

Consensus General Fund Revenue Outlook

**Presentation to:
Legislative Finance Committee
Revenue Stabilization and Tax Policy Committee
August 28, 2019**

Department of Finance and Administration

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New Mexico Department of
Finance & Administration

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NEW MEXICO

Revenue Forecast Update Topics

- Consensus Revenue Estimating Group Overview
- US/Global Macroeconomic Outlook
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- Tax Stabilization Reserve
- General Fund Financial Summary
- Risk to the Forecast
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- Appendices

Consensus Revenue Estimating Group

Participating Agencies

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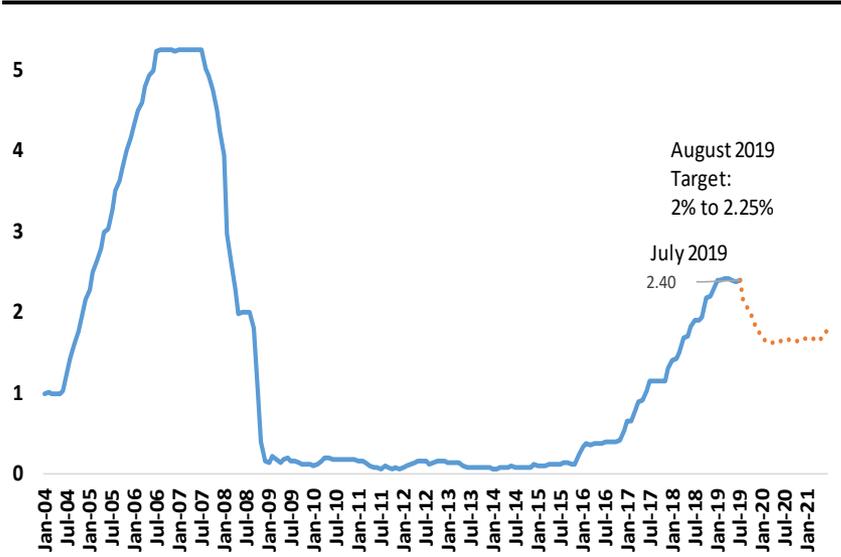
US/Global Macroeconomic Outlook

- National economic growth has been and is expected to remain modest
 - US Real GDP grew 2.6 percent in FY2019
 - FY2020 US Real GDP growth revised down from 2.4% to 2.2% from December 2018 forecast
 - FY2021 US Real GDP growth revised up from 1.8% to 2.3% from December 2018 forecast
- US inflation rate was 2.1% in FY2019, inflation expected to continue modest growth: 2.2% in FY2020, 1.9% in FY2021
- The probability of a national recession has recently increased for CY 20 and CY 21 (see “Risks to the Forecast” for probability estimates)
- Rising trade tensions and a slowdown in global economic growth add uncertainty to many aspects of the forecast (GRT, PIT, interest earnings)
- In July 2019, the Federal Reserve announced the first rate cut since 2008 in an effort to mitigate risks to the national economic outlook

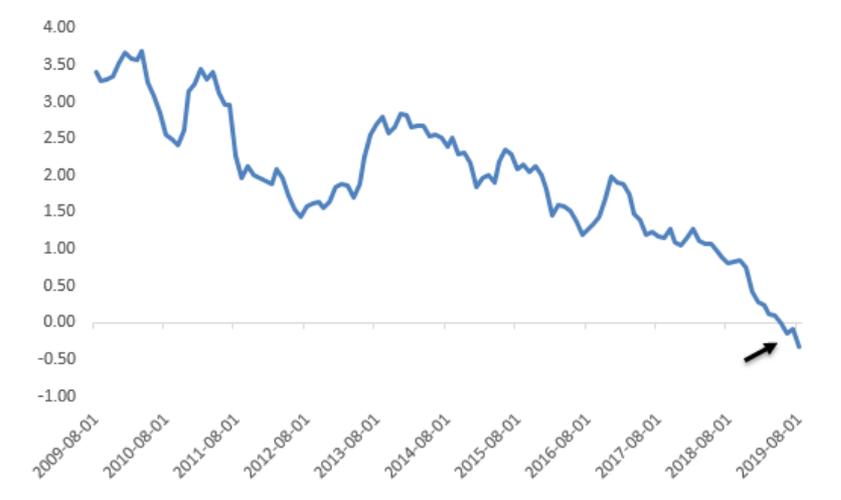
US Macroeconomic Outlook

- Federal Reserve cut rates in July 2019 for the first time since 2008 level (the rate cut was 25 basis points with a target rate of 2% to 2.25% for August 2019)
- Federal Reserve stated the US economy remains favorable
- Federal reserve: “labor market remains strong and that economic activity has been rising at a moderate rate. Job gains have been solid, on average, in recent months, and the unemployment rate has remained low.” July 31, 2019
- The rate cut is an insurance policy against speed bumps
 - Weak Global Economic Growth & US-China trade war

Effective Federal Funds Rate: Actual to July 2019, Moody's Forecast



10-Year Treasury Constant Maturity Minus 3-Month Treasury Constant Maturity Inverted Yield Curve

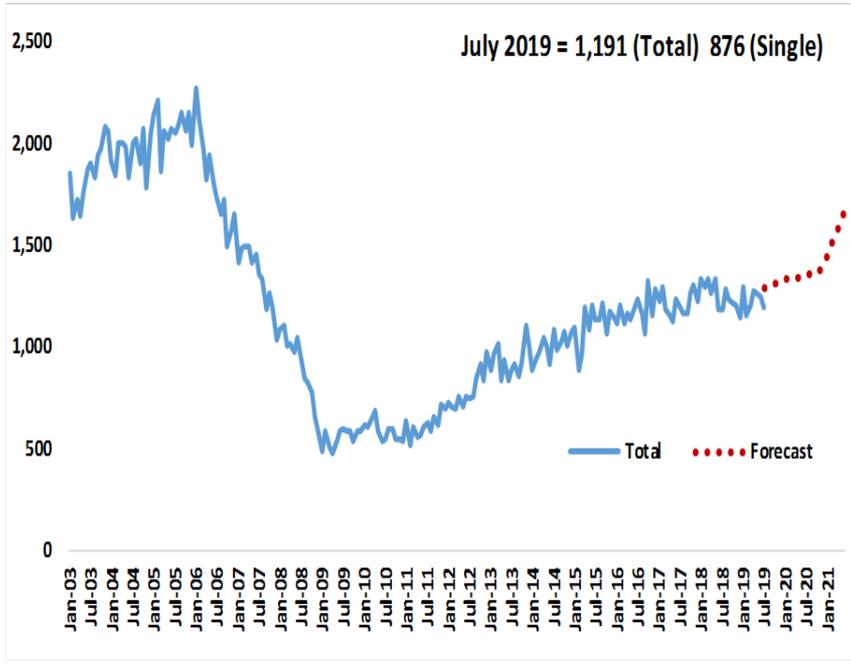


Source: St. Louis Federal Reserve Bank, FRED

US Economic Outlook

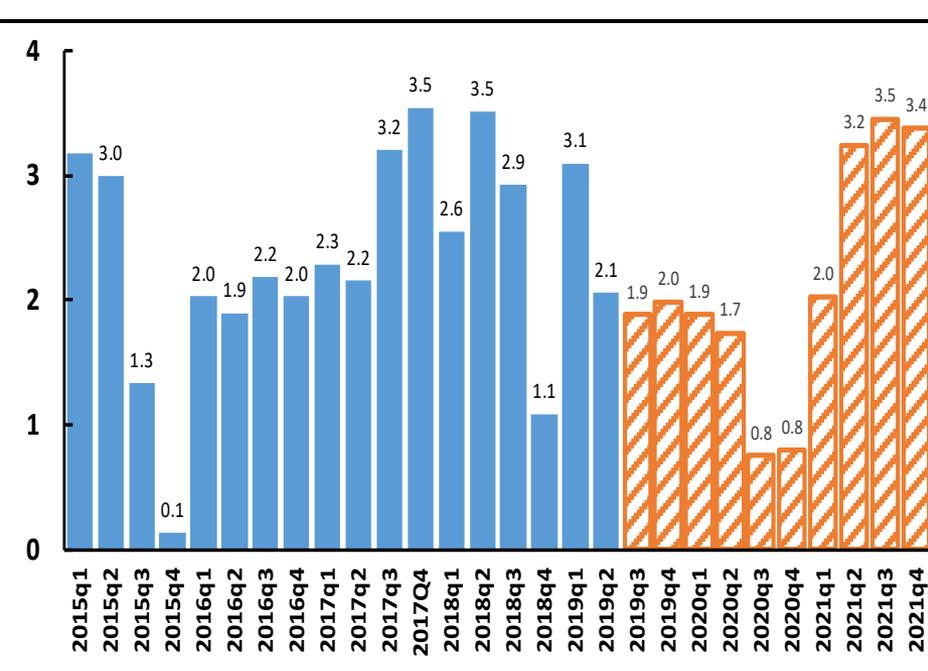
- US Housing Starts have gradually increased since 2009, reaching a 10-year high in early 2018 and remaining steady since
- Housing growth remains positive but housing has not returned to pre-Great Recession levels
- US Real GDP grew 2.1 percent from 2019Q1 from 2019Q2
- The US has been experiencing the longest economic expansion in history

Housing Starts (1,000s of units Seasonally Adjusted at Annual Rates)



Source: Census Bureau, New Construction Reports

Percent Change in US Real GDP: Actual: 2015Q1 - 2019Q2, Forecast 2019Q3 - 2021Q4



Source: bea.gov Seasonally Adjusted at annual rates, Moody's Aug. 2019 forecast

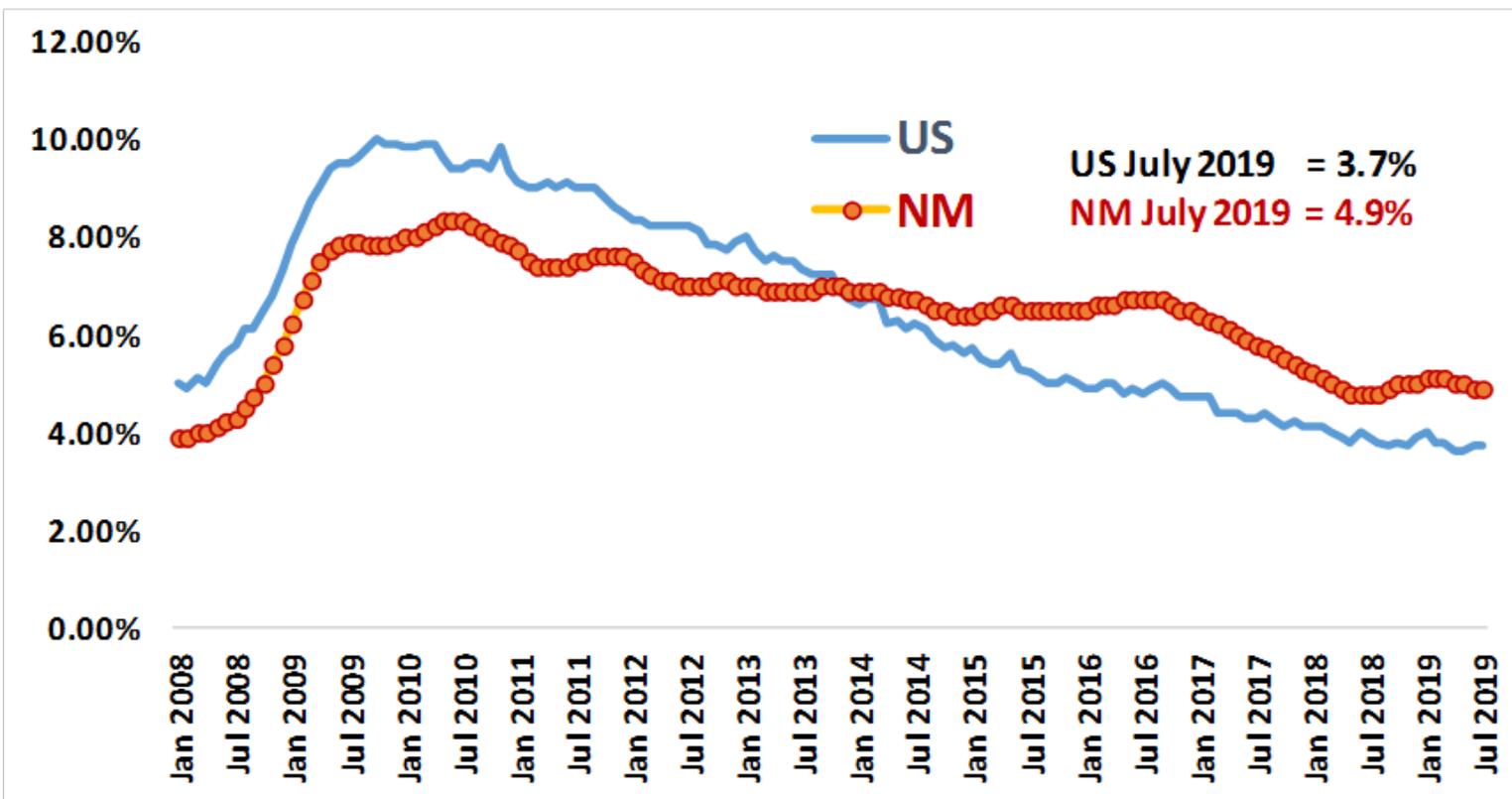
New Mexico Economic Outlook

- New Mexico non-farm jobs have grown 2.4% from July 2018 to July 2019
 - This represents a growth of 19,800 jobs in New Mexico
- Southeastern New Mexico has continued massive oil production growth setting new record levels for rig counts, production, oil generated revenues
- New Mexico GDP increased by 4.6 percent from 2018Q4 to 2019Q1, third highest in the country
- New Mexico construction employment at highest levels in over a decade, mostly concentrated in Southeastern quadrant of the State
- Leisure and Hospitality (6% growth) and Professional and Business Services (2.9% growth) sectors performed well in positive year over year job growth in July 2019
- CREG revenue forecast does not incorporate a near term US recession but the probability of a recession in FY2020/FY2021 has increased and is a concern

