



## CONSENSUS ECONOMIC FORECASTING COMMISSION

James A. Clair, Chair

John C. Atkinson  
Andrew N. Marden

Dr. Sheena S. Bunnell  
Eric N. Stinneford

TO: The Honorable Paul R. LePage, Governor  
Members, 127<sup>th</sup> Legislature

FROM: James A. Clair, Chair, Consensus Economic Forecasting Commission

DATE: November 14, 2016

RE: Post-election review of November 1, 2016, forecast

On Monday, November 14, 2016, the members of the Consensus Economic Forecasting Commission met jointly with the members of the Revenue Forecasting Committee to review three of the referendum questions that received passage on the November 8 ballot and discuss possible changes to the current economic forecast. An overview of question 1 (marijuana legalization) was presented by Marc Cyr of the Office of Fiscal and Program Review, question 2 (3% surtax for education) was presented by Michael Allen of the Department of Administrative and Financial Services, and question 4 (minimum wage increase) was presented by Glenn Mills and Julie Rabinowitz of the Maine Department of Labor.

Following the presentations, members of the Commission discussed the possible implications for Maine's economy. In addition to changes coming from the three referendum questions, both the state and national economies will be affected by other issues including the national election, the federal overtime rule change, referendum questions in other states, and federal policy changes.

Given the number of moving pieces at this point in time, particularly with impacts moving in opposing directions, the Commission came to the conclusion that more time is needed before any adjustments are made to the forecast. There will undoubtedly be economic impacts from the election and referendum questions, but it is not clear at this time what the net effects will be given uncertainty around the federal and legislative responses and the lack of detailed agency data.

When the Commission next meets in late March, there will be more information available about the potential economic impacts of the many issues in play and more clarity around federal and legislative actions. The Commission will explore these new developments at that time and make adjustments to the forecast as necessary before the April 1, 2017, statutory deadline.

Cc: Members, Revenue Forecasting Committee  
Members, Consensus Economic Forecasting Commission