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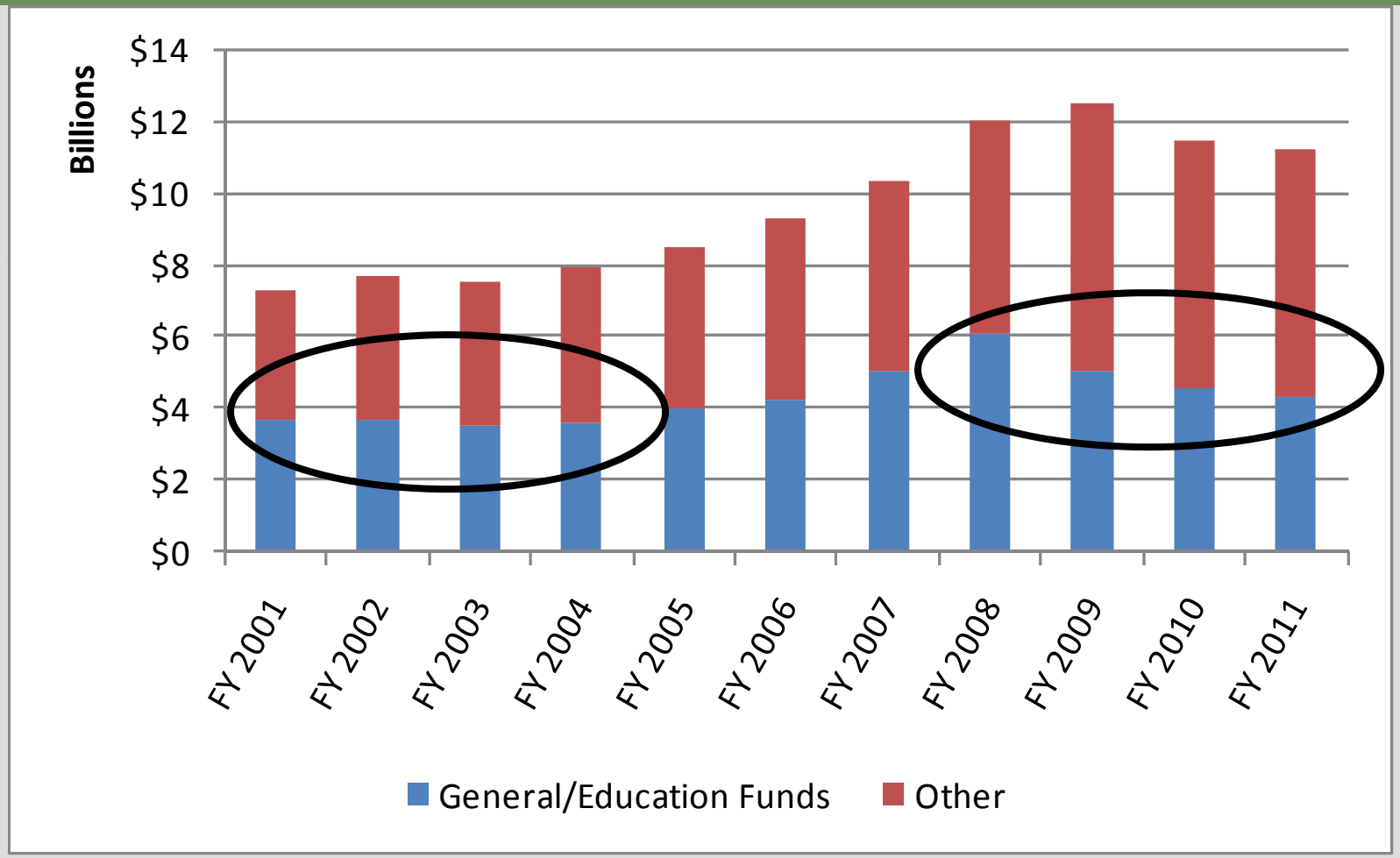
A Peek Under the Hood

