

MEMORANDUM

TO: JBC Members

FROM: John Ziegler

SUBJECT: September Revenue Forecast

DATE: October 1, 2013

Legislative Council Staff (LCS) and the Office of State Planning and Budgeting (OSPB) released their September revenue forecasts on September 20, 2013. 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 the 2013 interim 1331 supplemental requests.
- Table 4:** Provides a comparison of key lines in the LCS and OSPB revenue forecasts.

Table 1
General Fund Overview Based On OSPB September 2013 Revenue Estimate
(millions of dollars)

	FY 12-13	FY 13-14	FY 14-15	FY 15-16
1 Beginning GF Reserve	\$795.7	\$373.0	\$436.9	\$1,392.6
2 GF Nonexempt Revenues	6,692.8	6,932.7	7,364.6	7,755.2
3 GF Exempt Revenues	1,862.1	1,710.0	1,895.2	1,960.5
4 Transfers/Paybacks (prior Sessions)	0.3	2.4	2.4	2.4
5 TABOR Surplus Liability	0.0	0.0	0.0	0.0
6 TOTAL GF AVAILABLE	<u>\$9,350.9</u>	<u>\$9,018.1</u>	<u>\$9,699.2</u>	<u>\$11,110.7</u>
7				
8 GF Obligations:				
9 GF Appropriations	\$7,459.3	\$7,967.4	\$7,977.6	\$7,977.6
10 1331 Supplementals Previously Approved by JBC	0.0	10.2	0.0	0.0
11 1331 Supplementals Requested but as yet Acted on by JBC	0.5	0.0	0.0	0.0
12 Adjusted GF Appropriations Base	<u>7,459.8</u>	<u>7,977.6</u>	<u>7,977.6</u>	<u>7,977.6</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	0.0	0.0	0.0	0.0
15 Rebates and Expenditures - Based on Statutory Minimums	277.5	127.7	116.6	112.3
16 Reimbursement for Senior and Veterans Property Tax Exemption	102.7	108.6	117.0	123.7
17 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	194.3
18 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	48.6
19 Capital Construction Transfer	61.4	186.7	68.2	16.2
20 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338	1,066.5	0.0	0.0	0.0
21 Transfer to FPPA and SEF - SB 13-234	0.0	45.3	25.3	25.3
22 Transfer to the SEF - SB 13-260 (75.0% of Excess GF Surplus)	0.0	114.2	0.0	0.0
23 Transfer to Other Funds	4.6	21.1	1.9	1.9
24 Accounting Adjustments	5.4	0.0	0.0	0.0
25 TOTAL GF OBLIGATIONS	<u>\$8,977.9</u>	<u>\$8,581.2</u>	<u>\$8,306.6</u>	<u>\$8,499.9</u>
26				
27 YEAR END GF RESERVE	\$373.0	\$436.9	\$1,392.6	\$2,610.8
28 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	373.0	398.9	398.9	398.9
29 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$0.0</u>	<u>\$38.1</u>	<u>\$993.7</u>	<u>\$2,211.9</u>
30 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

	FY 12-13	FY 13-14	FY 14-15	FY 15-16
31 Total Gross General Fund Revenues	\$8,554.9	\$8,642.7	\$9,259.8	\$9,715.7
32 Percent Gross General Fund Revenue Growth	10.6%	1.0%	7.1%	4.9%
33				
34 Transfer to the State Education Fund	\$486.3	\$470.7	\$500.9	\$527.4
35 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13.260	1,066.5	159.5	25.3	25.3
36 Total Transfers to the State Education Fund	\$1,552.8	\$630.2	\$526.2	\$552.7
37				
38 Required TABOR Reserve	\$333.3	\$337.9	\$355.8	\$370.0
39				
40 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$7,459.8	\$7,977.6	\$7,977.6	\$7,977.6
41 Total Percent Growth (Including both items within restriction and exemptions)	6.1%	6.9%	0.0%	0.0%
42 GF Appropriations Base Available Growth	\$431.9	\$517.8	\$0.0	\$0.0
43				
44 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228		\$225,400.0	\$234,900.0	\$245,000.0
45 Percent Increase/(Decrease) Over Previous Year			4.2%	4.3%
46				
47 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	10,625.0	11,270.0	11,745.0	12,250.0
48 Adjusted GF Appropriations Base	7,459.8	7,977.6	7,977.6	7,977.6
49 Over/(Under) Calculated Appropriations Restriction	(\$3,165.2)	(\$3,292.4)	(\$3,767.4)	(\$4,272.4)
50				
51 Year-End GF Statutory Reserve Percentage	5.0%	5.0%	5.0%	5.0%
52 Year-End GF Excess of Statutory Reserve Percentage	0.0%	0.5%	12.5%	27.7%
53				
54 Rebates and Expenditures Include (from OSPB Forecast)				
55 Cigarette Rebate	\$10.8	\$9.5	\$9.0	\$8.7
56 Old Age Pension	111.6	105.4	94.3	90.1
57 Aged Property Tax & Heating Credit	7.0	6.9	6.9	6.9
58 FPPA	146.7	4.3	4.3	4.3
59 Amendment 35 GFE Expenditures	0.8	0.8	0.8	0.8
60 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.6	0.8	1.3	1.5
61 Total Rebates and Expenditures	\$277.5	\$127.7	\$116.6	\$112.3

