

MEMORANDUM

TO: JBC Members

FROM: John Ziegler

SUBJECT: June Revenue Forecast – Updated for End of 2018 Session

DATE: August 6, 2018

Legislative Council Staff (LCS) and the Office of State Planning and Budgeting (OSPB) released their June revenue forecasts on June 20, 2018. The General Fund Overview has been updated for the end of the 2018 Session and Committee decisions made through the JBC June 2018 business meeting. Attached are several tables that provide a comparison of the information as it pertains to 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 JBC actions on the June 2018 Interim 1331 Supplemental Requests.

Table 5: Provides a comparison of various line items from General Fund overviews based on the LCS and the OSPB June revenue forecasts.

Please note that both LCS and OSPB reflect:

1. A surplus in FY 2017-18 as compared to the required statutory reserve (OSPB = \$536.1 million and LCS = \$543.7 million).
2. A surplus in FY 2018-19 as compared to the required statutory reserve (OSPB = \$128.7 million and LCS = \$91.1 million).

Table 1
General Fund Overview Based On OSPB June 2018 Revenue Estimate
Updated for June 2018 Revenue Forecast, 2018 Session Actions, and JBC Actions on June 1331 Requests
(millions of dollars)

	FY 16-17	FY 17-18	FY 18-19	FY 19-20
1 Beginning GF Reserve	\$512.7	\$614.5	\$1,211.0	\$942.0
2 GF Nonexempt Revenues	8,145.8	9,209.0	9,526.3	10,031.1
3 GF Exempt Revenues	2,130.0	2,416.0	2,570.3	2,712.4
4 Transfers in from Other Funds (prior Sessions)	44.8	111.7	35.2	36.8
5 TOTAL GF AVAILABLE	<u>\$10,833.3</u>	<u>\$12,351.2</u>	<u>\$13,342.8</u>	<u>\$13,722.3</u>
6				
7 GF Obligations:				
8 <i>GF Appropriations</i>	\$9,786.0	\$10,430.9	\$11,217.7	\$11,217.7
9 1331 Supplemental Requests Approved by JBC	0.0	0.6	0.0	0.0
10 Adjusted GF Appropriations Base	<u>9,786.0</u>	<u>10,431.5</u>	<u>11,217.7</u>	<u>11,217.7</u>
11 TABOR Refund Pursuant to Section 20 (7) (d) of Article X of the Colorado Constitution	0.0	0.0	0.0	32.2
12 Rebates and Expenditures - Based on Statutory Minimums	148.7	146.5	145.3	153.8
13 Reimbursement for Senior and Veterans Property Tax Exemption	136.4	132.3	147.4	157.1
14 Reimbursement for Senior and Veterans Property Tax Exemption - TABOR Refund Mechanism	0.0	0.0	0.0	(10.9)
15 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	79.0	79.0	495.0	150.0
16 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	52.7	0.0	0.0	0.0
17 <i>Transfer to the Capital Construction Fund Other than those Required Under Sec. 24-75-219, C.R.S.</i>	31.8	112.1	180.4	60.0
18 Transfer to FPPA and SEF - SB 13-234	25.3	25.3	25.0	0.0
19 Transfers to Other Funds	164.8	213.5	190.0	183.4
20 Accounting Adjustments	(205.9)	0.0	0.0	(21.3)
21 TOTAL GF OBLIGATIONS	<u>\$10,218.8</u>	<u>\$11,140.2</u>	<u>\$12,400.8</u>	<u>\$11,922.0</u>
22				
23 YEAR END GF RESERVE	\$614.5	\$1,211.0	\$942.0	\$1,800.3
24 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	584.4	674.9	813.3	813.3
25 MONEYS IN (DEFICIT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$30.1</u>	<u>\$536.1</u>	<u>\$128.7</u>	<u>\$987.0</u>

