

MEMORANDUM

TO: JBC Members
FROM: John Ziegler
SUBJECT: 2012 December Revenue Forecast
DATE: December 21, 2012

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 2012 Revenue Estimate
Includes November 1, 2012 Budget Request
(millions of dollars)

	FY 11-12	FY 12-13	FY 13-14	FY 14-15
1 Beginning GF Reserve	\$156.7	\$795.8	\$371.9	\$552.9
2 GF Nonexempt Revenues	6,261.5	6,718.0	6,947.3	7,305.8
3 GF Exempt Revenues	1,474.5	1,397.3	1,340.7	1,357.4
4 Transfers/Paybacks (prior Sessions)	138.1	(2.5)	0.6	0.6
5 TABOR Surplus Liability	0.0	0.0	0.0	0.0
6 TOTAL GF AVAILABLE	\$8,030.8	\$8,908.6	\$8,660.5	\$9,216.7
7				
8 GF Obligations:				
9 GF Appropriations	\$7,027.9	\$7,438.1	\$7,762.6	\$7,768.4
10 Governor Placeholder Request for Budget Amendments and Legislation Requests - Nov 1 Submission	0.0	0.0	5.8	0.0
11 1331 Supplemental Approved by JBC - Interim 2012	0.0	(0.2)	0.0	0.0
12 Adjusted GF Appropriations Base	7,027.9	7,437.9	7,768.4	7,768.4
13 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
14 Medicaid Overexpenditures/Payment Delays as Required by OSPB and Controller	0.0	0.0	0.0	0.0
15 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	0.0	0.0	0.0	0.0
16 Rebates and Expenditures - Based on Statutory Minimums	133.0	147.3	154.2	148.7
17 Reimbursement for Senior and Veterans Property Tax Exemption	1.8	100.1	105.2	112.0
18 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
19 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
20 Capital Construction Transfer	49.3	61.0	79.8	63.5
21 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338	59.0	790.4	0.0	0.0
22 Transfer of Excess Reserve to Public School Fund pursuant to SB 11-230	0.0	0.0	0.0	0.0
23 Accounting Adjustments	(36.0)	0.0	0.0	0.0
24 TOTAL GF OBLIGATIONS	\$7,235.0	\$8,536.7	\$8,107.6	\$8,092.6
25				
26 YEAR END GF RESERVE	\$795.8	\$371.9	\$552.9	\$1,124.1
27 Governor Initiated Request to Increase Statutory Reserve	0.0	74.4	77.7	77.7
28 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	281.1	297.5	310.7	310.7
29 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	\$514.7	\$0.0	\$164.5	\$735.7
30 Reduction Needed to Maintain 1/2 of Statutory Reserve	N/A	N/A	N/A	N/A

Table 1 - Continued

	FY 11-12	FY 12-13	FY 13-14	FY 14-15
31 Total Gross General Fund Revenues	\$7,736.0	\$8,115.3	\$8,288.0	\$8,663.2
32 Percent Gross General Fund Revenue Growth	9.2%	4.9%	2.1%	4.5%
33				
34 Transfer to the State Education Fund	\$407.5	\$423.7	\$432.2	\$0.0
35 Transfer of Excess Reserve to SEF Pursuant to SB 11-156	59.0	790.4	0.0	0.0
36 Transfer Revenues Received due to Tax Amnesty bill to SEF pursuant to SB 11-184	9.6	0.0	0.0	0.0
37 Total Transfers to the State Education Fund	\$466.5	\$1,214.1	\$432.2	\$0.0
38				
39 Required TABOR Reserve	\$308.2	\$319.3	\$327.4	\$340.5
40				
41 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$7,027.9	\$7,437.9	\$7,768.4	\$7,768.4
42 Total Percent Growth (Including both items within restriction and exemptions)	3.0%	5.8%	4.4%	0.0%
43 GF Appropriations Base Available Growth	\$204.8	\$410.0	\$330.5	\$0.0
44				
45 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228			\$225,400.0	\$235,100.0
46 Percent Increase/(Decrease) Over Previous Year				4.3%
47				
48 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	10,230.0	10,625.0	11,270.0	11,755.0
49 Adjusted GF Appropriations Base	7,027.9	7,437.9	7,768.4	7,768.4
50 Over/(Under) Calculated Appropriations Restriction	(\$3,202.1)	(\$3,187.1)	(\$3,501.6)	(\$3,986.6)
51				
52 Year-End GF Statutory Reserve Percentage	4.0%	4.0%	4.0%	4.0%
53 Year-End GF Excess of Statutory Reserve Percentage	7.3%	0.0%	2.1%	9.5%
54				
55 Rebates and Expenditures Include (from OSPB Forecast)				
56 Cigarette Rebate	\$11.2	\$10.9	\$10.5	\$10.1
57 Old Age Pension	103.3	113.6	105.0	99.5
58 Aged Property Tax & Heating Credit	7.2	7.1	7.1	7.3
59 Older Coloradans Fund (Off Budget - not in Long Bill)	N/A	N/A	N/A	N/A
60 Old Age Supplemental Medical Care Fund - (Off Budget - not in Long Bill)	N/A	N/A	N/A	N/A
61 FPPA	9.7	14.3	29.6	29.7
62 Amendment 35 GFE Expenditures	0.9	0.8	0.8	0.8
63 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	0.6	1.2	1.3
64 Total Rebates and Expenditures	\$133.0	\$147.3	\$154.2	\$148.7