New Mexico - Unemployment

- US unemployment at 50 year low
- New Mexico has ticked down below 5 percent
- In combination with slight increases in wages, this moves NM closer towards full-employment

US and NM Unemployment Rate (percent) : January 2008 to July 2019

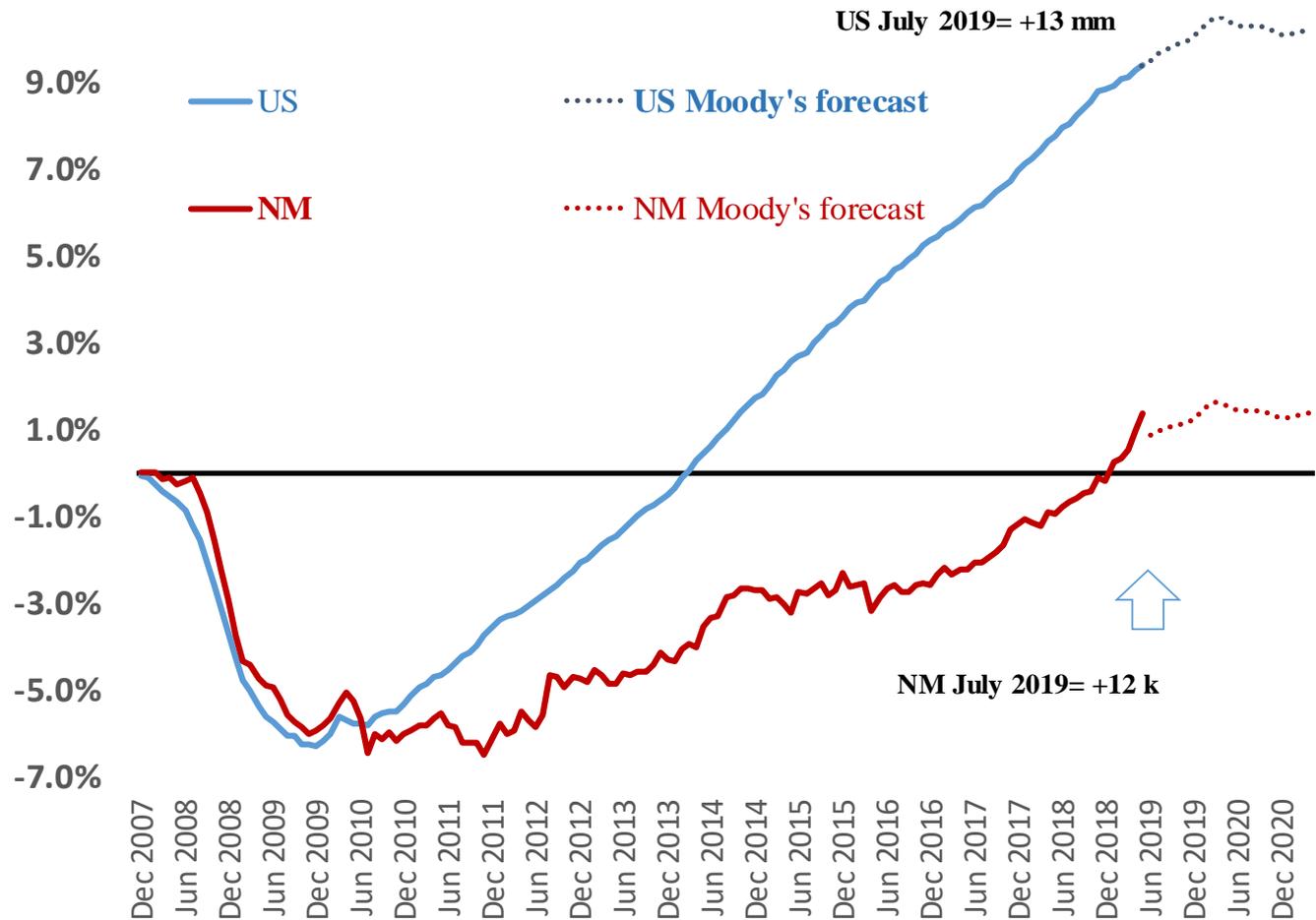


Source: bls.gov, seasonally adjusted

New Mexico - Jobs

- New Mexico employment has surpassed pre-Great Recession levels
- Employment grew 2.4 percent from July 2018 to July 2019

Percent change in Non-Farm Employment in the US and NM vs. Dec. 2007

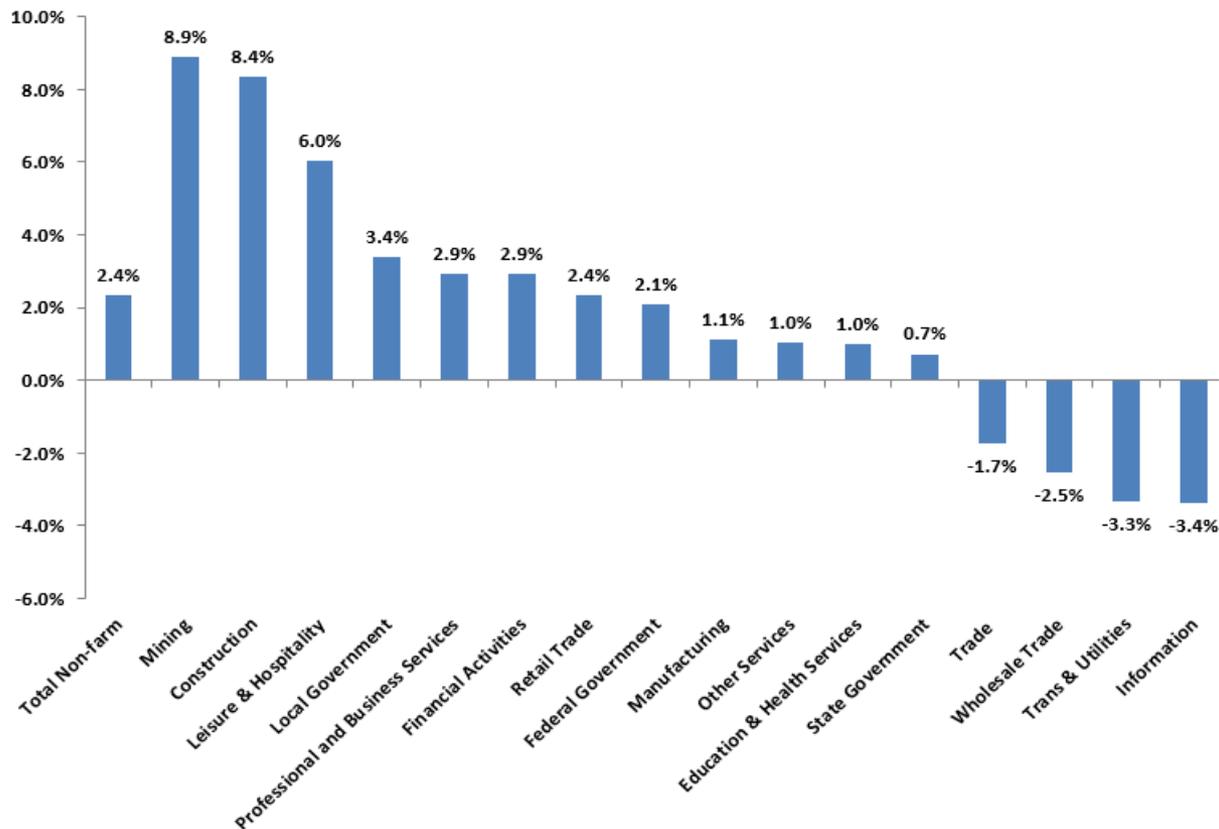


Source: bls.gov, seasonally adjusted, Moody's Aug. 2019 Forecast

New Mexico Job Growth by Sector

- 12 sectors are showing year-over-year growth while four sectors declined
- Strongest growth in Mining, Construction, Leisure & Hospitality

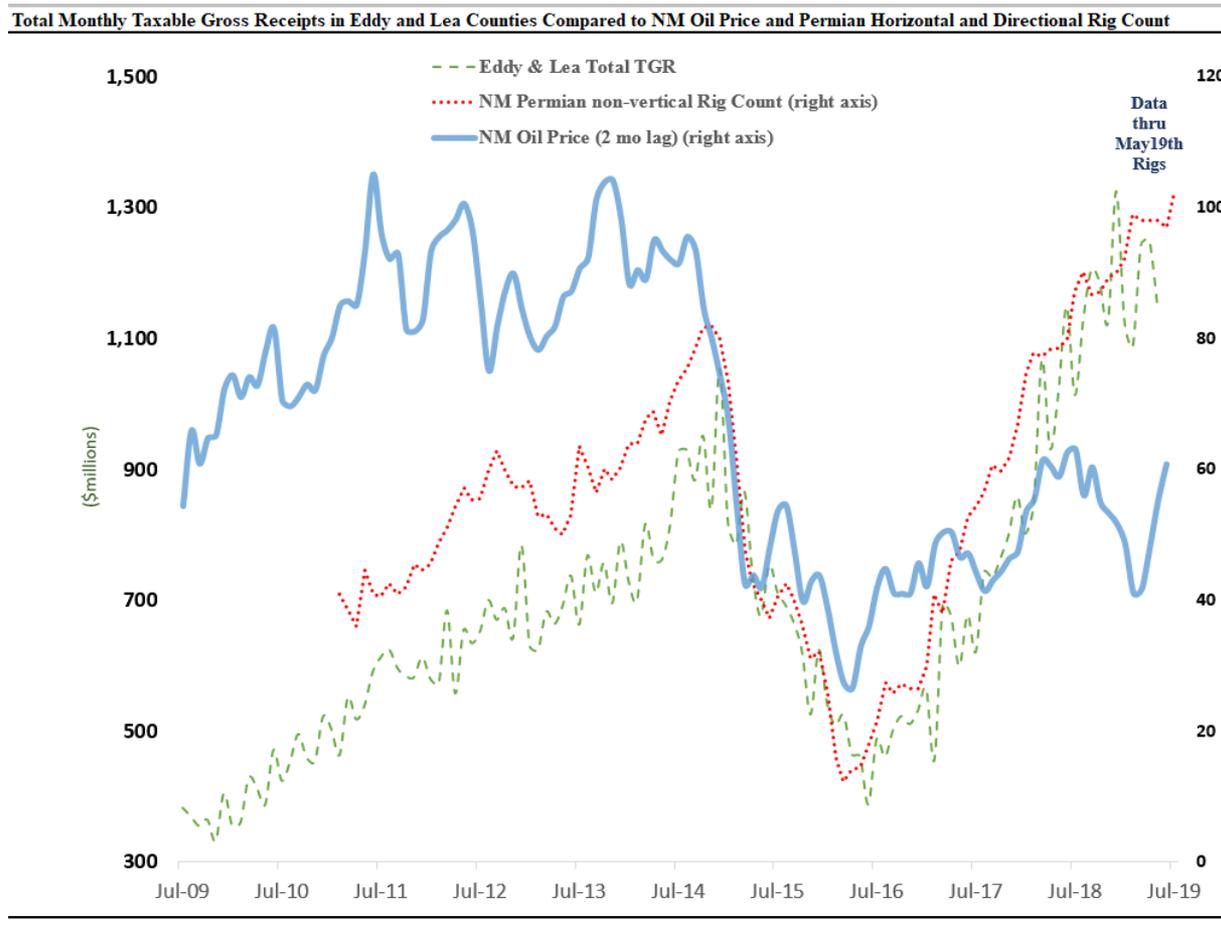
Percent Change in Non-Farm Employment in New Mexico by Sector
July 2018 to July 2019