Table 2
General Fund Overview Based On Legislative Council September 2013 Revenue Estimate
(millions of dollars)

	FY 12-13	FY 13-14	FY 14-15	FY 14-15
1 Beginning GF Reserve	\$795.8	\$373.0	\$541.4	\$1,956.6
2 GF Nonexempt Revenues	6,692.8	6,975.2	7,391.0	7,781.9
3 GF Exempt Revenues	1,862.1	2,131.9	2,336.9	2,460.3
4 Transfers/Paybacks (Prior Sessions)	0.3	2.4	2.4	2.4
5 TABOR Surplus Liability	0.0	0.0	0.0	0.0
6 TOTAL GF AVAILABLE	\$9,351.0	\$9,482.5	\$10,271.7	\$12,201.2
7				
8 GF Obligations:				
9 GF Appropriations	\$7,459.3	\$7,967.4	\$7,977.6	\$7,977.6
10 1331 Supplementals Previously Approved by JBC	0.5	10.2	0.0	0.0
11 1331 Supplementals Requested but as yet Acted on by JBC	0.0	0.0	0.0	0.0
12 Adjusted GF Appropriations Base	7,459.8	7,977.6	7,977.6	7,977.6
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	5.4	0.0	0.0	0.0
15 Rebates and Expenditures - Based on Statutory Minimums	277.6	142.9	147.0	151.1
16 Reimbursement for Senior and Veterans Property Tax Exemption	102.7	110.0	117.2	118.2
17 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	204.8
18 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	51.2
19 Transfer to the Capital Construction Fund	61.4	186.7	46.1	45.1
20 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338	1,088.1	0.0	0.0	0.0
21 Transfer to FPPA and SEF - SB 13-234	0.0	45.3	25.3	25.3
22 Transfer to the SEF - SB 13-260 (75.0% of Excess GF Surplus)	0.0	427.5	0.0	0.0
23 Transfer to Other Funds	4.6	51.1	1.9	1.9
24 Accounting Adjustments	(21.6)	0.0	0.0	0.0
25 TOTAL GF OBLIGATIONS	\$8,978.0	\$8,941.1	\$8,315.1	\$8,575.3
26				
27 YEAR END GF RESERVE	\$373.0	\$541.4	\$1,956.6	\$3,625.9
28 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	373.0	398.9	398.9	398.9
29 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	\$0.0	\$142.5	\$1,557.7	\$3,227.1
30 Reduction Needed to Maintain 1/2 of Statutory Reserve	N/A	N/A	N/A	N/A

