

FY 2021-2022 Biennial Budget Background



WYOMING LEGISLATIVE SERVICE OFFICE

March 8, 2021

2021-22 Estimated General Fund Budget Shortfall Timeline



Governor's Actions

The Governor implemented the following three steps:

Step 1 (implemented and ongoing)

- Freezing positions and large General Fund (GF) contracts (\$100,000+) resulted in reversions of \$67 million from FY 2019-2020 biennium, higher than the \$30-\$40 million anticipated, at least partially attributable to savings from "Step 1"

Step 2 (implemented as of July 1, 2020 for budgets and ongoing)

- Required agencies to recommend a 10% GF reduction (\$335.1 million; \$254.6 million without state major maintenance reductions and fund swap)

Step 3 (not implemented - pending passage of the Budget Bill for July 1, 2021)

- Asked agencies to identify another 10% GF reduction (\$111 million; \$62.7 million without state major maintenance reductions and funds swap)



Major Governor's Recommendations*

- **Total average, recommended reduction (Steps 2 and 3) = 15% (11% without state major maintenance**)**
 - No reductions to law enforcement or public safety for Step 3
- **Major Maintenance (MM) = 25% reduction (\$32.2 million)**
 - Reduced MM multiplier from 2% to 1.5%
 - PLUS, shifted remaining \$96.6 million from GF to SIPA (fund swap)
- **One Percent Severance Tax Account (OPSTA)**
 - Use the \$128.8 million for GF expenditures or directly support the 5% statutory reserve amount

*Total amounts shown in LSO Profile incorporate subsequent Governor's letters.

Wyoming Legislative Service Office



**Total amounts include judicial recommendations.

March 8, 2021

Agency Reductions (Gov and JAC)

Agency #	Agency	2021 Total Reductions, All Funds (Gov's + JAC)	2021 Total GF Reductions (Gov's + JAC)	Percent Total Reductions, All Funds	Percent Total GF Reductions
001	OFFICE OF THE GOVERNOR	(321,397)	(826,654)	(0.92%)	(6.22%)
002	SECRETARY OF STATE	(846,072)	(792,232)	(8.83%)	(9.13%)
003	STATE AUDITOR	(3,330,555)	(3,330,555)	(17.93%)	(17.93%)
004	STATE TREASURER	(2,618,853)	(2,618,853)	(3.30%)	(16.20%)
006	ADMINISTRATION AND INFORMATION	(6,451,137)	(12,458,335)	(0.74%)	(18.02%)
007	WYOMING MILITARY DEPARTMENT	(1,920,628)	(1,279,470)	(2.51%)	(7.97%)
008	OFFICE OF THE PUBLIC DEFENDER	(2,931,667)	(2,491,917)	(10.01%)	(10.00%)
010	DEPARTMENT OF AGRICULTURE	(3,304,704)	(3,416,442)	(8.52%)	(11.18%)
011	DEPARTMENT OF REVENUE	(2,211,564)	(1,865,606)	(0.96%)	(9.91%)
015	ATTORNEY GENERAL	(5,098,597)	(4,866,783)	(5.14%)	(7.87%)
020	DEPARTMENT OF ENVIRONMENTAL QUALITY	(3,684,895)	(4,214,347)	(2.05%)	(11.15%)
021	DEPARTMENT OF AUDIT	(1,168,130)	(1,172,447)	(4.51%)	(8.65%)
024	STATE PARKS & CULTURAL RESOURCES	(2,723,909)	(3,882,154)	(4.59%)	(11.83%)
027	STATE CONSTRUCTION DEPARTMENT	(1,121,620)	(279,373)	(0.68%)	(8.65%)
037	STATE ENGINEER	(1,573,021)	(1,573,021)	(5.57%)	(12.50%)
039	WILDLIFE/NATURAL RESOURCE TRUST	(1,600,000)	(1,600,000)	(7.61%)	(16.00%)
041	FIRE PREVENTION & ELEC SAFETY	(100,000)	(814,189)	(1.36%)	(12.58%)
042	GEOLOGICAL SURVEY	(700,869)	(700,869)	(14.42%)	(14.42%)
044	INSURANCE DEPARTMENT	(811,853)	(811,853)	(4.13%)	(18.40%)
048	DEPARTMENT OF HEALTH	(143,922,946)	(111,799,131)	(7.22%)	(11.29%)
049	DEPARTMENT OF FAMILY SERVICES	(17,000,143)	(15,365,490)	(5.82%)	(10.37%)
051	LIVESTOCK BOARD	(193,593)	(707,502)	(1.01%)	(12.29%)
053	DEPARTMENT OF WORKFORCE SERVICES	(1,318,851)	(3,218,458)	(0.64%)	(15.19%)



