The forecast was revised down slightly from September
General Fund Revenue Forecast

Forecast

- $0.1
- $0.1
- $0.1

Billions


$13.0  $13.5  $14.2

-$0.1  -$0.1  -$0.1
Economic indicators suggest continued economic growth
Consumer Expectations Remain Strong

Source: University of Michigan - Surveys of Consumers
Manufacturing Remains Weak

Source: Institute for Supply Management
Colorado Wage Growth Continues to Exceed Inflation

Sources: U.S. Bureau of Labor Statistics, Organization for Economic Co-operation and Development
The forecast is conservative and comparable to independent benchmarks.
OSPB Forecast Is Conservative

GDP - National
OSPB Forecast Is Comparable

Personal Income - Colorado
Budget growth is limited by the TABOR Cap
General Fund Capped at Half of Last Year’s Growth

- FY 2019-20 Budget: 6.2%
- FY 2020-21 Budget: 2.9%
Operating Pressures Crowd out Investment
Important to Find Base Savings

Fiscal Responsibility Package

• ($238) million Total Fund
• ($73) million General Fund
• 3 categories:
  a. Reduce under-utilized resources and reversions
  b. Consolidate or streamline for budget efficiency and impact
  c. Reallocate spending to a more appropriate funding source

$238 Million Saved
by eliminating unused, duplicative, and unnecessary spending

- Reduce under-utilized resources
- Consolidate or streamline for budget efficiency and impact
- Reallocate spending to a more appropriate funding source
Budget Sensitive to Changes in Cash Funds
Budget Sensitive to TABOR Surplus Level

HOMESTEAD EXEMPTION FUND SOURCE

<table>
<thead>
<tr>
<th>Dollars in Millions</th>
<th>Prior Year Refund</th>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;$160M Surplus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;$160 Surplus</td>
<td>Prior Year Refund</td>
<td></td>
</tr>
<tr>
<td>$0 Surplus</td>
<td>General Fund</td>
<td></td>
</tr>
</tbody>
</table>

Prior Year TABOR Surplus
Questions?