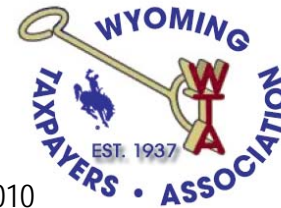


WYOMING TAXPAYERS ASSOCIATION

ACTION ALERT



2011-2012 Biennium Budget Summary – March 12, 2010

Governor Freudenthal signed the 2010 budget bill into law on Friday, March 5, 2010, with only minor vetoes:

- 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
- Footnote 3 in section 001 of the Office of the Governor – remove the word 'natural' to avoid unnecessarily restricting the funds to just natural disasters.

With all state agencies funded adequately, the biggest items of discussion were capital construction for schools and funding for local governments. Both issues came to the conference committee on the budget ending in compromise. The 2011-2012 biennial budget totals **\$2.85B**. Legislators were still able to put \$10M in into savings (the Legislative Stabilization Reserve Account from the Budget Reserve Account) in addition to what is statutorily or constitutionally required, yet in the same manner, they did not 'dip' into the savings accounts either. A quick summary of major fund balances and appropriations for the 2012 biennium:

- **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
 - \$6M for projects
 - \$2.5M for trust fund
 - \$548,000 for administration
 - 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

Below is a summary of the budget by sections: agency funding, capital construction, and budget balancers.

WYOMING'S LEADING TAX POLICY AND RESEARCH ORGANIZATION SINCE 1937.

AGENCY FUNDING – *footnotes beyond standard agency budget*

- \$100,000 of general fund appropriations in the Governor's Office shall be used to continue the work of the **clean coal research task force**.
- \$1.3M is effective immediately in the Treasurer's Office to cover the **Veteran's tax exemption**.
- \$270,000 of School Foundation Program Account appropriations will be used to study the long term effects of the **Hathaway student scholarship program**.
- The Department of Administration and Information will undertake a study of the feasibility of **converting state agency and school district motor vehicles to natural gas fueled vehicles**. Report to Governor and JAC by Nov.1, 2010.
- The CIO of the Department of Administration and Information is also directed to continue work toward **completion and implementation of the Wyoming public finance website**.
- The Natural Resources Division within the Department of Agriculture is directed to evaluate utilization of the funding designated for the emergency insect management program for **grasshopper abatement efforts**.
- DEQ is instructed to reallocate resources within the water quality division sufficient to begin promulgation of a **pesticide general permit** under its national pollutant discharge elimination system authority, to begin promulgation of a 'permit by rule' to accomplish the same ends or to create a means whereby pesticide applications may continue without a permit in Wyoming.
- \$1.9M appropriated to the **Wyoming Cultural Trust Fund**.
- Within the Worker's Safety and Compensation Division, general funds are directed to be used to find alternative managerial approaches for treating **back and spine injuries**. A report shall be given by the Department to the Joint Labor, Health and Social Services interim committee prior to the 2012 legislative session.
- \$142,500 shall be used to carry out the duties of the **Serve Wyoming** program within the Department of Workforce Services.
- The School Facilities Commission is directed to:
 - Distribute up to \$173,019 each fiscal year of the 2011-2012 biennium to each school district with a **charter school** operating in the district which qualifies for lease payments
 - Expend the amount necessary to include the total allowable square footage of each charter school in the computation of the major maintenance payment to each district.
 - Assist districts with charter schools to plan and provide the most cost effective method for meeting the facility needs of that charter school.
- \$2.5M appropriated into the **Wyoming Wildlife and Natural Resource Trust Account**.
- \$100,000 for the **living snow fence program** within the Department of Transportation.
- 22 vacant positions within the **Transportation Commission** will be eliminated effective immediately.
- By October 1, 2010, the **Department of Transportation** shall provide a report to the Joint Transportation Interim Committee describing the Department's 2011 fiscal year budgeted income and expenditures from the highway fund and all other income and expenditures.
- **Heath footnotes:**
 - Directs that all contractual service agreements entered into by the Division of Rural and Frontier Health concerning the implementation of the **Telehealth Program** shall require prior approval by the Governor.
 - \$500,000 shall be used to reduce **developmentally disabled children and developmentally disabled adult waiver waiting lists**.
 - Directs that funds appropriated for **health care financing administration of developmental disabilities, health care financing of developmental disabilities adult waiver services, health care financing of developmentally delayed children's waiver and health care financing of acquired brain injury waiver services** shall not be transferred to any other agency, division or program.
 - \$5.6M in general funds and federal funds shall only be used through grants to **increase service rates of home and community based waiver providers** administered by the Development Disabilities Division.

