# STATE OF COLORADO

**OFFICE OF STATE PLANNING AND BUDGETING**
111 State Capitol Building
Denver, Colorado 80203
(303) 866-3317

## 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: December 20, 2006

SUBJECT: ***December 2006 Revenue Forecast***

This memorandum presents the December 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. The memorandum also includes General Fund overviews, General Fund and cash fund revenue forecasts, and summaries of both the national and Colorado economic forecasts.

### December 2006 OSPB Forecast Highlights

- Based on the December 2006 OSPB revenue projections and FY 2006-07 appropriations, the State will have enough General Fund revenue to maintain appropriations growth of six percent, fund a Senate Bill 97-1 transfer of $207.7 million to the Highway Users Tax Fund, and transfer $101.0 million to the Capital Construction Fund.
- In FY 2005-06, the General Fund excess reserve exceeded the statutory four percent reserve requirement by $436.8 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 $4.1 billion. The TABOR surplus will return in FY 2010-11.
- After increasing 13.1 percent in FY 2005-06, gross ***General Fund revenues*** are forecast to increase 3.7 percent in FY 2006-07 and 3.6 percent in FY 2007-08.
- ***Cash fund revenues*** are forecast to decrease 3.3 percent in FY 2006-07 and increase 3.5 percent in FY 2007-08. In FY 2005-06, cash fund revenues grew 12.9 percent as a result of growth in severance taxes and unemployment insurance tax revenue.
- 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 December 2006 ***Colorado economic forecast*** have not materially changed since the release of the September 2006 forecast. The State's labor markets are recovering and Colorado economic activity is accelerating.

The Governor's Office of State Planning and Budgeting (OSPB) is charged with providing estimates of revenues for the purpose of determining the amount of funds available for appropriation. This issue of the *Colorado Economic Perspective* presents the December 2006 OSPB forecast of General Fund and cash funds revenues. Forecasts for the national and Colorado economies are also provided.

## The Taxpayer's Bill of Rights

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 the TABOR limit must be returned to taxpayers, unless voters decide the State can retain the revenue.

- In November 2005, Colorado voters passed Referendum C, allowing the State to retain all revenue collected from FY 2005-06 through FY 2009-10, thereby eliminating the TABOR surplus during this five-year period. Moreover, the State's budget has avoided dramatic program reductions that would have been necessary absent its passage. ***Table 1*** displays the expected General Fund Exempt Revenue the State will keep during the five years Referendum C is in effect. Included at the end of this memorandum is a discussion on the calculation of the total amount of revenue the State will keep during the five-year period.
    - The monies the State is allowed to keep are referred to as *General Fund Exempt Revenue*. During this five-year period, the State will keep $4.1 billion in General Fund Exempt Revenue.
    - Beginning in FY 2010-11, the State will have a TABOR surplus, which totals $75.6 million.

## General Fund Revenue Overview

***Table 2*** provides an overview of General Fund revenues, expenditures, and reserves through FY 2010-11. The table also shows the FY 2006-07 General Fund appropriation as well as the maximum amount available for appropriations in FY 2007-08. Furthermore, Table 2 assumes current law for capital construction transfers, other transfers to the General Fund, and rebates and expenditures. *Please note our change to the format of Table 2. The purpose of this change is to categorize better the State's resources, expenditures, and reserves.*

- The FY 2005-06 General Fund ended the year with a $688.5 million reserve. This reserve exceeded the statutory four percent reserve by $436.8 million, thereby allowing $291.2 million to be transferred to the Highway Users Tax Fund and $145.6 million to be transferred to the Capital Construction Fund. In addition, the State also repaid $67.1 million in cash fund transfers per House Bill 02-1391 and transferred an additional $220.4 million to the Highway Users Tax Fund through the Senate Bill 97-1 mechanism.

- In FY 2006-07, the Homestead Exemption, a $68.9 million property tax credit for seniors and military veterans, returns after a four-year absence and an additional $207.7 million will be transferred to the Highway Users Tax Fund through the Senate Bill 97-1 mechanism to fund transportation.

- For FY 2007-08, the OSPB projects that the State will have sufficient revenue to grow operating appropriations by six percent and make a Senate Bill 97-1 transfer of $115.1 million.

The forecast for General Fund revenues is displayed in ***Table 3***. The December 2006 forecast for General Fund revenues is $153.7 million higher in FY 2006-07 and $77.5 million higher in FY 2007-08 than the September 2006 OSPB forecast. The increase is due to continued strength in income tax receipts as a result of recent stock market gains and expanding oil and natural gas activity around the state. It is important to note that 2005 and 2006 tax collections reflect one-time monies and federal tax law changes that affect revenue growth rates. Indeed, income tax revenue growth is forecast to decelerate in the latter part of FY 2006-07 and FY 2007-08 as stock market gains decrease compared with the activity recorded in 2004 through 2006, and corporations adjust to the expiration of federal tax packages. Furthermore, as capital gains losses from the stock market declines of 2001 and 2002 are exhausted or expire, the State will collect more revenue as taxpayers are unable to offset the current tax liability owed from recent capital gains.

- After increasing 13.1 percent in FY 2005-06, General Fund revenues are expected to increase 3.7 percent in FY 2006-07 and 3.6 percent in FY 2007-08.

- Net individual income tax receipts increased 17.9 percent in FY 2005-06 and are forecast to increase 2.7 percent in FY 2006-07 and 3.0 percent in FY 2007-08.

    - Several factors driving growth in FY 2005-06 include royalty payments resulting from increased drilling activity around the state and an increase in capital gains due to healthy stock market activity. In FY 2006-07 and FY 2007-08, the OSPB forecasts more moderate individual income tax growth, due to the one-time boost received from capital gains distributions in FY 2005-06.

- Corporate income tax receipts increased a staggering 33.9 percent in FY 2004-05 and 42.0 percent in FY 2005-06 because of provisions in the Job and Growth Tax Relief and Reconciliation Act of 2003, which expired in 2004.

