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### *"Year-to-date*

*... FY 2018*

### *General Fund*

*revenues are*

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*forecast."*

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

## Summary

November 2017 General Fund revenues were \$697.6 million, an amount which was 4.0% above the prior year and \$(5.7) million below forecast.

Most of November's forecast losses occurred in the Individual Income Tax category, with collections for that category coming in \$(23.4) million below forecast.

This forecast loss was partially offset by the Corporate Income Tax category, which declined by less than was anticipated for the month. In addition, Sales Tax posted forecast gains for November as it continued its trend of moderate growth seen so far during FY 2018.

Year-to-date, excluding Urban Revenue Sharing and one-time fund transfers, FY 2018 General Fund revenues are 3.3% above the prior year and are \$12.2 million above forecast.

In comparison to November revenues of \$697.6 million, November 2017 spending was

\$663.6 million, which is an increase of \$79.2 million over the prior year.

Fiscal year-to-date, General Fund revenues of \$3.82 billion have been exceeded by \$5.22 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 \$1.15 billion.

In addition to the state's operating fund, the Budget Stabilization Fund (BSF) has a balance of \$456.7 million.

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## November Revenues

	<u>FY 2018 Collections</u>	<u>Difference From Enacted Forecast</u>	<u>Difference From FY 2017</u>
November	\$ 697.6	\$ (5.7)	\$ 27.0
Year-to-Date	\$ 3,822.1	\$ 12.2	\$ 121.7

**Sales Tax** collections of \$382.4 million were 6.8% above November 2016 and \$6.8 million above the forecast for the month. Year-to-date, collections have increased by 5.7% and are \$31.7 million above the enacted budget forecast.

November 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. November's revenue gain was largely attributable to the prime contracting category, which increased by 19.7%, year over year. Other categories that performed well were the restaurant/bar and utilities categories.

	<u>November</u>	<u>YTD</u>
Retail	3.8%	4.6%
Contracting	19.7%	13.1%
Use	0.5%	7.2%
Restaurant & Bar	6.2%	5.3%
Utilities	7.9%	2.6%

**Individual Income Tax** net revenues of \$315.6 million in November were roughly equal to prior year collections and were \$(23.4) million below the forecast for the month. Year to date, revenue has grown 3.5% over the prior year.

As indicated in Table 3, November withholding revenues increased by 3.6% from last year and were \$(4.0) million below the forecast. Year-to-date withholding collections are 5.6% above FY 2017.

November estimated and final payments of \$20.4 million were (49.4)% below last year and \$(14.2) million below the forecast. A portion of the decrease from last year may reflect prior year delays in processing returns of taxpayers that took extensions on their Tax Year 2015 returns. Year to date, payments are 1.6% above those collected during the same period of FY 2017.

November Individual Income Tax refunds totaled \$(36.0) million – this compares to \$(44.6) million in November 2016 and a forecasted amount of \$(30.8) million. Year to date, refunds have led to a \$(20.8) million revenue decrease compared to the enacted forecast.

	<u>November</u>	<u>YTD</u>
Withholding	3.6%	5.6%
Estimated/Final Payments	(49.4)%	1.6%
Refunds	(19.4)%	25.4%

**Corporate Income Tax** net collections were \$11.6 million in November, which was \$(2.7) million less than in the prior year and \$9.7 million above forecast. Year to date, collections are \$(21.3) million below prior year collections and \$1.2 million above the enacted forecast.

**Insurance Premium Tax** collections of \$0.1 million in November were \$(0.1) million below the prior year and \$(1.0) million below the forecast. Year to date, collections are 2.4% above last year.

The **Lottery Commission** reports that November ticket sales were \$71.2 million, which is \$5.0 million, or 7.5%, above sales in November 2016. Year-to-date sales are 19.6% above the prior year. In terms of General Fund collections, year-to-date lottery revenues are \$(5.9) million below the same period last year and \$(1.8) million below the forecast.

**Highway User Revenue Fund (HURF)** collections of \$118.0 million in November were up 6.5% compared to November of last year and were \$0.8 million above forecast. Year-to-date collections are 3.4% above last year.

Due to delays in reporting final October revenues for various revenues sources, DOR has made **technical adjustments** to prior month collection figures. For November, DOR has decreased the amount of prior General Fund revenue collections by \$(0.9) 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 November 2017

	Current Month					FY 2018 YTD (Five Months)				
	Actual November 2017	Change From November 2016		Budget Forecast		Actual November 2017	Change from November 2016		Budget Forecast	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
<b><u>Taxes</u></b>										
Sales and Use	\$382,361,518	\$24,372,533	6.8 %	\$6,797,288	1.8 %	\$1,920,265,074	\$102,835,066	5.7 %	\$31,673,491	1.7 %
Income - Individual	315,576,388	34,266	0.0	(23,350,052)	(6.9)	1,813,551,268	61,179,957	3.5	(14,509,580)	(0.8)
- Corporate	11,644,232	(2,671,997)	(18.7)	9,658,603	486.4	109,367,308	(21,276,121)	(16.3)	1,203,363	1.1
Property	10,900,715	3,293,629	43.3	5,543,969	103.5	17,138,981	3,943,069	29.9	4,490,579	35.5
Luxury - Tobacco	1,715,737	225,140	15.1	0	0.0	9,216,466	(261,981)	(2.8)	(450,413)	(4.7)
- Liquor	2,978,701	(2,888)	(0.1)	0	0.0	13,577,942	262,386	2.0	437,656	3.3
Insurance Premium	67,537	(100,285)	(59.8)	(1,008,796)	(93.7)	156,450,174	3,623,966	2.4	(3,699)	(0.0)
Other Taxes	35,126	4,687	15.4	(165,380)	(82.5)	214,608	(1,001,107)	(82.3)	(1,351,992)	(86.3)
<b>Sub-Total Taxes</b>	<b>\$725,279,954</b>	<b>\$25,155,084</b>	<b>3.6 %</b>	<b>(\$2,524,368)</b>	<b>(0.3) %</b>	<b>\$4,039,781,821</b>	<b>\$149,305,237</b>	<b>3.8 %</b>	<b>\$21,489,404</b>	<b>0.5 %</b>
<b><u>Other Revenue</u></b>										
Lottery	20,779,275	6,837,025	49.0	(1,792,640)	(7.9)	20,779,275	(5,964,768)	(22.3)	(1,792,640)	(7.9)
License, Fees and Permits	3,825,763	442,312	13.1	1,226,234	47.2	17,751,498	3,218,134	22.1	5,182,779	41.2
Interest	3,874	(23,769)	(86.0)	(11,614)	(75.0)	263,247	114,827	77.4	157,873	149.8
Sales and Services	1,193,432	(2,110,600)	(63.9)	(1,207,267)	(50.3)	8,160,073	(2,144,318)	(20.8)	(2,386,960)	(22.6)
Other Miscellaneous	2,838,104	3,845,640	--	(722,803)	(20.3)	8,042,342	(10,269,229)	(56.1)	(9,935,524)	(55.3)
Disproportionate Share	0	0	--	0	--	0	0	--	0	--
Transfers and Reimbursements	394,317	(5,761,001)	(93.6)	(699,516)	(64.0)	11,013,400	(4,221,656)	(27.7)	(502,184)	(4.4)
<b>Sub-Total Other Revenue</b>	<b>\$29,034,765</b>	<b>\$3,229,607</b>	<b>12.5 %</b>	<b>(\$3,207,606)</b>	<b>(9.9) %</b>	<b>\$66,009,835</b>	<b>(\$19,267,008)</b>	<b>(22.6) %</b>	<b>(\$9,276,655)</b>	<b>(12.3) %</b>
<b>TOTAL BASE REVENUE</b>	<b>\$754,314,718</b>	<b>\$28,384,691</b>	<b>3.9 %</b>	<b>(\$5,731,973)</b>	<b>(0.8) %</b>	<b>\$4,105,791,656</b>	<b>\$130,038,228</b>	<b>3.3 %</b>	<b>\$12,212,749</b>	<b>0.3 %</b>
<b><u>Other Adjustments</u></b>										
Urban Revenue Sharing	(56,730,840)	(1,432,326)	2.6	0	0.0	(283,654,200)	(7,161,630)	2.6	0	(0.0)
One-Time Transfers	0	0	--	0	--	0	(1,191,548)	(100.0)	0	--
<b>Sub-Total Other Adjustments</b>	<b>(56,730,840)</b>	<b>(1,432,326)</b>	<b>2.6 %</b>	<b>0</b>	<b>0.0 %</b>	<b>(283,654,200)</b>	<b>(8,353,178)</b>	<b>3.0 %</b>	<b>0</b>	<b>(0.0) %</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$697,583,878</b>	<b>\$26,952,365</b>	<b>4.0 %</b>	<b>(\$5,731,973)</b>	<b>(0.8) %</b>	<b>\$3,822,137,456</b>	<b>\$121,685,050</b>	<b>3.3 %</b>	<b>\$12,212,749</b>	<b>0.3 %</b>
<b><u>Non-General Funds</u></b>										
Highway User Revenue Fund	\$117,992,080	\$7,195,665	6.5 %	\$834,244	0.7 %	\$590,880,566	\$19,280,390	3.4 %	(\$6,244,933)	(1.0) %

