs of small businesses. There are no specific job creation requirements for these companies; however, ACA estimates they will create 19 jobs over the next year.

The remaining \$151,500 was awarded under the Rural Economic Development Grant (REDG) program to the City of Yuma. Grants made under this program are meant to fund rural infrastructure projects that will generate or retain private sector jobs.

Performance Measures

ACA awarded 27 grants from FY 2012 through FY 2017 totaling \$34.0 million for the purpose of expanding or retaining business in Arizona. Through FY 2017, these grantees created 3,921 jobs with average annual wages of \$77,200 and capital investment of \$248.7 million. This compares to commitments of 12,832 jobs created, average annual wages of \$64,300, and capital investment of \$460.6 million. The grantees have 3 years to reach the agreed upon metrics. Grantees that did not perform the agreed upon metrics were only funded for the job creation and capital investments that were completed.

From FY 2012 through FY 2017, ACA made 84 REDG and AIC grants totaling \$21.4 million for the purpose of supporting rural and small businesses. As of June 30, 2017, these grantees created 1,722 jobs and \$145.5 million in capital investment compared to commitments of 2,996 jobs and \$389.8 million in capital investment. These grantees also created an additional \$7.8 million in capital investment that was not subject to a contractual commitment. The average wage of the jobs created was \$40,100.

Fund Status

The Arizona Competes Fund receives a General Fund deposit of \$11.5 million and an additional deposit of \$3.5 million in lottery revenues. As of June 30, 2017, the Arizona Competes Fund had a balance of \$37.5 million. (Sam Beres)

Department of Economic Security – Report on Temporary Assistance for Needy Families (TANF) Grant Diversion Program – Pursuant to A.R.S. § 46-298, the Department of Economic Security (DES) provided the 2017 annual report on the TANF Grant Diversion Program. The program's purpose is to divert applicants from long-term TANF cash assistance by offering immediate, one-time assistance to resolve a financial crisis. In FY 2017, 8,891 applicant households chose the grant diversion option and were diverted from long-term assistance. A total of 7,398 households obtained employment within 90 days of receiving assistance under the diversion program during the 12-month period of April 2016 through March 2017. Through February 2017, the most recent month for which complete data is available, 519 of 6,138 households, or 8.5%, reapplied for long-term assistance within 180 days of their participation in the diversion program. Complete data for FY 2016 indicates 848 of the total 8,890 households receiving diversion payments, or 9.5%, reapplied within 180 days. (Chris Gustafson)

Arizona Department of Education – Report on K-12 Aggregate Expenditure Limit – Pursuant to A.R.S. § 15-911B, the State Board of Education recently reported that currently budgeted expenditures for all school districts collectively statewide for FY 2018 are \$(586.3) million below the Constitution's aggregate expenditure limitation (AEL). For FY 2017 the difference was \$(532.3) million. The AEL limits growth in non-exempted statewide K-12 expenditures for school districts (excluding charter schools) to the combined rate of growth for enrollment and inflation, with certain exceptions. (Steve Schimpp)

Board of Executive Clemency – Report on FY 2017 Caseload – Pursuant to a footnote in the FY 2018 General Appropriation Act, the board is required to submit a report on its FY 2017 caseload by November 1, 2017.

The board conducted 3,110 case hearings in FY 2017, as described below:

Phases 1 and 2 Commutation (308): After reviewing an inmate's request to have their sentence commuted, the board can decide to deny the request or allow the request to move to a Phase 2 Commutation hearing.

Pardon (14): The board may recommend that the Governor pardon an offender.

Summary of Recent Agency Reports (Continued)

Absolute Discharge (9): The board can discharge a person from imprisonment or parole supervision prior to the sentence expiration date or prior to the expiration of parole.

Modification (0): The board can recommend to the Governor that an inmate’s sentence be modified or commuted.

Reprieve (0): The board can make a recommendation to the Governor to delay or temporarily suspend the carrying out of an inmate’s punishment.

Parole (388): These hearings only apply to offenders sentenced prior to 1994. The board may place these offenders on parole or deny their application for parole and return them to the Department of Corrections.

