

MEMORANDUM

TO: JBC Members
FROM: John Ziegler
SUBJECT: March Revenue Forecast
DATE: March 24, 2016

The JBC adopted the Legislative Council Staff (LCS) March revenue forecast that was published on March 18, 2016 as the forecast to which they plan to balance for FY 2015-16 and FY 2016-17. The General Fund has been updated for the Committee decisions made through March 23, 2016. Attached are several tables that provide a comparison of the March revenue forecasts.

- Table 1:** Provides the General Fund Overview based on the LCS revenue forecast.
- Table 2:** Provides a summary of General Fund appropriations.
- Table 3:** Provides a summary of bills that impact the General Fund.
- Table 4:** Provides a List of the amounts that are not subject to the statutory limit on the General Fund.

Staff believes that a motion was never made for a placeholder for one item on Table 3, *Bills that Impact the General Fund* (page 5, line 33 of the attached tables). This item is for a JBC bill to replace the supports intensity scale. The bill is still in the process of being drafted. Staff included it on the list because it is a potential JBC bill that would require a General Fund appropriation. However, **staff recommends that the JBC make a formal motion to placeholder the \$137,027 General Fund if it is the intention of the JBC to include the bill's estimated appropriation in the balancing for the JBC package.** Staff will adjust the General Overview to reflect the JBC's ultimate decision.

Table 1
General Fund Overview Based On Legislative Council March 2016 Revenue Estimate
Updated for Preliminary JBC Figure Setting Actions through March 23, 2016
(millions of dollars)

	FY 14-15	FY 15-16	FY 16-17	FY 17-18
1 Beginning GF Reserve	\$435.9	\$709.2	\$523.3	\$641.9
2 GF Nonexempt Revenues	7,424.0	7,587.1	7,969.6	8,450.2
3 GF Exempt Revenues	2,384.1	2,371.7	2,566.1	2,671.4
4 Transfers/Paybacks (Prior Sessions)	64.8	15.6	15.7	17.1
5 Revenue Changes Approved by the JBC as Part of Supplemental and Figure Setting Processes	0.0	8.0	27.5	0.0
6 TOTAL GF AVAILABLE	\$10,308.8	\$10,691.6	\$11,102.2	\$11,780.6
7				
8 GF Obligations:				
9 GF Appropriations	\$8,869.0	\$9,356.4	\$9,770.8	\$9,813.9
10 Long Bill Supplemental Add-ons	0.0	(20.8)	0.0	0.0
11 JBC Separate Bills/Placeholders Included for Balancing	0.0	0.0	43.1	0.0
12 Adjusted GF Appropriations Base	8,869.5	9,335.6	9,813.9	9,813.9
13 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	0.0	0.0	0.0
14 TABOR Refund Under Art X, Section 20, (7)(d)	153.7	0.0	59.3	246.1
15 Adjustment to TABOR Refund Based on JBC Budget Package Actions	0.0	0.0	(59.3)	0.0
16 TABOR Refund Under Art X, Section 20, (3)(c)	58.0	(58.0)	0.0	0.0
17 Rebates and Expenditures - Based on Statutory Minimums	140.6	147.0	152.8	156.8
18 Reimbursement for Senior and Veterans Property Tax Exemption	116.9	133.0	142.7	151.6
19 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	199.2	210.7	111.2
20 Adjustment to Transfer to HUTF (Sec. 24-75-219, C.R.S.) Based on JBC Budget Package Actions	0.0	0.0	(52.7)	0.0
21 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	49.8	52.7	27.8
22 Adjustment to Transfer to Capital Construction (Sec. 24-75-219, C.R.S.) Based on JBC Budget Package Actions	0.0	0.0	0.0	0.0
23 Transfer to the Capital Construction Fund Other than those Required Under Sec. 24-75-219, C.R.S.	248.5	221.4	39.8	0.0
24 Transfer to FPPA and SEF - SB 13-234	25.3	25.3	25.3	25.3
25 Transfer to Other Funds	42.2	115.0	75.1	58.6
26 Accounting Adjustments	(55.1)	0.0	0.0	0.0
27 TOTAL GF OBLIGATIONS	\$9,599.6	\$10,168.3	\$10,460.3	\$10,591.3
28				
29 YEAR END GF RESERVE	\$709.2	\$523.3	\$641.9	\$1,189.3
30 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	576.5	520.7	634.9	634.9
31 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	\$132.7	\$2.7	\$7.0	\$554.4

