

FISCAL NOTE

This bill contains an appropriation of \$10,000,000 from any FEDERAL FUNDS made available for expenditure through the Coronavirus Aid, Relief and Economic Security (CARES) Act, P.L. 116-136, or from any other available federal funds related to the COVID-19 emergency response to the Governor's Office. This appropriation is effective immediately.

Description of appropriation:

Funds will be used for establishment and operation of a temporary program for payment of rent and avoidance of evictions for persons impacted by the COVID-19 pandemic. The Wyoming Community Development Authority has no rental information to calculate the number of evictions and/or failures to pay rent. However, based on its mortgage portfolio, the WCDA currently has 450 forbearances which is 3% of its portfolio. It is assumed that the inability to pay rent could be higher than that of those unable to pay their mortgages as renters typically on average have a lower income than homeowners. The requested annual assistance is estimated at \$4.8 million for every 1% requesting assistance, based on 80% and below of the medium family income (MFI for Wyoming is \$78,200). WCDA is anticipating administrative costs associated with the establishment and maintenance of the temporary program, including personnel costs. The estimate of administrative costs is 5%, or \$500,000. It is assumed the administrative costs could be funded from the appropriation.

| | FY 2021 | FY 2022 | FY 2023 |
|----------------------------------|----------------|---------|---------|
| NON-ADMINISTRATIVE IMPACT | | | |
| Anticipated Revenue (decrease) | | | |
| INDUSTRIAL ACCIDENT FUND | (\$16,449,603) | | |
| UNEMPLOYMENT TRUST FUND | | Unknown | |
| EMPLOYMENT SUPPORT FUND | | Unknown | |

Source of revenue decrease for Workers' Compensation:

The source of the revenue decrease will be in the form of a workers' compensation premium credit to all covered employers in good standing with the Workers' Compensation Division due to the rate holiday.

Assumptions for Workers' Compensation:

The premium credit amount assumes an 8.33% premium credit to all eligible employers and assumes all currently eligible employers will remain eligible to claim the credit by 12/31/2020. The assumption of collected premium for 2020 is based on the current number of employers in good standing with the Division as of June 30, 2019. Estimated premium totals for 2020 are \$197,395,242.

Source of revenue decrease for Unemployment Insurance:

Non-chargeable benefits to the employer's accounts would result in a decrease in revenue for the Unemployment Insurance Fund. The short-term compensation (STC) program would initially result in a revenue decrease until it was established.

Further, the non-chargeability provision included in the bill may impact the Department of Workforce Services' Employment Support Fund, which provides funding for a number of critical agency functions.

Assumptions for Unemployment Insurance:

It is assumed that the decrease in Unemployment Insurance taxes to the Unemployment Trust Fund would result in a decrease in funds available. In addition, the reduction in taxes will also result in a reduction of interest in the interest account as historically a minimum of 10% of all employers are delinquent for at least one quarter.

Assumptions for the STC program are that it will take money to invest in this program and the UI Commission will need to establish rules for the program. The agency will also need to establish internal policies and procedures, as well as developing quality assurance tools and reprogramming of the WYUI system. Once established, the program could eventually become a revenue/expenditure neutral program.

The changes in expenditures are indeterminable, as the dollar amounts that may be expended on claims related to the COVID pandemic are unknown. If these costs are not reimbursed, the reduction in both the Workers' Compensation and Unemployment Insurance Funds will increase. If these costs are reimbursed, the reduction in both the Workers' Compensation and Unemployment Insurance Funds will be reduced, and therefore, the employer premium rates will not be affected.

NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Workforce Services

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