

FY2020 State Fiscal Conference



TRUTH AND INTEGRITY IN
STATE BUDGETING:
LOOMING RISKS, DURABLE SOLUTIONS

July 10, 2019
5:30 p.m. to 8:30 p.m.

July 11, 2019
8:00 a.m. to 4:30 p.m.



FEDERAL RESERVE BANK OF ATLANTA
1000 Peachtree St. NE
Atlanta, GA 30309



THE VOLCKER ALLIANCE
Working for Effective Government



**FEDERAL
RESERVE
BANK
of ATLANTA**

AGENDA

WEDNESDAY, JULY 10, 2019

5:30 p.m. – 6:30 p.m.

**WELCOME COCKTAIL RECEPTION
AT THE ATLANTA MONETARY MUSEUM**

6:30 p.m. – 8:30 p.m.

**DINNER AND KEYNOTE
INTRODUCTION**

THOMAS W. ROSS
President
The Volcker Alliance

KEYNOTE

SHIRLEY CLARKE FRANKLIN
former Mayor of Atlanta

IN CONVERSATION WITH

JAMES SALZER
Assistant Senior Editor, State Government and Politics
Atlanta Journal-Constitution

THURSDAY, JULY 11, 2019

8:00 a.m. – 8:30 a.m.

REGISTRATION AND CONTINENTAL BREAKFAST

8:30 a.m. – 8:45 a.m.

WELCOME AND OPENING REMARKS

DAVID E. ALTIG
Executive Vice President and Director of Research
Federal Reserve Bank of Atlanta

WILLIAM GLASGALL
Senior Vice President and Director of
State and Local Initiatives
The Volcker Alliance

8:45 a.m. – 9:45 a.m.

PANEL SESSION NO. 1

**Better Budget Forecasting:
Identifying and Lessening Revenue Risks**

MODERATOR

JEFFREY HOLLAND
Vice President of Research
Peter G. Peterson Foundation

PANELISTS

SHEILA AMOROSO

Senior Vice President and Director
Municipal Bond Department
Franklin Templeton Fixed Income Group

ANDREW HAUGHWOUT

Senior Vice President and Policy Leader for
Household/Regional Microeconomic Studies Function
Federal Reserve Bank of New York

JULIETTE TENNERT

Director of Economic and Public Policy Research
Kem C. Gardner Policy Institute
University of Utah

9:45 a.m. – 10:45 a.m.

PANEL SESSION NO. 2

**Infrastructure: Quantifying Risks to
Reap the Rewards**

MODERATOR

DENNIS LOCKHART

Distinguished Professor-of-the-Practice
Georgia Institute of Technology
Sam Nunn School of International Affairs;
Former President and Chief Executive Officer
Federal Reserve Bank of Atlanta

PANELISTS

THOMAS G. DOE

Founder and President
Municipal Market Analytics Inc.

TRACY GORDON

Senior Fellow
Urban-Brookings Tax Policy Center

GEORGE "MAC" MCCARTHY

President and Chief Executive
Lincoln Institute of Land Policy

CAMILA FONSECA-SARMIENTO

Research Associate
Institute for Urban and Regional Infrastructure
Finance, Humphrey School of Public Affairs
University of Minnesota

10:45 a.m. – 11:00 a.m.

BREAK

11:00 a.m. – 12:00 p.m.

PANEL SESSION NO. 3

**Workforce Development:
Challenges, Solutions, and Budget
Consequences**

AGENDA

MODERATOR

THOMAS W. ROSS
President
The Volcker Alliance

PANELISTS

DAVID E. ALTIG
Executive Vice President and Director of Research
Federal Reserve Bank of Atlanta

KAYE HUSBANDS FEALING
Chair and Professor, School of Public Policy
Georgia Institute of Technology

MARTI FISCHBACH
Director of Economic and Employment Assistance
Dakota County, Minnesota

12:00 p.m. – 1:15 p.m.

