

# *Consensus General Fund Revenue Outlook and Capital Outlay Update*

New Mexico Department of Finance and Administration

Presented to the  
Legislative Finance Committee  
August 19, 2015

# *Overview*

- New Mexico's economy posted strong growth in FY15, supporting gains in broad based income and sales taxes
- Job gains and gross receipts were up sharply
- Declining oil prices will reduce revenue growth but revenues are adequate to continue important reforms
- Healthy reserves enable the State to support vital services, continue education reform, public safety and economic development initiatives

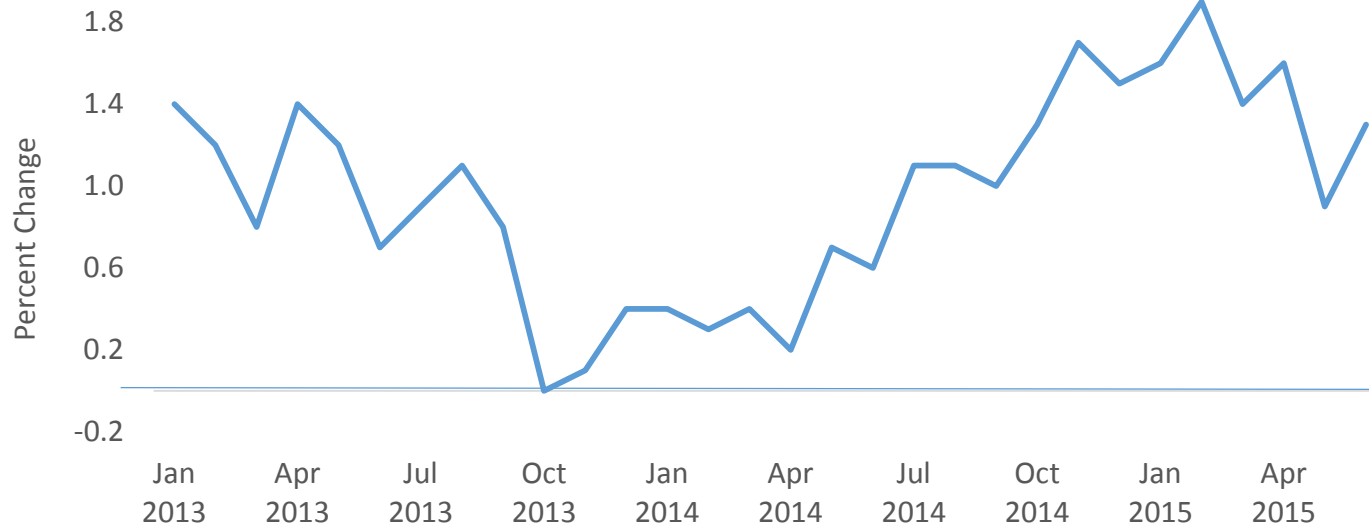
# *U.S. Economic Outlook\**

- US economy shrugged off the Greek threat
- Job growth strong and broad-based, full employment by end of fiscal year
- Vehicle, Home sales increasing
- Household debt burdens lowest ever
- Trade will be a drag, but will not eliminate growth
- Low inflation gives Fed flexibility in raising rates

