

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2014-15 STAFF BUDGET BRIEFING
OVERVIEW OF FY 2014-15 BUDGET REQUEST**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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OVERVIEW OF FY 2014-15 REQUEST

Historical View of the Proportion of General Fund Utilized for the Six Largest Departments

Historically, a significant proportion of the General Fund has been appropriated to the six largest departments over the last 20 years. However, the proportions that have been appropriated within the six largest departments have changed based on the amount of available General Fund revenue and other factors involved in the General Assembly’s decision process (i.e., availability of other sources of funding for a department, constitutional or statutory restrictions, etc.). Figure 1 provides a graphical representation of the proportions to the largest six departments over a 20 year time frame.

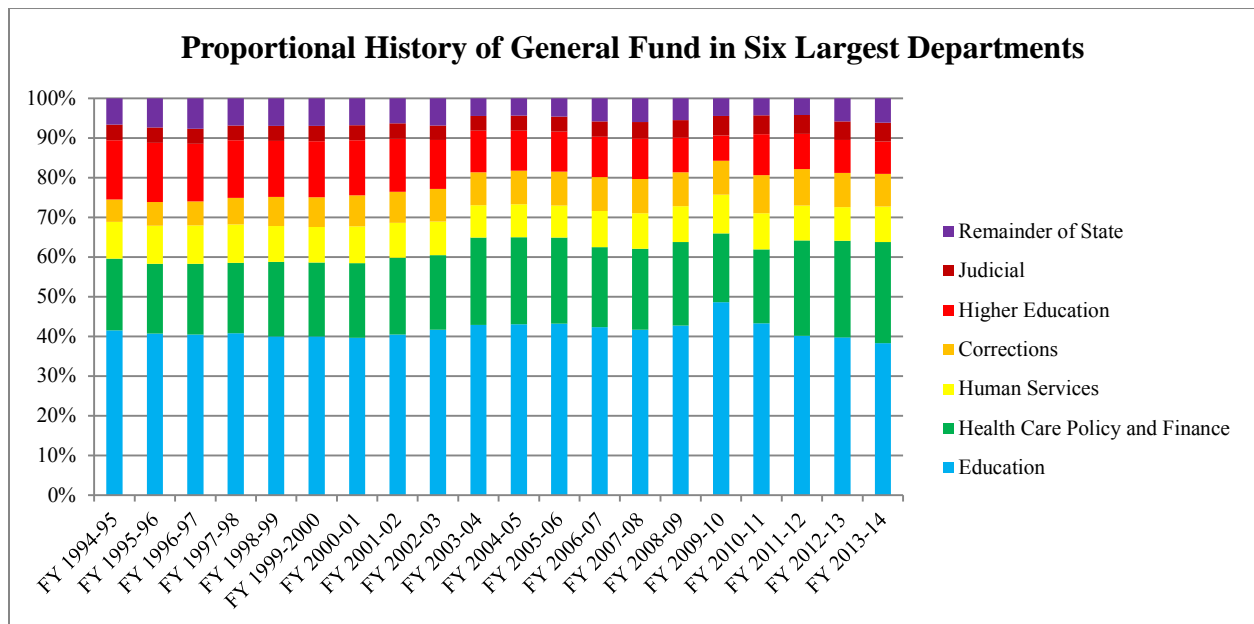


Figure 1

It is important to note that the General Fund appropriations reflected in the above chart do not contain the amounts that have been diverted to the State Education Fund from the General Fund since the passage of Amendment 23 in November 2000. Including these amounts would increase the proportion of General Fund that has been allocated in support of education since the passage of Amendment 23.

Discussion of the FY 2013-14 General Fund Appropriations

The General Assembly appropriated a total of \$8,094.2 million General Fund in FY 2013-14. Within the Long Bill (SB 13-230), the General Assembly appropriated \$8,034.3 million General Fund (See Figure 2). The General Fund appropriations in the Long Bill were 99.3 percent of the total General Fund appropriations made in the 2013 Session.

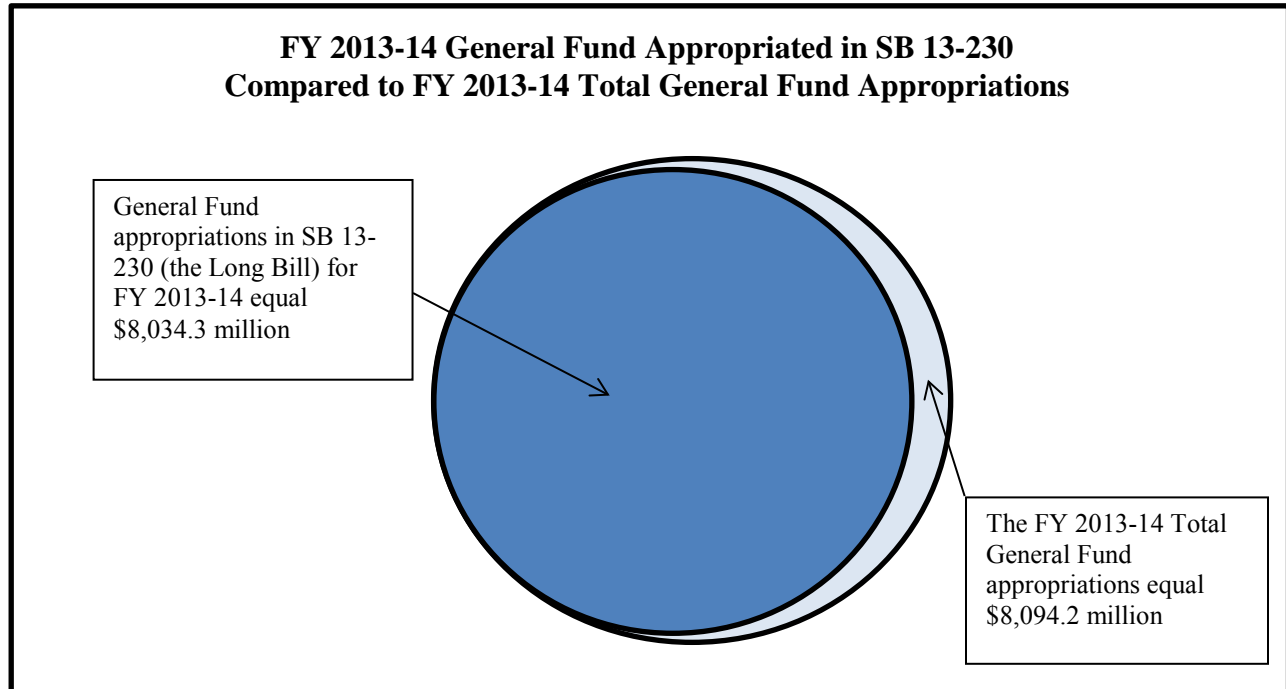


Figure 2

The General Assembly appropriated an additional \$59.9 million General Fund in other legislation for FY 2013-14 (figure 3). The following is a list of the major actions the General Assembly passed in separate legislation, other than the Long Bill, that impacted General Fund appropriations:

- A \$34.9 million General Fund appropriation to the General Assembly in the legislative appropriation bill (SB 13-187).
- A \$19.8 million General Fund appropriation to the Department of Human Services for co-occurring behavioral health services in SB 13-266.
- A \$15.0 million General Fund appropriation to the Department of Public Health and Environment for a nutrient grants fund in HB 13-1191.
- A \$6.4 million General Fund appropriation to the Department of Public Safety for testing of backlog evidence in sexual assault cases in HB 13-1020.
- A net reduction of \$3.2 million General Fund to various departments as a result of the change in funding streams for the expansion of Medicaid eligibility in SB 13-260.

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- A reduction of \$4.9 million General Fund to the Department of Health Care Policy and Financing as a result of a change in funding for medical service premiums in HB 13-1152.
- A reduction of \$25.3 million General Fund to the Department of the Treasury as a result of the prepayment of obligations related to the old hire pension plans for Fire and Police Pension Plans (FPPA) in SB 13-234.
- A net increase of \$17.2 million General Fund appropriated in various other bills impacting the General Fund.

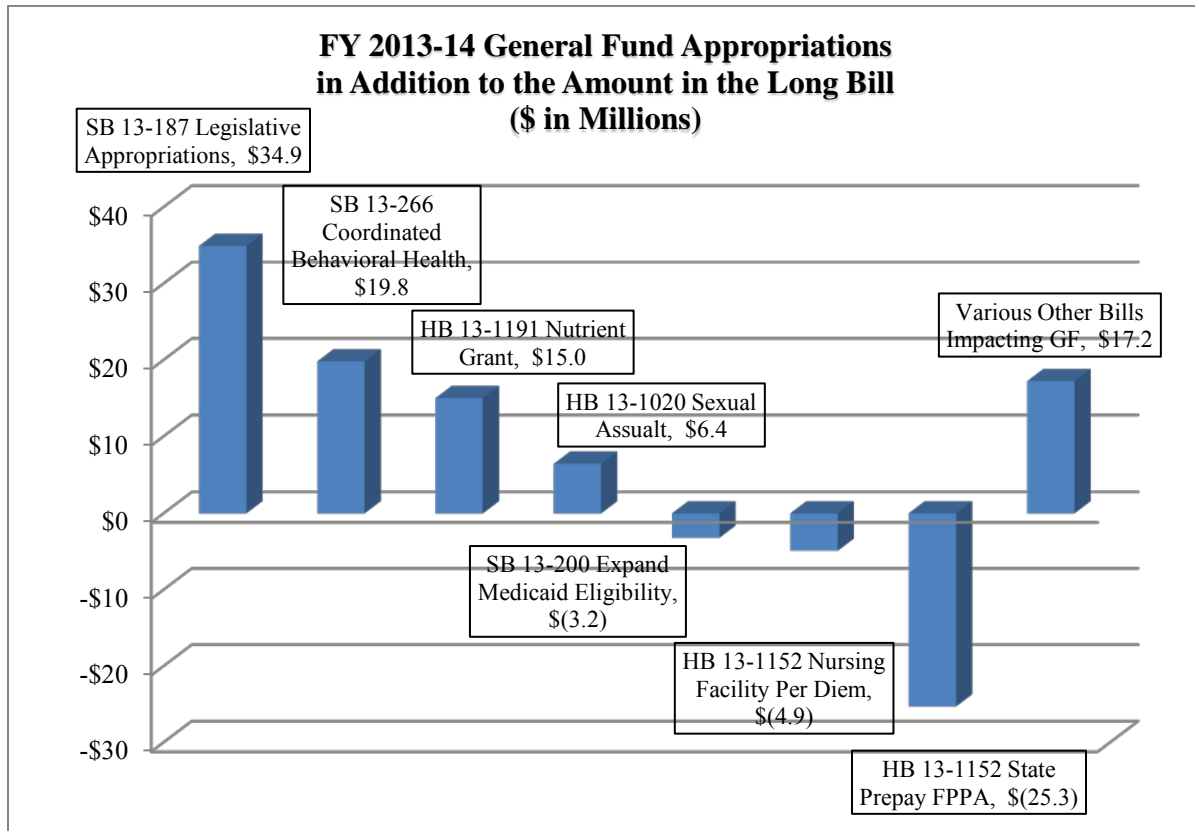


Figure 3

Distribution of FY 2013-14 General Fund Appropriation: JBC staff reviewed the appropriations from the 2013 Session to determine where the majority of General Fund was appropriated. Seven line items contained 67.7 percent of the General Fund appropriated (figure 4). These lines are as follows:

- \$2,933.7 million (36.2 percent) of the total General Fund was appropriated for State Share of Total Funding in the Department of Education (EDU in figure 4).
- \$1,505.9 million (18.6 percent) of the total General Fund was appropriated for Medical Services Premiums in the Department of Health Care Policy and Finance (HCPF 1 in figure 4).

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- \$266.6 million (3.3 percent) of the total General Fund was appropriated for College Opportunity Fund Stipends in the Department of Higher Education (HED 1 in figure 4).
- \$257.0 million (3.2 percent) of the total General Fund was appropriated for College Opportunity Fund Fee-for-Service in the Department of Higher Education (HED 2 in figure 4).
- \$187.3 million (2.3 percent) of the total General Fund was appropriated for Medicaid Services for People with Developmental Disabilities in the Department of Health Care, Policy, and Finance (HCPF 2 in figure 4).
- \$172.7 million (2.1 percent) of the total General Fund was appropriated for Child Welfare Services in the Department of Human Services (DHS in figure 4).
- \$155.2 million (1.9 percent) of the total General Fund was appropriated for Housing and Security Personal Services in the Department of Corrections (DOC in figure 3).
- \$2,615.8 million (32.3 percent) of the total General Fund was appropriated for the more than 880 remaining General Fund (RGF in figure 4) line items in the FY 2013-14 appropriations.

