Wyoming State Government
Revenue Forecast
Fiscal Year 2017 – Fiscal Year 2022

Mineral Price and Production Estimates
General Fund Revenues
Severance Taxes
Federal Mineral Royalties
Common School Land Income Account
Total State Assessed Valuation

Consensus Revenue Estimating Group
CREG

October 2016

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Subject: Wyoming Revenue Forecast

The Consensus Revenue Estimating Group (CREG) met on October 13, 2016. This meeting was preceded by the minerals valuation group meeting on September 29, 2016. The attached report resulting from those meetings provides the revenue forecasts for fiscal years (FY) 2017 through 2022 and summarizes the assumptions and broad justifications supporting the forecasts. Final, actual revenue information for FY 2016 is incorporated in the tables presented in this report and in the accompanying fiscal profile prepared by the Budget/Fiscal section of the Legislative Service Office (LSO).

This cover memo summarizes the impact of the revenue forecast changes on major profiled funds for the remainder of the FY 2017-2018 biennium, as well as a concise review of the actual revenues received for the FY 2015-2016 biennium. Explanations of the forecast revenue streams can be found in the attached CREG report and associated tables.

[Authors' Note: Narrative and elements in the tables that are in italics are not statements by CREG, but rather reflect fiscal profile accounting prepared by the LSO Budget/Fiscal staff. It is incorporated in the cover memo for transparency and summary purposes only.]

1. TRADITIONAL STATE ACCOUNTS

Actual FY 2016 General Fund and Budget Reserve Account Revenues

The actual FY 2016 General Fund (GF) revenues received fell short of the January 2016 CREG forecast by $60.0 million and the actual Budget Reserve Account (BRA) revenues received fell short of the forecast by $88.2 million, for a combined total of $148.2 million. Three major revenue streams contributed to the difference between actual and forecast revenues in a meaningful way: severance taxes, federal mineral royalties (FMRs) and sales and use taxes.

Among the major revenue categories for the GF, only pooled income and investment income generated by the Permanent Wyoming Mineral Trust Fund (PWMTF) exceeded projections by $3.8 million (4.5%) and $6.2 million (4.3%), respectively. Among the revenue categories directed to the GF or the BRA that fell short of January 2016 projections, several missed the CREG forecast by sizeable margins, as follows: sales and use taxes ($34.8 million, 7.5%), severance taxes ($67.7 million, 18.6%), and federal mineral royalties ($52.5 million, 21.8%).

Additionally, no net realized capital gains were generated from State investments in the PWMTF or the GF's share of Pooled Income. In fact, as of the end of FY 2016, the PWMTF had a net realized capital loss of $9.4 million and the GF's share of the Pooled Income reflected a $4.4 million net realized capital loss.

FY 2017-2018 Biennium General Fund Revenue Forecast Comparisons

For purposes of consistent treatment, all comparisons to the January 2016 CREG report also include the impact of legislative changes, added to the January 2016 CREG values. Within the October 2016 CREG report, GF revenue estimates for the FY 2017-2018 biennium were decreased by $156.3 million from the January 2016 CREG report. Table A illustrates the difference in revenue forecast levels by major category.

Table A. FY 2017-2018 Biennium General Fund Revenue Forecast Comparison

Revenue Source	January 2016 Forecast FY 2017-2018 Biennium, including 2016 Legislation	October 2016 Forecast FY 2017-2018 Biennium	Difference
Sales and Use Taxes	$949.6 million	$833.0 million	($116.6 million)
Severance Taxes	$360.8 million	$317.3 million	($43.5 million)
Investment Income	$490.4 million	$510.6 million	$20.2 million
All Other	$417.0 million	$400.6 million	($16.4 million)
Total General Fund	**$2,217.8 million**	**$2,061.5 million**	**($156.3 million)**

*Totals may not add precisely due to rounding.

On a fiscal year basis, FY 2017 GF forecast revenues decreased from January 2016 forecast levels and legislative changes during the 2016 Budget Session by a total of $75.5 million, and FY 2018 GF projected revenues decreased from January 2016 levels by a total of $80.8 million.

FY 2017-2018 Biennium Budget Reserve Account Revenue Forecast Comparisons

Within the October 2016 forecast of FY 2017-2018 biennial revenue, the CREG report includes decreased projected revenue directed to the BRA of $87.2 million in severance taxes and decreased anticipated revenue of $111.8 million from FMRs. The changes to the BRA are summarized in Table B.

Table B. FY 2017-2018 Biennium Budget Reserve Account Revenue Forecast Comparison

Revenue Source	January 2016 Forecast FY 2017-2018 Biennium	October 2016 Forecast FY 2017-2018 Biennium	Difference
Severance Taxes	$308.8 million	$221.6 million	($87.2 million)
FMRs	$501.6 million	$389.8 million	($111.8 million)
Total BRA	**$810.4 million**	**$611.4 million**	**($199.0 million)**

Bottom Line: FY 2015-2016 Biennium GF/BRA

Through the end of the FY 2015-2016 biennium, revenues to the GF and BRA fell short of the March 21, 2016 fiscal profile by ($148.3) million, which was offset by the following: (i) reversions of prior appropriations and accounting reconciliation items of +$46.5 million, (ii) a net ($6.2 million) of investment income was appropriated by the Legislature pursuant to 2015 Wyoming Session Laws, Chapter 142, Section 346 to the Capital Building Rehabilitation and Restoration Account (an appropriation of $2.9 million was previously profiled); (iii) +$104.2 million of the statutory reserve amount was expended, and (iv) ($4.4) million in realized capital losses in the State Agency Pool attributable to the GF were recorded as a reduction to the GF cash balance. Pursuant to the State Treasurer's 2009 Interpretative Policy on the treatment of capital gains and losses, Section 7(c), "if there are annual capital losses in excess of capital gains from the investments of the Wyoming Funds, they will be accounted for as a debit against the book value of the Wyoming Fund for which an annual capital loss was computed." The $148.3 million revenue shortfall combined with these four items result in a negative available cash balance of $8.2 million for the beginning of the FY 2017-2018 biennium. No funds were transferred to the Legislative Stabilization Reserve Account (LSRA) for purposes of intermediate savings as in recent biennia.

2. PROFILED EDUCATION ACCOUNTS:

Actual FY 2016 School Foundation Program Account and School Capital Construction Account Revenues

Actual FMRs directed to the School Foundation Program Account (SFP) in FY 2016 were $182.8 million, $26.3 million (14.4%) less than the January 2016 CREG projection. On the positive side, actual investment earnings directed to the Common School Land Income Account (CSLIA) totaled $76.9 million, or $4.6 million (6.3%) in excess of the January 2016 CREG projection. The source of this increased investment revenue was higher than forecast interest and dividends generated from the Common School Permanent Land Fund (CSPLF). All proceeds were directed to the Common School Land Income Fund and subsequently the SFP. No funds were directed to the School Foundation Program Reserve Account, the Common School Permanent Land Fund Spending Policy Reserve Account (CSPLF RA), or deposited into the Common School Account within the Permanent Land Fund as the statutory thresholds of the spending policy amounts were not met in FY 2016.

Total coal lease bonus payments directed to the School Capital Construction Account (SCCA) exceeded expectations due to timing issues with the federal sequester. Final coal lease bonus payments directed to the SCCA totaled $210.5 million for FY 2016, exceeding the forecast of $209.1 million by $1.4 million (0.7%).

Pursuant to 2014 Wyoming Session Laws, Chapter 26, Section 300(k)(i) any unappropriated, unexpended unobligated funds within the school capital construction account shall be continuously deposited into the Permanent Land Fund Holding Account (PLF HA). As a result of the unforecasted coal lease bonus payments and reversions from prior appropriations, the State Treasurer's Office will transfer an additional $14.0 million from the SCCA to the PLF HA for the FY 2015-2016 biennium not previously profiled as of the end of the 2016 Budget Session. Additionally, pursuant to 2014 Wyoming Session Laws, Chapter 26, Section 300(k)(ii), an amount necessary to restore the balance of the SFP account to $100 million on June 30, 2016 shall be transferred from the PLF HA to the SFP. Due to the shortfall in forecast revenues, offset somewhat by the lower than expected expenditures in the SFP, the State Treasurer's Office will transfer $44.8 million from the PLF HA to the SFP for the FY 2015-2016 biennium ending balance. As a result of these transfers, Table C summarizes the accrued June 30, 2016 balances of the profiled education accounts:

Table C. Accrued June 30, 2016 Balances of Profiled Education Accounts

SFP (accrued) Balance as of June 30, 2016	*$100.0 million*
Amount of SFP Transfer to the SCCA	*$0*
SCCA (accrued) Balance as of June 30, 2016	*$0*
Amount of SCCA Transfer to the PLF HA	*$14.0 million*
Amount of PLF HA Transfer to SFP	*$44.8 million*
PLF HA (accrued) Balance as of June 30, 2016	*$567.8. million*

Source: LSO Budget/Fiscal staff. This table is not a CREG product but is included for efficiency and transparency.

FY 2017-2018 Biennium School Foundation Program Revenue Forecast Comparisons

The CREG decreased the FMR forecast for the FY 2017-2018 biennium directed to the SFP by $55.8 million and increased the projected income from investments, fees and leases directed to the CSLIA by $3.6 million in the October 2016 report. Table D summarizes the revisions by major revenue component, resulting from the October 2016 CREG projections.

Table D. FY 2017-2018 Biennium School Foundation Program Revenue Forecast Comparison

Revenue Source	January 2016 Forecast FY 2017-2018 Biennium	October 2016 Forecast FY 2017-2018 Biennium	Difference
FMRs	$428.2 million	$372.4 million	($55.8 million)
Inv, fees, leases (CSLI)	$187.1 million	$190.7 million	$3.6 million
12 mill	*$499.2 million*	*$476.7 million*	*($22.4 million)*
All Other	*$225.5 million*	*$196.6 million*	*($28.9 million)*
TOTAL SFP	***$1,340.0 million***	***$1,236.5 million***	***($103.5 Million)***

*Totals may not add precisely due to rounding.

FY 2017-2018 Biennium School Capital Construction Account Revenue Forecast Comparisons

Table E. FY 2017-2018 Biennium School Capital Construction Revenue Forecast Comparison

Revenue Source	January 2016 Forecast FY 2017-2018 Biennium	October 2016 Forecast FY 2017-2018 Biennium	Difference
Coal Lease Bonus & FMRs	$131.9 million[1]	$131.9 million[1]	$0
State Royalties & Other	*$16.1 million*	*$16.4 million*	*$0.3 million*
Total SCCA	***$148.0 million***	***$148.3 million***	***$0.3 million***

Note: (1) 2016 Wyoming Session Laws, Chapter 31, Section 331 diverted $3.4 million in sequestered coal lease bonus payments in FY 2018 that would have been directed to the SCCA absent the federal sequester of these funds. While these funds had already been incorporated into the LSO fiscal profile, the CREG made the formal adjustment in October 2016.

Report Contents

As an introduction to this forecast, it may be worth revisiting a selection of statements made in the December 16, 1986 CREG report. While not perfect equivalents, the historic parallels from 30 years ago may offer beneficial context:

- Summary - “This revised report presents the most dramatic revision of estimated state revenues in recent history. It highlights Wyoming’s dependence on one item – world energy prices.”
- Oil - “This [the comparatively low oil prices] will probably continue through 1987 <u>unless</u> OPEC succeeds in raising world prices. <u>If</u> OPEC should succeed in achieving their $18-$20 target this will increase General Fund revenue $4 - $8 million for this (1987-88) biennium.”
- Gas - “Most experts had predicted the natural gas “glut” would be met by now and that production and value per mcf would be showing an increase.”
- Pooled Interest - “This revenue source is directly related to the level of the General Fund and Budget Reserve Account cash balances. The General Fund’s share of pooled interest increases or decreases in proportion to the total cash balance.”
- Sales tax – “Latest sales tax collections indicate revenue from this source is dropping faster than projected. The outlook for Fiscal Year 1988 is no better due to current economic conditions and will probably be compounded by reduced government spending at both the state and local levels.”

Arguably, the closest alignment in terms of timing of some of the identified statements in the December 1986 report may be in the rearview mirror; others are appropriate this fall. Comparisons to some of the content in this report illustrate the continued reliance of Wyoming’s tax base on mineral extraction and how energy markets influence Wyoming sales and use tax collections as well as funds available for investment.

Legislative appropriations are fundamentally supported by mineral severance tax collections, federal mineral royalties (FMRs), sales and use tax collections, investment earnings, and in the case of K-12 education funding, ad valorem tax payments. Despite the substantial decline in oil prices, coal production, and weak natural gas prices over the past year, the mineral price and production forecast remains the cornerstone of the October 2016 CREG report and continues to drive the majority of the state’s revenue streams.

Mineral severance taxes and FMRs, not including Coal Lease Bonus payments, totaled $1.02 billion for Fiscal Year (FY) 2016. This is the lowest combined total from the primary state mineral revenue streams since FY 2003. CREG currently projects total severance taxes and FMRs to average $1.03 billion over the next six fiscal years. For context, the combined FMR and severance tax forecast for FY 2017-2018 reflects a 38.0 percent decline from FY 2013-2014 and an 17.5 percent decline from FY 2015-2016 collections. Importantly, all of the forecast revenue declines will be borne by the General Fund (GF), Budget Reserve Account (BRA), and Permanent Wyoming Mineral Trust Fund (PWMTF) for severance taxes and the School Foundation Program account (SFP) and BRA for FMRs. Furthermore, these declines do not consider reductions in ad valorem tax revenue or lower sales and use taxes paid by the extractive industries as a result of lower mineral prices.

Largely due to the unprecedented decline in Wyoming coal production in the spring of 2016 combined with low oil and natural gas prices throughout the past fiscal year, severance tax collections in FY 2016 totaled $533.6 million – the lowest level since FY 2003. The year-over-year reductions in sales and use taxes between FY 2015 and FY 2016 illustrate the magnitude of the reliance of Wyoming's economic activity to the energy extractive industries. Sales and use tax collections, Wyoming's largest single revenue source to the GF, totaled $432.0 million, or $112.0 million (20.6%) lower than FY 2015 receipts. FY 2016 also served as the first year since FY 2009 in which no net capital gains were realized by the State Treasurer's Office. As a result, investment income comprised 23.8 percent of total GF receipts, compared to 40.3 percent in FY 2015. In combination, the drop in state revenues from FY 2015 to FY 2016 is the largest single year decline since CREG was established.

Section 1 – Mineral Price and Production Estimates

The CREG projection of severance tax collections over the forecast period, which encompasses FY 2017 through FY 2022, calls for continued declines as compared to the January 2016 forecast. Severance tax collections are not projected to return to FY 2015 levels throughout the forecast period. The reductions to previously forecast revenue streams are led by declines in coal production, comparative weakness in oil prices and pricing pressure in natural gas.

The assumptions set forth in this first section carry through the remainder of this report. For specific forecast assumptions, please refer to the individual subsection for each mineral contained within this section of the report. Table 3, found within the appendix, summarizes the price and production forecast levels of the individual major minerals: oil, natural gas, surface coal, and trona.

Oil:

Wyoming oil production in calendar year (CY) 2014 and the first part of CY 2015 experienced substantial gains. As anticipated in the October 2015 CREG report, oil production in CY 2016 has exhibited declines – a stark contrast to the prior years of robust growth. These declines are anticipated to be appreciable in the coming months due to the low number of operating rigs in the State over the past year. Wyoming oil rig counts have declined from 36 rigs in September 2014 to 11 rigs in September 2015 to just 5 rigs in September 2016. Similarly, the annual average price received for Wyoming oil has fallen from $81/bbl in CY 2014 to $41/bbl in CY 2015 to $33/bbl for the first six months of CY 2016.

Naturally-occurring depletion in legacy oil production is already evident when assessing month-over-month Wyoming oil production data, especially in the absence of a more robust price recovery and associated increase in oil rigs. Furthermore, the majority of the new oil production wells in Wyoming over the past couple years were “unconventional” or horizontal wells, which, as a general rule, have very steep decline rates of production over the course of the first year. Wyoming monthly oil production experienced a near-term peak in March 2015 of nearly 250,000 barrels of oil per day. Oil production for the first six months of CY 2016 averaged approximately 207,000 bbls/day – a decline of roughly 17 percent from the 2015 near-term peak.

