



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

**COMMITTEE REPORT**

**FISCAL YEARS 2018 AND 2019**

**JANUARY 18, 2018**

**2018 Joint Legislative  
Economic Outlook and Revenue Assessment Committee  
General Fund Revenue Projections**

FY 2017 Revenues \$3,448.5 Millions of Dollars

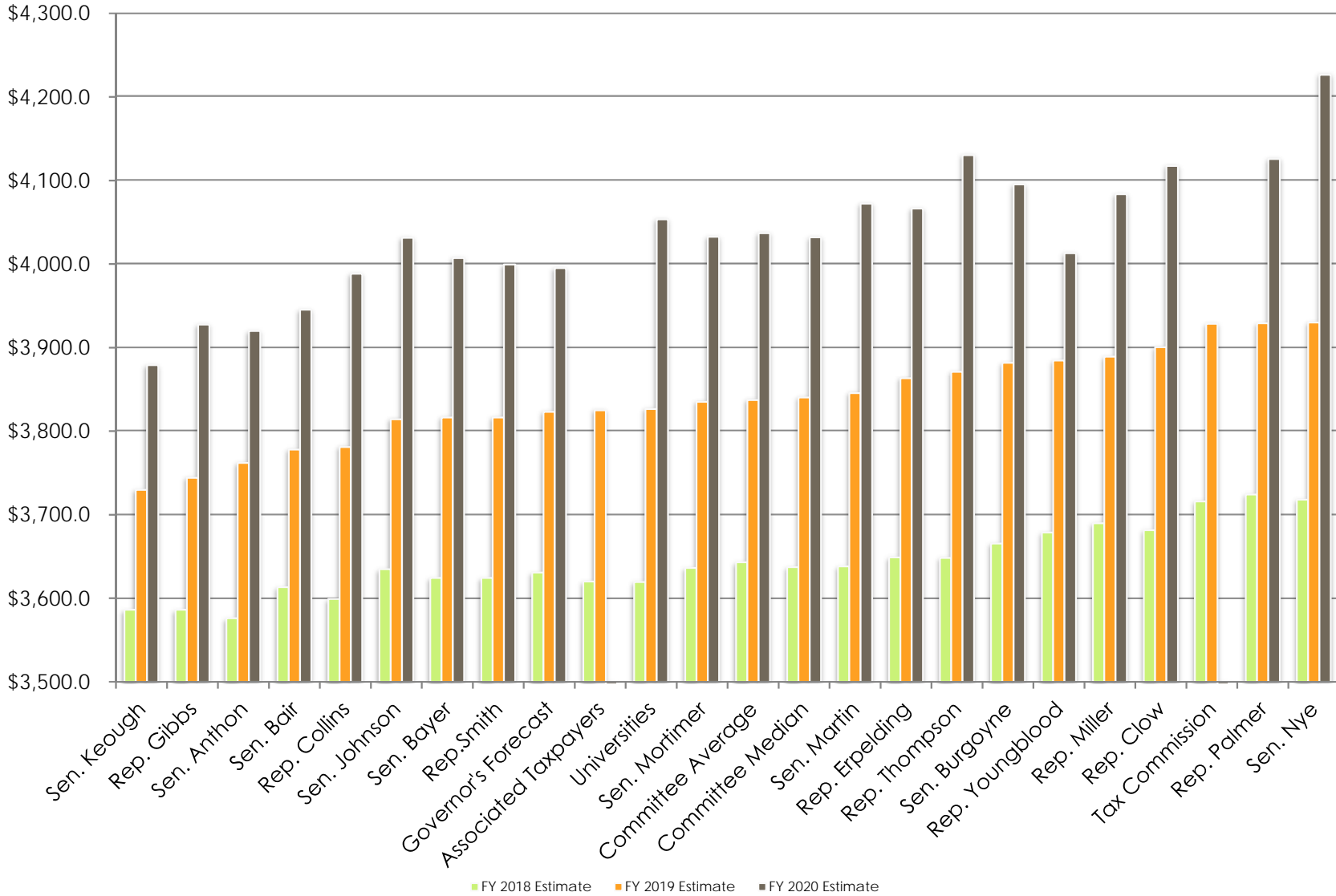
Participant	Rank	FY 2018	FY 17-18	Rank	FY 2019	FY 18-19	Rank	FY 2020	FY 19-20	Rank	Three-year
	#1	Estimate	Change	#2	Estimate	Change	#3	Estimate	Change	#4	Estimate
Sen. Keough	2	\$3,586.3	4.0%	1	\$3,729.8	4.0%	3	\$3,879.0	4.0%	3	\$11,195.1
Rep. Gibbs	2	\$3,586.3	4.0%	2	\$3,744.1	4.4%	5	\$3,927.6	4.9%	5	\$11,258.0
Sen. Anthon	1	\$3,576.0	3.7%	3	\$3,761.9	5.2%	4	\$3,919.9	4.2%	4	\$11,257.8
Sen. Bair	5	\$3,613.3	4.8%	4	\$3,777.8	4.6%	6	\$3,945.4	4.4%	6	\$11,336.5
Rep. Collins	4	\$3,599.2	4.4%	5	\$3,781.1	5.1%	7	\$3,988.5	5.5%	7	\$11,368.8
Sen. Johnson	11	\$3,634.7	5.4%	6	\$3,814.1	4.9%	12	\$4,031.5	5.7%	11	\$11,480.3
Sen. Bayer	8	\$3,624.3	5.1%	7	\$3,816.4	5.3%	10	\$4,007.2	5.0%	9	\$11,447.9
Rep. Smith	8	\$3,624.3	5.1%	7	\$3,816.4	5.3%	9	\$3,999.5	4.8%	8	\$11,440.2
<b>Governor's Forecast</b>	10	<b>\$3,630.9</b>	<b>5.3%</b>	9	<b>\$3,823.1</b>	<b>5.3%</b>	8	<b>\$3,995.1</b>	<b>4.5%</b>	10	<b>\$11,449.1</b>
Associated Taxpayers	7	\$3,620.0	5.0%	10	\$3,824.8	5.7%	1	\$0.0	(100.0%)	1	\$7,444.8
