

REVENUE

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ISSUES FOR HEARING
December 2011 Consensus Revenue Estimate
 Prepared by the Legislative Finance Committee
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SUMMARY

- Total FY11 preliminary revenue is now \$5,469 million. Table 1 presents a reconciliation of recurring revenues through the revenue estimating cycle.
- Attachment 1 (page 6) shows general fund revenue revisions from October to December. FY12 recurring revenue was revised upward from the October forecast by \$21 million. The next-to-last column shows that the FY13 revenue estimate was revised upward a mere \$9 million from the October forecast.
- Attachment 2 (page 8) shows the General Fund financial summary. Preliminary ending balances were \$502 million, or 9.6 percent of recurring appropriations at the end of FY11. The projected FY12 ending balance is \$501 million, or 9.2 percent of recurring appropriations.
- “New Money” in FY13, which is defined as FY13 projected revenue less FY12 recurring appropriations, is projected to be \$254 million or 4.7 percent of FY12 appropriations. After setting aside \$50 million to reverse the retirement swap, FY13 new money is estimated to be \$204 million.

Table 1
Dec 2011 Consensus General Fund Recurring Revenue Outlook
 (Millions of Dollars)

	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Post-session revisions	\$5,164	\$5,413	\$5,638
July 2011 revisions	\$111	\$120	\$165
October 2010 revisions	\$113	-\$22	-\$123
December 2011 revisions	\$15	\$21	\$9
December 2011 Consensus	\$5,402	\$5,533	\$5,688
Annual amount change	\$604	\$130	\$156
Annual percent change	12.6%	2.4%	2.8%

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BROAD BASED TAXES AND THE ECONOMIC FORECAST

Revenue estimators have traditionally relied on NM forecasts produced by UNM's Bureau of Business and Economic Research (BBER). They, in turn, have relied on a national forecast produced by Global Insight. Selected economic indicators from these forecasts are published in Attachment 3 (page 10). As noted in previous briefs, forecasts of NM income and wages and salaries explain much of the variation in personal income tax and gross receipts revenues.

For the December estimate, the effects of the latest BBER forecast have been heavily discounted. The BBER forecast seems to be experiencing some technical problems stemming from a data transition. For example, BBER found it necessary to substantially revise its forecast after the consensus revenue estimating group expressed concern over the results. Specifically the relative weakness predicted by BBER is hard to reconcile against the relative year-to-date strength found in current revenues. Accordingly, staff has decided to leave the estimates for gross receipts and personal income taxes, or roughly half of General Fund revenue, unchanged from October.

ENERGY MARKETS

Oil prices have risen sharply since the October forecast in response to expected fiscal reform in Greece and Italy and positive revisions to the second quarter GDP. Further price increases resulted from news that the Seaway pipeline would be reversed in January, thereby transporting a glut of oil marooned in Cushing, OK to oil refineries on the Gulf Coast. Prices for West Texas Intermediate (WTI) crude were low due to the excess supply and low demand. The increased demand will result in higher prices. Potential EU sanctions against Iran's oil exports add upward risk to the price forecast. However, continued economic uncertainty in the U.S. and Europe threaten ongoing price growth.

In Attachment 4 (page 11), oil prices are expected to remain around \$87 per barrel (bbl) in the near term with moderate growth in out years consistent with slower economic recovery and ongoing uncertainty in the oil markets. Oil volumes increased by one percent in FY10, but preliminary actuals show a nine percent increase in FY11. Recent activity in the Permian basin suggests continued growth in oil volumes in the near-term with decreasing production expected in later years with well decline. Industry analysts suggest that pipeline and trucking capacity constraints in the Permian basin may decrease prices. In fact, the New Mexico price differential to WTI appears to have increased to \$5/bbl from \$4/bbl in previous years. Each additional \$1/bbl in price is equivalent to \$4 million in general fund revenue.

Natural gas prices continue to remain low, largely in response to supply increases resulting from technological improvements in production. Colder weather expected to begin in mid-December could provide upward pressure to current spot prices. New Mexico natural gas prices continue to see gains above Henry Hub due to high prices paid for natural gas liquids, which trend with oil prices. In FY11, the premium above the dry gas price for natural gas liquids averaged \$1.40 per thousand cubic feet (mcf).

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The FY12 natural gas price forecast was revised downward by \$0.15/mcf from the October forecast, largely in response to increasing inventories. This price revision was extended through the forecast period with expectations of national production growth and slow economic recovery. Natural gas volumes – expressed in thousands of cubic feet equivalent – fell by 7.5 percent in FY10 and preliminary actuals show a 3.4 percent decrease in FY11. Volumes are expected to continue to decline as production moves to richer plays in Texas and Pennsylvania. Although natural gas volumes are falling, higher prices and volumes for natural gas liquids help to offset the decline in total production. The liquids premium is expected to average \$1.30/mcf in FY12. Each \$0.10 change in natural gas price is equivalent to \$10 million in general fund revenue.

OTHER REVENUE HIGHLIGHTS

The December estimate for corporate income tax receipts is unchanged from October. The robust fiscal year growth rates can be explained by changes generated in state and federal statutes. Film production rebates are now capped at \$50 million annually; the total for FY11 was over \$95 million. Further, New Mexico “piggybacks” on the federal income tax code. The growth rate in FY 13 is driven by the expiration of provisions that allow businesses to fully expense (immediately deduct from taxable income) the cost of capital equipment.

State Treasurer’s earnings were revised downward in FY11 due to an expected write-down of \$2.8 million. This is the estimated general fund portion of the remaining balance of the Reserve Primary Fund (RPF). The RPF is a money market fund with New Mexico holdings that experienced a run following the collapse of the financial markets in 2008.

Energy related revenues were increased due to correction of the model for federal lease revenues. The correction was in the modeling of royalty revenue from minerals other than oil and gas. The previous model underestimated the impact of these other revenues. The new model assumes these revenues will remain at the average level received in FY10 and FY11, about \$50 million per year.

Revenues associated with the permanent funds are expected to decline in FY13. Distributions are based on a rolling average of the last 5 calendar years’ market value for the respective funds. Prior to 2006, fund values were at a relative high. The decline in revenues in FY 12 is due to a high market value being replaced with a much lower market value.

GENERAL FUND FINANCIAL SUMMARY

The General Fund financial summary shown in Attachment 2 (page 8) assumes \$100 million of additional FY12 appropriations in the 2012 session. Including estimated 2012 deficiencies, supplementals, specials, and the feed bill, FY12 revenues will exceed appropriations by \$14 million. Under that scenario, reserves reach a total of \$501 million or 9.2 percent of recurring appropriations in FY12. National rating agencies such as Moodys and Standard & Poors, traditionally have considered balances of five percent or above as sufficient.

