



WYOMING LEGISLATIVE SERVICE OFFICE

Memorandum

DATE April 13, 2026
TO Members, Joint Appropriations Committee
FROM Elizabeth Martineau, Senior Fiscal Analyst
SUBJECT Interim Topic Priority #1, Wyoming Business Council

This memorandum relates to the Joint Appropriations Committee (JAC) Interim Topic #1:

In collaboration with the Joint Minerals, Business and Economic Development Interim Committee [(Joint Minerals)], the Joint Appropriations Committee (Committee) will conduct an interim study of the Wyoming Business Council (WBC) to evaluate its programs, governance, statutory authority, and alignment with local and regional economic development partners. The Committee will evaluate the history and original charge of WBC, prior WBC reports, comparative structures used in other states for economic development, and options to clarify the mission and roles. The Committee anticipates that the interim review will develop a strategic direction for the WBC and determine which of its activities should be retained, modified, or eliminated. The Committee will also assess the benefits, distribution methods, and long-term funding sources for a countywide consensus funding program to assist communities with predictable capital planning resources. The intended outcome is to develop a cohesive statewide strategy of economic development and community infrastructure to support development with draft legislation for the 2027 General Session. The Joint Appropriations Committee will concentrate its review of the Wyoming Business Council on a review of programs and the associated appropriations, while the Joint Minerals, Business and Economic Development Interim Committee will focus its efforts on governance and statutory authority.¹

In addition to this interim topic and work by Joint Minerals, during the 2026 Budget Session, the Legislature also appropriated \$100,000 General Fund (GF) for the Department of Audit to complete an audit of the Business Council by July 1, 2026.² The legislation requires the Department of Audit to “publicly disseminate and distribute any findings, recommendations and outcomes” to JAC, Joint Minerals, and the Governor once completed.

Given the specific focus of JAC on the programs and funding of the Business Council, as well as the separate work by Joint Minerals and the Department of Audit, the purpose of this memorandum is to provide a brief overview of the Business Council’s history, current programs, appropriations and account balances, where identifiable. The information in this memorandum is intended to supplement any information provided to JAC by the Business Council, Joint Minerals staff, or the Department of Audit.

I. BACKGROUND

In 1997, the Legislature established a joint executive and legislative Steering Committee for Business Development (Steering Committee) to collaboratively create a strategy for long-term economic growth and

¹ 2026 Appropriations Interim Topics, Priority #1. Available at: <https://wyoleg.gov/Committees/2026/J02>.

² See **2026 Session Laws, Chapter 44, Section 334**.

development.³ The Steering Committee issued its final report, *Vision for a New Economic Future: A Business Development Plan for Wyoming*, in November 1997. (See Attachment A.)

According to the 1997 report, the Steering Committee found that,

Nearly every economic indicator suggests that Wyoming’s economy is falling behind the region and nation. Reversing this trend will not be easy. Wyoming must resolve to intervene and invest wisely in its economy. This plan represents a radical departure from the traditional manner of delivering government services. It suggests that government has a responsibility to look out for the economic welfare of its citizens and that the most effective manner in which to do so is via a private sector model. By emulating the corporation in structure and performance, Wyoming can provide more effective leadership and a greater return on investment in its economic development initiative. This strategy requires that all of us commit to serve Wyoming and the common good. This state needs a unity of purpose and resolve that goes beyond election cycles. A firm new commitment to private-public partnership, to collaboration, and to continuity is required.

Based on the Steering Committee’s findings and final report, in 1998, the Legislature established the Business Council as the state’s economic development agency following the passage of the Wyoming Economic Development Act.⁴

II. HISTORICAL APPROPRIATIONS

Given the specific focus of JAC on the funding of the Business Council, for summary purposes Table 1 provides an aggregate of all legislative appropriations to the Business Council from all legislation enacted into law and for all funds from the fiscal year (FY) 1997-1998 biennium through the FY 2027-2028 biennium.⁵ Details about appropriations for specific programs will be provided in subsequent sections of this memorandum.

The appropriation for the FY 2027-2028 biennium provides one year of funding that, with the Governor’s line-item veto, may be used over two years.⁶ During the 2026 Budget Session, the Legislature only adopted the Business Council exception requests for its strategic partners at the requested \$3.3 million one-time biennial amounts. Absent further action by the Legislature during the 2027 General Session, the ongoing funding for the Business Council FY 2029-2030 biennium standard budget is anticipated to be \$11.8 million (\$10.3 million GF, 157,787 FF and \$991,743 OF).

³ Working with the Governor and stakeholders, the Legislature created the nine-member Steering Committee in **1997 Wyoming Session Laws, Chapter 2, Section 342**, which consisted of three members appointed by the Governor, three members appointed by the Speaker of the House and three members appointed by the Senate President.

⁴ The current structure of the Business Council is a result of the recommendations of the Steering Committee, which found that “Wyoming’s economic development efforts have been hampered by the state’s lack of commitment to the future. Although there are many hard-working and talented people dedicated to the effort, the State lacks a comprehensive development plan and a cohesive organization. The present fragmentation of multiple agencies with multiple missions is a basic structural problem. In addition, the state investment is insufficient to make an appreciable difference in the economy. The Committee recommends to the Legislature a consolidation of existing economic development organizations and a significant new investment of state resources.”

See **1998 Session Laws, Chapter 6** and W.S. 9-12-101 through 1501.

⁵ A visual representation of Table 1 can be found on the Wyoming Legislative website, under State Finances, Data Visualizations, Appropriations tab, slide 6 by selection of Agency 085. Wyoming Business Council. Available here: <https://www.wyoleg.gov/stateFinances/visualizations>.

⁶ See **2026 Session Laws, Chapter 44, Section 085, Footnote 1**.

Table 1. Business Council legislative appropriations for all legislation enacted into law, all funds, FY 1997-1998 biennium through the FY 2027-2028 biennium.

| Biennium | General Fund | Federal Fund | Other Funds | Total Funds |
|------------------------|---------------|--------------|---------------|---------------|
| 1997-1998 | \$2,150,000 | \$0 | \$0 | \$2,150,000 |
| 1999-2000 | \$19,311,375 | \$4,868,105 | \$1,638,749 | \$25,818,229 |
| 2001-2002 | \$20,926,328 | \$0 | \$1,736,062 | \$22,662,390 |
| 2003-2004 | \$27,073,094 | \$0 | \$8,155,612 | \$35,228,706 |
| 2005-2006 | \$83,097,125 | \$7,844,061 | \$2,509,212 | \$93,450,398 |
| 2007-2008 | \$155,030,136 | \$7,844,061 | \$2,809,212 | \$165,683,409 |
| 2009-2010 | \$110,172,004 | \$7,919,061 | \$1,503,019 | \$119,594,084 |
| 2011-2012 | \$77,920,784 | \$7,844,413 | \$1,578,019 | \$87,343,216 |
| 2013-2014 | \$84,186,546 | \$7,876,279 | \$1,775,180 | \$93,838,005 |
| 2015-2016 | \$85,022,017 | \$6,216,186 | \$26,792,180 | \$118,030,383 |
| 2017-2018 | \$56,497,068 | \$6,236,031 | \$27,091,200 | \$89,824,299 |
| 2019-2020 ¹ | \$55,832,165 | \$6,224,757 | \$329,748,103 | \$391,805,025 |
| 2021-2022 | \$35,326,245 | \$6,252,924 | \$34,752,241 | \$76,331,410 |
| 2023-2024 | \$76,337,702 | \$0 | \$10,047,755 | \$86,385,457 |
| 2025-2026 | \$86,977,306 | \$1,242,905 | \$5,955,117 | \$94,175,328 |
| 2027-2028 | \$13,959,102 | \$157,787 | \$991,743 | \$15,108,632 |

Source: Legislative Service Office staff review of the state accounting system (WOLFS), legislative appropriations and agency budget requests.

III. CURRENT ORGANIZATION AND STRUCTURE

As an instrumentality of the state, the Business Council is intentionally structured to be administratively at “arm’s length” in terms of operations and structure. As a result, the Business Council is not subject to certain statutory provisions such as those relating to compensation or the Wyoming Administrative Procedures Act, but is subject to others statutory provisions, including the requirement to submit a budget.

Current Divisions and Budget. The Business Council budget is currently comprised of three divisions, each with a single unit of the same name.

Division 0100 - Wyoming Business Council. The Wyoming Business Council Division is primarily responsible for daily operations and administration of the agency and is the location of funding for employees. This division is primarily funded by GF and specific purpose special revenue (SR). Most of the funds in this division, \$11.2 million (73 percent), are for the 100 series, personnel services. The Governor recommended \$15.3 million GF and \$290,003 SR for the FY 2027-2028 biennium. The Legislature appropriated \$7.07 million (\$6.9 million GF and \$145,002 SR).

Division 0200 - Economic Diversification. Most Business Council programs, including accounts and strategic partners, can be found in the Economic Diversification Division. Unlike the Wyoming Business Council Division, this division is comprised primarily of pass-through appropriations. Of the funds in this division, \$11.7 million (51 percent), are for the 600 series, grant and aid payments, and \$8.8 million (39 percent) are appropriated for contract services. The Governor recommended a total of \$22.8 million (\$20.8 million GF, \$1.7 million FF, and \$315,573 SR) for the FY 2027-2028 biennium. The Legislature appropriated \$8.03 million (\$7.02 million GF, \$157,787 FF, and \$846,741 SR).⁷

⁷ The Legislature adopted the exception requests as submitted by the Business Council, and recommended by the Governor, for its strategic partners in the amount of \$3.3 million, one-time, for the FY 2027-2028 biennium. However, in accordance with [2026 Session Laws, Chapter 44, Section 085, footnote 2](#), any reductions for the strategic partners shall be proportionally applied to all strategic partners.

Division 1600 - Investment Ready Communities. The primary focus of the Investment Ready Communities Division is the Business Ready Communities Program. Through grants and loans, the Business Council uses these funds to provide cities, towns and counties, as well as joint powers boards and the Northern Arapaho and Eastern Shoshone tribes, with publicly owned infrastructure to support local economic development. All funds in this division are used for either the 600 series, grant and aid payments (\$10.3 million), or the 800 series, non-operating expenditures, loans (\$6 million). To continue this program in the FY 2027-2028 biennium, the Business Council requested, and the Governor recommended, \$16.3 million GF. The Legislature did not adopt any funding for this division in the 2026 Budget Session.

Employees. Given the unique structure of the Business Council, the Legislature does not authorize Business Council employee positions. The Legislature does authorize the Business Council’s 100 series personal services appropriations. Additionally, in accordance with statute Business Council employees are authorized to participate in the Wyoming Retirement System, the State Employee and Officials Group Insurance Plan, and the Wyoming Deferred Compensation Plan.⁸ For the FY 2027-2028 biennium, before the legislative reductions, the Business Council requested \$11.27 million GF for its biennial 100 series personnel budget, for employee salaries and benefits. During the 2026 Budget Session, for the FY 2027-2028 biennium, the Legislature appropriated a total of \$111.79 million for state employee compensation increases, of which \$748,642 GF was specifically for Business Council employees.⁹

Based on information provided by the Business Council, it currently has a Chief Executive Officer, thirty-six employees and three interns. As found on the Business Council website, these employees are distributed across several teams as follows:¹⁰

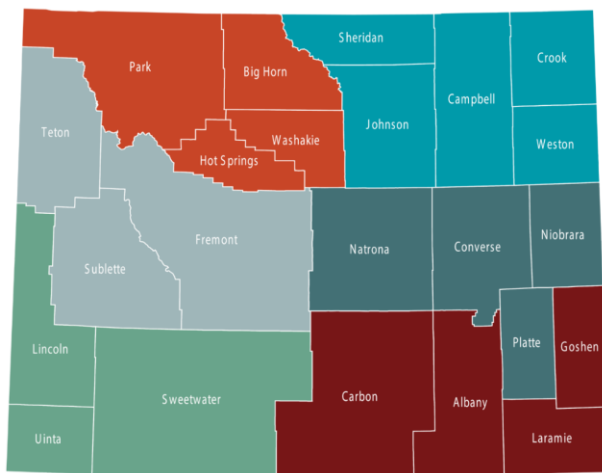
- Regional Directors – seven employees comprised of six regional directors and one Director of Regional Operations.¹¹

⁸ W.S. 9-12-103(b).

⁹ See **2026 Session Laws, Chapter 44, Section 329.**

¹⁰ Business Council *Meet Our Team*. Available here: <https://wyomingbusiness.org/about/team/>.

¹¹ To support the Business Council’s statewide operations, the State is divided into six regions, each of which is overseen by a regional director. Each regional director is responsible for providing “coaching, connections, and strategic support” to communities and stakeholders at the local level by serving as the “boots on the ground throughout the state, collaborating closely with city, town, county, tribal, and business and industry leaders to be the connectors, facilitators, and conduits of information to help communities best utilize our programs and services, and continually work to improve those resources based on their connections and expertise.” The map below, as found on the Business Council website, shows the current six regions as designated by the Business Council. For the regional offices the Business Council standard budget, before the legislative reductions, for the 2027-2028 biennium was \$183,176 GF.



Business Council *Regions* website. Available here: <https://wyomingbusiness.org/communities/regions/>.

- Services Team – nine employees comprised of eight managers of different programs and one Services Director.
- Investments Team – seven employees comprised of six managers of different programs and one Investments Director.
- Operations Team – eight employees and three interns comprised of seven managers or coordinators of different programs and functions and an Operations Director.
- Strategy Team – five employees comprised of a Chief Strategy Office and other advisors.

Office Locations. In terms of physical location, the Business Council main office is in Cheyenne, with additional offices in Casper, Cody, Laramie, and Wright.

IV. PROGRAMS AND ACCOUNT INVENTORY

The following is an inventory of the current Business Council programs and accounts. This information is based on a review of the state accounting system (WOLFS), legislative appropriations and agency budget requests as well as information provided by the Business Council. For simplicity, the explanations are listed alphabetically by program or account name. In several instances programs and accounts are connected; in those instances, programs and accounts are listed together in one section for ease of reference. Finally, while there are numerous subgrants and opportunities, given the volume and detail available for each, this summary is not intended to be a definitive guide, but rather an initial introduction to each of the major programs or accounts.

Broadband Development/Enhancement Program, Connect Wyoming and the Broadband Equity, Access and Deployment Program.

The Business Council has overseen statewide broadband development efforts since 2018 through four programs, one funded with state funds and three funded with federal funds.

Broadband Development/Enhancement Program. As a part of the Economically Needed Diversity Options for Wyoming (ENDOW) initiative, the Legislature appropriated \$10.35 million from the Legislative Stabilization Reserve Account (LSRA) to the Broadband Development subaccount in the Economic Diversification account.¹² Of this appropriation \$10 million was for state-funded broadband development grants and \$350,000 was for a broadband coordinator.¹³ The purpose of these grants was to provide state funding to assist in expanding broadband access to underserved areas statewide.

All funds within the Broadband Development subaccount are continuously appropriated to the account and may only be expended as requested by the Business Council and approved by the Governor. As of April 6, 2026, the original \$10 million appropriation remains unobligated and unencumbered. Due to investment earnings retained in the account, the current balance of the subaccount is \$12.29 million. Of the \$350,000 appropriation for a broadband coordinator the Business Council has expended \$265,119 as of April 6, 2026.

With the influx of federal funding in 2020 and anticipation of more federal funding for broadband expansion, the Legislature amended the statutes to, among other changes, expand the program to include middle-mile and last-mile projects.¹⁴

Connect Wyoming (Unit 0606). In 2020, the State allocated \$48.6 million from the CARES Act for a competitive grant program to expand broadband into underserved areas. Using these funds, the State was able to reach 12,000 previously underserved locations in Wyoming.¹⁵ Due to the nature of the

¹² See **2018 Session Laws, Chapter 126.**

¹³ W.S. 9-12-1501 through 9-12-1509.

¹⁴ See in **2021 Session Laws, Chapter 139** and W.S. 9-12-1510.

¹⁵ 2020 Broadband Program Narrative summary. Available here: https://wyoleg.gov/InterimCommittee/2022/02-2022060207-08_BroadbandProgramPlanforCPF604_FINAL.pdf.

federal funding, as of April 6, 2026, all CARES Act funds related to the Connect Wyoming program were either expended or reverted as required by federal law.

Connect Wyoming 2.0 (Fund CPF). In 2023, the State received an additional \$70.5 million from the American Rescue Plan Act of 2021 (ARPA), Capital Projects Funds (CPF) to continue Connect Wyoming.¹⁶ These funds were used for a competitive grant program to support last mile broadband infrastructure projects in areas statewide that did not have access to internet service with speeds of at least 100/20 Mbps.¹⁷ All projects must be completed by December 31, 2026. As of April 6, 2026, all \$70.5 million has either been expended or encumbered for approved projects.¹⁸

Broadband Equity, Access and Deployment Program. Starting in November 2021, as part of the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law of 2021, the federal government established the Broadband Equity Access and Deployment (BEAD) program.¹⁹ The purpose of the BEAD program is to support nationwide efforts to develop and deploy high-speed internet and upgrades to existing broadband infrastructure, especially in underserved locations. The BEAD program planning and implementation phases took place in 2022 and 2023, where states were required to submit a letter of intent, a five-year action plan, and initial proposal details to the National Telecommunications and Information Administration (NTIA).

Following these submissions in 2024, the NTIA approved Wyoming's initial proposal. Under this program Wyoming anticipates receiving \$348 million.²⁰ In 2025, Wyoming proceeded to accept and process BEAD program grant applications. As of January 2026, the program is moving into implementation and reporting phases. As of April 6, 2026, the Business Council received \$211.9 million of the total \$348 million BEAD funds, and of these funds \$10.6 million has been encumbered or expended. The NTIA will distribute the remainder of the allocation, or \$136.1 million, at a later date. All funds are required to be expended by 2032.

Brownfield Revolving Loan Fund (Fund 098).

In 2017, the Business Council applied for and received a Brownfield Revolving Loan grant in the amount of \$800,000 from the Environmental Protection Agency (EPA) to establish a loan program to assist eligible applicants clean up and reuse and/or redevelop contaminated brownfield sites.²¹ In addition to the EPA grant, the Business Council also received \$100,000 from the Department of Environmental Quality to satisfy the grant matching requirement.

To jointly administer the program, the Business Council and Department of Environmental Quality entered into a Memorandum of Understanding. Under this arrangement, the Business Council serves as the lead fiscal agency and services the grants and loans and the Department of Environmental Quality oversees project management including site clean-up and approval of local invoices. To be eligible for a grant or loan from the Brownfield Revolving Loan Fund, an applicant must also enroll in the Voluntary Remediation program administered by the Department of Environmental Quality and the

¹⁶ 2023 Wyoming Capital Construction Fund Allocation. Available here: <https://home.treasury.gov/policy-issues/covid19-economic-relief/assistance-for-state-local-and-tribal-governments/capital-projects-fund/wyoming-cpf-allocation>.

¹⁷ The "100/20 Mbps" refers to 100 Megabits per second download speed and 20 Megabits per second upload speed.

¹⁸ 2023 Connect Wyoming Application Awards. Available here: <https://broadband.wyomingbusiness.org/connect-wyoming/application-awards/>.

¹⁹ National Telecommunications and Information Administration, Broadband Equity Access and Deployment Program Overview. Available here: <https://broadbandusa.ntia.gov/funding-programs/broadband-equity-access-and-deployment-bead-program>.

²⁰ 2024 Wyoming Bead Program. Available here: <https://broadband.wyomingbusiness.org/beat/>.

²¹ Brownfield RLF. Available here: <https://wyomingbusiness.org/business/financing/loans/brownfields-rlf/>.

Brownfield sites are abandoned, idle, or underutilized industrial and commercial properties that have, or are suspected to have, some environmental contamination that could impact future reuse or redevelopment.

site must be deemed eligible by the EPA. Of the original funds, the Business Council carried forward \$244,406 for the Brownfield Revolving Loan Fund to the FY 2025-2026 biennium. As of April 6, 2026, the Brownfield Revolving Loan Fund has a balance of \$533.

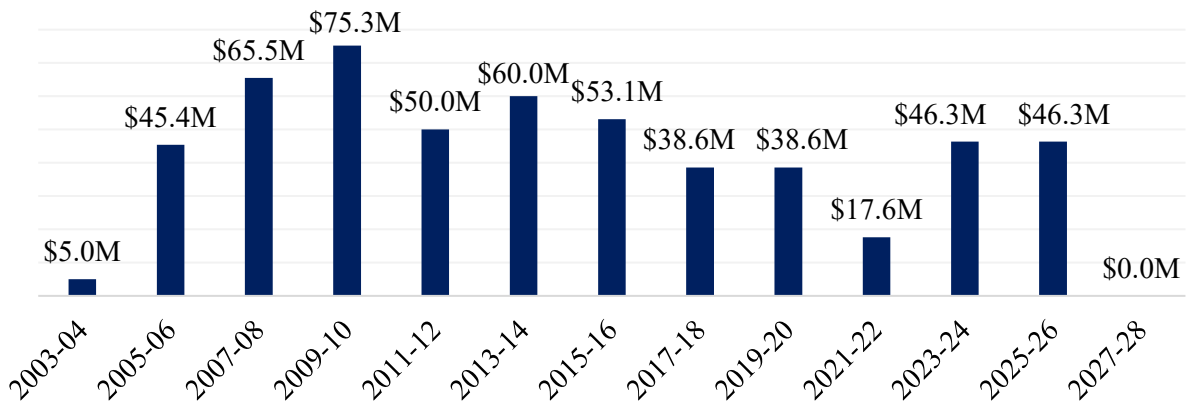
Business Ready Communities (BRC) Program (Fund 521 and Division 1600).

The largest GF program administered by the Business Council is the BRC Grant and Loan Program.²² The Legislature first established the BRC program in 2003 to provide eligible applicants, specifically cities, towns and counties, joint powers boards, and the Northern Arapaho and Eastern Shoshone tribes, with funding opportunities to support the development of publicly owned infrastructure for local economic development.²³

Procedurally, all eligible applicants must submit their applications in compliance with the current rules by the pre-established deadlines.²⁴ All applications are reviewed by Business Council staff before being submitted to the Business Council Board for consideration. Following the recommendation of the Business Council Board, the State Loan and Investment Board then considers applications for final approval. Any funds appropriated to or received by the BRC program (e.g., direct appropriations, revenue recapture, or loan repayments) are credited to the BRC program account and are continuously appropriated to the Business Council.²⁵

As shown in Figure 1, from 2003 through 2026, the Legislature has appropriated \$546.8 million to the BRC program. As of April 6, 2026, not including funds for projects that may have been approved but not yet encumbered, the BRC program has a balance of \$57.94 million GF.²⁶

Figure 1. General Fund Appropriations to the Business Ready Communities Program (2003 Session through 2026 Session).



Source: Legislative Service Office staff review of the state accounting system (WOLFS), legislative appropriations, and agency budget requests.

During the 2026 Budget Session, the Legislature adopted 2026 Session Laws, Chapter 44, Section 317, to require the Business Council to revert any unexpended, unobligated funds in the BRC account.²⁷ However, the Governor vetoed portions of Section 317 referring to the deposit of funds into the GF, as

²² Pending rule changes, the Business Council may be changing the program name to “Building Resilient Communities” although the statute continues to it as “Business Ready Community” program.

²³ See in **2003 Session Laws, Chapter 211**.

²⁴ BRC Program rules. Available here: <https://rules.wyo.gov/Search.aspx?Agency=085&Program=0022>.

²⁵ W.S. 9-12-602.

²⁶ According to Business Council staff, there is an additional \$10.22 million GF and \$13.19 million S4 (Local Government CapCon) from prior appropriations that is unobligated and may only be used for the BRC program.

²⁷ See **2026 Session Laws, Chapter 44, Section 317**.

well as the provision making the reversion effective immediate. As the Legislative did not override the Governor's veto, it is unknown how much and when any funds from the BRC account will revert.

Community Facilities Grant and Loan Program (Fund 611) and Community Facility Program and Rehabilitation.

Community Facilities Grant and Loan Program. The Legislature originally created the Community Facilities Grant and Loan program in 2005.²⁸ The purpose of the program was to assist communities by providing grant and loan funding to preserve school and government buildings for existing and future uses. Any funds appropriated to or received by the Community Facilities program are credited to the program account and are continuously appropriated to the Business Council.²⁹ In total, from 2005 through 2026, the Legislature has appropriated \$49.43 million GF to the Community Facilities program. Of these total funds, as of April 6, 2026, \$2.7 million GF remains unobligated or unencumbered.

Community Facility Program and Rehabilitation. In 2023, the Legislature appropriated \$2.7 million GF for the Community Facilities Grant and Loan Program.³⁰ Separately, in subsection (b), as amended during the 2024 Budget Session, the Legislature appropriated an additional \$2.7 million (\$2,695,339 GF and \$104,661 Strategic Investment and Projects Account (SIPA)) for grants specifically for community facility rehabilitation.³¹ Specifically, the Legislature appropriated these funds for:

cities and towns to complete the preservation of former school facilities as community centers, provided that the expenditure is for facilities that are included on the national park service's national register of historic places or as a national historic landmark in a city or town with a population of less than fifteen hundred (1,500) that has received funding or technical assistance from the Wyoming business council for the preservation of a former school facility as a community center before the effective date of this section.³²

The Business Council encumbered the entire subsection (b) appropriation.

Community Workforce Housing Loan Program.

In 2007, the Legislature created the Community Workforce Housing Loan Program to assist cities, towns, counties, special improvement districts, and joint powers boards, obtain funding for publicly-owned infrastructure for workforce housing projects and community land trust projects.³³ The Legislature appropriated \$1 million from the Budget Reserve Account (BRA) into the Wyoming Workforce Housing Infrastructure Program account for the loans and \$50,000 from the BRA for program development, operations and administration. All funds received, e.g., earned investment income or repayments, are continuously appropriated to the account. Funds in the account can only be expended upon legislative appropriation and shall only be used for authorized cooperative agreements and loans. As of April 6, 2026, the Wyoming Workforce Housing Infrastructure Program account balance was \$0.

Economic Diversification Account (Fund 549).

