

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2015-16 STAFF BUDGET BRIEFING  
OVERVIEW OF FY 2015-16 BUDGET REQUEST**

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

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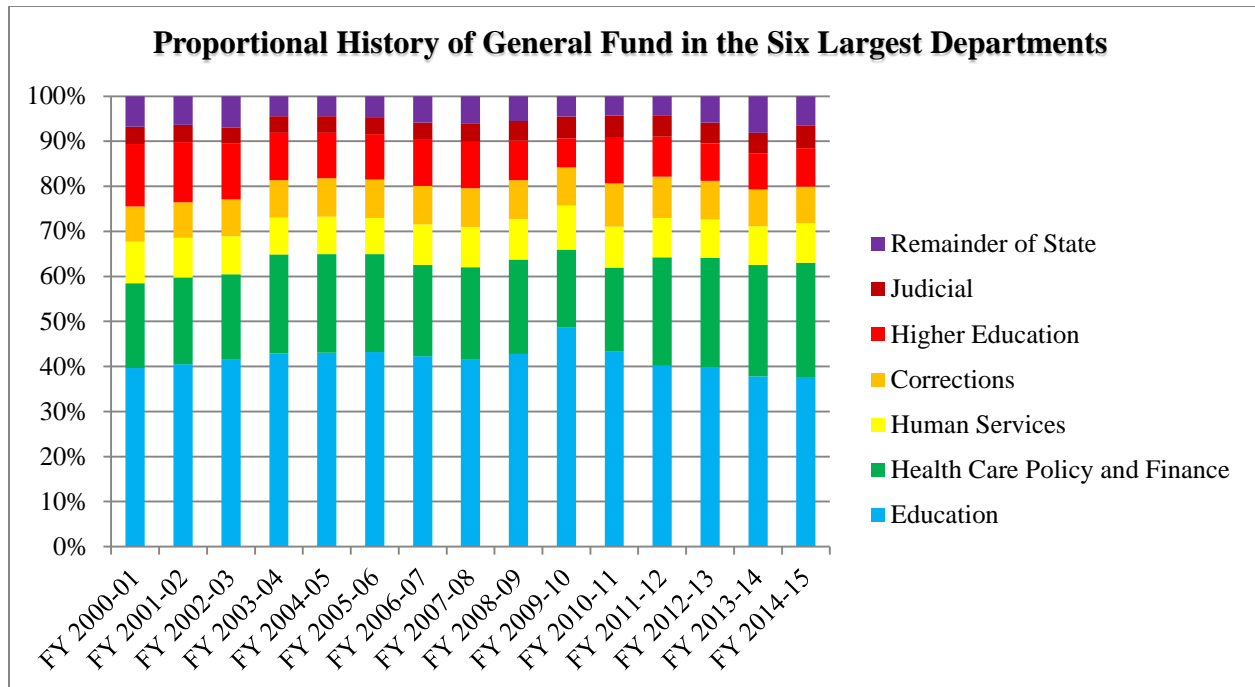
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## OVERVIEW OF FY 2015-16 REQUEST

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

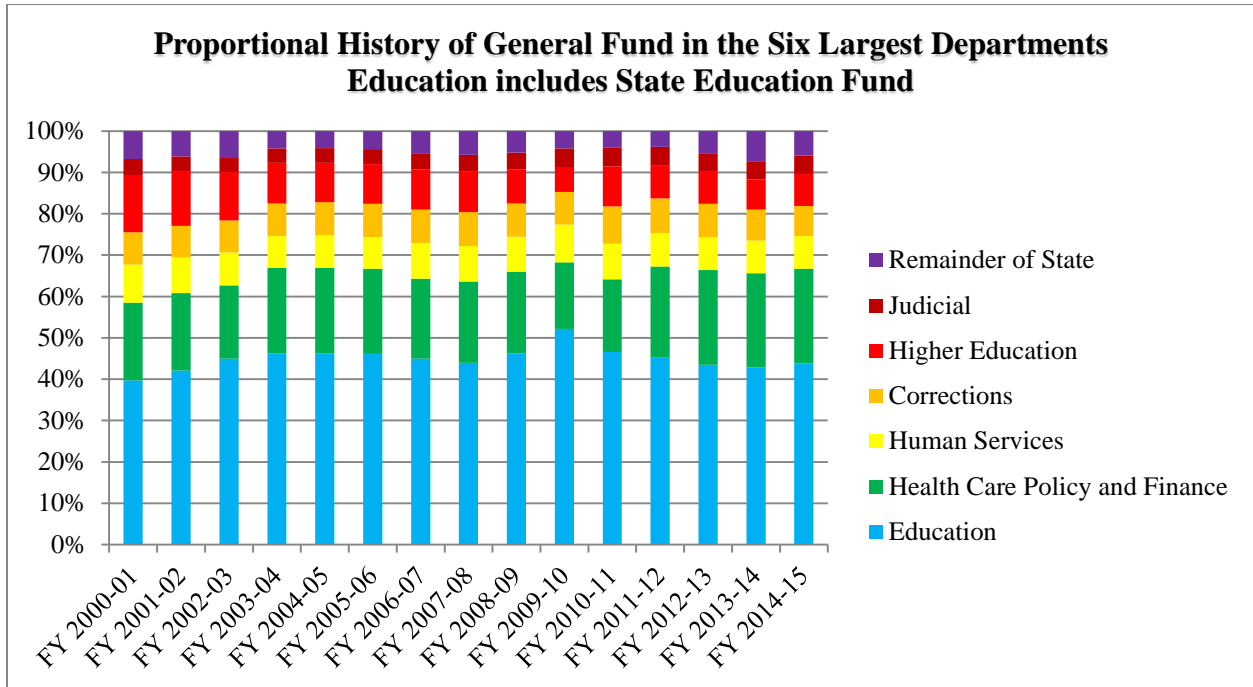
Historically, a significant proportion of the General Fund has been appropriated to the six largest departments over the last 15 years. However, the proportions that have been appropriated within the six largest departments have changed based on the amount of available General Fund revenue and other 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 15 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. Figure 2 provides a graphical representation of the proportions of the largest six departments over a 15 year time frame when the State Education Fund is included in the General Fund for Education.

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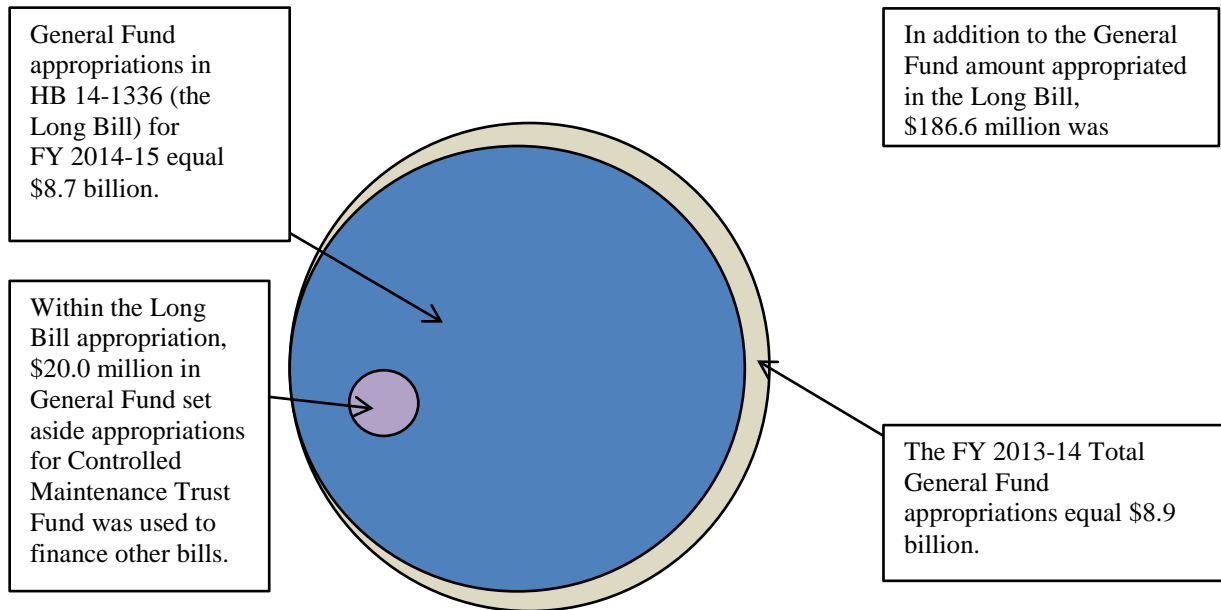
**Figure 2**

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Discussion of the FY 2014-15 General Fund Appropriations

The General Assembly appropriated a total of \$8.9 billion General Fund in FY 2014-15. Within the Long Bill (HB 14-1336), the General Assembly appropriated \$8.7 billion General Fund (See Figure 3). The General Fund appropriations in the Long Bill were 97.9 percent of the total General Fund appropriations made in the 2014 Session.



**Figure 3**

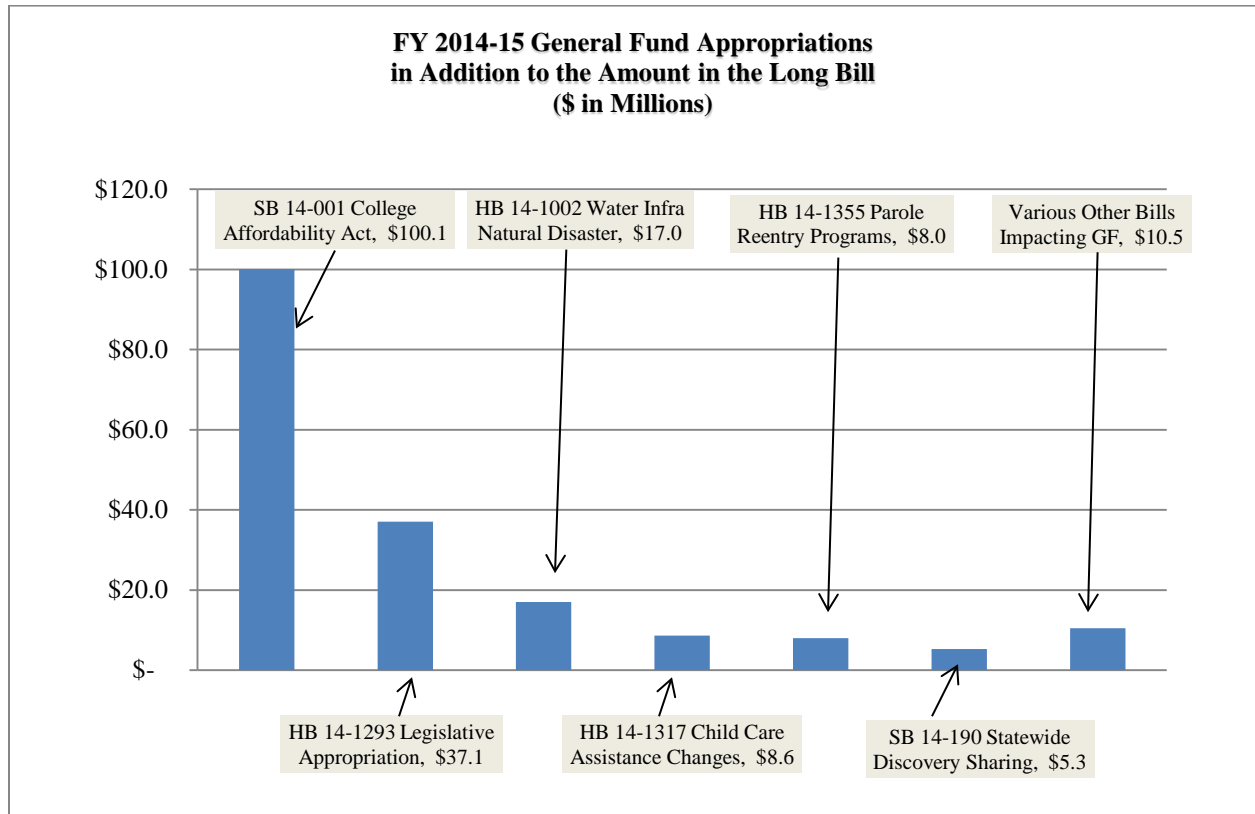
The General Assembly appropriated an additional \$186.6 million General Fund in other legislation for FY 2014-15 (figure 4). The following is a list of the major actions the General Assembly passed in separate legislation, other than the Long Bill, that impacted General Fund appropriations:

- A \$100.1 million General Fund appropriation for the College Affordability Act, SB 14-001
- A \$37.1 million General Fund appropriation to the General Assembly in the legislative appropriation bill, HB 14-1293.
- A \$17.0 million General Fund appropriation to the Department of Public Health and Environment for water infra-structure related to natural disasters in HB 14-1002.
- An \$8.6 million General Fund appropriation to the Department of Human Services for child care assistance changes in HB 14-1317.
- An \$8.0 million General Fund appropriation to the Department of Corrections for parole reentry programs in HB 14-1355.

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- A \$5.3 million General Fund appropriation to the Judicial Branch for statewide discovery sharing in SB 14-190.
- A net increase of \$10.5 million General Fund appropriated in various other bills impacting the General Fund.



**Figure 4**

Additionally, the General Assembly made \$20.0 million in adjustments to various bills to utilize General Fund moneys that had been set aside in an appropriation to the Controlled Maintenance Trust Fund in the Long Bill as a placeholder for potential 2014 legislation (figure 5). The following is a list of the major portions of those adjustments:

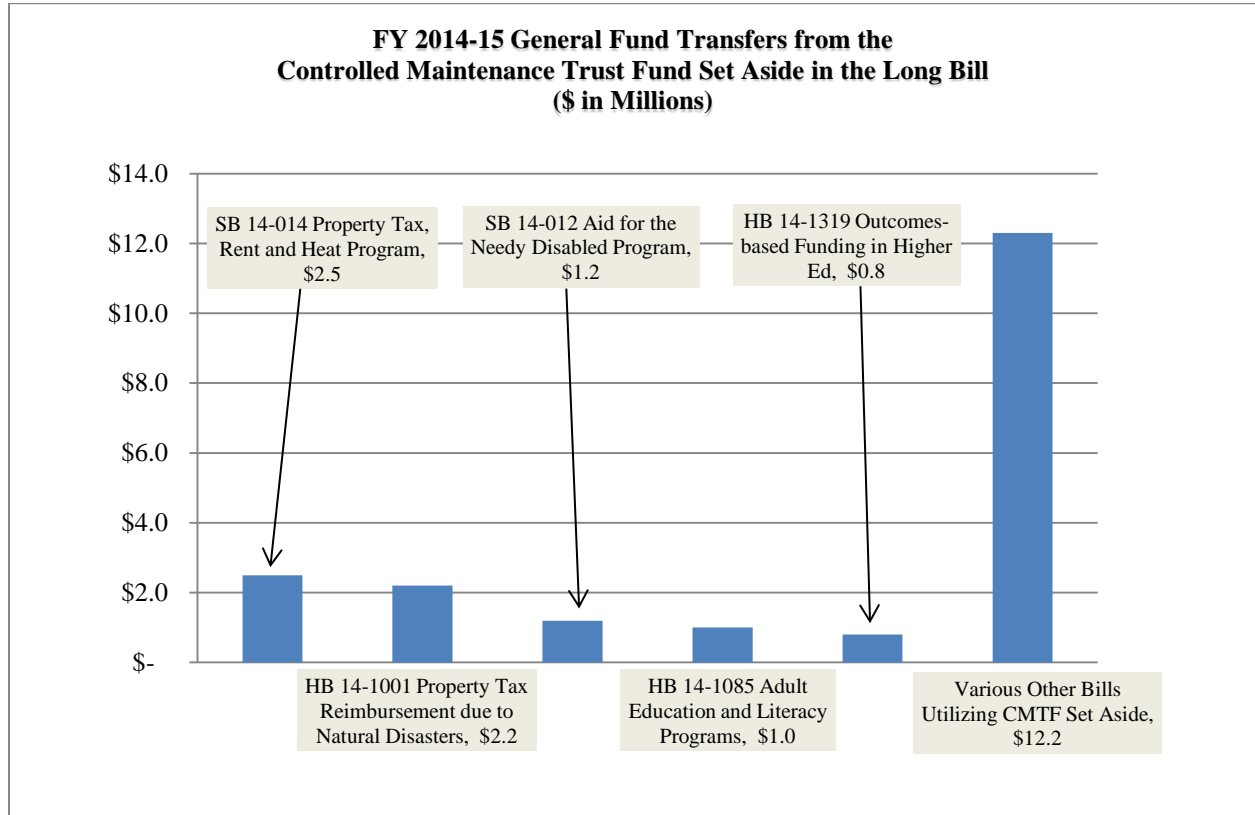
- \$2.5 million General Fund for the Property Tax, Rent, and Heat Program (SB 14-014) administered by the Department of Revenue.
- \$2.2 million General Fund for a state reimbursement for certain property taxes owed or paid for real property and business personal property that has been destroyed in a natural disaster or by other cause beyond the control of the property owner (HB 14-1001).
- \$1.2 million General Fund for the Aid to the Needy Disabled Program (SB 14-012) in the Department of Human Services.
- \$960,000 General Fund for Adult Education and Literacy Programs (HB 14-1085) in the Department

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of Education.

