

SENATE FILE NO. SF0122

Higher education endowments.

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; establishing an endowment for the
9 university energy institute matching program; specifying
10 purposes for energy endowment matching distributions by the
11 state treasurer; imposing reporting requirements; directing
12 the joint appropriations interim committee to determine
13 higher education accomplishments; providing appropriations;
14 and providing for an effective date.

15

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

2

3 **Section 1.** W.S. 21-16-1201 through 21-16-1206,
4 21-16-1301 and 21-16-1302 are created to read:

5

6 ARTICLE 12

7 HIGHER EDUCATION ENDOWMENT ACCOUNTS

8

9 **21-16-1201. Excellence in higher education endowment**
10 **account; student scholarship endowment account;**
11 **distributions by state treasurer.**

12

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

18

19 (b) In addition to the account established under
20 subsection (a) of this section, the student scholarship
21 endowment account is established within the earmarked
22 revenue fund to consist of funds appropriated or designated
23 to this account by law, or by gift from whatever source,
24 for distribution in accordance with this article.

1

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

7

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

10

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

14

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

20

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

23

1 (a) The University of Wyoming shall upon receipt of
2 distributions from the excellence in higher education
3 endowment account under W.S. 21-16-1201(b)(i), immediately
4 transfer this amount to the university foundation to be
5 permanently invested on behalf of the university. The
6 university shall enter into a new agreement or modify its
7 existing agreement with the University of Wyoming
8 foundation under which the foundation shall manage the
9 funds it receives under this subsection in the same manner
10 as other permanent endowment funds managed by the
11 University of Wyoming foundation. Only the earnings from
12 the investment of these funds may be expended in accordance
13 with this section.

14

15 (b) The university shall use the earnings from the
16 investment of funds made available through distributions
17 from the excellence in higher education endowment account
18 under this section to establish endowed faculty positions
19 and to acquire instructional and resource materials,
20 classroom equipment and other resources necessary to
21 support the work of endowed faculty. The following shall
22 govern the university in the use of these funds:

23

1 (i) Recruitment or retention of faculty with
2 established reputations for excellence in research or
3 instruction and whose presence enhances the educational
4 quality and reputation of the university. As the primary
5 mission of the university is the provision of quality
6 undergraduate and graduate education, faculty selected for
7 research abilities shall also instruct classes in
8 accordance with established university policy;

9
10 (ii) Use of not less than two-thirds (2/3) of
11 the amounts made available through the investment of
12 distributions from the excellence in higher education
13 endowment account for the recruitment and retention of
14 faculty possessing abilities necessary to expand university
15 instruction and research in disciplines related to economic
16 and social challenges facing Wyoming, including but not
17 limited to energy, natural resources, wildlife, science,
18 earth sciences, health sciences, agriculture and
19 engineering. The purpose of this paragraph is to provide
20 university assistance to the state of Wyoming and its
21 residents to the broadest extent possible, through the
22 diversification of its economy, preservation of its natural
23 and human resources and the enhancement of its quality of
24 life;

1

2 (iii) Use of the remaining amounts made
3 available through the investment of distributions from the
4 endowment account for the recruitment and retention of
5 faculty with established reputations in teaching or
6 research excellence in other areas of distinction as
7 identified in the university academic plan, including
8 disciplines important to the state and region and its
9 history and culture such as education, business, arts and
10 humanities, mathematics, cultural studies, economics and
11 law. The purpose of this paragraph is to enhance
12 undergraduate and graduate instruction, to prepare students
13 to become productive and contributing members of society
14 and to promote a comprehensive appreciation of quality of
15 life.

16

17 (c) Nothing in this section shall prevent the
18 university from collaborating with community colleges on
19 the use of amounts distributed from the excellence in
20 higher education endowment account pursuant to this
21 section.

22

23 **21-16-1203. Student scholarship endowment account to**
24 **University of Wyoming.**

1

2 (a) The University of Wyoming shall upon receipt of
3 distributions from the student scholarship endowment
4 account under W.S. 21-16-1201(b)(i), immediately transfer
5 this amount to the university foundation to be permanently
6 invested on behalf of the university. The university shall
7 enter into a new agreement or modify its existing agreement
8 with the University of Wyoming foundation under which the
9 foundation shall manage the funds it receives under this
10 subsection in the same manner as other permanent endowment
11 funds managed by the University of Wyoming foundation.
12 Only the earnings from the investment of these funds may be
13 expended in accordance with this section.

14

15 (b) The university shall use the earnings from the
16 investment of funds made available through distributions
17 from the student scholarship endowment account under this
18 section to establish financial assistance for low income
19 students attending the University of Wyoming who are
20 residents of this state or graduates from a Wyoming high
21 school and who have been approved to receive a subsidized
22 loan guaranteed by the federal government for an unmet
23 financial need. In addition, the university shall impose
24 scholastic requirements upon scholarship recipients, shall

1 limit scholarship assistance under this section to not more
2 than the student's federally subsidized loan amount and
3 shall by rule and regulation establish processes and
4 procedures for application, approval and monitoring of
5 scholarships provided under this section.