Universities	6	\$3,619.4	5.0%	11	\$3,826.6	5.7%	16	\$4,053.4	5.9%	12	\$11,499.4
Sen. Mortimer	12	\$3,636.2	5.4%	12	\$3,835.0	5.5%	14	\$4,032.6	5.2%	13	\$11,503.8
Committee Average	15	\$3,643.0	5.6%	13	\$3,837.3	5.3%	15	\$4,036.8	5.2%	15	\$11,517.1
* <b>Committee Median</b>	13	<b>\$3,637.2</b>	<b>5.5%</b>	14	<b>\$3,840.2</b>	<b>5.6%</b>	13	<b>\$4,032.1</b>	<b>5.0%</b>	14	<b>\$11,509.4</b>
Sen. Martin	14	\$3,638.1	5.5%	15	\$3,845.4	5.7%	18	\$4,072.3	5.9%	16	\$11,555.8
Rep. Erpelding	17	\$3,649.0	5.8%	16	\$3,863.2	5.9%	17	\$4,066.5	5.3%	18	\$11,578.7
Rep. Thompson	16	\$3,648.4	5.8%	17	\$3,871.0	6.1%	23	\$4,130.3	6.7%	20	\$11,649.7
Sen. Burgoyne	18	\$3,665.6	6.3%	18	\$3,881.9	5.9%	20	\$4,095.4	5.5%	19	\$11,642.9
Rep. Youngblood	19	\$3,678.6	6.7%	19	\$3,884.5	5.6%	11	\$4,013.0	3.3%	17	\$11,576.1
Rep. Miller	21	\$3,689.8	7.0%	20	\$3,889.0	5.4%	19	\$4,083.5	5.0%	21	\$11,662.3
Rep. Clow	20	\$3,681.6	6.8%	21	\$3,900.6	5.9%	21	\$4,117.4	5.6%	22	\$11,699.6
Tax Commission	22	\$3,716.0	7.8%	22	\$3,928.5	5.7%	1	\$0.0	(100.0%)	2	\$7,644.5
Rep. Palmer	24	\$3,724.3	8.0%	23	\$3,929.1	5.5%	22	\$4,125.6	5.0%	23	\$11,779.0
Sen. Nye	23	\$3,718.0	7.8%	24	\$3,930.0	5.7%	24	\$4,226.4	7.5%	24	\$11,874.4
Range of Participants		\$148.3		\$200.2		\$347.4		\$679.3			

