



## Consensus Revenue Estimating Group Wyoming State Government Revenue Forecast *Fiscal Year 2023 – 2028*

The Consensus Revenue Estimating Group (CREG) released the *October 2022 Wyoming State Government Revenue Forecast for Fiscal Year (FY) 2023 - 2028* on October 26, 2022. The 40<sup>th</sup> October CREG report summarizes forecast changes for the FY 2023 - 2024 biennium plus the actual revenues for the FY 2021 - 2022 biennium. The report stays consistent in its messaging, **Wyoming's revenue is volatile!** The Legislative Stabilization Reserve Account (LSRA) balance is \$1.99 billion and barely missed the \$2 billion mark due to \$162 million in unobligated balance in the General Fund (GF) from incumbered federal funds. Once those federal funds are accounted for the monies become unrestricted, the LSRA will see a \$2+ billion balance. The LSRA has NEVER been above \$2 billion.

The record LSRA balance from high oil prices and even higher natural gas prices, high sales and use receipts and cash gains from the LSRA. The most important number reported from this CREG report is the \$912 million left in the LSRA that will be available for the Governor's supplemental budget. Of the \$912 million, \$738 million is accounted for from the CREG report, \$45 million in reversions and \$129 million left on the table from the 2022 Budget Session. Even with 15% in agency reductions, agencies were able to revert \$45.2 million from the 100 series (personnel) for unfilled positions.

The CREG forecasted the School Foundation Program (SFP) ending balance of \$978 million for FY 2023-2024 biennium due to \$191million FMRs, \$91 million school property taxes received in excess (makes state payment less as locals realized higher collections), \$172 million in non-mineral (residential), \$459 million mineral ad valorem, \$21 million in reversions, \$44 million in other revenues. Of the \$978 million, 70% is attributed to minerals and 30% non-mineral (non-mineral equals agriculture 1%, industrial 10%, commercial 20 % and residential 70%). Statewide ad valorem increased by 17% for non-mineral, 4% for Agriculture, 7% industrial, 22.4 % commercial and 22% residential.

With \$738 million in change to the FY 2023 – 2024 forecast since January, the report totals \$2.2 billion in combined increases to the GF/BRA and SFP accounts. Overall, caution was issued as the increase is misleading as the surplus is due to the offset of one-time use of federal funds and it postpones the inevitable challenges created by an unstable tax structure. Additionally, staff cautioned that this is not a trend as \$406 million came from revenue replacement and cannot be used for future budgeting. Actuals versus forecast is \$1.1 billion more in the GF and BRA realized by the LSRA since the 2022 Budget Session ended. For the first time in a long time the SFP is not in the negative. No losses or gains are forecasted in this report.