- \$805,000 General Fund for outcomes-based funding for the Department of Higher Education (HB 14-1319).
- An additional \$12.2 million General Fund for more than 45 additional bills from the 2014 Session.



**Figure 5**

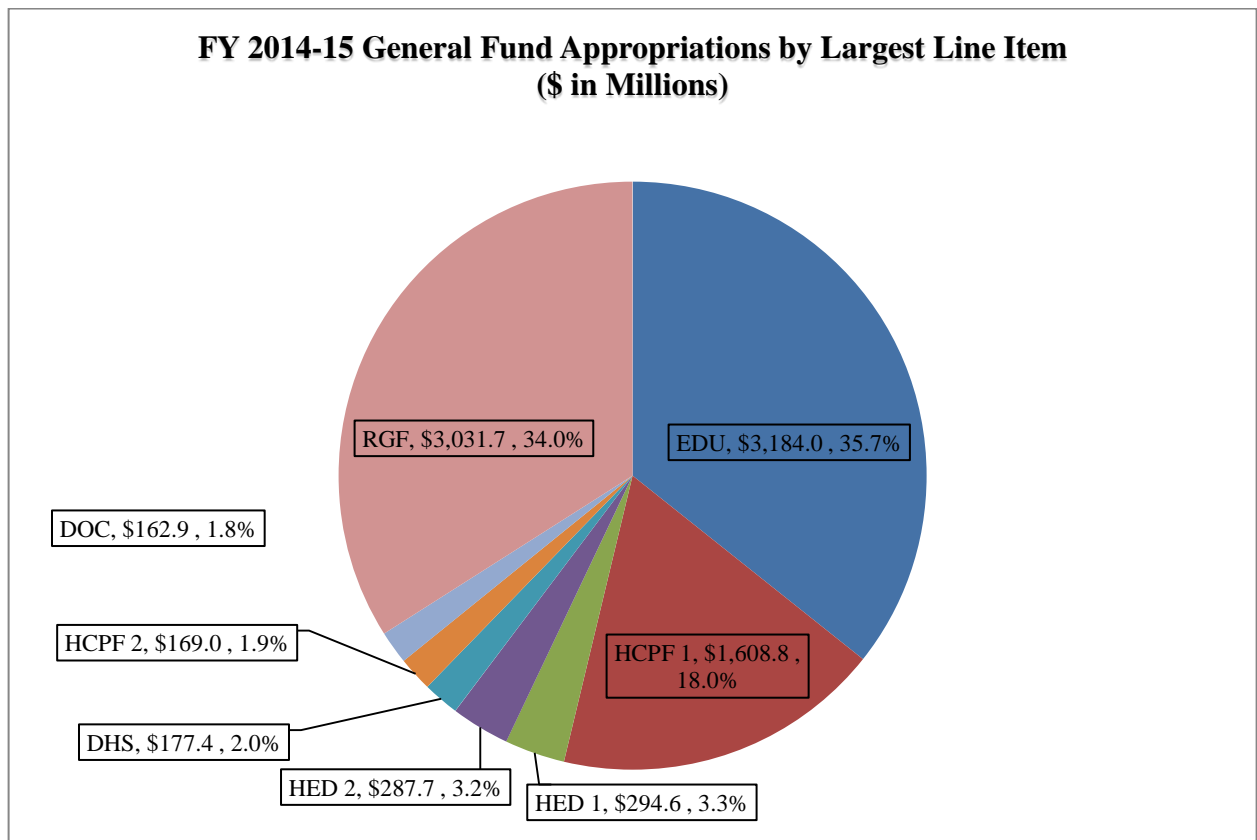
*Distribution of FY 2014-15 General Fund Appropriation:* JBC staff reviewed the appropriations from the 2014 Session to determine where the majority of General Fund was appropriated. Seven line items contained 67.7 percent of the General Fund appropriated (figure 6). These lines are as follows:

- \$3,184.0 million (35.7 percent) of the total General Fund was appropriated for State Share of Total Funding in the Department of Education (EDU in figure 6).
- \$1,608.8 million (18.0 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 6).
- \$294.6 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 6).

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- \$287.7 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 6).
- \$177.4 million (2.0 percent) of the total General Fund was appropriated for Child Welfare Services in the Department of Human Services (DHS in figure 6).
- \$169.0 million (1.9 percent) of the total General Fund was appropriated for behavioral health capitation payments in the Department of Health Care, Policy, and Finance (HCPF 2 in figure 6).
- \$162.9 million (1.8 percent) of the total General Fund was appropriated for Housing and Security Personal Services in the Department of Corrections (DOC in figure 6).
- \$3.0 billion (34.0 percent) of the total General Fund was appropriated for the more than 890 remaining General Fund (RGF in figure 6) line items in the FY 2014-15 appropriations.



**Figure 6**

*Discussion of the FY 2015-16 Budget Request*

The departments of state government submitted their FY 2015-16 budget requests on November 3. These budget requests reflect the priorities of the Governor with the exception of the



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Legislative Branch, Judicial Branch, and the other elected officials. In preparing the budget request, OSPB assumed a 7.3 percent General Fund increase for Judicial; an 8.2 percent General Fund increase for Law; a 2.6 percent increase for Treasury; a 5.9 percent increase for the Legislature; and no General Fund for State.

Table 1 on page 28 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 2014-15 during the 2014 Session, **\$3.1 billion remains under the FY 2014-15 General Fund statutory appropriation limit.** The Joint Budget Committee approved supplemental requests equaling an increase of \$0.4 million General Fund submitted through the 1331 supplemental process during the 2014 interim.

Overall the department budget requests for FY 2015-16 (including the requests as submitted by Judicial, Law, State, and Treasury) reflect a General Fund increase subject to the statutory limit of \$610.0 million (7.0 percent) as compared to the current level of FY 2014-15 appropriations subject to the statutory limit as appropriated during the 2014 Session. Figure 7 reflects the requested increases by department.

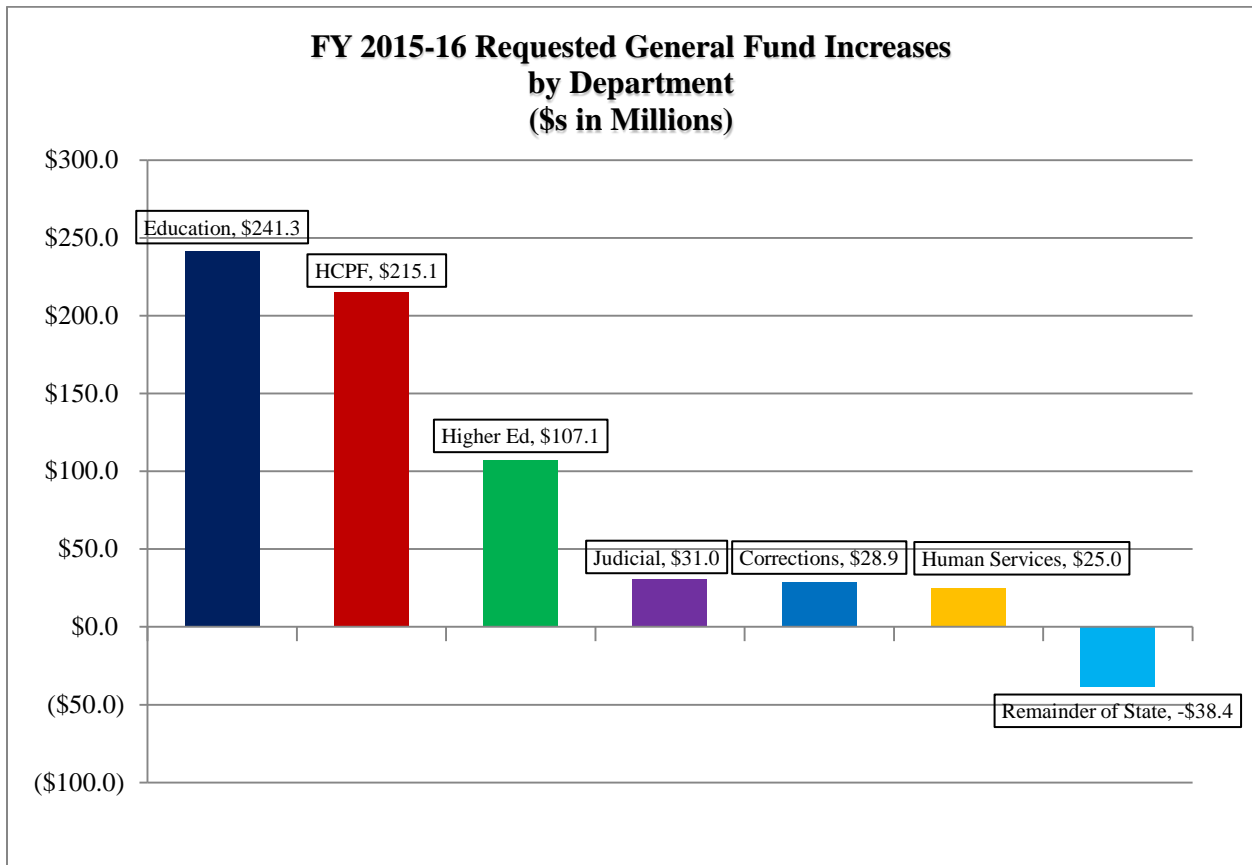


Figure 7

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However, the Governor’s budget transmittal letter indicates the Governor plans to submit an additional \$61.4 million in General Fund requests that impact the operating budget through budget amendments and/or bill requests requiring appropriations. Additionally, The Judicial Branch has submitted an additional \$0.4 million in General Fund Requests that impact the operating budget. The Governor’s budget transmittal letter also indicates the Governor set aside \$124.1 million for potential FY 2014-15 supplemental requests. The increase for FY 2015-16 over FY 2014-15 is \$547.2 million General Fund (6.2 percent) when the combined FY 2014-15 1331 supplemental requests approved by the JBC during the 2014 interim, the FY 2014-15 placeholder request for supplemental requests made by the Governor, and the General Fund placeholders in FY 2015-16 are included in the calculation.

The budget requests reflect these common assumptions:

- The request includes an increase of 1.0 percent for merit pay and 1.0 percent for salary survey for state employees.
- The request contains an increase sufficient to match prevailing rates for Health/Life/Dental.
- No common policy was submitted for inflationary increases in food, utilities, and medical costs. Individual departments may have separate decision items for these areas.
- An average increase of 1.0 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 3 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 3, 2014 letter to Representative Duran because OSPB assumed different amounts for the elected officials and other branches of state government than were actually requested by these entities. Additionally, some corrections to OSPB schedules were made after the initial submission on November 3.
- A General Fund increase of \$241.3 million (7.2 percent) for K-12 Education. The Department's requests include the following significant General Fund changes:
  - \$239.9 million General Fund for the State Share of Districts’ Total Program Funding. The request also includes an increase of \$144.7 million from the State Education Fund and a decrease of 44.1 million from the State public School fund, for a total increase of \$380.6 million in the State Share of Districts’ Total Program Funding.
  - \$1.3 million General Fund to provide field support to school districts for recent education reforms, including educator effectiveness efforts and the implementation of the Colorado Academic Standards.

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- A General Fund increase of \$215.1 million (9.5 percent) is included for the Department of Health Care Policy and Financing. The Department's request includes the following significant General Fund changes:
  - \$159.9 million net increase for caseload, utilization, and financing adjustments for ongoing programs, including:
    - \$130.8 million for Medical Service Premiums.
    - \$20.3 million for the Medicare Modernization Act state contribution payments.
    - \$19.3 million for behavioral health community programs.
    - \$11.0 million for the Office of Community Living.
    - A savings of \$21.5 million for the Children's Basic Health Plan.
  - \$37.2 million to annualize prior year budget decisions.
  - \$11.4 million increase for provider rates.
  - \$6.6 million for various new initiatives of the Department.
- A General Fund increase of \$107.1 million (14.1 percent) is included for the Department of Higher Education. This increase is primarily due to the following:
  - \$75.6 million related to operational funding for colleges and universities.
  - \$30.0 million for the Colorado Opportunity Scholarship Initiative.
  - \$1.2 million for the Ft. Lewis College Native American tuition waiver.
- A General Fund increase of \$31.0 million (7.0 percent) is reflected in the Judicial Branch requests. The Branch's requests include the following significant General Fund increases:
  - \$16.6 million General Fund for employee benefits, including:
    - \$12.2 million for salary increases;
    - \$2.7 million for insurance benefits; and
    - \$1.7 million for supplemental PERA contributions.
  - \$9.4 million General Fund to offset revenue declines in four Judicial cash funds that support court-related staffing and programs and the debt service and operations of the Ralph L. Carr Colorado Judicial Center.
  - \$2.7 million General Fund to add 25.0 FTE probation staff to address staffing shortfalls for supervisors and support staff.
  - \$2.3 million General Fund to increase state funding for the Underfunded Courthouse Facility Grant Program created by H.B. 14-1096.

