

Consensus General Fund Revenue Forecast

N.M. Taxation & Revenue Department
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Overview

- Main change from August estimate is due to large Federal Mineral Lease Bonus payments in September 2018 (See slides 3 and 4)
- December oil price forecast down approximately 10% from August: (slide 5)
 - Although risk remains, some mitigating factors (slide 7)
 - Part of oil price volatility is now reflected in Tax Stabilization Reserve not General Fund (slide 6)
 - No “bust” in oil markets is assumed though the market is highly volatile
- Historically high revenue embodies risks, but forecast growth has been reduced to anticipate some pullback (slides 3 and 4)

Table 1
December 2018 Consensus General Fund Recurring Revenue Outlook
(Millions of Dollars)

	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>
August 2018 Estimate	\$6,743	\$7,279	\$7,501	\$7,740	\$8,077	\$8,409
December 2018 Revisions	\$73	\$311	-\$68	-\$71	-\$58	-\$42
December 2018 Consensus	\$6,816	\$7,590	\$7,433	\$7,669	\$8,020	\$8,367
Change from Prior Year	\$931	\$774	-\$157	\$236	\$351	\$347
Percent Change v Prior Year	15.8%	11.3%	-2.1%	3.2%	4.6%	4.3%

- FY19 increase mainly due to record Sept. 2018 Federal Lease Sale
- Out year decrease primarily due to lower O&G activity
- Forecast growth rates of largest revenues – GRT and PIT -- are at or below historical averages in anticipation of some growth pullback

Table 2
December 2018 Revisions (Change from Prior Estimate)
(Millions of Dollars)

	FY18	FY19	FY20	FY21	FY22	FY23
Gross receipts tax	(\$5)	\$0	(\$62)	(\$42)	(\$15)	\$7
Selective sales taxes	(\$21)	(\$7)	(\$17)	(\$16)	(\$14)	(\$14)
Personal income tax	\$27	\$7	\$1	\$5	\$7	\$9
Corporate income tax	(\$3)	\$0	\$0	\$0	\$0	\$0
Energy-related revenues	\$25	\$310	\$12	(\$25)	(\$44)	(\$52)
Investment/Interest earnings	\$2	(\$3)	(\$4)	\$4	\$6	\$4
Other revenues	\$48	\$4	\$2	\$3	\$3	\$3
Total Recurring Revenue	\$73	\$311	(\$68)	(\$71)	(\$58)	(\$42)

* Excludes O&G School Tax to Tax Stabilization Reserve

- GRT slowing due to lower Oil price leading to less drilling activity
- Selective Sales reflect lower Insurance Premiums Tax
- Energy-related revenue decrease due to lower oil prices
- Revenue collections did not suggest a need to revise PIT and CIT forecasts

Oil price forecasts have fallen about 10%

	August 2018 Forecast	December 2018 Forecast	Change
FY18	\$54.39	\$55.05	\$0.66
FY19	\$56.00	\$49.50	(\$6.50)
FY20	\$57.00	\$52.00	(\$5.00)
FY21	\$59.00	\$53.00	(\$6.00)
FY22	\$59.00	\$54.00	(\$5.00)
FY23	\$59.00	\$54.50	(\$4.50)

- Oil prices are expected to fluctuate between \$40 and \$60 per barrel
- Oil production growth continues but slows
- Oil now accounts for 90% of total O&G revenue