Violator (2,391): These hearings are conducted when an offender has violated the terms of community supervision. (Micaela Larkin)

Department of Health Services – Report on Intergovernmental Agreement/Interagency Service Agreement Funds – Pursuant to A.R.S. § 36-108.01E, DHS is required to report annually on the fund balances, revenues, and expenditures of its Intergovernmental and Interagency Service Agreement (IGA/ISA) funds. These funds include monies that DHS receives from federal, state, and local public agencies to deliver nutrition education in schools and teenage pregnancy prevention programs, among other services.

The Health Services Lottery Fund consists of revenues from the State Lottery for teenage pregnancy prevention, the Health Start program, and the Women, Infants, and Children (WIC) program. DHS estimates that the fund will have revenues equal to \$7.6 million and expenditures equal to \$13.6 million, with an ending balance of \$1.2 million in FY 2018. DHS projects the fund

will have revenues of \$7.7 million and expenditures of \$8.3 million, with an ending balance of \$690,200 in FY 2019.

The IGA/ISA Fund primarily consists of monies from an ISA between DHS and the Department of Economic Security (DES) that requires DHS to provide nutrition education in public schools using funds from the Supplemental Nutrition Assistance Program (SNAP). DHS estimates that in FY 2018 this fund will have \$17.3 million in revenues and \$16.2 million in expenditures, and have an ending balance of \$2.9 million. DHS projects revenues and expenditures will be unchanged in FY 2019, with an ending balance of \$4.1 million. (Morgan Dorcheus)

Arizona Department of Homeland Security – Report on Homeland Security Funding – Pursuant to A.R.S. § 41-4255, the Arizona Department of Homeland Security has submitted its annual report detailing grant allocations and expenditures for Homeland Security grants from Federal Fiscal Year (FFY) 2014 through FFY 2016. The report indicates that 28.5% of the FFY 2016 allocation has been expended. Information for FFY 2014 - FFY 2016 is included in *Table 7* below.

The state was allocated and the Arizona Department of Homeland Security awarded \$22.2 million in Homeland Security grants for FFY 2016. The department reported total expenditures of \$6.3 million, leaving \$15.9 million unexpended. State agencies were awarded \$2.0 million, of which \$669,200 has been expended. Local governments were awarded \$20.2 million, of which \$5.7 million has been expended. The largest local grantee was the Pima County Sheriff’s Department (\$1.5 million). The largest state grantee was the Department of Public Safety (\$2.0 million). The largest individual grant of \$1.2 million went to the Pima County Sheriff’s

	<u>FFY 2014</u>	<u>FFY 2015</u>	<u>FFY 2016</u>
State Awards	\$2,122,000	\$1,694,300	\$2,004,200
Local Government Awards	<u>20,349,200</u>	<u>20,062,900</u>	<u>20,228,000</u>
Total Awards	\$22,471,200	\$21,757,200	\$22,232,200
State Expenditures	\$2,122,000	\$1,387,000	\$669,200
Local Government Expenditures	<u>20,349,200</u>	<u>17,635,000</u>	<u>5,667,900</u>
Total Expenditures	\$22,471,200	\$19,022,000	\$6,337,100
Percentage of Total Awards			
Currently Expended	100%	87.4%	28.5%

Summary of Recent Agency Reports (Continued)

Department for overtime and mileage payments while working in support of U.S. Customs and Border Protection border security efforts.

Total combined state and local awards for FFY 2016 represented a decrease from the amount received in FFY 2014 and an increase over FFY 2015. Arizona received \$21.8 million in total combined state and local awards in FFY 2015 and \$22.5 million in FFY 2014. Of the funds received, 100% have been expended for FFY 2014 and 87.4% have been expended for FFY 2015. (Josh Hope)

JLBC Staff – Report on FY 2017 Travel and Relocation Expenses – A.R.S. § 35-196.01 requires agencies to annually report relocation expenses for their employees. As of November 1, 2017, 9 agencies reported spending a total of \$63,482 on these purposes in FY 2017. See Table 8. (Steve Grunig)

Agency	FY 2017 Travel Expense
Corrections, State Department of	\$8,032
Criminal Justice Commission, AZ	2,979
Game and Fish Department, Arizona	3,548
Governor, Office of the	345
Arizona State Schools for the Deaf and the Blind	33,500
Public Safety, Department of	8,829
Public Safety Personnel Retirement System	4,366
Secretary of State, Department of State	660
Tourism, Office of	1,223
Total	\$63,482

Department of Revenue – Report on Annual Enforcement Goals – Pursuant to 2 General Appropriation Act footnotes, the Department of Revenue (DOR) is required to report on their FY 2018 revenue enforcement goals, and to provide an annual progress report to the JLBC on the effectiveness of the department’s overall enforcement and collections program for FY 2017. In FY 2017, DOR’s total enforcement goal was \$479.0 million but they actually collected \$574.2 million. DOR’s FY 2018 goal for enforcement collections is unchanged, totaling \$479.0 million.

