

Consensus General Fund Revenue Outlook

Presented to the
Legislative Finance Committee
and the Legislative Education Study Committee
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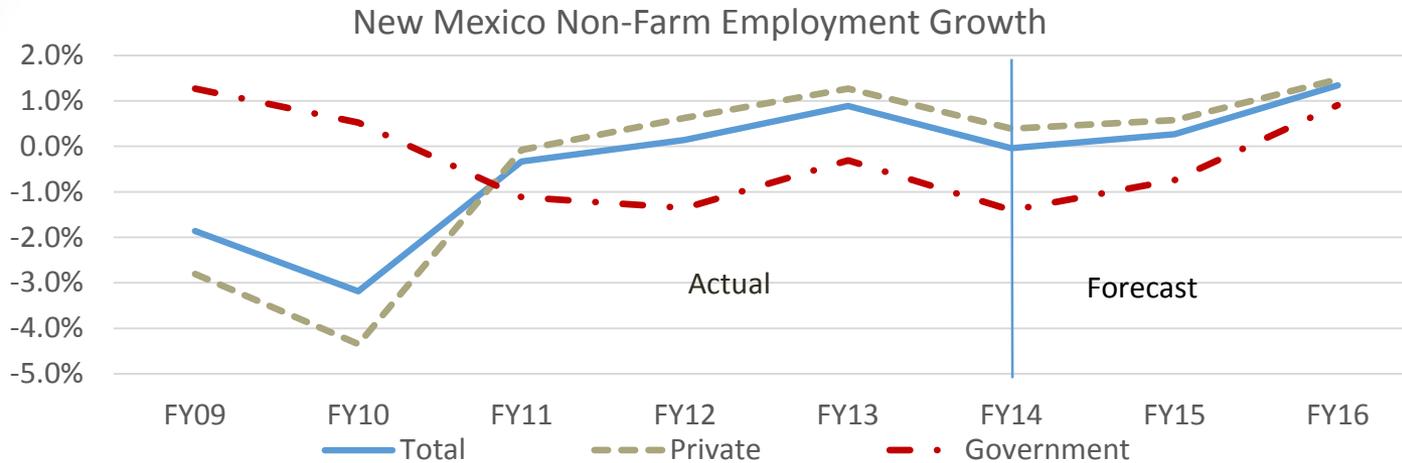
Overview

- FY16 will be the third straight year of solid revenue growth
 - New Money: \$285 million, Beginning Reserves > 10%
- Spending restraint has enabled a dramatic turnaround:
 - From deficits to 4 years of solid, sustainable budget growth
 - Funding has been provided to important initiatives:
 - Public education reforms; Highest PSS in history
 - Economic development
 - Tourism
 - Public Safety
 - Tax Reform is stimulating economic growth
 - Contingency reserves for past accounting deficiencies
- NM has weathered Federal sequester and is diversifying the private economy – key to long term growth

U.S. Economic Outlook

- Labor market healing slowly
- Housing rebound expected due to job growth, better credit access, low interest rates
- Consumer confidence high; Credit burdens have fallen
- “Fiscal Drag” diminishing but no growth
- Risks:
 - Interest rates rising may impact investment, housing, autos
 - International trade

New Mexico Employment



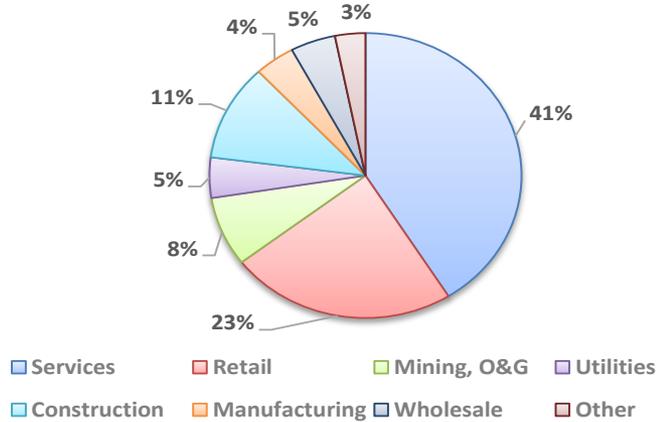
Source: U.S. Bureau of Labor Statistics and Moody's Analytics, August 2014

- July employment up 4,300 jobs vs year ago
- Government dependence continues to weigh on economy

NM Job Change Over Past 12 Months		
	June 2014	July 2014
Private	5,700	5,100
Government	-3,200	-800
Total	2,500	4,300