## 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 3.3% 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 fixed investment.

The Conference Board's **U.S. Consumer Confidence Index** increased by 2.6% to 129.5 in November. The latest reading is 18.4% above the index in November 2016 and is at its highest level since November 2000. The increase in November reflected continued widespread improvement in consumers' assessments and near-term expectations of the economy. Economists expect that the upward trend in confidence over the past year has largely been in response to improving labor markets and rising asset prices.

According to the U.S. Department of Commerce Bureau of Economic Analysis, the **U.S. Personal Consumption Expenditure Price Index (PCEPI)** increased 0.1% in October. Monthly growth was boosted by prices on services, which rose 0.3% during the month. Despite the monthly increase, the index's year-over-year growth rate dropped from 1.7% in September to 1.6% during the month, and remains below the Federal Reserve Bank's (Fed) 2.0% annual inflation target. The index for core inflation (all items less food and energy) was 1.4% above the reading in October 2016. The Fed chose to raise short-term interest rates by 0.25% at its December meeting, under the expectation that inflation is set to gradually rise to its 2.0% target.

Consumer prices, as measured by the **U.S. Consumer Price Index (CPI)**, increased 0.4% in November and increased 2.2% above November 2016 prices. The index increase is primarily due to a 3.9% increase in the energy index, driven by a 7.3% increase in the gasoline index. Core inflation (all items less food and energy) increased 0.1%, and other increases include the indexes for motor vehicle insurance, used vehicles and shelter. The indexes for apparel, airline fares, and household furnishings saw decreases for the month.

### ARIZONA

#### Housing

Single-family housing construction is increasing. In October, Arizona's 12-month total of **single-family building permits** was 27,099, or 13.1% more than a year ago. The comparable single-family permit growth rate for the entire U.S. was 10.4%.

The 12-month total of multi-family building permits has been increasing recently. In October, Arizona's total of 11,255 **multi-family building permits** was 10.9% more than in 2016. Nationwide multi-family permits were (1.7)% less than in 2016.

#### Tourism

**Revenue per available room** was \$82.83 in October, which was 6.5% above the amount in October 2016. **Ridership** through Phoenix Sky Harbor Airport during the month was up 2.4% compared to October 2016.

#### Employment

OEO reported that 15,538 **initial claims for unemployment insurance** were filed in November, a decrease of (3.5)% compared to the same month last year.

According to OEO, the state had a total of 22,900 claimants receiving **unemployment insurance benefits** in November, a decrease of (11.9)% from October. This figure is (11.3)% below the November 2016 level.

In October, the **Average Weekly Hours** worked by individuals in Arizona's private sector was 36.2 hours. This workload was 4.3% above the level during the prior month, as well as 4.3% above the level in October 2016.

The **Average Hourly Earnings** received by private sector workers was \$25.23, which is (1.3)% below the average in the prior month. Year-over-year growth in earnings dropped steeply from 5.6% in September to 3.2% in October and is the lowest annual growth rate since July 2016. It is not clear if the recent decrease reflects temporary or ongoing labor market conditions.

The state's **November employment** data is not available at the time of publication as it will be reported on Thursday, December 21.

#### State Agency Data

At the beginning of December 2017, the total **AHCCCS caseload** was 1.86 million members. Since the federal health care expansion in January 2014, the overall AHCCCS population has grown by 597,261 members.

Total monthly enrollment decreased by (12,100) during November and is (0.7)% lower than a year ago. The

## Monthly Indicators (Continued)

monthly decrease was spread across most populations. The Traditional and Proposition 204 populations of low income parents and children comprised the largest part of the decrease, collectively falling (8,800), or (0.7)%. 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 December 1, 2017, enrollment in the program reached 24,500, 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 November 2017, the childless adult population decreased by (3,000), or (0.9)%. At 314,000, this population is (1.3)% lower than a year ago.

The state also opted to expand adult Medicaid coverage to 133% of FPL. Their enrollment decreased by (900) in November and now totals 81,200 individuals. Enrollment is (1.0)% lower than a year ago. The percentage of this population's cost that the federal government funds is set to decrease from 95% to 94% in January 2018.

There were 16,966 TANF **recipients** in the state in November, representing a (1.6)% monthly caseload decrease from October. 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 November, 893,429 people received food stamp assistance in the state, representing a (1.4)% decrease over October caseloads. Compared to November caseloads last year, the level of food stamp participation has declined by (7.7)%.

The **inmate population** was 42,167 as of November 30th, 2017. This is a (0.2)% increase since October and a (0.7)% decrease since last year.