The Legislature established the Economic Diversification Account in 2017 as a part of the ENDOW initiative.³⁴ Funds in the account are for the Economic Diversification Council to proceed with

²⁸ See **2005 Session Laws, Chapter 233**.

²⁹ W.S. 9-12-804.

³⁰ See **2023 Session Laws, Chapter 94, Section 333(a)** and W.S. 9-12-801 through 9-12-804. The \$2.7 million remaining in the Community Facilities Grant and Loan Program is exclusively related to subsection (a) of the 2023 appropriation.

³¹ See **2024 Session Laws, Chapter 118, Section 318**.

Community Facilities Rehabilitation. Available here: <https://wyomingbusiness.org/communities/financing/cfr/>.

³² See **2023 Session Laws, Chapter 94, Section 333(b)**.

³³ See **2007 Session Laws, Chapter 181**.

³⁴ See **2017 Session Laws, Chapter 140**.

supporting and monitoring the implementation of its economic diversification strategy. In 2017, the Legislature appropriated \$2.5 million from the LSRA to the Economic Diversification Account, of which \$1.5 million was specifically set aside for workforce development to be administered by the Department of Workforce Services.

All funds in the Economic Diversification Account are continuously appropriated to the Governor's Office and may be expended for administrative expenses of the ENDOW executive council.³⁵ As of April 6, 2026, the Economic Diversification Account has a remaining balance of \$97,866.

Energy Performance Program.

In 2009, the Legislature authorized the Business Council to establish a voluntary Wyoming Energy Conservation Improvement Program to provide support for the development and implementation of energy performance contract projects.³⁶ The Legislature did not provide any additional funding for this program.

Kickstart Grant Program.

The Legislature originally established the kickstart:Wyoming program in 2018, as a part of the ENDOW initiative.³⁷ The purpose of the program was to invest in Wyoming-based startup companies and provide financial and technical support to diversify the State's economy. The Legislature appropriated \$5 million from the LSRA to the startup:Wyoming subaccount in the Economic Diversification account and funds for the kickstart:Wyoming came from this appropriation. Funds in the startup:Wyoming subaccount are continuously appropriated to the account and may only be expended as requested by the Business Council and approved by the Governor.³⁸

In 2024, the Business Council updated the Kickstart Grant program to focus on providing support to Wyoming-based startup companies "overcome initial hurdles through funding, mentorship, and future growth opportunities."³⁹ As of April 6, 2026, not including funds for projects that may have been approved but not yet encumbered, the startup:Wyoming subaccount had a balance of \$2.9 million.

Main Street Program.

The Legislature created the Main Street Program in 2004 as a three-year pilot program originally administered by the Department of Agriculture in coordination with the Business Council.⁴⁰ The Legislature also created the Main Street Advisory Board to assist in developing an annual plan to operate the program. The Legislature appropriated \$350,000 from the GF, one full-time equivalent position and one part-time equivalent position to administer the program during the pilot. The Legislature also transferred \$200,000 that was originally appropriated to the Business Council to the Department of Agriculture.⁴¹ Following the completion of the pilot program in 2007, the Legislature choose to continue the Main Street Program and transferred the program, including the remaining appropriations and positions, from the Department of Agriculture to the Business Council.⁴²

The purpose of the Main Street Program is to provide technical assistance and support to communities to revitalize downtown spaces.⁴³ The Business Council maintains the program in cooperation with the Main Street America program, which is a national nonprofit organization and program of the National

³⁵ W.S. 9-12-1404.

³⁶ See **2009 Session Laws, Chapter 123**.

³⁷ See **2018 Session Laws, Chapter 127**.

³⁸ W.S. 9-12-1404(a).

³⁹ Kickstart Grant Program. Available here: <https://wyomingbusiness.org/business/financing/grants/kickstart/>.

⁴⁰ See **2004 Session Laws, Chapter 119**.

⁴¹ See **2004 Session Laws, Chapter 95, Section 085**.

⁴² See **2007 Session Laws, Chapter 101.a**

⁴³ Main Street. Available here: <https://wyomingbusiness.org/communities/community-services/main-street/>.

Trust for Historic Preservation.⁴⁴ Funding for the Main Street Program is included in the Business Council standard budget. For the FY 2027-2028 biennium the Business Council budget, before the reduction in the standard budget by the Legislature, for the Main Street Program was \$470,000 GF.

Minerals to Value Added Products Program.

The Legislature established the Wyoming Mineral to Value Added Products Program in 2015.⁴⁵ The Legislature defined the purpose of this program to “encourage the development of industries in this state which convert the state's mineral resources to higher valued products prior to exportation from the state.” The Legislature did not provide any funding for this program but allowed any funds deposited into the associated account to be continuously appropriated to the Business Council for this program. According to the Business Council, the Minerals to Value Added Products Account balance is \$0.

Partnership Challenge Loan Program, Economic Development Enterprise Fund (Fund 089), and the Revolving Investment Fund (Fund 039) (including the Large Project Loan Program).

Partnership Challenge Loan Program. The Legislature created the Wyoming Partnership Challenge Loan Program in 1996.⁴⁶ The program was originally administered by the Economic Development and Stabilization Board and was subsequently transferred to the Business Council upon its creation in 1998.⁴⁷ Through the Partnership Challenge Loan program, the Business Council offers loans to private and nonprofit entities for eligible business needs as found in W.S. 9-12-301 through 308. As specified in statute, loans can be made for economic disasters; fifty-fifty financing; Wyoming Main Street loan participation; natural gas fueling infrastructure; contract financing, and succession financing.⁴⁸ The Business Council has established rules, fees, and interest rates for each loan type. Statute provides that a portion of the fees shall be deposited into a program administration account.⁴⁹ All other funds for the Partnership Challenge Loan Program (e.g., repayment or interest income) are deposited into the Economic Development Enterprise fund which is a subaccount of the Revolving Investment Fund Account. All funds in the subaccount are continuously appropriated.

Revolving Investment Fund (Fund 039). The Legislature established the Revolving Fund Account through a constitutional amendment in 1986 found in Article 16, Section 12 of the Wyoming Constitution. The constitutional amendment created the fund to support economic growth and stability in Wyoming, and the Business Council administers the fund accordance with W.S. 9-12-301 through 9-12-308. All funds in the Revolving Investment Fund are invested in the State Agency Pool (SAP). As of April 6, 2026, the Revolving Investment Fund has a balance of \$14.01 million, not including the funds within the subaccount, Economic Development Enterprise Fund and Large Project Loan Fund.

Economic Development Enterprise Fund (Fund 089). In 1996, the Legislature also created the Economic Development Enterprise Fund as a subaccount in the Revolving Investment Fund.⁵⁰ All loans and related expenses for the Partnership Challenge Loan Program are paid from this subaccount, and all loan principal and interest payments are deposited back into the subaccount. Additionally, funds in the subaccount may also be used for the Large Loan Program upon direction of the Governor and if required to meet approved loans or loan guarantees. As of April 6, 2026, the balance of the Economic Development Enterprise Fund is \$30.6 million.

⁴⁴ Main Street America website. Available here: <https://mainstreet.org/about/who-we-are>.

⁴⁵ See **2015 Session Laws, Chapter 56**.

⁴⁶ See **1996 Session Laws, Chapter 107**.

⁴⁷ See **1998 Session Laws, Chapter 6**.

⁴⁸ In **2022 Session Laws, Chapter 2**, the Legislature discontinued authorization for new guarantee loan participation and the loan guarantee programs after July 1, 2022.

⁴⁹ W.S. 9-12-302(b).

⁵⁰ See **1996 Session Laws, Chapter 107**.

Large Project Loan Program and Large Project Loan Fund (Fund 091). In 2014, the Legislature authorized the transfer of \$25 million from the Economic Development Enterprise Fund to the Large Program Loan subaccount for economic development loan and loan guarantees.⁵¹ In 2020, the Legislature codified this program in W.S. 9-12-308. As of April 6, 2026, the Large Project Loan Fund (subaccount) has a balance of \$18.8 million.⁵²

Revenue Bonds for Agricultural Processing.

In 2022, the Legislature created W.S. 9-12-109(b)(vi), which authorized the Business Council to issue revenue bonds to finance, construct, develop, maintain, or operate agricultural processing projects.⁵³ According to the Business Council, the revenue bond rules are in place, but the program is still in development.⁵⁴ The Legislature did not provide any additional funding for this program.

Rural Development Grant Programs.

As one of the founding tenants, the Legislature required the Business Council to encourage and promote the development of agriculture statewide. As a part of this effort, the Business Council has different grants programs including community economic development grants and leadership grants available to those in the agriculture industry or rural communities. The Business Council also provides support for meat processing plants and, as part of the Partnership Challenge Loan Program, administers a Value Added Agriculture Loan Program, where the banks are the applicant and the agriculture producer is the beneficiary.⁵⁵

Agriculture Marketing (Fund 752). In 2018, the Legislature established the Agriculture Marketing subaccount as a part of the ENDOW initiative and appropriated \$2 million from the LSRA.⁵⁶ Funds in the account may only be used for agriculture marketing of Wyoming products. All funds in the Agriculture Marketing subaccount are continuously appropriated to the account and may only be expended as requested by the Business Council and approved by the Governor.⁵⁷ As of April 6, 2026, the subaccount has a balance of \$2.04 million.

Rural Rehabilitation (Fund 499).

The United States Department of Agriculture (USDA) Rehabilitation Program began with the Emergency Relief Appropriation Act of 1935 and has continued in some form since then. The current cooperative agreement between the USDA and Wyoming provides that funds in the Rural Rehabilitation Fund may be used for grants, loans and other purposes that benefit ranchers, farmers, and rural residents. The Business Council may only expend funds in accordance with current federal guidelines. All investment earnings from the fund are credited back to the account. As of April 6, 2026, the balance of the Rural Rehabilitation Fund is \$5.2 million.

Science, Technology and Energy Financial Aid.

When it was created in 1998, the Business Council assumed the functions of the Science Energy and Technology Authority (STEА).⁵⁸ The primary responsibility of this authority was to provide financial assistance to qualifying applicants to assist in product development and assessing options such as

⁵¹ See [2014 Session Laws, Chapter 46](#).

⁵² See [2020 Session Laws, Chapter 109](#).

⁵³ See [2022 Session Laws, Chapter 105](#).

⁵⁴ Revenue Bonds for Agriculture Processing. Available here:

<https://wyomingbusiness.org/business/financing/financial-incentives/ag-processing-bonds/>.

⁵⁵ Value Added Agriculture Loan Program. Available here:

<https://wyomingbusiness.org/business/financing/loans/value-added-ag-loan/>.

⁵⁶ See [2018 Session Laws, Chapter 125](#).

⁵⁷ W.S. 9-12-1404.

⁵⁸ See [1998 Session Laws, Chapter 6](#).

commercial feasibility. Any funding provided under W.S. 9-12-202 is predicated on the Business Council receiving a return commensurate with the initial financial assistance.

Small Business Investment Credit Program.

Created by the Legislature in 2010, the Small Business Investment Credit program provides an alternative source of capital for qualifying Wyoming businesses that is administered by the Business Council.⁵⁹ The Business Council may certify companies as a Wyoming small business investment company operating under this program. Once certified, these companies may invest capital into qualifying business and become eligible for a credit against any state insurance premium tax liability up to 100 percent of the investment in a qualifying business. In accordance with W.S. 9-12-1306(a), the maximum set by the Legislature for the total amount of investment tax credits issued under this program cannot exceed \$30 million.

Small Business Innovation Research Program.

The Legislature established the Small Business Innovation Research Program, also referred to as the Small Business Technology Transfer Program, in 2018 as a part of the ENDOW initiative with a \$6 million appropriation from the LSRA.⁶⁰ Funds for the program are held in the Wyoming Research and Innovation subaccount within the Economic Diversification Account and are continuously appropriated to the account. The original intent of the program was to provide State matching funds to access federal and other non-state funded research and development grants opportunities. The intent was to support efforts for creation of high-growth companies, increase Wyoming based patents, and increase Wyoming's capacity for new research development at its higher education institutions. Since inception, the Legislature has appropriated an additional \$5 million GF during the 2022 Budget Session for this program.⁶¹ During the 2026 Budget Session, the Governor recommended an exception request for an additional \$5 million GF for this program, but the Legislature did not adopt this recommendation.

Wyoming Business Council (Fund 085).

The Business Council primarily uses this fund for business recruitment. Additionally, from 1998 through 2005, the Wyoming Office of Tourism was a part of the Business Council. The Legislature separated the Wyoming Office of Tourism from the Business Council in 2005.⁶² Currently, the Wyoming Office of Tourism has \$40,404 in Fund 085, which is used for promotional and branded Wyoming products and tourism marketing. As of April 6, 2026, the balance of this fund is \$275,565.

Wyoming Venture Capital Fund (State Small Business Credit Initiative Fund (Fund SBC)).

Originally established in 2010, Congress re-authorized and expanded the State Small Business Credit Initiative as a part of the American Rescue Plan Act of 2021.⁶³ In 2022, the Business Council received an allocation of \$58.4 million to be distributed in separate tranches and used over a nine-year period.

⁵⁹ See **2010 Session Laws, Chapter 113**.

“Qualified business” in this context is defined in W.S. 9-12-1302(vi) and specifies requirements such as being independently owned and operated, has 250 employees or less and has its principal operations in Wyoming.

⁶⁰ See **2018 Session Laws, Chapter 126**.

SBIR Matching Grant Program. Available here: <https://wyomingbusiness.org/business/financing/grants/sbir/>.

⁶¹ See **2022 Session Laws, Chapter 51, Section 085, footnote 3**.

⁶² See **2005 Session Laws, Chapter 5**.

⁶³ Congress originally created the SSBCI in the **Small Business Jobs Act of 2010** (P.L. 111-240) with an appropriation of \$1.5 billion. The original version of the SSBCI was administered by the U.S. Department of Treasury from September 2010 through September 2017.

U.S. Department of the Treasury, State Small Business Credit Initiative (SSBCI). Available here: [Available here: https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci](https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci).

Using the award funds, the Business Council created the Wyoming Venture Capital fund (WYVC) in April 2023. According to the Business Council website, the Wyoming Venture Capital Fund:

[...] is the quasi-governmental equivalent to a standard venture capital fund with a geographic focus. The fund utilizes two investment strategies – the Direct Strategy and Funds Strategy – to support the growth of Wyoming entrepreneurs and startups. After in-depth investment consideration and due diligence, WYVC targets contributing 20% to selected funds or companies’ fundraising rounds.⁶⁴

Of the original \$58.4 million allocation, the Business Council will set aside \$35 million for the WYVC Direct Strategy and \$23.4 million for the WYVC Funds Strategy. According to the Business Council website:

The \$35M in the Direct investment strategy is focused on direct equity co-investment into Wyoming entrepreneurs. Follow-on funding has been a challenge for Wyoming startups and the Direct Strategy enables WYVC to participate in funding rounds for Wyoming companies headquartered across the state.⁶⁵

The \$23.4M of the Funds investment strategy is designed to help capitalize new and existing venture capital or angel funds to support Wyoming entrepreneurs. The Funds strategy allows Wyoming Venture Capital (WYVC) to make limited partnership (LP) investments in early-stage startup focused funds.⁶⁶

To facilitate the administration of the Wyoming Venture Capital Fund, in 2023, the Business Council set aside \$951,455 and one (1) temporary, full-time equivalent position. For the FY 2025-2026 biennium the Business Council included \$900,000 for administration costs for the program.

According to the Business Council, from January 2023 through April 2026, the Wyoming Venture Capital fund now holds \$20.3 million in venture capital investments.

V. STRATEGIC PARTNERSHIPS

The Business Council maintains several strategic partnerships to support specific economic development objectives and efforts without the need to expand its own operations. Although the Business Council has supported these strategic partnerships in the past, unique to the FY 2027-2028 biennium, it decided to include some of these partnerships in its budget to request additional State support.⁶⁷

StartUp Wyoming.

The Business Council recognizes that there is an ongoing need to support efforts of founders who are working to develop or create high-growth potential companies statewide that have the potential to diversify Wyoming’s economy. Specifically, during the early stages of growth and development for companies, founders often need additional support in accessing quality education, mentorship and networking opportunities that are not readily available in Wyoming due to the state’s unique geography and demographics.

To address this ongoing need, starting in September 2024, the Business Council entered into a contract with Silicon Couloir, an economic support organization that has been operating in Teton county and

⁶⁴ Wyoming Venture Capital. Available here: <https://wyomingbusiness.org/business/financing/equity/>.

⁶⁵ WYVC Direct Strategy. Available here: <https://wyomingbusiness.org/business/financing/equity/direct/>.

⁶⁶ WYVC Funds Strategy. Available here: <https://wyomingbusiness.org/business/financing/equity/funds/>.

⁶⁷ As the following describes individual strategic partnerships the Business Council chooses to support and because these partners are not entities of the State, information regarding these organizations is limited to what is available in the [Wyoming Business Council 2027-2028 budget request](#), the Business Council website, and the individual website for each organization.

the surrounding area since 2012, for the statewide StartUp Wyoming initiative.⁶⁸ The purpose of this collaboration is to provide “one-on-one, concierge-level support” to help founders access the knowledge, resources, and mentorship they need to be successful, as well as create “a pipeline of wraparound support to accelerate growth.”⁶⁹ In addition to providing direct supports such as coaching, to accomplish this purpose StartUp Wyoming continues to develop and maintain a platform to connect founders with funders and other support organizations, develop and share a startup and resources map to better inform founders and communities, as well as develop programming to educate and connect founders, communities and other stakeholders.

To support these efforts, the Business Council requested a one-time appropriation of \$1.01 million GF. The Governor recommended denying the Business Council’s request and the Legislature adopted the Governor’s recommendation to deny this request.

Wind River Development Fund.

The Wind River Development Fund is non-profit certified by the U.S. Department of Treasury as a Native Community Development Financial Institution.⁷⁰ In addition to providing lending capital and technical assistance to start-up businesses, the Wind River Development Fund pursues opportunities to invest in the region.⁷¹ In September 2024, the Wind River Development Fund developed a new economic model for the Wind River region and launched the Wind River Sage Fund Inc. with \$36 million in funding from the Economic Development Administration Recompete Pilot Program to implement this model.⁷²

To support the ongoing efforts of the Wind River Development Fund, the Business Council requested \$2.64 million GF. The Governor recommended denying the Business Council’s request and the Legislature adopted the Governor’s recommendation to deny this request.

Manufacturing Works.

According to the Business Council 2027-2028 budget request, “Manufacturing Works is Wyoming’s official Manufacturing Extension Partnership (MEP) Center, part of the MEP Network under the National Institute of Standards and Technology, committed to strengthening the state’s manufacturing sector.”⁷³ The purpose of this partnership is to support small and medium sized manufacturers statewide in terms of competitiveness, productivity, and profitability. Manufacturing Works is also an existing partner of the University of Wyoming’s Business Resource Network.⁷⁴

To support the ongoing efforts of Manufacturing Works, the Governor recommended adoption of the Business Council exception request for a one-time appropriation of \$1.4 million GF. These funds will be used to continue to support Manufacturing Work’s efforts to provide manufacturers and workers

⁶⁸ As used here StartUp Wyoming is separate from the startup:Wyoming fund as found in statute. StartUp Wyoming. Available here: <https://startupwy.org/>.

Silicon Couloir. Available here: <https://www.siliconcouloir.com/>.

⁶⁹ **Wyoming Business Council 2027-2028 budget request**, page 37.

⁷⁰ Native Community Development Financial Institution. Available here: <https://www.cdfifund.gov/programs-training/programs/native-initiatives>.

⁷¹ **Wyoming Business Council 2027-2028 budget request**, page 42.

⁷² Economic Development Administration Recompete Pilot Program. Available here: https://www.eda.gov/sites/default/files/2024-07/Wind_River_Updated_Recompete_Plan_Phase_2_Submission.pdf.

⁷³ **Wyoming Business Council 2027-2028 budget request**, page 43.

Manufacturing Works. Available here: <https://manufacturing-works.com/>.

National Institute of Standards and Technology. Available here: <https://www.nist.gov/mep>.

⁷⁴ University of Wyoming. Available here: <https://www.uwo.edu/research/economic-development/index.html>.

with the “tools, training and support” they need.⁷⁵ The Legislature adopted the Governor’s recommendation of \$1.4 million GF, one-time.

Wyoming Small Business Development Center Network.

According to the Business Council 2027-2028 budget request, the Wyoming Small Business Development Center Network (Network) “is a conglomerate of four programs (Small Business Development Center (SBDC), Apex Accelerator (APEX), Market Research Center (MRC), and Wyoming Small Business Innovation Research/Small Business Technology Transfer Initiative (WSSI)).”⁷⁶ The Network supports new and existing small businesses by providing assistance and guidance to solve challenges related to starting, growing or expanding.

To support the ongoing efforts of the Small Business Development Center Network, the Governor recommended adoption of the Business Council exception request for a one-time appropriation of \$1.3 million GF. These funds will be used to support the Network’s efforts and maintain their current staffing levels. The Legislature adopted the Governor’s recommendation of \$1.3 million GF, one-time.

Wyoming Women’s Business Center.

Starting in 1999, the Wyoming Women’s Business Center (Center) has provided tools, guidance and access to entrepreneurs statewide.⁷⁷ The primary focus of the Center is “serving women, rural residents, artists, and underserved communities through a mix of business training, capital readiness, microloans (funded separately), and one-on-one support.”⁷⁸ The focus of the Center is supporting small, local businesses and entrepreneurs.

To support the ongoing efforts of Wyoming Women’s Business Center, the Governor recommended adoption of the Business Council exception request for a one-time appropriation of \$600,000 GF. These funds will allow the Center to expand its operations to provide support to more small business entrepreneurs to meet the increasing demand for this type of assistance. The Legislature adopted the Governor’s recommendation of \$600,000 million GF, one-time.

VI. ADDITIONAL RESOURCES

The following is a list of additional resources related to the Business Council, in no specific order.

Legislature.

Through the work of different committees and task forces, the Legislature has periodically reviewed the Business Council and its operations. The most recent review of the Business Council was conducted by Joint Minerals during the 2021 interim.⁷⁹ Additionally, during the 2014 and 2015 interim, Management Council created the Joint Subcommittee on Economic Development, consisting of three members of JAC and three members of Joint Minerals, to study the State’s role in economic development projects.⁸⁰ The 2015 Report on Economic Development is included as Attachment B.

LSO Program Evaluations

The LSO Program Evaluation Section has completed three reports that relate to the Business Council:

⁷⁵ [Wyoming Business Council 2027-2028 budget request](#), page 44.

⁷⁶ [Wyoming Business Council 2027-2028 budget request](#), page 46.

⁷⁷ Wyoming Women’s Business Center. Available here: <https://www.wyomingwomen.org/>.

⁷⁸ [Wyoming Business Council 2027-2028 budget request](#), page 49.

⁷⁹ 2021, Priority #: 1 Wyoming Business Council Review. Available here: <https://www.wyoleg.gov/Committees/2021/J09>.

⁸⁰ 2015 Joint Subcommittee on Economic Development. Available here <https://www.wyoleg.gov/Committees/2015/SED>.

- **2016 Business Ready Communities (BRC) Program.**⁸¹
- **2015 Public Purpose Investments.**⁸²
- **2005 Wyoming Business Council.**⁸³

Wyoming Business Council Reports.

The Business Council maintains a website for its annual legislative reports, required quarterly reports, federal reports, and additional issue-specific reports.⁸⁴ Specific reports that may be of interest include:

- **Annual Comprehensive Financial Reports.** Each year the State Auditor’s Office (SAO), prepares the Annual Comprehensive Financial Report (ACFR) detailing the state’s financial condition. Within the ACFR, the Business Council is considered a “component unit” of the State. According to the SAO 2025 ACFR report, “Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The State has two authorities, one university, two state agencies, and one corporation that are reported as discretely presented component units of the State.”⁸⁵ While references to these component units are included in the ACFR, each component unit also has a separate report. The Business Council website includes copies of all ACFR reports from 2009 through 2025 on its website.⁸⁶ The 2025 Business Council report can be found here: <https://wyomingbusiness.org/wp-content/uploads/2026/01/2025-Wyoming-Business-Council-Financial-and-Compliance-Report.pdf>
- **2024 Wyoming Comprehensive Economic Development Strategy (CEDS).** According to the Business Council website, this report is “a strategic planning tool used to guide economic development efforts. The CEDS is intended to guide decision-makers in their pursuit of economic and community development activities. The Wyoming Business Council developed this CEDS to cover the entire state in lieu of smaller, organized economic development districts (EDD) because Wyoming does not have specified districts at this time.”⁸⁷
- **Pathways to Prosperities Notes.** These reports from 2023 were created in collaboration with the “Harvard Kennedy School’s Growth Lab, the State of Wyoming and Wyoming Business Council investigated a number of binding constraints to economic growth and have provided the following notes detailing the challenges and potential opportunities.”⁸⁸

⁸¹ 2016 Business Ready Communities (BRC) Program. The purpose of the 2016 report was to examine the operations of the BRC program and implementation. The report also examined “specific issues with its financial sustainability, project impacts and performance measurement, as well as example strategies and practices outside Wyoming.”

Available here: <https://wyoleg.gov/progeval/REPORTS/2016/BRCProgram12.12.2016Public.pdf>.

⁸² 2015 Public Purpose Investments. The purpose of the 2015 report was to examine the State’s public purpose investments (PPIs), with a focus on administration, opportunity costs, and the applicability and use of the Uniform Prudent Investment Act (UPIA). The Business Council was included in the 2015 report as it helped to administer the Area Redevelopment Program and Industrial Development Bonds, and other programs that were substantially similar to PPIs. Available here: <https://wyoleg.gov/progeval/REPORTS/2015/PPIEvaluation8-7-2015.pdf>

⁸³ 2005 Wyoming Business Council. The purpose of the 2005 report was a comprehensive review of the Business Council, its operations and impacts directing Wyoming economic development efforts. Available here: <https://wyoleg.gov/progeval/REPORTS/2005/BusinessCouncil/TotalDocument.pdf>

⁸⁴ Business Council Reports. Available here: <https://wyomingbusiness.org/reports/>.

