

Finance Advisory Committee

Briefing Materials

January 20, 2011

JLBC

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JLBC



The Recovery Takes Hold...

Finance Advisory Committee
January 20th, 2011

By:
Elliott Pollack
CEO, Elliott D. Pollack & Company



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**National Recession
ended in
mid-2009.**



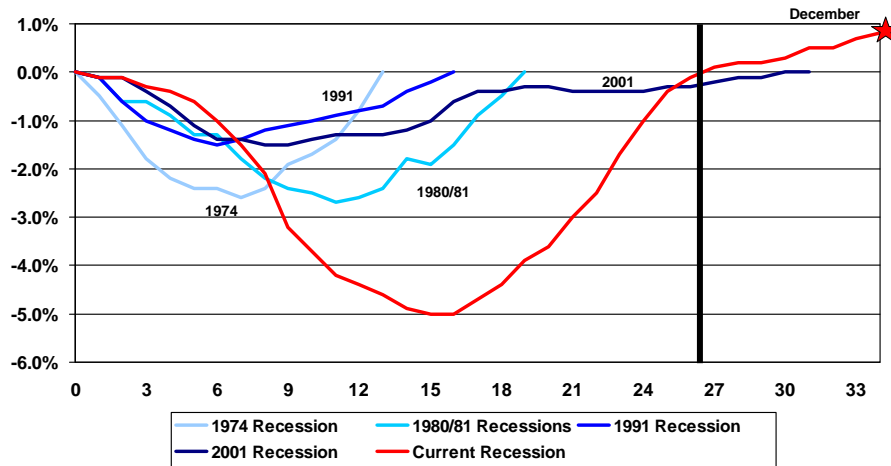
Are you having a good time yet?



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U.S. Y/Y Job Losses - Recent Recessions

Duration in Months - BLS



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US Employment*

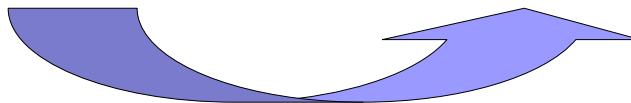
Source: Bureau of Labor Statistics

Sectors in Decline

Construction	-2.0%
Information	-1.5%
Financial Activities	-1.0%
Government	-1.0%

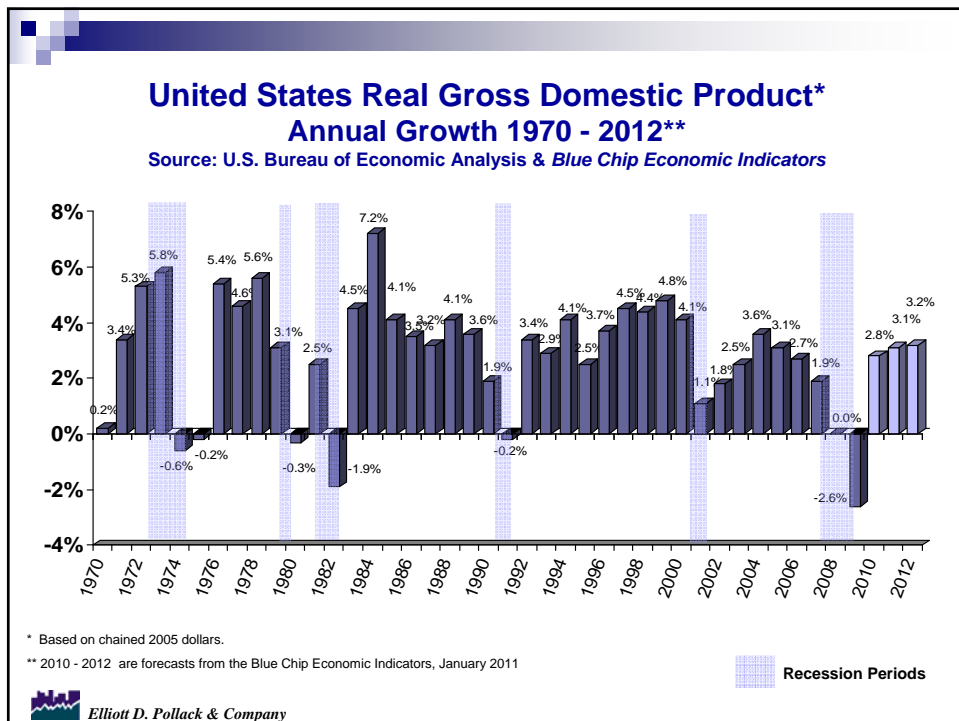
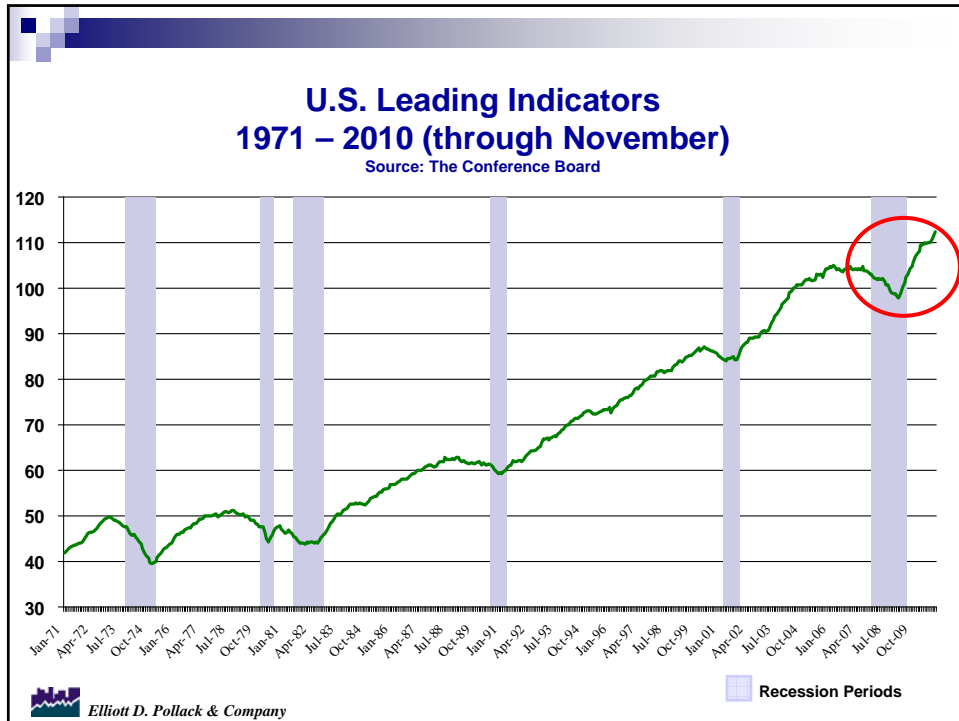
Sectors Improving

Natural Resources & Mining	13.9%
Education & Health Services	2.2%
Trade	0.9%
Prof. & Bus. Services	2.3%
Leisure & Hospitality	1.7%
Transp., Warehousing & Utilities	0.6%
Manufacturing	1.2%
Other Services	1.2%



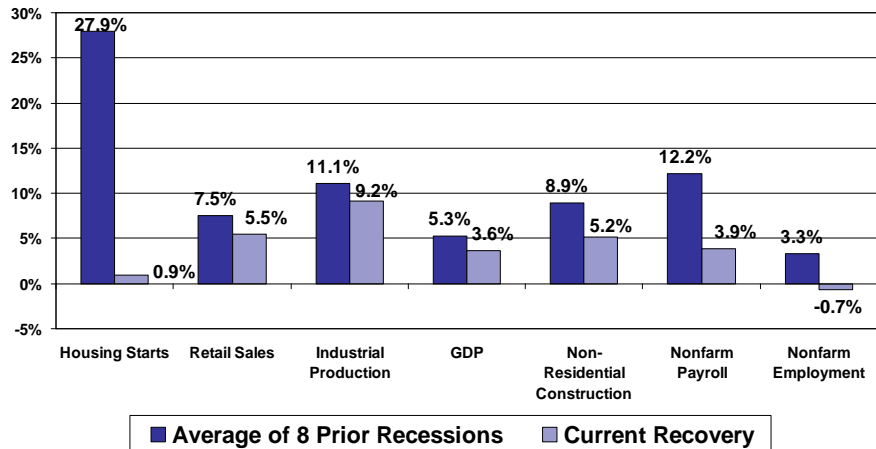
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*December 2010/December 2009



Recession End v. 5 Quarters Later

Sources: NAHB; Census, BEA, BLS



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**2012 & 2013
will be a whole
lot better than
2010 & 2011
-and-
2010 & 2011
were a whole lot
better than
2008 & 2009!**



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Arizona Outlook Summary

<u>Subject</u>	<u>Good News</u>	<u>Bad News</u>
National economy	Recovering	Slowly, but not bad.
Housing	At or past bottom	Still many negatives. No quick fix for population flows.
Commercial real estate	At or near bottom	Recovery will be slow and take a long time.
State government	Sales tax revenues no longer falling	Revenue growth too slow to fix problem soon.
Retail sales	Past bottom; pent up demand	Consumers still restructuring balance sheet. Credit markets tough.



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- Recovery in Arizona will be slow.
- For the U.S., a solid cyclical recovery is underway.



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What *usually* drives a recovery?

- Inventory swing - **occurred**
- Retail sales – **slow but growing**
- Housing – **yet to occur**

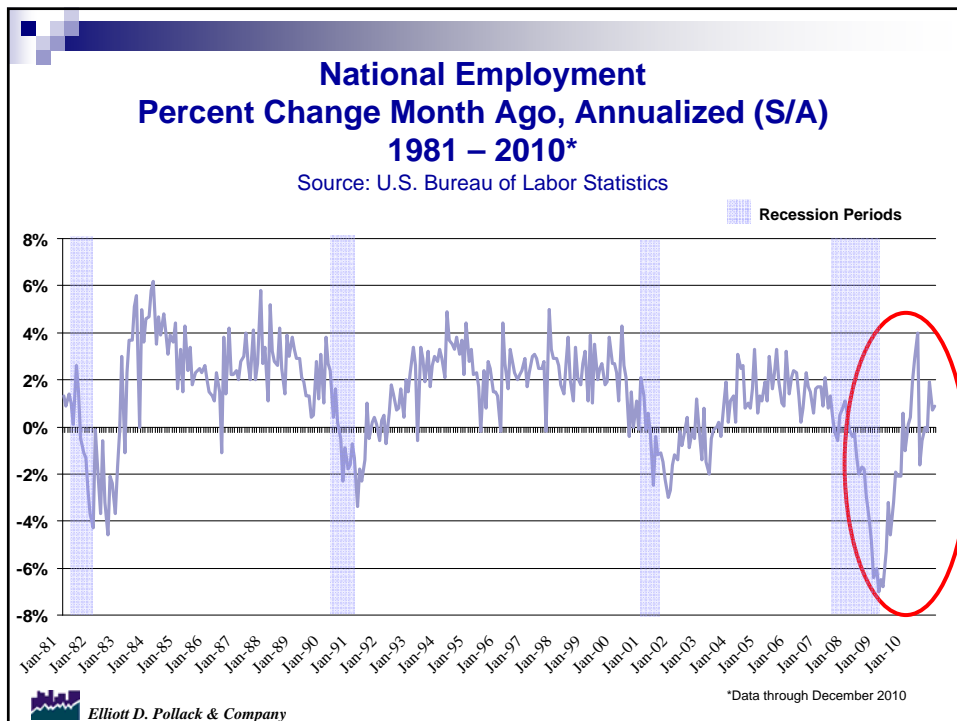
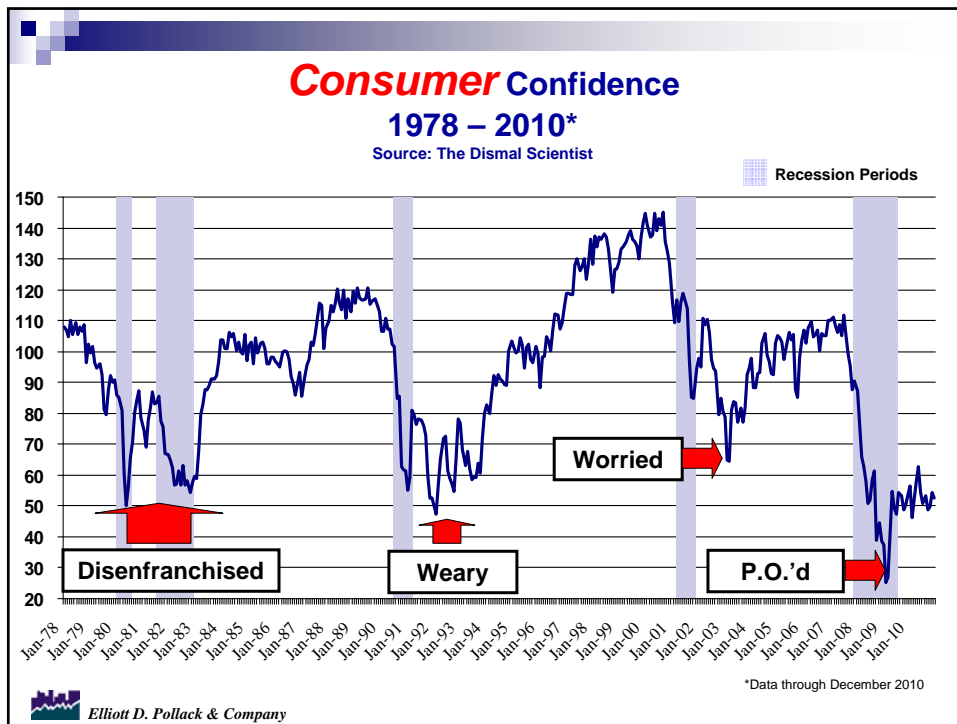


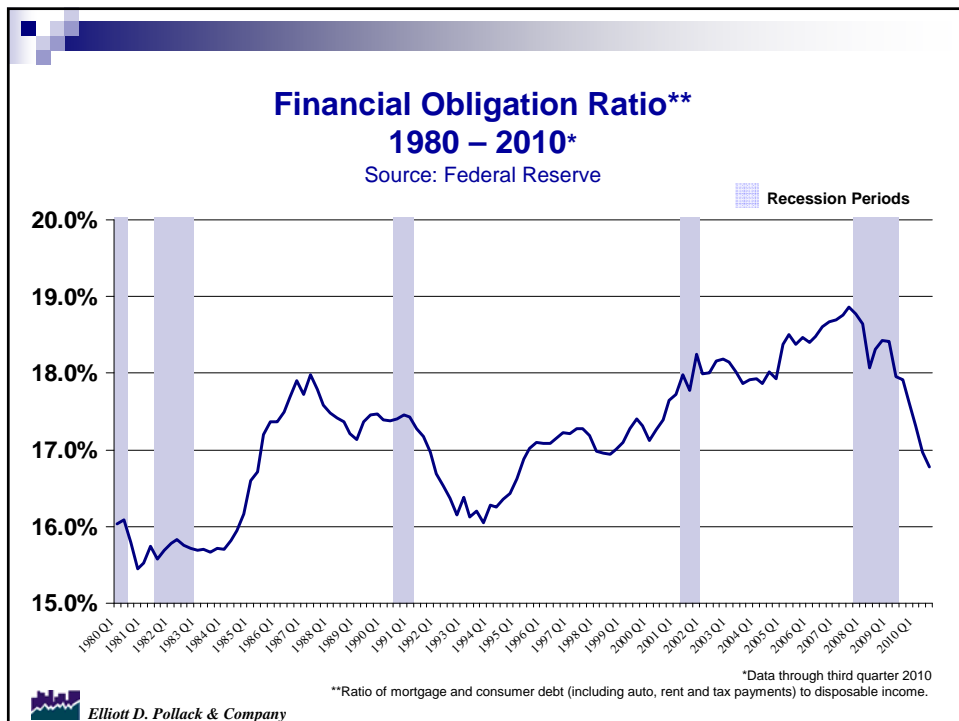
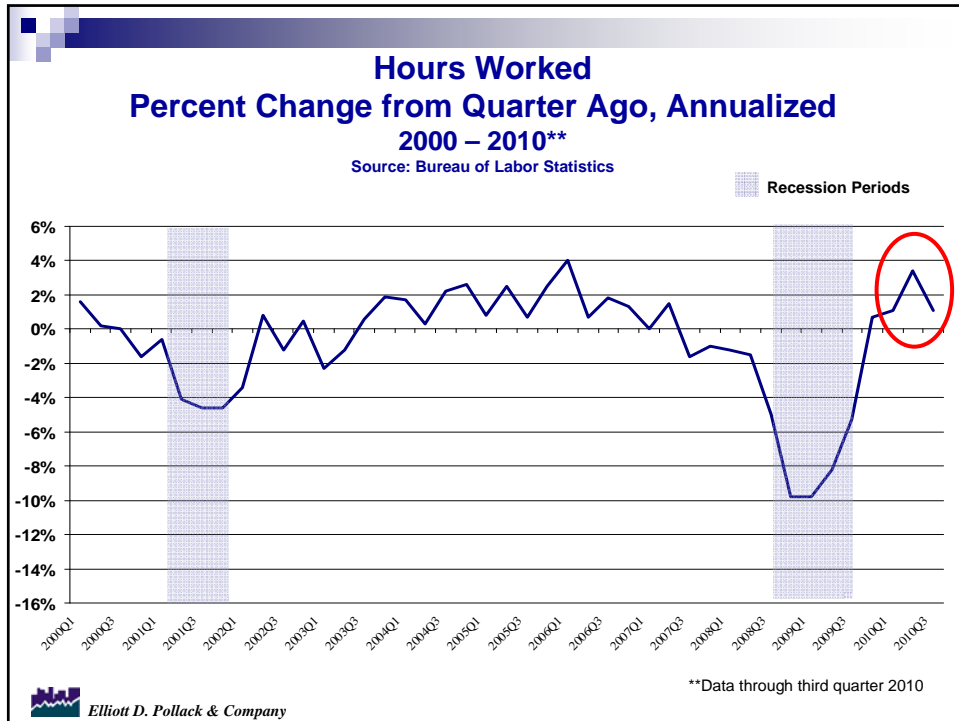
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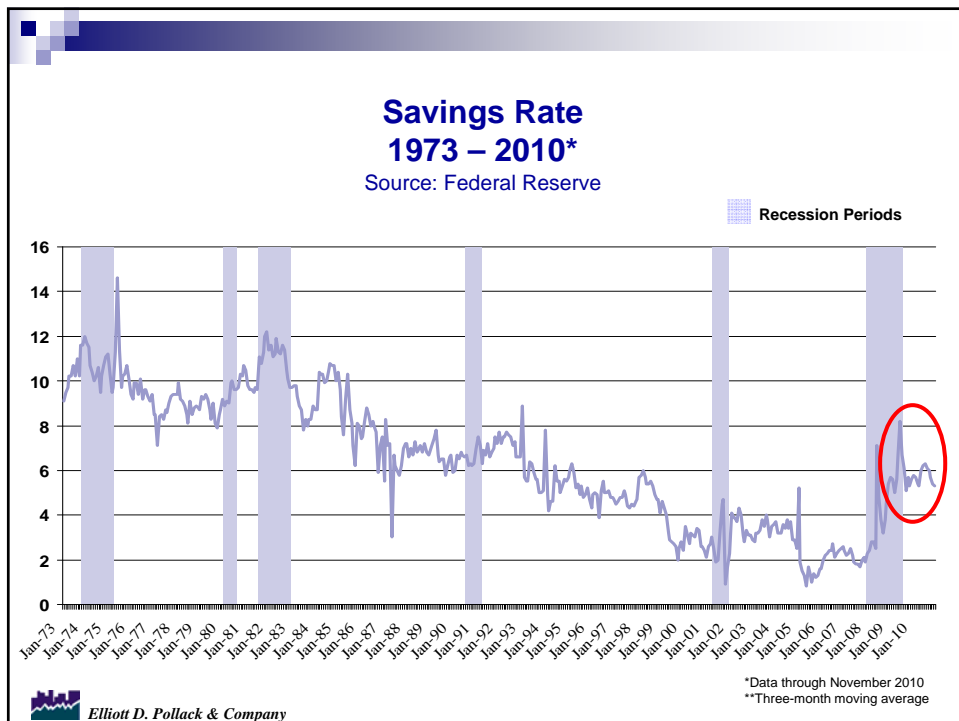
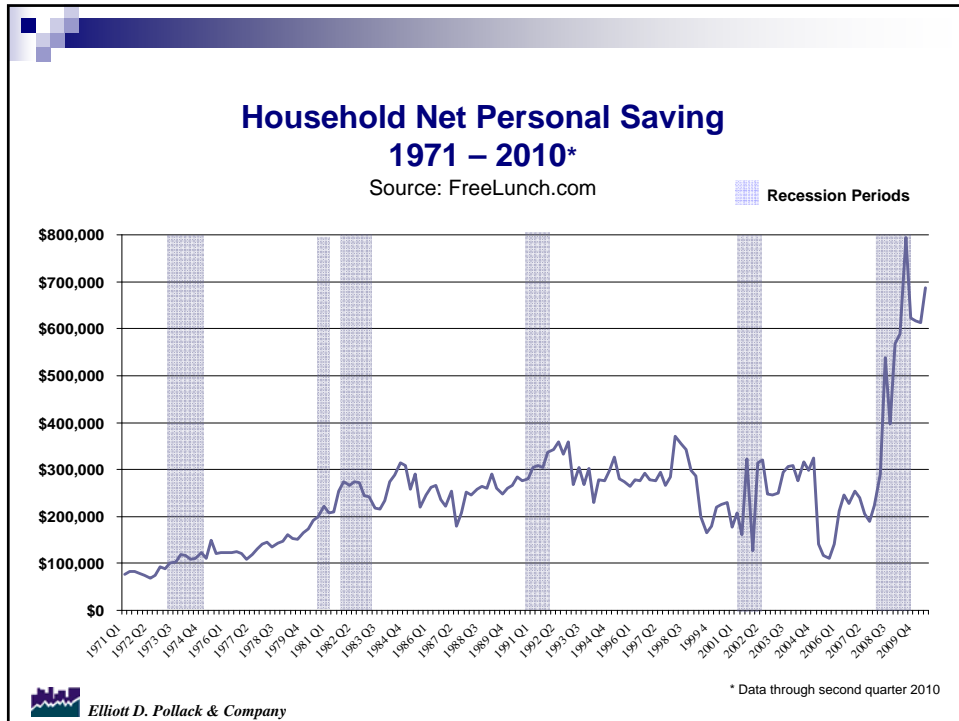
Consumers



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Household Income

In the 70s and 80s

Boost in income → women entering labor force

In the 90s

Stock market boomed

First half of 2000's

Housing appreciation → house as a credit card.

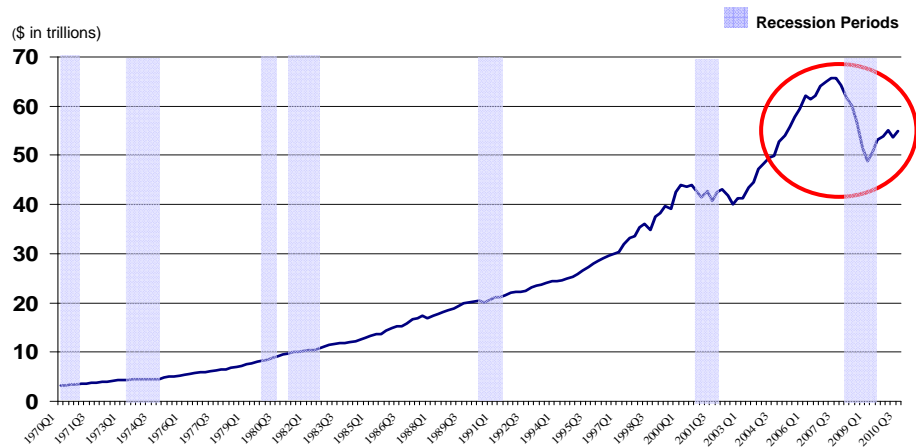


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Household Net Worth (\$\$\$)

1970 – 2010*

Source: Federal Reserve



*Data through third quarter 2010.



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Basic Story: Consumer (Households)

- Debt level improving but probably still has a way to go.
- Savings rate up.
- Jobs and hours worked looking better.
- Tight credit markets make borrowing difficult / lack of need to borrow.
- Real personal income up.
- Confidence low but improving.



