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Time for a Significant Reimagining of Government in Wyoming?

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ABSTRACT

Despite $430 million in spending reductions and the loss of 324 state positions, Wyoming's 2021 supplemental budget reflected an improved pandemic-driven economic climate. Recent budgetary optimism was attributed to increased performance in energy production and pricing, pent up demand for tourism and travel, and higher than expected sales tax revenues. Continued reliance on Wyoming's Permanent Mineral Trust Fund, and the state's attachment to the remainder of its boom-and-bust revenue structure, left surprisingly little appetite for discussions of revenue diversificatioan. Instead, "right-sizing" state government to fit the current revenue stream seems more consistent with the spirit of the times.

INTRODUCTION

In the spring of 2021, one year into the coronavirus pandemic, Wyoming legislators passed a supplemental budget that included approximately $430 million in spending reductions and the elimination of 324 state positions (Erickson 2021e). Wyoming's financial picture is dire, but not nearly as dire as was expected in May 2020. Recent economic and budgetary improvements are attributed to increased performance in energy production, tourism, and unexpectedly high sales tax revenue (Reynolds 2020b). Despite this seemingly dark financial cloud, Wyoming legislators–especially the Wyoming Senate–continue to have little appetite for new revenue streams. After four consecutive years years of budget cuts, Wyoming's budget has been cut nearly in half (Reynolds 2020b). Wyoming's governor, Mark Gordon, compared Wyoming's financial situation to a scene from an Indiana Jones movie where the tank controls are jammed, sending it toward a cliff with no way to stop (Reynolds 2020b). While the need for such a dreadful description has abated, many in the state remain guarded about the future.

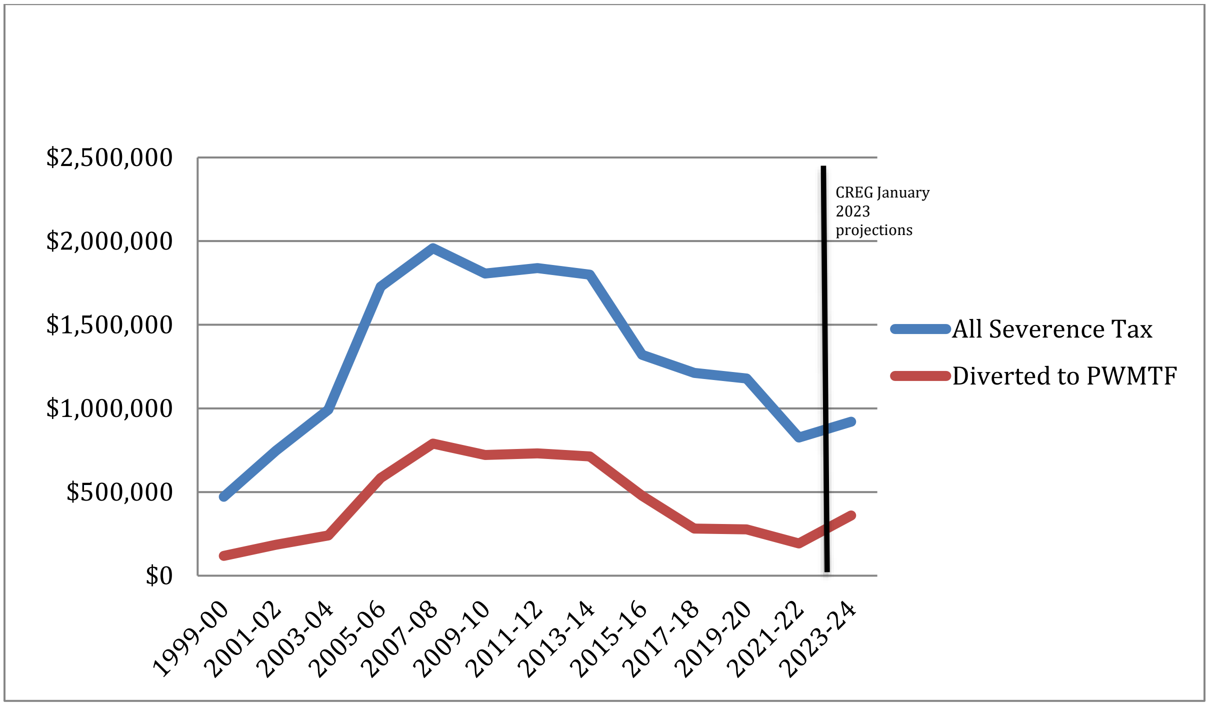
STATE OF THE ECONOMY

Wyoming’s economy tends to run counter to the economic trends experienced by the national economy. As the nation’s economy booms, Wyoming’s lags behind. As the nation’s economy cools, Wyoming’s fiscal situation often improves. Currently, Wyoming's economy remains supported by three primary industries: agriculture, tourism, and extractive industries such as mineral, oil, and gas. According to the January 2021 Consensus Revenue Estimating Group (CREG) Report, the most significant change to this year’s fourth quarter forecast (from the October 2020 forecast to the January 2021 forecast) is the predicted increase in sales and use taxes (up $32.2 million). The second most significant upward revision is the forecast for oil and surface coal production. In the 2021 forecast, CREG increased projections for Wyoming oil production by 5 million barrels in each of the next three calendar years and coal production by 10 million tons in the next two years. These production increases provided an additional $31 million for the upcoming biennium. Importantly, investment income in the General Fund and Budget Reserve Account (BRA) provides another almost $20 million for the next biennium as well. Between increased projections from extractive industries, fiscal reversions, and CARES Act funding the total General Fund impact is $102 million for the 2021-22 biennium. As noted earlier, the state is clawing its way out of the very, very deep hole that it found itself in starting in March 2020. Projections indicate that, despite lower prices, the mining sector will continue to be an important contributor to the Wyoming economy with only a few other sources of income available. Unfortunately, the instability of oil and natural gas prices continues to cloud Wyoming’s budgetary landscape.

One of the most important sources of income for the Wyoming budget is the Wyoming Permanent Mineral Trust Fund (WPMTF). In 1975, when the Trust Fund was first established, the intent was to provide a much-needed revenue stabilizing force (the WPMTF was created by a constitutional amendment passed in 1974). Interest from the Fund was to be utilized as a relatively consistent and predictable revenue stream for the state’s main operating account, the General Fund. Legislators viewed this as something vitally necessary for the boom-and-bust cycles inherent in an economy built largely on mineral extraction (Western 2012).

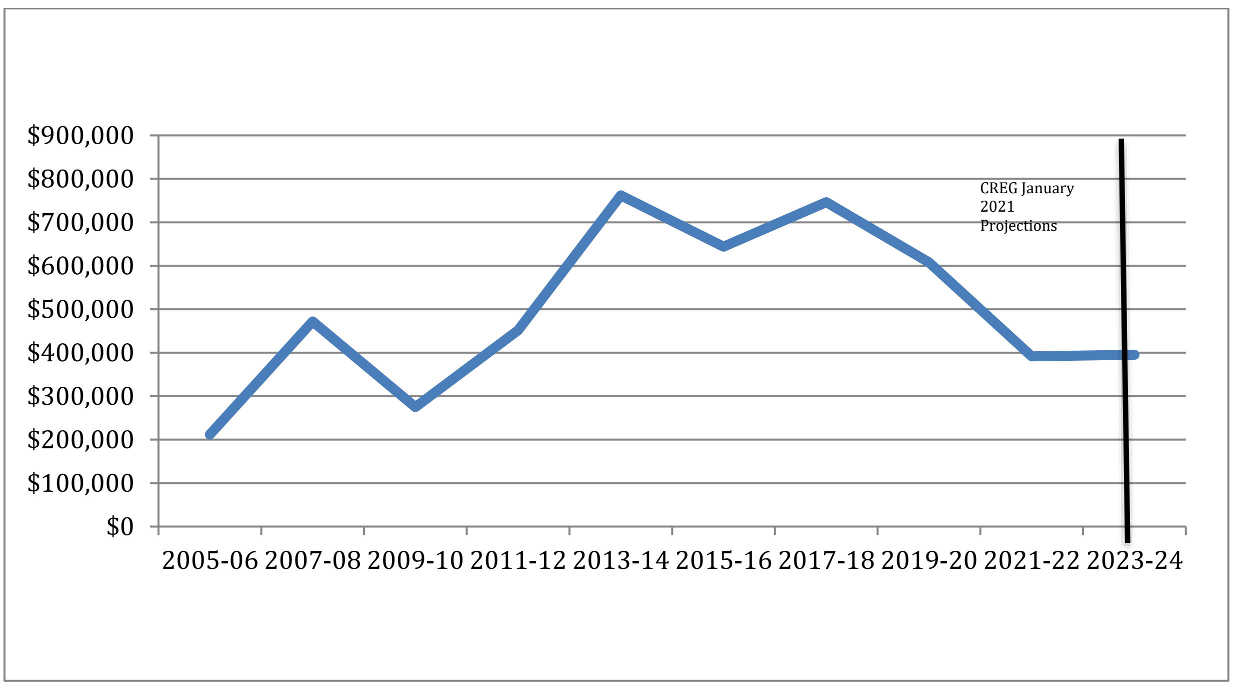
According to the office of the Wyoming State Treasurer (2021), in July of 2021, the market value of the WPMTF was at $9,240,258,000. Significant revenue in the recent years of the boom cycle, when natural gas prices reached an all-time high, was diverted to the fund in an effort to increase its corpus and hedge off the effects of the bust cycle. Article 15, Sec. 19 of the Wyoming Constitution guarantees that a 1.5% tax be imposed on the value of all minerals extracted and that this tax flows automatically into the corpus, but an additional 1% tax is currently deposited there at lawmakers’ discretion (Wyoming Constitution). In terms of the value of all severance tax dollars collected each year, roughly 40% of those dollars are deposited directly into the WPMTF, while the remainder are directly allocated to the General Fund budget (see Figure 1 below) ‘(CREG, Table 5, 2021).