⁸⁵ 2025 Annual Comprehensive Financial Report. Available here: <https://sao.wyo.gov/wp-content/uploads/2026/01/2025-ACFR-12.22.25.pdf>.

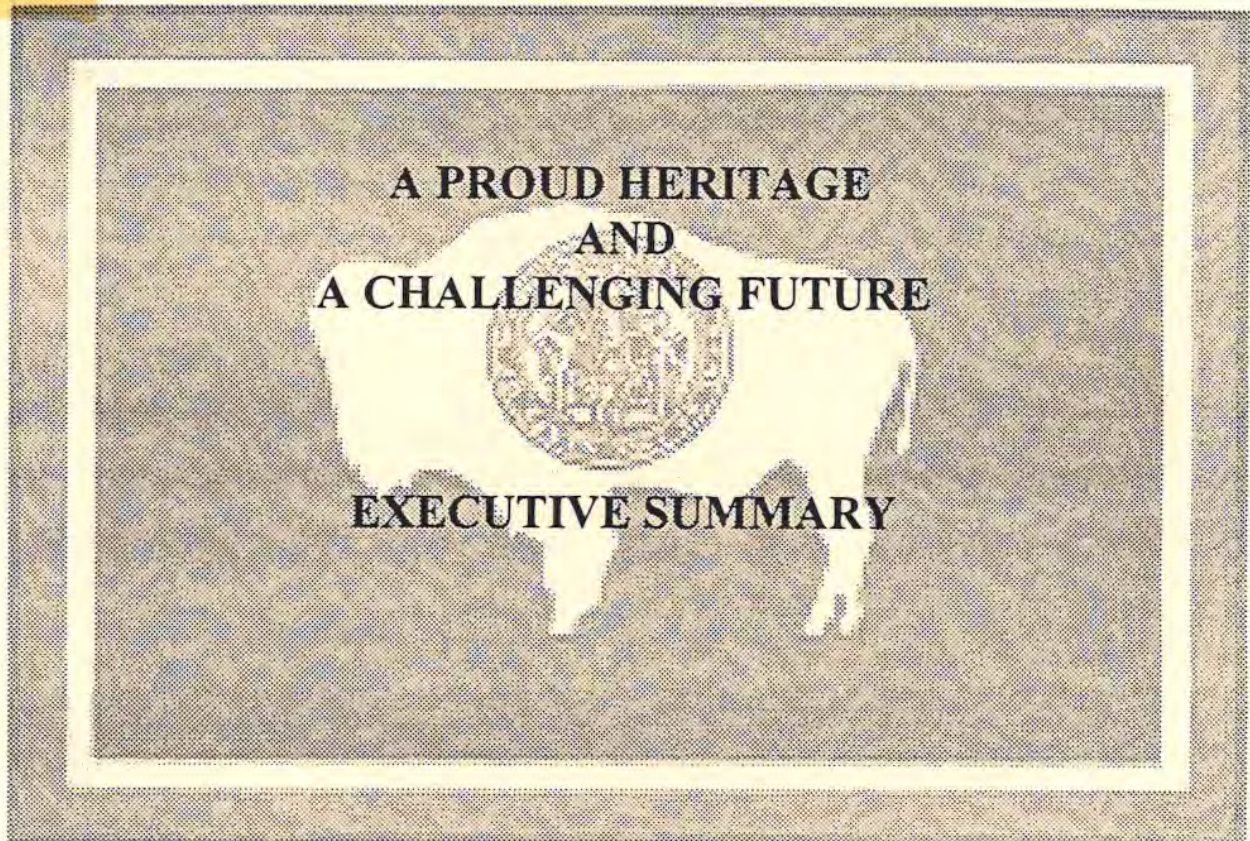
⁸⁶ Business Council Reports. Available here: <https://wyomingbusiness.org/reports/>.

⁸⁷ Wyoming Comprehensive Economic Development Strategy (2024). Available here: <https://wyomingbusiness.org/wp-content/uploads/2024/12/25-WBC-CEDS-Report.pdf>.

⁸⁸ Business Council Reports. Available here: <https://wyomingbusiness.org/reports/>.



A BUSINESS DEVELOPMENT PLAN FOR WYOMING



**THE STEERING COMMITTEE FOR
BUSINESS DEVELOPMENT**

**STATE OF WYOMING
NOVEMBER 1997**

The Economic Problem is Long-Term and Fundamental

Over the past 50 years, the American economy has undergone far-reaching changes. Wyoming has not participated in these changes to any large extent, despite enviable natural resources, a high quality of life, and a favorable tax structure. The Wyoming economy remains rooted in basic agriculture, mineral and energy extraction, and tourism. Wyoming, with all its great potential, has been left behind.

We have planned, but we have taken no effective action. We have never committed and invested enough to succeed. ***This report is a plan for action.***

"We must provide job opportunities so our young people will not have to leave the state – jobs that are productive, meaningful, and well paying. The actions called for in this report are comprehensive. They require a strong alliance of private and public sectors. We must be willing to commit to that alliance. Then, together, we will provide a better future for ourselves, our children, and our grandchildren."

-- Governor Jim Geringer

Key Economic Indicators and Trends -- Wyoming is in the unenviable position of having gone from one of the best performing economies in the 1970s and early 1980s to one of the worst in the 1990s.

- Job growth has virtually disappeared in recent years. Wyoming has fewer jobs (covered by unemployment insurance) in the first quarter of 1997 than it did in 1981.
- In 1996, Wyoming weekly wages in 9 sectors are only 77% of national averages. From 1991 to 1996, per capita personal income growth has been less than 60% of the national average and was last in the Northern Rockies region.
- In 1996, Wyoming ranked 49th in manufacturing employment as a percent of total employment and 51st in technology-related jobs, behind 49 states and Puerto Rico.¹

The conclusions are that Wyoming's job growth and wages are lower than regional and national averages. Wages are not keeping up with inflation, and the gap is widening. Combined with a cost of living that is near the national average, Wyoming workers are losing their ability to maintain their standard of living.

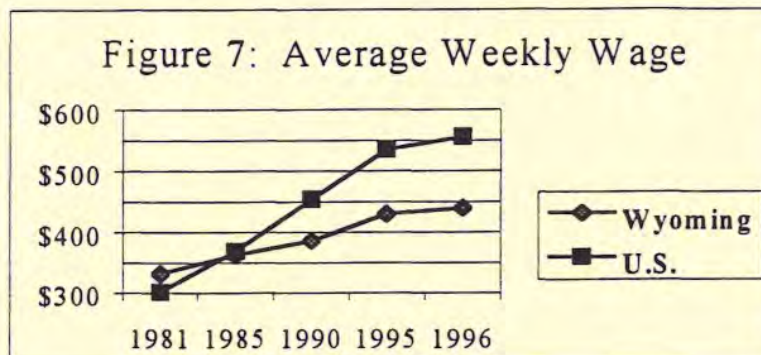
Situation Analysis -- Why has economic performance slowed in Wyoming since the late 1980s, while its neighbors are enjoying strong economic growth?

□ **First - Wyoming has failed to diversify its economy.**

With the loss of mining jobs, continued growth in low-paying services and retail, and lack of growth elsewhere, the economy is actually less diverse now than before.

□ **Second – Job growth has shifted from high paying to low-paying jobs.**

Average weekly wages in Wyoming have declined 31.5% over the last 15 years compared to the national average. Wyoming job growth in services and retail sectors is in lower paying jobs.



□ **Third – Wyoming is losing an important resource – young people.**

There are 5,800 fewer students in K – 4th grade than ten years ago, a full 15% decline. From 1990 to 1996, the age group from 25 -34 years declined by nearly 24%. From 1990 to 1996, Wyoming has fallen from 15th to 28th nationally population with a Bachelor's degree or better.

□ **Fourth - Public lands and federal policies limit development.**

Federal control of economic assets will continue to limit our opportunities and prosperity.

□ **Fifth – There is no cohesive structure for business development.**

Wyoming does not have a comprehensive development plan or unified state structure to effectively conduct a modern economic development program. Creating an effective structure for economic development is a critical first step in improving our economy.

Economic Development Plan

Foundations for Economic Development -- After careful analysis, the committee designed a plan with strategies and programs proven successful in other states, but adapted to Wyoming's unique conditions. The plan is based upon a dynamic private and public partnership; it is innovative and action-oriented, and will stimulate economic development. Six components represent a comprehensive frame for Wyoming's economic development strategy. They are interdependent and must be pursued simultaneously.

□ **Competitive People**

Quality of the Workforce - Human capital is our most significant asset for improving Wyoming's future. The excellence of our public education system is of paramount importance. The entire educational system must be cognizant of and responsive to the workforce needs of businesses and communities.

Community Leadership Development and Resources - Local officials and civic leaders are challenged with a wide variety of complex development issues. The Committee's statewide survey revealed that local leaders, communities and development groups need external sources of financial and technical expertise.

Role of Higher Education - The University of Wyoming and the seven community colleges are important assets for Wyoming's economic development. The fact is that the higher education system has not been fully integrated into the state's development strategies, but needs to be.

Perhaps the comments of University of Wyoming President Philip L. Dubois summarize this most clearly, "*There is little the University can do in the absence of a clear and coherent state economic development strategy backed by sufficient resources and long-term commitment to give it any chance of success.*"

□ **Competitive Businesses** -- To grow and prosper, Wyoming businesses must have a supportive, proactive business climate that encourages investment and growth.

Taxation - A stable and competitive tax environment encourages businesses to invest in people, facilities, equipment, and their communities. Enlightened tax reform must balance the impact among all economic sectors. Inadequate public revenue limits the state's ability to shape its future, educate its students, provide essential services, and improve the quality of life of its citizens.

Regulation - Business deserves professional service from state officials who seek to facilitate and solve business problems, not act as obstacles. Without sacrificing regulatory integrity, or environmental quality, regulatory customer service needs to be improved in this state.

Capital Formation - Profits, growth, and market potential all drive a company's ability to generate capital -- either from equity or debt sources. In a state that isn't growing and in an economy that isn't expanding, these three elements may be missing. There is a role for Wyoming in providing financial assistance to fuel development.

Development Incentives - Wyoming has so few taxes on most business (i.e., no corporate income tax) that many standard incentives utilized by other states are not even possible. Carefully applied public incentives can act as a catalyst, leverage private resources, target investment in desired economic sectors, and close deals.

□ **Competitive Communities** -- The term "*competitive community*" signifies a community prepared to compete in the global economy in terms of leadership, business, and infrastructure.

□ **Infrastructure Development** --Wyoming needs to maintain and upgrade its traditional infrastructure. Communications infrastructure must remain a high priority for it allows us to overcome our geographic isolation.

□ **Diversification and Value-Added Products** -- The state needs to take an active role in targeting development in businesses that produce higher value products, and create higher skilled, better paying jobs.

□ **Redefined State and Private Sector Roles Are Necessary in Wyoming** --Wyoming can't develop the way other states have – there is no other leadership unit or funding mechanism than the state itself. A greater investment of people and capital is required to operate on a scale sufficient to ensure success. Forming effective partnerships with the private sector is one of the most important actions the state can take.

Business Development Strategies -- The six strategic components identified in the previous section must be translated into concrete actions.

□ **Existing Business Development and Recruitment** -- The health of Wyoming's existing businesses is a top priority. Key business groups with the greatest short-term potential should be addressed, including resource extraction and tourism.

□ **Entrepreneur and Enterprise Development** -- As the American economy continues to restructure, the growth and sustenance of small business and entrepreneurs are vital components of Wyoming's strategy.

□ **Community Enhancement** – A careful assessment of community and regional needs is necessary as a first step in improving service delivery at the local level. Regional offices staffed by development professionals will assist communities and developers with planning, grant applications, and project management.

□ **Effective Targeting** -- One of the fundamental needs of any successful economic development program is to identify targets of economic opportunity.

Value-Added Resource-Based Firms

High-Value, Capital Intensive Manufacturing and Processing

Products From and For Existing Companies

Technology-Based Firms

Tourism/Recreation Resources and Product Expansion

High-Quality Professional Services

Information Technology and Processing

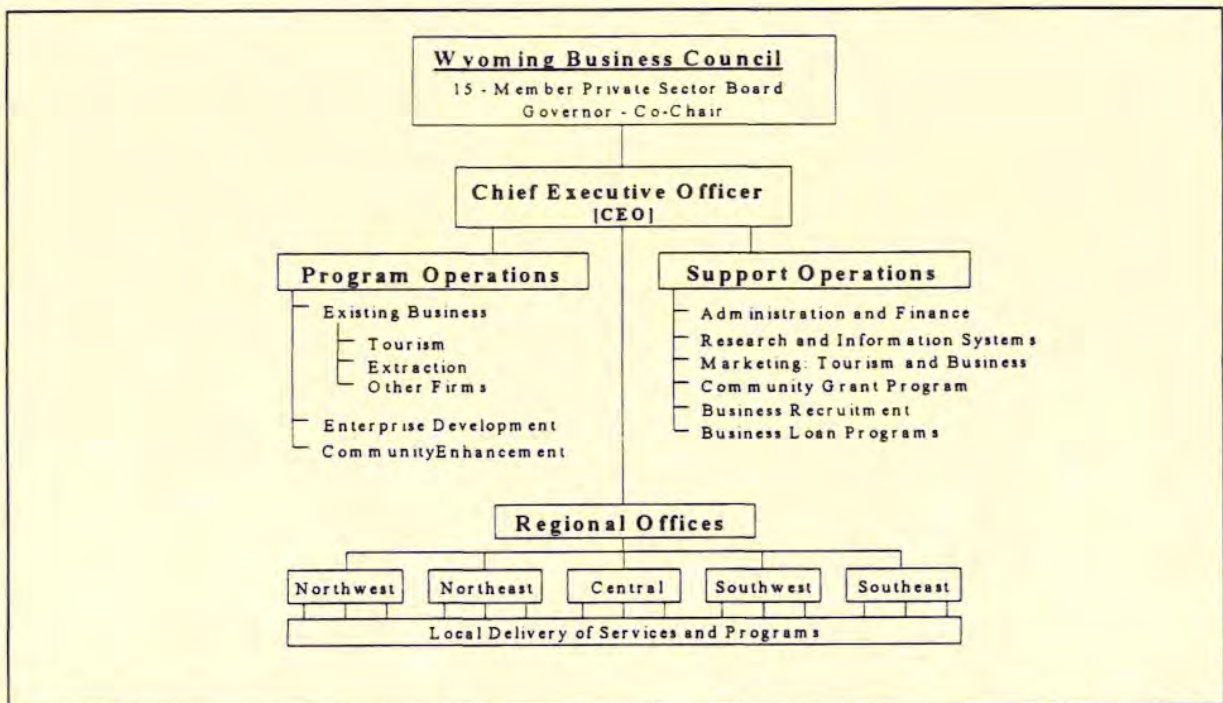
Regional Alliances with Dynamic Economies

Implementation Plan -- Wyoming's critical economic situation calls for bold and decisive

action. The strategy outlined on the previous pages cannot be brought to life with Wyoming's current economic development structure and programs. Wyoming is not operating on a high enough professional level and financial scale to make a difference in the economy.

□ **Wyoming Business Council** -- The structure will be much like that of a corporation, with a board of directors, a central office, regional divisions responsible for operations, professional performance standards, and real world accountability.

- The primary function of the central office is to support service delivery within the regions. The primary functions of each regional office are to provide small business services and community enhancement technical assistance and expertise.
- In order to consolidate operational authority, a number of state boards and authorities will be reviewed and their functions will be assumed by the Council, as appropriate.
- A permanent private sector fund or foundation will be created to assist the work of the Council.



□ **Regional Operations** -- Regional delivery systems can provide a more customized approach and more immediate delivery of services, and better address the different mix of economic sectors in each area. The suggested offices would be in Rock Springs (southwest), Casper (central), Cody (northwest), Laramie (southeast), and Gillette (northeast). A regional service delivery plan will need to be developed in close cooperation with local officials, development organizations, and the public. State services should complement, not replace, local efforts.

Performance Benchmarks -- The public demand for accountability in economic development has never been more pronounced. Three general categories of benchmarks will be measured, with a subset of specific metrics in each.

- **Operational Benchmarks**
- **Economic Performance Benchmarks**
- **Quality of Life Benchmarks**

Conclusion

Nearly every economic indicator suggests that Wyoming's economy is falling behind the region and nation. Reversing this trend will not be easy. Wyoming must resolve to intervene and invest wisely in its economy.

This plan represents a radical departure from the traditional manner of delivering government services. It suggests that government has a responsibility to look out for the economic welfare of its citizens and that the most effective manner in which to do so is via a private sector model. By emulating the corporation in structure and performance, Wyoming can provide more effective leadership and a greater return on investment in its economic development initiative.

This strategy requires that all of us commit to serve Wyoming and the common good. This state needs a unity of purpose and resolve that goes beyond election cycles. A firm new commitment to private-public partnership, to collaboration, and to continuity is required.

A wise man once said, "*Don't be afraid to take a big step if you need to -- you can't cross a chasm in two small jumps.*" Wyoming needs to take a big step.

The Steering Committee for Business Development:

Dan McMullin (Chair), President, Mini-Mart Corporation, Casper
David S. Wehrly (Vice Chair), Chairman, Forefronts Technologies Group, Sundance
Ted Blair, CEO, Blair Hotels, Cody
Gene Bryan, Director, Department of Commerce, Cheyenne
Linda Hewitt, President, Wyoming Economic Development Association, Lander
Nick Kasperik, Vice President - Engineering, Powder River Coal Co., Gillette
Tom Lockhart, Vice President, Pacific Power, Casper
Dave Reetz, Vice President, First National Bank of Powell
Dave Wood, President/CEO, First Security Bank of Wyoming, Rock Springs

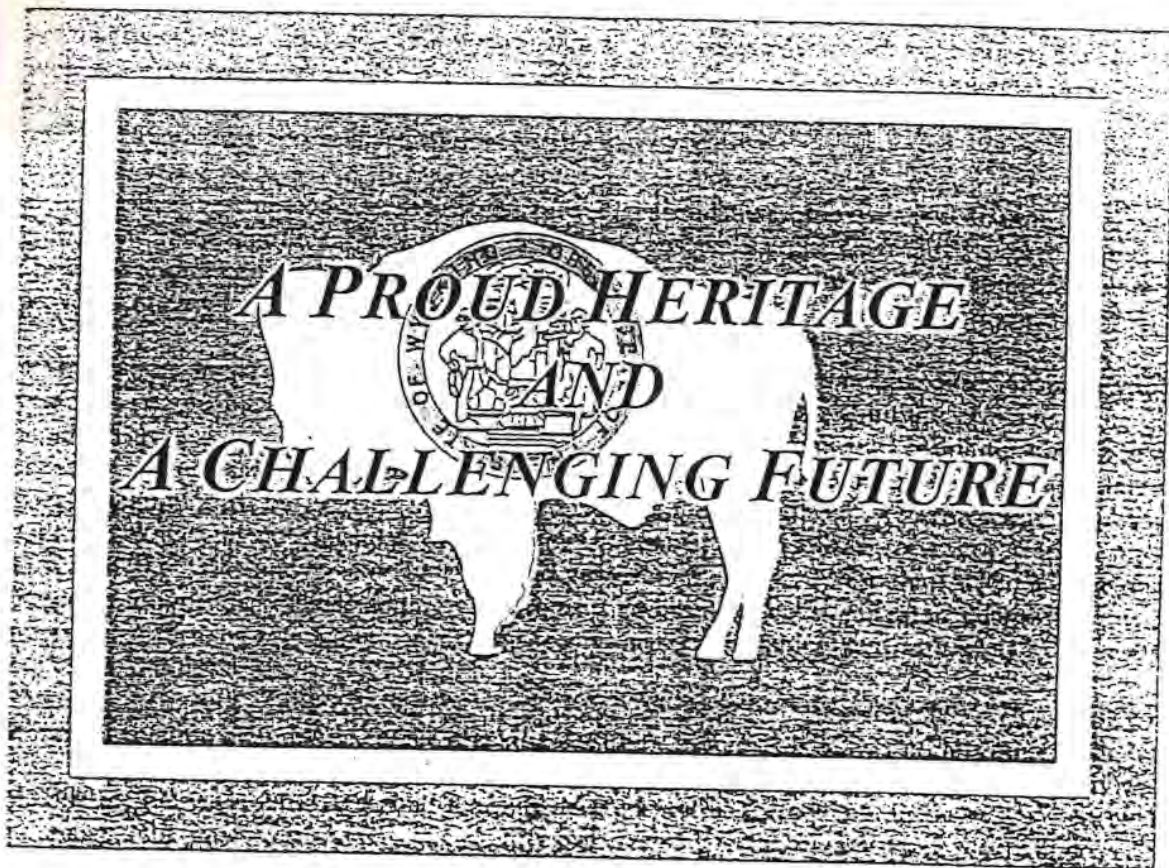
Staff:

Pat Neary, Executive Director, Science, Technology & Energy Authority, Laramie

To obtain a printed copy of the report, contact the Wyoming Science, Technology and Energy Authority at 307-766-6797 or the report may be accessed through the Internet using the following address: commerce.state.wy.us/stea/steerreport.htm



A BUSINESS DEVELOPMENT PLAN FOR WYOMING



THE STEERING COMMITTEE FOR
BUSINESS DEVELOPMENT

STATE OF WYOMING
NOVEMBER, 1997

VISION FOR A NEW ECONOMIC FUTURE

Wyoming -- Our magnificent mountains and plains will continue to inspire and shape the character of our citizens. We will protect this natural heritage and use our land wisely.

Natural resources will continue to be a fundamental economic strength, but we will increasingly depend upon our intellect and ability to compete in the emerging commerce of the global economy. Wyoming will develop on a clear and reasoned path to support more economic opportunities and an exceptional quality of life. To build a better future, our people will be offered the best education, our businesses the best support services, and our communities the best infrastructure resources. Our ability to change and innovate, to utilize new technology and communications, and to produce high quality goods and services will lead to success. We will find creative ways to overcome difficulties and become known as an outstanding state in which to live and do business.

With a new commitment to Wyoming, every citizen, business, and community will be a stakeholder in our economic future, and together we will build a stronger Wyoming for generations to come. We have a proud heritage and a challenging future.

Preface

In February 1997, Governor Jim Geringer; Bob Grieve, President of the Senate; Bruce Hinchey, Speaker of the House; and the private sector in Wyoming joined together to create the Steering Committee for Business Development. The final product of this committee is contained in this document. There is an additional resource book, containing three sections covering interviews from across Wyoming, a state program comparison report, and a demographics and economics report. Copies of that document are available on request from the committee staff. The private sector and an appropriation from the legislature funded this project.

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Staff:

Pat Neary, Executive Director, Science, Technology & Energy Authority, Laramie

Legislative Charge to the Committee (excerpted from enabling legislation):

"(b) The Committee shall:

- (i) Assess Wyoming's current economic development structure, programs and results, including state and local community activities;*
- (ii) Develop a strategy and recommend a business plan for long-term, sustainable economic growth which integrates community roles and relationships and is consistent with a Wyoming lifestyle;*
- (iii) Identify successful economic development models nationwide which emphasize community participation;*
- (iv) Recommend a structure for implementation of the plan that would include public and private involvement, oversight and governance, and would allow business development specialists to aid local efforts;*
- (v) Recommend performance measurements to monitor Wyoming's economic progress including information standards."*

The committee was supported by professional assistance from National Community Development Services (NCDS) of Atlanta, Georgia -- J. Mac Holladay, Howard Benson, and Tom Ralser.

Executive Summary

Wyoming's economy has entered troubled times. The progressive changes in the national and global economy have largely bypassed the state. Key economic data indicate that, in terms of employment, income, and wages, Wyoming's citizens are not keeping pace with regional or national prosperity. Our situation is characterized by the lack of economic diversity, job growth that is shifting from higher to lower paying jobs, and federal policies limiting the development of public lands. Wyoming's young people continue to leave the state for better opportunities. There are some positive signs of slow growth, such as recent gains in the service sector. In most cases, however, Wyoming citizens are falling behind economically and indicators suggest that trends will not reverse unless there is aggressive intervention.

Wyoming's economic development efforts have been hampered by the state's lack of commitment to the future. Although there are many hard-working and talented people dedicated to the effort, the State lacks a comprehensive development plan and a cohesive organization. The present fragmentation of multiple agencies with multiple missions is a basic structural problem. In addition, the state investment is insufficient to make an appreciable difference in the economy.

The Committee recommends to the Legislature a consolidation of existing economic development organizations and a significant new investment of state resources. The Committee also recommends to the private sector a new commitment of people, time, and financial resources to lead the state towards an improved economy.

The foundation for a comprehensive development effort must be an improved business climate. Wyoming's people, businesses, and communities must all improve their ability to compete in the global economy. Business climate issues of workforce, taxation, regulation, and responsible financial incentives all need to be addressed. Infrastructure must be maintained and communications enhanced statewide. Higher education must be engaged to a greater extent than ever before in workforce training, business support, research and development, and technology transfer as statewide services. Capital must be attracted to the state and creatively employed to leverage financial resources. Core development strategies recommended include adding value to existing business, developing new enterprises, fostering entrepreneurs, forming regional alliances, and identifying and recruiting key businesses to enhance and complement our resources.

The implementation plan presented is a dramatic departure from past practices in Wyoming. The design focuses on citizen leadership of a new, corporation-like structure, a new level of professional service, and a regional delivery system. A second focus is development at the community level, defined by local requirements for improved training, financial expertise, and technical assistance. An unprecedented investment of resources, both people and capital, is required from both the private and public sectors. Performance benchmarks will increase accountability and measure specific progress in program operations, economics, and quality of life. This plan is a formula for success.

The Steering Committee for Business Development calls upon all Wyoming citizens to commit to this new partnership for a better future.

"We must provide job opportunities so our young people will not have to leave the state – jobs that are productive, meaningful, and well paying. The actions called for in this report are comprehensive. They require a strong alliance of private and public sectors. We must be willing to commit to that alliance. Then, together, we will provide a better future for ourselves, our children, and our grandchildren."

