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Looking Toward 2013: The Budget and the Economy

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on Law and Policy



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A Little Economic Data

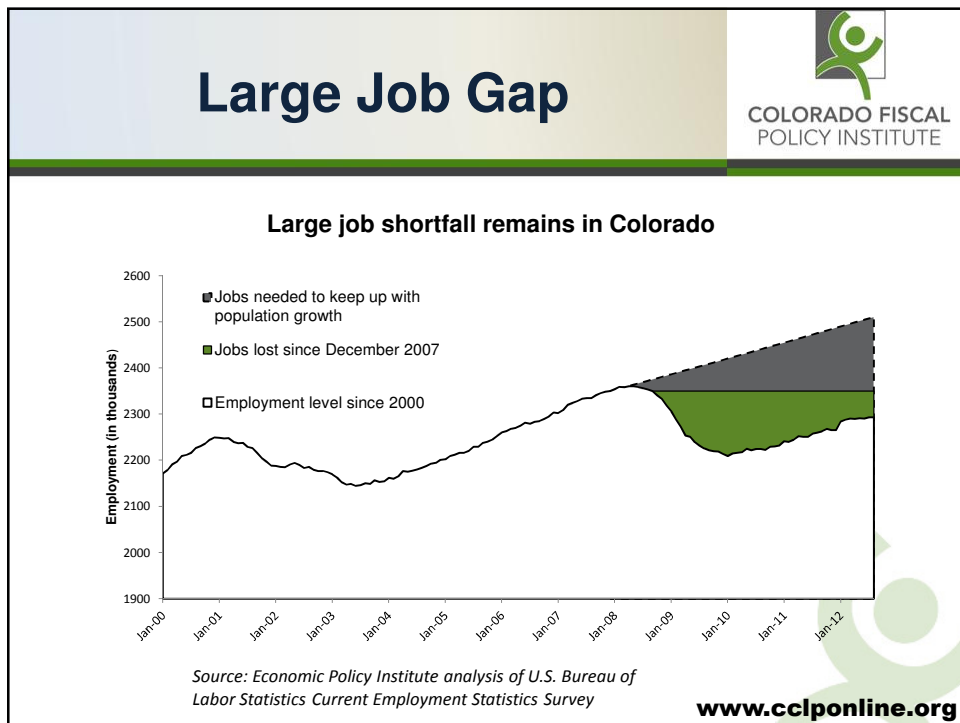
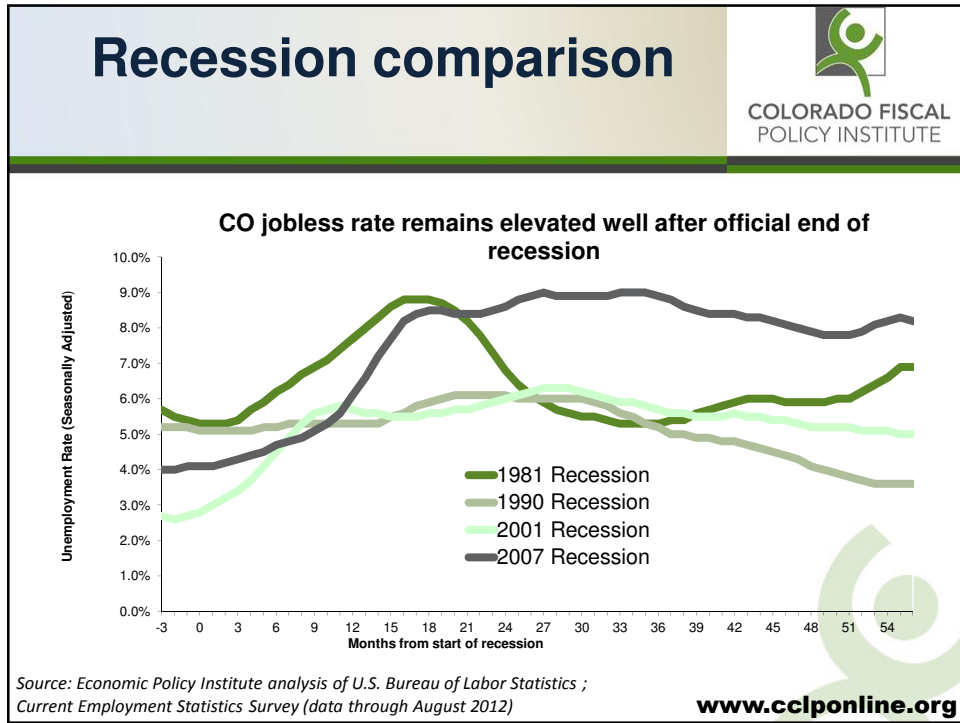
The Economy is in Transition

