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October 15, 2016

Report on Referendum C Revenue and Spending FY 2005-06 through FY 2016-17

This report contains the final audited figures for the amount of money Referendum C provided for the state in the 2005-06 through 2014-15 state fiscal years and preliminary numbers for the 2015-16 and 2016-17 state fiscal years.¹ 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 C² passed by the voters in 2005.

Revenue and spending. The state retained \$1.1 billion in FY 2005-06, \$1.3 billion in FY 2006-07, \$1.2 billion in FY 2007-08, \$771 million in FY 2010-11, \$1.5 billion in FY 2011-12, \$1.9 billion in FY 2012-13, \$2.1 billion in FY 2013-14, and \$2.4 billion in FY 2014-15 as a result of Referendum C. The state budgeted expenditures of retained revenue totaling \$2.4 billion in FY 2015-16 and \$2.6 billion in FY 2016-17 based on projections released in March 2016.

Table 1 shows the distribution of the retained money for FY 2005-06 through FY 2016-17. 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 is required to be split into equal thirds and used to fund health care, K-12 education, and higher education.³

FY 2015-16. The first \$125 million was budgeted to be spent on transportation projects (\$0.5 million); volunteer firefighter retirement plans (\$4.3 million); K-12 schools (\$60.1 million); and health care (\$60.1 million). A total of \$2,246.7 million (\$2,371.7 million less \$125.0 million) was allocated one-third each (\$748.9 million) to K-12 education, health care, and higher education. These budgeted amounts will be finalized with actual figures during the 2017 legislative session.

FY 2016-17. The first \$125 million was budgeted to be spent on transportation projects (\$0.5 million); volunteer firefighter retirement plans (\$4.3 million); K-12 schools (\$60.1 million); and health care (\$60.1 million). A total of \$2,441.1 million (\$2,566.1 million less \$125.0 million) was allocated one-third each (\$813.7 million) to K-12 education, health care, and higher education. These numbers are estimates provided through the 2016 Long Appropriations Bill; the budgeted amounts will be updated with new estimates during the 2017 legislative session and finalized with actual figures during the 2018 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 passed. 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 the state would have taken had Referendum C not passed.

¹Each state fiscal year begins on July 1.

²Section 24-77-103.6, C.R.S.

³Section 24-77-104.4 (1), C.R.S.

Table 1
Referendum C Spending by Program
Millions of Dollars

Year	K-12 Education	Health Care	Higher Education	Volunteer Firefighter Retirement Plans	Fire and Police Pensions	Transportation Projects	Total
2005-06	\$361.7	\$361.6	\$353.7	\$3.8	\$25.3	\$10.0	\$1,116.1
2006-07	425.1	425.1	404.3	3.8	34.8	15.0	\$1,308.1
2007-08	391.3	381.3	348.1	3.8	34.8	20.0	\$1,169.3
2008-09	0.0	0.0	0.0	0.0	0.0	0.0	\$0.0
2009-10	0.0	0.0	0.0	0.0	0.0	0.0	\$0.0
2010-11	275.4	275.4	215.2	4.1	0.0	0.5	\$770.6
2011-12	506.9	506.9	449.5	4.3	5.3	0.5	\$1,473.4
2012-13	633.4	633.4	578.3	4.3	10.0	0.5	\$1,859.9
2013-14	726.9	726.9	666.7	4.3	0.0	0.5	\$2,125.3
2014-15	813.1	813.1	753.0	4.3	0.0	0.5	\$2,384.1
2015-16*	809.0	809.0	748.9	4.3	0.0	0.5	\$2,371.7
2016-17*	873.8	873.8	813.7	4.3	0.0	0.5	\$2,566.1

*Preliminary estimates. Actual amounts will be budgeted during the supplemental appropriations process.
Source: Joint Budget Committee.