Agency Reductions (Gov and JAC)

Agency #	Agency	2021 Total Reductions, All Funds (Gov's + JAC)	2021 Total GF Reductions (Gov's + JAC)	Percent Total Reductions, All Funds	Percent Total GF Reductions
057	COMMUNITY COLLEGE COMMISSION	(29,273,548)	(29,070,260)	(11.24%)	(11.40%)
060	STATE LANDS AND INVESTMENTS	(1,696,688)	(3,247,375)	(1.60%)	(12.96%)
063	GOVERNOR'S RESIDENCE	(87,989)	(87,989)	(14.96%)	(14.96%)
066	WYOMING TOURISM BOARD	(3,404,982)	(3,404,982)	(12.83%)	(12.84%)
067	UNIVERSITY OF WYOMING	(52,421,402)	(52,421,402)	(11.77%)	(11.77%)
069	WICHE	(574,382)	(574,382)	(11.25%)	(11.25%)
070	ENHANCED OIL RECOVERY COMM	(751,786)	(751,786)	(14.50%)	(14.50%)
077	ENTERPRISE TECHNOLOGY SERVICES	(6,856,023)	(3,133,116)	(5.48%)	(5.31%)
080	DEPARTMENT OF CORRECTIONS	(23,312,543)	(27,942,852)	(8.09%)	(10.28%)
081	BOARD OF PAROLE	(240,608)	(240,608)	(13.85%)	(13.85%)
085	WYOMING BUSINESS COUNCIL	(5,314,024)	(5,314,024)	(9.38%)	(13.08%)
090	WYOMING ENERGY AUTHORITY	(157,500)	(157,500)	(6.85%)	(6.85%)
096	STATE BUDGET DEPARTMENT	(63,828)	(63,828)	(2.59%)	(2.59%)
098	OFFICE OF GUARDIAN AD LITEM	(478,839)	(383,071)	(8.68%)	(8.79%)
101	SUPREME COURT	(4,107,795)	(4,107,795)	(5.18%)	(7.14%)
103	COMM ON JUDICIAL CONDUCT & ETHICS	(37,059)	(37,059)	(10.00%)	(10.00%)
120 to 143	COMBINED ALL JUDICIAL DISTRICTS	(100,000)	(100,000)	(0.35%)	(0.35%)
151	DISTRICT ATTORNEY/JUD DIST #1	(269,096)	(269,096)	(5.30%)	(6.12%)
157	DISTRICT ATTORNEY/JUD DIST #7	(269,748)	(269,748)	(6.29%)	(6.29%)
160	COUNTY & PROS ATTORNEYS	(633,634)	(633,634)	(9.85%)	(9.85%)
205	EDUCATION-SCHOOL FINANCE	(2,776,461)		(0.15%)	
206	DEPARTMENT OF EDUCATION	(2,247,574)	(1,776,792)	(0.69%)	(9.82%)
211	BOARD OF EQUALIZATION	(294,313)	(294,313)	(16.17%)	(16.17%)
220	ENVIRONMENTAL QUALITY COUNCIL	(109,000)	(109,000)	(15.12%)	(15.12%)
300s	ALL SECTION 300s COMBINED	(26,066,047)	(131,601,587)	(8.04%)	(94.93%)
Grand Total		(218,777,810)	(446,077,880)	(2.48%)	(15.00%)



Major JAC Changes from Gov Rec

- **Net Joint Appropriations Committee (JAC) changes by funding source:**
 - GF = additional **\$1.5 million** in budget reductions
 - Strategic Investments and Projects Account (SIPA) = net **\$21.0 million** (including capital construction) in lower recommended appropriations*
 - School Foundation Program account (SFP) = additional **\$3.1 million** in budget reductions

*Does not include Governor's recommendation of SCCA transfer to SIPA for which there are insufficient funds.



