



## Legislative Council Staff

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### **Report on Referendum C Revenue and Spending FY 2005-06 through FY 2018-19**

This report contains the final audited figures for state revenue retained under Referendum C in the 2005-06 through 2016-17 state fiscal years and preliminary numbers for the 2017-18 and 2018-19 state fiscal years.<sup>1</sup> It also reflects the actions of the General Assembly and Governor in spending the money. This report is prepared in accordance with the requirements of Referendum C<sup>2</sup> approved by voters in 2005.

**Revenue and spending.** Table 1 shows the amount of revenue that the state retained under Referendum C through FY 2016-17, and how such revenue was spent.

Preliminary figures from the Office of the State Controller indicate that the state retained \$2.5 billion in FY 2017-18, and the September 2018 Legislative Council Staff forecast projects that the state will retain \$2.6 billion in FY 2018-19. These amounts reflect policy enacted during the 2018 legislative session as well as actual revenue collected after its adjournment.

Table 1 shows the distribution of the retained money for FY 2005-06 through FY 2018-19. By law, the first \$55 million in FY 2005-06, \$95 million in FY 2006-07, and \$125 million each year thereafter may be spent for expenses in any of the following areas: kindergarten through twelfth grade (K-12) education, higher education, health care, firefighter and police officer retirement plans, and transportation. The remaining amount must be split into equal thirds and used to fund health care, K-12 education, and higher education.<sup>3</sup>

**FY 2017-18.** The first \$125 million was spent on transportation projects (\$0.5 million); volunteer firefighter retirement plans (\$4.4 million); K-12 schools (\$60.1 million); and health care (\$60.1 million). A total of \$2,356.6 million (\$2,481.6 million minus \$125.0 million) was allocated one-third each (\$785.5 million) to K-12 education, health care, and higher education. These amounts will be finalized with audited actual figures during the 2019 legislative session.

**FY 2018-19.** The first \$125 million is expected to be spent on transportation projects (\$0.5 million); volunteer firefighter retirement plans (\$4.4 million); K-12 schools (\$60.1 million); and health care (\$60.1 million). A total of \$2,475.7 million (\$2,600.7 million minus \$125.0 million) is expected to be allocated one-third each (\$825.2 million) to K-12 education, health care, and higher education. These

<sup>1</sup>Each state fiscal year begins on July 1.

<sup>2</sup>Section 24-77-103.6, C.R.S.

<sup>3</sup>Section 24-77-104.5 (1), C.R.S.

amounts are estimates provided through the September 2018 Legislative Council Staff forecast; the amounts will be updated with new estimates during the 2019 legislative session and finalized with audited actual figures during the 2020 legislative session.

*Issue for consideration.* The state would have faced a significant budget shortfall in FY 2005-06 and subsequent years had Referendum C not been approved. Therefore, a significant portion of the money retained and spent under Referendum C did not increase funding to programs, but rather maintained prior funding levels and prevented these programs from undergoing budget cuts. It is impossible to identify the amount of additional funding made available by Referendum C to individual programs because doing so would require knowledge of the budgetary actions that the state would have taken had Referendum C not passed.

**Table 1**  
**Referendum C Spending by Program**  
*Millions of Dollars*

<b>Fiscal Year</b>	<b>K-12 Education</b>	<b>Health Care</b>	<b>Higher Education</b>	<b>Volunteer Firefighter Retirement Plans</b>	<b>Fire and Police Pensions</b>	<b>Transportation Projects</b>	<b>Total</b>
FY 2005-06	\$361.7	\$361.6	\$353.7	\$3.8	\$25.3	\$10.0	\$1,116.1
FY 2006-07	\$425.1	\$425.1	\$404.3	\$3.8	\$34.8	\$15.0	\$1,308.1
FY 2007-08	\$381.3	\$381.3	\$348.1	\$3.8	\$34.8	\$20.0	\$1,169.3
FY 2008-09	-	-	-	-	-	-	-
FY 2009-10	-	-	-	-	-	-	-
FY 2010-11	\$275.4	\$275.4	\$215.2	\$4.1	-	\$0.5	\$770.6
FY 2011-12	\$506.9	\$506.9	\$449.5	\$4.3	\$5.3	\$0.5	\$1,473.4
FY 2012-13	\$633.4	\$633.4	\$578.3	\$4.3	\$10.0	\$0.5	\$1,859.9
FY 2013-14	\$726.9	\$726.9	\$666.7	\$4.3	-	\$0.5	\$2,125.3
FY 2014-15	\$813.1	\$813.1	\$753.0	\$4.3	-	\$0.5	\$2,384.1
FY 2015-16	\$817.7	\$817.7	\$757.3	\$3.7	-	\$0.5	\$2,396.8
FY 2016-17	\$728.5	\$728.5	\$668.3	\$4.2	-	\$0.5	\$2,130.0
FY 2017-18*	\$845.6	\$845.6	\$785.5	\$4.4	-	\$0.5	\$2,481.6
FY 2018-19*	\$885.3	\$885.3	\$825.2	\$4.4	-	\$0.5	\$2,600.7

*Totals may not sum due to rounding.*

*\*Preliminary estimates. Actual amounts will be budgeted during the supplemental appropriations process and audited in the following fiscal year.*

*Source: Joint Budget Committee and September 2018 Legislative Council Staff Forecast.*