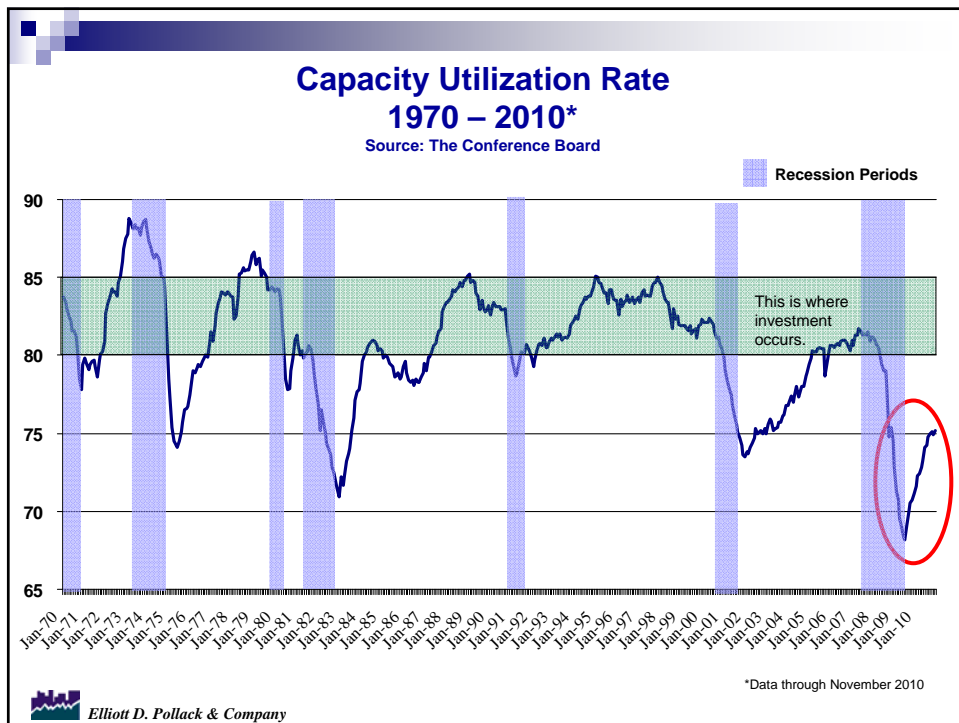
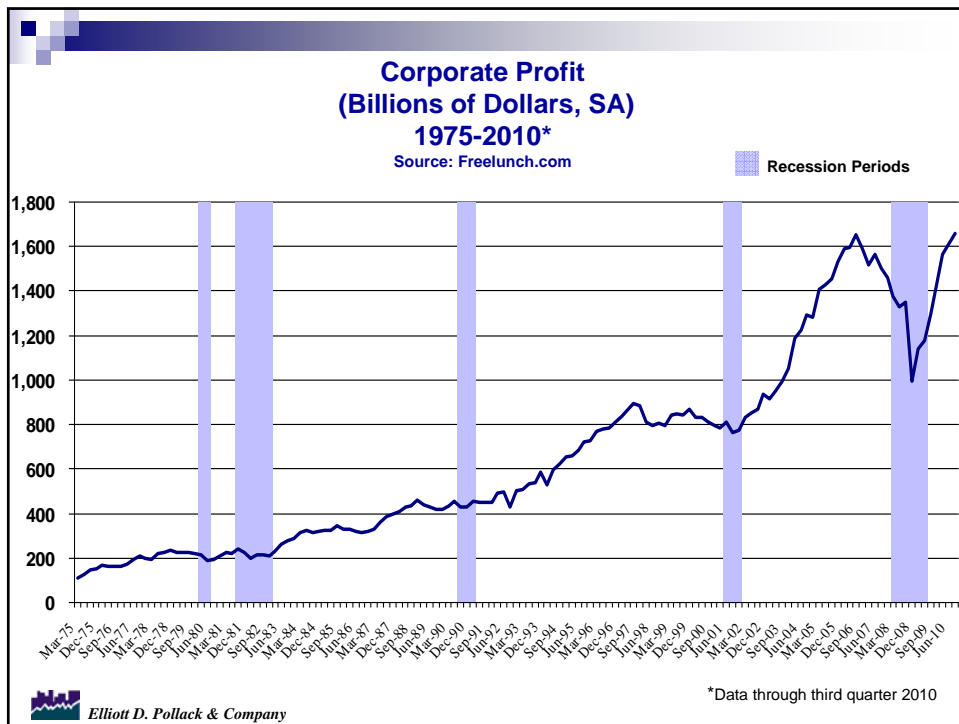
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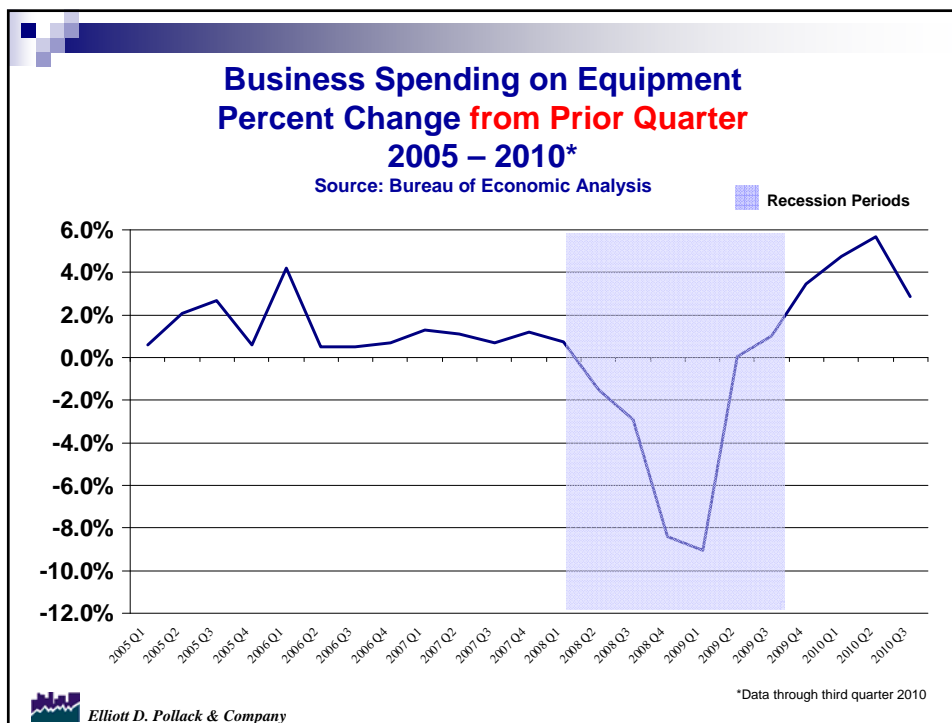
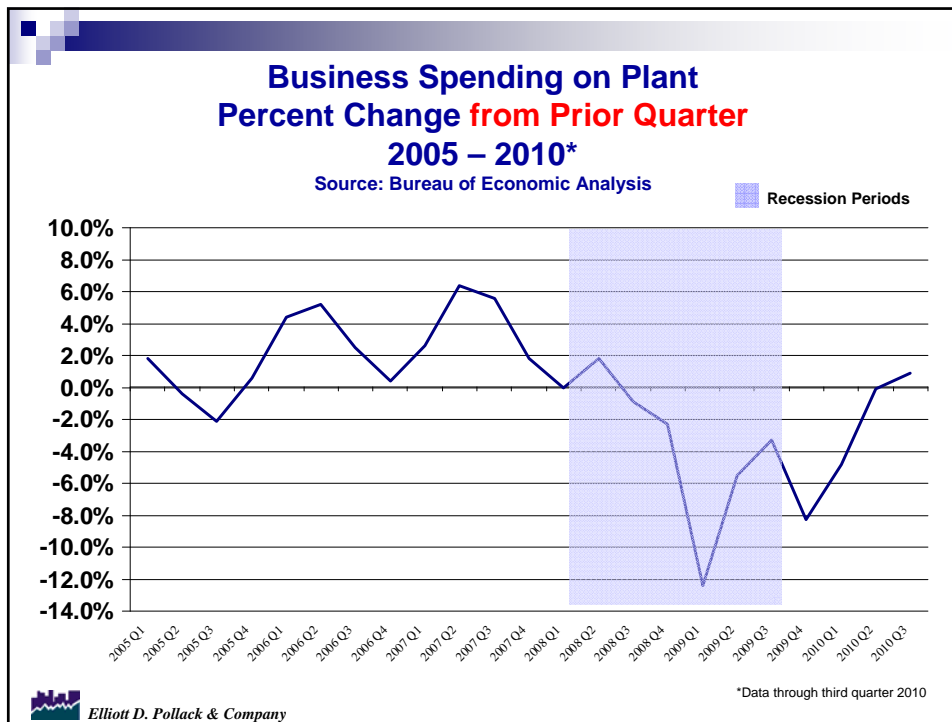
Business

Looking
Good?



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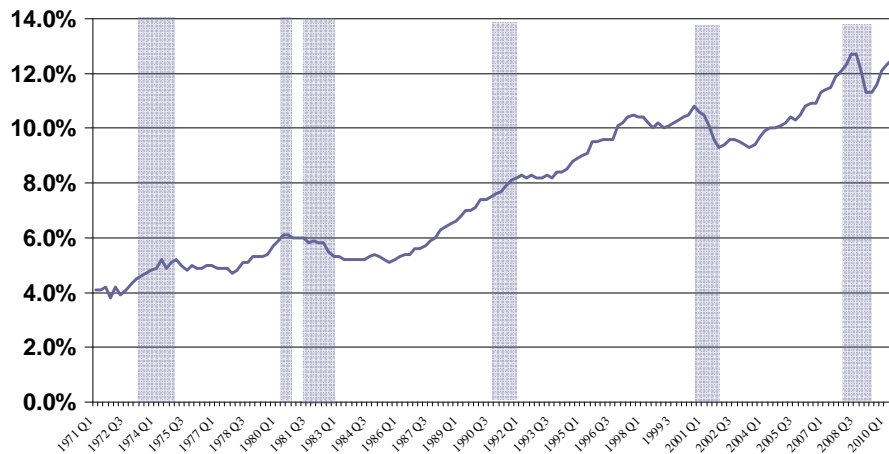




Net Exports as a % of GDP 1971 – 2010*

Source: Bureau of Economic Analysis

Recession Periods



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* Data through third quarter 2010

Business Summary

- Business spending on plant will be slow.
- Spending on equipment will be up.
- Limited positive impact during initial phase of recovery.
- Additional inventory corrections will enhance the growth data.
- Hiring will be relatively slow.



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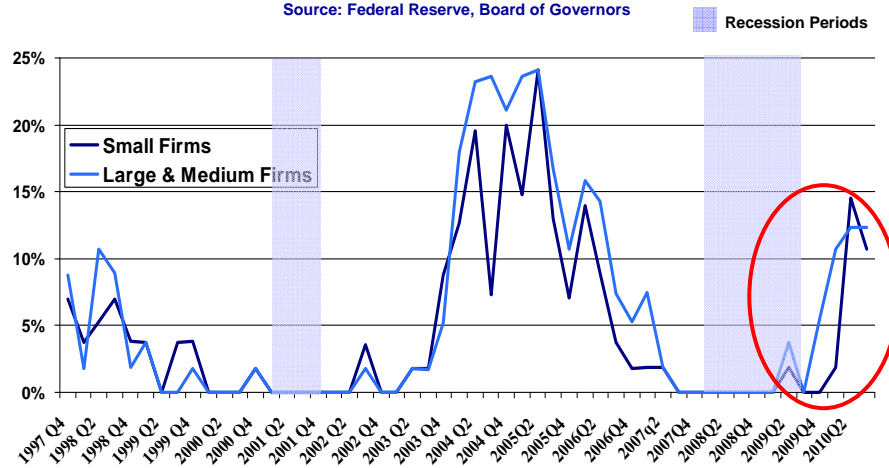
How tight is Credit?



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Percentage of Large U.S. Banks Reporting **Easier** Standards on Business Loans 1997 – 2010*

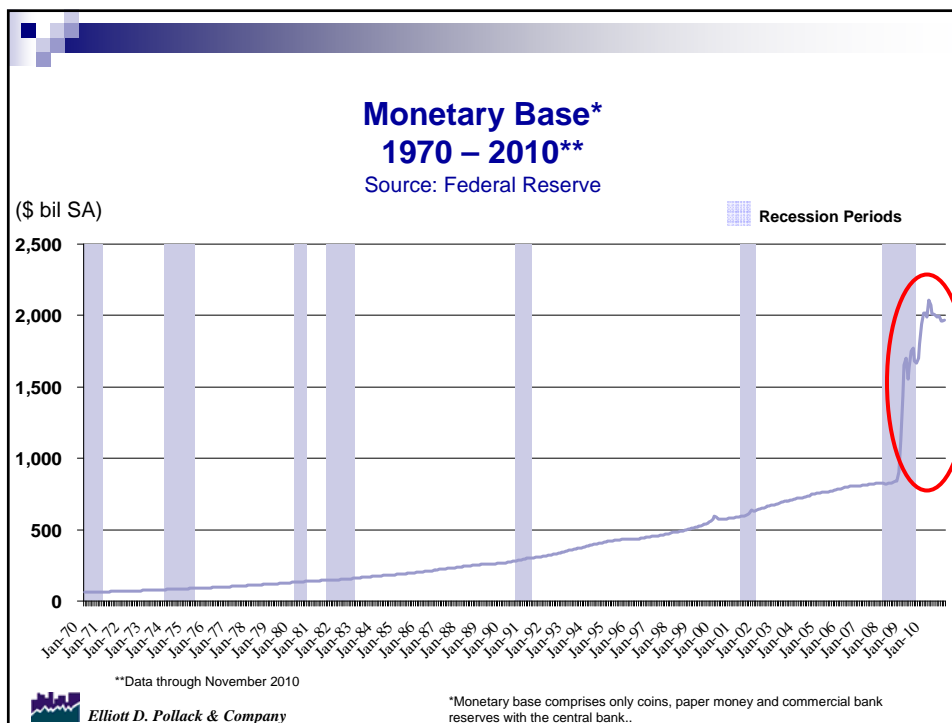
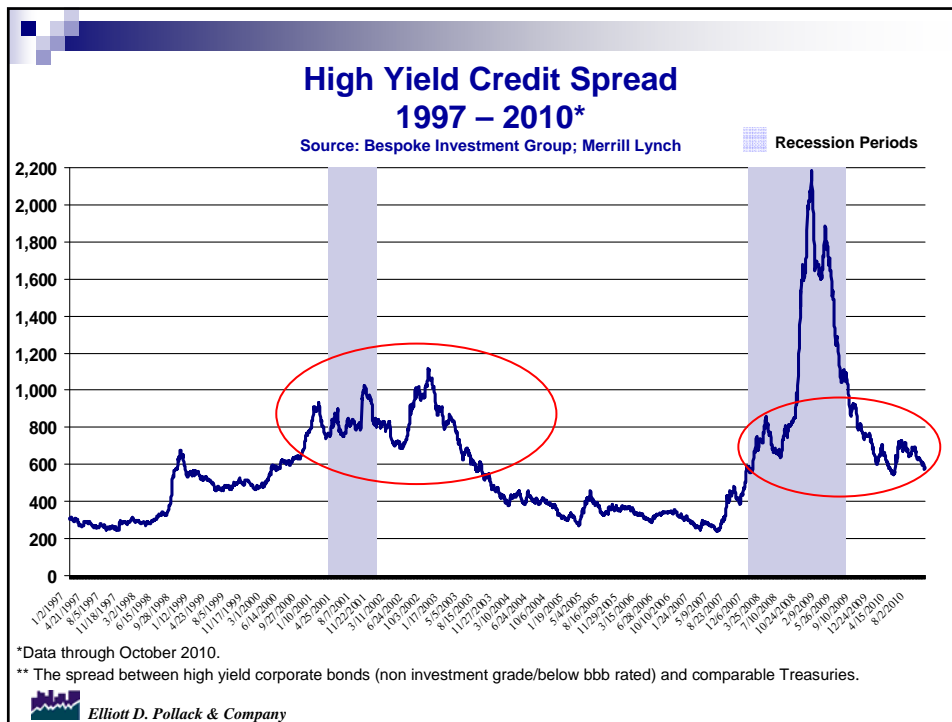
Source: Federal Reserve, Board of Governors



* Data as of October 2010 survey.



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FEDS:
You won't
know what
you're
getting
until it's
TOO LATE.



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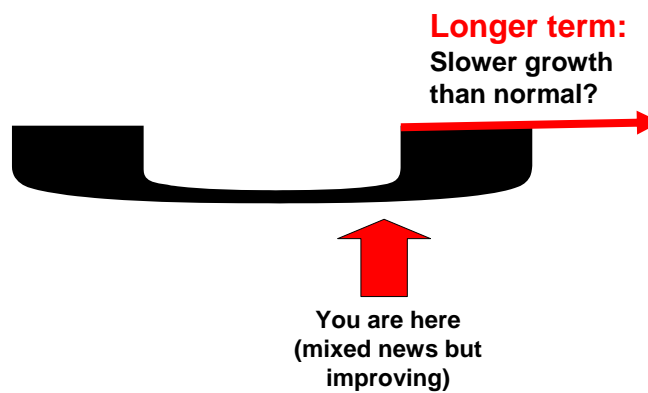
**Can
this
last?**

U.S. Summary



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U.S. Summary:



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Case Study:

**Arizona, the
recession
“poster child.”**



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**Recovery *has* begun in
Arizona.**



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But Arizona has some unique problems...



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How Arizona Ranks Among the States in Percentage Growth

Source: U.S. Bureau of Census; Bureau of Labor Statistics; Bureau of Economic Analysis

<u>DECADE</u>	<u>POPULATION</u>	<u>EMPLOYMENT</u>	<u>PERSONAL INCOME</u>
1950 - 1960	4 TH	3 RD	4 TH
1960 - 1970	3 RD	3 RD	4 TH
1970 - 1980	2 ND	3 RD	3 RD
1980 - 1990	3 RD	3 RD	5 TH
1990 - 2000	2 ND	2 ND	3 RD
2000 - 2009	2 ND	11 th	3 RD



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Employment Growth Rank last Decade

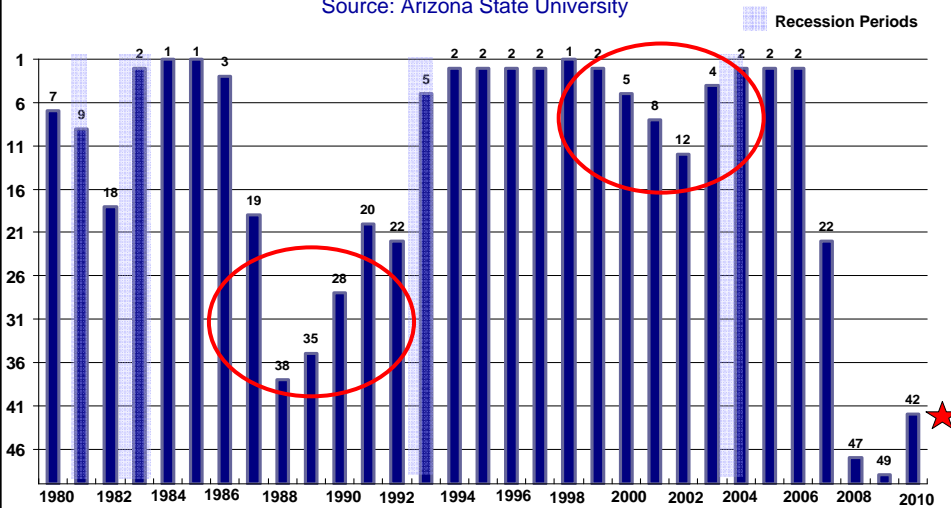
2000-2007	3 rd
2007-2009	48 th
2000-2009	11 th



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Arizona Employment Rank Among 50 States 1980 – 2010 Growth Over Previous Year

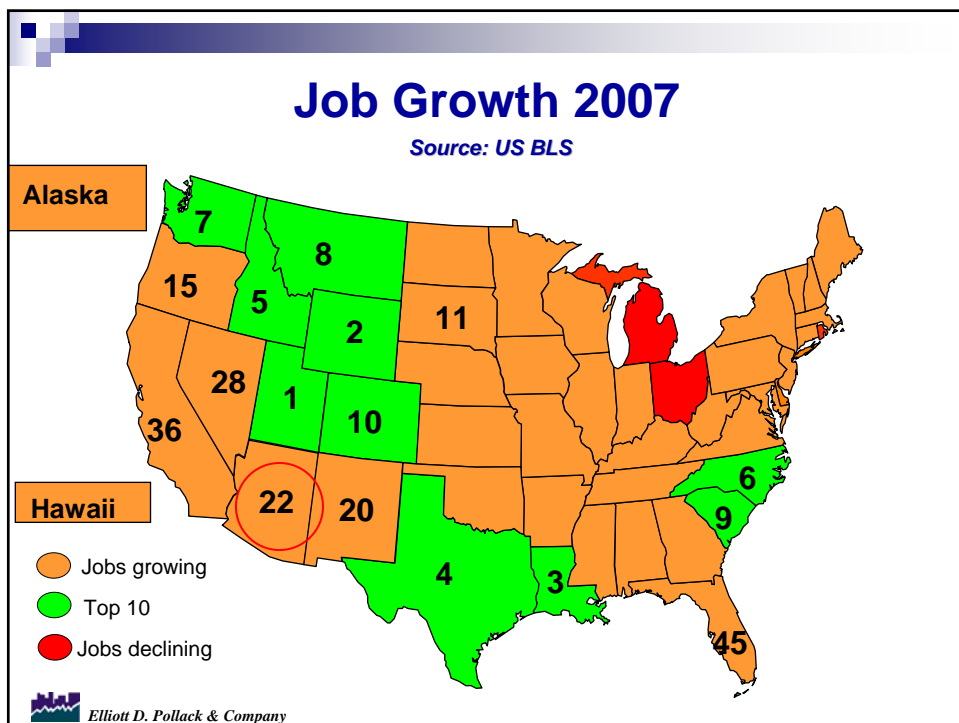
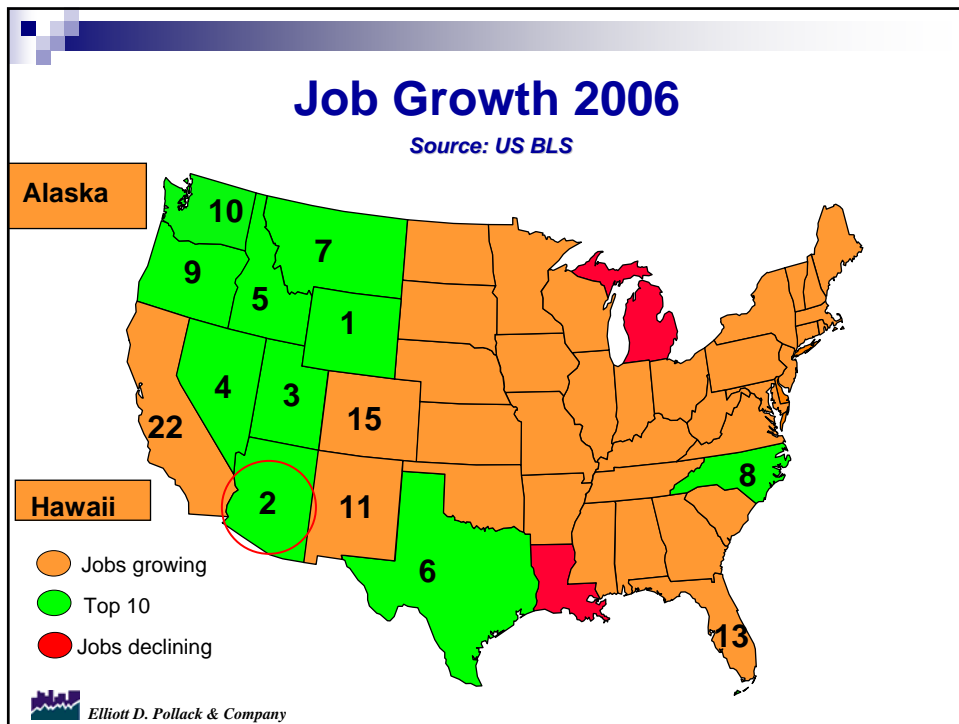
Source: Arizona State University



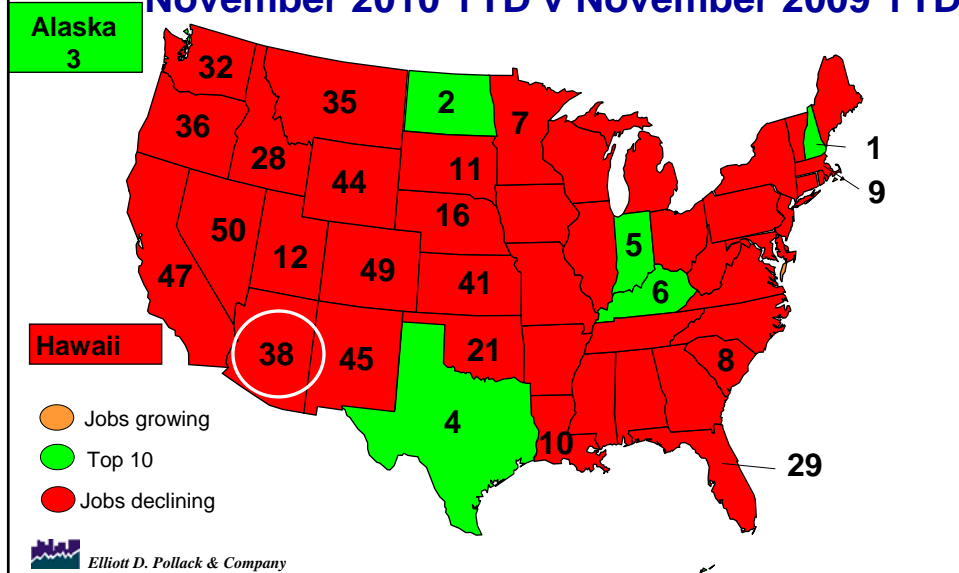
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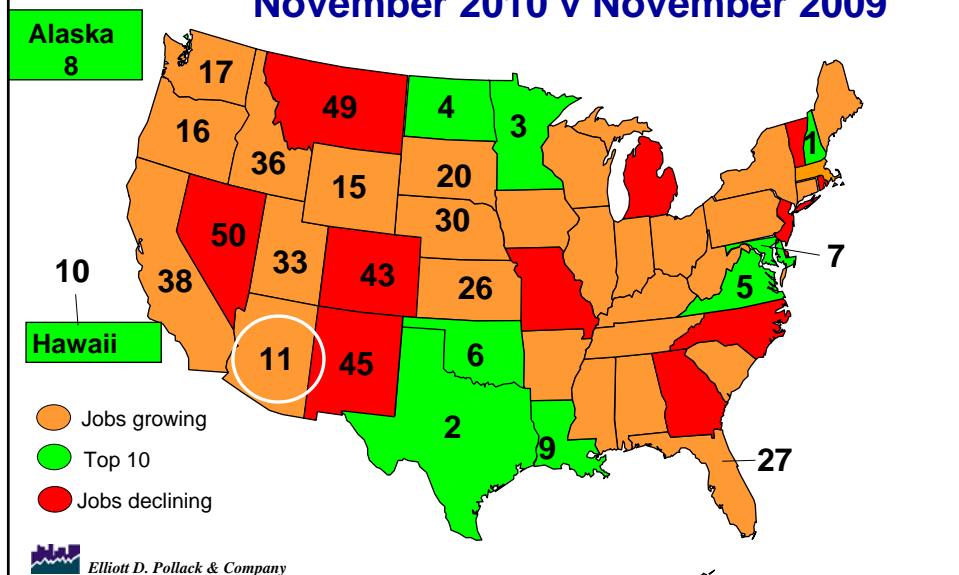
YTD November 2010 = 38



Job Growth Update: Arizona Ranked 38th November 2010 YTD v November 2009 YTD



Job Growth Update: Arizona Ranked 11th November 2010 v November 2009



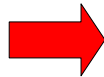
So, how
did we
go from
2nd
to **49th**
??