O&G School Tax Distributions

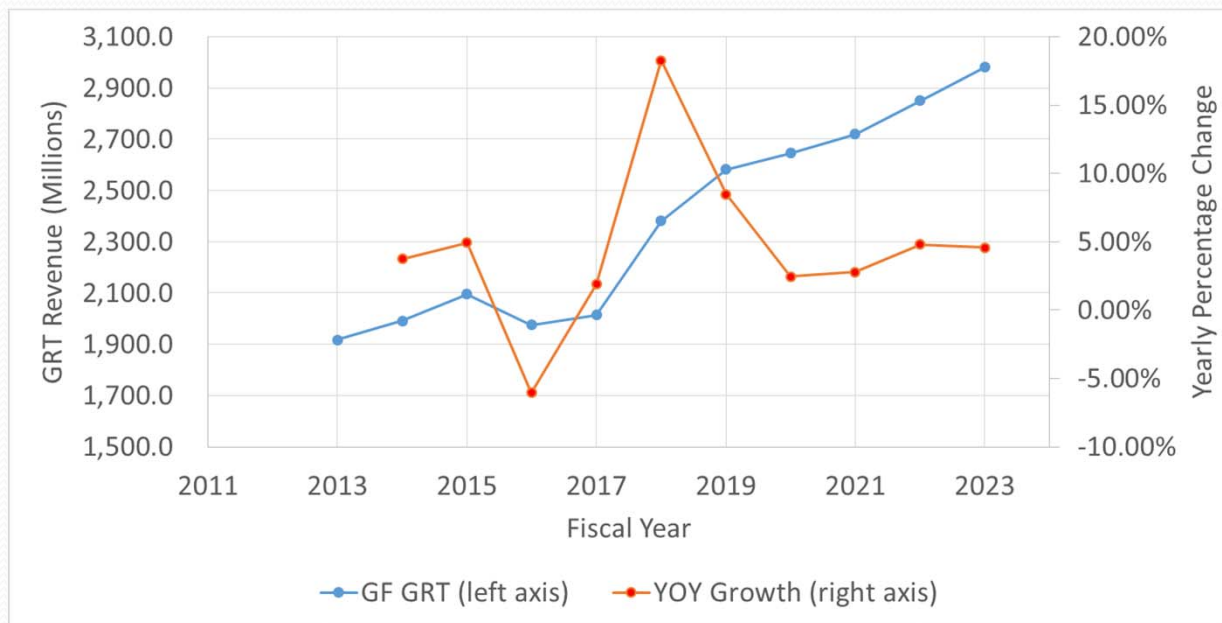
Table 4: Oil & Gas School Tax Distributions						
	FY18	FY19	FY20	FY21	FY22	FY23
General Fund	451	374	373	402	464	519
Tax. Stab. Reserve	0	123	147	150	111	77
Total	451	497	520	552	575	596

Emergency School Tax revenue moving into Tax Stabilization Reserve absorbs the revenue decrease due to recent price changes

Factors mitigating O&G revenue risk

- Oil prices are down substantially from their previous high levels, this limits the potential for further declines
- Natural gas inventories are low; a cold winter could result in higher prices in the short run, raising revenue temporarily
- Record federal bonus payments show the industry is putting its money at risk, expecting to increase future production, which offsets effects of lower prices to some degree

GRT steady after strong growth in FY18 and FY19



Source: CREG
Dec 2018
Consensus
Forecast

- O&G drilling-related GRT expected to slow but other sectors are growing
- FY16 shows the potential risk of a drilling cutback

US and NM economies are strong

- Low unemployment, modest inflation, strong corporate earnings, high consumer confidence
- NM job growth (2.8%) 50% above US average (1.7%)
 - Unemployment 4.5% vs 5.7% year ago
 - Private sector added almost 23,000 jobs over the year
 - Growth is spread among different sectors:
 - Construction up 3,300
 - Professional services up 5,500
 - Hospitality up 7,400
 - Transportation up 2,900

Source: NM Workforce Solutions Department, *Labor Market Review*, October 2018

Potential revenue issues for 2019 session

- Implications of *Wayfair* Decision
- State impacts of Tax Cuts and Jobs Act
- Transfer of Premiums Tax administration to TRD
- Local government lawsuit on revenue distributions
- High Wage Tax Credit modifications
- Refund denial protests related to Chemicals and Reagents Deduction

Governor Martinez Legacy: 2011-2018

- Prudent financial management through two recessions to unprecedented reserves and budget strength:
 - Restrained budget growth while prioritizing Education, Public Safety and Economic Development
- Legacy of pro-growth tax reform:
 - Cut taxes and fees 61 times
 - Corporate Income Tax Reform – lower US tax rate makes even more important
 - GRT pyramiding relief
 - Tax reform contributes to our diversification efforts

