



64th Wyoming Legislature
February 19, 2017
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INTRODUCTION

As predicted at the outset of the 2016 Wyoming Legislative Session, future education funding and current state budget finances would dominate the tempo of deliberations and decision making. That has been the case, including this past week as the legislature concluded week six of the forty day session.

Most importantly, the legislature, like so many local governments, nonprofits, private businesses across our state, is adapting to Wyoming's new economic normal. As University of Wyoming economists have pointed out, tax revenues predominately reliant on minerals have their perils. In the present, declines or sluggishness with all three of these breadwinners--oil, natural gas, and coal--explain in vivid terms why:

1. The state cut expenses last year by \$250 million
2. An additional \$156 million in cuts is being sought this year;
3. K-12 funding shortfalls of between \$360 and \$400 million on a yearly basis are forecasted in coming years
4. Wyoming's overall workforce has declined by some 15,000 jobs, of which 13,500 are in the private economy

So how does the new normal play out? In 2015 Wyoming's nonfarm employment was nearly 300,000--down from a few years earlier. By 2016 we were down to 286,500 which was lower than 2011. The loss of 13,500 jobs in 2016 was ominous but even more so considering the reality check that there were 7018 high school graduates that year. Needless to say, a growing economy is essential to retaining graduates. Without jobs for our graduates, they leave, and as if that occurs over a prolonged period the ROI for education dollars spent diminishes.

BILL OVERVIEW



Speaker of the House Steve Harshman on ENDOW.

ECONOMIC DEVELOPMENT

The week progressed toward a number of positive paths for bills supported by the Wyoming Business Alliance. [SF 156 State Government Efficiencies](#) was presented in the House Minerals Committee on Monday and again on Wednesday. It has strong growing momentum and passing the House Minerals and Appropriations Committees by 8-1 votes (House Minerals on Wednesday and Appropriations on Thursday). This bill outlines a path to objectively look at state spending, with Medicaid as a large budget area being one focus item. The Alliance has championed the bill, tracking speaker comments at our Governor's Business Forum in November. The bill passed the committee on an 8-1 vote.

[HB 32 Ski Safety](#) had some stifling amendments in the Senate Committee, but the Senate deleted these. The Senate hopefully will approve the bill this coming week...but beware of trial lawyer amendments. On Monday [SF 57](#) the Tesla bill was approved by the House Minerals Committee 7-2. The discussion pivoted around the model Tesla uses to sell cars, which is basically direct from the manufacturer to the consumer without a physical franchise facility.

[ENDOW--SF 132](#)--advanced through the House Appropriations Committee with a unanimous vote on Tuesday and it is moving forward. The Business Alliance testified along with the Governor's Office and Senate Minerals Committee Chair Michael Von Flatern. Funding of \$2.5 million remained for this high priority Governor and Legislative Leadership bill. The purpose of ENDOW is to create a dynamic and ongoing private/public sector partnership that targets four-year benchmarks over a twenty year period. The Powder River Basin Resource Council was the only organization that opposed the bill. The biggest worry is where the funding will come from. One direction is out of the Wyoming Business Council, but this agency already has been hammered by 37 percent cuts, with an even higher percent reduction in the Business Ready Community program. The logic of taking from the Business Council is baffling as it has had its hand in the creation of 3,000! jobs.

[HB 253](#) is an interesting bill that is making headway. It provides funding for large economic development projects--studying induced revenues and costs. Projects may include broadband. The \$25 million will come from the state's LSRA fund--Legislative Stabilization Reserve Account. Some will argue why we need to spend money here when we are facing deficits; the other side of the argument is we have to invest in and for the future. The other variable at play is whether broadband should reach out to rural areas across Wyoming since increasingly it is viewed as a "public good." But who should pay for a good provided by the private sector?

The [manufacturing exemption bill--SF 70](#)--is in the House but awaits House Appropriations. Hopefully, that will take place early this week as timing is running down. Thirty-seven other states have this legislation. So, too, does Wyoming. The bill simply extends the operative timeline.

[SF 60 Antelope Hunts](#) would permit the Wyoming Game and Fish Department to set aside antelope licenses for the Wyoming Women's Antelope Hunt to buy. This hunt helps grow the number of women hunters and also raises funds for grants and special projects to help women and girls across the state. It should be an easy bill to support. After all, we are the Equality State aren't we?



Leadership Wyoming graduates conferring at Senate Education Committee meeting on last Wednesday.

EDUCATION

So much of the action last week revolved around education. Over 50 K-12 bills have been introduced, and now Wyoming is down to the wire. The Senate bill [SF 165](#) focuses on cuts, approaching \$90 million, or about a 6 percent which is much less than the 10 percent plus percent cuts imposed on state agencies, community colleges, and the university. The House bill --[HB 236](#)-- has fewer reductions but also has a tax hike kicker tied to the amount of money left in the LSRA account. The action begins big time Tuesday morning--a Senate Education Committee work session at 8 AM and then a public committee meeting at 12 NOON. The stated goal is to link and tie together the House and Senate bills--a tall task given the differing views. In the meantime, in packed committee meeting rooms and on the side, the education

community--administrators, teacher groups, and ancillary staff support interests-- have been long on institutional protection and status quo and short on solutions. Legislators are in a tough spot and way nervous regarding how to solve future deficits of \$360 to \$400 million, year in and out.

SUMMARY

The Wyoming Legislature is close to winding down. This next week will see final passage of some important bills and likely prolonged and intense House and Senate conference committee sessions. There additionally will be House and Senate bills. An outlier from this perspective is a suggested cut by 2 percent for state employee salaries. Interesting, but parity is lacking. Why not for all state employees--K-12, community colleges, and the university. Wyoming's new economic (and challenging) normal does not pick winners and losers. If state revenues are down, and of course they are, then adjustments should be made for all. Code of the West principles would suggest this consideration.

LEGISLATIVE BILL MATRIX

[Download the Bill Tracker for Week 6](#)

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. **HEA No.0018/ HB0004 NRC agreement state amendments. (Support) PASSED**
2. **HB0032 Ski Safety Act.(Support)**
3. **HB253 Economic development account funding. (Support)**
4. **SF0060 Antelope hunts. (Support)**
5. **SF0070 Manufacturing machinery exemption sunset date. (Support)**
6. **SF0132 ENDOW Initiative (Support)**
7. SF0024 Film industry financial incentive program. (Monitor)
8. ~~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. **SEA No.001/SF0003 Transfer of water funds. (Monitor) PASSED**
2. **SF0140 I-80 project master plan. (Support)**
3. HB0052 Governmental immunity-cooperative public transportation. (Monitor)
4. HB0086 Omnibus water bill-construction. (Monitor)
5. SF0008 Transfer of Water Funds (Monitor)

6. SF0051 Approval of water funds transfer. (Monitor)
7. SF0056 Omnibus water bill-planning.(Monitor)
8. ~~HB0118 Purchase of water rights and facilities. (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. **HEA No. 0023/HB0013 Investment of public funds. (Monitor) PASSED**
2. **HEA No.0035/HB0060 State investment policy. (Monitor) PASSED**
3. **SEA No. 0020/SF0041 Enterprise technology services amendments. (Monitor) PASSED**
4. **HJ0002 Balanced budget amendment-resolution. (Support)**
5. **SF0156 State government efficiencies. (Support)**
6. HB0001 General Government appropriations. (Monitor)
7. HB0082 Local optional sales and use taxes. (Monitor)
8. HB0267 LC and corporation license fees. (Monitor)
9. SF0001 General Government appropriations. (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) Failed to make cutoff~~

V. PUBLIC LANDS

1. SEJR No. 0001/SJ0002 Federal land wind and solar energy revenue-state share. (Monitor)PASSED
2. **SF0078 Federal natural resource policy account. (Support)**
3. SF0072 2017 Large project funding. (Monitor)
4. ~~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~~
16. ~~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

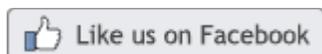
The Wyoming Business Alliance is a statewide nonprofit organization representing the voice of business in the state. It is dedicated to promoting and advocating for a growing economy by connecting business leaders from across Wyoming, representing business interests and issues, and partnering with key

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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