

# Consensus General Fund Revenue Outlook

Presentation to:  
Legislative Education Study Committee  
December 16<sup>th</sup>, 2020

---

Stephanie Schardin Clarke, Secretary, Taxation and Revenue Department

Debbie Romero, Acting Secretary, Department of Finance and Administration



Office of the Governor

**MICHELLE LUJAN GRISHAM**

# Outline

- Consensus Revenue Estimating Group Overview
- US/Global Macroeconomic Outlook
- New Mexico Macroeconomic Outlook
- Oil and Natural Gas Outlook
- Personal Income Tax (PIT)
- Gross Receipt Tax (GRT)
- Severance & Rents & Royalties
- General Fund Overview

# Consensus Revenue Estimating Group

## Participating Agencies

### **New Mexico Department of Finance and Administration**

**Leonardo Delgado, Chief Economist**  
**Noel Martinez, Senior Economist**

### **New Mexico Taxation and Revenue Department**

**Lucinda Sydow, Chief Economist**  
**Robert McGrail, Senior Economist**  
**Efrain Ibarra, Senior Economist**

### **New Mexico Department of Transportation**

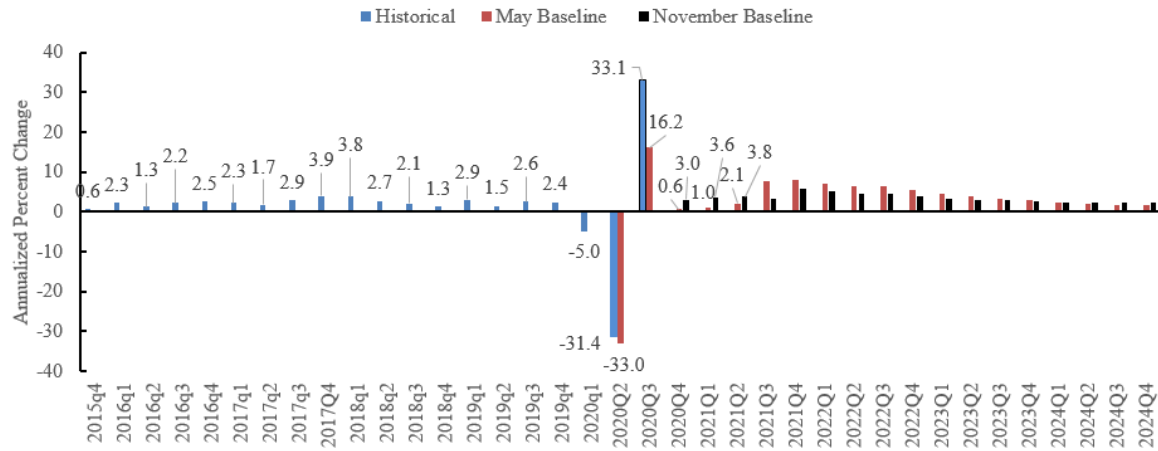
**Laura Bianchini, Chief Economist**  
**Mallika Pung, Senior Economist**

### **Legislative Finance Committee**

**Dawn Iglesias, Chief Economist**  
**Ismael Torres, Economist**

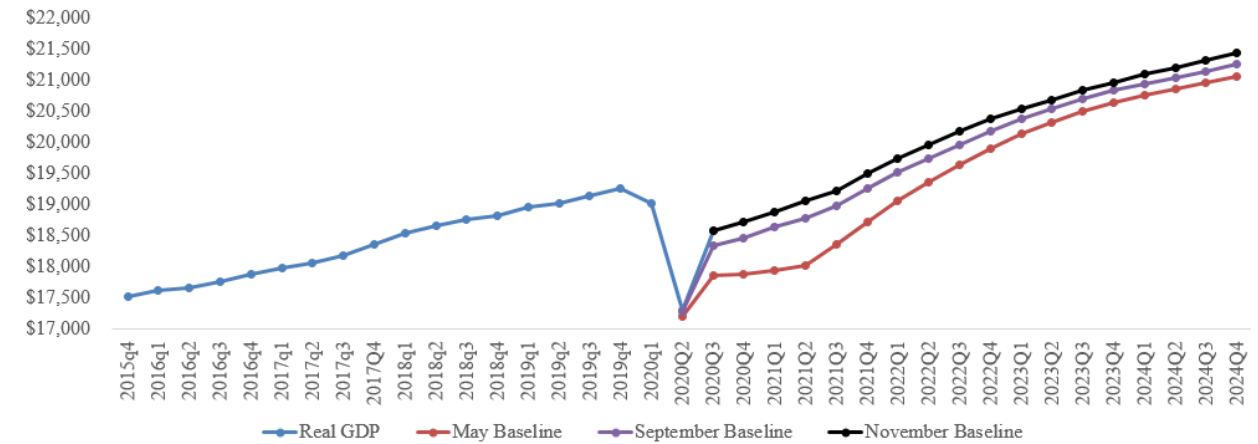
# US Economic Outlook

Annualized Percent Change in US Real GDP: 2015 Q1 to 2020 Q3, Forecast 2020Q4-2024Q4  
(Quarter-over-Previous-Quarter)



Source: bea.gov seasonally adjusted at annual rates, Moody's November 2020 Baseline Scenario vs. May 2020 Baseline Scenario

US Real Gross Domestic Product: 2015 Q4 to 2020 Q3, Forecast 2020Q4-2024Q4  
(billions of chained 2012 dollars)

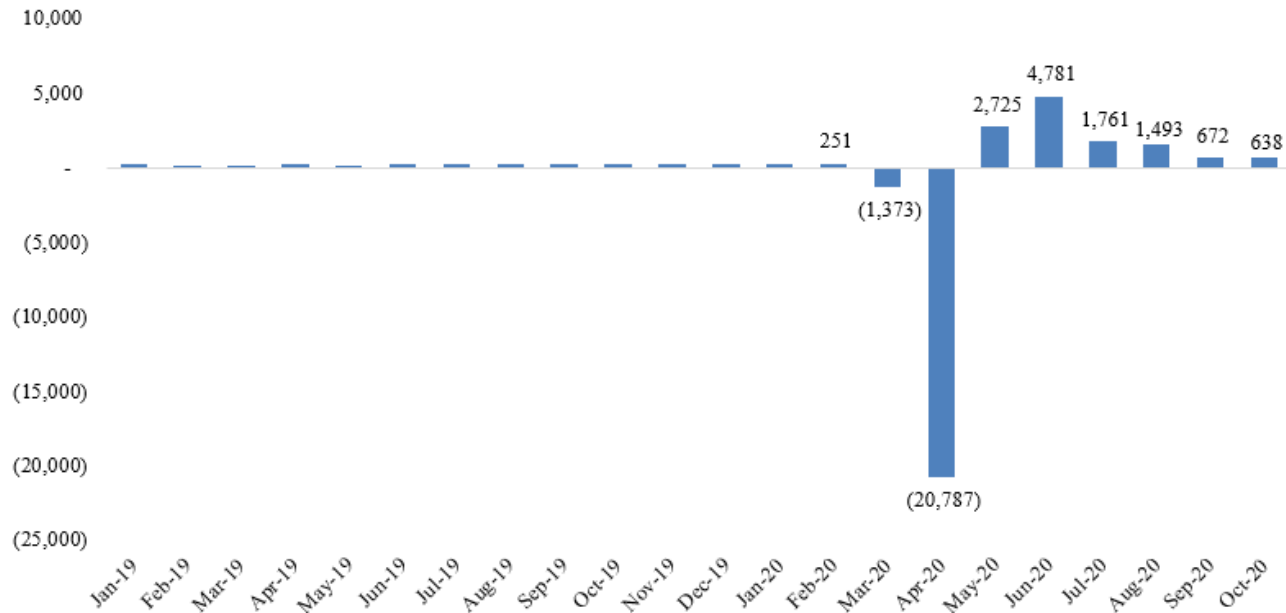


Source: GDP in billions of chained 2012 dollars, retrieved from bea.gov. Moody's November 2020 Baseline Scenario vs. May 2020 Baseline Scenario

- US real gross domestic product (RGDP) decreased at an annual rate of 31.4% in the second quarter of 2020.
- Monetary and Fiscal policy have bolstered the national economy and mitigated some of the negative effects of the COVID-19 crisis.
- Driving GDP growth in the second half of 2021 will be pent-up demand.
  - “Pent-up demand will be unleashed as households "let loose later in 2021 once they're vaccinated" and start to spend on activities they were unable to do while self-quarantine.” (Mark Zandi, Moody's Analytics)
- Moody's Analytics expects employment recovery to be much slower than GDP recovery.
- “The industries that have suffered most from the pandemic include, retail, leisure, hospitality and recreational activities.” (Mark Zandi, Moody's Analytics)

# US Economic Outlook

Monthly change in non-farm payroll employment (1,000s) in the US: Jan 2019 to Oct 2020



Source: bls.gov

- In April 2020 the US lost 20.7 million jobs at the beginning of the pandemic.
- This is the highest monthly job loss since 1945.
- Since April, the US has gained over 12 million jobs. The US is still down over 10 million jobs.
- The national unemployment rate in October is 6.9% down from 7.9% in September.
- The monthly change in employment levels shows employment gains slowing.
- Moody's Analytics' projects jobs lost won't be regained until 2024.

# US & NM Economic Indicators

## ➤ United States

- On a state fiscal year basis, the US inflation rate is expected to continue with modest growth: 1.4% in FY21, and 2.3% in FY22.
- The Federal Funds Rate is expected to remain at 0% to 0.25% in FY21 and FY22.
- Moody's Analytics key national forecast risks in September include:
  - Another significant wave of COVID-19 causing people to self-quarantine or states to slow reopening of economies. This also causes weaker consumer and business confidence.
  - Delayed fiscal stimulus will slow national recovery.
  - Financial market conditions will tighten significantly.

## ➤ New Mexico

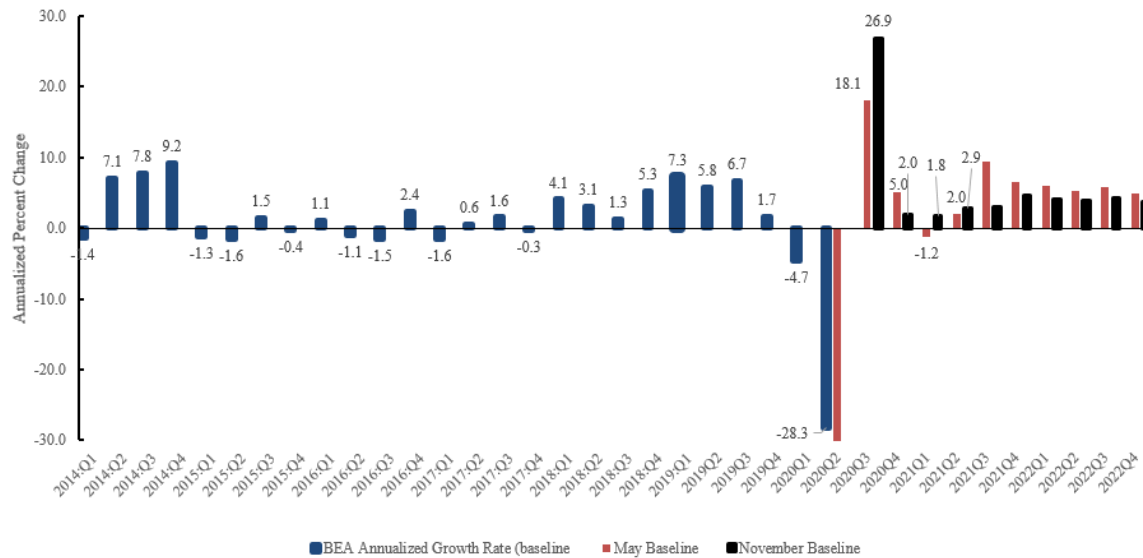
- Non-farm employment is expected decline in FY21. Both Moody's Analytics and UNM Bureau of Business & Economic Research (BBER) expect NM employment to decline in FY21 by 2.3% and 4.4%, respectively.
- Non-farm employment is expected to grow in FY22. Both Moody's Analytics and BBER expect NM employment to increase in FY21 by 1.4% and 2.2%, respectively

# US & NM Economic Indicators

- National Forecasters Baseline Assumptions
- Moody's Analytics assumes \$1.5 trillion in additional federal fiscal stimulus in 2021Q1 in their current baseline forecast.
  - Unemployment insurance, stimulus checks to individuals, aid to small businesses, and aid to state and local governments.
- IHS assumes no additional federal fiscal stimulus in their current baseline forecast.
- CREG incorporated combined assumptions in December 2020 baseline forecast.
  - Robustness incorporated in outlook by using both national forecasters.

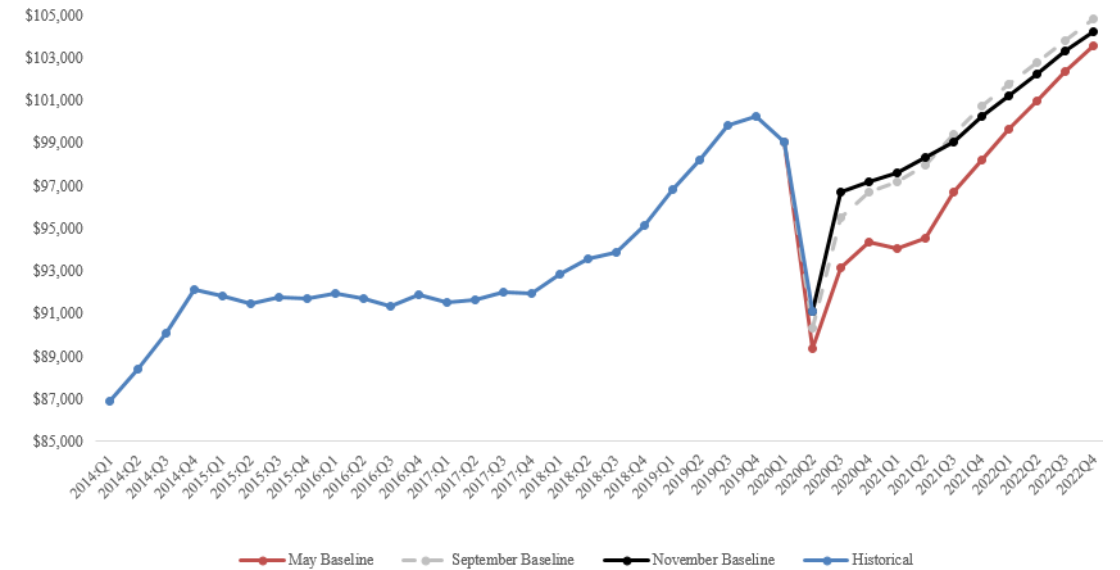
# NM Economic Outlook

**Annualized Percent Change in NM Real GDP 2014Q1 to 2020Q2, Moody's Forecasts 2020Q3-2022Q4 (Quarter to Quarter)**



Source: bea.gov, Moody's November 2020 Baseline Scenario vs. May 2020 Baseline Scenario

**New Mexico Real Gross Domestic Product (in 2012 chained millions of dollars)**



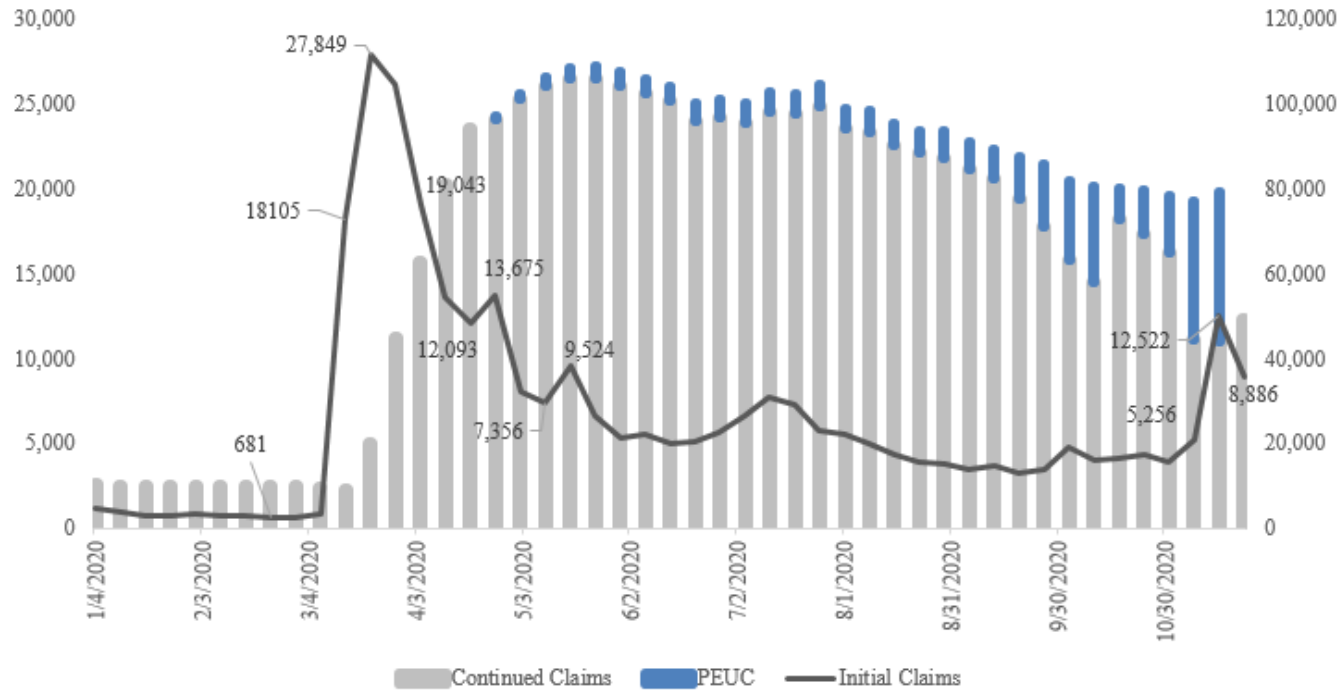
Source: bea.gov, Moody's 2020 Baseline

- The latest data from Moody's Analytics estimates a 2020Q2 RGDP contraction of 25.5%.
  - This represents a decline in RGDP from \$97.2 billion to \$90.3 billion from 2020Q1 to 2020Q2.
- Moody's November baseline forecast for New Mexico is not as pessimistic as the September and May baseline forecasts.
  - A 2020Q2 RGDP contracted at an annualized rate of 28.3 % with an increase of 26.9% projected in 2020Q3.
  - Near term expectations have improved from 2020Q3 to 2021Q4



# NM Unemployment Insurance Claims

**New Mexico's Weekly UI Intial Claims, Continued Claims, and Pandemic Emergency Unemployment Assistance**  
**January 2020 to Present**

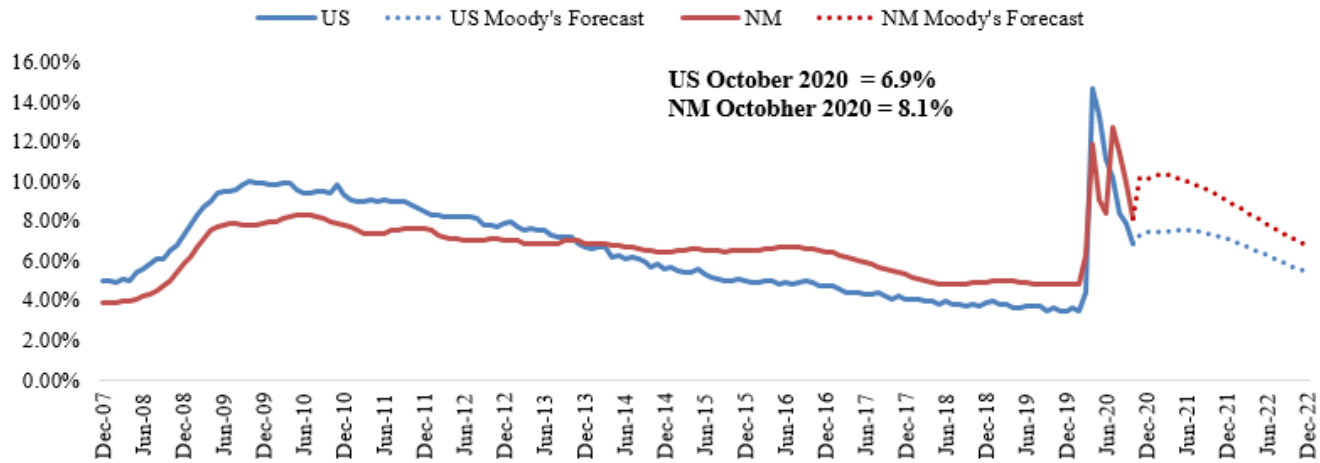


Source: [dol.gov](https://dol.gov), not seasonally adjusted, DWS NM

- New Mexico UI claims were relatively stable prior to COVID-19.
- Initial claims increased sharply in mid-March and peaked in April.
- The November health care restrictions caused an increase in initial claims the week ending November 14<sup>th</sup> up to 12,522 initial claims. Initial claims remain elevated in the following week at 8,886.
- Continued claims have remained elevated since the pandemic began
- The CARES Act created a new temporary federal program. The Federal Pandemic Unemployment Assistance program (PUA) and the Pandemic Emergency Unemployment Assistance (PEUC).
  - The PUA claims provides UI benefits to individuals who normally would not qualify for UI benefits. Most people on PUA are self-employed, but not all.
  - PUA continued claims peaked at 83,986 at the end of July. PUA claims have decreased to 30,022 since then.
  - PEUC UI provides benefits to individuals who have exhausted the standard unemployment assistance.
  - PEUC claims have increased from 4,941 in July to 34,946 towards the end November.

