JLBC - Monthly Fiscal Highlights

March 2013

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"Year-to-date, revenues are 4.4% higher than last year and are $15.7 million above the Baseline forecast."

This report has been prepared for the Arizona Legislature by the Joint Legislative Budget Committee Staff on March 20, 2013.

Summary

February General Fund revenue collections totaled $339.6 million. Base revenues, which exclude one-time adjustments, were 17.4% above the prior year.

The 17.4% growth rate overstates real economic activity. February revenue collections are significantly affected by the processing of individual income tax refunds, which can make the year-over-year comparison misleading.

February refund checks tend to offset any withholding and payments. The net collection amount is usually small and subject to significant variation. In February 2013, individual income tax collections were actually a negative $(46.5) million as refunds were greater than collections. In comparison, February 2012's net loss was ($72.6) million. This $26.1 million, or 36%, gain between February 2012 and 2013 may solely reflect timing in the processing of refunds. The actual trend in taxpayer liability will require additional months of income tax data.

While February income tax data is difficult to interpret, the sales tax posted a strong gain. Sales tax revenues were up 7.4% from February of last year. As noted in *Table 2*, there were also relatively high growth rates in all of the largest sales tax categories.

Total February General Fund collections were $14.1 million above the Baseline forecast. Year-to-date, revenues are 4.4% higher than last year and are $15.7 million above the Baseline forecast.

In comparison to revenue of $339.6 million, February 2013 General Fund spending was $360.3 million, or $(21.9) million below last year.

February expenditures were lower than last year primarily due to decreased K-12 Education spending resulting from the timing of school district payments and land trust disbursements over the last 2 years.

Fiscal year-to-date, General Fund revenues of $5.7 billion have been offset by $6.5 billion in General Fund spending.

The state's fiscal health can also be measured by the operating fund balance. The state pays its bills out of the operating fund balance, which consists of the General Fund and certain dedicated funds. As of mid-March 2013, the operating balance is $1.8 billion.

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February Revenues

Table 1

General Fund Revenues ($ in Millions)

	FY 2013 Collections	Difference From Baseline Forecast	Difference From FY 2012
February	$ 339.6	$ 14.1	$ 31.8
Year-to-Date	$ 5,749.0	$ 15.7	$ 19.4

"February retail... increased by 10.2%...(which) marks the highest growth rate compared to the prior year in 20 months (since June 2011)."

Sales Tax collections of $386.6 million were 7.4% above February 2012 and $16.2 million above the Baseline forecast for the month.

Year-to-date, sales tax collections are 4.8% above the prior year and are $17.4 million above forecast.

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

Table 2

Sales Tax Growth Rates Compared to Prior Year

	February	YTD
Retail	10.2%	6.4%
Contracting	5.6%	2.8%
Utilities	6.9%	3.3%
Use	8.2%	(1.6)%
Restaurant & Bar	4.9%	6.4%

Retail and contracting together account for almost 60% of all sales tax revenues. February retail, which reflects January sales, increased by 10.2%. The February increase marks the highest growth rate compared to the prior year in 20 months (since June 2011). The increase brings the growth in retail collections for the fiscal year up to 6.4%.

Contracting collections have been much more volatile than retail. The February increase of 5.6% brings the year-to-date increase to a modest 2.8%.

Individual Income Tax net revenues were $(46.5) million in February, which was $26.1 million more than the prior year. Collections were $(4.0) million below the Baseline forecast. Year-to-date, revenues have grown 8.4% and are $10.6 million above forecast.

As indicated in *Table 3*, withholding was down (4.2)% in February. The February decrease brings withholding tax collections for the fiscal year to 3.7% over the prior year. This amount is $5.1 million above the Baseline forecast.

Total estimated and final payments of $17.0 million were (13.6)% below last year, and were $(4.8) million below forecast. Year-to-date, payments are $(8.9) million below the forecast.

Refunds of $(338.5) million were $(40.9) million less than last year's amount. Year-to-date, refunds are $14.0 million below forecast.

Table 3

Individual Income Tax Growth Rates Compared to Prior Year

	February	YTD
Withholding	(4.2)%	3.7%
Estimated + Final Payments	(13.6)%	1.9%
Refunds	(10.8)%	(15.4)%

Corporate Income Tax net collections were $12.9 million in February, which is $0.6 million greater than the prior year's net collections of $12.3 million. Collections for the month were $1.0 million above the forecast. Year- to-date, collections are down (10.5)% and are $(9.8) million below forecast.

The **Lottery Commission** reports that February ticket sales were $55.8 million, which is $(5.0) million, or (8.2)%, less than sales in the prior year. Year-to-date ticket sales are $435.6 million, which is 7.2% above last year's sales. While year-to-date sales have increased, net General Fund revenues actually declined due to an increase in the payment of debt service for the Lottery Revenue Bonds issued in FY 2010.

