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Summary

February General Fund revenue collections totaled \$289.1 million. Base revenues, which exclude one-time adjustments, were 5.4% above February 2013. The year-over-year change excludes the temporary 1-cent sales tax which expired at the end of May 2013.

Each of the state’s 3 main revenue categories (Sales, Individual Income, and Corporate Income Taxes) showed increases over the prior year. However Sales and Individual Income Taxes were both below the Baseline forecast for the month, while Corporate Income Tax was above forecast.

Overall February General Fund collections were \$2.5 million above the Baseline forecast. Year-to-date, overall collections are \$(16.0) million below the forecast, while base revenues are 2.8% higher than last year.

In comparison to revenue of \$289.1 million, February 2014 spending was \$510.6 million, which is an increase of \$147.5 million from the prior year.

Fiscal year-to-date, General Fund revenues of \$5.37 billion have been offset by \$6.59 billion of expenditures.

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. The operating balance is at \$2.1 billion as of mid-March 2014. In addition, the state’s Budget Stabilization Fund has a balance of \$454.1 million.

Medicaid Expansion Enrollment

On January 1, 2014, Medicaid coverage was expanded to adults from 100-133% of the federal poverty level (FPL) and restored to childless adults from 0-100% FPL. From July 2011 through December 2013, the childless adult program did not allow new participants. As of March 1, expansion has resulted in 5,806 new adult enrollees while restoration has increased the childless adult program by 88,383 enrollees. The FY 2015 Baseline assumes that, by June 2014, expansion would result in 24,000 adult expansion enrollees and a 76,000 increase in childless adult enrollees. It is assumed that the phase-in of new enrollees will continue through December 2014.

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February Revenues

	<u>FY 2014 Collections</u>	<u>Difference From Budget Forecast</u>	<u>Difference From FY 2013</u>
February	\$ 289.1	\$ 2.5	\$ (50.4)
Year-to-Date	\$ 5,365.8	\$ (16.0)	\$ (383.1)

Sales Tax collections of \$314.4 million were 1.9% above February 2013 and \$(6.2) million below the forecast for the month. The year-over-year change amounts exclude the temporary 1-cent sales tax which expired at the end of May 2013.

For the first 8 months of the fiscal year, sales tax collections are 5.5% above the prior year and are \$(11.0) million below forecast.

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

Retail and contracting together account for about 60% of all sales tax revenues. February retail, which reflects January sales, increased by only 2.4%. Year-to-date, retail sales are up 9.0%.

Contracting collections have generally been much more volatile than retail. However, contracting has shown double digit increases every month during the current fiscal year.

	<u>February</u>	<u>YTD</u>
Retail	2.4%	9.0%
Contracting	15.0%	15.6%
Use	(13.3)%	(15.0)%
Restaurant & Bar	5.0%	3.5%

Individual Income Tax net revenues were \$(31.9) million in February, which was \$14.7 million above the prior year. The negative amount primarily reflects refund payments associated with income tax returns filed in February. Collections were \$(2.5) million below the forecast for the month. Year-to-date, revenue has grown 3.1% over the prior year.

As indicated in *Table 3*, withholding increased by 6.9% for the month. The February increase brings withholding tax collections for the fiscal year to 2.7% over the prior year. This amount is \$(3.2) million below the Baseline forecast.

February estimated and final payments were 20.8% above last year. Year-to-date, payments are up 4.8%

compared to the prior year, and are \$1.3 million above the Baseline forecast.

February refunds were 2.3% above last year, and were \$(8.8) million below forecast. Year-to-date, refunds are 2.6% greater than the prior year.

	<u>February</u>	<u>YTD</u>
Withholding	6.9%	2.7%
Estimated + Final Payments	20.8%	4.8%
Refunds	2.3%	2.6%

Corporate Income Tax net collections were \$15.1 million in February, which is \$2.2 million greater than February of the prior year. Year-to-date, collections are down (14.0)% compared to the prior year, and are \$(2.1) million below the Baseline forecast.

The **Lottery Commission** reports that February ticket sales were \$66.8 million, which is \$10.9 million, or 19.6%, above sales in the prior year. Year-to-date ticket sales are \$476.4 million, which is 9.4% above last year's sales.