Figure 1: Severance Tax Distribution into Permanent Mineral Trust Fund (in thousands)



Source: CREG January 2021, Table 5

Figure 2: WPMTF General Fund Income (in thousands)



Source: CREG January 2021, Table 2

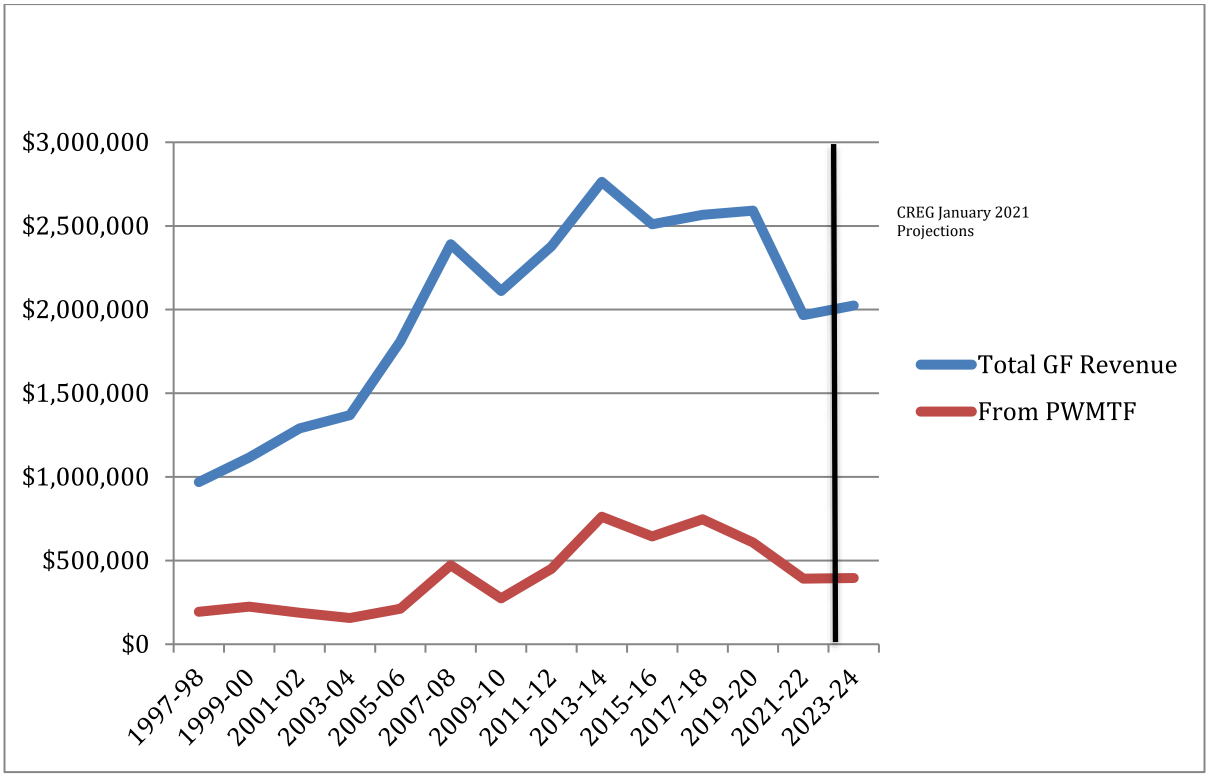
A number of economists indicate that the percentage of revenues earned from the WPMTF that go into to the General Fund is relatively high. Only Wyoming and North Dakota deposit all fund earnings into their general fund (Boettner et al. 2012). Current sentiment is that Wyoming simply has no other stable revenue stream, and current revenue forecasts confirm this point. An analysis conducted by Samuel Western shows that from 1987-2011, “interest from the WPMTF has supplied an average of 18.6% of the general fund revenut” (Western 2012). In 2018, interest from the WPMTF accounted for 29% of all General Fund revenue, while in 2020 that number was 23.5%. Related, direct severance tax collections, which were deposited directly into the General Fund, accounted for an additional 20% during Western’s period of analysis, with a slight dip to 16% in 2014, 14.7% in 2016, 13% in 2018 and 19% during the 2020 biennium (CREG 2021). Importantly, every 20 million barrel reduction in oil production equals $12 million less in direct severance tax revenue (Reynolds 2020a).

A 2021 Wyoming State Treasurer’s Report showed that the WPMTF had grown by 39% over the past 5 years – from $6.4 billion in 2015 to over $9 billion in July of 2021 (Wyoming State Treasurer 2021). Some argue this created an attitude of complacency within the state in terms of economic and tax diversification (which seems to be reflected in the most recent legislative session, despite the pandemic). There seems little incentive to diversify the tax structure with the relatively high percentage of interest from the WPMTF used for the General Fund.

In addition to the WPMTF, the state has another, smaller, rainy-day account created in 2005 labeled the Legislative Stabilization and Reserve Account (LSRA) that is funded by excess revenue during “boom” periods. During periods of lower revenue from oil and gas extraction, the state dips into its “rainy-day account.” As a result, the fund is experiencing a lower balance than anticipated. In 2016 the fund reached $1.8 billion (its high mark) and, as of July 2018, sat at $1.6 billion. As of July 31, 2021, the fund was at a market value of $1.6 billion (Wyoming State Treasurer).

