STATE OF COLORADO

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MEMORANDUM

Bill Owens
Governor

Henry R. Sobanet
Director

TO: Governor Bill Owens
Members of the General Assembly

FROM: Office of State Planning and Budgeting

DATE: March 20, 2006

SUBJECT: ***March 2006 Revenue Forecast***

This memorandum presents the March 2006 Office of State Planning and Budgeting revenue forecast. Also provided in this memorandum is a discussion of the Taxpayer's Bill of Rights (TABOR) limit as provided in Article X, Section 20 of the Colorado Constitution. Also provided are General Fund overviews, General Fund and cash fund revenue forecasts, and summaries of both the national and Colorado economic forecasts.

March 2006 OSPB Forecast Highlights

- Based on the March 2006 OSPB revenue projections and year-to-date FY 2005-06 appropriations, the State will have enough General Fund revenue to maintain appropriations growth of six percent, fully fund the Senate Bill 97-1 transfer of $217.9 million to the Highway Users Tax Fund, and pay back $67.1 million in transfers previously made to the General Fund per House Bill 02-1391.
- Meanwhile, in FY 2005-06, the General Fund excess reserve will exceed the statutory four percent reserve requirement by $118.8 million.
- On November 1, 2005, Colorado voters passed Referendum C, allowing the State to retain all revenue collected from FY 2005-06 through FY 2009-10. Therefore, there will not be a TABOR surplus during this five-year period and the State will be allowed to keep an estimated $3.9 billion. The TABOR surplus will return in FY 2010-11.
- After increasing 7.1 percent in FY 2004-05, gross ***General Fund revenues*** are forecast to increase 7.5 percent in FY 2005-06 and 6.8 percent in FY 2006-07.
- ***Cash fund revenues*** are forecast to increase 6.8 percent in FY 2005-06 and decrease 3.9 percent in FY 2006-07. In FY 2005-06, growth in severance taxes and unemployment insurance tax revenue are driving overall cash fund revenue growth.
- The ***national economy*** continues to strengthen. Inflation-adjusted gross domestic product is growing at a healthy pace, initial jobless claims are continuing their downward trend, demand and production growth are strong, and payrolls are increasing.
- The underlying assumptions for the March 2006 ***Colorado economic forecast*** have not materially changed since the release of the December 2005 forecast. The state's labor markets are recovering and Colorado economic activity is accelerating.

The TABOR Limit and General Fund Revenue Forecast

This section provides a summary of the March 2006 Office of State Planning and Budgeting (OSPB) General Fund revenue and expenditure forecast. First, it discusses the limits contained in the Taxpayer's Bill of Rights — Article X, Section 20 of the Colorado Constitution. Next, it provides a General Fund overview. Finally, the section discusses the OSPB General Fund revenue forecast.

The TABOR Surplus

The Taxpayer's Bill of Rights (TABOR) — Article X, Section 20 of the Colorado Constitution — limits the State's revenue growth to the sum of inflation plus population growth in the previous calendar year. According to TABOR, revenue collected above this limit must be returned to taxpayers, unless voters decide the state can retain the revenue. In FY 2004-05, the TABOR surplus reappeared after a four-year absence, totaling $41.1 million.

In FY 2004-05, the TABOR surplus reappeared . . . totaling $41.1 million.

On November 1, 2005 Colorado voters passed Referendum C, allowing the state to retain all revenue collected from FY 2005-06 through FY 2009-10. Hence, there will not be a TABOR surplus during this five-year period. Similarly, the State's budget has avoided dramatic program reductions that would have been necessary absent its passage. The amount of revenue the state is allowed to keep because of Referendum C is referred to as "General Fund Exempt Revenue." ***Table 1*** displays the expected General Fund Exempt Revenue the state will keep during the five years Referendum C is in effect. In total, the state will keep $3.9 billion during this period. In FY 2010-11, the TABOR surplus returns totaling $125.1 million. ***Table 2*** provides a detailed calculation of TABOR revenues from FY 2004-05 through FY 2010-11 under current law.

Table 1
General Fund Exempt Revenues
Based on the March 2006 OSPB Revenue Forecast
(Dollar Amounts in Millions)

Fiscal Year	Exempt Revenue
2005-06	$686.8
2006-07	$752.2
2007-08	$718.4
2008-09	$779.8
2009-10	$944.9
Cumulative Total	**$3,882.1**

General Fund Overview

Table 3 provides an overview of General Fund revenues, expenditures, and reserves through FY 2010-11. The table also shows the original FY 2005-06 General Fund appropriation as well as the additional amount available to be appropriated to reach the statutory maximum six percent appropriation growth limit. Furthermore, Table 3 assumes current law for capital construction transfers, other transfers to the General Fund, rebates and expenditures, and FY 2006-07 expected spending.

In FY 2004-05, the state's General Fund ended the year with a $335.4 million reserve.

In FY 2004-05, the State's General Fund ended the year with a $335.4 million reserve. This reserve exceeded the statutory four percent reserve by $98.0 million. Under current law, two-thirds of this excess will be distributed to the Highway Users Tax Fund and one-third will be distributed to the Capital Construction Fund. In FY 2005-06, the OSPB forecast shows that the state will have enough revenue to maintain appropriations growth of six percent, fully fund the Senate Bill 97-1 transfer ($217.9 million) to the Highway Users Tax Fund, and pay back $67.1 million in transfers previously made to the General Fund per House Bill 02-1391. In addition, the year-end General fund reserve is anticipated to be $370.5 million, or $118.8 million above the statutory four-percent reserve requirement. Hence, in FY 2005-06, two-thirds of this excess revenue will be distributed to the Highway Users Tax Fund ($79.2 million) and one-third will be distributed to the Capital Construction Fund ($39.6 million).

Table 4 provides an overview of General Fund revenues, expenditures, and reserves through FY 2010-11 had Referendum C failed. Based on the OSPB March 2006 forecast, in this scenario the statutory reserve would be 1.4 percent in FY 2005-06, or $162.1 million below the four-percent statutory reserve requirement. Moreover, since the state would have fallen below a two percent reserve, the Governor would have been required to implement an expenditure reduction plan as specified in Section 24-75-201.1(1)(d)(III), C.R.S. Finally, Table 4 shows that the available appropriations in FY 2006-07 would have required the budget to drop 3.5 percent from the original FY 2005-06 appropriation, indicating dramatic reductions in programs.

General Fund Revenues

The forecast for General Fund revenues is shown in ***Table 5***. The March 2006 OSPB forecast for General Fund revenues is $158.1 million higher in FY 2005-06 and $184.2 million higher in FY 2006-07 than the December 2005 OSPB forecast. The FY 2005-06 increase is due to the strengthening Colorado economy, growing personal income, and strong corporate receipts as a result of federal tax law changes, which are discussed in greater detail below.

. . . General Fund revenues are expected to increase 7.5 percent in FY 2005-06. . . .

After increasing 7.1 percent in FY 2004-05, General Fund revenues are expected to increase 7.5 percent in FY 2005-06 and 6.8 percent in FY 2006-07. It is important to note that the FY 2005-06 forecast reflects federal tax law changes (discussed below) that will affect revenue growth rates.

Net individual income tax receipts increased 7.6 percent in FY 2004-05 and are forecast to increase 7.1 percent in FY 2005-06 and 7.5 percent in FY 2006-07. The components of individual income taxes — ***withholdings, estimated payments, cash-***

with-returns receipts (checks mailed for income taxes due on April 15), and ***refunds*** — have stabilized compared with recent years. Indeed, following two years of declines, withholdings, estimated payments, and cash-with-returns began to grow in FY 2004-05. Several factors driving growth in FY 2005-06 and FY 2006-07 include royalty payments resulting from increased drilling activity around the state and capital gains due to healthy stock market activity.

Net corporate income tax receipts rose 33.9 percent in FY 2004-05 as a result of the 50 percent bonus depreciation and increased small business expensing provisions of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003, which ended in 2004. In FY 2005-06, corporate tax receipts are forecast to increase 38.2 percent due to increasing estimated payments. Estimated payments will increase through FY 2005-06 and FY 2006-07 due to repatriation of corporations under the American Jobs Creation Act of 2004. Furthermore, companies will not have as many deductions to claim against their 2005 tax bill as a result of the ending of the accelerated depreciation that was allowed under the federal Jobs and Growth Tax Relief Reconciliation Act of 2003. As companies once again build depreciation credits they can claim against their taxes in 2006, estimated payment collections will begin to moderate in FY 2007-08. In addition, net corporate income tax receipts are expected to increase as refunds slow down and the economy continues to expand in FY 2006-07.

Sales tax revenues rose 4.7 percent in FY 2004-05 and are forecast to grow 4.8 percent in FY 2005-06 and 6.4 percent in FY 2006-07. Sales tax revenues are being dampened this year by Hurricane Katrina's effect on high energy prices, reducing disposable (discretionary) income. In FY 2006-07, sales tax revenues are expected to increase at a faster pace because of the strengthening Colorado economy, and rising payrolls increase the wages available for Colorado citizens to spend.

Sales tax revenues . . . are forecast to grow 4.8 percent in FY 2005-06 and 6.4 percent in FY 2006-07.

