

# MEMORANDUM

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**TO:** JBC Members

**FROM:** John Ziegler

**SUBJECT:** June Revenue Forecast

**DATE:** June 20, 2011

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Legislative Council Staff (LCS) and the Office of State Planning and Budgeting (OSPB) released their June revenue forecasts. Attached are several tables that provide a comparison of the June revenue forecasts.

- 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 appropriations by year by department.
- Table 4:** Provides a summary of the June 2011 1331 supplemental requests.
- Table 5:** Provides a comparison of key lines in the LCS and OSPB revenue forecasts.

**Table 1**  
**General Fund Overview Based On OSPB June 2011 Revenue Estimate**  
(millions of dollars)

	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>
1 Beginning GF Reserve	\$443.3	\$137.4	\$156.6	\$256.6
2 GF Nonexempt Revenues (Adj'd by \$126.7m in FY 2012 and \$107.2 m in FY 2013 as OSPB included in Gross)	6,457.7	6,310.0	6,274.5	6,568.4
3 GF Exempt Revenues	0.0	830.0	862.5	819.1
4 Transfers/Paybacks (prior Sessions)	418.5	159.3	132.7	2.1
5 Transfer to Older Americans Act	(8.0)	(8.0)	(8.0)	(8.0)
6 Year-end Balancing Transfer (Gov's Executive Order D 013 09 pursuant to SB 09-279)	(458.1)	0.0	0.0	0.0
7 TABOR Surplus Liability	0.0	0.0	0.0	0.0
8 TOTAL GF AVAILABLE	<u>\$6,853.4</u>	<u>\$7,428.7</u>	<u>\$7,418.3</u>	<u>\$7,638.2</u>
9				
10 GF Obligations:				
11 GF Appropriations	\$6,631.6	\$6,810.8	\$6,982.3	\$6,982.3
12 1331 Supplementals Requested But Not Yet Approved by JBC	0.0	0.0	0.0	\$0.0
13 1331 Supplementals Approved by JBC	0.0	0.0	0.0	0.0
14 Adjusted GF Appropriations Base	<u>6,631.6</u>	<u>6,810.8</u>	<u>6,982.3</u>	<u>6,982.3</u>
15 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
16 Medicaid Overexpenditures/Payment Delays as Required by OSPB and Controller	(28.1)	0.0	0.0	0.0
17 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	(2.7)	(0.5)	0.0	0.0
18 Rebates and Expenditures - Based on Statutory Minimums	141.8	123.0	128.5	134.7
19 Reimbursement for Senior and Veterans Property Tax Exemption	1.3	1.6	1.6	99.5
20 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
21 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
22 Capital Construction Transfer	0.2	12.0	49.3	61.2
23 Transfer of Excess Reserve to SEF Pursuant to SB 11-156	0.0	248.7	0.0	0.0
24 Transfer of Excess Reserve to Public School Fund pursuant to SB 11-230	0.0	76.5	0.0	0.0
25 Accounting Adjustments	(28.1)	0.0	0.0	0.0
26 TOTAL GF OBLIGATIONS	<u>\$6,716.0</u>	<u>\$7,272.1</u>	<u>\$7,161.7</u>	<u>\$7,277.7</u>
27				
28 YEAR END GF RESERVE	\$137.4	\$156.6	\$256.6	\$360.5
29 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	132.6	156.6	279.3	279.3
30 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$4.8</u>	<u>(\$0.0)</u>	<u>(\$22.7)</u>	<u>\$81.2</u>
31 Reduction Needed to Maintain 1/2 of Statutory Reserve	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Table 1 - Continued

