

## MINUTES OF THE MEETING

### FINANCE ADVISORY COMMITTEE

January 19, 2017

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

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#### 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  
Randie Stein, Director, Stifel, Nicolaus & Company, Incorporated  
Georganna Meyer, Senior Economist, The Maguire Company  
Elaine Smith, Senior Economist, Arizona Department of Revenue  
Steve Taddie, Managing Partner, Stellar Capital Management  
Doug Walls, Research Administrator, Arizona Office of Economic Opportunity

The Finance Advisory Committee (FAC) met on January 19, 2017 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 remaining 3 inputs are the JLBC Staff forecast and 2 University of Arizona (UA) models.

The FAC heard presentations on General Fund Revenue collections, the U.S. economy, and state cash flows. The JLBC Staff provided members with the FY 2017 – FY 2020 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 forecasted base revenue growth ranging from 3.5% to 4.8% between FY 2017 and FY 2020. General Fund expenditures, which reflect the requirements of existing statutory formulas and other obligations, are estimated to decrease by (0.3)% in FY 2018, owing to the elimination of one-time expenditures in FY 2017 not carried over into FY 2018. Under the Baseline revenue and spending projections, the FY 2018 structural balance would be \$46 million with a cash reserve of \$159 million.

In addition to the JLBC Staff presentation, panel members heard formal presentations from economist Jim Rounds of Rounds Consulting Group and Deputy Treasurer Mark Swenson. The presenters and FAC panel members generally agreed that the pattern of moderate growth seen in recent years would likely continue. Additional information is available on our website at [January FAC Meeting](#).

The meeting adjourned at 1:05 p.m.

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Kristy Paddack, Secretary

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Hans Olofsson, Chief 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 the JLBC website.