What Drives Revenue Estimates

February 23, 2010

Utah's Budget



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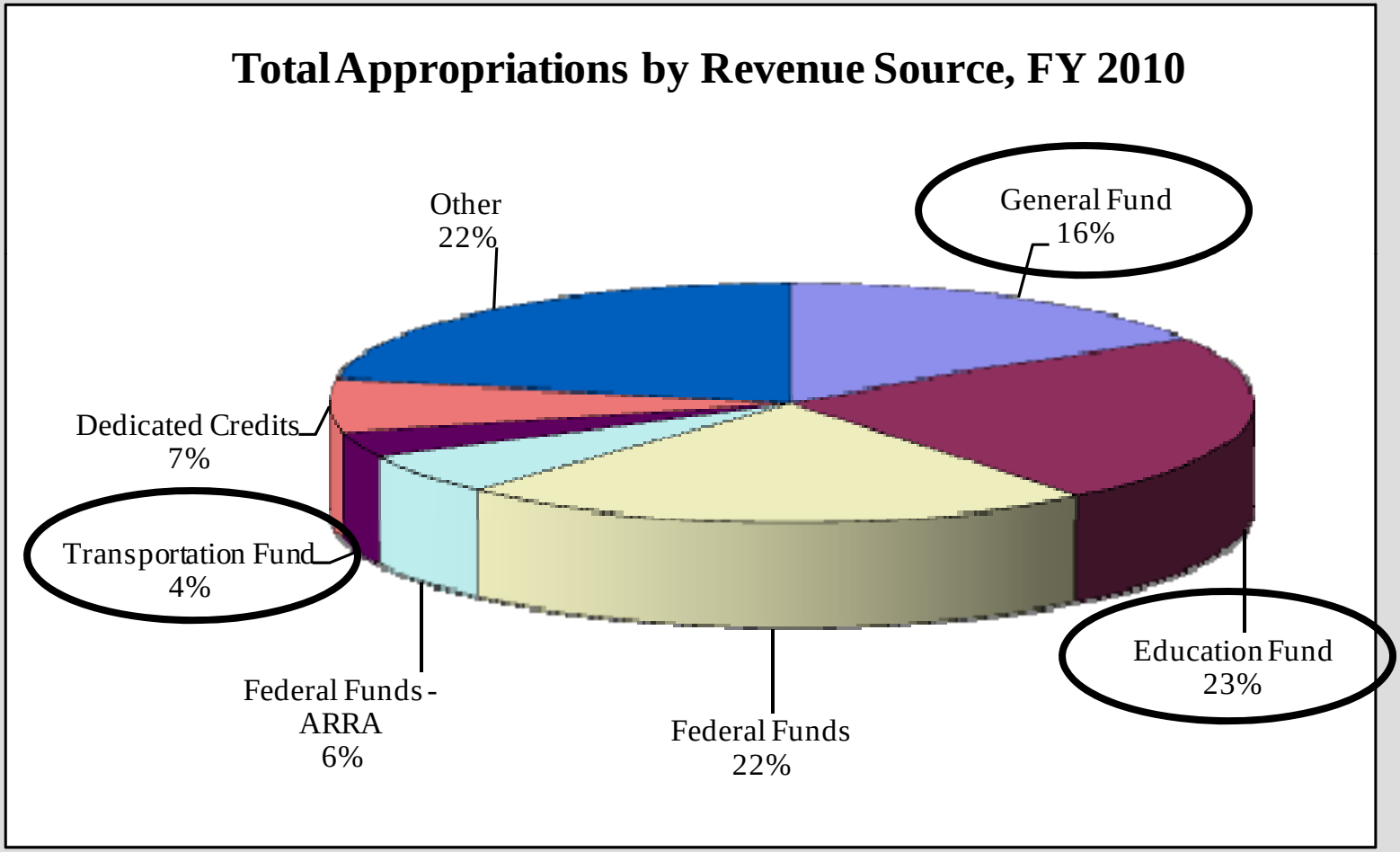
Where Does it Come From?



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Revenue Estimating – Who?

CONSENSUS!

- Revenue Assumptions Committee
- Revenue Estimating Committee
- Directors of GOPB and LFA
- Executive Appropriations Committee

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Revenue Estimating – What?

