At its September 29, 2010 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.

(Continued)
Given the 4-sector consensus forecast, JLBC Staff outlined the latest budget shortfall estimates for FY 2011 and FY 2012. In addition, JLBC Staff outlined budget solutions used to address past budget shortfalls, along with the challenges of addressing future shortfalls due to federal restrictions.

In addition to the JLBC Staff presentation, panel members heard formal presentations from economist Jim Rounds and the State Treasurer, Dean Martin.

The presenters and FAC panelists generally believed that the recession has technically ended in Arizona, but that the recovery is likely to be very gradual and would depend on positive changes in the real estate market, along with an improved employment outlook.

The meeting adjourned at 12:37.

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Sandy Schumacher, Secretary

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Hans Olofsson, Chief Economist