-- Governor Jim Geringer

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Database - (EA's cover all?)

profiles

population data

income

poverty

unemployment

housing

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general info re database -

Economic Assessment and Situation Analysis

The Economic Problem is Long-Term and Fundamental

Over the past 50 years, the American economy has undergone fundamental and far-reaching changes. The advent of the "Information Age" is considered by many as significant a milestone in human development as the agricultural and the industrial revolutions. America has become more urban and the economy more diverse with immense growth in technology-related economic sectors. Modern communications have altered our concepts of time and distance. There have been major shifts of people and industry from the northeast to the southeast and west. The workforce skills have changed from the need for mere literacy, to the need for a college education, to the present need for a growing variety of complex technical skills. The local markets of our grandfather's day have now become a global economy. Every business now competes on a national and even international scale.

Wyoming has not participated in these national economic changes to any large extent, despite enviable natural resources, a high quality of life, and a favorable tax structure. The Wyoming economy remains rooted in basic agriculture, mineral and energy extraction, and tourism. No major urban center has emerged as a focal point and generator for the state's economy. There is no critical mass of private business. There is little diversification into manufacturing, high-level services, or the technology-based industries of the future. Wyoming, with all its great potential, has been left behind.

For over a decade, leaders in Wyoming have been cognizant of the state's economic problems but have taken only tentative steps at correction. Two major planning efforts involving hundreds of people were conducted. Two reports resulted: "Building a Stronger Wyoming -- Opportunities in a Troubled Economy" produced by The Wyoming Futures Project in 1985 and "Blueprint for Business -- A Strategic Plan for Wyoming" produced by the Wyoming Heritage Foundation in 1990. Excerpts from those reports illustrate a clear recognition of our economic position:

1985 -- "What it comes down to is that the world is rapidly changing -- Wyoming cannot go on the way it has and remain a good place to live and work. Wyoming must change with the new economic realities or lose out."

"Wyoming has lost population, employment and personal income. Wyoming is in serious economic trouble. Leaders in the public and private sector must now take steps in anticipation of the future and build toward a vision of a stronger Wyoming."

1990 -- "'Blueprint for Business' is convinced that change is in order. Given a lasting commitment, Wyoming's economy can improve. With a strong commitment of Wyoming resources, capital and people, (Blueprint) believes that opportunities for Wyoming's youth in the future will expand . . . A new Wyoming is possible in the next decade . . . but it will require a commitment to change, or else Wyoming will go backward while others are moving forward."

These reports and the judgement of the people behind them were prophetic. Wyoming is right where they said it would be — falling behind, an economic underachiever. We have planned, but we have taken no effective action. We have never committed and invested enough to succeed. *This report is a plan for action.*

Over the past few months, hundreds of Wyoming residents, community leaders and groups have been interviewed about their perceptions of the state. A wide variety of reports and statistics has been reviewed. These activities resulted in new understanding about the state's condition and direction. This report summarizes the economic analysis and presents recommendations to the Governor and Legislature for consideration. Information presented is the most current available; time periods employed may differ due to the source of the data.

Key Economic Indicators and Trends

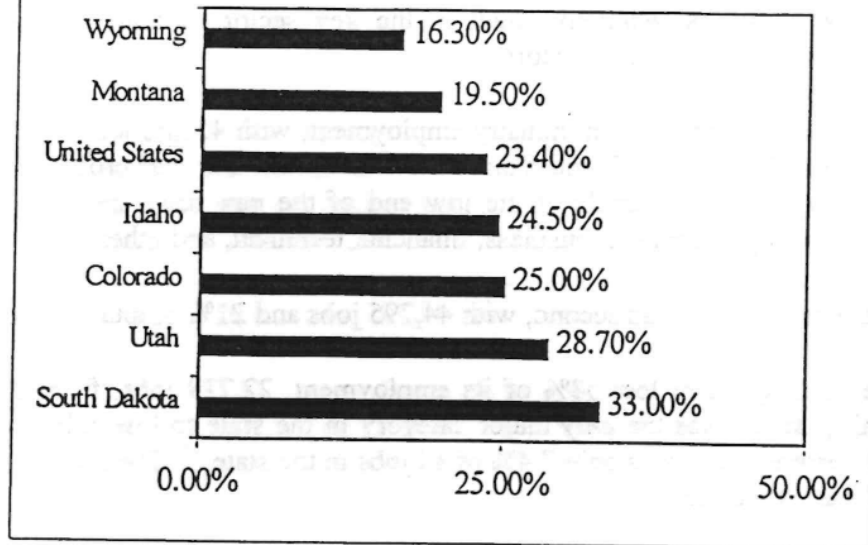
Wyoming is in the unenviable position of having gone from one of the best performing economies in the 1970s and early 1980s to one of the worst in the 1990s.

- In terms of total value-added jobs in manufacturing, wholesaling, transportation and tourism, Wyoming ranks last in annual employment increases from 1985 to 1994.¹ (Value-added jobs are those which increase wealth by adding value to a raw material or offering an enhanced service or product.) Please refer to Figure 1.

| | <u>Average Annual Increase</u> | <u>National Rank</u> |
|-----------|--------------------------------|----------------------|
| 1970-1984 | 12.3% | 2 nd |
| 1985-1994 | 2.3% | 50 th |

- Job growth has virtually disappeared in recent years. Wyoming has fewer jobs (covered by unemployment insurance) in the first quarter of 1997 than it did in 1981 (213,700 versus 216,067).³
- The state has dropped ten places to 35th in per capita income from 1991-1996. The state is now almost \$3,000 behind the U.S. average.⁴
- In 1996, Wyoming ranked 49th in manufacturing employment as a percent of total employment.⁵
- In 1996, Wyoming ranked 51st in technology-related jobs, behind 49 states and Puerto Rico.⁶
- In 1996, Wyoming weekly wages in 9 sectors are only 77% of national averages. These sectors include: mining; construction; manufacturing; transportation, communication and public utilities; wholesale trade and retail trade; finance, insurance and real estate; services; and government.⁷

Figure 2: Per Capita Income
Percent Change 1991-1996



NOTE: Wyoming ranks last in the region in PCI increase. South Dakota's rate of increase is twice that of Wyoming's.

- From 1991 to 1996, per capita personal income growth has been less than 60% of the national average and lags behind other states in the region by as much as 50%. Please refer to Figure 2.

The conclusions are that Wyoming's job growth and wages are lower than regional and national averages. Wages are not keeping up with inflation, and the gap is widening. Combined with a cost of living that is near the national average, Wyoming workers are losing their ability to maintain their standard of living.

Situation Analysis

Why has economic performance slowed in Wyoming since the late 1980s, while its neighbors are enjoying strong economic growth? Many causes have been suggested, including conservative investment climate, tax structure that doesn't support growth, remoteness from markets, small population base, and even the rural culture that is Wyoming. The fact that other western states have experienced relative prosperity, while Wyoming has not, suggests serious internal structural problems. The committee has identified five major structural areas of concern.

■ **First - Wyoming has failed to diversify its economy.**

Every economy consists of a matrix of employment sectors, the strength and balance of those sectors determines the health of the economy. The economy in Wyoming is so small that it lacks critical mass in any area. There are no "clusters" of related companies to grow and interact with one another. There is no high growth technology sector driving a network of buyers and suppliers. Wyoming is relatively weak in the key sector of manufacturing that generates economic activity in many other sectors:

- Services now rank first in industry employment, with 45,652 jobs and 21.4% of the total, up from 17.3% in 1987 and from 13.6% in 1981. The real problem is that our service sector growth is generally at the low end of the pay scale and does not include large numbers of professional, business, financial, technical, and other diverse services.⁸
- Retail trade now ranks second, with 44,795 jobs and 21% of total employment.⁹
- The mining sector lost 58% of its employment, 22,719 jobs, from 1981 to 1996. The mining sector was the *only* major category in the state to lose jobs from 1993 to 1996, and currently provides only 7.4% of all jobs in the state.¹⁰ The mining sector includes oil and gas extraction.
- The manufacturing sector accounts for only 4.8% of total employment, while nationally it accounts for 16.8%. Wyoming has the fewest manufacturing industry employees in the United States.¹¹
- Commercial and industrial loan volume from 1987 to 1996 increased from \$557 million to \$602 million, but when this increase of 8% is compared against the estimated 25% inflation rate for the same period, an actual decrease in loan demand of 17% is evident.¹²
- With the loss of mining jobs, continued growth in services and retail, and lack of growth elsewhere, the economy is actually less diverse now than before.

Federal expenditures are major economic drivers in the state. These expenditures include grants to state and local governments; social security; federal retirement benefits; federal salaries, wages and retirement benefits; and other direct expenditures. In terms of federal funding per capita, Wyoming ranks second in the nation, at \$5,208 per person. In 1996, these expenditures totaled \$2.5 billion. In comparison, this \$2.5 billion is 16% of our estimated gross state product of \$16 billion.

From fiscal year 1983 to 1995, federal expenditures grew at an average rate of 6.3% per year. In 1995, these expenditures grew only 0.3%. This leveling will negatively effect the economy. The category of grants to state and local governments fell by \$40 million from 1995 to 1996. Federal employment, too, has fallen from 7,619 employees in 1990 to 7,270 employees in 1996. While we support the balancing of the federal budget, it must be acknowledged that a reduction in federal expenditures in Wyoming has an adverse impact on our economy.

The employment sector graphs in Figures 3 and 4 clearly illustrate the differences in economic sector balance between Wyoming and the overall U.S. economy. They demonstrate that Wyoming has a much greater dependence on government than the average state (WY 22% -

15%), and that it falls far behind on manufacturing (WY 4% - 13%). The state still has a much higher mining percentage (WY 7% - 1%), and a much lower service sector (WY 24% - 30%).¹³ To provide perspective, Wyoming's gross state product is \$16 billion, so each single percent of difference represents \$160,000,000 of economic activity.

Figure 3: Sector Employment Wyoming 1994

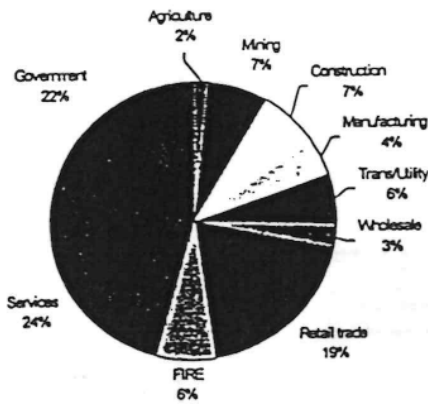
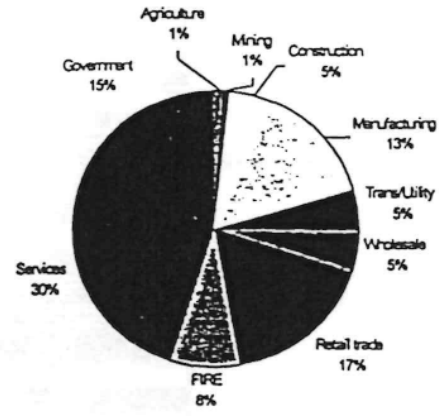
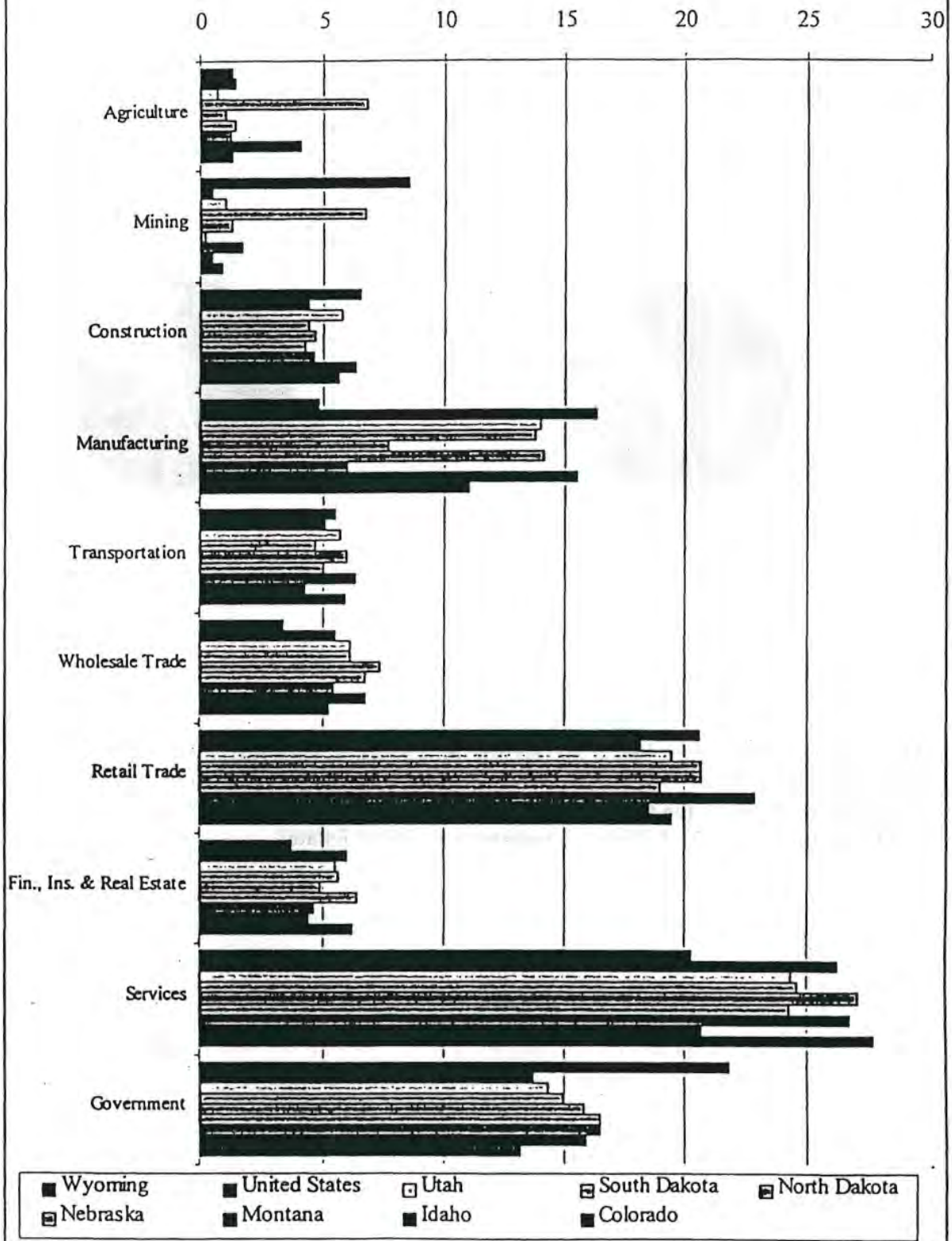


Figure 4: Sector Employment United States 1994

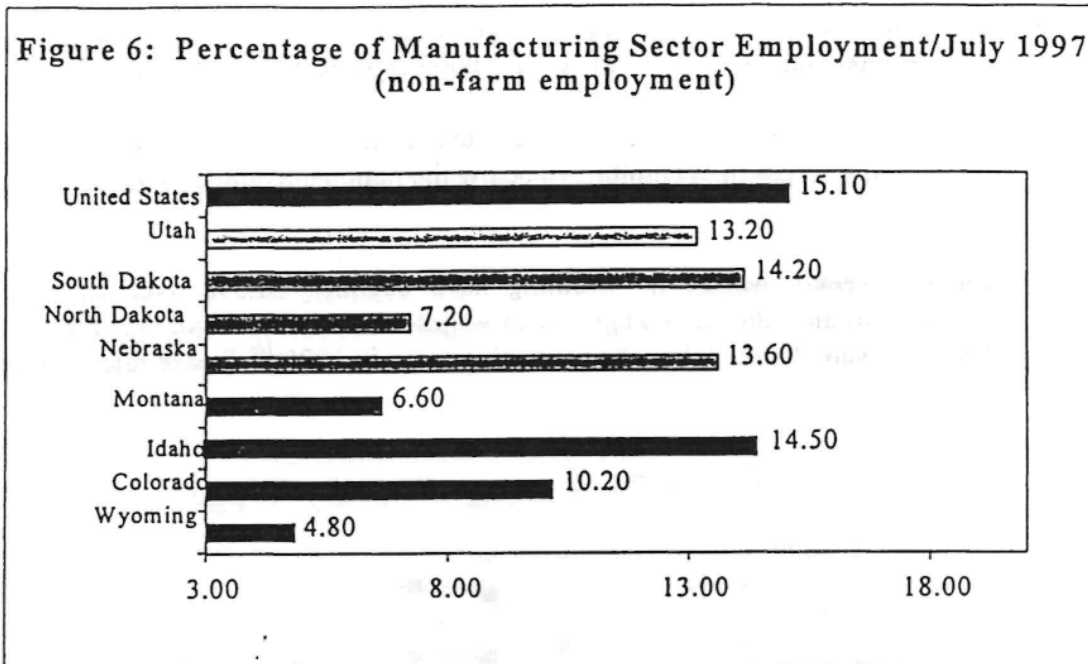


The employment sector bar chart shown in Figure 5 illustrates the differences between Wyoming, the United States, and seven surrounding states. The figure demonstrates that Wyoming is higher in the mining and government sectors, and lower in manufacturing, services, wholesale trade, and FIRE (Finance, Insurance, and Real Estate).

Figure 5: Employment Percentage by Industry Sector



While Wyoming may have a greater percentage of its economy in mining and government than the national average, and a smaller percentage in other sectors (notably services), the most outstanding anomaly in Wyoming's economic balance when compared to the nation and the region is its small manufacturing sector. This is a major imbalance in the economic diversity of the state. Please refer to Figure 6.¹⁴



Beyond initiating a serious effort to expand our manufacturing jobs, Wyoming needs to capitalize on the growth of technology-related businesses in the region. We do not, however, have a competitive presence in any of these industries. As previously stated, the state ranked last in jobs classified as technical by the U.S. Department of Labor Statistics. Yet, our quality of life could attract knowledge workers who can telecommute to anywhere in the world. Wyoming has not made an effort to attract technical opportunities for long term-development or to intentionally attract entrepreneurs making lifestyle decisions for relocation.

“Consider what are commonly believed to be the seven key industries of the next few decades: microelectronics, biotechnology, new materials, civilian aviation, telecommunications, robotics and machine tools, computer hardware and software. All are termed ‘brain power industries.’ Each could be located anywhere in the world. Where they are sited will depend upon who can organize the brainpower to capture them. In the next century, comparative advantage will be man-made.”

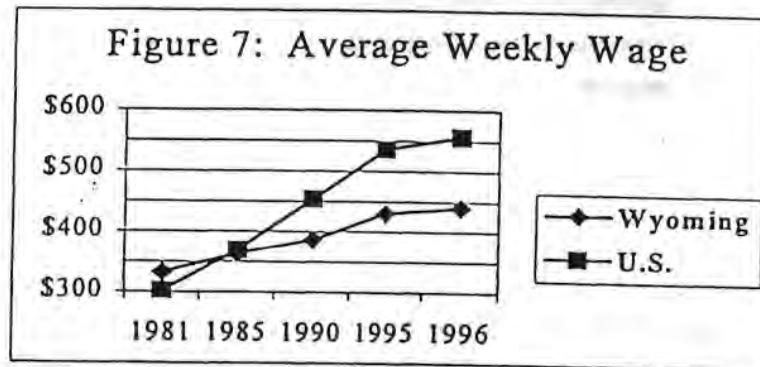
Lester Thurow – Economist, 1992

■ **Second – Job growth has shifted from high paying to low-paying jobs.**

Future job growth will not come primarily from Wyoming's traditional employers. For years, the extraction industries provided high-paying job growth to the state, but times have changed.

Productivity and technology enhancements will continue to suppress employment in this sector. Consider these facts:

- In the period of 1994 to 1997, Wyoming dropped from 11th to 34th nationally in the gap between the rich and the poor, defined as the top fifth and bottom fifth in mean family income.¹⁵
- Agriculture pays an average weekly wage of \$303 and has increased employment, but at 1.4% of total employment (3,051 jobs) is not a significant job generator.¹⁶
- Mining sector employment has declined 58% from 1981 to 1996 (38,603 to 15,884 jobs). Even mining wages in Wyoming are below the national average (\$44,926 versus \$47,612 in 1996).¹⁷
- Average weekly wages in Wyoming have declined 31.5% over the last 15 years compared to the national average. Such wages were 10.7% above the national average in 1981, but were 20.8% below the national average in 1996.¹⁸ Please refer to Figure 7.



- 1996 service sector average weekly wages are \$347, and 1996 retail sector average weekly wages are \$238.¹⁹

Recent growth in the services and retail sectors is encouraging in numbers, but disappointing in wages. Nationally there is considerable growth in high-end service sector employment -- professional, financial, health, computer and technology services; Wyoming job growth in services and retail sectors is in lower paying jobs.

Economies cannot achieve sustainable, broad-based growth without creating a variety of high quality jobs. Wyoming needs a concentrated statewide effort to foster the creation of higher quality, higher paying jobs in a variety of business sectors.

■ Third – Wyoming is losing an important resource – young people.

Educated and skilled young people entering the workforce are essential assets to any economy. Wyoming spends over half its state budget on education, but invests little in developing an

economy to retain its young people. There is true "brain drain" from Wyoming to states with better economies. Consider these facts:

- There are currently 5,800 fewer students in kindergarten through fourth grade than ten years ago, a full 15% decline. The U.S. average for this age group from 1991 to 1996 is up 5.6%.²⁰
- The young adult population is declining dramatically. In Wyoming, the U.S. Census Bureau estimates that, from 1990 to 1996, the age group from 25 to 29 years declined by nearly 20%, and the age group from 30 to 34 years declined by nearly 28%.²¹
- Median age, which was lower than the national average in 1990, is now higher than the national average and increasing rapidly. In fact, the median age was 32.0 years in 1990 and reached 34.4 years in 1995.²²
- Seniors are the fastest growing segment of the population. Their numbers have increased 15.4% since 1990.²³
- From 1990 to 1996, Wyoming has fallen from 15th to 28th in the percentage of people with a Bachelor's degree or better. During that same time period, the state only dropped from 7th to 8th in those with a community college education.²⁴

The Committee believes that those in middle age with established careers may be doing well, but our young people and families (25 to 34 years) -- our best and brightest minds -- are leaving. We are not realizing a maximum return on our investment in education. This age group represents young families of child bearing years, as well as workforce. Wyoming youth now serve as assets to build other economies. A healthier economy with attractive opportunities may convince them to stay, or at least return in the future. Wyoming must redirect its economy and help generate economic opportunities to retain and attract a competitive workforce.

■ Fourth - Public lands and federal policies limit development.

Federal control of economic assets will continue to limit Wyoming's economic opportunities and prosperity. A considerable portion of Wyoming's natural resources, whether minerals, energy or tourism, is based on public land and controlled by external factors:

- Public land makes up 49% of Wyoming's land area.²⁵
- Federal mineral rights control 90% of our coal; 62% of our trona; 59% of our oil; and 66% of our natural gas.²⁶
- Federal land managers' primary responsibilities are not to the citizens of Wyoming, but rather to the national public.
- Federal environmental laws and their administrative interpretations limit development activity.

- The lack of a single federal voice and unified position on key issues of importance to the state, leads to confusion and overlapping authorities that make problems more difficult to solve.
- Powerful national special interest groups are interested in preserving, not utilizing, Wyoming's public lands exert an undue influence over our economy.

This continuing dilemma has no easy remedy. The Committee's plan proposes a strategy of assertive state advocacy. The state must represent its communities and commercial interests by maintaining a continuous dialogue with federal land managers and regulators in Wyoming and in Washington, D.C..

■ Fifth – There is no cohesive structure for business development.

Wyoming does not have a comprehensive development plan or unified state structure to effectively conduct a modern economic development program. Consider these organizational difficulties:

- There are currently five primary agencies and more than 20 other state agencies and university programs that perform some type of economic development activities. These agencies include: The Division of Economic and Community Development; Travel, Tourism, and State Marketing; Science, Technology, and Energy Authority; Small Business Development Centers; and Mid-American Manufacturing Technology Center.
- The effort is fragmented, as these agencies share no common vision, strategic plan, resources, or accountability.
- Development agencies do not communicate well with each other about their business clients; resources are not shared; client problems are not solved as a team.
- A state as large as Wyoming needs more local service delivery and coordination of effort.

The Committee's recommendations will focus upon the five organizations primarily responsible for economic development. Many other agencies have minor roles to play in economic development, but they currently are not considered within the state's economic development plan. For example, the Game and Fish Department has a tremendous impact on our recreational economy; the Department of Transportation can affect trucking and tourism; the Agriculture Department marketing effort affects exports. All of these other agencies must communicate and coordinate their economic development roles in a more productive fashion.

The Committee firmly believes that we can create a stronger Wyoming, but new strategies, resources, and partnerships are necessary. Wyoming needs a new spirit of cooperation and a statewide private-public partnership.

The Steering Committee for Business Development will present a plan with proven strategies that, if adequately funded and staffed, will end the present fragmentation and result in a successful development effort. We seek to honor Wyoming's past and build a better future.

Economic Development Plan

The Steering Committee has studied successful state development programs and "best practices" nationwide. After careful analysis, the committee designed a plan with strategies and programs proven successful in other states, but adapted to Wyoming's unique conditions. The plan is based upon a dynamic private and public partnership; it is innovative and action-oriented, and will stimulate economic development statewide. The three basic elements of the plan are (1) Foundations for Economic Development; (2) Economic Development Strategies; and (3) an Implementation Plan.

The state's business climate is the basic foundation for economic improvement. A 1996 study, "Improving Your Business Climate," by the Corporation for Enterprise Development (an economic development policy group that publishes the Annual Development Report Card of the States); outlined six new criteria for creating a better business climate. They are education, regulation and taxation, development incentives, physical infrastructure, accountability, and modernization and entrepreneurship. All are discussed in this report as vital to Wyoming's future.

