



Budget Process

The State of Wyoming operates on a biennial budget for all executive, legislative and judicial branch agencies, including the University of Wyoming, community colleges, and K-12 education. Agency biennial budgets are established for two fiscal years of operations. The fiscal year begins on July 1 and ends on the following June 30. The biennium begins on July 1 following the Budget Session, which is always in even numbered years.¹

Budget Development Responsibilities

All budget requests are prepared by executive or judicial branch agency fiscal personnel in conjunction with the State Budget Department (Budget Department). The Budget Department is the central budget office for all state government and was established during the 2020 Budget Session. Prior to 2020, the Budget Department was a division within the Department of Administration and Information.

Appropriating public funds for the operation of state government is a constitutional, biennial responsibility of the Legislature. The Joint Appropriations Committee (JAC or Committee) is the Legislature's standing committee responsible for the preparation and development of the general appropriations bill (commonly referred to as the budget bill).² The Legislature, as a whole body, is responsible for deliberating and then voting on the final appropriations for the State biennial budget. Throughout the entire budget process, Legislative Service Office (LSO) Budget/Fiscal staff are responsible for providing assistance and support to JAC and the Legislature.

What is the "State Budget"?

When JAC members and LSO Budget/Fiscal staff reference the "state budget," they are generally referring to the agency budget requests that come under the Governor and Legislature's purview in the budget process and that are ultimately enacted into law through the "budget bill". This includes:

- all executive branch agencies, as well as all boards and commissions, except the Game & Fish and the maintenance and operations budgets of the Department of Transportation;
- the entire judicial branch, Supreme Court, district courts and circuit courts;
- the state supported portion of the University known as the general fund block grant;
- the Community College Commission administrative budget, including state aid (general fund) to the community colleges (this is at the total state level, not by individual college);
- and the School Foundation Program expenditures (K-12 education).

There are a number of items that are **not** included in the state budget including:

- the budget decisions made by the Highway Commission for the maintenance and operations portions of the Department of Transportation;

¹ Historically, School Foundation Program (SFP) funding was dealt with annually. Beginning with the 1994 session, funding for the SFP was changed to biennial funding, although the payment calculation is still on an annual basis.

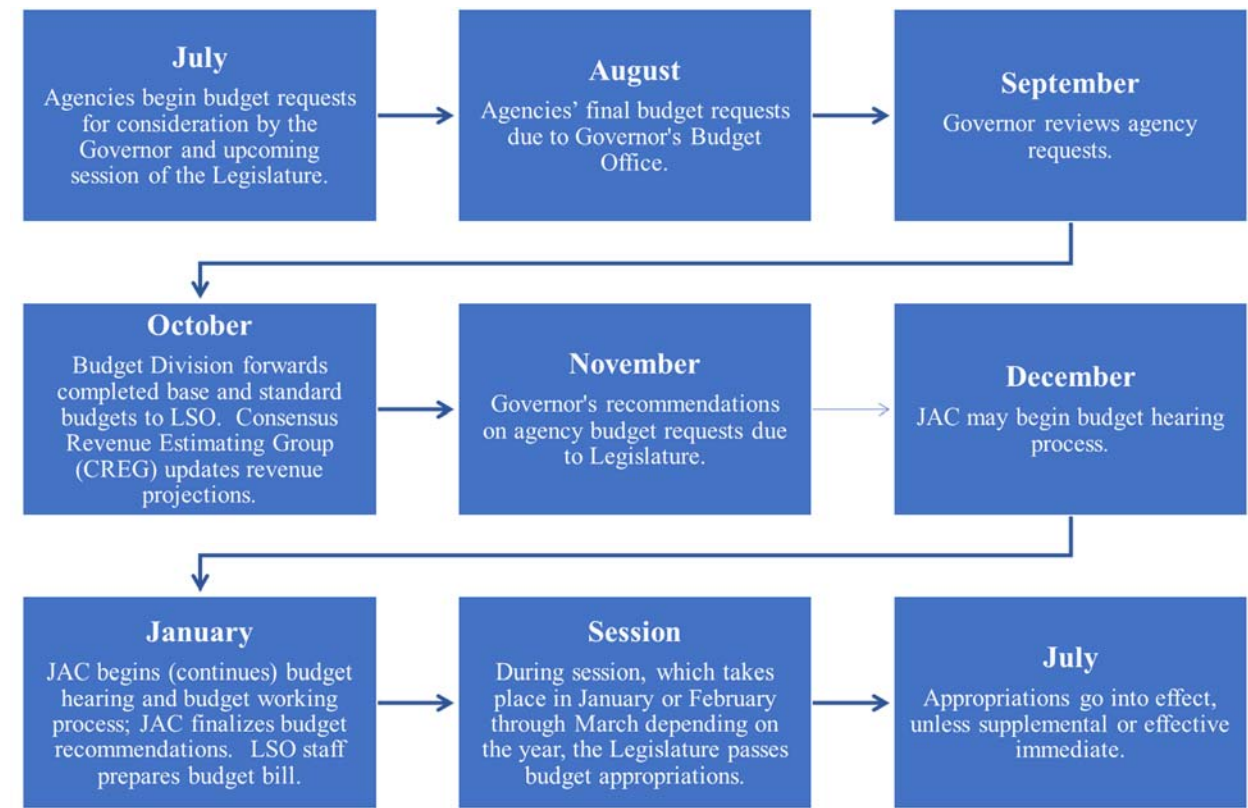
² In addition to the "budget bill", JAC may also sponsor other appropriations bills such as one for state capitol construction or local government funding.

- the budget decisions made by the Game and Fish Commission;
- the appropriations for water development projects;
- the ad hoc appropriations for various specific projects contained in separate bills, including capital construction for state institutions, University and community colleges;
- and the amounts of revenue that statutorily flow into various accounts, such as the Highway Fund, water development accounts and cities, towns and counties.

While the above listed appropriations and revenue streams definitely result in the expenditure of state funds and are a major part of the overall state fiscal picture, they do not come under the direct budget review of the Governor or the Joint Appropriations Committee. Thus, the appropriations, expenditures, and revenue flows associated with these programs are not included in some of the discussion of the state "budget."

How long does the budget process take?

The following is a sequential overview of the budget process:



Budget Development Process

In most years, the biennial budget development process usually begins the summer. These early efforts relate to the development of allocated costs that impact all agencies; for example, charges for information technology (IT) services, motor pool charges, and personnel costs. It is during the summer prior to a Budget Session that the Budget Department prepares a draft standard budget request for each agency and provides it to each agency for review in July.

The standard budget is strictly defined as the budget amount necessary to enable an agency to continue to furnish the same level of services during the ensuing biennium as that agency provided during the previous interim and shall reflect the revenue or appropriation necessary to provide these services. The standard budget shall not include requests for equipment, any special projects and services, or any requests for special or nonrecurring funding, although these limitations regarding personnel and equipment do not apply to the University of Wyoming. Each agency may then develop an "exception" budget request. An exception budget request usually asks for increased funding to expand services to a new group of recipients, or to provide a new service to existing recipients. It can also be used to transfer funds and positions from one program within an agency or to another.

Not all agencies submit exception requests; the only required request is the standard budget request. An agency's entire budget request is presented to the Budget Department by the end of August. In late summer and early autumn agencies finalize their standard budget and exception requests. These requests are then populated in the electronic budget development system, "Internet Budget Analysis and Reporting System", or IBARS. The Budget Division, Governor's Office, and agencies schedule an executive budget hearing, also termed the "Governor's Budget Hearings", in September and October. At these hearings, the Budget Department presents all the agency requests for the Governor's review.

The Budget Department submits what is known as the "Chapter 17 Report" by October 1 of each odd-numbered year. This report provides the differences between the base budget³ and the standard budget requests, including explanations. LSO Budget/Fiscal staff reviews the report to identify items that may be of interest to the Joint Appropriations Committee, and a copy of the report is kept on file at LSO.

The Consensus Revenue Estimating Group (CREG) meets in October and develops revenue forecasts for the upcoming biennium. The Governor compares the budget requests to the forecasted revenue and works with the Budget Department to prepare executive branch budget recommendations to the Legislature; budget requests cannot exceed forecasted revenue Budget recommendations must be provided to the Legislature by December 1 of each year.

In the event an agency believes it needs additional (or less) funding once the Legislature has approved a biennial budget, it prepares a supplemental budget request in the summer months prior to a General Session of the Legislature. The process and timetable are the same as that of a biennial budget request. The only difference is that there are no base or standard requests in a supplemental budget submission, only exception requests for funds in addition to what was approved in the Budget Session.

An agency that needs funds in addition to the amounts appropriated during the budget and supplemental sessions can ask for an additional appropriation during the next Budget Session with an effective immediate date. The Legislature usually adjourns in March, while the biennium does not end until June 30. This schedule allows sufficient time for the Legislature to make an effective immediate appropriation for an agency to finish out the fiscal year prior to the new biennium beginning on July 1 following the end of the legislative session. This process effectually gives an agency three separate legislative sessions in which it can request funding for a single biennium.

The FY 2021-2022 biennium (July 1, 2020 through June 30, 2022) includes the following:

- 1. 2020 Budget Session**

Regular biennial appropriation for FY 2021 and 2022; effective immediate, if necessary, for FY 2020

³ Base budget requests are the budget requests prepared by the Budget Department, in odd-numbered years, containing all legislative appropriations in the budget bill(s) for all entities from the previous biennium.

2. **2021 General Session**

Supplemental appropriation, if necessary, for FY 2021 and FY 2022

3. **2022 Budget Session**

Effective immediate appropriation, if necessary, for FY 2022; regular biennial appropriation for FY 2023 and 2024

What is the role of the Joint Appropriations Committee in the budget process?

As a result of 2019 Wyoming Session Laws, Chapter 5, the Governor's budget recommendations are required to be submitted to the Legislature on the third Monday in November. On this date, the Budget Department submits the Governor's budget recommendations to LSO. Once received, LSO Budget/Fiscal staff analyze the recommendations and compile detailed and summary reports to help JAC review the agencies' requests and get an idea of the "big picture."

In preparation for a Budget Session, which occurs in February of even-numbered years, JAC typically convenes for two to three weeks in December and one to two weeks in January. For a General Session, which occurs in January of odd-numbered years, JAC typically meets for a week during the General Session. During these meetings, JAC holds budget hearings to review each agency's budget request, hear each agency's Governor's recommendation, and request supplemental information. These budget hearings are attended by representatives from the Governor's Office, the Budget Department, agency officials, and other stakeholders. Typically, the agency budget hearings begin with a presentation by the agency on its overall achievements, goals and requirements followed by a more detailed explanation of the budget request. During these budget hearings JAC discusses the agency requests and asks questions but takes no formal action.

Once budget hearings for all agencies are complete, JAC begins to "work" the budgets. During this time JAC goes through each agency's budget, unit by unit, with individual JAC members making specific motions to approve, deny or adjust an agency's funding request. Throughout the process, JAC discusses and votes on each recommendation and whether there are changes. The entire budget hearing and budget working process takes approximately four to five weeks and typically concludes two weeks before the session begins during a Budget Session. During a General Session, the process typically concludes four weeks before the session begins.

Once the Committee has completed its work on the budgets, the LSO Budget/Fiscal staff prepares the general appropriations bill (commonly referred to as the "budget bill"). The budget bill consists of the JAC recommendations. The Co-chairmen assign different portions of the budget bill to JAC members for explanation of JAC's action on the floors of the House and Senate.

What is the role of the Legislature in the budget process?

Based on JAC actions, LSO Budget and Fiscal staff prepares two identical budget bills for introduction; one bill is a Senate file, the other a House bill. It is important to note that, while there are two identical bills started, only one bill eventually encompasses the action from both houses and is voted on by a conference committee before being passed into law. Throughout the process, LSO Budget/Fiscal staff are available to help legislators with questions or budget amendments to the budget bill at any time and are present in the staff attorneys' offices of the Senate and House floors during all readings of the budget bill.

The following is a summary of the legislative process related to the budget bill:

- Mirror Bills, with coordinated timing, are introduced in both chambers;



- Committee of the Whole (COW) floor explanation by JAC members;
- 2nd and 3rd Reading and Floor Amendments;
- Joint Conference Committee (JCC);
- Final Floor Action;
- Governor's veto/line item veto;
- Opportunity for legislative override.



Common Budget Terms and Definitions

Base budget – The budget requests prepared by the Budget Department, in odd-numbered years, containing all legislative appropriations in the budget bill(s) for all entities from the previous biennium. This feature was added to statute in the 2001 General Session and the process began in the fall of 2001. This document is known as the "Chapter 17 Report". The "Chapter 17 Report" compares the prior biennium's appropriation with the future standard budget, illustrating the changes made to develop the new standard budget.

B-11 – The B-11 process is a formalized workflow system to document the Governor's actions related to the movement of funds. This term is derived from the form (Budget Department Budget Division form #11) that is used when an agency transfers funds from one division to another within the agency or from one agency to another agency. It is also the process used to establish budget authority (or authority to expend) non-general fund dollars that become available to an agency during a biennium. These would be amounts in addition to those appropriated during a legislative session. This form requires the Governor's signature before funds may be transferred and expended. Note that transfers from one line item to another within an agency division do not have to be approved by the B-11 process.

Budget authorization – This is a dollar figure that includes both funds appropriated by the legislature and those transferred in through the B-11 process. It may fluctuate over the course of a biennium and may be higher or lower than the amount appropriated by the Legislature due to the B-11 process.

Budget authority – Rather than appropriating federal or other funds (also referred to as "non-general funds"), the Legislature provides budget authority for use of these funds.

Cost allocation – Cost allocation is a charge to non-generally funded agencies or divisions within agencies to help cover the costs of services provided to those agencies or divisions by agencies which are generally funded. These charges are administered by the Budget Department and are pro-rated to qualifying agencies and its divisions. For example, the federally funded portion of the Medicaid program within the Department of Health is subject to cost allocation. It receives benefits from the services provided by the State Auditor's Office, the State Treasurer's Office, janitorial services from the Department of Administration and Information, etc. The agency is allocated its share of the costs of these services and transfers federal funds into the General Fund. The total costs of the service agencies are not recouped, as some responsibilities are too general in nature to qualify for cost allocation, but the cost allocation program is intended to help offset the cost to the General Fund.

Division – Each agency has at least one division. This is the level of detail at which appropriations are made in the budget bill. A division represents a major component or major function of an agency. Each division is a line item in the budget bill and will have at least one unit. Units reflect the most detailed level of information provided in the budget documents and are further defined below.

Exception budget – This is the budget request prepared by an agency if funding in addition to that in the standard budget prepared by the Budget Department is being requested. It is submitted as a component of the entire budget request and is presented to the Governor for recommendation to the JAC. Exceptions are requested for expansion of an existing program to a new level of constituents, addition of new services to existing constituents, or for creation of an entirely new program. The exception request is explained and presented separately from the standard budget request in the budget documents and is prepared at the unit level in the budget documents.

Expenditure series – These are the major groupings of line item expenditure codes used in the budgets. A general description is as follows:

- 100 series – all costs associated with personnel (salaries and benefits), including elected officials and at-will-employee-contract (AWEC) employees;
- 200 series – support costs such as equipment, supplies, travel, and IT hardware;
- 300 series – cost allocation;
- 400 series – these are payments to the Department of Enterprise Technology Services (ETS) for information technology and telecommunication services;
- 500 series – space rental charged to non-generally funded agencies that are housed in a non-state-owned building;
- 600 series – grants and aid payments, which includes Medicaid payments, economic assistance payments, contract payments to local providers of health services, transfers to local governments, etc.;
- 700 series – capital construction expenditures;
- 800 series – non-operating expenditures, such as items purchased for resale or transfers;
- 900 series – contractual expenditures.

Flex authority – This is language that overrides existing statutes and enables the Governor to transfer General Fund monies between agencies and between programs within agencies that would otherwise not be allowed. It is usually contained in a Section 300 of the biennial budget bill and is in effect for the two years of the budget. The amount of the authority varies from one Budget Session to another and for the FY19-20 biennium, the Governor is authorized to transfer up to 10% of the agency general fund appropriation between divisions within the agency, and up to 5% of the general fund appropriation for any executive branch agency (excluding UW) to another agency. In some instances, the Legislature has granted specific agencies, including the Department of Corrections and the Department of Health, "Super Flex" authority.

Line item (in the budget bill) – In the budget bill, a line item represents the amount of money appropriated at the division level for an agency.

Line item (in the budget documents) – This represents the detailed itemizations of the expenditure series explained above. They are presented in the budget documents and consist of a three-digit numeric code. Please see the Expenditure Series Categories section of this document for a detailed listing of these codes.

Line item transfers – Within a division or unit in an agency, funds may be transferred from one line item to another or from one unit to another without going through the B-11 process. The only restrictions on this transfer are: monies appropriated for 100 series personal services (salary and benefit monies); monies appropriated for capital construction may not be used for any other purpose unless the B-11 process is used; 300 series may not be moved without approval of the Budget Department; 400 series may not be moved without permission of the Department of Enterprise Technology Services (ETS); and those otherwise specified by the Legislature from time to time.

Standard budget – The budget request prepared by the Budget Department for all agencies (divisions and units) that represents an estimate of the amount of funding that is needed to operate the division(s) at the same level of services and clients as had been provided in the previous biennium. It is to include only those personnel approved in the preceding biennial budget and may not include requests for equipment, special projects, or nonrecurring funding. The limitations regarding authorized personnel and equipment requests do not apply to the University of Wyoming.

Unit – This is a more detailed breakdown of a division. There may be only one unit for each division or several. Monies appropriated at the division level (program level) are split into units, and expenditures are tracked at this level in the state’s accounting system. Budget requests for both standard budgets and exception requests are prepared at this level in the budget document and subsequently rolled up to the division level (program level).

