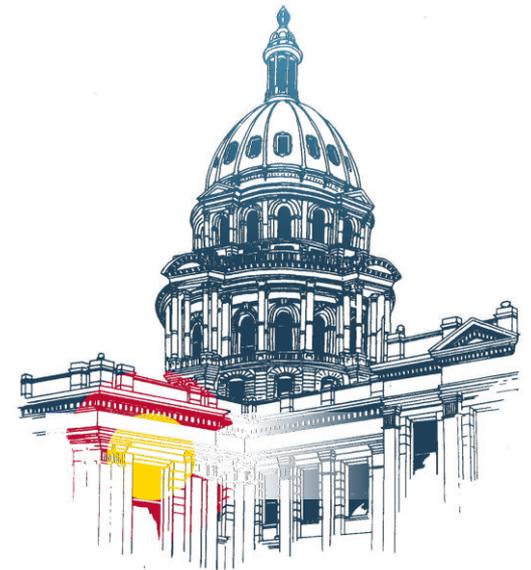
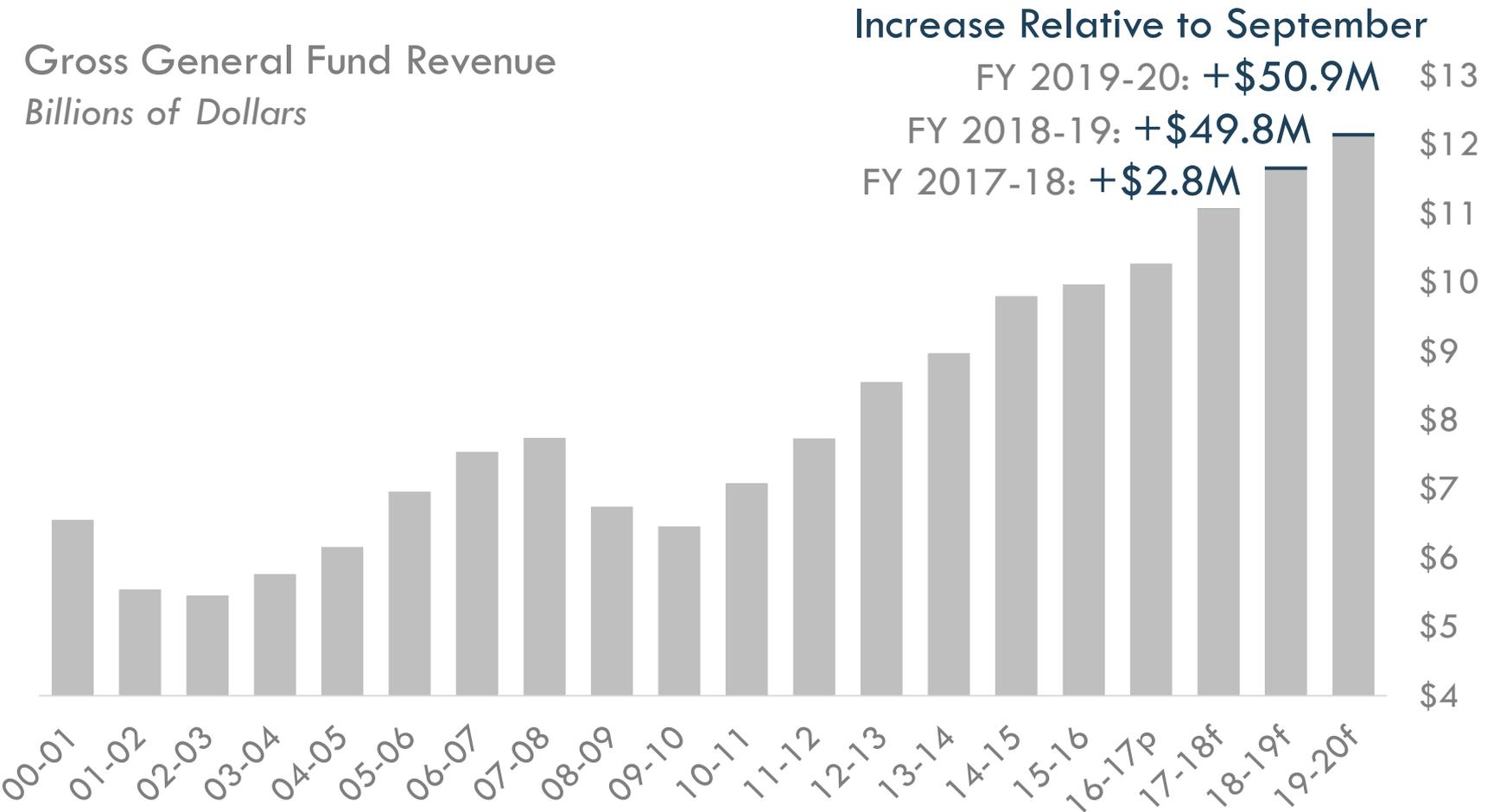


Economic & Budget Outlook



December General Fund revenue expectations are basically unchanged relative to September.

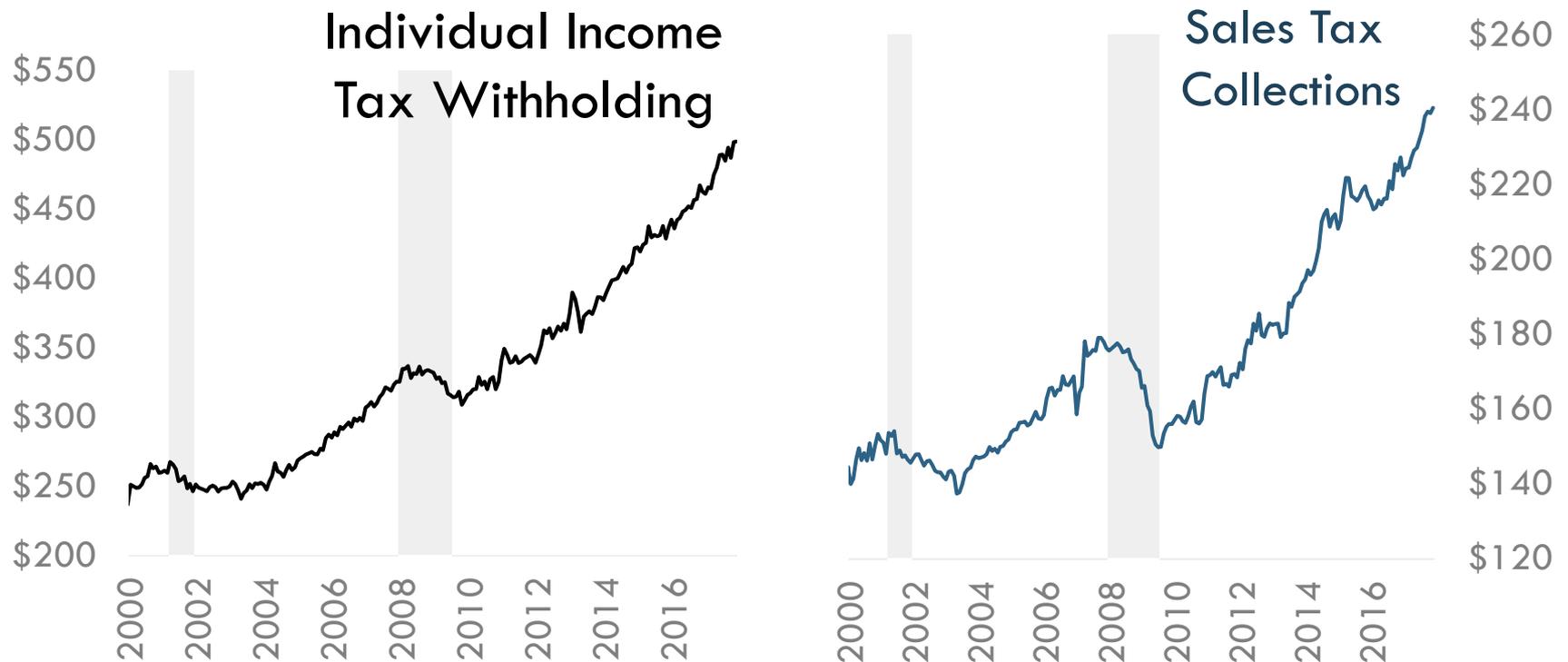
Gross General Fund Revenue
Billions of Dollars



Source: Colorado Office of the State Controller and Legislative Council Staff forecast.

Wage withholding and sales tax collections suggest solid income growth and consumer activity.

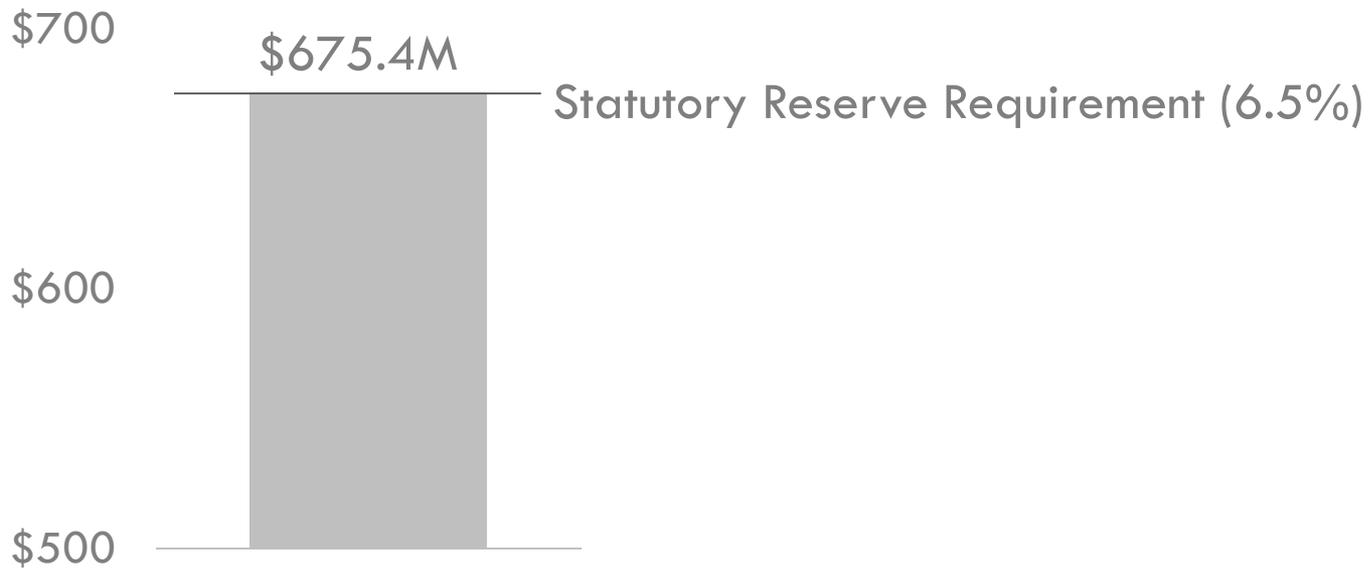
Major Sources of General Fund Collections
Millions of Dollars in Monthly Collections



Source: Colorado Office of the State Controller and Colorado Department of Revenue. Data are seasonally adjusted by Legislative Staff. Data are through November 2017.

FY 2017-18 Current Year General Fund Reserve

Millions of Dollars



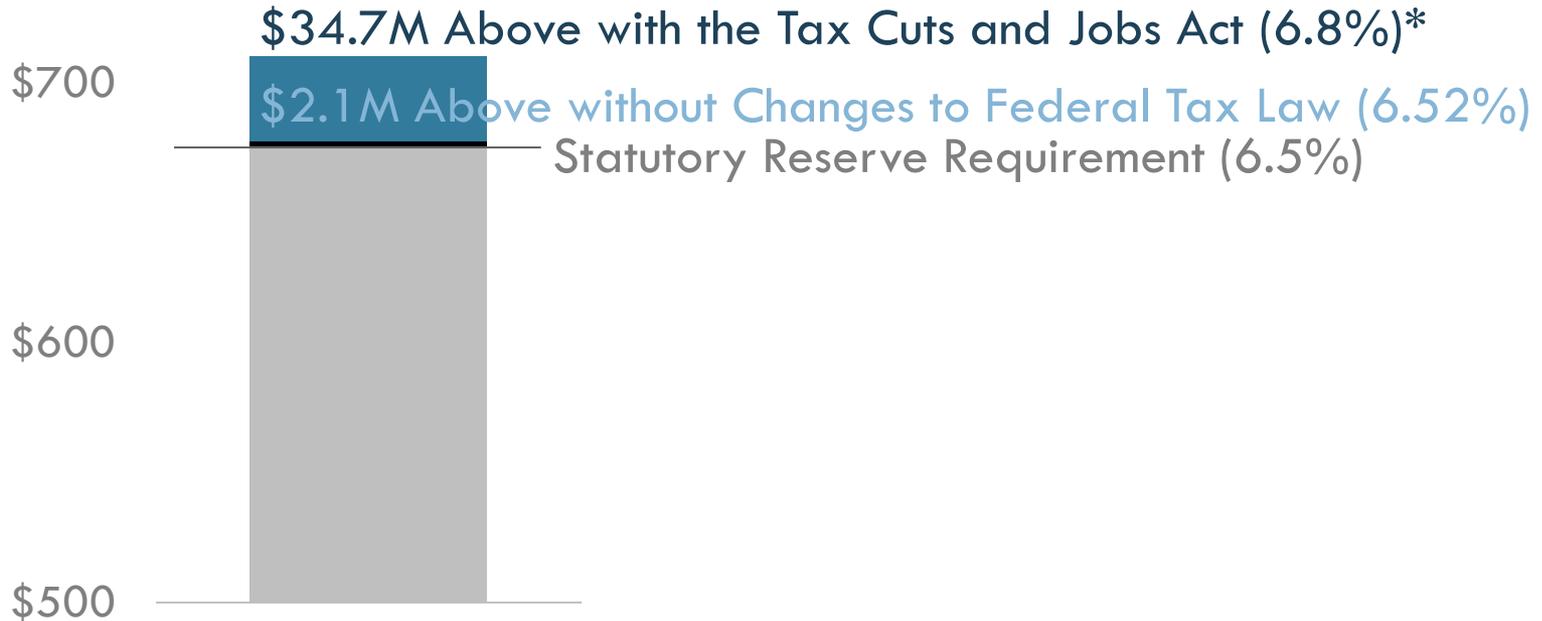
FY 2017-18 Current Year General Fund Reserve

Millions of Dollars



FY 2017-18 Current Year General Fund Reserve

Millions of Dollars



*Estimates are preliminary and subject to change with additional information.

