

MEMORANDUM

TO: JBC Members

FROM: John Ziegler

SUBJECT: June Revenue Forecast – Updated for End of 2016 Session

DATE: June 22, 2016

Legislative Council Staff (LCS) and the Office of State Planning and Budgeting (OSPB) released their June revenue forecasts on June 20, 2016. The General Fund Overview has been updated for the end of the 2016 Session and Committee decisions made through the JBC June 2016 business meeting. Attached are several tables that provide a comparison of the information as it pertains to the June revenue forecasts.

- Table 1: Provides the General Fund Overview based on the LCS revenue forecast.
- Table 2: Provides the General Fund Overview based on the LCS revenue forecast.
- Table 3: Provides a summary of General Fund appropriations.
- Table 4: Provides a summary of the JBC actions on the June 2016 Interim 1331 Supplemental Requests.
- Table 5: Provides a comparison of various line items from General Fund overviews based on the LCS and the OSPB June revenue forecasts.

Please note that both LCS and OSPB have included estimated adjustments for transfers of General Fund pursuant to S.B. 16-218 (State Severance Tax Refunds). LCS included a transfer of \$51.4 million and OSPB included a transfer \$44.4 million from the General Fund in FY 2016-17. These amounts are dependent on several factors including the forecast of severance tax revenues, the level of refunds requested, and the year in which the refunds are requested. Therefore, the amounts are only estimates and are subject to change as more information becomes available. Future forecasts may have different amounts.

Table 1
General Fund Overview Based On Legislative Council June 2016 Revenue Estimate
Updated for End of 2016 Session
(millions of dollars)

	FY 14-15	FY 15-16	FY 16-17	FY 17-18
1 Beginning GF Reserve	\$435.9	\$709.2	\$471.7	\$366.4
2 GF Nonexempt Revenues	7,418.5	7,574.4	8,061.2	8,328.4
3 GF Exempt Revenues	2,384.1	2,323.1	2,299.0	2,673.9
4 Transfers/Paybacks (Prior Sessions)	64.9	23.8	45.6	18.3
5 TOTAL GF AVAILABLE	\$10,303.4	\$10,630.5	\$10,877.5	\$11,387.0
6				
7 GF Obligations:				
8 GF Appropriations	\$8,869.5	\$9,335.6	\$9,813.2	\$9,813.2
9 1331 Supplemental Requests Approved by JBC	0.0	0.0	0.0	0.0
10 Supplemental Requests/Budget Amendments not yet heard by JBC	0.0	0.0	0.0	0.0
11 Adjusted GF Appropriations Base	8,869.5	9,335.6	9,813.2	9,813.2
12 TABOR Refund Pursuant to Section 20 (7) (d) of Article X of the Colorado Constitution	153.7	0.0	0.0	162.6
13 TABOR Refund Pursuant to Section 20 (3) (c) of Article X of the Colorado Constitution	58.0	(58.0)	0.0	0.0
14 Rebates and Expenditures - Based on Statutory Minimums	140.6	141.9	146.9	149.8
15 Reimbursement for Senior and Veterans Property Tax Exemption	116.9	127.1	136.5	143.1
16 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	199.2	158.0	110.0
17 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	49.8	52.7	55.0
18 Transfer to the Capital Construction Fund Other than those Required Under Sec. 24-75-219, C.R.S.	248.5	221.4	31.8	0.0
19 Transfer to FPPA and SEF - SB 13-234	25.3	25.3	25.3	25.3
20 Transfers to Other Funds	42.2	116.5	146.7	72.3
21 Accounting Adjustments	(60.5)	0.0	0.0	0.0
22 TOTAL GF OBLIGATIONS	\$9,594.2	\$10,158.8	\$10,511.1	\$10,531.3
23				
24 YEAR END GF RESERVE	\$709.2	\$471.7	\$366.4	\$855.7
25 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	576.5	520.7	634.9	634.9
26 MONEYS IN (DEFICIT)/EXCESS OF THE STATUTORY GF RESERVE	\$132.7	(\$49.0)	(\$268.5)	\$220.8

