

MINUTES OF THE MEETING

FINANCE ADVISORY COMMITTEE

April 11, 2018

Senate Hearing Room 1, 11:00 a.m.

Members Present:

Dan Anderson, Assistant Executive Director, Institutional Analysis, Arizona Board of Regents
Brian Cary, Manager, Salt River Project
Jim Rounds, President, Rounds Consulting Group
Mark Swenson, State Treasurer's Office
George Hammond, Director, Economic and Business Research Center, University of Arizona
Elaine Smith, Senior Economist, Arizona Department of Revenue
Randie Stein, Director, Stifel, Nicolaus & Company
Steve Taddie, Managing Partner, Stellar Capital Management
Doug Walls, Research Administrator, Arizona Office of Economic Opportunity

The [Finance Advisory Committee](#) (FAC) met on April 11, 2018 to update its 4-sector revenue forecast. The FAC is a 13-member panel of private and public-sector economists and their views serve as one of the 4 equal inputs into JLBC's Baseline revenue forecast. The remaining 3 inputs are the JLBC Staff forecast and 2 University of Arizona (UA) econometric models.

The FAC heard presentations on General Fund Revenue collections, the U.S. and Arizona economy, and state cash flows. The JLBC Staff provided members with revised [FY 2018 – FY 2021](#) revenue estimates based on the updated April 4-sector revenue forecast.

In comparison to the January base revenue forecast, the April FAC projections are significantly higher for FY 2018, increasing from 4.3% to 5.6%. This upward revision is likely related to the 57% growth in Individual Income Tax payments in December and January. The projected revenue growth rates for FY 2019 through FY 2021 were largely unchanged (*See Table 1*).

	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>
January	4.3%	3.6%	4.3%	4.5%
April	5.6%	3.7%	4.2%	4.5%

Based on year to date growth, legislative budget discussions had already envisioned incorporating most of this forecast revision. The updated 4-sector April forecast would raise the projection by another \$51 million.

Additional information is available on our website at [April FAC Meeting](#).

The meeting adjourned at 11:47 a.m.

Kristy Paddack, Secretary

Hans Olofsson, Chief Economist