

Summary

November 2023 General Fund revenue collections totaled \$723 million, an amount that is an overall decline of (37.2)% below November 2022. This amount of November collections generated a forecast loss of \$(76) million below the enacted budget revenue forecast, with most of that loss occurring in the Individual Income Tax category.

Individual Income Tax

Overall Individual Income Tax (IIT) collections in November were (23.4)% below November 2022 and were \$(54) million below the enacted budget forecast.

Withholding tax collections were the largest factor in the November IIT forecast loss. With the implementation of the 2.5% single tax rate, the state updated the default withholding rate starting January 2023 – so while November collections were expected to decline under the new withholding policy, November's actual withholding decline of (17.1)% was greater-than-expected. The larger decline resulted in a forecast loss of \$(35) million for the withholding portion of the IIT category.

In terms of the other components of IIT, November is usually a relatively minor month for payments and refunds, with only about 2% of annual payment/refund activity occurring in November. Both of these items generated modest forecast losses during November – lower payments were \$(10) million below forecast and a higher level of refunds caused a \$(9) million forecast loss.

In addition to the main performance of IIT collections, the state also issued \$266 million of income tax rebates during November, based on FY 2024 budget legislation that implemented a \$250 one-time dependent tax rebate. This level of rebates issued was slightly higher than assumed in the enacted budget, causing a forecast loss of \$(6) million.

Sales Tax

November Sales Tax collections (which represent October sales activity) grew by 3.7% above November 2022, and generated a forecast loss of \$(7) million during the month. The category's 3.7% growth seen during November is generally a midpoint compared to prior months – Sales Tax performance has ranged from slower growth earlier in the year (less than 3% in several months) to more robust performance recently (growing by 6% in October).

Sales Tax revenue during November had mixed results across the individual subcategories. The category was helped by contracting tax collections growing by 14.6%, along with Utilities collections increasing by 16.8%. In contrast, retail collections declined by (2.1)% – data suggests this was due to slowing activity in vehicle sales, general merchandise, furniture, and building materials.

Corporate Income Tax

November Corporate Income Tax (CIT) revenue was \$(13) million below forecast for the month, however, November is not a significant collection month for the tax category. The next significant data point for the category will be in December, a month which accounts for about 25% of annual CIT revenue.

Year-to-Date Results

Year-to-date through November, excluding Urban Revenue Sharing and the one-time tax rebate, FY 2024 General Fund revenues are (9.3)% below the prior year. Total General Fund revenues are \$(407) million below the enacted budget forecast.

The October FAC forecast projected state revenue would be \$(406) million below the enacted budget for all of FY 2024. Given that this amount of forecast loss has been realized through November, the January Baseline forecast will likely further increase the size of the revenue shortfall.

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November Revenues

Table 1			
General Fund Revenues (\$ in Millions)			
	FY 2024	Difference From	Difference
	Collections	Enacted Forecast	From FY 2023
November	\$ 722.6	\$ (75.7)	\$ (428.7)
Year-to-Date	\$ 5,397.6	\$ (406.7)	\$ (1,102.8)

Sales Tax collections of \$650.9 million in November were 3.7% above the same month in the prior year and \$(6.8) million below the enacted budget forecast. Year to date through November, sales tax revenue is up by 2.9% compared to the same period in the prior year and is \$(65.9) million below forecast.

Table 2 shows the November growth rate for the 5 major sales tax categories, which combined make up about 90% of total sales tax collections.

Table 2		
November Sales Tax Growth Rates Compared to Prior Year		
	Nov.	YTD
Retail/Remote Seller ^{1/}	(2.1)%	5.2%
Contracting	14.6%	11.2%
Use Tax ^{2/}	4.7%	(50.0)%
Restaurant & Bar	3.1%	2.9%
Utilities ^{3/}	16.8%	31.2%

^{1/} Absent DOR's technical corrections in August and October, Retail/Remote Seller YTD growth would have been 2.6%.
^{2/} Absent DOR's technical corrections in August and October, Use Tax YTD growth would have been (17.8)%.
^{3/} Absent a large taxpayer refund of approximately \$(40) million issued in October 2022, Utilities YTD growth would have been 10.5%.

The combined Retail/Remote Seller category, which makes up nearly 54% of total sales tax revenue, declined by (2.1)% in November compared to the same month in the prior year. Detailed industry data provided by the Department of Revenue suggests that the year-over-year decrease in retail tax collections was primarily due to weakness in several retail sectors, including vehicle sales, as well as the sales of general merchandise, furniture, and building materials.

The Utilities classification, which includes the retail sales of electricity, natural gas, and water and sewer services, increased by 16.8% in November and is up by 10.5% YTD after adjusting for a large one-time refund issued to a taxpayer in the fall of 2022. Most of November's gain was attributable to electric utilities.

Individual Income Tax (IIT) net collections were \$378.6 million in November, a (23.4)% decline from last year and \$(53.9) million below the enacted budget forecast. Year to date (YTD) through November, IIT revenue has decreased by (29.2)% compared to the same period in FY 2023 and is \$(421.5) million below forecast.

Withholding revenue in November was \$393.8 million, a decrease of (17.1)% relative to the same month in the prior year and \$(34.2) million below forecast. YTD, withholding is down by (14.1)% and is \$(129.0) million below the enacted budget forecast.

Total tax payments in November were \$43.5 million, a decline of (32.5)% from last year and \$(10.3) million under the enacted budget forecast. Both estimated and final payments tend to be small in November. Historically, total (estimated plus final) payments in November make up about 2% of the total for the whole fiscal year. YTD through November, total payments are \$404.5 million, (41.3)% below last year's level and \$(112.9) million less than forecast.

November refunds were \$58.7 million, an increase of 29.9% over the same month in the prior year and \$9.2 million higher than projected, thereby resulting in a forecast loss of \$(9.2) million for the month. YTD, refunds are up 72.9% from the same period last year, with a cumulative forecast loss of \$(179.6) million.



Table 3
Individual Income Tax Growth Rates
Compared to Prior Year

	<u>November</u>	<u>YTD</u>
Withholding	(17.1)%	(14.1)%
Estimated/Final Payments	(32.5)%	(41.3)%
Refunds	29.9%	72.9%

Corporate Income Tax (CIT) net collections in November were \$7.4 million, (64.9)% less than in November 2022, and \$(12.7) million below the enacted budget forecast. November is often the month with the lowest level of net collections during the fiscal year. On average, less than 1% of the CIT fiscal year-total is collected in November. Year to date through November, net revenue is up by 7.7% and is \$71.5 million above forecast.

Insurance Premium Tax (IPT) revenue was \$1.3 million in November, almost \$1.1 million above the amount collected in November 2022, but \$(2.7) million below the enacted budget forecast. The amount of IPT collections in November tends to be small as neither installment payments by insurers nor estimated payments by AHCCCS contractors are due in this month. Fiscal year to date, IPT revenue is up by 3.1% and is \$(17.9) million below forecast.

The amount of **Tobacco Tax** deposited into the General Fund in November was \$1.6 million, which is 1.4% higher than November 2022 collections and less than \$0.1 million above the enacted budget forecast. Year to date, General Fund tobacco tax revenues total \$8.1 million, 7.8% greater than the amount collected for the comparable period in FY 2023, and less than \$(0.1) million under the forecast.

Liquor Tax revenue deposited into the General Fund in November was \$4.2 million, which is an increase of 12.9% from the amount deposited in November 2022 and \$0.5 million more than the enacted budget forecast. Year to date, General Fund deposits from liquor tax collections total \$16.8 million, a (6.5)% decline from the comparable period in FY 2023, and \$(1.3) million below forecast.

SB 1734 enacted in the 2023 Regular Session provides a one-time **Individual Income Tax Rebate** to Arizona taxpayers who: (1) filed a full-year resident tax return for TY 2021, (2) claimed a dependent tax credit on the TY 2021 tax return, and (3) had a tax liability of at least \$1 in TY 2019, TY 2020, or TY 2021. The rebate is \$250 for each dependent tax credit claimed on the taxpayer's TY 2021 tax return for each dependent who was under age 17 at

the end of 2021 and \$100 for each dependent at least 17 years old at the end of 2021. The maximum rebate that can be claimed is for 3 dependents. The tax rebates were required to be issued between October 15, 2023 and November 15, 2023. The enacted budget forecast assumed that the one-time cost of the rebate program would be \$259.8 million. Based on data provided by the Department of Revenue on the actual level of rebates issued, the cost is now estimated to be \$265.7 million, or \$5.9 million higher than originally projected, thereby generating a corresponding \$(5.9) million forecast loss.

The **Lottery Commission** reported that total ticket sales in November were \$111.6 million. This amount is \$(37.3) million, or (25.1)% lower than November 2022.

Highway User Revenue Fund (HURF) collections of \$140.2 million in November were 4.5% above the amount collected in November 2022 and \$2.1 million higher than forecast. Year to date, HURF collections are \$707.3 million, 3.1% above the prior year and \$0.4 million above forecast.

The state collected \$15.2 million in dedicated **Marijuana Excise Taxes** in November, marking a 4.0% increase over November 2022 revenues. Monies from this excise tax are deposited into dedicated non-General Fund accounts. The total combined amount of Medical and Recreational state Transaction Privilege Tax (TPT) was \$6.1 million in November. Of this amount, the General Fund received \$4.5 million. (*Table 4* details November 2023 collections).

Table 4
Marijuana State Tax Collections and Distributions
(\$ in Millions)

	<u>November</u>	<u>YTD</u>
Marijuana Excise Tax	\$15.2	\$71.7
Medical Marijuana TPT*	\$1.5	\$7.6
<u>Distribution:</u>		
General Fund	\$1.1	\$5.6
Counties	\$0.2	\$1.2
Cities	\$0.1	\$0.8
Recreational Marijuana TPT*	\$4.6	\$21.5
<u>Distribution:</u>		
General Fund	\$3.4	\$15.9
Counties	\$0.7	\$3.5
Cities	\$0.5	\$2.1
Total State Marijuana Tax Collections	\$21.2	\$100.8

* Amounts may not add to total due to rounding



Table 5

General Fund Revenue: Change from Previous Year and Enacted Forecast November 2023

	Current Month					FY 2024 YTD (Five Months)				
	Actual November 2023	Change From November 2022		Enacted Forecast		Actual November 2023	Change from November 2022		Enacted Forecast	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
Taxes										
Sales and Use	\$650,869,239	\$23,269,048	3.7 %	(\$6,811,564)	(1.0) %	\$3,211,625,339	\$90,920,459	2.9 %	(\$65,875,767)	(2.0) %
Income - Individual	378,570,791	(115,680,457)	(23.4)	(53,925,782)	(12.5)	2,019,425,934	(832,628,629)	(29.2)	(421,485,074)	(17.3)
- Corporate	7,412,282	(13,721,800)	(64.9)	(12,673,795)	(63.1)	479,132,017	34,144,249	7.7	71,496,221	17.5
Property	13,639,583	8,804,447	182.1	9,190,615	206.6	16,544,035	5,818,264	54.2	5,763,345	53.5
Luxury - Tobacco	1,620,070	22,239	1.4	31,739	2.0	8,147,443	592,373	7.8	(52,689)	(0.6)
- Liquor	4,225,845	482,511	12.9	523,156	14.1	16,846,683	(1,171,115)	(6.5)	(1,300,358)	(7.2)
Insurance Premium	1,302,657	1,065,882	450.2	(2,714,841)	(67.6)	215,127,007	6,431,161	3.1	(17,877,855)	(7.7)
Other Taxes	958,991	85,207	9.8	123,808	14.8	4,932,705	708,847	16.8	665,057	15.6
Sub-Total Taxes	\$1,058,599,457	(\$95,672,924)	(8.3) %	(\$66,256,665)	(5.9) %	\$5,971,781,162	(\$695,184,389)	(10.4) %	(\$428,667,120)	(6.7) %
Other Revenue										
Lottery	42,645,158	6,473,185	17.9	1,041,823	2.5	170,952,858	48,670,785	39.8	1,041,823	0.6
Gaming	3,216,018	3,216,018	--	609,136	23.4	7,258,934	(16,079,985)	(68.9)	(4,198,069)	(36.6)
License, Fees and Permits	5,300,133	927,112	21.2	566,619	12.0	23,013,128	1,921,719	9.1	823,804	3.7
Interest	29,138	(28,884,290)	(99.9)	8,044	38.1	101,333,689	22,380,099	28.3	30,974,536	44.0
Sales and Services	1,792,427	(37,772)	(2.1)	(1,067,418)	(37.3)	12,680,277	968,019	8.3	(1,371,335)	(9.8)
Other Miscellaneous	2,268,454	(1,210,066)	(34.8)	(1,049,866)	(31.6)	13,398,220	8,392,793	167.7	593,606	4.6
Disproportionate Share	0	0	--	0	--	0	0	--	0	--
Transfers and Reimbursements	4,883,140	(9,605,954)	(66.3)	(3,636,993)	(42.7)	14,874,005	(17,317,563)	(53.8)	53,047	0.4
Sub-Total Other Revenue	\$60,134,468	(\$29,121,768)	(32.6) %	(\$3,528,656)	(5.5) %	\$343,511,111	\$48,935,866	16.6 %	\$27,917,413	8.8 %
TOTAL BASE REVENUE	\$1,118,733,926	(\$124,794,691)	(10.0) %	(\$69,785,321)	(5.9) %	\$6,315,292,273	(\$646,248,523)	(9.3) %	(\$400,749,708)	(6.0) %
Other Adjustments										
Urban Revenue Sharing	(130,401,650)	(38,155,093)	41.4	(0)	0.0	(652,008,248)	(190,775,466)	41.4	(0)	0.0
One-Time Transfers	0	0	--	0	--	0	0	--	0	--
Income Tax Rebate	(265,732,100)	(265,732,100)	--	(5,932,100)	2.3	(265,732,100)	(265,732,100)	--	(5,932,100)	2.3
Sub-Total Other Adjustments	(396,133,749)	(303,887,193)	329.4 %	(5,932,100)	1.5 %	(917,740,347)	(456,507,566)	99.0 %	(5,932,100)	0.7 %
TOTAL GENERAL FUND REVENUE	\$722,600,176	(\$428,681,884)	(37.2) %	(\$75,717,421)	(9.5) %	\$5,397,551,925	(\$1,102,756,089)	(17.0) %	(\$406,681,808)	(7.0) %
Non-General Funds										
Highway User Revenue Fund	140,168,600	6,047,727	4.5 %	2,110,451	1.5 %	707,333,635	21,133,909	3.1 %	355,943	0.1 %