LUNCH AND KEYNOTE ADDRESS

INTRODUCTION

CHRIS CUNNINGHAM
Research Economist and Associate Adviser
Federal Reserve Bank of Atlanta

KEYNOTE

RAPHAEL W. BOSTIC
President and Chief Executive Officer
Federal Reserve Bank of Atlanta

1:15 p.m. – 1:30 p.m.

BREAK

1:30 p.m. – 2:20 p.m.

PANEL SESSION NO. 4, PART I

Rainy Day Funds and Reserves: Ameliorating Revenue Risks

MODERATOR

MARY MURPHY
Project Director
Fiscal and Economic Policy, State Fiscal Health
The Pew Charitable Trusts

PANELISTS

KATHERINE BARRETT
Special Projects Consultant
The Volcker Alliance

RICHARD GREENE
Special Projects Consultant
The Volcker Alliance

SENATOR JACK HILL

Chairman, Senate Appropriations Committee
Georgia State Senate

GABRIEL PETEK

Legislative Analyst, Legislative Analyst's Office
state of California

2:20 p.m. – 2:30 p.m.

BREAK

2:30 p.m. – 3:55 p.m.

PANEL SESSION NO. 4, PART 2

Workshop: Rainy Day Funds and Reserves

MODERATOR

KIL HUH
Vice President of Government Performance
The Pew Charitable Trusts

FACILITATORS

KATHERINE BARRETT
Special Projects Consultant
The Volcker Alliance

THAD CALABRESE

Associate Professor of Public and Nonprofit Financial
Management and Director of Finance Specialization,
Robert F. Wagner Graduate School of Public Service
New York University

RICHARD GREENE

Special Projects Consultant
The Volcker Alliance

MARY MURPHY

Project Director
Fiscal and Economic Policy, State Fiscal Health
The Pew Charitable Trusts

LISA WASHBURN

Managing Director
Municipal Market Analytics Inc.

3:55 p.m. – 4:00 p.m.

CLOSING REMARKS

WILLIAM GLASGALL

Senior Vice President and Director of
State and Local Initiatives
The Volcker Alliance

4:00 p.m. – 4:30 p.m.

NETWORKING

ABOUT THE SPEAKERS

RAPHAEL W. BOSTIC

Keynote speaker



Raphael Bostic became the fifteenth president and chief executive officer of the Federal Reserve Bank of Atlanta in 2017. In addition, he serves on the Federal Reserve's chief monetary policy body, the Federal Open Market Committee.

From 2012 to 2017, Bostic was the Judith and John Bedrosian Chair in Governance and the Public Enterprise at the Sol Price

School of Public Policy at the University of Southern California. From 2009 to 2012, Bostic served as assistant secretary for policy development and research at the US Department of Housing and Urban Development. From 1995 to 2001, Bostic served at the Federal Reserve Board of Governors as an economist and then a senior economist in the monetary and financial studies section.

Bostic graduated from Harvard University in 1987 with a combined major in economics and psychology. He earned his doctorate in economics from Stanford University in 1995.

Bostic is a board member of the Lincoln Institute of Land Policy.

SHIRLEY CLARKE FRANKLIN

Keynote speaker



Shirley Franklin is executive board chair of Purpose Built Communities and the former Barbara Jordan Visiting Professor of Ethics and Political Values at the LBJ School of Public Affairs at the University of Texas in Austin. In 2002, Franklin was elected mayor of Atlanta, becoming the first African American female mayor of a major Southern city, and served two terms.

Atlanta experienced unprecedented growth over Franklin's eight years as mayor. That growth afforded her the opportunity to partner and collaborate with many local and regional leaders in addressing policy challenges. Franklin is best known for tackling major government operations and ethics reform.

Franklin serves on the board of directors of Mueller Water Products. Her civic engagement includes her work as chairman of the board of the National Center for Civil and Human Rights and as a board member of the Volcker Alliance and the Centers for Disease Prevention and Health Promotion Foundation.

Born and reared in Philadelphia, educated at Howard University and the University of Pennsylvania, Franklin has lived with her family in Atlanta since 1972.

