

2-7-2017

Hello Sublette County, this is Albert Sommers reporting to you from Cheyenne on Tuesday, Feb. 7. Third and final reading on HB 236, the omnibus school finance bill, was hotly debated today, with multiple third reading amendments. Yesterday, in Second Reading, all of the proposed taxes for education had been stripped out of the bill. Today, I co-sponsored an amendment to bring back the half-penny sales tax, which would initiate when our Rainy Day account drops to \$500 million. HB 236 utilizes the state's Rainy Day account as a budget balancer to fund K12 education costs, when cuts, investment income, and money shifts are insufficient. This half-penny sales tax, approximately \$85 million annually, is one of five \$80-million-dollar components to solve our \$400 million annual deficit in education funding. By bringing the tax in when the Rainy Day account hits \$500 million we are committing to spending down our savings prior to any tax increase. This sales tax contains a trigger that removes the tax when traditional revenue sources return to an amount sufficient to fund education. The half-penny sales tax amendment passed, and I voted for it.

We need to find a comprehensive solution to education funding, and that means we need to cut and tax. An amendment was proposed to force districts to spend their reserves down by half, including reserves that were created prior to the equalization of school funding. I believed this amendment was unconstitutional, and would have severely hurt Sublette school districts that face cash flow challenges from notices of valuation changes (NOVCs). NOVCs occur when energy companies request changes in their tax valuation payments. When that happens, the county and schools have to pay back money, sometimes large sums of money. The amendment failed, and HB 236 passed the House, with my support.

Yesterday and today in Committee of the Whole, the Appropriations Committee presented the budget to the floor of the House. Each of us on the committee presented different agencies' budgets, and the cuts or additions made to the Governor's recommendations. Our budget constitutes \$275 million in cuts from the budget adopted last session. This is in response to a \$335 million projected reduction in 2017/18 revenues. The budget today includes 135 fewer

full-time positions than the budget adopted last session, with more than 208 positions reduced in the biennium. Our committee targeted \$100 million in biennial reductions to compensate for the structural deficit of the 2017/18 standard budget. These cuts and fee increases will touch everyone in Wyoming, and there are no easy solutions. Tomorrow and Friday, the Appropriations Committee will defend the budget as House members bring amendments in Second and Third Reading to restore or cut more programs from the budget.

Goodnight for now.