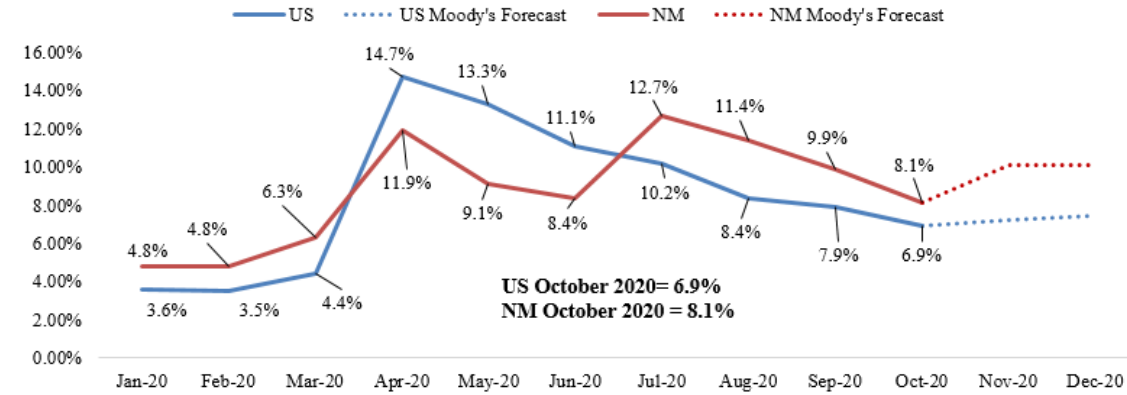
# NM Unemployment Rate

US and NM Unemployment Rate (percent) : January 2008 to October 2020



Source: bls.gov, seasonally adjusted

US and NM Unemployment Rate (percent) : January 2020 to December 2020

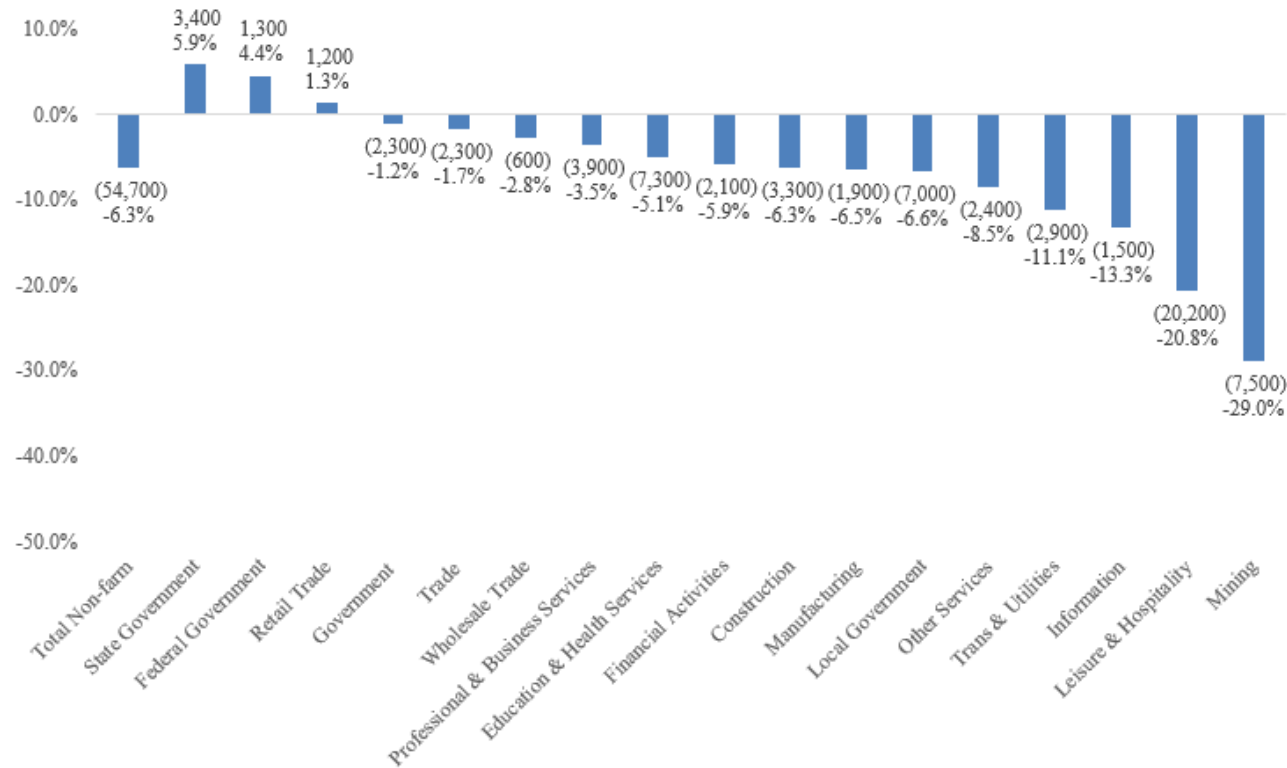


Source: bls.gov, seasonally adjusted

- The national unemployment rate peaked in April at 14.7% and has decreased down to 6.9% in October.
  - Moody's baseline forecast in May expected national unemployment to peak at 16.5%.
- New Mexico unemployment rate peaked in July at 12.7% and has decreased to 8.1% in October.
  - Moody's baseline forecast in May expected unemployment in New Mexico to peak at 14.9%.

# NM Employment by Sector Y-o-Y

Percent Change and Level Change in Non-Farm Employment in New Mexico by Sector  
October 2019 to October 2020



Source: bls.gov, CES not seasonally adjusted

- Year-over-year total non-farm employment declined 6.3% or 54,700 jobs in October.
- Since the pandemic began most sectors have been negatively impacted.
- In October, the most severe employment declines continued to impact the Leisure & Hospitality and the Mining sectors
  - Leisure & Hospitality down 20,200 jobs
  - Mining down 7,500 jobs
- Sectors which gained jobs were State Government, Federal Government, and Retail Trade.

# NM Employment Recovery

New Mexico's Employment Situation: October 2020

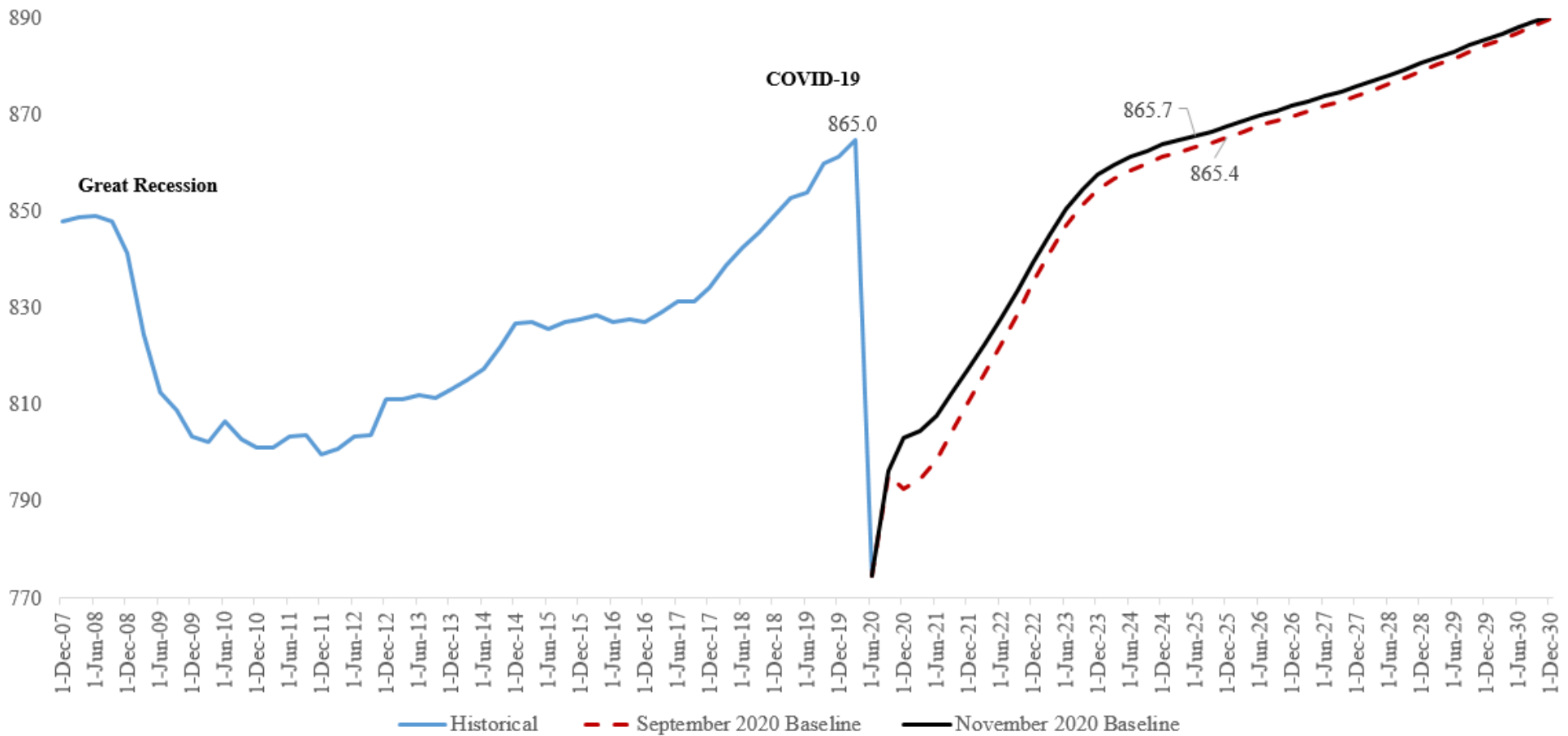
Industry	February 2020 Employment	April 2020 Employment	Cumulative Change	Percent Change	October 2020 Employment	Cumulative Change April to October	Change in Employment February to October	Percent of jobs recovered April to October
Total Non-farm	866.7	762.3	-104.4	-12.0%	804.2	41.9	-62.5	40.1%
Mining	26.4	20.6	-5.8	-22.0%	18.6	-2.0	-7.8	No gain
Construction	52.8	49.3	-3.5	-6.6%	48.1	-1.2	-4.7	No gain
Manufacturing	29.4	23.4	-6	-20.4%	26.8	3.4	-2.6	56.7%
Trade	138.3	126.1	-12.2	-8.8%	135	8.9	-3.3	73.0%
Wholesale Trade	22.4	21.8	-0.6	-2.7%	21.2	-0.6	-1.2	No gain
Retail Trade	90.0	80.8	-9.2	-10.2%	90.9	10.1	0.9	109.8%
Trans & Utilities	25.9	23.5	-2.4	-9.3%	22.9	-0.6	-3.0	No gain
Information	10.7	9.4	-1.3	-12.1%	9.8	0.4	-0.9	30.8%
Financial Activities	36.4	32.8	-3.6	-9.9%	33.6	0.8	-2.8	22.2%
Professional & Business Services	111.7	104.2	-7.5	-6.7%	106.4	2.2	-5.3	29.3%
Education & Health Services	143.9	131.8	-12.1	-8.4%	135.1	3.3	-8.8	27.3%
Leisure & Hospitality	98.5	57.6	-40.9	-41.5%	77.7	20.1	-20.8	49.1%
Other Services	28.5	23.1	-5.4	-18.9%	26.3	3.2	-2.2	59.3%
Government	189.9	183.9	-6	-3.2%	186.6	2.7	-3.3	45.0%
Federal Government	29.5	29.7	0.2	0.7%	30.6	0.9	1.1	450.0%
State Government	56.7	55	-1.7	-3.0%	59.4	4.4	2.7	258.8%
Local Government	103.7	99.2	-4.5	-4.3%	96.6	-2.6	-7.1	No gain

Source: Bureau of Labor Statistics, [www.bls.gov](http://www.bls.gov). Employment data is seasonally adjusted

- NM lost over 104 thousand jobs at the beginning of the COVID-19 pandemic in April.
- From April to October NM has regained 41 thousand jobs or 40.1% of the employment lost.
- Retail trade has regained 100% of the jobs lost in April or 10,100 jobs.
- Education & Health Services has regained 27.3% of the jobs lost or 3,300 jobs.
- Leisure & Hospitality has regained 49.1% of the jobs lost or 20,100 jobs.

# NM Employment Recovery

New Mexico's Quarterly Total Non-Farm Employment by Forecast: 2007Q4 to 2030Q4



Source: bls.gov, Moody's Analytics

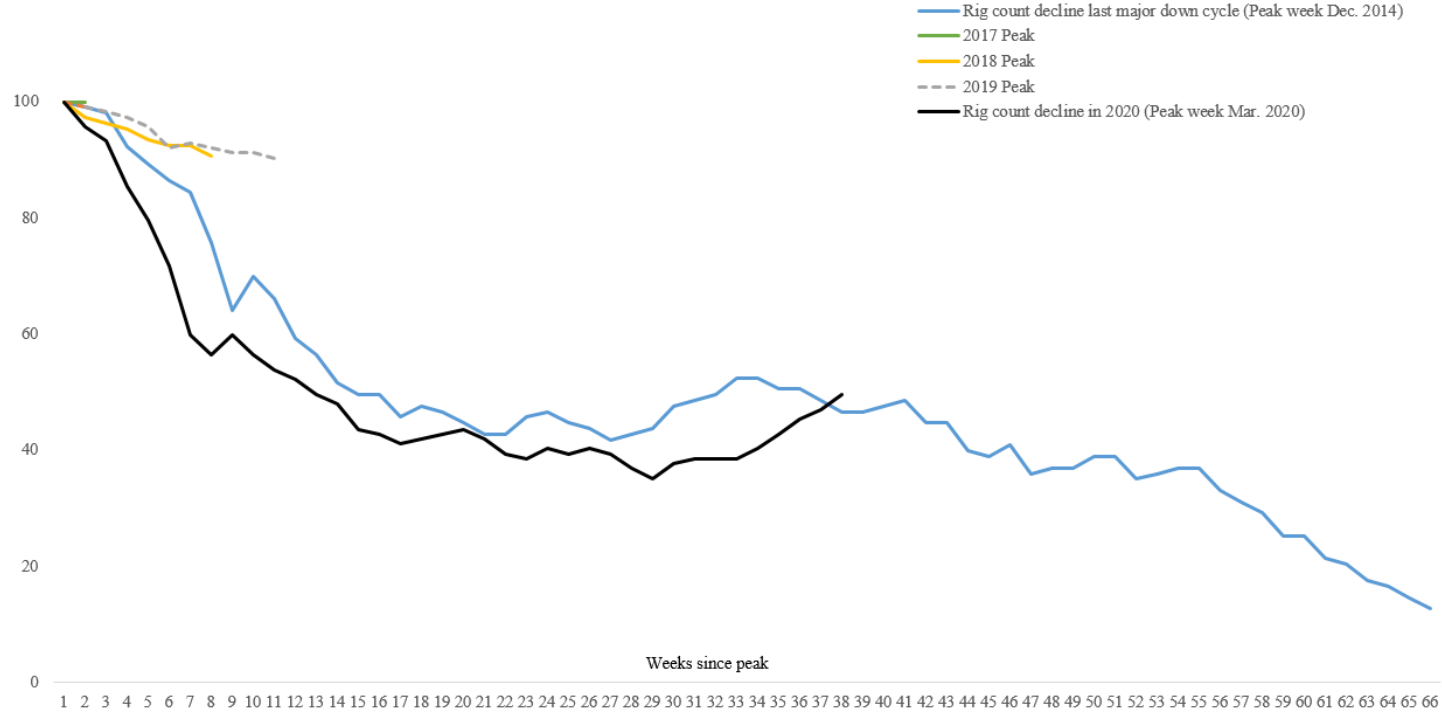
➤ Moody's Analytics November baseline forecast projects NM will recover to pre-COVID-19 employment levels in 2025.