Using the Hachman Index (HI) to measure economic diversity in the United States with the most recent data from 2018, Wyoming continues to have the least economically diverse economy in the nation. By comparison, Utah, which borders Wyoming on the southwest corner, is #1 in terms of economic diversity. The HI scores range from 97.1 (highest) to 32 (lowest). In looking at the actual index, Wyoming’s score is 32, New Mexico 60, Colorado 93.2, Arizona 96, and Utah 97. The score closest to Wyoming’s is Alaska with 33.8.

Figure 3: General Fund Revenues (in thousands)



Source: CREG January 2021, Table 2

In terms of the overall Wyoming tax structure, much of the state remains business-friendly and continues to have a supportive business environment in terms of its tax system.According to the Tax Foundation, the 2020 State Business Tax Climate Index ranks Wyoming 1st (i.e., best) in how supportive the tax system is for businesses (Walczak and Cammenga 2020). Regionally, Alaska ranked 3rd, South Dakota 2nd, Oregon 15th, Utah 8th, and Nevada 7th.

Currently, Wyoming collects no tax on intangible assets (bank accounts, stocks, or bonds), no tax on retirement income earned and received from other states, and the state collects no personal income tax, corporate income tax, or business inventory tax. According to the Tax Foundation, Wyoming's gas tax is currently near the middle of the pack, ranked 38th at .24/gallon (Colorado .22/gal, UT .31/gal, MT .3275/gal, ID .33/gal) (Walczak and Cammenga 2020). During the 2021 non-budget general legislative session, lawmakers advanced a proposed 9 cent increase to Wyoming's fuel tax. The proposed fuel tax would be phased in over three years and bring Wyoming's fuel tax in line with our border neighbors. The increased tax would bring in an additional $62 million for highways in its first year (Reynolds 2021). This bill was ultimately not considered by the House or Senate during this year's 2021 legislative session.

In addition, Wyoming is 29th for unemployment taxes, 39th for property taxes as a share of personal income, and 6th for sales and excise taxes as share of personal income (Walczak and Cammenga 2020). With no personal or corporate income tax, sales tax exemptions for groceries and prescriptions, and only mid-tier fuel taxes Wyoming is more reliant on the few taxes it does have and becomes more susceptible to price fluctuations for those commodities that it does tax. In addition, the state becomes more reliant on property and sales taxes to fund the costs of state and local government (and these taxes tend, therefore, to be slightly higher as noted above).

ENERGY

Natural Gas

According to the January 2021 CREG Report, natural gas will continue to be a significant contributor to Wyoming's revenue stream that accounted for 20.3% of the state's total severance tax distribution in 2020. This places natural gas as the third largest income producer after oil and coal.

According to one analysis, natural gas prices are the manic-depressive of the state's commodities (Western 2012). The price for natural gas in mid-December 2016 was $3.90/mcf, but by January 2017 it had fallen to $3.10. In 2020, the price per mcf is $2.20 (CREG 2021). Each $1 change in the price per mcf of natural gas equates to approximately $120 million (up or down) in the state general fund. Unfortunately for Wyoming, the changing natural gas prices coupled with variable demand keeps the legislature on pins and needles.

Oil

Crude oil is the largest contributor to the state's mineral taxes, accounting for 45% of the total severance tax distribution in 2020. In April and May 2020, oil production dropped 27% from the previous year. There was a modest recovery during the summer of 2020. However, the numbers that reflect 2021 oil production are expected to land somewhere around 18% below 2020 levels. Wyoming forecasts that OPEC pricing and production, changes in the federal regulatory environment, and increased investment in renewable energy infrastructure will all weigh heavily on our extractive industries. At the end of 2020 there were six active oil and gas rigs, an improvement from the single well in operation in the summer of 2020-but clearly down from the 30 wells in operation during most of 2019. As a result, oil production is still predicted to decline, and any significant increases are not anticipated until after 2022.

Coal

After seeing its production initially decline in 2009, Wyoming's coal industry bounced back a decade ago as prices and demand regained strength along with the national economy. Wyoming coal production began to stabilize after 2011, with 2015 production levels near 375 M tons and prices stabilizing near $13.50/ton. Moving forward into 2021, production has dropped off and remains below 2015 levels at 230 M tons and with prices near $12.25/ton. Demand for coal has clearly declined as natural gas prices sank and companies switched from coal to gas in search of cleaner and less expensive technologies. This predictability in both price and production was attributed to the idea that as natural gas prices begin to climb, power generation plants switch back to coal from natural gas. In the end, the expectation is that coal will remain an important but declining contributor of mineral severance taxes to the Wyoming budget throughout the next decade, but the continued decline is a significant cause for concern (see Appendix Table 2).

Reflective of this trend, Arch Coal, one of the state's largest coal companies, announced it would be reducing production by 50% over the next two to three years (Reynolds 2020b). In the current biennium, coal tax contributions to the General Fund are just over 26.9% of all severance taxes, still making it the second highest producer to this critical revenue stream.

Trona

Although it is little known, Wyoming has the largest deposit of trona—a compound processed into soda ash or baking soda—in the world. Making up approximately 3.4% of the state's severance taxes, trona production levels dropped from 2019 levels and are expected to continue to decline slightly before stabilizing again for the near future. Prices are expected to stay at $75 per ton generating a smaller, yet much needed, portion of the state's severance tax contribution (CREG January 2021).

