

# MEMORANDUM

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**TO:** JBC Members

**FROM:** John Ziegler

**SUBJECT:** General Fund Overview with December Revenue Forecast and JBC Supplemental Decisions as of January 25, 2010

**DATE:** January 26, 2010

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Attached are several tables that provide the General Fund overviews based on the December revenue forecasts and the JBC supplemental decisions made through January 25, 2010.

- Table 1:** Provides the General Fund Overview based on the LCS revenue forecast.
- Table 2:** Provides the major differences between the December 18th and January 26th General Fund Overviews.
- Table 3:** Provides a summary of FY 2008-09 and FY 2009-10 General Fund appropriations, by department, as adjusted by JBC supplemental actions.
- Table 4:** Provides a summary of the cash fund actions that impact JBC budget balancing for FY 2009-10 updated for JBC actions.
- Table 5:** Provides a summary the bills that impact appropriations based on JBC supplemental actions for separate legislation.

**Table 1**  
**General Fund Overview Based On Legislative Council December 2009 Revenue Estimate**  
(millions of dollars)

	FY 08-09	FY 09-10	FY 10-11	FY 11-12	From Dec 18 GFO	
					LCS Forecast	Diff
1 Beginning GF Reserve	\$327.0	\$438.0	(\$19.3)	(\$394.2)	437.5	0.5
2 GF Nonexempt Revenues	6,737.8	6,500.0	6,425.3	6,425.8	6,500.0	0.0
3 GF Exempt Revenues	0.0	0.0	358.3	635.9	0.0	0.0
4 Transfers/Paybacks	354.3	280.8	2.6	1.5	280.8	0.0
5 Transfer to Older Americans Act	(8.8)	(10.9)	(10.9)	(10.9)	(10.9)	0.0
6 Cash Fund Transfers Approved by JBC	0.0	41.5	0.0	0.0	116.4	(74.9)
7 Year-end Balancing Transfer (Gov's Executive Order D 013 09 pursuant to SB 09-279)	458.1	(458.1)	0.0	0.0	(458.1)	0.0
8 TABOR Surplus Liability	0.0	0.0	0.0	0.0	0.0	0.0
9 TOTAL GF AVAILABLE	\$7,868.4	\$6,791.3	\$6,756.0	\$6,658.1	6,865.7	(74.4)
10						
11 GF Obligations:						
12 GF Appropriations	\$7,410.7	\$7,456.5	\$6,986.9	\$6,967.4		
13 Supplementals/Budget Amendments	(23.8)	(399.8)	0.6	0.0		
14 JBC Place Holders and Bills as Part of Supplemental Package	0.0	(384.8)	0.0	0.0		
15 Gov Ritter's November 6 Request for One-time Adjustment to PERA	0.0	0.0	(20.1)	20.1		
16 Adjustment for Higher Ed ARRA Funds not addressed as yet by OSPB Plan or GA	0.0	0.0	0.0	0.0		
17 Adjustment for HCPF FMAP ARRA Funds not addressed as yet by OSPB Plan	0.0	0.0	0.0	176.4		
18 Adjusted GF Appropriations Base	7,386.9	6,671.9	6,967.4	7,163.9	6,607.7	64.2
19 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.2	0.0	0.0	0.0	0.0	0.0
20 Medicaid Overexpenditures	12.1	0.0	0.0	0.0	0.0	0.0
21 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	(214.1)	(2.4)	(1.2)	0.0	(2.4)	0.0
22 Rebates and Expenditures - Based on Statutory Minimums	135.3	137.7	147.5	184.2	137.7	0.0
23 Reimbursement for Senior and Veterans Property Tax Exemption	85.5	1.4	96.4	102.4	1.4	0.0
24 Temporarily Reduce the Senior Property Tax Exemption Benefit Requested by Gov Ritter Nov 6	0.0	0.0	(94.8)	(100.6)	0.0	0.0
25 Funds in Prior Year Excess Reserve to HUTF (Section 24-75-218, C.R.S.)	29.0	N/A	N/A	N/A	0.0	N/A
26 Funds in Prior Year Excess Reserve to Capital Construction (Section 24-75-218, C.R.S.)	14.5	N/A	N/A	N/A	0.0	N/A
27 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	N/A	0.0	0.0	0.0	0.0	0.0
28 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	N/A	0.0	0.0	0.0	0.0	0.0
29 Capital Construction Transfer (Based on OSPB Request)	24.9	2.0	34.9	52.5	2.0	0.0
30 Accounting Adjustments	(43.9)	0.0	0.0	0.0	0.0	0.0
31 TOTAL GF OBLIGATIONS	\$7,430.4	\$6,810.6	\$7,150.2	\$7,402.4	6,746.4	64.2
32						
33 YEAR END GF RESERVE	\$438.0	(\$19.3)	(\$394.2)	(\$744.3)	119.3	(138.6)
34 Gov Ritter's 2.0 % Decrease to STATUTORY RESERVE as Requested by OSPB November 6, 2009	N/A	N/A	(139.3)	N/A		
35 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	147.7	133.4	278.7	286.6	132.2	1.3
36 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	\$290.3	(\$152.7)	(\$533.5)	(\$1,030.9)	(12.9)	(139.9)