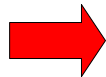
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How did AZ go from **2nd to 49th**?

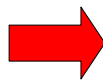
- Financial meltdown.
- Credit crunch/freeze.
- Overextended consumer.
- Excess single family inventory.



- Loss of wealth incl. home equity.
- Can't sell homes or retire.
- Homebuilding crash.
- **Population inflows weaken.**



- Excess commercial construction



- **Construction job losses.**
- **All sector job losses.**



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How did we go from 2nd to 49th?

Base industries of Arizona were impacted

- a) Semi-conductors
 - Go into durables
 - Jobs being sent overseas
- b) Aerospace
- c) Tourism
- d) Retirement



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How did we go from 2nd to 49th?

People can't move here.

Population Growth

	<u>2007</u>		<u>2009</u>
U.S.	0.9%	→	0.9%
Arizona	3.1%	→	0.8%
	(195,000)		(55,000)



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How did we go from 2nd to 49th?

Housing boom turns into bust

Permits	U.S.	Arizona
2004	7.4%	26.3%
2005	6.5%	2.1%
2006	-14.6%	-33.9%
2007	-28.6%	-24.6%
2008	-40.5%	-51.9%
2009	-28.5%	-39.0%



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How did we go from 2nd to 49th?

Commercial Construction
Peak to 2009



Percent Decline	Office	Retail	Industrial
U.S.	-15.4%	-51.4%	-57.5%
Greater Phoenix	-63.3%	-60.3%	-65.8%



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Bad National Press



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Between 1987 and 1992

- Governor impeached
- Real estate depression
- Defense cutbacks
- AZ Scam
- Martin Luther King Holiday Crisis
- Keating
- Keating 5
- Every S&L taken over by RTC



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No
long-term
effects.



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So, how
do we go
from
49th to **2nd**
???



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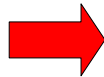
There is always hope.



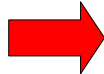
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How does AZ go from 49th to 2nd?

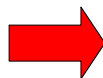
- *Wait. Slow recovery.*
- Credit frees up.
- Consumers more confident.



- Overall US economy improves.
- Stock market improves.
- Excess housing absorbed.



- *People start to move to AZ again.*
- Housing prices rise.
- *Construction job gains.*



- *All sector job gains.*
- *More people move to AZ.*
- Improved government revenue.
- Grow our base industries!!!



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How do we go from 49th to 2nd?

- 2010 will be better than 2009
- 2011 will be better than 2010.
- It will be 2012 or 2013 before the State is growing rapidly again.



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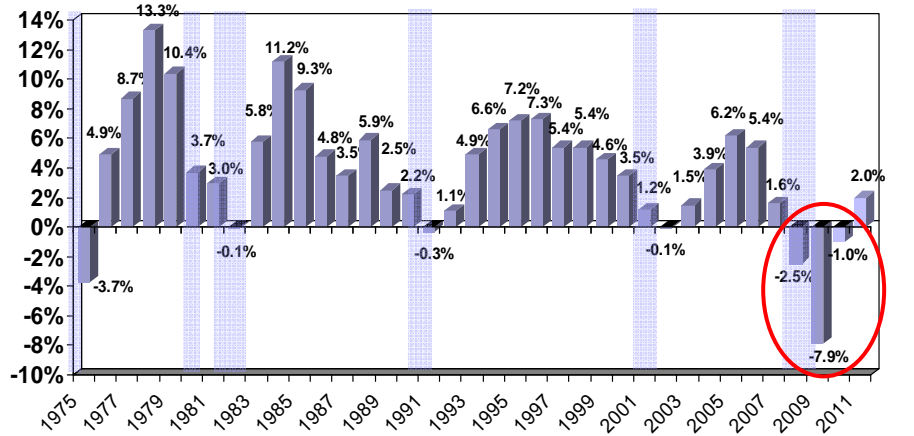
Greater Phoenix



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Greater Phoenix Employment* Annual Percent Change 1975–2011**

Source: Department of Commerce, Research Administration



*Non-agricultural wage & salary employment. Changed from SIC to NAICS reporting in 1990.

** 2010 & 2011 forecasts are from Elliott D. Pollack & Co.



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Recession Periods

MID YEAR 2009 (End of Recession)

Source: Arizona Department of Commerce, Research Administration

Sectors in Decline

Mining	-16.2%
Construction	-26.2%
Manufacturing	-8.0%
Trade	-7.4%
Transp. & Utilities	-9.2%
Information	-4.1%
Financial Activities	-6.3%
Prof. & Bus. Services	-11.7%
Other Services	-6.5%
Educational Services	0.0%
Leisure & hosp svcs	-2.2%
Health Services	-0.7%
Government	-5.5%

Sectors Increasing

NONE!!!



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* June 2009/June 2008

Phoenix-Mesa Employment*

Source: Arizona Department of Commerce, Research Administration

Sectors in Decline

Manufacturing	-1.0%
Information	-4.3%
Financial Activities	-1.6%
Government	-2.0%
Leisure & Hospitality	-0.6%
Other Services	-1.3%

Sectors Improving

Mining	0.0%
Construction	3.6%
Education & Health Services	4.0%
Trade	3.7%
Prof. & Bus. Services	4.2%
Transp. & Utilities	3.6%

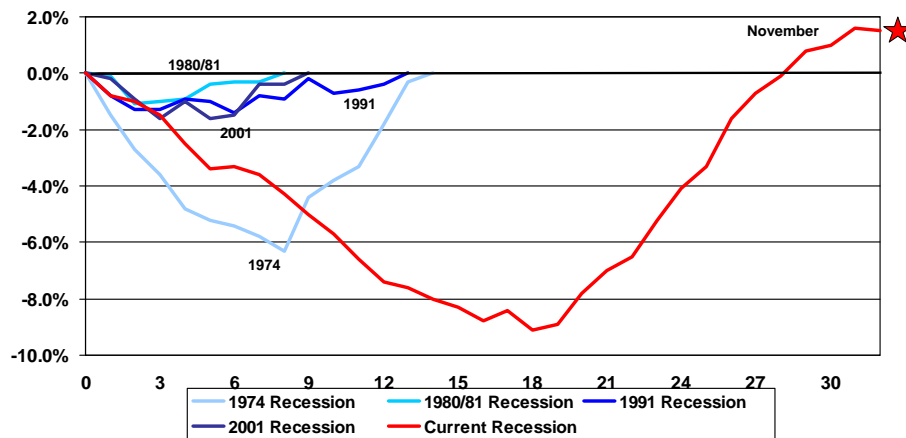


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*November 2010/November 2009

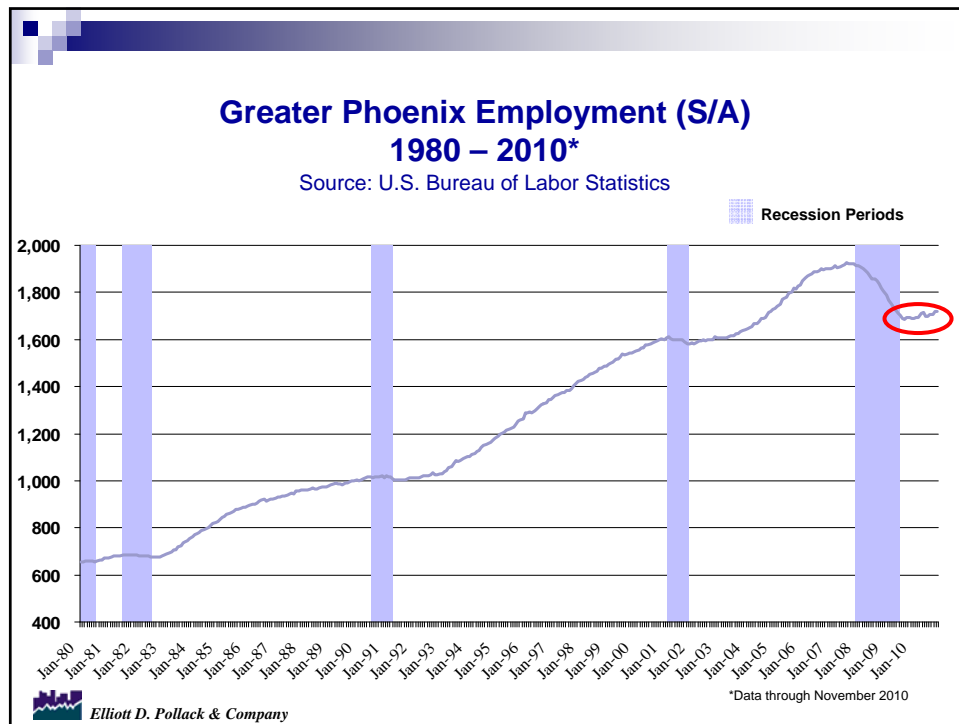
Greater Phoenix Y/Y Job Losses - Recent Recessions

Duration in Months - BLS



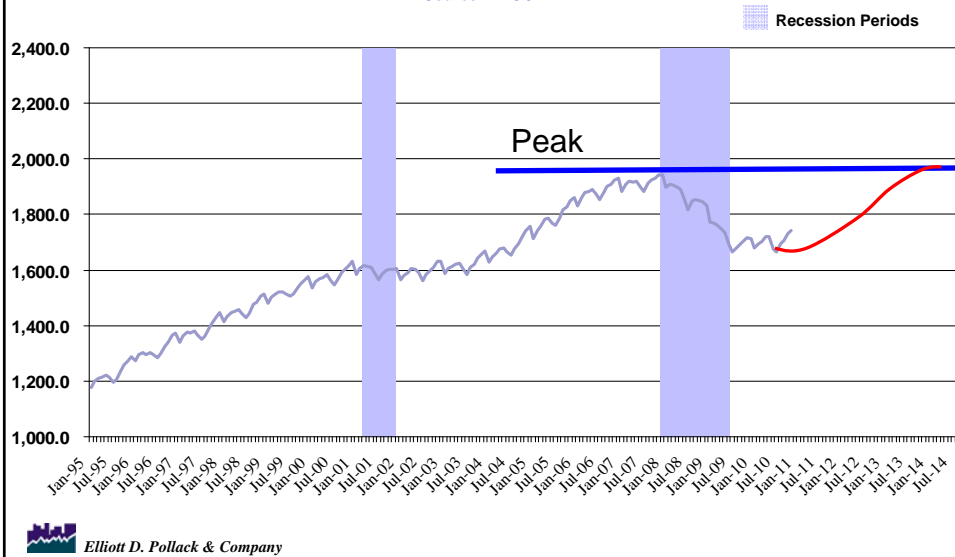
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Months of y/y job losses



Employment Levels: Greater Phoenix back to Peak in 2014

Source: ADOC



Housing Market

We are in the
4th year of a
bear market
in housing.



Housing Market

We could face several more
years of stress and there is
no quick way out.



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WHY

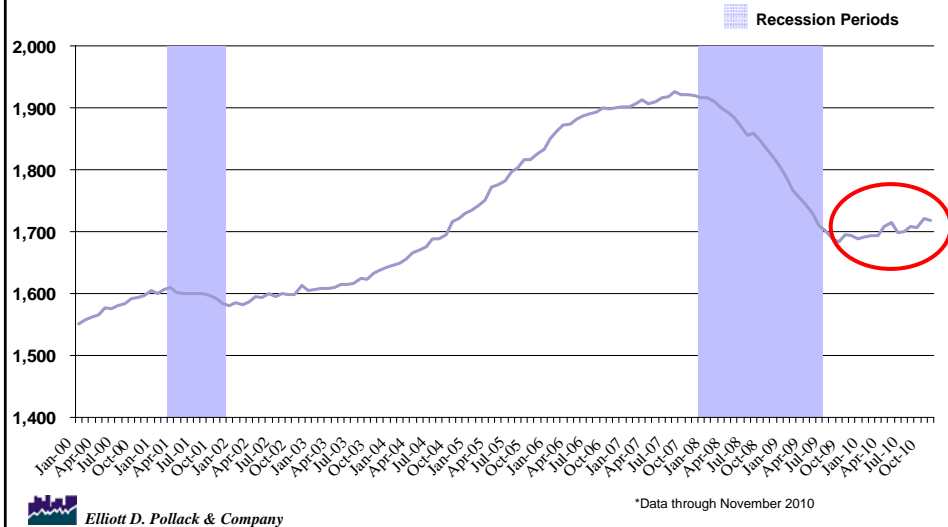
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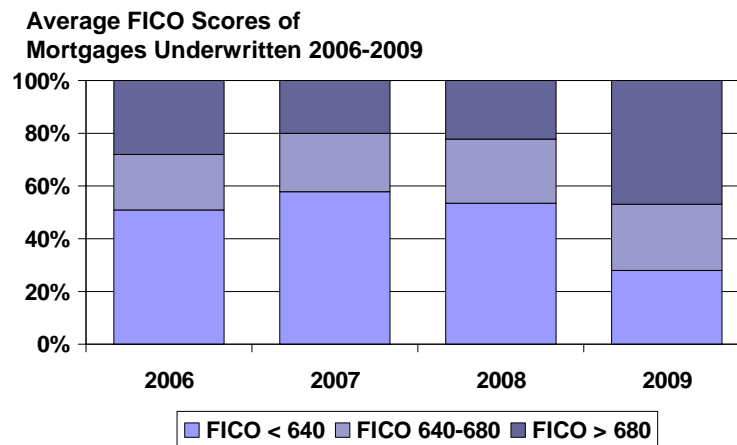
Job Growth Anemic Greater Phoenix Employment Levels

Source: U.S. Bureau of Labor Statistics



Underwriting Standards Tough

Source: Harvard JCHS 2010 report



Negative Equity in Homes Affects Ability to Sell or Buy

Source: First American Core Logic

**49% of homes in
Arizona have
negative equity
(national average 23%).**

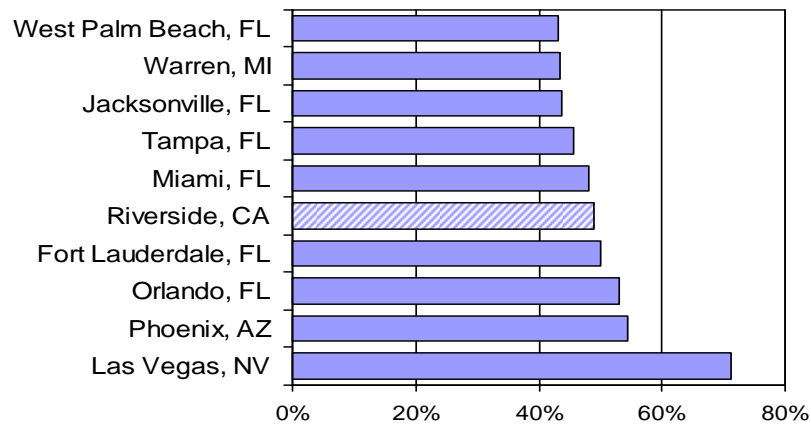


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Negative Equity in Homes Affects Ability to Sell or Buy

Source: First American Core Logic

Top 10 MSA's with Negative Equity

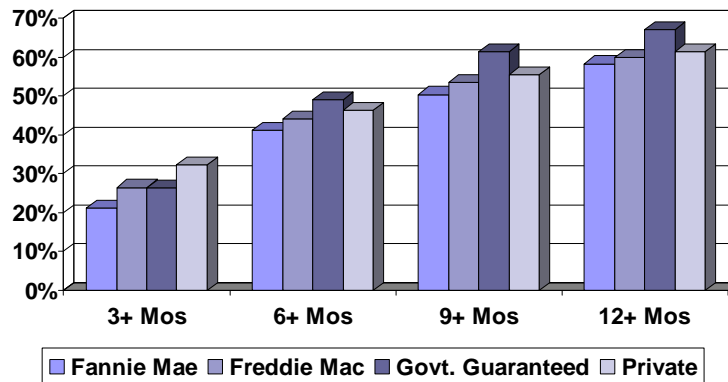


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Previous Loan Modifications have been a Failure

Source: OCC/OTS

Re-default rates on Loans*



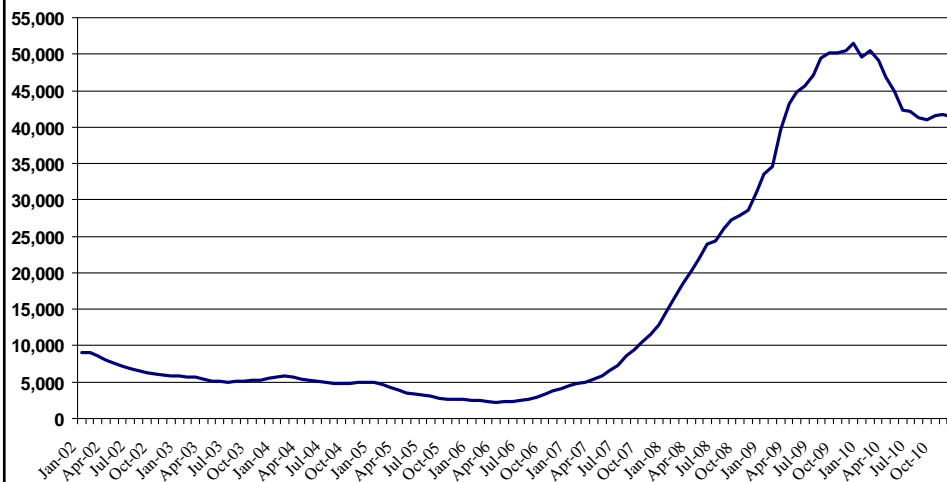
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*All modifications since January 2008 that have had time to age the number of months.

Foreclosures Still High

Maricopa County 2002 – 2010

Source: The Information Market



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*Properties in foreclosure process
Data through December 2010.

**Bad
economies
cause
foreclosures**



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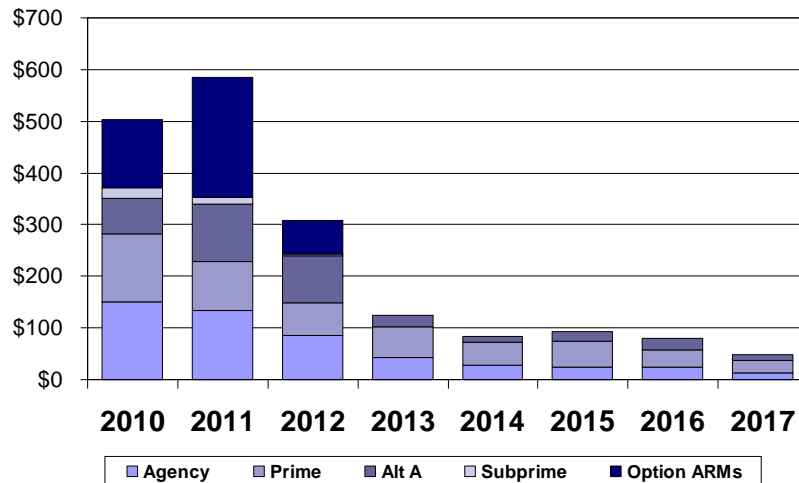
**Trailer parks
cause
tornadoes.**



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Option Arm Recasts:

Source: Loanperformance, FNM, FHLMC, GNMA, UBS



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Option ARM Resets do not Peak Until Next Year.

- Estimated that 90% of OA loans are negatively amortizing.
- This, combined with large percentage of negative equity in OA-backed loans, could lead to a new wave of distressed loans!



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Housing Market Summary

Housing market may have bottomed, but chances of a significant recovery are slim.



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The Real Problem

- Too many vacant homes.
- Not enough new households.



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SUPPLY V. DEMAND



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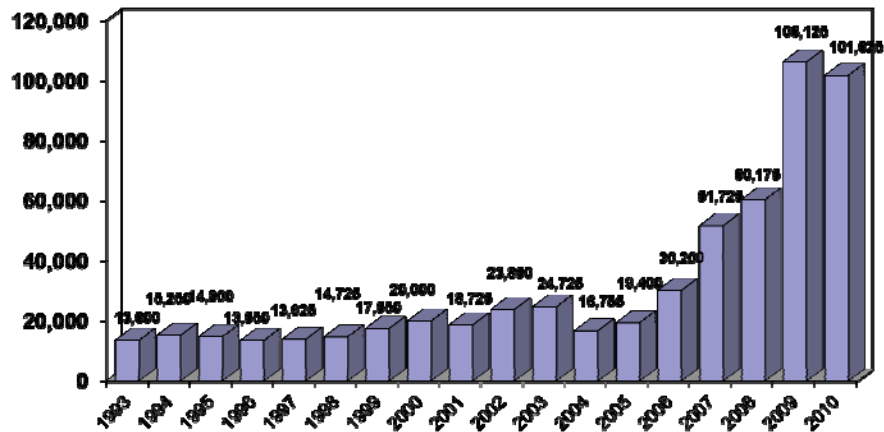


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**Excess
supply could
still be
60,000 to
75,000 units
regardless of
how
we do the
calculation.**

Single-Family Vacant Units Greater Phoenix 1993–2010q2

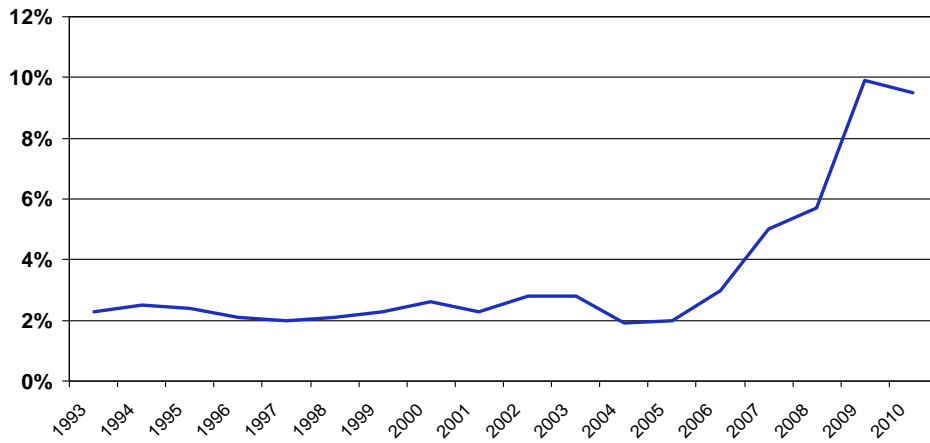
Source: PMHS



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Single-Family Vacancy Rate Greater Phoenix 1993–2010q2

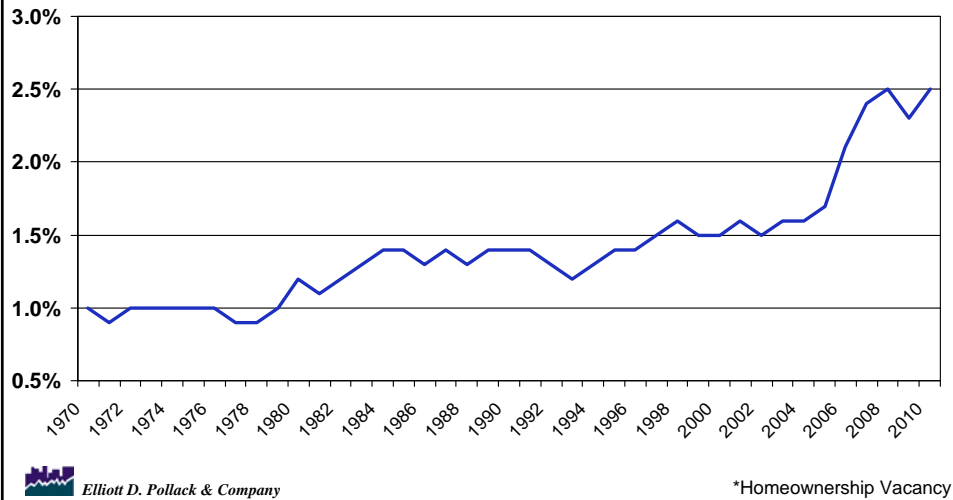
Source: PMHS



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Single-Family Vacancy Rate National 1970–2010q3

Source: Census Bureau



Household Formations

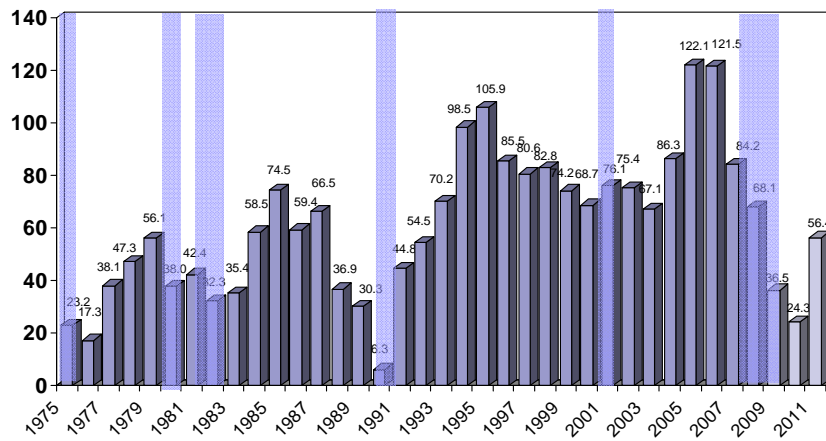
Lower during recessions (doubling up, living at home with mom & dad, etc)



