REVENUE

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ISSUES FOR HEARING

December 2014 Consensus Revenue Estimate

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Summary.

- The consensus revenue estimating group (Legislative Finance Committee, Department of Finance and Administration, Taxation and Revenue Department, and Department of Transportation) met and reached consensus on the revenue estimates presented in this brief.
- Unaudited FY14 recurring revenue is now $6.04 billion, $33 million more than the August 2014 estimate. Table 1 presents a reconciliation of recurring revenues through the revenue estimating cycle.
- Compared with the August 2014 forecast, the FY15 recurring revenue estimate was revised downward by $120 million to $6.12 billion and the FY16 revenue estimate was revised downward by $144 million to $6.29 billion. Attachment 1 (page 10) shows general fund revenue revisions from August 2014, to December 2014.
- The downward revisions from the August forecast are attributed to a decline in oil prices since the summer.
- Attachment 2 (page 12) shows the general fund financial summary. Preliminary FY14-ending reserve balances are $709 million, or 12 percent of recurring appropriations. Projected FY15-ending reserve balances are $617 million, or 10 percent of recurring appropriations.
- "New Money" in FY16, defined as FY16 projected recurring revenue less FY15 recurring appropriations, is projected to be $141 million, or 2.3 percent of FY15 appropriations.

Table 1
August 2014 Consensus General Fund Recurring Revenue Outlook
(in millions of dollars)

	FY14	FY15	FY16	FY17
August 2014 Consensus	$6,008	6,240	6,436	$6,689
December 2014 Adjustments	$32	($120)	($144)	($117)
December 2014 Consensus	$6,040	$6,120	$6,292	$6,572
Annual amount change	$332	$80	$172	$280
Annual percent change	5.8%	1.3%	2.8%	4.5%

The Economic Forecast. The consensus revenue estimating group uses two different forecasting services to develop the economic assumptions on which the forecast is based. The Legislative Finance Committee (LFC), Taxation and Revenue Department (TRD), and Department of Transportation (DOT) rely on New Mexico forecasts produced by UNM's Bureau of Business and Economic Research (BBER). BBER, in turn, has relied on a national forecast produced by IHS Global Insight. The Department of Finance and Administration (DFA) uses Moody's Analytics for its national and state forecasts. Selected economic indicators from these forecasts are presented in Attachment 3 (page 14).

United States. At the national level, IHS reports real GDP grew at an annualized 3.5 percent in the third quarter, with the biggest contributions coming from exports and defense spending. This followed strong growth in the second quarter, at 4.6 percent, which rebounded from the first quarter's 2.1 percent contraction. IHS forecasts a modest 2.2 percent growth in 2014 and 2.6 percent in 2015, and averaging 2.4 percent in the long term. BBER states, however, the recovery from the Great Recession continues to underwhelm. Since the low point in 2009, real GDP in the U.S. has grown by an average annual rate of 2.2 percent. BBER compares this growth to recoveries from two prior recessions: during the five years following the shallow recession of 2001 real GDP grew by 2.9 percent per year, and during the nine years following the recession of 1990-1991 real GDP grew by an annual rate of 3.9 percent.

The national employment picture remains brighter than it is in New Mexico as the labor market continues to strengthen. Job gains were 214 thousand (1.5%) in October. Gains were greatest in professional & business services, retail trade, health care, construction, financial activities and mining, while Government employment changed little. The seasonally adjusted unemployment rate fell to a low of 5.8 percent in October, from 6.1 percent two months earlier. IHS forecasts national payroll employment will is grow by 1.8 percent in 2014 and 1.8 percent in 2015, slowing to 0.9 percent by 2019. Unemployment is projected to settle at 5.1 percent by 2019.

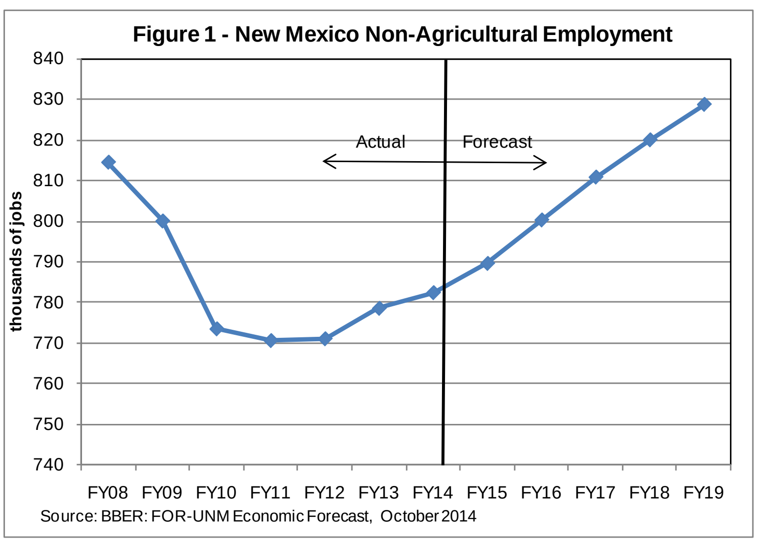
IHS notes the Fed ended its quantitative easing program in October, and expects the Fed to increase interest rates beginning around June 2015. IHS Global Insight assumes "the discretionary spending levels from the Bipartisan Budget Act" and no further shutdowns of the federal government over budgetary issues or the debt ceiling.

IHS included a discussion of the effects of the recent sharp drop in oil prices since the summer (see "Energy Markets," below), estimating US real GDP growth will likely be boosted by up to 0.4 percentage points. The IHS forecast expects consumers will benefit from lower gasoline prices, contributing to higher consumer spending.

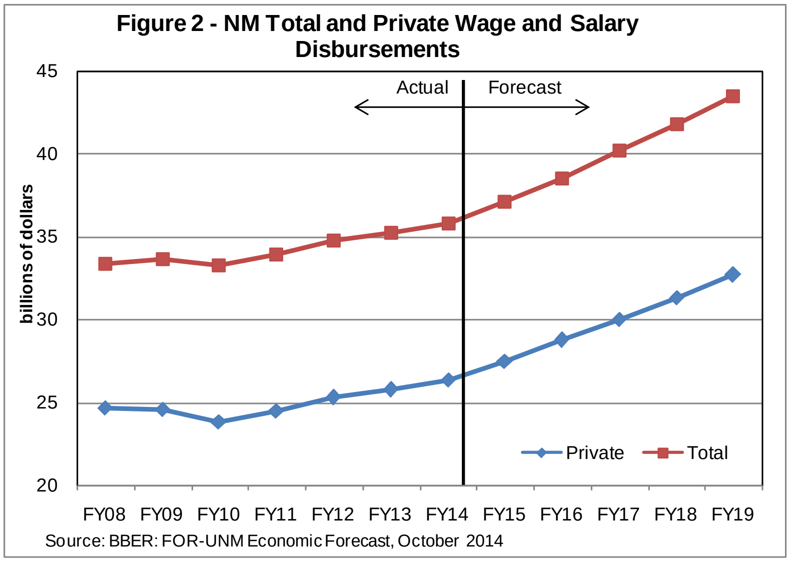
New Mexico. BBER states that while the US economy has entered the sixth year of recovery from the Great Recession there is little evidence of a comparable recovery in New Mexico, noting the state economy continues to move sideways. BBER points out that New Mexico is the only state that has experienced so weak a recovery and questions whether the state's weak performance is a cyclical, temporary phenomenon or if it indicates a more troubling structural change in the state's economic competitiveness.

BBER notes that, aside from unreliable employment growth data for four quarters that may be inflated due to a change in reporting methodology, employment growth in New Mexico was relatively flat for a long period. Bureau of Labor Statistics data for the first quarter of 2014 shows New Mexico added 2,161 jobs (0.3%) in the first quarter or 2014, well below BBER's July expectation of 6,900 (0.9%). The private sector added 3,850 jobs, offset by a loss of 1,700 jobs in the public sector. (See Attachment 4 on page 15 for employment data by sector.)

However, recent reports from the New Mexico Workforce Solutions Department indicate job growth has edged upward. Year-over-year growth was 0.6 percent in August, 0.8 percent in September, and 1.1 percent in October. In October New Mexico's ranking among states in terms of nonfarm employment growth was 34th, a considerable improvement compared with ranking 47th a year ago.



BBER's October forecast is generally weaker than it was in July, anticipating the rate of employment growth to peak in 2016 with a gain of only 1.3 percent, and slowing gradually thereafter. Under this scenario, employment levels in New Mexico will not reach 2007 pre-recession levels until early-2017.



Energy Markets. As late as June, the West Texas Intermediate (WTI) oil price was over $105 per barrel, supported by unrest in the Middle East and the Ukraine-Russia conflict. Since the early summer, however, WTI prices have plummeted by more than a third, trading as low as $66 per barrel. The drop in the oil price can be attributed to sluggish demand and higher-than-expected supply. In particular, IHS notes the steady increase in US oil production plus growth in Libyan oil output are major contributors to the supply which has more than offset the upward pressure on prices from Middle Eastern and Central European conflicts. More recently, report of a Chinese interest rate cut and European efforts to stimulate its economy have nudged prices upward, but an OPEC decision not to cut production caused a sudden drop in global and domestic prices over the thanksgiving holiday. Despite the sharp decline in prices, US oil production continues to grow, especially in Texas and North Dakota; IHS predicts the price drop will contribute to a loss of investment and spending, but no slowing of production trends. IHS notes, in agreement with other news reports, that the breakeven point for US producers remains below current market prices.