Table 1 - Continued

	FY 14-15	FY 15-16	FY 16-17	FY 17-18
32 Total Gross General Fund Revenues	\$9,808.1	\$9,958.8	\$10,535.7	\$11,121.6
33 Percent Gross General Fund Revenue Growth	9.3%	1.5%	5.8%	5.6%
34				
35 Transfer to the State Education Fund	\$519.8	\$522.0	\$546.7	\$584.9
36 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13-260	25.3	25.3	25.3	25.3
37 Transfer of Excess Reserve to SEF pursuant to HB 14-1342	0.0	0.0	0.0	0.0
38 Total Transfers to the State Education Fund	\$545.1	\$547.3	\$572.0	\$610.2
39				
40 Required TABOR Reserve	\$370.8	\$383.1	\$398.6	\$414.9
41				
42 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,869.5	\$9,335.6	\$9,813.9	\$9,813.9
43 Total Percent Growth (Including both items within restriction and exemptions)	7.5%	5.3%	5.1%	0.0%
44 GF Appropriations Base Available Growth	\$618.5	\$466.1	\$478.3	\$0.0
45				
46 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$246,448.0	\$261,735.0	\$275,607.0	\$289,112.0
47 Percent Increase/(Decrease) Over Previous Year	2.3%	6.2%	5.3%	4.9%
48				
49 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(VII)(A), CRS)	\$12,045.3	\$12,322.4	\$13,086.8	\$13,780.4
50 Adjusted GF Appropriations Base	8,869.5	9,335.6	9,813.9	9,813.9
51 Over/(Under) Calculated Appropriations Restriction	(\$3,175.8)	(\$2,986.8)	(\$3,272.9)	(\$3,966.5)
52				
53 Additional Percentage Required to Decrease Statutory Reserve to as Requested by Governor on January 15, 2016	0.0%	0.0%	0.0%	0.0%
54 Year-End GF Statutory Reserve Percentage	6.5%	5.6%	6.5%	6.5%
55 Year-End GF Excess of Statutory Reserve Percentage	1.5%	0.0%	0.1%	5.6%
56				
57 Rebates and Expenditures Include (from LCS Forecast)				
58 Cigarette Rebate	\$12.3	\$10.9	\$10.9	\$10.9
59 Marijuana Tax	\$5.9	\$9.7	\$11.2	\$9.8
60 Old Age Pension	99.4	103.8	107.8	112.5
61 Aged Property Tax & Heating Credit	5.7	6.5	6.9	7.1
62 Older Coloradans Fund (Off Budget - not in Long Bill)	11.5	10.0	10.0	10.0
63 FPPA	4.2	4.2	4.2	4.3
64 Amendment 35 GFE Expenditures	0.9	0.9	0.9	0.9
65 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	1.0	0.9	1.3
66 Total Rebates and Expenditures	\$140.6	\$147.0	\$152.8	\$156.8