Non-General Fund

Highway User Revenue Fund (HURF) revenues consist of gasoline and use fuel (diesel) tax, motor carrier fees (commercial carriers), vehicle license tax and registration fees, and various other fees. HURF collections of $104.0 million in February were down $(4.1) million, or (3.8)%, compared to February of last year. Year-to-date revenues are (0.3)% below collections in the prior year.

February Revenues (Continued)

Table 4

General Fund Revenue:
Change from Previous Year and January Baseline Forecast
February 2013

	Current Month					FY 2013 YTD (Eight Months)				
		Change From					Change from			
	Actual	February 2012		Baseline Forecast		Actual	February 2012		Baseline Forecast	
	February 2013	Amount	Percent	Amount	Percent	February 2013	Amount	Percent	Amount	Percent
Taxes										
Sales and Use - Base*	$308,634,610	$20,854,976	7.2 %	$10,231,531	3.4 %	$2,527,799,598	$108,914,884	4.5 %	$7,832,673	0.3 %
- 1¢ Increase*	77,970,099	5,881,940	8.2	5,918,761	8.2	636,921,336	35,869,858	6.0	9,575,843	1.5
Income - Individual	(46,521,112)	26,122,384	36.0	(3,970,620)	9.3	2,252,222,207	175,240,548	8.4	10,574,630	0.5
- Corporate	12,939,514	592,360	4.8	1,013,574	8.5	329,075,981	(38,474,216)	(10.5)	(9,799,880)	(2.9)
Property	268,608	(190,902)	(41.5)	(456,392)	(63.0)	8,466,703	(2,000,538)	(19.1)	(968,579)	(10.3)
Luxury - Tobacco	1,954,075	(85,187)	(4.2)	0	0.0	16,493,221	(1,645,296)	(9.1)	(886,322)	(5.1)
- Liquor	2,652,087	1,047,461	65.3	0	0.0	20,744,196	1,190,118	6.1	(806,669)	(3.7)
Insurance Premium	4,035,695	975,679	31.9	1,035,695	34.5	152,874,548	(9,927,765)	(6.1)	(5,610,966)	(3.5)
Estate	0	0	--	0	--	0	(200,825)	(100.0)	0	--
Other Taxes	29,804	(7,601)	(20.3)	(70,196)	(70.2)	346,678	(15,966)	(4.4)	(93,769)	(21.3)
Sub-Total Taxes	$361,963,380	$55,191,110	18.0 %	$13,702,353	3.9 %	$5,944,944,468	$268,950,802	4.7 %	$9,816,961	0.2 %
Other Revenue										
Lottery	4,991,580	126,140	2.6	991,580	24.8	26,609,920	(8,211,260)	(23.6)	561,720	2.2
License, Fees and Permits	1,712,201	87,319	5.4	312,201	22.3	19,648,309	1,446,136	7.9	992,246	5.3
Interest	2,152	(1,552)	(41.9)	(7,848)	(78.5)	4,906,667	2,801,685	133.1	4,874,022	--
Sales and Services	9,610,099	647,591	7.2	610,099	6.8	19,158,506	801,497	4.4	487,014	2.6
Other Miscellaneous	586,308	(176,554)	(23.1)	(1,413,692)	(70.7)	17,801,888	(5,126,538)	(22.4)	(759,270)	(4.1)
Disproportionate Share	0	0	--	0	--	0	0	--	0	--
Transfers and Reimbursements	368,704	267,505	264.3	(131,296)	(26.3)	7,888,622	(4,325,729)	(35.4)	(268,589)	(3.3)
Sub-Total Other Revenue	$17,271,044	$950,449	5.8 %	$361,044	2.1 %	$96,013,912	($12,614,209)	(11.6) %	$5,887,143	6.5 %
TOTAL BASE REVENUE	**$379,234,424**	**$56,141,559**	**17.4 %**	**$14,063,397**	**3.9 %**	**$6,040,958,379**	**$256,336,592**	**4.4 %**	**$15,704,104**	**0.3 %**
Other Adjustments										
Urban Revenue Sharing	(42,798,670)	(7,430,050)	21.0	0	0.0	(342,389,360)	(59,440,400)	21.0	0	0.0
Budget Plan Transfers	3,194,598	(16,937,906)	(84.1)	0	0.0	50,425,927	(164,644,386)	(76.6)	0	0.0
Sub-Total Other Adjustments	(39,604,072)	(24,367,956)	159.9 %	0	0.0 %	(291,963,433)	(236,952,214)	430.7 %	0	0.0 %
TOTAL GENERAL FUND REVENUE	**$339,630,352**	**$31,773,603**	**10.3 %**	**$14,063,397**	**4.3 %**	**$5,748,994,947**	**$19,384,379**	**0.3 %**	**$15,704,104**	**0.3 %**
Non-General Funds										
Highway User Revenue Fund	$103,970,781	($4,119,867)	(3.8) %	($4,768,411)	(4.4) %	$796,056,284	($2,778,604)	(0.3) %	($7,571,613)	(0.9) %

