



**JOINT LEGISLATIVE
ECONOMIC OUTLOOK
AND
REVENUE ASSESSMENT COMMITTEE**

COMMITTEE REPORT

FISCAL YEARS 2007 AND 2008

JANUARY 11, 2007



**JOINT LEGISLATIVE
ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE
FISCAL YEARS 2007 AND 2008**

Committee Members

January 11, 2007

Sen. John Goedde
Co-Chairman

To the 59th Idaho Legislature, 1st Regular Session:

Sen. Brad Little

Sen. Brent Hill

Sen. Robert Geddes

Sen. Shawn Keough

Sen. Mike Burkett

Rep. Scott Bedke
Co-Chairman

Rep. Mike Moyle

Rep. Dennis Lake

Rep. Ken Roberts

Rep. Bert Brackett

Rep. Nicole LeFavour

We have completed making our overall assessment of Governor Otter's General Fund revenue projections for the fiscal years ended June 30, 2007 and 2008. Idaho's Constitution, Article VII, Section 11 requires balancing the state's appropriations and expenditures with its revenues. Accordingly, it is this Committee's role and mission to provide advice to you about the reasonableness of such revenue projections. The Committee reviewed and analyzed business, tax and financial data and trends relating to the state's economy and obtained testimony from economic, business and industry experts regarding those aspects of the state's economy and revenues of which they have knowledge.

Governor Otter's General Fund revenue projections for FY 2007 and FY 2008 compared to the Committee's median projections are as follows in millions of dollars:

	<u>FY 2007</u>	<u>FY 2008</u>
Governor Otter's projections	\$ 2,706.3	\$ 2,807.7
Committee's median projections	\$ 2,671.0	\$ 2,806.4
Amount and percent over/(under) Gov. projection	(\$ 35.3) (1.3%)	(\$ 1.3) (0.0%)

Legislative Staff

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Attachment 1 provides the detail for all twelve committee members and three of the presenters.

In our opinion, Governor Otter's General Fund revenue projections for FY 2007 and FY 2008 are reasonable for the purpose of the legislature making General Fund appropriations for those years. Because the committee median forecast is slightly lower than the Governor's forecast for both years, and there is uncertainty regarding the impacts of current construction activities, we believe the legislature should take a cautious approach with regard to funding commitments to ongoing programs.

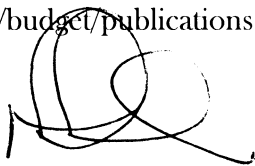
On-line Information

www.legislature.idaho.gov

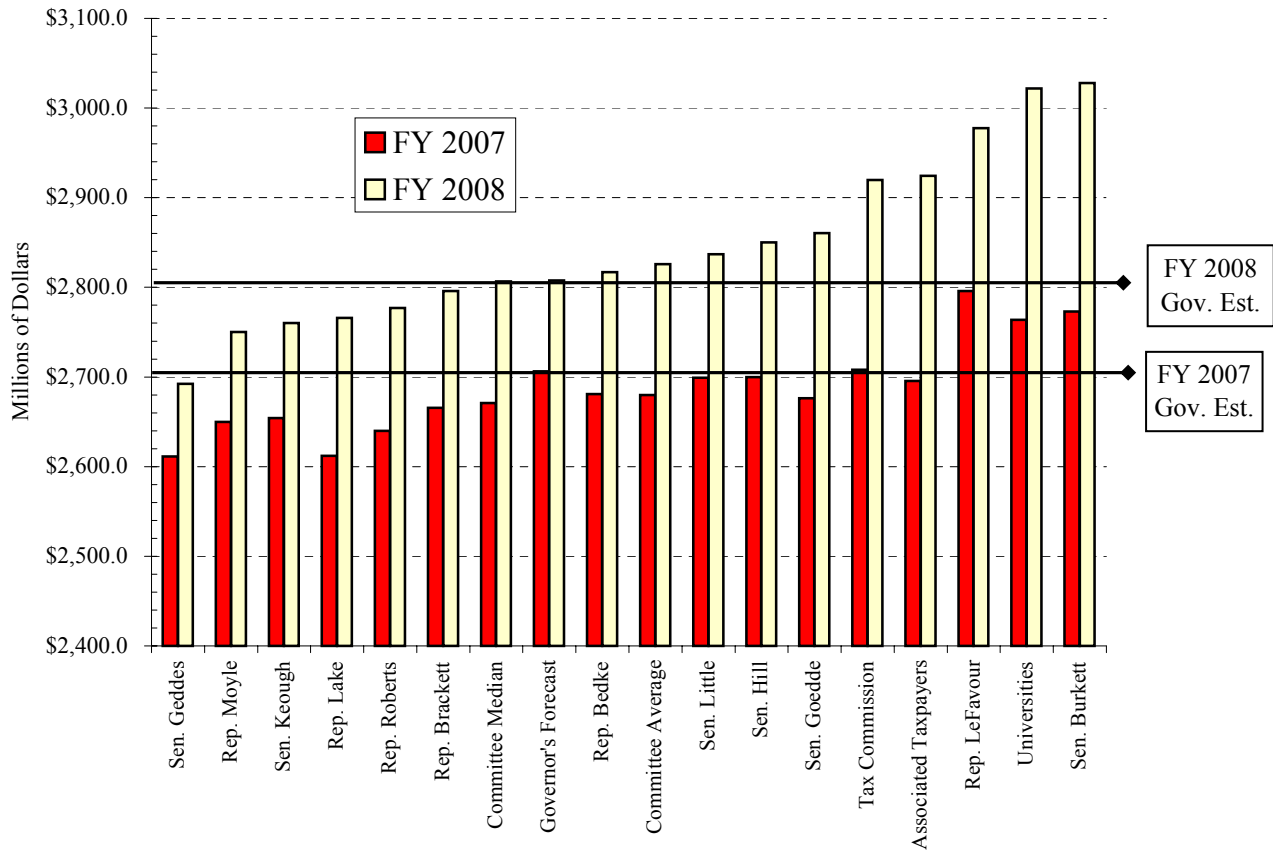
Attachment 2 provides a historical comparison of projections and actual collections. Copies of the "Committee Information Packet" comprising analyses of key state and industry economic trends are available on the internet at <http://www.legislature.idaho.gov/budget/publications.htm>.

