

A Report to Our Citizens



TABLE OF CONTENTS

Wyoming’s Leaders are working for 1

Wyoming’s Progress: Fiscal Year 2017 2

Demographic Information 2

Wyoming’s Finances: Revenues and Expenses 3

2018 and Beyond: Challenges and Opportunities 4

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A Statewide Elected Office established in the Wyoming Constitution at Statehood

Wyoming’s Leaders are working for:

Wyoming’s Leaders are working for:

- Continued efficiency in government - the standard budget proposed for the 2019-20 biennium is \$400 million less than 10 years ago. We have reduced rules, consolidated agencies and services, decreased spending, increased savings, and decreased size (357 fewer positions than in 2010).
- Additional support - \$105 million - in the 2019-20 budget for local governments.
- Implementation of recommendations set forth in the ENDOW Executive Council’s December 2017 report.
- Completion, including full payment, of the Capitol renovation project.



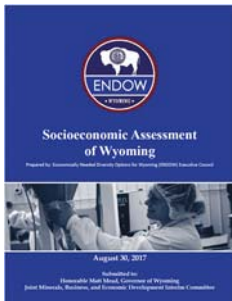
Wyoming accolades include:

- Most business friendly tax climate
- Second best state to start a business
- Sixth best state to make a living
- AA+ credit rating from Standard & Poor’s
- First in Mountain Region workforce development
- Second for new business startup activity
- Best education system among western states
- Third best public college cost per credit

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Wyoming’s Progress: Fiscal Year 2017



ENDOW moved ahead: In fall 2016, the ENDOW (Economically Needed Diversity Options for Wyoming) initiative, was announced at the Governor’s Business Forum. The Legislature authorized the initiative in the 2017 session and appropriated \$2.5 million for it. Governor Mead appointed the ENDOW Executive Council (Council) in spring 2017 and the Council held meetings around the state beginning in May. The Council issued its first report, a detailed analysis of current economic circumstances and challenges to diversification, in August 2017. The Council issued its second report - preliminary findings and recommendations - in December 2017. The 2018 legislative session provides an opportunity to make progress on Council recommendations before the 20-year diversification plan is completed this coming August.



Tourism and outdoor recreation were in the spotlight: With all its beauty and natural wonders, the Wyoming outdoors beckons visitors and residents alike. The August 21st solar eclipse showed the positive impact travel and outdoor activity have in Wyoming. Over a quarter million people traveled in Wyoming because of the eclipse. The boost to the state’s economy is an estimated \$63.5 million. This money came from spending on travel expenses and shopping in the five-day period around the eclipse. Tax revenues from eclipse-related spending resulted in \$2.3 million for state government and \$1.4 million for local governments in Wyoming. The economic impacts were felt statewide.

In 2017, the Outdoor Recreation Task Force also developed recommendations to realize more of Wyoming’s outdoor recreation potential. Among the recommendations were development of an outdoor recreation website and establishment of an Office of Outdoor Recreation within the Department of State Parks, Historic Sites and Trails. These recommendations will create efficiency and increased exposure for the public, are relatively inexpensive to implement, and will bring long-term, widespread benefits.



Capitol renovation and other building projects continued:

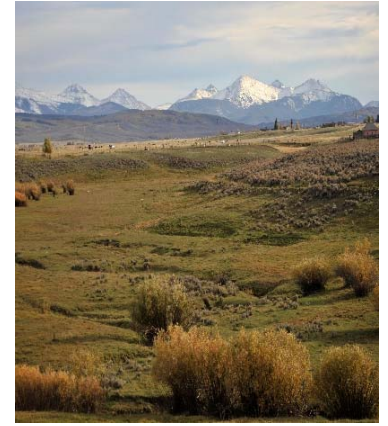
Despite budget constraints, major construction projects remained on track. For example, the ground breaking for the new University of Wyoming Engineering Education and Research Building took place in October 2016. The Integrated Test Center in Gillette, funded with state and private resources, was completed and became fully operational at the end of 2017. The Capitol Square Project, which includes the Capitol and Herschler buildings, has progressed well.

Budget reductions continued:

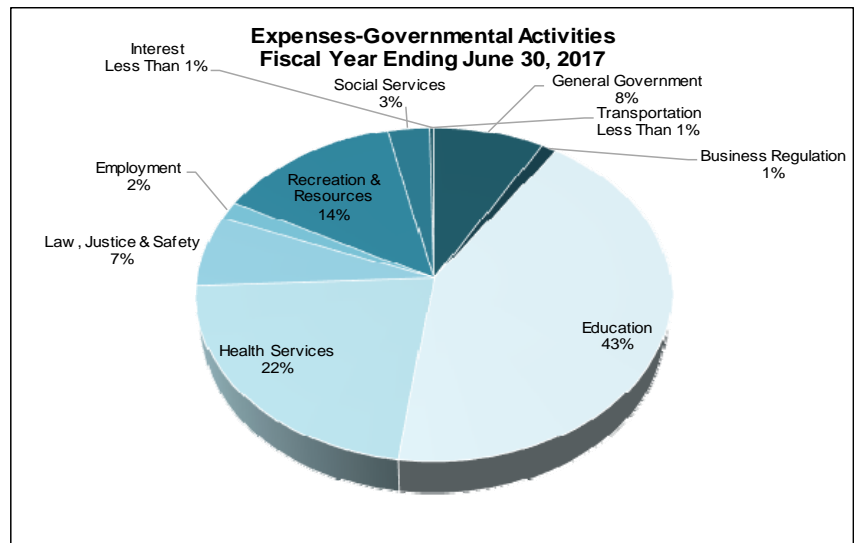
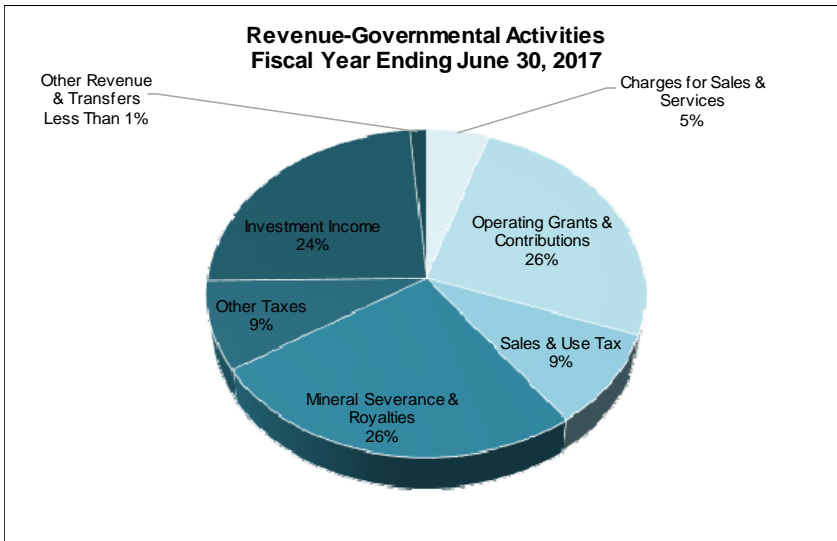
The standard budget was reduced significantly in 2016 with \$67.6 million cut by the Legislature. Following the session, the Governor made reductions of \$249 million because more cuts were needed for the upcoming biennium. In 2017, the Legislature cut another \$30.5 million of General Fund. The Legislature also included Section 320 in the budget bill, which required the removal of 90 positions or \$13.5 million from General Fund agency budgets for the 2019-20 budget. The Legislature overrode the Governor’s veto of portions of Section 320. For agencies presently underfunded, like Department of Health and Department of Family Services, the Executive Branch seeks to right size their budgets for the upcoming biennium.

Demographic Information

	Fiscal Year 2016	Fiscal Year 2017
Population	586,107	585,501
Per Capita Income	\$56,081	\$55,116
Visitors to State Parks & Historic Sites	4,252,602	4,153,782
Public School Enrollment	94,002	93,261
State Government Employees	9,581	9,802
Unemployment Rate	4.3%	5.3%



Wyoming's Finances: Revenues and Expenses



An independent audit of the State's financial statements resulted in an unqualified audit opinion, which is best possible audit opinion. Financial information in this report is derived from Generally Accepted Accounting Principles (GAAP) data in the State's Comprehensive Annual Financial Report prepared by the State Auditor's Office. To see the Comprehensive Annual Financial Report, visit: <http://sao.wyo.gov/publications>.

2018 and Beyond: Challenges and Opportunities

Wyoming’s Elected Officials

Governor:
Matthew H. Mead

Secretary of State:
Ed Murray, III

State Auditor:
Cynthia I. Cloud

State Treasurer:
Mark Gordon

Superintendent of Public Instruction:
Jillian Balow

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Thank you, Governor Mead, for contributing information contained in this report.



Photos courtesy of Rick Carpenter

The state’s economy and revenue outlook have improved over the past year and look better ahead. Energy prices have gone up. Since about 70% of state revenue comes from energy, higher prices are good news for Wyoming. For example, every \$5 price increase in oil returns \$45 million to the state.

There are 1500 more oil and gas jobs. Average income is about \$55,000 – higher than the region and the nation. The unemployment rate was 4.3% in November 2017, compared to 4.9% in November 2016.

The rainy day fund has increased from \$1 billion in 2010 to \$1.6 billion in June 2017. The Permanent Wyoming Mineral Trust Fund has increased from \$4.4 billion in 2010 to an expected \$8 billion at the beginning of the 2018 budget session.

As we have made reductions (12% lower spending on government operations), we have continued to do remarkable things – at the University of Wyoming and our community colleges, for Capitol renovation, and more.

The energy downturn, however, persists in its third year. Oil, which was over \$100/barrel in June 2014, fell by two thirds and is now above half what it was at its peak (over \$60/barrel). Revenue is adequate to fund government operations, but the education funding side of the budget faces a steep shortfall for the upcoming biennium. In 2017, the Legislature provided for the transfer of funds from the rainy day fund to the School Foundation program for the K-12 shortfall for the upcoming biennium and beyond. This is a short-term fix and we need a funding solution for the long term. This is a challenge.

The extent of our dependence on energy for revenue leaves Wyoming vulnerable to boom and bust cycles. ENDOW seeks a different path going forward - a long-term, comprehensive approach to diversification. The ENDOW Executive Council will continue its work in 2018 and issue a 20-year economic diversification strategy for Wyoming by August 1, 2018.

There are opportunities ahead. If we meet and pursue them, we can grow the economy and broaden the economic base. We can address workforce training and retention, commercial air service, broadband, entrepreneurship, innovation, and more. We can increase energy, Ag, tourism, outdoor recreation, manufacturing, research, the technology sector and more. We can chart our own future.

Wyoming is strong. We will meet challenges and seize opportunities knocking at the door.