State Revenue Ahead of Anticipated Forecast

The October 2019 CREG report increases projected General Fund and Budget Reserve Account revenues by $185.4 M from the January forecast level for the current biennium fueled by hearty increases in oil production, retail sales and a one-time bump in property taxes.

The Consensus Revenue Estimating Group (CREG) released its October revenue forecast on Tuesday, October 29th. The report indicates state revenue is ahead of the previously anticipated forecast. The General Fund (GF) end of biennium surplus is estimated to be $61.6M and the School Foundation Program Account (SFPA) is estimated to be $55.3M. The increased revenue contributors are primarily through sales and use tax with significant increases from Converse, Campbell, Laramie and Natrona counties due to:

- Minerals activity, specifically pipeline construction
- Increased retail sales
- Online Sales & Use tax, due to recent legislation of collecting online retail marketers.

The CREG notes we can still expect a shortfall in K12 funding, close to $300M and large concerns remain around the School Capital Construction Account (SCCA) account.

Additionally, due to insufficient funds, a recommendation was made to approve fewer exception requests.

Oil remains a key revenue source, however very volatile due to geopolitical influences and production levels in the U.S. and abroad. The bright spot for Wyoming Oil & Gas is double-digit growth in some areas due to horizontal drilling

Revenue challenges will continue due to declining coal command, lower production, and price competition with other resources.

The CREG projections over the next two bienniums FY 2021-2022 and FY 2023-2024 reduced projections on coal revenues and natural gas based on current production, inventory, and market prices. CREG remains a conservative estimate based on current market and conditions. To view the full report, click here. The Fiscal Profile can be viewed here.