Table 1 - Continued

	FY 14-15	FY 15-16	FY 16-17	FY 17-18
67 Calculation of Statutory Reserve (Assuming Passage of JBC Bill SB 15-251)				
68 Adjusted GF Appropriations Base		\$9,335.6	\$9,813.9	\$9,813.9
69 Amounts Exempt from Statutory Reserve:				
70 Anschutz Medical Campus COP (HED)		7.2	7.3	7.2
71 Federal Mineral Lease COP (HED)		0.0	12.1	12.1
72 Federal Mineral Lease COP (TRE)		5.8	0.0	0.0
73 CSP II COP (COR)		20.3	20.3	20.3
74 Lease Purchase of Ralph L. Carr Judicial Center (JUD)		3.9	4.8	4.8
75 Public Safety COPs for Pueblo and Grand Junction Labs (PUBSAF)		0.7	1.6	1.6
76 Adjusted GF Base For Calculation of Statutory Reserve		<u>9,297.7</u>	<u>9,767.8</u>	<u>9,767.9</u>
77 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)		<u>\$520.7</u>	<u>\$634.9</u>	<u>\$634.9</u>

Table 2
Summary of FY 2014-15, FY 2015-16, and FY 2016-17 General Fund Appropriations
Updated for Preliminary JBC Figure Setting Actions through March 23, 2016

Departments	FY 2014-15 Appropriation Adjusted for JBC Approved Supplemental Changes	FY 2015-16 Appropriation Adjusted for JBC Supplemental Changes and Supplemental Package Bills	FY 2015-16 Add- on Changes in the 2016 Session Long Bill	FY 2015-16 Appropriation Adjusted for Long Bill Add- ons	FY 2015-16 Separate Bills During 2016 Session	FY 2015-16 Appropriation Adjusted for Add- ons and Separate Bills	FY 2016-17 Operating Base In Long Bill as Introduced	FY 2016-17 Bills and Statutory Appropriations	FY 2016-17 Operating Base Total Appropriation
1 Agriculture	\$9,317,936	10,006,234	\$0	\$10,006,234		\$10,006,234	\$10,753,079	\$0	10,753,079
2 Corrections	720,902,032	763,812,924	0	763,812,924		763,812,924	\$753,408,506	9,073,269	762,481,775
3 Education	3,357,973,487	3,478,443,043	0	3,478,443,043		3,478,443,043	\$3,765,024,305	0	3,765,024,305
4 Governor	34,983,120	41,871,028	0	41,871,028		41,871,028	\$35,946,004	0	35,946,004
5 Health Care Policy and Finance	2,352,933,836	2,517,425,774	(17,285,713)	2,500,140,061		2,500,140,061	\$2,660,832,010	(5,317,334)	2,655,514,676
6 Higher Education	762,082,525	857,415,995	0	857,415,995		857,415,995	\$870,343,621	0	870,343,621
7 Human Services	790,048,884	818,662,457	0	818,662,457		818,662,457	\$828,943,472	1,075,076	830,018,548
8 Judicial	446,285,574	479,088,124	(471,029)	478,617,095		478,617,095	\$486,631,108	(368,000)	486,263,108
9 Labor	661,690	8,008,584	0	8,008,584		8,008,584	\$20,749,612	0	20,749,612
10 Law	13,575,405	15,283,511	0	15,283,511		15,283,511	\$15,003,005	0	15,003,005
11 Legislature	40,962,675	43,297,162	0	43,297,162		43,297,162	\$3,811,594	40,694,865	44,506,459
12 Local Affairs	22,039,101	24,626,224	0	24,626,224		24,626,224	\$25,983,310	0	25,983,310
13 Military Affairs	8,244,667	8,294,927	0	8,294,927		8,294,927	\$8,305,504	0	8,305,504
14 Natural Resources	26,309,329	27,671,518	0	27,671,518		27,671,518	\$28,742,941	0	28,742,941
15 Personnel	7,130,338	11,817,618	0	11,817,618		11,817,618	\$13,145,504	(100,000)	13,045,504
16 Public Health	64,322,851	48,015,287	1,208,007	48,015,287		48,015,287	\$45,947,983	1,208,007	47,155,990
17 Public Safety	134,566,411	122,805,073	(3,027,687)	119,777,386		119,777,386	\$122,983,130	0	122,983,130
18 Regulatory Agencies	1,884,591	1,923,405	0	1,923,405		1,923,405	\$1,769,297	0	1,769,297
19 Revenue	103,605,100	97,942,157	0	97,942,157		97,942,157	\$103,270,841	(3,200,000)	100,070,841
20 State	0	0	0	0		0	\$0	0	0
21 Transportation	700,000	0	0	0		0	\$0	0	0
22 Treasury	121,578,482	135,037,666	0	135,037,666		135,037,666	\$146,008,257	0	146,008,257
23 Capital Construction Fund	0	0	0	0		0	\$0	0	0
24 Controlled Maintenance	111,264	0	0	0		0	\$0	0	0
25									
26 Total	\$9,020,219,298	\$9,511,448,711	(\$19,576,422)	\$9,490,664,282	\$0	\$9,490,664,282	9,947,603,083	43,065,883	9,990,668,966
27									
28									
29 Amounts Deemed Exempt from Statutory Limit	\$0	\$0				\$0			
30 Rebates and Expenditures	\$150,790,708	\$155,055,186	\$0	\$155,055,186		\$155,055,186			176,795,180
31									
32 Amount Subject to Statutory Limit	\$8,869,428,590	\$9,356,393,525	(\$20,784,429)	\$9,335,609,096	\$0	\$9,335,609,096			9,813,873,786
33 Amount Subject to Statutory Limit in Long Bill									9,770,807,903
34 Amount Subject to Statutory Limit in Bills									43,065,883