A sustained improvement in the oil price environment will be required to entice more vigorous drilling programs in Wyoming and, correspondingly, offset the naturally-occurring decline in production of existing wells. Even with an increase in prices and a corresponding increase in rigs there will be a delay before new production is realized. Based upon a review of public and private oil price estimates, futures markets, as well as an independent assessment of the market, CREG forecasts oil prices to remain at levels more consistent with the last two years than the prior several years. Additionally, Wyoming oil price levels are anticipated to remain at least $4 to $8 lower than West Texas Intermediate (WTI) crude prices, though the differential is diminishing given the quality of oil produced from new wells. (This is also referred to as the Wyoming oil price differential.)

Wyoming oil prices averaged approximately $32.85/bbl from January through June, 2016. Given known oil price weakness in July followed by stronger recent prices, CREG forecasts the average Wyoming oil price for CY 2016 at $36/bbl, or $6/bbl lower than the January 2016 estimate. For CY 2017 and CY 2018 CREG forecasts an average price of $45/bbl. In future years, CREG projects oil prices will rebound somewhat to $50/bbl or an average WTI price between $55/bbl and $60/bbl.

Benefitting from the robust drilling programs of CY 2014, Wyoming oil production peaked at roughly 86.5 million barrels in CY 2015, or 14 percent higher than CY 2014 levels. CREG forecasts oil production will decline in CY 2016 by 14.5 million barrels, or 16.8 percent, another 5 million barrels, or approximately 7 percent, in CY 2017 and another 5 million barrels, or roughly 7 percent, in CY 2018. CREG forecasts this decline in part due to the absence of sustained higher prices sufficient to encourage additional drilling at the pace necessary to offset natural legacy production declines.

Technological advances, opportunities to access newly discovered resources, and strong initial rates of production all contributed to the recent growth in Wyoming oil production. Wyoming was not the only location to benefit from these advances, and the exceptional increases in national oil production, without offsets elsewhere, have resulted in a negative effect on oil prices. Unless and until oil demand and supply rebalance leading to a higher price level, CREG does not anticipate oil production in Wyoming to increase beyond the natural declines. National and international developments, including adherence to output constraints, could serve to change this price-dependent outlook, as Wyoming is not resource constrained in oil, natural gas, coal, trona or uranium.

Comparison of Oil Production and Price Forecasts: bbls. and $/bbl.

Calendar Year	January 2016 Forecast	October 2016 Forecast
2016	75.0 M bbls. / $42.00	72.0 M bbls. / $36.00
2017	67.0 M bbls. / $50.00	67.0 M bbls. / $45.00
2018	65.0 M bbls. / $55.00	62.0 M bbls. / $45.00
2019	65.0 M bbls. / $55.00	62.0 M bbls. / $50.00
2020	65.0 M bbls. / $55.00	62.0 M bbls. / $50.00
2021	NA	62.0 M bbls. / $50.00
2022	NA	62.0 M bbls. / $50.00

Natural Gas and Coal Bed Methane:

Wyoming natural gas production, according to the Oil and Gas Conservation Commission, declined 5.5 percent in CY 2012, 8.8 percent in CY 2013, 2.4 percent in CY 2014, 0.1 percent in CY 2015 and is down 5.5 percent (annualized) in the first six months of CY 2016. Given these production trends and continued low rig count for Wyoming natural gas, CREG maintains the expectation of declining production through CY 2022. Specifically, the forecast assumes year-over-year reductions of 6.8 percent in CY 2016 and 2 percent annual reductions for the balance of the forecast period. Consistent with the trends of recent years, declining production in many of Wyoming's primary natural gas basins and a significant reduction in coal bed methane production are not being offset by new production in a sustained fashion. Given the available volumes of recoverable natural gas in other states, it is not anticipated that significant new production will come on-line in Wyoming without an appreciable and sustained increase in price, not presently forecast by CREG. Given the near-term reduction in oil drilling in the State, associated gas volumes have also declined. In the event that oil prices rebound and stabilize at a higher level, an increase in the associated gas volumes would be expected to increase as experienced in CY 2015. While CREG anticipates the overall declining production trend to continue, the steepness of the production decline curve is anticipated to be more gradual than experienced so far in CY 2016.

The FY 2016 average price received for Wyoming's full natural gas stream (including liquids) was $2.37/mcf. Wyoming natural gas prices from January 2016 through June 2016 averaged just $2.09/mcf. Breaking with historical norms, Wyoming natural gas prices did not elevate substantially during the winter months in FY 2016 and arguably in FY 2015. The low levels of Wyoming average natural gas prices experienced in FY 2016 have not been seen since FY 2002. Electricity demands for summer cooling, substituting natural gas for coal for electrical generation and comparatively low numbers of natural gas drilling rigs have muted storage growth over the summer injection season. Current natural gas storage levels have nearly returned to those experienced last year and remain somewhat higher than the five-year average. In the second half of CY 2016, natural gas prices have rebounded significantly and existing futures prices are hinting at a better environment for producers. Presuming a typical winter heating season, the price forecast remains unchanged for CY 2017, after reducing the CY 2016 forecast by $0.35/mcf. The forecast calls for modest increases in the out-years beyond $3.00/mcf. Given the available supply of low-cost natural gas nationally, the increase is more subdued when compared to the outlook in January 2016.

Comparison of Natural Gas Production and Price Forecasts:

Calendar Year	January 2016 Forecast	October 2016 Forecast
2016	1.929 Tcf / $2.85	1.850 Tcf / $2.50
2017	1.891 Tcf / $3.00	1.813 Tcf / $3.00
2018	1.853 Tcf / $3.30	1.777 Tcf / $3.10
2019	1.816 Tcf / $3.35	1.741 Tcf / $3.10
2020	1.779 Tcf / $3.40	1.706 Tcf / $3.10
2021	NA	1.672 Tcf / $3.20
2022	NA	1.639 Tcf / $3.25

Coal:

The abrupt and severe decline in Wyoming's surface coal production in CY 2016 has been unprecedented. Surface coal production in Wyoming declined by 58 million tons, or 31.8 percent, year-over-year for the first six months of CY 2016. This reduction comes on the heels of a general but uneven decline in surface coal production from the record levels established in CY 2008 of more than 462 million tons to just under 373 million tons of coal produced in CY 2015. This represented a decline of 89 million tons, or 19 percent over seven years. While the 89 million ton reduction occurred over seven years, the recent production declines of 58 million tons occurred over six months. Over the past twelve months, three of Wyoming's four largest coal producers filed for bankruptcy protection, illustrating the difficult financial environment for coal producers.

The ample supply of low-cost natural gas is serving to both reduce tax collections on Wyoming's natural gas production and compete for market share against coal. Headwinds continue to face Wyoming coal, including increased competition and fuel switching for new and existing power plants as well as federal environmental regulations including the Environmental Protection Agency's release of the Clean Power Plan (CPP). Given the cost-competitive nature of Wyoming's low-sulfur coal, initial coal production declines were borne disproportionately by Wyoming's competitors. However, dozens of electric utilities consuming Wyoming coal have either closed or announced plans to close coal fired electric generation units within the forecast period. In the absence of new energy demand, facilities or exports, total coal demand will be suppressed.

CREG continues its practice of not incorporating any positive or negative developments until such time as they become fairly settled. To wit, CREG acknowledges the potential of new market growth from increased exports of Wyoming coal, especially to Asia; however, in the absence of action on this prospect, the potential production impacts have not been incorporated. Likewise, compliance under the CPP rule will not be mandated until at least 2022. As a result of the delay and lack of knowledge as to future approaches implemented by individual states and the resulting impact on Wyoming coal, CREG anticipates most of the effects of the rule will occur toward the end of the current forecast period. Legal action is pending on this rule, though CREG anticipates that some states and utilities have begun to make preparations, including investment decisions that have and will negatively impact Wyoming's traditional coal markets.

In the near term, the price of natural gas and availability of renewable electric generation options will substantially influence the level of coal-to-natural gas switching for purposes of electricity generation. In developing the coal production estimate, CREG reviewed known power plant closures currently consuming Wyoming coal and incorporated these expected closures into the coal production estimates beyond CY 2016. CREG reduced the coal production forecast throughout the forecast period from the January 2016 CREG report. Certainly, natural gas prices, weather, and stockpile levels will influence the annual demand going forward, including dips and spikes in coal production. Nonetheless, CREG's new production forecast includes approximately 22 percent lower productions levels (60 to 80 million tons per year), depending on the year of comparison.

In terms of pricing, the spot market price of Powder River Basin coal has declined from more than $12.20/ton average for CY 2014 to $8.25/ton currently. Acknowledging that the vast majority of Wyoming coal is bought and sold through longer term contracts, spot market data does provide an indicator to assess potential pricing trends within the overall market. Additionally, higher BTU coal in the southwestern part of the State serves to increase the average price received for all Wyoming coal. The average price received for Wyoming surface coal in FY 2016 was $13.50/ton, yielding no variation from the January 2016 CREG estimate. Given the increasing competition from natural gas and lagging coal demand from traditional consumers, the forecast calls for an eventual drop in the average price from $13.50/ton to $13.25/ton beginning in CY 2017. While the average price decline could continue or rebound, insufficient information is available to press for a measureable price change in either direction after the initial decline. Although the production forecast does not call for a rebound to recent levels, it also does not suggest another stair-step decline such as that experienced in the first half of CY 2016. The specific price and production forecast for Wyoming surface coal is illustrated below.

Comparison of Surface Coal Production and Price Forecasts: tons and $/ton

Calendar Year	January 2016 Forecast	October 2016 Forecast
2016	365 M tons / $13.50	300 M tons / $13.50
2017	360 M tons / $13.50	300 M tons / $13.25
2018	360 M tons / $13.50	285 M tons / $13.25
2019	360 M tons / $13.50	280 M tons / $13.25
2020	360 M tons / $13.50	280 M tons / $13.25
2021	NA	275 M tons / $13.25
2022	NA	275 M tons / $13.25

Trona:

Trona production is historically responsive to the overall national and world economies. With the largest natural trona deposit in the world, Wyoming's production is driven by demand, not resource availability. The prices received by Wyoming producers are driven by demand, as one would expect, but are also impacted by volumes and prices required to produce synthetic trona. The October 2016 CREG report revises the production volume downward for the current year (CY 2016) by 500,000 tons based upon recent trends but does not revise the trona production forecast compared to the January 2016 projection, other than adding two additional fiscal years to the forecast period. Actual trona production for CY 2015 was 20.3 million tons, exceeding the January 2016 CREG projection of 20 million tons by 1.1 percent. Year-to-date production through the first six months of CY 2016 is roughly 0.8 million tons behind the January 2016 forecasted level – hence the slight revision downward in this year's production. CREG continues the same projection of modest gains in trona production in future years. The calculated average price of trona received by Wyoming producers for CY 2015 was $79.55/ton or 6.0 percent above the CREG projection. For the first six months of CY 2016, the calculated average price of trona was approximately $76.56, or 2.1 percent ahead of expectations. The price of soda ash has not been nearly as volatile as oil and gas prices historically.

Comparison of Trona Production and Price Forecasts: tons and $/ton

Calendar Year	January 2016 Forecast	October 2016 Forecast
2016	20.5 M tons / $75.00	20.0 M tons / $75.00
2017	20.5 M tons / $75.00	20.5 M tons / $75.00
2018	21.0 M tons / $75.00	21.0 M tons / $75.00
2019	21.0 M tons / $75.00	21.0 M tons / $75.00
2020	21.0 M tons / $75.00	21.0 M tons / $75.00
2021	NA	21.5 M tons / $75.00
2022	NA	21.5 M tons / $75.00

Uranium and Other Minerals:

Since the negative market outlook stemming from the tsunami that struck Fukushima's nuclear reactors, uranium producers have yet to see a rebound in prices. Wyoming uranium production for CY 2015 (2.6 million pounds) declined from CY 2014 production levels (3.4 million pounds) by 794,000 pounds, or 23.2 percent. Uranium spot prices have continued to slide. As a result, CREG forecasts production at 2 million pounds during CY 2016 before recovering slightly to 2.3 million pounds for the balance of the projection period. The annual price forecasts, reflecting both spot and contract prices of Wyoming uranium sold, are reduced from the range of $38/lb to $50/lb in CY 2016 through CY 2020 to $35/lb throughout the projection period when compared to January 2016 CREG, slightly less than the average price received in CY 2015. Should market demand increase, Wyoming is home to the largest U.S. economic reserves of uranium.

The valuation of all other minerals, including bentonite, sand and gravel, precious stones and metals, quarried rock, and other industrial mineral production, is forecast at $110 million throughout the projection period, with just minor adjustments and additional years added to the October 2015 CREG report. With reduced oil drilling nationwide, reductions in bentonite production are not yet forecast to recover to prior levels.

Section 2 – General Fund Revenues

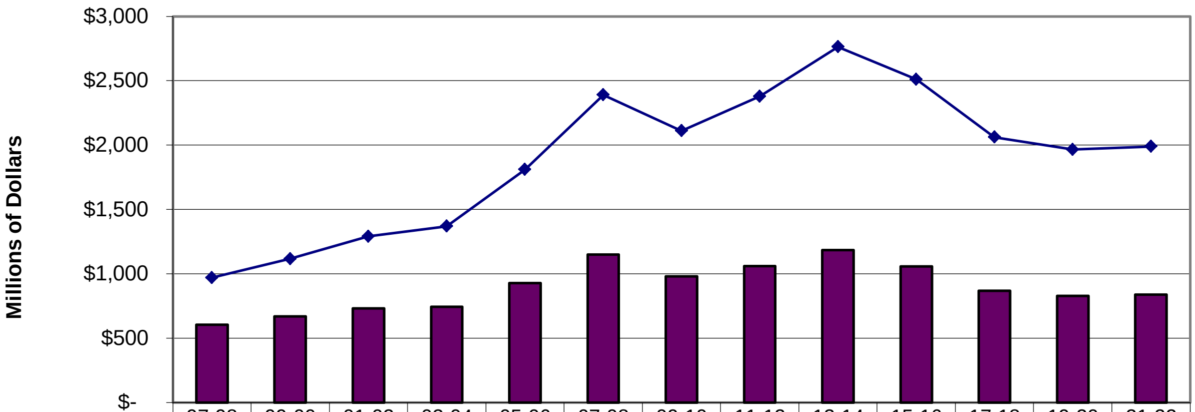
Total GF revenue for the FY 2017-2018 biennium is now forecast to reach $2.06 billion. (See Table 2 found within the appendix to this report.) This represents a decrease of $448.8 million (17.9%) compared to the FY 2015-2016 biennial receipts. Furthermore, total forecast revenue to the GF in the FY 2017-2018 biennium is actually overstated, for historical comparative purposes, by $133.6 million due to a temporary diversion of severance taxes and FMRs that normally would be deposited into the Highway Fund. Similarly, FY 2016 GF revenues were somewhat higher due to the approximately six month diversion of one percent severance taxes deposited into the GF rather than the PWMTF. Major contributors to the decrease in revenues included in this projection are the comparatively strong investment earnings (largely realized capital gains) in FY 2015, a substantial decline in expected sales and use tax collections, and anticipated declines in severance tax collections. The FY 2015-2016 biennium included both a record setting year for General Fund revenues (FY 2015) and a comparatively weak year (FY 2016). Going forward, CREG estimates that future fiscal years throughout the projection period will yield revenue collections more consistent with FY 2016 levels than FY 2015, though it is important to note that no capital gains are included in the projection. After five consecutive years of increasing deposits to the GF, FY 2016 represents the lowest year for tax receipts and investment income since FY 2007.

Sales and use tax collections regained their traditional place as the largest major revenue category for the GF, after relinquishing this position to investment income in FY 2015. Sales and use taxes comprised 43.1 percent of the FY 2016 GF revenues and are anticipated to comprise 40 percent or more of GF revenue throughout the projection period.

Compared to the January 2016 CREG report, FY 2017-2018 biennial revenues are anticipated to be $156.3 million (7.0%) lower. Primary drivers to the decline are sales and use taxes ($116.6 million or 12.3%) and severance taxes ($43.5 million or 12.1%). Total investment income generated from the State Agency Pool (SAP) and directed to the GF is forecast to increase by $22.8 million as a result of increased yields. Chart 1 illustrates the forecast declines projected in future biennia.

As noted throughout the report, comparisons to the 2016 January CREG report incorporate the revenue diversions adopted during the 2016 Budget Session: one percent severance tax directed to the GF in FY 2016; FMRs diverted from the Highway Fund to the GF in FY 2017-2018 biennium; and severance taxes diverted from the Highway Fund to the GF in the FY 2017-2018 biennium.