Foundations for Economic Development

Six components represent a comprehensive frame for Wyoming's economic development strategy. They are interdependent and must be pursued simultaneously. These components will establish a firm foundation for building a healthy economy:

- *Competitive People*
- *Competitive Businesses*
- *Competitive Communities*
- *Infrastructure Development*
- *Diversification and Value-Added Products*
- *Redefined State and Private Sector Roles are Necessary in Wyoming*

■ Competitive People

As we view the importance of competitive people, the Steering Committee has identified three basic issues:

- *Quality of the Workforce*
- *Community Leadership Development and Resources*
- *Role of Higher Education*

Quality of the Workforce

Human capital is our most significant asset for improving Wyoming's future. The excellence of our public education system is of paramount importance. Our students need to be nationally competitive at all levels. Faculty must also be nationally competitive in both skills and compensation.

Today's economy is a dynamic, technologically powered environment that values skill and agility in its workforce and companies. Today, one doesn't prepare for a job or career, but, rather, for many jobs in several careers throughout a lifetime. This leads to the conclusion that we must not only improve the education of young people, but also provide continuing education and training for the adult population as well. This puts particular pressure on our community colleges and university communications system to provide adult education in innovative ways.

The entire educational system must be cognizant of and responsive to the workforce needs of businesses and communities. Traditional delivery systems must be transformed to become more responsive to citizens and businesses as "*customers*." Due to our low population density and the high cost of training the rural student, the use of advanced communications to serve statewide training needs becomes an imperative infrastructure issue. Other educational programs such as employee skill screening and testing, employer on-demand training, and school-to-work programs must be woven into a comprehensive workforce development system. The new Workforce Development Fund is a step in the right direction. With a dedicated source of revenue, that fund can directly assist business with its training needs.

The Equality State also needs to address the inequities in compensation for women. The underemployment and low pay of over half of our citizens is a serious issue. Competitively, Wyoming simply cannot afford to continue to be ranked as one of the lowest states in the nation in pay equity. There needs to be a continuing effort to ensure that every citizen receives equal pay for equal work. In addition, an important part of the enterprise development strategy should be directed at getting more women involved in business ownership.

Wyoming has historically enjoyed good relations between labor and management. Only through the partnerships of labor and management can workforce development be maximized to benefit all parties. It is important for the future that a meaningful dialogue be continued.

Community Leadership Development and Resources

Competitive communities are important assets to the state's development. Local officials and civic leaders are challenged with all the complex development issues present at the state and federal levels, but are often without the technical and financial resources available at those levels. For example, the issues of planning and zoning, open space, development permits, rural residential growth, and similar issues plague local officials. The Committee's statewide survey revealed that local communities need external sources of financial and technical expertise.

Community development is a process that can be taught. Many states have well-developed statewide leadership programs. Such programs need to be encouraged and developed at the community level. The University of Wyoming has expressed an interest in incubating leaders for the future; community colleges can assist regionally. These efforts should be synergistic and delivered in a well-coordinated package at the community level in support of local leadership.

Role of Higher Education

The University of Wyoming and the seven community colleges are important assets for Wyoming's economic development. Within the higher education system resides the largest concentration of intellectual capital, advanced technology, and telecommunication centers in the state. More importantly, the students receiving an education within the university and community college system represent our future workforce.

While it is recognized that education is their primary responsibility, these learning institutions should also realize that it cannot be their only focus. Many already recognize the importance their institution has in a statewide, comprehensive economic development plan. All currently provide some level of business-related education and business support functions to their communities, districts and the state. The Committee believes the University and community colleges could do more:

- The Committee supports the University's call for the community colleges to join the university in a "*comprehensive statewide educational needs assessment to help guide the development of the post-secondary educational agenda in the coming decade.*" The University and the community colleges should cooperate together, to the fullest extent possible, in providing education and training to improve Wyoming's workforce.
- The mission of a land grant university is research, education and service. The University of Wyoming should continue to make service an important criterion for tenure, promotion, and merit salary increases in those departments that provide service to the various economic sectors of the state.
- The University and community colleges should take every opportunity to educate faculty, staff and students about the entrepreneurial process and create avenues for developing increased entrepreneurial activity within these institutions. Through this process a culture, perhaps even a curriculum, supporting such an activity can be developed and sustained.
- Support for the state development strategy in small business education, technology development, technology transfer, targeted business and industrial research, and specific programs in workforce development is critical.
- The States' Experimental Program to Stimulate Competitive Research (EPSCoR) is a key source of funds to build research infrastructure and faculty expertise. Research programs receiving state funding should either focus on technologies critical to the state or maximize opportunities to commercialize products of the research through development of new businesses operating in Wyoming. The public investment in research infrastructure should be viewed as a long-term investment in education and technology development; a short-term payback should not be expected.
- There is a direct relationship between University research and the development of new, high technology businesses in Wyoming. Entrepreneurs seek access to University faculty, laboratories, and shops and will hire outstanding graduates to fuel their

innovation. The University possesses excellent research capabilities to assist the state, as well as the nation, in issues of global economic competitiveness.

- Expanding the telecommunications infrastructure could provide a tremendous linkage between all levels of education and serve the business community in entirely new ways.

The fact is that the higher education system has not been fully integrated into the state's development strategies, but needs to be. Perhaps the comments of University of Wyoming President Philip L. Dubois summarize this most clearly, "*There is little the University can do in the absence of a clear and coherent state economic development strategy backed by sufficient resources and long-term commitment to give it any chance of success.*"

■ Competitive Businesses

Business, not government, is the primary creator of jobs. But, to grow and prosper, Wyoming businesses must have a supportive, proactive business climate that encourages investment and growth. The state can create an improved business climate to foster more competitive businesses.

In order to improve business climate, the following issues need to be addressed:

- *Taxation*
- *Regulation*
- *Capital Formation*
- *Development Incentives*

Taxation

A stable and competitive tax environment encourages businesses to invest in people, facilities, equipment, and their communities. Wyoming's tax structure is viewed as an anomaly, with one of the least balanced state revenue streams in the nation.²⁷

In fiscal year 1996, the mineral sector contribution (from all sources) to state revenues was \$862 million, 35.9% of total revenues of \$2.4 billion. Just as we need to diversify our employment base, so too, must we balance our state and local tax revenue base.²⁸

- Wyoming must reduce its reliance on the extraction industry group for revenues.
- Wyoming ranked 48th in the fiscal stability and balanced revenue category and 43rd in tax fairness in the 1996 Report Card of the States.
- Many companies view Wyoming's current structure as unstable. The uncertainty of how the tax situation will be resolved is a problem in and of itself and may discourage business relocations to the state.

- The recent creation of the Tax Reform 2000 Committee is a strong step forward. The results of its work may be an important component of Wyoming's future business climate.

Enlightened tax reform must balance the impact among all economic sectors and be based on enhancing the opportunity for diverse value-added development. The revision of Title 39 of the State Tax Code may streamline and improve the administration of many tax issues. Inadequate public revenue limits the state's ability to shape its future, educate its students, provide essential services, and improve the quality of life of its citizens.

Regulation

The business regulatory climate is an important part of a state's participation in economic development. Businesses need to plan and to project the time and cost of regulatory compliance. Time is money; inconsistent application of regulations and long-term delays drive capital investment from the state. Business deserves professional service from state officials who seek to facilitate and solve business problems, not act as obstacles. Without sacrificing regulatory integrity, or environmental quality, customer service needs to be improved in this state:

- States can change their regulatory attitudes and efficiency. Some provide a 24-hour a day permitting assistance on major projects; others have eliminated outdated, duplicative regulations and those no longer related to current law.
- Agencies such as the Public Service Commission now play a vital role not only in regulation, but also in creating healthy competition in areas such as telecommunications and gas and electric policy.
- The recent creation of the Office of Outreach and Environmental Assistance within the Department of Environmental Quality is an example of innovation in regulatory service. Acting as an ombudsman, the new Office will facilitate small business permitting, regulatory compliance, and problem solving.
- The Committee's consensus is that state regulations should not exceed federal regulations. Where there is a perceived need for regulations to exceed federal standards, a full socio-economic impact analysis, for both the short and long-term, should be performed by the state agency prior to the public hearing process. We demand it of federal agencies, and we should demand it of our own state agencies.

A more productive working relationship with various federal entities is vital. The Bureau of Land Management, Forest Service, National Park Service and EPA, in particular, have great impact on Wyoming's current resource and tourism-based economy. The lack of a unified federal position on issues important to business development creates confusion, delay and cost to the state and its businesses. Strong advocacy from the state is necessary to help businesses conduct sustainable operations into the future.

Interviews reveal that there may be restrictive banking regulations that limit participation in local bond offerings by requiring unreasonable federal guarantees. Further investigation of these statutes and legislative change to the laws may assist local development efforts.

Capital Formation

Profits, growth, and market potential all drive a company's ability to generate capital -- either from equity or debt sources. In a state that isn't growing and in an economy that isn't expanding, these three elements may be missing. However, access to capital is essential for business. Consider the following:

- Improving the ability of small businesses to access private capital markets can strengthen demand for capital. The role of economic development finance professionals is to provide advice and counsel on creative financing plans utilizing limited public financing as a catalyst for private capital.
- Supply of capital can be improved by leveraging private funds with small amounts of public capital to reduce risks and allowing financial institutions to remain within regulatory requirements. There are many sources of private and federal funds for small business that Wyoming has not yet accessed.
- Many states have arrays of financing programs in which the state remains at arm's length from the transactions. Effectively, a state "*wholesales*" its funds through existing financial institutions rather than "*retailing*" -- providing direct loans from the state -- as we have done previously in Wyoming.
- Direct cash infusions are made only in areas critical to state development or where there is a market failure to provide capital. Seed capital for small business start-ups, micro-lending programs, commercialization of research, and other such catalytic investments should be a legitimate state role if conducted in a business-like fashion.
- Marketing assistance, especially as it relates to the global economy, can help businesses access the growing markets not offered by Wyoming's static population.

Public monies are usually dispersed as grants or in debt instruments, but there is also a need for equity capital in Wyoming. New ventures often need access to venture capital and "*angel*" capital (equity funds from individuals of high net worth). These types of capital are usually attracted to high growth and high technology companies. There is little venture activity in Wyoming, although there are emerging efforts to provide an electronic network for angel capital in conjunction with the Small Business Administration and to develop local venture capital networks of a modified variety to suit Wyoming's rural economy.

There is a role for Wyoming in providing financial assistance to fuel development. A careful assessment of small business financial needs should be conducted in conjunction with private and federal sources of funds. A comprehensive set of financial tools can then be developed to suit Wyoming's business needs and to leverage scarce state resources. A professional approach of portfolio and risk management techniques can limit the exposure of public capital and maximize the investment of private funds and management expertise.

Development Incentives

If the absence of corporate taxes was such a powerful incentive for business, Wyoming should be overwhelmed with companies knocking at the door -- but very few are knocking. Wyoming has

so few taxes on most business (i.e., no corporate income tax) that many standard incentives utilized by other states are currently not possible. In fact, Wyoming's lack of taxes provides an initial cost avoidance that results in businesses retaining their income, rather than having it taxed and then returned to them via incentives. For example, over the last two years, the state has reduced Workers' Compensation rates resulting in a 31% tax reduction and \$24 million retained by private businesses.

- Certainly any development incentives offered in the future need to be accountable with a clear return on investment for the state and its citizens.
- The state can provide real commercial value to companies by acting as a facilitator and enabler with infrastructure, research, product prototyping, advertising and marketing assistance, and other non-cash contributions to the company's bottom line.
- Removing the regulatory disincentives of time delays and bureaucratic obstacles can be just as significant as a cash incentive.
- Providing seed and early stage financing to emerging technologies, small businesses and venture capital efforts provides a catalyst for much larger private investment. Small grants, sub-prime loans, and loan guarantees are all legitimate incentives when applied wisely to specific development objectives, and when they provide a return on investment.
- The state needs to create and fund the Wyoming Economic Development Fund. Strict qualification criteria will be needed to allow for an effective "*deal closing fund*." Currently, the state has no capacity to respond to specific financial gap requirements in major projects.

The financial resources of the private sector sometimes need stimulation. Carefully applied public incentives can act as a catalyst, leverage private resources, target investment in desired economic sectors, and close deals.

■ Competitive Communities

The term "*competitive community*" signifies a community whose people, and businesses are prepared to compete in the global economy. We need to raise our level of expectations about what our communities can be, and expect quality in our public services and a cooperative community spirit. Wyoming needs attractive, secure communities for people to live and work within. A vital downtown with a good mix of retail and service businesses to serve residents should be expected. Social amenities, parks, libraries, and recreational facilities are all measures of the "*livable community*." Many people expect the arts and cultural events of a community to enrich their lives and be available for their children. A competitive community delivers the complete package to its residents:

- A competitive community has a vision for its future, enthusiastic civic leadership, supportive local governments and private sector financial institutions, modern infrastructure, and a realistic plan for development.

- A competitive community is organized to provide and attract a trained workforce, continuing education, medical facilities, business-to-business matching, leveraged financial assistance, and business and industrial park facilities.
- A competitive community often collaborates with its neighboring communities, county government, and related public agencies. It is a community that maximizes its assets to the fullest to provide the best quality of life for its citizens.
- A competitive community pursues community development and economic development simultaneously. There is a wide array of resources for community development activity, but only skilled practitioners are able to assemble all the technical and financial resources necessary to conduct an effective development program.
- A competitive community continually refreshes its core of leadership by recruiting promising young people, diverse groups, and new citizens.

Clearly, there is a need in Wyoming to provide additional assistance to communities. Some communities invest in professional development staff and prosper, but all should have access to professional assistance of high quality. We must recognize and accept the fact that not all communities will seek to become competitive. Those who do should receive a special concentration of resources to assist development; those who choose another path will at least have equity of opportunity and access to resources.

Great potential exists for the citizens of the Wind River Indian Reservation. As a community of two distinct tribes and cultures, the reservation faces unique challenges. Yet, its rich natural and cultural resources, and abundant recreational and agricultural lands offer unparalleled opportunities. As sovereign nations, the tribes enjoy tax advantages that can be very attractive to business. In the state's new development plan, the tribes should be supported in a true partnership to determine their own futures.

■ Infrastructure Development

Historically, infrastructure has referred to roads, water, sewer systems, access to utilities, railroads, and airports; Wyoming needs to maintain and upgrade its traditional infrastructure:

- Highways are vital to a large, rural state. Rural "*winners and losers*" are often defined by their transportation costs. The increasing dependence on long-haul trucking to satisfy the import/export needs of the state magnifies the trucking industry's importance to Wyoming's future. This dependency increases the importance on well-maintained highways and support services. Wyoming needs to ensure that sufficient funds are available for maintenance and upgrading of its statewide system.
- Airports, commercial passenger, and freight service continue to grow in importance for regional economic development. Every effort needs to be made to improve overall service to Wyoming's hub communities and improve airport facilities. Realistically, air service is a simple numbers game – Wyoming needs more traveling people and business freight to significantly improve air service.

- Railroads have historically played an important and positive role in Wyoming's economy. Today that position is increasingly in doubt, as the railroad market concentrates upon the mineral industry. Lack of competition, resulting high freight rates, and line abandonment could threaten some value-added potential in several regions of the state. At the same time, the northeast is debating the acceptability of new rail service. There needs to be a partnership of private and public leaders to create a positive action plan.
- As in most western states, not only the quality, but also the quantity of water is an important issue. The development that Wyoming seeks will require the effective use of this limited resource for people, for processing, for manufacturing, and for agriculture. A comprehensive strategy to capture and properly utilize this life-giving resource is an important development issue. The State Water Planning Process now underway is vitally important.
- Wyoming is currently constrained by oil and gas pipeline and electrical energy transmission capacities. Our competitors in Canada have a close private-public partnership in the visionary development of their export utilities. The state needs to take a more proactive role as a catalyst and facilitator in developing our own long-term plan for energy exportation.

The definition of primary infrastructure is expanding to include telecommunications, fiber optics, digital switches and satellite links. Wyoming must also invest in this new infrastructure:

- Telecommunications are particularly important for remote, rural states like Wyoming, because they shrink time and distance, making global commerce possible.
- Advanced communications is vital for the modernization of existing companies as well as for recruiting new firms.
- Wyoming has been a leader in telecommunications deregulation and is seeking to be a demonstration site for new computer and communications technology.
- As Wyoming connects its schools to the world, the financial leverage and integration of systems to provide such services is vital.
- State support of the development of telecommunications infrastructure is best served by the unified purchasing of services to support the private sector. This would support the Department of Education's K-12 technology plan that relies on the ability to deliver high-band width services by the year 2001. The resulting capacity will then serve ancillary interests such as higher education, business, telemedicine, public safety, and communities.

Wyoming is at a crossroads: it can either take a quantum leap forward with technology and communications, or continue to fall behind. Communications infrastructure must remain a high priority for it allows us to overcome our geographic isolation. The chief difficulty is funding. Due to Wyoming's large size and small population, the market simply will not supply advanced communications to rural Wyoming. Some public investment may be required to leverage private investment; otherwise, Wyoming may never obtain advanced communications statewide.

■ Diversification and Value-Added Products

The state needs to take an active role in targeting development in businesses that produce higher value products, and create higher skilled, better paying jobs. After careful research of our business and industrial potentials, a concentrated effort to develop targeted areas is necessary to expand existing businesses and to recruit new ones. Improved economic balance is the goal:

- Value adding is the simple concept of taking a raw material, product, or service, processing it, and thereby increasing its intrinsic value in the marketplace. Few companies in Wyoming actually do this. Current value-added activities include making corn into ethanol, trona into soda ash, soda ash into packaged baking soda, coal into electricity, bentonite into cat litter, and the like. Wyoming needs to do more.
- The solution is publicly sponsored industrial research in targeted areas where Wyoming has the resources and can create competitive advantages due to material and energy costs. Sound business research can then be used as a catalyst to stimulate private interest in the opportunity.
- The entire cycle of research, development and commercialization needs improvement in Wyoming, to create new products and diversity existing business.

■ Redefined State and Private Sector Roles Are Necessary in Wyoming

A 1997 report by the National Governor's Association titled, *"Economic Competitiveness in the Global Marketplace,"* provides valuable insights into the changing roles of states in economic development. States are identified as having three effects on private firms: *"(1) as producers, states build highways . . . and universities as basic infrastructure; (2) as facilitators, helping other organizations perform through financial assistance (grants, loans and guarantees) and non-monetary support such as technical assistance; and (3) as prohibitors, passing laws and regulations that limit or prevent certain business behaviors."*

States cannot make businesses profitable; states cannot create private sector jobs. But, states can act as a catalyst for change, support education of a skilled workforce, stimulate and leverage private capital, reduce cumbersome bureaucracy, provide business support services, build infrastructure, and perform a number of other functions. States need to operate on a scale sufficiently large enough to positively change the economic equation and to realize a return on investment. Many states now enjoying "overnight" economic success started investing considerable amounts of capital in their development 20 to 30 years ago.

The development efforts in other states differ significantly from those in Wyoming:

- There is often a history of consistent, long-term support for economic development in other states.
- The larger economies in other states result in greater levels of corporate support, active business leader participation, and direct capital contributions for growth and development.

- There often exists a long tradition of state leadership and an extensive private sector network of literally hundreds of trained development professionals and tens of millions of dollars of investment in development activities.
- Established Chambers of Commerce, at the state level, are professionally staffed business development organizations fully capable of industrial research, financial analysis, real estate development, infrastructure construction, and deal structuring and closing. They are run by well-paid experienced business people, have significant budgets, and perform according to strict business practices and return on investment.
- Our international competitors, whether they are in Europe, Latin America or the Pacific Rim, enjoy close collaboration between business, government, and universities. None of these conditions exist in Wyoming.
- In Wyoming, we have none of these aforementioned private sector elements or private-public partnerships.

Wyoming can't develop the way other states have – there is no other leadership unit or funding mechanism than the state itself. To level the playing field, the State of Wyoming must participate to a greater extent in development activities. A greater investment of people and capital is required to operate on a scale sufficient to ensure success. Forming effective partnerships with the private sector is one of the most important actions the state can take.

Business Development Strategies

The six strategic components identified in the previous section must be translated into concrete actions. The Committee has developed the following strategies:

- *Existing Business Development and Recruitment*
- *Entrepreneur and Enterprise Development*
- *Community Enhancement*
- *Effective Targeting*

■ Existing Business Development and Recruitment

The health of Wyoming's existing businesses is a top priority. A key component of the strategy is to help existing companies solve problems and expand their operations. Wyoming must commit to listening and responding to the firms that currently operate in the state. The emphasis should be on modernization and productivity enhancement for every firm. The diversification of existing firms into new business lines and products is an additional priority. No development strategy can succeed unless existing firms succeed.

Initially, the existing strengths of the key business groups with the greatest short-term potential should be addressed, including the resource extraction and tourism industries. It is logical that the minerals and energy sectors, as major economic drivers, should have qualified staff support

from the state, just as agriculture and tourism presently have their own committed staffs. The state must be an advocate to deal with the needs of the mineral and energy industries and find solutions to their problems for the benefit of all citizens.

The state needs to build upon an area of strength -- tourism. The tourism industry is dynamic, with an ever-changing customer base and product mix. A broader array of tourism products, services, and destination attractions needs to be developed statewide. The tourist population is aging, but interested in more active, experiential vacations. Scenery alone will no longer suffice; a concentration of destination attractions is needed. Serious effort must be made to extend the stay of every visitor. There are several important components of the new strategy that would include destination support and creation, niche marketing for specialty tourism, and conference and event promotion. Further Yellowstone/Teton-related product diversification is needed.

The selective recruitment of firms from outside the state requires clear focus. The primary goal should be to add value to Wyoming's natural resource base. Quality industrial research is the first step needed to identify the ideal manufacturing and high technology targets. Professional recruitment staff will then be charged with the recruitment and deal closing. The state must provide quality leads to communities and assist with regional marketing needs. Unlike the other strategies, this recruiting effort must serve the entire state from a single headquarters location.

Corporate leaders can have great effect in marketing Wyoming in their daily business activities. Recruiting is an area where greater private sector involvement can magnify the chances of success. Every business exists within a network of buyers and suppliers, and each element of that network can become a target for private sector recruitment. Active involvement by the state's corporate leaders in an executive calling program can significantly contribute to Wyoming's image, marketing program, and recruiting efforts.

Wyoming has no business image nationally and needs to create a powerful one to overcome the historic neglect in this area. Businesses need to be convinced that Wyoming is an excellent location in which to live, work, and operate profitably. The image must overcome perceptions of climate, isolation, lack of trained workforce, etc.. Wyoming's image must be attractive to both the corporate and tourism client. We must put Wyoming on the business relocation map.

Possible programs to carry out this strategy include:

- Regionally-based manufacturing extension staff
- Extraction resources advocacy staff
- Buyer-Supplier match program
- Tourism/Destination attraction planning and financing
- Matching tourism grants program
- Technology transfer program
- Market and export development program
- National marketing program
- Professional recruitment staff with targeted marketing goals
- Wyoming Economic Development Fund

■ Entrepreneur and Enterprise Development

As the American economy continues to restructure, the growth and sustenance of small business is a vital component of Wyoming's strategy. This strategy's focus is on the creation of new companies and the nurturing of small firms (under 25 employees). The needs of most small business owners involve access to managerial and technical expertise, technology, capital, local and distant markets, suppliers, and communications infrastructure. Because of Wyoming's size and demographics, business services will be delivered at a regional level, with offices staffed by a small team of highly trained development professionals with complementary business skills. An active effort will be made to attract communications-based entrepreneurs who are geographically independent in their operations and make relocation decisions based upon quality of life considerations. A curriculum of studies related to entrepreneurs and enterprise development will be encouraged at the University and community colleges.

Possible programs to carry out this strategy include:

- Small business hotline
- Small business assistance staff
- State and Federal procurement programs
- Small business incubators
- Technology transfer and training programs
- Small business grant, loan and guarantee programs
- Local venture capital and "angel" investor networks

■ Community Enhancement

The quality of its communities is an important asset for Wyoming. Community development is comprehensive and requires a wide variety of leadership skills, financial expertise, and engineering resources not commonly found in citizen councils and commissions. A careful assessment of community and regional needs is necessary as a first step in improving service delivery at the local level. Skill sets can then be developed to match the requirements of the specific interests of the communities.

There is a pressing need for economic and community development training for local elected officials, civic leaders, and volunteers. There is also a need to have state development resources delivered in a coordinated fashion to maximize public benefits. For example, turning a field into a business park involves planning, water, sewer, power, roads, and communications, all of which originate in different agencies and grant programs.

Regional offices staffed by highly trained development professionals will assist communities and local developers with planning, grant applications, and project management. The Community Development Block Grant Program (CDBG) and other state and federal funding sources must be redirected to assist this effort. The Wyoming Association of Municipalities and the Wyoming Association of County Officials must be active partners and engaged in the plan.

One of Wyoming's realities is the historical absence of a strong state development program. The existing population centers in each of the five regions need improved state assistance in leading

strategy and program creation for their surrounding areas. The state needs a regionally based training program to ensure that community leaders share common definitions and directions in economic development. These programs can bring private and public sector leaders together to learn and communicate with each other. Each community may develop independently, but all should have the same tools and training available to them.

Possible programs to carry out this strategy include:

- Technical support staff for communities
- Competitive community program
- Leveraged federal and state grant programs
- Economic development academy
- Main street and small town programs
- Business park creation program

■ Effective Targeting

One of the fundamental needs of any successful economic development program is to identify targets of economic opportunity. Currently, Wyoming does not have the capacity to perform basic industrial research, and such studies are contracted, often to out-of-state firms. Realizing that diversification of the economy is a primary principle, the economic objectives must be realistic and futuristic at the same time. What follows is a preliminary list.

Value-Added Resource-Based Firms — This target is to create new investment and high quality jobs by creating products from Wyoming's vast natural resources. Exporting electrical energy via direct current power lines has been done, and a glass production study is currently underway. Dimensional and decorative stone products hold great potential. In addition, natural gas byproducts, electrical energy, fertilizer facilities, petrochemicals, and enhancement of other minerals should be targeted with continuous staff research and support.

High-Value, Capital Intensive Manufacturing and Processing — The recruitment of these targets is difficult, but Wyoming has assets and company relationships, which allow it to compete. Transportation equipment and certain agribusiness processing are logical targets. Two recent examples are the Nortrack Switch Company in Cheyenne, supplying Union Pacific, and the Budweiser facility that went to Colorado. Specific research needs to identify other opportunities.