# Oil & Natural Gas

---

# New Mexico Rig Count

New Mexico Oil Drilling Rig Count, speed of decline in 2020 vs. previous down cycles

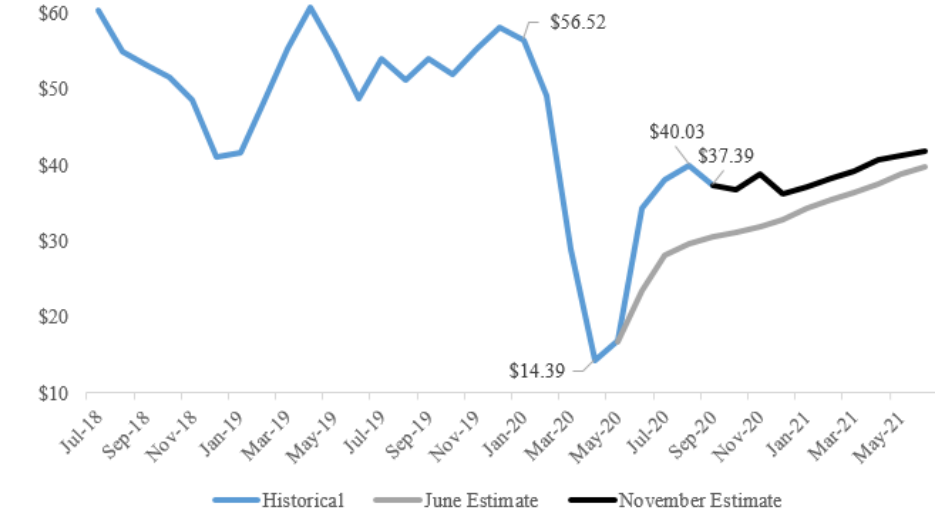


Source: Baker Hughes Rig Count Summary

Note: Peak week is week 1, All peak weeks indexed to 100

- Previous major down cycle began on December 19<sup>th</sup>, 2014 and ended on March 18<sup>th</sup>, 2016.
  - From a peak until the rig count bottomed out - decline lasted 65 weeks.
  - NM rigs declined from 103 to 13 rigs.
- In 2020, NM rig counts peaked at 117 in March and declined to 41 rigs in September.
- NM rigs leveled off in the 40s through September and October.
- NM rigs have increased to 58 rigs by the end of November.

New Mexico's Monthly Oil Price July 2018 to September 2020  
WTI Futures w/differential October 2020 to June 2021



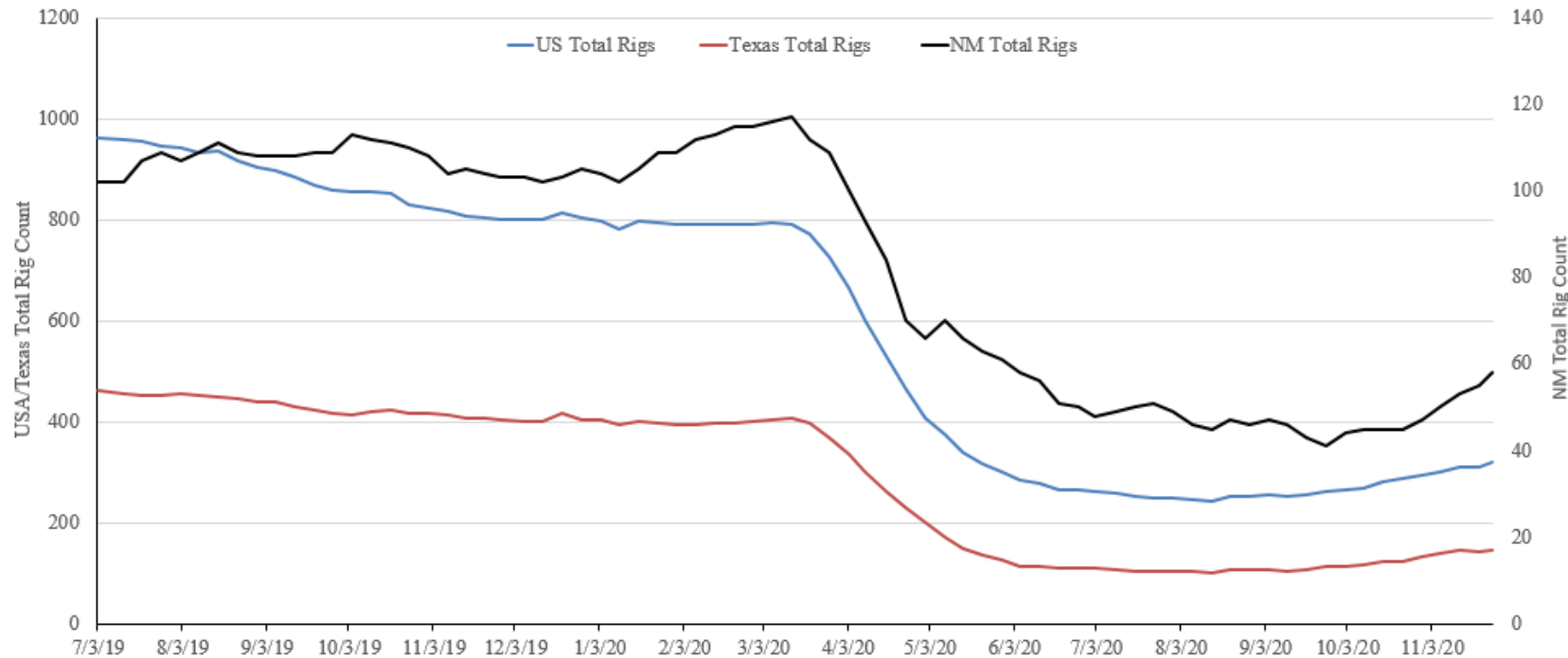
Sources: DFA Estimate, TRD GenTax System

Weighted WTI derived from EIA STEO, NYMEX, Phillips 66, and Moody's Forecasts

- Updated estimates for weighted WTI futures with New Mexico differentials illustrate oil prices closing the 2020 calendar year at just over \$40/barrel.
- The most significant difference between the current projected range and the prior estimates are the near-term expectations for oil prices
- Oil prices are inherently volatile. Oil prices are dependent on demand recovery, OPEC+ decisions, inventory builds/drawdowns, and other factors.

# New Mexico Rig Count

## Total Rig Count for the USA, Texas, and New Mexico: July 3, 2019 to Present



Source: Baker Hughes North America Rig Count. Retrieved from <https://rigcount.bakerhughes.com/na-rig-count>

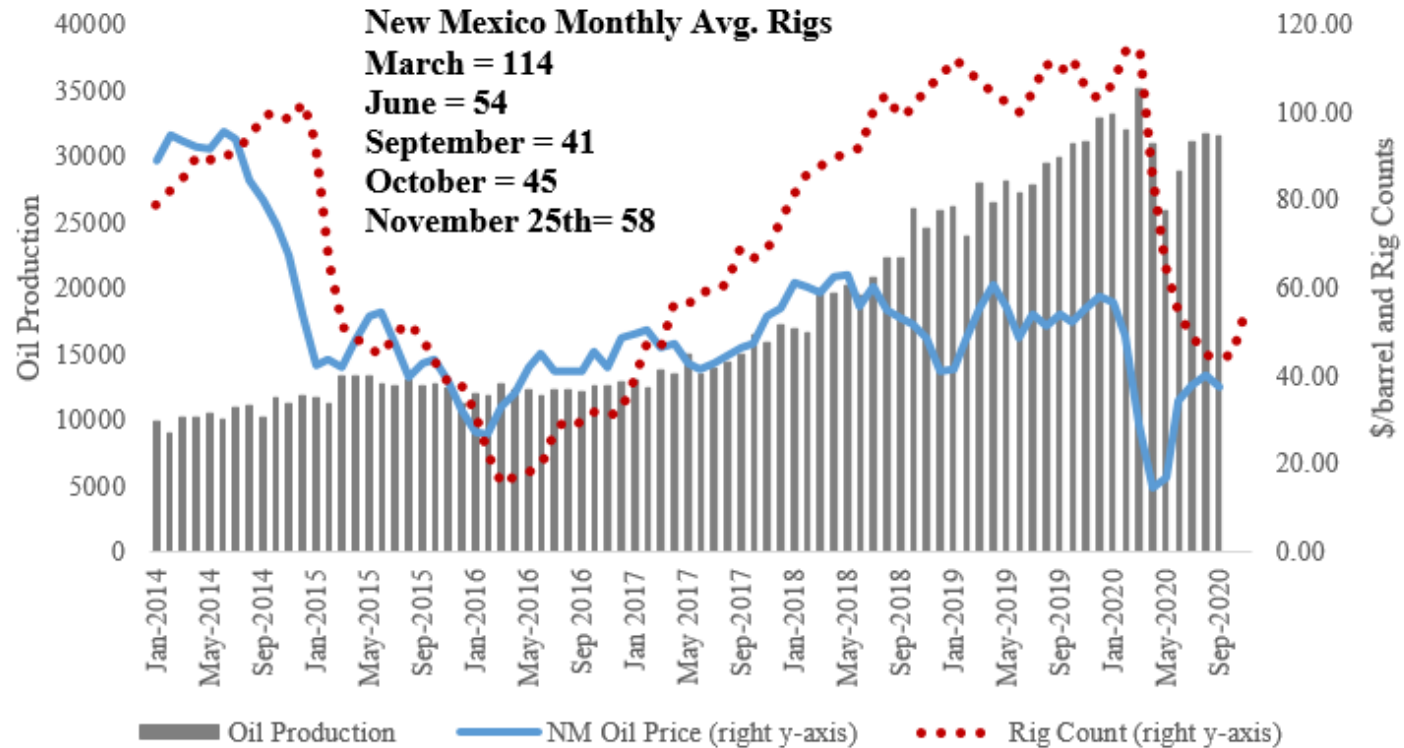
Note: United States (US) and Texas Total Rig Count are on the primary axis. New Mexico's (NM) Total Rig Count is on the secondary axis

- National oil production is expected to decline through 2021 (EIA, Moody's Analytics).
- Oil production in the Permian has become a greater contributor to national oil production. This trend is expected to continue as the technology, geology, and the economics make the Permian attractive for producers.
- The Permian basin is expected to recover to pre-COVID-19 levels by the mid-2020s (Rystad Energy).
  - Lowers costs for E&Ps.
  - Breakeven price around \$40/barrel. (Rystad Energy, API)
- Other trends
  - Consolidation in industry.
  - Producers are focused on reduction in costs versus aggressive growth.
- As prices stabilized due to OPEC cuts, US producer curtailments, and signs of demand firming – rig count declines have slowed.



# New Mexico Oil Production

**NM Oil Production (1000 barrels), NM Oil Price (\$ per barrel), & NM Rig Count (number)**  
**January 2014 to November 2020**



Source: Baker Hughes, TRD (Production and price through September 2020, Rigs through November 2020)

- In 2020 oil prices have been impacted by both supply and demand side shocks due to the oil price war early in the year and the COVID-19 pandemic.
- NM oil production slowed April through May, before growth resuming in June until September.
- September production was flat compared to August.
- The average price of NM oil in FY20 was \$44/barrel and produced 368 million barrels of oil in FY20.
- While the outlook has improved over the September and June forecasts, with WTI prices in the low \$40s/barrel, and much uncertainty in regards to overall economic recovery - Oil production is still expected to decline with the brunt of the decline in NM occurring in FY21.

# New Mexico Oil & Natural Gas Prices and Volumes

<b>December 2020 Estimate</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY 2025</b>
Oil Price (\$/barrel)	\$38.00	\$43.50	\$47.00	\$47.50	\$48.50
Oil Volumes (million barrels)	340	330	340	355	370
Natural Gas Price (\$ /mcf)	\$ 2.55	\$ 2.65	\$ 2.55	\$ 2.65	\$2.75
Natural Gas Volumes (bcf)	1760	1715	1755	1785	1815
Source: CREG December 2020					

<b>June 2020 Estimate</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY 2025</b>
Oil Price (\$/barrel)	\$31.00	\$41.00	\$43.50	\$44.00	
Oil Volumes (million barrels)	255	225	240	255	
Natural Gas Price (\$ /mcf)	\$ 2.20	\$ 2.35	\$ 2.20	\$ 2.25	
Natural Gas Volumes (bcf)	1515	1415	1425	1430	
Source: CREG June 2020					

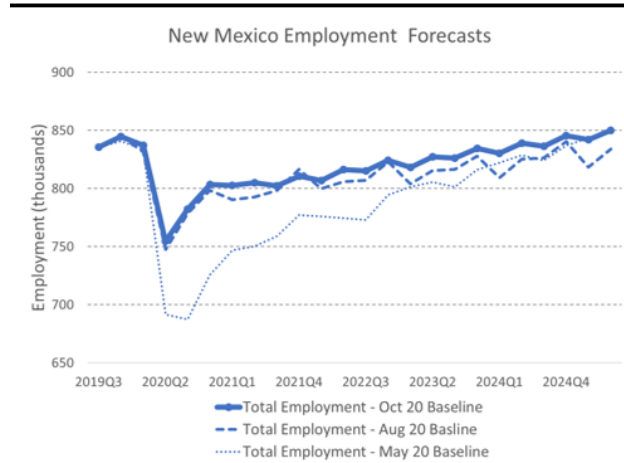
<b>December 2019 Estimate</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY 2025</b>
Oil Price (\$/barrel)	\$50.00	\$50.00	\$52.00	\$53.00	
Oil Volumes (million barrels)	360	365	375	385	
Natural Gas Price (\$ /mcf)	\$ 2.25	\$ 2.50	\$ 2.50	\$ 2.50	
Natural Gas Volumes (bcf)	1625	1650	1665	1675	
Source: CREG December 2019					

- Consensus forecast expects average oil prices of \$38/bbl. in FY21, \$43.50/bbl. in FY22, \$47.00/bbl. in FY23, and \$47.50/bbl. in FY24.
- Consensus forecast expects oil volumes of 340mm barrels in FY21, 330mm barrels in FY22, and 340mm barrels in FY23.
- This represents an improvement in price and volume expectations compared to the June 2020 forecast.
- However, when compared to the pre-COVID-19 forecast of December 2019, oil prices and volumes expectations are lower.

# Personal Income Taxes

---

# Employment and Wages & Salary Forecasts

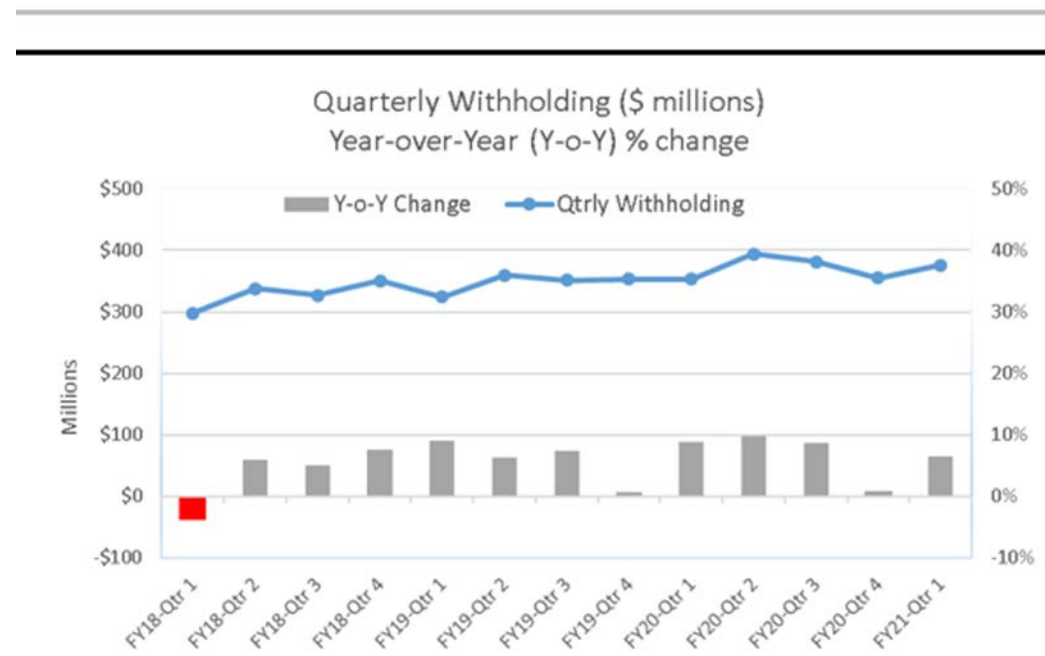


Source: UNM Bureau of Business & Economic Research



Source: UNM Bureau of Business & Economic Research

- Employment recovery still prolonged until FY25 while stronger recovery of aggregate wages & salary in current forecast (UNM Bureau of Business & Economic Research)
  - Faster recovery of high-wage jobs versus low-wage jobs in service sectors
- Supporting strong recovery of Withholding into first quarter of FY21



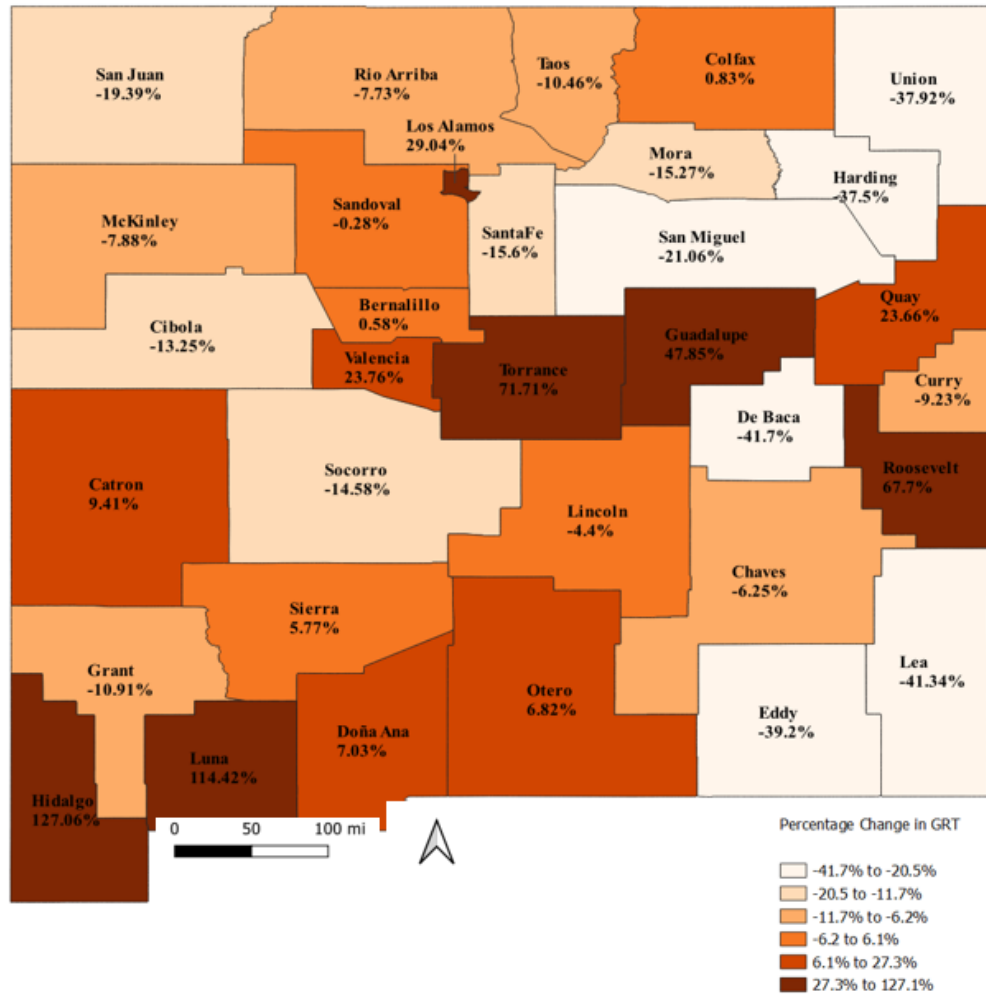
Source: Authors's Calculation, DFA GF Accrual Report with TRD preliminary FY21 - Qtr 1 accrual