Table 2
TABOR Surplus Revenue Calculation
(Dollar Amounts in Millions)

Line No.		FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
			March 2006 Estimate by Fiscal Year					
	TABOR Revenues:							
1	General Fund	$6,107.1 /A	$6,588.1 /A	$7,036.5 /A	$7,432.2 /A	$7,872.3 /A	$8,351.9 /A	$8,843.6 /A
2	Cash Funds	$2,375.9 /B	$2,099.4 /B	$2,017.5	$1,928.8	$1,918.7	$1,996.5	$2,070.8
3	**Total TABOR Revenues**	$8,483.0	$8,687.5	$9,054.0	$9,361.0	$9,791.0	$10,348.4	$10,914.4
	TABOR Limit Calculation:							
4	Previous calendar year population growth	*1.1%*	*1.2%*	*1.4%*	*1.4%*	*1.5%*	*1.6%*	*1.7%*
5	Previous calendar year inflation	*1.1%*	*0.1%*	*2.1%*	*2.4%*	*2.5%*	*2.5%*	*2.6%*
6	Growth Dividend	*2.4%* /C	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
7	**Allowable TABOR Growth Rate**	*4.6%*	*1.3%*	*3.5%*	*3.8%*	*4.0%*	*4.1%*	*4.3%*
8	Actual Change in TABOR Revenues from Limit	*6.7%*	*10.0%*	*4.2%*	*3.4%*	*4.6%*	*5.7%*	*5.5%*
9	**TABOR Limit**	**$8,311.0** /D	**$8,687.5** /D	**$9,054.0** /D	**$9,361.0** /D	**$9,791.0** /D	**$10,348.4** /D	**$10,789.3** /D
10	**Revenues Above (Below) TABOR Limit**	**$41.1** /G	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$125.1**
11	**Adjustments to TABOR Base**	($410.9) /B	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
12	**Adjusted TABOR Base**	**$7,900.1**	**$8,687.5**	**$9,054.0**	**$9,361.0**	**$9,791.0**	**$10,348.4**	**$10,789.3**
13	TABOR Emergency Reserve	$249.3 /E,F	$260.6 /E,F	$271.6 /E,F	$280.8 /E,F	$293.7 /E,F	$310.5 /E,F	$323.7 /E,F
14	General Fund Exempt Increase	NA	$686.8 /H	$65.4 /H	($33.8) /H	$61.5 /H	$165.1 /H	$172.1 /H
15	General Fund Exempt Annual Total	NA	$686.8 /H	$752.2 /H	$718.4 /H	$779.8 /H	$944.9 /H	$985.2 /H
16	General Fund Exempt Cumulative	NA	$686.8 /H	$1,438.9 /H	$2,157.3 /H	$2,937.1 /H	$3,882.1 /H	$4,047.5 /H

/A These figures differ from the General Fund revenues reported in other tables because they net out revenues credited to the State Education Fund per Amendment 23, other revenues that are exempt from TABOR, and revenues that are recorded as both General Fund and cash fund. For instance, the General Fund gaming revenues, unexpended prior-year Medicaid expenditures that are booked in "other revenue", and transfers of unclaimed property are netted out.

/B S.B. 04-189 and S.B. 04-252 grant enterprise status to all Colorado institutions of higher education and S.B. 05-039 grants enterprise status to the Petroleum Storage Tank Fund in FY 2005-06 and thereafter. To account for this change, the FY 2004-05 TABOR limit is reduced by $386.9 million (the amount of tuition and fees collected in FY 2004-05 by the remaining State institutions of higher education) and $27.2 million (the amount of fees collected in FY 2004-05 in the Petroleum Storage Tank Fund) before the FY 2005-06 TABOR limit is computed.

/C The allowable TABOR limit can be increased by a total of 6.0 percentage points over the next nine years as directed in H.B. 02-1310 and S.B. 02-179. These bills allow the state to increase the TABOR limit by 6.0 percentage points for population growth that occurred during the 1990s that was not captured by U.S. Bureau of the Census 1990 intercensal estimates. Since the state was not in a TABOR surplus position in FY 2001-02, the legislation allows the extra population growth to be used when the state returns to a TABOR surplus position.

/D The TABOR limit is calculated by applying the "Allowable TABOR Growth Rate" to either "Total TABOR Revenues" or the "TABOR Limit," whichever is smaller. In FY 2002-03, total TABOR revenues were less than the TABOR limit, so the FY 2003-04 TABOR limit was calculated by growing FY 2002-03 actual total TABOR revenues by the FY 2003-04 allowable TABOR growth rate. In the remaining years, the TABOR limit is less than or equal to total TABOR revenues, so the TABOR limit is calculated from the previous year's TABOR limit.

/E In years when projected revenues exceed the amount allowed by the State Constitution, the three percent TABOR reserve is calculated based on the TABOR limit, rather than on projected total TABOR revenues. Given that the state will only retain the maximum allowed by the State Constitution, it need only reserve three percent of such amount.

/F Per H.B. 04-1422 and S.B. 05-209, the three percent TABOR emergency reserve is designated as up to $24.0 million in FY 2004-05 and up to $20 million in FY 2005-06 from the Major Medical Insurance Fund, up to $20.0 million in FY 2004-05 and up to $35 million in FY 2005-06 from the Subsequent Injury Fund, up to $12.0 million in FY 2004-05 and FY 2005-06 from the Workers' Compensation Cash Fund, up to $6.0 million in FY 2004-05 and up to $7.3 million in FY 2005-06 from the Severance Tax Trust Fund, up to $6.0 million in FY 2004-05 and up to $5.5 million in FY 2005-06 from the Colorado River Recovery Program Loan Fund, up to $3.0 million in FY 2004-05 in the Fish and Wildlife Resources Fund, up to $98.7 million in FY 2004-05 and up to $100 million in FY 2005-06 in the Wildlife Cash Fund and fund equity, and up to $89.0 million in FY 2004-05 and up to $75 million in FY 2005-06 of state properties.

/G Per H.B. 05-1310, the FY 2002-03 TABOR limit was permanently raised by $91.6 million and $127.8 million is credited towards the FY 2004-05 surplus.

/H Under Referendum C, a "General Fund Exempt Account" is created in the General Fund. The Account consists of monies collected in excess of the limitation on state fiscal year spending.

Table 3
General Fund Overview – Current Law with Expected Spending
(Dollar Amounts in Millions)

Line No.		FY 2004-05	March 2006 Estimate by Fiscal Year FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
	Funding Sources and Diversions:							
1	Beginning Reserve	$224.0	$237.4	$251.7	$266.8	$282.8	$299.8	$317.8
2	Gross General Fund Revenues	$6,474.8	$6,958.1	7,429.0	7,847.1	8,313.2	8,821.0	9,341.8
3	*General Fund Revenues*	*6,474.8*	*$6,271.4*	*$6,676.8*	*$7,128.7*	*$7,533.4*	*$7,876.0*	*NA*
4	*General Fund Exempt Revenues*	*NA*	*$686.8*	*$752.2*	*$718.4*	*$779.8*	*$944.9*	*NA*
5	Transfers to General Fund	65.7 **/A**	232.8 **/A**	35.4 **/A**	40.4 **/A**	39.7 **/A**	39.0 **/A**	39.0 **/A**
6	Senate Bill 97-1 Transfers to the HUTF	0.0	(217.9)	(140.5)	(195.6)	(204.2)	(226.3)	(108.6)
7	Diversion to the Older Coloradan's Program	(2.3)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)
8	Transfer to the State Education Fund	(313.9) **/B**	(330.0) **/B**	(355.5) **/B**	(375.5) **/B**	(398.9) **/B**	(424.1) **/B**	(450.2) **/B**
9	Adjustments to the State Education Fund for Over (Under) Payments	0.0 **/C**	0.0 **/C**	0.0 **/C**	0.0 **/C**	0.0 **/C**	0.0 **/C**	0.0 **/C**
10	**Total Funds Available**	$6,448.3	$6,877.7	$7,217.4	$7,580.4	$8,029.9	$8,506.5	$9,137.0
	Expenditures:							
11	General Fund Appropriations (Long Bill)	5,935.2	6,292.7	6,670.2	7,070.4	7,494.7	7,944.3	8,421.0
12	Increase (Reduction) from Supplemental Bills	1.3	0.0	0.0	0.0	0.0	0.0	0.0
14	Rebates and Expenditures	110.7 **/D**	147.3 **/D**	153.4	160.4	167.6	175.5	184.0
15	Capital and Prison Construction	0.2 **/E**	0.1 **/E**	62.3	0.0	0.0	0.0	0.0
16	TABOR Refund	41.1	0.0	0.0	0.0	0.0	0.0	125.1
17	Homestead Exemption	0.0 **/F**	0.0 **/F**	64.6	66.7	67.8	68.9	70.0
18	Transfer to the Controlled Maintenance Trust Fund (S.B. 05-210)	55.0 **/G**	0.0 **/G**	0.0	0.0	0.0	0.0	0.0
19	General Fund Payback	0.0	67.1 **/H**	0.0	0.0	0.0	0.0	0.0
20	Reversions & Accounting Adjustments	(30.6)	0.0	0.0	0.0	0.0	0.0	0.0
21	**Total Obligations**	$6,112.8	$6,507.2	$6,950.6	$7,297.6	$7,730.1	$8,188.8	$8,800.1
22	**Year-end General Fund Reserve:**	**$335.4**	**$370.5**	**$266.8**	**$282.8**	**$299.8**	**$317.8**	**$336.8**
23	**Statutory Reserve: 4.0% of Appropriations**	**237.4**	**251.7**	**266.8**	**282.8**	**299.8**	**317.8**	**336.8**
24	**Monies Above (Below) Statutory Reserve**	**98.0**	**118.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
25	**Excess Monies Reserved for Transportation**	**65.3 /I**	**79.2 /I**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
26	**Excess Monies Reserved for Capital Construction**	**32.7 /I**	**39.6 /I**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
27	**Reserve as a % of Appropriations**	**5.7%**	**5.9%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
28	**Appropriations Change**	**$337.2**	**$356.2**	**$377.6**	**$400.2**	**$424.2**	**$449.7**	**$476.7**
29		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

/A This figure represents the total transfers to the General Fund per H.B. 02-1267, H.B. 02-1391, H.B. 02-1392, H.B. 02-1443, H.B. 02-1444, H.B. 02-1445, H.B. 02-1478, S.B. 03-107, S.B. 03-172, S.B. 03-179, S.B. 03-188, S.B. 03-190, S.B. 03-191, S.B. 03-260, S.B. 03-261, S.B. 03-271, S.B. 03-274, S.B. 03-296, S.B. 03-300, H.B. 04-1421, H.B. 05-1262, S.B. 05-210, and S.B. 05-211.