Sorted by FY 2019 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	\$6.3	\$17.1	\$37.0
Percent Diff. from Gov Forecast	0.2%	0.4%	0.9%

**2018 Joint Legislative  
Economic Outlook and Revenue Assessment Committee  
General Fund Revenue Projections**



**2018 Ex-Officio Member Projections**  
**Economic Outlook and Revenue Assessment Committee**  
**General Fund Revenue Projections**

FY 2017 Revenues \$3,448.4 Millions of Dollars

Participant	FY 2018		FY 2019		FY 2020		Three-year				
	Rank #1	Estimate	Change	Rank #2	Estimate	Change	Rank #3	Estimate	Rank #4	Estimate	
Sen. Keough	2	\$3,586.3	4.0%	1	\$3,729.8	4.0%	3	\$3,879.0	4.0%	3	\$11,195.1
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Rep. Smith	8	\$3,624.3	5.1%	7	\$3,816.4	5.3%	10	\$3,999.5	4.8%	9	\$11,440.2
<b>Governor's Forecast</b>	10	<b>\$3,630.9</b>	<b>5.3%</b>	9	<b>\$3,823.1</b>	<b>5.3%</b>	9	<b>\$3,995.1</b>	<b>4.5%</b>	11	<b>\$11,449.1</b>
Associated Taxpayers	7	\$3,620.0	5.0%	10	\$3,824.8	5.7%	1	\$0.0	(100.0%)	1	\$7,444.8
Universities	6	\$3,619.4	5.0%	11	\$3,826.6	5.7%	17	\$4,053.4	5.9%	13	\$11,499.4
Rep. Gannon	14	\$3,638.1	5.5%	12	\$3,834.5	5.4%	7	\$3,949.6	3.0%	8	\$11,422.2
Sen. Mortimer	12	\$3,636.2	5.4%	13	\$3,835.0	5.5%	15	\$4,032.6	5.2%	14	\$11,503.8
Committee Average	16	\$3,643.0	5.6%	14	\$3,837.3	5.3%	16	\$4,036.8	5.2%	16	\$11,517.1
* <b>Committee Median</b>	13	<b>\$3,637.2</b>	<b>5.5%</b>	15	<b>\$3,840.2</b>	<b>5.6%</b>	14	<b>\$4,032.1</b>	<b>5.0%</b>	15	<b>\$11,509.4</b>
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Rep. Thompson	17	\$3,648.4	5.8%	18	\$3,871.0	6.1%	25	\$4,130.3	6.7%	22	\$11,649.7
Rep. Manwearing	19	\$3,662.2	6.2%	19	\$3,878.3	5.9%	21	\$4,091.6	5.5%	20	\$11,632.1
Sen. Burgoyne	20	\$3,665.6	6.3%	20	\$3,881.9	5.9%	22	\$4,095.4	5.5%	21	\$11,642.9
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Tax Commission	24	\$3,716.0	7.8%	24	\$3,928.5	5.7%	1	\$0.0	(100.0%)	2	\$7,644.5
Rep. Palmer	26	\$3,724.3	8.0%	25	\$3,929.1	5.5%	24	\$4,125.6	5.0%	25	\$11,779.0
Sen. Nye	25	\$3,718.0	7.8%	26	\$3,930.0	5.7%	26	\$4,226.4	7.5%	26	\$11,874.4

