This morning Legislative Council Staff and the Office of State Planning and Budgeting Staff presented the June Quarterly Revenue Forecast to the Joint Budget Committee. Please see the summary below from the Governor’s Office.

DENVER - Tuesday, June 20, 2017 - The Governor's Office of State Planning and Budgeting (OSPB) today released its quarterly economic and revenue forecast.

General Fund revenue is increasing a modest 3.4 percent in FY 2016-17 and is forecast to increase at a stronger rate of 6.7 percent in FY 2017-18. Although sales taxes and individual income taxes are recovering from the oil and gas downturn and weaker economic growth during 2015 and 2016, General Fund revenue growth overall this fiscal year was weighed down by a few factors. Notably, it appears some taxpayers delayed income from investment gains in anticipation of federal tax changes. Also, the continued decline in corporate income tax revenue impacted General Fund revenue growth. However, these factors will not reduce growth in FY 2017-18, which will allow for the stronger rate of increase.

"Colorado reached two significant milestones this year - the number one economy in the country and the state's lowest unemployment on record," said Governor John Hickenlooper. "Our challenge now is maintaining this success and that requires addressing tight labor and affordable housing conditions."

Economic activity in Colorado overall remains positive. Colorado's technology-related sectors remain robust, and continue to fuel much of the state's growth. Less populated areas continue to experience lower job and income growth than along the Front Range. Furthermore, regions of the state that are dependent on agriculture continue to struggle with subdued farm income and continued low commodity prices.

With this forecast and the budget for FY 2016-17, the State's General Fund reserve is projected to be $142.7 million below the required statutory reserve amount. The State’s General Fund reserve for FY 2017-18 is projected to be $285.4 million below the required reserve amount. This is $52.3 million above the level that would trigger budget-balancing actions by the Governor.

Cash fund revenue subject to TABOR in FY 2016-17 is projected to be $153.2 million, or 5.2%
percent, lower than FY 2015-16, as a decrease in revenue from the Hospital Provider Fee and miscellaneous cash funds will offset modest growth in revenue from other major categories of cash funds. Cash fund revenue will decrease 17.3 percent in FY 2017-18 as the Hospital Provider Fee is replaced with the Healthcare Affordability and Sustainability Fee program, which is a TABOR-exempt enterprise in accordance with SB 17-267.

TABOR revenue is projected to be $302.3 million under the Referendum C cap in FY 2016-17. With this forecast and SB 17-267, TABOR revenue is expected to be below the cap by $582.8 million in FY 2017-18 and by $665.2 million in FY 2018-19.

Please see links to referenced forecasts:

Legislative Council Forecast
Office of State Planning and Budgeting Forecast