6
7 (c) Nothing in this section shall prevent the
8 university from collaborating with the community college
9 commission and the community colleges on student assistance
10 expenditures from the student scholarship endowment account
11 as authorized under this section.

12
13 **21-16-1204. Excellence in higher education endowment**
14 **account distributions to Wyoming community colleges.**

15
16 (a) Upon receipt of amounts distributed from the
17 excellence in higher education endowment account under W.S.
18 21-16-1201(b)(ii), each Wyoming community college shall
19 immediately transfer this distributed amount to its
20 foundation to be permanently invested on behalf of the
21 community college. Each community college shall enter into
22 an agreement with its foundation under which the foundation
23 shall manage the funds it receives under this subsection in
24 the same manner as other permanent endowment funds it

1 manages on behalf of the community college. Only the
2 earnings from the investment of these funds may be
3 expended.

4

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

13

14 (i) Recruitment or retention of faculty and
15 staff, either permanent or temporary, possessing special
16 skills or demonstrated excellence improving the quality of
17 educational and outreach instruction;

18

19 (ii) Use of not less than two-thirds (2/3) of
20 amounts made available through the investment of
21 distributions from the endowment account for the
22 recruitment and retention of faculty and staff with
23 abilities necessary to establish or expand vocational
24 programs and program quality benefiting communities,

1 businesses and industries within respective service areas.
2 The purpose of this paragraph is to enhance the ability of
3 community colleges to prepare students for a lifetime of
4 higher wages and expanded job opportunities, to provide
5 local and regional businesses and industries with an
6 improved, better trained and better educated workforce and
7 to increase the economic stability of proximate communities
8 and the entire state;

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

21
22 (c) Nothing in this section shall prevent the
23 community colleges from collaborating with the University
24 of Wyoming on the use of amounts distributed from the

1 excellence in higher education endowment account pursuant
2 to this section.

3

4 **21-16-1205. Student scholarship endowment account**
5 **distributions to the Wyoming community college commission;**
6 **distributions to colleges.**

7

8 (a) Upon receipt of amounts distributed from the
9 student scholarship endowment account under W.S.
10 21-16-1201(b)(iii), the Wyoming community college
11 commission shall by procedures established by rule and
12 regulation, distribute amounts to each Wyoming community
13 college proportionately based upon low income student
14 enrollment.

15

16 (b) Upon receipt of amounts distributed under
17 subsection (a) of this section, each Wyoming community
18 college shall immediately transfer this distributed amount
19 to its foundation to be permanently invested on behalf of
20 the community college. Each community college shall enter
21 into an agreement with its foundation under which the
22 foundation shall manage the funds it receives under this
23 section in the same manner as other permanent endowment
24 funds it manages on behalf of the community college. Only

1 the earnings from the investment of these funds may be
2 expended.

3

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

21

22 (d) Nothing in this section shall prevent the
23 community college commission or any community college from
24 collaborating with the University of Wyoming on student

1 assistance expenditures from the student scholarship
2 endowment account as authorized under this section.

3
4 **21-16-1206. Biennial reports; review by joint**
5 **appropriations interim committee.**

6
7 (a) Not later than October 1, 2006, and October 1 of
8 each even-numbered year thereafter, the University of
9 Wyoming and each Wyoming community college shall report to
10 the joint appropriations interim committee of the
11 legislature and to the governor on the use and expenditure
12 of earnings on the investment of distributions from the
13 excellence in higher education endowment account pursuant
14 to this article, including the following:

15
16 (i) Faculty and staff positions partially or
17 fully funded through the endowment program;

18
19 (ii) The name of each faculty or staff member
20 filling a position identified under paragraph (i) of this
21 subsection, together with that individual's education and
22 experience and a summary of his research and instructional
23 activities during the preceding two (2) academic years;

1 (iii) A description of the benefits of the
2 research or instruction provided by the individual filling
3 a position identified under paragraph (i) of this
4 subsection during the preceding two (2) academic years, to
5 students, businesses, industries or to other Wyoming
6 residents as required under this article.

7
8 (b) In addition to subsection (a) of this section,
9 and not later than October 1, 2006, and October 1 of each
10 even-numbered year thereafter, the University of Wyoming
11 and each Wyoming community college through the Wyoming
12 community college commission shall report to the joint
13 appropriations interim committee of the legislature and to
14 the governor on the use and expenditure of earnings on the
15 investment of distributions from the student scholarship
16 endowment account pursuant to this article, including funds
17 received, distributions by the commission to each college,
18 assistance provided to students, program eligibility
19 requirements and criteria, program administration and
20 program results.

21
22 (c) Upon receipt of reports by the University of
23 Wyoming, the Wyoming community college commission and each
24 Wyoming community college on the use and expenditure of

1 earnings as required under subsections (a) and (b) of this
2 section, the joint appropriations interim committee shall
3 report to members of the Wyoming legislature and the
4 governor on the progress made by the university and
5 community colleges in achieving the purposes stated under
6 this article for distributions from the excellence in
7 higher education endowment account and the student
8 scholarship endowment account, and shall recommend any
9 necessary changes to the higher education and student
10 scholarship endowment programs to accomplish these
11 purposes. The report required under this subsection shall
12 be made in sufficient time to enable consideration by the
13 legislature at the general session immediately following
14 the receipt of reports submitted pursuant to subsection (a)
15 of this section.