Sales and Use Tax

Trying to outline the status of Wyoming's sales and use tax is a bit mercurial to say the least. Depending on the month in which the forecast is made, sales and use taxes are either *way* down, simply "down," or not down as much as predicted. The one certainty is that sales and use tax collections for FY 2021 are below FY 2020 levels, but the decline is not as severe as predicted in October 2020. Indeed, according to CREG, collections for FY 2021 are ahead of very dire predictions for a number of reasons including:

- CARES Act stimulus funds
- Round II of pandemic relief
- Increasing mineral extraction industry tax collections (with improvements continuing into 2021)
- The flow of tax revenue from current wind power projects.

Current sales and use forecasts show an 8.4% decline in revenue between 2019-2020 and 2021-22 numbers, with gains into the 2024 biennium that are nearly a return to sales tax figures from the 2016 biennium (CREG 2021, Table 2).

EMPLOYMENT

The workers of Wyoming, like every other state, struggled to weather the COVID-19 pandemic. Still, Wyoming fared better than many states and the nation as a whole in terms of overall unemployment numbers. According to the U.S. Bureau of Labor Statistics (BLS), the national unemployment rate peaked at 14.8% in April of 2020 while Wyoming's peak lagged behind and was less severe topping at 8.5% in May of 2020 (US Bureau of Labor Statistics 2021b). Statewide, some industries were affected more than others. Data from the BLS Economy at a Glance indicates job losses in all nonfarm employment categories compared with pre-pandemic levels (US Bureau of Labor Statistics 2021a).

As noted earlier, Wyoming's extractive industries and the associated workforce were acutely affected by the pandemic. With declining demand in the spring of 2020, coal producers alone "let go over 550 miners throughout the Powder River Basin, the country's epicenter for coal production" (Erickson 2020b). Other sizeable sectors like "Trade, Transportation, and Utilities" and "Leisure and Hospitality" have started to climb from their depths of pandemic losses and are partly responsible for the encouraging unemployment rates for the state (US Bureau of Labor Statistics 2021b). In contrast, job losses in "Mining and Logging" slowed early in 2021, but the sector has yet to rebound. The 14,300 jobs it currently supports is nearly half of the 10-year high of 28,400 jobs reported December of 2011 to March 2012 (US Bureau of Labor Statistics 2021c).

With mining industries yet to rebound, it is logical to look to other sectors to employ the state's workers. Though gains in other job categories may benefit the citizens of the state, broader budget concerns for the state may continue. "A 2017 analysis of Wyoming's economic model presented by the Wyoming Taxpayers Association shows that adding jobs actually increases expenditures in the long run in all sectors besides oil and gas, where it would boost revenue the same year" (Gerst 2021). This is partially a result of Wyoming's lack of corporate and individual income tax. Since the state revenue generation is largely dependent on taxes on fossil fuels, discussion of employment figures with respect to the budget invariably focuses on jobs in oil, natural gas, and coal as key indicators of the major revenue streams.

Sadly, another unique characteristic of Wyoming employment is the high rate of occupational fatalities suffered by the state's workers. The rate of fatal work-related injuries is described as 11.2 per 100,000 full-time equivalent workers which is more than three times the national average (Wyoming Department of Workforce Services 2020). In 2019, 65% of the deaths resulted from transportation incidents occurring in the trade, transportation, and utilities sector of the workforce (Erickson 2020c). In this measure, Wyoming compares similarly to states with low populations and a preponderance of high-risk jobs found in agriculture and mining like North Dakota (Wyoming Department of Workforce Services 2020). While transportation deaths accounted for a clear majority, "about one quarter of workplace deaths in 2019 happened in the natural resources and mining sector" (Erickson 2020c).

DEMOGRAPHICS

Wyoming is still the smallest state in the country in terms of population with an estimated population of 578,759 residents in 2019 (Wyoming Department of Administration & Information 2019). An annual increase of 0.2% is notable following three straight years of decline (Wyoming Department of Administration & Information 2019). A closer examination of the marginal increase shows "a significant number of births helping to hide the fact that an estimated 470 more residents moved out of Wyoming than moved into it" (Reynolds 2019). Nevertheless, the Wyoming Department of Administration & Information (WDA&I) statistics suggest a positive trend for migration into the state.

