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Wyoming Taxpayers Association

Erin Taylor—Executive Director

The Wyoming Taxpayers Association is a non-partisan, non-profit corporation founded in 1937 to advance efficient and effective government.

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Postmaster, send address changes to:

Wyoming Taxpayers Association
2410 Pioneer Ave.
Cheyenne, WY 82001
Phone: 307.635.8761
Fax: 307.637.7556

Email: Wyotax@wyotax.org
Web Site: www.wyotax.org

WYOMING LEGISLATURE PASSES \$2.85 BILLION IN APPROPRIATIONS

The 2010 budget session concluded with what was characterized by some as a “fiscally conservative budget” with Wyoming’s savings still intact. This being the first budget session in several years where the state has not enjoyed significant excess revenues, some legislators proclaimed, “it’s raining – we need to use our rainy day funds” and dip into savings – yet, as it turns out, the majority of legislators cautioned against such action and it did not come to pass.

In what ended up being a budget session like the ‘good old days’ when the state did not have money, the number of bills was significantly less than the last budget session when the legislature was able to fork away more than \$500M

into extra savings (the House saw 23.69% fewer bills, and the Senate saw 18.56% fewer).

Governor Freudenthal signed the budget bill on Friday, March 5, 2010, appropriating \$2.85B for the biennium, which will begin on July 1, 2010. Yet, he only had minor vetoes for the bill: Section 338 - Out of state travel and publications restrictions (stricken entirely): Section 339 – State agency contractual services (stricken entirely): Section 333 – School Capital Construction: remove the word ‘funds’ in the last line of section (g)(iii) on page 142; remove the words ‘which have encumbered funds pursuant to this section’ on the third line of the paragraph in section (h) on page 142: and finally Foot-

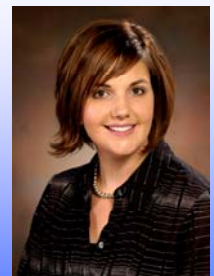
note 3 in section 001 of the Office of the Governor – remove the word ‘natural’ to avoid unnecessarily restricting the funds to just natural disasters.

While revenues are indeed down for this biennium – we are sitting approximately \$1B down from this point one year ago – policy makers were prudent in scrutinizing state agencies and avoiding ongoing appropriations that are not critical services. What’s ahead? More work in identifying core services, personnel, priority for capital construction projects, and taking a deeper look at contract state employees. More work in determining what is sustainable, given the uncertain revenue picture.

The January CREG report

FROM THE EXECUTIVE DIRECTOR

WTA’S ANNUAL PUBLICATIONS — By now, you should have received your annual publications from WTA, including the *2009 Property Tax Book* and the *2009 Tax Summary*. If, in case you haven’t received them, please contact the office and we’ll get them to you ASAP. WTA also offers a lot of other new and updated resources which are posted on the Members Only section of the website. *More for your WTA value!* Just log on with your email address and create your own password—note—only those who are on our current email list may log on. If you’d like to be added just give us a holler or send an email and we’ll get you up and running. Thank you for you support!