Appendix 1 - General Fund Consensus Revenue Estimate December 2018

Revenue Source	FY18					FY19					FY20				
	Aug 2018 Prelim. Actual	Dec 2018 Unaudited Actual	Change from Prior	% Change from FY17	\$ Change from FY17	Aug 2018 Est.	Dec 2018 Est.	Change from Prior	% Change from FY18	\$ Change from FY18	Aug 2018 Est.	Dec 2018 Est.	Change from Prior	% Change from FY19	\$ Change from FY19
Base Gross Receipts Tax	2,557.7	2,525.9	(31.8)	16.4%	356.6	2,751.1	2,736.2	(14.9)	8.3%	210.3	2,873.1	2,783.7	(89.4)	1.7%	47.5
60-Day Money & Other Credits	(53.9)	(21.0)	32.9	-36.4%	12.0	(53.9)	(40.0)	13.9	90.5%	(19.0)	(53.9)	(30.0)	23.9	-25.0%	10.0
F&M Hold Harmless Payments	(118.8)	(123.8)	(5.0)	0.9%	(1.1)	(115.0)	(113.5)	1.5	-8.3%	10.3	(111.4)	(108.0)	3.4	-4.8%	5.5
NET Gross Receipts Tax	2,385.0	2,381.1	(3.9)	18.3%	367.5	2,582.2	2,582.7	0.5	8.5%	201.6	2,707.8	2,645.7	(62.1)	2.4%	63.0
Compensating Tax	57.0	56.1	(0.9)	15.6%	7.6	70.0	70.0	-	24.8%	13.9	70.0	70.0	-	0.0%	-
TOTAL GENERAL SALES	2,442.0	2,437.2	(4.8)	18.2%	375.1	2,652.2	2,652.7	0.5	8.8%	215.5	2,777.8	2,715.7	(62.1)	2.4%	63.0
Tobacco Taxes	79.3	78.4	(0.9)	0.6%	0.5	77.6	77.4	(0.2)	-1.2%	(1.0)	76.2	76.0	(0.2)	-1.8%	(1.4)
Liquor Excise	23.9	23.8	(0.1)	222.6%	16.4	25.2	25.6	0.4	7.5%	1.8	23.0	23.4	0.4	-8.6%	(2.2)
Insurance Taxes	201.0	179.5	(21.5)	-21.1%	(48.0)	217.7	209.7	(8.0)	16.8%	30.2	234.6	216.4	(18.2)	3.2%	6.7
Fire Protection Fund Reversion	17.8	20.0	2.2	6.9%	1.3	18.3	18.3	-	-8.3%	(1.7)	18.9	18.9	-	3.0%	0.6
Motor Vehicle Excise	154.0	154.0	0.0	6.0%	8.8	151.7	150.6	(1.1)	-2.2%	(3.4)	154.9	155.5	0.6	3.3%	4.9
Gaming Excise	61.5	62.1	0.6	4.3%	2.5	61.8	63.6	1.8	2.5%	1.5	63.1	63.7	0.6	0.2%	0.1
Leased Vehicle & Other	9.0	8.2	(0.8)	13.1%	0.9	8.0	8.0	-	-2.4%	(0.2)	8.0	8.0	-	0.0%	-
TOTAL SELECTIVE SALES	546.5	525.9	(20.5)	-3.2%	(17.5)	560.2	553.2	(7.0)	5.2%	27.3	578.7	561.9	(16.8)	1.6%	8.6
Personal Income Tax	1,492.0	1,519.0	27.0	10.0%	138.3	1,557.4	1,564.3	7.0	3.0%	45.4	1,604.4	1,605.0	0.6	2.6%	40.7
Corporate Income Tax	110.0	106.6	(3.4)	51.9%	36.4	110.0	110.0	-	3.2%	3.4	115.5	115.5	-	5.0%	5.5