Chart 1: General Fund Revenues



	97-98	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22
Constant	$605	$669	$731	$744	$927	$1,150	$979	$1,061	$1,185	$1,057	$868	$828	$838
Current	$969	$1,116	$1,290	$1,369	$1,810	$2,390	$2,111	$2,379	$2,764	$2,510	$2,062	$1,966	$1,989

Biennium

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2016.

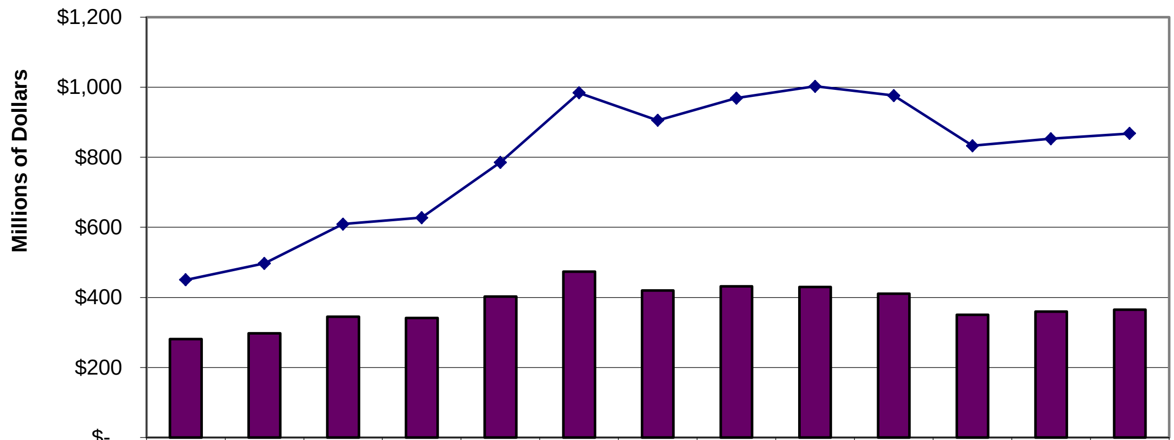
Sales and Use Taxes:

GF sales and use tax receipts for FY 2016 totaled $432.0 million, a decrease of $112.0 million (20.6%) from FY 2015 levels. Actual sales and use tax receipts for FY 2016 failed to reach the level forecasted last January by $34.8 million (7.5%) and was also the lowest amount collected for annual sales and use tax collections since FY 2010. The GF share of total sales and use tax revenue for FY 2017 is forecast to be $413.1 million, a decline of $57.4 million (12.2%) from the level forecast in January 2016. Looking forward to the full FY 2017-2018 biennium, CREG reduced the forecast for the GF share of sales and use tax by $116.6 million (12.3%) to $833.0 million.

Spending associated primarily with mining (including oil and gas extraction) was the main reason for the reduction in sales and use tax collections in FY 2016 compared to actual collections in FY 2015. Of the 12 primary industry sectors, mining accounted for 54.0 percent of the total decline in a year-over-year comparison. Twenty of the state’s 23 counties incurred year-over-year losses of collections with Campbell, Converse, and Natrona bearing the brunt of the decline. The slowdown in collections was primarily due to diminished rig counts and associated activities. Additionally the job losses related to coal mining in the Powder River Basin also played a role. Only Lincoln, Teton, and Weston counties recorded increases in collections for the year compared to FY 2015. Teton County’s boost in collections was largely attributed to tourism.

The forecast for FY 2017 represents an $18.9 million (4.4%) decrease from the total receipts in FY 2016. CREG anticipates little growth in oil and gas employment through FY 2018 with slightly improved growth for the rest of the forecast period. For purposes of developing the sales and use tax projection, personal income is expected to decline in FY 2017 and then exhibit modest annual growth for the remainder of the forecast as the base case. Activities related directly and indirectly to the mining industry in the state and reduced public sector funding are expected to dampen growth in sales and use tax collections for the remainder of the forecast period, though some industries should strengthen collections, including leisure & hospitality.

Chart 2: Sales and Use Tax Revenues to the General Fund



	97-98	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22
Constant	$281	$298	$345	$341	$402	$473	$420	$432	$430	$411	$351	$359	$365
Current	$450	$497	$609	$628	$785	$984	$905	$969	$1,003	$976	$833	$853	$868

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2016.

Severance Tax:

Actual FY 2016 severance tax receipts directed to the GF totaled $185.5 million, which was $15.3 million (7.6%) less than FY 2015 total receipts. The year-over-year comparison would have been even worse but for legislative action taken in the 2016 Budget Session which redirected the “statutory one percent severance tax” collected between roughly January 2016 and June 2016 from the PWTMF and deposited it into the GF. This six month diversion generated $33.6 million, which was deposited into the GF and is included in the $185.5 million aggregated figure. For a direct historical comparison, GF severance taxes for FY 2016 would have been the lowest level in more than a decade.

The total GF share of severance tax revenue for FY 2017 is forecast to reach $157.3 million, which is $21.1 million (11.8%) lower than projected in the January 2016 CREG forecast. Similarly, the forecast for severances taxes directed to the GF in the FY 2017-2018 biennium is $317.3 million, a decrease of $43.5 million (12.1%) compared to the January 2016 projection. This reduction in the forecast is comparable to the reductions included in the October 2015 CREG report and illustrates the continued decline in mineral production in the State, especially coal, in this current report. Although some stability of severance tax collections is evident in the report, severance tax collections directed to the GF are anticipated to stabilize at roughly 30 percent below the levels experienced in the period from FY 2005 through FY 2015.

Mineral Trust Fund and Pooled Income Revenue Sources:

Investment income distributed to the GF for FY 2016 generated from the PWMTF and the State Agency Pool (SAP) totaled $238.7 million, which is $10.1 million (4.4%) higher than the January 2016 forecast and $369.8 million (60.8%) lower than distributed investment earnings in FY 2015. The year-over-year difference illustrates the volatility in realized capital gains. In FY 2016 both the PWMTF and the SAP, the source of pooled income for the GF and many other state funds, ended the fiscal year with net realized capital losses. Pursuant to the 2009 Treasurer's Interpretative Policy (often referred to as the "Meyer rule" after former State Treasurer Joe Meyer), if there are annual capital losses in excess of capital gains from investments, the losses will be held, or deferred, until such time as gains are available to offset the losses. The PWMTF ended FY 2016 with $9.4 million in deferred losses; however, as of October 17, 2016 the PWMTF had net gains of $52.6 million, after accounting for the deferred capital losses from FY 2016.

FY 2016 represented the first year for which the SAP ended the year with net realized capital losses. In the case of the SAP, the State Treasurer's Office and State Auditor's Office reduced cash to account for the net realized capital losses in the funds receiving investment income from the SAP – a different accounting result than the net realized losses from permanent funds. The resulting impact to the beginning balance for the GF as of July 1, 2016 is $4.4 million in net realized capital losses from the SAP. As of October 17, the General Fund had net gains of $5.7 million after accounting for net realized losses which will be held until the end of FY 2017 to be netted against any additional realized gains and losses.

The yield forecast (investment income attributable to interest and dividends) for the PWMTF for the October 2016 forecast is essentially 2 percent through the projection period (FY 2017 – 2.01%; FY 2018 – 2.03%; FY 2019 – 2.05%; and FY 2020 through FY 2022 – 2.06%). The forecast yield for the SAP is approximately 2.15 percent throughout the projection period. The forecast income also takes into account the anticipated growth in the PWMTF corpus through severance tax distributions, but growth is substantially less than anticipated in January 2016 due to the diversion of the statutory one percent severance tax modified by the Legislature in the 2016 Budget Bill, as well as overall declining expectations in severance tax collections. Investment income from the SAP directed to the GF anticipates a decline in the cash balance available for investment. Specifically, the balance of the SAP declined by $567.4 million during FY 2016 after more than a decade of year-over-year increases. The declining balances are, in large part, a result of the expenditure of savings and expenditure of large projects, e.g., capital construction projects which had been previously appropriated. The cash balances within the SAP available for investment are beginning to decrease at a noticeable rate. The CREG estimate for FY 2017 anticipates that balances will decline by another $400 million due to the expenditure of appropriated funds currently invested in the SAP. In the near term, the increased yield assumptions offset the anticipated declines in balances.

In this report, CREG continues its approach of forecasting only regularly distributed investment income from interest and dividends and not realized capital gains and losses. However, for FY 2017 through FY 2022, the projected investment income in the form of interest and dividends from the PWMTF has been increased in order to reflect the revisions adopted by the Legislature in the 2015 General Session, specifically 2015 SF 146, Spending policy amendments. (2015 Wyoming Session Laws, Chapter 195) While the anticipated yield from the PWMTF for FY 2017 and beyond is approximately 2.0 percent of the corpus, the "guaranteed" revenue directed to the GF provided by W.S. 9-4-719(b) is 2.5 percent of the prior five-year average market ending balance. As a result, the guaranteed revenue has been included in the forecast by CREG. In the event the 2.5 percent threshold of investment income is not met, this will require transfers from the PWMTF Reserve Account (PWMTF RA) to the GF. Under the current forecast, annual transfers of $20 to $31 million will be required in FY 2017 through FY 2022. Additionally, no funds are currently forecast to be deposited into either the Strategic Investments and Projects Account (SIPA) to support capital projects appropriated from the SIPA in FY 2017 or FY 2018 or the Legislative Stabilization Reserve Account (LSRA).

With respect to the general investment environment, world gross product growth remains subdued, while United States (U.S.) gross domestic product (GDP) also appears to be at comparatively subdued levels, though still positive. As much as 30 percent of the total global developed debt is trading with negative yields. U.S. bonds are trading at or near all-time low yields, including negative real yields. Equity markets, as measured by the Standard and Poor's 500 index for example, are near all-time highs after a sustained bull market over the last seven years. Both fixed income and equity markets, under several measures, appear to be overvalued. This environment raises caution as to additional levels of risk going forward. Furthermore, accurately predicting the timing of when interest rates might normalize or when equity values might revert to the mean is not possible.

CREG Co-Chairs' special note of caution: *While the forecast yields of the SAP by CREG in this report reflect an increase over January 2016 projections, the risk for capital losses in both the SAP and permanent funds is elevated. Given the structure and nature of the State's investment portfolio, an increase in the interest rate environment would result in immediate and significant unrealized capital losses, at minimum, but more likely realized capital losses from the fixed income portfolio. (A recession, on the other hand, would raise additional risks for equity markets.) While the timing or depth of a bear market in fixed income is unknown, the risk to the State's balances, from CREG's perspective, is not trivial. The net realized capital losses in the SAP during FY 2016 of slightly more than $6 million are a modest indication of this potential impact. A one percent rise in interest rates over the coming year or two would result in as much as a 5.7 percent decline in the value of Wyoming's core bond portfolio. Either a substantial or abrupt rise in interest rates could result in* ***tens of millions of dollars*** *of reduced value for accounts supporting water projects, K-12 operations, K-12 facilities, state facilities, and local government direct distributions. Recall that any unrealized capital losses could become realized either by independent action of Wyoming's investment managers or in the event that the State was forced to liquidate fixed income holdings in order to convert savings to operating cash to accommodate legislative appropriations. Consistent with CREG's policy of not projecting capital gains, such capital losses are also not incorporated into this forecast, though they are of a sufficient size and in our opinion, probability, to warrant exceptional attention.*

Remaining General Fund Revenue Categories:

The remaining GF revenue sources are comprised of revenues from over 70 state agencies and boards. FY 2016 GF revenue from these sources totaled $145.1 million, which is $10.8 million (6.9%) lower than the FY 2015 level and $3.3 million (2.2%) lower than CREG forecast last January. The primary driver for the divergence from the CREG forecast was penalties and interest (largely on oil and natural gas severance tax payments), which fell short of the estimate by $5.1 million (45.1%). This revenue category is related to the total valuation of severance tax collections and can be impacted by new property development. With a decline in severance tax valuations and limited new drilling operations, a comparable decline in collected penalties and interest is evident. Other substantial FY 2016 revenue sources in this category included cigarette taxes ($15.8 million), cost allocation ($16.3 million), profit from liquor sales ($15.2 million), and corporate taxes ($13.6 million). From FY 2012 to FY 2015, revenues derived from Wyoming's insurance premium tax, a significant contributor to this revenue category, more than doubled. The four year upward trend was broken with a decline of $3.0 million to $20 million in FY 2016. Assessments, credits, other states' tax rates and insurance company decisions and locations can impact this somewhat volatile revenue source.

Overall, revenue from these sources is forecast to generate $140.2 million for FY 2017 and each year through the projection period. This represents a decrease of $8.2 million (5.5%) from the level forecast in January 2016, and a decrease of $4.9 million (3.4%) from the FY 2016 total. The forecast incorporates recognition of the volatile nature of some of these smaller revenue streams, responses to a survey of state collection agencies, and recent declines in the penalties and interest component.

As a final note, the 2016 Budget Bill diverted FMRs from the Highway Fund to the GF for the FY 2017-2018 biennium. (2016 Wyoming Session Laws, Chapter 31, Section 326) This amounts to $60.1 million per fiscal year, or $120.2 million for the FY 2017-2018 biennium, and is included in the "all other" category in Tables 1 and 2 at the end of this report.

Section 3 – Severance Tax Summary

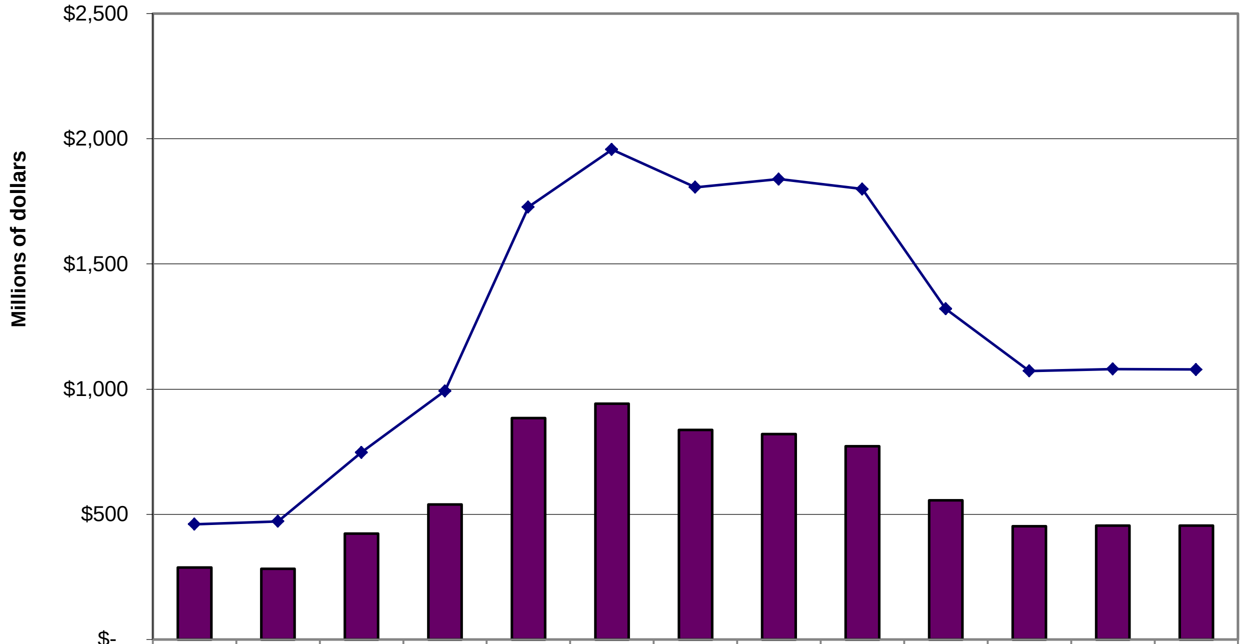
Refer to Section 1 of this report for detailed information about the mineral price and production assumptions that form the basis of the severance tax forecast. As shown in Tables 4 and 5 in the appendix to this report and in Chart 3, projected severance tax revenues total $1.07 billion in the FY 2017-2018 biennium, down from $1.32 billion for the FY 2015-2016 biennium – a decrease of $247.8 million (18.8%). This decrease comes on the heels of a $478.9 million (26.6%) decrease between the FY 2013-2014 and FY 2015-2016 biennia. The total severance taxes projected for the FY 2017-2018 biennium have been reduced by $218.7 million (16.9%) compared to the January 2016 CREG report. CREG forecasts just under $1.1 billion per biennium from total severance tax collections.

