

MEMORANDUM

TO: JBC Members

FROM: John Ziegler

SUBJECT: Comparison of December 2007 General Fund Revenue Forecasts

DATE: December 20, 2007

Attached are four tables that provide a summary of the General Fund overviews based on the Legislative Council Staff (LCS) and Office of State Planning and Budgeting (OSPB) December 2007 Revenue forecasts. The tables are:

- **Table 1:** Provides the General Fund Overview based on the LCS forecast with the budget requests for operating and capital as submitted on November 1, 2007.
- **Table 2:** Provides the General Fund Overview based on the OSPB forecast with the budget requests for operating and capital as submitted on November 1, 2007.
- **Table 3:** Provides a comparison of both General Fund Overviews for selected line items.
- **Table 4:** Provides a comparison of the December LCS General Fund overview to previous General Fund Overviews for FY 2007-08.

Table 1
General Fund Overview Based On Legislative Council December 2007 Revenue Estimate

	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	445.6	401.8	377.5	381.9
2 GF Nonexempt Revenues	6,228.2	6,607.5	6,880.5	7,261.3	7,891.7	8,479.5
3 GF Exempt Revenues	1,311.6	1,267.5	1,288.7	1,363.1	1,221.9	1,186.2
4 Requested Transfer to the Veteran's Trust Fund to Restore Funds Transferred in S.B. 03-190	0.0	0.0	(2.3)	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	8,141.9	8,353.4	8,755.1	9,206.1	9,748.9
9						
10 GF Obligations:						
11 GF Appropriations	6,675.5	7,084.0	7,539.5	7,970.7	8,448.9	8,955.8
12 Special Bills	0.0	0.0	0.0	0.0	0.0	0.0
13 Supplementals Approved by JBC	0.0	0.6	0.0	0.0	0.0	0.0
14 Budget Amendments	0.0	0.0	0.0	0.0	0.0	0.0
15 Supplemental Requests from OSPB Not Yet Approved by JBC	0.0	0.0	0.0	0.0	0.0	0.0
16 ADDITIONAL INCREASES/(REDUCTIONS)	0.0	3.2	(20.0)	0.0	0.0	0.0
17 Adjusted GF Appropriations Base	6,675.5	7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
18 Amounts Deemed Exempt from 6.0 Percent Limit	7.5	6.1	0.0	0.0	0.0	0.0
19 Medicaid Overexpenditures	3.6	0.0	0.0	0.0	0.0	0.0
20 Rebates and Expenditures - Based on Statutory Minimums	160.9	169.9	171.6	176.4	184.1	199.7
21 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
22 Homestead Exemption	74.2	81.0	86.2	90.0	92.6	96.0
23 Funds in Prior Year Excess Reserve to HUTF	291.2	166.0	108.1	67.4	39.1	29.3
24 Funds in Prior Year Excess Reserve to Capital Construction	145.6	83.0	54.0	33.7	19.6	14.7
25 Capital Construction Transfer (Based on Current Law and OSPB Request for FY 2007-08)	145.9	<u>102.5</u>	<u>2.4</u>	29.7	30.1	28.3
26 Controlled Maintenance Trust Fund Transfer	0.0	0.0	0.0	0.0	0.0	0.0
27 Accounting Adjustments	(24.7)	0.0	0.0	0.0	0.0	0.0
28 TOTAL GF OBLIGATIONS	7,479.7	7,696.3	7,951.6	8,377.6	8,824.2	9,323.8
29						
30 YEAR END GF RESERVE	516.0	445.6	401.8	377.5	381.9	425.1
31 STATUTORY RESERVE	267.0	283.5	300.8	318.8	338.0	358.2
32 MONEYS IN EXCESS OF STATUTORY GF RESERVE	249.0	162.1	101.0	58.7	44.0	66.9

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	7,875.0	8,169.2	8,624.4	9,113.6	9,665.7
35 Percent Gross General Fund Revenue Growth		4.4%	3.7%	5.6%	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	7,519.5	7,970.7	8,448.9	8,955.8
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	425.6	451.2	478.2	506.9
44						
45 Calculated 6.0 Percent Limit		7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
46 Adjusted GF Appropriations Base		7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
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%	6.3%	5.3%	4.7%	4.5%	4.7%
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	108.1	67.4	39.1	29.3
54 Total to Highway Users Tax Fund	520.0	409.3	361.4	332.7	318.3	322.2
55 Cumulative Total to Highway Users Tax Fund	520.0	929.3	1,290.7	1,623.3	1,941.6	2,263.8
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
General Fund Overview Based On Office of State Planning and Budgeting December 2007 Revenue Estimate

