

ENROLLED ACT NO. 110, SENATE

FIFTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2005 GENERAL SESSION

AN ACT relating to higher education endowments; establishing the excellence in higher education endowment account and the student scholarship endowment account; providing distributions from the excellence in higher education endowment account to the University of Wyoming and Wyoming community colleges; restricting expenditures to faculty recruitment and retention and to other specified educational needs; providing for funding of future scholarships; imposing reporting requirements; directing legislative committees to determine higher education accomplishments; providing for committees to study and prepare plans of implementation as specified; providing an appropriation and for redistribution of federal mineral royalties; and providing for an effective date.

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

Section 1. W.S. 21-16-1201 through 21-16-1204 are created to read:

ARTICLE 12
HIGHER EDUCATION ENDOWMENT ACCOUNTS

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

(a) The excellence in higher education endowment account is created to consist of funds appropriated or designated to the account by law, or by gift from whatever source, for distribution in accordance with this article.

(b) In addition to the account established under subsection (a) of this section, a student scholarship endowment account, to be known as the Hathaway student

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scholarship endowment account, is established to consist of funds appropriated or designated to the account by law, or by gift from whatever source, for distribution in accordance with this article.

(c) Upon receipt of legislative appropriations to the excellence in higher education endowment account or as soon thereafter as is reasonably appropriate, the state treasurer shall distribute amounts within the account as follows:

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

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

(d) Earnings from the Hathaway student scholarship endowment account created by this article and any subsequent deposits to this account mandated by law or appropriation shall remain in the account until used to support scholarship programs as specified by law.

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

(a) The University of Wyoming shall upon receipt of distributions from the excellence in higher education endowment account under W.S. 21-16-1201(c)(i), immediately transfer this amount to the university foundation to be permanently invested on behalf of the university. The university shall enter into a new agreement or modify its existing agreement with the University of Wyoming foundation under which the foundation shall manage the funds it receives under this subsection in the same manner

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as other permanent endowment funds managed by the University of Wyoming foundation. The agreement shall be a contract which shall provide that the principal shall not be withdrawn from the endowment. Only the earnings from the investment of these funds may be expended in accordance with this section.

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

(i) Funds shall be used for recruitment or retention of faculty with established reputations for excellence in research or instruction and whose presence enhances the educational quality and reputation of the university. As the primary mission of the university is the provision of quality undergraduate and graduate education, faculty selected for research abilities shall also instruct classes in accordance with established university policy;

(ii) Not less than two-thirds (2/3) of the amounts made available through the investment of distributions from the excellence in higher education endowment account shall be used for the recruitment and retention of faculty possessing abilities necessary to expand university instruction and research in disciplines related to economic and social challenges facing Wyoming, including but not limited to energy, natural resources, wildlife, science, earth sciences, health sciences, agriculture, education and engineering. The purpose of

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this paragraph is to provide university assistance to the state of Wyoming and its residents to the broadest extent possible, through the diversification of its economy, preservation of its natural and human resources and the enhancement of its quality of life. Not less than four (4) faculty recruited and retained under this paragraph shall be in the college of education;

(iii) The remaining amounts made available through the investment of distributions from the endowment account shall be used for the recruitment and retention of faculty with established reputations in teaching and research excellence in other areas of distinction as identified in the university academic plan, including disciplines important to the state and region and its history and culture such as business, arts and humanities, mathematics, cultural studies, economics and law. The purpose of this paragraph is to enhance undergraduate and graduate instruction, to prepare students to become productive and contributing members of society and to promote an appreciation of arts, humanities and other cultures and interests affecting quality of life;

(iv) Selection of areas of excellence for endowed faculty chairs shall be:

(A) Made only after the university conducts public hearings for determination of state-wide interest;

(B) Based upon a survey sampling Wyoming high school students' career interests; and

(C) Developed by the university through other appropriate means to determine sustainable, long-term programs for the benefit of current and future Wyoming generations.

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(c) The university may collaborate with community colleges on the use of amounts distributed from the excellence in higher education endowment account pursuant to this section.

21-16-1203. Excellence in higher education endowment account distributions to Wyoming community colleges.

(a) Upon receipt of amounts distributed from the excellence in higher education endowment account under W.S. 21-16-1201(c)(ii), each Wyoming community college shall immediately transfer the 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.