Table 1 - Continued

	FY 16-17	FY 17-18	FY 18-19	FY 19-20
26 Total Gross General Fund Revenues	\$10,275.8	\$11,625.0	\$12,096.6	\$12,743.5
27 Percent Gross General Fund Revenue Growth	3.1%	13.1%	4.1%	5.3%
28				
29 Transfer to the State Education Fund	\$540.0	\$612.6	\$644.2	\$680.9
30 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13.260	25.3	25.3	25.0	0.0
31 Total Transfers to the State Education Fund	\$565.3	\$637.9	\$669.2	\$680.9
32				
33 Required TABOR Reserve	\$386.7	\$408.8	\$429.5	\$449.3
34				
35 GF Appropriation Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$9,786.0	\$10,431.5	\$11,217.7	\$11,217.7
36 Total Percent Growth (Including both items within restriction and exemptions)	4.8%	6.6%	7.5%	0.0%
37 GF Appropriations Base Available Growth	\$450.0	\$645.5	\$786.2	\$0.0
38				
39 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$267,200.0	\$282,700.0	\$288,100.0	\$303,700.0
40 Percent Increase/(Decrease) Over Previous Year	8.4%	5.8%	1.9%	5.4%
41				
42 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	13,360.0	14,135.0	14,405.0	15,185.0
43 Adjusted GF Appropriations Base	9,786.0	10,431.5	11,217.7	11,217.7
44 Over/(Under) Calculated Appropriations Restriction	(\$3,574.0)	(\$3,703.5)	(\$3,187.3)	(\$3,967.3)
45				
46 Additional Percentage Required to Decrease Statutory Reserve as Requested by Governor on January 15, 2016	0.0%	0.0%	0.0%	0.0%
47 Year-End GF Statutory Reserve Percentage	6.0%	6.5%	7.3%	7.3%
48 Adjusted Year-End Statutory Reserve Percentage	6.0%	6.5%	7.3%	7.3%
49 Year-End GF Excess of Statutory Reserve Percentage	0.3%	5.1%	1.1%	8.8%
50				
51 Rebates and Expenditures Include (from OSPB Forecast)				
52 Cigarette Rebate	\$10.3	\$8.0	\$7.6	\$7.3
53 Marijuana Tax	\$14.7	\$17.2	\$20.0	\$21.0
54 Old Age Pension	106.5	106.6	102.6	110.1
55 Aged Property Tax & Heating Credit	8.7	5.7	5.6	5.5
56 FPPA	4.2	4.3	4.3	4.3
57 Amendment 35 GFE Expenditures	0.9	0.8	0.8	0.8
58 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	3.4	3.9	4.4	4.8
59 Total Rebates and Expenditures	\$148.7	\$146.5	\$145.3	\$153.8

Table 1 - Continued

	FY 16-17	FY 17-18	FY 18-19	FY 19-20
60 Calculation of Statutory Reserve (Includes Passage of JBC Bill SB 18-276)				
61 Adjusted GF Appropriations Base	\$9,786.0	\$10,431.5	\$11,217.7	\$11,217.7
62 Amounts Exempt from Statutory Reserve:				
63 Anschutz Medical Campus COP (HED)	7.2	5.5	N/A	N/A
64 Federal Mineral Lease COP (HED)	12.1	16.1	N/A	N/A
65 Federal Mineral Lease COP (TRE)	0.0	0.0	N/A	N/A
66 CSU COP (Authorized by HB15-1344)	0.0	0.0	N/A	N/A
67 CSP II COP (COR)	20.3	20.3	N/A	N/A
68 Lease Purchase of Ralph L. Carr Judicial Center (JUD)	4.8	4.7	N/A	N/A
69 Public Safety COPs For Pueblo and Grand Junction Labs (PUBSAF)	1.6	1.5	N/A	N/A
70 <i>Treasury Transportation Bonding</i>	0.0	0.0	N/A	N/A
71 Adjusted GF Base For Calculation of Statutory Reserve	9,740.0	10,383.4	11,217.7	11,217.7
72 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	\$584.4	\$674.9	\$813.3	\$813.3

Table 2
General Fund Overview Based On Legislative Council June 2018 Revenue Estimate
Updated for June 2018 Revenue Forecast, 2018 Session Actions, and JBC Actions on June 1331 Requests
(millions of dollars)