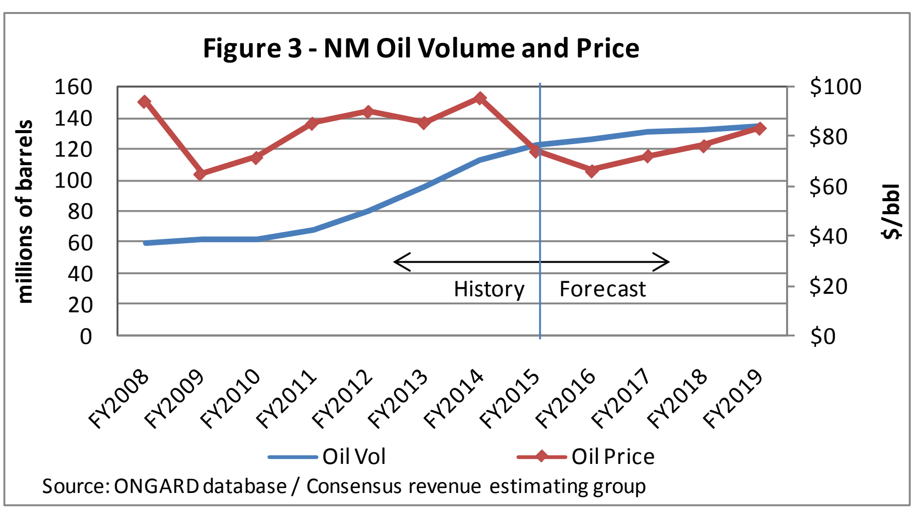
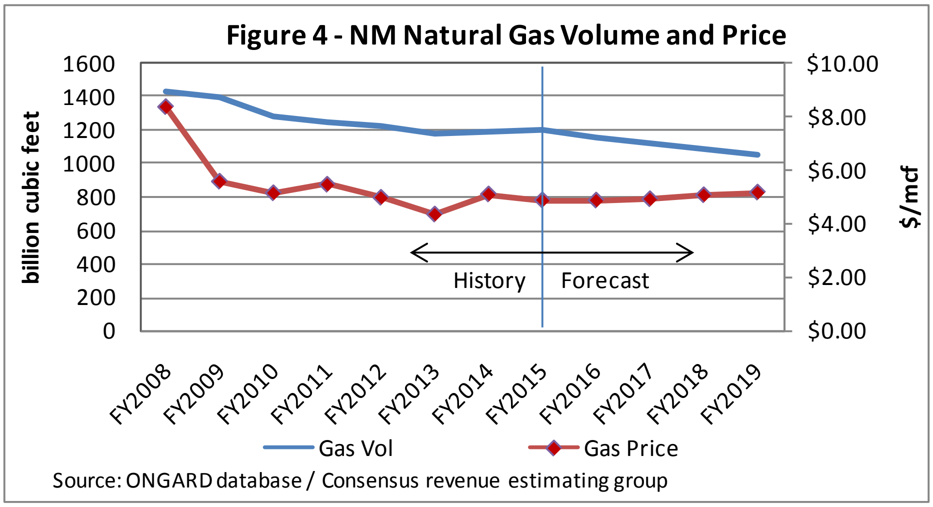
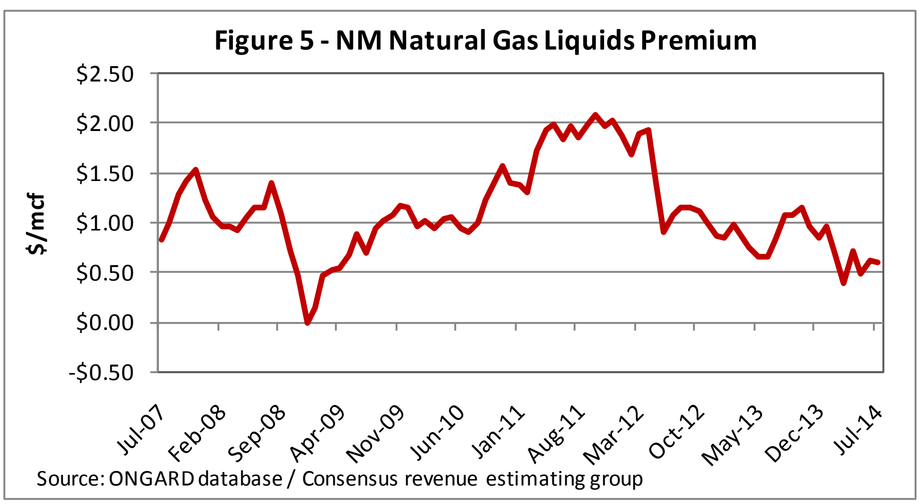


Figure 3 shows oil prices averaged above $95/bbl in FY14, but are projected to remain significantly lower throughout the forecast period. Prices are expected to average around $71 per barrel (bbl) in FY15, down from the estimate of $92 in August. Although current prices are below $71, the average is driven up by the first months of the fiscal year before the price decline. The price in FY16 is estimated to average $66 per barrel before recovering to $72 in FY17, $76 in FY18, and $80 in FY19. Oil volumes increased by 16 percent in FY12, 20 percent in FY13, and 18 percent in FY14 (see Attachment 5, page 16). The forecast assumes positive growth of 7.6 percent in FY15 and 4.1 percent in FY16. Activity in the Permian basin suggests continued growth in oil volumes in the forecast years. However, the rate of production decline in horizontally drilled and fracked wells is uncertain, and a faster production decline would require large continued investments to maintain production levels and achieve growth. The New Mexico price differential to WTI is around $5/bbl. Each additional $1/bbl change in price sustained over one year is equivalent to a $7.5 million change in general fund revenue.



Natural gas prices averaged $5.13 in FY14 and are estimated to average $4.90 in FY15 and FY16 before gradually increasing toward $5.20 by FY19. New Mexico natural gas prices continue to see gains above Henry Hub (Louisiana) prices, the pricing point for natural gas futures contracts on the New York Mercantile Exchange (NYMEX), due to high prices paid for natural gas liquids, which trend with oil prices. In FY14, the processed, or dry, gas price averaged $4.31/mcf. Thus, the premium above the dry gas price for natural gas liquids averaged $0.83/mcf in FY14. The liquids premium is expected to average approximately $0.80/mcf over the forecast period. Each $0.10 change in natural gas price is equivalent to an $8 million change in general fund revenue.



Nationally, gas production continues to grow. The United States was the world's largest natural gas producer in 2013 thanks to the growing market share of shale gas, which represented 40 percent of U.S. gas production in that year. This volume growth has not been the trend in New Mexico, however. Natural gas volumes fell by 1.6 percent in FY12 and 4 percent in FY13 before a modest 0.7 percent increase in FY14, possibly resulting from gas production associated with increased shale oil production in the San Juan Basin. Volumes are expected to resume declining at rates between 0.5 percent and 3.3 percent over the forecast period.

Other Revenue Highlights. The consensus revenue estimating group made upward adjustments to the gross receipts tax forecast, thanks in part to a very strong first quarter of FY15. Strength is still expected from contributions of the oil and gas industry, although this may diminish as weak oil prices could suppress investment in new wells. Analysts reached consensus on growth rates of 4.9 percent for FY15 and 5.0 percent for FY16 after making adjustments for projected tax preferences such as the manufacturing deduction. The estimated impact of the manufacturing deduction reduced the net GRT estimate by $13.6 million in FY15 and by $20 million in FY16, while the construction deduction is assumed to be in the base. Annual high-wage jobs tax credit claims of $15 million are assumed to be reflected in the gross-receipts tax base. Finally, past GRT estimates had been reduced to reflect advanced energy tax credit claims, but TRD reports this credit has not been claimed often, and no adjustment was made for this credit.

FY14 saw strength in personal income tax (PIT) revenue from oil and gas withholding revenue, contributing to 1.1 percent growth despite earlier estimates that FY14 PIT revenue would actually fall slightly below the FY13 total. The personal income tax revenue estimate is unchanged from the August estimate, reflecting little change in projected growth in wages and salaries. The PIT revenue is expected to grow 4 percent in FY15, and a more conservative 3.1 percent in FY16 which indicates some upside risk. Strength in oil and gas withholding continues to support revenue strength.

FY14 corporate income tax (CIT) receipts were 23 percent lower than FY13, illustrating the volatility of this revenue source. CIT revenue collections in late FY14 fell short of staff projections, thanks to quarterly payments and final settlements coming in below past trends. The revenue estimate incorporates the revenue impact of 2013 legislation that lowers the tax rate and permits single-sales-factor income apportioning for some corporations. CIT revenues are estimated to see modest growth in FY15, and remain at that approximate level in FY16. The full phase in of the statutory changes results in reduced CIT revenues in out years. The net CIT estimates also account for the effect of the film production tax credit, estimated to cost by $50 million per year.

