



December 15, 2021

Honorable Drew Perkins
Honorable Bob Nicholas
Joint Appropriations Committee
200 West 24th Street, Capitol Building, E201
Cheyenne, WY 82002

Dear Chairman Perkins, Chairman Nicholas and members of the Joint Appropriations Committee,

A sincere thank you for the many hours your committee gave to a public dialogue about the American Rescue Plan Act, as well as the opportunities and challenges it creates for Wyoming. After months of work by many people from across the state, I would like to now present my proposals for use of the American Rescue Plan Act (ARPA) funds and other one-time investments made possible because of these federal dollars. As you well know, the planning process that has gotten us here was long and arduous, and it has required the dedication of many different individuals and organizations to reach the point where we are today. I also offer my thanks to the Strike Team and members of the public that have been involved in this effort.

ARPA is an enormous act, totaling \$1.9 trillion in spending nationwide. It created dozens of, perhaps more than a hundred, new federal programs and provided unanticipated money for existing programs. About 20 percent of that total spending is going directly to states, counties, cities, and tribes under the Coronavirus State and Local Fiscal Recovery Funds. The State of Wyoming received \$534 million of this funding in May and we are set to receive a second payment of the same amount in 2022. These dollars are intended to address the immediate and long-term impacts of the COVID-19 pandemic. In May, I announced my desire to strategically utilize these funds in three areas of focus: Health and Social Services; Education and Workforce; and Economic Diversity and Economic Development.

With a timeline of more than five years to expend these funds, the Strike Team that I formed worked to identify and refine the best opportunities for investment at this time. Additionally, more proposals are to come in future years. The strategy, which we call "Survive, Drive and Thrive," was released in June, with a series of goals to be accomplished with any proposals. The planning is complicated by the arrival of several other new programs created by the federal government and most recently by the Infrastructure legislation passed by Congress and signed by President Biden on November 15, 2021.

The strategy

The approach I have utilized has been a deliberative process that has evolved over months of collaboration. We listened carefully to input from my “Strike Team” of cabinet members, local elected officials, my staff, stakeholders and, members of the public. We wanted to ensure we were making valuable investments that were sustainable and would have a long-term impact or a return on investment.

Our Strike Team identified ten areas for planning and further study. These are as follows:

- Goal 1: Retain and attract working families and young adults to permanently live and raise families in Wyoming
- Goal 2: Strengthen Wyoming’s economy by activating new economic sectors, creating new job opportunities and identifying ways to add value to Wyoming’s current businesses and core industries
- Goal 3: Better align workforce, economic development & educational opportunities; support opportunities to upskill/retrain workers
- Goal 4: Broadband Expansion and Connect Wyoming
- Goal 5: Healthcare and Human Service Solutions
- Goal 6: Expand Outdoor Recreation and Conserve Wildlife
- Goal 7: Address Food Insecurity
- Goal 8: Infrastructure Projects
- Goal 9: State Government Efficiency
- Goal 10: Cities, Counties, Towns and Tribes

After soliciting and narrowing down initial proposals from stakeholders, the public, and state agencies we found ourselves considering nearly \$4 billion in requests, more than we could possibly fund. My recommendations to you today total just under \$500 million dollars, about an eighth of what was requested. The rest of Wyoming’s \$1 billion share is set aside in savings or for ideas next year. This winnowing of proposals was not done casually but thoughtfully in accordance with the

principles outlined at the start of this endeavor to preserve opportunity and foster long-term resilience.

While I have removed some extremely strong proposals from my initial recommendations for funding, their absence should not be construed as a lack of support. In some cases, other funding sources are available and are more suitably applied, including the recently passed Infrastructure bill. Federal funds are continuing to arrive in Wyoming through a number of different programs.

I have proposed making allocations across the goal areas previously identified. In many cases, we reduced the initial request to an amount that could be used as a preliminary investment, because I believe it is prudent to analyze the effectiveness of a program or proposal before committing additional dollars.

ARPA Eligibility

One of the allowed uses of ARPA is for revenue replacement. Wyoming was one of a small group of states that lost significant revenue in 2020. We have identified \$502 million in revenue replacement. These funds can be used to provide eligible government services and we are using that tranche of funding now to offset government expenses. This created a pool of funds I believe can be invested strategically in projects, in savings, and to generate income for Wyoming.

