

# WYOMING TAXPAYERS ASSOCIATION



Dear Board Members:

Please find attached the Consensus Revenue Estimating Group’s (CREG) October 2015 *Wyoming State Forecast Fiscal Year 2016-Fiscal Year 2020*. As discussed during the Policy Forum last Thursday, the current and future revenue environment leaves a lot to be desired. While Fiscal Year 2015 finished ahead of projections, it was primarily because of the \$349.3M in realized capital gains (which the CREG does not forecast). Obviously, this is a source we cannot hang our hats on! Note also that the declines do not consider reductions in the ad valorem revenue or lower sales and use taxes generated by the extractive industries as a result of lower mineral prices. Similarly, these projected revenue reductions do not incorporate reductions in coal lease bonus revenue, which most directly impact the school Capital Construction Account.

Notable highlights include:

**Changes in estimated revenue for the General Fund and Budget Reserve Accounts, as compared to the January 2015 forecast report:**

Account	FY 2016	FY 2017	FY 2018	Total
GF	-\$84.4M	-\$98.6M	-\$111.5M	-\$294.5M
BRA	-\$102.1M	-\$109M	-\$111.9M	-\$323.0M
GF & BRA	-\$186.5M	-\$207.6M	-\$223.4M	-\$617.5M

Over the next three fiscal years, projected revenues decline!

**Fiscal Profile for 2015-2016 – October 2015 CREG Revenue Forecast**

Funds Available (Cash, Revenue, & Net Transfers)	FY 2015-16 Biennium 2015 Session Status	FY 2015-16 Biennium October CREG Status
Total Traditional Funds Available	\$3,657,209,642	\$3,839,888,527
Total Funds Appropriated/Transferred	-\$3,543,607,602	-\$3,889,686,646
General Fund/BRA Balance	\$113,602,040	-\$49,798,119
Less: Statutory Reserve (5% of GF revenues)	-\$109,860,000	-\$109,860,000
Total Traditional Funds Available for Appropriation	\$3,742,040	-\$159,658,119

Source: Legislative Service Office, 10/26/2015

The projected GF/BRA combined revenues, after appropriations, yields a shortfall of nearly \$160M after fully funding the \$109.86M statutory reserve amount for FY 2017-18.