

**SENATE FISCAL AGENCY
MEMORANDUM**



DATE: May 6, 2014

TO: Members of the Senate
Members of the House of Representatives
Interested Parties

FROM: Ellen Jeffries, Director

RE: May 2014 Consensus Revenue Estimating Conference

A Consensus Revenue Estimating Conference will be held on Thursday, May 15, 2014. The Conference will convene in the House Appropriations Committee Room on the third floor of the Capitol, beginning at 9 a.m. The purpose of this conference is to reevaluate the consensus revenue estimates for FY 2013-14, FY 2014-15, and FY 2015-16.

The responsibility for convening the Conference rotates annually among the three principals, and as the Director of the Senate Fiscal Agency, I serve as chair of the Conference for 2014. The other Conference principals include Mary Ann Cleary, Director of the House Fiscal Agency, and a representative from the Governor Snyder administration, which by law, can be either the State Budget Director, John Roberts, or the State Treasurer, Kevin Clinton.

In addition to a joint presentation on the economic outlook and State Government revenue estimates by economists from the Senate Fiscal Agency, House Fiscal Agency, and the Treasury Department, George Fulton and Daniil Manaenkov, economists with the Research Seminar in Quantitative Economics at the University of Michigan and Rick Mattoon, economist with the Federal Reserve Bank of Chicago, will also make presentations.

School Aid analysts from the Senate Fiscal Agency, House Fiscal Agency, and the State Budget Office will present estimates of K-12 pupil membership and the annual percentage growth in the foundation allowance. Department of Community Health and Department of Human Services analysts from the three agencies also will present expenditure forecasts for Medicaid and the Department of Human Services.

This Conference is being held pursuant to Public Act 72 of 1991, which requires the Director of the Senate Fiscal Agency, Director of the House Fiscal Agency, and either the State Budget Director or the State Treasurer to hold at least two revenue estimating conferences each year, in January and May. The purpose of these conferences is to bring these agencies together to share and discuss their independent economic and revenue forecasts, and then reach consensus agreements on these forecasts to be used in preparing the State budget.

A detailed agenda is attached.

If you have any questions concerning the Consensus Revenue Estimating Conference, please call me at 373-5300.

/kjh

c: David Zin, Chief Economist

CONSENSUS REVENUE ESTIMATING CONFERENCE

May 15, 2014, 9:00 a.m.

House Appropriations Committee Room, 352 Capitol Building

AGENDA

9:00 a.m. Introduction and Opening Remarks

- Ellen Jeffries, Director, Senate Fiscal Agency, Conference Chairperson
- Kevin Clinton, State Treasurer
- John S. Roberts, State Budget Director
- Mary Ann Cleary, Director, House Fiscal Agency

9:15 a.m. Revenue Volatility and Michigan's Economic Performance

- Rick Mattoon, Senior Economist and Economic Advisor
Federal Reserve Bank of Chicago

9:45 a.m. U.S. and Michigan Economic Outlook

- George Fulton, Director and Research Professor
- Daniil Manaenkov, Assistant Research Scientist
Research Seminar in Quantitative Economics, University of Michigan

10:30 a.m. Senate, House, and Administration Economic Outlooks and Revenue Estimates

- David Zin, Senate Fiscal Agency
- Jay Wortley, Department of Treasury
- Jim Stansell, House Fiscal Agency

11:00 a.m. K-12 Pupil Membership and Pupil Membership Adjustment Factor

- Kathryn Summers, Senate Fiscal Agency
- Robbie Jameson, State Budget Office
- Bethany Wicksall, House Fiscal Agency

11:15 a.m. Medicaid and Human Services Caseloads and Expenditures Estimates

- Steve Angelotti, Senate Fiscal Agency
- Charles Overbey, State Budget Office
- Steve Stauff, House Fiscal Agency

11:30 a.m. Revenue Consensus Discussion Among Principals and Staff

11:45 a.m. Consensus Vote and Adjournment