Aside from the amount eligible for revenue replacement there is still more than \$500 million in ARPA Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). These must be spent consistent with federal law and guidance from the U.S. Treasury. This year, my proposal includes \$279 million in ARPA CSLFRF investments. These include several proposals that fall under Goal 6 - Health and Human Services, and the eligible use of "support for the public health response." When considering these investments in this area, we recognize that the return on investment may look different than investments in economic development, broadband or higher education. Measurable outcomes are important, however, and a number of different tools would be utilized to analyze their effectiveness.

All told, I am proposing less than half of the available funds be used for projects at this time.

Among the proposals are \$22 million to create a Wyoming Housing Trust Fund that would begin to address the shortage of low and moderate-income housing. This is an issue that elected officials have been grappling with in virtually every community around the state, regardless of size. Housing is a critical investment as Wyoming seeks to grow its economy. This fund will help take steps towards addressing and assessing challenges in providing adequate housing for working families, veterans and the homeless.

We have identified other investments in a wide range of healthcare programs and facilities. This includes investments in telehealth, suicide prevention services, healthcare provider staffing relief, and capital construction. Even before the pandemic, Wyoming's healthcare system was stretched thin. These funds are designed to help our citizens access health and human services more easily. Telehealth in particular will benefit from the \$15 million investment in broadband that I have proposed. To address food insecurity throughout the state (Goal 7), I have proposed allocating \$3.5 million to study how to maximize state and local distribution of donated and publicly purchased food. This will allow us to examine the current distribution network and identify best practices and enhancement and improvement opportunities.

In addition, I have recommended several proposals to address the negative economic impacts of COVID-19.

Due to the full lack of guidance from the U.S. Treasury, we are proceeding cautiously by hiring a consultant to help navigate, report on, advise uses for and publish data from ARPA. We now have a very knowledgeable firm in place to work with the State of Wyoming. That firm will be reviewing all of these proposals to help us determine if proposals are indeed ARPA eligible or not. My office will make that analysis available to you in mid-January and our consultant is available to work with the legislative branch during the upcoming session as well.

General Fund or ARPA Revenue Replacement Projects

My proposal includes \$307 million deployed using general fund revenue replacement-eligible dollars. Our overarching objective with these funds is to position Wyoming to better take advantage of emerging opportunities that are essential to Wyoming's diversifying economic future. These include a number of proposals that activate new economic sectors; improve workforce capacity and agility; and add value to Wyoming's existing businesses and core industries while also empowering businesses to adapt and succeed in rapidly changing market conditions. Although there is a symmetry between existing and perhaps familiar uses of state funds, these recommendations are designed to offer the state, over time, greater flexibility and ability to meet emerging opportunities with scale and commitment. To help move our state into the future, I am proposing:

- \$100 million be placed in the Legislative Stabilization Reserve Account (LSRA) earmarked to match private sector or federal funds for large-scale energy projects. (This would include carbon capture on a coal-fired power plant, a hydrogen hub, carbon sequestration, and nuclear power projects.)
- \$55 million for the next phases of the Wyoming Innovation Partnership, which will help expand our workforce and economy.

- \$75 million to the Wyoming Wildlife Trust Fund, which would nearly fully fund this Trust and save general funds in future years while making investments that will last for generations by enhancing habitat.
- \$40 million for grants to grow outdoor recreation in Wyoming.
- \$30 million to economic development efforts to support mining, agriculture and entrepreneurship.
- \$10 million for the Cultural Trust Fund to promote arts and historic preservation in Wyoming.
- \$10 million to match federal funds for wildlife/highway crossing projects.

I believe this suite of proposals uses my criteria of having a lasting impact on Wyoming's future and providing benefits for our great-grandchildren, but also recognizes that these are one-time funds that cannot go to new programs that must take on additional funding in the future. A full table with my recommendations is attached to this letter.

My proposal also puts a significant amount of funds into savings. On top of the \$100 million to the LSRA that would be earmarked only if Wyoming is successful in attracting very large scale energy projects, my proposal would set aside more than \$150 million more in savings using the revenue replacement offsets. This gives us options in future years and prevents us from having to cut budgets in the future. These funds are not permanent and the volatility in our ongoing revenue streams recommends prudence this year is an essential element in any discussion about how to best utilize this windfall.