DAVID E. ALTIG



David E. Altig is executive vice president and director of research at the Atlanta Fed. In addition to advising the bank's president on monetary policy and related matters, he

serves as a member of its management and discount committees. Altig is an adjunct professor of economics at the University of Chicago's Booth School of Business. Altig has served as a director of the National Association for Business Economics and as vice president and associate director of research at the Federal Reserve Bank of Cleveland. He earned his bachelor's degree in business administration from the University of Iowa and his master's and doctorate in economics from Brown University.

SHEILA AMOROSO



Sheila Amoroso is a senior vice president and the director of the municipal bond department at the Franklin Templeton Fixed Income Group, as well as portfolio manager

of the Franklin Federal Tax-Free Income Fund. Amoroso, who joined Franklin Templeton Investments in 1986, holds a bachelor of science degree from San Francisco State University and an MBA from Notre Dame de Namur University. She is a member of the California Society of Municipal Analysts and the National Federation of Municipal Analysts.

KATHERINE BARRETT AND RICHARD GREENE



Katherine Barrett and Richard Greene are principals at Barrett and Greene Inc. and special project consultants to the Volcker Alliance, where they have collaborated on three *Truth and Integrity in State Budgeting* reports and working papers that include *Rainy Day Fund Strategies: A Call to Action*. They are senior advisers at the Government Finance Research Center, fellows at the National Academy of Public Administration, columnists for *Governing* magazine, and senior fellows at the Governing Institute.

THAD CALABRESE



Thad Calabrese is an associate professor at New York University's Robert F. Wagner Graduate School of Public Service. Calabrese studies public and nonprofit financial management, as well as the institutions that affect managerial decision-making in these entities. His research focuses on organizational slack resource management, debt management, and the relationships between the state and not-for-profits. Calabrese is treasurer of the Association for Research on Nonprofit and Voluntary Action and the chair-elect of the Association for Budgeting and Financial Management. He serves on the Governmental Accounting Standards Advisory Council and has coauthored three textbooks.

CHRIS CUNNINGHAM



Chris Cunningham is a research economist and policy adviser in the research department of the Federal Reserve Bank of Atlanta. He has examined issues of land development and housing supply, the intersection of mortgage and labor markets, education in the developing world, agglomeration and workers' skills, and the political economy of the property tax. He has published papers in several leading journals, including the *Review of Economics and Statistics*, the *Journal of Urban Economics*, the *National Tax Journal*, and *Regional Science and Urban Economics*. He received his undergraduate degree in economics from George Washington University and a doctorate in economics from Syracuse University.

THOMAS G. DOE



Thomas G. Doe is the president of Municipal Market Analytics Inc., an independent research firm he founded in 1995 that provides strategic analysis and commentary on historical and quantitative conditions of the US municipal market. Doe's attention has been on innovative ways to generate new revenue for states and cities. He is currently focused on the impact of climate risk on investor behavior and the ability of issuers to raise capital for essential infrastructure needs. Doe served a three-year term, from 2002 to 2005, as a public member on the Municipal Securities Rulemaking Board. He received his undergraduate degree from Colgate University and a master's from Harvard University.

KAYE HUSBANDS FEALING



Kaye Husbands Fealing is Chair of the School of Public Policy at the Georgia Institute of Technology, specializing in science and innovation policy; the public value of research expenditures; and underrepresentation of women and minorities in STEM fields. She was a professor at the Humphrey School of Public Affairs, University of Minnesota; professor at Williams College; and inaugural program director of the National Science Foundation Science of Science and Innovation Policy program. A member of the executive board of the American Association for the Advancement of Science and an AAAS Fellow, she holds a doctorate in economics from Harvard University and a bachelor's in mathematics and economics from University of Pennsylvania.