Table 2 - Continued

	FY 12-13	FY 13-14	FY 14-15	FY 14-15
31 Total Gross General Fund Revenues	\$8,554.9	\$9,107.1	\$9,727.9	\$10,242.2
32 Percent Gross General Fund Revenue Growth	10.6%	6.5%	6.8%	5.3%
33				
34 Transfer to the State Education Fund	\$486.3	\$502.5	\$529.3	\$556.4
35 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13-260	1,088.1	472.8	25.3	25.3
36 Total Transfers to the State Education Fund	\$1,574.4	\$975.3	\$554.6	\$581.7
37				
38 Required TABOR Reserve	\$333.5	\$350.5	\$369.6	\$387.7
39				
40 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$7,465.2	\$7,977.6	\$7,977.6	\$7,977.6
41 Total Percent Growth (Including both items within restriction and exemptions)	6.2%	6.9%	0.0%	0.0%
42 GF Appropriations Base Available Growth	\$437.3	\$512.4	\$0.0	\$0.0
43				
44 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228		\$225,410.0	\$235,329.0	\$244,506.0
45 Percent Increase/(Decrease) Over Previous Year			4.4%	3.9%
46				
47 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(VII)(A), CRS)	\$10,627.3	\$11,270.5	\$11,766.5	\$12,225.3
48 Adjusted GF Appropriations Base	7,459.8	7,977.6	7,977.6	7,977.6
49 Over/(Under) Calculated Appropriations Restriction	(\$3,167.5)	(\$3,292.9)	(\$3,788.9)	(\$4,247.7)
50				
51 Year-End GF Statutory Reserve Percentage	5.0%	5.0%	5.0%	5.0%
52 Year-End GF Excess of Statutory Reserve Percentage	0.0%	1.8%	19.5%	40.5%
53				
54 Rebates and Expenditures Include (from LCS Forecast)				
55 Cigarette Rebate	\$10.7	\$11.0	\$10.5	\$10.1
56 Old Age Pension	103.9	107.7	112.2	116.7
57 Aged Property Tax & Heating Credit	6.9	6.7	6.5	6.3
58 Older Coloradans Fund (Off Budget - not in Long Bill)	8.0	10.0	10.0	10.0
59 FPPA	146.6	4.7	4.7	4.7
60 Amendment 35 GFE Expenditures	0.9	0.9	0.9	0.8
61 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.6	1.9	2.2	2.5
62 Total Rebates and Expenditures	\$277.6	\$142.9	\$147.0	\$151.1

Table 3
2013 Interim 1331 Supplemental Requests

June 2013 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		FY 2012-13			FY 2013-14			FY 2012-13			FY 2013-14		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
1 Corrections	Fugitive Unit	\$0	\$0	\$0	\$976,449	\$0	\$976,449	\$0	\$0	\$0	\$915,293	\$0	\$915,293
2 Corrections	Sex Offender Treatment Monitoring	0	0	0	1,056,795	0	1,056,795	0	0	0	956,795	0	956,795
3 Governor	Revenue Application Hardware	0	0	0	377,707	0	377,707	0	0	0	0	0	0
4 Higher Education	COF and FFS Contract Alignment	0	0	0	0	0	0	0	0	0	0	0	0
5 HCPF	Projected FY 2012-13 Over-expenditure at the CMHI	360,000	0	360,000	0	0	0	360,000	360,000	720,000	0	0	0
6 HCPF	Leased Space	570,856	570,852	1,141,708	0	0	0	539,367	539,367	1,078,734	0	0	0
7 Human Services	Projected FY 2012-13 Over-expenditure at the CMHI	(360,000)	1,364,500	1,004,500	0	0	0	(360,000)	1,364,500	1,004,500	0	0	0
8 Personnel	Workers' Compensation Billing True-up	0	1,367,406	1,367,406	0	0	0	0	1,500,000	1,500,000	0	0	0
9 Public Health	OIT Fund Split Adjustment	0	775,289	775,289	0	0	0	0	(775,289)	(775,289)	0	0	0
11 Total		\$570,856	\$4,078,047	\$4,648,903	\$2,410,951	\$0	\$2,410,951	\$539,367	\$2,988,578	\$3,527,945	\$1,872,088	\$0	\$1,872,088

Table 2 - Continued
June 2013 Capital Construction 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		FY 2012-13			FY 2013-14			FY 2012-13			FY 2013-14		
		CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total
19 Higher Education	CSU Research Innovation Center - Extend Spending Authority	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

August 2013 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		FY 2012-13			FY 2013-14			FY 2012-13			FY 2013-14		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
28 Pub Health	FRAPPE	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$0	\$0	\$540,000	\$1,460,000	\$2,000,000
30 Total		\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$0	\$0	\$540,000	\$1,460,000	\$2,000,000

