

**FISCAL NOTE**

This bill creates the Education Savings Account Program (ESA Program) and is administered by the State Treasurer's Office, beginning school year 2025-2026 (state fiscal year (FY) 2026).

This bill contains an appropriation of \$30,000,000 from the General Fund, effective immediately, to the Wyoming Freedom Scholarship Program Account, which is created by this bill. The Wyoming Freedom Scholarship Program Account consists of funds appropriated by the Legislature, transferred to the account, and investment earnings on the account.

	FY 2025	FY 2026	FY 2027
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue Increase/(decrease)			
WYOMING FREEDOM SCHOLARSHIP PROGRAM ACCOUNT	\$22,195,800	\$44,391,600	\$44,391,600
SCHOOL FOUNDATION PROGRAM ACCOUNT	(\$22,195,800)	(\$44,391,600)	(\$44,391,600)

Source of revenue increase and (decrease):

This bill, beginning January 1, 2025, redirects 47.2 percent of federal mineral royalties (FMRs) that would be distributed to the School Foundation Program Account, under the \$200,000,000 distribution cap, to the Wyoming Freedom Scholarship Program Account. The redirection of FMRs results in an estimated revenue decrease of \$22,195,800 in FY 2025, \$44,391,600 in FY 2026, and \$44,391,600 in FY 2027 to the School Foundation Program Account and corresponding revenue increase to the Wyoming Freedom Scholarship Program Account. The estimated revenue increase and decrease utilize the October 2023 Consensus Revenue Estimating Group's forecast for FMRs.

Source of expenditure increase:

The fiscal impact, in the form of an expenditure increase from the Wyoming Freedom Scholarship Program Account, is indeterminable. The ESA Program authorizes any school-aged Wyoming resident to receive \$6,000 each year, adjusted annually by the State Treasurer for costs of inflation using the consumer price index, to pursue an education with an education service provider. The funds are disbursed quarterly to each eligible student's education savings account.

There are approximately 6,500 school-aged Wyoming residents not currently enrolled in public schools and if all of these residents were to partake in the ESA Program, it would cost approximately \$39,000,000 annually, not adjusted for costs of inflation as measured by the consumer price index. If the number of ESA Program applications exceeds the amount available from the Wyoming Freedom Scholarship Program Account for a school year, the students will be selected on a first come, first served basis, except enrollment preference will be given to students previously using an education savings account or a sibling of an eligible student.

The State Treasurer may withhold from deposits or deduct from education savings accounts, up to 5 percent annually in the first two years of the ESA Program and up to 3 percent annually thereafter, for costs of administering the ESA Program.

If at the end of a fiscal year the State Treasurer determines the amount in the Wyoming Freedom Scholarship Program Account is more than \$30,000,000 and is more than 150 percent of the amount required to fund all approved education savings account awards for that fiscal year, the excess amount shall be transferred to the School Foundation Program Account. Any transfer under this requirement is indeterminable due to unknown utilization of the ESA Program.

**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

Prepared by: Matthew Willmarth, LSO Phone: 777-7881  
(Information provided by Dawn Williams and Matt Sackett, State Treasurer's Office, 777-7408)