*\*Source: Moody's Analytics, U.S. Macro Outlook, July 2015*

# *New Mexico Employment*

New Mexico Non-Farm Employment Growth,  
12-Month Percent Change

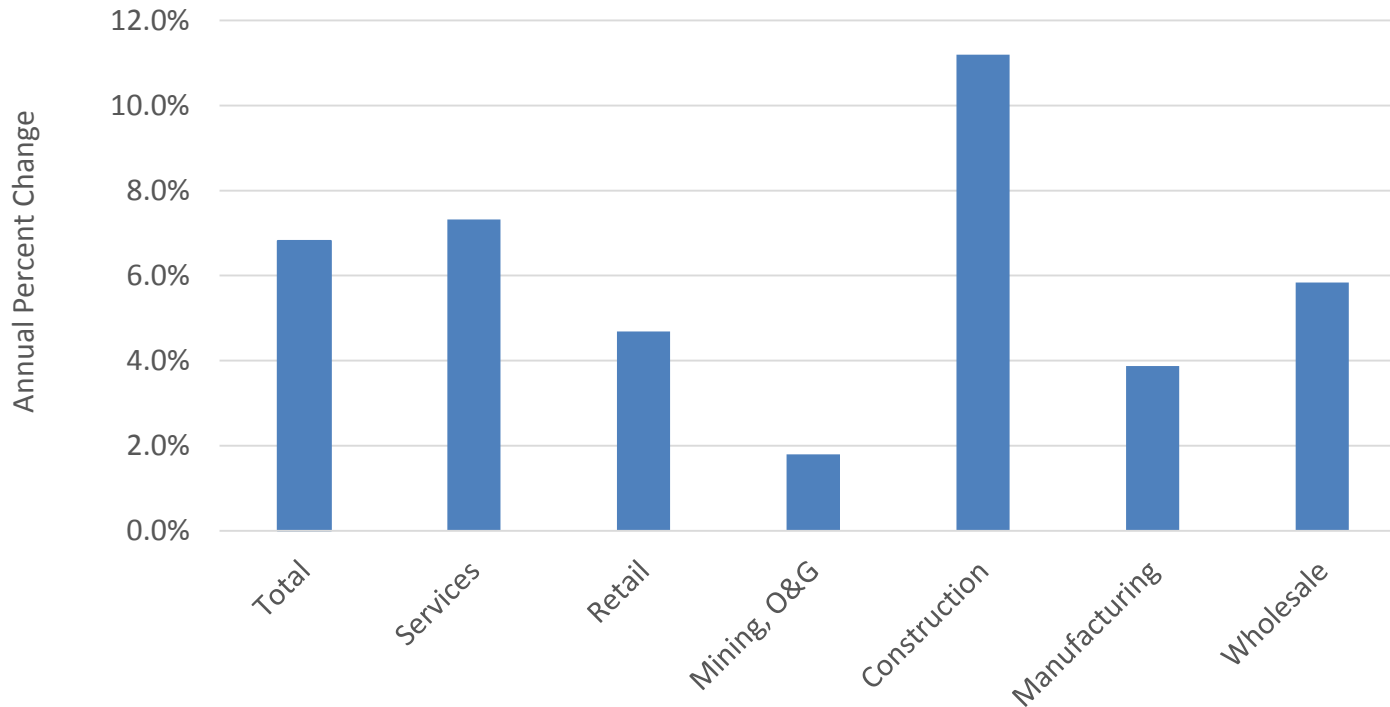


*Source: Bureau of Labor Statistics, seasonally-adjusted*

- Wide-spread job growth -- Education & Health Care, Professional Services, Leisure & Hospitality
- Private sector growth 1.3%
- Mining lost 1,700 jobs since peak in November 2014
- Details in Appendix 1

# *Gross Receipts Base Growing Strongly*

TGR Growth by Sector, FY15



Source: NM Taxation and Revenue Department, RP 500.

- Construction, Services have strongest growth rates
- Retail rebounding from weak growth in FY14
- Mining, Manufacturing growth slowed

# *Energy Market Outlook*

- Growing US, OPEC and Canada supply + Slowing Chinese Demand = Falling oil prices
- Market forces will lead to increased prices:
  - Low oil prices have slowed drilling, production;
    - US rig count cut in half; Drilling permits fell 18% in FY15
  - Low prices are increasing demand, e.g. SUV, truck sales
- Lower energy prices will boost consumer, business spending
- Risks: Slower growth from China; Increased supply from Iran

