

MEMORANDUM

TO: JBC Members

FROM: John Ziegler

SUBJECT: March Revenue Forecast – Updated through Passage of Long Bill Conference Committee Report

DATE: April 18, 2016

The Joint Budget Committee used the Legislative Council Staff (LCS) revenue projections for the 2016 budget process. Staff has updated the General Fund overview based on decisions made by the General Assembly through April 15, 2016. Attached are several tables that provide the March revenue forecast based on the LCS revenue forecast.

Table 1: Provides the General Fund Overview based on the LCS revenue forecast and actions taken by the General Assembly through passage of the conference committee report on April 15, 2016.

Table 2: Provides a summary of General Fund appropriations.

Table 3: Provides a summary of bills that impact the General Fund, updated for fiscal impacts through April 15, 2016. Please note that these amounts may continue to change as the individual bills proceed through the legislative process.

Table 4: Provides a list of the adjustments that impacted the General Fund overview from the introduction of the Long Bill to the passage of the Long Bill conference committee report by both chambers. Please note that there is a \$0.1 million difference in the moneys in excess of the statutory reserve from the amount reflected in the General Fund overview in Table 1 due to rounding. Also, the ultimate excess or deficit will be dependent on any further actions on legislation as the legislative session proceeds.

Table 1
General Fund Overview Based On Legislative Council March 2016 Revenue Estimate
Updated for Passage of Conference Committee Report
(millions of dollars)

	FY 14-15	FY 15-16	FY 16-17
1 Beginning GF Reserve	\$435.9	\$709.2	\$523.3
2 GF Nonexempt Revenues	7,424.0	7,587.1	7,969.6
3 GF Exempt Revenues	2,384.1	2,371.7	2,566.1
4 Transfers/Paybacks (Prior Sessions)	64.8	15.6	15.7
5 Revenue Changes Approved by the JBC as Part of Supplemental and Figure Setting Processes	0.0	8.0	26.6
6 TOTAL GF AVAILABLE	<u>\$10,308.8</u>	<u>\$10,691.6</u>	<u>\$11,101.3</u>
7			
8 GF Obligations:			
9 GF Appropriations	\$8,869.0	\$9,356.4	\$9,774.2
10 Long Bill Supplemental Add-ons	0.0	(20.8)	0.0
11 JBC Separate Bills/Placeholders Included for Balancing	0.0	0.0	41.7
12 Set Aside for Legislation Not Accounted for in Long Bill Budget Package	0.0	0.0	3.0
13 Adjusted GF Appropriations Base	<u>8,869.5</u>	<u>9,335.6</u>	<u>9,818.9</u>
14 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	0.0	0.0
15 TABOR Refund Under Art X, Section 20, (7)(d)	153.7	0.0	59.3
16 Adjustment to TABOR Refund Based on JBC Budget Package Actions	0.0	0.0	(59.3)
17 TABOR Refund Under Art X, Section 20, (3)(c)	58.0	(58.0)	0.0
18 Rebates and Expenditures - Based on Statutory Minimums	140.6	147.0	152.8
19 Reimbursement for Senior and Veterans Property Tax Exemption	116.9	133.0	142.7
20 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	199.2	210.7
21 Adjustment to Transfer to HUTF (Sec. 24-75-219, C.R.S.) Based on JBC Budget Package Actions	0.0	0.0	(52.7)
22 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	49.8	52.7
23 Adjustment to Transfer to Capital Construction (Sec. 24-75-219, C.R.S.) Based on JBC Budget Package Actions	0.0	0.0	0.0
24 Transfer to the Capital Construction Fund Other than those Required Under Sec. 24-75-219, C.R.S.	248.5	221.4	39.8
25 Transfer to FPPA and SEF - SB 13-234	25.3	25.3	25.3
26 Transfer to Other Funds	42.2	115.0	75.1
27 Accounting Adjustments	(55.1)	0.0	0.0
28 TOTAL GF OBLIGATIONS	<u>\$9,599.6</u>	<u>\$10,168.3</u>	<u>\$10,465.3</u>
29			
30 YEAR END GF RESERVE	\$709.2	\$523.3	\$636.0
31 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	576.5	520.7	635.2
32 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$132.7</u>	<u>\$2.7</u>	<u>\$0.8</u>