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- \$1.5 million General Fund to address caseload and workload changes that are increasing court-appointed counsel expenditures for the Office of the Child's Representative.
- A General Fund increase of \$28.9 million (4.0 percent) is included for the Department of Corrections. The Department's requests include the following significant General Fund changes:
  - An increase of \$14.1 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 and annualization of prior salary survey and merit pay.
  - An increase of \$6.8 million for annualization of H.B. 12-1223 Earned Time. This bill allowed offenders to accumulate additional "earned time," which can shorten the amount of time a cooperative offender stays incarcerated. The bill directed the resulting savings to educational programs for inmates and this \$6.8 million is an appropriation of those savings.
  - An increase of \$6.6 million for an expected increase in the number of incarcerated inmates.
  - An increase of \$2.1 million to replace aging emergency radios.
  - An increase of 1.7 million for additional mental health staff.
  - An increase of \$1.1 million for a 1.0 percent provider rate increase.
  - A decrease of 3.7 million in payments to OIT.
- A General Fund increase of \$25.0 million (3.2 percent) is included for the Department of Human Services. The largest components of this increase include the following:
  - An increase of \$6.6 million for centrally appropriated line items including health, life, and dental, salary survey, and merit pay.
  - An increase of \$6.3 million to increase county staffing in response to a workload study performed by the Office of the State Auditor.
  - An increase of \$4.2 million for a 1.0 percent rate increase for contracted community provider services.
  - An increase of \$4.0 million to provide services for elderly adults in need and enable seniors to live independently in the community.

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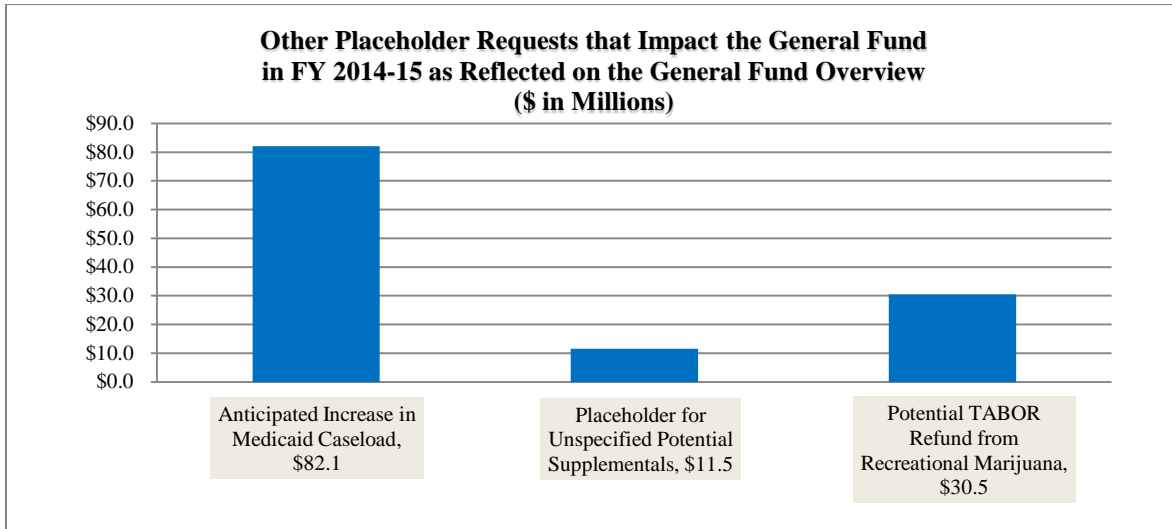
- An increase of \$3.9 million to move toward meeting federally mandated Prison Rape Elimination Act of 2003 (PREA) staff to youth ratios by October 2017 and mitigate current safety concerns.
- An increase of \$2.6 million to provide necessary staffing and operating funds for a new, security-enhanced treatment unit at the Mental Health Institute at Pueblo to treat patients who were previously transferred to the Department of Corrections.
- An increase of \$2.1 million for the Collaborative Management Program to augment the existing cash fund to provide services to children, youth and families served across multiple support programs.
- An increase of \$1.7 million for equipment replacement and minor renovations at both Mental Health Institutes.
- An increase of \$1.7 million for a pilot program that will target two evidence-based programs, Functional Family Therapy and Multi-Systemic Therapy, towards at-risk youth.
- An increase of \$1.1 million for early intervention direct services and service coordination.

Table 5 on page 34 reflects the Governor’s proposal for a \$124.1 million General Fund place holder for potential FY 2014-15 supplemental requests (figure 8):

- \$82.1 million in the Department of Health Care Policy and Finance for Medicaid caseload.
- \$11.5 million to fund future supplemental requests that are as yet unidentified and unexplained.
- \$30.5 million for a potential TABOR refunds as a result of recreational Marijuana. The transmittal letter indicates this amount is being reflected as exempt from the statutory limit in the General Fund overview.

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**Figure 8**

Table 5 also reflects the Governor’s proposal for a \$61.4 million General Fund set aside for the following statutory changes or upcoming budget amendments (figure 9):

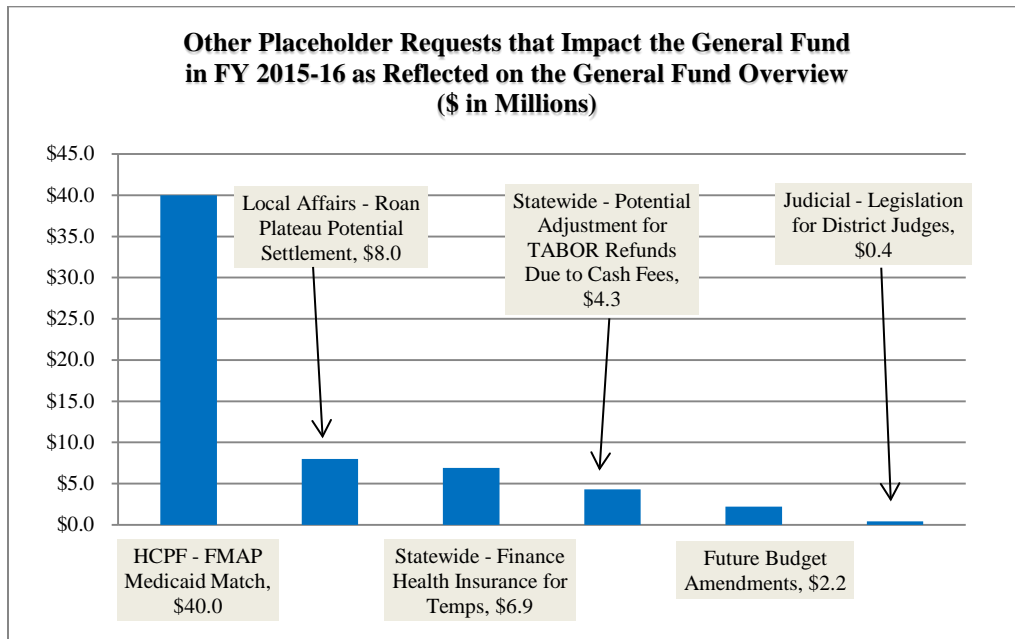
- \$40.0 million in the Department of Health Care Policy and Finance for a budget amendment for potential changes in the federal Medicaid matching rate (FMAP).
- \$8.0 million for potential legislation related to settlement of oil and gas lease litigation on the Roan Plateau. The transmittal letter indicates this amount is being requested as exempt from the statutory limit.
- \$6.9 million for a budget amendment to finance health insurance for temporary state employees.
- \$4.3 million to account for a potential increase in the TABOR refund as a result of requested increase in various cash fees. The transmittal letter indicates this amount is being reflected as exempt from the statutory limit in the General Fund overview.
- \$2.2 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.

In addition to the statutory changes and budget amendments identified in the Governor’s transmittal letter, the request submitted by the Judicial Branch on November 3 indicates the Judicial Branch will seek a statutory change to increase the number of district judges, estimated to require \$374,717 General Fund in FY 2015-16.

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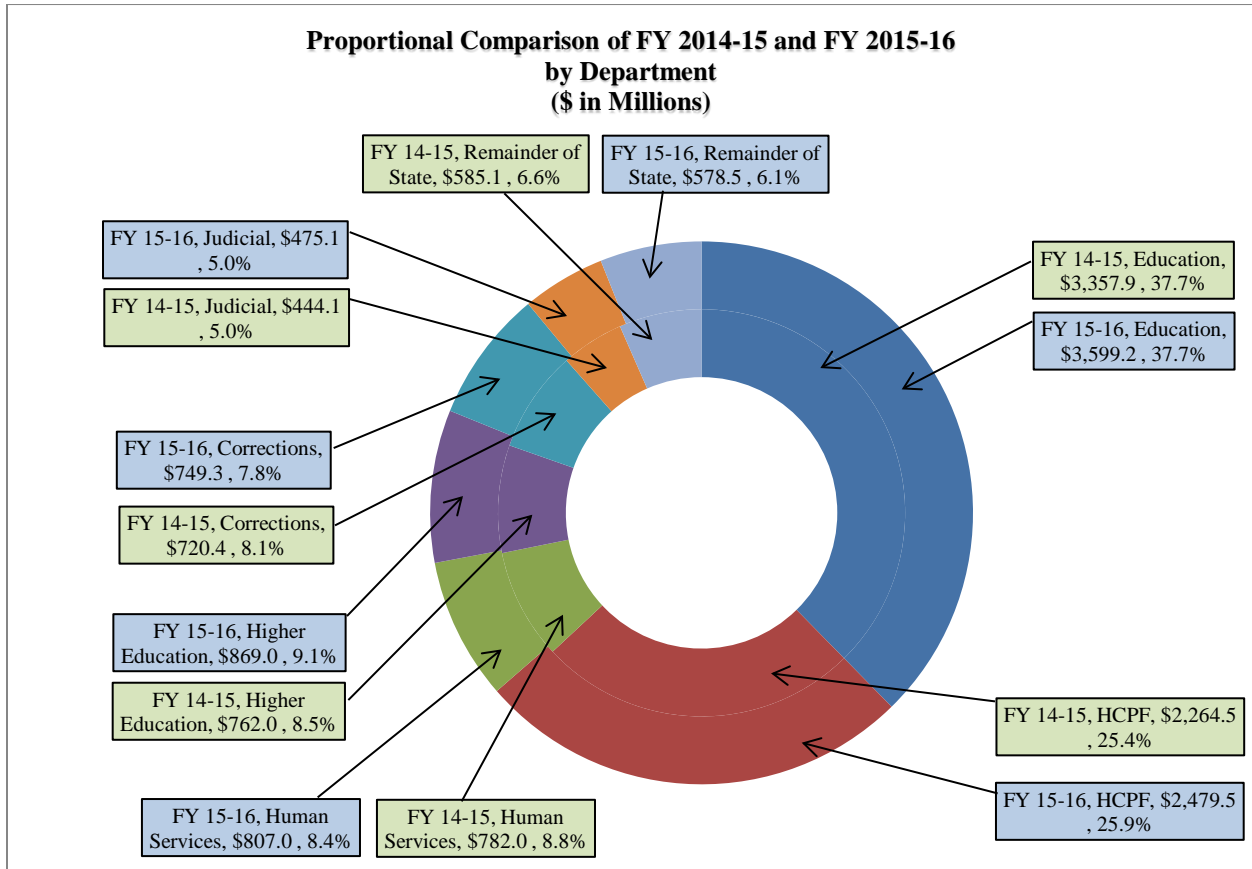
Figure 9 reflects the \$61.8 million General Fund placeholders as requested by the Governor and the Judicial Branch.



**Figure 9**

*Distribution of FY 2015-16 General Fund Budget Request:* The six largest departments account for 93.9 percent of the General Fund request for FY 2015-16. In FY 2014-15, the six largest departments accounted for 93.4 percent of the General Fund appropriation. Figure 10 provides a proportional comparison of the FY 2015-16 budget request to the FY 2014-15 appropriations.

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**Figure 10**

JBC staff reviewed the FY 2015-16 budget request to determine the line items in which the majority of General Fund is being requested. Eight line items in the request contain 68.1 percent of the General Fund requested. These line items are as follows:

- \$3,423.9 million (35.8 percent) of the total General Fund was requested for State Share of Total Funding in the Department of Education (EDU in figure 11).
- \$1,794.4 million (18.8 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 11).
- \$295.1 million (3.1 percent) of the total General Fund was requested for College Opportunity Fund Stipends in the Department of Higher Education (HED 1 in figure 11).
- \$287.7 million (3.0 percent) of the total General Fund was requested for College Opportunity Fund Fee-for-service in the Department of Higher Education (HED 2 in figure 11).
- \$188.8 million (2.0 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 11).



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- \$185.4 million (1.9 percent) of the total General Fund was requested for Child Welfare Services in the Department of Human Services (DHS in figure 11).
- \$168.4 million (1.8 percent) of the total General Fund was requested for Housing and Security Personal Services in the Department of Corrections (DOC in figure 11).
- \$161.2 million (1.7 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 11).
- \$3.1 billion (31.9 percent) of the total General Fund was requested for the remaining 916 remaining General Fund (RGF in figure 11) line items in the Governor’s request for FY 2015-16.

The comparison of the eight largest General Fund line items in the FY 2015-16 budget request to the amount that was appropriated for each line item in FY 2014-15 are reflected in figure 11.