Greater Phoenix Net Migration 1975–2011

Source: University of Arizona

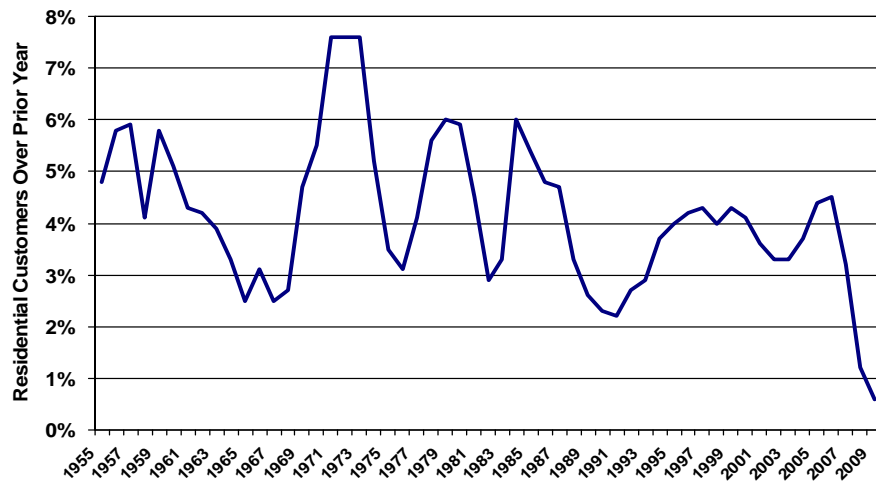
Recession Periods



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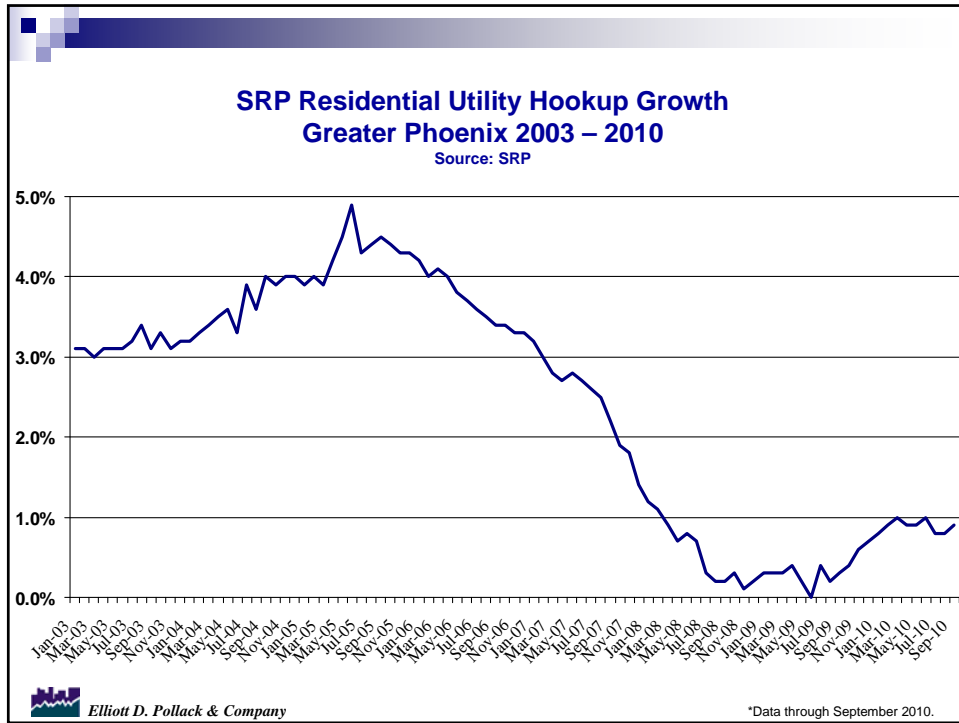
*Forecasts from UofA 2010q3

APS: Slowest Growth in over 50 years 1955 – 2009*



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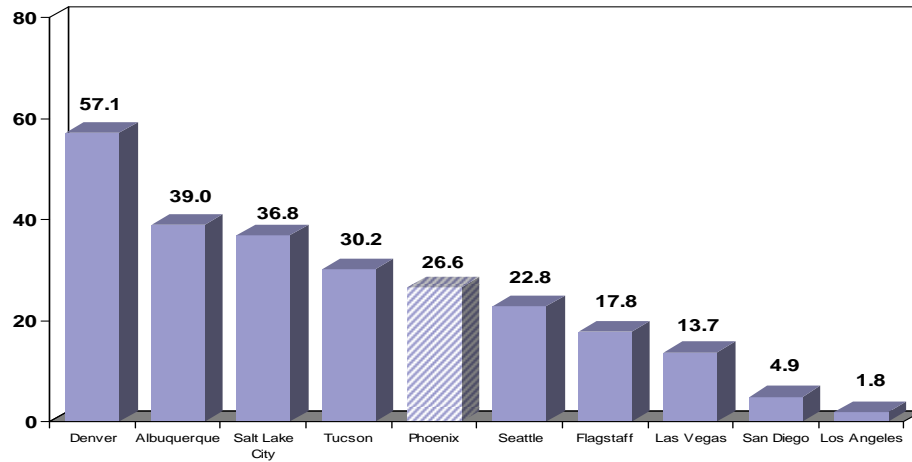
*Data through third quarter 2009
Source: APS



Housing Affordability Index

2006 q3

Source: NAHB

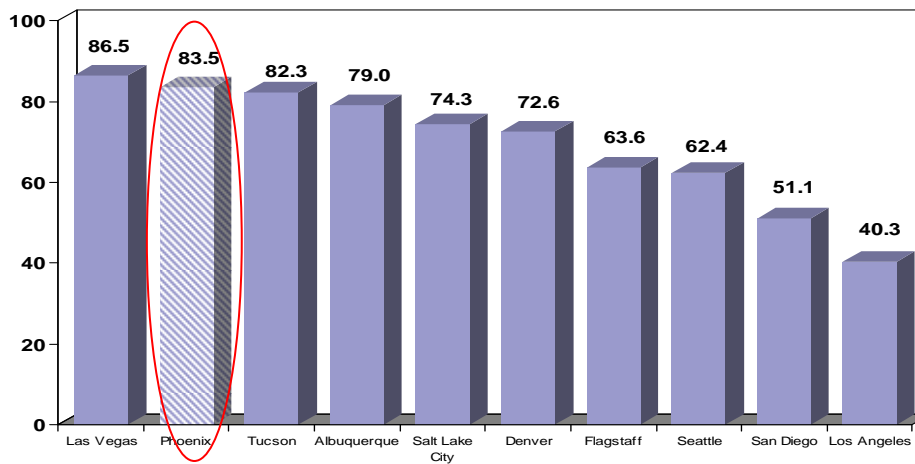


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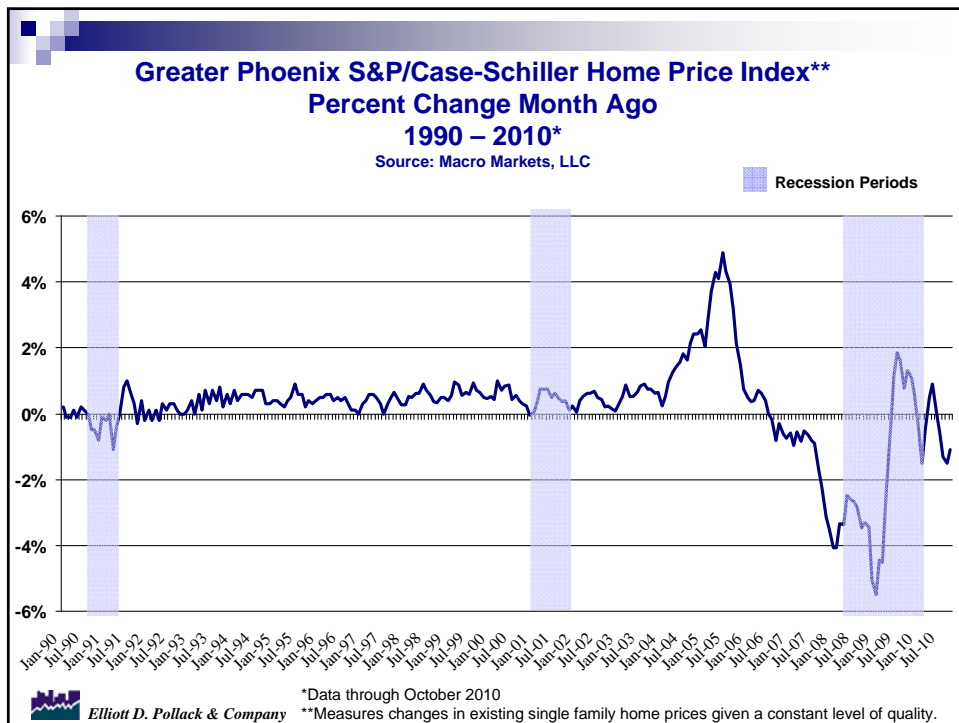
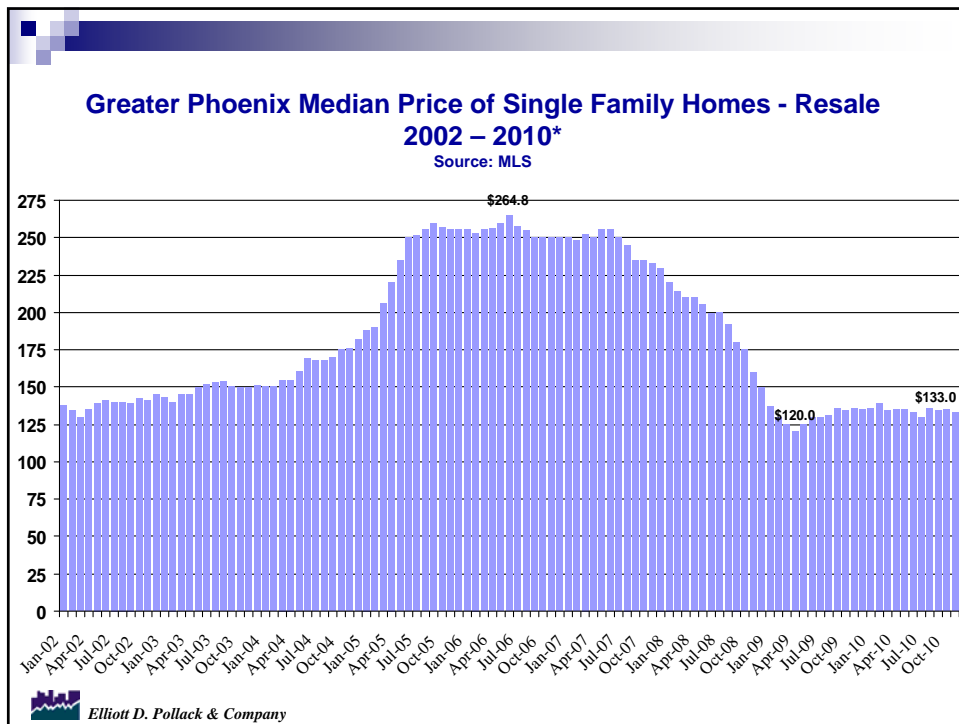
Housing Affordability Index

2010 q3

Source: NAHB



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**Balance between supply and demand
will not be fully achieved until about
2014.**

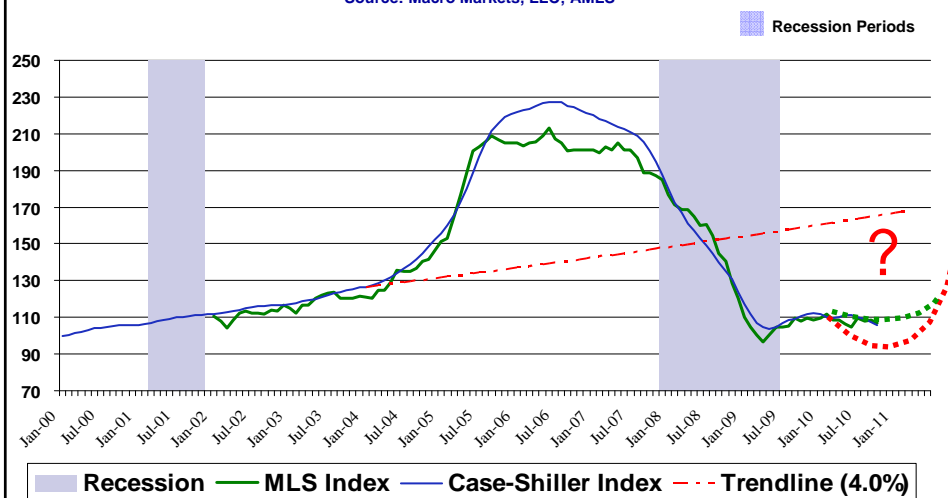
**But building will get
progressively better
between now and then.**

Balance = when you have to build for net in-migration

Home Prices Indices

2000 – 2011

Source: Macro Markets, LLC; AMLS





What about the future ?



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Greater Phoenix Long Term Population Forecasts

	2010	2020	2030
ADOC	4,513,330	5,797,567	6,954,608
Annual % growth	3.5%	2.5%	1.8%
U of A	4,426,839	5,814,720	7,457,574
Annual % growth	3.1%	2.8%	2.6%
Census	4,306,600	5,579,947	7,159,112
Annual % growth	2.8%	2.6%	2.5%



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Cemetery

DEAD END

Commercial Markets...

202 35



ONE
WAY
←

DOOM GLOOM



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APARTMENTS

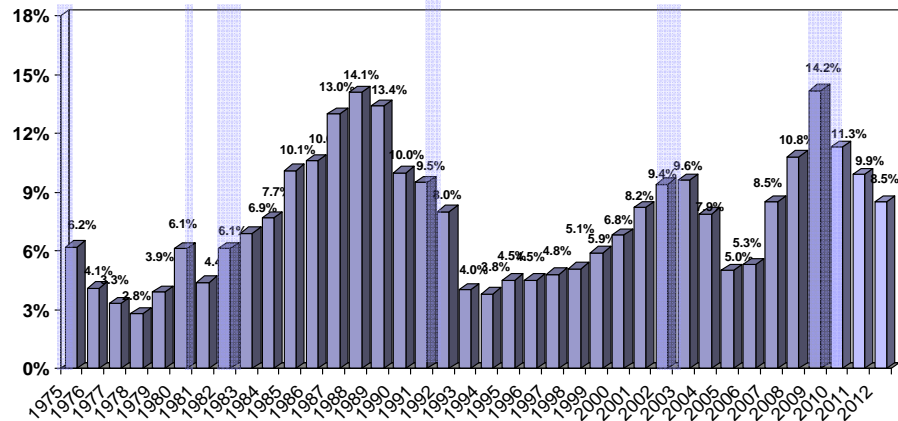


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Multi-Family Year-End Vacancy Rates Maricopa County 1986–2012*

Source: ASU Realty Studies

Recession Periods



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*2010 -2012 are forecasts from the Greater Phoenix Blue Chip

Greater Phoenix Multi-Family Construction Activity

Source: PMHS

Year	Absorption	Chg in Inventory
2005	4,756	(5,169)
2006	(4,653)	(3,828)
2007	(5,846)	4,979
2008	(4,466)	3,234
2009	(5,319)	6,831
2010 ytd q3	17,319	6,919

*There were 19,949 condo conversion in the Greater Phoenix area from q1 2005 through q4 2009.



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**There are currently
168 multi-family units under
construction (q3 10).**



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OFFICE



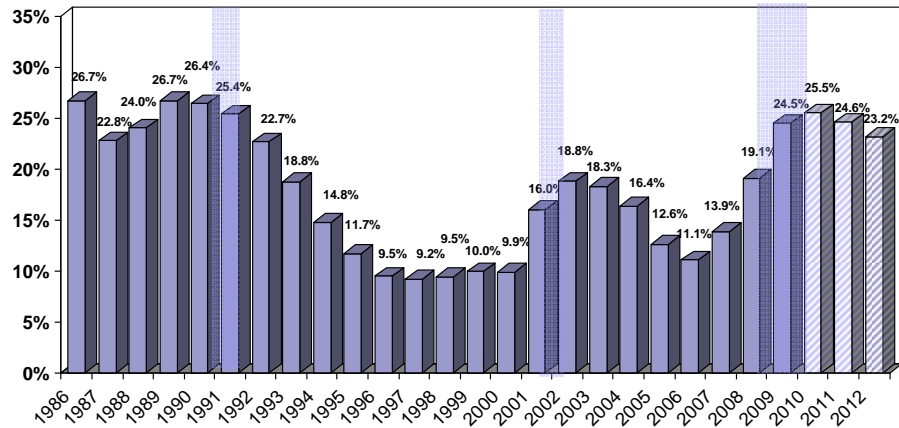
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Office Space Year-End Vacancy Rates

Maricopa County 1986–2012*

Source: CB Richard Ellis

Recession Periods



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*2010 -2012 are forecasts from CB Richard Ellis

Greater Phoenix Office Market

Construction Activity

Source: CB Richard Ellis

Year	Absorption (sf)	Chg in Inventory (sf)
2004	2,222,880	1,620,862
2005	3,119,293	7,987
2006	3,111,075	**2,320,302
2007	1,500,704	4,905,374
2008	(603,112)	3,402,646
2009	(2,407,706)	1,798,415
2010 ytd q3	616,285	1,466,353

*Only includes multi-tenant space greater than 10,000 SF

** A number of buildings in downtown and mid-town are being converted to office condos.



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**There is currently
no multi-tenant office space under
construction (q3 10).**

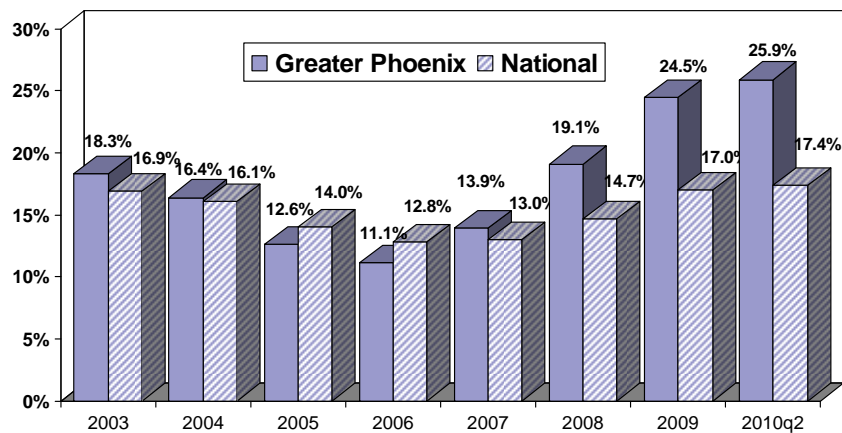


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*Greater than 10,000 sf

Office Space Vacancy Rates U.S. versus Greater Phoenix

Source: CB Richard Ellis and Marcus & Millichap



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**No significant office
building in Greater
Phoenix for next
3-5 years.**



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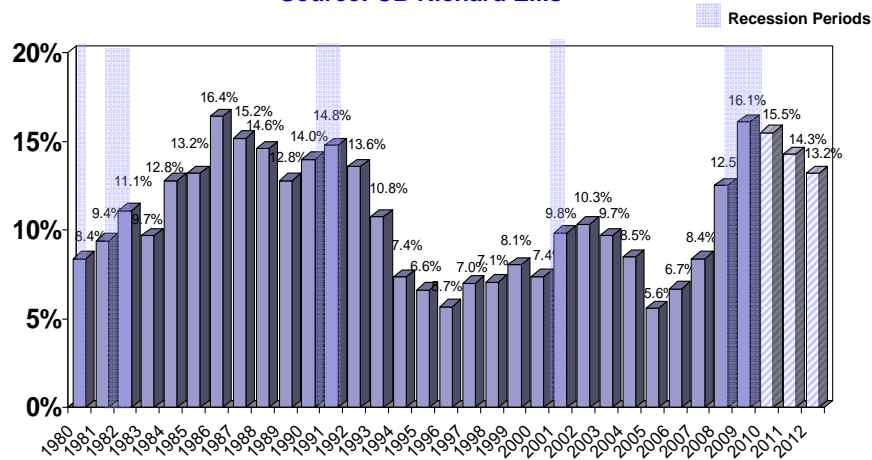
INDUSTRIAL



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Industrial Space Vacancy Rates Maricopa County 1980 – 2012*

Source: CB Richard Ellis



* 2010 - 2012 are forecasts from CBRE



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Greater Phoenix Industrial Market Construction Activity

Source: CB Richard Ellis

Year	Absorption (sf)	Chg in Inventory (sf)
2004	6,273,847	7,402,477
2005	12,339,591	7,072,477
2006	6,032,175	7,829,959
2007	8,359,835	13,914,181
2008	2,297,084	13,467,215
2009	(12,762,884)	4,753,218
2010 ytd q3	3,133,586	1,943,883



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**There are currently
0.6 million square feet of
industrial space
under construction (q3 10).**



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RETAIL

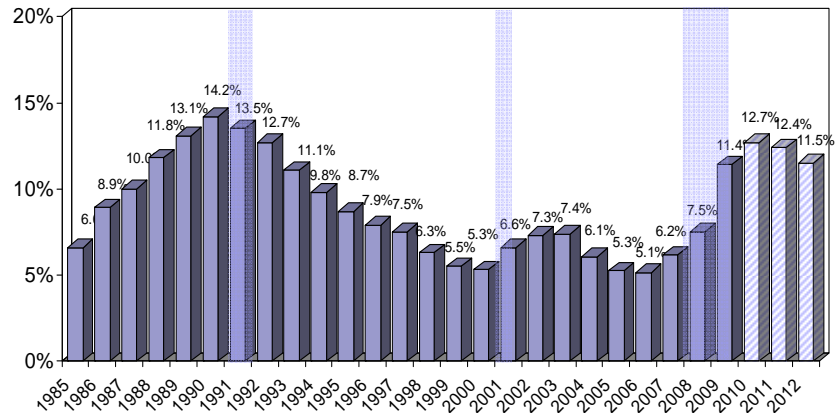


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Retail Space Vacancy Rates Maricopa County 1985–2012*

Source: CB Richard Ellis**

Recession Periods



* 2010 -2012 are forecasts from CB Richard Ellis

** Data prior to 1992 is from Grubb & Ellis



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Greater Phoenix Retail Market Construction Activity

Source: CB Richard Ellis

Year	Absorption (sf)	Chg in Inventory (sf)
2004	6,664,812	5,501,706
2005	6,708,155	6,248,789
2006	5,244,597	4,582,618
2007	9,424,362	11,104,865
2008	3,395,986	6,229,205
2009	(955,814)	4,405,985
2010 ytd q3	(1,534,653)	352,380



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**No new commercial
construction is needed
for years.**



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Back to Normal Vacancy?

- Office = 2014 – 2015
- Industrial = 2013 – 2015
- Retail = 2014 – 2015



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How will it all turn out?



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**When the balloon re-inflates,
it will all be a bad memory...
But, that will take a while.**



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Shorter Term Considerations:

- We will benefit from the U.S. recovery;
- Housing is very affordable;
- Single family permitting is probably bottoming;
- Employment has bottomed;
- So has population;
- Consumer spending will be up.



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Longer Term Considerations:

- People *will* start moving again;
- We will again create jobs at a rapid pace as the local recovery takes hold;
- The jury is still out on whether state policymakers will help to turn this around.



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Arizona Outlook Summary

<u>Subject</u>	<u>Good News</u>	<u>Bad News</u>
National economy	Recovering	How rapid?
Housing	At or past bottom	Still many negatives. No quick fix for population flows.
Commercial real estate	At or near bottom	Recovery will be slow and take a long time.
State government	Sales tax revenues no longer falling	Revenue growth too slow to fix problem soon.
Retail sales	Past bottom; pent up demand	Consumers still restructuring balance sheet. Credit markets tough.



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CONCLUSION:

Recovery (but not expansion)
in Arizona!!!



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BUT:
it will be relatively
modest in 2011
(for a recovery year).



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Greater Phoenix Forecast 2010 – 2011

<u>Indicator</u>	<u>2009</u>	<u>2010(e)</u>	<u>2011(f)</u>	<u>2012(f)</u>
Population	0.9%	1.0%	2.0%	2.3%
Employment	-7.9%	-1.0%	2.0%	3.5%
Retail Sales	-10.6%	0.0%	8.0%	8.0%
Personal Income	-3.5%	2.5%	4.0%	5.0%
Building Permits (total)	-57.6%	-10.0%	30.0%	30.0%



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Source: Elliott D. Pollack & Company

For additional economic updates
including speeches and publications
please follow us on Twitter.

*We will walk you through the simple registration
process on our website:
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Finance Advisory Committee

Revenue and Budget Update

January 20, 2011

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Summary of the Current Budget Status

Improving, but Long Term Problems Remain

- ❑ An improving economy since the summer has increased tax collections and reduced caseload growth in the Medicaid programs.
- ❑ Base General Fund Revenue – without the 1¢ tax – is estimated to grow 5.2% in FY '11 and 5.4% in FY '12.
- ❑ As a result, the budget shortfall is estimated to be \$(530) million in FY 2011 and \$(975) million in FY 2012.
- ❑ While the shortfall estimates have improved, long term problems remain:
 - Lost jobs and foreclosures will delay full recovery
 - The shortfalls do not reflect more than \$1 billion in annually suspended funding formulas still in statute
 - The state will lose nearly \$1 billion in revenue in FY 2014 with the expiration of the 1 cent sales tax.

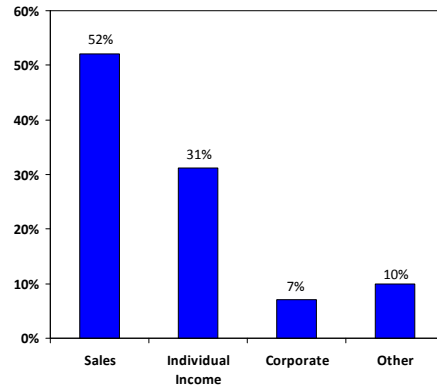
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2

FY 2011 General Fund Revenue

- 90% Generated by 3 Taxes

Source	(Millions)
Sales and Use Tax	\$ 4,269.6
Individual Income Tax	2,558.9
Corporate Income Tax	573.4
Other	794.6
TOTAL REVENUE	\$ 8,196.5 ^{1/}

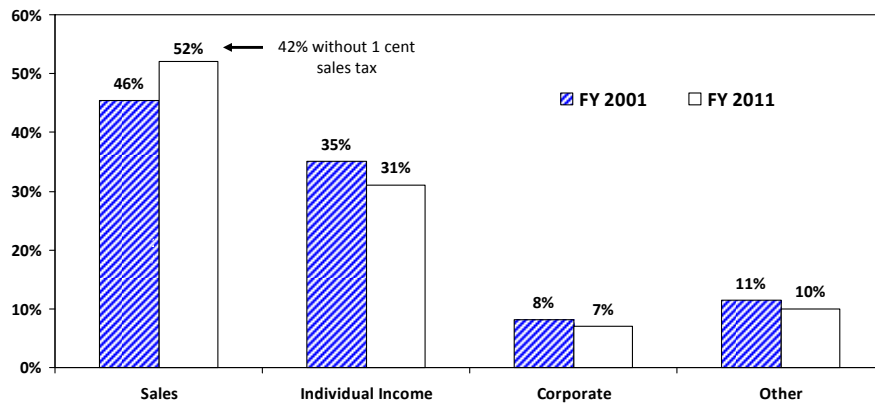


^{1/} January 2011 estimate. Excludes beginning balance, urban revenue sharing, and one-time revenue adjustments.

