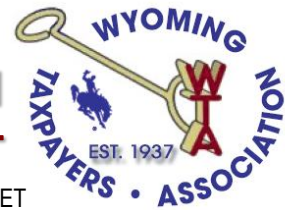


# WYOMING TAXPAYERS ASSOCIATION

## ACTION ALERT

JAC VS. GOVERNOR'S RECS 2013-2014 BUDGET



The Joint Appropriations Committee decided to break up the budget bill this year by taking out the Abandoned Land Mine funds, the School Capital Construction, and the Casper Aquifer into separate bills.

### HB 121 – ABANDONED MINE LAND FUNDS

This bill contains appropriations of \$83,406,724 from ABANDONED MINE LAND FUNDS to the Department of Environmental Quality, the University of Wyoming, the Wyoming Wildlife Resources Trust Income Account, the State Engineer, and the Department of Transportation for projects as described in the bill. Amounts appropriated to the University of Wyoming require matching funds.

This bill also contains appropriations of \$45,250,154 from the ABANDONED MINE LAND FUNDS which have been previously appropriated and are redirected to the University of Wyoming, the Governor's Office, and the Wyoming Pipeline Authority for projects as described in the bill. These appropriations are effective immediately.

#### Appropriations \$83,406,724

- \$30M to **WYDOT highway projects**
- DEQ \$2.2M for **Solid Waste Orphaned Sites Program**
- DEQ \$1.475M, **Ozone Monitoring**
- \$1,856,724 to DEQ for operations and maintenance of **ambient air monitors**
- \$350,000 to UW for Level II planning for renovation and addition to the facilities of the **College of Engineering and Applied Sciences**.
- \$10M to UW athletics facilities matching funds for the **Arena Auditorium**.
- \$5M to UW for the **School of Energy Resources** for implementation of strategic areas of concentration
- \$6M to the **Wyoming Wildlife and Natural Resources Trust Income Account**
- \$3.5M to UW for an **agricultural building in Sheridan**
- \$23.05M to the State Engineer for the **Gillette Madison Water Project**

#### Previously Appropriated Funding from 2009 and 2010

#### Session Laws \$45,250,154

- \$10M **School of Energy Resources for continued clean coal research**
- \$500,000 to the **School of Energy Resources to conduct a study to determine the feasibility of constructing a commercial scale minerals to liquid fuels facility in Wyoming**
- \$10M to the **Governor's Office for the purpose of supporting the construction and operation of a commercial scale facility which converts minerals to liquid fuels** (applications must be made to the Clean Coal Task Force for this grant money)
- \$10M for **SER areas of concentration**
- \$10M for **energy partnerships matching fund**
- \$2M for beginning a **carbon dioxide pipeline network permitting process** across federal lands (Wyoming Pipeline Authority, SER and Enhanced Oil Recovery Institute)
- \$1M, matched by external funds, for continuity of research related to **carbon storage and enhanced oil recovery**
- \$1M for **compressed natural gas vehicle filling station and vehicle conversions for UW**
- \$750,154 for level II planning for **UW Engineering building addition**

## SF 105 – SCHOOL CAPITAL CONSTRUCTION

### Previously funded capital construction (from 2011 Session Laws)

- Completion of projects \$10,753,340

### 2013-2014 Biennium

- Planning \$870,000
- Design \$6,895,163 and \$32,780,143
- Component Projects \$5,796,000
- Land Acquisitions \$15,322,301
- Ancillary Building Projects \$1,412,000
- Demolition \$102,240
- Track Construction \$450,000
- Capital Construction Projects \$10,050,000 and \$285,994,184
- Unanticipated costs associated with planning, design, capital construction and component level projects \$13,695,420

## BUDGET BILL (HB 1 AND SF 1 ARE IDENTICAL IN CONTENT)

The 2013-2014 budget bill appropriates **\$3.2B** from the General Fund and adds up to **\$8.175B** for the biennial budget. Recall that the Governor's original budget amounted to \$3.4B and left approximately \$87M on the table for legislators to spend.

As part of the Governor's effort to consolidate agency efficiencies, the Office of the Chief Information Officer is now up and working. Part of the budget contains transfers of general fund monies from specific agencies to this office to help facilitate that process. Also, as part of the Governor's efforts to keep a watch on growing budgets, a number of agencies have been directed to reduce dollars spent on the 900 series employees, or what are considered contractual employees (directed to reduce by 5%). Those departments include the following: Governor's Office, Department of Health, and Administration & Information, Department of Agriculture, Attorney General's Office, School Facilities Commission, and Education – School Finance.

