

1716 W. Adams
Phoenix, AZ 85007

Phone:
(602) 926-5491



www.azleg.gov/jlbc.htm

"While revenues declined during March, collections were actually \$126.4 million above the Baseline forecast."

Summary

March General Fund revenues were \$638.4 million during the month, which is a (3.7)% decline compared March 2020. While revenues declined during March, collections were actually \$126.4 million above the Baseline forecast.

While forecast gains during a month of revenue declines can seem counterintuitive, the result is due to specific issues within the Individual Income Tax (IIT) category:

- Refunds – The state saw a significant increase in the dollar amount of IIT refunds issued, which lowers net revenue collections. While IIT refund growth pushed the state's revenues into a decline, refunds did not impact the state's forecast gain as this was built into revenue projections given the delayed start to the tax filing season.
- Withholding – The state saw higher-than-expected growth in IIT withholding. This withholding growth was \$59 million above forecast, helping the overall IIT category post a net forecast gain for the month.

March Sales Tax collections (which represent February sales) increased by 11.2% during the month, which resulted in a forecast gain of \$34.7 million. March Sales Tax continued the trend of strong performance in the Retail/Remote Seller subcategory. The growth of the Contracting subcategory slowed from recent double-digit performance, posting modest growth of 4.5% during the month. The Restaurant/Bar subcategory experienced its first year-over-year increase since the start of the COVID-19 pandemic.

Corporate Income Tax (CIT) revenues increased by 59.8% during March. This significant growth resulted in CIT collections being \$21.0 million above forecast.

Given the revised April revenue forecast released last week, the upcoming May *Monthly Fiscal Highlights* (which covers the

April revenue results), will begin to benchmark the state's revenue collections against the April JLBC Staff forecast (*see April Revenue Update below*).

April Revenue Update

Year-to-date through March, excluding Urban Revenue Sharing and fund transfers, FY 2021 General Fund revenues are 18.8% above the prior year.

The high year-to-date revenue percentage growth rate is partially due to the state's deferral of the income tax filing due date from April 15 to July 15. Excluding the deferral, state revenue collections would be up 12.3% this fiscal year.

This 12.3% growth has significantly exceeded expectations. After only 3 months of benchmarking against the January Baseline JLBC Staff revenue forecast, the state has experienced a cumulative forecast gain of \$395.3 million.

Because of this gain, the revised revenue projections released at the April FAC meeting include a significant upward revision to the revenue forecast. Specifically, we recommend using the April JLBC Staff forecast, which would increase the January Baseline forecast by the following amounts:

- FY 2021: \$696 million
- FY 2022: \$835 million
- FY 2023: \$784 million
- FY 2024: \$814 million

In addition to the revenue forecast changes, we have also incorporated revised spending estimates to reflect the extension of the state's enhanced Medicaid match rate. This enhanced match rate lasts until the end of the Federal Public Health Emergency, which the Baseline assumed would last until the end of March 2021. Based on guidance from the Biden Administration, our revised estimates now assume the enhanced match rate lasts through

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the end of December 2021, which adds \$400 million of one-time savings during FY 2021 and FY 2022.

Given these revenue and spending changes, our revised overall budget estimates are as follows:

<u>Fiscal Year</u>	<u>Ongoing Balance</u>	<u>Cash Balance</u>
FY 22	\$1.2	\$3.9
FY 23	1.1	5.1
FY 24	1.5	6.5

Operating Balance Data

The state's fiscal health can also be measured by the operating fund balance. The state pays its bills out of the operating fund balance, which consists of the General Fund and certain dedicated funds. The operating balance as of mid-April 2021 is \$5.08 billion.

March Revenues

Table 1

	<u>FY 2021 Collections</u>	<u>Difference From Baseline Forecast</u>	<u>Difference From FY 2020</u>
March	\$ 638.4	\$ 126.4	\$ (24.6)
Year-to-Date	\$ 9,463.8	\$ 395.3	\$ 1,524.7

Sales Tax collections of \$477.9 million were 11.2% above March of last year and \$34.7 million above the January Baseline forecast. Year to date, sales tax revenue is up by 10.6%

As shown in *Table 2*, 2 of the major sales tax categories – retail/remote sellers and utilities - experienced double-digit growth rates in March compared to the same month in the prior year.

For each month from March 2020 through February 2021, Restaurant and Bar Sales Tax collections posted year-over-year percentage declines. March 2021 is the first month after the start of the pandemic that sales tax collections for this category increased over the same month in the prior year. This is likely attributable to several factors, including the easing of restrictions on restaurants and bars as well as the increase in vaccinations among the public.

In each month from February of 2020 through December 2020, Contracting grew at double-digit rates. In March, this category increased by 4.5% over the prior year. This followed February's increase of 9.3%. It is still too early to tell whether the slower growth rate seen in the beginning of this year is the start of a new trend or a temporary slowdown in construction activity.

February was the first full month for which the Department of Revenue (DOR) provided data on both Medical Marijuana and Adult Use Marijuana sales. In March, the General Fund received \$2.1 million in Medical Marijuana sales tax revenue and \$1.3 million in Adult Use Marijuana sales taxes. Year to date, the General Fund has received a total of \$1.4 million in "Recreational" Marijuana sales tax collections.

Table 2

	<u>Mar</u>	<u>YTD</u>
Retail/Remote Seller	18.4%	16.8%
Contracting	4.5%	17.8%
Use	0.4%	17.0%
Restaurant & Bar	7.8%	(9.4)%
Amusement	(21.9)%	(53.5)%
Hotel/Motel Lodging	(39.9)%	(37.1)%
Utilities	10.7%	10.1%

Table 3 below shows taxable sales by retail subcategory, excluding remote sales. Retail growth occurred in all subcategories, with the strongest growth in the sale of Building Materials, Lawn and Garden Supplies, which increased by 28.4% year over year. This was followed by Food and Liquor sales, which increased by 28.3%.

March Revenues (Continued)

	Mar. % Growth	% Share of Retail Sales
Auto Sales/Other Automotive	14.8%	20.5%
Building Materials, Lawn/Garden	28.4%	8.2%
Clothing and Accessories	1.7%	4.6%
Food and Liquor Sales	28.3%	7.1%
Furniture/Home Finishing	19.3%	6.7%
General Merchandise	3.7%	12.1%
Miscellaneous Retail	13.2%	17.4%
Wholesale	7.4%	6.7%
All Other	18.9%	16.7%
Total – Retail Classification	14.7%	100.0%

After months of strong growth in the contracting category, taxable sales growth rates are starting to slow down. As seen in Table 4 below, heavy construction contracting activity declined year-over-year by (31.7)% in March.

Heavy Construction	(31.7)%
Nonresidential Construction	14.5%
Residential Construction	2.4%
Specialty Trade	1.1%
All Other	152.5%
Total – Contracting Classification	4.5%

Individual Income Tax (IIT) net collections were \$23.9 million in March, (77.6)% below March 2020 but \$56.2 million above the January Baseline forecast. Gross revenues were greater than last year but were offset by increased refunds. Year to date, net collections are 30.5% over last year and \$237.8 million above forecast.

Withholding revenue in March was \$517.5 million, 15.4% more than in March 2020 and \$59.1 million above forecast. Year to date, withholding is up 6.3%. This is a continuation of the strong withholding growth in February.

Payments were \$76.7 million, 7.5% over last year and \$(1.1) million below the forecast. Final payments grew 4.1% while estimated payments grew 33.6%. Year to date, payments have grown by 111.3%.

In March, refunds were \$(570.3) million, 38.1% above last March and higher than is typical for the month of March. The January Baseline forecast had \$(568.5) million in refunds, and this large refund amount was anticipated given the delayed start to the tax filing season. Year-to-date, refunds in FY 2021 are 0.2% higher than for the same period in FY 2020.

Due to the tax filing season beginning late, refunds are down for calendar 2021. However, this gap is closing. At the start of March, the number of refunds were down (21.6)%, but by the end of the month the gap was reduced to (11.8)%. By the second week of April, refunds were (9.8)% behind last year. The average refund per return as of the second week of April was slightly lower than for the comparable period in 2020.