In rough order of importance reduced severance tax collections in this report over the projection period can be attributed to lower forecast coal production, oil prices, natural gas production, and natural gas prices. Oil prices, natural gas production, natural gas prices, surface coal production and trona production in FY 2016 fell short of the January CREG forecast. Oil production and trona prices exceeded the January 2016 CREG projections for FY 2016, and average annual surface coal prices met expectations exactly.

Despite the substantial declines in coal production experienced in FY 2016, coal remained the largest contributor to severance tax collections in FY 2016, as in FY 2015. Coal is projected to remain the largest contributor to severance tax collections throughout the projection period. Natural gas production served as the largest contributor to severance taxes from FY 2000 through FY 2014. Total average severance tax collections over that period were more than $200 million (27.5%) higher compared to the average severance tax collections forecast throughout the projection period (FY 2017 through FY 2022) in this report.

Two technical points with respect to distribution are worth mentioning. First, note that a new column has been added to Tables 4 and 5 in the appendix to this report to illustrate the temporary diversion of the one percent statutory severance tax from the PWMTF to the one percent severance tax account, pursuant to legislative action during the 2016 Budget Session (2016 Wyoming Session Laws, Chapter 31, Section 325). This diversion is in place for the FY 2017-2018 biennium only. Similarly, the same section of law provided for a temporary diversion of severance taxes from the Highway Fund to the GF during the FY 2017-2018 biennium. The Department of Transportation will benefit from a one-time influx of abandoned mine land funds during the FY 2017-2018 biennium.

Chart 3: Severance Tax Revenues to All Accounts



	97-98	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22
Constant	$287	$283	$423	$539	$885	$942	$838	$820	$772	$556	$452	$455	$454
Current	$460	$472	$747	$993	$1,728	$1,958	$1,807	$1,839	$1,799	$1,321	$1,073	$1,081	$1,079

Biennium

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2016.

Section 4 - Federal Mineral Royalties and Coal Lease Bonuses

Refer to Section 1 of this report for detailed information about the minerals price and production assumptions that form the basis of the FMR and coal lease bonus (CLB) forecasts. Tables 7, 7(a), 7(b), 8, 8(a), and 8(b) in the appendix to this report show detailed projections for FMRs and CLBs.

The federal government sequestered 6.8 percent of Wyoming's FMRs and CLBs during federal fiscal year (FFY) 2016. The most recent federal guidance indicates that Wyoming should receive all of its FMR and CLB payments withheld during FFY 2016 in the early portion of FFY 2017 – sometime after October 1, 2016. Under the current federal practice (withholding of sequestered FMRs in the current federal fiscal year and payment of the withheld FMRs in the following year), CREG is not including any additional impacts of federal sequestration in its forecast. There is both positive and negative risk with this projection methodology. Specifically, if the federal sequester were to cease, Wyoming would presumably receive the sequestered amount from the prior year, without having any deduction in the current year, resulting in a one-time windfall. On the other hand, if Congress increases the magnitude of the sequester percentage above 6.8 percent or Congress or the Administration revises the treatment of federal mineral revenues under the federal budget, Wyoming (and other western states) could receive less FMRs and CLBs. For purposes of forecasting, CREG employs an assumption of the status quo throughout the forecast period. Should the outlook regarding future federal sequestration issues change, CREG can incorporate them in future reports.

Federal Mineral Royalties:

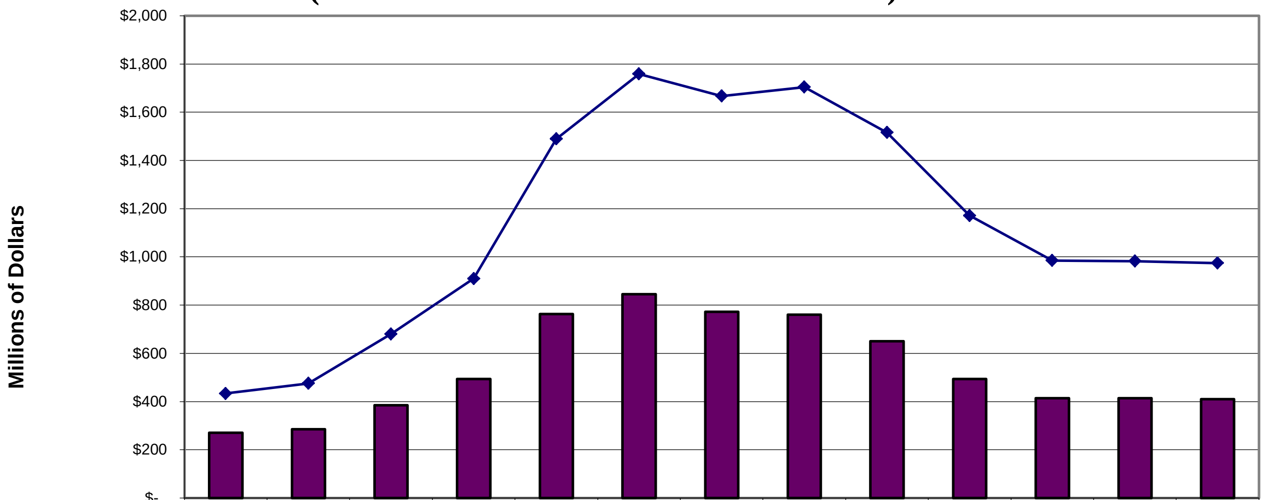
FMRs received attributable to state FY 2016 totaled $482.3 million. This total is $206.9 million, or 30.0 percent, less than FY 2015 receipts and the lowest total received since FY 2003. FMRs have declined from their peak ($1.0 billion) in FY 2008 by $518.7 million, or more than half. Over the forecast period, CREG projects total FMRs of $486.4 million in FY 2017 growing to between $486.8 and $498.4 million for the balance of forecast. This represents reductions from the January 2016 forecast of $82 million to $103.1 million per fiscal year over the forecast period. The reduction in projected FMRs from the prior forecast precipitate from the same causes as those impacting severance taxes: lower coal production, lower oil prices, lower natural gas production, and lower natural gas prices than previously forecast.

Similar to severance tax revenues, the revisions to the forecast in FMR receipts impact two accounts – in this case, the SFP and the BRA - since those two accounts are the only accounts benefitting from FMRs in excess of the $200 million distribution cap. The net result of the October 2016 CREG forecast is reductions to the SFP on the order of $27.3 to $34.4 million per fiscal year and reductions to the BRA on the order of $54.7 million to $68.7 million per fiscal year.

As mentioned previously, and similar to the temporary diversion in severance taxes from the Highway Fund to the GF, a diversion is in place for the FY 2017-2018 biennium of FMRs from the Highway Fund to the GF (2016 Wyoming Session Laws, Chapter 31, Section 326).

Chart 4: Federal Mineral Royalty Revenues to All Accounts

(Coal Lease Bonus Revenues Not Included)



	97-98	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22
Constant	$270	$285	$385	$494	$762	$846	$773	$760	$650	$493	$415	$414	$410
Current	$433	$476	$680	$910	$1,489	$1,758	$1,667	$1,705	$1,516	$1,172	$985	$983	$975

Biennium

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2016.

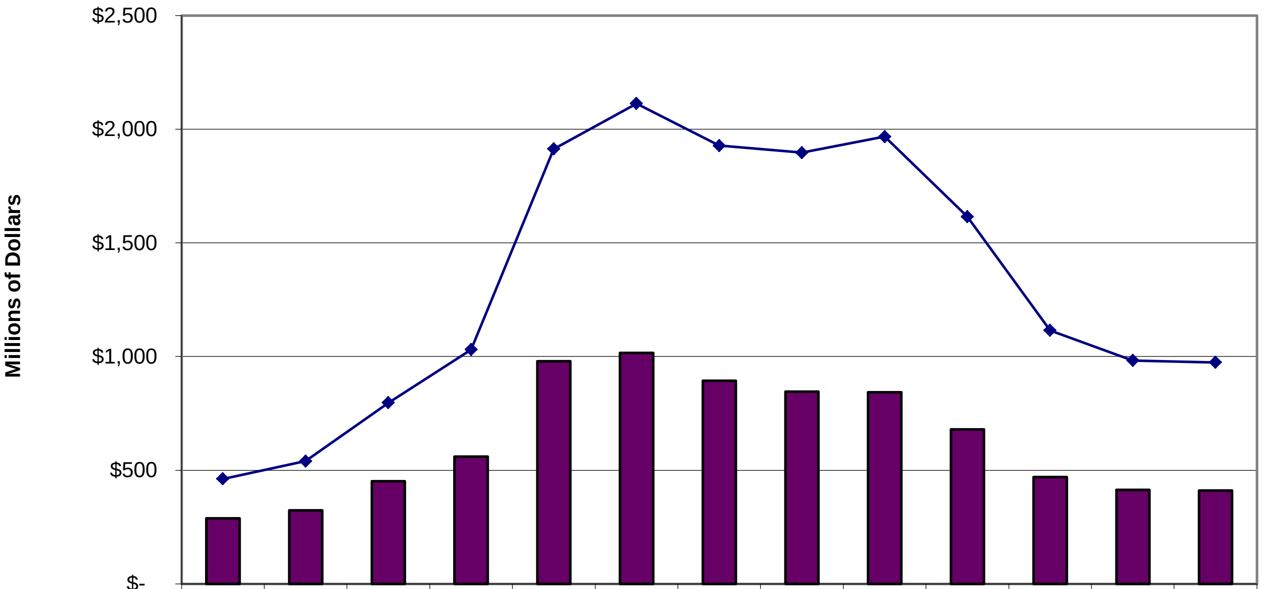
Coal Lease Bonuses:

The federal sequestration discussion in the previous subsection, "Federal Mineral Royalties" also applies to this subsection. Since the January 2016 CREG report there has been no successful federal coal lease sales, and there are currently no anticipated sales throughout the balance of CY 2016. At present, there is no timeline for the next federal coal lease sale in Wyoming.

As illustrated in Table 7(b) in the appendix to this report, Wyoming received $219.6 million in CLBs in FY 2016. This amount was $1.4 million more than forecast in January 2016. This difference appears to be entirely due to the timing of sequestration (withholding) and subsequent paybacks.

CLB payments continue to be forecast at $124.8 million in FY 2017. CREG assumes that the federal sequester will continue and, therefore, a small portion of the CLB payments anticipated in FY 2017 (approximately $5.6 million) will be paid in FY 2018. This is not a reflection of a new coal lease bonus sale. Rather, it is simply due to timing of the federal government sequester and payback delayed by a year. CREG did not make any changes to the forecast for CLBs, with the exception of revising the distribution of any payback of sequestered (withheld) payments in state FY 2018 to incorporate legislative action during the 2016 Budget Session. Specifically, the final payment of CLBs due to sequestration received in state FY 2018 shall be deposited into the School Capital Construction Account. (2016 Wyoming Session Laws, Chapter 31, Section 331)

Chart 5: Total Federal Mineral Royalty and Coal Lease Bonus Revenues



	97-98	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22
Constant	$288	$324	$451	$560	$980	$1,016	$894	$846	$844	$680	$470	$414	$410
Current	$462	$540	$797	$1,031	$1,914	$2,113	$1,928	$1,897	$1,968	$1,616	$1,115	$983	$975

Biennium

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2016.

Section 5 – Common School Land Income Account Revenue

Income to the Common School Land Income Account (CSLIA) is derived from the investment of the Common School Permanent Land Fund (CSPLF), from grazing fees, bonus payments on mineral leases, and other surface leases of state trust lands dedicated to schools. This income is deposited into the SFP. Please refer to the following table for estimates of annual income and differences from the January 2016 CREG forecast.

The CSLIA received no realized capital gains in FY 2016, in contrast to the prior three fiscal years. Net investment income from the CSPLF in FY 2016 amounted to $77.0 million or $4.7 million more than the prior CREG forecast. Pursuant to W.S. 9-4-719(r), amounts in excess of the three percent of the five-year average market value of the CSPLF and less than the spending policy amount are directed to the School Foundation Program Reserve Account via a distribution of a like amount of FMRs. In FY 2016, the investment income from the CSPLF did not exceed the three percent threshold. The CSLIA also received income from fees and leases in FY 2016 totaling $18.1 million, which represents a decrease of $5.4 million from FY 2015 receipts. Of this total, $4.8 million can be attributed to state lease bonus revenue from competitive oil and gas auction sales conducted by the Office of State Lands and Investments (OSLI), reflecting the lowest amount received in the last seven fiscal years.

For FY 2017 through FY 2020, the projected investment income in the form of interest and dividends from the CSPLF has been decreased due to the lower anticipated balance of the CSPLF. While the anticipated yield (interest and dividends) from the CSPLF for FY 2017 and beyond is 1.98 percent (growing to 2.15 percent) of the corpus, the guaranteed revenue directed to the CSLIA provided by W.S. 9-4-719(f) is 2.5 percent of the prior five-year market average ending balance. As a result, the guaranteed revenue has been forecast by CREG. In the event the 2.5 percent threshold of investment income is not met, this will require transfers from the CSPLF Reserve Account to the CSLIA. Under the current forecast, transfers of $5.7 million (FY 2017), $3.3 million (FY 2018), $5.5 million (FY 2019), $6.4 million (FY 2020), $6.3 million (FY 2021), and $7.9 million (FY 2022) are predicted.

With the decline in oil and gas prices, there has been a corresponding decline in state lease bonus revenue to the CSLIA from recent oil and gas auction sales conducted by OSLI. CREG elected to maintain the projection of fee and lease revenues, which have averaged approximately $9 million per year over the last decade and include a modest amount of bonus payments, though roughly half of the average of recent years, establishing the total projected level at $18 million per year. Despite the increase in forecast fee and lease revenue of $3 million per year over the January 2016 CREG report, the total deposits to the CSLIA are muted due to lower than previously anticipated investment income directly attributable to the lower corpus projection for the CSPLF.

Common School Land Income History (millions of dollars)

Fiscal Year	Investment Income (all accounts)	Fees and Leases	Total
2010	$63.2	$ 37.3	$100.5
2011	$103.5	$112.5	$216.0
2012	$102.4	$26.2	$128.6
2013	$147.6	$20.1	$167.7
2014	$174.4	$26.4	$200.8
2015	$218.4	$23.5	$241.9
2016	$79.5	$18.1	$97.6

Common School Land Income Forecast (millions of dollars)

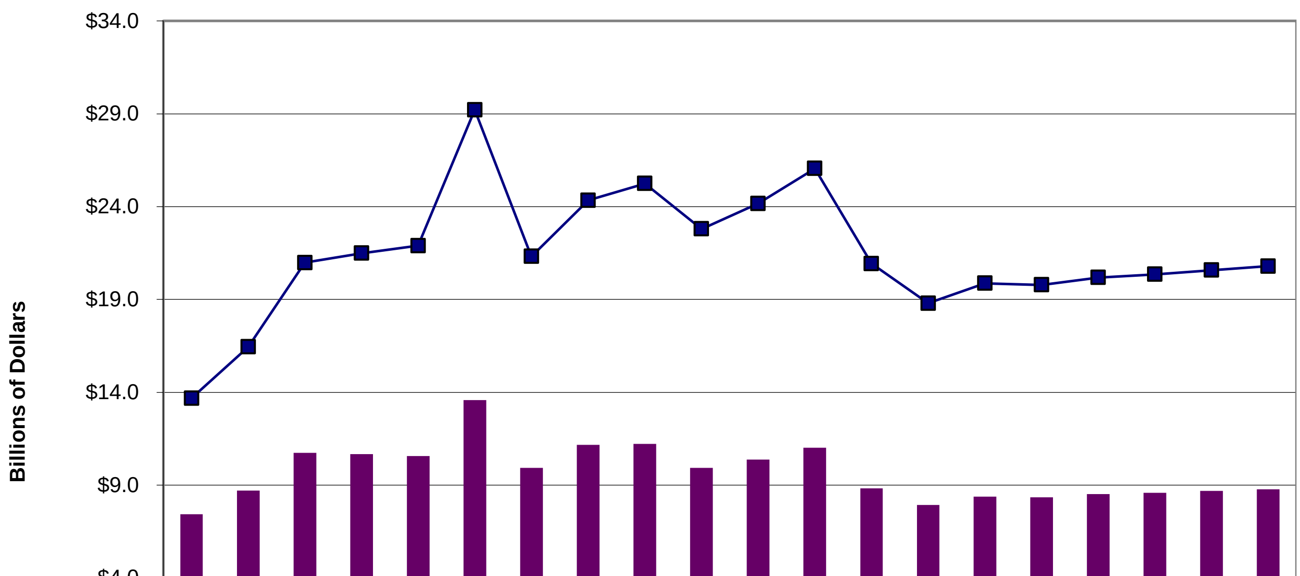
Fiscal Year	Investment Income October 2016 Estimate	Fees and Leases October 2016 Estimate	Total Oct. 2016 Estimate	Difference from Oct. 2015 Estimate
2017	$74.1	$18.0	$92.1	$2.0
2018	$80.6	$18.0	$98.6	$1.6
2019	$86.7	$18.0	$104.7	$1.3
2020	$91.6	$18.0	$109.6	$1.0
2021	$96.2	$18.0	$114.2	NA
2022	$100.5	$18.0	$118.5	NA

Section 6 – Total State Assessed Valuation

Please refer to Section 1 of this report for detailed information about the minerals price and production assumptions that form the basis of the minerals portion of the state assessed valuation forecast.