Based on information the Department of Child Safety provided for October 2017, **reports of child maltreatment** totaled 47,496 over the last 12 months, a decrease of (1.3)% over the prior year. There were 15,867 **children in out-of-home care** as of September 2017, or (12.1)% less than in September 2016. Compared to the prior month, the number of out-of-home children decreased by (0.9)%.

According to the most recent information from the Administrative Office of the Courts, the Maricopa County **probation caseload** was 28,289 as of October 2017. This was a decrease of (302) below the prior month, and a 509 increase since last October. In addition, the state's non-Maricopa County probation caseload was 19,255. This was an increase of 67 above the prior month, and a 276 increase since last October. 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>
<b>Arizona</b>				
<i>Employment</i>				
- Regular Unemployment Rate	October	4.5%	(0.2)%	(0.5)%
- Total Unemployment Rate (discouraged/underemployed)	3 <sup>rd</sup> Q 2017	9.9%	(0.6)%	(1.0)%
- Initial Unemployment Insurance Claims	November	15,538	(13.8)%	(3.5)%
- Unemployment Insurance Recipients	November	22,900	(11.9)%	(11.3)%
- 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	October	36.2	4.3%	4.3%
- Average Hourly Earnings, Private Sector	October	\$25.23	(1.3)%	3.2%
<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	October	27,099	1.4%	13.1%
Multi-family	October	11,255	11.4%	10.9%
- Maricopa County/Other, Home Sales (ARMLS)				
Single-Family (Pending Sales)	October	5,203	8.0%	(7.2)%
- Maricopa County/Other, Median Home Price (ARMLS)				
Single-Family (Pending Sales)	October	\$259,000	(1.1)%	5.8%
- Phoenix S&P/C Home Price Index (2000 = 100)	September	173.15	0.6%	6.1%
- Maricopa Pending Foreclosures	October	2,997	15.5%	(12.2)%
- Greater Phoenix Total Housing Inventory, (ARMLS)	October	23,069	5.7%	(7.9)%
<i>Tourism</i>				
- Phoenix Sky Harbor Air Passengers	October	3,651,669	15.9%	2.4%
- National Park Visitors	September	1,539,048	(19.4)%	15.8%
- State Park Visitors	September	222,465	12.6%	17.5%
- Revenue Per Available Hotel Room	October	\$82.83	22.4%	6.5%
<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	October	7.7%	(1.0)%	2.9%
- 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	December 1 <sup>st</sup>	1,855,403	(0.6)%	(0.7)%
Acute Care Traditional		1,064,836	(0.7)%	(2.6)%
Prop 204 Childless Adults		314,046	(0.9)%	(1.3)%
Other Prop 204		190,323	(0.9)%	3.2%
Adult Expansion		81,199	(1.0)%	(1.0)%
Kids Care I		24,530	2.9%	152.9%
Long-Term Care – Elderly & DD		60,916	0.5%	3.7%
Emergency Services		119,553	(0.4)%	(1.7)%
- Department of Child Safety (DCS)				
Annual Reports of Child Maltreatment (12-month total)	October	47,496	0.8%	(1.3)%
DCS Out-of-Home Children	September	15,867	(0.9)%	(12.1)%
Filled Caseworkers (1406 Budgeted)	November	1,329	(7)	(14)
- ADC Inmate Growth	November	42,167	(0.2)%	(0.7)%
- Department of Economic Security				
- TANF Recipients	November	16,966	(1.6)%	(14.1)%
- SNAP (Food Stamps) Recipients	November	893,429	(1.4)%	(7.7)%
- Judiciary Probation Caseload				
Non-Maricopa	October	19,255	67	276
Maricopa County	October	28,289	(302)	509
<b>United States</b>				
- Gross Domestic Product	3 <sup>rd</sup> Q, 2017	\$17.2 trillion	2.3%	3.3%
(Chained 2009 dollars, SAAR)	(2 <sup>nd</sup> Estimate)			
- Consumer Confidence Index (1985 = 100)	November	129.5	2.6%	18.4%
- Leading Indicators Index (2010 = 100)	October	130.4	1.2%	5.2%
- Consumer Price Index, SA (1982-84 = 100)	November	247.6	0.4%	2.2%
- Personal Consumption Price Index (2009 = 100)	October	113.2	0.1%	1.6%

## JLBC Meeting

At its December 19, 2017 meeting, the Joint Legislative Budget Committee considered the following issues:

**Arizona Department of Administration/Arizona Strategic Enterprise Technology – Review of FY 2018 Cyber Security Projects (Automation Projects Fund)** - The Committee gave a favorable review of \$3,069,300 in proposed FY 2018 expenditures from the Automations Projects Fund for information technology Cyber Security projects for the ASET Office in ADOA. The favorable review included a provision that the Committee review does not commit the Legislature to additional funding.

**Arizona Department of Administration/Department of Revenue – Review of Data Center Equipment Upgrade** - The Committee gave a favorable review of \$5.5 million in proposed FY 2018 expenditures from the Automations Projects Fund for replacing data center infrastructure and relocating that infrastructure to a third party co-located data center vendor. The total

budget for the Data Center Upgrade project is \$11.0 million. The Committee reviewed the first half of the project budget of \$5.5 million at its June 2007 meeting. This favorable review included a provision requiring DOR to continue to contract with a third-party consultant to provide quarterly reviews of the project and provide those third-party reviews to the JLBC Staff.

**Department of Public Safety – Review of the Microwave System Upgrade Project (Automations Projects Fund)** - The Committee gave a favorable review of \$1.5 million for the Microwave System Upgrade project. The FY 2018 budget appropriated \$2.5 million from the Automations Projects Fund for continued work on the ongoing project to convert the statewide radio system's microwave backbone from analog to digital technology. At its September 2017 meeting, the Committee reviewed \$1.0 million to build a new tower and storage building near Flagstaff.

## JCCR Meeting

At its December 19, 2017 meeting, the Joint Committee on Capital Review considered the following issues:

**Arizona Department of Administration – Consider Recommending FY 2018 Partial Rent Exemptions** - The Committee recommended partial rent exemptions for the Registrar of Contractors, the Department of Health Services, the Automobile Theft Authority, the Naturopathic Physicians Medical Board, and the Department of Liquor Licenses and Control ranging from \$3,700 to \$57,300. The Committee also recommended rent increases for the State Treasurer and Attorney General as a result of these agencies occupying space vacated by other agencies.

**Arizona Department of Corrections – Review of FY 2017 Building Renewal Plan Reallocation** - The Committee gave a favorable review of a reallocation of ADC's FY 2017 Building Renewal Plan. ADC proposes using \$460,000 in savings from the ASPC - Tucson Santa Rita locking project to increase the monies allocated for the locking systems repairs at ASPC - Lewis and the structural dining room repairs at ASPC - Eyman. The favorable review included provisions with reporting requirements.