Table 3
Bills that Impact General Fund from the 2016 Session for FY 2015-16 and FY 2016-17
Updated for Preliminary JBC Figure Setting Actions through March 23, 2016

	Title	Bill No.	Department	FY 2015-16 Impact GF	FY 2016-17 Impact GF
1	Bills Included in JBC Long Bill Balancing that Impact General Fund Revenue:				
2	<i>Bills Included in JBC Long Bill Package:</i>				
3	<i>Transfers to the General Fund:</i>				
4	Transfer Marijuana Tax Cash Fund to the General Fund	LLS 1197	Various	0	26,277,661
5	Transfer Unclaimed Property Tax Fund Moneys to the General Fund	LLS 1207	Statewide	8,000,000	0
6	Financing of Water Pollution Control Program	LLS 920	Pub Health	0	1,208,007
7					
8	Total Bills that Impact General Fund Revenue - 2016 Session			8,000,000	27,485,668
9	Bills Included in JBC Actions on the Long Bill - Subject to Statutory Limit:				
10	<i>Bills that are Part of JBC Package:</i>				
11	DOC reimbursing County Coroners	LLS 1136	Corrections	0	32,175
12	Longitudinal Evaluation of Ft. Lyon	LLS 917	Corrections	0	11,875
13	Extend Medicaid Payment Reform and Innovation Pilot Program	LLS 1083	HCPF	0	245,639
14	Tobacco Moneys for CHP+ Program	LLS 1094	HCPF	0	(5,700,000)
15	Competency Evaluations	LLS 1170	Hum Serv	0	475,076
16	Competency Evaluations	LLS 1170	Judicial	0	(368,000)
17	Longitudinal Evaluation of Ft. Lyon	LLS 917	Legislature	0	200,000
18	Fund Address Confidentiality Program with VALE Funds	LLS 1203	Personnel	0	(100,000)
19	Financing of Water Pollution Control Program	LLS 920	Pub Health	0	1,208,007
20	DOR Funding for License Services	LLS 924	Revenue	0	(3,200,000)
21					
22	<i>Bills that are Not Part of the JBC LB Package but are Included for Balancing:</i>				
23	JBC Bills Not Running in Conjunction with Long Bill Package				
24	Replace Supports Intensity Scale	LLS 0912	HCPF	0	137,027
25	SNAP Bill	LLS 1198	Hum Serv	0	0
26					
27	Bills for which the JBC is Including a Placeholder in Balancing But that Are Not JBC Bills				
28	Realign DOC Facilities Based on Utilization Study follow up	LLS ???	Corrections	0	5,684,349
29	Aspire to College Colorado Pilot Program	HB 1196	Hum Serv	0	100,000
30	Child Welfare Predictive Analytic Pilot Program	HB 1383	Hum Serv	0	500,000
31	FY 2016-17 Legislative Appropriation Bill	HB 1353	Legislative	0	40,494,865
32	Subtotal Bills Approved as Part of JBC LB Balancing - Statutory Limit			0	39,721,013
33					
34	Bills that Do not Impact the Statutory Limit - Part of JBC Budget Package				
35	<i>Bills Included with the Long Bill Package:</i>				
36	Apply Disabled Telephone User Fund Surcharge to Wireless and VoIP Telecom Lines	LLS 1193	TABOR Refund	0	2,060,223
37	Statutory Reserve Reduction for FY 2015-16	LLS 1204	Statutory Reserve	(83,700,000)	0
38	Reduce the GF Obligation for TABOR Reserve with Transfer from UPTF to Adult Dental	LLS 1207	TABOR Refund	0	(34,800,000)
39	Capital Construction Transfer	LLS 1205	Capital	0	31,783,807
40	Amend SB 09-228 transfers to Make FY 15-16 and FY 16-17 Certain Amounts	LLS 1209	SB 228	0	(52,700,000)
41	Limit Hospital Provider Fee Revenues	LLS 1210	TABOR Refund	0	(26,600,000)
42	Concerning Colorado and the United States (Cyber Security Bill)	LLS 927	Capital	0	8,000,000
43					
44	Subtotal Bills that Do not Impact the Statutory Limit - Not Subject to Statutory Limit			(83,700,000)	(72,255,970)
45					
46	Five Year Statutory Appropriations for the Department of Corrections	N/A	Corrections	0	3,344,870
47					
48	Total			(177,242,173)	(29,190,087)
49	Operating Budget (Includes Bills, Five Years, and Placeholders)			(93,542,173)	43,065,883
50					0
51	Bills not Included in Statutory Reserve Calculation			(83,700,000)	(72,255,970)