MARTI FISCHBACH



Marti Fischbach is the director of employment and economic assistance in Dakota County, Minnesota, with oversight of all public assistance programs, child support, and employment services. Her extensive public sector experience over the past 20 years includes working in three counties as well as at the Minnesota Department of Human Services. Fischbach has had the opportunity to be involved in innovative projects using an integrated service delivery framework. During the implementation of the Affordable Care Act, she participated in planning and implementation at the local level. Fischbach has a master of public affairs from the Humphrey School of Public Affairs at the University of Minnesota.

CAMILA FONSECA-SARMIENTO



Camila Fonseca-Sarmiento is a research associate at the Institute for Urban and Regional Infrastructure Finance, where she is engaged in applied research related to public budgeting and finance and evaluating economic impacts of infrastructure investments. She holds a master of public policy from the University of Minnesota and a bachelor's degree in economics and finance from Universidad del Rosario, in Bogotá, Colombia.

WILLIAM GLASGALL



William Glasgall has been senior vice president and director of state and local initiatives at the Volcker Alliance since 2014. He has supervised the publication of numerous Alliance working papers and studies, including three *Truth and Integrity in State Budgeting* reports. Glasgall previously was managing editor at Bloomberg News for states and municipalities and managing editor at *Business Week* magazine, where he won two Overseas Press Club reporting awards. He is a member of the Municipal Fiscal Health working group of the Lincoln Institute of Land Policy and a governor of the Overseas Press Club Foundation. A graduate of Boston University, Glasgall was also a Knight-Bagehot Fellow in Economics and Business Journalism at Columbia University.

TRACY GORDON



Tracy Gordon is a senior fellow at the Urban-Brookings Tax Policy Center, where she researches and writes about fiscal challenges facing state and local governments, including budget trade-offs, intergovernmental relations, and long-term sustainability. Gordon has previously served as a senior economist with the White House Council of Economic Advisers, a fellow at the Brookings Institution, assistant professor at the University of Maryland School of Public Policy, a fellow at the Public Policy Institute of California, and a member of the District of Columbia's Task Force on Infrastructure. She is a trustee of the American Tax Policy Institute and National Tax Association, as well as a member of the external advisory panel of the Government Finance Research Center.

ANDREW HAUGHWOUT



Andrew Haughwout is a senior vice president and policy leader at the Federal Reserve Bank of New York. He coedits the *Liberty Street Economics* blog and the bank's *Economic Policy Review* and is a Penn Institute for Urban Research scholar. He also serves on the advisory board of the *Journal of Regional Science* and is a past chair of the Federal Reserve System Committee on Regional Analysis. Before joining the New York Fed, Haughwout served as assistant professor and director of the Urban and Regional Planning program at Princeton University. He holds a bachelor's degree from Swarthmore College and a doctorate from the University of Pennsylvania.

JACK HILL



Jack Hill is a Georgia state senator. He is chairman of the Senate Appropriations Committee and vice chairman of the Senate Rules Committee. He also sits on the Natural Resources and the Environment, Regulated Industries and Utilities, Finance, and Retirement committees. Hill, a Republican, was first elected to the Georgia Senate from the Fourth District in 1990. He will be dean of the Georgia Senate when he enters his thirtieth session in 2020. His previous chairmanships include of the K-12 Education, Higher Education, and Ethics committees. Hill served thirty-seven years in the Air National Guard and Air Force Reserve as a unit commander, and as inspector general and a reserve forces officer with the Selective Service System. He is a retired grocer.

JEFFREY HOLLAND



Jeffrey Holland is vice president of research at the Peter G. Peterson Foundation. He oversees analyses produced for the public, manages grants distributed by the foundation, and helps coordinate events to connect various stakeholders to discuss issues with budgetary impact. Holland, who specializes in fiscal and economic policy, budget process, and data analysis, previously spent twenty-six years at the Congressional Budget Office. For eighteen of those years, he was chief of the projections unit, where he oversaw the data compilation, writing, and production of large parts of publications such as the *Budget and Economic Outlook* and *Analysis of the President's Budget*.