Assessed valuation projections are shown in Table 9 in the appendix to this report. Statewide assessed valuation for non-mineral property has increased steadily over the past decade, setting a record high in CY 2015 eclipsing $10 billion for the second time in the state's history. In addition to the changes made in the minerals projections, this CREG forecast projects a 2 percent annual increase in non-mineral assessed valuations for CY 2016 through CY 2022. This is consistent with the October 2015 and January 2016 forecast, with the addition of two years to the forecast and with a slightly higher base valuation level given the most recent year's valuations. However, the projected non-mineral assessed valuation growth is less than the average of the last four calendar years, which exceeded 3 percent. The total mineral valuation over the forecast period is less than 60 percent of the levels reached in CY 2014, with estimated levels throughout the projection period of roughly $7 billion lower than CY 2014 values.

Chart 6: Total Assessed Valuation



	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22
Constant	$7.4	$8.7	$10.7	$10.7	$10.6	$13.6	$9.9	$11.2	$11.2	$9.9	$10.4	$11.0	$8.8	$7.9	$8.4	$8.3	$8.5	$8.6	$8.7	$8.8
Current	$13.7	$16.4	$21.0	$21.5	$21.9	$29.2	$21.3	$24.3	$25.2	$22.8	$24.2	$26.1	$20.9	$18.8	$19.9	$19.8	$20.2	$20.4	$20.6	$20.8

Calendar Year

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2015.

Table 1
General Fund Revenues
Fiscal Year Collections by Source

Fiscal Year	Severance Tax (1)	Sales and Use Tax (2)	PWMTF Income (1), (3), (4)	Pooled Income (4)	Charges - Sales and Services	Franchise Tax	Revenue from Others	Penalties and Interest	Federal Aid and Grants (5)	All Other (6), (7)	Total
Historical:											
1997	$70,906,043	$215,183,851	$92,221,049	$24,230,603	$17,795,890	$13,458,008	$5,198,340	$5,601,208	$11,866,009	$12,326,030	$468,787,031
1998	$69,557,973	$234,725,638	$101,277,447	$23,368,069	$18,171,735	$13,320,789	$5,979,414	$6,766,153	$10,557,300	$16,563,929	$500,288,447
1999	$58,924,423	$234,725,590	$106,845,392	$25,322,337	$20,333,143	$11,438,251	$7,009,009	$5,873,055	$10,293,095	$19,488,056	$500,252,351
2000	$83,616,343	$262,338,523	$117,485,136	$26,191,754	$18,799,203	$13,628,848	$14,829,611	$5,809,027	$8,189,111	$64,712,342	$615,599,898
2001	$139,104,484	$296,341,913	$97,378,092	$34,849,907	$20,569,692	$15,029,401	$10,085,700	$6,612,961	$10,946,298	$21,301,693	$652,220,141
2002	$117,185,445	$313,077,987	$90,510,496	$29,114,751	$20,858,833	$17,099,710	$7,532,683	$6,359,976	$8,878,403	$27,328,449	$637,946,733
2003	$149,549,109	$300,953,910	$58,647,855	$19,214,275	$20,467,084	$19,598,042	$8,199,193	$10,131,822	$10,590,119	$27,332,601	$624,684,010
2004	$184,408,599	$326,625,269	$98,110,315	$28,716,923	$24,260,907	$21,745,077	$5,315,629	$9,031,984	$11,651,917	$34,686,832	$744,553,452
2005	$225,275,895	$363,846,232	$87,789,396	$39,340,611	$26,460,644	$23,962,541	$5,674,323	$11,571,551	$8,313,378	$41,702,561	$833,937,132
2006	$240,254,868	$421,438,545	$123,952,616	$65,048,984	$24,733,817	$24,889,058	$5,842,094	$17,153,208	$10,264,260	$42,493,736	$976,071,186
2007	$213,964,458	$479,072,573	$150,487,083	$90,590,111	$29,478,126	$28,164,990	$6,301,203	$15,248,945	$10,830,645	$46,156,155	$1,070,294,289
2008	$257,859,263	$504,711,048	$321,357,789	$105,567,137	$30,458,234	$26,251,292	$10,704,460	$6,443,234	$9,819,073	$46,743,278	$1,319,914,808
2009	$217,580,767	$492,443,467	$135,264,226	$89,969,956	$33,780,336	$23,978,875	$6,276,827	$11,878,190	$9,159,713	$44,485,273	$1,064,817,630
2010	$226,994,930	$412,845,265	$139,450,800	$117,295,842	$33,254,667	$23,805,596	$21,431,697	$13,962,941	$10,686,279	$46,344,453	$1,046,072,470
2011	$230,313,366	$470,905,619	$215,755,659	$90,718,694	$35,503,191	$23,210,774	$29,554,028	$12,000,700	$11,388,412	$55,715,767	$1,175,066,210
2012	$221,153,387	$497,683,644	$235,847,144	$112,352,685	$38,218,559	$24,446,393	$7,602,898	$11,229,632	$10,065,657	$45,243,811	$1,203,843,810
2013	$210,280,486	$481,431,386	$366,635,722	$189,833,643	$38,867,796	$26,889,478	$6,345,761	$9,304,095	$0	$51,616,450	$1,381,204,817
2014	$234,556,823	$521,102,606	$395,337,466	$86,425,307	$41,169,666	$36,257,448	$5,865,169	$11,536,105	$0	$50,126,092	$1,382,376,682
2015	$200,734,679	$544,030,172	$494,234,268	$114,227,416	$43,580,396	$39,313,515	$7,110,572	$11,440,883	$0	$54,416,621	$1,509,088,522
2016	$185,476,491	$432,008,558	$149,823,404	$88,843,568	$46,838,913	$35,441,681	$6,438,459	$6,260,009	$0	$50,121,154	$1,001,252,237
Projected:											
2017	$157,300,000	$413,100,000	$165,800,000	$86,900,000	$46,100,000	$32,900,000	$6,300,000	$6,300,000	$0	$108,700,000	$1,023,400,000
2018	$160,000,000	$419,900,000	$174,600,000	$83,300,000	$46,100,000	$32,900,000	$6,300,000	$6,300,000	$0	$108,700,000	$1,038,100,000
2019	$152,100,000	$424,300,000	$181,400,000	$81,300,000	$46,100,000	$32,900,000	$6,300,000	$6,300,000	$0	$48,600,000	$979,300,000
2020	$152,500,000	$428,600,000	$185,000,000	$80,000,000	$46,100,000	$32,900,000	$6,300,000	$6,300,000	$0	$48,600,000	$986,300,000
2021	$152,100,000	$432,100,000	$188,600,000	$78,700,000	$46,100,000	$32,900,000	$6,300,000	$6,300,000	$0	$48,600,000	$991,700,000
2022	$151,800,000	$435,700,000	$192,500,000	$77,400,000	$46,100,000	$32,900,000	$6,300,000	$6,300,000	$0	$48,600,000	$997,600,000

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 325 diverted revenue from the statutory one percent severance tax from the Permanent Wyoming Mineral Trust Fund (PWMTF) to the General Fund for approximately half of the 2016 fiscal year (approximately $33.6 million). The same section also diverted the portion of severance taxes traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $6.7 million/year).

(2) - 2011 Wyoming Session Laws, Chapter 183 created a credit to vendors and direct payers for the collection and payment of sales and use taxes, effective January 1, 2012. If vendors and direct payers pay their sales and use taxes due by the 15th day of the month, they are allowed to deduct a credit from sales and use taxes due of up to $500 per month. This credit will only be deducted from the sales and use taxes distributed to the General Fund.

(3) - Chapter 14, 2000 Wyoming Session Laws established an investment income spending policy for the PWMTF. Investment earnings from the PWMTF in excess of the spending policy are appropriated from the General Fund to the Permanent Wyoming Mineral Trust Fund Reserve Account (PWMTFRA). Chapter 195, 2015 Wyoming Session Laws amended the spending policy by requiring the State Treasurer to transfer unobligated funds in the PWMTFRA to the General Fund as necessary to ensure that 2.5% of the previous five (5) year average market value of the PWMTF is available for expenditure annually, beginning in FY17. The PWMTF income amounts shown in the table above reflect total investment earnings from the PWMTF, including the investment earnings in excess of the spending policy amounts appropriated to the PWMTFRA. PWMTF income is projected at 2.5% of the spending policy in FY17-FY22.

(4) - The State Treasurer implemented an accounting change in April 2009 (with an effective date of July 1, 2008), which directs interest and dividend income to be distributed to the General Fund on a monthly basis. Under this policy, capital gains and losses are held until the end of the fiscal year, at which time capital gains in excess of capital losses will be distributed. If capital losses exceed capital gains from the PWMTF, the net capital loss will be carried forward until such time it is offset by future capital gains. If capital losses exceed capital gains from the Pooled Income (State Agency Pool), the net capital loss will reduce the cash balance in the General Fund until it is offset by future capital gains but is not recognized in this table.

(5) - In order to align state accounting practices with federal regulations, federal Medicaid revenues accruing to the Wyoming Life Resource Center (WLRC) are deposited into a separate account to support the WLRC beginning in FY13. Prior to FY13, these revenues were deposited into the General Fund and then appropriated from the General Fund to the WLRC.

(6) - This category includes all 1200 series tax revenue; Inheritance Tax (revenue code 1401); License & Permit Fees (2000 revenue series); Property & Money Use Fees (4000 revenue series); and Non-Revenue Receipts (9000 revenue series). The Inheritance Tax total for FY94 included $21.0 million in revenue from a single estate settlement, and in FY00 it totaled $50.8 million. Inheritance Taxes are included at substantially diminished rates from FY04 through FY10 due to federal legislation. No Inheritance tax is projected throughout the forecast period.

(7) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

Table 2
General Fund Revenues
Biennial Collections by Source

Biennium	Severance Tax (1)	Sales and Use Tax (2)	PWMTF Income (1), (3), (4)	Pooled Income (4)	Charges - Sales and Services	Franchise Tax	Revenue from Others	Penalties and Interest	Federal Aid and Grants (5)	All Other (6), (7)	Total
Historical:											
1997-98	$140,464,016	$449,909,489	$193,498,496	$47,598,672	$35,967,625	$26,778,797	$11,177,754	$12,367,361	$22,423,309	$28,889,959	$969,075,478
1999-00	$142,540,766	$497,064,113	$224,330,528	$51,514,091	$39,132,346	$25,067,099	$21,838,620	$11,682,082	$18,482,206	$84,200,398	$1,115,852,249
2001-02	$256,289,929	$609,419,900	$187,888,588	$63,964,658	$41,428,525	$32,129,111	$17,618,383	$12,972,937	$19,824,701	$48,630,142	$1,290,166,874
2003-04	$333,957,708	$627,579,179	$156,758,170	$47,931,198	$44,727,991	$41,343,119	$13,514,822	$19,163,806	$22,242,036	$62,019,433	$1,369,237,462
2005-06	$465,530,763	$785,284,777	$211,742,012	$104,389,595	$51,194,461	$48,851,599	$11,516,417	$28,724,759	$18,577,638	$84,196,297	$1,810,008,318
2007-08	$471,823,721	$983,783,621	$471,844,872	$196,157,248	$59,936,360	$54,416,282	$17,005,663	$21,692,179	$20,649,718	$92,899,433	$2,390,209,097
2009-10	$444,575,697	$905,288,732	$274,715,026	$207,265,798	$67,035,003	$47,784,471	$27,708,524	$25,841,131	$19,845,992	$90,829,726	$2,110,890,100
2011-12	$451,466,753	$968,589,263	$451,602,803	$203,071,379	$73,721,750	$47,657,167	$37,156,926	$23,230,332	$21,454,069	$100,959,578	$2,378,910,020
2013-14	$444,837,309	$1,002,533,992	$761,973,188	$276,258,950	$80,037,462	$63,146,926	$12,210,930	$20,840,200	$0	$101,742,542	$2,763,581,499
2015-16	$386,211,170	$976,038,730	$644,057,672	$203,070,984	$90,419,309	$74,755,196	$13,549,031	$17,700,892	$0	$104,537,775	$2,510,340,759
Projected:											
2017-18	$317,300,000	$833,000,000	$340,400,000	$170,200,000	$92,200,000	$65,800,000	$12,600,000	$12,600,000	$0	$217,400,000	$2,061,500,000
2019-20	$304,600,000	$852,900,000	$366,400,000	$161,300,000	$92,200,000	$65,800,000	$12,600,000	$12,600,000	$0	$97,200,000	$1,965,600,000
2021-22	$303,900,000	$867,800,000	$381,100,000	$156,100,000	$92,200,000	$65,800,000	$12,600,000	$12,600,000	$0	$97,200,000	$1,989,300,000

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 325 diverted revenue from the statutory one percent severance tax from the Permanent Wyoming Mineral Trust Fund (PWMTF) to the General Fund for approximately half of the 2016 fiscal year (approximately $33.6 million). The same section also diverted the portion of severance taxes traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $6.7 million/year).

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(4) - The State Treasurer implemented an accounting change in April 2009 (with an effective date of July 1, 2008), which directs interest and dividend income to be distributed to the General Fund on a monthly basis. Under this policy, capital gains and losses are held until the end of the fiscal year, at which time capital gains in excess of capital losses will be distributed. If capital losses exceed capital gains from the PWMTF, the net capital loss will be carried forward until such time it is offset by future capital gains. If capital losses exceed capital gains from the Pooled Income (State Agency Pool), the net capital loss will reduce the cash balance in the General Fund until it is offset by future capital gains but is not recognized in this table.

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(6) - This category includes all 1200 series tax revenue; Inheritance Tax (revenue code 1401); License & Permit Fees (2000 revenue series); Property & Money Use Fees (4000 revenue series); and Non-Revenue Receipts (9000 revenue series). The Inheritance Tax total for FY94 included $21.0 million in revenue from a single estate settlement, and in FY00 it totaled $50.8 million. Inheritance Taxes are included at substantially diminished rates from FY04 through FY10 due to federal legislation. No Inheritance tax is projected throughout the forecast period.

(7) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

Table 3
Severance Tax Assumptions:
Price & Production Levels for
Major Mineral Commodities

	Crude Oil (1)		Natural Gas (2)		Surface Coal (3)		Trona (4)	
Calendar Year	Price	Production (Bbls)	Price	Production (Mcf)	Price	Production (Tons)	Price	Production (Tons)
2016	$36.00	72,000,000	$2.50	1,850,000,000	$13.50	300,000,000	$75.00	20,000,000
2017	$45.00	67,000,000	$3.00	1,813,000,000	$13.25	300,000,000	$75.00	20,500,000
2018	$45.00	62,000,000	$3.10	1,777,000,000	$13.25	285,000,000	$75.00	21,000,000
2019	$50.00	62,000,000	$3.10	1,741,000,000	$13.25	280,000,000	$75.00	21,000,000
2020	$50.00	62,000,000	$3.10	1,706,000,000	$13.25	280,000,000	$75.00	21,000,000
2021	$50.00	62,000,000	$3.20	1,672,000,000	$13.25	275,000,000	$75.00	21,500,000
2022	$50.00	62,000,000	$3.25	1,639,000,000	$13.25	275,000,000	$75.00	21,500,000

(1) - Price is the average gross sales price for all Wyoming oil production. Production is the total volume of all oil produced in Wyoming, including stripper, tertiary, other oil, and lease condensate.

(2) - Price is the average gross sales price for all Wyoming natural gas production. Production is the total volume of all gas produced in Wyoming, including methane, carbon dioxide, natural gas liquids, and all other related products.

(3) - Price is the average gross sales price for all Wyoming surface coal production. Production is the total volume of all surface coal produced in Wyoming.