# *New Mexico Oil & Gas Outlook*

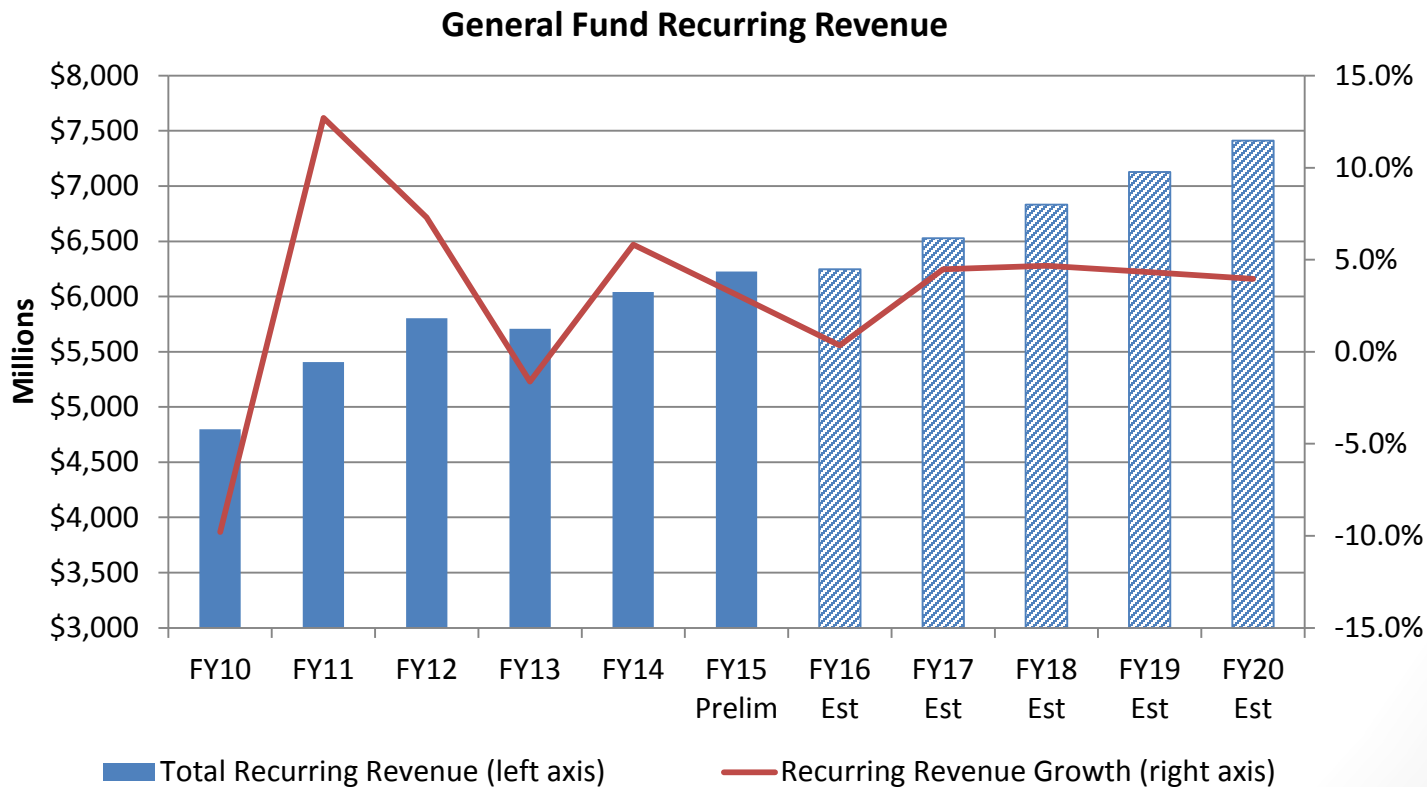
	FY15	FY16	FY17
Crude Oil:			
Price (\$/barrel)	\$61.75	\$51.50	\$56.50
Production (mill. barrels)	137.2	145.0	149.5
Natural Gas:			
Price (\$/1,000 cu. ft.)	\$3.80	\$3.60	\$3.90
Production (Bill. cu. ft.)	1,174	1,139	1,105

*Source: ONGARD; Consensus Revenue Estimating Group.*

- *Oil production increased 100% since 2009; FY15 set new record*
- *\$0.10 change in gas price causes a \$10 million change in GF*
- *\$1.00 change oil price causes a \$7.5 million change in GF*

# General Fund Revenue Outlook

- Recurring revenue reached record high in FY15
- FY15 growth 3.1%, 7.3% excluding oil and gas
- FY16 0.3%, Long term growth 4.5%



# General Fund Forecast Summary

August 2015 Consensus General Fund Forecast						
	FY15		FY16		FY17	
	\$ Millions	% Change	\$ Millions	% Change	\$ Millions	% Change
General Sales	\$2,211	6.8%	\$2,303	4.1%	\$2,400	4.2%
Selective Sales	\$484	9.0%	\$509	5.2%	\$539	5.9%
Income Taxes	\$1,595	9.9%	\$1,604	0.5%	\$1,675	4.4%
O&G Revenue	\$1,006	-14.3%	\$840	-16.5%	\$883	5.1%
Investment Income	\$702	9.9%	\$777	10.6%	\$811	4.5%
Other	\$228	-12.3%	\$216	-5.4%	\$220	2.0%
<b>Total Recurring Revenue</b>	<b>\$6,227</b>	<b>3.1%</b>	<b>\$6,248</b>	<b>0.3%</b>	<b>\$6,528</b>	<b>4.5%</b>
<b>Recurring Less O&amp;G</b>	<b>\$5,221</b>	<b>7.3%</b>	<b>\$5,407</b>	<b>3.6%</b>	<b>\$5,645</b>	<b>4.4%</b>

- Sales and Income taxes grew strongly in FY15, conservative growth in forecast
- Investment income boosted by contributions, stock market
- 2-year growth of 4.8% reflects abundance of caution
- Details in Appendix 2

# *Significant Revisions*

- FY15 revenue up \$137 million:
  - PIT \$25 million
  - CIT \$25 million
  - FML \$30 million
  - Insurance \$25 million
- FY16 revenue up \$6 million
  - PIT \$20 million
  - O&G negative \$20 million
- FY17 revenue unchanged
  - PIT \$36 million
  - O&G negative \$38 million

