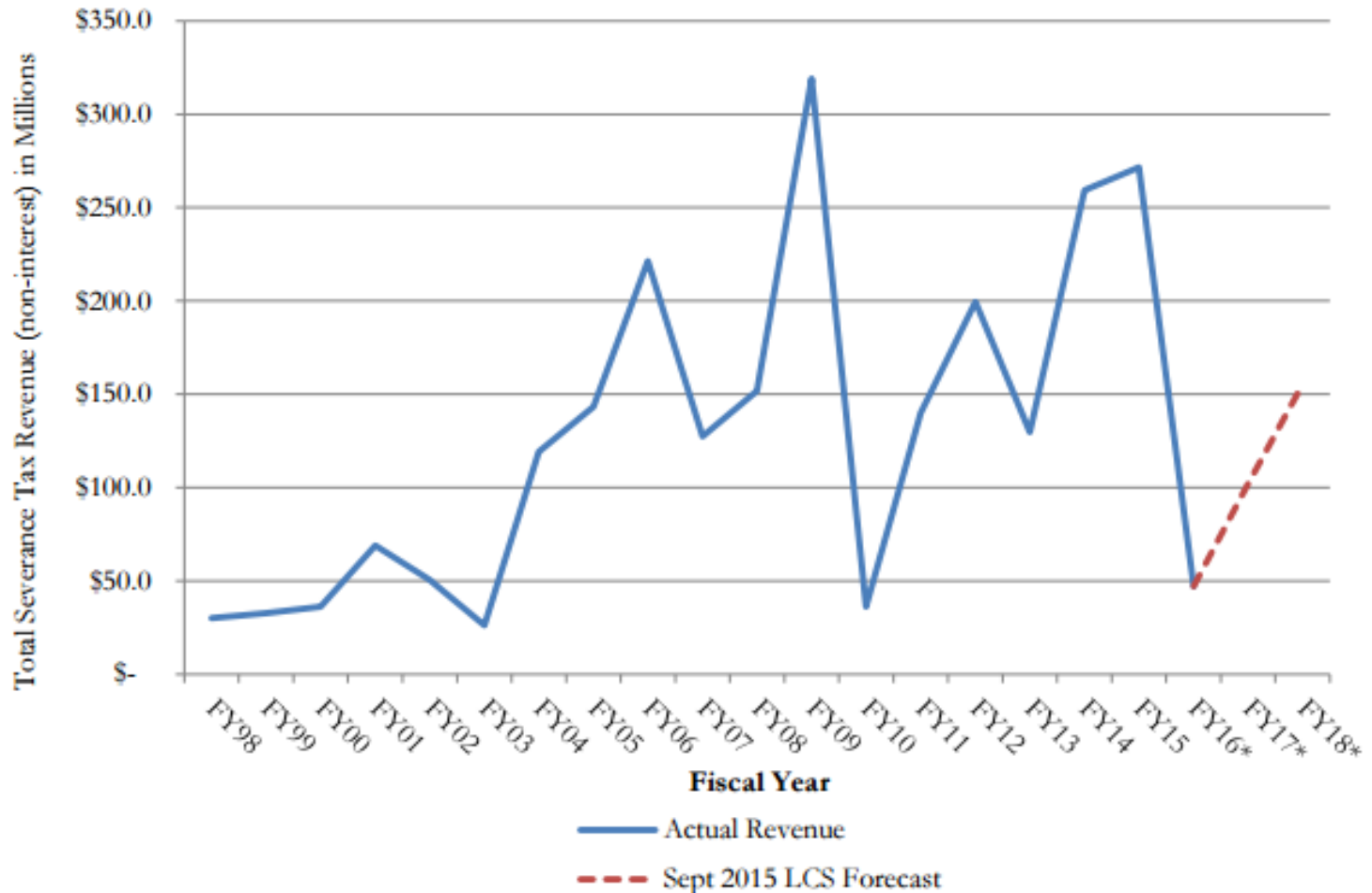


## SEVERANCE TAX REVENUE - SEPT 2016 LCS FORECAST



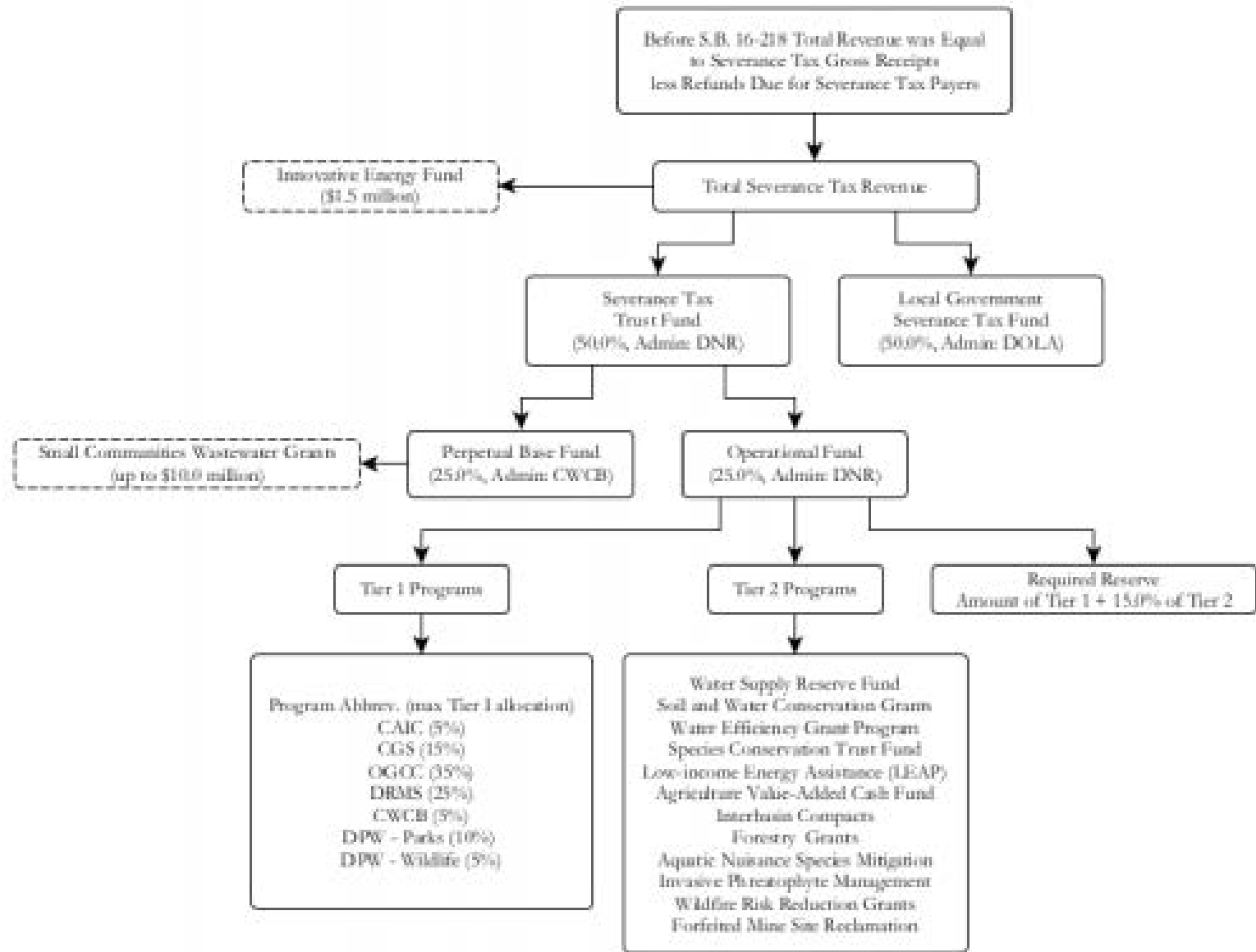
\*Estimated revenue. Estimated revenue includes two adjustments due to S.B. 16-218 and the September 2016 Forecast: (1) in FY 2015-16 the figure in this chart includes \$56.8 million additional severance tax to account for severance tax refunds paid out of the General Fund; and (2) the FY 2016-17 figure includes an increase of \$36.5 million for severance tax refunds forecast to be funded with General Fund.

# Forecasting Volatility

SIMPLIFIED SEVERANCE TAX DECEMBER FORECASTS COMPARED TO ACTUALS (MILLIONS)						
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
<b>Actual Revenue</b>	<b>\$48</b>	<b>\$149</b>	<b>\$208</b>	<b>\$139</b>	<b>\$269</b>	<b>280</b>
<b>December LCS Forecast</b>	<b>\$85</b>	<b>\$177</b>	<b>\$171</b>	<b>\$122</b>	<b>\$182</b>	<b>\$312</b>
Variance (\$)	(\$37)	(\$28)	\$37	\$17	\$87	(\$32)
Variance (%)	(27.8%)	(8.6%)	9.8%	6.5%	19.3%	(5.4%)
<b>December OSPB Forecast</b>	<b>\$64</b>	<b>\$145</b>	<b>\$198</b>	<b>\$115</b>	<b>\$219</b>	<b>\$350</b>
Variance (\$)	(\$16)	\$4	\$10	\$24	\$50	(\$70)
Variance (%)	(14.3%)	1.4%	2.5%	9.4%	10.2%	(11.1%)

\*Data provided by the Department of Natural Resources. Acronyms used: LCS is Legislative Council Staff and OSPB is the Governor's Office of State Planning and Budgeting.