# Gross Receipts Taxes

---

# MTGR Y-o-Y Growth FY21Q1/FY20Q1

## Matched Taxable Gross Receipts YoY Growth by County: FY20Q1 to FY21Q1



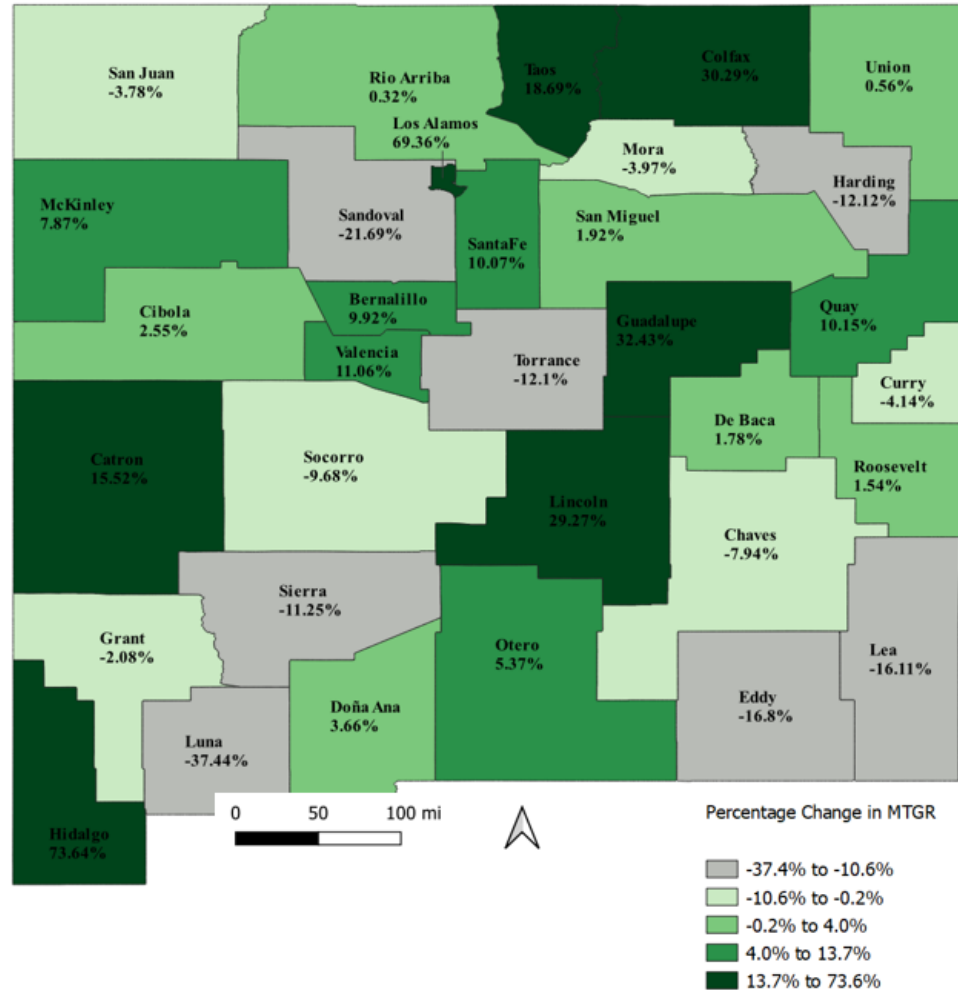
- Significant declines in the Mining, Oil and Gas, Leisure and Hospitality, Manufacturing, and Wholesale Trade Industries
- Online sales continued to contribute significantly to retail sales
- In FY21Q1, the Construction industry has slowed as temporary construction projects are completed.
- MTGR growth is tied to the recovery in employment and wages and salaries.
  - Employment levels in FY21 are forecasted to be 2.4% lower versus FY20 before resuming growth in FY22 (UNM BBER). Not until 2025 do forecasts show the state reaching pre-recession levels of employment (Moody's and UNM BBER)
  - Wages and salaries growth is forecasted to slow to 1.3% in FY21 versus 3.1% in FY20. Growth returns to a stronger rate of 3.9% in FY22 (UNM BBER).
- On a year-over-year basis gross receipts are expected to decline by 16.7% in FY21 before returning to growth of 3.7% in FY22.

Matched Taxable Gross Receipts By Industry		
Industry	FY21Q1 Year-over-Year	
Agriculture, Forestry, Fishing and Hunting	-\$38,718	-0.1%
Mining and Oil and Gas Extraction	-\$845,735,327	-46.6%
Utilities	\$68,484,781	9.1%
Construction	-\$207,536,658	-9.1%
Manufacturing	-\$66,095,994	-12.7%
Wholesale Trade	-\$259,265,803	-28.7%
Retail Trade	\$262,136,797	7.2%
Transportation and Warehousing	-\$74,218,833	-30.2%
Information and Cultural Industries	-\$214,602,060	-30.4%
Finance and Insurance	\$3,485,565	3.6%
Real Estate and Rental and Leasing	-\$112,384,839	-22.1%
Professional, Scientific and Technical Services	\$32,027,831	2.0%
Management of Companies and Enterprises	\$92,724	0.9%
Admin and Support, Waste Mgt and Remed	\$169,717,651	19.0%
Educational Services	-\$14,226,214	-16.0%
Health Care and Social Assistance	\$129,799,863	15.4%
Arts, Entertainment and Recreation	-\$55,519,833	-57.4%
Accommodation and Food Services	-\$262,208,607	-20.6%
Other Services (except Public Admin)	-\$284,742,002	-18.2%
Public Administration	-\$3,898,355	-6.4%
Unclassified Establishments	\$36,293,425	18.1%
<b>Total:</b>	<b>-\$1,698,434,604</b>	<b>-9.3%</b>

Source: DFA, TRD RP-500

# MTGR Growth FY20Q4-FY21Q1

## Matched Taxable Gross Receipts Growth from FY20Q4 to FY21Q1



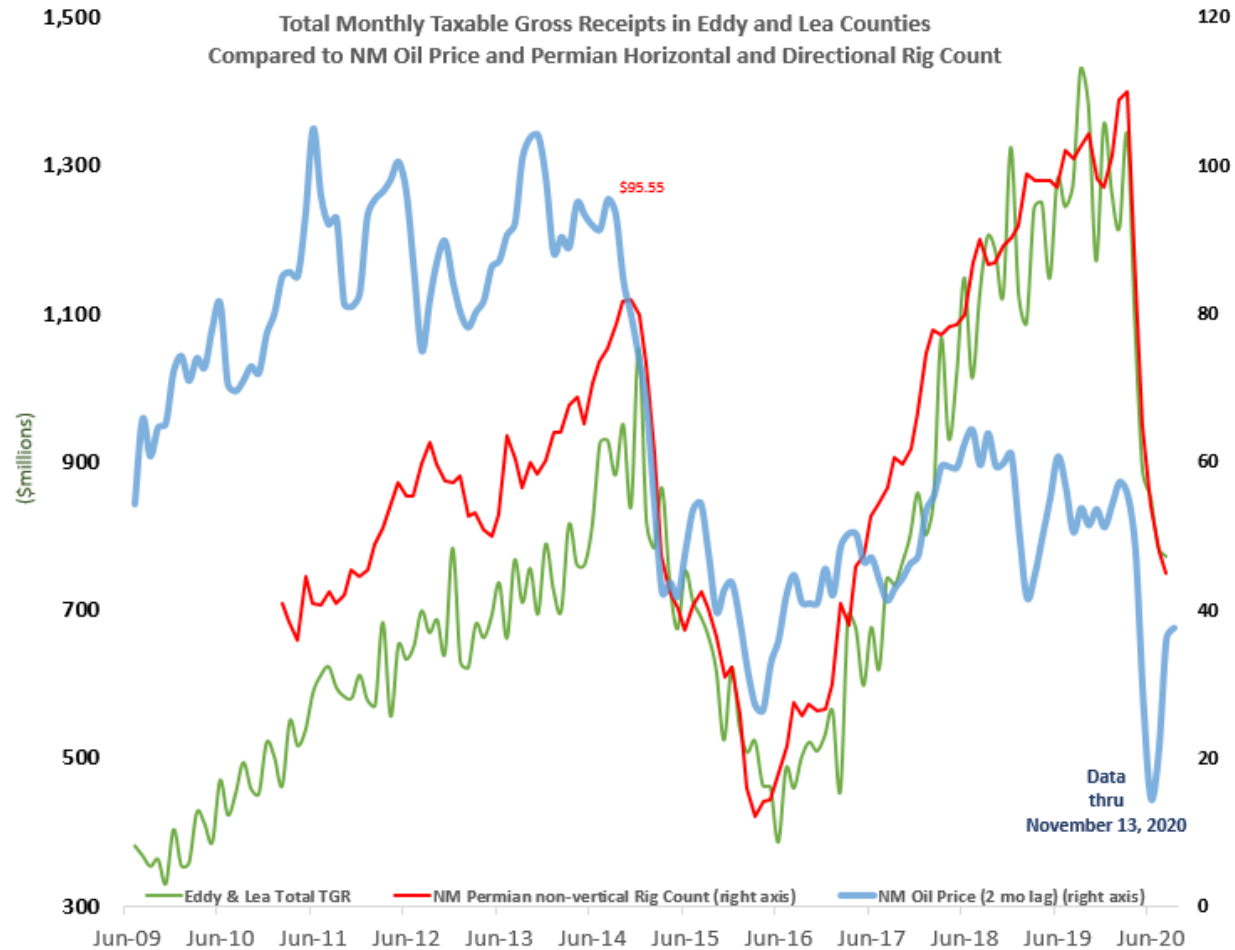
- Leisure and Hospitality sectors demonstrated a recovery in FY21Q1 compared to FY20Q4.
- As oil production declined both Eddy and Lea counties MTGR declined by 16.8% and 16.11%, respectively.
- MTGR data does not reflect the latest restrictions to manage COVID-19

## Matched Taxable Gross Receipts By Industry

Industry	MTGR	MTGR Growth FY20Q4 to FY21Q1
Agriculture, Forestry, Fishing and Hunting	\$5,200,359	16.8%
Mining and Oil and Gas Extraction	-\$166,790,153	-14.7%
Utilities	\$195,888,979	31.2%
Construction	-\$477,078,962	-18.6%
Manufacturing	-\$961,836	-0.2%
Wholesale Trade	\$13,251,577	2.1%
Retail Trade	\$36,856,224	0.9%
Transportation and Warehousing	-\$39,877,011	-18.8%
Information and Cultural Industries	-\$272,223,297	-35.7%
Finance and Insurance	\$6,652,586	7.0%
Real Estate and Rental and Leasing	\$10,920,673	2.8%
Professional, Scientific and Technical Services	\$100,467,187	6.4%
Management of Companies and Enterprises	\$625,184	6.4%
Admin and Support, Waste Mgt and Remed	\$343,643,052	47.7%
Educational Services	\$11,131,580	17.6%
Health Care and Social Assistance	\$126,894,593	15.0%
Arts, Entertainment and Recreation	\$9,956,372	31.9%
Accommodation and Food Services	\$169,826,673	20.2%
Other Services (except Public Admin)	\$37,085,142	3.0%
Public Administration	\$4,200,697	7.9%
Unclassified Establishments	\$24,400,056	11.5%
<b>Total:</b>	<b>\$140,069,677</b>	<b>0.9%</b>

Source: DFA, TRD RP-500

# MTGR Eddy & Lea Counties



- There is a strong relationship between oil production, rig activity, and MTGR in Eddy and Lea counties.
- After the collapse of oil prices in March, rig counts soon declined.
- As NM rig counts declined the combined MTGR of Eddy and Lea also declined.
- This coincided with stay at home orders in NM, which also negatively impacted MTGR.
- As oil prices and rigs have stabilized Eddy and Lea MTGR related activity is expected to slow in its decline.
- Oil industry shocks are expected to still be felt in Eddy and Lea MTGR.

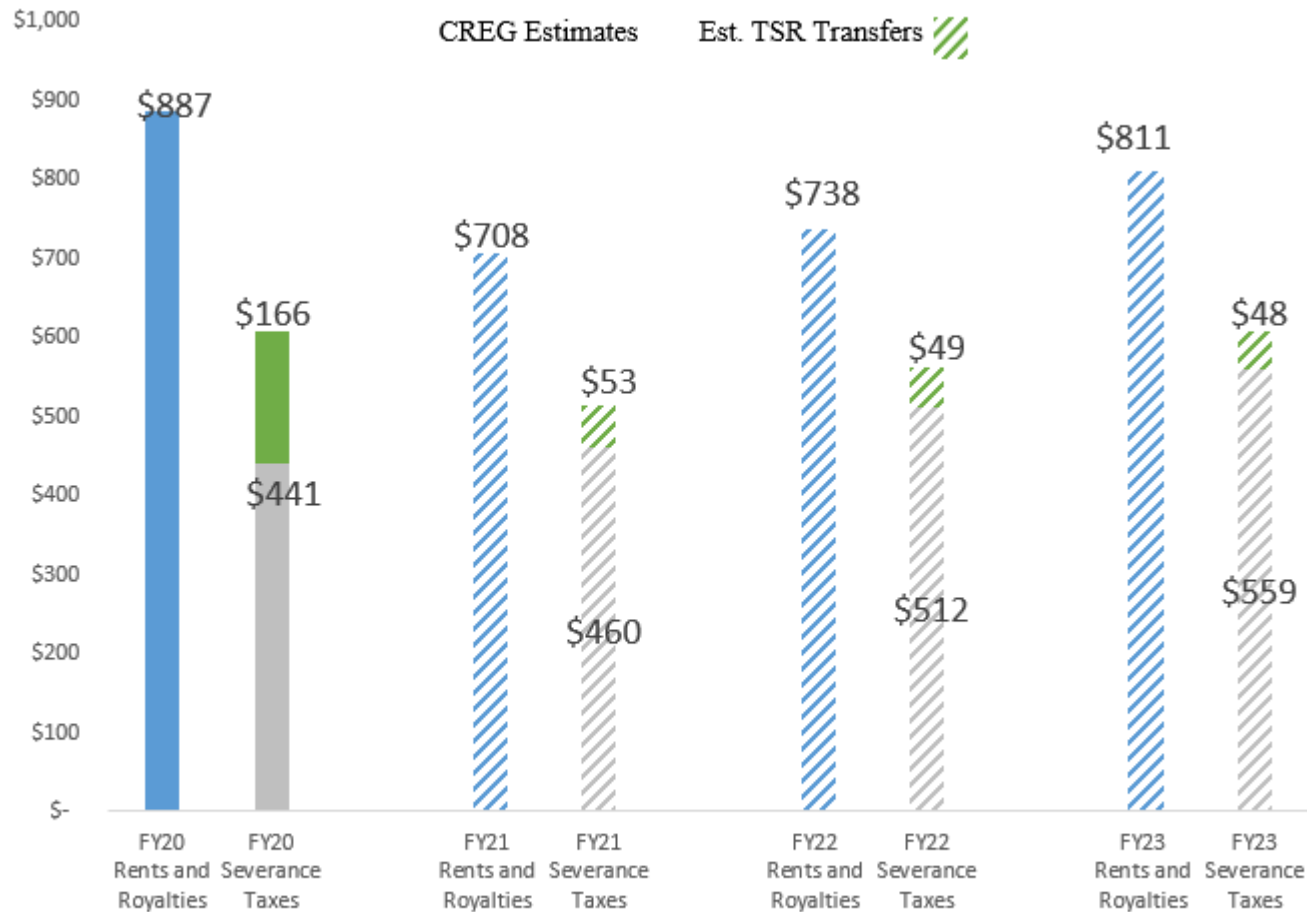


# Severance Taxes & Rents & Royalties

---

# Severance Taxes & Federal & State Rents and Royalties

**Estimated Severance and Rents and Royalty Revenues for FY20, FY21, FY22, and FY23 (\$ millions)**



Source: DFA, CREG, Author's calculation

- Severance tax revenue in FY20 did not decline as much due to the strength in oil prices and production from earlier in the fiscal year.
- Severance tax revenue in FY20 is estimated at \$556 million with an estimated \$166 million transfer to the TSR.
- Monthly oil production declined in April and May but as oil prices stabilized and rebounded in June. Shut-in oil production has come back online and production has slightly grown in June. However, current well production will naturally decline. Even with oil prices recovery and oil demand gradually increasing, without increases in new drilling activity and well completion, production is expected to slow in FY21.
- In FY21, overall severance tax revenues decline, however, the TSR mechanism stabilizes revenue to the general fund, and severance tax revenue to the general fund increases to \$460 million – a 4.3% increase compared to FY20.
- Rents and royalty revenues are expected to decline by 20% to \$708 million in FY21
- Both severance taxes and federal and state rents and royalties resume growth in FY22.
- National and state economic recovery expected in FY22 increasing economic activity and improvement in oil demand.