# General Fund Financial Summary

*Million Dollars*

	FY15	FY16	FY17
Beginning Balance	\$638	\$633	\$611
Revenue	\$6,251	\$6,253	\$6,528
Spending	(\$6,276)	(\$6,266)	“New Money” \$293
Reserve Transfers, etc.	\$20	(\$7)	
Ending Balance	\$633	\$614	
Percent of Appropriations	10.3%	9.9%	

- FY15 balances at 10% target level
- FY17 “new money” \$293 million, 4.7% over FY16 budget
- Details in Appendix 3

# *Successful Budget Management*

- Moody's Investors Service\* recognizes New Mexico as one of most successful oil-producing states in managing budget:
  - Strong reserves
  - Diversified revenue streams
  - Responsible budgeting
- New Mexico on firmer footing than both Louisiana and Oklahoma despite greater dependence on oil and gas revenues.
- Moody's rates New Mexico's bonds at Aaa, their highest-possible rating.

\*Source: *Oil States Adjust Budgets in Response to Low Oil Prices*, Moody's Investors Service

# *Tax Policy Priorities*

- Improving access to capital
- Expanding the skilled workforce
- Helping small businesses grow
- Recruiting new businesses
- Promoting balanced energy development
- Improving highway funding

# *Capital Budget Summary*

- Senior Severance Tax Bond capacity: \$215 million
  - \$16 million for authorized but unissued
  - \$22 million earmarked for water projects, and
  - \$14 million each for tribal infrastructure and Colonias projects.
  - \$149 million available for new capital projects.
- \$155 Supplemental Severance Tax Bonds for public schools

# *Capital Outlay Issues*

- Audit Act compliance has improved dramatically over the last year: At Risk entities down from 51 to 16
- Continued reforms include pooling funds for larger, more comprehensive local projects; procurement code compliance
- Supreme Court ruling on prevailing wage will increase costs, reduce funding adequacy:
  - Potential cost increase of 6% to 12% for public school construction
  - Public school costs already rising more than 10% per year – every 4 years losing 50% of purchasing power

U.S. and New Mexico Economic Indicators	FY15		FY16		FY17		FY18		FY19		FY20
	Feb 2015 Forecast	Jul 2015 Forecast	Feb 2015 Forecast	Jul 2015 Forecast	Feb 2015 Forecast	Jul 2015 Forecast	Feb 2015 Forecast	Jul 2015 Forecast	Feb 2015 Forecast	Jul 2015 Forecast	Jul 2015 Forecast
<b>National Economic Indicators</b>											
US Real GDP Growth (annual avg. ,% YOY)*	3.2	2.6	3.7	2.6	3.2	3.0	2.7	2.8	2.1	2.5	1.9
US Inflation Rate (CPI-U, annual avg., % YOY)**	1.2	0.7	1.9	1.7	2.7	2.7	2.9	2.8	2.8	2.8	2.5
Federal Funds Rate (%)	0.11	0.11	1.05	0.81	2.96	2.58	3.84	3.61	3.93	3.82	3.64
<b>New Mexico Labor Market and Income Data</b>											
NM Non-Agricultural Employment Growth	1.8	1.4	1.7	1.6	1.4	2.4	1.0	2.0	0.9	1.3	0.6
NM Nominal Personal Income Growth (%)***	3.6	4.8	3.0	3.5	3.9	3.5	4.1	4.1	4.2	4.3	3.9
NM Total Wages & Salaries Growth (%)	3.3	4.5	4.7	3.1	4.9	3.8	4.7	4.4	5.0	4.6	3.7
NM Real Gross State Product (% YOY)	1.3	1.5	2.5	2.2	2.2	2.7	1.7	2.3	1.6	2.2	1.9
<b>New Mexico Energy Prices &amp; Volumes</b>											
NM Oil Price (\$/barrel)	\$61.00	\$61.75	\$56.00	\$51.50	\$65.00	\$56.50	\$70.00	\$61.25	\$75.00	\$66.00	\$68.00
NM Taxable Oil Volumes (million barrels)	125.0	137.2	128.0	145.0	131.0	149.5	133.0	153.0	135.0	155.0	156.0
NM Gas Price (\$ per thousand cubic feet)****	\$4.30	\$3.80	\$4.10	\$3.60	\$4.30	\$3.90	\$4.50	\$4.15	\$4.70	\$4.25	\$4.45
NM Taxable Gas Volumes (billion cubic feet)	1,181	1,174	1,150	1,139	1,118	1,105	1,088	1,071	1,052	1,039	1,008

