



## Revenue Estimating Conference Meeting March 20, 2014

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### **REC Retains the December Revenue Estimate of -1.3 for FY 2014**

At today's meeting, the Revenue Estimating Conference (REC) retained their previous revenue estimate that was made in December of \$6.682 billion for FY 2014, which is a decline of 1.3% or \$86.6 million less than revenues collected last year. The reason for the lower revenue estimate from the previous fiscal year was due to legislative changes in the allocation of revenues that moved gaming revenues from the general fund to the Iowa Skilled Worker and Job Creation Fund and the shift of cigarette and tobacco revenues from the general fund to the Health Care Trust Fund.

The REC members were generally satisfied with the state of the economy since the December meeting as several of the economic factors had changed for the better since the last meeting as unemployment remains low and wages are up. The REC members also express some concern with farm income down and concerns about global uncertainty and how that may impact the broader economy. All and all the members did not see a reason to move off their previous revenue estimate.

### **Estimate for FY 2015 maintained at 4.5%**

The REC maintained their previous estimate for FY 2015 at \$6.983 billion, which represents an increase of 4.5% over their new estimate for FY 2014. This new estimate represents an increase of \$301 million over general fund revenues estimated to be collected in FY 2014.

Since there are no changes to the revenue estimate, it does not change the work the Legislature and the Governor are doing to prepare the FY 2015 budget.

### **Gambling Revenues**

The REC recommended a lower estimate for gambling revenues from \$278.2 million to \$274.6 million in both FY 2014 in FY 2015, a decrease of \$3.6 million for each fiscal year.