Source: bls.gov, CES seasonally adjusted

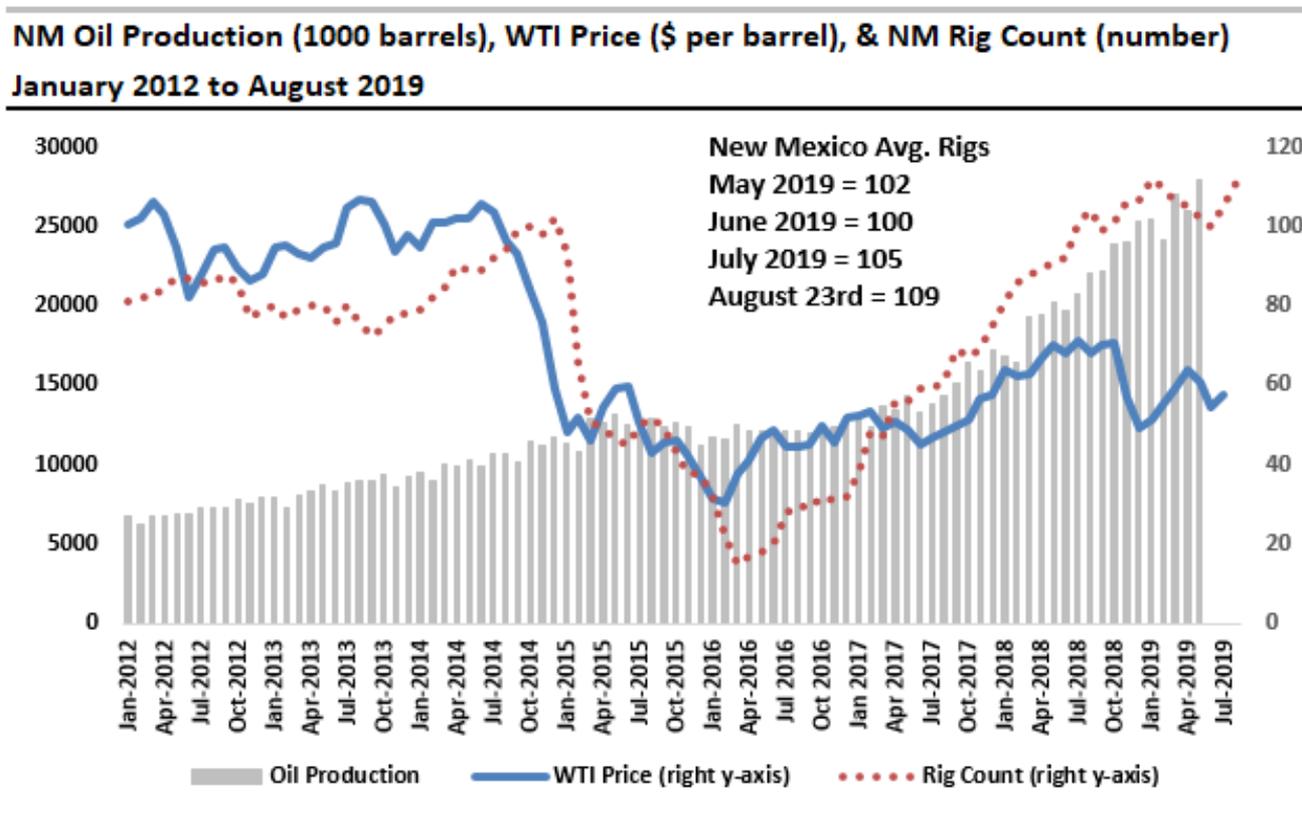
Rig Counts Are a Leading Indicator of GRT

- Oil price changes affect rig counts about two months later
- Permian Rig counts are a leading indicator of Lea and Eddy County GRT



Record Levels of Oil Production

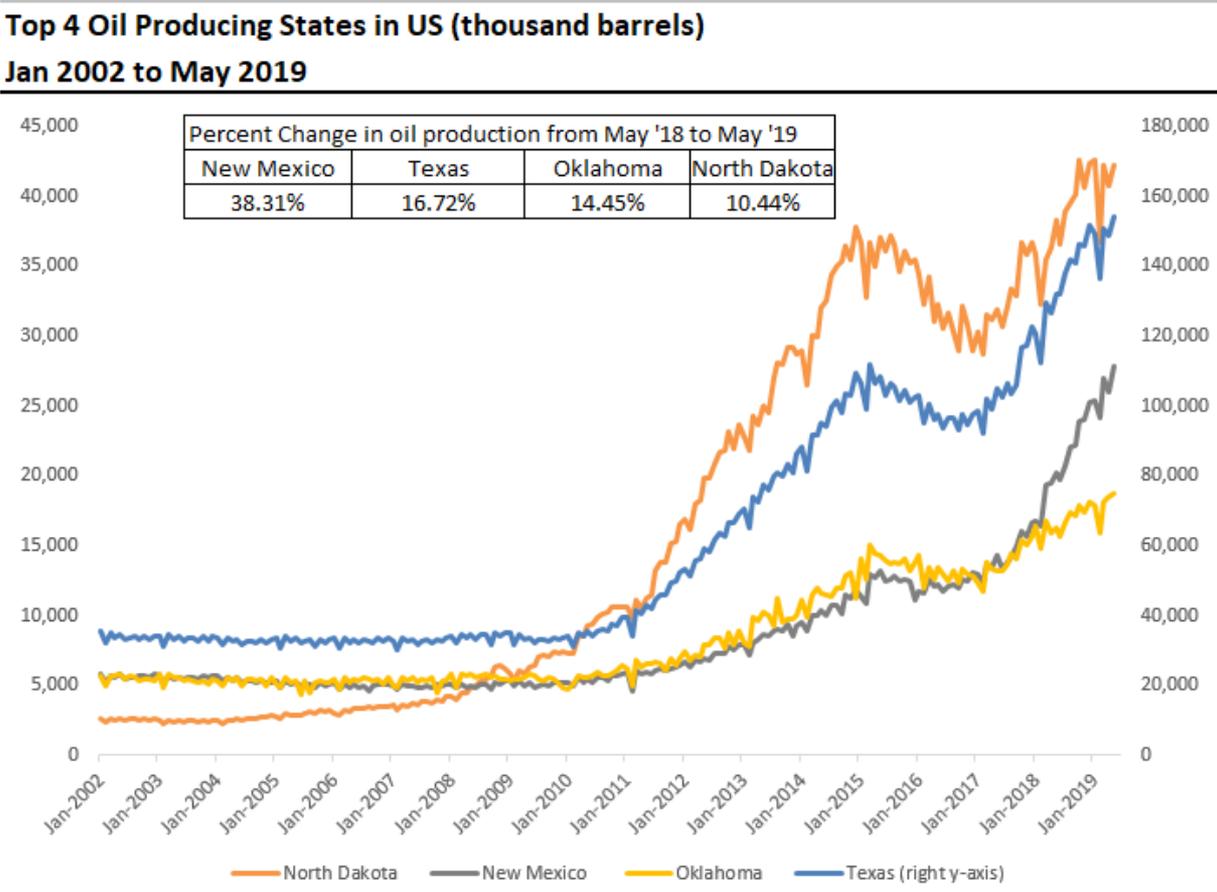
- Record oil production in FY2019 despite lower average oil prices
- New Mexico rigs consistently above 100 since January 2019
- Consensus forecast expects average oil prices of \$51.80 in FY2019, \$52.50 in FY2020 through FY2022
- Consensus Forecast expects oil volumes of 298mm barrels in FY2019, 356mm barrels in FY2020, and 500mm barrels in FY2021



Source: Baker Hughes, EIA

Oil and Natural Gas: Top 4 Oil Producing States

- New Mexico largest percentage production growth among top 4 producing states
- New Mexico share of national production at 7.4% in May 2019 versus 6.2 % in May 2018 (largest percentage share increase among top 4 states and Gulf of Mexico production May over May)



Sources: eia.gov

General Fund Overview

FY19

- FY19 GF Revenue is forecasted to grow by 14 percent over FY18
- Aug. 19 forecast increased GF revenue by 4.4 percent over Dec. 18 forecast
- FY19 GF Reserves estimated at \$1,707 million, 26.9% of recurring appropriations

FY20

- FY20 GF Revenue is estimated to decline by 0.6 percent vs. FY19
- Aug. 19 forecast increased 6.5 percent over Dec. 18 forecast for FY20 GF Revenue
- FY20 GF Reserves estimated at \$2,269 million, 32% of recurring appropriations

FY21

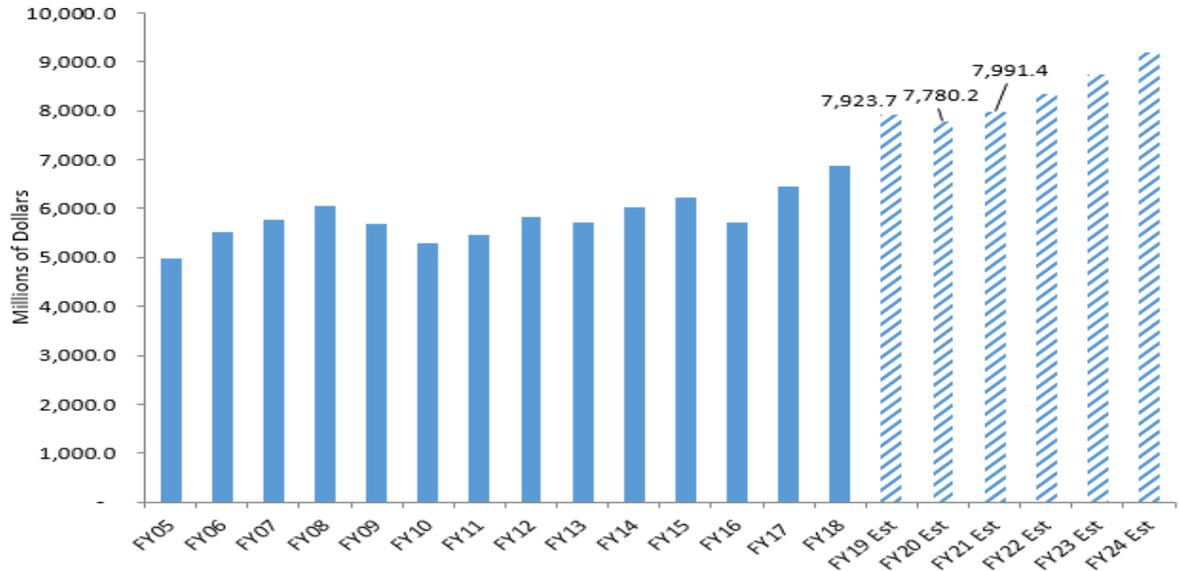
- FY21 GF Revenue is forecasted to grow by 2.7 percent vs. FY20
- “New Money” for FY21 is forecasted to be \$907 million

Consensus Revenue Summary

Table 1
August 2019 Consensus General Fund Recurring Revenue Outlook
 (Millions of Dollars)

| Fiscal Year | December 2018 Estimate (Adj. for 2019 Legislation) | August 2019 Consensus | August 2019 Revisions | Percent Change v. Prior Year | Change from Prior Year |
|-------------|--|-----------------------|-----------------------|------------------------------|------------------------|
| FY19 | \$7,490 | \$7,824 | \$333 | 13.7% | \$942 |
| FY20 | \$7,308 | \$7,780 | \$472 | -0.6% | -\$44 |
| FY21 | \$7,687 | \$7,991 | \$305 | 2.7% | \$211 |
| FY22 | \$7,955 | \$8,334 | \$379 | 4.3% | \$343 |
| FY23 | \$8,294 | \$8,753 | \$459 | 5.0% | \$419 |

Total General Fund Recurring Revenue by Fiscal Year (FY05-estFY24)



Source: DFA, CREG, Author's calculation

Consensus Revenue Summary

Table 2
August 2019 Revisions (Change from Dec. 2018 Estimate w/Legislative Adj.)
 (Millions of Dollars)

| Fiscal Year | Gross receipts tax | Selective sales taxes | Personal income tax | Corporate income tax | Energy-related revenues | Investment/Interest earnings | Other revenues | Total Recurring Revenue |
|-------------|--------------------|-----------------------|---------------------|----------------------|-------------------------|------------------------------|----------------|-------------------------|
| FY19 | \$97 | (\$17) | \$78 | \$14 | \$99 | \$58 | \$3 | \$333 |
| FY20 | \$179 | (\$19) | \$33 | \$30 | \$103 | \$21 | \$124 | \$472 |
| FY21 | \$153 | (\$18) | \$28 | (\$14) | \$192 | (\$34) | (\$3) | \$305 |
| FY22 | \$127 | (\$17) | \$28 | (\$11) | \$297 | (\$42) | (\$4) | \$379 |
| FY23 | \$110 | (\$14) | \$30 | (\$36) | \$414 | (\$41) | (\$6) | \$459 |

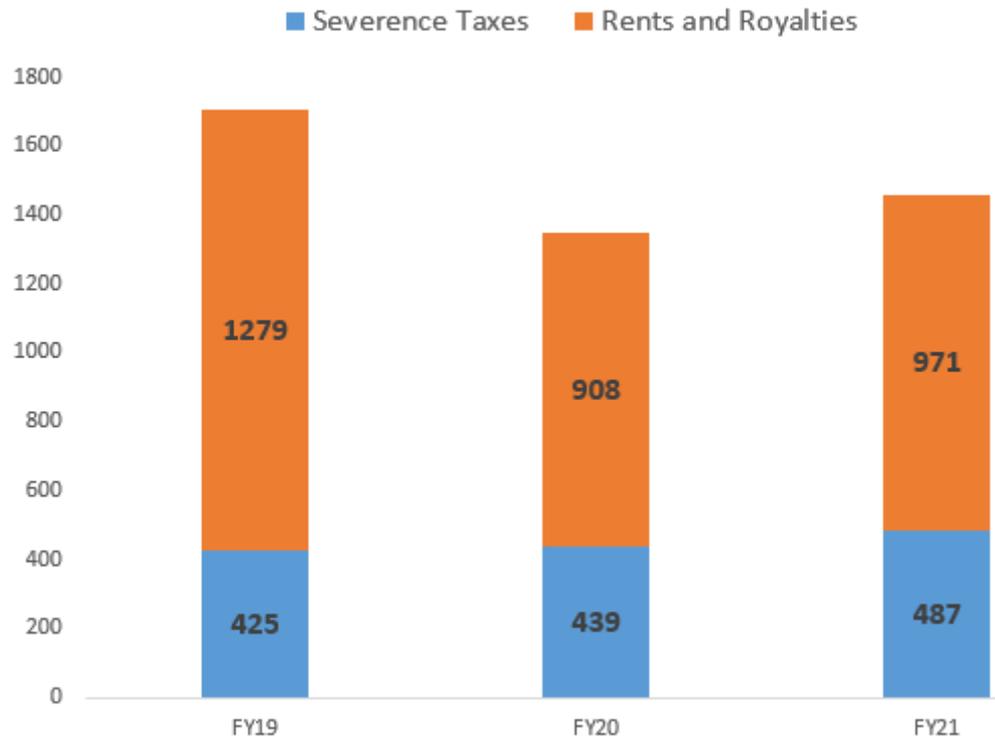
* Excludes O&G School Tax to Tax Stabilization Reserve

- Gross Receipts Tax revenue showed continued strength from Eddy and Lea counties and Out-of-State associated with oil and natural gas production
- Personal Income Tax upward revisions reflect stronger wage and salary growth in the state for FY19 and FY20
- Selective Sales came down due to revisions in insurance taxes
- Largest gains seen in energy related revenues driven by oil and natural gas production; Forecast is showing record level production over the forecast period despite lower prices

Energy Related Revenues

- After a one time large Federal Mineral Leasing payment in FY19, FML is expected to return to trend beginning in FY20. Moving forward the largest gains in energy related revenues are coming from FML.