Table 1 - Continued

	FY 14-15	FY 15-16	FY 16-17
33 Total Gross General Fund Revenues	\$9,808.1	\$9,958.8	\$10,535.7
34 Percent Gross General Fund Revenue Growth	9.3%	1.5%	5.8%
35			
36 Transfer to the State Education Fund	\$519.8	\$522.0	\$546.7
37 Transfer of Excess Reserve to SEF pursuant to SB 11-156, HB 12-1338, SB 13-234, SB 13-260	25.3	25.3	25.3
38 Transfer of Excess Reserve to SEF pursuant to HB 14-1342	0.0	0.0	0.0
39 Total Transfers to the State Education Fund	\$545.1	\$547.3	\$572.0
40			
41 Required TABOR Reserve	\$370.8	\$383.1	\$398.6
42			
43 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,869.5	\$9,335.6	\$9,818.9
44 Total Percent Growth (Including both items within restriction and exemptions)	7.5%	5.3%	5.2%
45 GF Appropriations Base Available Growth	\$618.5	\$466.1	\$483.3
46			
47 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$246,448.0	\$261,735.0	\$275,607.0
48 Percent Increase/(Decrease) Over Previous Year	2.3%	6.2%	5.3%
49			
50 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(VII)(A), CRS)	\$12,045.3	\$12,322.4	\$13,086.8
51 Adjusted GF Appropriations Base	8,869.5	9,335.6	9,818.9
52 Over/(Under) Calculated Appropriations Restriction	(\$3,175.8)	(\$2,986.8)	(\$3,267.9)
53			
54 Additional Percentage Required to Decrease Statutory Reserve to as Requested by Governor on January 15, 2016	0.0%	0.0%	0.0%
55 Year-End GF Statutory Reserve Percentage	6.5%	5.6%	6.5%
56 Year-End GF Excess of Statutory Reserve Percentage	1.5%	0.0%	0.0%
57			
58 Rebates and Expenditures Include (from LCS Forecast)			
59 Cigarette Rebate	\$12.3	\$10.9	\$10.9
60 Marijuana Tax	\$5.9	\$9.7	\$11.2
61 Old Age Pension	99.4	103.8	107.8
62 Aged Property Tax & Heating Credit	5.7	6.5	6.9
63 Older Coloradans Fund (Off Budget - not in Long Bill)	11.5	10.0	10.0
64 FPPA	4.2	4.2	4.2
65 Amendment 35 GFE Expenditures	0.9	0.9	0.9
66 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	1.0	0.9
67 Total Rebates and Expenditures	\$140.6	\$147.0	\$152.8

Table 1 - Continued

	FY 14-15	FY 15-16	FY 16-17
68 Calculation of Statutory Reserve (Assuming Passage of JBC Bill SB 15-251)			
69 Adjusted GF Appropriations Base		\$9,335.6	\$9,818.9
70 Amounts Exempt from Statutory Reserve:			
71 Anschutz Medical Campus COP (HED)		7.2	7.3
72 Federal Mineral Lease COP (HED)		0.0	12.1
73 Federal Mineral Lease COP (TRE)		5.8	0.0
74 CSP II COP (COR)		20.3	20.3
75 Lease Purchase of Ralph L. Carr Judicial Center (JUD)		3.9	4.8
76 Public Safety COPs for Pueblo and Grand Junction Labs (PUBSAF)		0.7	1.6
77 Adjusted GF Base For Calculation of Statutory Reserve		<u>9,297.7</u>	<u>9,772.8</u>
78 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)		<u>\$520.7</u>	<u>\$635.2</u>

Table 2
Summary of FY 2014-15, FY 2015-16, and FY 2016-17 General Fund Appropriations
Updated for Passage of Conference Committee Report