(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 positions and to acquire instructional and resource materials, classroom equipment and other resources necessary to support the work of the endowed faculty. The following shall govern each community college in the use of these funds:

(i) Funds shall be used for recruitment or retention of faculty, either permanent or temporary, possessing special skills or demonstrated excellence improving the quality of educational and outreach instruction;

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(ii) The amounts made available through the investment of distributions from the endowment account shall be used for the recruitment and retention of faculty with abilities necessary to establish or expand vocational programs and program quality benefiting communities, businesses and industries within respective service areas. The purpose of this paragraph is to enhance the ability of community colleges to prepare students for a lifetime of higher wages and expanded job opportunities, to provide local and regional businesses and industries with an improved, better trained and better educated workforce and to increase the economic stability of proximate communities and the entire state;

(iii) Amounts not expended pursuant to paragraph (ii) of this subsection which are made available through the investment of distributions from the endowment account shall be used for the recruitment and retention of faculty with established reputations in academic areas offered by each individual community college. The purpose of this paragraph is to improve the ability of colleges to better prepare students to pursue bachelor and graduate degrees at the University of Wyoming or other four (4) year institutions and offer additional courses of outreach instruction to high school and adult populations within their service areas.

(c) The community colleges may collaborate with the University of Wyoming on the use of amounts distributed from the excellence in higher education endowment account pursuant to this section.

21-16-1204. Annual reports; review by committees.

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(a) Not later than October 1, 2006, and October 1 of each year thereafter, the University of Wyoming and each Wyoming community college shall report to the joint appropriations and joint education interim committees of the legislature and to the governor on the use and expenditure of earnings on the investment of distributions from the excellence in higher education endowment account pursuant to this article, including the following:

(i) Faculty positions partially or fully funded through the endowment program;

(ii) The name of each faculty member filling a position identified under paragraph (i) of this subsection, together with that individual's education and experience and a summary of his research and instructional activities during the preceding academic year;

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

(b) Upon receipt of reports by the University of Wyoming and each Wyoming community college on the use and expenditure of earnings as required under subsection (a) of this section, the joint appropriations and joint education interim committees shall report to members of the Wyoming legislature and the governor on the progress made by the university and community colleges in achieving the purposes stated under this article for distributions from the excellence in higher education endowment account and shall recommend any necessary changes to the higher education endowment program to accomplish these purposes. The

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reports required under this subsection shall be made in sufficient time to enable consideration by the legislature at the general or budget session immediately following the receipt of reports submitted pursuant to subsection (a) of this section.

Section 2. W.S. 9-4-601(d)(iii), (iv) and by creating a new paragraph (v) is amended to read:

9-4-601. Distribution and use; funds, accounts, cities and towns benefited; exception for bonus payments.

(d) Any revenue received under subsection (a) of this section in excess of two hundred million dollars (\$200,000,000.00) shall be distributed as follows:

(iii) Subject to paragraph (v) of this subsection, one-third (1/3) to the school foundation program account;~~and~~

(iv) Two-thirds (2/3) to the budget reserve account; and

(v) From the amounts which would otherwise be distributed to the school foundation program account under paragraph (iii) of this subsection, amounts shall be deposited to the higher education endowment account and the student scholarship endowment account created by W.S. 21-16-1201 in accordance with and subject to the requirements of this paragraph. The amounts specified in this paragraph shall be reduced as the state treasurer determines necessary to ensure that as of July 1 of each fiscal year, there is an unobligated, unencumbered balance of one hundred million dollars (\$100,000,000.00) within the school foundation program account. Distributions under this paragraph shall be as follows:

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(A) Seventy-nine percent (79%) to the Hathaway student scholarship endowment account, until that account balance equals four hundred million dollars (\$400,000,000.00);

(B) Twenty-one percent (21%) to the higher education endowment account until distributions to that account under this subparagraph equal one hundred five million dollars (\$105,000,000.00);

(C) After the amounts specified in subparagraphs (A) and (B) of this paragraph are deposited to the appropriate account, remaining funds shall be deposited to the school foundation program account as provided in paragraph (iii) of this subsection.

Section 3.