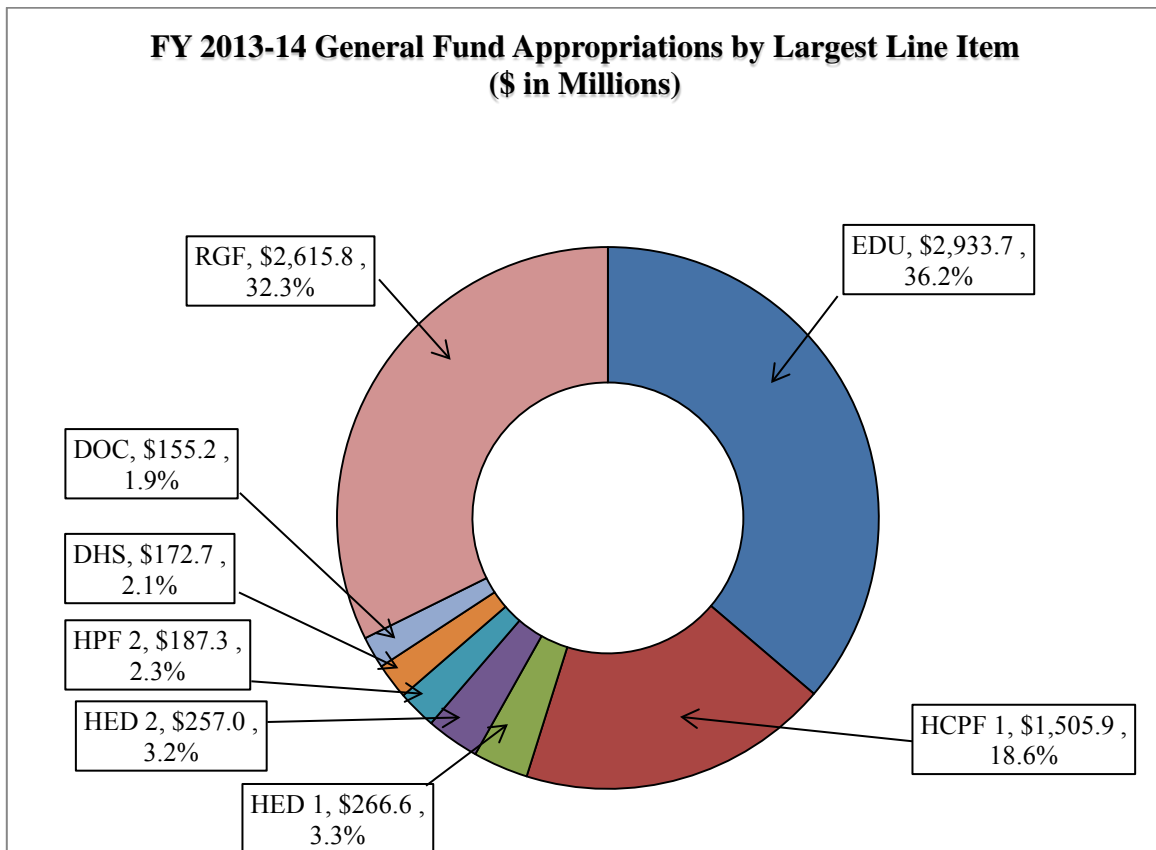


Figure 4

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Discussion of the FY 2014-15 Budget Request

The departments of state government submitted their FY 2014-15 budget requests on November 1. These budget requests reflect the priorities of the Governor with the exception of the Legislative Branch, Judicial Branch, and the other elected officials. In preparing the budget request, OSPB assumed a 6.7 percent General Fund increase for Judicial; an 8.6 percent General Fund increase for Law; an 11.2 percent increase for Treasury; a 4.5 percent increase for the Legislature; and no General Fund for State.

Table 1 on page 27 reflects the actual requests submitted by Judicial, Law, State, and Treasury. Since the request for the Legislature is not submitted to the JBC, Table 1 reflects the same level of General Fund for the Legislature that the Governor included in his request and is meant to merely be a place holder until the Executive Committee provides direction on the percent increase/decrease to be requested by the Legislature. It is also important to note that, based on the original amount appropriated for FY 2013-14 during the 2013 Session, **\$3.3 billion remains under the FY 2013-14 General Fund statutory appropriation limit.** The Joint Budget Committee approved supplemental requests equaling an increase of \$10.7 million General Fund submitted through the 1331 supplemental process during the 2013 interim.

Overall the department budget requests for FY 2014-15 (including the requests as submitted by Judicial, Law, State, and Treasury) reflect a General Fund increase subject to the statutory limit of \$442.4 million (5.6 percent) as compared to the current level of FY 2013-14 appropriations subject to the statutory limit as appropriated during the 2013 Session. Figure 5 reflects the requested increases by department.

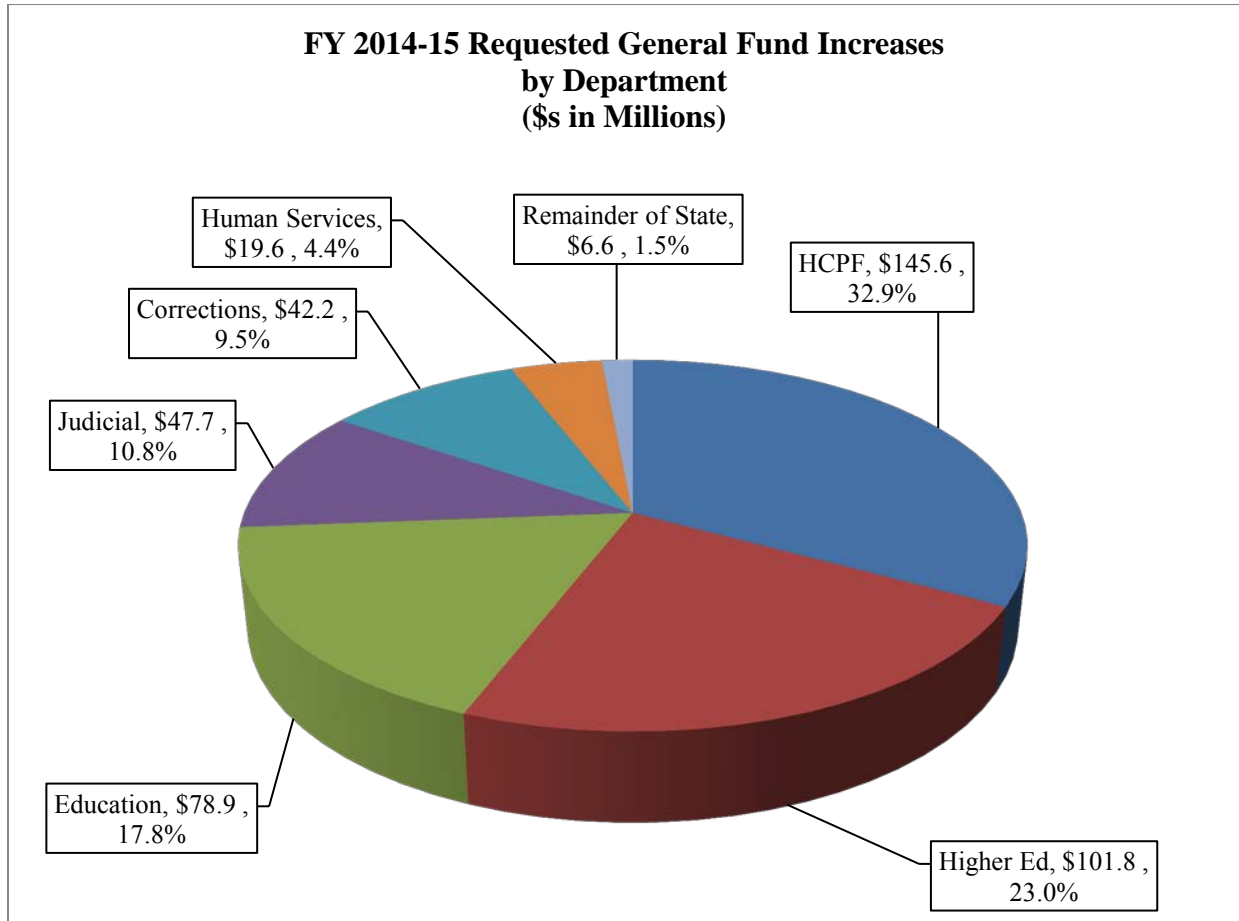


Figure 5

However, the Governor’s budget transmittal letter indicates the Governor plans to submit an additional \$152.4 million in General Fund requests that impact the operating or capital budgets through budget amendments and/or bill requests requiring appropriations. Additionally, The Judicial Branch has submitted an additional \$2.2 million in General Fund Requests that impact the operating budget. When these combined \$154.6 million General Fund placeholders and the FY 2013-14 1331 supplementals approved by the JBC during the 2013 interim are included in the calculation, the increase for FY 2014-15 over FY 2013-14 is \$428.1 million General Fund (5.3 percent).

The budget requests reflect these common assumptions:

- The request includes an increase of 1.5 percent for merit pay and 1.5 percent for salary survey for state employees.
- The request contains an increase sufficient to maintain the employer/employee contributions for Health/Life/Dental at 100 percent of the market contribution rates.
- No common policy was submitted for inflationary increases in food, utilities, and medical costs. Individual departments may have separate decision items for these areas.

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- An increase of 1.5 percent was submitted for community provider rates.

Table 1 also provides an overview of the General Fund request by department. It should be noted that:

- Table 1 reflects the November 1 submission including the actual requests for Judicial, Law, State, and Treasury, but assumes the level of funding included by the Governor for the Legislature. As a result, the total amount will not exactly coincide with the total amount reflected in the Governor's November 1, 2013 letter to Senator Steadman because OSPB assumed different amounts for the elected officials and other branches of state government than were actually requested by these entities.
- A General Fund increase of \$145.6 million (7.1 percent) is included for the Department of Health Care Policy and Financing. The Department's request includes the following significant General Fund changes:
 - \$78.0 million net increase for caseload, utilization, and financing adjustments for ongoing programs, including:
 - \$64.3 million for Medical Service Premiums
 - \$14.0 million for the Medicare Modernization Act state contribution payments
 - \$9.1 million for behavioral health community programs, and
 - A savings of \$9.4 million for the Children's Basic Health Plan.
 - \$20.1 million increase for provider rates.
 - \$16.5 million increase associated with the transfer of the Intellectual and Developmental Disability waiver program from the Department of Health Care Policy and Financing
 - \$12.6 million increase for services for people with intellectual and developmental disabilities, including:
 - \$7.7 million for supported living services
 - \$3.4 million for family support services, and
 - \$1.4 million for additional full-program equivalent placements.
 - \$7.4 million increase for programs operated by the Department of Human Services.
 - \$4.6 million increase to annualize S.B. 13-200, which authorized Affordable Care Act Medicaid eligibility expansions to 133 percent of the federal poverty guidelines.
 - \$1.1 million increase to improve the electronic exchange of health information about Medicaid clients.

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- \$0.8 million increase to help people with disabilities in institutional care find and make necessary modifications to affordable housing to allow them to transition to the community.
- A General Fund increase of \$101.8 million (15.5 percent) is included for the Department of Higher Education. This increase is primarily due to the following:
 - \$60.1 million related to operational funding for colleges and universities.
 - \$40.0 million for financial aid grants, including Need Based Grants (\$30.0 million), Work Study (\$5.0 million), and Merit Based Grants (\$5.0 million).
 - \$0.8 million for the Ft. Lewis College Native American tuition waiver.
- A General Fund increase of \$78.9 million (2.5 percent) for K-12 Education. The Department's requests include the following significant General Fund changes:
 - \$73.6 million General Fund for the State Share of Districts' Total Program Funding. The request also includes an increase of \$149.5 million from the State Education Fund, for a total increase of \$222.1 million in the State Share of Districts' Total Program Funding.
 - \$3.1 million General Fund for additional information technology investments.
- A General Fund increase of \$47.7 million (12.5 percent) is reflected in the Judicial Branch requests. The Branch's requests include the following significant General Fund increases:
 - \$23.2 million General Fund for policies proposed by the Governor and prior legislation concerning employee benefits, including:
 - \$15.7 million for salary increases; and
 - \$6.9 million for supplemental PERA contributions.
 - \$7.5 million General Fund to annualize prior year legislation, including:
 - \$3.9 million for H.B. 13-1210 for staffing at the Office of the State Public Defender to provide legal counsel in misdemeanor cases; and
 - \$3.5 million for S.B. 13-250 to increase resources available to four departments for the provision of substance abuse treatment services.
 - \$5.4 million General Fund to increase hourly contract rates paid by the Office of the Alternate Defense Counsel (OADC) and the Office of the Child's Representative (OCR).
 - \$3.9 million General Fund for OADC and OCR caseload and workload increases.
 - \$2.5 million General Fund to address required infrastructure and courthouse furnishing needs.

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- A General Fund increase of \$42.2 million (6.4 percent) is included for the Department of Corrections. The Department's requests include the following significant General Fund changes:
 - ❑ \$15.4 million for adjustments to compensation-related items like salary survey, merit pay, health, life, and dental, amortization equalization disbursement, supplemental amortization equalization disbursement, and shift differential.
 - ❑ \$10.0 million as a placeholder for “significant” adjustments to the operation of the parole program that will be provided later.
 - ❑ \$4.8 million for an expected increase in the number of incarcerated offenders.
 - ❑ \$2.8 million for increased medical and pharmaceutical costs for offenders.
 - ❑ \$2.2 million to continue the one-time funding for the fugitive unit and the sex offender treatment program that was approved in June 2013.
 - ❑ \$1.3 million for the purchase of services from state computer center.
 - ❑ \$1.2 million for worker’s compensation.
 - ❑ \$1.2 million for a 1.5 percent provider rate increase for private prisons, jails, and community corrections programs that house revoked parolees.
 - ❑ A \$2.5 million reduction due to the expansion of Medicaid eligibility in SB 13-200.

- A General Fund increase of \$19.6 million (2.7 percent) is included for the Department of Human Services. The largest components of this increase include the following:
 - ❑ An increase of \$8.5 million for centrally appropriated line items including health, life, and dental, salary survey, and merit pay.
 - ❑ An increase of \$7.4 million for a 1.5 percent provider rate increase.
 - ❑ An increase of \$6.4 million to annualize prior year funding, including: \$4.8 million for initiatives designed to strengthen community behavioral health services; and \$1.6 million for child abuse prevention services.
 - ❑ An increase of \$1.8 million to provide grant funding for materials and training for Colorado Child Care Assistance Program (CCCAP) providers.
 - ❑ An increase of \$1.6 million to purchase outside medical care for patients at the Mental Health Institutes.