*** Total February collections including the temporary 1¢ increase approved by the voters in May 2010 were $386.6 million. This amount is $26.7 million, or 7.4%, above February 2012 and $16.2 million, or 4.4%, above forecast.**

Recent Economic Indicators

NATIONAL

According to the U.S. Department of Commerce Bureau of Economic Analysis, the **U.S. Real Gross Domestic Product (GDP)** increased at a revised annual rate of 0.1% in the fourth quarter of 2012. This deceleration from third quarter growth of 3.1% was largely due to fluctuations in inventory investment and federal defense spending. Consumer spending and business fixed investment increased, compared to the third quarter.

The Conference Board's **U.S. Consumer Confidence Index** grew 19.2% in February, following three months of decreases. February's reading represents the largest monthly increase since November 2011, though it does not fully reflect recent impacts of the sequester and gas prices on confidence. The index decreased (2.8)% from the reading in February 2012.

"[The] **U.S. Consumer Confidence Index grew 19.2% in February, following three months of decreases."**

The Conference Board's **U.S. Leading Economic Index** increased by 0.2% in January and 2.1% above the measure in January 2012. This modest monthly improvement was primarily the result of increases to several financial market sub-indices. Gains were partially offset by reduced consumer expectations and new manufacturing orders.

Consumer prices, as measured by the **U.S. Consumer Price Index (CPI)**, were unchanged in January and grew by 1.6 % above the prior year. For a second month in a row, declining gas prices offset inflation in other product categories. During January, a 0.3% increase in core inflation (all prices except for food and energy) was offset by a (3.0)% decrease in gas prices.

ARIZONA

Housing

The number of Maricopa County **pending foreclosures** decreased from 11,124 in January to 10,596 in February. The February total is significantly below the peak in December 2009 (51,466). *See Appendix A – Tracking Arizona's Recovery.*

The total housing inventory in the Greater Phoenix area decreased from 23,736 in February 2012 to 21,718 in February 2013, a (8.5)% decrease. This continues the decline in inventory that started in January 2011.

As the supply of housing has declined, the price has increased. In the Metropolitan Phoenix area, the **median price of a single family home** was $163,000 in January. This represents a (0.6) decrease from December, and a 35.3% increase from January of last year.

Another measure of the health of the Arizona real estate market is permitting activity. For the 3-month period through January, a total of 1,152 **single-family building permits** had been issued statewide, a 41.3% increase from last year. While permitting activity has seen gains, the current level of permitting remains far below a more normal 3-month average of 3,000 to 4,000 permits. *See Appendix A – Tracking Arizona's Recovery.*

The multi-family housing sector has also seen gains, with the 3-month period ending in January resulting in a total of 723 **multi-family building permits** being issued in the state. However, this figure remains well below the peak of activity in April 2007.

Employment

As a result of the annual benchmarking revision of establishment survey data, the Department of Administration (DOA) reported in March that Arizona nonfarm employment growth in 2011 and 2012 was marginally higher than previous estimates had indicated. By incorporating more comprehensive data based on unemployment insurance records, the Bureau of Labor Statistics (BLS) determined that the state added on average 5,925 and 4,325 more jobs per month in 2011 and 2012, respectively, than previously reported. On an average annual basis, the job growth in 2011, as well as 2012, was 0.2% higher than previously estimated.

The latest estimate of **nonfarm employment** showed that the state shed (45,500) jobs in January over December in the prior year. Job losses typically occur in January when the holiday season comes to an end. The average job reduction for the month of January in the prior 10 years was (58,600). Compared to January 2012, nonfarm employment is up by 2.0%, or 47,700 jobs. The household survey data used to estimate the state's **unemployment rate** was also revised in March. The historical revision, which covered the period from 2008 to 2012

Recent Economic Indicators (Continued)

"Compared to the same month last year, SNAP participation was down by (2.0)%."

was relatively small. The state's jobless rate increased from 7.9% in December to 8.0% in January, which was 0.1% higher than the national average.

State Agency Data

At the beginning of March, total **AHCCCS** caseloads equaled 1.26 million members, a (0.1)% decrease from the prior month. Overall, AHCCCS caseloads are currently (3.1)% below March 2012 levels. The traditional acute care AHCCCS population, which consists primarily of lower income children and their parents, stayed flat since last month and decreased (1.0)% from a year ago. The total population in this program is almost 900,000.

