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Hello Sublette County, this is Albert Sommers reporting to you from the legislative interim. The interim is that period of time between legislative sessions, when committees meet to work on the issues prioritized by the Legislature. Legislative sessions last 1 or 2 months during the winter, and legislative sessions are constitutionally capped at 60 working days for a two-year period. Sessions are where bills pass or fail, and budgets are debated. During the interim, issues are studied in depth, and committees decide whether to bring bills to the next session pertaining to the issues they study. I serve on the Joint Appropriations Committee (JAC), and we met on June 11-12 in Cheyenne.

The JAC received updates from two state agencies, the Office of Homeland Security and Enterprise Technology Services. However, the bulk of our time was spent discussing three main issues: state investment of funds, revenue streams/budget process, and gambling.

The State Treasurer's office and the Wyoming Retirement System are responsible for investing the various funds of the state. The State Retirement System manages pension plans for state employees and public school teachers, while the State Treasurer manages non-retirement financial assets and the investment portfolio for the state. In 2017, the State Treasurer managed about \$20.7 billion and the Retirement System managed about \$8.5 billion. Each of these entities has a different mission, and the State Treasurer must manage multiple pots of money with different financial goals. The State's investments provide a substantial return to the state, and the Appropriations Committee was tasked with examining whether improvements could be made to the investment structure to increase those rates of return. Combined, the Treasurer's Office and State Retirement System expend over \$110 million annually on external investment firms to manage the State's funds. Should Wyoming manage more of the investments in-house, and save some of that \$110 million? Should we create an incentive-based salary structure for the investment staff? Are there any efficiencies that can be realized by combining some of the duties of the Treasurer's office and the Retirement System? How do we maximize our investment income, while managing risk? And, how do we insulate investment decisions from the political whims of the elected? These are some of the questions

we hope to answer. During this meeting, some of the best state fund managers in the nation provided us with information on their state's investment structures. The one common theme among the states, a state needs a high quality Chief Investment Officer.

The Appropriations Committee was also assigned the topic of examining Wyoming's revenue flows and budget process. Our budget is complicated and has been ranked as one of the most complicated state budgets in the country. Wyoming is lucky to have two large permanent trust funds, but the spending policies for the income off of those accounts are convoluted to say the least. Many of the State's revenue flows were created years ago, under a different financial picture. One example is Federal Mineral Royalties, which are split among several different agencies. Do those splits make sense today, considering our fiscal challenges could lie in another area? At this meeting we drafted a bill to eliminate the Budget Reserve Account, because it is an artifact from an earlier time, and seems to only complicate the budget picture today. How can we make the budget more transparent to the public and legislators, especially the moving parts of the various accounts?

Humans have gambled for eons. How should Wyoming regulate gambling in this era of the computer and internet? Should the state receive revenue from gambling? We heard that illegal gambling occurs all over Wyoming, and that it appears to be a low priority for local prosecutors. County prosecutors have the enforcement authority for gambling in Wyoming. Should a Statewide Gaming Commission be created to oversee gambling? What is a game of chance as opposed to a game of skill? Currently Wyoming allows legal gambling on the Wind River Indian Reservation, the State Lottery, Pari-mutuel, and charitable bingo/pulltabs. The oversight of these various forms of gambling is a mixture of local, state, and federal.

If you have any thoughts on these issues, I can be reached at [albert@albertsommers.com](mailto:albert@albertsommers.com)