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 \$103.7 million in February were down \$(0.3) million, or (0.2)%, compared to February of last year. Year-to-date revenues are 2.7% above collections in the prior year, and are \$13.6 million above the Baseline forecast.

One-Time Transfers were \$14.9 million in February. This amount reflects "reconciliation payments" from AHCCCS health care plans, which occur when the plans' profits exceed the statutory limit of 3%. This amount was not included in the Baseline forecast.

Table 4

General Fund Revenue

Change from Previous Year and January Baseline Forecast February 2014

	Current Month					FY 2014 YTD (Eight Months)					
	Actual February 2014	Change From		Baseline Forecast		Actual February 2014	Change from		Baseline Forecast		
		February 2013	Amount	Percent	Amount		Percent	February 2013	Amount	Percent	Amount
<u>Taxes</u>											
Sales and Use	\$314,431,338	\$5,796,728	1.9 %	(\$6,240,022)	(1.9) %	\$2,667,463,685	\$139,664,587	5.5 %	(\$11,014,410)	(0.4) %	
Income - Individual	(31,870,667)	14,650,445	--	(2,493,057)	8.5	2,322,053,914	69,831,707	3.1	(7,796,390)	(0.3)	
- Corporate	15,142,632	2,203,118	17.0	3,383,514	28.8	283,066,064	(46,009,917)	(14.0)	(2,135,188)	(0.7)	
Property	345,847	77,239	28.8	45,847	15.3	11,002,993	2,536,290	30.0	659,564	6.4	
Luxury - Tobacco	1,400,000	(69,044)	(4.7)	0	0.0	16,985,980	977,790	6.1	1,277,257	8.1	
- Liquor	3,100,000	90,802	3.0	0	0.0	22,992,204	1,890,898	9.0	1,979,211	9.4	
Insurance Premium	5,047,014	1,011,319	25.1	2,967,314	142.7	158,434,490	5,559,942	3.6	75,404	0.0	
Estate	0	0	--	0	--	0	0	--	0	--	
Other Taxes	29,512	(292)	(1.0)	(45,488)	(60.7)	342,970	(3,708)	(1.1)	(47,362)	(12.1)	
Sub-Total Taxes	\$307,625,676	\$23,760,315	8.4 %	(\$2,381,892)	(0.8) %	\$5,482,342,301	\$174,447,590	3.3 %	(\$17,001,913)	(0.3) %	
<u>Other Revenue</u>											
Lottery	0	(4,991,580)	(100.0)	(5,500,000)	(100.0)	26,721,618	111,698	0.4	934,750	3.6	
License, Fees and Permits	1,684,334	(27,867)	(1.6)	(515,666)	(23.4)	18,997,556	(650,754)	(3.3)	(1,020,787)	(5.1)	
Interest	2,853	701	32.6	2,853	--	16,217	(4,890,450)	(99.7)	(1,995,624)	(99.2)	
Sales and Services	10,539,793	929,694	9.7	(460,207)	(4.2)	19,881,350	722,844	3.8	(936,206)	(4.5)	
Other Miscellaneous	656,270	69,962	11.9	56,270	9.4	7,863,717	(9,938,171)	(55.8)	(1,600,099)	(16.9)	
Disproportionate Share	0	0	--	0	--	0	0	--	0	--	
Transfers and Reimbursements	333,175	(3,230,127)	(90.6)	(3,666,825)	(91.7)	15,834,297	(6,480,251)	(29.0)	(9,314,456)	(37.0)	
Sub-Total Other Revenue	\$13,216,424	(\$7,249,218)	(35.4) %	(\$10,083,576)	(43.3) %	\$89,314,754	(\$21,125,084)	(19.1) %	(\$13,932,422)	(13.5) %	
TOTAL BASE REVENUE	\$320,842,100	\$16,511,097	5.4 %	(\$12,465,468)	(3.7) %	\$5,571,657,056	\$153,322,507	2.8 %	(\$30,934,334)	(0.6) %	
<u>Other Adjustments</u>											
Urban Revenue Sharing	(46,709,330)	(3,910,660)	9.1	(0)	0.0	(374,163,873)	(31,774,513)	9.3	(0)	0.0	
One-Time Transfers	14,949,735	14,949,735	--	14,949,735	--	165,646,297	129,646,297	360.1	14,954,736	9.9	
Sales Tax - 1¢ Increase	0	(77,970,099)	(100.0)	0	--	2,611,367	(634,309,968)	(99.6)	0	0.0	
Sub-Total Other Adjustments	(31,759,595)	(66,931,024)	-- %	14,949,735	(32.0) %	(205,906,210)	(536,438,185)	-- %	14,954,735	(6.8) %	
TOTAL GENERAL FUND REVENUE	\$289,082,505	(\$50,419,927)	(14.9) %	\$2,484,267	0.9 %	\$5,365,750,846	(\$383,115,678)	(6.7) %	(\$15,979,599)	(0.3) %	
<u>Non-General Funds</u>											
Highway User Revenue Fund	\$103,713,041	(\$257,740)	(0.2) %	(\$1,297,448)	(1.2) %	\$817,595,032	\$21,538,748	2.7 %	\$13,578,186	1.7 %	