# FLOW CHART OF SEVERANCE TAX DISTRIBUTION



# Sweeps!

SEVERANCE TAX REVENUE TRANSFERS TO THE GENERAL FUND				
Fiscal Year	Severance Tax Trust Fund		Local Government Severance Tax Fund	Total Severance Tax Transferred to GF
	Operational Fund	Perpetual Base Fund		
2001-02	\$20,200,000	\$0	\$0	\$20,200,000
2002-03	6,877,398	0	0	6,877,398
2003-04	4,600,000	0	0	4,600,000
2004-05	0	0	0	0
2005-06 <sup>a</sup>	(7,900,000)	0	0	(7,900,000)
2006-07	0	0	0	0
2007-08	0	0	0	0
2008-09 <sup>b</sup>	0	35,000,000	7,500,000	42,500,000
2009-10	11,000,000	64,000,000	50,327,769	125,327,769
2010-11 <sup>c</sup>	0	16,000,000	70,000,000	86,000,000
2011-12	3,950,000	48,100,000	41,000,000	93,050,000
2012-13	0	0	0	0
2013-14	0	0	0	0
2014-15 <sup>d</sup>	4,056,683	4,056,683	8,113,366	16,226,732
<b>Total</b>	<b>\$42,784,081</b>	<b>\$167,156,683</b>	<b>\$176,941,135</b>	<b>\$386,881,899</b>

<sup>a</sup> Partial repayment of the FY 2001-02 transfer from the Operational Fund under H.B. 02-1394.

<sup>b</sup> In FY 2008-09, there was an additional transfer of \$14,248,358 to the General Fund from the Local Government Mineral Impact Fund; however, this amount was repaid on July 1, 2009.

<sup>c</sup> A transfer of \$4,800,000 from the Local Government Permanent Fund was authorized by statute, but the Controller reports that only \$4,136,764 was transferred based on funds available.

<sup>d</sup> S.B. 15-255 transferred up to \$20.0 million in severance tax revenues to the General Fund. Current estimates indicate that the total transfer will be \$16.2 million in FY 2014-15. This table shows this funding as if it had actually been deposited to the funds where severance tax is normally allocated; however, the actual reduction was taken "off the top" before the funds received the money.

# CWCB Revenues FY 15 – FY 18

Colorado Water Conservation Board Construction Fund				
(Cash Flow Summary Report Based on September 2016 Legislative Council Staff Revenue Estimate)				
	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Estimate	FY 2017-18 Estimate
Interest (Loans, Treasury, Miscellaneous)	\$10,355,755	\$10,788,108	\$8,809,066	\$9,115,775
Federal Mineral Lease (FML) Revenues	14,395,034	8,614,578	8,191,756	10,852,659
Other Revenues (including pass-through)	1,761,462	2,577,773	2,316,247	2,436,810
Contingent Transfer of General Fund Surplus pursuant to S.B. 13-236	30,000,000	0	0	0
Water Plan Implementation	0	0	5,000,000	5,000,000
Chatfield Reservoir Reallocation Project	0	0	29,000,000	0
Windy Gap Reservoir Bypass Channel Project	0	0	200,000	0
Watershed Grants (Proposed in the FY17 Projects Bill) <sup>1</sup>	0	0	0	5,000,000
Transfers from other sources (Gen Fund and Nat Resources)	0	4,767,498	778,887	778,887
State Gov't Grant – Other State Depts	1,483,845	2,244,452	0	0
Governor's Executive Order for Forest Fires	529,135	276,191	1,089,449	0
<b>Total Revenues</b>	<b>\$58,525,230</b>	<b>\$29,268,600</b>	<b>\$55,385,406</b>	<b>\$33,184,132</b>

# CWCB Expenditures FY 15 – FY 18

Colorado Water Conservation Board Construction Fund				
(Cash Flow Summary Report Based on September 2016 Legislative Council Staff Revenue Estimate)				
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Actual	Estimate	Estimate
Cash Expenditures/CWCB Operating Costs <sup>2</sup>	\$7,775,070	\$9,205,725	\$8,804,557	\$9,027,886
Non-Reimbursable Expenditures	4,963,800	5,731,211	7,905,000	10,000,000
Transfer to Other CWCB Funds	0	564,873	1,100,000	554,958
Transfer to Water Supply Reserve Fund <sup>1</sup>	0	0	0	10,000,000
Water Plan Implementation	0	0	0	5,000,000
Flood Emergency Funds (from Dept of Public Safety)	1,496,127	379,008	0	0
Rio Grande Cooperative Project Expense	439,761	146,500	0	0
Windy Gap Reservoir Bypass Channel	0	0	200,000	2,000,000
Long Hollow Reservoir Project	1,575,000	0	0	0
Chatfield Reservoir Reallocation Project	0	0	10,000,000	10,000,000
Governor's Executive Order for Forest Fires	529,135	276,191	1,089,449	0
Transfer to Natural Resources (Operating)	0	625,190	0	0
Watershed Grants	0	565,876	0	0
<b>Total Expenditures</b>	<b>\$16,778,893</b>	<b>\$17,494,574</b>	<b>\$29,099,006</b>	<b>\$46,582,844</b>
<b>Net Cash Flow</b>	<b>\$41,746,337</b>	<b>\$11,774,026</b>	<b>\$26,286,400</b>	<b>(\$13,398,712)</b>
<sup>1</sup> Likely to be proposed in the 2017 CWCB Projects bill pending CWCB Board and General Assembly approval.				
<sup>2</sup> Includes cash expenditures for all Long Bill line items less non-reimbursable expenditures.				