The childless adult program has not allowed new participants since July 2011. This population has declined (142,837) since then to 81,655. As a whole, the Proposition 204 program has declined (1.0)% compared to the prior month, and (21.5)% from the prior year. KidsCare I provides coverage for 7,694 children with incomes above those in the traditional population. Its enrollment has declined since a freeze was implemented in January 2010. Enrollment declined (2.4)% compared to the prior month and (33.9)% from the prior year.

Beginning on May 1, 2012, AHCCCS began a new program, entitled KidsCare II, which provides coverage for children up to 175% of the Federal Poverty Level. The state match is provided by voluntary payments from political subdivisions. As of the beginning of March, 28,273 children were enrolled in KidsCare II.

There were 38,587 **TANF recipients** in the state in January, a monthly caseload decrease of (6.3)%. Year-over-year, the number of TANF recipients has declined by (2.9)%. The statutory lifetime limit on cash assistance is 24 months.

The appropriation for TANF cash assistance in the FY 2013 budget funds a caseload of approximately 36,200 recipients in FY 2013.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. In January, there were a total 1.1 million food stamp recipients in the state, a (1.4)% decrease over the prior month. Compared to the same month last year, SNAP participation was down by (2.0)%.

The 3-month average count of the Department of Corrections (ADC) inmate population decreased to 40,045 inmates in February 2013. Relative to the prior 3-month period, the population has decreased by (30) inmates. Compared to a year ago, the population has increased by 144 inmates.

Recent Economic Indicators (Continued)

Table 5

ECONOMIC INDICATORS

Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
- Unemployment Rate (SA)	January	8.0%	0.1 %	(0.6)%
- Initial Unemployment Insurance Claims	January	24,929	36.0%	(7.2)%
- Unemployment Insurance Recipients	January	38,966	2.3%	(30.9)%
- Non-Farm Employment - Total	January	2.47 million	(1.8)%	2.0%
Manufacturing	January	154,800	(1.3)%	1.4%
Construction	October	116,700	(1.0)%	7.3%
- Average Weekly Hours, Manufacturing	December	40.7	0.7%	(2.6)%
- Contracting Tax Receipts (3-month average)	Nov-Jan	$36.1 million	(0.2)%	4.6%*
- Retail Sales Tax Receipts (3-month average)	Nov-Jan	$169.6 million	13.2%	7.5%*
- Residential Building Permits (3-month moving average)				
Single-family	Nov-Jan	1,152	(0.2)%	41.3%
Multi-unit	Nov-Jan	723	1.4%	129.9%
- Greater Phoenix Home Sales				
Single-Family	January	6,939	(12.8)%	(12.5)%
Townhouse/Condominium	January	1,100	(7.3)%	(9.8)%
- Greater Phoenix Median Home Price				
Single-Family	January	$163,000	(0.6)%	35.3%
Townhouse/Condominium	January	$101,500	1.6%	45.0%
- Greater Phoenix S&P/Case-Shiller Home Price Index (Jan. 2000 = 100)	December	125.33	0.9%	23.0%
- Foreclosure Activity, Maricopa County				
Pending Foreclosures (Active Notices)	February	10,596	(4.7)%	(40.6)%
- Greater Phoenix Total Housing Inventory, (ARMLS)	February	21,718	(1.7)%	(8.5)%
- Phoenix Sky Harbor Air Passengers	December	3.39 million	(0.6)%	0.0%
- Revenue Per Available Hotel Room	January	$58.15	45.3%	5.0%
- Arizona Average Natural Gas Price ($ per thousand cubic feet)	December	$4.80	(12.2)%	(4.2)%
- Arizona Consumer Confidence Index (1985 = 100)	4th Quarter 2012	71.3	3.9%	24.0%
- Arizona Coincident Index (July 1992 = 100)	December	181.23	0.1%	2.6%
- Arizona Leading Index -- 6 month projected growth rate	Oct-Dec	2.5%	(0.3)%	(0.2)%
- Arizona Personal Income	3rd Quarter 2012	$236.8 billion	0.6%	4.2%
- Arizona Population	July 1, 2012	6.55 million	N/A	1.3%
- AHCCCS Recipients	March	1,263,560	(0.1)%	(3.1)%
Acute Care Traditional		881,399	0.0%	(1.0)%
Prop 204 Childless Adults		81,655	(3.0)%	(3.9)%
Other Prop 204		147,608	0.1%	(33.9)%
Kids Care		7,694	(2.4)%	-
Kids Care II		28,273	3.7%	2.3%
Long-Term Care – Elderly & DD		53,204	(0.1)%	10.7%
Emergency Services		63,727	1.2%	(3.1)%
- TANF Recipients	January	38,587	(6.3)%	(2.9)%
- SNAP (Food Stamps) Recipients	January	1,108,674	(1.4)%	(2.0)%
- ADC Inmate Growth (3-month average)	Dec-Feb	40,045	(30) inmates	144 inmates
- Probation Caseload				
Non-Maricopa	January	17,872	(111)	(545)
Maricopa County	January	25,073	(208)	(557)
United States				
- Gross Domestic Product (Chained 2005 dollars, SAAR)	4th Quarter 2012 (2nd Estimate)	$13.7 trillion	0.1%	1.6%
- Consumer Confidence Index (1985 = 100)	February	69.6	19.2%	(2.8)%
- Leading Indicators Index (2004 = 100)	January	94.1	0.2%	2.1%
- U.S. Semiconductor Billings (3-month moving average)	Nov-Jan	$4.77 billion	(3.5)%	10.5%
- Consumer Price Index, SA (1982-84 = 100)	January	231.2	0.0%	1.6%

