



An Eye on the Wyoming State Budget: A Look Back & Short- Term Projection Forward

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07IP002

Setting the Groundwork: Definition I

- “Type 3 Funds” include all discretionary revenue that is deposited into the General Fund or other funds and accounts traditionally used to support the general operations of Wyoming state government, e.g., Budget Reserve Account (BRA), Legislative Royalty Income (LRI), etc.

Definition II

- “Boom Years” includes all fiscal years after, and including FY01, i.e., FY01-08. “Pre-boom” years are defined as FY94-00.
 - Technically, the state experienced a substantial reduction (33%) in mineral severance taxes in FY02 from FY01 levels; however, for purposes of this presentation all years after FY00 are included as “boom years.”
 - While final revenue results are not available for FY07 and FY08, these are tentatively included as “boom years” based upon current projections.

Notes

- Presentation does not consider dedicated or earmarked revenues such as those flowing to the School Foundation Program (SFP) or School Capital Construction Account (SCCA); that is not to say these are unimportant.
- Recent appropriations to local governments inflate the growth in “general government” as a percent of the budget in recent years.
- Type 3 appropriations do not include transfers to state accounts, including water development accounts.
- All '07-08 data relating to revenues and expenditures are estimates based upon January 2007 CREG projections “potential” expenditures include legislative actions through Feb. 8, 2007.

Historic Budget Trends: Current Dollars

Biennium	Total "Type 3" Budget	Biennial Percent Growth
93-94	\$999,170,593	
95-96	\$1,040,500,497	4.1%
97-98	\$1,046,806,626	0.6%
99-00	\$1,138,334,363	8.7%
01-02	\$1,406,533,185	23.6%
03-04	\$1,580,074,430	12.3%
05-06	\$2,457,302,460	55.5%
07-08	\$3,021,264,964	23.0%

Average Biennial Growth: BY94 - BY06 18.3%

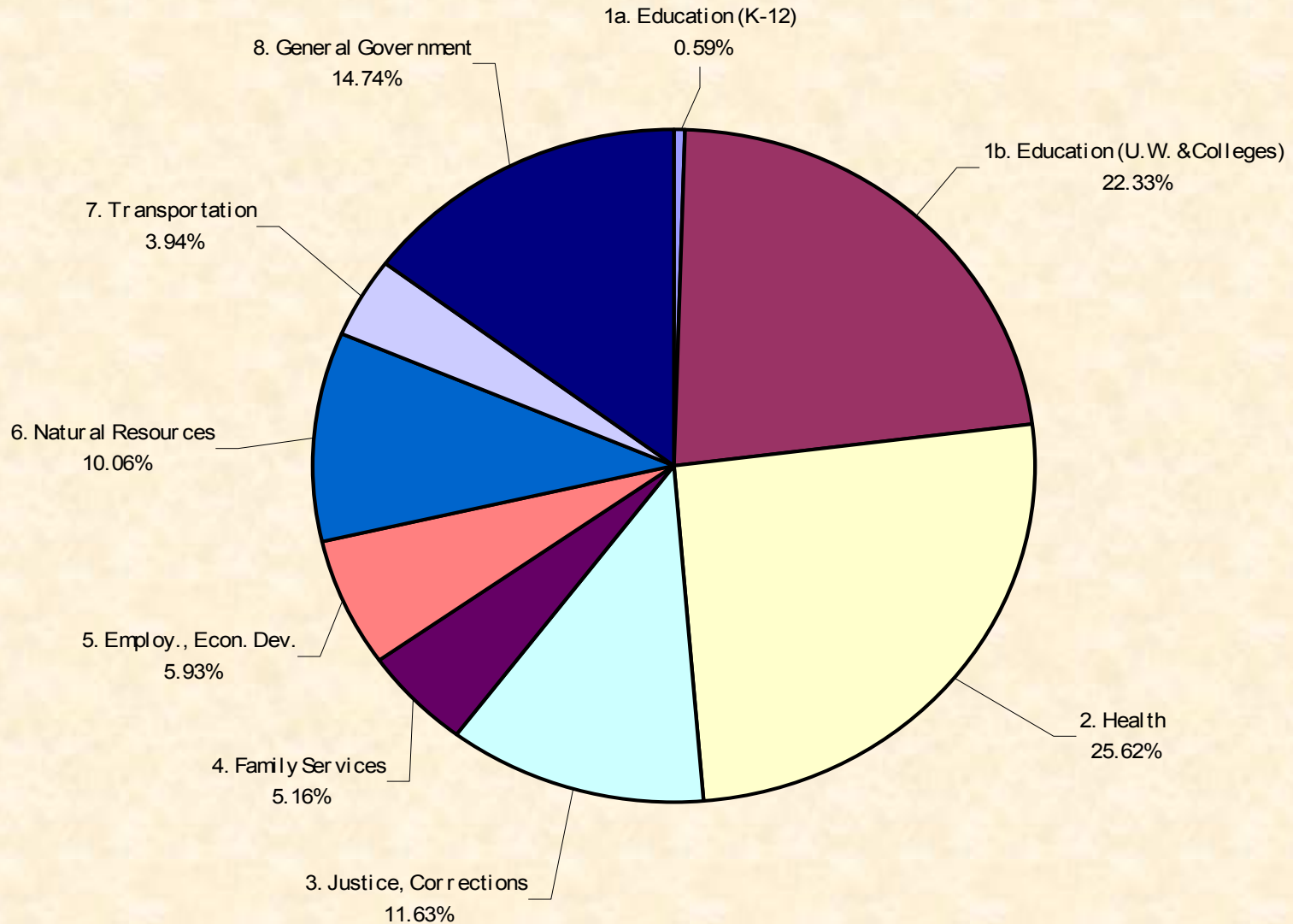
Average Biennial Growth: "Boom Years" 28.6%