Lastly, I recognize that even our extensive process to develop goals and proposals is not exhaustive. I look forward to your feedback and ideas generated by the Legislature. Additionally, we continue to have avenues for the public to offer comments. We will provide an update on public input in January. The process of discussing our future is very valuable for Wyoming as we look down the road and how best to help our state's citizens thrive. I again appreciate your time and efforts.

Sincerely,



Mark Gordon
Governor

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Proposal Title	Funding Requested	Proposals Eligible for Revenue Replacement or General Fund Description of Program	Agency Lead
Federal Infrastructure and Private Sector Energy Matching Funds	\$100,000,000 (to the LSRA)	This proposal would appropriate \$100,000,000 to the Legislative Stabilization Reserve Account from the General Fund to match private, state or federal funding for research, demonstration, pilot or commercial deployment projects related to Wyoming energy needs, including, but not limited to, carbon capture utilization and storage including soil carbon, carbon capture on coal/gas fired utility plants, carbon dioxide transportation, industrial carbon capture, coal refinery, and hydrogen production, transportation, storage and/or hub development, wind or solar.	Governor's Office
Energy Policy Development at UW - Hydrogen Hub + Center of Excellence	\$2,000,000	Foundational funding to build a center of excellence that will ultimately be funded through other mechanisms, including competitive research grants, support from industry, and more. This will focus on how hydrogen can add value to Wyoming resources and other energy programs.	UW SER
Investment Thesis, Growth Diag., Asset Based Economic Development	\$5,000,000	This proposal creates pathways to economic growth, job creation, and prosperity. Some of the outcomes of this project will be a Growth Diagnostics, Comprehensive Economic Diversification Strategy (CEDS), identification and mitigation of economic growth constraints, an investment thesis (investment framework based on research and analysis of its return potential) and growth-oriented policy recommendations.	Governor's Office, with Wyoming Business Council, Wyoming Energy Authority and the Center for Business and Economic Analysis at UW
Special Projects, Economic Opportunity Management and Community /Business Engagement	\$2,000,000	Creation of a special projects team to address the complex challenges that hinder Wyoming's economy. At the same time this project will also provide structure to better seize opportunities (i.e.: nuclear, CCUS, hydrogen, etc.) and engage business and communities in collaborative problem solving.	Governor's Office, WBC and WEA

Energy Transformation Funds - Grant Managers and Writers	\$650,000	The intention of this proposal is to take full advantage of the Infrastructure bill's once-in-a-lifetime infrastructure investment in a way that captures the most market share for Wyoming. The funding will be used for contractual support for grant writers and managers to pursue federal competitive funding opportunities within the infrastructure bill.	WEA
Energy of the Future	\$2,500,000	The future of many businesses that supported the energy sector is at risk. Small- and medium-sized companies have a diminished capacity to pivot or create spin-offs. Several medium and large businesses are eager to pursue new opportunities and collaborate but there is a lot of uncertainty right now. This proposal creates productivity enhancement and incentive programs to support Wyoming industries as they make changes in their business models.	WBC
Geophysics Survey to Analyze Wyoming's Mineral Resource	\$2,000,000	The United States has inferior public airborne geophysical data coverage relative to other developed countries, and Wyoming has some of the worst coverage in the United States. This would allow for more regional coverage of public, or pre-competitive, airborne geophysical data that reduces exploration risk, attracting private investment.	WSGS
WIP Yrs. 2 & 3	\$55,000,000	The Wyoming Innovation Partnership (WIP), endeavors to create the functional environment through a collaborative approach that will give Wyomingites the skills, means, and tools to drive economic development across the state and to provide workforce expansion and better training opportunities to help residents secure higher-paying jobs and careers.	Governor's Office
Agriculture Development Strategy	\$250,000	The current unique-solution-to-each-problem approach is causing inefficiency. We need a unified vision and clear policy narrative. Developing a Wyoming agriculture industry strategy for economic development is the outcome of this funding.	WBC/WDA
Kickstart Entrepreneurship Program Relaunch	\$2,500,000	How can we build a stronger entrepreneurial and innovation ecosystem in Wyoming? Through strategic investments that support innovation when it is most likely to fail due to lack of funds and also build a strong road map for future funding that generates deal flow for local investors that support the entrepreneurial ecosystem.	WBC