# General Fund Overview

---

# General Fund Overview

## FY20

- FY2020 GF Recurring Revenue declined by 1.9 percent over FY2019
- FY2020 GF Reserves are \$2,513.9 million or 35.4% of recurring appropriations

## FY21

- FY2021 GF Recurring Revenue is estimated to decline by 10.9 percent vs. FY2020
- FY2021 GF Reserves are estimated at \$2,407 million or 33.4% of recurring appropriations\*

## FY22

- FY2022 GF Recurring Revenue is forecasted to grow by 5.4 percent vs. FY2021
- “New Money” for FY2022 is forecasted to be \$169 million

\* Pending 2021 legislative appropriations

# Consensus Revenue Summary

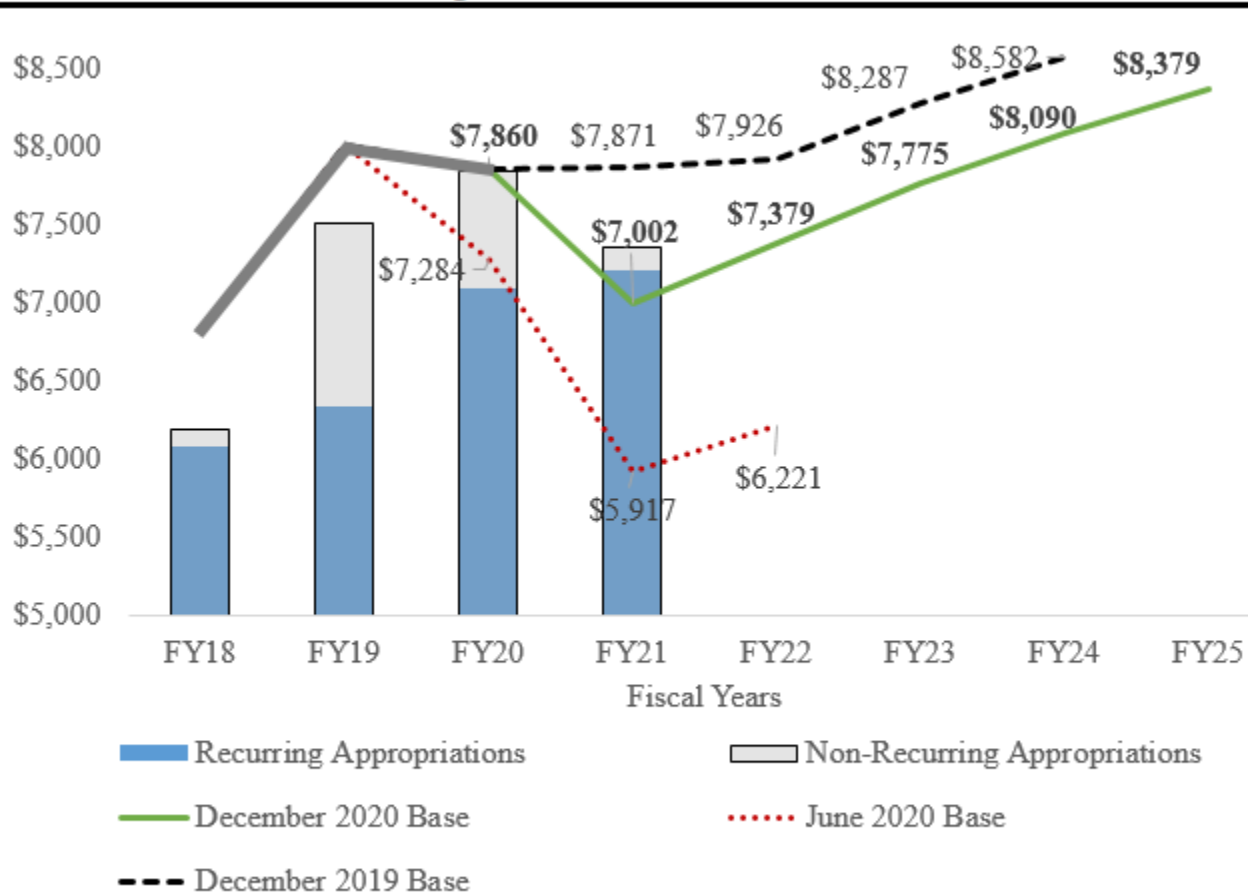
**Table 1**  
**December 2020 Consensus General Fund Forecast**  
(Millions of Dollars)

	FY20		FY21		FY22	
	\$ Millions	% Change	\$ Millions	% Change	\$ Millions	% Change
General Sales	\$ 3,006	9.8%	\$ 2,518	-16.2%	\$ 2,609	3.6%
Selective Sales	\$ 563	3.6%	\$ 539	-4.2%	\$ 570	5.7%
Income Taxes	\$ 1,755	-2.2%	\$ 1,589	-9.5%	\$ 1,690	6.3%
O&G Revenue	\$ 1,328	-22.0%	\$ 1,168	-12.1%	\$ 1,250	7.0%
Investment Income	\$ 991	4.7%	\$ 985	-0.6%	\$ 1,040	5.6%
Other	\$ 218	-23.3%	\$ 204	-6.3%	\$ 221	8.1%
Total Recurring Revenue	\$ 7,860	-1.9%	\$ 7,002	-10.9%	\$ 7,379	5.4%

- Total recurring GF revenue is estimated to decrease by 10.9% in FY21 due to the widespread impact of COVID-19.
- Total recurring GF revenue is estimated to increase in FY22 by 5.4% over FY21.
- The trajectory of decline in FY21 and beginning recovery in FY22 is driven by the trajectory of COVID-19, employment, wages & salaries, consumer and business confidence, and oil demand recovery.

# Consensus General Fund Revenue Forecast

**Consensus General Fund Recurring Revenue Forecast FY21 to FY25**



Source: DFA, CREG

**December 2020 Forecast compared to the June 2020 and December 2019**

Forecast	FY20	FY21	FY22	FY23	FY24	FY25
December 2020 Base	\$ 7,860	\$ 7,002	\$ 7,379	\$ 7,775	\$ 8,090	\$ 8,379
June 2020 Base	\$ 7,284	\$ 5,917	\$ 6,221			
December 2019 Base	\$ 7,776	\$ 7,871	\$ 7,926	\$ 8,287	\$ 8,582	

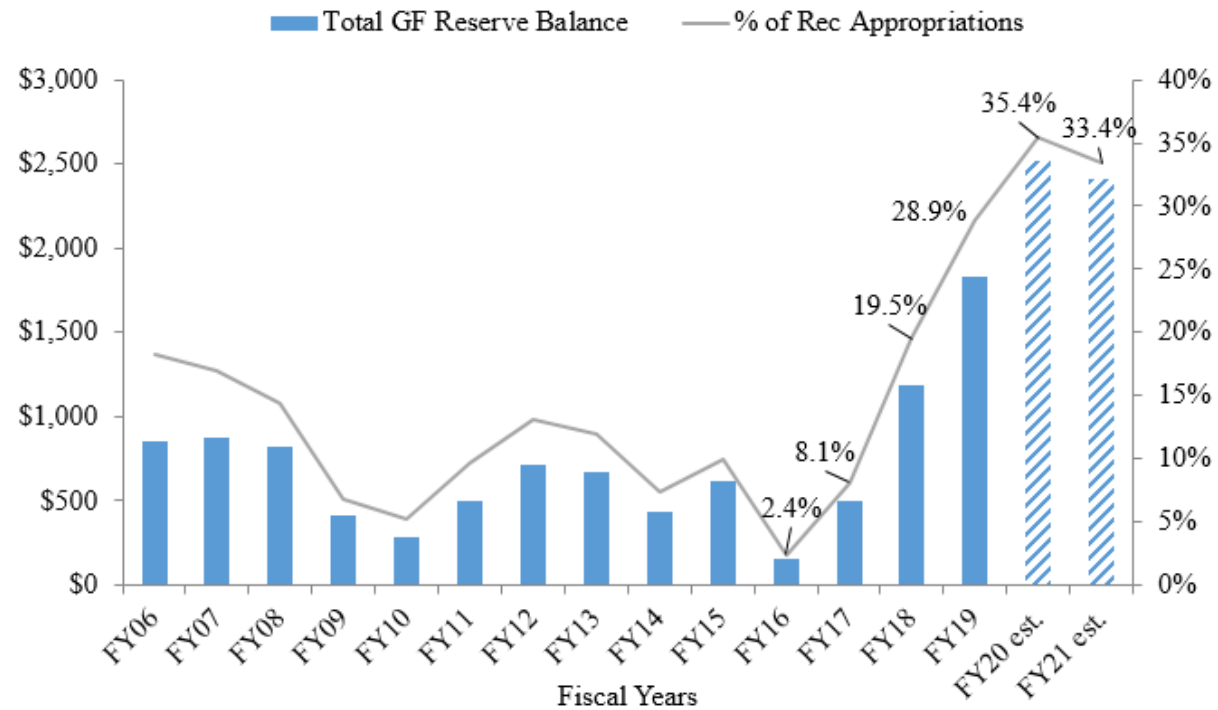
**December 2020 Forecast compared to the June 2020 and December 2019**

Forecast	FY20	FY21	FY22	FY23	FY24
June 2020 Base	\$ 576	\$ 1,086	\$ 1,158		
December 2019 Base	\$ 83	\$ (868)	\$ (547)	\$ (512)	\$ (492)

- The December 2020 consensus general fund forecast is higher than the forecast in June 2020 but lower than the forecast from December 2019.
- When compared to the June 2020 forecast, the December 2020 forecasted revenue is higher by \$1,086 million and \$1,158 million in FY21 and FY22, respectively.
- When compared to the December 2019 forecast, the December 2020 forecasted revenue is lower by \$868 million and \$547 million in FY21 and FY22, respectively.

# General Fund Reserves

**General Fund Reserve Balances as a Percent of Recurring Appropriations**

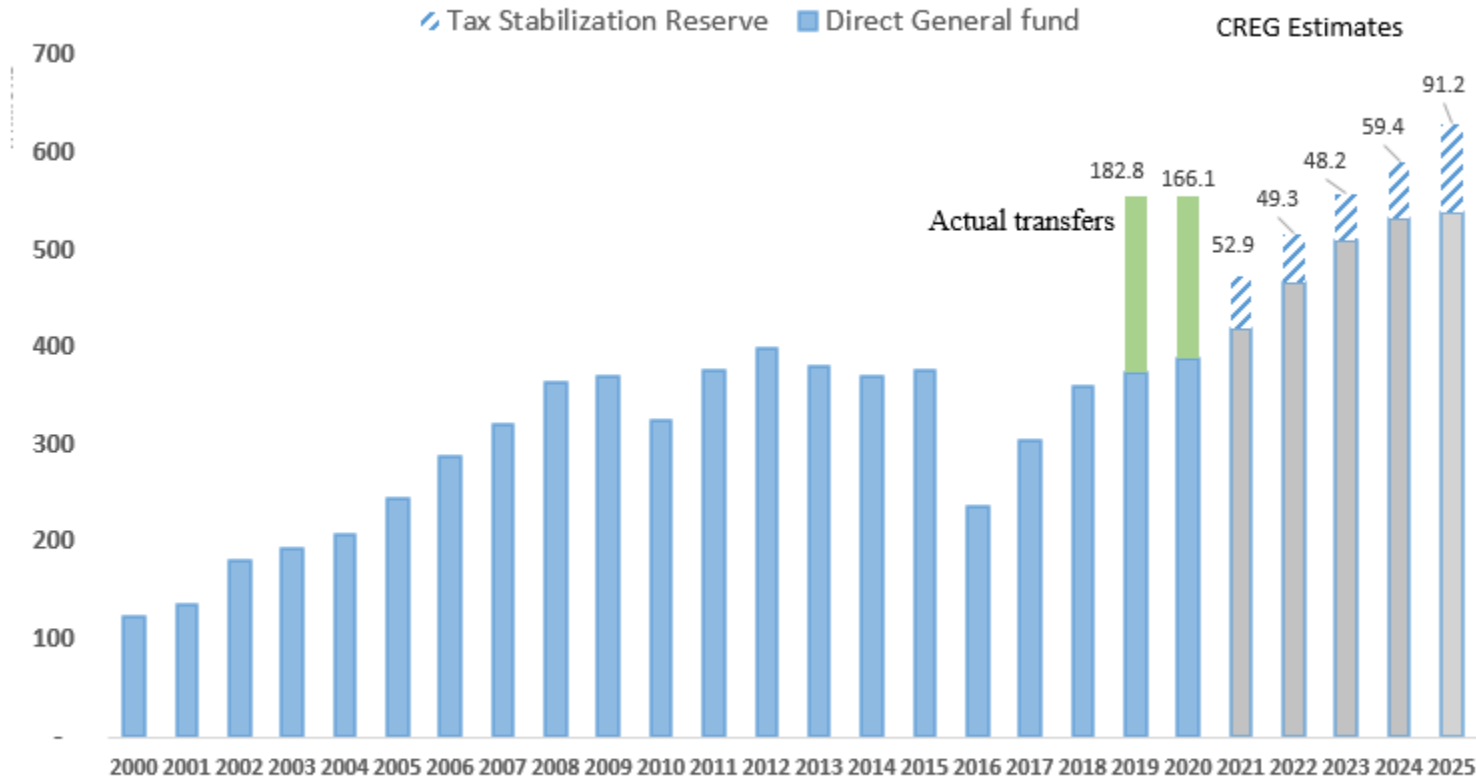


Source: DFA, FCD

- FY20 General fund reserve balances are estimated to end at \$2.5 billion or 35.4% of recurring appropriations
- Total general fund reserves are estimated at \$2.4 billion or 33.4% of recurring appropriations at the end of FY21. (pending 2021 legislative appropriations)

# Oil & Gas Emergency School Tax transfers to the Tax Stabilization Reserve (TSR)

**Oil and Gas School Tax Stabilization Reserve Intercept Effect (millions)**



➤ FY19 and FY20 transfers to the TSR were \$182.8 million and \$166.1 million, respectively.

➤ December 2020 forecast estimates transfers to the TSR to continue.

**Note: Transfers to the Tax Stabilization Reserve began to take effect in FY19  
Until FY19, all Oil and Gas School Tax Revenues were sent to the GF**



# General Fund Financial Summary (\$ in millions)

	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
Beginning Balance (General Fund Reserves)	\$1,834.0	\$2,513.9	\$2,407.1
Total Revenue (Recurring Revenue)	\$7,859.8	\$7,002.5	\$7,378.5
Spending (Recurring Appropriations)	(\$7,092.1)	(\$7,209.5)	<b>“New Money” \$169 million</b>
Reserve Transfers, etc.	\$518.3	(\$182.2)	
Ending Balance (General Fund Reserves)	\$2,513.9	\$2,407.1	
General Fund Reserves as a Percent of Recurring Appropriations	35.4%	33.4%*	

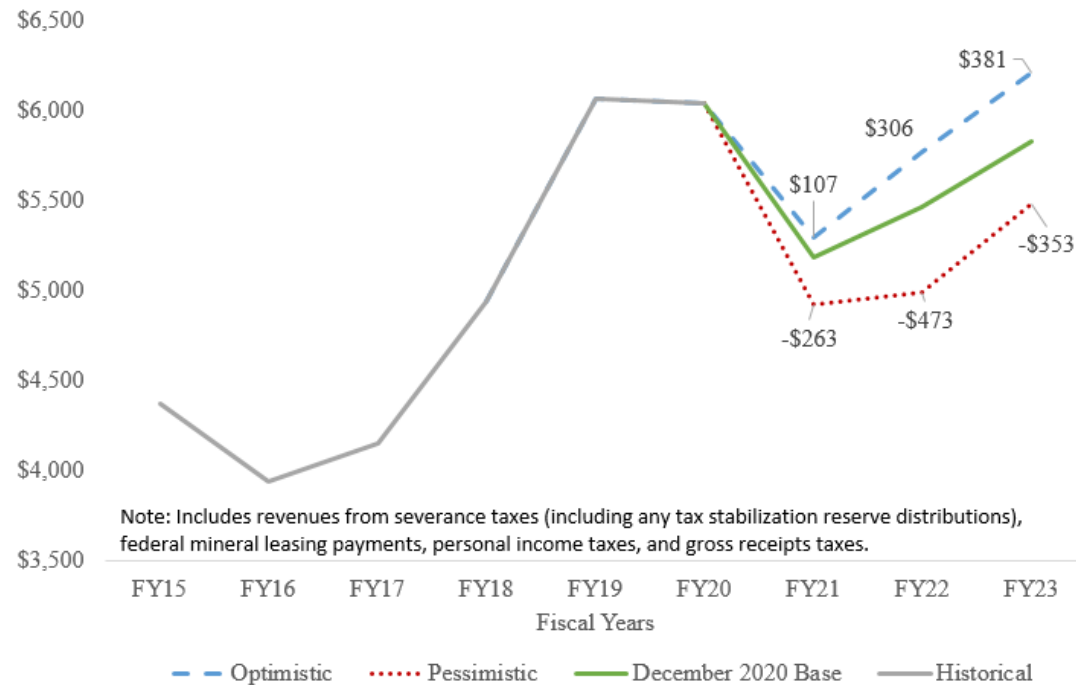
\* Pending 2021 legislative appropriations

# Risks to the Forecast

- COVID-19 pandemic uncertainty.
  - Updates on vaccine developments are positive but wide spread inoculation still a while away
  - Employment recovery will vary with employers expectations to economic recovery, COVID-19, and fiscal stimulus.
- Direction of additional federal stimulus legislation.
  - Unknown when and if an agreement for an additional stimulus bill will be reached.
  - The later another round of stimulus agreement is reached the less effective it is on stimulating the recovery (Moody's Analytics).
  - The form and scale of the stimulus agreement.
- Oil demand and supply.
  - Uncertainties in regard to demand are closely tied to COVID-19 path
    - Consumer and business behavior.
    - Transportation sector.
  - Oil supply dependent on OPEC actions.
    - More coordinated actions on supply which are often unknown or unexpected.

# Stress Test

## Revenue Sensitivity Analysis



Source: DFA, CREG, Moody's Analytics, IHS, UNM Bureau of Business & Economic Research, (in millions)

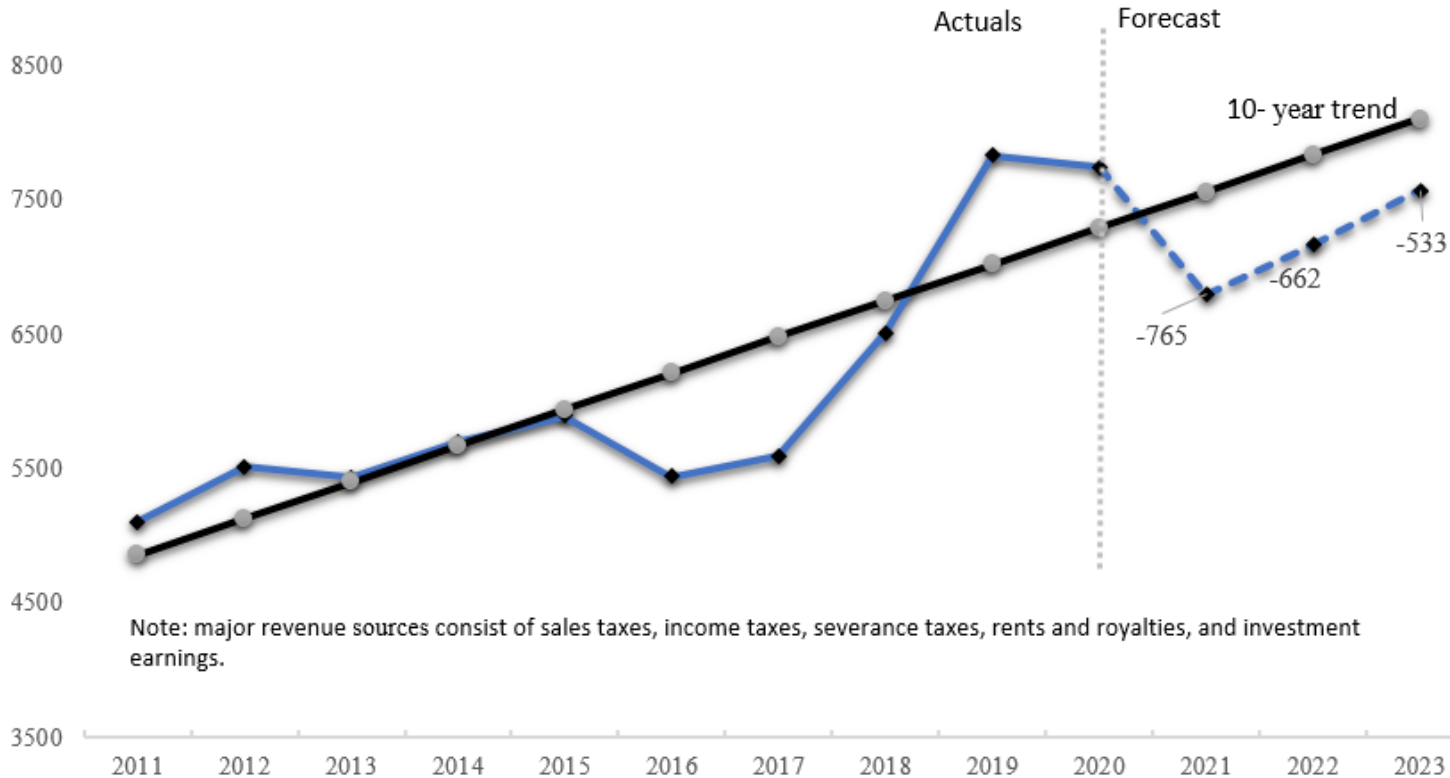
- 2020 has illustrated New Mexico's revenue sensitivity to an oil market downturn and a national economic recession event. A downturn which the state requires multiple years to weather and recover from.
- The pessimistic revenue forecast illustrates that a prolonged economic downturn of two to three years could result in revenues being lower than the baseline by \$736 million to \$1,088 million.
- New Mexico's revenue sensitivity to an energy downturn and a national recession event highlights the need for the state to maintain healthy reserve levels.

Optimistic Scenario (in millions)			
	FY21	FY22	FY23
Gross Receipts Taxes	\$ 31.2	\$ 54.4	\$ 65.4
Personal Income Taxes	\$ 23.5	\$ 48.1	\$ 50.7
Severance Taxes to GF	\$ 1.2	\$ 10.2	\$ 31.4
Severance Taxes to TSR	\$ 22.0	\$ 94.9	\$ 92.6
Federal Mineral Leasing	\$ 29.5	\$ 98.8	\$ 140.5
<b>Total difference from baseline</b>	<b>\$ 107.4</b>	<b>\$ 306.4</b>	<b>\$ 380.6</b>

Pessimistic Scenario (in millions)			
	FY21	FY22	FY23
Gross Receipts Taxes	\$ (44.7)	\$ (130.4)	\$ (164.5)
Personal Income Taxes	\$ (59.2)	\$ (79.9)	\$ (79.4)
Severance Taxes to GF	\$ (41.4)	\$ (73.5)	\$ (42.7)
Severance Taxes to TSR	\$ (52.9)	\$ (49.3)	\$ 12.3
Federal Mineral Leasing	\$ (64.5)	\$ (140.3)	\$ (78.5)
<b>Total difference from baseline</b>	<b>\$ (262.6)</b>	<b>\$ (473.3)</b>	<b>\$ (352.8)</b>

# General Fund Revenue vs. 10 Year Trend

## Volatility in Major General Fund Revenue Sources (Deviation from 10-year trend line FY11-FY20)



Source: DOT, CREG December 2020 Revenue Estimate (\$ millions)

- Volatility analysis shows how far revenues deviate from a 10-year trend.
- This analysis highlights above and below trend revenue years.
- Years with significant above trend revenue may not be sustainable in the long term and years with below trend revenue may stress the state's resources and economy.
- Research by the PEW Charitable Trust states revenue fluctuations are often greatest in natural resource-dependent economies.
- The volatility analysis highlights the need for both healthy reserves and careful budget planning.
- New Mexico's general fund revenue average annual growth rate is 4.7% (2011-2020 trend).

---

# Appendix

# Appendix 1a

Revenue Source	FY20						FY21						FY22					
	June 2020 Est. Legislation-Adjusted	Sep 2020 Prelim.	Dec 2020 Actual Unaudited	Change from Prior (Sep. 20)	% Change from FY19	\$ Change from FY19	Dec 2019 Est. Legislation-Adjusted	June 2020 Est. Legislation-Adjusted	Dec 2020 Est.	Change from Prior (Jun. 20)	% Change from FY20	\$ Change from FY20	Dec 2019 Est. Legislation-Adjusted	June 2020 Est. Legislation-Adjusted	Dec 2020 Est.	Change from Prior (Jun. 20)	% Change from FY21	\$ Change from FY21
Base Gross Receipts Tax	2,863.5	3,078.6	3,104.1	25.5	11.9%	331.3	3,087.3	2,258.6	2,586.3	327.7	-16.7%	(517.8)	3,056.0	2,404.3	2,680.9	276.6	3.7%	94.6
F&M Hold Harmless Payments	(171.4)	(162.0)	(162.0)	-	42.9%	(48.6)	(121.4)	(132.1)	(121.6)	10.5	-24.9%	40.4	(113.4)	(118.2)	(108.9)	9.3	-10.4%	12.7
NET Gross Receipts Tax	2,692.1	2,916.6	2,942.1	25.5	10.6%	282.7	2,965.8	2,126.5	2,464.7	338.2	-16.2%	(477.4)	2,942.6	2,286.1	2,572.0	285.9	4.4%	107.3
Compensating Tax	55.0	63.8	63.6	(0.2)	-18.8%	(14.7)	85.4	35.8	53.2	17.4	-16.4%	(10.4)	88.0	37.9	37.1	(0.8)	-30.3%	(16.1)
TOTAL GENERAL SALES	2,747.1	2,980.4	3,005.7	25.3	9.8%	268.0	3,051.3	2,162.3	2,517.9	355.6	-16.2%	(487.9)	3,030.6	2,324.0	2,609.1	285.1	3.6%	91.2
Tobacco Taxes	84.0	88.8	88.8	0.0	17.7%	13.4	88.0	84.0	91.5	7.5	3.0%	2.7	88.2	84.0	87.1	3.1	-4.8%	(4.4)
Liquor Excise	24.1	24.7	24.6	(0.1)	-2.7%	(0.7)	23.2	23.8	24.9	1.1	1.2%	0.3	22.3	23.8	24.5	0.7	-1.6%	(0.4)
Insurance Taxes	206.1	258.6	259.2	0.6	19.8%	42.8	215.1	191.9	230.8	38.9	-10.9%	(28.4)	221.9	206.6	246.1	39.5	6.6%	15.3
Fire Protection Fund Reversion	16.9	14.1	-	(14.1)	-	-	17.4	17.4	12.0	(5.4)	#DIV/0!	12.0	18.0	18.0	12.0	(6.0)	0.0%	-
Motor Vehicle Excise	118.8	137.1	137.8	0.7	-9.7%	(14.8)	153.5	107.8	156.3	48.5	13.5%	18.5	131.5	103.7	130.3	26.6	-16.6%	(26.0)
Gaming Excise	47.1	46.0	46.0	0.0	-29.1%	(18.9)	68.8	54.0	19.2	(34.8)	-58.3%	(26.8)	70.9	56.6	64.0	7.4	233.3%	44.8
Leased Vehicle & Other	7.4	6.4	6.3	(0.1)	-28.4%	(2.5)	8.3	6.7	4.3	(2.4)	-31.3%	(2.0)	8.3	7.6	5.7	(1.9)	32.6%	1.4
TOTAL SELECTIVE SALES	504.5	575.7	562.6	(13.1)	3.6%	19.4	574.4	485.6	539.0	51.9	-4.2%	(23.6)	561.0	500.3	569.7	67.5	5.7%	30.7
Personal Income Tax	1,476.5	1,676.0	1,691.9	15.9	1.2%	19.8	1,654.1	1,335.2	1,570.6	235.4	-7.2%	(121.3)	1,700.6	1,375.2	1,669.9	294.7	6.3%	99.3
Gross Corporate Income Tax	118.8	136.0	139.5	3.5	-19.3%	(33.3)	133.1	101.6	101.6	-	-27.2%	(37.9)	132.4	87.6	119.8	32.2	17.9%	18.2
CIT Refundable Credits	(78.8)	(76.3)	(76.3)	(0.0)	52.6%	(26.3)	(116.9)	(117.4)	(83.1)	34.3	8.9%	(6.8)	(145.0)	(145.7)	(99.8)	45.9	20.1%	(16.7)
NET Corporate Income Tax	40.0	59.7	63.2	3.5	-48.5%	(59.6)	16.2	(15.8)	18.5	34.3	-70.7%	(44.7)	(12.6)	(58.1)	20.0	78.1	8.1%	1.5
TOTAL INCOME TAXES	1,516.5	1,735.7	1,755.1	19.4	-2.2%	(39.8)	1,670.3	1,319.4	1,589.1	269.7	-9.5%	(166.0)	1,688.1	1,317.1	1,689.9	372.8	6.3%	100.8
Gross Oil and Gas School Tax	504.3	529.8	555.7	25.9	0.1%	0.3	597.5	308.7	473.3	164.6	-14.8%	(82.3)	618.6	346.6	517.0	170.4	9.2%	43.7
Excess to Tax Stabilization Reserve	(114.7)	(140.1)	(166.1)	(26.0)	-9.2%	16.7	(173.2)	-	(52.9)	(52.9)	-68.1%	113.2	(119.0)	-	(49.3)	(49.3)	-6.9%	3.6
NET Oil & Gas School Tax	389.7	389.7	389.6	(0.1)	4.6%	17.0	424.3	308.7	420.4	111.7	7.9%	30.9	499.6	346.6	467.7	121.1	11.3%	47.3
Oil Conservation Tax	26.8	28.2	29.5	1.3	2.8%	0.8	31.6	16.2	24.7	8.5	-16.3%	(4.8)	32.5	18.2	27.0	8.8	9.3%	2.3
Resources Excise Tax	6.8	7.1	7.1	0.0	-8.7%	(0.7)	7.5	6.3	6.7	0.4	-6.3%	(0.4)	7.2	6.9	7.7	0.8	14.9%	1.0
Natural Gas Processors Tax	14.9	14.8	14.8	(0.0)	-2.4%	(0.4)	9.5	9.0	8.2	(0.8)	-44.5%	(6.6)	9.0	6.9	9.6	2.7	17.1%	1.4
TOTAL SEVERANCE TAXES	438.2	439.8	441.0	1.2	4.0%	16.8	472.9	340.2	460.0	119.8	4.3%	19.0	548.3	378.6	512.0	133.4	11.3%	52.0
LICENSE FEES	39.2	38.6	49.5	10.9	-10.7%	(5.9)	53.3	53.3	52.7	(0.6)	6.6%	3.3	54.0	54.0	53.8	(0.1)	2.1%	1.1
LGP Interest	673.0	673.5	673.5	-	5.5%	34.8	696.5	719.9	719.9	(0.0)	6.9%	46.4	737.4	759.6	771.3	11.7	7.1%	51.5
STO Interest	92.4	91.7	91.8	0.1	5.6%	4.9	59.5	14.8	31.0	16.2	-66.2%	(60.8)	66.8	1.2	23.5	22.3	-24.2%	(7.5)
STPF Interest	225.3	225.3	225.3	-	2.1%	4.7	229.4	234.3	234.0	(0.2)	3.9%	8.7	236.7	241.2	245.1	3.9	4.7%	11.1
TOTAL INTEREST	990.7	990.5	990.6	0.1	4.7%	44.4	985.4	968.9	984.9	16.0	-0.6%	(5.7)	1,040.9	1,002.0	1,039.9	37.9	5.6%	55.0
Gross Federal Mineral Leasing	809.9	816.7	817.1	0.4	-28.7%	(329.7)	817.3	388.1	648.2	260.2	-20.7%	(168.9)	829.8	439.6	677.3	237.7	4.5%	29.1
Excess to Early Childhood Trust Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	n/a	(75.0)	-	-	-	n/a	n/a
NET Federal Mineral Leasing	809.9	816.6	817.1	0.5	-28.7%	(329.7)	817.3	388.1	648.2	260.2	-20.7%	(168.9)	754.8	439.6	677.3	237.7	4.5%	29.1
State Land Office	65.0	69.9	69.9	-	-47.2%	(62.6)	74.5	55.1	59.4	4.3	-15.0%	(10.5)	74.7	55.9	60.2	4.3	1.3%	0.8
TOTAL RENTS & ROYALTIES	874.9	886.5	887.0	0.5	-30.7%	(392.2)	891.8	443.2	707.6	264.5	-20.2%	(179.4)	829.5	495.5	737.5	242.0	4.2%	29.9
TRIBAL REVENUE SHARING	41.4	40.0	45.4	5.4	-42.1%	(33.0)	82.0	59.0	53.8	(5.2)	18.4%	8.4	83.8	62.1	68.6	6.5	27.6%	14.8
MISCELLANEOUS RECEIPTS	40.2	39.5	41.9	2.4	-21.9%	(11.7)	49.2	44.7	47.5	2.8	13.4%	5.6	49.4	47.0	47.9	0.9	1.0%	0.5
REVERSIONS	91.7	91.7	81.1	(10.6)	-16.2%	(15.6)	40.0	40.0	50.0	10.0	-38.3%	(31.1)	40.0	40.0	50.0	10.0	0.0%	-
TOTAL RECURRING	7,284.3	7,818.4	7,859.8	41.4	-1.9%	(149.6)	7,870.5	5,916.6	7,002.5	1,085.9	-10.9%	(857.4)	7,925.6	6,220.6	7,378.5	1,157.9	5.4%	376.0
TOTAL NONRECURRING	244.3	244.3	322.4	78.1	-425.0%	421.6	2.9	2.9	17.0	14.1	-94.7%	(305.4)	-	-	-	-	n/a	(17.0)
GRAND TOTAL	7,528.6	8,062.7	8,182.2	119.5	3.4%	271.9	7,873.4	5,919.5	7,019.5	1,100.0	-14.2%	(1,162.7)	7,925.6	6,220.6	7,378.5	1,157.9	5.1%	359.0

# Appendix 1b

Revenue Source	FY23					FY24					FY25		
	Dec 2019 Est. Legislation Adjusted	Dec 2020 Est.	Change from Prior (Dec. 19)	% Change from FY22	\$ Change from FY22	Dec 2019 Est. Legislation Adjusted	Dec 2020 Est.	Change from Prior (Dec. 19)	% Change from FY23	\$ Change from FY23	Dec 2020 Est.	% Change from FY24	\$ Change from FY24
<i>Base Gross Receipts Tax</i>	3,138.2	2,818.3	(319.9)	5.1%	137.4	3,240.5	2,917.4	(323.1)	3.5%	99.1	3,043.4	4.3%	126.0
<i>F&amp;M Hold Harmless Payments</i>	(105.0)	(97.9)	7.1	-10.1%	11.0	(96.4)	(86.6)	9.8	-11.5%	11.3	(74.7)	-13.7%	11.9
NET Gross Receipts Tax	3,034.3	2,720.4	(313.9)	5.8%	148.4	3,146.1	2,830.8	(315.3)	4.1%	110.4	2,968.7	4.9%	137.9
Compensating Tax	90.6	39.0	(51.7)	5.1%	1.9	93.4	40.3	(53.0)	3.5%	1.4	42.1	4.3%	1.7
TOTAL GENERAL SALES	3,124.9	2,759.3	(365.6)	5.8%	150.3	3,239.5	2,871.1	(368.4)	4.1%	111.8	3,010.8	4.9%	139.6
Tobacco Taxes	86.9	86.1	(0.8)	-1.1%	(1.0)	85.6	84.9	(0.7)	-1.4%	(1.2)	83.4	-1.8%	(1.5)
Liquor Excise	22.2	24.7	2.5	0.8%	0.2	22.1	24.9	2.8	0.8%	0.2	25.0	0.4%	0.1
Insurance Taxes	228.0	261.7	33.7	6.3%	15.6	234.1	278.8	44.7	6.5%	17.1	294.4	5.6%	15.6
Fire Protection Fund Reversion	18.5	12.5	(6.0)	4.2%	0.5	19.1	13.0	(6.1)	4.0%	0.5	13.5	3.8%	0.5
Motor Vehicle Excise	136.0	134.6	(1.4)	3.3%	4.3	140.8	140.2	(0.6)	4.2%	5.6	145.2	3.6%	5.0
Gaming Excise	72.4	65.2	(7.2)	1.9%	1.2	73.5	64.7	(8.8)	-0.8%	(0.5)	64.1	-0.9%	(0.6)
Leased Vehicle & Other	8.2	5.9	(2.3)	3.5%	0.2	-	5.9	5.9	0.0%	-	5.6	-5.1%	(0.3)
TOTAL SELECTIVE SALES	572.2	590.7	18.5	3.7%	21.0	575.2	612.4	37.2	3.7%	21.7	631.2	3.1%	18.8
Personal Income Tax	1,741.6	1,770.4	28.8	2.4%	100.5	1,783.6	1,847.9	64.3	2.4%	77.4	1,914.1	2.4%	66.2
<i>Gross Corporate Income Tax</i>	132.6	129.6	(3.0)	8.2%	9.8	132.6	133.5	0.9	3.0%	3.9	139.4	4.4%	5.9
<i>CIT Refundable Credits</i>	(165.0)	(146.6)	18.4	46.9%	(46.8)	(155.0)	(150.5)	4.5	2.6%	(3.9)	(153.5)	2.0%	(3.0)
NET Corporate Income Tax	(32.4)	(17.0)	15.3	-185.2%	(37.0)	(22.4)	(17.0)	5.4	-0.2%	0.0	(14.1)	-17.1%	2.9
TOTAL INCOME TAXES	1,715.7	1,753.4	37.7	3.8%	63.5	1,767.6	1,830.9	63.2	4.4%	77.4	1,900.0	3.8%	69.1
<i>Gross Oil and Gas School Tax</i>	654.4	558.4	(96.0)	8.0%	41.4	680.0	591.2	(88.8)	5.9%	32.8	630.1	6.6%	38.9
<i>Excess to Tax Stabilization Reserve</i>	(91.8)	(48.2)	(43.6)	-2.3%	(1.2)	(77.2)	(59.4)	(17.8)	23.4%	11.3	(91.2)	53.4%	31.7
NET Oil & Gas School Tax	562.6	510.3	(52.3)	9.1%	42.6	602.8	531.8	(71.0)	4.2%	21.5	539.0	1.3%	7.2
Oil Conservation Tax	34.4	29.1	(5.3)	7.8%	2.1	35.7	30.7	(5.0)	5.5%	1.6	32.7	6.5%	2.0
Resources Excise Tax	7.0	7.5	0.5	-2.6%	(0.2)	7.0	7.6	0.6	1.3%	0.1	7.7	1.3%	0.1
Natural Gas Processors Tax	10.6	11.6	1.0	20.8%	2.0	11.3	11.8	0.5	1.7%	0.2	12.0	1.7%	0.2
TOTAL SEVERANCE TAXES	614.6	558.5	(56.1)	9.1%	46.5	656.8	581.9	(74.9)	4.2%	23.4	591.4	1.6%	9.5
LICENSE FEES	54.7	54.1	(0.5)	0.5%	0.3	55.4	54.5	(0.9)	0.7%	0.4	55.1	1.0%	0.5
LGPF Interest	783.0	817.8	34.8	6.0%	46.5	822.4	844.2	21.8	3.2%	26.3	879.4	4.2%	35.2
STO Interest	72.3	16.5	(55.8)	-29.8%	(7.0)	72.3	19.4	(52.9)	17.6%	2.9	19.4	0.0%	-
STPF Interest	244.1	254.2	10.1	3.7%	9.1	248.6	257.1	8.5	1.2%	2.9	261.9	1.8%	4.8
TOTAL INTEREST	1,099.4	1,088.5	(10.9)	4.7%	48.6	1,143.3	1,120.7	(22.6)	3.0%	32.2	1,160.7	3.6%	40.0
<i>Gross Federal Mineral Leasing</i>	866.5	750.0	(116.5)	10.7%	72.7	901.8	796.8	(105.0)	6.2%	46.8	841.6	5.6%	44.8
<i>Excess to Early Childhood Trust Fund</i>	(33.0)	-	-	-	-	(8.0)	-	-	-	-	(35.7)	-	-
NET Federal Mineral Leasing	866.5	750.0	(116.5)	10.7%	72.7	901.8	796.8	(105.0)	6.2%	46.8	805.9	1.1%	9.1
State Land Office	75.0	61.2	(13.8)	1.7%	1.0	75.5	62.4	(13.1)	2.0%	1.2	63.7	2.1%	1.3
TOTAL RENTS & ROYALTIES	941.5	811.2	(130.3)	10.0%	73.7	977.3	859.2	(118.1)	5.9%	48.0	869.6	1.2%	10.4
TRIBAL REVENUE SHARING	84.7	69.1	(15.7)	0.6%	0.4	87.4	70.2	(17.3)	1.6%	1.1	71.3	3.2%	1.1
MISCELLANEOUS RECEIPTS	41.9	40.0	(1.9)	-16.5%	(7.9)	42.3	39.2	(3.1)	-2.0%	(0.8)	39.1	-0.2%	(0.1)
REVERSIONS	40.0	50.0	10.0	0.0%	-	40.0	50.0	10.0	0.0%	-	50.0	0.0%	-
TOTAL RECURRING	8,287.1	7,774.8	(512.3)	5.4%	396.3	8,582.2	8,090.1	(492.1)	4.1%	315.2	8,379.0	3.6%	289.0
TOTAL NONRECURRING	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	8,287.1	7,774.8	(512.3)	5.4%	396.3	-	8,090.1	8,090.1	4.1%	315.2	8,379.0	3.6%	289.0