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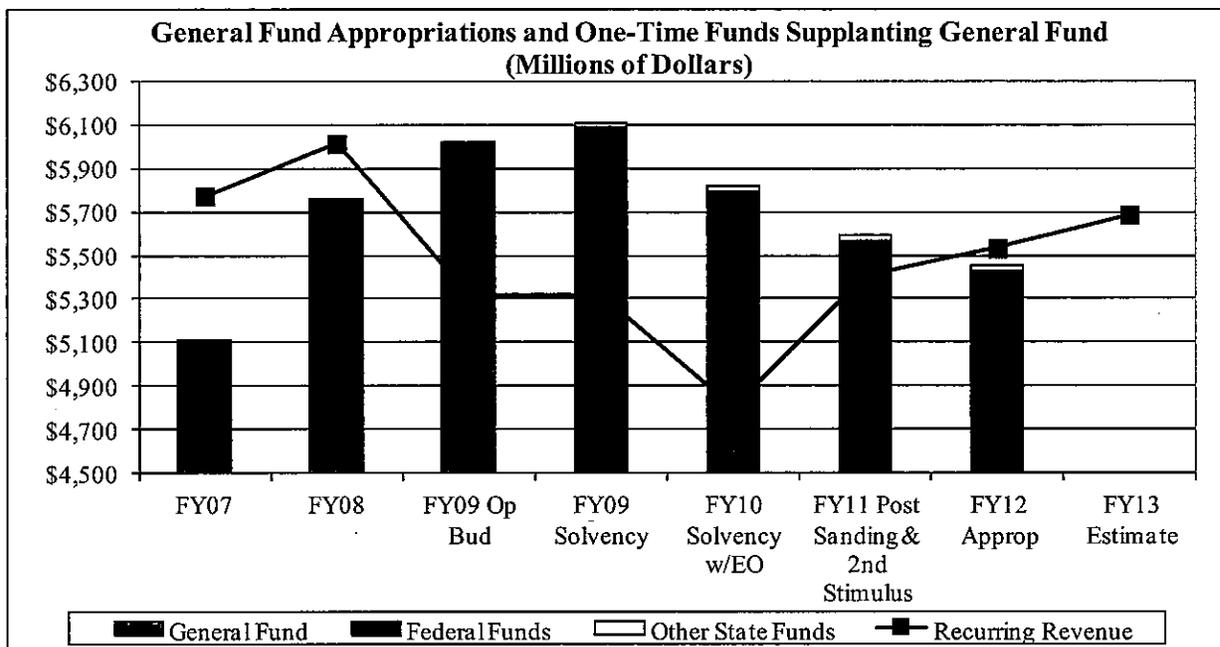
Chapter 178, Laws 2011 requires state employees to contribute an additional 1.75 percent to retirement plans in FY12. This legislation provided a reduction of \$49.7 million to the FY12 appropriation. Under statute, the contribution swap will continue in FY13 if the December 2011 forecast projects a FY12 reserve ratio less than 5 percent and estimates revenues to be less than \$100 million more than the revenue estimate used to determine the FY12 appropriation.

Based on current reserve projections of 9.2 percent for FY12, the retirement swap will not continue in FY13. However, an additional 1.5 percent retirement swap that was enacted during the 2009 session (Laws 2009, Ch 127) will remain in place until FY14.

As noted in the summary, FY 13 “New Money” is projected to be \$254 million or 4.7 percent of FY13 revenue.

GENERAL FUND APPROPRIATIONS WITH SUPPLANTING 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 between FY08 and FY10 post-solvency. From a peak of over \$6 billion in FY09, total spending fell by 4.8 percent in FY10 and by 8.5 percent in FY11 after allotment reductions. If general fund spending is raised to the level of projected FY13 revenue, total spending would be 7.0 percent below the FY09 peak.



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RISKS TO THE FORECAST

- The failure of the “Super Committee” to agree to a federal deficit reduction deal could lead to large reductions in Social Security, Medicaid and military spending, which could have significant impacts on the New Mexican economy. New Mexico relies heavily on federal government spending through the national labs, military institutions and transfer payments.
- The economic recovery remains vulnerable to weakness in consumer sentiment, personal income, the housing market, currency volatility, financial sector weakness and federal fiscal imbalance. Although consumer spending has increased slightly in recent months, high debt loads will likely limit momentum consumers are able to create for the near future.
- Energy markets are inherently volatile. Natural gas prices remain vulnerable to increased supplies from productivity improvements. Oil prices remain vulnerable to economic uncertainty.
- The European Union is headed towards another recession according to leading economists. Financial weakness in the European Union continues to remain a serious threat to the world economy.
- As was reported before, the Attorney General has disclosed that New Mexico is now facing a second legal challenge from those cigarette manufacturers (PMs) participating in the tobacco master settlement agreement. The PMs claim that New Mexico no longer has a valid qualifying statute as required by the settlement due to recent legislative changes, including a 2006 change that established tax exempt stamps for tribal sales. The AG believes that up to \$39 million in tobacco settlement payments expected in FY12 are at risk unless new legislation is passed that clearly establishes that the state will collect tobacco escrow payments from all manufacturers that are not party to the master settlement.
- If the federal payroll tax reduction is extended in CY2012 this will potentially add revenue to personal income tax and gross receipts tax.

General Fund Consensus Revenue Estimate: December 2011 (Millions of Dollars)

	FY11		FY12		FY13	
	Dec 2011 Prelim Actual	% Change from FY10	Oct 2011 Est.	Change from Prior	Oct 2011 Est.	Change from Prior
Gross Receipts Tax	1,811.4	10.8%	1,865.0	-	1,935.9	-
Compensating Tax	69.2	35.9%	69.5	-	73.1	-
TOTAL GENERAL SALES	1,880.6	11.6%	1,934.5	-	2,009.0	-
Tobacco Taxes	88.2	93.0%	86.4	-	84.7	-
Liquor Excise	25.7	0.4%	26.4	(0.5)	26.1	(0.6)
Insurance Taxes	132.7	1.8%	133.0	(3.7)	134.7	3.6
Fire Protection Fund Reversion	17.6	252.0%	16.1	(0.2)	15.2	(0.0)
Motor Vehicle Excise	103.7	12.4%	110.2	-	114.3	(1.8)
Gaming Excise	65.8	1.1%	66.6	-	67.5	(0.8)
Leased Vehicle Surcharge	5.0	-12.3%	5.1	0.1	5.3	(0.2)
Other	2.5	-21.6%	2.8	0.0	3.0	0.0
TOTAL SELECTIVE SALES	441.2	18.3%	446.6	(4.3)	449.9	0.2
Personal Income Tax	1,066.2	11.5%	1,090.0	-	1,115.0	-
Corporate Income Tax	229.8	83.7%	310.0	-	375.0	-
TOTAL INCOME TAXES	1,296.0	19.8%	1,400.0	-	1,490.0	-
Oil and Gas School Tax	378.7	16.7%	355.0	3.6	366.0	10.0
Oil Conservation Tax	19.7	20.1%	22.6	(4.1)	23.2	(3.9)
Resources Excise Tax	9.9	5.3%	10.0	-	10.0	-
Natural Gas Processors Tax	18.2	-55.0%	22.3	(0.3)	23.6	-
TOTAL SEVERANCE TAXES	426.5	9.2%	409.9	(0.8)	428.9	6.1
LICENSE FEES	49.8	-1.0%	51.5	-	54.4	(0.7)
LGPF Interest	446.2	2.1%	459.7	-	438.1	(5.1)
STO Interest	14.8	-33.0%	18.6	(1.3)	26.0	(2.6)
STPF Interest	184.6	-1.3%	183.4	-	174.3	(4.6)
TOTAL INTEREST	645.6	-0.1%	661.7	(1.3)	638.4	(9.5)
Federal Mineral Leasing	411.8	15.9%	398.0	22.0	412.5	6.5
State Land Office	65.6	-3.1%	55.8	2.8	43.9	3.5
TOTAL RENTS & ROYALTIES	477.4	12.9%	453.8	24.8	466.4	10.0
TRIBAL REVENUE SHARING	65.9	2.8%	70.4	-	75.4	-
MISCELLANEOUS RECEIPTS	52.1	17.3%	43.5	2.5	43.6	2.6
REVERSIONS	67.3	68.3%	40.0	-	40.0	-
TOTAL RECURRING	5,402.4	12.6%	5,511.9	20.9	5,679.6	8.6
TOTAL NON-RECURRING	66.8	-86.1%	18.3	-	(3.3)	-
GRAND TOTAL	5,469.2	3.6%	5,530.2	20.9	5,676.3	8.6