FY 2018-19 Next Year

General Fund Revenue Above FY 2017-18 Appropriations Available to Spend, Save, or Cut Taxes

Millions of Dollars

\$1,000

\$900

\$800

\$700

\$600

\$500

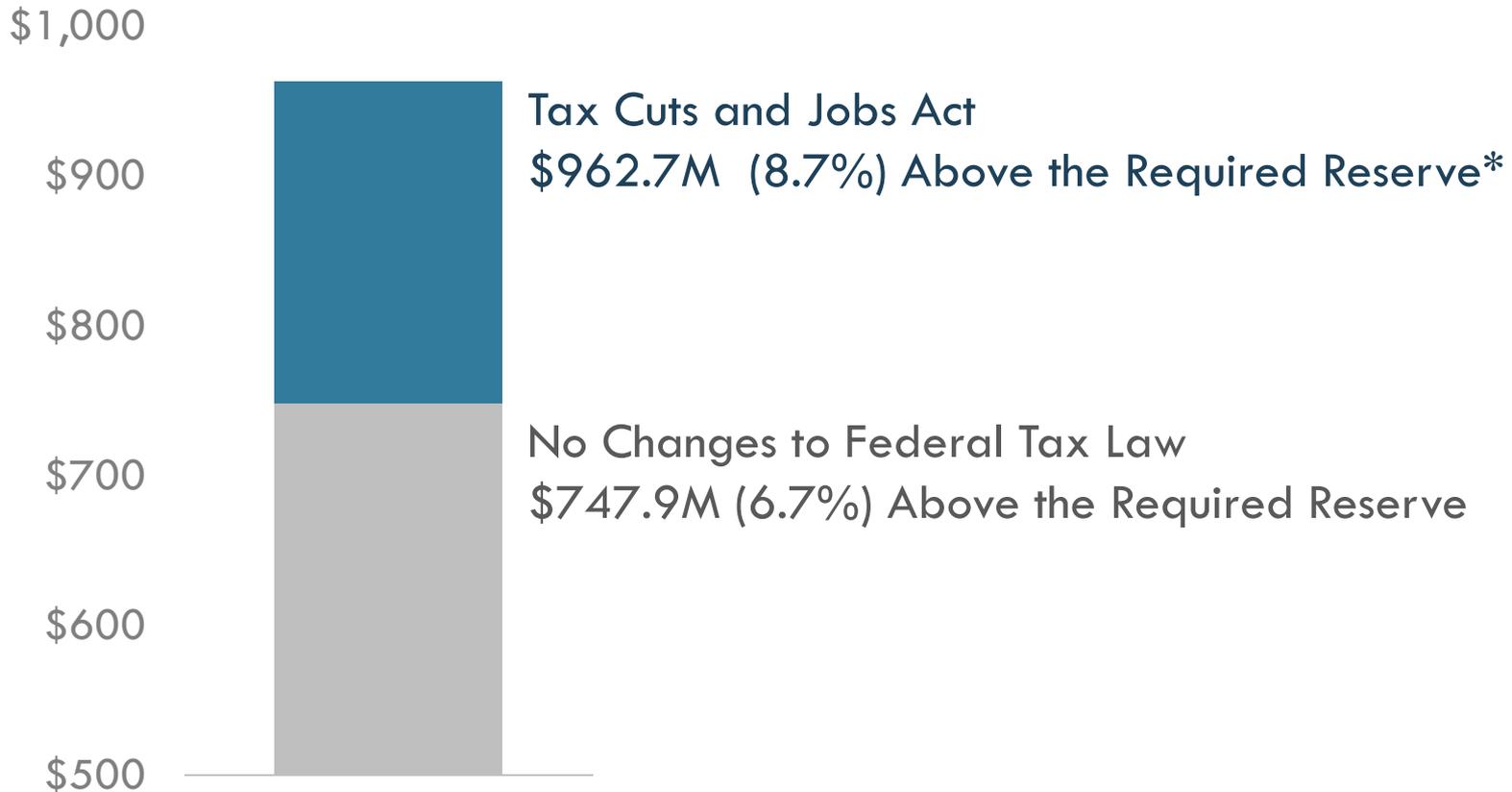


No Changes to Federal Tax Law
\$747.9M (6.7%) Above the Required Reserve

FY 2018-19 Next Year

General Fund Revenue Above FY 2017-18 Appropriations Available to Spend, Save, or Cut Taxes

Millions of Dollars

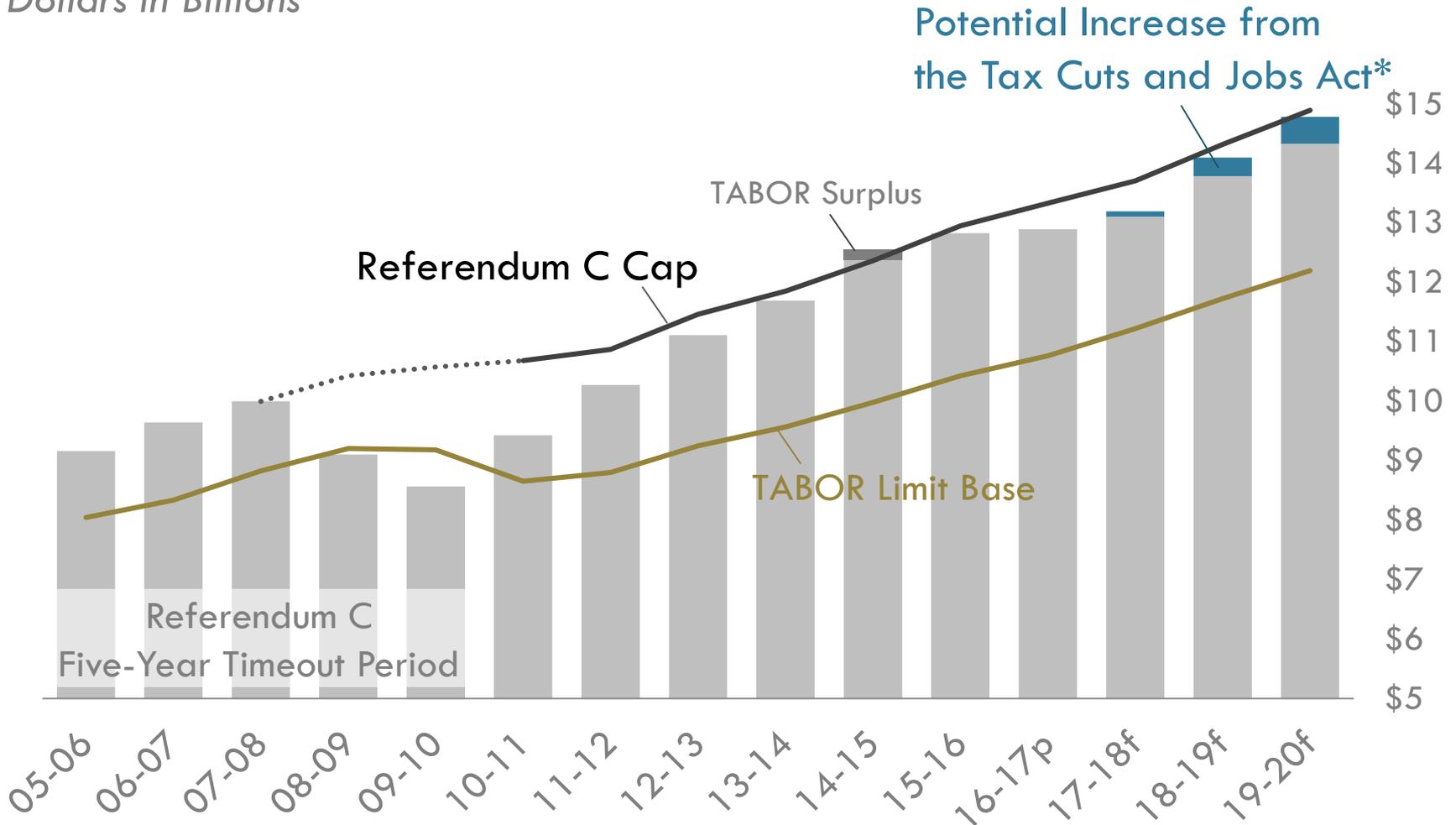


*Estimates are preliminary and subject to change with additional information.

TABOR Outlook

Revenue Subject to TABOR

Dollars in Billions



*Estimates are preliminary and subject to change with additional information.

Source: Colorado Office of the State Controller and Legislative Council Staff December 2017 forecast.

Federal tax reform will impact state revenue. These impacts are difficult to quantify; estimates will change as additional information becomes available.

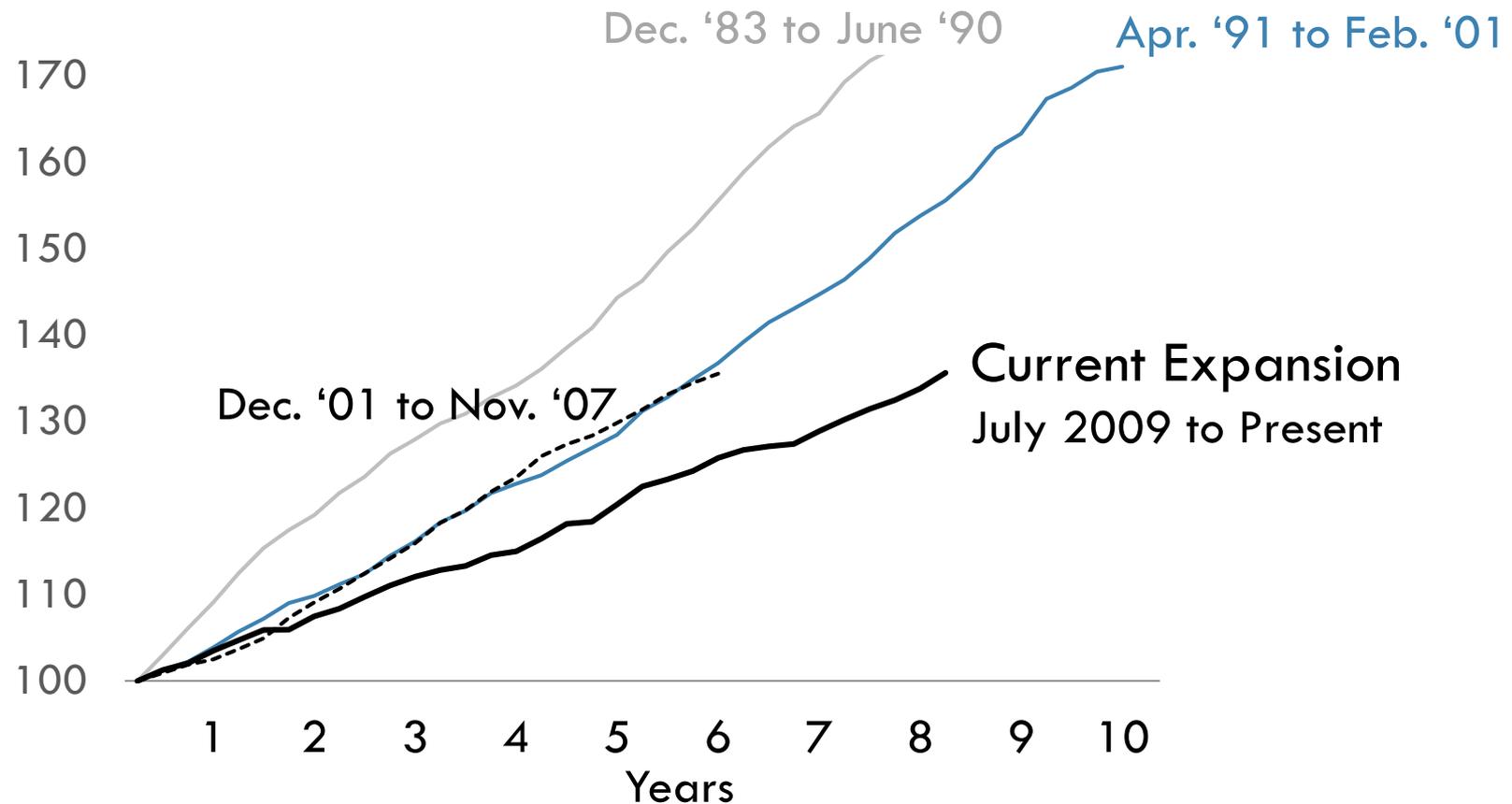
State revenue impacts:

- Increased individual and corporate income tax revenue
- Possible impacts for insurance premium tax revenue and Federal Mineral Lease payments

The U.S. and Colorado economies continue to expand at a constrained pace.

Real GDP Growth in Recovery and Expansion

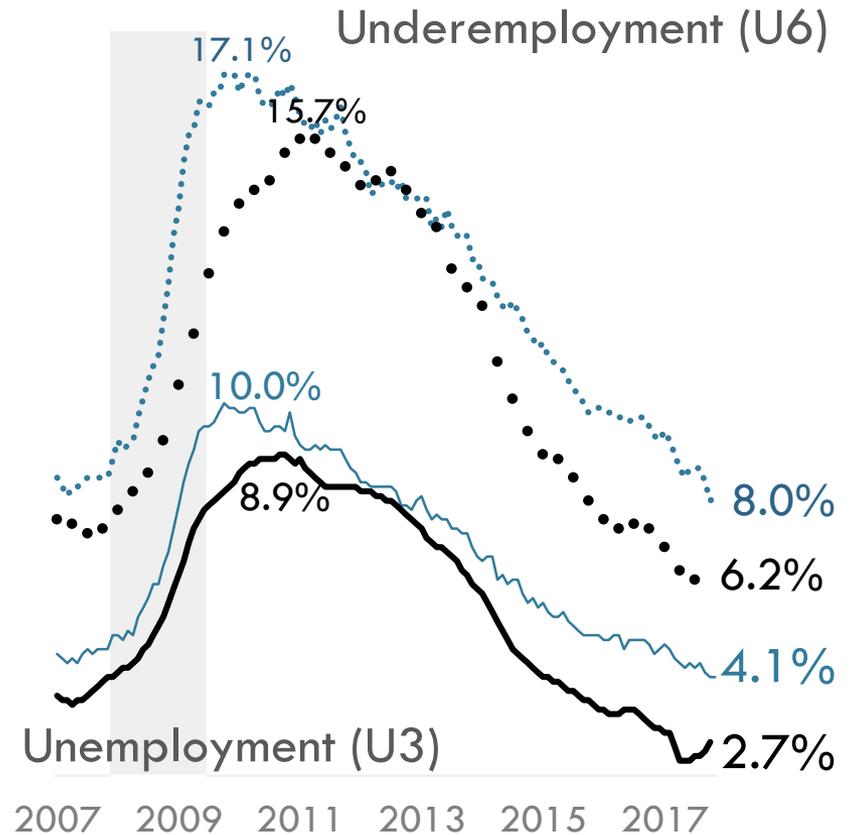
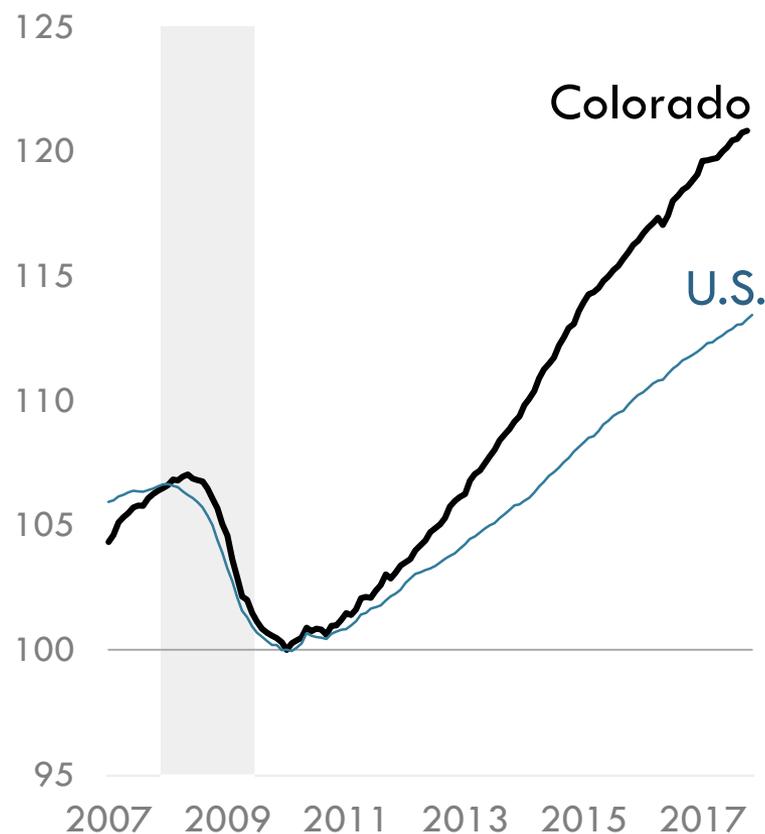
Indexed to the Start of Each Recovery



Job growth continues to slow as the labor market tightens further.