/B Per Amendment 23, one-third of one percentage point of Colorado taxable income is credited to the State Education Fund beginning January 1, 2001.

/C As new data become available regarding Colorado taxable income, the state must adjust the diversion to the State Education Fund as per Section 22-55-103, C.R.S.

/D Per S.B. 03-263, state expenditures for unfunded, old hire pension plans in the Fire and Police Pensions Association are eliminated in FY 2003-04 and FY 2004-05. Per S.B. 05-209, the Volunteer Firefighter Retirement Plan and Volunteer Firefighter Death and Disability Insurance appropriations are not subject to the limitation on General Fund spending and are included in this amount.

/E H.B. 04-1412 eliminated the General Fund transfer to the Capital Construction Fund scheduled to occur in FY 2004-05 and FY 2005-06. The transfers shown in FY 2004-05 and FY 2005-06 are per H.B. 04-1003 and H.B. 04-1021, respectively.

/F S.B. 03-265 eliminated the senior homestead exemption property tax credit in FY 2003-04 through FY 2005-06.

/G H.B. 04-1267 repealed the statutory requirement to repay the Controlled Maintenance Trust Fund in FY 2004-05 and FY 2005-06. Per S.B. 05-210, $55 million will be transferred to the Controlled Maintenance Trust Fund on June 30, 2005.

/H The state was required to pay back $67.1 million in transfers previously made into the General Fund per H.B. 02-1391.

/I Per H.B. 02-1310, two-thirds of the amount in excess of a four percent reserve is credited to the Highway Users Tax Fund and one-third is credited to the Capital Construction Fund. In FY 2004-05, appropriations were approximately $200,000 below reaching six percent appropriations growth, thus the two-thirds, one-third split of the excess reserve.

Table 4
General Fund Overview – Without Passage of Referendum C
(Dollar Amounts in Millions)

Line No.		FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
			March 2006 Estimate by Fiscal Year					
	Funding Sources and Diversions:							
1	Beginning Reserve	$224.0	$237.4	$85.0	$238.5	$252.8	$268.0	$284.0
2	Gross General Fund Revenues	$6,474.8	$6,932.6	7,383.6	7,796.3	8,259.3	8,763.6	9,280.7
3	Transfers to General Fund	65.7 **/A**	232.8 **/A**	35.4 **/A**	40.4 **/A**	39.7 **/A**	39.0 **/A**	39.0 **/A**
4	Senate Bill 97-1 Transfers to the HUTF	0.0	0.0	0.0	(184.4)	(150.2)	(24.8)	0.0
5	Diversion to the Older Coloradan's Program	(2.3)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)
6	Transfer to the State Education Fund	(313.9) **/B**	(328.1) **/B**	(352.1) **/B**	(371.8) **/B**	(394.9) **/B**	(419.9) **/B**	(445.7) **/B**
7	Adjustments to the State Education Fund for Over (Under) Payments	0.0 **/C**	0.0 **/C**	0.0 **/C**	0.0 **/C**	0.0 **/C**	0.0 **/C**	0.0 **/C**
8	**Total Funds Available**	$6,448.3	$7,071.9	$7,149.1	$7,516.4	$8,004.0	$8,623.2	$9,155.4
	Expenditures:							
9	General Fund Appropriations (Long Bill)	5,935.2	6,178.3	5,962.3	6,320.1	6,699.3	7,101.2	7,474.4
10	Increase (Reduction) from Supplemental Bills	1.3	0.0	0.0	0.0	0.0	0.0	0.0
11	Rebates and Expenditures	110.7 **/D**	147.3 **/D**	153.4	160.4	167.6	175.5	184.0
12	Capital and Prison Construction	0.2 **/E**	0.1 **/E**	0.0	0.0	0.0	0.0	0.0
13	TABOR Refund	41.1	661.1	729.1	716.3	801.3	993.5	1,128.0
14	Homestead Exemption	0.0 **/F**	0.0 **/F**	65.8	66.7	67.8	68.9	70.0
15	Transfer to the Controlled Maintenance Trust Fund (S.B. 03-262)	55.0 **/G**	0.0 **/G**	0.0	0.0	0.0	0.0	0.0
16	General Fund Payback	0.0 **/H**	0.0 **/H**	0.0 **/I**	0.0 **/I**	0.0 **/I**	0.0 **/I**	0.0 **/I**
17	Reversions & Accounting Adjustments	(30.6)	0.0	0.0	0.0	0.0	0.0	0.0
18	**Total Obligations**	$6,112.8	$6,986.9	$6,910.6	$7,263.6	$7,736.0	$8,339.1	$8,856.4
19	**Year-end General Fund Reserve:**	**$335.4**	**$85.0**	**$238.5**	**$252.8**	**$268.0**	**$284.0**	**$299.0**
20	**Statutory Reserve: 4.0% of Appropriations**	**237.4**	**247.1**	**238.5**	**252.8**	**268.0**	**284.0**	**299.0**
21	**Monies Above (Below) Statutory Reserve**	**98.0**	**(162.1)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
22	**Excess Monies Reserved for Transportation**	**65.3 /I**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
23	**Excess Monies Reserved for Capital Construction**	**32.7 /I**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
24	**Reserve as a % of Appropriations**	**5.7%**	**1.4%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
25	**Appropriations Change**	**$337.2**	**$241.9**	**($216.0)**	**$357.7**	**$379.2**	**$402.0**	**$373.2**
26		6.0%	4.1%	-3.5%	6.0%	6.0%	6.0%	5.3%

/A This figure represents the total transfers to the General Fund per H.B. 02-1267, H.B. 02-1391, H.B. 02-1392, H.B. 02-1443, H.B. 02-1444, H.B. 02-1445, H.B. 02-1478, S.B. 03-107, S.B. 03-172, S.B. 03-179, S.B. 03-188, S.B. 03-190, S.B. 03-191, S.B. 03-260, S.B. 03-261, S.B. 03-271, S.B. 03-274, S.B. 03-296, S.B. 03-300, H.B. 04-1421, H.B. 05-1262, S.B. 05-210, and S.B. 05-211.

/B Per Amendment 23, one-third of one percentage point of Colorado taxable income is credited to the State Education Fund beginning January 1, 2001.

/C As new data become available regarding Colorado taxable income, the state must adjust the diversion to the State Education Fund as per Section 22-55-103, C.R.S.

/D Per S.B. 03-263, state expenditures for unfunded, old hire pension plans in the Fire and Police Pensions Association are eliminated in FY 2003-04 and FY 2004-05. Per S.B. 05-209, the Volunteer Firefighter Retirement Plan and Volunteer Firefighter Death and Disability Insurance appropriations are not subject to the limitation on General Fund spending and are included in this amount.

/E H.B. 04-1412 eliminated the General Fund transfer to the Capital Construction Fund scheduled to occur in FY 2004-05 and FY 2005-06. The transfers shown in FY 2004-05 and FY 2005-06 are per H.B. 04-1003 and H.B. 04-1021, respectively.

/F S.B. 03-265 eliminated the senior homestead exemption property tax credit in FY 2003-04 through FY 2005-06.

/G H.B. 04-1267 repealed the statutory requirement to repay the Controlled Maintenance Trust Fund in FY 2004-05 and FY 2005-06. Per S.B. 05-210, $55 million will be transferred to the Controlled Maintenance Trust Fund on June 30, 2005.

/H Per H.B. 02-1391, the state is required to pay back some transfers into the General Fund if there are sufficient revenues. Our forecast shows that there is not sufficient revenue to make the paybacks required in H.B. 02-1391 from FY 2005-06 through the forecast horizon.

/I Per H.B. 02-1310, two-thirds of the amount in excess of a four percent reserve is credited to the Highway Users Tax Fund and one-third is credited to the Capital Construction Fund. In FY 2004-05, appropriations were approximately $200,000 below reaching six percent appropriations growth, thus the two-thirds, one-third split of the excess reserve.