Estimated Energy Related Revenues for FY19, FY20, and FY21 (\$ millions)



General Fund Gross Receipts Taxes

- Represents the change in Gross Receipts Tax Revenue by County from FY18 to FY19, \$ and %
- New Mexico Base Gross Receipts increased by 11.5% from FY18 to FY19
- GRT growth excluding Eddy and Lea counties was 5.6%
- Strong growth coming from Bernalillo, Lea, Eddy, and Out-of-State
- As a share of total, Bernalillo has decreased from 31.9 % to 28.4% from FY11 to FY19
- Eddy and Lea county share of total has increased from 12.8% to 21.6% FY11 to FY19

FY 19 Y/Y Gross Receipts Taxes (\$millions)

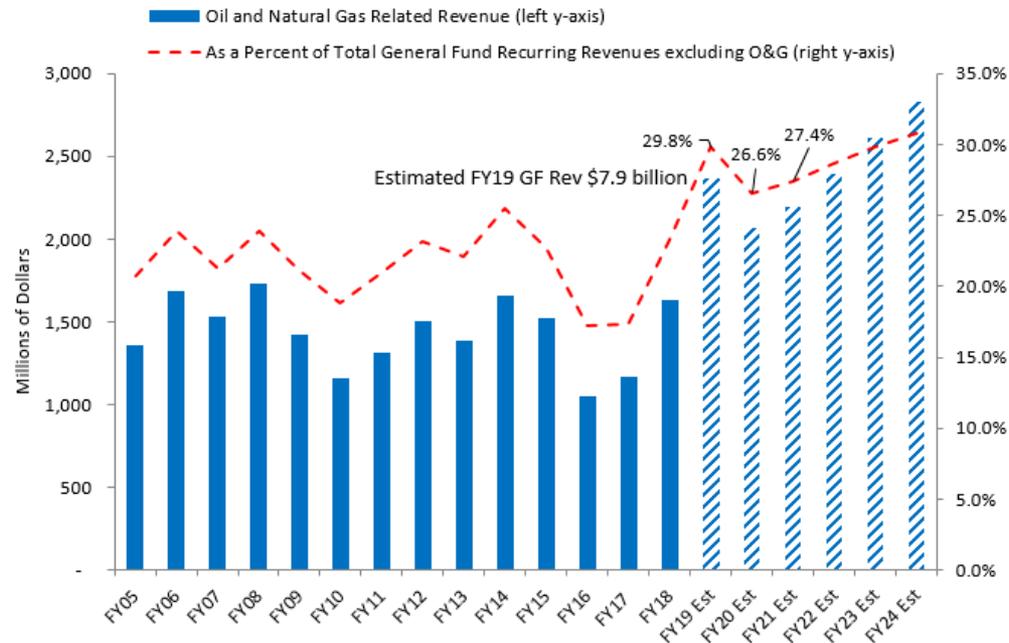
FY 2019 Y/Y % Change

| | | | | | |
|--------------------------|----------------------------------|--------------------|--------------------|----------------------------|-------------------|
| San Juan -12.3 | Rio Arriba -0.2 | Taos 0.6 | Colfax -1.2 | Union 0.2 | |
| McKinley 1.8 | Sandoval 4.2 | Los Alamos 10.3 | Mora -0.1 | Harding 0.2 | Quay 0.7 |
| Cibola -1.4 | Bernalillo 20.9 | Santa Fe 5.8 | San Miguel -0.3 | Curry 1.5 | |
| Catron 0.0 | Valencia -0.4 | Torrance -2.1 | Guadalupe -0.3 | De Baca 0.3 | Roosevelt -0.8 |
| Grant 0.6 | Sierra 0.5 | Socorro 0.3 | Lincoln 0.8 | Lea 78.7 | |
| Luna -2.4 | Doña Ana 1.0 | Otero 1.3 | Chaves -2.6 | Eddy 75.1 | |
| Hidalgo -5.0 | Out-of-State: 90.0 | | | | |

| | | | | | |
|--------------------------|----------------------------------|---------------------|--------------------|-----------------------------|--------------------|
| San Juan -9.4% | Rio Arriba -1.1% | Taos 2.0% | Colfax -9.8% | Union 4.0% | |
| McKinley 4.2% | Sandoval 6.8% | Los Alamos 17.8% | Mora -6.2% | Harding 26.7% | Quay 12.1% |
| Cibola -9.0% | Bernalillo 2.8% | Santa Fe 3.4% | San -1.9% | Curry 3.9% | |
| Catron 0.4% | Valencia -1.0% | Torrance -24.1% | Guadalupe -8.1% | De Baca 30.8% | Roosevelt -6.5% |
| Grant 2.9% | Sierra 7.5% | Socorro 3.6% | Lincoln 3.5% | Lea 36.6% | |
| Luna -14.1% | Doña Ana 0.6% | Otero 3.4% | Chaves -5.0% | Eddy 34.7% | |
| Hidalgo -61.7% | Out-of-State: 35.9% | | | | |

General Fund Oil and Natural Gas Related Revenues

General Fund Recurring Revenue from Severance Taxes, Rents and Royalties & Oil and Natural Gas Related GRT

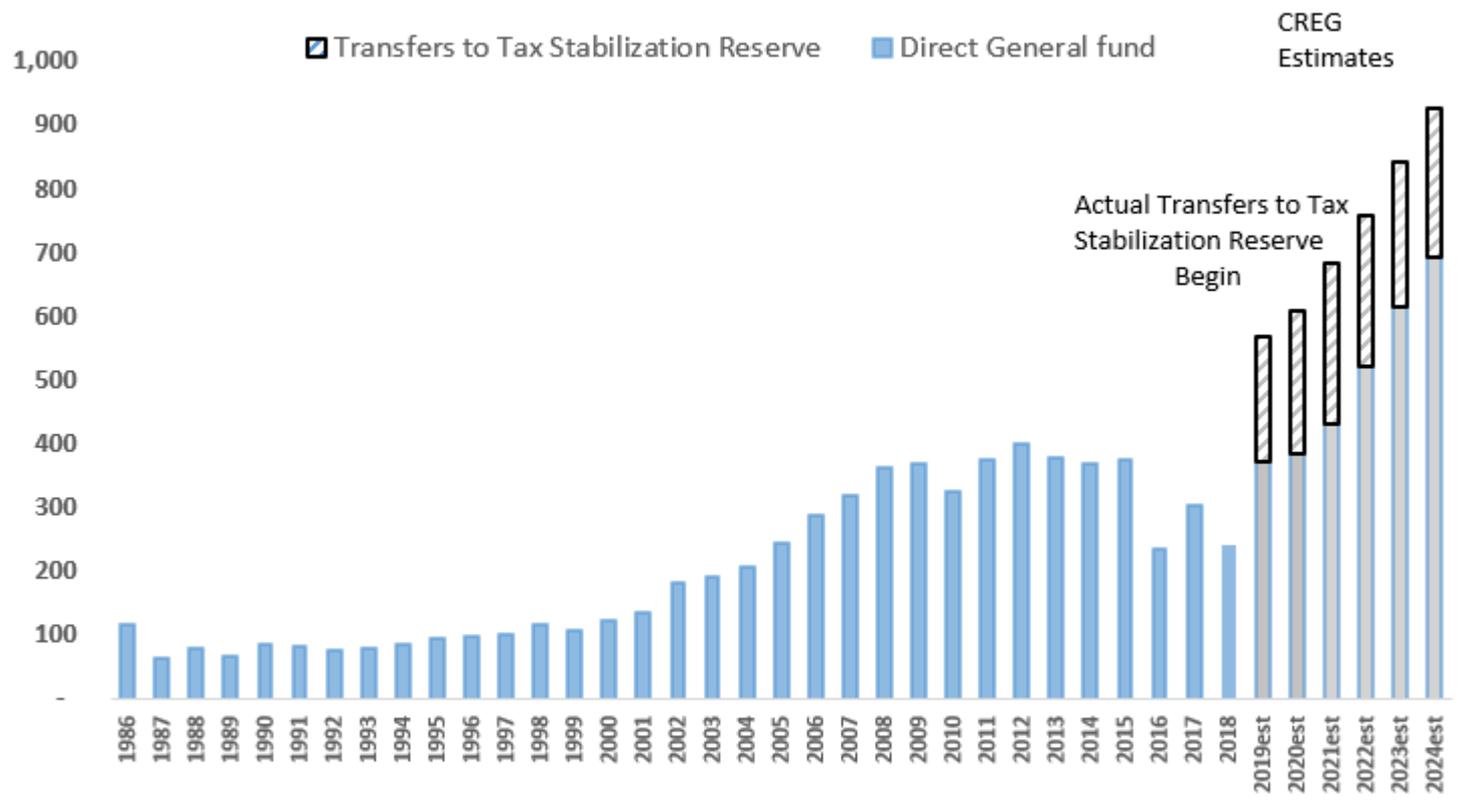


Source: DFA, CREG, Author's calculation

- FY19 total General Fund growth is estimated to be 16.2%.
- FY19 illustrates higher than normal bonus payment (\$497 million)
- Driven by energy sector
 - Severance taxes grew 25.9 percent from FY18 to FY19 when adjusting for the transfer to the Tax Stabilization Reserve
 - FML grew by 15.6 percent from FY18 to FY19 when adjusting for the larger than normal bonus payment
- Energy related revenues as a percent of total previously hovered around 15% to 20%, but are now forecasted to exceed 30% of the total by FY23

Oil & Gas School Tax to Stabilization Reserve

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



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

- Going forward, the Tax Stabilization Reserve hedges against the volatility of the Oil & Natural Gas Sector
- FY19 estimated transfer to TSR \$197 million

General Fund Financial Summary

(\$ in millions)

| | FY19 | FY20 | FY21 |
|--|-------------|-------------|--------------------------------------|
| Beginning Balance (General Fund Reserves) | \$1,184.7 | \$1,706.9 | \$2,269.5 |
| Total Revenue (Recurring Revenue) | \$7,923.7 | \$7,780.1 | \$7,991.4 |
| Spending (Recurring Appropriations) | (\$6,339.8) | (\$7,083.9) | “New Money” \$907 million |
| Reserve Transfers, etc. | \$258.3 | \$264.2 | |
| Ending Balance (General Fund Reserves) | \$1,706.9 | \$2,269.5 | |
| General Fund Reserves as a Percent of Recurring Appropriations | 26.9% | 32% | |

Risks to the Forecast

Negative Risks

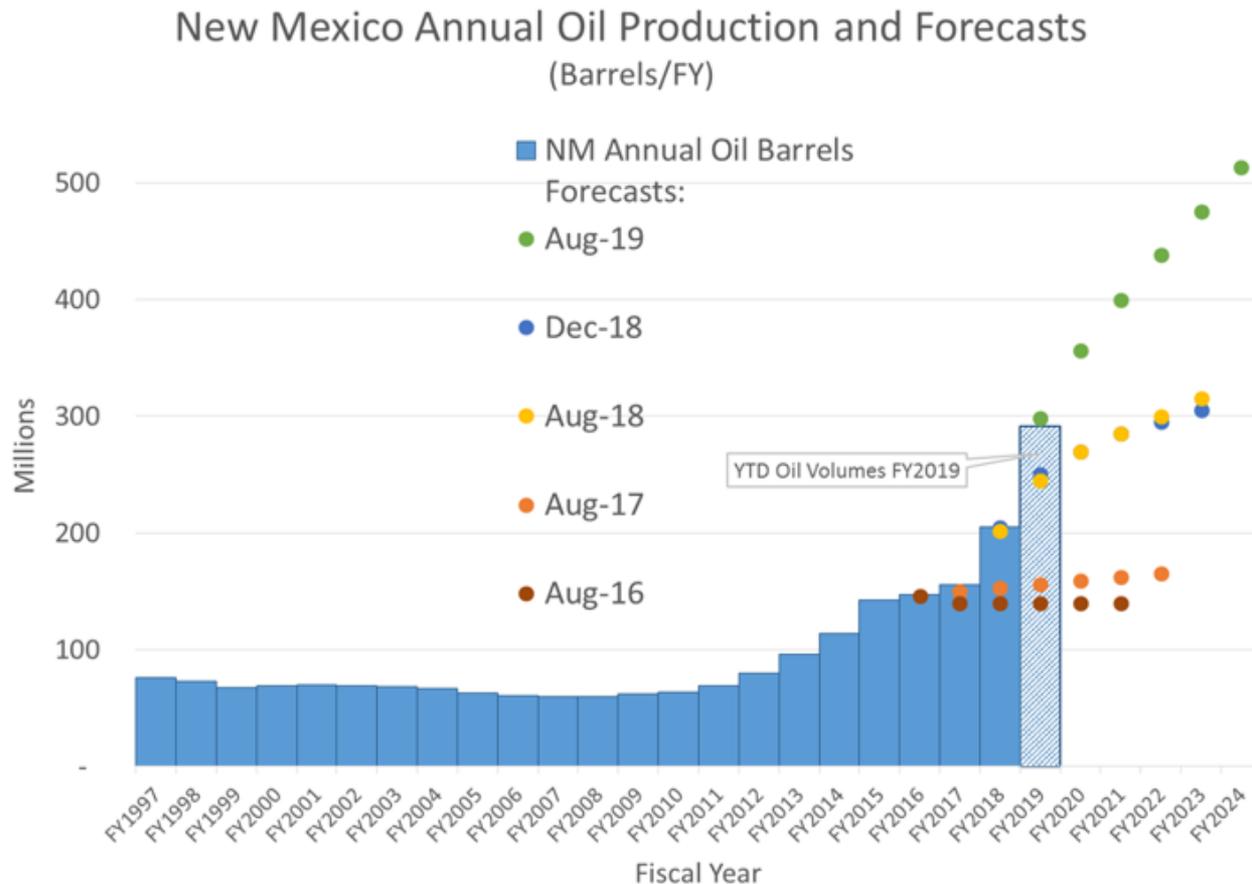
- Risk of oil price or production volume declining
- Natural gas constraints create uncertainty
- Unexpected changes in international oil market
- International trade war creates uncertainty: US trade war with China
- Risk of a US recession on the horizon
 - Moody's Analytics has probability of US entering a recession in 2020 at 19%
 - Bank of America has probability at 20%
 - Global Insight has probability at 35%
 - JP Morgan Chase (40% to 45%)
 - National Association for Business Economics Survey results
 - 38% of economists believe US will enter recession in 2020
 - 34% of economists believe US will enter recession in 2021
 - Predicting when a recession will occur and how severe is impossible but taking preemptive measures is a must

