

THE GENERAL FUND

During FY 1980, revenue continued previous trends of showing increasing growth, while expenditure levels, although on the move, did not erase the increased revenue enjoyed. The result, at year's end, was another climb in the General Fund cash balance. The record high FY 1979 ending balance of \$115,318,496 was short-lived. Consistent with the "all records are made to be broken" philosophy, the General Fund cash balance shot to \$140,203,055, an increase of nearly \$25 million (over 21 per cent).

Record growth of this nature in revenues and cash position is important to Wyoming government inasmuch as the General Fund is the most important supporter of general government. It is from this fund that the ordinary operations of State government are financed. It is from the General Fund that all special interest groups request (and sometimes demand) funds to supplement whatever other revenue sources they were able to muster. It is to this fund that our general purpose taxes are deposited to be later withdrawn to pay for essential government services. So, the General Fund, its financial position, is important to everyone. Increasing cash balances mean that existing taxation levels are adequate to support existing levels of services. And, that is important in today's environment, when everything impacting the family's budget costs more.

General Fund Revenue

In order to assure consistent categorization of the several revenue sources, the State classifies all revenue into eight general groupings. Each of these general categories are made up of several specific revenue sources, as described in the material that follows.

10000 taxes

As you would expect, the major source of revenue to state government is taxes. Almost every tax you pay is destined to end up, in part, in the General Fund. There are two notable large exceptions to this, of course. Obviously, the monumental portion of your income paid over to the Federal government for income taxes does not end up in the State's General Fund. Neither does that "chunk" paid over to the county treasurer for property taxes. But, the following taxes are collected, and at least a portion of them are deposited to the General Fund: sales, use and excise tax; severance tax; inheritance tax; franchise tax; motor carrier tax; and, other taxes.

sales and use tax

Revenue deposited to the General Fund from sales and use tax has increased significantly over the past several years, although last year's rate of growth slowed considerably.

<u>Fiscal Year</u>	<u>General Fund Revenue</u>	<u>% Change</u>
1975	\$ 61,165,697	+24%
1976	61,133,825	0
1977	69,404,240	+14%
1978	88,118,605	+27%
1979	105,285,938	+19%
1980	113,597,213	+08%

mineral severance tax

This tax is levied upon the privilege of extracting any gold, silver or other precious metals, soda saline, coal, trona, uranium, bentonite, petroleum or other crude material, oil or gas, or other valuable deposits.

Until FY 1975, revenue from this source had amounted to between four and five million dollars per year. It jumped to slightly over nine million in FY 1975, and then more than doubled in FY 1976, approximating twenty million. FY 1977 and FY 1978 experienced fair growth with rates of increase of 15% and 16% respectively. This growth rate increased sharply in FY 1979, reflecting a 25% increase. However, the growth rate declined last year, returning near the levels experienced in 1977 and 1978.

<u>Fiscal Year</u>	<u>General Fund Revenue</u>	<u>% Change</u>
1975	\$ 9,175,489	+ 83%
1976	19,998,972	+118%
1977	22,900,587	+ 15%
1978	26,636,621	+ 16%
1979	33,293,903	+ 25%
1980	37,937,588	+ 14%

inheritance tax

Inheritance tax is one of Wyoming's oldest taxes, having been in effect since 1903. It is an excise tax imposed by the State upon the right to transfer property within its jurisdiction from the dead to the living. The amount of tax is based on the relationship of each legatee to the decedent and the value of the property he receives.

Revenue to the General Fund from inheritance taxes has generally averaged between one and two million dollars. The large increase received

in FY 1977 was due to the settlement of the largest estate ever settled in Wyoming, which alone generated approximately \$2,000,000 in revenue to the General Fund.

<u>Fiscal Year</u>	<u>General Fund Revenue</u>	<u>% Change</u>
1975	\$1,566,666	+ 42%
1976	1,398,751	- 11%
1977	3,577,931	+156%
1978	2,056,068	- 43%
1979	2,004,806	- 2%
1980	2,858,108	+ 43%

franchise tax

This is a tax or levy imposed upon corporations and insurance companies for the right or privilege of doing business in the State of Wyoming. The revenue is collected by two agencies of government. The largest portion of the collections is accomplished by the Wyoming Insurance Department, representing in excess of 90% of all franchise taxes collected. In addition to insurance fees, this tax category also includes taxes on both domestic and foreign corporations registering with the Secretary of State's office.

<u>Fiscal Year</u>	<u>General Fund Revenue</u>	<u>% Change</u>
1975	\$3,203,581	+14%
1976	3,735,759	+17%
1977	4,473,129	+20%
1978	5,511,878	+23%
1979	6,520,733	+18%
1980	7,534,778	+16%

motor carrier tax

This tax is a levy or assessment against common, contract or private motor carriers for the use of highways, and to defray the expenses for enforcement of such acts.

Revenue from this tax source has generally totaled less than \$2,000,000 annually. FY 1980 was the first year that revenue surpassed this figure.