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1 Beginning GF Reserve	688.5	516.1	429.8	383.9	318.8	338.0
2 GF Nonexempt Revenues	6,228.1	6,615.5	6,826.1	7,331.8	7,888.0	8,316.5
3 GF Exempt Revenues	1,311.6	1,237.8	1,316.8	1,226.1	1,135.0	1,214.4
4 Requested Transfer to the Veteran's Trust Fund to Restore Funds Transferred in S.B. 03-190	0.0	0.0	0.0	0.0	0.0	0.0
5 Transfer to Older Americans Act (OSPB Includes in Rebates and Expenditures Amount Below)	0.0	0.0	0.0	0.0	0.0	0.0
6 TABOR Surplus Liability	0.0	0.0	0.0	0.0	0.0	0.0
7 S.B.. 97-1 Diversion	(228.6)	(242.9)	(254.0)	(262.8)	(240.8)	(266.0)
8 TOTAL GF AVAILABLE	7,999.6	8,126.5	8,318.7	8,679.0	9,101.0	9,602.9
9						
10 GF Obligations:						
11 GF Appropriations	6,675.5	7,084.0	7,539.5	7,970.7	8,448.9	8,955.8
12 Special Bills	0.0	0.0	0.0	0.0	0.0	0.0
13 Supplementals Approved by JBC	0.0	0.6	0.0	0.0	0.0	0.0
14 Budget Amendments	0.0	0.0	0.0	0.0	0.0	0.0
15 Supplemental Add-ons to Long Bill	0.0	0.0	0.0	0.0	0.0	0.0
16 ADDITIONAL INCREASES/(REDUCTIONS)	0.0	3.2	(20.0)	0.0	0.0	0.0
17 Adjusted GF Appropriations Base	6,675.5	7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
18 Amounts Deemed Exempt from Six Percent Limit	7.5	6.1	0.0	0.0	0.0	0.0
19 Medicaid Overexpenditures	3.6	0.0	0.0	0.0	0.0	0.0
20 Rebates and Expenditures	164.7	170.2	180.4	186.7	181.6	164.5
21 Rebates and Expenditures - Additional based on JBC 2007 Session Plan to Fund FPPA	0.0	0.0	0.0	0.0	9.8	0.0
22 Homestead Exemption	74.2	81.0	86.2	90.0	92.6	96.0
23 Funds in Prior Year Excess Reserve to HUTF	291.2	166.1	97.5	55.4	0.0	0.0
24 Funds in Prior Year Excess Reserve to Capital Construction	145.6	83.0	48.8	27.7	0.0	0.0
25 Capital Construction Transfer (Based on Current Law and OSPB Request for FY 2007-08)	145.9	102.5	2.4	29.7	30.1	28.3
26 Controlled Maintenance Trust Fund Transfer	0.0	0.0	0.0	0.0	0.0	0.0
27 Accounting Adjustments	(24.7)	0.0	0.0	0.0	0.0	0.0
28 TOTAL GF OBLIGATIONS	7,483.5	7,696.7	7,934.8	8,360.2	8,763.0	9,244.7
29						
30 YEAR END GF RESERVE	516.1	429.8	383.9	318.8	338.0	358.2
31 STATUTORY RESERVE	267.0	283.5	300.8	318.8	338.0	358.2
32 MONEYS IN EXCESS OF STATUTORY GF RESERVE	249.1	146.3	83.1	(0.0)	0.0	(0.0)