General Fund Consensus Revenue Estimate: December 2011 (Millions of Dollars)

	FY14		FY15		FY16	
	Dec 2011 Est.	% Change from FY13	Dec 2011 Est.	% Change from FY14	Dec 2011 Est.	% Change from FY15
Gross Receipts Tax	2,011.4	3.9%	2,095.8	4.2%	2,165.0	3.3%
Compensating Tax	75.9	3.8%	77.2	1.7%	77.9	0.9%
TOTAL GENERAL SALES	2,087.3	3.9%	2,173.0	4.1%	2,242.9	3.2%
Tobacco Taxes	83.1	-1.9%	81.4	-2.0%	79.9	-1.8%
Liquor Excise	26.7	2.3%	27.2	1.9%	27.8	2.2%
Insurance Taxes	137.9	2.4%	143.9	4.4%	151.2	5.1%
Fire Protection Fund Reversion	14.4	-5.3%	13.2	-7.9%	12.3	-7.3%
Motor Vehicle Excise	121.6	6.4%	126.6	4.1%	131.8	4.1%
Gaming Excise	67.3	1.0%	68.0	1.0%	68.9	1.3%
Leased Vehicle Surcharge	5.3	1.0%	5.4	1.1%	5.4	1.1%
Other	3.2	4.3%	3.3	4.4%	3.3	0.9%
TOTAL SELECTIVE SALES	459.4	2.1%	469.0	2.1%	480.6	2.5%
Personal Income Tax	1,150.0	3.1%	1,190.0	3.5%	1,230.0	3.4%
Corporate Income Tax	410.0	9.3%	425.0	3.7%	400.0	-5.9%
TOTAL INCOME TAXES	1,560.0	4.7%	1,615.0	3.5%	1,630.0	0.9%
Oil and Gas School Tax	365.7	-2.8%	362.7	-0.8%	358.0	-1.3%
Oil Conservation Tax	18.8	-2.6%	18.7	-0.5%	18.5	-1.1%
Resources Excise Tax	10.0	0.0%	10.0	0.0%	10.0	0.0%
Natural Gas Processors Tax	22.6	-4.2%	22.4	-0.9%	22.2	-0.9%
TOTAL SEVERANCE TAXES	417.1	-2.8%	413.8	-0.8%	408.7	-1.2%
LICENSE FEES	55.9	4.1%	58.3	4.3%	59.4	2.0%
LGPF Interest	427.6	-1.2%	453.9	6.2%	475.1	4.7%
STO Interest	39.3	68.3%	52.0	32.3%	58.5	12.5%
STPF Interest	160.1	-7.2%	162.6	1.6%	162.6	0.0%
TOTAL INTEREST	627.0	-0.3%	668.5	6.6%	696.2	4.1%
Federal Mineral Leasing	423.7	1.1%	423.8	0.0%	417.5	-1.5%
State Land Office	46.2	-2.5%	46.2	0.0%	45.8	-0.9%
TOTAL RENTS & ROYALTIES	469.9	0.8%	470.0	0.0%	463.3	-1.4%
TRIBAL REVENUE SHARING	78.2	3.7%	81.2	3.8%	83.8	3.2%
MISCELLANEOUS RECEIPTS	47.1	2.0%	48.1	2.0%	49.0	2.0%
REVERSIONS	40.0	0.0%	40.0	0.0%	40.0	0.0%
TOTAL RECURRING	5,841.8	2.7%	6,036.8	3.3%	6,153.9	1.9%
TOTAL NON-RECURRING	(0.9)	-72.7%	-	-100.0%	-	na
GRAND TOTAL	5,840.9	2.7%	6,036.8	3.4%	6,153.9	1.9%

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Attachment 2

General Fund Financial Summary - Dec 2011 Consensus Revenue Estimate RESERVE DETAIL (Millions of Dollars)

	Preliminary FY2011	Estimated FY2012	Estimated FY2013
OPERATING RESERVE			
Beginning balance	\$ 36.2	\$ 274.5	\$ 288.5
BOF Emergency Appropriations/Reversions	\$ 0.3	\$ -	\$ -
Transfers from/to appropriation account*	\$ 238.0	\$ 14.0	\$ -
Ending balance	\$ 274.5	\$ 288.5	\$ 288.5
APPROPRIATION CONTINGENCY FUND			
Beginning balance	\$ 29.6	\$ 5.2	\$ (10.8)
Disaster allotments	\$ (28.8)	\$ (16.0)	\$ (16.0)
Other appropriations	\$ -	\$ -	\$ -
Transfers in	\$ -	\$ -	\$ -
Revenue and reversions	\$ 4.3	\$ -	\$ -
Ending Balance	\$ 5.2	\$ (10.8)	\$ (26.8)
Education Lock Box			
Beginning balance	\$ 53.1	\$ 47.1	\$ 47.1
Appropriations (2010 and 2011 GAA Section 5)**	\$ (6.0)	\$ -	\$ -
Transfers in(out)	\$ -	\$ -	\$ -
Ending balance	\$ 47.1	\$ 47.1	\$ 47.1
Total of Appropriation Contingency Fund	\$ 52.3	\$ 36.3	\$ 20.3
STATE SUPPORT FUND			
Beginning balance	\$ 1.0	\$ 1.0	\$ 1.0
Revenues	\$ -	\$ -	\$ -
Appropriations	\$ -	\$ -	\$ -
Ending balance	\$ 1.0	\$ 1.0	\$ 1.0
TOBACCO PERMANENT FUND			
Beginning balance	\$ 132.0	\$ 148.0	\$ 149.5
Transfers in	\$ 38.6	\$ 38.6	\$ 38.6
Appropriation to tobacco settlement program fund	\$ (19.3)	\$ (19.3)	\$ (19.3)
Gains/Losses	\$ 16.0	\$ 1.5	\$ 11.2
Additional transfers to Program Fund	\$ (19.3)	\$ (19.3)	\$ (19.3)
Ending balance	\$ 148.0	\$ 149.5	\$ 160.7
TAX STABILIZATION RESERVE			
Ending balance	\$ 26.1	\$ 26.1	\$ 26.1
GENERAL FUND ENDING BALANCES			
	\$ 501.9	\$ 501.4	\$ 496.6
Percent of Recurring Appropriations	9.6%	9.2%	

**LFC scored \$2.5 million appropriation to PED from education lockbox as failed contingency. DFA has indicated that they will seek to budget these funds, which would require submission of a detailed action plan by PED to LFC and the Legislative Education Study Committee.