Gross Receipts Base Growing

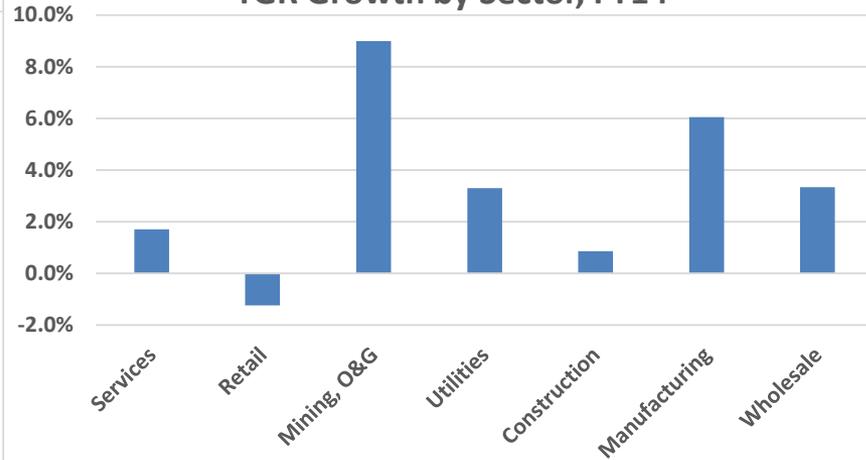
Taxable Gross Receipts by Industry:
FY14



- *Services contribute the bulk of the GRT base*
- *Retail now less than 25%*
- *Construction is down from a peak of 15%*

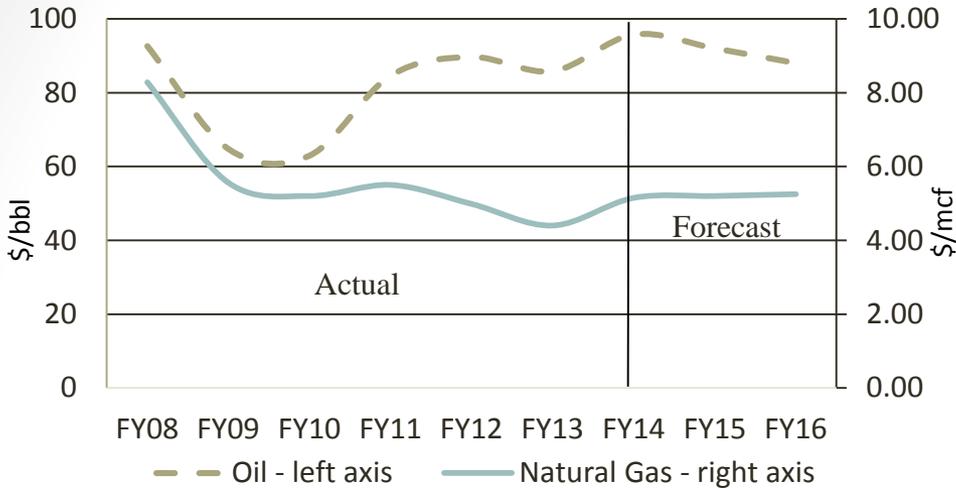
- *Mining, Manufacturing have strongest growth rates*
- *Construction has rebounded in the last 6 months*
- *Services has recovered in the last 6 months after negative impacts of Sequester*

TGR Growth by Sector, FY14



Oil and Gas Price and Production

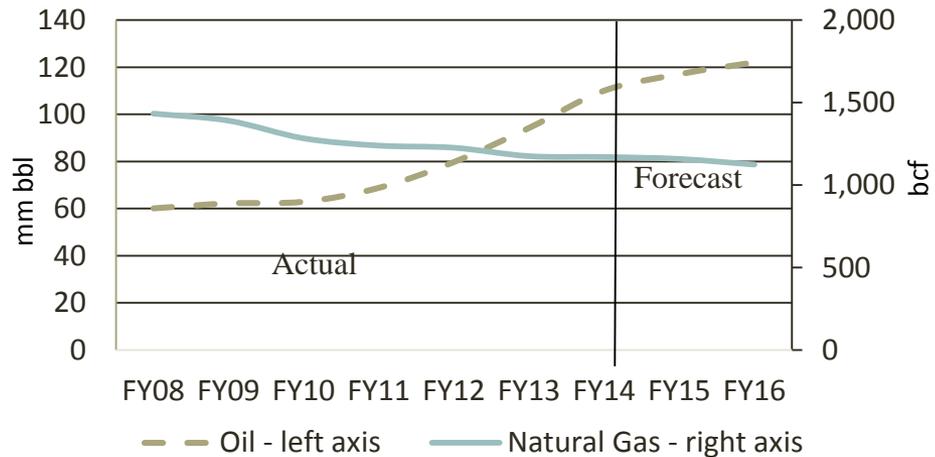
New Mexico Oil and Gas Prices



- *O&G prices increased in FY14 but have dropped recently*
- *Production increases are weighing on prices*

- *NM Oil production increased 100% since 2009*
- *NM Gas production stabilized in FY14*

