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"Due to the better-than-expected performance, September revenues were \$146.1 million above the June forecast."

Summary

September General Fund revenue collections were \$1.17 billion, which is an increase of 0.5% above the prior year. Based on our June 4-sector forecast, we had anticipated a sharp reduction compared to September 2019. Due to the better-than-expected performance, September revenues were \$146.1 million above the June forecast.

Because the June Update forecast has proven to be too pessimistic, the October FAC forecast included a significant upward revision to the FY 2021 revenue forecast. Beginning with the November *Monthly Fiscal Highlights* (which will discuss the October revenue results), our office will begin to benchmark the state's revenue collections against the October FAC forecast.

The following summarizes the September results for the state's largest revenue categories:

Sales Tax
Total September Sales Tax collections (which represent August sales activity) grew by 10.3% above September 2019 and were \$57.6 million above the June Update forecast.

In terms of the Sales Tax subcategories, a substantial portion of the overall growth was driven by retail sales. When combining the standard retail classification and the new remote seller classification, combined retail sales grew by 18.0% for the month.

Contracting Sales Tax also continued its trend of strong growth, increasing by 11.5% above the prior year.

(See the Sales Tax section below for more information on the revenue category)

Individual Income Tax
Overall Individual Income Tax (IIT) collections were essentially flat during September compared to the prior year. However, given that the category was projected to decline in September, IIT generated a forecast gain of \$44.9 million for the month. The IIT forecast gain mostly occurred in withholding collections, with the remaining gains occurring in estimated and final payments.

Corporate Income Tax
September tends to be a major month for Corporate Income Tax (CIT) collections. During September, CIT collections were \$106.3 million, which was a decline of (12.4)% compared to a year ago.

However, given that the category had been projected to decline by almost (18)%, the September CIT results generated a forecast gain of \$11.1 million.

Insurance Premium Tax
As noted in prior *Monthly Fiscal Highlights*, Insurance Premium Tax (IPT) collections vary considerably during the first 3 months of the fiscal year, often due to technical issues related to the timing of IPT installment payments. The September IPT results continued the pattern from the last few months of large monthly percentage changes for the category.

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This report has been prepared for the Arizona Legislature by the Joint Legislative Budget Committee Staff on October 20, 2020.

Summary (Continued)

September IPT collections declined by (13.3)% compared to the prior year. This result, compared to a forecasted decline of (17.5)%, resulted in a monthly forecast gain of \$28.9 million.

Year-to-Date Revenue Results/Operating Balance

Year-to-date through September, excluding Urban Revenue Sharing and fund transfers, FY 2021 General Fund revenues are 23.7% above the prior year and are \$429.5 million above the June Budget Update forecast. The high year-to-date revenue percentage growth rate is mostly due to the state's deferral of the income tax filing due date from April 15 to July 15.

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 as of mid-October 2020 is \$3.92 billion

October FAC Summary

The Finance Advisory Committee (FAC) met on October 8, 2020 to update its 4-sector revenue forecast. The FAC is a 12-member panel of private and public sector economists and their views serve as one of the 4 equal inputs into JLBC's Consensus revenue forecast. The remaining 3 inputs are the JLBC Staff forecast and 2 University of Arizona (UA) models.

The JLBC Staff provided the FAC with [a presentation](#) on updated budget projections. The recently completed FY 2020 ended significantly better than expected – while the June Budget Update had projected an FY 2020 shortfall of \$(190) million, the Executive's preliminary FY 2020 ending balance estimate is \$372 million. This net increase of \$562 million is a result of both \$248 million in higher-than-anticipated revenues as well as \$314 million in lower-than-budgeted spending, primarily as a result of substituting federal Coronavirus Relief Fund monies for General Fund expenditures.

The FY 2021 ending balance projection has now been revised upwards due to: 1) The better-than-expected results during FY 2020; and 2) An increase in the FY 2021 revenue forecast. Based on the 4-sector forecast, we are now projecting the state will have a cash balance of \$411 million in FY 2021.

For FY 2022, the JLBC Staff is projecting an ending cash balance of \$93 million. After considering all factors, there is more likelihood that this ending balance projection will grow rather than decline by the time of the January Baseline.

For more information, please see the [JLBC Staff Budget Update](#) for a narrative description of the current budget projections and the [October FAC meeting packet](#).

September Revenues

	General Fund Revenues (\$ in Millions)		
	FY 2021 <u>Collections</u>	Difference From <u>June Update Forecast</u>	Difference <u>From FY 2020</u>
September	\$ 1,168.5	\$ 146.1	\$ 5.8
Year-to-Date	\$ 3,590.9	\$ 429.5	\$ 705.0

Sales Tax collections of \$491.1 million were 10.3% above September of last year and \$57.6 million above the June forecast.

As shown in *Table 2*, all of the state's sales tax categories except for restaurant and bar performed well in September when compared to the same month in the prior year.

Restaurant and Bar Sales Tax growth rates have showed declines since March, when Governor Ducey issued his first executive order to protect against COVID-19.

	Sales Tax Growth Rates Compared to Prior Year	
	<u>Sept</u>	<u>YTD</u>
Retail/Remote Seller	18.0%	19.5%
Contracting	11.5%	19.2%
Use	15.0%	10.1%
Restaurant & Bar	(11.3)%	(12.2)%
Utilities	6.7%	6.6%

Table 3 below lists taxable sales by retail subcategory, excluding remote sales. Retail growth occurred in automotive sales, building materials and garden supply, food/liquor sales and furniture/home furnishings.

September Revenues (Continued)

Table 3
September Retail Taxable Sales By Subcategories

	Sept. %	% Share of Growth Retail Sales
Auto Sales/Other Automotive	8.9%	20.9%
Building Materials, Lawn/Garden	18.2%	7.8%
Clothing and Accessories	(8.2)%	3.9%
Food and Liquor Sales	15.7%	5.8%
Furniture/Home Finishing	10.3%	6.7%
General Merchandise	7.1%	14.2%
Miscellaneous Retail	19.5%	17.5%
Wholesale	6.3%	6.1%
All Other	(3.2)%	17.1%
Total – Retail Classification	8.2%	100.0%

The Contracting classification also performed well in September growing by 11.5% during the month. This growth was fueled by the heavy construction sector (which includes highway construction) as noted in Table 4. In contrast, specialty trade (such as plumbers and electricians) fell during September, continuing a trend seen since the onset of the pandemic.

Table 4
Sept. Growth Rates – Contracting Subcategories Compared to Prior Year

Heavy Construction	191.1%
Nonresidential Construction	1.8%
Residential Construction	6.7%
Specialty Trade	(10.2)%
All Other	(0.1)%
Total – Contracting Classification	11.5%

Individual Income Tax (IIT) Net collections were \$526.5 million in September, 0.2% higher than the September 2019 total amount of \$525.6 million. Net IIT revenues in September were \$44.9 million above the June forecast.

Withholding revenue in September was \$373.5 million, \$30.4 million above the June forecast and 2.2% above last September. In comparison, September employment was (3.1)% below last year. (See the *employment section of the Monthly Indicators for more details*).

There are several reasons for the apparent disconnect between withholding tax collections and reported job losses. First, the job losses have been concentrated in the low-wage sectors of the economy. To provide some perspective, nearly 62% of total year-over-year job losses in September occurred in the Leisure and Hospitality Industry. While this industry represented 11.3% of Arizona's total nonfarm employment in 2019, the wages of the industry's employees represented only 5.8% of total wage and salary disbursements.

In addition, recipients of benefits under the Pandemic Unemployment Assistance (PUA) program are typically individuals who do not qualify for regular UI benefits, such as independent contractors and workers in the

"gig economy." Prior to receiving the PUA benefits, such individuals typically made quarterly estimated payments rather than being subject to wage withholding. Therefore, such PUA payments have resulted in increased withholding tax collections.

At \$173.0 million, estimated and final payments in September were (3.6)% below collections in September 2019. Refunds were 3.2% higher than last year and \$1.1 million more than the forecast.

Table 5
Individual Income Tax Growth Rates Compared to Prior Year

	September	YTD
Withholding	2.2%	2.5%
Estimated/Final Payments	(3.6)%	282.7%
Refunds	3.2%	288.5%

Corporate Income Tax net revenue was \$106.3 million in September, which was (12.4)% below the amount collected in September 2019 and \$11.1 million above the June forecast. Net collections in September typically represent about 15% of the fiscal-year total.

Year-to-date, net collections through September are \$209.8 million, an increase of 29.7% over the same period in the prior year and \$77.1 million above the June forecast. As noted in the August and September *Monthly Fiscal Highlights*, the deferral of the tax filing due date from April 15 to July 15 may have had a larger impact on corporate income tax revenue than originally anticipated.

Insurance Premium Tax revenue was \$95.7 million in September, which was \$(14.7) million below the amount collected in September 2019 and \$28.9 million above the June forecast. Year-to-date, collections are (8.8)% below last year and \$(8.4) million below the June forecast. Historically, insurance premium tax collections tend to vary considerably from month to month during the first 3 months of the fiscal year. For this reason, it is not unusual for large forecast deficits or overages to occur during the first few months of the fiscal year.

The **Lottery Commission** reports that September ticket sales were \$106.8 million, which is \$32.2 million, or 43.3% above sales in September 2019. Year-to-date, ticket sales are \$343.5 million, which is 47.4% above the prior year. Lottery General Fund profit distributions typically occur once each quarter, however, year-to-date FY 2021 Lottery revenues are zero, representing a decline of \$(20.0) million below the prior year.

Highway User Revenue Fund (HURF) collections of \$135.2 million in September were 5.4% above the amount collected in September 2019 and \$28.2 million above forecast. Year-to-date, HURF collections have increased by 7.2% compared to the same period in the prior year and are \$89.7 million above forecast.

