



July 2016 Road Fund Forecast

Presented to the
Transportation Infrastructure Revenue Subcommittee
July 15, 2016

July 2016 Road Fund Forecast

NMDOT State Revenue Sources - Fiscal Years 2007 thru 2020

Table 1

(Dollars in thousands)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	(N-L)	(N/L)	O	P
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16		FY17		FY18	FY17 to FY18		FY19	FY20
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Jan-15 Leg. Bud. Estimate	Jul-16 Revenue Update	Jan-16 Leg. Bud. Estimate	Jul-16 Revenue Update	Jul-16 Bud. Req. Estimate	\$ Change	% Diff	Jul-16 Long Run Estimate	Jul-16 Long Run Estimate
Road Fund:																		
Road Fund -- Ordinary Revenue:																		
1 Gasoline Tax	114,577	107,671	108,125	109,163	109,282	104,987	111,795	107,998	110,672	111,900	112,100	111,600	111,700	111,500	(100)	-0.1%	111,200	110,200
2 Special Fuel Tax	97,008	101,483	85,559	88,029	91,078	92,326	92,563	92,923	97,566	97,200	98,200	101,300	99,330	103,410	2,110	2.1%	107,770	111,930
3 Weight/Distance	88,365	77,424	75,485	69,598	74,916	72,786	73,489	75,367	79,985	81,600	83,290	84,100	83,070	85,770	1,670	2.0%	88,840	91,730
4 Trip Tax	7,557	4,904	5,776	5,488	5,973	5,689	5,045	4,666	5,232	5,200	6,160	5,800	6,220	6,170	370	6.4%	6,140	6,130
5 Vehicle Registration	73,512	73,679	72,190	72,863	73,445	75,626	74,135	76,218	75,455	77,900	80,530	79,400	83,920	85,490	6,090	7.7%	85,530	84,660
6 Vehicle Transaction	1,191	1,165	1,070	1,041	1,065	1,114	1,163	1,200	1,173	1,200	1,300	1,250	1,350	1,350	100	8.0%	1,400	1,400
7 Driver's License	4,329	4,738	4,622	4,493	4,718	4,424	4,227	4,193	4,158	4,500	4,370	4,600	4,500	4,500	(100)	-2.2%	4,600	4,300
8 Oversize/Overweight	4,590	4,961	4,539	3,778	4,687	4,820	4,805	5,026	5,229	5,200	5,040	5,400	5,300	5,300	(100)	-1.9%	5,400	5,500
9 Public Regulatory Commission Fees (UCR)	377	866	2,286	1,420	2,740	881	3,191	2,009	3,362	2,000	3,300	3,300	3,300	3,300	-	0.0%	3,300	3,300
10 MVD Miscellaneous	2,452	2,570	2,569	2,735	2,725	2,991	3,100	3,302	3,509	3,400	3,950	3,400	4,000	4,120	720	21.2%	4,120	4,240
11 Subtotal Ordinary Income	393,958	379,461	362,221	358,609	370,629	365,645	373,513	372,902	386,340	390,100	398,240	400,150	402,690	410,910	10,760	2.7%	418,300	423,390
Road Fund -- Extraordinary Income:																		
12 All Other (Reimbursements, Asset Sales, etc.)	4,140	2,240	4,758	6,568	6,584	10,375	10,354	6,493	12,365	2,700	2,200	2,200	2,200	2,200	-	0.0%	2,200	2,200
13 Rail Runner Track Maintenance Fees			4,080	2,000	2,350	17	2,014	1,782	2,143	2,100	2,100	2,000	2,000	2,000	-	0.0%	2,000	2,000
14 Road Fund Interest	708	0	19	16	95	108	209	80	39	440	140	450	450	810	360	80.0%	1,125	1,305
15 Subtotal Extraordinary Income	4,848	2,240	8,857	8,584	9,029	10,500	12,576	8,355	14,547	5,240	4,440	4,650	4,650	5,010	360	7.7%	5,325	5,505
16 TOTAL (Recurring) ROAD FUND	398,806	381,701	371,080	367,193	379,658	376,145	386,089	381,257	400,887	395,340	402,680	404,800	407,340	415,920	11,120	2.7%	423,625	428,895
17 WIPP Settlement (Nonrecurring)										0	7,200	0	26,800					
18 TOTAL ROAD FUND	398,806	381,701	371,080	367,193	379,658	376,145	386,089	381,257	400,887	395,340	409,880	404,800	434,140	415,920	11,120	2.7%	423,625	428,895