Total Nonfarm Employment

Index 100 = January 2010

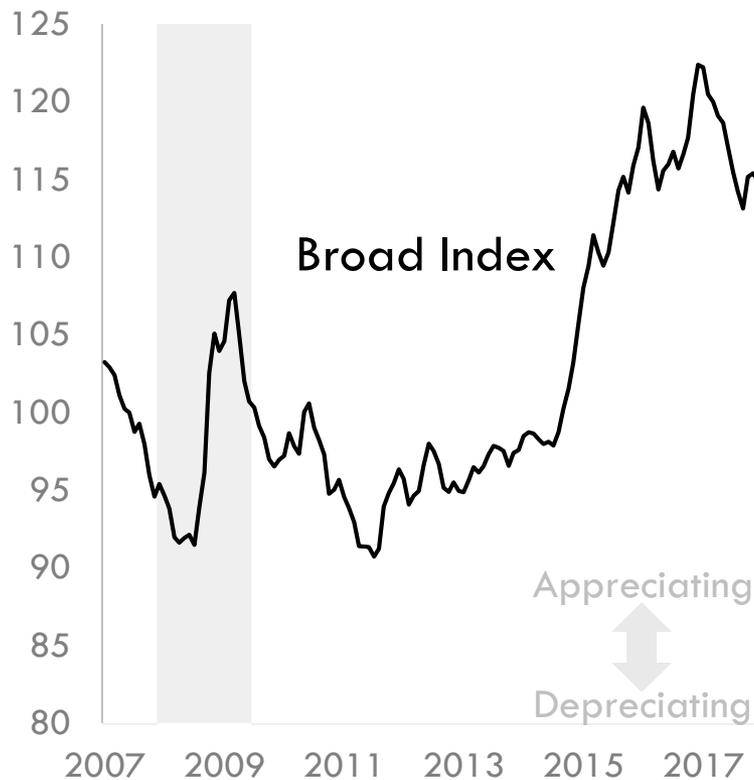


Source: Bureau of Labor Statistics. Seasonally adjusted. Colorado U6 rates shown as four-month moving averages. Colorado nonfarm employment estimates include Legislative Council Staff rebenchmark estimates.

Improvements in global economic activity are boosting global commodity prices and exports.

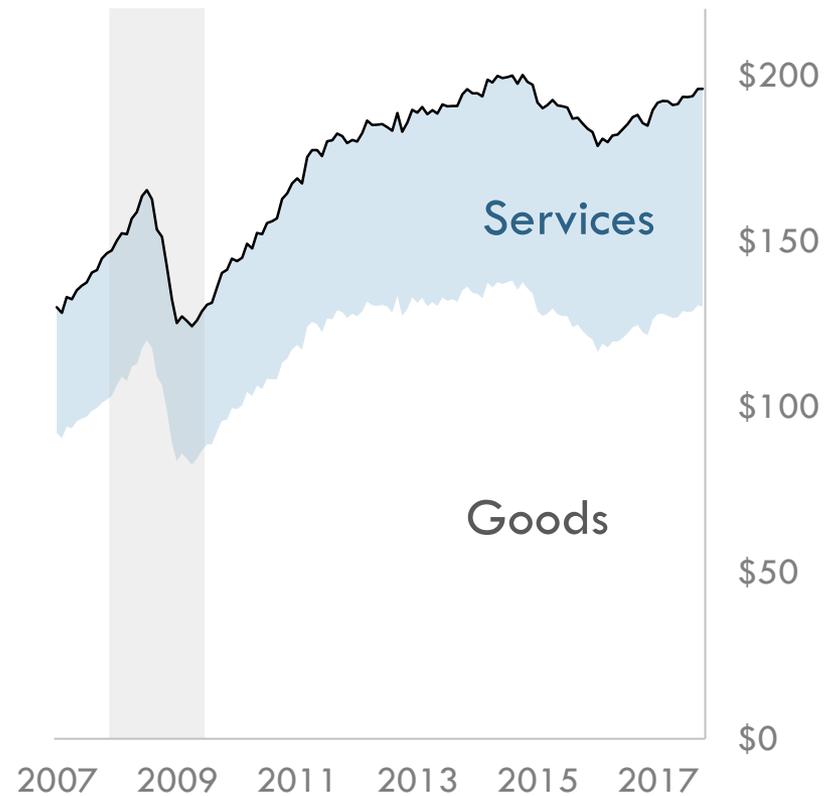
Trade Weighted U.S. Dollar

Index of the Dollar to Foreign Currencies



U.S. Exports

Millions of Dollars



Energy industry activity has spurred back to life on rising oil prices.

West Texas Intermediate Crude Oil Price

Dollars per Barrel



Henry Hub Natural Gas Price

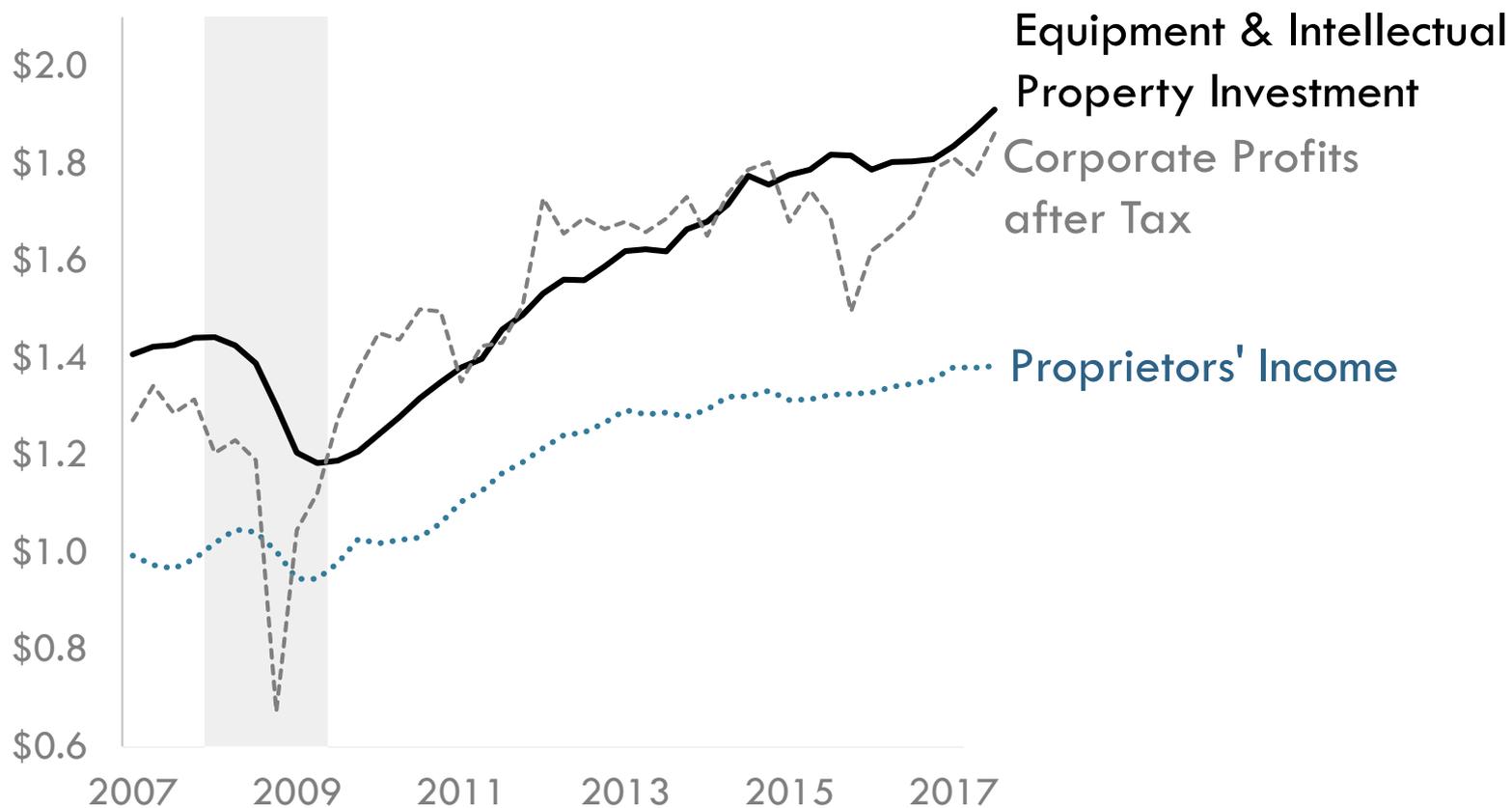
Dollars per Mcf



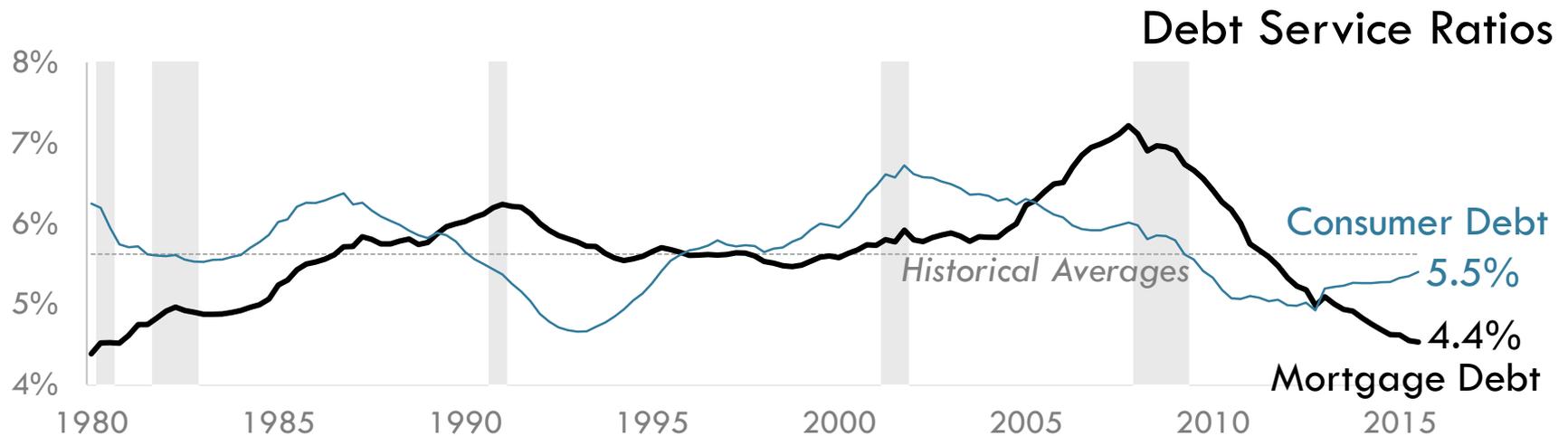
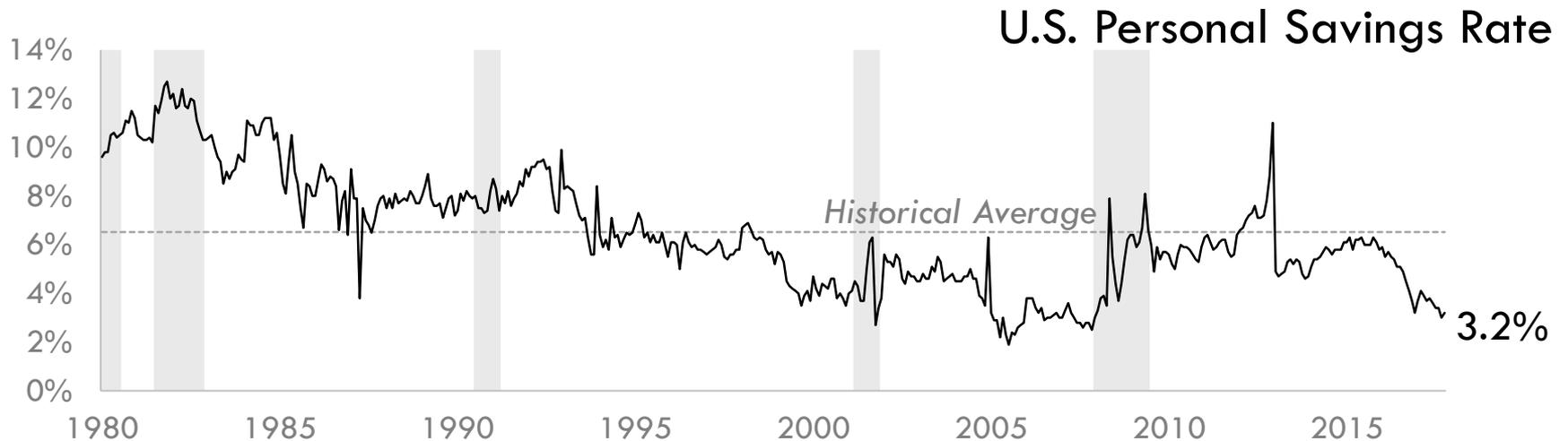
Business income and investment continues to rise.

Business Investment, Income and Profits

Trillions of Dollars



Household savings are down, and debt-spending is up.

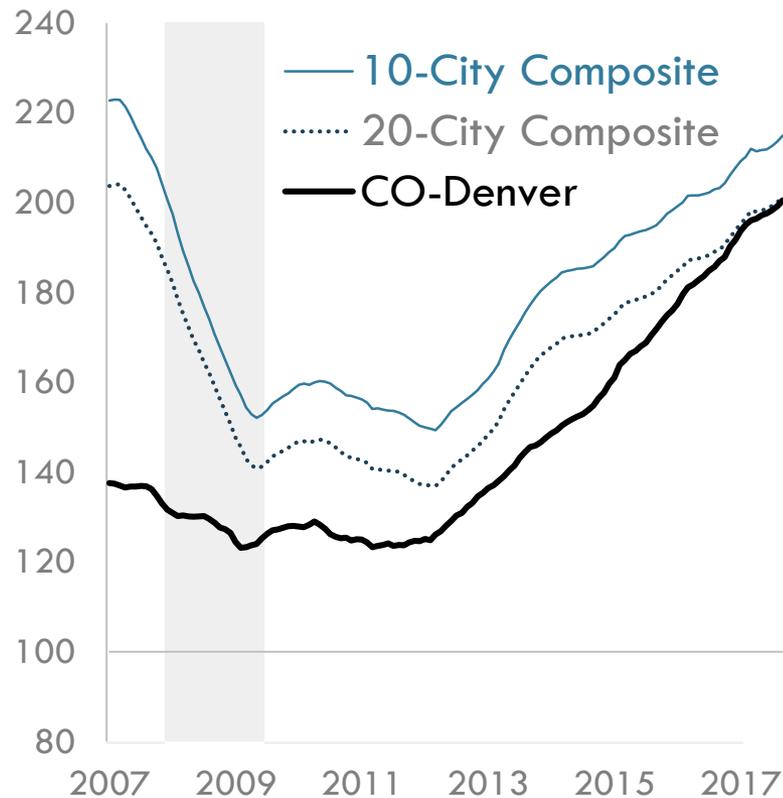


Source: Bureau of Economic Analysis. Seasonally adjusted annual rates. Calculated as personal savings and debt service payments as a percent of disposable personal income.

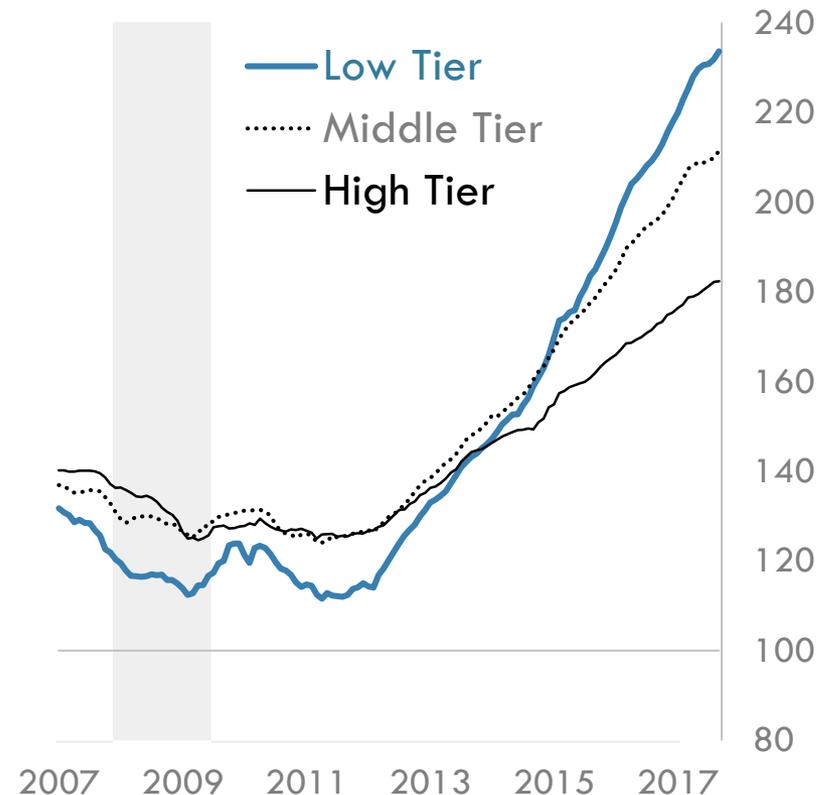
Home prices and housing costs continue to rise.

Case-Shiller Home Price Indices

Index 100 = January 2000

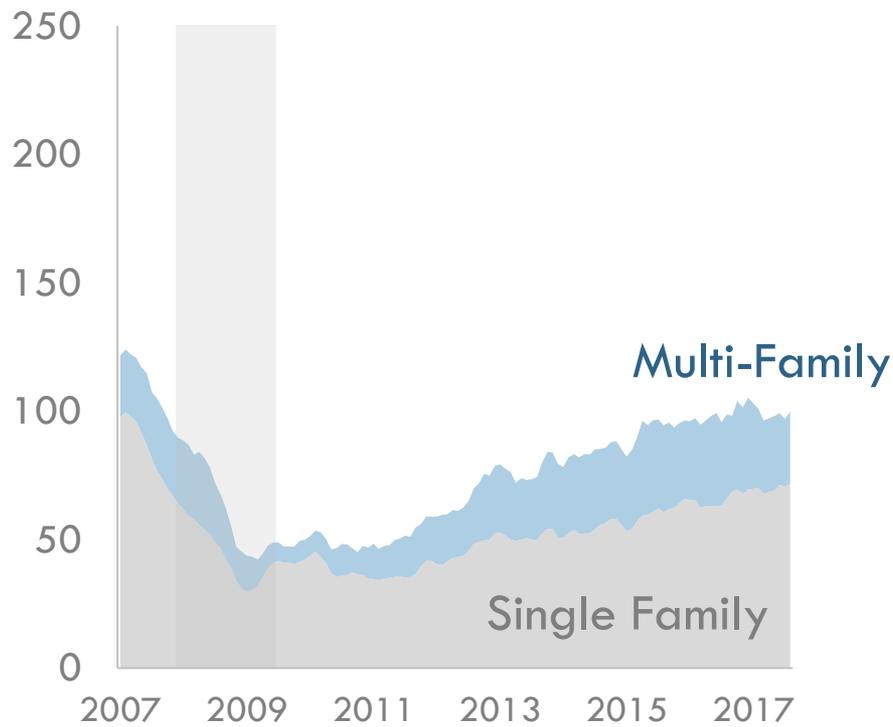


Denver Home Prices

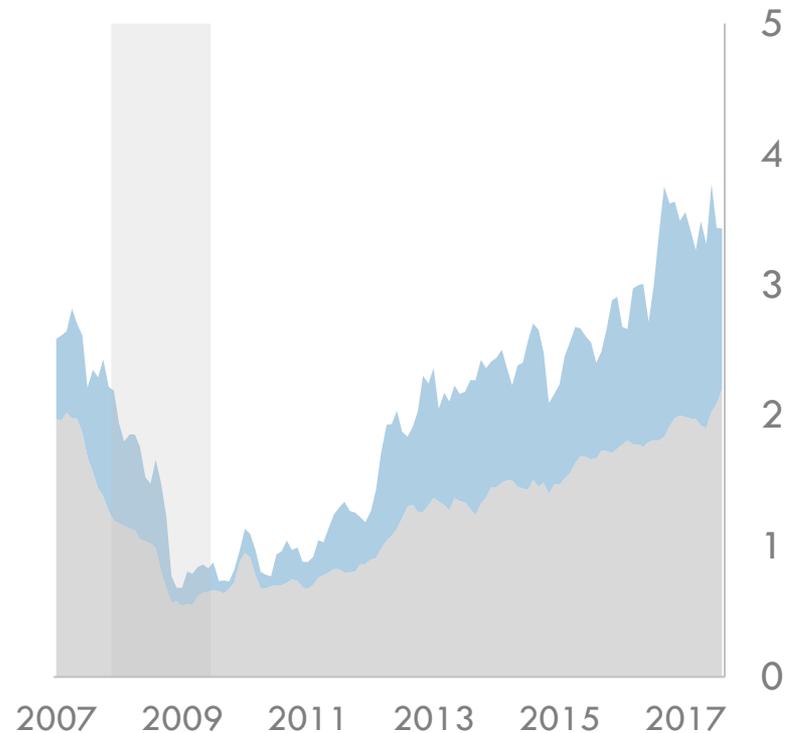


Residential construction activity continues to rise, but fails to meet demand.

U.S. Housing Permits
Thousands of Units, Monthly



Colorado Housing Permits
Thousands of Units



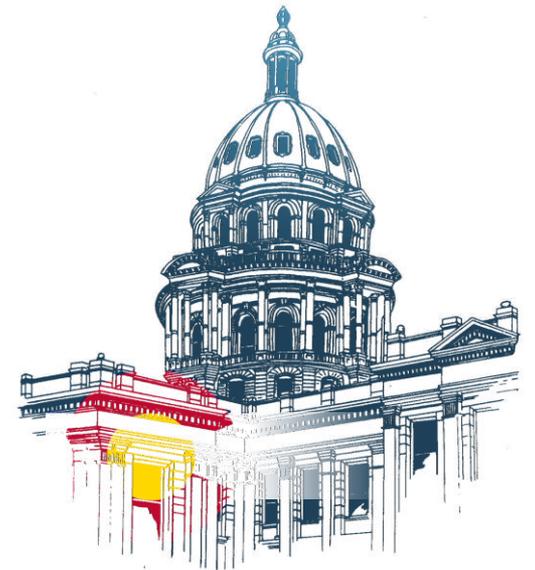
Source: U.S. Census Bureau. Seasonally adjusted three-month moving averages.

SUMMARY

The economic outlook remains bright for the U.S. and Colorado. However, risks remain skewed to the downside.

- Demographic change and tight labor markets will continue to constrain growth
- Wages are slow to rise, debt-spending has increased
- Political risk remains elevated
- Rising housing costs continue to change Colorado's economic landscape

Adult Correctional Forecast



Prison population increased during FY 2016-17

Most significant driver: admissions from court commitments

- New commits up 11.7% relative to FY 2015-16
- Technical parole violations stabilized
- Releases fell, primarily discretionary parole and mandatory reparole

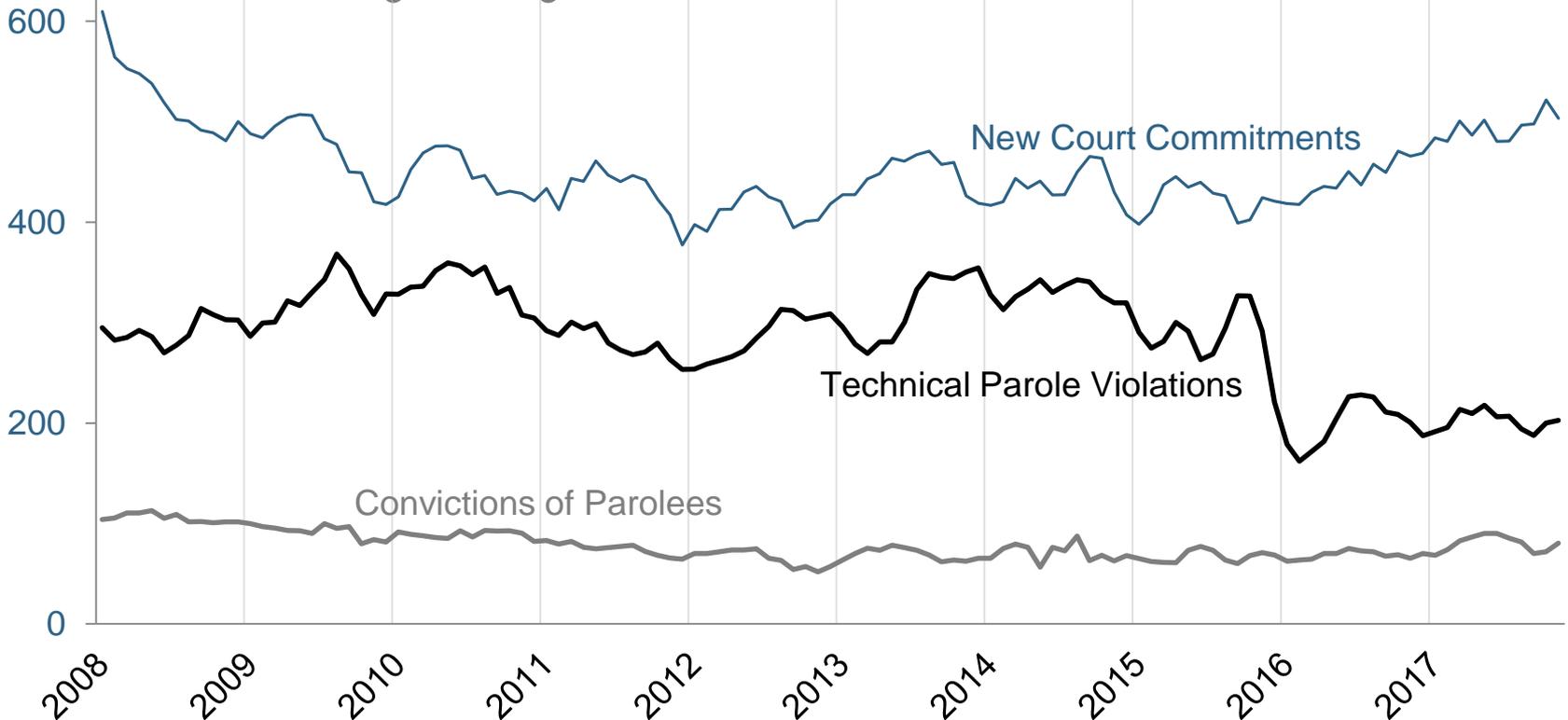
Population down thus far in FY 2017-18

- House Bill 17-1326 releases and reclassifications

Court commitments drove population in FY 2016-17

State Prison Admissions by Source*

Three-Month Moving Average



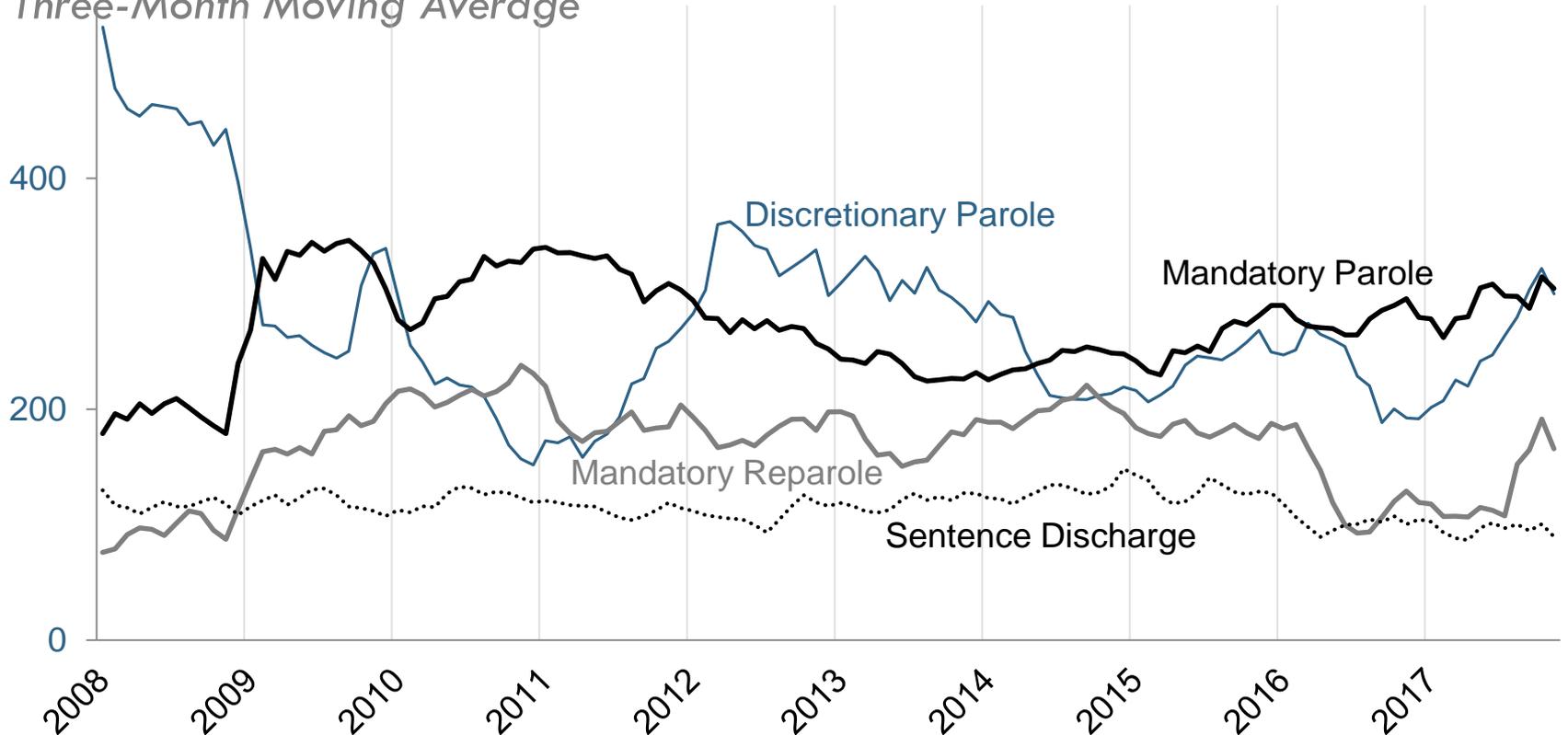
Source: Colorado Department of Corrections.

*Omits admissions for returns from prior releases to probation, court order discharge or appeal bond, interstate compact, and youthful offender system terminations. These streams produced a combined average of 10 admissions per month over the sample period.

Releases up thus far in FY 2017-18

State Prison Releases by Type*

Three-Month Moving Average



Source: Colorado Department of Corrections.

*Omits releases to probation, court-ordered discharges, releases on appeal bonds and inmate deaths. These categories averaged a combined 21 offenders per month over the sample period.

Prison population will increase from present levels

New court commitments increasing at fast pace

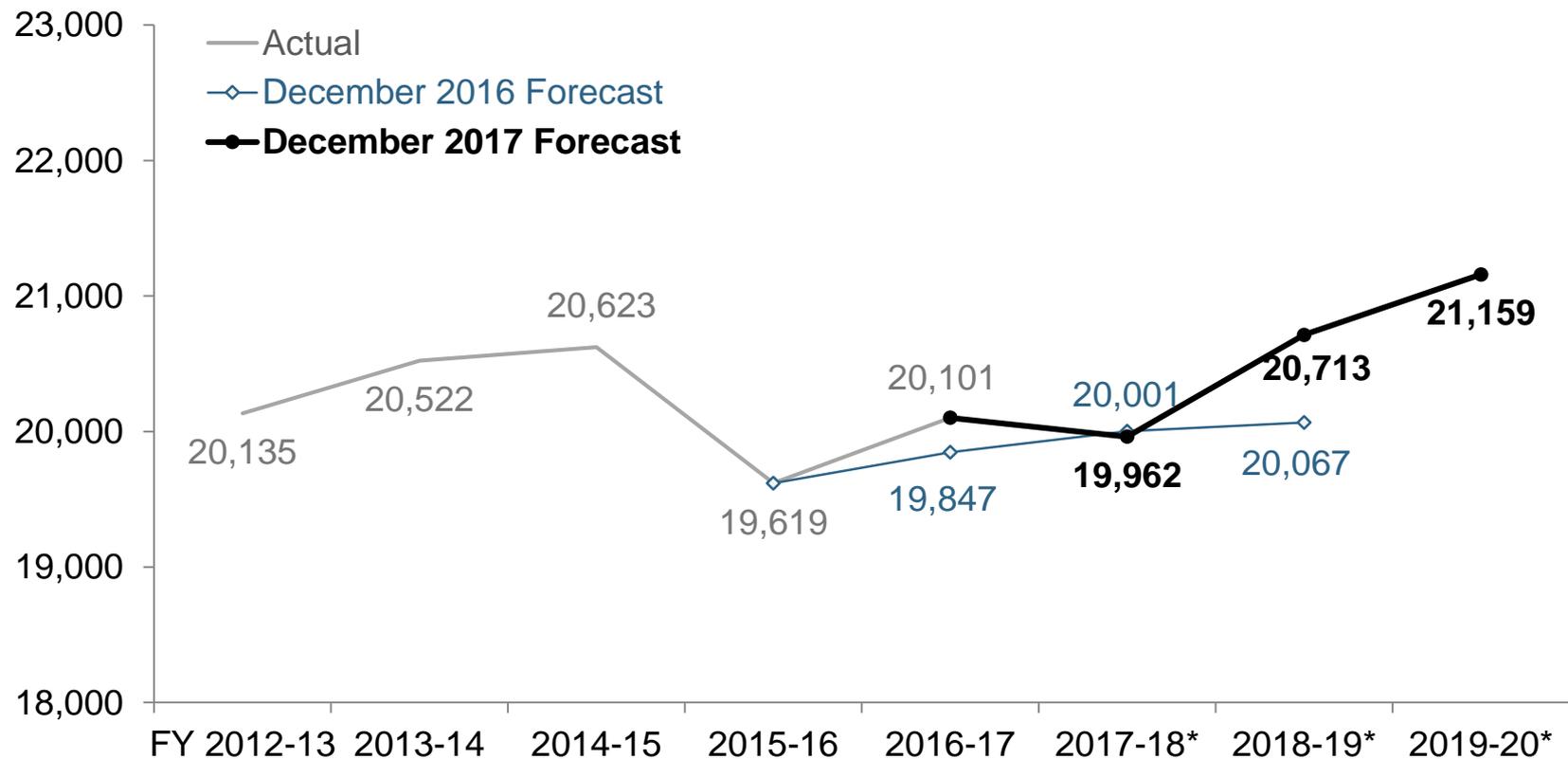
- Rising releases won't be sufficient to offset admissions

Parole population will increase correspondingly

- YTD parole population up because of HB 17-1326 reclassifications
- Slow growth in short term, accelerating as new commitments move through DOC

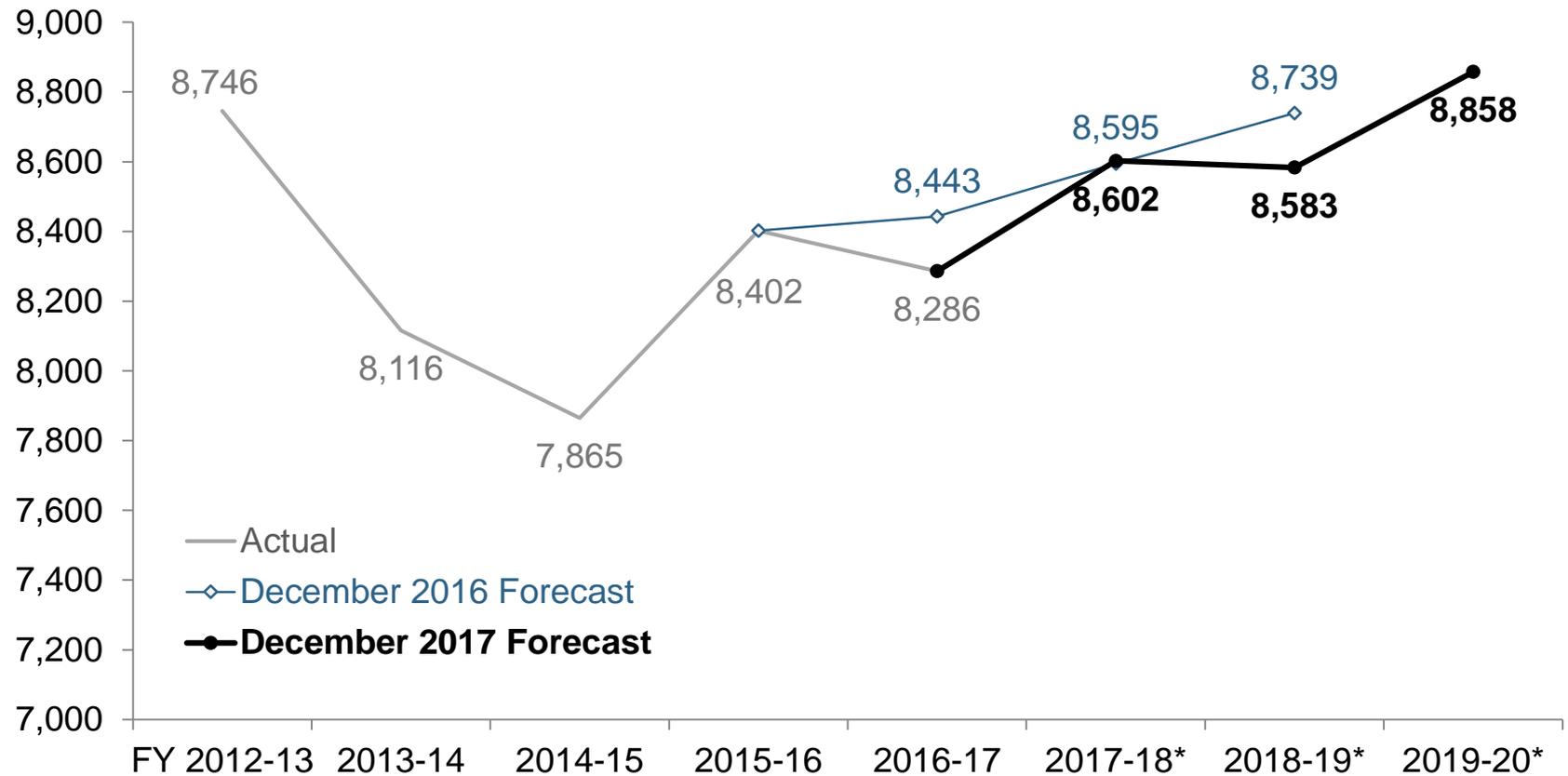
Inmate population growing on new court commitments

Adult Inmate Population Forecasts as of June 30

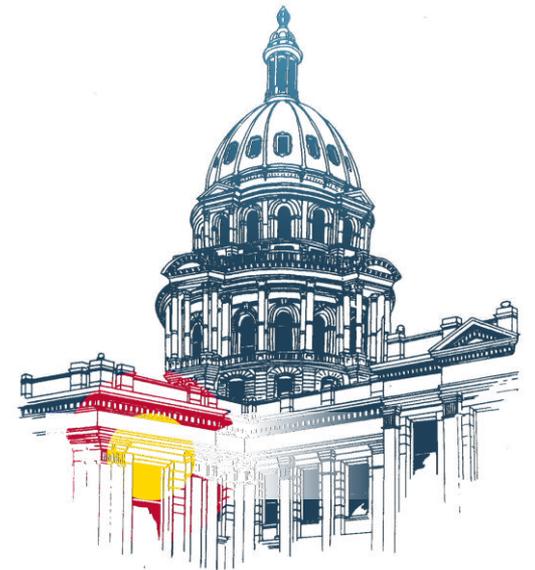


Parole caseload growth will moderate, then accelerate

Adult Parole Caseload Forecasts as of June 30

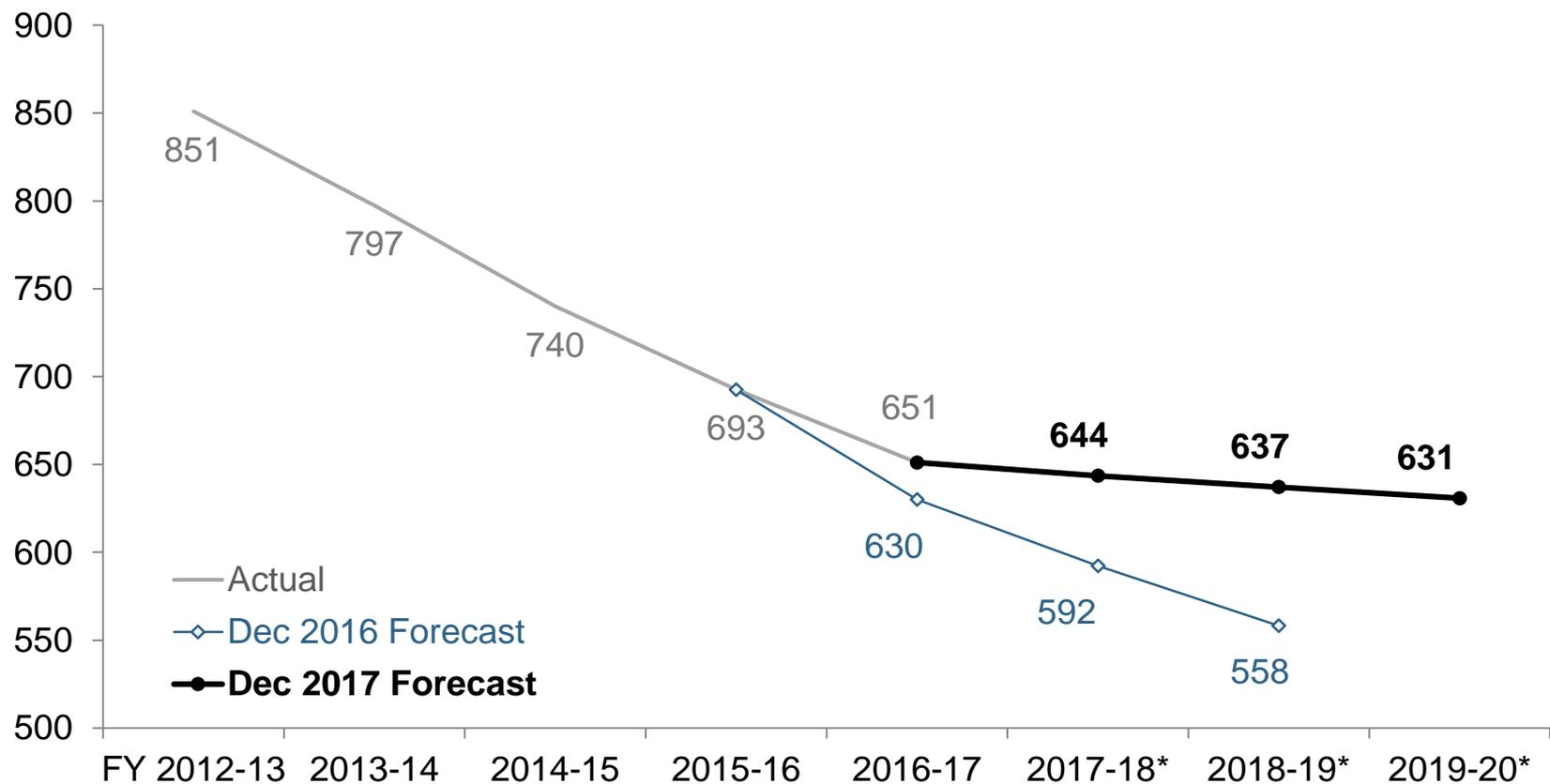


Juvenile Correctional Populations



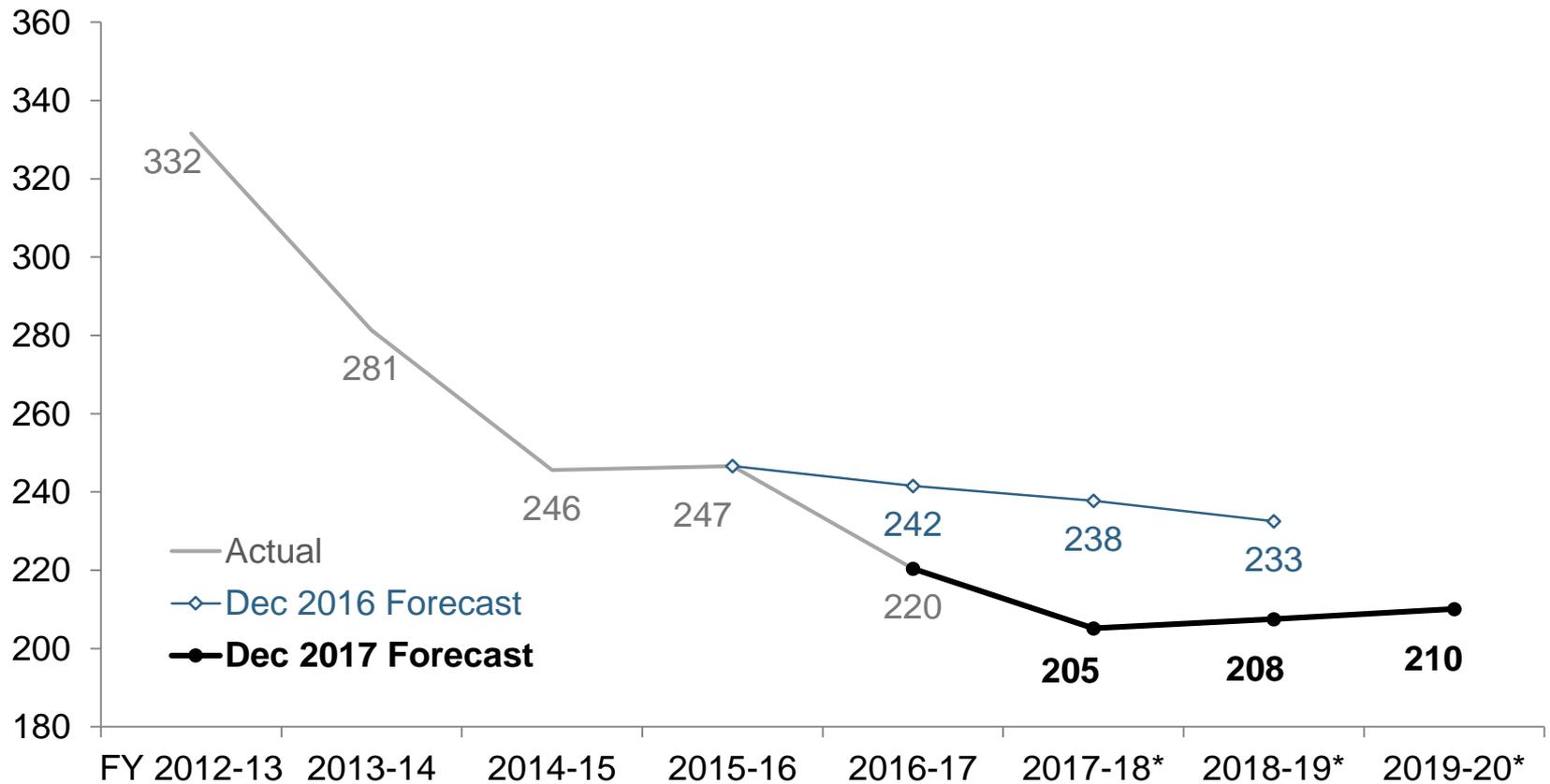
Decreases in juvenile commitments are slowing...