(a) Prior to any expenditure from the excellence in higher education endowment account established under W.S. 21-16-1201(a), a committee consisting of two (2) University of Wyoming trustees appointed by the president of the board of trustees, one (1) member of the community college commission appointed by the chairman of the commission, one (1) Wyoming community college trustee appointed by the president of the Wyoming association of community college trustees and four (4) business and industry leaders appointed by the governor shall present a plan for the implementation of the endowment that enhances the purposes of this act and furthers the needs of the Wyoming economic, social and educational infrastructure. The plan shall be presented to the joint appropriations and joint education interim committees not later than October 1, 2005. Support and consultation for the committee shall be provided by the university and the community college commission. To assist

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the committee in formulating the plan, the university shall report the results of:

(i) Public hearings it conducts in the state regarding public interest in areas of excellence;

(ii) A survey sampling Wyoming high school students' career interests; and

(iii) Information developed by the university through other appropriate means to determine sustainable, long-term programs for the benefit of current and future Wyoming generations.

Section 4. The first report provided by the university and community colleges pursuant to W.S. 21-16-1204(a), as created by section 1 of this act, shall be for the period commencing on the effective date of this act and ending on September 1, 2006.

Section 5.

(a) There is created an education merit scholarship committee to consist of the following:

(i) One (1) representative of the University of Wyoming, appointed by the governor;

(ii) One (1) representative of community colleges, appointed by the governor;

(iii) Two (2) representatives from business and industry, appointed by the governor;

(iv) One (1) representative of the public, appointed by the governor;

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(v) One (1) representative from the Wyoming K-12 educational community appointed by the state superintendent of public instruction;

(vi) One (1) representative from the Wyoming department of education appointed by the state superintendent of public instruction;

(vii) Two (2) members of the Wyoming house of representatives, appointed by the speaker of the house;

(viii) Two (2) members of the Wyoming senate, appointed by the president of the senate.

(b) The committee shall study the proposals for student scholarship programs proposed in 2005 General Session House Bills 282, 307 and 323 and consider other potential scholarship programs to be funded by the earnings from the student scholarship endowment account created by this act. The goal of the committee shall be to make recommendations to the Wyoming legislature for future legislation needed for merit based scholarship programs, to be known as Hathaway scholarship programs, to make undergraduate post secondary education in Wyoming as free as possible to Wyoming high school graduates. The committee shall consider and make recommendations as to the following:

(i) The amount of tuition, fees and other education related payments which can be sustained from anticipated earnings from the student scholarship endowment account at various qualification levels including:

(A) High school grade point average requirements;

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(B) High school curriculum and proficiency requirements;

(C) College entrance examination requirements;

(D) College grade point average and other academic progress requirements to maintain a scholarship.

(ii) Reentry requirements for students failing to maintain established college grade point average and other requirements;

(iii) Waiver provisions, if any, regarding any of the entry or continuing scholarship requirements;

(iv) Administrative oversight of the program;

(v) An implementation date for the program, which shall be no later than the first school year after the student scholarship endowment account contains at least four hundred million dollars (\$400,000,000.00);

(vi) Additional funding of the program.

(c) The committee may retain consultants as necessary to fulfill its duties under this act. The committee shall be staffed by the legislative service office. State agencies shall provide information to the committee as requested in order to fulfill its duties. The legislative members of the committee shall receive compensation, per diem and travel expenses in the manner and amount prescribed by W.S. 28-5-101. Committee members who are not legislators and are not state employees shall receive the per diem and mileage paid members of the Wyoming

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legislature under W.S. 28-5-101 for each day of actual committee meetings and travel to those meetings.

(d) The committee shall report its initial findings and recommendations to the governor, the joint appropriations and joint education interim committees by November 1, 2005 and, if the committee determines modifications to its initial findings and recommendations are appropriate, again by November 1, 2006.

(e) This section is repealed March 31, 2007.

Section 6. There is appropriated from the general fund to the legislative service office one hundred thousand dollars (\$100,000.00) or as much thereof as is necessary to fund the education merit scholarship committee in carrying out its duties under this act. Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207, unobligated or unencumbered funds appropriated under this section shall not lapse as of June 30, 2006 but shall remain available for funding of the committee as provided in this act. Prior to making any distribution to the student scholarship endowment account pursuant to W.S. 9-4-601(d)(v) as created by this act, the state treasurer shall first deposit to the general fund one hundred thousand dollars (\$100,000.00) from those funds as repayment of this appropriation.

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Section 7. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____
DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk