

Week Four - 64th Wyoming Legislature February 4, 2017 <u>Download the Bill Tracker for Week 4</u>

OVERVIEW

This was crossover week--meaning bills in the house of origin (ie., either House or Senate) had to be out of their respective committees (there are ten issue committees in each body) by yesterday. Approval by the house of origin must be done by this coming Tuesday and if successful a bill moves to the other body for consideration. Then the process starts anew with committee hearings, etc. This was crossover week-meaning bills in the house of origin (i.e., either House or Senate) had to be out of their respective committees (there are ten issue committees in each body) by yesterday. Approval by the house of origin must be done by this coming Tuesday and if successful a bill moves to the other body for consideration. Then the process starts anew with committee hearings, etc.

If you are a follower of the daily news, or scuttlebutt at your local diner or weekly service club, you by now know a bit about the big issues: looming K-12 education funding shortfalls, the state General Fund's (general government) ongoing revenue squeezes, moves to increase taxes and/or cut programs...and from time to time discussions about ways to grow the economy.

REALITY CHECK

ECONOMIC DEVELOPMENT

The ENDOW effort (<u>SF 132 ENDOW initiative</u>)--with all the makings of a Wyoming hallmark--sets in motion a long-term strategic planning process with many advances in thinking already. The Governor and legislative leadership deserve praises for this. The Wyoming Business Alliance provided a history summary of different state efforts: our Blueprint for Business in 1990>>Howard Benson speaking at our first Economic Outlook forum in 1996 where he said "Wyoming I don't think you are hungry enough for economic development>>the Ucross Retreat later that year which led to>legislative action and planning>>culminating in creating the Wyoming Business Council in 1998>>with signals and increasing support of the Wyoming Business Council in subsequent years.

Some may say our economy has not diversified enough. On the other hand, back in 1996, there were just a handful of local economic development organizations across Wyoming, and not all of those were full time. Today there are a bunch...easily over twenty with significant local funding arrangements...plus other local and state efforts. ENDOW has passed the Senate and is in the House.

The Ski Safety Act--HB 32--has passed the House on a close vote and will be heard in Senate Minerals Monday. HB 253 regarding significant economic development funding is sailing along. A strong vote in the House; now in the Senate. Ditto the manufacturing machinery exemption (SF 70).



Monday night education hearing.. House Ed budget bill (HB 236)

EDUCATION

The week started with a packed house hearing on <u>HB 236</u>, the House's version omnibus education funding bill. The audience was powerfully represented by educators, and their messages were clear: maintain current spending levels, keep class sizes as they are, and don't cut special education or teacher facilitation. When thinking about the seven-step managing change model, the audience was at the **RESISTANCE** stage just one step above the bottom (**DENIAL**). <u>Watch a video recording of the Jan. 30 education hearing.</u>

Legislators, on the other hand, were and are, at the **ENVISIONING** stage and moving toward **ENACTMENT**--that is, solutions if possible. So that is where we are today --differing solutions by way of the House and Senate as described below. The challenge: raise taxes to cover a yearly \$360 million shortfall, cut spending by that amount, or split the difference--cut \$170 million, raise taxes by \$170 million, and find the remaining \$20 million from other diversion funds.

HOUSEHB 236	SENATESF 165
Increase the state sales tax by 2 cents	No sales tax increase
.5% severance tax if LSRA falls below \$500 million	Early retirement for teachers
Freeze school transportation to current level and no new buses	No new buses
Recalibrate transportation and special education	Average daily membership to fractional

No new alternative schools	Reduce student activities and Voc Ed
Create a Joint committee on education fund	Recalibrate
Decrease instructional facilitators by 50%	Reduce administrator salaries 10%
Decrease funding for instructional materials and technology	Decrease instructional facilitators
	Reduce school days from 185 to 180
Total savingsbetween \$31 and \$42 million	\$70-\$80 million savings
2 cent sales tax would generate \$340 million	no sales tax in Senate

Neither bill addresses educational accountability and results.

THE BASICS...DATA POINTS

- 1. The K-12 shortfall is between \$360 million and \$400 million
- 2. State government already has been cut by 10%--with \$250 million cut this past summer after the 2016 legislature did its cutting. Another 10%--\$30 million--is looming with budget bills HB 1 and SF 1 aimed at general government, community colleges and the University of Wyoming.
- 3. K-12 education has seen almost no reductions by comparison to the rest of government. The "savings" in the House and Senate education bills range from 3% to 6%--\$40 to \$80 million.
- 4. A 12% cut in K-12 would be about \$170 million, what a one cent sales tax would bring in.
- 5. On average a 12% cut would amount to about \$2000 less a year in per pupil spending, leaving Wyoming about 30% higher than any neighboring state.
- 6. For comparison purposes, Wyoming's high school graduation rate is lower than every neighboring state except one.

CLICK HERE TO DOWNLOAD the Wyoming Excels data regarding Wyoming education results being compared to neighboring states. Wyoming Excels is an initiative of the Wyoming Business Alliance and Wyoming Heritage Foundation to allow business leaders to come together and be a player in improving education in Wyoming.



Testimony on government efficiency.

GOVERNMENT SPENDING AND TAXES

On this front, <u>SJ 9</u> provides a unique and thoughtful approach. Why not a Constitutional Amendment regarding education. It would be the decider regarding a fair and equitable education system. It passed the Senate Education Committee but has an uphill climb.

Another issue that has some riled up is the parallel budget bills--<u>HB 1</u> and <u>SF 1</u>. On Thursday the push came to cut state government by another \$30 million. At stake are 135 full-time positions for now and more to come in the future. The Governor has expressed concerns about this approach

Another bill, <u>SF 156</u> has strong Wyoming Business Alliance backing. The bill managed by Senator Drew Perkins has as its intent a study to determine to determine possible government savings. A report is due by the first of the year. The expectation is "outside eyes" by way of track tested consultants could uncover significant savings-savings far in excess of the \$500,000 allocated for the study. The Wyoming Business Alliance led favorable testimony, joined by the Petroleum Association of Wyoming, the Wyoming Truckers Association, Wyoming Farm Bureau, Wyoming Taxpayers Association and the Wyoming Liberty Group. It passed the committee easily.

QUALITY OF LIFE

The civics test initiative came back to life in the Senate (<u>SF 171</u>) but not for long. It passed the Senate Education Committee but got thumped on the Senate floor. The Alliance remains supportive of the concept. The State Superintendent does as well, but school superintendents, school board members, and the WEA oppose.

CONCLUSION

The 2017 legislative session is about half over. Leadership in both the House and Senate--Speaker Steve Harshman and President Eli Bebout--has been inclusive and positive. Civility thus far seems to the norm, not the exception.

LEGISLATIVE BILL MATRIX

Download the Bill Tracker for Week 4

The Wyoming Business Alliance Legislative Matrix is attached with the bills being tracked and a status on where they are in the legislative process. It is divided into six categories either being supported in green, opposed in red or being monitored in black. Please let us know if there are any bills of interest to you not represented so we can list them in the future.

I. ECONOMIC STRENGTH BILLS

- 1. HB0004 NRC agreement state amendments. (Support)
- 2. HB0032 Ski Safety Act.(Support)
- 3. HB253 Economic development account funding. (Support)
- 4. SF0070 Manufacturing machinery exemption sunset date. (Support)
- 5. SF0132 ENDOW Initiative (Support)
- 6. SF0024 Film industry financial incentive program. (Monitor)

7.

SF164 Energy strategic plan. (Support) - Failed to make cutoff

II. QUALITY OF LIFE BILLS

- 1. SF0050 Civics educational programs. (Support)
- 2. SF0069 Small employer health reinsurance program amendments. (Monitor)
- 3. HB0133 Civics proficiency examination. (Support) Failed in Committee

4.

SF0171 Civic proficiency examination-2. (Support) - Failed

III. INFRASTRUCTURE DEVELOPMENT

- 1. SF0140 I-80 project master plan. (Support)
- 2. HB0052 Governmental immunity-cooperative public transportation. (Monitor)
- 3. HB0086 Omnibus water bill-construction. (Monitor)
- 4. HB0118 Purchase of water rights and facilities. (Monitor)
- 5. SF0003 Transfer of water funds. (Monitor)
- 6. SF0008 Transfer of Water Funds (Monitor)
- 7. SF0051 Approval of water funds transfer. (Monitor)
- 8. SF0056 Omnibus water bill-planning.(Monitor)
- 9. HB0234 Airport support. (Monitor/Support) Failed to make cutoff
- 10. SF0058 Instream flow rights-acquisition. (Monitor) -Withdrawn by Sponsor
- 11. SF0071 Electricity production standard. (Monitor) Failed to make cutoff
- 12. SF0080 Instream flow rights-acquisition-2. (Monitor) Failed to be introduced

IV. GOVERNMENT SPENDING AND TAXES

- 1. HJ0002 Balanced budget amendment-resolution. (Support)
- 2. SF0156 State government efficiencies. (Support)
- 3. HB0001 General Government appropriations. (Monitor)
- 4. HB0013 Investment of public funds. (Monitor)
- 5. HB0060 State investment policy. (Monitor)
- 6. HB0082 Local optional sales and use taxes. (Monitor)
- 7. HB0267 LC and corporation license fees. (Monitor)
- 8. SF0001 General Government appropriations. (Monitor)

- 9. SF0041 Enterprise technology services amendments.(Monitor)
- 10. HB0010 Oil and gas tax reporting. (Monitor)- Died in Committee
- 11. HB0012 Tax exemption repeals. (Monitor) Failed in Committee
- 12. HB0067 Determination of agricultural land for taxation. (Monitor) Died in Committee
- 13. HB0102 Lodging tax rate. (Oppose) Failed in Committee
- 14. HB0104 Severance tax on coal. (Monitor) -Failed in Committee
- 15. HB0105 LSRA-limitations on appropriations. (Support) Died in Committee
- 16. HB0127 Wind energy production tax-2. (Monitor) Failed in Committee
- 17. HB0134 Taxable value of industrial property. (Monitor) Failed in Committee
- 18. HB0149 Lodging tax distribution. (Oppose) Failed in Committee
- 19. HJ0001 Convention for proposing constitutional amendments. (Monitor)- Failed
- 20. HJ0005 Mineral excise tax deposits-constitutional amendment. (Monitor) -Failed in Committee
- 21. HJ0006 Budget shortfall reserve accounts. (Monitor) -Died in Committee
- 22. SF0159 Tax reform 2000. (Monitor) -Faild to make cutoff

V. PUBLIC LANDS

- 1. SF0078 Federal natural resource policy account. (Support)
- 2. SF0072 2017 Large project funding. (Monitor)
- 3. SJ0002 Federal land wind and solar energy revenue-state share. (Monitor)
- SJ0003 Public lands-Constitutional amendment. (Monitor) -Failed to be introduced

VI. EDUCATION

- 1. HB0027 School facility property insurance. (Support)
- 2. HB0076 American Indian education program. (Support)
- 3. HB0126 Elementary school foreign language requirement. (Support)
- 4. HB0225 Select committee on education funding. (Support)
- 5. SF0037 Education-Hathaway scholarship program-2. (Support)
- 6.
- SF0165 School finance-education funding reductions. (Monitor/Support)
- 7. SJ0009 Public school financing. (Support)
- 8. HB0236 School finance-omnibus education funding. (Monitor/oppose)
- 9. HB0037 Teacher accountability. (Monitor)
- 10. HB0040 Education accountability. (Monitor)
- 11. HB0058 School facilities appropriations. (Monitor)
- 12. SF0036 Education-leader evaluation and support. (Monitor)
- 13. HB0108 School finance-K-12 class sizes. (Support) Failed to be introduced
- 14. HB0110 Education-continuing contract status. (Support) Failed to be introduced
- 15. HB0233 State or school employment contract compensation reduction. (Monitor) -Died in Committee
- HB0243 School finance-capital construction funding. (Monitor) -Died in Committee
- 17. SF0073 High school graduation requirements. (Support) Failed on the Floor
- 18. SF0114 Education reform. (Support) -Failed to make cutoff
- 19. SF0135 Education funds used for litigation. (Support) -Failed to make cutoff

Best regards,

Bill Schilling President Wyoming Business Alliance/Wyoming Heritage Association

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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