**Table 1 - Continued**

	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>
37 Total Gross General Fund Revenues	\$6,737.8	\$6,500.0	\$6,783.6	\$7,061.7
38 Percent Gross General Fund Revenue Growth	-13.0%	-3.5%	4.4%	4.1%
39				
40 Transfer to the State Education Fund	\$339.9	\$335.6	\$354.5	\$378.0
41				
42 Required TABOR Reserve	\$273.3	\$259.5	\$272.0	\$286.1
43				
44 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$7,399.2	\$6,671.9	\$6,967.4	\$7,163.9
45 Total Percent Growth (Including both items within restriction and exemptions)	3.9%	-9.8%	4.4%	2.8%
46 GF Appropriations Base Available Growth	\$279.3	(\$272.3)	\$295.5	\$196.5
47				
48 Personal Income (Sec 24-75-201.1 (1)(a)(VII)(A), CRS - PI as of two years prior to fiscal year)	N/A	\$205,548.0	\$212,320.0	\$209,135.0
49 Percent Increase/(Decrease) Over Previous Year	N/A	N/A	3.3%	-1.5%
50				
51 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	\$7,547.1	\$10,277.4	\$10,616.0	\$10,456.8
52 Adjusted GF Appropriations Base	7,386.9	6,671.9	6,967.4	7,163.9
53 Over/(Under) Calculated Appropriations Restriction	(\$160.2)	(\$3,605.5)	(\$3,648.6)	(\$3,292.9)
54				
55 Year-End GF Reserve Percentage	5.9%	-0.3%	-5.7%	-10.4%
56				
57 Rebates and Expenditures Include (from LCS Forecast)				
58 Cigarette Rebate	\$12.1	\$11.6	\$11.3	\$11.2
59 Old Age Pension	107.4	107.9	116.3	127.0
60 Aged Property Tax & Heating Credit	5.3	8.9	8.6	8.1
61 FPPA	4.0	4.1	4.5	29.9
62 Amendment 35 GFE Expenditures	1.0	0.9	0.9	0.9
63 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	5.5	4.3	5.9	7.1
64 Total Rebates and Expenditures	\$135.3	\$137.7	\$147.5	\$184.2
65				
66 GF Expenditure Outlook based on Caseload as estimated by JBC Staff:				
67 K-12 Education			\$242.7	\$174.4
68 Medicaid			162.3	68.7
69 Performance Based Pay/Salary Survey/HLD (Does Not Include Judicial)			8.0	8.7
70 Corrections			13.3	37.3
71 Higher Education (Assumes the Additional \$150.7 m in FY 2011-12 to return to current levels)			12.9	180.6
72 Human Services			0.5	10.2
73 Judicial (Includes Performance Based Pay/Salary Survey/HLD as Estimated by JBC Staff)			6.3	7.3
74 Total GF Expenditure Estimate			\$446.0	\$487.2
75 Moneys in (Deficit)/Excess of Statutory Reserve less GF Outlook				(\$1,518.1)

**Table 2**  
**Major Differences Between Dec. 18, 2009 and Jan. 26, 2010 JBC General Fund Overviews**  
**(Dollars in Millions)**

1	<u>Revenues</u>	
2	Confusion Over OSPB Local Government Severance Tax Request	37.9
3	Waiting for CDC Action on OSPB COP Proposal	16.7
4	Flagged Items	8.3
5	JBC Decided not to Carry Bill for Local Government Gaming Impacts	5.1
6	Old Age Pension Adjustment (Inflation was Never Included in Forecast)	<u>6.7</u>
7	Total Revenue Major Differences	<b>74.7</b>
8		
9	<u>Appropriations</u>	
10	HCPF - ARRA FMAP	34.0
11	HCPF - Pending Medicaid Payment Delay	21.0
12	HCPF - Medicaid Differences between JBC and OSPB Caseload	<u>20.0</u>
13	Total Major Differences	<b>75.0</b>
14		
15	Total Identified Revenue and Appropriation Differences	<b>149.7</b>
16	Total Difference Between Dec 18, 2009 and Jan 26, 2010 JBC GFOs	<b>139.9</b>

**Table 3**  
**Summary of FY 2008-09, FY 2009-10, and FY 2010-11 General Fund Appropriations**

Departments	FY 2008-09 Appropriation as of 2009 Session	Supplemental Changes to FY 2008- 09 as Approved during 2010 Session	FY 2008-09 Appropriation Adjusted for 2010 Session Changes	FY 2009-10 Appropriation as of 2009 Session	Supplemental Changes to FY 2009-10 as Approved by the JBC	FY 2009-10 Appropriation Adjusted for JBC Supplemental Changes	FY 2009-10 Separate Bills and Placeholders as Part of Supplemental Package	FY 2009-10 Appropriation Adjusted for JBC Supplemental Changes and Supplemental Package Bills
1 Agriculture	\$7,223,168	\$0	\$7,223,168	\$6,860,955	(\$805,119)	\$6,055,836	\$0	\$6,055,836
2 Corrections	666,948,257	(24,600,000)	642,348,257	677,839,527	(102,935,717)	574,903,810	0	574,903,810.0
3 Education	3,215,359,907	0	3,215,359,907	3,239,416,000	(3,401)	3,239,412,599	0	3,239,412,599.0
4 Governor	13,443,436	0	13,443,436	14,283,355	(900,371)	13,382,984	0	13,382,984.0
5 Health Care Policy	1,567,671,367	(396,886)	1,567,274,481	1,587,903,164	(33,249,321)	1,554,653,843	(378,947,037)	1,175,706,806.0
6 Higher Education	661,973,800	0	661,973,800	660,575,732	(226,209,519)	434,366,213	0	434,366,213.0
7 Human Services	679,623,093	390,145	680,013,238	670,638,807	(14,465,008)	656,173,799	(2,684,726)	653,489,073.0
8 Judicial	325,942,329	1,137,229	327,079,558	336,357,516	(12,542,585)	323,814,931	0	323,814,931.0
9 Labor	0	0	0	0	0	0	0	0.0
10 Law	8,855,044	0	8,855,044	10,008,042	(782,196)	9,225,846	0	9,225,846.0
11 Legislature	34,889,177	0	34,889,177	35,162,475	(25,156)	35,137,319	(1,042,000)	34,095,319.0
12 Local Affairs	12,352,639	0	12,352,639	11,889,613	(976,692)	10,912,921	0	10,912,921.0
13 Military Affairs	5,685,713	0	5,685,713	5,862,332	(454,445)	5,407,887	0	5,407,887.0
14 Natural Resources	31,057,499	0	31,057,499	29,680,331	(898,328)	28,782,003	(2,147,415)	26,634,588.0
15 Personnel	5,784,722	0	5,784,722	6,291,404	(674,263)	5,617,141	0	5,617,141.0
16 Public Health	26,586,357	0	26,586,357	28,232,074	(1,101,904)	27,130,170	0	27,130,170.0
17 Public Safety	79,735,441	0	79,735,441	83,212,852	(1,223,435)	81,989,417	0	81,989,417.0
18 Regulatory Agencies	1,465,862	0	1,465,862	1,666,729	(209,478)	1,457,251	0	1,457,251.0
19 Revenue	100,649,490	(362,938)	100,286,552	75,719,920	(2,064,903)	73,655,017	0	73,655,017.0
20 State	0	0	0	0	0	0	0	0.0
21 Transportation	0	0	0	0	0	0	0	0.0
22 Treasury	86,966,576	0	86,966,576	1,933,721	(253,362)	1,680,359	0	1,680,359.0
23 Capital Construction Fund	0	0	0	0	0	0	0	0.0
24 Controlled Maintenance	441,529	0	441,529	0	0	0	0	0.0
25								
26 Total	\$7,532,655,406	(\$23,832,450)	\$7,508,822,956	\$7,483,534,549	(\$399,775,203)	\$7,083,759,346	(\$384,821,178)	\$6,698,938,168
27								
28								
29 Amounts Deemed Exempt from Statutory Limit	\$241,158		\$241,158	\$0		\$0		\$0
30 Rebates and Expenditures	\$121,834,623		\$121,834,623	\$26,949,912		\$26,949,912		\$26,949,912
31								
32 Amount Subject to Statutory Limit	\$7,410,579,625		\$7,386,747,175	\$7,456,584,637	(\$399,775,203)	\$7,056,809,434	(\$384,821,178)	\$6,671,988,256

**Table 4**  
**Cash Fund Actions that Impact JBC Budget Balancing for FY 2009-10**  
**UPDATED for JBC Actions Prior to Introduction of Supplementals**

	Bill No.	Department	FY 2009-10 Revenue Impact				Total
			GF	CF	RF	FF	
1 <b>Title:</b>							
2 <i>Cash Transfers Included in JBC Package:</i>							
3 <b>Augment FY 2009-10 General Fund Revenues:</b>							
4 Public Safety Communications Trust Fund (Snow Cat Replacement)	????	Governor	230,520	0	0	0	230,520
5 Local Government Severance Tax Fund	????	Local Affairs	7,600,000	0	0	0	7,600,000
6 Local Government Permanent Fund	????	Local Affairs	14,305,697	0	0	0	14,305,697
7 Waste Tire Recycling Development Cash Fund	????	Local Affairs	1,900,000	0	0	0	1,900,000
8 Waste Tires Cash Fund	????	Local Affairs	500,000	0	0	0	500,000
9 Emergency Controlled Maintenance Fund within Capital Construction Fund	????	Personnel	335,000	0	0	0	335,000
10 Law Enforcement Assistance Fund	????	Transportation	<u>1,560,315</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,560,315</u>
11 Summary of Augment FY 2009-10 General Fund			<b>26,431,532</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,431,532</b>
12							
13 <b>Limited Gaming Fund (Elim Trf to Clean Energy Fund)</b>	<b>????</b>	<b>Governor</b>	<b>14,200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,200,000</b>
14							
15 <b>Transfer Interest Earned on Rocky Mountain Natural Resources to GF</b>	<b>????</b>	<b>Law</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>
16							
17 <i>Subtotal Cash Transfers Approved as Part of JBC Package</i>			<b>40,781,532</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,781,532</b>
18							
19 <b>Other Actions Impacting General Fund Revenues:</b>							
20 Procurement Card Cash Transferred to General Fund - Does not require bill	N/A	Personnel	<u>750,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>750,000</u>
21 <i>Subtotal Other Actions Impacting General Fund Revenue</i>			<b>750,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>750,000</b>
22							
23 <b>Total</b>			<b>41,531,532</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,531,532</b>
24							
25 Cash Fund Transfers Approved by JBC			40,781,532				
26 Policy Changes that Increase General Fund Revenues Approved by JBC			750,000				
27							

**Table 5**  
**Bills that Impact JBC Budget Balancing for FY 2009-10**  
**UPDATED for JBC Actions Prior to Introduction of Supplemental Bills**

	Bill No.	Department	FY 2009-10 Impact				Total
			GF	CF	RF	FF	
1 <b>Title:</b>							
2 <b>Bills Included in JBC Supplemental Package - Subject to Statutory Limit:</b>							
3 Use of Tobacco Tax Fiscal Emergency	????	HCPF	(43,693,900)	43,693,900	0	0	0
4 Eliminate Tobacco Funds for Comprehensive Primary Care Programs	????	HCPF	(2,629,582)	(8,971)	0	(3,009,500)	(5,648,053)
5 Medicaid Nursing Facility Per Diem Rates	????	HCPF	(933,446)	(71,340)	0	(1,004,786)	(2,009,572)
6 Repeal Telemedicine Pilot Program	????	HCPF	(158,750)	0	0	(158,750)	(317,500)
7 Health Care Services Fund Moneys	????	HCPF	(11,943,000)	0	(1,553,000)	(1,396,753)	(14,892,753)
8 Refinance State Parks with Severance Tax Trust Fund	????	Nat Resources	<u>(2,147,415)</u>	<u>2,147,415</u>	<u>0</u>	<u>0</u>	<u>0</u>
9 <b>Subtotal Bills Approved as Part of JBC Supp. Package - Statutory Limit</b>			<b>(61,506,093)</b>	<b>45,761,004</b>	<b>(1,553,000)</b>	<b>(5,569,789)</b>	<b>(22,867,878)</b>
10							
11 <b>Place Holders for Supplemental Add-ons to Long Bill:</b>							
12 GF Reduction if CMS approves HB 09-1293	N/A	HCPF	(1,877,337)	0	0	(3,403,341)	(5,280,678)
13 Adjustment for Enhanced FMAP	N/A	HCPF	(317,711,022)	(38,782,477)	(833,989)	357,327,488	0
14 Youth Corrections, Purchase of Contract Services	N/A	Hum Serv	(2,592,695)	0	0	0	(2,592,695)
15 GF Reduction if CMS approves HB 09-1293	N/A	Hum Serv	(92,031)	0	(123,228)	(109,023)	(324,282)
16 Executive Committee Directed Revisions in General Assembly	N/A	Leg	<u>(1,042,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
17 <b>Subtotal Place Holders</b>			<b>(323,315,085)</b>	<b>(38,782,477)</b>	<b>(957,217)</b>	<b>353,815,124</b>	<b>(8,197,655)</b>
18							
19 <b>Total</b>			<b>(384,821,178)</b>	<b>6,978,527</b>	<b>(2,510,217)</b>	<b>348,245,335</b>	<b>(31,065,533)</b>
20							