U.S. and New Mexico Economic Indicators

	FY11		FY12		FY13		FY14		FY15		FY16
	Oct11 Prelim	Dec11 Prelim	Oct11 Forecast	Dec11 Forecast	Oct11 Forecast	Dec11 Forecast	Oct11 Forecast	Dec11 Forecast	Oct11 Forecast	Dec11 Forecast	Dec11 Forecast
National Economic Indicators											
US Real GDP Growth (annual avg., % YOY)*	2.6	2.6	1.3	1.7	2.0	1.8	2.9	3.2	3.6	3.6	3.0
US Inflation Rate (CPI-U, annual avg., % YOY)**	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4	2.4
Federal Funds Rate (%)	0.16	0.16	0.10	0.09	0.10	0.10	0.42	0.42	2.27	2.27	3.87
New Mexico Labor Market and Income Data											
NM Non-Agricultural Employment Growth (%)	0.2	-0.3	0.5	0.7	1.2	1.0	1.1	1.2	1.2	1.4	1.5
NM Personal Income Growth (%)***	4.1	4.5	4.3	4.2	3.3	3.1	3.1	3.0	4.3	4.4	4.9
NM Private Wages & Salaries Growth (%)	2.6	2.6	2.6	2.6	3.0	2.8	3.2	3.4	3.3	3.6	3.8
Crude Oil and Natural Gas Outlook											
NM Oil Price (\$/barrel)	\$84.20	\$84.60	\$82.00	\$86.75	\$84.00	\$87.75	\$84.50	\$88.50	\$85.00	\$89.50	\$89.75
NM Taxable Oil Volumes (million barrels)	67.0	68.8	69.7	69.5	68.6	68.9	67.6	68.4	66.9	68.1	67.0
NM Gas Price (\$ per thousand cubic feet)****	\$5.50	\$5.50	\$5.35	\$5.20	\$5.80	\$5.60	\$6.20	\$5.90	\$6.25	\$6.05	\$6.15
NM Taxable Gas Volumes (billion cubic feet)	1,224	1,239	1,184	1,173	1,147	1,188	1,111	1,069	1,077	1,020	991

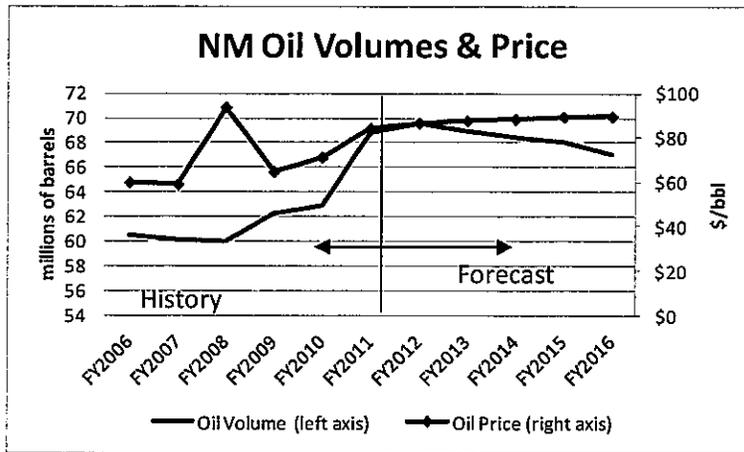
* Real GDP is BEA chained 2005 dollars, billions, annual rate

** CPI is all urban, BLS 1982-84=1.00 base.

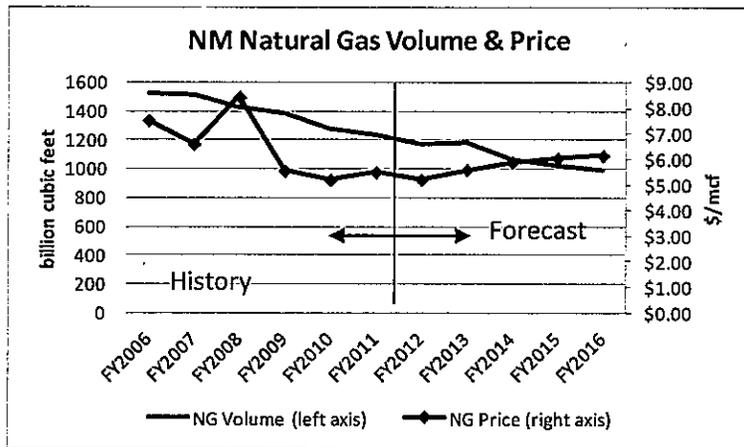
***Personal Income growth rates are for the calendar year in which each fiscal year begins

****The gas prices are estimated using a formula of NYMEX, EIA, and Global Insight future prices as well as a liquid premium based on oil prices.

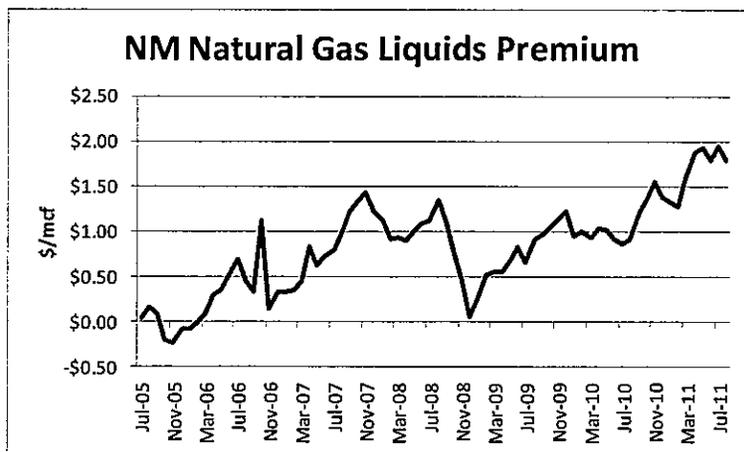
Sources: November IHS Global Insight, BBER FOR-UNM revised



Source: ONGARD database / Consensus revenue estimating group



Source: ONGARD database/ Consensus revenue estimating group



Source: ONGARD database

General Fund Consensus Revenue Estimate

DEC. 07 2011

Presented to

Legislative Finance Committee

December 5, 2011

Demesia Padilla, Cabinet Secretary

N.M. Taxation and Revenue Department

Thomas Clifford, Cabinet Secretary Designate

N.M. Department of Finance and Administration

"In recent months, growth in tax revenues has been significantly and unsustainably stronger than growth in the economy. If the economy continues to show weakness ... into early 2012, revenue growth will likely soften as well."