	March	YTD
Withholding	15.4%	6.3%
Estimated/Final Payments	7.5%	111.3%
Refunds	38.1%	0.2%

Corporate Income Tax (CIT) net revenue was \$43.3 million in March, which was \$21.0 million above the January Baseline forecast and 59.8% above the amount collected in March 2020. This is the highest CIT collection for March since 2016. The month of March typically represents about 8.6% of yearly collections.

Year to date, corporate net collections through March are \$456.5 million, an increase of 18.4% over the same period in the prior year, and \$49.4 million above forecast.

Insurance Premium Tax (IPT) revenue was \$143.6 million in March, which was \$1.6 million above the amount collected in March 2020 and \$14.3 million above the January Baseline forecast. March IPT typically represents about 22.4% of yearly totals.

Year to date, IPT net collections through March are \$395.8 million, an increase of 6.9% over the same period in the prior year, and \$16.0 million above forecast. As noted in previous months, the significant growth in IPT collections year-to-date may be related to premium taxes levied on the state's Medicaid program.

The **Lottery Commission** reported that total ticket sales were \$130.4 million in March, which was \$47.8 million, or 57.9% above March 2020. Year-to-date ticket sales total \$1.0 billion, which is \$318.7 million, or 42.2% above the same period last year.

Highway User Revenue Fund (HURF) collections of \$134.9 million in March were 3.1% above the amount collected in March 2020 and \$29.8 million above forecast. Year-to-date, HURF collections have increased by 3.1% compared to the same period in the prior year and are \$234.0 million above forecast.

Due to delays in reporting final February revenues for various revenues sources, DOR has made **technical adjustments** to prior month collection figures. For February, DOR has increased the amount of prior General Fund revenue collections by \$0.5 million, and this amount has been included in the reported year-to-date results.

Table 6

General Fund Revenue: Change from Previous Year and January Baseline Forecast March 2021

	Current Month					FY 2021 YTD (Nine Months)				
	Actual March 2021	Change From March 2020		January Baseline Forecast		Actual March 2021	Change from March 2020		January Baseline Forecast	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
<u>Taxes</u>										
Sales and Use	\$477,932,616	\$48,004,081	11.2 %	\$34,721,887	7.8 %	\$4,499,566,109	\$432,505,355	10.6 %	\$85,176,375	1.9 %
Income - Individual	23,920,430	(82,656,311)	(77.6)	56,208,019	--	4,425,221,211	1,033,624,048	30.5	237,765,652	5.7
- Corporate	43,256,613	16,192,514	59.8	20,983,320	94.2	456,496,717	70,833,309	18.4	49,420,663	12.1
Property	615,416	(17,045)	(2.7)	(205,166)	(25.0)	17,085,336	(1,311,240)	(7.1)	2,092,222	14.0
Luxury - Tobacco	1,487,207	(385,034)	(20.6)	0	--	16,183,116	(138,342)	(0.8)	302,791	1.9
- Liquor	2,533,181	(559,024)	(18.1)	0	--	29,018,008	1,331,229	4.8	(552,272)	(1.9)
Insurance Premium	143,591,466	1,611,432	1.1	14,327,472	11.1	395,775,334	25,644,647	6.9	16,018,972	4.2
Other Taxes	2,103,875	(662,617)	(24.0)	(566,560)	(21.2)	10,621,351	630,026	6.3	(724,412)	(6.4)
Sub-Total Taxes	\$695,440,804	(\$18,472,004)	(2.6) %	\$125,468,973	22.0 %	\$9,849,967,183	\$1,563,119,031	18.9 %	\$389,499,991	4.1 %
<u>Other Revenue</u>										
Lottery	0	0	--	0	--	86,995,449	3,838,274	4.6	(6,634,204)	(7.1)
License, Fees and Permits	2,435,936	(65,426)	(2.6)	(1,520,933)	(38.4)	28,454,176	3,009,507	11.8	(3,168,347)	(10.0)
Interest	(110,378)	60,400	--	(110,378)	N/A	(94,459)	36,554	(27.9)	(107,153)	(844.1)
Sales and Services	2,427,969	298,936	14.0	156,211	6.9	18,372,130	3,161,453	20.8	1,764,975	10.6
Other Miscellaneous	2,017,857	(177,178)	(8.1)	(261,836)	(11.5)	21,544,996	(1,874,187)	(8.0)	3,478,883	19.3
Disproportionate Share	0	0	--	0	--	0	0	--	0	--
Transfers and Reimbursements	3,069,101	1,376,786	81.4	2,625,505	591.9	62,922,690	22,489,380	55.6	10,468,889	20.0
Sub-Total Other Revenue	\$9,840,485	\$1,493,518	17.9 %	\$888,569	9.9 %	\$218,194,982	\$30,660,981	16.3 %	\$5,803,044	2.7 %
TOTAL BASE REVENUE	\$705,281,290	(\$16,978,486)	(2.4) %	\$126,357,542	21.8 %	\$10,068,162,165	\$1,593,780,012	18.8 %	\$395,303,034	4.1 %
<u>Other Adjustments</u>										
Urban Revenue Sharing	(69,041,072)	(7,577,640)	12.3	0	(0.0)	(621,369,644)	(68,198,757)	12.3	0	(0.0)
One-Time Transfers	0	0	--	0	--	0	(846,800)	--	0	--
Public Safety Transfers	2,122,109	0	0.0	(0)	(0.0)	16,976,873	0	0.0	(0)	(0.0)
Sub-Total Other Adjustments	(66,918,962)	(7,577,640)	12.8 %	0	(0.0) %	(604,392,771)	(69,045,557)	12.9 %	0	(0.0) %
TOTAL GENERAL FUND REVENUE	\$638,362,327	(\$24,556,126)	(3.7) %	\$126,357,542	24.7 %	\$9,463,769,394	\$1,524,734,454	19.2 %	\$395,303,034	4.4 %
<u>Non-General Funds</u>										
Highway User Revenue Fund	134,928,819	4,118,518	3.1 %	29,818,788	28.4 %	1,187,195,669	36,223,148	3.1 %	234,047,225	24.6 %

Monthly Indicators

NATIONAL

The U.S. Bureau of Economic Analysis' third and final estimate of 4th quarter **U.S. Real Gross Domestic Product (GDP)** growth is 4.3%, revised up from their second estimate (or preliminary) estimate of 4.1%.

The Conference Board's **Consumer Confidence Index** increased 19.3 points to 109.7 in March, which is the highest it has been since last March. This strong growth is driven by large improvements in survey respondents' views of the present situation and expectations for the next six months. Greater economic optimism may portend rising levels of consumer spending in the coming months.

The Conference Board's **U.S. Leading Economic Index (LEI)** rose 0.2% in February, making it the 10th consecutive month of LEI growth. While some of the indicators that make up the index saw a decline (building permits, weekly hours worked), these declines were more than offset by improvements in financial indicators such as credit and the stock market. Manufacturing also increased. The LEI increased 3.8% during the six-month period ending in February.

The U.S. Bureau of Labor Statistics **Consumer Price Index (CPI)** rose by 0.6% in March, the largest increase since August 2012. After seasonal adjustment, prices are 2.6% higher than in March 2020. Nearly half of the change is accounted for by the 9.1% gain in the gasoline index. Overall, energy prices rose by 5.0% this month, for a total of 13.2% this year. The indices for both food at home and food away from home were up by 0.1% this month. Core inflation (all items less food and energy) was 0.3% this month, and core CPI is 1.6% higher than in March 2020.

ARIZONA

Single-family housing permitting activity is continuing to grow. In February, Arizona's 12-month total of **single-family building permits** was 42,950. This is up 2.4% from the prior month, and 24.5% above February 2020. February was the 9th consecutive month with double-digit year-over-year growth. For the nation as a whole, single-family housing permitting activity was down by (3.3)% in February. According to the Arizona Regional Multiple Listing Service (ARMLS), the average number of days of homes on the market in the Phoenix Metro area was 37 days in March, 20 days fewer than in March 2020 and 6 days fewer than in February 2021.

In February, Arizona's 12-month total of 14,980 **multi-family building permits** was (3.9)% less than for the same 12-month period in 2020. February marked the first

decrease in multi-family building permits since September 2019.