## MAJOR ISSUE AREAS

### Savings Total: \$112.3M

- LSRA \$104.3M
- Wildlife Trust \$5M (\$6M from AML, \$10M for projects, and \$8M from interest)
- Library \$3M

### Local Funding Total: \$150M

- Office of State Lands Grants \$54M
- Direct Distribution \$81M
- \$15M in the Wyoming Business Council for public infrastructure projects

### Highways Total: \$100M

- \$70M in the WYDOT standard budget
- \$30M AML

### Medicaid: Total \$62.7M

- \$25M to the Treasurer's Office
- \$37.7M to DOH to transfer among departments for increased costs

## MAJOR APPROPRIATIONS IN THE BUDGET BILL

### Office of the Governor

- \$100,000 for **deep water ports**
- \$100,000 for **developing comprehensive energy and water policy**
- \$15M for **Data Center Recruitment**

### State Auditor

- \$500,000 for **brucellosis testing and containment efforts**
- \$125,000 to **reimburse Game & Fish for lost license fee revenue** due to free and reduced priced licenses mandated by statute
- \$3M **Public Library Endowment Challenge Fund**

### State Treasurer

- \$528,000 of the \$11.063M available for the **Veteran's Tax Exemption** to be made available immediately

### Department of Education

- Requirement **that all changes in the Department's budget be documented via the B-11 process** (the Department was scrutinized during JAC hearings because they moved money around)
- \$280,000 for the **Teacher to Teacher** program for the period July 1, 2012 to June 30, 2013. A report is due to the JAC November 1, 2012 on the program's effectiveness
- \$160,950 for tribal schools funding
- Decreases in federal funding for the following programs: Federal Professional Development Grant for Educators and Administrators, elimination of the Robert C. Byrd scholarship grant, elimination of the EvenStart Family literacy grant (**\$1.78M was added, however in the Community College Commission**), No Child Left Behind II, part B grant, Reading First

### Administration and Information

- November 1st report due with a complete history of surplus property sales for the last 5 years
- Employees' Group Insurance Division shall report quarterly to JAC on the effectiveness of alternative payment and delivery systems for healthcare services to plan participants.
- Transfer of the **Public Safety Communications Commission funding** and associated funding to the Office of Homeland Security within the Governor's Office.
- \$1,472,915 for the Department of Economic Analysis to study the feasibility of **converting school district motor vehicles**, including school busses, to natural gas fueled vehicles. November 1st report date.
- \$7.9M in IS for **the purchase of fleet vehicles**
- \$2.37M for **increased motor vehicle expenses**
- \$117,709 for **maintenance in the liquor warehouse**, and \$185,521 for **custodial contracts in the liquor building and joint labs building**
- **reduction of the Gov's rec for \$10M for employee compensation**

### Wyoming Military Department

- Sunset of the **National Guard Youth Challenge Program** and **addition of 12 employees; also a requirement that** for every \$.40 of federal funds, the Department may expend state funds in an amount not to exceed \$.60.
- \$350,000 for the **Sheridan Greenhouse Living Project** (if SF11 passes, these funds will go back to the General Fund)

### Wyoming Department of Agriculture

- Of the \$12,941,316 appropriated for **consumer protection**, \$205,137 is effective immediately
- \$200,000 shall be used for **wolf management outside Yellowstone National Park**

### Department of Environmental Quality

- The next six positions in the **Solid Waste Management Division** that become vacant through attrition are eliminated
- \$15M for the **Municipal Solid Waste Landfill Account** (Gov originally requested \$15, then reduced to \$10)

### State Parks and Cultural Resources

- \$100,000 for the **We the People** education program - this is one time funding
- \$250,000 for **Humanities Council grants**, one time funding
- \$80,000 for **pine beetle mitigation**, one time funding
- \$100,000 for conservation corps projects, one time funding
- **Denied Gov's rec for \$2M for the Cultural Trust Fund**

### Wildlife/Natural Resources Trust Account

- \$5M from the General Fund to the corpus (\$200M legislative goal, current balance \$95M)
- \$6M from AML funds (cannot go to the corpus because it is federal funds)
- \$10M for projects
- \$8M interest

### Wyoming Department of Transportation

- Authorized transfer of 2 full time positions for **2 communications operator positions**
- Any funds remaining in the **Railroad Quiet Zone Account** established in the last biennium shall remain until June 30, 2014
- \$70M appropriation from the general fund for **highways**
- \$3M for **air services enhancements** for Cheyenne, Cody, Gillette, Jackson and Rock Springs (split between general fund and other funds)