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- An increase of \$1.3 million to upgrade Microsoft Office licenses from prior versions of Office to Office 2013 for the Department's nearly 4,000 desktop and laptop computers.
- An increase of \$1.3 million to improve the department's child care licensing function.
- An increase of \$1.2 million for the ReHire Colorado program to address unemployment, small employers' challenges, stagnant local economies, and barriers faced by long-term unemployed individuals.
- An increase of \$1.2 million to fully fund County Tax Base Relief.
- An increase of \$0.8 million to improve educational infrastructure to support general educational needs and to allow for new career and technical education offerings.
- An increase of \$0.6 million to enhance and expand parole program services provided to high risk, high need youth and apprehension services for youth who have escaped/absconded.
- An increase of \$0.1 million to implement an Early Literacy Book Distribution Partnership.
- A reduction of \$0.1 million to annualize prior year legislation, including: an increase of \$5.2 million for SB 13-266 (Create coordinated behavioral health crisis response system); a decrease of \$3.3 million for SB 13-200 (Expand Medicaid eligibility), and a decrease of \$1.8 million for the CBMS modernization (HB 12-1339).
- A reduction of \$16.8 million to transfer the Intellectual and Developmental Disability waiver program to the Department of Health Care Policy and Financing.

Table 5 on page 34 reflects the Governor's proposal for a \$280.4 million General Fund set aside for the following statutory changes or upcoming budget amendments:

- \$14.0 million in the Department of Public Safety for additional needs associated with the implementation of H.B. 13-1020, Forensic Testing of Evidence from Sexual Assaults. The transmittal letter indicates that the supporting information for this particular item will be submitted to the General Assembly at a later date.
- Legislation to eliminate the pay date shift that was created during the 2003 session to avoid more serious operational reductions during the economic downturn of that year. Reversing the existing pay date shift would require a onetime appropriation of approximately \$94.0 million General Fund in FY 2014-15.
- \$44.4 General Fund million to fund future budget requests that are as yet unidentified and unexplained. The transmittal letter indicates that more information on these requests will be forthcoming at a later date. Of this amount, \$30.2 million is for items that are subject to the statutory limit and \$14.2 million is for capital items that are not subject to the statutory limit.

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- Legislation to increase the statutory reserve from 5.0 percent to 6.5 percent in FY 2014-15. The transmittal letter does not address how this will be accomplished in coordination with the existing Section 24-75-201.1, C.R.S. and as to whether the Governor is requesting that the statutory reserve limit be raised to this level on a temporary or permanent basis. Increasing the statutory reserve to 6.5 percent would require approximately \$127.9 million General Fund additional in FY 2014-15.

The Governor's transmittal letter also identifies \$113.5 million in actions that are being requested that will reduce the amount of General Fund revenue available. These items include:

- Legislation to repay various cash funds from which moneys were transferred to the General Fund during the most recent economic downturn. The transmittal letter cites four specific repayments at a cost of \$109.4 million General Fund (\$97.4 million for the Major Medical Fund, \$1.5 million for the Recycling Resources Economic Opportunity Fund, \$0.5 million for the Waste Tire Clean-up Fund, and \$10.0 million for the Hazardous Substance Response Fund).
- A Wildfire Preparedness Fund request that, if adopted, will decrease General Fund revenue by \$4.1 million.

In addition to the statutory changes and budget amendments identified in the Governor's transmittal letter, the Judicial Branch November 1 request indicates the Judicial Branch will seek the following statutory changes that impact the Judicial Branch and require \$2.2 million General Fund, if adopted (please note that these amounts were not included in the Governor's November 1 request):

- Statutory changes to increase the number of district judges, estimated to require \$747,134 General Fund in FY 2014-15.
- Statutory changes to address underfunded facilities issues within the Judicial Branch, estimated to require \$1,500,000 General Fund in FY 2014-15.

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Figure 6 reflects the \$396.1 million General Fund placeholders (\$113.5 million as a result of revenue requests and \$282.6 million as a result of operating requests) as requested by the Governor and the Judicial Branch.

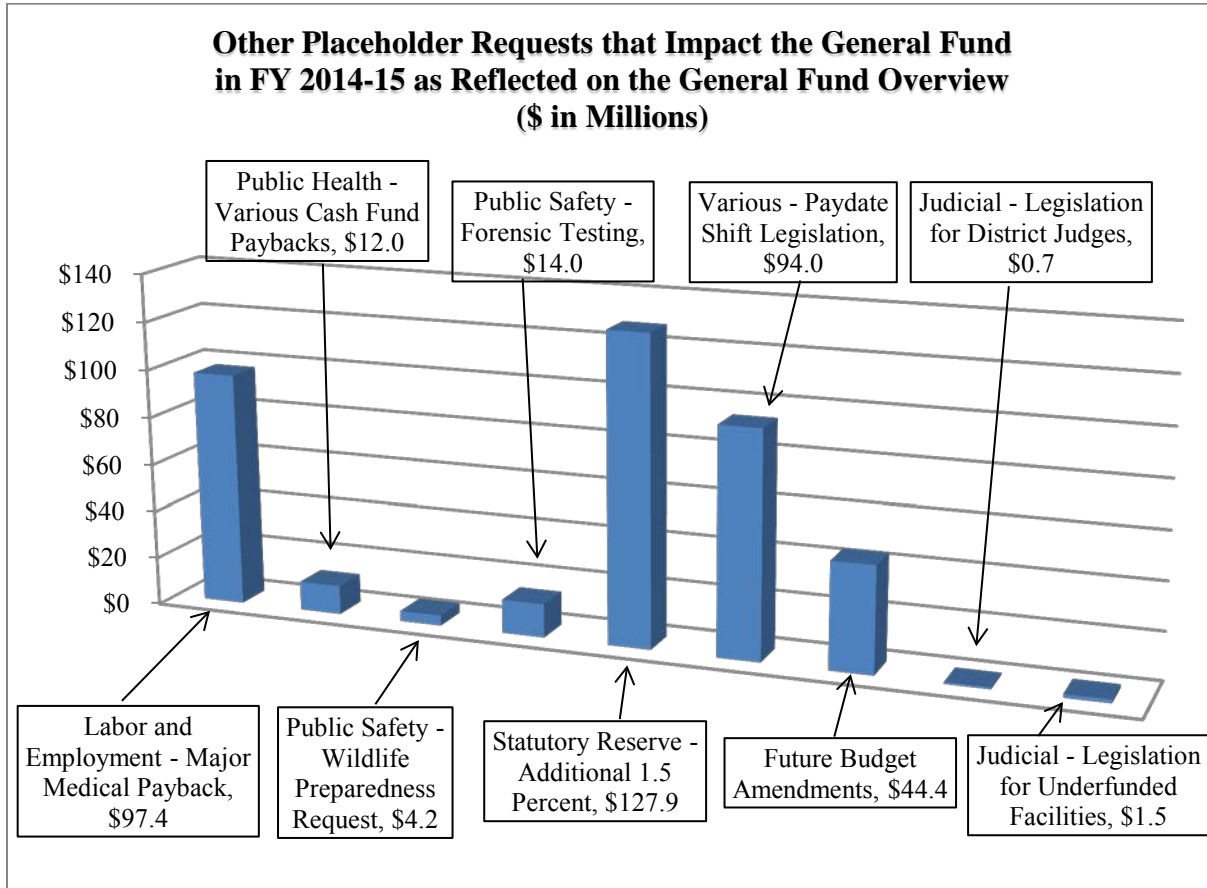


Figure 6

Distribution of FY 2014-15 General Fund Budget Request: The six largest departments account for 94.0 percent of the General Fund request for FY 2014-15. In FY 2013-14, the six largest departments accounted for 93.8 percent of the General Fund appropriation. Figure 7 provides a proportional comparison of the FY 2014-15 request to the FY 2013-14 appropriation.

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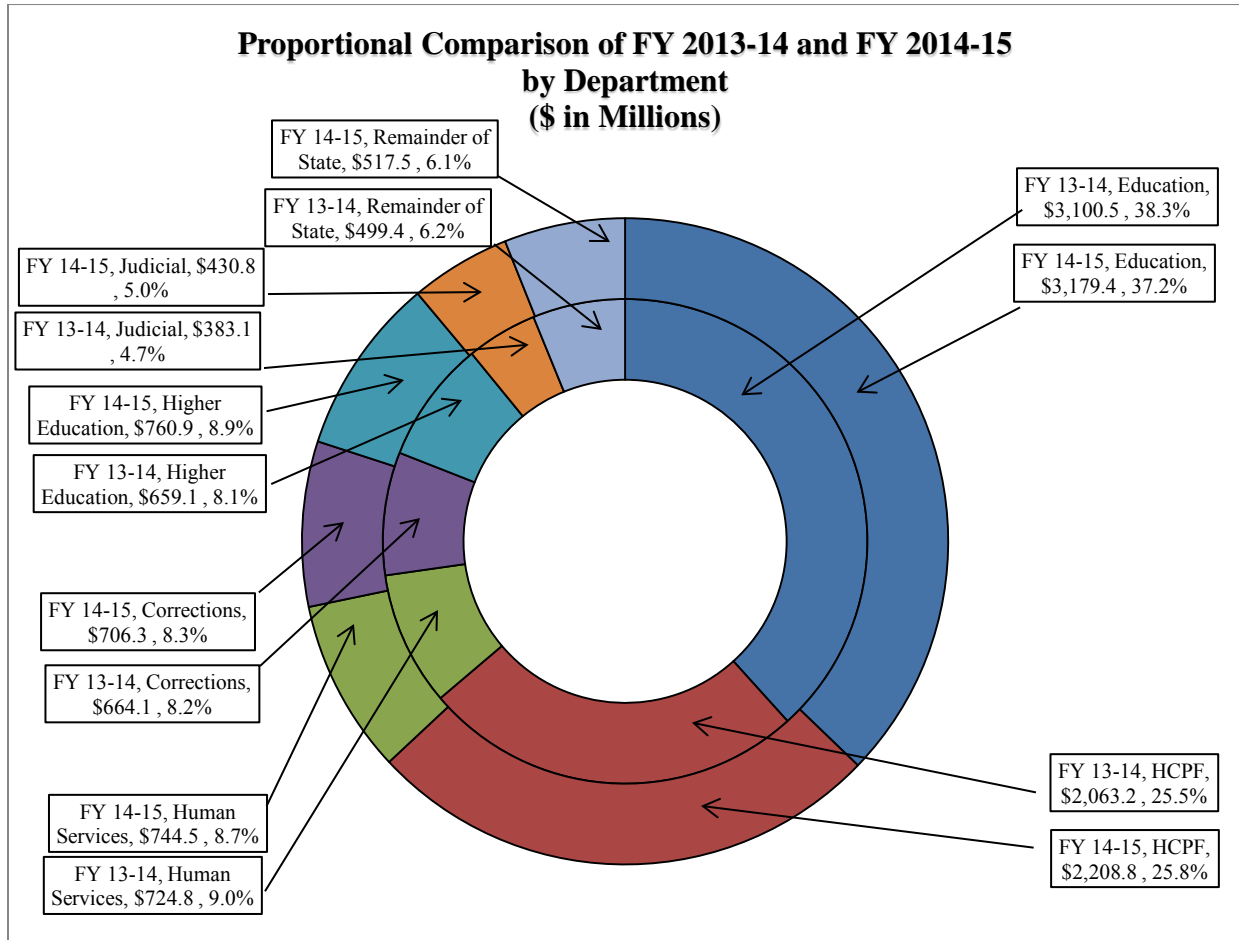


Figure 7

JBC staff reviewed the FY 2014-15 budget request to determine the line items in which the majority of General Fund is being requested. Eight line items in the request contain 68.3 percent of the General Fund requested. These line items are as follows:

- \$3,007.3 million (35.2 percent) of the total General Fund was requested for State Share of Total Funding in the Department of Education (EDU in figure 8).
- \$1,588.7 million (18.6 percent) of the total General Fund was requested for Medical Services Premiums in the Department of Health Care Policy and Finance (HCPF 1 in figure 8).
- \$306.6 million (3.6 percent) of the total General Fund was requested for College Opportunity Fund Fee-for-service in the Department of Higher Education (HED 1 in figure 8).
- \$275.4 million (3.2 percent) of the total General Fund was requested for College Opportunity Fund Stipends in the Department of Higher Education (HED 2 in figure 8).
- \$176.5 million (2.1 percent) of the total General Fund was requested for Child Welfare Services in the Department of Human Services (DHS in figure 8).

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- \$162.1 million (1.9 percent) of the total General Fund was requested for Behavioral Health Capitation for Medicaid Clients in the Department of Health Care, Policy, and Finance (HCPF 2 in figure 8).
- \$161.8 million (1.9 percent) of the total General Fund was requested for Housing and Security Personal Services in the Department of Corrections (DOC in figure 8).
- \$157.9 million (1.8 percent) of the total General Fund was requested for Adult Comprehensive Services for Individuals with Intellectual and Developmental Disabilities in the Department of Health Care, Policy, and Finance (HCPF 3 in figure 8).
- \$2,711.7 million (31.7 percent) of the total General Fund was requested for the remaining 883 remaining General Fund (RGF in figure 8) line items in the FY 2013-14 appropriations.

The comparison of the eight largest General Fund line items in the FY 2014-15 budget request to the amount that was appropriated for each line item in FY 2013-14 are reflected in figure 8.