<u>Fiscal Year</u>	<u>General Fund Revenue</u>	<u>% Change</u>
1975	\$1,201,768	+34%
1976	1,391,091	+16%
1977	1,385,604	0
1978	1,854,481	+34%
1979	1,894,142	+ 2%
1980	2,442,706	+29%

20000 Licenses, Permits, and Regulatory Fees

The second revenue classification is licenses, permits and regulatory fees. This is revenue from businesses and occupations which, by statute, must be licensed or granted operational permits in order to do business in the State of Wyoming. Included in this revenue classification are business licenses, professional and vocational licenses, and motor vehicle licenses or permits. This revenue source is a rather small contributor to the General Fund, totaling only \$3,147,253 in the past fiscal year.

30000 Fines, Forfeitures, and Penalties

A third revenue classification is fines, forfeitures and penalties. This revenue is generated as a result of forfeiture of money or property for noncompliance with, or violation of, statute or authority delegated by Wyoming Statutes. This revenue is the smallest contributor to the General Fund, representing only \$713,225 during fiscal year 1980.

40000 Use of Property and Money

Another revenue category is use of property and money. This is revenue received by the use of State-owned property, or State-invested funds. Included in this category is income from land, from buildings, from equipment and from investments. During fiscal year 1980, the General Fund received in excess of \$16,000,000.

50000 Charges for Sales and Services

Revenue deposited to the General Fund for charges for sales and services represents income from the sale of merchandise, commodities and salvages, and compensation for administrative services and regulatory processing and review, rendered by State agencies. Revenue from this source has tripled during the past several years, from \$5,193,623 in fiscal year 1975, to \$15,070,621 last year.

60000 Revenue From Others

Revenue from others, for the most part, is interest earned from the investment of the Permanent Wyoming Mineral Trust Fund. In addition, augmenting revenue from other funds is transferred to the General Fund and included in this category. Other income, such as bequests or donations of cash, or assets converted to cash, are also recorded under this category. This income source has shown strong growth during the last couple of years, reaching a high of \$16,839,702 in FY 1980.

70000 Federal Aids and Grants

Federal Aids and Grants is revenue received from the Federal Government for a specific state program or purpose. During the past year, \$4,528,871 was deposited in this category.

The revenue category includes only those federal programs that are channeled through the State's General Fund. The greatest majority of all federal revenue is deposited directly to the Federal Fund, and, naturally, is not reflected in the General Fund revenue accounting.

90000 Non-Revenue Receipts

The final revenue category is non-revenue receipts. This category includes all other sources of income which do not constitute revenue to the State. Included in this category are refunds, reimbursements and recoveries, repayment of principal from State-loaned money and State-owned revenue bonds, receipts from the sale or conversion of land, buildings or equipment, and other receipts classified as non-revenue, but not previously identified.

SUMMARY

Revenue to the General Fund from all sources was at a record high as anticipated. The \$225,000,106 received exceeded FY 1979's income by \$29,070,992 (nearly 15 per cent increase). Although this increase is significant, it is the smallest rate of growth that the General Fund has experienced in eight years, and it no doubt reflects the slowing economic conditions that prevailed during the last several months of the period.

General Fund Expenditures

Last year expenditures from the General Fund were \$204,301,315, compared to revenue of \$225,000,106. During the past ten years, there has been only one, FY 1976, when revenue did not exceed expenditures. As reflected in the figures that follow, revenue, over the years, has shown relatively stable growth. The same cannot be said for expenditures, however. The pattern that seems to have developed here is one reflecting large increases in the even year spending (1972, 1974, 1976, 1978, 1980), and modest increases in the odd years.

<u>Fiscal Year</u>	<u>Revenue</u>	<u>Per Cent Increase</u>	<u>Expenditures</u>	<u>Per Cent Increase</u>
1971	\$ 45,122,284		\$ 36,948,579	
1972	48,687,543	8%	45,814,754	24%
1973	56,906,658	17%	53,637,303	17%
1974	73,538,372	29%	68,971,816	29%
1975	96,161,494	31%	74,485,032	8%
1976	112,036,790	17%	117,045,773	57%
1977	131,587,241	17%	116,886,130	0%
1978	159,023,831	21%	152,169,015	30%
1979	195,929,114	17%	162,072,991	7%
1980	225,000,106	15%	204,302,315	26%

The result of revenue exceeding expenditures consistently over the years, as reflected in the above figures, is an increasing General Fund cash balance, which has grown now to slightly over \$140 million.

Where Has the Money Gone?

There are currently 99 agencies, boards, commissions, institutions, judicial districts and other entities in State government. These are grouped into eleven functional areas to provide some insight into where the State is spending its money.

Over the years, Wyoming has committed more funds to education, libraries and museums (mostly education), than to any other functional area. This remained true during FY 1980, when \$79,427,558 was spent for this function. This represents 39 per cent of all General Fund expenditures. Another large recipient of General Fund monies are those agencies included in the general government category. Last year, 23 per cent or \$47,709,691 was expended by this group. Close behind were hospitals, health and social services. This area of government was responsible for spending \$45,749,191 of the State's General Fund.

The remaining eight functional categories were supported by the General Fund to the tune of \$31,415,875, ranging from a low of \$59,566 expended for professional and commercial licensing to a high of \$11,740,644, which went to resources and recreation.

A pictorial view of the major General Fund expending agencies is shown on the chart that follows.

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Year	General Fund Expenditures
1980	225,000,100
1979	191,287,241
1978	112,026,708
1977	96,181,494
1976	78,288,372
1975	58,006,638
1974	48,587,241
1973	38,006,638
1972	28,006,638
1971	18,006,638
1970	8,006,638