

October 2023 Long-Term Revenue-Expenditure Forecast

		(A)	(B)	(C)
		FY 2023-2024 Biennium	FY 2025-2026 Biennium	FY 2027-2028 Biennium
	Beginning Balances (July 1, 2022 and Estimated July 1, 2024 and July 1, 2026)			
Box 1	GF/BRA	\$113,200,000	\$115,300,000	\$152,600,000
Beg. Bal.	Reversions and adjustments	\$52,800,000		
	SFP & SCCA, including reversions¹	\$153,800,000	\$660,900,000	\$1,011,300,000
	TOTAL	\$319,800,000	\$776,200,000	\$1,163,900,000
	Estimated Revenues			
	GF/BRA	\$3,831,400,000	\$3,823,900,000	\$3,827,000,000
	Sales and Use Taxes	\$1,277,600,000	\$1,341,600,000	\$1,428,100,000
	Investment Earnings	\$759,700,000	\$948,300,000	\$988,700,000
	Severance Taxes and FMRs	\$1,407,500,000	\$1,129,000,000	\$1,005,200,000
	All Other	\$386,600,000	\$405,000,000	\$405,000,000
Box 2	SFP & SCCA¹	\$2,531,500,000	\$2,500,100,000	\$2,469,000,000
Est. Rev.	Ad valorem Taxes, including Recapture ⁶	\$1,629,600,000	\$1,284,300,000	\$1,229,200,000
Less	FMRs	\$573,900,000	\$419,300,000	\$390,700,000
	CSPLF Investment Earnings	\$354,200,000	\$429,000,000	\$437,700,000
	Investment Income Guarantee	\$76,800,000	\$44,800,000	\$81,800,000
	All Other ⁶	\$116,700,000	\$119,000,000	\$123,200,000
	Statutory Transfer from LSRA (W.S. 9-4-219(b))	\$0	\$0	\$0
	State Royalties on School Lands	\$0	\$98,000,000	\$94,000,000
	SIPA Investment Income (45% of Spending Policy Amount)	\$0	\$105,700,000	\$112,400,000
	Net Transfer - Other Accounts	(\$219,700,000)	\$0	\$0
	TOTAL	\$6,362,900,000	\$6,324,000,000	\$6,296,000,000
	Estimated Appropriations/Expenditures			
	GF/BRA	(\$3,576,200,000)	(\$3,223,900,000)	(\$3,277,400,000)
	Department of Health ²	(\$815,800,000)	(\$891,000,000)	(\$891,000,000)
	Higher Education	(\$712,100,000)	(\$671,000,000)	(\$671,000,000)
	Corrections ²	(\$10,100,000)	(\$256,300,000)	(\$256,300,000)
	Major Maintenance ³	(\$153,800,000)	(\$162,200,000)	(\$178,400,000)
Box 3	Locals ⁴	(\$146,300,000)	(\$105,000,000)	(\$105,000,000)
Est. Exp.	All Other ²	(\$1,289,700,000)	(\$929,400,000)	(\$955,800,000)
Equals	Spending Policy transfer	(\$123,400,000)	(\$209,000,000)	(\$219,900,000)
	Transfers to Other Accounts	(\$62,000,000)	\$0	\$0
	Transfers to Savings	(\$263,000,000)	\$0	\$0
	SFP & SCCA¹	(\$2,024,400,000)	(\$2,149,700,000)	(\$2,203,400,000)
	K-12 Funding Model ^{5,6}	(\$1,585,100,000)	(\$1,734,500,000)	(\$1,782,900,000)
	Agencies and All Other	(\$73,200,000)	(\$73,700,000)	(\$73,700,000)
	Spending Policy transfer	\$0	\$0	\$0
	External Cost Adjustment ⁶	\$0	\$0	\$0
	Capital Construction (and traditional estimates by LSO) ⁷	(\$366,100,000)	(\$341,500,000)	(\$346,800,000)
	TOTAL	(\$5,600,600,000)	(\$5,373,600,000)	(\$5,480,800,000)
Box 4	Biennial Surplus/(Shortfall) - "Revenues Minus Expenditures"			
Surplus/	GF/BRA (Biennial, not cumulative figure)	\$305,900,000	\$563,000,000	\$544,000,000
Shortfall	SFP before LSRA transfer & SCCA ¹ (cumulative figure)	\$660,900,000	\$1,011,300,000	\$1,276,900,000
	Cumulative TOTAL, before LSRA transfer	\$966,800,000	\$1,574,300,000	\$1,820,900,000
Box 5	Estimated Reserve Balances, End of Biennium			
Other	LSRA ⁸	\$1,702,600,000	\$2,350,000,000	\$2,984,000,000
Balances	SIPA ⁹	\$2,100,000	\$111,300,000	\$228,500,000
	PWMTF RA ¹⁰	\$606,100,000	\$512,100,000	\$414,700,000
	SFP RA	\$76,800,000	\$76,800,000	\$76,800,000
	CSPLF RA ¹⁰	\$572,900,000	\$574,600,000	\$542,000,000
	TOTAL	\$2,960,500,000	\$3,624,800,000	\$4,246,000,000
	One Percent Sev. Tax revenue: 50:50 to PWMTF and CSPLF¹¹	\$275,400,000	\$219,000,000	\$199,000,000