RAC forecasts demographic and economic trends

- Wages
- Employment
- Retail Sales
- Construction
- Population

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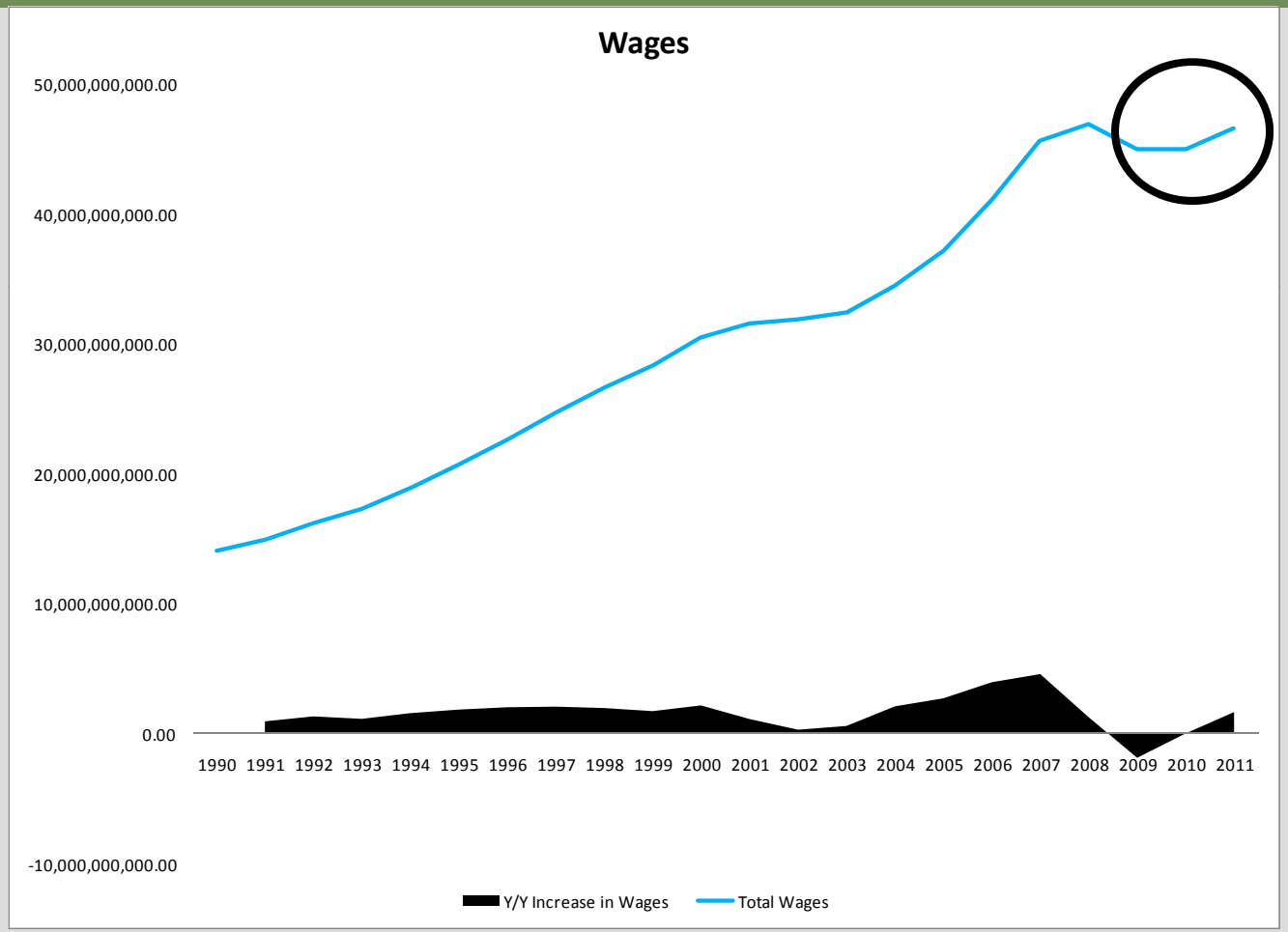
RAC - Wages