## Department of Health

- **Denial of Gov's \$37.7 for replacement of ARRA funds for Medicaid** but allowed the agency to transfer that amount between divisions and units to balance the demands of its programs.
- Restrictions on General Funds used for the purposes of constructing a new **Medicaid eligibility and enrollment system**
- No reimbursement rates for **nursing facility services** or cost-of-living adjustments shall be provided unless specific legislative action
- **Denied the Gov's rec of \$3M for vaccines** but gave authorization for DOH to provide all vaccines on the recommended immunization schedule for the **Advisory Committee on Immunization Practices to children who are without insurance or are not participating in a federal program covering the vaccinations.**
- Authorization for the **Public Health Laboratory** to charge fees for the testing services provided to other agencies.
- \$235,000 from the Tobacco Settlement Trust Income Account shall be used to support the **Wyoming Telehealth Consortium**
- \$85,000 may be used to purchase and distribute to **combat veterans advise for mental health services**
- DOH shall provide by rule no later than December 31, 2013, that **reimbursements for mental health and substance abuse services** shall only be paid to entities that are accredited by the Commission on Accreditation of Rehabilitation Facilities or the joint Commission on Accreditation of Healthcare Organizations.
- DOH to deposit all income from the Wyoming State Hospital at Evanston from July 1, 2012 through June 30, 2014 into a special account to **correct life safety code problems.**
- DOH shall deposit all monies collected by the Retirement Center located in Basin, for care of patients into a special fund to go toward the operation of the **retirement center.**
- \$248,000 for **EMT training**

## Department of Family Services

- \$11,000 for the **Father Factor Program (federal funds)**
- changes to the **State Supplemental Security income**

## Community College Commission

- no employee **compensation increases** and denied Gov's rec of \$8.7M for
- **Denied \$46,000 for distance education**
- **Denied \$1.3M for a new College Completion program**
- \$77,000 for **nursing loan service fees**
- \$200,000 for **veterans' tuition waiver program**, one time funding

## Office of State Lands and Investments

- Footnote directing any unobligated funds in the account will not go back to the General Fund, but towards funding **projects that will preserve the value or revenue generating capacity of state trust lands or minerals assets.**
- Outline for use of money for fencing around the perimeter of Ranch A

## University of Wyoming

- \$1.8M for membership in the **Greater Western Library Alliance**
- **no employee compensation increases**
- \$2.17 for **high performance computing**, one time funding
- \$200,000 for **brucellosis testing and research**, one time funding
- \$20.4M for **School of Energy Resources Operations**
- \$1M for the **NCAR MOU**

## Wyoming Retirement System

- Outline of the **salary and benefits for the chief investment officer, senior investment analyst and senior investment officer**

## Department of Corrections

- \$2.5M for **sex offender treatment**

## Wyoming Business Council

- \$15M to provide **grants to cities, towns, and counties for necessary public infrastructure**
- \$1M for the Department of State Parks and Cultural Resources for the **purchase and placement of portable boat ramps at state parks impacted by flooding**
- \$488,000 for **business recruitment**
- \$142,000 for **business expansion efforts**
- \$67,000 for **entrepreneurial networking**
- \$134,000 for **agribusiness programs**
- \$24,000 for **economic research**
- \$100,000 for **technical assistance for communities**

## Supreme Court

- **Denial of salary increases**

## Education - School Finance

- \$1.5B school funding for the biennium
- Requirement **that all changes in the Department's budget be documented via the B-11 process** (the Department was scrutinized during JAC hearings because they moved money around)

## Capital Construction

- Includes appropriations to the Department of Administration and Information for various state projects (including \$4.4M for the State capitol building), the Community College Commission, and the University of Wyoming (for the Performing Arts Center, White Hall, Half Acre Recreation Center and the UW Project Fund)

## Budget Balancers (Section 300's)

- **Legislative Stabilization Reserve Account**
  - \$104.3M (current balance \$1.02B)
- **Library Endowment Challenge Fund**
  - \$3M
- **Borrowing authority for the State Treasurer**
  - to borrow from pooled fund investments amounts necessary to meet cash flow needs of the General Fund and the Hathaway Scholarship Program
- **Disaster contingency program**
  - \$750,000 to the Office of the Governor
- **Natural Resource Policy Account Program**
  - \$1M from previously appropriated monies
- **Reserve for the State's share of all Medicaid programs**
  - \$25M to the State Auditor
- **Department of Health**
  - Department of Health to control General Fund expenditures in the Department related to Medicaid: \$37.7M
  - Direction to DOH to specifically provide a plan to reduce the Department's overall general fund expenditures in the 2015-2016 biennium.
  - Limits on the transfer of agency personal services to another purpose, except for: \$6M for high cost emergency detentions at the state hospital; \$500,000 for contractual services of registered nurses at the state hospital; \$600,000 for increased costs in the support services at the retirement center located at Basin; and a requirement that the Department of health file a report on a quarterly basis to the Joint Appropriations Committee and the Joint Labor Committee on the specific uses and dollar amounts for each exception
- **State Insurance Plans**
  - Various changes to the State's contribution to the state health, dental and life insurance plans for each qualifying executive, judicial and legislative branch employees as outlined.
  - \$5.2M to the State Auditor for health insurance benefits for executive, legislative and judicial branch agency retirees, including the Community Colleges and UW who participate in the state employees' and officials' group health insurance plan and whose date of retirement was prior to July 1, 2008.
  - All state agencies for these entities will pay up to 1% of each benefit eligible employee's salary.
- **State Department of Fire Prevention and Electrical Safety**
  - Authorization to charge fees to any entity for which it performs any plan inspection or review.
- **Flex Authority**
  - For the Governor of 10% of the total appropriation between programs within any executive branch agency and 5% of the total appropriation for the agency (excludes UW)
  - For the Supreme Court of 5% of the total general fund appropriation between programs within the Supreme Court.
- **Position freezes**
  - From July 1, 2012 through June 30, 2014, except to fill a vacancy within the authorized number of positions in the agency's budget. Similarly, no at-will contract employee may be hired or renewed unless specifically authorized by legislation or approved by the Governor
- **Review of State Agency Budgets**
  - Requirement that the Governor review all agency budgets and expenditures every 6 months.
  - Supreme Court and all district courts shall submit 2013-2014 supplemental budget requests to the legislature no later than November 1, 2012. Also required to prepare all agency budget requests using the same methods and practices as the executive branch
  - All agencies shall prepare reductions to the agency standard budgets which equal 4%. This also includes the Supreme Court and all district courts.

