

SUMMARY *of* PROCEEDINGS



MANAGEMENT COUNCIL

COMMITTEE MEETING INFORMATION

Friday, July 12, 2013
Capitol Room 302
Cheyenne, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Tony Ross, Chairman
Representative Tom Lubnau, Vice Chairman
Senator Eli Bebout
Senator Bruce Burns
Senator John Hastert
Senator Phil Nicholas
Senator Chris Rothfuss
Representative Kermit Brown
Representative John Freeman
Representative W. Patrick Goggles (by teleconference)
Representative Thomas Lockhart (by teleconference)
Representative Mary Throne

COMMITTEE MEMBERS NOT PRESENT

Representative Rosie Berger

LEGISLATIVE SERVICE OFFICE STAFF

Dan Pauli, Director
Mark Quiner, Assistant Director
Dave Gruver, Legislative Counsel
Matt Obrecht, Staff Attorney
Dave Nelson, School Finance Manager
Don Richards, Budget & Fiscal Manger
Anthony Sara, Associate Legislative Information Officer

OTHERS PRESENT AT MEETING

Please refer to Appendix 1 to review the Committee Sign-in Sheet for a list of other individuals who attended the meeting.

The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document and these materials are on file at the Legislative Service Office. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at lso@wyoleg.gov. The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at www.wyoleg.gov.

EXECUTIVE SUMMARY

The Council met to discuss a number of topics including Administrative Rule Reviews and Process, Interim Committee issues, and the appointment of an investigative committee. In addition, the Council received updates on state revenues and sequestration, sage grouse core areas and the Capitol renovation.

CALL TO ORDER

Chairman Ross called the meeting to order at 1:00 p.m. The following sections summarize the Committee proceedings by topic. Please refer to Appendix 2 to review the Committee Meeting Agenda.

APPROVAL OF MINUTES

A motion to approve the minutes from the January 8, 2013 meeting was made by Senator Bebout and the motion was adopted. A motion to approve the minutes from the February 26, 2013 meeting was made by Representative Freeman and the motion was adopted.

ADMINISTRATIVE RULE REVIEWS & PROCESS

Pending Rules

There were no pending non-consent rules requiring Council action.

Streamlining Agency Rules Project

Last session, \$125,000 was appropriated to the Governor for the streamlining government initiative to review and improve state rules and regulations. The Governor was directed to report to the Joint Appropriations Interim Committee on the review by November 1. At the request of the Governor's office, LSO staff has met with staff of the Governor, Secretary of State and Attorney General on the streamlining initiative. Ms. Lily Sharpe of LSO outlined for the Council the steps that have been taken to decrease the number of administrative rules and increase the quality of the rules. These steps include: the Governor's request to reduce existing rules, if possible, by one-third in number and one-third in length. Agencies are currently reviewing their rules to determine if reduction is possible. The Attorney General's office has updated its Rules Handbook and checklists. The Attorney General's office and LSO conducted rules training for staff of the Attorney General's Office on July 1. On July 9, the Attorney General's office and LSO staff conducted rules training for agencies. Lastly, the Secretary of State's office will investigate software options for creating an online statewide process for adopting administrative rules and improving access to rules. Ms. Criss Carlson of LSO reminded the Council where the agency rules can be found on the Legislature's Website. Representative Throne asked LSO and the Secretary of State's office to look at the feasibility of creating a Code of Regulations for Wyoming that would be more user friendly.

Rules Approved by Postcard Ballot

Appendix 3 lists the Council's action on rules taken by mail ballot.

INTERIM COMMITTEES

Request to Assign Investigative Committee

Vice-Chairman Lubnau outlined his request to assign a special investigative committee to further examine the matters disclosed in the Governor's Inquiry Team report after a request by more than a majority of the members of the House of Representatives. His request included: appointing the House Rules Committee to be the special investigatory committee and authorizing the committee to be divided into subcommittees. The subcommittees would then report to the committee as a whole and then that

committee would report to the House as a whole. Vice-Chairman Lubnau also suggested that all formal committee proceedings be streamed on the internet for the public and that the committee be authorized to contract with consulting expertise if necessary. He stated that he had been asked to request that members of the House who would like to attend and observe the committee meetings to be allowed per diem although he was not necessarily advocating that. Vice-Chairman Lubnau said he recommended appointing the House Rules Committee because the committee is established by rule, members are made up of senior leadership and it is the committee that has dealt with similar matters in other states and at the federal level.

The Council then took public testimony related to Vice-Chairman Lubnau's request. Several members of the public spoke against the request including Mr. Anthony Bouchard, Ms. Jennifer Young, Mr. Bruce Hayes and Mr. M. Lee Hasenauer. They cited concerns about the appointed director of the Wyoming Department of Education, the lack of evidence against the Superintendent, the cost associated with the investigation and displeasure with 2013 SF 104. Mr. Marvin Nash spoke in favor of the investigation and encouraged the committee to determine whether funds were misused. State Superintendent of Public Instruction Cindy Hill then addressed the Council from prepared remarks. (Appendix 4)

After discussion regarding the role of the Senate members, Representative Brown offered the attached motion. (Appendix 5) Senator Burns moved to amend the motion to require a reporting requirement for the committee once the members have completed their investigation. Senator Nicholas offered an amendment to the amendment stating the committee should report their findings to the House of Representatives as a whole. After discussion, the amendment to the main motion failed. Senator Rothfuss moved to amend the original motion to broaden sub point one to state "Address the concerns mentioned in the letter from the speaker dated June 25, 2013." The motion to amend failed for lack of a second. Senator Bebout asked that if the original motion passes, a budget for the committee's activities should be submitted to the Council at a later date for consideration. Following further discussion, Rep. Brown's original motion was adopted by roll call vote (12 ayes, Berger absent).

Revenue Update/Sequestration & Request to Assign Sequestration Issues

Mr. Don Richards provided an update of the fiscal year (FY) 2013 state revenue, recognizing that under accrual accounting not all of the revenues will be finalized until late summer. Mr. Richards noted that the positive revenue highlights include a rebound in spring natural gas prices and higher than forecasted oil production. In addition, the largest positive was \$347 million in anticipated, but unprofiled capital gains from the Permanent Wyoming Mineral Trust Fund (PWMTF) and the portion of the Agency Pool which benefits the General Fund. Among the negatives in this year's revenue include the loss of \$50 million, or more, in sequestered federal mineral revenue, which, if not resolved could impact future fiscal years as well. Mr. Richards also noted the disparity in sales and use tax collections among various counties and lower than forecasted natural gas volumes at this point in the fiscal year. In sum, the realized capital gains will result in filling the Strategic Investments and Projects Account (SIPA) to \$90 million; filling both the PWMTF Reserve Account and the Common School Permanent Land Fund Spending Policy Reserve Account to their statutory thresholds; depositing \$102 million into the PWMTF corpus and depositing \$39 million to the Common School Account corpus. In addition, as a result of the realized capital gains, more than \$100 million will be deposited into the General Fund in excess of the January 2013 CREG forecast. However, other revenue categories are expected to fall short of the forecast (sequestered mineral revenue, pooled interest and dividends, and sales and use taxes), which will partially offset the higher-than-profiled realized capital gains. Mr. Richards outlined the major fiscal impacts on the state of Wyoming as a result of the 2013 federal sequestration. Management Council directed Mr. Richards to develop a presentation illustrating the impact on the sequestration of federal mineral revenue, including the costs associated with mineral development and share it with members of Management Council and the Joint Appropriations Committee for purposes of iterative feedback.

MANAGEMENT COUNCIL Summary of Proceedings

Request to Assign Professional Boards Consolidation Issues

At its June 24 meeting, the Management Audit Committee reviewed a draft audit report relating to Wyoming boards and commissions. The report was released July 8. Chapter 5 of the report dealt in part with the potential consolidation of the Boards of Barber Examiners and Cosmetology. The Audit Committee voted to recommend that Management Council assign this issue to the Joint Corporations Interim Committee for further study. Senator Bebout moved that the Council assign the issue to the Corporations Committee. After discussion, the motion was adopted.

Committee Review of Agency Budget Reductions

Mr. Richards provided a short history of the 2012 Budget Bill, Section 319, which initiated statewide budget reductions adopted in the 2013 General Session. Mr. Richards summarized the Governor's veto of portions of Section 319 in the 2013 Supplemental Budget as well as the direction Vice-Chairman Lubnau and Chairman Ross articulated to committee chairs in the spring of 2013 to suspend any standing committee oversight of further budget reductions. Mr. Richards explained the challenge with interpreting whether budget reductions should be sustained or doubled ("biennialized") in the 2015-16 standard budget. The Committee adopted no action deviating from the direction provided to committee chairs in the spring of 2013. Management Council directed Mr. Richards to communicate with the Department of Administration, Budget Office and Department of Corrections to request an analysis of options regarding any major renovations, new construction, or repair of correctional facilities prior to the December 2013 budget hearings and requested as much advance information as possible be provided to the Joint Appropriations Committee on this topic.

Special Districts: Future Study Planning

At the end of session meeting to assign interim study topics, Council received a request to appoint a special subcommittee to study special districts. The Council did not appoint a special subcommittee but instead stated they would develop a plan to move forward with reorganizing and conforming the special district statutes. Mr. Gruver updated the Council regarding special district issues that have been identified in the past. He noted that a special committee makes sense, because understanding special districts issues requires a great deal of education. He suggested that it would be hard for a joint interim committee to complete the study during a two year process. Senator Nicholas suggested contacting the University of Wyoming Law School and the Wyoming State Bar Association to see if there would be interest in creating an Ad Hoc Committee to review issues and report recommendations. Senator Rothfuss and Representative Freeman expressed concern about delaying the start of the study. Following discussion, the LSO staff was directed to contact the University and the Bar Association to discuss their possible assistance.

