

MINUTES OF THE MEETING
FINANCE ADVISORY COMMITTEE

January 23, 2014

Senate Hearing Room 1, 12:00 p.m.

Members Present:

Dan Anderson, Assistant Executive Director,
Institutional Analysis, Arizona Board of Regents
Brian Cary, Manager of Forecasting, Research, and Economic Development, Salt River Project
Doug Ducey, State Treasurer
John Lucking, President, ECON-LINC
Aruna Murthy, Director of Economic Analysis, Arizona Department of Administration
Martin Shultz, Senior Policy Director, Brownstein Hyatt Farber Schreck
Randie Stein, Vice President, Public Finance Department, Stone & Youngberg
George Hammond, Director, Economic and Business Research Center, University of Arizona's Eller
College of Management

The Finance Advisory Committee (FAC) met on January 23, 2014 to update its 4-sector revenue forecast. The FAC is a 14-member panel of private and public sector economists and their views serve as one of the 4 equal inputs into JLBC's Consensus Baseline revenue forecast. The Joint Legislative Budget Committee (JLBC) Staff and 2 University of Arizona models are the other 3 inputs.

The FAC heard presentations on General Fund Revenue collections, the U.S. economy, and state cash flows. JLBC Staff provided members with the FY 2014 – FY 2017 Baseline revenue estimates along with projected spending and ending balance estimates. The JLBC Staff presentation included a comparison to the Executive budget proposal as well.

The January 4-sector forecasts base revenue growth of 4.3% in FY 2014, 5.3% in FY 2015, 5.2% in FY 2016, and 5.6% in FY 2017. Based on a survey of FAC panel members, the probability of meeting or exceeding the FY 2015 Baseline forecast is 65%.

In addition to the JLBC Staff presentation, panel members heard formal presentations from economist Jim Rounds of Elliot D. Pollack & Co. and State Treasurer Doug Ducey. The presenters and FAC panelists generally agreed that while economic conditions are improving the pace of the current economic recovery remains slow by historical standards. Additional information is available on our website at [January FAC Meeting](#).

The meeting adjourned at 1:20 p.m.

Kristy Paddock, Secretary

Tim Everill, Principal Economist

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams. A full video recording of this meeting is available at <http://www.azleg.gov/jlbc/meeting.htm>