Monthly Indicators

NATIONAL

According to the Bureau of Economic Analysis (BEA)'s most recent estimate, U.S. **Real Gross Domestic Product (GDP)** increased at an annual rate of 5.2% in the 3rd quarter of 2023. The increase in the 3rd quarter primarily reflected increases in consumer spending and inventory investment.

The Conference Board's **Consumer Confidence Index** rose 2.9 points to 102.0 in November, from a downwardly revised October score of 99.1. The index of views on the present situation weakened somewhat while the index of expectations improved. Consumer assessment of current labor market conditions was largely unchanged. Households' expectation of the rate of inflation a year from now decreased from 5.9% to 5.7%.

The **U.S. Leading Economic Index (LEI)**, published by the Conference Board, declined by (0.8)% in October to 103.9 points, following a (0.7)% decline in September. The LEI contracted by (3.3)% over the 6-month period between April and October 2023, a smaller decrease than its (4.5)% contraction over the previous 6 months.

The U.S. Bureau of Labor Statistics' **Consumer Price Index (CPI)** rose by 0.1% in November over the prior month on a seasonally adjusted basis. Compared to the same month last year, consumer prices are up by 3.1% before seasonal adjustment. The index for shelter continued to rise in November, more than offsetting a decline in the gasoline index. The Core CPI, which excludes food and energy, is up by 4.0% from a year ago.

ARIZONA

Housing

In October, Arizona reached a 12-month total of 31,935 **single-family building permits** issued. This was an increase of 4.6% above September's total and (21.4)% below October 2022's 12-month total.

Arizona's 12-month total of 23,285 **multi-family building permits** in October is (0.7)% below last month's total and 0.5% greater than the same 12-month period ending in October 2022. October was the fourth consecutive month and the fourth month overall since August 2021 to see less than 10% year-over-year growth.

The **median home price** in Maricopa County rose to \$475,000 in November, representing a 1.4% increase over the median sale price in October and a 5.6% increase over November 2022's median home price. November is the second month in 2023 with both year-over-year and month-over-month sales price increases; October was the first. Year-over-year changes in median sale price were negative from November 2022 through September 2023. Previously, the median sales price had not declined on a year-over-year basis since November 2011.

Phoenix Sky Harbor Airport Ridership was 4.3 million in October, which represents a 16.5% increase over last month's figure and a 7.9% increase over last October's ridership.

Employment

OEO reported that a total of 3,546 **initial claims for unemployment insurance** were filed in Arizona in the week ending on December 9th. This represents a 19.5% year-over-year increase in initial claims, with the week ending December 10, 2022 seeing 2,968 initial claims.

According to OEO, for the week ending on December 2nd there were a total of 21,542 **continued claims for unemployment insurance** in Arizona. This is 22.4% greater than last year's total of 17,597 on the comparable date. Prior to the start of the pandemic, the average number of weekly continued claims was 22,613.

State Agency Data

As of December 1, 2023, the total **AHCCCS caseload** was 2.14 million members. Total monthly enrollment decreased (0.2)% from November and decreased (12.1)% compared to a year ago. Pursuant to a provision in the federal 2023 Consolidated Appropriations Act, AHCCCS began removing members who do not meet the financial eligibility requirements of the program on April 1. AHCCCS had previously been prohibited from disenrolling members who would have otherwise lost eligibility based on income, pursuant to federal legislation in March 2020. As a result, the (0.2)% decline is likely attributable to that policy change and we anticipate further caseload declines in the coming months.

Parent and child enrollment in the Traditional population decreased by (0.5)% in December, or (14.0)% lower than a year ago. Other Acute Care enrollment, including Prop 204 Childless Adults, Other Prop 204, Adult Expansion, and KidsCare, was 980,164 – flat enrollment growth from



November, or (10.7)% lower than last year. For December 2023, the Elderly, Physically Disabled and Developmental Disabilities Long-Term Care population increased by 0.1%. At 69,005, this population is 2.6% higher than a year ago.

There were 11,012 individuals receiving **TANF** Cash Assistance in November 2023, representing a (0.5)% decrease from October 2023. Year over year, the number of cash benefit recipients has decreased by (6.1)%.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. In November 2023, 945,875 people received food stamp assistance. This was a (0.9)% decrease from October 2023 and a 4.7% increase from November 2022.

The Arizona Department of Correction's **inmate population** was 34,422 as of November 30, 2023. This was a 0.3% increase from October 31, 2023 and a 1.8% increase since November 2022.