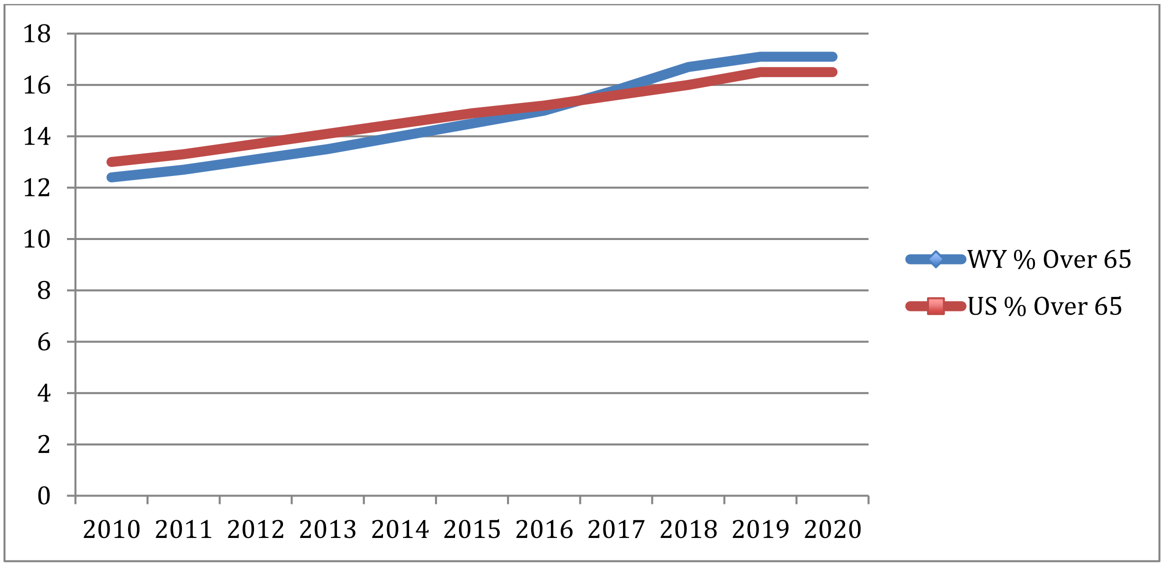
Anecdotal reports provide hope that net migration in 2020 could improve from 2019 numbers based on a "mini-boom" in the "rural refugee real estate market" (Thuermer Jr. 2020). However, these newcomers were not the energy sector workers who traditionally signal a growing state economy and an improving fiscal condition. Instead, during a tumultuous year, individuals from around the country who are able to work from home were attracted to many Wyoming real estate markets by open spaces and low interest rates (Gerst 2021).

According to the US Census Bureau statistics reported by the WDA&I, the median age in Wyoming continues to climb and in 2019 was 38.4 (Wyoming Department of Administration & Information 2020b). In addition, Wyoming continues to age faster than the national average (see Figure 4 below) as individuals age 65 and older were 17.1% of the population in 2019—an increase from 16.75 in 2018 (Wyoming Department of Administration & Information 2020b). While the aging of the Baby Boomers is the primary cause for Wyoming aging faster than any other state in the country, Dr. Wenlin Liu, Chief Economist with the State of Wyoming, Economic Analysis Division, said "outmigration of young people and decline of fertility also played roles" (Wyoming Department of Administration & Information 2020a). Declines in employment in the oil and gas industry, which tends to employ younger workers, could even potentially exacerbate this trend.

One important demographic category of Wyoming are those who are uninsured. This category of people had another chance of much needed assistance as the Wyoming House of Representatives becamse the first Wyoming legislative chamber to pass Medicaid expansion since the option for expansion became available (Hughes 2021b). The bill, however, failed a vote in the Senate Labor, Health, and Social Service Committee in March 2021 (Kaiser Family Foundation 2021). It is estimated that Medicaid expansion would cover an additional 25,000 residents (Kaiser Family Foundation 2021).

Compared to the overall population of the state, non-white populations in Wyoming have grown considerably over the last 10 years. Between 2010 and 2019, non-white populations in the state increased by 19.2% compared to the 2.7% increase in the total population (Wyoming Department of Information & Administration 2020b). Despite the recent growth, non-whites in Wyoming make up 16.3% of the total population ranking the state "8th lowest in the nation, while 39.9% of U.S. residents are minorities" (Wyoming Department of Information & Administration 2020b). Like much of the nation, evidence indicates that non-white populations in Wyoming are disproportionately affected by the coronavirus. For example, the Indigenous American community in Wyoming was hit particularly hard during the early stages of the pandemic—accounting for 22.3% of COVID-19 cases in the state while only making up 2.7% of the population (Erickson 2020a). In addition, Hispanic or Latino and Black populations also made up a larger percentage of COVID-19 cases than their share of the state's population (Erickson 2020a). Unfortunately, Wyoming's lower proportion of non-whites and low population density has not prevented the pandemic from affecting these communities at disproportionately higher rates.

Figure 4: The Graying of Wyoming



Source: US Census Bureau 2021 http://census.gov/quickfacts

POLITICAL COMPOSITION OF STATE GOVERNMENT

Wyoming has a strong conservative history. Eight of the ten territorial governors were Republican and of the thirty-two governors the state has seen, nineteen have represented the GOP (National Governors Association 2021). For the last two decades, Republican governors have outnumbered Democrats by a 3-1 margin. State legislators have a similar gravity. Republican state legislators have outnumbered Democrats by at least six to one. For the 66th Legislature, there are 51 Republicans, 7 Democrats, 1 Libertarian and 1 Independent in the state House and 28 Republicans and 2 Democrats in the Senate.

This partisan distribution is not surprising. According to the Secretary of State's Office, as of December 1, 2020, of the state's 303,049 registered voters, 209,347 (69.1%) were Republican, and 51,268 (16.9%) were Democrat, with the remainder classified as Constitution, Libertarian, unaffiliated, or "other" (Secretary of State 2020).

In addition, the state's current Republican governor replaced another Republican who was term limited and left office in 2018. In the last general election in 2020, Republicans maintained all five of the top state elected positions and control of both Houses with an overwhelming majority. The 2020 elections saw one small change with a House seat that had historically been filled by a Republican, and in 2018 having turned to an independent, was in 2020 back to a Republican seat (Bill Winney defeating Jim Rosco, District 22 for Lincoln, Sublette, and Teton counties).

