While recent economic data show growth, economic activity remains extremely low.
Job Loss Worse than Great Recession

Economic Activity Has Been Increasing Since April

Source: U.S. Bureau of Labor Statistics
Recovery Appears V-Shaped in Some Sectors
V-Shape Likely to Flatten into Square Root

Square Root-Shaped Economic Recovery
Government Transfers Offset Lost Wages...  ...and Personal Savings Have Risen Sharply

Source: Bureau of Economic Analysis
Colorado Small Businesses Are Performing Slightly Better than National Averages

Source: U.S. Census Bureau
Colorado’s Professional Services Sector is a Strength
Oil Production Likely to Decline Further

Source: Colorado Oil & Gas Conservation Commission, Anderson Rig Report
Less Tourism Means Lower Marijuana Sales

Retail Marijuana Sales in Colorado
Year-over-Year Change by County

- Adams: 32% increase, 29% decrease
- Arapahoe: 24% increase, 12% decrease
- Boulder: 17% increase, 2% decrease
- Denver: 11% increase, -13% decrease
- Eagle: 6% increase, -13% decrease
- Jefferson: 10% increase, -3% decrease
- Pitkin: 7% increase, -24% decrease
- Routt: 7% increase, -12% decrease
- Summit: 6% increase, -39% decrease
- Total: 18% increase, 4% decrease
General Fund revenue forecasts were revised slightly upwards from May
General Fund Revenue Projection

![Graph showing General Fund Revenue and TABOR Refunds from FY 2010-11 to FY 2021-22, with a forecast for FY 2018-19 exceeding the TABOR Cap and revenue below the TABOR Cap thereafter.](image-url)
General Fund Revenue Projections Revised Slightly

Changes in Revenue Forecast

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>May Forecast</th>
<th>June Forecast</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019-20</td>
<td>$11.6</td>
<td>$11.9</td>
<td>+ $311 Million</td>
</tr>
<tr>
<td>FY 2020-21</td>
<td>$10.8</td>
<td>$10.7</td>
<td>- $82 Million</td>
</tr>
<tr>
<td>FY 2021-22</td>
<td>$11.8</td>
<td>$11.8</td>
<td>- $12 Million</td>
</tr>
</tbody>
</table>
Budget Outlook Remains Weak
# Budget Impacts

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Actual FY 2018-19</th>
<th>June 2020 Estimate by Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2019-20</td>
<td>FY 2020-21</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL FUND OBLIGATIONS</strong></td>
<td>$12,855.0</td>
<td>$12,635.4</td>
</tr>
<tr>
<td><em>Percent Change (from prior year)</em></td>
<td>14.6%</td>
<td>-1.7%</td>
</tr>
<tr>
<td><strong>General Fund Statutory Reserve Percentage</strong></td>
<td>7.25%</td>
<td>3.07%</td>
</tr>
<tr>
<td><em>Above/Below Statutory Reserve</em></td>
<td>$448.3</td>
<td>$393.0</td>
</tr>
</tbody>
</table>
Budget Impacts

- Slight upward revisions since May result in slightly above-target General Fund ending balances
- Minimal reserve requires careful management, as small forecast revisions could require mid-year budget balancing actions
- Despite having 3-4 months of data on the pandemic’s economic impact to date, out-year revenue estimates still span a very large range of plausible outcomes
FY 2021-22 Budget Planning

• FY 2021-22 Budget planning underway
  • -10% target
  • Due July 15 to OSPB

• Variables with sizeable budget impact
  • Federal stimulus
  • Ballot initiatives

• Economic indicators to watch this summer
  • July income tax collections
  • Rent payments/mortgage delinquencies
  • Permanent layoffs and business closures
Questions?