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| cid:image003.jpg@01CD4ED2.8F6A00C0 | **FOR IMMEDIATE RELEASE**  Office of Gov. John Hickenlooper    Eric Brown, 303-547-5308 c  [eric.brown@state.co.us](mailto:eric.brown@state.co.us)  Megan Castle, 303-513-2713 c  [megan.castle@state.co.us](mailto:megan.castle@state.co.us) |

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| **State revenue forecast improves by $239.5 million**    **DENVER ­— Wednesday, June 20, 2012 —** The Governor’s Office of State Planning and Budgeting (OSPB) announced today state general fund revenue is projected to be $239.5 million higher in the current fiscal year than was forecast in March.    Under current law, the excess funds will spill into next year’s budget and will be transferred to the State Education Fund based on current expenditures. This fund supports per-pupil funding in Colorado school districts.    “Colorado is seeing growth in a variety of industries and is on the right path forward,” said Gov. John Hickenlooper. “But we still have a long way to go to fully recover from the recession. That’s why we remain laser-focused on making Colorado the most pro-business state in the nation.”    Despite the growth, state general fund revenue is nearly $1 billion less (when adjusted for inflation) than it was five years ago. The budget forecast increase is mostly due to higher-than-expected individual and corporate income tax revenue. OSPB reports:    The foundation of Colorado’s economy has grown stronger, with improvements in the long-struggling housing market, continued growth in jobs, increased energy production, export growth, and reduced household debt loads. The state also appears to be adapting better than many other regions to the increasingly dynamic, information-driven, and technology-intensive economy. At the national level, however, signs of weakening are becoming more apparent.  Global growth has also slowed. Europe’s troubles present substantial risks and there is heightened uncertainty over federal fiscal issues. Thus, OSPB is maintaining a cautious forecast for FY 2012-13 as the economy muddles through the heightened uncertainty and weaker global economic conditions. Colorado should continue to outperform the nation. However, if the current headwinds and downside risks abate, or if Colorado proves to be resilient against the national and global slowdown, the economy and thus revenue will perform better than forecast.    “Our current outlook is tempered by the various risks to the recovery,” said Henry Sobanet, executive director of OSPB. “However, we can see a scenario where Colorado remains relatively insulated and in that case revenues could be higher than projected.”    Click [here](http://1.usa.gov/MhDqwN) for the full forecast report from the Governor’s Office of State Planning and Budgeting.    ###    *About the State Education Fund*  Article IX, Section 17, of the Colorado Constitution, enacted by the voters at the November 2000 election as Amendment 23, creates the State Education Fund. It diverts an amount equal to one-third of 1 percent of Colorado taxable income to the fund. It also required the General Assembly to increase the statewide base per pupil funding amount under the school finance act and total state funding for categorical programs by at least the rate of inflation plus one percentage point through FY 2010-11, and by at least the rate of inflation thereafter in the current budget year and beyond. Money in the State Education Fund may be used to meet these minimum education funding requirements. In addition, the General Assembly may appropriate money from the State Education Fund for a variety of other education-related purposes as specified in the state Constitution. However, Amendment 23 no longer imposes a “maintenance of effort” spending requirement from the General Fund, under which appropriations have to grow by at least 5 percent if certain conditions are met. This requirement expired after FY 2010-11. |