Table 1 - Continued

	FY 14-15	FY 15-16	FY 16-17	FY 17-18
27 Total Gross General Fund Revenues	\$9,802.6	\$9,897.5	\$10,360.2	\$11,002.3
28 Percent Gross General Fund Revenue Growth	9.2%	1.0%	4.7%	6.2%
29				
30 Transfer to the State Education Fund	\$519.8	\$522.6	\$545.5	\$582.0
31 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	25.3
32 Total Transfers to the State Education Fund	\$545.1	\$547.9	\$570.8	\$607.3
33				
34 Required TABOR Reserve	\$370.8	\$381.6	\$390.6	\$415.3
35				
36 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,869.5	\$9,335.6	\$9,813.2	\$9,813.2
37 Total Percent Growth (Including both items within restriction and exemptions)	7.5%	5.3%	5.1%	0.0%
38 GF Appropriations Base Available Growth	\$618.5	\$466.1	\$477.6	\$0.0
39				
40 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$246,448.0	\$261,735.0	\$275,107.0	\$289,138.0
41 Percent Increase/(Decrease) Over Previous Year	2.3%	6.2%	5.1%	5.1%
42				
43 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	\$13,755.4
44 Adjusted GF Appropriations Base	8,869.5	9,335.6	9,813.2	9,813.2
45 Over/(Under) Calculated Appropriations Restriction	(\$3,175.8)	(\$2,986.8)	(\$3,273.6)	(\$3,942.2)
46				
47 Additional Percentage Required to Decrease Statutory Reserve to as Requested by Governor on January 15, 2016	0.0%	0.0%	0.0%	0.0%
48 Year-End GF Statutory Reserve Percentage	6.5%	5.6%	6.5%	6.5%
49 Year-End GF Excess of Statutory Reserve Percentage	1.5%	-0.5%	-2.7%	2.3%
50				
51 Rebates and Expenditures Include (from LCS Forecast)				
52 Cigarette Rebate	\$12.3	\$10.9	\$10.7	\$10.7
53 Marijuana Tax	\$5.9	\$10.0	\$12.0	\$11.1
54 Old Age Pension	99.4	97.8	100.2	103.4
55 Aged Property Tax & Heating Credit	5.7	7.1	7.9	8.2
56 Older Coloradans Fund (Off Budget - not in Long Bill)	11.5	10.0	10.0	10.0
57 FPPA	4.2	4.2	4.2	4.3
58 Amendment 35 GFE Expenditures	0.9	0.9	0.9	0.9
59 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	1.0	1.0	1.2
60 Total Rebates and Expenditures	\$140.6	\$141.9	\$146.9	\$149.8

Table 1 - Continued

	FY 14-15	FY 15-16	FY 16-17	FY 17-18
61 Calculation of Statutory Reserve (Assuming Passage of JBC Bill SB 15-251)				
62 Adjusted GF Appropriations Base		\$9,335.6	\$9,813.2	\$9,813.2
63 Amounts Exempt from Statutory Reserve:				
64 Anschutz Medical Campus COP (HED)		7.2	7.3	7.2
65 Federal Mineral Lease COP (HED)		0.0	12.1	12.1
66 Federal Mineral Lease COP (IRE)		5.8	0.0	0.0
67 CSP II COP (COR)		20.3	20.3	20.3
68 Lease Purchase of Ralph L. Carr Judicial Center (JUD)		3.9	4.8	4.8
69 Public Safety COPs for Pueblo and Grand Junction Labs (PUBSAF)		0.7	1.6	1.6
70 Adjusted GF Base For Calculation of Statutory Reserve		<u>9,297.7</u>	<u>9,767.1</u>	<u>9,767.2</u>
71 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)		<u>\$520.7</u>	<u>\$634.9</u>	<u>\$634.9</u>

Table 2
General Fund Overview Based On OSPB June 2016 Revenue Estimate
Updated for End of 2016 Session
(millions of dollars)

