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**Report on Referendum C Revenue and Spending
FY 2005-06 through FY 2012-13**

This report contains the final audited numbers for the amount of money Referendum C provided for the state in the 2005-06 through 2011-12 state fiscal years and preliminary numbers for the 2012-13 state fiscal year. It also reflects the actions of the General Assembly and Governor in spending the money. This report is prepared in accordance with the requirements of Referendum C 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 state fiscal year 2007-08, \$771 million FY 2010-11, \$1.5 billion in FY 2011-12, and an estimated \$1.5 billion FY 2012-13. The state did not retain any money under the provisions of Referendum C in FY 2008-09 or FY 2009-10.

By law, the first \$55 million in FY 2005-06, \$95 million in FY 2006-07, and \$125 million thereafter could be spent on any of the following areas: K-12 education, higher education, health care, firefighter and police retirement plans and transportation. The remaining amount is required to be spilt one-third each between health care, K-12 education, and higher education. Table 1 shows the distribution of the retained money in FY 2005-06 through FY 2012-13.

FY 2012-13. The first \$125 million was spent on transportation projects (\$0.5 million); the fire and police pension association old hire plans payment (\$10.0 million); firefighter and police retirement plans payment (\$4.3 million); K-12 schools (\$55.1 million); and health care (\$55.1 million). A total of \$1,356.3 million (\$1,481.3 million - \$125 million) was allocated one-third each (\$452.1 million) to K-12 education, health care, and higher education. These numbers are estimates provided through the long bill in 2013; the actual numbers will be budgeted in early 2014 through the supplemental process.

Issue for consideration. When evaluating this report it is important to keep in mind that the state would have faced a significant budget shortfall in FY 2005-06 and more recent years had Referendum C not passed. Therefore, in many instances the Referendum C money that has been spent was not new money for programs, rather it maintained programs and prevented them from undergoing cuts. It is money the programs may not have received without Referendum C, but it is not additional money when compared with the prior year. It is impossible to enumerate this impact because it would require knowledge of what budgetary actions the state would have taken had Referendum C failed.

Table 1
Referendum C Spending by Program FY 2005-06 through 2012-13
Millions of Dollars

Program	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13*
Public Elementary and High Schools	\$361.7	\$425.1	\$381.3	\$0.0	\$0.0	\$275.4	\$506.9	\$507.2
Health Care for Medical Services Premiums	\$361.6	\$425.1	\$381.3	\$0.0	\$0.0	\$275.4	\$506.9	\$507.2
Higher Education	\$353.7	\$404.3	\$348.1	\$0.0	\$0.0	\$215.2	\$449.5	\$452.1
Volunteer Firefighter Retirement Plans	\$3.8	\$3.8	\$3.8	\$0.0	\$0.0	\$4.1	\$4.3	\$4.3
Fire & Police Pensions Association Old Hire Plans	\$25.3	\$34.8	\$34.8	\$0.0	\$0.0	\$0.0	\$5.3	\$10.0
Transportation Projects	\$10.0	\$15.0	\$20.0	\$0.0	\$0.0	\$0.5	\$0.5	\$0.5
Total Referendum C Spending	\$1,116.1	\$1,308.1	\$1,169.3	\$0.0	\$0.0	\$770.6	\$1,473.4	\$1,481.3

**Preliminary estimate. The actual amounts will be budgeted through the FY2012-13 supplemental process in early 2014.*