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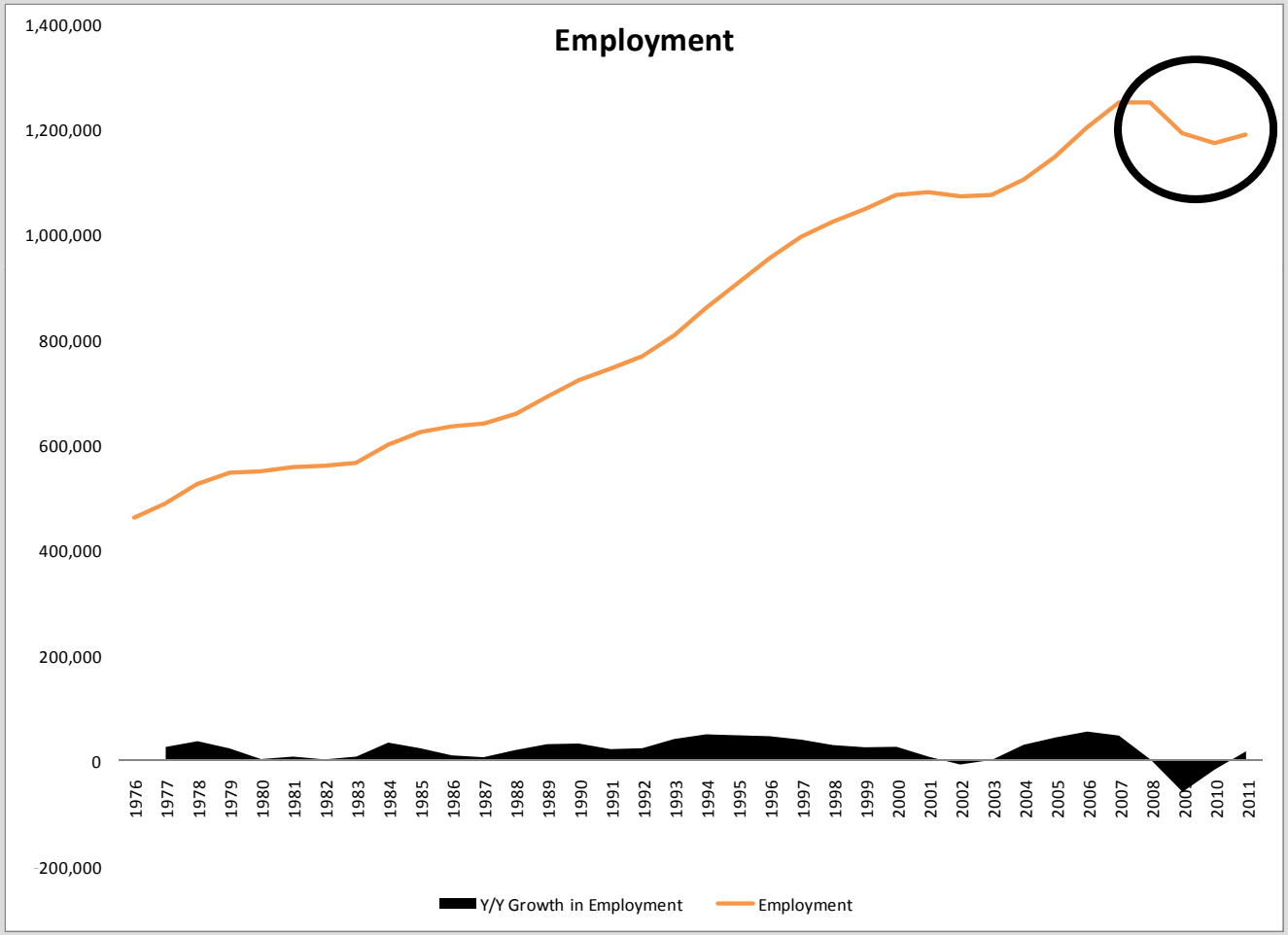
RAC - Employment



