

**CONSENSUS REVENUE ESTIMATING GROUP
WYOMING STATE GOVERNMENT**

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For Immediate Release
Friday, January 13, 2012
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January 2012 CREG Revenue Forecast

CHEYENNE — The Consensus Revenue Estimating Group (CREG) met on January 5, 2012. 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 and the FY 2013-14 biennium. The January 5th update revises the October 24, 2011 revenue forecast in two primary areas, natural gas pricing and coal lease bonuses received.

FY 2011-12 Biennium General Fund/Budget Reserve Account Revenue Forecast Comparison

Revenue Source	October 2011 Forecast FY 2011-12 Biennium	January 2012 Forecast FY 2011-12 Biennium	Difference
Sales and Use Tax	\$ 961.1 M	\$ 961.1 M	+ \$ 0.0 M
Severance Tax	\$ 970.0 M	\$ 949.8 M	- \$ 20.2 M
FMRs	\$ 880.6 M	\$ 848.6 M	- \$ 32.0 M
Investment Income	\$ 495.5 M	\$ 495.5 M	+ \$ 0.0 M
All Other	\$ 300.9 M	\$ 302.0 M	+ \$ 1.1 M
Total GF/BRA	\$3,608.1 M	\$3,557.0M	- \$ 51.1 M

General Fund/Budget Reserve: The changes to forecasted natural gas prices resulted in reductions of mineral severance taxes to the General Fund (GF) and to the Budget Reserve Account (BRA). For the 2011-12 biennium, GF severance taxes were reduced by \$6.8 million and BRA severance taxes were reduced by \$13.4 million. Forecasted severance taxes in the FY 2013-14 biennium to the GF were reduced by \$18.1 million, and the FY 2013-14 biennium BRA forecast was reduced by \$36.1 million. Federal mineral royalties (FMR) flowing to the BRA also decreased as a result of the gas price changes, reducing those projections by \$21.9 million in the FY 2011-12 biennium and \$58.9 million in the FY 2013-14 biennium.

FY 2012 FMR revenues were also reduced to reflect a refund which will be withheld from upcoming royalty payments from the Office of Natural Resource Revenue (ONRR). This refund results from the overpayment of gas royalties discovered in a compliance review performed by ONRR. This refund further reduces BRA FMRs in FY 2011-12 by \$10.1 million, bringing the total reduction in BRA FMR revenues in the FY 2011-12 biennium to \$32.0 million. Aside from impacts due to the reductions to the natural gas price forecast, only the "Revenue From Others" component of the GF forecast was revised. Oil and gas leasing activities on state lands added \$1.1 million to the GF in FY 2012, in this category. The bottom line reduction to the forecast for the combined GF and BRA is \$51.1 million in the FY 2011-12 biennium, and \$113.1 million in FY 2013-14.

FY 2013-14 Biennium General Fund/Budget Reserve Account Revenue Forecast Comparison

Revenue Source	October 2011 Forecast FY 2013-14 Biennium	January 2012 Forecast FY 2013-14 Biennium	Difference
Sales and Use Tax	\$ 981.6 M	\$ 981.6 M	+ \$ 0.0 M
Severance Tax	\$ 950.3 M	\$ 896.1 M	- \$ 54.2 M
FMRs	\$ 813.0 M	\$ 754.1 M	- \$ 58.9 M
Investment Income	\$ 392.9 M	\$ 392.9 M	+ \$ 0.0 M
All Other	\$ 267.0 M	\$ 267.0 M	+ \$ 0.0 M
Total GF/BRA	\$3,404.8 M	\$3,291.7 M	- \$ 113.1 M

Coal Lease Bonuses: As anticipated in the October 2011 forecast, three coal lease bonuses from lease sales occurring in 2011 were received by the Treasurer's Office. The amount of those bonuses received after the issuance of the October forecast total \$39.5 million. Each of those bonus payments represents the first of five annual installments.