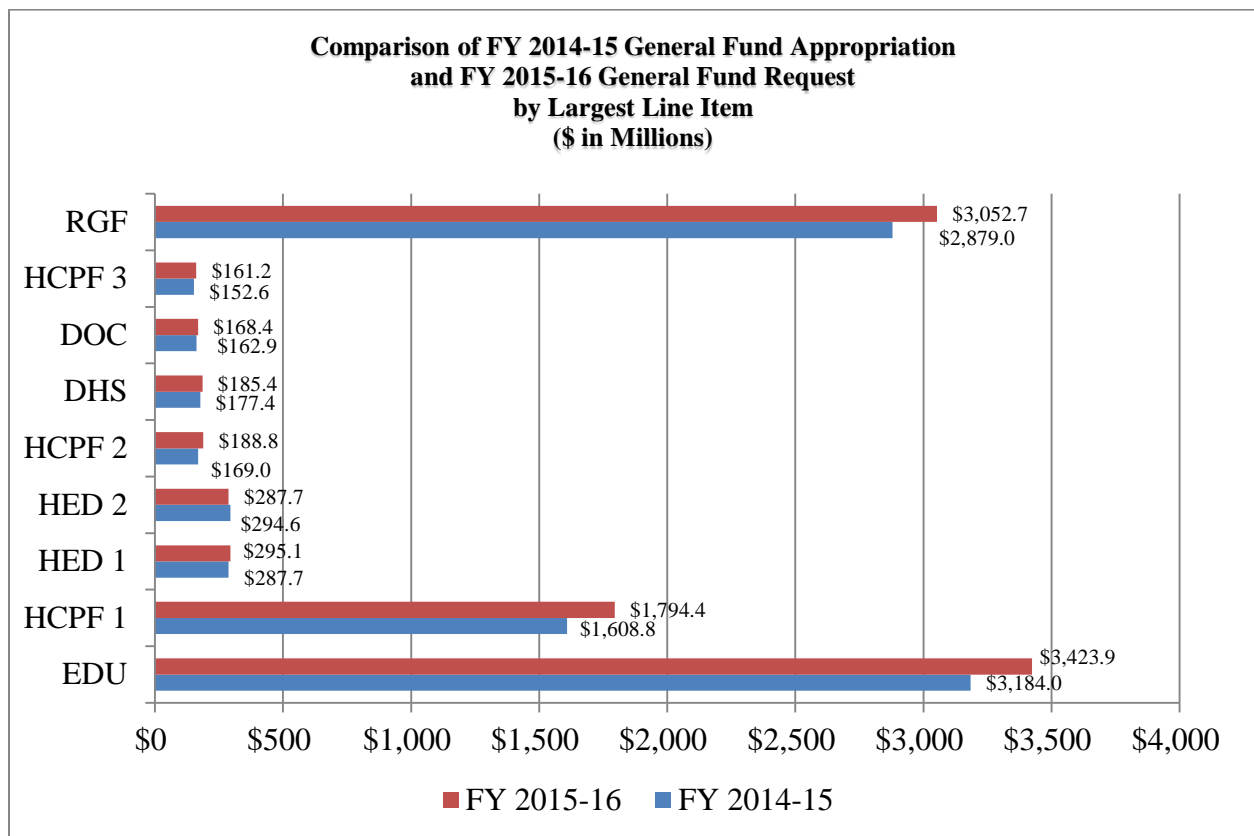


Figure 11

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The following table summarizes the FY 2015-16 budget request based on major changes by category:

<b>Requested Operating Appropriations to All Departments</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2014-15 Appropriation:</b>						
HB 14-1336 (Long Bill) / HB 14-1293 (Legislative appropriation)	\$24,046,763,997	\$8,766,491,756	\$6,708,992,529	\$1,346,373,063	\$7,224,906,649	54,723.1
Additional legislation	<u>536,352,459</u>	<u>149,553,393</u>	<u>276,967,816</u>	<u>97,742,584</u>	<u>12,088,666</u>	<u>213.0</u>
<b>TOTAL</b>	<b>\$24,583,116,456</b>	<b>\$8,916,045,149</b>	<b>\$6,985,960,345</b>	<b>\$1,444,115,647</b>	<b>\$7,236,995,315</b>	<b>54,936.1</b>
<b>FY 2015-16 Requested Appropriation:</b>						
FY 2014-15 Appropriation	\$24,583,116,456	\$8,916,045,149	\$6,985,960,345	\$1,444,115,647	\$7,236,995,315	54,936.1
Decision items	1,373,358,138	631,477,860	230,396,617	21,681,985	489,801,676	302.2
Technical changes	169,953,122	4,883,716	106,577,214	(1,758,910)	60,251,102	(0.1)
Centrally appropriated line items	46,552,400	25,439,762	11,827,737	5,807,029	3,477,872	0.0
Annualize prior year funding	(52,141,173)	6,102,904	1,606,789	(43,661,091)	(16,189,775)	2.1
Annualize prior year legislation	<u>(37,990,738)</u>	<u>(26,388,719)</u>	<u>(11,441,736)</u>	<u>(5,311,454)</u>	<u>5,151,171</u>	<u>38.4</u>
<b>TOTAL</b>	<b>\$26,082,848,205</b>	<b>9,557,560,672</b>	<b>\$7,324,926,966</b>	<b>\$1,420,873,206</b>	<b>\$7,779,487,361</b>	<b>55,278.7</b>
<b>Increase/(Decrease)</b>	\$1,499,731,749	\$641,515,523	\$338,966,621	(\$23,242,441)	\$542,492,046	342.6
Percentage Change	6.1%	7.2%	4.9%	(1.6%)	7.5%	0.6%

**Decision items:** Represents programmatic funding changes included in the FY 2015-16 budget request. Examples include funding for new programs, expansion of existing programs, and reductions to or elimination of existing programs. These items increase the FY 2015-16 budget request by \$1.4 billion total funds, including an increase of \$631.5 billion General Fund, compared to the current FY 2014-15 appropriation. Major highlights include:

- Health Care Policy and Financing – Increase of \$715.3 million total funds (\$176.7 million General Fund);
- Education – Increase of \$394.9 million total funds (\$242.4 million General Fund);
- Higher Education – Increase of \$109.4 million total funds (\$106.9 million General Fund); and
- Human Services – Increase of \$39.4 million total funds (\$29.4 million General Fund).

**Technical changes:** Represents revenue forecast adjustments and various technical changes included in the FY 2015-16 budget request. These items increase the FY 2015-16 budget request by \$170.0 million total funds, including an increase of \$4.9 million General Fund, compared to the current FY 2014-15 appropriation. Major highlights include:

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- Transportation – Increase of \$144.8 million total funds;
- Judicial – Increase of \$21.7 million total funds (\$0.1 million General Fund); and
- Corrections – Increase of \$7.1 million total funds (\$7.0 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 2015-16 budget request. Examples include employee benefits (salary changes and health/life/dental insurance), vehicle lease payments, Capitol Complex leased space, and information technology services. These items increase the FY 2015-16 budget request by \$46.6 million total funds, including an increase of \$25.4 million General Fund, compared to the current FY 2014-15 appropriation. Major highlights include:

- Judicial – Increase of \$18.5 million total funds (\$16.9 million General Fund);
- Governor – Increase of \$5.2 million total funds (\$0.4 million General Fund);
- Public Safety – Increase of \$3.5 million total funds (decrease of \$1.0 million General Fund);
- Human Services – Increase of \$2.9 million total funds (\$0.9 million General Fund); and
- Public Health and Environment – Increase of \$2.8 million total funds (\$0.9 million General Fund).

**Annualize prior year funding:** Represents the FY 2015-16 impact of budgetary decision items included in prior fiscal year appropriations included in the FY 2015-16 budget requests. These items decrease the FY 2015-16 budget request by \$52.1 million total funds, including an increase of \$6.1 million General Fund, compared to the current FY 2014-15 appropriation. Major highlights include:

- Corrections – Increase of \$11.6 million total funds (\$11.2 million General Fund);
- Governor – Decrease of \$49.4 million total funds (\$4.8 million General Fund);
- Public Health and Environment – Decrease of \$26.4 million total funds (\$22.5 million General Fund);
- Health Care Policy and Financing – Decrease of \$23.8 million total funds (increase of \$36.4 million General Fund); and
- Revenue – Decrease of \$5.2 million total funds (\$7.6 million General Fund).

**Annualize prior year legislation:** Represents the FY 2015-16 impact of legislation passed by the General Assembly in prior fiscal years included in the FY 2015-16 budget request. These items decrease the FY 2015-16 budget request by \$38.0 million total funds, including a decrease of \$26.4 million General Fund, compared to the current FY 2014-15 appropriation. Major highlights include:

- Health Care Policy and Financing – Increase of \$9.7 million total funds (\$0.9 million General Fund);
- Education – Increase of \$6.2 million total funds (decrease of \$0.3 million General Fund);
- Human Services – Decrease of \$26.6 million total funds (\$8.5 million General Fund);
- Natural Resources – Decrease of \$11.9 million total funds;
- Public Safety – Decrease of \$6.6 million total funds (\$11.2 million General Fund); and

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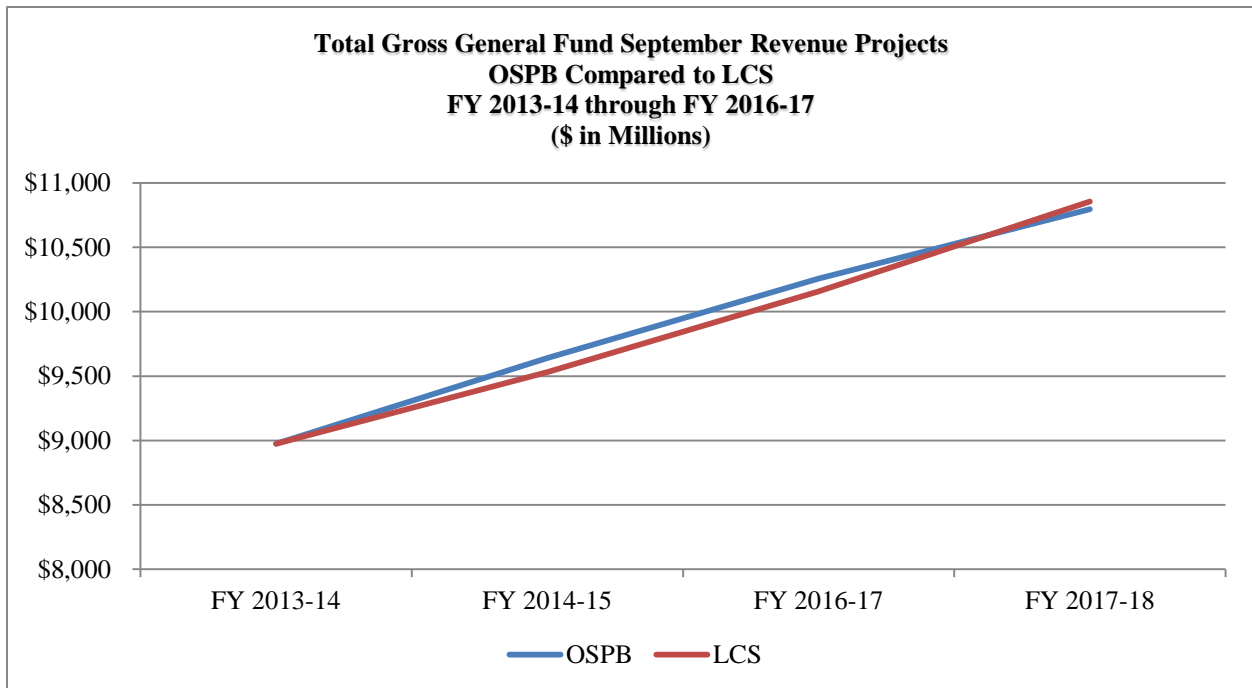
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- Public Health and Environment – Decrease of \$5.6 million total funds (\$3.9 million General Fund).

## GENERAL FUND OVERVIEWS BASED ON SEPTEMBER 2014 REVENUE ESTIMATES

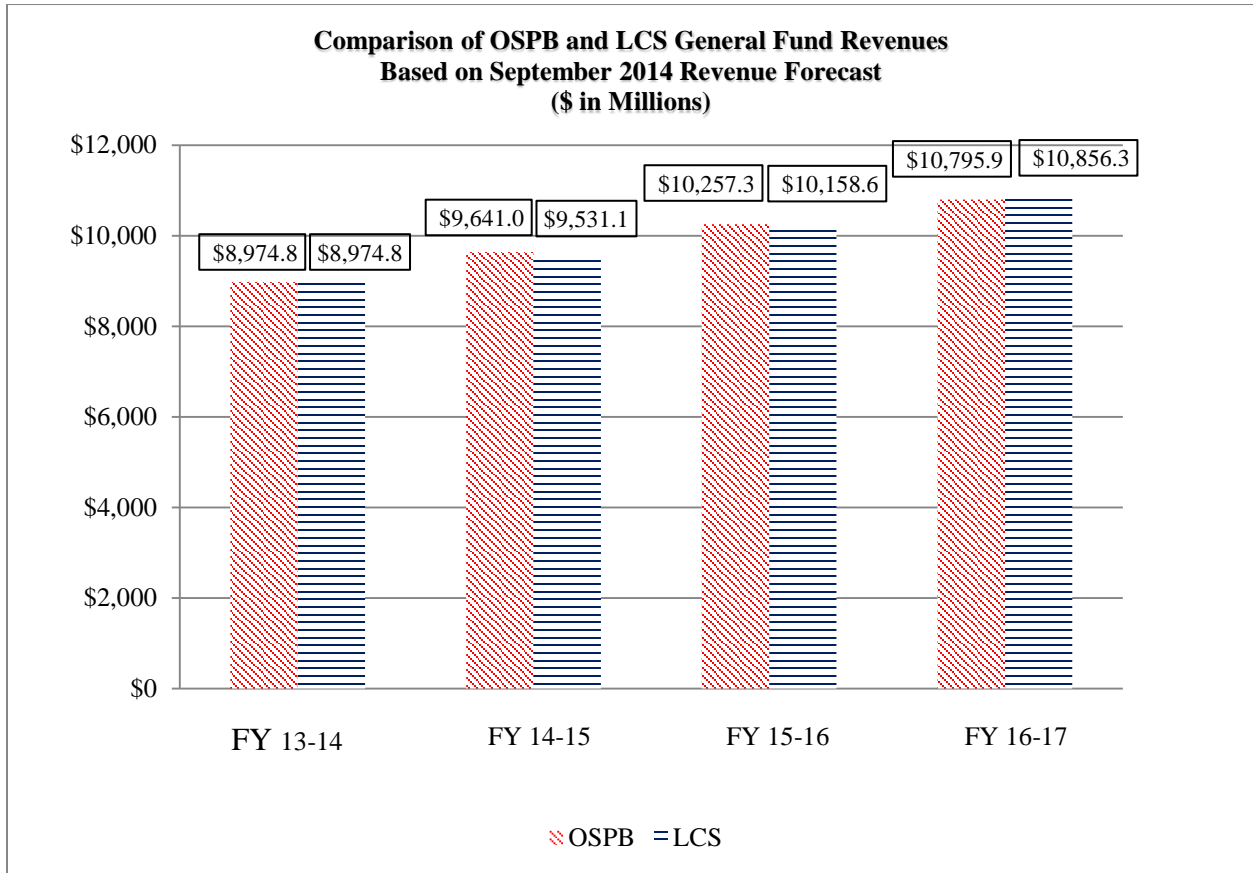
The overviews on pages 29 and 31 provide the outlook for the General Fund over the next several years based on the following assumptions:

- Table 2 (page 29) is based on OSPB's September 2014 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 31) is based on Legislative Council Staff September 2014 revenue estimates of Gross General Fund revenues, the amount of Rebates and Expenditures, TABOR refunds, and Amendment 23 Transfer to the Education Fund. A comparison of the LCS total gross General Fund revenue projections are reflected in figures 12 and 13.



**Figure 12**

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**Figure 13**

- Based on their respective revenue assumptions, the two scenarios reflect the following with regard to FY 2014-15 (see figure 14):
  - The OSPB forecast indicates, in the Moneys in (Deficit)/Excess of the Statutory GF Reserves line item, an excess of \$102.0 million would exist as compared to the 6.5 percent statutory reserve at the end of FY 2014-15. This excess reserve is carried over to the beginning of FY 2015-16.
  - The LCS forecast indicates, in the Moneys in (Deficit)/Excess of the Statutory GF Reserves line item, a deficit of \$2.4 million would exist as compared to the 6.5 percent statutory reserve at the end of FY 2014-15.
  - Both scenarios reflect a \$124.1 million place holder in FY 2013-14 for adjustments dealing with excess Medicaid caseload (\$82.1 million), a placeholder for unspecified potential supplemental requests (\$11.2 million), and a placeholder for a precautionary adjustment to account for a potential adjustment to the TABOR refund as a result of recreational Marijuana (\$30.5 million). The Governor’s transmittal letter indicates requests for these changes will be forthcoming at a later date.

