

Freudenthal expects lower budget surplus

By Bill McCarthy

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CHEYENNE -- The Wyoming Legislature will have \$300 million or less for supplemental spending this year, Gov. Dave Freudenthal predicted on Wednesday.

"People need to put this in context," Freudenthal said. "States all around the country are cutting their standard budgets. We're talking about not having as large a supplemental budget -- that's a very different circumstance."

Wyoming approves a budget for two-year periods in even calendar years, and it adopted about an \$8 billion biennial spending plan in 2008.

The state then adopts a supplemental budget during the second year to account for new spending, such as new programs that might be passed by the Legislature in the general session, which begins next Tuesday.

Because state coffers are reliant on mineral royalties and taxes -- and because the market for energy-producing minerals is more volatile than usual -- earlier revenue estimates are considered unreliable.

The October forecast indicated that about \$900 million would be available. Fresher numbers are expected later this week.

Freudenthal said he anticipated that earlier projections were wrong, so he issued a supplemental budget that contained about \$400 million in new spending, which was limited to actual money on hand.

When he issued that, Freudenthal said, he knew it would have to be revised. And members of the Joint Appropriations Interim Committee put off their budget revisions as well until new estimates were available.

Wyoming's expert revenue estimators, the Consensus Revenue Estimating Group, met Tuesday to revise forecasts.

Those figures are expected to be available today or Friday.

Freudenthal said he plans to have a new supplemental budget by Saturday to present to lawmakers at their party caucuses on Sunday.

He, lawmakers and agency heads are going to have to lower their expectations for new programs, he added.

"I believe that (the recession) is real, and we're going to see it manifest itself in Wyoming in the coming months," the governor said.

But he added that Wyoming must move forward with investments and programs that will aid the economy over the long term.