



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

COMMITTEE REPORT

FISCAL YEARS 2010 AND 2011

JANUARY 14, 2010



**JOINT LEGISLATIVE
ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE
FISCAL YEARS 2010 AND 2011**

Committee Members

January 14, 2010

*Sen. John Goedde
Co-Chairman*

To the 60th Idaho Legislature, 2nd Regular Session:

Sen. Brent Hill

Sen. Robert Geddes

Sen. Shawn Keough

Sen. Steve Bair

Sen. Russ Fulcher

Sen. Jim Hammond

Sen. Nicole LeFavour

Sen. Diane Bilyeu

*Rep. Cliff Bayer
Co-Chairman*

Rep. Scott Bedke

Rep. Dennis Lake

Rep. Ken Roberts

Rep. Janice McGeachin

Rep. Frank Henderson

Rep. Steve Kren

Rep. George Saylor

Rep. Bill Killen

Legislative Staff

*Ray Houston
Budget & Policy Analyst
(208) 334-4741
rhouston@lso.idaho.gov*

We have completed making our overall assessment of Governor Otter's General Fund revenue projections for the fiscal years ended June 30, 2010, 2011, and 2012. 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 2010, FY 2011, and FY 2012 compared to the Committee's median projections are as follows in millions of dollars:

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Governor Otter's projections	\$ 2,349.1	\$ 2,432.9	\$ 2,646.4
Committee's median projections	\$ 2,331.9	\$ 2,388.6	\$ 2,464.6
Amount and percent over/(under)	(\$17.3)	(\$44.4)	(\$181.8)
Gov. projection	(0.7%)	(1.8%)	(6.9%)

Attachments 1 and 2 provide the detail for all eighteen committee members and three of the presenters.

We recommend to the Senate and House Leadership, and to the Co-chairs of the Joint Finance-Appropriations Committee the following: In our opinion, Governor Otter's General Fund revenue projection of \$2.3491 billion is reasonable for the purpose of the legislature making General Fund appropriations for FY 2010. However, because the committee forecasts for FY 2011 and FY 2012 are significantly lower than the Governor's projections, we recommend the legislature use the committee median of \$2.3886 billion for the purpose of making General Fund appropriations for FY 2011.

Attachment 3 provides a historical comparison of projections and actual collections.

On-line Information

www.legislature.idaho.gov

DRAFT 1



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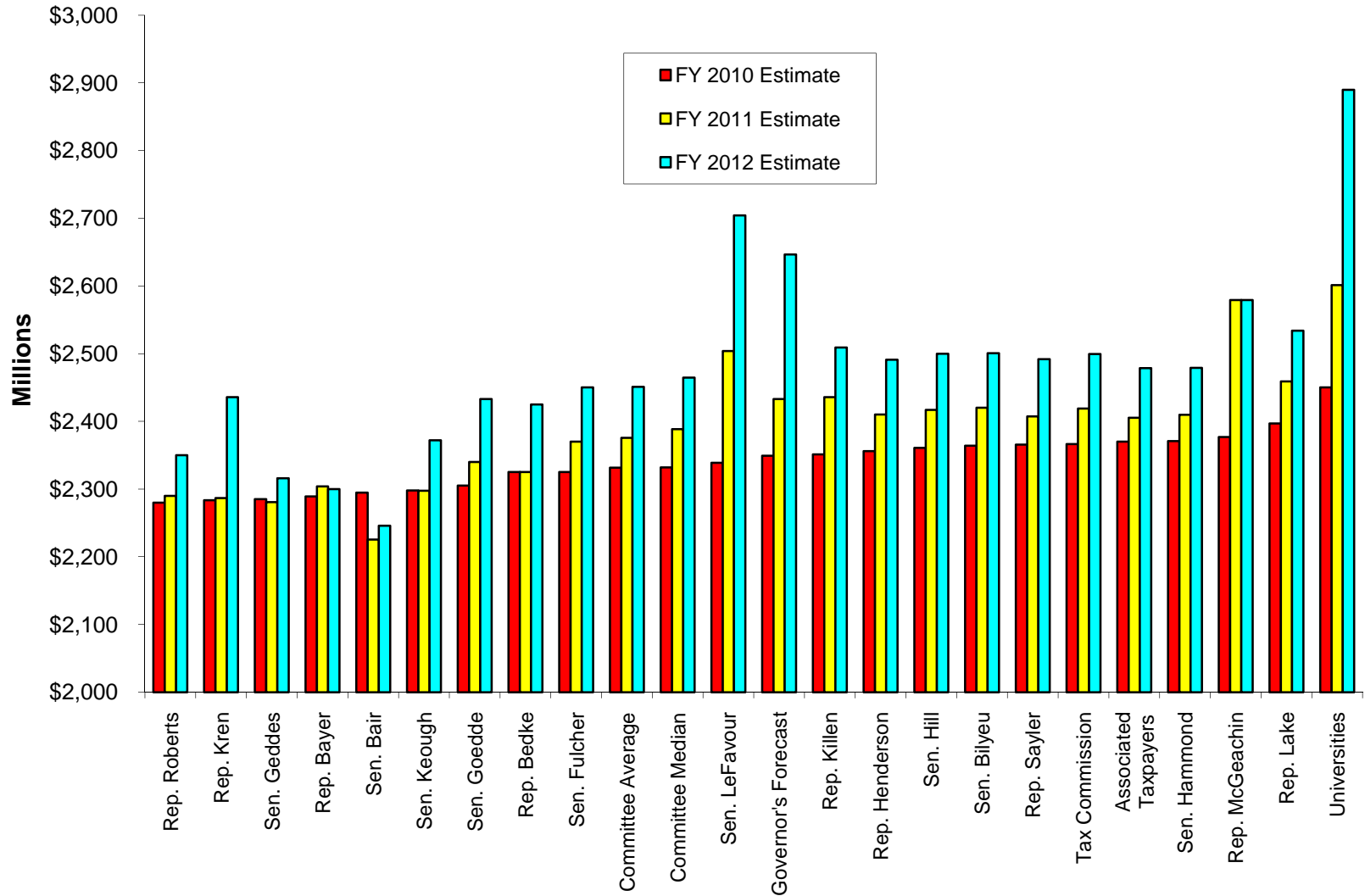
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DRAFT 2

**2010 Joint Legislative
Economic Outlook and Revenue Assessment Committee
General Fund Revenue Projections**



**2010 Joint Legislative
Economic Outlook and Revenue Assessment Committee
General Fund Revenue Projections**

FY 2009 Revenues \$2,465.6 Millions of Dollars

Participant	Rank	FY 2010	FY 09-10	Rank	FY 2011	FY 10-11	Rank	FY 2012	FY 11-12	Rank	Three-year
	#1	Estimate	Change	#2	Estimate	Change	#3	Estimate	Change	#4	Estimate
Rep. Roberts	1	\$2,280.0	(7.5%)	4	\$2,290.0	0.4%	4	\$2,350.0	2.6%	4	\$6,920.0
Rep. Kren	2	\$2,283.5	(7.4%)	3	\$2,286.7	0.1%	8	\$2,435.7	6.5%	6	\$7,005.9
Sen. Geddes	3	\$2,285.0	(7.3%)	2	\$2,280.5	(0.2%)	3	\$2,315.8	1.5%	2	\$6,881.3
Rep. Bayer	4	\$2,289.0	(7.2%)	6	\$2,304.0	0.7%	2	\$2,300.0	(0.2%)	3	\$6,893.0
Sen. Bair	5	\$2,294.5	(6.9%)	1	\$2,225.3	(3.0%)	1	\$2,245.9	0.9%	1	\$6,765.7
Sen. Keough	6	\$2,298.0	(6.8%)	5	\$2,297.5	(0.0%)	5	\$2,372.0	3.2%	5	\$6,967.5
Sen. Goedde	7	\$2,305.0	(6.5%)	8	\$2,340.0	1.5%	7	\$2,433.0	4.0%	8	\$7,078.0
Rep. Bedke	8	\$2,325.0	(5.7%)	7	\$2,325.0	0.0%	6	\$2,425.0	4.3%	7	\$7,075.0
Sen. Fulcher	8	\$2,325.0	(5.7%)	9	\$2,370.0	1.9%	9	\$2,450.0	3.4%	9	\$7,145.0
Committee Average	10	\$2,331.5	(5.4%)	10	\$2,375.6	1.9%	10	\$2,450.9	3.2%	10	\$7,157.9
* Committee Median	11	\$2,331.9	(5.4%)	11	\$2,388.6	2.4%	11	\$2,464.6	3.2%	11	\$7,185.0
Sen. LeFavour	12	\$2,338.7	(5.1%)	22	\$2,503.7	7.1%	23	\$2,704.1	8.0%	23	\$7,546.5
Governor's Forecast	13	\$2,349.1	(4.7%)	19	\$2,432.9	3.6%	22	\$2,646.4	8.8%	21	\$7,428.4
Rep. Killen	14	\$2,351.3	(4.6%)	20	\$2,435.9	3.6%	19	\$2,509.1	3.0%	19	\$7,296.3
Rep. Henderson	15	\$2,356.0	(4.4%)	15	\$2,410.0	2.3%	14	\$2,491.0	3.4%	13	\$7,257.0
Sen. Hill	16	\$2,360.6	(4.3%)	16	\$2,417.0	2.4%	17	\$2,500.0	3.4%	16	\$7,277.6
Sen. Bilyeu	17	\$2,363.9	(4.1%)	18	\$2,420.0	2.4%	18	\$2,500.7	3.3%	17	\$7,284.6
Rep. Sayler	18	\$2,365.7	(4.1%)	13	\$2,407.1	1.8%	15	\$2,491.8	3.5%	15	\$7,264.6
Tax Commission	19	\$2,366.2	(4.0%)	17	\$2,419.0	2.2%	16	\$2,499.6	3.3%	18	\$7,284.8
Associated Taxpayers	20	\$2,369.9	(3.9%)	12	\$2,405.4	1.5%	12	\$2,478.5	3.0%	12	\$7,253.8
Sen. Hammond	21	\$2,370.9	(3.8%)	14	\$2,409.6	1.6%	13	\$2,479.1	2.9%	14	\$7,259.6
Rep. McGeachin	22	\$2,377.0	(3.6%)	23	\$2,579.0	8.5%	21	\$2,579.0	0.0%	22	\$7,535.0
Rep. Lake	23	\$2,397.0	(2.8%)	21	\$2,459.0	2.6%	20	\$2,534.0	3.1%	20	\$7,390.0
Universities	24	\$2,450.1	(0.6%)	24	\$2,601.1	6.2%	24	\$2,889.6	11.1%	24	\$7,940.8
Range of Participants		\$170.1			\$375.8			\$643.7			\$1,175.1

Sorted by FY 2010 Estimate
Pessimistic to Optimistic

* The Committee Median is the average of the ninth and tenth committee members' estimates in the ordered set of eighteen members.

Diff. Com. Median from Governor	(\$17.3)	(\$44.4)	(\$181.8)
Percent Diff. from Gov Forecast	(0.7%)	(1.8%)	(6.9%)

Historical Comparison of EORAC Participant Original Projections to Actual Collections

