

Substitute No. 1

HOUSE BILL NO. HB0055

Spending policy amendments-2.

Sponsored by: Select Committee on Capital Financing & Investments

A BILL

for

1 AN ACT relating to public funds; amending the spending
 2 policy rates for the permanent Wyoming mineral trust fund,
 3 the common school account within the permanent land fund
 4 and the excellence in higher education endowment fund;
 5 amending the percentage of funds in the permanent Wyoming
 6 mineral trust fund reserve account, the common school
 7 permanent fund reserve account, and the excellence in
 8 higher education endowment reserve account transferred
 9 respectively to the permanent Wyoming mineral trust fund
 10 and common school permanent fund annually; and providing
 11 for an effective date.

12

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

14

1 **Section 1.** W.S. 9-4-719(b), (d) by creating a new
2 paragraph (vi), (f), (k), (n), (o), (r)(intro), (i) and by
3 creating a new paragraph (iii) and 21-16-1201(c)(intro) are
4 amended to read:

5

6 **9-4-719. Investment earnings spending policy**
7 **permanent funds.**

8

9 (b) There is created the permanent Wyoming mineral
10 trust fund reserve account. Beginning July 1, 2016 for
11 fiscal year 2017 and each fiscal year thereafter, the state
12 treasurer shall transfer unobligated funds from this
13 account to the general fund as necessary to ensure that an
14 amount equal to two and one-half percent (2.5%) of the
15 previous five (5) year average market value of the
16 permanent Wyoming mineral trust fund, calculated on the
17 first day of the fiscal year, is available for expenditure
18 annually during each fiscal year. As soon as possible after
19 the end of each of the fiscal years beginning on ~~and after~~
20 July 1, ~~2000-2017~~, revenues in this account in excess of
21 ~~ninety percent (90%)~~ one hundred fifty percent (150%) of
22 the spending policy amount in subsection (d) of this

1 section shall be credited to the permanent Wyoming mineral
2 trust fund.

3
4 (d) The annual spending policy for the permanent
5 Wyoming mineral trust fund is as follows for each fiscal
6 year (FY):

7
8 (vi) FY 2018 and each fiscal year
9 thereafter - an amount equal to four and three-quarters
10 percent (4.75%) of the previous five (5) year average
11 market value of the trust fund, calculated from the first
12 day of the fiscal year.

13
14 (f) There is created the common school permanent fund
15 reserve account. Beginning July 1, 2015 for fiscal year
16 2016 and each fiscal year thereafter, the state treasurer
17 shall transfer unobligated funds from this account to the
18 common school account within the permanent land income fund
19 as necessary to ensure that an amount equal to ~~two and~~
20 ~~one-half percent (2.5%)~~ five percent (5.0%) of the previous
21 five (5) year average market value of the common school
22 account within the permanent land fund, calculated from the
23 first day of the fiscal year is available for expenditure

1 annually during the fiscal year. As soon as possible after
2 the end of each of the fiscal years beginning on ~~and after~~
3 July 1, ~~2000~~2017, revenues in this account in excess of
4 ~~ninety percent (90%)~~one hundred fifty percent (150%) of
5 the spending policy amount shall be credited to the common
6 school account within the permanent land fund.

7

8 (k) There is created the excellence in higher
9 education endowment reserve account. Interest and other
10 earnings on funds within the account shall be credited to
11 the account. As soon as possible after the end of each of
12 the fiscal years beginning on and after July 1, 2006,
13 revenues in this account in excess of ~~seventy five percent~~
14 ~~(75%)~~one hundred fifty percent (150%) of the spending
15 policy amount in subsection (o) of this section shall be
16 credited to the excellence in higher education endowment
17 fund created by W.S. 9-4-204(u) (vi).

