

## COUNCIL ON REVENUES

Office on Aging Conference Room  
No. 1 Capitol District Building  
250 S. Hotel Street  
Fourth Floor, Room 410  
Honolulu, HI 96813

September 6, 2012  
10:00 a.m.

### **PRESENT:**

#### Council Members:

Richard F. Kahle, Jr. (Chair), Jack P. Suyderhoud (Vice-Chair), Avery K. Aoki,  
Carl S. Bonham, Christopher Grandy, Kristi L. Maynard and, Marilyn M. Niwao

#### Staff Members:

Department of Taxation (DOTax): Donald Rousslang, Hamid Jahanmir and  
Jacquelyn Guitguiten

Department of Budget and Finance (B&F): Terri Ohta, Karen Matsunaga,  
Keith Shimada and Gregg Hirohata-Goto

#### Others:

Susan Hirai, Senate Ways and Means  
Titin Sakata, Department of Taxation  
Anthony Valdez, Senate Ways and Means  
Roderick Becker, Senate Ways and Means  
Ted Shiraishi, Department of Taxation  
Lowell Kalapa, Tax Foundation of Hawaii  
Mark Glick, DBEDT-State Energy Office  
Traci Ho Kim, DBEDT-State Energy Office  
Randy Hiyoto, House Finance  
Laurel Johnston, UH System  
Paul Kanofo, House Minority Research Office  
Eugene Tian, DBEDT-READ

### **CALL TO ORDER:**

Chair Kahle called the meeting to order at 10:00 a.m. with a quorum present.

### **COMMUNICATIONS TO THE COUNCIL:**

None.

**MINUTES OF THE MEETING OF AUGUST 2, 2012:**

Chair Kahle asked the members for comments on the minutes of the August 2<sup>nd</sup> meeting. There were no comments. Chair Kahle asked for a motion to accept the minutes.

**It was moved by Ms. Niwao and seconded by Ms. Maynard that the minutes of the August 2, 2012 meeting be accepted. The Chair called for the vote, and the motion passed with the following votes:**

<b>Richard F. Kahle, Jr.</b>	<b>Yes</b>
<b>Jack P. Suyderhoud</b>	<b>Yes</b>
<b>Avery A. Aoki</b>	<b>Yes</b>
<b>Carl S. Bonham</b>	<b>Yes</b>
<b>Christopher Grandy</b>	<b>Yes</b>
<b>Kristi L. Maynard</b>	<b>Yes</b>
<b>Marilyn M. Niwao</b>	<b>Yes</b>

**DISCUSSION OF THE EFFECTS OF LEGISLATION ON TAX COLLECTIONS:**

Dr. Rousslang said he sent the Council an email explaining the below-the-line adjustments for the legislative changes and that no important revenue measures were passed in the 2012 Legislative Session. He offered to go through the adjustments. He said the model takes a base year, estimates the growth rate, and applies that rate to the amount in the base year to get the forecast for the next year. Dr. Suyderhoud asked which model he was referring to and whether it was for one used for revenue estimates. Dr. Rousslang said he was referring to the model that translates the Council's forecast of economic indicators into forecast for tax revenues.

Dr. Rousslang continued, saying that a legislative change that isn't reflected in the base year would not be reflected in the revenue estimate. He said, for example Act 105 took effect in FY 2012, so it wasn't reflected in 2011 collections. Therefore, if one takes 2011 collections and applies a growth rate based on the Council's economic forecast, the resulting forecast for collections would not include any effect of Act 105, so a below-the-line adjustment was needed to account for the effects of the Act. He said that for 2013, however, we only have to worry about either changes in the legislation or some reason why the Act's effect in 2013 would be bigger or smaller than it was in 2012. He said that there was an important grandfathering clause in Act 105, so the estimate for 2013 jumped from \$50 million to \$70 million, which required a below-the-line adjustment of \$20 million for 2013. He said that for the individual income tax, negative below-the-line adjustments were needed to account for expiration of certain provisions. The first one is the increases in the standard deduction and personal exemption, which are due to begin January 2013 and require a negative adjustment in FY 2014. He said the effects from the repeal of the deduction for State income taxes and for the cap on itemized deductions, which started after 2010, are included in the 2012 base. Chair Kahle said it actually started January 1, 2011. Dr. Rousslang said, yes; it started for taxable years beginning after December 31, 2010. Dr. Rousslang said a negative below-the-line adjustment was needed starting in FY 2017 to account for the expiration of the cap on itemized deductions, although some of the effect would occur in 2016. He said Act 60 in 2009 created a new high tax brackets for high income taxpayers that began in January 2009, so it is in the 2012 fiscal year base, but since it ends December 31, 2015, an adjustment is needed to reflect the expiration of

the higher taxes, which will come in full force in FY 2017. He said Act 14, Special Session of 2009, phased out the personal exemption for certain high income taxpayers, but the provision expires June 30, 2015, which requires a below-the-line adjustment for FY 2016.