\*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, Moody's Analytics, and IHS Global Insight 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, January 2015 & July 2015

General Fund Revenue Estimate  
August 2015

	FY15				FY16				FY17			
	A	B	C	D	E	F	G	H	I	J	K	L
\$Millions	Feb. 2015 Adj for Legis	Aug. 2015	Change from Prior	% Change from FY14	Feb. 2015 Adj for Legis	Aug. 2015	Change from Prior	% Change from FY15	Feb. 2015 Adj for Legis	Aug. 2015	Change from Prior	% Change from FY16
1 Gross Receipts Tax	2,129.0	2,129.0	-	6.9%	2,234.0	2,234.0	-	4.9%	2,331.7	2,331.7	-	4.4%
2 Compensating Tax	75.0	82.0	7.0	4.6%	68.9	68.6	(0.3)	-16.4%	74.4	68.0	(6.4)	-0.8%
3 TOTAL GENERAL SALES	2,204.0	2,211.0	7.0	6.8%	2,302.8	2,302.5	(0.3)	4.1%	2,406.1	2,399.7	(6.4)	4.2%
4 Tobacco Taxes	79.0	81.9	2.9	4.4%	78.1	82.0	3.9	0.1%	77.4	81.0	3.6	-1.2%
5 Liquor Excise	26.7	26.7	-	1.1%	6.7	6.7	-	-74.9%	6.9	6.9	-	3.0%
6 Insurance Taxes	140.0	140.0	-	21.6%	183.0	183.0	-	30.7%	213.0	213.0	-	16.4%
7 Fire Protection Fund Reversion	14.9	15.7	0.8	-2.5%	13.8	14.0	0.2	-10.8%	12.8	12.8	-	-8.6%
8 Motor Vehicle Excise	143.3	143.0	(0.3)	7.3%	146.6	146.0	(0.6)	2.1%	149.9	150.0	0.1	2.7%
9 Gaming Excise	67.9	70.1	2.2	5.4%	68.1	68.9	0.8	-1.7%	68.3	67.7	(0.6)	-1.7%
10 Leased Vehicle Surcharge	5.2	5.2	-	0.0%	5.2	5.2	-	0.0%	5.2	5.2	-	0.0%
11 Other	1.1	1.1	-	-62.6%	2.4	3.0	0.6	172.7%	2.4	2.2	(0.2)	-26.7%
12 TOTAL SELECTIVE SALES	478.1	483.7	5.6	9.0%	503.9	508.8	4.9	5.2%	535.9	538.8	2.9	5.9%
13 Personal Income Tax	1,315.0	1,340.0	25.0	6.8%	1,359.6	1,379.0	19.5	2.9%	1,404.2	1,440.0	35.8	4.4%
14 Corporate Income Tax	230.0	255.0	25.0	29.6%	224.7	224.7	0.0	-11.9%	234.7	234.7	0.0	4.5%
15 TOTAL INCOME TAXES	1,545.0	1,595.0	50.0	9.9%	1,584.2	1,603.7	19.5	0.5%	1,638.8	1,674.7	35.9	4.4%
16 Oil and Gas School Tax	370.0	370.7	0.7	-26.0%	347.0	331.8	(15.2)	-10.5%	387.0	365.1	(21.9)	10.0%
17 Oil Conservation Tax	20.0	19.6	(0.4)	-27.9%	19.0	17.6	(1.4)	-10.2%	21.0	19.4	(1.6)	10.2%
18 Resources Excise Tax	12.7	13.0	0.3	0.0%	12.7	13.0	0.3	0.0%	12.7	13.0	0.3	0.0%
19 Natural Gas Processors Tax	19.0	19.0	-	17.3%	20.0	18.7	(1.3)	-1.6%	16.0	14.2	(1.8)	-24.1%
20 TOTAL SEVERANCE TAXES	421.7	422.3	0.6	-24.2%	398.7	381.1	(17.6)	-9.8%	436.7	411.7	(25.0)	8.0%
21 LICENSE FEES	51.6	55.0	3.4	6.4%	51.8	53.5	1.7	-2.8%	51.9	54.6	2.7	2.2%
22 LGPF Interest	496.2	502.8	6.6	11.9%	553.2	553.2	-	10.0%	547.2	547.0	(0.2)	-1.1%
23 STO Interest	15.0	16.8	1.8	-11.6%	35.0	29.9	(5.1)	78.0%	65.0	60.8	(4.2)	103.3%
24 STPF Interest	182.7	182.7	-	7.2%	193.6	193.6	-	6.0%	203.5	203.5	-	5.1%
25 TOTAL INTEREST	693.9	702.3	8.4	9.9%	781.8	776.7	(5.1)	10.6%	815.7	811.3	(4.4)	4.5%
26 Federal Mineral Leasing	510.0	541.9	31.9	-4.9%	420.0	420.0	-	-22.5%	445.0	430.0	(15.0)	2.4%
27 State Land Office	40.9	42.2	1.3	-11.1%	39.7	39.3	(0.4)	-6.9%	39.7	41.4	1.7	5.3%
28 TOTAL RENTS & ROYALTIES	550.9	584.1	33.2	-5.4%	459.7	459.3	(0.4)	-21.4%	484.7	471.4	(13.3)	2.6%
29 TRIBAL REVENUE SHARING	70.0	65.0	(5.0)	-3.8%	63.3	64.3	1.0	-1.1%	65.6	65.8	0.2	2.3%
30 MISCELLANEOUS RECEIPTS	46.6	52.7	6.1	17.1%	49.9	52.9	3.0	0.4%	52.2	55.0	2.8	4.0%
31 REVERSIONS	53.0	55.7	2.7	-42.3%	45.0	45.0	-	-19.2%	40.0	45.0	5.0	0.0%
32 TOTAL RECURRING	6,114.8	6,226.8	112.0	3.1%	6,241.2	6,247.8	6.6	0.3%	6,527.6	6,528.0	0.4	4.5%
33 TOTAL NON-RECURRING	(0.5)	24.6	25.1	6050.0%	5.5	5.5	-		-	-	-	
34 GRAND TOTAL	6,114.3	6,251.4	137.1	3.5%	6,246.7	6,253.3	6.6	0.0%	6,527.6	6,528.0	0.4	4.4%
35 TOTAL RECURRING W/O O&G	5,142.2	5,220.4	78.2	7.3%	5,382.8	5,407.4	24.6	3.6%	5,606.2	5,644.9	38.7	4.4%

General Fund Revenue Estimate  
August 2015

\$Millions	FY18				FY19				FY20	
	M	N	O	P	Q	R	S	T	U	V
	Feb. 2015 Adj for Legis	Aug. 2015	Change from Prior	% Change from FY17	Feb. 2015 Adj for Legis	Aug. 2015	Change from Prior	% Change from FY18	Aug. 2015	% Change from FY18
1 Gross Receipts Tax	2,424.5	2,424.5	-	4.0%	2,525.8	2,525.8	-	4.2%	2,626.9	4.0%
2 <u>Compensating Tax</u>	73.6	69.4	(4.2)	2.1%	72.1	72.2	0.1	4.0%	71.3	-1.2%
3 <u>TOTAL GENERAL SALES</u>	2,498.1	2,493.9	(4.2)	3.9%	2,597.9	2,598.0	0.1	4.2%	2,698.2	3.9%
4 Tobacco Taxes	76.4	80.0	3.6	-1.2%	75.7	79.0	3.3	-1.3%	78.1	-1.1%
5 Liquor Excise	26.1	26.1	-	278.3%	28.9	28.9	-	10.7%	27.7	-4.2%
6 Insurance Taxes	226.0	226.0	-	6.1%	237.0	237.0	-	4.9%	247.2	4.3%
7 Fire Protection Fund Reversion	11.9	11.5	(0.4)	-10.2%	10.7	10.2	(0.5)	-11.3%	8.6	-15.7%
8 Motor Vehicle Excise	152.9	155.0	2.1	3.3%	156.0	158.0	2.0	1.9%	161.0	1.9%
9 Gaming Excise	68.5	66.5	(2.0)	-1.8%	68.8	65.4	(3.4)	-1.7%	65.3	-0.2%
10 Leased Vehicle Surcharge	5.2	5.2	-	0.0%	5.2	5.2	-	0.0%	5.2	0.0%
11 <u>Other</u>	2.4	2.2	(0.2)	0.0%	2.4	2.2	(0.2)	0.0%	2.2	0.0%
12 <u>TOTAL SELECTIVE SALES</u>	569.4	572.5	3.1	6.3%	584.7	585.9	1.2	2.3%	595.3	1.6%
13 Personal Income Tax	1,451.8	1,511.0	59.3	4.9%	1,503.0	1,580.0	77.0	4.6%	1,641.0	3.9%
14 <u>Corporate Income Tax</u>	194.7	194.7	0.0	-17.0%	174.7	174.7	0.0	-10.3%	183.4	5.0%
15 <u>TOTAL INCOME TAXES</u>	1,646.4	1,705.7	59.3	1.9%	1,677.7	1,754.7	77.0	2.9%	1,824.4	4.0%
16 Oil and Gas School Tax	412.0	394.6	(17.4)	8.1%	437.0	418.1	(18.9)	6.0%	430.5	3.0%
17 Oil Conservation Tax	23.0	20.9	(2.1)	7.7%	24.0	22.2	(1.8)	6.2%	22.8	2.7%
18 Resources Excise Tax	12.7	13.0	0.3	0.0%	12.7	13.0	0.3	0.0%	13.0	0.0%
19 <u>Natural Gas Processors Tax</u>	16.0	13.9	(2.1)	-2.1%	15.0	13.5	(1.5)	-2.9%	13.1	-3.0%
20 <u>TOTAL SEVERANCE TAXES</u>	463.7	442.4	(21.3)	7.5%	488.7	466.8	(21.9)	5.5%	479.4	2.7%
21 LICENSE FEES	52.0	55.9	3.9	2.3%	52.0	57.3	5.3	2.5%	58.9	2.8%
22 LGPF Interest	602.0	600.3	(1.7)	9.7%	654.7	650.6	(4.1)	8.4%	693.6	6.6%
23 STO Interest	75.0	67.0	(8.0)	10.2%	80.0	72.3	(7.7)	7.9%	86.1	19.1%
24 <u>STPF Interest</u>	216.7	216.7	-	6.5%	227.7	227.7	-	5.1%	237.2	4.2%
25 <u>TOTAL INTEREST</u>	893.7	884.0	(9.7)	9.0%	962.4	950.6	(11.8)	7.5%	1,016.9	7.0%
26 Federal Mineral Leasing	480.0	466.0	(14.0)	8.4%	505.0	497.0	(8.0)	6.7%	516.0	3.8%
27 <u>State Land Office</u>	40.9	43.6	2.7	5.3%	43.1	45.1	2.0	3.4%	45.9	1.8%
28 <u>TOTAL RENTS &amp; ROYALTIES</u>	520.9	509.6	(11.3)	8.1%	548.1	542.1	(6.0)	6.4%	561.9	3.7%
29 TRIBAL REVENUE SHARING	68.1	67.8	(0.3)	3.0%	76.8	71.0	(5.8)	4.7%	73.1	3.0%
30 MISCELLANEOUS RECEIPTS	53.0	55.9	2.9	1.6%	53.9	56.8	2.9	1.6%	57.8	1.8%
31 REVERSIONS	40.0	45.0	5.0	0.0%	40.0	45.0	5.0	0.0%	45.0	0.0%
32 <u>TOTAL RECURRING</u>	6,805.3	6,832.7	27.4	4.7%	7,082.2	7,128.3	46.0	4.3%	7,410.9	4.0%
33 <u>TOTAL NON-RECURRING</u>			-				-			
34 <u>GRAND TOTAL</u>	6,805.3	6,832.7	27.4	4.7%	7,082.2	7,128.3	46.0	4.3%	7,410.9	4.0%
35 <u>TOTAL RECURRING W/O O&amp;G</u>	5,820.7	5,880.7	60.0	4.2%	6,045.4	6,119.4	73.9	4.1%	6,369.6	4.1%

**Department of Finance and Administration**  
**GENERAL FUND FINANCIAL SUMMARY**  
**August 2015 Consensus Revenue Forecast**  
(Dollars in Millions)