Table 6				
MONTHLY INDICATORS				
Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
<u>Employment</u>				
- Seasonally Adjusted Unemployment Rate	October	4.2%	0.2%	0.1%
- Total Unemployment Rate (discouraged/underemployed)	3 rd Q 2023	6.8%	0.0%	0.0%
- Initial Unemployment Insurance Claims	Week Ending Dec.9	3,546	7.9%	19.5%
- Continued Unemployment Insurance Claims	Week Ending Dec. 2	21,542	(2.8)%	22.4%
- Non-Farm Employment - Total	October	3,191,300	0.5%	1.6%
Manufacturing	October	194,600	(0.1)%	(0.6)%
Construction	October	201,500	0.0%	2.0%
- Average Hourly Earnings, Private Sector	October	\$32.09	0.9%	4.2%
<u>Building</u>				
- Building Permits (12 month rolling sum)				
Single-family	October	31,935	4.6%	(21.4)%
Multi-family	October	23,285	(0.7)%	0.5%
- Maricopa County/Other, Single-Family Home Sales (ARMLS)	November	3,697	(10.4)%	(6.3)%
- Maricopa County/Other, Single-Family Median Home Price (ARMLS)	November	\$475,000	1.4%	5.6%
- Maricopa Pending Foreclosures	November	1,021	4.0%	0.1%
<u>Tourism and Restaurants</u>				
- Phoenix Sky Harbor Air Passengers	October	4,349,631	16.5%	7.9%
- State Park Visitors	September	217,311	24.2%	5.8%
- Revenue Per Available Hotel Room	September	\$90.94	(17.1)%	0.8%
- Arizona Hotel Occupancy Rate	September	64.4%	5.0%	(1.7)%
<u>General Measures</u>				
- Arizona Personal Income, SAAR	2 nd Q 2023	\$454.3 billion	4.7%	6.6%
- Arizona Population	July 2022	7,359,197	N/A	1.3%
- State Debt Rating				
Standards & Poor's/Moody's Rating	May 2015/Nov 2019	AA / Aa1	N/A	N/A
Standards & Poor's/Moody's Outlook	May 2015/Nov 2019	Stable/Stable	N/A	N/A
<u>Agency Measures</u>				
- AHCCCS Recipients	December 1st	2,138,000	(0.2)%	(12.1)%
Traditional Acute Care		1,088,800	(0.5)%	(14.0)%
Other Acute Care		980,200	0.0%	(10.7)%
Long-Term Care – Elderly & DD		69,000	0.1%	2.6%
- Department of Child Safety (DCS)				
Reports of Child Maltreatment (12-month total)	October	44,115	0.4%	1.1%
DCS Out-of-Home Children	October	10,494	(0.9)%	(13.1)%
Filled Caseworkers (1,406 Budgeted)	October	1,335	(106)	99
- ADC Inmate Growth	November	34,422	0.3%	1.8%
- Department of Economic Security				
- TANF Cash Assistance Recipients	November	11,012	(0.5)%	(6.1)%
- SNAP (Food Stamps) Recipients	November	945,875	(0.9)%	4.7%
United States				
- Gross Domestic Product (Chained 2017 dollars, SAAR)	3 rd Q, 2023 1 st Estimate)	\$22.5 trillion	5.2%	3.0%
- Consumer Confidence Index (1985 = 100)	November	102.0	2.9%	1.8%
- Leading Economic Index (2016 = 100)	October	103.9	(0.8)%	(9.6)%
- Consumer Price Index, (1982-84 = 100)	November	307.9	0.1%	3.1%



JLBC Meeting Summary

At its **December 14, 2023** meeting, the Joint Legislative Budget Committee considered the following issues:

Executive Session

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

Consent Agenda

Department of Administration – Consider Approval of State Employee Travel Rate Adjustments – A.R.S. § 38-624(C) requires the Arizona Department of Administration (ADOA) to establish maximum reimbursement amounts for lodging, meal, and mileage expenses taking into consideration the amounts established by the federal government. The Committee gave a favorable review of ADOA's recommendation to increase mileage reimbursement to the federal rate of 65.5 cents, increase standard lodging rates by 9.2% and increase non-standard lodging rates by 6.5%. As a part of the review, the Committee included a provision stating that approval does not constitute an endorsement of additional appropriations to cover higher reimbursement costs.

Arizona Department of Administration/Automation Projects Fund – Review of Human Resources Information System – A.R.S. § 41-714 requires Committee review prior to any monies being expended from the APF. The Committee gave a favorable review of the ADOA's plan to spend \$20.6 million from the APF in FY 2024 for the Human Resources Information System. As part of its review, the Committee included a provision stating its intent that ADOA narrow the scope of the project if needed to keep the project within the original budget, and that Committee review does not constitute endorsement of additional funding.

Arizona Department of Administration/Automation Projects Fund – Review of Department of Revenue Integrated Tax System Modernization – A.R.S. § 41-714 requires Committee review prior to any monies being expended from the Automation Projects Fund (APF). ADOA requested a review of the Department of Revenue's (DOR) plan to spend \$16.7 million from the APF in FY 2024 to complete the planning and discovery phase for a new tax

system. The Committee gave a favorable review to the department's request. As part of its review, the Committee included a provision requiring DOR to report on or before February 28, 2024 and August 30, 2024 on its progress in developing a project plan, schedule, and deliverables. The Committee also included a provision stating that Committee review is contingent on approval from the Information Technology Authorization Committee (ITAC).

Department of Child Safety – Review of Line Item Transfers – Pursuant to an FY 2024 General Appropriation Act footnote, the Committee is responsible for reviewing the transfer of monies between most Department of Child Safety (DCS) line items. The Committee gave a favorable review to DCS's request to transfer \$651,600 of Federal Expenditure Authority from the Office of Child Welfare Investigations line item to the DCS Operating Budget (\$530,900) and Caseworkers line item (\$120,700).

Arizona Department of Corrections – Review of Bed Capacity Changes – The FY 2024 General Appropriations Act requires the Arizona Department of Corrections (ADC) to submit a bed capacity report by November 1, 2023. The budget also requires that if, after submitting that report, ADC plans to open or close at least 100 beds they must submit that plan to the Committee for review. On November 27, 2023 ADC announced plans to let the Marana prison management-only contract expire on December 31, 2023, effectively closing the 500-bed prison. Although ADC did not submit the Marana changes for review, the Committee gave a favorable review to the ADC plan.

Department of Economic Security – Review of Plan for the Arizona Training Program at Coolidge – A.R.S. § 36-570 requires the Department of Economic Security (DES) to submit a report for Committee review on or before November 1 of each year on the department's plans for the Arizona Training Program at Coolidge (ATP-C) and associated group homes. The Committee gave a favorable review of DES's plan which includes bringing electrical wiring up to code at its intermediate care facilities and consolidating from 7 facilities to 5 facilities. As part of its review, the Committee included a provision stating that a favorable review does not constitute an endorsement of additional appropriations for costs associated with the department's plans for ATP-C.



