

FISCAL NOTE

This bill establishes a maximum amount that may be transferred from the Legislative Stabilization Reserve Account (LSRA) of one-fifth of the cash balance in the LSRA as of December 31 of the immediately preceding odd-numbered calendar year plus one-fifth of any earnings credited to the LSRA under the spending policy in accordance with W.S. 9-4-719 as of December 31 of the subsequent even-numbered calendar year.

The bill also states that not more than one-half of the forecasted General Fund shortfall may be appropriated from funds in the LSRA.

The limitations described above would not apply to the transfer of any contingent appropriation made in accordance with the budget shortfall measures described in W.S. 9-2-1014.2.

The bill also states that funds within the LSRA would only be appropriated or transferred for the following purposes:

- To resolve a General Fund budget shortfall for the fiscal biennium in which the General Fund Budget shortfall occurs, subject to limitations;
- For State emergencies as determined by the Governor and authorized by law to be expended subject to that determination;
- For appropriations to the School Capital Construction Account to be expended on major maintenance;
- To fund the balance of the School Foundation Program for a fiscal year as provided in W.S. 9-4-219(b), subject to the limitations described above;
- For any other need identified by the Legislature and authorized by law.

Under current law, funds in the Permanent Wyoming Mineral Trust Fund (PWMTF) Reserve Account which exceed 150% of the spending policy amount are credited to the PWMTF corpus. Beginning on and after July 1, 2020 (FY 2021), this bill would limit this distribution from the PWMTF Reserve Account to the PWMTF corpus to an amount equal to 2% of the previous 5-year market value of the PWMTF. The remainder which exceeds 150% of the spending policy amount would be distributed to the LSRA. The amounts that may be distributed from the PWMTF Reserve Account to the PWMTF corpus and the LSRA would depend on actual investment earnings from the PWMTF that exceed 150% of the spending policy amount. The January 2019 CREG forecast projects no investment earnings from the PWMTF in excess of the spending policy amount throughout the forecast period.