	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>
32 Total Gross General Fund Revenues	\$6,457.7	\$7,140.0	\$7,137.0	\$7,387.5
33 Percent Gross General Fund Revenue Growth	-4.2%	10.6%	0.0%	3.5%
34				
35 Transfer to the State Education Fund	\$329.0	\$303.2	\$381.3	\$388.4
36				
37 Required TABOR Reserve	\$257.0	\$283.7	\$289.9	\$302.0
38				
39 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$6,603.5	\$6,810.8	\$6,982.3	\$6,982.3
40 Total Percent Growth (Including both items within restriction and exemptions)	-10.8%	3.1%	2.5%	0.0%
41 GF Appropriations Base Available Growth	(\$795.7)	\$207.3	\$171.5	\$0.0
42				
43 Personal Income (Sec 24-75-201.1 (1)(a)(VII)(A), CRS - PI as of two years prior to fiscal year)	\$205,200.0	\$215,000.0	\$210,500.0	\$215,300.0
44 Percent Increase/(Decrease) Over Previous Year	N/A	4.8%	-2.1%	2.3%
45				
46 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	\$10,260.0	\$10,750.0	\$10,525.0	\$10,765.0
47 Adjusted GF Appropriations Base	6,631.6	6,810.8	6,982.3	6,982.3
48 Over/(Under) Calculated Appropriations Restriction	(\$3,628.4)	(\$3,939.2)	(\$3,542.7)	(\$3,782.7)
49				
50 Year-End GF Reserve Percentage	2.1%	2.3%	3.7%	5.2%
51				
52 Rebates and Expenditures Include (from OSPB Forecast)				
53 Cigarette Rebate	\$11.6	\$11.0	\$10.7	\$10.4
54 Old Age Pension	115.4	99.2	98.2	100.4
55 Aged Property Tax & Heating Credit	7.6	7.3	7.9	7.3
56 FPPA	4.2	4.1	9.6	14.3
57 Amendment 35 GFE Expenditures	0.8	0.8	0.7	0.7
58 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	2.2	0.6	1.4	1.6
59 Total Rebates and Expenditures	\$141.8	\$123.0	\$128.5	\$134.7

**Table 2**  
**General Fund Overview Based On Legislative Council June 2011 Revenue Estimate**  
(millions of dollars)

	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>
1 Beginning GF Reserve	\$443.3	\$137.4	\$156.6	\$458.1
2 GF Nonexempt Revenues	6,457.7	6,298.0	6,209.8	6,395.0
3 GF Exempt Revenues	0.0	828.8	1,135.7	1,387.3
4 Transfers/Paybacks (Prior Sessions)	421.2	154.2	133.9	2.5
5 Transfer to Older Americans Act	(10.9)	(10.9)	(10.9)	(8.0)
6 Year-end Balancing Transfer (Gov's Executive Order D 013 09 pursuant to SB 09-279)	(458.1)	0.0	0.0	0.0
7 TABOR Surplus Liability	0.0	0.0	0.0	0.0
8 TOTAL GF AVAILABLE	<u>\$6,853.2</u>	<u>\$7,407.5</u>	<u>\$7,625.1</u>	<u>\$8,234.9</u>
9				
10 GF Obligations:				
11 GF Appropriations	\$6,631.6	\$6,810.8	\$6,982.3	\$6,982.3
12 1331 Supplementals Requested But Not Yet Approved by JBC	0.0	0.0	0.0	\$0.0
13 1331 Supplementals Approved by JBC	0.0	0.0	0.0	0.0
14 Adjusted GF Appropriations Base	<u>6,631.6</u>	<u>6,810.8</u>	<u>6,982.3</u>	<u>6,982.3</u>
15 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
16 Medicaid Overexpenditures/Payment Delays as Required by OSPB and the Controller	(28.1)	(0.5)	0.0	0.0
17 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	0.0	0.0	0.0	0.0
18 Rebates and Expenditures - Based on Statutory Minimums	130.9	116.3	133.7	149.3
19 Reimbursement for Senior and Veterans Property Tax Exemption	1.3	1.6	1.7	95.9
20 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
21 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
22 Capital Construction Transfer	0.2	12.0	49.3	43.7
23 Transfer of Excess Reserve to SEF pursuant to SB 11-156	0.0	234.2	0.0	0.0
24 Transfer of Excess Reserve to Public School Fund pursuant to SB 11-230	0.0	76.5	0.0	0.0
25 Accounting Adjustments	(20.1)	0.0	0.0	0.0
26 TOTAL GF OBLIGATIONS	<u>\$6,715.8</u>	<u>\$7,250.9</u>	<u>\$7,167.0</u>	<u>\$7,271.2</u>
27				
28 YEAR END GF RESERVE	\$137.4	\$156.6	\$458.1	\$963.7
29 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	132.6	156.6	279.3	279.3
30 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$4.8</u>	<u>(\$0.0)</u>	<u>\$178.8</u>	<u>\$684.4</u>
31 Reduction Needed to Maintain 1/2 of Statutory Reserve	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Table 2 - Continued

