



## State of Tennessee

Justin Wilson, State Comptroller

For Immediate Release: March 18, 2010

### **BATTERY OF EXPERTS TO ADVISE STATE FUNDING BOARD ON STATE BUDGET REVENUE ESTIMATES**

Faced with one of the most challenging economic environments since the Great Depression, members of the Tennessee State Funding Board will get advice from a battery of experts before setting the revenue estimates that will be used to plan next year's state budget.

The Funding Board will convene the first in a series of hearings Friday at 1:30 p.m. in Room 30 of the Legislative Plaza. The hearings will continue March 24 and March 25 with testimony from several experts, including a senior executive with the Federal Reserve Bank, a locally-based, internationally-recognized economist and the dean of the Union University (Jackson, Tennessee) business school.

The Funding Board members are scheduled at the March 25 meeting to begin a public discussion of the amount of revenue that state government can expect to collect during the 2010-11 fiscal year that begins July 1.

Funding Board members will then meet again March 31 and April 1 (if further deliberations are merited) to adopt estimates of state revenues and the state lottery collections during the fiscal year. Those estimates will be used by Governor Bredesen in finalizing the proposed budget he will present to the General Assembly.

Comptroller Justin P. Wilson, who serves as the Funding Board's secretary, said it makes sense to seek input from additional experts because economic conditions have been so difficult to predict over the last couple of years.

"The economy has been through some extraordinary changes over the last couple of years," Comptroller Wilson said. "In light of that, I think it is appropriate to get some new perspectives on what we can expect for the year ahead. This is why I've invited these economists. I also want to make sure the Funding Board's hearing process is as open and transparent to the public as possible, so citizens can better understand the information we are using to make our decisions on the revenue estimates. The Funding Board staff has built into the process as much time as could be reasonably expected for analysis of the data and public discussion. I believe all of this will only serve to increase public confidence in our work."

Dr. William Fox, a professor of economics at the University of Tennessee Center for Business and Economic Research, is scheduled to lead off Friday's meeting by presenting his forecast of the revenue estimates.

Funding Board members are also scheduled to hear estimates Friday on the amount of revenue the lottery is expected to generate in the next fiscal year. Presenters will include: Mr. Robert Currey, chief economist for the General Assembly's Fiscal Review Committee; Ms. Rebecca Hargrove, president and chief executive officer of the Tennessee State Lottery; Mr. Andy Davis, the lottery's chief financial and technology officer; Mr. Tim Phelps, associate executive director for grant and scholarship programs for the Tennessee Student Assistance Corp.; and Mr. David Wright, director for policy, planning and research for the Tennessee Higher Education Commission.

A copy of the agenda is available online at <http://tn.gov/comptroller/bf/pdf/20100319FundingBoard.pdf>

The March 24 meeting will include presentations from: Dr. Albert DePrince, professor of economics and finance at Middle Tennessee State University; Mr. James White, executive director of the General Assembly's Fiscal Review Committee; Mr. Zhijie "Jack" Qi, research specialist for the Department of Revenue; Dr. Arthur Laffer, chief executive officer of Laffer Associates; Mr. Ron Queen, manager of the Comptroller's Division of Local Finance; and Mr. Keith Boring, associate legislative research analyst with the Comptroller's Office of Research and Education Accountability.

Dr. Laffer was a member of President Reagan's Economic Policy Advisory Board and also served as a consultant to several federal Cabinet members during the 1970s.

Mr. Lee Jones, regional executive and senior officer of the Nashville branch of the Federal Reserve Bank, and Dr. Keith Absher, dean and professor at the Union University School of Business Administration, are scheduled to give presentations on March 25 before the public deliberations on the revenue estimates begin.

The meetings on March 24, March 25 and March 31 are all scheduled to begin at 2:30 p.m. in Room 30 of the Legislative Plaza. The April 1 meeting is tentative pending the desire of the board for further consideration of their estimate.

All of the Funding Board meetings will also be video streamed live over the Internet.

-30-

Media contact: Blake Fontenay, Communications Director, (615) 253-2668 or [blake.fontenay@tn.gov](mailto:blake.fontenay@tn.gov)