

MEMORANDUM

TO: JBC Members
FROM: John Ziegler
SUBJECT: December Revenue Forecast
DATE: December 20, 2011

Legislative Council Staff (LCS) and the Office of State Planning and Budgeting (OSPB) released their December revenue forecasts. Attached are three tables that provide a comparison of the December revenue forecasts.

- Table 1:** Provides the General Fund Overview based on the OSPB revenue forecast.
- Table 2:** Provides the General Fund Overview based on the LCS revenue forecast.
- Table 3:** Provides a comparison of key lines in the LCS and OSPB revenue forecasts.

Table 1
General Fund Overview Based On OSPB December 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	\$490.8	\$614.3
2 GF Nonexempt Revenues (Adj'd by \$126.7m in FY 2012 and \$107.2 m in FY 2013 as OSPB included in Gross)	6,315.5	6,402.2	6,782.1	7,117.9
3 GF Exempt Revenues	770.3	971.6	674.2	802.8
4 Transfers/Paybacks (prior Sessions)	158.1	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>\$7,373.3</u>	<u>\$7,655.2</u>	<u>\$8,008.4</u>	<u>\$8,529.1</u>
10				
11 GF Obligations:				
12 GF Appropriations	\$6,811.1	\$6,982.3	\$7,181.6	\$7,181.6
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	\$11.1	\$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>7,181.6</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	8.5	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	126.0	130.5	136.8	155.4
22 Reimbursement for Senior and Veterans Property Tax Exemption	1.6	1.7	98.5	104.4
23 Governor's Request to Continue the Suspension of the Senior Property Tax Exemption (Requires Bill)	0.0	0.0	(96.7)	0.0
24 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	158.4
25 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	39.6
26 Capital Construction Transfer	12.0	49.3	63.8	55.5
27 Transfer of Excess Reserve to SEF Pursuant to SB 11-156	221.3	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	(30.9)	0.0	0.0	0.0
30 TOTAL GF OBLIGATIONS	<u>\$7,216.6</u>	<u>\$7,164.4</u>	<u>\$7,394.1</u>	<u>\$7,694.9</u>
31				
32 YEAR END GF RESERVE	\$156.7	\$490.8	\$614.3	\$834.2
33 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	156.7	279.3	287.7	323.2
34 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$0.0</u>	<u>\$211.5</u>	<u>\$326.6</u>	<u>\$511.0</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 1 - Continued

	FY 10-11	FY 11-12	FY 12-13	FY 13-14
36 Total Gross General Fund Revenues	\$7,085.8	\$7,373.8	\$7,456.3	\$7,920.7
37 Percent Gross General Fund Revenue Growth	9.7%	4.1%	1.1%	6.2%
38				
39 Transfer to the State Education Fund	\$370.6	\$388.4	\$289.0	\$416.1
40 Transfer of Excess Reserve to SEF Pursuant to SB 11-156	221.3	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	\$591.9	\$398.1	\$289.0	\$416.1
43				
44 Required TABOR Reserve	\$282.7	\$294.0	\$298.0	\$312.4
45				
46 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$6,819.6	\$6,982.9	\$7,191.7	\$7,181.6
47 Total Percent Growth (Including both items within restriction and exemptions)	3.3%	2.4%	3.0%	-0.1%
48 GF Appropriations Base Available Growth	\$216.1	\$163.3	\$208.8	(\$10.1)
49				
50 Personal Income (Sec 24-75-201.1 (1)(a)(VII)(A), CRS - PI as of two years prior to fiscal year)	\$213,200.0	\$224,500.0	\$232,400.0	\$244,200.0
51 Percent Increase/(Decrease) Over Previous Year	3.8%	5.3%	3.5%	5.1%
52				
53 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	10,800.0	10,270.0	10,660.0	11,225.0
54 Adjusted GF Appropriations Base	6,811.1	6,982.9	7,191.7	7,181.6
55 Over/(Under) Calculated Appropriations Restriction	(\$3,988.9)	(\$3,287.1)	(\$3,468.3)	(\$4,043.4)
56				
57 Year-End GF Statutory Reserve Percentage	2.3%	4.0%	4.0%	4.5%
58 Year-End GF Excess of Statutory Reserve Percentage	0.0%	3.0%	4.5%	7.1%
59				
60 Rebates and Expenditures Include (from OSPB Forecast)				
61 Cigarette Rebate	\$11.0	\$11.1	\$10.4	\$10.2
62 Old Age Pension	102.2	100.1	102.3	105.8
63 Aged Property Tax & Heating Credit	6.8	7.4	7.4	7.4
64 FPPA	4.3	9.6	14.3	29.6
65 Amendment 35 GFE Expenditures	0.9	0.9	0.8	0.8
66 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.8	1.4	1.6	1.6
67 Total Rebates and Expenditures	\$126.0	\$130.5	\$136.8	\$155.4