Table 2 - Continued

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
33 Total Gross General Fund Revenues	7,539.7	7,853.3	8,142.9	8,557.9	9,023.0	9,530.9
34 Percent Gross General Fund Revenue Growth		4.2%	3.7%	5.1%	5.4%	5.6%
35 Transfer to the State Education Fund	395.1	413.0	427.8	451.7	480.2	508.2
36 Maximum Diversion to HUTF - (Sales + Use) * 10.355%	228.8	242.9	254.0	265.6	278.7	292.8
37						
38 Required TABOR Reserve	289.4	301.1	316.4	327.3	339.4	357.3
39						
40 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	6,686.6	7,093.9	7,519.5	7,970.7	8,448.9	8,955.8
41 Percent Growth (Including exemptions)		6.1%	6.0%	6.0%	6.0%	6.0%
42 GF Appropriations Base Available Growth		407.3	425.6	451.2	478.2	506.9
43						
44 Calculated 6.0 Percent Limit		7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
45 Adjusted GF Appropriations Base		7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
46 Over/(Under) 6.0 Percent Limit		0.0	(0.0)	0.0	0.0	0.0
47						
48 Year-End GF Reserve Percentage		6.1%	5.1%	4.0%	4.0%	4.0%
49						
50 Amount to Highway Users Tax Fund						
51 SB 97-1 Diversions	228.6	242.9	254.0	262.8	240.8	266.0
52 Funds in Prior Year Excess Reserve to HUTF	291.2	166.1	97.5	55.4	0.0	0.0
53 Total to Highway Users Tax Fund	519.8	409.0	351.5	318.2	240.8	266.0
54 Cumulative Total to Highway Users Tax Fund	519.8	928.8	1,280.3	1,598.5	1,839.3	2,105.3
55						
67 Rebates and Expenditures Include (from OSPB Forecast)						
68 Cigarette Rebate	13.2	11.7	11.4	11.1	10.9	10.9
69 Old Age Pension	93.7	100.4	105.7	111.0	117.7	124.1
70 Aged Property Tax & Heating Credit	8.4	7.7	12.7	14.0	13.6	13.6
71 FPPA	38.8	38.8	38.8	38.8	27.5	4.0
72 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	10.6	11.6	11.8	11.8	11.9	11.9
73 Total Rebates and Expenditures	164.7	170.2	180.4	186.7	181.6	164.5

Table 3
Comparison of LCS Forecast and OSPB Forecast

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1 GF Non Exempt Revenues:						
2 LCS	6,228.2	6,607.5	6,880.5	7,261.3	7,891.7	8,479.5
3 OSPB	6,228.1	6,615.5	6,826.1	7,331.8	7,888.0	8,316.5
4 Difference (positive number indicates LCS higher than OSPB)	0.1	(8.0)	54.4	(70.5)	3.7	163.0
5						
6 GF Exempt Revenues:						
7 LCS	1,311.6	1,267.5	1,288.7	1,363.1	1,221.9	1,186.2
8 OSPB	1,311.6	1,237.8	1,316.8	1,226.1	1,135.0	1,214.4
9 Difference (positive number indicates LCS higher than OSPB)	0.0	29.7	(28.1)	137.0	86.9	(28.2)
10						
11 Total Gross GF Revenues:						
12 LCS	7,539.8	7,875.0	8,169.2	8,624.4	9,113.6	9,665.7
13 OSPB	7,539.7	7,853.3	8,142.9	8,557.9	9,023.0	9,530.9
14 Difference (positive number indicates LCS higher than OSPB)	0.1	21.7	26.3	66.5	90.6	134.8
15						
16 Percent Gross General Fund Revenue Growth:						
17 LCS	0.0%	4.4%	3.7%	5.6%	5.7%	6.1%
18 OSPB	0.0%	4.2%	3.7%	5.1%	5.4%	5.6%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	0.3%	0.0%	0.5%	0.2%	0.4%
20						
21 TABOR Surplus Liability:						
22 LCS	0.0	0.0	0.0	0.0	0.0	0.0
23 OSPB	0.0	0.0	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	0.0	0.0
25						
26 Adjusted GF Appropriations Base:						
27 LCS	6,675.5	7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
28 OSPB	6,675.5	7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
29 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0	0.0	0.0
30						
31 SB 97-1 Diversion to HUTF:						
32 LCS	228.8	243.3	253.3	265.3	279.2	292.9
33 OSPB	228.6	242.9	254.0	262.8	240.8	266.0
34 Difference (positive number indicates LCS higher than OSPB)	0.2	0.4	(0.7)	2.5	38.4	26.9
35						
36 Funds in Prior Year Excess Reserve to HUTF:						
37 LCS	291.2	166.0	108.1	67.4	39.1	29.3
38 OSPB	291.2	166.1	97.5	55.4	0.0	0.0
39 Difference (positive number indicates LCS higher than OSPB)	0.0	(0.1)	10.5	11.9	39.1	29.3
40						
41 Total Funds to HUTF:						
42 LCS	520.0	409.3	361.4	332.7	318.3	322.2
43 OSPB	519.8	409.0	351.5	318.2	240.8	266.0
44 Difference (positive number indicates LCS higher than OSPB)	0.2	0.3	9.8	14.4	77.5	56.2
45						
46 Funds in Prior Year Excess Reserve to Capital Construction Fund:						
47 LCS	145.6	83.0	54.0	33.7	19.6	14.7
48 OSPB	145.6	83.0	48.8	27.7	0.0	0.0
49 Difference (positive number indicates LCS higher than OSPB)	0.0	(0.0)	5.3	6.0	19.6	14.6
50						
51 Capital Construction Transfer (FY 2007-08 based on OSPB November 2007 Request, Remaining Years based on Current Law):						
52 LCS	145.9	102.5	2.4	29.7	30.1	28.3
53 OSPB	145.9	102.5	2.4	29.7	30.1	28.3
54 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0	0.0	0.0