FY14 severance tax revenues came in nearly 27 percent higher than FY13, thanks to continued growth in oil volumes and strong oil prices, as well as unexpected growth in natural gas production volume. The reduction in forecasted oil and gas prices, although partially offset by a stronger volume forecast, results in a 14.6 percent reduction in severance tax revenues estimated for FY15. Severance tax revenues are projected to decline a further 2.3 percent in FY16 before recovering as oil prices recover and modest growth in production volume continues. Federal mineral leasing (FML) revenues in FY14 reached nearly $570 million thanks to strong oil prices and continuing growth in production on federal land. However, the decline in oil prices since the summer contributed to a reduction in the FML revenue estimate for FY15 onward. Amounts sequestered by the federal government in the current fiscal year were offset by the return of sequestration reductions from the prior fiscal year. The revenue estimate assumes continued sequestration throughout the forecast period, and continued restoration of the prior-year sequester.

Revenues associated with the permanent funds will see growth in FY15. Distributions are based on a rolling average of the last 5 calendar years' market value for the respective funds. The distribution is projected to increase as low market values dating from recession years are replaced with higher recent market values in the calculation of the five-year average market value. Pursuant to the Constitution of New Mexico, the rate of distribution from the Land Grant Permanent Fund (LGPF) to beneficiaries is scheduled to decrease from 5.5 percent of the fund's market value in FY16 to 5.0 percent in FY17. The severance tax permanent fund (STPF) distribution has grown more slowly than the LGPF distribution as contributions to this fund have been less significant and consistent.

In addition to uncertainty in estimating investment earnings, the earnings reported by the State Treasurer (STO) during FY14 do not match actual revenue transferred to the general fund. Some variance in these two numbers has occurred in the past, but the FY14 difference was larger because too much money was transferred to the general fund. Revenue estimators met with the Treasurer's staff to discuss the disparity and the Treasurer has announced that earnings will be reported on a net basis beginning in FY15. With the advice of DFA's Financial Control Division the FY14 revenue total has been adjusted downward to correct for this excess transfer.

The estimate for liquor excise tax is reduced sharply FY16-FY17 because 2014 legislation directs approximately $19 million in liquor excise tax revenues to the lottery tuition fund for those years. This earmarking of revenue effectively reduces new money in FY16 and reduces the ability of the 2015 Legislature to make appropriations according to its priorities.

The FY14 insurance premium tax estimate contains the first fiscal impacts from the Affordable Care Act (ACA). Revenue estimators continue to expect the ACA to contribute to increased insurance premiums tax revenue, albeit at a more conservative rate. Although the Human Services Department revised Medicaid enrollment upward, insurance premiums tax revenue during the forecast period was revised downward to reflect more conservative estimates for take-up rate in the insurance exchange and a slower decline in New Mexico Medical Insurance Pool assessments, which result in higher credit claims against the general fund distribution of premiums tax revenue.

The ACA is expected to increase revenues by three avenues. The first is the "woodwork effect". The Human Services Department (HSD) expects 19 thousand Medicaid eligible persons to enroll so that they avoid federal penalties in their 2014 taxes. Secondly, analysts expect some 31 thousand enrollees on the new health care exchange. Lastly, significant amounts of premium tax are offset by credits for losses in the New Mexico Medical Insurance Pool (NMMIP), which provides access to health insurance coverage to residents of New Mexico who are denied health insurance and considered uninsurable. For FY14, NMMIP has assessed health insurance companies $120 million to substantially fund the pool. Insurance carriers in turn are allowed a roughly 55 percent credit on assessments which are claimed against premium tax liability. As NMMIP members transition to the exchange or to Medicaid, these assessments, and subsequently the credit against the general fund, are expected to diminish. The rate at which members will leave the pool and the cost to insure those who remain is uncertain.

Fiscal year 14 reversions topped $96 million, including a $22.5 million reversion from the Human Services Department (HSD) reflecting a Medicaid budget surplus. HSD's most recent projections show shortfalls for FY15 and FY16, so the revenue estimate does not include additional Medicaid reversions. The balance of the reversions estimate reflects recurring over-funding of the personal services and employee benefits category, as funding for salaries and benefits has outpaced agencies' abilities to fill vacant positions.

It is the underlying assumption of the consensus revenue estimating group that revenue estimates reflect current law. As such, the December revenue estimate includes a downward adjustment to tribal revenue sharing revenue in FY16 and subsequent years to reflect the expiration of the 2001 gaming compact. As negotiations of a new gaming compact advance, the consensus group may be able to estimate this revenue source with more certainty (see "Risks to the Forecast," below). Ratification of a new compact is therefore an upside risk to the forecast.

Tax Law Changes. A major aspect of the discussions in recent revenue estimating cycles was the effect on major revenue sources of certain tax credits and other changes in tax law. In recent years, several tax expenditures for economic development have had a larger fiscal impact than initially estimated, contributing to a larger revenue estimating error (see Attachment 6, page 17). In some cases the revenue impacts have exceeded initial estimates, requiring statute changes to curb the impact. The statute governing the High Wage Jobs Tax Credit (HWJTC) was amended in 2013 to tighten the eligibility requirements for both employers and employees; however, protests from filers could result in additional HWJTC claims, representing a downside risk. 2013 legislation also changed the manufacturing GRT deduction to tighten the qualifying standards for businesses claiming this deduction. These cases illustrate the need for a conservative approach in estimating the initial impacts of such tax preferences, particularly in cases where a phase-in delays full impacts to out years.

To illustrate, the table below highlights the revenue impacts of the corporate income tax rate and income apportioning changes, as well as several tax expenditures either enacted or amended since the 2012 legislative session. Based on claims data, analysts assumed the impacts of the high-wage jobs tax credit (HWJTC) and the construction GRT deduction are already reflected in the tax base and, therefore, did not make additional adjustments to the revenue forecast based on these tax expenditures. HWJTC claims were $21.4 million and $48.8 million in FY13 and FY14, respectively. During those years the $50 million film tax credit cap was reached.

Revenue Impacts of Selected Tax Law Changes and Tax Expenditures
(in millions of dollars)

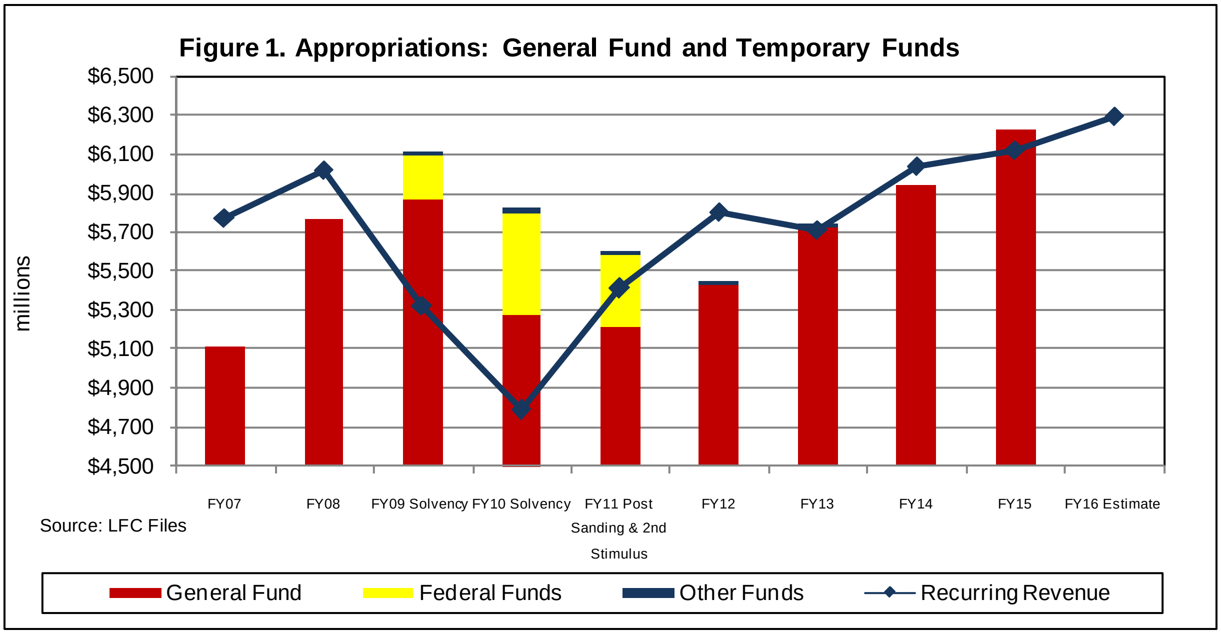
Tax Law Change / Tax Expenditure	FY15	FY16	FY17	FY18	FY19
Rate Reduction and Single-Sales Apportioning (CIT)	-32.7	-64.4	-95.5	-124.5	-139.5
Mandatory Combined Reporting (CIT)	7.5	5.8	4.2	3.5	3.5
High-Wage Jobs Tax Credit	-15.0	-15.0	-15.0	-15.0	-15.0
Manufacturing Deduction (GRT)	-13.6	-20.0	-27.2	-37.0	-37.0
Construction Deduction (GRT)	-14.9	-15.6	-13.0	-13.7	-13.7
Film Production Tax Credit (CIT)	-50.0	-50.0	-50.0	-50.0	-50.0
Locomotive Fuel Tax Exemption (Comp)	-3.0	-3.0	-3.1	-3.1	-3.2
Total	-$121.7	-$162.2	-$199.7	-$239.7	-$254.8

It is important to note that estimating the cost of tax expenditures is difficult. Confidentiality requirements surrounding certain taxpayer information create uncertainty, and analysts must frequently interpret third-party data sources. The statutory criteria for a tax expenditure may be ambiguous, further complicating the initial cost estimate of the expenditure's fiscal impact. Once a tax expenditure has been approved, information constraints continue to create challenges in tracking the real costs (and benefits) of tax expenditures. The timing of tax credit claims can also complicate estimates of a credit's impact. In some cases, a credit can be carried forward for years, and it remains difficult to predict when it will be claimed. Each of these factors create uncertainty in estimating future revenue impacts of changes in tax law.