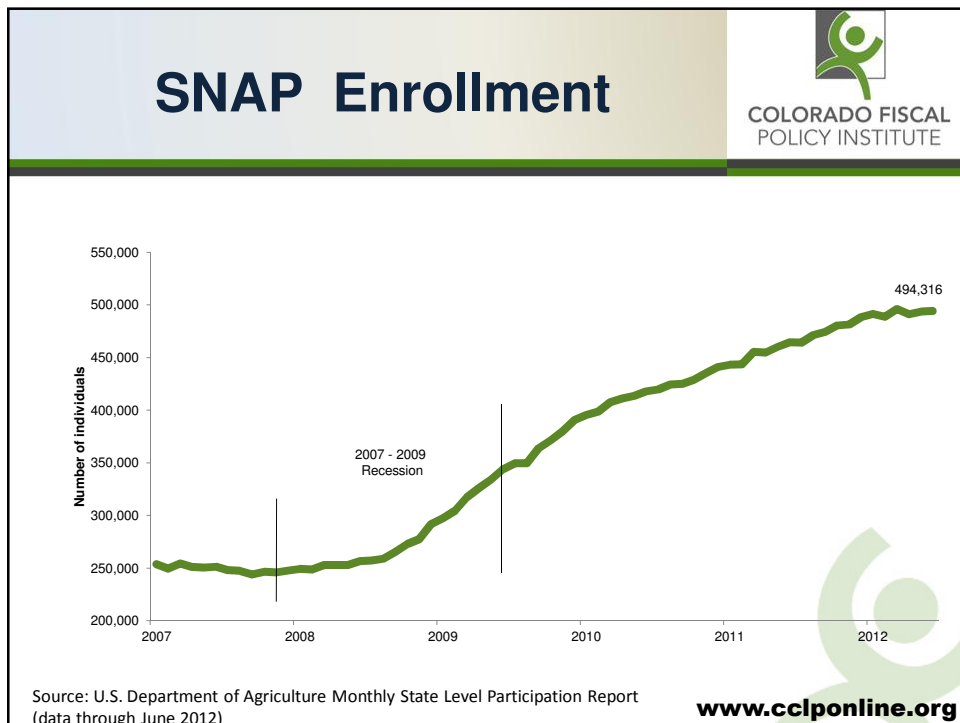
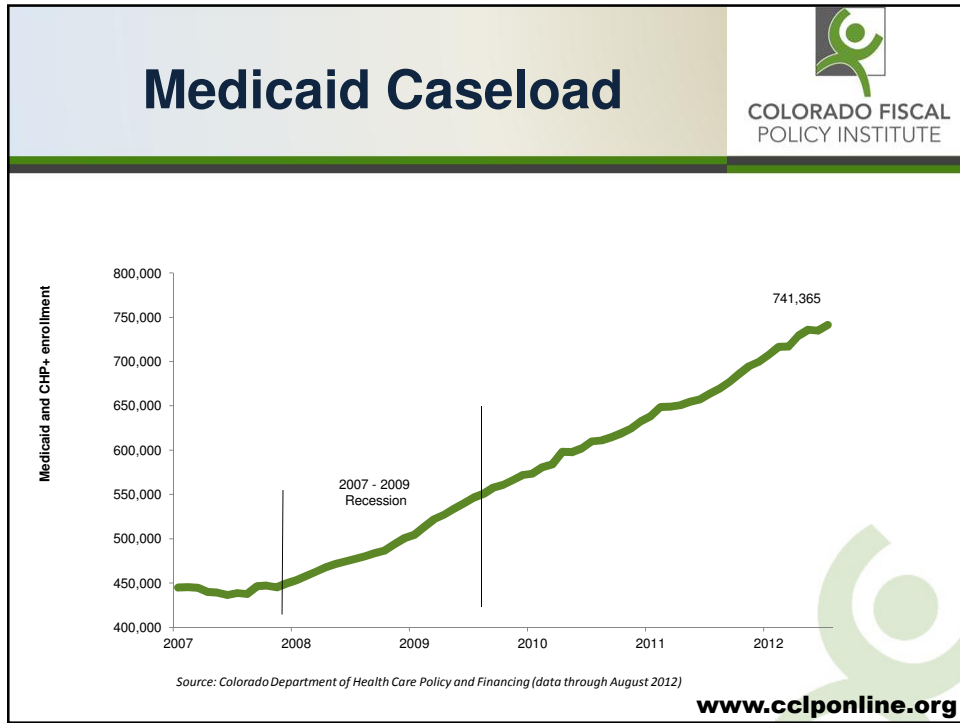
Not very optimistic outlook for dramatic
improvement

The election may mean something



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September Budget Estimates



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- No need for additional mid-year cuts in funding for state services in FY2012-13.
- Modest increases in revenue for this year (FY2012-13) and next year (FY2013-14) combine for a projected increase of \$163.2 million above the June revenue forecast.

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Revenue Outlook




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- The General Assembly will have \$589.8 million, or 7.0 percent, more to spend in **FY 2013-14** than the amount budgeted for FY 2012-13FY
- 2014 shows Gen Fund growth of 4.9%
- \$678.5 million surplus will be transferred to the State Education Fund at the end of fiscal year 2013.


