

MEMORANDUM

TO: Joint Budget Committee Members

FROM: John Ziegler, JBC Staff

SUBJECT: FY 2008-09 Figure Setting General Fund Overview Summary

DATE: March 17, 2008

Attached are four tables that provide an overview of the General Fund as a result of the decisions made by the JBC during figure setting. These tables reflect:

1. **Table 1 - General Fund Overview:** This table provides an overview of the current situation based on the JBC decisions as of March 17, 2008. Based on these decisions the General Fund is \$2.9 million over the 6 percent limit in FY 2007-08 and \$46.3 million over the 6 percent limit in FY 2008-09.
2. **Table 2 - Departmental Summary of FY 2006-07 and FY 2007-08 General Fund Appropriations and FY 2008-09 JBC Actions Prior to Introduction of Long Bill:** This table provides a summary of General Fund requests, by department supplemental and figure setting decisions.
3. **Table 3 - Bills that Potentially Impact JBC Budget Balancing for FY 2007-08 and FY 2008-09:** This table provides a summary of the bills that could impact the need for General Fund in both FY 2007-08 and FY 2008-09.
4. **List of Amounts that are not Subject to the Arveschoug/Bird Limit:** This table provides a summary of items deemed to be exempt from the 6.0 percent limit in both FY 2007-08 and FY 2008-09.

Table 1
General Fund Overview Based On Legislative Council December 2007 Revenue Estimate
FY 2007-08 GF Exempt reduced \$20.5 million and FY 2008-09 GF Exempt reduced \$33.6 million to reflect Federal Stimulus Package

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1 Beginning GF Reserve	688.5	516.0	357.2	359.0	368.1	372.0
2 GF Nonexempt Revenues	6,228.2	6,607.5	6,880.8	7,261.3	7,891.7	8,479.5
3 GF Exempt Revenues	1,311.6	1,247.0	1,246.4	1,353.9	1,212.2	1,175.9
4 HB 08-1078 -Transfer to the Veteran's Trust Fund to Restore Funds Transferred in SB 03-190	0.0	0.0	(2.9)	0.0	0.0	0.0
5 Transfer to Older Americans Act	(3.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)
6 TABOR Surplus Liability	0.0	0.0	0.0	0.0	0.0	0.0
7 S.B. 97-1 Diversion	(228.8)	(243.3)	(253.3)	(265.3)	(279.2)	(292.9)
8 TOTAL GF AVAILABLE	7,995.7	8,121.4	8,222.4	8,703.1	9,187.0	9,728.7
9						
10 GF Obligations:						
11 GF Appropriations	6,675.5	7,094.7	7,514.7	7,970.9	8,449.1	8,956.1
12 Supplementals Add-ons Approved by JBC	0.0	(8.4)	0.0	0.0	0.0	0.0
13 Special Bills - Approved as Part of JBC Package	0.0	(1.1)	43.1	0.0	0.0	0.0
14 Special Bills - Not Yet Approved as Part of JBC Package	0.0	5.5	3.5	0.0	0.0	0.0
15 Special Bills - Set Aside in CMTF	0.0	0.0	2.9	0.0	0.0	0.0
16 Statutory Appropriations - Dept of Corrections	0.0	0.0	1.6	0.0	0.0	0.0
17 ADDITIONAL INCREASES/(REDUCTIONS)	0.0	(2.9)	(46.3)	0.0	0.0	0.0
18 Adjusted GF Appropriations Base	6,675.5	7,087.8	7,519.5	7,970.9	8,449.1	8,956.1
19 Amounts Deemed Exempt from 6.0 Percent Limit	7.5	6.1	0.2	0.0	0.0	0.0
20 Medicaid Overexpenditures	3.6	0.0	0.0	0.0	0.0	0.0
21 Rebates and Expenditures - Based on Statutory Minimums	160.9	169.9	171.6	176.4	184.1	199.7
22 Rebates and Expenditures - Additional based on JBC 2007 Session Plan to Fund FPPA	0.0	0.0	9.8	9.8	9.8	0.0
23 Homestead Exemption	74.2	81.0	86.2	90.0	92.6	96.0
24 Funds in Prior Year Excess Reserve to HUTF	291.2	166.0	49.1	38.8	32.8	22.7
25 Funds in Prior Year Excess Reserve to Capital Construction	145.6	83.0	24.6	19.4	16.4	11.3
26 Capital Construction Transfer (Based on Current Law, JBC Decision on FY 2008-09)	145.9	170.4	2.4	29.7	30.1	28.3
27 Controlled Maintenance Trust Fund Transfer	0.0	0.0	0.0	0.0	0.0	0.0
28 Accounting Adjustments	(24.7)	0.0	0.0	0.0	0.0	0.0
29 TOTAL GF OBLIGATIONS	7,479.7	7,764.2	7,863.4	8,335.0	8,815.0	9,314.1
30						
31 YEAR END GF RESERVE	516.0	357.2	359.0	368.1	372.0	414.6
32 STATUTORY RESERVE	267.0	283.5	300.8	318.8	338.0	358.2
33 MONEYS IN EXCESS OF STATUTORY GF RESERVE	249.0	73.7	58.2	49.3	34.0	56.3

Table 1 - Continued

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
34 Total Gross General Fund Revenues	7,539.8	7,854.5	8,127.2	8,615.2	9,103.9	9,655.4
35 Percent Gross General Fund Revenue Growth		4.2%	3.5%	6.0%	5.7%	6.1%
36 Transfer to the State Education Fund	395.1	414.6	429.5	456.1	484.5	517.2
37 Maximum Diversion to HUTF - (Sales + Use) * 10.355%	228.8	243.3	253.3	265.3	279.2	292.9
38						
39 Required TABOR Reserve	289.4	303.1	315.0	331.6	342.8	357.9
40						
41 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	6,686.6	7,093.9	7,519.7	7,970.9	8,449.1	8,956.1
42 Total Percent Growth (Including both items within 6 percent limit and exemptions)		6.1%	6.0%	6.0%	6.0%	6.0%
43 GF Appropriations Base Available Growth		407.3	425.8	451.2	478.3	506.9
44						
45 Calculated 6.0 Percent Limit		7,087.8	7,519.5	7,970.9	8,449.1	8,956.1
46 Adjusted GF Appropriations Base		7,087.8	7,519.5	7,970.9	8,449.1	8,956.1
47 Over/(Under) 6.0 Percent Limit		0.0	(0.0)	0.0	0.0	0.0
48						
49 Year-End GF Reserve Percentage	7.7%	5.0%	4.8%	4.6%	4.4%	4.6%
50						
51 Amount to Highway Users Tax Fund						
52 SB 97-1 Diversions	228.8	243.3	253.3	265.3	279.2	292.9
53 Funds in Prior Year Excess Reserve to HUTF	291.2	166.0	49.1	38.8	32.8	22.7
54 Total to Highway Users Tax Fund	520.0	409.3	302.4	304.1	312.0	315.6
55 Cumulative Total to Highway Users Tax Fund	520.0	929.3	1,231.7	1,535.8	1,847.9	2,163.5
56						
57 Rebates and Expenditures Include (from LCS Forecast)						
58 Cigarette Rebate	13.2	13.4	13.2	13.0	12.9	12.5
59 Old Age Pension	89.9	92.1	98.0	104.5	111.7	118.8
60 Aged Property Tax & Heating Credit	8.4	14.0	17.3	15.2	15.8	16.4
61 FPPA	38.8	38.8	29.3	29.3	29.3	37.6
62 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	10.6	11.6	13.8	14.4	14.4	14.4
63 Total Rebates and Expenditures	160.9	169.9	171.6	176.4	184.1	199.7

Table 2
Summary of FY 2006-07 and FY 2007-08 General Fund Appropriations and FY 2008-09 JBC Actions Prior to Introduction of Long Bill

Departments	FY 2006-07 Current Appropriation Adjusted for JBC Changes	FY 2007-08 Current Appropriation Adjusted for JBC Supplemental Changes	FY 2007-08 Add-on Changes in the FY 2008-09 Long Bill	FY 2007-08 Appropriation Adjusted for Add-ons	FY 2007-08 Separate Bills	FY 2007-08 Final Appropriation Adjusted for Add-ons and Separate Bills	Revised Feb 20 OSPB and Elected Official FY 2008-09 Requests	FY 2008-09 Operating Base In Long Bill Based on JBC Actions	FY 2008-09 Separate Bills and Statutory Appropriations	FY 2008-09 Operating Base Total Appropriation Based on JBC Actions	FY 2008-09 Operating Base as Approved by JBC Compared to FY 2007-08 Final Revised Appropriation	Percent
1 Agriculture	5,221,517	7,325,509	0	7,325,509	0	7,325,509	7,631,404	7,695,912	0	7,695,912	370,403	5.06%
2 Corrections	580,713,432	624,903,634	(297,463)	624,606,171	0	624,606,171	675,903,487	675,007,403	1,554,754	676,562,157	51,955,986	8.32%
3 Education	2,883,126,616	3,059,237,325	(32,931,779)	3,026,305,546	0	3,026,305,546	3,174,966,010	3,184,316,836	0	3,184,316,836	158,011,290	5.22%
4 Governor	12,115,742	11,794,433	0	11,794,433	5,500,000	17,294,433	14,915,700	14,852,340	0	14,852,340	(2,442,093)	-14.12%
5 Health Care Policy	1,368,903,065	1,434,816,294	19,663,881	1,454,480,175	(1,183,658)	1,453,296,517	1,545,409,334	1,558,706,531	2,861,405	1,561,567,936	108,271,419	7.45%
6 Higher Education	694,142,988	746,385,104	1,332,196	747,717,300	0	747,717,300	810,972,816	812,337,483	0	812,337,483	64,620,183	8.64%
7 Human Services	618,350,638	649,969,728	3,795,899	653,765,627	0	653,765,627	688,981,537	685,028,055	8,001,927	693,029,982	39,264,355	6.01%
8 Judicial	264,610,489	297,981,586	0	297,981,586	0	297,981,586	329,526,861	328,898,463	0	328,898,463	30,916,877	10.38%
9 Labor	140,666	0	0	0	0	0	0	0	0	0	0	n/a
10 Law	9,080,436	8,675,523	0	8,675,523	0	8,675,523	9,649,713	9,563,837	0	9,563,837	888,314	10.24%
11 Legislature	30,931,554	32,638,000	0	32,638,000	102,151	32,740,151	34,859,338	2,661,757	32,211,928	34,873,685	2,133,534	6.52%
12 Local Affairs	6,196,415	6,877,233	0	6,877,233	0	6,877,233	8,940,167	8,484,536	0	8,484,536	1,607,303	23.37%
13 Military Affairs	5,215,526	5,530,793	0	5,530,793	0	5,530,793	5,936,941	5,854,264	0	5,854,264	323,471	5.85%
14 Natural Resources	28,427,902	30,258,368	0	30,258,368	0	30,258,368	32,327,837	32,000,488	0	32,000,488	1,742,120	5.76%
15 Personnel	9,466,191	11,439,122	0	11,439,122	0	11,439,122	8,463,195	7,653,861	0	7,653,861	(3,785,261)	-33.09%
16 Public Health	22,303,026	23,419,469	0	23,419,469	0	23,419,469	25,831,885	26,308,828	0	26,308,828	2,889,359	12.34%
17 Public Safety	68,158,776	73,271,297	40,000	73,311,297	0	73,311,297	81,333,496	81,912,282	0	81,912,282	8,600,985	11.73%
18 Regulatory Agencies	1,297,219	1,414,178	0	1,414,178	0	1,414,178	1,430,122	1,542,726	0	1,542,726	128,548	9.09%
19 Revenue	66,311,579	67,791,960	0	67,791,960	0	67,791,960	71,090,580	70,882,374	0	70,882,374	3,090,414	4.56%
20 State	0	0	0	0	0	0	6,794,741	0	3,500,000	3,500,000	3,500,000	n/a
21 Transportation	0	0	0	0	0	0	0	0	0	0	0	n/a
22 Treasury	813,108	776,288	0	776,288	0	776,288	1,020,726	1,031,672	0	1,031,672	255,384	32.90%
23 Capital Construction Fund	0	0	0	0	0	0	0	0	0	0	0	n/a
24 Controlled Maintenance	0	162,328	0	162,328	0	162,328	4,415,677	0	2,915,677	2,915,677	2,753,349	n/a
26 Total	6,675,526,885	7,094,668,172	(8,397,266)	7,086,270,906	4,418,493	7,090,689,399	7,540,401,567	7,514,739,648	51,045,691	7,565,785,339	472,342,591	6.66%
27 Amounts Exempt from 6.0 Percent Limit:	7,477,959					6,138,710				241,158		
28 Medicaid Overexpenditures	3,616,986											
29						FY 2006-07 Base	6,686,621,830			FY 2007-08 Base	7,093,957,850	
30						Calc FY 07-08 Base	7,087,819,140			Calc FY 08-09 Base	7,519,595,321	
31						FY 07-08 JBC amt	7,090,689,399			FY 08-09 JBC amt	7,565,785,339	
32						(Over)/under limit	(2,870,259)			(Over)/under limit	(46,190,018)	
33												
34												
35												

Table 3
Bills that Potentially Impact JBC Budget Balancing for FY 2007-08 and FY 2008-09

	Bill No.	Department	FY 2007-08 Impact					FY 2008-09 Impact					
			GF	CF	CFE	FF	Total	GF	CF	RF	FF	Total	
1													
2													
3	Title:												
4	<i>Approved as Part of JBC Package:</i>												
5	Legislative Expenditures (Increases appropriation for legislative aides)	HB 08-1037	Legislative	102,151	0	0	0	102,151	0	0	0	0	0
6	FY 2008-09 Legislative Appropriation Bill	HB 08-1361	Legislative	0	0	0	0	0	32,211,928	177,030	800,000	0	33,188,958
7	County Match Special Legislation (JBC Bill)	????	Hum Serv	0	0	0	0	0	8,001,927	0	0	0	8,001,927
8	CHP to 225 Percent (Building Blocks)	????	HCPF	49,267	0	350	141,567	191,184	2,002,444	2,094,148	0	3,729,474	7,826,066
9	CHP to 225 Percent (Building Blocks)	????	HS	2,826	1,445	6,248	7,481	18,000	0	0	0	0	0
10	Expansion of CHP+ Mental Health Benefits (Building Blocks)	????	HCPF	0	0	0	0	0	1,136,224	2,038,085	0	3,785,014	6,959,323
11	Breast and Cervical Cancer Treatment Fund Adjustments (JBC Bill)	????	HCPF	(1,232,925)	0	1,232,925	0	0	(1,734,272)	0	1,734,272	0	0
12	Disease Management (JBC Bill)	SB 08-118	HCPF	0	0	0	0	0	0	0	2,000,000	2,000,000	4,000,000
13	PACE	????	HCPF	0	0	0	0	0	1,457,009	0	0	1,457,009	2,914,018
14													
15													
16	<i>Subtotal Approved as Part of JBC Package</i>			(1,078,681)	1,445	1,239,523	149,048	311,335	43,075,260	4,309,263	4,534,272	10,971,497	62,890,292
17													
18	<i>Not Yet Approved as Part of JBC Package:</i>												
19	Bioscience Research Grant Program	HB 08-1001	Governor	5,500,000	0	0	0	5,500,000	0	0	0	0	0
20	Paper Ballots in 2008 Election	SB 08-189	State	0	0	0	0	0	3,500,000	0	0	0	3,500,000
21													0
22	<i>Subtotal Not Yet Approved as Part of JBC Package</i>			5,500,000	0	0	0	5,500,000	3,500,000	0	0	0	3,500,000
23													
24	Total			4,421,319	1,445	1,239,523	149,048	5,811,335	46,575,260	4,309,263	4,534,272	10,971,497	66,390,292
25													
26	Figure Setting Set Asides (Appropriation to CMTF):												
27	Legislative Set Aside for Legislation	N/A	CMTF	0	0	0	0	0	2,000,000	0	0	0	2,000,000
28	Executive Set Aside for Legislation	N/A	CMTF	0	0	0	0	0	915,677	0	0	0	915,677
29													
30	Total Figure Setting Set Asides (Appropriation to CMTF)			0	0	0	0	0	2,915,677	0	0	0	2,915,677
31													
32	Five Year Statutory Appropriations for the Department of Corrections	N/A	Corrections	0	0	0	0	0	1,554,754	0	0	0	1,554,754
33													
34	Bills that Used Set Aside from CMTF:												
35													
36	Legislative Set Aside for Legislation:												0
37	None Specified as Yet												0
38													
39	Subtotal Legislative Set Aside For Legislation			0	0	0	0	0	0	0	0	0	0
40													
41	Executive Set Aside for Legislation (As identified by OSPB on March 14, 2008)												
42	Parole Revocation Placement	HB 08-1352	Corrections	0	0	0	0	0	217,566	0	0	0	217,566
43	National Guard College Opportunity Fund	SB 08-166	Mil Affairs	0	0	0	0	0	30,789	0	0	0	30,789
44	School Safety Resource Center	SB 08-001	Pub Safety	0	0	0	0	0	466,336	0	0	0	466,336
45													
46	Subtotal Executive Set Aside for Legislation			0	0	0	0	0	714,691	0	0	0	714,691
47													

Table 4
List of Amounts that are not Subject to the Arveschoug/Bird Limit

	FY 2007-08	FY 2008-09
FY 2007-08:		
Amounts Deemed Exempt by General Assembly:		
SB 07-239 - Education, Giardino Lawsuit, Court Order	5,000,000	
SB 07-239 - Judicial, Public Defender's Office Caseload, Court Order	936,317	
HB 07-1349 - Human Services, Child Support Obligations, Federal Law	88,388	
SB 07-239 - HCPF, Payment Error Rate Project, Federal Law	73,565	
SB 07-226 - Human Services, Comply with Fed Law for Placement of Children, Federal Law	<u>40,440</u>	
Subtotal Amounts Deemed Exempt by General Assembly	6,138,710	
Amounts Not Subject to the Limit due to Constitutional or Statutory Provisions:		
SB 07-239, Treasury, Senior Citizen Property Tax Exemption	78,600,000	
SB 07-239, Treasury, Fire and Police Pension Association	34,777,172	
SB 07-239, Revenue, Old Age Heat and Fuel	15,000,000	
SB 07-239, Revenue, Cigarette Tax	12,500,000	
SB 07-239, Local Affairs, Fire and Police Pension Association	4,112,138	
SB 07-239, HCPF, Amendment 35 Tobacco Tax	499,200	
SB 07-239, Public Health, Amendment 35 Tobacco Tax	<u>513,000</u>	
Subtotal Amounts Not Subject to the Limit:	146,001,510	
Totals	152,140,220	
FY 2008-09:		
Amounts Deemed Exempt by General Assembly:		
SB 07-226, Judicial, Office of Child's Representatives, Federal Mandates		<u>241,158</u>
Subtotal Amounts Deemed Exempt by General Assembly		241,158
Amounts Not Subject to the Limit due to Constitutional or Statutory Provisions:		
HB 08-1078 Transfer to the Veteran's Trust Fund		2,917,300
HB 08-????, Treasury, Senior Citizen Property Tax Exemption		86,200,000
HB 08-????, Treasury, Fire and Police Pension Association		34,777,172
HB 08-????, Revenue, Old Age Heat and Fuel		17,300,000
HB 08-????, Revenue, Cigarette Tax		13,200,000
HB 08-????, Local Affairs, Fire and Police Pension Association		4,193,651
HB 08-????, HCPF, Amendment 35 Tobacco Tax		495,000
HB 08-????, Public Health, Amendment 35 Tobacco Tax		<u>495,000</u>
Subtotal Amounts Not Subject to the Limit:		159,578,123
Totals		159,819,281