General Fund Financial Summary. The general fund financial summary in Attachment 2 (page 12) shows unaudited actual FY14 revenues exceeded appropriations by $114 million, resulting in a growth in general fund reserves to $709 million, or 12 percent of recurring appropriations. Audited FY14 data will be available upon the completion of the general fund audit, likely before the start of the 2015 legislative session. The estimate for FY15 projects revenue to fall short of appropriations by nearly $108 million, reducing estimated FY15-ending reserves to $617 million, or 10 percent. Due in part to New Mexico's heavy reliance on volatile energy-related revenues, the LFC considers a reserve balance of 10 percent to be favorable.

The general fund financial summary includes a $31.7 million contingent liability in addition to a $70 million contingent liability the DFA booked against the general fund reserve in the state's FY12 unaudited comprehensive annual financial report (CAFR) released August 2013. However, there continues to be uncertainty regarding the amount of the actual liability. It is critical that DFA complete the work of unraveling historical unreconciled balances spanning from the implementation of SHARE in 2006. The financial summary also includes a potential $60 million 2015 deficiency appropriation to HSD for an overstated Medicaid Receivable and a $36 million contingent appropriation to PED in FY14.

General Fund Appropriations and Temporary Funds. Figure 1 illustrates recent trends in general fund appropriations, highlighting the role played by temporary funding sources. While general fund recurring revenue fell by over 20 percent from FY08 to FY10, total spending actually increased during the same period after solvency adjustments and adding one-time federal funds. From an FY09 peak of over $6 billion, total spending fell 4.8 percent in FY10 and 8.5 percent in FY11 after allotment reductions. FY14 revenue reached the FY08 pre-recession high-water mark for the first time and FY15 general fund spending exceeds the pre-recession peak reached in FY09 by 1.9 percent. FY16 "New Money," defined as projected recurring revenue less FY16 recurring appropriations, is projected at $141 million, or 2.3 percent of FY15 appropriations.



<u>Risks to the Forecast</u>.

- The volatility of energy markets became evident as oil prices fell sharply since the summer, and it is uncertain whether prices have bottomed out. Although oil production is not expected to suffer in the near term, the low oil price is could curb new investment and it is uncertain how production volumes will be affected in the long term. Just as high oil prices boosted state revenues, the bulk of the reduction in this revenue forecast is a direct effect of their decline.

- State and local government budget conditions are gradually improving as state tax revenues continue rising; however, the continuing sequester contributes to smaller federal grants. Because New Mexico relies heavily on federal government spending through the national laboratories, military institutions, and transfer payments (including Medicaid), any reductions in federal funding could have a negative impact on the New Mexico economy. On the upside, Medicaid expansion with federal share in the range of 90 percent to 100 percent will boost state economic activity and revenue.

- The result of the Court decision in *Eunice v. State of New Mexico Taxation and Revenue Department* creates a risk to the GRT forecast. The legal status of the case is uncertain – the department has been granted a Motion for Rehearing with the New Mexico Supreme Court. Estimating the potential revenue impact of an adverse court decision is complex, but TRD notes potential general fund losses could reach $20 million per year.

- The potential for increases in the cost of tax credits is a risk to state revenues. Credits with potentially high general fund revenue impacts include the high wage jobs tax credit (HWJTC), the manufacturing/construction GRT credits, the renewable energy production credit, and the film production tax credit. Legislation to tighten qualifying criteria for the HWJTC has led to more denials of tax credit claims. Many of these denied claims are being protested, however, and if they are granted or settled they could reduce revenue by as much as $50 million in FY15 and FY16. Another risk is $70 million in carry-forwards from the renewable energy production tax credit, which may be used by qualified energy generators to reduce tax liability. Excess amounts can be carried forward for five years. The credit claims at the front of the queue are not refundable; however, it is unclear when qualified generators will become profitable and apply the credits against their tax liabilities.

- Federal efforts to create a framework for regulating state taxing authority for in-state activities could affect state revenues. The Marketplace Equity Act and the Marketplace Fairness Act would grant states authority to impose taxes on remote internet retailers who compete with local retailers but currently do not have to collect and remit sales or gross receipts taxes to a purchaser's home state. It is unclear whether either of these bills will pass, and how their specific provisions would affect New Mexico. The imposition of New Mexico tax on remote sellers represents an upside risk to the forecast, although the positive risk is limited as major online retailers are already collecting and remitting sales tax.

- An arbitration panel decision found New Mexico did not diligently enforce its qualifying tobacco settlement statute in calendar year 2003, resulting in an $18 million reduction in New Mexico's FY14 tobacco master settlement agreement (MSA) payment. If future challenges to subsequent tobacco payments are successful, New Mexico may see additional reductions in MSA payments. The current general financial summary does not include reductions in the FY15 or the FY16 MSA payments pursuant to any future adverse decisions, although the potential for such a reduction presents a downside risk.

- New Mexico may be faced with reduced federal special education allocations if the Public Education Department (PED) does not prevail in their maintenance of effort (MOE) waiver request. Current PED and US Department of Education estimates range between $10.9 million and $35.2 million for FY11 and $17.8 million and $27.9 million for FY12. If federal funds are reduced, policymakers may be faced with increasing general fund allocations to schools to make up the shortfall. Any state funds made available for special education are included in the calculation of MOE and the backfill of lost federal funds with state revenues may increase the state's MOE requirements for future years.

- The General Fund Financial Summary includes a reduction to the operating reserve of $36 million for a contingent appropriation related to state efforts to meet federal special education spending requirements. Provisions in House Bill 2 and House Bill 628 were enacted to ensure state met its federal special education maintenance of effort (MOE) requirements for FY13. The lack of a federal decision on how to calculate the MOE requirement necessitated a multi-level approach to make available the necessary amounts to meet MOE for school districts. First, the General Appropriation Act (GAA) appropriated $20 million for FY13 for the Public Education Department to distribute to public schools should the funding formula produce an amount for special education less than needed based on the state's position for how the target amount should be calculated. Another provision in the GAA authorized transferring up to $20 million in funding from the funding formula to a special education MOE fund for distribution to public schools should the original appropriation be deemed insufficient. Additional 2013 legislation authorized another $20 million to be transferred from the operating reserve if the first two provisions failed to meet the MOE requirement.

Bonding. Attachment 7 (page 18) summarizes the severance tax bonding capacity estimate for the FY15-FY19 forecast period, based on updated assumptions for revenue into the severance tax bonding fund and an updated debt service schedule. Senior severance tax bonding (STB) capacity is estimated to reach $320 million in FY15, comprising senior long-term issuance of $191.8 million and senior sponge capacity of $128.2 million. Senior sponge capacity is reduced by nearly $5 million to correct for an over-issuance in that amount in FY14 due to an oversight related to the issuance of Severance Tax Note 2013S-C. Supplemental STB capacity for public school capital projects is estimated to be $182.9 million, for a total capital capacity of $502.9 million.

The attachment shows senior capital capacity is adjusted for authorized unissued projects totaling approximately $25.2 million and for statutory earmarks, including 10 percent ($32.5 million) to water projects, and 5 percent ($16.2 million) each for tribal infrastructure projects and colonias projects. After these adjustments, net senior capacity for statewide capital projects is $230.8 million.