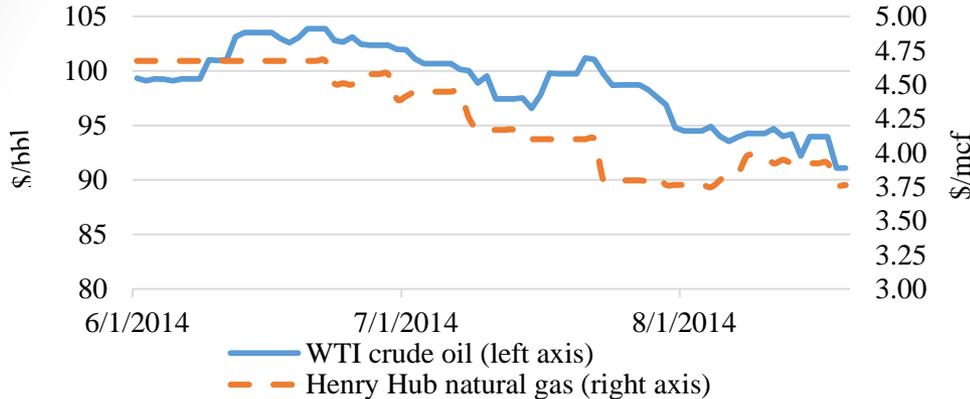
New Mexico Oil and Gas Volumes



Source: ONGARD

Energy Markets Pose Risks

Oil and Natural Gas Daily Spot Prices

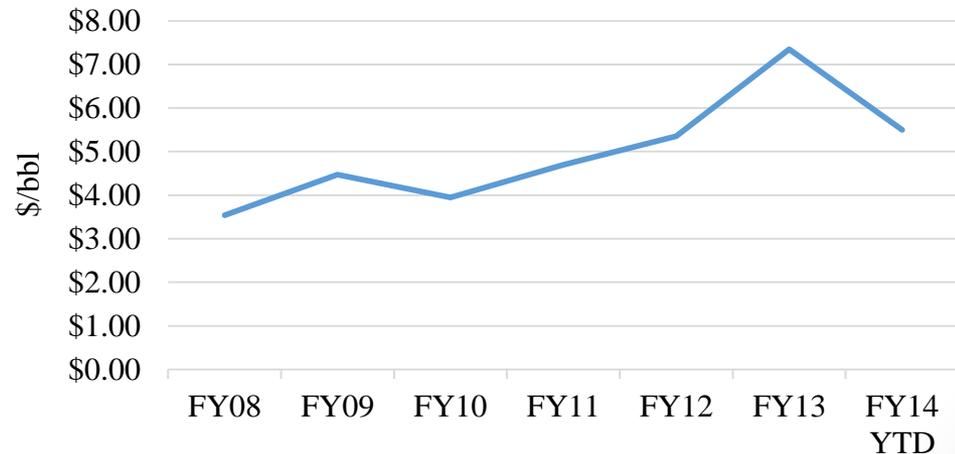


- *Prices have declined sharply in recent months*
- *New Mexico average price has fallen relative to WTI.*

Source: ConocoPhillips Morning Report

- *\$0.10 change in annual gas price causes a \$9 million change in GF revenue.*
- *\$1.00 change in oil price causes \$6 million change in GF revenue.*

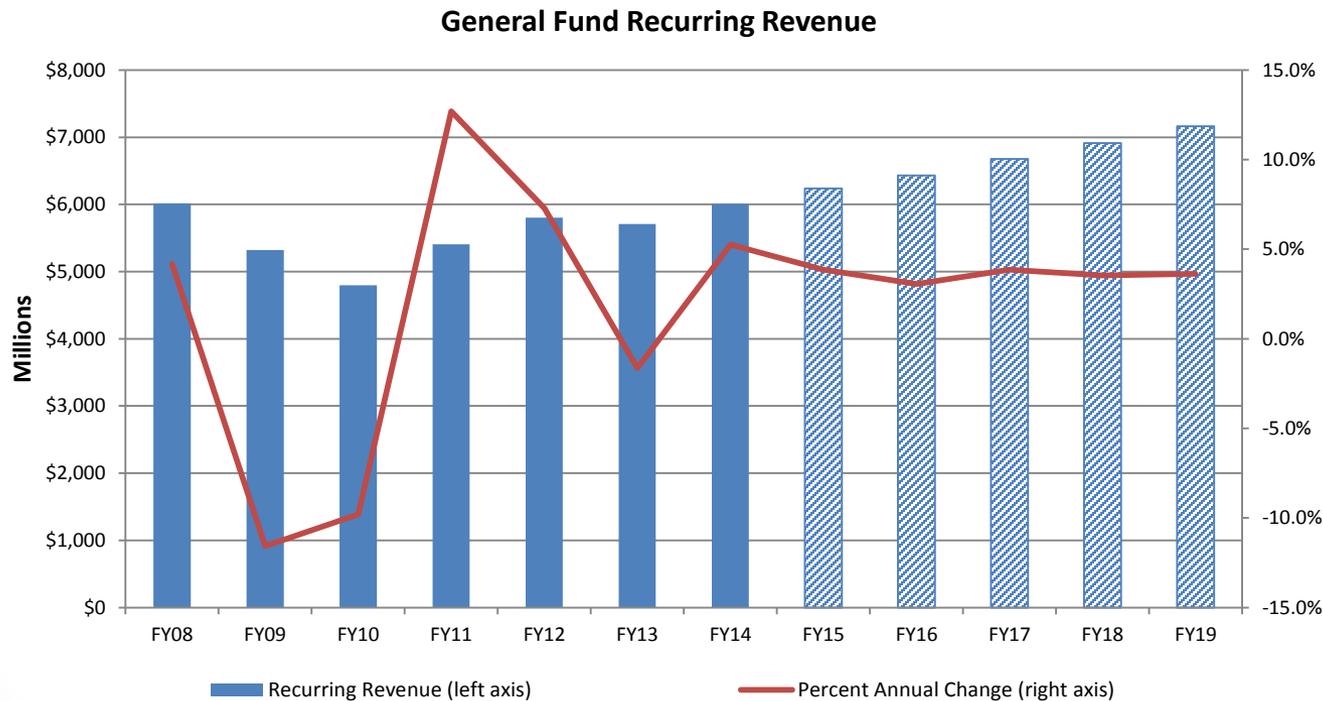
WTI to New Mexico Average Price Differential



