

FISCAL NOTE

	FY 2026	FY 2027	FY 2028
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
FEDERAL FUNDS	(\$0)	(\$2,659,000,000)	(\$2,659,000,000)

	FY 2026	FY 2027	FY 2028
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure (decrease)			
FEDERAL FUNDS	(\$0)	(\$2,659,000,000)	(\$2,659,000,000)

Source of revenue (decrease)/ expenditure (decrease):

This bill prohibits the state from accepting and expending federal funds, which will result in a revenue decrease to the state and commensurate expenditure decrease beginning in FY 2027. The state of Wyoming receives, appropriates and expends federal funder in four (4) different methods:

- State appropriations;
- Interim budget authority wherein the Governor authorizes the acceptance of federal funds;
- Statutory receipt and distribution of federal funds, e.g., Federal Mineral Royalties (FMRs), Taylor grazing act funds, U.S. Forest Reserve funds; and
- Receipt and expenditure of federal funds by entities outside of the legislative budget process, e.g., revenues received and expended under the authority of the University of Wyoming board of trustees, Transportation Commission, and Game and Fish Commission.

Assumptions:

The above estimates are based upon the average federal funds appropriated or reported received over the last four fiscal years. The estimates exclude one-time discretionary funds directed to states wherever possible to provide a broad estimate of the future revenue and expenditure decrease associated with this bill, notwithstanding federal revenue provided during the recent pandemic. Specifically, American Rescue Plan Act (ARPA) - State and Local Fiscal Recovery Funds (SLFRF) - and Coronavirus Aid, Relief, and Economic Security (CARES Act) - Coronavirus Relief Funds - have been excluded. However, the estimates include direct federal grants, which may have increased, for pandemic response programs. Wyoming Department of Transportation FY 2024 estimates and Wyoming Game and Fish Department FY 2023 and FY 2024 estimates rely upon the budgeted amounts rather than reported revenues due to timing of audited statements. It is possible that some federal revenue could be double counted if reported by two different agencies, e.g., federal revenue received by one agency and granted or transferred to another.

Over the last four fiscal years, the total federal revenues have ranged from \$2.3 billion to \$2.9 billion per year, which illustrates the variability based upon large grants and federal mineral royalty volatility.

State government-prohibition on federal funds.

25LSO-0766, 1.0

Approximately \$28.0 million in federal funds were expended for executive branch state employee payroll (including benefits) in December 2024. Approximately 4,000 executive branch state employees charged at least a portion of their time to federal funds in December 2024.

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:

State Budget Department (reporting for state agencies and instrumentalities)
University of Wyoming
Community College Commission
Department of Transportation
Game and Fish Department

Prepared by: Don Richards and Dean Temte, LSO

Phone: 777-7881

HB0340