Attachment 1 - December 2014 Consensus Revenue Estimate

	FY14		FY15					FY16				
	Unaudited Actual	$ Change from FY13	Aug 2014 Est.	Dec 2014 Est.	Change from Prior	% Change from FY14	$ Change from FY14	Aug 2014 Est.	Dec 2014 Est.	Change from Prior	% Change from FY15	$ Change from FY15
Gross Receipts Tax	1,992.0	74.4	2,061.0	2,090.0	29.0	4.9%	98.0	2,160.0	2,195.0	35.0	5.0%	105.0
Compensating Tax	78.4	27.5	63.9	63.9	-	-18.5%	(14.5)	65.9	65.9	0.0	3.1%	2.0
TOTAL GENERAL SALES	2,070.4	101.8	2,124.9	2,153.9	29.0	4.0%	83.5	2,225.9	2,260.9	35.0	5.0%	107.0
Tobacco Taxes	78.5	(7.6)	79.8	79.0	(0.8)	0.7%	0.5	78.7	78.1	(0.6)	-1.1%	(0.9)
Liquor Excise	26.4	0.1	27.2	26.7	(0.5)	1.3%	0.3	6.9	6.7	(0.2)	-74.9%	(20.0)
Insurance Taxes	115.1	7.5	159.0	140.0	(19.0)	21.7%	24.9	188.0	183.0	(5.0)	30.7%	43.0
Fire Protection Fund Reversion	16.1	(2.2)	16.5	14.9	(1.6)	-7.4%	(1.2)	15.5	13.8	(1.7)	-7.4%	(1.1)
Motor Vehicle Excise	133.3	7.8	137.3	141.3	4.0	6.0%	8.0	142.9	145.6	2.7	3.0%	4.3
Gaming Excise	66.5	3.4	67.9	67.9	-	2.2%	1.4	68.1	68.1	-	0.3%	0.2
Leased Vehicle Surcharge	5.2	0.2	5.3	5.2	(0.1)	-0.1%	(0.0)	5.3	5.2	(0.1)	0.0%	-
Other	2.9	5.4	0.3	1.1	0.8	-64.3%	(1.9)	2.4	2.4	-	128.6%	1.4
TOTAL SELECTIVE SALES	443.9	14.7	493.3	476.1	(17.2)	7.3%	32.2	507.8	502.9	(4.9)	5.6%	26.9
Personal Income Tax	1,254.9	14.0	1,305.0	1,305.0	-	4.0%	50.1	1,345.0	1,345.0	-	3.1%	40.0
Corporate Income Tax	196.8	(70.4)	215.0	215.0	-	9.3%	18.2	210.0	210.0	-	-2.3%	(5.0)
TOTAL INCOME TAXES	1,451.7	(56.4)	1,520.0	1,520.0	-	4.7%	68.3	1,555.0	1,555.0	-	2.3%	35.0
Oil and Gas School Tax	500.7	120.8	487.3	421.1	(66.2)	-15.9%	(79.6)	482.9	408.6	(74.3)	-3.0%	(12.5)
Oil Conservation Tax	27.2	6.5	26.6	22.7	(3.9)	-16.7%	(4.5)	26.4	22.1	(4.3)	-2.6%	(0.6)
Resources Excise Tax	13.0	(0.5)	11.5	12.7	1.2	-2.4%	(0.3)	11.5	12.7	1.2	0.0%	-
Natural Gas Processors Tax	16.2	(8.0)	18.8	19.0	0.2	17.3%	2.8	20.9	21.0	0.1	10.5%	2.0
TOTAL SEVERANCE TAXES	557.1	118.8	544.2	475.5	(68.7)	-14.6%	(81.6)	541.7	464.4	(77.3)	-2.3%	(11.1)
LICENSE FEES	51.7	1.7	51.6	51.6	-	-0.1%	(0.1)	51.8	51.8	-	0.3%	0.2
LGPF Interest	449.4	8.5	496.2	496.2	-	10.4%	46.8	545.6	545.6	-	10.0%	49.4
STO Interest	19.0	4.3	25.0	15.0	(10.0)	-21.0%	(4.0)	45.0	35.0	(10.0)	133.3%	20.0
STPF Interest	170.5	(5.7)	182.7	182.7	-	7.2%	12.2	193.6	193.6	-	6.0%	10.9
TOTAL INTEREST	638.9	7.1	703.9	693.9	(10.0)	8.6%	55.0	784.2	774.2	(10.0)	11.6%	80.4
Federal Mineral Leasing	569.9	110.2	573.1	532.0	(41.1)	-6.6%	(37.9)	569.4	487.0	(82.4)	-8.5%	(45.0)
State Land Office	47.5	2.8	52.9	47.5	(5.4)	0.0%	0.0	50.6	47.5	(3.1)	0.0%	-
TOTAL RENTS & ROYALTIES	617.3	113.1	626.0	579.5	(46.5)	-6.1%	(37.8)	619.9	534.5	(85.4)	-7.8%	(45.0)
TRIBAL REVENUE SHARING	67.6	(3.1)	70.0	70.0	-	3.6%	2.4	53.3	53.3	-	-23.9%	(16.7)
MISCELLANEOUS RECEIPTS	45.0	3.7	52.9	46.6	(6.3)	3.5%	1.6	56.1	49.9	(6.2)	7.1%	3.3
REVERSIONS	96.5	30.8	53.0	53.0	-	-45.1%	(43.5)	40.0	45.0	5.0	-15.1%	(8.0)
TOTAL RECURRING	6,040.1	332.1	6,239.7	6,120.0	(119.7)	1.3%	79.9	6,435.7	6,291.9	(143.8)	2.8%	171.9
TOTAL NON-RECURRING	0.4	(0.2)	-	-	-	-100.0%	(0.4)	-	-	-	na	-
GRAND TOTAL	6,040.5	331.9	6,239.7	6,120.0	(119.7)	1.3%	79.5	6,435.7	6,291.9	(143.8)	2.8%	171.9

Attachment 1 - December 2014 Consensus Revenue Estimate

	FY17					FY18					FY19				
	Aug 2014 Est.	Dec 2014 Est.	Change from Prior	% Change from FY16	$ Change from FY16	Aug 2014 Est.	Dec 2014 Est.	Change from Prior	% Change from FY17	$ Change from FY17	Aug 2014 Est.	Dec 2014 Est.	Change from Prior	% Change from FY18	$ Change from FY18
Gross Receipts Tax	2,298.0	2,292.0	(6.0)	4.4%	97.0	2,393.0	2,384.0	(9.0)	4.0%	92.0	2,510.0	2,483.0	(27.0)	4.2%	99.0
Compensating Tax	70.4	70.4	-	6.8%	4.5	70.5	70.5	-	0.2%	0.1	72.7	72.7	-	3.1%	2.2
TOTAL GENERAL SALES	2,368.4	2,362.4	(6.0)	4.5%	101.5	2,463.5	2,454.5	(9.0)	3.9%	92.1	2,582.7	2,555.7	(27.0)	4.1%	101.2
Tobacco Taxes	77.2	77.4	0.2	-0.9%	(0.7)	76.0	76.4	0.4	-1.3%	(1.0)	74.5	75.7	1.2	-0.9%	(0.7)
Liquor Excise	7.1	6.9	(0.2)	3.0%	0.2	26.6	26.1	(0.5)	278.3%	19.2	29.4	28.9	(0.5)	10.7%	2.8
Insurance Taxes	210.0	213.0	3.0	16.4%	30.0	230.0	226.0	(4.0)	6.1%	13.0	240.0	237.0	(3.0)	4.9%	11.0
Fire Protection Fund Reversion	13.8	12.8	(1.0)	-7.2%	(1.0)	12.1	11.9	(0.2)	-7.0%	(0.9)	10.3	10.7	0.4	-10.1%	(1.2)
Motor Vehicle Excise	148.4	149.9	1.5	3.0%	4.3	152.7	152.9	0.2	2.0%	3.0	155.4	156.0	0.6	2.0%	3.1
Gaming Excise	68.3	68.3	-	0.3%	0.2	68.5	68.5	-	0.3%	0.2	68.8	68.8	-	0.4%	0.3
Leased Vehicle Surcharge	5.4	5.2	(0.2)	0.0%	-	5.4	5.2	(0.2)	0.0%	-	5.5	5.2	(0.3)	0.0%	-
Other	2.4	2.4	-	0.0%	-	2.4	2.4	-	0.0%	-	2.4	2.4	-	0.0%	-
TOTAL SELECTIVE SALES	532.6	535.9	3.3	6.6%	33.0	573.7	569.4	(4.3)	6.3%	33.5	586.3	584.7	(1.6)	2.7%	15.3
Personal Income Tax	1,405.0	1,405.0	-	4.5%	60.0	1,465.0	1,465.0	-	4.3%	60.0	1,530.0	1,530.0	-	4.4%	65.0
Corporate Income Tax	200.0	217.0	17.0	3.3%	7.0	160.0	175.0	15.0	-19.4%	(42.0)	150.0	163.0	13.0	-6.9%	(12.0)
TOTAL INCOME TAXES	1,605.0	1,622.0	17.0	4.3%	67.0	1,625.0	1,640.0	15.0	1.1%	18.0	1,680.0	1,693.0	13.0	3.2%	53.0
Oil and Gas School Tax	483.0	435.1	(47.9)	6.5%	26.5	480.6	454.5	(26.1)	4.5%	19.4	478.2	471.6	(6.6)	3.8%	17.1
Oil Conservation Tax	26.5	23.8	(2.7)	7.7%	1.7	26.5	24.9	(1.6)	4.6%	1.1	26.4	26.0	(0.4)	4.4%	1.1
Resources Excise Tax	11.5	12.7	1.2	0.0%	-	11.5	12.7	1.2	0.0%	-	11.5	12.7	1.2	0.0%	-
Natural Gas Processors Tax	19.7	19.0	(0.7)	-9.5%	(2.0)	19.3	18.6	(0.7)	-2.1%	(0.4)	18.7	17.9	(0.8)	-3.8%	(0.7)
TOTAL SEVERANCE TAXES	540.7	490.6	(50.1)	5.6%	26.2	537.9	510.7	(27.2)	4.1%	20.1	534.8	528.2	(6.6)	3.4%	17.5
LICENSE FEES	51.9	51.9	-	0.2%	0.1	52.0	52.0	-	0.1%	0.1	52.0	52.0	-	0.1%	0.0
LGPF Interest	540.2	540.2	-	-1.0%	(5.4)	595.1	595.1	-	10.2%	54.8	648.1	648.1	-	8.9%	53.1
STO Interest	75.0	65.0	(10.0)	85.7%	30.0	85.0	75.0	(10.0)	15.4%	10.0	90.0	80.0	(10.0)	6.7%	5.0
STPF Interest	203.5	203.5	-	5.1%	9.8	216.6	216.6	-	6.4%	13.1	227.2	227.2	-	4.9%	10.7
TOTAL INTEREST	818.7	808.7	(10.0)	4.4%	34.5	896.6	886.6	(10.0)	9.6%	77.9	965.3	955.3	(10.0)	7.7%	68.7
Federal Mineral Leasing	567.2	505.0	(62.2)	3.7%	18.0	562.5	528.0	(34.5)	4.6%	23.0	557.8	550.0	(7.8)	4.2%	22.0
State Land Office	49.3	47.5	(1.8)	0.0%	-	48.9	47.0	(1.9)	-1.1%	(0.5)	49.1	47.0	(2.1)	0.0%	-
TOTAL RENTS & ROYALTIES	616.5	552.5	(64.0)	3.4%	18.0	611.4	575.0	(36.4)	4.1%	22.5	606.9	597.0	(9.9)	3.8%	22.0
TRIBAL REVENUE SHARING	56.2	56.2	-	5.4%	2.9	58.4	58.4	-	3.9%	2.2	60.5	60.5	-	3.6%	2.1
MISCELLANEOUS RECEIPTS	58.7	52.2	(6.5)	4.6%	2.3	61.0	53.0	(8.0)	1.5%	0.8	62.1	53.9	(8.2)	1.7%	0.9
REVERSIONS	40.0	40.0	-	-11.1%	(5.0)	40.0	40.0	-	0.0%	-	40.0	40.0	-	0.0%	-
TOTAL RECURRING	6,688.7	6,572.3	(116.4)	4.5%	280.4	6,919.5	6,839.5	(79.9)	4.1%	267.2	7,170.6	7,120.3	(50.3)	4.1%	280.8
TOTAL NON-RECURRING	-	-	-	na	-	-	-	-	na	-	-	-	-	na	-
GRAND TOTAL	6,688.7	6,572.3	(116.4)	4.5%	280.4	6,919.5	6,839.5	(79.9)	4.1%	267.2	7,170.6	7,120.3	(50.3)	4.1%	280.8