Source: NM Go-Tech and ONGARD

General Fund Revenue Outlook

- FY14 strong rebound
- Recurring revenue near peak reached in FY08.
- Long term growth 4%



General Fund Forecast Summary

August 2014 Consensus General Fund Forecast						
	FY14		FY15		FY16	
	\$ Millions	% Change	\$ Millions	% Change	\$ Millions	% Change
General Sales	\$2,054	4.3%	\$2,125	3.4%	\$2,226	4.8%
Selective Sales	\$448	4.3%	\$493	10.2%	\$508	2.9%
Income Taxes	\$1,455	-3.5%	\$1,520	4.5%	\$1,555	2.3%
O&G Revenue	\$1,152	22.2%	\$1,170	1.6%	\$1,162	-0.7%
Investment Income	\$654	3.5%	\$704	7.6%	\$784	11.4%
Other	\$245	7.5%	\$228	-7.0%	\$201	-11.8%
Total Recurring Revenue	\$6,008	5.2%	\$6,240	3.9%	\$6,436	3.1%

- *O&G revenue now exceeds \$1.1 billion per year, All-time high was \$1.2 billion in FY08*
- *Sales taxes growing, Income taxes rebounding*
- *Investment income growing due to O&G contributions, Stock market*
- *Details in Appendix 2*

General Fund Financial Summary

Million Dollars

	FY14	FY15	FY16
Beginning Balance	\$651	\$579	\$670
Revenue	\$6,008	\$6,240	\$6,436
Spending	\$5,971	\$6,164	
Reserve Transfers, etc.	-\$109	\$15	
Ending Balance	\$579	\$670	

- FY15 projected balances 10.9% of appropriations
- FY16 “new money” \$285 million
- 4% spending growth = \$246 million
- Details in Appendix 3

Forecast Risks

- Eunice v. NM
- Pueblo lawsuit on casino receipt sharing
- Companies challenging tobacco settlement payments
- O&G volatility
- Historic cash reconciliation
- Union lawsuit over FY09 pay raises

Budget Priorities

- Continuing education reforms
- Promoting economic development
 - Tourism advertising
 - LEDA, JTIP, Mainstreet
- Improving public safety
 - DPS, CYFD, Corrections
- Continuing health workforce initiatives
- Targeted compensation reforms
- Continuing Tax reform to promote economic development

Capital Budget Summary

- Senior Severance Tax Bond capacity: \$347.7 million.
 - \$25 million for authorized but unissued
 - \$34.8 million earmarked for water projects, and
 - \$17.4 million each for tribal infrastructure and Colonias projects.
 - \$253 million available for new capital projects.
- \$229.6 Supplemental Severance Tax Bonds for public schools
- Audit Act compliance has improved dramatically over the last year: At Risk entities down from 51 to 22
- Details in Appendix 4

U.S. and New Mexico Economic Indicators	FY14		FY15		FY16		FY17		FY18		FY19
	Dec 13 Forecast	July 14 Forecast	July 14 Forecast								
National Economic Indicators											
US Real GDP Growth (annual avg. ,% YOY)*	2.1	2.0	4.0	2.7	3.5	3.6	2.7	3.1	2.1	2.5	1.9
US Inflation Rate (CPI-U, annual avg., % YOY)**	1.5	1.5	2.0	2.1	2.3	2.3	2.5	2.7	2.4	2.9	2.7
Federal Funds Rate (%)	0.08	0.08	0.11	0.11	1.17	1.09	3.26	3.13	4.02	3.94	4.04
New Mexico Labor Market and Income Data											
NM Non-Agricultural Employment Growth	1.0	0.1	1.8	0.8	2.3	1.5	1.7	1.7	1.1	1.1	0.7
NM Nominal Personal Income Growth (%)***	1.6	1.7	2.6	2.4	4.1	3.3	4.1	4.8	3.4	4.2	3.6
NM Total Wages & Salaries Growth (%)	1.8	1.9	5.5	3.3	5.7	5.1	5.0	5.2	4.6	4.7	4.4
NM Real Gross State Product (% YOY)	2.4	1.8	3.8	3.2	3.6	3.4	2.3	2.8	1.6	2.5	1.8
New Mexico Energy Prices & Volumes											
NM Oil Price (\$/barrel)	\$93.00	\$95.75	\$86.50	\$92.00	\$84.50	\$88.00	\$83.50	\$87.00	\$83.50	\$86.00	\$85.00
NM Taxable Oil Volumes (million barrels)	99.0	110.0	103.0	117.0	106.0	122.0	108.0	125.0	109.0	127.0	129.0
NM Gas Price (\$ per thousand cubic feet)****	\$4.85	\$5.15	\$5.10	\$5.20	\$5.20	\$5.25	\$5.30	\$5.30	\$5.35	\$5.35	\$5.40
NM Taxable Gas Volumes (billion cubic feet)	1,130	1,170	1,090	1,158	1,050	1,124	1,010	1,090	970.0	1,057	1,025