**Arizona Game and Fish Department – Review of FY 2018 Building Renewal Allocation Plan** - The Committee gave a favorable review of AGFD's FY 2018 Building Renewal Allocation Plan for \$488,300. The 11 capital projects in this plan include 5 regional office projects, 3 wildlife area projects, and 3 set-asides for maintenance and emergency expenses. The FY 2018 Capital Outlay Bill (Laws 2017, Chapter 306) appropriated a total of \$530,000 from the Game and Fish Fund for building renewal. The remaining \$41,700 of the FY 2018 appropriation will be reviewed at a future meeting. The favorable review included provisions with reporting requirements. Additionally, AGFD agreed to implement procedures that will help ensure compliance with JCCR oversight statutes.

**Arizona State Lottery Commission – Review of FY 2018 Building Renewal Allocation Plan** - The Committee gave a favorable review of the Arizona State Lottery Commission's FY 2018 Building Renewal Plan for \$122,200, which includes projects to prevent roof leaks, improve building security, repair landscape irrigation, and replace interior lighting the agency's Phoenix headquarters. The FY 2018 Capital Outlay Bill (Laws 2017, Chapter 306) appropriated a total of \$122,200 from the State Lottery Fund to the State Lottery Commission to fund 100% of the building renewal formula in FY 2018 for capital improvement projects. The favorable review included provisions with reporting requirements.

## JCCR Meeting (Continued)

**Arizona Board of Regents and Arizona State University – Recommendations Concerning Commercial Development of University Lands** – The Committee heard testimony from ASU on the proposed development of a senior retirement community and hotel/conference center on university land at Mill Avenue and University Drive. Statute permits the Committee to make recommendations concerning commercial development on university land that does not primarily serve a university population.

The Committee approved a motion that it is the intent of the Committee that commercial developments of this type fall under A.R.S. § 15-1682.02. Under this statute, the universities are required to report on these types of projects to the Committee for possible recommendations.

The Committee's action included a provision that its motion does not constitute a review of the planned multi-level parking garage project or any bond issuances necessary for its financing. Additionally, the Committee included a standard university financing provision.

**Arizona State University – Consider Approval and Review of the Hayden Library Renovation** – The Committee gave an approval and favorable review of the \$90 million Hayden Library renovation. Of the \$90 million, \$35 million will be financed as part of the Capital Infrastructure Fund (CIF). The remaining \$55 million will be financed with system revenue bonds. Committee review is required for this portion of the transaction. The CIF portion of the project will constitute ASU's first use of the recently enacted \$1 billion universitywide capital investment program. The approval and favorable review included a provision that ASU provide the Committee a copy of its Tax Certificate in compliance with Internal Revenue Service requirements concerning the expected economic life of the projects. Additionally, the approval and favorable review included standard university financing provisions.

**Arizona State University – Informational Item on West Campus Property** – ASU discussed its plans for the use of undeveloped property at the ASU – West Campus and plans to move the ASU – Thunderbird School of Global Management campus from Glendale to Downtown Phoenix.

**University of Arizona – Review of Athletics Facilities Projects** – The Committee gave a favorable review of a \$67.9 million project to construct a new indoor athletics practice facility and to renovate the softball field, aquatic center, football stadium, and the McKale Center locker rooms. To finance these projects, UA will issue bonds totaling \$67.2 million. The annual debt service of \$4.4 million will be paid primarily through a

new mandatory student athletic fee of \$100 per year. The project is not funded with any monies from the \$1 billion universitywide capital investment program. The favorable review included standard university financing provisions.

## Summary of Recent Agency Reports

**Arizona Department of Administration – Report on Repayment of State Debt and Obligations** – Pursuant to A.R.S. § 41-726, the Arizona Department of Administration (ADOA) is required to report on the amount of potential savings if the state repays the balance of any outstanding long-term General Fund financing obligations, under the following repayment scenarios: \$50 million, \$100 million, \$150 million, and \$200 million. Under the 4 repayment scenarios, ADOA reported the following net lifetime savings in debt service payments:

- \$50 million repayment – \$24.5 million
- \$100 million repayment – \$48.3 million
- \$150 million repayment – \$71.4 million
- \$200 million repayment – \$91.8 million

(Josh Hope)

**AHCCCS – Report on Emergency Department Utilization** – Pursuant to A.R.S. § 36-2903.11, AHCCCS reported on Arizona emergency department (ED) utilization. Currently there is no national standard for identifying whether an ED visit was the result of an emergency or non-emergency situation. Therefore, AHCCCS continues to use the American College of Emergency Physicians' facility coding for the state's Medicaid population which assigns visits to 1 of 5 categories. Level I represents conditions such as acute upper respiratory infection, removal of sutures, or cough. Conditions such as severe burns or toxic ingestions are classified as a Level V visit, the most severe.

In FY 2016, total ED visits increased from FY 2015 by 59,836, or 5.6%, and cost a total of \$544.6 million. Compared to the prior year, that amount represented an increase of \$39.6 million in total payments for AHCCCS recipients receiving ED services. Although imperfect, AHCCCS believes the Level I-III

classifications (totaling \$145.6 million) to be "reasonable" indicators of non-emergency use of ED utilization data. *Table 6* below provides a breakout by AHCCCS recipient and total amounts paid. (Jon Stall)

**Department of Child Safety – Quarterly Report on Foster Care and Medicaid** – Laws 2013, Chapter 220, as amended by Laws 2016, Chapter 273, requires the Department of Child Safety (DCS) to report on foster care and Medicaid eligibility. During the first quarter of FY 2018, DCS reports the following trends in foster care and Medicaid eligibility:

1. There were 14,849 children eligible for Medicaid in foster care at the end of the first quarter, down (6)% from 15,800 at the end of the fourth quarter of FY 2017.
2. The percentage of foster care children eligible for Medicaid decreased from 95% at the end of the fourth quarter of FY 2017 to 94% at the end of the first quarter of FY 2018.
3. The amount of non-Medicaid expenditures for behavioral health inpatient facilities and behavioral health residential facilities was \$956,700 in the first quarter of FY 2018.
4. The amount of non-Medicaid behavioral health counseling/psychiatric services expenditures was \$150,200 in the first quarter of FY 2018. (Patrick Moran)

**Department of Child Safety – Third-Party Report on CHILDS Replacement Project** – Pursuant to an FY 2015 General Appropriation Act footnote, the Department of Child Safety (DCS) provided an independent third-party assessment of the status of the Children's Information Library and Data Source (CHILDS) Replacement Project for the second quarter of FY 2018.