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 an annual rate of 2.4% in the fourth quarter of 2013. This estimate was a downward revision of the preliminary 3.2% figure and a further deceleration from the 4.1% growth in the third quarter. The deceleration was due to decreases in federal government spending and residential investment and a slowdown in inventory accumulation. The quarterly decrease in residential investment (housing) was the first since the third quarter of 2010.

The Conference Board's **U.S. Consumer Confidence Index** decreased (1.6)% in February but grew 14.9% since February 2013. The component of the index that measures optimism about current circumstances increased by 5.7% since January, but the component that looks at confidence in the near future dropped by (6.3)%.

The Conference Board's **U.S. Leading Economic Index** resumed its growth, increasing by 0.3% in January, following a pause in December. Of the index's 10 components, 6 improved during the month. During the month, improvement in several measures of financial markets and in initial unemployment claims more than offset negative contributions to the index from worsening consumer confidence, building permit creation, and orders of manufactured goods.

Consumer prices, as measured by the U.S. **Consumer Price Index (CPI)**, increased 0.1% in February and 1.1% above February 2013 prices. A 0.4% increase in food prices drove more than half of the monthly increase. Falling gasoline prices more than offset oil and natural gas increases and pulled the overall energy index down during the month. Annual inflation measured by the index in the future is expected to strongly influence the pace the Federal Reserve Bank reduces their monetary stimulus to the economy.

ARIZONA

Housing

The number of Maricopa County **pending foreclosures** decreased from 5,698 in January to 5,424 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 increased from 21,718 in February 2013 to 29,661 in February 2014, a 36.6% increase.

In the Metropolitan Phoenix area, the **median price of a single family home** was \$196,900 in January. This represents a (4.0)% decrease from December, and a 20.8% 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 1,244 **single-family building permits** had been issued statewide, an 8.0% 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.*

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 2012 and 2013 was marginally higher than previous estimates had indicated. By incorporating more comprehensive data based on unemployment insurance records, the federal Bureau of Labor Statistics (BLS) determined that the state added, on average, 3,200 and 6,000 more jobs per month in 2012 and 2013, respectively, than previously reported. On an average annual basis, the job growth in 2013 was 0.1% higher than previously estimated. Overall, the state had a net increase of 51,700 (+2.1%) nonfarm jobs in 2013, which was only marginally higher than the 51,400 net job gain in 2012.

"The quarterly decrease in residential investment (housing) was the first since the third quarter of 2010."

Recent Economic Indicators (Continued)

“As part of Medicaid expansion and restoration that began January 1, 2014, the [childless adult] program again allowed new participants. Since the December MFH, the population has increased by 88,383 to reach a level of 156,153.”

The latest estimate of **nonfarm employment** showed that the state shed (42,200) 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 (57,900). Compared to January 2013, nonfarm employment was up by 2.2%, or 55,400 jobs.

The household survey data used to estimate the state’s **unemployment rate** was also revised in March. The historical revision, which essentially covered the period from October 2012 through October 2013, was relatively small. The state’s seasonally adjusted jobless rate fell from 7.6% in December to 7.5% in January. The U.S. unemployment rate in January was significantly lower at 6.6%.

