

# MEMORANDUM

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**TO:** JBC Members

**FROM:** John Ziegler

**SUBJECT:** December Revenue Forecast as Updated by the January 2 Governor/Elected Supplemental Request

**DATE:** January 2, 2015

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Legislative Council Staff (LCS) and the Office of State Planning and Budgeting (OSPB) released their December revenue forecasts on December 22, 2014. I have updated the December forecasts to reflect the January 2, 2015 supplemental requests by the Executive and Judicial branches. Please note the following:

- The requests may change on January 15 when various caseload supplemental requests and stand-alone budget amendment requests are submitted.
- Staff is much more comfortable with the numbers in the FY 2014-15 column as JBC staff has focused more on the supplemental requests for the supplemental process than the budget amendment requests.
- Staff is primarily providing these schedules so that the JBC can get a sense of the larger picture of the overall request as they begin to make decisions on the supplemental requests. These General Fund overviews may change significantly in the next three weeks as the JBC takes actions on the supplemental requests and budget requests that have been submitted by the Executive and Judicial Branches.

Attached are several tables that provide a comparison of the December revenue forecasts as updated with the January 2 supplemental and budget amendment requests.

**Table 1:** Provides the General Fund Overview based on the OSPB revenue forecast.

**Table 2:** Provides the General Fund Overview based on the LCS revenue forecast.

**Table 3:** Provides a summary of the FY 2013-14 and FY 2014-15 appropriations as adjusted by the January 2 requests.

**Table 1**  
**General Fund Overview Based On OSPB December 2014 Revenue Estimate**  
**Updated for JBC Staff Understanding of the January 2, 2014 Request from the Governor**  
(millions of dollars)

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
1 Beginning GF Reserve	\$373.0	\$435.9	\$583.8	\$616.3
2 GF Nonexempt Revenues	6,849.5	7,189.3	7,635.4	7,984.6
3 GF Exempt Revenues	2,125.3	2,578.6	2,675.5	2,865.2
4 Transfers/Paybacks (prior Sessions)	14.2	30.9	16.4	18.0
5 Marijauna Tax Cash Fund and Severance Tax Trust Fund Transfers to the GF Requested by Governor	0.0	27.7	47.0	0.0
6 TOTAL GF AVAILABLE	\$9,362.0	\$10,262.4	\$10,958.1	\$11,484.1
7				
8 GF Obligations:				
9 GF Appropriations	\$8,218.7	\$8,765.3	\$9,375.2	\$9,395.3
10 Supplementals/Budget Amendments Requested by OSPB/Elected Officials	(0.1)	100.6	34.4	0.0
11 Governor Placeholders	0.0	(3.1)	(14.7)	0.0
12 Judicial Placeholders	0.0	0.0	0.4	0.0
13 Adjusted GF Appropriations Base	8,218.6	8,862.8	9,395.3	9,395.3
14 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	58.7	12.3	0.0
15 Governor Request, Higher Education, COSI Funds Exempt from Restriction on State Appropriations	0.0	0.0	30.0	0.0
16 Medicaid Overexpenditures/Payment Delays as Required by OSPB and Controller	32.4	0.0	0.0	0.0
17 TABOR Surplus Liability	0.0	200.4	186.5	269.2
18 Rebates and Expenditures - Based on Statutory Minimums	140.3	138.5	146.4	151.9
19 Reimbursement for Senior and Veterans Property Tax Exemption	109.8	117.1	124.4	130.0
20 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	103.1	108.5
21 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	25.8	27.1
22 Capital Construction Transfer	186.7	225.5	255.8	103.3
23 Supplemental/Budget Amendment Request to Capital Construction Transfer	0.0	16.4	(13.4)	0.0
24 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338	0.0	0.0	0.0	0.0
25 Transfer to FPPA and SEF - SB 13-234	45.3	25.3	25.3	25.3
26 Transfers from the General Fund Pursuant to Section 24-75-220 (4) (a), C.R.S.	215.3	0.0	0.0	0.0
27 Transfer to Other Funds	30.9	33.9	50.3	49.6
28 Accounting Adjustments	(53.2)	0.0	0.0	0.0
29 TOTAL GF OBLIGATIONS	\$8,926.1	\$9,678.6	\$10,341.8	\$10,260.2
30				
31 YEAR END GF RESERVE	\$435.9	\$583.8	\$616.3	\$1,223.9
32 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	410.9	576.1	610.7	610.7
33 MONEYS IN (DEFICIT)/EXCESS OF THE STATUTORY GF RESERVE	\$25.0	\$7.7	\$5.6	\$613.2