Table 6

General Fund Revenue: Change from Previous Year and June Budget Update Forecast September 2020

	Current Month					FY 2021 YTD (Three Months)				
	Actual September 2020	Change From September 2019		June Budget Update Forecast		Actual September 2020	Change from September 2019		June Budget Update Forecast	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Taxes										
Sales and Use	\$491,063,218	\$45,849,040	10.3 %	\$57,608,112	13.3 %	\$1,463,645,100	\$145,635,824	11.0 %	\$174,015,805	13.5 %
Income - Individual	526,499,525	872,916	0.2	44,927,774	9.3	1,926,246,256	565,453,149	41.6	171,485,454	9.8
- Corporate	106,257,480	(15,103,319)	(12.4)	11,113,924	11.7	209,769,225	48,071,121	29.7	77,091,131	58.1
Property	901,329	1,239,227	--	793,592	736.6	1,274,329	15,345	1.2	485,543	61.6
Luxury - Tobacco	1,601,714	(213,592)	(11.8)	0	--	5,284,587	(415,162)	(7.3)	(128,333)	(2.4)
- Liquor	2,560,036	(393,193)	(13.3)	0	--	7,539,347	(806,373)	(9.7)	(756,751)	(9.1)
Insurance Premium	95,706,083	(14,698,726)	(13.3)	28,908,648	43.3	142,706,107	(13,772,673)	(8.8)	(8,411,619)	(5.6)
Other Taxes	772,664	(19,023)	(2.4)	(208,754)	(21.3)	3,360,698	981,001	41.2	380,254	12.8
Sub-Total Taxes	\$1,225,362,048	\$17,533,330	1.5 %	\$143,143,296	13.2 %	\$3,759,825,650	\$745,162,232	24.7 %	\$414,161,485	12.4 %
Other Revenue										
Lottery	0	0	--	0	--	0	(20,000,000)	--	0	--
License, Fees and Permits	3,286,892	576,328	21.3	685,612	26.4	10,148,660	512,042	5.3	916,079	9.9
Interest	1,242	(3,423)	(73.4)	1,242	N/A	3,375	8,380	(167.4)	3,375	--
Sales and Services	1,427,628	(1,900,986)	(57.1)	(1,172,146)	(45.1)	5,543,839	(361,160)	(6.1)	575,622	11.6
Other Miscellaneous	3,223,968	1,625,032	101.6	2,842,931	746.1	5,162,652	2,380,753	85.6	3,638,448	238.7
Disproportionate Share	0	0	--	0	--	0	0	--	0	--
Transfers and Reimbursements	2,082,772	(4,413,101)	(67.9)	617,412	42.1	13,087,617	55,962	0.4	10,162,646	347.4
Sub-Total Other Revenue	\$10,022,502	(\$4,116,151)	(29.1) %	\$2,975,051	42.2 %	\$33,946,143	(\$17,404,024)	(33.9) %	\$15,296,170	82.0 %
TOTAL BASE REVENUE	\$1,235,384,550	\$13,417,179	1.1 %	\$146,118,347	13.4 %	\$3,793,771,793	\$727,758,209	23.7 %	\$429,457,655	12.8 %
Other Adjustments										
Urban Revenue Sharing	(69,041,072)	(7,577,640)	12.3	0	(0.0)	(207,123,215)	(22,732,919)	12.3	0	(0.0)
One-Time Transfers	0	0	--	0	--	0	0	--	0	--
Public Safety Transfers	2,122,109	0	0.0	(0)	(0.0)	4,244,218	0	0.0	(0)	(0.0)
Sub-Total Other Adjustments	(66,918,962)	(7,577,640)	12.8 %	0	(0.0) %	(202,878,996)	(22,732,919)	12.6 %	0	(0.0) %
TOTAL GENERAL FUND REVENUE	\$1,168,465,588	\$5,839,539	0.5 %	\$146,118,347	14.3 %	\$3,590,892,797	\$705,025,290	24.4 %	\$429,457,655	13.6 %
Non-General Funds										
Highway User Revenue Fund	135,177,014	6,985,418	5.4 %	28,217,526	26.4 %	401,998,121	26,871,795	7.2 %	89,723,489	28.7 %

Monthly Indicators

NATIONAL

The U.S. Bureau of Economic Analysis' second estimate of the second quarter **U.S. Real Gross Domestic Product (GDP)** revises the number up to (31.4)% from (31.7)%.

The Conference Board's **Consumer Confidence Index** shot up in September, increasing 15.5 points to 101.8. This is the largest gain since the beginning of the COVID-19 pandemic. Despite the increase in consumer confidence, the Index has only regained about one-third of the ground lost between February to April and currently sits at a mid-2016 level.

The Conference Board's **U.S. Leading Economic Index (LEI)** increased by 1.2% to 106.5 in August. Employment, the New Orders Index, and stock prices all saw improvements which were partially offset by decreased consumer expectations for business conditions, manufacturing new orders, and credit conditions. This is the fourth consecutive month of growth for the LEI, but each month has seen smaller growth. The LEI index in August was (4.7)% below the level 6 months earlier.

Consumer prices, which are measured by the U.S. Bureau of Labor Statistics **Consumer Price Index (CPI)**, increased 0.2% in September. This reflects a 1.4% increase above September 2019 prices. The most significant factor in the increase continues to be the used cars and trucks index, which rose by 6.7%. The energy index increased by 0.8%, which includes a 4.2% increase in the natural gas index. While the food-away-from-home index increased, it was offset by a decline in the food-at-home index. Core inflation (all items less food and energy) rose by 0.2% for the month. Compared to September 2019, the core CPI is up by 1.7%.

ARIZONA

Single-family housing permitting activity is continuing to grow. In August, Arizona's 12-month total of **single-family building permits** was 36,482. This is up 2.1% from the prior month, and is 15.5% above August 2019. This was the largest year-over-year increase since June 2018. In August, Arizona's 12-month total of 15,465 **multi-family building permits** was 41.4% more than for the same 12-month period in 2019. August marked the 10th consecutive month with a double-digit year-over-year growth rate in multi-family permitting activity.

Tourism and Restaurants

As expected, several tourism indicators are still below levels from the prior year. For example, **Revenue per available room** was \$42.37 in August, a 3.3% increase from the prior month but (33.0)% below August 2019.

Hotel occupancy was 47.9% in August, compared to 46.5% in the prior month and 64.6% in August 2019.

Similarly, **Phoenix Sky Harbor Airport Ridership** during August was 4.3% above the prior month, but (61.4)% below the same month in the prior year.

In addition, visits to state parks have decreased. **State park visitation** was 220,555 in August, (15.3)% below the prior month and (2.5)% below the same month in the prior year.

Daily restaurant reservations were (15.2)% below the prior year level on October 10, according to OpenTable data. This continues the gradual trend of diners increasing their use of restaurant reservations.

Employment

According to the latest employment report released by the Office of Economic Opportunity (OEO), the state gained 30,200 **nonfarm jobs** in September compared to the prior month. The private sector recorded a gain of 19,400 jobs over the month. Historically, (2010-2019), private sector employment has averaged a gain of 5,500 jobs in September.

Compared to the same month in the prior year, the state lost (90,700) jobs, a decrease of (3.1)%. Only three of the major 11 job sectors had a year-over-year job gain in September. The gains were recorded in the Trade, Transportation & Utilities, Financial Activities and Other Services. In contrast, the Leisure and Hospitality sector recorded the largest losses, with (56,000) jobs lost compared to the same month in the prior year.

The state's seasonally adjusted **unemployment rate** increased from 5.9% in August to 6.7% in September. In September, 174,500 persons joined the civilian labor force. This is a reversal from August when 145,673 persons left the labor force. The U.S. seasonally adjusted unemployment rate decreased from 8.4% in August to 7.9% in September.

As noted in September's *Monthly Fiscal Highlights*, the unemployment rate, and the associated data on employment and labor force participation are based on monthly surveys which sample a relatively small proportion of the population. Given the unique circumstances of the COVID-19 pandemic, this unemployment data may be subject to larger than normal statistical sampling issues and therefore future revisions.

OEO reported that a total of 7,966 **initial claims for unemployment insurance** were filed in Arizona in the week ending on October 3rd (This figure excludes the claims under the Pandemic Unemployment Assistance (PUA) program, which is discussed below.) For the same week in the prior year, 3,775 initial claims were filed.

Monthly Indicators (Continued)

According to OEO, for the week ending on September 26th, there were a total of 168,948 **continued claims for unemployment insurance** in Arizona. A year ago this time, the continued claims were 23,284

The federal Coronavirus, Aid, Relief and Economic Security (CARES) Act enacted in March provides unemployment insurance compensation to individuals who are not otherwise eligible for regular unemployment insurance benefits, such as self-employed individuals and independent contractors. The unemployment insurance benefits under this federal program, referred to as **Pandemic Unemployment Assistance (PUA)**, are available from February 2 through December 26. The PUA program provided an additional \$600 in weekly federal unemployment compensation benefits from March 29 through July 25. After this time, the weekly benefit ranges from \$117 to \$240 until the PUA program ends on December 26.

On August 14, the Executive announced the state would be applying to the federal government to provide \$300 in additional weekly unemployment benefits retroactive to August 1st pursuant to President Trump's recent executive order, called the "lost wages assistance" program. Arizona's application was approved, and the (non-retroactive) \$300 benefit payments began to be distributed the week ending on August 22nd. However, this extension expired the week ending on September 12th.

For the week ending on October 10th, the federal Department of Labor (DOL) reported that no initial PUA claims were filed in Arizona. For the week ending on September 26th, DOL reported that 425,024 continued PUA claims were filed in the state. Both of these figures are advance estimates subject to change.

As noted in September's *Monthly Fiscal Highlights*, the continued PUA claim figure represents a duplicated count. Individuals may have applied more than once. In addition, individuals may be receiving multiple weeks of benefits at one time, potentially resulting in a duplicated count.

State Personal Income

In September, the federal Bureau of Economic Analysis (BEA) released **state personal income** estimates for the 2nd quarter of 2020. According to the BEA, Arizona's personal income grew at a rate of 11.6% during the quarter compared to the same quarter in the prior year. Arizona's total personal income, which is the income received by all persons in the state from all sources except capital gains, was approximately \$372.2 billion in the 2nd quarter of 2020. Much of this increase can be attributed to transfer payments such as stimulus checks and increased unemployment benefits.