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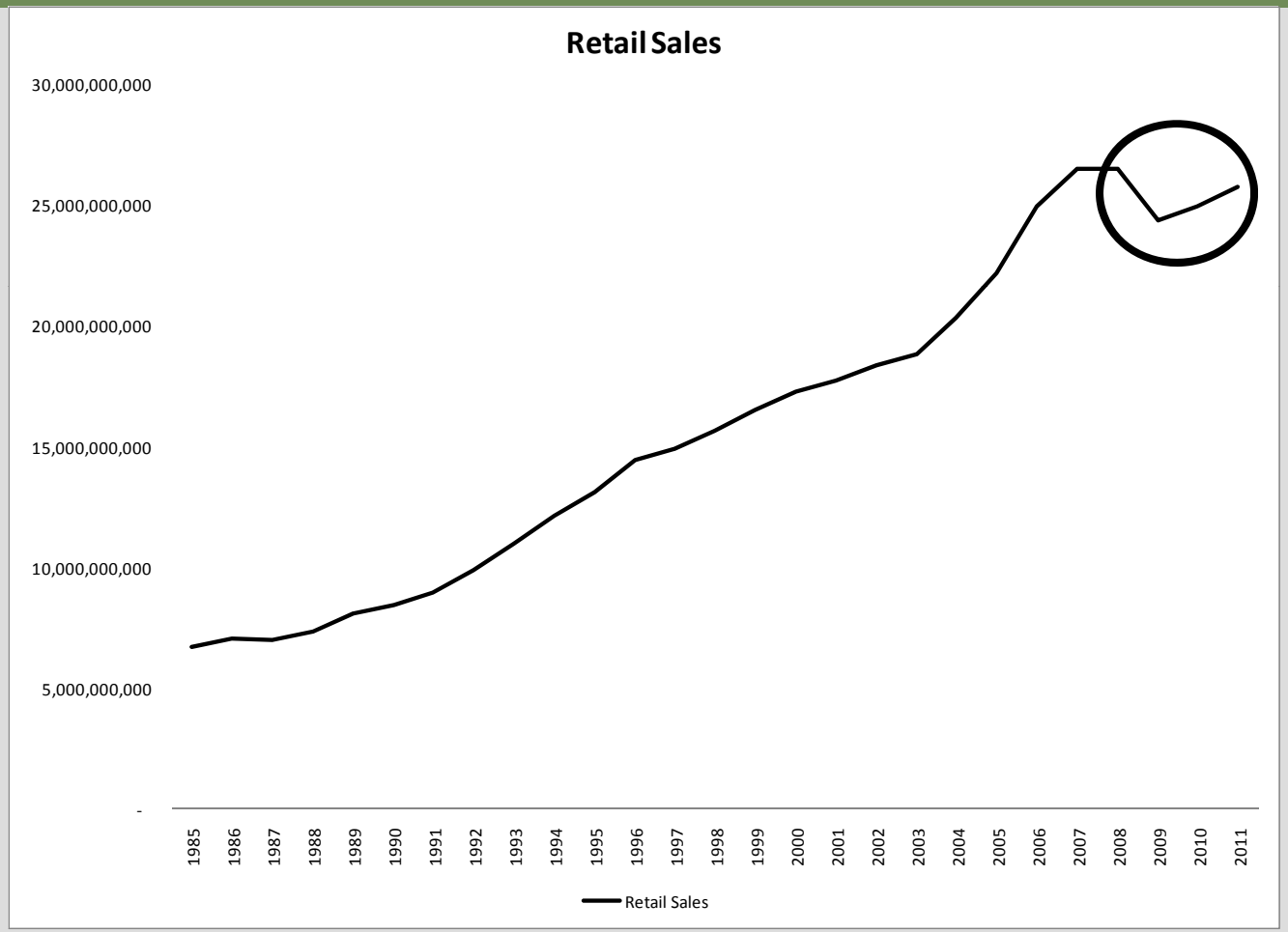
RAC – Retail Sales



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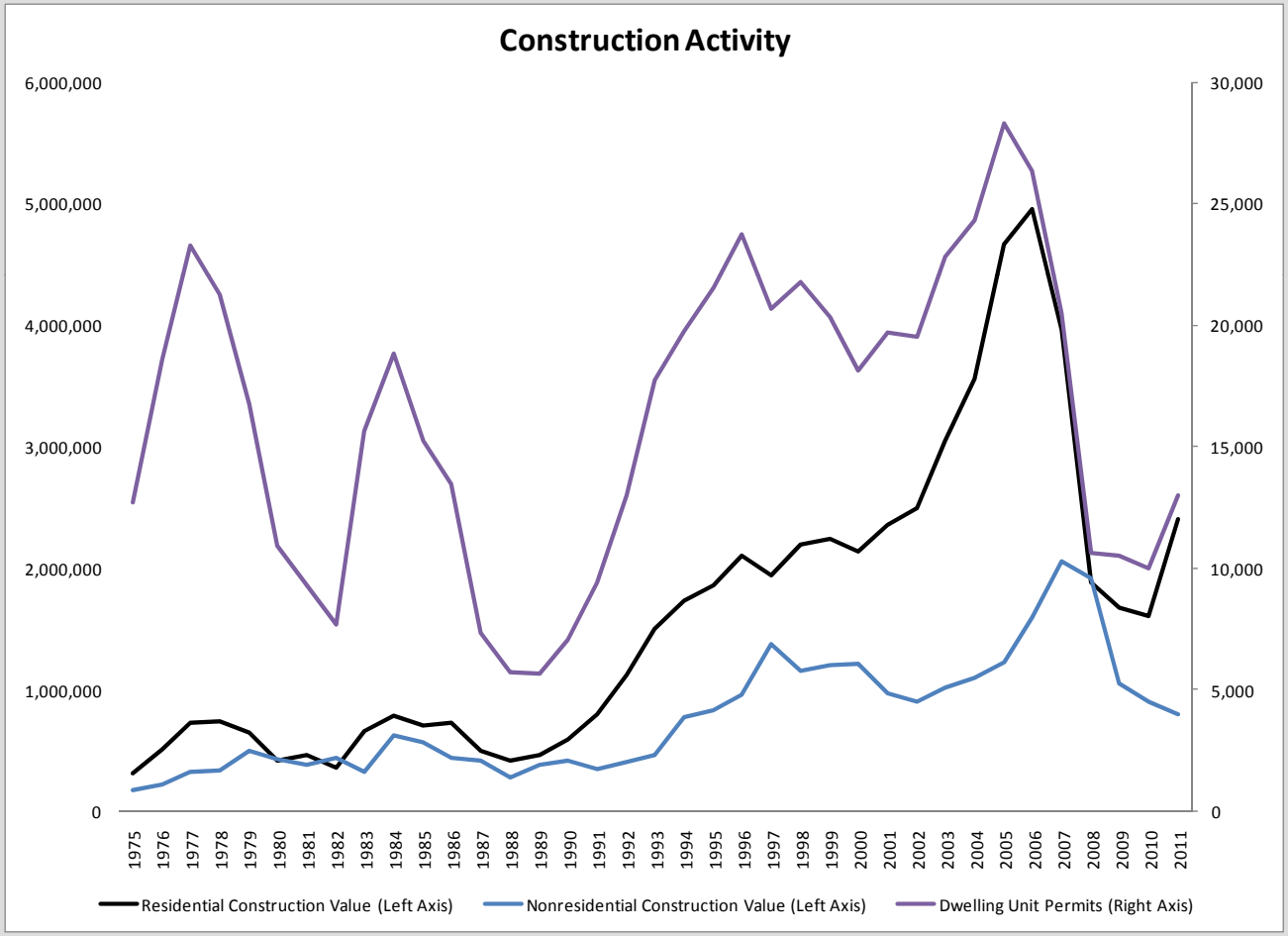
RAC – Construction