Historic Budget Trends: Constant Dollars (inflation adjusted to 1993 dollars)

Biennium	Total "Type 3" Budget	Biennial Percent Growth
93-94	\$999,170,000	
95-96	\$986,560,000	-1.3%
97-98	\$942,460,000	-4.5%
99-00	\$987,330,000	4.8%
01-02	\$1,147,620,000	16.2%
03-04	\$1,240,870,000	8.1%
05-06	\$1,818,130,000	46.5%
07-08 (in '06 \$)	\$2,165,540,000	19.1%
Average Biennial Growth: BY94 - BY06		12.7%
Average Biennial Growth: "Boom Years"		22.5%

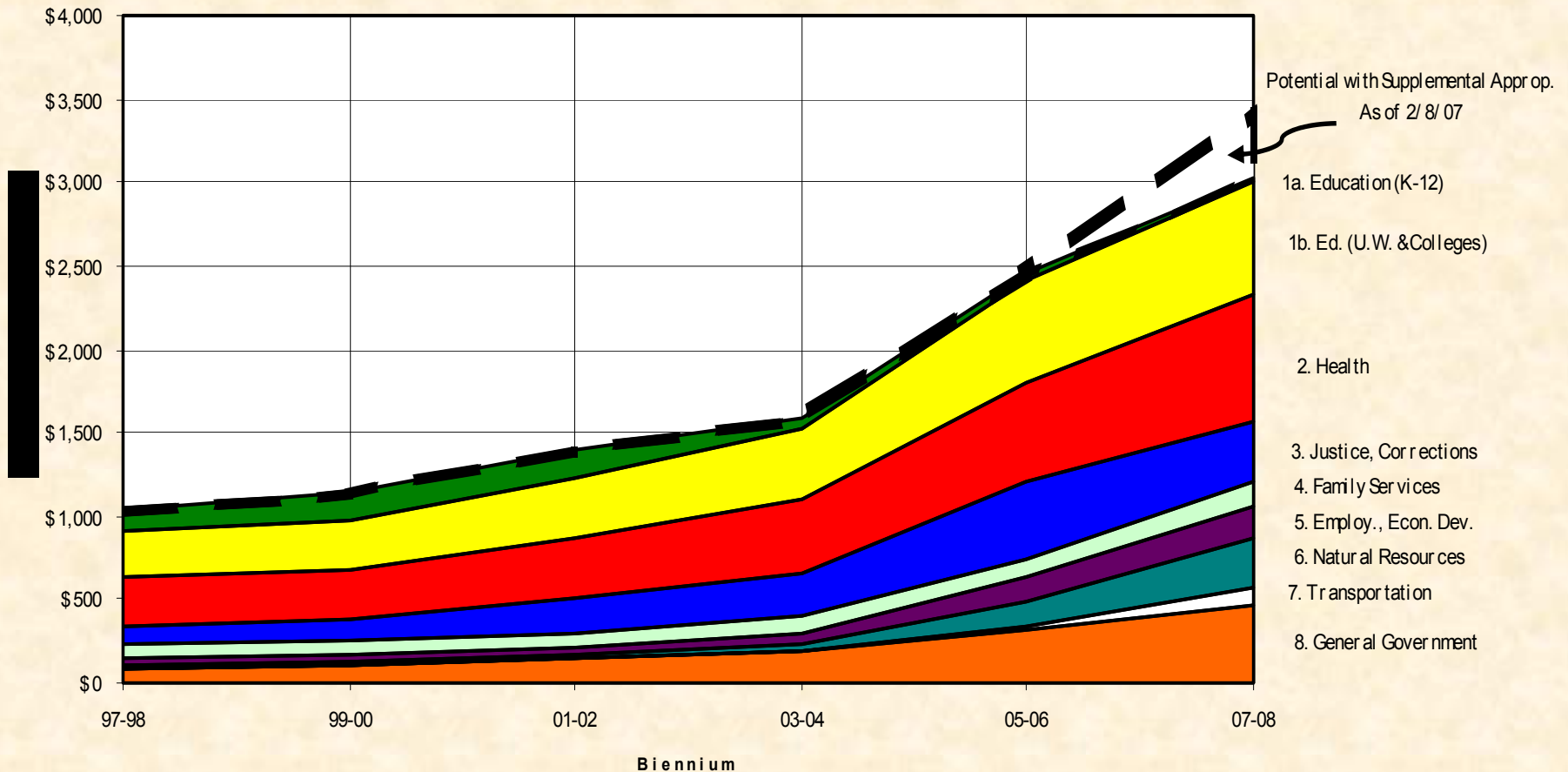
Where Does It Go?

(BY07-08 Breakout of “Type 3” Budget Through 2006 Session)