Department of Education – Review of AzSCI Science Contract Renewal – A.R.S. § 15-741.03 requires Committee review of the Arizona Department of Education's (ADE) contract renewal for the statewide assessment in science (AzSCI). The Committee gave a favorable review of ADE's FY 2025 AZSCI Assessment contract renewal costing approximately \$2.7 million. As part of its review, the Committee included a provision stating that a favorable review does not constitute an endorsement of adding funding to ADE's budget for cost increases in the AzSCI contract.

JLBC Staff – Consider Approval of Index for Arizona Department of Administration - School Facilities Division Construction Costs – A.R.S. § 41-5741D3(c) requires that the cost-per-square-foot factors used in the ADOA School Facilities Division (SFD) new school construction formula "shall be adjusted annually for construction market considerations based on an index identified or developed by the JLBC as necessary but not less than once each year." The Committee approved a 6.52% adjustment in the cost-per-square-foot factors. The adjustment is based on a cost index which the Committee has used since 2013.

Department of Public Safety – Review of the Expenditure Plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount – A.R.S. § 41-1724(G) and A.R.S. § 41-1724(H) require the Arizona Department of Public Safety (DPS) to submit for Committee review the entire FY 2024 expenditure plan for the GIITEM Border Security and Law Enforcement Subaccount prior to expending any monies. The Committee gave a favorable review of DPS's plan to expend the remaining \$1.1 million of the \$2.4 million appropriation from the Subaccount to continue funding the Border Security and Law Enforcement Grants program. As a part of the review the Committee included a provision requiring DPS to report to the Committee prior to implementing any changes to the proposed allocation.

JCCR Meeting Summary

At its **December 14, 2023** meeting, the Joint Committee on Capital Review considered the following issues:

Consent Agenda

Arizona State Parks Board – Review of Verde River State Park – A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to and capital projects. The Committee gave a favorable review of the Arizona State Parks Board's (ASPB) plan to spend \$7.0 million for the establishment of a new state park at the Verde River Headwaters near Chino Valley. As part of its review, the Committee included a provision requiring that any contractual agreement with the Trust for Public Land shall require the land parcel be transferred to state ownership upon completion of the purchase. Additionally, the Committee included a provision requiring ASPB to report the total cost of land acquisition and submit an expenditure plan for development costs to JLBC Staff within 90 days of the land acquisition.

Arizona Department of Public Safety – Review of Flagstaff Aviation Hangar Fuel Improvements – A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. The Committee

gave a favorable review of the Arizona Department of Public Safety's plan to spend \$320,000 for the renovation of the Flagstaff aviation hangar.

Arizona Department of Public Safety – Review of Remote Housing Replacement – A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. The Committee gave a favorable review of the Arizona Department of Public Safety's plan to spend \$2.0 million for the purchase of 5 new housing units.

Arizona State University – Review of Polytechnic Campus Utilities Expansion – A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. The Committee gave a favorable review of Arizona State University's plan to spend \$17.3 million in system revenue bond issuances for the construction of a modular chiller plant on its Polytechnic (East) campus. As part of its review, the Committee included the standard university financing provisions.



Summary of Recent Agency Reports

Arizona Department of Administration - School Facilities Division – Report on Funding Estimates – Pursuant to A.R.S. § 41-5702, the Arizona Department of Administration (ADOA) School Facilities Division (SFD) is required to report by December 1 on the estimated amounts necessary for the Emergency Deficiencies Correction (EDC) Fund and the New School Facilities (NSF) program for the following 3 fiscal years.

The EDC Fund is used to correct facilities emergencies that pose health or safety concerns for projects ineligible for Building Renewal Grants funding. As of December 1, 2023, the EDC Fund has a current balance of \$0. ADOA-SFD did not report on projected future year EDC Fund costs.

The NSF program funds construction and land costs for districts that qualify for new school space. ADOA-SFD reported that it had 43 current requests for new schools. In their December 1 report, ADOA did not provide an estimate of the expected costs, as the School Facilities Oversight Board met to approve schools for funding on December 15, 2023. (Rebecca Perrera)

Arizona Department of Administration – Report on Emergency Telecommunications Services Revolving Fund – Pursuant to A.R.S § 41-704, the Arizona Department of Administration (ADOA) submitted their annual report on the Emergency Telecommunications Services Revolving Fund (911 Program). The Arizona 911 Program is responsible for distributing revenues collected from the Emergency Telecommunications Services Revolving Fund. The fund receives revenue from a \$0.20 per month tax on wireline, wireless, and VoIP services and 0.8% of the gross income derived from pre-paid wireless services. ADOA reports it will distribute a total of \$17.3 million in FY 2024 to Public Safety Answering Points for the operation and support of 911 services. In addition, ADOA allocated \$7.5 million in FY 2023 for statewide next-generation 911 (NG911) implementation and \$669,800 for ADOA administrative costs.

In FY 2024, ADOA plans to continue the implementation of NG911 which is an internet-based system that allows interoperability within the state. (Rebecca Perrera)

Arizona Department of Administration – Report on Repayment of State Debt and Obligations – Pursuant to A.R.S. § 41-726, the Arizona Department of Administration (ADOA) is required to report on the amount of potential savings if the state repays the balance of any outstanding long-term General Fund financing obligations, under the following repayment scenarios: \$50 million, \$100 million, \$150 million, and \$200 million. Based on the state's remaining debt, ADOA provided the following 3 scenarios:

- Scenario 1: \$50 million in debt payoff would result in \$10.9 million in net lifetime savings.
- Scenario 2: \$100 million in debt payoff would result in \$17.5 million in net lifetime savings.
- Scenario 3: \$150 million in debt payoff would result in \$20.2 million in net lifetime savings.

ADOA's report only listed debt obligations that are eligible for early retirement (also known as "callable") before the debt's final maturity date. Under this limited standard, ADOA did not provide a \$200 million debt payoff scenario, as the state does not currently have that level of "callable" General Fund debt obligations.

For debt obligations that are not callable, the state may go through a process known as "cash defeasance". Under the defeasance process, the state deposits sufficient monies into an escrow account, so that the escrow account pays out all future required debt service payments. Once the defeasance process is completed, the associated debt is effectively removed from the state's list of outstanding obligations. ADOA did not include cash defeasance options in their report. (Gordon Robertson)

Arizona Department of Administration – Report on County Sheriff Recruitment and Retention Payments – Pursuant to FY 2023 General Appropriation Act footnotes, the Department of Administration (ADOA) reported the amounts disbursed to counties for one-time retention and recruitment payments to sheriff's deputies, and the amounts spent by each county.

