

SENATE FILE NO. SF0122

Higher education endowments account.

Sponsored by: Senator(s) Scott, Barrasso, Boggs, Coe,
Larson, Massie and Vasey and
Representative(s) Hammons, Harshman,
Illoway, Jorgensen, Luthi, Reese and
Wasserburger

A BILL

for

1 AN ACT relating to higher education endowments;
2 establishing the excellence in higher education endowment
3 account and the student scholarship endowment account;
4 providing distributions from the accounts to the University
5 of Wyoming and Wyoming community colleges; restricting
6 expenditures to faculty recruitment and retention, to
7 scholarships for low income students and to other specified
8 educational needs; providing for notice of possible future
9 legislative restrictions on scholarships as specified;
10 imposing reporting requirements; directing the joint
11 appropriations interim committee to determine higher
12 education accomplishments; providing for a committee to
13 study and prepare a plan of implementation as specified;
14 providing an appropriation; and providing for an effective
15 date.

1

2 *Be It Enacted by the Legislature of the State of Wyoming:*

3

4 **Section 1.** W.S. 21-16-1201 through 21-16-1206 are
5 created to read:

6

7

ARTICLE 12

8

HIGHER EDUCATION ENDOWMENT ACCOUNTS

9

10 **21-16-1201. Excellence in higher education endowment**
11 **account; student scholarship endowment account;**
12 **distributions by state treasurer; legislative restrictions.**

13

14 (a) The excellence in higher education endowment
15 account is created within the earmarked revenue fund to
16 consist of funds appropriated or designated to the account
17 by law, or by gift from whatever source, for distribution
18 in accordance with this article.

19

20 (b) In addition to the account established under
21 subsection (a) of this section, the student scholarship
22 endowment account is established within the earmarked
23 revenue fund to consist of funds appropriated or designated

1 to this account by law, or by gift from whatever source,
2 for distribution in accordance with this article.

3

4 (c) Upon receipt of legislative appropriations to an
5 account or as soon thereafter as is reasonably appropriate,
6 the state treasurer shall distribute amounts within the
7 excellence in higher education endowment account and the
8 student scholarship endowment account as follows:

9

10 (i) Two-thirds (2/3) of the amount within each
11 account to the University of Wyoming;

12

13 (ii) The remaining one-third (1/3) of the amount
14 within the excellence in higher education endowment account
15 equally to each Wyoming community college; and

16

17 (iii) The remaining one-third (1/3) of the
18 amount within the student scholarship endowment account to
19 the Wyoming community college commission, to be distributed
20 to each Wyoming community college in accordance with this
21 article.

22

23 (d) The legislature reserves the right to provide by
24 law that the earnings from any scholarship endowments

1 created by this article and any subsequent deposits in
2 these accounts mandated by law or appropriation shall be
3 used to support any scholarship program created by law
4 including but not limited to need based programs and the
5 Taylor plan or other universal scholarship programs. This
6 reservation shall be explicitly included in any
7 transmission of funds to university or community college
8 foundations for endowments pursuant to this article.

9

10 **21-16-1202. Excellence in higher education endowment**
11 **account distributions to University of Wyoming.**

12

13 (a) The University of Wyoming shall upon receipt of
14 distributions from the excellence in higher education
15 endowment account under W.S. 21-16-1201(b)(i), immediately
16 transfer this amount to the university foundation to be
17 permanently invested on behalf of the university. The
18 university shall enter into a new agreement or modify its
19 existing agreement with the University of Wyoming
20 foundation under which the foundation shall manage the
21 funds it receives under this subsection in the same manner
22 as other permanent endowment funds managed by the
23 University of Wyoming foundation. The agreement shall be a
24 contract which shall provide that the principal shall not

1 be withdrawn from the endowment. Only the earnings from
2 the investment of these funds may be expended in accordance
3 with this section.