# Appendix 2

## U.S. and New Mexico Economic Indicators

	FY21		FY22		FY23		FY24		FY25	
	June 20 Forecast	December 20 Forecast	June 20 Forecast	December 20 Forecast	June 20 Forecast	December 20 Forecast	June 20 Forecast	December 20 Forecast	June 20 Forecast	December 20 Forecast
<b>National Economic Indicators</b>										
IHS US Real GDP Growth (annual avg., % YOY)*	-3.9	0.6	6.7	2.2	4.2	2.7	3.6	2.7	3.1	3.0
Moody's US Real GDP Growth (annual avg., % YOY)*	-3.8	0.7	5.3	4.2	6.0	4.3	3.4	2.8	2.0	2.2
IHS US Inflation Rate (CPI-U, annual avg., % YOY)**	1.1	1.7	1.7	2.6	1.3	2.4	0.8	2.1	1.7	2.1
Moody's US Inflation Rate (CPI-U, annual avg., % YOY)**	1.0	1.4	2.9	2.3	2.8	2.7	2.6	2.6	2.6	2.4
IHS Federal Funds Rate (%)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Moody's Federal Funds Rate (%)	0.1	0.1	0.1	0.1	0.3	0.1	1.2	0.5	2.2	1.5
<b>New Mexico Labor Market and Income Data</b>										
BBER NM Non-Agricultural Employment Growth (%)	-9.1	-2.3	6.2	1.4	2.9	1.5	3.0	1.4	2.6	1.3
Moody's NM Non-Agricultural Employment Growth (%)	-3.2	-4.4	2.0	2.2	2.9	2.7	1.9	1.9	0.7	0.7
BBER NM Nominal Personal Income Growth (%)***	3.5	4.8	-2.1	0.0	2.1	2.6	3.6	4.3	4.2	4.3
Moody's NM Nominal Personal Income Growth (%)***	1.0	0.1	4.5	0.5	5.0	5.0	4.2	4.7	3.6	4.4
BBER NM Total Wages & Salaries Growth (%)	-6.0	1.3	7.2	3.9	5.2	4.4	4.8	4.5	4.4	4.3
Moody's NM Total Wages & Salaries Growth (%)	-3.5	0.4	3.4	3.3	5.3	4.7	4.6	5.3	3.4	4.3
BBER NM Private Wages & Salaries Growth (%)	-8.9	-0.8	9.5	5.5	6.3	3.7	5.8	4.2	5.3	4.1
BBER NM Real Gross State Product (% YOY)	-4.7	-3.7	6.6	3.5	2.2	2.9	2.1	2.6	1.7	2.6
Moody's NM Real Gross State Product (% YOY)	-1.8	-0.1	5.2	3.3	5.2	3.9	3.3	2.5	2.0	1.8
CREG NM Gross Oil Price (\$/barrel)	\$31.00	\$38.00	\$41.00	\$43.50	\$43.50	\$47.00	\$44.00	\$47.50		\$48.50
CREG NM Net Oil Price (\$/barrel)*****	\$27.22	\$33.36	\$36.00	\$38.19		\$41.27		\$41.71		\$42.58
BBER Oil Volumes (million barrels)	302.4	259.5	312.9	273.3	332.3	283.6	347.6	290.4	366.3	303.4
CREG NM Taxable Oil Volumes (million barrels)	255.0	340.0	225.0	330.0	240.0	340.0	255.0	355.0		370.0
CREG NM Gross Gas Price (\$ per thousand cubic feet)****	\$2.20	\$2.55	\$2.35	\$2.65	\$2.20	\$2.55	\$2.25	\$2.65		\$2.75
CREG NM Net Gas Price (\$ per thousand cubic feet)*****	\$1.44	\$1.61	\$1.57	\$1.72		\$1.63		\$1.72		\$1.81
BBER Gas Volumes (billion cubic feet)	1,424	1,342	1,458	1,393	1,521	1,424	1,534	1,458	1,573	1,503
CREG NM Taxable Gas Volumes (billion cubic feet)	1,515	1,760	1,415	1,715	1,425	1,755	1,430	1,785		1,815

### Notes

\* Real GDP is BEA chained 2012 dollars, billions, annual rate  
 \*\* CPI is all urban, BLS 1982-84=1.00 base  
 \*\*\*Nominal Personal Income growth rates are for the calendar year in which each fiscal year begins  
 \*\*\*\*The gross gas prices are estimated using a formula of NYMEX, EIA, and IHS Markit (November) future prices  
 \*\*\*\*\*The net oil and gas prices represent calculated prices based on taxable values of the product after deductions for transportation, processing, and royalties  
 Sources: BBER - August 2020 FOR-UNM baseline. IHS Global Insight - November 2020 baseline.

### DFA Notes

\* Real GDP is BEA chained 2012 dollars, billions, annual rate  
 \*\* CPI is all urban, BLS 1982-84=1.00 base.  
 \*\*\*Nominal Personal Income growth rates are for the calendar year in which each fiscal year begins  
 \*\*\*\*The gross gas prices are estimated using a formula of NYMEX, EIA, and Moody's January future prices  
 \*\*\*\*\*The net oil and gas prices represent calculated prices based on taxable values of the product after deductions for transportation, processing, and royalties  
 Sources: November 2020 Moody's economy.com baseline



# Appendix 3

## GENERAL FUND FINANCIAL SUMMARY December 2020. (Dollars in Millions)

	Prelim. FY20	Est. FY21	Est. FY22
<b>APPROPRIATION ACCOUNT</b>			
<b>Revenue:</b>			
Recurring Revenue:			
June 2020 Consensus Update, Legislation Adjusted	\$ 7,284.3	\$ 5,916.6	\$ 6,220.6
CREG December 2020 Revenue Forecast	\$ 575.5	\$ 1,085.9	\$ 1,157.9
<b>Subtotal Recurring Revenue</b>	<b>\$ 7,859.8</b>	<b>\$ 7,002.5</b>	<b>\$ 7,378.5</b>
Nonrecurring Revenue			
2019 Legislative Session	\$ -	\$ -	
December 2019 Nonrecurring Revenue Forecast, Adj. for 2020 Legislative Session	\$ 37.0	\$ 17.0	
Enhanced FMAP Medicaid Reversion	\$ 135.4	\$ -	
June 2020 Special Session (SB5 Road Swaps)	\$ 75.0	\$ -	
June 2020 Special Session (SB5 Sweeps)	\$ 28.9	\$ -	
Transfers/offsets from Coronavirus Relief Fund	\$ 46.2	\$ -	
Federal Stimulus Funds		\$ 750.0	
<b>Subtotal Nonrecurring Revenue</b>	<b>\$ 322.5</b>	<b>\$ 767.0</b>	
<b>Total Revenue</b>	<b>\$ 8,182.3</b>	<b>\$ 7,769.5</b>	
<b>Appropriations:</b>			
Recurring Appropriations:			
Prior Legislative Sessions			
2019 Legislative Session and Feed Bill	\$ 7,085.3	\$ -	
2020 Legislative Session and Feed Bill	6.8	7,621.4	
2020 Special Session Solvency Savings		\$ (411.9)	
<b>Subtotal Recurring Appropriations</b>	<b>\$ 7,092.1</b>	<b>\$ 7,209.5</b>	<b>\$ -</b>
Nonrecurring:			
Prior Legislative Sessions			
Audit Adjustments			
2019 Legislative Session	\$ 431.9	\$ -	\$ -
2020 Legislative session	\$ 506.4	\$ 320.0	\$ -
2020 First Special Session Solvency Savings	\$ (104.8)	\$ (20.0)	
2020 First Special Session Federal Funds Swaps		\$ (146.6)	
2019 GAA Undistributed Nonrecurring Appropriations	\$ (2.1)		
2020 GAA Undistributed Nonrecurring Appropriations	\$ (259.5)	\$ 259.5	
2020 Second Special Session Appropriations		\$ 329.2	
<b>Subtotal Nonrecurring Appropriations</b>	<b>\$ 571.9</b>	<b>\$ 742.1</b>	<b>\$ -</b>
<b>Total Appropriations</b>	<b>\$ 7,664.0</b>	<b>\$ 7,951.6</b>	<b>\$ -</b>
Transfers to/(from Reserves)	\$ 518.3	\$ (182.2)	\$ -
<b>GENERAL FUND RESERVES</b>			
Beginning Balances	\$ 1,834.0	\$ 2,513.9	
Transfers from/(to) Appropriation Account	\$ 518.3	\$ (182.2)	
Revenue and Reversions	\$ 240.5	\$ 130.0	
Appropriations, Expenditures & Transfers Out	\$ (78.9)	\$ (54.6)	
<b>Ending Balances</b>	<b>\$ 2,513.9</b>	<b>\$ 2,407.1</b>	
Reserves as a % of Recurring Appropriations	35.4%	33.4%	

**FY22  
New  
Money  
\$169  
million  
or  
2.3%**

## GENERAL FUND FINANCIAL SUMMARY Reserve Detail (Dollars in Millions)

	Est. FY20	Est. FY21	Est. FY22
<b>OPERATING RESERVE</b>			
Beginning Balance	\$ 486.3	\$ 507.2	\$ 319.3
BOF Emergency Appropriations/Reversions	\$ (2.0)	\$ (2.5)	\$ (2.0)
Disaster Allotments <sup>1</sup>	\$ (46.6)	\$ (3.2)	\$ -
Transfers from/to Appropriation Account	\$ 518.3	\$ (182.2)	\$ -
Transfers to Tax Stabilization Reserve	\$ (448.8)	\$ -	\$ -
Transfers from (to) ACF/Other Appropriations	\$ -	\$ -	\$ -
Transfers from Tax Stabilization Reserve	\$ -	\$ -	\$ -
<b>Ending Balance</b>	<b>\$ 507.2</b>	<b>\$ 319.3</b>	<b>\$ 317.3</b>
<b>APPROPRIATION CONTINGENCY FUND</b>			
Beginning Balance	\$ 11.7	\$ 8.7	\$ 0.7
Disaster Allotments	\$ (13.3)	\$ (16.0)	\$ (16.0)
Other Appropriations			
Transfers In	\$ 2.0	\$ -	\$ -
Revenue and Reversions	\$ 8.3	\$ 8.0	\$ 8.0
<b>Ending Balance</b>	<b>\$ 8.7</b>	<b>\$ 0.7</b>	<b>\$ (7.3)</b>
<b>STATE SUPPORT RESERVE</b>			
Beginning Balance	\$ 19.1	\$ 29.1	\$ 39.0
Revenues/Transfers <sup>2</sup>	\$ 10.0	\$ 9.9	\$ -
Appropriations	\$ -	\$ -	\$ -
<b>Ending Balance</b>	<b>\$ 29.1</b>	<b>\$ 39.0</b>	<b>\$ 39.0</b>
<b>TOBACCO SETTLEMENT PERMANENT FUND</b>			
Beginning Balance	\$ 228.6	\$ 241.3	\$ 251.4
Transfers In <sup>6</sup>	\$ 33.9	\$ 32.9	\$ 12.0
Appropriation to Tobacco Settlement Program Fund	\$ (17.0)	\$ (32.9)	\$ (12.0)
Gains/Losses	\$ (4.2)	\$ 10.1	\$ 13.8
Additional Transfers from TSPF	\$ -	\$ -	\$ -
Transfer to General Fund Appropriation Account	\$ -	\$ -	\$ -
<b>Ending Balance</b>	<b>\$ 241.3</b>	<b>\$ 251.4</b>	<b>\$ 265.2</b>
<b>TAX STABILIZATION RESERVE</b>			
Beginning Balance	\$ 1,088.3	\$ 1,727.6	\$ 1,796.7
Revenues In <sup>3</sup>	\$ 166.1	\$ 52.9	\$ 49.3
Transfers In (from Operating Reserve)	\$ 448.8	\$ -	\$ -
Transfer Out to Operating Reserve <sup>4,5</sup>	\$ -	\$ -	\$ -
Gains/Losses	\$ 24.3	\$ 26.1	\$ 72.4
Other appropriations	\$ -	\$ -	\$ -
Audit Adjustments <sup>7</sup>	\$ -	\$ (9.9)	\$ -
<b>Ending Balance</b>	<b>\$ 1,727.6</b>	<b>\$ 1,796.7</b>	<b>\$ 1,918.4</b>
Emergency Reserves: Rainy Day Fund and TSPF Ending Balances	\$ 1,968.9	\$ 2,048.1	
Percent of Recurring Appropriations	27.8%	28.4%	
Other Reserve Fund Ending Balances	\$ 545.0	\$ 359.0	
Percent of Recurring Appropriations	8%	5%	
<b>Total General Fund Ending Balances</b>	<b>\$ 2,513.9</b>	<b>\$ 2,407.1</b>	
<b>Percent of Recurring Appropriations</b>	<b>35.4%</b>	<b>33.4%</b>	

1. FY20 includes disaster allotments which have been made in response to the Covid-19 healthcare crisis.  
2. Laws 2019, Chapter 271 (HB2) contained a \$10 million appropriation to the state support reserve fund.  
3. Estimated transfers to TSR from excess oil and gas emergency tax revenues in excess of the rolling five-year average.  
4. Laws 2020, HB341 transfers a portion of the balance in the Tax Stabilization Reserve (TSR) if the General Fund Operating Reserve is less than one percent of aggregate appropriations. The amount transferred is equal to the lesser of the one percent of appropriations or the amount necessary so that the balance in the Operating Reserve is one percent of percent aggregate appropriations.  
5. Special Session Laws 2020, Chapter 5 (HB1, Section 15-B) authorized a transfer of up to \$750 million from the tax stabilization reserve to the operating reserve if FY21 revenues fall short of FY21 appropriations  
6. DFA and LFC estimate \$12 million in TSPF revenue due to expected arbitration ruling to affect FY22; LFC assumes legislation will be proposed to use 100% of revenue for tobacco program fund.  
7. Special Session Laws 2020, Chapter 5 FY20 reversion to state support reserve fund sent to TSR, adjusted to state support reserve fund in FY21.  
**Totals may not sum due to rounding**

# Appendix 4a

	a	b	c	d	e	f				
	FY2019	FY 2020				Approx. Effective Rate into	Current Census est. Population	FY20 TGR	% of FY20	% of FY20 NM
	FY19 TGR \$ millions	Final FY20 TGR	TGR Level Change from FY20 over FY19	TGR % Change from FY20 over FY19	FY20 General Fund GRT \$ millions	General Fund Before Earmarks, Credits, HH Dist. Etc.	for Population as of July 1, 2019	% of NM	NM Oil Vol.	Natural Gas Vol.
Bernalillo	18,425	18,634	209	1.1%	8.4	4.0%	679,121	32.4%	26.5%	
Catron	36	38	3	7.8%	0.1	4.0%	3,527	0.2%	0.1%	
Chaves	1,297	1,355	58	4.5%	2.3	4.0%	64,615	3.1%	1.9%	0.4%
Cibola	346	363	17	4.9%	0.7	4.0%	26,675	1.3%	0.5%	
Colfax	276	296	20	7.3%	0.8	4.0%	11,941	0.6%	0.4%	0.0%
Curry	969	937	-32	-3.3%	-1.3	4.0%	48,954	2.3%	1.3%	
De Baca	35	26	-9	-25.7%	-0.4	4.0%	1,748	0.1%	0.0%	
Dona Ana	3,729	4,079	349	9.4%	14.0	4.0%	218,195	10.4%	5.8%	
Eddy	7,083	7,795	712	10.1%	28.5	4.0%	58,460	2.8%	11.1%	41.4%
Grant	494	503	9	1.8%	0.4	4.0%	26,998	1.3%	0.7%	
Guadalupe	91	96	5	5.7%	0.2	4.0%	4,300	0.2%	0.1%	
Harding	20	16	-5	-23.0%	-0.2	4.0%	625	0.0%	0.0%	
Hidalgo	74	76	2	2.8%	0.1	4.0%	4,198	0.2%	0.1%	
Lea	7,041	6,723	-318	-4.5%	-12.7	4.0%	71,070	3.4%	9.6%	55.8%
Lincoln	538	574	36	6.7%	1.4	4.0%	19,572	0.9%	0.8%	
Los Alamos	1,639	1,725	85	5.2%	3.4	4.0%	19,369	0.9%	2.5%	
Luna	351	561	210	59.8%	8.4	4.0%	23,709	1.1%	0.8%	
Mckinley	1,096	1,153	58	5.3%	2.3	4.0%	71,367	3.4%	1.6%	
Mora	38	38	0	0.1%	0.0	4.0%	4,521	0.2%	0.1%	
Otero	960	1,015	55	5.7%	2.2	4.0%	67,490	3.2%	1.4%	
Quay	165	150	-15	-8.9%	-0.6	4.0%	8,253	0.4%	0.2%	
Rio Arriba	408	409	0	0.1%	0.0	4.0%	38,921	1.9%	0.6%	0.3%
Roosevelt	265	639	374	141.2%	15.0	4.0%	18,500	0.9%	0.9%	0.1%
San Juan	2,846	2,887	40	1.4%	1.6	4.0%	123,958	5.9%	4.1%	1.3%
San Miguel	372	402	30	8.0%	1.2	4.0%	27,277	1.3%	0.6%	
Sandoval	1,597	1,874	277	17.3%	11.1	4.0%	146,748	7.0%	2.7%	0.6%
Santa Fe	4,208	4,220	12	0.3%	0.5	4.0%	150,358	7.2%	6.0%	
Sierra	176	191	15	8.4%	0.6	4.0%	10,791	0.5%	0.3%	
Socorro	198	202	4	2.2%	0.2	4.0%	16,637	0.8%	0.3%	
Taos	690	722	32	4.6%	1.3	4.0%	32,723	1.6%	1.0%	
Torrance	158	277	119	75.2%	4.8	4.0%	15,461	0.7%	0.4%	
Union	111	105	-6	-5.1%	-0.2	4.0%	4,059	0.2%	0.1%	
Valencia	1,047	1,046	-2	-0.1%	-0.1	4.0%	76,688	3.7%	1.5%	
Out of State	8,181	10,875	2,694	32.9%	138	5.13%			15.5%	
	64,908	70,326	5,418	8.3%	227.6	4.20%	2,096,829	100.0%	100.0%	100.0%
			b-a	(b-a)/a	c*f					