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3

Since '01, Greater Reliance on Sales Tax Due to 1 Cent Tax Increase

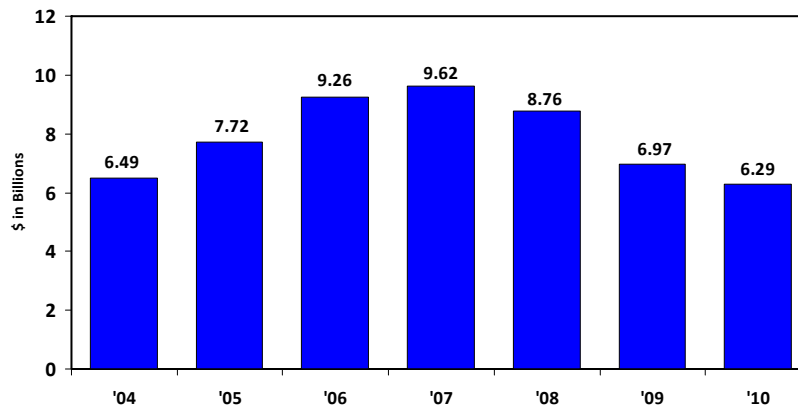


- Excludes beginning balance, urban revenue sharing, and one-time revenue adjustments.

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Unprecedented 3 Year General Fund Revenue Decline Of (33)%



- Excludes statutory and one-time changes.

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Revenue Update - Base Growth of 7.4% Through December - May Not Be Sustainable for Entire Fiscal Year

	YTD FY '11 Over YTD FY '10
Sales Tax	-0.6%*
Individual Income Tax	9.7%
Corporate Income tax	115.4%

* Without 1 Cent

- Unusually low '10 collections and higher business profits boosted corporate %.
- Individual Income Tax artificially high due to withholding change.
- After negative summer, sales tax collections are beginning to turn positive.
- Revenues \$(18) M below budget through 12/2010.

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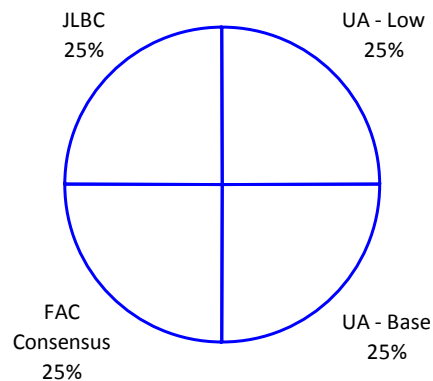
6

Where Are We Headed Over the Next Few Years?

- Four-Sector Consensus Forecast Incorporates Different Economics Views, Including the FAC

4-sector forecast equally weights:

- ☐ FAC average
- ☐ UofA model – base
- ☐ UofA model – low
- ☐ JLBC Staff forecast
- ☐ Remaining revenues (10% of total) are staff forecast



* Includes Big 3 categories of sales tax, individual income and corporate income taxes

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7

Any Revenue Forecast Will Have Significant Constraints In Predicting the Next 18 Months

- ☐ Current economic instability makes forecasting especially challenging.
- ☐ Current forecasts are most useful in determining the direction of the economy, not its precise landing point.
- ☐ Certain structural factors limit potential for rapid growth.

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8

The Road to Recovery Will Still Be Long

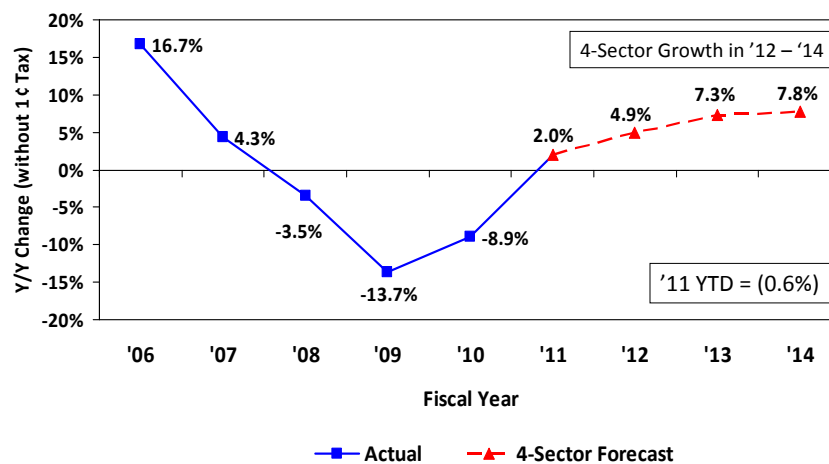
- ❑ 265,000 jobs lost since December 2007
 - Have gained 32,000 jobs in the last year.
- ❑ Housing problems persist
 - While pending Valley foreclosures declined from 51,000 in December 2009, there are still 41,000 in the pipeline
 - 49% of Arizona-wide mortgages “underwater”

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9

Sales Tax

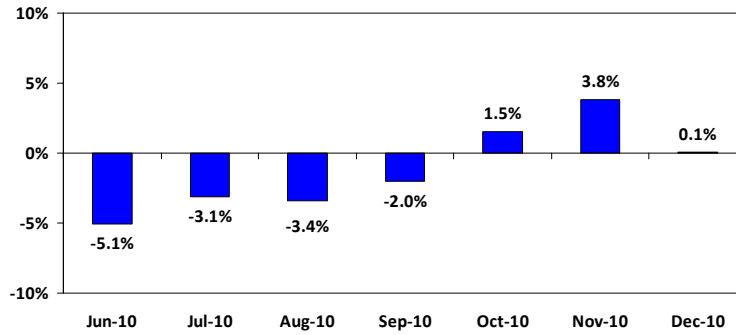
- Collections (excl. 1¢ tax) forecast to be \$3.62 B in FY '12



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10

While Sales Tax Collections Are (0.6)% Year to Date, Recent Months Have Been Positive



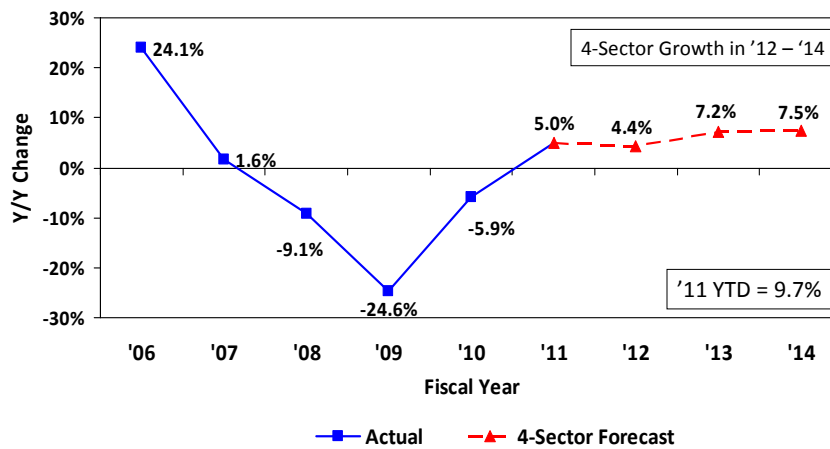
% Change from Previous Year Without 1¢ Tax

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11

Individual Income Tax

- Net Collections forecast to be \$2.67 B in FY '12



Percentage Changes Are Prior To Tax Law Changes

Without tax law changes, growth would have been 6.3% in FY '07 and (4.1)% in FY '08

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12

Individual Income Tax Growth Is Artificially Inflated Due To New Withholding Tables

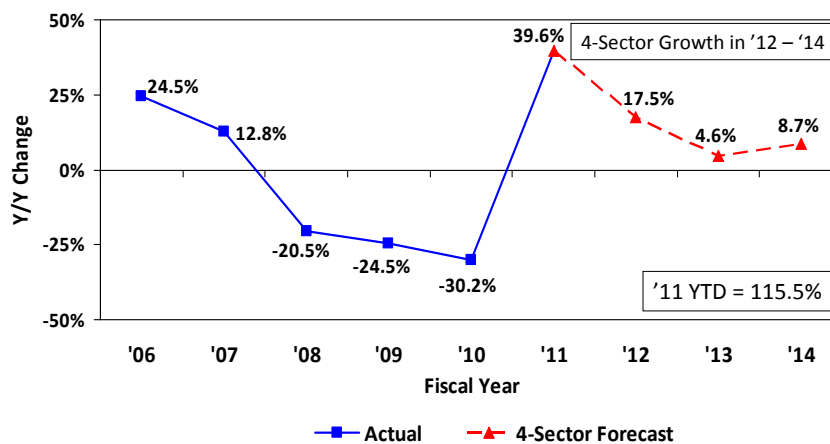
- ❑ Net collections are up by 9.7% through December.
- ❑ No evidence that wage and job growth is that high.
- ❑ In July '10, state began to use new withholding tables – used to be % of federal withholding, now % of income
- ❑ Withholding changes are never exact science – difficult to match prior amount of withholding.
- ❑ As a result, 9.7% growth may be due to over-withholding of taxpayers' paychecks. Refunds are expected to be higher when tax returns are filed.

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Corporate Income Tax

- Net Collections forecast to be \$674 M in FY '12



Percentage Changes Are Prior To Tax Law Changes

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Without tax law changes, decline would have been (17.2)% in FY '08, (20.7)% in FY '09, and (18.7)% in FY '10 ¹⁴

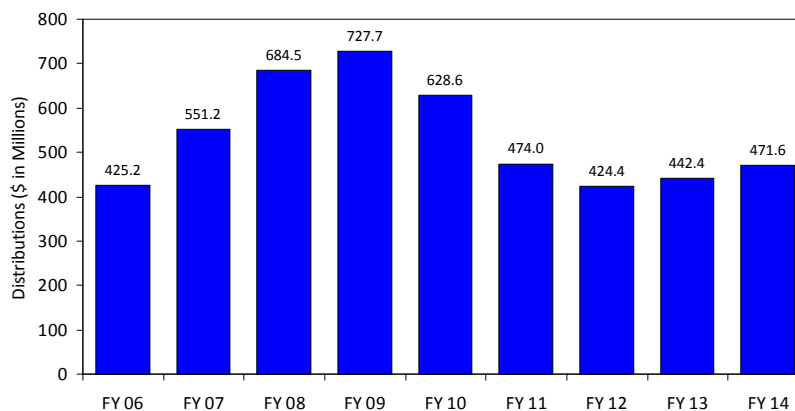
Corporate Income Tax Could Experience Large % Gain in FY '11 – But Will Not Double

- ❑ Net collections are up by 115% through December.
- ❑ FY '10 corporate refunds were inflated by extraordinarily large returns in November 2009.
- ❑ In FY '10, collections declined by (63)% in the 1st half of year compared to an increase of 5% in the 2nd half – as a result, expect lower % growth for rest of FY '11.
- ❑ Nonetheless, increased profitability is expected to generate double-digit growth in collections in FY '11.

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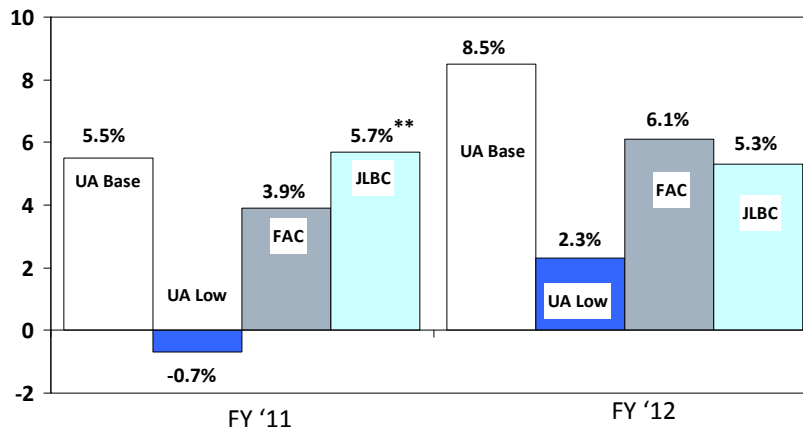
Urban Revenue Sharing Will Decline \$(50)m in '12 – 2-year lagged link to income tax causes the drop



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16

Consensus Predicts Growth of 3.3% in FY '11 and 5.4% in FY '12*



Details in Appendix A

* Weighted Big 3 average growth prior to 1 ¢ sales tax and adjusted for tax law changes.

** Once adjusted for small revenue categories, growth rate is 5.2%

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17

Rather Than Consensus, JLBC Recommends Using Its FY '11 Base Growth Rate of 5.2%

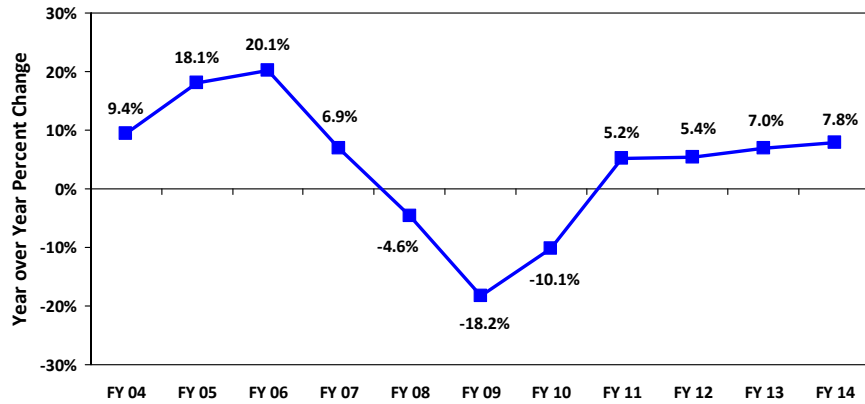
- ☐ While FY '12 growth is reasonable, FY '11 Consensus growth of 3.3% appears low. Year-to-date growth is 7.4%.
- ☐ The forecast of 5.2% requires revenues to grow by 2.9% in the second half of FY '11.
- ☐ May not sustain 7.4% growth for full year. Year-to-date growth is artificially inflated for 2 reasons:
 - Corporate unlikely to double collections by end of the year
 - Individual income tax collections inflated by taxpayer over-withholding due to withholding table change in July 2010

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18

Consensus Forecasts Base Revenue Growth Rate Above 5% Thru FY '14

– On A Comparable Basis, Executive Forecasts 4.5% in '11 and 7.1% in '12



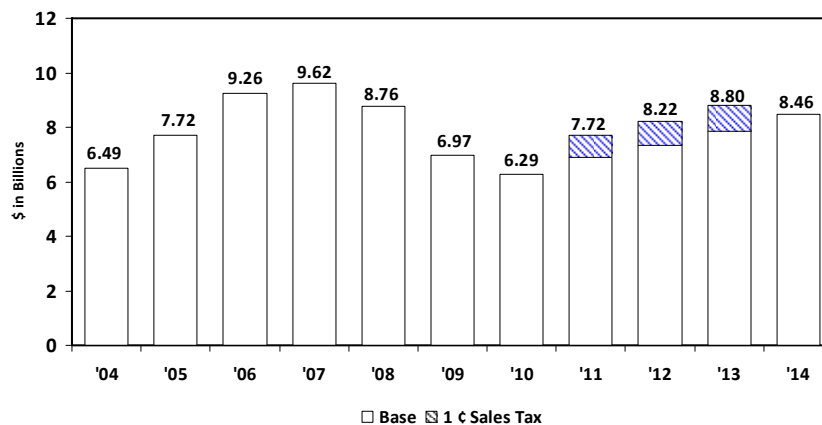
- To reflect underlying economic growth, "Base" revenues exclude balance forward, tax law changes, one-time revenues, and urban revenue sharing

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19

Consensus Forecasts Still Below FY '07 Level

– On A Comparable Basis, Executive Is \$8 M Higher in '11 and \$135 M in '12 Than JLBC Baseline



-Excludes balance forward and other one-time revenues.
Includes tax law changes and Urban Revenue Sharing

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20

How Does New Forecast Affect Budget Shortfall?

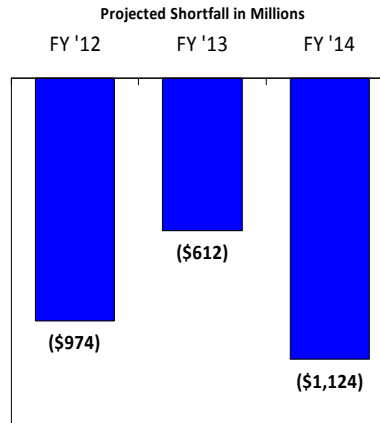
FY '11 Shortfall Now Estimated at \$(531) M **- Down from \$(825) M**

- ☐ Failure of November ballot props – \$(469) M
- ☐ Projected revenue shortfall – \$(86) M
 - Prior estimate was \$(200) M
 - Decline mostly due to lag in 1-cent sales tax
- ☐ Projected Health/Welfare Caseload Savings – \$19 M
 - Prior \$(158) M lower Federal match shortfall offset by caseload savings and rate cut
- ☐ \$100 M K-12 shortfall – offset with federal funds

A Projected Cash Shortfall Of \$(974) M In FY '12

- Any Permanent Solutions in FY '12 Reduce FY '13 and FY '14 Gaps

- Based on consensus revenues and active formula growth
- FY '12: Federal assistance expires
- FY '14: Sales tax expires and increases shortfall
- Does not include \$1 B+ In suspended formulas (Appendix B)

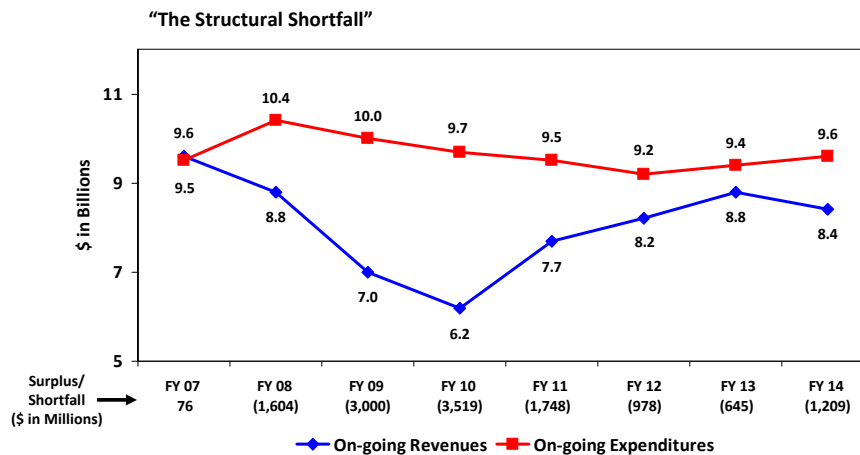


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Structural Gap Comparable to Cash Gap in FY '12-'14

- Represents On-Going Revenues Versus On-Going Expenditures



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24

Another Aspect of State's Fiscal Policy Is its Credit Rating

- Arizona's Rating Is 3rd Lowest of All States

- Arizona Financing is Investment Grade – 5th highest level (out of 10) for GF-backed financing
- Recent downgrade due to:
 - Economic and financial weakness
 - Structural imbalance and reliance on one-time solutions
 - Constitutional limits on raising revenues and reducing spending
- But outlook has shifted from “negative” to “stable” reflecting:
 - Recent revenue improvement
 - Recent efforts to reduce structural deficit

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Appendix A: January 2011 4-Sector Forecast

	FY 2011	FY 2012	FY 2013	FY 2014
Sales Tax				
JLBC Forecast	2.0%	5.0%	7.0%	7.2%
UA – Low	-2.8%	3.1%	6.3%	8.5%
UA – Base	0.0%	7.6%	9.2%	9.3%
FAC	0.8%	4.0%	6.7%	6.2%
Average:	0.0%	4.9%	7.3%	7.8%
Individual Income Tax				
JLBC Forecast	5.0%	6.4%	7.0%	7.2%
UA - Low	3.1%	-1.1%	6.4%	8.1%
UA – Base	13.4%	5.8%	8.0%	8.3%
FAC	5.1%	6.6%	7.3%	6.2%
Average:	6.6%	4.4%	7.2%	7.5%
Corporate Income Tax				
JLBC Forecast	39.6%	2.3%	7.5%	13.2%
UA – Low	-6.0%	17.4%	-1.7%	6.0%
UA – Base	3.8%	33.1%	-1.4%	3.7%
FAC	21.9%	17.1%	13.8%	12.0%
Average:	14.8%	17.5%	4.6%	8.7%
JLBC Weighted Average:	5.2%*	5.3%	7.0%	7.7%
UA Low Weighted Average	-0.7%	2.3%	5.8%	8.2%
UA Base Weighted Average	5.5%	8.5%	7.9%	8.5%
FAC Weighted Average:	3.9%	6.1%	7.6%	6.8%
Consensus Weighted Average:	3.3%*	5.4%*	7.0%	7.8%

* JLBC and Consensus forecast adjusted for tax law changes and small revenue categories

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Appendix B: Funding Formula Suspensions for FY 2012

<u>Agency</u>	<u>Formula</u>	<u>Savings</u>
Community College	Operation and Equalization Formula	\$9,028,800
Department of Education	Capital State Aid Suspension	\$22,155,200
	Soft-Capital Formula	\$165,120,700
	New Utilities Formula	\$100,000,000
Department of Emergency & Military Affairs	Charter School Additional Assistance	\$10,000,000
	Military Installation Fund Deposit	\$2,800,000
	Governor's Emergency Fund	\$2,100,000
Department of Environmental Quality	WQARF	\$8,000,000
Judiciary	Probation Revocation Payment	\$2,410,300
School Facilities Board	Building Renewal	\$241,593,600
Tourism	Tourism Funding Formula	\$14,350,100
State Treasurer	Justice of the Peace Salaries	\$1,115,000
Universities	Financial Aid Trust	\$4,089,600
Department of Water Resources	Water Protection Fund Transfer	<u>\$5,000,000</u>
Subtotal		\$587,763,300
Future Year Cost – Department of Education	Teacher Performance Pay (by FY 2018)	\$278,000,000
Future Year Cost – School Facilities Board	New School Construction (If enrollment returns to pre-recession level)	<u>\$386,000,000</u>
Total		\$1,251,763,300
Department of Administration	Building Renewal	\$38,710,500
Universities	Enrollment	\$28,432,000
	Building Renewal	<u>\$90,136,900</u>
Subtotal		\$157,279,400

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Finance Advisory Committee Jan 20, 2011

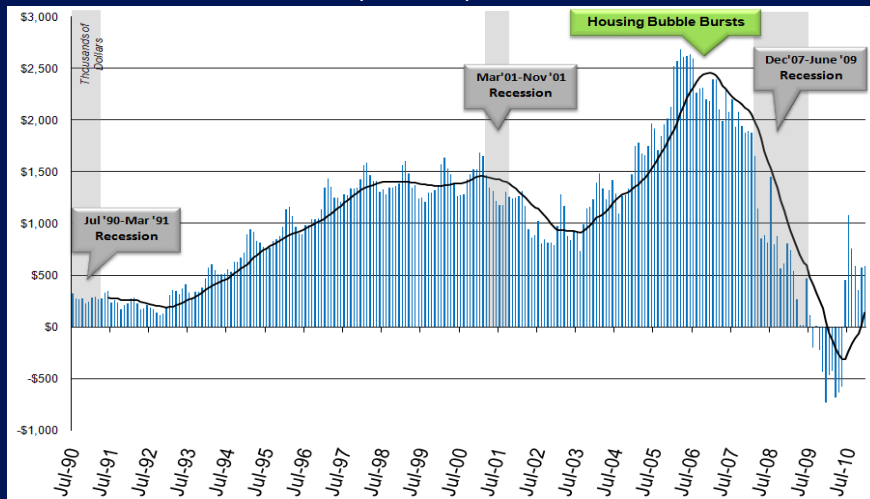
State Cash Flow Update
Arizona State Treasurer
Doug Ducey