Table 2
General Fund Overview Based On Legislative Council December 2012 Revenue Estimate
Includes November 1, 2012 Budget Request
(millions of dollars)

	FY 11-12	FY 12-13	FY 13-14	FY 14-15
1 Beginning GF Reserve	\$156.7	\$795.7	\$371.9	\$728.0
2 GF Nonexempt Revenues	6,261.5	6,724.0	6,918.5	7,232.3
3 GF Exempt Revenues	1,474.5	1,301.9	1,557.1	1,768.8
4 Transfers/Paybacks (Prior Sessions)	138.0	(2.5)	0.6	0.6
5 TABOR Surplus Liability	0.0	0.0	0.0	0.0
6 TOTAL GF AVAILABLE	\$8,030.7	\$8,819.1	\$8,848.1	\$9,729.7
7				
8 GF Obligations:				
9 GF Appropriations	\$7,027.9	\$7,438.1	\$7,762.6	\$7,768.4
10 Governor Placeholder Request for Budget Amendments and Legislation Requests - Nov 1 Submission	0.0	0.0	5.8	0.0
11 1331 Supplemental Approved by JBC - Interim 2012	0.0	(0.2)	0.0	0.0
12 Adjusted GF Appropriations Base	7,027.9	7,437.9	7,768.4	7,768.4
13 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
14 Medicaid Overexpenditures/Payment Delays as Required by OSPB and the Controller	0.0	0.0	0.0	0.0
15 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	0.0	0.0	0.0	0.0
16 Rebates and Expenditures - Based on Statutory Minimums	133.1	138.3	142.7	147.3
17 Reimbursement for Senior and Veterans Property Tax Exemption	1.8	99.2	106.2	113.3
18 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
19 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
20 Capital Construction Transfer	49.3	61.4	102.8	7.5
21 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338	59.0	710.4	0.0	0.0
22 Transfer of Excess Reserve to Public School Fund pursuant to SB 11-230	0.0	0.0	0.0	0.0
23 Accounting Adjustments	(36.1)	0.0	0.0	0.0
24 TOTAL GF OBLIGATIONS	\$7,235.0	\$8,447.2	\$8,120.1	\$8,036.5
25				
26 YEAR END GF RESERVE	\$795.7	\$371.9	\$728.0	\$1,693.2
27 Governor Initiated Request to Increase Statutory Reserve	0.0	74.4	77.7	77.7
28 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	281.1	297.5	310.7	310.7
29 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	\$514.6	\$0.0	\$339.6	\$1,304.8
30 Reduction Needed to Maintain 1/2 of Statutory Reserve	N/A	N/A	N/A	N/A