Table 5
Colorado General Fund – Revenue Estimates by Tax Category
(Accrual Basis, Dollar Amounts in Millions)

Line No.	Category	FY 2004-05	% Chg	March 2006 Estimate by Fiscal Year with Percent Change Over Prior Year											
				FY 2005-06	% Chg	FY 2006-07	% Chg	FY 2007-08	% Chg	FY 2008-09	% Chg	FY 2009-10	% Chg	FY 2010-11	% Chg
	Excise Taxes:														
1	Sales	$1,855.1 **/A**	4.7	$1,943.8 **/A**	4.8	$2,067.3 **/A**	6.4	$2,200.9 **/A**	6.5	$2,335.7 **/A**	6.1	$2,480.3 **/A**	6.2	$2,632.3 **/A**	6.1
2	Use	$152.9 **/A**	11.3	$163.1 **/A**	6.7	$170.1 **/A**	4.3	$178.6 **/A**	5.0	$187.5 **/A**	5.0	$196.9 **/A**	5.0	$206.8 **/A**	5.1
3	Cigarette	$51.5	(4.3)	$47.8	(7.1)	$46.1	(3.5)	$44.4	(3.7)	$42.8	(3.6)	$41.5	(3.0)	$40.5	(2.5)
4	Tobacco Products	$14.2	18.5	$9.8	(31.0)	$11.7	20.0	$11.7	(0.3)	$11.7	(0.1)	$11.7	(0.3)	$11.6	(0.8)
5	Liquor	$31.2	1.0	$32.9	5.4	$33.4	1.3	$33.8	1.3	$34.3	1.5	$34.9	1.7	$35.4	1.5
6	***Total Excise***	***$2,104.8***	***5.0***	***$2,197.4***	***4.4***	***$2,328.6***	***6.0***	***$2,469.4***	***6.0***	***$2,612.0***	***5.8***	***$2,765.3***	***5.9***	***$2,926.6***	***5.8***
	Income Taxes:														
7	Net Individual Income	$3,712.7	7.6	$3,975.6	7.1	$4,274.1	7.5	$4,525.7	5.9	$4,808.8	6.3	$5,117.8	6.4	$5,437.7	6.3
8	Net Corporate Income	$315.0	33.9	$435.4	38.2	$478.8	10.0	$493.8	3.1	$522.5	5.8	$550.6	5.4	$578.6	5.1
9	***Total Income***	**$4,027.7**	**9.3**	**$4,411.0**	**9.5**	**$4,752.9**	**7.8**	**$5,019.6**	**5.6**	**$5,331.2**	**6.2**	**$5,668.5**	**6.3**	**$6,016.4**	**6.1**
	Other Revenues:														
10	Estate	$26.0 **/B**	(44.9)	$7.8 **/B**	(70.0)	$2.0 **/B**	NA	$1.0 **/B**	NA	$1.0 **/B**	NA	$1.0 **/B**	NA	$10.0 **/B**	NA
11	Insurance	$189.2	7.6	$191.2	1.1	$195.7	2.3	$202.5	3.5	$209.4	3.4	$216.3	3.3	$213.1	(1.4)
12	Interest Income	$27.7	41.9	$51.2	84.8	$52.6	2.7	$53.9	2.6	$55.3	2.6	$56.8	2.6	$58.3	2.6
13	Pari-Mutuel	$3.8	(12.7)	$3.7	(2.7)	$3.6	(4.0)	$3.4	(5.0)	$3.2	(5.4)	$3.0	(5.9)	$2.8	(6.2)
14	Court Receipts	$26.3	0.2	$23.7	(9.8)	$24.3	2.4	$24.9	2.4	$25.5	2.3	$26.0	2.3	$26.6	2.3
15	Gaming	$40.2	0.1	$40.0	(0.6)	$36.9	(7.6)	$39.4	6.7	$42.1	6.8	$44.9	6.8	$48.0	6.8
17	Other Income	$28.9 **/C**	(30.4)	$32.1	10.9	$32.5	1.2	$33.0	1.6	$33.5	1.7	$39.2	17.0	$40.0	1.9
18	***Total Other***	***$342.2***	***(3.6)***	***$349.7***	***2.2***	***$347.5***	***(0.6)***	***$358.1***	***3.1***	***$370.0***	***3.3***	***$387.3***	***4.7***	***$398.8***	***3.0***
19	**GROSS GENERAL FUND**	**$6,474.8**	**7.1**	**$6,958.1**	**7.5**	**$7,429.0**	**6.8**	**$7,847.1**	**5.6**	**$8,313.2**	**5.9**	**$8,821.0**	**6.1**	**$9,341.8**	**5.9**
	Rebates & Expenditures:														
20	Cigarette Rebate	$14.4	(3.2)	$13.4	(7.3)	$12.9	(3.4)	$12.4	(3.6)	$12.0	(3.6)	$11.6	(3.0)	$11.3	(2.5)
21	Old-Age Pension Fund	$86.7	10.3	$90.4	4.3	$96.6	6.9	$103.9	7.5	$111.3	7.2	$119.4	7.2	$127.9	7.2
22	Aged Property Tax & Heating Credit	$5.8	(62.8)	$14.5	148.4	$14.8	2.1	$15.0	1.4	$15.2	1.4	$15.4	1.4	$15.6	1.4
23	Fire/Police Pensions	$3.8 **/D**	3.9	$29.1	665.6	$29.1	0.0	$29.1	0.0	$29.1	0.0	$29.1	0.0	$29.1	0.0
24	***Total Rebates & Expenditures***	***$110.7***	***(1.8)***	***$147.3***	***33.1***	***$153.4***	***4.1***	***$160.4***	***4.5***	***$167.6***	***4.5***	***$175.5***	***4.7***	***$184.0***	***4.9***
25	Amendment 35 Tobacco Tax	$81.1 **/E**	NA	$164.6	1.5	$159.3	(3.2)	$153.8	(3.4)	$148.7	(3.3)	$144.6	(2.7)	$141.2	(2.3)

NA: Not Available.

/A Per H.B. 00-1259, beginning January 1, 2001, 10.34 percent of sales and use taxes will be diverted to the Highway Users Tax Fund when revenues are available to fund expenditures. The full amount of sales and use taxes are reported here and the amount transferred is deducted from available revenues in the General Fund Overview in Table 3.

/B The 2001 Federal tax relief package phases out the federal estate tax as well as the state credit claimed by Colorado as its share of federal estate taxes. Thus, the state's estate tax collections will be phased out and almost entirely eliminated by FY 2005-06. If the federal estate tax relief is not made permanent, the estate tax will return in FY 2010-11.

/C Other income in FY 2003-04 includes monies from the Employment Support Fund surcharge as per S.B. 03-296, resulting in strong other income growth in FY 2003-04 and a decline in other income growth in FY 2004-05.

/D Per S.B. 03-263, state expenditures for unfunded, old hire pension plans in the Fire and Police Pensions Association are eliminated in FY 2003-04 and FY 2004-05.

/E Effective January 1, 2005, Amendment 35 raised the state's tax on cigarettes by $0.64 per pack and the tax on tobacco products by 20 percent. These revenues are TABOR exempt and shown for informational purposes only. The growth rate in FY 2005-06 has been adjusted to reflect the partial collection of taxes in FY 2004-05, the fiscal year the tax increases were enacted.

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Cash Fund Revenue Forecast

The March 2006 OSPB cash fund revenue forecast is summarized in ***Table 6***. Cash fund revenues are monies collected and earmarked for specific purposes. They comprised 28 percent of total TABOR revenues in FY 2004-05. In FY 2005-06, cash fund revenues are forecast to increase 6.8 percent, to $2,099.4 million. However, from FY 2005-06 through FY 2010-11, cash fund revenue growth will be flat, primarily due to falling unemployment insurance (UI) tax revenues that are forecast to offset more robust growth in the remaining cash funds. The remainder of this section details the revenue forecasts for the larger cash funds.

In FY 2005-06, cash fund revenues are forecast to increase 6.8 percent . . . .

Transportation-Related Cash Funds

Table 7 details the forecast for transportation-related cash fund revenues, which increased 0.6 percent in FY 2004-05. Total transportation-related cash fund revenues are forecast to fall 1.5 percent in FY 2005-06 as a result of declining motor fuel collections before increasing 2.2 percent in FY 2006-07. From FY 2005-06 through FY 2010-11, total transportation-related cash fund revenues will grow at a compound annual average rate of 2.8 percent.

. . . total transportation-related cash fund revenues will grow at a compound annual average rate of 2.8 percent.

- The ***Highway Users Tax Fund*** (HUTF), the largest of the transportation-related funds, is composed primarily of fuel tax revenues and registration fees. In FY 2004-05, HUTF revenues increased 1.3 percent. This group of revenues is forecast to fall 1.8 percent in FY 2005-06 as consumers slow their purchase of newer automobiles and the combination of higher gasoline prices and more fuel efficient vehicles creates a decline in the amount of gasoline purchased. Indeed, fuel tax collections are expected to decline 4.5 percent in FY 2005-06. In FY 2006-07, the state will experience a decline in driver’s license revenues under Senate Bill 05-047. The bill reduces the renewal term of adult driver’s licenses and identification cards from ten years to five years, and eliminates a July 1, 2006 scheduled fee increase for adult driver’s licenses from $15 to $30. As a result of the elimination of the previously expected fee increase of $15, combined with the shortened renewal period, the driver’s license revenues are expected to decline $2.0 million beginning in FY 2006-07 through FY 2009-10, as an estimated 80 percent of license holders have ten year licenses that will not expire until FY 2010-11.