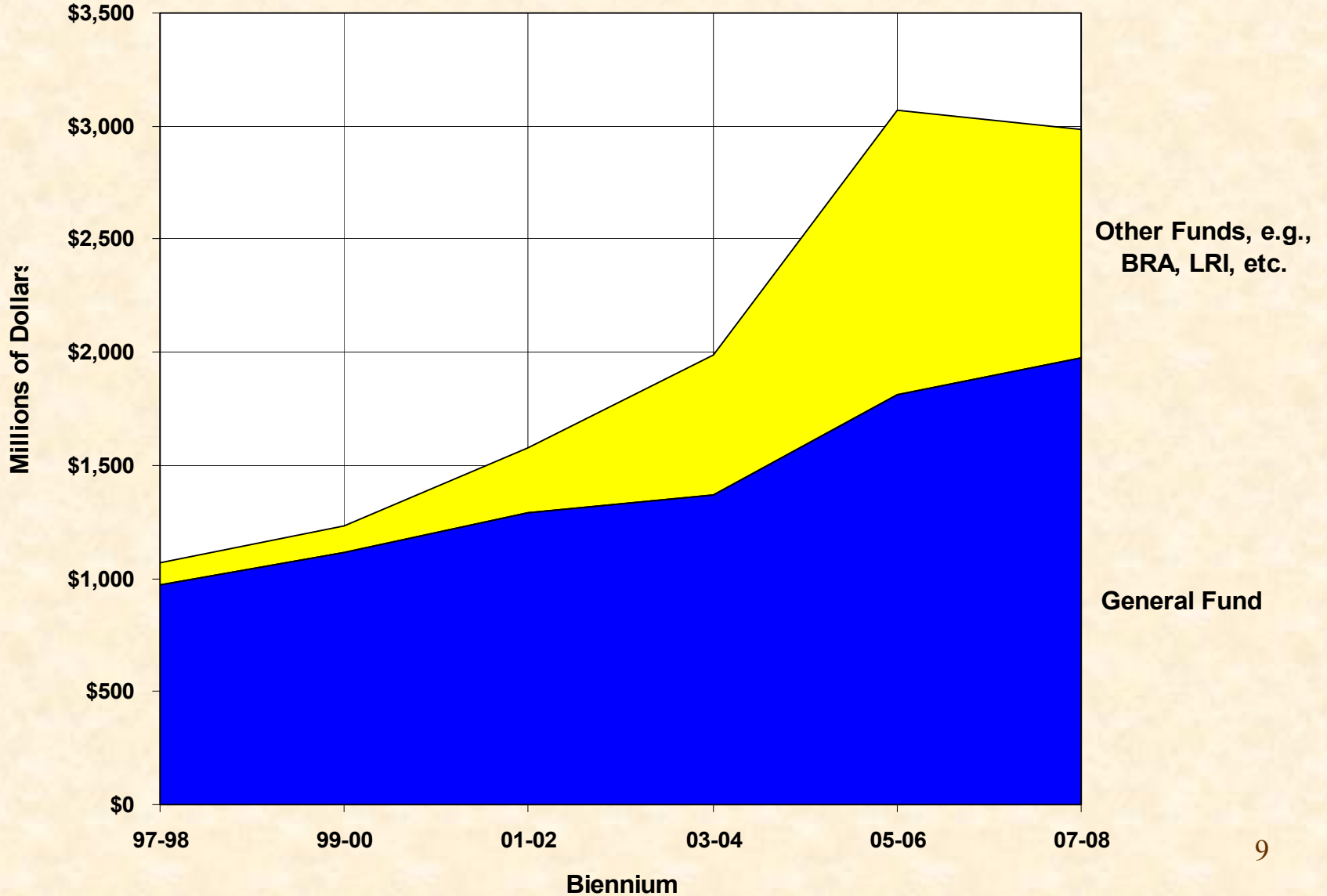


Summary of Appropriations from the General Fund and Other Reserve Accounts through the 2006 Budget Session and Potential During 2007 General Session (Type 3 Funds) by Category

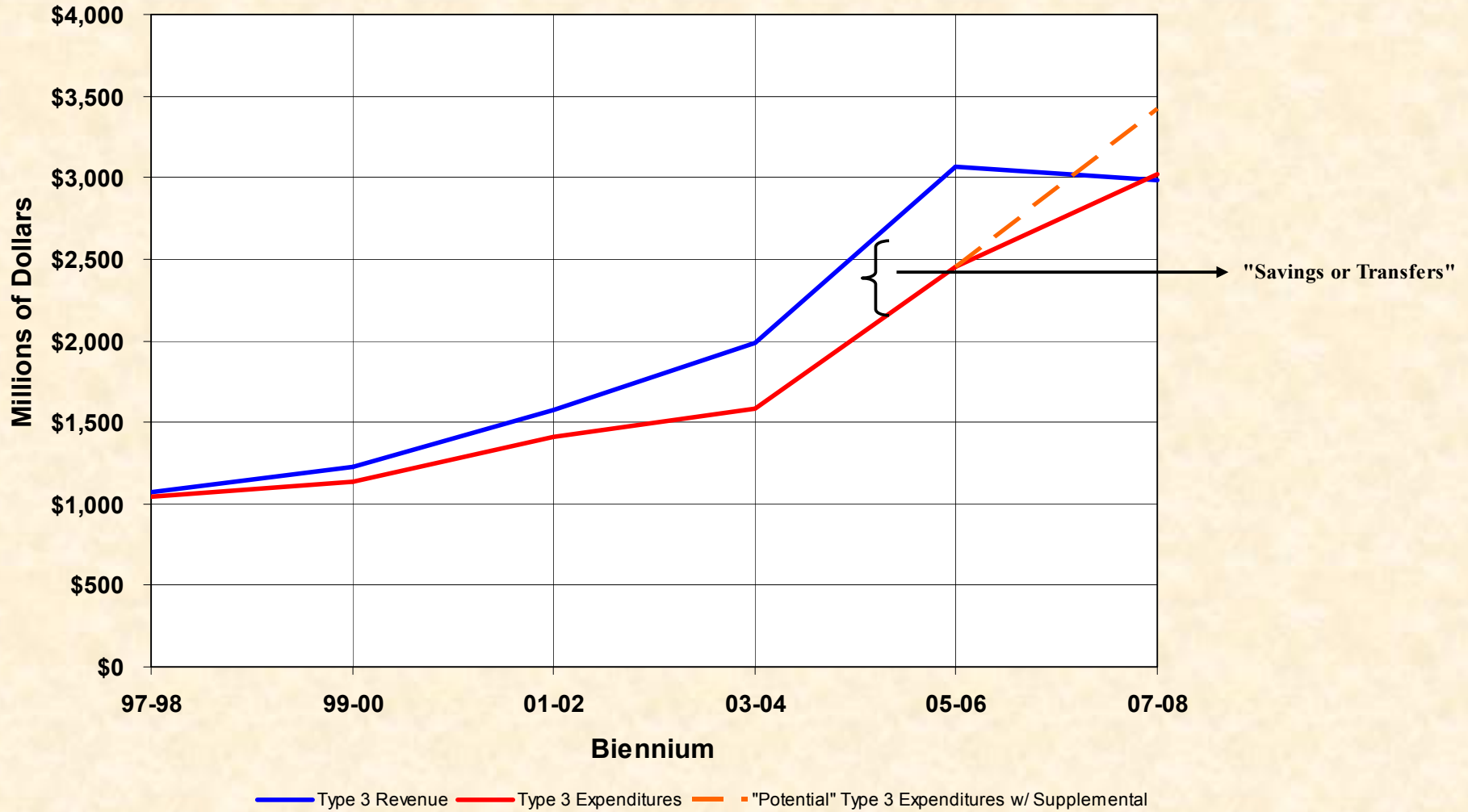
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Historical and Estimated “Type 3”, Discretionary Funds, Revenue Growth



Historical and Estimated Discretionary Revenues v. Spending



Category Growth (in millions of dollars)

	95-96	97-98	99-00	01-02	03-04	05-06	07-08**	Ave.
1a. Education (K-12)	\$7	-\$9	\$33	\$6	-\$121	-\$14	-\$23	-\$17
K-12 Guarantee with Leg. Funding Enhancements*	\$19	\$6	\$246	\$60	\$118	\$159	\$538	\$164
1b. Education (U.W. & Colleges)	\$19	\$6	\$13	\$75	\$55	\$196	\$60	\$61
2. Health	\$28	\$12	\$0	\$66	\$98	\$136	\$176	\$74
3. Justice, Corrections	\$13	\$17	\$25	\$76	\$40	\$210	-\$115	\$38
4. Family Services	\$1	-\$1	-\$3	\$1	\$24	\$15	\$40	\$11
5. Employ., Econ. Dev.	-\$1	-\$6	\$6	\$8	\$13	\$83	\$35	\$20
6. Natural Resources	-\$5	\$2	\$2	\$3	\$20	\$101	\$151	\$39
7. Transportation	-\$3	\$0	\$0	\$0	\$0	\$22	\$96	\$16
8. General Government	-\$18	-\$16	\$15	\$33	\$45	\$129	\$144	\$47
Total "Type 3" Appropriations	\$41	\$6	\$92	\$268	\$173	\$877	\$564	\$289

Notes: * Includes state and local resources, including funding beyond type 3 funds. K-12 funding changed from class room unit to cost based block grant model in SY99-99 (99-00 biennium); 1/2K correction payment of \$13 million was made in July 2002 but added to SY98-99 (99-00 biennium) for illustration.

** In addition, the 07-08 biennium does not yet include any supplemental appropriations, in total, or by category.

Category Growth: Percentage Change Over Prior Biennium

	95-96	97-98	99-00	01-02	03-04	05-06	07-08**	Ave.
1a. Education (K-12)	5.4%	-6.2%	24.3%	3.5%	-69.1%	-25.6%	-55.9%	-17.7%
K-12 Guarantee with Leg. Funding Enhancements*	1.9%	0.5%	23.8%	4.7%	8.8%	10.9%	33.2%	12.0%
1b. Education (U.W. & Colleges)	7.7%	2.4%	4.9%	26.2%	15.4%	47.1%	9.8%	16.2%
2. Health	11.0%	4.3%	-0.2%	22.7%	27.4%	29.7%	29.6%	17.8%
3. Justice, Corrections	15.7%	17.8%	21.7%	54.9%	18.5%	82.9%	-24.7%	26.7%
4. Family Services	1.6%	-0.7%	-3.4%	0.8%	30.6%	14.4%	34.5%	11.1%
5. Employ., Econ. Dev.	-1.5%	-14.6%	17.7%	19.5%	25.4%	129.7%	23.7%	28.6%
6. Natural Resources	-17.3%	9.0%	8.7%	11.8%	62.6%	197.1%	99.3%	53.0%
7. Transportation	-99.0%	-64.3%	-2.2%	-100.0%	0.0%	NA	426.4%	26.8%
8. General Government	-14.9%	-14.7%	16.6%	31.6%	32.7%	70.2%	46.3%	24.0%
Total "Type 3" Appropriations	4.1%	0.6%	8.7%	23.6%	12.3%	55.5%	23.0%	18.3%