**Table 6**

### FY 2016 Emergency Department Utilization By AHCCCS Recipients

Level	FY 2016 # Visits	FY 2016 % Total Visits	% Change From 2015	FY 2016 Amount Paid (\$ in Millions)	FY 2016 % Paid Amount	Difference in Amount Paid from FY 2015 (\$ in Millions)
I	40,106	3.6%	8.5%	\$ 4.2	0.8%	\$ 0.8
II	148,109	13.2	4.4	24.7	4.5	1.2
III	388,003	34.5	3.6	116.7	21.4	6.1
IV	374,985	33.2	5.0	206.2	37.9	12.2
V	<u>174,924</u>	<u>15.5</u>	<u>12.3</u>	<u>192.8</u>	<u>35.4</u>	<u>19.3</u>
<b>Total</b>	<b>1,126,127</b>	<b>100.0%</b>	<b>5.6%</b>	<b>\$544.6</b>	<b>100.0%</b>	<b>\$39.6</b>

## Summary of Recent Agency Reports (Continued)

The vendor concluded that overall the CHILDS replacement project continues to be positioned for success. The report includes evaluations of several indicators of plan viability, including plan completeness, timeline, and staffing levels and skill sets. Of the 10 metrics gauging plan viability, the vendor concluded that 7 metrics indicated “strong health,” a decrease from 8 in the first quarter. The decrease is partly due to a delay in the selection of the contractor for technical integration of the new Guardian system.

The vendor also evaluated project management practice, including communication risks to the project, project scope, and resource management, and concluded that the project exhibited strong health on 6 of 9 measures and moderate health on the remaining 3 measures. The overall project management practice rating is unchanged compared to the prior quarter. (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 November 2017. (See Table 7 below.)

The number of direct line child safety staff (caseworkers, caseworkers in training, caseworkers awaiting training and hotline staff) was 1,329 in November, or (77) 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 decreased by (7) since October.

There were also 1,390 non-direct line child safety staff in November, or (121) fewer staff than the funded staffing level. The budgeted staffing level is 1,511 excluding Attorney General positions. Total non-direct line positions decrease by (2) compared to October. (Patrick Moran)

**Arizona Community Colleges – Annual Report** – Pursuant to A.R.S. § 15-1427, the Arizona Community Colleges are required to report by December 1 of each year on their progress during the previous year. They have just submitted their FY 2017 report, which includes the following summary information on the state system:

- 283,010 students (headcount) were enrolled for credit, resulting in a Full-Time Student Equivalent count of 115,859.
- 92.0% of enrolled students resided within the district, while 8.0% did not reside within the district.
- Total number of instructors employed was 9,409, of which 2,377 (25.3%) were full-time and 7,032 (74.7%) were part-time.
- Total operating revenues were \$1.6 billion (this amount excludes bond proceeds and fund balance which total \$99.0 million).
- Total expenditures were \$1.7 billion. (Geoffrey Paulsen)

**Arizona Community Colleges – Report on Dual Enrollment Threshold** – Pursuant to A.R.S. § 15-1821.01, the Arizona Community Colleges are required to report by October 1 of each year if dual enrollment by high school freshman and sophomore students at a community college are in excess of 25% of the high school students enrolled in dual enrollment at that college. For FY 2017, no college exceeded the 25% limit. (Geoffrey Paulsen)

**Arizona Department of Corrections - Third-Party Report on Arizona Inmate Management System (AIMS) Replacement** – Pursuant to a FY 2017 General Appropriation Act footnote, the Arizona Department of Corrections (ADC) provided quarterly updates of the AIMS Replacement project for the period ending August 31, 2017. The third-party reviewer reported a stable fiscal status and cooperation between the vendor and department. The review described revision of the implementation

**Table 7**

**DCS Filled FTE Positions as of November 2017**

	<u>Funded</u>	<u>November</u>	<u>Difference</u>
Caseworkers	1,190	1,048	(142)
Hotline Staff	76	68	(8)
Staff in Training	140	213	73
<i>Subtotal - Direct Line</i>	1,406	1,329	(77)
<i>Subtotal - Non-Direct Line Staff</i>	<u>1,511</u>	<u>1,390</u>	<u>(121)</u>
<b>Grand Total <sup>1/</sup></b>	<b>2,917</b>	<b>2,719</b>	<b>(198)</b>

<sup>1/</sup> Excludes 276.2 Attorney General Staff.

## Summary of Recent Agency Reports (Continued)

schedule to accommodate testing and integration needs. Subsequent to the report, ADC indicated that the current implementation of the system at all sites will take place in March 2018 rather than the January 2018 deadline in the report. (Micaela Larkin)

**Arizona Criminal Justice Commission – Report on Criminal Justice Enhancement Fund** – Pursuant to A.R.S. § 41-2401C, the Arizona Criminal Justice Commission (ACJC) provided 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 2017, CJEF revenues totaled \$32.6 million, a (16.0)% decrease from FY 2016. Total funds available for the fiscal year, including the beginning balance, interest, and adjustments, was \$57.7 million. FY 2017 CJEF expenditures totaled \$33.6 million. (Josh Hope)

**Arizona Criminal Justice Commission – Report on Anti-Racketeering Revolving Fund** – Pursuant to A.R.S. §13-2314.01 and §13-2314.03, the Arizona Criminal Justice Commission (ACJC) is required to report quarterly on the activities of the Anti-Racketeering Revolving Fund (ARRF). ACJC is required to compile quarterly expenditures of the Attorney General, department, agency, county attorney, and political subdivision reports into a single comprehensive report of sources and expenditures as well as report on forfeiture orders.

Laws 2017, Chapter 250 changed the timeframe for ACJC's comprehensive report from annual to quarterly. Laws 2017, Chapter 149 added new reporting requirements for ARRF and requires additional details on ARRF monies.

In the first quarter of FY 2018, ARRF received revenues totaling \$7.0 million and had expenditures totaling \$2.6 million. Revenues for investigating and prosecuting agencies were highest in Maricopa County at \$5.4 million. Agencies participating in Maricopa County cases also accounted for the highest expenditure total for FY 2017 with \$2.0 million in ARRF monies spent.

ARRF consists of monies derived from seized property and assets that result from judgments pursuant to anti-racketeering statutes. Once a settlement or conviction is reached, the Attorney General disperses the monies to the involved state and local investigative and prosecutorial agencies. Additionally, assets seized as part of a federal investigation are deposited into the fund and used in accordance with state and federal guidelines. Monies in ARRF are used to help fund the investigation and prosecution of any offense defined as racketeering pursuant to Arizona statutes. (Josh Hope)

**Office of Economic Opportunity – Program Year 2016 Annual Report** – Pursuant to A.R.S. § 41-5401, the Office of Economic Opportunity's Workforce Arizona Council (WAC) submitted its annual report on workforce development, which addresses performance metrics such as number of participants and statewide program costs.

In Program Year 2016, WAC reported \$315.9 million in expenditures on the following 5 workforce programs. The largest groups served were low income individuals, the long-term unemployed, English language learners, and single parents.

