Wyoming State Government
Revenue Forecast
Fiscal Year 2019 – Fiscal Year 2024

Mineral Price and Production Estimates
General Fund Revenues
Severance Taxes
Federal Mineral Royalties
Common School Land Income Account and State Royalties
Total State Assessed Valuation

Consensus Revenue Estimating Group
CREG

October 2018

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Subject: Wyoming Revenue Forecast

The Consensus Revenue Estimating Group (CREG) met on October 11, 2018. This meeting was preceded by the minerals valuation group meeting on October 1, 2018. The attached report resulting from those meetings provides the revenue forecasts for fiscal years (FY) 2019 through 2024 and summarizes the assumptions and broad justifications supporting the forecasts. Final, actual revenue information for FY 2018 is incorporated in the tables presented in this report and in the accompanying fiscal profile prepared by the Budget/Fiscal section of the Legislative Service Office (LSO).

This cover memo summarizes the impact of the revenue forecast changes on major profiled funds for the remainder of the FY 2019-2020 biennium, as well as a concise review of the actual revenues received for the FY 2017-2018 biennium. Explanations of the forecast revenue streams can be found in the attached CREG report and associated tables.

[Authors' Note: Narrative and elements in the tables that are in italics are not statements by CREG, but rather reflect fiscal profile accounting prepared by the LSO Budget/Fiscal staff. It is incorporated in the cover memo for transparency and summary purposes only.]

1. TRADITIONAL STATE ACCOUNTS

Actual FY 2018 General Fund and Budget Reserve Account Revenues

The actual FY 2018 General Fund (GF) revenues exceeded the January 2018 CREG forecast by \$314.2 million. Of that amount, \$267.9 million, or 85.3 percent of the variance, can be attributed to realized capital gains from investments of the Permanent Wyoming Mineral Trust Fund (PWMTF), not forecast by CREG. Actual Budget Reserve Account (BRA) revenues received exceeded the forecast by $15.3 million, for a combined total of $329.5 million, including realized capital gains and $61.6 million without consideration of realized capital gains. Additionally, the deposits to the One Percent Severance Tax Account (OPSTA), which was used in the FY 2017-2018 biennium as a budget balancing revenue stream, exceeded the January 2018 CREG forecast by $6.9 million. Three major revenue streams contributed to the difference between actual and forecast revenues in a meaningful way: realized capital gains, as previously mentioned ($267.9 million); sales and use tax collections ($38.0 million); and severance taxes ($26.7 million). Among the major revenue categories for the GF, only pooled income, charges for sales and services, including cost allocation payments from the federal government, and penalties and interest failed to reach the January 2018 CREG projections.

Bottom Line: FY 2017-2018 Biennium GF/BRA

Through the end of the FY 2017-2018 biennium, revenues to the GF and BRA exceeded the March 27, 2018 fiscal profile by $329.5 million, which was adjusted by the following: (i) net reversions of appropriations and accounting reconciliation items of +$23.8 million; (ii) statutorily directed transfers of investment income to the Strategic Investments and Projects Account (-$88.1 million), to the Legislative Stabilization Reserve Account (LSRA) (-$88.1 million), and to the Permanent Wyoming Mineral Trust Fund Reserve Account (-$95.2 million); (iii) transfers to the GF in excess of projections from the OPSTA of +6.9 million; and (iv) realized capital losses in the State Agency Pool attributable to the GF were recorded as a reduction to the GF cash balance (-$8.6 million). Since transfers from the BRA to the LSRA and OPSTA to the BRA were scheduled on the same date (June 30, 2018) in Session Law, no funds were transferred to the LSRA for purposes of intermediate savings as in recent biennia. The carryover cash balance of the BRA is $251.9, which is $80.2 million higher than previously forecast on March 27, 2018.

FY 2019-2020 Biennium General Fund Revenue Forecast Comparisons

For purposes of consistent treatment, all comparisons to the January 2018 CREG report also include the impact of legislative changes, added to the January 2018 CREG values. Within the October 2018 CREG report, GF revenue estimates for the FY 2019-2020 biennium were increased by $212.1 million from the January 2018 CREG report. Table A illustrates the difference in revenue forecast levels by major category.

Table A. FY 2019-2020 Biennium General Fund Revenue Forecast Comparison.

Revenue Source	January 2018 Forecast FY 2019-2020 Biennium, plus 2018 Legislation	October 2018 Forecast FY 2019-2020 Biennium	Difference
Sales and Use Taxes	$892.8 million	$984.1 million	$91.3 million
Severance Taxes	$513.9 million	$556.9 million	$43.0 million
Investment Income	$508.6 million	$591.5 million	$82.9 million
All Other	$298.1 million	$293.0 million	-$5.1 million
Total General Fund	**$2,213.4 million**	**$2,425.5 million**	**$212.1 million**

On a fiscal year basis, FY 2019 GF forecast revenues increased from January 2018 forecast levels and legislative changes during the 2018 Budget Session by a total of $90.4 million, and FY 2020 GF projected revenues increased from January 2018 levels by a total of $121.7 million.

FY 2019-2020 Biennium Budget Reserve Account Revenue Forecast Comparisons

Within the October 2018 forecast of the FY 2019-2020 biennium revenue, the CREG report includes increased projected revenue directed to the BRA of $49.6 million in severance taxes and increased anticipated revenue of $30.3 million from FMRs. The changes to the BRA are summarized in Table B.

Table B. FY 2019-2020 Biennium Budget Reserve Account Revenue Forecast Comparison.

Revenue Source	January 2018 Forecast FY 2019-2020 Biennium, plus 2018 Legislation	October 2018 Forecast FY 2019-2020 Biennium	Difference
Severance Taxes	$271.5 million	$321.1 million	$49.6 million
FMRs	$412.7 million	$455.7 million	$43.0 million
Total BRA	**$684.2 million**	**$776.8 million**	**$92.6 million**

2. PROFILED EDUCATION ACCOUNTS

Actual FY 2018 School Foundation Program Account and School Capital Construction Account Revenues

Actual FMRs directed to the School Foundation Program Account (SFP) in FY 2018 were $220.0 million, $4.4 million (2.0 percent) more than the January 2018 CREG projection modified by action during the 2018 Budget Session. Actual investment earnings from the Common School Account within the Permanent Land Fund (CSPLF) directed to the Common School Land Income Account (CSLIA) totaled $213.5 million, or $127.9 million more than the January 2018 CREG projection of interest and dividends. Like the investment earnings attributed to the PWMTF, the variance between actual investment earnings and the forecast was almost entirely due to $124.2 million in realized capital gains. All investment earnings were directed to the CSLIA and subsequently the SFP. Pursuant to W.S. 9-4-719(g) and because of the level of investment income earned in FY 2018, $48.9 million of FMRs were deposited to the Common School Permanent Land Fund Spending Policy Reserve Account (CSPLF RA). No funds were deposited into the CSPLF as the statutory thresholds for transfers to the CSPLF corpus, or "tips" as provided in W. S. 9-4-719(h) were not met. Moreover, even if the thresholds for the "tips" into the corpus of the CSPLF were met, that statute was suspended pursuant to 2018 Wyoming Session Laws, Chapter 134, Section 300(d) for FY 2018 and the period of the FY 2019-2020 biennium.

Total coal lease bonus payments directed to the School Capital Construction Account (SCCA) met the forecast value of $5.3 million.

FY 2019-2020 Biennium School Foundation Program Revenue Forecast Comparisons

CREG increased the FMR forecast, net of 2018 legislative action, for the FY 2019-2020 biennium directed to the SFP by $85.8 million and decreased the projected income from investments, fees and leases directed to the CSLIA by $1.8 million in the October 2018 report. Table D summarizes the revisions by major revenue component, resulting from the October 2018 CREG projections.

Table C. FY 2019-2020 Biennium School Foundation Program Account Revenue Forecast Comparison.

Revenue Source	January 2018 Forecast FY 2019-2020 Biennium, plus 2018 Legislation	October 2018 Forecast FY 2019-2020 Biennium	Difference*
FMRs	$402.8 million	$488.6 million	$85.8 million
Inv, fees, leases (CSLIA)*	$404.6 million	$402.8 million	-$1.8 million
12 mill	$488.8 million	$513.7 million	$24.9 million
All Other	*$328.1 million*	*$377.6 million*	*$49.5 million*
TOTAL SFP	***$1,624.3 million***	***$1,782.7 million***	***$158.4 million***

*Investment income includes the full spending policy amount of 5 percent, guaranteed by the CSPLF RA, to the extent funds are available. This row represents income deposited to the Common School Land Income Account (CSLIA).

FY 2019-2020 Biennium School Capital Construction Account Revenue Forecast Comparisons

CREG did not revise the forecast of FMRs directed to the SCCA in the October 2018 report. Additionally, CREG initiated a formal projection of state royalties for the FY 2019-2020 biennium in the October 2018 report, but the inaugural projection matches the estimate prepared by LSO and the Office of State Lands and Investments staff for the 2018 Budget Session. In sum, there are no revisions to the forecast revenue streams for this account.

Table D. FY 2019-2020 Biennium School Capital Construction Revenue Forecast Comparison

Revenue Source	January 2018 Forecast FY 2019-2020 Biennium, plus 2018 Legislation	October 2018 Forecast FY 2019-2020 Biennium	Difference
FMRs	$10.6 million	$10.6 million	$0
State Royalties	$100.0 million	$100.0 million	$0
Total SCCA	**$110.6 million**	**$110.6 million**	**$0**

Report Contents

Introduction

Mineral severance taxes and federal mineral royalties (FMRs), excluding coal lease bonus payments, generated $1.18 billion in revenue for the State and political subdivision beneficiaries in fiscal year (FY) 2018, representing the highest level in the last three fiscal years. Nonetheless, this level of mineral income represents approximately 56 percent of the highwater mark of $2.10 billion of severance taxes and FMRs collected in FY 2008. State revenue collections continue to be anchored in revenue generated directly, or indirectly, from Wyoming's extractive industries. Investment income, which is also particularly volatile due to the fluctuations in realized capital gains, generated income in excess of the spending policies in FY 2018. The modest increase in severance tax collections and FMR receipts in FY 2018 as compared to the prior two years is an improvement shared by the General Fund (GF), which posted the highest revenues in the last three fiscal years, with or without consideration of FMR redirections related to abandoned mine land (AML) funds. In particular, the State's share of statewide sales and use tax collections rebounded in FY 2018, increasing $72.7 million (17.9 percent) over FY 2017 collections. Looking through the rearview mirror, three State revenue realities are evident:

- Wyoming's state revenue streams are volatile. The fluctuation is not only directly caused by change in mineral prices but also is greatly affected by financial markets;
- Major State revenue streams recorded a near-term low in FY 2016;
- The rebound, or improvement in collections from the extractive industries in FY 2017 and FY 2018 has been healthy, though still far short of collections from the prior decade. In this sense, an often-used metaphor related to equity markets may be apropos to Wyoming's state revenues: Wyoming revenue collections take the elevator down, but the stairs on the way up.

The most significant revisions to the October 2018 CREG forecast are those related to oil. The near-term improvement in prices, substantial recorded growth in production, and prospects for continued Wyoming oil production growth guide many of the underlying improvements to State revenue collections incorporated in this report. The wide-ranging impact on the improving outlook for the Wyoming oil sector is not limited to direct increases in forecast price and production levels or the associated increases in severance tax, ad valorem tax, and FMR collections. The strength in the Wyoming oil sector is also evident in two recent federal oil and gas lease auctions held in June and September 2018, which generated more than $47 million for Wyoming. A portion of the improved collections of and outlook for sales and use taxes is attributable to the improved activity in Wyoming's oil fields, especially those of the southern Powder River Basin (PRB). Taxable purchases by the producing companies and their growing workforce translate into identifiable growth in statewide sales and use tax collections. A further ancillary benefit to the increased Wyoming oil production is that the downward trend in Wyoming natural gas production has been arrested, at least temporarily, due to the increased production of associated gas. Finally, even less directly, increased severance taxes from oil will result in larger deposits to the Permanent Wyoming Mineral Trust Fund (PWMTF) and ultimately improve opportunity for future investment earnings. In sum, the highlight of this forecast is the increased tax collections from and projected outlook for Wyoming's oil sector.

This CREG forecast provides projections of major state revenue streams, not all of which share the positive outlook demonstrated by Wyoming's oil sector. Natural gas and coal prices are not as strong as previously forecasted and have been revised downward. The outlook for coal production has been revised downward. Also, while net realized capital gains from investments in the State's permanent funds exceeded the spending policies for all accounts, net realized capital losses in FY 2018 will reduce available cash for the State's non-permanent funds, including the GF by modest amounts. This report also includes several less impactful adjustments. After taking all forecast revisions into account, Wyoming's primary accounts including the GF, Budget Reserve Account (BRA), PWMTF, School Foundation Program Account (SFP), and Common School Permanent Land Fund (CSPLF) are projected to benefit from higher forecast revenue deposits. The same is true for the Spending Policy Reserve Accounts. Notwithstanding the appropriation reversions benefitting the School Capital Construction Account (SCCA), the revenue projections in this report leave the outlook for that account unchanged.

Section 1 – Mineral Price and Production Estimates

The CREG projection of mineral price and production levels over the forecast period, which encompasses FY 2019 through FY 2024, calls for moderate, net increases led by the strength of the oil sector, compared to the January 2018 forecast. However, these increased projections continue to fall short of FY 2015 FMR and severance tax levels, immediately prior to the substantial declines experienced in FY 2016, much less than the peak levels recorded in FY 2008. Oil production and price increases account for nearly all of the increases in projected severance taxes, with net revisions to natural gas accounting for the balance of the increases. Offsetting these increases somewhat, CREG generally reduced its forecast for both surface coal prices and production.

The assumptions set forth in Section 1 carry through the remainder of this report. For specific forecast assumptions, please refer to the individual subsection for each mineral contained within this section of the report. Table 3, found within the appendix, summarizes the price and production forecast levels of the individual major minerals: oil, natural gas, surface coal, and trona.

Oil:

Wyoming oil production in the first half of calendar year (CY) 2018 demonstrates material gains in excess of CREG's January 2018 forecast. The increased oil production in Wyoming is set against a global market of higher prices, lower global inventories, and uncertain production in Venezuela, Libya, Nigeria, and Iran, each facing different production, or sale, challenges. Rising prices of West Texas Intermediate (WTI) crude oil from levels in the $20s/barrel (bbl) to the mid-$70s/bbl have generated increased interest in Wyoming oil, especially in the PRB. Additional factors impacting the outlook for Wyoming oil include takeaway constraints in the Permian Basin and even near-term regulatory uncertainty in Colorado. Improving extraction methods and higher prices have slowly re-energized interest in and production of Wyoming oil. This interest and, frankly, optimism, is evident in publicly available company announcements and more directly, two strong federal oil and gas lease bonus auctions held in June and September 2018. CREG notes the perspective for both Wyoming oil price and production has improved in recent months and shows indications of continued strength.

Wyoming oil production hit a near-term peak in CY 2015 at 86.5 million bbls, before declining 16.1 percent (13.9 million bbls) in CY 2016 to 72.6 million bbls. Production rebounded modestly in CY 2017 to 75.6 million bbls. Most directly, production in the first six months of CY 2018 is 41.4 million bbls, on pace to once again exceed 80 million bbls, potentially by a material margin.

The number of active oil rigs in Wyoming throughout CY 2018 has outpaced rig counts in CY 2017. For example, as reported by Baker Hughes GE (BHGE), Wyoming's 17 oil rigs in September 2018 compares favorably to 11 oil rigs one year ago. Wyoming's monthly oil production in the first six months of CY 2018 exceed CY 2017 levels by more than 1.1 million bbls per month, or 19.1 percent. While naturally-occurring depletion in legacy oil production remains evident, advances are being made to reduce the relatively steep decline rates of production of horizontal wells.

Pricing for Wyoming oil has increased substantially from the lows experienced a few years ago. The annual average price received for Wyoming oil declined from $81/bbl in CY 2014 to $41/bbl in CY 2015 and further yet to $37/bbl in CY 2016. Improving prices were evident in CY 2017, with the average Wyoming reported oil price rising to $47/bbl. In the first six months of CY 2018, the average reported price has swelled to just over $58/bbl, and judging from WTI spot prices over the first three months of FY 2018, continued growth in Wyoming oil prices is apparent, at least through mid-October 2018.

Oil production in Wyoming is heavily shaped by external developments. On the supply side, world oil production, including compliance by the Organization of the Petroleum Exporting Countries (OPEC), geopolitical events, technological advancements, capital deployment decisions, and imposition of and adherence to trade sanctions all can contribute to world oil supply. National and global economic growth directly shape the demand for oil. For domestic producers, attractiveness of competing opportunities for capital deployments impact decisions. As evidenced in company financial reports and announcements, Wyoming's oil production opportunities are generating attention. In short, Wyoming producers are price takers, so sustained improvement in the oil price environment will be required to entice more vigorous drilling programs in Wyoming and, correspondingly, offset the naturally-occurring decline in production of existing, legacy wells.

Based upon a review of public and private oil price estimates, futures markets, as well as an independent assessment, CREG forecasts oil prices to remain at levels elevated from CY 2015 and CY 2016 and more consistent with the last six months to a year. CREG relied heavily on the caution reflected in the long-term futures markets for its projection of prices beyond CY 2021. In doing so, the oil price forecast declines from $60/bbl to $55/bbl in anticipation of potential softness, which could arrive due to lower world demand (economic slowdown), resolution of supply challenges, or other factors; however, the timing is uncertain at best. Additionally, Wyoming oil price levels are anticipated to remain at least $4 to $5 lower than WTI crude prices, allowing for transportation pricing and other factors. In net, the oil price projection increased by $10/bbl from January CREG report over most of the forecast period. CREG's projection for production growth is more muted than that of some firms operating in Wyoming, increasing by 5 percent in CY 2019 and 3 percent in CY 2020 before holding at that level.