Respectfully,


Representative Scott Bedke


Senator John Goedde

**2007 Joint Legislative
Economic Outlook and Revenue Assessment Committee
General Fund Revenue Projections**

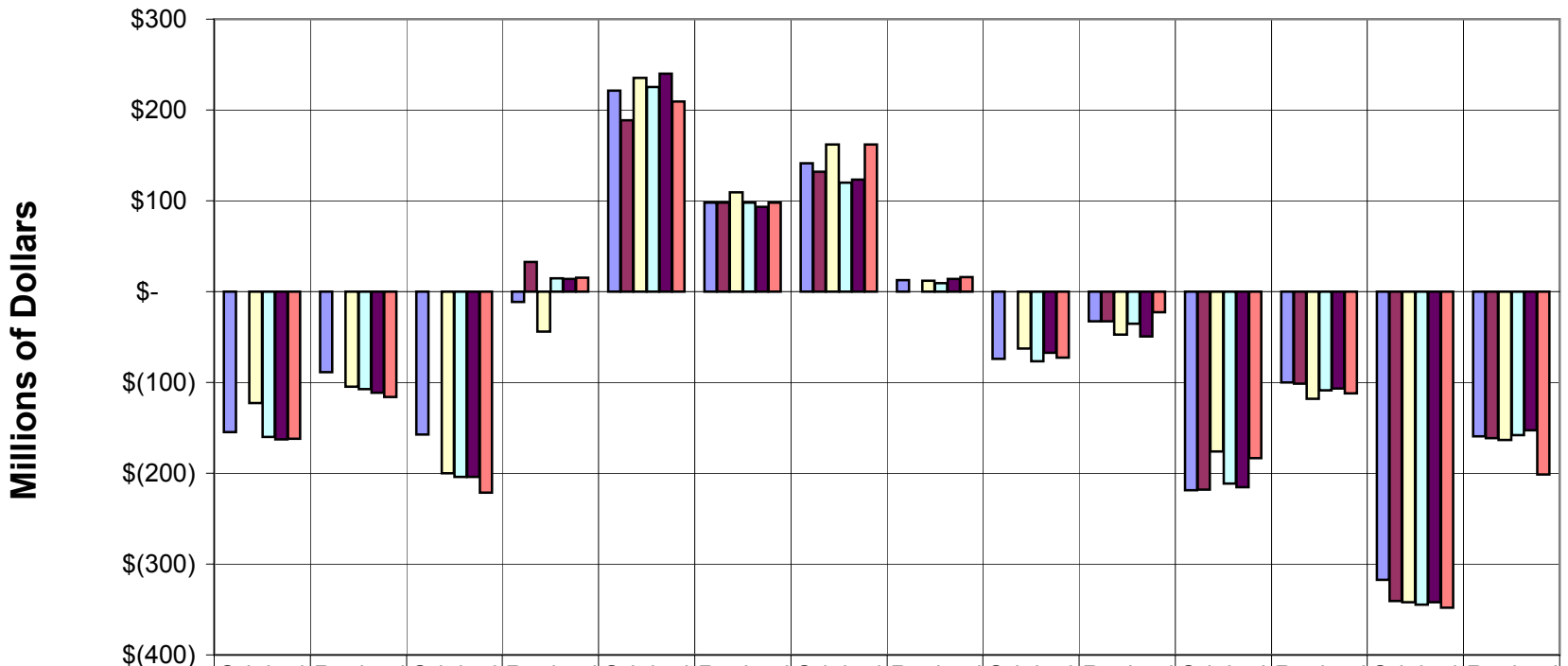


FY 2006 Revenues **\$2,431.3** Millions of Dollars

07 Sort	Participant	FY 2007 Estimate	FY 06-07 Change	FY 2008 Estimate	FY 07-08 Change	Two-year Estimate
1	Sen. Geddes	\$2,611.2	7.4%	\$2,692.2	3.1%	\$5,303.4
4	Rep. Moyle	\$2,650.0	9.0%	\$2,750.0	3.8%	\$5,400.0
5	Sen. Keough	\$2,654.0	9.2%	\$2,760.2	4.0%	\$5,414.2
2	Rep. Lake	\$2,612.0	7.4%	\$2,766.0	5.9%	\$5,378.0
3	Rep. Roberts	\$2,640.0	8.6%	\$2,777.0	5.2%	\$5,417.0
6	Rep. Brackett	\$2,665.6	9.6%	\$2,795.8	4.9%	\$5,461.4
	Committee Median	\$2,671.0	9.9%	\$2,806.4	5.1%	\$5,477.4
	Governor's Forecast	\$2,706.3	11.3%	\$2,807.7	3.7%	\$5,514.0
8	Rep. Bedke	\$2,681.0	10.3%	\$2,817.0	5.1%	\$5,498.0
	Committee Average	\$2,679.8	10.2%	\$2,825.9	5.5%	\$5,505.7
9	Sen. Little	\$2,699.0	11.0%	\$2,837.0	5.1%	\$5,536.0
10	Sen. Hill	\$2,700.0	11.1%	\$2,850.0	5.6%	\$5,550.0
7	Sen. Goedde	\$2,676.3	10.1%	\$2,860.4	6.9%	\$5,536.7
	Tax Commission	\$2,708.1	11.4%	\$2,919.9	7.8%	\$5,628.0
	Associated Taxpayers	\$2,695.4	10.9%	\$2,924.2	8.5%	\$5,619.6
12	Rep. LeFavour	\$2,795.7	15.0%	\$2,977.4	6.5%	\$5,773.1
	Universities	\$2,763.9	13.7%	\$3,021.7	9.3%	\$5,785.6
11	Sen. Burkett	\$2,773.0	14.1%	\$3,028.0	9.2%	\$5,801.0
	Range of Participants	\$184.5		\$335.8		\$497.6

Sorted by FY 2008 Estimate
Pessimistic to Optimistic

Participant History of Projections (Difference from Actual Collections)



	Original	Revised	Original	Revised	Original	Revised	Original	Revised	Original	Revised	Original	Revised	Original	Revised
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2000	2000	2001	2001	2002	2002	2003	2003	2004	2004	2005	2005	2006	2006
■ Assoc. Taxpayers	\$(155)	\$(89)	\$(158)	\$(11)	\$221	\$98	\$141	\$13	\$(74)	\$(33)	\$(219)	\$(100)	\$(318)	\$(159)
■ Tax Commission				\$33	\$189	\$98	\$132			\$(33)	\$(218)	\$(101)	\$(341)	\$(161)
■ Universities	\$(123)	\$(105)	\$(200)	\$(44)	\$235	\$109	\$162	\$12	\$(62)	\$(48)	\$(176)	\$(118)	\$(342)	\$(163)
■ Committee Median	\$(160)	\$(108)	\$(204)	\$15	\$225	\$98	\$120	\$9	\$(77)	\$(36)	\$(212)	\$(109)	\$(345)	\$(158)
■ Committee Average	\$(163)	\$(111)	\$(204)	\$14	\$240	\$93	\$123	\$14	\$(67)	\$(50)	\$(215)	\$(107)	\$(342)	\$(153)
■ Gov's Forecast	\$(162)	\$(116)	\$(221)	\$15	\$209	\$98	\$162	\$16	\$(73)	\$(22)	\$(183)	\$(112)	\$(348)	\$(201)