DFA 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 Moody's Analytics futures and forecast prices as well as a premium for natural gas liquids based on the oil price forecast.
 Sources: Moody's Analytics baseline forecast, July 2014

General Fund Revenue Estimate
August 2014

	FY14				FY15				FY16			
	A	B	C	D	E	F	G	H	I	J	K	L
	Dec. 2013 Adj for Leg.	Prelim Final	Change from Prior	% Change from FY13	Dec. 2013 Adj for Leg.	Aug. 2014	Change from Prior	% Change from FY14	Dec. 2013 Adj for Leg.	Aug. 2014	Change from Prior	% Change from FY15
1 Gross Receipts Tax	1,976.2	1,976.0	(0.2)	3.0%	2,090.6	2,061.0	(29.6)	4.3%	2,193.2	2,160.0	(33.2)	4.8%
2 Compensating Tax	50.4	78.2	27.8	53.6%	52.1	63.9	11.8	-18.3%	51.2	65.9	14.7	3.1%
3 TOTAL GENERAL SALES	2,026.6	2,054.2	27.6	4.3%	2,142.7	2,124.9	(17.8)	3.4%	2,244.4	2,225.9	(18.5)	4.8%
4 Tobacco Taxes	83.6	79.4	(4.2)	-7.8%	82.5	79.8	(2.7)	0.5%	81.6	78.7	(2.9)	-1.4%
5 Liquor Excise	27.3	26.5	(0.8)	1.1%	27.5	27.2	(0.3)	2.6%	6.5	6.9	0.4	-74.6%
6 Insurance Taxes	126.7	115.5	(11.2)	7.4%	182.0	159.0	(23.0)	37.7%	210.7	188.0	(22.7)	18.2%
7 Fire Protection Fund Reversion	17.4	17.4	-	-4.9%	16.5	16.5	0.0	-5.2%	15.5	15.5	0.0	-6.1%
8 Motor Vehicle Excise	133.2	132.9	(0.3)	5.9%	137.5	137.3	(0.2)	3.3%	142.8	142.9	0.1	4.1%
9 Gaming Excise	64.4	66.4	2.0	5.2%	65.5	67.9	2.4	2.3%	66.7	68.1	1.4	0.3%
10 Leased Vehicle Surcharge	5.5	5.2	(0.3)	2.0%	5.5	5.3	(0.2)	1.9%	5.6	5.3	(0.3)	0.0%
11 Other	2.4	4.3	1.9	-257.4%	2.4	0.3	(2.2)	-94.1%	2.4	2.4	-	860.0%
12 TOTAL SELECTIVE SALES	460.5	447.6	(13.0)	4.3%	519.4	493.3	(26.2)	10.2%	531.8	507.8	(24.0)	2.9%
13 Personal Income Tax	1,211.5	1,250.0	38.5	0.7%	1,280.0	1,305.0	25.0	4.4%	1,335.0	1,345.0	10.0	3.1%
14 Corporate Income Tax	279.0	205.0	(74.0)	-23.3%	289.0	215.0	(74.0)	4.9%	276.0	210.0	(66.0)	-2.3%
15 TOTAL INCOME TAXES	1,490.5	1,455.0	(35.5)	-3.5%	1,569.0	1,520.0	(49.0)	4.5%	1,611.0	1,555.0	(56.0)	2.3%
16 Oil and Gas School Tax	427.1	481.0	53.9	26.6%	421.2	487.3	66.1	1.3%	419.5	482.9	63.4	-0.9%
17 Oil Conservation Tax	23.3	26.2	2.9	26.0%	22.9	26.6	3.7	1.5%	22.9	26.4	3.5	-0.8%
18 Resources Excise Tax	11.5	11.5	-	-14.8%	11.5	11.5	-	0.0%	11.5	11.5	-	0.0%
19 Natural Gas Processors Tax	15.8	16.3	0.5	-32.6%	17.8	18.8	1.0	15.3%	18.1	20.9	2.8	11.2%
20 TOTAL SEVERANCE TAXES	477.7	535.0	57.3	22.0%	473.4	544.2	70.8	1.7%	472.0	541.7	69.7	-0.5%
21 LICENSE FEES	49.9	51.8	1.9	3.6%	50.6	51.6	1.0	-0.4%	51.2	51.8	0.6	0.4%
22 LGPF Interest	445.3	449.0	3.7	1.8%	489.4	496.2	6.8	10.5%	529.9	545.6	15.7	10.0%
23 STO Interest	12.1	34.5	22.4	134.7%	13.5	25.0	11.5	-27.5%	28.0	45.0	17.0	80.0%
24 STPF Interest	170.4	170.5	0.1	-3.2%	179.4	182.7	3.3	7.2%	186.1	193.6	7.5	6.0%
25 TOTAL INTEREST	627.8	654.0	26.2	3.5%	682.3	703.9	21.6	7.6%	744.0	784.2	40.2	11.4%
26 Federal Mineral Leasing	490.0	569.8	79.8	24.0%	520.0	573.1	53.1	0.6%	490.0	569.4	79.4	-0.6%
27 State Land Office	45.2	47.5	2.3	6.5%	47.6	52.9	5.3	11.4%	46.7	50.6	3.8	-4.4%
28 TOTAL RENTS & ROYALTIES	535.2	617.3	82.1	22.4%	567.6	626.0	58.4	1.4%	536.7	620.0	83.2	-1.0%
29 TRIBAL REVENUE SHARING	72.5	69.0	(3.5)	-2.4%	74.4	70.0	(4.4)	1.4%	77.7	53.3	(24.4)	-23.9%
30 MISCELLANEOUS RECEIPTS	49.2	52.4	3.2	26.9%	51.2	52.9	1.7	1.0%	54.9	56.1	1.2	6.0%
31 REVERSIONS	71.4	71.4	-	8.5%	53.0	53.0	-	-25.8%	40.0	40.0	-	-24.5%
32 TOTAL RECURRING	5,861.3	6,007.7	146.3	5.2%	6,183.6	6,239.7	56.1	3.9%	6,363.6	6,435.8	72.1	3.1%
33 TOTAL NON-RECURRING*	-	-	-	-	-	-	-	-	-	-	-	-
34 GRAND TOTAL	5,861.3	6,007.7	146.3	5.2%	6,183.6	6,239.7	56.1	3.9%	6,363.6	6,435.8	72.1	3.1%