- This estimate is one of two annual forecasts of NMDOT revenues. Another update will be released next January before the FY2018 budget is set.
- Current expectations for FY 2017 are pretty much in line with the last January forecast. This forecast update increases FY 2017 Road Fund revenues by \$2.5 million that represents a 0.6% increase.
- FY 2018 Road Fund revenues (recurring "ordinary" income) are currently estimated at \$410.9 million. This represents 2.7% or \$10.7 million in growth from the FY 2017 budget.
- The increases in revenue are primarily due to strong consumer spending and low gas prices that have boosted car and SUV sales.
 - Compared to FY 2017 budget, in FY 2018 both vehicle registration and vehicle transaction revenues are projected to grow by about 7.7% and 8%, respectively. In FY 2017, vehicle registration revenue is expected to become the third largest source of revenue after Gasoline and Special Fuel.
 - Strong consumer spending is foreseen to positively impact Weight Distance revenue, forecast to grow around 3% yearly with only a slowdown in FY 2017, while Special Fuel revenue is forecast around 1% in FY 2017 and 2018 and around 4% in the following years. Gasoline revenue is expected to be flat, because of increasing passenger vehicle efficiency and only modest increases in NM's population.

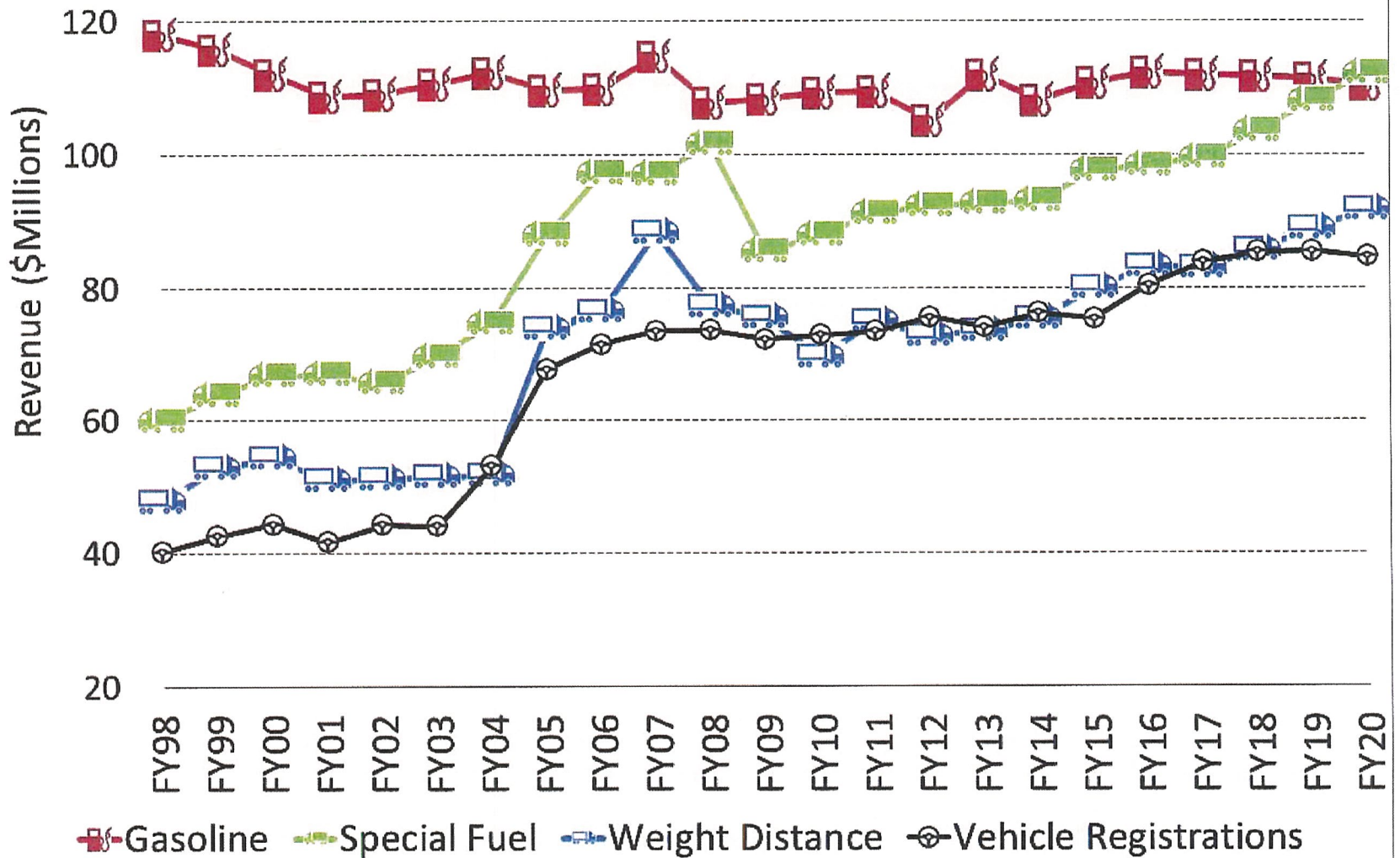
NMDOT State Revenue Sources - Fiscal Years 2007 thru 2020