KIL HUH



Kil Huh is vice president of the Pew Charitable Trusts' governance performance portfolio, leading work on fiscal and economic policy. He and his team help decision makers adopt evidence-based policies that improve the outlook for long-term growth. Huh also oversees activity on family economic security, including the study of Americans' financial well-being and such economic challenges as consumer finance, retirement security, and student debt. He was director of policy and consulting for the Fannie Mae Foundation. Huh holds a bachelor's degree in urban regional studies from Cornell University; a master's in urban planning from New York University; and a master's in philosophy and a doctorate in urban planning from Columbia University.

DENNIS LOCKHART



Dennis Lockhart is the former president and chief executive officer of the Federal Reserve Bank of Atlanta, in which capacity he served on the Fed’s Federal Open Market Committee. His tenure spanned the financial crisis, the Great Recession, and several years of recovery. He retired in 2017. Lockhart is currently a distinguished professor-of-the-practice in the Sam Nunn School of International Affairs at Georgia Tech. He also sits on several for-profit and nonprofit boards. His earlier career comprised banking, private investment, and teaching at Georgetown and Johns Hopkins universities.

GEORGE “MAC” MCCARTHY



Since 2014, George “Mac” McCarthy has been president and chief executive of the Lincoln Institute of Land Policy, a think tank in Cambridge, Massachusetts, that seeks to improve quality of life through the effective use, taxation, and stewardship of land. McCarthy previously directed Metropolitan Opportunity at the Ford Foundation. Among other positions, he was a senior research associate at the Center for Urban and Regional Studies at the University of North Carolina at Chapel Hill, where he received his doctorate in economics; professor of economics at Bard College; and resident scholar at the Jerome Levy Economics Institute. He received a bachelor’s degree in economics and mathematics from the University of Montana and a master’s in economics from Duke University.

MARY MURPHY



Mary Murphy is the project director for the Pew Charitable Trusts’ state fiscal health initiative. She oversees teams that identify policies and practices that help states maintain a balanced budget, prepare for downturns, invest in long-term economic growth, and strengthen local governments. Murphy leads outreach to state and local policymakers, building cross-state networks and offering customized technical assistance. Before joining Pew, she was a researcher and analyst at Wider Opportunities for Women, where she wrote reports on employment, economic, and income security issues. She also specialized in social safety net programs at the Urban Institute. Murphy holds a bachelor’s degree in sociology from Reed College.

GABRIEL PETEK



Gabriel Petek was appointed California’s legislative analyst in February 2019, becoming the sixth person to hold the office since it was established in 1941. Petek serves as the nonpartisan fiscal adviser to both houses of the California legislature and oversees the preparation of fiscal and policy analyses of the state’s budget and programs. Before joining the office, he spent two decades at S&P Global Ratings as the primary analyst for the states of California and Illinois. He graduated from Loyola Marymount University with a bachelor’s degree in political science and from Harvard University’s Kennedy School of Government with a master’s in public policy.

THOMAS W. ROSS



Thomas W. Ross is president of the Volcker Alliance. He also serves as the Sanford Distinguished Fellow in Public Policy at Duke University’s Sanford School. Ross was president of the University of North Carolina from 2011 to 2016 and is now president emeritus of the system. Ross previously served as president of Davidson College, executive director of a foundation, director of the North Carolina court system, a judge in Superior Court, and chief of staff to a congressional representative. He also practiced law and was on the faculty of UNC at Chapel Hill. Ross holds a bachelor’s in political science from Davidson College and a JD with honors from UNC at Chapel Hill.

JAMES SALZER



James Salzer is an assistant senior editor for state government and politics at the *Atlanta Journal-Constitution*. He has covered government and politics for most of his thirty-six years in journalism, first as a political writer and columnist for the *Abilene Reporter-News*; then as a local government reporter for the *Florida Times-Union*; and as a statehouse reporter, editor, and investigative journalist in Atlanta for Morris News Service and the *Atlanta Journal-Constitution* since 1990. At the AJC, Salzer has specialized in stories on state spending, taxes, pensions, campaign finance, and legislative culture. He earned a bachelor’s in mass communications from the University of Wisconsin-Madison and lives in Decatur, Georgia, with his wife, Anna Varela.