Tourism and Restaurants

Tourism indicators are trending upwards but several still fall below levels from the prior year. For example, in February, **Revenue per available room** was \$62.66, an increase of 34.1% from the previous month but (47.0)% below February 2020.

Hotel occupancy was 55.5% in February, which is higher than the 48.3% occupancy reported in January, but still (20.2)% below February 2020.

Phoenix Sky Harbor Airport Ridership during February was 6.4% above January, but (52.6)% below February 2020.

According to OpenTable data, **daily restaurant reservations** were 6.4% above 2019 reservations on Saturday, April 10. Previously, this data was reported as a year-over-year change (i.e., comparing reservations in 2021 to reservations for the same period in 2020). However, beginning in March, OpenTable began reporting the change in 2021 reservations compared to 2019 reservations. This change ensures that comparisons are made to the pre-pandemic dining levels.

Employment

According to the latest employment report released by the Office of Economic Opportunity (OEO), the state gained 16,100 **nonfarm jobs** in March compared to the prior month. Historically, nonfarm employment has averaged a gain of 7,600 jobs in March (2011-2020). The private sector recorded a gain of 15,100 jobs over the month. Historically, the private sector has averaged a gain of 8,300 jobs in March.

Compared to the same month in the prior year, the state lost (86,000) jobs. Only one of the 11 major employment sectors had a year-over-year job gain in March. The gains were recorded in the Trade, Transportation & Utilities sector. In contrast, the Leisure and Hospitality sector recorded the largest losses, with (46,700) jobs lost compared to the same month in the prior year. These losses are in most part due to the effects of the pandemic. Since the start of the pandemic, the Leisure and Hospitality Sector has consistently seen the largest losses, year over year.

The state's seasonally adjusted **unemployment rate** decreased to 6.7% in March from 6.9% in February. The U.S. seasonally adjusted unemployment rate decreased from 6.2% in February to 6.0% in March.

Monthly Indicators (Continued)

OEO reported that a total of 6,202 **initial claims for unemployment insurance** were filed in Arizona in the week ending on April 10th (This figure excludes the claims under the Pandemic Unemployment Assistance (PUA) program). For the same week in the prior year, 98,531 initial claims were filed. Initial Claims peaked at 132,428 on April 4, 2020 as a result of the Covid-19 Pandemic and began to decrease throughout the year. However, April 10th had the largest number of initial claims reported since February 13th of this year. The average number of initial claims in calendar year 2019 was 3,912.

According to OEO, for the week ending on April 3rd, there were a total of 49,853 **continued claims for unemployment insurance** in Arizona. A year ago this time, the continued claims were 120,592. The number of continued claims peaked in August 1, 2020 at 232,497 claims. The average number of weekly continued claims in calendar year 2019 was 22,613.

For the week ending on April 10th, the federal Department of Labor (DOL) reported that 1,377 initial PUA claims were filed in Arizona. For the week ending on February 20th, DOL reported that 91,979 continued PUA claims were filed in the state. Both of these figures are advance estimates subject to change. (See *October's Monthly Fiscal Highlights for more information on Pandemic Unemployment Assistance*)

State Personal Income

The U.S. Bureau of Economic Analysis released its personal income estimates for the 4th quarter of 2020 as well as for the entire year. Personal income in Arizona declined at an annual rate of (6.9)% in the 4th quarter. This decrease can be attributed to the large drop in government transfers, most of which were related to reductions in CARES Act programs like the \$600 increase in weekly unemployment benefits.

For the calendar year of 2020, personal income in Arizona grew 8.4%, more than any other state in the nation. The main cause of this strong growth was the large increase in government transfer payments, which increased by 32.4% in 2020. This spike in transfers is due to government relief programs such as the CARES Act. Net earnings also contributed to personal income growth for the year by increasing 3.5%.

State Agency Data

As of April 1, 2021, the total **AHCCCS caseload** was 2.14 million members. Total monthly enrollment increased 0.7% in April over March and increased 14.9% compared

to a year ago. Parent and child enrollment in the Traditional population increased by 0.3% in April, or 8.7% higher than a year ago.

Enrollment in Other Acute Care populations, including Prop 204 Childless Adults, Other Prop 204, Adult Expansion, and KidsCare, was 936,780 in April – an increase of 1.1% over March and 25.2% above last year. For April 2021, Long-Term Care EPD and DD population growth increased by 0.1%. At 64,830, this population is (3.2)% lower than a year ago.

There were 13,989 **TANF Cash Assistance recipients** in the state in February, representing a 1.8% monthly caseload increase from January. The year-over-year number of TANF Cash Assistance recipients has increased by 12.2%. The statutory lifetime limit on cash assistance is 24 months.

The **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, provides assistance to low-income households to purchase food. In February, 1,005,155 people received food stamp assistance in the state, representing a 7.8% increase above January caseloads. Compared to February 2020, the level of food stamp participation has increased by 25.4%.

The Arizona Department of Correction's **inmate population** was 36,704 as of March 31, 2021. This was a decrease of (0.7)% since February 28, 2021 and a (12.6)% decrease since March 2020.

Based on information the Department of Child Safety provided for January 2021, **reports of child maltreatment** totaled 45,243 over the last 12 months, a decrease of (2.4)% over the prior year. There were 14,979 **children in out-of-home care** as of February 2021, or 6% more than in February 2020. Compared to the prior month, the number of out-of-home children increased by 3.1%.

Table 7

MONTHLY INDICATORS				
Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
<u>Employment</u>				
- Seasonally Adjusted Unemployment Rate	March	6.7%	(0.2)%	1.7%
- Total Unemployment Rate (discouraged/underemployed)	4 th Q 2020	13.0%	(0.4)%	3.7%
- Initial Unemployment Insurance Claims	Week Ending Apr 10	6,202	19.8%	(93.7)%
- Continued Unemployment Insurance Claims	Week Ending Apr 3	49,853	(0.1)%	(58.7)%
- Non-Farm Employment - Total	March	2,901,700	0.6%	(2.9)%
Manufacturing	March	178,100	0.7%	(1.2)%
Construction	March	173,600	1.9%	(0.5)%
- Average Hourly Earnings, Private Sector	March	\$27.94	0.4%	2.9%
<u>Building</u>				
- Single-Family Building Permits (12 months rolling sum)	February	42,950	2.4%	24.5%
Multi-family	February	14,980	(2.4)%	(3.9)%
- Maricopa County/Other, Home Sales (ARMLS) Single-Family (Pending Sales)	March	7,215	10.6%	25.0%
- Maricopa County/Other, Median Home Price (ARMLS) Single-Family (Pending Sales)	March	\$385,000	3.5%	22.2%
- Maricopa Pending Foreclosures	March	1,024	(4.4)%	(53.4)%
<u>Tourism and Restaurants</u>				
- Phoenix Sky Harbor Air Passengers	February	1,792,584	6.4%	(52.6)%
- State Park Visitors	December	176,603	(13.5)%	17.6%
- Revenue Per Available Hotel Room	February	\$62.66	34.1%	(47.0)%
- Arizona Hotel Occupancy Rate	February	55.5%	7.2%	(20.2)%
- Arizona OpenTable Reservations – % Change from 2019	April 10	N/A	N/A	6.4%
<u>General Measures</u>				
- Arizona Personal Income, SAAR	4 th Q 2020	\$361.6 billion	(6.9)%	5.7%
- Arizona Population	July 2020	7,421,401	N/A	1.8%
- State Debt Rating				
Standards & Poor's/Moody's Rating	May 2015/Nov 2019	AA / Aa1	N/A	N/A
Standards & Poor's/Moody's Outlook	May 2015/Nov 2019	Negative/Stable	N/A	N/A
<u>Agency Measures</u>				
- AHCCCS Recipients	April 1st	2,142,200	0.7%	14.9%
Traditional Acute Care		1,140,600	0.3%	8.7%
Other Acute Care		936,800	1.1%	25.2%
Long-Term Care – Elderly & DD		64,800	0.1%	(3.2)%
- Department of Child Safety (DCS) Annual Reports of Child Maltreatment (12-month total)	January	45,243	5.7%	(2.4)%
DCS Out-of-Home Children	February	14,979	3,1%	6%
Filled Caseworkers (1406 Budgeted)	February	1,247	(15)	(68)
- ADC Inmate Growth	March	36,704	(0.7)%	(12.6)%
- Department of Economic Security				
- TANF Cash Assistance Recipients	February	13,989	1.8%	12.2%
- SNAP (Food Stamps) Recipients	February	1,005,155	7.8%	25.4%
United States				
- Gross Domestic Product (Chained 2012 dollars, SAAR)	4 th Q, 2020 (3 rd Estimate)	\$18.8 trillion	4.3%	(2.4)%
- Consumer Confidence Index (1985 = 100)	March	109.7	21.3%	(8.6)%
- Leading Economic Index (2016 = 100)	February	110.5	0.2%	(1.4)%
- Consumer Price Index, SA (1982-84 = 100)	March	264.8	0.6%	2.6%