- ***Other transportation-related cash fund revenue***, which fell 5.3 percent in FY 2004-05, will increase 2.0 percent and 3.1 percent in FY 2005-06 and FY 2006-07, respectively. The weak growth in FY 2004-05 was a result of poor interest earnings and a high revenue base in FY 2003-04. In FY 2005-06, interest earnings are expected to increase as interest rates continue to rise in response to rising inflationary pressures. In FY 2005-06 and beyond, the other transportation-related cash funds will grow at an average annual rate of 3.1 percent.

Unemployment Insurance Trust Fund

In FY 2004-05, total UI Trust Fund revenues . . . increased 36.1 percent.

The March 2006 Unemployment Insurance (UI) Trust Fund revenue forecast is shown in ***Table 8***. In FY 2004-05, total UI Trust Fund revenues — UI taxes and interest earnings on the UI Trust Fund balance — increased 36.1 percent. They are forecast to increase 14.0 percent in FY 2005-06. Tax revenues rose in FY 2002-03 through FY 2004-05 and are expected to rise in FY 2005-06 because UI tax rates automatically increase to compensate for the higher UI benefit payments made since 2001. Thereafter, the improving economy will result in declining benefit payments, which means UI tax rates will fall.

- In both calendar years 2004 and 2005, the unemployment insurance tax rate schedule moved to a higher level. This occured because two components of employer UI tax rates — the base rate and the solvency surcharge — rise when the UI Trust Fund balance drops below certain thresholds. Furthermore, the UI Trust Fund balance triggered the solvency surcharge on January 1, 2004. Meanwhile, the UI Trust Fund ended FY 2004-05 with a balance of only $221.8 million, so the solvency surcharge remained in effect in calendar year 2005. During the 2005 legislative session, House Bill 05-1208 changed the manner in which the solvency surcharge is calculated for calendar year 2006. The new legislation prevents the solvency surcharge from increasing incrementally as long as the ratio of fund balance to total wages does not decline. As such, House Bill 05-1208 credits back to employers incremental increases they otherwise would have paid of approximately $36.4 million in FY 2005-06. The OSPB forecast indicates the solvency surcharge will remain in effect through calendar year 2007. The statutory provisions of the UI base rates and solvency surcharge can be found in Section 8-76-103, C.R.S.

- In FY 2005-06, UI benefit payments will fall 14.0 percent, following a 27.5 percent decline in FY 2004-05. They will continue to fall through FY 2007-08, and beginning in FY 2008-09, benefit payments will remain flat, reflecting a healthy labor market.

- The risk to the UI forecast is if benefit payments do not fall as anticipated. Higher benefit payments will strain the UI Trust Fund resources, leading to a lower ending fund balance that triggers higher UI employer tax rates.

Other Cash Funds

. . . we forecast a 31.8 percent increase in severance tax revenues in FY 2005-06. . . .

The March 2006 forecast for total revenues collected by the remaining cash funds in FY 2005-06 is essentially unchanged from our December 2005 forecast. In FY 2004-05, other cash fund revenues increased 1.0 percent as a result of the strong growth in severance tax collections. Severance taxes are monies collected on the value of minerals severed from the earth and, due to a combination of increased production, rising gas and oil prices, and merger and acquisition activity, revenues collected from severance taxes increased nearly 300 percent in FY 2003-04. In FY 2004-05, severance taxes rose 21.5 percent and we forecast a 31.8 percent increase in severance tax revenues in FY 2005-06 as higher oil prices continue to spur drilling activity around the state. Meanwhile, in FY 2004-05, $32.7 million was transferred to the Capital Construction Fund from the General Fund under Senate Bill 02-1310.

Thus, earned interest income for the Capital Construction Fund will be $2.0 million in FY 2005-06.

Measures taken during the 2005 Regular Session of the General Assembly

During the 2005 legislative session, several pieces of legislation were passed that affect cash fund revenue collections beginning in FY 2005-06.

Senate Bill 05-039 ***grants enterprise status to the Petroleum Storage Tank Fund in FY 2005-06 for purposes of TABOR***. Because of its enterprise status, the fees collected in this fund do not count as TABOR revenue in FY 2005-06 and thereafter and are thus not included in the cash fund revenue forecast.

Senate Bill 05-176 ***extends from July 1, 2005 until July 1, 2010 the Inspection and Consumer Services Cash Fund***. Furthermore, this bill directs fines collected for violating the Colorado Commercial Feed Law to be deposited into the Inspection and Consumer Services cash fund instead of the General Fund. In total, Senate Bill 05-176 is expected to increase cash fund collections by $3.9 million beginning in FY 2005-06.

Senate Bill 05-210 ***directs the State Treasurer to transfer $55 million from the General Fund and appropriates $130.6 million to the Controlled Maintenance Trust Fund by June 30, 2005.*** Additionally, the Treasurer is directed to make an appropriation of $185.6 million from the Controlled Maintenance Trust Fund to the General Fund on June 1, 2006.

House Bill 05-1264 ***eliminates the Real Estate Recovery Cash Fund***. As such, state revenues are expected to decrease $563,335 in FY 2005-06 and $853,017 in FY 2006-07.

Higher Education

Under the provisions of Senate Bill 04-252, the University of Colorado became eligible for enterprise status beginning in FY 2004-05. Moreover, as a result of the funding mechanism provided by Senate Bill 04-189, all state institutions of higher education were granted enterprise status beginning in FY 2005-06. Because of their enterprise status, the tuition and fees collected by all state institutions of higher education do not count as TABOR revenue in FY 2005-06 and thereafter and are no longer included in the cash fund revenue forecast.

. . . all state institutions of higher education were granted enterprise status beginning in FY 2005-06.

Table 6

Cash Fund Revenue by Major Category

(Accrual Basis, Dollar Amounts in Millions)

		March 2006 Estimate by Fiscal Year						
	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2005-06 to FY 2010-11 CAAGR*
Transportation-Related	$843.7	$831.2	$849.8	$874.8	$898.7	$922.8	$954.9	
Change	0.6%	-1.5%	2.2%	2.9%	2.7%	2.7%	3.5%	2.8%
Unemployment Insurance	$465.6 **/A**	$530.9 **/A**	$440.8 **/A**	$298.9 **/A**	$264.4	$278.3	$297.4	
Change	36.1%	14.0%	-17.0%	-32.2%	-11.5%	5.2%	6.9%	-10.9%
Limited Gaming Fund	$103.1	$104.2	$109.4	$115.2	$121.5	$128.2	$135.4	
Change	0.4%	1.0%	5.0%	5.3%	5.5%	5.5%	5.6%	5.4%
Capital Construction – Interest	$2.3	$2.0	$2.2	$2.1	$2.5	$2.9	$3.3	
Change	35.3%	-14.9%	13.3%	-5.9%	18.2%	17.4%	15.5%	11.3%
Regulatory Agencies	$51.4	$49.7	$51.2	$53.0	$54.9	$56.9	$58.9	
Change	2.3%	-3.2%	2.9%	3.5%	3.6%	3.6%	3.6%	3.4%
Insurance-Related	$53.2	$58.0	$61.0	$64.6	$68.3	$72.3	$76.5	
Change	1.1%	9.0%	5.3%	5.8%	5.8%	5.8%	5.8%	5.7%
Severance Tax	$152.0	$200.3	$176.2	$180.6	$154.8	$166.1	$158.0	
Change	21.5%	31.8%	-12.0%	2.5%	-14.3%	7.3%	-4.9%	-4.6%
Controlled Maintenance Trust Fund Interest	$0.0 **/B**	$7.7 **/B,C**	$0.0 **/B**	$0.0 **/B**	$0.0 **/B**	$0.0 **/B**	$0.0 **/B**	
Change	NA	NA	NA	NA	NA	NA	NA	NA
Miscellaneous Cash Funds	$293.7	$315.5	$326.8	$339.6	$353.5	$369.0	$386.4	
Change	-6.7%	7.4%	3.6%	3.9%	4.1%	4.4%	4.7%	4.1%
TOTAL CASH FUND REVENUES	**$1,965.1**	**$2,099.4**	**$2,017.5**	**$1,928.8**	**$1,918.7**	**$1,996.5**	**$2,070.8**	
Change	7.4%	6.8%	-3.9%	-4.4%	-0.5%	4.1%	3.7%	-0.3%

***CAAGR:** Compound Annual Average Growth Rate.

NA: Not Applicable.

Totals may not sum due to rounding.

/A Includes revenues from the solvency tax surcharge, which is in effect because the solvency ratio on June 30, 2004, June 30, 2005, June 30, 2006, and June 30, 2007 is less than 0.9%.

/B H.B. 04-1222 eliminates the Controlled Maintenance Trust Fund (CMTF) payback.

/C S.B. 05-210 appropriates $130.6 million from the General Fund to the CMTF and requires the Treasurer to transfer $55.0 million to the CMTF by June 30, 2005. On June 1, 2006, the Treasurer is required to transfer $185.6 million from the CMTF to the General Fund.

