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OFFICE OF STATE PLANNING AND BUDGETING

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Bill Ritter Jr.
Governor

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MEMORANDUM

TO: Governor Bill Ritter Jr.
Members of the General Assembly

FROM: Office of State Planning and Budgeting

DATE: December 20, 2010

SUBJECT: ***December 2010 Revenue Forecast***

This memorandum presents the December 2010 Office of State Planning and Budgeting (OSPB) economic and revenue forecast. The memorandum includes a General Fund overview, General Fund and cash fund revenue forecasts, a discussion of the budget implications, and summaries of both national and Colorado economies.

DECEMBER 2010 OSPB FORECAST HIGHLIGHTS

- Including the associated impacts with the Governor's August 23, October 22, and November 1, 2010 budget balancing plans, **projected General Fund will support adjusted FY 2010-11 appropriations** with a General Fund Reserve of 2.9 percent. Based on revenue projections for next fiscal year, **FY 2011-12 General Fund appropriations subject to limitation could be increased to \$7,357.7 million**, \$114.2 million less than the recent November 1, 2010 Request.
- **Gross General Fund revenues in FY 2010-11 are projected to increase 5.7 percent** (or \$370.6 million) from FY 2009-10 collections. **FY 2011-12 projected revenues are forecast to increase 8.5 percent**, but are not projected to be sufficient to fully afford growing State costs in Medicaid, education, and other programs that received temporary benefit from enhanced federal funding.
- **FY 2010-11 cash fund revenues are forecast to increase 14.0 percent** (or \$292.1 million) from the prior fiscal year, driven by sizable increases in the new hospital provider fee adopted in HB 09-1293 and the impact on severance tax collections. With no additional legislative impacts to factor into future revenue estimates, **cash fund revenues for FY 2011-12 and FY 2012-13 are forecast to increase 8.2 percent and 6.5 percent, respectively**, driven predominately by increases in the hospital provider fee.
- SB 09-228 triggers are now anticipated to occur for FY 2012-13, **dedicating \$233.0 million General Fund to capital construction, transportation, and increasing the General Fund Reserve to 4.5 percent.**

GENERAL FUND OVERVIEW AND BUDGET IMPLICATIONS

This section summarizes how forecasted General Fund revenues flow through the State spending structure. Table 1 reflects FY 2010-11 appropriated levels passed during the 2010 legislative session, as well as the Governor's August 23, October 22, and November 1, 2010 budget balancing packages pursuant to 24-75-201.5, C.R.S.

GENERAL FUND OVERVIEW – TABLE 1

Table 1 presents the General Fund Overview for this December 2010 OSPB revenue forecast. The top portion of the table summarizes the amount of General Fund revenue available for spending, culminating with "Total General Fund Available for Expenditure" on line 6. Lines 3 and 4 display the split of General Fund Non-Exempt and General Fund Exempt revenue - line 4 is the amount of money that the State is allowed to retain above the TABOR Revenue Limit as a result of the passage of Referendum C. These two lines include all impacts associated with previously approved legislation as outlined in the tables on page 4 of this document. Line 5 summarizes transfers both into and out of the General Fund (as summarized beginning on page 3 of this document).

Lines 7 through 14 summarize the amount of allowable General Fund appropriations based on the limit specified in 24-75-201.1 (1)(a)(II), C.R.S. Prior to FY 2009-10, this limit was equal to the lesser of five percent of Colorado personal income or six percent growth over the prior year's total General Fund appropriation. Beginning in FY 2009-10, the limit was adjusted to equal five percent of Colorado personal income. Lines 7 and 8 reflect the General Fund appropriation limit and the forecasted variance from the limit based on appropriated or projected revenues. Line 9 represents current General Fund appropriations for expenditures under the limit specified in 24-75-201.1 (1)(a)(II), C.R.S. Lines 10 and 11 reflect adjustments to appropriated amounts in line 9, including:

- per 25.5-4-401 (c), C.R.S., the State Controller's and Governor's Office exercising to delay Medicaid payments by two-weeks at the end of FY 2009-10, estimated to equal \$28.1 million;
- per 24-75-201.5, C.R.S, recent Governor budget balancing plans reduced FY 2010-11 expenditures by \$6.2 million on August 23; an additional reduction of \$198.5 million on October 22; and most recently by \$9.9 million in early Supplementals submitted on November 1, 2010
- three approved 1331 Emergency Supplemental requests submitted for Joint Budget Committee consideration on September 20, 2010 from the departments of Education, Human Services, and Personnel and Administration totaling \$3.4 million; and
- the impact associated with federal actions on enhanced federal Medicaid funding, resulting in an additional General Fund expenditure need of \$67.2 million over the current FY 2010-11 Long Bill appropriation.

Line 12 includes the projected amount of General Fund expenditures under the limit that can be supported by revenues forecast in this publication, and is the sum of lines 9 through 11.

Lines 15 through 22 summarize spending that is exempted from or is outside of the General Fund appropriations limit as defined in 24-75-201.1 (1)(a)(II), C.R.S. Expenditures included on line 13 must be funded prior to funding General Fund appropriations under the limit. Line 19 includes projects that have been appropriated, as well as annual costs associated with capital construction projects, level I controlled maintenance and certificate of participation payment (COP) obligations.

Line 22 reflects the amount of federal Medicaid funds related to SB 09-264 which refinances General Fund with federal funds for non-“M” headnote lines.

The final section of Table 1 (the “Reserves” section) forecasts the amount of General Fund remaining at the end of each fiscal year. The amount of revenue set aside for the General Fund reserve (line 26) must equal the statutorily defined percentage of that year’s General Fund appropriations (line 9). For FY 2009-10, this reserve percentage was reduced from 4.0 percent to 2.0 percent; and for FY 2010-11 and FY 2011-12, August 23 and November 1, 2010 budget balancing plans incorporated the allowance for the reserve to equal one-half of the current 4.0 percent level, as defined in 24-75-201.5, C.R.S. All excess General Fund (line 24) is carried forward into the subsequent fiscal year, as the beginning General Fund Reserve for that year.

For informational purposes only, line 28 shows the amount of money credited to the State Education Fund. Under the provisions of Amendment 23, the State credits an amount equal to one-third of one percent of State taxable income to the State Education Fund.

The following tables summarize transfers and revenue impacts from legislation included in the General Fund Overview (Table 1) and General Fund Revenue Summary (Table 3). Not all legislative impacts will equal fiscal note estimates for 2009 legislation as Colorado’s economic environment has changed since such fiscal estimates were calculated.

Summary of Transfers In/(Out) of General Fund	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
HB 08-1108 Transfer Associated with the Older Coloradans Act	(\$8.0)	(\$8.0)	(\$8.0)	(\$8.0)
HB 08-1078 Cash Funds Payback to the State Veterans Trust Fund	\$0.0	\$0.0	\$0.0	\$0.0
SB 09-208 Transfers to the GF (Cash Fund Balances)	\$0.0	\$0.0	\$0.0	\$0.0
SB 09-210 Transfers to the GF (Redirect Tobacco Settlement Monies for CPPC)	\$2.4	\$0.0	\$0.0	\$0.0
SB 09-264 Transfers to the GF (FMAP for lines without the "M" Headnote)*	\$0.1	\$0.0	\$0.0	\$0.0
SB 09-269 Transfer to the GF (Revise Disbursement of Tobacco Settlement)	\$65.0	\$0.0	\$0.0	\$0.0
SB 09-270 Transfers to the GF (Interest on Tobacco Tax Revenues)	\$4.0	\$2.6	\$2.6	\$0.0
SB 09-279 Transfers to the GF (Cash Fund Balances)	\$209.4	\$0.0	\$0.0	\$0.0
HB 09-1105 (Colorado Innovation Investment)	\$0.4	\$0.4	\$0.0	\$0.0
HB 09-1223 (Tobacco Litigation Settlement Funds)	\$0.2	\$0.0	\$0.0	\$0.0
HB 10-1323 (Tobacco Litigation Funds for Health Care Programs)	\$3.3	\$4.0	\$0.0	\$0.0
HB 10-1325 (Interest on Natural Resources Damage Recovery Fund)	\$0.2	\$0.2	\$0.2	\$0.2
HB 10-1327 Transfers to the GF (Cash Fund Balances)	\$84.7	\$0.0	\$0.0	\$0.0
HB 10-1339 Transfers to the GF (Limited Gaming) - included in General Fund Revenues	\$0.0	\$0.0	\$0.0	\$0.0
HB 10-1383 CollegeInvest Transfer to the GF (Conditional)	\$29.8	\$0.0	\$0.0	\$0.0
HB 10-1388 Transfers to the GF (Cash Fund Balances)	\$0.0	\$26.6	\$0.0	\$0.0
HB 10-1389 Transfers to the GF (Capital Construction Moneys)	\$19.1	\$10.4	\$0.0	\$0.0
DPA Procurement Signing Bonus	\$0.0	\$0.8	\$0.0	\$0.0
Governor's August 2010 Balancing Plan (released 8/23/2010)	\$0.0	\$53.4	\$0.0	\$0.0
Governor's October 2010 Balancing Plan (released 10/22/2010)	\$0.0	\$65.4	\$0.0	\$0.0
Governor's November 2010 Budget Request (released 11/1/2010)	\$0.0	\$0.0	\$83.4	(\$61.0)
Total Transfers without SB 09-279 Contingency Funds	\$410.5	\$155.7	\$78.2	(\$68.9)
SB 09-279 Repayment of Contingency Transfer to Balance GF Budget in FY 2008-09	(\$458.1)	\$0.0	\$0.0	\$0.0
Total Transfers with SB 09-279 Contingency Funds	(\$47.6)	\$155.7	\$78.2	(\$68.9)

December 2010 Revenue Forecast

Sales / Use Tax Revenue Impact	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
HB 09-1331 (Incentives for Efficient Vehicles)	\$0.0	\$0.0	\$0.0	(\$2.7)
HB 09-1342 (Eliminate Cigarette Sale Tax Exempt)	\$27.9	\$28.8	\$0.0	\$0.0
SB 09-212 (Eliminate Part of Vendor Administrative Fee)	\$33.8	\$35.6	\$0.0	\$0.0
SB 09-275 (Eliminate Remaining Vendor Administrative Fee)	\$27.5	\$28.5	\$0.0	\$0.0
HB 10-1189 - Suspend Exemption for Direct Mail Advertising	\$0.2	\$0.8	\$0.8	\$0.8
HB 10-1190 - Suspend Exemption for Industrial / Manufacturing Energy Use	\$7.2	\$37.6	\$40.2	\$0.0
HB 10-1191 - Eliminate Exemption for Candy and Soft Drinks	\$1.4	\$18.0	\$18.0	\$18.0
HB 10-1192 - Eliminate Software Exemption	\$4.6	\$23.7	\$24.1	\$24.1
HB 10-1193 - Enforce Sales Tax Collections for Online Purchases	\$0.0	\$3.9	\$4.9	\$4.9
HB 10-1194 - Eliminate Exemption for Non-Essential Food Containers	\$0.4	\$2.0	\$2.0	\$2.0
HB 10-1195 - Suspend Agricultural Compounds, Bull Semen and Pesticides Exemptions	\$0.9	\$4.6	\$4.6	\$4.6
HB 10-1285 - Fines for Commercial Vehicles	\$0.0	(\$0.3)	(\$0.8)	(\$0.8)
Nov 1, 2010 Request from Revenue Regarding Sales Tax Delinquent Billings	\$0.0	\$0.0	\$2.2	\$2.7
Nov. 1, 2010 Request to Continue Existing Cigarette Sales Tax Exemption Suspension	\$0.0	\$0.0	\$31.0	\$30.3
Nov. 1, 2010 Request to Continue Existing Vendor Fee Allowance Suspension	\$0.0	\$0.0	\$71.6	\$74.1
Total Sales / Use Tax Revenue Impact	\$103.9	\$183.3	\$198.6	\$158.0
Individual Income Tax Revenue Impact	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
HB 09-1366 (Eliminate Capital Gains Exempt)	\$3.6	\$7.9	\$8.8	\$9.8
HB 09-1067 (Instream Flow Tax Credit)	\$0.0	(\$1.0)	(\$2.0)	(\$2.0)
HB 09-1331 (Incentives for Efficient Vehicles)	\$0.9	\$2.6	\$1.0	\$0.0
HB 10-1055 - Third Party Collection Fees	\$0.0	\$1.5	\$3.0	\$3.0
HB 10-1196 - Revise Alternative Fuel Vehicle Credits	\$0.0	\$2.7	\$2.7	\$0.0
HB 10-1197 - Limit Gross Conservation Easement Credits	\$0.0	\$18.5	\$37.0	\$37.0
SB 10-001 - PERA Unfunded Liability	(\$0.5)	(\$1.1)	(\$0.7)	(\$0.7)
SB 10-146 - PERA Contribution Change	\$0.0	(\$1.1)	\$0.0	\$0.0
HB 10-1376 - Department of Revenue Treasury Offset Program	\$0.0	\$4.2	\$4.0	\$3.1
HB 10-1376 - Department of Revenue Delinquency Billings	\$0.0	\$4.2	\$4.2	\$4.2
HB 10-1376 - Department of Revenue Conservation Easement Backlog	\$0.0	\$4.1	\$4.1	\$4.1
Department of Revenue Tax Compliance Initiatives	\$3.4	\$15.4	\$4.9	\$4.9
Total Individual Income Tax Revenue Impact	\$7.3	\$57.9	\$67.0	\$63.4
Corporate Income Tax Revenue Impact	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
HB 09-1219 (Interest on Overpayments)	\$0.6	\$0.6	\$0.6	\$0.6
HB 09-1298 (Economic Development Trucking)	\$0.0	\$0.0	\$0.0	\$0.0
HB 10-1199 - Limit Net Operating Loss to \$250,000	\$0.0	\$8.2	\$16.5	\$16.5
HB 10-1200 - Limit Enterprise Zone Investment Tax Credit to \$250,000	\$0.0	\$4.0	\$8.0	\$8.0
Total Corporate Income Tax Revenue Impact	(\$0.9)	\$8.5	\$18.1	\$13.8

Table 1
General Fund Overview
(Dollar Amounts in Millions)

Line No.		Preliminary FY 2009-10	December 2010 Estimate by Fiscal Year		
			FY 2010-11	FY 2011-12	FY 2012-13
Revenue					
1	Beginning Reserve	\$443.8	\$145.8	\$194.9	\$147.2
2	Gross General Fund Revenue	\$6,454.6	\$6,825.1	\$7,402.2	\$7,883.2
3	General Fund	\$6,454.6	\$6,825.1	\$7,139.6	\$7,290.0
4	General Fund Exempt	\$0.0	\$0.0	\$262.6	\$593.2
5	Net Transfers to/(from) the General Fund	(\$47.6)	\$155.7	\$78.2	(\$68.9)
6	TOTAL GENERAL FUND AVAILABLE FOR EXPENDITURE	\$6,850.7	\$7,126.6	\$7,675.3	\$7,961.4
Expenditures					
7	Allowable General Fund Appropriation Limit /A	\$10,616.0	\$10,385.0	\$10,510.0	\$10,910.0
8	Total Allowable General Fund Appropriation Limit not Supported by Revenues	(\$4,012.7)	(\$3,588.6)	(\$3,152.2)	(\$3,725.4)
9	Current Appropriation / FY 2011-12 Request Subject to Limit	\$6,631.4	\$6,940.3	\$7,472.0	N/A
10	Budget Balancing Impacts on Expenditures Under the Limit /B	(\$28.1)	(\$143.9)	N/A	N/A
11	Appropriated Amount Not Supported by Projected Revenues (When Negative)	N/A	\$0.0	(\$114.2)	N/A
12	General Fund Expenditures Requested / Possible Under the Limit	\$6,603.3	\$6,796.4	\$7,357.8	\$7,184.6
13	Dollar Change (from prior year)	(\$783.8)	\$193.1	\$561.4	(\$173.2)
14	Percent Change (from prior year)	-10.6%	2.9%	8.3%	-2.4%
	Dollar Change (from prior year excluding GF backfill of ARRA decrease)	N/A	N/A	\$139.1	N/A
	Percent Change (from prior year excluding GF backfill of ARRA decrease)	N/A	N/A	2.0%	N/A
15	Exemptions to Limit	\$0.0	\$0.0	\$0.0	\$0.0
16	Spending Outside Limit	\$101.7	\$135.3	\$170.4	\$453.5
17	Rebates and Expenditures /C	\$141.9	\$125.2	\$120.9	\$126.5
18	Homestead Exemption	\$1.3	\$1.6	\$1.7	\$103.1
19	Transfers to Capital Construction	\$0.2	\$9.1	\$47.8	\$66.2
20	Transfers to Highway Users Tax Fund	N/A	N/A	N/A	\$157.7
21	Reversions and Accounting Adjustments	(\$39.0)	\$0.0	\$0.0	\$0.0
22	Enhanced Medicaid Match (reduces GF expenditures)	(\$2.7)	(\$0.5)	N/A	N/A
23	TOTAL GENERAL FUND OBLIGATIONS	\$6,704.9	\$6,931.7	\$7,528.2	\$7,638.1
Reserves					
24	Year-End Excess General Fund Balance	\$145.8	\$194.9	\$147.2	\$323.3
25	Year-End Excess General Fund as a % of Appropriations	2.2%	2.9%	2.0%	4.5%
26	General Fund Statutory Reserve /D	\$132.1	\$135.9	\$147.2	\$323.3
27	Excess Monies Above (Below) Statutory Reserve	\$13.7	\$59.0	\$0.0	\$0.0
28	Addendum: State Education Fund (one-third of 1% of Colorado taxable income)	\$329.0	\$334.9	\$365.3	\$393.8

/A Per SB 09-228, this limit equals 5.0% of Colorado personal income.