General Fund Revenue Estimate
August 2014

	FY17				FY18				FY19	
	M	N	O	P	Q	R	S	T	U	V
	Dec. 2013 Adj for Leg.	Aug. 2014	Change from Prior	% Change from FY16	Dec. 2013 Adj for Leg.	Aug. 2014	Change from Prior	% Change from FY17	Aug. 2014	% Change from FY18
1 Gross Receipts Tax	2,308.7	2,298.0	(10.7)	6.4%	2,405.6	2,393.0	(12.6)	4.1%	2,510.0	4.9%
2 Compensating Tax	51.3	70.4	19.1	6.8%	50.4	70.5	20.1	0.1%	72.7	3.1%
3 TOTAL GENERAL SALES	2,360.0	2,368.4	8.4	6.4%	2,456.0	2,463.5	7.5	4.0%	2,582.7	4.8%
4 Tobacco Taxes	80.6	77.2	(3.4)	-1.9%	79.7	76.0	(3.7)	-1.6%	74.5	-2.0%
5 Liquor Excise	6.7	7.1	0.4	2.9%	26.4	26.6	0.2	274.6%	29.4	10.5%
6 Insurance Taxes	235.5	210.0	(25.5)	11.7%	255.7	230.0	(25.7)	9.5%	240.0	4.3%
7 Fire Protection Fund Reversion	14.3	13.8	(0.5)	-11.0%	12.6	12.1	(0.5)	-12.3%	10.3	-14.9%
8 Motor Vehicle Excise	146.7	148.4	1.7	3.8%	149.8	152.7	2.9	2.9%	155.4	1.8%
9 Gaming Excise	68.1	68.3	0.2	0.3%	67.0	68.5	1.5	0.3%	68.8	0.4%
10 Leased Vehicle Surcharge	5.6	5.4	(0.2)	1.9%	5.7	5.4	(0.3)	0.0%	5.5	1.9%
11 Other	2.4	2.4	-	0.0%	2.4	2.4	-	0.0%	2.4	0.0%
12 TOTAL SELECTIVE SALES	560.0	532.6	(27.4)	4.9%	599.3	573.7	(25.6)	7.7%	586.3	2.2%
13 Personal Income Tax	1,400.0	1,405.0	5.0	4.5%	1,435.0	1,465.0	30.0	4.3%	1,530.0	4.4%
14 Corporate Income Tax	244.0	200.0	(44.0)	-4.8%	206.0	160.0	(46.0)	-20.0%	150.0	-6.3%
15 TOTAL INCOME TAXES	1,644.0	1,605.0	(39.0)	3.2%	1,641.0	1,625.0	(16.0)	1.2%	1,680.0	3.4%
16 Oil and Gas School Tax	417.9	483.0	65.1	0.0%	415.3	480.6	65.3	-0.5%	478.2	-0.5%
17 Oil Conservation Tax	22.8	26.5	3.7	0.4%	22.8	26.5	3.7	0.0%	26.4	-0.4%
18 Resources Excise Tax	11.5	11.5	-	0.0%	11.5	11.5	-	0.0%	11.5	0.0%
19 Natural Gas Processors Tax	18.0	19.7	1.7	-5.7%	17.6	19.3	1.7	-2.0%	18.7	-3.1%
20 TOTAL SEVERANCE TAXES	470.2	540.7	70.5	-0.2%	467.2	537.9	70.7	-0.5%	534.8	-0.6%
21 LICENSE FEES	52.1	51.9	(0.2)	0.2%	53.3	52.0	(1.3)	0.2%	52.0	0.0%
22 LGPF Interest	516.0	540.2	24.2	-1.0%	559.2	595.1	35.8	10.2%	648.1	8.9%
23 STO Interest	57.0	75.0	18.0	66.7%	67.0	85.0	18.0	13.3%	90.0	5.9%
24 STPF Interest	191.4	203.5	12.1	5.1%	199.4	216.6	17.2	6.4%	227.2	4.9%
25 TOTAL INTEREST	764.4	818.7	54.3	4.4%	825.6	896.6	71.0	9.5%	965.3	7.7%
26 Federal Mineral Leasing	485.0	567.2	82.2	-0.4%	480.0	562.5	82.5	-0.8%	557.8	-0.8%
27 State Land Office	46.7	49.3	2.6	-2.5%	46.7	48.9	2.2	-0.8%	49.1	0.4%
28 TOTAL RENTS & ROYALTIES	531.7	616.5	84.8	-0.6%	526.7	611.4	84.7	-0.8%	606.9	-0.7%
29 TRIBAL REVENUE SHARING	79.7	56.2	(23.5)	5.4%	81.7	58.4	(23.3)	3.9%	60.5	3.6%
30 MISCELLANEOUS RECEIPTS	56.2	58.7	2.5	4.6%	57.5	61.0	3.5	3.9%	62.1	1.8%
31 REVERSIONS	40.0	40.0	-	0.0%	40.0	40.0	-	0.0%	40.0	0.0%
32 TOTAL RECURRING	6,558.3	6,688.7	130.4	3.9%	6,748.3	6,919.5	171.2	3.5%	7,170.6	3.6%
33 TOTAL NON-RECURRING*	-	-	-	-	-	-	-	-	-	-
34 GRAND TOTAL	6,558.3	6,688.7	130.4	3.9%	6,748.3	6,919.5	171.2	3.5%	7,170.6	3.6%