DYS Commitment Average Daily Population Forecasts



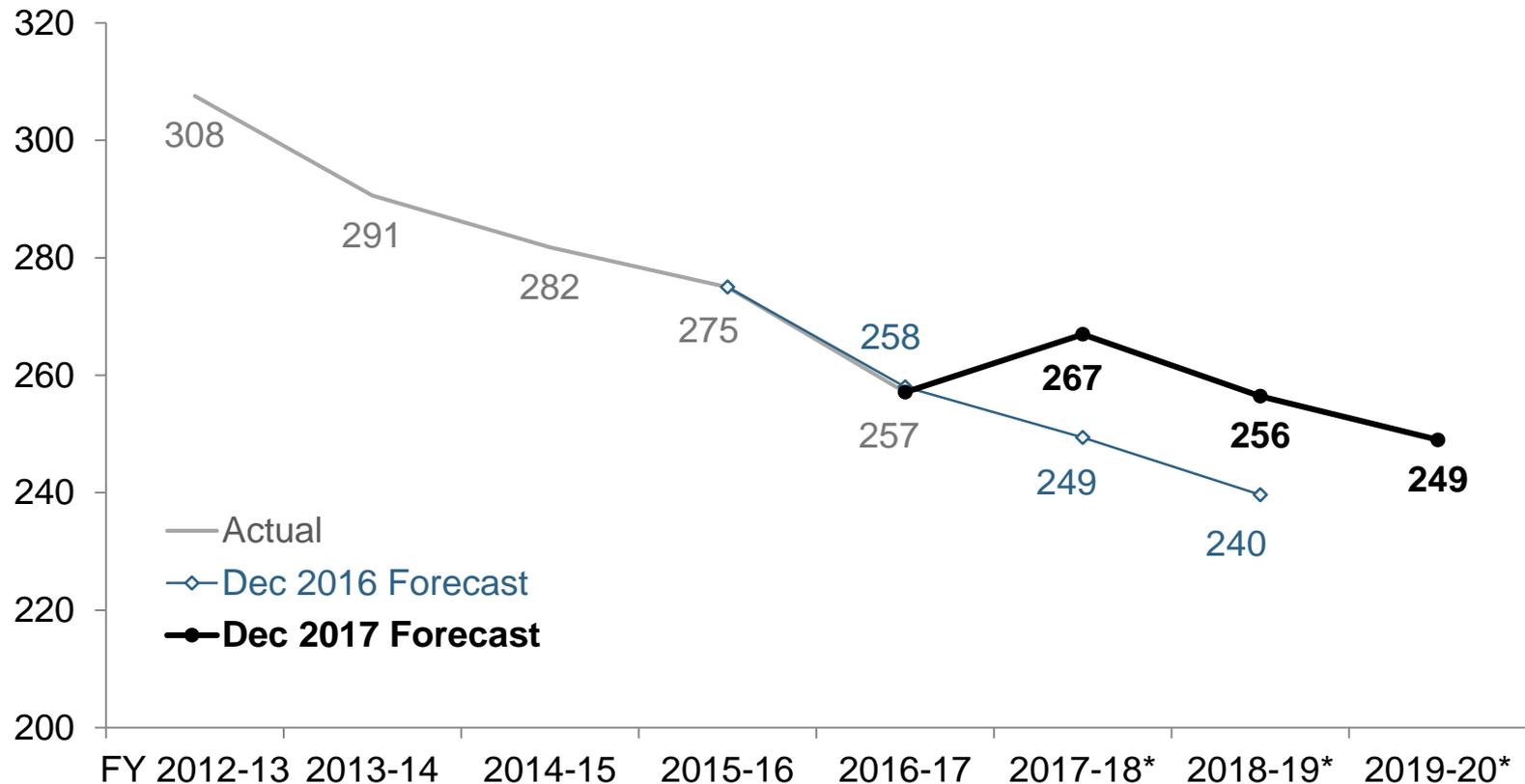
...which will modestly increase parole caseload.

DYS Parole Average Daily Caseload Forecasts



After a bump this year, detentions to fall

DYS Detention Average Daily Population Forecasts



K-12 Enrollment Forecast



K-12 Public School Enrollment

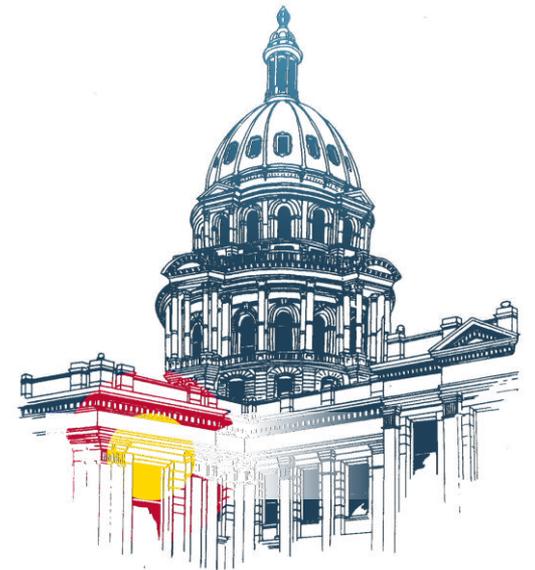
Full-Time Equivalent (FTE) Students

Region	Actual 2017-18		Estimated 2018-19		Estimated 2019-20		Average Growth*
Metro Denver	480,756	0.3%	482,133	0.3%	483,712	0.3%	0.3%
Northern	86,379	1.5%	87,814	1.7%	89,366	1.8%	1.7%
CO Springs	117,918	1.1%	119,430	1.3%	120,593	1.0%	1.1%
Pueblo	32,583	-1.2%	32,563	-0.1%	32,302	-0.8%	-0.4%
Eastern Plains	25,033	2.2%	25,371	1.4%	25,661	1.1%	1.2%
San Luis Valley	7,274	-0.6%	7,288	0.2%	7,336	0.7%	0.4%
Mountain	25,046	1.6%	25,066	0.1%	25,141	0.3%	0.2%
SW Mountain	12,927	1.9%	13,132	1.6%	13,324	1.5%	1.5%
Western	50,365	0.2%	50,580	0.4%	50,740	0.6%	0.6%
Statewide Total	838,278	0.6%	843,378	0.6%	848,175	0.6%	0.6%

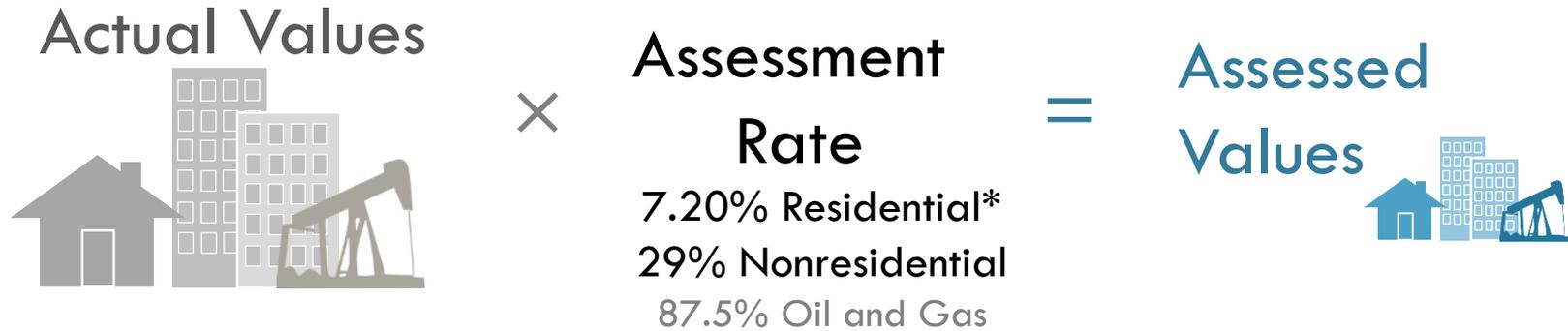
Source: Colorado Department of Education and Legislative Council Staff.

*Compound average annual growth rate between 2017-18 and 2019-20.

Assessed Valuation Forecast

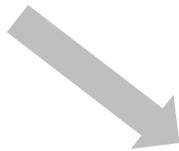
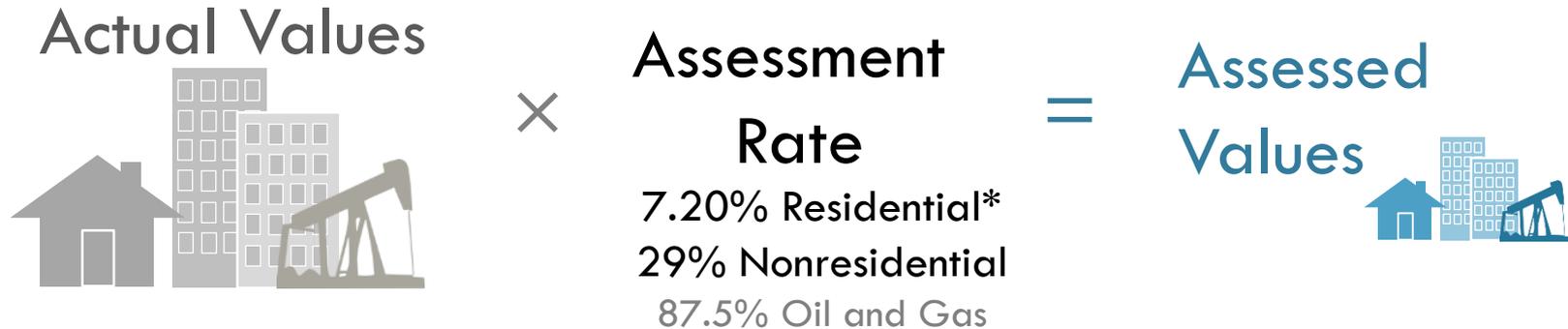


Assessed Values in Colorado



*2017 Residential Assessment Rate

Assessed Values in Colorado



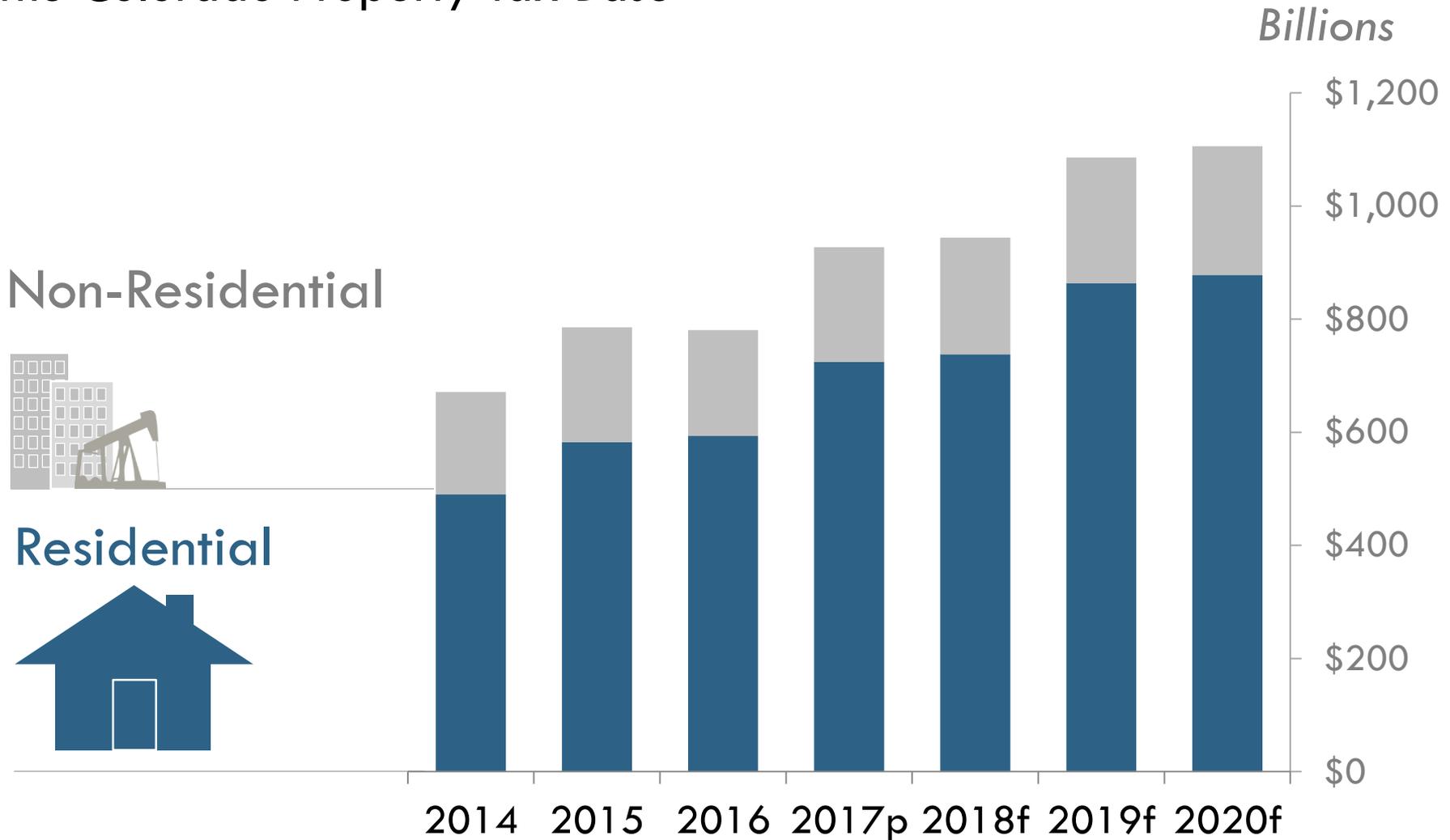
Reassessment Cycle

Tax Year	Valuation Date	Assessment Cycle
2017	July 1, 2016	2017 Re-Assessment Cycle
2018	July 1, 2016	
2019	July 1, 2018	2019 Re-Assessment Cycle
2020	July 1, 2018	

*2017 Residential Assessment Rate

Actual (Market) Values

The Colorado Property Tax Base

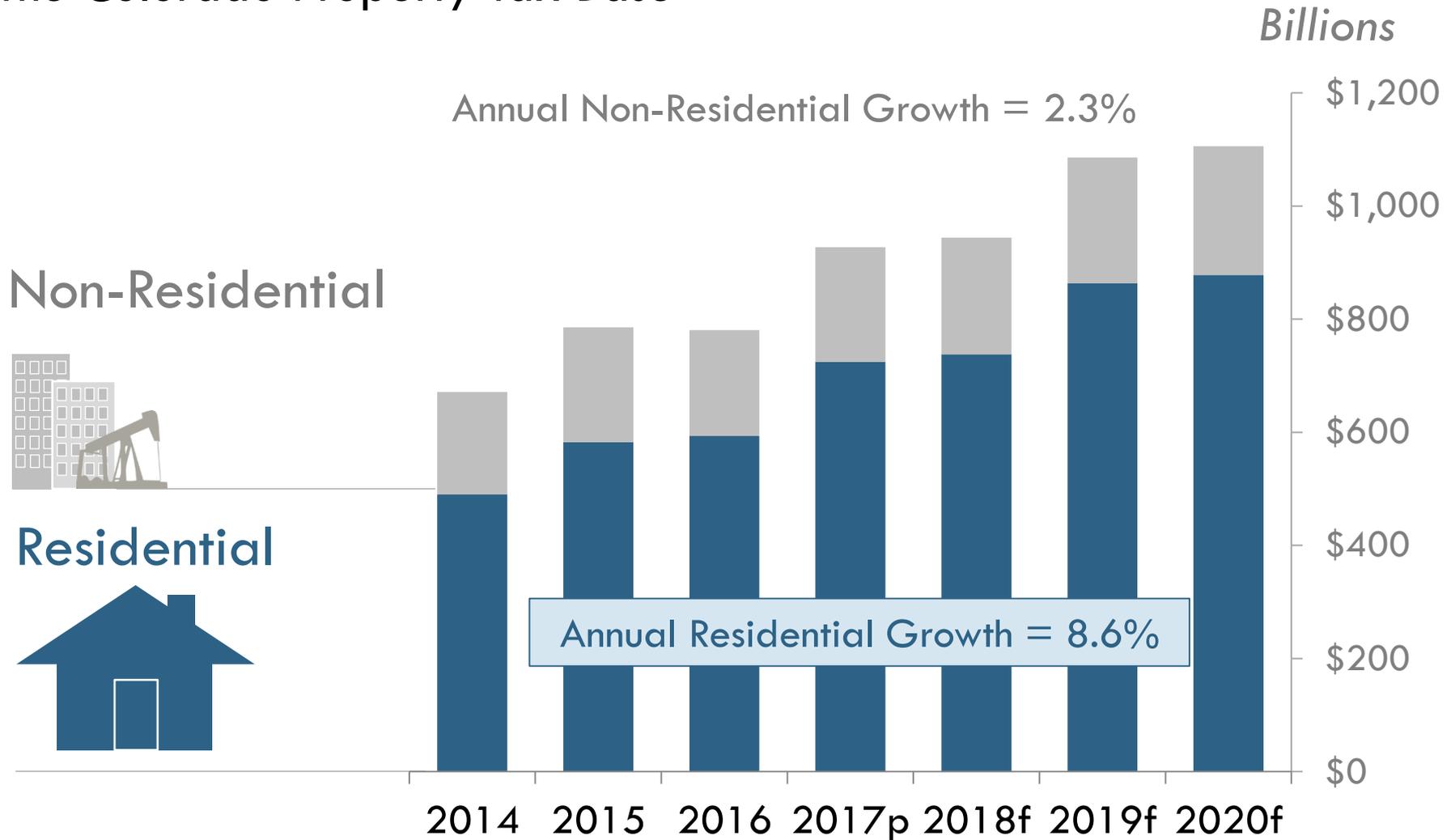


Source: Division of Property Taxation and Legislative Council Staff forecast.

*Calculated as assessed values divided by an assumed 29 percent assessment rate.

Actual (Market) Values

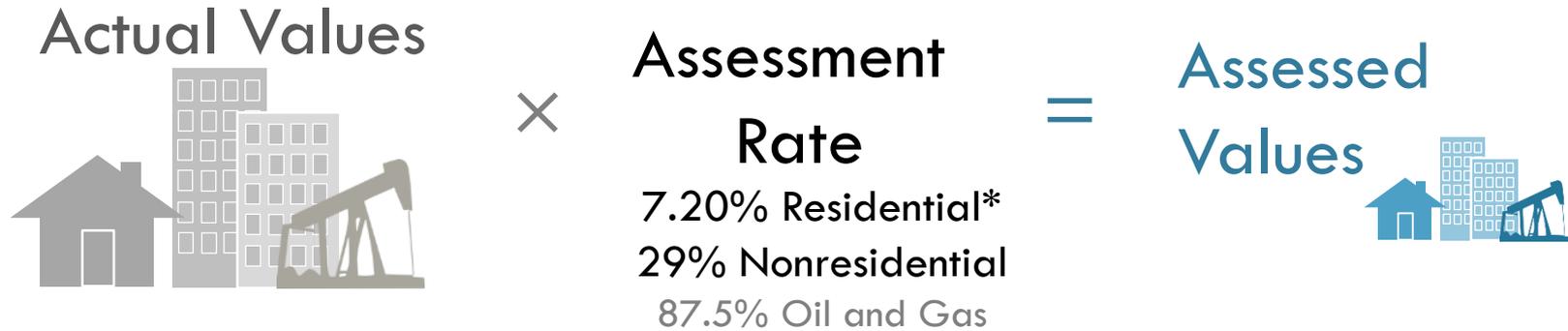
The Colorado Property Tax Base



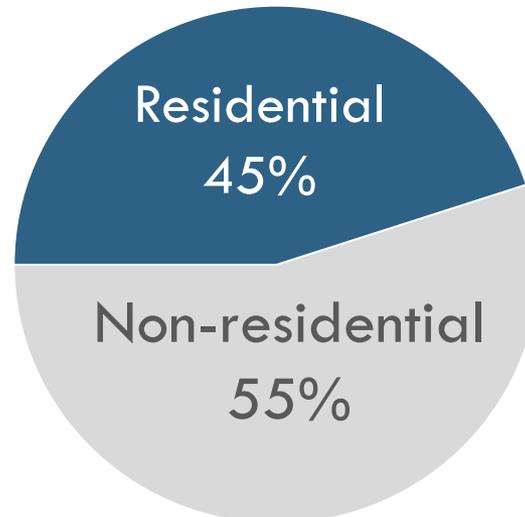
Source: Division of Property Taxation and Legislative Council Staff forecast.

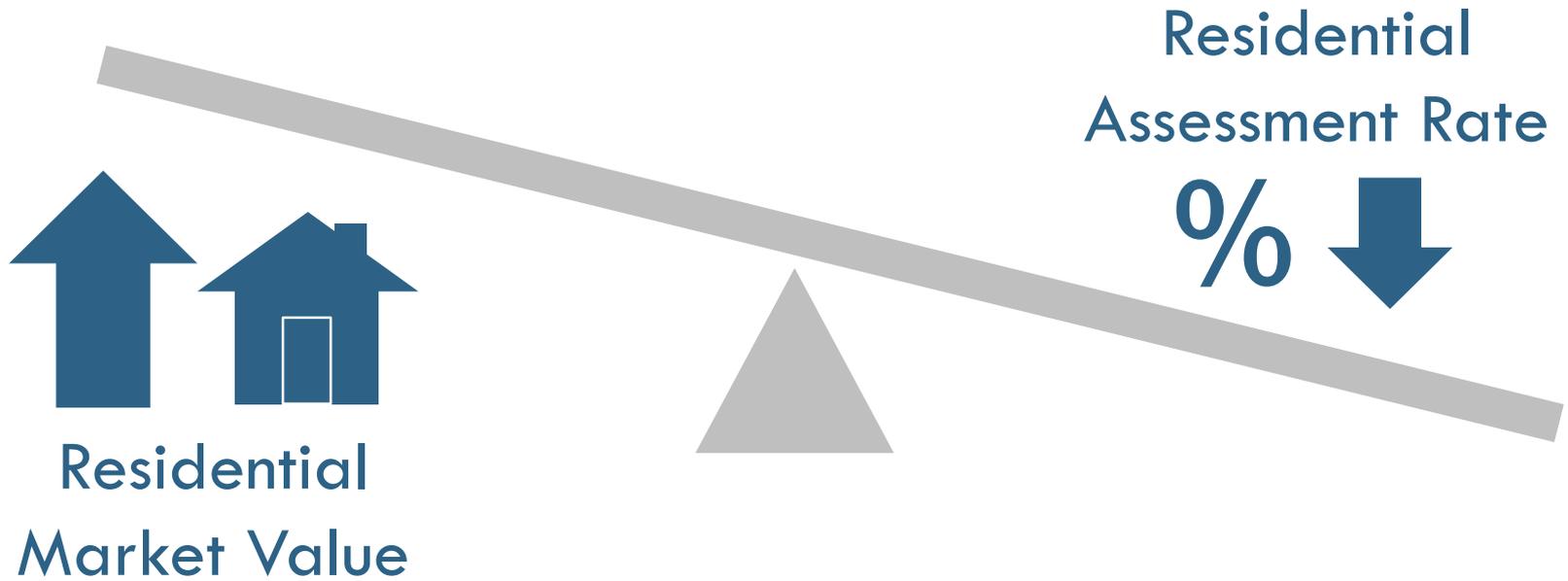
*Calculated as assessed values divided by an assumed 29 percent assessment rate.

Assessed Values in Colorado



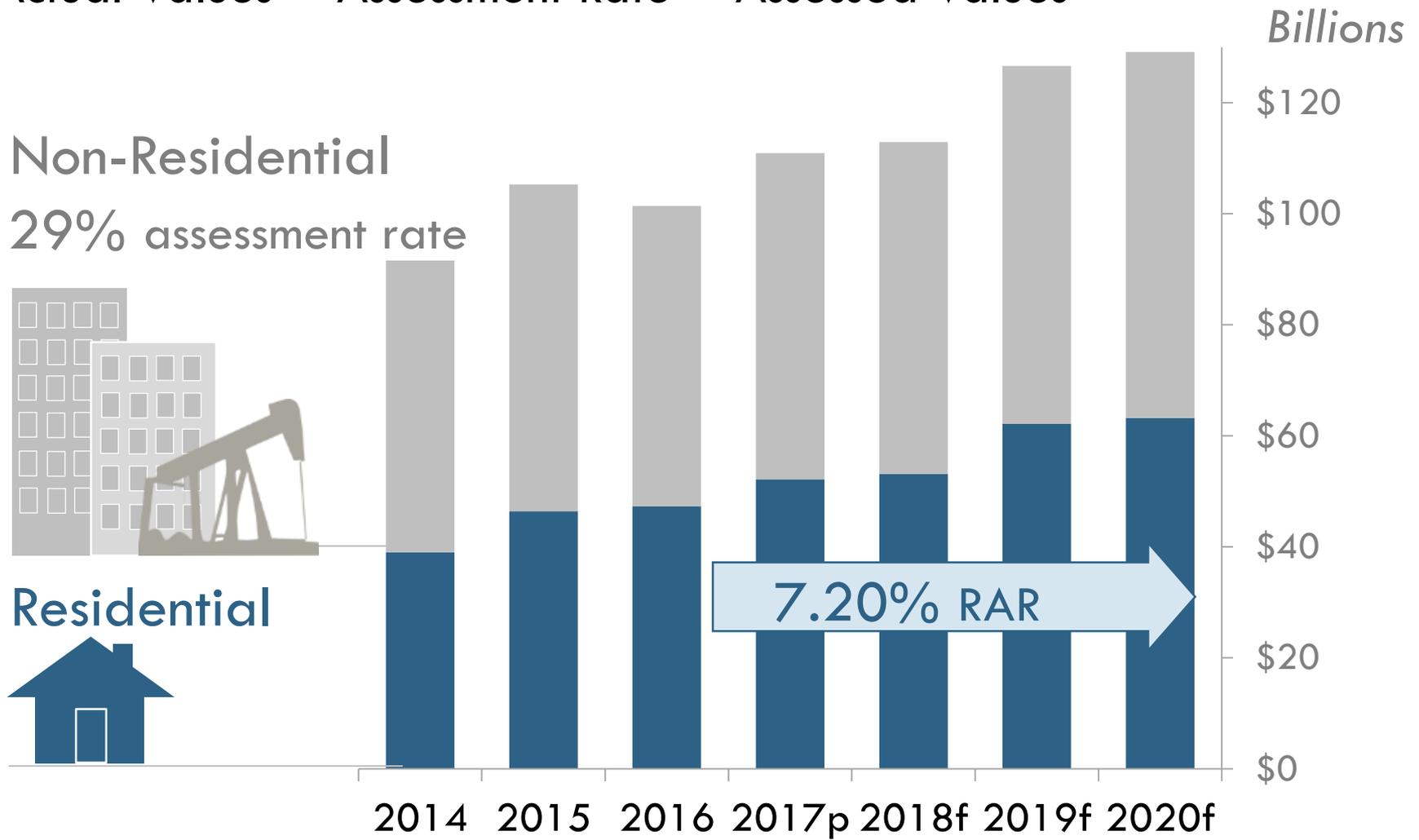
Gallagher Target Share





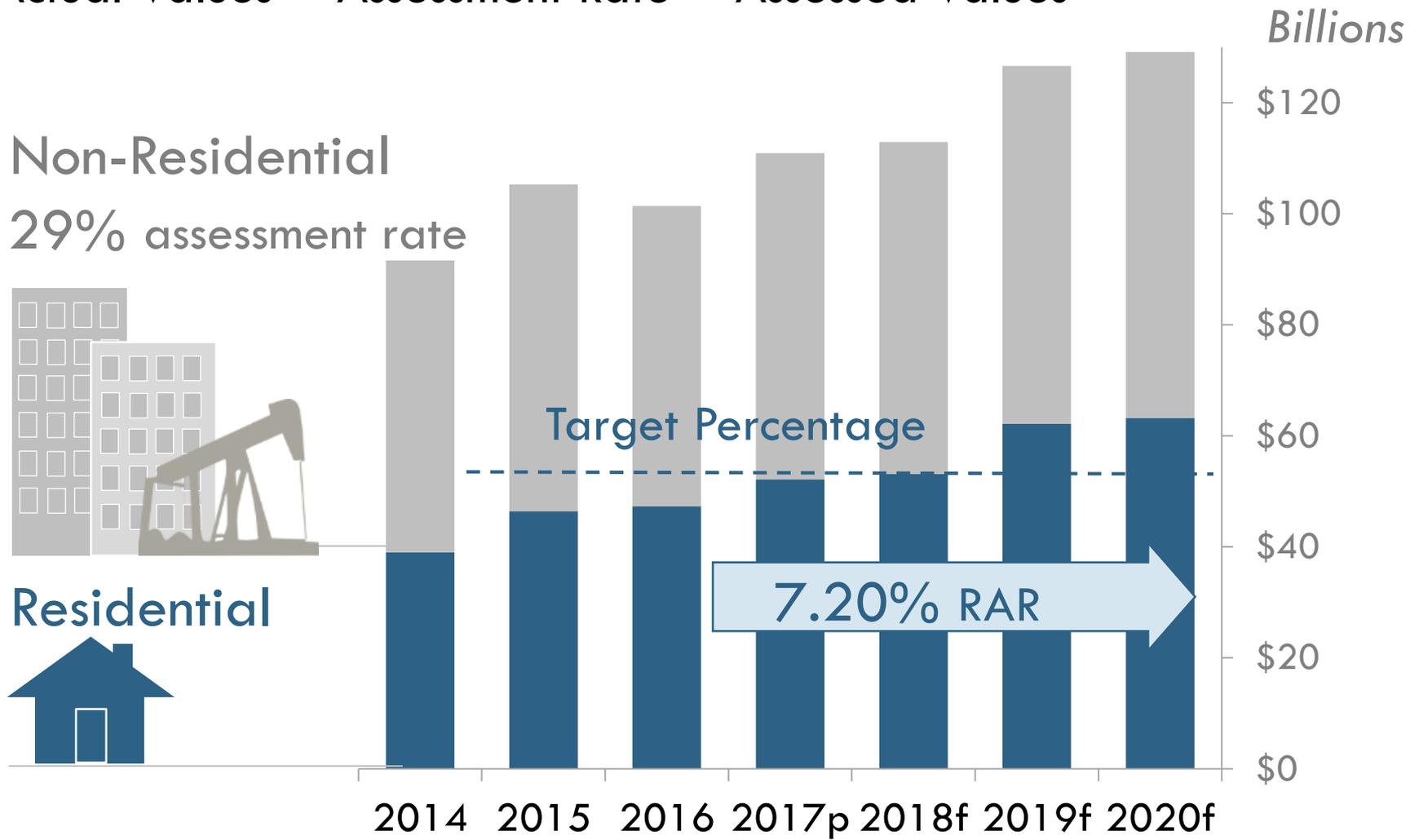
Assessed Values

$$\text{Actual Values} \times \text{Assessment Rate} = \text{Assessed Values}$$



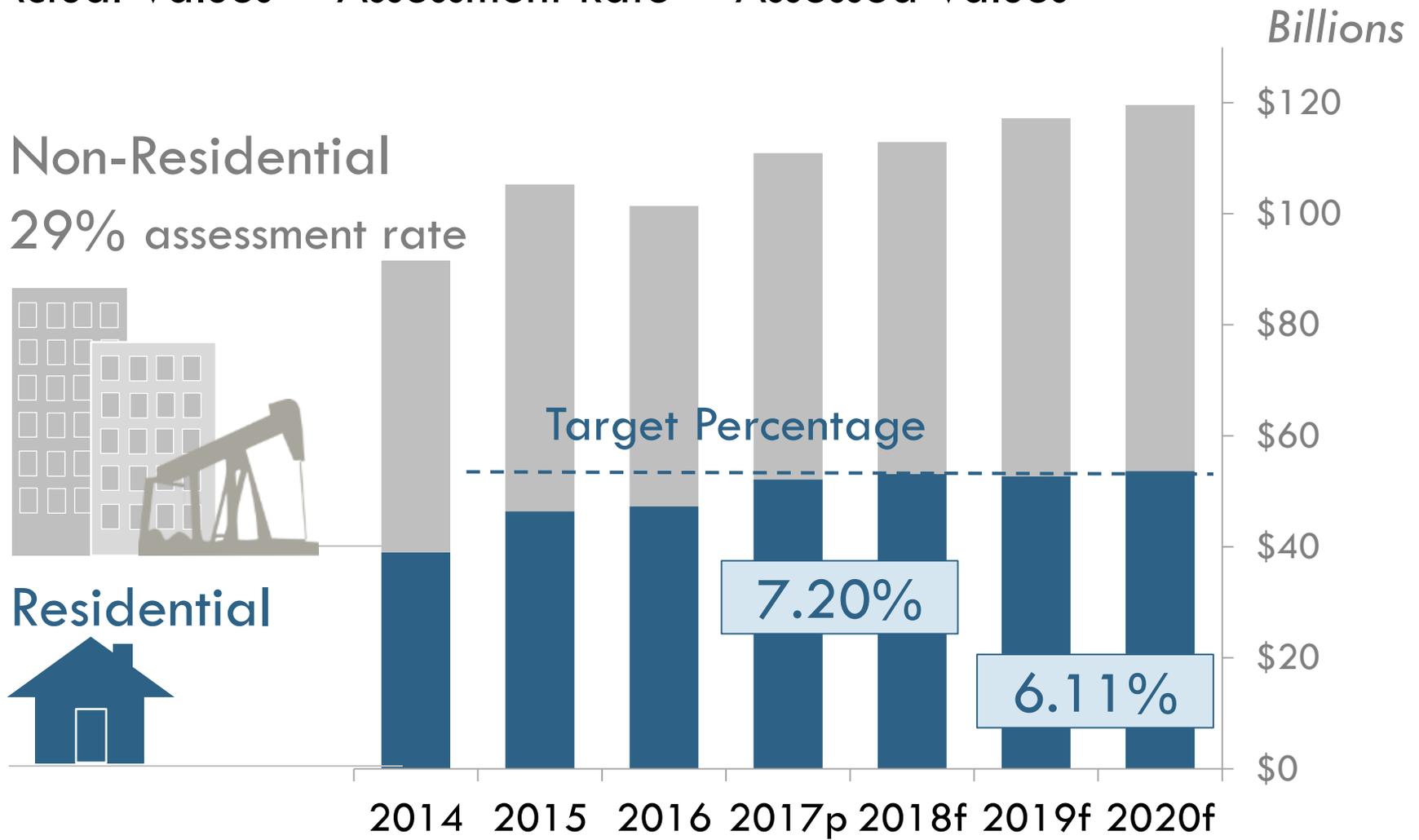
Assessed Values

$$\text{Actual Values} \times \text{Assessment Rate} = \text{Assessed Values}$$



Assessed Values

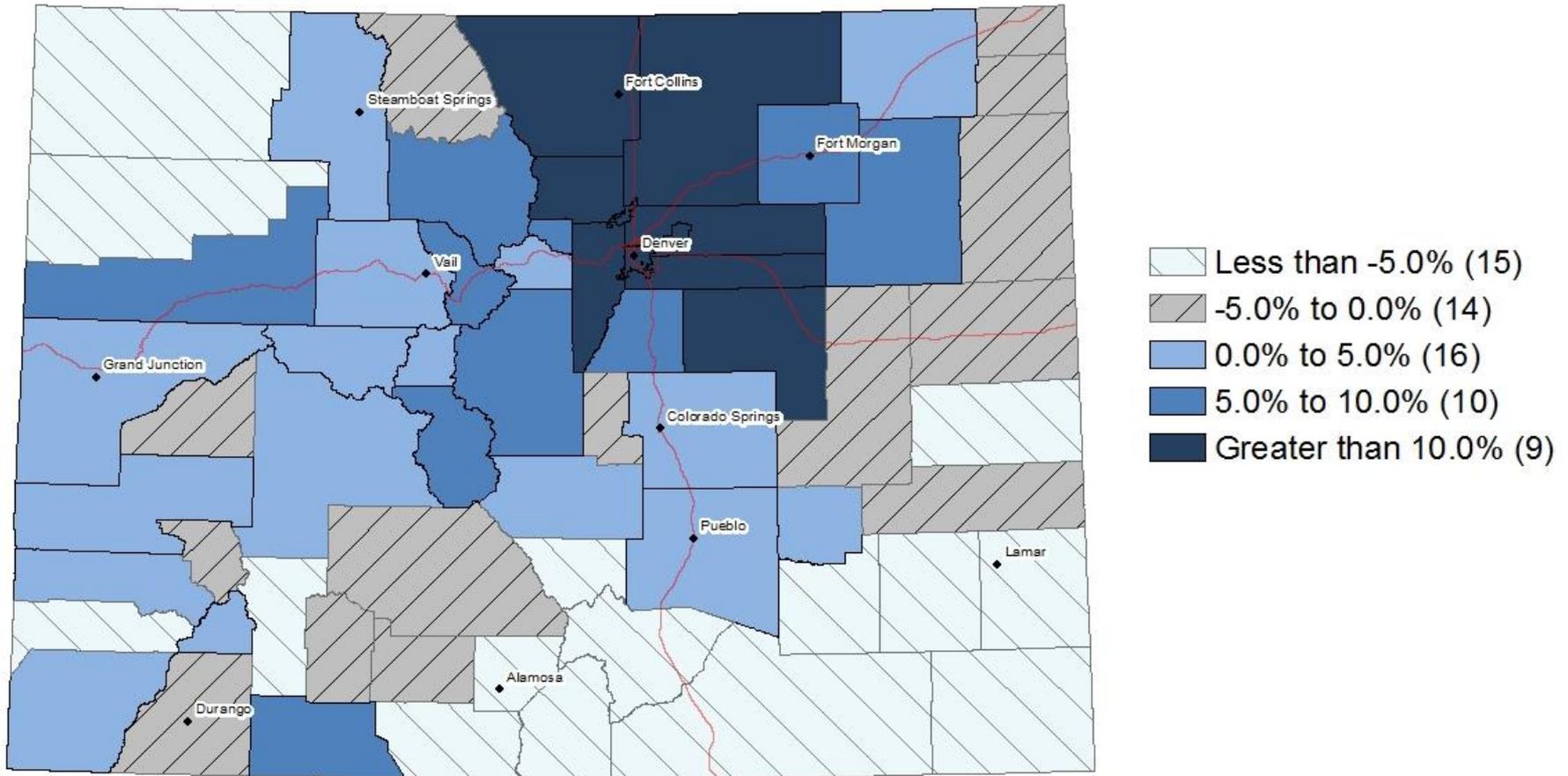
$$\text{Actual Values} \times \text{Assessment Rate} = \text{Assessed Values}$$



Residential and Nonresidential Assessed Values

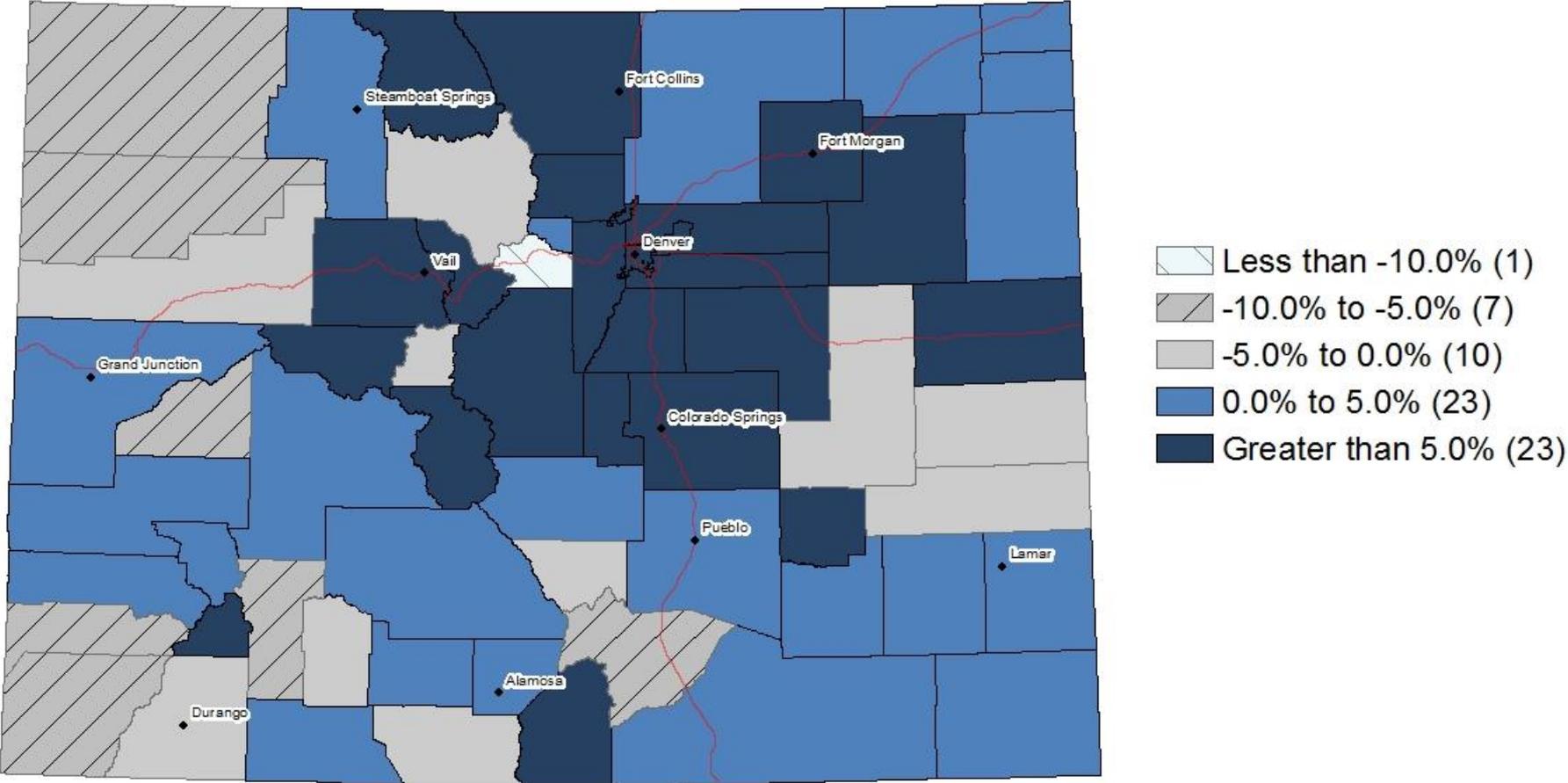
Year	Residential Assessed Value		Nonresidential Assessed Value		Total Assessed Value	
2016	\$47,261	1.9%	\$54,157	-8.1%	\$101,419	-3.7%
2017	\$52,199	10.4%	\$58,698	8.4%	\$110,897	9.3%
2018*	\$53,126	1.8%	\$59,799	1.9%	\$112,925	1.8%
2019*	\$52,748	-0.7%	\$64,449	7.8%	\$117,197	3.8%
2020*	\$53,662	1.7%	\$65,921	2.3%	\$119,583	2.0%

Change in Residential Assessed Values by County 2016 to 2017



Change in Total Assessed Values by County

2016 to 2017



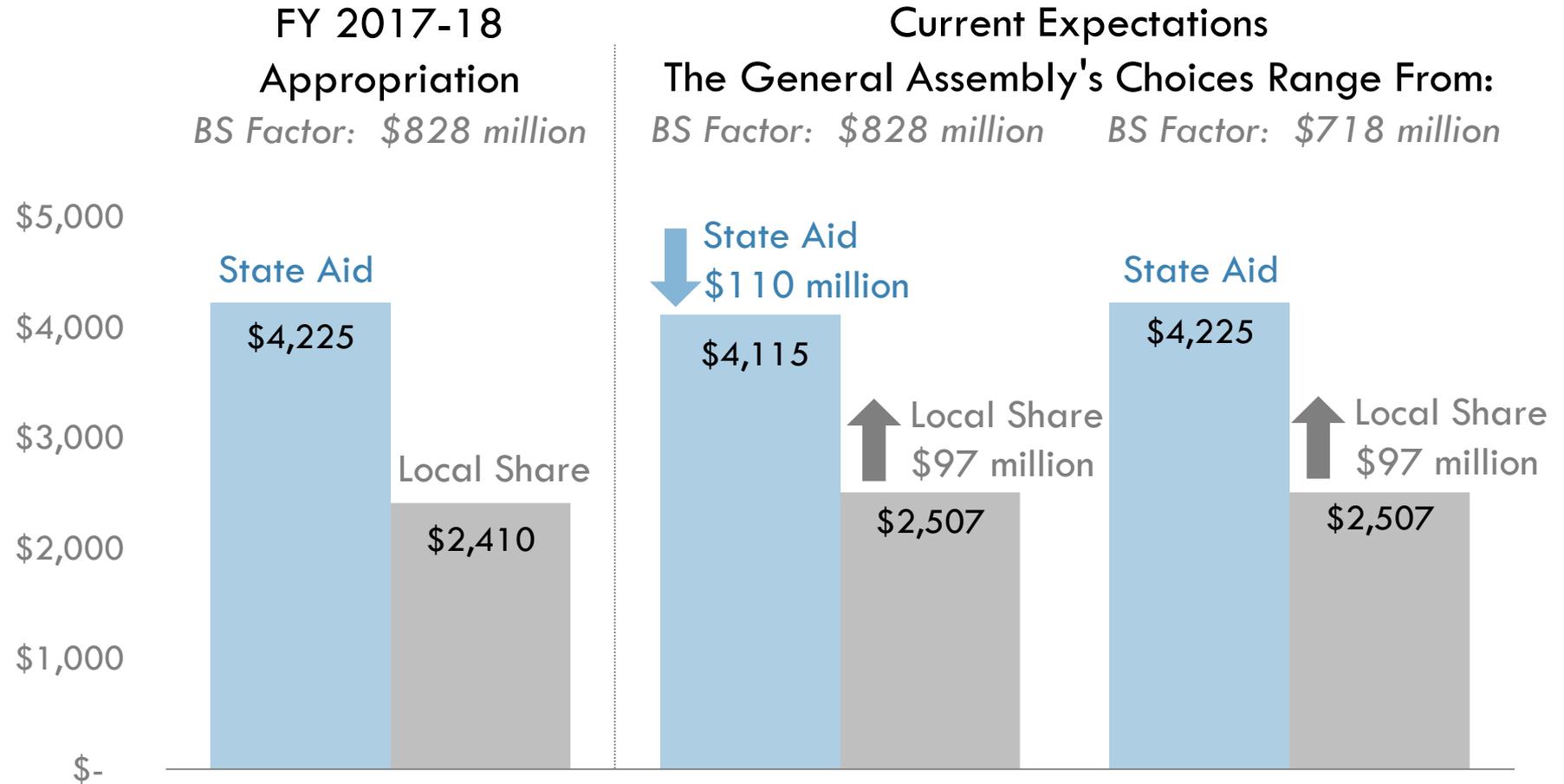
Source: Division of Property Taxation, Department of Local Affairs.

School Finance Outlook



Change in Expectations for School Finance Funding, FY 2017-18

Millions of Dollars



Change in Expectations for School Finance Funding, FY 2017-18 to FY 2018-19

Millions of Dollars