Products From and For Existing Companies — Many of Wyoming's companies buy an enormous amount of finished goods from suppliers in other states and regions. There are small business opportunities in meeting the existing purchasing needs of Wyoming's companies. This target goes beyond a buyer-supplier-matching program to the discovery of new supply opportunities for entrepreneurs.

Technology-Based Firms — This target speaks to both start-up companies and selective recruitment. Special effort must be applied in this area of high growth potential. There must be a greater effort to build on university research strengths, leading to job creation

and the building of a cluster of technology firms. Echostar and Quark, both located in Cheyenne, are examples of high-tech success stories.

Tourism/Recreation Resources and Product Expansion — Tourism is a vital component of Wyoming's present and future economy. The creation of new facilities and support services, and the expansion of existing ones, will continue to strengthen the economy. Research is needed to help the tourism industry find new and growing opportunities and market niches.

High-Quality Professional Services — The State's service sector is smaller than the national average. While the healthcare sector has grown into an important player, other high-quality jobs in business and professional services lag behind. Providing quality service products to nearby urban areas and building on healthcare services are important targets.

Information Technology and Processing — There is a job growth and investment explosion taking place in these sectors. Surrounding states have had great success in securing back-office operations, such as customer service centers and credit card processing. Wyoming needs to identify and focus on the proper market opportunities. The movement of Fitch Investor Services to Powell is an example of success.

Regional Alliances -- There is an opportunity to collaborate with surrounding economic centers (Colorado and Wasatch Front Ranges, Billings, Rapid City) that are experiencing uncontrolled growth and to capture some of their buyer/supplier networks, as well as other related services.

Implementation Plan

Wyoming's critical economic situation calls for bold and decisive action. The strategy outlined on the previous pages cannot be brought to life with Wyoming's current economic development structure and programs. Wyoming is not operating on a high enough professional level and financial scale to make a difference in the economy. The fragmentation, lack of program focus, and lack of accountability must be dealt with effectively. Yet, due to the relatively small private sector resources in Wyoming, primary responsibility for implementation must remain with the state. To be effective, the organization implementing the business development plan must be structured and operated much like a private company. This will be a new type of state entity.

What follows is the unanimous recommendation of the Steering Committee for Business Development. This section of the report is divided into six sections:

- *Wyoming Business Council* - 15 private citizens - *formed by the CEO*
- *Regional Operations*
- *Roles and Relationships*
- *Structure and Staff*
- *Budget*
- *Performance Benchmarks*

■ Wyoming Business Council

The recommended structure is a new organization unlike any other in Wyoming's history. The structure will be much like that of a corporation, with a board of directors, a central office, regional divisions responsible for operations, professional performance standards, and real world accountability. Called the "*Wyoming Business Council*," it will be different from state agencies in the following significant ways:

- The Council itself will be a nonpartisan private sector group of 15 business leaders named by the Governor, with advice and consent from the President of the Senate and the Speaker of the House. The Council will function like a corporate board of directors and have policy and budget authority. This business and implementation plan will serve as the basic policy document for the Council. The Governor will sit as non-voting co-chair of the Council, with the co-chair to be elected from the private sector members. Members will be chosen from around the state for their vision, leadership, and business experience; ten will be regional representatives and five will be at-large. The terms will be three years on a staggered basis, with no Council member serving more than two consecutive terms. The Council will be an instrument of the state and operate as an independent authority, but will not possess bonding capacity.
- The Chief Executive Officer will be selected by and report to the Council. The CEO will carry out the policies of the Council, have full power over staff, implement the strategic plan, manage the budget, and direct the day-to-day operations of the Council. The Council will set the specific job description and compensation package.
- The CEO will create, for the Council's approval, operational policies for normal financial accounting procedures, contracting, procurement, purchasing, human resource management, and other functions of the organization.
- The Council will establish a central office and five regional offices based in existing economic centers. The primary function of the central office is to support service delivery within the regions. The primary functions of each regional office are to provide small business services and community enhancement technical assistance and expertise. Their roles are explained in greater detail in the section on regional operations.
- All Business Council employees will be "*at will*" employees, but with access to state benefits and retirement. New job descriptions, salary ranges, and professional performance standards will be prepared for all new positions. Current employees will be encouraged to apply for new positions. All of the state employees currently under the programs to be included in the new Council operations will remain employed during the transition to the new structure.
- In order to consolidate operational authority, the following state boards and authorities will be reviewed and their functions will be assumed by the Council, as appropriate: Economic Development and Stabilization Board; Science, Technology and Energy Authority; Wyoming Travel Commission; Telecommunications Council; Investment Fund Committee; Small Business Development Center Advisory Board; and Mid-

America Manufacturing Technology Center's Industrial Advisory Board and Partner Steering Committee. The Council may appoint advisory councils as it deems necessary and appropriate.

- The Department of Commerce's economic and community development functions and tourism and marketing development functions will be assumed by the Council. The existing Division of State Parks and Cultural Resources will become a separate department, and the office of professional licensing boards will be absorbed by another department. Certain economic development staff functions of the Department of Administration's Economic Analysis section may be transferred to the Council. Other state positions may also be transferred to the Council as deemed appropriate.
- The Council will have "partnership" or contractual arrangements with other governmental entities as required. For example, the University of Wyoming may be a partner for certain development activities, research, training, and communications services. The Department of Employment may be a partner in developing a new delivery system for workforce development funds from all sources. The Wyoming Industrial Development Corporation or its successor may be contracted to assist with select loan programs for small business.
- There will be a direct working relationship with such entities as the Public Service Commission, the Oil and Gas Commission, the Workers' Compensation Commission, the University of Wyoming, the Community College System, the Water Development Commission, the Wyoming Community Development Authority, the Department of Environmental Quality, the Department of Transportation, and others.
- The Council will need to forge close ties, alliances, and agreements with development organizations at all levels: cities, towns, counties, districts and regions, state and federal. The Council is being formed to reinforce and enable local development groups and developers, not duplicate or supplant them.
- Policy and advocacy positions will be carefully researched and presented within the context of the overall plan, their impact on Wyoming's future economy, and the continuing goal of diversification.
- The Council will identify legislative issues related to business and regulatory climate for recommendation to the Legislature.
- A permanent private sector fund or foundation will be created to assist the work of the Council. Private contributions will be possible to both restricted funds for specific projects and unrestricted funds designed to advance the development of the state.

■ Regional Operations

A "one-size fits all" policy will not be effective in a state where levels of economic interest and performance vary widely. To be effective, development services and programs must serve the specific local needs of the people, developers, businesses, and communities of the state.

Regional delivery systems can provide a more customized approach and more immediate delivery of services, and better address the different mix of economic sectors in each area. The initial transition activity will be an assessment of local development plans, needs, and directions.

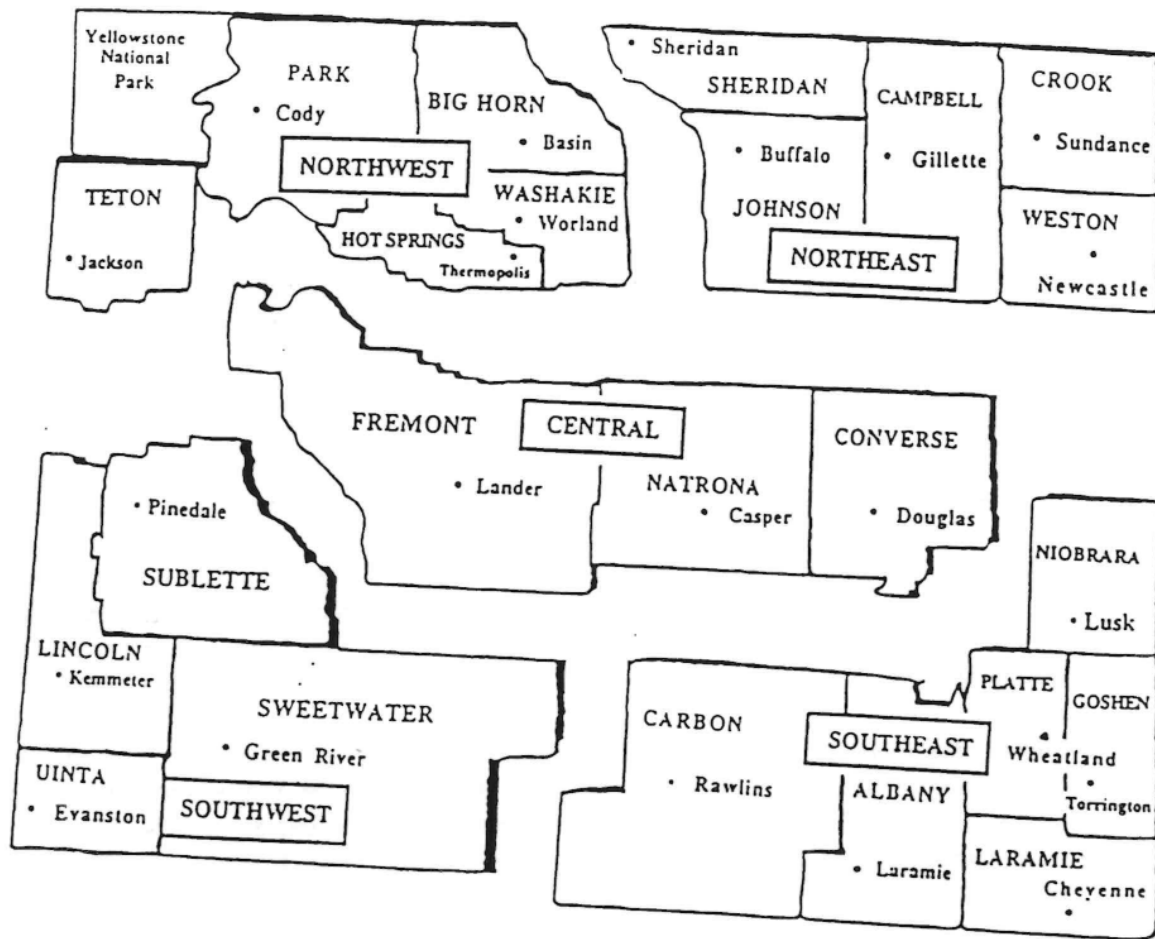
The committee has identified five regions (see Figure 8) that have economic similarities and are of a size so that the communities can be easily served from a regional office. Analysis shows that 10 counties contain 77% of Wyoming's employment. Those 10 are clustered in 5 groups of 2 counties each in different geographic areas of the state. These counties are, in fact, current economic centers with regional influence. A single city was chosen in each of the areas to be a regional office – that location can be changed, if local officials so desire.

The proposed regional offices are key parts of this implementation plan. The suggested offices would be in Rock Springs (southwest), Casper (central), Cody (northwest), Laramie (southeast), and Gillette (northeast). Each office will essentially operate independently, have its own performance goals, and be evaluated on its own merits. Although not a profit center, each regional office will operate much like a business. Staffing needs and program emphasis may vary from one region to another. For example, the staff serving existing business in the southwest will be stronger in mining and natural gas than Cody, where the expertise would be tourism, agriculture and marginal oil fields. Each office would need to work closely with local development organizations to support local initiatives and avoid service duplication:

- A regional service delivery plan will need to be developed in close cooperation with local officials, development organizations, and the public. State services should complement local efforts.
- The regional office managers will be key conduits to both the central office and the other regional offices. They need to be students of best practices in many fields.
- The small business staff will have complementary expertise in finance, management, and marketing, but they, too, will be focused on the entrepreneurial opportunities of the region.
- The community enhancement staff will be grant specialists, community analysts, planning technicians, and knowledgeable about various state resources.

The Committee acknowledges pre-existing development districts and other multi-county development arrangements. In the future, it would be desirable for all economic development related agencies and analysis to share identical boundaries. Until such reorganization occurs, the Committee recommends focusing upon the suggested regional economic centers as the points of delivery for economic services. The boundaries are not as important as the sound logic and concept of regionalization and local service delivery.

Figure 8: Wyoming Regions Map



NOTE: Only county seats are listed.

■ Roles and Relationships

The Business Development Plan radically changes the way the state will perform economic and community development activities. As a matter of necessity, there are new roles and relationships that need to be communicated, understood, and agreed upon. What follows is a brief commentary on how the different entities in Wyoming should fit into the new effort.

The Governor — This new structure dramatically strengthens the governor's ability to lead the state's development efforts as CEO. A strong private sector council and a professional staff allow the governor to focus on relationship building with company CEO's, close deals, and market the state more effectively. The governor's personal involvement in the final stages of various types of projects will be vital.

The Legislature — There will be no Wyoming Business Council or effective state development program without legislative support. The willingness of the legislature to support and fund this new effort over time is paramount. Their ability to make law can have powerful effect upon the state's business and regulatory climates and infrastructure. Not only do these men and women represent their districts, but also, collectively, they must be partners to make this plan a reality.

The Council — As the policy body for the state in economic development, this private sector group will be both a sales force for Wyoming and a support group for the program and staff. Their personal relationships both in and out of the state will be very important.

The CEO — This person is the program executive and fully responsible for its success. The CEO must be dynamic, experienced, proactive, and entrepreneurial in thought and action. The CEO must also be a policy maker, problem solver, facilitator, and team builder who guides Wyoming's economic development program.

The Staff — These highly trained, experienced professionals are the implementors. They will be the dedicated people in the field who make this plan come alive all across the state. A variety of complementary business skills will be needed in each regional office.

The Business Community — There will be an unprecedented key role and responsibility for business leadership in Wyoming to engage in the economic development process. Whether supporting legislation, providing loaned executives, funding special projects, or selling Wyoming to prospects, there will be new opportunity for input and involvement.

The Professional Economic and Community Developers — These dedicated individuals, committed to improving their community's future, will be important partners in this plan's success. They will have new resources and technical assistance from the state level and regionally based staff to assist them. Their commitment to excellence and to new skills training is an important part of the state's success.

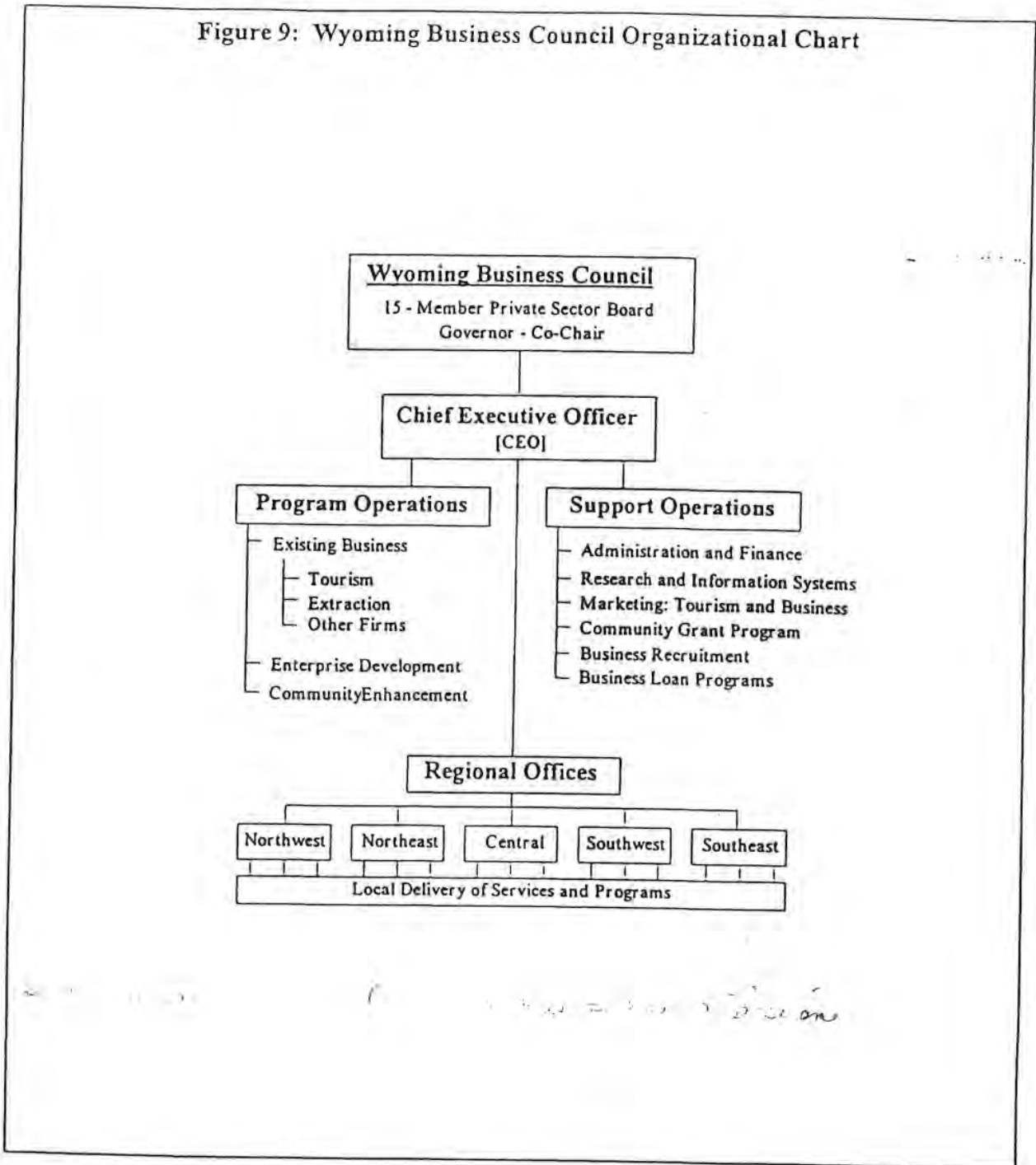
The University and Community Colleges — These post-secondary educational institutions are important partners for the future. Every effort needs to be made to maximize their potential contribution to economic development throughout the state. Wyoming needs as close to a seamless system of education as possible.

The Communities — This is where the plan will succeed or fail. Every effort will be made to provide communities with high quality business services and technical assistance. The Committee sincerely hopes that Wyoming's communities will welcome this new effort and work hard on a regional basis.

The Wyoming Business Council will need assistance from many sources. A cooperative spirit needs to be created across many organizational lines. The Council's staff will need to be proactive with other state and local entities, and both the non-profit and for-profit sectors. Key alliances will need to be formed with groups such as the Wyoming Economic Development Association, the Wyoming Chamber of Commerce Executives Association, the Wyoming Association of Municipalities and the Wyoming Association of County Officials.

■ Structure and Staff

Figure 9: Wyoming Business Council Organizational Chart



The Council will operate as a corporate board of directors, with the CEO having operational control. The structure is very much a corporate model, not a state government bureaucracy. The entire central office and its staff are designed to act in support of the programs in the regional offices. Each regional office will be an operational center for its surrounding service area. A majority of the staff will be located in the regional offices. Statewide marketing and recruitment efforts will be delivered from the central office, while all other primary programs will be delivered at the regional level.

Central Office

- CEOs Office
- Recruitment
- Existing Business and Enterprise Development Support
- Community Enhancement Support
- Administration and Finance
- Research and Information Systems Support
- Marketing: Tourism and Business Image
- Business Loan Program
- Community Grant Program

The Wyoming Business Council staff will be a hard-charging group of experienced and highly trained professionals. Motivated to create a better life for all of Wyoming's citizens, this new team will provide leadership, expertise, and continuity to the state's improved economic development effort. This organization is designed to operate on a sufficient scale to be effective and to move the economy forward. The new Wyoming Business Council will require an expanded staff from the approximately 60 people in all areas of economic development currently in state government.

The central office, located in Cheyenne, will provide direction and support functions for the regional offices. Staff members will serve in multiple capacities, and the artificial barriers between business units will be eliminated. For example, the marketing staff will serve tourism, enterprise development, and recruitment. The research and information systems division will serve all programs, as will finance and administration. The existing business staff will support tourism needs, serve as advocates for the extraction industry, and work with other existing firms in manufacturing and other sectors. A very experienced, high caliber, financial analyst will serve all interests as a "deal closer" to structure and finalize complex development transactions.

Regional Offices

- Manager
- Existing Business Staff
- Enterprise Development Staff
- Community Enhancement Specialists
- Administration and Support

The regional offices will differ slightly based on the economic mix of the area, but all will serve existing business, enterprise development, and community enhancement. Each regional office will have specific staff skills as determined by the assessment of the regional economy. A key function of the offices will be to provide financial expertise, research and information, and technical assistance to the communities.

Principal Programs

- Key Operational Programs
 - Entrepreneurship/Enterprise Development
 - Community Enhancement
 - Existing Business

- Operational Programs
 - Recruitment
 - Executive Office
 - Support/Regional Managers

- Support Operations
 - Research and Information Systems
 - Marketing: Tourism and Business
 - Administration and Finance

An increased commitment to business development is witnessed by the expansion of the three principal program areas: enterprise development, community enhancement, and existing business. All three areas will have much greater staff resource and support than ever before. In terms of size of staff, the highest commitment goes to regional operations, followed by the central office.

■ **Budget**

Before the Committee proposes a new budget for the Wyoming Business Council, it is useful to examine our current investment. The state appropriation to the Division of Economic and Community Development within the Department of Commerce is the smallest in the United States. However, size does not tell the whole story. Wyoming's primary economic development effort is split among five different groups, and that fragmentation is a basic structural problem. The staffs, the structure, and the budgets are not mutually supportive and need to be consolidated. The following page summarizes the Fiscal Year 1997 budgets of those entities.

FY 1997 Total Economic Development Expenditures

State Programs:

| | |
|-------------------------------------|---------------------|
| Travel, Tourism and State Marketing | |
| General Fund (state) | |
| Staff and Support | \$ 1,327,689 |
| Advertising, Promotion and Printing | <u>\$ 2,585,237</u> |
| TOTAL | \$ 3,912,926 |

| | |
|--|---------------------|
| Department of Community and Economic Development | |
| Federal Funds | |
| Community Development Block Grant and Energy Funds | \$ 2,819,000 |
| Special Funds | \$ 210,000 |
| General Fund (state) | <u>\$ 990,855*</u> |
| TOTAL | \$ 4,019,855 |

*\$200,000 for the SBDC program is shown in this budget.

| | |
|--|-----------------------|
| Science Technology and Energy Authority | |
| General Fund (state) | |
| Administration and Personnel | \$ 238,450 |
| Strategic Initiatives and Small Business | <u>\$ 950,000*</u> |
| TOTAL | \$ 1,188,450** |

*An additional \$102,000 for MAMTC is shown in this budget.

**This accounting does not include the Federal pass-through funds from the National Science Foundation, Department of Energy, and Environmental Protection Agency grant programs appropriated to STEA and administered by the University of Wyoming (totaling \$ 4,741,000).

Federal Programs Partially Funded by the State, but administered by the University of Wyoming:

| | |
|-----------------------------------|-------------------|
| Small Business Development Center | |
| Federal Funds | |
| Wyoming State Government (DECD) | \$ 251,147 |
| University of Wyoming | \$ 200,000* |
| Special – In-Kind Match | \$ 47,858 |
| TOTAL | <u>\$ 12,734</u> |
| | \$ 511,739 |

*These amounts originate in state agency budgets and are not reflected in the totals below.

| | |
|---|---------------------|
| Mid-America Manufacturing Technology Center | |
| Federal Funds | |
| General Fund (from STEA and DECD) | \$ 553,582 |
| Special – In-Kind Match | \$ 276,791* |
| TOTAL | <u>\$ 276,791</u> |
| | \$ 1,107,164 |

*These amounts originate in state agency budgets and are not reflected in the totals below.

| | |
|---|-------------------|
| TOTALS FOR ALL FIVE STATE & FEDERAL PROGRAMS | |
| State Funds | \$ 6,416,880 |
| Federal Funds | \$ 3,623,729 |
| Special/In-Kind Funds | <u>\$ 499,525</u> |

| | |
|------------------------------|---------------------|
| TOTAL FY 1997 FUNDING | \$10,540,134 |
|------------------------------|---------------------|

Proposed Business Council Budget

It is difficult to directly compare the existing state budgets with that of the new Wyoming Business Council. Administration is streamlined, support personnel will serve multiple business functions, marketing will be expanded, but serve both tourism and business, and there are new operations such as research and recruitment.

The recommended structure requires an exercise much like the creation of a new company. The budget reflects the new strategic components and operational priorities. As with any startup company, particularly one with major regional operations overhead, there are significant one-time start-up transition expenditures. Since the state budget cycle requires a two-year commitment, the differential between the two years will be explained.

One-Time Startup Funds

The establishment of a new central office and five regional offices will require a variety of expenditures related to rent, equipment, personnel search and placement, project moving and travel expenses, auto leases, and miscellaneous materials and supplies. Current operations will continue while transition occurs, effectively doubling some costs for a short time. Regional needs assessments and capital needs assessments will also require funds. Some state furniture and equipment donations are expected; and local communities, the University, and community colleges may also offset office expenses to an unknown degree.

| | |
|-------------------------------|---------------------|
| TOTAL START-UP EXPENSE | \$ 2,150,000 |
|-------------------------------|---------------------|

Operational Budget:

Program

| | |
|------------------------|---------------------|
| Enterprise Development | \$ 1,130,000 |
| Existing Business | \$ 1,130,000 |
| Community Enhancement | \$ 1,050,000 |
| Recruitment | \$ 650,000 |
| SUB-TOTAL | \$ 3,960,000 |

Administration and Program Support

| | |
|------------------------------------|---------------------|
| CEO and Staff | \$ 300,000 |
| Finance and Administration | \$ 625,000 |
| Research and Information Systems | \$ 500,000 |
| Communications and Marketing | \$ 5,500,000 |
| Regional Managers and Office Staff | \$ 975,000 |
| SUB-TOTAL | \$ 7,900,000 |

| | |
|--|---------------------|
| Community Development Block Grant and Energy Funds <i>(Federal - approximate)</i> | \$ 2,819,000 |
|--|---------------------|

| | |
|--------------------------------------|---------------------|
| FIRST YEAR TOTAL EXPENDITURES | \$16,829,000 |
|--------------------------------------|---------------------|

Sources of Funds: This budget assumes the full utilization of all federal and state funds from the FY97 budget. Given that assumption, the new Wyoming Business Council budgetary sources are as follows:

| | |
|-----------------------|---------------|
| State Funds | \$ 12,705,749 |
| Federal Funds | \$ 3,623,729 |
| Special/In-Kind Funds | \$ 499,522 |

| | |
|--|---------------------|
| FIRST YEAR TOTAL SOURCES OF FUNDING | \$16,829,000 |
|--|---------------------|

Actual state general funds required will total \$12.7 million per year; a net increase of \$6.3 million per year. The Committee believes that the Council will require the full \$25.4 million in state funds over the two year biennium budget cycle.