* In FY17 the Land Grant Permanent Fund distribution decreases from 5.5% to 5% of the 5-year avg. fund value.

Attachment 2 - General Fund Financial Summary: December 2014 Consensus Revenue Estimate

(in millions of dollars)

December 8, 2014	Estimated FY2014	Estimated FY2015	Estimated FY2016
APPROPRIATION ACCOUNT			
REVENUE			
Recurring Revenue			
August 2014 Consensus Forecast	$ 6,007.5	$ 6,239.7	$ 6,435.7
December 2014 Consensus Revenue Update	$ 32.6	$ (119.7)	$ (143.8)
Total Recurring Revenue	$ 6,040.1	$ 6,120.1	$ 6,291.9
Nonrecurring Revenue			
August 2014 Consensus Forecast	$ -	$ -	$ -
December 2014 Consensus Revenue Update	$ 0.4	$ -	$ -
Total Non-Recurring Revenue	$ 0.4	$ -	$ -
TOTAL REVENUE	**$ 6,040.5**	**$ 6,120.1**	**$ 6,291.9**
APPROPRIATIONS			
Recurring Appropriations			New Money in FY16 is $141M
General Appropriation	$ 5,892.9	$ 6,151.2	
Legislative Session Costs - Feed Bill	$ 6.1	$ -	
Total Recurring Appropriations	$ 5,899.0	$ 6,151.2	
Nonrecurring Appropriations			
FY13 Audit Adjustment	$ 1.5	$ -	
2014 IT Project Funding	$ 7.7	$ -	
2014 Deficiencies, Supplementals, Specials	$ 32.5	$ 13.4	
2014 Audit Adjustment	$ (14.5)	$ 3.0	
2015 Deficiencies, Supplementals, Specials (1)		$ 60.2	
Total Nonrecurring Appropriations	$ 27.2	$ 76.6	
TOTAL APPROPRIATIONS	**$ 5,926.2**	**$ 6,227.8**	
Transfer to(from) Reserves	$ 114.4	$ (107.7)	
GENERAL FUND RESERVES			
Beginning Balances	$ 671.4	$ 708.8	
Transfers from (to) Appropriations Account	$ 114.4	$ (107.7)	
Revenue and Reversions	$ 73.9	$ 69.4	
Appropriations, Expenditures and Transfers Out	$ (150.8)	$ (53.5)	
Ending Balances	**$ 708.8**	**$ 617.0**	
Reserves as a Percent of Recurring Appropriations	*12.0%*	*10.0%*	

Notes:

(1) 2015 potential deficiency appropriations include $60.2 million to HSD for Medicaid receivables.

(2) Reduction in 2014: $10m MOE contingency moved to operating reservel $3m MOE contingency available for expenditure in FY15; and $1.5 million to PED for school bus fuel not expended.

Attachment 2 - General Fund Financial Summary: December 2014 Consensus Revenue Estimate
RESERVE DETAIL
(in millions of dollars)

	Estimated FY2014	Estimated FY2015	Estimated FY2016
OPERATING RESERVE			
Beginning Balance	$ 327.1	$ 345.8	
BOF Emergency Appropriations/Reversions	$ (1.0)	$ (2.0)	
Contingent Liability - Cash Management (1)	$ (31.7)	$ -	
Transfers from/to Appropriation Account	$ 114.4	$ (107.7)	
Contingent Liability for PED MOE (HB2 & HB628) (2)	$ (46.0)		
Transfer to ACF/Other Appropriations	$ (17.0)	$ (15.0)	
Ending Balance	$ 345.8	$ 221.0	
APPROPRIATION CONTINGENCY FUND			
Beginning Balance	$ 16.4	$ 18.4	
Disaster Allotments	$ (19.2)	$ (16.0)	
Other Appropriations		$ (0.5)	
Transfers In	$ 17.0	$ 15.0	
Revenue and Reversions	$ 4.2	$ -	
Ending Balance	$ 18.4	$ 16.9	
Education Lock Box			
Beginning Balance	$ 9.1	$ 3.1	
Appropriations (3)	$ (6.0)	$ -	
Transfers In (Out)	$ -	$ -	
Ending Balance	$ 3.1	$ 3.1	
Total of Appropriation Contingency Fund	$ 21.5	$ 20.0	
STATE SUPPORT FUND			
Beginning Balance	$ 1.0	$ 1.0	
Revenues	$ -	$ -	
Appropriations	$ -	$ -	
Ending Balance	$ 1.0	$ 1.0	
TOBACCO PERMANENT FUND			
Beginning Balance	$ 170.3	$ 193.1	
Transfers In (4)	$ 21.1	$ 39.9	
Appropriation to Tobacco Settlement Program Fund	$ (10.6)	$ (20.0)	
Gains/Losses	$ 31.5	$ 14.5	
Additional Transfers From TSPF	$ (19.3)	$ -	
Ending Balance	$ 193.1	$ 227.5	
TAX STABILIZATION RESERVE			
Beginning Balance	$ 147.5	$ 147.5	
Transfers In	$ -	$ -	
Ending Balance	$ 147.5	$ 147.5	
GENERAL FUND ENDING BALANCES	**$ 708.8**	**$ 617.0**	
Percent of Recurring Appropriations	*12.0%*	*10.0%*	

Notes:

(1) The FY13 general fund audit does not reduce the operating reserve by a $31.7m contingent liability in FY13 (in addition to the previously identified $70m contingent liability in FY12) for SHARE reconciliation to the cash account. The contingent liability is a downside risk to reserves, and is reported in FY14 in this summary.

(2) The FY13 general fund audit does not include a FY13 transfer of $20m from the operating reserve to PED contingent on appropriation in the GAAs of 2012 and 2013 being insufficient to meet federal IDEA MOE requirements. This summary shows the $20m transfer and a $16m transfer occurring in FY14.

(3) FY14 includes $2.5 million for professional development and $3.5 million to the instructional material fund.

