

MEMORANDUM

TO: JBC Members

FROM: John Ziegler

SUBJECT: Referendum C Recommendation for FY 2010-11 Long Bill

DATE: March 23, 2010

Staff recommends that the Committee:

- Eliminate the General Fund Exempt (GFE) appropriations in FY 2008-09 that relate to Referendum C.** The recommendation for FY 2008-09 is based on the amount of Referendum C moneys that are reflected in the Report of the State Auditor, Schedule of TABOR Revenue dated September 2009. This document indicates that the TABOR revenues did not reach the TABOR limit in FY 2008-09. Therefore, no appropriations of GFE moneys are required for FY 2008-09. Staff recommends the Committee include add-on supplemental adjustments in the FY 2010-11 Long Bill to reduce the FY 2008-09 GFE appropriations and increase the FY 2008-09 General Fund (GF) appropriations by the following amounts:

Department	GFE Appropriation	GF Appropriation
Health Care Policy and Finance	(39,251,792)	39,251,792
Education - Preschool Through 12th Grade	(39,251,792)	39,251,792
Higher Education	(800,000)	800,000
Local Affairs - Retirement for Firefighters and Police Officers	(4,044,623)	4,044,623
Transportation Projects	(9,000,000)	9,000,000
Total Adjustments	(92,348,207)	92,348,207

- Continue not to include any GFE appropriation for FY 2009-10.** The recommendation of no appropriations of GFE moneys as a result of Referendum C for FY 2009-10 is based on the Legislative Council Staff (LCS) March 2010 revenue forecast which does not anticipate TABOR revenues reaching the TABOR limit in FY 2009-10.
- Include an appropriation of \$428.8 million GFE for FY 2010-11.** This recommendation is based on the estimates included in the LCS March 2010 revenue forecast. The attached table outlines the staff recommendation for FY 2010-11.

**Appropriations from the General Fund Exempt Account
Based on Legislative Council Staff March 2010 Revenue Forecast**

	FY 08-09 Final Appropriation (exact dollars)	FY 09-10 Recommended Appropriation (Millions of \$)	FY 10-11 Recommended Appropriation (Millions of \$)
1 General Fund Exempt (GFE) Revenues as Estimated by LCS March 2010 Forecast	\$0	\$0	\$428,800,000
2			
3 A) Pursuant to Section 24-77-103.6 (2), C.R.S. a portion of the moneys in the GFE Account must be appropriated or transferred for:			
4 1) Health Care;	\$0	\$0	\$60,177,819
5 2) Education, including capital construction;	0	0	60,177,819
6 3) Retirement plans for firefighters and police officers, so long as the General Assembly determines such funding is necessary; and	0	0	4,144,363
7 4) Strategic transportation projects included in the Department of Transportation's strategic transportation project investment program.	<u>0</u>	<u>0</u>	<u>500,000</u>
8 Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$125,000,000</u>
9			
10 B) Pursuant to Section 24-77-104.5 (1) (b), C.R.S. the remaining amount in the GFE Account shall be split equally for the following 3 purposes:			
11 1) Health Care;	\$0	\$0	\$101,266,667
12 2) Preschool through 12th Grade; and	0	0	101,266,667
13 3) Benefit of students attending community colleges or other institutions of higher education.	<u>0</u>	<u>0</u>	<u>101,266,667</u>
14 Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$303,800,000</u>
15			
16 Total GFE Appropriation to:			
17 1) Health Care	\$0	\$0	\$161,444,485
18 2) Preschool through 12th Grade Education	0	0	161,444,485
19 3) Higher Education	0	0	101,266,667
20 4) Retirement Plans for Firefighters and Police Officers	0	0	4,144,363
21 5) Transportation Projects	<u>0</u>	<u>0</u>	<u>500,000</u>
22 Total Appropriations from GFE Account	<u>\$0</u>	<u>\$0</u>	<u>\$428,800,000</u>
23			