	FY 16-17	FY 17-18	FY 18-19	FY 19-20
1 Beginning GF Reserve	\$512.7	\$614.5	\$1,218.6	\$904.4
2 GF Nonexempt Revenues	8,145.8	9,207.1	9,594.5	10,077.0
3 GF Exempt Revenues	2,130.0	2,386.0	2,598.0	2,712.4
5 Transfers in from Other Funds	44.8	107.7	41.9	18.5
6 TOTAL GF AVAILABLE	<u>\$10,833.3</u>	<u>\$12,315.3</u>	<u>\$13,453.0</u>	<u>\$13,712.3</u>
7				
8 GF Obligations:				
9 GF Appropriations	\$9,786.0	\$10,430.9	\$11,217.7	\$11,217.7
10 1331 Supplemental Requests Approved by JBC	0.0	0.6	0.0	0.0
11 Adjusted GF Appropriations Base	<u>9,786.0</u>	<u>10,431.5</u>	<u>11,217.7</u>	<u>11,217.7</u>
12 TABOR Refund Pursuant to Section 20 (7) (d) of Article X of the Colorado Constitution	0.0	0.0	147.5	104.1
13 Rebates and Expenditures - Based on Statutory Minimums	148.7	143.2	134.9	131.1
14 Reimbursement for Senior and Veterans Property Tax Exemption	136.4	132.3	139.5	147.0
15 Reimbursement for Senior and Veterans Property Tax Exemption - TABOR Refund Mechanism	0.0	0.0	0.0	(147.0)
16 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	79.0	79.0	495.0	200.0
17 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	52.7	0.0	0.0	0.0
18 <i>Transfer to the Capital Construction Fund Other than those Required Under Sec. 24-75-219, C.R.S.</i>	31.8	112.1	180.4	60.0
19 Transfer to FPPA and SEF - SB 13-234	25.3	25.3	25.0	0.0
20 Transfers to Other Funds	164.8	173.3	230.4	174.7
21 Accounting Adjustments	(205.9)	0.0	(21.8)	0.0
22 TOTAL GF OBLIGATIONS	<u>\$10,218.8</u>	<u>\$11,096.7</u>	<u>\$12,548.6</u>	<u>\$11,887.6</u>
23				
24 YEAR END GF RESERVE	\$614.5	\$1,218.6	\$904.4	\$1,824.7
25 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	584.4	674.9	813.3	813.3
26 MONEYS IN (DEFICIT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$30.1</u>	<u>\$543.7</u>	<u>\$91.1</u>	<u>\$1,011.4</u>

Table 2 - Continued

	FY 16-17	FY 17-18	FY 18-19	FY 19-20
27 Total Gross General Fund Revenues	\$10,275.8	\$11,593.1	\$12,192.5	\$12,789.4
28 Percent Gross General Fund Revenue Growth	3.1%	12.8%	5.2%	4.9%
29				
30 Transfer to the State Education Fund	\$540.0	\$617.0	\$655.3	\$686.3
31 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13-260	25.3	25.3	25.0	0.0
32 Total Transfers to the State Education Fund	\$565.3	\$642.3	\$680.3	\$686.3
33				
34 Required TABOR Reserve	\$386.8	\$407.9	\$430.4	\$449.3
35				
36 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$9,786.0	\$10,431.5	\$11,217.7	\$11,217.7
37 Total Percent Growth (Including both items within restriction and exemptions)	4.8%	6.6%	7.5%	0.0%
38 GF Appropriations Base Available Growth	\$450.0	\$645.5	\$786.2	\$0.0
39				
40 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$282,665.0	\$288,103.0	\$300,006.0	\$337,403.0
41 Percent Increase/(Decrease) Over Previous Year	5.8%	1.9%	4.1%	12.5%
42				
43 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(VII)(A), CRS)	\$13,361.3	\$14,133.3	\$14,405.2	\$15,000.3
44 Adjusted GF Appropriations Base	9,786.0	10,431.5	11,217.7	11,217.7
45 Over/(Under) Calculated Appropriations Restriction	(\$3,575.3)	(\$3,701.8)	(\$3,187.5)	(\$3,782.6)
46				
47 Additional Percentage Required to Decrease Statutory Reserve	0.0%	0.0%	0.0%	0.0%
48 Year-End GF Statutory Reserve Percentage	6.0%	6.5%	7.3%	7.3%
49 Adjusted Year-End Reserve	6.0%	6.5%	7.3%	7.3%
50 Year-End GF Excess of Statutory Reserve Percentage	0.3%	5.2%	0.8%	9.0%
51				
52 Rebates and Expenditures Include (from LCS Forecast)				
53 Cigarette Rebate	\$10.3	\$10.2	\$10.0	\$9.8
54 Marijuana Tax	14.7	15.9	18.2	19.8
55 Old Age Pension	96.5	85.5	80.3	75.0
56 Aged Property Tax & Heating Credit	8.7	4.9	5.6	5.4
57 Older Coloradans Fund (Off Budget - not in Long Bill)	10.0	16.5	10.0	10.0
58 FPPA	4.2	4.4	4.4	4.4
59 Amendment 35 GFE Expenditures	0.9	0.8	0.8	0.8
60 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	3.4	5.0	5.6	5.9
61 Total Rebates and Expenditures	\$148.7	\$143.2	\$134.9	\$131.1

