

FISCAL NOTE

This bill contains a transfer of \$1,000 from the GENERAL FUND to the WYOMING'S TOMORROW SCHOLARSHIP ENDOWMENT FUND created by this bill.

Source of revenue and expenditure increase:

This bill creates a new endowment fund, the Wyoming's Tomorrow Scholarship Endowment Fund (Endowment Fund) and transfers \$1,000 from the General Fund to the Endowment Fund. The annual investment earnings are deposited within the Endowment Fund until the market value of the Endowment Fund reaches \$50 million. Once the market value of the Endowment Fund reaches \$50 million, annual investment earnings are deposited within the Wyoming's Tomorrow Scholarship Expenditure Account (Expenditure Account), created by this bill. Funds within the Expenditure Account will be used to pay for Wyoming's tomorrow scholarships. The maximum balance of the Expenditure Account is limited to 9 percent of the previous five-year average market value of the Endowment Fund.

Assumptions:

The State Treasurer's Office assumes the Endowment Fund would be invested similarly to other permanent funds and projects yields in FY 2023 to be 2.45 percent, FY 2024 to be 2.57 percent, and FY 2025 to be 2.64 percent for permanent funds. Yield is defined as the interest and dividend income from the investment.

This bill provides for Wyoming's tomorrow scholarships, totaling a maximum of \$7,200 for four full-time academic terms, to be awarded once the market value of the Endowment Fund has once exceeded \$50 million. The number of scholarships awarded under this program and the associated fiscal impacts to the University of Wyoming and community colleges are indeterminable. The first academic year scholarships are awarded, expenditures from the Expenditure Account are limited to 2.5 percent of the applicable fiscal year's average market value of the Endowment Fund. Each fiscal year thereafter, expenditures from the Expenditure Account are limited to 5 percent of the applicable fiscal year's average market value of the Endowment Fund.

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