Table 7

Transportation-Related Cash Fund Revenue by Source

(Accrual Basis, Dollar Amounts in Millions)

		March 2006 Estimate by Fiscal Year						
	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2005-06 to FY 2010-11 CAAGR*
Highway Users Tax Fund (HUTF)								
Registrations	$165.0	$174.8	$181.1	$187.7	$194.8	$202.4	$211.0	
Change	5.5%	5.9%	3.6%	3.7%	3.8%	3.9%	4.3%	3.8%
Motor and Special Fuels Net of Refunds	$553.6	$528.9	$541.7	$556.3	$568.9	$581.0	$591.9	
Change	-0.5%	-4.5%	2.4%	2.7%	2.3%	2.1%	1.9%	2.3%
Other Receipts	$44.5 **/A**	$45.4 **/A**	$42.3 **/A,B**	$43.3 **/A**	$45.3 **/A**	$45.9 **/A**	$56.1 **/A**	
Change	8.7%	2.0%	-6.8%	2.4%	4.7%	1.2%	22.4%	4.3%
TOTAL HUTF	$763.1	$749.0	$765.0	$787.3	$809.0	$829.2	$859.0	
Change	1.3%	-1.8%	2.1%	2.9%	2.8%	2.5%	3.6%	2.8%
Other Transportation-Related Cash Funds	$80.6	$82.3	$84.8	$87.5	$89.7	$93.5	$95.9	
Change	-5.3%	2.0%	3.1%	3.2%	2.5%	4.2%	2.5%	3.1%
Total Transportation-Related	**$843.7**	**$831.2**	**$849.8**	**$874.8**	**$898.7**	**$922.8**	**$954.9**	
Change	0.6%	-1.5%	2.2%	2.9%	2.7%	2.7%	3.5%	2.8%

***CAAGR:** Compound Annual Average Growth Rate.

Totals may not sum due to rounding.

/A Includes interest earnings, court fines, driver's license fees, and other miscellaneous income.

/B S.B. 05-047 eliminates the July 1, 2006 scheduled fee increases for adult driver's licenses.

Table 8

Unemployment Insurance Revenue by Source

(Accrual Basis, Dollar Amounts in Millions)

		March 2006 Estimate by Fiscal Year						
	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2005-06 to FY 2010-11 CAAGR*
Beginning Fund Balance	$133.9	$221.8	$512.9	$728.4	$803.1	$844.3	$894.5	
Change	-55.2%	65.7%	131.2%	42.0%	10.2%	5.1%	5.9%	32.2%
Income	$465.6	$530.9	$440.8	$298.9	$264.4	$278.3	$297.4	
Change	36.1%	14.0%	-17.0%	-32.2%	-11.5%	5.2%	6.9%	-10.9%
Taxes	$459.1 **/A**	$515.1 **/A**	$412.3 **/A**	$259.3 **/A**	$217.0	$223.8	$237.6	
Change	37.9%	12.2%	-20.0%	-37.1%	-16.3%	3.1%	6.2%	-14.3%
Interest	$6.5	$15.8	$28.5	$39.5	$47.4	$54.5	$59.8	
Change	-29.6%	141.1%	81.0%	38.6%	19.9%	15.0%	9.7%	30.6%
Benefits and Accounting Adjustments	($377.6) **/B**	($239.8) **/B**	($225.3) **/B**	($224.2) **/B**	($223.2) **/B**	($228.1) **/B**	($245.3) **/B**	
Change	-25.3%	-36.5%	-6.1%	-0.5%	-0.5%	2.2%	7.5%	0.5%
Ending Fund Balance	**$221.8**	**$512.9**	**$728.4**	**$803.1**	**$844.3**	**$894.5**	**$946.5**	
Solvency Ratio	0.32% **/C**	0.69% **/C**	0.92% **/C**	0.95% **/C**	0.94% **/C**	0.93% **/C**	0.92% **/C**	
Total Wages	$69,325 **/D**	$74,350 **/D**	$79,294 **/D**	$84,184 **/D**	$90,288 **/D**	$96,490 **/D**	$102,762 **/D**	
Change	4.8%	7.2%	6.6%	6.2%	7.3%	6.9%	6.5%	6.7%

***CAAGR:** Compound Annual Average Growth Rate.

Totals may not sum due to rounding.

/A Includes revenues from the solvency tax surcharge, which is in effect because the solvency ratio (the ratio of the fund balance to total wages) on June 30, 2004, June 30, 2005, June 30, 2006, and June 30, 2007 is less than 0.9%.

/B These amounts include accounting adjustments necessary to reconcile inflows and outflows to the Unemployment Insurance Trust Fund.

/C The solvency ratio is the ratio of the fund balance to total wages.

/D Total wages are the sum of wages reported by all ratable employers for the calendar year ending in December of the given fiscal year.

The National Economy

The March 2006 national economic forecast is not fundamentally different compared with the December 2005 national forecast. The following section details the current outlook for the nation's economy.

The National Economic Forecast

Gross Domestic Product and Its Components

Inflation-adjusted gross domestic product (GDP) increased 3.5 percent in 2005, with strong growth in the first three quarters offsetting weaker growth in the fourth quarter. Inflation-adjusted annual GDP growth is forecast to grow from 3.0 percent to 3.5 percent from 2006 through 2010.

- ***Consumer spending***, which represents almost 70 percent of GDP, was supported over the past year by tax cuts and borrowing from home equity. Now, the pace of retail sales growth will slow despite the strengthening economy because these other sources of cash are dissipating. Furthermore, rising interest rates will dampen demand, particularly for automobiles, homes, and home-related goods. Consumer spending grew 3.6 percent in 2005 and is expected to grow 3.2 percent in 2006. In 2005, consumer spending on durable and nondurable goods increased at a faster pace than spending on services. In 2006 and through the remainder of the forecast, spending on nondurable goods and services will support growth.

Consumer spending grew 3.6 percent in 2005 and is expected to grow 3.2 percent in 2006.

- ***Business investment*** grew 8.0 percent in 2005 and is expected to grow 5.1 percent in 2006. Investment growth will remain positive in 2006 with slower growth expected in equipment and software spending. Additionally, residential investment will slow throughout the forecast horizon as a result of a cooling housing market and increasing inventories with nonresidential investments offsetting real fixed business investment. In 2005, the expiration of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003 was a contributor to the lean growth in real fixed investment. The law, which increased the amount of capital investment that small businesses were permitted to immediately expense, and which provided a 50 percent bonus depreciation on investments made before the end of 2004, increased business spending in 2004 by moving forward purchases that would otherwise have been made in 2005. Thus, 2005 investment was lower than would have occurred without these provisions.

  Business investment is currently supported by replacement demand, as well as investment in new technologies. Future investment growth will be supported by healthy cash flow, strong demand, and low capital costs. Investment in information technology equipment and software increased 10.8 percent in 2005 and is expected to increase 6.6 percent in 2006 before moderating to a 5.2 percent pace in 2007. Meanwhile, nonresidential structures investment, which increased 8.5 percent in 2005, is expected to increase 6.2 percent in 2006, and 5.3 percent in 2007.

- ***Government spending*** increased 1.7 percent in 2005 and is expected to increase 1.4 percent in 2006 and 1.5 percent in 2007. In 2005, federal defense spending increased 2.3 percent but is expected to decline 0.3 percent in 2006 as a result of spending related to Hurricanes Katrina and Rita. Meanwhile, federal nondefense spending, which increased 1.6 percent in 2005, will rise an additional 3.7 percent in 2006 and decline 1.0 percent in 2007. Defense spending will be relatively strong in the near term because of the conflict in Iraq and nondefense spending will rise because of the increasing costs of health care, entitlement programs, and homeland security. Passage of the Medicare prescription drug benefit program is also putting upward pressure on federal nondefense spending. Subsequently, state and local government expenditures are forecast to increase 1.6 percent in 2006 and 2.4 percent in 2007.

Inflation

. . . core consumer prices . . . increased 2.2 percent in 2005 and are expected to increase at or below 2.8 percent through the forecast horizon.

Inflationary pressures are rising. Overall, consumer prices rose 3.4 percent in 2005 and are expected to rise 3.4 percent in 2006 and 2.9 percent in 2007. Meanwhile, core consumer prices — which exclude energy and food prices — increased 2.2 percent in 2005 and are expected to increase at or below 2.8 percent through the forecast horizon. The cost of shelter, the largest contributor to consumer price inflation, is forecast to rise 2.6 percent in 2006, while the cost of medical care is forecast to increase 4.9 percent. Energy prices are the key risk to this outlook. The impacts of Hurricanes Katrina and Rita are still being felt as a result of slow oil and natural gas production recovery in the Gulf Coast. Ultimately, energy prices are expected to moderate through the forecast horizon as prices slow demand growth and oil refining issues are resolved. However, natural gas prices are expected to remain somewhat elevated compared with oil prices as imports of natural gas are currently constrained by a lack of available pipeline and seaport capacity. Natural gas accounts for nearly one quarter of the nation’s energy consumption.

Interest Rates

The current stimulatory fiscal policy is expected to gradually diminish through 2006. By mid-2006, fiscal policy is expected to be neutral. The Federal Reserve Board is expected to stabilize interest rates through 2006, despite the possibility of having to raise them one more time during the year. The federal funds rate was 4.25 percent at year-end 2005 and is expected to rise to 4.7 percent by year-end 2006. In the long run, the federal funds rate target is expected to average about 4.5 percent, which is equal to long-run sustainable inflation-adjusted GDP growth of 3.0 percent plus 1.5 percent inflation.