Table 2

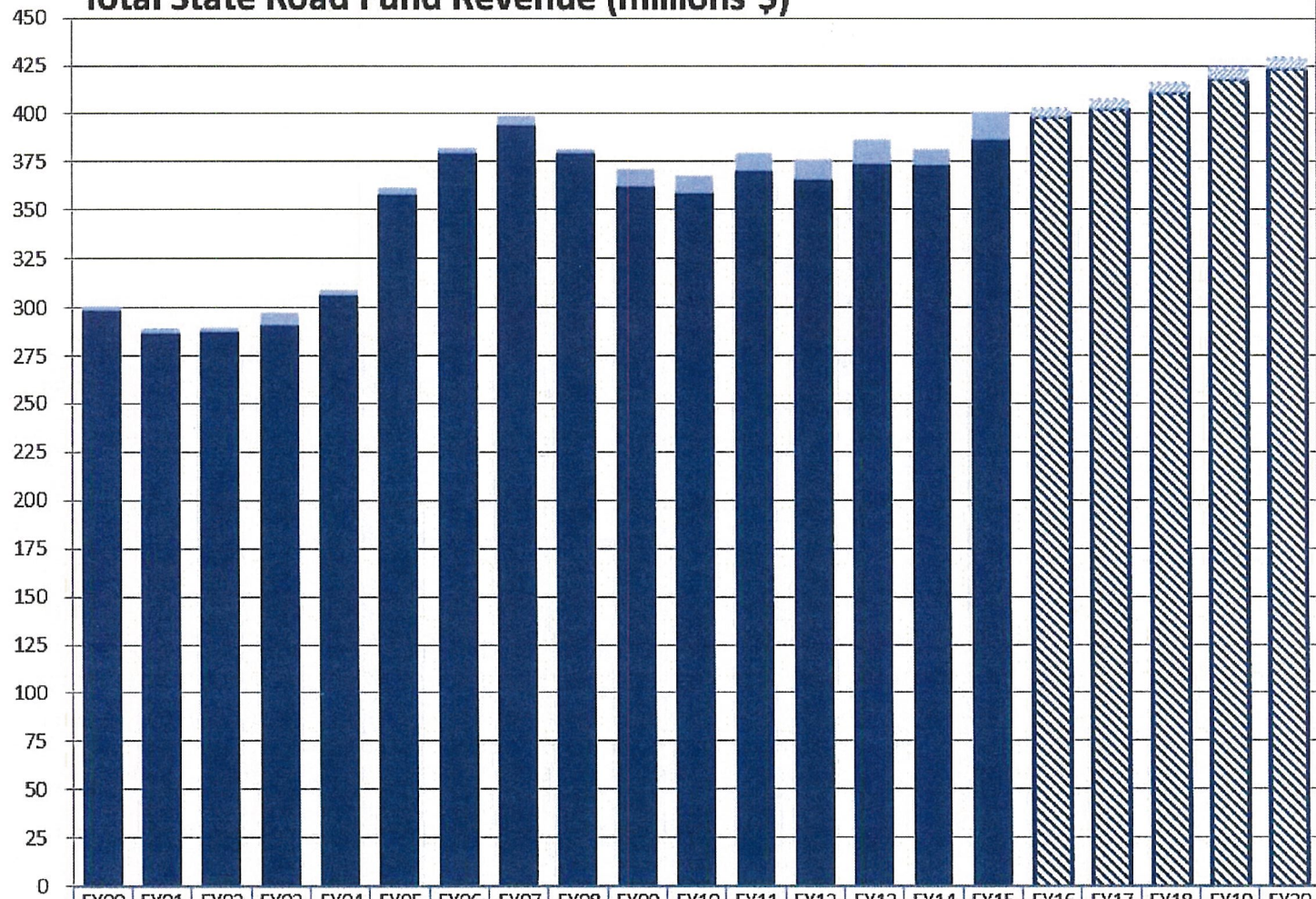
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	(N-L)	(N/L)	O	P	
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16		FY17		FY18	FY17 to FY18		FY19	FY20	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Prelim. Actual	Jan-15 Leg. Bud. Estimate	Jul-16 Revenue Update	Jan-16 Leg. Bud. Estimate	Jul-16 Revenue Update	Jan-16 Long Run Estimate	Budget Growth \$ Change	% Diff	Jan-16 Long Run Estimate	Jan-16 Long Run Estimate
<i>(Dollars in thousands)</i>																			
Other Funds:																			
Highway Infrastructure Fund:																			
19 Leased Vehicle Gross Receipts	4,844	6,963	5,444	5,397	5,657	5,731	5,214	5,889	5,773	5,940	5,770	5,862	5,939	6,059	197	3.4%	6,091	6,127	
20 Tire Recycling Fees	1,758	1,782	1,604	1,791	1,806	1,831	1,807	1,836	1,810	1,870	1,900	1,880	1,980	2,020	140	7.4%	2,040	2,020	
21 Interest	164	164	99	18	16	16	25	7	7	70	13	77	77	140	63	81.8%	196	231	
22 Total Highway Infrastructure Fund	6,766	8,909	7,147	7,206	7,479	7,579	7,047	7,047	7,589	7,880	7,683	7,819	7,996	8,219	400	5.1%	8,327	8,378	
23 Total State Infrastructure Bank	540	135	300	597	83	29	45	15	17	180	41	203	203	365	162	79.8%	508	589	
Local Government Road Fund:																			
24 From Interest	966	243	143	24	33	30	46	15	19	140	50	200	200	360	160	80.0%	500	580	
25 From Special Fuel	10,105	10,489	8,980	9,200	9,546	9,659	9,709	9,753	10,218	10,200	10,190	10,633	10,310	10,740	107	1.0%	11,200	11,640	
26 From PPL Fee	7,073	6,936	6,711	6,725	6,775	6,612	6,926	6,768	6,986	7,050	7,070	7,120	7,090	7,210	90	1.3%	7,320	7,380	
27 From DWI reinstatement fees & ID cards	1,068	1,113	1,129	784	1,015	971	929	896	896	900	900	900	900	900	-	0.0%	900	900	
28 From Gasoline Tax (MAP)	2,248	2,116	2,126	2,145	2,147	2,066	2,195	2,123	2,174	2,197	2,202	2,190	2,193	2,190	-	0.0%	2,183	2,166	
29 Leased Vehicle Gross Receipts	1,615	2,321	1,815	1,799	1,886	1,910	1,738	1,963	1,924	1,980	1,923	1,954	1,980	2,020	66	3.4%	2,030	2,042	
30 Total Local Government Road Fund	23,075	23,218	20,903	20,677	21,402	21,249	21,543	21,518	22,217	22,467	22,335	22,997	22,673	23,420	423	1.8%	24,133	24,708	