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- Both of the scenarios assume the level of General Fund appropriations for FY 2015-16 as requested on November 3 to determine the (Deficit)/Excess (see figure 14). 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 \$102.0 million at the end of FY 2014-15 based on a maintaining the 6.5 percent statutory reserve. 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 deficit of \$163.0 million at the end of FY 2014-15 based on a maintaining the 6.5 percent statutory reserve. Please note, JBC staff reflected the actual requests for the Judicial Branch and elected officials in the obligations portion of the General Fund Overview.
  - Both scenarios reflect a \$61.8 million place holder in FY 2015-16 for adjustments dealing with a budget amendment for FMAP adjustments in Medicaid (\$40.0 million), potential legislation dealing with the Roan Plateau settlement (\$8.0 million), a budget amendment to finance health insurance for temporary state employees (\$6.9 million), a potential adjustment for increased TABOR refunds as a result of increased cash fees (\$4.3 million), a placeholder for future, unidentified budget amendments (\$2.2 million), and legislation requested by the Judicial Branch for increased district judges (\$0.4 million). The Governor’s transmittal letter indicates requests for these changes will be forthcoming at a later date.

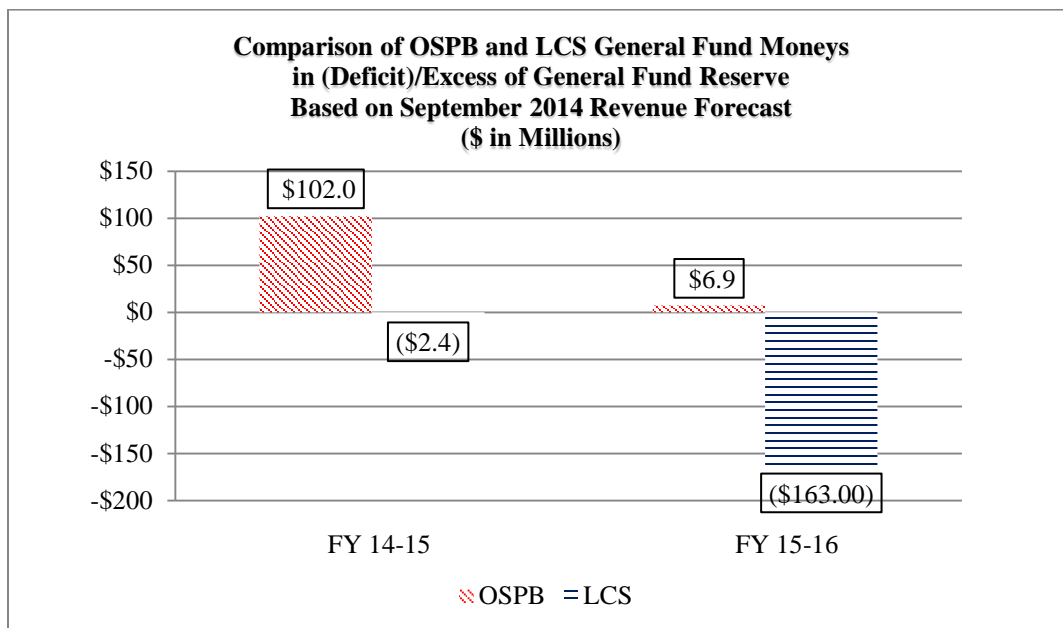


Figure 14

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- A capital construction transfer has been included in both scenarios for FY 2015-16 at a level that would be sufficient to fund the Governor's November 3rd request for capital construction projects and all the required statutory transfers (primarily for certificates of participation and the Correction Expansion Reserve Fund). This amount (\$281.6 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 6.5 percent as required by current law for FY 2014-15 and FY 2015-16.
- Each scenario reflects the projected TABOR refund associated with the September revenue forecast. With regard to each scenario:
  - ❑ The OSPB scenario reflects required TABOR refunds of \$136.7 million (1.3 percent of total projected General Fund revenues) in FY 2015-16 and \$239.4 million (2.2 percent of total projected General Fund revenues) in FY 2016-17.
  - ❑ The LCS scenario reflects required TABOR refunds of \$125.1 million (1.2 percent of total projected General Fund revenues) in FY 2015-16 and \$392.6 million (3.6 percent of total projected General Fund revenues) in FY 2016-17.
  - ❑ The percentage of TABOR refund to total General Fund revenue impacts the level of SB 09-228 transfers to both the Highway User Tax Fund (HUTF) and the Capital Construction Fund (CCF). If the percentage of TABOR refunds is between 1.0 percent and 3.0 percent, the transfers are reduced by 50 percent. If the percentage of TABOR refunds is greater than 3.0 percent, the transfers are eliminated.
  - ❑ The TABOR refunds, the percentage of TABOR refunds to total projected General Fund revenues, and how that compares to the SB 09-228 triggers is shown in figure 15.

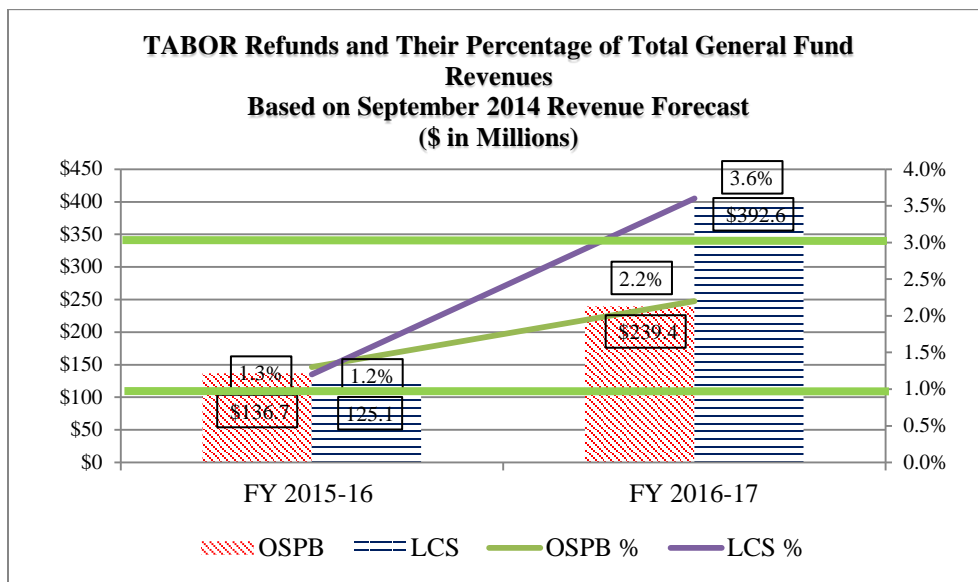
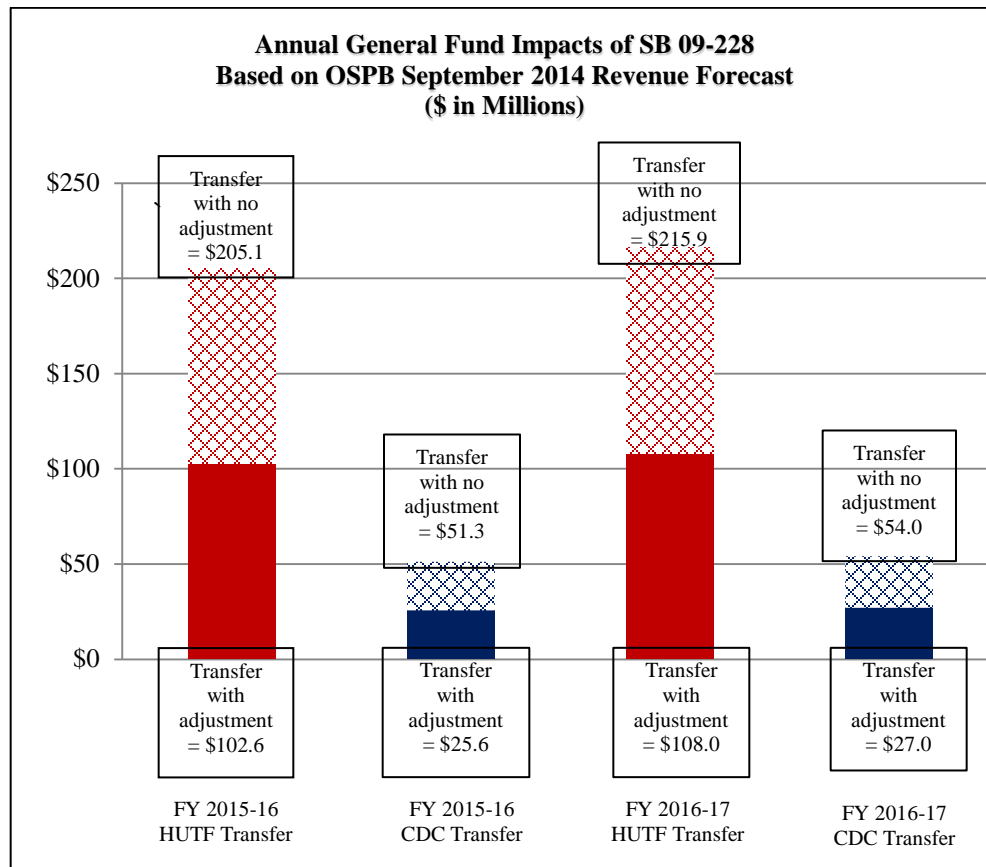


Figure 15

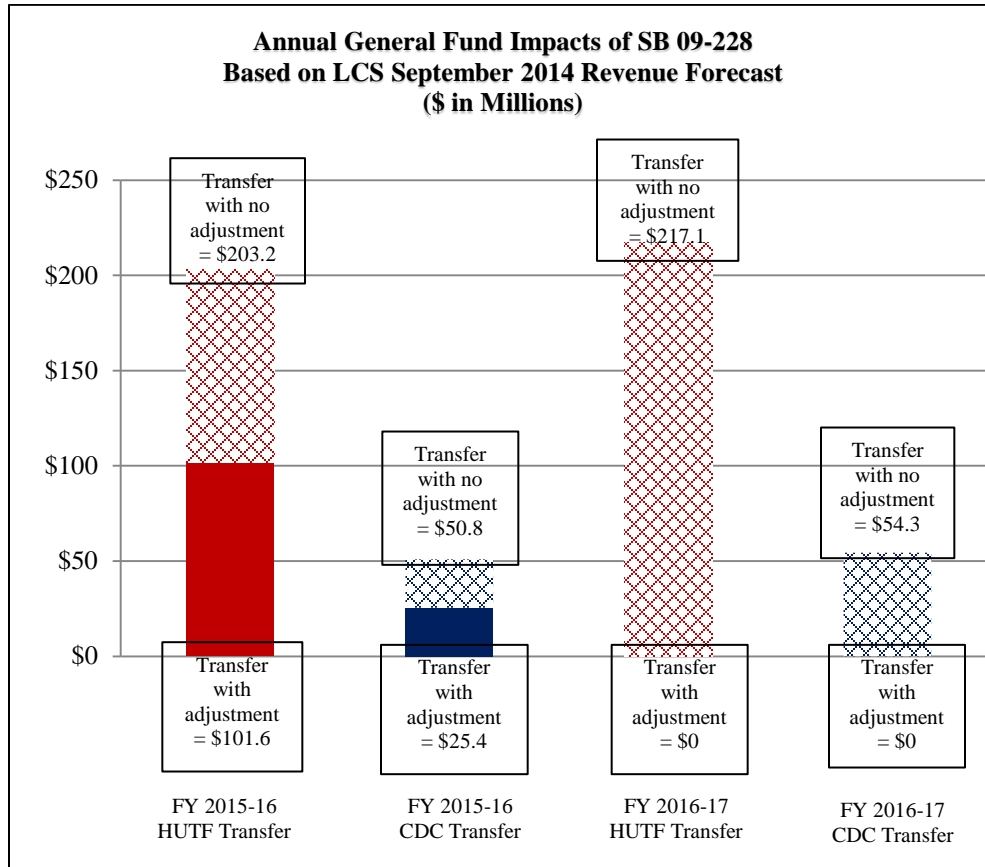


- Under the OSPB scenario, the SB 09-228 transfers to the HUTF and the CCF would be reduced by 50 percent in both FY 2015-16 and FY 2016-17. Figure 16 reflects the level of the transfers both with and without the percentage of TABOR refund to total General Fund revenues impact. The FY 2015-16 transfer to the HUTF would be reduced from \$205.1 million to \$102.6 million, the FY 2015-16 transfer to the CCF would be reduced from \$51.3 million to \$25.6 million, the FY 2016-17 transfer to the HUTF would be reduced from \$215.9 million to \$108.0 million, and the FY 2016-17 transfer to the CCF would be reduced from \$54.0 million to \$27.0 million. The OSPB scenario reflects the reduced levels.



**Figure 16**

- Under the LCS scenario, the SB 09-228 transfers to the HUTF and the CCF would be reduced by 50 percent in FY 2015-16 and eliminated in FY 2016-17. Figure 17 reflects the level of the transfers both with and without the percentage of TABOR refund to total General Fund revenues impact. The FY 2015-16 transfer to the HUTF would be reduced from \$203.2 million to \$101.6 million, the FY 2015-16 transfer to the CCF would be reduced from \$50.8 million to \$25.4 million, the FY 2016-17 transfers to the HUTF and to the CCF would both be eliminated as the TABOR refund percentage is estimated to be greater than 3.0 percent in FY 2016-17. The LCS scenario reflects the reduced and eliminated levels.



**Figure 17**

Table 4 on page 33 reflects the actions taken on 1331 supplemental requests during the 2014 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 and FY 2015-16. These amounts are reflected in the General Fund Overviews.

**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 2014 revenue forecast looks very different from the overview using OSPB's September 2014 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 \$3.1 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 \$1.1 billion General Fund. This is 35.7 percent of the total projected need. The majority of the need under the policy option is from Education (\$1.1 billion, 95.3 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. If the General Assembly decided to maintain the negative factor at the current level over the next four years, the need would be reduced to \$159.4 million based on the JBC staff estimates (a reduction in need of \$894.2 million General Fund). Please note that the General Assembly could decide to take an unlimited number of actions on this particular issue over the next four years that would impact the level of need.
  
- Inflation – Over the next four years, JBC staff estimates that inflation could result in the need for an additional \$1.1 billion General Fund. This is 34.8 percent of the total projected need. The majority of the projected inflation is from three areas:
  - The inflationary need in Education (\$692.6 million, 64.3 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 (\$215.2 million, 20.0 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.