The FY 2023 budget included a total of \$53.4 million for distribution to counties. According to ADOA, a total of \$52.3 million has been disbursed to counties: \$46.7 million for retention payments and \$5.6 million for recruitment payments. To date, counties reported a total of \$22.5 million in expenditures. According to ADOA, Apache, Coconino, La Paz and Santa Cruz counties did not report expenditures. (Mitchell Wenzel)



Table 7
Deputy Sheriff Retention and Recruitment

<u>County</u>	<u>ADOA Disbursement</u>	<u>County Reported Expenditures</u>
Apache	\$380,000	<i>Did not report</i>
Cochise	\$1,390,000	\$623,800
Coconino	\$1,390,000	<i>Did not report</i>
Gila	\$865,000	\$456,300
Graham	\$580,000	\$288,800
Greenlee	\$265,000	\$163,800
La Paz	\$525,000	<i>Did not report</i>
Maricopa	\$24,655,000	\$9,976,200
Mohave	\$2,030,000	\$978,800
Navajo	\$950,000	\$612,500
Pima	\$9,175,000	\$5,003,800
Pinal	\$3,720,000	\$1,877,500
Santa Cruz	\$650,000	<i>Did not report</i>
Yavapai	\$3,530,000	\$1,252,500
Yuma	<u>\$2,240,000</u>	<u>\$1,282,300</u>
Total	\$52,345,000	\$22,516,300

ADOA - School Facilities Division – Report on Transfer to Emergency Deficiencies Correction Fund – Pursuant to A.R.S. § 41-5721, the School Facilities Division (SFD) within the Arizona Department of Administration is required to notify the JLBC of any monies transferred from the New School Facilities Fund to the Emergency Deficiencies Correction Fund. SFD may only transfer funds if the agency determines that the transfer will not affect, interfere with, disrupt or reduce funding for any SFD approved new school construction project. SFD reported transferring \$177,100 on October 19, 2023. This funding will be allocated to the Tanque Verde Unified School District for a sewer line replacement project. (Rebecca Perra)

AHCCCS – Report on Emergency Department Utilization – Pursuant to A.R.S. § 36-2903.11, AHCCCS reported on Arizona emergency department (ED) utilization. Currently there is no national standard for identifying whether an ED visit was the result of an emergency or non-emergency situation. Therefore, AHCCCS continues to analyze the state's Medicaid population using the American College of Emergency Physicians' coding, which assigns visits to 1 of 5 categories. Level I represents minor problems requiring minimal medical intervention, such as acute upper respiratory infection, removal of sutures, or cough. More severe conditions, such as severe burns or toxic ingestions, are classified as a Level V visit.

In FY 2022, total ED visits increased from FY 2021 by 191,500, or 22.1%, and cost a total of \$620.7 million. Compared to the prior year, this amount represents an increase of \$86.9 million, or 16.2%, in total payments for AHCCCS recipients receiving ED services. AHCCCS attributes the magnitude of the increase to a "return to normal operations and the increase in AHCCCS membership" resulting from the COVID-19 public health emergency. (Maggie Rocker)

Department of Child Safety – Report on Family First Prevention Services Act – Pursuant to an FY 2024 General Appropriation Act footnote, the Department of Child Safety (DCS) reported on its efforts to implement the Family First Prevention Services Act (FFPSA). FFPSA is federal legislation adopted in February 2018 that included reforms to federal financing of state child welfare services, including limitations on reimbursements to states for children placed in congregate care settings, and expanded federal funding for in-home preventive services. DCS reported it has taken the following actions related to implementing the legislation:

1. Implemented a variety of measures to retain and recruit foster families, including providing more supports for kinship care. To increase kinship care utilization, the department increased the kinship stipend in July 2022 as outlined in the FY 2023 budget and implemented a new contract specific to kin families. Regarding recruitment and retention of foster families, the department also launched a video campaign in 2023 featuring current and former foster youth to raise awareness and recruit new families.
2. Continued to assist providers in obtaining Qualified Residential Treatment Program (QRTP) accreditation. QRTPs are congregate care settings that continue to be eligible for federal reimbursement. The department now has 17 contracted QRTP providers.
3. Standardized therapeutic foster care placements in collaboration with the Arizona Health Care Cost Containment System (AHCCCS), including increased utilization of therapeutic foster care (TFC) for youth with higher needs, but who do not meet medical necessity. DCS reports that it has completed this objective by creating a TFC policy, establishing procedures, introducing tiered rates, and finalizing training expectations. (Maggie Rocker)

Arizona Commerce Authority – Report on Trade Office Funding Spending Plan – Pursuant to an FY 2024 General Appropriation Act footnote, the Arizona Commerce Authority (ACA) submitted a report detailing its expenditure plan for monies in the Trade Office Funding



line item. Of the \$2 million appropriated to the line item one-time in FY 2024, ACA intends to spend \$1.5 million to open three new trade offices in the United Kingdom, India, and Brazil at an estimated cost of \$500,000 each. ACA estimates that all three new offices will be open by February 2024. The Authority's spending plan allocates the remaining \$500,000 for increased operations at existing trade offices, including but not limited to trade shows, trade missions, and export assistance. (Nate Belcher)

Department of Corrections – Report on Correctional Officer Staffing – Pursuant to an FY 2024 General Appropriation Act footnote, the Arizona Department of Corrections (ADC) submitted its semi-annual report on correctional officer (CO) staffing. As of October 30, 2023, ADC reported that of the 5,922 total CO positions, 4,800.75 were filled and 1,121.25 were vacant, a vacancy rate of 18.9%. This was a decrease since June 2023 when the vacancy rate was 22.0%. Total filled positions increased by 181.25 since June. This change consists of 475.25 new hires, 50.75 COs promoted to a new position, and 243.25 COs leaving ADC.

