

# MEMORANDUM

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**TO:** JBC Members

**FROM:** John Ziegler

**SUBJECT:** June Revenue Forecast – Updated for End of 2017 Session

**DATE:** June 22, 2017

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Legislative Council Staff (LCS) and the Office of State Planning and Budgeting (OSPB) released their June revenue forecasts on June 20, 2017. The General Fund Overview has been updated for the end of the 2017 Session and Committee decisions made through the JBC June 2017 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 OSPB revenue forecast.
- Table 3: Provides a summary of General Fund appropriations.
- Table 4: Provides a summary of the JBC actions on the June 2017 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 reflect:

1. A deficit in FY 2016-17 as compared to the required statutory reserve (LCS = (\$136.7) million and OSPB = (\$142.6) million).
2. A deficit in FY 2017-18 as compared to the required statutory reserve (LCS = (\$172.0) million and OSPB = (\$285.3) million).

**Table 1**  
**General Fund Overview Based On Legislative Council June 2017 Revenue Estimate**  
**Updated for End of Session and June 2017 Revenue Forecast**  
(millions of dollars)

	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
1 Beginning GF Reserve	\$689.6	\$512.7	\$447.6	\$503.3
2 GF Nonexempt Revenues	7,574.6	8,001.0	9,003.7	9,448.1
3 GF Exempt Revenues	2,396.8	2,315.6	2,083.7	2,211.4
4 Transfers/Paybacks (Prior Sessions)	25.0	44.8	89.2	18.2
5 TOTAL GF AVAILABLE	\$10,686.0	\$10,874.1	\$11,624.2	\$12,181.0
6				
7 GF Obligations:				
8 GF Appropriations	\$9,336.0	\$9,784.5	\$10,438.1	\$10,438.1
9 1331 Supplemental Requests Approved by JBC	0.0	0.0	0.0	0.0
10 Adjusted GF Appropriations Base	9,336.0	9,784.5	10,438.1	10,438.1
11 TABOR Refund Pursuant to Section 20 (7) (d) of Article X of the Colorado Constitution	0.0	0.0	0.0	0.0
12 TABOR Refund Pursuant to Section 20 (3) (c) of Article X of the Colorado Constitution	(58.0)	0.0	0.0	0.0
13 Rebates and Expenditures - Based on Statutory Minimums	154.0	152.2	143.4	141.9
14 Reimbursement for Senior and Veterans Property Tax Exemption	127.1	136.1	146.8	159.3
15 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	199.2	79.0	79.0	0.0
16 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	49.8	52.7	0.0	0.0
17 Transfer to the Capital Construction Fund Other than those Required Under Sec. 24-75-219, C.R.S.	221.4	31.8	109.2	60.0
18 Transfer to FPPA and SEF - SB 13-234	25.3	25.3	25.3	25.0
19 Transfers to Other Funds	176.2	164.9	179.1	150.5
20 Accounting Adjustments	(57.7)	0.0	0.0	0.0
21 TOTAL GF OBLIGATIONS	\$10,173.3	\$10,426.5	\$11,120.9	\$10,974.8
22				
23 YEAR END GF RESERVE	\$512.7	\$447.6	\$503.3	\$1,206.2
24 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	463.9	584.3	675.3	675.3
25 MONEYS IN (DEFICIT)/EXCESS OF THE STATUTORY GF RESERVE	\$48.8	(\$136.7)	(\$172.0)	\$530.9