*Adjusted for 1¢ sales tax

Summary of Recent Agency Reports

ADOA/Treasurer – Report on Reconciliation of General Fund Balance for FY 2012 – Pursuant to A.R.S. § 41-172A and A.R.S. § 35-131F the Office of the State Treasurer and the Arizona Department of Administration (ADOA) are required to submit reports reconciling any difference between agencies in the year-end General Fund balance. ADOA and the Treasurer currently report FY 2012 year-end General Fund balances (including dedicated subaccounts and excluding claims payable) of $523.5 million and $522.6 million, respectively. The difference leaves an unreconciled General Fund balance of $918,000. ADOA and the Treasurer report that they will continue to try to isolate the source of the difference. (Eric Billings)

Governor's Council on Workforce Policy – Report on 2012 Annual Report – Pursuant to A.R.S. § 41-1542, the Governor's Council on Workforce Policy (GCWP) submitted its annual report on workforce development. The total workforce spending from state, federal, and local sources for FY 2011 was $396.9 million. Of this total, the Department of Economic Security accounted for $203.5 million, Department of Education for $13.0 million, Arizona Commerce Authority for $2.9 million, and Community Colleges for $177.5 million.

Excluding the community colleges, the largest programs in FY 2011 include Unemployment Insurance ($58.7 million), Vocational Rehabilitation ($51.8 million), the Workforce Investment Act program ($50.5 million), and the Jobs program, which provides employment and training services to Temporary Assistance for Needy Families (TANF) recipients ($15.9 million). (Eric Billings)

JLBC Staff – FY 2012 Reports on Credit Card Transactions – A.R.S. § 35-142 requires agencies that accept credit cards to annually report the number and dollar amount of those transactions, compared to the number and dollar amount of all transactions. Statute also requires information on the total dollar amounts of any discount, processing, or convenience fees paid. Lastly, each agency must issue a cost benefit report when its percentage of electronic transactions exceeds 30%.

Credit card transaction volumes vary widely among the various agencies. The total number of transactions processed by these agencies was 2.4 million, of which electronic transactions totaled 674,970. The total dollar amount of all transactions was $641.9 million. Electronic transactions accounted for $130.6 million of that total. The amount paid in discount fees was $1.1 million, in processing fees was $336,800, and in other fees was $700. The total amount of any convenience fee charged, deducted, or paid for the transaction totaled $404,500. Discount fees totaled 0.87% of the amount of electronic transactions, processing fees totaled 0.26%, and convenience fees totaled 0.31%. (Krista MacGahan)

Department of Public Safety – Quarterly Report on the GIITEM Fund – Pursuant to A.R.S. § 41-1724, the Department of Public Safety (DPS) is required to report quarterly on Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Fund expenditures. During the second quarter of FY 2013, DPS expended $658,600 in GIITEM Immigration Enforcement Grant monies bringing the year-to-date total to $1.4 million. Year-to-date, DPS has expended $1.3 million for a grant to the Maricopa County Sheriff's Office from the FY 2013 non-lapsing $2.6 million appropriation for local law enforcement grants. Included in this amount is $650,900 in second quarter spending. Per statute, Maricopa County receives $1.6 million annually. Pinal County also is statutorily required to receive $500,000 annually, but those monies have not been distributed yet. The remaining $137,000 in total year-to-date expenditures was funded from the FY 2011 non-lapsing $2.6 million appropriation and was utilized to fund border detectives and detention liaison officers. Included in this amount is $7,700 in second quarter spending. There remains a balance of $158,700 in the FY 2011, $190,400 in the FY 2012, and $1.3 million in the FY 2013 appropriations available for use.