State Agency Data

At the beginning of October 2020, the total **AHCCCS caseload** was 2.03 million members. Total monthly enrollment increased 0.8% in October over September and increased 10.0% compared to a year ago. Parent and child enrollment in the Traditional population increased by 0.3% in October, or 7.5% higher than a year ago.

Enrollment in Other Acute Care populations, including Prop 204 Childless Adults, Other Prop 204, Adult Expansion, and KidsCare, was 851,924 in September – an increase of 1.6% over July and 14.4% above last year. For October 2020, Long-Term Care EPD and DD population growth remained flat. At 65,814, this population is (0.6)% lower than a year ago.

There were 16,960 **TANF Cash Assistance recipients** in the state in August, representing a (1.6)% monthly caseload decrease from July. The year-over-year number of TANF Cash Assistance recipients has increased by 26.1%. 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 August, 937,013 people received food stamp assistance in the state, representing a 1.6% increase above July caseloads. Compared to August 2019, the level of food stamp participation has increased by 13.9%.

The Arizona Department of Correction's **inmate population** was 38,894 as of September 30, 2020. This was a decrease of (0.7)% since August 31, 2020 and a (8.7)% decrease since September 2019.

Based on information the Department of Child Safety provided for August 2020, **reports of child maltreatment** totaled 43,584 over the last 12 months, a decrease of (1.4)% over the prior year. There were 14,087 **children in out-of-home care** as of July 2020, or 0.1% more than in July 2019. Compared to the prior month, the number of out-of-home children decreased by (0.5)%.

Table 7

MONTHLY INDICATORS				
Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
<u>Employment</u>				
- Regular Unemployment Rate	September	6.7%	0.8%	2.1%
- Total Unemployment Rate (discouraged/underemployed)	2nd Q 2020	11.3%	2.1%	2.1%
- Initial Unemployment Insurance Claims	Week Ending Oct 3	7,966	(2.9)%	111.0%
- Continued Unemployment Insurance Claims	Week Ending Sep 26	168,948	(3.9)%	625.6%
- Non-Farm Employment - Total	September	2,862,700	1.1%	(3.1)%
Manufacturing	September	171,200	(0.2)%	(4.1)%
Construction	September	169,900	0.0%	(1.9)%
- Average Hourly Earnings, Private Sector	September	\$27.73	0.3%	3.0%
<u>Building</u>				
- Single-Family Building Permits (12 months rolling sum)	August	36,482	2.1%	15.5%
Multi-family	August	15,465	(0.6)%	41.4%
- Maricopa County/Other, Home Sales (ARMLS) Single-Family (Pending Sales)	August	7,617	5.3%	39.1%
- Maricopa County/Other, Median Home Price (ARMLS) Single-Family (Pending Sales)	August	\$335,990	1.8%	14.3%
- Maricopa Pending Foreclosures	August	1,327	(8.3)%	(42.9)%
<u>Tourism and Restaurants</u>				
- Phoenix Sky Harbor Air Passengers	August	1,409,849	4.3%	(61.4)%
- State Park Visitors	August	220,555	(15.3)%	(2.5)%
- Revenue Per Available Hotel Room	August	\$42.37	3.3	(33.0)%
- Arizona Hotel Occupancy Rate	August	47.9%	1.4%	(16.7)%
- Arizona OpenTable Reservations – Y/Y % Change	October 10	N/A	N/A	(15.2)%
<u>General Measures</u>				
- Arizona Personal Income, SAAR	2nd Q 2020	\$372.2 billion	35.1%	11.1%
- Arizona Population	July 2019	7,278,717	N/A	1.7%
- State Debt Rating				
Standards & Poor's/Moody's Rating	May 2015/Nov 2019	AA / Aa1	N/A	N/A
Standards & Poor's/Moody's Outlook	May 2015/Nov 2019	Negative/Stable	N/A	N/A
<u>Agency Measures</u>				
- AHCCCS Recipients	October 1st	2,028,499	0.8%	10.0%
Traditional Acute Care		1,110,761	0.8%	7.2%
Other Acute Care		838,324	2.1%	12.9%
Long-Term Care – Elderly & DD		65,807	(0.5)%	(0.3)%
- Department of Child Safety (DCS)				
Reports of Child Maltreatment (12-month total)	August	43,584	(1.5)%	(5.7)%
DCS Out-of-Home Children	July	14,087	(0.5)%	0.1%
- ADC Inmate Growth	September	38,894	(0.7)%	(8.7)%
- Department of Economic Security				
TANF Cash Assistance Recipients	August	16,960	(1.6)%	26.1%
SNAP (Food Stamps) Recipients	August	937,013	1.6%	13.9%
United States				
- Gross Domestic Product (Chained 2012 dollars, SAAR)	2nd Q, 2020 (3 rd Estimate)	\$17.3 trillion	(31.4)%	(8.9)%
- Consumer Confidence Index (1985 = 100)	September	101.8	18.0%	(18.6)%
- Leading Economic Index (2016 = 100)	August	106.5	1.2%	(5.0)%
- Consumer Price Index, SA (1982-84 = 100)	September	260.2	0.2%	1.4%

JLBC Summary

At its September 2020 meeting, the Joint Legislative Budget Committee considered the following issues:

Executive Session

Arizona Department of Administration – Risk Management Services - Consideration of Proposed Settlements – The Committee approved one settlement under Rule 14, which requires Committee approval of Risk Management settlements above \$250,000 pursuant to A.R.S. § 41-621(N).

Regular Session

Attorney General – Review of Election-Related Litigation and Civil Division Expenditure Plans – A.R.S. § 44-1531.02C requires Committee review prior to any monies being expended from the Remediation Subaccount of the Attorney General's (AG) Consumer Protection and Restitution Revolving Fund. The Committee favorably reviewed the Attorney General's expenditure plans to spend \$400,000 for election-related litigation and election statutory defense expenses and \$200,000 for the purposes of increasing public knowledge of the Civil Division and increasing their operating funding.

Consent Agenda

Arizona Department of Administration/Automation Projects Fund – Review of Concealed Weapons Tracking System – A.R.S. § 41-714 requires Committee review prior to any monies being expended from the Arizona Department of Administration's (ADOA) Automation Projects Fund (APF) for the Concealed Weapons Permit Tracking System (CWPT) upgrade project in the Department of Public Safety (DPS). The Committee gave a favorable review of \$410,000 in APF expenditures for the CWPT upgrade project in FY 2021.

Arizona Health Care Cost Containment System – Review of Health Care Investment Fund Assessment – A.R.S. § 36-2999.72 requires the Arizona Health Care Cost Containment System (AHCCCS) to submit to the Committee for review the new Hospital Assessment as enacted in the last year. The Committee favorably reviewed the proposal.

Arizona Department of Child Safety – Review of FY 2020 Quarterly Benchmarks – An FY 2020 General Appropriation Act footnote requires the Department of Child Safety (DCS) to submit to the Committee for review a quarterly report on benchmarks for assessing progress made in increasing DCS' number of FTE Positions, meeting caseload standards for caseworkers,

reducing the number of backlog cases and open reports, and reducing the number of children in out-of-home care. The Committee gave a favorable review of the DCS' FY 2020 third quarter benchmark report.

Arizona Department of Public Safety – Review of the Expenditure Plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount – A.R.S. § 41-1724G and A.R.S. § 41-1724H require DPS to submit to the Committee for review the entire FY 2021 expenditure plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount prior to expenditure. The Committee gave a favorable review to the expenditure plan of \$1,050,000 of the \$2,411,600 FY 2021 appropriation for Border Security and Law Enforcement Grants as proposed by DPS. The favorable review included a reporting provision.

Arizona Department of Education – Review of K-12 Broadband Connectivity Projects – A.R.S. § 15-249.07 requires the Arizona Department of Education (ADE) to submit for Committee review its annual report on K-12 broadband connectivity construction projects. The Committee gave a favorable review of the report. The favorable review included a reporting provision.

Arizona Department of Education – Review of AzM2 Contracts – A.R.S. § 15-741.03 requires ADE to submit for Committee review its contract renewal for the statewide assessment. The Committee gave a favorable review of the proposed new contract for the AzM2 exam. The favorable review included a reporting provision.

JCCR Summary

At its September 2020 meeting, the Joint Committee on Capital Review considered the following issues:

Regular Agenda

Arizona State University – Review of University Drive Pedestrian Bridge – The Committee gave a favorable review of \$13.6 million in system revenue bond issuances for construction of a University Drive Pedestrian Bridge. The favorable review included the standard university financing provisions.

Consent Agenda

Department of Corrections – Review of FY 2021 Budget Funding and Quarterly Project Report – The Committee gave a favorable review of the Arizona Department of Corrections (ADC) quarterly project report and \$14.1 million of the department's FY 2021 capital appropriation. The favorable review included provisions with reporting requirements.

School Facilities Board – Review Minimum Adequacy Guidelines Rulemaking – The Committee gave a favorable review of the School Facilities Board rule changes to the Minimum Adequacy Guidelines. The favorable review included a provision.

Arizona Department of Administration – Review of FY 2021 Building Renewal Allocation Plan – The Committee gave a favorable review of \$16.0 million from the Capital Outlay Stabilization Fund for the department's FY 2021 building renewal allocation plan. The favorable review included provisions with reporting requirements.

Arizona Department of Transportation – Review of FY 2021 Building Renewal Allocation Plan – The Committee gave a favorable review of \$13.0 million from the State Highway Fund and \$281,700 from the State Aviation Fund for the department's FY 2021 building renewal allocation plan. The favorable review included provisions with reporting requirements.