- Directs that for **nursing facility services, no cost of living adjustment or other increase in rates** not authorized by statute shall be provided in the 2011-2012 biennium without specific legislative action approving the increase.
- The **public health laboratory** is authorized to charge fees for testing services provided for other agencies. All fees may be deposited into a special revenue account, which must be appropriated by the legislature.
- From the Tobacco Trust Fund, \$500,000 shall be expended on **crisis stabilization and acute care services at the Cheyenne Regional Medical Center.**
- \$850,000 shall be expended from the general fund on **crisis stabilization and acute care services for four beds at the Washakie Medical Center in Worland.**
- All monies and income received from the **Wyoming State Hospital in Evanston shall go into a special revenue account from July 1, 2010 to June 30, 2012.** The revenue must be used to correct safety code problems and address other conditions as identified by the Partnership to Resolve Mental Health Issues in Wyoming.
- \$400,000 shall be distributed through the funding distribution model to **senior centers to provide compensation increases for direct care personnel.**
- For one year, all income from the **retirement center in Basin, Wyoming** will go into a special revenue fund only to be used to fund the operation of the retirement center.
- \$685,000 for a **pilot project for the delivery of Telehealth, using contract services.**
- Allows the Governor to expend, as necessary, funds to reimburse services authorized under the Medicaid program involving **pediatric care and transport costs not otherwise available from in-state providers.** Effective immediately.
- \$27,500 from Tobacco Trust to provide support services for persons with epilepsy.
- Under the Department of Family Services, **state supplemental security income monthly payments** for the next year will be:
 - \$25.00 for individual in own household
 - \$27.80 for each member of a couple in own household
 - \$28.72 for individual living with another in household
 - \$30.57 for each member of a couple living with another in household
- For one year the Department of Family Services shall limit the number of **residential treatment facilities certified as child caring facilities** and the overall capacity of those residential treatment facilities to the level of such facilities and beds that were certified as of January 1, 2010.
- \$274,000 of federal funds may be used for the **Father Factor program.**
- The Livestock Board is authorized to provide reimbursement for **brucellosis testing** of not less than \$3.50/head and not to exceed \$8.00/head.
- \$50,000 in general funds may be used to pay for **the increased costs associated with the management of stray and abandoned animals and animals impounded by the Livestock Board.**
- **The WYIN Loan & Grant Program will be reduced by \$2.6M if the Wyoming Investment in Nursing Program is not continued** beyond June 30, 2011. If other legislation is enacted to bring funds to this program, the appropriation is further reduced dollar-for-dollar.
- **The Wyoming Teacher Shortage Loan Program will be reduced by \$300,000 if the program is not continued** beyond June 30, 2011. If other legislation is enacted to bring funds to this program, the appropriation is further reduced dollar-for-dollar.
- Any unexpended, unobligated funds remaining in the **State Lands Trust Preservation Account** at the end of the 2009-2010 biennium shall not revert and are reappropriated for the purpose of funding projects that will preserve the value or revenue generating capacity of state trust lands or mineral assets approved by the Board of Land Commissioners. Effective immediately.
- UW's College of Health Sciences shall determine **the feasibility and associated costs of establishing an accredited physician's assistant education program.** Study to JAC and Joint Health Committee by Nov.1, 2010.
- Directs any unexpended, unobligated appropriations from the **NCAR MOU** (made in 2008) to be used to fund **construction of the fiber optic connection** located in Albany County. If the National Science Foundation approves the NCAR Wyoming Supercomputer Center by June 30, 2010, UW shall expend not to exceed \$1M from its appropriation for state aid for such construction (the amount shall be included in

UW's supplemental budget request). **Prior to expending any funds, UW must engage in a competitive bid process.**

- No **state retirement benefits**, survivor benefit or disability benefit adjustment will be provided in this budget. The JAC will review the issue and bring legislation to the 2011 session.
- Any unexpended, unobligated funds appropriated in the 2008 session for the **Volunteer EMT Pension Plan** are reappropriated for the purposes of continuing the volunteer emergency medical technician pension plan. Effective immediately.
- The Department of Corrections shall work with the Community College Commission to assess the **feasibility and costs of providing coursework at all state correctional facilities**. Joint report to the JAC and Joint Education Committees by Dec. 1, 2010.
- \$50,000 general fund to **assess medical care costs at correctional institutions**.
- \$200,000 to **reestablish the sex offender treatment program**. Report to the JAC and Joint Judiciary Committees by Dec. 1, 2010.
- UW and the Wyoming Medical Society shall enter into negotiations with the University of Washington School of Medicine to increase the number of available **WWAMI** student seats annually from the fiscal year 2010 level of 16 to 18, and ultimately 20 students. UW shall provide a report to the JAC by July 1, 2010.
- The Education Department shall review the **National Certification Incentive Program** with certain criteria as outlined in the footnote (page 66).
- Up to \$1M may be used to pay for **the educational costs of children placed into day treatment programs**.
- \$15,000 may be distributed equally to qualifying school districts for financial assistance for **educational programs offered during summer months for children who are blind**.