/B FY 2009-10 includes an reduction of \$28.1 million in delayed Medicaid payments to providers. FY 2010-11 includes the Governor's August 23 and October 22, 2010 budget balancing plans (reducing net expenditures by \$6.2 and \$198.5 million, respectively); early November 1, 2010 Supplemental requests (reducing expenditures by \$9.9 million); the impact of three September 20, 2010 1331 Supplementals (increasing expenditures by \$3.4 million); and a reduction in previously anticipated enhanced federal match for Medicaid (increasing expenditures by \$62.0 million).

/C Includes the Cigarette Rebate, Old Age Pension Fund, Property Tax, Heat, and Rent Credit, and Fire and Police Pensions Association (FPPA) contributions as outlined at the bottom of

/D Per SB 09-219 and SB 09-277, the statutory General Fund reserve required per 24-75-201.1, C.R.S. was lowered to 2.0 percent for FY 2009-10. The Governor's August 23, 2010 Budget Balancing Plan and November 1, 2010 Budget Request assume continuation of the 2.0% reserve level for FY 2010-11 and FY 2011-12, respectively.

BUDGET IMPLICATIONS OF THE FORECAST

Appropriations

FY 2010-11

Based on the 2010 legislative session, FY 2010-11 General Fund appropriations subject to limitation under 24-75-201.1, C.R.S. equal \$6,940.3 million (line 9, Table 1), an increase of 4.7 percent over final FY 2009-10 appropriations of \$6,631.4 million. However, prompted by continued sluggishness in Colorado's economic recovery and reductions in federal matching funds for Medicaid, requested funding for FY 2010-11 General Fund expenditures has been reduced through multiple Executive budget balancing proposals submitted on August 23, October 22, and November 1, 2010 by \$143.9 million (line 10, Table 1), resulting in a General Fund request of just 2.9 percent above adjusted FY 2009-10 levels (line 14, Table 1). While revenues are forecast to increase slightly from the previous OSPB September forecast, the resulting benefit of \$59.0 million in Excess General Fund (line 27, Table 1) will result in a General Fund Reserve of 2.9 percent, and is requested to be carried forward for FY 2011-12.

FY 2011-12

Possible expenditures under the limit defined in 24-75-201.1, C.R.S. could be appropriated at \$7,357.8 million, \$561.4 million (8.3 percent) over projected FY 2010-11 levels after requested balancing plan adjustments, but \$114.2 million below the \$7,472.0 million requested in the Governor's November 1, 2010 Budget (lines 9 and 11, Table 1). This new shortfall is largely reflective of the reduced jobs forecast and lower than anticipated wage expectations in the near term, included in this updated December projection of Colorado's economy. These figures are inclusive of the impacts associated budget balancing requests to lower the General Fund Reserve threshold to 2.0 percent of FY 2011-12 appropriations, and various revenue enhancements and cash fund transfers as summarized on pages 3 and 4 of this document and outlined in the Governor's August 23, October 22, and November 1, 2010 budget proposals.

FY 2012-13

Long-term implications of a slow economic recovery and added pressures from SB 09-228 become apparent in FY 2012-13. Despite projected General Fund revenue growth of 6.5 percent for this fiscal year (line 20, Table 3), General Fund diversions to transportation, capital construction and elevating the General Fund Reserve to 4.5 percent per SB 09-228 will obligate a sizable portion of General Fund resources this fiscal year. The situation is further negatively impacted by the projected insolvency of the Health Care Expansion Fund which will require a General Fund transfer of \$61.0 million in FY 2012-13, and continued transfers of \$8.0 million per HB 08-1108 for Older Coloradans Act (line 5, Table 1). Based on these impacts and assuming no other actions to increase state revenues, General Fund appropriations subject to limitation under 24-75-201.1, C.R.S. will need to be held to \$173.2 million below projected expenditures for the preceding fiscal year (line 13, Table 1).

TABOR REVENUE & REFERENDUM C

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. Under the provisions of TABOR, revenue collected above the TABOR limit must be returned to taxpayers, unless voters decide the State can retain the revenue. In November 2005, voters approved Referendum C, which allows the State to retain all revenue through FY 2009-10, during a five-year TABOR "time out."

Table 2 summarizes the forecasts of TABOR revenue, the TABOR revenue limit, and the revenue limit under Referendum C. Line 3 represents total TABOR revenue, which includes all General Fund revenue and revenue from non-exempt cash funds. Significant changes to TABOR revenues collected in FY 2009-10 include: the exclusion of cash funds related to the unemployment insurance program administered by the Department of Labor and Employment pursuant to HB 09-1363 and an extension of enterprise status for this program, additional transportation related revenues from SB 09-108, and the inclusion of fees collected from hospital providers as authorized under HB 09-1293. Other existing General Fund revenue sources are forecast to increase based on recent suspensions or eliminations of tax exemptions and credits signed into law (HB 10-1189 through HB 10-1200) and as included within the Governor's November 1, 2010 Budget Request.

Line 6 shows the allowable TABOR growth rate based on the most recent previous calendar year's growth in population and inflation. These two growth rates are combined (line 6) and are then applied to the previous year's limit in order to compute the new TABOR limit (line 7). Note that the passage of HB 09-1363 mentioned above required that for FY 2009-10, the TABOR limit be adjusted to reflect the removal of unemployment insurance-related cash funds collected in FY 2008-09, prior to inflating the FY 2008-09 TABOR limit forward.

Under the provisions of Referendum C, the State retained an additional \$3.6 billion General Fund between FY 2005-06 and FY 2009-10 due to a relaxed spending limit for those years. Beginning in FY 2010-11, the amount of revenue that the State may retain is computed by multiplying the revenue limit between FY 2005-06 and FY 2009-10 (line 9) associated with the highest TABOR revenue year (FY 2007-08) during that same period (line 3) by the allowable TABOR growth rates (line 6) for each subsequent year. Therefore, the FY 2010-11 revenue limit is calculated assuming the FY 2007-08 limit adjusted forward to FY 2008-09 by population plus inflation; then reduced by the amount of unemployment insurance-related cash funds (due to the passage of SB 09-1363); and finally again inflated by the remaining TABOR growth rates to the appropriate fiscal year. OSPB does not project that any refunds will be required during the forecast period (line 10).

Table 2
TABOR Revenue & Referendum C Revenue Limit
(Dollar Amounts in Millions)

Line No.		Preliminary	December 2010 Estimate by Fiscal Year		
		FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
	TABOR Revenues:				
1	General Fund /A <i>Percent Change from Prior Year</i>	\$6,438.4 -4.3%	\$6,791.9 5.5%	\$7,380.3 8.7%	\$7,883.2 6.8%
2	Cash Funds <i>Percent Change from Prior Year</i>	\$2,088.6 -12.0%	\$2,380.7 14.0%	\$2,576.0 8.2%	\$2,743.1 6.5%
3	Total TABOR Revenues <i>Percent Change from Prior Year</i>	\$8,526.9 -6.3%	\$9,172.6 7.6%	\$9,956.4 8.5%	\$10,626.2 6.7%
	Revenue Limit Calculation:				
4	Previous calendar year population growth	1.9%	1.9%	1.8%	1.7%
5	Previous calendar year inflation	3.9%	-0.7%	1.0%	1.8%
6	Allowable TABOR Growth Rate	5.8%	1.2%	2.7%	3.5%
7	TABOR Limit	\$9,327.0	\$9,438.9	\$9,693.8	\$10,033.1
8	General Fund Exempt Revenue Under Ref. C /B	\$0.0	\$0.0	\$262.6	\$593.2
9	Revenue Limit Under Ref. C /C	\$9,327.0	\$10,728.7	\$11,018.4	\$11,404.1
10	<i>Amount Above/(Below) Limit</i>	<i>(\$800.0)</i>	<i>(\$1,556.1)</i>	<i>(\$1,062.0)</i>	<i>(\$777.8)</i>
11	TABOR Reserve Requirement	\$255.8	\$275.2	\$298.7	\$318.8

- /A** FY 2008-09 through FY 2010-11 amounts differ from the General Fund revenues reported in Table 3 (General Fund Revenues) as some double counting exists when cash funds are transferred to the General Fund (for instance, limited
- /B** Under Referendum C, a "General Fund Exempt Account" is created in the General Fund. The account consists of monies collected in excess of the TABOR limit in accordance with voter-approval of Referendum C.
- /C** The revenue limit is calculated by applying the "Allowable TABOR Growth Rate" to either "Total TABOR Revenues" or the "Revenue Limit Under Ref. C," whichever is smaller. Beginning in FY 2010-11, the revenue limit will be based on the highest revenue total from FY 2005-06 to 2009-10 plus the "Allowable TABOR Growth Rate." This forecast anticipates that FY 2007-08 is the highest revenue year during the Referendum C period. For purposes of determining the FY 2010-11 revenue limit post Referendum C, the FY 2007-08 revenue limit increased to FY 2008-09 by the Allowable TABOR Growth Rate, then adjusted downward to reflect the impact of HB 09-1363, and then inflated for population plus inflation to FY 2010-11.

REVENUE FORECASTS

GENERAL FUND

Individual projections for excise, income, and other General Fund revenue sources can be found in Table 3. Based on this December OSPB forecast, gross General Fund revenue is projected to increase at a compound average annual rate of 6.8 percent between FY 2009-10 and FY 2012-13.

Excise Taxes

Depressed housing prices and slow growth in personal income has resulted in a slow recovery in excise tax revenues. Although consumers are still under significant pressure, the deleveraging of household debt and low interest rate environment has helped boost the sales of larger ticket items such as automobiles and household durable goods. This December OSPB forecast anticipates FY 2010-11 excise tax revenues to increase 8.9 percent, up from the previously forecasted increase of 8.1 percent in September.

Note that there are numerous legislative impacts included in the current excise tax forecast. Prior to legislative impacts, excise taxes are forecast to only increase by 1.4 percent. However, the impact of legislative changes, equal to roughly \$183 million, result in a FY 2010-11 forecasted increase of excise tax revenue of 5.1 percent before adjusting for accounting accruals.

Beyond FY 2010-11, excise tax collections are expected to increase at an average rate of 6.5 percent through FY 2012-13. This anticipation of improvement is reliant upon on a stronger consumer which requires a recovery in Colorado employment.

Individual and Corporate Income Taxes

Major economic drivers of individual income tax include personal income and employment; both experienced either significant weakness or contraction during 2009 and early 2010, and both ultimately contributed to the 5.8 percent decrease in individual income tax collections for FY 2009-10.

This December 2010 OSPB forecast continues to show an increase in tax receipts for FY 2010-11 of 4.8 percent; however, without legislative impacts adding nearly \$58.0 million and favorable accrual accounting adjustments providing an additional \$45.0 million, growth in individual income tax receipts would have been limited to 2.3 percent.

For FY 2010-11 and beyond, this December 2010 forecast has Colorado individual income tax receipts returning near long-term annual average growth rates of 8.0 percent. These forecast results include various tax exemptions and credits, some of which will phase out near the end of the forecast horizon.

Colorado's corporate revenue is built upon an apportionment of global or national-level corporate profits (based on sales in Colorado). The recent strength in U.S. corporate profits helped drive higher Colorado corporate tax revenue for FY 2009-10; however, recent downward

revisions to the national corporate profits forecast have weakened near-term revenue projections. The current forecast has revenues decreasing by 0.3 percent for FY 2010-11 - an unfavorable accrual adjustment of roughly \$11.1 million dollars offsets otherwise modest increases projected in the current fiscal year. Favorable accrual adjustments as well as positive legislative impacts are projected help to support growth in corporate income tax revenue in both FY 2011-12 and 2012-13.

The national forecast for 2011 has decreased slightly from September, but forecasts for 2012 and 2013 are pointing towards higher growth rates. Colorado was late to join the U.S. in the recession and consequently is recovering slower relative to the U.S. overall. How the slow recovery translates into tax revenue is difficult to ascertain. Individual income tax revenue constitutes the majority of General Fund revenue for the State and is closely linked to personal income growth. Colorado revenue receipts will therefore struggle to return to healthy growth rates until personal income and employment show sustained improvement.

Table 3
Colorado General Fund – Revenue Estimates by Tax Category
(Accrual Basis, Dollar Amounts in Millions)

Line No.	Category	Preliminary		December 2010 Estimate by Fiscal Year					
		FY 2009-10	% Chg	FY 2010-11	% Chg	FY 2011-12	% Chg	FY 2012-13	% Chg
	Excise Taxes:								
1	Sales	\$1,825.0	-5.5%	\$1,978.0	8.4%	\$2,143.4	8.4%	\$2,251.4	5.0%
2	Use	\$155.7	-11.9%	\$189.7	21.8%	\$202.4	6.7%	\$214.4	5.9%
3	Cigarette	\$40.8	-6.0%	\$40.6	-0.7%	\$41.1	1.3%	\$41.6	1.1%
4	Tobacco Products	\$16.1	22.4%	\$12.7	-21.2%	\$15.1	19.1%	\$15.8	4.7%
5	Liquor	\$35.4	1.3%	\$37.0	4.4%	\$38.1	2.8%	\$38.7	1.7%
6	Total Excise	\$2,073.1	-5.7%	\$2,258.0	8.9%	\$2,440.1	8.1%	\$2,561.8	5.0%
	Income Taxes:								
7	Net Individual Income	\$4,083.8	-5.8%	\$4,281.5	4.8%	\$4,605.5	7.6%	\$4,971.9	8.0%
8	Net Corporate Income	\$372.1	27.2%	\$370.8	-0.3%	\$468.3	26.3%	\$497.7	6.3%
9	Total Income	\$4,455.9	-3.7%	\$4,652.3	4.4%	\$5,073.8	9.1%	\$5,469.7	7.8%
10	Less: State Education Fund Diversion	\$329.0	-3.2%	\$334.9	1.8%	\$365.3	9.1%	\$393.8	7.8%
11	Total Income to General Fund	\$4,126.9	-3.7%	\$4,317.4	4.6%	\$4,708.5	9.1%	\$5,075.9	7.8%
	Other Revenues:								
12	Estate	\$0.2	700.0%	\$0.0	N/A	\$0.0	N/A	\$0.0	N/A
13	Insurance	\$186.9	-2.9%	\$193.0	3.3%	\$200.3	3.8%	\$207.8	3.8%
14	Interest Income	\$10.1	7.7%	\$3.8	-62.3%	\$12.8	235.6%	\$17.4	36.5%
15	Pari-Mutuel	\$0.5	17.2%	\$0.8	54.0%	\$0.9	5.9%	\$0.9	6.5%
16	Court Receipts	\$17.8	-26.1%	\$2.3	-87.0%	\$0.0	N/A	\$0.0	N/A
17	Gaming	\$16.2	476.3%	\$33.2	104.9%	\$21.9	-34.0%	\$0.0	N/A
18	Other Income	\$22.8	-19.3%	\$16.6	-27.3%	\$17.8	7.6%	\$19.3	8.2%
19	Total Other	\$254.6	-1.1%	\$249.7	-1.9%	\$253.6	1.6%	\$245.4	-3.2%
20	GROSS GENERAL FUND	\$6,454.6	-4.3%	\$6,825.1	5.7%	\$7,402.2	8.5%	\$7,883.2	6.5%
	Rebates & Expenditures:								
21	Cigarette Rebate	\$11.6	-3.9%	\$11.5	-1.6%	\$0.0	-100.0%	\$0.0	N/A
22	Old-Age Pension Fund	\$115.4	6.7%	\$99.9	-13.4%	\$102.5	2.6%	\$105.0	2.5%
23	Aged Property Tax & Heating Credit	\$7.6	44.0%	\$7.6	0.6%	\$7.7	1.0%	\$7.8	1.0%
24	Interest Payments for School Loans	\$2.2	-59.9%	\$1.3	-41.8%	\$5.6	N/A	\$8.6	N/A
25	Fire/Police Pensions	\$4.2	5.2%	\$4.1	-2.4%	\$4.3	2.9%	\$4.3	0.0%
26	Amendment 35 General Fund Expenditure	\$0.8	-14.1%	\$0.8	-0.5%	\$0.8	2.4%	\$0.9	2.0%
27	Total Rebates & Expenditures	\$141.9	4.3%	\$125.2	-11.7%	\$120.9	-3.5%	\$126.5	4.6%

Revenue and expenditure figures above reflect actions from the 2009 and 2010 legislative sessions. Please refer to the table on page 4 of this document for a summary of these actions.

CASH FUNDS

Table 4 summarizes the forecast for seven major cash fund categories and total cash fund revenue collections. The following describes some of the main considerations that influence expectations in the December 2010 cash fund forecast. OSPB projects that \$2.4 billion in cash fund revenue will be collected in FY 2010-11, a 14.0 percent increase from FY 2009-10.

Transportation

Transportation-related revenue, which includes revenue to the Highway Users Tax Fund, the State Highway Fund, and other miscellaneous cash funds, is expected to increase 6.0 percent in FY 2010-11 to \$1.1 billion. This projected increase is higher than the long-run average year-over-year transportation revenue growth, and is a result from weakness in auto sales in the previous fiscal year. Car and light truck demand has increased in 2010, which bolsters State revenue from vehicle registrations and licenses.

In FY 2009-10, transportation-related revenue increased 14.9 percent, attributable largely to increased revenue collections for vehicle licenses and registrations, as a result of major legislative changes adopted with the passage of SB 09-108.

Limited Gaming

The following table outlines anticipated collection and distribution patterns of total gaming revenues. FY 2010-11 total revenues from gaming are projected to increase 3.1 percent over FY 2009-10, to \$114.7 million. Of this total projected FY 2010-11 limited gaming revenue, \$11.5 million is anticipated to be attributable to extended limited gaming changes approved by Amendment 50 and is exempt from TABOR limitation; the remaining \$103.2 million is thus TABOR eligible revenue and is shown on Table 4 of this forecast.

Based on this December 2010 OSBP forecast, revenues will not fully support General Fund appropriations for FY 2010-11 and will therefore, per 12-47.1-701 C.R.S. (2010), cause limited gaming revenues that would otherwise be distributed to travel and tourism promotion, State Council on the Arts, new job incentives, film incentives, and the Clean Energy funds to instead flow to the General Fund. This change in distribution of gaming revenues to the General Fund will result in an additional \$33.2 million for General Fund balancing efforts, but will also result in programs within the Governor's Offices of Economic Development and Energy receiving no new revenue for FY 2011-12 (as limited gaming revenue transfers occur at the end of each fiscal year, and are available for appropriation in the subsequent fiscal years' budget).

The following table includes the impact associated with the Governor's proposal to protect a portion of limited gaming revenues to the Office of Economic Development and International Trade for jobs promotion, film incentives, travel and tourism promotion, and Council on the Arts.

December 2010 Revenue Forecast

Distribution of Limited Gaming Revenues	FY09-10	FY10-11	FY11-12	FY 12-13
A. Total Limited Gaming Revenues	\$111.2	\$114.7	\$121.8	\$129.7
Annual Percent Change	12.4%	3.1%	6.2%	6.4%
A1. Gaming Revenues Not from Taxes	\$3.6	\$2.5	\$2.5	\$2.5
A2. Gaming Revenues Related to Taxes	\$107.7	\$112.2	\$119.3	\$127.2
B. Base Limited Gaming Revenues (max 3% growth)	\$97.8	\$100.7	\$103.7	\$106.8
Annual Percent Change	3.0%	3.0%	3.0%	3.0%
B1. Amount Off the Top for Administration	(\$12.5)	(\$12.5)	(\$12.5)	(\$12.5)
B2. Additional Revenue not from Taxes (=A1)	\$3.6	\$2.5	\$2.5	\$2.5
B3. Amount for Distribution to Existing Recipients	\$88.8	\$90.7	\$93.7	\$96.8
C. Extended Limited Gaming Revenues (=A-B-A1)	\$9.9	\$11.5	\$15.6	\$20.4
Annual Percent Change	N/A	15.8%	36.0%	30.3%
C1. Amount Off the Top for Administration	(\$1.4)	(\$1.4)	(\$1.4)	(\$1.4)
C2. Amount for Distribution	\$8.5	\$10.1	\$14.2	\$19.0
C3. Amount to Existing Recipients	\$0.5	\$0.6	\$0.9	\$1.1
C4. Amount to New Recipients	\$8.0	\$9.5	\$13.4	\$17.8
D. Total Amount to Existing Recipients (=B3+C3)	\$88.8	\$91.3	\$94.5	\$97.9
Amount to State Historical Society	\$24.9	\$25.6	\$26.5	\$27.4
Amount to Counties	\$10.7	\$11.0	\$11.3	\$11.8
Amount to Cities	\$8.9	\$9.1	\$9.5	\$9.8
Amount to Distribute to Remaining Programs	\$44.4	\$45.6	\$47.3	\$49.0
Amount to Local Government Impact Fund	\$3.8	\$5.9	\$6.1	\$6.4
Colorado Tourism Promotion Fund	\$14.1	\$0.0	\$10.1	\$21.8
New Jobs Incentives Fund	\$1.3	\$0.0	\$1.6	\$3.4
State Council on the Arts Fund	\$1.1	\$0.0	\$0.8	\$1.7
Film Incentives Fund	\$0.4	\$0.0	\$0.3	\$0.7
Colorado Office of Economic Development	\$0.0	\$0.0	\$0.0	\$0.0
Bioscience Discovery Evaluation Fund	\$5.5	\$5.5	\$5.5	\$0.0
Innovative Higher Education Research Fund	\$2.0	\$1.0	\$1.0	\$1.0
Colorado Department of Transportation	\$0.0	\$0.0	\$0.0	\$0.0
Clean Energy Fund	\$0.0	\$0.0	\$21.9	\$13.9
Transfer to the General Fund	\$16.2	\$33.2	\$0.0	\$0.0
E. Total Amount to New Recipients (=C4)	\$8.0	\$9.5	\$13.4	\$17.8
Community Colleges, Mesa and Adams State (78%)	\$6.3	\$7.4	\$10.4	\$13.9
Counties (12%)	\$1.0	\$1.1	\$1.6	\$2.1
Cities (10%)	\$0.8	\$0.9	\$1.3	\$1.8

Capital Construction – Interest

For information regarding capital construction, please locate the attached appendix at the end of this forecast for detailed calculations and narrative summary.

Regulatory Cash Funds

The Colorado Department of Regulatory Agencies is primarily cash funded by regulated entities. The Department collects fees from professional licensing, registration, and public utilities which are set based on legislative appropriations specific to operating and regulatory oversight expenses. Cash fund revenue is expected to equal \$64.8 million in FY 2010-11, a 3.7 percent decrease from final FY 2009-10 revenues.

Insurance Related

Insurance-related cash fund revenue includes all insurance premiums collected for major medical insurance, subsequent injury, and worker's compensation. State revenues include the per-employee surcharge collected plus any interest earned on existing fund balances for these programs.

Legislative changes have notably altered revenue patterns for this category. During the 2009 legislative session, the General Assembly passed SB 09-279, which resulted in the transfer of \$26.5 million from the Major Medical Insurance Fund to the General Fund in FY 2009-10. This effect, coupled with lower revenues from per-employee surcharges due to heightened State unemployment, resulted in revenues declining 16.7 percent in FY 2009-10, to \$42.9 million.

Beginning in FY 2010-11, revenue to the major medical insurance and subsequent injury funds is projected to be further reduced pursuant to SB 09-037. Per this legislation, annual revenues for these two programs cannot exceed the amount needed to cover annual operating expenditures from the funds in the following fiscal year, and can only be collected if and when the existing fund balances for these programs fall below a defined limit. The defined limit was set to equal the portion of the TABOR reserve currently defined to be supported by the Major Medical Insurance Fund). Prior to SB 09-037, revenue was deposited into the funds with the objective of achieving actuarial sufficiency to pay present and future claims for benefits. Based on the aforementioned influences, insurance-related revenue is anticipated to decline 50.8 percent in FY 2010-11, to \$21.1 million.

Hospital Provider Fees

HB 09-1293 established the Health Care Affordability Act of 2009, which is intended to provide a payer source for some low-income and uninsured populations who would otherwise receive uncompensated care. Hospital provider fees, sanctioned by HB 09-1293, are intended to increase Medicaid reimbursements to hospitals paying the fee. Fees are paid by most hospitals in the State and will be equivalent to a per-day payment for inpatient hospital services and a percentage of charges for outpatient hospital services. The revenue collected from provider fees may be used as the State share of Medicaid expenditures to obtain a federal match.

HB 09-1293 is projected to increase cash fund revenue by \$432.7 million in FY 2010-11 and \$578.9 million in FY 2011-12. In FY 2009-10, the first year in which provider fee revenue was collected, hospital provider fee revenue totaled \$302.9 million.

Severance Taxes and Federal Mineral Lease Revenues

Severance tax revenue collections are expected to total \$145.2 million in FY 2010-11 and \$179.5 million in FY 2011-12, reflective of the continued suppression of natural gas prices due to an imbalance of supply and demand. However, since even minor changes in natural gas price assumptions can drive significant changes in severance tax revenue collections, and are further magnified by legislative implications from the ad valorem property tax credit available to energy producers, such forecasts should always be considered with great caution.

When federal lands are leased for mineral extraction, the federal government and the State of Colorado realize a share of the revenue from the leases. The table below outlines the revised Federal Mineral Lease (FML) payments by bonus and non-bonus revenues. FML revenue is augmented by bonus payments, the result of a bidding process by which mining rights on federal land are awarded. Total FML revenues are projected to increase as the economy recovers and production on federal lands increases. As FML revenues directly affect available funding for certification of participation payments for higher education and capital construction, please refer to the attached appendix for further information about how these revised forecasts affect construction obligations.

Federal Mineral Lease (FML) Payments (in millions)				
Fiscal Year	Bonus Payments	Non-Bonus Payments	Total FML	Percent Change
FY 2008-09	\$62.5	\$164.8	\$227.3	N/A
FY 2009-10	\$5.2	\$117.2	\$122.5	-46.1%
FY 2010-11	\$9.2	\$114.7	\$123.9	1.2%
FY 2011-12	\$12.2	\$121.8	\$134.0	8.2%
FY 2012-13	\$13.2	\$131.6	\$144.7	8.0%

Note that FML revenues and other transfers from the federal government are not state-generated revenues and are therefore exempt from TABOR. As such, the amounts above are not reflected in the cash fund revenue forecast shown in Table 4.

Table 4
Cash Fund Revenue Forecasts by Major Category
(Dollar Amounts in Millions)

Category	Preliminary FY 2009-10	December 2010 Estimate by Fiscal Year			FY 2009-10 to FY 2012-13 CAAGR *
		FY 2010-11	FY 2011-12	FY 2012-13	
Transportation-Related /A	\$1,059.5	\$1,123.5	\$1,130.9	\$1,145.9	
Change	14.9%	6.0%	0.7%	1.3%	2.6%
Limited Gaming Fund /B	\$101.2	\$103.2	\$106.2	\$109.3	
Change	2.3%	2.0%	2.9%	2.9%	2.6%
Capital Construction - Interest	\$3.3	\$2.9	\$1.1	\$1.1	
Change	-67.4%	-11.1%	-60.8%	-1.9%	-30.1%
Regulatory Agencies	\$67.3	\$64.8	\$66.1	\$67.7	
Change	-13.9%	-3.7%	2.0%	2.4%	0.2%
Insurance-Related /C	\$42.9	\$21.1	\$19.8	\$21.0	
Change	-16.7%	-50.8%	-6.2%	6.1%	-21.2%
Severance Tax /D	\$48.2	\$145.2	\$179.5	\$185.8	
Change	-85.7%	201.0%	23.6%	3.5%	56.8%
Medicaid Hospital Provider Fees	\$302.9	\$432.7	\$578.9	\$705.1	
Change	N/A	42.9%	33.8%	21.8%	N/A
Other Miscellaneous Cash Funds	\$463.3	\$487.3	\$493.4	\$507.1	
Change	-5.0%	5.2%	1.3%	2.8%	3.1%
TOTAL CASH FUND REVENUE	\$2,088.6	\$2,380.7	\$2,576.0	\$2,743.1	
Change	-12.0%	14.0%	8.2%	6.5%	9.5%

* CAAGR: Compound Annual Average Growth Rate.

/A Revenues beginning in FY 2009-10 include the impact of SB 09-108 (FASTER).

/B Revenues exclude any impact from Amendment 50 as these revenues are exempt from TABOR. Exempted revenues are projected based on the formula outlined per HB 09-1272.

/C Pursuant to SB 09-037, beginning in FY 2010-11 the Workers' Compensation surcharge that is applicable for the Major Medical and Subsequent Injury cash fund will no longer be applied until the available balance in said fund falls below the unrestricted cash fund balance plus one year's worth of direct and indirect operating expenses for these programs.

/D The forecast of severance taxes was discussed with Legislative Council Staff per SB 07-253 prior to release of this forecast.

COLORADO ECONOMIC FORECAST

Colorado's recovery from the recession continues at a slow pace. Many economists agree that Colorado is in the early stages of recovery, but is lagging the nation. The fall of 2010 brought forth additional action taken by the Federal Open Market Committee to influence monetary policy. The decision to pursue further accommodative monetary policy was in-part reactive to national forecasts that are showing a higher probability of slower growth in 2011. The December Colorado economic forecast incorporates the national economic forecast and now reflects slower growth in 2011 as labor markets have been slow to recover and income levels have remained flat.

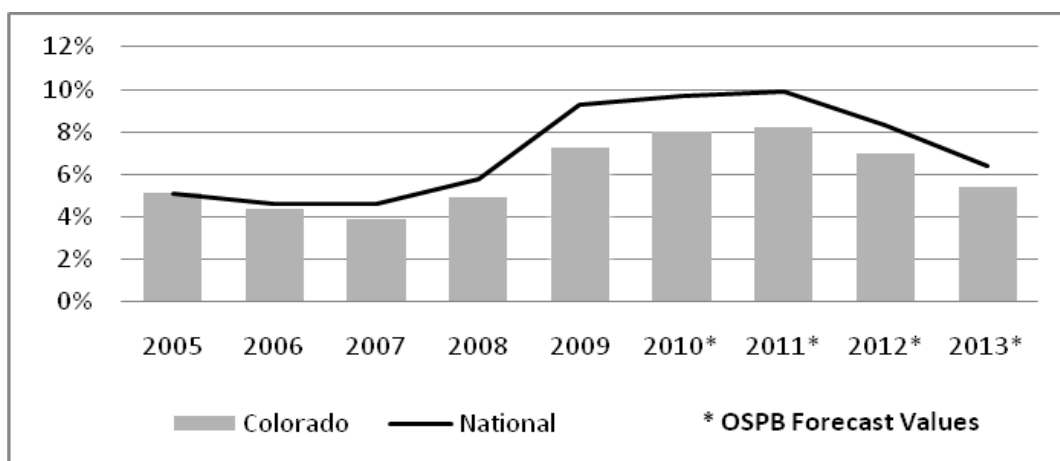
EMPLOYMENT

Employment growth in the State continues to lag the nation as the recovery sets in – while Colorado didn't lose as many jobs on average, it is not adding back the jobs it did lose as rapidly. Despite employment growth in September and October, year-to-date losses still equal 1,000 jobs.

Annually, Colorado nonagricultural employment decreased by 4.5 percent in 2009 and is expected to contract again at a rate of 1.4 percent for 2010. Employment growth of 1.9 percent is expected on average from 2011 through 2013.

The unemployment rate in Colorado is forecast at 8.0 percent for 2010. That is up from 7.3 percent for 2009; however, this 2010 projection remains roughly two percentage points below the forecasted national rate. Sluggish employment growth will keep the unemployment rate above 5.0 throughout the forecast horizon.

Colorado and National Unemployment Rates



Source: U.S. Department of Labor, Bureau of Labor Statistic

WAGES AND INCOME

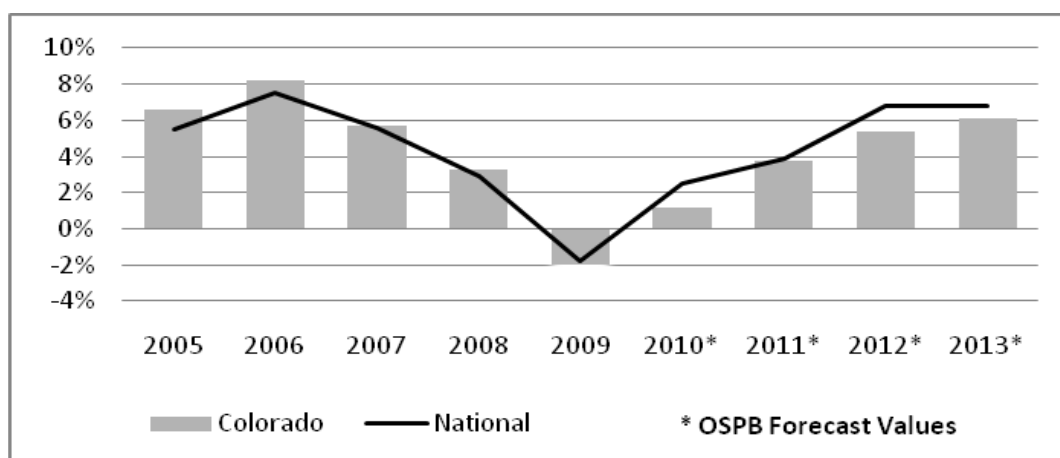
The second quarter of 2010 was the fourth consecutive quarterly increase in Colorado nominal personal income since early 2009. Although Colorado is seeing growth in personal income, the

driver of that growth has not been significantly due to earnings. Personal income consists of private and government wage and salary income, proprietors' income, government transfer receipts, and interest and dividend income earned on assets.

Components of Personal Income	2009Q2	Percent of Total	2010Q2	Percent of Total
A. Wages and Salary	\$112,072	53.5%	\$113,701	52.9%
B. Supplements to Wages and Salaries	\$25,997	12.4%	\$27,056	12.6%
C. Proprietor's Income	\$22,957	11.0%	\$23,698	11.0%
D. Earnings (A+B+C)	\$161,007	76.9%	\$164,455	76.5%
E. (Government Social Insurance)	(\$16,517)	-7.9%	(\$16,939)	-7.9%
F. Adjustment for Residence	\$449	0.2%	\$457	0.2%
G. Dividends, Interest, and Rent	\$38,230	18.3%	\$38,647	18.0%
H. Personal Transfer Receipts	\$26,213	12.5%	\$28,294	13.2%
I. Total Personal Income (D+E+F+G)	\$209,382		\$214,914	
J. Percent Change from 2009Q2			2.6%	

Colorado personal income is forecast to increase by 1.1 percent in 2010. Annual average growth for personal income of 5.1 percent is forecast from 2010 through 2013.

Colorado and National Personal Income



Source: U.S. Department of Labor, Bureau of Labor Statistics

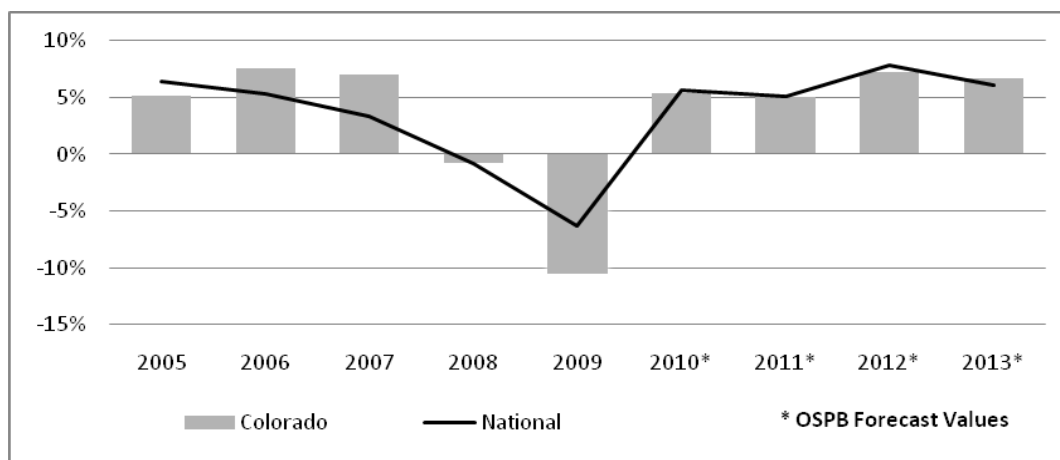
RETAIL TRADE

Growth in retail trade is contingent upon a confident consumer. Although national indices are suggesting that confidence is growing month-over-month, weak personal income and depressed housing prices introduce uncertainty as to how quickly Colorado consumers will return to buying large ticket items. One possible offsetting argument is Colorado's recent ranking of having the second highest credit card debt per person in the country.¹ This could, in-part, be supporting

¹ <http://www.9news.com/news/article.aspx?storyid=163643&catid=339>

retail trade activity in the near term. Projected retail trade growth of roughly 5.0 percent is forecast for both 2010 and 2011.

Change in Colorado Retail Trade Sales



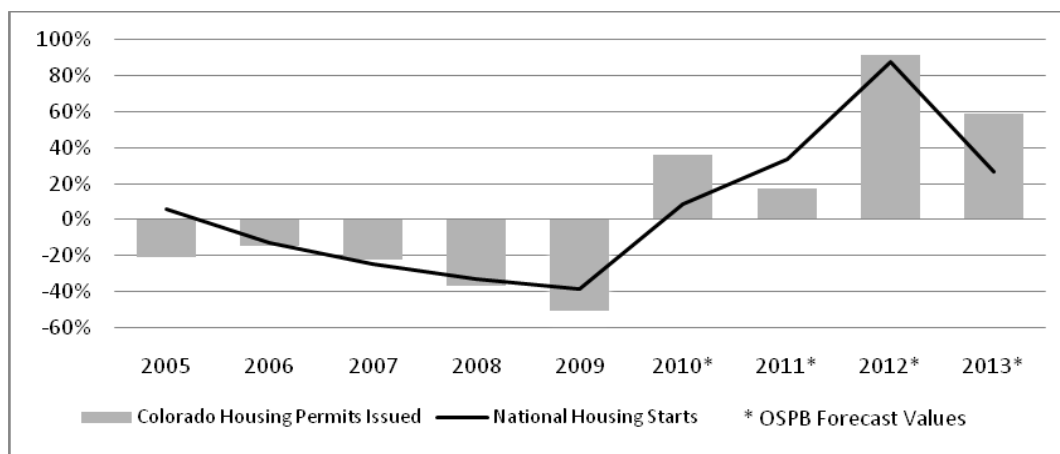
Source: Colorado Department of Revenue

CONSTRUCTION

Colorado nonresidential construction activity has remained weak since 2008. Colorado experienced back to back contractions in nonresidential construction of 12.5 percent and 22.4 percent during 2008 and 2009. A jump in late summer construction significantly revised previously forecast contraction of 21.0 percent in September to a lesser contraction of 6.1 percent. This December OSPB forecast still does not show a recovery to pre-recession levels by 2013.

Residential housing permits in Colorado ended down 50.8 percent in 2009. The OSPB forecast for 2010 is an increase of 36.2 percent in permits. This is an increase from the September forecast of 19.3 percent. There has been a large increase in multi-family units as builders anticipate a stronger rental market in the future as home ownership becomes more difficult.

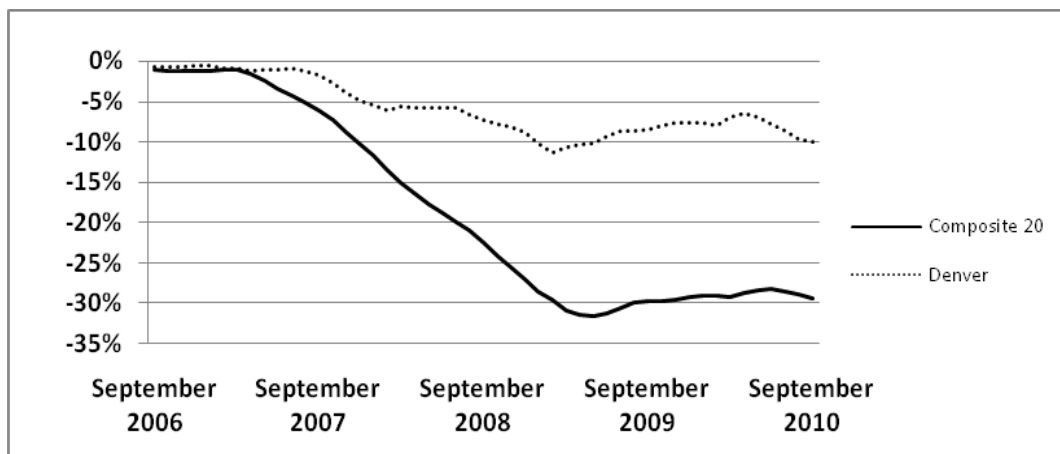
Change in Colorado and U.S. Housing Starts



METROPOLITAN HOME PRICE VALUES

Although Colorado home prices have fared better than the nation as a whole throughout the recession, the housing market continues to be a risk to the economic recovery in Colorado. Colorado ranks in the top ten for most foreclosures nationwide.² Until the glut of foreclosed homes on banks' balance sheets are written off, the housing market will remain weak holding prices at depressed levels.

Change in Metropolitan Home Price Values



Source: S&P/Case-Shiller Home Price Indices (not seasonally adjusted)

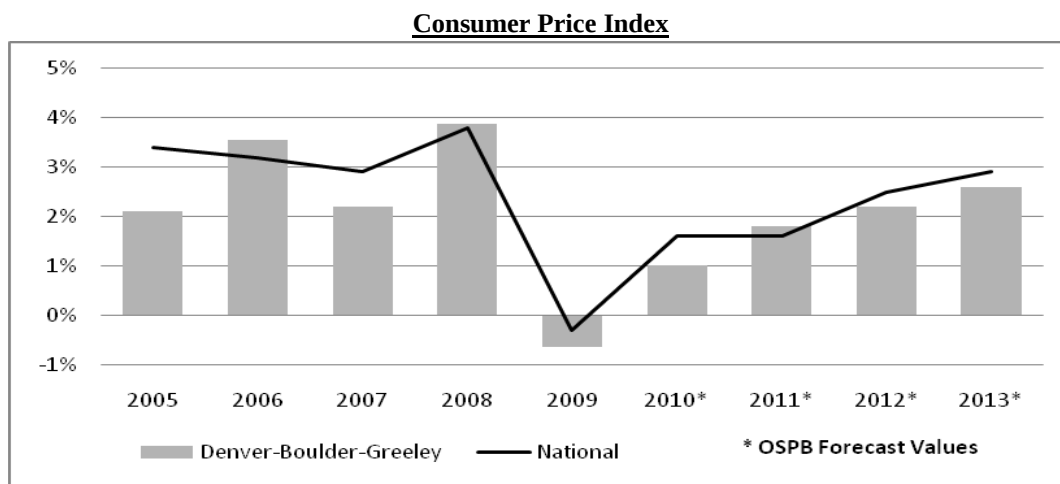
INFLATION

The U.S. consumer price index (CPI) is a measure of the average change in prices over time. The index represents spending behavior for urban consumers and wage earners who represent roughly 87.0 percent of the total U.S. population. The index is a basket of “representative” goods and services such as food, housing, medical care, transportation and education among others. The percentage change in the CPI, period to period, is the inflation rate. The Denver-Boulder-Greeley CPI is measured by the Bureau of Labor Statistics at a bi-annual frequency.

As is the case at the national level, inflation expectations in Colorado are quite moderate in the near term. Calendar year 2009 realized an annual deflation rate of 0.7 percent in Colorado. Sluggish employment growth and weak personal consumption should hold inflation below historical averages in 2010.

This OSPB forecast projects 1.0 percent annual inflation in Colorado during 2010 with only modest increases throughout the forecast horizon.

² <http://insiderealestatenews.com/2010/11/colorado-no-10-for-foreclosures-3/>



Source: U.S. Department of Labor, Bureau of Labor Statistics

POPULATION AND MIGRATION

Population in Colorado is forecast to grow by 1.7 percent in 2010. The population growth rate has remained relatively steady over the past five years and is forecast to remain near 1.7 percent through 2013.

RISKS TO THE FORECAST

The combined effects of high unemployment, reduced personal income, and the weak housing market leaves most Coloradoans in an uncertain position with regards to their wealth and ability to spend. In addition, small businesses have been slow to expand even in an environment of historically low interest rates. Retail trade and construction activity go hand in hand with a flourishing Colorado economy. This requires the expectation of sustained growth. At this point in time, although we are seeing signs of economic stabilization and a return to growth, households and business owners are still risk averse in their decision making.

Table 5
History and Forecast for Key Colorado Economic Variables (Calendar Years 2006-2013)

Line No.		Actual				Forecast			
		2006	2007	2008	2009	2010	2011	2012	2013
	Current Income								
1	Personal Income (Billions) /A	\$194.4	\$205.5	\$212.3	\$207.7	\$210.2	\$218.2	\$230.0	\$244.1
2	Change	8.2%	5.7%	3.3%	-2.2%	1.2%	3.8%	5.4%	6.1%
3	Wage and Salary Income (Billions)	\$105.8	\$112.6	\$116.6	\$112.6	\$113.0	\$117.6	\$124.4	\$132.7
4	Change	7.0%	6.4%	3.6%	-3.5%	0.4%	4.1%	5.8%	6.7%
5	Per-Capita Income (\$/person)	\$40,912.0	\$42,444.0	\$42,985.0	\$40,961.6	\$40,765.7	\$41,644.4	\$43,194.1	\$45,044.4
6	Change	6.2%	3.7%	1.3%	-4.7%	-0.5%	2.2%	3.7%	4.3%
	Population & Employment								
7	Population (Thousands)	4,802.7	4,892.1	4,982.9	5,070.6	5,156.3	5,239.6	5,324.8	5,419.1
8	Change	1.9%	1.9%	1.9%	1.8%	1.7%	1.6%	1.6%	1.8%
9	Net Migration (Thousands)	47.9	49.1	51.9	47.5	43.7	39.2	40.9	63.1
10	Civilian Unemployment Rate	4.4%	3.9%	4.9%	7.3%	8.0%	8.2%	7.0%	5.4%
11	Total Nonagricultural Employment (Thousands)	2,279.1	2,331.3	2,350.3	2,244.2	2,212.8	2,237.1	2,286.3	2,341.2
12	Change	2.4%	2.3%	0.8%	-4.5%	-1.4%	1.1%	2.2%	2.4%
	Construction Variables								
13	Total Housing Permits Issued (Thousands)	38.3	29.5	19.0	9.4	12.8	15.0	28.7	45.7
14	Change	-16.4%	-23.2%	-35.5%	-50.5%	36.2%	17.2%	91.3%	59.2%
15	Nonresidential Construction Value (Millions) /B	3,242.0	3,578.8	3,130.7	2,430.5	2,281.4	2,942.3	2,993.4	3,064.0
16	Change	-2.2%	10.4%	-12.5%	-22.4%	-6.1%	29.0%	1.7%	2.4%
	Prices & Sales Variables								
17	Retail Trade (Billions) /C	\$70.4	\$75.4	\$74.8	\$66.9	\$70.5	\$74.1	\$79.5	\$84.8
18	Change	7.6%	7.0%	-0.8%	-10.5%	5.4%	5.1%	7.3%	6.7%
19	Denver-Boulder-Greeley Consumer Price Index (1982-84=100)	197.7	202.0	209.9	208.5	210.5	214.3	219.0	224.8
20	Change	3.6%	2.2%	3.9%	-0.6%	1.0%	1.8%	2.2%	2.6%

/A Personal Income as reported by the federal Bureau of Economic Analysis includes: wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustments, personal dividend income, personal interest income, and personal current transfer receipts, less contributions from government social insurance.

/B Nonresidential Construction Value is reported by Dodge Analytics (McGraw-Hill Construction) and includes new construction, additions, and major remodeling projects predominately at commercial (excluding hotels) and manufacturing facilities, educational institutions (excluding dormitories), medical and government buildings. Nonresidential does not include non-building projects (such as streets, highways, bridges and utilities).

/C Retail Trade includes motor vehicles and automobile parts, furniture and home furnishings, electronics and appliances, building materials, sales at food and beverage stores, health and personal care, sales at convenience stores and service stations, clothing, sporting goods / books / music, and general merchandise found at warehouse stores and internet purchases. In addition, the above dollar amounts include sales from food and drink vendors (bars and restaurants).

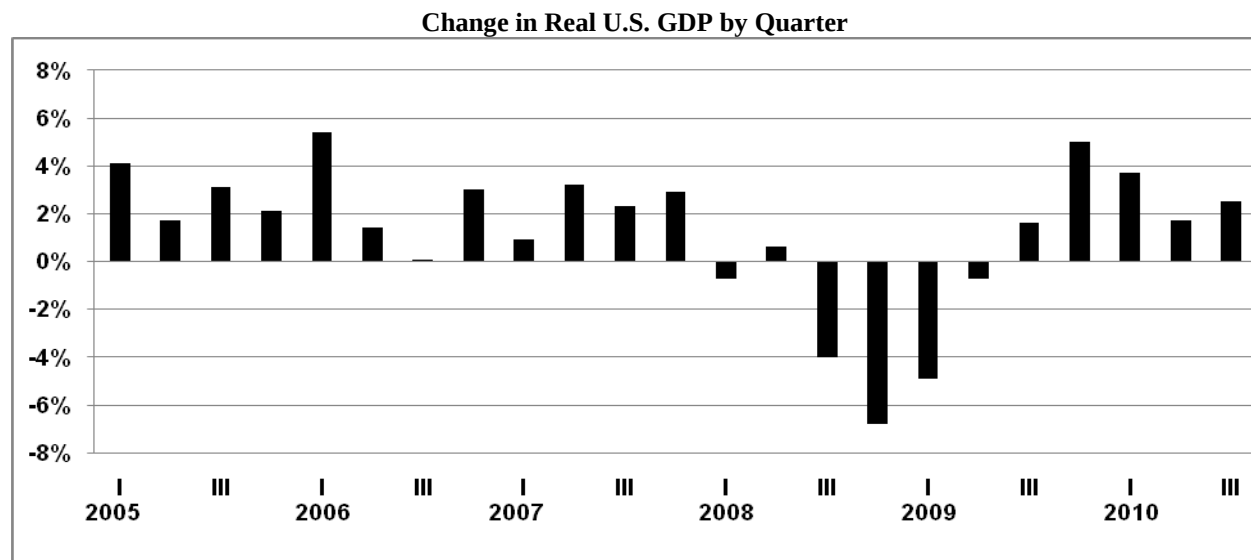
NATIONAL ECONOMIC FORECAST

Since the September 2010 forecast, U.S. economic data have been generally weak, consistent with weakened final demand and the tapering of an inventory cycle and fiscal stimulus. In fact, as response to its assessment of the current economic trajectory, the Federal Open Market Committee (FOMC) recently unveiled plans for further quantitative easing as it plans to purchase \$600 billion of longer-term Treasuries by June 2011.

Housing market improvement, labor market circumstances, and the overall condition of household balance sheets remain critical to the strength of the recovery. However, persistently high unemployment continues to constrain consumer spending and thus slows overall economic growth. This OSPB forecast continues to anticipate improvement in the national economy in calendar years 2010 and 2011, however generally at rates slightly less than those projected in September 2010.

GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given time period. GDP in the United States is reported quarterly by the U.S. Department of Commerce's Bureau of Economic Analysis. GDP is estimated as the sum of final-expenditure components: personal consumption expenditures (consumer spending), gross private domestic investment, net exports (exports of goods and services less imports of goods and services) and government consumption expenditures and gross investment (government spending).



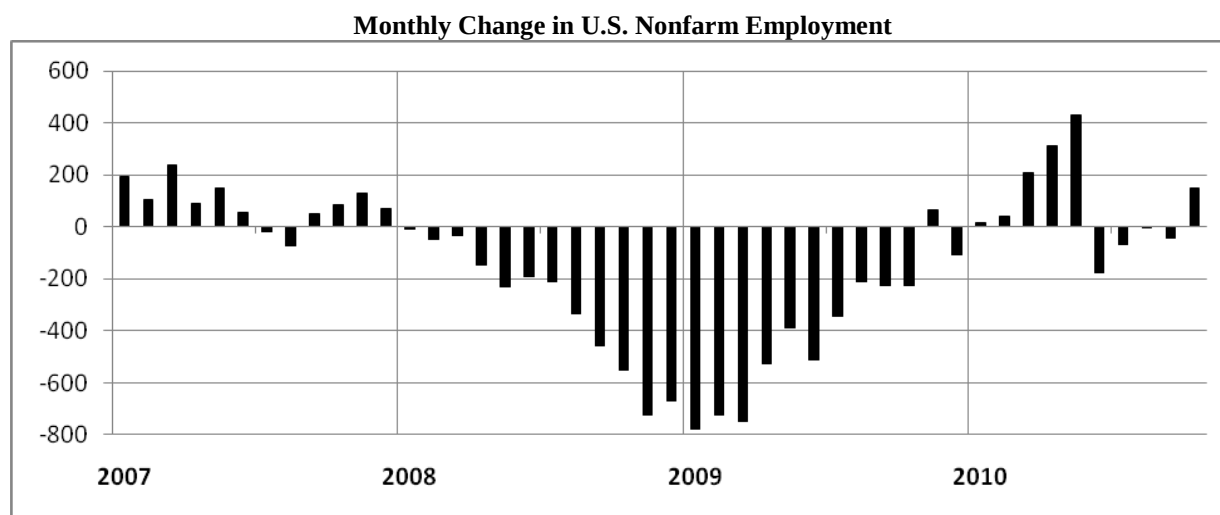
Source: U.S. Department of Commerce, Bureau of Economic Analysis. Data is provided on a quarterly basis, seasonally adjusted, and based on chained 2005 dollars.

According to the U.S. Bureau of Economic Analysis (BEA), real GDP increased 2.0 percent in the third quarter of 2010. In the second quarter of 2010 it had increased 1.7 percent. The increase in the third quarter reflected positive contributions from personal consumption expenditures, private inventory investment, nonresidential fixed investment, federal government spending, and exports. Imports, a subtraction in the calculation of GDP, increased in the third quarter.

While still well below levels seen following previous recessionary periods and not substantial enough to indicate a rapid return to economic health, this forecast projects an increase to real GDP in 2010 by 2.9 percent; 3.0 percent in 2011.

EMPLOYMENT

The U.S. Bureau of Labor and Statistics (BLS) October 2010 release of employment data indicates that nonfarm payroll employment increased by 151,000 in October. The unemployment rate of 9.6 percent has remained basically unchanged since May. The number of long-term unemployed (those jobless for at least 27 weeks) was little changed at 6.2 million. In October, 41.8 percent of unemployed persons had been jobless for 27 weeks or more.

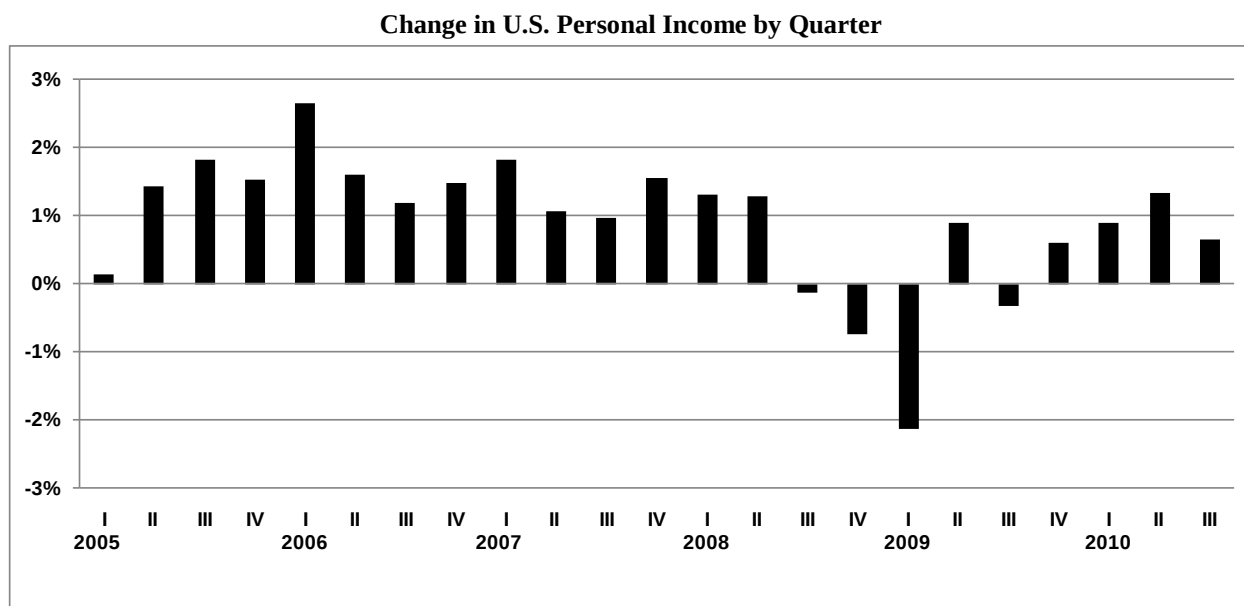


Source: U.S. Department of Labor (Bureau of Labor Statistics), Current Employment Statistics survey series CES0000000001. Data is for all employees, thousands, seasonally adjusted.

This forecast projects a national unemployment rate of 9.9 percent in 2010 and 8.3 percent in 2011. Total nonagricultural employment is expected to be 130.2 million in 2010 and 131.5 million in 2011. Job creation typically lags in the course of economic recoveries and is not anticipated to return as quickly following this recession as it did following prior periods of economic downturns.

PERSONAL INCOME

U.S. personal income consists of private and government wage and salary income, proprietors' income, government transfer receipts, and interest and dividend income earned on assets. Real personal income has been growing modestly since the first quarter of 2009. Real wage and salary income, the largest component of personal income, has experienced slow growth since the third quarter of 2009. Real consumer spending has just recently surpassed its pre-recession peak.



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

RETAIL TRADE

Recent economic data suggests that national retail trade is improving. Despite weakness in personal income and wages and salary growth, October 2010 Census Bureau advance estimates of U.S. retail trade sales were up 1.3 percent from September 2010 and up 7.7 percent from the prior year. Auto and other motor vehicle dealer sales were up 14.7 percent from October 2009 and non-store retail sales were up 13.5 percent from last year.

INTEREST RATES

This forecast projects the federal funds rate to average 0.2 percent in 2010 and 0.2 percent in 2011. The Federal Open Market Committee (FOMC) recently agreed to purchase additional longer-term securities, as it did in 2008 and 2009. The FOMC intends to buy an additional \$600 billion of longer-term Treasury securities by mid-2011. Purchases of longer-term securities are a less familiar monetary policy tool than cutting short-term interest rates, which are currently very low. Following news of the FOMC decision, stock prices rose and long-term interest rates fell. Reduced long-term interest rates and higher stock prices are intended to promote economic growth. Stock market improvement may have wealth effects and bolster consumer confidence.

INFLATION

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in October 2010 on a seasonally adjusted basis, and the all items index has increased 1.2 percent over the course of the last 12 months before seasonal adjustment. The consumer price index is forecast to increase 1.6 percent in 2010 and 1.6 percent in 2011 as consumer spending increases and the labor market stabilizes. The high level of slack present in the labor market is expected to minimize upward wage and price pressures in 2010 and 2011. There is some debate over whether the current round of quantitative easing could have dramatic inflationary consequences. However, it is not clear that the increase in bank reserves will immediately increase bank lending, demand, and thus prices because it is not clear that reserve requirements are the principal factor limiting bank lending.

RISKS TO THE FORECAST

The rate of recovery remains inconsistent and uncertain. Labor market conditions and consumer expectations are critical to the recovery, and clear, continuous improvement in these variables remains unobservable. Personal income, retail trade, and price pressure are greatly contingent on employment growth assumptions, and the trajectory of employment growth remains volatile. Other risks to the forecast include energy price volatility, central bank policy changes, and ambiguity regarding the direction of potential fiscal policy at the federal level due to recent electoral outcomes.

Table 6
History and Forecast for Key National Economic Variables (Calendar Years 2006-2013)

Line No.		Actual				Forecast			
		2006	2007	2008	2009	2010	2011	2012	2013
	Inflation-Adjusted & Current Dollar Income Accounts								
1	Inflation-Adjusted Gross Domestic Product (Billions) /A	\$12,972.0	\$13,227.0	\$13,225.0	\$12,888.0	\$13,230.7	\$13,631.4	\$14,312.7	\$14,924.7
2	Change	2.6%	2.0%	0.0%	-2.5%	2.7%	3.0%	5.0%	4.3%
3	Gross Domestic Product (Billions)/A	\$13,396.0	\$14,058.0	\$14,364.0	\$14,128.0	\$14,601.1	\$15,156.9	\$16,177.2	\$17,216.8
4	Change	6.0%	4.9%	2.2%	-1.6%	3.3%	3.8%	6.7%	6.4%
5	Personal Income (Billions) /B	\$11,268.1	\$11,912.0	\$12,391.0	\$12,175.0	\$12,484.9	\$19,969.1	\$13,846.8	\$14,790.2
6	Change	7.5%	5.7%	4.0%	-1.7%	2.5%	59.9%	-30.7%	6.8%
7	Per-Capita Income (\$/person)	\$37,673.4	\$39,443.7	\$40,652.9	\$39,593.5	\$40,222.0	\$63,717.6	\$43,763.6	\$46,291.7
8	Change	6.2%	4.7%	3.1%	-2.6%	1.6%	58.4%	-31.3%	5.8%
	Population & Employment								
9	Population (Millions)	299.1	302.0	304.8	307.5	310.4	313.4	316.4	319.5
10	Change	1.2%	1.0%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%
11	Civilian Unemployment Rate	4.6%	4.6%	5.8%	9.3%	9.7%	9.9%	8.3%	6.4%
12	Total Nonagricultural Employment (Millions)	136.1	137.6	137.0	130.9	130.2	131.5	134.8	139.3
13	Change	1.8%	1.1%	-0.4%	-4.5%	-0.5%	1.0%	2.5%	3.3%
	Financial Markets								
14	30-Year T-Bond Rate	4.9%	4.8%	4.3%	4.0%	4.2%	4.5%	5.8%	5.7%
15	3 Month T-Bond Rate	4.7%	4.4%	1.4%	0.1%	0.2%	0.4%	1.5%	3.2%
16	Prime Rate	8.0%	8.1%	5.1%	3.3%	3.2%	3.2%	4.4%	6.5%
17	Federal Fund Rate	5.0%	5.0%	1.9%	0.2%	0.2%	0.2%	1.4%	3.5%
	Price Variables								
18	Consumer Price Index (1982-84=100)	201.6	207.3	215.2	214.5	217.9	221.3	226.9	233.5
19	Change	3.2%	2.9%	3.8%	-0.3%	1.6%	1.6%	2.5%	2.9%
20	Producer Price Index (1982=100)	160.4	166.6	177.2	172.6	183.7	188.5	194.6	200.2
21	Change	3.0%	3.9%	6.3%	-2.6%	6.4%	2.6%	3.2%	2.9%
	Other Key Indicators								
22	Industrial Production Index (2007=100)/C	97.4	100.0	96.7	87.7	92.4	96.9	102.4	105.2
23	Change	-9.2%	2.7%	-3.3%	-9.3%	5.4%	4.9%	5.7%	2.7%
24	Corporate Profits After Tax (Billions)/A	\$1,356.3	\$1,246.0	\$1,213.2	\$1,450.8	\$1,653.8	\$1,677.1	\$1,822.9	\$1,959.7
25	Change	30.0%	-8.1%	-2.6%	19.6%	14.0%	1.4%	8.7%	7.5%
26	Housing Starts (Millions)	1,800.9	1,355.0	905.5	552.0	600.0	800.1	1,501.0	1,904.0
27	Change	-12.9%	-24.8%	-33.2%	-39.0%	8.7%	33.4%	87.6%	26.8%
28	Retail Trade (Billions)	4,312.7	4,454.4	4,409.4	4,131.8	4,363.9	4,586.2	4,944.1	5,248.0
29	Change	5.4%	3.3%	-1.0%	-6.3%	5.7%	5.3%	5.7%	5.6%

/A BEA revised NIPA component

Personal Income as reported by the federal Bureau of Economic Analysis includes: wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustments, personal dividend income, personal interest income, and personal current transfer receipts, less

/B contributions from government social insurance.

/C Base year revised by the Federal Reserve (2007=100)

GOVERNOR'S REVENUE ESTIMATING ADVISORY COMMITTEE

The Governor's Office of State Planning and Budgeting would like to thank the following individuals that provided valuable feedback on key national and Colorado-specific economic indices included in this forecast. All of these individuals possess expertise in a number of economic and financial disciplines and were extremely generous of their time and knowledge.

- John Cuddington – W.J. Coulter Professor of Mineral Economics and Professor of Economics and Business, Colorado School of Mines; President, JTC Economics+Finance LLC
- Elizabeth Garner - State Demographer, Colorado Department of Local Affairs
- Alexandra Hall - Labor Market Information Director, Colorado Department of Labor and Employment
- David McDermott, CPA - State Controller, Department of Personnel and Administration
- Ronald New - Vice President, Stifel Nicolaus
- Patricia Silverstein - President, Development Research Partners
- Richard Wobbekind - Associate Dean, Leeds School of Business; University of Colorado, Boulder

Capital Construction Forecast December 2010
Office of State Planning and Budgeting

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OSPB Capital Construction Fund Projection and Corresponding General Fund Transfer – December 20, 2010
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Capital Construction

FY 2010-11

The General Assembly passed and the Governor signed the Long Bill (HB 10-1376) which delineates the FY 2010-11 capital construction appropriation. These are the projects as appropriated and as reflected in this forecast:

OSPB Priority	Department	Request Title	FY 2010-11 Appropriation
			CCF
1	Corrections	Colorado State Penitentiary II – Certificates of Participation Payment	\$1,393,460
2	Higher Education	Anschutz Medical Campus Certificates of Participation	\$1,996,149
3	Higher Education/Treasury	Federal Mineral Lease Certificates of Participation Annual Payments	\$0
4	Personnel and Administration	Level I Controlled Maintenance	\$2,695,589
5	Revenue	Colorado Integrated Tax Architecture	\$10,177,308
	Total		\$16,262,506

The General Fund transfer for FY 2010-11 was reduced by applying available fund balances from State Land Board funds in the amounts of \$405,892 from fund 707 and \$7,028,107 from fund 853 for the Public Buildings Trust. These sources are letternoted in HB 10-1376.

The three COP payments had less Capital Construction Funds appropriated because of offsets from other fund sources. The Lease Purchase of Academic Facilities at Anschutz Medical Campus was offset by Fitzsimons fund balance, the Lease Purchase of Colorado State Penitentiary II was offset by Corrections Expansion Reserve Fund (CERF) funds, and the Lease Purchase of Academic Facilities (Federal Mineral Lease or FML), pursuant to Section 23-19.9-102, C.R.S. (2010), was covered by the Higher Education FML Revenues Fund. All three series of COPs were refinanced in FY 2009-10. The refinancing savings in FY 2010-11 reduced the General Fund transfer to the Capital Construction Fund (CCF). Please see the attached pricings at Tables CC-D, CC-E, and CC-F.

Due to budget balancing, Controlled Maintenance was funded at \$10.1 million total funds for FY 2010-11. Capital Construction Funds contributed \$2,695,589 of this amount, and the balance was offset by State Land Board funds (\$405,892 from fund 707 and \$7,028,107 from fund 853 [$\$10,129,588 - \$405,892 - \$7,028,107 = \$2,695,589$]).

FY 2011-12

On November 1, 2010, Governor Ritter submitted the prioritization for FY 2011-12 capital construction projects through the Office of State Planning and Budgeting. For FY 2011-12, the Governor recommends funding \$84,844,072 in capital construction projects, of which \$51,727,123 are Capital Construction Funds. The projects recommended for funding are as follows:

OSP Priority	Department or Institution	Request Title	FY 2011-12 Request			
			TF	CCF	CF	FF
1	Higher Education	Federal Mineral Lease COPs	\$12,446,300	\$4,066,510	\$8,379,790	\$0
2	CU Health Sciences	Anschutz Medical Campus COPs	\$13,144,350	\$5,144,350	\$8,000,000	\$0
3	Corrections	CSP II COPs	\$18,434,900	\$17,141,139	\$1,293,761	\$0
4	Office of the State Architect	Level I Controlled Maintenance through Ranking 5	\$10,418,297	\$10,418,297	\$0	\$0
5	Revenue	Colorado Integrated Tax Architecture (CITA)	\$8,628,383	\$8,628,383	\$0	\$0
6	Military and Veterans Affairs	Readiness Center for Alamosa	\$9,848,361	\$2,728,088	\$0	\$7,120,273
7	Military and Veterans Affairs	Readiness Center for Windsor	\$11,923,481	\$3,600,356	\$0	\$8,323,125

The Level I Controlled Maintenance amount has been reduced from the amount of \$10,514,313 in the November 1, 2010 letter to the Capital Development Committee, due to the removal of one project in Level I by the Office of the State Architect on December 3, 2010.

The projected out-year annual payments required to meet the pricing schedule for certificates of participation are presented at Tables CC-D, CC-E, and CC-F.

FY 2012-13

No new projects for the out years have been added at this time. Continuation projects are assumed to be funded. Into the future, Controlled Maintenance is assumed to be funded at \$20 million.

Available Balance

This projection has been updated with the annual FY11 Capital Construction Available Report posted on October 31, 2010 by the State Controller's Office. These calculations are provided at Table CC-A. The non-CERF transfers into the Capital Construction Fund during the 2010 session were \$9,125,506 pursuant to HB 10-1389. See "Transfer" tab and Table CC-I, rows G and H.

Interest

For the interest calculation, OSPB used the State Controller's Office September 9, 2010 for the interest from FY 2009-10 that is applied to FY 2010-11. For FY 2011-12, OSPB used the recent estimate from Legislative Council staff, November 15, 2010. For the out years, OSPB projected the interest amounts based on the interest rates from the State Treasurer's Office as of September 14, 2010.

In order to calculate interest, OSPB has to make assumptions about how much balance is available in the fund to draw interest. OSPB assumed that the fund balance is spent at a rate of 7.69% each month. This is based on two years of historical data showing that in both years, exactly 7.69% is spent on average each month, an analysis that was completed by OSPB in September 2009. OSPB then applied the annualized interest rate on the Capital Construction Fund using the Treasurer's recommended annualized interest rates for projection purposes.

General Fund Transfer

	FY 2011-12	FY 2012-13
General Fund Transfer Need	\$49,178,092	\$66,219,939

These numbers are from row "O" in Table CC-A.

Federal Mineral Lease

The FML projection is provided at Tables CC-B (Revenues Fund) and CC-C (Maintenance and Reserve Fund).

The Federal Mineral Lease Higher Education Revenues Fund was intended to fund the annual payments for the Federal Mineral Lease for the Colorado Higher Education Capital Construction Lease Purchase Refinancing Certificates of Participation, Series 2009. When fund balance is insufficient, an increased General Fund transfer is required.

Bonus revenue collections this year are more similar to those last year than was expected, and there is still no spillover projected for any of the years in the forecast. The number of active oil and gas rigs is not increasing and gas price assumptions have been lowered. FY 2009-10 end of year balance in the Revenues Fund was confirmed by the State Controller's Office as of December 7, 2010. Annual payments are made November 1 and May 1 annually. In June 2010, \$2,174,725 was transferred from the State Expense Fund to the Certificate Fund because the appropriation to fund the annual payment was short by this amount. With interest, the State Expense Fund balance grew to \$2,188,215 and was used for part of the state share of the November payment. In addition, the Treasury has indicated that there is about \$2.1 million remaining in the State Expense Fund; OSPB has assumed that will be used for May payment, for a total offset in FY 2010-11 of \$4,288,215. In July, \$7,000,000 was transferred out of the fund (into the General Fund) pursuant to HB 10-1389. The FY 2010-11 payments are \$3,982,430 and \$4,895,120.

Although the refinancing of the FML certificates of participation reduced payments from the Revenues Fund in the short term, the tables show that there is still not enough revenue projected from this source to fully cover the out year annual payments (shown in Table CC-D), so a General Fund need is projected in Table CC-A. Table CC-B provides a detailed projection of the FML Revenues Fund.

The Higher Education Maintenance and Reserve Fund projection was updated at Table CC-C using current data from the State Controller's Office.

Table CC - A					
		FY 2010-11	FY 2011-12	FY 2012-13	
A	Uncommitted balance from prior year	(\$180,000)	(\$180,000)	\$0	FY 2010-11 is from "FY 2009-10 Capital Construction Fund Analysis of Fund Balance Available for Appropriation as of June 30, 2010" - State Controller's Office published October 31, 2010.
B	Interest Annual Percentage	2.00%	2.00%	2.00%	Colorado State Treasurer State Controller recommendations for projection purposes as of September 14, 2010. Monthly factor is Annual Interest Percentage multiplied by 30 and divided by 360.
C	Non-CERF transfers into CCF during 2010 session	\$0	\$0	\$0	FY 2010-11 uses balance from "FY 2009-10 Capital Construction Fund Analysis of Fund Balance Available for Appropriation as of June 30, 2010", which Row A already takes into consideration; therefore it is \$0.
D	Interest from Prior Year	\$0	\$1,135,400	\$1,113,395	FY 2010-11 uses interest from FY 2009-10, which Row A already takes into consideration; therefore it is \$0. FY 2011-12 is the interest projected by the Legislative Council Staff, dated November 15, 2010. Out year is projected below.
E	Funds available	(\$180,000)	\$955,400	\$1,113,395	Rows A + D
F	Lease Purchase of Academic Facilities at Anschutz Medical Campus (Fitzsimons)	(\$1,996,149)	(\$5,144,350)	(\$6,646,801)	See Table CC - E. The savings in FY 2010-11 from refinancing COPs reduced the General Fund transfer to the Capital Construction Fund. FY 2010-11 source is HB 10-1376 page 237. Tobacco cash funds offset estimated at \$8 million a year for FY 2011-12 forward [maximum pursuant to C.R.S. 23-20-136, (3.5) (a)] reduce the need for General Fund. Tobacco cash funds are appropriated at \$7,698,527 for FY 2010-11.
G	Lease Purchase of Colorado State Penitentiary II	(\$1,393,460)	(\$16,738,985)	(\$17,942,356)	Due to refinancing the COPs, the FY 2010-11 payment is reduced to \$8,048,292, of which \$6,654,832 was appropriated from CERF cash funds. The need for a General Fund transfer in FY 2011-12 is \$17,141,139 CCF to make the payment of \$18,434,900, offset by the CERF balance (projected on the following page). See Table CC - F.
H	Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102 (FML)	\$0	(\$1,516,291)	(\$18,585,375)	See Tables CC - B and CC - D. Because of refinancing the COPs, \$7 million in FY 2010-11 will be transferred from the FML Revenues Fund to the General Fund pursuant to HB 10-1389. Some General Fund is needed for FY 2011-12 and FY 2012-13.
I	Level I Controlled Maintenance	(\$2,695,589)	(\$10,418,297)	(\$20,000,000)	The FY 2010-11 Level I Controlled Maintenance appropriation is \$10,129,588, offset by State Land Board funds (\$405,892 from fund 707 and \$7,028,107 from fund 853 [\$10,129,588 - \$405,892 - \$7,028,107 = \$2,695,589]. Source of FY 2010-11 is HB 10-1376. As part of budget balancing, controlled maintenance is recommended for reduction to \$10 million in FY 2011-12. Per the Office of the State Architect's Annual report, December 2010, the exact number for the Governor's recommendation for funding through Level 5 would be \$10,418,297.
J	Colorado Integrated Tax Architecture	(\$10,177,308)	(\$8,628,383)	(\$4,184,250)	SB 09-259, HB 10-1376, September 1, 2010 Capital Request.
K	Readiness Center for Alamosa	\$0	(\$2,728,088)	\$0	Added on November 1, 2010
L	Readiness Center for Windsor	\$0	(\$3,600,356)	\$0	Added on November 1, 2010
M	Subtotal of Approved Projects	(\$16,262,506)	(\$48,774,750)	(\$67,358,782)	For FY 2010-11, these obligations are already accounted for in the "FY 2009-10 Capital Construction Fund Analysis of Fund Balance Available for Appropriation as of June 30, 2010;" therefore, in FY 2010-11, these projects are a non-add.
N	Funds Available after Approved Projects	(\$180,000)	(\$47,819,350)	(\$66,245,387)	
O	General Fund Transfer Need	\$0	\$47,819,350	\$66,245,387	
P	End of Year Balance	(\$180,000)	\$0		In FY 2010-11, although the uncommitted balance is negative, there is committed balance in the fund that will prevent the need for a transfer in FY 2010-11.

Interest Projection Summary			
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Total Interest for FY 2010-11	\$2,899,727	State Controller's Office September 9, 2010	
Total Interest for FY 2011-12	\$1,135,400	From Legislative Council staff, November 15, 2010	
Total Interest for FY 2012-13	\$1,113,395	Sum of projected FY 2011-12 interest, below	
Total Interest for FY 2013-14	\$1,139,633	Sum of projected FY 2012-13 interest, below	

	Interest Projection Detail				CERF Balance Projection	
09-10	FY 2009-10 Fund Balance per State Controller's Office	\$93,370,780			End FY 2009-10 CERF balance as reported by State Controller's Office September 10, 2010 (includes HB 10-1389 transfer)	\$4,367,813
	2010-11 Transfer	\$0			2010 revenue to CERF (see Table CC-G)	\$2,859,396
10-11	0.001667	Estimated Balance	Interest Amount	Expended per Month	Amount used to fund HB 10-1376, page 235, CSP II COP Payment	(\$6,657,779)
	Jul Actual Average Balance	\$70,234,326	\$117,057	7.69%	Subtotal for FY 2010-11	\$569,430
	Aug Actual Average Balance	\$66,145,609	\$110,243	7.69%	Revenue for FY 2011-12	\$1,126,485
	Sep Actual Average Balance	\$65,479,457	\$109,132	7.69%	Subtotal for FY 2011-12	\$1,695,915
	Oct Actual Average Balance	\$71,738,879	\$119,565	7.69%	Used for FY 2011-12 CSP II COP Payment	(\$1,695,915)
	Nov	\$66,222,160	\$110,370	7.69%	Subtotal for FY 2011-12	\$0
	Dec	\$61,129,676	\$101,883	7.69%	Revenue for FY 2012-13	\$488,144
	Jan	\$56,428,803	\$94,048	7.69%	Used for FY 2012-13 CSP II COP Payment	(\$488,144)
	Feb	\$52,089,428	\$86,816	7.69%	Subtotal for FY 2012-13	\$0
	Mar	\$48,083,751	\$80,140	7.69%	Revenue for FY 2013-14	\$0
	Apr	\$44,386,111	\$73,977	7.69%	Used for FY 2013-14 CSP II COP Payment	\$0
	May	\$40,972,819	\$68,288	7.69%	Subtotal for FY 2013-14	\$0
	Jun	\$81,946,189	\$136,577	7.69%		
11-12	0.001667	Estimated Balance	Interest Amount	Expended per Month	Per the State Controller's Office, December 7, 2010	
	Transfer Into Fund	\$47,800,000			The balance in fund 463, Corrections Expansion Reserve Fund, at the end of fiscal year 2010 was \$4,367,813. In FY 2010-11, the State has transferred into the Fund \$2,684,165 in accordance with CRS 17-1-153-165 and 18-101-104; as well as \$175,231 in accordance with CRS 17-1-105 and 106. The State has transferred \$6,657,779 out of the fund. The current balance as reported by the Controller's Office is now \$569,430. All required transfers have been made for FY 2010-11 at this time.	
	Jul	\$75,644,527	\$126,074	7.69%		
	Aug	\$69,827,463	\$116,379	7.69%		
	Sep	\$64,457,731	\$107,430	7.69%		
	Oct	\$59,500,932	\$99,168	7.69%		
	Nov	\$54,925,310	\$91,542	7.69%		
	Dec	\$50,701,554	\$84,503	7.69%		
	Jan	\$46,802,604	\$78,004	7.69%		
	Feb	\$43,203,484	\$72,006	7.69%		
	Mar	\$39,881,136	\$66,469	7.69%		
	Apr	\$36,814,277	\$61,357	7.69%		
	May	\$33,983,259	\$56,639	7.69%		
	Jun	\$92,294,546	\$153,824	7.69%		

12-13	0.001667	Estimated Balance	Interest Amount	Expended per Month
	Transfer Into Fund	\$66,000,000		
	Jul	\$85,197,096	\$141,995	7.69%
	Aug	\$78,645,439	\$131,076	7.69%
	Sep	\$72,597,605	\$120,996	7.69%
	Oct	\$67,014,849	\$111,691	7.69%
	Nov	\$61,861,407	\$103,102	7.69%
	Dec	\$57,104,265	\$95,174	7.69%
	Jan	\$52,712,947	\$87,855	7.69%
	Feb	\$48,659,321	\$81,099	7.69%
	Mar	\$44,917,419	\$74,862	7.69%
	Apr	\$41,463,270	\$69,105	7.69%
	May	\$38,274,744	\$63,791	7.69%
	Jun	\$35,331,417	\$58,886	7.69%
	7.69% from State Controller's Office, Average of "Report of Revenues and Expenditures By Period" for FY 2007-08 and FY 2008-09 for Fund 461, September 11, 2009; provided in December 2009 Forecast.			

Table CC - B**Higher Education Federal Mineral Lease Revenues Fund
Spillover Projection for SB 08-233 Annual Payments****December 2010**

Fiscal Year	Spillover Projection	Annual Payments	Expense Fund Balance	Transfer from FML Revenues Fund to General Fund	Net	Interest	Final/Projected Balance	General Fund to Replace Shortfall
FY 2009-10	\$0	\$0	\$0	\$0	\$0	\$0	\$22,305,030	\$0
FY 2010-11	\$0	(\$8,877,550)	\$4,288,215	(\$7,000,000)	\$10,715,695	\$214,314	\$10,930,009	\$0
FY 2011-12	\$0	(\$12,446,300)	\$0	\$0	(\$1,516,291)	\$0	(\$1,516,291)	\$1,516,291
FY 2012-13	\$0	(\$18,585,375)	\$0	\$0	(\$18,585,375)	\$0	(\$18,585,375)	\$18,585,375

Bonus revenue collections this year are more similar to those last year than was expected, and there is still no spillover projected for any of the years in the forecast. The number of active oil and gas rigs is not increasing and gas price assumptions have been lowered. FY 2009-10 end of year balance is confirmed by the State Controller's Office as of December 7, 2010. Annual payments are made November 1 and May 1 annually. In June 2010, \$2,174,725 was transferred from the State Expense Fund to the Certificate Fund because the appropriation to fund the annual payment was short by this amount. With interest, this grew to \$2,188,215 and was used for part of the state share of the November payment. In addition, the Treasury has indicated that there is about \$2.1 million remaining in the State Expense Fund; OSPB has assumed that will be used for May payment, for a total offset in FY 2010-11 of \$4,288,215. In July, \$7,000,000 was transferred out of the fund (into the General Fund) pursuant to HB 10-1389. The FY 2010-11 payments are \$3,982,430 and \$4,895,120.

Table CC - C**Higher Education Federal Mineral Lease Maintenance and Reserve Fund
Projection for Higher Education Controlled Maintenance****December 2010**

Fiscal Year	Prior Balance	Spillover Projection	Projected Interest	Reduction per October 22, 2010 Budget Balancing Plan	Accruing Total
FY 2010-11	\$1,120,538	\$3,876,254	\$103,796	(\$8,362,413)	(\$3,261,825)
FY 2011-12	\$0	\$6,091,581	\$121,832	\$0	\$6,213,413
FY 2012-13	\$6,213,413	\$6,579,518	\$255,859	\$0	\$13,048,790

The current FY 2010-11 balance is from the State Controller's Office December 6, 2010.

Another budget balancing plan will be submitted to address the FY 2010-11 shortfall in the fund caused by the transfer of \$8.4 million.

Table CC - D
Colorado Higher Education Capital Construction Lease Purchase Refinancing
Certificates of Participation, Series 2009

Year	Fiscal Year	[A] Original Total Base Rentals	[B] Savings	[C] = [A] - [B] Total Base Rentals	[D] Non-State Base Rentals [Paid by Institutions]	[E] = [C] - [D] New State Annual Payments	Average for SB 233 Calculation
1	FY 2008-09	\$11,410,038	\$0	\$11,410,038	\$1,413,531	\$9,996,507	
2	FY 2009-10	\$18,830,200	\$832,360	\$17,997,840	\$2,177,475	\$15,820,365	
3	FY 2010-11	\$18,829,275	\$7,777,000	\$11,052,275	\$2,174,725	\$8,877,550	
4	FY 2011-12	\$18,823,450	\$4,207,175	\$14,616,275	\$2,169,975	\$12,446,300	
5	FY 2012-13	\$18,830,425	(\$1,932,800)	\$20,763,225	\$2,177,850	\$18,585,375	
6	FY 2013-14	\$18,824,300	(\$1,936,900)	\$20,761,200	\$2,173,225	\$18,587,975	
7	FY 2014-15	\$18,832,156	(\$1,936,375)	\$20,768,531	\$2,180,975	\$18,587,556	
8	FY 2015-16	\$18,832,400	(\$1,934,200)	\$20,766,600	\$2,178,788	\$18,587,813	
9	FY 2016-17	\$18,827,763	(\$1,936,275)	\$20,764,038	\$2,174,100	\$18,589,938	
10	FY 2017-18	\$18,824,013	(\$1,937,625)	\$20,761,638	\$2,173,850	\$18,587,788	\$15,866,717
11	FY 2018-19	\$18,736,950	(\$1,935,300)	\$20,672,250	\$2,172,225	\$18,500,025	
12	FY 2019-20	\$18,741,975	(\$1,934,675)	\$20,676,650	\$2,178,525	\$18,498,125	
13	FY 2020-21	\$18,742,038	(\$1,934,175)	\$20,676,213	\$2,177,381	\$18,498,831	
14	FY 2021-22	\$18,737,150	(\$1,933,550)	\$20,670,700	\$2,174,025	\$18,496,675	
15	FY 2022-23	\$18,736,038	(\$1,937,425)	\$20,673,463	\$2,171,600	\$18,501,863	
16	FY 2023-24	\$18,741,469	(\$1,935,550)	\$20,677,019	\$2,179,581	\$18,497,438	
17	FY 2024-25	\$18,741,488	(\$1,934,363)	\$20,675,850	\$2,175,463	\$18,500,388	
18	FY 2025-26	\$18,736,988	(\$1,936,925)	\$20,673,913	\$2,173,988	\$18,499,925	
19	FY 2026-27	\$18,742,988	(\$1,936,300)	\$20,679,288	\$2,176,738	\$18,502,550	
20	FY 2027-28	\$18,741,600	\$16,896,600	\$1,845,000	\$2,178,300	\$0	\$16,649,582
		\$368,262,701	\$680,697	\$367,582,004	\$42,752,319	\$325,162,985	\$32,516,298

Table CC - F
State of Colorado Refinancing Department of Corrections' Colorado State Penitentiary II
Certificates of Participation, Series 2009

June 2010				
Year	Fiscal Year Ending	Previous Payment Schedule	Payment Schedule	Savings
1	FY 2009-10	\$13,942,350	\$2,857,175	\$11,085,175
2	FY 2010-11	\$13,940,350	\$8,048,292	\$5,892,058
3	FY 2011-12	\$13,938,850	\$18,434,900	(\$4,496,050)
4	FY 2012-13	\$13,983,250	\$18,430,500	(\$4,447,250)
5	FY 2013-14	\$13,939,000	\$18,431,100	(\$4,492,100)
6	FY 2014-15	\$13,937,250	\$18,430,950	(\$4,493,700)
7	FY 2015-16	\$13,937,000	\$18,430,500	(\$4,493,500)
8	FY 2016-17	\$13,937,000	\$18,432,500	(\$4,495,500)
9	FY 2017-18	\$13,936,000	\$16,422,250	(\$2,486,250)
10	FY 2018-19	\$13,937,750	\$9,758,500	\$4,179,250
11	FY 2019-20	\$13,935,750	\$9,757,000	\$4,178,750
12	FY 2020-21	\$13,938,750	\$9,754,500	\$4,184,250
	Sum of All Years	\$164,401,125	\$164,330,992	
	Estimated Present Value Savings:		\$70,133	

FY 2009-10	TF	CCF	CERF
Amount of savings identified in March 2010 forecast	\$11,085,175		
Deappropriation requested on December 10, 2010	(\$13,942,350)	(\$8,175,782)	(\$5,766,568)
Less \$2,000 Administrative Costs made from interest balance	\$2,000	\$2,000	
Net June 2010 1331	(\$2,855,175)	(\$2,855,175)	\$0

Table CC - E
State of Colorado Refinancing UCDHSC Fitzsimons Academic Projects
Certificates of Participation, Series 2009

Year	Fiscal Year	[A] Original Total Base Rentals	[B] Savings	[C] = [A] - [B] Total Base Rentals	[D] = Less Cash Funds from Tobacco Master Settlement	[E] = [C] - [D] General Fund Transfer Need
1	FY 2009-10	\$13,142,063	\$4,196,981	\$8,945,082	\$8,000,000	\$945,082
2	FY 2010-11	\$13,143,213	\$3,448,537	\$9,694,676	\$7,698,527	\$1,996,149
3	FY 2011-12	\$13,144,713	\$363	\$13,144,350	\$8,000,000	\$5,144,350
4	FY 2012-13	\$13,141,563	(\$1,505,238)	\$14,646,801	\$8,000,000	\$6,646,801
5	FY 2013-14	\$13,143,650	(\$1,504,288)	\$14,647,938	\$8,000,000	\$6,647,938
6	FY 2014-15	\$13,142,888	(\$1,506,013)	\$14,648,901	\$8,000,000	\$6,648,901
7	FY 2015-16	\$13,143,038	(\$1,505,063)	\$14,648,101	\$8,000,000	\$6,648,101
8	FY 2016-17	\$13,145,388	(\$1,500,688)	\$14,646,075	\$8,000,000	\$6,646,075
9	FY 2017-18	\$13,141,838	(\$1,507,875)	\$14,649,713	\$8,000,000	\$6,649,713
10	FY 2018-19	\$13,143,213	(\$1,504,913)	\$14,648,125	\$8,000,000	\$6,648,125
11	FY 2019-20	\$13,141,963	(\$1,505,413)	\$14,647,375	\$8,000,000	\$6,647,375
12	FY 2020-21	\$13,142,213	(\$1,506,788)	\$14,649,000	\$8,000,000	\$6,649,000
13	FY 2021-22	\$13,142,963	(\$1,503,913)	\$14,646,875	\$8,000,000	\$6,646,875
14	FY 2022-23	\$13,143,213	(\$1,506,538)	\$14,649,750	\$8,000,000	\$6,649,750
15	FY 2023-24	\$13,141,963	(\$1,338,663)	\$14,480,625	\$8,000,000	\$6,480,625
16	FY 2024-25	\$13,145,806	\$526,838	\$12,618,969	\$8,000,000	\$4,618,969
17	FY 2025-26	\$13,142,356	\$10,298,419	\$2,843,938	\$2,843,938	\$0
18	FY 2026-27	\$13,143,594	\$0	\$13,143,594	\$8,000,000	\$5,143,594
19	FY 2027-28	\$13,142,375	\$0	\$13,142,375	\$8,000,000	\$5,142,375
20	FY 2028-29	\$13,146,375	\$0	\$13,146,375	\$8,000,000	\$5,146,375
21	FY 2029-30	\$13,146,250	\$0	\$13,146,250	\$8,000,000	\$5,146,250
22	FY 2030-31	\$13,145,625	\$0	\$13,145,625	\$8,000,000	\$5,145,625
		\$289,156,257	\$575,749	\$288,580,511	\$170,542,465	\$118,038,046

Table CC-G**Summary of Corrections Expansion Reserve Fund Appropriations to the Capital Construction Fund****Revenue Appropriations to the CCF**

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
<i>Transfers to the CCF Required from Legislation</i>					
HB 06-1011 (Internet Crimes Against Children)	\$523,164	\$523,164	\$0	\$0	\$0
HB 06-1145 (Meth Task Force)	\$43,597	\$43,597	\$0	\$0	\$0
SB 06-206 (Smuggling of Humans)	\$523,164	\$523,164	\$0	\$0	\$0
SB 06-207 (Trafficking in Humans)	\$523,164	\$523,164	\$0	\$0	\$0
SB 06S-004 (Extortion of Immigrants)	\$0	\$69,755	\$0	\$0	\$0
HB 07-1326 (Sex Offender Registration of Email Addresses)	\$75,099	\$0	\$0	\$0	\$0
SB 07-096 (Theft from At-Risk Individuals)	\$150,198	\$750,990	\$750,990	\$0	\$0
HB 08-1115 (Retaliation against a Judge)	\$0	\$112,649	\$0	\$112,649	\$0
HB 08-1194 (Increasing Penalties for Drunk Driving)	\$12,517	\$0	\$0	\$0	\$0
SB 08-239 (Penalty Leaving a Scene Involving Death)	\$125,165	\$137,682	\$375,495	\$375,495	\$0
HB 10-1277 (Sexual Conduct In Correctional Facility)	\$0	\$83,861	\$0	\$0	\$0
HB 10-1081 (Money Laundering Criminal Fraud)	\$0	\$91,370	\$0	\$0	\$0
HB 10-1389 (Capital Construction Transfers, reverses SB 06-206, SB 06-207, HB 06-1011, SB 07-096, HB 07-1326, and HB 08-1194)	(\$1,807,306)	\$0	\$0	\$0	\$0
	\$168,762	\$2,859,396	\$1,126,485	\$488,144	\$0

**Table CC-H
FY 2010-11 Appropriations**

Bill #	Department	Division or Institution	Project	Type	CCF	CF	RF	FF	TF	Letternotes
10-1376	Corrections	Limon Correctional Facility	Door Controls Replacement and Perimeter Security Improvement	CM	\$0	\$635,083	\$0	\$0	\$635,083	State Land Board Funds
10-1376	Corrections	Colorado Territorial Correctional Facility	Critical Improvements, Cellhouse I	CM	\$0	\$458,116	\$0	\$0	\$458,116	State Land Board Funds
10-1376	Corrections	Arkansas Valley Correctional Facility and Fremont Correctional Facility	Perimeter Security Improvements	CM	\$618,968	\$0	\$0	\$0	\$618,968	
10-1376	Corrections	Correctional Industries	Minor Construction Projects	CC	\$0	\$945,063	\$0	\$0	\$945,063	Correctional Industries
10-1376	Corrections	Colorado State Penitentiary II	Lease Purchase of Colorado State Penitentiary II	CC	\$1,393,460	\$6,654,832	\$0	\$0	\$8,048,292	Cash is CERF
10-1376	Education	School for the Deaf and Blind	Electrical Distribution Upgrades	CM	\$0	\$621,672	\$0	\$0	\$621,672	State Land Board Funds
10-1376	Governor	Office of Information Technology	Replace Microwave Site Towers - A	CM	\$0	\$800,614	\$0	\$0	\$800,614	State Land Board Funds
10-1376	Higher Education	Western State College	Life Safety Projects	CM	\$65,000	\$0	\$0	\$0	\$65,000	
10-1376	Higher Education	Fort Lewis College	Reconstruction of Eighth Avenue, Phase 2 of 3	CM	\$0	\$567,035	\$0	\$0	\$567,035	State Land Board Funds
10-1376	Higher Education	University of Colorado, Boulder	Fire Safety Upgrades	CM	\$0	\$518,063	\$0	\$0	\$518,063	State Land Board Funds
10-1376	Higher Education	University of Colorado, Colorado Springs	Upgrade Fire Sprinkler System, University Hall	CM	\$0	\$497,152	\$0	\$0	\$497,152	State Land Board Funds
10-1376	Higher Education	University of Colorado, Health Sciences Center	Lease Purchase of Academic Facilities at Fitzsimons	CC	\$1,996,149	\$7,698,527	\$0	\$0	\$9,694,676	Cash is Fitzsimons Trust Fund
10-1376	Higher Education	Colorado School of Mines	Replace Failed Corroded Piping	CM	\$0	\$410,730	\$0	\$0	\$410,730	State Land Board Funds
10-1376	Higher Education	Pueblo Community College	SCCC West Campus, Refurbish/Repair Waste Water Lagoon System and Replace Main Water Feed	CM	\$0	\$599,390	\$0	\$0	\$599,390	State Land Board Funds
10-1376	Higher Education	Front Range Community College	Westminster Campus, Replace High Voltage Electrical System	CM	\$0	\$309,761	\$0	\$0	\$309,761	State Land Board Funds
10-1376	Higher Education	Colorado Historical Society	Healy House, Structural Reinforcement	CM	\$0	\$206,250	\$0	\$0	\$206,250	State Land Board Funds
10-1376	Higher Education	Colorado Historical Society	Cumbres and Toltec Scenic Railroad, Chama Depot, Electric and HVAC Upgrade	CM	\$0	\$100,600	\$0	\$0	\$100,600	State Land Board Funds
10-1376	Higher Education	Colorado Historical Society	New Colorado History Museum	CC	\$0	\$5,000,000	\$0	\$0	\$5,000,000	\$2 million from State Historical Fund and \$3 million from State Museum Cash Fund
10-1376	Higher Education	Colorado Historical Society	Regional Museum Preservation Projects	CC	\$0	\$600,001	\$0	\$0	\$600,001	\$500,000 from State Historical Fund and \$100,001 from gifts, grants, and donations
10-1376	Human Services	Office of Information Technology Services	Automated Child Support Enforcement System (ACES) Migration and Modernization	CC	\$0	\$2,677,500	\$0	\$5,197,500	\$7,875,000	Cash is child support collections and fraud refunds.
10-1376	Human Services	Mental Health and Alcohol and Drug Abuse Services	Mental Health Institute at Fort Logan, Replace Fire Alarm Systems	CM	\$0	\$762,647	\$0	\$0	\$762,647	State Land Board Funds
10-1376	Human Services	Mental Health and Alcohol and Drug Abuse Services	Colorado AWARE VR Case Management System	CC	\$0	\$0	\$0	\$1,747,584	\$1,747,584	
10-1376	Human Services	Youth Corrections	Upgrade Electronic Security Systems	CM	\$0	\$439,864	\$0	\$0	\$439,864	State Land Board Funds
10-1376	Labor and Employment	Division of Oil and Public Safety	Consolidated Enterprise System	CC	\$0	\$641,287	\$0	\$213,762	\$855,049	\$342,020 from the Petroleum Storage Tank Fund, \$171,010 from the Boiler Inspection Fund, \$111,157 from the Conveyance Safety Fund, \$8,550 from the Public Safety Inspection Fund, \$8,550 from the Liquefied Petroleum Gas Inspection Fund.
10-1376	Military and Veterans Affairs	Alamosa Readiness Center	Construction	CC	\$0	\$853,568	\$0	\$610,702	\$1,464,270	Cash from Veterans Trust Fund
10-1376	Military and Veterans Affairs	Grand Junction Readiness Center	Construction	CC	\$0	\$3,688,553	\$0	\$0	\$3,688,553	Cash from Veterans Trust Fund
10-1376	Military and Veterans Affairs	Windsor Readiness Center	Construction	CC	\$0	\$1,888,105	\$0	\$714,315	\$2,602,420	\$1,730,226 from Real Estate Proceeds and \$157,879 from the Veterans Trust Fund.
10-1376	Natural Resources	Parks and Outdoor Recreation	Park Infrastructure and Facilities	CC/CM	\$0	\$9,107,049	\$0	\$1,405,500	\$10,512,549	\$9,416,574 from GOCO;

Bill #	Department	Division or Institution	Project	Type	CCF	CF	RF	FF	TF	Letternotes
10-1376	Natural Resources	Parks and Outdoor Recreation	Staunton State Park, New Park Development	CC/CM	\$0	\$5,500,000	\$0	\$0	\$5,500,000	\$5,840,475 from Parks Lottery; \$300,000 HUTF.
10-1376	Natural Resources	Parks and Outdoor Recreation	Land and Water Acquisitions	CC/CM	\$0	\$950,000	\$0	\$0	\$950,000	
10-1376	Natural Resources	Cash	Motorboat Access on Lakes and Streams	CC/CM	\$0	\$128,045	\$0	\$384,135	\$512,180	Cash is Wildlife Cash Funds
10-1376	Natural Resources	Wildlife	Land and Water Acquisitions	CC/CM	\$0	\$4,500,000	\$0	\$0	\$4,500,000	Wildlife Cash Funds
10-1376	Natural Resources	Wildlife	Infrastructure and Real Property Maintenance	CC/CM	\$0	\$681,030	\$0	\$0	\$681,030	Wildlife Cash Funds
10-1376	Natural Resources	Wildlife	Asset Development or Improvements	CC/CM	\$0	\$2,471,600	\$0	\$0	\$2,471,600	Wildlife Cash Funds
10-1376	Personnel and Administration	Not Applicable	Emergency Controlled Maintenance	CM	\$2,000,000	\$0	\$0	\$0	\$2,000,000	
10-1376	Personnel and Administration	Not Applicable	State Office Building, Replace Main Transformer	CM	\$11,621	\$203,478	\$0	\$0	\$215,099	Cash is State Land Board Funds
10-1376	Personnel and Administration	Not Applicable	1570 Grant Street, Replace Fire Alarm System	CM	\$0	\$303,544	\$0	\$0	\$303,544	Not specified (but should be State Land Board Funds)
10-1376	Public Health and Environment	Not Applicable	Brownsfield Cleanup Program	CC	\$0	\$250,000	\$0	\$0	\$250,000	Hazardous Substance Response Fund
10-1376	Revenue	Not Applicable	Colorado Integrated Tax Architecture Upgrade	CC	\$10,177,308	\$0	\$0	\$0	\$10,177,308	
10-1376	Revenue	Not Applicable	Port-of-Entry Mobile Scale Replacement	CC	\$0	\$258,284	\$0	\$0	\$258,284	HUTF
10-1376	Revenue	Not Applicable	Limon Port-of-Entry, Westbound Building Replacement	CC	\$0	\$487,451	\$0	\$0	\$487,451	HUTF
10-1376	Revenue	Not Applicable	Dumon Port-of-Entry, Westbound Scale Lane Pavement	CC	\$0	\$768,678	\$0	\$0	\$768,678	HUTF
10-1376	Revenue	Not Applicable	Limon Port-of-Entry, Westbound Scale Lane Replacement	CC	\$0	\$814,623	\$0	\$0	\$814,623	HUTF
10-1376	Transportation	Not Applicable	Highway Construction Projects	CC	\$500,000	\$0	\$0	\$0	\$500,000	
10-1376	Treasury	Not Applicable	Lease Purchase of Academic Facilities, Pursuant to Section 23-19.9-102, C.R.S.	CC	\$0	\$8,877,550	\$0	\$0	\$8,877,550	FML Revenues
TOTALS					\$16,762,506	\$72,875,745		\$10,273,498	\$99,911,749	
Subtotal Controlled Maintenance					\$2,695,589	\$7,433,999	\$0	\$0	\$10,129,588	\$10,129,588
				Long Bill	\$16,762,506	\$72,875,745	\$0	\$10,273,498	\$99,911,749	check
				Check	-	-	-	-	-	

Bill #	Department	Division or Institution	Project	Type	CCF	CF	RF	FF	TF	Letternotes
			Cash Sources							
			GOCO		\$9,416,574					
			FML Revenues		\$8,877,550					
			Wildlife Cash Funds		\$7,780,675					
			Fitzsimons Trust Fund		\$7,698,527					
			State Land Board Funds		\$7,130,455					
			CERF		\$6,654,832					
			Parks Lottery Proceeds		\$5,840,475					
			Veterans Trust Fund		\$4,700,000					
			State Museum Cash Fund		\$3,000,000					
			DHS child support collections and fraud refunds		\$2,677,500					
			HUTF		\$2,629,036					
			State Historical Fund		\$2,500,000					
			DMVA Real Estate Proceeds		\$1,730,226					
			Correctional Industries		\$945,063					
			Petroleum Storage Tank Fund		\$342,020					
			Unspecified		\$303,544					
			Hazardous Substance Response		\$250,000					
			Boiler Inspection Fund		\$171,010					
			Conveyance Safety Fund		\$111,157					
			Gifts, grants, donations		\$100,001					
			Public Safety Inspection Fund		\$8,550					
			Liquefied Petroleum Gas Inspection Fund		\$8,550					
			Sum Cash		\$72,875,745					
					\$0					

**Table CC - I
Legislative Transfers**

Row	Fiscal Year	From	Amount	To	Bill
A	FY 2009-10	Capital Construction Fund	\$13,317,845	General Fund	HB 10-1389
B		HEd FML Revenues Fund	\$750,000	General Fund	HB 10-1389
C		Fitzsimons Trust Fund	\$5,054,918	General Fund	HB 10-1389
D		CERF	\$1,807,306	General Fund	HB 10-1389
E	FY 2010-11	HEd FML Revenues Fund	\$7,000,000	General Fund	HB 10-1389
F		Fitzsimons Trust Fund	\$3,448,537	General Fund	HB 10-1389
G		General Fund	\$8,625,506	CCF	HB 10-1389
H		General Fund Exempt	\$500,000	CCF	HB 10-1389
I	FY 2009-10	HED Maintenance and Reserve Fund	\$2,300,000	General Fund	HB 10-1327
J	FY 2010-11 GF	FY 2009-10 Interest	\$2,500,000		HB 10-1376 pg 232
K		Fund Balance	\$5,137,000		HB 10-1376 pg 232
L		Transfers to CCF, above	\$9,125,506		
M			\$16,762,506		
N		Check from Long Bill	\$16,762,506		HB 10-1376 pg 245
O		MATCH	\$0		

Use of State Land Board Monies in HB 10-1376	
Fund 707	\$405,892
Fund 853	\$7,028,107
Total	\$7,433,999
Check	\$7,130,455
Plus Unspecified	\$7,433,999
MATCH	\$0