ADC utilizes overtime to maintain inmate supervision levels despite CO vacancies. Through October 30, ADC reported a total of 576,014 overtime hours worked. ADC estimates the average CO will earn a total salary of \$65,600 in FY 2024, compared to \$65,300 in FY 2023. Of this amount, ADC estimates the average CO will earn about \$12,500 in overtime wages in FY 2024, compared to \$11,600 in FY 2023. (Geoffrey Paulsen)

Department of Corrections – Report on Transition Release Program – Pursuant to A.R.S. § 31-285, the Arizona Department of Corrections (ADC) submitted its annual report for FY 2023 for the Transition Program. The Transition Program, as established by A.R.S. § 31-281,

allows certain inmates the opportunity to be released 3 months prior to their release date. For each bed day saved, statute requires a transfer of at least \$17 from the State Department of Corrections Revolving Fund to the Transition Program Fund. In total, the program was responsible for 304,121 bed days saved in FY 2023, a 22.3% increase above FY 2022. At the statutorily-mandated rate of \$17 per day, \$5.2 million was transferred to the Transition Program Fund. (Geoffrey Paulsen)

Arizona Department of Corrections – Annual Bed Capacity Report – Pursuant to an FY 2024 General Appropriation Act footnote, the Arizona Department of Corrections (ADC) submitted its report detailing bed capacity changes in FY 2023 and planned changes in FY 2024.

At the end of FY 2023, ADC reported a total operating capacity of 44,369 beds and an inmate population of 34,377 for an operating bed surplus of 9,992 (See *Table 8* below).

According to the report, in FY 2024 ADC plans to reduce net operating bed capacity by (208) beds, all state operated prison beds. This does not include a reduction of an additional (150) beds associated with space requirements of implementation of mental health beds planned by the department but not yet reflected in their bed count. Additionally, after submitting the report ADC announced that the Marana private prison contract would expire December 31, 2023, without renewal. The state owns the Marana prison, and ADC reports it plans to keep the beds on the official county sheet. However, this will effectively eliminate another (500) minimum security beds from the ADC system. (Geoffrey Paulsen)

Table 8
End of FY 2023 ADC Systemwide Bed Surplus (+) / Shortfall (-)

	Permanent Beds	Total Beds (incl. Temp.)	Inmate Population 6/30/23	Permanent Surplus (+) / Shortfall (-)	Total Surplus (+) / Shortfall (-)
ADC System					
Minimum	12,953	13,290	10,142	2,811	3,148
Medium	16,069	19,922	17,006	(937)	2,916
Close	8,177	8,541	6,066	2,111	2,475
Maximum	1,371	1,720	628	743	1,092
Other	583	896	535	48	361
Total – ADC System	39,153	44,369	34,377	4,776	9,992



County Attorneys – Report on Deferred Prosecution – Pursuant to A.R.S. § 11-362, each county attorney that oversees an established Deferred Prosecution Program shall submit an annual evaluation of their respective program that includes the following metrics:

- The number of persons who were enrolled in deferred prosecution programs during the previous fiscal year.
- The number of persons who successfully completed deferred prosecution programs during the previous fiscal year.
- If available, the number of persons who were enrolled in deferred prosecution programs during the previous fiscal year and who were subsequently convicted of a new felony offense.

As of this writing, 8 of the 15 counties submitted reports for FY 2023; all counties except Yuma County currently administer a deferred prosecution program. A total of at least 8,002 individuals were enrolled in a deferred prosecution program in FY 2023, a (20.3)% decrease from FY 2022. Of these individuals, 5,389 successfully completed the program during FY 2023, with another 761 individuals still enrolled.

Deferred prosecution allows individuals who commit non-dangerous, non-serious crimes to avoid prosecution through the completion of a program that may involve restitution, community service, substance abuse treatment, counseling, or other means by which the individual can make amends for their crime. After the completion of the program, the charges are dismissed. (Geoffrey Paulsen)

Department of Economic Security – Report on Reimbursement Rates for Developmental Disabilities Programs – Pursuant to A.R.S. § 36-2959, the Department of Economic Security (DES) reported on its annual study performed by an independent consulting firm of the adequacy and appropriateness of Medicaid reimbursement rates for service providers that contract with the Division of Developmental Disabilities (DDD). The main findings of the report were as follows:

- Total payments to providers increased 21.1% between FY 2022 and FY 2023, mostly due to the funding for provider rate increases included in the FY 2023 budget.
- The number of in-home supports providers increased 4.7% and residential services providers increased 4.4% in FY 2023. However, the number of day treatment providers decreased (1.5)% after experiencing the most growth of any service category in the prior year.

- The average number of units per user increased 6.5% for day treatment services between FY 2022 and FY 2023, while professional nursing services decreased (7.0)% and employment services decreased (3.3)%.
- The consultant believes overall that the current rates are "adequate," but recommended that DES prioritize future rate adjustments for services whose rates fall below its recommended benchmark. These include all employment services, most professional therapy services (occupational, physical, and speech), and select residential and in-home support services.
- The consultant notes that despite the overall adequacy of professional nursing service rates, significant wage increases have not generated an increase in the number of participating providers. The consultant believes this indicates there may be a shortage in nursing services available. (Chandler Coiner)

Department of Education – Report on Teacher Salaries – Pursuant to A.R.S. § 15-189.05C and 15-903I the Arizona Department of Education (ADE) recently submitted a report on changes in average teacher salaries reported by individual school districts and charter schools for FY 2024. ADE's reported average changes are not weighted by the size of the district or charter.

The report indicates that school districts reported a 0.8% increase in their average teacher salaries for FY 2024 and charter schools reported a 2.5% increase. The statewide average reported increase for districts and charters combined was 1.9%. The cumulative total increase since FY 2020 is 9.9% among school districts, 14.1% among charters, and 12.5% statewide. (Patrick Moran)

Department of Education – Report on the College Credit by Examination Incentive Program – Pursuant to A.R.S. § 15-249.06 the Arizona Department of Education (ADE) submitted a report on the College Credit by Examination Incentive Program (CCEIP), which provides incentive bonuses to school districts and charter schools for students who obtain a passing score on a qualifying examination for college credit while in high school. Qualifying exams include Advanced Placement (AP), Cambridge International Exams and International Baccalaureate Exams

ADE reported the following information on the program for FY 2023:

- There were 32,674 students that took a qualifying examination in the 2021-2022 school year (CCEIP awards are based on exam results from the preceding school year).



- 13,296, or 41%, of students taking a qualifying examination received a passing score in FY 2022.
- There were 23,166 CCEIP bonus awards, of which 22,287, or 96%, were associated with AP exams.
- A total of \$7.1 million in bonus awards were distributed for FY 2023, of which \$6.5 million went to schools with less than 50% of students eligible for free or reduced-price lunch (FRPL), with the remaining \$610,200 for schools with greater than 50% FRPL eligibility.
- The average award per qualifying examination was \$300 for schools with less than 50% FRPL eligibility (statute allows up to \$300) and \$450 for schools with greater than 50% FRPL eligibility (statute allows up to \$450). (Patrick Moran)

Department of Education – Override Report – Pursuant to A.R.S. § 15-249.04, the Arizona Department of Education (ADE) has reported FY 2024 data on school district budget overrides. Overrides permit school districts to generate and spend additional monies from local property taxes if approved by voters.