**Table 1 - Continued**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
34 Total Gross General Fund Revenues	\$8,974.8	\$9,767.9	\$10,310.9	\$10,849.8
35 Percent Gross General Fund Revenue Growth	4.9%	8.8%	5.6%	5.2%
36				
37 Transfer to the State Education Fund	\$478.8	\$526.3	\$557.9	\$588.5
38 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13.260	45.3	25.3	25.3	25.3
39 Transfer of Excess Reserve to SEF pursuant to HB 14-1342	20.0	0.0	0.0	0.0
40 Total Transfers to the State Education Fund	\$544.1	\$551.6	\$583.2	\$613.8
41				
42 Required TABOR Reserve	\$350.8	\$370.1	\$386.7	\$403.3
43				
44 GF Appropriation Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,251.0	\$8,921.5	\$9,407.6	\$9,395.3
45 Total Percent Growth (Including both items within restriction and exemptions)	10.5%	8.1%	5.4%	-0.1%
46 GF Appropriations Base Available Growth	\$786.3	\$670.5	\$486.1	(\$12.3)
47				
48 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$226,100.0	\$240,300.0	\$247,100.0	\$261,400.0
49 Percent Increase/(Decrease) Over Previous Year		6.3%	2.8%	5.8%
50				
51 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	11,305.0	12,015.0	12,355.0	13,070.0
52 Adjusted GF Appropriations Base	8,218.6	8,862.8	9,395.3	9,395.3
53 Over/(Under) Calculated Appropriations Restriction	(\$3,086.4)	(\$3,152.2)	(\$2,959.7)	(\$3,674.7)
54				
55 Additional Amount Percentage to Increase Statutory Reserve to 6.5 Percent as Requested by Governor	N/A	0.0%	0.0%	0.0%
56 Year-End GF Statutory Reserve Percentage	5.0%	6.5%	6.5%	6.5%
57 Year-End GF Excess of Statutory Reserve Percentage	0.3%	0.1%	0.1%	6.5%
58				
59 Rebates and Expenditures Include (from OSPB Forecast)				
60 Cigarette Rebate	\$10.4	\$8.6	\$8.1	\$7.8
61 Marijuana Tax	\$1.4	\$4.9	\$7.4	\$7.5
62 Old Age Pension	116.9	110.7	116.5	122.1
63 Aged Property Tax & Heating Credit	6.0	8.4	8.4	8.3
64 FPPA	4.1	4.3	4.3	4.3
65 Amendment 35 GFE Expenditures	0.8	0.8	0.8	0.8
66 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	0.8	0.9	1.1
67 Total Rebates and Expenditures	\$140.3	\$138.5	\$146.4	\$151.9

**Table 2**  
**General Fund Overview Based On Legislative Council December 2014 Revenue Estimate**  
**Updated for JBC Staff Understanding of the January 2, 2014 Request from the Governor**  
(millions of dollars)