~ Erin

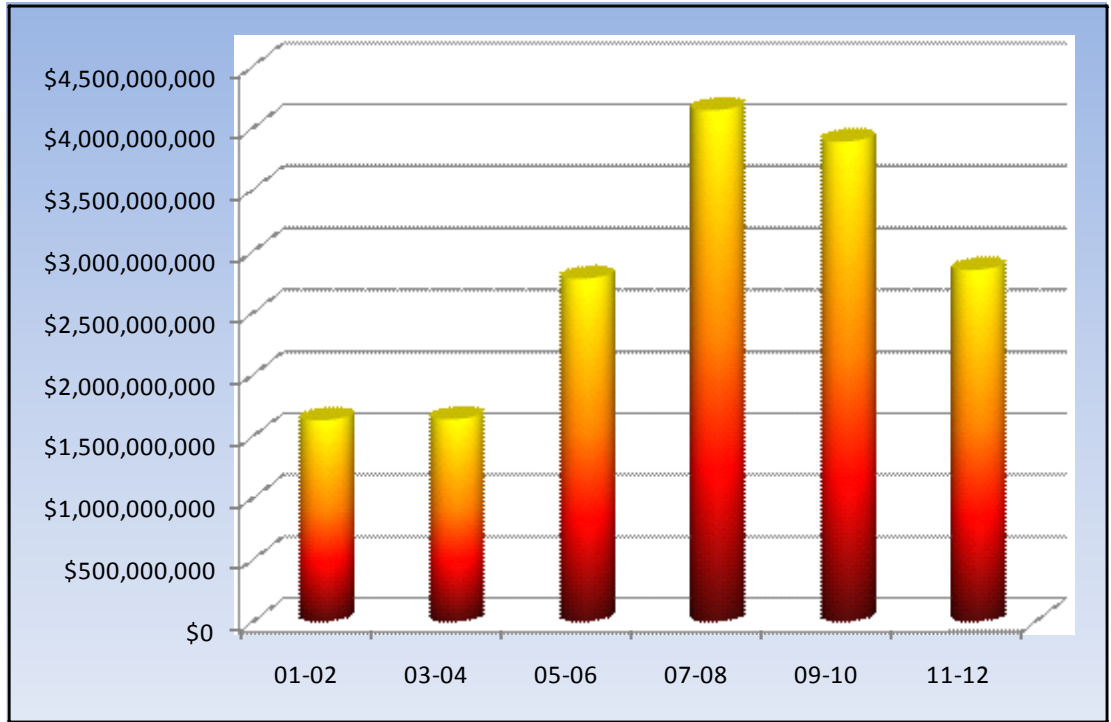
2010 BUDGET SUMMARY CONT....

noted that funding for the state's K-12 education system could end up being \$32M in the red at the end of this biennium, and possibly \$64M in the red at the end of the next biennium. This is the year to recalibrate the model for funding the education system, so here's to hoping that those involved will ask the tough questions: Are we getting what we are paying for with respect to education? Is the current level of funding sustainable? Is our current system accountable?

As mentioned above, this budget goes into effect July 1, so legislators will be back in Cheyenne in just six short months to make any changes, should the revenue picture get worse (or better). We here are WTA are pleased to hear folks asking the tough questions about accountability, talking about Tax Reform 2000, and how we can make our tax system more sustainable.

The charts to the right illustrate Wyoming's historical appropriations from the General Fund and Reserve Accounts, including savings and a more detailed account of the major appropriations in this year's budget bill.

HISTORICAL APPROPRIATIONS FROM THE GENERAL FUND/RESERVE ACCOUNTS, & SAVINGS



Fund Balances:

Legislative Stabilization Reserve Account	\$711M
School Foundation Program Balance	\$40M
School Capital Construction	\$0
Water Accounts	\$146M

Appropriations:

K-12 programs	\$1.6B
School Cap Con	\$82M for major maintenance/\$151.2M for K-12 projects
Local Governments	\$87.5M + \$33.4M in mineral royalty funds
WYDOT	\$50M for road construction/\$2.5M WYOLINK/\$13.5M airports
Business Ready Community Program	\$50M
Community Facilities Program	\$8.5M
Wildlife Trust – Total appropriations	\$9M
Department of Health	\$836.1M
UW	\$390.2M general fund/ \$78M AML/\$27M ARRA
Comm Colleges	\$232.6M general fund/\$17.1M ARRA
Dept. of Corrections	\$274.5M
Capital Construction	\$45.6M
LSRA	\$10M from the budget reserve acct.
AML	\$116M new money, \$4.5M current program money
Employee Compensation	\$6.5M
State Parks	\$1.9M Cultural Trust Fund
Game and Fish	\$10.9M for various programs

Totals:

General Fund	\$2.85B
Federal Funds	\$1.4B
Other	\$3.4B
Total Appropriations in budget bill:	\$7.6B

K-12 RECALIBRATION—ASKING THE TOUGH QUESTIONS... BY ERIN TAYLOR, WTA EXECUTIVE DIRECTOR

Court judges in many states have decidedly determined school finance systems as not adequate and have ordered legislatures to provide unprecedented increases in appropriations for K-12 funding. Beginning in 1980, Wyoming joined this group of states, and was forced to turn to the courts to determine how K-12 education should be funded.