JLBC/JCCR Meeting Follow-Up

Arizona Department of Emergency and Military Affairs - Report on Tucson Readiness Center – Pursuant to a provision from the September 2018 JCCR meeting, the Arizona Department of Emergency and Military Affairs (DEMA) submitted a status update on expenditures for construction of the Tucson Readiness Center. The FY 2019 Capital Outlay Bill appropriated \$3.8 million from the state General Fund to DEMA for construction of the readiness center. Laws 2020, Chapter 57 extends the lapsing date of this appropriation to FY 2022.

As of July 31, 2020, DEMA reports that no monies from the appropriation for the Tucson Valley Readiness Center have been spent. When reviewed at the September 2018 JCCR meeting, the original construction start date was March 2021 with completion in December 2021. DEMA reports that the federal construction funds will be available through FY 2024, however, project completion is still expected in FY 2022 before the revised state funds lapsing date of June 30, 2022. (Alexis Pagel)

Summary of Recent Agency Reports

Arizona Department of Administration – Report on Investment Yield Restriction – Pursuant to A.R.S. 41-707, the Arizona Department of Administration (ADOA) is required to annually report by October 1 of each year any costs associated with the Investment Yield Restriction requirement for the tax-exempt deficit financing used to solve the FY 2010 budget shortfall. This restriction limits the investment return on the state's operating balance to the interest rate paid on the outstanding tax-exempt financing. The state is required to restrict the yield on investments with a value equal to the current level of outstanding financing.

ADOA reported that during FY 2020 there were no costs associated with meeting the Investment Yield Restriction requirements. ADOA stated the requirements have not reduced the yield of investments and there have been no penalties paid to the federal government. (Rebecca Perrera)

Arizona Department of Administration – Report on State Surplus Materials Revolving Fund Excess Revenue – Pursuant to an FY 2020 General Appropriation Act footnote, all State Surplus Materials Revolving Fund revenues received by the Arizona Department of Administration (ADOA) in excess of the \$3.0 million appropriation from the State Surplus Materials Revolving Fund in FY 2020 are appropriated to ADOA. Prior to expending the additional State Surplus Materials Revolving Fund receipts, ADOA is required to report the intended use of the monies to the Joint Legislative Budget Committee.

Monies appropriated to the State Surplus Property Sales Proceeds line item are used to reimburse agencies for the sale of surplus materials and are funded out of the State Surplus Materials Revolving Fund. ADOA has reported that an additional \$1.1 million from the State Surplus Materials Revolving Fund will be used in FY 2020 (as an administrative adjustment) to reimburse agencies for the sale of surplus materials, and that current revenues to the fund can sustain the increased amount of reimbursements. (Rebecca Perrera)

AHCCCS – Report on CMDP Program and Financial Accountability Trends – Pursuant to Laws 2018, Chapter 152, AHCCCS reported its CMDP program and financial accountability trends spanning from October 1, 2018 to September 30, 2019.

Statewide, the percentage of foster care eligible members served increased from 73.6% in October 2018 to 73.9% in September 2019. Monthly utilization also increased, with total encounters costing \$9.8 million in October 2018 as compared to \$10.0 million in

September 2019. The services accounting for the largest share of costs in September 2019 were Support Services (\$3.5 million), Inpatient Services (\$2.7 million), and treatment services (\$1.4 million). New monthly enrollment decreased by 248 persons, from 1,031 to 783.

AHCCCS is currently unable to determine how many grievances reported by Regional Behavioral Health Authorities can be attributed to the CMDP population since it only receives the total number of grievances across all populations. AHCCCS reported it will work to provide the relevant data after the upcoming statewide integration of behavioral health services within CMDP, effective April 1, 2021. (Maggie Rocker)

AHCCCS – Report on Uncompensated Hospital Costs and Hospital Profitability – Pursuant to A.R.S. § 36-2903.08, AHCCCS reported on uncompensated hospital costs and hospital profitability for Arizona hospitals for Hospital Fiscal Year (HFY) 2019. AHCCCS defines uncompensated care as the total amount of "bad debt" and "charity care" costs incurred by each hospital. Bad debt consists of care provided for which the hospital expected to be paid but was not while charity care represents hospital services provided for free or a reduced charge. To estimate the amount of uncompensated care, AHCCCS determines the charges for bad debt and charity care for each hospital and adjusts the expense based on a "cost-to-charge" ratio, or each hospital's ratio of actual expenses compared to gross charges and other revenues. The average hospital cost-to-charge ratio was 19.7% in HFY 2019.

The report included the following findings:

- Total uncompensated care costs increased by \$23.2 million, from \$419.7 million to \$442.9 million. As a share of overall hospital expenses, however, uncompensated care remained unchanged at 2.5%.
- Total net operating profitability increased by \$14.5 million in 2019 for a total of \$1.1 billion. However, the average hospital operating margin decreased 0.3%, from 6.3% to 6.0%, and the share of hospitals with a positive operating margin decreased from 73.5% to 72.7%.
- There continued to be differences in uncompensated care between different hospital types. Rural hospitals, non-profit hospitals, and high Medicaid-volume hospitals had higher uncompensated care as a share of overall hospital expenses compared to their counterparts. (Maggie Rocker)

Summary of Recent Agency Reports (Continued)

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

AHCCCS, in conjunction with the Department of Economic Security (DES), performed 9,781 verifications of immigration status in FY 2020. During this period, AHCCCS and DES referred 21 individuals (20 citizens, 1 non-citizen) for prosecution for fraudulent schemes, prohibited acts, theft, or forgery. No fraudulent immigration cases were identified in FY 2020. (Maggie Rocker)

Department of Child Safety – Quarterly Report on Foster Care and Medicaid – Laws 2013, Chapter 220, as amended by Laws 2016, Chapter 273 and Laws 2018, Chapter 152, requires the Department of Child Safety (DCS) to report on foster care and Medicaid eligibility. For the fourth quarter of FY 2020, DCS reported the following data regarding foster care and Medicaid eligibility:

1. There were 13,525 children eligible for Medicaid in foster care at the end of the quarter, which represents about 97% of children in out-of-home care.
2. The amount of non-Medicaid expenditures for behavioral health inpatient facilities and behavioral health residential facilities was \$571,039.
3. The amount of non-Medicaid behavioral health counseling/psychiatric services expenditures was \$68,559. (Nicole Lovato)

Department of Corrections – Report on Transition Release Program – Pursuant to A.R.S. § 31-281 and A.R.S. § 31-285, the Arizona Department of Corrections (ADC) submitted its annual report for FY 2020 for the Transition Program. The Transition Program, as established by A.R.S. § 31-281, allows certain inmates the opportunity to be released 3 months prior to their release date. For each bed day saved, statute requires a transfer of at least \$17 from the State Department of Corrections Revolving Fund to the Transition Program Fund.

ADC reports that a total of 1,083 inmates received an early release into the program in FY 2020, a (43.1)% decrease below FY 2019. The department reports that 633 participants completed the Transition Program in FY 2020, a (24.1)% decrease below FY 2019. A total of 151 participants failed to complete the early transition release by violating their conditions of supervision. In total, the program was responsible for 65,917 bed days saved in FY 2020, a (43.7)% decrease below FY 2019. At the statutorily-mandated rate of \$17 per day, \$1.1 million was transferred to the Transition Program Fund. The report also provided the status of inmates released

in FY 2017. Since that time, 33.4% of those inmates who were released to the Transition Program were returned to prison for either technical violations or new felony convictions, compared to 45.4% for those released to Community Supervision only or 28.6% for all other inmates released. (Geoffrey Paulsen)

Office of Economic Opportunity – Arizona Industrial Development Authority – FY 2020 Report on Revenues, Expenditures, and Program Activity – Pursuant to A.R.S. § 43-5356B, the Arizona Industrial Development Authority (AZIDA) submitted its annual report to the Joint Legislative Budget Committee regarding AZIDA revenues, expenditures, and program activities for the previous fiscal year.

Gross revenues for AZIDA in FY 2020 were \$65.9 million, the majority of which (\$57.2 million) came from single family mortgage lending fees. The organization paid \$44.1 million in down payment assistance to Arizona homebuyers. Expenses for the year were \$8.5 million, leaving a net operating income of \$13.3 million.

The first program AZIDA operates is issuing single-family mortgage loans with down payment assistance to low- and moderate- income families. The agency originated 6,645 such loans for a total of \$1.5 billion in FY 2020.

The second program is issuing conduit revenue bonds for commercial enterprises, non-profit corporations, and government entities to improve access to capital markets. Conduit bonds are tax-exempt municipal securities that finance large-scale projects meant to help the general public. In FY 2020, AZIDA closed 24 such bonds for a total of \$2.2 billion. These bonds financed 15 education projects, 4 multifamily affordable housing projects, 2 healthcare projects, 2 commercial projects, and 1 manufacturing project. (Benjamin Newcomb)

Department of Economic Security – Report on Temporary Assistance for Needy Families (TANF) Grant Diversion Program – Pursuant to A.R.S. § 46-298, the Department of Economic Security (DES) provided the FY 2020 annual report on the TANF Grant Diversion Program. The program's purpose is to divert applicants from long-term TANF cash assistance by offering immediate, one-time assistance to resolve a financial crisis. In FY 2020, 6,140 applicant households chose the grant diversion option and were diverted from long-term assistance, a decrease of (833) from FY 2019. A total of 4,522 households obtained employment within 90 days of receiving assistance under the diversion program during the 12-month period of April 2019 through March 2020. Through January 2020, the most recent month for which complete data is available, 277 of 4,180 households, or 6.6%, reapplied for long-term assistance within 180 days of their participation in the diversion program. Complete data for FY 2019 indicates 49% of the total 6,973 households receiving diversion payments, or 7.1%, reapplied within 180 days, a decrease from FY 2018's rate of 7.3%. (Alexis Pagel)

Summary of Recent Agency Reports (Continued)

Department of Economic Security – Report on Reimbursement Rates for Developmental Disabilities Programs – Pursuant to A.R.S. § 36-2959, the Department of Economic Security (DES) reported on its annual study performed by an independent consulting firm of the adequacy and appropriateness of Medicaid reimbursement rates for service providers that contract with the Division of Developmental Disabilities (DDD). Due to COVID-19’s impact on utilization after March 2020, year-over-year comparisons in the study only include data from July-February of each fiscal year. The main findings of the report were as follows:

- The number of service providers increased from 551 in FY 2019 to 575 in FY 2020, a 4.4% increase.
- The average number of services used per user increased by 4.3% between FY 2019 and 2020.
- Total payments to providers increased by approximately 18.6% in FY 2020 compared to FY 2019.
- The consultant highlighted a significant decrease in total units provided compared to FY 2019, especially in Day Treatment, Group Supported Employment, and Transportation Services. Telehealth was utilized more frequently between March and May 2020 – offsetting further reductions in payments and utilization. The consultant notes it is too early to determine whether rates will continue to be adequate as COVID-19 continues.
- The report also analyzed "unassigned service authorizations" or cases where a service has been recommended for a DD member but a provider has yet to be identified. The services with the most unassigned authorizations were therapies (994), respite (386), and hourly habilitation (329). The average number of unassigned authorizations totaled 2,226. DES previously reported that in December 2018 there were 1,927 unassigned authorizations. (Lauren Jorgensen)

Department of Education – Override Report – Pursuant to A.R.S. § 15-249.04, the Arizona Department of Education (ADE) has reported FY 2021 data on school district budget overrides. Overrides permit school districts to generate and spend additional monies from local property taxes if approved by voters.