Additionally, the GIITEM Border Security and Law Enforcement Subaccount received $551,141 in criminal fine and fee revenues in the second quarter of FY 2013, for a total of $1.1 million year-to-date. DPS expended $389,800 in the second quarter and $465,000 year-to-date from the Subaccount for border detectives, detention liaison officers, and a grant to the Pima County Sheriff's Office. (Eric Billings)

Department of Revenue – Report on Temporary Collectors – A FY 2013 General Appropriation Act footnote requires the Department of Revenue (DOR) to report on the results of temporary collectors. Beginning in FY 2010, DOR was appropriated $3 million from the General Fund annually for temporary collectors to assist in the collection of already established debt.

DOR reports that through December 2012, 47 temporary collectors have been hired and trained at a cost of $1.2 million. Through December, DOR estimated that these temporary collectors have generated approximately $39.4 million in total funds, which resulted in $26.4 million in additional revenue to the General Fund. The collectors were originally estimated to generate a total of $33.9 million in additional General Fund revenue in FY 2013. (Eric Billings)

Summary of Recent Agency Reports (Continued)

Universities – Report on University Research Infrastructure Income – Pursuant to A.R.S. § 15-1670, Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (UA) are required to submit an annual report on the amount of the previous year's income from licensure and royalty payments, the sale or transfer of intellectual property developed by the university, and to deposit a portion of that income into the state General Fund. ASU and NAU reported that no deposits were made in FY 2012, as they believe that their income is net of expenses instead of gross income. UA did not supply a report for FY 2012. ASU and NAU reported no net income from licensure and royalty payments, or the sale or transfer of intellectual property in FY 2012. In terms of FY 2012 gross income, ASU reported $1.7 million of licensing and royalty revenues and NAU reported $22,300 of licensing and royalty revenues.
(Marge Zylla)

February Spending

February 2013 General Fund spending of $360.3 million was $(21.9) million lower than February 2012. Year-to-date, spending is $6.5 billion, or $154.6 million above last year.

Table 6

General Fund Spending ($ in Millions)

Agency	Feb 13	Change from Feb 12	Year to Date	YTD Change from FY 12
AHCCCS	109.3	(6.0)	906.6	(157.1)
Corrections	71.2	4.4	601.5	(8.6)
Economic Security	1.3	(5.9)	525.9	35.1
Education	92.9	(24.6)	2,589.8	(8.3)
Health Services	13.0	3.0	523.6	70.6
Public Safety	1.5	0.0	20.2	(18.3)
School Facilities Board	0.1	0.0	172.4	8.9
Universities	43.0	0.5	544.4	(11.1)
Leaseback Debt Service	0.0	0.0	84.1	35.1
Other	28.0	6.7	347.7	8.3
Total	**360.3**	**(21.9)**	**6,316.2**	**(45.4)**
Budget Stabilization Fund Deposit	0.0	0.0	200.0	200.0
Grand Total	**360.3**	**(21.9)**	**6,516.2**	**154.6**

Table 7

General Fund Spending
($ in Thousands)

Agency	February 13	Change from February 12	Year-to-Date	YTD Change from FY 12
Department of Administration	4,726.6	4,116.2	20,349.8	9,040.6
ADOA Sale/Leaseback Debt Service	-	-	84,119.8	35,069.1
Office of Administrative Hearings	52.0	(10.9)	583.8	27.5
Department of Agriculture	484.4	322.5	5,022.4	21.5
AHCCCS	109,325.4	(6,045.8)	906,557.5	(157,069.5)
Arts, AZ Commission on the	-	-	-	(10.4)
Attorney General	1,538.8	390.4	14,403.9	3,053.9
AZ Capital Post Conviction Public Defender	0.3	(54.1)	4.4	(405.3)
State Board of Charter Schools	50.5	(0.2)	508.0	14.2
AZ Commerce Authority	2,625.0	-	21,000.0	-
Community Colleges	-	-	48,144.5	(4,041.6)
Corporation Commission	45.0	8.5	377.6	23.3
Department of Corrections	71,220.1	4,436.0	601,450.8	(8,581.0)
AZ State Schools for the Deaf & Blind	2,141.0	620.3	15,540.9	1,275.0
Department of Economic Security	1,255.3	(5,973.0)	525,934.1	35,080.3
Department of Education	92,931.9	(24,643.4)	2,589,753.6	(8,260.3)
DEMA	338.8	(90.0)	5,399.4	866.0
DEQ – WQARF	-	-	7,000.0	-
Office of Equal Opportunity	-	(11.9)	55.5	(61.0)
State Board of Equalization	17.5	(2.6)	376.7	(32.4)
Board of Executive Clemency	60.2	8.9	525.9	(15.6)
Department of Financial Institutions	214.0	39.7	1,817.3	11.2
Department of Fire, Life, Bldg Safety	148.2	34.6	1,231.2	(9.5)
Office of the State Forester	202.6	15.3	3,981.1	568.2
Arizona Geological Survey	45.7	(5.0)	633.8	42.9
Government Information Tech.	-	-	-	3.1
Governor/OSPB	685.4	(8.3)	5,781.8	1,449.4
Department of Health Services	13,027.3	2,996.6	523,587.2	70,599.1
Arizona Historical Society	207.6	17.4	2,191.8	(33.5)
Prescott Historical Society of AZ	64.7	17.5	456.5	(19.7)
Independent Redistricting Comm.	31.4	(449.8)	1,091.5	(1,950.6)
Commission on Indian Affairs	3.3	(0.1)	33.7	2.4
Department of Insurance	335.7	(7.8)	3,238.5	(271.7)
Judiciary				
Supreme/Superior Court	2,480.2	275.1	57,491.6	458.5
Court of Appeals	1,020.0	24.2	8,910.3	(280.2)
Department of Juvenile Corrections	3,001.2	(84.5)	27,305.4	(4,374.3)

