

MEMORANDUM

TO: JBC Members

FROM: John Ziegler

SUBJECT: REVISED June Revenue Forecast

DATE: June 21, 2013

This is a REVISED General Fund Overview from the June forecast. Two tables needed to be revised because I misunderstood how OSPB had classified the \$30.0 million transfer to the Colorado Water Conservation Board Construction Fund. I have made the corrections for that misunderstanding and highlighted the impacts in red on Tables 1 and 5. I apologize for the confusion.

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

- Table 1:** Provides the REVISED 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 summary of appropriations by year by department.
- Table 4:** Provides a summary of the June 2013 1331 supplemental requests.
- Table 5:** Provides a REVISED comparison of key lines in the LCS and OSPB revenue forecasts.

Table 1
REVISED General Fund Overview Based On OSPB June 2013 Revenue Estimate
(millions of dollars)

	FY 11-12	FY 12-13	FY 13-14	FY 14-15
1 Beginning GF Reserve	\$156.7	\$795.7	\$373.0	\$435.9
2 GF Nonexempt Revenues	6,262.6	6,746.8	7,001.5	7,420.4
3 GF Exempt Revenues	1,473.4	1,844.9	1,661.1	1,817.6
4 Transfers/Paybacks (prior Sessions)	137.1	(4.2)	(20.7)	(1.5)
5 Transfer to the Colorado Water Conservation Board Construction Fund - SB 13-236	0.0	0.0	(30.0)	0.0
6 TABOR Surplus Liability	0.0	0.0	0.0	0.0
7 TOTAL GF AVAILABLE	\$8,029.8	\$9,383.2	\$8,984.9	\$9,672.4
8				
9 GF Obligations:				
10 GF Appropriations	\$7,027.9	\$7,459.3	\$7,967.4	\$7,969.3
11 1331 Supplementals	0.0	0.5	1.9	0.0
12 Adjusted GF Appropriations Base	7,027.9	7,459.8	7,969.3	7,969.3
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	277.5	128.4	117.6
17 Reimbursement for Senior and Veterans Property Tax Exemption	1.8	102.7	107.2	113.5
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	186.7	77.9
21 Transfer of Excess Reserve to SEF Pursuant to SB 11-156, HB 12-1338	59.0	1,108.8	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 Transfer to FPPA and SEF - SB 13-234	0.0	0.0	45.3	25.3
24 Transfer to the SEF - SB 13-260	0.0	0.0	112.1	0.0
25 Accounting Adjustments	(36.9)	0.0	0.0	0.0
26 TOTAL GF OBLIGATIONS	\$7,234.1	\$9,010.2	\$8,549.0	\$8,303.6
27				
28 YEAR END GF RESERVE	\$795.7	\$373.0	\$435.9	\$1,368.8
29 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	281.1	373.0	398.5	398.5
30 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	\$514.6	\$0.0	\$37.4	\$970.3
31 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
32 Total Gross General Fund Revenues	\$7,736.0	\$8,591.7	\$8,662.6	\$9,238.0
33 Percent Gross General Fund Revenue Growth	9.2%	11.1%	0.8%	6.6%
34				
35 Transfer to the State Education Fund	\$407.5	\$464.1	\$461.1	\$400.1
36 Transfer of Excess Reserve to SEF Pursuant to SB 11-156	59.0	1,108.8	0.0	0.0
37 Transfer Revenues Received due to Tax Amnesty bill to SEF pursuant to SB 11-184	9.6	0.0	0.0	0.0
38 Total Transfers to the State Education Fund	\$466.5	\$1,572.9	\$461.1	\$400.1
39				
40 Required TABOR Reserve	\$308.2	\$333.6	\$337.3	\$353.2
41				
42 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$7,027.9	\$7,459.8	\$7,969.3	\$7,969.3
43 Total Percent Growth (Including both items within restriction and exemptions)	3.0%	6.1%	6.8%	0.0%
44 GF Appropriations Base Available Growth	\$204.8	\$431.9	\$509.5	\$0.0
45				
46 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228			\$225,400.0	\$235,100.0
47 Percent Increase/(Decrease) Over Previous Year				4.3%
48				
49 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	10,290.0	10,625.0	11,270.0	11,755.0
50 Adjusted GF Appropriations Base	7,027.9	7,459.8	7,969.3	7,969.3
51 Over/(Under) Calculated Appropriations Restriction	(\$3,262.1)	(\$3,165.2)	(\$3,300.7)	(\$3,785.7)
52				
53 Year-End GF Statutory Reserve Percentage	4.0%	5.0%	5.0%	5.0%
54 Year-End GF Excess of Statutory Reserve Percentage	7.3%	0.0%	0.5%	12.2%
55				
56 Rebates and Expenditures Include (from OSPB Forecast)				
57 Cigarette Rebate	\$11.2	\$10.8	\$10.2	\$10.0
58 Old Age Pension	103.3	111.6	105.4	94.3
59 Aged Property Tax & Heating Credit	7.2	7.0	7.0	7.2
60 Older Coloradans Fund (Off Budget - not in Long Bill)	N/A	N/A	N/A	N/A
61 Old Age Supplemental Medical Care Fund - (Off Budget - not in Long Bill)	N/A	N/A	N/A	N/A
62 FPPA	9.7	14.3	29.6	4.4
63 FPPA Repayment Bill - SB 13-234	0.0	132.4	(25.3)	0.0
64 Amendment 35 GFE Expenditures	0.9	0.8	0.8	0.8
65 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	0.6	0.7	0.9
66 Total Rebates and Expenditures	\$133.0	\$277.5	\$128.4	\$117.6

Table 2
General Fund Overview Based On Legislative Council June 2013 Revenue Estimate
(millions of dollars)

	FY 11-12	FY 12-13	FY 13-14	FY 14-15
1 Beginning GF Reserve	\$156.7	\$795.8	\$373.0	\$494.6
2 GF Nonexempt Revenues	6,262.7	6,733.6	6,977.2	7,334.9
3 GF Exempt Revenues	1,473.4	1,841.9	1,920.4	2,148.3
4 Transfers/Paybacks (Prior Sessions)	137.1	(4.2)	(20.7)	(1.5)
6 Transfer to the Colorado Water Conservation Board Construction Fund - SB 13-236	0.0		(30.0)	0.0
7 TABOR Surplus Liability	0.0	0.0	0.0	0.0
8 TOTAL GF AVAILABLE	\$8,029.9	\$9,367.1	\$9,219.9	\$9,976.3
9				
10 GF Obligations:				
11 GF Appropriations	\$7,027.9	\$7,459.3	\$7,967.4	\$7,969.3
12 1331 Supplementals	0.0	0.5	1.9	0.0
13 Adjusted GF Appropriations Base	7,027.9	7,459.8	7,969.3	7,969.3
14 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
15 Medicaid Overexpenditures/Payment Delays as Required by OSPB and the Controller	0.0	0.0	0.0	0.0
16 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	0.0	0.0	0.0	0.0
17 Rebates and Expenditures - Based on Statutory Minimums	133.1	268.6	125.7	121.0
18 Reimbursement for Senior and Veterans Property Tax Exemption	1.8	102.7	110.0	117.2
19 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	189.7
20 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	47.4
21 Capital Construction Transfer	49.3	61.8	186.7	44.5
22 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338	59.0	1,101.2	0.0	0.0
23 Transfer of Excess Reserve to Public School Fund pursuant to SB 11-230	0.0	0.0	0.0	0.0
24 Transfer to FPPA and SEF - SB 13-234	0.0	0.0	45.3	25.3
25 Transfer to the SEF - SB 13-260 (75.0% of Excess GF Surplus)	0.0	0.0	288.3	0.0
26 Accounting Adjustments	(37.0)	0.0	0.0	0.0
27 TOTAL GF OBLIGATIONS	\$7,234.1	\$8,994.1	\$8,725.3	\$8,514.4
28				
29 YEAR END GF RESERVE	\$795.8	\$373.0	\$494.6	\$1,461.9
30 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	281.1	373.0	398.5	398.5
31 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	\$514.7	\$0.0	\$96.1	\$1,063.5
32 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
33 Total Gross General Fund Revenues	\$7,736.1	\$8,575.5	\$8,897.6	\$9,483.2
34 Percent Gross General Fund Revenue Growth	9.2%	10.9%	3.8%	6.6%
35				
36 Transfer to the State Education Fund	\$407.5	\$468.9	\$484.4	\$511.6
37 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338	59.0	1,101.2	0.0	0.0
38 Total Transfers to the State Education Fund	\$466.5	\$1,570.1	\$484.4	\$511.6
39				
40 Required TABOR Reserve	\$308.2	\$333.5	\$345.0	\$362.5
41				
42 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$7,027.9	\$7,459.8	\$7,969.3	\$7,969.3
43 Total Percent Growth (Including both items within restriction and exemptions)	3.0%	6.1%	6.8%	0.0%
44 GF Appropriations Base Available Growth	\$204.8	\$431.9	\$509.5	\$0.0
45				
46 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228			\$225,410.0	\$235,329.0
47 Percent Increase/(Decrease) Over Previous Year				4.4%
48				
49 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	\$11,766.5
50 Adjusted GF Appropriations Base	7,027.9	7,459.8	7,969.3	7,969.3
51 Over/(Under) Calculated Appropriations Restriction	(\$3,203.4)	(\$3,167.5)	(\$3,301.2)	(\$3,797.2)
52				
53 Year-End GF Statutory Reserve Percentage	4.0%	5.0%	5.0%	5.0%
54 Year-End GF Excess of Statutory Reserve Percentage	7.3%	0.0%	1.2%	13.3%
55				
56 Rebates and Expenditures Include (from LCS Forecast)				
57 Cigarette Rebate	\$11.2	\$11.1	\$10.7	\$10.2
58 Old Age Pension	92.5	93.8	90.6	86.5
59 Aged Property Tax & Heating Credit	7.2	7.2	7.1	7.0
60 Older Coloradans Fund (Off Budget - not in Long Bill)	8.0	8.0	10.0	10.0
61 Old Age Supplemental Medical Care Fund - (Off Budget - not in Long Bill)	2.9	0.0	0.0	0.0
62 FPPA	9.7	147.0	4.7	4.7
63 Amendment 35 GFE Expenditures	0.9	0.9	0.9	0.8
64 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	0.6	1.7	1.8
65 Total Rebates and Expenditures	\$133.1	\$268.6	\$125.7	\$121.0