4

5 (b) The university shall use the earnings from the
6 investment of funds made available through distributions
7 from the excellence in higher education endowment account
8 under this section to establish endowed faculty positions
9 and to acquire instructional and resource materials,
10 classroom equipment and other resources necessary to
11 support the work of endowed faculty. The following shall
12 govern the university in the use of these funds:

13

14 (i) Recruitment or retention of faculty with
15 established reputations for excellence in research or
16 instruction and whose presence enhances the educational
17 quality and reputation of the university. As the primary
18 mission of the university is the provision of quality
19 undergraduate and graduate education, faculty selected for
20 research abilities shall also instruct classes in
21 accordance with established university policy;

22

23 (ii) Use of not less than two-thirds (2/3) of
24 the amounts made available through the investment of

1 distributions from the excellence in higher education
2 endowment account for the recruitment and retention of
3 faculty possessing abilities necessary to expand university
4 instruction and research in disciplines related to economic
5 and social challenges facing Wyoming, including but not
6 limited to energy, natural resources, wildlife, science,
7 earth sciences, health sciences, agriculture and
8 engineering. The purpose of this paragraph is to provide
9 university assistance to the state of Wyoming and its
10 residents to the broadest extent possible, through the
11 diversification of its economy, preservation of its natural
12 and human resources and the enhancement of its quality of
13 life;

14

15 (iii) Use of the remaining amounts made
16 available through the investment of distributions from the
17 endowment account for the recruitment and retention of
18 faculty with established reputations in teaching and
19 research excellence in other areas of distinction as
20 identified in the university academic plan, including
21 disciplines important to the state and region and its
22 history and culture such as education, business, arts and
23 humanities, mathematics, cultural studies, economics and
24 law. The purpose of this paragraph is to enhance

1 undergraduate and graduate instruction, to prepare students
2 to become productive and contributing members of society
3 and to promote a comprehensive appreciation of quality of
4 life.

5

6 (c) Nothing in this section shall prevent the
7 university from collaborating with community colleges on
8 the use of amounts distributed from the excellence in
9 higher education endowment account pursuant to this
10 section.

11

12 **21-16-1203. Student scholarship endowment account to**
13 **University of Wyoming.**

14

15 (a) The University of Wyoming shall upon receipt of
16 distributions from the student scholarship endowment
17 account under W.S. 21-16-1201(b)(i), immediately transfer
18 this amount to the university foundation to be permanently
19 invested on behalf of the university. The university shall
20 enter into a new agreement or modify its existing agreement
21 with the University of Wyoming foundation under which the
22 foundation shall manage the funds it receives under this
23 subsection in the same manner as other permanent endowment
24 funds managed by the University of Wyoming foundation.

1 Only the earnings from the investment of these funds may be
2 expended in accordance with this section.

3

4 (b) The university shall use the earnings from the
5 investment of funds made available through distributions
6 from the student scholarship endowment account under this
7 section to establish financial assistance for low income
8 students attending the University of Wyoming who are
9 residents of this state or graduates from a Wyoming high
10 school and who have been approved to receive a subsidized
11 loan guaranteed by the federal government for an unmet
12 financial need. In addition, the university shall impose
13 scholastic requirements upon scholarship recipients, shall
14 limit scholarship assistance under this section to not more
15 than the student's federally subsidized loan amount and
16 shall by rule and regulation establish processes and
17 procedures for application, approval and monitoring of
18 scholarships provided under this section.

19

20 (c) Nothing in this section shall prevent the
21 university from collaborating with the community college
22 commission and the community colleges on student assistance
23 expenditures from the student scholarship endowment account
24 as authorized under this section.

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**21-16-1204. Excellence in higher education endowment
account distributions to Wyoming community colleges.**

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4

(a) Upon receipt of amounts distributed from the
excellence in higher education endowment account under W.S.
21-16-1201(b)(ii), each Wyoming community college shall
immediately transfer this distributed amount to its
foundation to be permanently invested on behalf of the
community college. Each community college shall enter into
an agreement with its foundation under which the foundation
shall manage the funds it receives under this subsection in
the same manner as other permanent endowment funds it
manages on behalf of the community college. Only the
earnings from the investment of these funds may be
expended.

