

FISCAL NOTE

	FY 2027	FY 2028	FY 2029
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
HATHAWAY SCHOLARSHIP EXPENDITURE ACCOUNT	\$6,800,000	\$7,000,000	\$7,300,000
WYOMING WORKS STUDENT GRANT ACCOUNT	\$254,500	\$254,500	\$254,500

Source of expenditure increase:

This bill will result in expenditure increases from the Hathaway Scholarship Expenditure Account (Expenditure Account) beginning in FY 2027. The estimated expenditure increases in the form of scholarship awards from the Expenditure Account are \$6,800,000, \$7,000,000, and \$7,300,000 in FY 2027, FY 2028, and FY 2029, respectively.

This bill increases the scholarship awards from the Hathaway Scholarship Program (Program) beginning July 1, 2026, by increasing the awards by 40.5 percent: Hathway Provisional Opportunity Scholarship and Hathway Opportunity Scholarship increase from \$840 to \$1,180 per semester, Hathway Performance Scholarship increases from \$1,260 to \$1,770 per semester, and Hathway Honors Scholarship increases from \$1,680 to \$2,360 per semester. The maximum Hathaway Need Based Scholarship, for students other than Hathway Honors Scholarship awardees, increases from a maximum of \$1,575 to \$2,120 per year and a minimum of \$105 to \$150 per year. Program award amounts have been increased once since the Program began in FY 2007, a 5 percent increase in accordance with 2014 Wyoming Session Laws, Chapter 119, beginning FY 2015.

This bill results in a corresponding increase in the Wyoming Works' student grants under W.S. 21-18-404, which are set to the level of the Hathway Provisional Opportunity Scholarship or the Hathway Honors Scholarship if the credential program is in an economic sector determined by the Wyoming Community College Commission (WCCC) to fulfill a critical workforce need. The WCCC estimates expenditure increases from the Wyoming Works Student Grant Account of \$254,500 in FY 2027, FY 2028, and FY 2029.

The Expenditure Account is supplemented by the Hathway Student Scholarship Reserve Account (Reserve Account) when scholarship awards exceed the realized investment earnings from the Hathway Student Scholarship Endowment Fund (Endowment Fund) and subsequently deposited into the Expenditure Account. Based on the current realized investment earnings revenue forecast, the Reserve Account will supplement the Expenditure Account \$4,200,000, \$4,900,000, and \$5,700,000 in FY 2027, FY 2028, and FY 2029, respectively. The Reserve Account's balance was at the statutory maximum of \$54,877,377 at the end of FY 2025 (greater of \$47,000,000 or 8 percent of the 5-year average market value of the Endowment Fund), and there was a deposit to the Endowment Fund of \$24,602,316. Accounting for the anticipated expenditure increases from the Expenditure Account, the Reserve Account is estimated to decrease to \$36,900,000 at the end of FY 2029.

Assumptions:

Under the current Program's scholarship award amounts, expenditures are estimated at \$16,900,000, \$17,300,000, and \$18,000,000 in FY 2027, FY 2028, and FY 2029,

respectively. Total Program scholarship awards are estimated to increase to \$23,700,000, \$24,300,000, and \$25,300,000 in FY 2027, FY 2028, and FY 2029, respectively. There may also be an indeterminable expenditure increase from increased utilization of the Program as a result of the increased scholarship awards.

Forecast revenues from the Endowment Fund deposited into the Expenditure Account assume the interest and dividends forecast by the State Treasurer's Office in the Consensus Revenue Estimating Group's (CREG) October 2025 Revenue Forecast. While CREG does not forecast realized capital gains or losses, actual realized investment earnings, including capital gains, from the Endowment Fund deposited into the Expenditure Account have not met actual Program scholarship awards in only three years since the Program began in FY 2007. The remaining years, actual realized investment earnings, including capital gains, have exceeded Program scholarship awards from the Expenditure Account. From FY 2007 to 2025, actual realized investment earnings, including capital gains, from the Endowment Fund averaged \$25,000,000 per year.

The WCCC assumes expenditure increases from the Wyoming Works Student Grant Account of \$254,500 per year based on current awards until the balance of the Wyoming Works Student Grant Account is fully expended. The Wyoming Works Student Grant Account has a current balance of \$1,570,700.

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