Departments	FY 2014-15 Appropriation Adjusted for JBC Approved Supplemental Changes	FY 2015-16 Appropriation Adjusted for JBC Changes and Supplemental Package Bills	FY 2015-16 Add- on Changes in the 2016 Session Long Bill	FY 2015-16 Appropriation Adjusted for Add- ons and Separate Bills	FY 2016-17 Operating Base In Long Bill as Introduced	House Amendments	Senate Amendments (Adjusted for Conference Committee Action	Conference Committee	FY 2016-17 Operating Base in Long Bill as Amended by Both Houses	FY 2016-17 Bills and Statutory Appropriations	FY 2016-17 Operating Base Total Appropriation
1 Agriculture	\$9,317,936	10,006,234	\$0	\$10,006,234	\$10,753,079	\$0	\$0	\$0	\$10,753,079	\$0	\$10,753,079
2 Corrections	720,902,032	763,812,924	0	763,812,924	753,408,506	0	0	3,000,000	\$756,408,506	6,073,269	762,481,775
3 Education	3,357,973,487	3,478,443,043	0	3,478,443,043	3,765,024,305	0	0	0	\$3,765,024,305	559,539	3,765,583,844
4 Governor	34,983,120	41,871,028	0	41,871,028	35,946,004	50,000	0	0	\$35,996,004	0	35,996,004
5 Health Care Policy and Finance	2,352,933,836	2,517,425,774	(17,285,713)	2,500,140,061	2,660,832,010	0	0	(250,903)	\$2,660,581,107	(6,068,805)	2,654,512,302
6 Higher Education	762,082,525	857,415,995	0	857,415,995	870,343,621	0	0	0	\$870,343,621	0	870,343,621
7 Human Services	790,048,884	818,662,457	0	818,662,457	828,943,472	0	0	0	\$828,943,472	2,158,857	831,102,329
8 Judicial	446,285,574	479,088,124	(471,029)	478,617,095	486,631,108	0	0	0	\$486,631,108	(368,000)	486,263,108
9 Labor	661,690	8,008,584	0	8,008,584	20,749,612	0	0	0	\$20,749,612	378,969	21,128,581
10 Law	13,575,405	15,283,511	0	15,283,511	15,003,005	0	0	0	\$15,003,005	0	15,003,005
11 Legislature	40,962,675	43,297,162	0	43,297,162	3,811,594	0	0	0	\$3,811,594	40,694,865	44,506,459
12 Local Affairs	22,039,101	24,626,224	0	24,626,224	25,983,310	0	0	0	\$25,983,310	0	25,983,310
13 Military Affairs	8,244,667	8,294,927	0	8,294,927	8,305,504	0	0	0	\$8,305,504	0	8,305,504
14 Natural Resources	26,309,329	27,671,518	0	27,671,518	28,742,941	0	0	0	\$28,742,941	0	28,742,941
15 Personnel	7,130,338	11,817,618	0	11,817,618	13,145,504	0	0	0	\$13,145,504	0	13,145,504
16 Public Health	64,322,851	48,015,287	0	48,015,287	45,947,983	0	0	0	\$45,947,983	1,508,007	47,455,990
17 Public Safety	134,566,411	122,805,073	(3,027,687)	119,777,386	122,983,130	0	0	0	\$122,983,130	0	122,983,130
18 Regulatory Agencies	1,884,591	1,923,405	0	1,923,405	1,769,297	0	0	0	\$1,769,297	0	1,769,297
19 Revenue	103,605,100	97,942,157	0	97,942,157	103,270,841	0	0	589,968	\$103,860,809	(3,200,000)	100,660,809
20 State	0	0	0	0	0	0	0	0	\$0	0	0
21 Transportation	700,000	0	0	0	0	0	0	0	\$0	0	0
22 Treasury	121,578,482	135,037,666	0	135,037,666	146,008,257	0	0	0	\$146,008,257	0	146,008,257
23 Capital Construction Fund	0	0	0	0	0	0	0	0	\$0	0	0
24 Controlled Maintenance	111,264	0	0	0	0	0	0	0	\$0	0	0
25											
26 Total	\$9,020,219,298	\$9,511,448,711	(\$20,784,429)	\$9,490,664,282	\$9,947,603,083	\$50,000	\$0	\$3,339,065	\$9,950,992,148	\$41,736,701	\$9,992,728,849
27											
28											
29 Amounts Deemed Exempt from Statutory Limit	\$0	\$0		\$0							
30 Rebates and Expenditures	\$150,790,708	\$155,055,186	\$0	\$155,055,186							\$176,795,180
31											
32 Amount Subject to Statutory Limit	\$8,869,428,590	\$9,356,393,525	(\$20,784,429)	\$9,335,609,096							\$9,815,933,669
33 Amount Subject to Statutory Limit in Long Bill											\$9,774,196,968
34 Amount Subject to Statutory Limit in Bills											\$41,736,701