Rockefeller Institute of Government, October 26, 2011.

SUMMARY:

- The consensus revenue estimating group has reviewed and updated the General Fund revenue outlook that was prepared at the beginning of October. The consensus group is comprised of career economists from the executive and legislative branches.
- Table 1 below summarizes the forecast revisions to total recurring revenue. Compared with the October Outlook:
 - FY12 total recurring revenue has been revised up by \$20.9 million.
 - FY13 total recurring revenue has been revised up by \$8.6 million.
- After these revisions, total recurring revenue growth was 12.3 percent in FY11, but falls to 2.4 percent in FY12 and to 2.8 percent in FY13. About 4 percent of the FY11 growth was due to legislated tax increases.
- After revision, FY12 ending balances will be \$599 million, or 11 percent of recurring appropriations.
- FY13 "new money", FY13 recurring revenue less FY12 recurring appropriations, is \$254 million.

- General Obligation bond capacity for authorization by the 2012 legislature will be \$299 million. Senior severance bond capacity will be \$130 million.

Table 1

December 2011 Consensus Forecast: Total Recurring Revenue

(Dollar amounts in millions)	FY11	FY12	FY13
Post-session estimate	5,164.3	5,413.2	5,637.5
July 2011 Revisions	110.6	120.2	164.8
October 2011 Revisions	113.0	(21.5)	(122.7)
December 2011 Revisions	14.5	20.9	8.6
December 2011 Consensus Estimate	5,402.4	5,532.8	5,688.2
% change versus prior year	12.6%	2.4%	2.8%

ECONOMIC INDICATORS: [Appendix 1]

- U.S. economic output (GDP) grew by 2.6 percent during FY11, but growth is now expected to be only 1.7 percent in FY12. This is up slightly from with the October forecast of 1.3 percent. While consumer spending and business investment are expected to grow at a modest pace in 2012, government spending is forecast to decrease.
- New Mexico's total payroll employment fell by 0.3 percent in FY11. This is a slightly worse performance than was estimated in October, but is based on a more reliable data source. Growth is now forecast at 0.7 percent in FY12 and 1.0 percent in FY13. These are roughly equivalent to the growth rates forecast in October.
- U.S. inflation has fallen to about 2 percent in recent months as energy and food prices have come down. Core inflation, which excludes these components, has been fairly steady around 1.5 percent.
- While some recent economic indicators have improved, others continue to point to weak economic growth:
 - New claims for unemployment insurance have fallen and private employers are adding to payrolls, but the total number of unemployed persons remains

elevated. The unemployment rate has begun to decrease, but this is partly due to discouraged workers leaving the labor force.

- The housing market remains mired in recession as falling prices and tighter lending standards have forced many households to wait to purchase homes. A modest increase in new home construction is expected in 2012, but activity remains well below healthy levels.

ENERGY MARKETS: [Appendix 1]

- New Mexico crude oil prices have fluctuated in a range from \$70 to \$100 per barrel since the beginning of the fiscal year. In recent weeks prices have been boosted in part by improved pipeline access to national markets. The prospect of weakness in the global economy is a significant downside risk for oil prices in coming months. The consensus group now expects New Mexico oil prices to average \$86.75 in FY12 and \$87.75 in FY13. These prices are increased from the October 2011 forecast by \$4.75 in FY12 and by \$3.75 in FY13.
- Natural gas prices in New Mexico started the fiscal year around \$6 per thousand cubic feet. These average prices were boosted by almost \$2 per thousand cubic feet thanks to the natural gas liquids associated with the dry gas. Prices have fallen throughout the fall in response to the lack of weather-related demand and the gradual build-up to record reserve levels. The consensus group now expects New Mexico gas prices to average \$5.20 in FY12 and \$5.60 in FY13. These prices are decreased from the October 2011 forecast by \$0.15 in FY12 and by \$0.20 in FY13.
- Crude oil production continues to increase in New Mexico. FY11 production reached 68.8 million barrels, a 7 percent increase over FY10. The consensus group expects production to increase again this year but to decline gradually after FY12.
- Natural gas production in New Mexico fell 4 percent in FY11. In part declining gas volumes reflect the losses associated with extracting more liquids from the gas stream. The consensus group expects some near term variation in the pace of decline with production falling 3 percent in FY12 and thereafter.

DECEMBER FORECAST REVISIONS BY REVENUE:

No revisions were made to the October 2011 forecast of the most broad-based revenues, Gross Receipts Tax (GRT) and Personal Income Tax (PIT). Recent collections have been generally consistent with the October forecast. In addition, the latest national and state economic forecasts are very close to those that were used as the basis for the October forecast. In particular, the forecast of New Mexico Personal Income, used in the PIT forecast, and of Private Wages and Salaries, used in the GRT forecast, are essentially identical to those used in October. The resulting forecasts are for modest growth – GRT growth in the range of 3% to 4% and PIT growth of 2% to 2.5%. This is consistent with the expectation of a sluggish economic recovery.

- The revisions to oil and gas prices in the new forecast are largely offsetting, but the net result is an increase of \$24 million in FY12 and \$16 million in FY13.
- Insurance premiums tax revenue, included in the Selective Sales Tax category, was revised down \$3.7 million in FY12 but revised up by \$3.6 million in FY13. Premiums tax collections fell in the last half of FY11 due to the sluggish payroll growth, while tax credits for New Mexico Medical Insurance Pool Assessments are expected to continue rising.
- Investment earnings from the permanent funds (included in “Other” revenue) were reduced by \$6.9 million in FY13 due to the downturn in stock and bond markets over the last several months.
- FY11 reversions increased by \$17 million as completed reports were received from State agencies. Increased reversions were seen from a number of different agencies.

Table 2

December 2011 Revisions to October Estimate by Major Revenues

December 2011 Revisions to October Estimate by Major Revenues			
(Dollar amounts in millions)	FY11	FY12	FY13
General Sales	-	-	-
Selective Sales	-	(4.3)	0.2
Income Taxes	-	-	-
Oil and Gas Revenues	-	24.0	16.1
Other	14.5	1.1	(7.6)
Total Revenue	14.5	20.9	8.6

RISKS TO THE FORECAST:

- Negative risks include the possibility of another U.S. recession, which has been put at 35 percent by the Global Insight forecasting service. In addition, the current Global Insight forecast assumes the 2 percent payroll tax reduction and emergency unemployment benefits will remain in place in 2012. If those policies are not extended, that would reduce growth by 1 percent.
- Positive risks include a stronger recovery of business and consumer confidence. Also, a successful resolution of the European debt crisis could add growth compared to the current forecast.

GENERAL FUND FINANCIAL SUMMARY: (Appendix 3)

- With the revised revenue forecast, FY11 revenue exceeded appropriations by \$238 million.
- FY12 revenue exceeds current appropriations by \$114 million leaving FY12-ending balances of \$599 million or 11 percent of appropriations. This amount will be reduced by needed deficiency and supplemental appropriations for Medicaid and other programs.
- FY13 recurring revenue of \$5,684.9 million less FY12 recurring appropriations of \$5,431.3 million leaves "new money" of \$253.6 million. Under this forecast, the retirement "swap"

would trigger off, so present law requires General Fund appropriations to increase by about \$50 million. This would leave net new money of just over \$200 million.

BOND CAPACITY UPDATE: (Appendix 4)

- After subtracting the \$81 million authorized during the 2011 special session, \$130 million of senior severance tax bond capacity is expected to be available for new statewide capital projects authorized during the 2012 regular session.
- \$148.7 million is expected to be available in Fiscal Year 2012 for public school facility projects through the Public School Facilities Authority
- Earmarked appropriations for Fiscal Year 2012 total \$26.4 million for water trust board projects, and \$13.2 million each for colonias and tribal infrastructure projects.
- \$299 million will be available for projects to be funded through general obligation bonds subject to voter approval.

APPENDIX 1

U.S. and New Mexico Economic Indicators

	FY11		FY12		FY13		FY14		FY15		FY16	
	Oct11 Prelim	Dec11 Prelim	Oct11 Forecast	Dec11 Forecast								
National Economic Indicators												
US Real GDP Growth (annual avg. ,% YOY)*	2.6	2.6	1.3	1.7	2.0	1.8	2.9	3.2	3.6	3.6	3.1	3.0
US Inflation Rate (CPI-U, annual avg., % YOY)**	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4	2.4	2.4
Federal Funds Rate (%)	0.16	0.16	0.10	0.09	0.10	0.10	0.42	0.42	2.27	2.27	3.87	3.87
New Mexico Labor Market and Income Data												
NM Non-Agricultural Employment Growth (%)	0.2	-0.3	0.5	0.7	1.2	1.0	1.1	1.2	1.2	1.4	1.3	1.5
NM Personal Income Growth (%)***	4.1	4.5	4.3	4.2	3.3	3.1	3.1	3.0	4.3	4.4	4.7	4.9
NM Private Wages & Salaries Growth (%)	2.6	2.6	2.6	2.6	3.0	2.8	3.2	3.4	3.3	3.6	3.7	3.8
Crude Oil and Natural Gas Outlook												
NM Oil Price (\$/barrel)	\$84.20	\$84.60	\$82.00	\$86.75	\$84.00	\$87.75	\$84.50	\$88.50	\$85.00	\$89.50	\$85.00	\$89.75
NM Taxable Oil Volumes (million barrels)	67.0	68.8	69.7	69.5	68.6	68.9	67.6	68.4	66.9	68.1	65.9	67.0
NM Gas Price (\$ per thousand cubic feet)****	\$5.50	\$5.50	\$5.35	\$5.20	\$5.80	\$5.60	\$6.20	\$5.90	\$6.25	\$6.05	\$6.25	\$6.15
NM Taxable Gas Volumes (billion cubic feet)	1,224	1,239	1,184	1,173	1,147	1,188	1,111	1,069	1,077	1,020	1,055	991

* Real GDP is BEA chained 2005 dollars, billions, annual rate

** CPI is all urban, BLS 1982-84=1.00 base.

***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 Global Insight future prices as well as a liquid premium based on oil prices.

Sources: November IHS Global Insight, BBER FOR-UNM revised

APPENDIX 2

General Fund Consensus Revenue Estimate
December 2011

	FY11				FY12				FY13			
	Oct 2011 Est. Prelim Actual	Dec 2011 Est. Prelim Actual	Change from Prior	% Change from FY10	Oct 2011 Est.	Dec 2011 Est.	Change from Prior	% Change from FY11	Oct 2011 Est.	Dec 2011 Est.	Change from Prior	% Change from FY12
Gross Receipts Tax	1,811.4	1,811.4	-	10.8%	1,865.0	1,865.0	-	3.0%	1,935.9	1,935.9	-	3.8%
Compensating Tax	69.2	69.2	-	35.9%	69.5	69.5	-	0.5%	73.1	73.1	-	5.2%
TOTAL GENERAL SALES	1,880.6	1,880.6	-	11.6%	1,934.5	1,934.5	-	2.9%	2,009.0	2,009.0	-	3.8%
Tobacco Taxes	88.2	88.2	-	93.0%	86.4	86.4	-	-2.0%	84.7	84.7	-	-2.0%
Liquor Excise	25.7	25.7	-	0.4%	26.4	25.9	(0.5)	0.8%	26.7	26.1	(0.6)	0.8%
Insurance Taxes	132.7	132.7	-	1.8%	133.0	129.3	(3.7)	-2.6%	131.1	134.7	3.6	4.2%
Fire Protection Fund Reversion	17.6	17.6	-	252.0%	16.1	15.9	(0.2)	-9.4%	15.2	15.2	(0.0)	-4.9%
Motor Vehicle Excise	103.7	103.7	-	12.4%	110.2	110.2	-	6.3%	116.1	114.3	(1.8)	3.7%
Gaming Excise	65.8	65.8	-	1.1%	66.6	66.6	-	1.2%	67.5	66.7	(0.8)	0.1%
Leased Vehicle Surcharge	5.0	5.0	-	-12.3%	5.1	5.2	0.1	4.0%	5.4	5.3	(0.2)	1.0%
Other	2.5	2.5	-	-21.6%	2.8	2.8	0.0	13.2%	3.0	3.0	0.0	7.1%
TOTAL SELECTIVE SALES	441.2	441.2	-	18.3%	446.6	442.3	(4.3)	0.3%	449.7	449.9	0.2	1.7%
Personal Income Tax	1,066.2	1,066.2	-	11.5%	1,090.0	1,090.0	-	2.2%	1,115.0	1,115.0	-	2.3%
Corporate Income Tax	229.8	229.8	-	83.7%	310.0	310.0	-	34.9%	375.0	375.0	-	21.0%
TOTAL INCOME TAXES	1,296.0	1,296.0	-	19.8%	1,400.0	1,400.0	-	8.0%	1,490.0	1,490.0	-	6.4%
Oil and Gas School Tax	378.7	378.7	-	16.7%	355.0	358.6	3.6	-5.3%	366.0	376.0	10.0	4.9%
Oil Conservation Tax	19.7	19.7	-	20.1%	22.6	18.5	(4.1)	-6.1%	23.2	19.3	(3.9)	4.3%
Resources Excise Tax	9.9	9.9	-	5.3%	10.0	10.0	-	1.0%	10.0	10.0	-	0.0%
Natural Gas Processors Tax	18.2	18.2	-	-55.0%	22.9	22.0	(0.3)	20.7%	23.6	23.6	-	7.4%
TOTAL SEVERANCE TAXES	426.5	426.5	-	9.2%	409.9	409.1	(0.8)	-4.1%	422.8	428.9	6.1	4.9%
LICENSE FEES	49.8	49.8	-	-1.0%	51.5	51.5	-	3.4%	54.4	53.7	(0.7)	4.2%
LGPF Interest	446.2	446.2	-	2.1%	459.7	459.7	-	3.0%	438.1	433.0	(5.1)	-5.8%
STO Interest	17.6	14.8	(2.8)	-33.0%	18.6	17.3	(1.3)	16.9%	26.0	23.4	(2.6)	35.0%
STPF Interest	184.6	184.6	-	-1.3%	183.4	183.4	-	-0.7%	174.3	172.5	(1.8)	-5.9%
TOTAL INTEREST	648.4	645.6	(2.8)	-0.1%	661.7	660.4	(1.3)	2.3%	638.4	628.9	(9.5)	-4.8%
Federal Mineral Leasing	411.8	411.8	-	15.9%	398.0	420.0	22.0	2.0%	412.5	419.0	6.5	-0.2%
State Land Office	65.6	65.6	-	-3.1%	55.8	58.6	2.8	-10.7%	43.9	47.4	3.5	-19.1%
TOTAL RENTS & ROYALTIES	477.4	477.4	-	12.9%	453.8	478.6	24.8	0.3%	456.4	466.4	10.0	-2.6%
TRIBAL REVENUE SHARING	65.9	65.9	-	2.8%	70.4	70.4	-	6.8%	75.4	75.4	-	7.1%
MISCELLANEOUS RECEIPTS	52.1	52.1	-	17.3%	43.5	46.0	2.5	-11.8%	43.6	46.2	2.6	0.5%
REVERSIONS	50.0	67.3	17.3	68.2%	40.0	40.0	-	-40.6%	40.0	40.0	-	0.0%
TOTAL RECURRING	5,387.9	5,402.4	14.5	12.6%	5,511.9	5,532.8	20.9	2.4%	5,679.6	5,688.2	8.6	2.8%
TOTAL NON-RECURRING*	66.8	66.8	-	-86.1%	18.3	18.3	-	-72.6%	(3.3)	(3.3)	-	-118.0%
GRAND TOTAL	5,454.7	5,469.2	14.5	3.6%	5,530.2	5,551.1	20.9	1.5%	5,676.3	5,684.9	8.6	2.4%