Table 1 - Continued

	FY 15-16	FY 16-17	FY 17-18	FY 18-19
26 Total Gross General Fund Revenues	\$9,971.4	\$10,316.6	\$11,087.4	\$11,659.5
27 Percent Gross General Fund Revenue Growth	1.7%	3.5%	7.5%	5.2%
28				
29 Transfer to the State Education Fund	\$522.6	\$540.0	\$581.4	\$610.2
30 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	25.0
31 Total Transfers to the State Education Fund	\$547.9	\$565.3	\$606.7	\$635.2
32				
33 Required TABOR Reserve	\$384.7	\$390.2	\$397.6	\$417.2
34				
35 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$9,336.0	\$9,784.5	\$10,438.1	\$10,438.1
36 Total Percent Growth (Including both items within restriction and exemptions)	5.3%	4.8%	6.7%	0.0%
37 GF Appropriations Base Available Growth	\$466.5	\$448.5	\$653.6	\$0.0
38				
39 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$266,535.0	\$277,732.0	\$287,620.0	\$302,864.0
40 Percent Increase/(Decrease) Over Previous Year	8.1%	4.2%	3.6%	5.3%
41				
42 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(VII)(A), CRS)	\$12,332.4	\$13,326.8	\$13,886.6	\$14,381.0
43 Adjusted GF Appropriations Base	9,336.0	9,784.5	10,438.1	10,438.1
44 Over/(Under) Calculated Appropriations Restriction	(\$2,996.4)	(\$3,542.3)	(\$3,448.5)	(\$3,942.9)
45				
46 Additional Percentage Required to Decrease Statutory Reserve	0.0%	0.0%	0.0%	0.0%
47 Year-End GF Statutory Reserve Percentage	5.0%	6.0%	6.5%	6.5%
48 Adjusted Year-End Reserve	5.0%	6.0%	6.5%	6.5%
49 Year-End GF Excess of Statutory Reserve Percentage	0.5%	-1.4%	-1.6%	5.1%
50				
51 Rebates and Expenditures Include (from LCS Forecast)				
52 Cigarette Rebate	\$10.5	\$10.7	\$10.5	\$10.4
53 Marijuana Tax	10.1	14.4	16.6	18.3
54 Old Age Pension	108.3	96.4	91.2	88.0
55 Aged Property Tax & Heating Credit	9.3	5.8	5.5	5.3
56 Older Coloradans Fund (Off Budget - not in Long Bill)	10.0	16.4	10.0	10.0
57 FPPA	3.7	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)	1.2	3.4	4.5	4.7
60 Total Rebates and Expenditures	\$154.0	\$152.2	\$143.4	\$141.9

**Table 1 - Continued**

	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
61 Calculation of Statutory Reserve (Assuming Passage of JBC Bill SB 15-251)				
62 Adjusted GF Appropriations Base	\$9,336.0	\$9,784.5	\$10,438.1	\$10,438.1
63 Amounts Exempt from Statutory Reserve:				
64 Anschutz Medical Campus COP (HED)	7.2	7.2	5.5	5.5
65 Federal Mineral Lease COP (HED)	0.0	12.1	16.1	16.1
66 Federal Mineral Lease COP (TRE)	5.8	0.0	0.0	0.0
67 CSP II COP (COR)	20.3	20.3	20.3	20.3
68 Lease Purchase of Ralph L. Carr Judicial Center (JUD)	3.9	4.8	4.7	4.7
69 Public Safety COPs for Pueblo and Grand Junction Labs (PUBSAF)	0.7	1.6	1.6	1.6
70 Adjusted GF Base For Calculation of Statutory Reserve	<u>9,298.1</u>	<u>9,738.5</u>	<u>10,389.9</u>	<u>10,389.9</u>
71 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	<u>\$520.7</u>	<u>\$584.3</u>	<u>\$675.3</u>	<u>\$675.3</u>

**Table 2**  
**General Fund Overview Based On OSPB June 2017 Revenue Estimate**  
**Updated for End of 2017 Session and June 2017 Revenue Forecast**  
(millions of dollars)