Table 2
General Fund Overview Based On Legislative Council December 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	\$426.7	\$681.0
2 GF Nonexempt Revenues	6,315.6	6,328.7	6,745.2	7,206.9
3 GF Exempt Revenues	770.3	986.3	850.6	862.7
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>\$7,370.7</u>	<u>\$7,593.8</u>	<u>\$8,083.8</u>	<u>\$8,741.7</u>
10				
11 GF Obligations:				
12 GF Appropriations	\$6,811.1	\$6,982.3	\$7,181.6	\$7,181.6
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	\$11.1	\$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>7,181.6</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	8.5	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	133.2	145.6	140.9
22 Reimbursement for Senior and Veterans Property Tax Exemption	1.6	1.7	96.1	102.7
23 Governor's Request to Continue the Suspension of the Senior Property Tax Exemption (Requires Bill)	0.0	0.0	(94.4)	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	12.0	49.3	63.8	43.7
27 Transfer of Excess Reserve to SEF pursuant to SB 11-156	221.4	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	(23.2)	0.0	0.0	0.0
30 TOTAL GF OBLIGATIONS	<u>\$7,214.0</u>	<u>\$7,167.1</u>	<u>\$7,402.8</u>	<u>\$7,468.9</u>
31				
32 YEAR END GF RESERVE	\$156.7	\$426.7	\$681.0	\$1,272.8
33 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	156.7	279.3	287.7	287.3
34 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$0.0</u>	<u>\$147.4</u>	<u>\$393.3</u>	<u>\$985.5</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	\$7,085.9	\$7,315.0	\$7,595.8	\$8,069.6
37 Percent Gross General Fund Revenue Growth	9.7%	3.2%	3.8%	6.2%
38				
39 Transfer to the State Education Fund	\$370.5	\$387.6	\$403.6	\$430.5
40 Transfer of Excess Reserve to SEF Pursuant to SB 11-156	221.4	0.0	0.0	0.0
41 Total Transfers to the State Education Fund	\$591.9	\$387.6	\$403.6	\$430.5
42				
43 Required TABOR Reserve	\$282.7	\$294.4	\$305.2	\$320.7
44				
45 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$6,819.6	\$6,982.9	\$7,191.7	\$7,181.6
46 Total Percent Growth (Including both items within restriction and exemptions)	3.3%	2.4%	3.0%	-0.1%
47 GF Appropriations Base Available Growth	\$216.1	\$163.3	\$208.8	(\$10.1)
48				
49 Personal Income (Sec 24-75-201.1 (1)(a)(VII)(A), CRS - PI as of two years prior to fiscal year)	\$213,202.0	\$224,715.0	\$231,202.0	\$241,175.0
50 Percent Increase/(Decrease) Over Previous Year	3.8%	5.4%	2.9%	4.3%
51				
52 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	\$10,797.6	\$10,271.9	\$10,660.1	\$11,235.8
53 Adjusted GF Appropriations Base	6,811.1	6,982.9	7,191.7	7,181.6
54 Over/(Under) Calculated Appropriations Restriction	(\$3,986.5)	(\$3,289.0)	(\$3,468.4)	(\$4,054.2)
55				
56 Year-End GF Statutory Reserve Percentage	2.3%	4.0%	4.0%	4.0%
57 Year-End GF Excess of Statutory Reserve Percentage	0.0%	2.1%	5.5%	13.7%
58				
59 Rebates and Expenditures Include (from LCS Forecast)				
60 Cigarette Rebate	\$11.0	\$11.3	\$11.2	\$11.0
61 Old Age Pension	91.3	102.6	110.2	90.2
62 Aged Property Tax & Heating Credit	6.8	7.7	7.6	7.5
63 FPPA	4.3	9.8	14.6	30.0
64 Amendment 35 GFE Expenditures	0.9	0.9	0.9	0.9
65 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.8	0.9	1.1	1.3
66 Total Rebates and Expenditures	\$115.1	\$133.2	\$145.6	\$140.9