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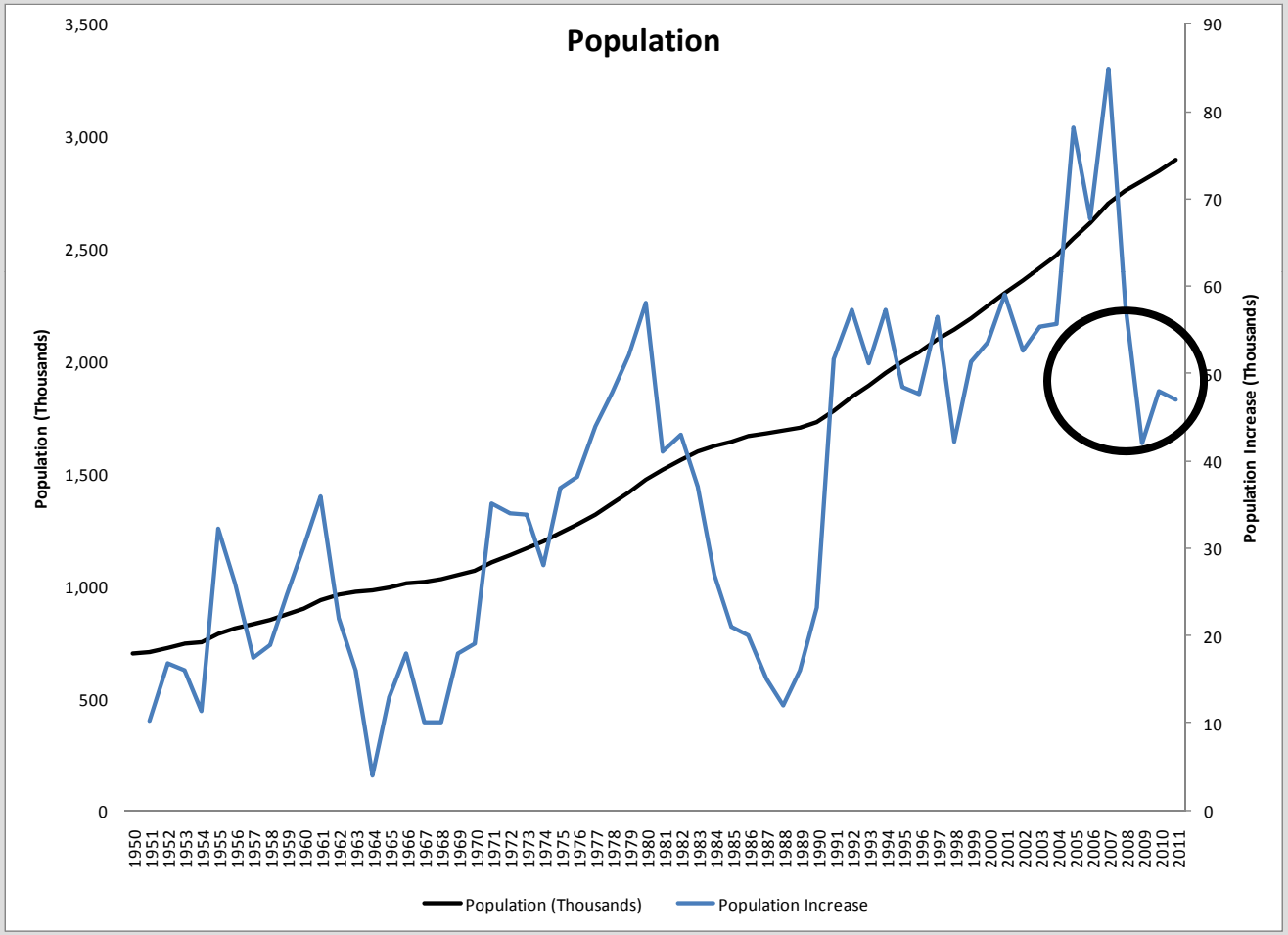
RAC – Construction



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Revenue Estimating – What?