He said the econometric model did not estimate the rental motor vehicle tax and the environmental response tax allocations to the general fund, so below-the-line adjustments were needed for these allocations, which expire June 30, 2015.

Dr. Rousslang said the caps in place on the allocations of the TAT to the tourism special fund and to the counties are due to expire June 30, 2015, and that will have a big effect on general fund revenues in 2016 and forward.

Dr. Rousslang said another below-the-line adjustment is needed for the energy credit if one believes the credit will grow by more than the rest of the economy from FY 2012 to 2013. He said he asked DBEDT to help the Council make that adjustment.

Chair Kahle thanked Dr. Rousslang and asked for any further questions. He then introduced Mr. Mark Glick, Administrator for the Hawaii State Energy Office.

**DISCUSSION OF FUTURE REVENUE COSTS OF THE RENEWABLE ENERGY CREDIT:**

Mr. Glick thanked the Council for inviting him and others from DBEDT, including Dr. Eugene Tian of the Research & Economic Analysis Division, who would answer questions the Council may have about the data and methodology used. He said the number of permits for residential solar water-heating will decline by about 18% in 2012 compared with 2011 and that the value for those permits will decline by about 3.8%. He said the number of permits for residential and commercial Solar PV (photovoltaic) projects will increase by almost 128% and 7.3% respectively while the value of those permits will increase by 135%, and 77% respectively.

He said the total permit value for Honolulu accounts for about 71% of all of the credits that have been expended for the State as a whole. He said the total permit value of the Honolulu solar projects, including solar water-heating and PV, increased 137% in 2011, and that the estimated growth rate for 2012 is 109.7%.

He said Honolulu accounted for 71% of the total State returns that claimed renewable energy tax credits. He said they have estimated total credit claims to be \$34.7 million in 2010, \$82.9 million in 2011, and, \$173 million for the current year (2012).

Dr. Suyderhoud asked if the years are tax years or calendar years.

Mr. Glick said they were calendar years, with the adjustment for the income tax law. He said for the tax year 2013, they projected that the estimated tax credit would be \$226 million and that it would be \$347 million for 2013.

Dr. Bonham asked why their estimate is based on Honolulu County permits only. He asked if they can't get the data on permits for the other islands.

Mr. Glick said the only two islands for which they can get credible data are Honolulu and Hawaii counties.

Dr. Tian said the reason for the 71% is that it is Honolulu's share of the State's total population and number of households.

The Chair asked if there were any further questions. Mr. Aoki asked if there was any tax legislation that is expiring this year that might influence their estimate.

Mr. Glick said there isn't any.

Dr. Bonham asked to confirm that these are permits issued and not applied for. Mr. Glick confirmed that they are permits issued.

Dr. Suyderhoud asked how the Council and the Tax Department can use this information in terms of the forecast.

Dr. Rousslang said most of the credits claimed in tax year 2011 will show up in FY 2012 collections and most of the credits claimed in 2012 should show up in 2013 collections. He said assuming the model has \$80 million, or roughly that, in credits embodied in the 2012 collection numbers, the estimates from DBEDT imply that the credit will more than double from fiscal 2012 to fiscal 2013. He said the model would predict an increase of only 5% to 7% in the credits and that a below-the-line adjustment of \$80 million or more would be needed.

Ms. Niwao said she has a lot of clients on Maui who say that they will put in photovoltaic. Dr. Bonham said everybody is going to be putting photovoltaic systems soon, because they fear the legislature will change the tax rules. He said the payback on such systems was 4½ to 5 years and asked where else can you earn that kind of return.

Ms. Niwao agreed and said the credit will increase the cost of electricity for the remaining people. Dr. Bonham said assuming 120% growth, for the following fiscal year, we're talking about below-the-line adjustments of \$300 million or more. He said we're talking about \$80 million for the current fiscal year, and a further increase for the following fiscal year.

