

MEMORANDUM

TO: JBC Members

FROM: John Ziegler

SUBJECT: September Revenue Forecast

DATE: September 25, 2014

Legislative Council Staff (LCS) and the Office of State Planning and Budgeting (OSPB) released their September revenue forecasts on September 22, 2014. 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 General Fund appropriations.
- Table 4:** Provides a summary of the 1331 supplemental requests.
- Table 5:** Provides a summary of the disposition of the 2013-14 fiscal year-end General Fund Surplus based on the OSPB September 2014 forecast. Please note, the final actual disposition will not be known until the State Controller publishes the Comprehensive Annual Financial Report of the State for FY 2013-14 (likely in December 2014).
- Table 6:** Provides a summary of the disposition of the 2013-14 fiscal year-end General Fund Surplus based on the LCS June 2014 forecast. Please note, the final actual disposition will not be known until the State Controller publishes the Comprehensive Annual Financial Report of the State for FY 2013-14 (likely in December 2014).
- Table 7:** Provides a comparison of the LCS to the OSPB General Fund Overview.

Table 1
General Fund Overview Based On OSPB September 2014 Revenue Estimate
(millions of dollars)

	FY 13-14	FY 14-15	FY 15-16	FY 16-17
1 Beginning GF Reserve	\$373.0	\$435.9	\$799.7	\$1,544.1
2 GF Nonexempt Revenues	6,858.3	7,307.2	7,640.0	7,968.0
3 GF Exempt Revenues	2,116.5	2,333.8	2,617.3	2,827.9
4 Transfers/Paybacks (prior Sessions)	14.2	30.2	15.4	16.8
6 TOTAL GF AVAILABLE	<u>\$9,362.0</u>	<u>\$10,107.1</u>	<u>\$11,072.4</u>	<u>\$12,356.8</u>
7				
8 GF Obligations:				
9 GF Appropriations	\$8,218.7	\$8,767.6	\$8,768.0	\$8,768.0
10 1331 Supplementals Requested by OSPB/Elected Officials	0.0	0.0	0.0	0.0
11 1331 Supplementals Approved by JBC	(0.1)	0.4	0.0	0.0
12 Adjusted GF Appropriations Base	<u>8,218.6</u>	<u>8,768.0</u>	<u>8,768.0</u>	<u>8,768.0</u>
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 Medicaid Overexpenditures/Payment Delays as Required by OSPB and Controller	32.4	0.0	0.0	0.0
15 TABOR Surplus Liability	0.0	0.0	136.7	239.4
16 Rebates and Expenditures - Based on Statutory Minimums	140.3	139.6	146.1	150.0
17 Reimbursement for Senior and Veterans Property Tax Exemption	109.8	115.1	121.5	127.0
18 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	102.6	108.0
19 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	25.6	27.0
20 Capital Construction Transfer	186.7	225.5	152.2	44.1
21 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338	0.0	0.0	0.0	0.0
22 Transfer to FPPA and SEF - SB 13-234	45.3	25.3	25.3	25.3
23 Transfers from the General Fund Pursuant to Section 24-75-220 (4) (a), C.R.S.	211.1	0.0	0.0	0.0
24 Transfer to Other Funds	30.9	33.9	50.3	49.6
25 Accounting Adjustments	(49.0)	0.0	0.0	0.0
26 TOTAL GF OBLIGATIONS	<u>\$8,926.1</u>	<u>\$9,307.4</u>	<u>\$9,528.3</u>	<u>\$9,538.4</u>
27				
28 YEAR END GF RESERVE	\$435.9	\$799.7	\$1,544.1	\$2,818.5
29 Additional Amount Required to Increase Statutory Reserve to 6.5 Percent as Requested by Governor	\$0.0	\$131.5	\$131.5	\$131.5
30 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	410.9	438.4	438.4	438.4
31 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$25.0</u>	<u>\$229.8</u>	<u>\$974.2</u>	<u>\$2,248.5</u>