Aviation Fund:																			
31 Gasoline Taxes (Aviation)	406	382	384	387	387	372	395	383	392	397	398	395	396	395	-	0.0%	394	391	
32 Aviation Jet Fuel	826	932	1,314	1,852	1,667	2,808	1,952	1,542	1,243	1,070	620	1,000	800	1,000	-	0.0%	1,400	1,400	
33 Aircraft License Fees	74	75	73	74	66	68	60	69	48	70	63	60	60	60	-	0.0%	70	70	
34 0.046% General Fund GRT (Air Service)	883	891	783	779	855	747	0	1,106	1,009	1,040	950	1,075	1,019	1,079	4	0.4%	1,132	1,193	
35 General Fund (2007 Enhancement)		960	1,917	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-	0.0%	3,000	3,000	
36 Aviation Fund Interest Earnings		107	34	8	16	20	36	12	14	97	32	100	100	180	80	80.0%	250	290	
37 Total Aviation Fund Income	2,189	3,347	4,504	6,100	5,991	7,016	5,443	6,112	5,707	5,674	5,063	5,630	5,375	5,714	84	1.5%	6,246	6,344	
Transportation Fund:																			
38 Motorcycle Registration (Fund 20600)	93	120	131	130	135	138	135	133	135	140	130	140	130	130	(10)	-7.1%	130	130	
39 Motorcycle Train. Fund Interest (20600)	5	9	2	1	0	0	0	0	0	1	0	1	1	1	-	0.0%	1	1	
40 Driver Improvement Fees (10020)	205	208	193	331	349	340	319	271	274	250	240	250	240	240	(10)	-4.0%	240	240	
41 DWI Prevention (20700)	282	331	458	650	486	530	513	517	487	470	475	500	475	475	(25)	-5.0%	475	475	
42 Traffic Safety Fees (Fund 20800)	412	474	473	469	446	419	390	526	404	500	950	500	500	500	-	0.0%	500	500	
43 Traffic Safety Fees Interest (20800)	92	95	35	3	3	2	2	1	0	1	1	1	2	3	2	200.0%	4	4	
44 Community DWI Prevention Fee (20800)	700	1,021	1,150	1,000	1,017	838	789	363	426	410	400	410	400	400	(10)	-2.4%	400	400	
45 Red Light Fees (from AOC) (20800)					144	153	158	109	50	50	50	50	50	50	-	0.0%	50	50	
46 Traffic Safety - Interlock Device (82600)	900	775	854	700	2,029	1,167	1,054	810	777	750	760	780	780	780	-	0.0%	780	780	
47 Total Transportation Fund Income	2,690	3,033	3,296	3,284	4,466	3,578	3,356	2,779	2,611	2,572	3,006	2,632	2,578	2,579	(53)	-2.0%	2,580	2,580	
48 TOTAL NMDOT STATE REVENUES	434,066	420,343	407,229	405,056	419,079	415,595	423,523	418,728	439,028	434,113	448,008	444,081	472,965	456,217	12,136	2.7%	465,419	471,494	

