

FISCAL NOTE

	FY 2025	FY 2026	FY 2027
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
HATHAWAY SCHOLARSHIP EXPENDITURE ACCOUNT	\$592,000	\$592,000	\$592,000

Source of expenditure increase:

This bill increases the Hathaway Scholarship Program award amounts by 5 percent, resulting in an expenditure increase in the form of scholarship awards from the Hathaway Scholarship Expenditure Account. The Department of Education anticipates an annual increase of \$592,000 in scholarship awards.

Assumptions:

The Department of Education forecasts a \$592,000 annual expenditure increase, using fiscal year (FY) 2023, Hathaway Scholarship Awards (Honors, Performance, Opportunity, and Provisional Opportunity). It is assumed all students, currently and prospectively, would receive the new scholarship level award amounts.

This estimate does not include any potential changes in student behavior such as more students qualifying or accepting the Hathaway Scholarship, changes in the percentage of students receiving different scholarship levels, or any changes in scholarship retention rates. Any changes to these variables would affect the total number of students receiving Hathaway Scholarships and thus the future expenditures.

The previous five years, the Hathaway Scholarship Expenditure Account has awarded an average annual amount of \$17,100,000, and has received average annual investment income of \$22,600,000, including realized capital gains. The State Treasurer's Office, as of October 2023, projects investment income of \$23,300,000, \$23,900,000, and \$24,000,000 for FY 2025, FY 2026, and FY 2027, respectively. The projected investment income does not include realized capital gains or losses. Based on current revenue and expenditure projections, it is assumed the Hathaway Scholarship Expenditure Account is expected to receive sufficient investment income to cover the anticipated expenditure increase from this bill.

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