18

19 (n) To the extent the spending policy amount
20 established in subsection (o) of this section exceeds
21 earnings from the excellence in higher education endowment
22 fund for the prior fiscal year, the state treasurer shall
23 distribute from the excellence in higher education reserve

1 account an amount equal to one-half (1/2) the difference,
2 and such amounts are continuously appropriated from the
3 reserve account for that purpose. Any funds distributed
4 pursuant to this subsection shall be distributed no later
5 than ninety (90) days after the end of the fiscal year and
6 shall be distributed and expended as provided in W.S.
7 21-16-1201 through 21-16-1203 for earnings from the
8 excellence in higher education endowment fund. The state
9 treasurer in consultation with the University of Wyoming
10 and community college commission, shall report to the
11 governor, joint appropriations interim committee, joint
12 education interim committee and select committee on capital
13 financing and investments no later than November 1, of any
14 year in which funds have been or are anticipated to be
15 distributed from the reserve account under this subsection.

16

17 (o) The annual spending policy amount for the
18 excellence in higher education endowment ~~fund shall be is~~
19 as follows for each fiscal year (FY):

20

21 (i) FY 2018 and each fiscal year thereafter - an
22 amount equal to ~~five percent (5%)~~ four and three-quarters
23 percent (4.75%) of the previous five (5) year average

1 market value of the excellence in higher education
2 endowment fund, as calculated from the first day of the
3 fiscal year. ~~For the fiscal years 2007 through 2010, the~~
4 ~~state treasurer shall calculate the annual spending policy~~
5 ~~by using the average market value of the fund in each of~~
6 ~~those fiscal years, calculated from the first day of the~~
7 ~~fiscal year.~~

8
9 (r) Beginning July 1, 2015 for fiscal year 2016 and
10 ~~each~~ beginning July 1, 2016 for fiscal year ~~thereafter~~
11 2017, there is appropriated to the school foundation
12 program reserve account created by W.S. 21-13-306.1 amounts
13 determined under this subsection not to exceed available
14 funds provided by W.S. 9-4-601(a)(xi) and (d)(viii). The
15 amount of the appropriation shall be calculated by the
16 state treasurer subject to the following:

17
18 (i) The amount shall be equal to the extent to
19 which earnings from the common school account within the
20 permanent land fund under W.S. 9-4-204(u)(iv) exceed three
21 percent (3%) of the previous five (5) year average market
22 value of the common school account within the permanent
23 land fund, calculated from the first day of the fiscal

1 year, and are less than or equal to the spending policy
2 amount in subsection (h) of this section for the fiscal
3 year; ~~and~~

4

5 (iii) This subsection is repealed July 1, 2018.

6

7 **21-16-1201. Excellence in higher education endowment**
8 **fund; Hathaway student scholarship endowment fund;**
9 **distributions by state treasurer; legislative restrictions.**

10

11 (c) The state treasurer shall place earnings from the
12 investment of monies in the excellence in higher education
13 endowment fund in an income account for subsequent
14 disbursement as provided in this subsection. Earnings for
15 any fiscal year which are in excess of the spending policy
16 amount established pursuant to W.S. 9-4-719(o) shall be
17 distributed as provided by W.S. 9-4-719(m). The
18 institutions receiving distributions of earnings within the
19 spending policy amount pursuant to this subsection shall
20 only expend ninety percent (90%) of the distribution in
21 fiscal years in which the spending policy amount specified
22 in W.S. 9-4-719(o) is reached or exceeded. In any fiscal
23 year in which the spending policy amount specified in W.S.

1 9-4-719(o) is not reached, the shortfall in distributions
2 an institution would have received if the spending policy
3 amount had been reached shall be made up in equal parts by
4 an authorization for the institution to expend funds saved
5 under this subsection when the spending policy amount is
6 reached or exceeded and an equal amount appropriated from
7 the excellence in higher education endowment reserve
8 account as provided in W.S. 9-4-719(n). Earnings within the
9 spending policy amount shall be distributed on a quarterly
10 basis as follows:

11

12 **Section 2.** This act is effective July 1, 2017.

13

14

(END)