The amount of funds budgeted for start-up activities in Year One (\$2,150,000) will, in Year Two, be budgeted to enhance programs, hire staff, or fund special needs such as the Wyoming Economic Development Fund. This incentive fund may be created first by executive order and then confirmed by statute the following year.

Performance Benchmarks

The public demand for accountability in economic development has never been more pronounced. The use of objective and relevant benchmarks to communicate progress to a broad and diverse constituency has become a necessity in today's economic development environment. Performance monitoring and benchmarks have additional benefits: positive trends can be duly recognized, and negative trends can be acted upon and reversed. The Committee cautions that patience must be exercised: it took decades for our economy to evolve to where it is today, and it will take time to intervene effectively, reverse negative trends, and stimulate a healthy economy.

The indicators presented are chosen because they meet the following criteria:

- Objective, unbiased, and not easily manipulated.
- Reflect a fundamental element of the economic health of the state.
- Accepted by the citizens of Wyoming as a valid sign of progress or an indicator of concern.
- Statistically measurable and preferably comparable to other states, regions, and cities.

This suggested list of performance indicators is not meant to be exhaustive, but should be considered the minimum needed to accurately gauge the progress and success of the recommended strategy.

The areas to benchmark are divided into three broad categories and are summarized below. Detailed explanations of each may be reviewed in Appendix A.

■ Operational Benchmarks

These measures address the effectiveness of the four operational strategies and traditionally rely on program throughput and activity:

- ◆ Existing business and recruitment:
 - Number of companies in identified retention programs
 - Jobs created/retained and capital investment from recruited/retained companies
 - Percentage of new employment in technology-based industries
 - Total increases in tourism spending
 - Average length-of-stay increases

- ◆ Entrepreneurship/enterprise development:
 - Number of new business starts
 - Number of existing firms being assisted/enrolled in identified programs
- ◆ Community enhancement:
 - Communities/regions with comprehensive plans in place
 - Dollars of grant assistance procured

■ Economic Performance Benchmarks

These measures translate the efforts of the business strategy into economic terms that are meaningful to the entire state:

- Per capita personal income levels
- Number of primary jobs created
- Sector growth in primary industries
- Exports per capita
- Average earnings per job
- Fiscal stability and balanced revenue
- Male/female wage rate disparity

■ Quality of Life Benchmarks

These measures reflect the concept of Quality of Life as related to the economy:

- ◆ Workforce skills and education
 - Average proficiency scores in mathematics and reading
 - High school completion rate
 - Employer evaluation of new hires
- ◆ Community Health and Safety
 - Percent of population below poverty
 - Primary school enrollment rates
 - Infant mortality rate
 - Crime rate
 - Air quality
- ◆ Land Use
 - Number of counties with comprehensive land use plans
 - Annual service satisfaction rating of Bureau of Land Management, U.S. Forest Service and National Park Service.

Conclusion

Nearly every economic indicator suggests that Wyoming's economy is falling behind the region and nation. Reversing this trend will not be easy. Wyoming must resolve to intervene and invest wisely in its economy.

This plan represents a radical departure from the traditional manner of delivering government services. It suggests that government has a responsibility to look out for the economic welfare of its citizens and that the most effective manner in which to do so is via a private sector model. By emulating the corporation in structure and performance, Wyoming can provide more effective leadership and a greater return on investment in its economic development initiative.

This strategy requires that all of us commit to serve Wyoming and the common good. This state needs a unity of purpose and resolve that goes beyond election cycles. A firm new commitment to private-public partnership, to collaboration, and to continuity is required.

By adopting this plan, Wyoming is taking a long-term view to build a proactive economic development program with commitment to goals and outcomes and quantitative performance measures. The strategy is holistic and includes governmental, private, and nonprofit resources.

There is legislation to write and pass, programs to create and fund, and coalitions and partnerships to build. Now the work begins.

A wise man once said, "*Don't be afraid to take a big step if you need to -- you can't cross a chasm in two small jumps.*" Wyoming needs to take a big step.

Appendix A: Suggested Benchmark List and Component Detail

Operational Benchmarks

■ Existing Business and Recruitment

Numbers of companies enrolled in identified retention programs:

Definition: Participating organizations (MAMTEC, SBDC, other existing business program providers, and state-sponsored recruitment programs) client-based activity

Comparison: Previous years

Reference: Not previously measured

Source: Participating organizations

Jobs created/retained and capital investment from recruited/retained companies:

Definition: Participating organizations and tracking of those companies "saved" and those recruited to the state. Jobs by industry, wage rates, capital investment, and state-level multipliers will be reported, all of which are needed to determine economic impact. Economic impact can then be used to determine the return to the state on dollars invested in the program

Comparison: Previous years

Reference: Not previously measured

Source: Participating organizations

Percentage of new employment in technology-based industries:

Definition: Based on yet to be determined target industries, percent of those industries to total employment

Comparison: Previous years

Reference: Not previously measured

Source: Participating organizations

Total increases in tourism spending:

Definition: Total direct expenditures by all visitors for calendar year

Comparison: Previous years

Reference: \$904,316,000 in 1995²⁹, \$1,130,000,000, ranked 3rd per capita in 1994³⁰

Source: Suggest annual update of University of Wyoming/Morey Study

Average length-of-stay increases:

Definition: Average length of stay within the state
Comparison: Previous years
Reference: 4.8 days in 1995
Source: Annual update of University of Wyoming/Morey Study

■ **Entrepreneurship/Enterprise Development**

Number of new business starts:

Definition: Number of new companies applying for new employer identification numbers per 1,000 employees
Comparison: Previous years, other states
Reference: Ranks of 8th in 1994³¹, 4th in 1995³²
Source: U.S. Department of Labor, U.S. Census

Number of existing firms being assisted/enrolled in identified programs:

Definition: Participating organizations (SBDC, loan program administrators, regional offices) client-based activity
Comparison: Previous years
Reference: Not previously measured
Source: Participating organizations

■ **Community Enhancement**

Communities/Regions with comprehensive plans in place:

Definition: Number of counties or regions with current comprehensive plans
Comparison: Previous years
Reference: Not previously measured
Source: Participating regions/counties

Dollars of grant assistance procured:

Definition: Federal spending for grants that help state and local government finance welfare, Medicaid, highway construction, etc., on a per capita basis
Comparison: Previous years, other states
Reference: Ranked 2nd in 1995 at \$748 million
Source: U.S. Census

Economic Performance Benchmarks

Per capita personal income levels:

Definition: Total personal income divided by population. This measure is the most universally accepted indicator of economic health in the long-term.

Comparison: Previous years, other states, and national average

Reference: Ranked 35th in 1996 at \$21,245, 87.7% of the U.S. average

Source: U.S. Department of Commerce

Number of primary jobs created:

Definition: Annual jobs created in farming, mining, manufacturing, wholesale, transportation, and federal and military employment

Comparison: Previous years, other states

Reference: 1985 to 1994 average annual increase of 2.3%, ranked 50th

Source: Bureau of Economic Analysis

Sector growth in primary industries:

Definition: Percent of total employment in the mining, manufacturing, wholesale, and transportation sectors to total employment

Comparison: Previous years, other states

Reference: 19.27% in 1993 to 18.8% in 1995

Source: Bureau of Economic Analysis

Exports per capita:

Definition: Value of exports of goods and services divided by population

Comparison: Previous years, other states

Reference: \$411 million in 1995, ranked 41st

Source: U.S. Department of Commerce

Average earnings per job:

Definition: Total wage and salary earnings divided by wage and salary jobs

Comparison: Previous years, other states

Reference: \$22,665 in 1994

Source: Bureau of Economic Analysis

Fiscal stability and balanced revenue:

Definition: An indexed valued based on taxes, reserves, and breadth of tax base

Comparison: Previous years, other states

Reference: Ranked 48th in 1996

Source: Corporation for Enterprise Development³³

Male/female wage rate disparity:

Definition: A comparison of wages received for comparable work

Comparison: Previous years, other states

Reference: 50th in 1996

Source: Wyoming Department of Employment; U.S. Department of Commerce

Quality of Life Benchmarks

■ Workforce Skills and Education

Average proficiency scores in mathematics and reading:

Definition: Average 8th grade math and 4th grade reading scores
Comparison: Previous years, other states
Reference: 8th in math in 1992, 9th in reading in 1994
Source: Digest of Education Statistics

High school completion rate:

Definition: Percent of those completing high school or equivalent
Comparison: Previous years, other states
Reference: 91.6% in 1994, ranked 13th
Source: Department of Education

Employer evaluation of new hires:

Definition: A statistically valid sampling of employer evaluations of those hired within the last year
Comparison: Previous years
Reference: Not previously measured
Source: Regional offices yet to be created

■ Community Health and Safety

Percent of population below poverty:

Definition: Percent of population living in households with income below federally established levels
Comparison: Previous years, other states
Reference: 13.3 percent, ranked 27th in 1995
Source: U.S. Department of Commerce

Primary school enrollment rates:

Definition: Growth rate of total enrollment in kindergarten through 8th grades
Comparison: Previous years
Reference: -9% from 1985 to 1996
Source: State Department of Education

Infant mortality rate:

Definition: Rate of infant deaths under one year of age per 1,000 live births. This measure correlates highly with the health of the mother, accessibility to medical care, and capacity/affordability of medical treatment, and is considered one of the best comparative health measures available.

Comparison: Previous years, other states

Reference: 8.9 in 1995, ranked 11th

Source: Centers for Disease Control

Crime rate:

Definition: Total crime rate as defined by the uniform crime reporting system of the U.S. Department of Justice

Comparison: Previous years, other states

Reference: 4,290 per 100,000 population in 1994, ranked 36th

Source: U.S. Department of Justice

Air quality:

Definition: Score according to the degree to which state residents live in areas that exceeded ambient air quality standards for ozone and/or carbon monoxide

Comparison: Previous years, other states

Reference: Score of 0.00 for 1994, ranked 1st

Source: Environmental Protection Agency

■ **Land Use**

Number of counties with comprehensive land use plans:

Definition: Number of counties by region with comprehensive land use plans

Comparison: Previous years

Reference: Not previously measured

Source: Participating regions/counties

Annual service satisfaction rating of Bureau of Land Management, U.S. Forest Service, and National Park Service:

Definition: Rating of policy, operation, and resident satisfaction of above organizations

Comparison: Previous years

Reference: Not previously measured

Source: Participating regions

Footnotes

-
- ¹ Congressional Quarterly's State Fact Finder, 1997 Congressional Quarterly.
 - ² Where the Money Is...America's Strongest Local Economies, William H. Fruth, Policom Corporation.
 - ³ Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.
 - ⁴ IBID.
 - ⁵ IBID.
 - ⁶ IBID.
 - ⁷ Internet, Bureau of Economic Analysis, U.S. Department of Commerce.
 - ⁸ Wyoming Department of Employment.
 - ⁹ Ibid.
 - ¹⁰ Ibid.
 - ¹¹ Ibid.
 - ¹² Ibid.
 - ¹³ Ibid.
 - ¹⁴ U.S. Department of Labor, Bureau of Statistics.
 - ¹⁵ The Annual Report Card of the States, 1997, Corporation for Enterprise Development
 - ¹⁶ Wyoming Department of Labor.
 - ¹⁷ Wyoming Department of Employment; U.S. Department of Labor.
 - ¹⁸ Wyoming Department of Labor.
 - ¹⁹ Ibid.
 - ²⁰ Division of Education.
 - ²¹ Division of Education; U.S. Census Bureau.
 - ²² Ibid.
 - ²³ Ibid.
 - ²⁴ Ibid.
 - ²⁵ Wyoming Geological Survey.
 - ²⁶ Ibid.
 - ²⁷ 1997 Development Report Card for the States, Corporation for Enterprise Development.
 - ²⁸ State Auditor's Office, Consensus Revenue Estimating Group.
 - ²⁹ University of Wyoming/Morey and Associates Study.
 - ³⁰ Travel Industry Association of America.
 - ³¹ CFED.
 - ³² Congressional Quarterly State Fact Finder.
 - ³³ CFED.

Report on
Economic
Development



*Prepared by the
Joint Subcommittee on
Economic Development*

October 12, 2015

JOINT SUBCOMMITTEE ON ECONOMIC DEVELOPMENT

The Joint Subcommittee was created in 2014 by the Management Council and continued by 2015 Wyoming Session Laws, Chapter 142, Section 342.

JOINT SUBCOMMITTEE MEMBERS

Senator Bruce Burns, Cochairman
Representative Norine Kasperik, Cochairman

Senator Stan Cooper

Representative Mike Greear
Representative Tom Lockhart
Representative Tim Stubson

LEGISLATIVE SERVICE OFFICE STAFF

Dave Gruver, Director
Matt Obrecht, Staff Attorney
Dawn Agar Williams, Fiscal Analyst
Elizabeth Martineau, Program Evaluator

October 12, 2015 • PAGE 2 OF 7

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Chapter 1

Subcommittee Charge and History

SUBCOMMITTEE CHARGE

In 2014, Management Council authorized the creation of the Joint Subcommittee on Economic Development, which was continued by the Legislature in 2015 Wyoming Session Laws, Chapter 142, Section 342, with the following direction and charge:

A joint subcommittee, consisting of three (3) members of the Joint Minerals, Business and Economic Development interim Committee and three (3) members of the Joint Appropriations interim Committee will meet to study the state's role in providing aid and assistance in economic development projects. The study shall include a review of the Wyoming Business Council, its programs, funding mechanisms and rules and regulations, and the expanded use of Amendment IV funds. Members and Chairmen of the joint subcommittee shall be appointed by the respective committee chairs. The joint subcommittee shall only make recommendations to the appropriate standing committee. The appropriate standing committee may then consider developing legislation.

SUBCOMMITTEE MEETINGS

The Joint Subcommittee held its first meeting on August 27, 2014 in Powell, Wyoming. The August meeting included testimony from the Wyoming Business Council (WBC), four (4) local economic development entities selected based upon geographic and structural diversity, and Treasurer Mark Gordon. The Joint Subcommittee also requested and received a substantial amount of background data and information from the WBC in advance of the meeting.

Several items for consideration by the Business Council were discussed, though not formally acted upon by the subcommittee. The WBC adopted many of the suggestions made by the subcommittee, in particular with respect to the Business Ready Community program, in subsequent rulemaking including, but not limited to the following: consistent loan structuring; extended reporting requirements by loan recipients; reversion of assets supported by grant funds to public entities; and consistently applied revenue recapture provisions. The rules will be considered for adoption by the WBC at its December meeting.

The second meeting occurred on September 30, 2015 in Casper, Wyoming where the subcommittee heard from the WBC, the University of Wyoming and Treasurer Mark Gordon.

Copies of the minutes from both meetings are attached to this report as Appendix A, and submissions to the joint subcommittee, including the materials from the WBC are on file with the Legislative Service Office.

Chapter 2

Findings and Recommendations

ITEM 1 – ENTREPRENEURIAL GRANTS USING SCIENCE, TECHNOLOGY AND ENERGY ACCOUNT (STEA) FUNDS

The Wyoming Small Business Innovation Research and Technology Transfer Program at the University of Wyoming, through the WBC, works with small business entrepreneurs to formulate grant proposals to the Federal Small Business Innovative Research (SBIR) program. The WBC provides financial assistance to participants, which is known as the Wyoming Phase 0 Initiative; STEA funds may be appropriate for this purpose.

2015 Senate File 0138, Small Business Innovation Research Matching Funds, passed the Senate but failed House passage. Had it survived, this bill would have created a small business innovation research matching funds program using remaining STEA program funds. This bill also included a repayment provision of awarded funds.

Recommendation 1 – The Joint Subcommittee recommends that the Joint Minerals, Business and Economic Development Interim Committee consider re-introduction of 2015 SF00138 Small Business Innovation Research Matching Funds, which is attached as Appendix B, for purposes of funding the Phase 0 Initiative.

ITEM 2 – LARGE LOAN PROGRAM CLARIFICATIONS

In 2014 Session Laws, Chapter 46 (SF0097 Large Project Economic Development Loans), the Legislature created the Large Project Account within the Revolving Investment Fund created under Article XVI, Section 12 of the Wyoming Constitution (Amendment IV funds) and appropriated \$25 million to the account. The Large Project Program is authorized to use state funds to provide loans and loan guarantees to proposed or existing entities within the state for the purpose of economic development.

The Subcommittee heard testimony from a potential project owner and the State Treasurer. The Treasurer had several recommendations for potential changes to the Large Project Program and the Subcommittee supports further consideration of the following changes.

The language of Chapter 46 section 2(e)(iii) “The state treasurer shall ensure through certification by the applicant, or any other manner determined to be adequate by the state treasurer, a commitment of private funds in an amount which is at least three (3) times the requested loan or loan guarantee amount;” should be amended to mirror that found in 2(d)(ii)(E) “Private investment in the county or counties in buildings, equipment and direct project infrastructure of not less than three (3) times the amount of any loan or loan guarantee.”

Chapter 46 Section 2(h) addresses costs of evaluating the project. It states: “The state treasurer is authorized to employ such experts as necessary to fully evaluate and negotiate the terms and conditions of the loan and loan guarantees. If experts are retained by the state treasurer under paragraph (e)(ix) of this section, payment to experts retained under this section which exceed the loan origination fee or loan guarantee fee shall be made by the Wyoming business council.” The treasurer recommended that the loan/grant applicant should be required to pay all the fees of the retained experts. The subcommittee agrees.

Recommendation 2 – The Joint Subcommittee recommends that revision of these sections be considered. Furthermore, the Joint Subcommittee recommends the Management Audit Committee consider revision of these sections since it recently completed a study of Public Purpose Investments and the Industrial Development Bond Program.

2014 Session Laws, Chapter 46 is attached as Appendix C.

SUMMARY *of* PROCEEDINGS



JOINT SUBCOMMITTEE ON ECONOMIC DEVELOPMENT

SUBCOMMITTEE MEETING INFORMATION

August 27, 2014
DeWitt Student Center/Trapper Room
Northwest College Campus
Powell, Wyoming

SUBCOMMITTEE MEMBERS PRESENT

Senator Drew Perkins, Co-Chair
Representative Tom Lockhart, Co-Chair
Senator Stan Cooper
Senator Curt Meier
Representative Norine Kasperik
Representative Bob Nicholas
Representative Tim Stubson

LEGISLATIVE SERVICE OFFICE STAFF

Matt Obrecht, Staff Attorney
Don Richards, Budget and Fiscal Section Manager

OTHERS PRESENT AT MEETING

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

EXECUTIVE SUMMARY

The Joint Subcommittee on Economic Development met for one day in Powell, Wyoming. The Subcommittee discussed the state's role in providing aid and assistance in economic development projects, reviewed the Wyoming Business Council's programs, funding mechanisms and rules and regulations, received testimony from local government economic development associations, and received information from the Wyoming Business Council and State Treasurer regarding the use of the state's

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revolving investment fund, created under Article XVI, Section 12 of the Wyoming Constitution (“Amendment IV”) funds.

CALL TO ORDER

Co-Chair Lockhart called the meeting to order at 8:20 a.m. The following sections summarize the Subcommittee proceedings by topic. Please refer to Appendix 1B to review the subcommittee meeting agenda.

WYOMING BUSINESS COUNCIL REVIEW

Shawn Reese, Chief Executive Officer of the Wyoming Business Council (WBC) introduced the Wyoming Business Council Board and staff. Mr. Reese presented the WBC handout to the Subcommittee (Appendices 2 and 3) including history, mission, goals, performance measures, budget, rules, and project history. Mr. Reese noted that among the challenges Wyoming faces in attracting businesses are air service, workforce housing, wage disparity, and broadband, though improvements have been made in several of these areas. Mr. Reese added that WBC will be reviewing its performance measures and objectives to better align them.

Mr. Reese discussed projects that provide business infrastructure in the form of community development as well as infrastructure for committed business. He noted that projects for committed business are reviewed by the Attorney General for constitutionality and added that there are no statutory limits on the size of grants, except for planning grants.

Mr. Reese also raised a question of how long grant and loan reporting should continue after project completion. The current requirement includes reporting for three years after completion, but in practice, WBC does request additional information on an ad hoc basis. Senator Meier suggested tying the reporting requirement duration to a consideration of when the public purpose, or public benefit, is achieved.

Mr. Reese noted that he supports deleting the workforce housing rules and revisiting them should funding be provided at some future point. Mr. Reese, responding to Subcommittee questions, also discussed the scope of projects eligible for Business Ready Community (BRC) funds, including child care, senior care, and other “social services.” WBC is regularly re-evaluating whether there is “mission creep” within the BRC program. However, Mr. Reese and Rex Lewis, WBC Board Co-Chairman, noted that any tightening of the statutes may limit funding options for smaller communities. Mr. Reese also noted the need for more consistency in the loan terms and interest rate imposed under projects within the BRC program. One change to the BRC process is that the Attorney General reviews an application for constitutional issues prior to the WBC voting on the application.

The Subcommittee requested that the WBC update the BRC list of projects to include a discussion of “failed or withdrawn” projects; include a field for project completion dates under BRC grants/loan summary; fix the error in the summary of available lots for Natrona County; include a summary of the available acreage in Wyoming publicly-funded business parks; and continue to update the percentage of BRC funds directed toward business parks over time.

LOCAL ECONOMIC DEVELOPMENT ENTITIES

Evanston

Joy Bell, Evanston Mayor, addressed the Subcommittee and provided a short response to Subcommittee questions (Appendix 4). Ms. Bell explained that in Evanston, all economic activity is administered through the city as the area does not have a private non-profit economic development entity, similar to other geographic areas. Ms. Bell noted that approximately \$150,000 in city revenues support economic development activities in Evanston. Ms. Bell also noted that she believed communities should report on the use of state-funded grants as long as the buildings acquired from the grant are operated by the city. She concluded by noting that Evanston follows applicable statutes for the disposal of property.

Kaycee-Buffalo-Johnson County

Dave Simonson, Kaycee-Buffalo-Johnson County Economic Development Joint Powers Board and Randy Dyess, Buffalo Mayor addressed the Subcommittee and provided a short response to Subcommittee questions (Appendix 5). Mr. Simonson explained that the Joint Powers Board owns and manages three facilities and the resulting \$12,000 per month lease revenues support approximately 49 percent of the Joint Powers Board operations. Mr. Simonson indicated the Joint Powers Board has explored developing a nonprofit economic development association and ideally, economic development activities of the Joint Powers Board would become 100 percent self-sufficient.

Cheyenne LEADS

Anja Bendel, Director of Business Development, Cheyenne LEADS; Cheyenne Mayor Rick Kaysen; and Randy Bruns, Chief Executive Officer, Cheyenne LEADS, addressed the Subcommittee and provided a short response to Subcommittee questions (Appendix 6). In responding to Subcommittee questions, Ms. Bendel noted in the event of dissolution, either the city/county or a successor nonprofit would receive the assets of Cheyenne LEADS. Ms. Bendel also indicated that BRC applications are submitted through the City of Cheyenne to the WBC, though Cheyenne LEADS often is heavily involved in preparing the application. Mayor Kaysen indicated that Cheyenne and Laramie County also have a Joint Powers Board which has received \$5.4 million in revenue generated from the fifth penny local optional sales and use tax to date, though the private status of Cheyenne LEADS allows for an independent entity to act more efficiently and confidentially. He added that infrastructure is vital to have in place prior to an expression of interest by a new business.

Goshen County Economic Development Corporation

Lisa Johnson, Executive Director of Goshen County Economic Development Corporation, addressed the Subcommittee and provided a short response to Subcommittee questions (Appendix 7). Ms. Johnson indicated that the county has imposed a local, optional economic development sales and use tax. The private, non-profit corporation is roughly one-half privately funded and one-half publically funded, with a \$170,000 annual budget.

SELECT STATE TREASURER'S OFFICE ECONOMIC DEVELOPMENT PROGRAMS

Treasurer Mark Gordon, Deputy Treasurer Sharon Garland, and General Counsel Betsy Anderson addressed the Subcommittee by conference call.

Industrial Revenue Bonds

Treasurer Gordon summarized the experience of recent use of the Industrial Revenue Bond (IRB) purchase program (Appendix 8). Treasurer Gordon noted the timeline from start to finish for the evaluation of application and purchase of industrial revenue bonds spanned 14 to 24 months, and that the timeline can be improved.

Ms. Garland summarized the past performance of the IRB program and projects.

Revolving Investment Fund, created under Article XVI, Section 12 of the Wyoming Constitution (Amendment IV funds)

Treasurer Gordon discussed the emergency rules for large project economic development loans under 2014 SF 97 (2014 Laws, Chapter 46) (Appendix 9). Treasurer Gordon noted the rules were issued in July 2014, and his office understands Cody Labs is working to submit an application later this fall. The State Treasurer's Office is awaiting a completed application and feedback from an advisory board. The State Treasurer's Office then intends to promulgate permanent rules, with any necessary revisions. Treasurer Gordon raised an issue within 2014 Laws, Chapter 46, Section 2(h) in that the Business Council would be required to pay for expert fees should they exceed the one percent loan origination fee paid by the applicant (Appendix 10). Treasurer Gordon suggested that expert evaluations should be paid by the loan applicant.

The Subcommittee then discussed the potential structure of a loan guarantee under this program. Ben Avery, Wyoming Business Council, indicated that he believed that the whole amount of the loan would need to be reserved from available funds, under the current statutory language.