Agency	February 13	Change from February 12	Year-to-Date	YTD Change from FY 12
State Land Department	71.9	50.5	703.8	(18.3)
Law Enforcement Merit System	5.0	0.2	43.6	5.8
Legislature				
Auditor General	1,423.8	94.2	11,327.2	(377.8)
House of Representatives	1,101.0	99.0	7,432.5	(648.6)
Joint Legislative Budget Comm.	195.9	21.6	1,252.5	(76.8)
Legislative Council	356.9	34.6	5,049.3	1,460.4
Senate	702.7	(5.2)	5,073.2	(494.6)
Mine Inspector	49.2	(22.0)	730.7	(9.7)
Nav. Streams & Adjudication	9.0	2.2	80.1	(23.5)
Pioneers' Home	39.6	(21.3)	657.4	(910.8)
Comm. for Postsecondary Ed.	610.3	610.3	1,396.7	(0.1)
Department of Public Safety	1,528.9	14.1	20,222.5	(18,267.9)
Arizona Department of Racing	-	(33.3)	1,874.1	(860.2)
Radiation Regulatory Agency	50.3	6.4	1,020.7	(12.3)
Real Estate Department	148.8	(13.8)	1,522.2	(105.4)
Department of Revenue	2,504.0	112.8	27,196.3	(5,563.8)
School Facilities Board	104.1	38.7	172,437.9	8,851.5
Secretary of State	703.3	23.5	12,822.7	6,378.1
Tax Appeals Board	17.4	1.3	175.8	(4.6)
Office of Tourism	254.2	254.2	3,293.9	3,293.9
Department of Transportation	0.6	(7.0)	19.4	(12.4)
Universities				
Board of Regents	3,828.9	3,801.6	30,945.0	15,210.8
Arizona State University	17,381.2	(1,788.1)	229,625.1	(14,305.2)
Northern Arizona University	5,924.2	(507.4)	77,888.4	(4,059.4)
University of Arizona	15,870.8	(1,001.8)	205,895.8	(8,014.6)
Department of Veteran Services	340.4	(298.5)	3,605.8	(2,027.3)
Department of Water Resources	766.0	249.0	6,027.6	2,698.6
Department of Weights & Measures	94.3	12.3	897.9	188.3
Other	(2,460.3)	(4.0)	2,151.7	152.2
Total	**360,272.8**	**(21,927.2)**	**6,316,230.2**	**(45,384.3)**
Budget Stabilization Fund Deposit	-	-	200,000.0	200,000.0
Grand Total	**360,272.8**	**(21,927.2)**	**6,516,230.2**	**154,615.7**

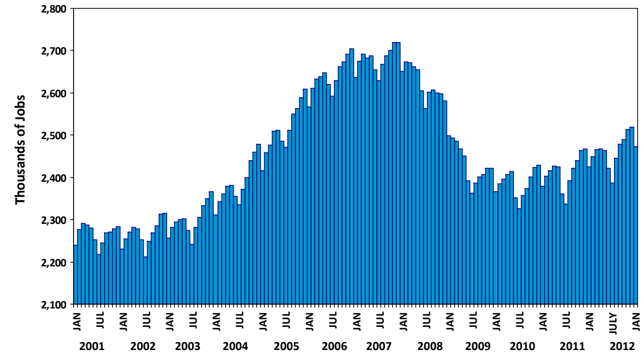
Tracking Arizona’s Recovery

March 2013
Appendix A

Slide:

JLBC

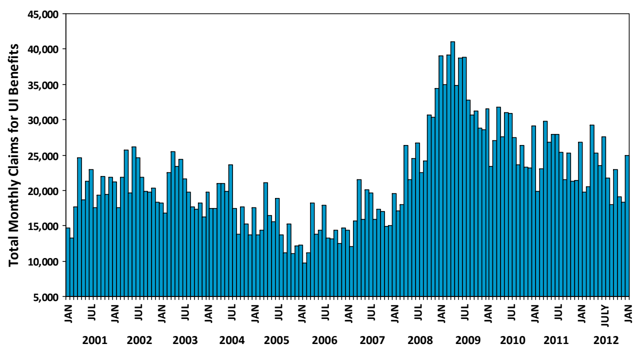
Total Non-Farm Employment



Not seasonally adjusted

JLBC

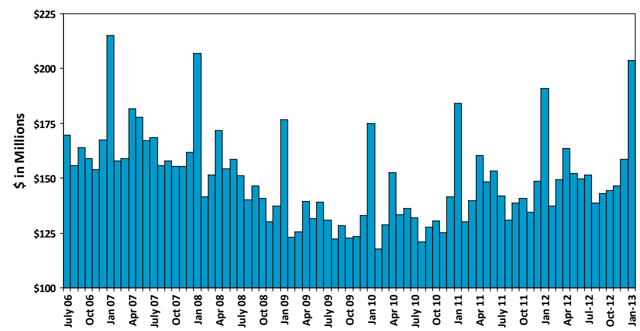
Initial Claims for Unemployment Insurance



Not seasonally adjusted

JLBC

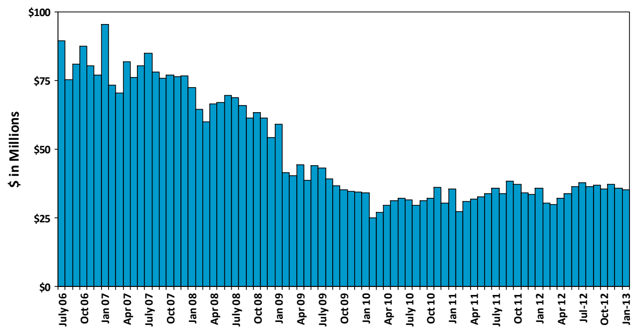
State Sales Tax Collections – Retail Category



Excludes temporary 1 ¢ sales tax

JLBC

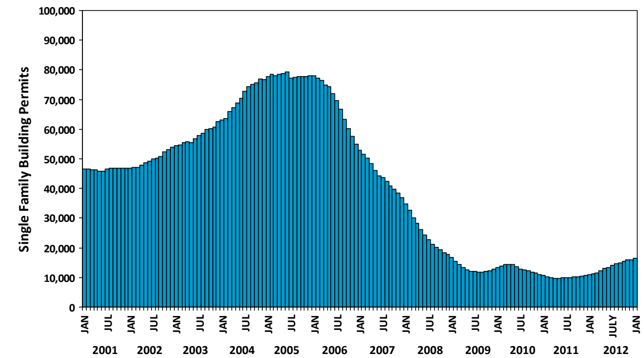
State Sales Tax Collections – Contracting Category



JLBC

Excludes temporary 1 ¢ sales tax

Single Family Building Permits



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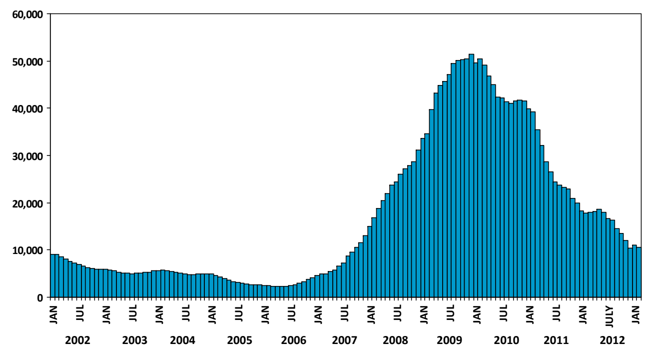
12-Month Moving Sum

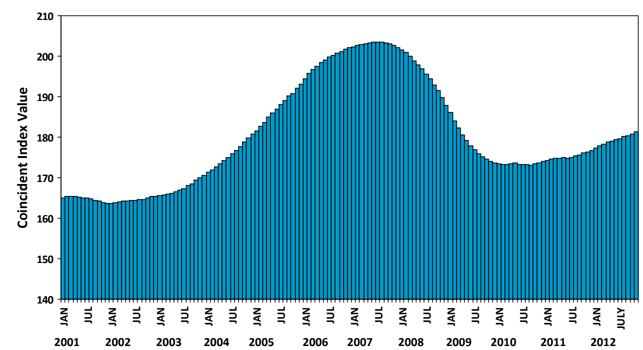
Maricopa County Pending Foreclosures



JLBC

An initial notice of trustee sale has been recorded but final sale has not yet occurred

Economic Activity Index



JLBC

Source: Coincident Index – Federal Reserve Bank of Philadelphia. Combines four state-level indicators (employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements) to summarize current economic conditions.