CAPITAL CONSTRUCTION

- **Administration and Information** – includes the A&I state building, Camp Guernsey land expansion, Cheyenne NG Air ramp, the Wyoming Tourism Board Welcome Center, and \$12.9M from the Budget Reserve Account to fund the new liquor warehouse, among others.
 - \$32.6M in general funds
 - \$22.3M in federal funds
 - \$19M in other funds
- **School Facilities Commission** – from the School Capital Construction Account –
 - \$480,000 for leasing and planning administration facilities at Teton County School District No. 1, Big Horn County School District No. 3, and Uinta County School District No. 6.
 - \$500,000 for construction of track facilities in Big Horn County School District No. 1, and in Lincoln County School District No. 2.
- **Community College Commission** - from private funding
 - Approval of \$117.9M in projects for Casper College, Eastern Wyoming Community College, Laramie County Community College, Northwestern Community College, and Western Wyoming Community College.
- **University of Wyoming** – from revenues received from the issuance of bonds, monies for the Fine and Performing Art Center (\$33M) and Downey Hall (\$6M).

BUDGET BALANCERS

- No funds from the **Permanent Wyoming Mineral Trust Fund Reserve Account, Common School Permanent Fund Reserve Account, Higher Education Endowment Reserve Account or the Hathaway Student Scholarship Reserve Account** shall be credited to the PMTF, Common School Account, Higher Education Endowment Fund, or the Hathaway Student Scholarship Endowment Fund respectively until June 30, 2012.
- **Borrowing authority given to the State Auditor** from the pooled fund investments as necessary to assist the State's general fund cash flow, as well as the Hathaway scholarship program
- \$750,000 is reappropriated from 2008 Wyoming Session Laws to the Office of the Governor for the **disaster contingency program**.
- \$1M is reappropriated from 2008 Wyoming Session Laws to the Office of the Governor for the **Natural Resource Policy Account Program**.

- \$25M is appropriated from the general fund to the State Auditor's Office for the purpose of providing a **reserve for the state's share of all Medicaid programs**. Of these funds, \$9M shall be used for the increase in caseload.
- **State employee benefits contribution rates** as outlined in Section 307, page 96.
- For the biennium, the **State Department of Fire Prevention and Electrical Safety** is authorized to charge fees to any entity for which it performs any plan inspection or review.
- **Governor flex authority** to transfer funds:
 - Between programs within any executive branch agency, 10% of the total appropriation. (Excludes UW)
 - Between executive branch agencies, 5% of the total appropriation. (Excludes UW)
 - For the biennium only.
- **Judiciary flex authority** – the Supreme Court may transfer up to 5% of appropriations between programs within the Court.
- **Personal services transfers not allowed except:**
 - High cost emergency detentions at the state hospital.
 - Regarding increased costs in supportive services at the retirement center in Basin.
 - Implementing and operating the Department of Health's information technology program within the director's office
- **State hiring freeze** effective July 1, 2010 through June 30, 2012 except to fill a vacancy within the authorized number of positions as indicated by the agency's appropriation act or otherwise specified by legislation.
- **At-will contract employee freeze** unless specifically authorized by legislation, or approved by the Governor.
- **Of the currently 251 vacant and not recruiting positions**, not more than 25 shall be filled.
- Directs the **Governor to review agency budgets every 6 months, and direct agencies to reduce expenditures, if necessary** (includes UW and community colleges as well).
- **CIO review of all information technology or telecommunications expenditures**, including leases.
 - Governor to convene a committee to initiate planning for the transformation and consolidation of state information technology programs.
- **Major maintenance** for state facilities, UW and community colleges for major building and facility repair and replacement, and to address compliance projects required by the ADA. Amounts allocated according to the footnote as outlined on page 107-111.
- **AML Funding:**
 - **Authorization to DEQ to submit grant applications to the Federal Office of Surface Mining for distribution of a portion of funds for the period ending June 30, 2011:**
 - \$33.4M for the **abandoned mine reclamation program and operation of the mine subsidence insurance program**
 - \$2.2M for the **solid waste orphaned site program**
 - \$398,883 to the DEQ air quality division for addressing **statewide energy impacts**
 - \$1.4M to DEQ air quality division for expenditure on operations and maintenance of **ambient air monitors**
 - \$638,101 to the Wyoming state geological survey for identification of **potential CO2 storage sites and EPA sequestration regulations**
 - **Authorization to DEQ to submit grant applications to the Federal Office of Surface Mining for distribution to UW for the period ending June 30, 2012, for the following projects:**
 - \$17.4M for the **operation of the UW School of Energy Resources**
 - \$45M for continuation and acceleration of **carbon sequestration research** (will be matched by private funds)
 - \$666,000 to continue the **Wyoming Reclamation and Restoration Center at UW**
 - \$985,000 for a **mass spectrometer**