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
1 Beginning GF Reserve	\$373.0	\$435.9	\$615.9	\$601.7
2 GF Nonexempt Revenues	6,849.5	7,272.7	7,759.3	8,510.5
3 GF Exempt Revenues	2,125.3	2,335.9	2,489.0	2,593.5
4 Transfers/Paybacks (Prior Sessions)	14.2	28.5	12.6	12.8
5 Marijauna Tax Cash Fund and Severance Tax Trust Fund Transfers to the GF Requested by Governor	0.0	27.7	47.0	0.0
6 TOTAL GF AVAILABLE	\$9,362.0	\$10,073.0	\$10,876.8	\$11,718.5
7				
8 GF Obligations:				
9 GF Appropriations	\$8,218.7	\$8,765.3	\$9,375.2	\$9,395.3
10 Supplementals/Budget Amendments Requested by OSPB/Elected Officials	(0.1)	100.6	34.4	0.0
11 Governor Placeholders	0.0	(3.1)	(14.7)	0.0
12 Judicial Placeholders	0.0	0.0	0.4	0.0
13 Adjusted GF Appropriations Base	8,218.6	8,862.8	9,395.3	9,395.3
14 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	30.5	12.3	0.0
15 Governor Request, Higher Education, COSI Funds Exempt from Restriction on State Appropriations	0.0	0.0	30.0	0.0
16 Medicaid Overexpenditures/Payment Delays as Required by OSPB and the Controller	32.4	0.0	0.0	0.0
17 TABOR Surplus Liability	0.0	0.0	125.1	392.6
18 Rebates and Expenditures - Based on Statutory Minimums	140.3	140.5	145.5	151.5
19 Reimbursement for Senior and Veterans Property Tax Exemption	109.8	117.0	126.0	135.3
20 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	102.5	0.0
21 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	25.6	0.0
22 Transfer to the Capital Construction Fund	186.7	225.5	256.0	48.0
23 Supplemental/Budget Amendment Request to Capital Construction Transfer	0.0	16.4	(13.4)	0.0
24 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338	0.0	0.0	0.0	0.0
25 Transfer to FPPA and SEF - SB 13-234	45.3	25.3	25.3	25.3
26 Transfers from the General Fund Pursuant to Section 24-75-220 (4) (a), C.R.S.	215.2	0.0	0.0	0.0
27 Transfer to Other Funds	30.9	39.1	44.9	46.4
28 Accounting Adjustments	(53.1)	0.0	0.0	0.0
29 TOTAL GF OBLIGATIONS	\$8,926.1	\$9,457.1	\$10,275.1	\$10,194.4
30				
31 YEAR END GF RESERVE	\$435.9	\$615.9	\$601.7	\$1,524.1
32 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	410.9	576.1	610.7	610.7
33 MONEYS IN (DEFICIT)/EXCESS OF THE STATUTORY GF RESERVE	\$25.0	\$39.8	(\$9.0)	\$913.4

**Table 2 - Continued**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
34 Total Gross General Fund Revenues	\$8,974.8	\$9,608.6	\$10,248.3	\$11,104.0
35 Percent Gross General Fund Revenue Growth	4.9%	7.1%	6.7%	8.3%
36				
37 Transfer to the State Education Fund	\$478.8	\$503.5	\$534.9	\$583.9
38 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13-260	45.3	25.3	25.3	25.3
39 Transfer of Excess Reserve to SEF pursuant to HB 14-1342	20.0	0.0	0.0	0.0
40 Total Transfers to the State Education Fund	\$544.1	\$528.8	\$560.2	\$609.2
41				
42 Required TABOR Reserve	\$350.8	\$369.0	\$386.7	\$403.0
43				
44 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,251.0	\$8,893.3	\$9,407.6	\$9,395.3
45 Total Percent Growth (Including both items within restriction and exemptions)	10.5%	7.8%	5.8%	-0.1%
46 GF Appropriations Base Available Growth	\$786.3	\$642.3	\$514.3	(\$12.3)
47				
48 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$240,350.0	\$247,069.0	\$260,717.0	\$279,021.0
49 Percent Increase/(Decrease) Over Previous Year	6.3%	2.8%	5.5%	7.0%
50				
51 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(VII)(A), CRS)	\$11,307.3	\$12,017.5	\$12,353.5	\$13,035.9
52 Adjusted GF Appropriations Base	8,218.6	8,862.8	9,395.3	9,395.3
53 Over/(Under) Calculated Appropriations Restriction	(\$3,088.7)	(\$3,154.7)	(\$2,958.2)	(\$3,640.6)
54				
55 Year-End GF Statutory Reserve Percentage	5.0%	6.5%	6.5%	6.5%
56 Year-End GF Excess of Statutory Reserve Percentage	0.3%	0.4%	-0.1%	9.7%
57				
58 Rebates and Expenditures Include (from LCS Forecast)				
59 Cigarette Rebate	\$10.4	\$10.9	\$10.7	\$10.4
60 Marijuana Tax	\$1.4	\$5.8	\$6.5	\$6.9
61 Old Age Pension	106.9	100.5	104.5	109.8
62 Aged Property Tax & Heating Credit	6.0	7.2	7.4	7.6
63 Older Coloradans Fund (Off Budget - not in Long Bill)	10.0	10.0	10.0	10.0
64 FPPA	4.1	4.7	4.7	4.7
65 Amendment 35 GFE Expenditures	0.8	0.9	0.9	0.8
66 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	0.5	0.8	1.3
67 Total Rebates and Expenditures	\$140.3	\$140.5	\$145.5	\$151.5

