



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

COMMITTEE REPORT

FISCAL YEARS 2011 AND 2012

JANUARY 13, 2011



**JOINT LEGISLATIVE
ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE
FISCAL YEARS 2011 AND 2012**

Committee Members

January 13, 2011

*Sen. John Goedde
Co-Chairman*

To the 61st Idaho Legislature, 1st 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. Joe Palmer

Rep. Bill Killen

Rep. Grant Burgoyne

Legislative Staff

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On-line Information

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We have completed making our overall assessment of Governor Otter's General Fund revenue projections for the fiscal years ended June 30, 2011, 2012, and 2013. 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 2011, FY 2012, and FY 2013 compared to the Committee's median projections are as follows in millions of dollars:

| | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> |
|--|--------------------|--------------------|---------------------|
| Governor Otter's projections | \$ 2,359.2 | \$ 2,521.5 | \$ 2,731.4 |
| Committee's median projections | \$ 2,340.1 | \$ 2,422.5 | \$ 2,513.1 |
| Amount and percent over/(under) Gov. projection | (\$19.1) (0.8%) | (\$99.0) (3.9%) | (\$218.3) (8.0%) |

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, a General Fund revenue projection of **\$2,359.2** million is reasonable for the purpose of the legislature making General Fund appropriations for FY 2011. Also, because the committee median is significantly lower than the 6.9% Governor's FY 2012 projection, we recommend the legislature use the Governor's 3% budget revenue projection of **\$2,430.0** million for the purpose of making General Fund appropriations for FY 2012. However, if the chairs see something that would cause these numbers to be overstated or understated, the committee would meet again to revisit the amounts.

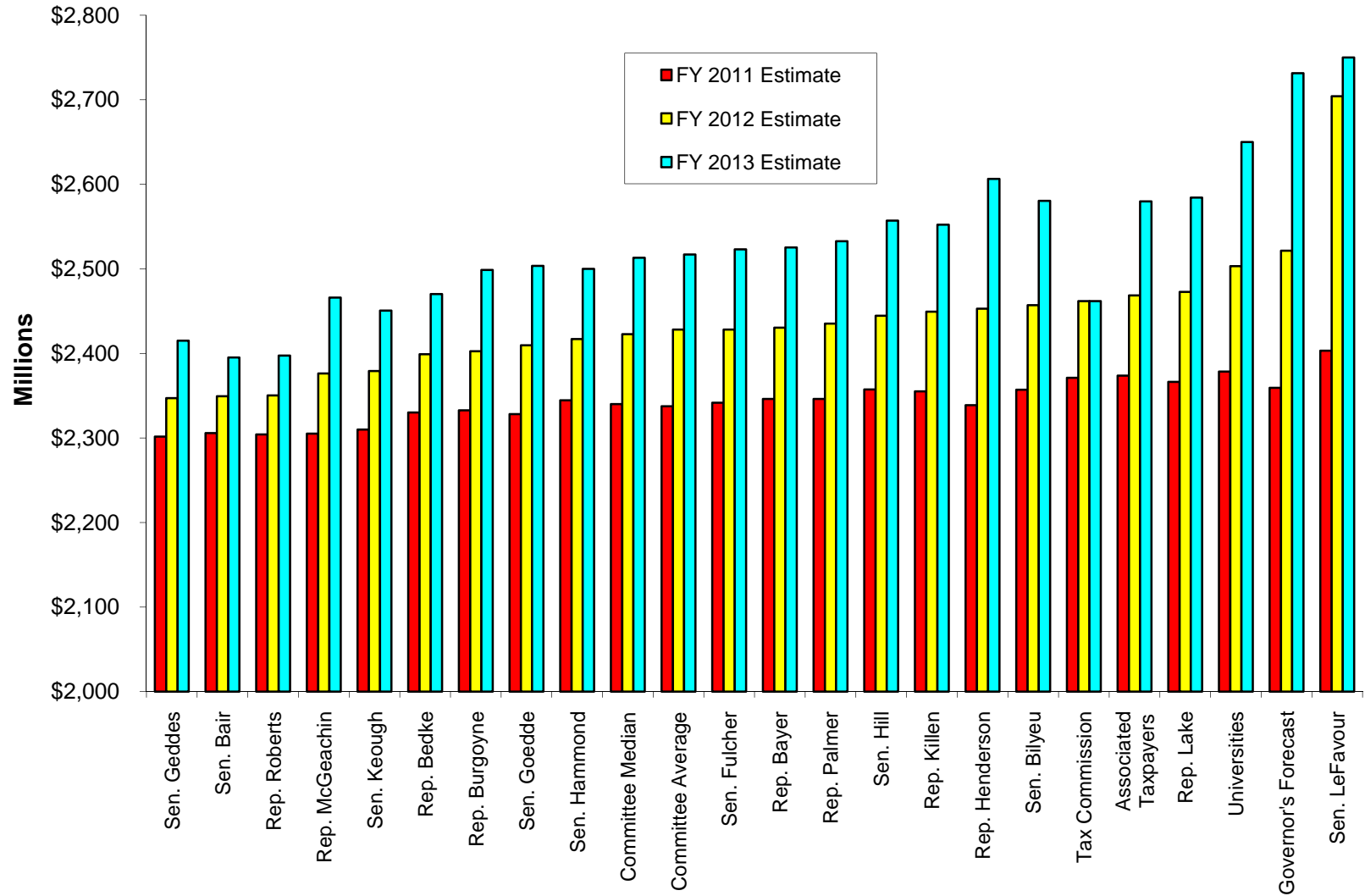
Attachment 3 is a historical comparison of projections and actual collections.