(4) - Price is the average gross sales price for all Wyoming trona production. Production is the total volume of all trona ore produced in Wyoming.

Table 4
Mineral Severance Taxes
Fiscal Year Distribution by Accoun

Fiscal Year	General Fund (1)	Budget Reserve Acct	PWMTF (1), (2)	One Percent Severance Tax Account (1)	Water I	Water II	Water III	Highway Fund (3)	Cities and Towns	Counties	School Foundation/ Community Colleges (3)	Cities, Towns, Counties & Special Districts Capital Construction	State Aid County Roads	Others (4)	Totals (5)
Historical:															
1997	$70,906,043	$33,499,478	$56,747,014	$0	$16,902,063	$3,908,387	$0	$7,572,081	$17,587,656	$7,135,927	$16,589	$5,334,713	$4,584,152	$8,584,975	$232,779,078
1998	$69,557,973	$33,150,457	$54,876,669	$0	$19,794,771	$3,400,755	$0	$7,117,864	$15,303,290	$6,384,654	$148,843	$3,293,381	$4,487,973	$10,018,785	$227,535,415
1999	$58,924,423	$28,164,693	$48,664,636	$0	$18,123,904	$2,753,030	$0	$0	$12,388,590	$5,321,530	$4,818,787	$3,395,400	$4,438,397	$9,465,814	$196,459,204
2000	$83,616,343	$39,082,122	$69,719,687	$0	$18,040,045	$4,779,071	$0	$9,108,600	$21,506,037	$8,559,273	$1,416,010	$4,346,563	$4,898,265	$10,050,960	$275,122,976
2001	$139,104,482	$57,915,048	$112,995,802	$0	$20,783,056	$9,391,114	$0	$28,530,106	$33,130,343	$15,640,647	$26,744	$4,982,504	$5,593,506	$19,879,926	$447,973,278
2002	$117,185,445	$39,270,594	$72,269,085	$0	$19,319,789	$3,435,755	$0	$7,435,471	$15,101,587	$6,334,307	$0	$4,386,530	$4,495,040	$10,200,358	$299,433,961
2003	$149,549,109	$105,317,276	$104,690,345	$0	$19,242,468	$3,323,943	$0	$6,950,287	$14,628,852	$6,136,020	$0	$4,400,000	$4,500,000	$10,387,922	$429,126,222
2004	$184,408,599	$171,441,376	$136,108,467	$0	$19,858,973	$3,412,847	$0	$7,717,057	$15,004,762	$6,293,694	$0	$4,386,528	$4,495,031	$10,439,594	$563,566,928
2005	$225,275,895	$251,580,640	$176,579,787	$0	$19,274,886	$3,570,457	$0	$7,958,111	$15,671,001	$6,573,145	$0	$4,386,525	$4,495,025	$11,291,382	$726,656,854
2006	$240,254,868	$279,579,500	$406,945,374	$0	$19,200,918	$3,660,548	$775,114	$8,269,185	$16,162,339	$6,622,389	$0	$3,611,540	$4,495,031	$11,500,112	$1,001,076,918
2007	$213,964,458	$228,678,827	$346,588,461	$0	$20,038,040	$3,493,592	$775,143	$8,159,373	$15,410,957	$6,371,940	$0	$3,611,545	$4,495,042	$12,211,542	$863,798,920
2008	$257,859,263	$323,214,288	$443,081,307	$0	$19,297,547	$3,229,980	$775,217	$6,610,973	$14,224,389	$5,976,585	$0	$3,611,614	$4,495,110	$11,575,738	$1,093,952,011
2009	$217,580,767	$240,383,694	$350,004,682	$0	$19,297,501	$3,343,659	$775,104	$7,065,973	$14,736,265	$6,147,028	$0	$3,611,541	$4,495,030	$11,211,918	$878,653,162
2010	$226,994,930	$260,982,942	$371,323,873	$0	$19,297,696	$3,254,961	$775,191	$6,711,030	$14,336,803	$6,014,028	$0	$3,611,625	$4,495,107	$10,163,192	$927,961,378
2011	$230,313,366	$268,948,372	$377,241,649	$0	$19,285,983	$3,204,909	$775,157	$6,503,125	$14,111,700	$5,938,934	$0	$3,611,586	$4,495,078	$10,868,256	$945,298,115
2012	$221,153,387	$249,299,443	$354,101,873	$0	$19,298,164	$3,255,068	$775,112	$6,711,978	$14,337,527	$6,014,160	$0	$3,611,559	$4,495,050	$10,655,179	$893,708,500
2013	$210,280,486	$227,555,007	$332,856,161	$0	$19,297,500	$3,255,000	$775,000	$6,711,500	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$10,644,267	$839,832,921
2014	$234,556,823	$276,107,687	$379,858,599	$0	$19,297,500	$3,255,000	$775,000	$6,711,500	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$10,631,229	$959,651,338
2015	$200,734,679	$208,463,390	$308,438,273	$0	$19,297,500	$3,255,000	$775,000	$6,711,500	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$10,809,343	$786,942,685
2016	$185,476,491	$110,875,432	$168,906,202	$0	$19,297,500	$3,255,000	$775,000	$6,711,500	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$9,865,813	$533,620,938
Projected:															
2017	$157,300,000	$108,100,000	$120,800,000	$80,500,000	$19,300,000	$3,300,000	$800,000	$0	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$10,400,000	$528,900,000
2018	$160,000,000	$113,500,000	$124,800,000	$83,200,000	$19,300,000	$3,300,000	$800,000	$0	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$10,600,000	$543,900,000
2019	$152,100,000	$111,100,000	$206,200,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$10,800,000	$538,700,000
2020	$152,500,000	$112,100,000	$207,800,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$11,000,000	$541,900,000
2021	$152,100,000	$111,100,000	$206,800,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$11,200,000	$539,700,000
2022	$151,800,000	$110,600,000	$206,500,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$11,400,000	$538,800,000

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 325 diverted revenue from the statutory one percent severance tax from the Permanent Wyoming Mineral Trust Fund (PWMTF) to the General Fund for approximately half of the 2016 fiscal year (approximately $33.6 million). Additionally, the one percent severance tax is diverted from the PWMTF to the One Percent Severance Tax Account for the 2017-2018 biennium. The same section also diverted the portion of severance taxes traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $6.7 million/year).

(2) - Chapter 62, 2002 Wyoming Session Laws made permanent the diversion of PWMTF revenues to the Severance Tax Distribution Account, and repealed the language of Chapter 99, 2000 Wyoming Session Laws requiring a larger proportion of coal bed methane revenues to be deposited into the PWMTF. Chapter 80, 2005 Wyoming Session Laws diverted additional severance taxes (equal to two-thirds of the PWMTF distribution required by Wyoming Constitution) from the Severance Tax Distribution Account to the PWMTF, beginning in FY06. One-half of the additional severance taxes to the PWMTF ($74,264,775) was diverted to the PWMTF Reserve Account in FY10.

(3) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(4) - Beginning in FY92, the totals shown in this column have included diversions from the Highway Fund to the Leaking Underground Storage Tank (LUST) accounts (Financial Responsibility and Corrective Action accounts). Amounts from $10.4 to $11.4 million per year are projected to be diverted to these accounts in FY17 through FY22.

(5) - FY98 revenues include $8.0 million in previously protested severance taxes on coal from prior production years. FY06 and FY07 revenues include $19.5 million and $13.3 million respectively, in previously protested severance taxes on natural gas from prior production years. FY15 revenues were reduced by roughly $10 million due to a refund of overpaid severance taxes on natural gas resulting from the resolution of a tax issue with a major natural gas producer.

Table 5

Mineral Severance Taxes

Biennial Distribution by Account

Biennium	General Fund (1)	Budget Reserve Acct	PWMTF (1), (2)	One Percent Severance Tax Account (1)	Water I	Water II	Water III	Highway Fund (3)	Cities and Towns	Counties	School Foundation/ Community Colleges (3)	Cities, Towns, Counties and Special Districts Capital Construction	State Aid County Roads	Others (4)	Totals (5)
Historical:															
1997-98	$140,464,016	$66,649,935	$111,623,683	$0	$36,696,834	$7,309,142	$0	$14,689,945	$32,890,946	$13,520,581	$165,432	$8,628,094	$9,072,125	$18,603,760	$460,314,493
1999-00	$142,540,766	$67,246,815	$118,384,323	$0	$36,163,949	$7,532,101	$0	$9,108,600	$33,894,627	$13,880,803	$6,234,797	$7,741,963	$9,336,662	$19,516,774	$471,582,180
2001-02	$256,289,927	$97,185,642	$185,264,887	$0	$40,102,845	$12,826,869	$0	$35,965,577	$48,231,930	$21,974,954	$26,744	$9,369,034	$10,088,546	$30,080,284	$747,407,239
2003-04	$333,957,708	$276,758,652	$240,798,812	$0	$39,101,441	$6,736,790	$0	$14,667,344	$29,633,614	$12,429,714	$0	$8,786,528	$8,995,031	$20,827,516	$992,693,150
2005-06	$465,530,763	$531,160,140	$583,525,161	$0	$38,475,804	$7,231,005	$775,114	$16,227,296	$31,833,340	$13,195,534	$0	$7,998,065	$8,990,056	$22,791,494	$1,727,733,772
2007-08	$471,823,721	$551,893,115	$789,669,768	$0	$39,335,587	$6,723,572	$1,550,360	$14,770,346	$29,635,346	$12,348,525	$0	$7,223,159	$8,990,152	$23,787,280	$1,957,750,931
2009-10	$444,575,697	$501,366,636	$721,328,555	$0	$38,595,197	$6,598,620	$1,550,295	$13,777,003	$29,073,068	$12,161,056	$0	$7,223,166	$8,990,137	$21,375,110	$1,806,614,540
2011-12	$451,466,753	$518,247,815	$731,343,522	$0	$38,584,147	$6,459,977	$1,550,269	$13,215,103	$28,449,227	$11,953,094	$0	$7,223,145	$8,990,128	$21,523,435	$1,839,006,615
2013-14	$444,837,309	$503,662,694	$712,714,760	$0	$38,595,000	$6,510,000	$1,550,000	$13,423,000	$28,675,000	$12,028,000	$0	$7,223,000	$8,990,000	$21,275,496	$1,799,484,259
2015-16	$386,211,170	$319,338,822	$477,344,475	$0	$38,595,000	$6,510,000	$1,550,000	$13,423,000	$28,675,000	$12,028,000	$0	$7,223,000	$8,990,000	$20,675,156	$1,320,563,623
Projected:															
2017-18	$317,300,000	$221,600,000	$245,600,000	$163,700,000	$38,600,000	$6,600,000	$1,600,000	$0	$28,600,000	$12,000,000	$0	$7,200,000	$9,000,000	$21,000,000	$1,072,800,000
2019-20	$304,600,000	$223,200,000	$414,000,000	$0	$38,600,000	$6,600,000	$1,600,000	$13,400,000	$28,600,000	$12,000,000	$0	$7,200,000	$9,000,000	$21,800,000	$1,080,600,000
2021-22	$303,900,000	$221,700,000	$413,300,000	$0	$38,600,000	$6,600,000	$1,600,000	$13,400,000	$28,600,000	$12,000,000	$0	$7,200,000	$9,000,000	$22,600,000	$1,078,500,000

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 325 diverted revenue from the statutory one percent severance tax from the Permanent Wyoming Mineral Trust Fund (PWMTF) to the General Fund for approximately half of the 2016 fiscal year (approximately $33.6 million). Additionally, the one percent severance tax is diverted from the PWMTF to the One Percent Severance Tax Account for the 2017-2018 biennium. The same section also diverted the portion of severance taxes traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $6.7 million/year).

(2) - Chapter 62, 2002 Wyoming Session Laws made permanent the diversion of PWMTF revenues to the Severance Tax Distribution Account, and repealed the language of Chapter 99, 2000 Wyoming Session Laws requiring a larger proportion of coal bed methane revenues to be deposited into the PWMTF. Chapter 80, 2005 Wyoming Session Laws diverted additional severance taxes (equal to two-thirds of the PWMTF distribution required by Wyoming Constitution) from the Severance Tax Distribution Account to the PWMTF, beginning in FY06. One-half of the additional severance taxes to the PWMTF ($74,264,775) was diverted to the PWMTF Reserve Account in FY10.

(3) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(4) - Beginning in FY92, the totals shown in this column have included diversions from the Highway Fund to the Leaking Underground Storage Tank (LUST) accounts (Financial Responsibility and Corrective Action accounts). Amounts from $10.4 to $11.4 million per year are projected to be diverted to these accounts in FY17 through FY22.

(5) - FY98 revenues include $8.0 million in previously protested severance taxes on coal from prior production years. FY06 and FY07 revenues include $19.5 million and $13.3 million respectively, in previously protested severance taxes on natural gas from prior production years. FY15 revenues were reduced by roughly $10 million due to a refund of overpaid severance taxes on natural gas resulting from the resolution of a tax issue with a major natural gas producer.

Table 6

Mineral Severance Taxes to All Accounts

Fiscal Year Distribution by Mineral

Fiscal Year	Crude Oil (1)	Natural Gas (2)	Coal (3)	Trona	Others	Total
Historical:						
1997	$64,544,014	$76,010,393	$80,676,620	$10,553,905	$994,148	$232,779,080
1998	$43,060,380	$80,346,880	$92,985,342	$10,188,026	$954,788	$227,535,416
1999	$29,660,885	$73,928,406	$85,333,688	$6,547,419	$988,806	$196,459,204
2000	$57,322,887	$120,540,411	$85,163,673	$10,959,901	$1,156,732	$275,143,604
2001	$74,664,462	$266,647,882	$97,478,127	$8,332,546	$850,262	$447,973,279
2002	$56,426,635	$121,889,265	$113,711,532	$6,294,712	$1,111,817	$299,433,961
2003	$69,730,688	$224,966,204	$125,434,970	$7,786,147	$1,208,213	$429,126,222
2004	$72,844,983	$345,548,531	$135,956,903	$7,952,481	$1,264,030	$563,566,928
2005	$102,660,529	$461,669,565	$151,379,493	$9,285,910	$1,661,357	$726,656,854
2006	$135,263,605	$669,480,959	$183,112,618	$9,969,078	$3,250,658	$1,001,076,918
2007	$139,310,375	$493,200,653	$215,728,100	$13,076,121	$2,483,671	$863,798,920
2008	$217,110,229	$620,501,378	$238,598,329	$15,041,023	$2,701,052	$1,093,952,011
2009	$143,285,176	$444,182,740	$273,281,570	$15,636,672	$2,267,004	$878,653,162
2010	$173,078,065	$468,963,683	$269,081,349	$14,090,157	$2,748,124	$927,961,378
2011	$204,334,598	$427,091,930	$294,278,928	$15,554,565	$4,038,094	$945,298,115
2012	$236,554,432	$342,372,512	$293,110,118	$17,169,707	$4,501,731	$893,708,500
2013	$238,394,726	$296,789,166	$282,081,447	$18,256,604	$4,310,978	$839,832,921
2014	$322,191,025	$340,430,854	$274,042,449	$18,488,233	$4,498,777	$959,651,338
2015	$256,104,891	$237,010,110	$269,521,346	$18,863,711	$5,442,627	$786,942,685
2016	$153,285,240	$139,725,594	$217,752,042	$18,858,104	$3,999,958	$533,620,938
Projected:						
2017	$148,600,000	$151,600,000	$206,400,000	$18,200,000	$4,100,000	$528,900,000
2018	$153,600,000	$167,500,000	$199,900,000	$18,700,000	$4,200,000	$543,900,000
2019	$155,700,000	$166,800,000	$193,100,000	$18,900,000	$4,200,000	$538,700,000
2020	$163,900,000	$163,500,000	$191,400,000	$18,900,000	$4,200,000	$541,900,000
2021	$163,900,000	$162,800,000	$189,700,000	$19,100,000	$4,200,000	$539,700,000
2022	$163,900,000	$163,400,000	$188,000,000	$19,300,000	$4,200,000	$538,800,000

(1) - The drop in revenues that occurred in FY99 was due, in part, to the reduced taxation rates put in place by Chapter 168 of the 1999 Wyoming Session Laws, "Oil Producers Recovery - 2."

(2) - FY06 and FY07 natural gas revenues include $19.5 million and $13.3 million, respectively in previously protested severance taxes from prior production years. FY15 natural gas revenues were reduced by roughly $10 million due to a refund of overpaid severance taxes resulting from the resolution of a tax issue with a major natural gas producer.

