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STATE OF NEVADA
OFFICE OF THE STATE TREASURER

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RE: Future of Gov. Guinn Millennium Scholarship

Although the Gov. Guinn Millennium Scholarship Program (GGMS) has served more than 59,000 Nevada high school graduates since its inception, it has an uncertain fate as we enter Fiscal Year 2011, which begins on July 1, 2010 and concludes on June 30, 2011.

Unfortunately, decisions necessitated by the severe budget crisis facing the state forced the Legislature to cancel the transfer of \$7.6 million from Nevada's Unclaimed Property Fund to the GGMS in fiscal years 2009, 2010, and 2011, as well as take an additional \$5 million from the GGMS Trust Fund in Fiscal Year 2009 and another \$5 million is scheduled to be drained from the GGMS Trust Fund in Fiscal Year 2011. This nearly \$33 million dollar loss of funding has placed the GGMS Program in jeopardy as of the second semester of the coming Nevada System of Higher Education (NSHE) school year.

Funding for the GGMS comes from the Program's percentage of the Tobacco Master Settlement Agreement (MSA) proceeds and from the Unclaimed Property Fund. Currently, there are no General Fund dollars available to make the GGMS whole past the fall 2010 semester.

However, the State Treasurer's Office continues to develop scenarios to present to the Legislature in hopes of finding sufficient funding to make it through the entire 2010-2011 NSHE school year (September 2010 through May 2011). Some of those ideas will be presented to the Legislature the first week of May.

Ultimately, the Legislature must make the very tough financial decisions of how dwindling state revenues will be spent. The goal of the Treasurer's Office in this process is to work to develop ways to extend the GGMS Program into 2011 so that during the 76th Legislative Session, which begins in February 2011, elected members of that body can decide if future funding will be available.

Our current yearly payout to the Nevada System of Higher Education for millennium scholars is approximately \$25 million per fiscal year. According to our analysis, due to the impact of these budget decisions and the recent lower-than-projected revenues the state received as its share of the Tobacco MSA, the GGMS Fund will have a negative balance of about \$4.6 million by the end of Fiscal Year 2011.

The Executive Director of the GGMS will soon be sending letter to qualified millennium scholars informing them of the status of the Program. Our hope is that we will be able to find a workable solution by teaming up with the Legislature and NSHE so the GGMS will be available at least through Fiscal Year 2011.

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Unclaimed Property
Upromise College Fund 529 Plan

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