

MINUTES OF THE MEETING

FINANCE ADVISORY COMMITTEE

January 30, 2025

Online Meeting, 12:00 p.m.

Members Present:

Danny Court, Director, Principal and Senior Economist, Elliott D. Pollack & Company
George Hammond, Director, Economic and Business Research Center, University of Arizona
Lorenzo Martinez, Senior Director of Health Sciences, Arizona Board of Regents
Randie Stein, Director, Stifel, Nicolaus & Company, Inc.

The Finance Advisory Committee (FAC) met on January 30, 2025 to update its 4-sector revenue forecast. The FAC is a 11-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) models.

The FAC heard presentations on General Fund Revenue collections, the U.S. and Arizona economy. The JLBC Staff provided members with the result of the updated January 4-sector FY 2025 - FY 2028 revenue estimates along with projected ending cash balance estimates. The JLBC Staff also included a comparison to the Executive revenue forecast.

Under the January Baseline forecast, net General Fund revenue is projected to increase by 2.7% in FY 2025, followed by a gradual improvement of 3.4% in FY 2026, 4.4% in FY 2027, and 4.7% in FY 2028. Net revenue includes the impact of previously enacted tax reductions, but excludes Urban Revenue Sharing, the beginning balance, and one-time revenue adjustments.

Under the January updated revenue and spending estimates, the General Fund is projected to have a cash balance of \$935 million in FY 2026. This amount, however, excludes two traditional "ongoing one-time" funding items; \$183 million for School Facilities Repairs (also known as "building renewal") and \$140 million for the additional subsidy of the State Employee Health Insurance Trust Fund. After adjusting for these two items, and setting aside \$50 million for the FY 2026 ending balance, the available resources are close to \$560 million.

For more information, please see the JLBC Staff Budget Update slideshow and narrative along with other materials in the [January FAC meeting book](#). A [full video recording](#) of the meeting is also available at the JLBC website.

The meeting adjourned at 12:56 p.m.