

BUSINESS BUZZ.....

Here is the latest update from WBA President Cindy DeLancey about advocacy efforts on behalf of our members, upcoming meetings and events, as well as news from our membership. If you have any questions, please contact us at 307-635-9490 or email Cindy at cindy@wyoba.com.

Update on the Joint Revenue Committee

The committee, which met on Jan. 31 in Cheyenne, finalized its work for the 2017 interim including the final consideration of legislation requested in previous meetings of the committee.

- [18LSO-0198 v0.6 Leisure and hospitality tax](#). Failed. 6-6
- [18LSO-0142 v0.3 Sales tax on specified services](#). Laid back for lack of a second
- [18LSO-0143 v0.5 Sales tax for school capital construction](#). Laid back for lack of a second
- [18LSO-0144 v0.5 Property tax assessment rates](#). Laid back for lack of a second
- [18LSO-0291 v0.3 Property tax revisions](#). Laid back for lack of a second



Update on Select Committee on School Finance Recalibration

The committee, which met in Cheyenne January 29-30, unanimously voted against the recommendations proposed by the consultant Augenblick, Palaich and Associates to change the state's education funding model. The [proposal](#), recommended spending at least \$70 million more than what is spent now. Some committee members were also concerned with the proposal's cost of living adjustment, which is meant to provide equity among school districts. The plan now is to continue to work with the current legislative funding model.

[18LSO-0395 v0.5 - School finance recalibration - transportation](#): passed
[18LSO-0396 - School finance recalibration - special education](#): failed
[18LSO-0398 - School finance recalibration - administrators](#): withdrawn

WELCOME TO NEW MEMBERS

Please help me welcome the [University of Wyoming's School of Energy Resources](#) as a new members!

NEWS

[ExxonMobil: Tax and regulatory reform's economic boon](#): Darren Woods, Chairman and CEO of ExxonMobil, gives a report. "At ExxonMobil, we plan to invest more than \$50 billion over the next five years to expand our business in the United States. These investments are underpinned by the unique strengths of our company and enhanced by the historic tax reform recently signed into law."



Darren Woods

[Governor's Office: Governor Mead Takes Action on ENDOW Preliminary Recommendations](#): Governor Mead signed two Executive Orders today based on recommendations by the ENDOW Executive Council in their December Preliminary Findings and Recommendations report. The first

Executive Order (EO) establishes an educational attainment goal for Wyoming workers (age 25 - 64). The second EO provides contracting opportunities for local technology businesses bidding on state contracts.

NEWS FROM MEMBERS

GUEST COLUMN: Who are we, Wyoming?

Matt Micheli, a partner with Holland & Hart (a WBA member), is writing a series of guest columns related to Wyoming issues. His first column is below.



Matt Micheli

I am a fifth-generation Wyoming native, born and raised on a ranch near Fort Bridger. I have been surrounded by and involved in Wyoming public policy my entire life. I have spent a lot of time thinking about the issues facing Wyoming. This paper asked me to share my thoughts on some of these issues through a regular guest column, and I decided that this is an opportunity that I cannot pass up.

I love everything about Wyoming. I love its scenery, its people and most importantly, I love our "can do" attitude. We are such a unique state - different from anywhere else in the world. That is why I think it is so important that we address the issues facing our state head on.

Reading the papers every day, I am struck by the headlines:

"Wyoming faces massive budget shortfall!"

"Wyoming faces unprecedented education funding gap!"

"Wyoming is too reliant on fossil fuels!"

Articles like these point out what should be obvious to us all: Wyoming is at a crossroads. We are faced with critical choices about our state's future. We must decide which path forward we will take. We must ask ourselves, who are we and who do we want to become?

Wyoming is consistently ranked as one of the states with the lowest individual tax burdens in the country. At the same time, Wyoming is consistently ranked among the top states for spending per capita. It is ironic that we love to disparage the

"liberal welfare states" like Illinois, California and New York, but Wyoming spends substantially more per person than all of those states. Wyomingites have a built-in excuse - "We are a rural state," we say. "It costs more to provide services in such a big state with so few people." While that may be true in part, does this excuse mean that we should spend more than double what Montana and Nebraska spend per person? Does it allow us to spend nearly triple what South Dakota spends per person?

Wyoming is now faced with a situation where individuals pay very little in taxes and the state spends an extraordinary amount of money to pay for services. The Wyoming Taxpayers Association conducted a study that found that the typical three person Wyoming family, with an income of \$60,000 and a house worth \$190,000, pays about \$3,000 a year in state and local taxes. That same typical Wyoming household receives more than \$30,000 a year worth of services from the state and local governments. That is not sustainable.

How did we find ourselves here? Over the past decade, roughly 70% of the revenue generated by the state came from the natural resources industry. This reliance on one industry to fund our government results in the boom and bust cycles that have plagued Wyoming since statehood. Key question: Can we continue to rely on these natural resource industries to foot the bill for everyone else?

Asking these questions necessarily leads to other questions. First, how do we diversify our economy to break out of this cycle? The Governor has put forward ENDOW (Economically Needed Diversity Option for Wyoming), and tasked it with diversifying Wyoming's economy. But what will they do to accomplish that goal? More importantly, what should they be doing? In Wyoming, we love to complain about the federal regulatory burden, but we often do not think about our state regulations. Are they business friendly? Do they attract entrepreneurs to Wyoming? Is ENDOW going to look at our laws and regulations and recommend changes to make Wyoming more business friendly? Should it?

There are other potential sources of income that the state should consider. Wyoming was wise enough to set aside \$20 billion dollars in our permanent trust funds, but what are we doing with that money? The most recent Treasurer's report shows that the three-year average annual return on that \$20 billion is 3.5%. The 2016 annual return was 1%. For every 1% increase in annual returns, Wyoming gets an additional \$200 million in revenue a year. How do our investment returns compare to other sovereign funds? Why can't Wyoming meet or even beat what other states are doing? We are Wyoming, why can't we be the best?