	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
1 Beginning GF Reserve	\$689.6	\$512.8	\$441.7	\$390.0
2 GF Nonexempt Revenues	7,574.6	8,017.5	9,067.9	9,550.2
3 GF Exempt Revenues	2,396.8	2,294.6	1,931.0	1,964.3
4 Transfers/Paybacks (prior Sessions)	24.1	45.0	89.2	18.5
5 TOTAL GF AVAILABLE	<u>\$10,685.1</u>	<u>\$10,869.9</u>	<u>\$11,529.8</u>	<u>\$11,923.0</u>
6				
7 GF Obligations:				
8 GF Appropriations	\$9,336.0	\$9,784.5	\$10,438.1	\$10,438.1
9 1331 Supplemental Requests Approved by JBC	0.0	0.0	0.0	0.0
10 Adjusted GF Appropriations Base	<u>9,336.0</u>	<u>9,784.5</u>	<u>10,438.1</u>	<u>10,438.1</u>
11 TABOR Refund Pursuant to Section 20 (7) (d) of Article X of the Colorado Constitution	0.0	0.0	0.0	0.0
12 Rebates and Expenditures - Based on Statutory Minimums	154.0	146.1	148.6	154.6
13 Reimbursement for Senior and Veterans Property Tax Exemption	127.1	136.4	144.8	159.2
14 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	199.2	79.0	79.0	0.0
15 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	49.8	52.7	0.0	0.0
16 Transfer to the Capital Construction Fund Other than those Required Under Sec. 24-75-219, C.R.S.	221.4	31.8	109.2	60.0
17 Transfer to FPPA and SEF - SB 13-234	25.3	25.3	25.3	25.0
18 Transfers to Other Funds	176.2	172.4	194.8	173.7
19 Accounting Adjustments	(58.7)	0.0	0.0	0.0
20 TOTAL GF OBLIGATIONS	<u>\$10,172.3</u>	<u>\$10,428.2</u>	<u>\$11,139.8</u>	<u>\$11,010.6</u>
21				
22 YEAR END GF RESERVE	\$512.8	\$441.7	\$390.0	\$912.4
23 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	463.9	584.3	675.3	675.3
24 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$48.9</u>	<u>(\$142.6)</u>	<u>(\$285.3)</u>	<u>\$237.1</u>

Table 2 - Continued

	FY 15-16	FY 16-17	FY 17-18	FY 18-19
25 Total Gross General Fund Revenues	\$9,971.4	\$10,312.1	\$10,998.9	\$11,514.5
26 Percent Gross General Fund Revenue Growth	1.7%	3.4%	6.7%	4.7%
27				
28 Transfer to the State Education Fund	\$554.4	\$566.4	\$605.7	\$635.8
29 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	25.0
30 Total Transfers to the State Education Fund	\$579.7	\$591.7	\$631.0	\$660.8
31				
32 Required TABOR Reserve	\$384.7	\$389.5	\$393.1	\$409.5
33				
34 GF Appropriation Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$9,336.0	\$9,784.5	\$10,438.1	\$10,438.1
35 Total Percent Growth (Including both items within restriction and exemptions)	5.3%	4.8%	6.7%	0.0%
36 GF Appropriations Base Available Growth	\$466.5	\$448.5	\$653.6	\$0.0
37				
38 Personal Income (Sec 24-75-201.1 (1)(e)(I), CRS) - Calculation to Trigger SB 228	\$246,600.0	\$266,500.0	\$277,700.0	\$288,400.0
39 Percent Increase/(Decrease) Over Previous Year	5.4%	8.1%	4.2%	3.9%
40				
41 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	12,330.0	13,325.0	13,885.0	14,420.0
42 Adjusted GF Appropriations Base	9,336.0	9,784.5	10,438.1	10,438.1
43 Over/(Under) Calculated Appropriations Restriction	(\$2,994.0)	(\$3,540.5)	(\$3,446.9)	(\$3,981.9)
44				
45 Additional Percentage Required to Decrease Statutory Reserve as Requested by Governor on January 15, 2016	0.0%	0.0%	0.0%	0.0%
46 Year-End GF Statutory Reserve Percentage	5.0%	6.0%	6.5%	6.5%
47 Adjusted Year-End Statutory Reserve Percentage	5.0%	6.0%	6.5%	6.5%
48 Year-End GF Excess of Statutory Reserve Percentage	0.5%	-1.5%	-2.7%	2.3%
49				
50 Rebates and Expenditures Include (from OSPB Forecast)				
51 Cigarette Rebate	\$10.5	\$9.3	\$8.7	\$8.4
52 Marijuana Tax	\$10.1	\$15.2	\$19.1	\$21.6
53 Old Age Pension	118.3	106.2	105.4	109.1
54 Aged Property Tax & Heating Credit	9.3	6.9	6.8	6.9
55 FPPA	3.7	4.3	4.3	4.3
56 Amendment 35 GFE Expenditures	0.9	0.8	0.8	0.8
57 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	1.2	3.4	3.5	3.5
58 Total Rebates and Expenditures	\$154.0	\$146.1	\$148.6	\$154.6