Table I. Comparison of Oil Production and Price Forecasts: bbls. and $/bbl.

Calendar Year	January 2018 Forecast	October 2018 Forecast
2018	77.3 M bbls. / $50.00	85.0 M bbls. / $60.00
2019	78.1 M bbls. / $50.00	89.3 M bbls. / $60.00
2020	78.9 M bbls. / $50.00	92.0 M bbls. / $60.00
2021	79.7 M bbls. / $50.00	92.0 M bbls. / $60.00
2022	80.5 M bbls. / $50.00	92.0 M bbls. / $55.00
2023	NA	92.0 M bbls. / $55.00
2024	NA	92.0 M bbls. / $55.00

Natural Gas and Coal Bed Methane:

Wyoming natural gas production, according to the Oil and Gas Conservation Commission, has experienced eight consecutive years of production declines by as much as 9 percent annually for certain years. Through the first six months of CY 2018, the consistent downward trend in natural gas production is on pace to reverse, with actual Wyoming natural gas production increasing year-over-year by 3.2 percent through June 2018. An assessment of the production, by major Wyoming basin, reveals the largest contributor to the increased production is natural gas associated with oil production, or associated gas. Consistent with CREG's view of increased Wyoming oil production, CREG is reversing its forecast for continued declines in natural gas production and adopted a modest increase of 3 percent in CY 2019 and 1 percent in CY 2020, before flattening for the balance of the projection period. Although associated gas provides a spark of optimism for increased volumes, the underlying flat to declining production in the State's major production basins currently mutes the near-term outlook for Wyoming natural gas production. There is potential cause for production optimism aside from the associated natural gas, including horizontal wells in the Jonah, Pinedale, and Wamsutter fields as well as the potential for future production increases from the Normally Pressured Lance (NPL) project, which received a favorable record of decision on its environmental impact statement in August 2018. The NPL project is located immediately south and west of the Jonah field in Sublette County. As a matter of practice, CREG does not specifically incorporate production volumes of yet to be developed projects. Nevertheless, this project has the potential to add significant volumes of natural gas production and associated severance taxes, FMR collections, and ad valorem tax payments in future years.

Unlike oil, Wyoming natural gas applications for permits to drill (APDs) fell for over a decade, before increasing in CY 2017. Natural gas rig counts, as reported by BHGE, have been slightly lower in CY 2018 than CY 2017, at least since April 2018. In September 2018, 13 natural gas rigs are reported as operating in Wyoming compared to 14 rigs one year ago.

The annual average price received for Wyoming's full natural gas stream (including liquids) met or exceeded \$3.99/thousand cubic feet (mcf) in five out of seven years between CY 2008 and CY 2014. Since then, the average price has been \$2.75/mcf (CY 2015), \$2.51/mcf (CY 2016), and \$3.12/mcf (CY 2017), illustrating both a lower sustained level as well as some year-over-year variability. The average price through the first half of CY 2018 is \$2.78/mcf. Incorporating the strengthening price environment reflected in the national and Wyoming spot prices over the first three months of FY 2019, CREG forecasts an annual average price of \$3.00/mcf for CY 2018, which represents a reduction of \$0.10/mcf from the January 2018 CREG report and a reduction of \$0.12/mcf from CY 2017 levels. However, this forecast represents an overall increase of \$0.44/mcf for the full stream of Wyoming natural gas for the second half of CY 2018.

Looking out further, competing supply from Appalachian and shale basin producers, associated gas from the Permian Basin, and natural gas imports from Canada, have dampened CREG's longer term outlook for natural gas prices. As a positive highlight, the United States became a net, annual natural gas exporter in CY 2017 and continues the trend in CY 2018, after being a net importer for many decades. An assessment of futures market prices as well as other forecasts indicates that natural gas price futures are lower than the mainstream of analyst forecasts. Despite comparatively low current storage levels of natural gas (approximately 17 percent lower than both a year-over-year and five-year-average comparison), prices remain well below those received prior to CY 2015. This illustrates the markets' reliance on an anticipated, abundant and accessible supply, keeping prices comparatively low and relatively range-bound. With less regard to current prices and more reliance on the underlying fundamentals of the supply-demand balance, CREG lowered its forecast of natural gas prices for the out-years in two principal ways. First, CREG removed the upward trajectory in forecast price levels over the projection period. Analysts, futures markets, and uncertainty in supply and demand fundamentals year-over-year no longer provide an indication that such an increasing forecast is likely, though it may indeed still occur. Second, CREG reduced the pricing expectations for natural gas from the $3.10/mcf to $3.25/mcf levels to $2.90/mcf throughout the forecast period. This stable forecast at a lower level should position the long-term expectation to respond to annual changes with the goal of less overall volatility within the forecast. There will undoubtedly be supply and demand rebalancing events and processes, including weather, capacity restrictions, export facility openings, and improving production economics. However, the general trend appears to be a market-clearing price at a lower level than previously forecast by CREG. The uncertainty of the timing of future supply and demand imbalances are sufficiently unpredictable to warrant an upward or downward pricing expectation. Table II compares the January 2018 and October 2018 natural gas price and production forecasts.

Table II. Comparison of Natural Gas Production and Price Forecasts. (Tcf and $/mcf)

Calendar Year	January 2018 Forecast	October 2018 Forecast
2018	1.687 Tcf / $3.10	1.810 Tcf / $3.00
2019	1.645 Tcf / $3.10	1.864 Tcf / $2.90
2020	1.604 Tcf / $3.15	1.883 Tcf / $2.90
2021	1.572 Tcf / $3.25	1.883 Tcf / $2.90
2022	1.541 Tcf / $3.25	1.883 Tcf / $2.90
2023	NA	1.883 Tcf / $2.90
2024	NA	1.883 Tcf / $2.90

Coal:

Wyoming's surface coal production declined between CY 2015 and CY 2016 by 76.8 million tons or 20.6 percent. This abrupt and severe decline in Wyoming's surface coal production was unprecedented, especially as this commodity historically provided the least volatile contribution to severance taxes, FMRs, and ad valorem taxes of Wyoming's major energy commodities (coal, oil and natural gas). Surface coal production rebounded somewhat in CY 2017 increasing by 18.9 million tons (6.4 percent). For the first six months of CY 2018, coal production has been 7.8 million tons (5.2 percent) lower than CY 2017. Depending upon the source used, State data (which tends to be the most reliable but is two to three months delayed) or federal data (which is timely but is also revised more regularly and occasionally in significant amounts) Wyoming's coal production is tracking at annualized rates between 287 million and 305 million tons in CY 2018. Given the year-to-date data, CREG revised its CY 2018 forecast downward from 310 million tons to 300 million tons.

CREG's longer-term coal production forecast is informed by a top-down, trend line consideration, as well as a bottom-up assessment of average demand of electric production facilities burning Wyoming coal and publicly available announcements of potential electric utility unit closures. Wyoming's coal industry has been characterized by a slow decline in overall production for the past several years interrupted by occasional, very modest, increases. The trajectory appears to be influenced by several factors including consumer electricity demand and preferences, coal-fired electricity plant retirements, competition from renewable electric power generation, natural gas prices and natural gas-fired generation, and the regulatory environment. At times, Wyoming producers may be able to compete for new buyers. The environment is also colored by four of Wyoming's larger coal companies filing for bankruptcy in the past three years, including a filing this fall. Additionally, reports suggest the cost of coal production in Wyoming is increasing in parts of the PRB due to fuel prices and strip ratios, or overburden removal costs.

From CREG's analysis, it appears the largest coal-fired electricity plant (or unit) retirements are scheduled to occur in the near term with fewer closures announced in the intermediate term. Coal production is lagging CREG's January 2018 forecast. As a result of the analysis, CREG adjusted the coal production trend line down further, especially in the near term by 10 to 15 million tons per year. Specific coal price and production forecast revisions are shown in Table III.

CREG continues its practice of not incorporating any positive or negative developments until such time as they become fairly settled. To wit, CREG acknowledges the potential of new market growth from increased exports of Wyoming coal, especially to Asia; however, in the absence of action on this prospect, the potential production impacts have not been incorporated. Likewise, federal regulatory actions previously scheduled for 2022 and beyond were not included in prior forecasts and are no longer immediately anticipated. Although the coal production forecast does not call for a rebound to recent levels, it also does not suggest another stair-step decline such as the one experienced in the first half of CY 2016.

The price of natural gas and availability of renewable electric generation options will continue to influence the level of coal-to-natural gas switching for purposes of electricity generation. The spot market price of PRB coal has improved from an average of $9.19/ton in CY 2016 to $11.63/ton in CY 2017 to its current level of $12.46/ton for the first eight months of CY 2018. However, the imputed prices received by Wyoming surface coal producers across all mines has declined since CY 2016. This decline in average prices received has resulted in a reduction of the January 2018 projection of $12.75/ton through CY 2019 to $12.50/ton to more accurately align with actual Wyoming prices. The forecast maintains a $12.50/ton average price for surface coal throughout the projection period. At lower price levels, the economics of some mines may face pressure if costs for fuel and overburden removal increase, placing some caution on further production declines in the future.

Table III. Comparison of Surface Coal Production and Price Forecasts: tons and $/ton.

Calendar Year	January 2018 Forecast	October 2018 Forecast
2018	310 M tons / $12.75	300 M tons / $12.50
2019	310 M tons / $12.75	295 M tons / $12.50
2020	300 M tons / $12.50	295 M tons / $12.50
2021	300 M tons / $12.50	290 M tons / $12.50
2022	290 M tons / $12.50	290 M tons / $12.50
2023	NA	290 M tons / $12.50
2024	NA	285 M tons / $12.50

Trona:

Trona production is historically responsive to the national and world economies. With the largest natural trona deposit in the world, Wyoming's production continues to be driven by demand, not resource availability. Demand, and thus the prices received by Wyoming producers, are linked to the global economy, trade, and prices required to produce synthetic trona. Calendar year 2017 production exceeded the CREG forecast by less than 2 percent, while the actual prices fell short of the CREG forecast by less than 2 percent. Fiscal year 2018 production levels and prices for trona were also within a tight range, missing the CREG forecasts by less than 2 percent, with total production at 21.1 million tons and an average computed price of $74.10/ton. Therefore, as depicted in Table IV, CREG continues the same projection of modest gains in trona production in future years, with the sole revision to the forecast of adding projected price and production levels for CY 2023 and CY 2024. The forecast, calculated average price of trona received by Wyoming producers throughout the projection period is $75/ton, with production forecast to be 21 million tons through CY 2020 and 21.5 million tons thereafter. The price of soda ash has not been nearly as volatile as oil and gas prices historically.

Table IV. Comparison of Trona Production and Price Forecasts: tons and $/ton.

Calendar Year	January 2018 Forecast	October 2018 Forecast
2018	21.0 M tons / $75.00	21.0 M tons / $75.00
2019	21.0 M tons / $75.00	21.0 M tons / $75.00
2020	21.0 M tons / $75.00	21.0 M tons / $75.00
2021	21.5 M tons / $75.00	21.5 M tons / $75.00
2022	21.5 M tons / $75.00	21.5 M tons / $75.00
2023	NA	21.5 M tons / $75.00
2024	NA	21.5 M tons / $75.00

Uranium and Other Minerals:

Since the negative market outlook stemming from the tsunami that struck Fukushima's nuclear reactors and resulting substantial worldwide supplies, uranium producers endured multiple years without a material rebound in prices. The recent pricing environment is showing signs of improvement. Wyoming uranium production for CY 2017 (988,000 pounds) declined from CY 2016 production levels (1.85 million pounds) by 866,000 pounds, or 46.7 percent. This decline in production highlights CREG's largest single forecast error, on a percentage basis, within the

October 2017 report. Uranium spot prices have begun to rebound slightly. Prices for Wyoming producers exceeded the CREG estimate of $30/lb by just over $3/lb for CY 2017. Given the recent history, CREG has revised its projections downward for Wyoming uranium production to 800,000 pounds in CY 2018 and 750,000 pounds for the balance of the forecast. CREG forecasts $30/lb throughout the projection period and will monitor markets and operators for future revisions, as conditions dictate. Should market demand increase, Wyoming is home to the largest U.S. economic reserves of uranium.

The valuation of all other minerals, including bentonite, sand and gravel, precious stones and metals, quarried rock, and other industrial mineral production, is forecast at $110 million throughout the projection period, an increase from $98 million in the October 2017 report and returning to the forecast released in October 2016. With increased oil drilling nationwide, some recovery in bentonite production is anticipated. Bolstering this contention, the assessed valuation of Wyoming bentonite increased from $55 million in CY 2016 to $66 million in CY 2017. That movement alone accounts for nearly all the increase in the CREG forecast for the assessed valuation of “other minerals”.

Section 2 – General Fund Revenues

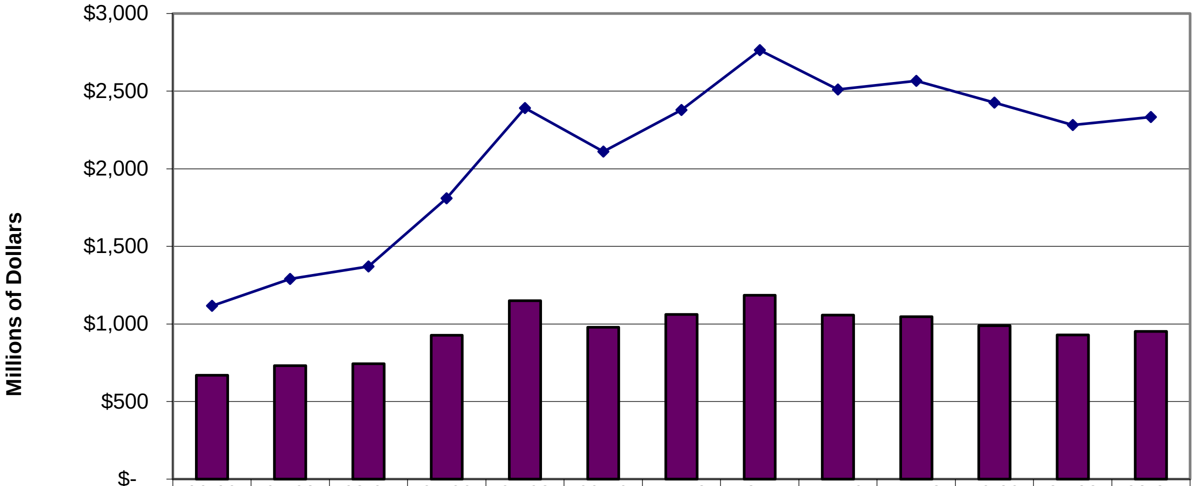
Total GF revenue for the FY 2019-2020 biennium is forecast to reach $2.43 billion. (See Table 2 found within the appendix to this report.) This represents a decrease of $141.1 million (5.5 percent) compared to the FY 2017-2018 biennial receipts. However, this biennium-to-biennium comparison is misleading for three reasons. First, the Legislature redirected one percent severance tax collections to the GF for FY 2019 and FY 2020 in the 2018 Budget Bill (2018 Wyoming Session Laws, Chapter 134, Section 314). Second, the Legislature redirected $133.7 million in severance taxes and FMRs from the Highway Fund to the GF during the FY 2017-2018 biennium, replacing these streams with a like amount of AML funds to keep the Highway Fund whole. Third, the FY 2017-2018 biennium actual revenue receipts include realized capital gains for those years. No capital gains are included in the CREG forecast for the FY 2019-2020 biennium. Despite increasing projections for sales and use taxes and investment income throughout the projection period, total forecast revenue directed to the GF is lower in the FY 2021-2022 and FY 2023-2024 biennia due to the expiration of the temporary redirection of the one percent severance tax to the GF. In those latter biennia, the forecast depicts revenue from the one percent severance tax being deposited into the PWMTF.

Setting aside the issues complicating biennium-over-biennium comparisons, major contributors to the overall increase in revenues as compared to the January 2018 CREG forecast are led by increases in the forecast for sales and use taxes ($91.3 million, 10.2 percent), severance taxes including the one percent severance tax ($43.0 million, 8.4 percent), and investment income from all sources ($82.9 million, 16.3 percent).

Sales and use tax collections remain the largest major revenue category for the GF, comprising 40.6 percent of the total forecast revenues for the FY 2019-2020 biennium. In biennial periods beyond FY 2019-2020, sales and use taxes are projected to comprise more than 45 percent of total biennial GF revenues.

Comparisons between the January 2018 CREG forecast, and the October 2018 CREG forecast of revenue to the GF in the FY 2021-2022 biennium may be more instructive as this assessment removes the temporary diversions and issues related to capital gains. The October 2018 CREG report increases the GF revenue estimate for the FY 2021-2022 biennium by $220.4 million, or 10.7 percent. The increase is largely comprised of three components: 1) sales and use taxes ($114.3 million, or 51.9 percent); 2) investment income ($79.4 million or 36.0 percent); and 3) severance taxes ($31.8 million or 14.4 percent). The total exceeds 100 percent since reductions in other revenue streams reduced the GF revenue estimate for the FY 2021-2022 biennium forecast.

Chart 1: General Fund Revenues.



	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22	23-24
Constant	$669	$731	$744	$927	$1,150	$979	$1,061	$1,185	$1,057	$1,046	$988	$930	$951
Current	$1,116	$1,290	$1,369	$1,810	$2,390	$2,111	$2,379	$2,764	$2,510	$2,567	$2,426	$2,282	$2,334

Biennium

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2018.