	FY 09-10	FY 10-11	FY 11-12	FY 12-13
32 Total Gross General Fund Revenues	\$6,457.7	\$7,126.8	\$7,345.5	\$7,782.3
33 Percent Gross General Fund Revenue Growth	-4.2%	10.4%	3.1%	5.9%
34				
35 Transfer to the State Education Fund	\$329.0	\$370.5	\$378.3	\$404.5
36				
37 Required TABOR Reserve	\$257.0	\$283.7	\$289.9	\$302.0
38				
39 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$6,603.5	\$6,810.3	\$6,982.3	\$6,982.3
40 Total Percent Growth (Including both items within restriction and exemptions)	-10.8%	3.1%	2.5%	0.0%
41 GF Appropriations Base Available Growth	(\$795.7)	\$206.8	\$172.0	\$0.0
42				
43 Personal Income (Sec 24-75-201.1 (1)(a)(VII)(A), CRS - PI as of two years prior to fiscal year)	\$205,242.0	\$214,977.0	\$210,513.0	\$215,259.0
44 Percent Increase/(Decrease) Over Previous Year	N/A	4.7%	-2.1%	2.3%
45				
46 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	\$10,262.1	\$10,748.9	\$10,525.7	\$10,763.0
47 Adjusted GF Appropriations Base	6,631.6	6,810.8	6,982.3	6,982.3
48 Over/(Under) Calculated Appropriations Restriction	(\$3,630.5)	(\$3,938.1)	(\$3,543.4)	(\$3,780.7)
49				
50 Year-End GF Reserve Percentage	2.1%	2.3%	6.6%	13.8%
51				
52 Rebates and Expenditures Include (from LCS Forecast)				
53 Cigarette Rebate	\$11.6	\$11.5	\$11.3	\$11.2
54 Old Age Pension	104.5	91.1	103.4	114.2
55 Aged Property Tax & Heating Credit	7.6	7.8	7.6	7.3
56 FPPA	4.2	4.4	9.8	14.6
57 Amendment 35 GFE Expenditures	0.8	0.9	0.9	0.9
58 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	2.2	0.6	0.7	1.1
59 Total Rebates and Expenditures	\$130.9	\$116.3	\$133.7	\$149.3

**Table 3**  
**Summary of FY 2009-10, FY 2010-11, and FY 2011-12 General Fund Appropriations**  
**As of End of 2011 Session**

	<b>Departments</b>	<b>FY 2009-10 Appropriation as of 2011 Session</b>	<b>FY 2010-11 Appropriation Adjusted for Long Bill Add- ons</b>	<b>FY 2011-12 Operating Base Total Appropriation</b>
1	Agriculture	\$6,055,836	\$4,924,114	\$5,164,362
2	Corrections	565,603,106	658,794,383	634,934,029
3	Education	3,239,325,619	2,963,613,216	2,833,701,556
4	Governor	13,862,984	11,930,349	11,175,194
5	Health Care Policy	1,150,198,522	1,266,754,982	1,669,164,241
6	Higher Education	428,761,033	705,145,512	623,962,700
7	Human Services	651,948,502	623,196,849	614,650,877
8	Judicial	323,814,931	327,054,402	340,243,578
9	Labor	0	0	0
10	Law	9,225,846	9,510,373	9,393,105
11	Legislature	35,137,319	34,612,966	34,684,832
12	Local Affairs	10,912,921	10,530,849	10,383,966
13	Military Affairs	5,407,887	5,286,233	5,421,658
14	Natural Resources	26,634,588	26,201,062	23,422,123
15	Personnel	5,576,326	5,104,155	5,079,400
16	Public Health	27,076,170	27,460,904	27,478,228
17	Public Safety	81,989,417	82,314,802	82,676,491
18	Regulatory Agencies	1,457,251	1,510,435	1,599,183
19	Revenue	73,749,339	70,682,233	72,746,170
20	State	0	0	0
21	Transportation	0	0	0
22	Treasury	1,680,359	2,362,955	7,903,000
23	Capital Construction Fund	0	0	0
24	Controlled Maintenance	0	0	0
25				0
26	<b>Total</b>	<b>\$6,658,417,956</b>	<b>\$6,836,990,774</b>	<b>7,013,784,693</b>
27				
28	Transfers to Capital Construction Fund			
29	Amounts Deemed Exempt from Statutory Limit	\$0		0
30	Rebates and Expenditures	\$26,841,912	\$26,209,165	31,508,032
31				
32	Amount Subject to Statutory Limit	\$6,631,576,044	\$6,810,781,609	6,982,276,661
33	Amount Subject to Statutory Limit in Long Bill			7,535,893,308
34	Amount Subject to Statutory Limit in Bills			(553,616,647)