- **Statewide Planning**

- Statewide distance education plan and statewide video conferencing plan shall be presented in the Governor's 2013 supplemental budget request for final approval

- **UW Athletics Department**

- \$250,000 to study the feasibility of establishing a men's baseball program and women's softball program to compete in Division I college athletics. Report due December 1, 2012.

- **Major Maintenance**

- \$52.9M: 42.1% to the Department of Administration and Information; 35.95% to UW; and 21.64% to the Community Colleges

- **Zero Based Budgets**

- The Budget Division of the Department of Administration and Information shall formulate a plan to include with agency budgets, zero-based budgets for all 200, 600 and 900 series

- **Emergency Use of Rainy Day Funds**

- If the CREG group releases a revenue report revision which lowers forecasted natural gas prices to a degree which results in drastic reductions to all major accounts of \$150M or more, \$150M shall be transferred from the LSRA to the General Fund.

- **Capitol Rehabilitation and Restoration Account**

- \$8.7M contained in 2011 Wyoming Session Laws for employee insurance shall revert to the

- **Data centers**

- All funds remaining from the 2011 Session Laws are reappropriated to the Governor's Office for the purposes of providing grants to cities, towns and counties for necessary public infrastructure to enable the recruitment and operation of data centers of a certain size.

- **Local Government Funding:**

- \$81M to the Office of State Lands and Investments. Of that \$48.06M is direct distribution to cities and towns: \$24.03M is direct distribution to counties; and \$4.455M goes to each revenue challenged cities and towns and counties, respectively
- Distribution of the previously mentioned funds are outlined in the bill for both cities and towns and counties, and challenged allocations
- \$54M to the Office of State Lands and Investments for the purposes of grants for capital improvement projects within counties
- \$125M shall be recommended for the 2015-2016 biennium for local funding if revenue estimates in the General Fund and Budget Reserve Account totals for fiscal years 2015 and 2016 as projected by the CREG in the October 2013 report equal or exceed the projected balances in the January 2012 revenue estimates

- **School Foundation Program Account**

- All unencumbered, unexpended funds in the e-rate Excess Revenue Account of the Deferred Federal Revenue Fund within the Department of Education General Fund shall be deposited into the SFP
- The following amounts will be appropriated from the deferred account mentioned above: \$280,000 for 1 position to the State Chief Information Officer; \$280,000 to the Wyoming Community College Commission for 1 full time position to assist with data management; \$188,000 to the Wyoming Community College Commission for contract for necessary post-secondary education data definition, mapping and retrieval; \$300,000 to the State Chief Information Officer for contractual expertise in providing statewide capability to share and access educational information between all education participants within the state; up to \$500,000 to the Department of Workforce Services, Office of Research and Planning to conduct data collection and analysis necessary for the education resource block grant model monitoring process



• **Education Accountability Data Systems**

- Up to \$1.687M to the State Chief Information Officer to implement an on-line educator credentialing, assignment validation and reporting system in conjunction with UW, the Wyoming Professional Teaching Standards Board and the Department of Education.
- \$1.128M for hardware and system support costs to establish the on-line certification and certification renewal system.
- \$184,000 for on-going maintenance and operation costs of the on-line system
- \$375,000 for additional data storage necessary for the system within the government agency enterprise solution
- \$331,254 to the State Chief Information Officer for 2 full time positions - one as a database analyst and one as a business analyst
- The State Chief Information Officer shall report to the Joint Appropriations Committee on December 31, 2012 on all expenditures related to the education accountability data systems