Summary of Recent Agency Reports

Arizona Health Care Cost Containment System – Report on the Comprehensive Medical and Dental Program (CMDP) – Pursuant to Laws 2018, Chapter 152, the Arizona Health Care Cost Containment System (AHCCCS) is required to report semiannually on the financial and program accountability trends of CMDP, the foster care medical program. AHCCCS' most recent report covers the first half of Federal Fiscal Year 2020 (October 1, 2019 through March 31, 2020). AHCCCS reports the following findings:

- The percentage of CMDP children receiving behavioral health services in March 2020 was 74%.
- The services utilized by the highest percentage of CMDP members using services in March 2020 included support services (96%), treatment services (47%), pharmacy (16%), and rehabilitation services (11%). Support services for foster children include case management, peer support, and transportation to appointments. Treatment services include individual and group counseling as well as behavioral health diagnostic evaluations. Rehabilitation services include living skills training, cognitive rehabilitation (such as memory training or anger management), and behavioral health education and prevention activities.
- The services that accounted for the greatest share of CMDP program costs in March 2020 included support services (36%), inpatient services (26%), and treatment services (14%). Inpatient services primarily consist of inpatient psychiatric services provided by hospitals. (Maggie Rocker)

Department of Economic Security – Report on the Workforce Investment Act (WIA) Grant – Pursuant to an FY 2021 General Appropriation Act footnote, the Department of Economic Security (DES) reported its plan to expend \$19.0 million of federal Workforce Investment Act Grant monies received by the department in excess of its \$56.0 million appropriation for FY 2021. The excess \$19.0 million comes from an increased allocation of \$19.0 million in WIA Grant monies from the federal government. Of the total \$19.0 million increase, \$3.2 million will be spent on ongoing agencywide operating expenses and the support of food bank operations and \$10.0 million will be distributed to Local Workforce Development Areas to provide job training for dislocated workers, veterans, adults, and youth who encounter barriers to employment. The remaining \$5.9 million will be spent in the Governor's Office to provide executive leadership training to current and aspiring K-12 principals and other workforce-related demonstration projects such as "Second Chance Centers," which offer workforce services to inmates prior to release. (Alexis Pagel)

Arizona Economic Trends

April 2021

Appendix A

Page:

2.....Total Non-Farm Employment

Average Hourly Earnings – Private Sector

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

State Sales Tax Collections – Contracting Category

4.....Residential Building Permits

Rolling 4-Week Withholding Total

Initial Unemployment Insurance Weekly Claims

Continued Unemployment Insurance Weekly Claims

5.....Unduplicated Unemployment Insurance Claimants

AHCCCS Recipients

SNAP Recipients

HURF Revenue

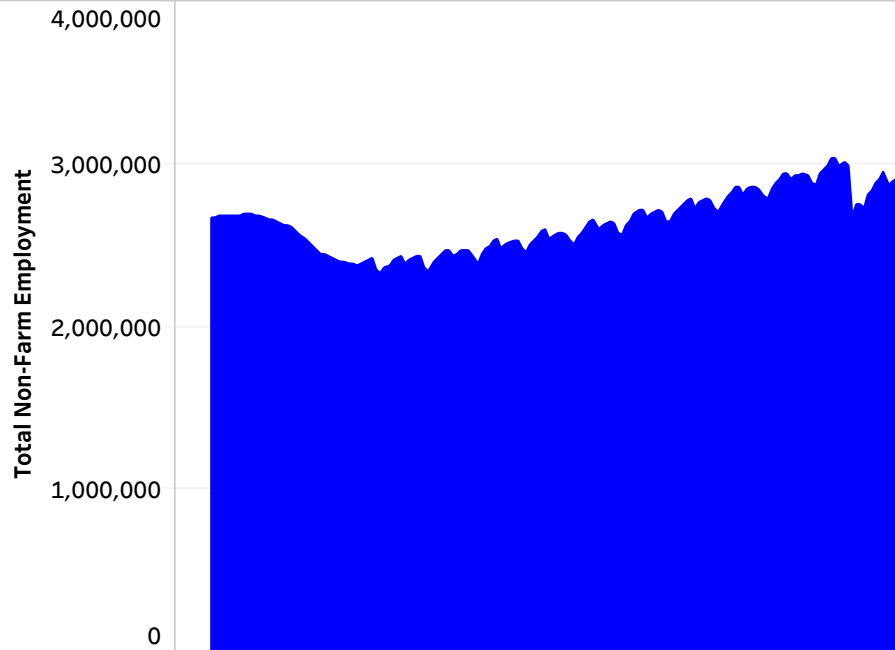
6.....Sky Harbor Total Passengers

Arizona Hotel Occupancy

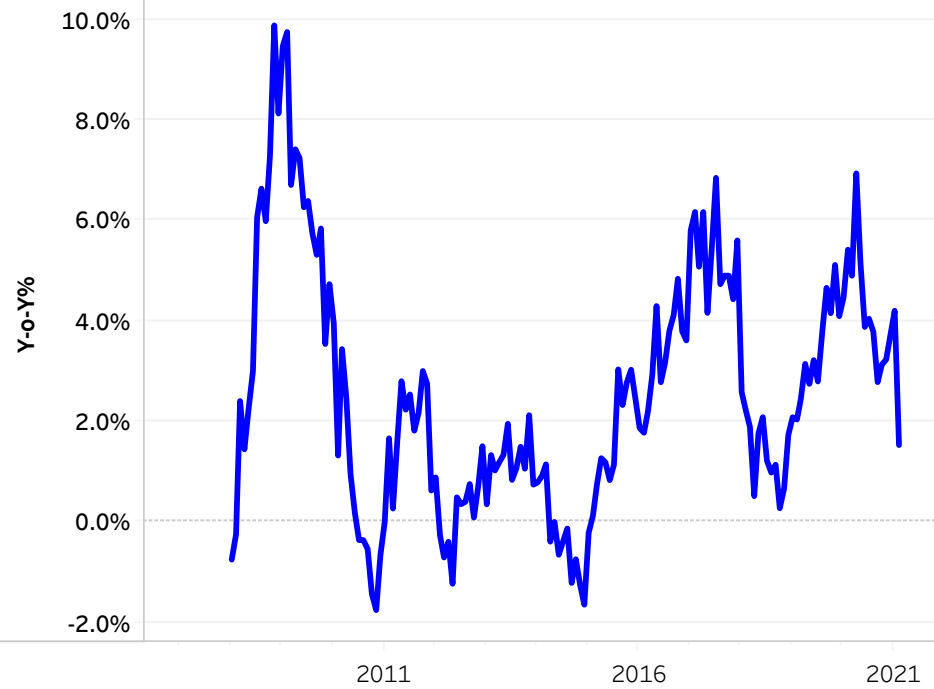
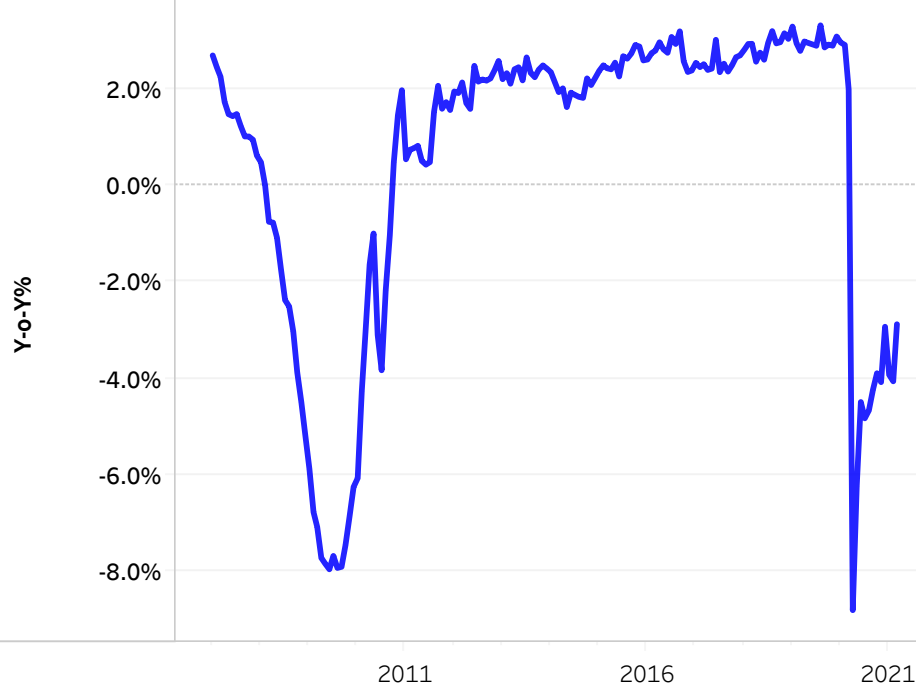
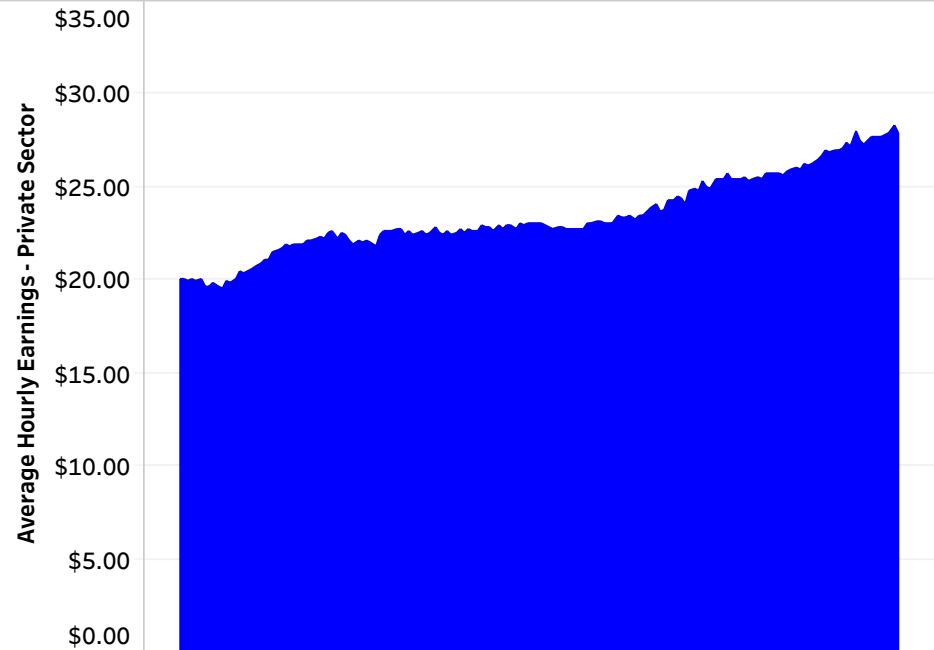
Arizona OpenTable Daily Reservations

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

Total Non-Farm Employment

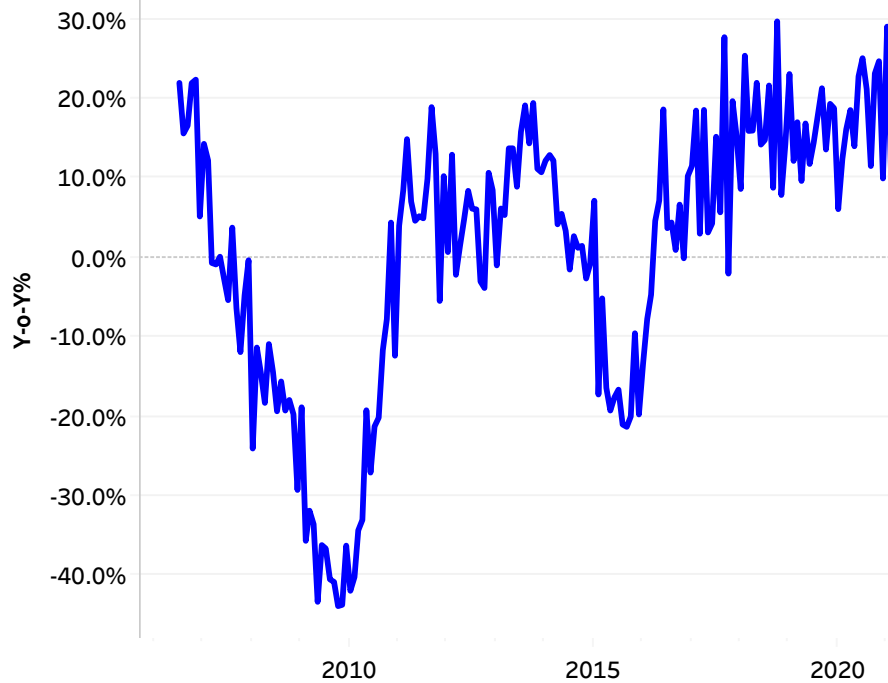
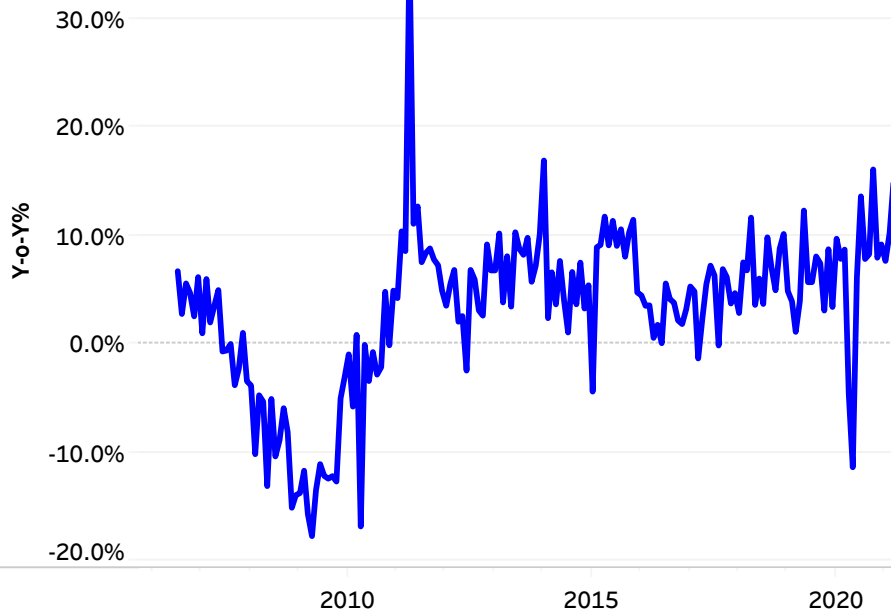
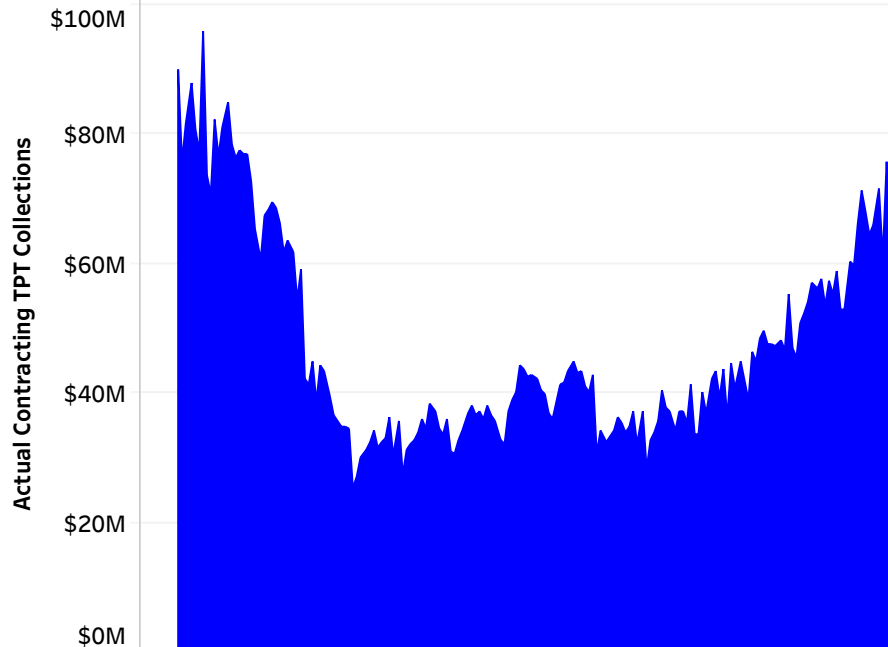
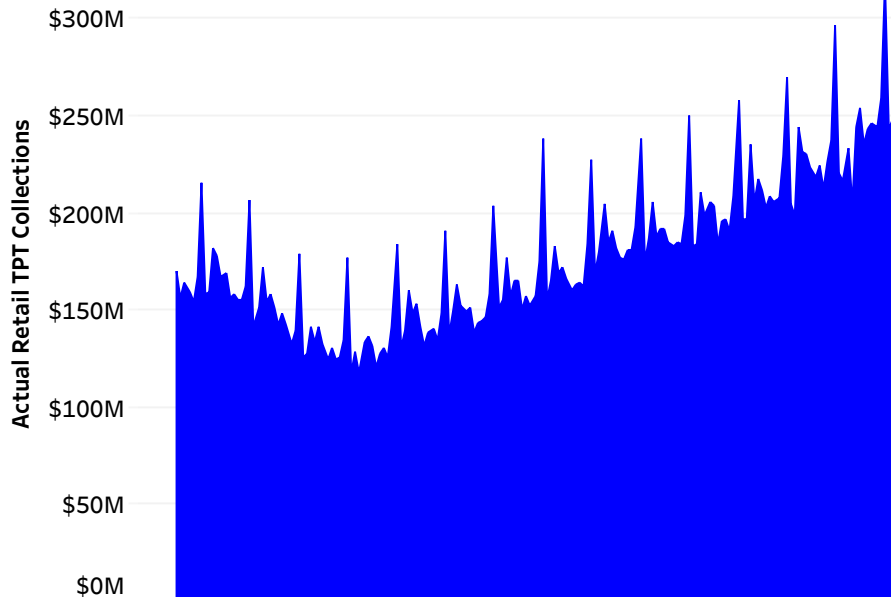


