NOVEMBER 1, 2016

STATE BUDGET OUTLOOK
MULTI-YEAR TREND ANALYSIS

SHELLY PAULK - DEPUTY BUDGET DIRECTOR FOR REVENUE
General Revenue Fund Trends

REVENUE VS. EXPENDITURES (IN MILLIONS)

EXPENDITURE PROJECTIONS USE 13-YR NORMALIZED GROWTH RATE FROM ACTUAL (1.75%)

REVENUE PROJECTIONS USE 13-YR NORMALIZED GROWTH RATE FROM ACTUAL (0.97%)

REVENUE PROJECTIONS USE 13-YR GROWTH RATE FROM ACTUAL, ADJUSTED FOR PRO TAX INITIATIVE (0.77%)

EXPENDITURES USE NORMALIZED 13-YR GROWTH RATE FROM ACTUAL (1.75%) PLUS OHLAP, ROADS, OK FILM (2.0%)
General Revenue Fund Sources
TREND-BASED PROJECTIONS (IN MILLIONS)

FY-2016 ACTUALS
FY-2017 JUNE BOE EST.
FY-2018 13-YEAR NORMALIZED TREND-BASED PROJECTIONS
FY-2019
FY-2020

Sources shown are totals - not reduced for OHLP or roads funding, adjusted for pro tax initiative.

TREND-BASED GROWTH
- Personal Inc Tax: Ave 0.63% Growth
- Corp. Inc Tax: Ave 0.05% Growth
- GP Gas: Ave 0.34% Growth
- Sales Tax: Ave 1.68% Growth
- Motor Vehicle Tax: Ave 1.40% Growth
General Revenue Growth - 5 Major Sources

IN MILLIONS, WITH % OF CHANGE FROM PRIOR YEAR

TOTAL GROWTH: PERSONAL INCOME TAX, CORPORATE INCOME TAX, GROSS PRODUCTION GAS, SALES TAX, MOTOR VEHICLE TAX

<table>
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<th>Fiscal Year</th>
<th>Actuals</th>
<th>June Boe Est</th>
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<td>FY-15</td>
<td>$5,290</td>
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<td>FY-22</td>
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Based on OMES 13-YR normalized, trend-based projections plus OHLAP and roads funding, less pro.
PROJECTIONS OF GRF DECLINE AS A PERCENTAGE OF TOTAL COLLECTIONS

PROJECTIONS USE AVERAGE NORMALIZED RATES OF CHANGE CALCULATED FOR TOTAL AND GRF COLLECTIONS FROM PRIOR 10 YEARS

GRF PERCENTAGE OF TOTAL OTC COLLECTIONS