

FISCAL NOTE

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
HATHAWAY SCHOLAR. EXPEND.	\$1,160,040	\$1,247,400	\$1,260,000

Source of expenditure increase:

The fiscal impact, in the form of increased expenditures from the Hathaway Scholarship Expenditure Account, and corresponding expenditure increase (transfer) from the Hathaway Scholarship Reserve Account, are a result of students becoming eligible for a different Hathaway scholarship level under this bill than they were originally awarded.

Assumptions:

The Department of Education indicates 271 students in the 2015-16 cohort, 360 students in the 2016-17 cohort, and 375 students in the 2017-18 cohort, maintained a 3.75 college GPA for two consecutive semesters. For the FY 2020 estimates, it is assumed all students would petition to receive an increase in the scholarship award amount. For newer cohorts, it is also assumed the student would qualify after the first two semesters, and the remaining six semesters would be at the higher scholarship level. The Hathaway Student Scholarship would increase \$420 each semester or \$840 each fiscal year for all eligible students. For cohorts greater than 2017-18, the number of students eligible equal the 2017-18 amount, 375 students. The estimates are calculated as follows:

Fiscal Year	Cohorts	Eligible Students	Annual Scholarship Increase	Estimated Expenditure Increase
FY 2020	2015-16/2016-17/2017-18/2018-19	1,381	\$840	\$1,160,040
FY 2021	2016-17/2017-18/2018-19/2019-20	1,485	\$840	\$1,247,400
FY 2022	2017-18/2018-19/2019-20/2020-21	1,500	\$840	\$1,260,000

Note, according to the 2018 annual report from the Select Committee on Capital Financing and Investments, investment income from the Hathaway Scholarship Endowment Fund is projected to be \$15.4 million for FY 2020 through FY 2022, which does not include capital gains. Under current projections, the Hathaway Scholarship Reserve Account will supplement the Hathaway Scholarship Expenditure Account by \$3.0 million in FY 2020, \$3.3 million in FY 2021 and \$3.7 million in FY 2022. Increased expenditures for Hathaway scholarships under this bill would increase the supplemental expenditures from the reserve account by the amounts contained in this fiscal note.

Any additional fiscal or personnel impact is not determinable due to insufficient time to complete the fiscal note process.

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