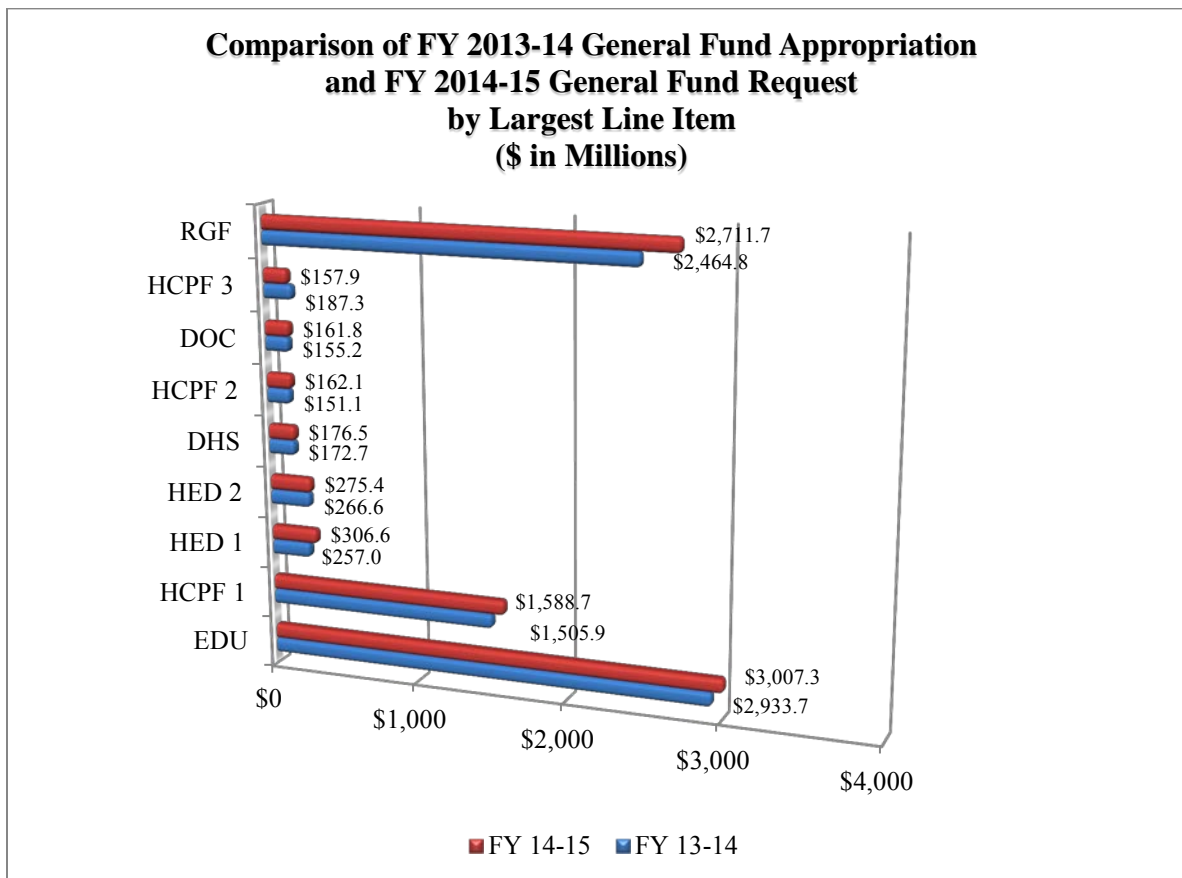


Figure 8

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The following table summarizes the FY 2013-14 budget request based on major changes by category:

Requested Operating Appropriations to All Departments						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 / SB 13-187	\$22,000,678,317	\$8,069,240,084	\$6,641,210,875	\$1,658,929,823	\$5,631,297,535	53,463.4
Other legislation	<u>479,513,472</u>	<u>24,946,631</u>	<u>(43,108,584)</u>	<u>7,841,665</u>	<u>489,833,760</u>	<u>166.1</u>
TOTAL	\$22,480,191,789	\$8,094,186,715	\$6,598,102,291	\$1,666,771,488	\$6,121,131,295	53,629.5
FY 2014-15 Requested Appropriation						
FY 2013-14 Appropriation	\$22,480,191,789	\$8,094,186,715	\$6,598,102,291	\$1,666,771,488	\$6,121,131,295	53,629.5
Decision items	860,147,003	423,773,604	114,698,323	89,900,431	231,774,645	275.0
Annualize prior year legislation	185,203,900	(12,871,274)	47,537,769	(416,902,946)	567,440,351	95.3
Centrally appropriated line items	103,075,092	56,790,477	21,953,955	8,646,676	15,683,984	0.0
Technical changes	6,654,170	(4,049,003)	(12,291,589)	1,760,556	21,234,206	(1.0)
Annualize prior year funding	(11,976,082)	(12,563,566)	(8,891,653)	10,596,369	(1,117,232)	(14.4)
Statewide IT common policy adjustments	<u>(3,887,131)</u>	<u>2,866,046</u>	<u>(4,968,554)</u>	<u>169,174</u>	<u>(1,953,797)</u>	<u>0.0</u>
TOTAL	\$23,619,408,741	8,548,132,999	\$6,756,140,542	\$1,360,941,748	\$6,954,193,452	53,984.4
Increase/(Decrease)	\$1,139,216,952	\$453,946,284	\$158,038,251	(\$305,829,740)	\$833,062,157	354.9
Percentage Change	5.1%	5.6%	2.4%	(18.3%)	13.6%	0.7%

Decision items: Represents programmatic funding changes included in the FY 2014-15 budget request. Examples include funding for new programs, expansion of existing programs, and reductions to or elimination of existing programs. These items comprise 75.5 percent of the total funds and 93.4 percent of the General Fund changes from the current FY 2013-14 appropriations. Major highlights include:

- (32.2 percent) Health Care Policy and Financing – Increase of \$271.8 million total funds (\$115.0 million General Fund);
- (29.5 percent) Education – Increase of \$248.6 million total funds (\$78.2 million General Fund);
- (18.9 percent) Higher Education – Increase of \$159.4 million total funds (\$101.1 million General Fund); and
- (19.4 percent) Other agencies.

Annualize prior year legislation: Represents the FY 2014-15 impact of legislation passed by the General Assembly in prior fiscal years included in the FY 2014-15 budget request. These

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items comprise 16.3 percent of the total funds and -2.8 percent of the General Fund changes from the current FY 2013-14 appropriations. Major highlights include:

- (377.3 percent) Health Care Policy and Financing – Increase of \$698.9 million total funds (\$17.5 million General Fund).

Centrally appropriated line items: Represents changes reflected in the Executive Director's Office (or comparable division) for each agency for use department-wide included in the FY 2014-15 budget request. Examples include employee benefits (salary changes and health/life/dental insurance), vehicle lease payments, Capitol Complex leased space, and others. These items comprise 9.0 percent of the total funds and 12.5 percent of the General Fund changes from the current FY 2013-14 appropriations. Major highlights include:

- (22.5 percent) Judicial – Increase of \$23.2 million total funds (\$23.1 million General Fund);
- (17.7 percent) Corrections – Increase of \$18.3 million total funds (\$17.7 million General Fund);
- (11.2 percent) Public Health and Environment – Increase of \$11.4 million total funds (\$0.3 million General Fund);
- (10.9 percent) Human Services – Increase of \$11.3 million total funds (\$8.5 million General Fund);
- (10.3 percent) Public Safety – Increase of \$10.6 million total funds (\$1.4 million General Fund); and
- (27.4 percent) Other agencies.

Technical changes: Represents revenue forecast adjustments and various adjustments included in the FY 2014-15 budget request. These items comprise 0.6 percent of the total funds and a reduction of 0.9 percent of the General Fund changes from the current FY 2013-14 appropriations. Major highlights include:

- (202.8 percent) Transportation – Increase of \$13.5 million total funds.

Annualize prior year funding: Represents the FY 2014-15 impact of budgetary decision items included in prior fiscal year appropriations included in the FY 2014-15 budget request. These items comprise a reduction of 1.1 percent of the total funds and a reduction of 2.8 percent of the General Fund changes from the current FY 2013-14 appropriations. Major highlights include:

- (-289.6 percent) Health Care Policy and Financing – Increase of \$34.7 million total funds (\$10.9 million General Fund);
- (-182.2 percent) Human Services – Increase of \$21.8 million total funds (\$6.4 million General Fund); and
- (106.1 percent) Governor – Decrease of \$12.7 million (decrease of \$7.5 million General Fund);

Statewide IT common policy adjustments: Represents changes to moneys collected by the Governor's Office of Information technology from agencies included in the FY 2014-15 budget

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request. These items comprise a reduction of 0.3 percent of the total funds and 0.6 percent of the General Fund changes from the current FY 2013-14 appropriations. Major highlights include:

- (68.1 percent) Natural Resources – Decrease of \$2.6 million total funds (\$0.1 million General Fund); and
- (16.1 percent) Human Services – Decrease of \$0.6 million total funds (\$0.4 million General Fund).

GENERAL FUND OVERVIEWS BASED ON SEPTEMBER 2013 REVENUE ESTIMATES

The overviews on pages 28 and 30 provide the outlook for the General Fund over the next several years based on the following assumptions:

- Table 2 (page 28) is based on OSPB's September 2013 revenue estimates of Gross General Fund revenues, the amount of Rebates and Expenditures, TABOR refunds, and Amendment 23 Transfer to the Education Fund. Table 3 (page 30) is based on Legislative Council Staff September 2013 revenue estimates of Gross General Fund revenues, the amount of Rebates and Expenditures, TABOR refunds, and Amendment 23 Transfer to the Education Fund.

- Based on their respective revenue assumptions, the two scenarios reflect the following with regard to FY 2013-14:
 - ❑ The OSPB forecast indicates, in the Moneys in (Deficit)/Excess of the Statutory GF Reserves line item, an excess of \$0.3 million would exist as compared to the 5.0 percent statutory reserve at the end of FY 2013-14. The small reserve is the result of rounding differences between the JBC staff model and the OSPB calculations for the ending balance.

 - ❑ The LCS forecast indicates, in the Moneys in (Deficit)/Excess of the Statutory GF Reserves line item, an excess of \$97.0 million would exist as compared to the 5.0 percent statutory reserve at the end of FY 2013-14. The reserve is impacted by two bills. S.B. 13-236 requires the first \$30.0 million in excess reserve at the end of FY 2013-14 be transferred to the Water Conservation Board Construction Fund. S.B. 13-234 requires that 75 percent of any remaining excess reserve be transferred to the State Education Fund. Absent these two bills, \$418.1 million would be in the excess reserve at the end of FY 2013-14 based on the LCS forecast.

- Both of the scenarios assume the level of General Fund appropriations for FY 2014-15 as requested on November 1. With regard to each scenario:
 - ❑ The OSPB scenario reflects, in the Moneys in (Deficit)/Excess of the Statutory GF Reserves line item, an ending surplus of \$231.0 million at the end of FY 2014-15 based on a maintaining the 5.0 percent statutory reserve and increasing the statutory reserve by an additional 1.5 percent as requested by the Governor. Please note, JBC staff reflected the actual requests for the Judicial Branch and elected officials in the obligations portion of the General Fund Overview.

 - ❑ The LCS scenario reflects, in the Moneys in (Deficit)/Excess of the Statutory GF Reserves line item, an ending surplus of \$637.0 million at the end of FY 2014-15 based on a maintaining the 5.0 percent statutory reserve and increasing the statutory reserve by an additional 1.5 percent as requested by the Governor. Please note, JBC staff reflected

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the actual requests for the Judicial Branch and elected officials in the obligations portion of the General Fund Overview.

- Both scenarios reflect a \$144.2 million place holder in FY 2013-14 for adjustments dealing with the 2013 floods (\$50 million added back to the Medicaid budget, \$48 million replacement to the Controlled Maintenance Trust Fund, and \$46 million transferred to the Disaster Emergency Fund). The Governor’s transmittal letter indicates requests for these changes will be forthcoming at a later date.
- A capital construction transfer has been included in both scenarios for FY 2014-15 at a level that would be sufficient to fund the Governor's November 1st request for capital construction projects and all the required statutory transfers (primarily for certificates of participation and the Correction Expansion Reserve Fund). This amount (\$199.3 million) is based on the OSPB calculation of the amount that is needed for the requested projects.
- Both of the scenarios reflect a statutory reserve of 5.0 percent as required by current law for FY 2013-14 and FY 2014-15. An additional 1.5 percent (bringing the total reserve to 6.5 percent) is reflected in FY 2014-15 as requested by the Governor.

Table 4 on page 32 reflects the actions taken on 1331 supplementals during the 2013 interim by the JBC. Table 5 on page 34 provides a summary of the placeholders, by department, the Governor is requesting for FY 2014-15. These amounts are reflected in the General Fund Overviews. Figure 9 reflects the components of the expenditures on the OSPB General Fund Overview for FY 2013-14 and FY 2014-15.

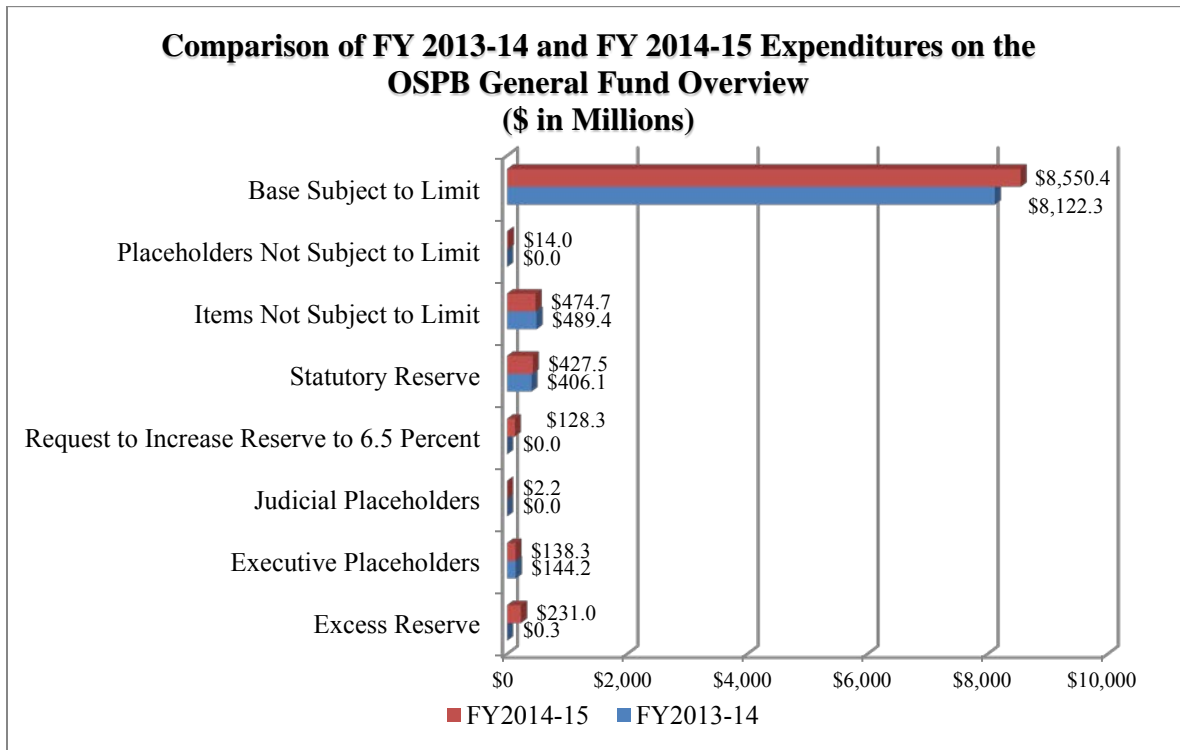


Figure 9

Observations about Assumptions Used:

It is important to note that a General Fund overview is based on various assumptions that, if changed, would result in a General Fund overview that looks very different from the ones presented in this document. Almost every category in every year, except the most recent actual year, is either an estimate or based on certain assumptions. As can be seen, the overview using Legislative Council's September 2013 revenue forecast looks very different from the overview using OSPB's September 2013 revenue forecast. The December revenue estimates will provide a different outlook even if no other variable or assumption is changed.