Table 1 - Continued

	FY 13-14	FY 14-15	FY 15-16	FY 16-17
32 Total Gross General Fund Revenues	\$8,974.8	\$9,641.0	\$10,257.3	\$10,795.9
33 Percent Gross General Fund Revenue Growth	4.9%	7.4%	6.4%	5.3%
34				
35 Transfer to the State Education Fund	\$491.1	\$536.5	\$572.2	\$572.2
36 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
37 Transfer of Excess Reserve to SEF pursuant to HB 14-1342	20.0	0.0	0.0	0.0
38 Total Transfers to the State Education Fund	\$556.4	\$561.8	\$597.5	\$597.5
39				
40 Required TABOR Reserve	\$346.6	\$365.7	\$382.0	\$382.0
41				
42 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,251.0	\$8,768.0	\$8,768.0	\$8,768.0
43 Total Percent Growth (Including both items within restriction and exemptions)	10.5%	6.3%	0.0%	0.0%
44 GF Appropriations Base Available Growth	\$786.3	\$517.0	\$0.0	\$0.0
45				
46 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$226,000.0	\$237,500.0	\$245,600.0	\$259,800.0
47 Percent Increase/(Decrease) Over Previous Year		5.1%	3.4%	5.8%
48				
49 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	11,300.0	11,875.0	12,280.0	12,990.0
50 Adjusted GF Appropriations Base	8,218.6	8,768.0	8,768.0	8,768.0
51 Over/(Under) Calculated Appropriations Restriction	(\$3,081.4)	(\$3,107.0)	(\$3,512.0)	(\$4,222.0)
52				
53 Additional Amount Percentage to Increase Statutory Reserve to 6.5 Percent as Requested by Governor	N/A	1.5%	1.5%	1.5%
54 Year-End GF Statutory Reserve Percentage	5.0%	5.0%	5.0%	5.0%
55 Year-End GF Excess of Statutory Reserve Percentage	0.3%	2.6%	11.1%	25.6%
56				
57 Rebates and Expenditures Include (from OSPB Forecast)				
58 Cigarette Rebate	\$10.4	\$8.6	\$8.1	\$7.8
59 Marijuana Tax	\$1.4	\$4.9	\$7.4	\$7.5
61 Old Age Pension	116.9	111.8	116.2	120.2
61 Aged Property Tax & Heating Credit	6.0	8.4	8.4	8.3
62 FPPA	4.1	4.3	4.3	4.3
63 Amendment 35 GFE Expenditures	0.8	0.8	0.8	0.8
64 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	0.8	0.9	1.1
65 Total Rebates and Expenditures	\$140.3	\$139.6	\$146.1	\$150.0

Table 2
General Fund Overview Based On Legislative Council September 2014 Revenue Estimate
(millions of dollars)

	FY 13-14	FY 14-15	FY 15-16	FY 16-17
1 Beginning GF Reserve	\$373.0	\$435.9	\$695.3	\$1,454.2
2 GF Nonexempt Revenues	6,858.3	7,276.7	7,667.2	8,252.8
3 GF Exempt Revenues	2,116.5	2,254.4	2,491.4	2,603.5
4 Transfers/Paybacks (Prior Sessions)	14.2	28.0	12.0	12.2
5 TABOR Surplus Liability	0.0	0.0	0.0	0.0
6 TOTAL GF AVAILABLE	<u>\$9,362.0</u>	<u>\$9,995.0</u>	<u>\$10,865.9</u>	<u>\$12,322.7</u>
7				
8 GF Obligations:				
9 GF Appropriations	\$8,218.7	\$8,767.6	\$8,768.0	\$8,768.0
10 1331 Supplementals Requested by OSPB/Elected Officials	0.0	0.0	0.0	0.0
11 1331 Supplementals Approved by JBC	(0.1)	0.4	0.0	0.0
12 Adjusted GF Appropriations Base	<u>8,218.6</u>	<u>8,768.0</u>	<u>8,768.0</u>	<u>8,768.0</u>
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 Medicaid Overexpenditures/Payment Delays as Required by OSPB and the Controller	32.4	0.0	0.0	0.0
15 TABOR Surplus Liability	0.0	0.0	125.1	392.6
16 Rebates and Expenditures - Based on Statutory Minimums	140.3	141.0	144.9	150.5
17 Reimbursement for Senior and Veterans Property Tax Exemption	109.8	117.2	125.0	133.5
18 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	101.6	0.0
19 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	25.4	0.0
20 Transfer to the Capital Construction Fund	187.2	225.5	72.4	48.0
21 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338	0.0	0.0	0.0	0.0
22 Transfer to FPPA and SEF - SB 13-234	45.3	25.3	25.3	25.3
23 Transfers from the General Fund Pursuant to Section 24-75-220 (4) (a), C.R.S.	210.6	0.0	0.0	0.0
24 Transfer to Other Funds	30.9	22.7	24.0	22.9
25 Accounting Adjustments	(49.0)	0.0	0.0	0.0
26 TOTAL GF OBLIGATIONS	<u>\$8,926.1</u>	<u>\$9,299.7</u>	<u>\$9,411.7</u>	<u>\$9,540.8</u>
27				
28 YEAR END GF RESERVE	\$435.9	\$695.3	\$1,454.2	\$2,781.9
29 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	410.9	569.9	569.9	569.9
30 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$25.0</u>	<u>\$125.4</u>	<u>\$884.3</u>	<u>\$2,212.0</u>