Compared to actual FY 2017 total enforcement revenue, DOR’s FY 2018 goals consist of:

- A decrease in audit revenue of \$(21.7) million, or (26.9)%.
- An increase in collections revenue of \$10.5 million, or 4.6%.
- An decrease in accounts receivables revenue of \$(83.9) million, or (31.8)%.

Audit enforcement revenue includes revenue due to DOR’s auditing of taxpayer returns, and finding and licensing unlicensed businesses. Accounts Receivable revenue includes taxpayer accounts paid before they would have been moved to collections, which allows DOR’s collectors to work on other accounts. After certain periods of time, unpaid taxpayer accounts are moved from Accounts Receivable to DOR’s Collections section. (Jeremy Gunderson)

Department of Revenue – Report on Individual Income Tax Fraud Prevention – Pursuant to an FY 2018 General Appropriation Act footnote, on or before November 1, 2017 the Department of Revenue is required to report the results of private fraud prevention investigation services during FY 2017, including the total number of fraudulent returns prevented and the total dollar amount of fraudulent returns prevented. Funds are used to contract with a vendor to provide investigation services to identify potentially fraudulent Individual Income Tax returns and prevent fraudulent refunds from being sent by the department. The department reports that the fraud prevention efforts stopped 22,971 returns from being sent to filers totaling \$25.0 million in FY 2017, compared to 41,186 returns totaling \$78.5 million in FY 2016. (Jeremy Gunderson)

School Facilities Board – Quarterly Report on Credit Enhancement Program – Pursuant to A.R.S. § 15-2158, the School Facilities Board (SFB) is required to submit quarterly reports on the Public School Credit Enhancement Program. The program is currently operated by the Governor’s Office of Education. As of September 30, 2017, 6 schools have been approved financing through the program – Academy of Math and Science, Arizona Agribusiness and Equine Center, Great Hearts Academies (2 projects), BASIS Schools, and American Leadership Academy.

Of those approved, 2 schools have issued guaranteed financing as of September 30 – Academy of Math and Science in an amount of \$23.5 million and Great Hearts Academies in the amount of \$34.2 million. To date, there are no guaranteed financings for which the program has

Summary of Recent Agency Reports (Continued)

been required to disperse funds. The Credit Enhancement Fund balance is \$104,545,200 and has a leverage ratio of 0.55 (based only on issued financings). The statutory limit for the program's leverage ratio is 3.5. (Rebecca Perrera)

Supreme Court – Report on Adult Probation Services Fund and the Juvenile Probation Fund – Pursuant to a General Appropriation Act footnote and A.R.S. § 12-262, the Administrative Office of the Courts (AOC) reported on the FY 2017 actual, FY 2018 estimated, and FY 2019 requested amounts of the following: 1) the number of authorized and filled case carrying and non-case carrying probation positions by county; 2) the total receipts and expenditures by county and fund source for each of the probation Special Line Items (SLI), including the Personal Services expended from each revenue source of each account; and 3) the amount of monies from the probation SLIs that the AOC does not distribute as direct aid to counties. The figures in this report are for all counties except Maricopa as the state does not pay any of the county's costs of probation.

Adult Standard Probation

Adult Standard Probation county expenditures statewide for probation officers were \$38.8 million in FY 2017, of which \$13.6 million were General Fund monies and \$3.4 million were non-General Fund state expenditures. The remaining \$21.8 million were county expenditures. These monies funded 251.5 authorized case carrying positions and 376.8 authorized non-case carrying positions. Of these positions, 237.5 case carrying and 344.4 non-case carrying positions were filled. AOC estimates total expenditures of \$39.9 million in FY 2018 and \$42.8 million in FY 2019.

AOC reports Adult Standard Probation SLI expenditures of \$17.1 million in FY 2017 which included \$13.4 million in General Fund and \$3.7 million in other appropriated funds. All of these monies were distributed to county probation departments for probation officer costs. The AOC also reports expenditures of \$427,500 from the Interstate Compact SLI.

