



Week One - 64th Wyoming Legislature January 14, 2017

Introduction

The 64th Legislative Session began on Tuesday, January 10, but in reality, preparations began some time ago with:

1. Elections of House and Senate leadership in November + House: Steve Harshman, Casper, Speaker of the House; Dave Miller, Riverton, House Majority Floor Leader; and Cathy Connolly, Laramie, House Minority Floor Leader. +Senate: Eli Bebout, Riverton, President; Drew Perkins, Casper, Senate Majority Floor Leaders; and Chris Rothfuss, Senate Minority Floor Leader.
2. Budget cuts of some \$300 million since March by the Legislature and the Governor to the state's \$3 billion two-year biennium budget (which pays for general government)-essentially 10%. Note-In 2000 the Executive Branch was \$2.9 billion; today it is \$2.6 billion.
3. Foreboding news that K-12 revenues (almost entirely outside the General Fund) will be short between \$360 and \$400 million yearly for the fiscal years 2019-2022-a range of between \$1.44 billion and \$1.6 billion, with clear uncertainty beyond 2022.

Wyoming Today

There are no secrets regarding Wyoming's budget urgencies. The state's tax structure is very dependent on minerals-some 65%. When minerals (oil, natural gas, coal, trona, uranium, etc.) experience production/price declines, tax revenues fall. And fall they have...The legislature realized the inevitability of these realities years ago and established various savings account. These "rainy day accounts" are now being drained to perilous degrees. In short order \$1 billion to smooth the budget has been spent from the LSRA (Rainy Day Account), leaving \$1.6 billion. A school account has been drained entirely. The Permanent Mineral Trust Account has \$7.4 billion but remember revenue from it props up government spending.

The options-revenue, cuts, and/or savings-don't leave much wiggle room. Increased Revenue-tax increases-is not likely as many Wyoming citizens are asking:

1. "Why not spend the savings?"

2. "Can the state cut government more?"

Cuts in government have been made, to varying degrees of 10% or even more for some state agencies, community colleges, and the university. But K-12 operation spending has been pretty much spared. The imbalance between cuts in general government-DEQ, health, family services, Business Council, community colleges, the university, etc.-and K-12 is obvious. Regardless of state constitution language regarding K-12 education priority support and funding models which lock in spending, the need for K-12 doing its fair share cannot be ignored.

Using savings sounds great but those have been drained significantly already. The K-12 shortfall in four years would draw those funds down to zero and not solve the gap problem between normal revenue sources and expenditures.

Legislative Week One

The Governor's State of the State on Wednesday highlighted advances in Wyoming over the past year and opportunities going forth. ENDOW-Economically Needed Diversification Options for Wyoming-is a vital strategy aimed at tackling Wyoming's boom/bust economy. It will involve a long-term process and has the support of legislative leadership.

On the spending side, as well as the budget, the CREG Report findings and projections will be presented Monday morning at 8 AM in Appropriations. On savings, HJ 6 establishes an important philosophy-no more than the 50% of the budget shortfall can be covered by rainy day funds and no more that 25% of the savings can be spent in any budget cycle.

Another approach ties to a [Wyoming Business Alliance Guest Column in December](#). It focused on the value of outside "fresh eyes" to look at state spending/programs. It best would be inclusive-general government, K-12, and higher education. Imagine if \$100 million or more in savings could be found for contract for services which costs \$3 million. That would be a good ROI...and something for the Governor and State Legislature to weigh thoughtfully.

Legislative Bill Matrix

The Wyoming Business Alliance Legislative Matrix is attached with the bills being tracked. It is divided into six categories:

1. Economic Strength
2. Quality of Life
3. Infrastructure Development
4. Government and Taxes
5. Public Lands
6. Education

[Download the Bill Tracker for Week I](#)

Please let us know if there are any bills of interest to you not represented so we can list them in the future.

Bill Schilling
President
Wyoming Business Alliance

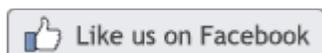
Wyoming Business Alliance

The Wyoming Business Alliance is a statewide nonprofit organization representing the voice of business in the state. It is dedicated to promoting and advocating for a growing economy by connecting business leaders from across Wyoming, representing business interests and issues, and partnering with key business organizations and trade associations. The organization was founded in 1979 as Wyoming Heritage Society and Wyoming Heritage Foundation. Policies for the Wyoming Business Alliance are set by our Steering Committee. The Steering Committee has 45 members who serve for three-year terms, plus 18 leaders from state business and trade organizations. Visit www.wyomingbusinessalliance.com.



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