

Explanation of FY 2017-18 Budget Balancing Using March 2017 LCS Forecast*
Dollars in Millions

**Starting Point for Minimum Shortfall: Year-over-year Change
Selected Major Budget Demands and Available Revenue**

	Amount	Note
1 K-12 New Enrollment and Inflation	\$380.7	Required to maintain a \$828.3 million negative factor and \$100 million State Education Fund year-end reserve.
1A Revision to K-12 New Enrollment and Inflation from 7.2% RAR	(\$128.4)	Estimated additional local share from 7.2% RAR
2 TABOR Rebate**	264.1	Assumes no JBC decisions following the release of the forecast.
3 Repay Budget Reserve from FY 2016-17	169.1	Assumes no JBC decisions following the release of the forecast.
4 SB 09-228 Transportation and Capital Transfers	(44.7)	Assumes no JBC decisions following the release of the forecast. Represents year-over-year change in statutory obligations.
5 New Medicaid Costs	193.5	General Fund change from prior year in Long Appropriations Bill
6 SUBTOTAL	\$834.3	
7 Available New General Fund Revenue	\$538.8	
8 Minimum Shortfall	(\$295.5)	This table is not a complete representation of the budget situation because the budget demands listed are not exhaustive of demands in the entire budget.

Major Balancing Actions

	Amount	Note
<i>A negative amount indicates that the measure will reduce the shortfall; a positive number indicates the measure will add to the shortfall.</i>		
FY 2016-17		
9 Reduce Operating Appropriations	(\$42.8)	Long Appropriations Bill
10 Reduce Senate Bill 09-228 Transfers	(\$79.0)	Senate Bill 17-262
11 General Fund Reserve Reduction	(\$44.7)	Senate Bill 17-266
FY 2017-18		
<u>General Fund Revenue</u>		
12 Net change to General Fund, Marijuana Tax Revenue	(\$9.7)	Senate Bill 17-267
13 Refundability of Conservation Easement Tax Credit	(\$2.5)	Occurs in the absence of a TABOR surplus
<u>Transfers:</u>		
14 Reduce FY 2017-18 Senate Bill 09-228 transfers	(\$86.9)	Senate Bill 17-262
15 Capital-related Transfers of Money	\$109.2	Senate Bill 17-263
16 Technology Advancement & Emergency Fund	\$2.0	Senate Bill 17-255
17 General Fund Transfers Protect Natural Resources	\$10.0	Senate Bill 17-259
18 Disaster Emergency Fund for 2013 Floods	\$12.5	Senate Bill 17-261
19 Severance Tax Reserve Transfer to General Fund	(\$45.7)	Senate Bill 17-260
20 Transfer from State Employee Reserve Fund	(\$26.3)	Senate Bill 17-265
<u>TABOR-related</u>		
21 Cap the Hospital Provider Fee	(\$264.1)	Senate Bill 17-256
22 Repeal Senate Bill 17-256	\$264.1	Senate Bill 17-267
23 Healthcare Affordability & Sustainability Enterprise	(\$264.1)	Senate Bill 17-267
<u>Operating Budget:</u>		
24 Increase School Finance Negative Factor	(\$48.8)	Long Appropriations Bill (prior version)
25 Reverse Increase in School Finance Negative Factor	\$48.8	Long Appropriations Bill (as enacted) and 7.2% RAR
26 State Education Fund Appropriation for School Finance	\$79.6	Long Appropriations Bill (as enacted) and 7.2% RAR
27 Using Open Educational Resources in Higher Education	\$0.03	Senate Bill 17-258
28 Increase Medicaid Co-payments	(\$0.32)	Senate Bill 17-267
<u>General Fund Reserve</u>		
29 Increase General Fund reserve to 6.5%	\$86.5	Long Appropriations Bill
<u>Other Changes</u>		
30 Net impact of all other budget items***	(\$5.8)	See footnote.***
31 SUBTOTAL	(\$308.0)	
32 Balancing Difference	(\$12.6)	Differs from zero because of Senate Bill 17-267

*The first portion of the table was created to mirror Figure 36 in the Office of State Planning and Budgeting's March 2017 Forecast.

** The TABOR refund amount shown does not include a \$22.6 accounting adjustment for outstanding refund obligations from the FY 2014-15 refund obligation.

*** Calculated to bring the balance to zero prior to the application of SB 267. Represents the net impact of everything excluded from both tables, since neither table is exhaustive of the entire budget.

Source: Joint Budget Committee FY 2017-18 Budget Package , Long Bill Narrative , March 2017 Legislative Council Staff Forecast, and SB 267 final fiscal note.