REC uses RAC indicators PLUS COLLECTION PATTERNS to predict revenue collections

- Three organizations
- Three models each
- Three scenarios per model
- All independent of each other

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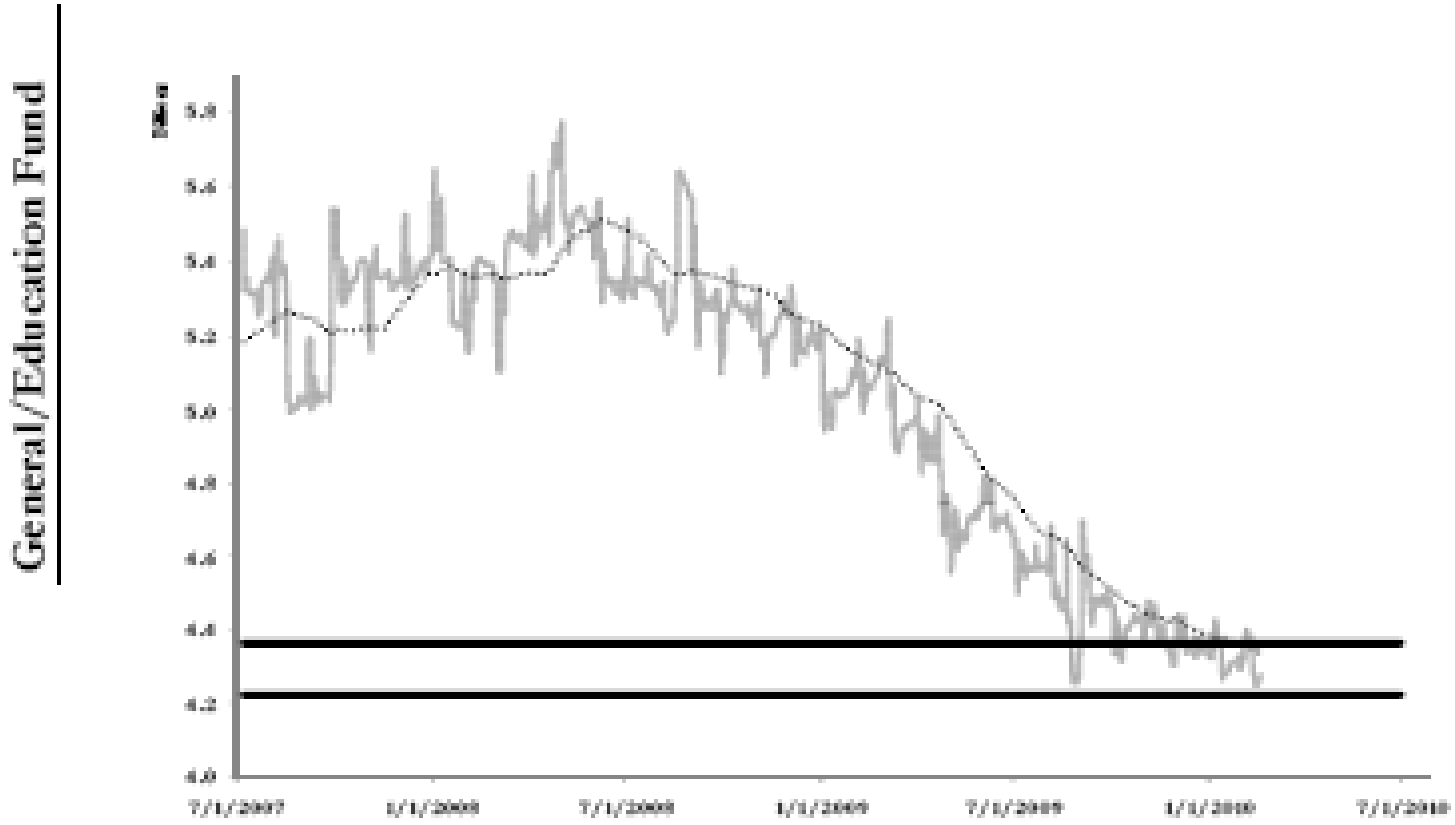
Collections



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Revenue Estimates

FY 2009	FY 2010	FY 2011
-$16M	-$178M	-$37M (+141 from 10)

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The End

Questions?

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