	FY 14-15	FY 15-16	FY 16-17	FY 17-18
1 Beginning GF Reserve	\$435.9	\$709.2	\$528.5	\$624.5
2 GF Nonexempt Revenues	7,418.5	7,553.3	8,042.4	8,392.4
3 GF Exempt Revenues	2,384.1	2,408.3	2,520.1	2,663.7
4 Transfers/Paybacks (prior Sessions)	64.9	24.3	46.1	18.2
5 TOTAL GF AVAILABLE	\$10,303.4	\$10,695.1	\$11,137.1	\$11,698.8
6				
7 GF Obligations:				
8 GF Appropriations	\$8,869.5	\$9,335.6	\$9,813.2	\$9,813.2
9 1331 Supplemental Requests Approved by JBC	0.0	0.0	0.0	0.0
10 1331 Supplemental Requests not yet Heard by JBC	0.0	0.0	0.0	0.0
11 Adjusted GF Appropriations Base	8,869.5	9,335.6	9,813.2	9,813.2
12 TABOR Refund Pursuant to Section 20 (7) (d) of Article X of the Colorado Constitution	153.7	0.0	0.0	277.1
13 TABOR Refund Pursuant to Section 20 (3) (c) of Article X of the Colorado Constitution	58.0	(58.0)	0.0	0.0
14 Rebates and Expenditures - Based on Statutory Minimums	140.7	149.7	146.5	152.3
15 Reimbursement for Senior and Veterans Property Tax Exemption	116.9	127.1	147.6	155.4
16 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	199.2	158.0	110.6
17 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	49.8	52.7	55.3
18 Transfer to the Capital Construction Fund Other than those Required Under Sec. 24-75-219, C.R.S.	248.5	221.4	31.8	13.0
19 Transfer to FPPA and SEF - SB 13-234	25.3	25.3	25.3	25.3
20 Transfers to Other Funds	42.2	116.5	137.5	76.5
21 Accounting Adjustments	(60.6)	0.0	0.0	0.0
22 TOTAL GF OBLIGATIONS	\$9,594.2	\$10,166.6	\$10,512.6	\$10,678.7
23				
24 YEAR END GF RESERVE	\$709.2	\$528.5	\$624.5	\$1,020.1
25 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	576.5	520.7	634.9	634.9
26 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	\$132.7	\$7.8	(\$10.4)	\$385.3

Table 2 - Continued

	FY 14-15	FY 15-16	FY 16-17	FY 17-18
27 Total Gross General Fund Revenues	\$9,802.6	\$9,961.6	\$10,562.5	\$11,056.1
28 Percent Gross General Fund Revenue Growth	9.2%	1.6%	6.0%	4.7%
29				
30 Transfer to the State Education Fund	\$519.8	\$525.8	\$557.6	\$586.6
31 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	25.3
32 Total Transfers to the State Education Fund	\$545.1	\$551.1	\$582.9	\$611.9
33				
34 Required TABOR Reserve	\$370.8	\$384.2	\$397.2	\$413.8
35				
36 GF Appropriation Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$8,869.5	\$9,335.6	\$9,813.2	\$9,813.2
37 Total Percent Growth (Including both items within restriction and exemptions)	7.5%	5.3%	5.1%	0.0%
38 GF Appropriations Base Available Growth	\$618.5	\$466.1	\$477.6	\$0.0
39				
40 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$240,900.0	\$246,400.0	\$261,700.0	\$275,100.0
41 Percent Increase/(Decrease) Over Previous Year	6.1%	2.3%	6.2%	5.1%
42				
43 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	12,045.0	12,320.0	13,085.0	13,755.0
44 Adjusted GF Appropriations Base	8,869.5	9,335.6	9,813.2	9,813.2
45 Over/(Under) Calculated Appropriations Restriction	(\$3,175.5)	(\$2,984.4)	(\$3,271.8)	(\$3,941.8)
46				
47 Additional Percentage Required to Decrease Statutory Reserve as Requested by Governor on January 15, 2016	0.0%	0.0%	0.0%	0.0%
48 Year-End GF Statutory Reserve Percentage	6.5%	5.6%	6.5%	6.5%
49 Year-End GF Excess of Statutory Reserve Percentage	1.5%	0.1%	-0.1%	3.9%
50				
51 Rebates and Expenditures Include (from OSPB Forecast)				
52 Cigarette Rebate	\$12.3	\$9.5	\$9.2	\$9.0
53 Marijuana Tax	\$5.9	\$10.0	\$11.7	\$11.9
54 Old Age Pension	111.0	117.7	113.3	118.5
55 Aged Property Tax & Heating Credit	5.7	6.2	6.0	6.5
56 FPPA	4.2	4.2	4.3	4.3
57 Amendment 35 GFE Expenditures	0.9	0.9	0.8	0.8
58 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	0.7	1.2	1.2	1.3
59 Total Rebates and Expenditures	\$140.7	\$149.7	\$146.5	\$152.3