Table 3
Summary of FY 2011-12, FY 2012-13, and FY 2013-14 General Fund Appropriations

	Departments	FY 2011-12 Appropriation as of 2012 Session	Supplemental Changes to FY 2011- 12 as Approved during 2013 Session	FY 2011-12 Appropriation Adjusted for 2013 Session Supplemental Changes	FY 2012-13 Appropriation Adjusted for Add- ons and Separate Bills	FY 2013-14 Operating Base Total Appropriation
1	Agriculture	\$5,164,362	\$0	\$5,164,362	\$6,863,921	7,723,805
2	Corrections	648,950,165	0	648,950,165	654,682,235	664,148,559
3	Education	2,833,702,613	0	2,833,702,613	3,015,441,352	3,100,516,167
4	Governor	10,613,728	0	10,613,728	18,524,704	22,073,247
5	Health Care Policy	1,698,937,482	0	1,698,937,482	1,847,607,792	2,068,738,077
6	Higher Education	623,962,700	0	623,962,700	628,569,790	659,062,854
7	Human Services	619,593,123	0	619,593,123	645,940,781	719,266,037
8	Judicial	338,455,642	0	338,455,642	353,411,788	383,079,450
9	Labor	0	0	0	0	98,519
10	Law	9,422,208	0	9,422,208	10,452,022	12,168,714
11	Legislature	34,684,832	0	34,684,832	35,963,244	38,592,648
12	Local Affairs	10,379,500	0	10,379,500	11,074,259	17,698,568
13	Military Affairs	5,429,298	0	5,429,298	6,692,607	7,378,715
14	Natural Resources	23,429,407	0	23,429,407	23,768,283	24,978,508
15	Personnel	4,118,272	0	4,118,272	6,603,153	9,131,974
16	Public Health	27,473,436	0	27,473,436	31,142,676	53,402,747
17	Public Safety	82,727,973	0	82,727,973	86,452,085	97,396,503
18	Regulatory Agencies	1,600,344	0	1,600,344	1,715,818	1,703,494
19	Revenue	72,744,786	0	72,744,786	73,393,521	77,856,804
20	State	0	0	0	0	0
21	Transportation	0	0	0	0	0
22	Treasury	7,903,000	0	7,903,000	109,314,351	106,171,325
23	Capital Construction Fund	0	0	0	0	0
24	Controlled Maintenance	0	0	0	23,000,000	23,000,000
25						
26	Total	\$7,059,292,871	\$0	\$7,059,292,871	\$7,590,614,382	8,094,186,715
27						
28	Transfers to Capital Construction Fund					
29	Amounts Deemed Exempt from Statutory Limit	\$0		\$0	\$0	
30	Rebates and Expenditures	\$31,508,032		\$31,508,032	\$131,377,953	126,771,353
31						
32	Amount Subject to Statutory Limit	\$7,027,784,839		\$7,027,784,839	\$7,459,236,429	7,967,415,362
33	Amount Subject to Statutory Limit in Long Bill					7,882,240,917
34	Amount Subject to Statutory Limit in Bills					85,174,445