In terms of gender balance, according to the National Conference of State Legislatures, 16.7% of Wyoming lawmakers are women. Nationally, in 2021, women make up 30.61% of all state legislators.

In the spirit of Wyoming's part-time "citizen legislature," Wyoming legislators may meet for *not more than* sixty days in odd numbered years, although the governor may convene additional days for special sessions. Every other year, twenty days are reserved for the budget session (occurring in even numbered years). Furthermore, Wyoming legislators do not maintain offices in the Capitol and rarely do so in their home districts. Instead, they have a desk on the chamber floor and possibly a file cabinet in a committee meeting room. Legislators also lack the resources of a personal staff. The Legislative Services Office (LSO)—a non-partisan central office—and temporary session staff are used in lieu of individual professional support personnel. The LSO staff evaluates executive branch programs, provides technical support, and audits school finances. The Legal Services Division of the LSO provides general and legal research in addition to drafting bills for committees and individual legislators. The LSO’s Budget and Fiscal Section provides support to the Joint Appropriations Committee (JAC) and to the rest of the legislature on budget matters and general state expenditures. The manager of this section also serves as co-chair of the state’s CREG, which is responsible for projecting state revenues from the general fund, mineral severance tax, federal mineral royalties, the Common School Land Income Account, and for the state’s assessed property valuations.

THE BUDGET AND MAJOR CURRENT ISSUES

The 66th Wyoming Legislature’s forty-day general session began on January 12, 2021 and adjourned April 2, 2021. The economic downturn brought on by the COVID-19 pandemic turned what is normally a non-budget year during Wyoming’s two-year budget cycle into a legislative session marked by budget debates. In the end, lawmakers passed a supplemental budget during the session in order get the state through the current biennium (Erickson 2021e). This analysis detailed many of the factors which brought lawmakers to these difficult decisions.

During the previous biennium Wyoming approved a $2.97 billion biennial budget and was initially expecting to have a $1.5 billion dollar shortfall because of COVID-19 as well as the changes to oil, gas, and coal revenues. As of the spring of 2021, the state clawed back half of that amount, but still found itself with just under a quarter of a billion-dollar general fund shortfall, combined with an approximate $300 million shortfall in the Wyoming school foundation accounts. Although this is a small change to many states, “the crisis—while milder than expected—has still proven devastating and has only exacerbated economic problems that existed before the pandemic hit” (Reynolds 2020b).

Wyoming received $1.25 billion in CARES Act funding from the federal government (Wyoming Sense 2021). Despite, $188 million being allocated towards “Education Resilience,” funding to state education programs is one of many budget concerns being taken up at the state legislature (Wyoming Sense 2021). While a budget shortfall can be dealt with through raising revenues, reducing expenditures, or more commonly some combination of the two, Wyoming legislators seem ready to use only one method. Senate Vice President Larry Hicks said “[w]e’re going to resize government and find out where the floor is. Once we figure out where the floor is, if we lack the revenue stream, and people want something above that, that's when we'll have a very serious conversation about taxes" (Erickson 2021c). Governor Mark Gordon noted that some programs spared this year may be eliminated in the next budget cycle and such decisions could adversely impact services for elderly and disabled populations (Erickson 2021e).

In early March, Governor Gordon made funding for K-12 education a key point of his State of the State address pointing out the structural deficit in declining revenue from Wyoming coal production that began before the pandemic (Erickson 2021a). There is relative agreement that, "[t]he way Wyoming funds education can't support the system any longer. There is a $300 million shortfall to pay for education this year, and experts say that deficit will only grow" (Hughes 2021a). Education in Wyoming is primarily funded through property and severance taxes from fossil fuel production. Therefore, the lack of a legislative appetite for an income tax leaves the state with few options.

With the declining state revenue from the energy sector, it is understandable that many Wyomingites are wary of the Biden Administration's January 27th executive order "to pause new leasing of federal lands and minerals to oil and gas companies, pending a comprehensive review of the program" (Erickson 2021b). However, the administration had not indicated that the pause would be permanent. In relation to the administration, "The federal government manages about 68% of Wyoming's minerals and 47% of its surface land" (Erickson 2021b). Therefore the Department of the Interior "owns a disproportionate amount of Wyoming's natural resources" (Erickson 2021b). While no state would invite a federal power play with resources vital to state funding, Wyoming leaders have admitted the structural deficit they face in terms of revenue sources. The leasing moratorium concerns revenue streams that were problematic before the executive order which indicates there is also degree of posturing with this issue.

Near the end of the 2021 legislative session, "about 30 bills related to taxes, abortion, and marijuana did not survive past the procedural deadline" (Erickson, et. al. 2021). With overriding budget concerns in a non-budget year, it is understandable that legislators would deny some bills a floor hearing. However, the number of revenue generating bills failing to advance beyond their originating chamber suggests that Wyoming legislators believe they can balance the budget through cuts.