Positive Risks

- Oil production volume continues to exceed forecasts
- Oil industry shifting focus to investment value rather than high production
- Pipeline constraints addressed
- Increased federal expenditures in the areas of national security

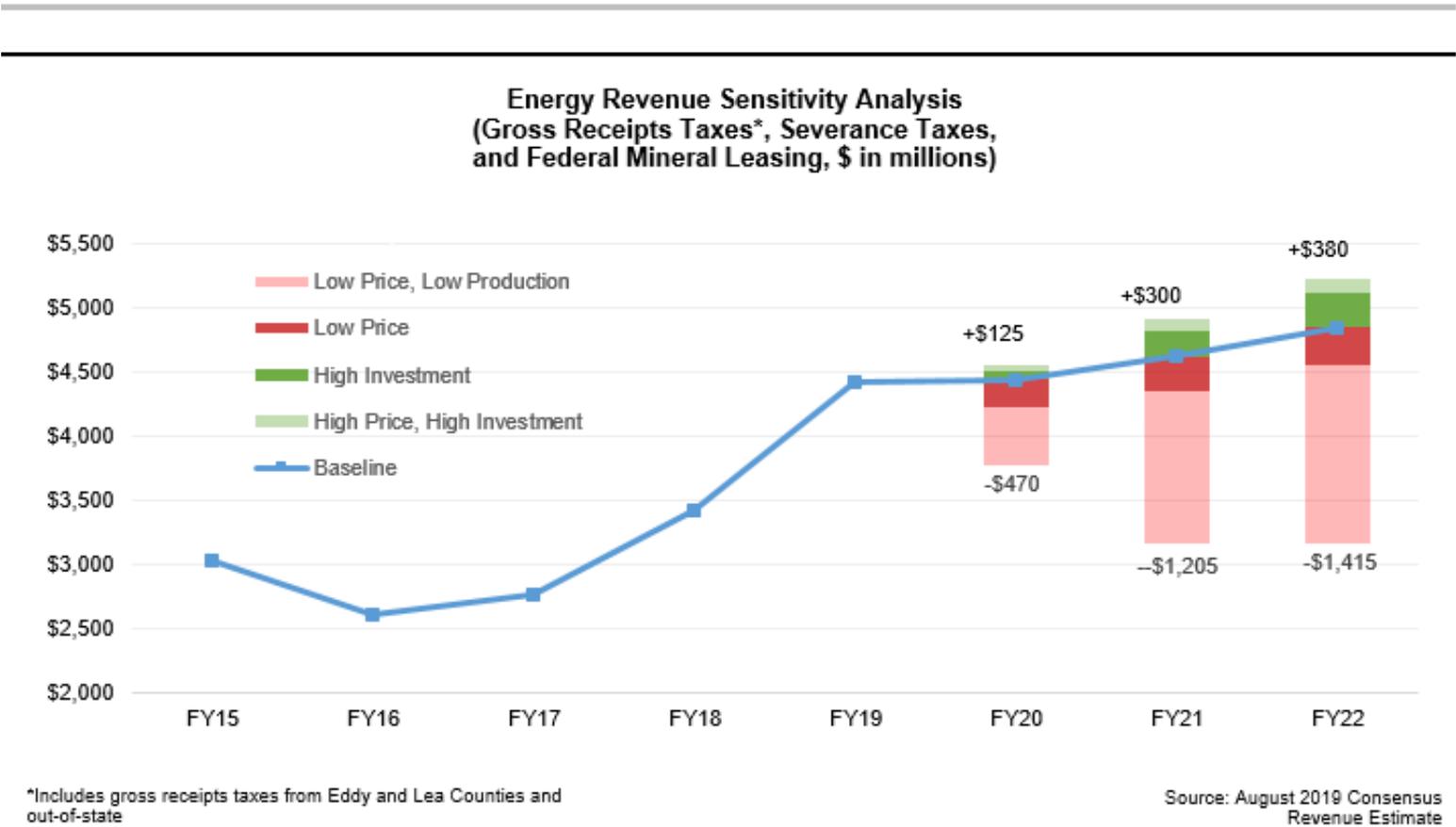
NM Oil Production and Historical Forecasts

- New Level of NM Oil Production challenges the forecasts
- Greater exposure to downside risks



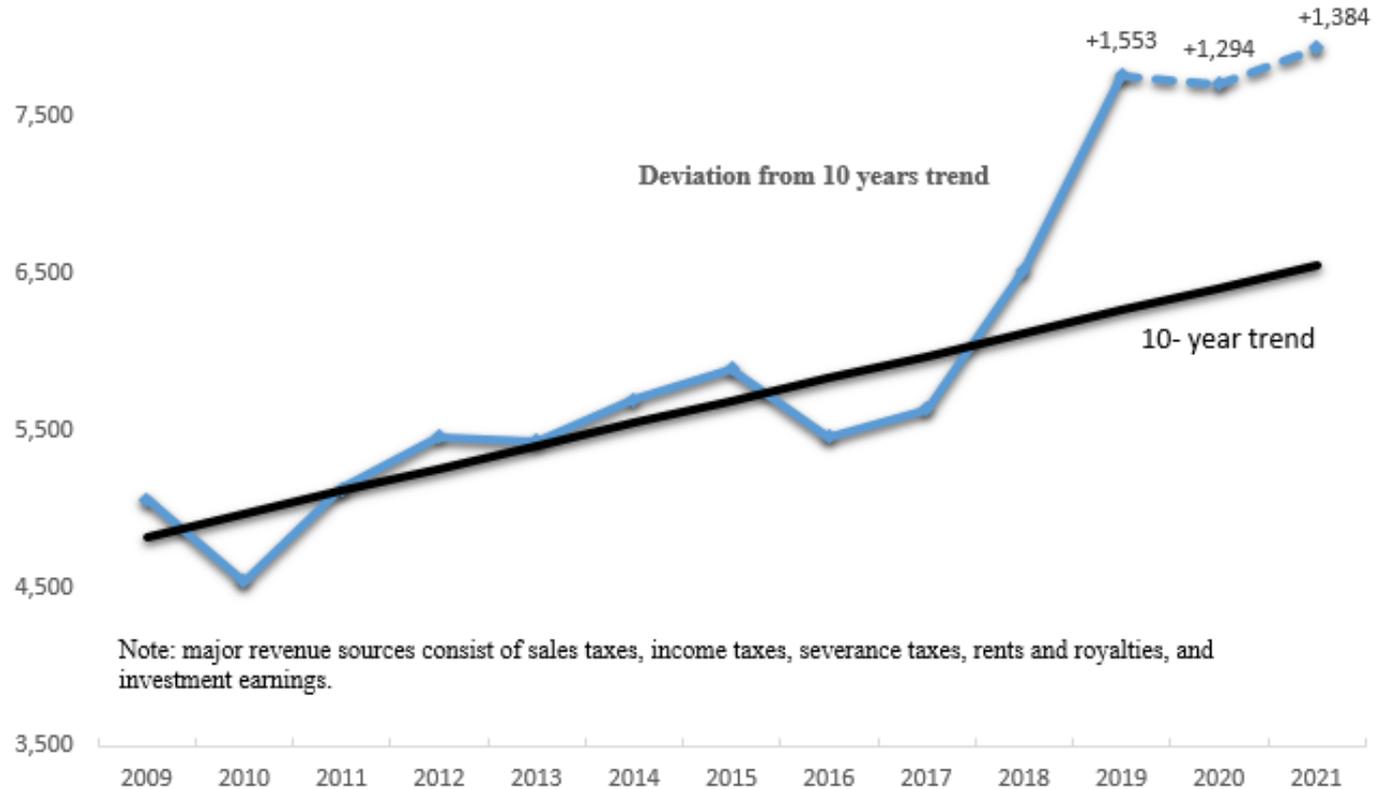
Stress Testing the Forecast

- Downside includes severe drop of rigs and assumes severe drop in GRT, Severance, FML (similar to 2016)
- According to EIA low prices are more likely than higher prices



Linear Trend Analysis

Volatility in Major General Fund Revenue Sources (\$ millions)