    - Corporate income tax receipts are anticipated to increase 4.0 percent in FY 2006-07 and 1.6 percent in FY 2007-08.

- Sales tax receipts increased 5.5 percent in FY 2005-06. These receipts are anticipated to increase 6.2 percent in FY 2006-07 and 5.7 percent in FY 2007-08.

## Cash Funds Revenues

Cash funds revenues increased 12.9 percent in FY 2005-06, to $2,218.6 million, primarily due to robust growth in two cash fund categories: unemployment insurance taxes and severance taxes. In FY 2006-07, cash funds revenues are forecast to decrease 3.3 percent, to $2,144.5 million. The cash funds revenues forecast is presented in ***Table 4***.

- Transportation-related revenues, the largest group of cash funds, grew 3.1 percent in FY 2005-06. This group of cash funds is forecast to increase 3.4 percent in FY 2006-07 and 0.4 percent in FY 2007-08.

    - 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 2005-06, HUTF revenues increased 3.2 percent. Due to an accounting adjustment during FY 2005-06, an additional $48.1 million was credited to the gasoline tax fund, driving 2.0 percent growth in fuel tax revenues.

    - ***Other transportation-related cash fund revenue*** grew 2.2 percent in FY 2005-06 as interest rates rose in response to rising inflationary pressures.

- Unemployment insurance revenues increased 10.7 percent in FY 2005-06. These revenues are expected to decrease 8.7 percent in FY 2006-07 and increase 5.1 percent in FY 2007-08.

- In calendar year 2006, the unemployment insurance tax rate schedule will move to a lower level. This occurs because two components of employer UI tax rates — the base rate and the solvency surcharge — fall when the UI Trust Fund balance rises above certain thresholds.

- In FY 2006-07, UI benefit payments are forecast to remain flat, following a 13.5 percent decline in FY 2005-06. Additionally, the OSPB forecast indicates the solvency surcharge will be in effect through 2008.

- Other cash funds increased 24.4 percent in FY 2005-06, and are expected to remain flat in FY 2006-07 and increase 3.9 percent in FY 2007-08.

    - The increase in revenue in FY 2005-06 is primarily in the miscellaneous cash funds. As a result of outstanding accounting adjustments related to the conversion of higher education to enterprise status, some residual revenue remains a part of the TABOR calculation.

    - In FY 2005-06, severance tax revenues increased 54.2 percent as a result of increased production, rising gas and oil prices, and merger and acquisition activity.

## The National Economy

National economic growth remained healthy in 2006 and the economy's prospects through 2007 and 2008 are upbeat. The national labor market continues to post gains, rising 1.5 percent in 2005 with employment growth accelerating month-over-month. Meanwhile, initial jobless claims are continuing their downward trend, demand and production growth are strong, and inflation-adjusted gross domestic product (GDP) is above pre-recession peaks reached in 2001. The forecast for the national economy is outlined in ***Table 5***.

- Inflation-adjusted gross domestic product is forecast to increase 3.3 percent in 2006 and is forecast to slow to 3.1 percent in 2007.

    - Consumer spending is forecast to rise 3.2 percent in 2006 and 3.3 percent in 2007 as a result of steady durable goods spending in both 2006 and 2007.

    - Business investment remains healthy and growth is expected to average 3.3 percent in 2006 and 3.1 percent in 2007. Inflation-adjusted nonresidential fixed investment is forecast to rise 7.7 percent in 2006 and 8.8 percent in 2007.

- Inflationary pressures are expected to remain moderate throughout 2006. Overall, consumer prices are forecast to rise 3.5 percent in 2006 and 2.1 percent in 2007.

- National employment is forecast to rise 1.5 percent in 2006 with 1.6 million workers added to nonfarm payrolls, and employment growth is expected to average 1.3 percent in 2007.

- The national unemployment rate is forecast to average 4.6 percent in 2006 and 4.2 percent in 2007.

## The Colorado Economy

The December 2006 forecast indicates that the Colorado economy will continue on its expansion. Since January 2006, the State's labor markets have surpassed their pre-recession levels, personal income rose 6.8 percent through second quarter 2006, and retail sales remain solid. Furthermore, Colorado's October 2006 employment increase of 2.1 percent is 15th highest in the country. Meanwhile, unemployment remains on a downward trajectory, averaging

4.4 percent through October 2006. In 2005, unemployment rate fell to 5.1 percent, the lowest level since 2001. The forecast for the Colorado economy is shown in ***Table 6***.

- Colorado employment will increase 2.1 percent in 2006, a net increase of 46,300 new jobs compared with 2005. In 2007, employment growth will gradually slow as a result of more moderate national economic activity and average 2.0 percent.
- The 2006 unemployment rate is forecast to average 4.5 percent, compared with the 5.1 percent rate posted in 2005. The unemployment rate will remain under five percent through 2010.
- Personal income growth will average 7.0 percent in 2006 and 6.2 percent in 2007.
- Retail trade sales are forecast to increase 5.6 percent in 2006 and 2007.
- Consumer prices in the Denver-Boulder-Greeley area will rise 3.5 percent in 2006 and 3.1 percent in 2007.
- In 2006, net in-migration to Colorado will be over 51,000 — the largest increase since 2001 — and total population growth will be 1.9 percent.

## Calculation of General Fund Exempt Revenue

In November 2006, the State Auditor's Office (SAO) certified the FY 2005-06 financial statements for the State of Colorado. This review included an audit of the amount of money retained by the State per Referendum C. The Colorado Revised Statutes require the SAO to conduct the analysis each year through FY 2009-10.

Recently, the OSPB reviewed the work of the SAO as well as the statutes that govern Referendum C. It is clear from the statutes and from the known intent of the policymakers at the time of the passage of Referendum C that the General Assembly and the Governor intend for the State to explicitly document the amount of money collected under Referendum C ("General Fund Exempt Revenue").

Our research of this issue, as well as an analysis of the forecast produced by the Colorado Legislative Council, led us to two conclusions: 1) there are at least two possible methods to calculate General Fund Exempt Revenue after the first year; and 2) the statutes are unclear as to the method that will best ensure accountability and produce a result to be certified by the SAO.

The two methods that can be used to calculate General Fund Exempt Revenue for FY 2006-07 and beyond are as follows. **Please note that in both cases, the amount of money collected and retained by the State under Referendum C will be identical.** ***That is, the different calculation methods do not affect the flow of revenue into the State during the five-year period.*** Moreover, the dollar amount of difference in the two methods is relatively slight compared with total collections over five years. Both methods are described below. The difference in the methods centers on a reasonable calculation of what the TABOR refund *would have been* had the initiative failed.

***Method 1:*** This option involves continuing to calculate the TABOR limit by first adjusting the limit upward by population and inflation. This value is then compared with actual State revenues and the difference is deemed to be the amount of General Fund Exempt Revenue retained under Referendum C.

- ➢ Method 1, which uses the TABOR limit from FY 2004-05 as a base, is likely to produce a higher amount of foregone refunds. This happens because fees and other cash fund revenue growth that would not have been reasonably or practically able to occur will be included in the calculation, and because of a compounding gap between long-term revenue growth relative to population and inflation.

Meanwhile, Method 1 requires the SAO to audit imaginary events such as tax credits that would have been available had Referendum C failed. While it is possible to *estimate* the value of these credits and to investigate the process that calculated them, it is not clear how the credits can be *audited* in the traditional sense under Generally Accepted Accounting Principles (GAAP).

The most realistic depiction of foregone refunds under Method 1 would include an estimate of reduced revenue to account for tax credits that would have been available with the failure of Referendum C and a separation of new fee increases adopted by the State during the five year period. The separation of fee increases is problematic, however. While new fee increases in Method 1 artificially distort the amount of foregone refunds, the inclusion provides some insight into their proliferation during the time out.

***Method 2:*** Under Method 2, the first-year (FY 2005-06) calculation of foregone refunds is identical to Method 1. However, after the first year of Referendum C, the State's revenue limit was re-set at the amount of revenue collected in FY 2005-06. Under TABOR, this revenue limit is allowed to increase by population and inflation. Based on the current forecast, total TABOR revenues are expected to be below what the allowed revenue cap would be. In years prior to Referendum C, this would have meant an absence of refunds. However, the State is still collecting the amount retained in FY 2005-06 in the baseline revenues. To account for this, the amount by which State revenues are below the cap is removed from the FY 2005-06 General Fund Exempt Revenue amount to determine the amount collected in FY 2006-07.

- Method 2 takes into account the fact that the State's revenue base has been re-set with voter approval. The allowed growth in the revenue base can be calculated and audited without the need to account for estimates of imaginary events such as tax credits. This allowed growth is reflected in the projection of the value of the General Fund Exempt Revenue. Method 2 produces slightly lower refunds than does Method 1. This occurs because the compounding difference of long-term revenue growth versus population and inflation is lessened. Meanwhile, as stipulated in Referendum C, Method 2 will be the basis of calculating refunds at the end of the five-year timeout. Since the passage of Referendum C, the OSPB has reported this method.

In sum, there are two methods to calculate General Fund Exempt Revenue. Under Method 1, the calculation accounts for the tax credits that would have occurred in a TABOR refund situation and the increases in fees that would *not* have occurred during the same situation — fee increases would have compounded the budgetary cuts that would have occurred in FY 2005-06 as a result of the TABOR refund, and as such, would not have occurred. Under Method 2, the TABOR limit is calculated by using the prior year's total TABOR revenue collections adjusted by inflation plus population. Based on the December 2006 OSPB forecast, and accounting for only the tax credits that would have been in effect without Referendum C, Method 1 results in an estimated $4.3 billion in foregone refunds from FY 2005-06 through FY 2009-10. By comparison, Method 2 results in an estimated $4.1 billion in foregone refunds from FY 2005-06 through FY 2009-10. The five-year difference of the two methods is equal to 0.5 percent of total projected collections during the time out and the Method 1 refunds are 5.7 percent higher than Method 2.

***Because the statutes clearly call for an auditing of collections, we recommend that a specific methodology for calculating General Fund Exempt Revenue be included in the statutes.***

## Table 1
## TABOR Surplus Revenue Calculation
*(Dollar Amounts in Millions)*

| Line No. | | FY 2005-06 | | FY 2006-07 | | FY 2007-08 | | FY 2008-09 | | FY 2009-10 | | FY 2010-11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | **December 2006 Estimate by Fiscal Year** | | | | | | | | | |
| | **TABOR Revenues:** | | | | | | | | | | | | |
| 1 | General Fund | $6,942.8 | **/A** | $7,206.0 | **/A** | $7,465.7 | **/A** | $7,832.6 | **/A** | $8,254.4 | **/A** | $8,724.9 | **/A** |
| 2 | Cash Funds | $2,218.6 | **/B** | $2,144.5 | | $2,220.3 | | $2,098.1 | | $2,128.8 | | $2,196.9 | |
| **3** | **Total TABOR Revenues** | $9,161.4 | | $9,350.5 | | $9,686.0 | | $9,930.7 | | $10,383.2 | | $10,921.8 | |
| | **TABOR Limit Calculation:** | | | | | | | | | | | | |
| 4 | Previous calendar year population growth | *1.2%* | | *1.4%* | | *1.9%* | | *1.7%* | | *1.7%* | | *1.6%* | |
| 5 | Previous calendar year inflation | *0.1%* | | *2.1%* | | *3.5%* | | *3.1%* | | *2.9%* | | *2.8%* | |
| **6** | **Allowable TABOR Growth Rate** | *1.3%* | | *3.5%* | | *5.4%* | | *4.9%* | | *4.6%* | | *4.5%* | |
| 7 | Actual Change in TABOR Revenues from Limit | *16.0%* | | *2.1%* | | *3.6%* | | *2.5%* | | *4.6%* | | *5.2%* | |
| **8** | **TABOR Limit** | **$9,161.4** | **/C** | **$9,350.5** | **/C** | **$9,686.0** | **/C** | **$9,930.7** | **/C** | **$10,383.2** | **/C** | **$10,846.2** | **/C** |
| **9** | Revenues Above (Below) TABOR Limit | **$0.0** | | **$0.0** | | **$0.0** | | **$0.0** | | **$0.0** | | **$75.6** | |
| **10** | Adjustments to TABOR Base | $0.0 | | $0.0 | | $0.0 | | $0.0 | | $0.0 | | $0.0 | |
| **11** | Adjusted TABOR Base | **$9,161.4** | | **$9,350.5** | | **$9,686.0** | | **$9,930.7** | | **$10,383.2** | | **$10,846.2** | |
| 12 | TABOR Emergency Reserve | $274.8 | **/D,E** | $280.5 | **/D,E** | $290.6 | **/D,E** | $297.9 | **/D,E** | $311.5 | **/D,E** | $325.4 | **/D,E** |
| 13 | General Fund Exempt Increase | $1,116.1 | **/F** | ($129.7) | **/F** | ($172.2) | **/F** | ($228.0) | **/F** | ($1.4) | **/F** | NA | |
| 14 | General Fund Exempt Annual Total | $1,116.1 | **/F** | $986.4 | **/F** | $814.2 | **/F** | $586.2 | **/F** | $584.8 | **/F** | NA | |
| 15 | General Fund Exempt Cumulative | $1,116.1 | **/F** | $2,102.6 | **/F** | $2,916.8 | **/F** | $3,503.0 | **/F** | $4,087.9 | **/F** | NA | |

**/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 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.

**/D** 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.

**/E** Per S.B. 05-209, and H.B. 06-1385, the three percent TABOR emergency reserve is designated as up to $20 million in FY 2005-06 and up to $40.0 million in FY 2006-07 from the Major Medical Insurance Fund, up to $35 million in FY 2005-06 and up to $40.0 million in FY 2006-07 from the Subsequent Injury Fund, up to $12.0 million in FY 2005-06 and FY 2006-07 from the Workers' Compensation Cash Fund, up to $7.3 million in FY 2005-06 from the Severance Tax Trust Fund, up to $5.5 million in FY 2005-06 from the Colorado River Recovery Program Loan Fund, up to $100 million in FY 2005-06 and FY 2006-07 in the Wildlife Cash Fund and fund equity, and up to $75 million in FY 2005-06, and up to $80.0 million in FY 2006-07 of state properties.

**/F** 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 2

## General Fund Overview – Current Law

*(Dollar Amounts in Millions)*

| Line No. | | FY 2005-06 | | December 2006 Estimate by Fiscal Year FY 2006-07 | | FY 2007-08 | | FY 2008-09 | | FY 2009-10 | | FY 2010-11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Resources** | | | | | | | | | | | | | |
| 1 | Beginning Reserve | $237.4 | | $251.7 | | $267.0 | | $283.3 | | $300.3 | | $318.3 | |
| 2 | Gross General Fund Revenue | 7,321.8 | | 7,593.0 | | 7,864.9 | | 8,251.8 | | 8,696.7 | | 9,194.2 | |
| *3* | *General Fund* | *6,205.7* | | *6,606.5* | | *7,050.7* | | *7,665.6* | | *8,111.8* | | *9,194.2* | |
| *4* | *General Fund Exempt* | *1,116.1* | | *986.4* | | *814.2* | | *586.2* | | *584.8* | | *N/A* | |
| 5 | Transfers to the General Fund | 227.8 | **/A** | 24.4 | **/A** | 34.6 | **/A** | 34.0 | **/A** | 33.3 | **/A** | 32.5 | **/A** |
| **6** | **TOTAL REVENUE** | $7,787.0 | | $7,869.1 | | $8,166.5 | | $8,569.1 | | $9,030.2 | | $9,545.0 | |
| **Expenditures** | | | | | | | | | | | | | |
| 7 | General Fund Appropriations (Subject to 6% Limit) | 6,292.7 | | 6,675.5 | | 7,082.2 | | 7,507.2 | | 7,957.6 | | 8,407.9 | |
| 8 | Exemptions to 6% Limit | 5.0 | **/B** | 5.8 | **/B** | 0.0 | **/B** | 0.0 | **/B** | 0.0 | **/B** | 0.0 | **/B** |
| 9 | Spending Outside 6% Limit | 800.8 | | 920.7 | | 801.0 | | 761.7 | | 754.4 | | 800.7 | |
| *10* | *Rebates and Expenditures* | *153.4* | | *168.7* | | *179.0* | | *186.7* | | *195.1* | | *204.2* | |
| *11* | *Transfers to Capital Construction* | *10.1* | **/C** | *101.0* | **/C** | *50.8* | **/C** | *50.0* | **/C** | *50.0* | **/C** | *0.0* | **/C** |
| *12* | *TABOR Refund* | *0.0* | | *0.0* | | *0.0* | | *0.0* | | *0.0* | | *75.6* | |
| *13* | *Older Coloradans Act* | *2.8* | | *3.8* | | *3.8* | | *3.8* | | *3.8* | | *3.8* | |
| *14* | *Transfer to State Education Fund* | *357.2* | **/D** | *370.7* | **/D** | *381.5* | **/D** | *399.3* | **/D** | *420.1* | **/D** | *444.6* | **/D** |
| *15* | *Senate Bill 97-1* | *220.4* | | *207.7* | | *115.1* | | *49.9* | | *13.5* | | *0.0* | |
| *16* | *Homestead Exemption* | *0.0* | **/E** | *68.9* | **/E** | *70.9* | **/E** | *72.0* | **/E** | *71.9* | **/E** | *72.6* | **/E** |
| *17* | *Other Exemptions* | *67.1* | **/F** | *0.0* | | *0.0* | | *0.0* | | *0.0* | | *0.0* | |
| *18* | *Reversions and Accounting Adjustments* | *(10.1)* | | *0.0* | | *0.0* | | *0.0* | | *0.0* | | *0.0* | |
| **19** | **TOTAL OBLIGATIONS** | $7,098.5 | | $7,602.0 | | $7,883.2 | | $8,268.8 | | $8,711.9 | | $9,208.6 | |
| **Reserves** | | | | | | | | | | | | | |
| **20** | **Year-End Reserve** | **$688.5** | | **$267.0** | | **$283.3** | | **$300.3** | | **$318.3** | | **$336.4** | |
| 21 | Year-End Reserve as a % of Appropriations | 10.9% | | 4.0% | | 4.0% | | 4.0% | | 4.0% | | 4.0% | |
| **22** | **Statutory Reserve: 4% of Appropriations** | **251.7** | | **267.0** | | **283.3** | | **300.3** | | **318.3** | | **336.3** | |
| **23** | **Excess Monies Above (Below) Reserve** | **436.8** | | **0.0** | | **0.0** | | **0.0** | | **0.0** | | **0.0** | |
| *24* | *2/3 for Transportation* | *291.2* | **/G** | *0.0* | | *0.0* | | *0.0* | | *0.0* | | *0.0* | |
| *25* | *1/3 for Capital Construction* | *145.6* | **/G** | *0.0* | | *0.0* | | *0.0* | | *0.0* | | *0.0* | |
| **26** | **Appropriations Change** | **$361.2** | | **$383.7** | | **$400.9** | | **$424.9** | | **$450.4** | | **$450.3** | |
| 27 | | 6.1% | | 6.1% | | 6.0% | | 6.0% | | 6.0% | | 5.7% | |

**/A** This figure represents the total transfers to the General Fund per H.B. 04-1421, H.B. 04-1417, H.B. 05-1262, S.B. 05-210, and S.B. 05-211.

**/B** In FY 2005-06, $5.0 million is appropriated to the Department of Education as a result of a requirement of a final state court order, and in FY 2006-07, per H.B. 06-1395, $5.8 million is appropriated for residential child health care and is not subject to the 6.0 percent limit pursuant to Section 24-75-201.1(1)(a)(III)(B), C.R.S., but is used as the base for calculation of the next year's appropriation's limit.

**/C** The transfers shown represent current and expected future appropriations.

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

**/E** S.B. 03-265 eliminated the senior homestead exemption property tax credit in FY 2003-04 through FY 2005-06. In November 2006, Colorado voter's passed Referendum E, which expands the Homestead Exemption property tax credit to include military veterans beginning in FY 2007-08.

**/F** The State was required to repay $67.1 million in transfers previously made into the General Fund per H.B. 02-1391.

**/G** 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 3

## Colorado General Fund – Revenue Estimates by Tax Category

*(Accrual Basis, Dollar Amounts in Millions)*

| Line No. | Category | | | December 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 |
| 1 | Sales | $1,957.3 **/A** | 5.5 | $2,078.4 **/A** | 6.2 | $2,197.2 **/A** | 5.7 | $2,329.5 **/A** | 6.0 | $2,473.7 **/A** | 6.2 | $2,625.3 **/A** | 6.1 |
| 2 | Use | $165.9 **/A** | 8.5 | $179.6 **/A** | 8.2 | $185.0 **/A** | 3.0 | $194.2 **/A** | 5.0 | $204.0 **/A** | 5.0 | $214.3 **/A** | 5.1 |
| 3 | Cigarette | $48.2 | (6.3) | $45.2 | (6.2) | $43.6 | (3.7) | $42.0 | (3.6) | $40.7 | (3.0) | $39.7 | (2.5) |
| 4 | Tobacco Products | $11.2 | (20.8) | $11.9 | 6.1 | $13.1 | 9.8 | $13.1 | (0.1) | $13.0 | (0.2) | $12.9 | (0.7) |
| 5 | Liquor | $32.8 | 5.2 | $34.1 | 3.9 | $34.5 | 1.0 | $35.0 | 1.5 | $35.6 | 1.7 | $36.1 | 1.5 |
| 6 | ***Total Excise*** | ***$2,215.5*** | ***5.3*** | ***$2,349.3*** | ***6.0*** | ***$2,473.4*** | ***5.3*** | ***$2,613.8*** | ***5.7*** | ***$2,767.0*** | ***5.9*** | ***$2,928.3*** | ***5.8*** |
| | ***Income Taxes:*** | | | | | | | | | | | | |
| 7 | Net Individual Income | $4,376.1 | 17.9 | $4,492.3 | 2.7 | $4,626.9 | 3.0 | $4,856.2 | 5.0 | $5,123.0 | 5.5 | $5,424.6 | 5.9 |
| 8 | Net Corporate Income | $447.4 | 42.0 | $465.3 | 4.0 | $472.6 | 1.6 | $479.7 | 1.5 | $489.2 | 2.0 | $514.1 | 5.1 |
| 9 | ***Total Income*** | **$4,823.5** | **19.8** | **$4,957.5** | **2.8** | **$5,099.5** | **2.9** | **$5,335.9** | **4.6** | **$5,612.2** | **5.2** | **$5,938.7** | **5.8** |
| | ***Other Revenues:*** | | | | | | | | | | | | |
| 10 | Estate | $6.8 **/B** | (73.9) | $1.0 **/B** | NA | $1.0 **/B** | NA | $1.0 **/B** | NA | $1.0 **/B** | NA | $10.0 **/B** | NA |
| 11 | Insurance | $175.1 | (7.5) | $170.9 | (2.4) | $173.6 | 1.6 | $179.5 | 3.4 | $185.4 | 3.3 | $181.3 | (2.2) |
| 12 | Interest Income | $33.3 | 20.1 | $45.4 | 36.4 | $46.6 | 2.6 | $47.8 | 2.6 | $49.0 | 2.6 | $50.3 | 2.6 |
| 13 | Pari-Mutuel | $3.4 | (10.7) | $3.0 | (10.8) | $2.7 | (11.1) | $2.6 | (5.4) | $2.4 | (5.9) | $2.3 | (6.2) |
| 14 | Court Receipts | $27.4 | 4.0 | $25.5 | (6.9) | $26.1 | 2.4 | $26.7 | 2.3 | $27.3 | 2.3 | $27.9 | 2.3 |
| 15 | Gaming | $17.6 | (56.4) | $16.3 | (7.5) | $17.7 | 8.7 | $19.9 | 12.5 | $22.2 | 11.6 | $24.7 | 11.1 |
| 16 | Other Income | $19.3 | (33.2) | $24.1 | 24.6 | $24.4 | 1.2 | $24.7 | 1.3 | $30.2 | 22.2 | $30.7 | 1.7 |
| 17 | ***Total Other*** | ***$282.8*** | ***(17.3)*** | ***$286.1*** | ***1.2*** | ***$292.0*** | ***2.1*** | ***$302.1*** | ***3.5*** | ***$317.5*** | ***5.1*** | ***$327.1*** | ***3.0*** |
| 18 | **GROSS GENERAL FUND** | **$7,321.8** | **13.1** | **$7,593.0** | **3.7** | **$7,864.9** | **3.6** | **$8,251.8** | **4.9** | **$8,696.7** | **5.4** | **$9,194.2** | **5.7** |
| | ***Rebates & Expenditures:*** | | | | | | | | | | | | |
| 19 | Cigarette Rebate | $14.1 | (2.3) | $12.7 | (10.2) | $12.2 | (3.7) | $11.8 | (3.6) | $11.4 | (3.0) | $11.1 | (2.5) |
| 20 | Old-Age Pension Fund | $89.1 | 2.8 | $95.3 | 7.0 | $102.5 | 7.6 | $110.0 | 7.3 | $117.9 | 7.2 | $126.5 | 7.2 |
| 21 | Aged Property Tax & Heating Credit | $9.8 | 67.4 | $11.9 | 21.4 | $15.0 | 26.6 | $15.2 | 1.4 | $15.4 | 1.4 | $15.6 | 1.4 |
| 22 | Interest Payments for School Loans | $11.3 | NA | $19.8 | 75.1 | $20.2 | 2.0 | $20.7 | 2.5 | $21.2 | 2.7 | $21.9 | 3.0 |
| 23 | Fire/Police Pensions | $29.1 **/C** | 664.6 | $29.1 | (0.0) | $29.1 | 0.0 | $29.1 | 0.0 | $29.1 | 0.0 | $29.1 | 0.0 |
| *24* | ***Total Rebates & Expenditures*** | ***$153.4*** | ***38.5*** | ***$168.7*** | ***10.0*** | ***$179.0*** | ***6.1*** | ***$186.7*** | ***4.3*** | ***$195.1*** | ***4.5*** | ***$204.2*** | ***4.7*** |
| 25 | Amendment 35 Tobacco Tax | $165.4 **/D** | 2.0 | $157.8 **/D** | (4.6) | $152.4 **/D** | (3.4) | $147.4 **/D** | (3.3) | $143.4 **/D** | (2.7) | $140.1 **/D** | (2.3) |

**NA:** Not Applicable.

**/A** Per H.B. 00-1259, beginning January 1, 2001, 10.355 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 1.

**/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** 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.

**/D** 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.

## Table 4

## Cash Fund Revenue by Major Category

*(Accrual Basis, Dollar Amounts in Millions)*

| | | December 2006 Estimate by Fiscal Year | | | | | |
|---|---|---|---|---|---|---|---|
| | **FY 2005-06** | **FY 2006-07** | **FY 2007-08** | **FY 2008-09** | **FY 2009-10** | **FY 2010-11** | **FY 2006-07 to FY 2010-11 CAAGR*** |
| **Transportation-Related** | $869.6 | $899.0 | $902.3 | $919.8 | $937.6 | $960.0 | |
| **Change** | 3.1% | 3.4% | 0.4% | 1.9% | 1.9% | 2.4% | 1.7% |
| **Unemployment Insurance** | $515.2 **/A** | $470.5 **/A** | $494.5 **/A** | $357.1 | $330.1 | $354.6 | |
| **Change** | 10.7% | -8.7% | 5.1% | -27.8% | -7.6% | 7.4% | -6.8% |
| **Limited Gaming Fund** | $110.9 | $117.9 | $122.7 | $129.4 | $136.5 | $144.1 | |
| **Change** | 7.5% | 6.4% | 4.0% | 5.5% | 5.5% | 5.6% | 5.2% |
| **Capital Construction – Interest** | $3.6 | $9.0 | $7.1 | $5.3 | $3.7 | $2.1 | |
| **Change** | 56.5% | 148.7% | -20.7% | -25.4% | -30.2% | -43.2% | -30.4% |
| **Regulatory Agencies** | $49.2 | $52.7 | $55.5 | $57.5 | $59.5 | $61.7 | |
| **Change** | -4.3% | 7.2% | 5.2% | 3.6% | 3.6% | 3.6% | 4.0% |
| **Insurance-Related** | $63.9 | $61.0 | $63.4 | $66.0 | $68.8 | $71.7 | |
| **Change** | 20.1% | -4.7% | 4.0% | 4.1% | 4.2% | 4.3% | 4.1% |
| **Severance Tax** | $234.3 | $166.1 | $192.2 | $164.7 | $176.7 | $168.1 | |
| **Change** | 54.2% | -29.1% | 15.7% | -14.3% | 7.3% | -4.9% | 0.3% |
| **Controlled Maintenance Trust Fund Interest** | $6.7 **/B** | $0.0 **/B** | $0.0 **/B** | $0.0 **/B** | $0.0 **/B** | $0.0 **/B** | |
| **Change** | NA | NA | NA | NA | NA | NA | NA |
| **Miscellaneous Cash Funds** | $365.3 **/C** | $368.3 **/C** | $382.7 **/C** | $398.4 **/C** | $415.9 **/C** | $434.6 **/C** | |
| **Change** | 24.4% | 0.8% | 3.9% | 4.1% | 4.4% | 4.5% | 4.2% |
| **TOTAL CASH FUND REVENUES** | **$2,218.6** | **$2,144.5** | **$2,220.3** | **$2,098.1** | **$2,128.8** | **$2,196.9** | |
| **Change** | 12.9% | -3.3% | 3.5% | -5.5% | 1.5% | 3.2% | 0.6% |

***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, June 30, 2007, and June 30 2008 is less than 0.9%.

**/B** H.B. 04-1222 eliminates the Controlled Maintenance Trust Fund (CMTF) payback. 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 was required to transfer $185.6 million from the CMTF to the General Fund.

**/C** Includes residual revenue transfers related to the state institutions conversion to enterprise status that count as TABOR revenue.

# Table 5

## History And Forecast For Key National Economic Variables
## 2001-2010

| Line No. | | Actual | | | | | December 2006 Forecast | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| | **Inflation-Adjusted & Current Dollar Income Accounts** | | | | | | | | | | |
| 1 | Inflation-Adjusted Gross Domestic Product (Billions) | $9,886.9 | $10,017.9 | $10,239.2 | $10,644.2 | $10,991.8 | $11,355.0 | $11,702.8 | $12,091.3 | $12,477.9 | $12,867.6 |
| 2 | Change | 1.1% | 1.3% | 2.2% | 4.0% | 3.3% | 3.3% | 3.1% | 3.3% | 3.2% | 3.1% |
| 3 | Gross Domestic Product (Billions) | $10,127.9 | $10,469.7 | $10,961.0 | $11,712.6 | $12,456.0 | $13,304.7 | $14,093.0 | $14,882.1 | $15,676.3 | $16,476.0 |
| 4 | Change | 3.2% | 3.4% | 4.7% | 6.9% | 6.3% | 6.8% | 5.9% | 5.6% | 5.3% | 5.1% |
| 5 | Productivity (Output per Hour, Nonfarm Business) | 118.3 | 123.1 | 128.0 | 132.4 | 136.0 | 138.9 | 141.7 | 144.9 | 147.7 | 150.2 |
| 6 | Change | 2.5% | 4.1% | 3.9% | 3.4% | 2.7% | 2.1% | 2.1% | 2.2% | 1.9% | 1.7% |
| 7 | Personal Income (Billions) | $8,734.6 | $8,896.8 | $9,203.7 | $9,778.9 | $10,293.0 | $11,028.6 | $11,711.4 | $12,391.1 | $13,097.8 | $13,490.9 |
| 8 | Change | 3.1% | 1.9% | 3.4% | 6.3% | 5.3% | 7.1% | 6.2% | 5.8% | 5.7% | 3.0% |
| 9 | Per-Capita Income ($/person) | $30,608 | $30,864 | $31,615 | $33,269 | $34,694 | $36,834 | $38,729 | $40,611 | $42,544 | $43,431 |
| 10 | Change | 2.1% | 0.8% | 2.4% | 5.2% | 4.3% | 6.2% | 5.1% | 4.9% | 4.8% | 2.1% |
| | **Population & Employment** | | | | | | | | | | |
| 11 | Population (Millions) | 285.4 | 288.3 | 291.1 | 293.9 | 296.7 | 299.4 | 302.4 | 305.1 | 307.9 | 310.6 |
| 12 | Change | 1.0% | 1.0% | 1.0% | 1.0% | 0.9% | 0.9% | 1.0% | 0.9% | 0.9% | 0.9% |
| 13 | Civilian Unemployment Rate | 4.9% | 5.8% | 6.0% | 5.5% | 5.0% | 4.6% | 4.2% | 4.1% | 4.1% | 4.0% |
| 14 | Total Nonagricultural Employment[1] (Millions) | 132.1 | 130.4 | 130.0 | 131.1 | 133.1 | 135.1 | 136.8 | 138.4 | 140.2 | 141.9 |
| 15 | Change | 0.5% | -1.3% | -0.3% | 0.8% | 1.6% | 1.5% | 1.3% | 1.2% | 1.2% | 1.2% |
| | **Financial Markets** | | | | | | | | | | |
| 16 | 30-Year T-Bond Rate | 5.5% | 4.8% | 3.9% | 3.3% | 3.6% | 5.2% | 5.6% | 5.7% | 5.9% | 5.9% |
| 17 | 10-Year T-Bond Rate | 5.0% | 4.6% | 4.0% | 4.3% | 4.3% | 5.1% | 5.1% | 5.3% | 5.5% | 5.6% |
| 18 | Federal Fund Rate | 3.5% | 1.6% | 1.1% | 1.5% | 3.4% | 5.0% | 5.5% | 5.8% | 5.6% | 5.5% |
| | **Price Variables** | | | | | | | | | | |
| 19 | Consumer Price Index (1982-84=100) | 176.5 | 179.2 | 183.4 | 187.8 | 194.2 | 200.9 | 205.1 | 210.6 | 216.2 | 222.0 |
| 20 | Change | 3.1% | 1.5% | 2.4% | 2.4% | 3.4% | 3.5% | 2.1% | 2.7% | 2.7% | 2.7% |
| 21 | Producer Price Index (1982=100) | 140.4 | 139.1 | 143.7 | 149.0 | 156.4 | 160.3 | 162.5 | 166.6 | 170.9 | 175.0 |
| 22 | Change | 1.3% | -0.9% | 3.3% | 3.7% | 5.0% | 2.5% | 1.4% | 2.5% | 2.5% | 2.4% |
| | **Other Key Indicators** | | | | | | | | | | |
| 23 | Industrial Production Index (1992=100) | 99.6 | 100.2 | 100.8 | 105.1 | 108.3 | 113.1 | 117.0 | 121.1 | 125.3 | 129.2 |
| 24 | Change | -3.8% | 0.6% | 0.6% | 4.2% | 3.1% | 4.4% | 3.4% | 3.5% | 3.5% | 3.1% |
| 25 | Corporate Profits After Tax (Billions) | $503.7 | $575.9 | $664.8 | $844.2 | $1,119.5 | $1,238.1 | $1,237.3 | $1,287.1 | $1,358.2 | $1,428.0 |
| 26 | Change | -0.9% | 14.3% | 15.4% | 27.0% | 32.6% | 10.6% | -0.1% | 4.0% | 5.5% | 5.1% |
| 27 | Housing Starts (Millions) | 1.601 | 1.710 | 1.854 | 1.949 | 2.073 | 1.943 | 1.675 | 1.590 | 1.573 | 1.598 |
| 28 | Change | 1.8% | 6.8% | 8.4% | 5.1% | 6.4% | -6.3% | -13.8% | -5.1% | -1.1% | 1.6% |