Office of the Arizona
State Treasurer
Doug Ducey

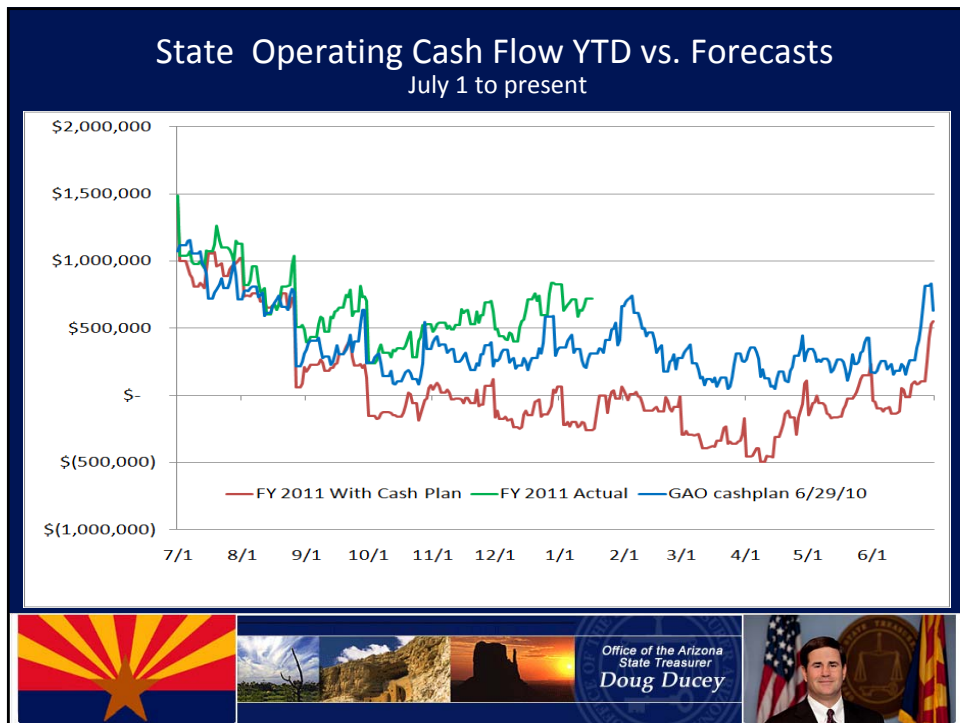
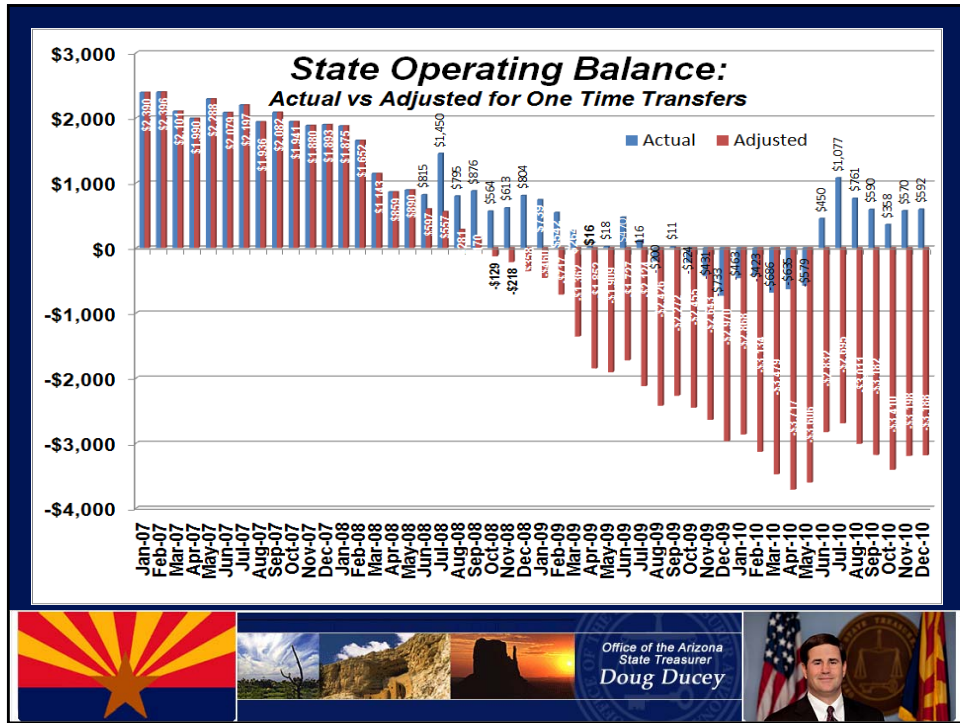


State Total Operating Account Average Monthly Balance
July 1990 to present



Office of the Arizona
State Treasurer
Doug Ducey





Tracking Arizona's Recovery

December 2010

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Contents

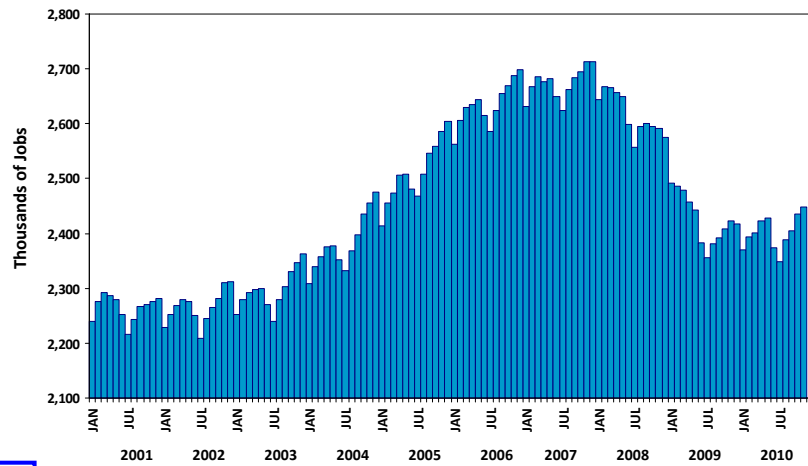
Slide:

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

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2

Total Non-Farm Employment*

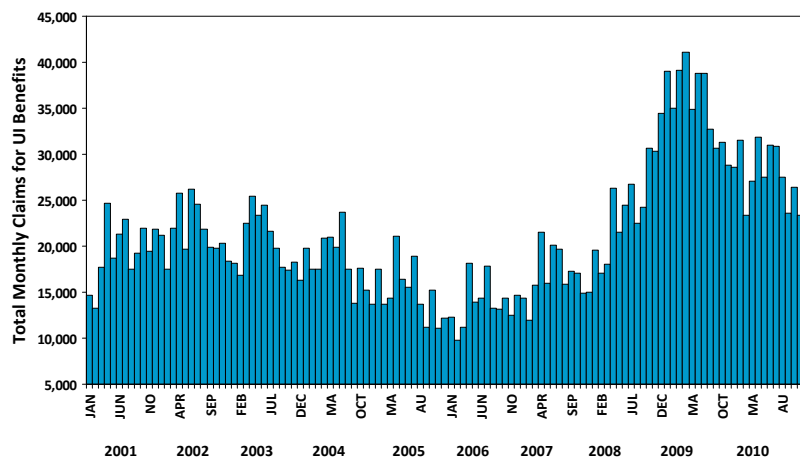


JLBC

*not seasonally adjusted

3

Initial Claims for Unemployment Insurance*

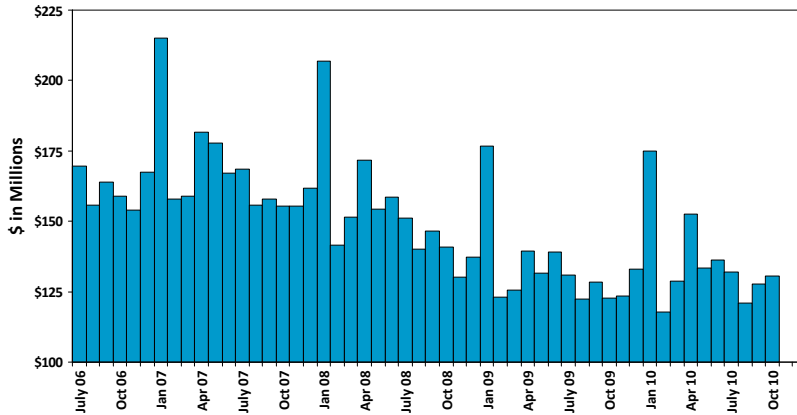


JLBC

*not seasonally adjusted

4

State Sales Tax Collections – Retail Category*

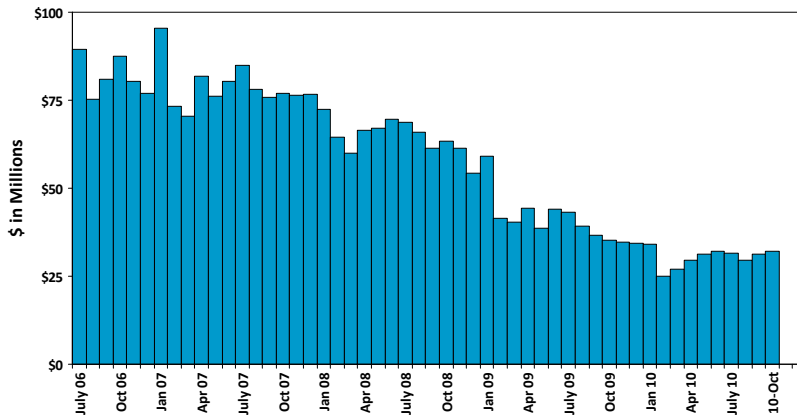


JLBC

*excludes temporary 1 ¢ sales tax

5

State Sales Tax Collections – Contracting Category*

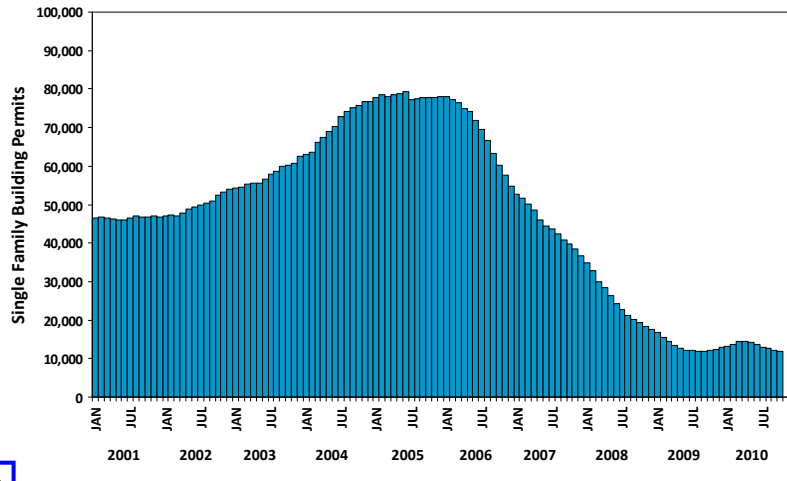


JLBC

*excludes temporary 1 ¢ sales tax

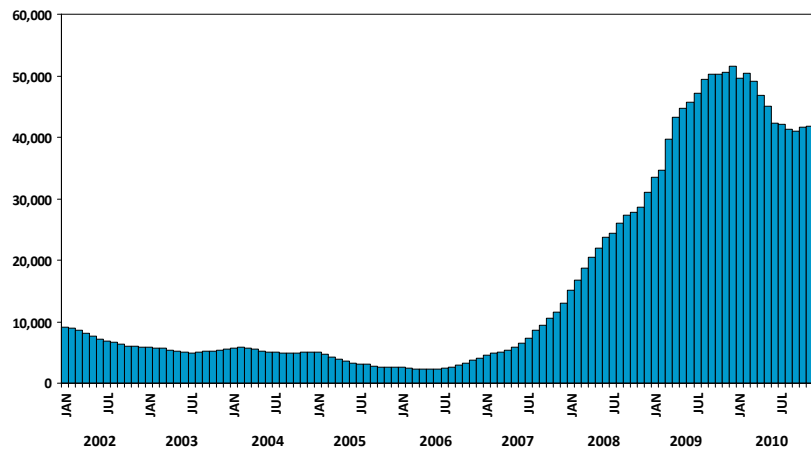
6

Single Family Building Permits*



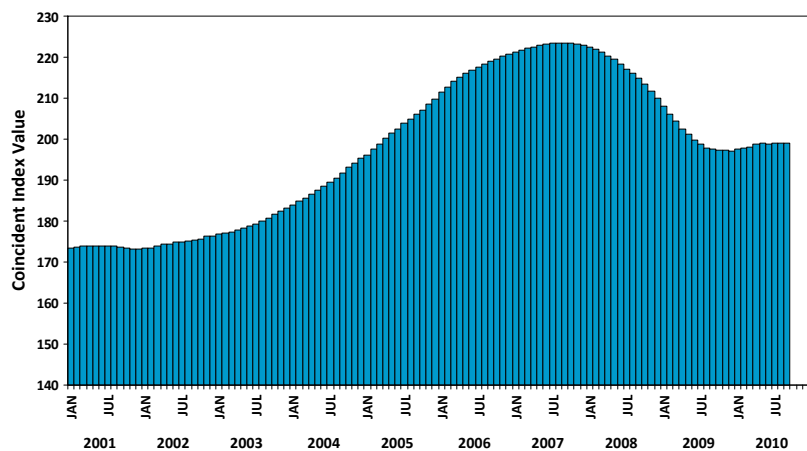
JLBC

Maricopa County Pending Foreclosures*



JLBC

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.

9

Sales Tax

Arizona Sales Tax - Total General Fund Collections

		Year-to-Year Collections (\$)	% Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	390,460,231	12.3%	390,460,231	12.3%
	Aug 2006	353,466,457	5.8%	743,926,688	9.1%
	Sept 2006	379,889,665	10.5%	1,123,816,352	9.6%
	Oct 2006	376,890,480	9.4%	1,500,706,832	9.5%
	Nov 2006	365,372,337	9.4%	1,866,079,170	9.5%
	Dec 2006	362,236,390	6.0%	2,228,315,559	8.9%
	Jan 2007	439,996,411	4.7%	2,668,311,970	8.2%
	Feb 2007	359,643,938	8.8%	3,027,955,908	8.3%
	Mar 2007	353,088,173	2.1%	3,381,044,081	7.6%
	Apr 2007	398,196,373	3.5%	3,779,240,454	7.1%
	May 2007	357,610,064	-1.3%	4,136,850,518	6.3%
	June 2007	320,780,323	-16.3%	4,457,630,841	4.3%
FY 2008	July 2007	392,889,822	0.6%	392,889,822	0.6%
	Aug 2007	366,627,555	3.7%	759,517,377	2.1%
	Sept 2007	366,842,873	-3.4%	1,126,360,250	0.2%
	Oct 2007	373,831,498	-0.8%	1,500,191,748	0.0%
	Nov 2007	366,084,157	0.2%	1,866,275,905	0.0%
	Dec 2007	362,105,035	0.0%	2,228,380,940	0.0%
	Jan 2008	406,881,740	-7.5%	2,635,262,680	-1.2%
	Feb 2008	342,061,289	-4.9%	2,977,323,969	-1.7%
	Mar 2008	349,634,579	-1.0%	3,326,958,548	-1.6%
	Apr 2008	373,838,251	-6.1%	3,700,796,799	-2.1%
	May 2008	353,973,221	-1.0%	4,054,770,020	-2.0%
	June 2008	298,794,828	-6.9%	4,353,564,848	-2.3%
FY 2009	July 2008	356,253,718	-9.3%	356,253,718	-9.3%
	Aug 2008	345,178,741	-5.9%	701,432,459	-7.6%
	Sept 2008	342,275,305	-6.7%	1,043,707,764	-7.3%
	Oct 2008	337,313,340	-9.8%	1,381,021,104	-7.9%
	Nov 2008	317,474,089	-13.3%	1,698,495,193	-9.0%
	Dec 2008	302,821,227	-16.4%	2,001,316,420	-10.2%
	Jan 2009	357,760,734	-12.1%	2,359,077,154	-10.5%
	Feb 2009	280,674,594	-17.9%	2,639,751,748	-11.3%
	Mar 2009	282,169,633	-19.3%	2,921,921,381	-12.2%
	Apr 2009	299,864,274	-19.8%	3,221,785,655	-12.9%
	May 2009	278,889,778	-21.2%	3,500,675,433	-13.7%
	June 2009	255,731,805	-14.4%	3,756,407,238	-13.7%
FY 2010	July 2009	290,628,634	-18.4%	290,628,634	-18.4%
	Aug 2009	287,604,077	-16.7%	578,232,711	-17.6%
	Sept 2009	287,827,907	-15.9%	866,060,618	-17.0%
	Oct 2009	277,910,648	-17.6%	1,143,971,266	-17.2%
	Nov 2009	275,994,428	-13.1%	1,419,965,694	-16.4%
	Dec 2009	272,663,118	-10.0%	1,692,628,812	-15.4%
	Jan 2010	319,313,439	-10.7%	2,011,942,251	-14.7%
	Feb 2010	256,963,944	-8.4%	2,268,906,195	-14.0%
	Mar 2010	269,271,852	-4.6%	2,538,178,047	-13.1%
	Apr 2010	319,285,645	6.5%	2,857,463,692	-11.3%
	May 2010	277,349,504	-0.6%	3,134,813,196	-10.5%
	June 2010	242,708,085	-5.1%	3,377,521,281	-10.1%
FY 2011	July 2010	281,714,731	-3.1% ^{1/}	281,714,731	-3.1%
	Aug 2010	277,734,908	-3.4% ^{1/}	559,449,639	-3.2%
	Sep 2010	282,192,808	-2.0% ^{1/}	841,642,447	-2.8%
	Oct 2010	282,177,988	1.5% ^{1/}	1,123,820,435	-1.8%
	Nov 2010	286,485,609	3.8% ^{1/}	1,410,306,044	-0.7%
	Dec 2010				
	Jan 2011				
	Feb 2011				
	Mar 2011				
	Apr 2011				
	May 2011				
	June 2011				

1/ The temporary 1-cent sales tax resulted in collections of \$64.6 million in July, \$64.2 million in August, \$66.2 million in September, \$66.3 million in October, and \$66.7 million in November. These figures are not reflected in the table.

Arizona Sales Tax - Retail General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	169,723,491	6.7%	169,723,491	6.7%
	Aug 2006	155,842,572	2.8%	325,566,063	4.8%
	Sept 2006	163,988,894	5.6%	489,554,957	5.0%
	Oct 2006	158,869,642	4.7%	648,424,599	5.0%
	Nov 2006	153,908,793	2.5%	802,333,392	4.5%
	Dec 2006	167,464,043	6.2%	969,797,435	4.8%
	Jan 2007	215,189,656	1.0%	1,184,987,092	4.1%
	Feb 2007	157,706,055	6.0%	1,342,693,147	4.3%
	Mar 2007	158,858,656	2.0%	1,501,551,802	4.0%
	Apr 2007	181,559,289	3.5%	1,683,111,091	4.0%
	May 2007	177,671,344	5.0%	1,860,782,435	4.1%
	June 2007	166,994,609	-0.7%	2,027,777,044	3.7%
FY 2008	July 2007	168,701,610	-0.6%	168,701,610	-0.6%
	Aug 2007	155,843,067	0.0%	324,544,677	-0.3%
	Sept 2007	157,758,362	-3.8%	482,303,039	-1.5%
	Oct 2007	155,232,586	-2.3%	637,535,625	-1.7%
	Nov 2007	155,481,940	1.0%	793,017,565	-1.2%
	Dec 2007	161,715,960	-3.4%	954,733,525	-1.6%
	Jan 2008	206,954,506	-3.8%	1,161,688,031	-2.0%
	Feb 2008	141,687,651	-10.2%	1,303,375,682	-2.9%
	Mar 2008	151,347,983	-4.7%	1,454,723,665	-3.1%
	Apr 2008	171,895,140	-5.3%	1,626,618,805	-3.4%
	May 2008	154,399,548	-13.1%	1,781,018,353	-4.3%
	June 2008	158,533,239	-5.1%	1,939,551,592	-4.4%
FY 2009	July 2008	151,221,528	-10.4%	151,221,528	-10.4%
	Aug 2008	141,997,515	-8.9%	293,219,043	-9.7%
	Sept 2008	148,418,887	-5.9%	441,637,930	-8.4%
	Oct 2008	142,632,579	-8.1%	584,270,509	-8.4%
	Nov 2008	132,015,121	-15.1%	716,285,630	-9.7%
	Dec 2008	139,180,130	-13.9%	855,465,760	-10.4%
	Jan 2009	178,527,187	-13.7%	1,033,992,947	-11.0%
	Feb 2009	125,137,464	-11.7%	1,159,130,411	-11.1%
	Mar 2009	127,627,909	-15.7%	1,286,758,320	-11.5%
	Apr 2009	141,459,474	-17.7%	1,428,217,794	-12.2%
	May 2009	133,598,827	-13.5%	1,561,816,621	-12.3%
	June 2009	140,981,387	-11.1%	1,702,798,008	-12.2%
FY 2010	July 2009	132,848,837	-12.1%	132,848,837	-12.1%
	Aug 2009	124,372,918	-12.4%	257,221,755	-12.3%
	Sept 2009	130,342,126	-12.2%	387,563,881	-12.2%
	Oct 2009	124,549,991	-12.7%	512,113,872	-12.3%
	Nov 2009	125,386,948	-5.0%	637,500,820	-11.0%
	Dec 2009	134,894,514	-3.1%	772,395,334	-9.7%
	Jan 2010	176,814,678	-1.0%	949,210,012	-8.2%
	Feb 2010	117,915,774	-5.8%	1,067,125,786	-7.9%
	Mar 2010	128,700,198	0.8%	1,195,825,984	-7.1%
	Apr 2010	117,673,704	-16.8% ^{1/}	1,313,499,688	-8.0%
	May 2010	133,490,735	-0.1%	1,446,990,423	-7.4%
	June 2010	136,163,202	-3.4%	1,583,153,625	-7.0%
FY 2011	July 2010	131,854,318	-0.7%	131,854,318	-0.7%
	Aug 2010	120,861,252	-2.8%	252,715,570	-1.8%
	Sep 2010	127,561,325	-2.1%	380,276,895	-1.9%
	Oct 2010	130,540,558	4.8%	510,817,453	-0.3%
	Nov 2010	125,231,755	-0.1%	636,049,208	-0.2%
	Dec 2010				
	Jan 2011				
	Feb 2011				
	Mar 2011				
	Apr 2011				
	May 2011				
	June 2011				

^{1/} The (16.8)% decline in April retail collections does not reflect economic activity. In April about \$35 million collected throughout the past year was reclassified to the communications category instead of retail. Without this reclassification, retail collections would have been slightly positive for the month.

Arizona Sales Tax - Contracting

General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	89,602,967	22.0%	89,602,967	22.0%
	Aug 2006	75,238,759	15.3%	164,841,726	18.8%
	Sept 2006	80,938,291	16.1%	245,780,017	17.9%
	Oct 2006	87,594,136	21.9%	333,374,153	18.9%
	Nov 2006	80,499,919	22.2%	413,874,072	19.5%
	Dec 2006	76,849,517	5.0%	490,723,589	17.0%
	Jan 2007	95,496,438	14.4%	586,220,026	16.6%
	Feb 2007	73,418,261	12.2%	659,638,287	16.1%
	Mar 2007	70,403,512	-0.8%	730,041,799	14.2%
	Apr 2007	81,956,142	-0.9%	811,997,941	12.5%
	May 2007	76,125,717	-0.2%	888,123,658	11.3%
	June 2007	80,475,472	-3.0%	968,599,129	9.9%
FY 2008	July 2007	84,908,206	-5.2%	84,908,206	-5.2%
	Aug 2007	78,149,544	3.9%	163,057,749	-1.1%
	Sept 2007	75,884,177	-6.2%	238,941,927	-2.8%
	Oct 2007	77,120,496	-12.0%	316,062,423	-5.2%
	Nov 2007	76,543,383	-4.9%	392,605,806	-5.1%
	Dec 2007	76,723,853	-0.2%	469,329,659	-4.4%
	Jan 2008	72,469,751	-24.1%	541,799,410	-7.6%
	Feb 2008	64,593,368	-12.0%	606,392,778	-8.1%
	Mar 2008	59,879,686	-14.9%	666,272,464	-8.7%
	Apr 2008	66,449,725	-18.9%	732,722,189	-9.8%
	May 2008	66,990,187	-12.0%	799,712,376	-10.0%
	June 2008	69,569,046	-13.6%	869,281,422	-10.3%
FY 2009	July 2008	68,881,661	-18.9%	68,881,661	-18.9%
	Aug 2008	65,910,704	-15.7%	134,792,365	-17.3%
	Sept 2008	61,476,833	-19.0%	196,269,198	-17.9%
	Oct 2008	63,339,249	-17.9%	259,608,447	-17.9%
	Nov 2008	61,291,312	-19.9%	320,899,759	-18.3%
	Dec 2008	54,311,200	-29.2%	375,210,959	-20.1%
	Jan 2009	58,954,479	-18.6%	434,165,438	-19.9%
	Feb 2009	41,459,848	-35.8%	475,625,286	-21.6%
	Mar 2009	40,464,401	-32.4%	516,089,687	-22.5%
	Apr 2009	44,382,960	-33.2%	560,472,647	-23.5%
	May 2009	38,522,448	-42.5%	598,995,095	-25.1%
	June 2009	44,002,721	-36.7%	642,997,816	-26.0%
FY 2010	July 2009	43,223,253	-37.2%	43,223,253	-37.2%
	Aug 2009	39,127,079	-40.6%	82,350,332	-38.9%
	Sept 2009	36,572,916	-40.5%	118,923,248	-39.4%
	Oct 2009	35,326,726	-44.2%	154,249,974	-40.6%
	Nov 2009	34,718,292	-43.4%	188,968,266	-41.1%
	Dec 2009	34,412,620	-36.6%	223,380,886	-40.5%
	Jan 2010	33,949,000	-42.4%	257,329,886	-40.7%
	Feb 2010	25,036,775	-39.6%	282,366,661	-40.6%
	Mar 2010	26,858,734	-33.6%	309,225,395	-40.1%
	Apr 2010	29,471,248	-33.6%	338,696,643	-39.6%
	May 2010	31,108,958	-19.2%	369,805,601	-38.3%
	June 2010	32,019,234	-27.2%	401,824,835	-37.5%
FY 2011	July 2010	31,447,707	-27.2%	31,447,707	-27.2%
	Aug 2010	29,548,912	-24.5%	60,996,619	-25.9%
	Sep 2010	31,389,965	-14.2%	92,386,584	-22.3%
	Oct 2010	32,135,070	-9.0%	124,521,654	-19.3%
	Nov 2010	36,048,289	3.8%	160,569,943	-15.0%
	Dec 2010				
	Jan 2011				
	Feb 2011				
	Mar 2011				
	Apr 2011				
	May 2011				
	June 2011				

