## HOUSE BILL NO. HB0165

Wyoming's tomorrow scholarship program.

Sponsored by: Representative(s) Harshman, Connolly and Sommers and Senator(s) Rothfuss, Schuler and Wasserburger

## A BILL

## for

1 AN ACT relating to higher education; creating the Wyoming's 2 scholarship program; providing eligibility tomorrow 3 requirements; providing for administration, including rulemaking authority; creating accounts and a permanent 4 5 fund; requiring reports; providing for a continuous appropriation; amending a provision governing the Hathaway б 7 scholarship reserve account; amending a provision regarding 8 permanent funds of the state; providing for a transfer of 9 funds; providing when scholarships may first be awarded; 10 and providing for an effective date.

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12 Be It Enacted by the Legislature of the State of Wyoming:

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14 **Section 1.** W.S. 21-16-1701 through 21-16-1707 are 15 created to read:

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1 2 ARTICLE 17 3 WYOMING'S TOMORROW SCHOLARSHIP PROGRAM 4 21-16-1701. Definitions. 5 6 7 (a) As used in this article: 8 (i) "Academic term" means the fall semester or 9 10 term or the spring semester or term; 11 12 (ii) "Academic year" means two (2) consecutive semesters or terms and is the period of time a full-time 13 student is expected to complete the equivalent of at least 14 two (2) semesters of academic work; 15 16 17 (iii) "Certificate" means a credential other 18 than a degree. A "certificate" indicates satisfactory 19 completion of training in an academic year program of study 20 offered by an eligible institution; 21 22 (iv) "Cost of attendance" means the sum cost of 23 tuition, mandatory fees, room and board, books and

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1 supplies, travel and personal expenses to attend an 2 eligible institution; 3 4 (v) "Degree" means a baccalaureate or an associate degree other than a certificate; 5 6 7 (vi) "Eligible institution" means the University 8 of Wyoming or a Wyoming community college; 9 (vii) "Equivalent of a full-time semester" means 10 twelve (12) semester hours in a semester; 11 12 13 (viii) "Other academic period" means an educational term other than the fall semester or spring 14 semester and includes a summer term or January term; 15 16 17 (ix) "Semester hour" means each nonremedial 18 semester hour attempted for credit toward a postsecondary 19 degree or certificate; 20 (x) "Title IV" means Title IV of the federal 21 Higher Education Act of 1965, as amended; 22 23

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1 (xi) "Unmet financial need" means the cost of 2 attendance minus the sum of expected family contribution 3 and all federal, state, local, institutional and privately 4 funded scholarships or grants received by the student, all 5 as determined by the eligible institution.

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7 21-16-1702. Wyoming tomorrow scholarship expenditure
8 account created; reserve account created; use and
9 appropriation of funds.

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11 (a) The Wyoming's tomorrow scholarship expenditure account is created to consist of all earnings from the 12 Wyoming's tomorrow scholarship endowment fund created by 13 W.S. 9-4-204(u)(ix) and such other funds appropriated by 14 the legislature to the expenditure account. Monies within 15 16 the expenditure account are continuously appropriated to 17 the state treasurer for distribution to eligible scholarships awarded under this 18 institutions based on 19 article. All unexpended and unencumbered monies within the 20 expenditure account at the end of each fiscal year shall be deposited by the state treasurer to the Wyoming's tomorrow 21 22 scholarship reserve account.

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1 is created Wyoming's (b) There the tomorrow 2 scholarship reserve account. The reserve account shall 3 consist of those monies deposited to the account pursuant 4 to subsection (a) of this section and such other funds appropriated by the legislature to the reserve account. 5 Interest and other earnings on funds within the reserve 6 account shall be credited to the reserve account. To the 7 8 extent funds within the Wyoming's tomorrow scholarship 9 expenditure account are insufficient in any fiscal year to 10 fully fund scholarships awarded under this article, monies within the reserve account shall be deposited by the state 11 12 treasurer to the expenditure account for distribution to eligible institutions to fund those scholarships. As soon 13 as possible after the end of each fiscal year, the state 14 treasurer shall transfer monies from this reserve account 15 16 to the Wyoming's tomorrow scholarship endowment fund to the 17 extent monies within the reserve account are in excess of the greater of twelve million dollars (\$12,000,000.00) or 18 19 an amount equal to nine percent (9%) of the previous five 20 (5) year average market value of the Wyoming's tomorrow scholarship endowment fund, calculated from the first day 21 of the fiscal year. The state treasurer shall report not 22 later than November 1, of each year to the joint education 23