Source: August 2019 Consensus Revenue Estimate

➤ Illustrates how far revenues are deviating from the 10 year trend

Appendix 1a

| Revenue Source | FY19 | | | | | FY20 | | | | | FY21 | | | | |
|--------------------------------|---|------------------|-----------------------------------|--------------------|---------------------|---|---------------|-----------------------------------|--------------------|---------------------|---|---------------|-------------------------|--------------------|---------------------|
| | Dec 2018 Est. Adjusted for 2019 Legislation | Aug 2019 Prelim. | Change from Prior (Dec. adjusted) | % Change from FY18 | \$ Change from FY18 | Dec 2018 Est. Adjusted for 2019 Legislation | Aug 2019 Est. | Change from Prior (Dec. adjusted) | % Change from FY19 | \$ Change from FY19 | Dec 2018 Est. Adjusted for 2019 Legislation | Aug 2019 Est. | Change from Prior (Dec) | % Change from FY20 | \$ Change from FY20 |
| Base Gross Receipts Tax | 2,696.2 | 2,791.8 | 95.6 | 10.5% | 265.9 | 2,866.8 | 3,039.8 | 173.0 | 8.9% | 248.0 | 2,933.3 | 3,077.0 | 143.7 | 1.2% | 37.3 |
| F&M Hold Harmless Payments | (113.5) | (120.4) | (6.9) | -2.7% | 3.4 | (108.0) | (114.6) | (6.6) | -4.8% | 5.8 | (99.7) | (106.2) | (6.5) | -7.3% | 8.4 |
| NET Gross Receipts Tax | 2,582.7 | 2,671.4 | 88.7 | 12.2% | 290.3 | 2,758.8 | 2,925.2 | 166.4 | 9.5% | 253.8 | 2,833.6 | 2,970.8 | 137.2 | 1.6% | 45.7 |
| Compensating Tax | 70.0 | 78.7 | 8.7 | 40.3% | 22.6 | 70.0 | 82.9 | 12.9 | 5.4% | 4.2 | 70.0 | 85.4 | 15.4 | 3.0% | 2.5 |
| TOTAL GENERAL SALES | 2,652.7 | 2,750.1 | 97.4 | 12.8% | 312.9 | 2,828.8 | 3,008.1 | 179.3 | 9.4% | 258.0 | 2,903.6 | 3,056.3 | 152.7 | 1.6% | 48.1 |
| Tobacco Taxes | 77.4 | 77.6 | 0.2 | -1.0% | (0.8) | 90.0 | 89.4 | (0.6) | 15.2% | 11.8 | 88.5 | 89.0 | 0.5 | -0.4% | (0.4) |
| Liquor Excise | 25.6 | 25.4 | (0.2) | 6.6% | 1.6 | 22.6 | 22.3 | (0.3) | -12.2% | (3.1) | 22.7 | 22.3 | (0.4) | 0.0% | 0.0 |
| Insurance Taxes | 209.7 | 184.8 | (24.9) | 2.9% | 5.3 | 216.4 | 198.7 | (17.7) | 7.5% | 13.9 | 224.9 | 206.5 | (18.4) | 3.9% | 7.8 |
| Fire Protection Fund Reversion | 18.3 | 22.6 | 4.3 | 13.0% | 2.6 | 18.9 | 16.9 | (1.9) | -24.9% | (5.6) | 19.4 | 17.4 | (1.9) | 3.0% | 0.5 |
| Motor Vehicle Excise | 150.6 | 152.6 | 2.0 | -0.9% | (1.4) | 155.5 | 153.8 | (1.7) | 0.8% | 1.2 | 159.2 | 158.2 | (1.0) | 2.8% | 4.4 |
| Gaming Excise | 63.6 | 64.8 | 1.2 | 4.4% | 2.7 | 63.7 | 66.7 | 3.0 | 2.9% | 1.9 | 66.1 | 69.3 | 3.2 | 3.9% | 2.6 |
| Leased Vehicle & Other | 8.0 | 8.7 | 0.7 | 6.1% | 0.5 | 8.0 | 8.1 | 0.1 | -6.9% | (0.6) | 8.0 | 8.1 | 0.1 | 0.0% | - |
| TOTAL SELECTIVE SALES | 553.2 | 536.4 | (16.8) | 2.0% | 10.5 | 575.1 | 555.9 | (19.1) | 3.6% | 19.5 | 588.8 | 570.8 | (18.0) | 2.7% | 14.9 |
| Personal Income Tax | 1,564.3 | 1,642.8 | 78.5 | 8.2% | 123.8 | 1,551.7 | 1,585.0 | 33.3 | -3.5% | (57.8) | 1,616.9 | 1,645.0 | 28.2 | 3.8% | 60.1 |
| Corporate Income Tax | 110.0 | 124.0 | 14.0 | 16.3% | 17.4 | 55.5 | 85.8 | 30.3 | -30.8% | (38.2) | 62.3 | 48.7 | (13.6) | -43.2% | (37.1) |
| TOTAL INCOME TAXES | 1,674.3 | 1,766.8 | 92.5 | 8.7% | 141.2 | 1,607.2 | 1,670.7 | 63.5 | -5.4% | (96.1) | 1,679.1 | 1,693.7 | 14.6 | 1.4% | 23.0 |
| Oil and Gas School Tax | 373.6 | 372.5 | (1.1) | -17.4% | (78.3) | 372.7 | 384.8 | 12.1 | 3.3% | 12.3 | 401.5 | 431.2 | 29.7 | 12.1% | 46.4 |
| Oil Conservation Tax | 25.5 | 29.6 | 4.1 | 29.3% | 6.7 | 27.1 | 32.4 | 5.3 | 9.5% | 2.8 | 28.8 | 36.1 | 7.3 | 11.4% | 3.7 |
| Resources Excise Tax | 7.5 | 7.6 | 0.1 | -11.3% | (1.0) | 7.4 | 7.7 | 0.3 | 1.3% | 0.1 | 7.3 | 7.7 | 0.4 | 0.0% | - |
| Natural Gas Processors Tax | 15.3 | 14.9 | (0.4) | 37.4% | 4.1 | 16.6 | 14.3 | (2.3) | -4.0% | (0.6) | 15.5 | 11.7 | (3.8) | -18.2% | (2.6) |
| TOTAL SEVERANCE TAXES | 421.9 | 424.6 | 2.7 | -13.9% | (68.5) | 423.8 | 439.2 | 15.4 | 3.4% | 14.6 | 453.1 | 486.7 | 33.6 | 10.8% | 47.5 |
| LICENSE FEES | 54.5 | 51.7 | (2.8) | -15.3% | (9.3) | 55.1 | 52.8 | (2.3) | 2.1% | 1.1 | 55.7 | 53.3 | (2.4) | 0.9% | 0.5 |
| LGPF Interest | 636.2 | 638.0 | 1.8 | 8.8% | 51.4 | 682.1 | 667.5 | (14.6) | 4.6% | 29.5 | 725.9 | 701.4 | (24.6) | 5.1% | 33.9 |
| STO Interest | 28.5 | 84.5 | 56.0 | 1321.4% | 78.6 | 44.8 | 85.0 | 40.2 | 0.6% | 0.5 | 57.9 | 56.3 | (1.6) | -33.8% | (28.7) |
| STPF Interest | 220.6 | 220.6 | - | 4.9% | 10.2 | 229.8 | 225.3 | (4.6) | 2.1% | 4.6 | 239.2 | 231.5 | (7.8) | 2.7% | 6.2 |
| TOTAL INTEREST | 885.3 | 943.1 | 57.8 | 17.5% | 140.2 | 956.7 | 977.7 | 21.0 | 3.7% | 34.6 | 1,023.0 | 989.1 | (33.9) | 1.2% | 11.4 |
| Federal Mineral Leasing | 1,098.0 | 1,146.3 | 48.3 | 103.2% | 582.1 | 758.5 | 833.8 | 75.2 | -27.3% | (312.6) | 752.3 | 897.4 | 145.1 | 7.6% | 63.7 |
| State Land Office | 84.4 | 132.5 | 48.1 | 18.4% | 20.6 | 61.5 | 74.0 | 12.5 | -44.1% | (58.5) | 61.5 | 74.5 | 13.0 | 0.7% | 0.5 |
| TOTAL RENTS & ROYALTIES | 1,182.4 | 1,278.8 | 96.3 | 89.1% | 602.7 | 820.0 | 907.8 | 87.7 | -29.0% | (371.0) | 813.8 | 971.9 | 158.1 | 7.1% | 64.2 |
| TRIBAL REVENUE SHARING | 74.8 | 76.9 | 2.1 | 13.0% | 8.8 | 76.2 | 78.5 | 2.3 | 2.1% | 1.6 | 77.8 | 80.4 | 2.6 | 2.4% | 1.9 |
| MISCELLANEOUS RECEIPTS | 48.3 | 52.3 | 4.0 | 11.4% | 5.4 | 50.2 | 49.4 | (0.8) | -5.5% | (2.9) | 51.9 | 49.2 | (2.7) | -0.4% | (0.2) |
| REVERSIONS | 43.0 | 43.0 | - | -46.1% | (36.8) | 40.0 | 40.0 | - | -7.0% | (3.0) | 40.0 | 40.0 | - | 0.0% | - |
| TOTAL RECURRING | 7,590.5 | 7,923.7 | 333.2 | 16.2% | 1,107.2 | 7,433.1 | 7,780.1 | 347.0 | -1.8% | (143.6) | 7,686.8 | 7,991.4 | 304.6 | 2.7% | 211.3 |
| TOTAL NONRECURRING | (100.0) | (100.0) | - | -254.3% | (164.8) | (125.0) | - | 125.0 | -100.0% | 100.0 | - | - | - | n/a | - |
| GRAND TOTAL | 7,490.5 | 7,823.7 | 333.2 | 13.7% | 942.4 | 7,308.1 | 7,780.1 | 472.0 | -0.6% | (43.6) | 7,686.8 | 7,991.4 | 304.6 | 2.7% | 211.3 |

Note: Light purple indicates items with legislative adjustments
 Note: Columns in blue show difference between August 2019 Consensus Revenue Estimate and December 2018 Consensus Revenue Estimate adjusted for 2019 legislation
 Note: Columns in red show year-over-year growth expected in the August 2019 Consensus Revenue Estimate

| | | | | | | | | | | | | | | | |
|--|-------|-------|------|-----|-------|-------|-------|------|-------|------|-------|-------|-------|-------|------|
| Oil & Gas School Tax to Tax Stab. Res. | 122.6 | 196.8 | 74.2 | n/a | 196.8 | 146.6 | 224.3 | 77.7 | 14.0% | 27.5 | 149.7 | 252.8 | 103.1 | 12.7% | 28.5 |
|--|-------|-------|------|-----|-------|-------|-------|------|-------|------|-------|-------|-------|-------|------|

Appendix 1b

| Revenue Source | FY22 | | | | | FY23 | | | | | FY24 | | |
|--|---|----------------|-------------------|--------------------|---------------------|---|----------------|-------------------|--------------------|---------------------|----------------|--------------------|---------------------|
| | Dec 2018 Est. Adjusted for 2019 Legislation | Aug 2019 Est. | Change from Prior | % Change from FY21 | \$ Change from FY21 | Dec 2018 Est. Adjusted for 2019 Legislation | Aug 2019 Est. | Change from Prior | % Change from FY22 | \$ Change from FY22 | Aug 2019 Est. | % Change from FY23 | \$ Change from FY23 |
| Base Gross Receipts Tax | 3,033.3 | 3,135.2 | 101.9 | 1.9% | 58.2 | 3,151.9 | 3,227.5 | 75.6 | 2.9% | 92.3 | 3,325.5 | 3.0% | 98.0 |
| F&M Hold Harmless Payments | (104.4) | (96.9) | 7.5 | -8.8% | 9.3 | (101.1) | (87.0) | 14.1 | -10.2% | 9.9 | (76.8) | -11.7% | 10.2 |
| NET Gross Receipts Tax | 2,928.9 | 3,038.3 | 109.4 | 2.3% | 67.5 | 3,050.8 | 3,140.5 | 89.7 | 3.4% | 102.2 | 3,248.7 | 3.4% | 108.2 |
| Compensating Tax | 70.0 | 88.0 | 18.0 | 3.0% | 2.6 | 70.0 | 90.6 | 20.6 | 3.0% | 2.6 | 93.4 | 3.0% | 2.7 |
| TOTAL GENERAL SALES | 2,998.9 | 3,126.3 | 127.4 | 2.3% | 70.0 | 3,120.8 | 3,231.1 | 110.3 | 3.4% | 104.8 | 3,342.0 | 3.4% | 110.9 |
| Tobacco Taxes | 86.7 | 88.2 | 1.5 | -0.9% | (0.8) | 84.8 | 87.4 | 2.6 | -0.9% | (0.8) | 86.6 | -0.9% | (0.8) |
| Liquor Excise | 22.7 | 22.3 | (0.4) | -0.1% | (0.0) | 22.7 | 22.2 | (0.5) | -0.1% | (0.0) | 22.1 | -0.4% | (0.1) |
| Insurance Taxes | 233.7 | 214.6 | (19.1) | 3.9% | 8.1 | 242.4 | 222.6 | (19.8) | 3.7% | 8.0 | 230.9 | 3.7% | 8.3 |
| Fire Protection Fund Reversion | 19.9 | 18.0 | (1.9) | 3.0% | 0.5 | 20.4 | 18.5 | (1.9) | 3.0% | 0.5 | 19.1 | 3.0% | 0.6 |
| Motor Vehicle Excise | 135.5 | 134.3 | (1.2) | -15.1% | (23.8) | 137.6 | 138.2 | 0.6 | 2.9% | 3.9 | 142.1 | 2.8% | 3.9 |
| Gaming Excise | 67.2 | 71.4 | 4.2 | 3.0% | 2.1 | 68.2 | 73.2 | 5.0 | 2.5% | 1.8 | 74.5 | 1.8% | 1.3 |
| Leased Vehicle & Other | 8.0 | 8.1 | 0.1 | 0.0% | - | 8.0 | 8.1 | 0.1 | 0.0% | - | 8.0 | -1.2% | (0.1) |
| TOTAL SELECTIVE SALES | 573.7 | 556.9 | (16.8) | -2.4% | (13.9) | 584.1 | 570.2 | (13.9) | 2.4% | 13.4 | 583.3 | 2.3% | 13.1 |
| Personal Income Tax | 1,685.5 | 1,713.8 | 28.4 | 4.2% | 68.8 | 1,735.5 | 1,765.7 | 30.2 | 3.0% | 51.9 | 1,818.4 | 3.0% | 52.6 |
| Corporate Income Tax | 28.7 | 18.1 | (10.6) | -62.8% | (30.6) | 37.8 | 1.9 | (35.9) | -89.4% | (16.2) | 15.8 | 722.7% | 13.9 |
| TOTAL INCOME TAXES | 1,714.2 | 1,731.9 | 17.7 | 2.3% | 38.2 | 1,773.3 | 1,767.7 | (5.7) | 2.1% | 35.7 | 1,834.1 | 3.8% | 66.5 |
| Oil and Gas School Tax | 464.3 | 523.9 | 59.6 | 21.5% | 92.7 | 518.6 | 614.8 | 96.2 | 17.4% | 90.9 | 693.1 | 12.7% | 78.3 |
| Oil Conservation Tax | 30.0 | 39.9 | 9.9 | 10.5% | 3.8 | 31.0 | 44.4 | 13.4 | 11.3% | 4.5 | 48.7 | 9.7% | 4.3 |
| Resources Excise Tax | 6.9 | 7.4 | 0.5 | -3.9% | (0.3) | 6.4 | 7.1 | 0.7 | -4.1% | (0.3) | 7.1 | 0.0% | - |
| Natural Gas Processors Tax | 14.4 | 9.8 | (4.6) | -16.2% | (1.9) | 14.5 | 12.1 | (2.4) | 23.5% | 2.3 | 13.4 | 10.7% | 1.3 |
| TOTAL SEVERANCE TAXES | 515.6 | 581.0 | 65.4 | 19.4% | 94.3 | 570.5 | 678.4 | 107.9 | 16.8% | 97.4 | 762.3 | 12.4% | 83.9 |
| LICENSE FEES | 56.4 | 54.0 | (2.4) | 1.3% | 0.7 | 57.2 | 54.7 | (2.5) | 1.3% | 0.7 | 55.4 | 1.3% | 0.7 |
| LGPF Interest | 776.3 | 746.0 | (30.3) | 6.4% | 44.6 | 825.5 | 794.6 | (30.9) | 6.5% | 48.6 | 836.2 | 5.2% | 41.6 |
| STO Interest | 66.4 | 65.7 | (0.7) | 16.7% | 9.4 | 67.2 | 71.9 | 4.7 | 9.4% | 6.2 | 71.9 | 0.0% | - |
| STPF Interest | 251.9 | 240.8 | (11.1) | 4.0% | 9.3 | 264.9 | 250.4 | (14.5) | 4.0% | 9.7 | 257.5 | 2.8% | 7.1 |
| TOTAL INTEREST | 1,094.5 | 1,052.5 | (42.1) | 6.4% | 63.4 | 1,157.6 | 1,116.9 | (40.7) | 6.1% | 64.5 | 1,165.6 | 4.4% | 48.7 |
| Federal Mineral Leasing | 766.7 | 985.2 | 218.5 | 9.8% | 87.8 | 792.7 | 1,086.3 | 293.6 | 10.3% | 101.1 | 1,193.9 | 9.9% | 107.6 |
| State Land Office | 62.0 | 74.7 | 12.7 | 0.2% | 0.2 | 62.0 | 75.0 | 13.0 | 0.4% | 0.3 | 75.5 | 0.6% | 0.5 |
| TOTAL RENTS & ROYALTIES | 828.7 | 1,059.9 | 231.2 | 9.0% | 88.0 | 854.7 | 1,161.3 | 306.6 | 9.6% | 101.4 | 1,269.3 | 9.3% | 108.1 |
| TRIBAL REVENUE SHARING | 79.7 | 82.2 | 2.5 | 2.2% | 1.8 | 80.9 | 83.1 | 2.2 | 1.1% | 0.9 | 85.8 | 3.2% | 2.7 |
| MISCELLANEOUS RECEIPTS | 53.2 | 49.4 | (3.8) | 0.5% | 0.2 | 55.1 | 49.4 | (5.7) | 0.0% | 0.0 | 49.9 | 1.0% | 0.5 |
| REVERSIONS | 40.0 | 40.0 | - | 0.0% | - | 40.0 | 40.0 | - | 0.0% | - | 40.0 | 0.0% | - |
| TOTAL RECURRING | 7,954.9 | 8,334.1 | 379.1 | 4.3% | 342.7 | 8,294.3 | 8,752.8 | 458.5 | 5.0% | 418.7 | 9,187.8 | 5.0% | 435.0 |
| TOTAL NONRECURRING | - | - | - | n/a | - | - | - | - | n/a | - | - | n/a | - |
| GRAND TOTAL | 7,954.9 | 8,334.1 | 379.1 | 4.3% | 342.7 | 8,294.3 | 8,752.8 | 458.5 | 5.0% | 418.7 | 9,187.8 | 5.0% | 435.0 |
| Oil & Gas School Tax to Tax Stab. Res. | 111.1 | 235.3 | 124.2 | -6.9% | (17.5) | 77.3 | 229.2 | 151.9 | -2.6% | (6.1) | 234.7 | 2.4% | 5.5 |