Table 3
Bills that Impact General Fund from the 2016 Session for FY 2015-16 and FY 2016-17
Updated for Passage of Conference Committee Report

	Title	Bill No.	Department	FY 2015-16 Impact GF	FY 2016-17 Impact GF
1	Bills Included in JBC Long Bill Balancing that Impact General Fund Revenue:				
2	<i>Bills Included in JBC Long Bill Package:</i>				
3	<i>Transfers to the General Fund:</i>				
4	Transfer Marijuana Tax Cash Fund to the General Fund	HB 1418	Various	0	20,217,661
5	Transfer Unclaimed Property Trust Fund Moneys to the General Fund	HB 1409	Statewide	8,000,000	0
6	Financing of Water Pollution Control Program	HB 1413	Pub Health	0	1,208,007
7					
8	Other Actions that Impact Revenues:				
9	Decrease in Conservation Easement Tax Credits as a Result of No TABOR Refund		Revenue	0	5,200,000
10					
11	Total Bills and Other Actions that Impact General Fund Revenue - 2016 Session			8,000,000	26,625,668
12	Bills Included in JBC Actions on the Long Bill - Subject to Statutory Limit:				
13	<i>Bills that are Part of JBC Package:</i>				
14	DOC reimbursing County Coroners	HB 1406	Corrections	0	32,175
15	Longitudinal Evaluation of Ft. Lyon	HB 1411	Corrections	0	11,875
16	Extend Medicaid Payment Reform and Innovation Pilot Program	HB 1407	HCPF	0	245,639
17	Tobacco Moneys for CHP+ Program	HB 1408	HCPF	0	(6,451,471)
18	Competency Evaluations	HB 1410	Hum Serv	0	475,076
19	Competency Evaluations	HB 1410	Judicial	0	(368,000)
20	Longitudinal Evaluation of Ft. Lyon	HB 1411	Legislature	0	200,000
21	Fund Address Confidentiality Program with VALE Funds	HB 1412	Personnel	0	0
22	Financing of Water Pollution Control Program	HB 1413	Pub Health	0	1,208,007
23	DOR Funding for License Services	HB 1415	Revenue	0	(3,200,000)
24					
25	<i>Bills that are Not Part of the JBC LB Package but are Included for Balancing:</i>				
26	<u>JBC Bills Not Running in Conjunction with Long Bill Package</u>				
27	Replace Supports Intensity Scale	LLS 0912	HCPF	0	137,027
28	SNAP Bill	LLS 1198	Hum Serv	0	0
29					
30	<u>Bills for which the JBC is Including a Placeholder in Balancing But that Are Not JBC Bills</u>				
31	Incentives to Complete Career Development Courses	HB 1289	Education	0	0
32	Modern Technology Education in Public Schools	HB 1291	Education	0	559,539
33	Realign DOC Facilities Based on Utilization Study follow up	LLS ???	Corrections	0	2,684,349
34	Aspire to College Colorado Pilot Program	HB 1196	Hum Serv	0	100,000
35	Child Welfare Predictive Analytic Pilot Program	HB 1383	Hum Serv	0	432,153
36	Extend Transitional Jobs Program	HB 1290	Hum Serv	0	1,151,628
37	Industry Infrastructure Grant Program	HB 1288	Labor	0	300,000
38	Business Income Tax Credit Offer Apprenticeships	HB 1301	Labor	0	78,969
39	FY 2016-17 Legislative Appropriation Bill	HB 1353	Legislative	0	40,494,865
40	Necessary Document Assistance	HB 1386	Pub Health	0	300,000
41	Subtotal Bills Approved as Part of JBC LB Balancing - Statutory Limit			0	38,391,831
42					
43	Bills Not Included in JBC Packages - Subject to Statutory Limit:				
44	Items that Do not Impact the Statutory Limit - Part of JBC Budget Package				
45	<i>Bills Included with the Long Bill Package:</i>				
46	Apply Disabled Telephone User Fund Surcharge to Wireless and VoIP Telecom Lines	HB 1414	TABOR Refund	0	2,218,292
47	Statutory Reserve Reduction for FY 2015-16	HB 1419	Statutory Reserve	(83,700,000)	0
48	Reduce the GF Obligation for TABOR Reserve with Transfer from UPTF to Adult Dental	HB 1409	TABOR Refund	0	(34,800,000)
49	Capital Construction Transfer	HB 1417	Capital	0	31,783,807
50	Amend SB 09-228 transfers to Make FY 15-16 and FY 16-17 Certain Amounts	HB 1416	SB 228	0	(52,700,000)
51	Concerning Colorado and the United States (Cyber Security Bill)	LLS 927	Capital	0	8,000,000
52	Dept of Revenue Funding for Licenses	HB 1415	TABOR Refund	0	1,776,850
53					
54	<i>Lon Bill Actions Indirectly Impacting the GF Overview:</i>				
55	Limit Hospital Provider Fee Revenues through Appropriations in the Long Bill		TABOR Refund	0	(28,400,000)
56					
57	Subtotal Items that Do not Impact the Statutory Limit - Not Subject to Statutory Limit			(83,700,000)	(72,121,051)
58					
59	Five Year Statutory Appropriations for the Department of Corrections	N/A	Corrections	0	3,344,870
60					
61	Total			(177,242,173)	(30,384,350)
62	Operating Budget (Includes Bills, Five Years, and Placeholders)			(93,542,173)	41,736,701
63					0
64	Bills not Included in Statutory Reserve Calculation			(83,700,000)	(72,121,051)