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(b) Each community college shall use the earnings
made available through the investment of distributions from
the endowment account as provided by this section to
establish endowed faculty and staff positions and to
acquire instructional and resource materials, classroom
equipment and other resources necessary to support the work

1 of the endowed faculty and staff. The following shall
2 govern each community college in the use of these funds:

3

4 (i) Recruitment or retention of faculty and
5 staff, either permanent or temporary, possessing special
6 skills or demonstrated excellence improving the quality of
7 educational and outreach instruction;

8

9 (ii) Use of not less than two-thirds (2/3) of
10 amounts made available through the investment of
11 distributions from the endowment account for the
12 recruitment and retention of faculty and staff with
13 abilities necessary to establish or expand vocational
14 programs and program quality benefiting communities,
15 businesses and industries within respective service areas.
16 The purpose of this paragraph is to enhance the ability of
17 community colleges to prepare students for a lifetime of
18 higher wages and expanded job opportunities, to provide
19 local and regional businesses and industries with an
20 improved, better trained and better educated workforce and
21 to increase the economic stability of proximate communities
22 and the entire state;

23

1 (iii) Use of remaining amounts made available
2 through the investment of distributions from the endowment
3 account for the recruitment and retention of faculty and
4 staff with established reputations in academic areas
5 offered by each individual community college. The purpose
6 of this paragraph is to improve the ability of colleges to
7 better prepare students to pursue bachelor and graduate
8 degrees at the University of Wyoming or other four (4) year
9 institutions and offer additional courses of outreach
10 instruction to high school and adult populations within
11 their service areas.

12

13 (c) Nothing in this section shall prevent the
14 community colleges from collaborating with the University
15 of Wyoming on the use of amounts distributed from the
16 excellence in higher education endowment account pursuant
17 to this section.

18

19 **21-16-1205. Student scholarship endowment account**
20 **distributions to the Wyoming community college commission;**
21 **distributions to colleges.**

22

23 (a) Upon receipt of amounts distributed from the
24 student scholarship endowment account under W.S.

1 21-16-1201(b)(iii), the Wyoming community college
2 commission shall by procedures established by rule and
3 regulation, distribute amounts to each Wyoming community
4 college proportionately based upon low income student
5 enrollment.

6
7 (b) Upon receipt of amounts distributed under
8 subsection (a) of this section, each Wyoming community
9 college shall immediately transfer this distributed amount
10 to its foundation to be permanently invested on behalf of
11 the community college. Each community college shall enter
12 into an agreement with its foundation under which the
13 foundation shall manage the funds it receives under this
14 section in the same manner as other permanent endowment
15 funds it manages on behalf of the community college. Only
16 the earnings from the investment of these funds may be
17 expended.

18
19 (c) Each community college shall use the earnings
20 from the investment of funds made available through
21 distributions from the student scholarship endowment
22 account under this section to establish financial
23 assistance for low income students attending the community
24 college who are residents of this state or graduates from a

1 Wyoming high school and who have been approved to receive a
2 subsidized loan guaranteed by the federal government for an
3 unmet financial need. In addition, each college shall
4 impose scholastic requirements upon scholarship recipients
5 and shall limit scholarship assistance under this section
6 to not more than the student's federally subsidized loan
7 amount in accordance with guidelines established by rule
8 and regulation of the Wyoming community college commission.
9 The commission shall also by rule establish processes and
10 procedures for application, approval and monitoring of
11 scholarships awarded by colleges under this section.

12

13 (d) Nothing in this section shall prevent the
14 community college commission or any community college from
15 collaborating with the University of Wyoming on student
16 assistance expenditures from the student scholarship
17 endowment account as authorized under this section.

18

19 **21-16-1206. Biennial reports; review by joint**
20 **appropriations interim committee.**

21

22 (a) Not later than October 1, 2006, and October 1 of
23 each even-numbered year thereafter, the University of
24 Wyoming and each Wyoming community college shall report to

1 the joint appropriations interim committee of the
2 legislature and to the governor on the use and expenditure
3 of earnings on the investment of distributions from the
4 excellence in higher education endowment account pursuant
5 to this article, including the following:

6

7 (i) Faculty and staff positions partially or
8 fully funded through the endowment program;

9

10 (ii) The name of each faculty or staff member
11 filling a position identified under paragraph (i) of this
12 subsection, together with that individual's education and
13 experience and a summary of his research and instructional
14 activities during the preceding two (2) academic years;

15

16 (iii) A description of the benefits of the
17 research or instruction provided by the individual filling
18 a position identified under paragraph (i) of this
19 subsection during the preceding two (2) academic years, to
20 students, businesses, industries or to other Wyoming
21 residents as required under this article.