Notably, a 1995 decision in *Campbell County School District v. State* declared the Wyoming state education funding system to be unconstitutional and directed the Legislature to provide whatever funds necessary to make the state's education system the 'best'.

Policy makers responded with massive increases in K-12 appropriations, which took Wyoming's per-pupil funding from just above the national average to among the highest in the nation, if not the highest if capital construction is included.

The court also mandated that the entire system be revisited every five years to ensure it is adequate and mirrors the inputs of providing the services. The first such evaluation occurred in 2006, and now, five years later, we are looking at K-12 recalibration for the summer's top interim activity.

Shouldn't all taxpayers pay attention to this process?

As it stands today, the local school districts receive their yearly funding from what is called the block grant process. Once the funds are received, it is up to the local districts to administer them.

Some have made significant strides in student achievement and some have not. Many have given remarkable teacher and administration salary increases, and arguably all of them have dealt with meeting the ever changing technological needs of today's classroom. But who is to say that one school district is spending its funds better than another? Who is to say we are getting it right?

So here we are—ranking top in the country for funding our K-12 system. With nearly 70% of property tax revenues going to the K-12 education system, shouldn't all taxpayers be paying attention to this process? Shouldn't all tax-

payers be asking the tough questions? What's not working, and why? Are achievement test results topping the charts? Are we getting everything we should be expecting from our K-12 education system? Are we setting ourselves up to fail?

Who is to say we are getting it right?

The 2011-12 budget bill contained an amendment to address school finance recalibration (page 144 of the bill). Specifically, a Select Committee on School Finance Recalibration was created to:

- (1) review the components of the education model;
- (2) evaluate school districts' divergence from the model and assess the effects of the divergence on a cost-based quality education;
- (3) review recommendations from teachers and administrators regarding effective instruction;
- (4) evaluate the model's costs, and determine if they are adequate;
- (5) consider federal funds that may apply;
- (6) review methods of assessment of student achievement and make recommendations in the recalibrated system.

The Select Committee will report its findings and give recommendations in time for the 2011 general session where legislators will take action on any draft legislation.

The first meeting of the Select Committee on School Finance

Recalibration will take place on April 23, 2010, via video-teleconference at 12:00 noon through 6:00 pm, and will serve as an organizational meeting.

Network sites will be available in Casper, Cheyenne, Cody, Gillette, Lander, Laramie, Rock Springs, Sheridan, and Torrington (see the meeting notice on the Legislative Service Office website for details on network sites and viewing options, <http://legisweb.state.wy.us/calendar/2010>).

If you are able, please attend one of the video-conferencing sites and pay attention so we can all starting asking the tough questions.

Have you checked out our Members Only section of the website? See what's new....

Please log on with your email address and create your own password.

www.wyotax.org

ELECTRONIC NEWS!

In order to reduce costs, reduce our carbon footprint, and reduce the amount of mail you receive, we will send out the next WTA Tax Roundup newsletter to our members electronically.

How will this work? If you are not already on our list for WTA's electronic Action Alerts, please fill out the form below and let us know your preferred email address for receiving the e-newsletter. The electronic *Tax Roundup* will be a modified version of our quarterly publication and will be printable from the email you receive.

Don't forget that past copies of the *Tax Roundup* are always available at www.wyotax.org under the "Publications" page of the Members Only section. It's easy! Just log on with your email address and create your own password. There you will find a wealth of information, including all of WTA's weekly legislative updates, summaries of other legislative meetings, issue papers and data on specific tax topics like property taxes, Wyoming's Permanent Mineral Trust Fund, the Streamlined Sales Tax initiative, general facts about Wyoming's overall tax structure, Tax Reform 2000, and Candidate Questionnaires.