TOTAL INCOME TAXES	1,602.0	1,625.6	23.6	12.0%	174.7	1,667.4	1,674.3	7.0	3.0%	48.8	1,719.9	1,720.5	0.6	2.8%	46.2
Oil and Gas School Tax	426.6	450.8	24.2	48.2%	146.5	368.6	373.6	5.0	-17.1%	(77.2)	369.0	372.7	3.7	-0.2%	(0.9)
Oil Conservation Tax	22.2	22.9	0.7	31.7%	5.5	26.3	25.5	(0.8)	11.4%	2.6	28.6	27.1	(1.5)	6.3%	1.6
Resources Excise Tax	8.5	8.6	0.1	-11.2%	(1.1)	7.3	7.5	0.2	-12.5%	(1.1)	7.1	7.4	0.3	-1.3%	(0.1)
Natural Gas Processors Tax	10.8	10.8	0.0	5.1%	0.5	14.4	15.3	0.9	41.1%	4.5	14.0	16.6	2.6	8.5%	1.3
TOTAL SEVERANCE TAXES	468.1	493.1	25.0	44.3%	151.5	416.6	421.9	5.3	-14.4%	(71.2)	418.7	423.8	5.1	0.5%	1.9
LICENSE FEES	62.2	61.0	(1.2)	14.4%	7.7	55.1	54.5	(0.6)	-10.7%	(6.5)	55.7	55.1	(0.6)	1.1%	0.6
LGPF Interest	584.9	586.6	1.7	8.3%	45.0	632.6	636.2	3.6	8.5%	49.7	678.6	682.1	3.5	7.2%	45.8
STO Interest	5.8	5.9	0.1	-284.1%	9.2	35.5	28.5	(7.0)	379.4%	22.6	66.5	57.8	(8.7)	102.8%	29.3
STPF Interest	210.4	210.4	(0.0)	5.0%	9.9	220.6	220.6	0.0	4.9%	10.2	229.0	229.8	0.8	4.2%	9.2
TOTAL INTEREST	801.1	802.9	1.8	8.7%	64.1	888.7	885.3	(3.4)	10.3%	82.5	974.1	969.7	(4.4)	9.5%	84.4
Federal Mineral Leasing	564.1	564.2	0.1	29.5%	128.5	815.0	1,098.0	283.0	94.6%	533.8	750.0	758.5	8.5	-30.9%	(339.5)
State Land Office	111.8	111.8	0.0	56.4%	40.4	62.7	84.4	21.7	-24.5%	(27.4)	62.9	61.5	(1.4)	-27.1%	(22.9)
TOTAL RENTS & ROYALTIES	675.9	676.1	0.2	33.3%	168.9	877.7	1,182.4	304.7	74.9%	506.3	812.9	820.0	7.1	-30.6%	(362.4)
TRIBAL REVENUE SHARING	65.0	68.1	3.1	8.6%	5.4	74.0	74.8	0.8	9.9%	6.7	74.8	76.2	1.4	1.9%	1.4
MISCELLANEOUS RECEIPTS	43.4	46.9	3.5	-5.2%	(2.6)	47.4	48.3	0.9	3.0%	1.4	48.8	50.2	1.4	3.9%	1.9
REVERSIONS	37.0	79.8	42.8	4.3%	3.3	40.0	42.5	2.5	-46.7%	(37.3)	40.0	40.0	-	-5.9%	(2.5)
TOTAL RECURRING	6,743.2	6,816.5	73.3	15.8%	930.6	7,279.4	7,590.0	310.6	11.3%	773.5	7,501.3	7,433.1	(68.2)	-2.1%	(156.9)
TOTAL NONRECURRING	65.5	64.8	(0.7)	-88.7%	(510.9)	-	-	-	0.0%	-	-	-	-	0.0%	-
GRAND TOTAL	6,808.7	6,881.3	72.6	6.5%	419.7	7,279.4	7,590.0	310.6	10.3%	708.7	7,501.3	7,433.1	(68.2)	-2.1%	(156.9)

Note: Columns in blue show difference between August 2018 Consensus Revenue Estimate and January 2018 Consensus Revenue Estimate