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

**Sources:** Action Economics!; U.S. Department of Labor, Bureau of Labor Statistics; and U.S. Department of Commerce, Bureaus of the Census and Economic Analysis.

# Table 6

## History And Forecast For Key Colorado Economic Variables
## Calendar Year 2001 - 2010

| Line No. | | Actual | | | | | December 2006 Forecast | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| | **Current Income** | | | | | | | | | | |
| 1 | Personal Income (Billions) | $152,700 | $153,066 | $154,887 | $164,587 | $174,754 | $187,054 | $198,621 | $210,655 | $223,458 | $236,722 |
| 2 | Change | 5.8% | 0.2% | 1.2% | 6.3% | 6.2% | 7.0% | 6.2% | 6.1% | 6.1% | 5.9% |
| 3 | Wage and Salary Income (Billions) | $88,297 | $86,938 | $88,008 | $92,059 | $97,263 | $104,799 | $111,578 | $118,464 | $125,883 | $133,819 |
| 4 | Change | 2.8% | -1.5% | 1.2% | 4.6% | 5.7% | 7.7% | 6.5% | 6.2% | 6.3% | 6.3% |
| 5 | Per-Capita Income ($/person) | $34,493 | $34,027 | $34,056 | $35,766 | $37,459 | $39,339 | $41,057 | $42,833 | $44,714 | $46,625 |
| 6 | Change | 3.4% | -1.4% | 0.1% | 5.0% | 4.7% | 5.0% | 4.4% | 4.3% | 4.4% | 4.3% |
| | **Population & Employment** | | | | | | | | | | |
| 7 | Population[1] (Thousands) | 4,427.0 | 4,498.4 | 4,548.1 | 4,601.8 | 4,665.2 | 4,754.9 | 4,837.7 | 4,918.0 | 4,997.5 | 5,077.1 |
| 8 | Change | 2.3% | 1.6% | 1.1% | 1.2% | 1.4% | 1.9% | 1.7% | 1.7% | 1.6% | 1.6% |
| 9 | Net Migration (Thousands) | 63.2 | 34.2 | 12.4 | 15.3 | 24.5 | 51.7 | 44.4 | 41.5 | 40.3 | 40.2 |
| 10 | Civilian Unemployment Rate | 3.8% | 5.7% | 6.1% | 5.6% | 5.1% | 4.5% | 4.5% | 4.7% | 4.8% | 4.4% |
| 11 | Total Nonagricultural Employment[2] (Thousands) | 2,226.9 | 2,184.2 | 2,151.1 | 2,175.9 | 2,225.5 | 2,271.8 | 2,317.3 | 2,364.8 | 2,415.8 | 2,466.2 |
| 12 | Change | 0.6% | -1.9% | -1.5% | 1.2% | 2.3% | 2.1% | 2.0% | 2.1% | 2.2% | 2.1% |
| | **Construction Variables** | | | | | | | | | | |
| 13 | Total Housing Permits Issued (Thousands) | 55.0 | 47.9 | 39.4 | 46.4 | 46.3 | 39.6 | 38.7 | 38.9 | 40.0 | 41.2 |
| 14 | Change | 0.8% | -12.9% | -17.7% | 17.5% | -0.2% | -14.5% | -2.2% | 0.5% | 2.8% | 3.0% |
| 15 | Nonresidential Construction Value[3] (Millions) | $3,373.4 | $2,637.8 | $2,433.7 | $3,155.2 | $3,429.8 | $3,427.1 | $3,354.4 | $3,453.0 | $3,610.9 | $3,745.9 |
| 16 | Change | 1.0% | -21.8% | -7.7% | 29.6% | 8.7% | -0.1% | -2.1% | 2.9% | 4.6% | 3.7% |
| | **Prices & Sales Variables** | | | | | | | | | | |
| 17 | Retail Trade Sales (Billions) | $59.1 | $58.7 | $58.6 | $62.2 | $65.4 | $69.1 | $73.0 | $77.2 | $81.8 | $86.4 |
| 18 | Change | 2.0% | -0.7% | -0.2% | 6.1% | 5.1% | 5.6% | 5.6% | 5.9% | 5.9% | 5.6% |
| 19 | Denver-Boulder-Greeley Consumer Price Index (1982-84=100) | 181.3 | 184.8 | 186.8 | 187.0 | 190.9 | 197.6 | 203.8 | 209.7 | 215.7 | 221.8 |
| 20 | Change | 4.7% | 1.9% | 1.1% | 0.1% | 2.1% | 3.5% | 3.1% | 2.9% | 2.8% | 2.8% |

**1/** United States Bureau of the Census.

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

**3/** 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.

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