Adult Intensive Probation

AOC reports statewide Adult Intensive Probation county expenditures for probation officers of \$10.1 million in FY 2017, of which \$9.2 million were General Fund monies and \$0.9 million were non-General Fund state expenditures. These monies funded 104.5 authorized case carrying positions and 62.8 authorized non-case carrying positions. Of these positions, 99.5

case carrying and 59.1 non-case carrying positions were filled. AOC estimates total expenditures of \$10.6 million in FY 2018 and \$11.0 million in FY 2019.

AOC reports Adult Intensive Probation SLI expenditures of \$10.2 million in FY 2017, of which \$9.2 million were General Fund monies and \$1.0 million were other appropriated funds. All of these monies were distributed to county probation departments for probation officer costs.

Juvenile Standard Probation

The statewide total for Juvenile Standard Probation county expenditures for probation officers were \$15.5 million in FY 2017, of which \$3.2 million were General Fund monies. The remaining \$12.3 million were county expenditures. These monies funded 50.3 authorized case carrying positions and 352.4 authorized non-case carrying positions. Of these positions, 45.8 case carrying and 350.1 non-case carrying positions were filled. AOC estimates total expenditures of \$18.2 million in both FY 2018 and FY 2019.

AOC reports Juvenile Standard Probation SLI expenditures of \$3.4 million in General Fund monies in FY 2017. All of these monies were distributed to county probation departments for probation officer costs.

Juvenile Intensive Probation

AOC reports statewide Juvenile Intensive Probation county expenditures for probation officers of \$4.7 million in FY 2017, all of which were General Fund monies. These monies funded 41.7 authorized case carrying positions and 34.7 authorized non-case carrying positions. Of these positions, 39.7 case carrying and 33.1 non-case carrying positions were filled. AOC estimates total expenditures of \$4.8 million in both FY 2018 and FY 2019.

AOC reports Juvenile Intensive Probation SLI General Fund expenditures of \$5.3 million in FY 2017. All of these monies were distributed to county probation departments for probation officer costs. (Geoffrey Paulsen)

Universities – Arizona State University – Report on University Campuses – Pursuant to A.R.S. § 15-1601, as amended by Laws 2017, Chapter 199, Arizona State University (ASU) has reported required financial and operational information for each of the university's campuses.

Summary of Recent Agency Reports (Continued)

- Total capital expenditures in FY 2017 (and FY 2016): \$269.2 M (\$205.5 M)
 - Tempe: \$225.0 M (\$124.3 M)
 - Downtown: \$24.1 M (\$75.2 M)
 - West: \$8.3 M (\$2.9 M)
 - East: \$7.2 M (\$1.1 M)
 - Multiple Campuses: \$4.6 M (\$1.9 M)
- 21st day Full-time Equivalent (FTE) student (and head count of students enrolled in one or more courses by campus): 97,950 (148,570)
 - Tempe: 63,589 (80,364)
 - Downtown: 18,042 (31,121)
 - West: 9,000 (20,127)
 - East: 7,319 (16,958)
- Revenues: \$1.0 B (ASU excluded all non-appropriated revenues, including the non-appropriated share of tuition revenues, from the reported amounts).
 - Tempe: \$721.1 M
 - Downtown: \$145.4 M
 - West: \$72.7 M
 - East: \$66.4 M
- ASU is also required to report any long-term capital or expansion plans for each campus. The university has made available its [Campus Master Plans](#) and highlighted the following targets for the "physical population capacity" of each campus (excluding online enrollments):
 - Tempe: 60,000
 - Downtown: 15,000
 - West: 15,000
 - East: 15,000 (Matt Beienburg)

Department of Veterans' Services – Report on Capital Projects – Pursuant to A.R.S. § 41-610, the Department of Veterans' Services (DVS) is required to submit an annual report on capital projects for which they have requested federal monies in the past 12 months. DVS reports it has completed 2 veteran cemetery projects which were previously awarded. The state is responsible for paying the ongoing operational costs of cemeteries.