Table 2 - Continued

	FY 13-14	FY 14-15	FY 15-16	FY 16-17
31 Total Gross General Fund Revenues	\$8,974.8	\$9,531.1	\$10,158.6	\$10,856.3
32 Percent Gross General Fund Revenue Growth	4.9%	6.2%	6.6%	6.9%
33				
34 Transfer to the State Education Fund	\$478.8	\$501.4	\$532.7	\$567.9
35 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
36 Transfer of Excess Reserve to SEF pursuant to HB 14-1342	20.0	0.0	0.0	0.0
37 Total Transfers to the State Education Fund	\$544.1	\$526.7	\$558.0	\$593.2
38				
39 Required TABOR Reserve	\$350.5	\$366.5	\$387.1	\$404.5
40				
41 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,251.0	\$8,768.0	\$8,768.0	\$8,768.0
42 Total Percent Growth (Including both items within restriction and exemptions)	10.5%	6.3%	0.0%	0.0%
43 GF Appropriations Base Available Growth	\$786.3	\$517.0	\$0.0	\$0.0
44				
45 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$237,461.0	\$245,569.0	\$258,738.0	\$274,554.0
46 Percent Increase/(Decrease) Over Previous Year	5.1%	3.4%	5.4%	6.1%
47				
48 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(VII)(A), CRS)	\$11,301.6	\$11,873.1	\$12,278.5	\$12,936.9
49 Adjusted GF Appropriations Base	8,218.6	8,768.0	8,768.0	8,768.0
50 Over/(Under) Calculated Appropriations Restriction	(\$3,083.0)	(\$3,105.1)	(\$3,510.5)	(\$4,168.9)
51				
52 Year-End GF Statutory Reserve Percentage	5.0%	6.5%	6.5%	6.5%
53 Year-End GF Excess of Statutory Reserve Percentage	0.3%	1.4%	10.1%	25.2%
54				
55 Rebates and Expenditures Include (from LCS Forecast)				
56 Cigarette Rebate	\$10.4	\$10.5	\$10.1	\$9.8
57 Marijuana Tax	\$1.4	\$2.9	\$2.8	\$2.8
58 Old Age Pension	106.9	103.3	107.4	112.8
59 Aged Property Tax & Heating Credit	6.0	7.9	8.1	8.3
60 Older Coloradans Fund (Off Budget - not in Long Bill)	10.0	10.0	10.0	10.0
61 FPPA	4.1	4.7	4.7	4.7
62 Amendment 35 GFE Expenditures	0.8	0.8	0.8	0.8
63 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	0.9	1.0	1.3
64 Total Rebates and Expenditures	\$140.3	\$141.0	\$144.9	\$150.5

