

MINUTES OF THE MEETING
FINANCE ADVISORY COMMITTEE

January 22, 2015

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
Jeff DeWit, State Treasurer
Georganna Meyer, The Maguire Company
Elliott D. Pollack, President, Elliott D. Pollack & Company
Aruna Murthy, Director of Economic Analysis, Arizona Department of Administration
George Hammond, Director, Economic and Business Research Center, University of Arizona's Eller
College of Management
Martin Shultz, Senior Policy Director, Brownstein Hyatt Farber Schreck
John C. Lucking, President, ECON-LINC
Steve Taddie, Managing Partner, Stellar Capital Management

The Finance Advisory Committee (FAC) met on January 22, 2015 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 Consensus 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. economy, and state cash flows. JLBC Staff provided members with the FY 2015 – FY 2018 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 2015, 3.3% in FY 2016, 4.4% in FY 2017, and 5.1% in FY 2018. Based on a survey of the contributors to the consensus forecast, the probability of meeting or exceeding the FY 2016 Baseline forecast is 60%.

In addition to the JLBC Staff presentation, panel members heard formal presentations from economist Elliott Pollack of Elliott D. Pollack and Company, and State Treasurer Jeff Dewitt. The presenters and FAC panel members generally agreed that the pattern of slow growth seen in the current economic recovery will continue for the next year or two, with modest improvement in the out years of the forecast.

Additional information is available on our web-site at [January FAC Meeting](#).

The meeting adjourned at 1:20 p.m.

Kristy Paddack, Secretary

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>