State Agency Data

At the beginning of March, total **AHCCCS** caseloads increased to 1.30 million members. Overall, AHCCCS caseloads are currently 3.2% above March 2013 levels. The traditional acute care AHCCCS population, which consists primarily of lower income children and their parents remained the same since last month while decreasing (0.5)% since last year. The total population in this program is approximately 877,000.

From July 2011 through December 2013, the childless adult program did not allow new participants. As part of Medicaid expansion and restoration that began January 1, 2014, the program again allowed new participants. Since the December MFH, the population has increased by 88,383 to reach a level of 156,153. As a whole, the Proposition 204 program has increased 8.2% compared to the prior month, and 30.7% from the prior year.

Medicaid expansion also resulted in the creation of a new member population consisting of adults from 100% to 133% of the Federal Poverty Level (FPL). At the beginning of March, 5,806 individuals had enrolled under this new population.

KidsCare I provides coverage for 2,143 children with incomes above those in the traditional population. Its enrollment has declined since a freeze was implemented in January 2010. Enrollment in the program has declined (72.1)% from the prior year, though a portion of that decrease is the result of

transferring 3,300 children that became eligible for the Traditional acute care program on January 1, 2014.

There were 31,683 **TANF recipients** in the state in January, a monthly caseload decrease of (5.0)%. Year-over-year, the number of TANF recipients has declined by (17.9)%. The statutory lifetime limit on cash assistance is 24 months.

The appropriation for TANF cash assistance in the FY 2014 budget funds an average monthly caseload of approximately 34,346 recipients in FY 2014. The 31,683 TANF recipients includes 1,675 tribal recipients. These recipients belong to tribes that operate their own TANF program but contract with the state for program administration, meaning there were 30,008 state-funded TANF recipients in January.

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 1.0 million food stamp recipients in the state, a (1.7)% decrease over the prior month. Compared to the same month last year, food stamp participation was down by (5.6)%. The number of SNAP recipients began increasing steadily in July 2007, after several years in the 550,000 to 575,000 range.

The 3-month average count of the **Department of Corrections (ADC) inmate population** increased to 41,258 inmates in February 2013. Relative to the prior 3-month period, the population has increased by 131 inmates. Compared to a year ago, the population has increased by 1,212 inmates.

Recent Economic Indicators (Continued)

Table 5

ECONOMIC INDICATORS

<u>Indicator</u>	<u>Time Period</u>	<u>Current Value</u>	<u>Change From Prior Period</u>	<u>Change From Prior Year</u>
Arizona				
- Unemployment Rate (SA)	January	7.5%	(0.1) %	(0.5)%
- Initial Unemployment Insurance Claims	January	23,110	24.6%	(7.3)%
- Unemployment Insurance Recipients	January	35,396	1.6%	(9.2)%
- Non-Farm Employment - Total	January	2.53 million	(1.6)%	2.2%
Manufacturing	January	153,600	(1.0)%	(0.7)%
Construction	January	121,200	(2.4)%	4.3%
- Average Weekly Hours, Manufacturing	January	39.2	(4.4)%	(1.8)%
- Contracting Tax Receipts (3-month average)	Dec-Feb	\$39.0 million	(4.2)%	13.6%*
- Retail Sales Tax Receipts (3-month average)	Dec-Feb	\$190.9 million	0.5%	11.5%*
- Residential Building Permits (3-month moving average)				
Single-family	Nov-Jan	1,244	(4.5)%	8.0%
Multi-unit	Nov-Jan	661	13.8%	(8.6)%
- Greater Phoenix Home Sales				
Single-Family	January	5,356	(18.8)%	(22.8)%
Townhouse/Condominium	January	904	(14.3)%	(17.8)%
- Greater Phoenix Median Home Price				
Single-Family	January	\$196,900	(4.0)%	20.8%
Townhouse/Condominium	January	\$118,250	(1.5)%	16.5%
- Greater Phoenix S&P/Case-Shiller Home Price Index (Jan. 2000 = 100)	December	144.48	(0.3)%	15.3%
- Foreclosure Activity, Maricopa County	February	5,424	(4.8)%	(48.8)%
Pending Foreclosures (Active Notices)				
- Greater Phoenix Total Housing Inventory, (ARMLS)	February	29,661	4.2%	36.6%
- Phoenix Sky Harbor Air Passengers	December	3.53 million	9.6%	4.0%
- Revenue Per Available Hotel Room	January	\$62.19	11.4%	6.6%
- Arizona Average Natural Gas Price (\$ per thousand cubic feet)	December	\$5.10	(1.2)%	6.3%
- Arizona Consumer Confidence Index (1985 = 100)	1st Quarter 2014	68.9	3.0%	N/A
- Arizona Coincident Index (July 1992 = 100)	December	184.50	0.2%	2.4%
- Arizona Leading Index -- 6 month projected growth rate	Oct-Dec	3.2%	0.5%	0.3%
- Arizona Personal Income	3rd Quarter 2013	\$246.5 billion	0.9%	4.5%
- Arizona Population	July 1, 2013	6.63 million	N/A	1.2%
- AHCCCS Recipients	March	1,303,787	2.2%	3.2%
Acute Care Traditional		876,911	0.0%	(0.5)%
Prop 204 Childless Adults		156,153	18.6%	91.2%
Other Prop 204		143,486	0.1%	(2.8)%
Adult Expansion		5,806	90.8%	-
Kids Care I		2,143	-6.4%	(72.1)%
Long-Term Care – Elderly & DD		54,714	0.1%	2.8%
Emergency Services		64,574	0.6%	1.3%
- TANF Recipients	January	31,683	(5.0)%	(17.9)%
- SNAP (Food Stamps) Recipients	January	1,046,459	(1.7)%	(5.6)%
- ADC Inmate Growth (3-month average)	Dec-Feb	41,258	131 inmates	1,212 inmates
- Probation Caseload				
Non-Maricopa	January	17,517	15	(355)
Maricopa County	January	24,932	37	(141)
United States				
- Gross Domestic Product (Chained 2009 dollars, SAAR)	4 th Quarter 2013 (Second Estimate)	\$15.9 trillion	2.4%	2.5%
- Consumer Confidence Index (1985 = 100)	February	78.1	(1.6)%	14.9%
- Leading Indicators Index (2004 = 100)	January	99.5	0.3%	5.7%
- U.S. Semiconductor Billings (3-month moving average)	Nov.-Jan.	\$5.6 billion	(3.5)%	17.3%
- Consumer Price Index, SA (1982-84 = 100)	February	235.2	0.1%	1.1%

* Excludes the temporary 1¢ increase that expired at the end of May 2013.

Summary of Recent Agency Reports

Department of Economic Security – Report on the Transfer of TANF to SSBG – Pursuant to a FY 2014 General Appropriation Act footnote, the Department of Economic Security (DES) has submitted a FY 2014 expenditure plan for the transfer of \$20.0 million from the Temporary Assistance for Needy Families (TANF) Block Grant to the Social Services Block Grant (SSBG) in the following line items:

- \$4.8 million - Children Support Services
- \$10.8 million - CPS Emergency and Residential Placement
- \$4.4 million - Foster Care Placement

The transfer to SSBG provides additional funding flexibility to DES. The federal government caps the amount of TANF Block Grant monies that can be transferred to the SSBG at 10% of the base TANF Block Grant to the state. The \$20.0 million request is 10% of the base. Once deposited in SSBG, the monies are spent on the Children Services program in the line items listed above. Should any changes be made to the amounts allocated in the expenditure plan, DES will notify JLBC. (Ben Beutler)

February Spending

February 2014 General Fund spending of \$510.6 million was \$147.5 million greater than February 2013. Year-to-date, spending is \$6.6 billion, or \$67.0 million above last year.

(See Tables 6 & 7).

- Year-to-date, the Department of Education has spent \$147.1 million more than the prior year due to increased enrollment, as well increased per-pupil costs as the result of school district charter conversions.

- Department of Economic Security expenditures are \$62.5 million greater through February due to increased funding levels for the agency in FY 2014.