Appendix 2

| U.S. and New Mexico Economic Indicators | | | | | | | | | | | | | |
|--|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | FY19 | | FY20 | | FY21 | | FY22 | | FY23 | | FY24 | |
| | | Dec 18 Forecast | Aug 19 Forecast |
| National Economic Indicators | | | | | | | | | | | | | |
| GI | US Real GDP Growth (annual avg., % YOY)* | 3.0 | 2.6 | 2.4 | 2.2 | 1.8 | 2.3 | 1.5 | 1.9 | 1.5 | 1.7 | n/a | 1.6 |
| Moody's | US Real GDP Growth (annual avg., % YOY)* | | 2.6 | | 2.0 | | 1.5 | | 2.9 | | 2.3 | | 2.2 |
| GI | US Inflation Rate (CPI-U, annual avg., % YOY)** | 2.5 | 2.1 | 2.3 | 2.2 | 1.9 | 1.9 | 2.3 | 2.3 | 2.3 | 2.4 | n/a | 2.5 |
| Moody's | US Inflation Rate (CPI-U, annual avg., % YOY)** | | 2.1 | | 2.1 | | 2.1 | | 2.4 | | 2.3 | | 2.3 |
| GI | Federal Funds Rate (%) | 2.3 | 2.2 | 3.2 | 2.2 | 3.4 | 2.3 | 3.4 | 2.4 | 3.4 | 2.5 | n/a | 2.6 |
| Moody's | Federal Funds Rate (%) | | 2.2 | | 1.8 | | 1.7 | | 2.3 | | 2.9 | | 3.0 |
| New Mexico Labor Market and Income Data | | | | | | | | | | | | | |
| BBER | NM Non-Agricultural Employment Growth (%) | 1.4 | 1.5 | 1.5 | 1.6 | 1.3 | 1.2 | 1.2 | 1.1 | 1.0 | 0.9 | n/a | 0.9 |
| Moody's | NM Non-Agricultural Employment Growth (%) | | 1.4 | | 1.4 | | 0.2 | | 0.4 | | 0.8 | | 0.6 |
| BBER | NM Nominal Personal Income Growth (%)*** | 3.4 | 3.8 | 4.3 | 4.8 | 4.1 | 4.0 | 4.6 | 4.6 | 4.5 | 4.4 | n/a | 4.4 |
| Moody's | NM Nominal Personal Income Growth (%)*** | | 4.6 | | 4.4 | | 3.1 | | 3.6 | | 4.0 | | 3.7 |
| BBER | NM Total Wages & Salaries Growth (%) | 4.1 | 4.8 | 4.8 | 5.1 | 4.7 | 4.6 | 4.5 | 4.2 | 4.2 | 3.7 | n/a | 3.6 |
| Moody's | NM Total Wages & Salaries Growth (%) | | 4.9 | | 4.1 | | 2.0 | | 1.7 | | 2.8 | | 2.8 |
| BBER | NM Private Wages & Salaries Growth (%) | 4.8 | 5.5 | 5.1 | 5.2 | 5.3 | 5.0 | 5.0 | 4.4 | 4.7 | 4.0 | n/a | 3.9 |
| BBER | NM Real Gross State Product (% YOY) | 2.8 | 2.4 | 2.3 | 1.6 | 1.9 | 1.4 | 1.7 | 1.2 | 1.6 | 1.1 | n/a | 1.1 |
| Moody's | NM Real Gross State Product (% YOY) | | 3.7 | | 3.2 | | 1.9 | | 2.6 | | 2.1 | | 2.3 |
| CREG | NM Oil Price (\$/barrel) | \$49.50 | \$51.80 | \$52.00 | \$52.50 | \$53.00 | \$52.00 | \$54.00 | \$52.00 | \$54.50 | \$54.00 | n/a | \$55.50 |
| BBER | Oil Volumes (million barrels) | 247.9 | 302.7 | 284.5 | 361.8 | 307.2 | 389.5 | 320.9 | 404.2 | 336.4 | 416.9 | n/a | 428.0 |
| CREG | NM Taxable Oil Volumes (million barrels) | 250.0 | 298.0 | 270.0 | 356.3 | 285.0 | 399.6 | 295.0 | 438.3 | 305.0 | 475.0 | n/a | 512.8 |
| | NM Taxable Oil Volumes (%YOY growth) | 22.3% | 45.8% | 8.0% | 19.6% | 5.6% | 12.2% | 3.5% | 9.7% | 3.4% | 8.4% | n/a | 8.0% |
| CREG | NM Gas Price (\$ per thousand cubic feet)**** | \$3.55 | \$3.05 | \$3.00 | \$2.00 | \$3.00 | \$2.25 | \$3.00 | \$2.50 | \$3.00 | \$2.50 | n/a | \$2.50 |
| BBER | Gas Volumes (billion cubic feet) | 1,409 | 1,602 | 1,443 | 1,679 | 1,443 | 1,718 | 1,443 | 1,748 | 1,465 | 1,749 | n/a | 1,714 |
| CREG | NM Taxable Gas Volumes (billion cubic feet) | 1,470 | 1,575 | 1,515 | 1,662 | 1,545 | 1,745 | 1,560 | 1,832 | 1,575 | 1,914 | n/a | 2,001 |
| | NM Taxable Gas Volumes (%YOY growth) | 8.0% | 15.7% | 3.1% | 5.5% | 2.0% | 5.0% | 1.0% | 5.0% | 1.0% | 4.5% | n/a | 4.5% |

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 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 - July 2019 FOR-UNM baseline. IHS Global Insight - August 2019 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 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: August 2019 Moody's economy.com baseline

Appendix 3a

| GENERAL FUND FINANCIAL SUMMARY | | | |
|---|----------------|----------------|----------------|
| (in millions of dollars) | | | |
| | Est. | Est. | Est. |
| | FY19 | FY20 | FY21 |
| APPROPRIATION ACCOUNT | | | |
| Revenue: | | | |
| Recurring Revenue: | | | |
| Consensus Revenue Estimating Group August 2019 Estimate | 7,923.7 | 7,780.1 | 7,991.4 |
| CREG Mid-Sessin Update | | | |
| 2019 Legislative Session (Net Revenue Changes) | | - | - |
| Subtotal Recurring Revenue | 7,923.7 | 7,780.1 | 7,991.4 |
| Nonrecurring Revenue: | | | |
| Consensus Revenue Estimating Group December 2018 Estimate | - | - | - |
| CREG Mid-Sessin Update | | | |
| 2019 Legislative Session | (100.0) | - | - |
| Subtotal Nonrecurring Revenue | (100.0) | - | - |
| Total Revenue | 7,823.7 | 7,780.1 | 7,991.4 |
| Appropriations: | | | |
| Recurring Appropriations: | | | |
| Prior Legislative Sessions | 6,329.8 | | |
| 2019 Legislative Session and Feed Bill | 10.0 | 7,083.9 | |
| | - | - | - |
| Subtotal Recurring Appropriations | 6,339.8 | 7,083.9 | - |
| Nonrecurring: | | | |
| Prior Legislative Sessions | 47.8* | | |
| Audit Adjustments | | | |
| 2019 Legislative Session | 1,177.8 | 431.9 | - |
| | - | - | - |
| Subtotal Nonrecurring Appropriations | 1,225.6 | 431.9 | - |
| Total Appropriations | 7,565.4 | 7,515.9 | - |
| Transfers to/(from Reserves) | 258.3 | 264.2 | |
| | 69.0 | | |
| GENERAL FUND RESERVES | | | |
| Beginning Balances | 1,184.7 | 1,706.9 | 2,269.5 |
| Transfers from/(to) Appropriation Account | 258.3 | 264.2 | - |
| Revenue and Reversions | 299.2 | 333.9 | 375.1 |
| Appropriations, Expenditures & Transfers Out | (35.3) | (35.5) | (31.5) |
| Ending Balances | 1,706.9 | 2,269.5 | |
| Reserves as a % of Recurring Appropriations | 26.9% | 32.0% | |
| Amount Required for 20% Reserves | 1,268.0 | 1,416.8 | |
| Balance Available for Nonrecurring Spending | 438.9 | 852.8 | |

New
Money
\$906.7
million

Appendix 3b

| RESERVE ACCOUNTS | | | |
|---|--------------|----------------|----------------|
| | FY19 | FY20 | FY21 |
| OPERATING RESERVE | | | |
| Beginning Balance | 485.9 | 485.5 | 508.2 |
| BOF Emergency Appropriations/Reversions | (2.0) | (2.0) | (1.0) |
| Disaster Allotments | (12.1) | | (4.8) |
| Transfers from/to Appropriation Account | 258.3 | 264.2 | - |
| Transfers to Tax Stabilization Reserve | (244.6) | (239.6) | |
| Transfers from (to) ACf/Other Appropriations | - | - | 1.0 |
| Ending Balance | 485.5 | 508.2 | 503.4 |
| APPROPRIATION CONTINGENCY FUND | | | |
| Beginning Balance | 12.3 | 11.2 | 3.2 |
| Disaster Allotments | (15.3) | (16.0) | (11.2) |
| Other Appropriations | - | | |
| Transfers In | - | | |
| Revenue and Reversions | 14.2 | 8.0 | 8.0 |
| Ending Balance | 11.2 | 3.2 | - |
| STATE SUPPORT RESERVE | | | |
| Beginning Balance | 1.0 | 15.0 | 25.0 |
| Revenues/Transfers | 14.0 | 10.0 | - |
| Appropriations | - | - | 1.0 |
| Ending Balance | 15.0 | 25.0 | 26.0 |
| TOBACCO SETTLEMENT PERMANENT FUND | | | |
| Beginning Balance | 158.7 | 227.0 | 259.3 |
| Transfers In | 76.0 | 35.0 | 36.0 |
| Appropriation to Tobacco Settlement Program Fund | (18.0) | (17.5) | (16.5) |
| Gains/Losses | 10.3 | 14.8 | 15.8 |
| Additional Transfers from TSPF | - | - | 1.0 |
| Transfer to General Fund Appropriation Account | - | - | 1.0 |
| Ending Balance | 227.0 | 259.3 | 296.6 |
| TAX STABILIZATION RESERVE | | | |
| Beginning Balance | 526.8 | 968.2 | 1,473.8 |
| Revenues In | 196.8 | 224.3 | 252.8 |
| Transfers In (from Operating Reserve) | 244.6 | 239.6 | - |
| Transfer Out to Operating Reserve) | - | - | - |
| Gains/Losses | | 41.8 | 61.5 |
| Other appropriations | - | - | - |
| Ending Balance | 968.2 | 1,473.8 | 1,788.1 |
| Emergency Reserves: Rainy Day Fund and TSPF Ending Balances | 1,195.2 | 1,733.1 | |
| Percent of Recurring Appropriations | 18.9% | 24.5% | |
| Other Reserve Fund Ending Balances | 511.7 | 536.4 | |
| Percent of Recurring Appropriations | 8.1% | 7.6% | |
| Total General Fund Ending Balances | 1,706.9 | 2,269.5 | |
| Percent of Recurring Appropriations | 26.9% | 32.0% | |
| | | | |
| | | | |
| *These are appropriations from Legislative Session 2019 | | | |

