

Minutes –Laramie County Democratic Party 04/28/09

33 people attended

Mike Bell introduced Chris Boswell, Governor's chief of staff

Boswell: I was elected to the legislature for 10 years and spent the first six furious at the way things were going, and spent the last four getting things done. The stimulus bill is a tremendous amount of work for state agencies trying to sort through it and keep up with the implementation. Lots of meetings have been held as to where we can go with Wyoming's proposal. Lynne Boomgarden is the stimulus guru and very detail oriented. Right now agencies are looking at the funding and seeing how we can take advantage of it. Well over 500 million dollars could come to Wyoming, but the total amount could keep changing. The state has applied for 330 million so far. There is serious concern about what we are agreeing to. About 150-157 million for highway projects – those are first ones you will see begin. Dept. of Transportation was ready to go with projects when the bill was passed.

Cheyenne and Casper were also well prepared – West Lincolnway will be paid with stimulus funds. Clean water and safe drinking water projects – water and sewer categories, got 19.5 million each. The State Land Investment Board will give it out at their May meeting.

The Governor is likely to ask the U.S. Secretary of Education to use the education part of the stimulus funding a year later. Wyoming's state budget problems will hit July 1 or later. State budget is facing a severe impact due to the price of natural gas dropping from \$8 to \$2 – that means a huge revenue drop to the state. We will try to apply stimulus money to circumstances affected by the revenue drop.

State DCI will not apply for law enforcement grants which would pay for new police officers in a few locations around the state, because of the requirement that local governments pay for the positions for three years after the two years of the grant.

Unemployment agencies want to hire more people, but Governor says no, because it would be difficult to eliminate those positions later on.

The Governor is asking for 10% reductions to take effect in two months and five days. These are significant cuts – we're looking at 300 million dollars. 10% of the state budget is 180 million, but the Governor has to cut more – we'll find other areas to cut in state govt.

Despite doom and gloom, Wyoming is in very good shape compared to other states. The minerals industry is in good shape. The legislature decided not to call a special session to decide how to spend the stimulus money as has been done in other states. The lawmakers have confidence in the Governor to spend the money correctly. However, any boondoggles will be Freudenthal's responsibility and he's aware of that. The Governor

wants to know specifics on how state agencies will be spending and tracking their expenditures.

Our budget crisis came very quickly – in October the Consensus Revenue Estimating Group (CREG) estimated we had a \$900 million surplus, but just a few weeks later they revised their estimate to \$250 million and now we are \$300 million below where we expected.

We are now on our fourth budget in last 10 months because of the revenue changes and the stimulus money.

Boswell is personally approving reclassifications and hiring. He told Millward Simpson yes on Curt Gowdy law enforcement no on Hot Springs maintenance.

The stimulus package is a good thing – is it as good as it could be – no, but overall it's a good thing. Wyoming will get its share. However, refusing to take some funds doesn't save any money. The money goes back into the pot and other states can get it.

One example of refusing to take funds is the money designated for energy efficiency. That would require a statewide building code, which Wyoming doesn't have and does not want to institute. The Governor has asked the Secretary of Energy if Wyoming could use the \$25 million allocated for energy efficiency for alternative energy projects.

Question from the audience – how about using the mineral trust fund?

Boswell: We have access to only a portion of the interest. The state constitution prevents taking any more. There is \$350 million in a rainy day account, but the Governor doesn't want to use it, because the budget shortfall looks worse next year. It's too early to say where the Governor will go to make up the difference between the state budget cuts and the total shortfall.

Question: Haven't mineral taxes not been raised since the 1980's?

Boswell: Taxes on the mineral industry are based on a percentage, so the revenue to the state increases when production goes up and prices go up. The legislature has not indicated an interest in changing the rate, but that could change when budget problems hit harder.

We are looking at huge oversupply of natural gas this summer, so the price could drop to \$1 per cf.

Question: There was a story on the front page of the newspaper saying the Governor did not want to take some of the stimulus funds, which sounds like a certain Republican Governor. Social services are not getting good funding now in Wyoming, and a big part of the stimulus was to make regular people's lives better. Mental health providers have

cut contracts by 10%. How can we find out what is being turned down – is it a transparent process so we know?

Boswell: I'm not aware of any social service funding the Governor is turning down. A huge part of stimulus package is deciding what are you going to apply for. We are not trying to find out what we are not going to apply for. There are some things we have already decided, like the program to add more police officers or asking for a waiver on energy conservation. The bill is complex and we don't know all of the details. For example, the Riverton airport just received \$3.6 million. We don't object to that, but don't know who applied for it or what program it was under.

Wyoming's revenue situation is hitting a dramatic slope. The problem we have is schools and school funding – it has increased exponentially in recent years. We've dramatically increased spending. We've done a great job of funding schools, but we have a bunch of built in triggers to increase spending, and as the money begins to decline, we have to decide what to do – do we cut education funding, do we plateau education funding, etc..

I would like to think that a 10% cut in the budget will be as bad as it gets – I'm not sure that's true.

Question about teachers retirement funding

Boswell: Money has been set aside for that.

Question about Title 1 money and juvenile detention centers.

Boswell: The state will get 15 million dollars from the stimulus bill which is available to the Governor as discretionary funds. The Governor has proposed spending it on juvenile detention facilities. Cheyenne has a bad situation with its juvenile detention provider and Casper is using a jail that some say is not good enough for adult prisoners. We have to create a statewide effort for a network of juvenile facilities. The Governor is proposing that all of 15 million go to new juvenile facilities.

Question: Could a non-profit organization apply for the \$25 million in energy stimulus funds.

Boswell: The best bet would be to work with existing state programs, such as WCDA. We haven't seen a proposal yet or submitted one. A non-profit could submit, but he's not sure.

Question: Can we apply for funds to help the homeless, through Cheyenne Interfaith Hospitality Network?

Boswell: Yes, but we have to identify how to apply for and use funds.

Question: Is there any money for LBGT (Lesbian, Bisexual, Gay, Transgender)?

Boswell: I don't know.

Question: What will happen if we have a GOP Governor next time with a GOP legislature? We fear nothing will happen

Boswell: Ron Micheli has already made a defacto announcement that he is running for Governor and more moderate Republicans may run. We have to be progressive in the way we are looking at things. Wind energy is great unless a turbine is in your back yard. Coal is central to future of the state and the world's economic mix. We need to figure out a way to burn coal cleanly and what we will do with carbon dioxide – it is central to what happens over the next 20-30 years.

I am non-partisan and contributed to one of the congressional delegation, but they play Fox news games and only want to dump on Barack Obama. That does nothing to advance Wyoming's agenda. We have no one at the table, which is why the Governor goes to Washington, so the state can have some representation. A number of energy companies want the Governor to run for a third term so Wyoming can have a say in Washington.

Other items:

Katherine Van Dell on Grassroots coalition. She announced a tea with Mrs. Freudenthal on Saturday, May 23 at the Plains Hotel from 1:00 to 3:00 PM.

Update on recipe book.

The Grassroots Coalition will be participating in Cinco de Mayo at the Depot Plaza with information booth.

Mike Bell announced that he was elected Vice Chair of the Wyoming Democratic Party (Congratulations!) and submitted his resignation as Chair of the Laramie County Democratic Party. Linda Stowers moves up from Vice Chair to Chair and nominations will be held for a new Vice Chair. Ken McCauley has indicated an interest in the position.

It was moved, seconded, and approved by voice vote that future meetings of the Laramie County Democratic Party be moved to the IBEW hall. The money saved by the move will be spent on improving the website. WyomingNetwork, Inc. will take over hosting and updating the website at a rate of \$30 per month.

Submitted for approval by:

Dave Lerner

Communications Director

Laramie County Democratic Party