Sales and Use Taxes:

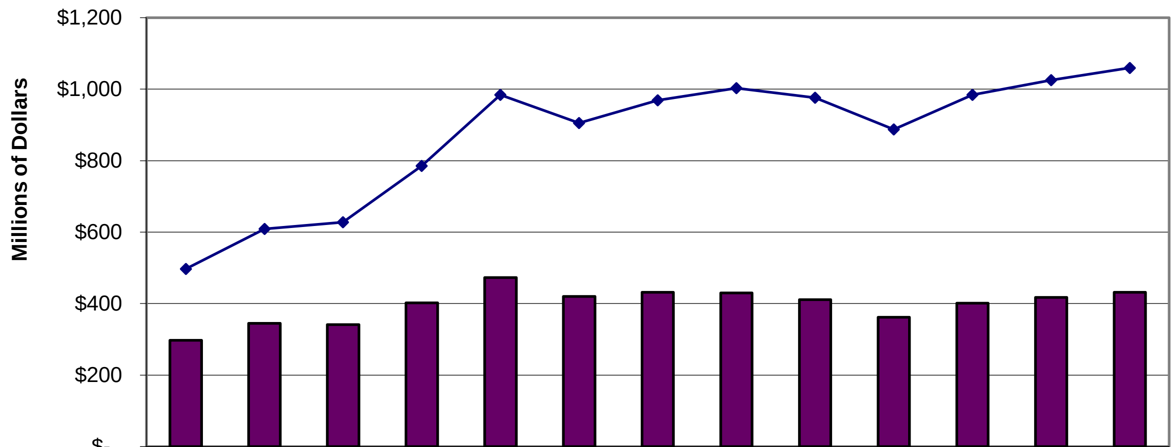
Sales and use tax collections reflect the second largest revision within this October CREG report. (The largest, by a wide margin, is the resulting revenue from increased forecasts for both oil prices and Wyoming oil production.) Sales and use taxes are the largest contributor to GF revenue. In Wyoming, sales and use tax collections reflect a revenue stream that is somewhat less volatile than most other revenue streams but still quite variable. In fact, between FY 2007 and FY 2018, there have never been three consecutive years of year-over-year increased collections. Over the last decade, year-over-year declines in sales and use tax collections have been as equally prevalent as year-over-year increases, with five year-over-year declines and five year-over-year increases.

Actual GF sales and use tax receipts for FY 2018 totaled $480.0 million, an increase of $72.7 million (17.9 percent) from FY 2017. Actual sales and use tax receipts for FY 2018 exceeded the January 2018 forecast by $38.0 million (8.6 percent). The forecast for the GF share of total sales and use tax revenue for FY 2019 is $484.8 million, an increase of $40.0 million (9.0 percent) from the January 2018 forecast. For the FY 2019-2020 biennium, CREG increased the forecast for the GF share of sales and use tax by $91.3 million (10.2 percent) to $984.1 million.

Resurgent economic activity associated primarily with oil and gas extraction was the main reason for the increase in sales and use tax collections in FY 2018. Of the 12 primary industry sectors, mining accounted for 41.7 percent of the total increase in a year-over-year comparison, followed by the retail trade sector, which contributed 22.1 percent. Nineteen of the state's 23 counties realized year-over-year gains in collections with Converse, Campbell, Sublette, and Sweetwater accounting for two-thirds of the increase. Oil and gas extraction represented a significant portion of activity for each of these counties. Crook, Goshen, Washakie, and Weston were the only counties to log decreases in collections for the year compared to FY2017.

For purposes of developing the sales and use tax projections, oil and gas employment is expected to see modest growth in FY 2019 and FY 2020 and to remain flat for the rest of the forecast period. As for personal income, another variable used to forecast sales and use tax collections in Wyoming, growth seen in FY 2018 should continue into FY 2019 at the same pace and from that point on, is anticipated to slow through FY 2022. In addition to a modest recovery in oil and gas extraction activities for FY 2019 and FY 2020, CREG also anticipates growth in collections attributable to the electronic shopping and mail order houses sub-sector of retail trade. Legislation taking effect on July 1, 2017 (2017 Wyoming Session Laws, Chapter 85, Sales from remote sellers) required online businesses engaged in more than 200 annual transactions or $100,000 in annual sales in the state to collect and remit sales taxes. Currently, Wyoming is experiencing nominal growth in nonfarm jobs, a contracting labor force, and a shrinking population. These conditions serve to limit the growth of sales and use collections for at least FY 2019 and FY 2020.

Chart 2: Sales and Use Tax Revenues to the General Fund.



	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22	23-24
Constant	$298	$345	$341	$402	$473	$420	$432	$430	$411	$362	$401	$418	$432
Current	$497	$609	$628	$785	$984	$905	$969	$1,003	$976	$887	$984	$1,025	$1,060

Biennium

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2018.

Severance Taxes:

Severance tax collections are forecast at higher levels throughout the projection period compared to the January 2018 CREG forecast and compared to the amounts collected in FY 2017 and FY 2018. See Section 3 of this report for a summary of growth drivers and variables responsible for the increased forecast of severance taxes. In addition, under current law, the GF will receive a larger share of the increased severance taxes in FY 2019 and FY 2020 due to the previously discussed redirection of revenue generated from the one percent severance tax on oil, natural gas and coal previously directed to the PWMTF.

Historical and future comparisons are complicated by several redirections of severance taxes to the GF in different amounts in FY 2017 through FY 2020. Therefore, the balance of the comparisons attempts to avoid those complications. Actual FY 2018 severance tax receipts directed to the GF totaled $176.6 million, which was $9.6 million (5.7 percent) more than FY 2017 total receipts. The October 2018 forecast increases the traditional severance taxes directed to the

GF, including the one percent severance tax stream, by the following amounts: FY 2019: $12.4 million (4.8 percent); FY 2020: $30.6 million (12.0 percent); FY 2021: $17.0 million (10.4 percent); and FY 2022: $14.8 million (9.1 percent).

The total GF share of severance tax revenue, including the one percent severance tax deposit for FY 2019, is forecast to reach $270.4 million, or 40.3 percent of the total projected severance tax collections. Similarly, the forecast for severance taxes directed to the GF in the FY 2019-2020 biennium is $556.9 million, or 41.2 percent.

Mineral Trust Fund and Pooled Income Revenue Sources:

Total investment income distributed to the GF for FY 2018 generated from the PWMTF and the State Agency Pool (SAP) totaled $526.7 million, which is $141.9 million (36.9 percent) higher than the amount distributed in FY 2017 and $268.5 million (104.0 percent) higher than the January 2018 forecast. The variations between the prior year total investment income, the forecast investment income and actual total investment income are almost entirely explained by realized capital gains from the PWMTF investments, which totaled $267.9 million. The year-over-year difference illustrates the volatility in realized capital gains. In FY 2018, the State Treasurer's Office generated total investment income in excess of the spending policy (5.0 percent of the prior five-year average market value of the corpus) in the PWMTF and the CSPLF.

In accordance with W.S. 9-4-719, the first 2.5 percent of the five-year average market value of the corpus of the PWMTF, or $176.2 million, of any investment earnings was deposited into and remains in the GF. Total investment earnings in excess of 2.5 percent ($176.2 million) but less than the spending policy amount (5.0 percent, $352.5 million) were subsequently transferred to the Strategic Investments and Projects Account (SIPA) and Legislative Stabilization Reserve Account (LSRA) in equal amounts of $88.1 million. The remaining investment earnings ($95.2 million) in excess of the spending policy amount was deposited into the PWMTF Spending Policy Reserve Account. Given the collection of realized capital gains and pursuant to 2018 Wyoming Session Laws, Chapter 136, Section 8, all four priorities for conditional appropriations from the SIPA were fully funded:

- State [health] Facilities Account - $37 million;
- University of Wyoming Science Initiative Account - $9.4 million;
- State facilities – Casper - $15 million; and
- A transfer of $4.2 million to the SCCA.

An available cash balance of $22.5 million remains in the SIPA.

In contrast to the net realized capital gains generated from the PWMTF investments, net realized capital losses were generated for the third consecutive fiscal year in the SAP, the source of pooled income for the GF and many other state funds. Pursuant to the 2009 Treasurer's Interpretative Policy (often referred to as the "Meyer rule" after former State Treasurer Joe Meyer) and the 2018 re-statement of the Interpretative Policy, (or "Gordon rule" after current State Treasurer Mark Gordon), if there are annual capital losses in excess of capital gains from investments, the losses will be held, or deferred, until such time as gains are available to offset the losses for permanent funds. For non-permanent funds, net realized losses will reduce the available cash. In the case of the GF, $8.6 million in FY 2018 net realized losses will reduce the cash available in the GF. For context, this amount of net realized capital losses is equal to 10.9 percent of the interest and dividends generated for the GF from investments in the SAP during FY 2018. Recall that the investments in the SAP do not include equities. Therefore, the generation of realized capital gains in a generally increasing interest rate environment are difficult to offset losses.

Looking forward, the investment outlook remains challenging as both stocks and bonds are expensive when compared with historical valuations. Both fixed income and equity markets, under several measures, appear to be overvalued. This environment raises caution as to additional levels of risk going forward. Furthermore, accurately predicting the timing of when interest rates might normalize or when equity values might revert to the mean is not possible. As an opportunity for increased revenue, the rising interest rate environment poses the potential for higher projected yields on the States' cash and fixed income investments, especially funds residing within the SAP.

The State Treasurer's Office has recently segregated funds under management to allow for revisions to asset allocation and reduce the risk for funds that have different liability structures. In developing the projections for interest and dividends, the State Treasurer's Office created a more sophisticated, dynamic model which not only accounts for the fees and anticipated performance by asset class, but also incorporates the cash balances, reduced by known appropriations, or even authorized loans or public purpose investments (PPIs). The forecast income also incorporates the anticipated growth in the PWMTF corpus through severance tax distributions, including the re-direction of the statutory one percent severance as tax modified by the Legislature in 2018.

In this report, CREG continues its approach of forecasting only regularly distributed investment income from interest and dividends and not realized capital gains and losses. The CREG forecast of yield, defined as investment income attributable to interest and dividends, for the PWMTF ranges from 2.34 to 2.4 percent through the projection period. The yield forecast for the SAP is 3.09 to 3.23 percent throughout the projection period. A short history of total investment earnings from the SAP and PWMTF is illustrated in Table V, while specific annual forecasts of interest and dividends only are shown in Table VI.

Table V. History of Investment Income Deposited in the General Fund. (millions of dollars).

Fiscal Year	GF Share of Investment Income from the SAP "Pooled Income"	Interest and Dividends (net of fees) from the PWMTF	Total Investment Income (net of fees) from the PWTMF
2013	$189.8	$133.8	$366.6
2014	$86.4	$129.2	$395.3
2015	$114.2	$144.9	$494.2
2016	$88.8	$149.8	$149.8
2017	$86.0	$158.7	$298.8
2018	$79.0	$179.8	$447.6

Source: Interest and dividends for FY 2013 through FY 2017 from the Wyoming State Treasurer; otherwise figures are reported from the State's accounting system.

Table VI. Investment Income Deposited in the General Fund Forecast. (millions of dollars and percent).

Fiscal Year	"Pooled Income"	Interest and Dividends from the PWMTF (% of corpus)	Statutorily Guaranteed Amount from the PWMTF RA (% of 5-year average market value)
2019	$108.4, (3.09%)	$184.3, (2.34%)	$184.7, (2.5%)
2020	$105.3, (3.23%)	$193.1, (2.40%)	$189.6, (2.5%)
2021	$101.3, (3.23%)	$198.3, (2.40%)	$194.4, (2.5%)
2022	$101.3, (3.23%)	$204.7, (2.40%)	$199.8, (2.5%)
2023	$101.2, (3.23%)	$210.9, (2.40%)	$204.8, (2.5%)
2024	$101.2, (3.23%)	$217.1, (2.40%)	$210.3, (2.5%)

The amount of investment income shown in Tables 1 and 2 of the appendix includes the total forecasted investment income, or the investment earnings "guaranteed" pursuant to W.S. 9-4-719(b). For FY 2019, the projected investment income in the form of interest and dividends from the PWMTF has been increased in order to reflect the revisions adopted by the Legislature in the 2015 General Session, specifically 2015 SF 146, Spending policy amendments. (2015 Wyoming Session Laws, Chapter 195) The anticipated yield from the PWMTF for FY 2019 is $400,000 lower than the "guaranteed" revenue directed to the GF provided by W.S. 9-4-719(b), which is 2.5 percent of the prior five-year average market ending balance. As a result, the guaranteed revenue has been included in the forecast by CREG. In the event the 2.5 percent threshold of investment income is not met, this will require transfers from the PWMTF Reserve Account (PWMTF RA) to the GF. After FY 2019, the estimated investment income exceeds the 2.5 percent threshold and any amounts in excess of this threshold is statutorily directed in equal amounts to the LSRA and SIPA, up to the PWMTF spending policy. Table VII illustrates the forecast amount to be deposited into the SIPA and LSRA for FY 2020 through FY 2024.

Table VII. Dividends and Interest Forecast to be deposited to the SIPA and LSRA (in millions of dollars).

Fiscal Year	SIPA	LSRA
2019	$0	$0
2020	$1.75	$1.75
2021*	$1.95	$1.95
2022*	$2.45	$2.45
2023*	$3.05	$3.05
2024*	$3.40	$3.40

*****Beginning in FY 2021 and for each year thereafter, 45 percent of the maximum amount which may be credited to the SIPA shall be credited to a school major maintenance subaccount. Further, pursuant to W.S. 9-4-719(b)(i), this amount is guaranteed through a transfer from the PWMTF RA. The amounts to be deposited into the school major maintenance subaccount, per the guarantee are estimated as follows: FY 2021 - $39.4 million; FY 2022 - $36.8 million; FY 2023 - $38.0 million; FY 2024 - $39.1 million.

Comment on non-GF investments: While CREG does not forecast investment income for either the Excellence in Higher Education Endowment Fund or the Hathaway Student Scholarship Endowment Fund, based upon analysis prepared by the State Treasurer's Office and discussed by CREG, the following may be noteworthy for interested readers:

- Total investment income for the Hathaway Student Scholarship Endowment Fund was $31.9 million for FY 2018. As of June 30, 2018, the Hathaway Student Scholarship Reserve Account balance was $25.5 million, the maximum allowed by W.S. 21-16-1302 (4.5 percent of the previous five-year average market value of the Hathaway Student Scholarship Endowment Fund), and $5.1 million was transferred to the corpus of the Hathaway Student Scholarship Endowment. The Hathaway Scholarship Endowment Fund ended FY 2018 with a market value of $582.4 million and a cost basis of $552.6 million
- Because anticipated investment income in the form of interest and dividends will not be sufficient to meet projected scholarship obligations, the endowment account will require transfers from the Hathaway Student Scholarship Reserve Account. However, funds in the Hathaway Student Scholarship Reserve Account are projected to be adequate to cover all current scholarship levels through the FY 2023, without regard to potential realized capital gains but fall short in FY 2024, assuming two percent growth in scholarship payments.
- Total investment income for the Excellence in Higher Education Endowment Fund totaled $6.5 million. As of June 30, 2018, the Excellence in Higher Education Endowment Reserve Account balance held $1.9 million prior to the appropriation of $6.7 million included in the 2018 Budget Bill (2018 Wyoming Session Laws, Chapter 134, Section 300(j)). The Excellence in Higher Education Endowment Fund ended the year with a market value of $120.1 million and a cost basis of $114.1 million.
- Anticipated investment income in the form of interest and dividends to the Excellence in Higher Education Endowment account will require transfers from the Excellence in Higher Education Endowment Reserve Account to meet statutorily guaranteed payments to higher education institutions (half of the difference between total earnings and the spending policy amount). However, earnings in the Excellence in Higher Education Endowment Reserve Account are projected to be sufficient to cover obligations through FY 2024, without regard to capital gains.

Remaining General Fund Revenue Categories:

The remaining GF revenue sources are comprised of revenue streams from over 70 state agencies and boards. The FY 2018 GF revenue from these sources totaled $210.2 million, which is $3.7 million (1.7 percent) lower than the FY 2017 level and $1.0 million (0.5 percent) higher than CREG forecast last January. Three components are primarily responsible for the year-over-year decline in this broad revenue category. Cost allocation, or receipts from the federal government for state-provided activities, posted year-over-year declines and were lower than the CREG forecast. Second, collections for tax payment penalties and interest recorded the third consecutive year-over-year decline. Penalties and interest generated just $3.8 million in FY 2018, compared to $11.4 million in FY 2015. To avoid penalties and interest, some taxpayers appear to err on the side of caution and are overpaying state tax liabilities. Finally, cigarette tax collections continue to decline, generating $14.1 million in FY 2018 compared to $15.8 million just two years prior.

Compared to the October 2017 CREG report, the projection for cost allocation, cigarette taxes, and penalties and interest were reduced, and the projection for franchise taxes, licenses and permit fees, and a general "all other" category were increased. Additionally, as evident in Tables 1 and 2 of the appendix, the "all other" category declines precipitously in FY 2019 after two years of revenue collections exceeding $111 million. This category was used to account for the redirected FMRs from the Highway Fund to the GF during the FY 2017-2018 biennium. (2016 Wyoming Session Laws, Chapter 31, Section 326) This re-direction amounted to $60.1 million per fiscal year, or $120.2 million for the FY 2017-2018 biennium.

Overall, revenue from these sources is projected to generate $146.5 million for FY 2019 and each year through the projection period. This represents a decrease of $2.5 million to $2.6 million, or approximately 1.7 percent from the levels forecast in January 2018. The forecast incorporates recognition of the volatile nature of some of these smaller revenue streams, responses to a survey of state collection agencies, and especially the recent declines in the penalties and interest component.

Section 3 – Severance Tax Summary

Refer to Section 1 of this report for detailed information about the mineral price and production assumptions forming the basis of the severance tax forecast. As shown in Tables 4 and 5 in the appendix to this report and in Chart 3, projected severance tax revenues total $1.35 billion in the FY 2019-2020 biennium. This represents an increase of $140.7 million, or 11.6 percent, from total severance tax collections of $1.21 billion for the FY 2017-2018 biennium. If the forecast is accurate, it will be the first biennium-over-biennium increase in severance tax collections since the FY 2007-2008 biennium. Although the FY 2018 severance tax collections exceeded the January 2018 forecast by $37 million, or 6.2 percent, the total severance tax collections for the FY 2017-2018 biennium are the lowest collections recorded since the FY 2003-2004 biennium or fourteen years.

FY 2018 severance tax collections on oil exceeded the January 2018 CREG estimate by $39.0 million (20.1 percent), and severance taxes on natural gas exceeded the projection by $6.6 million (3.8 percent). Severance taxes attributed to coal fell short of the estimate by $8.6 million (4.1 percent).

For FY 2018, severance taxes collected on crude oil comprised $232.7 million (36.8 percent). Natural gas contributed $178 million (28.2 percent), and severance taxes collected on coal production contributed $198.8 million (31.5 percent). Of note, FY 2018 is the first year since FY 1991 in which severance taxes on oil contributed the largest share of severance tax collections among the three main energy commodities. This illustrates the recent comparative strength in the environment for Wyoming oil production compared to natural gas and coal.

The net impact of the changes in price and production forecasts is an increase in the prior annual projections for severance tax collections between $67.6 million and $90.4 million through FY 2022, depending upon the year. Nearly all the increases are attributable to increased projections for oil production and oil prices. Severance taxes for coal are lower than the January 2018 CREG forecast by $3.3 to $12 million, depending upon the year, reflecting modestly lower prices in early years and lower forecast production in most years. Natural gas prices are forecast to be lower in all years, while production is forecast to be higher. The net effect of the changes to the natural gas forecast is overall increases in projected severance tax collections ranging between $11 million to $15.9 million per annum.

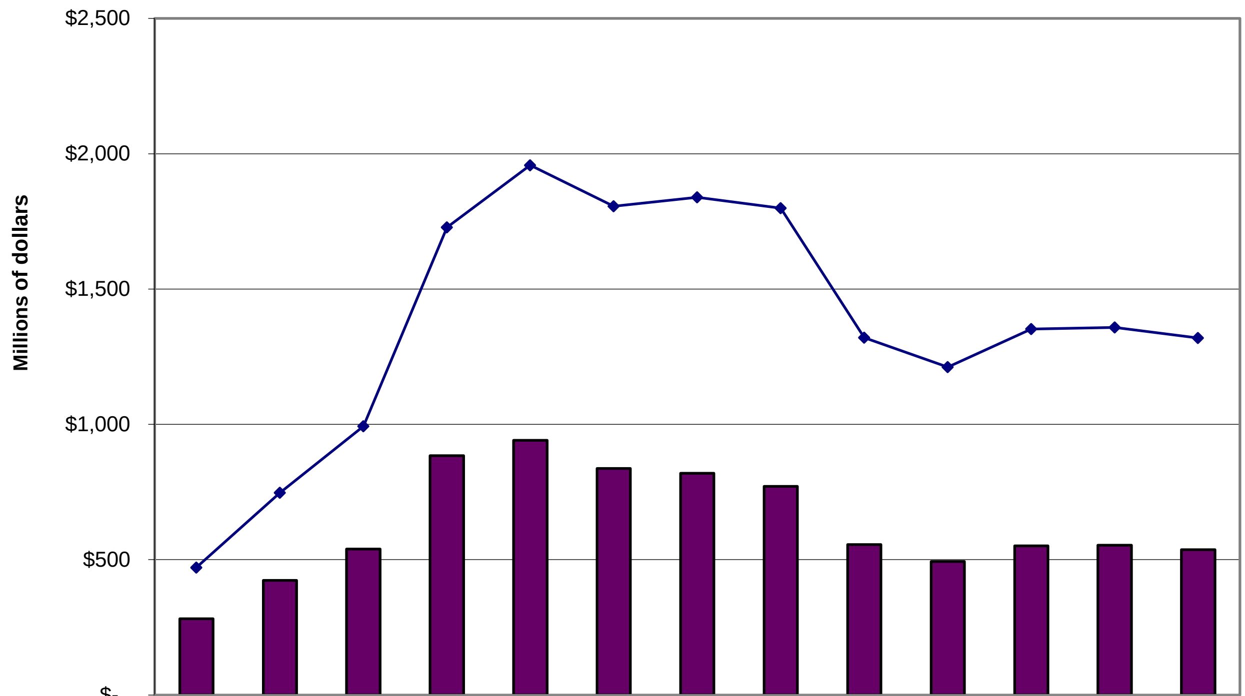
The increased projections from severance taxes are distributed among four accounts:

- the PWMTF due to the constitutional 1.5 percent severance tax deposit in all years and the one percent severance tax after FY 2020;
- the School Foundation Program Reserve Account in FY 2019 only in the amount of $18.5 million, due to the temporary re-direction of severance taxes in excess of the January 2018 CREG estimate;
- the BRA in amounts ranging from $18.5 million to $34 million, depending upon the year; and
- the GF. Specific amounts generated by the increases in the October CREG projections are not enumerated for the PWMTF and GF since the January CREG did not include the

redirection of the one percent severance tax and the redirection is not applicable to all years. However, the severance tax increases across the GF and the PWMTF, combined, are $31 million for FY 2019; $53.2 million for FY 2020; $57.1 million for FY 2021; and $49.6 million for FY 2022.

Two technical points with respect to distribution are worth mentioning. First, note that a new column illustrating the redirection of the one percent severance tax to a temporary account is maintained as the fifth column in Tables 4 and 5 in the appendix to this report. Additionally, a new designation has been added to the twelfth column in Tables 4 and 5 in the appendix to account for a redirection of severance taxes to the School Foundation Program Reserve Account for FY 2019 only (2018 Wyoming Session Laws, Chapter 134, Section 314).

Chart 3: Severance Tax Revenues to All Accounts.



	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22	23-24
Constant	$283	$423	$539	$885	$942	$838	$820	$772	$556	$494	$551	$553	$537
Current	$472	$747	$993	$1,728	$1,958	$1,807	$1,839	$1,799	$1,321	$1,212	$1,353	$1,358	$1,319

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2018.

Section 4 - Federal Mineral Royalties and Coal Lease Bonuses

Refer to Section 1 of this report for detailed information about the mineral price and production assumptions forming the basis of the FMR forecast. Tables 7, 7(a), 7(b), 8, 8(a), and 8(b) in the appendix to this report show detailed projections for FMRs and coal lease bonuses (CLBs).

The federal government sequestered 6.6 percent of Wyoming's FMRs and CLBs during federal fiscal year (FFY) 2018. The most recent federal guidance indicates Wyoming will receive all FMR and CLB payments withheld during FFY 2018 in the early portion of FFY 2019. Under the current federal practice (withholding of sequestered FMRs in the current federal fiscal year and payment of the withheld FMRs in the following year), CREG is not including any additional impacts of federal sequestration in its forecast. There is both positive and negative risk with this projection methodology. Specifically, if the federal sequester were to cease, Wyoming would presumably receive the sequestered amount from the prior year, without having any deduction in the current year, resulting in a one-time windfall. On the other hand, if Congress increases the magnitude of the sequester percentage above 6.6 percent or Congress or the Administration revises the treatment of federal mineral revenues under the federal budget, Wyoming (and other western states) could receive less FMRs and CLBs. For purposes of forecasting, CREG employs an assumption of the status quo throughout the forecast period. Should the outlook regarding future federal sequestration issues change, CREG can incorporate it in future reports.

Federal Mineral Royalties:

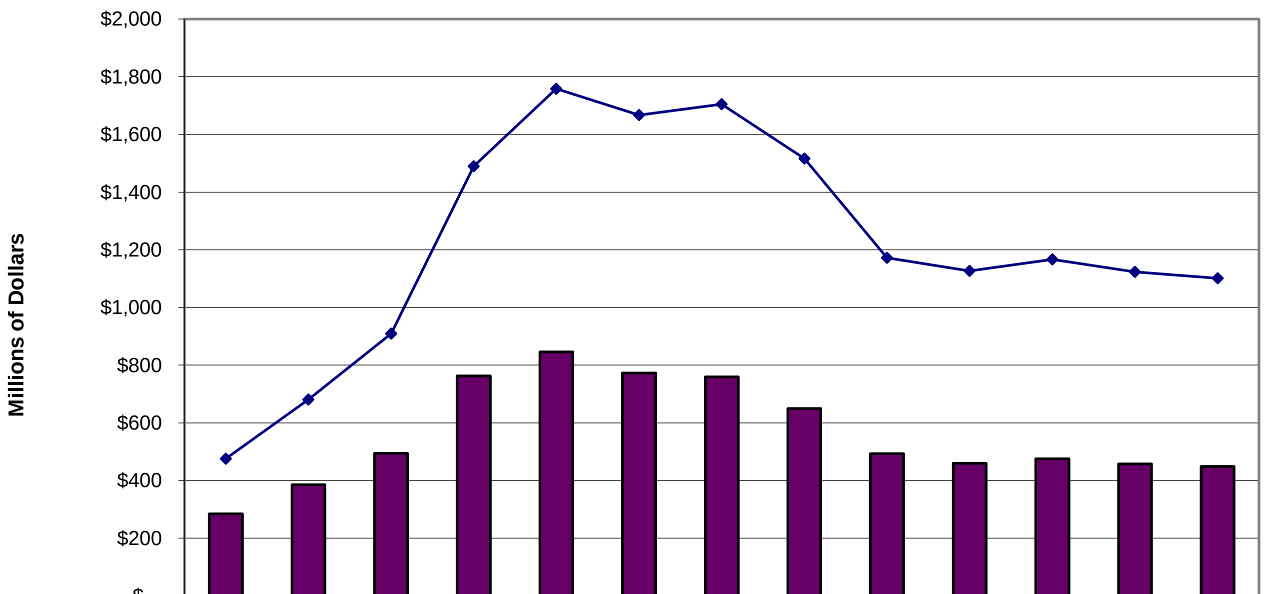
FMRs received attributable to FY 2018 totaled $546.9 million. This total is $33.3 million, or 5.7 percent, less than FY 2017 receipts and the second lowest total received since FY 2004. (The lowest level of FMR collections occurred in FY 2016.) FMR collections have declined from its peak ($1.0 billion) in FY 2008 by $454.1 million, or 45.4 percent. Over the forecast period, CREG projects total FMRs of $603.1 million in FY 2019 declining to $549.7 million in FY 2024. This is an unusual phenomenon. Total forecast severance taxes remain steady at approximately $660 million to $685 million per year, while projected FMR collections are declining. The primary reason for this is oil comprises a larger share of severance taxes and coal a larger share of FMRs. Since oil is rising and coal is declining, it takes a larger increase in FMR payments attributable to oil to offset the declines in coal payments. Additionally, CREG has increased the projected FY 2019 FMR collections to take into account the results of the two recently held oil and gas lease auctions.

Projected FMRs for FY 2019 total $603.1 million, which represents an increase of $56.2 million, or 10.3 percent over FY 2018 actual collections. This new projection is also $80.3 million higher than the January 2018 CREG forecast for FY 2019 FMR payments, illustrating the overall strength in oil price and production revisions and the incorporation of the two-recent oil and gas lease auctions. The increase in projected FMRs from the prior forecast precipitate from the same causes as those impacting severance taxes: higher projected oil prices and higher projected oil and natural gas production. These increases are offset somewhat by projected lower coal production and lower coal and natural gas prices.

Similar to severance tax revenues, the revisions to the forecast in FMR receipts impact two accounts – in this case, the SFP and the BRA - since those two accounts are the only accounts benefitting from FMRs in excess of the $200 million distribution cap. This distribution has an added level of complexity as the Legislature revised the distributions in excess of the $200 million, or “over-the-cap” amounts during the 2018 Budget Session (2018 Wyoming Session Laws, Chapter 134, Section 316). Subsequently, the Governor vetoed the words “for fiscal year 2018 and for fiscal year 2019” in this distribution. The CREG forecast in this report interprets the revision to the statutory distribution to apply to FY 2018, FY 2019, and FY 2020 only. If that interpretation is found to be in error, larger deposits would be made in each year to the SFP and lower deposits to the BRA after FY 2020.

Applying the above interpretation, the net result of the October 2018 CREG forecast is increased deposits of FMRs to the SFP of $61.1 million in FY 2019, $37.4 million in FY 2020, $18.0 million in FY 2021 and $16.4 million in FY 2022. Increased FMR deposits to the BRA are forecast to be $19.2 million in FY 2019, $11.1 million in FY 2020, $36.0 million in FY 2021, and $32.8 million in FY 2022.

Chart 4: Federal Mineral Royalty Revenues to All Accounts (No Coal Lease Bonuses).



	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22	23-24
Constant	$285	$385	$494	$762	$846	$773	$760	$650	$493	$459	$476	$458	$449
Current	$476	$680	$910	$1,489	$1,758	$1,667	$1,705	$1,516	$1,172	$1,127	$1,167	$1,123	$1,101

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2018.

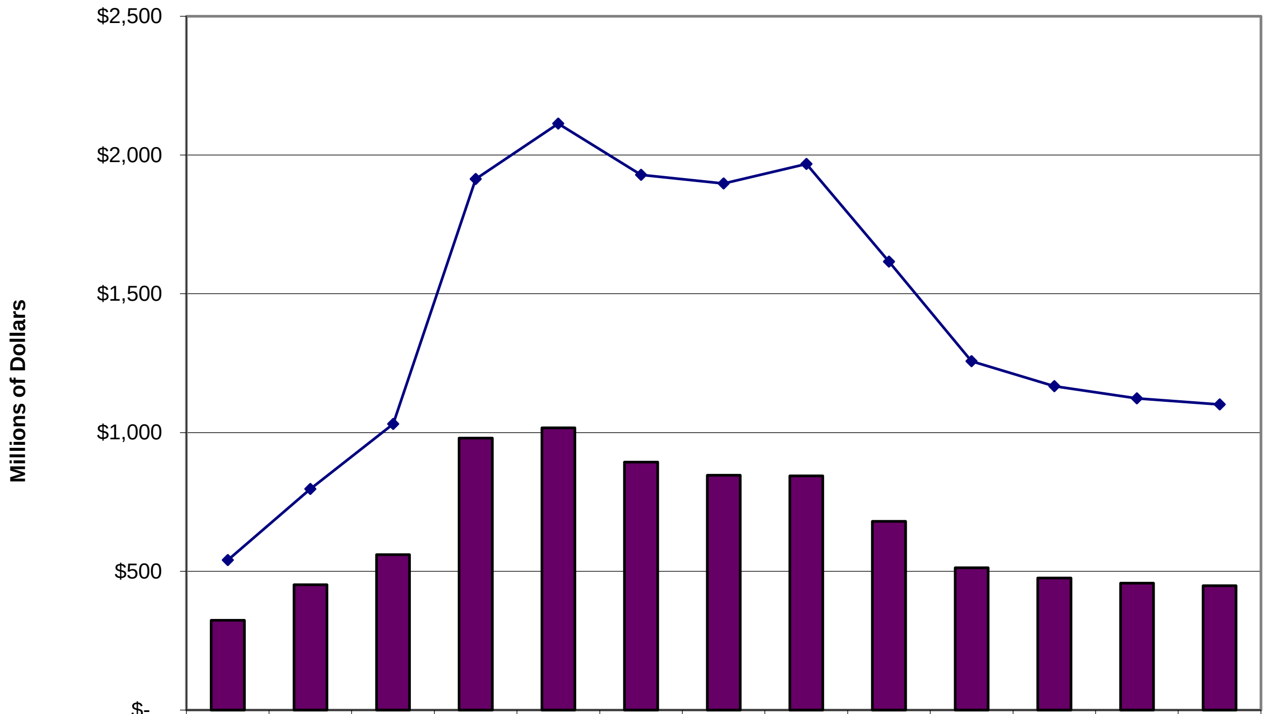
Coal Lease Bonuses:

The federal sequestration discussion in the previous subsection also applies to this subsection. However, since FY 2013 there have been no successful federal coal lease sales, and there are currently no anticipated sales throughout the balance of CY 2018. At present, there is no timeline for the next federal coal lease sale in Wyoming.

Although there are a few active, pending coal lease applications in Wyoming, several factors including available inventory of unmined coal, financing and cash available to producers, and regulatory environment, leave the outlook for and timing of future coal lease sales uncertain. The earliest opportunity for a successful lease sale appears to be in CY 2019. However, consistent with past practice, CREG does not forecast the revenue from coal lease bonus payments until an auction is complete and the first payment is made.

Should a successful auction and payment occur in FY 2019 (prior to June 30, 2019), the payment would be directed to the School Foundation Program Reserve Account rather than distributed through the traditional formula in W.S. 9-4-601(b) because of action taken by the Legislature in the 2018 Budget Session (2018 Wyoming Session Laws, Chapter 134, Section 317).

Chart 5: Total Federal Mineral Royalty and Coal Lease Bonus Revenues.



	99-00	01-02	03-04	05-06	07-08	09-10	11-12	13-14	15-16	17-18	19-20	21-22	23-24
Constant	$324	$451	$560	$980	$1,016	$894	$846	$844	$680	$512	$476	$458	$449
Current	$540	$797	$1,031	$1,914	$2,113	$1,928	$1,897	$1,968	$1,616	$1,257	$1,167	$1,123	$1,101

Biennium

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2018.

Section 5 – Common School Land Income Account Revenue and State Royalties

Income to the Common School Land Income Account (CSLIA) is derived from the investment of the Common School Permanent Land Fund (CSPLF), from grazing fees, bonus payments on mineral leases, and other surface leases of state trust lands dedicated to schools. After deposit to the CSLIA, income is subsequently deposited into the SFP. Refer to Table VIII for a record of annual income, by category (investment income and fees and leases). Table IX illustrates estimated annual income and differences from the January 2018 CREG forecast. CREG derived the forecast of CSPLF investment income using the same methodology outlined in the investments subsection of the GF forecast. The projection of fees and leases is predicated upon a base amount of a ten-year average of fee and lease revenue (approximately $11 million) and a contribution for bonus payments, which are quite irregular year-over-year as illustrated in Table VIII.

Table VIII. Common School Land Income Account History. (millions of dollars)

Fiscal Year	Investment Income* (all accounts)	Fees and Leases	Total
2012	$102.4	$26.2	$128.6
2013	$147.6	$20.1	$167.7
2014	$174.4	$26.4	$200.8
2015	$218.4	$23.5	$241.9
2016	$79.5	$18.1	$97.6
2017	$157.8	$44.4	$202.2
2018	$217.7	$42.0	$259.7

*Note: Investment income is the total amount of investment income, which include amounts in excess of the statutory spending policy amount for the CSPLF for which a like amount of FMRs are deposited into the Common School Permanent Land Fund Spending Policy Reserve Account (CSPLF RA).

Table IX. Common School Land Income Account Forecast. (millions of dollars)

Fiscal Year	Investment Income October 2018 Estimate*	Fees and Leases October 2018 Estimate	Total October 2018 Estimate	Difference from January 2018 Estimate, including 2018 Legislation
2019	$178.2	$18.0	$196.2	-$0.4
2020	$188.6	$18.0	$206.6	-$1.4
2021	$186.7	$18.0	$204.7	-$3.3
2022	$184.1	$18.0	$202.1	-$5.5
2023	$144.1	$18.0	$162.1	NA
2024	$126.2	$18.0	$144.2	NA

*Note: Investment income includes the full spending policy amount, guaranteed by the CSPLF RA, to the extent funds are available. Table X depicts the actual investment income in the form of interest and dividends projected through the forecast period. Under current projections, funds within the CSPLF RA are sufficient to cover the estimated guarantee through FY 2022, as well as $21.7 million of the $67.3 million guarantee for FY 2023.

The CSLIA received income from fees and leases in FY 2018 totaling $42.0 million, which represents a decrease of $2.4 million from FY 2017 receipts. Of this total, $29.5 million can be attributed to state lease bonus revenue from competitive oil and gas auction sales conducted by the Office of State Lands and Investments (OSLI), reflecting the second highest amount received in the last seven fiscal years. The bonus income in FY 2017 totaled $30.9 million.

Net investment income including interest, dividends, and net realized capital gains from the CSPLF in FY 2018 amounted to $213.5 million or $127.9 million more than the prior CREG forecast. The State Treasurer's Office generated $124.2 million in realized capital gains in FY 2018, which singularly accounts for nearly all the deviation in the forecast as CREG does not forecast capital gains. Interest and dividends from the CSPLF for FY 2018 totaled $89.3 million, exceeding the January 2018 CREG forecast by $3.7 million, or 4.3 percent.

As for the forecast of future interest and dividends, CREG forecasts annual yields (interest and dividends) ranging from 2.47 percent to 2.7 percent and incorporates a projection of state royalty deposits to the CSPLF and SCCA for the first time as summarized in Table XII. These new yields have been increased from October 2017 to account for greater opportunities to generate higher interest income due to the increase in market interest rates.

In accordance with W.S. 9-4-719(f), the investment income from the CSPLF is guaranteed from the Common School Permanent Land Fund Spending Policy Reserve Account (CSPLF RA) equal to the amount of the spending policy for the CSPLF. The spending policy is 5 percent of the five-year average market value for FY 2019 and FY 2020, 4.75 percent for FY 2021, and 4.5 percent for FY 2022 and thereafter. In the event the spending policy amounts are not met in any given year, a transfer, or "guarantee", from the CSPLF RA to the CSLIA, is required by statute, to the extent sufficient funds are available within the CSPLF RA. Under the current forecast, transfers of $78.2 million (FY 2019), $77.0 million (FY 2020), $71.9 million (FY 2021), $65.5 million (FY 2022), $21.7 million (FY 2023) are projected.

Table X. Common School Land Income Account Investment Income Forecast. (millions of dollars and percent)

Fiscal Year	Interest and Dividends from the CSPLF	Statutorily Guaranteed Amount from the CSPLF RA
2019	$100.0, (2.47%)	$178.2, (5.00%)
2020	$111.6, (2.70%)	$188.6, (5.00%)
2021	$114.8, (2.70%)	$186.7, (4.75%)
2022	$118.6, (2.69%)	$184.1, (4.50%)
2023	$122.4, (2.69%)	$189.7, (4.50%)
2024	$126.2, (2.69%)	$195.3, (4.50%)

Wyoming Statute 9-4-305(b) has historically directed up to $8 million per year in mineral royalties received from the lease of school lands to the SCCA. Section 315 of the 2018 Budget Bill amends W.S. 9-4-305(b) to remove this $8 million per year limit for FY 2019 and FY 2020, directing one-third of the mineral royalties from school lands to the SCCA. (2018 Wyoming Session Laws, Chapter 134, Section 315) Since the $8 million deposit was never in jeopardy and the balance of state royalties had been directed to a permanent fund, the CSPLF, CREG had historically not forecast state royalties. With the assistance of the OSLI, CREG now includes a projection of both the anticipated deposit to the SCCA and a projection of the deposit to the CSPLF from state royalties, as illustrated in Table XII. Historical values for each are shown in Table XI, which illustrates some variability depending not only on price and production levels of extracted minerals, but also the location of those operations.

Table XI. State Royalties History. (millions of dollars)

Fiscal Year	Total State Royalties	Deposit to the CSPLF	Deposit to the SCCA
2012	$190.2	$182.2	$8.0
2013	$164.8	$156.8	$8.0
2014	$194.1	$186.1	$8.0
2015	$201.1	$193.1	$8.0
2016	$146.3	$138.3	$8.0
2017	$151.5	$143.5	$8.0
2018	$153.0	$145.0	$8.0

Table XII. State Royalties Forecast. (millions of dollars)

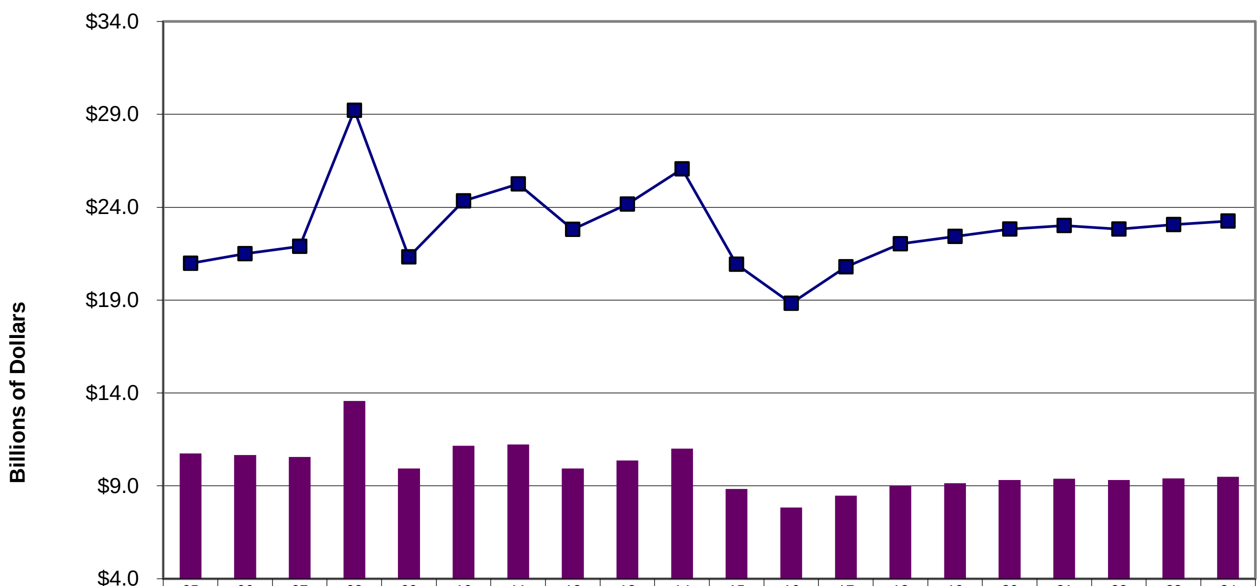
Fiscal Year	Total State Royalties	Deposit to the CSPLF	Deposit to the SCCA
2019	$150.0	$100.0	$50.0
2020	$150.0	$100.0	$50.0
2021	$150.0	$142.0	$8.0
2022	$150.0	$142.0	$8.0
2023	$150.0	$142.0	$8.0
2024	$150.0	$142.0	$8.0

Section 6 – Total State Assessed Valuation

Please refer to Section 1 of this report for detailed information about the minerals price and production assumptions forming the basis of the minerals portion of the state assessed valuation forecast.

Assessed valuation projections are shown in Table 9 in the appendix to this report. Statewide assessed valuation for non-mineral property has increased modestly over the past decade, setting a record high in CY 2017 of $10.8 billion, eclipsing $10 billion for the fourth time in the State's history. The assessed valuation for non-mineral property increased by $323 million, or 3.1 percent in CY 2017 over the prior year. CREG increased its January 2018 growth rate forecast for non-mineral assessed valuation from 1.5 percent to 2 percent for CY 2018. For CY 2019 and beyond, CREG maintained a 2 percent annual increase in non-mineral assessed valuations consistent with the most recent forecast and somewhat below the average growth over the last decade of 3 percent. Since 1970, unlike many state revenue streams, non-mineral assessed values have declined in only five different years, making it the one of the most stable bases of Wyoming tax revenue. The total mineral valuation over the forecast period is projected to increase by 11.4 to 16.9 percent from January 2018 CREG forecast, depending upon the year, though even by CY 2024 mineral valuations are still forecast to be 20 percent lower than the all-time high levels reached in CY 2008.

Chart 6: Total Assessed Valuation.



	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Constant	$10.7	$10.7	$10.6	$13.6	$9.9	$11.2	$11.2	$9.9	$10.4	$11.0	$8.8	$7.8	$8.5	$9.0	$9.1	$9.3	$9.4	$9.3	$9.4	$9.5
Current	$21.0	$21.5	$21.9	$29.2	$21.3	$24.3	$25.2	$22.8	$24.2	$26.1	$20.9	$18.8	$20.8	$22.0	$22.4	$22.8	$23.0	$22.8	$23.1	$23.3

Constant Dollars: Base is 1982-84; no additional inflation is yet incorporated for years beyond 2017.

Table 1
General Fund Revenues
Fiscal Year Collections by Source

Fiscal Year	Severance Tax (1)	Sales and Use Tax	PWMTF Income (2), (3)	Pooled Income (3)	Charges - Sales and Services	Franchise Tax	Revenue from Others	Penalties and Interest	Federal Aid and Grants	All Other (4), (5)	Total
Historical:											
1999	$58,924,423	$234,725,590	$106,845,392	$25,322,337	$20,333,143	$11,438,251	$7,009,009	$5,873,055	$10,293,095	$19,488,056	$500,252,351
2000	$83,616,343	$262,338,523	$117,485,136	$26,191,754	$18,799,203	$13,628,848	$14,829,611	$5,809,027	$8,189,111	$64,712,342	$615,599,898
2001	$139,104,484	$296,341,913	$97,378,092	$34,849,907	$20,569,692	$15,029,401	$10,085,700	$6,612,961	$10,946,298	$21,301,693	$652,220,141
2002	$117,185,445	$313,077,987	$90,510,496	$29,114,751	$20,858,833	$17,099,710	$7,532,683	$6,359,976	$8,878,403	$27,328,449	$637,946,733
2003	$149,549,109	$300,953,910	$58,647,855	$19,214,275	$20,467,084	$19,598,042	$8,199,193	$10,131,822	$10,590,119	$27,332,601	$624,684,010
2004	$184,408,599	$326,625,269	$98,110,315	$28,716,923	$24,260,907	$21,745,077	$5,315,629	$9,031,984	$11,651,917	$34,686,832	$744,553,452
2005	$225,275,895	$363,846,232	$87,789,396	$39,340,611	$26,460,644	$23,962,541	$5,674,323	$11,571,551	$8,313,378	$41,702,561	$833,937,132
2006	$240,254,868	$421,438,545	$123,952,616	$65,048,984	$24,733,817	$24,889,058	$5,842,094	$17,153,208	$10,264,260	$42,493,736	$976,071,186
2007	$213,964,458	$479,072,573	$150,487,083	$90,590,111	$29,478,126	$28,164,990	$6,301,203	$15,248,945	$10,830,645	$46,156,155	$1,070,294,289
2008	$257,859,263	$504,711,048	$321,357,789	$105,567,137	$30,458,234	$26,251,292	$10,704,460	$6,443,234	$9,819,073	$46,743,278	$1,319,914,808
2009	$217,580,767	$492,443,467	$135,264,226	$89,969,956	$33,780,336	$23,978,875	$6,276,827	$11,878,190	$9,159,713	$44,485,273	$1,064,817,630
2010	$226,994,930	$412,845,265	$139,450,800	$117,295,842	$33,254,667	$23,805,596	$21,431,697	$13,962,941	$10,686,279	$46,344,453	$1,046,072,470
2011	$230,313,366	$470,905,619	$215,755,659	$90,718,694	$35,503,191	$23,210,774	$29,554,028	$12,000,700	$11,388,412	$55,715,767	$1,175,066,210
2012	$221,153,387	$497,683,644	$235,847,144	$112,352,685	$38,218,559	$24,446,393	$7,602,898	$11,229,632	$10,065,657	$45,243,811	$1,203,843,810
2013	$210,280,486	$481,431,386	$366,635,722	$189,833,643	$38,867,796	$26,889,478	$6,345,761	$9,304,095	$0	$51,616,450	$1,381,204,817
2014	$234,556,823	$521,102,606	$395,337,466	$86,425,307	$41,169,666	$36,257,448	$5,865,169	$11,536,105	$0	$50,126,092	$1,382,376,682
2015	$200,734,679	$544,030,172	$494,234,268	$114,227,416	$43,580,396	$39,313,515	$7,110,572	$11,440,883	$0	$54,416,621	$1,509,088,522
2016	$185,476,491	$432,008,558	$149,823,404	$88,843,568	$46,838,913	$35,441,681	$6,438,459	$6,260,009	$0	$50,121,154	$1,001,252,237
2017	$167,012,242	$407,315,823	$298,790,011	$85,972,480	$54,609,497	$34,792,975	$9,067,348	$4,441,920	$0	$111,043,801	$1,173,046,097
2018	$176,616,770	$480,044,281	$447,649,918	$79,025,043	$50,274,592	$34,728,071	$10,135,129	$3,795,537	$0	$111,281,976	$1,393,551,317
Projected:											
2019	$270,400,000	$484,800,000	$184,700,000	$108,400,000	$50,700,000	$34,100,000	$8,800,000	$3,800,000	$0	$49,100,000	$1,194,800,000
2020	$286,500,000	$499,300,000	$193,100,000	$105,300,000	$50,700,000	$34,100,000	$8,800,000	$3,800,000	$0	$49,100,000	$1,230,700,000
2021	$180,200,000	$508,300,000	$198,300,000	$101,300,000	$50,700,000	$34,100,000	$8,800,000	$3,800,000	$0	$49,100,000	$1,134,600,000
2022	$177,600,000	$516,900,000	$204,700,000	$101,300,000	$50,700,000	$34,100,000	$8,800,000	$3,800,000	$0	$49,100,000	$1,147,000,000
2023	$175,300,000	$525,700,000	$210,900,000	$101,200,000	$50,700,000	$34,100,000	$8,800,000	$3,800,000	$0	$49,100,000	$1,159,600,000
2024	$175,000,000	$534,100,000	$217,100,000	$101,200,000	$50,700,000	$34,100,000	$8,800,000	$3,800,000	$0	$49,100,000	$1,173,900,000

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 325 diverted revenue from the statutory one percent severance tax from the Permanent Wyoming Mineral Trust Fund (PWMTF) to the General Fund for approximately half of the 2016 fiscal year (approximately $33.6 million). The same section also diverted the portion of severance taxes traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $6.7 million/year).

(2) - 2000 Wyoming Session Laws, Chapter 14 established an investment income spending policy for the PWMTF. Investment earnings from the PWMTF in excess of the spending policy are appropriated from the General Fund to the Permanent Wyoming Mineral Trust Fund Reserve Account (PWMTF RA). 2015 Wyoming Session Laws, Chapter 195 amended the spending policy by requiring the State Treasurer to transfer unobligated funds in the PWMTF RA to the General Fund as necessary to ensure that 2.5% of the previous 5 year average market value of the PWMTF is available for expenditure annually, beginning in FY17 (the "guarantee"). The PWMTF income amounts shown in the table above reflect total investment earnings from the PWMTF and estimated interest and dividends from the PWMTF, as well as a guaranteed transfer from the PWMTF RA to bring the investment income up to 2.5%. Historic years include the investment earnings in excess of the 2.5% directed to the Strategic Investments and Projects Account (SIPA) and the Legislative Stabilization Reserve Account (LSRA), and in excess of the spending policy amounts appropriated to the PWMTF RA. PWMTF income is projected at 2.5% of the previous 5 year average market value in FY19 and to exceed 2.5% in FY20-FY24.

(3) - The State Treasurer implemented an accounting change in April 2009 (with an effective date of July 1, 2008), which directs interest and dividend income to be distributed to the General Fund on a monthly basis. Under this policy, capital gains and losses are held until the end of the fiscal year, at which time capital gains in excess of capital losses will be distributed. If capital losses exceed capital gains from the PWMTF, the net capital loss will be carried forward until such time it is offset by future capital gains. If capital losses exceed capital gains from the Pooled Income (State Agency Pool), the net capital loss will reduce the cash balance in the General Fund until it is offset by future capital gains but is not recognized in this table.

(4) - This category includes Cigarette Tax (revenue code 1201) and all other 1200 series tax revenue; Inheritance Tax (revenue code 1401); License & Permit Fees (2000 revenue series); Property & Money Use Fees (4000 revenue series); and Non-Revenue Receipts (9000 revenue series).

(5) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year). 2018 Wyoming Session Laws, Chapter 134, Section 314 redirected the revenue from a one percent severance tax from the PWMTF to the General Fund for FY19 and FY20. The same Section also reduced the portion of severance taxes traditionally directed to the General Fund in excess of the $155 million cap.

Table 2
General Fund Revenues
Biennial Collections by Source

Biennium	Severance Tax (1)	Sales and Use Tax	PWMTF Income (2), (3)	Pooled Income (3)	Charges - Sales and Services	Franchise Tax	Revenue from Others	Penalties and Interest	Federal Aid and Grants	All Other (4), (5)	Total
Historical:											
1999-00	$142,540,766	$497,064,113	$224,330,528	$51,514,091	$39,132,346	$25,067,099	$21,838,620	$11,682,082	$18,482,206	$84,200,398	$1,115,852,249
2001-02	$256,289,929	$609,419,900	$187,888,588	$63,964,658	$41,428,525	$32,129,111	$17,618,383	$12,972,937	$19,824,701	$48,630,142	$1,290,166,874
2003-04	$333,957,708	$627,579,179	$156,758,170	$47,931,198	$44,727,991	$41,343,119	$13,514,822	$19,163,806	$22,242,036	$62,019,433	$1,369,237,462
2005-06	$465,530,763	$785,284,777	$211,742,012	$104,389,595	$51,194,461	$48,851,599	$11,516,417	$28,724,759	$18,577,638	$84,196,297	$1,810,008,318
2007-08	$471,823,721	$983,783,621	$471,844,872	$196,157,248	$59,936,360	$54,416,282	$17,005,663	$21,692,179	$20,649,718	$92,899,433	$2,390,209,097
2009-10	$444,575,697	$905,288,732	$274,715,026	$207,265,798	$67,035,003	$47,784,471	$27,708,524	$25,841,131	$19,845,992	$90,829,726	$2,110,890,100
2011-12	$451,466,753	$968,589,263	$451,602,803	$203,071,379	$73,721,750	$47,657,167	$37,156,926	$23,230,332	$21,454,069	$100,959,578	$2,378,910,020
2013-14	$444,837,309	$1,002,533,992	$761,973,188	$276,258,950	$80,037,462	$63,146,926	$12,210,930	$20,840,200	$0	$101,742,542	$2,763,581,499
2015-16	$386,211,170	$976,038,730	$644,057,672	$203,070,984	$90,419,309	$74,755,196	$13,549,031	$17,700,892	$0	$104,537,775	$2,510,340,759
2017-18	$343,629,012	$887,360,104	$746,439,929	$164,997,523	$104,884,089	$69,521,046	$19,202,477	$8,237,457	$0	$222,325,777	$2,566,597,414
Projected:											
2019-20	$556,900,000	$984,100,000	$377,800,000	$213,700,000	$101,400,000	$68,200,000	$17,600,000	$7,600,000	$0	$98,200,000	$2,425,500,000
2021-22	$357,800,000	$1,025,200,000	$403,000,000	$202,600,000	$101,400,000	$68,200,000	$17,600,000	$7,600,000	$0	$98,200,000	$2,281,600,000
2023-24	$350,300,000	$1,059,800,000	$428,000,000	$202,400,000	$101,400,000	$68,200,000	$17,600,000	$7,600,000	$0	$98,200,000	$2,333,500,000

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 325 diverted revenue from the statutory one percent severance tax from the Permanent Wyoming Mineral Trust Fund (PWMTF) to the General Fund for approximately half of the 2016 fiscal year (approximately $33.6 million). The same section also diverted the portion of severance taxes traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $6.7 million/year).

(2) - 2000 Wyoming Session Laws, Chapter 14 established an investment income spending policy for the PWMTF. Investment earnings from the PWMTF in excess of the spending policy are appropriated from the General Fund to the Permanent Wyoming Mineral Trust Fund Reserve Account (PWMTF RA). 2015 Wyoming Session Laws, Chapter 195 amended the spending policy by requiring the State Treasurer to transfer unobligated funds in the PWMTF RA to the General Fund as necessary to ensure that 2.5% of the previous 5 year average market value of the PWMTF is available for expenditure annually, beginning in FY17 (the "guarantee"). The PWMTF income amounts shown in the table above reflect total investment earnings from the PWMTF and estimated interest and dividends from the PWMTF, as well as a guaranteed transfer from the PWMTF RA to bring the investment income up to 2.5%.

(3) - The State Treasurer implemented an accounting change in April 2009 (with an effective date of July 1, 2008), which directs interest and dividend income to be distributed to the General Fund on a monthly basis. Under this policy, capital gains and losses are held until the end of the fiscal year, at which time capital gains in excess of capital losses will be distributed. If capital losses exceed capital gains from the PWMTF, the net capital loss will be carried forward until such time it is offset by future capital gains. If capital losses exceed capital gains from the Pooled Income (State Agency Pool), the net capital loss will reduce the cash balance in the General Fund until it is offset by future capital gains but is not recognized in this table.

(4) - This category includes Cigarette Tax (revenue code 1201) and all other 1200 series tax revenue; Inheritance Tax (revenue code 1401); License & Permit Fees (2000 revenue series); Property & Money Use Fees (4000 revenue series); and Non-Revenue Receipts (9000 revenue series).

(5) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year). 2018 Wyoming Session Laws, Chapter 134, Section 314 redirected the revenue from a one percent severance tax from the PWMTF to the General Fund for FY19 and FY20. The same Section also reduced the portion of severance taxes traditionally directed to the General Fund in excess of the $155 million cap.

Table 3
Severance Tax Assumptions:
Price & Production Levels for
Major Mineral Commodities

	Crude Oil (1)		Natural Gas (2)		Surface Coal (3)		Trona (4)	
Calendar Year	Price	Production (Bbls)	Price	Production (Mcf)	Price	Production (Tons)	Price	Production (Tons)
2018	$60.00	85,000,000	$3.00	1,810,000,000	$12.50	300,000,000	$75.00	21,000,000
2019	$60.00	89,300,000	$2.90	1,864,000,000	$12.50	295,000,000	$75.00	21,000,000
2020	$60.00	92,000,000	$2.90	1,883,000,000	$12.50	295,000,000	$75.00	21,000,000
2021	$60.00	92,000,000	$2.90	1,883,000,000	$12.50	290,000,000	$75.00	21,500,000
2022	$55.00	92,000,000	$2.90	1,883,000,000	$12.50	290,000,000	$75.00	21,500,000
2023	$55.00	92,000,000	$2.90	1,883,000,000	$12.50	290,000,000	$75.00	21,500,000
2024	$55.00	92,000,000	$2.90	1,883,000,000	$12.50	285,000,000	$75.00	21,500,000

(1) - Price is the average gross sales price for all Wyoming oil production. Production is the total volume of all oil produced in Wyoming, including stripper, tertiary, other oil, and lease condensate.

(2) - Price is the average gross sales price for all Wyoming natural gas production. Production is the total volume of all gas produced in Wyoming, including methane, carbon dioxide, natural gas liquids, and all other related products.

(3) - Price is the average gross sales price for all Wyoming surface coal production. Production is the total volume of all surface coal produced in Wyoming.

(4) - Price is the average gross sales price for all Wyoming trona production. Production is the total volume of all trona ore produced in Wyoming.

Table 4
Mineral Severance Taxes
Fiscal Year Distribution by Account

Fiscal Year	General Fund (1)	Budget Reserve Acct	PWMTF (1), (2)	One Percent Severance Tax Account (1)	Water I	Water II	Water III	Highway Fund (3)	Cities and Towns	Counties	School Foundation/ SFP Reserve/ Comm. Colleges (1), (3)	Cities, Towns, Counties & Special Districts Capital Construction	County Road Const. Fund	Others (4)	Totals (5)
Historical:															
1999	$58,924,423	$28,164,693	$48,664,636	$0	$18,123,904	$2,753,030	$0	$0	$12,388,590	$5,321,530	$4,818,787	$3,395,400	$4,438,397	$9,465,814	$196,459,204
2000	$83,616,343	$39,082,122	$69,719,687	$0	$18,040,045	$4,779,071	$0	$9,108,600	$21,506,037	$8,559,273	$1,416,010	$4,346,563	$4,898,265	$10,050,960	$275,122,976
2001	$139,104,482	$57,915,048	$112,995,802	$0	$20,783,056	$9,391,114	$0	$28,530,106	$33,130,343	$15,640,647	$26,744	$4,982,504	$5,593,506	$19,879,926	$447,973,278
2002	$117,185,445	$39,270,594	$72,269,085	$0	$19,319,789	$3,435,755	$0	$7,435,471	$15,101,587	$6,334,307	$0	$4,386,530	$4,495,040	$10,200,358	$299,433,961
2003	$149,549,109	$105,317,276	$104,690,345	$0	$19,242,468	$3,323,943	$0	$6,950,287	$14,628,852	$6,136,020	$0	$4,400,000	$4,500,000	$10,387,922	$429,126,222
2004	$184,408,599	$171,441,376	$136,108,467	$0	$19,858,973	$3,412,847	$0	$7,717,057	$15,004,762	$6,293,694	$0	$4,386,528	$4,495,031	$10,439,594	$563,566,928
2005	$225,275,895	$251,580,640	$176,579,787	$0	$19,274,886	$3,570,457	$0	$7,958,111	$15,671,001	$6,573,145	$0	$4,386,525	$4,495,025	$11,291,382	$726,656,854
2006	$240,254,868	$279,579,500	$406,945,374	$0	$19,200,918	$3,660,548	$775,114	$8,269,185	$16,162,339	$6,622,389	$0	$3,611,540	$4,495,031	$11,500,112	$1,001,076,918
2007	$213,964,458	$228,678,827	$346,588,461	$0	$20,038,040	$3,493,592	$775,143	$8,159,373	$15,410,957	$6,371,940	$0	$3,611,545	$4,495,042	$12,211,542	$863,798,920
2008	$257,859,263	$323,214,288	$443,081,307	$0	$19,297,547	$3,229,980	$775,217	$6,610,973	$14,224,389	$5,976,585	$0	$3,611,614	$4,495,110	$11,575,738	$1,093,952,011
2009	$217,580,767	$240,383,694	$350,004,682	$0	$19,297,501	$3,343,659	$775,104	$7,065,973	$14,736,265	$6,147,028	$0	$3,611,541	$4,495,030	$11,211,918	$878,653,162
2010	$226,994,930	$260,982,942	$371,323,873	$0	$19,297,696	$3,254,961	$775,191	$6,711,030	$14,336,803	$6,014,028	$0	$3,611,625	$4,495,107	$10,163,192	$927,961,378
2011	$230,313,366	$268,948,372	$377,241,649	$0	$19,285,983	$3,204,909	$775,157	$6,503,125	$14,111,700	$5,938,934	$0	$3,611,586	$4,495,078	$10,868,256	$945,298,115
2012	$221,153,387	$249,299,443	$354,101,873	$0	$19,298,164	$3,255,068	$775,112	$6,711,978	$14,337,527	$6,014,160	$0	$3,611,559	$4,495,050	$10,655,179	$893,708,500
2013	$210,280,486	$227,555,007	$332,856,161	$0	$19,297,500	$3,255,000	$775,000	$6,711,500	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$10,644,267	$839,832,921
2014	$234,556,823	$276,107,687	$379,858,599	$0	$19,297,500	$3,255,000	$775,000	$6,711,500	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$10,631,229	$959,651,338
2015	$200,734,679	$208,463,390	$308,438,273	$0	$19,297,500	$3,255,000	$775,000	$6,711,500	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$10,809,343	$786,942,685
2016	$185,476,491	$110,875,432	$168,906,202	$0	$19,297,500	$3,255,000	$775,000	$6,711,500	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$9,865,813	$533,620,938
2017	$167,012,242	$127,595,502	$134,142,344	$89,399,148	$19,297,500	$3,255,000	$775,000	$0	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$10,404,031	$580,338,767
2018	$176,616,770	$146,804,563	$147,797,713	$98,442,050	$19,297,500	$3,255,000	$775,000	$0	$14,337,500	$6,014,000	$0	$3,611,500	$4,495,000	$10,026,896	$631,473,492
Projected:															
2019	$270,400,000	$155,500,000	$158,100,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$18,500,000	$3,600,000	$4,500,000	$10,000,000	$671,000,000
2020	$286,500,000	$165,600,000	$160,800,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$10,100,000	$681,500,000
2021	$180,200,000	$167,300,000	$269,600,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$10,100,000	$685,700,000
2022	$177,600,000	$162,100,000	$263,800,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$10,200,000	$672,200,000
2023	$175,300,000	$157,600,000	$258,600,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$10,200,000	$660,200,000
2024	$175,000,000	$156,900,000	$258,000,000	$0	$19,300,000	$3,300,000	$800,000	$6,700,000	$14,300,000	$6,000,000	$0	$3,600,000	$4,500,000	$10,300,000	$658,700,000

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 325 diverted revenue from the statutory one percent severance tax previously directed to the Permanent Wyoming Mineral Trust Fund (PWMTF) to the General Fund for approximately half of the 2016 fiscal year (approximately $33.6 million). Additionally, the one percent severance tax is diverted from the PWMTF to the One Percent Severance Tax Account for the 2017-2018 biennium. The same section also diverted the portion of severance taxes traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $6.7 million/year). 2018 Wyoming Session Laws, Chapter 134, Section 314 redirected the revenue from the statutory one percent severance tax from the PWMTF to the General Fund for FY19 and FY20. The same section also reduced a portion of severance taxes traditionally directed to the General Fund to the School Foundation Program Reserve Account for FY19.

(2) - 2002 Wyoming Session Laws, Chapter 62 made permanent the diversion of PWMTF revenues to the Severance Tax Distribution Account, and repealed the language of 2000 Wyoming Session Laws, Chapter 99 requiring a larger proportion of coal bed methane revenues to be deposited into the PWMTF. 2005 Wyoming Session Laws, Chapter 80 diverted additional severance taxes (equal to two-thirds of the PWMTF distribution required by Wyoming Constitution) from the Severance Tax Distribution Account to the PWMTF, beginning in FY06. One-half of the additional severance taxes to the PWMTF ($74,264,775) was diverted to the PWMTF Reserve Account in FY10.

(3) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(4) - Beginning in FY92, the totals shown in this column have included diversions from the Highway Fund to the Leaking Underground Storage Tank (LUST) accounts (Financial Responsibility and Corrective Action accounts). Amounts from $10.1 to $10.3 million per year are projected to be diverted to these accounts in FY19 through FY24.

(5) - FY98 revenues include $8.0 million in previously protested severance taxes on coal from prior production years. FY06 and FY07 revenues include $19.5 million and $13.3 million respectively, in previously protested severance taxes on natural gas from prior production years. FY15 revenues were reduced by roughly $10 million due to a refund of overpaid severance taxes on natural gas resulting from the resolution of a tax issue with a major natural gas producer.

Table 5

Mineral Severance Taxes

Biennial Distribution by Account

Biennium	General Fund (1)	Budget Reserve Acct	PWMTF (1), (2)	One Percent Severance Tax Account (1)	Water I	Water II	Water III	Highway Fund (3)	Cities and Towns	Counties	School Foundation/ SFP Reserve/ Comm. Colleges (1), (3)	Cities, Towns, Counties and Special Districts Capital Construction	County Road Const. Fund	Others (4)	Totals (5)
Historical:															
1999-00	$142,540,766	$67,246,815	$118,384,323	$0	$36,163,949	$7,532,101	$0	$9,108,600	$33,894,627	$13,880,803	$6,234,797	$7,741,963	$9,336,662	$19,516,774	$471,582,180
2001-02	$256,289,927	$97,185,642	$185,264,887	$0	$40,102,845	$12,826,869	$0	$35,965,577	$48,231,930	$21,974,954	$26,744	$9,369,034	$10,088,546	$30,080,284	$747,407,239
2003-04	$333,957,708	$276,758,652	$240,798,812	$0	$39,101,441	$6,736,790	$0	$14,667,344	$29,633,614	$12,429,714	$0	$8,786,528	$8,995,031	$20,827,516	$992,693,150
2005-06	$465,530,763	$531,160,140	$583,525,161	$0	$38,475,804	$7,231,005	$775,114	$16,227,296	$31,833,340	$13,195,534	$0	$7,998,065	$8,990,056	$22,791,494	$1,727,733,772
2007-08	$471,823,721	$551,893,115	$789,669,768	$0	$39,335,587	$6,723,572	$1,550,360	$14,770,346	$29,635,346	$12,348,525	$0	$7,223,159	$8,990,152	$23,787,280	$1,957,750,931
2009-10	$444,575,697	$501,366,636	$721,328,555	$0	$38,595,197	$6,598,620	$1,550,295	$13,777,003	$29,073,068	$12,161,056	$0	$7,223,166	$8,990,137	$21,375,110	$1,806,614,540
2011-12	$451,466,753	$518,247,815	$731,343,522	$0	$38,584,147	$6,459,977	$1,550,269	$13,215,103	$28,449,227	$11,953,094	$0	$7,223,145	$8,990,128	$21,523,435	$1,839,006,615
2013-14	$444,837,309	$503,662,694	$712,714,760	$0	$38,595,000	$6,510,000	$1,550,000	$13,423,000	$28,675,000	$12,028,000	$0	$7,223,000	$8,990,000	$21,275,496	$1,799,484,259
2015-16	$386,211,170	$319,338,822	$477,344,475	$0	$38,595,000	$6,510,000	$1,550,000	$13,423,000	$28,675,000	$12,028,000	$0	$7,223,000	$8,990,000	$20,675,156	$1,320,563,623
2017-18	$343,629,012	$274,400,065	$281,940,057	$187,841,198	$38,595,000	$6,510,000	$1,550,000	$0	$28,675,000	$12,028,000	$0	$7,223,000	$8,990,000	$20,430,927	$1,211,812,259
Projected:															
2019-20	$556,900,000	$321,100,000	$318,900,000	$0	$38,600,000	$6,600,000	$1,600,000	$13,400,000	$28,600,000	$12,000,000	$18,500,000	$7,200,000	$9,000,000	$20,100,000	$1,352,500,000
2021-22	$357,800,000	$329,400,000	$533,400,000	$0	$38,600,000	$6,600,000	$1,600,000	$13,400,000	$28,600,000	$12,000,000	$0	$7,200,000	$9,000,000	$20,300,000	$1,357,900,000
2023-24	$350,300,000	$314,500,000	$516,600,000	$0	$38,600,000	$6,600,000	$1,600,000	$13,400,000	$28,600,000	$12,000,000	$0	$7,200,000	$9,000,000	$20,500,000	$1,318,900,000

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 325 diverted revenue from the statutory one percent severance tax previously directed to the Permanent Wyoming Mineral Trust Fund (PWMTF) to the General Fund for approximately half of the 2016 fiscal year (approximately $33.6 million). Additionally, the one percent severance tax is diverted from the PWMTF to the One Percent Severance Tax Account for the 2017-2018 biennium. The same section also diverted the portion of severance taxes traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $6.7 million/year). 2018 Wyoming Session Laws, Chapter 134, Section 314 redirected the revenue from the statutory one percent severance tax from the PWMTF to the General Fund for FY19 and FY20. The same section also reduced a portion of severance taxes traditionally directed to the General Fund to the School Foundation Program Reserve Account for FY19.

(2) - 2002 Wyoming Session Laws, Chapter 62 made permanent the diversion of PWMTF revenues to the Severance Tax Distribution Account, and repealed the language of 2000 Wyoming Session Laws, Chapter 99 requiring a larger proportion of coal bed methane revenues to be deposited into the PWMTF. 2005 Wyoming Session Laws, Chapter 80 diverted additional severance taxes (equal to two-thirds of the PWMTF distribution required by Wyoming Constitution) from the Severance Tax Distribution Account to the PWMTF, beginning in FY06. One-half of the additional severance taxes to the PWMTF ($74,264,775) was diverted to the PWMTF Reserve Account in FY10.

(3) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(4) - Beginning in FY92, the totals shown in this column have included diversions from the Highway Fund to the Leaking Underground Storage Tank (LUST) accounts (Financial Responsibility and Corrective Action accounts). Amounts from $10.1 to $10.3 million per year are projected to be diverted to these accounts in FY19 through FY24.

(5) - FY98 revenues include $8.0 million in previously protested severance taxes on coal from prior production years. FY06 and FY07 revenues include $19.5 million and $13.3 million respectively, in previously protested severance taxes on natural gas from prior production years. FY15 revenues were reduced by roughly $10 million due to a refund of overpaid severance taxes on natural gas resulting from the resolution of a tax issue with a major natural gas producer.

Table 6

Mineral Severance Taxes to All Accounts

Fiscal Year Distribution by Mineral

Fiscal Year	Crude Oil (1)	Natural Gas (2)	Coal (3)	Trona	Others	Total
Historical:						
1999	$29,660,885	$73,928,406	$85,333,688	$6,547,419	$988,806	$196,459,204
2000	$57,322,887	$120,540,411	$85,163,673	$10,959,901	$1,156,732	$275,143,604
2001	$74,664,462	$266,647,882	$97,478,127	$8,332,546	$850,262	$447,973,279
2002	$56,426,635	$121,889,265	$113,711,532	$6,294,712	$1,111,817	$299,433,961
2003	$69,730,688	$224,966,204	$125,434,970	$7,786,147	$1,208,213	$429,126,222
2004	$72,844,983	$345,548,531	$135,956,903	$7,952,481	$1,264,030	$563,566,928
2005	$102,660,529	$461,669,565	$151,379,493	$9,285,910	$1,661,357	$726,656,854
2006	$135,263,605	$669,480,959	$183,112,618	$9,969,078	$3,250,658	$1,001,076,918
2007	$139,310,375	$493,200,653	$215,728,100	$13,076,121	$2,483,671	$863,798,920
2008	$217,110,229	$620,501,378	$238,598,329	$15,041,023	$2,701,052	$1,093,952,011
2009	$143,285,176	$444,182,740	$273,281,570	$15,636,672	$2,267,004	$878,653,162
2010	$173,078,065	$468,963,683	$269,081,349	$14,090,157	$2,748,124	$927,961,378
2011	$204,334,598	$427,091,930	$294,278,928	$15,554,565	$4,038,094	$945,298,115
2012	$236,554,432	$342,372,512	$293,110,118	$17,169,707	$4,501,731	$893,708,500
2013	$238,394,726	$296,789,166	$282,081,447	$18,256,604	$4,310,978	$839,832,921
2014	$322,191,025	$340,430,854	$274,042,449	$18,488,233	$4,498,777	$959,651,338
2015	$256,104,891	$237,010,110	$269,521,346	$18,863,711	$5,442,627	$786,942,685
2016	$153,285,240	$139,725,594	$217,752,042	$18,858,104	$3,999,958	$533,620,938
2017	$161,071,114	$179,417,599	$218,013,154	$18,696,775	$3,140,125	$580,338,767
2018	$232,688,789	$177,952,194	$198,835,870	$18,928,564	$3,068,075	$631,473,492
Projected:						
2019	$277,400,000	$179,600,000	$192,300,000	$18,900,000	$2,800,000	$671,000,000
2020	$289,000,000	$180,100,000	$190,700,000	$18,900,000	$2,800,000	$681,500,000
2021	$293,600,000	$181,000,000	$189,200,000	$19,100,000	$2,800,000	$685,700,000
2022	$281,500,000	$181,000,000	$187,500,000	$19,400,000	$2,800,000	$672,200,000
2023	$269,500,000	$181,000,000	$187,500,000	$19,400,000	$2,800,000	$660,200,000
2024	$269,600,000	$181,000,000	$185,900,000	$19,400,000	$2,800,000	$658,700,000

(1) - The drop in revenues that occurred in FY99 was due, in part, to the reduced taxation rates put in place by 1999 Wyoming Session Laws, Chapter 168 "Oil Producers Recovery - 2".

(2) - FY06 and FY07 natural gas revenues include $19.5 million and $13.3 million, respectively in previously protested severance taxes from prior production years. FY15 natural gas revenues were reduced by roughly $10 million due to a refund of overpaid severance taxes resulting from the resolution of a tax issue with a major natural gas producer.

(3) - FY98 coal revenues include $8.0 million in previously protested severance taxes from prior production years.

Table 7

Federal Mineral Royalties (Including Coal Lease Bonuses) - Projections

Fiscal Year Distribution by Account

Fiscal Year	University of Wyoming	School Foundation (1),(2),(5),(6),(7)	Highway Fund (1),(3),(4)	Highway Fund County Roads	Cities and Towns	Cities, Towns, Counties and Spec. Districts Capital Construction (4)	School Dist Cap Con (4),(5),(6)	LRI/BRA (5),(6),(7)	Community Colleges (4)	Others (2)	Transportation Enterprise	General Fund Administrative (3)	Totals
Historical:													
1999	$13,420,020	$98,499,570	$48,334,693	$4,473,340	$18,638,917	$13,080,567	$28,481,977	$0	$1,600,000	$0	$4,500,000	$0	$231,029,084
2000	$19,885,932	$101,996,286	$56,432,177	$4,902,424	$19,588,385	$13,795,708	$29,154,892	$46,949,577	$1,600,000	$7,545,467	$7,242,000	$0	$309,092,848
2001	$16,780,519	$131,302,412	$50,215,852	$5,593,506	$21,028,138	$14,947,511	$37,259,164	$141,647,680	$1,600,000	$20,503,245	$7,242,000	$0	$448,120,027
2002	$13,365,000	$132,342,234	$35,059,328	$4,455,000	$18,562,500	$13,050,000	$73,143,236	$47,829,775	$1,600,000	$0	$7,242,000	$2,000,000	$348,649,073
2003	$13,365,000	$156,262,611	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$69,880,327	$135,076,695	$1,600,000	$0	$0	$2,000,000	$476,269,633
2004	$13,365,000	$191,090,662	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$43,514,047	$204,711,904	$1,600,000	$0	$0	$2,000,000	$554,366,613
2005	$13,365,000	$201,172,871	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$213,121,806	$285,903,765	$1,600,000	$30,525,901	$0	$2,000,000	$845,774,343
2006	$13,365,000	$88,704,000	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$203,999,794	$440,092,088	$1,600,000	$220,112,064	$0	$2,000,000	$1,067,957,946
2007	$13,365,000	$88,704,000	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$166,049,329	$371,530,742	$1,600,000	$185,821,106	$0	$2,000,000	$927,155,177
2008	$13,365,000	$287,243,293	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$181,137,080	$534,000,228	$1,600,000	$68,540,929	$0	$2,000,000	$1,185,971,530
2009	$13,365,000	$300,714,799	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$209,876,037	$423,895,060	$1,600,000	$0	$0	$2,000,000	$1,049,535,896
2010	$13,365,000	$299,236,295	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$43,468,169	$420,967,494	$1,600,000	$0	$0	$2,000,000	$878,721,958
2011	$13,365,000	$320,455,151	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$43,468,006	$463,393,448	$1,600,000	$0	$0	$2,000,000	$942,366,605
2012	$13,365,000	$291,863,708	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$141,575,795	$406,218,740	$1,600,000	$0	$0	$2,000,000	$954,708,243
2013	$13,365,000	$263,033,022	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$234,971,046	$348,580,024	$1,600,000	$0	$0	$2,000,000	$961,634,092
2014	$13,365,000	$286,403,608	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$209,148,871	$395,306,057	$1,600,000	$0	$0	$2,000,000	$1,005,908,536
2015	$13,365,000	$251,827,747	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$220,955,844	$326,149,640	$1,600,000	$0	$0	$2,000,000	$913,983,231
2016	$13,365,000	$182,837,225	$62,017,500	$4,455,000	$18,562,500	$13,050,000	$215,827,963	$188,209,982	$1,600,000	$0	$0	$2,000,000	$701,925,170
2017	$13,365,000	$215,474,656	$1,875,000	$4,455,000	$18,562,500	$13,050,000	$120,633,115	$253,465,266	$1,600,000	$0	$0	$62,142,500	$704,623,037
2018	$13,365,000	$220,019,057	$0	$4,455,000	$18,562,500	$7,425,000	$10,655,756	$215,632,223	$0	$0	$0	$62,142,500	$552,257,036
Projected:													
2019	$13,400,000	$257,400,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$234,400,000	$0	$0	$0	$2,000,000	$603,100,000
2020	$13,400,000	$231,200,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$221,300,000	$0	$0	$0	$2,000,000	$563,800,000
2021	$13,400,000	$210,500,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$243,600,000	$0	$0	$0	$2,000,000	$565,400,000
2022	$13,400,000	$207,900,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$238,400,000	$0	$0	$0	$2,000,000	$557,600,000
2023	$13,400,000	$205,800,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$234,200,000	$0	$0	$0	$2,000,000	$551,300,000
2024	$13,400,000	$205,300,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$233,100,000	$0	$0	$0	$2,000,000	$549,700,000

(1) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway Fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(2) - 2005 Wyoming Session Laws, Chapter 190 diverted federal mineral royalties over the $200 million cap from the School Foundation Program (SFP) to the Higher Education Endowment Account and Hathaway Endowment Account, beginning in FY05. Amounts diverted were reduced as necessary to ensure an unobligated, unencumbered balance of $100 million in the SFP as of July 1 of each fiscal year. Of the amounts diverted, 21% was distributed to the Higher Education Endowment Account until the account balance reached $105 million, and 79% was distributed to the Hathaway Endowment Account until the account balance reached $400 million. These distributions were completed in FY08.

(3) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

(4) - 2016 Wyoming Session Laws, Chapter 31, Section 331 directs the final payment of all sequestered monies received in FY 2018 to be deposited into the School Capital Construction Account, rather than the Highway Fund, Community Colleges, or Cities, Towns, Counties and Special Districts Capital Construction Account. 2018 Wyoming Session Laws, Chapter 134, Section 317 redirected any coal lease bonus payments received in FY19 to the School Foundation Program Reserve Account.

(5) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Foundation Program Account, the School Capital Construction Account, and the Budget Reserve Account. This 2% reduction was made permanent in December 2013.

(6) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

(7) - 2018 Wyoming Session Laws, Chapter 134, Section 316 redirected a higher portion of the FMR revenue in excess of $200 million to the School Foundation Program Account and a lower portion to the Budget Reserve Account for FY18, FY19, and FY20.

Table 7(a)
Federal Mineral Royalties (without Coal Lease Bonuses) - Projections
Fiscal Year Distribution by Account

Fiscal Year	University of Wyoming	School Foundation (1),(2),(4),(5),(6)	Highway Fund (1),(3)	Highway Fund County Roads	Cities and Towns	Cities, Towns, Counties and Spec. Districts Capital Construction	School Dist Cap Con	LRI/BRA (4),(5),(6)	Others (2)	Transportation Enterprise	General Fund Administrative (3)	Totals
Historical:												
1999	$13,420,020	$98,499,570	$46,459,693	$4,473,340	$18,638,917	$7,455,567	$5,368,009	$0	$0	$4,500,000	$0	$198,815,116
2000	$19,885,932	$101,996,286	$54,557,177	$4,902,424	$19,588,385	$8,170,708	$5,882,909	$46,949,577	$7,545,467	$7,242,000	$0	$276,720,865
2001	$16,780,519	$131,302,412	$48,340,852	$5,593,506	$21,028,138	$9,322,511	$6,712,209	$141,647,680	$20,503,245	$7,242,000	$0	$408,473,072
2002	$13,365,000	$132,342,234	$33,184,328	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$47,829,775	$0	$7,242,000	$2,000,000	$271,751,837
2003	$13,365,000	$156,262,611	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$135,076,695	$0	$0	$2,000,000	$402,635,306
2004	$13,365,000	$191,090,662	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$204,711,904	$0	$0	$2,000,000	$507,098,566
2005	$13,365,000	$201,172,871	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$285,903,765	$30,525,901	$0	$2,000,000	$628,898,537
2006	$13,365,000	$88,704,000	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$440,092,088	$220,112,064	$0	$2,000,000	$860,204,152
2007	$13,365,000	$88,704,000	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$371,530,742	$185,821,106	$0	$2,000,000	$757,351,848
2008	$13,365,000	$287,243,293	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$534,000,228	$68,540,929	$0	$2,000,000	$1,001,080,450
2009	$13,365,000	$300,714,799	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$423,895,060	$0	$0	$2,000,000	$835,905,859
2010	$13,365,000	$299,236,295	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$420,967,494	$0	$0	$2,000,000	$831,499,789
2011	$13,365,000	$320,455,151	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$463,393,448	$0	$0	$2,000,000	$895,144,599
2012	$13,365,000	$291,863,708	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$406,218,740	$0	$0	$2,000,000	$809,378,448
2013	$13,365,000	$263,033,022	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$348,580,024	$0	$0	$2,000,000	$722,909,046
2014	$13,365,000	$286,403,608	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$395,306,057	$0	$0	$2,000,000	$793,005,665
2015	$13,365,000	$251,827,747	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$326,149,640	$0	$0	$2,000,000	$689,273,387
2016	$13,365,000	$182,837,225	$60,142,500	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$188,209,982	$0	$0	$2,000,000	$482,343,207
2017	$13,365,000	$215,474,656	$0	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$253,465,266	$0	$0	$62,142,500	$580,235,922
2018	$13,365,000	$220,019,057	$0	$4,455,000	$18,562,500	$7,425,000	$5,346,000	$215,632,223	$0	$0	$62,142,500	$546,947,280
Projected:												
2019	$13,400,000	$257,400,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$234,400,000	$0	$0	$2,000,000	$603,100,000
2020	$13,400,000	$231,200,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$221,300,000	$0	$0	$2,000,000	$563,800,000
2021	$13,400,000	$210,500,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$243,600,000	$0	$0	$2,000,000	$565,400,000
2022	$13,400,000	$207,900,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$238,400,000	$0	$0	$2,000,000	$557,600,000
2023	$13,400,000	$205,800,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$234,200,000	$0	$0	$2,000,000	$551,300,000
2024	$13,400,000	$205,300,000	$60,100,000	$4,500,000	$18,600,000	$7,400,000	$5,300,000	$233,100,000	$0	$0	$2,000,000	$549,700,000

(1) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway Fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(2) - 2005 Wyoming Session Laws, Chapter 190 diverted federal mineral royalties over the $200 million cap from the School Foundation Program (SFP) to the Higher Education Endowment Account and Hathaway Endowment Account, beginning in FY05. Amounts diverted were reduced as necessary to ensure an unobligated, unencumbered balance of $100 million in the SFP as of July 1 of each fiscal year. Of the amounts diverted, 21% was distributed to the Higher Education Endowment Account until the account balance reached $105 million, and 79% was distributed to the Hathaway Endowment Account until the account balance reached $400 million. These distributions were completed in FY08.

(3) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

(4) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Foundation Program Account and the Budget Reserve Account. This 2% reduction was made permanent in December 2013.

(5) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

(6) - 2018 Wyoming Session Laws, Chapter 134, Section 316 redirected a higher portion of the FMR revenue in excess of $200 million to the School Foundation Program Account and a lower portion to the Budget Reserve Account for FY18, FY19, and FY20.

Table 7(b)
Coal Lease Bonuses - Projections
Fiscal Year Distribution by Account

Fiscal Year	Cities, Towns, Counties and Spec. Districts Capital Construction (1)	Highway Fund (1)	LRI	School Dist Cap Con (1),(2),(3)	Community Colleges (1)	Totals
Historic:						
1999	$5,625,000	$1,875,000	$0	$23,113,968	$1,600,000	$32,213,968
2000	$5,625,000	$1,875,000	$0	$23,271,983	$1,600,000	$32,371,983
2001	$5,625,000	$1,875,000	$0	$30,546,955	$1,600,000	$39,646,955
2002	$5,625,000	$1,875,000	$0	$67,797,236	$1,600,000	$76,897,236
2003	$5,625,000	$1,875,000	$0	$64,534,327	$1,600,000	$73,634,327
2004	$5,625,000	$1,875,000	$0	$38,168,047	$1,600,000	$47,268,047
2005	$5,625,000	$1,875,000	$0	$207,775,806	$1,600,000	$216,875,806
2006	$5,625,000	$1,875,000	$0	$198,653,794	$1,600,000	$207,753,794
2007	$5,625,000	$1,875,000	$0	$160,703,329	$1,600,000	$169,803,329
2008	$5,625,000	$1,875,000	$0	$175,791,080	$1,600,000	$184,891,080
2009	$5,625,000	$1,875,000	$0	$204,530,037	$1,600,000	$213,630,037
2010	$5,625,000	$1,875,000	$0	$38,122,169	$1,600,000	$47,222,169
2011	$5,625,000	$1,875,000	$0	$38,122,006	$1,600,000	$47,222,006
2012	$5,625,000	$1,875,000	$0	$136,229,795	$1,600,000	$145,329,795
2013	$5,625,000	$1,875,000	$0	$229,625,046	$1,600,000	$238,725,046
2014	$5,625,000	$1,875,000	$0	$203,802,871	$1,600,000	$212,902,871
2015	$5,625,000	$1,875,000	$0	$215,609,844	$1,600,000	$224,709,844
2016	$5,625,000	$1,875,000	$0	$210,481,963	$1,600,000	$219,581,963
2017	$5,625,000	$1,875,000	$0	$115,287,115	$1,600,000	$124,387,115
2018	$0	$0	$0	$5,309,756	$0	$5,309,756
Projected:						
2019	$0	$0	$0	$0	$0	$0
2020	$0	$0	$0	$0	$0	$0
2021	$0	$0	$0	$0	$0	$0
2022	$0	$0	$0	$0	$0	$0
2023	$0	$0	$0	$0	$0	$0
2024	$0	$0	$0	$0	$0	$0

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 331 directs the final payment of all sequestered monies received in FY 2018 to be deposited into the School Capital Construction Account, rather than the Highway Fund, Community Colleges, or Cities, Towns, Counties and Special Districts Capital Construction Account. 2018 Wyoming Session Laws, Chapter 134, Section 317 redirected any coal lease bonus payments received in FY19 to the School Foundation Program Reserve Account.

(2) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Capital Construction Account. This 2% reduction was made permanent in December 2013.

(3) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

Table 8

Federal Mineral Royalties (Including Coal Lease Bonuses) - Projections

Biennial Distribution by Account

Biennium	University of Wyoming	School Foundation (1),(2),(5),(6),(7)	Highway Fund (1),(3),(4)	Highway Fund County Roads	Cities and Towns	Cities, Towns, Counties and Spec. Districts Capital Construction (4)	School Dist Cap Con (4),(5),(6)	LRI/BRA (5),(6),(7)	Community Colleges (4)	Others (2)	Transportation Enterprise	General Fund Administrative (3)	Totals
Historical:													
1999-00	$33,305,952	$200,495,856	$104,766,870	$9,375,764	$38,227,302	$26,876,275	$57,636,869	$46,949,577	$3,200,000	$7,545,467	$11,742,000	$0	$540,121,932
2001-02	$30,145,519	$263,644,646	$85,275,180	$10,048,506	$39,590,638	$27,997,511	$110,402,400	$189,477,455	$3,200,000	$20,503,245	$14,484,000	$2,000,000	$796,769,100
2003-04	$26,730,000	$347,353,273	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$113,394,374	$339,788,599	$3,200,000	$0	$0	$4,000,000	$1,030,636,246
2005-06	$26,730,000	$289,876,871	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$417,121,600	$725,995,853	$3,200,000	$250,637,965	$0	$4,000,000	$1,913,732,289
2007-08	$26,730,000	$375,947,293	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$347,186,409	$905,530,970	$3,200,000	$254,362,035	$0	$4,000,000	$2,113,126,707
2009-10	$26,730,000	$599,951,094	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$253,344,206	$844,862,554	$3,200,000	$0	$0	$4,000,000	$1,928,257,854
2011-12	$26,730,000	$612,318,859	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$185,043,801	$869,612,188	$3,200,000	$0	$0	$4,000,000	$1,897,074,848
2013-14	$26,730,000	$549,436,630	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$444,119,917	$743,886,081	$3,200,000	$0	$0	$4,000,000	$1,967,542,628
2015-16	$26,730,000	$434,664,972	$124,035,000	$8,910,000	$37,125,000	$26,100,000	$436,783,807	$514,359,622	$3,200,000	$0	$0	$4,000,000	$1,615,908,401
2017-18	$26,730,000	$435,493,713	$1,875,000	$8,910,000	$37,125,000	$20,475,000	$131,288,871	$469,097,489	$1,600,000	$0	$0	$124,285,000	$1,256,880,073
Projected:													
2019-20	$26,800,000	$488,600,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$455,700,000	$0	$0	$0	$4,000,000	$1,166,900,000
2021-22	$26,800,000	$418,400,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$482,000,000	$0	$0	$0	$4,000,000	$1,123,000,000
2023-24	$26,800,000	$411,100,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$467,300,000	$0	$0	$0	$4,000,000	$1,101,000,000

(1) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway Fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(2) - 2005 Wyoming Session Laws, Chpater 190 diverted federal mineral royalties over the $200 million cap from the School Foundation Program (SFP) to the Higher Education Endowment Account and Hathaway Endowment Account, beginning in FY05. Amounts diverted were reduced as necessary to ensure an unobligated, unencumbered balance of $100 million in the SFP as of July 1 of each fiscal year. Of the amounts diverted, 21% was distributed to the Higher Education Endowment Account until the account balance reached $105 million, and 79% was distributed to the Hathaway Endowment Account until the account balance reached $400 million. These distributions were completed in FY08.

(3) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

(4) - 2016 Wyoming Session Laws, Chapter 31, Section 331 directs the final payment of all sequestered monies received in FY 2018 to be deposited into the School Capital Construction Account, rather than the Highway Fund, Community Colleges, or Cities, Towns, Counties and Special Districts Capital Construction Account. 2018 Wyoming Session Laws, Chapter 134, Section 317 redirected any coal lease bonus payments received in FY19 to the School Foundation Program Reserve Account.

(5) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Foundation Program Account, the School Capital Construction Account, and the Budget Reserve Account. This 2% reduction was made permanent in December 2013.

(6) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

(7) - 2018 Wyoming Session Laws, Chapter 134, Section 316 redirected a higher portion of the FMR revenue in excess of $200 million to the School Foundation Program Account and a lower portion to the Budget Reserve Account for FY18, FY19, and FY20.

Table 8(a)

Federal Mineral Royalties (without Coal Lease Bonuses) - Projections

Biennial Distribution by Account

Biennium	University of Wyoming	School Foundation (1),(2),(4),(5),(6)	Highway Fund (1),(3)	Highway Fund County Roads	Cities and Towns	Cities, Towns, Counties and Spec. Districts Capital Construction	School Dist Cap Con	LRI/BRA (4),(5),(6)	Others (2)	Transportation Enterprise	General Fund Administrative (3)	Totals
Historical:												
1999-00	$33,305,952	$200,495,856	$101,016,870	$9,375,764	$38,227,302	$15,626,275	$11,250,918	$46,949,577	$7,545,467	$11,742,000	$0	$475,535,981
2001-02	$30,145,519	$263,644,646	$81,525,180	$10,048,506	$39,590,638	$16,747,511	$12,058,209	$189,477,455	$20,503,245	$14,484,000	$2,000,000	$680,224,909
2003-04	$26,730,000	$347,353,273	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$339,788,599	$0	$0	$4,000,000	$909,733,872
2005-06	$26,730,000	$289,876,871	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$725,995,853	$250,637,965	$0	$4,000,000	$1,489,102,689
2007-08	$26,730,000	$375,947,293	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$905,530,970	$254,362,035	$0	$4,000,000	$1,758,432,298
2009-10	$26,730,000	$599,951,094	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$844,862,554	$0	$0	$4,000,000	$1,667,405,648
2011-12	$26,730,000	$612,318,859	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$869,612,188	$0	$0	$4,000,000	$1,704,523,047
2013-14	$26,730,000	$549,436,630	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$743,886,081	$0	$0	$4,000,000	$1,515,914,711
2015-16	$26,730,000	$434,664,972	$120,285,000	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$514,359,622	$0	$0	$4,000,000	$1,171,616,594
2017-18	$26,730,000	$435,493,713	$0	$8,910,000	$37,125,000	$14,850,000	$10,692,000	$469,097,489	$0	$0	$124,285,000	$1,127,183,202
Projected:												
2019-20	$26,800,000	$488,600,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$455,700,000	$0	$0	$4,000,000	$1,166,900,000
2021-22	$26,800,000	$418,400,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$482,000,000	$0	$0	$4,000,000	$1,123,000,000
2023-24	$26,800,000	$411,100,000	$120,200,000	$9,000,000	$37,200,000	$14,800,000	$10,600,000	$467,300,000	$0	$0	$4,000,000	$1,101,000,000

(1) - In FY99 and FY00, mineral severance taxes and federal mineral royalties were diverted from the Highway Fund to the School Foundation Program until $20 million was received. This revenue diversion from the Highway Fund was offset with additional fuel tax revenue. In FY01 and FY02, the diversion of revenues from these sources continued, however, the amount was not limited to a fixed dollar amount, but was a dollar for dollar swap in the amount raised by the fuel tax.

(2) - 2005 Wyoming Session Laws, Chapter 190 diverted federal mineral royalties over the $200 million cap from the School Foundation Program (SFP) to the Higher Education Endowment Account and Hathaway Endowment Account, beginning in FY05. Amounts diverted were reduced as necessary to ensure an unobligated, unencumbered balance of $100 million in the SFP as of July 1 of each fiscal year. Of the amounts diverted, 21% was distributed to the Higher Education Endowment Account until the account balance reached $105 million, and 79% was distributed to the Hathaway Endowment Account until the account balance reached $400 million. These distributions were completed in FY08.

(3) - 2016 Wyoming Session Laws, Chapter 31, Section 326 diverted the portion of federal mineral royalties traditionally directed to the Highway Fund to the General Fund for the 2017-2018 biennium (approximately $60.1 million /year).

(4) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Foundation Program Account and the Budget Reserve Account. This 2% reduction was made permanent in December 2013.

(5) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

(6) - 2018 Wyoming Session Laws, Chapter 134, Section 316 redirected a higher portion of the FMR revenue in excess of $200 million to the School Foundation Program Account and a lower portion to the Budget Reserve Account for FY18, FY19, and FY20.

Table 8(b)
Coal Lease Bonuses - Projections
Biennial Distribution by Account

Biennium	Cities, Towns, Counties and Spec. Districts Capital Construction (1)	Highway Fund (1)	LRI	School Dist Cap Con (1),(2),(3)	Community Colleges (1)	Totals
Historic:						
1999-00	$11,250,000	$3,750,000	$0	$46,385,951	$3,200,000	$64,585,951
2001-02	$11,250,000	$3,750,000	$0	$98,344,191	$3,200,000	$116,544,191
2003-04	$11,250,000	$3,750,000	$0	$102,702,374	$3,200,000	$120,902,374
2005-06	$11,250,000	$3,750,000	$0	$406,429,600	$3,200,000	$424,629,600
2007-08	$11,250,000	$3,750,000	$0	$336,494,409	$3,200,000	$354,694,409
2009-10	$11,250,000	$3,750,000	$0	$242,652,206	$3,200,000	$260,852,206
2011-12	$11,250,000	$3,750,000	$0	$174,351,801	$3,200,000	$192,551,801
2013-14	$11,250,000	$3,750,000	$0	$433,427,917	$3,200,000	$451,627,917
2015-16	$11,250,000	$3,750,000	$0	$426,091,807	$3,200,000	$444,291,807
2017-18	$5,625,000	$1,875,000	$0	$120,596,871	$1,600,000	$129,696,871
Projected:						
2019-20	$0	$0	$0	$0	$0	$0
2021-22	$0	$0	$0	$0	$0	$0
2023-24	$0	$0	$0	$0	$0	$0

(1) - 2016 Wyoming Session Laws, Chapter 31, Section 331 directs the final payment of all sequestered monies received in FY 2018 to be deposited into the School Capital Construction Account, rather than the Highway Fund, Community Colleges, or Cities, Towns, Counties and Special Districts Capital Construction Account. 2018 Wyoming Session Laws, Chapter 134, Section 317 redirected any coal lease bonus payments received in FY19 to the School Foundation Program Reserve Account.

(2) - Federal legislation was enacted in December 2007 to reduce the state's share of federal mineral royalties by 2%, beginning in FY08. This revenue decrease reduces distributions to the School Capital Construction Account. This 2% reduction was made permanent in December 2013.

(3) - The President issued a sequestration order on March 1, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act as amended. In late October 2013, the Department of Interior began the practice of repaying the state for federal mineral revenues sequestered during the prior federal fiscal year (FFY). CREG anticipates the sequester withholding and subsequent repayments to continue throughout the forecast period. As a result of this assumption (withholding/payback), no net impact of future federal sequestration is included in the forecast.

Table 9

Total State Assessed Valuation

Calendar Year of Production (1)	Oil	Gas	Coal	Trona	Other Minerals	Minerals Totals	Other Property	Grand Totals
Historical:								
1999	$903,869,245	$1,601,520,736	$1,265,306,376	$211,143,740	$65,617,392	$4,047,457,489	$3,849,398,782	$7,896,856,271
2000	$1,438,975,976	$3,365,840,728	$1,336,115,591	$206,218,970	$59,908,980	$6,407,060,245	$4,135,036,155	$10,542,096,400
2001	$1,080,018,231	$3,882,089,465	$1,506,337,295	$209,191,934	$61,089,137	$6,738,726,062	$4,430,580,865	$11,169,306,927
2002	$1,083,555,330	$2,512,574,992	$1,760,291,304	$203,324,146	$64,567,181	$5,624,312,953	$4,715,774,001	$10,340,086,954
2003	$1,244,211,776	$5,265,135,004	$1,846,983,332	$195,203,377	$64,488,534	$8,616,022,023	$5,063,514,295	$13,679,536,318
2004	$1,634,067,860	$7,039,052,884	$2,039,556,051	$198,943,291	$72,397,802	$10,984,017,888	$5,461,066,596	$16,445,084,484
2005	$2,152,842,718	$10,134,180,366	$2,280,138,621	$255,216,361	$83,997,233	$14,906,375,299	$6,072,284,471	$20,978,659,770
2006	$2,533,149,964	$8,770,228,320	$2,884,925,775	$299,227,941	$98,848,458	$14,586,380,458	$6,904,886,980	$21,491,267,438
2007	$2,843,196,944	$7,271,144,479	$3,279,547,772	$339,684,701	$111,630,388	$13,845,204,284	$8,053,126,913	$21,898,331,197
2008	$4,089,269,385	$12,003,450,988	$3,760,527,297	$427,193,253	$116,440,939	$20,396,881,862	$8,822,651,321	$29,219,533,183
2009	$2,439,657,555	$5,861,051,297	$3,834,477,312	$350,783,487	$97,845,933	$12,583,815,584	$8,732,662,047	$21,316,477,631
2010	$3,272,849,256	$7,601,436,243	$4,108,362,906	$375,999,587	$134,780,261	$15,493,428,253	$8,846,271,979	$24,339,700,232
2011	$4,119,591,576	$7,190,810,473	$4,284,972,107	$431,369,858	$159,937,621	$16,186,681,635	$9,055,962,943	$25,242,644,578
2012	$4,229,997,989	$4,470,657,938	$4,178,694,059	$451,440,510	$175,774,950	$13,506,565,446	$9,290,528,889	$22,797,094,335
2013	$4,861,690,388	$5,090,310,877	$3,905,573,027	$439,786,716	$165,704,643	$14,463,065,651	$9,701,401,874	$24,164,467,525
2014	$5,566,696,351	$5,803,100,895	$3,983,594,226	$459,695,778	$193,164,243	$16,006,251,493	$10,051,030,476	$26,057,281,969
2015	$3,250,396,372	$2,922,950,409	$3,743,608,369	$482,906,297	$175,457,452	$10,575,318,899	$10,357,469,657	$20,932,788,556
2016	$2,465,561,294	$2,406,788,472	$2,916,684,373	$467,615,856	$134,111,251	$8,390,761,246	$10,434,337,957	$18,825,099,203
2017	$3,226,507,812	$3,143,840,698	$3,050,426,425	$469,793,914	$133,606,834	$10,024,175,683	$10,757,383,447	$20,781,559,130
Projected:								
2018	$4,653,700,000	$3,000,100,000	$2,799,100,000	$472,500,000	$125,000,000	$11,050,400,000	$10,972,500,000	$22,022,900,000
2019	$4,889,200,000	$2,986,600,000	$2,753,500,000	$472,500,000	$124,100,000	$11,225,900,000	$11,192,000,000	$22,417,900,000
2020	$5,037,000,000	$3,017,100,000	$2,753,500,000	$472,500,000	$124,100,000	$11,404,200,000	$11,415,800,000	$22,820,000,000
2021	$5,037,000,000	$3,017,100,000	$2,707,800,000	$483,800,000	$124,100,000	$11,369,800,000	$11,644,100,000	$23,013,900,000
2022	$4,617,200,000	$3,017,100,000	$2,707,800,000	$483,800,000	$124,100,000	$10,950,000,000	$11,877,000,000	$22,827,000,000
2023	$4,617,200,000	$3,017,100,000	$2,707,800,000	$483,800,000	$124,100,000	$10,950,000,000	$12,114,500,000	$23,064,500,000
2024	$4,617,200,000	$3,017,100,000	$2,662,200,000	$483,800,000	$124,100,000	$10,904,400,000	$12,356,800,000	$23,261,200,000

(1) - Calendar year represents the calendar year of mineral production.