(3) - FY98 coal revenues include $8.0 million in previously protested severance taxes from prior production years.

Table 7
Federal Mineral Royalties (Including Coal Lease Bonuses) - Projections
Fiscal Year Distribution by Account

Fiscal Year	University of Wyoming (1)	School Foundation (2),(3),(7),(8),(9)	Highway Fund (2),(4),(6)	Highway Fund County Roads	Cities and Towns	Cities, Towns, Counties and Spec. Districts Capital Construction (6)	School Dist Cap Con (5),(6),(7),(9)	LRI/BRA (1),(5),(7),(8),(9)	Community Colleges (6)	Others (3)	Transportation Enterprise	General Fund Administrative (4)	Totals
Historical:													
1997	$14,835,376	$91,275,558	$64,674,013	$4,584,152	$19,100,633	$16,004,140	$5,500,982	$18,739,204	$2,230,370	$1,402,532	$0	$0	$238,346,960
1998	$15,018,540	$89,360,543	$61,313,911	$4,487,974	$18,697,362	$9,975,145	$7,709,622	$14,094,136	$581,013	$2,013,448	$0	$0	$223,251,694
1999	$13,420,020	$98,499,570	$48,334,693	$4,473,340	$18,638,917	$13,080,567	$28,481,977	$0	$1,600,000	$0	$4,500,000	$0	$231,029,084
2000	$19,885,932	$101,996,286	$56,432,177	$4,902,424	$19,588,385	$13,795,708	$29,154,892	$46,949,577	$1,600,000	$7,545,467	$7,242,000	$0	$309,092,848
2001	$16,780,519	$131,302,412	$50,215,852	$5,593,506	$21,028,138	$14,947,511	$37,259,164	$141,647,680	$1,600,000	$20,503,245	$7,242,000	$0	$448,120,027
2002	$13,365,000	$132,342,234	$35,059,328	$4,455,000	$18,562,500	$13,050,000	$73,143,236	$47,829,775	$1,600,000	$0	$7,242,000	$2,000,000	$348,649,073
2003	$13,365,000	$156,262,611	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$69,880,327	$135,076,695	$1,600,000	$0	$0	$2,000,000	$476,269,633
2004	$13,365,000	$191,090,662	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$43,514,047	$204,711,904	$1,600,000	$0	$0	$2,000,000	$554,366,613
2005	$13,365,000	$201,172,871	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$213,121,806	$285,903,765	$1,600,000	$30,525,901	$0	$2,000,000	$845,774,343
2006	$13,365,000	$88,704,000	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$203,999,794	$440,092,088	$1,600,000	$220,112,064	$0	$2,000,000	$1,067,957,946
2007	$13,365,000	$88,704,000	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$166,049,329	$371,530,742	$1,600,000	$185,821,106	$0	$2,000,000	$927,155,177
2008	$13,365,000	$287,243,293	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$181,137,080	$534,000,228	$1,600,000	$68,540,929	$0	$2,000,000	$1,185,971,530
2009	$13,365,000	$300,714,799	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$209,876,037	$423,895,060	$1,600,000	$0	$0	$2,000,000	$1,049,535,896
2010	$13,365,000	$299,236,295	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$43,468,169	$420,967,494	$1,600,000	$0	$0	$2,000,000	$878,721,958
2011	$13,365,000	$320,455,151	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$43,468,006	$463,393,448	$1,600,000	$0	$0	$2,000,000	$942,366,605
2012	$13,365,000	$291,863,708	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$141,575,795	$406,218,740	$1,600,000	$0	$0	$2,000,000	$954,708,243
2013	$13,365,000	$263,033,022	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$234,971,046	$348,580,024	$1,600,000	$0	$0	$2,000,000	$961,634,092
2014	$13,365,000	$286,403,608	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$209,148,871	$395,306,057	$1,600,000	$0	$0	$2,000,000	$1,005,908,536
2015	$13,365,000	$251,827,747	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$220,955,844	$326,149,640	$1,600,000	$0	$0	$2,000,000	$913,983,231
2016	$13,365,000	$182,837,225	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$215,827,963	$188,209,982	$1,600,000	$0	$0	$2,000,000	$701,925,170
Projected:													
2017	$13,400,000	$184,200,000	$1,900,000	$4,500,000	$18,600,000	$13,000,000	$121,000,000	$190,900,000	$1,600,000	$0	$0	$62,100,000	$611,200,000
2018	$13,400,000	$188,200,000	$0	$4,500,000	$18,600,000	$7,400,000	$10,900,000	$198,900,000	$0	$0	$0	$62,100,000	$504,000,000
2019	$13,400,000	$186,100,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$194,700,000	$0	$0	$0	$2,000,000	$492,100,000
2020	$13,400,000	$185,500,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$193,600,000	$0	$0	$0	$2,000,000	$490,400,000
2021	$13,400,000	$184,600,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$191,900,000	$0	$0	$0	$2,000,000	$487,800,000
2022	$13,400,000	$184,300,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$191,200,000	$0	$0	$0	$2,000,000	$486,800,000

(1) - Under the distribution formula in place for FY00, 6.75% of all mineral royalties in excess of $200 million would have been directed to the University when that entity's bonded indebtedness necessitated the expenditure of those funds. Because the University's bonds issued under this provision of law were retired, the Legislative Royalty Impact Assistance account (LRI) received the amount that otherwise would have flowed to the University, approximately $12.2 million.

(2) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway Fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(3) - Chapter 190, 2005 Wyoming Session Laws diverted federal mineral royalties over the $200 million cap from the School Foundation Program (SFP) to the Higher Education Endowment Account and Hathaway Endowment Account, beginning in FY05. Amounts diverted were reduced as necessary to ensure an unobligated, unencumbered balance of $100 million in the SFP as of July 1 of each fiscal year. Of the amounts diverted, 21% was distributed to the Higher Education Endowment Account until the account balance reached $105 million, and 79% was distributed to the Hathaway Endowment Account until the account balance reached $400 million. These distributions were completed in FY08.

(4) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

(5) - Beginning in FY98, coal lease bonus revenues normally flowing to the Legislative Royalty Impact Assistance Account were diverted to the School District Capital Construction Account.

(6) - 2016 Wyoming Session Laws, Chapter 31, Section 331 directs the final payment of all sequestered monies received in FY 2018 to be deposited into the School Capital Construction Account, rather than the Highway Fund, Community Colleges, or Cities, Towns, Counties and Special Districts Capital Construction Account.

(7) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Foundation Program Account, the School Capital Construction Account, and the Budget Reserve Account. This 2% reduction was made permanent in December 2013.

(8) - FY12 revenues were reduced by nearly $14.0 million to reflect Wyoming's share of a refund of federal mineral royalty payments withheld by the Office of Natural Resources Revenue (ONRR). This refund was due to the overpayment of gas and scrubber condensate royalties discovered in a compliance review performed by ONRR. This resulted in reduced distributions to the School Foundation Program Account and the Budget Reserve Account.

(9) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. Sequestration has resulted in reductions of FMR and coal lease bonus payments to the State of Wyoming in FY13-FY16, resulting in reduced distributions to the School Foundation Program Account, the School Capital Construction Account, and the Budget Reserve Account. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). The State Treasurer has received repayments of the FFY13 through FFY15 sequesters, and these repayments are included in the FY14 through FY16 revenues presented in the table above. CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

Table 7(a)
Federal Mineral Royalties (without Coal Lease Bonuses) - Projections
Fiscal Year Distribution by Account

Fiscal Year	University of Wyoming (1)	School Foundation (2),(3),(5),(6),(7)	Highway Fund (2),(4)	Highway Fund County Roads	Cities and Towns	Cities, Towns, Counties and Spec. Districts Capital Construction	School Dist Cap Con	LRI/BRA (1),(5),(6),(7)	Others (3)	Transportation Enterprise	General Fund Administrative (4)	Totals
Historical:												
1997	$14,835,376	$91,275,558	$61,886,051	$4,584,152	$19,100,633	$7,640,253	$5,500,982	$9,817,725	$1,402,532	$0	$0	$216,043,262
1998	$15,018,540	$89,360,543	$60,587,645	$4,487,974	$18,697,362	$7,796,345	$5,385,568	$14,094,136	$2,013,448	$0	$0	$217,441,561
1999	$13,420,020	$98,499,570	$46,459,693	$4,473,340	$18,638,917	$7,455,567	$5,368,009	$0	$0	$4,500,000	$0	$198,815,116
2000	$19,885,932	$101,996,286	$54,557,177	$4,902,424	$19,588,385	$8,170,708	$5,882,909	$46,949,577	$7,545,467	$7,242,000	$0	$276,720,865
2001	$16,780,519	$131,302,412	$48,340,852	$5,593,506	$21,028,138	$9,322,511	$6,712,209	$141,647,680	$20,503,245	$7,242,000	$0	$408,473,072
2002	$13,365,000	$132,342,234	$33,184,328	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$47,829,775	$0	$7,242,000	$2,000,000	$271,751,837
2003	$13,365,000	$156,262,611	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$135,076,695	$0	$0	$2,000,000	$402,635,306
2004	$13,365,000	$191,090,662	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$204,711,904	$0	$0	$2,000,000	$507,098,566
2005	$13,365,000	$201,172,871	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$285,903,765	$30,525,901	$0	$2,000,000	$628,898,537
2006	$13,365,000	$88,704,000	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$440,092,088	$220,112,064	$0	$2,000,000	$860,204,152
2007	$13,365,000	$88,704,000	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$371,530,742	$185,821,106	$0	$2,000,000	$757,351,848
2008	$13,365,000	$287,243,293	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$534,000,228	$68,540,929	$0	$2,000,000	$1,001,080,450
2009	$13,365,000	$300,714,799	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$423,895,060	$0	$0	$2,000,000	$835,905,859
2010	$13,365,000	$299,236,295	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$420,967,494	$0	$0	$2,000,000	$831,499,789
2011	$13,365,000	$320,455,151	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$463,393,448	$0	$0	$2,000,000	$895,144,599
2012	$13,365,000	$291,863,708	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$406,218,740	$0	$0	$2,000,000	$809,378,448
2013	$13,365,000	$263,033,022	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$348,580,024	$0	$0	$2,000,000	$722,909,046
2014	$13,365,000	$286,403,608	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$395,306,057	$0	$0	$2,000,000	$793,005,665
2015	$13,365,000	$251,827,747	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$326,149,640	$0	$0	$2,000,000	$689,273,387
2016	$13,365,000	$182,837,225	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$188,209,982	$0	$0	$2,000,000	$482,343,207
Projected:												
2017	$13,400,000	$184,200,000	$0	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$190,900,000	$0	$0	$62,100,000	$486,400,000
2018	$13,400,000	$188,200,000	$0	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$198,900,000	$0	$0	$62,100,000	$498,400,000
2019	$13,400,000	$186,100,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$194,700,000	$0	$0	$2,000,000	$492,100,000
2020	$13,400,000	$185,500,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$193,600,000	$0	$0	$2,000,000	$490,400,000
2021	$13,400,000	$184,600,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$191,900,000	$0	$0	$2,000,000	$487,800,000
2022	$13,400,000	$184,300,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$191,200,000	$0	$0	$2,000,000	$486,800,000

(1) - Under the distribution formula in place for FY00, 6.75% of all mineral royalties in excess of $200 million would have been directed to the University when that entity's bonded indebtedness necessitated the expenditure of those funds. Because the University's bonds issued under this provision of law were retired, the Legislative Royalty Impact Assistance account (LRI) received the amount that otherwise would have flowed to the University, approximately $12.2 million.

(2) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway Fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(3) - Chapter 190, 2005 Wyoming Session Laws diverted federal mineral royalties over the $200 million cap from the School Foundation Program (SFP) to the Higher Education Endowment Account and Hathaway Endowment Account, beginning in FY05. Amounts diverted were reduced as necessary to ensure an unobligated, unencumbered balance of $100 million in the SFP as of July 1 of each fiscal year. Of the amounts diverted, 21% was distributed to the Higher Education Endowment Account until the account balance reached $105 million, and 79% was distributed to the Hathaway Endowment Account until the account balance reached $400 million. These distributions were completed in FY08.

(4) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

(5) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Foundation Program Account and the Budget Reserve Account. This 2% reduction was made permanent in December 2013.

(6) - FY12 revenues were reduced by nearly $14.0 million to reflect Wyoming's share of a refund of federal mineral royalty payments withheld by the Office of Natural Resources Revenue (ONRR). This refund was due to the overpayment of gas and scrubber condensate royalties discovered in a compliance review performed by ONRR. This resulted in reduced distributions to the School Foundation Program Account and the Budget Reserve Account.

(7) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. Sequestration has resulted in reductions of FMR payments to the State of Wyoming in FY13-FY16, resulting in reduced distributions to the School Foundation Program Account and the Budget Reserve Account. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). The State Treasurer has received repayments of the FFY13 through FFY15 sequesters, and these repayments are included in the FY14 through FY16 revenues presented in the table above. CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

Table 7(b)
Coal Lease Bonuses - Projections
Fiscal Year Distribution by Account

Fiscal Year	Cities, Towns, Counties and Spec. Districts Capital Construction (1)	Highway Fund (1)	LRI (2)	School Dist Cap Con (1),(2),(3),(4)	Community Colleges (1)	Totals
Historic:						
1997	$8,363,887	$2,787,962	$8,921,479	$0	$2,230,370	$22,303,698
1998	$2,178,800	$726,266	$0	$2,324,054	$581,013	$5,810,133
1999	$5,625,000	$1,875,000	$0	$23,113,968	$1,600,000	$32,213,968
2000	$5,625,000	$1,875,000	$0	$23,271,983	$1,600,000	$32,371,983
2001	$5,625,000	$1,875,000	$0	$30,546,955	$1,600,000	$39,646,955
2002	$5,625,000	$1,875,000	$0	$67,797,236	$1,600,000	$76,897,236
2003	$5,625,000	$1,875,000	$0	$64,534,327	$1,600,000	$73,634,327
2004	$5,625,000	$1,875,000	$0	$38,168,047	$1,600,000	$47,268,047
2005	$5,625,000	$1,875,000	$0	$207,775,806	$1,600,000	$216,875,806
2006	$5,625,000	$1,875,000	$0	$198,653,794	$1,600,000	$207,753,794
2007	$5,625,000	$1,875,000	$0	$160,703,329	$1,600,000	$169,803,329
2008	$5,625,000	$1,875,000	$0	$175,791,080	$1,600,000	$184,891,080
2009	$5,625,000	$1,875,000	$0	$204,530,037	$1,600,000	$213,630,037
2010	$5,625,000	$1,875,000	$0	$38,122,169	$1,600,000	$47,222,169
2011	$5,625,000	$1,875,000	$0	$38,122,006	$1,600,000	$47,222,006
2012	$5,625,000	$1,875,000	$0	$136,229,795	$1,600,000	$145,329,795
2013	$5,625,000	$1,875,000	$0	$229,625,046	$1,600,000	$238,725,046
2014	$5,625,000	$1,875,000	$0	$203,802,871	$1,600,000	$212,902,871
2015	$5,625,000	$1,875,000	$0	$215,609,844	$1,600,000	$224,709,844
2016	$5,625,000	$1,875,000	$0	$210,481,963	$1,600,000	$219,581,963
Projected:						
2017	$5,600,000	$1,900,000	$0	$115,700,000	$1,600,000	$124,800,000
2018	$0	$0	$0	$5,600,000	$0	$5,600,000
2019	$0	$0	$0	$0	$0	$0
2020	$0	$0	$0	$0	$0	$0
2021	$0	$0	$0	$0	$0	$0
2022	$0	$0	$0	$0	$0	$0

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 331 directs the final payment of all sequestered monies received in FY 2018 to be deposited into the School Capital Construction Account, rather than the Highway Fund, Community Colleges, or Cities, Towns, Counties and Special Districts Capital Construction Account.

(2) - Beginning in FY98, coal lease bonus revenues normally flowing to the Legislative Royalty Impact Assistance Account were diverted to the School District Capital Construction Account.

(3) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Capital Construction Account. This 2% reduction was made permanent in December 2013.

(4) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. Sequestration has resulted in reductions of coal lease bonus payments to the State of Wyoming in FY13-FY16, resulting in reduced distributions to the School Capital Construction Account. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). The State Treasurer has received repayments of the FFY13 through FFY15 sequesters, and these repayments are included in the FY14 through FY16 revenues presented in the table above. CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), an estimated $5.6 million of the coal lease bonus payments anticipated in FY17 would be repaid in FY18.