The ADE report for FY 2021 indicates that 94 districts have Maintenance and Operation (M&O) overrides pursuant to A.R.S. § 15-481, 28 have "District Additional Assistance" overrides pursuant to A.R.S. § 15-481, and 1 district has a Special Program override pursuant to A.R.S. § 15-482. Districts are budgeting \$708.2 million for overrides in FY 2021 (up \$64.4 million from FY 2020), including \$608.8 million for M&O overrides, \$96.6 million for District Additional Assistance overrides, and \$2.7 million for Special Program overrides. (Patrick Moran)

Department of Health Services – Report on Public Health Emergencies Fund Spending – Pursuant to A.R.S. § 36-122 the Arizona Department of Health Services (DHS) is required to report to JLBC by September 1 annually any expenditures from the Public Health Emergencies Fund. Monies in the fund are spent on responses to public health emergencies in the state as declared by the Governor. In FY 2020, the fund had \$55.5 million available for the state’s response to COVID-19. As of October 2, 2020, DHS has committed \$108.6 million in expenditures to the fund (see Table 8). Although fund commitments are greater than monies available, DHS expects to receive reimbursements from the Federal Emergency Management Agency (FEMA) public assistance program that will cover the difference. (Morgan Dorcheus)

Table 8

**Public Health Emergencies Fund
COVID-19 Expenditures**

PPE Supplies	\$30,157,200
COVID-19 Testing	26,978,000
Traveling Nurses	23,506,700
St. Luke’s Hospital Build-Out	8,412,900
Communications	8,053,700
Ventilators	4,731,000
Post-Acute Bed Reserve	1,674,800
Warehousing	887,100
Arizona Surge Line	827,700
Aid to Others	366,700
Contract Services	250,800
Contact Tracing	43,900
Other	2,699,100
Total	\$108,589,600

Arizona Department of Homeland Security – Report on Homeland Security Funding – Pursuant to A.R.S. § 41-4255, the Arizona Department of Homeland Security submitted its annual report detailing grant allocations and expenditures for Homeland Security grants from Federal Fiscal Year (FFY) 2017 through FFY 2019. The report indicates that 12.1% of the FFY 2019 allocation has been expended. Information for FFY 2017 - FFY 2019 is included in Table 9 below.

The state was allocated and the Arizona Department of Homeland Security was awarded \$25.2 million in Homeland Security grants for FFY 2019. The department reported total expenditures of \$3.0 million, leaving \$22.2 million unexpended. State agencies were awarded \$4.1 million, of which \$340,100 has been expended. Local governments were awarded \$21.1 million, of which \$2.7 million has been expended. The largest local grantee was the Yuma County Sheriff’s Office (\$1.6 million). State grantees were the Department of Public Safety (\$3.6 million), the Arizona Department of Emergency and Military Affairs (\$460,466) and the Arizona Department of

Summary of Recent Agency Reports (Continued)

Administration (\$46,800). The largest individual grant of \$1.4 million went to the Yuma County Sheriff’s Office for overtime and mileage under Operation Stonegarden.

Total combined state and local awards for FFY 2019 represented a decrease from the amount received in FFY 2018. Arizona received \$22.1 million in total combined state and local awards in FFY 2017 and \$26.2 million in FFY 2018. Of the funds received, 93.9% have been expended for FFY 2017 and 80.1% have been expended for FFY 2018. (Alexis Pagel)

Department of Revenue – Report on Annual Enforcement Goals – Pursuant to 2 General Appropriation Act footnotes, the Department of Revenue (DOR) is required to report on their FY 2021 revenue enforcement goals, provide an annual progress report to the JLBC on the effectiveness of the department’s overall enforcement and collections program for FY 2020, the amount of Transaction Privilege Tax (TPT) delinquent accounts, and the amount of fraud prevented by the private fraud prevention services.

In FY 2020, DOR’s total enforcement goal was \$670.0 million but they actually collected \$767.6 million. DOR’s FY 2021 goal for enforcement collections is \$636.5 million, which represents a decline of \$(131.1) million from actual FY 2020 enforcement collections.

Compared to actual FY 2020 total enforcement revenue, DOR’s FY 2021 goals consist of the following categories delineated by jurisdiction, tax type, and enforcement category:

Jurisdiction

- A decrease in state General Fund revenue of \$(91.7) million, or (18.8)%.
- A decrease in non-General Fund state revenue of \$(13.1) million, or (14.0)%.
- A decrease in revenue distributions to Cities of \$(20.7) million, or (14.0)%.
- A decrease in revenue distributions to Counties of \$(5.6) million, or (14.0)%.

Tax Type

- A decrease in Transaction Privilege Tax revenue of \$(68.0) million, or (14.1)%.
- A decrease in Individual Income Tax revenue of \$(41.6) million, or (19.7)%.
- A decrease in Corporate Income Tax revenue of \$(21.5) million, or (44.7)%.
- Virtually no change in withholding revenue.

Enforcement Category

- A decrease in audit revenue of \$(32.5) million, or (27.0)%.
- A decrease in accounts receivable revenue of \$(35.4) million, or (12.0)%.
- A decrease in collections revenue of \$(63.2) million, or (18.0)%.

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

At the end of FY 2020, there were 225,375 delinquent TPT accounts, totaling \$520.3 million, of which 32.7% of these cases had been delinquent for less than 1 year, 49.1% between 1 and 5 years, 14.0% between 6 and 10 years, and 4.2% older than 10 years.

Funds are used to contract with a vendor to provide investigation services to identify potentially fraudulent tax returns and prevent fraudulent refunds from being sent by the department. The department reports that the fraud prevention efforts stopped \$24.9 million in Individual Income Tax refunds, \$28.4 million in Corporate Income Tax refunds, and \$74.1 million in Transaction Privilege Tax refunds. (Jeremy Gunderson)

	FFY 2017	FFY 2018	FFY 2019
State Awards	\$2,362,200	\$2,884,600	\$4,141,700
Local Government Awards	<u>19,697,400</u>	<u>23,363,900</u>	<u>21,105,700</u>
Total Awards	\$22,059,600	\$26,248,500	\$25,247,400
State Expenditures	\$2,318,500	\$2,765,400	\$340,100
Local Government Expenditures	<u>18,398,500</u>	<u>18,256,100</u>	<u>2,719,700</u>
Total Expenditures	\$20,717,000	\$21,021,500	\$3,059,800
Percentage of Total Awards			
Currently Expended	93.9%	80.1%	12.1%

Summary of Recent Agency Reports (Continued)

Department of Water Resources – Report on Interstate Water Banking – Pursuant to A.R.S. § 45-2473, the Department of Water Resources and the Arizona Water Banking Authority (AWBA) submitted a report accounting for all monies received through the Interstate Water Banking Agreement with the Southern Nevada Water Authority (SNWA).

The AWBA budget operates on a calendar year basis. As AWBA's Annual Plan of Operation in 2019 and 2020 did not include an interstate water banking component, interstate banking monies were not distributed or received during those years. (Lauren Jorgensen)

Arizona Economic Trends

October 2020

Appendix A

Page:

2.....Total Non-Farm Employment

Average Hourly Earnings – Private Sector

3.....State Sales Tax Collections – Retail Category

State Sales Tax Collections – Contracting Category

4.....Residential Building Permits

Rolling 4-Week Withholding Total

Initial Unemployment Insurance Weekly Claims

Continued Unemployment Insurance Weekly Claims

5.....SNAP Recipients

AHCCCS Recipients

HURF Revenue

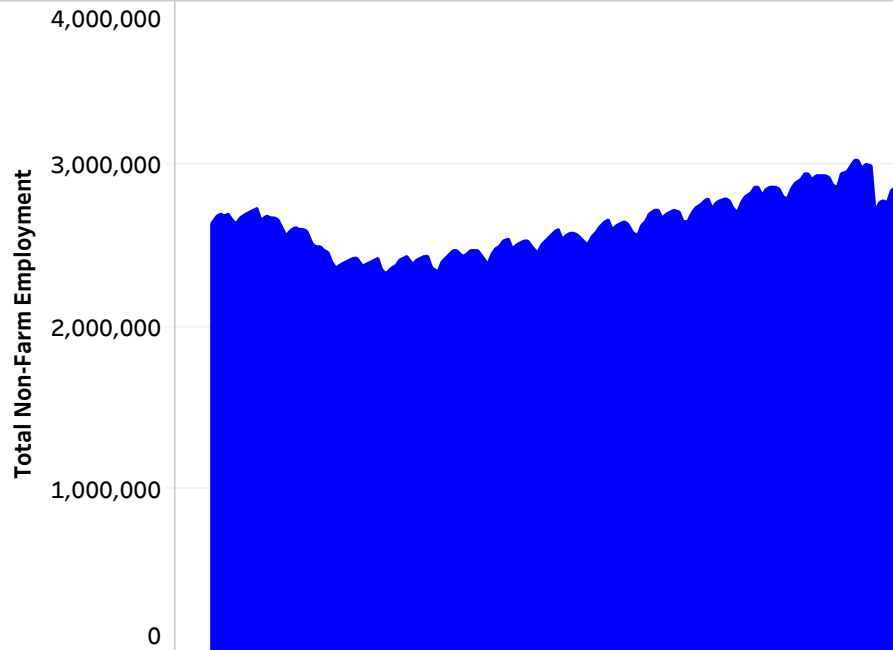
Sky Harbor Total Passengers

6.....Arizona Hotel Occupancy

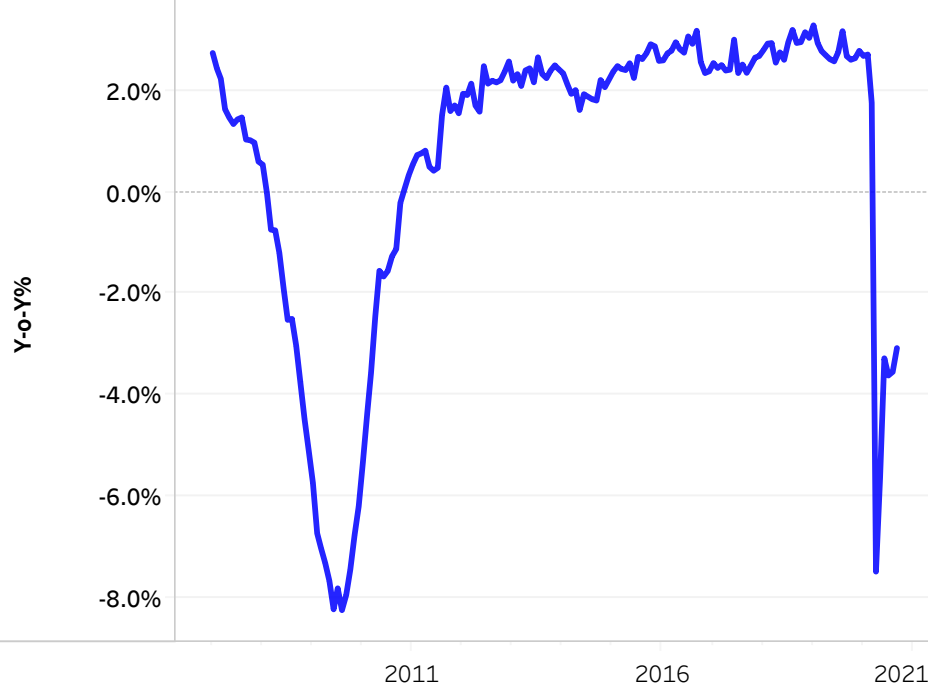
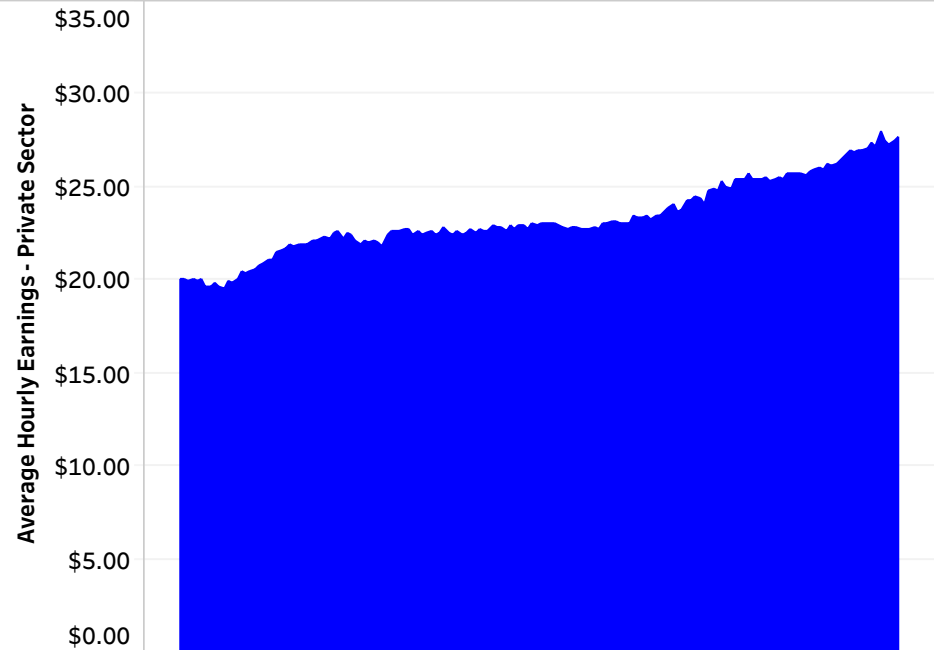
Arizona OpenTable Daily Reservations

[Link to Arizona Economic Trends Tableau Dashboard](#)

Total Non-Farm Employment

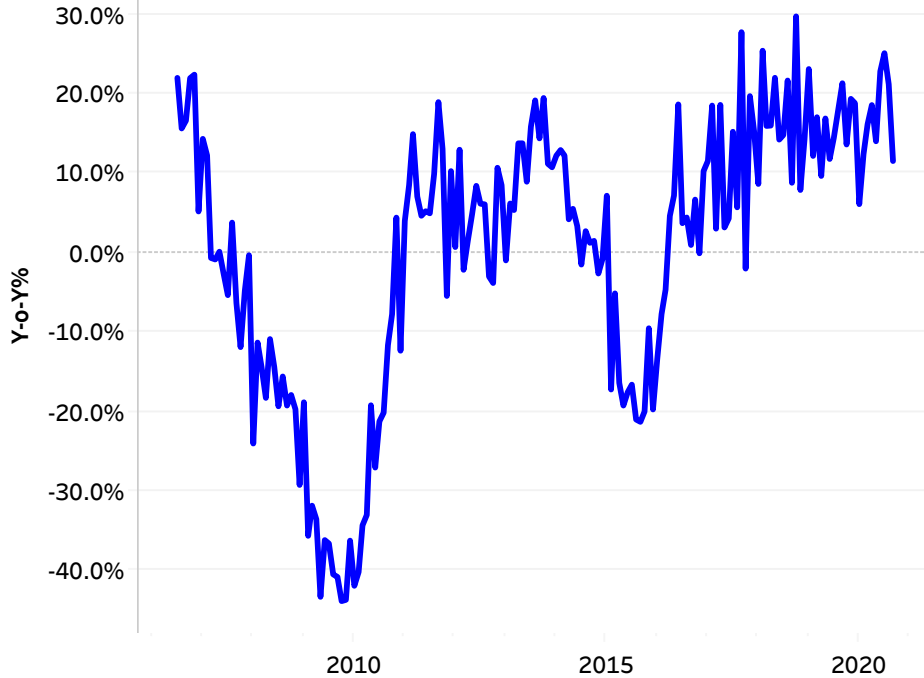
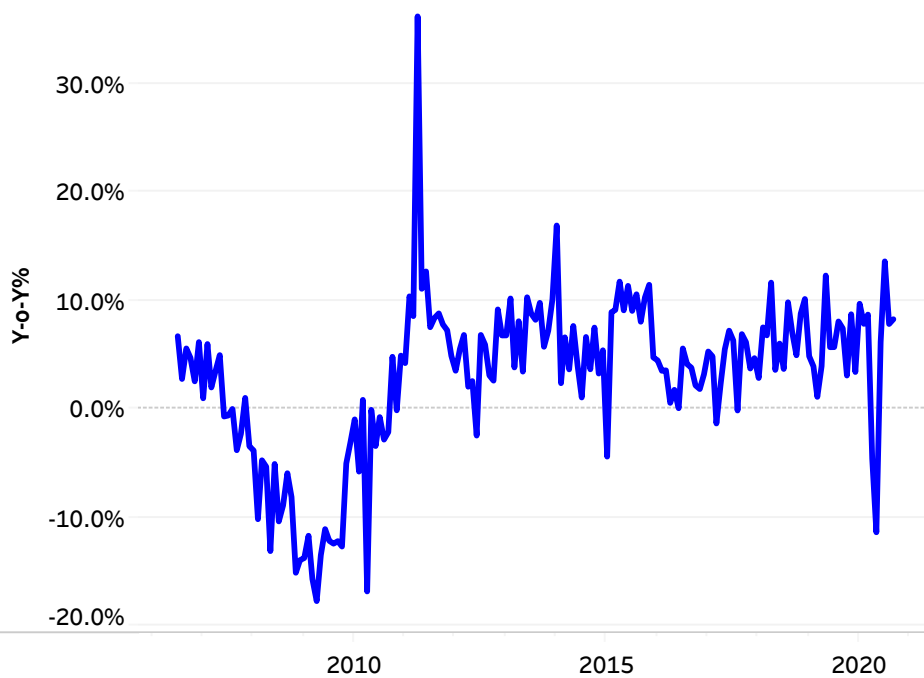
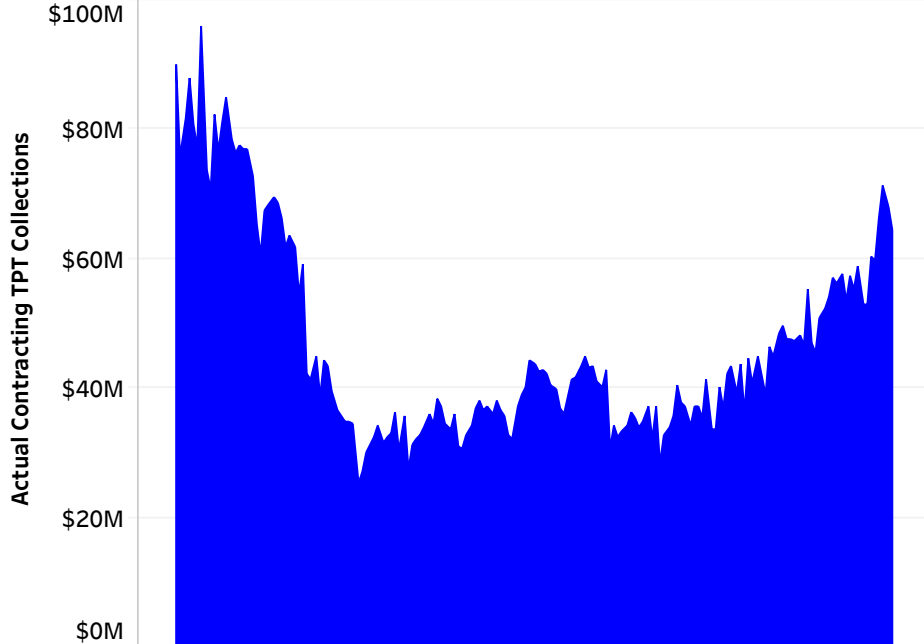
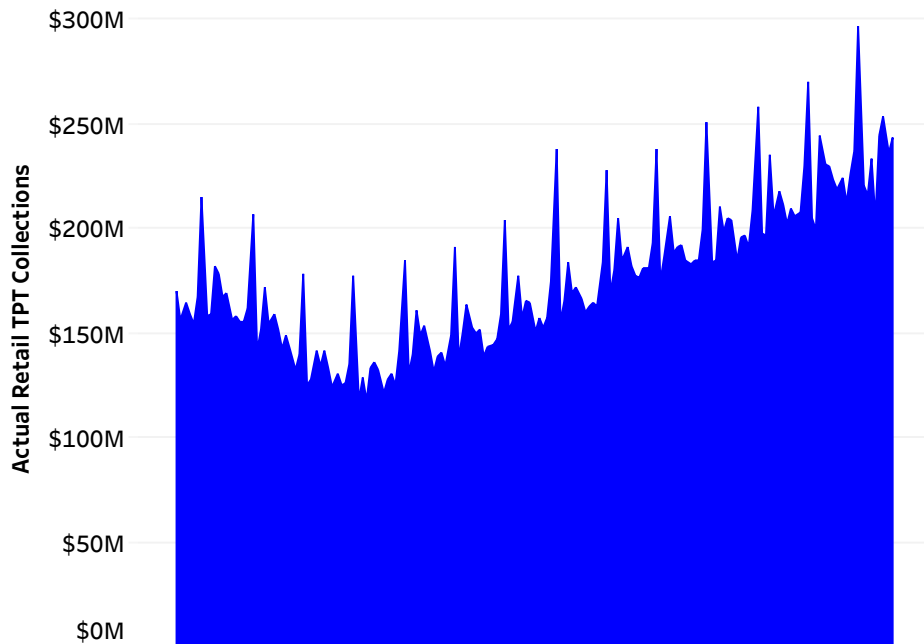