Employment

National payrolls increased 1.6 percent in 2005, with 2.1 million workers added to nonfarm payrolls.

National payrolls increased 1.6 percent in 2005, with 2.1 million workers added to nonfarm payrolls between 2004 and 2005. In 2006 and 2007, employment will increase 1.6 percent and 1.1 percent, respectively. Service-producing industries — including well-paying occupations in professional and business services — will increase their payrolls most rapidly. However, despite recent month-over-month increases, construction employment will contract throughout the forecast horizon as a result of a slowing housing market. Meanwhile, natural resources employment is expected to ease throughout the forecast horizon as energy prices stabilize and the number of qualified workers declines.

In 2006 and 2007, the unemployment rate is forecast to average 4.9 percent and 5.0 percent, respectively. The strengthening labor market will entice job-seekers back into the labor force, offsetting the number of currently unemployed workers that will find employment in newly created positions. Thus, the unemployment rate will fall only gradually, slowly reaching 4.7 percent by 2010.

Risks to the Forecast

Most of the events likely to affect the current national economic forecast would result in a downward revision to the near-term strength of the recovery.

Most of the events likely to affect the current national economic forecast would result in a downward revision to the near-term strength of the recovery. The threat of global terrorism and geopolitical concerns continue to pose significant downside risks, negatively impacting consumer and business confidence. Additionally, increased political tension in oil-producing nations could restrict expected output, thereby disrupting the economic recovery. Meanwhile, the current account deficit, made even larger with aid provided to the Gulf States in need of support in the wake of Hurricanes Katrina and Rita, might necessitate an even steeper decline in the dollar. This, in turn, would cause interest rates to rise and slow the economic recovery. Also, household debt burdens and defaults remain high and the possibility of declining house prices in overpriced markets increases the risk of falling household credit quality. Weakening household credit quality could undermine lenders' willingness to extend credit, thereby curtailing households' ability to spend and weakening economic growth.

Table 9

History And Forecast For Key National Economic Variables 2000-2010

Line No.		Actual						March 2006 Forecast				
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Inflation-Adjusted & Current Dollar Income Accounts											
1	Inflation-Adjusted Gross Domestic Product (Billions)	$9,816.9	$9,890.6	$10,048.9	$10,320.8	$10,755.7	$11,131.1	$11,520.3	$11,860.3	$12,217.9	$12,607.9	$12,980.6
2	Change	3.7%	0.8%	1.6%	2.7%	4.2%	3.5%	3.5%	3.0%	3.0%	3.2%	3.0%
3	Gross Domestic Product (Billions)	$9,816.9	$10,127.9	$10,469.7	$10,971.5	$11,734.4	$12,479.6	$13,313.1	$14,067.4	$14,807.9	$15,588.1	$16,368.3
4	Change	5.9%	3.2%	3.4%	4.8%	7.0%	6.4%	6.7%	5.7%	5.3%	5.3%	5.0%
5	Productivity (Output per Hour, Nonfarm Business)	115.5	118.5	123.3	128.0	132.3	135.9	138.8	141.8	144.9	147.7	150.2
6	Change	2.6%	2.6%	4.0%	3.8%	3.4%	2.7%	2.2%	2.1%	2.2%	2.0%	1.7%
7	Personal Income[1] (Billions)	$8,429.8	$8,724.2	$8,881.9	$9,169.1	$9,713.6	$10,230.4	$10,792.3	$11,302.1	$11,806.9	$12,363.3	$12,933.1
8	Change	8.0%	3.5%	1.8%	3.2%	5.9%	5.3%	5.5%	4.7%	4.5%	4.7%	4.6%
9	Per-Capita Income ($/person)	$29,834	$30,562	$30,808	$31,493	$33,040	$34,480	$36,043	$37,408	$38,734	$40,206	$41,697
10	Change	6.8%	2.4%	0.8%	2.2%	4.9%	4.4%	4.5%	3.8%	3.5%	3.8%	3.7%
	Population & Employment											
11	Population[2] (Millions)	282.6	285.5	288.3	291.2	294.0	296.7	299.4	302.1	304.8	307.5	310.2
12	Change	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
13	Civilian Unemployment Rate	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.9%	5.0%	5.0%	4.8%	4.7%
14	Total Nonagricultural Employment[3] (Millions)	131.8	131.8	130.3	130.0	131.5	133.6	135.8	137.4	138.7	140.6	142.4
15	Change	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.6%	1.6%	1.1%	1.0%	1.4%	1.3%
	Financial Markets											
16	30-Year T-Bond Rate	5.9%	5.5%	5.4%	5.1%	5.1%	4.6%	5.4%	5.7%	5.8%	5.9%	6.0%
17	10-Year T-Bond Rate	6.0%	5.0%	4.6%	4.0%	4.3%	4.3%	5.1%	5.3%	5.4%	5.6%	5.6%
18	Federal Fund Rate	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%	4.7%	4.5%	4.5%	4.5%	4.5%
	Price Variables											
19	Consumer Price Index (1982-84=100)	172.2	177.1	179.8	184.0	188.9	195.3	201.9	207.7	212.8	217.7	222.8
20	Change	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.4%	2.9%	2.5%	2.3%	2.3%
21	Producer Price Index (1982=100)	138.0	140.7	138.9	143.3	148.5	155.8	162.8	166.0	168.8	171.7	175.1
22	Change	3.8%	1.9%	-1.3%	3.2%	3.6%	4.9%	4.5%	2.0%	1.7%	1.7%	1.9%
	Other Key Indicators											
23	Industrial Production Index (1992=100)	103.5	99.9	100.0	100.6	104.7	108.0	110.9	113.3	115.9	118.9	121.5
24	Change	4.3%	-3.5%	0.1%	0.6%	4.1%	3.1%	2.7%	2.2%	2.3%	2.5%	2.2%
25	Corporate Profits After Tax (Billions)	$508.2	$503.7	$575.9	$705.1	$788.1	$1,024.3	$1,018.5	$1,030.8	$1,062.0	$1,115.7	$1,172.5
26	Change	-1.8%	-0.9%	14.3%	22.4%	11.8%	30.0%	-0.6%	1.2%	3.0%	5.1%	5.1%
27	Housing Starts (Millions)	1.573	1.602	1.710	1.855	1.947	2.063	1.917	1.648	1.567	1.550	1.567
28	Change	-4.4%	1.9%	6.7%	8.5%	5.0%	5.9%	-7.0%	-14.1%	-4.9%	-1.1%	1.1%

1/ Personal Income and Per-Capita Income values are forecasted in 2005.

2/ Population values through 2000 are adjusted for 2000 Census.

3/ Employment by place of work from Current Employment Statistics (CES) survey of payroll records.

Sources: Economy.com; U.S. Department of Labor, Bureau of Labor Statistics; and U.S. Department of Commerce, Bureaus of the Census and Economic Analysis.

The Colorado Economy

The Colorado economy continues to strengthen. Overall, Colorado's economy fared well in 2005 with stronger employment growth, low unemployment, and low inflation. During 2005, Colorado added 45,900 jobs, representing 2.1 percent growth. Furthermore, the January 2006 employment increase of 2.5 percent is 13th highest in the country. Meanwhile, the 2005 unemployment rate fell to 5.0 percent, the lowest level since 2001. ***Table 10*** highlights the State's recent economic activity.

. . . the January 2006 employment increase of 2.5 percent is 13th highest in the country.

Table 10

Recent Colorado Economic Statistics

	January 2006	January 2005	2005 Annual Average
Nonfarm Employment Growth[1,2]	2.5%	1.9%	2.1%
Unemployment Rate	4.7%	5.9%	5.0%
Change in Housing Permits Issued[1]	6.8%	11.2%	-0.5%
Single-Family	16.2%	15.0%	-0.8%
Multi-Family	-29.5%	-3.4%	1.4%
Change in Value of Nonresidential Construction[4]	8.1%	83.2%	8.7%
Retail	-14.2%	72.8%	7.6%
Offices	26.3%	9.4%	26.7%
Factories	591.6%	-78.4%	668.6%
Retail Trade Sales[5]	4.9%	6.2%	4.9%

1/ Year-to-date.
2/ Employment by place of work from the Current Employment Statistics (CES) survey of payroll records.
3/ Copyright 2005, F.W. Dodge Division, The McGraw-Hill companies. All rights reserved.
4/ Year-to-date February 2006.
5/ Year-to-date through December 2005.
Sources: U.S. Department of Labor, Bureau of Labor Statistics;
U.S. Department of Commerce, Bureaus of the Census and Economic Analysis; and
F.W. Dodge Division, the McGraw-Hill companies.

Colorado's Economic Forecast

The March 2006 OSPB forecast for the Colorado economy has not significantly changed compared with the December 2005 forecast.

The March 2006 OSPB forecast for the Colorado economy has not significantly changed . . . .

Economic Indicators

This section presents the OSPB forecast for Colorado's economic and demographic indicators, shown in ***Table 11***. It includes a discussion of employment and unemployment, inflation, wages and income, and population and migration.

Employment

In 2005, Colorado *employment* rose 2.1 percent, a net increase of 45,900 new jobs. 2006 employment growth will remain at 2.1 percent and we forecast that employment growth will average 2.6 percent through the forecast horizon.