REVIEW OF JBC STAFF FOUR YEAR PROJECTIONS OF GENERAL FUND COSTS

The JBC staff prepared a four year projection of the major costs that can be anticipated in the upcoming years. The detailed schedules for the four year projection can be found on tables 6 and 7 on pages 35 through 38. These tables are included to assist the reader in understanding the methodology used to develop the projections included in this document.

Staff Projections: JBC staff is projecting that an additional \$3.4 billion General Fund could be needed over the next four years. However, the degree to which the amounts reflected in this projection are funded by the General Assembly will vary based on the availability of funding. Additionally, other actions could also be taken or other events could occur to alleviate the need for some of the estimated costs. It is important to note that only the major components of the General Fund budget were projected. JBC staff did not project the future cost of every line item in the budget. JBC staff did a general projection based on the following categories:

- Policy Options - Over the next four years, JBC staff estimates that policy options could result in the need for an additional \$1.9 billion General Fund. This is 56.4 percent of the total projected need. The majority of this need is from Education (\$1.8 billion, 92.7 percent). The Education policy option is based on the assumption that the General Assembly, beginning in FY 2014-15, will provide "full funding" for the existing school finance formula without application of the "negative factor". It is assumed that this full funding would be accomplished by splitting the cost between the General Fund and the State Education Fund. This may or may not happen depending on the actions taken by the General Assembly.
- Inflation – Over the next four years, JBC staff estimates that inflation could result in the need for an additional \$977.6 million General Fund. This is 28.6 percent of the total projected need. The majority of the projected inflation is from three areas:
 - ❑ The inflationary need in Education (\$436.3 million, 44.6 percent) is being driven based on the assumption that the average per pupil funding amount will increase annually based on the projected consumer price index (CPI).
 - ❑ The inflationary need in statewide actions (\$214.1 million, 21.9 percent) is being driven by the assumption that the General Assembly will fund the increase in costs for salary survey and the associated Public Employees Retirement Association, Amortization Equalization Disbursement, Supplemental Amortization Equalization Disbursement, and Medicare, as well as health/life/dental.
 - ❑ The inflationary need in Health Care Policy and Finance (\$151.1 million, 15.5 percent) is calculated based on per capita costs as forecasted by the Department of Health, Care Policy and Finance through FY 2015-16 then trended forward for the remaining years in the forecast.

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- Caseload - Over the next four years, JBC staff estimates that caseload could result in the need for an additional \$502.9 million General Fund. This is 14.7 percent of the total projected need. The following three areas are the primary drivers of this assumed need:
 - The projected need for Health Care Policy and Finance (\$407.4 million, 81.0 percent) is based on growth factors projected by the department through FY 2015-16 and then trending those growth factors forward in years not yet projected by the department.
 - The projected need for Higher Education (\$51.5 million, 10.2 percent) assumes projected student enrollment changes will be funded, thereby maintaining the current average per pupil funding amount. The 19-year compound average annual rate of growth from FY 1994-95 to projected FY 2013-14 was used to project the average rate of growth due to the lack of an LCS projection past FY 2013-14 and the extreme variability in higher education enrollment (counter-cyclical to the economy).
 - The projected need for Judicial (\$33.9 million, 6.8 percent) is based on the estimated increases required to maintain existing staffing levels for courts, probation, and the Office of the State Public Defender (OSPD) but keep up with projected increases in case filings (this includes state staff for the courts, probation, OSPD, as well as the increased costs for private counsel paid by the Office of the Child's Representative (OCR) and the Office of the Alternate Defense Counsel (OADC)).
- Statutory Increases - Over the next four years, JBC staff estimates that statutory driven increases could result in the need for an additional \$21.2 million General Fund. This is 0.6 percent of the total projected need. This results from the statutory requirement to increase the Amortization Equalization Disbursement (AED) and the Supplemental Amortization Equalization Disbursement (SAED) associated with PERA by .04 percent each calendar year through 2017.
- Other Base Adjustments - Over the next four years, JBC staff estimates that other base adjustments could result in the reduction of \$13.9 million General Fund. This is a 0.4 percent reduction to the total projected need. The reductions are the result of: 1) the transfer of the Division of Developmental Disabilities from Human Services to Health Care Policy and Finance in FY 14-15, 2) annualization of CBMS Funding in FY 14-15, 3) annualization of Food Assistance funding in FY 15-16 in the Department of Human Services, 4) CHP+ enhanced federal funds eliminating the need for General Fund in the Department of Health Care Policy and Finance in FY 2015-16, and 5) annualization of numerous FY 2013-14 requests and bills for Child Welfare in the Department of Human Services.

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Figure 10 reflects the components of the total four year projections of General Fund costs.

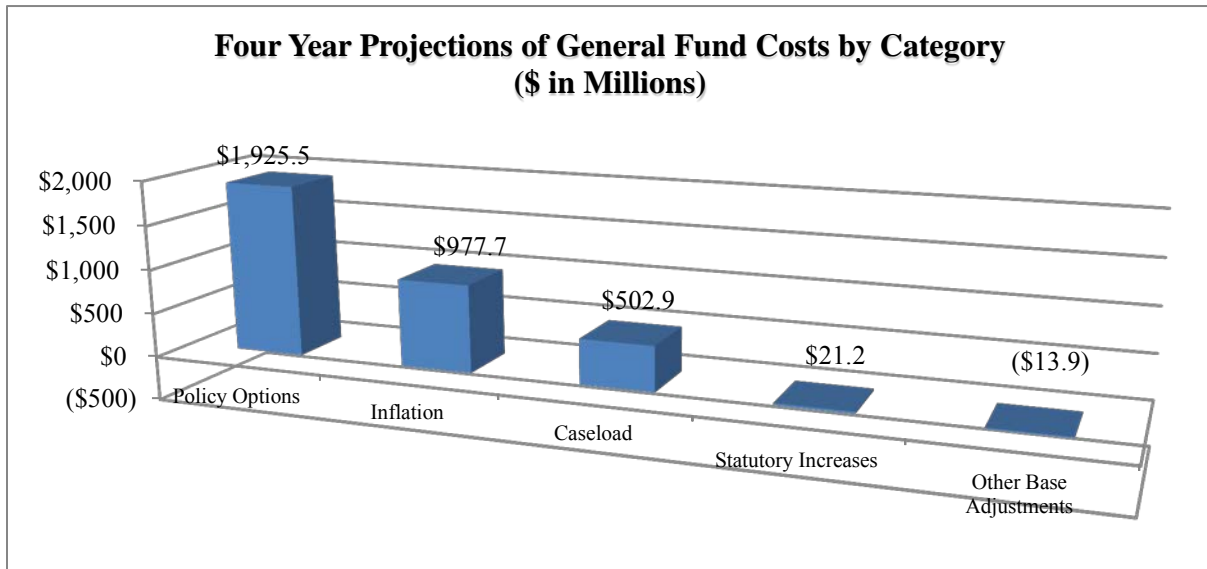


Figure 10

Figure 11 reflects the potential impact, by fiscal year, based on the JBC staff four year projections.

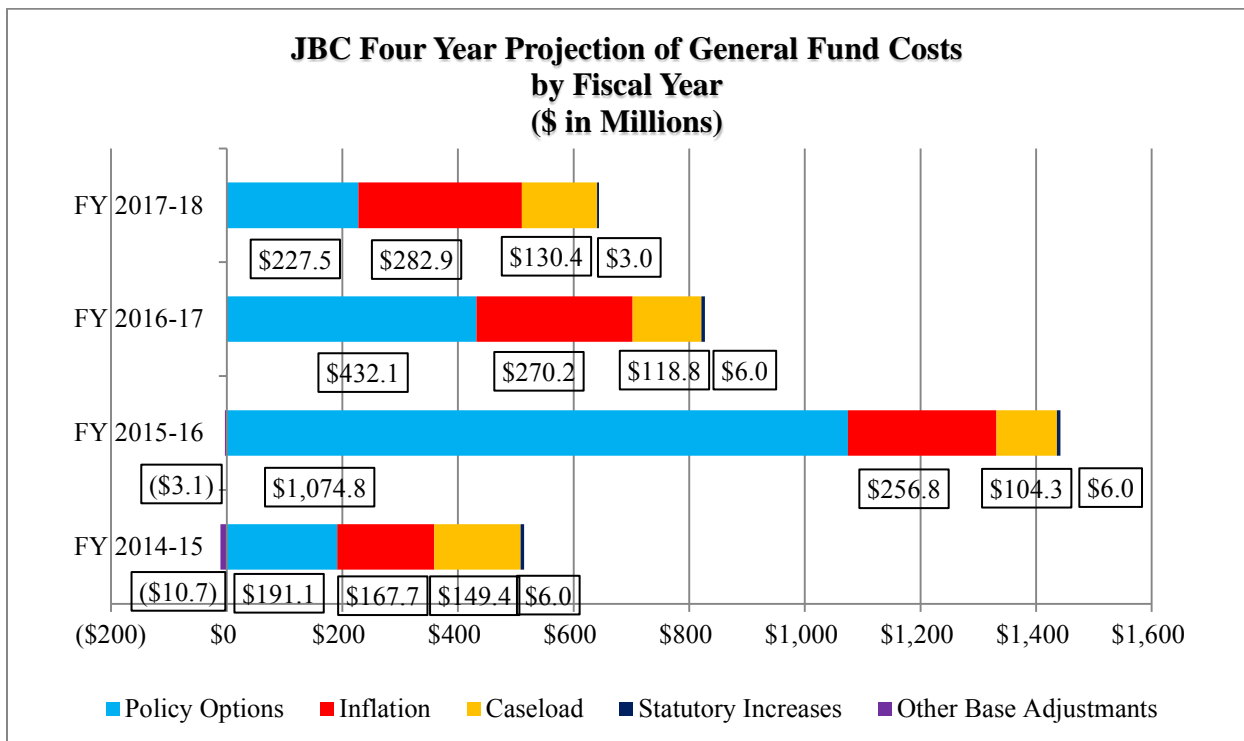


Figure 11

POTENTIAL GENERAL FUND IMPACT OF S.B. 09-228

Section 24-75-219, C.R.S. (S.B. 09-228) established a schedule of transfers of General Fund to the HUTF and CCF. Those transfers are as follows:

Percent of Total General Fund Revenue Transferred to HUTF and CCF		
FY	HUTF	CCF
2012-13	2.00%	0.50%
2013-14	2.00%	0.50%
2014-15	2.00%	1.00%
2015-16	2.00%	1.00%
2016-17	2.00%	1.00%

- After FY 2016-17, the automatic transfers are eliminated. It is left to the discretion of the General Assembly how much is to be appropriated and/or transferred each year.
- The series of transfers in the above table are dependent on growth in Colorado personal income being at least 5.0 percent from calendar year 2011 to 2012. If the personal income growth is less than 5.0 percent between those two calendar years, the transfers do not begin until a 5.0 percent growth in personal income between calendar years is achieved. However, once the transfers are triggered, statute dictates they continue regardless the level of personal income growth in the subsequent years. Legislation is required to change the trigger or the amount of transfers.
- The transfers are also impacted by the amount of TABOR refunds. If the TABOR refund reaches certain levels, the transfers are decreased. The following table reflects the amounts by which the transfers would decrease.

TABOR Refund as a Percent of Total General Fund Revenues	Reduction in Transfers to HUTF and CCF
greater than 1.0% and less than or equal to 3.0%	50.00%
greater than 3.0%	100.00%

Section 24-75-201.1 (1) (d), C.R.S. establishes the statutory reserve that is required to be maintained. When S.B. 09-228 was signed into law, the statutory reserve requirement was 4.0 percent of the amount appropriated for expenditure from the General Fund for a given fiscal year. S.B. 09-228 added language requiring that the statutory reserve be increased by one-half percent per fiscal year over a period of five fiscal years beginning in FY 2012-13. However, S.B. 09-228 added language in the statute that suspended the increases from beginning until a personal income trigger occurs. The personal income trigger indicates that the initial reserve requirement applies to the first fiscal year after the personal income trigger is reached. The personal income trigger is defined as an increase in annual Colorado personal income from one calendar year to the next calendar year by an amount equal to five percent or more. That trigger has yet to occur.

