



Governor's Message to the Legislature for the May 2020 Special Session

In the months preceding your last budget session, a virus emerged in China that posed a dual threat: First, a health threat. Because it was a new, highly contagious, and insidious pathogen entering a virgin population, it spread quickly throughout the globe. There were very few treatment options and those infected with it experienced an increased risk of mortality depending on circumstance. Then there was the economic threat, with its own attendant health considerations brought on by how countries around the world responded through shutting down economic activity and restricting people's behaviors and travel.

Although the initial results of these often stringent health-related shutdowns seemed to demonstrate some ability to slow critical infection rates and ease the demand on healthcare systems, the resultant impacts to the global economy have been devastating. Within a month of an all-time high in the stock market, the market crashed, exacerbated in part by a coincident price war between two of the world's largest oil producers intent on driving a stake into the heart of our domestic oil industry. The world's economy shrank. US GDP has plummeted, and the issues that we focused on in this year's budget session, including declining coal sales and bottomed out natural gas prices have only grown worse. These are the revenues Wyoming depends upon to fund education and government.

In early March, Wyoming confirmed its first case of COVID-19. Just days after the session closed, Wyoming began to implement a series of measures that were intended to safeguard citizens' health and preserve precarious healthcare capacity. This was done out of an abundance of caution, at a time when some other states were experiencing an exponential growth in cases, corresponding deaths, and a mushrooming demand for medical care related to COVID-19. The disease has now spread to 213 countries and territories around the world.

Wyoming's efforts never rose to the level of other states but have been largely successful. So far we have seen just seven deaths in Wyoming – the lowest in the country. Nevertheless, these measures have burdened our economy, affecting in many instances our smallest, most fragile and local businesses disproportionately. While we are lifting most of those measures today ahead of many of our peer states, we must still recognize damage has been done. Worse perhaps is the fact that simply lifting Wyoming's orders will not miraculously bring back demand for the commodities Wyoming produces from agriculture, to minerals, to energy, or even tourism. All of

these industries depend on robust consumption beyond the borders of Wyoming, and consumption will take some time to recover.

Our core manufacturing, agriculture, and resource-extraction industries, even while they never shut down, are diminished today as a result of the demand destruction that has attended the world's economic shutdown. Unemployment has risen dramatically in recent weeks, perhaps not as much in Wyoming as elsewhere, but significantly enough to cause unprecedented hardship for both our citizens and our small businesses. Tourism, our largest employer and the second-largest source of income to the state, has been crippled because no one is travelling, either out of fear of catching COVID or from travel restrictions imposed elsewhere. Our healthcare systems have responded well but are not yet out of the woods, and our counties and towns face potentially devastating losses of revenue. We have schools that need to prepare for the fall. Families that depend on food from their local pantries need help as do landlords, tenants, and others who depend on normal cash flow to repay their debts. It all happened so suddenly and unexpectedly. Folks are hurting and apprehensive about the future.

Congress recognized the cataclysmic nature of this crisis for our country and responded massively with perhaps one of the largest, yet most incoherent aid packages of all time, the so-called CARES Act. Although the monies coming to Wyoming are prodigious and the needs of our state and her people are extensive, the strictures of the bill are complicated and the resulting scrutiny on how those funds will be expended will no doubt be excruciating. The audits will be extensive and the penalties for misuse severe, particularly because Wyoming is the beneficiary of by far the largest per-capita share of Congress's largess.

CARES Act funds are Federal Funds that can be directed to existing state programs by the Executive Branch to meet Congress's intent as needed. And yet, Wyoming's needs are varied and this Governor believes the responsibilities associated with the use of those funds should be shared with and informed by the Wyoming's Legislature. These are extraordinary times which call for extraordinary cooperation between the branches of government.

Therefore, as stated in Article 3, Section 7 of the Wyoming Constitution, as Governor, I am authorized to call a special session in the case of a "grave emergency in the affairs of the state." My friends, Wyoming finds itself faced with such a grave emergency in the affairs of the state.

I have called this special session to ask for your assistance in apportioning these federal funds provided to Wyoming through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. I am grateful for your willingness to help guide our state in this endeavor. I am looking forward to working with you as we establish programs that will meet the needs of the people of Wyoming. We must meet those needs expediently. We must be thoughtful and attentive in our

use of these funds, and we must remain focused on our goal of providing budgetary flexibility because some needs have not yet revealed themselves. We are here to work together to help our citizens, businesses, and local governments recover from the economic devastation brought on by the COVID-19 pandemic and how the world has reacted to it.

I thank you for your service.

Be safe,
God Bless you,
God Bless Wyoming,
And God bless the United States of America.



Mark Gordon
Governor

14 - April - 2020
Date