Table 4 - Differences between LCS March Forecast Used to Set the FY 2007-08 Budget and Most Recent LCS Forecasts for FY 2007-08

	GF Overview from Approp Report (Mar 2007 Fcst)	GF Overview from Jun 2007 Fcst	Difference from Original Mar Fcst	GF Overview from Sep 2007 Fcst	Difference from Original Mar Fcst	Difference from Jun Fcst	GF Overview from Dec 2007 Fcst	Difference from Original Mar Fcst	Difference from Jun Fcst	Difference from Sep Fcst
General Fund Available										
Beginning GF Overview	318.2	455.6	137.4	536.6	218.4	81.0	516.0	197.8	60.4	(20.6)
GF Nonexempt Revenues	6,636.3	6,601.3	(35.0)	6,605.3	(31.0)	4.0	6,607.5	(28.8)	6.2	2.2
GF Exempt Revenues	1,057.2	1,099.5	42.3	1,107.0	49.8	7.5	1,267.5	210.3	168.0	160.5
Transfer to Older Coloradans Fund	(3.8)	(5.8)	(2.0)	(5.8)	(2.0)	0.0	(5.8)	(2.0)	0.0	0.0
Transfer from/(to) Other Funds	(14.3)	0.1	14.4	0.0	14.3	(0.1)	0.0	14.3	(0.1)	0.0
Excess Article X, Section 20 Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SB 97-1 Diversions	(237.9)	(239.7)	(1.8)	(240.8)	(2.9)	(1.1)	(243.3)	(5.4)	(3.6)	(2.5)
Total GF Available	7,755.7	7,911.0	155.3	8,002.3	246.6	91.3	8,141.9	386.2	230.9	139.6
General Fund Obligations										
Capital Construction Transfer	75.9	47.0	(28.9)	47.0	(28.9)	0.0	102.5	26.6	55.5	55.5
Rebates and Expenditures	175.2	173.6	(1.6)	169.2	(6.0)	(4.4)	169.9	(5.3)	(3.7)	0.7
Excess Reserve to HUTF	34.1	125.7	91.6	179.7	145.6	54.0	166.0	131.9	40.3	(13.7)
Excess Reserve to Capital Construction	17.1	62.9	45.8	89.9	72.8	27.0	83.0	65.9	20.1	(6.9)
Reimbursement for Senior Property Tax Cut	78.6	76.2	(2.4)	76.2	(2.4)	0.0	81.0	2.4	4.8	4.8
Amounts Deemed Exempt from 6.0 Percent Limit	6.1	6.1	0.0	6.1	0.0	0.0	6.1	0.0	0.0	0.0
General Fund Appropriations	7,084.0	7,084.0	0.0	7,084.0	0.0	0.0	7,087.8	3.8	3.8	3.8
Total GF Obligations	7,471.0	7,575.5	104.5	7,652.1	181.1	76.6	7,696.3	225.3	120.8	44.2
Ending General Fund Reserve	284.7	335.5	50.8	350.2	65.5	14.7	445.6	160.9	110.1	95.4
General Fund Reserve Information										
Statutorily Required General Fund Reserve	283.4	283.4	0.0	283.4	0.0	0.0	283.5	0.2	0.2	0.2
General Fund in Excess of Statutory Requirement	1.3	52.1	50.8	66.8	65.5	14.7	162.1	160.7	109.9	95.2