# Appendix 4b

	FY20 Q1	FY21 Q1				Approx. Effective Rate into General Fund Before Earmarks, Credits, HH Dist. Etc.	Current Census est. for Population as of July 1, 2019	Population % of NM	FY21 Q1 TGR % of NM	% of FY21 Q1 NM Oil Vol.	% of FY21 Q1 NM Natural Gas Vol.
	FY20 Q1 TGR \$ millions	FY21 Q1 TGR	TGR Level Change from FY21 Q1 over FY20 Q1	TGR % Change from FY21 Q1 over FY20 Q1	FY21 Q1 General Fund GRT \$ millions						
Bernalillo	4,815	4,843	28	0.6%	1.1	4.0%	679,121	32.4%	29.3%		
Catron	10	11	1	9.4%	0.0	4.0%	3,527	0.2%	0.1%		
Chaves	342	320	-21	-6.2%	-0.9	4.0%	64,615	3.1%	1.9%	0.4%	
Cibola	102	88	-13	-13.2%	-0.5	4.0%	26,675	1.3%	0.5%		
Colfax	83	84	1	0.8%	0.0	4.0%	11,941	0.6%	0.5%	0.0%	
Curry	251	228	-23	-9.2%	-0.9	4.0%	48,954	2.3%	1.4%		
De Baca	8	5	-3	-41.7%	-0.1	4.0%	1,748	0.1%	0.0%		
Dona Ana	974	1,042	68	7.0%	2.7	4.0%	218,195	10.4%	6.3%		
Eddy	2,151	1,308	-843	-39.2%	-33.7	4.0%	58,460	2.8%	7.9%	41.0%	
Grant	127	113	-14	-10.9%	-0.6	4.0%	26,998	1.3%	0.7%		
Guadalupe	23	34	11	47.9%	0.4	4.0%	4,300	0.2%	0.2%		
Harding	5	3	-2	-37.5%	-0.1	4.0%	625	0.0%	0.0%		
Hidalgo	16	36	20	127.1%	0.8	4.0%	4,198	0.2%	0.2%		
Lea	1,800	1,056	-744	-41.3%	-29.8	4.0%	71,070	3.4%	6.4%	56.4%	
Lincoln	168	161	-7	-4.4%	-0.3	4.0%	19,572	0.9%	1.0%		
Los Alamos	545	703	158	29.0%	6.3	4.0%	19,369	0.9%	4.3%		
Luna	79	170	91	114.4%	3.6	4.0%	23,709	1.1%	1.0%		
Mckinley	301	277	-24	-7.9%	-0.9	4.0%	71,367	3.4%	1.7%		
Mora	11	10	-2	-15.3%	-0.1	4.0%	4,521	0.2%	0.1%		
Otero	252	270	17	6.8%	0.7	4.0%	67,490	3.2%	1.6%		
Quay	36	44	8	23.7%	0.3	4.0%	8,253	0.4%	0.3%		
Rio Arriba	111	102	-9	-7.7%	-0.3	4.0%	38,921	1.9%	0.6%	0.3%	
Roosevelt	144	241	97	67.7%	3.9	4.0%	18,500	0.9%	1.5%	0.1%	
San Juan	798	643	-155	-19.4%	-6.2	4.0%	123,958	5.9%	3.9%	1.4%	
San Miguel	121	96	-25	-21.1%	-1.0	4.0%	27,277	1.3%	0.6%		
Sandoval	446	445	-1	-0.3%	0.0	4.0%	146,748	7.0%	2.7%	0.5%	
Santa Fe	1,193	1,007	-186	-15.6%	-7.4	4.0%	150,358	7.2%	6.1%		
Sierra	44	47	3	5.8%	0.1	4.0%	10,791	0.5%	0.3%		
Socorro	54	47	-8	-14.6%	-0.3	4.0%	16,637	0.8%	0.3%		
Taos	194	174	-20	-10.5%	-0.8	4.0%	32,723	1.6%	1.1%		
Torrance	58	99	41	71.7%	1.7	4.0%	15,461	0.7%	0.6%		
Union	35	21	-13	-37.9%	-0.5	4.0%	4,059	0.2%	0.1%		
Valencia	244	302	58	23.8%	2.3	4.0%	76,688	3.7%	1.8%		
Out of State	2,673	2,472	-201	-7.5%	-10	5.13%			15.0%		
	18,200	16,501	-1,698	-9.3%	-71.3	4.20%	2,096,829	100.0%	100.0%	100.0%	
			b-a	(b-a)/a	c*f						

# Appendix 5

## Sources and Uses of Bonding Capacity Available for Authorization and Severance Tax Permanent Fund Transfer (in millions) DECEMBER 2020 Estimate

Sources of Funds	FY21	FY22	FY23	FY24	FY25	5-Year
<b>General Obligation Bonds</b>		<b>\$214.1</b>		<b>\$214.1</b>		<b>\$428.2</b>
<b>Senior STBs</b>	<b>\$538.5</b>	<b>\$535.7</b>	<b>\$520.6</b>	<b>\$510.0</b>	<b>\$497.8</b>	<b>\$2,602.5</b>
Severance Tax Bonds	\$424.9	\$424.9	\$424.9	\$424.9	\$424.9	\$2,124.5
Severance Tax Notes	\$113.6	\$110.8	\$95.7	\$85.1	\$72.9	\$478.0
<b>Supplemental STBs</b>	<b>\$191.0</b>	<b>\$194.0</b>	<b>\$213.7</b>	<b>\$237.1</b>	<b>\$250.9</b>	<b>\$1,086.7</b>
Supplemental Severance Tax Bonds	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Supplemental Severance Tax Notes	\$191.0	\$194.0	\$213.7	\$237.1	\$250.9	\$1,086.7
<b>TOTAL Sources of Funds</b>	<b>\$729.4</b>	<b>\$943.8</b>	<b>\$734.4</b>	<b>\$961.2</b>	<b>\$748.7</b>	<b>\$4,117.5</b>

Uses of Funds	FY21	FY22	FY23	FY24	FY25	5-Year
<b>GOB Projects Approved by Referendum</b>		<b>\$214.1</b>		<b>\$214.1</b>		<b>\$428.2</b>
Authorized but Unissued STB Projects (1)	\$7.9	\$0.0	\$0.0	\$0.0	\$0.0	\$7.9
Reassigned STB Projects (2)	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2
9% of Senior STB for Water Projects	\$48.5	\$48.2	\$46.9	\$45.9	\$44.8	\$234.2
4.5% of Senior STB for Colonias Projects	\$24.2	\$24.1	\$23.4	\$22.9	\$22.4	\$117.1
4.5% of Senior STB for Tribal Projects	\$24.2	\$24.1	\$23.4	\$22.9	\$22.4	\$117.1
<b>New Senior STB Statewide Capital Projects</b>	<b>\$433.4</b>	<b>\$439.3</b>	<b>\$426.9</b>	<b>\$418.2</b>	<b>\$408.2</b>	<b>\$2,125.9</b>
PSCOC Public School Capital	\$166.0	\$169.0	\$213.7	\$237.1	\$250.9	\$1,036.74
PED Instructional Materials/Transportation	\$25.0	\$25.0	\$0.0	\$0.0	\$0.0	\$50.00
<b>TOTAL Uses of Funds</b>	<b>\$729.4</b>	<b>\$943.8</b>	<b>\$734.4</b>	<b>\$961.2</b>	<b>\$748.7</b>	<b>\$4,117.5</b>

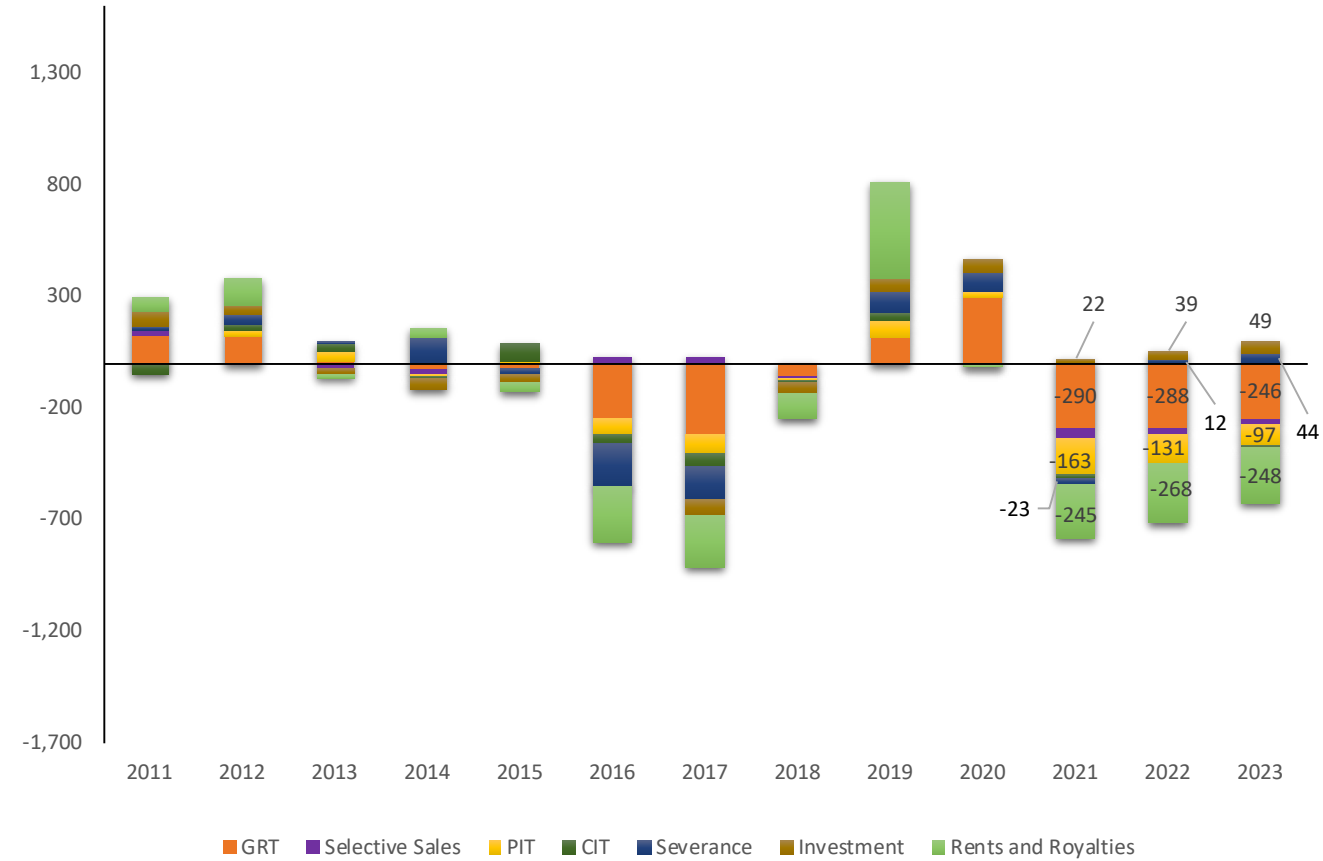
(1) Includes projects authorized that have either not yet met requirements for funding or were not able to be funded with annual senior capacity.

(2) Includes projects that have remained inactive for a period of at least 18 months following bond issuance for which the proceeds have been reassigned to ready projects.

Estimated Transfer to Severance Tax Permanent Fund						
	FY21	FY22	FY23	FY24	FY25	5-Year
<b>Severance Tax Permanent Fund Transfer</b>	<b>\$87.4</b>	<b>\$83.7</b>	<b>\$100.2</b>	<b>\$94.0</b>	<b>\$105.1</b>	<b>\$470.4</b>

# Appendix 6a

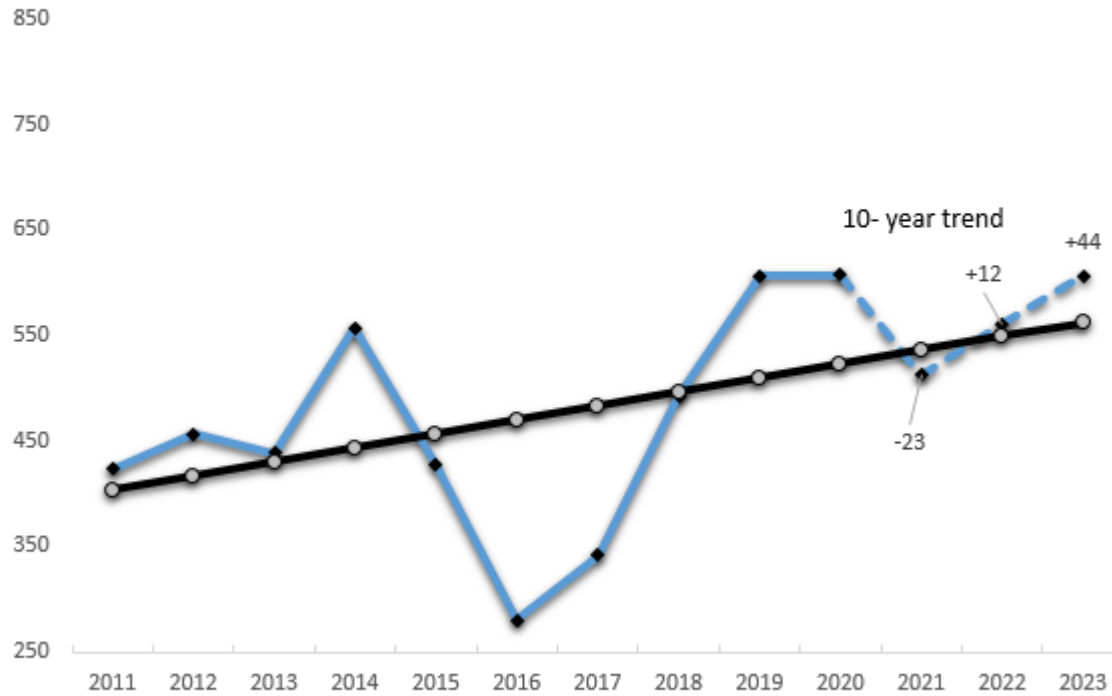
## Revenue Volatility by Major Revenue Sources Deviation from 10 years trend (\$ millions)



Source: CREG December 2020

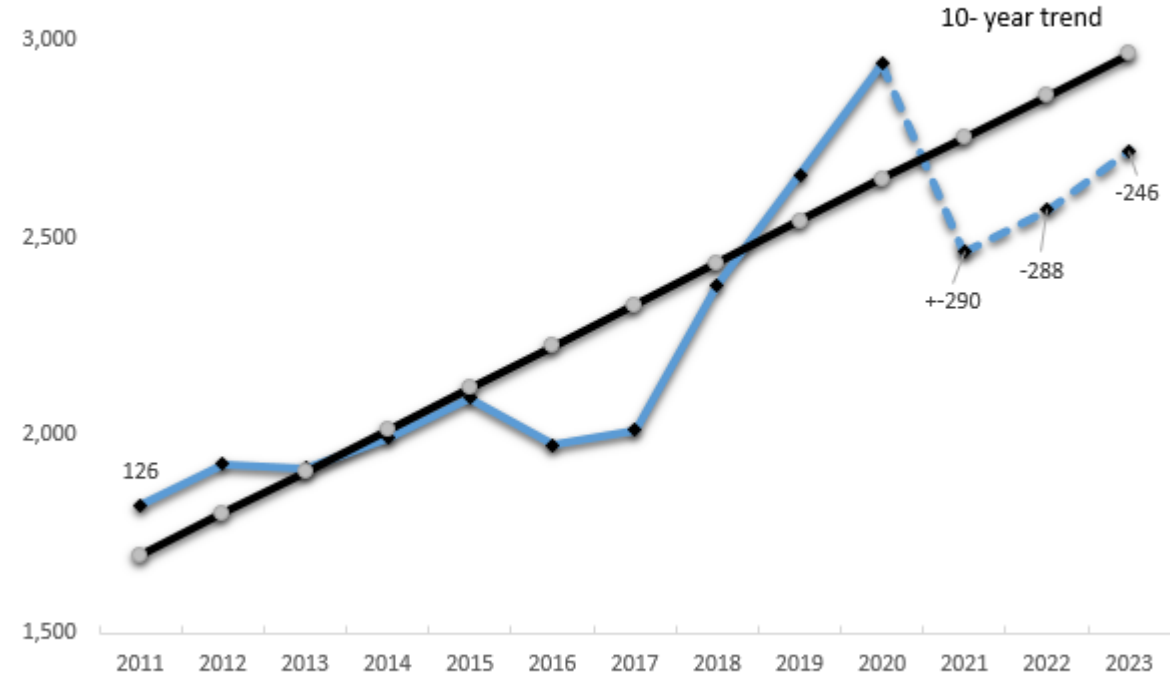
# Appendix 6b

**Volatility in Severance Taxes revenue Deviation from 10 years trend (\$ millions)**



Source: DOT, CREG December 2020 Revenue Estimate (\$ millions)

**Volatility in GRT revenue Deviation from 10 years trend (\$ millions)**



Source: DOT, CREG December 2020 Revenue Estimate (\$ millions)