JULIETTE TENNERT



Juliette Tennert is director of economic and public policy research at the Kem C. Gardner Policy Institute, specializing in Utah’s economy, economic forecasting and modeling, and fiscal policy analysis. She has served as Utah budget director and chief economist for Governor Gary Herbert, as chief economist for Governor Jon Huntsman, and as a fiscal analyst for the Utah legislature. Tennert previously was a research analyst for the Center for Business and Economic Research at the University of Nevada, Las Vegas, from which she received a master’s degree in economics. She also has a bachelor’s degree in economics from the University of Chicago and has been honored as one of *Utah Business* magazine’s “30 Women to Watch.”

LISA WASHBURN



Lisa Washburn is a managing director at Municipal Market Analytics Inc., where she heads the consulting and credit surveillance practices. She is a contributor to the firm’s *Municipal Outlook* and *Municipal Default Trends* and assists in maintaining its Credit Impairment Database. Washburn was previously a managing director at Moody’s, where she led several ratings teams and initiatives related to municipal default analysis and ratings comparability. She serves as the industry practices cochair for the National Federation of Municipal Analysts and is on the Governmental Accounting Standards Advisory Council. Washburn is a member of the Municipal Analysts Group of New York and is a certified management accountant.

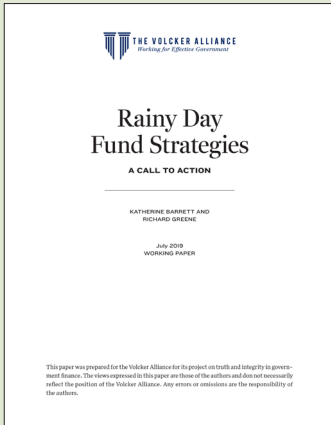
ABOUT THE EVENT PARTNERS



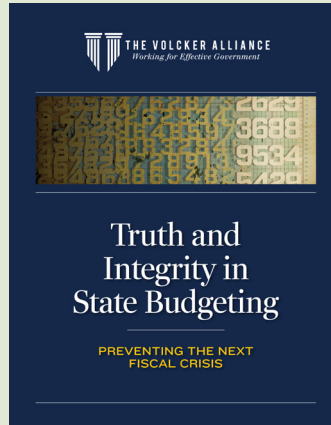
THE VOLCKER ALLIANCE advances effective management of government to achieve results that matter to citizens. We envision a public sector workforce with the experience, preparation, and commitment to ensure that government is accountable and delivers with excellence. Visit volckeralliance.org to learn more. Follow us on social media @VolckerAlliance and subscribe to the Volcker Alliance newsletter for the latest news and developments. The Volcker Alliance is a 501(c)(3) organization.



THE FEDERAL RESERVE BANK OF ATLANTA is a part of the nation’s central banking system, which Congress created in 1913. The Federal Reserve conducts monetary policy by influencing money and credit conditions in the economy in pursuit of full employment and stable prices, supervises and regulates banking institutions, and helps ensure that the nation’s payments systems operate smoothly. The Atlanta Fed serves the Sixth Federal Reserve District, which encompasses Alabama, Florida, and Georgia, as well as sections of Louisiana, Mississippi, and Tennessee. The Atlanta Fed participates in setting national monetary policy, supervises numerous commercial banks, and provides a variety of financial services to depository institutions and the U.S. government. Visit frbatlanta.org to learn more.



In this working paper, the Volcker Alliance examines the rainy day fund policies and practices of all fifty states, based on the findings and data underlying our 2017 and 2018 *Truth and Integrity in State Budgeting* reports. Building on reserve fund grades in the reports and supplemental research, we discuss why rainy day funds are crucial budgetary tools and identify best practices that states can adopt to soften the impact of economic, fiscal, and natural disasters.



The Volcker Alliance report *Truth and Integrity in State Budgeting: Preventing the Next Fiscal Crisis* is our second annual study of US state budgeting practices, covering fiscal 2016 through 2018.