	General Fund Spending (\$ in Millions)			YTD Change from FY 13
	<u>Feb 14</u>	<u>Change From Feb 13</u>	<u>Year-to-Date</u>	
Agency				
AHCCCS	113.3	4.0	901.4	(5.2)
Corrections	73.9	2.7	624.7	23.3
Economic Security	8.6	7.4	588.5	62.5
Education	225.2	132.2	2,736.9	147.1
Health Services	13.9	0.9	484.9	(38.6)
Public Safety	2.1	0.6	22.0	1.8
School Facilities Board	0.1	(0.0)	188.3	15.9
Universities	42.8	(0.2)	560.8	16.5
Leaseback Debt Service	0.0	0.0	84.1	0.0
Other	<u>30.7</u>	<u>(0.1)</u>	<u>398.9</u>	<u>43.7</u>
Total	510.6	147.5	6,590.5	267.0
Budget Stabilization Fund Deposit	0.0	0.0	0.0	(200.0)
Grand Total	510.6	147.5	6,590.5	67.0

General Fund Spending				
(\$ in Thousands)				
Agency	Feb 14	Change from Feb 13	Year-to-Date	YTD Change from FY 13
Dept. of Admin./Automation Projects Fund	3,708.2	(1,018.4)	29,132.7	8,782.9
ADOA – Sale/Leaseback Debt Service	-	-	84,119.8	-
Office of Administrative Hearings	63.1	11.1	581.5	(2.4)
Department of Agriculture	90.4	(394.0)	5,166.7	144.3
AHCCCS	113,341.7	4,016.3	901,407.0	(5,150.6)
Attorney General	1,481.8	(57.0)	13,684.6	(719.3)
AZ Capital Post Conviction Public Defender	-	(0.3)	-	(4.4)
State Board of Charter Schools	53.7	3.2	573.0	65.0
AZ Commerce Authority	2,625.0	-	21,000.0	-
Community Colleges	1,817.0	1,605.8	50,878.0	(435.1)
Corporation Commission	36.2	(8.8)	316.7	(60.9)
Department of Corrections	73,919.4	2,699.2	624,720.3	23,269.5
County Funding	-	-	7,150.5	7,150.5
AZ State Schools for the Deaf & Blind	1,903.7	(237.3)	15,393.9	(147.0)
Department of Economic Security	8,625.5	7,370.2	588,472.0	62,537.9
Department of Education	225,163.6	132,231.7	2,736,855.8	147,102.2
DEMA	373.4	34.6	4,424.5	(974.9)
DEQ – WQARF	-	-	7,000.0	-
Office of Equal Opportunity	12.8	12.8	138.6	83.0
State Board of Equalization	22.4	5.0	389.8	13.0
Board of Executive Clemency	53.2	(7.0)	533.4	7.5
Department of Financial Institutions	220.6	6.7	1,921.3	104.0
Department of Fire, Bldg and Life Safety	138.8	(9.4)	1,318.5	87.3
State Forester	389.8	187.1	2,239.8	(1,741.4)
Arizona Geological Survey	55.2	9.4	461.2	(172.6)
Governor/OSPB	717.8	(337.9)	6,548.6	766.7
Department of Health Services	13,934.0	906.8	484,938.0	(38,649.1)
Arizona Historical Society	212.5	4.9	2,196.5	4.7
Prescott Historical Society of AZ	49.5	(15.2)	459.8	3.3
Independent Redistricting Comm.	94.8	63.3	955.0	(136.6)
Commission of Indian Affairs	2.8	(0.5)	36.4	2.8
Department of Insurance	341.6	6.0	3,523.8	285.3
Judiciary				
Supreme/Superior Court	2,085.1	(395.0)	58,603.9	1,112.3
Court of Appeals	1,051.4	31.3	9,171.3	261.0
Department of Juvenile Corrections	3,043.1	42.0	25,704.0	(1,601.5)

Table 7 (Continued)