Arizona Sales Tax - Utilities

General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	34,298,139	13.9%	34,298,139	13.9%
	Aug 2006	35,017,585	3.8%	69,315,725	8.5%
	Sept 2006	43,094,371	22.7%	112,410,096	13.5%
	Oct 2006	37,109,678	9.9%	149,519,773	12.6%
	Nov 2006	31,261,217	7.3%	180,780,991	11.7%
	Dec 2006	24,939,936	12.9%	205,720,927	11.8%
	Jan 2007	27,586,109	0.9%	233,307,036	10.4%
	Feb 2007	32,562,551	27.4%	265,869,586	12.2%
	Mar 2007	29,526,457	30.8%	295,396,043	13.8%
	Apr 2007	25,414,142	5.4%	320,810,186	13.1%
	May 2007	24,034,224	8.7%	344,844,410	12.8%
	June 2007	29,476,016	5.9%	374,320,426	12.2%
FY 2008	July 2007	38,942,178	13.5%	38,942,178	13.5%
	Aug 2007	37,039,168	5.8%	75,981,346	9.6%
	Sept 2007	38,939,736	-9.6%	114,921,082	2.2%
	Oct 2007	43,658,875	17.6%	158,579,957	6.1%
	Nov 2007	34,702,176	11.0%	193,282,133	6.9%
	Dec 2007	28,029,896	12.4%	221,312,029	7.6%
	Jan 2008	27,510,799	-0.3%	248,822,828	6.7%
	Feb 2008	35,515,285	9.1%	284,338,113	6.9%
	Mar 2008	34,338,536	16.3%	318,676,649	7.9%
	Apr 2008	24,546,221	-3.4%	343,222,870	7.0%
	May 2008	27,297,353	13.6%	370,520,223	7.4%
	June 2008	30,641,891	4.0%	401,162,114	7.2%
FY 2009	July 2008	37,561,735	-3.5%	37,561,735	-3.5%
	Aug 2008	46,879,131	26.6%	84,440,866	11.1%
	Sept 2008	45,036,032	15.7%	129,476,898	12.7%
	Oct 2008	40,502,312	-7.2%	169,979,210	7.2%
	Nov 2008	35,158,491	1.3%	205,137,701	6.1%
	Dec 2008	27,056,247	-3.5%	232,193,948	4.9%
	Jan 2009	27,856,644	1.3%	260,050,592	4.5%
	Feb 2009	31,978,738	-10.0%	292,029,330	2.7%
	Mar 2009	28,377,783	-17.4%	320,407,113	0.5%
	Apr 2009	26,572,955	8.3%	346,980,068	1.1%
	May 2009	26,330,652	-3.5%	373,310,720	0.8%
	June 2009	29,475,056	-3.8%	402,785,776	0.4%
FY 2010	July 2009	39,433,004	5.0%	39,433,004	5.0%
	Aug 2009	45,144,745	-3.7%	84,577,749	0.2%
	Sept 2009	43,433,690	-3.6%	128,011,439	-1.1%
	Oct 2009	41,500,856	2.5%	169,512,295	-0.3%
	Nov 2009	35,744,468	1.7%	205,256,763	0.1%
	Dec 2009	27,481,690	1.6%	232,738,453	0.2%
	Jan 2010	28,568,590	2.6%	261,307,043	0.5%
	Feb 2010	32,482,738	1.6%	293,789,781	0.6%
	Mar 2010	28,002,677	-1.3%	321,792,458	0.4%
	Apr 2010	27,426,255	3.2%	349,218,713	0.6%
	May 2010	25,799,797	-2.0%	375,018,510	0.5%
	June 2010	29,792,806	1.1%	404,811,316	0.5%
FY 2011	July 2010	35,877,634	-9.0%	35,877,634	-9.0%
	Aug 2010	44,964,793	-0.4%	80,842,427	-4.4%
	Sep 2010	45,858,958	5.6%	126,701,385	-1.0%
	Oct 2010	43,113,254	3.9%	169,814,639	0.2%
	Nov 2010	38,015,889	6.4%	207,830,528	1.3%
	Dec 2010				
	Jan 2011				
	Feb 2011				
	Mar 2011				
	Apr 2011				
	May 2011				
	June 2011				

Arizona Sales Tax - Restaurants and Bars

General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	28,025,509	8.8%	28,025,509	8.8%
	Aug 2006	25,406,213	7.6%	53,431,722	8.2%
	Sept 2006	25,474,093	3.8%	78,905,815	6.7%
	Oct 2006	27,567,943	8.8%	106,473,758	7.3%
	Nov 2006	32,249,878	20.7%	138,723,636	10.1%
	Dec 2006	28,295,767	7.2%	167,019,403	9.6%
	Jan 2007	30,950,667	8.5%	197,970,070	9.4%
	Feb 2007	30,649,098	9.8%	228,619,168	9.5%
	Mar 2007	29,694,899	1.0%	258,314,067	8.4%
	Apr 2007	34,392,336	9.1%	292,706,403	8.5%
	May 2007	31,957,682	6.3%	324,664,085	8.3%
	June 2007	29,936,887	3.1%	354,600,973	7.8%
FY 2008	July 2007	29,101,596	3.8%	29,101,596	3.8%
	Aug 2007	26,935,024	6.0%	56,036,620	4.9%
	Sept 2007	26,786,010	5.2%	82,822,630	5.0%
	Oct 2007	28,689,796	4.1%	111,512,426	4.7%
	Nov 2007	29,377,274	-8.9%	140,889,700	1.6%
	Dec 2007	30,275,107	7.0%	171,164,807	2.5%
	Jan 2008	27,452,580	-11.3%	198,617,387	0.3%
	Feb 2008	29,995,413	-2.1%	228,612,800	0.0%
	Mar 2008	30,895,077	4.0%	259,507,877	0.5%
	Apr 2008	34,037,313	-1.0%	293,545,190	0.3%
	May 2008	30,786,989	-3.7%	324,332,179	-0.1%
	June 2008	31,854,667	6.4%	356,186,846	0.4%
FY 2009	July 2008	26,987,359	-7.3%	26,987,359	-7.3%
	Aug 2008	25,927,019	-3.7%	52,914,378	-5.6%
	Sept 2008	26,558,833	-0.8%	79,473,211	-4.0%
	Oct 2008	26,485,387	-7.7%	105,958,598	-5.0%
	Nov 2008	27,624,767	-6.0%	133,583,365	-5.2%
	Dec 2008	27,609,854	-8.8%	161,193,219	-5.8%
	Jan 2009	27,811,860	1.3%	189,005,079	-4.8%
	Feb 2009	27,934,981	-6.9%	216,940,060	-5.1%
	Mar 2009	29,329,829	-5.1%	246,269,889	-5.1%
	Apr 2009	31,257,185	-8.2%	277,527,074	-5.5%
	May 2009	28,180,810	-8.5%	305,707,884	-5.7%
	June 2009	29,708,010	-6.7%	335,415,894	-5.8%
FY 2010	July 2009	26,111,923	-3.2%	26,111,923	-3.2%
	Aug 2009	24,537,663	-5.4%	50,649,586	-4.3%
	Sept 2009	24,808,137	-6.6%	75,457,723	-5.1%
	Oct 2009	25,345,305	-4.3%	100,803,028	-4.9%
	Nov 2009	26,669,073	-3.5%	127,472,101	-4.6%
	Dec 2009	26,594,225	-3.7%	154,066,326	-4.4%
	Jan 2010	27,400,919	-1.5%	181,467,245	-4.0%
	Feb 2010	27,580,642	-1.3%	209,047,887	-3.6%
	Mar 2010	30,482,587	3.9%	239,530,474	-2.7%
	Apr 2010	33,231,989	6.3%	272,762,463	-1.7%
	May 2010	29,382,192	4.3%	302,144,655	-1.2%
	June 2010	30,660,418	3.2%	332,805,073	-0.8%
FY 2011	July 2010	26,242,715	0.5%	26,242,715	0.5%
	Aug 2010	24,952,729	1.7%	51,195,444	1.1%
	Sep 2010	25,897,327	4.4%	77,092,771	2.2%
	Oct 2010	25,863,769	2.0%	102,956,540	2.1%
	Nov 2010	28,008,967	5.0%	130,965,507	2.7%
	Dec 2010				
	Jan 2011				
	Feb 2011				
	Mar 2011				
	Apr 2011				
	May 2011				
	June 2011				

Arizona Use Tax

General Fund Collections

		Collections (\$)	Year-to-Year % Change	Year-to-Date Collections (\$)	Year-to-Date % Change
FY 2007	July 2006	28,987,773	21.4%	28,987,773	21.4%
	Aug 2006	25,431,547	-4.5%	54,419,320	7.8%
	Sept 2006	28,561,796	9.9%	82,981,116	8.5%
	Oct 2006	28,527,152	1.4%	111,508,269	6.6%
	Nov 2006	27,484,263	8.4%	138,992,531	7.0%
	Dec 2006	23,756,958	-6.9%	162,749,489	4.7%
	Jan 2007	31,899,499	1.9%	194,648,988	4.2%
	Feb 2007	23,123,752	-11.6%	217,772,740	2.3%
	Mar 2007	22,628,801	-15.0%	240,401,541	0.3%
	Apr 2007	27,021,534	2.6%	267,423,075	0.6%
	May 2007	6,153,618	-71.6%	273,576,693	-4.9%
	June 2007	29,434,170	58.1%	303,010,863	-1.0%
FY 2008	July 2007	31,300,389	8.0%	31,300,389	8.0%
	Aug 2007	29,103,528	14.4%	60,403,917	11.0%
	Sept 2007	29,437,063	3.1%	89,840,980	8.3%
	Oct 2007	30,750,858	7.8%	120,591,838	8.1%
	Nov 2007	30,042,343	9.3%	150,634,181	8.4%
	Dec 2007	26,487,663	11.5%	177,121,844	8.8%
	Jan 2008	33,730,459	5.7%	210,852,303	8.3%
	Feb 2008	27,581,711	19.3%	238,434,014	9.5%
	Mar 2008	26,927,528	19.0%	265,361,542	10.4%
	Apr 2008	28,924,084	7.0%	294,285,626	10.0%
	May 2008	27,402,823	345.3%	321,688,449	17.6%
	June 2008	19,220,885	-34.7%	340,909,334	12.5%
FY 2009	July 2008	31,696,678	1.3%	31,696,678	1.3%
	Aug 2008	30,505,018	4.8%	62,201,696	3.0%
	Sept 2008	28,148,827	-4.4%	90,350,523	0.6%
	Oct 2008	29,703,678	-3.4%	120,054,201	-0.4%
	Nov 2008	25,398,587	-15.5%	145,452,788	-3.4%
	Dec 2008	20,945,415	-20.9%	166,398,203	-6.1%
	Jan 2009	32,438,853	-3.8%	198,837,056	-5.7%
	Feb 2009	21,418,330	-22.3%	220,255,386	-7.6%
	Mar 2009	20,507,125	-23.8%	240,762,511	-9.3%
	Apr 2009	19,245,339	-33.5%	260,007,850	-11.6%
	May 2009	19,198,904	-29.9%	279,206,754	-13.2%
	June 2009	13,491,820	-29.8%	292,698,574	-14.1%
FY 2010	July 2009	18,370,135	-42.0%	18,370,135	-42.0%
	Aug 2009	24,958,659	-18.2%	43,328,794	-30.3%
	Sept 2009	24,529,411	-12.9%	67,858,205	-24.9%
	Oct 2009	22,089,247	-25.6%	89,947,452	-25.1%
	Nov 2009	21,157,908	-16.7%	111,105,360	-23.6%
	Dec 2009	17,049,569	-18.6%	128,154,929	-23.0%
	Jan 2010	24,234,599	-25.3%	152,389,528	-23.4%
	Feb 2010	18,626,941	-13.0%	171,016,469	-22.4%
	Mar 2010	20,119,332	-1.9%	191,135,801	-20.6%
	Apr 2010	41,050,828	113.3%	232,186,629	-10.7%
	May 2010	20,087,055	4.6%	252,273,684	-9.6%
	June 2010	19,490,162	44.5%	271,763,846	-7.2%
FY 2011	July 2010	21,617,638	17.7%	21,617,638	17.7%
	Aug 2010	25,253,238	1.2%	46,870,876	8.2%
	Sep 2010	21,579,581	-12.0%	68,450,457	0.9%
	Oct 2010	18,618,977	-15.7%	87,069,434	-3.2%
	Nov 2010	25,650,144	21.2%	112,719,578	1.5%
	Dec 2010				
	Jan 2011				
	Feb 2011				
	Mar 2011				
	Apr 2011				
	May 2011				
	June 2011				

Individual Income Tax

Arizona Individual Income Tax General Fund Collections

		Year-to-Date		YTD	Year-to-Date		YTD	Year-to-Date		YTD	Year-to-Date		YTD	Year-to-Date		YTD	
		Total	Y/Y Chg.	Total	Chg.	Withholding	Y/Y Chg.	Withholding	Chg.	Payments	Y/Y Chg.	Payments	Chg.	Refunds	Y/Y Chg.	Refunds	Chg.
FY 2007	Jul-06	232,882,593	4.0%	232,882,593	4.0%	233,180,431	5.4%	233,180,431	5.4%	17,937,645	16.5%	17,937,645	16.5%	(18,235,483)	42.9%	(18,235,483)	42.9%
	Aug	283,590,385	7.5%	516,472,978	5.9%	277,224,789	9.5%	510,405,220	7.6%	23,419,716	-8.9%	41,357,360	0.6%	(17,054,119)	13.1%	(35,289,602)	26.8%
	Sep	355,502,460	10.1%	871,975,438	7.6%	216,332,499	-0.5%	726,737,719	5.0%	157,891,628	33.2%	199,248,988	24.8%	(18,721,667)	42.7%	(54,011,269)	31.9%
	Oct	305,103,998	24.7%	1,177,079,435	11.5%	263,987,122	13.2%	990,724,841	7.1%	65,184,764	139.6%	264,433,753	41.5%	(24,067,889)	54.1%	(78,079,159)	38.0%
	Nov	249,526,954	1.3%	1,426,606,389	9.6%	259,238,972	3.2%	1,249,963,813	6.3%	31,853,112	98.4%	296,286,865	46.0%	(41,565,130)	99.3%	(119,644,288)	54.5%
	Dec	360,467,690	-1.6%	1,787,074,079	7.1%	308,908,979	12.1%	1,558,872,792	7.4%	90,557,275	-19.0%	386,844,140	22.9%	(38,998,564)	84.3%	(158,642,852)	60.9%
	Jan-07	544,268,647	17.9%	2,331,342,726	9.5%	339,575,980	17.5%	1,898,448,772	9.1%	239,701,160	31.4%	626,545,300	26.0%	(35,008,493)	254.8%	(193,651,346)	78.6%
	Feb	83,536,034	-20.4%	2,414,878,760	8.1%	292,673,483	8.6%	2,191,122,255	9.0%	18,072,039	0.2%	644,617,339	25.1%	(227,209,488)	24.5%	(420,860,834)	44.7%
	Mar	106,837,038	42.0%	2,521,715,798	9.2%	291,407,424	7.5%	2,482,529,679	8.8%	45,377,904	3.3%	689,995,243	23.4%	(229,948,290)	-4.1%	(650,809,124)	22.6%
	Apr	603,667,191	-2.8%	3,125,382,989	6.6%	253,149,529	14.2%	2,735,679,208	9.3%	642,965,695	3.9%	1,332,960,938	13.2%	(292,448,033)	33.5%	(943,257,157)	25.8%
May	310,268,127	-26.8%	3,435,651,116	2.4%	289,463,997	4.5%	3,025,143,205	8.8%	172,843,132	-33.3%	1,505,804,070	4.8%	(152,039,001)	35.4%	(1,095,296,158)	27.0%	
Jun	311,735,821	-6.8%	3,747,386,937	1.6%	249,174,420	-2.9%	3,274,317,624	7.8%	138,268,468	-5.0%	1,644,072,537	3.9%	(75,707,066)	11.7%	(1,171,003,225)	25.9%	
FY 2008	Jul-07	266,413,536	14.4%	266,413,536	14.4%	267,840,071	14.9%	267,840,071	14.9%	17,879,385	-0.3%	17,879,385	-0.3%	(19,305,920)	5.9%	(19,305,920)	5.9%
	Aug	267,438,218	-5.7%	533,851,754	3.4%	274,123,223	-1.1%	541,963,294	6.2%	25,938,503	10.8%	43,817,888	5.9%	(32,623,508)	91.3%	(51,929,428)	47.2%
	Sep	362,253,396	1.9%	896,105,150	2.8%	232,690,269	7.6%	774,653,563	6.6%	150,661,494	-4.6%	194,479,382	-2.4%	(21,098,367)	12.7%	(73,027,795)	35.2%
	Oct	275,463,139	-9.7%	1,171,568,289	-0.5%	279,036,817	5.7%	1,053,690,379	6.4%	68,191,868	4.6%	262,671,250	-0.7%	(71,765,546)	198.2%	(144,793,341)	85.4%
	Nov	235,208,302	-5.7%	1,406,776,591	-1.4%	267,231,175	3.1%	1,320,921,554	5.7%	17,879,843	-43.9%	280,551,093	-5.3%	(49,902,715)	20.1%	(194,696,056)	62.7%
	Dec	363,991,640	1.0%	1,770,768,231	-0.9%	302,000,571	-2.2%	1,622,922,125	4.1%	62,901,960	-30.5%	343,453,053	-11.2%	(910,892)	-97.7%	(195,606,947)	23.3%
	Jan-08	479,616,749	-11.9%	2,250,384,980	-3.5%	323,018,735	-4.9%	1,945,940,861	2.5%	195,882,391	-18.3%	539,335,444	-13.9%	(39,284,377)	12.2%	(234,891,325)	21.3%
	Feb	39,043,896	-53.3%	2,289,428,876	-5.2%	294,334,015	0.6%	2,240,274,876	2.2%	17,557,877	-2.8%	556,893,322	-13.6%	(272,847,997)	20.1%	(507,739,322)	20.6%
	Mar	61,928,889	-42.0%	2,351,357,765	-6.8%	297,732,417	2.2%	2,538,007,293	2.2%	48,363,442	6.6%	605,256,764	-12.3%	(284,166,970)	23.6%	(791,906,292)	21.7%
	Apr	605,994,371	0.4%	2,957,352,136	-5.4%	251,826,796	-0.5%	2,789,834,089	2.0%	675,341,552	5.0%	1,280,598,316	-3.9%	(321,173,977)	9.8%	(1,113,080,269)	18.0%
May	146,065,658	-52.9%	3,103,417,794	-9.7%	282,129,773	-2.5%	3,071,963,862	1.5%	32,424,806	-81.2%	1,313,023,122	-12.8%	(168,488,921)	10.8%	(1,281,569,190)	17.0%	
Jun	303,035,518	-2.8%	3,406,453,313	-9.1%	250,638,790	0.6%	3,322,602,652	1.5%	119,010,089	-13.9%	1,432,033,211	-12.9%	(66,613,361)	-12.0%	(1,348,182,550)	15.1%	
FY 2009	Jul-08	265,360,890	-0.4%	265,360,890	-0.4%	270,267,357	0.9%	270,267,357	0.9%	20,362,785	13.9%	20,362,785	13.9%	(25,269,252)	30.9%	(25,269,252)	30.9%
	Aug	231,680,201	-13.4%	497,041,091	-6.9%	245,741,515	-10.4%	516,008,871	-4.8%	14,090,255	-45.7%	34,453,040	-21.4%	(28,151,568)	-13.7%	(53,420,820)	2.9%
	Sep	355,393,041	-1.9%	852,434,133	-4.9%	255,433,501	9.8%	771,442,372	-0.4%	124,307,996	-17.5%	158,761,036	-18.4%	(24,348,455)	15.4%	(77,769,275)	6.5%
	Oct	260,640,864	-5.4%	1,113,074,996	-5.0%	274,469,795	-1.6%	1,045,912,167	-0.7%	53,444,533	-21.6%	212,205,569	-19.2%	(67,273,464)	-6.3%	(145,042,740)	0.2%
	Nov	200,335,179	-14.8%	1,313,410,176	-6.6%	250,315,933	-6.3%	1,296,228,100	-1.9%	13,115,668	-26.6%	225,321,237	-19.7%	(63,096,422)	26.4%	(208,139,162)	6.9%
	Dec	341,281,282	-6.2%	1,654,691,458	-6.6%	297,480,818	-1.5%	1,593,708,918	-1.8%	62,643,686	-0.4%	287,964,923	-16.2%	(18,843,222)	1968.7%	(226,982,384)	16.0%
	Jan-09	331,952,295	-30.8%	1,986,643,752	-11.7%	275,506,543	-14.7%	1,869,215,461	-3.9%	112,467,313	-42.6%	400,432,236	-25.8%	(56,021,561)	42.6%	(283,003,945)	20.5%
	Feb	(42,022,417)	-207.6%	1,944,621,335	-15.1%	237,953,256	-19.2%	2,107,168,717	-5.9%	17,921,395	2.1%	418,353,631	-24.9%	(297,897,068)	9.2%	(580,901,013)	14.4%
	Mar	71,833,625	16.0%	2,016,454,961	-14.2%	280,243,314	-5.9%	2,387,412,031	-5.9%	41,170,355	-14.9%	459,523,985	-24.1%	(249,580,043)	-12.2%	(830,481,055)	4.9%
	Apr	173,242,869	-71.4%	2,189,697,829	-26.0%	221,860,727	-11.9%	2,609,272,758	-6.5%	380,676,278	-43.6%	840,200,264	-34.4%	(429,294,136)	33.7%	(1,259,775,192)	13.2%
May	98,543,700	-32.5%	2,288,241,529	-26.3%	228,007,994	-19.2%	2,837,280,752	-7.6%	28,189,735	-13.1%	868,389,998	-33.9%	(157,654,029)	-6.4%	(1,417,429,221)	10.6%	
Jun	279,619,636	-7.7%	2,567,861,165	-24.6%	242,090,316	-3.4%	3,079,371,068	-7.3%	74,985,704	-37.0%	943,375,703	-34.1%	(37,456,384)	-43.8%	(1,454,885,605)	7.9%	
FY 2010	Jul-09	234,779,283	-11.5%	234,779,283	-11.5%	252,192,662	-6.7%	252,192,662	-6.7%	14,421,659	-29.2%	14,421,659	-29.2%	(31,835,038)	26.0%	(31,835,038)	26.0%
	Aug	231,115,137	-0.2%	465,894,420	-6.3%	244,862,570	-0.4%	497,055,232	-3.7%	11,402,939	-19.1%	25,824,598	-25.0%	(25,150,372)	-10.7%	(56,985,410)	6.7%
	Sep	267,006,804	-24.9%	732,901,224	-14.0%	227,631,601	-10.9%	724,686,833	-6.1%	76,677,365	-38.3%	102,501,963	-35.4%	(37,302,162)	53.2%	(94,287,572)	21.2%
	Oct	170,528,545	-34.6%	903,429,769	-18.8%	244,430,237	-10.9%	969,117,070	-7.3%	35,790,908	-33.0%	138,292,871	-34.8%	(109,692,600)	63.1%	(203,980,172)	40.6%
	Nov	231,605,947	15.6%	1,135,035,715	-13.6%	248,734,450	-0.6%	1,217,851,519	-6.0%	14,278,495	8.9%	152,571,366	-32.3%	(31,406,998)	-50.2%	(235,387,170)	13.1%
	Dec	317,770,210	-6.9%	1,452,805,926	-12.2%	276,785,971	-7.0%	1,494,637,491	-6.2%	46,197,669	-26.3%	198,769,035	-31.0%	(5,213,430)	-72.3%	(240,600,600)	6.0%
	Jan-10	326,599,118	-1.6%	1,779,405,044	-10.4%	265,599,905	-3.6%	1,760,237,396	-5.8%	91,066,420	-19.0%	289,835,455	-27.6%	(30,067,207)	-46.3%	(270,667,807)	-4.4%
	Feb	13,744,414	-132.7%	1,793,149,457	-7.8%	253,051,927	6.3%	2,013,289,322	-4.5%	17,153,243	-4.3%	306,988,698	-26.6%	(256,460,756)	-13.9%	(527,128,563)	-9.3%
	Mar	(18,809,855)	-126.2%	1,774,339,602	-12.0%	282,794,701	0.9%	2,296,084,023	-3.8%	40,585,225	-1.4%	347,573,923	-24.4%	(342,189,781)	37.1%	(869,318,344)	4.7%
	Apr	211,434,444	22.0%	1,985,774,046	-9.3%	235,329,032	6.1%	2,531,413,055	-3.0%	312,268,051	-18.0%	659,841,974	-21.5%	(336,162,639)	-21.7%	(1,205,480,983)	-4.3%
May	159,976,798	62.3%	2,145,750,845	-6.2%	239,655,475	5.1%	2,771,068,530	-2.3%	13,120,851	-53.5%	672,962,825	-22.5%	(92,799,528)	-41.1%	(1,298,280,511)	-8.4%	
Jun	270,545,462	-3.2%	2,														