Department of Finance and Administration
GENERAL FUND FINANCIAL SUMMARY
August 2014 Consensus Revenue Forecast
(Dollars in Millions)

		<u>Prelim</u> <u>FY2014</u>	<u>Estimated</u> <u>FY2015</u>	<u>Estimated</u> <u>FY2016</u>
APPROPRIATION ACCOUNT				
REVENUE				
Recurring Revenue				
1	December 2013 Consensus Forecast Adj. for Legislation	\$ 5,861.3	\$ 6,183.6	\$ 6,363.6
2	<i>August 2014 Revision</i>	<i>\$ 146.3</i>	<i>\$ 56.1</i>	<i>\$ 72.1</i>
3	Total Recurring Revenue	\$ 6,007.6	\$ 6,239.7	\$ 6,435.7
Nonrecurring Revenue				
4	December 2013 Consensus Forecast Adj. for Legislation	\$ -	\$ -	\$ -
5	Total Non-Recurring Revenue	\$ -	\$ -	\$ -
TOTAL REVENUE		\$ 6,007.6	\$ 6,239.7	\$ 6,435.7
APPROPRIATIONS				
Recurring Appropriations				
6	Recurring Appropriations	\$ 5,878.6	\$ 6,135.6	"New Money" \$285M
7	2012 & 2013 Sessions - Feed Bill*	14.4		
8	<i>2014 Session - Feed Bill*</i>	<i>6.1</i>	<i>15.0</i>	
9	Total Recurring Appropriations	\$ 5,899.0	\$ 6,150.6	\$ -
Nonrecurring Appropriations				
10	2012 & 2013 Sessions			
11	2013 Audit**	\$ 1.5		
12	<i>2014 Session</i>	<i>\$ 40.2</i>	<i>\$ 13.7</i>	<i>\$ -</i>
13	<i>Settlement of Union Lawsuit Liability</i>	<i>\$ 30.0</i>		
14	Total Nonrecurring Appropriations	\$ 71.7	\$ 13.7	\$ -
TOTAL APPROPRIATIONS		\$ 5,970.7	\$ 6,164.3	\$ -
15	Transfer to (from) Reserves	\$ 36.9	\$ 75.4	
GENERAL FUND RESERVES				
16	Beginning Balances	\$ 651.4	\$ 578.5	
17	Transfers from (to) Appropriations Account	36.9	75.4	
18	Revenue and Reversions	71.2	68.9	
19	<u>Appropriations, expenditures and transfers out</u>	<u>(181.0)</u>	<u>(52.8)</u>	
20	Ending Balances	\$ 578.5	\$ 670.1	
21	<i>Reserves as a Percent of Recurring Appropriations</i>	<i>9.8%</i>	<i>10.9%</i>	

*Legislative session expenses treated as recurring appropriation.