16

17 ARTICLE 13

18 UNIVERSITY OF WYOMING ENERGY INSTITUTE ENDOWMENT

19

20 **21-16-1301. Energy institute endowment account;**
21 **distributions by state treasurer.**

22

23 (a) The energy institute endowment account is created
24 within the earmarked revenue fund to consist of funds

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

4

5 (b) The state treasurer shall invest amounts
6 deposited within the account in accordance with law, and
7 all investment earnings shall be credited to the general
8 fund.

9

10 **21-16-1302. Energy endowment matching program; state**
11 **treasurer to administer account; matching payments;**
12 **conditions; annual reports; reversion of appropriations.**

13

14 (a) The state treasurer shall administer the
15 university energy endowment account matching program
16 established under this article. The following shall apply:

17

18 (i) "Qualifying contribution" as used in this
19 article means a transfer of funds to the University of
20 Wyoming foundation to be expended exclusively for the
21 university energy institute consistent with this article;

22

23 (ii) To the extent that funds are available in
24 the endowment account established under W.S. 21-16-1301,

1 the state treasurer shall match each qualifying
2 contribution actually received by the University of Wyoming
3 foundation by transferring from the endowment account to
4 the university an amount equal to three (3) times the
5 amount of the qualifying contribution. Qualifying
6 contributions made directly to the university shall be
7 considered qualifying contributions to the foundation for
8 purposes of this article. The university shall expend both
9 the qualifying contributions and the matching funds solely
10 for the cost of the energy institute and the provision of
11 applied and basic research designed to enhance energy
12 production within Wyoming, and for the cost of
13 reestablishing a petroleum engineering program consistent
14 with the university academic plan;

15

16 (iii) To the extent funds are available within
17 the endowment account, the state treasurer shall make
18 transfers to the university under this section not later
19 than the end of the calendar quarter following the quarter
20 during which the qualifying contribution is received. If a
21 qualifying contribution is made through a series of
22 payments or transfers, matching funds shall be transferred
23 as payments or transfers toward that qualifying
24 contribution are received by the foundation;

1

2 (iv) The state treasurer shall distribute funds
3 or encumber funds for future distribution in the case of a
4 written commitment, to match a qualifying contribution
5 based on the order in which each qualifying contribution is
6 actually received or in which a written commitment to make
7 a qualifying contribution is received by the foundation.
8 Matching funds shall not be distributed or encumbered in
9 excess of the amount within the endowment account. No
10 matching funds shall be transferred to the university
11 except to match qualifying contributions actually received.
12 The state treasurer shall rescind an encumbrance if the
13 university notifies him that a donor who made a commitment
14 will not make a qualifying contribution that is eligible
15 for matching funds under this section;

16

17 (v) The University of Wyoming shall on or before
18 October 1 of each calendar year submit a report to the
19 state treasurer from the university foundation regarding
20 the endowment matching program established under this
21 section for the preceding fiscal year. The report shall
22 include a financial summary and a review of the
23 accomplishments resulting from endowment program

1 expenditures. The state treasurer shall distribute the
2 report to the governor and the legislature;

3
4 (vi) Any unexpended funds remaining in the
5 account at the end of the collection period shall revert to
6 the general fund.

7
8 (b) Nothing in this article prohibits the university
9 from requiring any faculty member acquired through the
10 endowment matching program to provide undergraduate
11 instruction at the university.

12
13 **Section 2.**

14
15 (a) One hundred five million dollars
16 (\$105,000,000.00) is appropriated from the budget reserve
17 account to the excellence in higher education endowment
18 account established under W.S. 21-16-1201(a), as created
19 under section 1 of this act, to be deposited into the
20 endowment account by the state treasurer in three (3)
21 deposits of thirty-five million dollars (\$35,000,000.00)
22 each on April 1, 2005, July 1, 2005 and April 1, 2006.

1 (b) Ten million dollars (\$10,000,000.00) is
2 appropriated from the budget reserve account to the student
3 scholarship endowment account established under W.S.
4 21-16-1201(b), as created under section 1 of this act,
5 effective July 1, 2004.

6
7 (c) Seventy-five million dollars (\$75,000,000.00) is
8 appropriated from the budget reserve account to the energy
9 institute endowment account established under W.S.
10 21-16-1301, as created under section 1 of this act, to be
11 deposited into the endowment account by the state treasurer
12 in three (3) deposits of twenty-five million dollars
13 (\$25,000,000.00) each on April 1, 2005, July 1, 2005 and
14 April 1, 2006.

15
16 **Section 3.** Not later than December 1, 2005, the
17 University of Wyoming, the Wyoming community college
18 commission and each Wyoming community college shall report
19 to the joint appropriations interim committee of the
20 legislature and to the governor on the investment of
21 distributions from the excellence in higher education and
22 student scholarship endowment accounts received as of this
23 date. The report shall also provide a description of
24 proposed expenditures of investment earnings. The first

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

9

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

14

15 (END)