Table 3 - Continued

September 2013 Operating 1331 Supplemental Requests

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Department	Issue	OSPB/State Request						JBC Action					
		FY 2012-13			FY 2013-14			FY 2012-13			FY 2013-14		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
HICPF	County Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,150,361	\$10,150,361
Human Services	Restoration of Prior Year Adjustments in Child Welfare Services	0	0	0	7,796,708	0	7,796,708	0	0	0	7,796,708	0	7,796,708
Local Affairs	FML Direct Distribution Backfill from Local Govt Perm Fund Trf	0	0	0	0	3,817,866	3,817,866	0	0	0	0	0	0
State	Election Night Reporting	0	0	0	0	448,644	448,644	0	0	0	0	448,644	448,644
				0			0			0			
Total		\$0	\$0	\$0	\$7,796,708	\$4,266,510	\$12,063,218	\$0	\$0	\$0	\$7,796,708	\$10,599,005	\$18,395,713

September 2013 Capital Construction 1331 Requests

Department	Issue	OSPB/State Request						JBC Action					
		FY 2012-13			FY 2013-14			FY 2012-13			FY 2013-14		
		CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total
Judicial	Ralph L Carr Judicial Center	0	0	0	0	0	0	0	0	0	0	0	0
Higher Education	CSU Intercept Bonds Authority	0	0	0	0	0	0	0	0	0	0	0	0
Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	JBC Action					
	FY 2012-13			FY 2013-14		
	GF	Other Funds	Total	GF	Other Funds	Total
Total Operating 1331 Supplementals Approved by JBC =	\$539,367	\$2,988,578	\$3,527,945	\$10,208,796	\$12,059,005	\$22,267,801

	JBC Action					
	FY 2012-13			FY 2013-14		
	CCFE	Other Funds	Total	CCFE	Other Funds	Total
Total Capital Construction 1331 Supplementals Approved by JBC =	\$0	\$0	\$0	\$0	\$0	\$0

Table 4
Comparison of LCS Forecast and OSPB Forecast
Based on September 2013 Revenue Forecasts

	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>
1 GF Non Exempt Revenues:				
2 LCS	6,692.8	6,975.2	7,391.0	7,781.9
3 OSPB	6,692.8	6,932.7	7,364.6	7,755.2
4 Difference (positive number indicates LCS higher than OSPB)	0.0	42.5	26.4	26.7
5				
6 GF Exempt Revenues:				
7 LCS	1,862.1	2,131.9	2,336.9	2,460.3
8 OSPB	1,862.1	1,710.0	1,895.2	1,960.5
9 Difference (positive number indicates LCS higher than OSPB)	0.0	421.9	441.7	499.8
10				
11 Total Gross GF Revenues:				
12 LCS	8,554.9	9,107.1	9,727.9	10,242.2
13 OSPB	8,554.9	8,642.7	9,259.8	9,715.7
14 Difference (positive number indicates LCS higher than OSPB)	0.0	464.4	468.1	526.5
15				
16 Percent Gross General Fund Revenue Growth:				
17 LCS	10.6%	6.5%	6.8%	5.3%
18 OSPB	10.6%	1.0%	7.1%	4.9%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	5.4%	-0.3%	0.4%
20				
21 Reimbursement for Senior and Veterans Property Tax Exemption				
22 LCS	102.7	110.0	117.2	118.2
23 OSPB	102.7	108.6	117.0	123.7
24 Difference (positive number indicates LCS higher than OSPB)	0.0	1.4	0.2	(5.5)
25				
26 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338				
27 LCS	1,088.1	0.0	0.0	0.0
28 OSPB	1,066.5	0.0	0.0	0.0
29 Difference (positive number indicates LCS higher than OSPB)	21.6	0.0	0.0	0.0
30				
31 Transfer to HUTF (Sec. 24-75-219, C.R.S.)				
32 LCS	0.0	0.0	0.0	204.8
33 OSPB	0.0	0.0	0.0	194.3
34 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	10.5
35				
36 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)				
37 LCS	0.0	0.0	0.0	51.2
38 OSPB	0.0	0.0	0.0	48.6
39 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	2.6
40				
41 Transfer of Excess Reserve to SEF pursuant to SB 13-260				
42 LCS	0.0	427.5	0.0	0.0
43 OSPB	0.0	114.2	0.0	0.0
44 Difference (positive number indicates LCS higher than OSPB)	0.0	313.4	0.0	0.0
45				
46 Year End GF Reserve				
47 LCS	373.0	398.9	398.9	398.9
48 OSPB	373.0	398.9	398.9	398.9
49 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
50				
51 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE				
52 LCS	0.0	142.5	1,557.7	3,227.1
53 OSPB	0.0	38.1	993.7	2,211.9
54 Difference (positive number indicates LCS higher than OSPB)	0.0	104.5	564.1	1,015.2