Table 4
2013 Interim 1331 Supplemental Requests

June 2013 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		FY 2012-13			FY 2013-14			FY 2012-13			FY 2013-14		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
1 Corrections	Fugitive Unit	\$0	\$0	\$0	\$976,449	\$0	\$976,449	\$0	\$0	\$0	\$915,293	\$0	\$915,293
2 Corrections	Sex Offender Treatment Monitoring	0	0	0	1,056,795	0	1,056,795	0	0	0	956,795	0	956,795
3 Governor	Revenue Application Hardware	0	0	0	377,707	0	377,707	0	0	0	0	0	0
4 Higher Education	COF and FFS Contract Alignment	0	0	0	0	0	0	0	0	0	0	0	0
5 HCPF	Projected FY 2012-13 Over-expenditure at the CMHI	360,000	0	360,000	0	0	0	360,000	360,000	720,000	0	0	0
6 HCPF	Leased Space	570,856	570,852	1,141,708	0	0	0	539,367	539,367	1,078,734	0	0	0
7 Human Services	Projected FY 2012-13 Over-expenditure at the CMHI	(360,000)	1,364,500	1,004,500	0	0	0	(360,000)	1,364,500	1,004,500	0	0	0
8 Personnel	Workers' Compensation Billing True-up	0	1,367,406	1,367,406	0	0	0	0	1,500,000	1,500,000	0	0	0
9 Public Health	OIT Fund Split Adjustment	0	775,289	775,289	0	0	0	0	(775,289)	(775,289)	0	0	0
11 Total		\$570,856	\$4,078,047	\$4,648,903	\$2,410,951	\$0	\$2,410,951	\$539,367	\$2,988,578	\$3,527,945	\$1,872,088	\$0	\$1,872,088

Table 2 - Continued
June 2013 Capital Construction 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		FY 2012-13			FY 2013-14			FY 2012-13			FY 2013-14		
		CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total
19 Higher Education	CSU Research Innovation Center - Extend Spending Authority	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	JBC Action					
	FY 2012-13			FY 2013-14		
	GF	Other Funds	Total	GF	Other Funds	Total
26 Total Operating 1331 Supplementals Approved by JBC =	\$539,367	\$2,988,578	\$3,527,945	\$1,872,088	\$0	\$1,872,088

	JBC Action					
	FY 2012-13			FY 2013-14		
	CCFE	Other Funds	Total	CCFE	Other Funds	Total
31 Total Capital Construction 1331 Supplementals Approved by JBC =	\$0	\$0	\$0	\$0	\$0	\$0

Table 5
REVISED Comparison of LCS Forecast and OSPB Forecast
Based on June 2013 Revenue Forecasts

	FY 11-12	FY 12-13	FY 13-14	FY 14-15
1 GF Non Exempt Revenues:				
2 LCS	6,262.7	6,733.6	6,977.2	7,334.9
3 OSPB	6,262.6	6,746.8	7,001.5	7,420.4
4 Difference (positive number indicates LCS higher than OSPB)	0.1	(13.2)	(24.3)	(85.5)
5				
6 GF Exempt Revenues:				
7 LCS	1,473.4	1,841.9	1,920.4	2,148.3
8 OSPB	1,473.4	1,844.9	1,661.1	1,817.6
9 Difference (positive number indicates LCS higher than OSPB)	0.0	(3.0)	259.3	330.7
10				
11 Total Gross GF Revenues:				
12 LCS	7,736.1	8,575.5	8,897.6	9,483.2
13 OSPB	7,736.0	8,591.7	8,662.6	9,238.0
14 Difference (positive number indicates LCS higher than OSPB)	0.1	(16.2)	235.0	245.2
15				
16 Percent Gross General Fund Revenue Growth:				
17 LCS	9.2%	10.9%	3.8%	6.6%
18 OSPB	9.2%	11.1%	0.8%	6.6%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	-0.2%	2.9%	-0.1%
20				
21 Reimbursement for Senior and Veterans Property Tax Exemption				
22 LCS	1.8	102.7	110.0	117.2
23 OSPB	1.8	102.7	107.2	113.5
24 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	2.8	3.7
25				
26 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338				
27 LCS	59.0	1,101.2	0.0	0.0
28 OSPB	59.0	1,108.8	0.0	0.0
29 Difference (positive number indicates LCS higher than OSPB)	0.0	(7.6)	0.0	0.0
30				
31 Transfer to HUTF (Sec. 24-75-219, C.R.S.)				
32 LCS	0.0	0.0	0.0	189.7
33 OSPB	0.0	0.0	0.0	0.0
34 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	189.7
35				
36 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)				
37 LCS	0.0	0.0	0.0	47.4
38 OSPB	0.0	0.0	0.0	0.0
39 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	47.4
40				
41 Transfer of Excess Reserve to SEF pursuant to SB 13-260				
42 LCS	0.0	0.0	288.3	0.0
43 OSPB	0.0	0.0	112.1	0.0
44 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	176.2	0.0
45				
46 Year End GF Reserve				
47 LCS	281.1	373.0	398.5	398.5
48 OSPB	281.1	373.0	398.5	398.5
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	514.7	0.0	96.1	1,063.5
53 OSPB	514.6	0.0	37.4	970.3
54 Difference (positive number indicates LCS higher than OSPB)	0.1	0.0	58.7	93.1