Notes: * Includes state and local resources, including funding beyond type 3 funds. K-12 funding changed from class room unit to cost based block grant model in SY99-99 (99-00 biennium); 1/2K correction payment of \$13 million was made in July 2002 but added to SY98-99 (99-00 biennium) for illustration.

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Investment Earnings

Biennium	PWMTF Income	Pooled Income	Total Investment Income	Investment Income as a Percent of "Type 3" Appropriations	PWMTF Income as a Percent of "Type 3" Appropriations
93-94	\$174,000,000	\$48,000,000	\$222,000,000	22.2%	17.4%
95-96	\$172,000,000	\$54,000,000	\$226,000,000	21.7%	16.5%
97-98	\$193,000,000	\$48,000,000	\$241,000,000	23.0%	18.4%
99-00	\$224,000,000	\$52,000,000	\$276,000,000	24.2%	19.7%
01-02	\$188,000,000	\$64,000,000	\$252,000,000	17.9%	13.4%
03-04	\$157,000,000	\$48,000,000	\$205,000,000	13.0%	9.9%
05-06	\$212,000,000	\$104,000,000	\$316,000,000	12.9%	8.6%
07-08 est.	\$220,000,000	\$173,000,000	\$393,000,000	13.0%	7.3%
Average Biennial Percentage: BY94 - BY08				18.5%	13.9%
Average Biennial Percentage: "Pre-Boom Years"				22.8%	18.0%

Severance Taxes and FMRs as a Percent of Type 3 Budget

Biennium	GF Severance Tax	BRA Severance Tax & FMRs	"Type 3" Severance Taxes and FMRs	Severance Tax and FMRs as Percent of "Type 3" Appropriations
93-94	\$131,000,000	\$104,000,000	\$235,000,000	23.5%
95-96	\$118,000,000	\$73,000,000	\$191,000,000	18.4%
97-98	\$140,000,000	\$99,000,000	\$239,000,000	22.8%
99-00	\$143,000,000	\$114,000,000	\$257,000,000	22.6%
01-02	\$256,000,000	\$287,000,000	\$543,000,000	38.6%
03-04	\$334,000,000	\$617,000,000	\$951,000,000	60.2%
05-06	\$466,000,000	\$1,257,000,000	\$1,723,000,000	70.1%
07-08	\$386,000,000	\$1,015,000,000	\$1,401,000,000	46.4%
Average Biennial Percentage: BY94 - BY08				37.8%
Average Biennial Percentage: "Boom Years"				53.8%

PWMTF Corpus and Anticipated Growth

	FY07	FY08
Beginning Balance	\$2,973,600,000	\$3,284,900,000
Constitutional Severance Tax *	\$174,800,000	\$191,300,000
Statutory Severance Tax **	\$116,500,000	\$127,500,000
Appropriation	\$20,000,000	\$180,000,000
Ending Balance	\$3,284,900,000	\$3,783,700,000

* Reflects the January 2007 CREG projections of the Constitutional 1.5 percent severance tax.

** Reflects the additional PWMTF deposits resulting from 2005 SF 25 ('05 Laws, Ch. 80).

What Key Factors Impact Future Revenues, Budgets, and Related Analyses?

1. Energy prices and production levels, particularly as they meet, exceed, or fall short of current projections;
2. Growth of appropriations;
3. Investment performance;
4. Trends in other tax revenues, e.g., sales taxes, etc.; and
5. Potential changes to the severance tax and federal mineral royalty (FMR) distribution formulas.