Table 2 - Continued

	FY 16-17	FY 17-18	FY 18-19	FY 19-20
62 Calculation of Statutory Reserve (Includes Passage of JBC Bill SB 18-276)				
63 Adjusted GF Appropriations Base	\$9,786.0	\$10,431.5	\$11,217.7	\$11,217.7
64 Amounts Exempt from Statutory Reserve:				
65 Anschutz Medical Campus COP (HED)	7.2	5.5	N/A	N/A
66 Federal Mineral Lease COP (HED)	12.1	16.1	N/A	N/A
67 Federal Mineral Lease COP (TRE)	0.0	0.0	N/A	N/A
68 CSU COP (Authorized by HB15-1344)	0.0	0.0	N/A	N/A
69 CSP II COP (COR)	20.3	20.3	N/A	N/A
70 Lease Purchase of Ralph L. Carr Judicial Center (JUD)	4.8	4.7	N/A	N/A
71 Public Safety COPs for Pueblo and Grand Junction Labs (PUBSAF)	1.6	1.5	N/A	N/A
72 <i>Transportation Bonding</i>	0.0	0.0	<i>N/A</i>	<i>N/A</i>
73 Adjusted GF Base For Calculation of Statutory Reserve	9,740.0	10,383.4	11,217.7	11,217.7
74 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	\$584.4	\$674.9	\$813.3	\$729.2
Adjusted STATUTORY RESERVE	\$584.4			

Table 3
Summary of FY 2016-17, FY 2017-18 and FY 2018-19 General Fund Appropriations
Updated for March 2018 Revenue Forecast and JBC Actions through March 19

	Departments	FY 2016-17 Appropriation as of 2018 Session	FY 2017-18 Appropriation Adjusted for Add-ons and Separate Bills	FY 2018-19 Operating Base Total Appropriation
1	Agriculture	\$10,753,079	\$10,506,004	\$11,107,420
2	Corrections	751,095,253	777,720,189	810,881,347
3	Education	3,764,862,059	4,071,447,763	4,180,288,239
4	Governor	35,966,004	35,324,665	42,340,000
5	Health Care Policy and Finance	2,630,255,841	2,810,881,032	2,904,579,002
6	Higher Education	871,034,716	894,907,900	1,003,593,739
7	Human Services	831,980,417	888,859,937	982,587,627
8	Judicial	491,246,425	517,650,016	553,074,423
9	Labor	20,786,362	21,380,958	19,475,174
10	Law	15,190,519	16,214,183	16,611,039
11	Legislature	44,789,293	48,280,517	50,287,893
12	Local Affairs	25,487,580	30,324,944	37,086,367
13	Military Affairs	8,443,132	10,530,168	11,110,115
14	Natural Resources	28,742,941	30,864,532	32,005,418
15	Personnel	13,145,504	12,499,410	14,074,381
16	Public Health	47,629,976	48,798,277	52,020,069
17	Public Safety	122,680,880	124,687,644	183,106,198
18	Regulatory Agencies	1,769,297	1,844,627	1,951,431
19	Revenue	100,886,490	108,468,830	113,271,850
20	State	0	0	0
21	Transportation	0	0	0
22	Treasury	139,308,257	151,447,545	400,329,817
23	Capital Construction Fund	0	0	0
24	Controlled Maintenance	0	0	0
25				
26	Total	\$9,956,054,025	\$10,612,639,141	\$11,419,781,549
27				
28				
29	Amounts Deemed Exempt from Statutory Limit	\$0	\$0	
30	Rebates and Expenditures	\$170,095,180	\$181,710,680	\$202,078,935
31				
32	Amount Subject to Statutory Limit	\$9,785,958,845	\$10,430,928,461	\$11,217,702,614
33	Amount Subject to Statutory Limit in Long Bill			\$10,736,211,257
34	Amount Subject to Statutory Limit in Bills			\$481,491,357