- Adult, youth, and dislocated worker programs provided career services and training to 16,673 individuals at an average cost of \$2,677 per person funded via the Department of Economic Security (DES).
- Adult education and literacy programs provided basic educational opportunities for 13,205 adults at an average cost of \$44 per participant funded via the Arizona Department of Education.
- Employment service offices, which provide one-stop assistance to job seekers, served 53,555 individuals at an average cost of \$254 per person funded via DES.
- Vocational rehabilitation programs provided services to 8,697 persons with disabilities at an average cost of \$7,044 per person funded via DES.
- The state's community colleges expended \$195.8 million of federal, state, and local funds on career and training services. (Sam Beres)

**Department of Economic Security – Report on Domestic Violence** – Pursuant to an FY 2017 General Appropriation Act footnote, the Department of Economic Security reported the amount of state and federal monies available for domestic violence funding in FY 2017. Six agencies spent a total of \$32.4 million in domestic violence funding, a 18.6% increase in revenue from FY 2016. The extra funding is due almost entirely to a \$3.6 million increase in Federal Funds and a \$1.5 million increase from the Domestic Violence Services Fund, authorized by the Legislature in the FY 2017 General Appropriation Act. (Chris Gustafson)

**Department of Education – Report on Education Learning and Accountability System** – Pursuant to A.R.S. § 18-104, the Arizona Department of Education (ADE) must contract with an independent third-party vendor to provide additional oversight on the development of ADE's Arizona Education Learning

## Summary of Recent Agency Reports (Continued)

and Accountability System (AELAS). The vendor's most recent quarterly review, based on its July site visit, was received on November 27, 2017.

The report states that a new 35% cap on the total markup allowed for contracted staff is causing ADE to experience a loss of contract staff due to their salaries and/or benefits being reduced or because their vendors prefer to serve other non-government customers where the cap does not apply. ADE has clarified that this cap refers to a change that took effect as part of a renegotiated statewide contract with the state procurement office. The review notes that contract staff represent over 60% of ADE's IT department staff.

The report also included feedback from districts that suggests very limited use of the AzDash component of AELAS due to the lack of student performance data being loaded into the system on an ongoing basis for teachers to use. As a result, districts have begun purchasing dashboards and learning management systems from other sources.

The report estimates that the Opt-in Statewide Student Information System (SIS) "is anticipated to remain cash positive only until December 31, 2018," and that ADE has not yet made a decision as to the long-term future of the program.

The report states that "districts that were interviewed reported that overall acceptance of AELAS is good. It has much better system up-time and availability for data submittal, is more user friendly, and provides reports much quicker than the old SAIS system." (Matt Beienburg)

**State Mine Inspector – Report on Abandoned Mines Safety Fund Expenditures and Contributions** – The State Mine Inspector is required by A.R.S. § 27-131 to establish a program to address public safety hazards at abandoned mines. A.R.S. § 27-131 created the Abandoned Mines Safety Fund (AMSF) to fund the program. The Mine Inspector submitted its annual report for FY 2017 detailing the contributions to the AMSF and the expenditures by the fund during the preceding fiscal year.

For FY 2017, the State Mine Inspector reports that the AMSF received \$10,000 in new revenue. The State Mine Inspector located, inventoried, and evaluated 18 mine sites during FY 2017, 5 of which were closed using AMSF monies. The Mine Inspector expended \$11,700 on these activities, of which \$6,300 was funded from the AMSF and \$5,400 was funded from

the General Fund. The fund's carry-forward balance totaled \$134,800 at the end of FY 2017. The Mine Inspector has completed preliminary planning for closure of 19 mine sites in FY 2018, at an estimated cost of \$19,000. (Henry Furtick)

**Commission for Postsecondary Education – Report on Postsecondary Education Grant Program** – A.R.S. § 15-1855 requires the Commission for Postsecondary Education (ACPE) to report annually on its Postsecondary Education Grant (PEG) program.

The PEG program provides grants to students attending private postsecondary institutions. The program was launched in March 2007 and received funding through FY 2010. In FY 2010, a total of \$2.2 million was disbursed to 1,400 grantees representing 20 private postsecondary schools. Funding was eliminated after FY 2010 and the program was repealed by Laws 2017, Chapter 243.

Since its inception, 4,466 students received a PEG loan. Of those recipients, 3,340 have already graduated with a baccalaureate degree. The remaining recipients are either currently enrolled and working on completing their degree or not enrolled or attending the last institution on file at the time of their last grant award.

The FY 2016 Higher Education Budget Reconciliation Bill (BRB) (Laws 2015, Chapter 16), allows the commission to contract with a third-party vendor to collect outstanding PEG debt. The BRB also allows the commission to use Postsecondary Education Student Financial Assistance funds to administer PEG collections. The commission has begun a PEG repayment program for those who do not meet loan forgiveness requirements and indicates available monies are not sufficient to contract with a third-party. (Morgan Dorcheus)

**Commission for Postsecondary Education – Report on the Arizona Teacher Student Loan Program** – A.R.S. § 15-1782 requires the Commission for Postsecondary Education to report annually on the Arizona Teacher Student Loan (ATSL) program, formerly the Math, Science, and Special Education Teacher Loan Forgiveness (MSSE) program.

Since 2007, the MSSE program has provided forgivable loans to eligible students attending any regionally or nationally accredited institution in Arizona (public or private) who agree to a service commitment to teach in an Arizona public K-12 school. Laws 2017, Chapter 244 changed the name

## Summary of Recent Agency Reports (Continued)

of the program to the ATSL program and expanded program to also include non-MSSE teachers practicing in rural, low-income, and tribal schools.

In FY 2017, the ATSL program had 49 applicants and disbursed 31 loans. This total includes 22 new loans and 9 renewals. The total disbursement was \$168,700. Of the 31 recipients, 15 are studying special education, 9 are studying elementary education, 4 are studying mathematics, and 3 are studying science. Ten recipients attend private postsecondary institutions and 21 attend public universities.

The commission is responsible for collecting retention data for loan recipients. At the conclusion of FY 2017, 289 students have participated in the ATSL program. Of those, 23 are still enrolled in a postsecondary institution, 20 are in the 12-month grace period, 25 are teaching in a public K-12 school in Arizona, 160 had their loan forgiven for completing their teaching service, 29 are in repayment, 10 have paid their loan balance in full, and 22 have had their loans referred to the Attorney General. (Morgan Dorcheus)

**Arizona Board of Regents – Report on University System’s Financial Aid** – Pursuant to A.R.S. § 15-1650, the Arizona Board of Regents has submitted its annual report on financial aid. Highlights from the FY 2017 report include:

- Approximately \$2.5 billion in total financial aid was provided to students.
- Of this amount, \$1.05 billion (43.7%) came from federal sources, \$865.1 million (34.1%) came from tuition and other sources, \$581.6 million (22.9%) came from private sources and the Arizona Financial Aid Trust (AFAT) (AFAT distributed \$20.2 million of both state General Fund and institutional monies in FY 2017), and \$861,300 (0.03%) came from state scholarships, grants and loans.
- A total of 158,888 students received aid, including 129,981 undergraduate students and 28,907 graduate students.
- Of the undergraduate students receiving aid, 33,646 received non-need-based gift aid, 68,761 received need-based gift aid, and 55,549 were awarded miscellaneous types of non-gift aid (i.e. work study). Some students received multiple types of aid.
- The average aid package for undergraduate students was \$12,295, which includes both need and non-need-based aid.
- 58.1% of undergraduate students and 53.7% of graduate students have debt. Of those students

with debt, the average undergraduate student debt was \$23,844 upon graduation, while the average graduate student debt was \$49,365. (Matt Beienburg)

**Arizona Board of Regents – Report on List of Qualifying Examinations for College Credit by Examination Incentive Program** – Pursuant to A.R.S. § 15-249.06, the Arizona Board of Regents (ABOR) is required to annually submit for JLBC review a report on the list of qualifying examinations—and passing scores—high school students may take to obtain college credit and trigger bonus funding for their teachers and schools. At its December 2016 review of ABOR’s list of qualifying examinations, the JLBC adopted a provision that ABOR must continue to submit a report each year, but that Committee review is not required unless the list of examinations and scores is changed from the prior year.

