



## The Appropriations Process in Detail

The State of Wyoming operates on a biennial budget for all executive, legislative, and judicial branch agencies, including the University of Wyoming, community colleges, and K-12 public education. These biennial budgets are established for two fiscal years of operations. The fiscal year begins on July 1 and ends on the following June 30. The biennium begins on July 1 following the Budget Session, which occurs in even numbered years. During the General Session, which occurs in odd numbered years, biennial budgets may be modified through supplemental budget requests.<sup>1</sup>

### Budget Development Responsibilities

All budget requests are prepared by executive or judicial branch agency fiscal personnel, in conjunction with the **State Budget Department (SBD)**. The SBD is the central budget office for state government and was established during the 2020 Budget Session (2020 Session Laws, Chapter 115). Prior to 2020, the SBD was a division within the Department of Administration and Information.

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

Any funds projected by the Consensus Revenue Estimating Group (CREG) to major accounts are available for appropriation. For revenue streams not projected by CREG, such as special revenues supporting an agency, board, or commission, or federal funds, the Legislature authorizes "spending authority" for use of these funds which is only available to the extent the agency has accurately predicted the available funds.

### What is the "state budget"?

When JAC members and LSO Budget/Fiscal staff reference the "state budget," they are generally referring to the agency budget requests that come under the purview of the Governor (and the Judiciary) in the budget process and that are ultimately enacted into law through the "budget bill."

Generally, the state budget includes:

- all executive branch agencies, as well as all boards and commissions;
- the entire judicial branch, Supreme Court, district courts, and circuit courts;
- the state supported portion of the University of Wyoming, commonly known as the block grant;
- the Wyoming Community College Commission administrative budget, including state aid to the community colleges; and
- the Public School Foundation Program expenditures (K-12 public education) and K-12 public education major maintenance and capital construction.

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<sup>1</sup> Historically, the Legislature addressed Public School Foundation Program (SFP) funding annually. Beginning with the 1994 Session, funding for the SFP was changed to biennial funding, although the payment calculation remains on an annual basis.

<sup>2</sup> In addition to the budget bill, JAC may also sponsor other appropriations bills such as one for state capital construction or direct distribution funding for local governments.

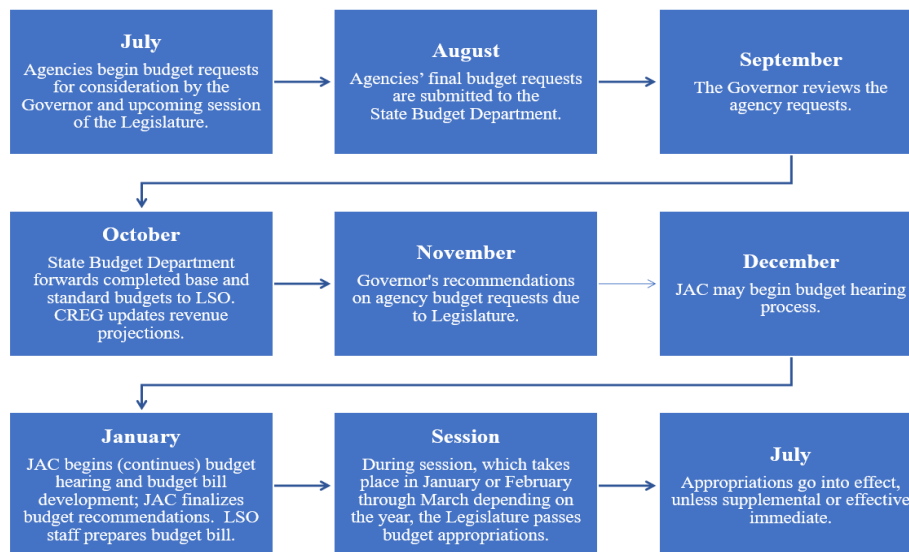
There are several items that are **not** included in the state budget including:

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

The above listed appropriations and revenue streams are generally not included in the “state budget” because they do not come under the direct budget review of the Governor, JAC or Legislature. Thus, the appropriations, expenditures, and revenue flows associated with these programs are not included in some of the discussion of the "state budget."

### **Budget Development: How long does the budget process take?**

Budget development takes place year-round. The following is a sequential overview of the budget process:



In most years, the biennial budget development process usually begins in the late spring and early summer. These early efforts relate to the development of allocated costs that impact all agencies such as charges for information technology services, motor pool, and personnel costs.