		<u>Prelim FY2015</u>	<u>Estimated FY2016</u>	<u>Estimated FY2017</u>
<b>APPROPRIATION ACCOUNT</b>				
<b>REVENUE</b>				
Recurring Revenue				
1	February 2015 Forecast Adj for Legislation	\$ 6,114.7	\$ 6,241.2	\$ 6,527.6
2	<u>August 2015 Consensus Forecast</u>	<u>\$ 112.0</u>	<u>\$ 6.6</u>	<u>\$ 0.4</u>
3	Total Recurring Revenue	\$ 6,226.7	\$ 6,247.8	\$ 6,528.0
Nonrecurring Revenue				
4	February 2015 Forecast Adj for Legislation	\$ (0.5)	\$ 5.5	\$ -
5	<u>August 2015 Consensus Forecast</u>	<u>\$ 25.1</u>	<u>\$ -</u>	<u>\$ -</u>
6	Total Non-Recurring Revenue	\$ 24.6	\$ 5.5	\$ -
<b>TOTAL REVENUE</b>		<b><u>\$ 6,251.3</u></b>	<b><u>\$ 6,253.3</u></b>	<b><u>\$ 6,528.0</u></b>
<b>APPROPRIATIONS</b>				
Recurring Appropriations				
7	2013 & 2014 General Appropriation	\$ 6,150.6	\$ 6,219.1	"New Money" \$293MM
8	<u>Feedbill - 2015 Regular Session*</u>	<u>\$ 10.1</u>	<u>\$ 15.5</u>	
9	Total Recurring Appropriations	\$ 6,160.7	\$ 6,234.6	
Nonrecurring Appropriations				
10	2013-2015 Regular Sessions**	\$ 110.7	\$ 1.0	
11	<u>2015 Special Session</u>	<u>\$ 4.3</u>	<u>\$ 30.0</u>	
12	Total Nonrecurring Appropriations	\$ 115.0	\$ 31.0	\$ -
<b>TOTAL APPROPRIATIONS</b>		<b><u>\$ 6,275.7</u></b>	<b><u>\$ 6,265.6</u></b>	<b><u>\$ -</u></b>
13	Transfer to (from) Reserves	\$ (24.3)	\$ (12.3)	\$ -
<b>GENERAL FUND RESERVES</b>				
14	Beginning Balances***	\$ 637.9	\$ 633.8	
15	Transfers from (to) Appropriations Account	(24.3)	(12.3)	
16	Revenue and Reversions	72.3	71.8	
17	<u>Appropriations, expenditures and transfers out</u>	<u>(52.1)</u>	<u>(79.0)</u>	
18	<b>Ending Balances</b>	<b><u>\$ 633.8</u></b>	<b><u>\$ 614.2</u></b>	
19	<i>Reserves as a Percent of Recurring Appropriations</i>	<i>10.3%</i>	<i>9.9%</i>	

\*Legislative session expenses treated as recurring appropriation.

\*\*FY15 includes \$16.6 million from Laws 2014, Section 5.

\*\*\*Beginning balances are reduced by \$101.7 million for cash reconciliation noted in FY12 and FY13 general fund audits; \$20 million for Special Education Funding Maintenance of Effort noted in FY13 audit; \$36 million in restricted fund balances for Special Education Maintenance of Effort noted in the FY14 audit; and a \$73.7 million adjustment for HSD as noted in the FY14 audit.

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

	<b>Prelim FY2015</b>	<b>Estimated FY2016</b>	<b>Estimated FY2017</b>
<b>OPERATING RESERVE</b>			
20	\$ 274.5	\$ 233.6	\$ 199.3
21	(1.5)	(2.0)	
22	<i>Transfer to ACF*</i>	<i>(20.0)</i>	
23	<u>Transfers from (to) appropriation account</u>	<u>(12.3)</u>	<u>-</u>
24	\$ 233.6	\$ 199.3	\$ 199.3
<b>APPROPRIATION CONTINGENCY FUND</b>			
25	\$ 18.4	\$ 27.9	\$ 25.9
26	(12.6)	(22.0)	(22.0)
27	<i>Transfer from Oper Reserve to ACF (2013 &amp; 2014 GAA)*</i>	<i>15.0</i>	<i>20.0</i>
28	<i>Preservation of US Military Bases (2014 GAA, Sec. 5)**</i>	<i>(0.5)</i>	
29	<u>Revenue and reversions</u>	<u>7.7</u>	<u>-</u>
30	\$ 27.9	\$ 25.9	\$ 3.9
<b>Education Lock Box</b>			
31	\$ 3.0	\$ (0.1)	\$ -
32	(3.1)	-	-
33	<u>Transfers in (out)</u>	<u>-</u>	<u>-</u>
34	\$ (0.1)	\$ (0.1)	\$ -
<b>STATE SUPPORT FUND</b>			
35	\$ 1.0	\$ 1.0	\$ 1.0
36	-	-	-
37	<u>Appropriations</u>	<u>-</u>	<u>-</u>
38	\$ 1.0	\$ 1.0	\$ 1.0
<b>TOBACCO PERMANENT FUND</b>			
39	\$ 193.5	\$ 223.8	\$ 240.6
40	35.0	35.0	35.0
41	(19.3)	(17.5)	(17.5)
42	14.5	16.8	18.0
43	<u>Additional transfers to Program Fund</u>	<u>(17.5)</u>	<u>-</u>
44	\$ 223.8	\$ 240.6	\$ 276.1
<b>TAX STABILIZATION RESERVE</b>			
45	\$ 147.5	\$ 147.5	\$ 147.5
46	-	-	-
47	<u>Transfers out</u>	<u>-</u>	<u>-</u>
47	\$ 147.5	\$ 147.5	\$ 147.5
48	<b>\$ 633.8</b>	<b>\$ 614.2</b>	<b>\$ 627.8</b>
49	<i>Percent of Recurring Appropriations</i>	<i>10.3%</i>	<i>9.9%</i>

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

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