



## Consensus Revenue Estimating Group Wyoming State Government Revenue Forecast *Fiscal Year 2022 – 2026*

The Consensus Revenue Estimating Group (CREG) released the *October 2021 Wyoming State Government Revenue Forecast for Fiscal Year (FY) 2022 – 2026* on October 25, 2021. Rebounds in natural gas prices, oil prices and high sales and use tax receipts have resulted in \$248.2 million of cash on hand for Fiscal Year (FY) 2021 and an increase of \$596.9 million over the remainder of the FY 2021 – 2022 biennium through the FY 2023-2024 biennium. The \$850 million over January 2021 CREG forecasts combined with America Rescue Plan Act (ARPA) dollars has the state looking at a total surplus of \$1.3 billion.

Sales and use tax receipts increased by 9 percent or \$41 million over July, August and September. Higher sales and use collections are attributed to an increase of retail sales with an additional spending in the hospitality and lodging sectors. Online sales grew at a much higher percentage rate than brick and mortar, however it still accounts for a smaller amount in percentage of total sales. Looking forward, the CREG did adjust for increased prices in natural gas, oil production and sales and use. They anticipate the biggest increase will come in FY 2022. Current rig counts include 17 oil rigs and two natural gas rigs. Trona has had a modest increase in production with a lower price as a result of a declined GDP.

Other highlights include - investment income continues to increase and are projected to go from three million to \$41 million by 2026. Due to higher cash balances to invest, ARPA funds on hand that can be retained in the GF will result in higher yields for the state. *Note – the CREG doesn't project capital gains.*

Assessed valuation has changed for the first time in a long time for non-mineral properties. CREG averaged 5.13% in calendar year 2020, 4.25 % in 2021, 3.5 % for 2022, and 3% for every year after that.

While significant action has been taken in the way of cuts as recommended from the Governor's supplemental budget and the legislative action in the 2021 General Session, structural deficits remain. Even with the surplus, the School Foundation Program (SFP) still faces a shortfall of roughly \$69 million and will continue to face a \$100 million structural deficit over the next two biennium's unless further action is taken.