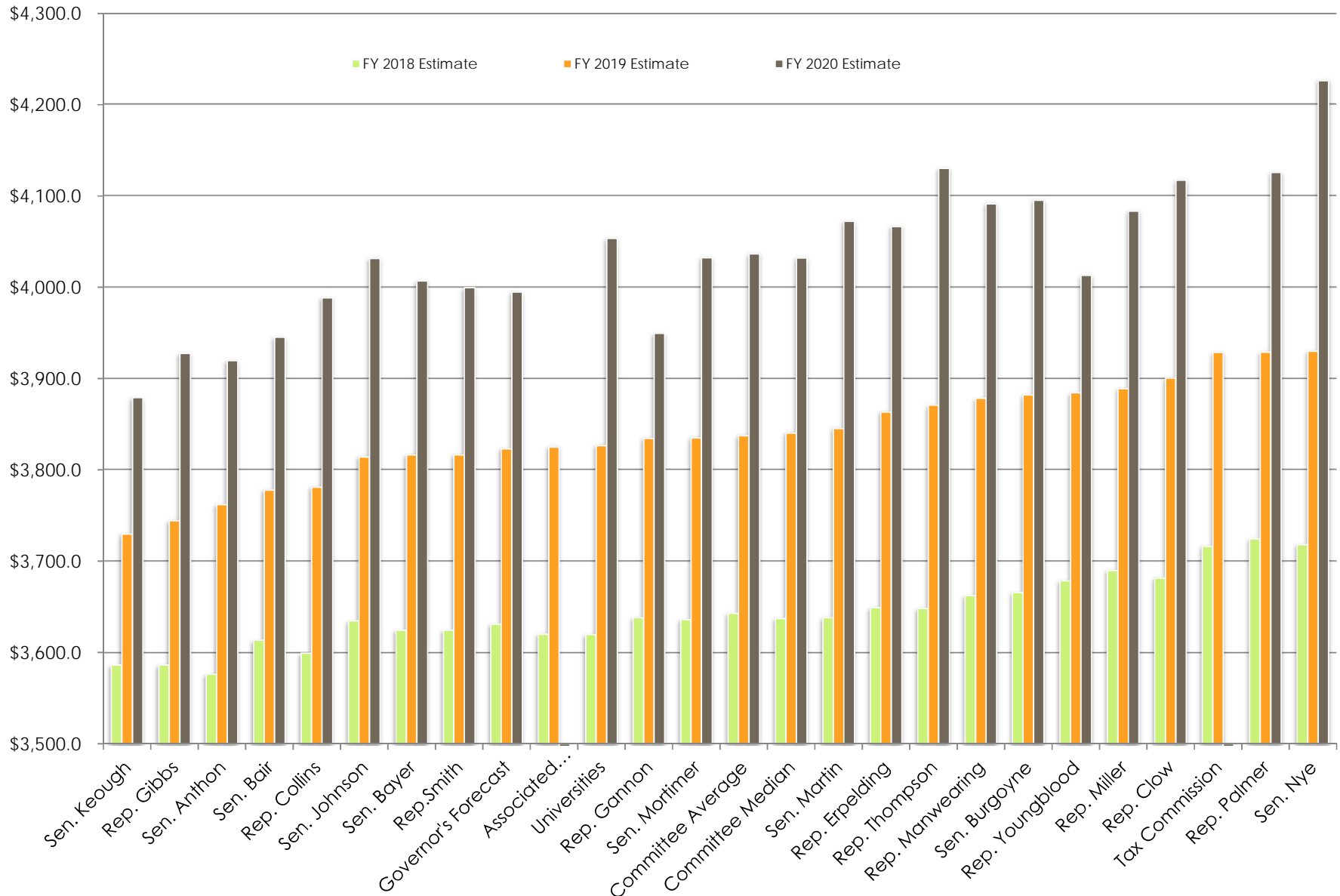
Sorted by FY 2019 Estimate  
Pessimistic to Optimistic

Range of Participants \$148.3 \$200.2 \$347.4 \$679.3

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

Diff. Com. Median from Governor	\$6.3	\$17.1	\$37.0
Percent Diff. from Gov Forecast	0.2%	0.4%	0.9%

# FY 2018, 2019, and 2020 Committee Predictions with Ex-Officio Members



**2005 (three versions):**

In our opinion, Governor Kempthorne's General Fund revenue projections for FY 2004 and FY 2005 are reasonable for the purpose of the legislature making General Fund appropriations for those years. However, inasmuch as the assumptions and estimates used in the projections relate to the future and may be affected by unforeseen events, no assurance can be given as to how closely the projections will correspond with actual results.

