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# Memorandum

To: Steve Klein, Chief Fiscal Officer, Joint Fiscal Office  
From: Tom Kavet  
CC: Ken Jones, ACCD  
Date: September 26, 2018  
Re: Review of Proposed VEPC Cost-Benefit Model Update

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As requested, I have reviewed the memo of September 26, 2018 from Ken Jones to Megan Sullivan that describes proposed model changes to the VEPC Cost-Benefit Model used to calibrate business award levels as a part of the VEGI program.

The model updates proposed in the memo represent no changes to the underlying REMI model and consist only of the utilization of more recent data from Consensus JFO and Administration economic and revenue forecasts, State expenditures, updated discount rate data and Tax Department rate information for selected taxes. All of the proposed changes in Ken Jones' memo are regular annual model updates that will improve model output and should be approved.

While these model updates are standard adjustments made each year, there are still some outstanding methodological issues discussed last year that Ken Jones and I are working to resolve. Based on this work, we expect to have a number of more fundamental consensus recommendations for model changes at this time next year.

Please let me know if you or others have any questions regarding these changes or the ongoing methodological work in connection with the VEGI Cost-Benefit Model.