General Fund Consensus Revenue Estimate
December 2011

	FY14				FY15				FY16	
	Oct 2011 Est.	Dec 2011 Est.	Change from Prior	% Change from FY13	Oct 2011 Est.	Dec 2011 Est.	Change from Prior	% Change from FY14	Dec 2011 Est.	% Change from FY15
Gross Receipts Tax	2,011.4	2,011.4	-	3.9%	2,095.8	2,095.8	-	4.2%	2,165.0	3.3%
Compensating Tax	75.9	75.9	-	3.8%	77.2	77.2	-	1.7%	77.9	0.9%
TOTAL GENERAL SALES	2,087.3	2,087.3	-	3.9%	2,173.0	2,173.0	-	4.1%	2,242.9	3.2%
Tobacco Taxes	83.1	83.1	-	-1.9%	81.4	81.4	-	-2.0%	79.9	-1.8%
Liquor Excise	27.1	26.7	(0.4)	2.3%	27.5	27.2	(0.3)	1.9%	27.8	2.2%
Insurance Taxes	129.7	137.9	8.2	2.4%	128.3	143.9	15.6	4.4%	151.2	5.1%
Fire Protection Fund Reversion	13.6	14.4	0.8	-5.3%	12.1	13.2	1.1	-7.9%	12.3	-7.3%
Motor Vehicle Excise	121.6	121.6	-	6.4%	126.6	126.6	-	4.1%	131.8	4.1%
Gaming Excise	68.4	67.3	(1.1)	1.0%	69.4	68.0	(1.4)	1.0%	68.9	1.3%
Leased Vehicle Surcharge	5.6	5.3	(0.3)	1.0%	5.8	5.4	(0.4)	1.1%	5.4	1.1%
Other	3.2	3.2	(0.0)	4.3%	3.3	3.3	-	4.4%	3.3	0.9%
TOTAL SELECTIVE SALES	452.3	459.4	7.1	2.1%	454.4	469.0	14.6	2.1%	480.6	2.5%
Personal Income Tax	1,150.0	1,150.0	-	3.1%	1,190.0	1,190.0	-	3.5%	1,230.0	3.4%
Corporate Income Tax	410.0	410.0	-	9.3%	425.0	425.0	-	3.7%	400.0	-5.9%
TOTAL INCOME TAXES	1,560.0	1,560.0	-	4.7%	1,615.0	1,615.0	-	3.5%	1,630.0	0.9%
Oil and Gas School Tax	371.8	365.7	(6.1)	-2.8%	366.3	362.7	(3.6)	-0.8%	358.0	-1.3%
Oil Conservation Tax	23.4	18.8	(4.6)	-2.6%	23.1	18.7	(4.4)	-0.5%	18.5	-1.1%
Resources Excise Tax	10.0	10.0	-	0.0%	10.0	10.0	-	0.0%	10.0	0.0%
Natural Gas Processors Tax	24.6	22.6	(2.0)	-4.2%	24.8	22.4	(2.4)	-0.9%	22.2	-0.9%
TOTAL SEVERANCE TAXES	429.8	417.1	(12.7)	-2.8%	424.2	413.8	(10.4)	-0.8%	408.7	-1.2%
LICENSE FEES	57.1	55.9	(1.3)	4.1%	60.0	58.3	(1.8)	4.3%	59.4	2.0%
LGPf Interest	438.7	427.6	(11.1)	-1.2%	472.0	453.9	(18.1)	6.2%	475.1	4.7%
STO Interest	41.4	39.3	(2.1)	68.3%	49.4	52.0	2.6	32.3%	58.5	12.5%
STPF Interest	164.0	160.1	(3.9)	-7.2%	168.8	162.6	(6.2)	1.6%	162.6	0.0%
TOTAL INTEREST	644.1	627.0	(17.1)	-0.3%	690.2	668.5	(21.7)	6.6%	696.2	4.1%
Federal Mineral Leasing	423.1	423.7	0.6	1.1%	412.0	423.8	11.8	0.0%	417.5	-1.5%
State Land Office	43.9	46.2	2.3	-2.5%	43.7	46.2	2.5	0.0%	45.8	-0.9%
TOTAL RENTS & ROYALTIES	467.0	469.9	2.9	0.8%	455.7	470.0	14.3	0.0%	463.3	-1.4%
TRIBAL REVENUE SHARING	78.2	78.2	-	3.7%	81.2	81.2	-	3.8%	83.8	3.2%
MISCELLANEOUS RECEIPTS	44.0	47.1	3.1	2.0%	45.5	48.1	2.6	2.0%	49.0	2.0%
REVERSIONS	40.0	40.0	-	0.0%	40.0	40.0	-	0.0%	40.0	0.0%
TOTAL RECURRING	5,859.8	5,841.8	(18.0)	2.7%	6,039.3	6,036.8	(2.4)	3.3%	6,153.9	1.9%
TOTAL NON-RECURRING*	(0.9)	(0.9)	-	-72.7%	-	-	-	-100.0%	-	#DIV/0!
GRAND TOTAL	5,858.9	5,840.9	(18.0)	2.7%	6,039.3	6,036.8	(2.4)	3.4%	6,153.9	1.9%

APPENDIX 3
GENERAL FUND FINANCIAL SUMMARY
 Reflecting December 2011 Consensus Revenue Forecast
 (Dollars in Millions)

