

CONSENSUS REVENUE ESTIMATING GROUP  
WYOMING STATE GOVERNMENT

CHEYENNE, WYOMING 82002  
(307) 777-7504 [ EAD ] or 777-7881 [ LSO ]

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Contact: Jim Robinson @ (307) 777-7221



Buck McVeigh, Co-Chair [ EAD ]  
Steve Sommers, Co-Chair [ LSO ]

October 2010 CREG Revenue Forecast

**CHEYENNE** — The Consensus Revenue Estimating Group (CREG) met on October 13, 2010. This meeting was preceded by the mineral valuation group meeting on October 6, 2010. The following tables are summaries of the effects on the General Fund and Budget Reserve Account for the remainder of the FY 2011-12 biennium.

**FY 2011-12 Biennium General Fund Revenue Forecast Comparison**

Revenue Source	January 2010 Forecast FY 2011-12 Biennium	October 2010 Forecast FY 2011-12 Biennium	Difference
Sales and Use Tax	\$ 865.5 M	\$ 876.6 M	+ \$ 11.1 M
Severance Tax	\$ 387.1 M	\$ 420.3 M	+ \$ 33.2 M
Investment Income	\$ 372.7 M	\$ 391.2 M	+ \$ 18.5 M
All Other	\$ 235.2 M	\$ 264.2 M	+ \$ 29.0 M
Total General Fund	\$1,860.5 M	\$1,952.3 M	+ \$ 91.8 M

**General Fund** revenue estimates for the FY 2011-12 biennium were increased by \$91.8 million from the January 2010 forecast, with the increases occurring in all General Fund revenue categories. The General Fund share of total sales and use tax revenue for FY 2011 is forecasted at \$430.4 million, an increase of \$100,000, or 0.02 percent, from the level forecasted in January 2010. The forecast for FY 2011 represents a \$17.6 million, or 4.3 percent, increase from total receipts in FY 2010. This reflects an improving employment picture, particularly for oil and gas related jobs, and corresponding personal income levels. Inflation is expected to remain extremely modest throughout the year. The total General Fund share of severance tax revenue for FY 2011 is forecasted to reach \$208.5 million, up \$24.3 million, or 13.2 percent, from the level forecasted in January 2010. The principal factors in the variance from the January forecast were higher than anticipated prices for natural gas, oil, coal, and trona. Production levels for crude oil and trona were raised from the January forecast levels, while natural gas production was left unchanged.

**FY 2011-12 Biennium Budget Reserve Account (BRA) Revenue Forecast Comparison**

Revenue Source	January 2010 Forecast FY 2011-12 Biennium	October 2010 Forecast FY 2011-12 Biennium	Difference
Severance Tax	\$ 388.1 M	\$ 454.6 M	+ \$ 66.5 M
Fed. Min. Royalty	\$ 648.2 M	\$ 745.3 M	+ \$ 97.1 M
Total BRA	\$1,036.3 M	\$1,199.9 M	+ \$ 163.6 M

Revenues projected for the **Budget Reserve Account (BRA)** were also increased for the FY 2011-12 biennium. Resulting biennial revenues to the BRA are estimated to be \$163.6 million more than the January 2010 forecast levels.

**FY 2011-12 General Fund / Budget Reserve Account Bottom Line**

Projected LSRA Balance on June 30, 2010 – Jan. 2010 CREG	\$ 700.5 M
Increase in 2009-10 funds available – Oct. 2010 CREG	<u>+\$ 320.6 M</u>
Projected LSRA Balance on June 30, 2010 – Oct. 2010 CREG	\$1,021.1M
Projected transfer to LSRA on June 30, 2012 – Jan. 2010 CREG	\$ 11.9 M
Increase in 2011-12 funds available – Oct. 2010 CREG	<u>+\$ 256.0 M</u>
Projected transfer to LSRA on June 30, 2012 – Oct. 2009 CREG	<u>+\$ 267.9 M</u>
<b>Projected LSRA Balance on June 30, 2012 – Oct. 2010 CREG</b>	<b><u>\$ 1,289.0 M</u></b>

Due to higher than expected revenues to the General Fund and BRA in FY 2010, the amount available for transfer to the **Legislative Stabilization Reserve Account (LSRA)** at the end of the 2009-10 biennium is roughly \$320.6 million higher than forecast at the end of the 2010 legislative session. The increases in projected revenues to the General Fund and BRA in the 2011-12 biennium reflected in the tables above have also increased the amount available for transfer to the LSRA at the end of the 2011-12 biennium by nearly \$256.0 million.