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However, during the 2013 session, S.B. 13-237 was signed into law and it amended the S.B. 09-228 triggers with regard to the required reserve in the following ways:

- It increased the reserve to 5.0 percent of General Fund appropriations for the fiscal years 2012-13 and 2013-14;
- it established the reserve as 5.0 percent of General Fund appropriations for all subsequent years until the percentage increases after the personal income trigger occurs;
- it eliminated the first two fiscal years of reserve increases, because the reserve will already be 5.0 percent of General Fund appropriations; and
- it delayed the remaining three fiscal years of one-half percent reserve increases until the third fiscal year that begins after the personal income trigger occurs so that the timing of these increases does not change from existing law.

Figure 12 reflects the impact that the S.B. 09-228 increases will have, based on the OSPB September 2013 revenue projections, if the trigger is met for FY 2015-16. Both the LCS and the OSPB September 2013 revenue forecasts project the trigger will be met for FY 2015-16. Please note that these amounts are only being shown for informational purposes as the trigger has not yet been met.

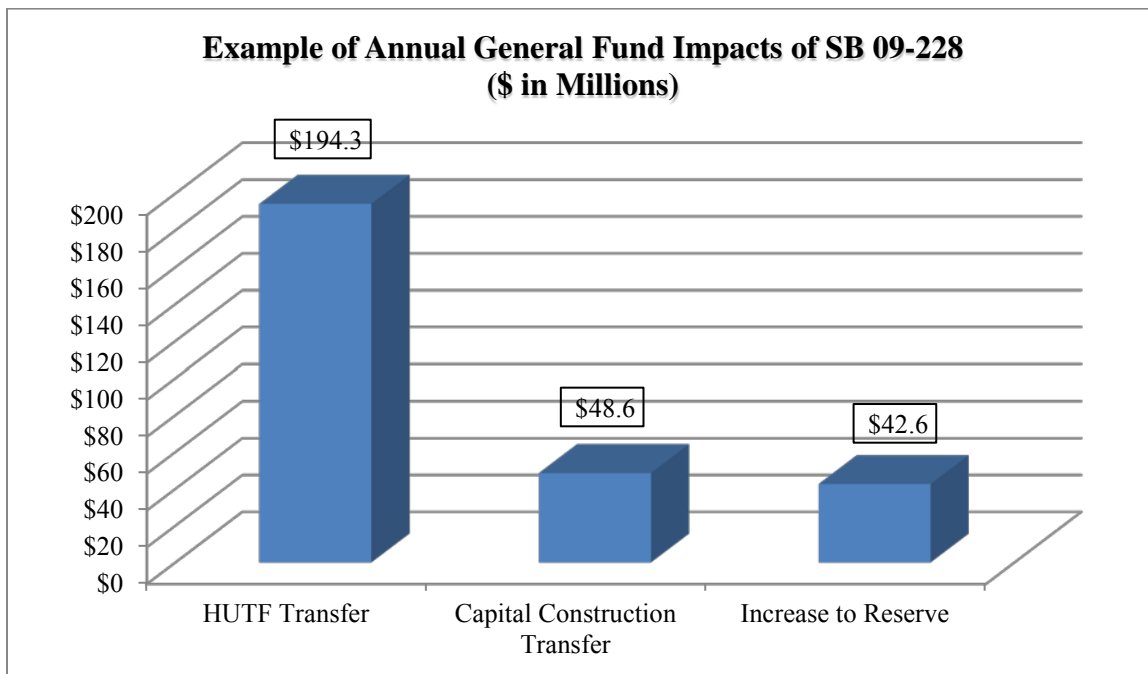


Figure 12

It should be noted that, as part of the Governor’s November 1 transmittal letter, the Governor is requesting the JBC to sponsor legislation that would increase the required statutory reserve to 6.5

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percent of operating appropriations for FY 2014-15. It is estimated that an increase to 6.5 percent in FY 2014-15 would require an additional \$127.9 million General Fund in FY 2014-15. The Governor's November 1 submission as indicated the intention to set aside this amount for the proposed legislation. The Governor's transmittal letter is silent as to the details of this request. It does not specify if the Governor intends to make this change permanent, thus eliminating the need for the remaining two year increases once the trigger is met. It is assumed by JBC staff that the details of this request will be determined during the 2014 session in consultation with the General Assembly if the JBC chooses to sponsor such legislation. The passage of a bill that makes the change and eliminates any further increases would eliminate the future need for a \$42.6 million increase reflected in the chart above.

Table 1
Summary of FY 2013-14 Operating Appropriations and FY 2014-15 Operating Request
 Please Note that General Fund Exempt is Included with General Fund

Departments	FY 2013-14 Appropriations					Original Nov 1, 2013 FY 2014-15 OSPB Request					Percent Growth FY 2014-15 as compared to FY 2013-14					Dollar Change GF
	Total GF	CF	RF	FF	Total	Total GF	CF	RF	FF	Total	GF	CF	RF	FF	Total	
Agriculture	7,723,805	29,176,366	1,632,203	4,137,870	42,670,244	8,524,950	29,125,178	1,629,526	4,090,167	43,369,821	10.4%	-0.2%	-0.2%	-1.2%	1.6%	801,145
Corrections	664,148,559	40,179,999	45,892,992	1,010,514	751,232,064	706,333,227	40,063,613	45,925,247	1,223,868	793,545,955	6.4%	-0.3%	0.1%	21.1%	5.6%	42,184,668
Education	3,100,516,167	893,700,039	28,629,576	625,524,834	4,648,370,616	3,179,412,322	1,062,310,066	30,284,667	635,996,698	4,908,003,753	2.5%	18.9%	5.8%	1.7%	5.6%	78,896,155
Governor	22,073,247	36,740,540	159,797,133	6,755,621	225,366,541	30,774,929	36,224,022	156,112,766	6,395,889	229,507,606	39.4%	-1.4%	-2.3%	-5.3%	1.8%	8,701,682
Health Care Policy	2,063,159,596	888,516,606	10,483,522	3,575,483,329	6,537,643,053	2,208,767,959	946,274,662	9,685,529	4,383,420,616	7,548,148,766	7.1%	6.5%	-7.6%	22.6%	15.5%	145,608,363
Higher Education	659,062,854	1,978,139,263	576,697,493	19,290,300	3,233,189,910	760,889,619	1,979,283,382	635,694,785	19,701,556	3,395,569,342	15.5%	0.1%	10.2%	2.1%	5.0%	101,826,765
Human Services	724,844,518	358,900,608	519,799,788	610,833,459	2,214,378,373	744,450,063	330,387,731	132,357,264	614,836,313	1,822,031,371	2.7%	-7.9%	-74.5%	0.7%	-17.7%	19,605,545
Judicial	383,079,450	139,134,949	25,814,561	4,425,000	552,453,960	430,796,235	137,086,981	29,445,472	4,425,000	601,753,688	12.5%	-1.5%	14.1%	0.0%	8.9%	47,716,785
Labor	98,519	65,399,832	650,740	97,192,944	163,342,035	265,316	65,390,012	650,740	99,733,769	166,039,837	169.3%	0.0%	0.0%	2.6%	1.7%	166,797
Law	12,168,714	12,330,132	41,294,862	1,770,364	67,564,072	13,053,697	12,363,711	42,674,891	1,746,521	69,838,820	7.3%	0.3%	3.3%	-1.3%	3.4%	884,983
Legislature	38,592,648	179,000	1,627,371	0	40,399,019	40,341,214	179,000	1,627,371	0	42,147,585	4.5%	0.0%	0.0%	n/a	4.3%	1,748,566
Local Affairs	17,698,568	208,920,557	8,629,582	69,956,340	305,205,047	23,276,832	209,056,160	8,651,460	70,024,549	311,009,001	31.5%	0.1%	0.3%	0.1%	1.9%	5,578,264
Military Affairs	7,378,715	1,239,695	800,000	214,439,842	223,858,252	7,862,092	1,246,093	800,000	214,711,152	224,619,337	6.6%	0.5%	0.0%	0.1%	0.3%	483,377
Natural Resources	24,978,508	215,177,148	8,774,311	28,579,274	277,509,241	25,875,846	180,787,502	8,025,565	28,433,483	243,122,396	3.6%	-16.0%	-8.5%	-0.5%	-12.4%	897,338
Personnel	9,131,974	13,628,813	151,445,199	0	174,205,986	8,544,797	13,272,224	153,901,564	0	175,718,585	-6.4%	-2.6%	1.6%	n/a	0.9%	(587,177)
Public Health	53,402,747	149,737,005	29,677,710	291,260,870	524,078,332	50,211,598	157,546,976	47,811,431	298,238,953	553,808,958	-6.0%	5.2%	61.1%	2.4%	5.7%	(3,191,149)
Public Safety	97,396,503	164,734,328	25,776,057	55,179,379	343,086,267	99,256,965	175,970,508	25,964,904	54,749,082	355,941,459	1.9%	6.8%	0.7%	-0.8%	3.7%	1,860,462
Regulatory Agencies	1,703,494	73,652,864	4,504,371	1,323,983	81,184,712	1,774,346	76,486,825	4,643,065	1,316,118	84,220,354	4.2%	3.8%	3.1%	-0.6%	3.7%	70,852
Revenue	77,856,804	218,345,598	5,068,713	824,388	302,095,503	89,482,563	215,059,783	5,280,197	824,388	310,646,931	14.9%	-1.5%	4.2%	0.0%	2.8%	11,625,759
State	0	22,908,217	0	0	22,908,217	0	21,993,272	0	0	21,993,272	n/a	-4.0%	n/a	n/a	-4.0%	0
Transportation	0	759,829,076	19,775,304	488,142,984	1,267,747,364	0	748,891,518	19,775,304	514,325,330	1,282,992,152	n/a	-1.4%	0.0%	5.4%	1.2%	0
Treasury	106,171,325	327,531,656	0	0	433,702,981	118,238,429	317,141,323	0	0	435,379,752	11.4%	-3.2%	n/a	n/a	0.4%	12,067,104
Capital - Controlled Maintenance Trust	23,000,000	0	0	25,000,000	48,000,000	0	0	0	0	0	-100.0%	n/a	n/a	-100.0%	-100.0%	(23,000,000)
Total	8,094,186,715	6,598,102,291	1,666,771,488	6,121,131,295	22,480,191,789	8,548,132,999	6,756,140,542	1,360,941,748	6,954,193,452	23,619,408,741	5.6%	2.4%	-18.3%	13.6%	5.1%	453,946,284
Not Subject to Statutory Limit:																
SB 13-230, Treasury, Sr Citizen Prop Tax Exempt	105,200,000	0	0	0	105,200,000	117,200,000	0	0	0	117,200,000	11.4%	0	0	0	11.4%	12,000,000
SB 13-230, Treasury, FPPA	25,321,079	0	0	0	25,321,079	0	0	0	0	0	-100.0%	0	0	0	-100.0%	(25,321,079)
SB 13-234, Modifications to FPPA	(25,321,079)	0	0	0	(25,321,079)	0	0	0	0	0	-100.0%	0	0	0	-100.0%	(25,321,079)
SB 13-230, Revenue, Old Age Heat and Fuel	7,100,000	0	0	0	7,100,000	6,900,000	0	0	0	6,900,000	-2.8%	0	0	0	-2.8%	(200,000)
SB 13-230, Revenue, Cigarette Tax	9,300,000	0	0	0	9,300,000	9,000,000	0	0	0	9,000,000	-3.2%	0	0	0	-3.2%	(300,000)
SB 13-230, Local Affairs, FPPA	4,294,753	0	0	0	4,294,753	4,294,753	0	0	0	4,294,753	0.0%	0	0	0	0.0%	0
Subtotal	125,894,753	0	0	0	125,894,753	137,394,753	0	0	0	137,394,753	9.1%	0	0	0	9.1%	11,500,000
Amendment 35 Tobacco Tax GFE - Not Subject to Statutory Limit:																
SB 13-230, HCPF, Amendment 35 Tobacco Tax	438,300	0	0	0	438,300	441,600	0	0	0	441,600	0.8%	0	0	0	0.8%	3,300
SB 13-230, Public Health, Amend 35 Tobacco Tax	438,300	0	0	0	438,300	441,600	0	0	0	441,600	0.8%	0	0	0	0.8%	3,300
Subtotal	876,600	0	0	0	876,600	883,200	0	0	0	883,200	0.8%	0	0	0	0.8%	6,600
Total (GF Adjusted for Items Not Subject to Limit)	7,967,415,362	6,598,102,291	1,666,771,488	6,121,131,295	22,354,297,036	8,409,855,046	6,756,140,542	1,360,941,748	6,954,193,452	23,756,803,494	5.6%	2.4%	-18.3%	13.6%	6.3%	442,439,684
Currently Subject to Statutory Limit	7,967,415,362					8,409,855,046										
Personal Income (2 years prior to FY)	225,400,000,000					234,900,000,000										
Statutory Limit (Personal Income * 5 Percent)	11,270,000,000					11,745,000,000										
Amount (Over/Under Limit)	3,302,584,638					3,335,144,954										