Table 2 - Continued

	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>
60 Calculation of Statutory Reserve (Assuming Passage of JBC Bill LLS 15-1022)				
61 Adjusted GF Appropriations Base		\$9,335.6	\$9,813.2	\$9,813.2
62 Amounts Exempt from Statutory Reserve:				
63 Anschutz Medical Campus COP (HED)		7.2	7.3	7.3
64 Federal Mineral Lease COP (HED)		0.0	12.1	12.1
65 Federal Mineral Lease COP (TRE)		5.8	0.0	0.0
66 CSP II COP (COR)		20.3	20.3	20.3
67 Lease Purchase of Ralph L. Carr Judicial Center (JUD)		3.9	4.8	4.8
68 Public Safety COPs For Pueblo and Grand Junction Labs (PUBSAF)		0.7	1.6	1.6
69 Adjusted GF Base For Calculation of Statutory Reserve		<u>9,297.7</u>	<u>9,767.1</u>	<u>9,767.1</u>
70 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)		<u>\$520.7</u>	<u>\$634.9</u>	<u>\$634.9</u>

Table 3
 Summary of FY 2014-15, FY 2015-16, and FY 2016-17 General Fund Appropriations
 Updated for End of 2016 Session

Departments	FY 2014-15 Appropriation Adjusted for JBC Approved Supplemental Changes	FY 2015-16 Appropriation Adjusted for Add- ons and Separate Bills	FY 2016-17 Operating Base Total Appropriation
1 Agriculture	\$9,317,936	\$10,006,234	\$10,753,079
2 Corrections	720,902,032	763,812,924	759,196,124
3 Education	3,357,973,487	3,478,443,043	3,764,627,106
4 Governor	34,983,120	41,871,028	35,996,004
5 Health Care Policy and Finance	2,352,933,836	2,500,140,061	2,654,394,214
6 Higher Education	762,082,525	857,415,995	871,034,716
7 Human Services	790,048,884	818,662,457	831,637,907
8 Judicial	446,285,574	478,617,095	486,328,896
9 Labor	661,690	8,008,584	20,786,362
10 Law	13,575,405	15,283,511	15,138,947
11 Legislature	40,962,675	43,297,162	44,789,293
12 Local Affairs	22,039,101	24,626,224	26,012,580
13 Military Affairs	8,244,667	8,294,927	8,305,504
14 Natural Resources	26,309,329	27,671,518	28,742,941
15 Personnel	7,130,338	11,817,618	13,145,504
16 Public Health	64,322,851	48,015,287	47,629,976
17 Public Safety	134,566,411	119,777,386	123,111,348
18 Regulatory Agencies	1,884,591	1,923,405	1,769,297
19 Revenue	103,605,100	97,942,157	100,710,413
20 State	0	0	0
21 Transportation	700,000	0	0
22 Treasury	121,578,482	135,037,666	146,008,257
23 Capital Construction Fund	0	0	0
24 Controlled Maintenance	111,264	0	0
25			0
26 Total	\$9,020,219,298	\$9,490,664,282	\$9,990,118,468
27			
28			
29 Amounts Deemed Exempt from Statutory Limit	\$0	\$0	
30 Rebates and Expenditures	\$150,790,708	\$155,055,186	\$176,897,240
31			
32 Amount Subject to Statutory Limit	\$8,869,428,590	\$9,335,609,096	\$9,813,221,228
33 Amount Subject to Statutory Limit in Long Bill			\$9,774,094,908
34 Amount Subject to Statutory Limit in Bills			\$39,126,320