Average Hourly Earnings - Private Sector

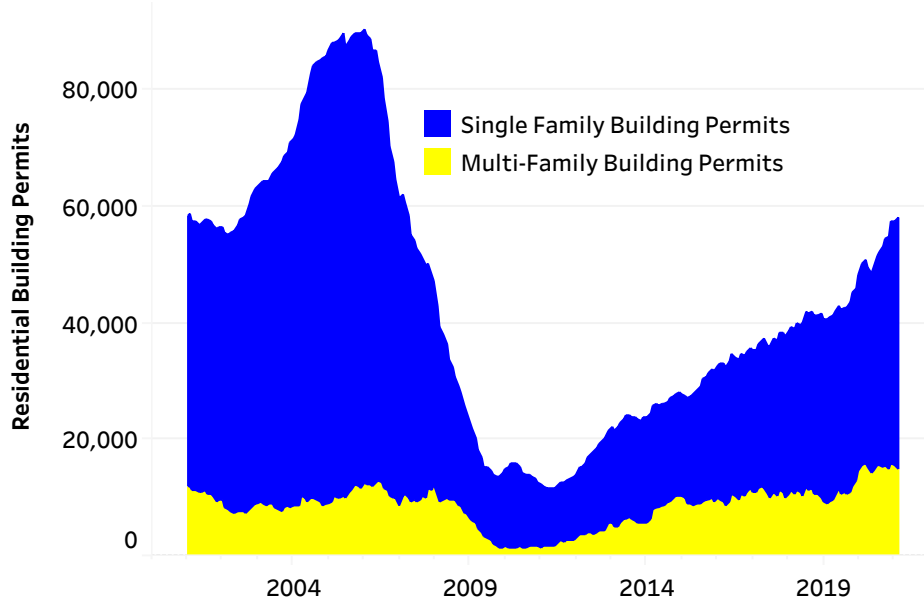


State Sales Tax Collections - Retail Category

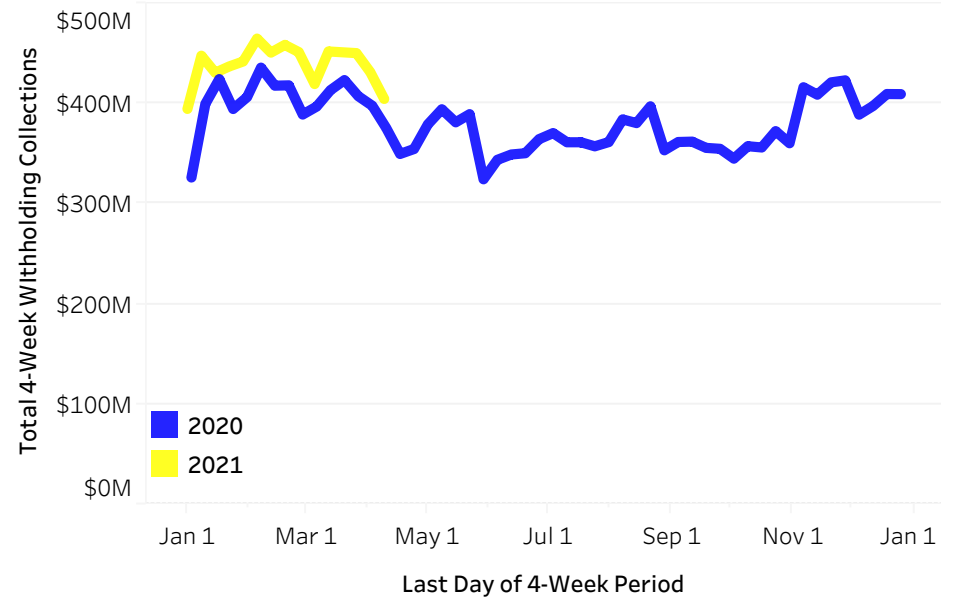
State Sales Tax Collections - Contracting Category