Utilize the national-level IEDC training programs	\$500,000	Develop a scholarship fund that is administered by WEDA that sends groups of not less than 10 people per year from local communities to training (together) and certifications.	WBC
Community Revitalization Study	\$100,000	Large and expensive anchor buildings in Wyoming downtowns need renovation that cannot be done while fitting needed economics for a successful development. This would be a study of building inventory, number of buildings that could be stabilized, number of grants that could be used, other uses, planning options, and researching other funding sources.	WBC
Wyoming Cultural Trust Fund	\$10,000,000	An infusion into the Trust Fund will allow the funds to be held in perpetuity in an interest bearing account. Only the interest earnings will be spent in the following years. This could help start a private foundation that will match the public investment with private dollars. This structure will allow for a self-sustaining foundation that will pay for future costs.	State Parks and Cultural Resources
Humanities Grants	\$125,000	Matching grants to non-profit organizations across the state for the purpose of humanities-based programs and projects to help Wyoming's communities realize growth through a period of change.	State Parks and Cultural Resources
Outdoor Rec Product & Grant Program	\$40,000,000	Due to the pandemic, Wyoming State Parks and Wyoming communities saw a 41% increase in outdoor recreation visitation as people sought out places to escape and improve their mental and physical health. Communities and parks did not have the capacity to provide outdoor recreation opportunities and infrastructure for this growing number of visitors. This trend is expected to continue. Existing outdoor recreation infrastructure does not have a robust funding source for ongoing construction, maintenance, and enhancement. This grant program would lead to construction of new outdoor recreation products and to maintain existing outdoor recreation infrastructure for the enjoyment of future generations.	State Parks and Cultural Resources

I-80 Wildlife Crossings	\$10,000,000	Wildlife crossings involve infrastructure work to enhance wildlife migration and movement of big game populations. This would be matching funds for projects funded by the Infrastructure bill to enhance big game populations while saving millions of dollars in vehicle damage and personal injury costs.	WyDOT, WGFD, WWNRT
Funding of the WWNRT	\$75,000,000	The WWNRT currently has a corpus of approximately \$115,000,000 and generates as much as \$5,000,000 a year in interest, while not insignificant, the need for conservation funding is growing. With this funding we plan to meet the increasing concerns with terrestrial invasive plants across our rangelands and address the safety of our travelers through wildlife crossing projects. The conservation demand is nearly triple the current funding available and multiple projects are delayed or staged when they could be expanded with adequate funding.	WWNRT
TOTALS	\$207,625,000		

Proposals Likely Eligible for ARPA			
Proposal Title	Funding Requested	Description of Program	Agency Lead
Housing Trust Investment	\$22,600,000	The Wyoming Housing Grant Fund is a pilot to provide start-up financing to better address Wyoming’s unique statewide housing needs. This provides more flexibility to fund housing for Wyoming’s workforce, homeless citizens, low-to-moderate income rental housing, and moderate-income home ownership.	WCDA
Destination Defining Development Program	\$10,000,000	Tourism visitors seek more than a great stand-alone attraction. They seek holistic experiences. Wyoming is also realizing increasing demand for livable communities offering a variety of soft amenities for workforce relocation and economic development. These funds would be a first round of funding for enhancing community amenities; and events, functions and courses that can be adapted to accommodate ever-changing interests. The Wyoming Office of Tourism, in collaboration with the Wyoming Business Council, will solicit applications from Wyoming communities/counties for destination defining development projects. A local 20% match will be required.	Office of Tourism
BRC Gap Funding	\$10,000,000	The WBC has ten projects in the BRC and CDBG programs that are beginning construction or are in the process of final design and bidding of the projects. Due to the unforeseen consequences of the COVID pandemic, building materials for all types of projects have seen a dramatic increase in construction costs to complete. In many cases, the costs have increased 30-40% above the original certified project estimates done at time of application.	WBC