Table 4
2016 Interim 1331 Supplemental Requests

June 2016 Operating 1331 Supplemental Requests

Department	Issue	OSPB						JBC Action					
		FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
Higher Education	1331 Roll Forward Footnote for Career Pathways	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Health	Retail Food Cash Fund Spending Authority Supplemental	0	0	0	0	375,645	375,645	0	0	0	0	266,975	266,975
Total		\$0	\$0	\$0	\$0	\$375,645	\$375,645	\$0	\$0	\$0	\$0	\$266,975	\$266,975

June 2016 Capital Construction 1331 Supplemental Requests

Department	Issue	OSPB Request						JBC Action					
		FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17		
		CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total
Personnel	Replace Cooling System, Annex Building	\$0	\$0	\$0	\$628,000	\$0	\$628,000	\$0	\$0	\$0	\$628,000	\$0	\$628,000
Total		\$0	\$0	\$0	\$628,000	\$0	\$628,000	\$0	\$0	\$0	\$628,000	\$0	\$628,000

	JBC Action					
	FY 2015-16			FY 2016-17		
	GF	Other Funds	Total	GF	Other Funds	Total
Total Operating 1331 Supplemental Requests Approved by JBC =	\$0	\$0	\$0	\$0	\$266,975	\$266,975

	JBC Action					
	FY 2015-16			FY 2016-17		
	CCFE	Other Funds	Total	CCFE	Other Funds	Total
Total Capital Construction 1331 Supplementals Approved by JBC =	\$0	\$0	\$0	\$628,000	\$0	\$628,000

Table 5
Comparison of LCS Forecast and OSPB Forecast
Based on June 2016 Revenue Forecasts

	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>
1 GF Non Exempt Revenues:				
2 LCS	6,849.5	7,418.5	7,574.4	8,061.2
3 OSPB	6,852.4	7,418.5	7,553.3	8,042.4
4 Difference (positive number indicates LCS higher than OSPB)	(2.9)	0.0	21.1	18.8
5				
6 GF Exempt Revenues:				
7 LCS	2,125.3	2,384.1	2,323.1	2,299.0
8 OSPB	2,125.3	2,384.1	2,408.3	2,520.1
9 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	(85.2)	(221.1)
10				
11 Total Gross GF Revenues:				
12 LCS	8,974.8	9,802.6	9,897.5	10,360.2
13 OSPB	8,977.7	9,802.6	9,961.6	10,562.5
14 Difference (positive number indicates LCS higher than OSPB)	(2.9)	0.0	(64.1)	(202.3)
15				
16 Percent Gross General Fund Revenue Growth:				
17 LCS	4.9%	9.2%	1.0%	4.7%
18 OSPB	4.9%	9.2%	1.6%	6.0%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	0.0%	-0.7%	-1.4%
20				
21 TABOR Surplus Liability:				
22 LCS	0.0	153.7	0.0	0.0
23 OSPB	0.0	153.7	0.0	0.0
24 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
25				
26 Reimbursement for Senior and Veterans Property Tax Exemption				
27 LCS	109.8	116.9	127.1	136.5
28 OSPB	109.8	116.9	127.1	147.6
29 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	(11.1)
30				
31 Transfer to HUTF (Sec. 24-75-219, C.R.S.)				
32 LCS	0.0	0.0	199.2	158.0
33 OSPB	0.0	0.0	199.2	158.0
34 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
35				
36 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)				
37 LCS	0.0	0.0	49.8	52.7
38 OSPB	0.0	0.0	49.8	52.7
39 Difference (positive number indicates LCS higher than OSPB)	0.0	0.0	0.0	0.0
40				
41 Year End GF Reserve				
42 LCS	435.9	709.2	471.7	366.4
43 OSPB	435.9	709.2	528.5	624.5
44 Difference (positive number indicates LCS higher than OSPB)	(0.0)	(0.0)	(56.8)	(258.1)
45				
46 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE				
47 LCS	25.0	132.7	(49.0)	(268.5)
48 OSPB	25.0	132.7	7.8	(10.4)
49 Difference (positive number indicates LCS higher than OSPB)	(0.0)	(0.0)	(56.8)	(258.1)