Table 2 - Continued

	FY 11-12	FY 12-13	FY 13-14	FY 14-15
31 Total Gross General Fund Revenues	\$7,736.0	\$8,025.9	\$8,475.6	\$9,001.1
32 Percent Gross General Fund Revenue Growth	9.2%	3.7%	5.6%	6.2%
33				
34 Transfer to the State Education Fund	\$407.5	\$425.1	\$451.9	\$474.0
35 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338	59.0	710.4	0.0	0.0
36 Total Transfers to the State Education Fund	\$466.5	\$1,135.5	\$451.9	\$474.0
37				
38 Required TABOR Reserve	\$308.2	\$316.5	\$332.7	\$349.7
39				
40 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$7,027.9	\$7,437.9	\$7,768.4	\$7,768.4
41 Total Percent Growth (Including both items within restriction and exemptions)	3.0%	5.8%	4.4%	0.0%
42 GF Appropriations Base Available Growth	\$204.8	\$410.0	\$330.5	\$0.0
43				
44 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228			\$225,410.0	\$233,525.0
45 Percent Increase/(Decrease) Over Previous Year				3.6%
46				
47 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(VII)(A), CRS)	\$10,231.3	\$10,627.3	\$11,270.5	\$11,676.3
48 Adjusted GF Appropriations Base	7,027.9	7,437.9	7,768.4	7,768.4
49 Over/(Under) Calculated Appropriations Restriction	(\$3,203.4)	(\$3,189.4)	(\$3,502.1)	(\$3,907.9)
50				
51 Year-End GF Statutory Reserve Percentage	4.0%	4.0%	4.0%	4.0%
52 Year-End GF Excess of Statutory Reserve Percentage	7.3%	0.0%	4.4%	16.8%
53				
54 Rebates and Expenditures Include (from LCS Forecast)				
55 Cigarette Rebate	\$11.2	\$11.4	\$11.0	\$10.5
56 Old Age Pension	92.5	94.4	84.0	89.2
57 Aged Property Tax & Heating Credit	7.2	7.2	7.1	7.0
58 Older Coloradans Fund (Off Budget - not in Long Bill)	8.0	9.2	8.0	8.0
59 Old Age Supplemental Medical Care Fund - (Off Budget - not in Long Bill)	2.9	0.0	0.0	0.0
60 FPPA	9.7	14.6	30.0	30.0
61 Amendment 35 GFE Expenditures	0.9	0.9	0.9	0.8
62 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	0.6	1.7	1.8
63 Total Rebates and Expenditures	\$133.1	\$138.3	\$142.7	\$147.3

Table 3
Comparison of LCS Forecast and OSPB Forecast
Based on December 2012 Revenue Forecasts

	FY 11-12	FY 12-13	FY 13-14	FY 14-15
1 GF Non Exempt Revenues:				
2 LCS	6,261.5	6,724.0	6,918.5	7,232.3
3 OSPB	6,261.5	6,718.0	6,947.3	7,305.8
4 Difference (positive number indicates LCS higher than OSPB)	0.0	6.0	(28.8)	(73.5)
5				
6 GF Exempt Revenues:				
7 LCS	1,474.5	1,301.9	1,557.1	1,768.8
8 OSPB	1,474.5	1,397.3	1,340.7	1,357.4
9 Difference (positive number indicates LCS higher than OSPB)	0.0	(95.4)	216.4	411.4
10				
11 Total Gross GF Revenues:				
12 LCS	7,736.0	8,025.9	8,475.6	9,001.1
13 OSPB	7,736.0	8,115.3	8,288.0	8,663.2
14 Difference (positive number indicates LCS higher than OSPB)	0.0	(89.4)	187.6	337.9
15				
16 Percent Gross General Fund Revenue Growth:				
17 LCS	9.2%	3.7%	5.6%	6.2%
18 OSPB	9.2%	4.9%	2.1%	4.5%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	-1.2%	3.5%	1.7%
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	7,027.9	7,437.9	7,768.4	7,768.4
28 OSPB	7,027.9	7,437.9	7,768.4	7,768.4
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	1.8	99.2	106.2	113.3
33 OSPB	1.8	100.1	105.2	112.0
34 Difference (positive number indicates LCS higher than OSPB)	0.0	(0.9)	1.0	1.3
35				
36 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338				
37 LCS	59.0	710.4	0.0	0.0
38 OSPB	59.0	790.4	0.0	0.0
39 Difference (positive number indicates LCS higher than OSPB)	0.0	(80.0)	0.0	0.0
40				
41 Transfer of Excess Reserve to Public School Fund Pursuant to SB 11-230				
42 LCS	0.0	0.0	0.0	0.0
43 OSPB	0.0	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 (Included Governor's Request to Increase)				
47 LCS	281.1	371.9	388.4	388.4
48 OSPB	281.1	371.9	388.4	388.4
49 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
50				
51 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE				
52 LCS	514.6	0.0	339.6	1,304.8
53 OSPB	514.7	0.0	164.5	735.7
54 Difference (positive number indicates LCS higher than OSPB)	(0.1)	0.0	175.1	569.1