

FISCAL NOTE

The fiscal impact, in the form of an expenditure increase, is indeterminable. The fiscal impact to the judiciary is indeterminable due to an unknown number of cases.

This bill creates the Hope scholarship program (Program) and authorizes any school aged Wyoming resident to receive the average per pupil amount allotted under the public K-12 school finance system to pursue an education with an education service provider. An education service provider under this bill is broadly defined and includes "a person or organization that receives payment from Hope scholarship accounts to provide educational goods and services to Hope scholarship students." Hope scholarship accounts are created for participants in the program to pay for qualifying expenses.

The Program is administered by a nine member Hope Scholarship Board (Board). The State Treasurer may provide staff and office space to the Board upon request and the State Superintendent of Public Instruction may also provide staff to the Board upon request. The bill also allows to the Board to contract with private organizations to administer the Program, including but not limited to private management firms to manage Hope scholarship accounts.

This bill creates the Hope scholarship fund to consist of funds appropriated by the Legislature, designated or transferred to the fund by law or gift, and investment earnings on the fund. To the extent funds are appropriated, scholarship awards are made from the Hope scholarship fund. This bill also creates the Hope scholarship expense account to consist of funds transferred from the Hope scholarship fund and investment earnings on the account. The Hope scholarship expense account pays for the expenses incurred by the State Treasurer and the Board in administration of the Program. The amount transferred to the Hope scholarship expense account shall not exceed 5 percent of the Hope scholarship fund unless the State Treasurer requests the State Auditor to transfer additional funds due to significant increases in the number of Hope scholarship accounts and associated administrative costs.

The Wyoming Department of Education (WDE) is required to submit a budget request to the Legislature beginning fiscal year (FY) 2024 that is the greater of 2 percent of the immediately preceding school year's total average daily membership (ADM) or the number of Hope scholarship recipients from the immediately preceding school year, multiplied by the School Foundation Program amount allocated on a statewide average per ADM basis. The WDE indicates a budget request based upon the number of Hope scholarship recipients is indeterminable as the level of participation is unknown and dependent upon appropriations by the Legislature for the Program. The Legislature would consider the WDE's budget request to determine the necessary amount to be appropriated to the Hope scholarship fund.

Based on LSO's K-12 forecasting funding models, for FY 2024, the WDE's estimated budget request would be \$29.4 million based on 2 percent of school year 2022-2023 estimated ADM, 1,800 students, multiplied by an estimated per ADM funding level of \$16,320. For FY 2025, the estimated budget request would be \$30.0 million based on 2 percent of school year 2023-2024 estimated ADM, 1,800 students, multiplied by an estimated per ADM funding level of \$16,660.

The WDE indicates there are approximately 5,100 school aged Wyoming residents that are not currently enrolled in public schools. For FY 2024 and FY 2025, appropriations equal to approximately \$83.2 million and \$85.0 million, respectively, would be necessary if all of these residents were to partake in the Program. Additionally, if any current public education students counted among a Wyoming school district's ADM were to participate in the Program, the student may be funded simultaneously in the Program and the three-year ADM average if the school district's funding derived under the School Foundation Program uses the three-year ADM average.

The maximum amount transferred to a Hope scholarship account for one student during a year would be equal to the statewide average per ADM School Foundation Program amount from the preceding school year. Transfers would occur in equal installments not later than August 15 and January 15 of each fiscal year. Any funds remaining in a Hope scholarship account at the end of each fiscal year may be carried over to the next fiscal year upon renewal of the account. If there are insufficient funds in the Hope scholarship fund to award all scholarships, payments to Hope scholarship accounts shall be reduced on a first come first serve basis using a student's application date for the scholarship.

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 Treasurer's Office
Department of Education

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