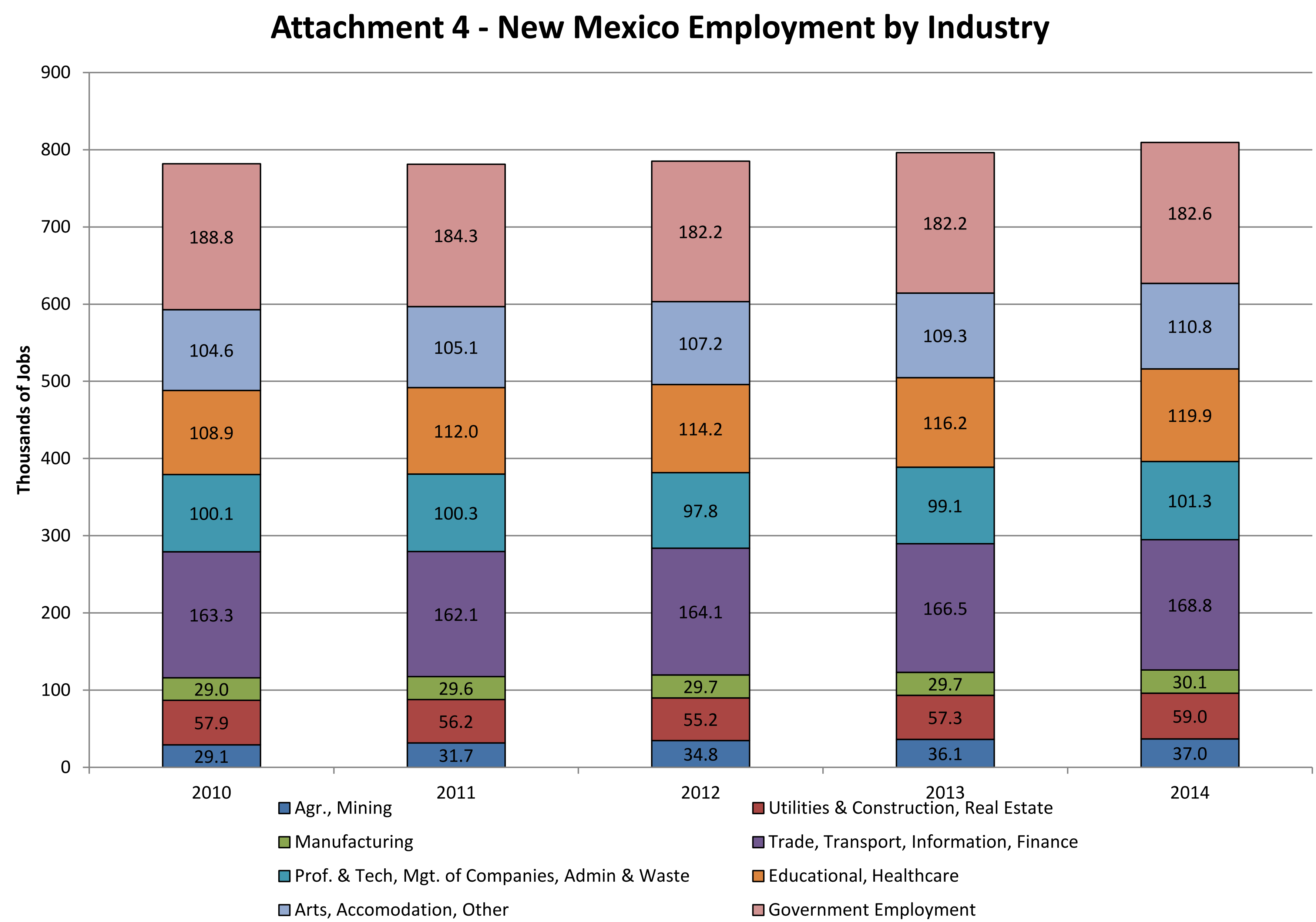
(4) After the reduction, the FY14 Tobacco MSA payment is $21.1million. The FY15 transfer shown assumes no reduction.

Attachment 3 - U.S. and New Mexico Economic Indicators

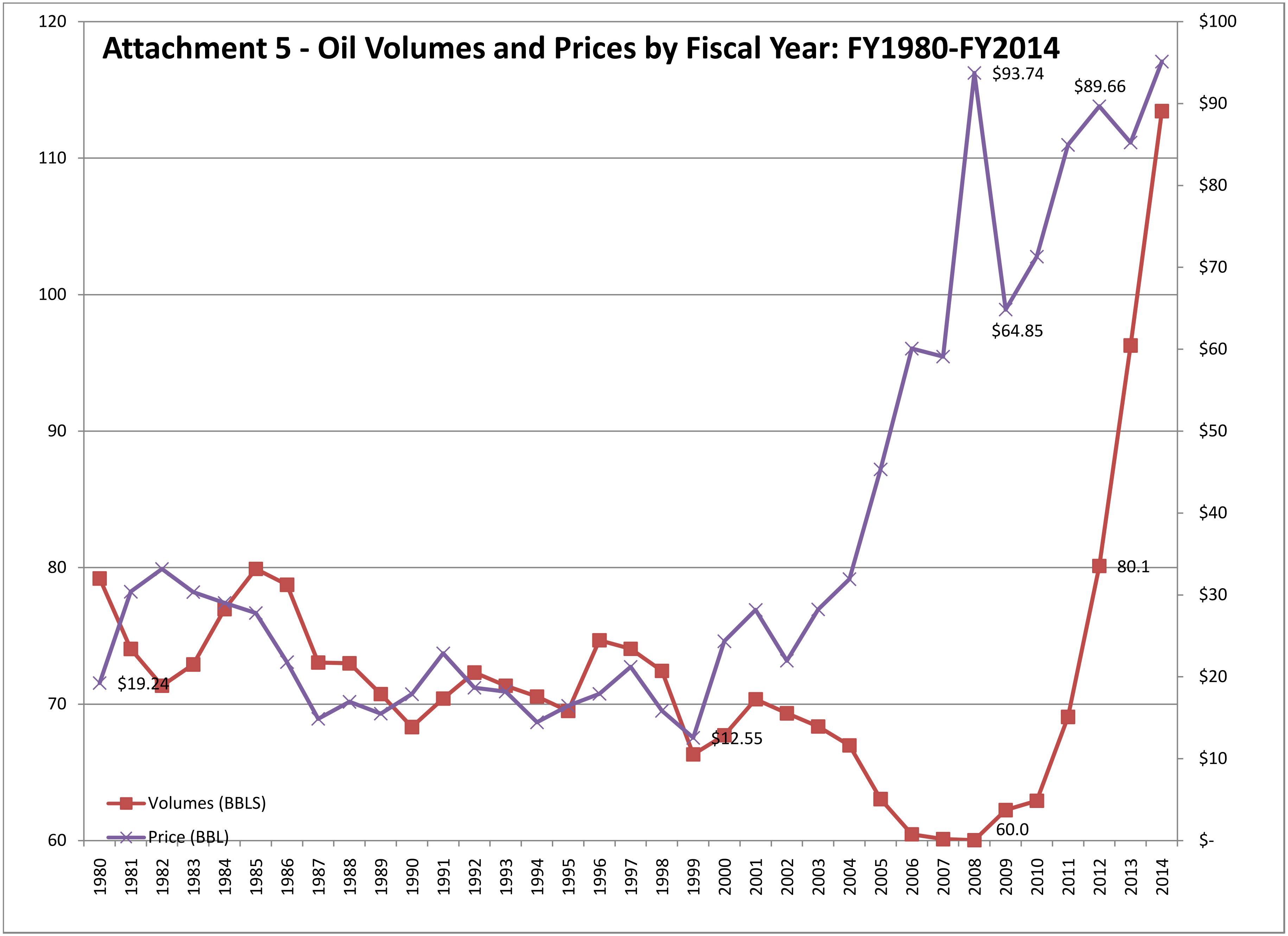
		FY14	FY15		FY16		FY17		FY18		FY19	
		Dec14 Forecast	Aug14 Forecast	Dec14 Forecast	Aug14 Forecast	Dec14 Forecast	Aug14 Forecast	Dec14 Forecast	Aug14 Forecast	Dec14 Forecast	Aug14 Forecast	Dec14 Forecast
	National Economic Indicators											
GI	US Real GDP Growth (annual avg. ,% YOY)*	2.5	2.3	2.7	3.0	2.5	3.4	3.2	2.9	3.0	2.7	2.7
Moody's	US Real GDP Growth (annual avg. ,% YOY)*	2.5	2.7	2.7	3.6	3.6	3.1	3.2	2.5	2.7	1.9	2.1
GI	US Inflation Rate (CPI-U, annual avg., % YOY)**	1.6	2.1	1.6	1.2	1.3	1.9	1.8	1.9	2.0	1.9	2.1
Moody's	US Inflation Rate (CPI-U, annual avg., % YOY)**	1.6	2.1	1.7	2.3	2.1	2.7	2.6	2.9	3.0	2.7	2.8
GI	Federal Funds Rate (%)	0.08	0.11	0.15	0.97	0.91	2.96	2.46	4.00	3.73	4.00	3.75
Moody's	Federal Funds Rate (%)	0.08	0.11	0.10	1.09	1.06	3.13	3.06	3.94	3.94	4.04	4.03
	New Mexico Labor Market and Income Data											
BBER	NM Non-Agricultural Employment Growth	0.5	1.4	0.9	1.3	1.3	1.4	1.3	1.3	1.1	1.1	1.1
Moody's	NM Non-Agricultural Employment Growth	0.0	0.8	0.5	1.5	1.4	1.7	1.5	1.1	0.9	0.7	0.8
BBER	NM Nominal Personal Income Growth (%)***	0.5	4.0	3.0	4.8	4.1	5.4	4.9	5.2	5.0	4.8	4.7
Moody's	NM Nominal Personal Income Growth (%)***	0.5	2.4	2.5	3.3	2.6	4.8	4.2	4.2	3.9	3.6	3.9
BBER	NM Total Wages & Salaries Growth (%)	1.7	3.3	3.5	3.7	3.9	4.1	4.2	4.2	4.1	4.1	4.1
Moody's	NM Total Wages & Salaries Growth (%)	1.7	3.3	2.3	5.1	4.7	5.2	4.7	4.6	4.3	4.4	4.4
BBER	NM Private Wages & Salaries Growth (%)	2.4	4.1	4.3	4.5	4.5	4.8	4.5	4.8	4.3	4.6	4.3
BBER	NM Real Gross State Product (% YOY)	1.7	1.9	2.5	3.0	2.5	3.4	3.0	3.1	3.1	2.8	2.7
Moody's	NM Real Gross State Product (% YOY)	1.4	3.2	1.1	3.4	2.5	2.8	2.1	2.5	1.9	1.8	1.7
CREG	NM Oil Price ($/barrel)	$95.14	$92.00	$71.00	$88.00	$66.00	$87.00	$72.00	$86.00	$76.00	$85.00	$80.00
CREG	NM Taxable Oil Volumes (million barrels)	113.4	117.0	122.0	122.0	127.0	125.0	131.0	127.0	133.0	129.0	135.0
	NM Taxable Oil Volumes (%YOY growth)	20.4%	6.4%	7.6%	4.3%	4.1%	2.5%	3.1%	1.6%	1.5%	1.6%	1.5%
CREG	NM Gas Price ($ per thousand cubic feet)****	$5.13	$5.20	$4.90	$5.25	$4.90	$5.30	$4.95	$5.35	$5.10	$5.40	$5.20
CREG	NM Taxable Gas Volumes (billion cubic feet)	1,187	1,158	1,181	1,124	1,150	1,090	1,118	1,057	1,088	1,025	1,052
	NM Taxable Gas Volumes (%YOY growth)	1.0%	-1.0%	-0.5%	-2.9%	-2.6%	-3.0%	-2.8%	-3.0%	-2.7%	-3.0%	-3.3%