Dr. Suyderhoud said the numbers in Table 6AA or 6A for 2016 show that expiring tax law changes are reducing revenue growth a lot in fiscal 2016, but there's no way that the Council can anticipate legislative action on that regard. Dr. Grandy agreed that the Council hasn't traditionally done that. Dr. Bonham asked if the Council is going to carry forward the PV tax credit forever. Chair Kahle said it's been on the books for a long time, but that it just got changed in the last couple of sessions. He said it doesn't mean that it is going to go away, but it would probably be reduced. Dr. Bonham said the question is when all the roofs would be covered. Ms. Niwao said all new construction has to have solar panels. Chair Kahle said he thought they can't claim the credits for new construction, but Ms. Niwao said they do. Ms. Sakata clarified that the water heaters don't qualify, but PVs do. Dr. Rousslang said if you use the PV for heating water, you must subtract the portion of the cost used for water-heating. Chair Kahle said he hopes that requirement is in the Department's tax forms. Dr. Rousslang said it is. The Chair asked if they could move on to the forecast of general fund revenues.

**GENERAL FUND REVENUE FORECAST:**

Next, the Council discussed the general fund revenue forecast for FY 2013. Dr. Suyderhoud said the economy is better than it was, though it was certainly not booming. He said the visitor industry is doing well, but the effect from that is having a hard time spreading to the rest of the economy. He said it's going along slowly.

Dr. Grandy said he would probably go with growth of 7.2% for 2013; 6% for 2014, gradually going down to about 5% in the out years.

Chair Kahle asked Dr. Bonham for his forecast. Dr. Bonham said he expected slower growth for the remainder of this year and also slower growth in the next few years in visitor arrivals, but more rapid room price increases, because Waikiki is getting full. He said his model for general fund revenues comes in much higher, although it has no adjustments - it is just an economic forecasting model of general fund revenues. Dr. Suyderhoud asked how much higher? Dr. Bonham said 8.50% for the current fiscal year. He said he has a high number for this year and a high number for next year because his construction numbers go up 17%, but that he has not yet taken the train construction out. He said we have to wait for the elections to see what will happen. He said his forecast falls off to about 4.5% in the out years.

Ms. Niwao said she is concerned that Europe might be heading for a deep recession and that it might spread to the US economy. She said there are a lot of international influences on Hawaii's economy.

Dr. Bonham said that the issue was discussed in the past, so those concerns should be incorporated into the forecasts of US GDP and visitor arrivals. Ms. Niwao said yes, but she is concerned that the trend now is down for the rest of this year. She said we also don't know what will happen January 1<sup>st</sup> with respect to tax increases and spending cuts.

Dr. Bonham said the issues were discussed at the last meeting. Ms. Niwao said yes, but she thought the situation in Europe had worsened. Dr. Suyderhoud questioned whether it was worse. Dr. Bonham said it looks worse at the moment; more of the economies are in recession now, but that was anticipated. He expected the problems in Europe to continue, but that he didn't expect a "blow up."

The members further discussed Europe's problems and the potential effects on economic growth in China and in the rest of Asia. Dr. Bonham said baseline pessimistic forecasts could be produced, but that would create a lot more work for the Tax Department, and the Council's task is to come up with a single forecast.

Dr. Bonham said the model's results for the individual forecasts showed some degree of agreement. Ms. Niwao noted that Act 221 credits are being phased-out. Dr. Rousslang said that effect was in the base, which reflects what was actually claimed in fiscal 2012.

Dr. Grandy said the discussion implied that the acceleration of the energy tax credits estimated by DBEDT is unanticipated in the numbers from the model. Dr. Rousslang said the model incorporated an additional \$70 million for the energy tax credits, as decided by the Council at its last meeting. Dr. Grandy asked if that were the case, was too much being made of the issue now?

Dr. Rousslang said the current model incorporates total energy credits for 2012 of \$70 million plus \$35 million. Dr. Bonham asked if it were not \$70 million on top of the \$80 million for 2011. Dr. Rousslang said no, unless you use the growth forecast of 6.2%, which did not include an adjustment for the energy credit. Dr. Suyderhoud said the question should be how much should the adjustment for the energy credit be boosted if we assume 6.2% growth rate?