- \$14M to the School of Energy Resources for **clean coal technology research** as recommended by the clean coal research task force
 - \$120,000 to be used to contract for a qualified engineer to assess damages to houses or other residential structure located in Sweetwater County alleged to be caused by **dynamic compaction**.
 - There was also a number of **reversion date changes for AML funds authorized in the 2008 Session Laws** – see Section 321, page 116 of the budget bill for details.
 - **Clean Coal Partnership Project** – requires UW to report any claim against the university or any of its employees or students for wrongful acts with regard to intellectual property of another, which claim is covered under insurance secured by UW regarding the partnership project.
 - **Amendment to the NCAR 2007 Session Laws** stating that unobligated and unencumbered funds related to the Wyoming Business Council implementation of the NCAR still be available until June 30, 2013 (from 2010). Other changes include:
 - **\$4.250M appropriated to UW for architectural and engineering services for the construction of the supercomputer.**
 - **Other funds shall be available until 2013 under this section as well.**
 - Changes to **UW capital construction amendments to prior session laws** – see Section 325, page 121 of the budget bill.
 - Change in the **Athletics Bridge Loan interest rate** from 5.35% to 4.5%.
 - Creation of a **Center for Distance Learning and Technology**, a Distance Learning Council, a task force, which will report by Nov.1, 2010 and Nov. 1, 2011 to the Governor and JAC. Appropriation of \$2.5M to UW
 - Establishment of an effective **state video conference capability**. Appropriation of \$1.7M to UW
 - Direction of use of **American Recovery and Reinvestment Act** funds.
 - \$3M from the general fund to the **Public Library Endowment Challenge Fund**
 - \$1.2M from the general fund to the **Wyoming Pipeline Authority** for operating expenses, as well as declaration of the Authority's existing loans as forgiven. Joint Minerals is directed to determine how to transition to a state agency this interim.
 - \$1.7M from the general fund to the **Wyoming Infrastructure Authority** for operating expenses, as well as declaration of the Authority's existing loans as forgiven. Joint Minerals is directed to determine how to transition to a state agency this interim.
 - **School Capital Construction**
 - \$300,000 for planning projects for the 09-10 biennium
 - \$4.8M for design projects for the 09-10 biennium
 - \$5.9M for component level projects for the 09-10 biennium
 - \$758,000 in land acquisitions for the 09-10 biennium
 - **Total: \$11.7M for the 09-10 biennium**
 - Up to \$134M in school construction for 11-12 biennium as prioritized
 - Up to \$18M for component level projects for the 11-12 biennium
 - \$29.3M for elementary schools in Sweetwater #1 and Campbell #1
 - **Total may not exceed \$181.5M for the 11-12 biennium**
 - Further, funds that were to be deposited into the Common School Permanent Land Fund on June 30, 2010 will not be deposited, and instead subject to the following:
 - An amount necessary to **restore the balance within the School Foundation Program Account at \$40M**
- **School Finance Recalibration** – creates a committee to review the components of the education model, among other things and make recommendations for the 2011 session.
- **Local Government Distributions** - \$20M is appropriated from the Permanent Wyoming Mineral Trust Fund Reserve Account and \$67.5M from the general fund to the Office of State Lands and Investments to be allocated accordingly:
 - **2/3 of 89% for direct distribution to cities and towns**
 - **1/3 of 89% for direct distribution to counties**
 - **5.5% to revenue challenged cities and towns**

- 5.5% to revenue challenged counties
- **Creation of a Select Committee on Developmental/Intellectual Programs** to analyze data provided by service providers for persons with developmental disabilities and service provider organizations to determine the fiscal viability of providers following the 2009 implementation of cost-based reimbursement payments.
- **Continuation of the Wildlife Trust Challenge Account**
- **Out of state travel and publication restrictions** - would restrict out of state travel, advertising and publications expenditures and require reporting of such activities – *Vetoed by the Governor*
- **Restrictions on state agency contractual services** – requires a monthly report on such contacts
- **Directs the Department of Audit to conduct an accurate accounting of total costs of all projects receiving funds from the School Capital Construction Account for the preceding 4 biennial periods.** Two additional part-time positions are authorized as well as \$70,000 from the School Capital Construction Account.
- **The Select School Facilities Committee is directed to study and prepare a plan for the reorganization of the School Facilities Commission.** Plan is to be submitted to JAC by Sept. 1, 2010.