<p>ARPA workforce programs</p>	<p>\$20,000,000</p>	<p>In tandem with higher education proposals this would allow decision makers to consider options to fund ARPA eligible portions of seven workforce-specific proposals: Wind River Job Corps, Talent Transition, Career Center Development/Relaunch, Targeted Healthcare Workforce Program Proposal, Targeted Early Childhood Workforce Program, Workforce Development Training Fund/Apprenticeship Program Expansion, Provide upskilling, training, soft skills, etc. to overlooked or otherwise not WIOA eligible populations.</p>	<p>Governor's Office</p>
<p>Connect Wyoming 2</p>	<p>\$15,000,000</p>	<p>The program is designed to provide infrastructure funding to improve broadband access to unserved and underserved areas across the state. All infrastructure will be installed, owned, and operated by private companies who have to apply for funding.</p>	<p>WBC</p>
<p>Health and Human Services Staffing Stabilization</p>	<p>\$10,000,000</p>	<p>In 2021, Governor Gordon directed the Wyoming Department of Health to provide emergency funding to stabilize staffing in hospitals and long-term care facilities as a result of the COVID-19 pandemic.</p> <p>If funded, this project would expand staff retention funding for additional provider groups and settings, first for those who care for extremely vulnerable populations (Tier II) and, second, for those serving at-risk populations (Tier III). Potential provider groups include:</p> <ul style="list-style-type: none"> ▪ Developmental disability service providers; ▪ Intermediate care facilities; ▪ Community Choices Waiver providers (long-term care); ▪ Congregate care providers; ▪ Hospice providers; ▪ Mental health and substance abuse providers; ▪ Free-standing emergency rooms; ▪ Primary care clinics; ▪ Human service providers who serve at-risk and low-income residents. 	<p>WDH</p>

Health and Human Services Capital Construction Account	\$40,000,000	This project would fund healthcare and human services facility infrastructure and capital construction needs. The COVID-19 pandemic exposed a great deal of infrastructure and capital construction needs at healthcare and human service facilities throughout Wyoming. These needs include: hospital and long-term care facility upgrades and renovations, like HVAC improvements, isolation rooms, negative pressure rooms, and single occupancy rooms; capital construction investments in community mental health and substance abuse centers, primarily residential settings; capital construction investments in senior centers and child care facilities across Wyoming; and remodels necessary to adequately care for “hard to place” clients, including youth, at congregate care facilities.	WDH
Telehealth Investment Account	\$3,000,000	This project would set aside funding for investment in expanding the availability of telepsychiatry in Wyoming. The WDH would design a competitive request for proposals to develop a network of Wyoming-based psychiatric providers as well as a technology platform on which customers (including courts, medical providers, community service providers, and others) could access the network for various telepsychiatry needs (e.g., remotely-conducted psychiatric evaluations and provision of care).	WDH
Health & Human Services Innovation Fund	\$20,000,000	This funding will allow for a variety of opportunities for innovation in the health and human services areas. Projects may include innovations in the areas of telehealth, rural health, mental health and behavioral health reform, substance abuse, long-term care, human services, digital medical and health information technology.	WDH/DFS
Suicide Prevention Lifeline and 9-8-8 Implementation	\$7,000,000	This proposal will provide funding to expand the Suicide Lifeline to 24/7 operations while supporting the initial transition to the 9-8-8 crisis intervention system.	WDH

EMS Dispatch Certification	\$84,000	Wyoming lacks a standard medical response system within the 9-1-1 dispatch centers, leading to a lack of medical guidance occurring at the time of the emergency call. This proposal asks for a one-time investment of start-up costs for purchase of the Emergency Medical Dispatch (EMD) curriculum, staff training, and recertification will bring all 9-1-1 response centers up to the same standard of care delivery across Wyoming, enabling immediate medical response to occur over the phone.	WDH
WY Resource Center Network	\$4,865,436	This proposal further enhances Wyoming resource support by establishing regional resource champions that can provide in-depth services and care coordination. The resource center network will enhance local level support to ensure connections are made and services are delivered.	DFS
2-1-1 Capacity Building (resource and referral)	\$3,477,795	Increased needs for resources during the pandemic have highlighted a gap in the connection between local resources and would-be service users. Wyoming 2-1-1 has long been an integral actor in assisting citizens to make the connection with various resources, helping to reduce long-term costs that come from missed connections. This proposal seeks to designate ARPA funds to increase Wyoming 2-1-1 program capacity to better address the increased need and to create a marketing campaign to help increase awareness about the non-profit and improve public knowledge about this critical resource.	WDH/DFS
One-time funding for crisis beds /stabilization services	\$1,000,000	Due to changes in service utilization, facility closures and quarantines, delays in court proceedings and changes in lengths of stay, the Department has made monthly payments with a higher proportion of general fund than federal fund, and has an insufficient amount of general fund remaining to continue to reimburse providers for access to crisis facility services through the remainder of the 21/22 biennium.	DFS
Health Education Fund	\$500,000	Increase public knowledge and use of the Wyoming 211 program to better connect Wyoming citizens to available resources.	WDH/DFS