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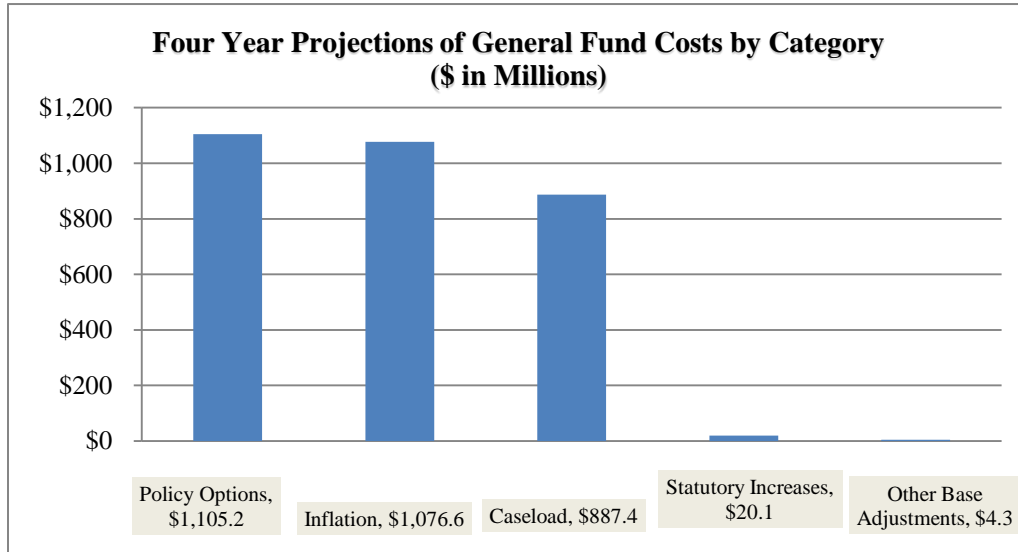
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- The inflationary need in Higher Education (\$84.0 million, 7.8 percent) is calculated based on the CPI projections in the September 2014 revenue forecast being applied to the appropriations base.
- Caseload - Over the next four years, JBC staff estimates that caseload could result in the need for an additional \$887.4 million General Fund. This is 28.7 percent of the total projected need. The following two areas are the primary drivers of this assumed need:
  - The projected need for Health Care Policy and Finance (\$483.8 million, 54.5 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 Education (\$324.3 million, 36.5 percent) assumes projected student enrollment.
- Statutory Increases - Over the next four years, JBC staff estimates that statutory driven increases could result in the need for an additional \$20.1 million General Fund. This is 0.7 percent of the total projected need. This is the result of 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 need for an additional \$4.3 million General Fund. This is 0.1 percent of the total projected need and is the result of various small adjustments in Human Services.

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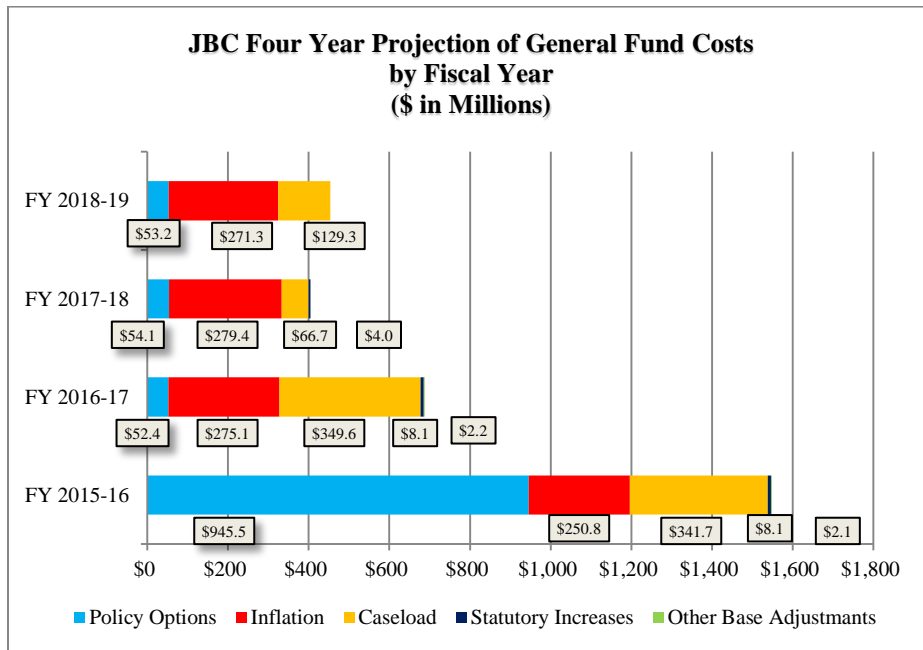
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Figure 18 reflects the components of the total four year projections of General Fund costs.



**Figure 18**

Figure 19 reflects the potential impact, by fiscal year, based on the JBC staff four year projections.



**Figure 19**

**Table 1**  
**Summary of FY 2014-15 Operating Appropriations and FY 2015-16 Operating Request**  
 Please Note that General Fund Exempt is Included with General Fund

Departments	FY 2014-15 Appropriations					Original Nov 3, 2014 FY 2015-16 OSPB Request					Percent Growth FY 2015-16 as compared to FY 2014-15					Dollar Change GF
	Total GF	CF	RF	FF	Total	Total GF	CF	RF	FF	Total	GF	CF	RF	FF	Total	
Agriculture	9,311,389	29,141,578	1,629,526	4,101,912	44,184,405	9,661,265	29,157,802	1,656,548	4,161,148	44,636,763	3.8%	0.1%	1.7%	1.4%	1.0%	349,876
Corrections	720,429,597	39,979,286	46,380,247	1,239,270	808,028,400	749,311,106	40,620,581	46,608,823	1,274,040	837,814,550	4.0%	1.6%	0.5%	2.8%	3.7%	28,881,509
Education	3,357,895,804	1,195,887,249	61,153,725	636,263,028	5,251,199,806	3,599,239,290	1,354,855,504	61,628,791	636,943,840	5,652,667,425	7.2%	13.3%	0.8%	0.1%	7.6%	241,343,486
Governor	34,366,530	41,625,618	202,523,283	6,428,227	284,943,658	50,934,022	41,885,685	160,885,576	6,448,577	260,153,860	48.2%	0.6%	-20.6%	0.3%	-8.7%	16,567,492
Health Care Policy	2,264,471,263	952,277,490	7,782,578	4,652,324,132	7,876,855,463	2,479,538,376	1,006,274,704	7,913,669	5,134,174,130	8,627,900,879	9.5%	5.7%	1.7%	10.4%	9.5%	215,067,113
Higher Education	761,983,052	2,023,919,592	634,406,378	22,433,607	3,442,742,629	869,042,723	2,025,700,751	637,580,544	22,577,017	3,554,901,035	14.1%	0.1%	0.5%	0.6%	3.3%	107,059,671
Human Services	782,001,699	347,236,592	144,373,402	627,661,954	1,901,273,647	807,015,538	345,960,572	139,475,327	625,274,913	1,917,726,350	3.2%	-0.4%	-3.4%	-0.4%	0.9%	25,013,839
Judicial	444,077,692	135,792,639	30,648,095	4,425,000	614,943,426	475,072,158	154,556,046	32,959,729	4,425,000	667,012,933	7.0%	13.8%	7.5%	0.0%	8.5%	30,994,466
Labor	637,353	66,027,071	650,740	100,121,967	167,437,131	1,254,499	74,140,293	750,440	101,270,018	177,415,250	96.8%	12.3%	15.3%	1.1%	6.0%	617,146
Law	13,534,300	15,652,579	43,031,041	1,748,411	73,966,331	14,915,402	15,963,451	43,776,472	1,781,067	76,436,392	10.2%	2.0%	1.7%	1.9%	3.3%	1,381,102
Legislature	40,946,462	179,000	903,816	0	42,029,278	43,354,584	179,000	903,816	0	44,437,400	5.9%	0.0%	0.0%	n/a	5.7%	2,408,122
Local Affairs	21,655,439	209,046,119	9,260,768	70,295,592	310,257,918	25,838,962	209,133,687	10,112,011	70,400,256	315,484,916	19.3%	0.0%	9.2%	0.1%	1.7%	4,183,523
Military Affairs	8,185,530	1,282,783	1,100,000	214,735,872	225,304,185	8,252,334	1,283,450	800,000	214,951,638	225,287,422	0.8%	0.1%	-27.3%	0.1%	0.0%	66,804
Natural Resources	26,226,310	192,978,621	8,026,022	28,891,314	256,122,267	26,425,027	182,420,509	8,668,348	28,962,919	246,476,800	0.8%	-5.5%	8.0%	0.2%	-3.8%	198,717
Personnel	6,767,176	13,231,074	153,356,689	0	173,354,939	8,448,709	13,770,260	151,469,028	0	173,687,997	24.8%	4.1%	-1.2%	n/a	0.2%	1,681,533
Public Health	63,968,977	160,444,430	35,574,429	291,317,631	551,305,467	45,643,291	158,233,356	51,935,698	292,816,022	548,628,367	-28.6%	-1.4%	46.0%	0.5%	-0.5%	(18,325,686)
Public Safety	133,598,400	175,885,160	33,284,468	58,435,885	401,203,913	122,296,937	184,325,069	33,910,446	58,717,385	399,249,837	-8.5%	4.8%	1.9%	0.5%	-0.5%	(11,301,463)
Regulatory Agencies	1,882,646	78,674,683	4,722,507	1,386,984	86,666,820	1,988,568	79,129,408	4,750,297	1,422,929	87,291,202	5.6%	0.6%	0.6%	2.6%	0.7%	105,922
Revenue	101,668,190	219,053,032	5,534,457	824,388	327,080,067	94,548,059	216,206,856	5,314,170	824,388	316,893,473	-7.0%	-1.3%	-4.0%	0.0%	-3.1%	(7,120,131)
State	0	22,136,875	0	0	22,136,875	0	21,858,768	0	0	21,858,768	n/a	-1.3%	n/a	n/a	n/a	0
Transportation	700,000	748,363,814	19,773,476	514,360,141	1,283,197,431	0	834,905,104	19,773,476	573,062,075	1,427,740,655	-100.0%	11.6%	0.0%	11.4%	-11.3%	(700,000)
Treasury	121,626,076	317,145,060	0	0	438,771,136	124,779,822	334,366,110	0	0	459,145,932	2.6%	5.4%	n/a	n/a	4.6%	3,153,746
Capital - Controlled Maintenance Trust	111,264	0	0	0	111,264	0	0	0	0	0	-100.0%	n/a	n/a	n/a	-100.0%	(111,264)
<b>Total</b>	<b>8,916,045,149</b>	<b>6,985,960,345</b>	<b>1,444,115,647</b>	<b>7,236,995,315</b>	<b>24,583,116,456</b>	<b>9,557,560,672</b>	<b>7,324,926,966</b>	<b>1,420,873,206</b>	<b>7,779,487,362</b>	<b>26,082,848,206</b>	<b>7.2%</b>	<b>4.9%</b>	<b>-1.6%</b>	<b>7.5%</b>	<b>6.1%</b>	<b>641,515,523</b>
<b>Not Subject to Statutory Limit:</b>																
HB 14-1336, Treasury, Sr Citizen Prop Tax Exempt	118,400,000	0	0	0	118,400,000	121,500,000	0	0	0	121,500,000	2.6%	0	0	0	2.6%	3,100,000
HB 14-1336, Revenue, Old Age Heat and Fuel	6,900,000	0	0	0	6,900,000	8,400,000	0	0	0	8,400,000	21.7%	0	0	0	21.7%	1,500,000
SB 14-014, Revenue, Old Age Heat and Fuel	2,356,965	0	0	0	2,356,965	0	0	0	0	0	-100.0%	0	0	0	-100.0%	0
HB 14-1336, Revenue, Cigarette Tax	8,800,000	0	0	0	8,800,000	8,100,000	0	0	0	8,100,000	-8.0%	0	0	0	-8.0%	(700,000)
HB 14-1336, Revenue, Retail Marijuana Tax	9,191,790	0	0	0	9,191,790	9,191,790	0	0	0	9,191,790	0.0%	0	0	0	0.0%	0
HB 14-1336, 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
Governor Request, Higher Education, COSI Funds	0	0	0	0	0	30,000,000	0	0	0	30,000,000	n/a	0	0	0	n/a	30,000,000
Subtotal	149,943,508	0	0	0	149,943,508	181,486,543	0	0	0	181,486,543	21.0%	0	0	0	21.0%	31,543,035
<b>Amendment 35 Tobacco Tax GFE - Not Subject to Statutory Limit:</b>																
HB 14-1336, HCPF, Amendment 35 Tobacco Tax	423,600	0	0	0	423,600	423,600	0	0	0	423,600	0.0%	0	0	0	0.0%	0
HB 14-1336, Public Health, Amend 35 Tobacco Tax	423,600	0	0	0	423,600	423,600	0	0	0	423,600	0.0%	0	0	0	0.0%	0
Subtotal	847,200	0	0	0	847,200	847,200	0	0	0	847,200	0.0%	0	0	0	0.0%	0
<b>Total (GF Adjusted for Items Not Subject to Limit)</b>	<b>8,765,254,441</b>	<b>6,985,960,345</b>	<b>1,444,115,647</b>	<b>7,236,995,315</b>	<b>24,433,172,948</b>	<b>9,375,226,929</b>	<b>7,324,926,966</b>	<b>1,420,873,206</b>	<b>7,779,487,362</b>	<b>26,264,334,749</b>	<b>7.0%</b>	<b>4.9%</b>	<b>-1.6%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>609,972,488</b>
<b>Currently Subject to Statutory Limit</b>																
Personal Income (2 years prior to FY)	237,461,000,000	0	0	0	237,461,000,000	234,900,000,000	0	0	0	234,900,000,000	-9.9%	0	0	0	-9.9%	(2,561,000,000)
Statutory Limit (Personal Income * 5 Percent)	11,873,050,000	0	0	0	11,873,050,000	11,745,000,000	0	0	0	11,745,000,000	-1.1%	0	0	0	-1.1%	(128,050,000)
Amount (Over)/under Limit	3,107,995,559	0	0	0	3,107,995,559	2,369,773,071	0	0	0	2,369,773,071	-20.2%	0	0	0	-20.2%	(738,222,488)

**Table 2**  
**General Fund Overview Based On OSPB September 2014 Revenue Estimate**  
(millions of dollars)

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
1 Beginning GF Reserve	\$373.0	\$435.9	\$677.9	\$619.5
2 GF Nonexempt Revenues	6,858.3	7,307.2	7,640.0	7,968.0
3 GF Exempt Revenues	2,116.5	2,333.8	2,617.3	2,827.9
4 Transfers/Paybacks (prior Sessions)	14.2	30.2	15.4	16.8
6 TOTAL GF AVAILABLE	<u>\$9,362.0</u>	<u>\$10,107.1</u>	<u>\$10,950.6</u>	<u>\$11,432.2</u>
7				
8 GF Obligations:				
9 GF Appropriations	\$8,218.7	\$8,765.3	\$9,375.2	\$9,424.7
10 1331 Supplementals Requested by OSPB/Elected Officials	0.0	0.0	0.0	0.0
11 1331 Supplementals Approved by JBC	(0.1)	0.4	0.0	0.0
12 Governor Placeholders	0.0	93.6	49.1	0.0
13 Judicial Placeholders	0.0	0.0	0.4	0.0
14 Adjusted GF Appropriations Base	<u>8,218.6</u>	<u>8,859.3</u>	<u>9,424.7</u>	<u>9,424.7</u>
15 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	30.5	12.3	0.0
16 Governor Request, Higher Education, COSI Funds Exempt from Restriction on State Appropriations	0.0	0.0	30.0	0.0
17 Medicaid Overexpenditures/Payment Delays as Required by OSPB and Controller	32.4	0.0	0.0	0.0
18 TABOR Surplus Liability	0.0	0.0	136.7	239.4
19 Rebates and Expenditures - Based on Statutory Minimums	140.3	139.6	146.1	150.0
20 Reimbursement for Senior and Veterans Property Tax Exemption	109.8	115.1	121.5	127.0
21 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	102.6	108.0
22 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	25.6	27.0
23 Capital Construction Transfer	186.7	225.5	256.0	44.1
24 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338	0.0	0.0	0.0	0.0
25 Transfer to FPPA and SEF - SB 13-234	45.3	25.3	25.3	25.3
26 Transfers from the General Fund Pursuant to Section 24-75-220 (4) (a), C.R.S.	211.1	0.0	0.0	0.0
27 Transfer to Other Funds	30.9	33.9	50.3	49.6
28 Accounting Adjustments	(49.0)	0.0	0.0	0.0
29 TOTAL GF OBLIGATIONS	<u>\$8,926.1</u>	<u>\$9,429.2</u>	<u>\$10,331.1</u>	<u>\$10,195.1</u>
30				
31 YEAR END GF RESERVE	\$435.9	\$677.9	\$619.5	\$1,237.2
32 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	410.9	575.9	612.6	612.6
33 MONEYS IN (DEFICIT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$25.0</u>	<u>\$102.0</u>	<u>\$6.9</u>	<u>\$624.6</u>