The ADE report for FY 2024 indicates that 88 districts have Maintenance and Operation (M&O) overrides pursuant to A.R.S. § 15-481, 27 have “District Additional Assistance” overrides pursuant to A.R.S. § 15-481, and 1 district has a Special Program override pursuant to A.R.S. § 15-482. Districts are budgeting \$781.7 million for overrides in FY 2024, including \$673.6 million for M&O overrides, \$105.5 million for District Additional Assistance overrides, and \$2.6 million for Special Program overrides. (Patrick Moran)

Arizona Department of Education – Report on ESSER Expenditures – Pursuant to an FY 2023 General Appropriation Act footnote, the Arizona Department of Education (ADE) reported on expenditure of monies allocated to the Superintendent of Public Instruction from the federal Elementary and Secondary School Emergency Relief (ESSER) Fund through September 30, 2023. ADE reports that the department and Local Education Agencies (LEAs) (i.e. school districts and charter schools) have expended \$2.47 billion of ESSER monies through the first quarter of FY 2024, or an increase of \$239.1 million above the prior quarter. Given Arizona's total ESSER allocation of \$4.01 billion, there are \$1.54 billion of ESSER monies that remain unexpended.

The \$239.1 million of first quarter expenditures include the following amounts:

- \$214.3 million for direct allocations to LEAs. ADE is required to allocate a minimum of 90% of ESSER monies for direct distributions to school districts and charter schools.
- \$11.5 million for discretionary allocations by ADE.
- \$6.0 million is for programs to address learning loss.
- \$5.7 million is for afterschool programs.
- \$1.2 million is for summer enrichment programs.
- \$383,700 for ADE administrative expenses.

The final deadline for ESSER expenditures is September 30, 2024. (Patrick Moran)

Board of Executive Clemency – Report on FY 2023 Caseload – Pursuant to a footnote in the FY 2024 General Appropriation Act, the board is required to submit a report on its FY 2023 caseload by November 1, 2023.

The board conducted 1,701 case hearings in FY 2023, as described below:

Phases 1 and 2 Commutation (123): After reviewing an inmate’s request to have their sentence commuted, the board can decide to deny the request or allow the request to move to a Phase 2 Commutation hearing.

Pardon (15): The board may recommend that the Governor pardon an offender.

Absolute Discharge (17): The board can discharge a person from imprisonment or parole supervision prior to the sentence expiration date or prior to the expiration of parole.

Modification (0): The board can recommend to the Governor that an inmate’s sentence be modified or commuted.

Reprieve (2): The board can make a recommendation to the Governor to delay or temporarily suspend the carrying out of an inmate’s punishment.

Parole (304): These hearings only apply to offenders sentenced prior to 1994. The board may place these offenders on parole or deny their application for parole and return them to the Department of Corrections. Pursuant to A.R.S. § 13-717 and recent court decisions, parole is also available for certain offenders sentenced after 1994.

Revocation (1,236): These hearings are conducted when an offender has violated the terms of community supervision.

Other (4): All other cases.



In addition to these case hearings, a Board hearing officer held 376 Probable Cause hearings. These hearings can be requested by an inmate prior to revocation proceedings to determine if there is probable cause to believe that the defendant violated the terms of community supervision. (James Martinez-Burney)

Department of Public Safety – Annual Report on Civil Air Patrol Infrastructure Distributions – Pursuant to an FY 2024 General Appropriation Act footnote, the Department of Public Safety (DPS) reported on the monies distributed from the Civil Air Patrol Infrastructure line item.

Of the \$5.0 million FY 2023 appropriation, DPS reports distributing \$375,100 as follows: \$369,600 for the Sedona Hangar and \$5,500 for the Mesa Falcon Field Hangar. The department further reports that no distributions have been made from the \$10.0 million FY 2024 appropriation. Both appropriations are non-lapsing. (Jordan Johnston)

Supreme Court – Report on County-Approved Probation Officer Salary Adjustments – Pursuant to a General Appropriation Act footnote, the Arizona Administrative Office of the Courts (AOC) submitted its report on county-approved salary adjustments provided to probation officers since the last report on November 1, 2022. The report includes approved salary increases, average number of probation officers by county, average salary, and the net increase in allocations from the AOC to each county.

According to the report, statewide adult probation payroll increased by 5.7% and juvenile payroll increased by 4.2% from FY 2022 to FY 2023. According to the AOC, there were an average of 304.3 adult probation officers and 61.0 juvenile probation officers in FY 2023. The weighted average salary for probation officers in FY 2023 ranged by county from \$38,000 to \$63,300. (Geoffrey Paulsen)

Arizona State University – Report on University Campuses – Pursuant to A.R.S. § 15-1601 Arizona State University (ASU) has reported required financial and operational information for each of the university's campuses.

- Total capital expenditures in FY 2022 and FY 2023 (in millions):

Table 9
ASU Capital Expenditures by Campus
(\$ in Millions)

	<u>FY</u> <u>2022</u>	<u>FY</u> <u>2023</u>
Tempe	\$238.5	\$204.2
Downtown	32.7	5.2
West	1.5	4.3
East	2.5	1.1
Multiple Campuses	<u>5.2</u>	<u>9.9</u>
TOTAL	\$280.4	\$224.7

- 21st day Full-time Equivalent (FTE) student and a head count of students enrolled in one or more courses by campus:

Table 10
ASU 21st Day Enrollment

	<u>FTEs</u>	<u>Headcount</u>
Tempe	83,433	111,814
Downtown	23,949	43,716
West	12,984	30,412
East	<u>9,693</u>	<u>20,958</u>
TOTAL	130,059	206,900

- Revenues: \$1.27 billion (ASU excluded all non-appropriated revenues, including the non-appropriated share of tuition revenues, from the reported amounts). ASU did not allocate this amount by campus.
- ASU is also required to report any long-term capital or expansion plans for each campus. The university highlighted its Annual Capital Plan, which includes construction of a new Interdisciplinary Science and Technology building on the Tempe campus, renovating the Student Union on the Polytechnic (East) campus, construction of new athletic facilities on the Tempe campus, and projects for building and infrastructure enhancements, classroom and laboratory renovations, and IT infrastructure improvements across all campuses. (Cameron Mortensen)