22

23 (b) In addition to subsection (a) of this section,
24 and not later than October 1, 2006, and October 1 of each

1 even-numbered year thereafter, the University of Wyoming
2 and each Wyoming community college through the Wyoming
3 community college commission shall report to the joint
4 appropriations interim committee of the legislature and to
5 the governor on the use and expenditure of earnings on the
6 investment of distributions from the student scholarship
7 endowment account pursuant to this article, including funds
8 received, distributions by the commission to each college,
9 assistance provided to students, program eligibility
10 requirements and criteria, program administration and
11 program results.

12

13 (c) Upon receipt of reports by the University of
14 Wyoming, the Wyoming community college commission and each
15 Wyoming community college on the use and expenditure of
16 earnings as required under subsections (a) and (b) of this
17 section, the joint appropriations interim committee shall
18 report to members of the Wyoming legislature and the
19 governor on the progress made by the university and
20 community colleges in achieving the purposes stated under
21 this article for distributions from the excellence in
22 higher education endowment account and the student
23 scholarship endowment account, and shall recommend any
24 necessary changes to the higher education and student

1 scholarship endowment programs to accomplish these
2 purposes. The report required under this subsection shall
3 be made in sufficient time to enable consideration by the
4 legislature at the general session immediately following
5 the receipt of reports submitted pursuant to subsection (a)
6 of this section.

7
8 **Section 2.** Prior to any expenditure from the
9 excellence in higher education endowment account
10 established under W.S. 21-16-1201(a), a committee
11 consisting of three (3) University of Wyoming trustees
12 appointed by the president of the board of trustees, one
13 (1) member of the community college commission appointed by
14 the chairman of the commission, one (1) Wyoming community
15 college trustee appointed by the president of the Wyoming
16 association of community college trustees and four (4)
17 business and industry leaders appointed by the governor
18 shall present a plan for the implementation of the
19 endowment that enhances the purposes of this act and
20 furthers the needs of the Wyoming economic, social and
21 educational infrastructure. The plan shall be presented to
22 the joint appropriations interim committee not later than
23 October 1, 2005. Support and consultation for the

1 committee shall be provided by the university and the
2 community college commission.

3

4 **Section 3.** For the budget period ending June 30,
5 2006, after the effective date of this act and prior to
6 making any deposits in the school foundation program
7 account pursuant to W.S. 9-4-601(a)(ii), the state
8 treasurer shall deposit one hundred five million dollars
9 (\$105,000,000.00) into the excellence in higher education
10 endowment account established under W.S. 21-16-1201(a), as
11 created under section 1 of this act, in three (3) deposits
12 of thirty-five million dollars (\$35,000,000.00) each on
13 October 1, 2005, April 1, 2006 and June 30, 2006.

14

15 **Section 4.** Not later than December 1, 2005, the
16 University of Wyoming, the Wyoming community college
17 commission and each Wyoming community college shall report
18 to the joint appropriations interim committee of the
19 legislature and to the governor on the investment of
20 distributions from the excellence in higher education and
21 student scholarship endowment accounts received as of this
22 date. The report shall also provide a description of
23 proposed expenditures of investment earnings. The first
24 report provided by the university and community colleges

1 pursuant to W.S. 21-16-1206(a), as created by section 1 of
2 this act, shall be for the period commencing on the
3 effective date of this act and ending on September 1, 2006,
4 and the first report provided by the university, commission
5 and community colleges pursuant to W.S. 21-16-1206(b), as
6 created by section 1 of this act, shall be for the period
7 commencing July 1, 2005, and ending on September 1, 2006.

8

9 **Section 5.** This act is effective immediately upon
10 completion of all acts necessary for a bill to become law
11 as provided by Article 4, Section 8 of the Wyoming
12 Constitution.

13

14

(END)