

Wyoming Legislature to wrap up '09 session this week

By The Associated Press

CHEYENNE - The Wyoming Legislature plans to wrap up its 2009 session on Thursday.

When the final gavel sounds, lawmakers will close the books on a session that saw them propose nearly 400 bills and grind through almost two months of committee hearings and floor debate.

Against a backdrop of falling energy prices and economic turmoil, however, some top Wyoming lawmakers say they're returning home this week with a sense of uncertainty about the state's financial future.

House Speaker Colin Simpson, R-Cody, said Friday that he's talked to house speakers in half a dozen other Western states and heard the same message from each of them.

"All of them, without exception, are facing big deficits," Simpson said. "So the reality in our region is that most of them are looking at big budget cuts. So it's only practical to believe that Wyoming has to be careful."

This has been an unusual legislation session for Wyoming budget issues.

The Legislature usually starts a session equipped with carefully crafted budget bill drafted in December by the Joint Appropriations Committee. This year, however, concerns about the effect of falling energy prices kept the committee from starting work on the budget until the start of the session in January.

Stimulus bill uncertainty

Another uncommon variable this year was uncertainty about how much money the state stands to receive from the \$787 billion federal stimulus bill that President Barack Obama signed into law in February.

Gov. Dave Freudenthal's office last week estimated the state could qualify for as much as \$515 million from the stimulus bill. However, the governor has warned that his office won't apply for money if taking it would commit the state to programs or policies it doesn't want to pursue.

Meanwhile, Freudenthal has ordered all state agencies to make plans for funding 5-10 percent funding cuts in the fiscal year that starts in July to prepare for sinking state energy revenues.

Simpson said it's possible that legislators will have to come back into special session if the state actually faces heavy spending cuts before the scheduled budget session next February.

Cutbacks possible

"I'm really having a hard time gauging that," Simpson said of the prospect of a special session. "It will depend on what the revenue picture looks like in May or June, and what the governor proposes. And it also largely depends on what the price of natural gas does over the next quarter. If it continues to stay low, it will drive a lot of cuts."

The state's Consensus Revenue Estimating Group in January cut its projection of how much surplus money the state will have to spend in the coming fiscal year. The revised report cut the group's October projection of \$900 million to just under \$260 million. Officials say that figure is likely to drop further when the CREG group holds a special meeting this spring.

House and Senate budget conferees failed to reach agreement on their respective budget bills on Friday night. The Senate opposes a House proposal to divert \$100 million over the coming fiscal year away from the state's Permanent Mineral Trust Fund in case the state needs it for operating expenses.

Simpson said he doesn't expect that lawmakers would have to return to Cheyenne to deal with the question of how to apportion dollars from the federal stimulus bill.

Senate President John Hines, R-Gillette, said the state still doesn't have solid information on what the

stimulus bill will mean. He said federal money for health and education programs may carry restrictions on how it can be used.

"What little I understand about it, I think the part that would go to the transportation commission for highway use would probably be the most beneficial for Wyoming," Hines said.

Freudenthal's office said the stimulus bill contains \$157 million for Wyoming highway projects that should be available soon enough for this summer's construction season.

Rob Hurless, energy policy adviser to Freudenthal, said the state will pay special attention to billions of dollars in the stimulus bill available for clean coal and carbon storage projects. Wyoming is the nation's largest coal-producing state. He said rules haven't yet been drafted on how the money will be released.

Simpson said it will be important for the Legislature and the Governor's Office to work together to leverage some of the billions of federal dollars that are available for clean coal and energy research.

"We do a great job in trying to fund some of those things ourselves, but that's partly in recognition that the federal government has not been willing to help, or that the federal dollars out there simply haven't come to Wyoming for those purposes," Simpson said.