Dr. Bonham said he thought the easiest thing for them to do is to settle on the above-the-line forecast and settle on how much they think should be in the below-the-line adjustment for the energy credit. He said based on DBEDT's numbers, for FY 2012 the below-the-line adjustment should be \$82.9 million, so the base already includes about \$80 million.

Dr. Suyderhoud said the adjustment for the renewable energy tax credit should be reported separately in the below-the-line adjustments.

Dr. Tian said he needed to mention that DBEDT's estimates are only on the tax credits claimed and didn't include the impact of additional construction caused by the credit. Dr. Suyderhoud said construction is accounted for separately in the forecast. Dr. Bonham said there was almost no growth in construction at all, which may mean the solar installations are offsetting declines in other areas.

Dr. Bonham suggested finishing the discussion of the tax credits. Dr. Suyderhoud said he didn't know if it was reasonable to double the credit from FY 2012 to \$160 million for FY 2013. Ms. Niwao, the Chair and Mr. Aoki agreed. Dr. Suyderhoud asked if they wanted to keep the \$80 million across future years. Dr. Bonham said he thought that seemed unlikely, as the credit grew from \$10 million in 2007 to \$173 million in 2012. Dr. Suyderhoud agreed and asked for another number. Ms. Niwao suggested 10% growth.

Ms. Maynard said that at some point the market would become saturated. Dr. Bonham suggested that point has not been reached yet. Ms. Niwao agreed and said businesses are also looking at more PV installations.

Dr. Bonham suggested 50% growth, declining to zero over the forecast period. Dr. Grandy said he felt uncomfortable about doing so, because it would mean a big impact on their revenue forecast from a single feature of the tax law. Dr. Suyderhoud said the change in total collections from 2012 to 2013 is about \$300 million, whereas the increase in the energy credit is projected to be about \$80 million. Dr. Bonham said giving away revenue with tax credits can substantially reduce revenue growth. Dr. Grandy and Dr. Suyderhoud agreed. Dr. Suyderhoud said it was important to bring attention to the cost of the solar tax credits, because they have important effects on tax collections. Dr. Grandy agreed and thought the issue deserved attention from the Governor and the Legislature. Dr. Suyderhoud said the Council's last forecast explicitly said that part of the reduction in tax collections was due to the tax credits. Ms. Niwao agreed, but said it was not very big. Dr. Suyderhoud said it was \$50 million.

Dr. Grandy asked if the Council was accepting growth rates of 4.4% for 2013; 3.9% for 2014; 5.0% for 2015; and 4.0% for 2016.

Dr. Bonham said they have reached a consensus on the tax credit adjustment. Dr. Suyderhoud asked if the adjustments would be \$90 million for 2013, \$150 million for 2014, and \$170 million for the remaining years. Dr. Bonham suggested including something in the letter to the Governor saying that the adjustments may well underestimate the future cost of the credit. The other members and the Chair agreed.

Dr. Bonham repeated his earlier observation that the Council was more likely to under-forecast than to over-forecast when the economy was recovering. Dr. Grandy agreed. Ms. Niwao asked if that meant that people would accelerate their income this year. Dr. Bonham said no; he meant that the overall economy would grow faster than expected. Ms. Niwao said she thought people would realize gains this year, because of the tax rate increases expected next year, which would mean more revenues in 2013 than in 2014.

Dr. Suyderhoud asked if she agreed with 7% growth. Ms. Niwao said 7% sounded good to her. Dr. Grandy asked, how about 7.3%. Dr. Suyderhoud asked Dr. Bonham if he could suggest a number to the rest of the Council. Dr. Bonham said 7.5%.

Ms. Niwao supported Dr. Grandy's forecast of 7.3%. Dr. Suyderhoud reminded the members that their last forecast was low. Dr. Bonham said it was really low. Ms. Niwao said it was better to be low than high. Dr. Suyderhoud said it was better to be accurate.

Dr. Bonham proposed 7.5% growth for 2013. Dr. Suyderhoud seconded the proposal. Chair Kahle asked if there was any more discussion. There was none. Chair Kahle called for a vote. The motion was carried.