Table 3
Comparison of LCS Forecast and OSPB Forecast

	FY 10-11	FY 11-12	FY 12-13	FY 13-14
1 GF Non Exempt Revenues:				
2 LCS	6,315.6	6,328.7	6,745.2	7,206.9
3 OSPB	6,315.5	6,402.2	6,782.1	7,117.9
4 Difference (positive number indicates LCS higher than OSPB)	0.1	(73.5)	(36.9)	89.0
5				
6 GF Exempt Revenues:				
7 LCS	770.3	986.3	850.6	862.7
8 OSPB	770.3	971.6	674.2	802.8
9 Difference (positive number indicates LCS higher than OSPB)	0.0	14.7	176.4	59.9
10				
11 Total Gross GF Revenues:				
12 LCS	7,085.9	7,315.0	7,595.8	8,069.6
13 OSPB	7,085.8	7,373.8	7,456.3	7,920.7
14 Difference (positive number indicates LCS higher than OSPB)	0.1	(58.8)	139.5	148.9
15				
16 Percent Gross General Fund Revenue Growth:				
17 LCS	9.7%	3.2%	3.8%	6.2%
18 OSPB	9.7%	4.1%	1.1%	6.2%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	-0.8%	2.7%	0.0%
20				
21 TABOR Surplus Liability:				
22 LCS	0.0	0.0	0.0	0.0
23 OSPB	0.0	0.0	0.0	0.0
24 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
25				
26 Adjusted GF Appropriations Base:				
27 LCS	6,811.1	6,982.9	7,191.7	7,181.6
28 OSPB	6,811.1	6,982.9	7,191.7	7,181.6
29 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
30				
31 Reimbursement for Senior and Veterans Property Tax Exemption				
32 LCS	1.6	1.7	96.1	102.7
33 OSPB	1.6	1.7	98.5	104.4
34 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	(2.4)	(1.7)
35				
36 Transfer of Excess Reserve to SEF Pursuant to SB 11-156				
37 LCS	221.4	0.0	0.0	0.0
38 OSPB	221.3	0.0	0.0	0.0
39 Difference (positive number indicates LCS higher than OSPB)	0.1	0.0	0.0	0.0
40				
41 Transfer of Excess Reserve to Public School Fund Pursuant to SB 11-230				
42 LCS	67.5	0.0	0.0	0.0
43 OSPB	67.5	0.0	0.0	0.0
44 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
45				
46 Year End GF Reserve				
47 LCS	156.7	426.7	681.0	1,272.8
48 OSPB	156.7	490.8	614.3	834.2
49 Difference (positive number indicates LCS higher than OSPB)	0.0	(64.1)	66.7	438.6
50				
51 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE				
52 LCS	0.0	147.4	393.3	985.5
53 OSPB	0.0	211.5	326.6	511.0
54 Difference (positive number indicates LCS higher than OSPB)	0.0	(64.1)	66.7	474.5