LFC, TRD 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
Sources: BBER - October 2014 FOR-UNM baseline. Global Insight - November 2014 baseline.

DFA Notes
****The gas prices are estimated using a formula of NYMEX, EIA, and Moody's (October) future prices as well as a liquid premium based on oil price forecast
Sources: Moody's Analytics, August baseline forecast for national and New Mexico data.



Source: BBER: FOR-UNM Economic Forecast, October 2014



Attachment 5 - Oil Volumes and Prices by Fiscal Year: FY1980-FY2014
120
110
100
90
80
70
60
$100
$90
$80
$70
$60
$50
$40
$30
$20
$10
$-
$93.74
$89.66
$64.85
$19.24
$12.55
80.1
60.0
Volumes (BBLS)
Price (BBL)
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
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2000
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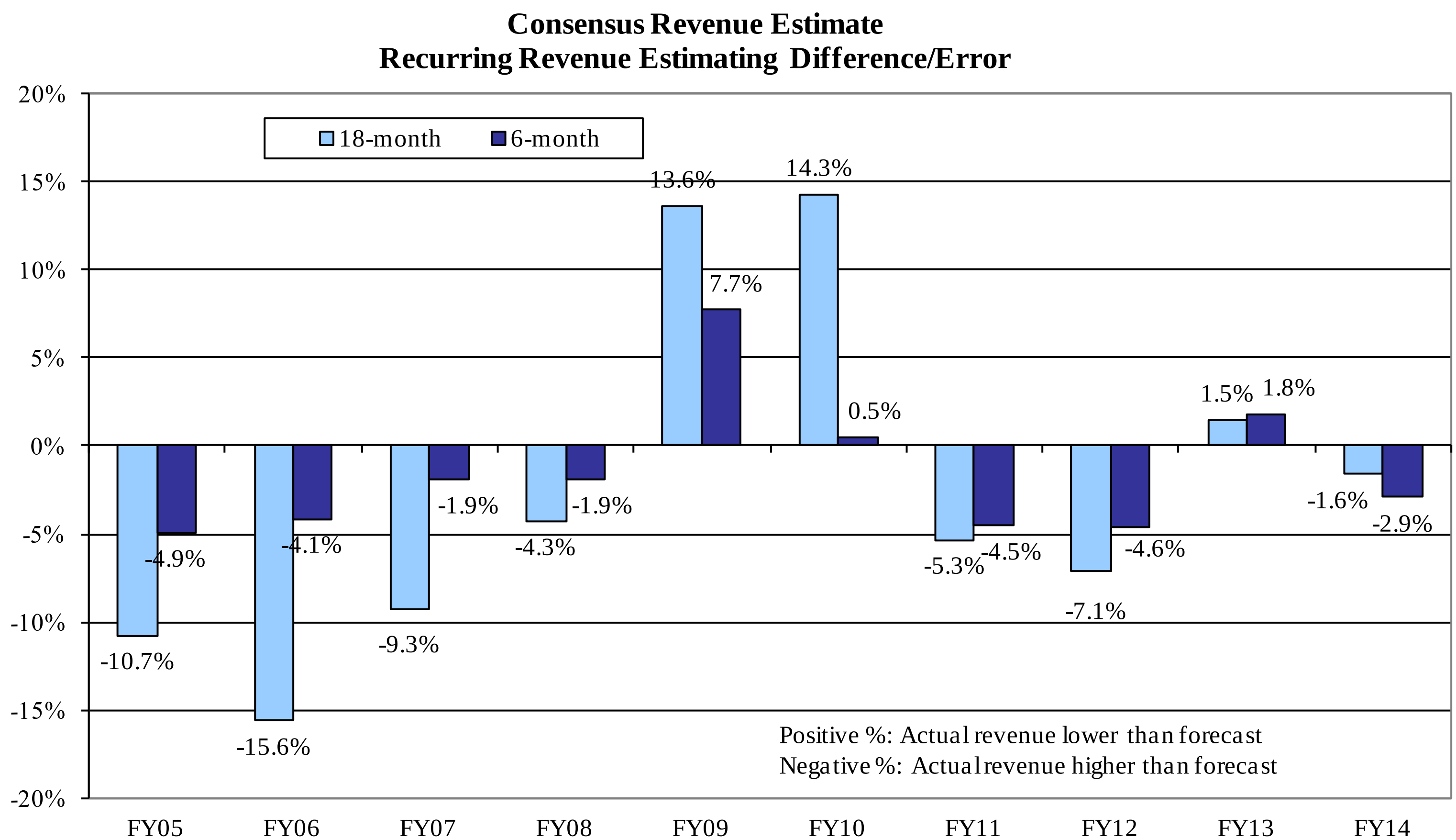
2010
2011
2012
2013
2014



Source: *LFC files*

ATTACHMENT 7 - FORECAST OF CAPITAL OUTLAY AVAILABLE - December 2014 ESTIMATE

(in millions of dollars)

Severance Tax Bonding (STB)	FY15	FY16	FY17	FY18	FY19
Senior Long-Term Issuance	$191.8	$191.8	$191.8	$191.8	$191.8
Senior Sponge Issuance	$128.2	$92.7	$67.1	$71.4	$72.2
Senior STB Capacity	**$320.0**	**$284.5**	**$258.9**	**$263.2**	**$264.0**
Authorized but Unissued	($25.2)	$0.0	$0.0	$0.0	$0.0
Water Project Fund (Statutory 10% of STB)	($32.0)	($28.5)	($25.9)	($26.3)	($26.4)
Tribal Infrastructure Fund (Statutory 5% of STB)	($16.0)	($14.2)	($12.9)	($13.2)	($13.2)
Colonias Infrastructure Project Fund (Statutory 5% of STB)	($16.0)	($14.2)	($12.9)	($13.2)	($13.2)
Net Senior STB Capacity	**$230.8**	**$227.6**	**$207.2**	**$210.6**	**$211.2**
Supplemental Long-Term Issuance	$0.0	$0.0	$0.0	$0.0	$0.0
Supplemental Sponge Issuance	$182.9	$188.1	$190.9	$201.9	$210.2
Supplemental STB Capacity	**$182.9**	**$188.1**	**$190.9**	**$201.9**	**$210.2**
Total STB Capacity	**$502.9**	**$472.6**	**$449.8**	**$465.2**	**$474.2**