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

	FY 2012-13 Appropriation Adjusted for Requested Session Supplemental Changes	FY 2013-14 Appropriation Adjusted for Add- ons and Separate Bills	FY 2014-15 Operating Base Total Appropriation
Departments			
1 Agriculture	\$6,863,921	\$7,723,805	9,311,389
2 Corrections	654,682,235	683,084,333	720,429,597
3 Education	3,015,441,352	3,153,841,621	3,357,895,804
4 Governor	18,524,704	26,567,386	34,366,530
5 Health Care Policy	1,847,967,793	2,067,258,413	2,264,471,263
6 Higher Education	628,569,790	659,108,061	761,983,052
7 Human Services	645,580,781	719,197,941	782,001,699
8 Judicial	353,411,788	387,197,626	444,077,692
9 Labor	0	98,519	637,353
10 Law	10,452,022	12,168,714	13,534,300
11 Legislature	35,963,244	38,592,648	40,946,462
12 Local Affairs	11,074,259	17,710,455	21,655,439
13 Military Affairs	6,692,607	7,378,715	8,185,530
14 Natural Resources	23,768,283	25,126,713	26,226,310
15 Personnel	6,603,153	31,439,880	6,767,176
16 Public Health	31,142,676	54,127,441	63,968,977
17 Public Safety	86,452,085	168,464,555	133,598,400
18 Regulatory Agencies	1,715,818	1,703,494	1,882,646
19 Revenue	73,393,521	80,547,235	101,668,190
20 State	0	0	0
21 Transportation	0	0	700,000
22 Treasury	109,314,351	106,058,124	121,626,076
23 Capital Construction Fund	0	0	0
24 Controlled Maintenance	23,000,000	101,000,000	111,264
25			
26 Total	\$7,590,614,383	\$8,348,395,679	8,916,045,149
27			
28 Transfers to Capital Construction Fund			
29 Amounts Deemed Exempt from Statutory Limit	\$0	\$0	
30 Rebates and Expenditures	\$131,377,953	\$129,680,784	148,433,743
31			
32 Amount Subject to Statutory Limit	\$7,459,236,430	\$8,218,714,895	8,767,611,406
33 Amount Subject to Statutory Limit in Long Bill			8,580,935,713
34 Amount Subject to Statutory Limit in Bills			186,675,693

Table 4
2014 Interim 1331 Supplemental Requests

June 2014 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		FY 2013-14			FY 2014-15			FY 2013-14			FY 2014-15		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
Human Services	Grand Junction Regional Center Operating Expenses	\$0	\$516,575	\$516,575	\$0	\$0	\$0	\$0	\$516,575	\$516,575	\$0	\$0	\$0
Human Services	Mental Health Institutes Spending Authority	(58,609)	1,148,682	1,090,073	0	0	0	(58,609)	1,207,291	1,148,682	0	0	0
Personnel	Private Collection Agency Fees	0	87,344	87,344	0	0	0	0	100,000	100,000	0	0	0
Personnel	Integrated Document Solutions Lease-Purchase Agreement	0	0	0	0	401,952	401,952	0	0	0	0	0	0
Public Health	Payments to OIT 1331 Technical Fund Split Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
Total		(\$58,609)	\$1,752,601	\$1,693,992	\$0	\$401,952	\$401,952	(\$58,609)	\$1,823,866	\$1,765,257	\$0	\$0	\$0

September 2014 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		FY 2013-14			FY 2014-15			FY 2013-14			FY 2014-15		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
Public Health	Technical FRAPPE Continuation	\$0	\$0	\$0	\$351,000	\$949,000	\$1,300,000	\$0	\$0	\$0	\$351,000	\$949,000	\$1,300,000
Total		\$0	\$0	\$0	\$351,000	\$949,000	\$1,300,000	\$0	\$0	\$0	\$351,000	\$949,000	\$1,300,000

September 2014 Capital Construction 1331 Requests

Department	Issue	OSP/State Request						JBC Action					
		FY 2013-14			FY 2014-15			FY 2013-14			FY 2014-15		
		CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total
Agriculture	Department Office Consolidation (COP Payments)	0	0	0	0	528,063	528,063	0	0	0	0	528,063	528,063
Higher Education	Red Rocks Community College - Student Recreation Center	0	0	0	0	15,809,437	15,809,437	0	0	0	0	15,809,437	15,809,437
Total		\$0	\$0	\$0	\$0	\$16,337,500	\$16,337,500	\$0	\$0	\$0	\$0	\$16,337,500	\$16,337,500

							JBC Action					
							FY 2013-14			FY 2014-15		
							GF	Other Funds	Total	GF	Other Funds	Total
Total Operating 1331 Supplementals Approved by JBC =							(\$58,609)	\$1,823,866	\$1,765,257	\$351,000	\$949,000	\$1,300,000

							JBC Action					
							FY 2013-14			FY 2014-15		
							CCFE	Other Funds	Total	CCFE	Other Funds	Total
Total Capital Construction 1331 Supplementals Approved by JBC =							\$0	\$0	\$0	\$0	\$16,337,500	\$0

Table 5
Disposition of 2013-14 Fiscal Year-end General Fund Surplus
Based On OSPB September 2014 Forecast
(Pursuant to 24-75-220 (4) (a), C.R.S.)