Table 4

**List of Amounts that are not Subject to the Statutory Limit on General Fund Appropriations as Shown in Long Bill and Budget Request
Updated for Preliminary JBC Figure Setting Actions through March 23, 2016**

	JBC Actions	JBC Actions
	FY 2015-16	FY 2016-17
1 FY 2015-16:		
2 Amounts Not Subject to the Limit due to Constitutional or Statutory Provisions:		
3		
4 Treasury, Senior Citizen and Disabled Veterans Property Tax Exemption	\$126,000,000	
5 Revenue, Old Age Heat and Fuel	6,600,000	
6 Revenue, Cigarette Tax	10,600,000	
7 Revenue, Marijuana Tax	6,300,000	
8 Local Affairs, Fire and Police Pension Association	4,700,000	
9 HCPF - Amendment 35 Tobacco Tax	427,593	
10 Public Health, Amendment 35 Tobacco Tax	<u>427,593</u>	
11 Amount as Reflected in Long Bill	155,055,186	
12		
13 Subtotal Amounts Not Subject to the Limit:	\$155,055,186	
14		
15 Totals	\$155,055,186	
16 FY 2016-17:		
17 Amounts Not Subject to the Limit due to Constitutional or Statutory Provisions:		
18		
19 Treasury, Senior Citizen and Disabled Veterans Property Tax Exemption		\$142,700,000
20 Revenue, Old Age Heat and Fuel		6,900,000
21 Revenue, Cigarette Tax		10,900,000
22 Revenue, Marijuana Tax		11,200,000
23 Local Affairs, Fire and Police Pension Association		4,230,000
24 HCPF - Amendment 35 Tobacco Tax		432,590
25 Public Health, Amendment 35 Tobacco Tax		<u>432,590</u>
26 Amount as Reflected in Long Bill		176,795,180
27		
28 Subtotal Amounts Not Subject to the Limit:		\$176,795,180
29		
30 Totals		\$176,795,180