- Overall NMDOT State Funds are forecast at \$456 million in FY 2018 representing growth of 2.7% or \$12 million from the current FY2017 budget.
 - In FY2016 the Aviation Fund has been significantly revised down by about 11%, because low gas prices have impacted revenue coming from aviation jet fuel and have depressed the Oil and Gas sector and consequently the revenue coming from Gross Receipt Tax. In following years, the Aviation Fund is expected to increase again at a 6% rate per year.

Four Major State Road Fund Revenue Sources (~93% Total)



Total State Road Fund Revenue (millions \$)



SRF: Extraordinary Income	2	2	2	6	3	3	3	5	2	9	9	9	11	13	8	15	4	5	5	5	6
SRF: Ordinary Revenue	299	287	288	291	306	358	379	394	379	362	359	371	366	374	373	386	398	403	411	418	423

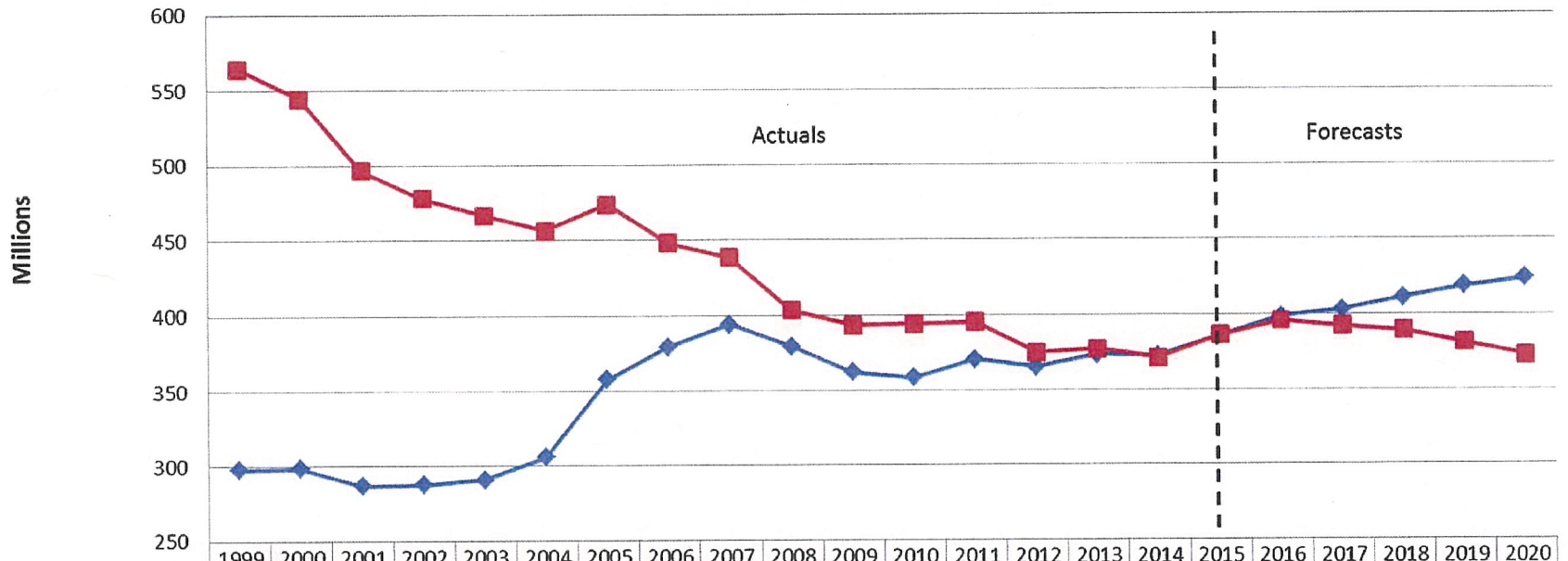
NMDOT State Road Fund: Ordinary Income - Growth Rates

(Dollars in thousands)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
										Jul-16	Jul-16	Jul-16	Jul-16	Jul-16
Road Fund:										Revenue	Revenue	Bud.Req.	Long Run	Long Run
Road Fund -- Ordinary Revenue:	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Update	Update	Estimate	Estimate	Estimate