		Amount
(I)	Transfer to Colorado Water Conservation Board Construction Fund	\$30,000,000
(II)	Transfer to State Education Fund	20,000,000
(III)	Remains in General Fund	25,000,000
(III.4)	Transfer to Economic Development Fund	1,000,000
(III.5)	Transfer to Hazardous Substance Site Response Fund	10,000,000
(IV)	Transfer to Capital Construction Fund	135,335,748
(V)	Any Remaining Surplus Transfer to State Education Fund	<u>14,764,252</u>
	Total	\$236,100,000

Table 6
Disposition of 2013-14 Fiscal Year-end General Fund Surplus
Based on LCS September 2014 Forecast
(Pursuant to 24-75-220 (4) (a), C.R.S.)

		Amount
(I)	Transfer to Colorado Water Conservation Board Construction Fund	\$30,000,000
(II)	Transfer to State Education Fund	20,000,000
(III)	Remains in General Fund	25,000,000
(III.4)	Transfer to Economic Development Fund	1,000,000
(III.5)	Transfer to Hazardous Substance Site Response Fund	10,000,000
(IV)	Transfer to Capital Construction Fund	135,335,748
(V)	Any Remaining Surplus Transfer to State Education Fund	<u>14,264,252</u>
Total		\$235,600,000

Table 7
Comparison of LCS Forecast and OSPB Forecast
Based on June 2014 Revenue Forecasts

	FY 13-14	FY 14-15	FY 15-16	FY 16-17
1 GF Non Exempt Revenues:				
2 LCS	6,858.3	7,276.7	7,667.2	8,252.8
3 OSPB	6,858.3	7,307.2	7,640.0	7,968.0
4 Difference (positive number indicates LCS higher than OSPB)	0.0	(30.5)	27.2	284.8
5				
6 GF Exempt Revenues:				
7 LCS	2,116.5	2,254.4	2,491.4	2,603.5
8 OSPB	2,116.5	2,333.8	2,617.3	2,827.9
9 Difference (positive number indicates LCS higher than OSPB)	0.0	(79.4)	(125.9)	(224.4)
10				
11 Total Gross GF Revenues:				
12 LCS	8,974.8	9,531.1	10,158.6	10,856.3
13 OSPB	8,974.8	9,641.0	10,257.3	10,795.9
14 Difference (positive number indicates LCS higher than OSPB)	0.0	(109.9)	(98.7)	60.4
15				
16 Percent Gross General Fund Revenue Growth:				
17 LCS	4.9%	6.2%	6.6%	6.9%
18 OSPB	4.9%	7.4%	6.4%	5.3%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	-1.2%	0.2%	1.6%
20				
21 TABOR Surplus Liability:				
22 LCS	0.0	0.0	125.1	392.6
23 OSPB	0.0	0.0	136.7	239.4
24 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	(11.6)	153.2
25				
26 Reimbursement for Senior and Veterans Property Tax Exemption				
27 LCS	109.8	117.2	125.0	133.5
28 OSPB	109.8	115.1	121.5	127.0
29 Difference (positive number indicates LCS higher than OSPB)	0.0	2.1	3.5	6.5
30				
31 Transfer to HUTF (Sec. 24-75-219, C.R.S.)				
32 LCS	0.0	0.0	101.6	0.0
33 OSPB	0.0	0.0	102.6	108.0
34 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	(1.0)	(108.0)
35				
36 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)				
37 LCS	0.0	0.0	25.4	0.0
38 OSPB	0.0	0.0	25.6	27.0
39 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	(0.2)	(27.0)
40				
41 Year End GF Reserve				
42 LCS	435.9	695.3	1,454.2	2,781.9
43 OSPB	435.9	799.7	1,544.1	2,818.5
44 Difference (positive number indicates LCS higher than OSPB)	0.0	(104.4)	(89.9)	(36.6)
45				
46 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE				
47 LCS	25.0	125.4	884.3	2,212.0
48 OSPB	25.0	229.8	974.2	2,248.5
49 Difference (positive number indicates LCS higher than OSPB)	0.0	(104.4)	(89.9)	(36.6)