Arizona Individual Income Tax - Estimated and Final Payments

		Total		Year-to-Date		YTD	Y/Y	Year-to-Date		YTD	Y/Y	Year-to-Date		YTD
		Payments	Y/Y Chg.	Total Payments	Chg.			Estimated	Chg.			Estimated	Chg.	
FY 2007	Jul-06	17,937,645	16.5%	17,937,645	16.5%	6,371,696	30.4%	6,371,696	30.4%	11,565,948	10.0%	11,565,948	10.0%	
	Aug	23,419,716	-8.9%	41,357,360	0.6%	7,456,858	-2.9%	13,828,554	10.0%	15,962,858	-11.5%	27,528,806	-3.5%	
	Sep	157,891,628	33.2%	199,248,988	24.8%	145,469,802	31.6%	159,298,357	29.4%	12,421,826	54.6%	39,950,632	9.2%	
	Oct	65,184,764	139.6%	264,433,753	41.5%	11,339,308	47.5%	170,637,664	30.5%	53,845,457	175.8%	93,796,089	67.2%	
	Nov	31,853,112	98.4%	296,286,865	46.0%	5,472,606	-7.0%	176,110,270	28.9%	26,380,506	159.4%	120,176,594	81.4%	
	Dec	90,557,275	-19.0%	386,844,140	22.9%	80,299,660	-23.5%	256,409,930	6.1%	10,257,616	49.1%	130,434,210	78.3%	
	Jan-07	239,701,160	31.4%	626,545,300	26.0%	224,055,775	26.8%	480,465,704	14.9%	15,645,386	173.4%	146,079,596	85.2%	
	Feb	18,072,039	0.2%	644,617,339	25.1%	3,192,180	-7.4%	483,657,884	14.7%	14,879,859	2.0%	160,959,455	72.2%	
	Mar	45,377,904	3.2%	689,995,243	23.4%	5,005,202	34.9%	488,663,086	14.9%	40,372,702	0.4%	201,332,157	50.6%	
	Apr	642,965,695	3.9%	1,332,960,938	13.2%	56,965,976	-25.8%	545,629,062	8.6%	585,999,719	8.1%	787,331,876	16.6%	
FY 2008	May	172,843,132	-33.3%	1,505,804,070	4.8%	27,485,026	182.6%	573,114,089	11.9%	145,358,105	-41.7%	932,689,981	0.8%	
	Jun	138,268,468	-5.0%	1,644,072,537	3.9%	125,906,046	-1.3%	699,020,134	9.3%	12,362,422	-31.5%	945,052,403	0.2%	
	Jul-07	17,879,385	-0.3%	17,879,385	-0.3%	6,507,747	2.1%	6,507,747	2.1%	11,371,639	-1.7%	11,371,639	-1.7%	
	Aug	25,938,503	10.8%	43,817,888	5.9%	5,666,480	-24.0%	12,174,227	-12.0%	20,272,023	27.0%	31,643,661	14.9%	
	Sep	150,661,494	-4.6%	194,479,382	-2.4%	135,849,436	-6.6%	148,023,663	-7.1%	14,812,058	19.2%	46,455,719	16.3%	
	Oct	68,191,868	4.6%	262,671,250	-0.7%	10,396,440	-8.3%	158,420,103	-7.2%	57,795,428	7.3%	104,251,147	11.1%	
	Nov	17,879,843	-43.9%	280,551,093	-5.3%	4,759,688	-13.0%	163,179,791	-7.3%	13,120,155	-50.3%	117,371,302	-2.3%	
	Dec	62,901,960	-30.5%	343,453,053	-11.2%	55,908,594	-30.4%	219,088,385	-14.6%	6,993,366	-31.8%	124,364,668	-4.7%	
	Jan-08	195,882,391	-18.3%	539,335,444	-13.9%	186,098,584	-16.9%	405,186,969	-15.7%	9,783,807	-37.5%	134,148,475	-8.2%	
	Feb	17,557,877	-2.8%	556,893,322	-13.6%	2,689,455	-15.7%	407,876,424	-15.7%	14,868,423	-0.1%	149,016,897	-7.4%	
FY 2009	Mar	48,363,442	6.6%	605,256,764	-12.3%	4,708,386	-5.9%	412,584,810	-15.6%	43,655,056	8.1%	192,671,954	-4.3%	
	Apr	675,341,552	5.0%	1,280,598,316	-3.9%	68,112,029	19.6%	480,696,839	-11.9%	607,229,523	3.6%	799,901,477	1.6%	
	May	32,424,806	-81.2%	1,313,023,122	-12.8%	4,895,158	-82.2%	485,591,997	-15.3%	27,529,649	-81.1%	827,431,125	-11.3%	
	Jun	119,010,089	-13.9%	1,432,033,211	-12.9%	108,562,477	-13.8%	594,154,473	-15.0%	10,447,612	-15.5%	837,878,738	-11.3%	
	Jul-08	20,362,785	13.9%	20,362,785	13.9%	6,533,304	0.4%	6,533,304	0.4%	13,829,481	21.6%	13,829,481	21.6%	
	Aug	14,090,255	-45.7%	34,453,040	-21.4%	5,827,130	2.8%	12,360,434	1.5%	8,263,125	-59.2%	22,092,607	-30.2%	
	Sep	124,307,996	-17.5%	158,761,036	-18.4%	112,945,236	-16.9%	125,305,669	-15.3%	11,362,760	-23.3%	33,455,366	-28.0%	
	Oct	53,444,533	-21.6%	212,205,569	-19.2%	7,821,163	-24.8%	133,126,832	-16.0%	45,623,371	-21.1%	79,078,737	-24.1%	
	Nov	13,115,668	-26.6%	225,321,237	-19.7%	4,170,266	-12.4%	137,297,098	-15.9%	8,945,402	-31.8%	88,024,139	-25.0%	
	Dec	62,643,686	-0.4%	287,964,923	-16.2%	53,127,242	-5.0%	190,424,339	-13.1%	9,516,444	36.1%	97,540,583	-21.6%	
FY 2010	Jan-09	112,467,313	-42.6%	400,432,236	-25.8%	106,370,433	-42.8%	296,794,772	-26.8%	6,096,881	-37.7%	103,637,464	-22.7%	
	Feb	18,024,012	2.7%	418,456,248	-24.9%	2,892,677	7.6%	299,687,449	-26.5%	15,131,335	1.8%	118,768,799	-20.3%	
	Mar	41,170,355	-14.9%	459,626,603	-24.1%	2,695,780	-42.7%	302,383,229	-26.7%	38,474,575	-11.9%	157,243,374	-18.4%	
	Apr	380,676,278	-43.6%	840,302,881	-34.4%	36,311,877	-46.7%	338,695,105	-29.5%	344,364,402	-43.3%	501,607,776	-37.3%	
	May	28,189,735	-13.1%	868,492,616	-33.9%	3,073,214	-37.2%	341,768,319	-29.6%	25,116,521	-8.8%	526,724,297	-36.3%	
	Jun	74,985,704	-37.0%	943,478,320	-34.1%	60,902,615	-43.9%	402,670,934	-32.2%	14,083,089	34.8%	540,807,386	-35.5%	
	Jul-09	14,421,659	-29.2%	14,421,659	-29.2%	3,533,528	-45.9%	3,533,528	-45.9%	10,888,131	-21.3%	10,888,131	-21.3%	
	Aug	11,402,939	-19.1%	25,824,598	-25.0%	2,901,362	-50.2%	6,434,891	-47.9%	8,501,577	2.9%	19,389,708	-12.2%	
	Sep	76,677,365	-38.3%	102,501,964	-35.4%	65,960,270	-41.6%	72,395,161	-42.2%	10,717,095	-5.7%	30,106,803	-10.0%	
	Oct	35,790,908	-33.0%	138,292,872	-34.8%	5,226,487	-33.2%	77,621,648	-41.7%	30,564,422	-33.0%	60,671,225	-23.3%	
FY 2011	Nov	14,278,496	8.9%	152,571,368	-32.3%	4,253,363	2.0%	81,875,011	-40.4%	10,025,133	12.1%	70,696,358	-19.7%	
	Dec	46,197,669	-26.3%	198,769,037	-31.0%	37,826,999	-28.8%	119,702,010	-37.1%	8,370,670	-12.0%	79,067,028	-18.9%	
	Jan-10	91,066,420	-19.0%	289,835,457	-27.6%	84,630,973	-20.4%	204,332,982	-31.2%	6,435,447	5.6%	85,502,475	-17.5%	
	Feb	17,153,243	-4.8%	306,988,700	-26.6%	1,850,301	-36.0%	206,183,283	-31.2%	15,302,941	1.1%	100,805,417	-15.1%	
	Mar	40,585,225	-1.4%	347,573,925	-24.4%	3,076,667	14.1%	209,259,951	-30.8%	37,508,557	-2.5%	138,313,974	-12.0%	
	Apr	312,268,051	-18.0%	659,841,976	-21.5%	35,811,536	-1.4%	245,071,487	-27.6%	276,456,515	-19.7%	414,770,489	-17.3%	
	May	13,120,851	-53.5%	672,962,827	-22.5%	2,607,974	-15.1%	247,679,460	-27.5%	10,512,878	-58.1%	425,283,367	-19.3%	
	Jun	71,981,613	-4.0%	744,944,440	-21.0%	56,898,732	-6.6%	304,578,193	-24.4%	15,082,881	7.1%	440,366,247	-18.6%	
	Jul-10	13,374,136	-7.3%	13,374,136	-7.3%	3,207,727	-9.2%	3,207,727	-9.2%	10,166,409	-6.6%	10,166,409	-6.6%	
	Aug	14,227,735	24.8%	27,601,871	6.9%	4,531,242	56.2%	7,738,969	20.3%	9,696,493	14.1%	19,862,902	2.4%	
FY 2011	Sep	75,736,353	-1.2%	103,338,224	0.8%	62,924,599	-4.6%	70,663,568	-2.4%	12,811,753	19.5%	32,674,656	8.5%	
	Oct	34,496,790	-3.6%	137,835,014	-0.3%	5,069,884	-3.0%	75,733,452	-2.4%	29,426,906	-3.7%	62,101,562	2.4%	
	Nov	11,753,618	-17.7%	149,588,632	-2.0%	2,442,722	-42.6%	78,176,175	-4.5%	9,310,895	-7.1%	71,412,457	1.0%	
	Dec	49,652,916	7.5%	199,241,548	0.2%	42,370,723	12.0%	120,546,898	0.7%	7,282,193	-13.0%	78,694,650	-0.5%	
	Jan-11													
	Feb													
	Mar													
	Apr													
May														
Jun														

Corporate Income Tax

		Gross	Y/Y	Year-to-Date	YTD			Year-to-Date	YTD			Year-to-Date	YTD
		Revenue	Chg.	Gross Revenue	Chg.	Refunds	Y/Y Chg.	Refunds	Chg.	Net Revenue	Y/Y Chg.	Net Revenue	Chg.
FY 2007	July 2006	43,353,146	10.0%	43,353,146	10.0%	(4,319,904)	4.7%	(4,319,904)	4.7%	39,033,242	10.6%	39,033,242	10.6%
	Aug 2006	36,550,203	42.2%	79,903,349	22.7%	(4,532,437)	99.9%	(8,852,342)	38.5%	32,017,766	36.7%	71,051,007	21.0%
	Sept 2006	191,640,170	8.7%	271,543,519	12.5%	(478,252)	-91.9%	(9,330,594)	-24.1%	191,161,918	12.2%	262,212,925	14.5%
	Oct 2006	59,655,446	85.9%	331,198,964	21.1%	(5,716,861)	63.5%	(15,047,455)	-4.7%	53,938,585	88.7%	316,151,510	22.7%
	Nov 2006	18,008,043	2.9%	349,207,007	20.0%	(12,842,981)	10.2%	(27,890,436)	1.6%	5,165,061	-11.8%	321,316,571	21.9%
	Dec 2006	199,892,212	34.3%	549,099,219	24.8%	(30,301,417)	122.9%	(58,191,853)	41.8%	169,590,795	25.4%	490,907,366	23.1%
	Jan 2007	40,561,661	1.4%	589,660,880	22.9%	(3,294,750)	-45.2%	(61,486,603)	30.7%	37,266,911	9.6%	528,174,277	22.0%
	Feb 2007	22,671,285	-22.4%	612,332,165	20.3%	(1,544,406)	-94.2%	(63,031,009)	-14.6%	21,126,878	777.3%	549,301,156	26.2%
	Mar 2007	81,308,195	-0.3%	693,640,360	17.5%	(2,647,466)	-60.4%	(65,678,475)	-18.4%	78,660,729	5.1%	627,961,885	23.1%
	Apr 2007	181,878,155	10.5%	875,518,516	16.0%	(4,248,464)	60.4%	(69,926,939)	-15.9%	177,629,692	9.7%	805,591,577	19.9%
FY 2008	May 2007	53,261,647	-5.9%	928,780,163	14.4%	(5,508,206)	47.1%	(75,435,144)	-13.2%	47,753,442	-9.6%	853,345,018	17.7%
	June 2007	138,851,344	-8.9%	1,067,631,507	10.7%	(6,026,798)	101.6%	(81,461,943)	-9.4%	132,824,546	-11.1%	986,169,564	12.8%
	July 2007	36,629,629	-15.5%	36,629,629	-15.5%	(2,826,419)	-34.6%	(2,826,419)	-34.6%	33,803,210	-13.4%	33,803,210	-13.4%
	Aug 2007	31,231,530	-14.6%	67,861,159	-15.1%	(2,130,868)	-53.0%	(4,957,287)	-44.0%	29,100,662	-9.1%	62,903,872	-11.5%
	Sept 2007	190,463,884	-0.6%	258,325,043	-4.9%	(12,876,823)	2592.5%	(17,834,110)	91.1%	177,587,061	-7.1%	240,490,933	-8.3%
	Oct 2007	66,882,299	12.1%	325,207,342	-1.8%	(10,751,410)	88.1%	(28,585,520)	90.0%	56,130,889	4.1%	296,621,822	-6.2%
	Nov 2007	20,550,859	14.1%	345,758,201	-1.0%	(23,194,074)	80.6%	(51,779,594)	85.7%	(2,643,215)	-151.2%	293,978,607	-8.5%
	Dec 2007	159,569,186	-20.2%	505,327,387	-8.0%	(39,476,416)	30.3%	(91,256,010)	56.8%	120,092,770	-29.2%	414,071,377	-15.7%
	Jan 2008	30,393,356	-25.1%	535,720,743	-9.1%	(44,896,658)	1262.7%	(136,152,668)	121.4%	(14,503,302)	-138.9%	399,568,075	-24.3%
	Feb 2008	30,326,605	33.8%	566,047,348	-7.6%	(8,934,899)	478.5%	(145,087,567)	130.2%	21,391,706	1.3%	420,959,781	-23.4%
FY 2009	Mar 2008	77,714,008	-4.4%	643,761,356	-7.2%	(16,372,625)	518.4%	(161,460,192)	145.8%	61,341,383	-22.0%	482,301,164	-23.2%
	Apr 2008	132,091,079	-27.4%	775,852,435	-11.4%	(6,877,514)	61.9%	(168,337,706)	140.7%	125,213,565	-29.5%	607,514,729	-24.6%
	May 2008	49,477,589	-7.1%	825,330,024	-11.1%	(22,932,737)	316.3%	(191,270,443)	153.6%	26,544,852	-44.4%	634,059,581	-25.7%
	June 2008	156,770,836	12.9%	982,100,860	-8.0%	(6,319,532)	4.9%	(197,589,975)	142.6%	150,451,304	13.3%	784,510,885	-20.4%
	July 2008	30,855,446											

Economic Indicators

NATIONAL

The Conference Board's **U.S. Index of Leading Economic Indicators** rose 1.1% in November, the largest gain in 8 months, signaling the economy might be strengthening early next year. A decrease in unemployment claims, improvements in vendor performance, and favorable interest rate spread, along with positive contributions from all but one indicator pushed the index to its highest point in a year.

Consumer prices, as measured by the **U.S. Consumer Price Index (CPI)**, increased by 0.1% in November. Excluding food and energy, core consumer prices rose by 0.1% after being flat for 3 consecutive months. While November producer prices exerted upward pressure on input costs due to rising commodity prices, the continued restraint in consumer prices suggests that there is still considerable slack in the economy.

The Semiconductor Industry Association (SIA) reported that **Semiconductor Billings** (3-month moving average) in the U.S. were \$4.81 billion in October, or essentially at the same level as in the prior month. Year over year, chip sales have grown by 30.7%. The trade association expects sales growth to moderate in 2011 and 2012.

ARIZONA

Employment

According to the Arizona Department of Commerce, the state had a net gain of 12,800 **nonfarm jobs** in November. This represented a 0.5% increase over the prior month. November marked the fourth straight month with a year-over-year growth in nonfarm employment. Compared to the same month in the prior year, the state has now added 24,900 jobs (a net gain of 1%). Since the beginning of the recession in December 2007, the state has shed (265,600) jobs, or (9.8)% of its workforce. See [Tracking Arizona's Recovery](#), for additional historical information.

Most of November's job gain was attributable to the retail sector (8,700), followed by employment services (1,800) and health care services (1,300).

The state's year-over-year growth rate of 1.0% in November exceeded the national average of 0.6%, suggesting that the recovery in Arizona is strengthening.

While 6 sectors of the economy have yet to experience year-over-year job gains (manufacturing, financial activities, information, leisure and hospitality, other services, and government), there are still many positive signs, such as the expansion of the retail sector and increased use of temporary employees, which suggest that Arizona's overall employment situation will continue to improve in the coming months.

The state's **unemployment rate** fell from 9.5% to 9.4% in November. This marked the second consecutive decline of Arizona's jobless rate. By way of comparison, the national unemployment rate increased from 9.6% to 9.8% during the same month.

The state's unemployed filed a total of 23,332 **initial claims for unemployment insurance** in November, a (11.6)% decline over the prior month. Initial claims typically decrease in November due to the seasonal hiring of retail workers. November also marked the lowest level of initial claims since August 2008. Compared to the same month in the prior year, first-time claims in November were down by (18.9)%, the 13th consecutive month with year-over-year declines.

Claims peaked in April 2009 when more than 41,000 individuals filed for initial jobless benefits. See [Tracking Arizona's Recovery](#), for additional historical information.

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

According to the Arizona Department of Commerce, preliminary data indicates that the **average work week** in November was 40.6 hours, a 1.0% increase over the prior month, and a 3.6% improvement since last year. November typically sees a sharp increase in the average work week due to seasonal hiring. Prior to the recession, the average work week for the month of November was 40.8 hours.

Housing

In November, the number of new Maricopa County **foreclosure notices** declined (16.8)% from October levels to 5,891. The total is the lowest for a single month since 5,339 new notices were recorded in March 2008.

"November marked the fourth straight month with a year-over-year growth in nonfarm employment. Compared to the same month in the prior year, the state has now added 24,900 jobs (a net gain of 1%)."



Economic Indicators (Continued)

"In November, the number of new Maricopa County foreclosure notices declined (16.8)% from October levels to 5,891. The total is the lowest for a single month since 5,339 new notices were recorded in March 2008."

The number of Maricopa County **pending foreclosures** increased slightly in November. The November total of 41,771 is (18.8)% below the peak in December 2009 (51,466). See [Tracking Arizona's Recovery](#), for additional historical information.

While foreclosure notices and pending foreclosures continue their decline from recent highs, they continue to be a major influence on existing home sales and the respective prices. In the Metropolitan Phoenix area in November, there were a total of 6,845 **existing single-family home sales** that resulted in a **median resale home price** of \$135,000. Relative to the prior year, the number of sales and prices are down (17.9)% and (5.9)% respectively. Of the existing sales, 30.6%, or 2,095 were foreclosures.

State Agency Data

In December **AHCCCS caseloads** equaled 1.35 million members, a (0.7)% decrease over the prior month. AHCCCS caseloads are currently (1.4)% below December 2009 levels. The FY 2011 budget funded a projected December 2010 caseload of 1.41 million members.

There were 44,949 **TANF recipients** in the state in November, a monthly caseload decrease of (0.2)%. Year-over-year, the number of TANF recipients has declined by (48.7)%. This decline is the result of changes to the statutory lifetime limit a person may receive cash assistance. Beginning in July, recipients can only receive benefits for a maximum of 36 months in a lifetime. Previously, the maximum had been 60 months. This change resulted in a caseload decline of approximately (16,000) recipients. The FY 2011 budget assumed caseloads of approximately 70,000 in FY 2011.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. In November, there were a total 1.08 million food stamp recipients in the state, a (0.5)% decrease over the prior month. Compared to the same month last year, food stamp participation was up by 6.1%. The number of food stamp 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 Correction's (ADC) inmate population** rose to 40,307 inmates between September and November 2010. Relative to the prior month

the population has increased by 25, and compared to a year ago the population has declined by (380) inmates.

Economic Indicators (Continued)

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	November	9.4%	(0.1)%	0.1%
- Initial Unemployment Insurance Claims	November	23,332	(11.6)%	(18.9)%
- Unemployment Insurance Claimants	October	73,259	(2.7)%	(30.1)%
- Non-Farm Employment - Total	November	2.45 million	0.5%	1.0%
Manufacturing	November	148,700	0.4%	(0.3)%
Construction	November	117,300	(2.5)%	0.5%
- Average Weekly Hours, Manufacturing	November	40.6	1.0%	3.6%
- Contracting Tax Receipts (3-month average)	Sept-Nov	\$33.2 million	7.0%	(6.6)%
- Retail Sales Tax Receipts (3-month average)	Sept-Nov	\$127.8 million	(1.2)%	0.8%
- Residential Building Permits (3-month moving average)				
Single-unit	Aug-Oct	792	(6.0)%	(29.3)%
Multi-unit	Aug-Oct	164	15.3%	255.8%
- Greater Phoenix Existing Home Sales				
Single-Family	November	6,845	(15.2)%	(17.9)%
Townhouse/Condominium	November	1,025	(15.6)%	(12.4)%
- Greater Phoenix Median Home Sales Price				
Single-Family	November	\$135,000	(2.6)%	(5.9)%
Townhouse/Condominium	November	\$81,000	(4.7)%	(23.5)%
- Foreclosure Activity, Maricopa County				
Foreclosure Notices (Notice of Trustee's Sales Recorded)	November	5,891	(16.8)%	(17.6)%
Pending Foreclosures (Active Notices)	November	41,771	0.5%	(17.3)%
- Greater Phoenix S&P/Case-Shiller Home Price Index (Jan. 2000 = 100)	September	107.16	(1.5)%	(1.9)%
- Arizona Months Supply of Housing, (ARMLS)	November	6.7 months	(0.2) months	1.3 months
- Phoenix Sky Harbor Air Passengers	October	3.26 million	11.7%	2.1%
- Arizona Average Natural Gas Price (\$ per thousand cubic feet)	September	\$5.69	(7.3)%	(3.6)%
- Arizona Consumer Confidence Index (1985 = 100)	4 th Quarter 2010	56.3	14.7%	N/A
- Arizona Coincident Index (July 1992 = 100)	October	179.83	0.3%	1.0%
- Arizona Personal Income	3 rd Quarter 2010	\$225.4 billion	0.7%	3.4%
- Arizona Population	July 1, 2009	6.60 million	N/A	1.5%
- AHCCCS Recipients	December	1,347,631	(0.7)%	(1.4)%
- TANF Recipients	November	44,949	(0.2)%	(48.7)%
- SNAP (Food Stamps) Recipients	November	1,081,346	(0.5)%	6.1%
- ADC Inmate Growth (3-month average)	Sept-Nov	40,307	25 inmates	(380) inmates
- Probation Caseload (Adult/Juvenile)				
Non-Maricopa	October	19,530	(98)	(195)
Maricopa County	October	26,447	(227)	(2,658)
United States				
- Gross Domestic Product (Chained 2005 dollars, SAAR)	3rd Quarter 2010 (Second Estimate)	\$13.3 trillion	2.5%	3.2%
- Consumer Confidence Index (1985 = 100)	November	54.1	8.4%	6.9%
- Leading Indicators Index (2004 = 100)	November	112.4	1.1%	6.2%
- U.S. Semiconductor Billings (3-month moving average)	Aug-Oct	\$4.81 billion	0.0%	30.7%
- Consumer Price Index, SA (1982-84 = 100)	November	219.1	0.1%	1.1%

JLBC FINANCE ADVISORY COMMITTEE (FAC) MEMBERS

Dan Anderson has served as Assistant Executive Director for Institutional Analysis for Arizona Board of Regents since July 2002. From 1975 through June 2002, Mr. Anderson held various positions at the Arizona Department of Economic Security, with most of his time as Research Administrator. He has been a member of the FAC since its inception.

Dr. Jay Q. Butler is Director of Realty Studies and an Associate Professor of Real Estate in the Morrison School at Arizona State University at the Polytechnic campus. He also holds the Arizona Realtors Professorship in Real Estate. Dr. Butler has been at ASU since 1972. He has been a member of the FAC since 1994.

Brian Cary is Corporate Economist for Salt River Project (SRP). Prior to joining SRP in September 2007, he served as Principal Economist on the JLBC staff for 4 years. Mr. Cary has been producing forecasts and analysis for more than 25 years, mostly focused on the energy and financial sectors. He joined the FAC in 1989.

Tracy L. Clark is Data Integrity Manager for the Arizona Department of Transportation. Previously, he was with Arizona State University as the Associate Director of the JPMorgan Chase Economic Outlook Center. He produced national and local economic forecasts, as well as, gathering forecasts from other economists for Center publications. Mr. Clark has been a member of the FAC since 1989.

State Treasurer Doug Ducey serves as the Arizona's Chief Banker and Investment Officer overseeing more than \$9.7 billion in state assets. Treasurer Ducey also serves as the Chairman of Arizona's State Board of Investment, and State Loan Commission. He also serves as the State's Surveyor General and is a member of the State Land Selection Board. With a degree in Finance from Arizona State University, he was inducted into the W.P. Carey School of Business *Hall of Fame* in 2004 and joined the Treasurer's Office from the private sector where he built and developed two Arizona businesses.

Pete Ewen is Chief Economist and Manager, Revenue and Fuel Analysis and Forecast Group at Pinnacle West. He has been with Arizona Public Service/Pinnacle West for 17 years.

John C. Lucking is President of ECON-LINC, an economic consulting firm. Dr. Lucking also serves as a director for Sanu Resources Ltd., an international mineral exploration company, and as a trustee for several municipal bond mutual funds. Previously, he served as Chief Economist for Bank One Arizona and as the Executive Director of the Governor's Partnership for Economic Development (GSPED). Dr. Lucking has been a member of the FAC since 1987.

Georganna Meyer is Chief Economist for the Arizona Department of Revenue. She has been a member of the FAC since 1984.

Dr. Aruna Murthy is Director of Economic Analysis for the Department of Commerce.

Elliott D. Pollack is President of Elliott D. Pollack and Company in Scottsdale, Arizona, an economic and real estate consulting firm established in 1987. Mr. Pollack served as Chief Economist of Valley National Bank in Arizona for 14 years prior to establishing his consulting firm and is currently a member of the Economic Estimates Commission. He has been a member of the FAC since its inception.

Debra J. Roubik is the Chief Economist and Founder of VisionEcon, a consulting firm. Ms. Roubik began her career as an economist at Chicago's Harris Trust and Savings Bank where she was responsible for the bank's macroeconomic model. She also held the positions of Vice President of Stotler Economics, Manager of Revenue Forecasting for Atchison Topeka & Santa Fe Railway, and Economist for the Arizona Department of Economic Security's Research Administration. Ms. Roubik has been a member of the FAC since 2001.

Martin Shultz is a Senior Policy Director in Brownstein Hyatt Farber Schreck's Phoenix Office. Prior to joining Brownstein, Mr. Schultz was the Vice President of Government Affairs at Pinnacle West Capital Corporation and its subsidiaries. Mr. Shultz has been a member of the FAC since 1984.

Randie Stein joined the Investment Banking firm Stone & Youngberg as a Vice President in the Public Finance Department in September 2004. Ms. Stein has 10 years of experience as a fiscal advisor and Finance Committee analyst in the State Senate and as an economist/budget analyst with the Joint Legislative Budget Committee, and is a former staff director of the School Facilities Board. She has been a member of the FAC since 2005.

Marshall J. Vest is director of the Economic and Business Research Center at the University of Arizona's Eller College of Management. Mr. Vest has headed the College's Forecasting Project for 28 years. He is past-president of the Association for University Economic and Business Research, whose membership includes university-based applied research centers from across the country. Mr. Vest has been a member of the FAC for 28 years.

John Arnold is the Director of the Governor's Office of Strategic Planning and Budgeting (OSPB).