JLBC - Monthly Fiscal Highlights

November 2010

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"October marked the 3rd consecutive month of year-over-year growth in General Fund revenue collections."

Summary

October marked the third consecutive month of year-over-year growth in General Fund revenue collections. General Fund revenues totaled $565.1 million. Excluding the temporary 1-cent sales tax, these collections were 4.8% above last year.

October effectively marked the first time that base sales tax revenues showed positive year-over-year growth since December 2007. This growth was largely the result of increased retail sales. Because consumer spending accounts for almost 70% of Arizona's economy, sales will need to show even further strength in order for economic conditions to improve considerably.

While revenues are beginning to grow, they lagged the forecast by $(12.5) in October. For the 4 months year-to-date, revenues are $(41.2) million below forecast.

In comparison, October General Fund spending was $547.4 million, or slightly below the $565.1 million in revenue collections. The spending level was $(552.4) million below last year. The decrease was largely due to the K-12 school district payment being deferred in FY 2011, along with one-time spending in FY 2010.

Fiscal year-to-date, General Fund revenues of $2.7 billion have been offset by $4.0 billion in spending. Due to positive cash flow in October, the state's operating fund balance improved slightly to $474.2 million at the end of October. The state pays its bills out of the operating fund balance, which consists of General Fund monies and certain dedicated funds.

Projected FY 2011 Shortfall

The JLBC Staff has previously estimated that the FY 2011 General Fund revenue shortfall could be up to $(825) million. This high-end estimate assumed that the Early Childhood and Land Conservation Fund transfers totaling $469 million would not be approved in the November General Election. With the actual defeat of the 2 propositions, the $(825) million estimate still applies.

Two other factors contribute to the General Fund shortfall: revenue collections and federal Medicaid matching funds both being lower than expected. Recent data suggests that these 2 shortfalls may not be as great as originally projected, but more monthly data is needed to confirm these trends. Please see November 19th Revenue and Budget Update for JLBC Staff's latest presentation on the overall budget picture.

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This report has been prepared for the Arizona Legislature by the Joint Legislative Budget Committee Staff on November 29, 2010.

October Revenues

Table 1

General Fund Revenues ($ in Millions)

	FY 2011 Collections	Difference From Budget Forecast	Difference From FY 2010
October	$ 565.1	$ (12.5)	$ 109.6
Year-to-Date	$ 2,674.2	$ (41.2)	$ 415.6

"October is effectively the first month since December 2007 to show positive year-over-year [sales tax] growth."

Sales Tax collections were $348.5 million in October. Excluding the $66.3 million from the temporary 1-cent increase, collections were $282.2 million, or 1.5% above October 2009. October is effectively the first month since December 2007 to show positive year-over-year growth. Sales tax revenues increased in April and June 2010, but only due to one-time technical adjustments.

While positive, collections lagged projections. Including the 1-cent increase, collections were $(14.2) million below the forecast. The year-to-date loss is $(88.8) million.

Table 2 displays the October growth rates for the largest categories

Table 2

Sales Tax Growth Rates Compared to Prior Year

	October	YTD
Retail	4.8%	(0.3)%
Contracting	(9.0)%	(19.3)%
Utilities	3.9%	0.2%
Use	(15.7)%	(3.2)%
Restaurant & Bar	2.0%	2.1%

Retail and contracting together account for about 60% of all sales tax revenues. Retail collections increased 4.8% compared to October of last year, the largest increase since May 2007. While contracting had another month of decline, a (9.0)% decrease compared to October of last year, it was the first month since December 2007 that the decline has been in the single digits.

Individual Income Tax net revenues were $203.8 million in October, or 19.5% above the prior year. Collections were $10.7 million above the forecast. Year-to-date, revenues have grown 9.1% and are $31.8 million above forecast through October.

As indicated in *Table 3* below, withholding tax payments increased by 7.3% in October, making 7 of the past 8 months positive. This increase continues to be difficult to interpret due to changes in the state withholding system. (See the August MFH for additional information.)

Given the relatively flat growth in wages and salaries, however, it is increasingly likely that taxpayers are over-withholding and some of those gains will result in higher refunds in April.

