March 5, 2014

The Honorable Tom Lubnau
Speaker of the House
Wyoming House of Representatives
State Capitol Building
Cheyenne, WY 82002

Dear Speaker Lubnau,

The budget is sound—it maintains our goal of reversing the steep upward trajectory of the last decade and remaining essentially flat. At the same time, the budget invests in Wyoming’s future with $175 million to local governments. The existing formula for distribution gives local governments the ability to invest in cities, towns and counties and provides predictability.

Both the Legislature and I have focused on measures to maintain Wyoming’s strong economy today and to position us well for the future. We have focused on investment intended to diversify and strengthen economic drivers including $15.7 million for the unified network, $50 million for large business recruitment, $15 million for an integrated carbon capture test center and $226 million for capital construction. These efforts have direct benefit to education, jobs, healthy communities and future opportunity.

In looking to diversify, we must continue to pay attention to those industries that not only shaped our state but remain the bedrock of our current success. These industries are agriculture, natural resources (coal, oil, natural gas, uranium, trona and others) and tourism. In support of these industries, this budget includes funding for predator control, the wildlife trust fund, brucellosis, the energy strategy, international market development for Wyoming products and new tourism marketing efforts. Importantly, this budget also recognizes the contributions of the University of Wyoming, community colleges and state employees providing compensation increases that focus on the value of a competent workforce and recognize high performance. Health programs such as medical homes, 2-1-1, reduction of the developmental disability waitlist and evaluation funding availability are likewise addressed.

While I am pleased with the budget, there are some areas where I have, after consultation with legislators, exercised my line item veto. In some instances, this was necessary to correct an unintended consequence or to provide necessary flexibility.
Vetoes in the Department of Education, Game and Fish capital construction, the strategic investments and projects account (Section 300) and prior fire season appropriations (Section 303) were, in my mind, needed to enable flexibility in the use of the appropriated funds. I vetoed Limitation on Salary Increases (Section 323) for much the same reason and I believe the objective can be accomplished without the footnote.

I have also made two vetoes that moved money from other accounts into the General Fund. Section 300 moves money from the strategic investments and projects account back into the General Fund and Section 337 appropriates funds designated for local capital construction into the General Fund. These shifts were not necessary to balance the budget and I believe my veto eliminates any confusion.

I vetoed language in two footnotes in the Office of State Lands and Investments budget out of concern the budget provisions were legislative in nature and did not belong in the budget bill.

I am vetoing language in Section 329 (e) and in Section 334 (d)(iv) and (d)(v) which I believe will enable the task forces to work more efficiently and effectively toward the goal of providing reports and recommendations.

Sincerely,

Matthew H. Mead
Governor

MHM:md

cc: The Honorable Tony Ross, Wyoming Senate
    The Honorable Max Maxfield, Secretary of State
    Patty Benskin, Clerk, Wyoming House of Representatives
Section 060. STATE LANDS AND INVESTMENTS

PROGRAM
Operations 14,263,448 32,914,238 589,200 $5
Forestry 3.4. 8,002,191 525,704
County Emerg. Fire Suppr. 2,226,000 SR
Fire 5,016,628 4,077,690
Mineral Royalty Grants 5. 30,400,000 $4
Federal Forestry Grants 6,150,000
Transp. Enterprise Fund 2,000,000 SR
TOTALS 27,282,267 43,667,632 115,908,324

AUTHORIZED EMPLOYEES
Full Time 96
Part Time 4
TOTAL 100

1. Notwithstanding W.S. 9-4-716(k), the state loan and investment board shall seek legislative approval for any land purchases with a fair market value of two million dollars ($2,000,000.00) or more.

2. The board of land commissioners, in consultation with the chief information officer, shall consider options and provide recommendations regarding the highest and best use of fiber optic lines owned by the state and situated west of Laramie, including consideration of sale and leasing of the assets. The board shall report the findings to the joint appropriations interim committee and the joint minerals, business and economic development interim committee not later than October 31, 2014.

3. Of this general fund appropriation up to one hundred seventy-five thousand dollars ($175,000.00) shall only be expended for one (1) authorized at-will employee contract position to work in cooperation with the federal bureau of land management in order to assist with bureau of land management timber sales in Carbon, Albany or Sweetwater counties for the period beginning July 1, 2014 and ending June 30, 2016. These funds shall only be expended as outlined in a memorandum of agreement between the forestry division of the office of state lands and investments and the bureau of land management. Personnel funded under this footnote shall remain under the exclusive control and supervision of the forestry division. Notwithstanding any other provision of law, this appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2016. Neither this appropriation nor
shall be available to the department of education to initiate dual language immersion programs within schools during school years 2014-2015 and 2015-2016, to be distributed as financial assistance to school districts for provision of programs requiring use of a target foreign language during not less than fifty percent (50%) of student-teacher contact time during each school day of student enrollment in the program. District expenditure of financial assistance provided under this appropriation shall be restricted to training and acquisition of instructional capacity necessary to initiate a dual language immersion program within a school in the district. Assistance available to any school district under this appropriation shall be in addition to the foundation program amount computed for that district under W.S. 21-13-309(p) and shall be limited to fifteen thousand dollars ($15,000.00) for any one (1) eligible dual immersion program. Any one (1) school district may receive assistance for up to one (1) eligible class per grade under this appropriation.

(b) Application to the department for financial assistance under this appropriation shall be in a time, on a form and in a manner prescribed by the department, and application review and selection shall be in accordance with a process established by the department based upon demonstrated ability of the applicant program to completely and effectively implement a dual immersion program, provided that payment of assistance to an eligible district program is made by August 15 of that school year for which application is submitted.

7. The department of education shall report to the joint education interim committee and the joint appropriations interim committee not later than November 1, 2015 on the expenditure of twenty thousand dollars ($20,000.00) contained within this appropriation for the purpose of making equipment purchases for visually impaired clients.

8. Of this general fund appropriation, one hundred twenty-five thousand dollars ($125,000.00) included in the department's budget request for a chief administrative officer shall not be expended for that purpose and shall only be expended for purposes of a tribal triad initiative. Notwithstanding any other provision of law, this appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2016.

9. Not later than November 1, 2014, the department of education shall review and report on the status of historic and current standards, requirements, or programs for student learning of cardiopulmonary resuscitation (CPR), psychomotor skills and use of an automated external defibrillator to the joint education interim committee and the joint appropriations interim committee.
resources shall report to the joint appropriations interim committee not later than November 1, 2014 on specific and cost effective plans to protect the Carissa mine from a potential fire event.

8. Of this total appropriation, three million five hundred thousand dollars ($3,500,000.00) is appropriated for the acquisition of the Laramie technology building conditioned upon an agreement with the building owner that not less than one million two hundred fifty thousand dollars ($1,250,000.00) of the proceeds from the acquisition shall be used to construct new office space for business recruitment to be located in the Sirius sky business park and further one million two hundred fifty thousand dollars ($1,250,000.00) of the proceeds from the acquisition shall be deposited in the business ready community account created by W.S. 1-10-603. Of this appropriation, five hundred thousand dollars ($500,000.00) shall be available for remodeling costs and shall be expended only after a budget for the expenditures is approved by the governor.

Section 067. UNIVERSITY OF WYOMING

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>GENERAL FUND</th>
<th>FEDERAL FUNDS</th>
<th>OTHER FUNDS</th>
<th>TOTAL APPROPRIATION</th>
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<tr>
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<td>Classroom Adaptation</td>
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<td>Corbett Pool</td>
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<td>Arena Auditorium</td>
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<td><strong>16,500,000</strong></td>
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1. This general fund appropriation shall only be expended for long range infrastructure improvements by the university in accordance with the university's budget submitted to the joint appropriations interim committee for the 2015-2016 biennium. This general fund appropriation is effective immediately.

2. Of this general fund appropriation, two million dollars ($2,000,000.00) shall be deposited to an account which shall be held by the state treasurer for distribution to the University of Wyoming for construction costs of the university pool swimming/diving facility as provided in this footnote. All funds appropriated with this footnote shall only be available for expenditure as specifically authorized by the legislature.

3. Of this general fund appropriation, five million dollars ($5,000,000.00) is effective immediately.
equal to the amount calculated but shall not exceed forty-five million dollars ($45,000,000.00). The appropriation shall be credited to the account as soon as practicable on or after June 30, 2014, but not later than sixty (60) days after the end of the 2014 fiscal year. Any funds transferred into the strategic investments and projects account from the appropriation under this paragraph shall be further appropriated as follows:

(A) Of these funds within the strategic investments and projects account between July 1, 2014 and August 31, 2014, up to twenty-five million dollars ($25,000,000.00) shall first be transferred into a holding account for economic development loans to be appropriated only by further legislative action;

(B) Funds remaining within the strategic investments and projects account on September 1, 2014, from the appropriation under this paragraph shall be transferred into the state facilities construction account created in Section 300(h) of this act.

(ii) The state auditor shall calculate the amount by which earnings from the permanent Wyoming mineral trust fund attributable to the 2015 fiscal year are both in excess of the amount projected for such earnings in the consensus revenue estimating group's January 2015 report and less than the spending policy amount for fiscal year 2015 as determined pursuant to W.S. 9-4-719. The appropriation under this paragraph shall be equal to the amount calculated, but shall not exceed sixty million dollars ($60,000,000.00). The appropriation shall be credited to the account as soon as practicable on or after June 30, 2015, but not later than sixty (60) days after the end of the 2015 fiscal year. Any funds transferred into the strategic investments and projects account from the appropriation under this paragraph shall be further appropriated as follows:

(A) Of these funds within the strategic investments and projects account between July 1, 2015 and August 31, 2015, up to twenty million dollars ($20,000,000.00) shall be transferred into the state facilities construction account created in Section 300(h) of this act;

(B) Funds remaining within the strategic investments and projects account on September 1, 2015, from the appropriation under this paragraph may be included by the governor in his 2017-2018 budget request for one-time expenditure requests including matching funds and capital construction as he deems necessary.

(c) There is appropriated from the strategic investments and projects account created in 2013 Wyoming Session Laws, Chapter 73, Section 300(e) one million three hundred seventy thousand two hundred ninety-six dollars ($1,370,296.00) to the general fund.
under 2012 Wyoming Session Laws, Chapter 26, Section 2, Section 101 as amended by 2013 Wyoming Session Laws, Chapter 73, Section 2, Section 101, for court auto & electronic, one million five hundred thousand dollars ($1,500,000.00) or as much thereof as available, shall not revert on June 30, 2014, and are hereby reappropriated to the supreme court for electronic citation solution implementation and training for the period beginning July 1, 2014 and ending June 30, 2016.

[EXTRAORDINARY 2012 FIRE SEASON EXPENSES]

(p) Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a), of unobligated monies appropriated from the general fund to the office of state lands and investments under 2013 Wyoming Session Laws, Chapter 73, Section 2, Section 060, footnote 4, eleven million two hundred thousand dollars ($11,200,000.00) or as much thereof as available, shall not revert on June 30, 2014, and are hereby reappropriated to the office of state lands and investments for reimbursement of fire suppression expenses from the 2012 fire season when invoiced by the federal government. This appropriation is for the period beginning July 1, 2014 and ending June 30, 2016.

[WYOMING HONOR FARM - EXPANSION PLAN]

(q) Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a), of unobligated monies appropriated from the general fund to the department of corrections under 2005 Wyoming Session Laws, Chapter 191, Section 3, Section 060, five hundred thirty-two thousand two hundred fifty-three dollars ($532,253.00) or as much thereof as available, shall not revert on June 30, 2014, and are hereby reappropriated to the department of corrections for study and construction of a stand-alone, temperature controlled warehouse to house functions currently located in the administration building, and for demolition. This appropriation is for the period beginning July 1, 2014 and ending June 30, 2016.

[STREAMLINING GOVERNMENT INITIATIVE]

(r) Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a), of unobligated monies appropriated from the general fund to the office of the governor under 2013 Wyoming Session Laws, Chapter 73, Section 2, Section 001, footnote 4, one hundred twenty-five thousand dollars ($125,000.00) or as much thereof as available, shall not revert on June 30, 2014, and are hereby reappropriated to the secretary of state for the streamlining government initiative to improve access, filing and tracking of rules. This appropriation is for the period beginning July 1, 2014 and ending June 30, 2016.
ENROLLED ACT NO. 41,  HOUSE OF REPRESENTATIVES

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

[B-11 TRANSFER DOCUMENTATION]

Section 321. The budget division of the department of administration and information and the legislative service office shall develop a structure for recording and classifying the types of transfers documented under the state's B-11 process authorized by W.S. 9-2-1005(b)(ii). The classification structure shall include a distinction between recording a modification to the original legislative authorization and recording solely for purposes of documentation. The structure shall be implemented for all transfers authorized by W.S. 9-2-1005(b)(ii) or (iii) or Section 306 of this act for the period July 1, 2014 through June 30, 2016.

[CREATION OF MAPS]

Section 322. Any official map produced or published by a state agency with any funds appropriated in this act which indicates the boundaries of the Wind River Indian Reservation shall show the boundaries as established by the treaty between the United States and the Eastern Shoshone and Bannock Tribes, 15 Stat. 673 (July 3, 1868), and diminished by the Act of Dec. 15, 1874, Ch. 2, 18 Stat. 291, the Act of June 7, 1897, Ch. 3, 30 Stat. 62, and the Act of 1905, 58 P.L. 185, 58 Cong. Ch. 1452, 33 Stat. 1016 (1905) and as subsequently restored pursuant to acts of Congress.

[LIMITATION ON SALARY INCREASES]

Section 323.

(a) No funds appropriated in this act shall be used to increase budgeted salaries of authorized state employees other than for:

(i) Appropriations by the legislature for the explicit purpose of compensation increases;

(ii) Personnel transfers between programs or agencies as authorized by law;

(iii) Reclassification of authorized positions. No reclassification under this subsection shall result in an increase in an agency's standard budget request for the 2017-2018 standard budget for total salaries for all positions than those total salaries would be without any position reclassifications.

(b) The office of the attorney general is exempt from this section.
(d) The task force shall develop findings, strategies and recommendations on the use, populations served, services offered, capital construction requirements, consolidation or closure of individual buildings, financing and proposed timeline for facility demolition or improvements of department of health institutional facilities. While developing the findings and recommendations required under this subsection, the task force shall meet at least once in Buffalo, Evanston and Lander. These meetings shall be open to the public. The task force shall meet as necessary to timely accomplish the following assignments:

(i) On or before May 15, 2014, provide the joint appropriations interim committee and the joint labor, health and social services interim committee an outline of the objectives, timelines and deliverables of the task force;

(ii) Provide an interim report on the activities of the task force to the joint appropriations interim committee and the joint labor, health and social services interim committee not later than November 1, 2014;

(iii) Provide recommendations for legislative action as provided in subsection (g) of this section.

(e) The task force shall be staffed by the legislative service office. The department of administration and information shall serve in an advisory capacity to the task force and shall provide technical and other relevant information as requested.

(f) The task force shall terminate on December 1, 2015.

(g) Recommendations of the task force created by this section shall be submitted for legislative action to the joint appropriations interim committee and the joint labor, health and social services interim committee not later than November 1, 2015.

(h) The task force may contract with experts as necessary to fulfill the duties assigned under this section upon majority vote of the task force and with the approval of the governor. No contract under this subsection shall be subject to the procurement provisions of W.S. 9-2-1016.