1 Gasoline Tax	4.4%	-6.0%	0.4%	1.0%	0.1%	-3.9%	6.5%	-3.4%	2.5%	1.3%	-0.4%	-0.2%	-0.3%	-0.9%
2 Special Fuel Tax	-0.1%	4.6%	-15.7%	2.9%	3.5%	1.4%	0.3%	0.4%	5.0%	0.7%	1.2%	4.1%	4.2%	3.9%
3 Weight/Distance	15.6%	-12.4%	-2.5%	-7.8%	7.6%	-2.8%	1.0%	2.6%	6.1%	4.1%	-0.3%	3.3%	3.6%	3.3%
4 Trip Tax	-11.9%	-35.1%	17.8%	-5.0%	8.8%	-4.7%	-11.3%	-7.5%	12.1%	17.7%	1.0%	-0.8%	-0.5%	-0.2%
5 Vehicle Registration	2.9%	0.2%	-2.0%	0.9%	0.8%	3.0%	-2.0%	2.8%	-1.0%	6.7%	4.2%	1.9%	0.0%	-1.0%
6 Vehicle Transaction	-26.0%	-2.2%	-8.2%	-2.7%	2.3%	4.6%	4.4%	3.2%	-2.2%	10.8%	3.8%	0.0%	3.7%	0.0%
7 Driver's License	9.8%	9.4%	-2.4%	-2.8%	5.0%	-6.2%	-4.5%	-0.8%	-0.8%	5.1%	3.0%	0.0%	2.2%	-6.5%
8 Oversize/Overweight	4.6%	8.1%	-8.5%	-16.8%	24.0%	2.8%	-0.3%	4.6%	4.0%	-3.6%	5.2%	0.0%	1.9%	1.9%
9 Public Regulatory Commission Fees	-89.7%	129.7%	164.0%	-37.9%	92.9%	-67.9%	262.2%	-37.0%	67.3%	-1.8%	0.0%	0.0%	0.0%	0.0%
10 MVD Miscellaneous	3.3%	4.8%	-0.1%	6.5%	-0.4%	9.8%	3.6%	6.5%	6.3%	12.6%	1.3%	3.0%	0.0%	2.9%
11 Subtotal Ordinary Income	3.9%	-3.7%	-4.5%	-1.0%	3.4%	-1.3%	2.2%	-0.2%	3.6%	3.1%	1.1%	2.0%	1.8%	1.2%

