

SUMMARY

On the basis of its fiscal solvency in five separate categories, Colorado ranks 30th among the US states, a drop of eight places from last year's rankings. On a short-run basis, Colorado's cash position is below average. The state has between 1.25 and 2.02 times the cash needed to cover short-term obligations, well below the US average. Revenues exceed expenses by 3 percent, and Colorado's net position improved by \$145 per capita in FY 2015. Colorado's long-run fiscal position matches or exceeds the US averages. On a long-run basis, net assets are 1 percent of total assets after debts have been met. Long-run liabilities are 46 percent of total assets. On a guaranteed-to-be-paid basis, unfunded pension liabilities are \$93.72 billion, or 34 percent of state personal income, and OPEB is 1 percent of state personal income.

2015 TOTAL LONG-TERM OBLIGATIONS

STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
Colorado	\$0.00 billion	\$6.43 billion	\$275.11 billion	2.3%	\$1,178
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
Colorado	\$25.65 billion	62%	\$93.72 billion	31%
National average	\$20.62 billion	74%	\$105.50 billion	36%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

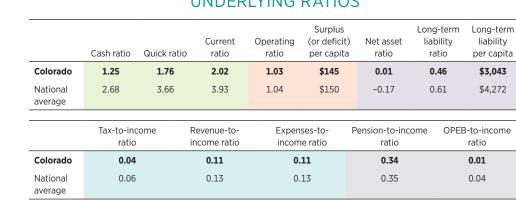
	Total unfunded OPEB	Funded ratio
Colorado	\$1.83 billion	16%
National average	\$12.97 billion	12%

- 1. Florida
- 2. North Dakota
- 3. South Dakota
- 4. Utah
- 5. Wyoming
- 6. Nebraska
- 7. Oklahoma
- 8. Tennessee
- 9. Idaho
- 10. Montana
- 11. Missouri
- 12. Alabama
- 13. Ohio
- 14. Nevada
- 15. North Carolina
- 16. Indiana
- 17. Alaska
- 18. Virginia
- 19. South Carolina
- 20. Arkansas
- 21. Oregon
- 22. Georgia
- 23. Texas
- 24. Minnesota
- 25. New Hampshire
- 26. Washington
- 27. Hawaii
- 28. Iowa
- 29. Wisconsin

30. Colorado

- 31. Delaware
- 32. Kansas
- 33. Arizona
- 34. Mississippi
- 35. Maine
- 36. Michigan
- 37. Connecticut
- 38. Rhode Island
- 39. New York
- 40. Vermont
- 41. New Mexico
- 42. West Virginia
- 43. California
- 44. Louisiana
- 45. Pennsylvania
- 46. Maryland
- 47. Kentucky
- 48. Massachusetts
- 49. Illinois
- 50. New Jersey



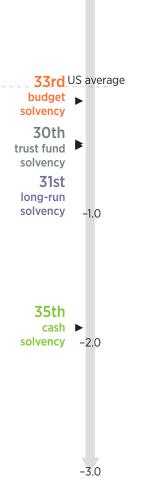


UNDERLYING RATIOS

KEY TERMS

- Cash solvency measures whether a state has enough cash to cover its short-• term bills, which include accounts payable, vouchers, warrants, and shortterm debt. (Colorado ranks 35th.)
- Budget solvency measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Colorado ranks 33rd.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Colorado ranks 31st.)
- Service-level solvency measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough "fiscal slack"? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Colorado ranks 10th.)
- Trust fund solvency measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Colorado ranks 30th.)

For a complete explanation of the methodology used to calculate Colorado's fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, "Ranking the States by Fiscal Condition," 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).



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3.0

2.0

1.0

distance from US average

(in standard deviations)

10th

service-level

solvency