The FY 2015 and FY 2017 budgets appropriated \$9.2 million and \$10.0 million, respectively, from the General Fund for the state's portion (35%) of the construction cost for veterans' homes in Yuma and Flagstaff. DVS reports it has not received the federal portion (65%) of construction costs for either home. (Morgan Dorcheus)

October Spending

October 2017 General Fund spending was \$722.6 million, which is an increase of \$4.5 million above October 2016. (See Tables 9 & 10).

- Year-to-date, Department of Education (ADE) spending has increased by \$24.5 million compared to the prior year.
- School Facilities Board spending has increased by \$39.9 million so far during FY 2018 compared to the prior year. The agency received additional funding for the construction of 6 schools in the FY 2018 budget.

	<u>Oct 17</u>	<u>Change From Oct 16</u>	<u>Year-to-Date</u>	<u>YTD Change from FY 17</u>
Agency				
AHCCCS	144.3	(26.2)	680.2	84.6
Corrections	107.2	34.7	399.8	39.9
Child Safety	17.2	(16.2)	118.4	(18.2)
Economic Security	7.6	(12.5)	479.6	23.9
Education	286.3	1.2	2,008.0	24.5
Health Services	7.8	0.8	35.1	1.4
Public Safety	9.9	0.5	43.8	3.4
School Facilities Board	18.5	18.4	210.8	39.9
Universities	58.2	2.5	233.6	7.5
Leaseback Debt Service	0.0	0.0	84.1	(0.0)
Other	<u>65.6</u>	<u>1.3</u>	<u>236.3</u>	<u>(10.6)</u>
Total	722.6	4.5	4,529.7	196.3

General Fund Spending				
(\$ in Thousands)				
Agency	October 17	Change from October 16	Year-to-Date	YTD Change from FY 17
Dept. of Admin./Automation Projects Fund	1,931.1	234.4	19,005.7	558.4
ADOA – Sale/Leaseback Debt Service	-	-	84,115.1	(2.3)
Office of Administrative Hearings	144.1	68.9	400.9	76.0
Commission of African-American Affairs	8.9	(0.0)	40.2	(0.5)
Department of Agriculture	726.1	(22.2)	3,528.7	366.8
AHCCCS	144,264.3	(26,155.5)	680,156.6	84,575.3
Attorney General	3,390.0	856.9	9,368.6	1,138.3
State Board of Charter Schools	70.5	8.2	382.7	74.7
Department of Child Safety	17,161.8	(16,223.4)	118,356.0	(18,247.2)
AZ Commerce Authority	1,866.7	75.0	7,316.8	75.0
Community Colleges	12,675.6	(160.3)	26,043.9	695.1
Corporation Commission	649.6	604.5	1,192.1	997.0
Department of Corrections	107,195.3	34,716.8	399,774.2	39,856.1
County Funding	-	-	-	(14,000.5)
AZ State Schools for the Deaf & Blind	2,562.7	(306.3)	8,554.7	(1,947.1)
Office of Economic Opportunity	29.9	29.9	162.9	(356.6)
Department of Economic Security	7,594.0	(12,468.8)	479,618.8	23,889.4
State Board of Education	152.6	173.2	417.2	95.5
Department of Education	286,251.2	1,198.6	2,008,046.9	24,452.0
DEMA	409.8	(615.7)	4,354.6	1,122.3
DEQ – WQARF	2,823.6	2,823.6	2,823.6	-
Office of Equal Opportunity	12.9	(5.3)	69.9	(0.2)
State Board of Equalization	85.9	(49.1)	274.4	(26.7)
Board of Executive Clemency	66.5	9.5	355.7	141.3
Department of Financial Institutions	176.8	(168.1)	672.0	(373.0)
Department of Fire, Bldg and Life Safety	-	-	-	3.6
Department of Forestry and Fire Management	594.2	11.4	4,108.8	1,550.0
Department of Gaming	-	-	1,779.5	-
Governor/OSPB	1,123.6	651.2	4,209.0	1,285.3
Department of Health Services	7,836.5	847.1	35,066.2	1,396.2
Arizona Historical Society	209.7	(281.3)	885.9	(416.2)
Prescott Historical Society of AZ	60.0	2.1	288.4	0.8
Department of Housing	-	(76.9)	248.9	(72.6)
Independent Redistricting Comm.	0.5	(96.1)	0.6	(389.7)
Department of Insurance	357.9	(8.9)	1,992.1	465.4
Judiciary				
Supreme/Superior Court	18,618.9	(2,666.9)	43,383.2	238.7
Court of Appeals	998.4	(390.3)	4,917.0	3.8
Department of Juvenile Corrections	1,785.8	720.2	7,413.9	(1,671.2)