Average Hourly Earnings - Private Sector

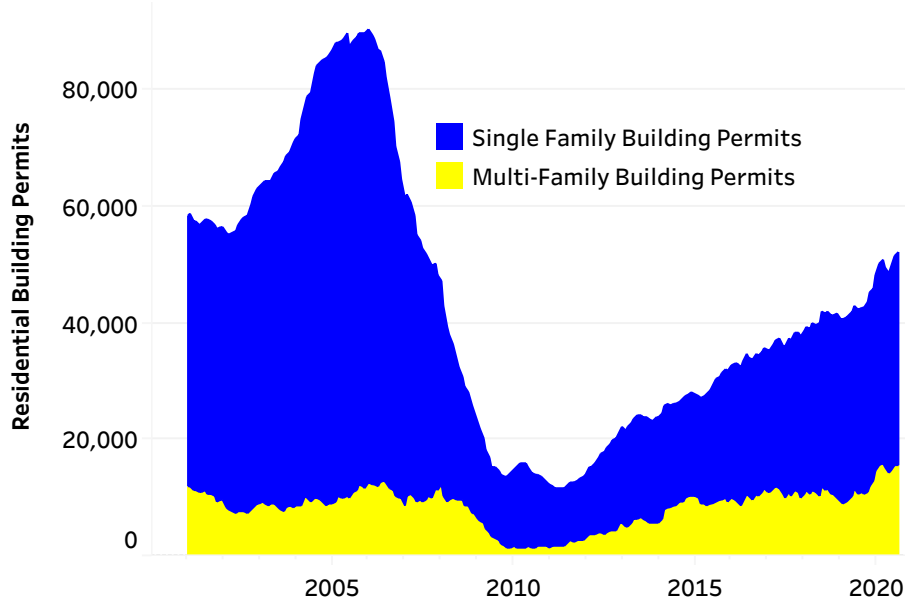


State Sales Tax Collections - Retail Category

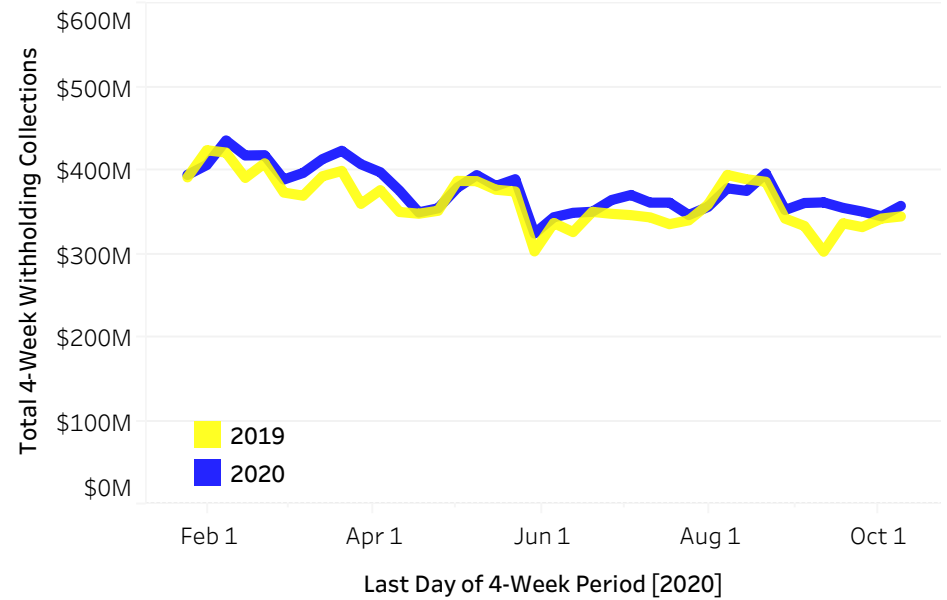
State Sales Tax Collections - Contracting Category