Agency	Feb 14	Change from Feb 13	Year-to-Date	YTD Change from FY 13
State Land Department	661.0	589.2	7,473.1	6,769.3
Law Enforcement Merit System	-	(5.0)	-	(43.6)
Legislature				
Auditor General	1,447.8	24.1	12,446.7	1,119.4
House of Representatives	1,109.0	8.0	8,065.9	633.4
Joint Legislative Budget Comm.	157.6	(38.3)	1,345.2	92.7
Legislative Council	393.6	36.7	4,630.1	(419.3)
Senate	690.4	(12.3)	5,375.8	302.6
Mine Inspector	89.3	40.1	790.1	59.4
Nav. Streams & Adjudication	17.9	9.0	86.8	6.6
Occupational Safety and Health Review	-	-	2.3	2.3
Phoenix Convention Center	-	-	20,449.0	14,854.0
Pioneers' Home	0.6	(39.0)	1,180.0	522.6
Comm. for Postsecondary Ed.	610.4	0.1	1,396.8	0.1
Department of Public Safety	2,146.0	617.1	22,008.2	1,785.7
Public Safety Personnel Retirement System	-	-	5,000.0	5,000.0
Arizona Department of Racing	1.0	1.0	1,875.9	1.8
Radiation Regulatory Agency	50.7	0.3	1,027.4	6.7
Real Estate Department	160.5	11.7	1,682.1	159.9
Department of Revenue	1,669.9	(834.1)	32,420.0	5,223.7
School Facilities Board	97.8	(6.3)	188,288.4	15,850.5
Secretary of State	704.0	0.7	8,039.5	(4,783.2)
Tax Appeals Board	19.1	1.7	181.4	5.6
Office of Tourism	815.8	561.7	4,267.7	973.8
Department of Transportation	1.1	0.6	3.7	(15.7)
Commission on Uniform State Laws	1.0	1.0	56.7	56.7
Universities				
Board of Regents	20.8	(3,808.1)	18,420.4	(12,524.6)
Arizona State University	19,640.4	2,259.2	247,698.8	18,073.7
Northern Arizona University	6,562.5	638.3	82,994.9	5,106.5
University of Arizona	16,596.4	725.6	211,700.8	5,805.0
Department of Veteran Services	353.0	12.6	3,362.5	(243.4)
Department of Water Resources	799.1	33.1	6,824.9	797.3
Department of Weights & Measures	83.6	(10.7)	778.2	(119.7)
Other - JP Salaries Distribution	50.7	(111.4)	576.8	(79.8)
Other	7.0	7.0	7.5	7.5
Total	510,586.4	147,480.0	6,590,474.1	266,975.4
Budget Stabilization Fund Deposit	-	-	-	(200,000.0)
Grand Total	510,586.4	147,480.0	6,590,474.1	66,975.4

Tracking Arizona's Recovery

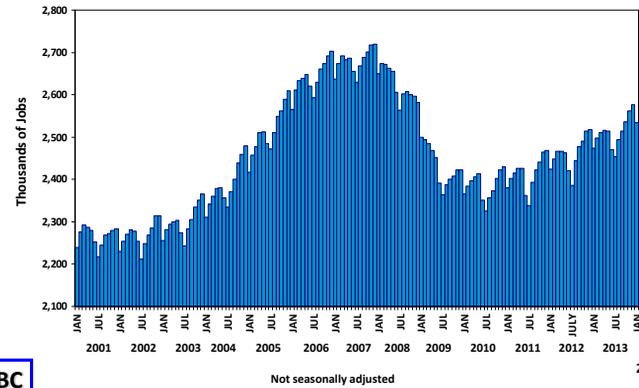
March 2014
Appendix A

Slide:

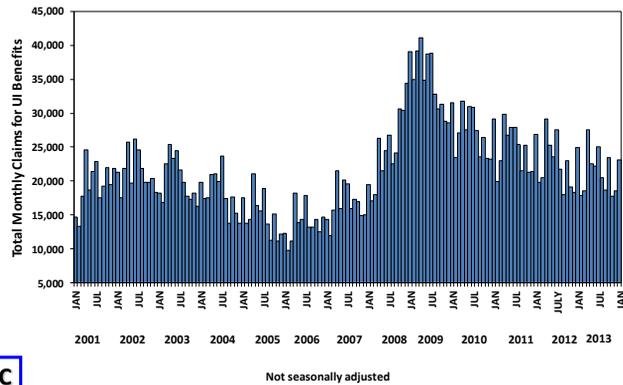
- 2.....Total Non-Farm Employment
- 3.....Initial Claims for Unemployment Insurance
- 4.....State Sales Tax Collections – Retail Category
- 5.....State Sales Tax Collections – Contracting Category
- 6.....Single Family Building Permits
- 7.....Maricopa County Pending Foreclosures
- 8.....Coincident Index