Table 2
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	\$406.4	\$530.3
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 Place Holder for Revenue Requests	0.0	0.0	(113.6)	0.0
6 TABOR Surplus Liability	0.0	0.0	0.0	0.0
7 TOTAL GF AVAILABLE	<u>\$9,350.9</u>	<u>\$9,018.1</u>	<u>\$9,555.0</u>	<u>\$10,248.4</u>
8				
8 GF Obligations:				
10 GF Appropriations	\$7,459.3	\$7,967.4	\$8,409.9	\$8,550.4
11 1331 Supplementals Previously Approved by JBC	0.0	10.7	0.0	0.0
12 1331 Supplementals Requested but as yet Acted on by JBC	0.0	0.0	0.0	0.0
13 Nov. 1 Governor Budget Place Holders	0.0	144.2	138.3	0.0
14 Nov. 1 Judicial Budget Place Holders	0.0	0.0	2.2	0.0
15 Adjusted GF Appropriations Base	<u>7,459.3</u>	<u>8,122.3</u>	<u>8,550.4</u>	<u>8,550.4</u>
16 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
17 Medicaid Overexpenditures/Payment Delays as Required by OSPB and Controller	0.0	0.0	0.0	0.0
18 Rebates and Expenditures - Based on Statutory Minimums	277.5	127.7	116.6	112.3
19 Reimbursement for Senior and Veterans Property Tax Exemption	102.7	108.6	117.0	123.7
20 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	194.3
21 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	48.6
22 Capital Construction Transfer	61.4	186.7	199.3	16.2
23 Request for Unidentified Capitol Place Holder	0.0	0.0	14.2	0.0
24 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338	1,067.0	0.0	0.0	0.0
25 Transfer to FPPA and SEF - SB 13-234	0.0	45.3	25.3	25.3
26 Transfer to the SEF - SB 13-260 (75.0% of Excess GF Surplus)	0.0	0.0	0.0	0.0
27 Transfer to Other Funds	4.6	21.1	1.9	1.9
28 Accounting Adjustments	5.4	0.0	0.0	0.0
29 TOTAL GF OBLIGATIONS	<u>\$8,977.9</u>	<u>\$8,611.7</u>	<u>\$9,024.7</u>	<u>\$9,072.7</u>
30				
31 YEAR END GF RESERVE	\$373.0	\$406.4	\$530.3	\$1,175.7
32 Additional Amount Required to Increase Statutory Reserve to 6.5 Percent as Requested by Governor	\$0.0	\$0.0	\$128.3	\$128.3
33 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	<u>373.0</u>	<u>406.1</u>	<u>427.5</u>	<u>427.5</u>
34 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$0.0</u>	<u>\$0.3</u>	<u>\$231.0</u>	<u>\$876.4</u>
35 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 2 - Continued

	FY 12-13	FY 13-14	FY 14-15	FY 15-16
36 Total Gross General Fund Revenues	\$8,554.9	\$8,642.7	\$9,259.8	\$9,715.7
37 Percent Gross General Fund Revenue Growth	10.6%	1.0%	7.1%	4.9%
38				
39 Transfer to the State Education Fund	\$486.3	\$470.7	\$500.9	\$527.4
40 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13.260	1,067.0	45.3	25.3	25.3
41 Total Transfers to the State Education Fund	\$1,553.3	\$516.0	\$526.2	\$552.7
42				
43 Required TABOR Reserve	\$333.3	\$337.9	\$355.8	\$370.0
44				
45 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$7,459.3	\$8,122.3	\$8,550.4	\$8,550.4
46 Total Percent Growth (Including both items within restriction and exemptions)	6.1%	8.9%	5.3%	0.0%
47 GF Appropriations Base Available Growth	\$431.4	\$663.0	\$428.1	\$0.0
48				
49 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
50 Percent Increase/(Decrease) Over Previous Year			4.2%	4.3%
51				
52 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
53 Adjusted GF Appropriations Base	7,459.3	8,122.3	8,550.4	8,550.4
54 Over/(Under) Calculated Appropriations Restriction	(\$3,165.7)	(\$3,147.7)	(\$3,194.6)	(\$3,699.6)
55				
56 Additional Amount Percentage to Increase Statutory Reserve to 6.5 Percent as Requested by Governor	N/A	N/A	1.5%	1.5%
57 Year-End GF Statutory Reserve Percentage	5.0%	5.0%	5.0%	5.0%
58 Year-End GF Excess of Statutory Reserve Percentage	0.0%	0.0%	2.7%	10.3%
59				
60 Rebates and Expenditures Include (from OSPB Forecast)				
61 Cigarette Rebate	\$10.8	\$9.5	\$9.0	\$8.7
62 Old Age Pension	111.6	105.4	94.3	90.1
63 Aged Property Tax & Heating Credit	7.0	6.9	6.9	6.9
64 FPPA	146.7	4.3	4.3	4.3
65 Amendment 35 GFE Expenditures	0.8	0.8	0.8	0.8
66 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.6	0.8	1.3	1.5
67 Total Rebates and Expenditures	\$277.5	\$127.7	\$116.6	\$112.3

Table 3
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	\$503.1	\$1,064.5
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 Place Holder for Revenue Requests	0.0	0.0	(113.6)	0.0
6 Transfer to the Colorado Water Conservation Board Construction Fund - SB 13-236	0.0	(30.0)	0.0	0.0
7 TABOR Surplus Liability	0.0	0.0	0.0	0.0
8 TOTAL GF AVAILABLE	\$9,351.0	\$9,452.5	\$10,119.8	\$11,309.1
9				
10 GF Obligations:				
11 GF Appropriations	\$7,459.3	\$7,967.4	\$8,409.9	\$8,550.4
12 1331 Supplementals Previously Approved by JBC	0.0	10.7	0.0	0.0
13 1331 Supplementals Requested but as yet Acted on by JBC	0.0	0.0	0.0	0.0
14 Nov. 1 Budget Place Holders	0.0	144.2	138.3	0.0
15 Nov. 1 Judicial Budget Place Holders	0.0	0.0	2.2	0.0
16 Adjusted GF Appropriations Base	7,459.3	8,122.3	8,550.4	8,550.4
17 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
18 Medicaid Overexpenditures/Payment Delays as Required by OSPB and the Controller	5.4	0.0	0.0	0.0
19 Rebates and Expenditures - Based on Statutory Minimums	277.6	142.9	147.0	151.1
20 Reimbursement for Senior and Veterans Property Tax Exemption	102.7	110.0	117.2	118.2
21 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	204.8
22 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	51.2
23 Transfer to the Capital Construction Fund	61.4	186.7	199.3	45.1
24 Request for Unidentified Capitol Place Holder	0.0	0.0	14.2	0.0
25 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338	1,088.6	0.0	0.0	0.0
26 Transfer to FPPA and SEF - SB 13-234	0.0	45.3	25.3	25.3
27 Transfer to the SEF - SB 13-260 (75.0% of Excess GF Surplus)	0.0	291.1	0.0	0.0
28 Transfer to Other Funds	4.6	51.1	1.9	1.9
29 Accounting Adjustments	(21.6)	0.0	0.0	0.0
30 TOTAL GF OBLIGATIONS	\$8,978.0	\$8,949.4	\$9,055.3	\$9,148.1
31				
32 YEAR END GF RESERVE	\$373.0	\$503.1	\$1,064.5	\$2,161.1
33 Additional Amount Required to Increase Statutory Reserve to 6.5 Percent as Requested by Governor	\$0.0	\$0.0	\$128.3	\$128.3
34 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	373.0	406.1	427.5	427.5
35 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	\$0.0	\$97.0	\$637.0	\$1,733.6
36 Reduction Needed to Maintain 1/2 of Statutory Reserve	N/A	N/A	N/A	N/A

Table 3 - Continued

	FY 12-13	FY 13-14	FY 14-15	FY 14-15
37 Total Gross General Fund Revenues	\$8,554.9	\$9,107.1	\$9,727.9	\$10,242.2
38 Percent Gross General Fund Revenue Growth	10.6%	6.5%	6.8%	5.3%
39				
40 Transfer to the State Education Fund	\$486.3	\$502.5	\$529.3	\$556.4
41 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13-260	1,088.6	336.4	25.3	25.3
42 Total Transfers to the State Education Fund	\$1,574.9	\$838.9	\$554.6	\$581.7
43				
44 Required TABOR Reserve	\$333.5	\$350.5	\$369.6	\$387.7
45				
46 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$7,464.7	\$8,122.3	\$8,550.4	\$8,550.4
47 Total Percent Growth (Including both items within restriction and exemptions)	6.2%	8.8%	5.3%	0.0%
48 GF Appropriations Base Available Growth	\$436.8	\$657.6	\$428.1	\$0.0
49				
50 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
51 Percent Increase/(Decrease) Over Previous Year			4.4%	3.9%
52				
53 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
54 Adjusted GF Appropriations Base	7,459.3	8,122.3	8,550.4	8,550.4
55 Over/(Under) Calculated Appropriations Restriction	(\$3,168.0)	(\$3,148.2)	(\$3,216.1)	(\$3,674.9)
56				
57 Additional Amount Percentage to Increase Statutory Reserve to 6.5 Percent as Requested by Governor	N/A	N/A	1.5%	1.5%
58 Year-End GF Statutory Reserve Percentage	5.0%	5.0%	5.0%	5.0%
59 Year-End GF Excess of Statutory Reserve Percentage	0.0%	1.2%	7.5%	20.3%
60				
61 Rebates and Expenditures Include (from LCS Forecast)				
62 Cigarette Rebate	\$10.7	\$11.0	\$10.5	\$10.1
63 Old Age Pension	103.9	107.7	112.2	116.7
64 Aged Property Tax & Heating Credit	6.9	6.7	6.5	6.3
65 Older Coloradans Fund (Off Budget - not in Long Bill)	8.0	10.0	10.0	10.0
66 FPPA	146.6	4.7	4.7	4.7
67 Amendment 35 GFE Expenditures	0.9	0.9	0.9	0.8
68 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.6	1.9	2.2	2.5
69 Total Rebates and Expenditures	\$277.6	\$142.9	\$147.0	\$151.1

Table 4
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	0	0	0	570,856	570,852	1,141,708	0	0	0	539,367	539,367	1,078,734
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		\$0	\$3,507,195	\$3,507,195	\$2,981,807	\$570,852	\$3,552,659	\$0	\$2,449,211	\$2,449,211	\$2,411,455	\$539,367	\$2,950,822

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 4 - 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

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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

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		JBC Action					
		FY 2012-13			FY 2013-14		
		GF	Other Funds	Total	GF	Other Funds	Total
Total Operating 1331 Supplementals Approved by JBC =		\$0	\$2,449,211	\$2,449,211	\$10,748,163	\$12,598,372	\$23,346,535

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		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

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Table 5
List of Governor, Judicial, and Elected Official November 1, 2013 Placeholder Requests

FY 2014-15 Revenue Place Holder Requests

Department	Item	GF	Other Funds	Total
Governor's Request:				
Labor and Employment	Payback Major Medical Fund	(\$97,392,241)	\$97,392,241	0
Public Health and Environment	Payback Recycling Resources Economic Opportunity Fund	(1,500,000)	1,500,000	0
Public Health and Environment	Payback Waste Tire Cleanup Fund	(500,000)	500,000	0
Public Health and Environment	Payback Hazardous Substance Response Fund	(10,000,000)	10,000,000	0
Public Safety	GF Revenue Reduction Due to Wildfire Preparedness Fund Request	(4,150,000)	0	(4,150,000)
Total FY 2014-15 Revenue Payback Place Holders				
		(\$113,542,241)	\$109,392,241	(\$4,150,000)

FY 2013-14 Operating Place Holder Requests

Department	Item	GF	Other Funds	Total
Governor's Request:				
Controlled Maintenance	Appropriate General Fund to Increase the CMTF to Replenish Fund	\$48,000,000	\$0	48,000,000
HCPF	Reallocate moneys designated as flood relief to replenish Medicaid Budget	50,000,000	0	50,000,000
Public Safety	Transfer General Fund to the Disaster Emergency Fund	46,235,264	0	46,235,264
Total FY 2013-14 Operating Place Holders				
		\$144,235,264	\$0	\$144,235,264

FY 2014-15 Operating Place Holder Requests

Department	Item	GF	Other Funds	Total
Governor's Request:				
Public Safety	HB 13-1020 - Forensic Testing of Evidence from Sexual Assaults	\$14,000,000	\$0	14,000,000
Various	Legislation for the Pay Date Shift	\$94,020,566	\$0	94,020,566
Unknown	Unexplained Budget Amendment Set-Aside	44,438,051	0	44,438,051
Subtotal Governor Place Holder Requests		\$152,458,617	\$0	\$152,458,617
Amount Subject to Statutory Limit		\$138,278,818	\$0	138,278,818
Amount Exempt from Statutory Limit		\$14,179,799	\$0	14,179,799
Statutory Limit		\$127,900,000	\$0	\$127,900,000
Legislation to Increase Statutory Limit to 6.5 Percent				
Total Governor FY 2014-15 Operating Place Holders		\$280,358,617	\$0	\$280,358,617
Judicial Request:				
	Legislation for District Judges	747,134	0	747,134
	Legislation for Underfunded Facilities	1,500,000	0	1,500,000
Total Judicial FY 2014-15 Operating Place Holders				
		\$2,247,134	\$0	\$2,247,134