Table 2 - Continued

	FY 15-16	FY 16-17	FY 17-18	FY 18-19
59 Calculation of Statutory Reserve (Assuming Passage of JBC Bill LLS 15-1022)				
60 Adjusted GF Appropriations Base	\$9,336.0	\$9,784.5	\$10,438.1	\$10,438.1
61 Amounts Exempt from Statutory Reserve:				
62 Anschutz Medical Campus COP (HED)	7.2	7.2	5.5	5.5
63 Federal Mineral Lease COP (HED)	0.0	12.1	16.1	16.1
64 Federal Mineral Lease COP (TRE)	5.8	0.0	0.0	0.0
65 CSP II COP (COR)	20.3	20.3	20.3	20.3
66 Lease Purchase of Ralph L. Carr Judicial Center (JUD)	3.9	4.8	4.7	4.7
67 Public Safety COPs For Pueblo and Grand Junction Labs (PUBSAF)	0.7	1.6	1.6	1.6
68 Adjusted GF Base For Calculation of Statutory Reserve	9,298.1	9,738.5	10,389.9	10,389.9
69 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	\$520.7	\$584.3	\$675.3	\$675.3

**Table 3**  
**Summary of FY 2016-17 and FY 2017-18 General Fund Appropriations**  
**Updated for End of Session and June 2017 Revenue Forecast**

Departments	FY 2015-16 Appropriation as of 2016 Session	FY 2016-17 Appropriation Adjusted for Add-ons and Separate Bills	FY 2017-18 Operating Base Total Appropriation
1 Agriculture	\$10,006,234	\$10,753,079	\$10,506,004
2 Corrections	763,812,924	751,095,253	769,192,172
3 Education	3,478,443,043	3,764,862,059	4,102,171,554
4 Governor	41,871,028	35,966,004	35,324,665
5 Health Care Policy and Finance	2,500,545,586	2,629,498,300	2,822,800,583
6 Higher Education	857,415,995	871,034,716	894,907,900
7 Human Services	818,662,457	831,272,286	866,955,020
8 Judicial	478,617,095	491,246,425	513,002,350
9 Labor	8,008,584	20,786,362	21,380,958
10 Law	15,283,511	15,190,519	16,214,183
11 Legislature	43,297,162	44,789,293	48,280,517
12 Local Affairs	24,626,224	25,487,580	32,086,084
13 Military Affairs	8,294,927	8,443,132	10,530,168
14 Natural Resources	27,671,518	28,742,941	30,864,532
15 Personnel	11,817,618	13,145,504	12,499,410
16 Public Health	48,015,287	47,629,976	48,798,277
17 Public Safety	119,777,386	122,680,880	123,448,065
18 Regulatory Agencies	1,923,405	1,769,297	1,844,627
19 Revenue	97,942,157	100,882,740	107,595,006
20 State	0	0	0
21 Transportation	0	0	0
22 Treasury	135,037,666	139,308,257	151,447,545
23 Capital Construction Fund	0	0	0
24 Controlled Maintenance	0	0	0
25			
26 Total	\$9,491,069,807	\$9,954,584,603	\$10,619,849,620
27			
28			
29 Amounts Deemed Exempt from Statutory Limit	\$0	\$0	
30 Rebates and Expenditures	\$155,055,186	\$170,095,180	\$181,710,680
31			
32 Amount Subject to Statutory Limit	\$9,336,014,621	\$9,784,489,423	\$10,438,138,940
33 Amount Subject to Statutory Limit in Long Bill			\$10,379,826,259
34 Amount Subject to Statutory Limit in Bills			\$58,312,681



**Table 4**  
**2017 Interim 1331 Supplemental Requests**

**June 2017 Operating 1331 Supplemental Requests**

Department	Issue	OSP						JBC Action					
		FY 2016-17			FY 2017-18			FY 2016-17			FY 2017-18		
		GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total	GF	Other Funds	Total
1 Corrections	Opening Private Prison for 500 Offender Beds	\$0	\$0	\$0	\$14,520,820	\$16,083	\$14,536,903	\$0	\$0	\$0	\$0	\$0	\$0
2 Corrections	External Capacity Caseload	0	1,408,572	1,408,572	0	0	0	0	1,408,572	1,408,572	0	0	0
3 Governor	BA-01 (CEO) Program Administration 1331	0	0	0	3,100,000	0	3,100,000	0	0	0	0	0	0
4 State	S-2: Water Cooling Loop Shift from FY 2017-18 to FY 2016-17	0	210,000	210,000	0	(210,000)	(210,000)	0	210,000	210,000	0	(210,000)	(210,000)
5 Total		\$0	\$1,618,572	\$1,618,572	\$17,620,820	(\$193,917)	\$17,426,903	\$0	\$1,618,572	\$1,618,572	\$0	(\$210,000)	(\$210,000)