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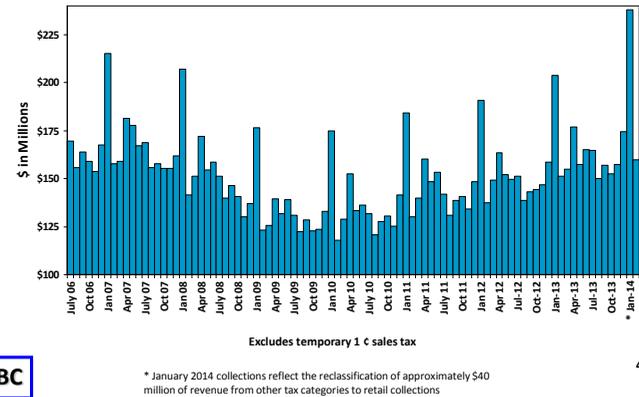
Total Non-Farm Employment



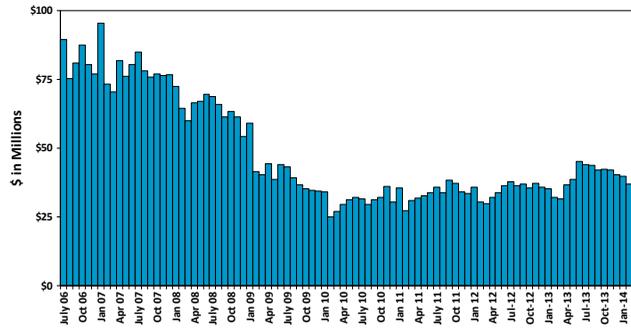
Initial Claims for Unemployment Insurance



State Sales Tax Collections – Retail Category



State Sales Tax Collections – Contracting Category

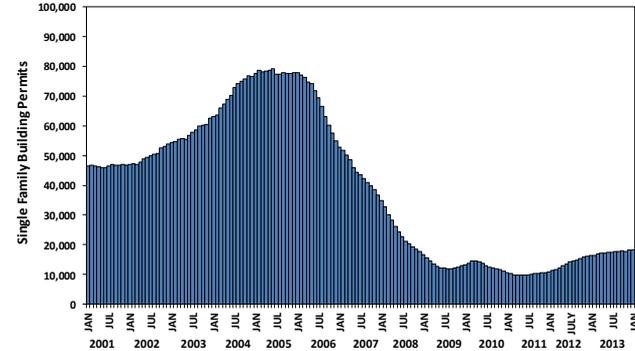


Excludes temporary 1 ¢ sales tax

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Single Family Building Permits

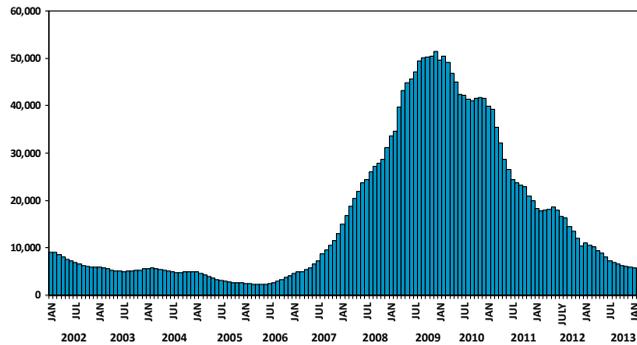


12-Month Moving Sum

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Maricopa County Pending Foreclosures

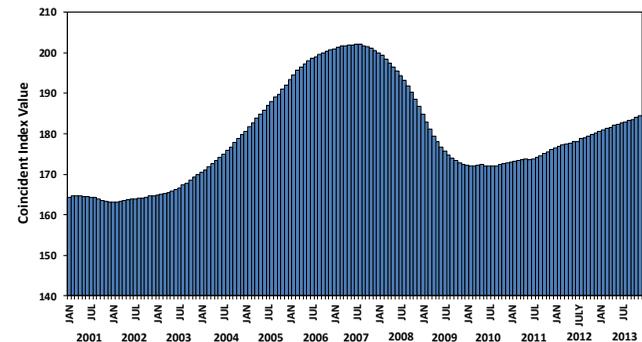


An initial notice of trustee sale has been recorded but final sale has not yet occurred

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7

Economic Activity Index



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.

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