Table 10 (Continued)				
Agency	October 17	Change from October 16	Year-to-Date	YTD Change from FY 17
State Land Department	1,499.6	113.9	4,779.3	1,107.4
Legislature				
Auditor General	1,689.0	219.8	7,618.1	992.8
House of Representatives	988.6	(59.4)	4,473.9	245.9
Joint Legislative Budget Comm.	166.7	(19.9)	835.4	(5.6)
Legislative Council	503.0	(34.5)	2,420.4	472.7
Senate	710.7	120.8	3,066.7	79.2
Mine Inspector	82.1	(69.6)	444.1	9.1
Nav. Streams & Adjudication	12.0	(5.9)	49.2	(3.2)
Phoenix Convention Center	-	-	22,499.0	2,050.0
Comm. for Postsecondary Ed.	0.9	0.9	823.4	127.1
Department of Public Safety	9,864.9	516.9	43,805.1	3,422.4
Public Safety Personnel Retirement System	-	-	6,000.0	-
Radiation Regulatory Agency	103.7	(188.2)	454.7	(381.1)
Real Estate Department	179.3	(229.4)	1,005.4	(90.5)
Department of Revenue	3,300.6	(1,900.7)	11,964.8	(51.8)
School Facilities Board	18,454.6	18,364.1	210,774.2	39,943.5
Secretary of State	3,475.1	1,896.3	6,649.1	(5,871.7)
Tax Appeals Board	36.3	(14.2)	116.0	3.5
Office of Tourism	-	-	2,489.2	711.6
Department of Transportation	25.5	25.5	26.2	25.5
Governor's Office on Tribal Relations	6.2	(4.8)	12.2	(15.8)
Universities				
Board of Regents	76.1	(1,249.4)	1,059.0	(7,381.0)
Arizona State University	26,688.2	2,012.0	106,753.0	8,048.2
Northern Arizona University	9,051.1	618.2	36,204.3	2,508.3
University of Arizona	22,384.2	1,072.7	89,608.2	4,362.0
Department of Veteran Services	415.0	(53.8)	1,916.0	(77.2)
Department of Water Resources	844.9	(81.4)	4,022.2	319.7
Department of Weights & Measures	-	-	(1.0)	(1.0)
Other - State Treasurer/JP Salaries	186.4	33.1	449.3	113.9
Other	62.5	43.0	62.5	62.5
Total	722,642.3	4,462.2	4,529,705.5	196,279.6

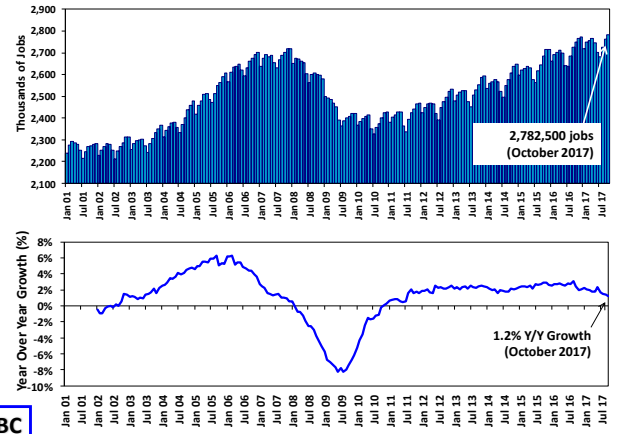
Arizona Economic Trends

November 2017
Appendix A

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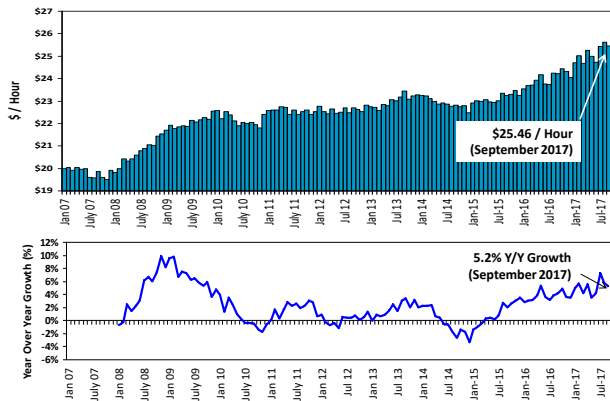
- 2.....Total Non-Farm Employment
- 3.....Average Hourly Earnings – Private Sector
- 4.....Initial Claims for Unemployment Insurance
- 5.....State Sales Tax Collections – Retail Category
- 6.....State Sales Tax Collections – Contracting Category
- 7.....Residential Building Permits

