At its January 20, 2011 meeting, the Finance Advisory Committee (FAC) heard presentations on General Fund Revenue collections, the U.S. economy, and state cash flows.

JLBC Staff provided members with the latest 4-sector consensus estimates for the “Big 3” revenue collections. The 4-sector consensus estimate is a composite of equally weighted estimates from:

- The University of Arizona Economic and Business Research (EBR) General Fund baseline model;
- The EBR conservative forecast model;
- The FAC panel; and
- JLBC Staff.

For FY 2011, base revenue collections are expected to grow 5.2%.

(Continued)
The 4-sector consensus forecast projects base revenue growth of 5.4% in FY 2012. Each component of the 4-sector consensus showed improvement from FY 2011, with the most significant positive growth in the Corporate Income Tax category.

Given the 4-sector consensus forecast, JLBC Staff outlined the latest budget shortfall estimates for FY 2011 and FY 2012.

In addition to the JLBC Staff presentation, panel members heard formal presentations from economist Elliott Pollack and the State Treasurer, Doug Ducey.

The presenters and FAC panelists generally believed that the recession has ended in Arizona, but there were still concerns about how the recovery could be a gradual process and less robust than in prior years.

The meeting adjourned at 1:00 p.m.

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Sandy Schumacher, 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 http://www.azleg.gov/jlbc/meeting.htm.