ABOR reports that the list of tests and passing scores in FY 2018 is unchanged from FY 2017 and includes Advanced Placement (AP), Cambridge International Exam (CIE), and International Baccalaureate (IB) courses in science, mathematics, English language arts. (Matt Beienburg)

## November Spending

November 2017 General Fund spending was \$663.6 million, which is an increase of \$79.2 million above November 2016. (See *Tables 8 & 9*).

- Year-to-date, Department of Education (ADE) spending has increased by \$69.8 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.

	General Fund Spending (\$ in Millions)			YTD Change from FY 17
	<u>Nov 17</u>	Change From <u>Nov 16</u>	<u>Year-to-Date</u>	
<b>Agency</b>				
AHCCCS	143.8	28.2	824.0	112.8
Corrections	77.0	(3.2)	476.7	36.7
Child Safety	24.5	(3.7)	160.5	(4.3)
Economic Security	5.8	(5.2)	490.6	23.9
Education	295.1	45.3	2,303.1	69.8
Health Services	7.0	(0.6)	42.0	0.8
Public Safety	2.6	0.2	46.4	3.6
School Facilities Board	0.1	0.0	210.9	39.9
Universities	62.1	3.7	295.7	11.3
Leaseback Debt Service	0.0	0.0	84.1	(0.0)
Other	<u>45.6</u>	<u>14.5</u>	<u>282.1</u>	<u>3.9</u>
<b>Total</b>	<b>663.6</b>	<b>79.2</b>	<b>5,216.1</b>	<b>298.4</b>

<b>Agency</b>	<b>General Fund Spending (\$ in Thousands)</b>			
	<b>November 17</b>	<b>Change from November 16</b>	<b>Year-to-Date</b>	<b>YTD Change from FY 17</b>
Dept. of Admin./Automation Projects Fund	1,577.2	75.8	20,582.9	634.3
ADOA – Sale/Leaseback Debt Service	-	-	84,115.1	(2.3)
Office of Administrative Hearings	55.4	(10.5)	456.3	65.5
Commission of African-American Affairs	19.5	10.3	59.7	9.8
Department of Agriculture	742.4	(305.0)	4,271.1	61.8
AHCCCS	143,800.5	28,199.5	823,957.2	112,774.7
Attorney General	1,636.4	43.3	11,005.0	1,181.6
State Board of Charter Schools	65.4	(78.1)	448.1	(3.4)
Department of Child Safety	24,527.5	(3,659.3)	160,530.1	(4,260.0)
AZ Commerce Authority	1,791.7	-	9,108.5	75.0
Community Colleges	290.2	(21.9)	26,334.0	673.2
Corporation Commission	56.1	(237.1)	1,248.2	759.9
Department of Corrections	76,967.5	(3,184.6)	476,741.7	36,671.5
County Funding	15,650.7	15,650.7	15,650.7	1,650.2
AZ State Schools for the Deaf & Blind	2,129.8	1,377.8	10,684.5	(569.3)
Office of Economic Opportunity	55.3	55.3	218.1	(352.2)
Department of Economic Security	5,791.9	(5,160.3)	490,611.0	23,929.5
State Board of Education	108.3	(14.9)	525.6	80.5
Department of Education	295,085.0	45,330.4	2,303,132.0	69,782.4
DEMA	693.8	122.9	5,048.4	1,245.1
DEQ – WQARF	-	-	2,823.6	-
Office of Equal Opportunity	12.9	(5.2)	82.8	(5.4)
State Board of Equalization	34.3	(0.6)	308.7	(27.3)
Board of Executive Clemency	96.7	47.8	452.4	189.1
Department of Financial Institutions	164.2	(37.6)	836.2	(410.7)
Department of Fire, Bldg and Life Safety	-	(1.2)	-	2.4
Department of Forestry and Fire Management	430.6	105.0	4,539.4	1,655.0
Department of Gaming	-	-	1,779.5	-
Governor/OSPB	814.7	(573.7)	5,023.7	711.6
Department of Health Services	6,950.6	(564.2)	42,016.8	831.9
Arizona Historical Society	173.1	(30.1)	1,059.0	(446.2)
Prescott Historical Society of AZ	78.1	19.1	366.5	20.0
Department of Housing	-	(69.8)	248.9	(142.4)
Independent Redistricting Comm.	-	(169.2)	0.6	(558.9)
Department of Insurance	342.7	(307.0)	2,334.7	158.5
Judiciary				
Supreme/Superior Court	2,366.8	715.4	45,750.0	954.0
Court of Appeals	1,078.6	58.3	5,995.6	62.1
Department of Juvenile Corrections	2,350.3	(50.9)	9,764.2	(1,722.1)