Mental Health First Aid Training	\$200,000	Mental health issues have increased during the pandemic and in 2020 Wyoming had the highest recorded amount of deaths by suicide. This proposal looks to implement a Mental Health First Aid program across the state to help in addressing these problems. The program provides classes on Mental Health First Aid and Suicide Prevention, with the goal of having 102 trained instructors to cover each county as well as each higher education institute in the state. By providing these education opportunities, the goal is to equip the citizens of the state to better handle mental health concerns and help to prevent suicides.	WDH
EMS Stabilization Fund	\$10,000,000	Due to the pandemic, many ambulance services are at risk of shutting down in Wyoming. These emergency services are vital to ensure a suitable coverage area, especially in rural Wyoming. This proposal looks to provide temporary funding while the taskforce works on seeking more solid funding options.	WDH
EMS Regionalization Pilot	\$10,000,000	Currently, emergency medical services continue to rise in cost without a sustainable funding source. This is placing a significant financial burden on local and county entities. The regional pilot project will allow regions to convene and develop local solutions for regional pilots. The goal is to pilot programs that decrease costs and increase access to emergency services.	WDH
Food as Medicine - Food Insecurity	\$202,000	The SNAP program is largely underutilized in Wyoming, with only 30% of eligible families receiving benefits. This proposal looks to provide the funding to bring in private stakeholders to take on the task of assisting in bringing eligible people onto the program. This proposal is a part of a larger effort to address food insecurity and nutrition deficits that contribute to chronic health conditions such as diabetes and heart disease.	DFS

Food as Medicine - Project Well Pilot	\$1,075,000	Chronic health conditions such as obesity, heart disease, and diabetes cost Americans \$1.1 trillion dollars, not including lost productivity or other extra costs. One of the major contributors identified in causing these chronic health conditions is nutrition, and nutrition can be a major factor in successfully managing a chronic health condition, thereby reducing healthcare costs. This proposal looks to pilot a program that provides resources for patients experiencing diabetes or heart failure around nutrition and wellness education and access.	WDH
DOC Substance Use Disorder Treatment Backlog	\$1,200,000	One-time funding to create programming at the DOC's Honor Camp to resolve a backlog in treatment created by COVID.	DOC
Family Medicine Residency Program (Cheyenne and Casper)	\$708,407	One-time funding to alleviate the fiscal stresses on the UW FMRP during a period in which the FMRP is fostering a new administrative relationship with its clinics--now managed by the Educational Health Center of Wyoming (EHCW). The decrease in clinical income related to the pandemic has added further fiscal challenges to the programs. The funding request provided below will assist the FMRP for the next 12-18 months, after which time the support will be recommitted by the EHCW.	UW
Fund to address critical technology needs for RIS or WyoLink	\$35,000,000	Identify and complete necessary and beneficial eligible portions of the critical technology needs for public safety via the Revenue Information System and/or WyoLink.	WyDOT
Safety Net Food Network Evaluation 0/National Meeting	\$3,500,000	The Departments of Family Services and Agriculture are proposing funding for a two-part project: (1.) Hire a consultant to study and evaluate the current capacity of non-profit organizations to maximize state and local distribution and minimize waste of donated and publicly purchased food to feed needy children, families, and elderly. The intent is to examine the current distribution network and identify best practices and opportunities of enhancement and improvements.	DFS and WDA

Local Government Support Projects	\$50,000,000	An application program for local governments to benefit citizens across Wyoming by funding opportunities to help them Thrive. This program would also align with the Governor’s view of the importance of local control, as it would provide local communities with the ability to direct how a portion of State ARPA dollars should be spent wisely for future impacts. This would include eligible water projects as well as other uses local communities do not have the funds to pay for on their own.	OSLI
TOTALS	\$279,412,638		