

Bill No.: SF0068 **Effective:** 7/1/2016
LSO No.: 16LSO-0145
Enrolled Act No.: SEA No. 0058
Chapter No.: 118
Prime Sponsor: Joint Appropriations Interim Committee
Catch Title: Budget shortfall measures (Sub. #1).
Subject: Process for addressing budget shortfalls

Summary/Major Elements:

- While appropriations do not exceed anticipated revenues, it is possible for revenues to be less than anticipated and they could drop below funds appropriated in periods of declining investment returns, mineral production or pricing.
- Over the past ten to fifteen years, provisions have been placed in the general appropriations bill providing authority for the Governor to address possible budget shortfalls.
- This bill codifies some of those provisions and adds others. It provides a role for the Legislature to participate in addressing budget shortfalls that occur between sessions.
- The bill provides for a contingent appropriation process under which the Legislature may, but is not obligated to, provide funds which the Governor may access as an alternative to cutting expenditures should revenues decrease.
- The bill provides the Governor will notify the Joint Appropriations Committee (JAC) and the Legislature before cutting authorized expenditures. The JAC and, if Management Council determines necessary, standing committees will provide recommendations to the Governor regarding actions to address a budget shortfall.
- The bill also explicitly provides for the potential diversion of two revenue streams to address a budget shortfall (the one percent severance tax deposited by statute to the permanent Wyoming mineral trust fund and funds from permanent mineral trust fund investment earnings directed to the Legislative Stabilization Reserve Account and the Strategic Investment Projects Account). These funds may be diverted by a general appropriations bill if the Legislature determines that should be done in any fiscal year.
- The bill also defines the Consensus Revenue Estimating Group (CREG) in statute and generally exempts CREG from the administrative procedures act, the public meeting act and public records provisions.
- The bill makes amendments to the budgeting process to address budget shortfalls (*i.e.*, anticipated revenues are less than expected, resulting in over appropriations) and structural budget deficits (*i.e.*, ongoing expenditures exceed traditionally available revenues (excluding savings)).

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