**Table 3**  
**Summary of FY 2012-13, FY 2013-14, and FY 2014-15 General Fund Appropriations**

		<b>Supplemental Changes to FY 2013-14 as Requested by Governor as of January 2</b>	<b>FY 2013-14 Appropriation Adjusted for Requested Session Supplemental Changes</b>	<b>FY 2014-15 Appropriation as of 2014 Session</b>	<b>Supplemental Changes to FY 2014-15 as Requested by the Governor as of January 2</b>	<b>FY 2014-15 Appropriation Adjusted for Supplementals as Requested by Governor</b>
<b>Departments</b>	<b>FY 2013-14 Appropriation as of 2014 Session</b>					
1	Agriculture	\$0	\$7,723,805	\$9,311,389	(\$2,919)	\$9,308,470
2	Corrections	0	683,084,333	720,429,597	848,493	721,278,090
3	Education	0	3,153,841,621	3,357,895,804	63,355	3,357,959,159
4	Governor	0	26,567,386	34,366,530	1,181,630	35,548,160
5	Health Care Policy	0	2,067,258,413	2,264,471,263	84,982,366	2,349,453,629
6	Higher Education	0	659,108,061	761,983,052	87,690	762,070,742
7	Human Services	(58,609)	719,139,332	782,001,699	9,106,128	791,107,827
8	Judicial	0	387,197,626	444,077,692	1,168,167	445,245,859
9	Labor	0	98,519	637,353	0	637,353
10	Law	0	12,168,714	13,534,300	38,063	13,572,363
11	Legislature	0	38,592,648	40,946,462	0	40,946,462
12	Local Affairs	0	17,710,455	21,655,439	296,324	21,951,763
13	Military Affairs	0	7,378,715	8,185,530	38,494	8,224,024
14	Natural Resources	0	25,126,713	26,226,310	1,350	26,227,660
15	Personnel	0	31,439,880	6,767,176	388,658	7,155,834
16	Public Health	0	54,127,441	63,968,977	351,000	64,319,977
17	Public Safety	0	168,464,555	133,598,400	(90,216)	133,508,184
18	Regulatory Agencies	0	1,703,494	1,882,646	910	1,883,556
19	Revenue	0	80,547,235	101,668,190	2,192,632	103,860,822
20	State	0	0	0	0	0
21	Transportation	0	0	700,000	0	700,000
22	Treasury	0	106,058,124	121,626,076	(52,686)	121,573,390
23	Capital Construction Fund	0	0	0	0	0
24	Controlled Maintenance	0	101,000,000	111,264	0	111,264
25						
26	<b>Total</b>	<b>(\$58,609)</b>	<b>\$8,348,337,070</b>	<b>\$8,916,045,149</b>	<b>\$100,599,439</b>	<b>\$9,016,644,588</b>
27						
28	Transfers to Capital Construction Fund					
29	Amounts Deemed Exempt from Statutory Limit	\$0	\$0	\$0	\$0	\$0
30	Rebates and Expenditures	\$129,680,784	\$129,680,784	\$150,790,708	\$0	\$150,790,708
31						
32	Amount Subject to Statutory Limit	\$8,218,714,895	\$8,218,656,286	\$8,765,254,441	\$100,599,439	\$8,865,853,880
33	Amount Subject to Statutory Limit in Long Bill					
34	Amount Subject to Statutory Limit in Bills					