**Dr. Bonham proposed that the general fund tax revenues growth rate be 7.5% for FY 2013 (above-the-line). Dr. Suyderhoud seconded. The Chair called for the vote, and the motion passed with the following votes:**

<b>Richard F. Kahle, Jr.</b>	<b>Yes</b>
<b>Jack P. Suyderhoud</b>	<b>Yes</b>
<b>Avery A. Aoki</b>	<b>Yes</b>
<b>Carl S. Bonham</b>	<b>Yes</b>
<b>Christopher Grandy</b>	<b>Yes</b>
<b>Kristi L. Maynard</b>	<b>Yes</b>
<b>Marilyn M. Niwao</b>	<b>Yes</b>

Chair Kahle asked for the forecast for 2014. Dr. Suyderhoud suggested 6.2%. Dr. Suyderhoud proposed using the above-the-line numbers from Table 6AA for 2014 through 2019. Ms. Niwao supported the idea. Chair Kahle asked if they were ready to vote on the question. Dr. Bonham suggested further discussion.

Dr. Rousslang asked if the Council was suggesting using the above-the-line growth figures, adjusted by all the below-the-line items that they currently have, except the one for the energy credit that they would specify at the meeting.

Mr. Aoki said that energy credit was the key number they were trying to figure out. Dr. Suyderhoud agreed.

The Chair said there was a motion on the floor.

Dr. Grandy asked Dr. Bonham if he wanted further discussion. Dr. Bonham said no.

Ms. Maynard asked if the Council would leave the percentages the same, or the dollar amounts the same. Dr. Suyderhoud said they would leave the percentages the same, even though the 2012 base is higher by \$30 million.

The Chair said they have a motion for the next 5 years and asked if all were in favor. None opposed. Dr. Suyderhoud said as a result of that, the below-the-line would be 4.9% for FY 2013.

**Dr. Suyderhoud proposed that for FYs 2014 through 2019, the Council use the above-the-line numbers in Table 6AA. Therefore, the general fund tax revenues growth rate would be 4.9% for FY 2013 (below-the-line). Ms. Niwao seconded. The Chair called for the vote, and the motion passed with the following votes:**

<b>Richard F. Kahle, Jr.</b>	<b>Yes</b>
<b>Jack P. Suyderhoud</b>	<b>Yes</b>
<b>Avery A. Aoki</b>	<b>Yes</b>
<b>Carl S. Bonham</b>	<b>Yes</b>
<b>Christopher Grandy</b>	<b>Yes</b>
<b>Kristi L. Maynard</b>	<b>Yes</b>
<b>Marilyn M. Niwao</b>	<b>Yes</b>

Dr. Grandy said the main thing was to make clear the assumption on the solar tax credits. He said they are assuming below-the-line adjustments of \$90 million in FY 2013, \$150 million in FY 2014 and \$170 million in the out years. Dr. Bonham said that starting from the \$80 million base in FY 2012, the total tax credit is forecast to be \$170 million in FY 2013, \$230 million in FY 2014, and \$250 million in the following years.

Dr. Suyderhoud asked if they needed a motion on the below-the-line numbers. The Chair said yes. Dr. Suyderhoud moved that their below-the-line growth forecasts be 4.9% for 2013; 3.9% for 2014; and that the below-the-line forecasts for 2015 through 2019 be calculated by the Tax Department in accordance with the adjustments stated in Table 6AA, plus the solar tax credit adjustments that the Council voted on. Dr. Bonham seconded the motion. The Chair asked if all were in favor.

**Dr. Suyderhoud moved that the growth forecast be 4.9% for FY2013 and 3.9% for FY2014, and that the forecasts for FYs 2015 through 2019 be calculated by the Tax Department in accordance with the adjustments stated in Table 6AA plus the solar tax credit adjustments agreed to by the Council. Dr. Bonham seconded. The Chair called for the vote, and the motion passed with the following votes:**

<b>Richard F. Kahle, Jr.</b>	<b>Yes</b>
<b>Jack P. Suyderhoud</b>	<b>Yes</b>



<b>Avery A. Aoki</b>	<b>Yes</b>
<b>Carl S. Bonham</b>	<b>Yes</b>
<b>Christopher Grandy</b>	<b>Yes</b>
<b>Kristi L. Maynard</b>	<b>Yes</b>
<b>Marilyn M. Niwao</b>	<b>Yes</b>

Dr. Bonham asked if they had voted on the credit adjustments and asked for another vote to be sure. He moved that the adjustments for the tax credits be \$90 million for FY 2013, \$150 million for FY 2014, \$170 million for FY 2015 and later years. Dr. Suyderhoud seconded the motion. The Chair asked if all were in favor.