Forecasts

Real and Nominal State Road Fund Revenue (Construction Price Index, 2015 base year)



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
—◆— SRF Nominal Revenue	298	299	287	288	291	306	358	379	394	379	362	359	371	366	374	373	386	398	403	411	418	423
—■— SRF Real Revenue	564	544	497	478	466	456	474	448	438	403	393	394	395	375	377	371	386	396	392	389	381	373

Table 1.1.4. Price Indexes for Gross Domestic Product

Bureau of Economic Analysis

Last Revised on: June 28, 2016 - Next Release Date July 29, 2016

Nonresidential: Structures

	FY	Construction Price Index		State Road Fund: Ordinary Revenue (Millions)		Benchmark: State Road Fund Ordinary Revenue in 2015 Real Value		
		Index, base year 2015	Y/Y % change	SRF Revenue Nominal Value	Y/Y % change	SRF Revenue Real Value, 2015 base year	Extra- revenue with respect to FY 2015	Y15/Y % change
BEA Historical	1999	52.83	3.1%	298	3.6%	564	178	-31.5%
	2000	54.90	3.9%	299	0.3%	544	158	-29.0%
	2001	57.78	5.2%	287	-4.0%	497	110	-22.2%
	2002	60.22	4.2%	288	0.2%	478	91	-19.1%
	2003	62.40	3.6%	291	1.1%	466	80	-17.1%
	2004	67.10	7.5%	306	5.2%	456	70	-15.3%
	2005	75.55	12.6%	358	16.9%	474	87	-18.4%
	2006	84.75	12.2%	379	6.0%	448	61	-13.7%
	2007	89.88	6.1%	394	3.9%	438	52	-11.9%
	2008	94.15	4.8%	379	-3.7%	403	17	-4.1%
	2009	92.07	-2.2%	362	-4.5%	393	7	-1.3%
	2010	91.00	-1.2%	359	-1.0%	394	8	-2.0%
	2011	93.77	3.0%	371	3.4%	395	9	-2.3%
	2012	97.48	4.0%	366	-1.3%	375	-11	3.0%
	2013	99.01	1.6%	374	2.2%	377	-9	2.4%
2014	100.46	1.5%	373	-0.2%	371	-15	4.1%	
2015	100.00	-0.5%	386	3.6%	386	0	0.0%	
	2016*	100.63	0.6%	398	3.1%	396		
NMDOT Forecast	2017	102.72	2.1%	403	1.1%	392		
	2018	105.57	2.8%	411	2.0%	389		
	2019	109.74	3.9%	418	1.8%	381		
	2020	113.61	3.5%	423	1.2%	373		

* First three quarters of FY16 are actual values

Distribution of State Road User Revenues

July 2016 Forecast



Gasoline Tax
(17.0 cents / gallon)



Special Fuel (diesel) Tax
(21.0 cents/gallon ~ effective 7/1/2004)

Petroleum Products Loading Fee
(1.875 cents/gallon)



Weight Distance Tax (1¢-4¢/mile)

Trip Tax (7¢-16¢/mile)

Oversize / Overweight Fees

Motor Trans. Regulatory Fees



Vehicle Registration Fees
(\$21-\$172/year)

A similar distribution applies to many Miscellaneous Motor Vehicle Fees (but only Vehicle Registration Fee revenue amounts are shown in revenue table)

Transaction Fees
(\$3 per Title or Registration)

Driver License Fees
(\$10 per 4 year period + \$3 EDL + \$3 Driver Safety)