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Revenue Outlook

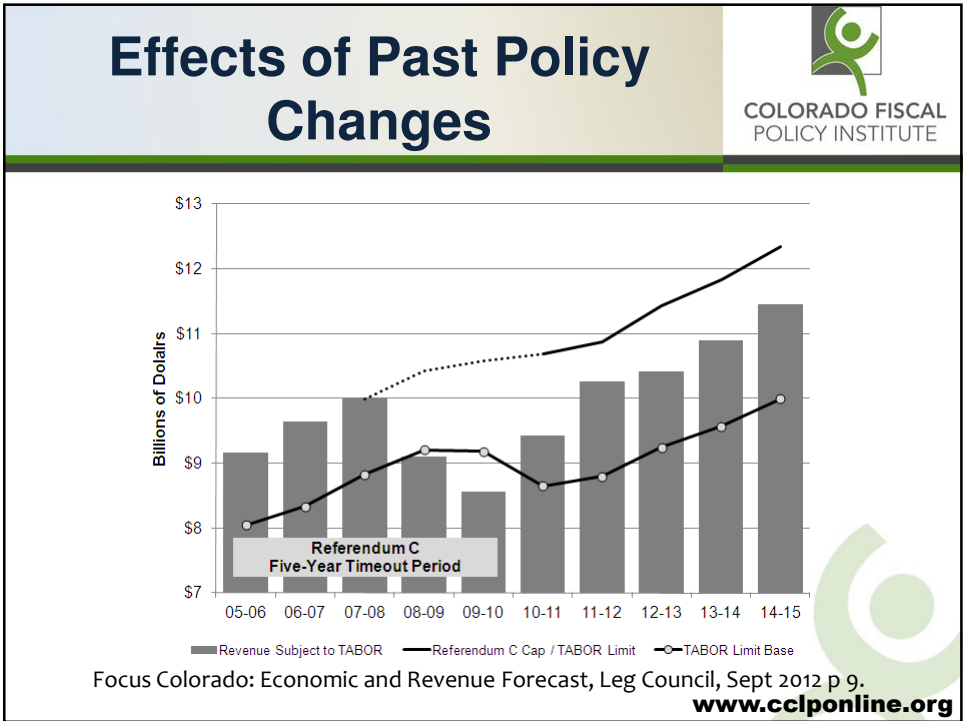


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- The **Referendum C Cap** will equal \$11.4 billion in FY 2012-13, and revenue subject to TABOR will be \$1.0 billion below the cap.
- The reserve increase and transfers authorized by **Senate Bill 09-228** are not expected to occur during the forecast period.



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Federal Policy Impact



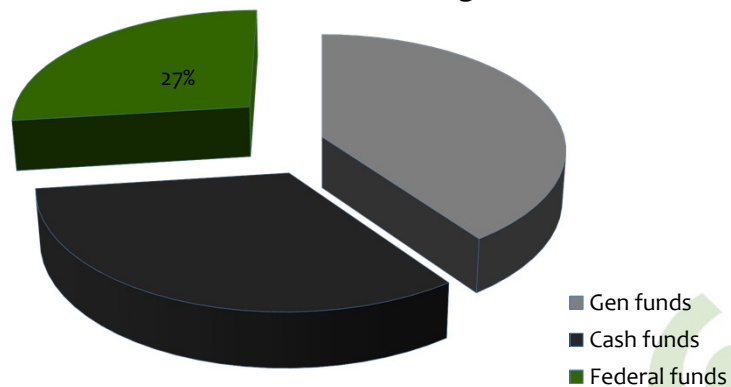
- Health reform
- Tax Policy
- Sequestration

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What does sequestration mean for Colorado?




Total Colorado State Budget




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What are the estimated impacts in Colorado?




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Defense	Non defense
2013 cuts estimated at \$1.1 billion	2013 cuts estimated at \$61 million
Estimated job loss: for every \$1 million cut, 11 jobs lost	Estimated job loss: for every \$1 million cut, 27 jobs lost




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What are the estimated impacts on services?







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SERVICES CUT (ten highest reductions)	AMOUNT (in thousands)
WIC	\$ 5.434
DOE—Title 1 Grants to local districts	\$11.569
DOE --Vocational Rehabilitation	\$ 3.163
DOE—Special Education	\$12.030
Head Start	\$ 6.322
Low-Income Home Energy Assistance Program (LIHEAP)	\$ 3.690
Unemployment Insurance—State Administration	\$ 3.729
Child Support Enforcement	\$ 2.646
Child Care and Development Block Grant	\$ 2. 219
Social Services Block Grant	\$ 2.148



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FEDERAL DEFICIT REDUCTION LOOMING	 COLORADO FISCAL POLICY INSTITUTE
<p>SEQUESTRATION OR SOMETHING ELSE</p> <p>BUSH TAX CUTS EXPIRE</p>  www.cclponline.org	

Revenue Policy Changes	 COLORADO FISCAL POLICY INSTITUTE
<p>Legislative</p> <p>Ballot</p>  www.cclponline.org	



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Stretch Goal?



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