Table 8

Federal Mineral Royalties (Including Coal Lease Bonuses) - Projections

Biennial Distribution by Account

Biennium	University of Wyoming (1)	School Foundation (2),(3),(7),(8),(9)	Highway Fund (2),(4),(6)	Highway Fund County Roads	Cities and Towns	Cities, Towns, Counties and Spec. Districts Capital Construction (6)	School Dist Cap Con (5),(6),(7),(9)	LRI/BRA (1),(5),(7),(8),(9)	Community Colleges (6)	Others (3)	Transportation Enterprise	General Fund Administrative (4)	Totals
Historical:													
1997-98	$29,853,916	$180,636,101	$125,987,924	$9,072,126	$37,797,995	$25,979,285	$13,210,604	$32,833,340	$2,811,383	$3,415,980	$0	$0	$461,598,654
1999-00	$33,305,952	$200,495,856	$104,766,870	$9,375,764	$38,227,302	$26,876,275	$57,636,869	$46,949,577	$3,200,000	$7,545,467	$11,742,000	$0	$540,121,932
2001-02	$30,145,519	$263,644,646	$85,275,180	$10,048,506	$39,590,638	$27,997,511	$110,402,400	$189,477,455	$3,200,000	$20,503,245	$14,484,000	$2,000,000	$796,769,100
2003-04	$26,730,000	$347,353,273	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$113,394,374	$339,788,599	$3,200,000	$0	$0	$4,000,000	$1,030,636,246
2005-06	$26,730,000	$289,876,871	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$417,121,600	$725,995,853	$3,200,000	$250,637,965	$0	$4,000,000	$1,913,732,289
2007-08	$26,730,000	$375,947,293	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$347,186,409	$905,530,970	$3,200,000	$254,362,035	$0	$4,000,000	$2,113,126,707
2009-10	$26,730,000	$599,951,094	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$253,344,206	$844,862,554	$3,200,000	$0	$0	$4,000,000	$1,928,257,854
2011-12	$26,730,000	$612,318,859	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$185,043,801	$869,612,188	$3,200,000	$0	$0	$4,000,000	$1,897,074,848
2013-14	$26,730,000	$549,436,630	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$444,119,917	$743,886,081	$3,200,000	$0	$0	$4,000,000	$1,967,542,628
2015-16	$26,730,000	$434,664,972	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$436,783,807	$514,359,622	$3,200,000	$0	$0	$4,000,000	$1,615,908,401
Projected:													
2017-18	$26,800,000	$372,400,000	$1,900,000	$9,000,000	$37,200,000	$20,400,000	$131,900,000	$389,800,000	$1,600,000	$0	$0	$124,200,000	$1,115,200,000
2019-20	$26,800,000	$371,600,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$388,300,000	$0	$0	$0	$4,000,000	$982,500,000
2021-22	$26,800,000	$368,900,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$383,100,000	$0	$0	$0	$4,000,000	$974,600,000

(1) - Under the distribution formula in place for FY00, 6.75% of all mineral royalties in excess of $200 million would have been directed to the University when that entity's bonded indebtedness necessitated the expenditure of those funds. Because the University's bonds issued under this provision of law were retired, the Legislative Royalty Impact Assistance account (LRI) received the amount that otherwise would have flowed to the University, approximately $12.2 million.

(2) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway Fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(3) - Chapter 190, 2005 Wyoming Session Laws diverted federal mineral royalties over the $200 million cap from the School Foundation Program (SFP) to the Higher Education Endowment Account and Hathaway Endowment Account, beginning in FY05. Amounts diverted were reduced as necessary to ensure an unobligated, unencumbered balance of $100 million in the SFP as of July 1 of each fiscal year. Of the amounts diverted, 21% was distributed to the Higher Education Endowment Account until the account balance reached $105 million, and 79% was distributed to the Hathaway Endowment Account until the account balance reached $400 million. These distributions were completed in FY08.

(4) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

(5) - Beginning in FY98, coal lease bonus revenues normally flowing to the Legislative Royalty Impact Assistance Account were diverted to the School District Capital Construction Account.

(6) - 2016 Wyoming Session Laws, Chapter 31, Section 331 directs the final payment of all sequestered monies received in FY 2018 to be deposited into the School Capital Construction Account, rather than the Highway Fund, Community Colleges, or Cities, Towns, Counties and Special Districts Capital Construction Account.

(7) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Foundation Program Account, the School Capital Construction Account, and the Budget Reserve Account. This 2% reduction was made permanent in December 2013.

(8) - FY12 revenues were reduced by nearly $14.0 million to reflect Wyoming's share of a refund of federal mineral royalty payments withheld by the Office of Natural Resources Revenue (ONRR). This refund was due to the overpayment of gas and scrubber condensate royalties discovered in a compliance review performed by ONRR. This resulted in reduced distributions to the School Foundation Program Account and the Budget Reserve Account.

(9) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. Sequestration has resulted in reductions of FMR and coal lease bonus payments to the State of Wyoming in FY13-FY16, resulting in reduced distributions to the School Foundation Program Account, the School Capital Construction Account, and the Budget Reserve Account. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). The State Treasurer has received repayments of the FFY13 through FFY15 sequesters, and these repayments are included in the FY14 through FY16 revenues presented in the table above. CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

Table 8(a)

Federal Mineral Royalties (without Coal Lease Bonuses) - Projections

Biennial Distribution by Account

Biennium	University of Wyoming (1)	School Foundation (2),(3),(5),(6),(7)	Highway Fund (2),(4)	Highway Fund County Roads	Cities and Towns	Cities, Towns, Counties and Spec. Districts Capital Construction	School Dist Cap Con	LRI/BRA (1),(5),(6),(7)	Others (3)	Transportation Enterprise	General Fund Administrative (4)	Totals
Historical:												
1997-98	$29,853,916	$180,636,101	$122,473,696	$9,072,126	$37,797,995	$15,436,598	$10,886,550	$23,911,861	$3,415,980	$0	$0	$433,484,823
1999-00	$33,305,952	$200,495,856	$101,016,870	$9,375,764	$38,227,302	$15,626,275	$11,250,918	$46,949,577	$7,545,467	$11,742,000	$0	$475,535,981
2001-02	$30,145,519	$263,644,646	$81,525,180	$10,048,506	$39,590,638	$16,747,511	$12,058,209	$189,477,455	$20,503,245	$14,484,000	$2,000,000	$680,224,909
2003-04	$26,730,000	$347,353,273	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$339,788,599	$0	$0	$4,000,000	$909,733,872
2005-06	$26,730,000	$289,876,871	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$725,995,853	$250,637,965	$0	$4,000,000	$1,489,102,689
2007-08	$26,730,000	$375,947,293	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$905,530,970	$254,362,035	$0	$4,000,000	$1,758,432,298
2009-10	$26,730,000	$599,951,094	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$844,862,554	$0	$0	$4,000,000	$1,667,405,648
2011-12	$26,730,000	$612,318,859	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$869,612,188	$0	$0	$4,000,000	$1,704,523,047
2013-14	$26,730,000	$549,436,630	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$743,886,081	$0	$0	$4,000,000	$1,515,914,711
2015-16	$26,730,000	$434,664,972	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$514,359,622	$0	$0	$4,000,000	$1,171,616,594
Projected:												
2017-18	$26,800,000	$372,400,000	$0	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$389,800,000	$0	$0	$124,200,000	$984,800,000
2019-20	$26,800,000	$371,600,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$388,300,000	$0	$0	$4,000,000	$982,500,000
2021-22	$26,800,000	$368,900,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$383,100,000	$0	$0	$4,000,000	$974,600,000

(1) - Under the distribution formula in place for FY00, 6.75% of all mineral royalties in excess of $200 million would have been directed to the University when that entity's bonded indebtedness necessitated the expenditure of those funds. Because the University's bonds issued under this provision of law were retired, the Legislative Royalty Impact Assistance account (LRI) received the amount that otherwise would have flowed to the University, approximately $12.2 million.

(2) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway Fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(3) - Chapter 190, 2005 Wyoming Session Laws diverted federal mineral royalties over the $200 million cap from the School Foundation Program (SFP) to the Higher Education Endowment Account and Hathaway Endowment Account, beginning in FY05. Amounts diverted were reduced as necessary to ensure an unobligated, unencumbered balance of $100 million in the SFP as of July 1 of each fiscal year. Of the amounts diverted, 21% was distributed to the Higher Education Endowment Account until the account balance reached $105 million, and 79% was distributed to the Hathaway Endowment Account until the account balance reached $400 million. These distributions were completed in FY08.

(4) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

(5) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Foundation Program Account and the Budget Reserve Account. This 2% reduction was made permanent in December 2013.

(6) - FY12 revenues were reduced by nearly $14.0 million to reflect Wyoming's share of a refund of federal mineral royalty payments withheld by the Office of Natural Resources Revenue (ONRR). This refund was due to the overpayment of gas and scrubber condensate royalties discovered in a compliance review performed by ONRR. This resulted in reduced distributions to the School Foundation Program Account and the Budget Reserve Account.

(7) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. Sequestration has resulted in reductions of FMR payments to the State of Wyoming in FY13-FY16, resulting in reduced distributions to the School Foundation Program Account and the Budget Reserve Account. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). The State Treasurer has received repayments of the FFY13 through FFY15 sequesters, and these repayments are included in the FY14 through FY16 revenues presented in the table above. CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

Table 8(b)
Coal Lease Bonuses - Projections
Biennial Distribution by Account

Biennium	Cities, Towns, Counties and Spec. Districts Capital Construction (1)	Highway Fund (1)	LRI (2)	School Dist Cap Con (1),(2),(3),(4)	Community Colleges (1)	Totals
Historic:						
1997-98	$10,542,687	$3,514,228	$8,921,479	$2,324,054	$2,811,383	$28,113,831
1999-00	$11,250,000	$3,750,000	$0	$46,385,951	$3,200,000	$64,585,951
2001-02	$11,250,000	$3,750,000	$0	$98,344,191	$3,200,000	$116,544,191
2003-04	$11,250,000	$3,750,000	$0	$102,702,374	$3,200,000	$120,902,374
2005-06	$11,250,000	$3,750,000	$0	$406,429,600	$3,200,000	$424,629,600
2007-08	$11,250,000	$3,750,000	$0	$336,494,409	$3,200,000	$354,694,409
2009-10	$11,250,000	$3,750,000	$0	$242,652,206	$3,200,000	$260,852,206
2011-12	$11,250,000	$3,750,000	$0	$174,351,801	$3,200,000	$192,551,801
2013-14	$11,250,000	$3,750,000	$0	$433,427,917	$3,200,000	$451,627,917
2015-16	$11,250,000	$3,750,000	$0	$426,091,807	$3,200,000	$444,291,807
Projected:						
2017-18	$5,600,000	$1,900,000	$0	$121,300,000	$1,600,000	$130,400,000
2019-20	$0	$0	$0	$0	$0	$0
2021-22	$0	$0	$0	$0	$0	$0

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 331 directs the final payment of all sequestered monies received in FY 2018 to be deposited into the School Capital Construction Account, rather than the Highway Fund, Community Colleges, or Cities, Towns, Counties and Special Districts Capital Construction Account.

(2) - Beginning in FY98, coal lease bonus revenues normally flowing to the Legislative Royalty Impact Assistance Account were diverted to the School District Capital Construction Account.

(3) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Capital Construction Account. This 2% reduction was made permanent in December 2013.

(4) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. Sequestration has resulted in reductions of coal lease bonus payments to the State of Wyoming in FY13-FY16, resulting in reduced distributions to the School Capital Construction Account. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). The State Treasurer has received repayments of the FFY13 through FFY15 sequesters, and these repayments are included in the FY14 through FY16 revenues presented in the table above. CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), an estimated $5.6 million of the coal lease bonus payments anticipated in FY17 would be repaid in FY18.

Table 9

Total State Assessed Valuation

Calendar Year of Production (1)	Oil	Gas	Coal	Trona	Other Minerals	Minerals Totals	Other Property	Grand Totals
Historical:								
1997	$1,094,434,115	$1,432,024,354	$1,168,819,736	$259,007,520	$63,325,758	$4,017,611,483	$3,423,859,455	$7,441,470,938
1998	$617,510,781	$1,306,590,501	$1,204,528,349	$242,352,415	$64,727,912	$3,435,709,958	$3,589,768,423	$7,025,478,381
1999	$903,869,245	$1,601,520,736	$1,265,306,376	$211,143,740	$65,617,392	$4,047,457,489	$3,849,398,782	$7,896,856,271
2000	$1,438,975,976	$3,365,840,728	$1,336,115,591	$206,218,970	$59,908,980	$6,407,060,245	$4,135,036,155	$10,542,096,400
2001	$1,080,018,231	$3,882,089,465	$1,506,337,295	$209,191,934	$61,089,137	$6,738,726,062	$4,430,580,865	$11,169,306,927
2002	$1,083,555,330	$2,512,574,992	$1,760,291,304	$203,324,146	$64,567,181	$5,624,312,953	$4,715,774,001	$10,340,086,954
2003	$1,244,211,776	$5,265,135,004	$1,846,983,332	$195,203,377	$64,488,534	$8,616,022,023	$5,063,514,295	$13,679,536,318
2004	$1,634,067,860	$7,039,052,884	$2,039,556,051	$198,943,291	$72,397,802	$10,984,017,888	$5,461,066,596	$16,445,084,484
2005	$2,152,842,718	$10,134,180,366	$2,280,138,621	$255,216,361	$83,997,233	$14,906,375,299	$6,072,284,471	$20,978,659,770
2006	$2,533,149,964	$8,770,228,320	$2,884,925,775	$299,227,941	$98,848,458	$14,586,380,458	$6,904,886,980	$21,491,267,438
2007	$2,843,196,944	$7,271,144,479	$3,279,547,772	$339,684,701	$111,630,388	$13,845,204,284	$8,053,126,913	$21,898,331,197
2008	$4,089,269,385	$12,003,450,988	$3,760,527,297	$427,193,253	$116,440,939	$20,396,881,862	$8,822,651,321	$29,219,533,183
2009	$2,439,657,555	$5,861,051,297	$3,834,477,312	$350,783,487	$97,845,933	$12,583,815,584	$8,732,662,047	$21,316,477,631
2010	$3,272,849,256	$7,601,436,243	$4,108,362,906	$375,999,587	$134,780,261	$15,493,428,253	$8,846,271,979	$24,339,700,232
2011	$4,119,591,576	$7,190,810,473	$4,284,972,107	$431,369,858	$159,937,621	$16,186,681,635	$9,055,962,943	$25,242,644,578
2012	$4,229,997,989	$4,470,657,938	$4,178,694,059	$451,440,510	$175,774,950	$13,506,565,446	$9,290,528,889	$22,797,094,335
2013	$4,861,690,388	$5,090,310,877	$3,905,573,027	$439,786,716	$165,704,643	$14,463,065,651	$9,701,401,874	$24,164,467,525
2014	$5,566,696,351	$5,803,100,895	$3,983,594,226	$459,695,778	$193,164,243	$16,006,251,493	$10,051,030,476	$26,057,281,969
2015	$3,250,396,372	$2,922,950,409	$3,743,608,369	$482,906,297	$175,457,452	$10,575,318,899	$10,357,469,657	$20,932,788,556
Projected:								
2016	$2,365,200,000	$2,280,100,000	$2,980,500,000	$450,000,000	$153,800,000	$8,229,600,000	$10,564,600,000	$18,794,200,000
2017	$2,751,200,000	$2,774,000,000	$2,949,800,000	$461,300,000	$160,300,000	$9,096,600,000	$10,775,900,000	$19,872,500,000
2018	$2,545,900,000	$2,809,500,000	$2,804,700,000	$472,500,000	$160,300,000	$8,792,900,000	$10,991,400,000	$19,784,300,000
2019	$2,828,800,000	$2,752,600,000	$2,756,400,000	$472,500,000	$160,300,000	$8,970,600,000	$11,211,200,000	$20,181,800,000
2020	$2,828,800,000	$2,697,200,000	$2,756,400,000	$472,500,000	$160,300,000	$8,915,200,000	$11,435,400,000	$20,350,600,000
2021	$2,828,800,000	$2,728,700,000	$2,708,000,000	$483,800,000	$160,300,000	$8,909,600,000	$11,664,100,000	$20,573,700,000
2022	$2,828,800,000	$2,716,700,000	$2,708,000,000	$483,800,000	$160,300,000	$8,897,600,000	$11,897,400,000	$20,795,000,000

(1) - Calendar year represents the calendar year of mineral production.