



## Consensus Revenue Estimating Group October 2020 Revenue Forecast - Fiscal Year 2021 - 2026

The Consensus Revenue Estimating Group (CREG) released *Wyoming State Government Revenue Forecast for Fiscal Year 2021 - Fiscal Year 2026* on October 26, 2020. While the gap between revenues and expenditures is closing, it is still significant and lawmakers will need to exercise caution in spending.

Governor Mark Gordon addressed the Joint Appropriations Committee noting that spending continues to exceed revenues creating a diminished capacity to respond to events like infrastructure fails and other crises.

Don Richards, Co-Chairman, Consensus Revenue Estimating Group, noted the May CREG 2020 theme was "humility" and potentially the May forecast overly pessimistic. However, one data point that is consistent is the uncertain future. Mr. Richards indicated that future federal resources are questionable and the effect of next week's election potential policy effects. Federal and state royalties remain volatile, including severe global impacts to trona industry. Additionally, Wyoming has five oil and gas rigs drilling as compared to thirty at this time last year, and coal production continues to decline.

**Table B. FY 2021-2022 Biennium GF Revenue Forecast Comparison.**

Revenue Source	May 2020 Forecast FY 2021-2022 Biennium and 2020 Legislation Impacts	October 2020 Forecast FY 2021-2022 Biennium	Difference
Sales and Use Taxes	\$803.3 million	\$884.6 million	\$81.3 million
Severance Taxes	\$223.2 million	\$245.1 million	\$21.9 million
Investment Income	\$474.1 million	\$461.4 million	(\$12.7 million)
All Other	\$303.9 million	\$318.0 million	\$14.1 million
<b>Total General Fund</b>	<b>\$1,804.5 million</b>	<b>\$1,909.1 million</b>	<b>\$104.6 million</b>

Under the current scenario, the state could face cash flow issues late next spring or early summer. One thing is certain, Wyoming will have to continue to be creative and think about long term solutions to our revenue and spending options.