The 2005 Colorado *unemployment* rate dropped to 5.0 percent, substantially below the 5.6 percent rate posted in 2004. In 2006, the unemployment rate will decline to 4.7 percent and fall to 4.4 percent by 2010. The unemployment rate will not decline further because the improving employment situation will encourage the return to the labor force of job-seekers who had become discouraged and stopped looking for work.

Inflation

During 2005, consumer prices in the Denver-Boulder-Greeley area increased 2.1 percent after rising a mere 0.1 percent in 2004 . . . .

During 2005, consumer prices in the Denver-Boulder-Greeley area increased 2.1 percent after rising a mere 0.1 percent in 2004. In Colorado, inflationary pressure associated with the price of shelter continues to be constrained by incentives offered by landlords that lower rental costs. Although the average price of homes sold in Colorado continues to rise, the official measure of change in the cost of shelter shows a decline because effective rental rates are falling. Since the cost of shelter contributes almost one-third of total inflation, a decline in shelter costs translates into exceptionally low inflation. Furthermore, incentives offered by automobile dealers for new vehicles lower the trade-in and resale value of used vehicles, further suppressing the transportation component of inflation.

We forecast that Colorado inflation will be 2.4 percent in 2006 and 2.5 percent in 2007. From 2007 through 2009, Colorado inflation will remain below three percent.

Wages and Income

Colorado per capita income continues to exceed the national average. Overall, personal income grew 6.7 percent through third quarter 2005. We forecast that personal income will grow 6.5 percent in 2005 and average 6.8 percent from 2006 through 2010.

Colorado wage and salary income rose 7.0 percent through third quarter 2005 as labor markets began to recover and payrolls increased. As the labor markets continue to recover and the State gains back portions of the high-wage jobs lost during the 2001 recession, we forecast that total wage and salary disbursements will rise, increasing 6.6 percent in 2005 and 6.4 percent in 2006. In 2007 and thereafter, wage and salary income growth will average seven percent.

Population and Migration

In 2005, net in-migration to Colorado was 24,500 and total population growth was 1.4 percent.

In 2005, net in-migration to Colorado was 24,500 and total population growth was 1.4 percent. Despite the severity of the 2001 recession, State net migration has remained positive. As the national and Colorado economies recover, the number of net in-migrants to the State will increase and the State's population growth will be 1.6 percent by 2008.

Industrial Sectors

This section details our forecast for Colorado's residential and nonresidential construction and retail trade industries.

Construction

In 2005, residential home permits issued in Colorado remained flat, due to a correction in the multi-family construction sector. Meanwhile, the value of nonresidential construction (excluding nonbuilding projects like roads) increased 8.7 percent. The March 2006 OSPB forecast for the residential and nonresidential construction markets anticipate a moderate correction in 2006 as interest rates rise and the cost of construction increases as a result of Hurricane Katrina.

. . . residential and nonresidential construction markets anticipate a moderate correction in 2006 . . . .

Residential Construction

In 2002 and 2003, single-family home construction fell in reaction to high inventories that were the result of the rapidly deteriorating economy after the events of September 11, 2001. In 2004 and 2005, single-family home construction activity increased in response to low mortgage interest rates and the strengthening Colorado economy. The total number of single-family home permits issued in 2005 rose 3.3 percent. However, in 2006, low in-migration combined with high inventories and rising interest rates will dampen demand for new homes. In 2007 and beyond, the number of home permits issued will rise year-over-year as net in-migration and jobs increase.

Nonresidential Construction

Denver-area nonresidential building construction continues to be impacted by oversupply in most markets. However, the 2005 value of new nonresidential building construction rose 8.7 percent. This is primarily the consequence of new manufacturing plants, which offset a correction in office and retail construction. The correction in office and retail construction will continue into the first half of 2006. Thereafter, the value of nonresidential construction put in place will show modest increases through 2010, as the economy recovers and currently vacant space becomes occupied with newly formed and expanding businesses.

Retail Trade

In 2005, retail trade sales in Colorado rose 4.9 percent. We forecast retail sales will grow 5.5 percent in 2006 and 5.8 percent in 2007. In 2005, spending increases were less than might be implied by the strengthening State economy because consumer demand was already satiated as consumers took advantage of low interest rates and tax rebates to make purchases earlier than would have occurred otherwise. Furthermore, rising energy and commodity prices as a result of Hurricane Katrina will decrease consumers' discretionary income.

We forecast retail sales will grow 5.5 percent in 2006 . . . .

Risks to the Colorado Forecast

The main risk to our Colorado economic forecast is that the national economic recovery will stumble. Indeed, the Colorado recovery will likely mirror any major shift — either positive or negative — in the national recovery. Additional risk lies in high energy prices and their impact on consumers. A prolonged period of high energy costs will dampen consumer spending on discretionary goods and place pressure most noticeably on inflation and the housing market. In this respect, the primary risk is to the retail trade and construction forecasts. Constriction of these variables will impact the sales and use tax forecast outlined in the General Fund section, which accounts for nearly one-third of General Fund revenues.

Table 11

History And Forecast For Key Colorado Economic Variables
Calendar Year 2000 - 2010

Line No.		Actual						March 2006 Forecast				
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Current Income											
1	Personal Income[1] (Billions)	$144,394	$152,700	$153,078	$157,083	$166,153	$176,990	$188,230	$200,900	$214,633	$229,047	$245,594
2	Change	12.1%	5.8%	0.2%	2.6%	5.8%	6.5%	6.4%	6.7%	6.8%	6.7%	7.2%
3	Wage and Salary Income[1] (Billions)	$85,909	$88,297	$86,936	$87,832	$91,863	$97,960	$104,249	$111,226	$118,780	$127,241	$136,979
4	Change	12.6%	2.8%	-1.5%	1.0%	4.6%	6.6%	6.4%	6.7%	6.8%	7.1%	7.7%
5	Per-Capita Income[1] ($/person)	$33,371	$34,493	$34,029	$34,538	$36,106	$37,939	$39,772	$41,807	$43,951	$46,138	$48,623
6	Change	9.4%	3.4%	-1.3%	1.5%	4.5%	5.1%	4.8%	5.1%	5.1%	5.0%	5.4%
	Population & Employment											
7	Population[2] (Thousands)	4,326.9	4,427.0	4,498.4	4,548.1	4,601.8	4,665.2	4,732.7	4,805.4	4,883.5	4,964.4	5,050.9
8	Change	2.4%	2.3%	1.6%	1.1%	1.2%	1.4%	1.4%	1.5%	1.6%	1.7%	1.7%
9	Net Migration (Thousands)	64.3	63.2	34.2	12.4	15.3	24.5	29.2	34.3	39.3	41.7	46.9
10	Civilian Unemployment Rate	2.7%	3.8%	5.7%	6.1%	5.6%	5.0%	4.7%	4.6%	4.6%	4.6%	4.4%
11	Total Nonagricultural Employment[3] (Thousands)	2,213.8	2,226.9	2,184.2	2,151.1	2,179.6	2,225.5	2,272.3	2,327.2	2,384.3	2,447.3	2,525.3
12	Change	3.8%	0.6%	-1.9%	-1.5%	1.2%	2.1%	2.1%	2.4%	2.5%	2.6%	3.2%
	Construction Variables											
13	Total Housing Permits Issued (Thousands)	54.6	55.0	47.9	39.4	46.4	46.2	46.3	47.9	49.8	51.7	53.8
14	Change	10.7%	0.8%	-12.9%	-17.7%	17.5%	-0.5%	0.2%	3.5%	4.0%	3.7%	4.1%
15	Nonresidential Construction Value[4] (Millions)	$3,338.8	$3,373.4	$2,637.8	$2,433.7	$3,155.2	$3,429.8	$3,463.0	$3,589.8	$3,756.5	$3,869.7	$3,971.7
16	Change	-5.8%	1.0%	-21.8%	-7.7%	29.6%	8.7%	1.0%	3.7%	4.6%	3.0%	2.6%
	Prices & Sales Variables											
17	Retail Trade Sales (Billions)	$58.0	$59.1	$58.7	$58.7	$62.4	$65.4	$69.0	$73.0	$77.4	$81.9	$86.9
18	Change	10.2%	2.0%	-0.7%	0.0%	6.2%	4.9%	5.5%	5.8%	6.0%	5.9%	6.1%
19	Denver-Boulder-Greeley Consumer Price Index (1982-84=100)	173.2	181.3	184.8	186.8	187.0	190.9	195.4	200.3	205.3	210.5	216.9
20	Change	4.0%	4.7%	1.9%	1.1%	0.1%	2.1%	2.4%	2.5%	2.5%	2.6%	3.0%

1/ Personal Income, Wage and Salary Income, and Per-Capita Income values are forecasted in 2005.
2/ United States Bureau of the Census.
3/ Employment by place of work from Current Employment Statistics (CES) survey of payroll records.
4/ Copyright 2005, F.W. Dodge Division, The McGraw-Hill companies. All rights reserved.

Sources: U.S. Department of Labor, Bureau of Labor Statistics;
U.S. Department of Commerce, Bureaus of the Census and Economic Analysis;
Colorado Departments of Labor and Employment, Local Affairs, and Revenue; and
F.W. Dodge Division, the McGraw-Hill companies.