Table 4
Adjustments from Long Bill Introduction through Passage of Conference Committee Report
(Dollars in Millions)

	<u>FY 2016-17</u>
1 Moneys in Excess/(Deficit) of the Statutory Reserve (page 1 of Long Bill Narrative)	\$0.9
2	
3 Changes through the Process:	
4 <u>GF Revenue Changes:</u>	
5 Adjustment to Marijuana Tax Cash Fund due to Double Count	(\$6.1)
6 Adjustment to GF Revenues for Foregone Conservation Easement Tax Credit	<u>5.2</u>
7 <i>Total GF Revenue Changes</i>	(\$0.9)
8	
9 <u>GF Operating Appropriation Changes:</u>	
10 Forgotten Place Holder for HB 1386 - Necessary Documents	\$0.3
11 Laid Over HB 1412 - Address Confidentiality	0.1
12 Adjustment to GF in HB 1408 - Master Tobacco Settlement	(0.8)
13 Adjustment to GF in HB 1289 - Incentives to Complete Career Development Courses	(1.0)
14 Adjustment to GF in HB 1291 - Modern Technology Education in Public Schools	0.5
15 Adjustment to GF in HB 1415 - DOR Funding for License Services	0.0
16 Adjustment to Potential Realign DOC Facilities Based on Utilization Study follow up	(3.0)
17 Adjustment to GF in HB 1383 - Child Welfare Predictive Analytic Pilot Program	0.1
18 Adjustment to GF in HB 1290 - Extend Transitional Jobs Program	(0.1)
19 Adjustment to GF in HB 1288 - Industry Infrastructure Grant Program	(0.2)
20 Adjustment for House and Senate Amendments to the Long Bill	<u>3.4</u>
21 <i>Total Operating Changes</i>	(\$0.7)
22	
23 Moneys in Excess/(Deficit) of the Statutory Reserve	<u><u>\$0.7</u></u>