**Table 3**  
**2011 Interim 1331 Supplemental Requests**

**June 2011 Operating 1331 Supplemental Requests**

Department	Issue	OSP/State Request						JBC Action					
		FY 2010-11			FY 2011-12			FY 2010-11			FY 2011-12		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
1 HCPF	Request for Medical Services Premiums Local Funds Overexpenditure	\$0	\$0	\$0	\$0	\$38,666	\$38,666			\$0			\$0
2 Higher Education	College Opportunity Fund Allocation Adjustment	0	0	0	0	0	0			0			0
3 Personnel	Travel and Rebate Reimbursement	0	77,973	77,973	0	0	0			0			0
4 Personnel	Recovery Audit Spending Authority	0	0	0	0	1,600,000	1,600,000			0			0
5 Revenue	State Sales Tax Refunds Pursuant to HB 10-1285	0	0	0	0	81,434	81,434			0			0
6 Revenue	Loma Port Staffing	0	0	0	0	193,171	0			0			0
7 State	Correct Technical Errors	0	0	0	0	1,092,183	1,092,183			0			0
8													
9 Total		\$0	\$77,973	\$77,973	\$0	\$3,005,454	\$3,005,454	\$0	\$0	\$0	\$0	\$0	\$0

**June 2011 Capital Construction 1331 Supplemental Requests**

Department	Issue	OSP/State Request						JBC Action					
		FY 2010-11			FY 2011-12			FY 2010-11			FY 2011-12		
		CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total
16 Higher Education	CU Denver, Center for Bioethics and Humanities	\$0	\$8,254,692	\$8,254,692	\$0	\$0	\$0			\$0			\$0
17 Higher Education	CU Boulder, Visual Arts Complex	\$0	\$63,522,302	\$63,522,302	\$0	\$0	\$0			\$0			\$0
18 Higher Education	Colorado School of Mines, Weaver Tower Renovation	\$0	\$9,999,993	\$9,999,993	\$0	\$0	\$0			\$0			\$0
Total		\$0	\$81,776,987	\$81,776,987	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 5**  
**Comparison of LCS Forecast and OSPB Forecast**

	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>
1 GF Non Exempt Revenues:				
2 LCS	6,457.7	6,298.0	6,209.8	6,395.0
3 OSPB	6,457.7	6,310.0	6,274.5	6,568.4
4 Difference (positive number indicates LCS higher than OSPB)	0.0	(12.0)	(64.7)	(173.4)
5				
6 GF Exempt Revenues:				
7 LCS	0.0	828.8	1,135.7	1,387.3
8 OSPB	0.0	830.0	862.5	819.1
9 Difference (positive number indicates LCS higher than OSPB)	0.0	(1.2)	273.2	568.2
10				
11 Total Gross GF Revenues:				
12 LCS	6,457.7	7,126.8	7,345.5	7,782.3
13 OSPB	6,457.7	7,140.0	7,137.0	7,387.5
14 Difference (positive number indicates LCS higher than OSPB)	0.0	(13.2)	208.5	394.8
15				
16 Percent Gross General Fund Revenue Growth:				
17 LCS	-4.2%	10.4%	3.1%	5.9%
18 OSPB	-4.2%	10.6%	0.0%	3.5%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	-0.2%	3.1%	2.4%
20				
21 TABOR Surplus Liability:				
22 LCS	0.0	0.0	0.0	0.0
23 OSPB	0.0	0.0	0.0	0.0
24 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
25				
26 Adjusted GF Appropriations Base:				
27 LCS	6,631.6	6,810.8	6,982.3	6,982.3
28 OSPB	6,631.6	6,810.8	6,982.3	6,982.3
29 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
30				
31 Reimbursement for Senior and Veterans Property Tax Exemption				
32 LCS	1.3	1.6	1.7	95.9
33 OSPB	1.3	1.6	1.6	99.5
34 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.1	(3.6)
35				
36 Transfer of Excess Reserve to SEF Pursuant to SB 11-156				
37 LCS	0.0	234.2	0.0	0.0
38 OSPB	0.0	248.7	0.0	0.0
39 Difference (positive number indicates LCS higher than OSPB)	0.0	(14.5)	0.0	0.0
40				
41 Transfer of Excess Reserve to Public School Fund Pursuant to SB 11-230				
42 LCS	0.0	76.5	0.0	0.0
43 OSPB	0.0	76.5	0.0	0.0
44 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
45				
46 Year End GF Reserve				
47 LCS	137.4	156.6	458.1	963.7
48 OSPB	137.4	156.6	256.6	360.5
49 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	201.5	603.2
50				
51 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE				
52 LCS	4.8	(0.0)	178.8	684.4
53 OSPB	4.8	(0.0)	(22.7)	81.2
54 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	201.5	603.2