Finally, what are we going to do with our education system? I have three children in Wyoming public schools. We all value our children and we want them to have a great education, but what does that cost? We spend at least 50% more per student

than all of our neighboring states. Do our students get a 50% better education? When education makes up roughly half of our state budget, should it be immune from any budget cuts?

I hope that as we continue with these guest columns, we can explore these issues together. I plan to delve into each one in much greater detail in the coming weeks and months, but I hope these articles can contribute to the discussion on how our state should move forward, positively. I look forward to writing these columns and would love to hear your thoughts and feedback as we wrestle with these issues. Like you, I love Wyoming too much to sit back and let inaction dictate our future.

MARK YOUR CALENDARS

Feb. 1 - Central Economic

Forecast The Central Wyoming Economic Forecast Lunch will be held on Feb. 1, from 11:30 am to 1:30 pm in Caper. Tickets are \$25. [Register here](#). The WBA is partnering with the Wyoming Business Report.



Feb. 12 - Wyoming Legislature starts

The 2018 Budget Session will convene with the Joint Session of the Legislature and the Governor's State of the State address February 12 at 10 a.m. Bills are being posted [online](#).



Feb. 12 - WBA Steering Committee and Membership Meeting

The meeting will feature a panel discussion on Acceptable modern workplace behaviors: understanding the current landscape from an employer's perspective.

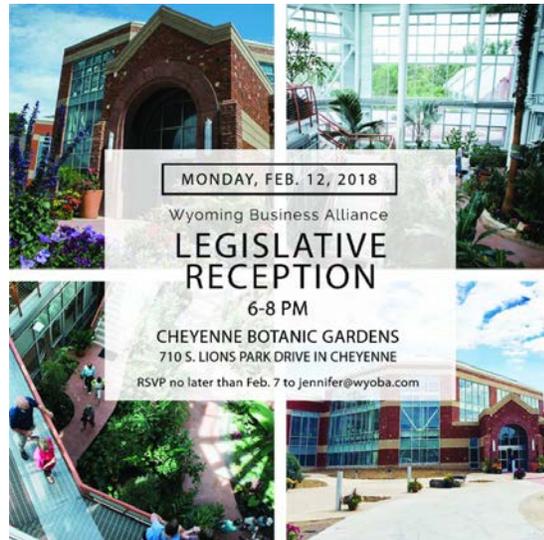
[Register](#) || [Download the agenda \(PDF\)](#)



Feb. 12 - WBA Legislative Reception

Please join us for the 2018 Legislative Reception at the Cheyenne Botanic Gardens. The WBA will be hosting a reception welcoming our Legislators back to town from 6-8pm. Please contact Cindy DeLancey if you are interested in sponsoring this event. We need sponsors to host this event!!!

[Register](#) || [Download the agenda \(PDF\)](#)



[BP 2018 Energy Outlook to be held on Feb. 20](#)

The global energy landscape is changing. WBA member BP is holding a Feb. 20 webcast launch of BP's 2018 Energy Outlook. The 2018 BP Energy Outlook will outline BP's views of future global energy markets through to 2040 and explores a range of scenarios.



Feb. 14, 2018: [National Historic Preservation Act Seminar hosted by Wyoming County Commissioners Association](#)

Feb. 27 - Wyoming EXCELS and WY Department of Education Legislative Reception

The reception will be held at Little America in Cheyenne from 5:30-7:30 p.m.



May 16 - WBA Steering Committee and Membership Meeting

The meeting will be held in Casper at the WC Training Center



November 2018 - Governor's Business Forum

The 2018 Governor's Business Forum will be held November 13 -15, 2018 at Little America in Cheyenne. Our Planning Committee is looking for additional members. Email Cindy at cindy@wyoba.com.



SEND US NEWS TO SHARE WITH MEMBERS

If you have any news to share with our members, please send it my way and I will try to incorporate in our Business Buzz. I look forward to sharing the news! If you

have any questions, please contact us at 307-635-9490 or email Cindy at cindy@wyoba.com.

WBA STEERING COMMITTEE MEMBERS

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Ernie Skretteberg, McGarvin-Moberly Construction, WBA Vice Chair
Alexandra Wilkinson, Porter, Muirhead, Cornia & Howard, WBA Treasurer
Paul Radakovich, Rocky Mountain Power, WBA Past President
Dave Bell, HUB Insurance, Mountain States
Liz Brimmer, Brimmer Communications
Fred Bronnenberg, Groathouse Construction, Inc.
Dan McGlade, NCSG Crane & Heavy Haul Services
Tim Stubson, Crowley Fleck

Advisors to the Management Committee

Nick Agopian, Devon Energy
Erin Taylor, Taylor Strategies and Consulting LLC

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Brent Berg, Cameco Resources
Jerry Blann, Jackson Hole Mountain Resort
Dave Bostrom, Bostrom Enterprises
Dave Bruni, First Interstate Bank
Rick Curtsinger, Cloud Peak Energy
Vickie Diamond
John Dill, Chesapeake Energy
Dennis Ellis
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Rick Kaysen, Wyoming Association of Municipalities
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Barbara Sessions, Silver Star Communications
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Peter Wold, Wold Oil Properties, Inc.

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Sen. Hank Coe, Wyoming State Senator
Gov. Jim Geringer
Sen. Drew Perkins, Wyoming State Senator
Gov. Mike Sullivan

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Petroleum Association of Wyoming
Wyoming Automobile Dealers Association
Wyoming Banker's Association
Wyoming Contractors Association
Wyoming Medical Society
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