Note: Columns in red show year-over-year growth expected in the August 2018 Consensus Revenue Estimate

Oil & Gas School Tax to Tax Stab. Res.	134.5	122.6	(11.9)	0.0%	-	177.2	146.6	(30.6)	19.6%	24.0
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Appendix 1 - General Fund Consensus Revenue Estimate December 2018

Revenue Source	FY21					FY22					FY23				
	Aug 2018 Est.	Dec 2018 Est.	Change from Prior	% Change from FY20	\$ Change from FY20	Aug 2018 Est.	Dec 2018 Est.	Change from Prior	% Change from FY21	\$ Change from FY21	Aug 2018 Est.	Dec 2018 Est.	Change from Prior	% Change from FY22	\$ Change from FY22
Base Gross Receipts Tax	2,923.2	2,849.5	(73.7)	2.4%	65.8	3,023.7	2,970.9	(52.8)	4.3%	121.4	3,128.6	3,091.8	(36.8)	4.1%	120.9
60-Day Money & Other Credits	(53.9)	(30.0)	23.9	0.0%	-	(53.9)	(30.0)	23.9	0.0%	-	(53.9)	(30.0)	23.9	0.0%	-
F&M Hold Harmless Payments	(107.8)	(99.7)	8.1	-7.7%	8.3	(104.4)	(90.8)	13.6	-8.9%	8.9	(101.1)	(81.4)	19.7	-10.4%	9.4
NET Gross Receipts Tax	2,761.5	2,719.8	(41.7)	2.8%	74.1	2,865.4	2,850.1	(15.3)	4.8%	130.3	2,973.6	2,980.4	6.8	4.6%	130.3
Compensating Tax	70.0	70.0	-	0.0%	-	70.0	70.0	-	0.0%	-	70.0	70.0	-	0.0%	-
TOTAL GENERAL SALES	2,831.5	2,789.8	(41.7)	2.7%	74.1	2,935.4	2,920.1	(15.3)	4.7%	130.3	3,043.6	3,050.4	6.8	4.5%	130.3
Tobacco Taxes	74.7	74.5	(0.2)	-2.0%	(1.5)	72.9	72.7	(0.2)	-2.4%	(1.8)	71.2	70.8	(0.4)	-2.6%	(1.9)
Liquor Excise	23.1	23.6	0.5	0.9%	0.2	23.2	23.7	0.5	0.4%	0.1	23.3	23.9	0.6	0.8%	0.2
Insurance Taxes	243.1	224.9	(18.2)	3.9%	8.5	252.1	233.7	(18.4)	3.9%	8.8	260.9	242.4	(18.5)	3.7%	8.7
Fire Protection Fund Reversion	19.4	19.4	-	2.7%	0.5	19.9	19.9	-	2.8%	0.5	20.4	20.4	-	2.5%	0.5
Motor Vehicle Excise	158.0	159.2	1.2	2.4%	3.7	160.6	162.5	1.9	2.1%	3.3	163.5	165.6	2.2	1.9%	3.1
Gaming Excise	65.1	66.1	1.0	3.8%	2.4	65.4	67.2	1.8	1.7%	1.1	65.6	68.2	2.6	1.5%	1.0
Leased Vehicle & Other	8.0	8.0	-	0.0%	-	8.0	8.0	-	0.0%	-	8.0	8.0	-	0.0%	-
TOTAL SELECTIVE SALES	591.3	575.7	(15.7)	2.5%	13.8	602.1	587.7	(14.4)	2.1%	12.1	612.9	599.3	(13.6)	2.0%	11.6
Personal Income Tax	1,648.3	1,653.2	4.9	3.0%	48.2	1,695.6	1,702.8	7.1	3.0%	49.6	1,744.4	1,753.8	9.4	3.0%	51.1
Corporate Income Tax	121.3	121.3	-	5.0%	5.8	127.3	127.3	-	5.0%	6.1	133.7	133.7	-	5.0%	6.4
TOTAL INCOME TAXES	1,769.6	1,774.4	4.9	3.1%	53.9	1,823.0	1,830.1	7.1	3.1%	55.7	1,878.1	1,887.5	9.4	3.1%	57.4
Oil and Gas School Tax	403.2	401.5	(1.7)	7.7%	28.8	472.8	464.3	(8.5)	15.6%	62.8	534.9	518.6	(16.3)	11.7%	54.3
Oil Conservation Tax	30.7	28.8	(1.9)	6.3%	1.7	32.3	30.0	(2.3)	4.2%	1.2	33.8	31.0	(2.8)	3.3%	1.0
Resources Excise Tax	6.9	7.3	0.4	-1.4%	(0.1)	6.7	6.9	0.2	-5.5%	(0.4)	6.5	6.4	(0.1)	-7.2%	(0.5)
Natural Gas Processors Tax	13.3	15.5	2.2	-6.6%	(1.1)	13.0	14.4	1.4	-7.1%	(1.1)	13.3	14.5	1.2	0.7%	0.1
TOTAL SEVERANCE TAXES	454.1	453.1	(1.0)	6.9%	29.3	524.8	515.6	(9.2)	13.8%	62.5	588.5	570.5	(18.0)	10.6%	54.9
LICENSE FEES	56.3	55.7	(0.6)	1.1%	0.6	57.1	56.4	(0.7)	1.3%	0.7	57.9	57.2	(0.7)	1.4%	0.8
LGPF Interest	721.5	725.9	4.4	6.4%	43.8	773.7	776.3	2.6	6.9%	50.3	827.9	825.5	(2.4)	6.3%	49.2
STO Interest	74.6	71.4	(3.2)	23.5%	13.6	81.1	79.9	(1.2)	11.9%	8.5	81.1	80.7	(0.4)	1.0%	0.8
STPF Interest	236.6	239.2	2.6	4.1%	9.4	247.2	251.9	4.7	5.3%	12.7	257.8	264.9	7.1	5.2%	13.1
TOTAL INTEREST	1,032.7	1,036.5	3.8	6.9%	66.8	1,102.0	1,108.0	6.0	6.9%	71.5	1,166.8	1,171.1	4.3	5.7%	63.1
Federal Mineral Leasing	775.0	752.3	(22.7)	-0.8%	(6.2)	800.0	766.7	(33.3)	1.9%	14.4	825.0	792.7	(32.3)	3.4%	26.0
State Land Office	63.2	61.5	(1.7)	0.0%	-	63.6	62.0	(1.6)	0.8%	0.5	63.8	62.0	(1.8)	0.0%	-
TOTAL RENTS & ROYALTIES	838.2	813.8	(24.4)	-0.8%	(6.2)	863.6	828.7	(34.9)	1.8%	14.9	888.8	854.7	(34.1)	3.1%	26.0
TRIBAL REVENUE SHARING	76.1	77.8	1.7	2.1%	1.6	77.6	79.7	2.1	2.4%	1.9	79.2	80.9	1.7	1.5%	1.2
MISCELLANEOUS RECEIPTS	50.3	51.9	1.6	3.4%	1.7	51.7	53.2	1.5	2.5%	1.3	53.5	55.1	1.6	3.6%	1.9
REVERSIONS	40.0	40.0	-	0.0%	-	40.0	40.0	-	0.0%	-	40.0	40.0	-	0.0%	-
TOTAL RECURRING	7,740.0	7,668.7	(71.3)	3.2%	235.6	8,077.2	8,019.5	(57.7)	4.6%	350.8	8,409.3	8,366.8	(42.5)	4.3%	347.2
TOTAL NONRECURRING	-	-	-	0.0%	-	-	-	-	0.0%	-	-	-	-	0.0%	-
GRAND TOTAL	7,740.0	7,668.7	(71.3)	3.2%	235.6	8,077.2	8,019.5	(57.7)	4.6%	350.8	8,409.3	8,366.8	(42.5)	4.3%	347.2
Oil & Gas School Tax to Tax Stab. Res.	181.7	149.7	(32.0)	2.1%	3.1	142.0	111.1	(30.9)	-25.8%	(38.6)	110.1	77.3	(32.8)	-30.4%	(33.8)

