

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2012-13 STAFF BUDGET BRIEFING
OVERVIEW OF FY 2012-13 BUDGET REQUEST**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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November 9, 2011**

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STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE
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OVERVIEW OF FY 2012-13 REQUEST

Discussion of the FY 2011-12 General Fund Appropriations

The General Assembly appropriated a total of \$7,013.8 million General Fund in FY 2011-12. Within the Long Bill (SB 11-209), the General Assembly appropriated \$7,587.4 million General Fund. The Long Bill contained General Fund appropriations equal to \$573.6 million (108.2 percent) more than the total General Fund appropriated for FY 2011-12. Other bills passed by the General Assembly reduced the amount of funding in the Long Bill. This was necessary because some of the changes the General Assembly wished to make required changes to existing law that could not be accomplished through the Long Bill. The following is a list of the major actions the General Assembly took that impacted General Fund appropriations:

- Reduction of \$460.7 million General Fund in the School Finance Act (SB 11-230) due to changes in the school finance formula (\$284.8 million) and substitution of General Fund with moneys from the State Education Fund (\$175.9 million).
- A net reduction of \$108.9 million General Fund in the Medicaid program (primarily financing changes in various bills to use cash funds rather than General Fund).
- Reduction of \$20.0 million General Fund based on modifications to the formula used to provide funds to the Fire and Police Pension Association (FPPA).
- Reduction of \$20.0 million General Fund as a result of a decrease in the amount of moneys the State pays for the Public Employees Retirement Association (PERA). This was a temporary reduction in which employees paid additional amounts during the period and the state paid less. The amount swapped between the employees and the state was the equivalent of 2.5 percent of the employee's pay.
- A \$32.5 million General Fund appropriation to the General Assembly in the legislative appropriation bill (SB 11-198).
- A net increase of \$3.5 million General Fund appropriated in various other bills impacting the General Fund.

Distribution of FY 2011-12 General Fund Appropriation in the 2011 Long Bill (SB 11-209): Given that the Long Bill contains the vast majority of General Fund appropriations, JBC staff reviewed the appropriations in the Long Bill to determine where the majority of General Fund is appropriated. Seven line items in the Long Bill contain **71.1** percent of the General Fund appropriated in the Long Bill. These lines are as follows:

- \$3,132.6 million (41.3 percent) of the total General Fund in the Long Bill was appropriated for State Share of Total Funding in the Department of Education. The General Fund appropriation

for state share was reduced by \$460.7 million General Fund in the school finance act.

- \$1,288.5 million (17.0 percent) of the total General Fund in the Long Bill was appropriated for Medical Services Premiums in the Department of Health Care Policy and Finance. Various bills impacted the level of General Fund appropriated to the Department of Health, Care, Policy and Finance resulting in a net reduction in General Fund of \$108.9 million.
- \$275.1 million (3.6 percent) of the total General Fund in the Long Bill was appropriated for College Opportunity Fund Stipends in the Department of Higher Education.
- \$214.4 million (2.8 percent) of the total General Fund in the Long Bill was appropriated for College Opportunity Fund Fee-for-Service in the Department of Higher Education.
- \$164.1 million (2.2 percent) of the total General Fund in the Long Bill was appropriated for Medicaid Services for People with Developmental Disabilities in the Department of Health Care, Policy, and Finance.
- \$161.1 million (2.1 percent) of the total General Fund in the Long Bill was appropriated for Child Welfare Services in the Department of Human Services.
- \$160.8 million (2.1 percent) of the total General Fund in the Long Bill was appropriated for Housing and Security Personal Services in the Department of Corrections.
- \$2,190.7 million (28.9 percent) of the total General Fund in the Long Bill was appropriated for the more than 700 remaining General Fund line items in the Long Bill.

Discussion of the FY 2012-13 Budget Request

The departments of state government submitted their FY 2012-13 budget requests on November 1. These budget requests reflect the priorities of the Governor with the exception of the Legislative Branch, Judicial Branch, and the other elected officials. In preparing the budget request, OSPB assumed a 2.3 percent General Fund increase for Judicial; a 9.1 percent General Fund increase for Law; a 58.3 percent increase for Treasury; a 2.9 percent increase for the Legislature; and no General Fund for State.

Table 1 on page 12 reflects the actual requests submitted by Judicial, Law, State, and Treasury. Since the request for the Legislature is not submitted to the JBC, Table 1 reflects the same level of General Fund for the Legislature that the Governor included in his request and is meant to merely be a place holder until the Executive Committee provides direction on the percent increase/decrease to be requested by the Legislature. It is also important to note that, based on the original amount appropriated for FY 2011-12 during the 2011 Session, **\$3.5 billion remains under the FY 2011-12 General Fund statutory appropriation limit.** The Joint Budget Committee approved supplemental requests equaling a \$0.6 million General Fund increase submitted through the 1331 supplemental

process during the 2011 interim.

Overall the department budget requests for FY 2012-13 (including the requests as submitted by Judicial, Law, State, and Treasury) reflect a General Fund increase subject to the statutory limit of \$287.5 million (4.1 percent) as compared to the current level of FY 2011-12 appropriations subject to the statutory limit.

The budget requests reflect these common assumptions:

- The request does not include any funding for performance based pay awards or salary survey increases for state employees.
- Currently, there is no additional funding for changes to the Health/Life/Dental policy. Funding changes are included for changes in enrollment and staffing levels.
- No common policy was submitted for inflationary increases in food, utilities, and medical costs.
- No common policy was submitted for community provider rates. However, individual departments may have submitted requests that impact community providers.

Table 1 also provides an overview of the General Fund request by department. It should be noted that:

- Table 1 reflects the November 1 submission including the actual requests for Judicial, Law, State, and Treasury, but assumes a the level of funding included by the Governor for the Legislature. As a result, the total amount will not exactly coincide with the total amount reflected in the Governor's November 1, 2011 letter to Senator Hodge because OSPB assumed different amounts for the elected officials and other branches of state government than were actually requested by these entities.
- The request includes the following state-wide impacts that are not broken down by department in the November 1 request:
 - ❑ \$96.8 million (based on the OSPB September revenue forecast) reduction for the proposal to extend the suspension of the Senior Homestead Exemption through FY 2012-13 (see Table 5 , page 18). This line item is located in the Treasury Department's budget. The Governor has requested that the suspension be extended at least through FY 2012-13. The Treasurer did not make a similar request in his budget request. This proposal requires legislation to implement.
 - ❑ \$18.8 million increase based on various Governor requests for statewide spending initiatives (see Table 5, page 18). These requests include: 1) funding teacher assessments by a transfer from the General Fund to the Great Teachers and Leaders Fund (\$7.7 million),

2) assisting lower income seniors in handling the impact of the Governor's proposal to continue the suspension of the Senior Homestead Exemption by expanding the existing Colorado Property Tax/Rent/Heat Rebate (\$9.5 million), and 3) reversing the pay date shift for state employees paid on a bi-weekly basis ((\$1.6 million). These requests require legislation to implement.

- \$73.3 million in General Fund revenue augmentations (see Table 6, page 19 for a list of augmentations). These augmentations require legislation to implement.
- \$6.1 million in General Fund revenue reductions (see Table 6, page 19) to adjust the formula distribution of Limited Gaming funds. The Governor is requesting that this money be redirected to the Governor's Energy Office (\$3.1 million) and the Office of Film, Television and Media (\$3.1 million).
- \$1.0 million reduction for as yet unidentified budget amendments (see Table 5 on page 18).
- A General Fund increase of \$185.6 million (11.1 percent) is included for the Department of Health Care Policy and Financing. The Department's request includes the following significant General Fund changes:
 - \$75.4 million net increase to annualize policy decisions from prior years, including:
 - Replacing one-time financing from tobacco tax revenues (\$33.0 million), the Hospital Provider Fee (\$25.0 million), and miscellaneous cash funds that normally support programs of the Department of Public Health and Environment (\$15.0 million);
 - The statutory discontinuation of \$4.4 million rate reductions for nursing home providers; and,
 - Miscellaneous other policy decisions
 - \$141.1 million net increase for caseload, utilization, and financing adjustments for ongoing programs
 - \$2.4 million increase for expanding services to people with developmental disabilities
 - \$31.5 million decrease for several proposed Medicaid program reductions, including reauthorizing nursing home provider rate reductions
 - \$1.4 million decrease for increasing co-pays and enrollment fees for Medicaid and CHP+, and
 - Projected \$0.9 million decrease in high-cost services from a new initiative that would make

incentive payments to providers who achieve savings through greater care management.

- A General Fund increase of \$23.2 million (3.7 percent) is included for the Department of Corrections. The increase is primarily due to inmate caseload, which though declining is higher than forecast, restoration of funding for the full state share of PERA contributions, rising medical expenses per inmate, expansion of the sex offender treatment program, and restoration of several therapeutic communities that were suspended for one year. These increases are partially offset by reduced parole caseload, savings associated with creation of a conservation camp program at the Department's former "boot-camp" facility.
- A General Fund increase of \$18.8 million (3.1 percent) is included for the Department of Human Services. The largest components of this increase include the following:
 - ❑ A net increase of \$12.5 million for Child Welfare Services. This reflects an increase of General Fund for child welfare services previously supported by Temporary Assistance for Needy Families (TANF) moneys. During FY 2009-10, FY 2010-11, and FY 2011-12, the Department used TANF reserves to temporarily backfill General Fund otherwise required for child welfare services. As anticipated, these reserves are now exhausted and the temporary refinance must be undone.
 - ❑ A net increase of \$2.4 million transferred from the Department of Health Care Policy and Financing to the Department for Services for People with Disabilities. The Department requests the money to provide services to 173 individuals with developmental disabilities in need of home and community based services. The moneys requested would be targeted to youth transitioning out of the foster care system, individuals in need of immediate residential services, and individuals in high-risk emergency situations.
- A General Fund increase of \$10.5 million (3.1 percent) is reflected in the Judicial Branch requests. More than half of the requested increase (\$5.6 million) relates to prior year legislation, including:
 - ❑ the restoration of \$5.2 million General Fund to fund the higher employer contribution to PERA pursuant to the expiration of S.B. 11-076 [please note that this request is overstated by \$0.4 million as it generally assumes 12 months of additional funding, rather than 11 months]; and
 - ❑ \$0.4 million General Fund to fund Public Defender staff associated with the final two judgeships authorized by H.B. 07-1054 (a T. Carroll/Shaffer bill that created 43 new judgeships over three years).

The Branch is also requesting \$3.5 million General Fund related to employee benefits (e.g., HLD, STD, AED, SAED, and worker's compensation). Finally, the State Public Defender has requested an increase of \$1.2 million for two purposes: (1) to increase attorney salaries over a

three year period to bring them in line with market pay practices; and (2) to continue to staff the Denver Sobriety Court and offset the loss of short-term grant funding.

- A General Fund increase of \$8.9 million (0.3 percent) for K-12 Education. Of this increase, \$7.7 million is requested as a statutory transfer to the Great Teachers and Leaders Fund to support the implementation of a new educator effectiveness evaluation system pursuant to S.B. 10-191 and would require separate legislation.

The request does not include any additional General Fund for the State Share of Districts' Total Program Funding. The request, which is predicated on a statutory change, proposes that the "negative factor" in the school finance formula increase from 12.9 percent to 18.0 percent of Total Program Funding (\$1.1 billion). Given the magnitude of the proposed negative factor, the request includes an increase of approximately \$677,000 General Fund to ensure that the per pupil funding for five on-line charter schools does not fall below the statewide base per pupil funding amount.

The remainder of the increase is related to common policies, including approximately \$311,000 for the reversal of the 2.5 percent PERA adjustment from FY 2011-12.

- A General Fund increase of \$7.3 million in the (65.0 percent) in the Governor's Office. This is primarily related to two initiatives being requested in Economic Development. \$5.75 million to provide performance based incentives to businesses looking to expand in or relocate in Colorado and \$250,000 for Global Business Development to retain businesses in Colorado that are part of targeted cluster industries.
- A General Fund decrease of \$60.3 million (9.7 percent) is included for the Department of Higher Education. This decrease is primarily due to the following reductions: (1) \$29.1 million related to operational funding for colleges and universities; (2) \$24.6 million for need-based financial aid grants; (3) \$5.5 million for work study financial aid funding; (4) \$0.5 million related to reducing the private stipend from 50 percent to 25 percent of the public stipend rate for Pell eligible undergraduate students attending participating non-profit private institutions (University of Denver, Regis University, and Colorado Christian University); \$0.3 million associated with decreasing the College Opportunity Fund lifetime credit hour limit from 145 credit hours to 140 credit hours; and \$0.2 million related to a 10 percent decrease in administration personal services funding for the Colorado Commission on Higher Education.

The Governor is also proposing that statutory changes be made to the way in which the Homestead Exemption and the S.B. 09-228 transfers are triggered. The Governor's letter indicates that he proposes converting these triggers from time-specific triggers to revenue-based triggers. The change to the triggers would require legislation.

**GENERAL FUND OVERVIEWS
BASED ON SEPTEMBER 2011 REVENUE ESTIMATES**

The overviews on pages 13 and 15 provide the outlook for the General Fund over the next several years based on the following assumptions:

- Table 2 (page 13) is **based on OSPB's September 2011 revenue estimates** of Gross General Fund revenues, the amount of Rebates and Expenditures, TABOR refunds, and Amendment 23 Transfer to the Education Fund. Table 3 (page 15) is **based on Legislative Council Staff September 2011 revenue estimates** of Gross General Fund revenues, the amount of Rebates and Expenditures, TABOR refunds, and Amendment 23 Transfer to the Education Fund,.
- Based on their respective revenue assumptions, the two scenarios reflect the following with regard to FY 2011-12:
 - ❑ The OSPB forecast indicates, in the *Moneys in (Deficit)/Excess of the Statutory GF Reserves* line item, that a \$18.9 million deficit would exist as compared to the 4.0 percent statutory reserve at the end of FY 2011-12.
 - ❑ The LCS forecast indicates, in the *Moneys in (Deficit)/Excess of the Statutory GF Reserves* line item, that appropriations could be increased by \$63.7 million due to sufficient revenues. However, should more moneys be appropriated in FY 2011-12, it would decrease the level of moneys available in FY 2012-13.
- Both of the scenarios assume the level of General Fund appropriations for FY 2012-13 as requested on November 1. With regard to each scenario:
 - ❑ The OSPB scenario reflects, in the *Moneys in (Deficit)/Excess of the Statutory GF Reserves* line item, an ending deficit of \$3.0 million at the end of FY 2012-13 based on a maintaining a 4.0 percent statutory reserve as requested by the Governor. Please note, the Governor's request is in deficit because JBC staff reflected the actual requests for the Judicial Branch and elected officials. The General Fund overview would be in balance if the amounts submitted by the Governor had been used rather than the amounts submitted by Judicial and the elected officials.
 - ❑ The LCS scenario reflects, in the *Moneys in (Deficit)/Excess of the Statutory GF Reserves* line item, an ending surplus of \$290.0 million at the end of FY 2012-13 based on a 4.0 percent statutory reserve as requested by the Governor.
- A capital construction transfer has been included in both scenarios for FY 2012-13 at a level that would be sufficient to fund the Governor's November 1st request for capital construction projects and all the required statutory transfers (primarily for certificates of participation and the Correction Expansion Reserve Fund). This amount (\$63.8 million) is based on the OSPB

calculation of the amount that is needed for the requested projects. Included in the capital construction request are two information technology issues: 1) an \$8.6 million total fund (\$3.0 million General Fund) request to modernize the Colorado Financial Reporting System (COFRS) and 2) a \$1.9 million General Fund request to consolidate 30 data servers into two secure centers.

- Both of the scenarios reflect a statutory reserve of 4.0 percent as required by current law for FY 2011-12 and FY 2012-13.

Table 4 on page 17 reflects the actions taken on 1331 supplementals during the 2011 interim by the JBC. Table 5 on page 18 provides a summary of the spending initiatives, by department, the Governor is requesting for FY 2012-13. Table 6 on page 19 reflects the revenue actions the Governor is requesting for FY 2012-13. These amounts are reflected in the General Fund Overviews.

Observations about Assumptions Used:

It is important to note that a General Fund overview is based on various assumptions that, if changed, would result in a General Fund overview that looks very different from the ones presented in this document. Almost every category in every year, except the most recent actual year, is either an estimate or based on certain assumptions. As can be seen, the overview using Legislative Council's September 2011 revenue forecast looks very different from the overview using OSPB's September 2011 revenue forecast. The December revenue estimates will provide a different outlook even if no other variable or assumption is changed.

REVIEW OF JBC STAFF FIVE YEAR PROJECTIONS OF GENERAL FUND COSTS

The JBC staff prepared a five year projection of the major costs that can be anticipated in the upcoming years. The detailed schedules for the five year projection can be found on tables 8 through 10 on pages 21 through 25. These tables are included to assist the reader in understanding the methodology used to develop the projections included in this document.

JBC staff is projecting that an additional \$3.1 billion General Fund could be needed over the next five years. However, the degree to which the amounts reflected in this projection are funded by the General Assembly will vary based on the availability of funding. Additionally, other actions could also be taken or other events could occur to alleviate the need for some of the estimated costs. It is important to note that only the major components of the General Fund budget were projected. JBC staff did not project the future cost of every line item in the budget. JBC staff did a general projection based on the following categories:

- Inflation - Over the next five years, JBC staff estimates that inflation could result in the need for an additional \$1,067.9 million General Fund. This is 34.0 percent of the total projected need. The majority of the projected inflation is from two areas:
 - ❑ The inflationary need in Education (\$625.1 million, 58.5 percent) is being driven based on the assumption that the average per pupil funding amount will increase annually based on the projected consumer price index (CPI).
 - ❑ The inflationary need in statewide actions (\$259.6 million, 24.3 percent) is being driven by the assumption that the General Assembly will begin funding the increase in costs for salary survey and the associated Public Employees Retirement Association, Amortization Equalization Disbursement, Supplemental Amortization Equalization Disbursement, and Medicare, as well as health/life/dental.
- Policy Options - Over the next five years, JBC staff estimates that policy options could result in the need for an additional \$951.6 million General Fund. This is 30.3 percent of the total projected need. The majority of this need is from Education (\$903.7 million, 95.0 percent). This policy option is based on the assumption that the General Assembly, beginning in FY 2012-13, will provide "full funding" for the existing school finance formula without application of the new "negative factor". This may or may not happen depending on the actions taken by the General Assembly.
- Caseload - Over the next five years, JBC staff estimates that caseload could result in the need for an additional \$776.6 million General Fund. This is 24.7 percent of the total projected need. The following two areas are the primary drivers of this assumed need:
 - ❑ The projected need for Health Care Policy and Finance (\$459.6 million, 59.2 percent) is

based on growth factors projected by the department through FY 2013-14 and then trending those growth factors forward in years not yet projected by the department.

- The projection for Education (\$242.6 million, 31.2 percent) assumes projected student enrollment changes will be funded, thereby maintaining the current average per pupil funding amount.
- Reversing One-time Actions - Over the next five years, JBC staff estimates that reversing one-time actions that occurred in recent downturns could result in the need for an additional \$602.9 million General Fund. This is 19.2 percent of the total projected need. Primarily four areas are driving this need:
 - Staff is assuming Education (\$276.1 million, 45.8 percent) will be backfilled for two temporary sources of funding used in place of General Fund during the downturn. These were: 1) State Education moneys that were used to support the FY 2011-12 appropriation (\$226.9 million), and 2) state land trust moneys that were directed to the State Public School Fund (\$49.0 million).
 - Statewide there are three primary components where one time actions are required to be reversed by statute. These are: 1) reversal of the senior property tax suspension (\$94.2 million), 2) modification of the Fire and Police Pension Association payments (\$20.0 million), and 3) reversal of the change in employer funding associated with the Public Employees Retirement Association (\$19.5 million).
 - Staff assumed the General Assembly would decide to reverse the decision to decrease Higher Education General Fund support (\$96.3 million). This is dependent on future actions of the General Assembly and may or may not happen.
 - There were several statutory changes made to funding in the Health Care Policy and Finance that will need to be backfilled with General Fund (\$78.2 million).
- Statutory Increases - Over the next five years, JBC staff estimates that statutory driven increases could result in the need for an additional \$25.9 million General Fund. This is 0.8 percent of the total projected need. This results from the statutory requirement to increase the Amortization Equalization Disbursement (AED) and the Supplemental Amortization Equalization Disbursement (SAED) associated with PERA by .04 percent each calendar year through 2017.
- Other Base Adjustments - Over the next five years, JBC staff estimates that other base adjustments could reduce the need for \$281.7 million General Fund. This reduces the projected need by 9.0 percent of the total projected need. These adjustments are primarily the result of assumptions in the level of available cash funds to assist in funding total program funding in Education (-\$280.3 million, 99.5 percent) that would thereby decrease the need for General Fund.

POTENTIAL GENERAL FUND IMPACT OF S.B. 09-228

Section 24-75-219, C.R.S. (S.B. 09-228) established a schedule of transfers of General Fund to the HUTF and CCF. Those transfers are as follows:

Percent of Total General Fund Revenue Transferred to HUTF and CCF		
FY	HUTF	CCF
2012-13	2.0%	0.5%
2013-14	2.0%	0.5%
2014-15	2.0%	1.0%
2015-16	2.0%	1.0%
2016-17	2.0%	1.0%

- After FY 2016-17, the automatic transfers are eliminated. It is left to the discretion of the General Assembly how much is to be appropriated and/or transferred each year.
- The series of transfers in the above table are dependent on growth in Colorado personal income being at least 5.0 percent from calendar year 2011 to 2012. If the personal income growth is less than 5.0 percent between those two calendar years, the transfers do not begin until a 5.0 percent growth in personal income between calendar years is achieved. However, once the transfers are triggered, statute dictates they continue regardless the level of personal income growth in the subsequent years. Legislation is required to change the trigger or the amount of transfers.
- The transfers are also impacted by the amount of TABOR refunds. If the TABOR refund reaches certain levels, the transfers are decreased. The following table reflects the amounts by which the transfers would decrease.

TABOR Refund as a Percent of Total General Fund Revenues	Reduction in Transfers to HUTF and CCF
greater than 1.0% and less than or equal to 3.0%	50.0%
greater than 3.0%	100.0%

Table 11 on page 26 reflects the potential impact of the S.B. 09-228 triggers in FY 2012-13 and FY 2013-14. As indicated previously, neither the Office of State Budget and Planning September forecast nor the Legislative Council Staff forecast currently project that personal income will grow by 5.0 percent between two calendar years in their forecast. Therefore, these costs are not yet anticipated to be triggered. They are shown merely to provide an understanding of the size of potential impacts.

Table 1
Summary of FY 2011-12 Operating Appropriations and FY 2012-13 Operating Request
 Please Note that General Fund Exempt is Included with General Fund

Departments	FY 2011-12 Appropriations					Original Nov 1, 2012 FY 2012-13 OSPB Request					Percent Growth FY 2012-13 as compared to FY 2011-12					Dollar Change GF
	GF	CF	RF	FF	Total	GF	CF	RF	FF	Total	GF	CF	RF	FF	Total	
Agriculture	5,164,362	28,776,513	1,042,342	3,977,614	38,960,831	5,813,563	28,513,468	997,107	3,869,616	39,193,754	12.6%	-0.9%	-4.3%	-2.7%	0.6%	649,201
Corrections	634,934,029	40,620,364	44,118,225	718,687	720,391,305	658,157,093	41,977,982	44,250,443	718,687	745,104,205	3.7%	3.3%	0.3%	0.0%	3.4%	23,223,064
Education	2,833,701,556	853,103,045	23,319,283	625,919,937	4,336,043,821	2,834,894,598	754,119,098	23,399,186	626,501,348	4,238,914,230	0.0%	-11.6%	0.3%	0.1%	-2.2%	1,193,042
Governor	11,175,194	23,643,160	125,124,833	23,791,753	183,734,940	18,442,153	29,819,469	130,892,629	26,167,473	205,321,724	65.0%	26.1%	4.6%	10.0%	11.7%	7,266,959
Health Care Policy	1,669,164,241	877,581,880	10,375,474	2,541,061,895	5,098,183,490	1,854,725,846	865,107,650	7,385,014	2,717,160,114	5,444,378,624	11.1%	-1.4%	-28.8%	6.9%	6.8%	185,561,605
Higher Education	623,962,700	1,699,158,727	539,636,738	19,014,815	2,881,772,980	563,691,605	1,699,370,889	522,781,010	19,116,967	2,804,960,471	-9.7%	0.0%	-3.1%	0.5%	-2.7%	(60,271,095)
Human Services	614,650,877	327,959,886	449,772,764	669,003,071	2,061,386,598	633,450,270	331,665,704	460,987,539	653,734,514	2,079,838,027	3.1%	1.1%	2.5%	-2.3%	0.9%	18,799,393
Judicial	340,243,578	113,517,658	14,743,488	5,210,298	473,715,022	350,707,973	127,700,370	15,268,220	4,433,232	498,109,795	3.1%	12.5%	3.6%	-14.9%	5.1%	10,464,395
Labor	0	60,765,642	752,426	96,534,472	158,052,540	0	61,911,077	656,026	97,837,217	160,404,320	n/a	1.9%	-12.8%	1.3%	1.5%	0
Law	9,393,105	10,391,750	33,061,507	1,500,211	54,346,573	9,865,161	11,449,469	33,946,946	1,570,418	56,831,994	5.0%	10.2%	2.7%	4.7%	4.6%	472,056
Legislature	34,684,832	184,587	1,103,816	0	35,973,235	35,675,709	184,587	1,103,816	0	36,964,112	2.9%	0.0%	0.0%	n/a	2.8%	990,877
Local Affairs	10,383,966	228,629,982	7,104,146	117,319,185	363,437,279	9,036,183	228,701,124	7,110,808	117,463,440	362,311,555	-13.0%	0.0%	0.1%	0.1%	-0.3%	(1,347,783)
Military Affairs	5,421,658	1,209,140	803,509	213,775,024	221,209,331	5,703,579	1,427,399	803,509	214,064,764	221,999,251	5.2%	18.1%	0.0%	0.1%	0.4%	281,921
Natural Resources	23,422,123	191,031,122	8,480,565	19,608,155	242,541,965	23,428,606	174,645,580	8,580,987	20,312,868	226,968,041	0.0%	-8.6%	1.2%	3.6%	-6.4%	6,483
Personnel	5,079,400	8,936,695	142,995,921	0	157,012,016	5,614,919	10,645,478	143,174,157	0	159,434,554	10.5%	19.1%	0.1%	n/a	1.5%	535,519
Public Health	27,478,228	121,579,430	26,207,571	267,069,638	442,334,867	27,284,383	148,875,490	30,299,270	267,925,700	474,384,843	-0.7%	22.5%	15.6%	0.3%	7.2%	(193,845)
Public Safety	82,676,491	128,122,067	24,162,074	29,559,306	264,519,938	82,599,953	135,331,866	25,048,839	29,859,594	274,840,252	2.3%	5.6%	3.7%	1.0%	3.9%	1,923,462
Regulatory Agencies	1,599,183	69,708,823	4,239,807	1,194,128	76,741,941	1,647,582	70,646,859	4,297,289	1,226,482	77,818,212	3.0%	1.3%	1.4%	2.7%	1.4%	48,399
Revenue	72,746,170	219,932,569	1,328,287	723,701	294,730,727	71,818,605	223,614,852	1,424,050	824,388	297,681,895	-1.3%	1.7%	7.2%	13.9%	1.0%	(927,565)
State	0	18,802,548	0	0	18,802,548	0	18,372,444	0	0	18,372,444	n/a	-2.3%	n/a	n/a	-2.3%	0
Transportation	0	699,088,197	4,886,656	404,145,023	1,108,119,876	0	705,222,582	4,915,400	409,409,045	1,119,547,027	n/a	0.9%	0.6%	1.3%	1.0%	0
Treasury	7,903,000	358,521,619	0	0	366,424,619	106,727,954	369,527,643	0	0	476,255,597	1250.5%	3.1%	n/a	n/a	30.0%	98,824,954
Capital - Controlled Maintenance Trust	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	0
Total	7,013,784,693	6,081,265,404	1,463,259,432	5,040,126,913	19,598,436,442	7,301,285,735	6,038,831,080	1,467,322,245	5,212,195,867	20,019,634,927	4.1%	-0.7%	0.3%	3.4%	2.1%	287,501,042
Not Subject to Statutory Limit:																
SB 11-209, Treasury, Sr Citizen Prop Tax Exempt	1,700,000	0	0	0	1,700,000	95,900,000	0	0	0	95,900,000	5541.2%				5541.2%	94,200,000
SB 11-209, Treasury, FPPA	25,321,079	0	0	0	25,321,079	0	0	0	0	0	-100.0%				-100.0%	(25,321,079)
SB 11-221, Treasury, FPPA	(20,000,000)	0	0	0	(20,000,000)	10,000,000	0	0	0	10,000,000	-150.0%				-150.0%	30,000,000
SB 11-209 Revenue, Old Age Heat and Fuel	7,800,000	0	0	0	7,800,000	7,400,000	0	0	0	7,400,000	-5.1%				-5.1%	(400,000)
SB 11-209, Revenue, Cigarette Tax	11,500,000	0	0	0	11,500,000	10,400,000	0	0	0	10,400,000	-9.6%				-9.6%	(1,100,000)
SB 11-209, Local Affairs, FPPA	4,294,753	0	0	0	4,294,753	2,775,706	0	0	0	2,775,706	-35.4%				-35.4%	(1,519,047)
Subtotal	30,615,832	0	0	0	30,615,832	126,475,706	0	0	0	126,475,706	313.1%				313.1%	95,859,874
Amendment 35 Tobacco Tax GFE - Not Subject to Statutory Limit:																
SB 11-209, HCPF, Amendment 35 Tobacco Tax	446,100	0	0	0	446,100	446,100	0	0	0	446,100	0.0%				0.0%	0
SB 11-209, Public Health, Amend 35 Tobacco Tax	446,100	0	0	0	446,100	446,100	0	0	0	446,100	0.0%				0.0%	0
Subtotal	892,200	0	0	0	892,200	892,200	0	0	0	892,200	0.0%				0.0%	0
Total (GF Adjusted for Items Not Subject to Limit)	6,982,276,661	6,081,265,404	1,463,259,432	5,040,126,913	19,567,820,610	7,173,917,829	6,038,831,080	1,467,322,245	5,212,195,867	20,146,110,633	2.7%	-0.7%	0.3%	3.4%	3.0%	191,641,168
Currently Subject to Statutory Limit	6,982,276,661					7,173,917,829										
Personal Income (2 years prior to FY)	210,500,000,000					215,800,000,000										
Statutory Limit (Personal Income * 5 Percent)	10,525,000,000					10,790,000,000										
Amount (Over)/under Limit	3,542,723,339					3,616,082,171					33.5%					

Table 2
General Fund Overview Based On OSPB September 2011 Revenue Estimate and FY 2012-13 Request
(millions of dollars)

	FY 10-11	FY 11-12	FY 12-13	FY 13-14
1 Beginning GF Reserve	\$137.4	\$156.7	\$260.4	\$284.7
2 GF Nonexempt Revenues (Adj'd by \$126.7m in FY 2012 and \$107.2 m in FY 2013 as OSPB included in Gross)	6,314.8	6,303.8	6,542.3	6,777.3
3 GF Exempt Revenues	770.3	839.0	813.2	869.3
4 Transfers/Paybacks (prior Sessions)	159.3	132.7	2.1	2.1
5 Transfer to Older Americans Act	(8.0)	(8.0)	(8.0)	(8.0)
6 Governor's Request for GF Revenue Augmentation	0.0	0.0	73.3	0.0
7 Governor's Request for GF Revenue Reductions	0.0	0.0	(6.1)	0.0
8 TABOR Surplus Liability	0.0	0.0	0.0	0.0
9 TOTAL GF AVAILABLE	<u>\$7,373.8</u>	<u>\$7,424.2</u>	<u>\$7,677.2</u>	<u>\$7,925.4</u>
10				
11 GF Obligations:				
12 GF Appropriations	\$6,811.1	\$6,982.3	\$7,173.9	\$7,173.9
13 1331 Supplementals Requested But Not Yet Approved by JBC	0.0	0.0	\$0.0	\$0.0
14 1331 Supplementals Approved by JBC	0.0	0.6	\$0.0	\$0.0
15 Governor's Request for Statewide Initiatives	0.0	0.0	\$18.8	\$0.0
16 Governor's Indication that there will be an Anticipated Budget Amendment in January	0.0	0.0	(1.0)	0.0
17 Adjusted GF Appropriations Base	<u>6,811.1</u>	<u>6,982.9</u>	<u>7,191.7</u>	<u>7,173.9</u>
18 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	0.0	0.0	0.0
19 Medicaid Overexpenditures/Payment Delays as Required by OSPB and Controller	9.9	0.0	0.0	0.0
20 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	(0.5)	0.0	0.0	0.0
21 Rebates and Expenditures - Based on Statutory Minimums	129.0	130.0	135.3	155.5
22 Reimbursement for Senior and Veterans Property Tax Exemption	1.6	1.6	98.5	103.6
23 Governor's Request to Continue the Suspension of the Senior Property Tax Exemption (Requires Bill)	0.0	0.0	(96.8)	0.0
24 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
25 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
26 Capital Construction Transfer	12.5	49.3	63.8	61.2
27 Transfer of Excess Reserve to SEF Pursuant to SB 11-156	224.6	0.0	0.0	0.0
28 Transfer of Excess Reserve to Public School Fund pursuant to SB 11-230	67.5	0.0	0.0	0.0
29 Accounting Adjustments	(38.6)	0.0	0.0	0.0
30 TOTAL GF OBLIGATIONS	<u>\$7,217.1</u>	<u>\$7,163.8</u>	<u>\$7,392.5</u>	<u>\$7,494.2</u>
31				
32 YEAR END GF RESERVE	\$156.7	\$260.4	\$284.7	\$431.2
33 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	156.7	279.3	287.7	287.0
34 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$0.0</u>	<u>(\$18.9)</u>	<u>(\$3.0)</u>	<u>\$144.2</u>
35 Reduction Needed to Maintain 1/2 of Statutory Reserve	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Table 2 - Continued

	FY 10-11	FY 11-12	FY 12-13	FY 13-14
36 Total Gross General Fund Revenues	\$7,085.1	\$7,142.8	\$7,355.5	\$7,646.6
37 Percent Gross General Fund Revenue Growth	9.7%	0.8%	3.0%	4.0%
38				
39 Transfer to the State Education Fund	\$372.8	\$373.8	\$384.4	\$394.3
40 Transfer of Excess Reserve to SEF Pursuant to SB 11-156	224.6	0.0	0.0	0.0
41 Transfer Revenues Received due to Tax Amnesty bill to SEF pursuant to SB 11-184	0.0	9.7	0.0	0.0
42 Total Transfers to the State Education Fund	\$597.4	\$383.5	\$384.4	\$394.3
43				
44 Required TABOR Reserve	\$282.7	\$290.0	\$302.7	\$316.1
45				
46 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$6,821.0	\$6,982.9	\$7,191.7	\$7,173.9
47 Total Percent Growth (Including both items within restriction and exemptions)	3.3%	2.4%	3.0%	-0.2%
48 GF Appropriations Base Available Growth	\$217.5	\$161.9	\$208.8	(\$17.8)
49				
50 Personal Income (Sec 24-75-201.1 (1)(a)(VII)(A), CRS - PI as of two years prior to fiscal year)	\$215,000.0	\$210,500.0	\$215,800.0	\$226,600.0
51 Percent Increase/(Decrease) Over Previous Year	4.8%	-2.1%	2.5%	5.0%
52				
53 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	\$10,750.0	\$10,525.0	\$10,790.0	\$11,330.0
54 Adjusted GF Appropriations Base	6,811.1	6,982.9	7,191.7	7,173.9
55 Over/(Under) Calculated Appropriations Restriction	(\$3,938.9)	(\$3,542.1)	(\$3,598.3)	(\$4,156.1)
56				
57 Year-End GF Reserve Percentage	2.3%	3.7%	4.0%	6.0%
58				
59 Rebates and Expenditures Include (from OSPB Forecast)				
60 Cigarette Rebate	\$11.0	\$10.7	\$10.4	\$10.2
61 Old Age Pension	102.2	100.0	102.3	105.8
62 Aged Property Tax & Heating Credit	6.8	7.4	7.4	7.4
63 FPPA	7.3	9.6	12.8	29.7
64 Amendment 35 GFE Expenditures	0.9	0.9	0.8	0.8
65 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.8	1.4	1.6	1.6
66 Total Rebates and Expenditures	\$129.0	\$130.0	\$135.3	\$155.5

Table 3
General Fund Overview Based On Legislative Council September 2011 Revenue Estimate and FY 2012-13 Request
(millions of dollars)

	FY 10-11	FY 11-12	FY 12-13	FY 13-14
1 Beginning GF Reserve	\$137.6	\$156.7	\$343.0	\$577.7
2 GF Nonexempt Revenues	6,314.8	6,308.4	6,472.6	6,654.7
3 GF Exempt Revenues	770.3	927.1	1,107.9	1,306.5
4 Transfers/Paybacks (Prior Sessions)	158.1	133.0	2.1	(0.9)
5 Transfer to Older Americans Act	(10.9)	(10.9)	(8.0)	(8.0)
6 Governor's Request for GF Revenue Augmentation	0.0	0.0	73.3	0.0
7 Governor's Request for GF Revenue Reductions	0.0	0.0	(6.1)	0.0
8 TABOR Surplus Liability	0.0	0.0	0.0	0.0
9 TOTAL GF AVAILABLE	<u>\$7,369.9</u>	<u>\$7,514.3</u>	<u>\$7,984.8</u>	<u>\$8,530.0</u>
10				
11 GF Obligations:				
12 GF Appropriations	\$6,811.1	\$6,982.3	\$7,173.9	\$7,173.9
13 1331 Supplementals Requested But Not Yet Approved by JBC	0.0	0.0	0.0	0.0
14 1331 Supplementals Approved by JBC	0.0	0.6	\$0.0	\$0.0
15 Governor's Request for Statewide Initiatives	0.0	0.0	\$18.8	\$0.0
16 Governor's Indication that there will be an Anticipated Budget Amendment in January	0.0	0.0	(1.0)	0.0
17 Adjusted GF Appropriations Base	<u>6,811.1</u>	<u>6,982.9</u>	<u>7,191.7</u>	<u>7,173.9</u>
18 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	0.0	0.0	0.0
19 Medicaid Overexpenditures/Payment Delays as Required by OSPB and the Controller	9.9	0.0	0.0	0.0
20 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	0.0	0.0	0.0	0.0
21 Rebates and Expenditures - Based on Statutory Minimums	115.1	137.4	149.9	145.4
22 Reimbursement for Senior and Veterans Property Tax Exemption	1.6	1.7	95.9	95.9
23 Governor's Request to Continue the Suspension of the Senior Property Tax Exemption (Requires Bill)	0.0	0.0	(94.2)	0.0
24 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
25 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
26 Capital Construction Transfer	12.5	49.3	63.8	43.7
27 Transfer of Excess Reserve to SEF pursuant to SB 11-156	226.4	0.0	0.0	0.0
28 Transfer of Excess Reserve to Public School Fund pursuant to SB 11-230	67.5	0.0	0.0	0.0
29 Accounting Adjustments	<u>(30.9)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
30 TOTAL GF OBLIGATIONS	<u>\$7,213.2</u>	<u>\$7,171.3</u>	<u>\$7,407.1</u>	<u>\$7,458.9</u>
31				
32 YEAR END GF RESERVE	\$156.7	\$343.0	\$577.7	\$1,071.1
33 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	<u>156.7</u>	<u>279.3</u>	<u>287.7</u>	<u>287.0</u>
34 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$0.0</u>	<u>\$63.7</u>	<u>\$290.0</u>	<u>\$784.1</u>
35 Reduction Needed to Maintain 1/2 of Statutory Reserve	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Table 3 - Continued

	FY 10-11	FY 11-12	FY 12-13	FY 13-14
36 Total Gross General Fund Revenues	\$7,085.1	\$7,235.5	\$7,580.5	\$7,961.2
37 Percent Gross General Fund Revenue Growth	9.7%	2.1%	4.8%	5.0%
38				
39 Transfer to the State Education Fund	\$370.5	\$384.9	\$404.6	\$426.2
40 Transfer of Excess Reserve to SEF Pursuant to SB 11-156	226.4	0.0	0.0	0.0
41 Total Transfers to the State Education Fund	\$596.9	\$384.9	\$404.6	\$426.2
42				
43 Required TABOR Reserve	\$282.7	\$292.6	\$310.5	\$327.0
44				
45 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$6,821.0	\$6,982.9	\$7,191.7	\$7,173.9
46 Total Percent Growth (Including both items within restriction and exemptions)	3.3%	2.4%	3.0%	-0.2%
47 GF Appropriations Base Available Growth	\$217.5	\$161.9	\$208.8	(\$17.8)
48				
49 Personal Income (Sec 24-75-201.1 (1)(a)(VII)(A), CRS - PI as of two years prior to fiscal year)	\$214,977.0	\$210,513.0	\$215,259.0	\$225,591.0
50 Percent Increase/(Decrease) Over Previous Year	4.7%	-2.1%	2.3%	4.8%
51				
52 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	\$10,748.9	\$10,525.7	\$10,763.0	\$11,279.6
53 Adjusted GF Appropriations Base	6,811.1	6,982.9	7,191.7	7,173.9
54 Over/(Under) Calculated Appropriations Restriction	(\$3,937.8)	(\$3,542.8)	(\$3,571.3)	(\$4,105.7)
55				
56 Year-End GF Reserve Percentage	2.3%	4.9%	8.0%	14.9%
57				
58 Rebates and Expenditures Include (from LCS Forecast)				
59 Cigarette Rebate	\$11.0	\$11.8	\$11.7	\$11.5
60 Old Age Pension	91.3	106.6	114.2	94.2
61 Aged Property Tax & Heating Credit	6.8	7.7	7.6	7.5
62 FPPA	4.3	9.8	14.6	30.0
63 Amendment 35 GFE Expenditures	0.9	0.9	0.9	0.9
64 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.8	0.6	0.9	1.3
65 Total Rebates and Expenditures	\$115.1	\$137.4	\$149.9	\$145.4

Table 4
2011 Interim 1331 Supplemental Requests

June 2011 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		GF	FY 2010-11 Other Funds	Total	GF	FY 2011-12 Other Funds	Total	GF	FY 2010-11 Other Funds	Total	GF	FY 2011-12 Other Funds	Total
1 HCFP	Request for Medical Services Premiums Local Funds Overexpenditure	\$0	\$0	\$0	\$0	\$38,666	\$38,666	\$0	\$0	\$0	\$0	\$38,666	\$38,666
2 Higher Education	College Opportunity Fund Allocation Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
3 Personnel	Travel and Rebate Reimbursement	0	77,973	77,973	0	0	0	0	77,973	77,973	0	0	0
4 Personnel	Recovery Audit Spending Authority	0	0	0	0	1,600,000	1,600,000	0	0	0	0	1,600,000	1,600,000
5 Revenue	State Sales Tax Refunds Pursuant to HB 10-1285	0	0	0	0	81,434	81,434	0	0	0	0	81,434	81,434
6 Revenue	Loma Port Staffing	0	0	0	0	193,171	0	0	0	0	0	0	0
7 State	Correct Technical Errors	0	0	0	0	1,092,183	1,092,183	0	0	0	0	1,075,800	1,075,800
9 Total		\$0	\$77,973	\$77,973	\$0	\$3,005,454	\$3,005,454	\$0	\$77,973	\$77,973	\$0	\$2,795,900	\$2,795,900

June 2011 Capital Construction 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		CCFE	FY 2010-11 Other Funds	Total	CCFE	FY 2011-12 Other Funds	Total	CCFE	FY 2010-11 Other Funds	Total	CCFE	FY 2011-12 Other Funds	Total
16 Higher Education	CU Denver, Center for Bioethics and Humanities	\$0	\$8,254,692	\$8,254,692	\$0	\$0	\$0	\$0	\$8,254,692	\$8,254,692	\$0	\$0	\$0
17 Higher Education	CU Boulder, Visual Arts Complex	\$0	\$63,522,302	\$63,522,302	\$0	\$0	\$0	\$0	\$63,522,302	\$63,522,302	\$0	\$0	\$0
18 Higher Education	Colorado School of Mines, Weaver Tower Renovation	\$0	\$9,999,993	\$9,999,993	\$0	\$0	\$0	\$0	\$700,000	\$700,000	\$0	\$0	\$0
20 Total		\$0	\$81,776,987	\$81,776,987	\$0	\$0	\$0	\$0	\$72,476,994	\$72,476,994	\$0	\$0	\$0

July 2011 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		GF	FY 2010-11 Other Funds	Total	GF	FY 2011-12 Other Funds	Total	GF	FY 2010-11 Other Funds	Total	GF	FY 2011-12 Other Funds	Total
27 HCFP	Adj to Medical Services Premiums to Reverse Pharmacy Rate Reduction	\$0	\$0	\$0	\$544,874	\$705,715	\$1,250,589	\$0	\$0	\$0	\$595,575	\$655,014	\$1,250,589
28 Revenue	Loma Port Staffing	0	0	0	0	193,171	0	0	0	0	0	193,171	193,171
30 Total		\$0	\$0	\$0	\$544,874	\$898,886	\$1,443,760	\$0	\$0	\$0	\$595,575	\$848,185	\$1,443,760

September 2011 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		GF	FY 2010-11 Other Funds	Total	GF	FY 2011-12 Other Funds	Total	GF	FY 2010-11 Other Funds	Total	GF	FY 2011-12 Other Funds	Total
37 Corrections	Payments to District Attorneys	\$0	\$0	\$0	\$385,502	\$0	\$385,502	\$0	\$0	\$0	\$0	\$0	\$0
38 Corrections	Sex Offender Treatment Expansion	0	0	0	824,348	0	824,348	0	0	0	0	0	0
39 Education	Increase Spending Authority for Gifts, Grants, and Donations	0	0	0	0	1,800,000	1,800,000	0	0	0	0	1,800,000	1,800,000
40 Pub Health	Waste Tire Processors and End Users	0	0	0	0	1,891,814	1,891,814	0	609,320	609,320	0	1,282,494	1,282,494
42 Total		\$0	\$0	\$0	\$1,209,850	\$3,691,814	\$4,901,664	\$0	\$609,320	\$609,320	\$0	\$3,082,494	\$3,082,494

			JBC Action					
			GF	FY 2010-11 Other Funds	Total	GF	FY 2011-12 Other Funds	Total
Total Operating 1331 Supplementals Approved by JBC =			\$0	\$687,293	\$687,293	\$595,575	\$6,726,579	\$7,322,154

			JBC Action					
			CCFE	FY 2010-11 Other Funds	Total	CCFE	FY 2011-12 Other Funds	Total
Total Capital Construction 1331 Supplementals Approved by JBC =			\$0	\$72,476,994	\$72,476,994	\$0	\$0	\$0

Table 5
Summary of Governor John Hickenlooper's Request for FY 2012-13 Statewide Spending Initiatives

1	Department	Request Title	GF	FY 2012-13 Other Funds	Total Funds
2	<i>Subject to the Statutory Limit Spending Increase Requests:</i>				
3	Education	Fund Teacher Assessments (Transfer General Fund into the Great Teachers and Leaders Fund"	7,700,000	0	7,700,000
4	Revenue	Assist Lower-income Seniors with the Impact of Proposal to Delay Reinstatement of the Senior Homestead Exemption	9,500,000	0	9,500,000
5	Statewide	Reverse the Paydate Shift for State Employees paid on a Bi-weekly Basis	<u>1,600,000</u>	<u>0</u>	<u>1,600,000</u>
6		<i>Subtotal Subject to the Statutory Limit Spending Increase Requests</i>	18,800,000	0	18,800,000
7					
8	<i>Subject to the Statutory Limit Spending Decrease Requests:</i>				
9	N/A	Anticipated Budget Amendments (Specifics as yet unidentified)	<u>(1,025,955)</u>	<u>0</u>	<u>(1,025,955)</u>
10		<i>Subtotal Subject to the Statutory Limit Spending Decrease Requests</i>	(1,025,955)	0	(1,025,955)
11	Total		17,774,045	17,774,045	17,774,045
12					
13				FY 2012-13	Total Funds
14	Department	Request Title	GF	Other Funds	
15	<i>Not Subject to the Statutory Limit Spending Decrease Requests:</i>				
16	Treasury	Governor's Request to Continue the Suspension of the Senior Homestead Exemption (OSPB Forecast)	(96,800,000)	0	(96,800,000)
17		Governor's Request to Continue the Suspension of the Senior Homestead Exemption (LCS Forecast)	(94,200,000)	0	(94,200,000)
18	Total				

Table 6
General Fund Revenue Actions as Requested in Governor John Hickenlooper's FY 2012-13 Budget Submission

		FY 2012-13
	Request Title	GF
1		
2	Department	
3	<i>Reduce GF Revenues:</i>	
4	Governor Adjust Limited Gaming Fund Formula to Decrease General Fund and Divert Moneys to Governor's Energy Office (\$3.1 million) and Office of Film, Television and Media (\$3.0 million)	<u>(6,100,000)</u>
5	<i>Subtotal Reduce Revenues</i>	(6,100,000)
6		
7	<i>Augment GF Revenues:</i>	
8	Local Affairs Transfer Local Government Severance Tax Cash Funds to the General Fund	30,000,000
9	Natural Resources Transfer Funds from Severance Tax Perpetual Base Account to the General Fund	33,900,000
10	Transportation Transfer Proceeds from the Sale of State-owned Rail Line to the General Fund	<u>9,356,000</u>
11	<i>Subtotal Augment GF Revenues</i>	73,256,000
12	TOTAL CASH ACTION REQUESTS	67,156,000

Table 7
Bills that Impact General Fund from the 2011 Session for FY 2011-12
As of End of 2011 Session

	Bill No.	Department	FY 2011-12 Impact GF
Title:			
1 Parole Presumption Certain Drug Offender	HB 11-1064	Corrections	(45,243)
2 Parole Board Changes	SB 11-241	Corrections	43,800
3 Five Year Statutory Appropriations for the Department of Corrections	N/A	Corrections	962,923
4 School Finance Act	SB 11-230	Education	(284,753,130)
5 School Finance Act - Refinance GF with SEF	SB 11-230	Education	(175,946,870)
6 Charitable Use Property Tax Exemption	HB 11-1241	Education	845
7 Incidental Use of Tax-exempt Property	HB 11-1010	Education	1,664
8 Hospital Provider Fee	SB 11-212	HCPF	(50,000,000)
9 Tobacco Tax Transfer	SB 11-211	HCPF	(33,000,000)
10 Health Care Clinics	SB 11-219	HCPF	(15,775,670)
11 Nursing Rate Reduction	SB 11-215	HCPF	(4,432,915)
12 Save General Fund in CHIP Program	SB 11-216	HCPF	(3,449,967)
13 Old Age Pension Medical Program	SB 11-210	HCPF	(2,230,500)
14 Nursing Home Fees and Order of Payment	SB 11-125	HCPF	30,000
15 Health Care Professional Loan Forgiveness	HB 11-1281	Higher Education	(161,600)
16 Lt. Gov. as head of Principal Dept	HB 11-1155	Higher Education	(76,446)
17 Detention Cap Bill	SB 11-217	Hum Serv	(1,078,828)
18 Conservation Easement Tax Credit Dispute Resolution	HB 11-1300	Judicial	653,000
19 Legislative Appropriation Bill	SB 11-198	Legislative	32,560,734
20 Sex Offender Management Board	HB 11-1138	Public Safety	318,565
21 Sales and Use Tax Refund Claims	HB 11-1265	Revenue	19,701
22 Conservation Easement Tax Credit Dispute Resolution	HB 11-1300	Revenue	2,742,991
23 Modifications to FPPA Payments	SB 11-221	Treasury	(20,000,000)
24 PERA Shift Bill	SB 11-76	Various	(19,999,701)
25			
26 Total			(573,616,647)
27 Operating Budget			(553,616,647)
28 Rebates and Expenditures			(20,000,000)

Table 8
Summary of JBC Staff Five Year Projections for General Fund Costs

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
1 Inflation:						
2 EDUCATION	0	168,192,710	120,400,684	151,434,033	185,098,184	625,125,611
3 STATEWIDE and OTHER DEPARTMENTS	0	69,795,151	51,682,659	63,109,935	75,016,374	259,604,119
4 HIGHER EDUCATION	0	19,966,806	14,166,449	17,110,495	20,256,194	71,499,944
5 HUMAN SERVICES	0	17,173,586	11,819,693	14,520,364	17,321,232	60,834,876
6 HEALTH CARE POLICY AND FINANCING	15,000,000	(2,750,376)	23,066,674	1,051,910	1,128,696	37,496,904
7 CORRECTIONS	0	2,342,752	3,498,580	1,721,897	1,584,874	9,148,103
8 JUDICIAL	0	1,191,159	845,127	1,020,760	1,208,423	4,265,470
9 GRAND TOTAL	15,000,000	275,911,789	225,479,867	249,969,394	301,613,977	1,067,975,026
10						
11 Policy Options:						
12 EDUCATION	0	806,174,911	20,794,023	34,755,255	41,981,979	903,706,168
13 JUDICIAL	0	3,380,000	4,080,000	3,980,000	25,380,000	36,820,000
14 HUMAN SERVICES	0	2,102,418	2,600,917	2,862,377	3,479,301	11,045,012
15 CORRECTIONS	0	0	0	0	0	0
16 HEALTH CARE POLICY AND FINANCING	0	0	0	0	0	0
17 HIGHER EDUCATION	0	0	0	0	0	0
18 STATEWIDE and OTHER DEPARTMENTS	0	0	0	0	0	0
19 GRAND TOTAL	0	811,657,329	27,474,940	41,597,632	70,841,280	951,571,180
20						
21 Caseload:						
22 HEALTH CARE POLICY AND FINANCING	36,312,453	99,077,289	96,912,915	109,827,199	117,507,711	459,637,567
23 EDUCATION	0	43,327,512	19,522,446	82,390,713	97,384,519	242,625,190
24 HIGHER EDUCATION	0	18,094,918	18,619,671	19,159,641	19,715,271	75,589,502
25 HUMAN SERVICES	0	6,212,119	4,140,500	4,818,422	5,340,319	20,511,360
26 JUDICIAL	0	2,017,000	1,828,000	1,731,000	3,898,000	9,474,000
27 STATEWIDE and OTHER DEPARTMENTS	0	0	0	0	0	0
28 CORRECTIONS	5,692,628	(2,717,152)	(10,116,166)	(11,997,272)	(12,101,777)	(31,239,739)
29 GRAND TOTAL	42,005,081	166,011,686	130,907,365	205,929,703	231,744,044	776,597,880
30						
31 Reversing One-time Action Spreadsheet:						
32 EDUCATION	0	227,124,588	49,000,000	0	0	276,124,588
33 STATEWIDE and OTHER DEPARTMENTS	0	120,351,417	15,321,079	0	0	135,672,496
34 HIGHER EDUCATION	0	96,618,244	0	0	0	96,618,244
35 HEALTH CARE POLICY AND FINANCING	0	78,208,585	0	0	0	78,208,585
36 HUMAN SERVICES	0	13,500,000	0	0	0	13,500,000
37 CORRECTIONS	0	1,499,825	750,000	0	0	2,249,825
38 JUDICIAL	0	553,374	0	0	0	553,374
39 GRAND TOTAL	0	537,856,033	65,071,079	0	0	602,927,112
40						
41 Statutory Increases:						
42 STATEWIDE and OTHER DEPARTMENTS	0	6,476,153	6,476,153	6,476,153	6,476,153	25,904,614
43 CORRECTIONS	0	0	0	0	0	0
44 EDUCATION	0	0	0	0	0	0
45 HEALTH CARE POLICY AND FINANCING	0	0	0	0	0	0
46 HIGHER EDUCATION	0	0	0	0	0	0
47 HUMAN SERVICES	0	0	0	0	0	0
48 JUDICIAL	0	0	0	0	0	0
49 GRAND TOTAL	0	6,476,153	6,476,153	6,476,153	6,476,153	25,904,614
50						
51 Other Base Adjustments:						
52 EDUCATION	0	(64,012,190)	49,834,511	(75,194,560)	(190,937,890)	(280,310,129)
53 HUMAN SERVICES	0	0	(1,414,584)	0	0	(1,414,584)
54 CORRECTIONS	0	0	0	0	0	0
55 HEALTH CARE POLICY AND FINANCING	0	0	0	0	0	0
56 HIGHER EDUCATION	0	0	0	0	0	0
57 JUDICIAL	0	0	0	0	0	0
58 STATEWIDE and OTHER DEPARTMENTS	0	0	0	0	0	0
59 GRAND TOTAL	0	(64,012,190)	48,419,927	(75,194,560)	(190,937,890)	(281,724,713)
60						
61 Grand Total:						
62 Inflation	15,000,000	275,911,789	225,479,867	249,969,394	301,613,977	1,067,975,026
63 Policy Options	0	811,657,329	27,474,940	41,597,632	70,841,280	951,571,180
64 Caseload	42,005,081	166,011,686	130,907,365	205,929,703	231,744,044	776,597,880
65 Reversing One-time Action Spreadsheet	0	537,856,033	65,071,079	0	0	602,927,112
66 Statutory Increases	0	6,476,153	6,476,153	6,476,153	6,476,153	25,904,614
67 Other base adjustments	0	(64,012,190)	48,419,927	(75,194,560)	(190,937,890)	(281,724,713)
68 GRAND TOTAL	57,005,081	1,733,900,801	503,829,331	428,778,322	419,737,564	3,143,251,099

Table 9
Five Year Projections of General Fund Costs (Increase over Base Year - FY 2011-12)

DEPARTMENT	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	incremental changes through FY 2015-16 only	EXPLANATION/COMMENTS
CORRECTIONS							
Base	634,934,029	640,626,657	641,752,082	635,884,496	625,609,121		Calculations should NOT duplicate amounts on the Required General Fund Increases spreadsheet. Caseload, Inflation, and Policy Options reflect solely the increase in that year over the prior year's base.
Reversing One-time Action Spreadsheet	0	1,499,825	750,000	0	0	2,249,825	See separate "GF Increase Required" spreadsheet for details.
Caseload	5,692,628	(2,717,152)	(10,116,166)	(11,997,272)	(12,101,777)	(36,932,367)	Assumes prison population based on Division of Criminal Justice August 2011 bed projections.
Inflation	0	2,342,752	3,498,580	1,721,897	1,584,874	9,148,103	Assumes the daily prison rate for private prisons, medical costs, and food are increased based on CPI.
Policy Options	0	0	0	0	0	0	None.
Total	\$640,626,657	\$641,752,082	\$635,884,496	\$625,609,121	\$615,092,218	(\$25,534,439)	
Change from Prior Year		\$1,125,425	(\$5,867,586)	(\$10,275,375)	(\$10,516,903)		
Percentage Change from Prior Year		0.2%	-0.9%	-1.6%	-1.7%		
EDUCATION							
Base	2,833,701,556	2,833,701,556	4,014,509,087	4,274,060,751	4,467,446,192		Assumes total state and local funding for public school finance remains constant at \$5.2B; GF portion changes based on fluctuations in local revenues and moneys available in the State Education Fund and the State Public School Fund
Reversing One-time Action Spreadsheet	0	227,124,588	49,000,000	0	0	276,124,588	See separate "GF Increase Required" spreadsheet for details.
Other base adjustments	0	(64,012,190)	49,834,511	(75,194,560)	(190,937,890)	(280,310,129)	Adjustments to offset changes in other fund sources.
Caseload	0	43,327,512	19,522,446	82,390,713	97,384,519	242,625,190	Assumes projected student enrollment changes will be funded, thereby maintaining the current average per pupil funding amount (\$6,468)
Inflation	0	168,192,710	120,400,684	151,434,033	185,098,184	625,125,611	Assumes the average per pupil funding amount increases annually based on CPI
Policy Options	0	806,174,911	20,794,023	34,755,255	41,981,979	903,706,168	Assumes "full funding" of the existing school finance formula without application of the new "negative factor", beginning in FY 2012-13
Total	\$2,833,701,556	\$4,014,509,087	\$4,274,060,751	\$4,467,446,192	\$4,600,972,984	\$1,767,271,428	
Change from Prior Year		\$1,180,807,531	\$259,551,664	\$193,385,441	\$133,526,792		
Percentage Change from Prior Year		41.7%	6.5%	4.5%	3.0%		
HEALTH CARE POLICY AND FINANCING							
Base	1,171,657,592	1,222,970,045	1,397,505,543	1,517,485,132	1,628,364,240		EXCLUDES General Fund transferred to DHS
Reversing One-time Action Spreadsheet	0	78,208,585	0	0	0	78,208,585	See separate "GF Increase Required" spreadsheet for details.
Caseload	36,312,453	99,077,289	96,912,915	109,827,199	117,507,711	423,325,114	The projection uses growth factors projected by the Department through FY 2013-14 and trends those forward. For the forecast period ACA expansions will not have a General Fund impact.
Inflation	15,000,000	(2,750,376)	23,066,674	1,051,910	1,128,696	22,496,904	The projection uses growth factors based on average per capita costs projected by the Department through FY 2013-14 and trends those forward.
Policy Options	0	0	0	0	0	0	
Total	\$1,222,970,045	\$1,397,505,543	\$1,517,485,132	\$1,628,364,240	\$1,747,000,648	\$524,030,603	
Change from Prior Year		\$174,535,498	\$119,979,589	\$110,879,109	\$118,636,407		
Percentage Change from Prior Year		14.3%	8.6%	7.3%	7.3%		
HIGHER EDUCATION							
Base	623,962,700	623,962,700	758,642,669	791,428,789	827,698,925		
Reversing One-time Action Spreadsheet	0	96,618,244	0	0	0	96,618,244	See separate "GF Increase Required" spreadsheet for details.
Caseload	0	18,094,918	18,619,671	19,159,641	19,715,271	75,589,502	The actual 10-year compound average annual rate of growth of 2.9 percent from FY 2000-01 to FY 2010-11 was used to project the FY 2012-13 through FY 2016-17 enrollment growth because the March 2011 LCS forecast did not project enrollment beyond FY 2011-12.
Inflation	0	19,966,806	14,166,449	17,110,495	20,256,194	71,499,944	Projections of inflation are based on the September 2011 LCS forecast.
Policy Options	0	0	0	0	0	0	Restores state and federal support for the higher education institutions of \$125.4 million (\$96.3 million General Fund), or 19.5 percent.
Total	\$623,962,700	\$758,642,669	\$791,428,789	\$827,698,925	\$867,670,390	\$243,707,690	
Change from Prior Year		\$134,679,969	\$32,786,120	\$36,270,136	\$39,971,464		
Percentage Change from Prior Year		21.6%	4.3%	4.6%	4.8%		

Table 9
Five Year Projections of General Fund Costs (Increase over Base Year - FY 2011-12)

DEPARTMENT	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	incremental changes through FY 2015-16 only	EXPLANATION/COMMENTS
HUMAN SERVICES							
Base	827,536,009	827,536,009	866,524,132	883,670,658	905,871,820		INCLUDES General Fund transferred from HCPF
Reversing One-time Action Spreadsheet	0	13,500,000	0	0	0	13,500,000	See separate "GF Increase Required" spreadsheet for details.
Other base adjustments	0	0	(1,414,584)	0	0	(1,414,584)	FY 2013-14 change reflects eliminating a short-term appropriation in county administration.
Caseload	0	6,212,119	4,140,500	4,818,422	5,340,319	20,511,360	For Developmental Disability services reflects increasing placements by 129 per year consistent with recent history. For Child Welfare reflects increase consistent with projected growth in the population of youth ages 0-17. For DYC, reflects population adjustments consistent with the LCS projections. No decreases assumed for mental health or child care.
Inflation	0	17,173,586	11,819,693	14,520,364	17,321,232	60,834,876	Reflects increasing county administration, child welfare, child care, mental health, disability, and youth corrections community providers by CPI.
Policy Options	0	2,102,418	2,600,917	2,862,377	3,479,301	11,045,012	Reflects increasing county administration and child care by state/child projected population growth; reflects increasing Adult Assistance programs other than OAP by CPI and growth in the older adult population.
Total	\$827,536,009	\$866,524,132	\$883,670,658	\$905,871,820	\$932,012,673	\$104,476,664	
Change from Prior Year		\$38,988,123	\$17,146,526	\$22,201,162	\$26,140,853		
Percentage Change from Prior Year		4.7%	2.0%	2.5%	2.9%		
JUDICIAL							
Base	340,243,578	340,243,578	347,385,111	354,138,238	360,869,999		
Reversing One-time Action Spreadsheet	0	553,374	0	0	0	553,374	See separate "GF Increase Required" spreadsheet for details.
Caseload	0	2,017,000	1,828,000	1,731,000	3,898,000	9,474,000	Estimated increases required to maintain existing staffing levels (for courts, probation, and the State Public Defender) but keep up with projected increases in case filings (this includes state staff for the courts, probation, Office of the State Public Defender (OSPD), as well as the increased costs for private counsel paid by the Office of the Child's Representative (OCF) and the Office of the Alternate Defense Counsel (OADC)).
Inflation	0	1,191,159	845,127	1,020,760	1,208,423	4,265,470	Inflationary increases for rates paid to private attorneys by the OADC and the OCR (inflationary increases for courts, probation, and OSPD should be captured in statewide salary data).
Policy Options	0	3,380,000	4,080,000	3,980,000	25,380,000	36,820,000	To reach 100% full staffing over 5 years, includes \$49.8M for courts and probation and \$12.4M for OSPD. Assumes CF are used in first 3 years for new court staff, and the largest staffing increases for the courts and probation would occur in last 2 years.
Total	\$340,243,578	\$347,385,111	\$354,138,238	\$360,869,999	\$391,356,422	\$51,112,844	
Change from Prior Year		\$7,141,533	\$6,753,127	\$6,731,760	\$30,486,423		
Percentage Change from Prior Year		2.1%	1.9%	1.9%	8.4%		
STATEWIDE and OTHER DEPARTMENTS							
Base	581,749,229	581,749,229	778,371,950	851,851,842	921,437,931		Currently reflects the balance of the statewide appropriation that is not incorporated in big-six above.
Reversing One-time Action Spreadsheet	0	120,351,417	15,321,079	0	0	135,672,496	See separate "GF Increase Required" spreadsheet for details.
Statutory Increases	0	6,476,153	6,476,153	6,476,153	6,476,153	32,380,767	AED & SAED increase 0.4% EACH CALENDAR YEAR through 2017. Each year's increase is calculated on the original FY 2011-12 GF Salary base.
Inflation	0	69,795,151	51,682,659	63,109,935	75,016,374	326,412,186	Includes salary survey and associated PERA, AED, SAED, and Medicare, as well as Health/Life/Dental.
Total	\$581,749,229	\$778,371,950	\$851,851,842	\$921,437,931	\$1,002,930,458	\$494,465,449	
Change from Prior Year		\$196,622,721	\$73,479,891	\$69,586,089	\$81,492,528		
Percentage Change from Prior Year		33.8%	9.4%	8.2%	8.8%		
GRAND TOTAL							
Base	7,013,784,693	7,070,789,774	8,804,690,575	9,308,519,906	9,737,298,228	0	
Reversing One-time Action Spreadsheet	0	537,856,033	65,071,079	0	0	602,927,112	See separate "GF Increase Required" spreadsheet for details.
Statutory Increases	0	6,476,153	6,476,153	6,476,153	6,476,153	32,380,767	
Other base adjustments	0	(64,012,190)	48,419,927	(75,194,560)	(190,937,890)	(281,724,713)	Excludes amounts appearing in "GF Increase Required" spreadsheet.
Caseload	42,005,081	166,011,686	130,907,365	205,929,703	231,744,044	734,592,799	
Inflation	15,000,000	275,911,789	225,479,867	249,969,394	301,613,977	1,119,783,093	
Policy Options	0	811,657,329	27,474,940	41,597,632	70,841,280	951,571,180	
Total	\$7,070,789,774	\$8,804,690,575	\$9,308,519,906	\$9,737,298,228	\$10,157,035,792	\$3,159,530,238	
Change from Prior Year		\$1,733,900,801	\$503,829,331	\$428,778,322	\$419,737,564		
Percentage Change from Prior Year		24.5%	5.7%	4.6%	4.3%		
Change Subject to Statutory Limit		\$1,635,021,890	\$488,508,252	\$428,778,322	\$419,737,564		
Change Not Subject to Statutory Limit		\$98,878,921	\$15,321,079	\$0	\$0		

**Table 10
General Fund Increases Required by the Sunset or Expiration of Budget Actions taken to balance the General Fund (Increase over Base Year - FY 2011-12)**

DEPARTMENT	Type of Action	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	TOTAL	EXPLANATION/COMMENTS
AGRICULTURE							
Restore General Fund previously financed with cash	Statutory	<u>1,400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,400,000</u>	H.B. 10-1377 refinances General Fund with cash funds from the Consumer Services Cash Fund for FY 2010-11 and FY 2011-12. General Fund must be restored in FY 2012-13.
Total Agriculture		\$1,400,000	\$0	\$0	\$0	\$1,400,000	
CORRECTIONS							
Operating Expenses	Budget Action	299,825	0	0	0	299,825	Restores a temporary two-year 5% GF Operating Expenses Reduction taken in FY 2010-11 and FY 2011-12.
One year therapeutic community reductions starting in FY 11-12	Budget Action	1,200,000	0	0	0	1,200,000	Restores a temporary one-year reduction.
Two year operations reductions in FY 11-12 and FY 12-13	Budget Action	<u>0</u>	<u>750,000</u>	<u>0</u>	<u>0</u>	<u>750,000</u>	Restores a temporary two-year reduction.
Total Corrections		\$1,499,825	\$750,000	\$0	\$0	\$2,249,825	
EDUCATION							
Public School Finance	Statutory	226,900,000	0	0	0	226,900,000	One-time transfer of "excess" FY 2010-11 General Fund revenue to State Education Fund (S.B. 11-156, as modified by S.B. 11-230); transfer that is anticipated to occur in December 2011 is relied upon to support FY 2011-12 appropriation.
Public School Finance	Statutory	0	49,000,000	0	0	49,000,000	Temporary diversion of state trust land moneys to State Public School Fund (to mitigate Total Program funding reductions).
Various	Budget Action	<u>224,588</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>224,588</u>	1.5% Personal services base reductions.
Total Education		\$227,124,588	\$49,000,000	\$0	\$0	\$276,124,588	
HEALTH CARE POLICY AND FINANCING							
Annualize S.B. 11-211 - Amendment 35 Money	Statutory	33,000,000	0	0	0	33,000,000	This money is transferred from CDPHE in FY 2011-12 as part of the budget package for only FY 2011-12.
Annualize S.B. 11-212 - Step-down the use of Hospital Provider Fee to support Medicaid Service Premiums	Statutory	25,000,000	0	0	0	25,000,000	Steps down the use of hospital provider fee revenues to offset General Fund for the Medicaid program from \$50 million in FY 2011-12 to \$25 million in FY 2012-13. In FY 2013-14 no hospital provider fee revenues would be used to offset the General Fund.
Annualize S.B. 11-219 - One-time transfers from several DPHE cash funds	Statutory	15,775,670	0	0	0	15,775,670	One-time transfers from cash funds that receive cigarette tax revenues to offset the need for General Fund for the Medicaid program.
Annualize S.B. 11-215 -Nursing Facility Rate Reduction	Statutory	<u>4,432,915</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,432,915</u>	Reduced statutory increases in nursing home provider rates by 1.5% for FY 2011-12 only.
Total Health Care Policy and Financing		\$78,208,585	\$0	\$0	\$0	\$78,208,585	
HIGHER EDUCATION							
State and federal support for higher education institutions	Budget Action	96,274,923	0	0	0	96,274,923	Restores state and federal support for the higher education institutions by \$125.4 million (\$96.3 million General Fund), or 19.5 percent.
CCHE funding	Budget Action	<u>343,321</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>343,321</u>	Restores funding for the Colorado Commission on Higher Education by 15.0 percent.
Total Higher Education		\$96,618,244	\$0	\$0	\$0	\$96,618,244	

Table 10
General Fund Increases Required by the Sunset or Expiration of Budget Actions taken to balance the General Fund (Increase over Base Year - FY 2011-12)

DEPARTMENT	Type of Action	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	TOTAL	EXPLANATION/COMMENTS
HUMAN SERVICES							
<i>Child Welfare</i>							
Child Welfare Services	Budget Action	12,500,000	0	0	0	12,500,000	Restores General Fund for child welfare services, eliminating a three-year refinance with Temporary Assistance for Needy Families reserves which are anticipated to be exhausted. This level of increase would be continued in the base in subsequent years.
<i>Mental Health / Alcohol and Substance Abuse</i>							
Financing of the CIRCLE Program at CMHI-Pueblo	Budget Action	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	Restores General Fund for the CIRCLE treatment program at the Colorado Mental Health Institute at Pueblo. For FY 2011-12, the moneys for the program were diverted from the tax revenue on the sale of medical marijuana.
Total Human Services		\$13,500,000	\$0	\$0	\$0	\$13,500,000	
JUDICIAL							
Trial Courts and Public Defender	Budget Action	402,785	0	0	0	402,785	Further delay final two judgeships in Jeffco (authorized by HB 07-1054).
Public Defender	Budget Action	<u>150,589</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,589</u>	Delay restoration of operating expenses reductions taken in FY 2010-11.
Total Judicial		\$553,374	\$0	\$0	\$0	\$553,374	
LAW (ATTORNEY GENERAL'S OFFICE)							
Various	Budget Action	<u>111,369</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>111,369</u>	1.5% personal services base reductions.
Total Law		\$111,369	\$0	\$0	\$0	\$111,369	
PUBLIC HEALTH AND ENVIRONMENT							
Transfer Amendment 35 (tobacco-tax revenue) appropriations to HCPF, reduce CDPHE cash funds	Budget Action	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	Note the increase in General Fund is in the Department of Health Care Policy and Financing.
Total Public Health and Environment		\$0	\$0	\$0	\$0	\$0	
REVENUE							
Driver's License Offices refinancing	Statutory	<u>19,961,127</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,961,127</u>	H.B. 10-1387 refinanced General Fund for Driver's License Office operations with cash funds. Refinancing ends for FY 2012-13 and General Fund must be restored.
Total Revenue		\$19,961,127	\$0	\$0	\$0	\$19,961,127	
TREASURY							
Special Purpose - Senior Citizen and Disabled Veteran Property Tax Exemption	Statutory	94,200,000	0	0	0	94,200,000	S.B. 10-190 suspended the senior citizen property tax exemption for FY 2010-11 and FY 2011-12, exemption restored for FY 2012-13.
Special Purpose - FPPA payments - Old Hire Plans	Statutory	<u>4,678,921</u>	<u>15,321,079</u>	<u>0</u>	<u>0</u>	<u>20,000,000</u>	S.B. 09-227 suspended FPPA old-hire plan payments for 3 years. Full payment scheduled for restoration in FY 2011-12. S.B. 11-221 partially reduced payments for FY 2011-12 and FY 2012-13, with full payments restored in FY 2013-14.
Total Treasury		\$98,878,921	\$15,321,079	\$0	\$0	\$114,200,000	
STATEWIDE							
PERA	Statutory	<u>19,468,650</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,468,650</u>	S.B. 11-076 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2011-12. This increase would reinstate that reduction beginning in FY 2012-13.
Total Statewide		\$19,468,650	\$0	\$0	\$0	\$19,468,650	
Total All Departments by Year		\$537,856,033	\$65,071,079	\$0	\$0	\$602,927,112	

Example of Potential General Fund Impact of SB 09-228

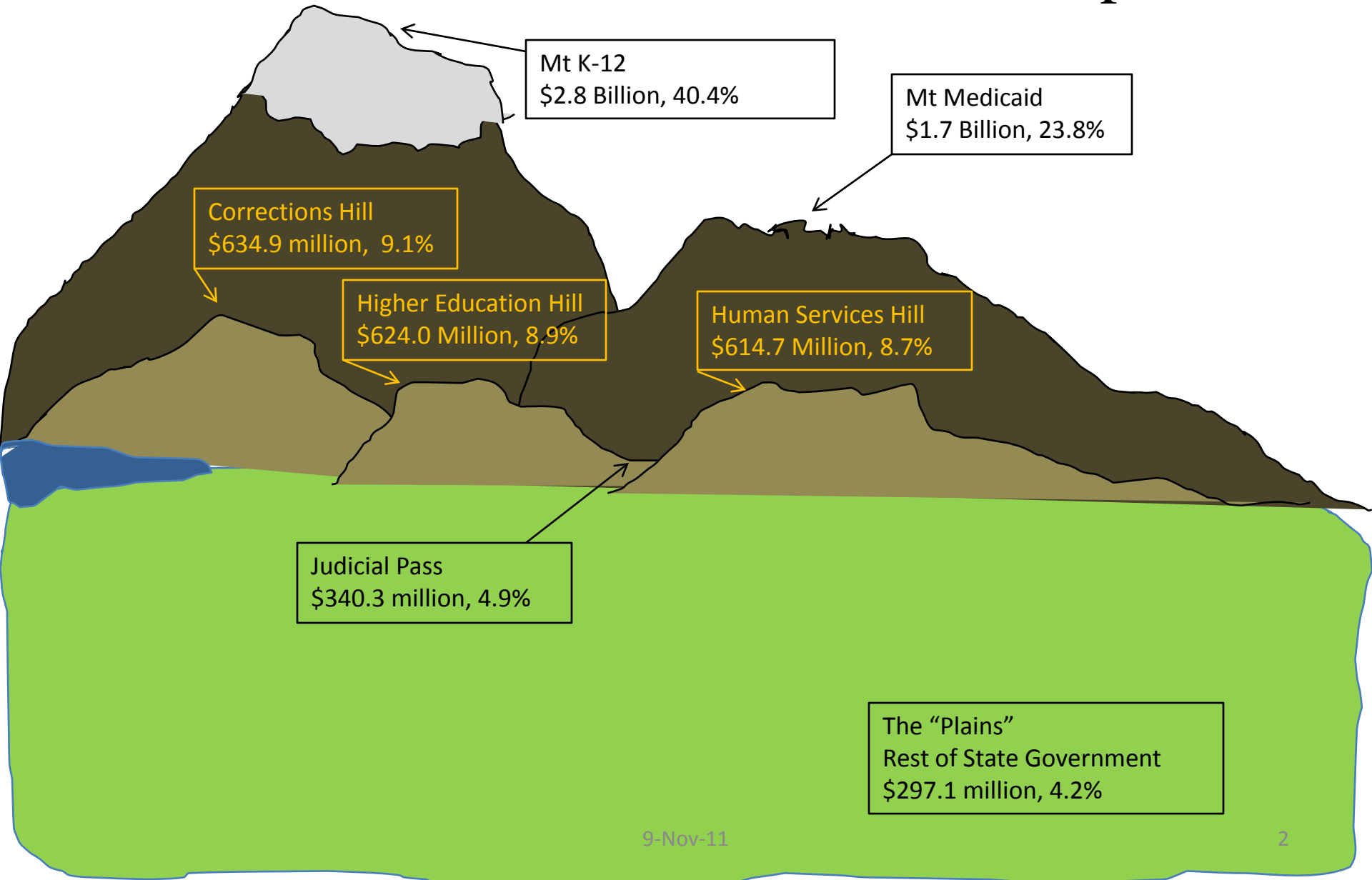
	FY 2012-13	FY 2013-14
1		
2	Based on OSPB Forecast:	
3	Total General Fund Revenues	7,355,500,000 7,646,600,000
4		
5	Percent to Transfer to HUTF	2.0% 2.0%
6	Transfer to HUTF (Sec. 24-75-219, C.R.S.)	147,110,000 152,932,000
7	Amount of Additional Funds Required for HUTF Transfer	147,110,000 5,822,000
8		
9	Percent to Transfer to Capital Construction	0.5% 0.5%
10	Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	36,777,500 38,233,000
11	Amount of Additional Funds Required for Capital Construction Fund Transfer	36,777,500 1,455,500
12		
13	Total General Fund Appropriations Base	7,191,700,000 7,173,900,000
14		
15	Additional Percentage to Increase Statutory Reserve	0.5% 0.5%
16	Increase to Statutory Reserve (Sec. 24-75-201.1 (1)(d)(XI.5 - XVI) and (e).C.R.S.)	35,958,500 35,869,500
17	Amount of Additional Funds Required for Increase to Statutory Reserve	35,958,500 (89,000)
18		
19	Based on LCS Forecast:	
20	Total General Fund Revenues	7,580,500,000 7,961,200,000
21		
22	Percent to Transfer to HUTF	2.0% 2.0%
23	Transfer to HUTF (Sec. 24-75-219, C.R.S.)	151,610,000 159,224,000
24	Amount of Additional Funds Required for HUTF Transfer	151,610,000 7,614,000
25		
26	Percent to Transfer to Capital Construction	0.5% 0.5%
27	Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	37,902,500 39,806,000
28	Amount of Additional Funds Required for Capital Construction Fund Transfer	37,902,500 1,903,500
29		
30	Total General Fund Appropriations Base	7,191,700,000 7,173,900,000
31		
32	Additional Percentage to Increase Statutory Reserve	0.5% 0.5%
33	Increase to Statutory Reserve (Sec. 24-75-201.1 (1)(d)(XI.5 - XVI) and (e).C.R.S.)	35,958,500 35,869,500
34	Amount of Additional Funds Required for Increase to Statutory Reserve	35,958,500 (89,000)
35	Please Note: The impact of SB 09-228 was supposed to begin in FY 2012-13. However, there is a trigger in the statute that delays the start of the impact until Colorado personal income grows by 5.0 percent from one calendar year to the next. Neither the OSPB or the LCS forecasts currently project that occurring during their current forecast periods. Both forecasts currently project revenues through FY 2013-14.	



**JBC Staff Overview
of the FY 2012-13 Budget Request
to the Joint Budget Committee**

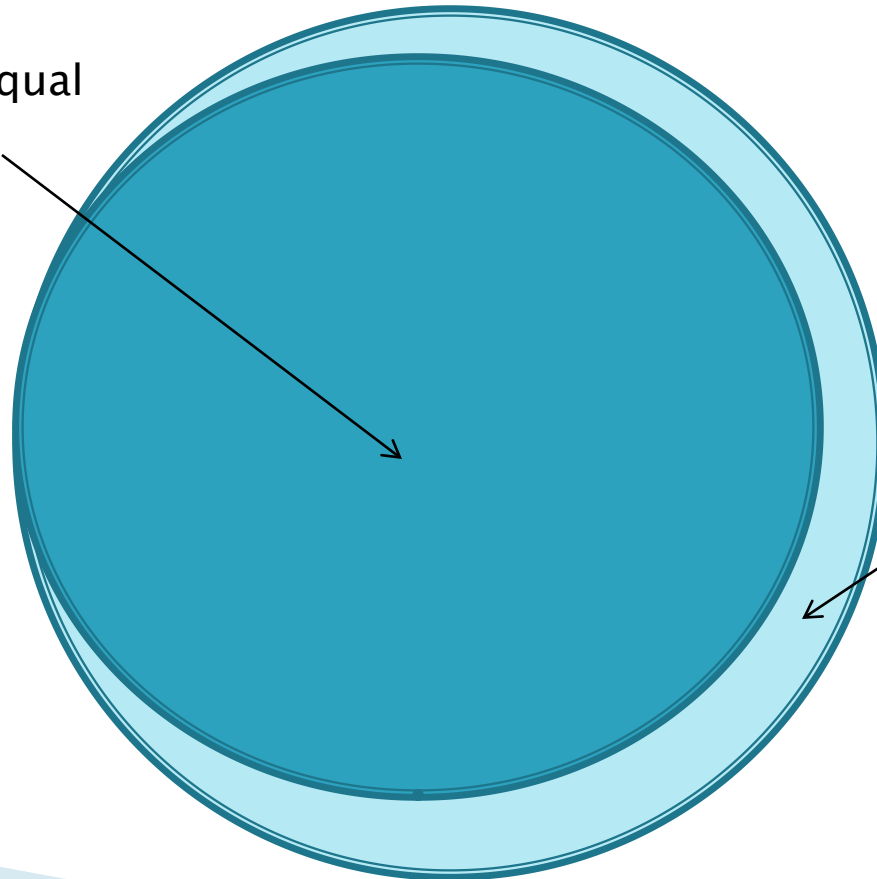
**Prepared by JBC Staff
November 9, 2011**

FY 2011-12 General Fund Landscape



Comparison of FY 2011–12 General Fund Appropriated to the General Fund Appropriated in SB 11–209

The FY 2011–12 General Fund appropriations equal \$7,013.8 million

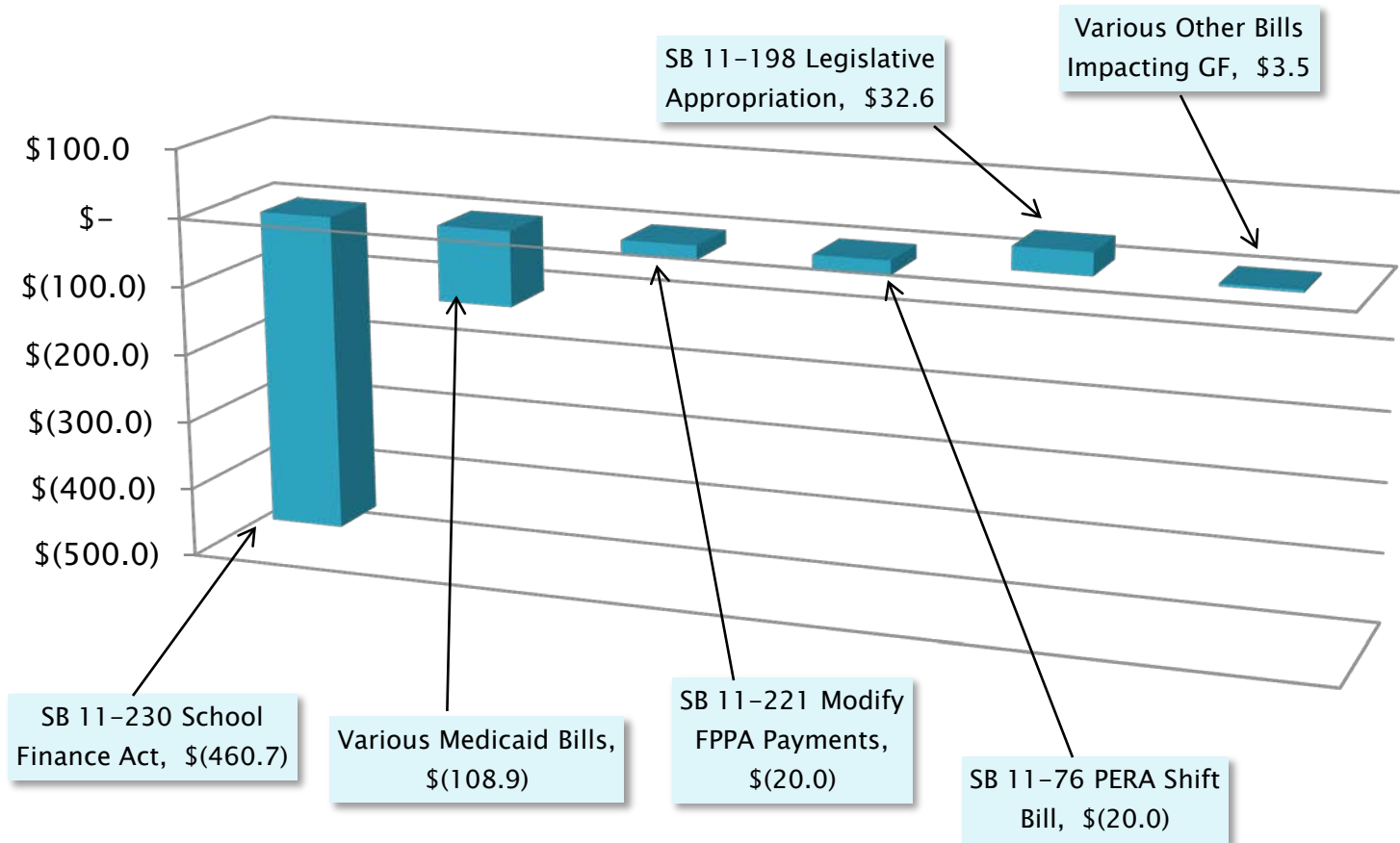


More General Fund (108.2 percent) was appropriated in the Long Bill than was ultimately appropriated for FY 2011–12

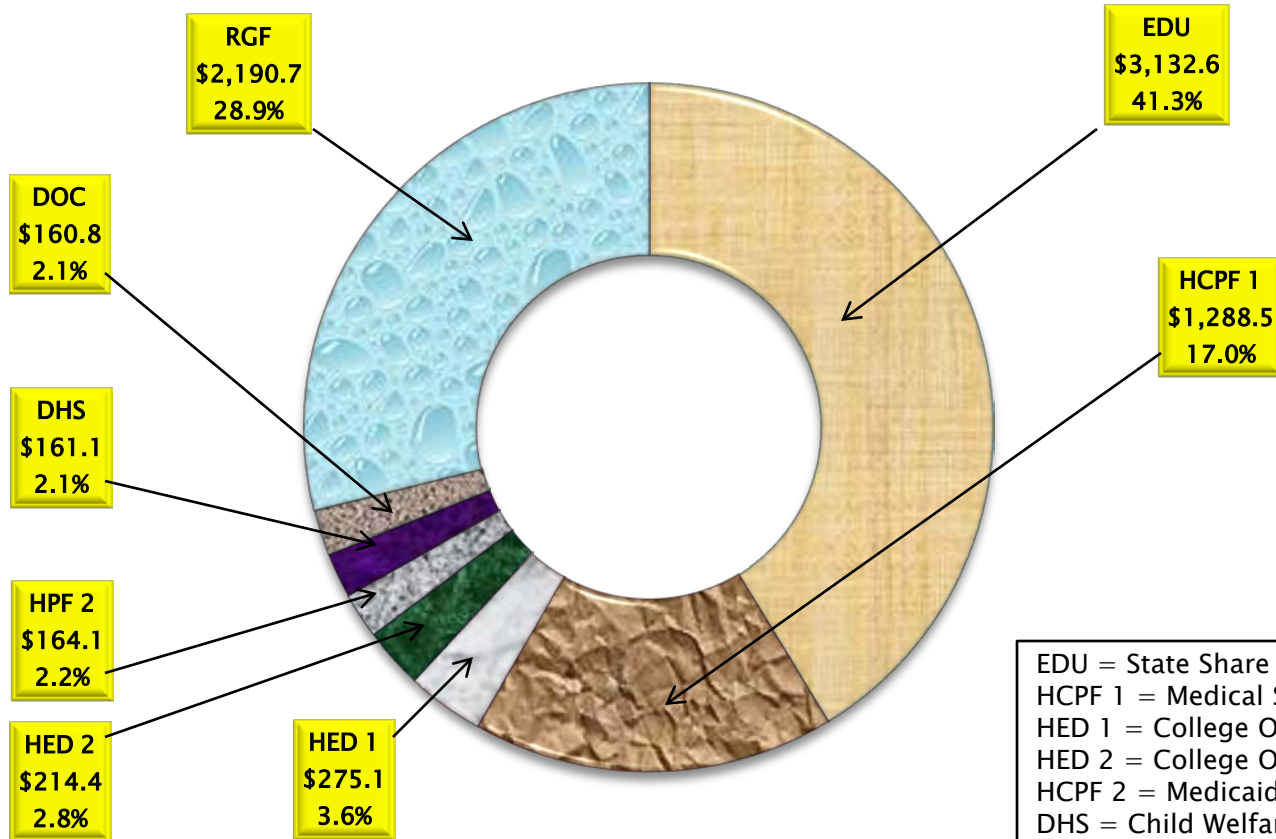
General Fund appropriations in SB 11–209 (the Long Bill) for FY 2011–12 equal \$7,587.4 million

Adjustments to the FY 2011-12 General Fund Budget (\$ in Millions)

The General Assembly passed several bills (equal to a net reduction of \$573.6 million GF) in order to ensure that the General Fund budget was in balance.



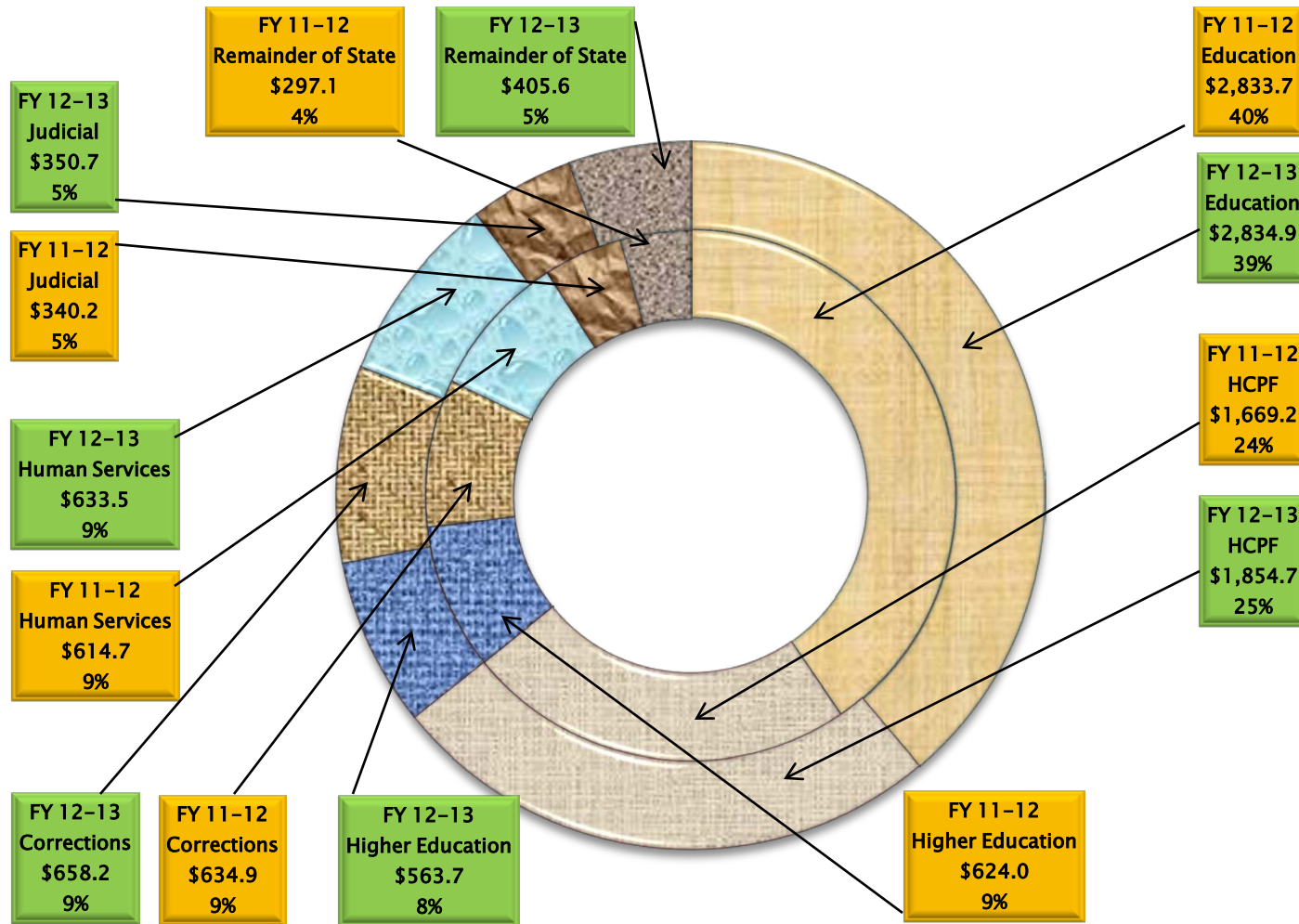
FY 2011-12 General Fund Appropriations in SB 11-209 by Largest Line Item (\$ in Millions)



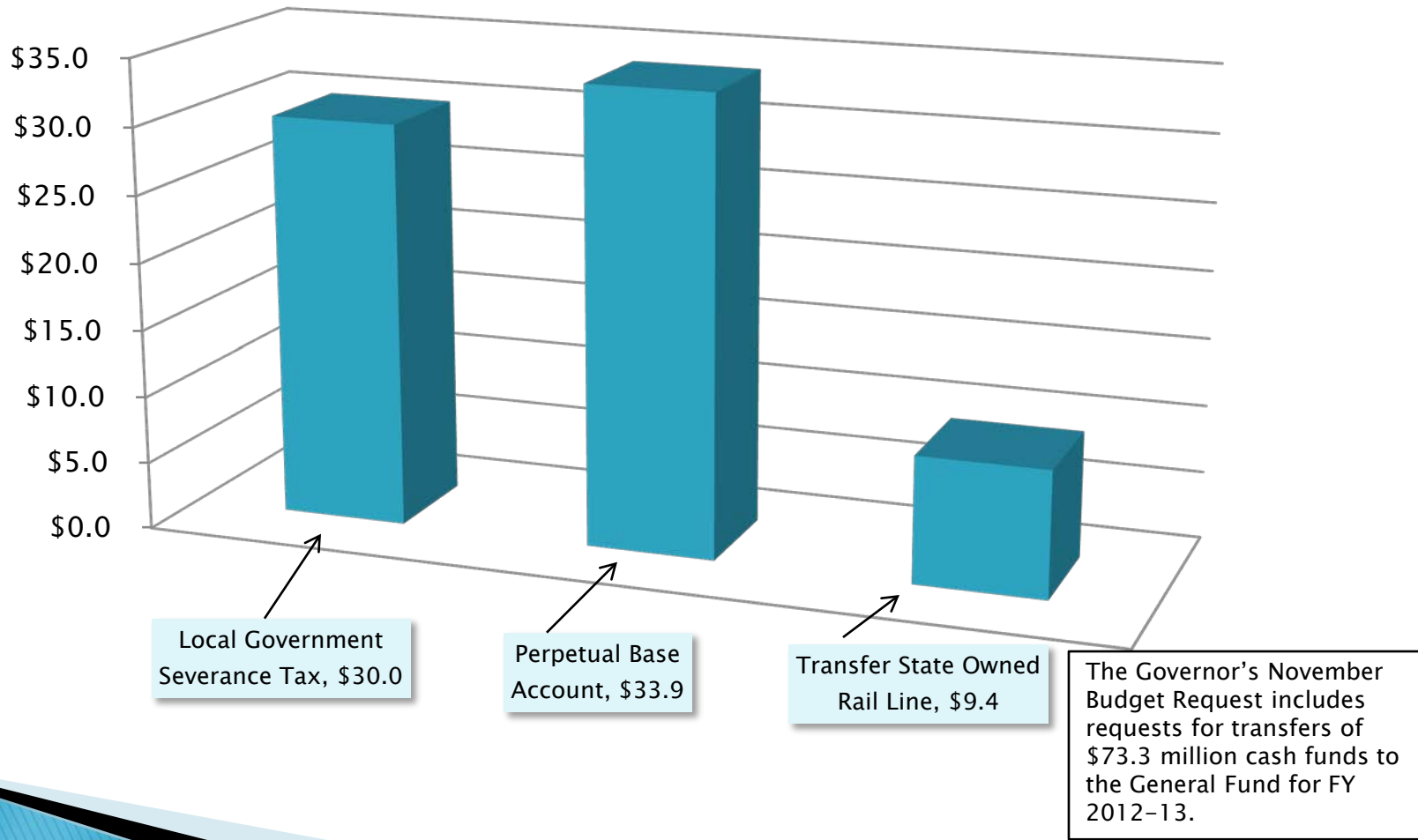
71.1 percent of the General Fund in the FY 2011-12 Long Bill was appropriated to 7 line items.

EDU = State Share of Total Funding
HCPF 1 = Medical Services Premiums
HED 1 = College Opportunity Fund Stipends
HED 2 = College Opportunity Fund Fee-for-service
HCPF 2 = Medicaid Services for People with Disabilities
DHS = Child Welfare Services
DOC = Housing & Security Personal Services
RGF = Remaining General Fund Line Items

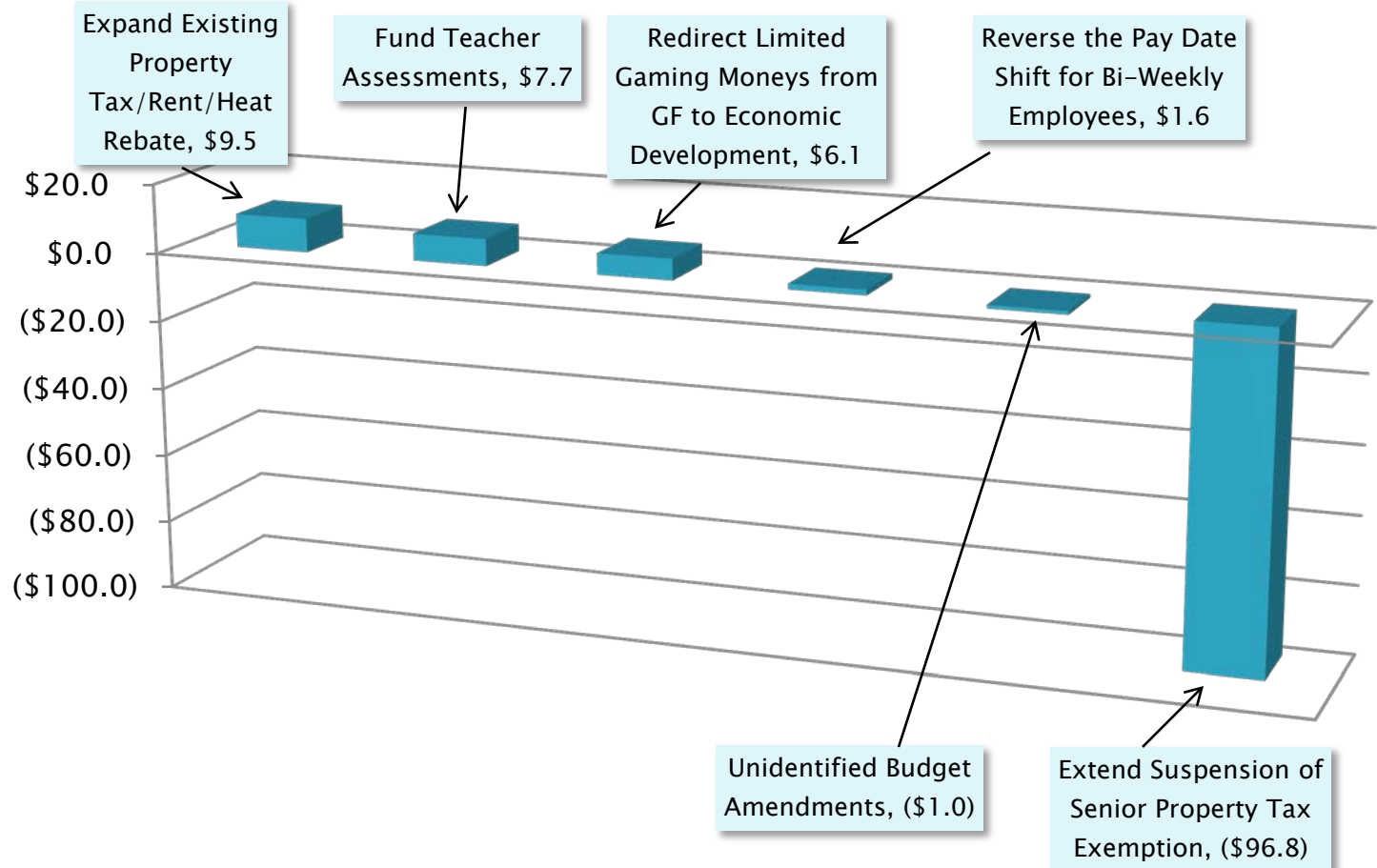
Proportional Comparison of FY 2011-12 and FY 2012-13 by Department (\$ in Millions)



Requested Cash Fund Transfers to the General Fund for FY 2012-13 as Contained in Governor's November Request (\$ in Millions)

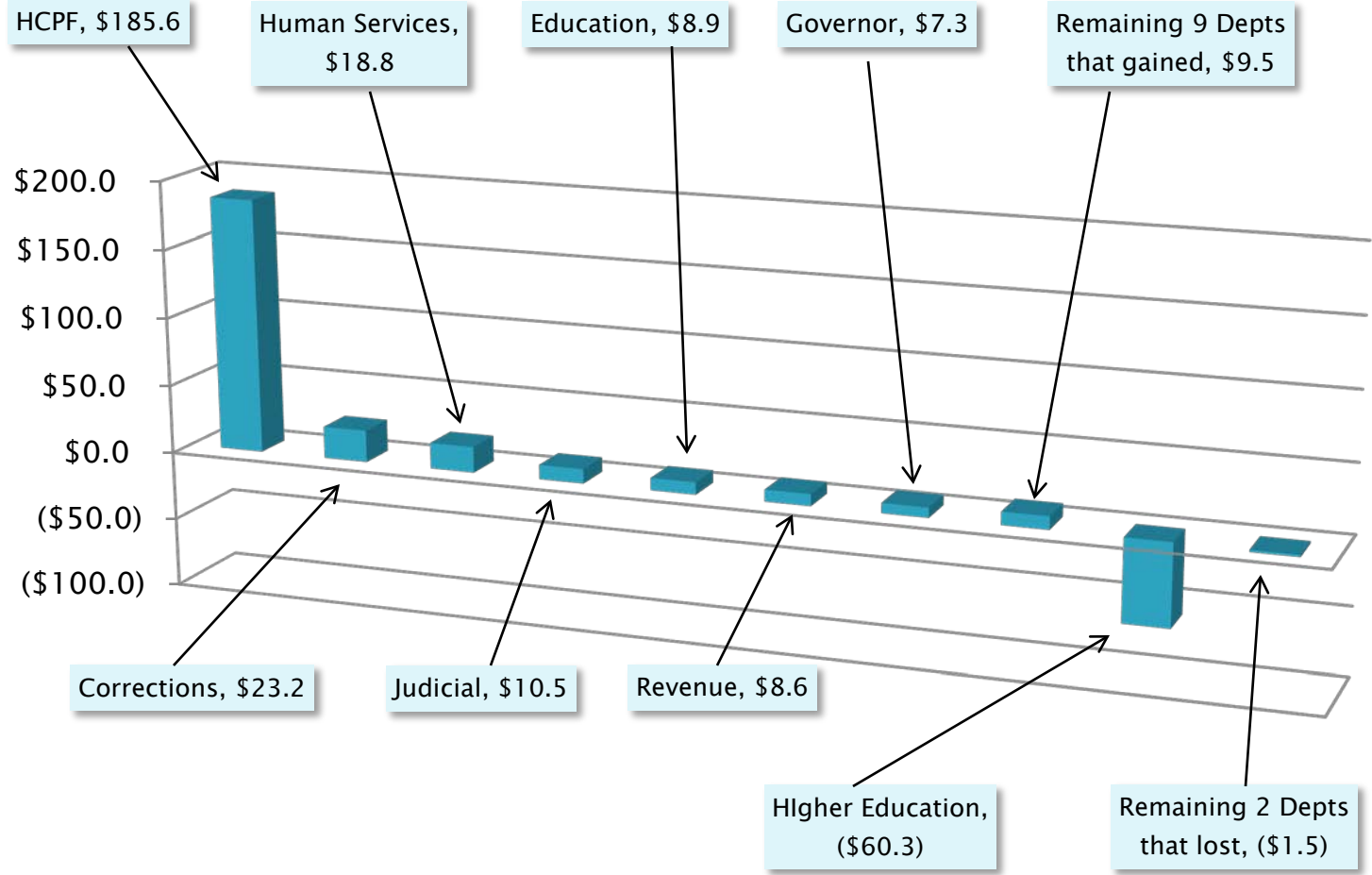


Other Requested Actions that Impact the General Fund in FY 2012-13 as Reflected on the General Fund Overview (\$ in Millions)



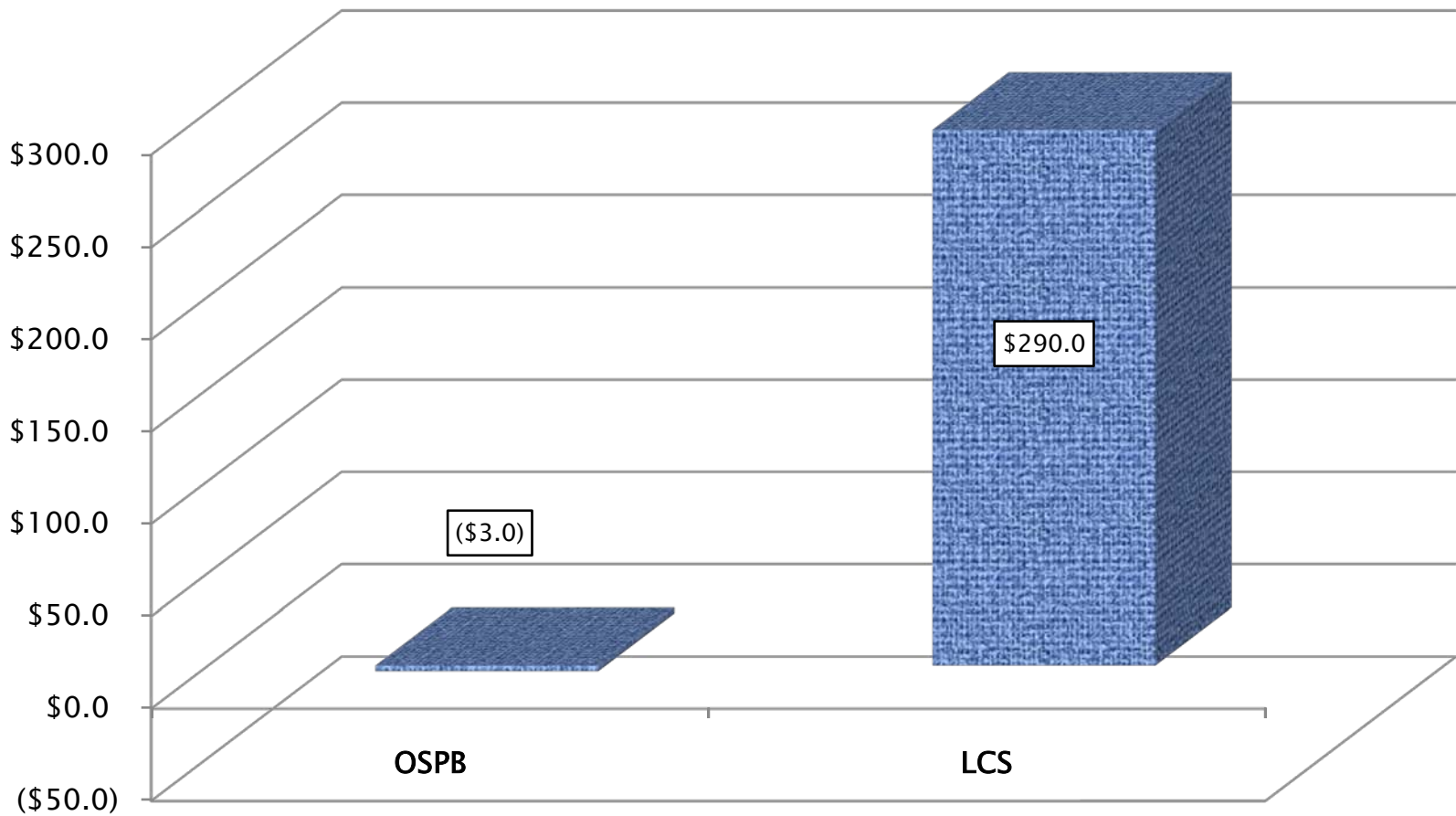
The budget request includes a net decrease of \$72.9 million General Fund for FY 2012-13 over FY 2011-12 for other requested actions that impact the General Fund Overview.

Requested Changes to General Fund by Department FY 2012-13 Request as Compared to FY 2011-12 Appropriations (\$ in Millions)



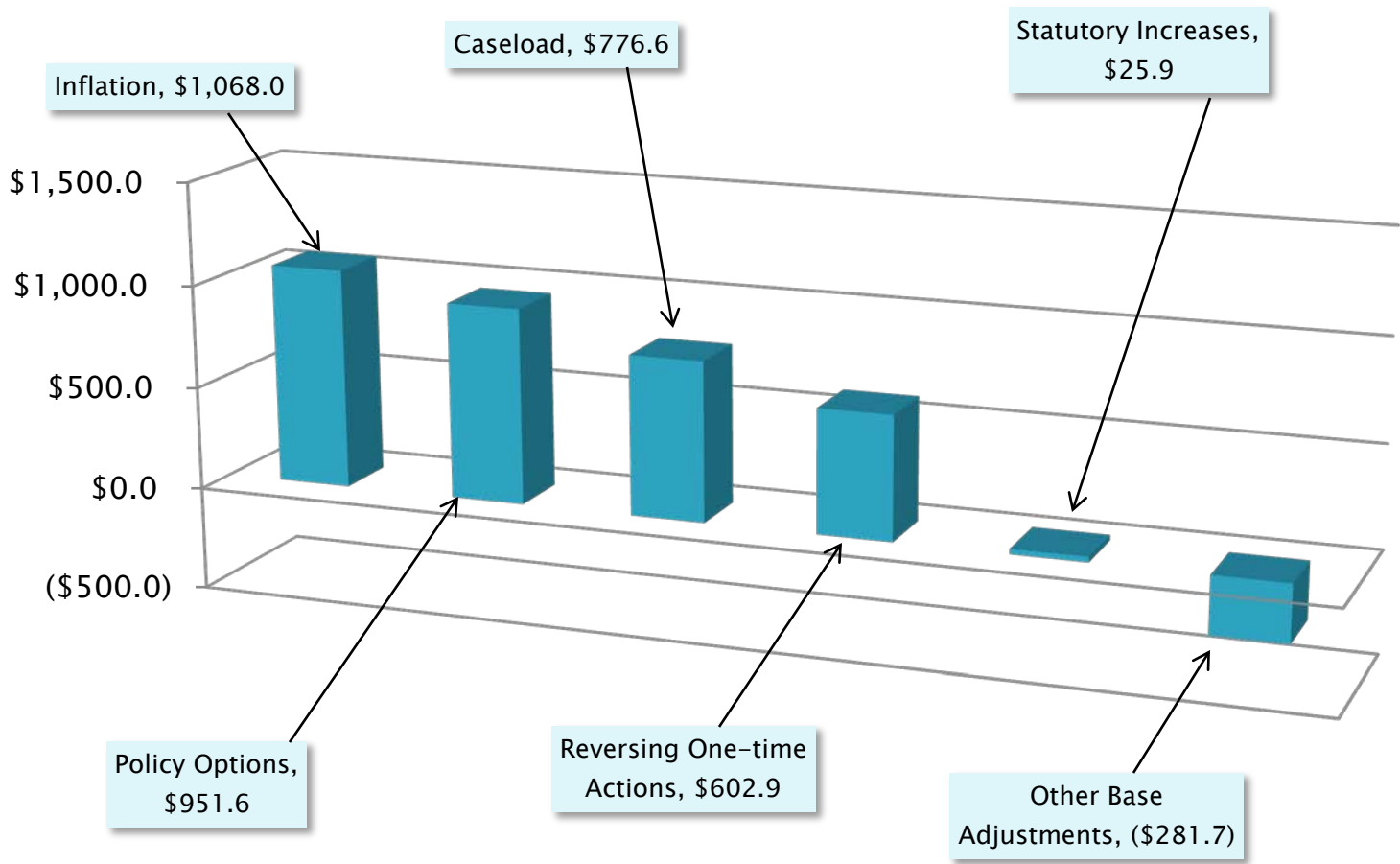
The budget request includes a net increase of \$210.5 million General Fund in FY 2012-13 over FY 2011-12.

FY 2012-13 Moneys in (Deficit)/Excess of Statutory Reserve (\$ in Millions)

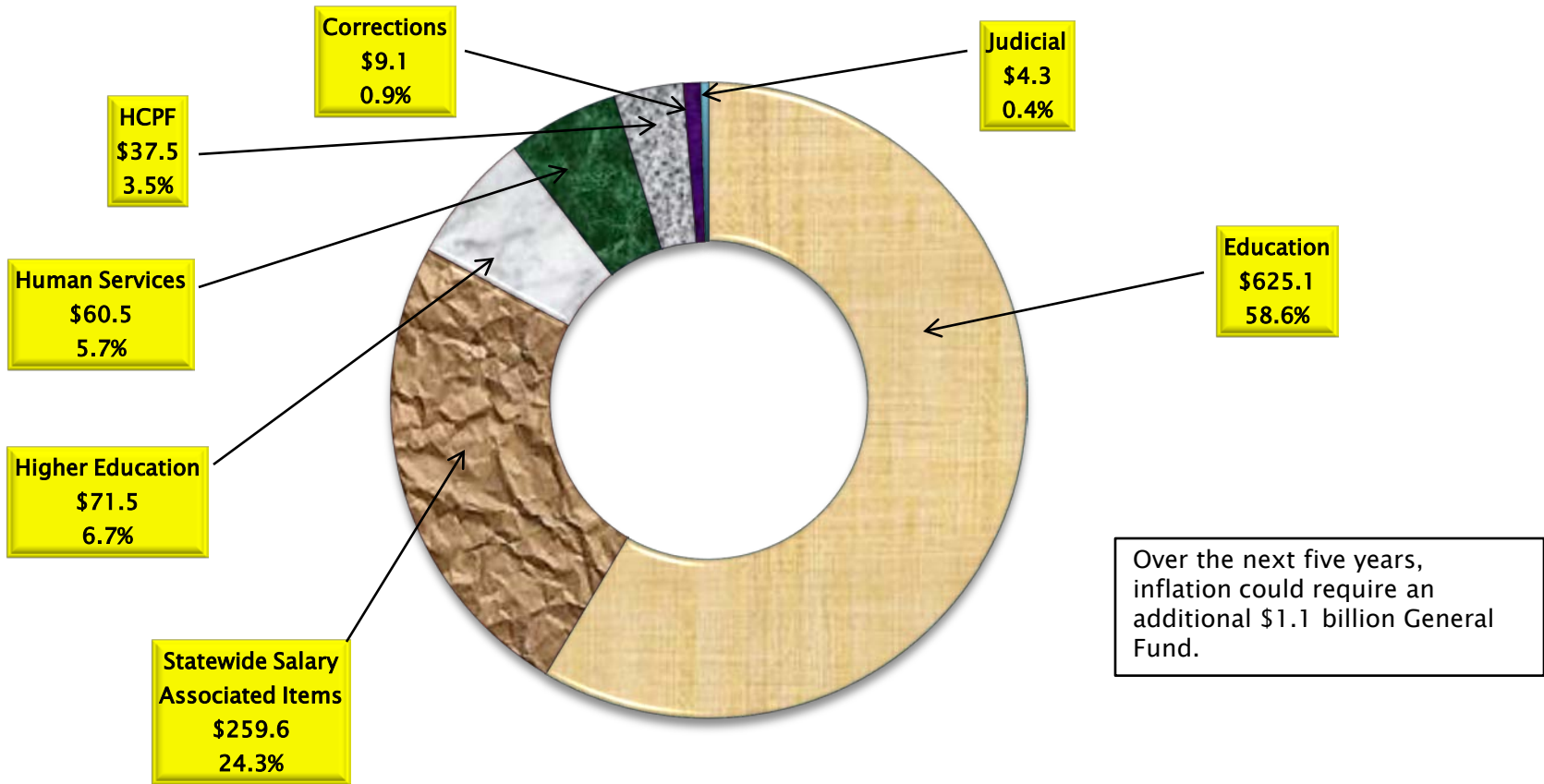


Five Year Projections of General Fund Costs by Category (\$ in Millions)

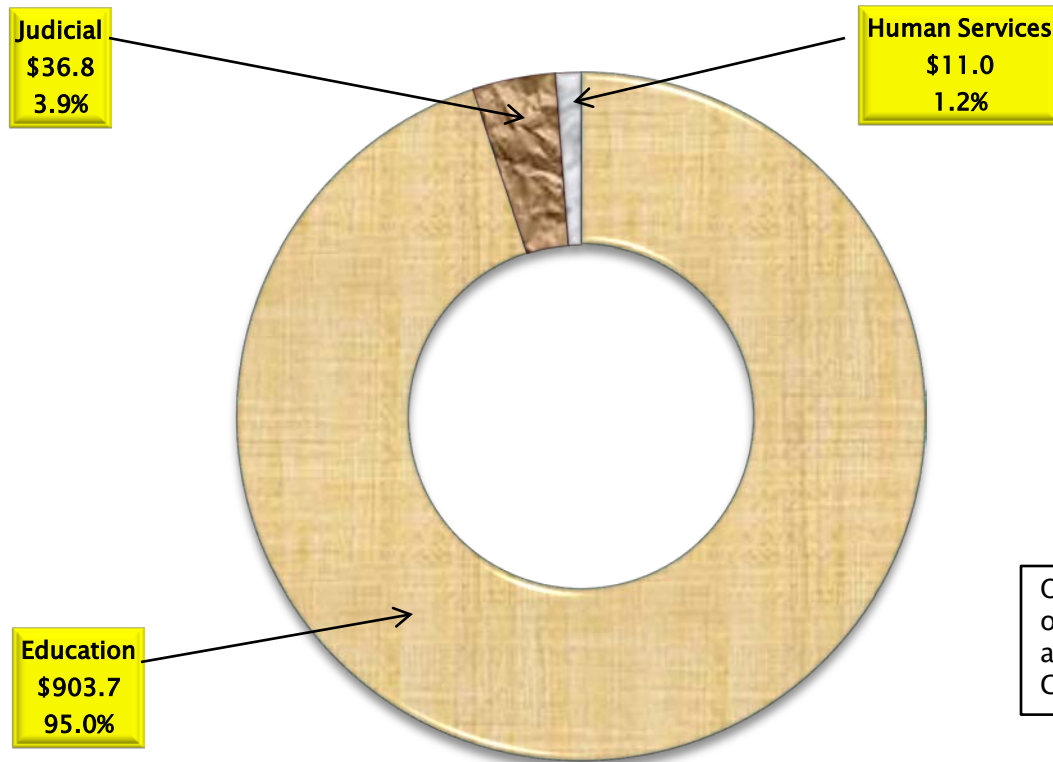
Staff Estimates that General Fund costs could increase by a total of \$3.1 billion over the next five years.



Inflation Projections by Components (\$ in Millions)

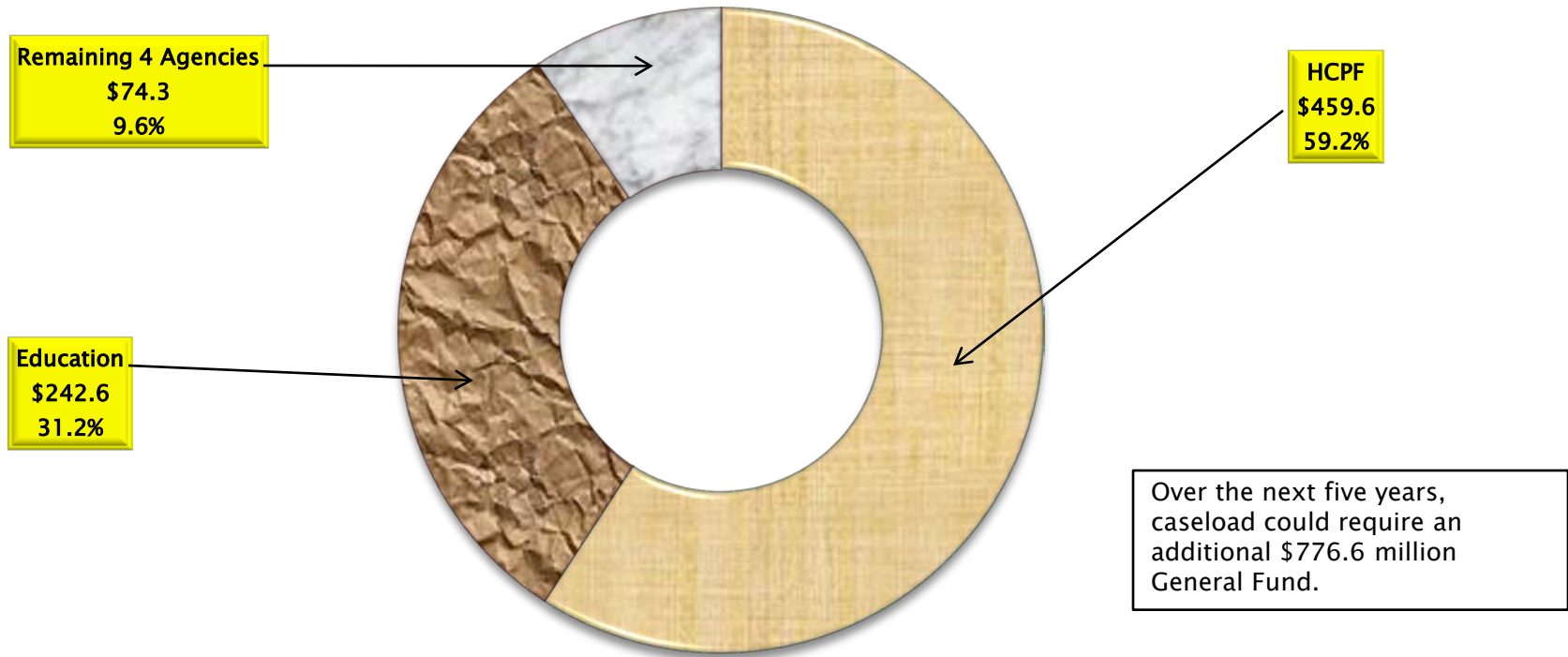


Policy Options Projections by Components (\$ in Millions)

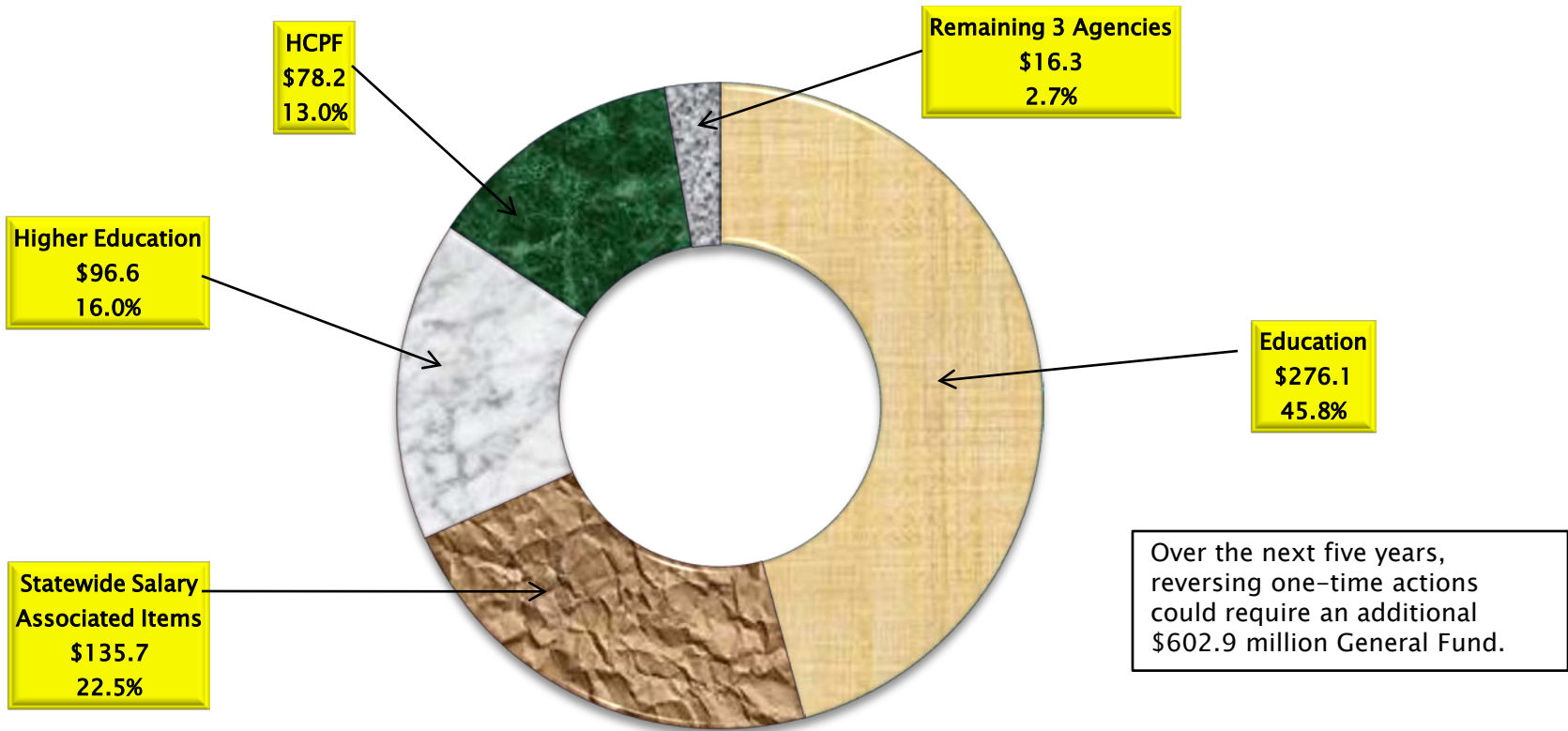


Over the next five years, policy options could require an additional \$951.6 million General Fund.

Caseload Projections by Components (\$ in Millions)



Reversing One-time Action Projections by Components (\$ in Millions)



Example of Annual General Fund Impacts of SB 09-228 (\$ in Millions)

SB 09-228 will eventually require General Fund to be transferred to the HUTF and CCF, and an increase in the General Fund statutory reserve occur. These changes do not occur until personal income growth exceeds 5.0 percent from one calendar year to the next.