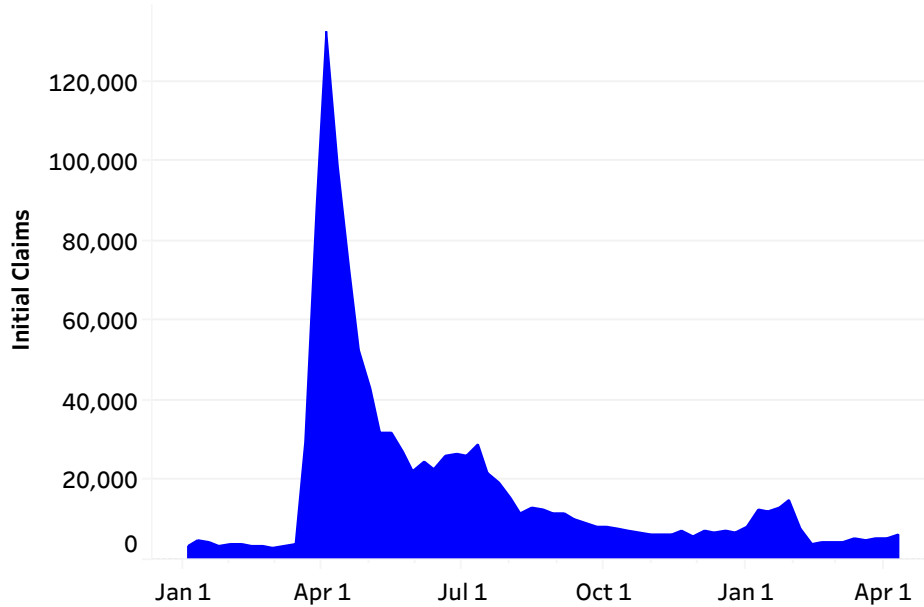
Residential Building Permits



Rolling 4-Week Withholding Total

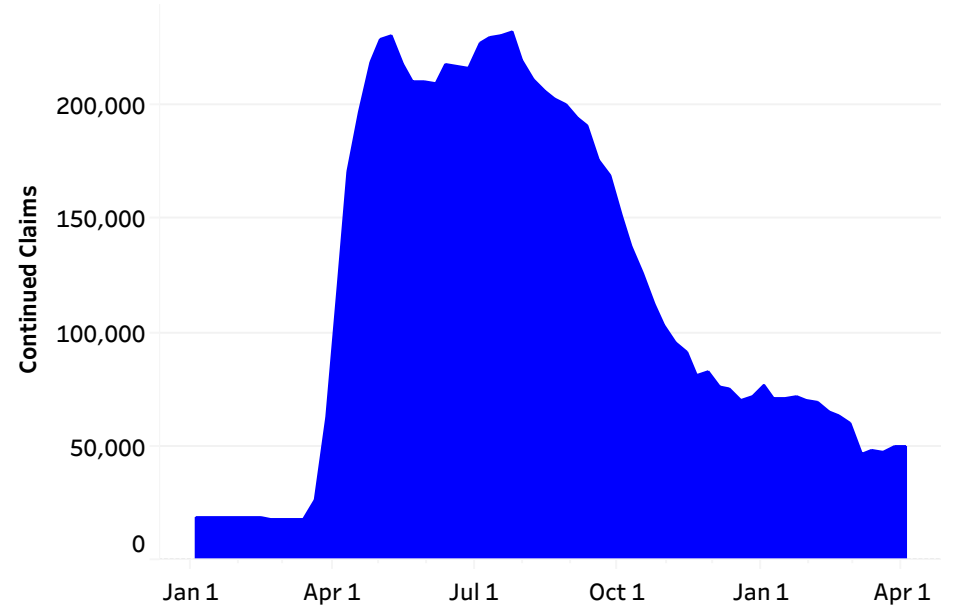


Initial Unemployment Insurance Weekly Claims



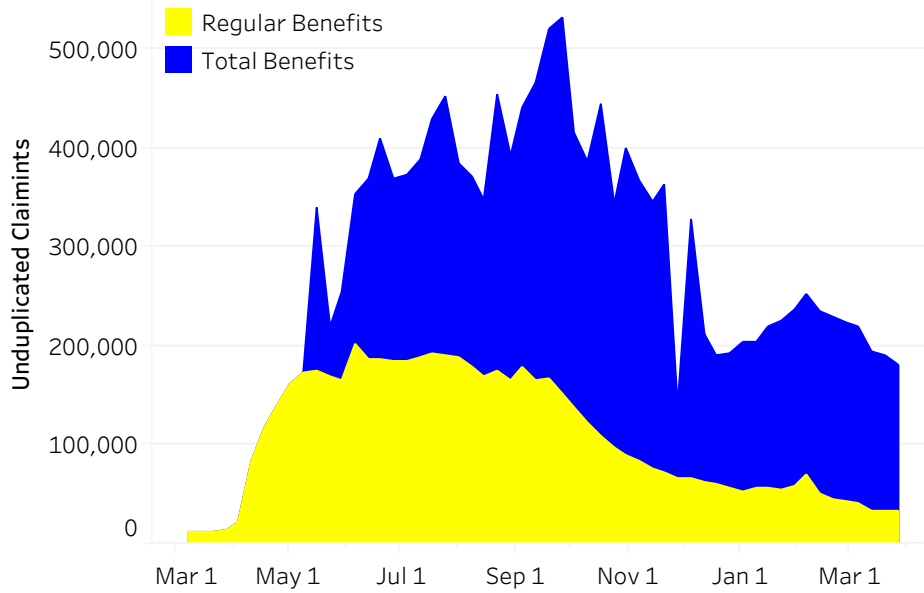
Reported Unemployment Insurance Initial Claims and Continued Claims do not include claims associated with the federally funded Pandemic Unemployment Assistance (PUA) program.

Continued Unemployment Insurance Weekly Claims

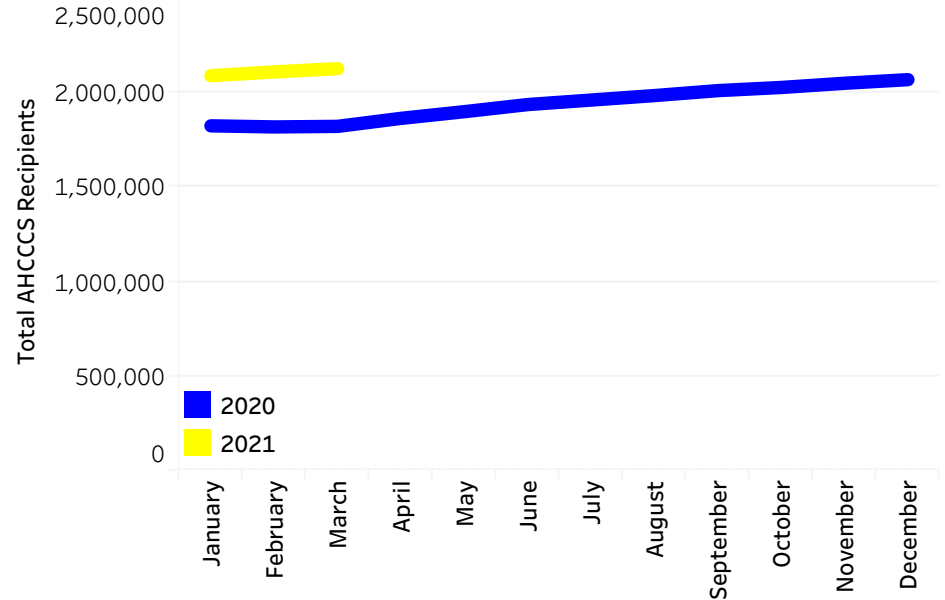


Reported Unemployment Insurance Initial Claims and Continued Claims do not include claims associated with the federally funded Pandemic Unemployment Assistance (PUA) program.

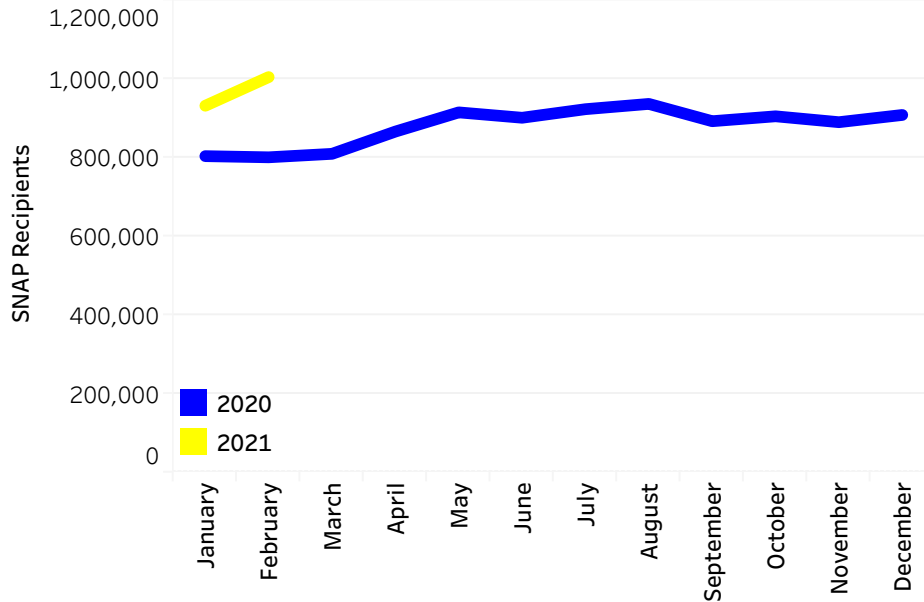
Unduplicated Unemployment Insurance Claimants