In our opinion, Governor Kempthorne's General Fund revenue projections for FY 2004 and FY 2005 are reasonable for the purpose of the legislature making General Fund appropriations for those years. However, given the uncertainty regarding the degree to which recent economic improvements will translate into significant and immediate revenue gains, we recommend caution in making appropriations above the committee's median projections.

It is our opinion that the Legislature should proceed cautiously in making decisions regarding appropriations for FY 2004 and FY 2005. While the consensus of those testifying is that Idaho's economic situation has solidified and is moving into recovery, the degree to which these improvements will translate into significant and immediate revenue gains is still uncertain.

**2009:**

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 \$2.6338 billion is reasonable for the purpose of the legislature making General Fund appropriations for FY 2009. However, because the committee forecasts for FY 2010 and FY 2011 are significantly lower than the Governor's projections, we recommend the legislature use the committee median of \$2.5579 billion for the purpose of making General Fund appropriations for FY 2010.

**2010:**

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 \$2.28 billion is reasonable for the purpose of the legislature making General Fund appropriations for FY 2010. Also, because the committee forecasts for FY 2011 and FY 2012 are significantly lower than the Governor's projections, we recommend the legislature use a revenue projection of \$2.29 billion for the purpose of making General Fund appropriations for FY 2011.

**2012:**

We recommend to the Senate and House Leadership and to the Co-chairs of the Joint Finance-Appropriations Committee the following: In our opinion, the Governor's General Fund revenue projection of \$2,552.7 million is reasonable for the purpose of the legislature making General Fund appropriations for FY 2012. Although the committee median is significantly lower than the 5.8% Governor's FY 2013 projection, there have been positive actual collections for the first six months of FY 2012. We therefore recommend the legislature use a projection of \$2,667.0 million for the purpose of making General Fund appropriations for FY 2013. This number falls in between the Governor's forecast and the Committee median.

**2015:**

We recommend to the Senate and House Leadership and to the Co-chairs of the Joint Finance-Appropriations Committee the following: In our opinion, the Governor's General Fund revenue projection of \$2,964.5 million is a reasonable forecast for revenues generated to the General Fund in FY 2015. Further, in our opinion, we find the Governor's projection of \$3,127.6 million is reasonable to begin the FY 2016 General Fund budgeting process.

**2016:**

We have completed making our overall assessment of Governor Otter's General Fund revenue projections for the fiscal years ended June 30, 2016, 2017, and 2018. 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, 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.

After careful consideration of expert testimony from economists, business leaders, and industry spokesmen regarding the status of Idaho's current economy and the economic outlook for the next eighteen months, and careful review of the Governor's fiscal year 2016 and 2017 projections, we recommend to the Senate and House of Representatives Leadership and to the Co-Chairs of the Joint Finance-Appropriations Committee total General Fund Revenues available for appropriation to be \$3,183.6 million dollars for fiscal year 2016 and \$3,340.4 million dollars for fiscal year 2017.

**2017:**

We have completed making our overall assessment of Governor Otter's General Fund revenue projections for the fiscal years ended June 30, 2017, 2018, and 2019. 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, 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 2017, FY 2018, and FY 2019 compared to the Committee's median projections are as follows in



millions of dollars:

	FY 2017	FY 2018	FY 2019
Governor Otter's projections	\$ 3,354.5	\$ 3,507.4	\$ 3,677.5
Committee's median projections	\$ 3,344.9	\$ 3,524.2	\$ 3,718.8
Amount and percent over/(under) Gov. projection	(\$9.7) (0.3%)	\$16.8 0.5%	\$41.3 1.1%

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

After careful consideration of expert testimony from economists, business leaders, and industry spokesmen regarding the status of Idaho's current economy and the economic outlook for the next eighteen months, and careful review of the Governor's fiscal year 2017 and 2018 projections, we recommend to the Senate and House of Representatives Leadership and to the Co-Chairs of the Joint Finance-Appropriations Committee total General Fund Revenues available for appropriation to be \$3,354.5 million dollars for fiscal year 2017 and \$3,507.4 million dollars for fiscal year 2018.