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1 interim committee and the select committee on capital 2 financing and investments the amount of funds within the reserve account at the end of the previous fiscal year and 3 4 as of July 1, of the current fiscal year. 5 21-16-1703. Wyoming's tomorrow scholarship program; б 7 eligibility requirements. 8 9 (a) There is created the Wyoming's tomorrow 10 scholarship program. 11 12 (b) Under the Wyoming's tomorrow scholarship program, subject to availability of funds as determined by the 13 legislature, the state shall provide a scholarship pursuant 14 to W.S. 21-16-1704 to any student who has been accepted by 15 16 and enrolls in an eligible institution to pursue a degree 17 or certificate, and who meets the following qualifications: 18 19 (i) The student has demonstrated Wyoming 20 residency for not less than one (1) year immediately

21 preceding application, as determined by the eligible
22 institution at which the student is enrolled;

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1 (ii) The student is twenty-four (24) years of 2 age or older; 3 4 (iii) The student has not earned a degree; 5 (iv) The student has completed and filed a free 6 application for federal student aid for the academic year 7 8 for which the student is applying for a scholarship, has unmet financial need and qualifies for federal financial 9 aid; 10 11 12 (v) The student is not eligible for a Hathaway 13 scholarship under article 13 of this chapter; 14 15 (vi) The student has registered with the 16 department of workforce services for applicable training 17 assistance; 18 19 (vii) The student agrees to: 20 (A) Actively engage in work in Wyoming for 21 one (1) year or attend graduate school at the University of 22 Wyoming for one (1) year for each four (4) full-time 23

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1 academic semesters or portions thereof in which a Wyoming's 2 tomorrow scholarship was received. This requirement shall 3 be completed within four (4) years after the completion of 4 the last semester in which a Wyoming's tomorrow scholarship 5 was received; or

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7 all Wyoming's (B) Repay tomorrow 8 scholarship amounts received, together with interest which shall begin accruing four (4) years after execution of the 9 10 agreement. However, interest shall begin to accrue 11 immediately upon the student withdrawing from the eligible 12 institution or becoming ineligible for the scholarship 13 under W.S. 21-16-1704(c). Scholarship amounts shall accrue at an annual interest rate equal to that charged for 14 15 federal direct student loans at the time interest begins to 16 accrue, which rate shall be adjusted annually to match the 17 federal direct student loan rate. In no event shall the interest rate be greater than eight percent (8%). Any 18 19 amounts repaid by Wyoming's tomorrow scholarship recipients 20 shall be deposited to the Wyoming's tomorrow scholarship expenditure account. The University of Wyoming and the 21 community college commission may create exceptions to the 22 23 requirements of this paragraph for good cause shown.

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1 (c) No student shall be eligible for a scholarship 2 3 under this article for more than the equivalent of four (4) 4 full-time semesters. 5 (d) A student is not eligible for a scholarship under б 7 this article if the student: 8 9 (i) not a United States citizen Is or а 10 permanent resident alien who meets the definition of an 11 eligible noncitizen under federal Title IV requirements or 12 requirements of a subsequent similar federal enactment. An eligible institution may grant a student of the eligible 13 institution an exception to this limitation for good cause 14 15 shown; 16 17 (ii) Is in default on a federal Title IV 18 education loan; 19 20 (iii) Owes a refund under a federal Title IV 21 student financial aid program or a subsequently enacted 22 similar federal student financial aid program, or a student financial aid program administered through the state; 23 9 HB0165

1 2 (iv) Is incarcerated; 3 4 (v) Has been convicted of a felony in this state or another jurisdiction. An eligible institution may grant 5 a student of the eligible institution an exception to this 6 7 limitation for good cause shown; or 8 9 (vi) Does not otherwise qualify under this 10 article for a scholarship. 11 12 21-16-1704. Wyoming's tomorrow scholarships. 13 14 (a) Any student who meets the criteria under W.S. 21-16-1703 is eligible to receive a scholarship to pursue a 15 16 degree or certificate for: 17 (i) Not more than one thousand five hundred 18 19 dollars (\$1,500.00) per semester or other academic term for 20 unmet financial need at an eligible institution if enrolled for twelve (12) or more semester hours; 21 22

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1 (ii) The amount provided under paragraph (i) of 2 this subsection times a fraction that represents the 3 student's enrollment status. 4 (b) Scholarships under this section shall be for a 5 maximum of the equivalent of four (4) full-time semesters. 6 No student shall receive more than a total of six thousand 7 8 dollars (\$6,000.00) in unmet financial need under this article. 9

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11 (c) To remain eligible for the scholarship under this 12 section, the student shall:

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14 (i) Make satisfactory academic progress toward a degree or certificate by completing at least two-thirds 15 16 (2/3) of attempted semester hours in any academic term or 17 other academic period, maintain a cumulative grade point average of at least 2.0 as evaluated at the end of each 18 spring academic term and meet such other criteria as 19 20 established by the eligible institution to ensure the 21 student earns a degree or certificate in a timely manner;

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1 (ii) Maintain continuous enrollment for not less 2 than two (2) semesters in each successive academic year. 3 4 (d) A student receiving a Wyoming's tomorrow to 5 scholarship who fails meet the requirements of subsection (c) of this section shall be ineligible to 6 receive a scholarship under this article. 7 8 21-16-1705. Administration; rules and regulations. 9 10 11 (a) This article shall be administered jointly by the 12 University of Wyoming and the community college commission in accordance with the following: 13 14 (i) Students shall apply for scholarships under 15 16 this article with the eligible institution at the time of applying for admission or in any event prior to the 17 18 beginning of the semester at the eligible institution. The 19 application shall contain information as required by rule 20 of the university and commission. The application shall 21 require each applicant to verify under penalty of false swearing under W.S. 6-5-303, that the applicant has not 22

1 been convicted of a felony in this state or another
2 jurisdiction;

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4 (ii) For students transferring from an eligible institution to another eligible institution and making 5 application for continuance of a scholarship, the 6 institution from which the student is transferring shall at 7 the student's request provide an official transcript to the 8 9 new institution and shall provide a list of all semesters 10 of attendance in which a Wyoming's tomorrow scholarship was received by the student; 11

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(iii) Each eligible institution receiving an 13 application from a student applying for a Wyoming's 14 tomorrow scholarship shall preliminarily determine the 15 16 student's eligibility for the scholarship. Upon final 17 determination of scholarship eligibility, each community college shall certify to the commission not later than 18 19 thirty (30) days after the semester commences, a list of 20 students enrolled at the institution who qualify for a scholarship under this article, including the amount of 21 each scholarship. The university shall certify within 22 forty-five (45) days after the semester commences a like 23

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1 list for students enrolled at the university. The director 2 of the community college commission shall verify within ten (10) days after receiving all lists from community colleges 3 4 whether there is any duplication of students on the community college lists, shall provide the lists to the 5 university and then the commission and the university shall б certify the amount each college is to receive under this 7 8 article. Students attending more than one (1) eligible institution shall enter into a consortium agreement with 9 10 multiple institutions whereby the student the shall 11 designate a home institution to be paid the entire 12 Wyoming's tomorrow scholarship amount for which the student qualifies; 13

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2022 semester, the 15 (iv) For the fall state 16 treasurer shall pay from the expenditure account amounts 17 all awarded scholarships. necessary for For each subsequent semester, the university and commission shall 18 determine and certify to the state treasurer the amount 19 20 which is equal to seventy-five percent (75%) of the total 21 amount the eligible institution received during the preceding semester under this subsection. Not later than 22 September 1 for the fall semester and not later 23 than

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1 January 15 for the spring semester, the state treasurer 2 shall pay from the scholarship expenditure account the 3 amount certified. The university and commission shall 4 review the lists provided under paragraph (iii) of this subsection, determine whether there is any duplication of 5 students, and determine and certify to the state treasurer 6 the balance of the amount due under this article to each 7 institution for the semester. For any duplication, 8 the university and commission shall determine whether 9 the 10 student is attending more than (1) one eliqible 11 institution. If the student is attending multiple eligible 12 institutions payment of the Wyoming's tomorrow scholarship 13 for which the student qualifies shall be made only to the institution designated as the home institution by the 14 15 student. The state treasurer shall pay from the scholarship 16 expenditure account the balance of the amount due. Payments 17 of the balance due under this paragraph shall be made not later than seventy-five (75) days after the institution's 18 19 semester has commenced. Payments to the university shall be 20 made directly to the university. Payments to the community 21 colleges shall be made directly to each college and be 22 reported by the state treasurer to the community college 23 commission. Should a prepayment under this paragraph exceed

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1 the amount actually due the institution for any semester, 2 the excess amount shall be calculated by the university and 3 commission and deducted from the next payment made.

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5 (b) The University of Wyoming and the community 6 college commission shall jointly promulgate rules and 7 regulations necessary to implement this article.

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(c) The University of Wyoming and the community 9 10 college commission shall establish appropriate annual reporting procedures for purposes of policy analysis and 11 12 program evaluation and providing accurate data to the legislature and governor relative to the program's impact 13 on the state and on students. The commission shall submit 14 the annual report to the governor and the legislature in 15 16 accordance with W.S. 9-2-1014.

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18 (d) The department of audit may conduct an audit of 19 any eligible institution participating in the scholarship 20 program under this article to determine compliance with any 21 provision of this article.