UPDATES

Sage Grouse Core Areas

Representative Brown advised the Council that he was one of several members who attended a meeting in Salt Lake City to discuss regional efforts on sage grouse core areas. It appears that the entire sage grouse population in the west, including Wyoming is going to be treated as one distinct population and therefore every state will need to have an acceptable plan going forward. Representative Brown said he believes Wyoming's plan is the gold standard when it comes to managing sage grouse core areas and that many states will be using Wyoming's plan as they develop their own. He said the state which has the worst plan will be the determiner of whether sage grouse are listed as an endangered species in 2015. Senator Bebout asked if there was any discussion from other states about the BLM coming in and taking the state plans further and ignoring what the states had already developed. Representative Brown said that a National Technical Team was put together by the BLM to develop some standards. If some states adopt the NTT

standards and other states do not, it might give the BLM reason to develop requirements for all western states to follow.

Capitol Renovation

Representative Dan Zwonitzer provided the Council with a report on the work that has been done by the Joint Legislative and Executive Task Force on Capitol Building Rehabilitation and Restoration. Included in his overview were the 2007 and 2012 "Key Decisions" adopted by Management Council, information regarding funding that is currently available in the Capitol Renovation and Restoration funding account and staff counts for the building. (Appendix 6 & 7) He told the Council that the Level I and Level II studies for the Capitol will be completed in December with a presentation of preliminary findings scheduled to be provided to the State Building Commission in October.

Senator Nicholas reminded the Council that \$50 million from the Capitol renovation account was intended to be used for work on the Capitol and \$80 million was for a new state office building. In addition, it was initially discussed that the new state office building would be used as a temporary location while the Capitol was undergoing renovation. Ms. Suzanne Norton, Department of Administration and Information Construction Management Division (A&I), said the design team is beginning to get a handle on what the Capitol space needs are and that no options have been taken off the table, including possible expansions and other possibilities the architect does not think are appropriate. The task force will review potential solutions and consider temporary space alternatives beginning in mid-August through the month of September.

Senator Nicholas noted that having the money available for both projects makes a big difference compared to borrowing the money and that the account should grow to nearly \$130 million in the next two years. He also discussed the need for the state office building and an executive office building, noting that the state continues to lease expensive space throughout the county. He stated that part of the problem with allocating space in the Capitol results from the new state office building being designed as an office building and not for executive office space. The possibility of moving into an office building is consequently perceived as a demotion to the electeds. He further noted that if the Governor does not want the state office building to move forward, the Legislature can nevertheless direct its construction through legislation.

Senator Nicholas moved that staff begin drafting legislation containing the following components:

1. An appropriation of funds for renovation of the capitol building using school facilities commission provisions as a model;
2. An allocation of space for the Legislature and Governor, and the other statewide elected officials using a hierarchy following the budget provisions for those officials;
3. An appropriation for the construction of an executive office building for the remaining statewide elected officials' office needs;
4. An appropriation for a state office building;
5. Provisions for movement of offices and timing for movements, including a location for accommodating Legislative and other needs while out of the capitol.

Senator Nicholas explained that the exact movements and timing are to be developed later, to complete the provisions included but not completed in the draft. The task force on capitol building renovation with assistance from the department of administration and information should provide recommendations regarding allocation of space proposals and site locations, and the construction management division should develop costs for possible scenarios, including potentially constructing a consolidated building. Following discussion, the motion by Senator Nicholas was adopted.

Chairman Ross expressed concern about delaying the Capitol renovation in light of the problems with the building including the lack of a fire-suppression system

MANAGEMENT COUNCIL *Summary of Proceedings*

On a related matter, Representative Throne moved that Council recommend to the SBC that no additional funds be spent on the St. Mary's parking lot east of the Capitol. After discussion, the motion was adopted.

COUNCIL POLICIES

The Council resolved itself into executive session to consider Legislative Records Management. Following the executive session, Senator Nicholas moved to adopt amendments to Management Council Policy 06-02. (Appendix 8) The motion was adopted.

MISCELLANEOUS ISSUES

The Council resolved itself into executive session to consider personnel issues.

MEETING ADJOURNMENT

There being no further business, Chairman Ross adjourned the meeting at 6:10 p.m.

Respectfully submitted,

Sen. Tony Ross, Chairman

Committee Meeting Materials Index

Appendix	Agenda Item	Appendix Description	Appendix Provider
1	Committee Sign-In Sheet	Lists meeting attendees	Legislative Service Office
2	Committee Meeting Agenda	Provides an outline of the topics the Committee planned to address at meeting	Legislative Service Office
3	Administrative Rule Reviews	Rules approved by post card ballot	Legislative Service Office
4	Request to Appoint Investigative Committee	Comments of Superintendent Hill to Management Council	Office of the Superintendent of Public Instruction
5	Request to Appoint Investigative Committee	Motion before Management Council to appoint Investigative Committee	Representative Kermit Brown
6	Capitol Renovation	Capitol Renovation Task Force Report to Management Council	Representative Dan Zwonitzer
7	Capitol Renovation	Original House Bill No. 0001, Enrolled Act No. 45, Chapter 75 Task Force on Capitol Rehabilitation and Restoration	Legislative Service Office
8	Legislative Records Management	Amendments to Management Council Policy 06-02	Legislative Service Office