SUMMARY AND CONCLUSION

As noted at the outset, there seems to be a disconnect between what legislators say they want and what they are willing to actually vote for. The desire for a tax structure that is modern and diverse, and one that gets Wyoming away from its attachment to boom and bust of extractive industries, is something seemingly important and reflected by both the Speaker of the House and President of the Senate in their opening remarks during this year's general legislative session. When it comes time for votes, neither chamber can make this desire a reality.

Interim topics for the legislature in advance of next year's budget session include another look at examining taxes on wind and other renewables. Importantly, this review includes research on whether working with states like Montana to create similar tax structures would keep energy companies from fishing for lower tax rates for new projects. They will also take another look at amending Wyoming’s constitution to create a corporate tax. Continued attention will be paid to K-12 education funding.In his supplemental budget request, former Governor Mead expressed he wanted to reduce the amount of money Wyoming moved from general operating funds into K-12 education, which put a focus on the structural deficit the state has when it comes to funding schools. The $300-$500 million structural deficit will continue to be a drain on general government until the state can look at finding revenues to keep schools well-funded beyond borrowing from other state funding sources.

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APPENDIX

Table 1
General Fund Revenues
Fiscal Year Collections by Source
(in thousands)

Fiscal Year	Severance Tax	Sales and Use Tax	PWMTF Income	Pooled Income	Charges-Sales and Services	Franchise Tax	Revenue from Others	Penalties and Interest	Federal Aid and Grants	All Other	Total
2010	$226,995	$412,845	$139,451	$117,296	$33,255	$23,806	$21,432	$13,963	$10,686	$46,344	$1,046,072
2011	$230,313	$470,906	$215,756	$90,719	$35,503	$23,211	$29,554	$12,001	$11,388	$55,716	$1,175,066
2012	$221,153	$497,684	$235,847	$112,353	$38,219	$24,446	$7,603	$11,230	$10,066	$45,244	$1,203,844
2013	$210,280	$481,431	$366,636	$189,834	$38,868	$26,889	$6,346	$9,304	$0	$51,616	$1,381,205
2014	$234,557	$521,103	$395,337	$86,425	$41,170	$36,257	$5,865	$11,536	$0	$50,126	$1,382,377
2015	$200,735	$544,030	$494,234	$114,227	$43,580	$39,314	$7,111	$11,441	$0	$54,417	$1,509,089
2016	$185,476	$432,009	$149,823	$88,844	$46,839	$35,442	$6,438	$6,260	$0	$50,121	$1,001,252
2017	$167,012	$407,316	$298,790	$85,972	$54,609	$34,793	$9,067	$4,442	$0	$111,044	$1,173,046
2018	$176,617	$480,044	$447,650	$79,025	$50,275	$34,728	$10,135	$3,796	$0	$111,282	$1,393,551
Projected											
2019	$270,400	$484,800	$184,700	$108,400	$50,700	$34,100	$8,800	$3,800	$0	$49,100	$1,194,800
2020	$286,500	$499,300	$193,100	$105,300	$50,700	$34,100	$8,800	$3,800	$0	$49,100	$1,230,700
2021	$180,200	$508,300	$198,300	$101,300	$50,700	$34,100	$8,800	$3,800	$0	$49,100	$1,134,600
2022	$177,600	$516,900	$204,700	$101,300	$50,700	$34,100	$8,800	$3,800	$0	$49,100	$1,147,000
2023	$175,300	$525,700	$210,900	$101,200	$50,700	$34,100	$8,800	$3,800	$0	$49,100	$1,159,600
2024	$175,000	$534,100	$217,100	$101,200	$50,700	$34,100	$8,800	$3,800	$0	$49,100	$1,173,900

Source: CREG, October 2018 Report. http://eadiv.state.wy.us/creg/GreenCREG_Oct18.pdf

Table 2
Mineral Severance Taxes to All Accounts
Fiscal Year Distribution by Mineral
(in thousands)

	Oil	Gas	Coal	Trona	Others	Total
2010	$173,078	$468,964	$269,081	$14,090	$2,748	$927,961
2011	$204,335	$427,092	$294,279	$15,555	$4,038	$945,298
2012	$236,554	$342,373	$293,110	$17,170	$4,502	$893,709
2013	$238,395	$296,789	$282,081	$18,257	$4,311	$839,833
2014	$322,191	$340,431	$274,042	$18,488	$4,499	$959,651
2015	$256,105	$237,010	$269,521	$18,864	$5,443	$786,943
2016	$153,285	$139,726	$217,752	$18,858	$4,000	$533,621
2017	$161,071	$179,418	$218,013	$18,697	$3,140	$580,339
2018	$232,589	$177,952	$198,856	$18,929	$3,068	$631,473
Projected						
2019	$277,400	$179,600	$192,300	$18,900	$2,800	$671,00
2020	$289,000	$180,100	$190,700	$18,900	$2,800	$681,500
2021	$293,600	$181,000	$189,200	$19,100	$2,800	$685,700
2022	$281,500	$181,000	$187,500	$19,400	$2,800	$672,200
2023	$269,500	$181,000	$187,500	$19,400	$2,800	$660,200
2024	$269,600	$181,000	$185,900	$19,400	$2,800	$658,700

Source: CREG, January 2018 Report, http://eadiv.state.wy.us/creg/GreenCREG_Oct18.pdf