

Revenue Estimating Conference Minutes March 24, 2006

Members present: Dennis Prouty, Mike Ralston, David Underwood

Mr. Prouty called the Revenue Estimating Conference to order at 3:00 p.m.

Approval of Minutes of December 12, 2005 Meeting

Motion made by Mr. Ralston, seconded by Mr. Underwood to approve the Minutes of the December 12, 2005 meeting as printed. Motion carried.

Review Fiscal Year 2006 General Fund Estimates, Lottery and Other Transfers, Accruals, Refunds, and Gambling Revenues Transferred to Other Funds

Mr. Prouty stated that the first order of business would be to review the estimates for FY2006 and make any necessary adjustments. He then gave a recap on three one-time revenues totally approximately \$100M and how they impact FY2006 estimates.

1. TouchPlay. \$30.4M was the estimated amount that would come in from TouchPlay. The Legislature passed and the Governor signed a bill to discontinue the TouchPlay machines. That has been taken into account, so this is a one-time revenue source at this point in time.
2. Department of Human Services. The Legislature appropriated \$54.6M and the Governor signed it in HF2347. This is strictly a pass-thru at this point in time for FY06 only.
3. Unclaimed Property. There is a little over \$20M in unclaimed property that shows up under miscellaneous receipts on the spreadsheet. Most or all of this will be one-time revenue.

Mr. Prouty then asked for discussion on FY06.

Mr. Ralston stated that at the December REC meeting, members discussed whether or not receipts would continue to be as strong as seen in the earlier part of the year. Having gone through 2/3 of FY06, Mr. Ralston felt the receipts remain strong and data show they should continue to be strong. In talking with people around the state, they continue to tell him they are having a very good year. They did raise the issue with Mr. Ralston about finding workers which seems to be a common problem across the state. He felt that for FY06, we should feel good about the numbers.

Mr. Underwood felt the biggest difference with the estimates was with refunds. The spreadsheet shows \$649.6M as the REC estimate in December of 2005. LSA has the March estimates for refunds at \$610M and the Governor's Appointee has refunds estimated at \$623.8M, which is a difference of over \$15M. He acknowledged that refunds were lower up thru March 16, but there is no way of knowing how low they will go until all the returns are filed and processed.

Mr. Underwood made motion, seconded by Mr. Ralston to accept the Governor's Appointee's FY06 Net General Fund Receipts estimate for \$5,219.7M. Motion carried.

Review Fiscal Year 2007 General Fund Estimates, Lottery and Other Transfers, Accruals, Refunds, and Revenues Transferred to Other Funds.

Mr. Prouty reiterated that the one-time revenues were not included in the FY07 estimates. There's not a lot of difference between the LSA and Governor's Appointee estimates for FY07.

Mr. Ralston made motion, seconded by Mr. Underwood to accept the Governor's Appointee's FY07 Net General Fund Receipts estimate for \$5,360.9M. Motion carried.

Mr. Prouty stated there was no difference for the Estimated Gambling Revenue for FY06 and FY07 and asked for a motion.

Motion made by Mr. Underwood, seconded by Mr. Ralston to accept \$166.6M for the FY06 and \$191.1M for the FY07 Estimated Gambling Revenues Deposited to Other Funds. Motion carried.

Other Business

With no further business, Mr. Underwood made motion, seconded by Mr. Ralston to arise.

Respectfully submitted

A handwritten signature in cursive script, reading "Marcia E. Murrow".

Marcia E. Murrow
Secretary
Department of Management