

FISCAL NOTE

This bill contains an appropriation of \$55,000,000 from the Legislative Stabilization Reserve Account (LSRA) to the Wyoming Front Line Health Care Education Endowment Fund (Endowment Fund). This appropriation is effective immediately.

This bill contains an appropriation of \$5,000,000 from the LSRA to the Wyoming Front Line Health Care Education Reserve Account (Reserve Account). This appropriation is effective immediately.

	FY 2022	FY 2023	FY 2024
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase/(decrease)			
WYOMING FRONT LINE HEALTH CARE EDUCATION ENDOWMENT INCOME ACCOUNT	\$1,452,000	\$1,452,000	\$1,452,000
GENERAL FUND	(\$660,000)	(\$660,000)	(\$660,000)

Source of revenue increase and (decrease):

The investment income on the Endowment Fund is deposited within the Wyoming Front Line Health Care Education Income Account (Income Account). The estimated annual revenue increase to the Income Account in the form of investment income is \$1,452,000 based upon a 2.64% yield. There is a corresponding revenue decrease of \$660,000 in the form of investment income to the General Fund as a result of the \$60.0 million appropriation from the LSRA based upon a 1.10% yield.

Source of expenditure increase:

There is an indeterminable expenditure increase from the Income Account and Reserve Account. This bill provides the newly created Wyoming Front Line Health Care Education Endowment Fund Board (Board) the authority to expend monies from the Income Account for distributions to eligible institutions and for administrative expenses incurred by the Board and Department of Education (Department) for services provided to the Board. The bill also provides for amounts within the Reserve Account to be transferred to the Income Account when the spending policy amount is greater than investment income to ensure an amount equal to the spending policy amount is available in the Income Account. The spending policy amount is equal to 5% of the previous five-year average market value of the Endowment Fund. The spending policy amount would equal \$2,750,000 if the previous five-year average market value is equal to \$55.0 million.

The bill requires expenditures each year to support not fewer than 20 students in a physician assistant program, 12 students in nurse program and 20 students in a medical technician program. The University of Wyoming and community colleges are not required to establish new programs. The University indicates that if it were to establish new programs to meet the requirements of this bill, a degree proposal process would be undertaken to determine the feasibility and a pro forma budget. The expenditures from the Income Account will depend on the number of students served in each program, the residency of the students, the costs of the programs at eligible institutions, and the costs of the Board and Department.

Assumptions:

The State Treasurer's Office projects yields in FY22 through FY24 to be around 2.64% for permanent funds and 1.10% for the LSRA. Yield is defined as the interest and dividend income from the investment. Over the long term, total returns for permanent funds are expected to be 4.5%, while total returns for LSRA funds are expected to be 1.25%. This is in accordance with the State's Investment Policy. Total return is defined as growth in the value of the investment, including both yield and realized & unrealized gains.

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 Education

Prepared by: Matthew Willmarth, LSO Phone: 777-7881
(Information provided by Kari Eakins, Department of Education, 777-2871; Larry Buchholz, Community College Commission, 777-7068; Alex Kean, University of Wyoming, 766-9028; Matthew Sackett, State Treasurer's Office, 777-7408)