Appendix 4

County Level Detail: Gross Receipts Tax Growth Impact on General Fund

| | a | b | c | d | e | f | | | | | |
|--------------|----------------------|----------------------------|--------------------------------------|----------------------------------|-----------------------------------|---|---|--------------------|------------------|-----------------------|-------------------------------|
| | FY 2018 | FY 2019 | | | | Approx Effective Rate into General Fund Before Earmarks, Credits, HH Dist. Etc. | Current Census est. for Population as of July 1, 2018 | Population % of NM | FY19 TGR % of NM | % of FY18 NM Oil Vol. | % of FY18 NM Natural Gas Vol. |
| | FY18 TGR \$ millions | Final FY19 TGR \$ millions | TGR Level Change from FY19 over FY18 | TGR % Change from FY19 over FY18 | FY19 General Fund GRT \$ millions | | | | | | |
| Bernalillo | 17,924 | 18,425 | 501 | 2.8% | 20.0 | 4.0% | 678,701 | 32.4% | 28.4% | | |
| Catron | 35 | 36 | 0 | 0.4% | 0.0 | 4.0% | 3,578 | 0.2% | 0.1% | | |
| Chaves | 1,257 | 1,194 | (63) | -5.0% | -2.5 | 4.0% | 64,689 | 3.1% | 1.8% | 0.5% | |
| Cibola | 381 | 346 | (34) | -9.0% | -1.4 | 4.0% | 26,746 | 1.3% | 0.5% | | |
| Colfax | 281 | 254 | (28) | -9.8% | -1.1 | 4.0% | 12,110 | 0.6% | 0.4% | 0.0% | |
| Curry | 932 | 969 | 37 | 3.9% | 1.5 | 4.0% | 49,437 | 2.4% | 1.5% | | |
| De Baca | 27 | 35 | 8 | 30.8% | 0.3 | 4.0% | 1,781 | 0.1% | 0.1% | | |
| Dona Ana | 3,706 | 3,729 | 23 | 0.6% | 0.9 | 4.0% | 217,522 | 10.4% | 5.7% | | |
| Eddy | 5,185 | 6,986 | 1,800 | 34.7% | 82.8 | 4.6% | 57,900 | 2.8% | 10.8% | 41.2% | |
| Grant | 481 | 494 | 14 | 2.9% | 0.6 | 4.0% | 27,346 | 1.3% | 0.8% | | |
| Guadalupe | 99 | 91 | (8) | -8.1% | -0.3 | 4.0% | 4,341 | 0.2% | 0.1% | | |
| Harding | 16 | 20 | 4 | 26.7% | 0.2 | 4.0% | 655 | 0.0% | 0.0% | | |
| Hidalgo | 192 | 74 | (119) | -61.7% | -4.8 | 4.0% | 4,240 | 0.2% | 0.1% | | |
| Lea | 5,153 | 7,041 | 1,887 | 36.6% | 85.9 | 4.6% | 69,611 | 3.3% | 10.8% | 56.0% | |
| Lincoln | 520 | 538 | 18 | 3.5% | 0.7 | 4.0% | 19,556 | 0.9% | 0.8% | | |
| Los Alamos | 1,392 | 1,639 | 248 | 17.8% | 9.7 | 3.9% | 19,101 | 0.9% | 2.5% | | |
| Luna | 409 | 351 | (58) | -14.1% | -2.3 | 4.0% | 23,963 | 1.1% | 0.5% | | |
| Mckinley | 1,052 | 1,096 | 44 | 4.2% | 1.8 | 4.0% | 72,290 | 3.4% | 1.7% | | |
| Mora | 41 | 38 | (3) | -6.2% | -0.1 | 4.0% | 4,506 | 0.2% | 0.1% | | |
| Otero | 928 | 960 | 32 | 3.4% | 1.3 | 4.0% | 66,781 | 3.2% | 1.5% | | |
| Quay | 147 | 165 | 18 | 12.1% | 0.7 | 4.0% | 8,253 | 0.4% | 0.3% | | |
| Rio Arriba | 413 | 408 | (5) | -1.1% | -0.2 | 4.0% | 39,006 | 1.9% | 0.6% | 0.7% | |
| Roosevelt | 284 | 265 | (18) | -6.5% | -0.7 | 4.0% | 18,743 | 0.9% | 0.4% | 0.1% | |
| San Juan | 3,141 | 2,846 | (295) | -9.4% | -11.8 | 4.0% | 125,043 | 6.0% | 4.4% | 0.7% | |
| San Miguel | 379 | 372 | (7) | -1.9% | -0.3 | 4.0% | 27,591 | 1.3% | 0.6% | | |
| Sandoval | 1,495 | 1,597 | 102 | 6.8% | 4.1 | 4.0% | 145,179 | 6.9% | 2.5% | 0.7% | |
| Santa Fe | 4,068 | 4,208 | 140 | 3.4% | 5.6 | 4.0% | 150,056 | 7.2% | 6.5% | | |
| Sierra | 164 | 176 | 12 | 7.5% | 0.5 | 4.0% | 10,968 | 0.5% | 0.3% | | |
| Socorro | 191 | 198 | 7 | 3.6% | 0.3 | 4.0% | 16,735 | 0.8% | 0.3% | | |
| Taos | 676 | 690 | 14 | 2.0% | 0.5 | 4.0% | 32,835 | 1.6% | 1.1% | | |
| Torrance | 208 | 158 | (50) | -24.1% | -2.0 | 4.0% | 15,591 | 0.7% | 0.2% | | |
| Union | 107 | 111 | 4 | 4.0% | 0.2 | 4.0% | 4,118 | 0.2% | 0.2% | | |
| Valencia | 1,053 | 1,043 | (10) | -1.0% | -0.4 | 4.0% | 76,456 | 3.6% | 1.6% | | |
| Out of State | 6,193 | 8,352 | 2,159 | 34.9% | 110.7 | 5.125% | | | 12.9% | | |
| | 58,532 | 64,908 | 6,376 | 10.9% | 300.3 | 4.2% | 2,095,428 | 100.0% | 100.0% | 100% | |

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)

AUGUST 2019 Estimate

| Sources of Funds | FY20 | FY21 | FY22 | FY23 | FY24 | 5-Year |
|--|----------------|----------------|----------------|----------------|----------------|------------------|
| General Obligation Bonds | \$199.2 | | \$199.2 | | \$199.2 | \$597.6 |
| Senior STBs | \$448.8 | \$454.7 | \$440.7 | \$425.9 | \$416.8 | \$2,186.9 |
| Severance Tax Bonds | \$335.7 | \$335.7 | \$335.7 | \$335.7 | \$335.7 | \$1,678.5 |
| Severance Tax Notes | \$113.1 | \$119.0 | \$105.0 | \$90.2 | \$81.1 | \$508.4 |
| Supplemental STBs | \$206.9 | \$199.0 | \$211.0 | \$222.8 | \$236.9 | \$1,076.7 |
| Supplemental Severance Tax Bonds | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Supplemental Severance Tax Notes | \$206.9 | \$199.0 | \$211.0 | \$222.8 | \$236.9 | \$1,076.7 |
| TOTAL Sources of Funds | \$854.9 | \$653.7 | \$850.9 | \$648.8 | \$853.0 | \$3,861.2 |
| Uses of Funds | FY20 | FY21 | FY22 | FY23 | FY24 | 5-Year |
| GOB Projects Approved by Referendum | \$199.2 | | \$199.2 | | \$199.2 | \$597.6 |
| Authorized but Unissued STB Projects* | \$0.08 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.08 |
| Reassigned STB Projects** | \$0.22 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.22 |
| 9% of Senior STB for Water Projects | \$40.39 | \$40.92 | \$39.66 | \$38.33 | \$37.52 | \$196.82 |
| 4.5% of Senior STB for Colonias Projects | \$20.19 | \$20.46 | \$19.83 | \$19.17 | \$18.76 | \$98.41 |
| 4.5% of Senior STB for Tribal Projects | \$20.19 | \$20.46 | \$19.83 | \$19.17 | \$18.76 | \$98.41 |
| New Senior STB Statewide Capital Projects | \$367.7 | \$372.8 | \$361.4 | \$349.3 | \$341.8 | \$1,793.0 |
| PSCOC Public School Capital | \$181.94 | \$174.03 | \$211.02 | \$222.83 | \$236.91 | \$1,026.73 |
| PED Instructional Materials/Transportation | \$25.00 | \$25.00 | \$0.00 | \$0.00 | \$0.00 | \$50.00 |
| TOTAL Uses of Funds | \$854.9 | \$653.7 | \$850.9 | \$648.8 | \$853.0 | \$3,861.2 |

*Includes projects authorized in Laws 2018 that have not yet met requirements for project funding.

**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

| | FY20 | FY21 | FY22 | FY23 | FY24 | 5-Year |
|---------------------------------------|---------|--------|--------|--------|---------|---------|
| Severance Tax Permanent Fund Transfer | \$129.0 | \$76.1 | \$79.4 | \$92.3 | \$114.6 | \$491.4 |

Appendix 6

Table 1: NM Oil Volumes & Prices

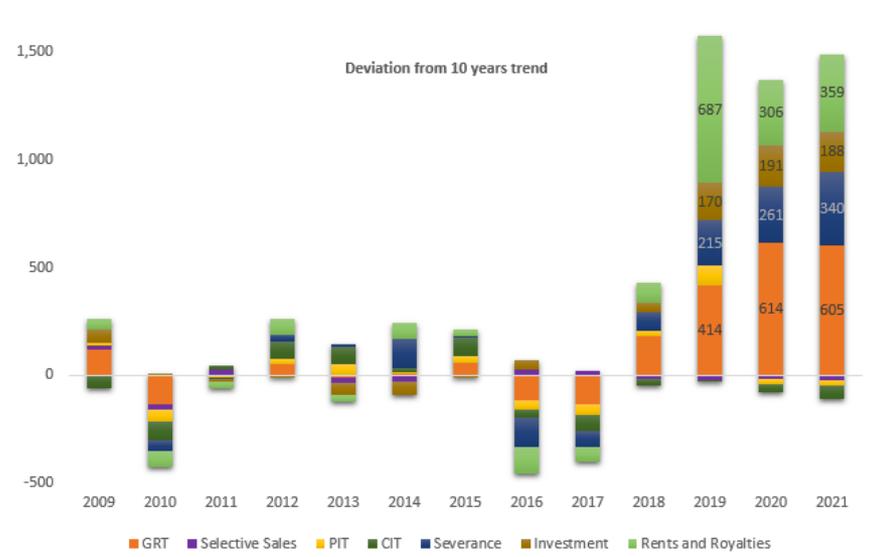
| FY | Vol. (million barrels) | % Growth | NM \$/barrel |
|------|------------------------|----------|--------------|
| FY18 | 204 | 34% | \$55.1 |
| FY19 | 298 | 46% | \$51.8 |
| FY20 | 356 | 20% | \$52.5 |
| FY21 | 400 | 12% | \$52.0 |
| FY22 | 438 | 10% | \$52.0 |
| FY23 | 475 | 8% | \$54.0 |
| FY24 | 513 | 8% | \$55.5 |

Table 2: NM Natural Gas Volumes & Prices

| FY | Vol. (bcf) | % Growth | NM \$/mcf |
|------|------------|----------|-----------|
| FY18 | 1,361 | 10% | \$3.51 |
| FY19 | 1,575 | 16% | \$3.05 |
| FY20 | 1,662 | 6% | \$2.00 |
| FY21 | 1,745 | 5% | \$2.25 |
| FY22 | 1,832 | 5% | \$2.50 |
| FY23 | 1,914 | 5% | \$2.50 |
| FY24 | 2,001 | 5% | \$2.50 |

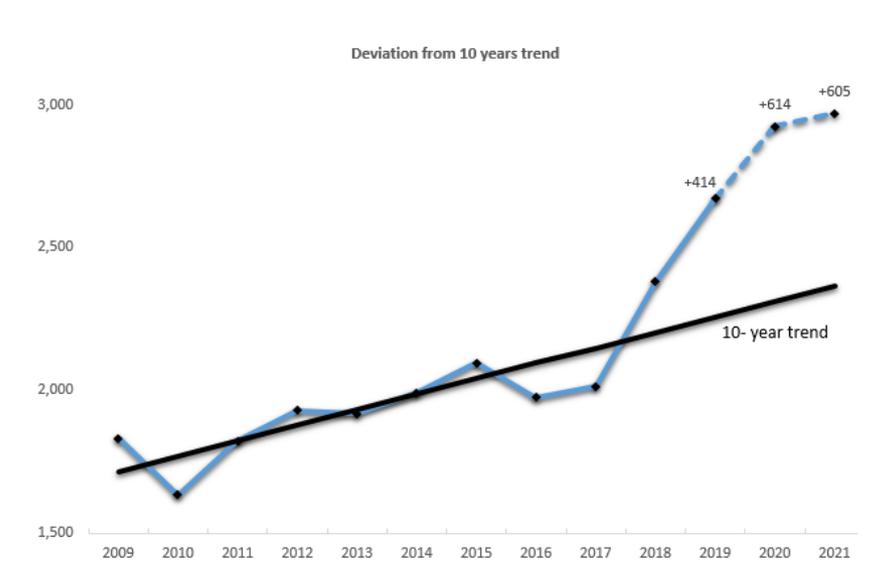
Appendix 7

Revenue Volatility by major revenue sources (\$ millions)



Source: August 2019 Consensus Revenue Estimate

Volatility in Gross Receipts Tax Revenue (\$ millions)



Source: August 2019 Consensus Revenue Estimate