Notes:

1) 2023 SF 66 (2023 Laws, Chapter 175) consolidated the School Capital Construction Account (SCCA) and School Foundation Program Account (SFP). Although the combination does not commence until FY 2025, these accounts are shown as combined for simplicity and transparency.

2) For the 2023-2024 biennium, a portion of the GF for the Department of Health (WDH), Department of Family Services (DFS), and Department of Corrections (DOC) was replaced by ARP funds on a dollar-for-dollar basis to assist in the conservation of GF as related to COVID Public Health Emergency. The estimated FY 2025-2026 and FY 2027-2028 biennial appropriations for the WDH, DFS, and DOC include those amounts that are anticipated to "return" to the GF in these years with the end of the Public Health Emergency. **FY 2025-2026 through FY 2027-2028 also includes an estimated \$55 million per biennium funded with GF reversions in FY 2023-2024 in the Department of Health.** An estimated increase of 6% increase per year for employer paid health insurance is included beginning FY 2027.

3) The major maintenance multiplier for the FY 2025-2026 and FY 2027-2028 biennium are included at the two percent level for state facilities, appropriated from the GF, and aligned with the statutory rate for K-12 school district facilities in W.S. 21-15-109. The FY 2027-2028 amount is increased by 10 percent.

- 4) Direct appropriations for local governments includes only the base \$105 million appropriation and does not include the \$15 million, secondary appropriation, weighted to smaller and less wealthy cities, towns, and counties, or \$26.25 million tertiary appropriation adopted in the 2023 General Session for the FY 2025-2026 biennium.
- 5) Future years' SFP appropriations assume most recent school year 2022-2023 data at the time of preparation; flat student enrollment; annual 6% health insurance increase starting FY 2027; 4% growth for reimbursements starting FY 2024. Agency budgets for the FY 2025-2026 and 2027-2028 biennia reflect the FY 2023-2024 levels.
- 6) The K-12 external cost adjustment (ECA) adopted in 2023 was \$70.4 million comprised of both increased entitlements, shown in expenditures and reduced recapture payments shown in "Ad valorem Taxes, including Recapture" SFP & SCCA revenue. The ECA adopted is on-going and shown in the funding model line (row 34).
- 7) Estimated expenditures for FY 2025-2026 K-12 capital construction assume major maintenance growth of 3%, \$165 million per biennium in capital construction and the anticipated standard budget for state operations, consistent with the School Facilities Commission FY 2025-2026 biennial request. All appropriations for major maintenance, inflation, and condition and capacity projects are shown as "one-time" expenditures.
- 8) Several appropriations from LSRA are contingent, e.g., continuous appropriation for public welfare emergencies. The analysis assumes no realized capital gains. Any surplus in the GF/BRA is added to the LSRA balance for purposes of this analysis. Any shortfall in the SFP is deducted from the LSRA pursuant to W.S. 9-4-219(b).
- 9) SIPA balance assumes no "one-time" appropriations beyond the FY 2023-2024 biennium.
- 10) The balance of the PWMTF RA and CSPLF RA are entirely dependent upon investment earnings, including realized capital gains (or losses) which CREG does not forecast. If earnings are in excess of the projected interest and dividends, the revenue to the respective reserve accounts (PWMTF RA and CSPLF RA) would increase by an amount equal to the investment earnings in excess of the projected interest and dividends.
- 11) 2021 Laws, Ch. 144 directs the revenue from the one percent statutory severance tax equally to the PWMTF and CSPLF from FY 2023 through FY 2028. Thereafter, distributions are one-third to the CSPLF and two-thirds to the PWMTF.