During the summer prior to a Budget Session the SBD prepares the standard budget request for each agency. Agencies have time to review and, as needed, adjust the standard budget. The standard budget is strictly defined as the budget amount necessary to enable an agency to continue to furnish the same level of services during the ensuing biennium as that agency provided during the previous biennium and shall reflect the revenue or appropriation necessary to provide these services (W.S. 9-2-1002(a)(ix)). The standard budget shall not include requests for equipment, any special projects and services, or any requests for special or nonrecurring funding, although these limitations regarding personnel and equipment do not apply to the University of Wyoming.

For any budget modifications outside the standard budget, each agency may then develop an exception budget request. An exception budget request may ask for increased funding to expand services to a new

group of recipients, or to provide a new service to existing recipients. It can also be used to transfer funds and positions from one program within an agency to another. Not all agencies submit exception requests; the only required request is the standard budget request.

An agency's entire budget request is presented to the SBD by the end of August. In late summer and early autumn, agencies finalize their standard budget and any exception requests. The SBD, Governor's Office, and agencies schedule executive budget hearings, also termed the "Governor's Budget Hearings," in September and October.

In each odd-numbered year, the SBD submits what is known as the "Chapter 17 Report." This report provides the differences between the base budget and the standard budget requests, including explanations.<sup>3</sup> LSO Budget/Fiscal staff review the Chapter 17 Report to identify items that may be of interest to JAC and a copy of the report is kept on file at LSO.

The CREG meets in October and develops revenue forecasts for the upcoming biennium. The Governor compares the budget requests to the forecast revenue and works with SBD to prepare executive branch budget recommendations for the Legislature. Budget requests cannot exceed forecasted revenue and available cash balances of specified accounts. Budget recommendations must be provided to the Legislature by the third Monday in November of each year.

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

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

The FY2025-2026 biennium (July 1, 2024, through June 30, 2026) includes the following:

1. **2024 Budget Session**  
*Regular biennial appropriation for FY2025 and FY2026; effective immediate, if necessary, for FY2024*
2. **2025 General Session**  
*Supplemental appropriation, if necessary, for FY2025 and FY2026*
3. **2026 Budget Session**  
*Effective immediate appropriation, if necessary, for FY2026; regular biennial appropriation for FY2027 and FY2028*

### **What is the role of JAC in the budget process?**

As a result of 2019 Wyoming Session Laws, Chapter 5, the Governor's budget recommendations are required to be submitted to the Legislature on the third Monday in November. On this date, SBD submits the Governor's budget recommendations to LSO. Once received, LSO Budget/Fiscal staff analyze the

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

recommendations and compile detailed and summary reports to help JAC review the agencies' requests and get an idea of the “big picture.”

In preparation for a Budget Session, which occurs in February of even-numbered years, JAC typically convenes for two to three weeks in December and one to two weeks in January. For a General Session, which occurs in January of odd-numbered years, JAC typically meets for a week during the General Session. During these meetings, JAC holds budget hearings to review each agency’s budget request, hear the Governor’s recommendation on each of these requests, asks questions for clarification or background, and requests additional information. These budget hearings are attended by representatives from the Governor's Office, SBD, agencies, and other stakeholders. Typically, the agency budget hearings begin with a presentation by the agency on its overall achievements, goals, and requirements followed by a more detailed explanation of the budget request. During these budget hearings, JAC discusses the agency requests but does not take any formal action.

Following agency budget hearings, JAC begins to markup the budgets. During this time JAC goes through each agency’s budget, unit by unit, with individual JAC members making specific motions to approve, deny, or amend an agency's funding request. Throughout the process, JAC discusses and votes on each recommendation. The entire budget hearing and budget working process takes approximately four weeks and typically concludes at least two weeks before the session begins during a Budget Session. During a General Session, the process typically occurs prior to and during the first few weeks of the General Session.

Once the Committee has completed its work on the budgets, the LSO staff prepares the general appropriations bill, also referred to as the budget bill. The budget bill consists of the recommendations of JAC. The co-chairmen traditionally assign different portions of the budget bill to JAC members for explanation of JAC's action on the floors of the House and Senate.

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

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

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

- Mirror Bills, with coordinated timing, are introduced in both chambers;
- Committee of the Whole floor explanation by JAC members;
- 2<sup>nd</sup> and 3<sup>rd</sup> Reading and floor amendments;
- Joint Conference Committee;
- Final floor action;
- Governor’s veto/line-item veto; and
- Opportunity for legislative veto override.