Table 2 - Continued

	FY 13-14	FY 14-15	FY 15-16	FY 16-17
34 Total Gross General Fund Revenues	\$8,974.8	\$9,641.0	\$10,257.3	\$10,795.9
35 Percent Gross General Fund Revenue Growth	4.9%	7.4%	6.4%	5.3%
36				
37 Transfer to the State Education Fund	\$491.1	\$536.5	\$572.2	\$572.2
38 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13.260	45.3	25.3	25.3	25.3
39 Transfer of Excess Reserve to SEF pursuant to HB 14-1342	20.0	0.0	0.0	0.0
40 Total Transfers to the State Education Fund	\$556.4	\$561.8	\$597.5	\$597.5
41				
42 Required TABOR Reserve	\$346.6	\$365.7	\$382.0	\$382.0
43				
44 GF Appropriation Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,251.0	\$8,889.8	\$9,437.0	\$9,424.7
45 Total Percent Growth (Including both items within restriction and exemptions)	10.5%	7.7%	6.2%	-0.1%
46 GF Appropriations Base Available Growth	\$786.3	\$638.8	\$547.2	(\$12.3)
47				
48 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$226,000.0	\$237,500.0	\$245,600.0	\$259,800.0
49 Percent Increase/(Decrease) Over Previous Year		5.1%	3.4%	5.8%
50				
51 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	11,300.0	11,875.0	12,280.0	12,990.0
52 Adjusted GF Appropriations Base	8,218.6	8,859.3	9,424.7	9,424.7
53 Over/(Under) Calculated Appropriations Restriction	(\$3,081.4)	(\$3,015.7)	(\$2,855.3)	(\$3,565.3)
54				
55 Additional Amount Percentage to Increase Statutory Reserve to 6.5 Percent as Requested by Governor	N/A	0.0%	0.0%	0.0%
56 Year-End GF Statutory Reserve Percentage	5.0%	6.5%	6.5%	6.5%
57 Year-End GF Excess of Statutory Reserve Percentage	0.3%	1.2%	0.1%	6.6%
58				
59 Rebates and Expenditures Include (from OSPB Forecast)				
60 Cigarette Rebate	\$10.4	\$8.6	\$8.1	\$7.8
61 Marijuana Tax	\$1.4	\$4.9	\$7.4	\$7.5
62 Old Age Pension	116.9	111.8	116.2	120.2
63 Aged Property Tax & Heating Credit	6.0	8.4	8.4	8.3
64 FPPA	4.1	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)	0.7	0.8	0.9	1.1
67 Total Rebates and Expenditures	\$140.3	\$139.6	\$146.1	\$150.0



**Table 3**  
**General Fund Overview Based On Legislative Council September 2014 Revenue Estimate**  
(millions of dollars)

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
1 Beginning GF Reserve	\$373.0	\$435.9	\$573.5	\$449.6
2 GF Nonexempt Revenues	6,858.3	7,276.7	7,667.2	8,252.8
3 GF Exempt Revenues	2,116.5	2,254.4	2,491.4	2,603.5
4 Transfers/Paybacks (Prior Sessions)	14.2	28.0	12.0	12.2
5 TABOR Surplus Liability	0.0	0.0	0.0	0.0
6 TOTAL GF AVAILABLE	<u>\$9,362.0</u>	<u>\$9,995.0</u>	<u>\$10,744.1</u>	<u>\$11,318.1</u>
7				
8 GF Obligations:				
9 GF Appropriations	\$8,218.7	\$8,765.3	\$9,375.2	\$9,424.7
10 1331 Supplementals Requested by OSPB/Elected Officials	0.0	0.0	0.0	0.0
11 1331 Supplementals Approved by JBC	(0.1)	0.4	0.0	0.0
12 Governor Placeholders	0.0	93.6	49.1	0.0
13 Judicial Placeholders	0.0	0.0	0.4	0.0
14 Adjusted GF Appropriations Base	<u>8,218.6</u>	<u>8,859.3</u>	<u>9,424.7</u>	<u>9,424.7</u>
15 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	30.5	12.3	0.0
16 Governor Request, Higher Education, COSI Funds Exempt from Restriction on State Appropriations	0.0	0.0	30.0	0.0
17 Medicaid Overexpenditures/Payment Delays as Required by OSPB and the Controller	32.4	0.0	0.0	0.0
18 TABOR Surplus Liability	0.0	0.0	125.1	392.6
19 Rebates and Expenditures - Based on Statutory Minimums	140.3	141.0	144.9	150.5
20 Reimbursement for Senior and Veterans Property Tax Exemption	109.8	117.2	125.0	133.5
21 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	101.6	0.0
22 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	25.4	0.0
23 Transfer to the Capital Construction Fund	187.2	225.5	256.2	48.0
24 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338	0.0	0.0	0.0	0.0
25 Transfer to FPPA and SEF - SB 13-234	45.3	25.3	25.3	25.3
26 Transfers from the General Fund Pursuant to Section 24-75-220 (4) (a), C.R.S.	210.6	0.0	0.0	0.0
27 Transfer to Other Funds	30.9	22.7	24.0	22.9
28 Accounting Adjustments	(49.0)	0.0	0.0	0.0
29 TOTAL GF OBLIGATIONS	<u>\$8,926.1</u>	<u>\$9,421.5</u>	<u>\$10,294.5</u>	<u>\$10,197.5</u>
30				
31 YEAR END GF RESERVE	\$435.9	\$573.5	\$449.6	\$1,120.6
32 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	410.9	575.9	612.6	612.6
33 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$25.0</u>	<u>(\$2.4)</u>	<u>(\$163.0)</u>	<u>\$508.0</u>

**Table 3 - Continued**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
34 Total Gross General Fund Revenues	\$8,974.8	\$9,531.1	\$10,158.6	\$10,856.3
35 Percent Gross General Fund Revenue Growth	4.9%	6.2%	6.6%	6.9%
36				
37 Transfer to the State Education Fund	\$478.8	\$501.4	\$532.7	\$567.9
38 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13-260	45.3	25.3	25.3	25.3
39 Transfer of Excess Reserve to SEF pursuant to HB 14-1342	20.0	0.0	0.0	0.0
40 Total Transfers to the State Education Fund	\$544.1	\$526.7	\$558.0	\$593.2
41				
42 Required TABOR Reserve	\$350.5	\$366.5	\$387.1	\$404.5
43				
44 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,251.0	\$8,889.8	\$9,437.0	\$9,424.7
45 Total Percent Growth (Including both items within restriction and exemptions)	10.5%	7.7%	6.2%	-0.1%
46 GF Appropriations Base Available Growth	\$786.3	\$638.8	\$547.2	(\$12.3)
47				
48 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$237,461.0	\$245,569.0	\$258,738.0	\$274,554.0
49 Percent Increase/(Decrease) Over Previous Year	5.1%	3.4%	5.4%	6.1%
50				
51 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(VII)(A), CRS)	\$11,301.6	\$11,873.1	\$12,278.5	\$12,936.9
52 Adjusted GF Appropriations Base	8,218.6	8,859.3	9,424.7	9,424.7
53 Over/(Under) Calculated Appropriations Restriction	(\$3,083.0)	(\$3,013.8)	(\$2,853.8)	(\$3,512.2)
54				
55 Year-End GF Statutory Reserve Percentage	5.0%	6.5%	6.5%	6.5%
56 Year-End GF Excess of Statutory Reserve Percentage	0.3%	0.0%	-1.7%	5.4%
57				
58 Rebates and Expenditures Include (from LCS Forecast)				
59 Cigarette Rebate	\$10.4	\$10.5	\$10.1	\$9.8
60 Marijuana Tax	\$1.4	\$2.9	\$2.8	\$2.8
61 Old Age Pension	106.9	103.3	107.4	112.8
62 Aged Property Tax & Heating Credit	6.0	7.9	8.1	8.3
63 Older Coloradans Fund (Off Budget - not in Long Bill)	10.0	10.0	10.0	10.0
64 FPPA	4.1	4.7	4.7	4.7
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)	0.7	0.9	1.0	1.3
67 Total Rebates and Expenditures	\$140.3	\$141.0	\$144.9	\$150.5

**Table 4**  
**2014 Interim 1331 Supplemental Requests**

**June 2014 Operating 1331 Supplemental Requests**

Department	Issue	OSP/State Request						JBC Action					
		FY 2013-14			FY 2014-15			FY 2013-14			FY 2014-15		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
Human Services	Grand Junction Regional Center Operating Expenses	\$0	\$516,575	\$516,575	\$0	\$0	\$0	\$0	\$516,575	\$516,575	\$0	\$0	\$0
Human Services	Mental Health Institutes Spending Authority	(58,609)	1,148,682	1,090,073	0	0	0	(58,609)	1,207,291	1,148,682	0	0	0
Personnel	Private Collection Agency Fees	0	87,344	87,344	0	0	0	0	100,000	100,000	0	0	0
Personnel	Integrated Document Solutions Lease-Purchase Agreement	0	0	0	0	401,952	401,952	0	0	0	0	0	0
Public Health	Payments to OIT 1331 Technical Fund Split Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>(\$58,609)</b>	<b>\$1,752,601</b>	<b>\$1,693,992</b>	<b>\$0</b>	<b>\$401,952</b>	<b>\$401,952</b>	<b>(\$58,609)</b>	<b>\$1,823,866</b>	<b>\$1,765,257</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**September 2014 Operating 1331 Supplemental Requests**

Department	Issue	OSP/State Request						JBC Action					
		FY 2013-14			FY 2014-15			FY 2013-14			FY 2014-15		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
Public Health	Technical FRAPPE Continuation	\$0	\$0	\$0	\$351,000	\$949,000	\$1,300,000	\$0	\$0	\$0	\$351,000	\$949,000	\$1,300,000
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$351,000</b>	<b>\$949,000</b>	<b>\$1,300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$351,000</b>	<b>\$949,000</b>	<b>\$1,300,000</b>

**September 2014 Capital Construction 1331 Requests**

Department	Issue	OSP/State Request						JBC Action					
		FY 2013-14			FY 2014-15			FY 2013-14			FY 2014-15		
		CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total
Agriculture	Department Office Consolidation (COP Payments)	0	0	0	0	528,063	528,063	0	0	0	0	528,063	528,063
Higher Education	Red Rocks Community College - Student Recreation Center	0	0	0	0	15,809,437	15,809,437	0	0	0	0	15,809,437	15,809,437
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,337,500</b>	<b>\$16,337,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,337,500</b>	<b>\$16,337,500</b>

							JBC Action					
							FY 2013-14			FY 2014-15		
							GF	Other Funds	Total	GF	Other Funds	Total
<b>Total Operating 1331 Supplementals Approved by JBC =</b>							<b>(\$58,609)</b>	<b>\$1,823,866</b>	<b>\$1,765,257</b>	<b>\$351,000</b>	<b>\$949,000</b>	<b>\$1,300,000</b>

							JBC Action					
							FY 2013-14			FY 2014-15		
							CCFE	Other Funds	Total	CCFE	Other Funds	Total
<b>Total Capital Construction 1331 Supplementals Approved by JBC =</b>							<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,337,500</b>	<b>\$0</b>

**Table 5**  
**List of Governor, Judicial, and Elected Officials November 3, 2014 Placeholder Requests**

**FY 2014-15 Operating Placeholder for Anticipated Supplemental Requests**

<b>Department</b>	<b>Item</b>	<b>GF</b>
<b>Governor's Request:</b>		
HCPF	Anticipated Increase in Medicaid Caseload	\$82,100,000
Various	Placeholder for Unspecified Potential Supplementals	11,500,000
Statewide	Exempt Precautionary Adjustment - Account for TABOR Refunds due to Recreational Marijuana	<u>30,500,000</u>
<b>Total FY 2014-15 Placeholders for Potential Supplementals</b>		<b>\$124,100,000</b>
Amount Subject to Statutory Limit		\$93,600,000
Amount Exempt from Statutory Limit		\$30,500,000

**FY 2015-16 Operating Place Holder Requests**

<b>Department</b>	<b>Item</b>	<b>GF</b>
<b>Governor's Request:</b>		
HCPF	Anticipated Budget Amendment - FMAP Medicaid Match Adjustment	\$40,000,000
Local Affairs	Exempt Potential Legislation - Roan Plateau Potential Settlement	8,000,000
Statewide	Anticipated Budget Amendment - Finance Health Insurance for Temporary State Employees	6,900,000
Statewide	Exempt Precautionary Adjustment - Account for TABOR Refunds due to Increase Fees	4,300,000
Various	Placeholder for Unspecified Potential Budget Amendments	2,200,000
<b>Subtotal Governor Place Holder Requests</b>		<b>\$61,400,000</b>
Amount Subject to Statutory Limit		\$49,100,000
Amount Exempt from Statutory Limit		\$12,300,000
<b>Statutory Limit</b>		<b>Legislation to Increase Statutory Limit to 6.5 Percent</b>
		<b>\$0</b>
<b>Total Governor FY 2015-16 Operating Place Holders</b>		<b>\$61,400,000</b>
<b>Judicial Request:</b>		
	Legislation for District Judges	374,717
<b>Total Judicial FY 2015-16 Operating Place Holders</b>		<b>\$374,717</b>