Table 4
2018 Interim 1331 Supplemental Requests

June 2018 Operating 1331 Supplemental Requests

Department	Issue	OSPB						JBC Action					
		FY 2017-18			FY 2018-19			FY 2017-18			FY 2018-19		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
1 Corrections	Opening Private Prison for 250 Offender Beds	\$0	\$0	\$0	\$11,307,719	\$10,851	\$11,318,570	\$0	\$0	\$0	\$0	\$0	\$0
2 Corrections	Medical Caseload	578,041	0	578,041	0	0	0	578,041	0	578,041	0	0	0
3 HCPF	County Administration	0	4,781,810	4,781,810	0	0	0	0	4,781,810	4,781,810	0	0	0
4 Human Services	FY 2017-18 Child Welfare Overexpenditure	0	8,186,023	8,186,023	0	0	0	0	6,894,401	6,894,401	0	0	0
5 Regulatory Agencies	Over-expenditure to Implement HB 18-1291	0	0	0	191,541	0	191,541	0	0	0	0	0	0
6 State	Roll Forward: Privileged Access Mangement System	0	(215,930)	(215,930)	0	215,930	215,930	0	(215,930)	(215,930)	0	215,930	215,930
7 State	HAVA Election Security Grant Matching Funds	0	317,149	317,149	0	0	0	0	317,149	317,149	0	0	0
8 Total		\$578,041	\$13,069,052	\$13,647,093	\$11,499,260	\$226,781	\$11,726,041	\$578,041	\$11,777,430	\$12,355,471	\$0	\$215,930	\$215,930

June 2018 Capital Construction 1331 Supplemental Requests

Department	Issue	OSPB Request						JBC Action					
		FY 2017-18			FY 2018-19			FY 2017-18			FY 2018-19		
		CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total
15 Governor	OIT - Public Safety Network Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	JBC Action					
	FY 2017-18			FY 2018-19		
	GF	Other Funds	Total	GF	Other Funds	Total
21 Total Operating 1331 Supplemental Requests Approved by JBC =	\$578,041	\$11,777,430	\$12,355,471	\$0	\$215,930	\$215,930

	JBC Action					
	FY 2017-18			FY 2018-19		
	CCFE	Other Funds	Total	CCFE	Other Funds	Total
26 Total Capital Construction 1331 Supplementals Approved by JBC =	\$0	\$0	\$0	\$0	\$0	\$0

Table 5
Comparison of LCS Forecast and OSPB Forecast
Updated for End of 2018 Session and June 2018 Revenue Forecasts

	FY 16-17	FY 17-18	FY 18-19	FY 19-20
1 GF Non Exempt Revenues:				
2 LCS	8,145.8	9,207.1	9,594.5	10,077.0
3 OSPB	8,145.8	9,209.0	9,526.3	10,031.1
4 Difference (positive number indicates LCS higher than OSPB)	0.0	(1.9)	68.2	45.9
5				
6 GF Exempt Revenues:				
7 LCS	2,130.0	2,386.0	2,598.0	2,712.4
8 OSPB	2,130.0	2,416.0	2,570.3	2,712.4
9 Difference (positive number indicates LCS higher than OSPB)	0.0	(30.0)	27.7	0.0
10				
11 Total Gross GF Revenues:				
12 LCS	10,275.8	11,593.1	12,192.5	12,789.4
13 OSPB	10,275.8	11,625.0	12,096.6	12,743.5
14 Difference (positive number indicates LCS higher than OSPB)	0.0	(31.9)	95.9	45.9
15				
16 Percent Gross General Fund Revenue Growth:				
17 LCS	3.1%	12.8%	5.2%	4.9%
18 OSPB	3.1%	13.1%	4.1%	5.3%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	-0.3%	1.1%	-0.5%
20				
21 TABOR Surplus Liability:				
22 LCS	0.0	0.0	147.5	104.1
23 OSPB	0.0	0.0	0.0	32.2
24 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	147.5	71.9
25				
26 Reimbursement for Senior and Veterans Property Tax Exemption				
27 LCS	136.4	132.3	139.5	147.0
28 OSPB	136.4	132.3	147.4	157.1
29 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	(7.9)	(10.1)
30				
31 Transfer to HUTF (Sec. 24-75-219, C.R.S.)				
32 LCS	79.0	79.0	495.0	200.0
33 OSPB	79.0	79.0	495.0	150.0
34 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	50.0
35				
36 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)				
37 LCS	52.7	0.0	0.0	0.0
38 OSPB	52.7	0.0	0.0	0.0
39 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
40				
41 Year End GF Reserve				
42 LCS	614.5	1,218.6	904.4	1,824.7
43 OSPB	614.5	1,211.0	942.0	1,800.3
44 Difference (positive number indicates LCS higher than OSPB)	(0.0)	7.6	(37.6)	24.4
45				
46 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE				
47 LCS	30.1	543.7	91.1	1,011.4
48 OSPB	30.1	536.1	128.7	987.0
49 Difference (positive number indicates LCS higher than OSPB)	(0.0)	7.6	(37.6)	24.4