**June 2017 Capital Construction 1331 Supplemental Requests**

Department	Issue	OSP Request						JBC Action					
		FY 2016-17			FY 2017-18			FY 2016-17			FY 2017-18		
		CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total	CCFE	Other Funds	Total
12 Corrections	Outdoor Recreation Yards, Centennial Correctional Facility South	\$0	\$0	\$0	\$636,000	\$0	\$636,000	\$0	\$0	\$0	\$0	\$0	\$0
13 Higher Education	History Colorado - Pearce McCallister Renovation (FY 2014-15)	0	0	0	0	0	0	0	0	0	0	0	0
14 Higher Education	CU - Systems Biotechnology Building, Academic Wing (FY 2015-16)	0	0	0	0	0	0	0	0	0	0	0	0
15 Total		\$0	\$0	\$0	\$636,000	\$0	\$636,000	\$0	\$0	\$0	\$0	\$0	\$0

							JBC Action					
							FY 2016-17			FY 2017-18		
							GF	Other Funds	Total	GF	Other Funds	Total
20 Total Operating 1331 Supplemental Requests Approved by JBC =							\$0	\$1,618,572	\$1,618,572	\$0	(\$210,000)	(\$210,000)

							JBC Action					
							FY 2016-17			FY 2017-18		
							CCFE	Other Funds	Total	CCFE	Other Funds	Total
25 Total Capital Construction 1331 Supplementals Approved by JBC =							\$0	\$0	\$0	\$0	\$0	\$0

**Table 5**  
**Comparison of LCS Forecast and OSPB Forecast**  
**Updated for End of Session and June 2017 Revenue Forecast**

	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
1 GF Non Exempt Revenues:				
2 LCS	7,574.6	8,001.0	9,003.7	9,448.1
3 OSPB	7,574.6	8,017.5	9,067.9	9,550.2
4 Difference (positive number indicates LCS higher than OSPB)	0.0	(16.5)	(64.2)	(102.1)
5				
6 GF Exempt Revenues:				
7 LCS	2,396.8	2,315.6	2,083.7	2,211.4
8 OSPB	2,396.8	2,294.6	1,931.0	1,964.3
9 Difference (positive number indicates LCS higher than OSPB)	0.0	21.0	152.7	247.1
10				
11 Total Gross GF Revenues:				
12 LCS	9,971.4	10,316.6	11,087.4	11,659.5
13 OSPB	9,971.4	10,312.1	10,998.9	11,514.5
14 Difference (positive number indicates LCS higher than OSPB)	0.0	4.5	88.5	145.0
15				
16 Percent Gross General Fund Revenue Growth:				
17 LCS	1.7%	3.5%	7.5%	5.2%
18 OSPB	1.7%	3.4%	6.7%	4.7%
19 Difference (positive number indicates LCS higher than OSPB)	0.0%	0.0%	0.8%	0.5%
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 Reimbursement for Senior and Veterans Property Tax Exemption				
27 LCS	127.1	136.1	146.8	159.3
28 OSPB	127.1	136.4	144.8	159.2
29 Difference (positive number indicates LCS higher than OSPB)	0.0	(0.3)	2.0	0.1
30				
31 Transfer to HUTF (Sec. 24-75-219, C.R.S.)				
32 LCS	199.2	79.0	79.0	0.0
33 OSPB	199.2	79.0	79.0	0.0
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	49.8	52.7	0.0	0.0
38 OSPB	49.8	52.7	0.0	0.0
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	512.7	447.6	503.3	1,206.2
43 OSPB	512.8	441.7	390.0	912.4
44 Difference (positive number indicates LCS higher than OSPB)	(0.1)	5.9	113.3	293.8
45				
46 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE				
47 LCS	48.8	(136.7)	(172.0)	530.9
48 OSPB	48.9	(142.6)	(285.3)	237.1
49 Difference (positive number indicates LCS higher than OSPB)	(0.1)	5.9	113.3	293.8