Other financing opportunities

State Treasurer Gordon, Shawn Reese, Wyoming Business Council, and Ben Avery, Wyoming Business Council discussed a range of alternative financing options available to the State. Those included private equity investment of state funds, not at the direction of the State, but at the direction of the private equity managers; time deposit open accounts as a tool to deposit state funds in Wyoming banks; the Challenge Loan program, a vestige of the old Amendment IV program; STEA (Science, Technology Energy Authority), which has approximately \$500,000 remaining for use; and the SBIC (Small Business Investment Credit Program). The Subcommittee requested additional background on the STEA program from the Business Council, including the date of last use and any suggested statutory changes to recoup or avoid program losses.

PUBLIC COMMENT

Loren Grosskopf, Park County Commissioner, and Brian Dickson, Lovell Town Councilman and Wyoming Association of Municipalities President, provided brief comments to the Subcommittee, thanking them for their work on economic development issues.

ANNOUNCEMENTS

The Subcommittee requested the minutes of the meeting be prepared and distributed to all Subcommittee members in a timely fashion. After review, the Subcommittee indicated they would hold an organizing conference call to consider next steps, if any, in terms of providing reports to the Joint Appropriations Committee and the Joint Minerals, Business and Economic Development Interim Committee.

MEETING ADJOURNMENT

There being no further business, Co-Chair Perkins adjourned the meeting at 3:10 p.m. (Members of the Subcommittee were invited on a tour of the Gluten Free Oats in Powell upon adjournment.)

Respectfully submitted,

Senator Drew Perkins, Co-Chair

Representative Tom Lockhart, Co-Chair

JOINT SUBCOMMITTEE ON ECONOMIC DEVELOPMENT *Summary of Proceedings*

Subcommittee Meeting Materials

| Appendix | Appendix Topic | Appendix Description | Appendix Provider |
|----------|---|--|---|
| 1A | Committee Sign-In Sheet | Lists meeting attendees | Legislative Service Office |
| 1B | Committee Meeting Agenda | Provides an outline of the topics the Subcommittee planned to address at meeting | Legislative Service Office |
| 2 | Wyoming Business Council (WBC) Review | WBC Response to Subcommittee requests | WBC |
| 3 | Wyoming Business Council (WBC) Review | Business Ready Community Program Overview 2003 – June 2014 (Tab 8) | WBC |
| 4 | Local Economic Development Entities | Local Economic Development Outline and Response to Subcommittee Questions | City of Evanston |
| 5 | Local Economic Development Entities | Local Economic Development Outline and Response to Subcommittee Questions | Kaycee-Buffalo-Johnson County Economic Development Joint Powers Board |
| 6 | Local Economic Development Entities | Local Economic Development Outline and Response to Subcommittee Questions | Cheyenne LEADS |
| 7 | Local Economic Development Entities | Local Economic Development Outline and Response to Subcommittee Questions | Goshen County Economic Development Corp. |
| 8 | Select State Treasurer's Office Economic Development Programs | Industrial Development Bond Investment Program Rules | State Treasurer's Office via Legislative Service Office |
| 9 | Select State Treasurer's Office Economic Development Programs | Economic Development Large Project Program Emergency Rules | State Treasurer's Office via Legislative Service Office |

| | | | |
|----|---|---|----------------------------|
| 10 | Select State Treasurer's Office Economic Development Programs | 2014 Senate File 0097 ENR, Large project economic development loans | Legislative Service Office |
| 11 | Miscellaneous | Legislative History of Business Ready Communities Program | Legislative Service Office |

SUMMARY *of* PROCEEDINGS



JOINT SUBCOMMITTEE ON ECONOMIC DEVELOPMENT

SUBCOMMITTEE MEETING INFORMATION

September 30, 2015
UW at Casper College, Room UU322
Casper, Wyoming

SUBCOMMITTEE MEMBERS PRESENT

Senator Bruce Burns, Co-chair
Representative Norine Kasperik, Co-chair
Senator Stan Cooper
Representative Tom Lockhart
Representative Michael Greear
Representative Tim Stubson

OTHER LEGISLATORS PRESENT

Representative Mark Kinner

LEGISLATIVE SERVICE OFFICE STAFF

Dave Gruver, Director
Dawn Agar, Senior Fiscal Analyst
Elizabeth Martineau, Associate Program Evaluator

OTHERS PRESENT AT MEETING

Please refer to **Appendix 1** to review the Subcommittee Sign-in Sheets 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. 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 <http://legisweb.state.wy.us>.

EXECUTIVE SUMMARY

The Joint Subcommittee on Economic Development met for one day in Casper, Wyoming. The Subcommittee reviewed Wyoming Business Council (WBC) programs, processes, and proposed rules and policy changes, received testimony from the University of Wyoming and WBC staff regarding possible uses for the Science, Technology, and Energy Authority (STEA) account funds, received information from the Wyoming Business Council regarding the use of Challenge Loans for Natural Gas Fueling Infrastructure, as well as the State Treasurer regarding various financing options for private entities, including the Large Loan Program and the Industrial Development Bond Program.

CALL TO ORDER

Co-Chair Kasperik called the meeting to order at 8:06 a.m. The following sections summarize the Subcommittee proceedings by topic. Please refer to [Appendix 2](#) to review the Subcommittee meeting agenda.

APPROVAL OF THE MINUTES

Minutes from the August 27, 2014 Subcommittee meeting were approved ([Appendix 3](#)).

WYOMING BUSINESS COUNCIL REVIEW

Shawn Reese, Chief Executive Officer of the Wyoming Business Council (WBC), introduced WBC board members in attendance and staff. Mr. Reese discussed operations of the WBC, generally, including budget and appropriations information. He presented handouts to the Subcommittee that addressed the recent reorganization of the WBC, building blocks of economic development, the strategic plan, and a new Return on Investment (ROI) tool ([Appendix 4](#)).

Mr. Reese noted that the WBC is using its ROI tool to evaluate all of its programs and services. The results of the ROI evaluation are expected to be completed by July, 2016.

Mr. Reese provided a review and summary of the Business Ready Communities (BRC) Program ([Appendices 5 through 8](#)). He noted that all Business Committed projects are reviewed by the Attorney General for constitutionality and added there are no statutory limits on the size of grants, except for planning grants. Additionally, the evaluation period for projects was raised from three to five years and the WBC has entered into a memorandum of understanding with the Department of Workforce Services to obtain aggregate workforce data.

Mr. Reese noted that the WBC received a large number of comments and one petition related to the proposed BRC rules and policy changes, including suggested alternatives. The WBC will consider the responses and present its recommendations to the WBC Board of Directors during its December 2015 meeting.

The Subcommittee requested that the WBC provide the actual amount of BRC matches and private funds leveraged, rather than projected or anticipated amounts, that the WBC pursue revenue recapture from infrastructure provided to privately owned business parks, and a breakdown of building occupancy by type, e.g. industrial versus retail space.

SCIENCE, TECHNOLOGY, AND ENERGY AUTHORITY (STEA) REVIEW

Ben Avery, WBC Business and Industry Division Director and Bill Gern, University of Wyoming Vice President of Research and Economic Development, presented information regarding the needs of entrepreneurs in the state, the STEA account, and the federally supported Small Business Innovation

Research (SBIR) program. Mr. Gern discussed his handout regarding the SBIR program and the Wyoming Phase 0 Initiative ([Appendix 9](#)), which provides financial assistance to small businesses that apply to the SBIR program. Mr. Avery indicated a bill was introduced in the 2015 General Session of the Legislature (SF138 – Small Business Innovation Research Matching Funds) that would have leveraged STEA funds for purposes of entrepreneurial grants, however, the bill failed passage.

The Subcommittee requested that the WBC and the University provide the percentage of SBIR applicants that receive grants in Wyoming and how many go through Phase 0.

Representative Lockhart moved to recommend that the Joint Minerals, Business & Economic Development Committee reconsider SF138. The motion was seconded and passed by voice vote.

NATURAL GAS FUELING INFRASTRUCTURE REVIEW

Mr. Reese presented a history of the natural gas fueling station project and answered Subcommittee questions regarding the use of the Challenge Loan Program and the BRC Program for these types of projects ([Appendix 10](#)).

LARGE LOAN PROGRAM AND THE INDUSTRIAL DEVELOPMENT BOND PROGRAM

Mr. Avery and Treasurer Mark Gordon addressed the Subcommittee and provided a background and history of the financing opportunities for private entities in the state, including information regarding the Revolving Investment Fund created under Article XVI, Section 12 of the Wyoming Constitution (Amendment IV funds), the Large Loan Program, and the Industrial Development Bond Program (IDB). Mr. Avery summarized past performance of the IDB program and projects.

Treasurer Gordon discussed the Large Loan Program created in 2014 Session Laws, Chapter 46 (SF097 Large Project Economic Development Loans, ([Appendix 11](#)) and suggested clarification may be necessary between SF097 Section 2 (d)(ii)(E) and Section 2 (e)(iii). Additionally, Treasurer Gordon stated that SF097 Section 2 (h) requires the WBC to pay the fees associated with retained experts and not the applicant. The Treasurer also offered other potential changes to the large loan program.

Representative Stubson moved to recommend consideration of two of the Treasurer's suggestions for changes to the Large Loan Program to the Joint Minerals, Business & Economic Development and Joint Appropriations Committees in the Subcommittee's final report. The language of section 2(e)(iii) should mirror that found in 2(d)(ii)(E) and the applicant should be required to pay all the fees of the retained experts. The motion was seconded and passed by voice vote.

PUBLIC COMMENT

Lynne Michelena, Co-Chair WBC Board of Directors, Dick Bratton, WBC Board of Directors, Phil Christopherson, Energy Capital Economic Development, Bill Edwards, Casper Area Economic Development Alliance, Randy Dyess, Chris Brown, Wyoming Economic Development Association, Robert Briggs, Wyoming Economic Development Association and the City of Sheridan, and Shelly Simonton, Wyoming Association of Municipalities, provided brief comments to the Subcommittee, thanking members for their work on economic development issues.

Maureen Bader, Wyoming Liberty Group, provided brief comments to the Subcommittee generally opposing state funded support of private entities, as it is contrary to allowing market forces to determine economic outcomes.

Mark Gordon, State Treasurer, and Shelley Simonton provided brief clarifying comments to the Subcommittee regarding the natural gas project as a public utility.

Mr. James Klessens, Forward Cody CEO/President, presented an update of the Cody Labs Project. The project met delays due to finding underground oil storage tanks on the land set for expansion. While the large project funding legislation would have proved helpful for the project, the underlying business entity has done so well recently, he encouraged the state to use the large project funding for other projects if those projects meet the criteria of the statute.

ANNOUNCEMENTS

Co-Chair Kasperik reviewed the Subcommittee's charge and the Subcommittee discussed the final report required by its enabling legislation. The Subcommittee asked LSO staff if it was appropriate to make a recommendation that the Management Audit Committee should take action on the large project legislative changes, since that Committee has studied public purpose investments. LSO staff suggested that as long as the report was provided to the Joint Minerals, Business & Economic Development and Joint Appropriations Committees, as required by law, it would not be inappropriate to also provide the final report to the Management Audit Committee with a suggestion to examine the issue further.

Representative Stubson moved that the preliminary subcommittee report provided last year ([Appendix 13](#)) be used as a basis for the final report, which should include the four recommendations discussed earlier and noted above (i.e. consideration of 2015 SF0138, two changes to the large project legislation, and sending the final report to the Management Audit Committee). The Co-Chairs will work with LSO staff to write the final report, providing a draft for the Subcommittee to vote on by e-mail ballot in time for the Joint Minerals, Business & Economic Development and Joint Appropriations Committees to consider at their October meetings. The motion passed unanimously.

MEETING ADJOURNMENT

There being no further business, Co-Chair Kasperik adjourned the meeting at 4:02 p.m.

Respectfully submitted,

Representative Norine Kasperik, Co-Chair

Subcommittee Meeting Materials

| Appendix | Appendix Topic | 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 Subcommittee planned to address at meeting | Legislative Service Office |
| 3 | Approval of the Minutes | Minutes of the Subcommittee Meeting on August 27, 2014 | Legislative Service Office |
| 4 | Wyoming Business Council (WBC) Review | WBC Overview Handouts: Org Chart, Economic Development Process, Strategic Plan, ROI Tool (2), Appropriations and Available Funds | WBC |
| 5 | Wyoming Business Council (WBC) Review | 2015 Business Ready Community (BRC) Program Overview | WBC |
| 6 | Wyoming Business Council (WBC) Review | BRC Program Guiding Principles | WBC |
| 7 | Wyoming Business Council (WBC) Review | BRC Project Summary | WBC |
| 8 | Wyoming Business Council (WBC) Review | BRC Rules Change Matrix | WBC |
| 9 | Science, Technology, and Energy Authority (STEA) Review | Small Business Innovation Research – Matching Funds | University of Wyoming |
| 10 | Natural Gas Filing Stations Review | Financing and Challenge Loans for Natural Gas Fueling Stations | WBC |
| 11 | Large Business Loans and IDB Review | 2014 SF0097 Large Project Economic Development Loans | Legislative Service Office |
| 12 | Miscellaneous | 2014 Draft Committee Report | Legislative Service Office |
| 13 | Miscellaneous | 2014 SF0100 Business Ready Community Program Modifications | Legislative Service Office |

SENATE FILE NO. SF0138

Small business innovation research-matching funds.

Sponsored by: Senator(s) Rothfuss, Coe, Cooper and Von Flatern and Representative(s) Byrd and Krone

A BILL

for

1 AN ACT relating to economic development; creating the small
2 business innovation research matching funds program;
3 providing for administration of the program; providing
4 eligibility requirements under the program; providing for
5 repayment of funds awarded under the program as specified;
6 creating the small business innovation research matching
7 funds account; providing rulemaking authority; providing
8 for an appropriation; and providing for an effective date.

9

10 *Be It Enacted by the Legislature of the State of Wyoming:*

11

12 **Section 1.** W.S. 9-12-1401 and 9-12-1402 are created
13 to read:

14

15

ARTICLE 14

1 SMALL BUSINESS INNOVATION RESEARCH

2

3 **9-12-1401. Small business innovation research**
4 **matching funds program; eligibility; rulemaking authority.**

5

6 (a) There is created the Wyoming small business
7 innovation research matching funds program. The program
8 shall match federal funds approved for Wyoming technology
9 based companies by the University of Wyoming research
10 office as provided herein. The program shall be
11 administered by the Wyoming business council in
12 consultation with the University of Wyoming research
13 office.

14

15 (b) To be eligible to receive funding under the
16 program, an entity shall:

17

18 (i) Be headquartered in Wyoming and organized
19 under the laws of the state of Wyoming;

20

21 (ii) Maintain a meaningful nexus to the state of
22 Wyoming, including after commercialization of a product,

1 concept, design or any other marketable asset developed
2 with the assistance of funds from this program;

3

4 (iii) Have received funding under the federal
5 small business innovation research and small business
6 technology transfer programs through the University of
7 Wyoming research office;

8

9 (iv) Propose a product, concept, design or any
10 other marketable asset which has a probability of providing
11 an economic return to the state of Wyoming through creation
12 of jobs, expanded tax base and diversification of the
13 state's economy;

14

15 (v) Agree to provide a report to the Wyoming
16 business council on or before July 1 of each year in the
17 following manner:

18

19 (A) Prior to commercialization, the entity
20 shall report on the progress of the entity to commercialize
21 a product, concept, design or any other marketable asset
22 developed with the assistance of funds from this program;

23

1 (B) If any entity commercializes a product,
2 concept, design or any other marketable asset, and
3 continues to market the product, concept or design or
4 asset, the entity shall report for up to ten (10) years on:

5

6 (I) The number of jobs the entity has
7 created;

8

9 (II) A salary range per job;

10

11 (III) The taxable assets of the
12 entity; and

13

14 (IV) All revenues from sales of the
15 product, concept, design or any other marketable asset of
16 the entity.

17

18 (vi) Comply with the requirements of rules and
19 regulations developed pursuant to this section.

20

21 (c) Matching funds shall be awarded to recipients as
22 determined by the Wyoming business council in an amount not
23 to exceed:

1

2 (i) For a recipient of a phase I award, a match
3 up to one hundred percent (100%) of the award, not to
4 exceed one hundred thousand dollars (\$100,000.00);

5

6 (ii) For a recipient of a phase II award, a
7 match up to twenty-five percent (25%) of the award, not to
8 exceed two hundred fifty thousand dollars (\$250,000.00).
9 Matching funds under this section shall be awarded to the
10 recipient as soon as practicable after approval of the
11 matching fund application.

12

13 (d) An entity shall repay all matching funds awarded
14 under this section if:

15

16 (i) The entity commercializes a product,
17 concept, design or any other marketable asset developed
18 with the assistance of funds from this program; and

19

20 (ii) The entity fails to maintain a significant
21 nexus with the state of Wyoming within ten (10) years of
22 commercializing a product, concept, design or any other
23 marketable asset developed with the assistance of funds

1 from this program and continues to market the product,
2 concept, design or asset.

3

4 (e) The Wyoming business council in consultation with
5 the University of Wyoming research office shall promulgate
6 rules necessary to carry out the provisions of this section
7 and W.S. 9-12-1402. Rules and regulations under this
8 section shall include but not be limited to:

9

10 (i) Application procedures;

11

12 (ii) The number and amount of matching funds
13 available for award in any fiscal year;

14

15 (iii) Timing of issuance of matching funds
16 awarded;

17

18 (iv) Eligibility requirements under the matching
19 fund program as specified in subsection (b) of this
20 section;

21

1 (v) Provide for repayment of matching funds
2 under this section as provided in subsection (d) of this
3 section;

4

5 (vi) Provide for product, concept, design or
6 asset review and requirements under the program consistent
7 with this section.

8

9 (f) Not later than October 15, 2018 and every October
10 15 thereafter, the Wyoming business council and the
11 University of Wyoming research office shall report to the
12 joint minerals, business and economic development interim
13 committee concerning the program. The report shall
14 include:

15

16 (i) A yearly and total summary of the number and
17 amounts of matching funds awarded under the program;

18

19 (ii) A description of an entity and a product,
20 concept, design or any other marketable asset developed
21 which was commercialized with the assistance of funds from
22 this program within the prior five (5) years;

23

1 (iii) The realized economic impact of the
2 program on the state, including jobs created, salary range
3 per job created and potential impact to the local
4 community.

5
6 (g) As used in this section, "commercialization"
7 means the creation by an entity of commercial processes,
8 products, and services derived in whole or in part from
9 research undertaken with matching funds awarded under this
10 section, which results in realized revenues to the entity
11 of at least three (3) times the matching funds awarded
12 under this section.

13

14 **9-12-1402. Small business innovation research**
15 **matching funds account.**

16

17 There is created the Wyoming small business innovation
18 research matching funds program account. Funds shall be
19 credited to the account as provided by law. Funds in the
20 account are continuously appropriated to the Wyoming
21 business council to be used only for matching fund awards
22 authorized to be made under W.S. 9-12-301.

23

1 **Section 2.** There is appropriated all unexpended,
2 unobligated and unencumbered funds from the Wyoming
3 business council science, technology and education
4 authority account as of the effective date of this act to
5 the Wyoming small business innovation research matching
6 funds program account.

7

8 **Section 3.** This act is effective July 1, 2015.

9

10

(END)

ENROLLED ACT NO. 62, SENATE

SIXTY-SECOND LEGISLATURE OF THE STATE OF WYOMING
2014 BUDGET SESSION

AN ACT relating to economic development; providing an appropriation to the revolving investment fund created pursuant to Article XVI, Section 12 of the Wyoming constitution; providing for loans and loan guarantees for economic development projects as specified; requiring matching funds; providing rulemaking authority; and providing for an effective date.

Be it Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 9-12-305 is amended to read:

9-12-305. Economic development enterprise fund account; deposits; continuous appropriation; loans.

Except for fees deposited in accordance with W.S. 9-12-302(b), all repayments of principal and interest to the state in connection with loans made under this article and other funds as appropriated by the legislature for the challenge loan program shall be deposited into the economic development enterprise account within the revolving investment fund. All funds in the account may be used for and are continuously appropriated for loans authorized to be made under this article. Funds within the account may also be transferred upon direction of the governor to the large project account created by 2014 Senate File 97 as enacted into law, if required to meet loans or loan guarantees approved by the state loan and investment board under that law. The total principal balance of outstanding loans shall not exceed the amounts appropriated by the legislature plus interest accrued and collected less any losses of loan principal or interest.

Section 2.

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(a) There is created a large project account within the revolving investment fund created pursuant to article XVI, section 12 of the constitution of the state of Wyoming. Funds with the large project account shall be used exclusively for economic development loans and loan guarantees as provided in this act.

(b) Loans or loan guarantees authorized by this act shall be used exclusively to promote and aid economic development of the state by providing loan guarantees or loans to proposed or existing enterprises which will employ people within the state, provide services in the state, use resources in the state or otherwise add economic value to goods, services or resources within the state consistent with this act.

(c) Loans and loan guarantees provided under this act shall be subject to the following procedures:

(i) Any project shall first be submitted to and reviewed by the governor who may provide preliminary recommendations for the size and parameters of the proposed loan or loan guarantee;

(ii) The project shall then be submitted to and reviewed by the state treasurer who may provide preliminary recommendations for the structure of the proposed loan or loan guarantee;

(iii) The project shall then be submitted for review to the Wyoming business council under the process set forth in W.S. 9-12-601 through 9-12-603;

(iv) The Wyoming business council's recommendations shall be forwarded to the state loan and

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investment board for final approval of the loan or loan guarantee;

(v) Any approved loan or loan guarantee shall thereafter be submitted to the governor for final approval following his determination that the loan or loan guarantee has met the requirements of this act, and the state treasurer's final approval as to the structure of the loan or loan guarantee.

(d) The governor shall recommend and the state loan and investment board shall only approve the issuance of loan guarantees and loans under this act for projects which meet the following minimum requirements:

(i) Are anticipated to have an economic impact and a public benefit greater than the economic impact and public benefit of projects regularly funded under the Wyoming business ready community program;

(ii) Based upon the findings of an independent third party approved by the Wyoming business council, will provide the following minimum public benefits:

(A) The creation of a significant expansion of permanent jobs in the county or counties in which the project will be located;

(B) Significantly increases the assessed valuation of the counties or counties in which the project will be located, by not less than the value of the loans or loan guarantees received by the applicant borrower;

(C) A substantial increase in the sales, property or other tax revenues to the county where the project will be located;

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(D) Promotion of a stable, balanced and diversified economy; and

(E) Private investment in the county or counties in buildings, equipment and direct project infrastructure of not less than three (3) times the amount of any loan or loan guarantee.

(iii) Has a high likelihood of completion.

(e) The state treasurer shall establish the terms of any loan or loan guarantee issued under this section in accordance with the following:

(i) Loans or loan guarantees provided under this section shall be adequately collateralized as determined by the state treasurer. To protect the state's interest, the state treasurer may negotiate protections with respect to any accepted collateral, including but not limited to, escrow accounts, debt limitations, cash sweeps, pledge rights, corporate approval rights and other mechanisms the state treasurer deems appropriate;

(ii) The treasurer shall adopt interest rates to be charged for loans under this section as approved by the state loan and investment board pursuant to this act and following consideration by the Wyoming business council;

(iii) The state treasurer shall ensure through certification by the applicant, or any other manner determined to be adequate by the state treasurer, a commitment of private funds in an amount which is at least three (3) times the requested loan or loan guarantee amount;

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(iv) Loans or loan guarantees shall be used for direct investment in the project and shall not be used or made available to refinance pre-existing debt incurred before commencement of the project;

(v) Borrowers shall demonstrate a balance sheet and cash flow sufficient to demonstrate their ability to repay the loan or loan guarantee;

(vi) Borrowers shall provide security to repay the loan with a residual value sufficient to repay the loan or loan guarantee in event of default;

(vii) When appropriate, the state treasurer may require continuing loan guarantees by affiliates of the borrower;

(viii) Except as provided in this paragraph, the state treasurer shall secure a first security interest in the entire project sufficient to adequately protect the investment of loan proceeds or proceeds guaranteed by the state under this section. If necessary, the state treasurer may accept substitute security which will protect repayment to the state on a basis substantially equivalent to a first security interest on the project. The state treasurer shall insure that any alternate security is sufficient to prudently protect the state's interest in the entire project and any alternate security places the state before any other lender in priority of payment on the entire project in the event of default; and

(ix) The state treasurer shall charge a loan origination fee or loan guarantee fee of one percent (1.0%) of the total loan or guaranteed loan amount. Funds collected under this paragraph shall be deposited in the 2014 funding account or used to pay for the costs of

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experts retained by the state treasurer pursuant to subsection (h) of this section.

(f) No loan or loan guarantee shall be made under this act without the written opinion of the attorney general certifying the legality of the transaction and all documents connected therewith.

(g) Repayment of principal and interest to the state in connection with loans made under this act shall be deposited to the large project account created by this act. Earnings on funds within the account shall be credited to the account. All funds within the account may be used for and are continuously appropriated for the purposes of this act. The total principal balance of outstanding loans under this act shall not exceed the amounts appropriated by the legislature plus interest accrued and collected less any losses of loan principal.

(h) The state treasurer is authorized to employ such experts as necessary to fully evaluate and negotiate the terms and conditions of the loan and loan guarantees. If experts are retained by the state treasurer under paragraph (e)(ix) of this section, payment to experts retained under this section which exceed the loan origination fee or loan guarantee fee shall be made by the Wyoming business council.

(j) The state treasurer shall promulgate necessary rules and regulations for the implementation of this section.

Section 3.

(a) There is appropriated up to twenty-five million dollars (\$25,000,000.00) from the holding account for

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economic development loans created by 2014 House Bill 0001, Section 300(n)(i)(A) as enacted into law, to the large project account within the revolving investment fund created by this act.

(b) The state treasurer is authorized to transfer funds appropriated by this act from the holding account for economic development loans to the large project account within the revolving investment fund as the funds become available beginning with the effective date of this act and ending June 30, 2016, subject to the limitation specified in subsection (a) of this section. Funds in the large project account within the revolving investment fund which are not encumbered as of June 30, 2016 shall not be expended except upon further act of the legislature.

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Section 4. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk