



March 21, 2024

The Honorable Chuck Gray, Secretary of State
Secretary of State's Office
Herschler Building East, 122 W. 25th Street, Suite 100
Cheyenne, Wyoming 82002

Re: Veto of SF0067/Senate Enrolled Act No. 68 Public employee retirement plan - contributions

Dear Secretary Gray,

I do not relish vetoing Senate Enrolled Act No. 68 (SF0067). In doing so I commend the Legislature, and the Joint Appropriations Committee (JAC) in particular, for their leadership to maintain and improve the solvency of Wyoming's public employee pension plans. Moreover, I recognize the importance of keeping Wyoming pension promises and paying all unfunded liabilities within the generally accepted 30-year forward looking period. In a budget letter to the JAC in January, I supported the effort to move the total contribution rate towards the level recommended by our actuaries to fully fund the system in a reasonable amount of time, but only under certain conditions.

Senate Enrolled Act No. 68 is part of an attempt to move us halfway to the contribution rate recommended by our actuaries. It increases the total rate by 1.00 percent over the next two years, with the increase split evenly between the employer and the employee. In my January letter, I supported that effort but asked the JAC to safeguard our employees for this biennium by paying the state employees' share of the increase.

My recommendation was more than justified. State employees have just in the last two years received long overdue wage increases that finally start to make their wages competitive. Like all working Wyomingites, state employees are entitled to a fair and competitive wage for the work they do. Actions we took in the previous two years are reducing the unacceptably high vacancy rates across state government. We are not only receiving more applications, but receiving them from people who are actually qualified to do the jobs for which they apply. While retention and recruiting are improving, state government still has too many vacancies (not enough employees) to do all the duties the executive branch is required to do by law.

Unfortunately, the effect on state employees of this bill, if it became law, would be to reduce the take-home pay of state employees. A reduction of take-home pay coupled with the refusal of the Legislature to provide sufficient funds in the budget to complete the third phase of a three-phase compensation plan to move toward fair and competitive wages, seemed unfair, especially in light of resilient inflation that continues to eat away at the purchasing power of all Wyoming families. Unhappily, partially taking away what has been given is something past legislatures have done before to the detriment of state workforce morale. This bill leaves me with the unenviable prospect of renegeing on our previous commitment to protect our state workforce's overdue gains from a decrease in take home pay and from returning to pernicious employment trends.

Relying on HB0083/Enrolled Act No. 41 Public retirement-actuarially determined contributions, which I have signed, to support continued efforts to keep our pension plans strong, I understand the current forecast projects that the plan will be over 105% funded in 30 years assuming the plan now will have regular and periodic actuarially determined contributions. These predictions appear reliable unless future cost of living adjustments are contemplated.

Since House Enrolled Act No. 41 will keep us on course to fully fund the system without this bill, I see no reason to further burden the state's employees with an additional retirement contribution at this time. To sign this bill would only erode the recent gains we have made to ensure state workers receive a fair wage and for a mere three percent potential upside at the end of 30 years. My veto of Senate Enrolled Act No. 0068 is hereby delivered to you without my signature.

Sincerely,



Mark Gordon
Governor

MG:el:kh

cc: The Honorable Ogden Driskill, President of the Senate w/copy of SEA0068
The Honorable Albert Sommers, Speaker of the House of Representatives w/copy of SEA0068
Chief Clerk, Wyoming Senate w/copy of SEA0068
Chief Clerk, Wyoming House of Representatives w/copy of SEA0068