(j)(i) There is appropriated twenty-five thousand dollars ($25,000.00) from the general fund to the legislative service office. This appropriation shall be for the period beginning with the effective date of this section and ending December 1, 2015. This appropriation shall only be expended for the purpose of funding salary, mileage and per diem of legislative members of the task force. Notwithstanding any other provision of law, this appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2016;
(H) The development and construction of a core sample repository or library located at the University of Wyoming for both the benefit of public research and private industrial development.

(ii) In determining the number of task forces to appoint under this section and the assignment of duties and areas of studies to the task forces, the governor shall consult with the select committee to determine the most efficient manner in which to achieve the purposes of this section, the expertise base required to effectively capitalize on each project and whether the purposes of this section would be best achieved by a particular task force considering one (1) or more projects;

(iii) Each task force created by the governor shall have at least one (1) and not more than two (2) members of the Wyoming legislature appointed to the task force by either the president of the senate or the speaker of the house of representatives, respectively. The president of the senate and the speaker of the house shall alternate appointment of members under this paragraph as needed for the total legislative membership on the task forces created under this section;

(iv) In considering appointments to task forces of members who are not members of the legislature, the governor shall consider the expertise required to produce timelines, outlines, deliverables and recommendations to the select committee, and shall consider appointing personnel from the state treasurer's office, the office of state lands and investments, the attorney general's office, the University of Wyoming administration, the Wyoming business council, the oil and gas conservation commission, the Wyoming pipeline authority, the Wyoming infrastructure authority, the University of Wyoming school of energy resources and private industry and business, such as representatives of the western research institute and the Idaho national laboratory. Members may serve on more than one (1) task force. Members of the task forces who are not employees of the state of Wyoming, or one of its political subdivisions, institutions or instrumentalities shall be nonvoting members;

(v) A legislative member of each task force shall serve as cochairman of the task force as determined by the president of the senate and the speaker of the house of representatives. The governor shall appoint the remaining cochairman from among the remaining voting members of the task force.

(e) Task forces created under this section shall meet as necessary to timely accomplish the following assignments:

(i) On or before May 15, 2014, provide the select committee an outline of the objectives, timelines and deliverables of each task force;

(ii) On or before August 31, 2014, report the task force's recommendations to the select committee for further legislative action
funding and use arrangements between law enforcement agencies, school
districts and the community at-large.

(c) On or before December 1, 2014, the department shall report work
of the advisory committee under this section, together with future
recommendations, to the joint education interim committee. The report
shall include necessary enabling legislation to implement advisory
committee recommendations.

(d) For the period commencing upon the effective date of this
section, and ending June 30, 2016, up to two (2) additional full-time at-
will positions are authorized for the office of homeland security. These
positions shall be for emergency preparedness personnel necessary in the
execution of this section and shall be funded solely from federal funds
authorized to the state for this purpose.

(e) This section is effective immediately.

[APPROPRIATION TO THE GENERAL FUND]

Section 337. There is appropriated from revenues deposited into the
capital construction account funded by W.S. 9-4-601(a)(vi) and (b)(1)(A)
and 32-14-601(c)(ix) three million dollars ($3,000,000.00) to the general
fund.

[MEDICAID EXPANSION]

Section 338.

(a) The director of the department of health, the insurance
commissioner and the governor may negotiate with the center for Medicare
and Medicaid services for a demonstration waiver to provide Medicaid
coverage for all persons described under 42 U.S.C. §
1396a(a)(10)(A)(i)(VIII), subject to the following:

(i) No agency or person on behalf of the state shall commit
the state of Wyoming to any expansion of Medicaid made optional as a result
of the United States Supreme Court decision in Nat. Fedn. of Indep.
Business v. Sebelius, 132 S. Ct. 2566 (U.S. 2012), until approved by the
legislature;

(ii) The department shall submit the terms of the proposed
waiver application to the joint appropriations interim committee and the
joint labor, health and social services interim committee by November 1,
2014 or as soon as practicable after that date;

(iii) The proposed waiver application shall be limited to the
funds made available by the federal government for Medicaid expansion;