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23 **21-16-1706.** Additional funding considerations.

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(a) To the extent sufficient funds are not available 2 3 in the expenditure account to fund all scholarships as 4 provided under this article: 5 (i) After all funds within the expenditure б account have been expended, funds within the Wyoming's 7 8 tomorrow scholarship reserve account shall be used to fund any remaining scholarships awarded under this article; 9 10 funds 11 (ii) If no remain available in the 12 expenditure account or reserve account at the time payment is required to be made to an institution for any semester, 13 the payment to the eligible institutions shall be reduced 14 on a first come first served basis using the student's 15 16 application date for the scholarship. 17 18 21-16-1707. Legislative oversight and authority. 19 20 Nothing in this article shall be construed to constitute an 21 entitlement to a scholarship established and funded by the legislature. Wyoming's tomorrow scholarships 22 shall be 23 subject to legislative appropriation and the legislature

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1 reserves the right to modify or terminate the program 2 established under this article at any time. 3 4 **Section 2.** W.S. 9-4-204(u) by creating a new 5 paragraph (ix), 9-4-714(a)(v) and 21-16-1302(b) are amended to read: б 7 8 9-4-204. Funds established; use thereof. 9 10 (u) Other funds defined follows shall as be classified by the state auditor pursuant to subsections (s) 11 12 and (t) of this section: 13 (ix) Wyoming's tomorrow scholarship endowment 14 15 fund - to consist of funds appropriated or designated to 16 the fund by law, or by gift from whatever source. In accordance with Wyoming Constitution Article 15, Section 17 20, monies within the fund shall not be expended and may be 18 19 invested in the same manner as other permanent funds of the 20 state. Earnings from investment of monies within the fund 21 shall be distributed and expended as provided by law. 22

23 9-4-714. Definitions.

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1 2 (a) As used in this act: 3 4 (v) "Permanent funds" means the permanent Wyoming mineral trust fund under W.S. 9-4-204(u)(iii), the 5 Wyoming permanent land fund under W.S. 9-4-204(u)(iv), the 6 excellence in higher education endowment fund under W.S. 7 8 9-4-204(u)(vi), the Hathaway student scholarship endowment fund under W.S. 9-4-204(u)(vii), and the Hathaway expand 9 10 Wyoming scholarship endowment fund under W.S. 9-4-204(u)(viii) and the Wyoming's tomorrow scholarship 11 endowment fund under W.S. 9-4-204(u)(ix); 12 13 14 21-16-1302. Hathaway scholarship expenditure account created; reserve account created; use and appropriation of 15 16 funds. 17 18 (b) There is created the Hathaway student scholarship 19 reserve account. The reserve account shall consist of those 20 monies deposited to the account pursuant to subsection (a) 21 of this section and such other funds appropriated by the legislature to the reserve account. Interest and other 22 earnings on funds within the reserve account shall be 23

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credited to the reserve account. To the extent funds within 1 2 the Hathaway scholarship expenditure account are 3 insufficient in any fiscal year to fully fund scholarships 4 awarded under this article, monies within the reserve account shall be deposited by the state treasurer to the 5 account for distribution to 6 expenditure eliqible institutions to fund those scholarships. 7 As soon as possible after the end of each of the fiscal years 8 9 beginning on and after July 1, 2007, the state treasurer 10 shall transfer monies from this reserve account to the 11 Hathaway student scholarship endowment fund to the extent 12 monies within the reserve account are in excess of the 13 greater of twelve million dollars (\$12,000,000.00) or an amount equal to four and one-half percent (4.5%) nine 14 15 percent (9%) of the previous five (5) year average market 16 value of the Hathaway student scholarship endowment fund, 17 calculated from the first day of the fiscal year. The state treasurer shall report not later than November 1, of each 18 19 year to the joint education interim committee and the 20 select committee on capital financing and investments the amount of funds within the reserve account at the end of 21 22 the previous fiscal year and as of July 1, of the current 23 fiscal year.

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Section 3. On July 2, 2021, the state treasurer shall 2 3 transfer one hundred million dollars (\$100,000,000.00) from 4 the Hathaway student scholarship endowment fund to the Wyoming's tomorrow scholarship endowment fund, as created 5 6 by this act. 7 8 Section 4. Neither the University of Wyoming nor any 9 Wyoming community college shall award a Wyoming's tomorrow scholarship in the 2021-2022 academic year. The university 10 and the community colleges shall award Wyoming's tomorrow 11 scholarships beginning with the 2022-2023 academic year. 12 13 14 Section 5. This act is effective July 1, 2021. 15 16 (END)