Table 3

Individual Income Tax Growth Rates Compared to Prior Year

	October	YTD
Withholding	7.3%	4.3%
Estimated + Final Payments	(3.6)%	(0.3)%
Refunds	(15.3)%	(20.1)%

Corporate Income Tax net collections were $19.9 million in October, or 5.6% above the prior year. Collections were $(3.8) million below the forecast.

Year-to-date through October, revenues are up 42.1% and are $26.9 million above forecast. October is typically a low collection month for the corporate income tax.

The **Lottery Commission** reports that October ticket sales were $43.4 million, which is $2.7 million, or 6.6%, above sales in the prior year. Year-to-date, ticket sales are $169.5 million, which is $2.3 million above last year's sales. The General Fund share of sales has increased significantly more than sales, however, due to changes in the distribution formula.

Non-General Fund

Tobacco Tax revenues were $25.9 million in October. Collections were down (8.3)% compared to the prior year, and were $(0.1) million below the budget estimate for the month. Year-to-date collections are down (1.8)% and are $0.6 million above the budget estimate.

Less than 10% of tobacco taxes are deposited directly into the General Fund. The remainder primarily goes to AHCCCS and the Department

October Revenues (Continued)

of Health Services to defray the General Fund cost of operating those Programs, along with funding the Early Childhood Development and Health Board.

Highway User Revenue Fund (HURF) revenues consist of gasoline and use fuel (diesel) tax, motor carrier fees (commercial carriers), vehicle license tax and registration fees, and various other fees. HURF collections of $96.9 million in October were down $(0.8) million or (0.8)% compared to October of last year. Year-to-date, revenues have grown 1.3%.

Table 4

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

	Current Month					FY 2011 YTD (Four Months)				
		Change From					Change from			
	Actual	October 2009		Forecast		Actual	October 2009		Forecast	
	October 2010	Amount	Percent	Amount	Percent	October 2010	Amount	Percent	Amount	Percent
Taxes										
Sales and Use w/o 1¢ *	$282,177,988	$4,267,340	1.5 %	($7,295,692)	(2.5) %	$1,123,820,436	($20,151,147)	(1.8) %	($58,491,313)	(4.9) %
Income - Individual	203,824,200	33,295,655	19.5	10,723,349	5.6	985,743,799	82,314,029	9.1	31,795,631	3.3
- Corporate	19,860,400	1,048,427	5.6	(3,837,000)	(16.2)	179,400,160	53,144,755	42.1	26,873,560	17.6
Property	2,642,220	1,081,948	69.3	1,442,220	120.2	2,139,858	315,341	17.3	689,858	47.6
Luxury - Tobacco	1,164,165	(1,016,259)	(46.6)	(1,447,835)	(55.4)	8,041,290	(1,134,873)	(12.4)	(2,586,710)	(24.3)
- Liquor	2,228,891	(122,514)	(5.2)	(241,109)	(9.8)	8,236,460	(39,381)	(0.5)	(654,540)	(7.4)
Insurance Premium	1,936,196	(950,975)	(32.9)	(1,363,804)	(41.3)	136,662,722	3,946,812	3.0	8,562,722	6.7
Estate	0	0	--	0	--	437,372	143,266	48.7	437,372	--
Other Taxes	56,334	(40,260)	(41.7)	3,834	7.3	219,566	(1,346)	(0.6)	9,566	4.6
Sub-Total Taxes	$513,890,394	$37,563,362	7.9 %	($2,016,037)	(0.4) %	$2,444,701,663	$118,537,456	5.1 %	$6,636,146	0.3 %
Other Revenue										
Lottery	4,328,655	1,287,955	42.4	(871,345)	(16.8)	12,956,264	3,709,364	40.1	(2,643,736)	(16.9)
License, Fees and Permits	2,356,795	361,706	18.1	56,795	2.5	9,347,246	519,000	5.9	847,246	10.0
Interest	435,874	503,201	--	435,874	--	1,677,001	567,852	51.2	1,677,001	--
Sales and Services	1,428,623	(785,966)	(35.5)	(871,377)	(37.9)	6,167,810	(3,677,507)	(37.4)	(3,332,191)	(35.1)
Other Miscellaneous	1,978,230	(5,140,263)	(72.2)	(121,770)	(5.8)	10,391,501	(6,587,727)	(38.8)	(8,508,499)	(45.0)
Disproportionate Share	0	0	--	0	--	0	0	--	0	--
Transfers and Reimbursements	187,102	(9,898,107)	(98.1)	(2,212,898)	(92.2)	4,041,201	(11,599,613)	(74.2)	(5,558,799)	(57.9)
Sub-Total Other Revenue	10,715,279	(13,671,474)	(56.1) %	(3,584,721)	(25.1) %	44,581,023	(17,068,630)	(27.7) %	(17,518,977)	(28.2) %
TOTAL BASE REVENUE	**$524,605,673**	**$23,891,888**	**4.8 %**	**($5,600,758)**	**(1.1) %**	**$2,489,282,686**	**$101,468,826**	**4.2 %**	**($10,882,831)**	**(0.4) %**
Other Adjustments										
Urban Revenue Sharing	(39,500,543)	12,886,509	--	(0)	0.0	(158,002,173)	51,546,036	--	(0)	0.0
1¢ TPT Increase*	66,278,389	66,278,389	--	(6,909,580)	(9.4)	261,254,573	261,254,573	--	(30,308,159)	(10.4)
Budget Plan Transfers	13,687,094	6,534,611	91.4	0	0.0	81,667,800	1,326,357	1.7	0	0.0
Sub-Total Other Adjustments	40,464,940	85,699,509	-- %	(6,909,580)	(14.6) %	184,920,200	314,126,966	-- %	(30,308,159)	(14.1) %
TOTAL GENERAL FUND REVENUE	**$565,070,613**	**$109,591,397**	**24.1 %**	**($12,510,338)**	**(2.2) %**	**$2,674,202,886**	**$415,595,792**	**18.4 %**	**($41,190,991)**	**(1.5) %**
Non-General Funds										
Highway User Revenue Fund	$96,885,000	($760,000)	(0.8) %	($2,225,000)	(2.2) %	$394,298,000	$5,062,000	1.3 %	($777,000)	(0.2) %
Tobacco Tax (All Funds Total)	$25,883,310	($2,337,392)	(8.3) %	($58,534)	(0.2) %	$108,269,923	($1,991,914)	(1.8) %	$564,960	0.5 %

* Sales and Use line excludes revenue from the temporary 1¢ increase approved by the voter in May 2010. That revenue is shown under One-Time Revenues. Total October collections including the 1¢ increase were $348.5 million. This amount is $70.5 million, or 25.4%, above October 2009 and $(14.2) million, or (3.9)%, below forecast. Year to date, total collections including the 1¢ increase were $1,385.1 million. This amount is $241.1 million, or 21.1%, above October 2009 and $(88.8) million, or (6.0)%, below forecast.

Economic Indicators

"According to the Arizona Department of Commerce, the state had a net gain of 27,400 nonfarm jobs in October. This was a 1.1% increase over the prior month and the best performance for the month of October since 2004."

NATIONAL

According to the U.S. Department of Commerce Bureau of Economic Analysis (BEA), the second estimate of the **U.S. Real Gross Domestic Product (GDP)** for the third quarter of 2010 was revised up from 2.0% to 2.5%. The upward revision was primarily due to higher personal consumption expenditures than previously estimated.

The Conference Board's **U.S. Index of Leading Economic Indicators** rose 0.5% in October, following another 0.5% gain in the previous month. Increasing stock prices, expanding money supply, and a favorable interest-rate spread outweighed the negative contributions from worsening vendor performance and decreased manufacturers' new orders for nondefense capital goods. Apart from June 2010, the forward-looking index has advanced in each of the last 19 months, suggesting that the economic recovery has some momentum.

Consumer prices, as measured by the **U.S. Consumer Price Index (CPI),** increased by 0.2% in October. According to the Bureau of Labor Statistics, gasoline accounted for 90% of the overall price increase in October. The core CPI, which exclude food and energy prices, was flat for the third consecutive month. Year over year, the index was up by 0.6%, the lowest such increase in more than 50 years. The Federal Reserve Bank's recent decision to purchase $600 billion in government securities through June 2011 was in part designed to prevent deflationary price expectations from forming.

The Semiconductor Industry Association (SIA) reported that **Semiconductor Billings** (3-month moving average) in the U.S. were $4.86 billion in September, a 0.5% gain over the prior month and a year-over-year increase of 39.5%. According to SIA, the strong growth in semiconductor sales in the third quarter of 2010 was due to healthy demand for consumer and industrial electronic products. In a recent forecast released by SIA, the trade association indicated that semiconductor sales are expected to grow more moderately in 2011 and 2012.

ARIZONA

Employment

According to the Arizona Department of Commerce, the state had a net gain of 27,400 **nonfarm jobs** in October. This was a 1.1% increase over the prior month and the best performance for the month of October since 2004. October also marked the third consecutive month with a year-over-year growth in nonfarm employment. Over the last 12 months, the state has added 24,400 jobs (a net gain of 1%). However, since the beginning of the recession in December 2007, the state has seen its workforce shrink by (10.4)%, or (281,200) jobs. See Tracking Arizona's Recovery, for additional historical information.

The **construction** sector added 5,100 jobs in October, the largest monthly gain since April 2005. October also marked the first year-over-year increase (1,700 jobs or 1.4%) in construction employment since December 2006. With 121,100 construction workers on payrolls in October, the state was nonetheless more than 50% off peak employment in June 2006.

October also marked the first month since December 2006 that the goods-producing sector as a whole (which includes construction, manufacturing, and mining) expanded when compared to the same month in the prior year. By way of comparison, the private service-providing sector began such a turnaround already in April this year.

All but 3 of the 10 industry sectors that comprise private sector employment (information, financial activities and other services) have yet to experience positive year-over-year job growth. Government employment (federal, state, and local), which typically lags private sector employment growth, is down by (2.0)% over the last 12 months.

The state's **unemployment rate** fell from 9.7% to 9.5% in October, the first decline since April this year. Compared to October 2009, the jobless rate is up by 0.2%. While the unemployment rate has yet to reach the peak of the 1981-82 recession (11.6%), it has stayed above the 9% mark for a longer period this time around. During the severe recession of the early 1980s, the state's jobless rate was 9% or higher for 17 consecutive months. By way of comparison,

Economic Indicators (Continued)

"While foreclosure notices and pending foreclosures continue their decline from recent highs, they continue to be a major influence on existing home sales and the respective prices."

as of October 2010, the unemployment rate has already been at that level for 19 straight months.

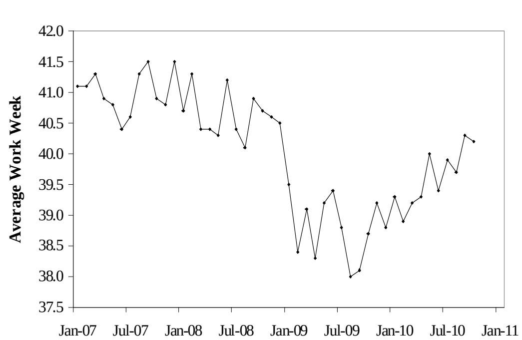
The state's unemployed filed a total of 26,397 **initial claims for unemployment insurance** in October, a 12% increase over the prior month. The increase, which was primarily attributable to seasonal factors, was less than the 10-year pre-recession average of 16.5%. Compared to the same month in the prior year, first-time claims in October were down by (15.6)%, the 12th consecutive month with year-over-year declines.

Currently, monthly initial claims range from 25,000 to 30,000 compared to a range of 15,000 to 20,000 during the pre-recession years of 2005 to 2007. Claims peaked in April 2009 when more than 41,000 individuals filed for initial jobless benefits. See Tracking Arizona's Recovery, for additional historical information.

The **average weekly hours** of production workers in manufacturing industries is a leading indicator since "factory hours" tend to lead the business cycle as employers usually adjust work hours before increasing or decreasing the size of their workforce.

According to the Arizona Department of Commerce, preliminary data indicates that the average work week in October was 40.2 hours, a (0.2)% decrease over the prior month, but a 3.9% improvement since October 2009. As shown in the graph below, the average work week for production workers has steadily trended up since it reached its trough in August 2009. While businesses remain cautious to add new employees to their payrolls, this trend is a positive sign that more hiring will follow in the coming months.

Average Weekly Hours of Production Workers



Housing

In October, the number of new Maricopa County **foreclosure notices** declined (5.6)% from September levels to 7,078. The level of notices has fallen (33.8)% from its peak of 10,689 in March 2009.

The number of Maricopa County **pending foreclosures** increased slightly in October. Despite the increase, the October total of 41,579 is (19.2)% below the peak in December 2009 (51,466). See Tracking Arizona's Recovery, for additional historical information.

While foreclosure notices and pending foreclosures continue their decline from recent highs, they continue to be a major influence on existing home sales and the respective prices. In the Metropolitan Phoenix area in October, there were a total of 8,075 **existing single-family home sales** that resulted in a **median resale home price** of $138,600. Relative to the prior year, the number of sales and prices are down (18.9)% and (3.2)% respectively. Of the existing sales, 41.9%, or 3,380 were foreclosures.

State Agency Data

In November, the **AHCCCS caseload** was 1.36 million members, a 1.0% increase over the prior month. The AHCCCS population is 0.2% above November 2009 levels. The FY 2011 budget funded a projected November 2010 caseload of 1.40 million members.

There were 44,353 **TANF recipients** in the state in October, a monthly caseload increase of 5.6%. Year-over-year, the number of TANF recipients has declined by (49.4)%. This decline is the result of changes to the statutory lifetime limit a person may receive cash assistance. (See the September MFH for additional information). The FY 2011 budget assumed caseloads of approximately 70,000 in FY 2011.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. In October, there were a total of 1.1 million food stamp recipients in the state, a 1.0% increase over the prior month. Compared to the same month last year, food stamp participation was up by 8.5%. The number of food stamp recipients began increasing steadily in July 2007, after several years in the 550,000 to 575,000 range.

Economic Indicators (Continued)

The 3-month average count of the **Department of Correction's (ADC) inmate population** fell to 40,281 inmates between August and October 2010. Relative to the prior month and a year ago, the population has declined by (30) and (373) inmates, respectively.

Table 5

ECONOMIC INDICATORS

Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
- Unemployment Rate	October	9.5%	(0.2)%	0.2%
- Initial Unemployment Insurance Claims	October	26,397	12.0%	(15.6)%
- Unemployment Insurance Claimants	August	86,789	0.2%	(26.0)%
- Non-Farm Employment - Total	October	2.43 million	1.1%	1.0%
Manufacturing	October	147,700	0.1%	(0.9)%
Construction	October	121,100	4.4%	1.4%
- Average Weekly Hours, Manufacturing	October	40.2	(0.2)%	3.9%
- Contracting Tax Receipts (3-month average)	Aug-Oct	$31.0 million	(1.6)%	(16.2)%
- Retail Sales Tax Receipts (3-month average)	Aug-Oct	$126.3 million	(0.3)%	(0.1)%
- Residential Building Permits (3-month moving average)				
Single-unit	Aug-Oct	792	(6.0)%	(29.3)%
Multi-unit	Aug-Oct	164	15.3%	255.8%
- Greater Phoenix Existing Home Sales				
Single-Family	October	8,075	(10.3)%	(18.9)%
Townhouse/Condominium	October	1,215	(10.7)%	(12.6)%
- Greater Phoenix Median Home Sales Price				
Single-Family	October	$138,600	1.2%	(3.2)%
Townhouse/Condominium	October	$85,000	(1.9)%	(15.0)%
- Foreclosure Activity, Maricopa County				
Foreclosure Notices (Notice of Trustee's Sales Recorded)	October	7,078	(5.6)%	(9.7)%
Pending Foreclosures (Active Notices)	October	41,579	1.3%	(17.2)%
Greater Phoenix S&P/Case-Shiller Home Price Index (Jan. 2000 = 100)	August	108.84	(1.3)%	0.4%
- Arizona Months Supply of Housing, (ARMLS)	October	6.9 months	0.2 months	2.0 months
- Phoenix Sky Harbor Air Passengers	September	2.91 million	(6.4)%	2.5%
- Arizona Average Natural Gas Price ($ per thousand cubic feet)	August	$6.14	(2.4)%	(1.6)%
- Arizona Consumer Confidence Index (1985 = 100)	4th Quarter 2010	56.3	14.7%	N/A
- Arizona Coincident Index (July 1992 = 100)	September	199.12	0.1%	0.8%
- Arizona Personal Income	2nd Quarter 2010	$223.6 billion	1.3%	1.7%
- Arizona Population	July 1, 2009	6.60 million	N/A	1.5%
- AHCCCS Recipients	October	1,357,243	1.0%	0.2%
- TANF Recipients	October	44,353	5.6%	(49.4)%
- SNAP (Food Stamps) Recipients	October	1,096,046	1.0%	8.5%
- ADC Inmate Growth (3-month average)	Aug-Oct	40,281	(30) inmates	(373) inmates
- Probation Caseload (Adult/Juvenile)				
Non-Maricopa	September	19,628	(11)	(296)
Maricopa County	September	26,674	(262)	(2,595)
United States				
- Gross Domestic Product (Chained 2005 dollars, SAAR)	3rd Quarter 2010 (Second Estimate)	$13.3 trillion	2.5%	3.2%
- Consumer Confidence Index (1985 = 100)	October	50.2	3.3%	3.1%
- Leading Indicators Index (2004 = 100)	October	110.4	0.5%	6.3%
- U.S. Semiconductor Billings (3-month moving average)	Jul-Sep	$4.86 billion	0.5%	39.5%
- Consumer Price Index, SA (1982-84 = 100)	October	218.9	0.2%	1.2%

Summary of Recent Agency Reports

Arizona Department of Administration – Motor Vehicle Fleet – Pursuant to A.R.S. § 41-803R, the Arizona Department of Administration reported on the FY 2010 year-end inventory of state-owned alternative fuel vehicles. Of the 11,842 state vehicles, 4,625, or 39.1% are subject to the alternative fuel vehicle requirements.

Of the 4,625 state vehicles subject to the alternative fuel vehicle requirements, 3,038, or 65.7% are alternative fuel vehicles. This percentage remained unchanged from the prior year and exceeds the 40% target established by statute.

Statute also requires 90% of the state vehicles in Maricopa County to be capable of using alternative fuels. The state reports that 83.4% of its Maricopa County vehicles are alternative fuel vehicles. This is an increase of 1.8% from the prior year.

Notwithstanding the quantity of vehicles capable of using alternative fuel, only 4.1% of the fuel budget was for alternative fuels. (Juan Beltran)

Arizona Department of Education – Report on K-12 Aggregate Expenditure Limit – Pursuant to A.R.S. 15-911B, the State Board of Education reported on November 1, 2010 that currently budgeted expenditures for all school districts collectively statewide for FY 2011 are $(637,026,500) below the Constitution's aggregate expenditure limitation (AEL). The AEL limits growth in statewide K-12 expenditures to the combined rate of growth for enrollment and inflation, with certain exceptions. (Steve Schimpp)

Department of Environmental Quality – Report on Water Quality Assurance Revolving Fund for FY 2010 – Pursuant to a General Appropriation Act footnote, the Department of Environmental Quality (DEQ) is required to report annually by September 1 to the Joint Legislative Budget Committee (JLBC) on the progress of activities in the Water Quality Assurance Revolving Fund (WQARF) Program. The WQARF Program is similar to the federal Superfund program in that it is designed to monitor, contain, and remediate contaminated groundwater at specified sites. Based on the report, FY 2010 expenditures were $7,258,200. Unexpended funds at the end of FY 2010 totaled $5,060,200.

The WQARF Program maintains a list of contaminated sites, called the Registry. According to the report, as of December 31, 2006 there were 36 sites on the WQARF Registry. Sites on the registry have not changed since 2004. The report contained no information regarding the expected duration or total remediation costs for these sites.

In response to lowered funding, DEQ issued stop work directives to WQARF contractors on January 30, 2009 for all site activities not related to the operation and maintenance of soil and groundwater treatment systems. In FY 2011, program expenditures for 22 sites that remain active are projected to be $5,500,000.

The program showed decreases in groundwater treated, and volatile organic compounds removed, due to the increased difficulty of removing the contamination from the soil over time. (James Alcantar)

Arizona Commission of Indian Affairs – Report on Uses of Monies in the Arizona Indian Town Hall Fund – Pursuant to A.R.S. § 41-545, the Arizona Commission of Indian Affairs is providing the annual Indian Town Hall Fund expenditure report for FY 2010. New fund revenues totaled $5,000. For FY 2010, the commission had $4,930 in disbursements. (Bob Hull)

October Spending

FY 2011 Spending

October 2010 spending of $547.4 million was $(552.4) million lower than October 2009.

- In October, the Arizona Department of Education spending was $(416.0) million lower than the prior year. October expenditures were lower in part due to ADE not making a monthly payment to school districts in October which was made in the prior year. While most of the rolled-over payments were at the end of the year in FY 2010, they are being spread more throughout the year in FY 2011. In addition, FY 2010 included one-time spending related to the use of district cash balances.
- University spending was $64.1 million in October, or $(18.5) million lower than the prior year. The decreased expenditure amount reflects a rollover of the monthly payment, which is spread out over the course of the fiscal year.
- Department of Health Services (DHS) spending was $52.7 million in October, or $(67.9) less than the prior year. The lower expenditure amount reflects a transfer to AHCCCS for DHS Medicaid expenditures.

Table 6

General Fund Spending
($ in Thousands)

Agency	October 10	Change from October 09	Year-to-Date	YTD Change from FY 10
Department of Administration	933.0	(605.6)	10,343.1	2,764.7
Department of Admin Sale/Leaseback D/S	-	-	52,066.9	52,066.9
Office of Administrative Hearings	137.7	(51.0)	418.0	(47.5)
Department of Agriculture	492.0	(1,148.3)	4,212.7	(153.1)
AHCCCS	91,297.7	(23,103.5)	521,944.5	4,672.9
Arizona Commission on the Arts	71.4	(44.7)	277.7	7.9
Attorney General	4,541.5	3,035.4	8,099.7	(904.0)
AZ Capital Post Conviction Public Defender	52.8	32.7	219.4	(6.8)
State Board of Charter Schools	140.4	27.0	359.5	17.2
Board of Chiropractic Examiners	-	-	-	(148.0)
Department of Commerce	68.3	(119.4)	2,411.7	1,876.7
Community Colleges	33,106.6	-	66,213.2	-
Corporation Commission	40.0	(5.2)	219.6	29.1
Department of Corrections	83,294.1	(6,768.7)	300,626.8	17,577.4
AZ Criminal Justice Commission	-	-	-	4.6
AZ State Schools for the Deaf & Blind	3,467.6	(602.1)	9,046.3	(213.1)
Department of Economic Security	71,918.1	(8,378.3)	423,665.0	14,696.2
Department of Education	93,449.2	(415,965.8)	1,694,641.5	101,980.2
DEMA	749.6	(607.1)	4,008.6	698.5
Department. of Environmental Quality	-	(960.6)	0.6	(2,208.4)
DEQ – WQARF	-	-	7,000.0	-
Office of Equal Opportunity	31.1	(4.1)	89.9	6.7
State Board of Equalization	71.6	(38.8)	211.7	(78.6)
Board of Executive Clemency	47.4	(15.6)	428.2	(74.6)
Department of Financial Institutions	153.2	(475.0)	1,283.2	(284.4)
Department of Fire, Life, Bldg Safety	381.0	(290.9)	1,215.5	20.1
Office of the State Forrester	480.5	480.5	1,201.6	1,201.6
Board of Funeral Directors	-	-	-	(100.0)
Arizona Geological Survey	132.1	27.0	230.7	(123.1)
Government Information Tech.	56.9	46.9	206.1	18.8
Governor	1,039.0	(181.8)	3,396.5	484.3
Gov. - OSPB	288.1	203.2	839.7	339.4
Department of Health Services	52,707.3	(67,883.0)	175,926.3	(97,609.9)
Arizona Historical Society	456.5	134.0	3,863.1	1,637.1
Prescott Historical Society of AZ	96.2	25.1	216.8	(15.2)
Independent Redistricting Comm.	-	-	-	(24.8)
Commission on Indian Affairs	2.6	(0.7)	14.2	2.7
Department of Insurance	353.4	(15.3)	2,676.2	(66.5)
Judiciary				
Supreme Court	(107.5)	(2,007.2)	12,319.5	3,092.1
Superior Court	17,504.1	(861.1)	34,919.7	(3,450.1)
Court of Appeals	1,528.3	85.5	6,725.4	1,688.1
Department of Juvenile Corrections	3,574.2	(10,043.6)	24,538.2	(5,215.9)
State Land Department	356.1	(1,332.0)	1,124.4	(5,314.0)
Law Enforcement Merit System	5.1	(6.0)	30.0	(1.7)

Agency	October 10	Change from October 09	Year-to-Date	YTD Change from FY 10
Legislature				
Auditor General	1,136.0	(67.7)	7,261.1	1,042.4
House of Representatives	2,405.8	1,432.5	5,056.3	(33.5)
Joint Legislative Budget Comm.	122.3	(65.4)	922.7	(51.8)
Legislative Council	288.3	(421.3)	2,120.5	(274.6)
Senate	476.0	(68.6)	3,591.6	(15.7)
Department of Liquor Licenses	-	(122.1)	-	(659.9)
Board of Medical Student Loans	17.0	17.0	208.7	(174.4)
Mine Inspector	69.0	(34.9)	482.1	(79.5)
Department of Mines & Mineral Resources	17.2	(148.1)	725.7	389.9
Nav. Streams & Adjudication	22.5	2.1	78.7	4.0
OSHA	-	(4.0)	-	(4.0)
Board of Osteopathic Examiners	-	-	-	(100.0)
Arizona State Parks Board	-	-	20,000.0	(1,900.3)
Board of Pharmacy	-	200.0	-	-
Pioneers' Home	76.8	76.8	357.8	357.8
Board of Psychologist Examiners	-	-	-	(300.0)
Comm. for Postsecondary Ed.	-	(223.7)	157.7	(648.4)
Department of Public Safety	2,077.0	6,688.0	26,358.1	(11,956.4)
Arizona Department of Racing	151.0	(273.1)	2,771.7	(362.1)
Radiation Regulatory Agency	229.4	(155.7)	626.3	(172.4)
Arizona Rangers Pension	1.2	-	4.7	0.1
Real Estate Department	131.3	(854.6)	1,479.4	(191.8)
Department of Revenue	7,091.9	528.4	18,412.8	1,355.2
School Facilities Board	65.1	(28.3)	32,950.5	(49,068.4)
Secretary of State	2,430.6	1,717.0	8,383.4	5,243.1
Tax Appeals Board	15.4	(16.9)	113.3	(2.5)
Office of Tourism	-	-	-	(200.0)
Department of Transportation	3.8	(18.3)	15.9	(16.8)
State Treasurer	-	(638.4)	-	(1,399.8)
Universities				
Board of Regents	4,375.5	(1,210.5)	10,148.4	(274.7)
Arizona State University	29,018.9	(7,832.8)	192,181.1	13,947.8
Northern Arizona University	8,551.9	(2,629.4)	64,701.2	4,735.0
University of Arizona	22,135.0	(6,815.7)	167,469.2	12,205.3
Veterinary Medical Examiners Board	-	-	-	(250.0)
Department of Veteran Services	2,811.8	2,237.4	4,745.7	2,335.6
Department of Water Resources	296.9	(2,515.5)	1,951.4	(4,824.0)
Department of Weights & Measures	244.3	11.1	473.5	(69.0)
Other	186.7	(3,772.2)	307.0	(18,528.1)
Grand Total	**547,366.1**	**(552,424.6)**	**3,951,288.4**	**38,901.7**