Total Non-Farm Employment



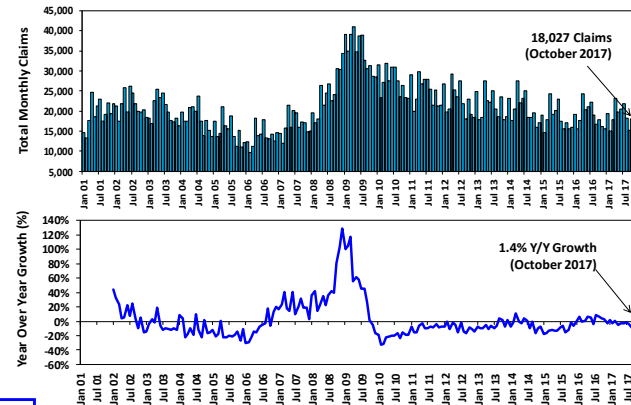
JLBC

Average Hourly Earnings – Private Sector



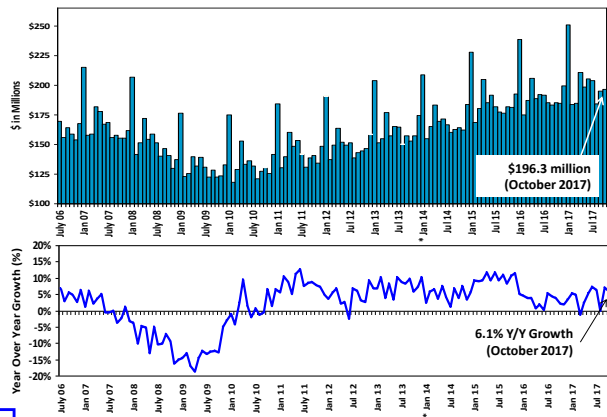
JLBC

Initial Claims for Unemployment Insurance



JLBC

State Sales Tax Collections – Retail Category



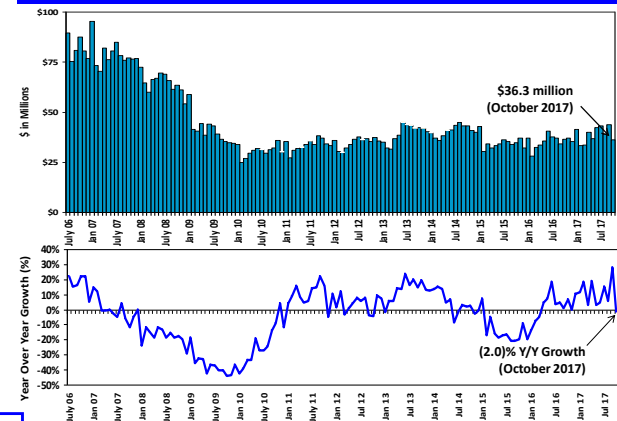
JLBC

Excludes temporary 1 ¢ sales tax

* January 2014 estimate adjusted downward by \$30 million to reflect one-time category shift.

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State Sales Tax Collections – Contracting Category

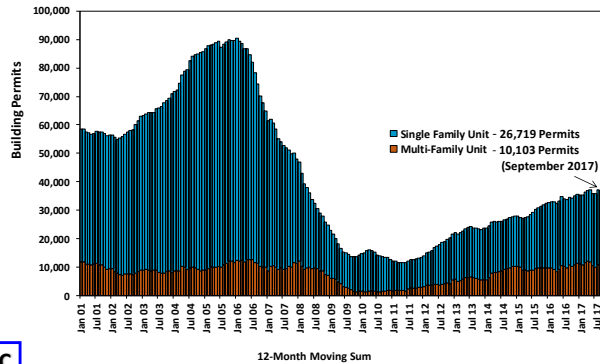


JLBC

Excludes temporary 1 ¢ sales tax

6

Residential Building Permits



JLBC

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