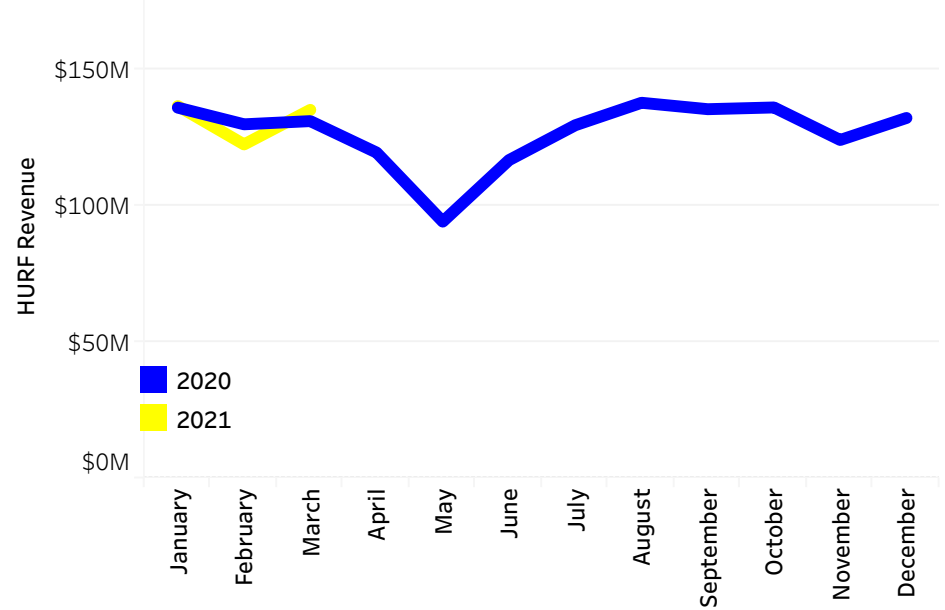
AHCCCS Recipients

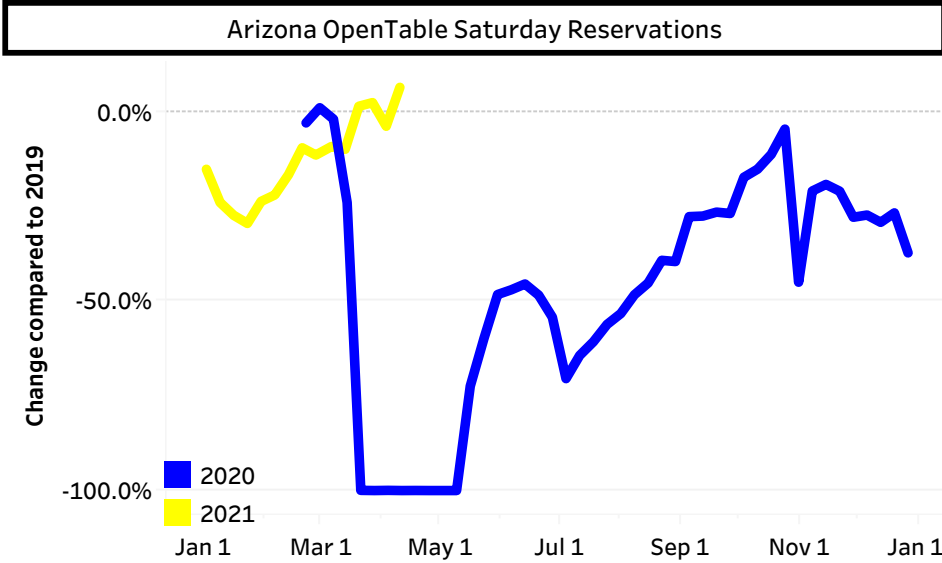
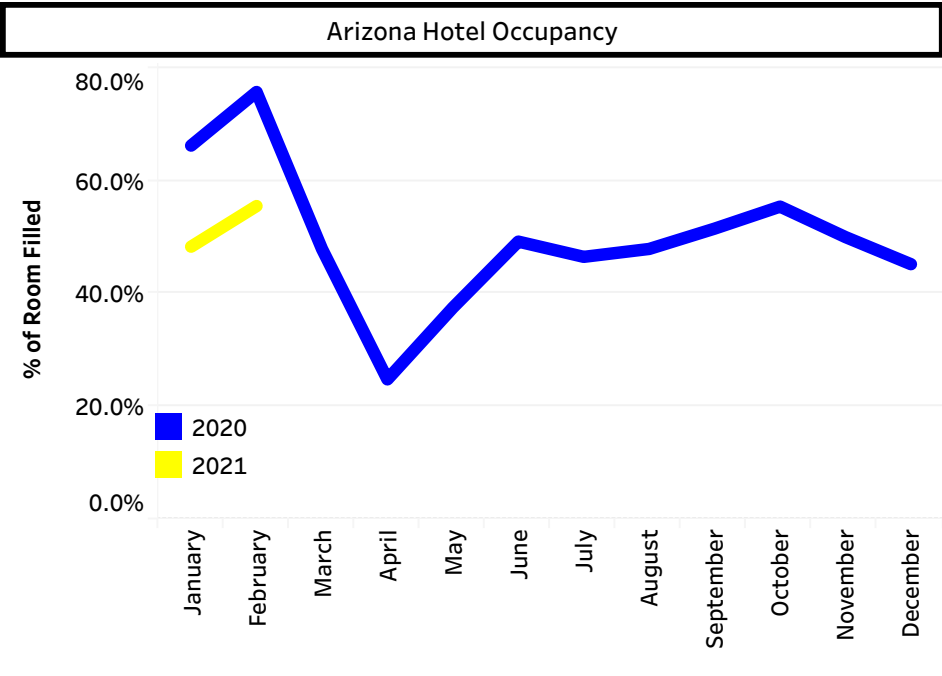
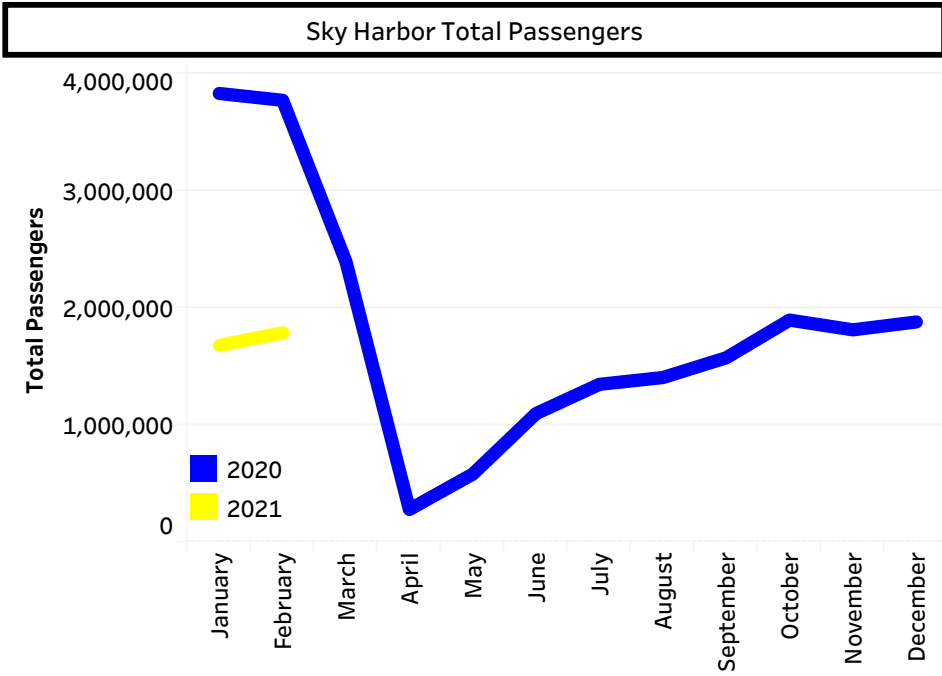


SNAP Recipients



HURF Revenue





The 2021 OpenTable data displays the change in seated diners from 2019, rather than the year-over-year change from 2020.