* no estimates available

Revenue to Road Fund by Fiscal Year (\$ Million)									% of total (FY 2017)	
	2010	2011	2012	2013	2014	2015	2016	2017	Road Fund	NMDOT State Rev
5.76% to County Government Road Fund	8.6	8.6	8.2	8.8	8.5	8.7	8.8	8.8		
0.13% to Motorboat Fuel Tax Fund	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2		
0.26% to State Aviation Fund	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4		
10.38% to Municipalities and Counties	14.7	14.8	14.4	15.2	14.5	14.6	15.9	15.8		
76.27% to State Road Fund - (-13 cents per gallon)	109.2	109.3	105.0	111.8	108.0	110.7	112.1	111.7	27.4%	25.0%
5.76% to Municipalities	8.6	8.6	8.2	8.8	8.5	8.7	8.8	8.8		
1.44% to Municipal Arterial Program (MAP)	2.1	2.1	2.1	2.2	2.1	2.2	2.2	2.2		
90.48% to State Road Fund - (19 cents per gallon)	88.0	91.1	92.3	92.6	92.9	97.6	98.2	99.3	24.4%	22.3%
9.52% to Local Governments Road Fund	9.3	9.6	9.7	9.7	9.8	10.3	10.3	10.5		
26.67% to Local Governments Road Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.1		
73.33% to Corrective Action Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5		
100% to State Road Fund	69.6	74.9	72.8	73.5	75.4	80.0	83.3	83.1	20.4%	18.6%
100% to State Road Fund	5.5	6.0	5.7	5.0	4.7	5.2	6.2	6.2	1.5%	1.4%
100% to State Road Fund	3.8	4.7	4.8	4.8	5.0	5.2	5.0	5.3	1.3%	1.2%
100% to State Road Fund	1.4	2.7	0.9	3.2	2.0	3.4	3.3	3.3	0.8%	0.7%
50 cents on Each Registration to Beautification Fund										
\$2.00 of each Motorcycle Registration to Motorcycle Training Fund										
\$2.00 of each Motorcycle Registration to the Taxation & Revenue Department										
100% of Placard Fees to Taxation and Revenue Department										
100% of Traffic Safety Training Fee (from Penalty Assessments) and Amateur Radio Fees to State Road Fund										
Tire Recycling Fee (effective 7/1/2003):										
\$ 1.00 Each Motorcycle										
\$ 0.50 per wheel of each bus										
\$ 1.50 each car or light truck										
\$ 1.50 each heavy truck										
Effective March 1, 2004 remaining revenues go to:										
74.65% to State Road Fund	72.9	73.4	75.6	74.1	76.2	75.5	80.5	83.9	20.6%	18.8%
7.60% to County General Funds (allocated by Registration Fees on Vehicles in Each County)	7.4	7.5	7.7	7.5	7.8	7.7	8.2	8.5		
7.60% to County Road Funds (allocated by miles of public Roads maintained)	7.4	7.5	7.7	7.5	7.8	7.7	8.2	8.5		
4.06% to Municipal Street Funds (allocated by property Tax net Taxable value)	4.0	4.0	4.1	4.0	4.1	4.1	4.4	4.6		
6.09% to County and Municipal General Funds (allocated by property Tax amounts due)	5.9	6.0	6.2	6.0	6.2	6.2	6.6	6.8		
\$5 or \$6 to Municipal, County or Fee AGENTS										
Remaining revenues from Transaction Fees go to:										
50% to State Road Fund	1.0	1.1	1.1	1.2	1.2	1.2	1.3	1.4	0.3%	0.3%
50% to County Road Fund (allocated by miles of public roads maintained)	1.0	1.1	1.1	1.2	1.2	1.2	1.3	1.4		
\$6 or \$7 per License to Municipal, County or Fee Agents										
100% of Remaining Drivers License Fee to S Road Fund	4.5	4.7	4.4	4.2	4.2	4.2	4.4	4.5	1.1%	1.0%
100% Limited License Fees to DWI Prevention and Education Fund	0.1	0.1	0.1	0.1	0.1	0.1	0.0	*		
100% DWI Reinstatement Fees and remainder of ID Cards to Local Gov. Road Fund	0.8	1.0	1.0	0.9	0.9	0.9	0.9	0.9		
100% Enhanced Drivers License Fee (\$3) to Taxation & Revenue Department	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
100% Driver Safety Fee (\$3) to public schools for DWI education	0.0	0.0	0.0	0.0	0.0	0.0	0.4	*		
Total Local Governments Road Fund	20.7	21.4	21.2	21.5	21.5	22.2	22.3	22.7		
Total of Gasoline, Diesel, W/D & Registrations NMDOT	339.7	348.7	345.7	352.0	352.5	363.7	374.1	378.0	92.8%	84.7%
Total State Road Fund Revenues	367.2	379.7	376.1	386.1	381.3	400.9	402.7	407.3	100.0%	91.3%
Total NMDOT State Revenues	405.1	419.1	415.6	423.5	418.7	439.0	440.8	446.2	NA	100%