E-News Form...

Please select **ONE** of the two options, complete the form and return it to us. You can either fax it back to us at 307.637.7556; mail to WTA, 2410 Pioneer Ave., Cheyenne, WY 82001; or email it to wyotax@wyotax.org.

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Option 1:

I would like to receive the WTA Tax Roundup via email. _____

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I don't have access to either the website or email. Please continue to send me the publication through the mail to the above address.

Yes: _____

*** If we don't hear from you and we do have your email address, expect to receive the *Tax Roundup* electronically.**

WTA BOARD MEMBER SPOTLIGHT—NICK AGOPIAN, CHEYENNE, WY

WTA’s Board of Directors is comprised of 28 individuals who represent the broad interest of Wyoming’s taxpayers. This is the third in a series in which we introduce these folks to the membership ~~~

Nick Agopian, Government Affairs and Regulatory Specialist, Devon Energy ~ Nick Agopian was born and raised in Cleveland, OH, and received his B.A. in 2001 from the University of Montana. Nick moved to the great State of Wyoming in 2001 to try his hand at being a ski bum in Jackson. He received his J.D. from the University of Wyoming College of Law in 2007 and is currently a member of the Wyoming State Bar Association. In 2007 Nick founded the Wyoming Conservation Corps at the University of Wyoming. Nick is currently a Government Affairs and Regulatory Specialist for Devon Energy in Cheyenne, Wyoming.

“I am honored to be a member of the WTA board. The WTA has a great statewide reputation built on its track record of providing valuable information to citizens and decision makers. As a recently appointed board member I am excited to actively participate with the WTA to address tax issues in Wyoming and inform decision makers about the impacts of proposed tax policies in Wyoming to individuals and companies.”

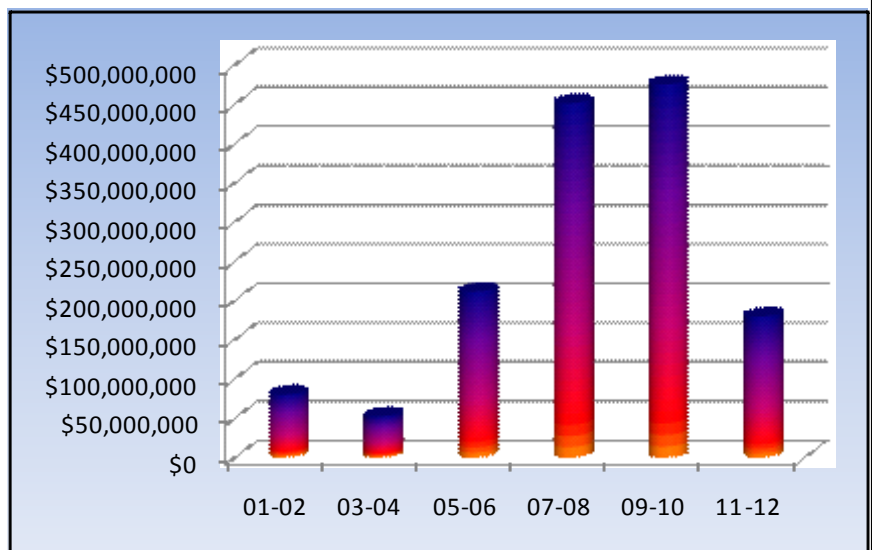


FISCAL FOCUS — LOCAL GOVERNMENT FUNDING

The issue of funding for local governments has been in the spotlight for the last few years. Below is an illustration of the direct distributions to local governments and appropriations to grant and loan programs (includes business ready communities and community facilities).

Biennium	Appropriations
01-02	\$80,094,812
03-04	\$52,500,000
05-06	\$211,234,166
07-08	\$451,066,516
09-10	\$475,125,000
11-12	\$179,356,560

APPROPRIATIONS TO LOCAL GOVERNMENTS 2001-2012



Total direct distributions and grant programs funding: Source—Wyoming Legislative Service Office