Appendix 2

U.S. and New Mexico Economic Indicators

		FY18		FY19		FY20		FY21		FY22		FY23	
		Aug 18 Forecast	Dec 18 Forecast	Aug 18 Forecast	Dec 18 Forecast	Aug 18 Forecast	Dec 18 Forecast	Aug 18 Forecast	Dec 18 Forecast	Aug 18 Forecast	Dec 18 Forecast	Aug 18 Forecast	Dec 18 Forecast
National Economic Indicators													
GI	US Real GDP Growth (annual avg.,% YOY)*	2.7	2.6	3.0	3.0	2.1	2.4	1.5	1.8	1.5	1.5	1.8	1.5
GI	US Inflation Rate (CPI-U, annual avg., % YOY)**	2.3	2.2	2.4	2.5	2.2	2.3	2.2	1.9	2.2	2.3	2.3	2.3
GI	Federal Funds Rate (%)	1.4	1.4	2.3	2.3	3.2	3.2	3.4	3.4	3.4	3.4	3.4	3.4
New Mexico Labor Market and Income Data													
BBER	NM Non-Agricultural Employment Growth (%)	0.8	0.9	1.4	1.4	1.4	1.5	1.3	1.3	1.2	1.2	1.0	1.0
BBER	NM Nominal Personal Income Growth (%)***	1.6	2.4	2.8	3.4	4.0	4.3	3.9	4.1	4.6	4.6	4.6	4.5
BBER	NM Total Wages & Salaries Growth (%)	2.6	3.4	3.8	4.1	4.5	4.8	4.7	4.7	4.5	4.5	4.2	4.2
BBER	NM Private Wages & Salaries Growth (%)	3.2	4.4	4.4	4.8	4.9	5.1	5.2	5.3	4.8	5.0	4.6	4.7
BBER	NM Real Gross State Product (% YOY)	2.1	2.1	2.5	2.8	2.2	2.3	1.8	1.9	1.6	1.7	1.6	1.6
CREG	NM Oil Price (\$/barrel)	\$54.39	\$55.05	\$56.00	\$49.50	\$57.00	\$52.00	\$59.00	\$53.00	\$59.00	\$54.00	\$59.00	\$54.50
BBER	Oil Volumes (million barrels)	199.8	203.6	238.3	247.9	262.1	284.5	282.6	307.2	297.0	320.9	311.0	336.4
CREG	NM Taxable Oil Volumes (million barrels)	202.0	204.4	245.0	250.0	270.0	270.0	285.0	285.0	300.0	295.0	315.0	305.0
	NM Taxable Oil Volumes (%YOY growth)	29.5%	31.0%	21.3%	22.3%	10.2%	8.0%	5.6%	5.6%	5.3%	3.5%	5.0%	3.4%
CREG	NM Gas Price (\$ per thousand cubic feet)****	\$3.25	\$3.47	\$3.10	\$3.55	\$2.95	\$3.00	\$2.90	\$3.00	\$3.00	\$3.00	\$3.10	\$3.00
BBER	Gas Volumes (billion cubic feet)	1,343	1,318	1,378	1,409	1,352	1,443	1,323	1,443	1,334	1,443	1,338	1,465
CREG	NM Taxable Gas Volumes (billion cubic feet)	1,300	1,361	1,381	1,470	1,415	1,515	1,429	1,545	1,455	1,560	1,464	1,575
	NM Taxable Gas Volumes (%YOY growth)	5.2%	10.1%	6.2%	8.0%	2.5%	3.1%	1.0%	2.0%	1.8%	1.0%	0.6%	1.0%

Notes

* Real GDP is BEA chained 2009 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 gas prices are estimated using a formula of NYMEX, EIA, and Moodys (June) future prices as well as a liquid premium based on oil price forecast

Sources: BBER - October 2018 FOR-UNM baseline. IHS Global Insight - November 2018 baseline.