Respectfully,

Representative Cliff Bayer

Senator John Goedde

**2011 Joint Legislative
Economic Outlook and Revenue Assessment Committee
General Fund Revenue Projections**



**2011 Joint Legislative
Economic Outlook and Revenue Assessment Committee
General Fund Revenue Projections**

FY 2010 Revenues \$2,264.5 Millions of Dollars

| Participant | Rank | FY 2011 | FY 10-11 | Rank | FY 2012 | FY 11-12 | Rank | FY 2013 | FY 12-13 | Rank | Three-year |
|----------------------------|------|------------------|-------------|------|------------------|-------------|------|------------------|-------------|------|------------------|
| | #1 | Estimate | Change | #2 | Estimate | Change | #3 | Estimate | Change | #4 | Estimate |
| Sen. Geddes | 1 | \$2,301.3 | 1.6% | 1 | \$2,347.0 | 2.0% | 3 | \$2,415.0 | 2.9% | 3 | \$7,063.3 |
| Sen. Bair | 4 | \$2,305.5 | 1.8% | 2 | \$2,349.2 | 1.9% | 1 | \$2,395.0 | 1.9% | 1 | \$7,049.7 |
| Rep. Roberts | 2 | \$2,304.1 | 1.8% | 3 | \$2,350.2 | 2.0% | 2 | \$2,397.2 | 2.0% | 2 | \$7,051.5 |
| Rep. McGeachin | 3 | \$2,305.0 | 1.8% | 4 | \$2,376.0 | 3.1% | 6 | \$2,466.0 | 3.8% | 5 | \$7,147.0 |
| Sen. Keough | 5 | \$2,309.7 | 2.0% | 5 | \$2,379.0 | 3.0% | 4 | \$2,450.4 | 3.0% | 4 | \$7,139.1 |
| Rep. Bedke | 7 | \$2,330.0 | 2.9% | 6 | \$2,399.0 | 3.0% | 7 | \$2,470.0 | 3.0% | 6 | \$7,199.0 |
| Rep. Burgoyne | 8 | \$2,332.4 | 3.0% | 7 | \$2,402.4 | 3.0% | 8 | \$2,498.5 | 4.0% | 7 | \$7,233.4 |
| Sen. Goedde | 6 | \$2,327.9 | 2.8% | 8 | \$2,409.4 | 3.5% | 10 | \$2,503.3 | 3.9% | 8 | \$7,240.6 |
| Sen. Hammond | 13 | \$2,344.5 | 3.5% | 9 | \$2,416.8 | 3.1% | 9 | \$2,499.8 | 3.4% | 9 | \$7,261.1 |
| * Committee Median | 11 | \$2,340.1 | 3.3% | 10 | \$2,422.5 | 3.5% | 11 | \$2,513.1 | 3.7% | 10 | \$7,275.6 |
| Committee Average | 9 | \$2,337.3 | 3.2% | 11 | \$2,427.9 | 3.9% | 12 | \$2,517.0 | 3.7% | 11 | \$7,282.2 |
| Sen. Fulcher | 12 | \$2,341.4 | 3.4% | 12 | \$2,428.1 | 3.7% | 13 | \$2,522.8 | 3.9% | 12 | \$7,292.3 |
| Rep. Bayer | 14 | \$2,346.0 | 3.6% | 13 | \$2,430.4 | 3.6% | 14 | \$2,525.2 | 3.9% | 14 | \$7,301.6 |
| Rep. Palmer | 14 | \$2,346.0 | 3.6% | 14 | \$2,435.1 | 3.8% | 15 | \$2,532.5 | 4.0% | 15 | \$7,313.6 |
| Sen. Hill | 18 | \$2,357.3 | 4.1% | 15 | \$2,444.5 | 3.7% | 17 | \$2,557.0 | 4.6% | 17 | \$7,358.8 |
| Rep. Killen | 16 | \$2,355.1 | 4.0% | 16 | \$2,449.3 | 4.0% | 16 | \$2,552.2 | 4.2% | 16 | \$7,356.6 |
| Rep. Henderson | 10 | \$2,338.7 | 3.3% | 17 | \$2,452.8 | 4.9% | 21 | \$2,606.1 | 6.2% | 19 | \$7,397.6 |
| Sen. Bilyeu | 17 | \$2,357.0 | 4.1% | 18 | \$2,456.8 | 4.2% | 19 | \$2,580.4 | 5.0% | 18 | \$7,394.2 |
| Tax Commission | 21 | \$2,371.0 | 4.7% | 19 | \$2,461.8 | 3.8% | 5 | \$2,461.8 | 0.0% | 13 | \$7,294.6 |
| Associated Taxpayers | 22 | \$2,373.6 | 4.8% | 20 | \$2,468.5 | 4.0% | 18 | \$2,579.6 | 4.5% | 20 | \$7,421.7 |
| Rep. Lake | 20 | \$2,366.2 | 4.5% | 21 | \$2,472.7 | 4.5% | 20 | \$2,584.0 | 4.5% | 21 | \$7,422.9 |
| Universities | 23 | \$2,378.3 | 5.0% | 22 | \$2,503.1 | 5.2% | 22 | \$2,649.7 | 5.9% | 22 | \$7,531.1 |
| Governor's Forecast | 19 | \$2,359.2 | 4.2% | 23 | \$2,521.5 | 6.9% | 23 | \$2,731.4 | 8.3% | 23 | \$7,612.0 |
| Sen. LeFavour | 24 | \$2,403.0 | 6.1% | 24 | \$2,704.1 | 12.5% | 24 | \$2,750.0 | 1.7% | 24 | \$7,857.1 |
| Range of Participants | | \$101.7 | | | \$357.1 | | | \$355.0 | | | \$807.4 |

Sorted by FY 2012 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 | (\$19.1) | (\$99.0) | (\$218.3) |
| Percent Diff. from Gov Forecast | (0.8%) | (3.9%) | (8.0%) |

Historical Comparison of Original Projections to Actual Collections Line Graph