Table 6
Summary of JBC Staff Four Year Projections for General Fund Costs

1	Policy Options:	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Total
2	EDUCATION	96,292,947	1,056,917,665	418,554,935	213,872,909	1,785,638,456
3	HIGHER EDUCATION	88,654,446	0	0	0	88,654,446
4	HUMAN SERVICES	0	2,869,562	407,353	439,960	3,716,875
5	JUDICIAL	2,642,000	7,942,000	6,142,000	6,142,000	22,868,000
6	HEALTH CARE POLICY AND FINANCING	3,512,728	7,025,455	7,025,455	7,025,455	24,589,093
7	STATEWIDE and OTHER DEPARTMENTS	0	0	0	0	0
8	CORRECTIONS	0	0	0	0	0
9	GRAND TOTAL	191,102,121	1,074,754,682	432,129,743	227,480,324	1,925,466,870
10						
11	Inflation:	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Total
12	EDUCATION	103,472,030	107,121,537	110,899,763	114,811,249	436,304,579
13	STATEWIDE and OTHER DEPARTMENTS	38,957,375	52,763,625	59,764,635	62,649,461	214,135,096
14	HIGHER EDUCATION	19,112,823	21,701,622	23,095,951	23,858,117	87,768,512
15	HUMAN SERVICES	13,722,879	15,709,270	16,813,285	17,381,567	63,627,001
16	HEALTH CARE POLICY AND FINANCING	(12,687,209)	53,707,047	53,057,837	57,008,457	151,086,132
17	CORRECTIONS	4,037,625	4,647,042	5,293,597	5,911,930	19,890,194
18	JUDICIAL	1,051,000	1,193,000	1,270,000	1,312,000	4,826,000
19	GRAND TOTAL	167,666,523	256,843,143	270,195,068	282,932,781	977,637,514
20						
21	Caseload:	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Total
22	HEALTH CARE POLICY AND FINANCING	125,844,648	83,141,958	95,552,386	102,817,410	407,356,402
23	HIGHER EDUCATION	12,522,194	12,760,116	13,002,558	13,249,607	51,534,475
24	JUDICIAL	11,045,000	7,391,000	6,375,000	9,146,000	33,957,000
25	EDUCATION	0	0	0	0	0
26	STATEWIDE and OTHER DEPARTMENTS	0	0	0	0	0
27	HUMAN SERVICES	0	0	0	0	0
28	CORRECTIONS	0	1,009,685	3,909,844	5,209,545	10,129,074
29	GRAND TOTAL	149,411,842	104,302,758	118,839,788	130,422,562	502,976,951
30						
31	Statutory Increases:	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Total
32	STATEWIDE and OTHER DEPARTMENTS	6,054,695	6,054,695	6,054,695	3,027,347	21,191,432
33	CORRECTIONS	0	0	0	0	0
34	EDUCATION	0	0	0	0	0
35	HEALTH CARE POLICY AND FINANCING	0	0	0	0	0
36	HIGHER EDUCATION	0	0	0	0	0
37	HUMAN SERVICES	0	0	0	0	0
38	JUDICIAL	0	0	0	0	0
39	GRAND TOTAL	6,054,695	6,054,695	6,054,695	3,027,347	21,191,432
40						
51	Other Base Adjustments:	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Total
52	HUMAN SERVICES	(8,211,331)	(2,485,080)	0	0	(10,696,411)
53	EDUCATION	0	0	0	0	0
54	CORRECTIONS	0	0	0	0	0
55	HEALTH CARE POLICY AND FINANCING	14,518,846	(17,681,456)	0	0	(3,162,610)
56	HIGHER EDUCATION	0	0	0	0	0
57	JUDICIAL	0	0	0	0	0
58	STATEWIDE and OTHER DEPARTMENTS	0	0	0	0	0
59	GRAND TOTAL	6,307,515	(20,166,536)	0	0	(13,859,021)
60						
61	Grand Total:	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Total
62	Policy Options	191,102,121	1,074,754,682	432,129,743	227,480,324	1,925,466,870
63	Inflation	167,666,523	256,843,143	270,195,068	282,932,781	977,637,514
64	Caseload	149,411,842	104,302,758	118,839,788	130,422,562	502,976,951
65	Statutory Increases	6,054,695	6,054,695	6,054,695	3,027,347	21,191,432
66	Reversing One-time Action Spreadsheet	0	0	0	0	0
67	Other base adjustments	6,307,515	(20,166,536)	0	0	(13,859,021)
68	GRAND TOTAL	520,542,696	1,421,788,742	827,219,294	643,863,014	3,413,413,746

**Table 7
Four Year Projections of General Fund Costs (Increase over Base Year - FY 2013-14)**

DEPARTMENT	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	incremental changes through FY 2017-18 only	EXPLANATION/COMMENTS
CORRECTIONS							
Base	664,148,559	664,148,559	668,186,184	673,842,911	683,046,352		Caseload, Inflation, Reversing One-time Action, and Policy Options reflect solely the increase in that year over the prior year's base.
Caseload		0	1,009,685	3,909,844	5,209,545	10,129,074	Base does not include JBC approved interim supplementals of \$915,293 for the fugitive unit and \$956,795 for sex offender treatment
Inflation		<u>4,037,625</u>	<u>4,647,042</u>	<u>5,293,597</u>	<u>5,911,930</u>	<u>19,890,194</u>	Assumes prison population changes as indicated in the Division of Criminal Justice's "Summer 2013 Interim Prison Population Forecasts".
						0	Assumes the daily rate for private prisons, medical costs, pharmaceuticals, and food increase in step with the CPI forecast.
						<u>0</u>	
Total	\$664,148,559	\$668,186,184	\$673,842,911	\$683,046,352	\$694,167,827		
Change from Prior Year		\$4,037,625	\$5,656,727	\$9,203,441	\$11,121,475	\$30,019,268	
Percentage Change from Prior Year		0.6%	0.8%	1.4%	1.6%		
EDUCATION							
Base	3,100,516,167	3,100,516,167	3,300,281,144	4,464,320,346	4,993,775,044		The baseline scenario (not shown in table) would hold Total Program constant, with the state share decreasing over the forecast period as the local share of funding grows.
Reversing One-time Action		0	0	0	0	0	Assumes that the SEF absorbs changes due to the loss of one-time and temporary funding provided in FY 2013-14.
Caseload		0	0	0	0	0	Assumes increases associated with projected student enrollment (to maintain average per pupil funding at \$6,652) will be funded from the SEF and holds General Fund appropriations constant over the forecast period.
Inflation		103,472,030	107,121,537	110,899,763	114,811,249	436,304,579	Assumes the average per pupil funding amount increases annually based on CPI. Assumes a 4.6 percent annual growth in General Fund for total program, with the remainder of the increase in the state share coming primarily from the SEF.
Policy Options		<u>96,292,947</u>	<u>1,056,917,665</u>	<u>418,554,935</u>	<u>213,872,909</u>	<u>1,785,638,456</u>	Assumes "full funding" of the existing school finance formula without the "negative factor", beginning in FY 2014-15, with increases split between GF and SEF. Model assumes low GF growth in FY 2014-15 but requires large growth in FY 2015-16.
						0	
						<u>0</u>	
Total	\$3,100,516,167	\$3,300,281,144	\$4,464,320,346	\$4,993,775,044	\$5,322,459,202		
Change from Prior Year		\$199,764,977	\$1,164,039,202	\$529,454,698	\$328,684,158	\$2,221,943,035	
Percentage Change from Prior Year		6.4%	35.3%	11.9%	6.6%		
HEALTH CARE POLICY AND FINANCING							
Base	2,063,159,596	2,063,159,596	2,194,348,609	2,320,541,612	2,476,177,291		INCLUDES General Fund transfer to Human Services
Other base adjustments		14,518,846	(17,681,456)	0	0	(3,162,610)	FY 14-15 is mostly the pure GF coming from the DD transfer; FY 15-16 is CHP+ enhanced FF eliminating the need for GF
Caseload		125,844,648	83,141,958	95,552,386	102,817,410	407,356,402	The projection uses growth factors projected by the Department through FY 2015-16 and trends those forward.
Inflation		(12,687,209)	53,707,047	53,057,837	57,008,457	151,086,132	The projection uses growth factors based on average per capita costs projected by the Department through FY 2015-16 and trends those forward.
Policy Options		<u>3,512,728</u>	<u>7,025,455</u>	<u>7,025,455</u>	<u>7,025,455</u>	<u>24,589,093</u>	Adds waiver slots for people with disabilities with high needs/emergencies (133 comp, 7 SLS), for Foster Case Transitions (50), and for CES age out transitions (38).
						0	
						<u>0</u>	
Total	\$2,063,159,596	\$2,194,348,609	\$2,320,541,612	\$2,476,177,291	\$2,643,028,612		
Change from Prior Year		\$131,189,013	\$126,193,003	\$155,635,678	\$166,851,322	\$579,869,016	
Percentage Change from Prior Year		6.4%	5.8%	6.7%	6.7%		

**Table 7
Four Year Projections of General Fund Costs (Increase over Base Year - FY 2013-14)**

DEPARTMENT	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	incremental changes through FY 2017-18 only	EXPLANATION/COMMENTS
HIGHER EDUCATION							
Base Caseload	659,062,854	659,062,854 12,522,194	779,352,317 12,760,116	813,814,055 13,002,558	849,912,564 13,249,607	51,534,475	The 19-year compound average annual rate of growth from FY 1994-95 to projected FY 2013-14 was used to project the average rate of growth due to the lack of an LCS projection past FY 2013-14 and the extreme variability in higher education enrollment (counter-cyclical to the economy).
Inflation		19,112,823	21,701,622	23,095,951	23,858,117	87,768,512	Projections of inflation are based on the September 2013 LCS forecast.
Policy Options		<u>88,654,446</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>88,654,446</u>	Restores state General Fund support to the total at the last General Fund high-point (FY 2007-08). Assumes that this adjustment would be allocated between the institutions and financial aid, consistent with current statutory requirements.
Total	\$659,062,854	\$779,352,317	\$813,814,055	\$849,912,564	\$887,020,287		
Change from Prior Year		\$120,289,463	\$34,461,738	\$36,098,509	\$37,107,724	\$227,957,433	
Percentage Change from Prior Year		18.3%	4.4%	4.4%	4.4%		
HUMAN SERVICES							
Base	724,844,518	724,844,518	730,356,066	746,449,818	763,670,456		DOES NOT Include Net GF Transferred from HCPF (this is all included in HCPF) or JBC approved 2013 interim supplementals of \$7.8 m for Child Welfare.
Other base adjustments		(8,211,331)	(2,485,080)	0	0	(10,696,411)	Annualizes transfer of DDD to HCPF in FY 14-15, Annualizes CBMS Funding in FY 14-15, Annualizes Food Assistance funding in FY 15-16, annualizes numerous FY 13-14 requests and bills for Child Welfare.
Inflation		13,722,879	15,709,270	16,813,285	17,381,567	63,627,001	Includes inflation for pharmaceuticals and food at the mental health institutes, DYC, Child Care Assistance Program, child welfare services, family/children's programs, county administration, and DD regional center services.
Policy Options		<u>0</u>	<u>2,869,562</u>	<u>407,353</u>	<u>439,960</u>	<u>3,716,875</u>	Includes county administration funding to meet state population growth, funding for transitioning children out of foster care and off of CES waivers, and moneys for additional emergency and transition DD slots.
Total	\$724,844,518	\$730,356,066	\$746,449,818	\$763,670,456	\$781,491,983		
Change from Prior Year		\$5,511,548	\$16,093,752	\$17,220,638	\$17,821,527	\$56,647,465	
Percentage Change from Prior Year		0.8%	2.2%	2.3%	2.3%		
JUDICIAL							
Base Caseload	383,079,450	383,079,450 11,045,000	397,817,450 7,391,000	414,343,450 6,375,000	428,130,450 9,146,000	33,957,000	Estimated increases required to maintain existing staffing levels (for courts, probation, and the Office of the State Public Defender (OSPD) but keep up with projected increases in case filings (this includes state staff for the courts, probation, OSPD, as well as the increased costs for private counsel paid by the Office of the Child's Representative (OCR) and the Office of the Alternate Defense Counsel (OADC)).
Inflation		1,051,000	1,193,000	1,270,000	1,312,000	4,826,000	Inflationary increases for rates paid to private attorneys by the OADC and the OCR (inflationary increases for courts, probation, and OSPD should be captured in statewide salary data).
Policy Options		<u>2,642,000</u>	<u>7,942,000</u>	<u>6,142,000</u>	<u>6,142,000</u>	<u>22,868,000</u>	To reach 100% full staffing over 5 years (by FY 2018-19) for the courts, probation, and OSPD.
Total	\$383,079,450	\$397,817,450	\$414,343,450	\$428,130,450	\$444,730,450		
Change from Prior Year		\$14,738,000	\$16,526,000	\$13,787,000	\$16,600,000	\$61,651,000	
Percentage Change from Prior Year		3.8%	4.2%	3.3%	3.9%		

**Table 7
Four Year Projections of General Fund Costs (Increase over Base Year - FY 2013-14)**

DEPARTMENT	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	incremental changes through FY 2017-18 only	EXPLANATION/COMMENTS
STATEWIDE and OTHER DEPARTMENTS							
Base	499,375,571	499,375,571	544,387,641	603,205,961	669,025,291		Currently reflects the balance of the statewide appropriation that is not incorporated in big-six above.
Statutory Increases		6,054,695	6,054,695	6,054,695	3,027,347	21,191,432	AED & SAED increase 0.4% EACH CALENDAR YEAR through 2017. Each year's increase is calculated on the original FY 2013-14 GF Salary base.
Inflation		<u>38,957,375</u>	<u>52,763,625</u>	<u>59,764,635</u>	<u>62,649,461</u>	<u>214,135,096</u>	Includes salary survey and associated PERA, AED, SAED, and Medicare, as well as Health/Life/Dental.
Total	\$499,375,571	\$544,387,641	\$603,205,961	\$669,025,291	\$734,702,099		
Change from Prior Year		\$45,012,070	\$58,818,320	\$65,819,330	\$65,676,808	\$235,326,528	
Percentage Change from Prior Year		9.0%	10.8%	10.9%	9.8%		
GRAND TOTAL							
Base	\$8,094,186,715	8,094,186,715	8,614,729,411	10,036,518,153	10,863,737,447		
Statutory Increases		6,054,695	6,054,695	6,054,695	3,027,347	21,191,432	
Other base adjustments		6,307,515	(20,166,536)	0	0	(13,859,021)	
Caseload		149,411,842	104,302,758	118,839,788	130,422,562	502,976,951	
Inflation		167,666,523	256,843,143	270,195,068	282,932,781	977,637,514	
Policy Options		191,102,121	1,074,754,682	432,129,743	227,480,324	1,925,466,870	
Total	\$8,094,186,715	\$8,614,729,411	\$10,036,518,153	\$10,863,737,447	\$11,507,600,461		
Change from Prior Year		\$520,542,696	\$1,421,788,742	\$827,219,294	\$643,863,014	\$3,413,413,746	
Percentage Change from Prior Year		6.4%	16.5%	8.2%	5.9%		
Change Subject to Statutory Limit		\$520,542,696	\$1,421,788,742	\$827,219,294			
Change Not Subject to Statutory Limit	\$126,771,353	\$0	\$0	\$0			