Department of Finance and Administration
GENERAL FUND FINANCIAL SUMMARY (Continued)
RESERVE DETAIL
(Dollars in Millions)

	Prelim FY2014	Estimated FY2015	Estimated FY2016	
OPERATING RESERVE				
22	Beginning balance	\$ 307.3	\$ 218.2	\$ 276.7
23	BOF Emergency Fund and reversions	(1.0)	(2.0)	(2.0)
24	<i>Contingent Liability for Cash Reconciliation, FY13 Audit</i>	(31.7)		
25	<i>Contingent Liability for PED MOE (HB2 & HB628, 2013)</i>	(16.0)		
26	<i>Contingent Liability for Medicaid receivables</i>	(60.2)		
27	<i>Transfer to ACF*</i>	(17.0)	(15.0)	
28	<u>Transfers from (to) appropriation account</u>	<u>36.9</u>	<u>75.4</u>	<u>-</u>
29	Ending balance	\$ 218.2	\$ 276.7	(1)
APPROPRIATION CONTINGENCY FUND				
30	Beginning balance	\$ 16.3	\$ 16.1	\$ 14.6
31	Disaster allotments	(19.2)	(16.0)	(16.0)
32	<i>Transfer from Oper Reserve to ACF (2013 & 2014 GAA)*</i>	17.0	15.0	
33	<i>Preservation of US Military Bases (2014 GAA, Sec. 5)**</i>	-	(0.5)	
34	<u>Revenue and reversions</u>	<u>2.0</u>	<u>-</u>	<u>-</u>
35	Ending Balance	\$ 16.1	\$ 14.6	\$ (1.4)
Education Lock Box				
36	Beginning balance	\$ 9.0	\$ 3.0	\$ 3.0
37	Appropriations (2012, 2013 & 2014 GAA, Section 5)	(6.0)	-	-
38	<u>Transfers in (out)</u>	<u>-</u>	<u>-</u>	<u>-</u>
39	Ending balance	\$ 3.0	\$ 3.0	\$ 3.0
STATE SUPPORT FUND				
40	Beginning balance	\$ 1.0	\$ 1.0	\$ 1.0
41	Revenues	\$ -	\$ -	\$ -
42	<u>Appropriations</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
43	Ending balance	\$ 1.0	\$ 1.0	\$ 1.0
TOBACCO PERMANENT FUND				
44	Beginning balance	\$ 170.2	\$ 192.5	\$ 226.7
45	Transfers in	21.1	39.5	40.5
46	Appropriation to tobacco settlement program fund	(19.3)	(19.8)	(20.3)
47	Gains/Losses	31.0	14.4	17.0
48	Additional transfers to Program Fund	-	-	-
49	<u><i>SB113 - Tobacco Fund for CYFD Programs & Lottery Scholars</i></u>	<u>(10.6)</u>		
50	Ending balance	\$ 192.5	\$ 226.7	\$ 264.0
TAX STABILIZATION RESERVE				
51	Beginning balance	\$ 147.6	\$ 147.6	\$ 147.6
52	<u>Transfers in</u>	<u>-</u>	<u>-</u>	<u>-</u>
53	Ending balance	\$ 147.6	\$ 147.6	\$ 147.6
54	GENERAL FUND ENDING BALANCES	\$ 578.5	\$ 669.6	(1)
55	<i>Percent of Recurring Appropriations</i>	<i>9.8%</i>	<i>10.9%</i>	

*The FY14 transfer is earmarked for budget shortfalls resulting from federal sequestration.

**Contingent on federal announcement of base realignment and closure initiative.

(1) FY16 ending balances will depend on the appropriations approved during the 2015 Legislative session.

Sources and Uses of Funds
Bonding Capacity Available for Authorization
August 2014 Estimate

Sources of Funds (millions)	FY15	FY16	FY17	FY18	FY19	Five-Year
General Obligation Bonds	-	187.3	-	187.3	-	374.6
Severance Tax Bonds	214.5	214.5	214.5	214.5	214.5	1,072.5
Severance Tax Notes	133.2	124.9	107.8	99.0	88.1	553.1
Subtotal Senior STBs	347.7	339.4	322.3	313.5	302.6	1,625.6
Supplemental Severance Tax Bonds	-	-	-	-	-	-
Supplemental Severance Tax Notes	229.6	228.2	230.1	231.8	231.8	1,151.5
Subtotal Supplemental STBs	229.6	228.2	230.1	231.8	231.8	1,151.5
Total Sources of Funds	\$577.3	\$755.0	\$552.5	\$732.6	\$534.4	\$3,151.7
Uses of Funds (millions)						
GOB Projects Approved by Referendum	-	187.3	-	187.3	-	374.6
Authorized but Unissued STB Projects*	25.2	-	-	-	-	25.2
10% Water Projects	34.8	33.9	32.2	31.3	30.3	162.6
5% Colonias Projects	17.4	17.0	16.1	15.7	15.1	81.3
5% Tribal Projects	17.4	17.0	16.1	15.7	15.1	81.3
New Senior STB Statewide Capital Projects	253.0	271.5	257.9	250.8	242.1	1,275.3
Education Capital	229.6	228.2	230.1	231.8	231.8	1,151.5
Total Uses of Funds	\$577.3	\$755.0	\$552.5	\$732.6	\$534.4	\$3,151.7

*Includes projects authorized in Laws 2012, 2013 and 2014 that have not yet met requirements for project funding.