**Table 9 (Continued)**

<b>Agency</b>	<b>November 17</b>	<b>Change from November 16</b>	<b>Year-to-Date</b>	<b>YTD Change from FY 17</b>
State Land Department	552.3	(633.2)	5,331.6	474.2
Legislature				
Auditor General	1,582.8	(218.2)	9,200.9	774.6
House of Representatives	1,015.9	90.5	5,489.8	336.4
Joint Legislative Budget Comm.	237.5	82.9	1,072.9	77.3
Legislative Council	481.1	(401.6)	2,901.5	71.1
Senate	646.4	47.4	3,713.0	126.6
Mine Inspector	85.3	13.0	529.4	22.1
Nav. Streams & Adjudication	8.5	(0.4)	57.7	(3.6)
Phoenix Convention Center	-	-	22,499.0	2,050.0
Comm. for Postsecondary Ed.	-	-	823.4	127.1
Department of Public Safety	2,608.2	223.4	46,413.3	3,645.7
Public Safety Personnel Retirement System	-	-	6,000.0	-
Radiation Regulatory Agency	113.0	25.0	567.7	(356.1)
Real Estate Department	158.7	9.2	1,164.0	(81.3)
Department of Revenue	1,425.2	(444.3)	13,389.9	(496.1)
School Facilities Board	89.8	5.6	210,864.0	39,949.1
Secretary of State	763.0	(441.1)	7,412.1	(6,312.8)
Tax Appeals Board	20.5	(1.3)	136.5	2.2
Office of Tourism	2,489.2	(640.2)	4,978.4	71.4
Department of Transportation	1.3	1.3	27.5	26.8
Governor's Office on Tribal Relations	1.1	(1.0)	13.4	(16.8)
Universities				
Board of Regents	3,979.2	41.3	5,038.3	(7,339.7)
Arizona State University	26,688.3	2,012.1	133,441.2	10,060.3
Northern Arizona University	9,051.1	614.7	45,255.3	3,123.0
University of Arizona	22,384.2	1,072.6	111,992.3	5,434.6
Department of Veteran Services	394.4	(70.6)	2,310.4	(147.8)
Department of Water Resources	2,846.2	2,080.9	6,868.5	2,400.6
Department of Weights & Measures	-	-	(1.0)	(1.0)
Other - State Treasurer/JP Salaries	33.6	(9.1)	482.8	-
Other - ADOT Capital	-	(1,500.0)	-	(1,500.0)
Other	-	(50.8)	62.5	167.3
<b>Total</b>	<b>663,594.7</b>	<b>79,238.2</b>	<b>5,216,147.2</b>	<b>298,364.8</b>

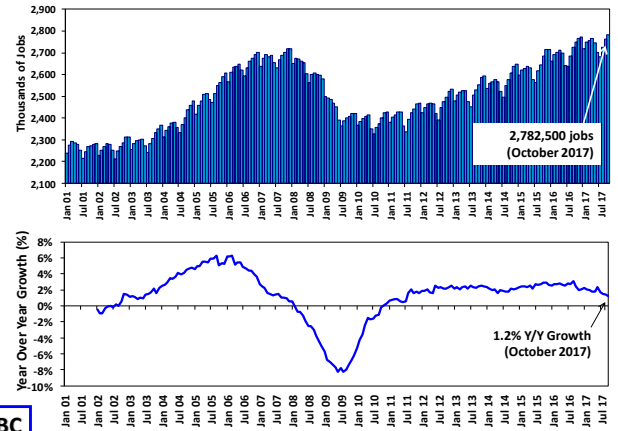
# Arizona Economic Trends

December 2017  
Appendix A

Page:

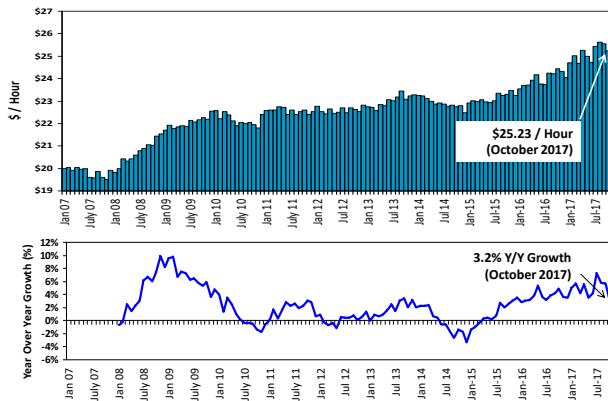
- 2.....Total Non-Farm Employment
- 3.....Average Hourly Earnings – Private Sector
- 4.....Initial Claims for Unemployment Insurance
- 5.....State Sales Tax Collections – Retail Category
- 6.....State Sales Tax Collections – Contracting Category
- 7.....Residential Building Permits

## Total Non-Farm Employment



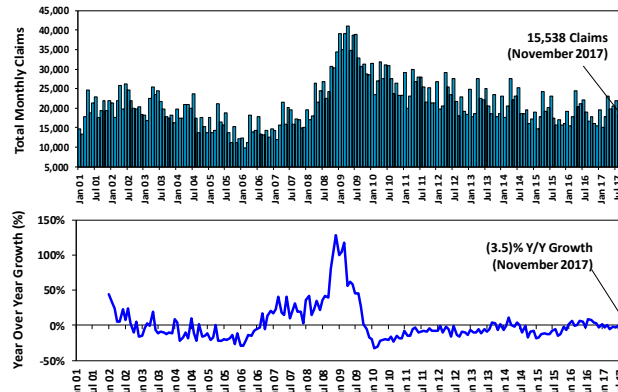
JLBC

## Average Hourly Earnings – Private Sector



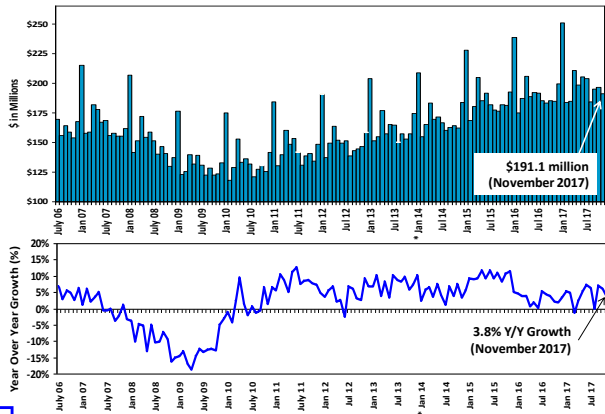
JLBC

## Initial Claims for Unemployment Insurance



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## State Sales Tax Collections – Retail Category



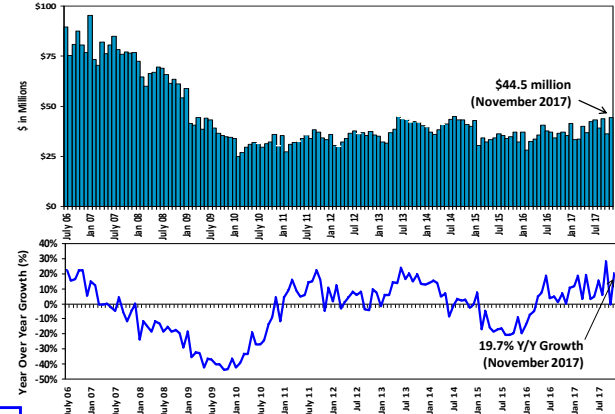
JLBC

Excludes temporary 1 c 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

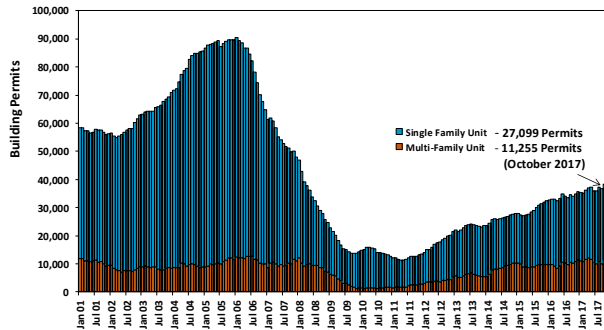


JLBC

Excludes temporary 1 c sales tax

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## Residential Building Permits



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12-Month Moving Sum

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