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

<b>Policy Options:</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Total</b>
EDUCATION	932,808,106	38,765,715	42,275,308	39,780,964	1,053,630,093
JUDICIAL	5,075,000	5,575,000	5,575,000	5,575,000	21,800,000
HUMAN SERVICES	5,738,016	4,333,998	2,575,420	4,099,943	16,747,377
HEALTH CARE POLICY AND FINANCING	1,868,504	3,702,064	3,702,064	3,702,064	12,974,696
HIGHER EDUCATION	0	0	0	0	0
STATEWIDE and OTHER DEPARTMENTS	0	0	0	0	0
CORRECTIONS	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>945,489,626</b>	<b>52,376,777</b>	<b>54,127,792</b>	<b>53,157,971</b>	<b>1,105,152,166</b>
<b>Inflation:</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Total</b>
EDUCATION	168,172,471	177,379,033	175,954,465	171,130,162	692,636,131
STATEWIDE and OTHER DEPARTMENTS	42,831,453	54,976,470	60,310,347	57,089,676	215,207,947
HIGHER EDUCATION	21,335,525	21,932,920	20,936,539	19,828,513	84,033,497
HUMAN SERVICES	12,741,949	14,640,454	15,573,369	16,320,222	59,275,994
CORRECTIONS	4,399,679	4,907,606	5,363,673	5,756,132	20,427,090
JUDICIAL	1,275,000	1,310,000	1,251,000	1,185,000	5,021,000
HEALTH CARE POLICY AND FINANCING	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>250,756,078</b>	<b>275,146,484</b>	<b>279,389,393</b>	<b>271,309,705</b>	<b>1,076,601,659</b>
<b>Caseload:</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Total</b>
HEALTH CARE POLICY AND FINANCING	186,186,526	91,228,085	100,568,882	105,855,151	483,838,644
EDUCATION	142,029,747	239,997,096	(56,991,491)	(779,997)	324,255,355
HIGHER EDUCATION	11,429,746	11,601,192	11,775,210	11,951,838	46,757,986
CORRECTIONS	4,446,376	6,775,430	10,207,721	11,110,369	32,539,896
JUDICIAL	339,000	(312,000)	770,000	770,000	1,567,000
STATEWIDE and OTHER DEPARTMENTS	0	0	0	0	0
HUMAN SERVICES	(2,688,334)	344,132	377,898	413,013	(1,553,291)
<b>GRAND TOTAL</b>	<b>341,743,061</b>	<b>349,633,935</b>	<b>66,708,220</b>	<b>129,320,374</b>	<b>887,405,590</b>
<b>Statutory Increases:</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Total</b>
STATEWIDE and OTHER DEPARTMENTS	8,059,754	8,059,754	4,029,877	0	20,149,385
CORRECTIONS	0	0	0	0	0
EDUCATION	0	0	0	0	0
HEALTH CARE POLICY AND FINANCING	0	0	0	0	0
HIGHER EDUCATION	0	0	0	0	0
HUMAN SERVICES	0	0	0	0	0
JUDICIAL	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>8,059,754</b>	<b>8,059,754</b>	<b>4,029,877</b>	<b>0</b>	<b>20,149,385</b>
<b>Other Base Adjustments:</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Total</b>
HUMAN SERVICES	2,139,654	2,206,428	0	0	4,346,082
EDUCATION	0	0	0	0	0
CORRECTIONS	0	0	0	0	0
HEALTH CARE POLICY AND FINANCING	0	0	0	0	0
HIGHER EDUCATION	0	0	0	0	0
JUDICIAL	0	0	0	0	0
STATEWIDE and OTHER DEPARTMENTS	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>2,139,654</b>	<b>2,206,428</b>	<b>0</b>	<b>0</b>	<b>4,346,082</b>
<b>Grand Total:</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Total</b>
Policy Options	945,489,626	52,376,777	54,127,792	53,157,971	1,105,152,166
Inflation	250,756,078	275,146,484	279,389,393	271,309,705	1,076,601,659
Caseload	341,743,061	349,633,935	66,708,220	129,320,374	887,405,590
Statutory Increases	8,059,754	8,059,754	4,029,877	0	20,149,385
Other base adjustments	2,139,654	2,206,428	0	0	4,346,082
<b>GRAND TOTAL</b>	<b>1,548,188,172</b>	<b>687,423,378</b>	<b>404,255,282</b>	<b>453,788,050</b>	<b>3,093,654,882</b>

**Table 7  
Four Year Projections of General Fund Costs (Increase over Base Year - FY 2014-15)**

DEPARTMENT	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	incremental changes through FY 2018-19 only	EXPLANATION/COMMENTS
<b>1 CORRECTIONS</b>							
2							
3 Base	720,429,597	720,429,597	729,275,652	740,958,688	756,530,082		
4 Caseload		4,446,376	6,775,430	10,207,721	11,110,369	32,539,896	Assumes prison population changes as indicated in the Division of Criminal Justice's "Summer 2014 Interim Prison Population Forecasts".
5 Inflation		<u>4,399,679</u>	<u>4,907,606</u>	<u>5,363,673</u>	<u>5,756,132</u>	<u>20,427,090</u>	Assumes the daily rate for private prisons, medical costs, pharmaceuticals, and food increase in step with the CPI forecast.
6 Total	<b>\$720,429,597</b>	<b>\$729,275,652</b>	<b>\$740,958,688</b>	<b>\$756,530,082</b>	<b>\$773,396,583</b>		
7 Change from Prior Year		<b>\$8,846,055</b>	<b>\$11,683,036</b>	<b>\$15,571,394</b>	<b>\$16,866,501</b>	<b>\$52,966,986</b>	
8 Percentage Change from Prior Year		<b>1.2%</b>	<b>1.6%</b>	<b>2.1%</b>	<b>2.2%</b>		
9							
<b>10 EDUCATION</b>							
11							
12 Base	3,357,895,804	3,357,895,804	4,600,906,128	5,057,047,972	5,218,286,254		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.
13 Caseload		142,029,747	239,997,096	(56,991,491)	(779,997)	324,255,355	Assumes increases associated with projected student enrollment (to maintain average per pupil funding at \$7,021). GF growth supports increased costs and offsets the depletion of one-time funding from the SEF.
14 Inflation		168,172,471	177,379,033	175,954,465	171,130,162	692,636,131	Assumes the average per pupil funding amount increases annually based on CPI.
15 Policy Options		<u>932,808,106</u>	<u>38,765,715</u>	<u>42,275,308</u>	<u>39,780,964</u>	<u>1,053,630,093</u>	Includes two Policy Options: 1) Constant Negative Factor, Current Law: Holds the "negative factor" constant as a dollar amount at \$894.2 million, the minimum level of funding required by current law (H.B. 14-1298). Note: Current law does not address years beyond FY 2015-16. Assumes the negative factor stays constant in the out years; and 2) Eliminate Negative Factor in FY 2015-16: Assumes "full funding" of the existing school finance formula without the "negative factor", beginning in FY 2015-16.
16 Total	<b>\$3,357,895,804</b>	<b>\$4,600,906,128</b>	<b>\$5,057,047,972</b>	<b>\$5,218,286,254</b>	<b>\$5,428,417,383</b>		
17 Change from Prior Year		<b>\$1,243,010,324</b>	<b>\$456,141,844</b>	<b>\$161,238,282</b>	<b>\$210,131,129</b>	<b>\$2,070,521,579</b>	
18 Percentage Change from Prior Year		<b>37.0%</b>	<b>9.9%</b>	<b>3.2%</b>	<b>4.0%</b>		
19							
<b>20 HEALTH CARE POLICY AND FINANCING</b>							
21							
22 Base	2,264,471,263	2,264,471,263	2,452,526,293	2,547,456,442	2,651,727,388		INCLUDES the GF transfers to HUM
23 Caseload		186,186,526	91,228,085	100,568,882	105,855,151	483,838,644	The FY 15-16 increase is so much larger than the other years due to including a FY 14-15 base adjustment
24 Inflation		0	0	0	0	0	Inflation is included in the caseload. In the past we have showed changes in per capita expenditures as a proxy for inflation, but this year the expansion of eligibility to a population with relatively low costs per capita makes the data not very meaningful.
25 Policy Options		<u>1,868,504</u>	<u>3,702,064</u>	<u>3,702,064</u>	<u>3,702,064</u>	<u>12,974,696</u>	Includes for DD, 55 foster care transitions, 61 CES to SLS transitions, and 40 emergency placements per year. First year is 6 months of cost.
26 Total	<b>\$2,264,471,263</b>	<b>\$2,452,526,293</b>	<b>\$2,547,456,442</b>	<b>\$2,651,727,388</b>	<b>\$2,761,284,603</b>		
27 Change from Prior Year		<b>\$188,055,030</b>	<b>\$94,930,149</b>	<b>\$104,270,946</b>	<b>\$109,557,215</b>	<b>\$496,813,340</b>	
28 Percentage Change from Prior Year		<b>8.3%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.1%</b>		
29							

**Table 7  
Four Year Projections of General Fund Costs (Increase over Base Year - FY 2014-15)**

DEPARTMENT	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	incremental changes through FY 2018-19 only	EXPLANATION/COMMENTS
<b>HIGHER EDUCATION</b>							
30							
31							
32 Base	761,983,052	761,983,052	794,748,323	828,282,435	860,994,184		
33 Caseload		11,429,746	11,601,192	11,775,210	11,951,838	46,757,986	The 20-year compound average annual rate of growth from FY 1994-95 to projected FY 2014-15 (1.5%) was used to project the average rate of growth due to the lack of an LCS projection past FY 2014-15 and the extreme variability in higher education enrollment (counter-cyclical to the economy).
34 Inflation		21,335,525	21,932,920	20,936,539	19,828,513	84,033,497	Projections of inflation are based on the September 2013 LCS forecast.
35 Policy Options		0	0	0	0	0	In light of \$100 million funding restoration in FY 2014-15, no further policy options are assumed.
36 Total	<b>\$761,983,052</b>	<b>\$794,748,323</b>	<b>\$828,282,435</b>	<b>\$860,994,184</b>	<b>\$892,774,535</b>		
37 Change from Prior Year		<b>\$32,765,271</b>	<b>\$33,534,112</b>	<b>\$32,711,749</b>	<b>\$31,780,351</b>	<b>\$130,791,483</b>	
38 Percentage Change from Prior Year		<b>4.3%</b>	<b>4.2%</b>	<b>3.9%</b>	<b>3.7%</b>		
<b>HUMAN SERVICES</b>							
41							
42 Base	782,001,699	782,001,699	799,932,984	821,457,996	839,984,683		Assumes CBMS projects will continue. Technical Note: DOES NOT Include Net GF Transferred from HCPF (this is all included in HCPF).
43 Other base adjustments		2,139,654	2,206,428	0	0	4,346,082	\$600 K reduction for food assistance redetermination in FY 15-16 (1 year funding); \$3.2 million increase in Child Welfare for budget amendments and legislation annualization (FY 15-16); \$321K reduction in FY 15-16 and \$2.2 million increase in FY 16-17 for continued development of electronic health record system for Mental Health Institutes & funding for Mental Health First Aid
44 Caseload		(2,688,334)	344,132	377,898	413,013	(1,553,291)	Assumes 4.0% growth in early intervention services and associated case management; for DYC assumes significant (\$3.5 million FY 15-16 reduction) caseload drop follow by smaller drops each year thereafter.
45 Inflation		12,741,949	14,640,454	15,573,369	16,320,222	59,275,994	Includes inflation for pharmaceuticals and food at the mental health institutes, DYC, Child Care Assistance Program, child welfare services, family/children's programs, and county administration.
46 Policy Options		<u>5,738,016</u>	<u>4,333,998</u>	<u>2,575,420</u>	<u>4,099,943</u>	<u>16,747,377</u>	Includes county administration funding to meet state population growth, Includes two year funding (approximately \$1.3 million each year) for FY 15-16 and FY 16-17 to eliminate Vocational Rehabilitation waiting list; includes increases for an increase in child 0-17 who will require child welfare services as a result of the child abuse and neglect hotline.
47 Total	<b>\$782,001,699</b>	<b>\$799,932,984</b>	<b>\$821,457,996</b>	<b>\$839,984,683</b>	<b>\$860,817,861</b>		
48 Change from Prior Year		<b>\$17,931,285</b>	<b>\$21,525,012</b>	<b>\$18,526,687</b>	<b>\$20,833,178</b>	<b>\$78,816,162</b>	
49 Percentage Change from Prior Year		<b>2.3%</b>	<b>2.7%</b>	<b>2.3%</b>	<b>2.5%</b>		
<b>JUDICIAL</b>							
51							
52							
53 Base	444,077,692	444,077,692	450,766,692	457,339,692	464,935,692		
54 Caseload		339,000	(312,000)	770,000	770,000	1,567,000	Estimated increases required to maintain existing staffing levels in relation to case filings for courts, probation, and the Office of the State Public Defender (OSPD) and 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). Unlike recent projections, these figures primarily reflect increases for probation; overall court filings are declining. The FY 2015-16 estimate also includes reduction of \$2.1 million to annualize a number of prior year bills and decision items.
55 Inflation		1,275,000	1,310,000	1,251,000	1,185,000	5,021,000	Inflationary increases for rates paid to private attorneys by the OADC and the OCR (inflationary increases for employees of the courts, probation, and OSPD should be captured in statewide salary data).
56 Policy Options		<u>5,075,000</u>	<u>5,575,000</u>	<u>5,575,000</u>	<u>5,575,000</u>	<u>21,800,000</u>	To reach 100% full staffing over 5 years (by FY 2019-20) for the courts, probation, and OSPD.
57 Total	<b>\$444,077,692</b>	<b>\$450,766,692</b>	<b>\$457,339,692</b>	<b>\$464,935,692</b>	<b>\$472,465,692</b>		
58 Change from Prior Year		<b>\$6,689,000</b>	<b>\$6,573,000</b>	<b>\$7,596,000</b>	<b>\$7,530,000</b>	<b>\$28,388,000</b>	
59 Percentage Change from Prior Year		<b>1.5%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>1.6%</b>		
60							

Table 7  
Four Year Projections of General Fund Costs (Increase over Base Year - FY 2014-15)

DEPARTMENT	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	incremental changes through FY 2018-19 only	EXPLANATION/COMMENTS
<b>STATEWIDE and OTHER DEPARTMENTS</b>							
61 Base	585,186,042	585,186,042	636,077,249	699,113,474	763,453,698		Currently reflects the balance of the statewide appropriation that is not incorporated in big-six above.
62 Statutory Increases		8,059,754	8,059,754	4,029,877	0	20,149,385	AED & SAED increase 0.4% and 0.5% respectively EACH CALENDAR YEAR through 2017. Each year's increase is calculated on the original FY 2014-15 GF Salary base.
63 Inflation		42,831,453	54,976,470	60,310,347	57,089,676	215,207,947	Includes salary survey and associated PERA, AED, SAED, and Medicare, as well as Health/Life/Dental.
64 Total	\$585,186,042	\$636,077,249	\$699,113,474	\$763,453,698	\$820,543,374		
65 Change from Prior Year		\$50,891,207	\$63,036,224	\$64,340,224	\$57,089,676	\$235,357,332	
66 Percentage Change from Prior Year		8.7%	9.9%	9.2%	7.5%		
<b>GRAND TOTAL</b>							
71 Base	\$8,916,045,149	8,916,045,149	10,464,233,321	11,151,656,699	11,555,911,981		
72 Statutory Increases		8,059,754	8,059,754	4,029,877	0	20,149,385	
73 Other base adjustments		2,139,654	2,206,428	0	0	4,346,082	
74 Caseload		341,743,061	349,633,935	66,708,220	129,320,374	887,405,590	
75 Inflation		250,756,078	275,146,484	279,389,393	271,309,705	1,076,601,659	
76 Policy Options		945,489,626	52,376,777	54,127,792	53,157,971	1,105,152,166	
77 Total	\$8,916,045,149	\$10,464,233,321	\$11,151,656,699	\$11,555,911,981	\$12,009,700,031		
78 Change from Prior Year		\$1,548,188,172	\$687,423,378	\$404,255,282	\$453,788,050	\$3,093,654,882	
79 Percentage Change from Prior Year		17.4%	6.6%	3.6%	3.9%		
80 Change Subject to Statutory Limit		\$1,548,188,172	\$687,423,378	\$404,255,282	\$453,788,050	\$3,093,654,882	
81 Change Not Subject to Statutory Limit		\$0	\$0	\$0	\$0	\$0	