	Preliminary FY2011	Estimated FY2012	Estimated FY2013
APPROPRIATION ACCOUNT			
REVENUE			
Recurring Revenue			
October 2011 consensus forecast	\$ 5,387.9	\$ 5,511.9	\$ 5,679.6
December 2011 revisions	14.5	20.9	8.6
December 2011 Consensus forecast	\$ 5,402.4	\$ 5,532.8	\$ 5,688.2
Nonrecurring Revenue			
December 2011 Consensus forecast	\$ 66.8	\$ 18.3	\$ (3.3)
TOTAL REVENUE	\$ 5,469.2	\$ 5,551.1	\$ 5,684.9
APPROPRIATIONS			
Recurring Appropriations			
Recurring Appropriations	\$ 5,202.8	\$ 5,416.7	\$ 5,431.3
<i>Recurring Appropriations - Feed Bill</i>	8.9	14.6	-
<i>2011 Recurring Appropriation Bills</i>	1.3	-	-
Total Recurring Appropriations	\$ 5,212.9	\$ 5,431.3	\$ 5,431.3
Nonrecurring Appropriations			
2009 & 2010 Nonrecurring Appropriations	\$ 1.1	\$ -	\$ -
Laws 2011, Chapter 1, Nonrecurring Appropriation	\$ 1.5	-	-
<i>2011 Nonrecurring Appropriation Bills</i>	\$ 15.7	\$ -	\$ -
<i>2011 Special Session</i>	-	\$ 5.8	-
Total Nonrecurring Appropriations	\$ 18.3	\$ 5.8	\$ -
TOTAL APPROPRIATIONS	\$ 5,231.2	\$ 5,437.1	\$ 5,431.3
Transfer to(from) Reserves	\$ 238.0	\$ 114.0	\$ 253.6
GENERAL FUND RESERVES			
Beginning Balances	\$ 278.0	\$ 499.4	\$ 598.9
Transfers from (to) Appropriations Account	238.0	114.0	253.6
Revenue and Reversions	58.9	40.1	49.8
Appropriations, expenditures and transfers out	(75.5)	(54.6)	(54.6)
Ending Balances	\$ 499.4	\$ 598.9	\$ 847.7
<i>Reserves as a Percent of Recurring Appropriations</i>	9.6%	11.0%	15.6%

Flat FY13 budget figures shown for illustrative purposes. These figures do not reflect an Executive Budget Recommendation.

APPENDIX 3 (CONTINUED)
GENERAL FUND FINANCIAL SUMMARY
RESERVE DETAIL
(Dollars in Millions)

	Preliminary FY2011	Estimated FY2012	Estimated FY2013
OPERATING RESERVE			
Beginning balance	\$ 36.2	\$ 274.5	\$ 388.5
BOF Emergency Appropriations (net of undibursed)	(1.0)	-	-
BOF Emergency Repayments	1.3	-	-
Transfers from/to appropriation account	238.0	114.0	253.6
Chapter 3, Laws 2009 - SS (HB6)	-	-	-
Ending balance	\$ 274.5	\$ 388.5	\$ 642.1
APPROPRIATION CONTINGENCY FUND			
Beginning balance	\$ 29.6	\$ 5.2	\$ (10.8)
Disaster allotments	(28.8)	(16.0)	(16.0)
Other appropriations	-	-	-
Transfers in	-	-	-
Revenue and reversions	4.3	-	-
Ending Balance	\$ 5.2	\$ (10.8)	\$ (26.8)
Education Lock Box			
Beginning balance	\$ 53.1	\$ 44.6	\$ 44.6
Appropriations (2010 and 2011 GAA Section 5)	(8.5)	-	-
Transfers in(out)	-	-	-
Ending balance	\$ 44.6	\$ 44.6	\$ 44.6
STATE SUPPORT FUND			
Beginning balance	\$ 1.0	\$ 1.0	\$ 1.0
Revenues	-	-	-
Appropriations	-	-	-
Ending balance	\$ 1.0	\$ 1.0	\$ 1.0
TOBACCO PERMANENT FUND			
Beginning balance	\$ 132.0	\$ 148.0	\$ 149.5
Transfers in	38.6	38.6	38.6
Appropriation to tobacco settlement program fund	(19.3)	(19.3)	(19.3)
Gains/Losses	16.0	1.5	11.2
<i>Additional transfers to Program Fund</i>	<i>(19.3)</i>	<i>(19.3)</i>	<i>(19.3)</i>
Ending balance	\$ 148.0	\$ 149.5	\$ 160.7
TAX STABILIZATION RESERVE			
Beginning balance	\$ 26.1	\$ 26.1	\$ 26.1
Transfers in	-	-	-
Chapter 3, Laws 2009 - SS (HB6)	-	-	-
2010 Special Session reserve transfers	-	-	-
2011 Session reserve transfers	-	-	-
Ending balance	\$ 26.1	\$ 26.1	\$ 26.1
GENERAL FUND ENDING BALANCES	\$ 499.4	\$ 598.9	\$ 847.7
<i>Percent of Recurring Appropriations</i>	<i>9.6%</i>	<i>11.0%</i>	<i>15.6%</i>
(differences from rounding)			

**Appendix 4
December 2011 Bond Capacity Estimate**

*Core Bonding Programs
Sources and Uses of Funds
Bonding Capacity Available for Authorization
December 2011 Estimate*

<i>Sources of Funds (millions)</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>	<i>Five-Year</i>
General Obligation Bonds	298.9	-	181.9	-	207.4	688.2
Severance Tax Bonds	187.7	187.7	187.7	187.7	187.7	938.5
Severance Tax Notes	76.5	82.8	82.2	65.2	50.9	357.5
Subtotal Senior STBs	264.2	270.5	269.9	252.9	238.6	1,296.0
Supplemental Severance Tax Bonds	-	-	-	-	-	-
Supplemental Severance Tax Notes	148.7	168.5	182.0	179.5	179.8	858.6
Subtotal Supplemental STBs	148.7	168.5	182.0	179.5	179.8	858.6
Total Sources of Funds	\$711.8	\$439.0	\$633.7	\$432.4	\$625.8	\$2,842.7
Uses of Funds (millions)						
<i>Uses of Funds (millions)</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>	<i>Five-Year</i>
Projects approved by referendum	298.9	-	181.9	-	207.4	688.2
New Statewide Capital Projects	130.3	216.4	215.9	202.3	190.9	955.8
Authorized Projects - Series 2011A-1 and 2011S-C*	67.4	-	-	-	-	67.4
Authorized but Unissued STB Projects*	13.6	-	-	-	-	13.6
10% Water Projects	26.4	27.0	27.0	25.3	23.9	129.6
5% Colonias Projects	13.2	13.5	13.5	12.6	11.9	64.8
5% Tribal Projects	13.2	13.5	13.5	12.6	11.9	64.8
Education Capital	148.7	168.5	182.0	179.5	179.8	858.6
Total Uses of Funds	\$711.8	\$439.0	\$633.7	\$432.4	\$625.8	\$2,842.7
*Reflects projects authorized during the 2011 special session.						