

FISCAL NOTE

This bill contains three transfers from the General Fund on July 1, 2023, totaling \$95,000,000: 1) \$75,000,000 to the Wyoming's Tomorrow Scholarship Endowment Fund (Endowment Fund); 2) \$15,000,000 to the Wyoming Works Program Account; and 3) \$5,000,000 to the Wyoming Works Student Grant Account.

This bill appropriates \$5,000,000 from the General Fund to the Endowment Fund, conditioned upon a match of funds in the ratio of one dollar of appropriated General Funds to not less than one dollar of matching funds from any private or nonpublic funding source.

The \$75,000,000 transfer from the General Fund to the Endowment Fund, when combined with the \$10,000,000 transfer from the Legislative Stabilization Reserve Account (LSRA) to the Endowment Fund pursuant to 2022 Wyoming Session Laws, Chapter 52, Section 4, will provide for a total transfer of \$85,000,000 to the Endowment Fund.

In accordance with W.S. 21-16-1902(b), Wyoming's tomorrow scholarships awarded from the Wyoming's Tomorrow Expenditure Account for the first academic year shall not exceed 2.5 percent of the applicable fiscal year's average market value of the Endowment Fund and 5 percent each academic year thereafter.

	FY 2024	FY 2025	FY 2026
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
WYOMING'S TOMORROW EXPENDITURE ACCOUNT		\$2,125,000	\$4,250,000
WYOMING WORKS PROGRAM ACCOUNT	\$4,000,000	\$4,000,000	\$4,000,000

Source of expenditure increases:

The Wyoming Community College Commission (Commission) anticipates an expenditure increase from the Wyoming's Tomorrow Expenditure Account of \$2,125,000 in FY 2025 and \$4,250,000 in FY 2026, in the form of Wyoming's tomorrow scholarships awarded to eligible students. Each scholarship awarded shall not exceed \$1,800 per academic term or \$7,200 for a total of four academic terms pursuant to W.S. 21-16-1904. If \$2,125,000 is awarded in the first academic year, 590 Wyoming's tomorrow scholarships could be awarded if each award provided the maximum amount for each academic term (\$3,600 for two academic terms). If \$4,250,000 is awarded in the second academic year, 1,180 Wyoming's tomorrow scholarships could be awarded if each award provided the maximum amount for each academic term (\$3,600 for two academic terms).

The Commission anticipates an expenditure increase from the Wyoming Works Program Account of \$4,000,000 in FY 2024, FY 2025, and FY 2026, in the form of grant awards under the Wyoming Works Program as a result of the \$15,000,000 transfer to the account. The Commission indicates the Wyoming Works Program Account provides program development and equipment funding for colleges to develop industry and economic development needed programs for students to obtain specific or specialized training and credentials.

The Commission indicates an indeterminable expenditure increase from the Wyoming Works Student Grant Account in FY 2025 and FY 2026, in the form of student grants.

The Commission anticipates that students would start to receive grants in FY 2025 from the \$5,000,000 transfer after prior state and federal appropriations for this purpose are exhausted.

Assumptions:

The following assumptions should be noted: 1) the average market value of the Endowment Fund shall be calculated on the first business day of the fiscal year in accordance with W.S. 21-16-1902(c), as amended by this bill; 2) the State Auditor will transfer \$75,000,000 from the General Fund and \$10,000,000 from the LSRA to the Endowment Fund on July 1, 2023, and the average market value on the first day of the fiscal year is \$85,000,000; 3) the Commission does not anticipate the \$5,000,000 appropriation from the General Fund to the Endowment Fund for matching purposes to be expended during the forecast period; and 4) the first academic year scholarships will be awarded is 2024-2025 or FY 2025. The Commission indicates that expenditures may fluctuate due to actual Wyoming's tomorrow scholarships awarded and utilized.

The State Treasurer's Office assumes over the forecast period that the Endowment Fund: 1) would be invested similarly to other permanent funds; 2) remain at \$85,000,000 in market value; and 3) have an annual yield return of \$3,200,000 to be deposited within the Wyoming's Tomorrow Expenditure Account. The State Treasurer's Office projects yields in FY 2024 through FY 2026 to be around 3.74 percent for permanent funds. Yield is defined as the interest and dividend income from the investment. Over the long term, total return for permanent funds is expected to be 5.0 percent. This is in accordance with the State's Investment Policy. Total return is defined as growth in the value of the investment, including both yield and realized & unrealized gains.

For purposes of the Wyoming Works Program, Commission rules allow community colleges to submit program development applications to compete for periodic grants from the Commission. The Commission anticipates awarding \$1 million at each quarterly meeting based on applications received and reviewed during FY 2024 through FY 2026. The award of student grants would be dependent upon the number of students enrolled in approved programs.

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