**Dr. Bonham moved that the credits (below-the-line adjustments) for the cost for the renewable energy credit be \$90 million for FY 2013; \$150 million for FY 2014; and \$170 million for FY 2015 and later years. Dr. Suyderhoud seconded the motion. The Chair called for the vote, and the motion passed with the following votes:**

<b>Richard F. Kahle, Jr.</b>	<b>Yes</b>
<b>Jack P. Suyderhoud</b>	<b>Yes</b>
<b>Avery A. Aoki</b>	<b>Yes</b>
<b>Carl S. Bonham</b>	<b>Yes</b>
<b>Christopher Grandy</b>	<b>Yes</b>
<b>Kristi L. Maynard</b>	<b>Yes</b>
<b>Marilyn M. Niwao</b>	<b>Yes</b>

Next, the Council heard the report by Budget and Finance.

Ms. Matsunaga provided the Council with revenue updates for Budget & Finance.

**REPORT BY THE DEPARTMENT OF BUDGET & FINANCE ON OTHER REVENUES:**

**Significant Changes from May 2012 Report**

**General Fund Non-Tax Revenues**

**Charges for Current Services** – increases in FY12 were higher than expected due to federal reimbursements for the Department of Human Services (DHS) programs.

**Non-Revenue Receipts** – increases in FY12 were due to premiums on bonds sold (B&F), higher pension accumulation reimbursements from non-general fund programs (B&F) and lower transfers of excess unclaimed property trust funds (B&F).

**Special Tax Revenues**

**Transfer of Transient Accommodations Tax** - increases in FYs 16-19 reflect current economic conditions and visitor trends, as well as, expanded air service to Hawaii.

**Special Fund Non-Tax Revenues**

**Federal Grants** - the increases in FYs 12-19 reflect an increase in unemployment compensation benefits to federal employees and ex-servicemen in FY 12 (Department of Labor and Industrial Relations) and increases in highway research, planning and construction funds for the DOT-Highways Division.

**Charges for Current Services, Other** - the increases in FYs 12-19 are attributed to tuition rate increases and an enrollment increase at the University of Hawaii (UH) Hilo, and the change of certain revolving funds to special funds pursuant to Act 124, SLH 2011, for UH.

**Charges for Current Services, Utilities** - the increases in FYs 13-19 reflect projected increases in duty free and parking revenues for DOT-Airports Division and projected increases in cargo activity for DOT-Harbors Division.

**Non-Revenue Receipts** - the increase in FY 12 reflects the actual transfers that were made to the Department of Education's State Educational Facilities Improvement Special Fund for their CIP projects.

**Other than Special Fund Non-Tax Revenues**

**American Reinvestment and Recovery Funds** - the decrease in FY 12 reflects the lower than projected actual expenditures for funds for Hawaii State Highway projects (DOT-Highways Division). It should be noted that there were no loss of ARRA funds, as the funding was utilized by a county project.

**Charges for Current Services** - the net increase in FY 13 is due to projected revenue collections in drug rebates for Medicaid managed care organization clients in the Medical Assistance Program (DHS).

**Repayments of Loans and Advances** - the net adjustments are attributed to anticipated delays in loan repayments for several projects under development for affordable housing (Hawaii Housing Finance and Development Corporation (HHFDC)).

**It was moved by Ms. Niwao and, seconded by Ms. Maynard to accept the B&F report as submitted. The Chair called for the vote, and the motion passed with the following votes:**

<b>Richard F. Kahle, Jr.</b>	<b>Yes</b>
<b>Jack P. Suyderhoud</b>	<b>Yes</b>
<b>Avery A. Aoki</b>	<b>Yes</b>
<b>Carl S. Bonham</b>	<b>Yes</b>
<b>Christopher Grandy</b>	<b>Yes</b>
<b>Kristi L. Maynard</b>	<b>Yes</b>
<b>Marilyn M. Niwao</b>	<b>Yes</b>

The Department of Taxation's Tax Research & Planning Office will prepare a Table with detailed line-item estimates for the Governor, along with the Council's forecast as submitted.

**NEXT MEETING:**

The Council's next meeting is tentatively scheduled for Tuesday, October 30, 2012 at 1:00 pm, but the date and time will be confirmed by e-mail. The Council staff will attempt to secure the DLIR Conference Rooms 310/313 for the meeting.

**ADJOURNMENT:**

The meeting adjourned at 12:02 p.m.