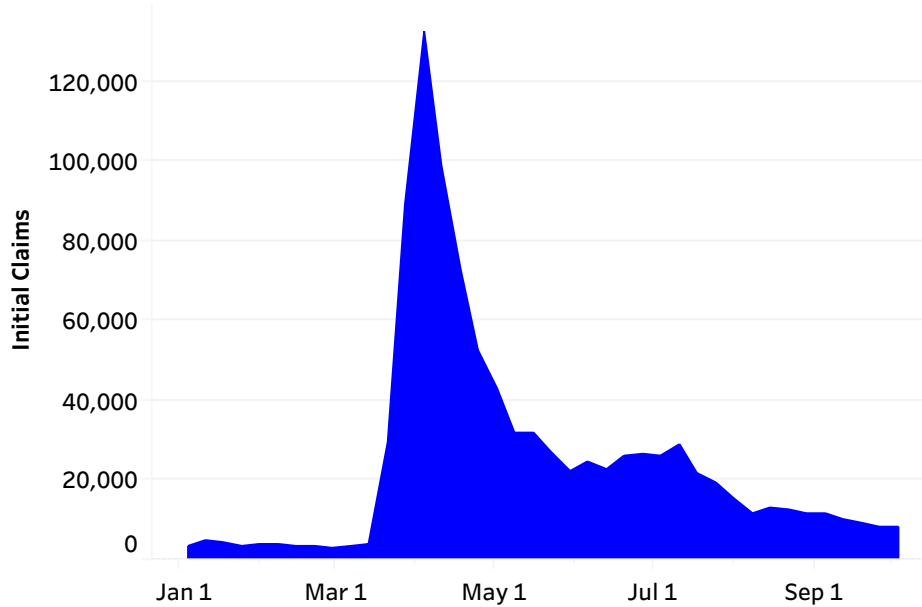
Residential Building Permits



Rolling 4-Week Withholding Total

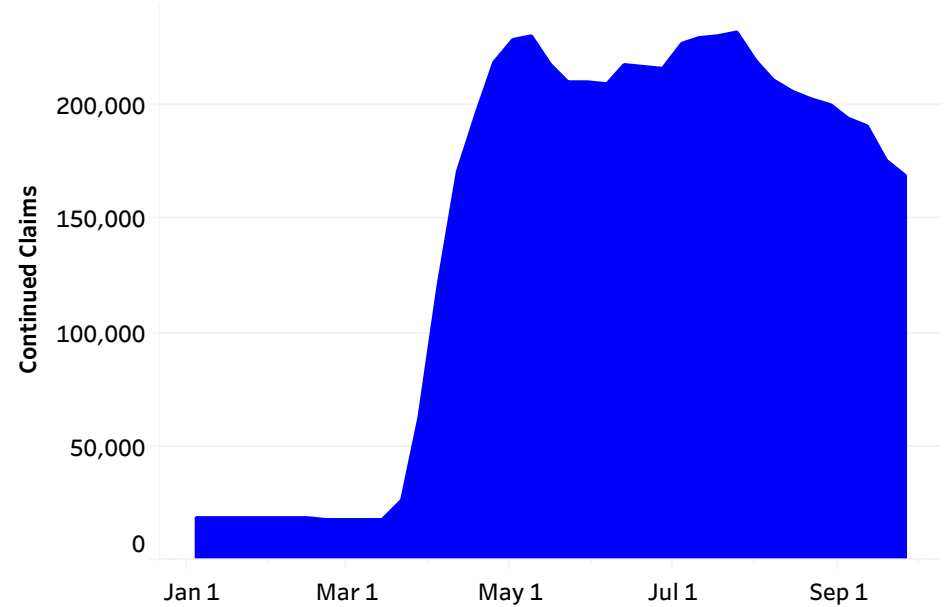


Initial Unemployment Insurance Weekly Claims



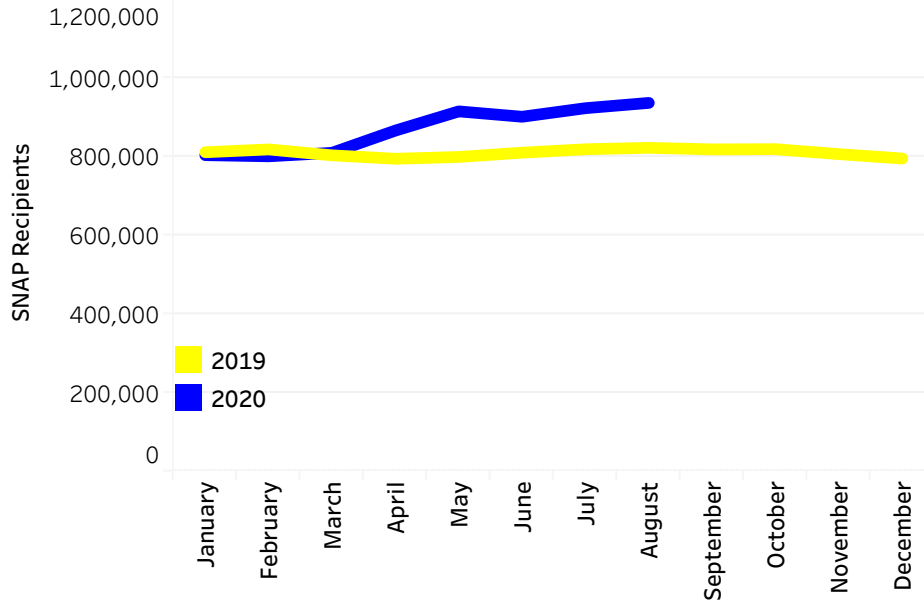
Reported Unemployment Insurance Initial Claims and Continued Claims do not include claims associated with the federally funded Pandemic Unemployment Assistance (PUA) program.

Continued Unemployment Insurance Weekly Claims

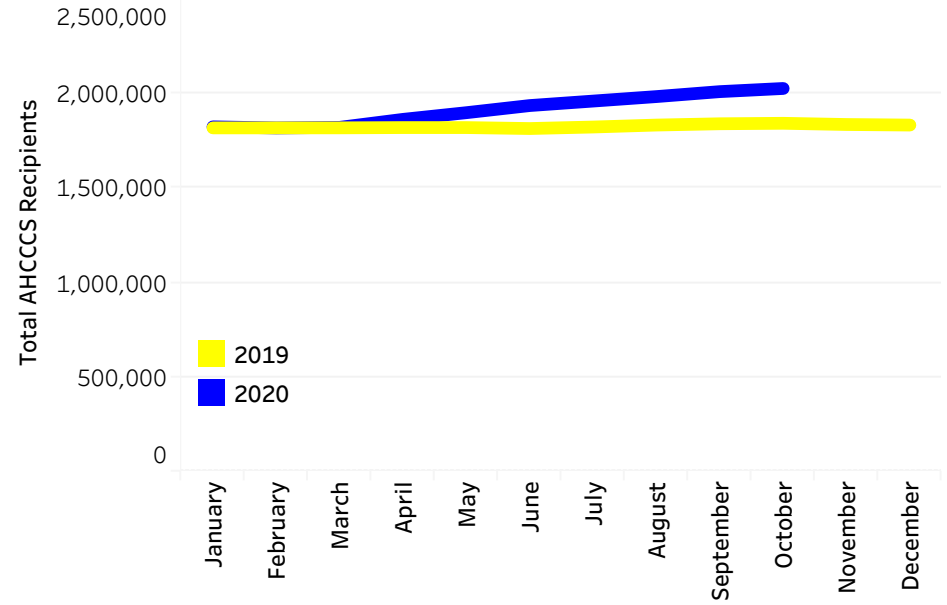


Reported Unemployment Insurance Initial Claims and Continued Claims do not include claims associated with the federally funded Pandemic Unemployment Assistance (PUA) program.

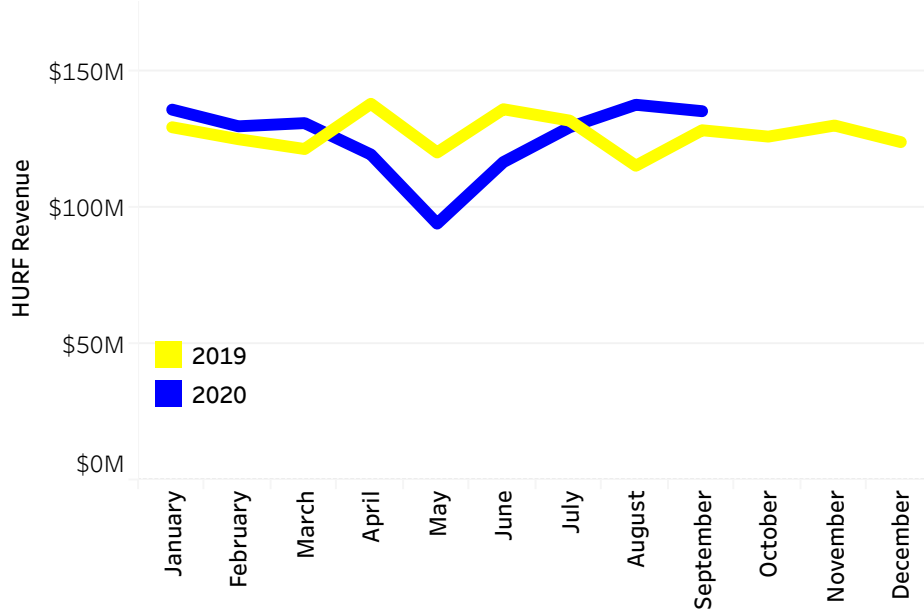
SNAP Recipients



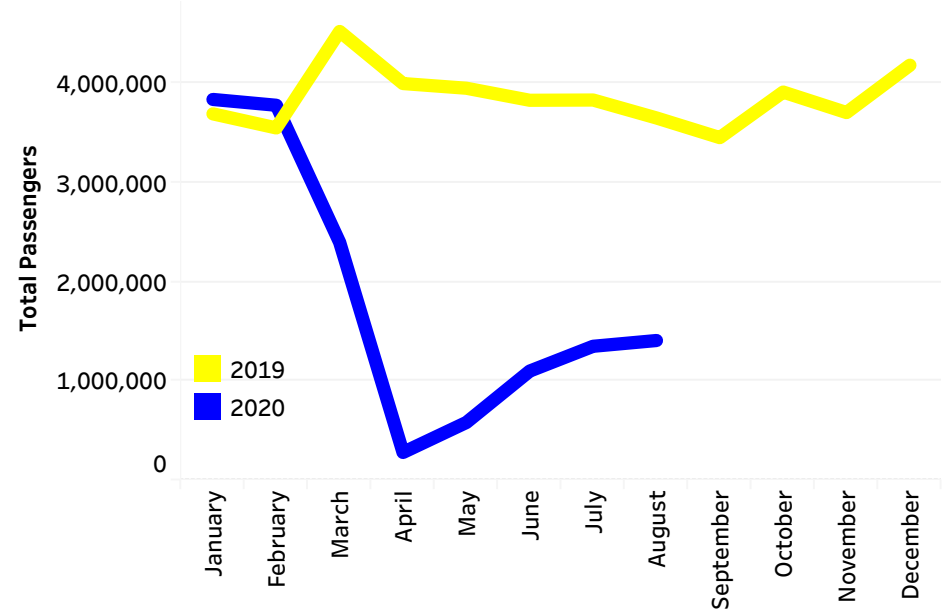
AHCCCS Recipients



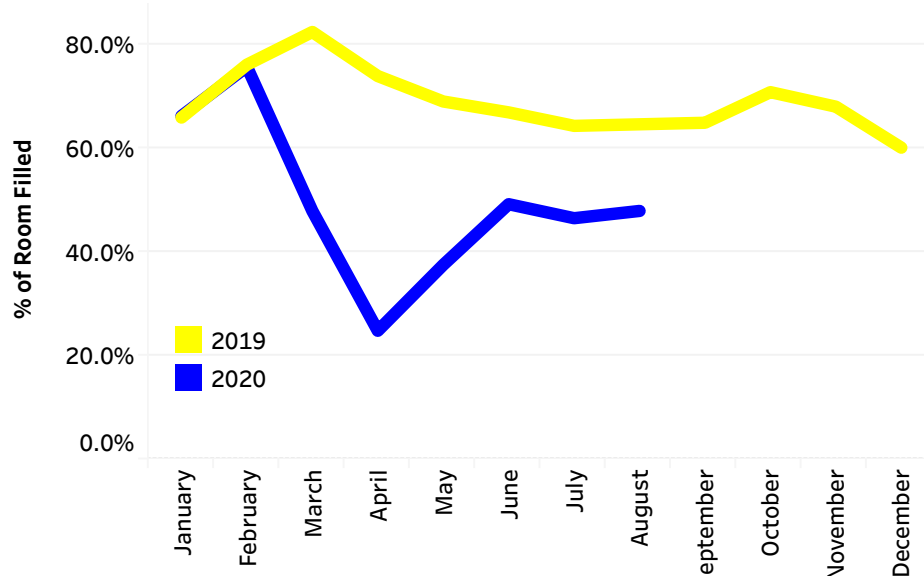
HURF Revenue



Sky Harbor Total Passengers



Arizona Hotel Occupancy



Arizona OpenTable Daily Reservations