Major JAC Changes from Gov Rec

- **One-percent severance tax remains in OPSTA; eliminate OPSTA deposits to Legislative Stabilization Reserve Account (LSRA) and Permanent Wyoming Mineral Trust Fund (PWMTF)**
- **Remove LSRA backstop for employer health insurance contributions (\$21.33 million)**
- **Maintain National Guard Youth Challenge Program**
- **Transfer \$19.6 million from SIPA to balance School Capital Construction Account (SCCA)**

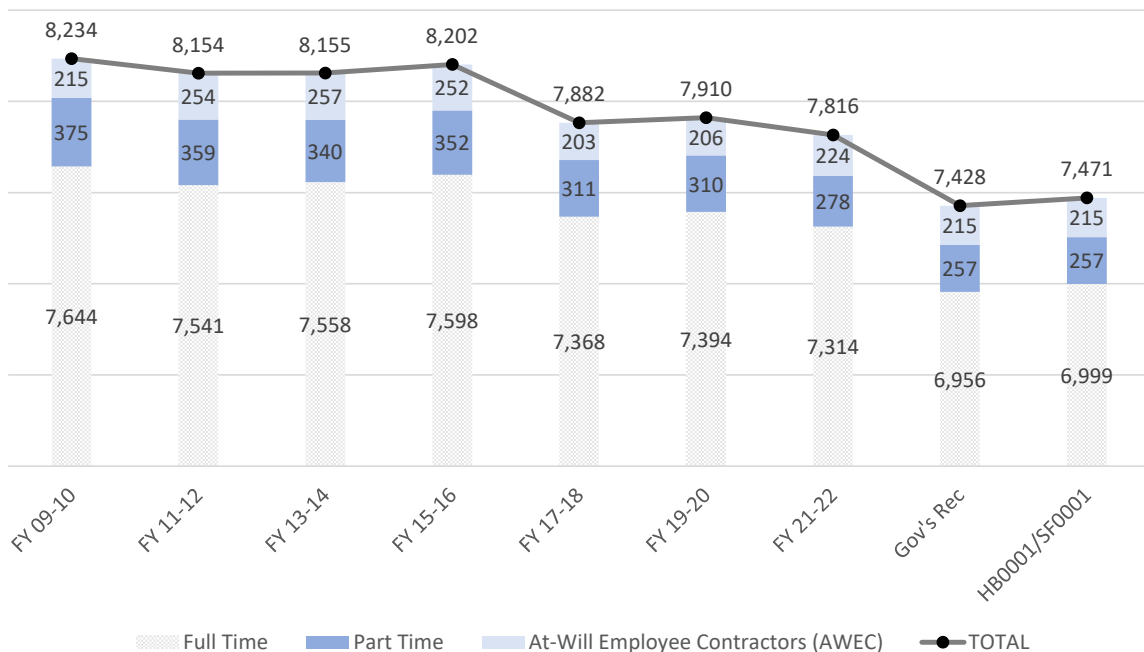


Major JAC Changes from Gov Rec

- **Reduced SFP funding in various divisions in Department of Education and School Foundation Program by 15%**
- **Remove SIPA funds from University of Wyoming and community college new capital construction requests (*other bill*)**
- **Reduced Gov's local government distributions cut by one-half (\$10.5 million reduction per Governor and \$5.25 million reduction by JAC) (*other bill*)**



State Appropriated Positions



Summary of Position Reductions Included in HB0001/SF0001

	Total Positions	FT	PT	AWEC
Step 2 Reductions	-274	-247	-19	-8
Step 3 Reductions Gov's Rec	-106	-106	1	-1
Judicial Reductions	-8	-5	-3	0
TOTAL Reductions	-388	-358	-21	-9
JAC changes to Gov's Rec	43	43	0	0
Reductions HB0001/SF0001	-345	-315	-21	-9

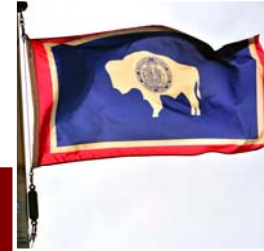


Other Major Appropriation Bills

- **SF64, Local government distributions-revisions-2, reduces \$5.25 million LSRA (JAC position); Senate position reduces \$10.5 million**
- **HB121, State funded capital construction, appropriates:**
 - \$16.9 million Federal Funds
 - \$94.0 million Private Revenue (local UW and community college funding)
 - \$ 5.8 million Special Revenue
 - \$31.0 million Strategic Investments & Projects Account
- **HB61, School finance recalibration, reduces School Foundation Program**
 - \$90.5 million FY 2022 / \$81.2 million FY 2023 / \$81.1 million FY 2024



Conclusions



Available Balances

- GF: \$15.9 million
- SIPA: \$52.1 million
- LSRA: \$1,139.5 million
- OPSTA: \$128.8 million/biennium

(As of March 1, 2021)

Outlook

- GF: Next biennium - \$27 million shortfall PLUS statutory reserve amount; Long-term - balanced
- SFP: Approximately \$250 million/year PLUS investment guarantees in future years
- SCCA: Approximately \$50 million/year PLUS investment guarantees

