



Revenue Estimating Conference Meeting – October 15, 2021

FY 2022 Estimate: The Revenue Estimating Conference (REC) met and increased their estimate for FY 2022 net General Fund Receipts (including transfers) by \$645.7 million compared to the adjusted March REC estimate (adjusted for legislative law changes that occurred after the March REC meeting). The new FY 2022 estimate is \$133.6 million (1.5%) above the actual FY 2021 amount.

The REC also set the FY 2023 estimate at \$140.5 million (1.6%) above the new FY 2022 estimate. Despite the current level of uncertainty in the economy and the concern of the worker shortage, the REC members expressed cautious optimism with continued revenue growth for FY 2023.

Revenue Estimating Conference October 15, 2021: Net General Fund Receipts (including Transfers)							
(Dollars in Millions)							
Actual FY 2021 Net General Fund Receipts	FY 2022 - March REC Adjusted for Tax Changes	October REC Estimates					
		Estimated for FY 2022	Est. FY 2022 vs. FY 2021	% Change vs. FY 2021	Estimated for FY 2023	Est. FY 2023 Vs. Est. FY 2022	% Change vs. FY 2022
\$ 8,800.6	\$ 8,288.5	\$ 8,934.2	\$ 133.60	1.5%	\$ 9,074.7	\$ 140.50	1.6%

What does this mean?

Iowa's economy and state tax revenue rebounded significantly in FY 2021 and greatly exceeded the revenue estimate made by the REC in March 2021 by over \$700 million. At the close of FY 2021, the state general fund had an ending balance of approximately \$1.2 billion and reserve funds were full and approaching nearly \$800 million.

The October REC estimates are really a barometer three months into the new fiscal year. It's important to keep in mind that the December REC estimates will be what the Governor and legislature use when establishing the budget for FY 2023. The next meeting will likely occur by mid-December and will help provide more insight on the overall budget situation.

More on the REC

The Revenue Estimating Conference is a three-member panel that is required to meet three times a year to agree upon the revenue estimates for the current fiscal year and following fiscal year. These estimates are used by:

- The Governor when submitting budget recommendations to the legislature in January, and
- The Legislature when appropriating funds for the state budget during the legislative session.

The next REC meeting will be held in December and estimates they establish for FY 2023 will be used to set the state budget for FY 2023. Additional information on the REC is available on the [Department of Management's website](#).