

SENATE FILE NO. SF0082

Critical access hospital endowment challenge program.

Sponsored by: Senator(s) Peterson and Representative(s)
Harvey

A BILL

for

1 AN ACT relating to the critical access hospital endowment
2 challenge fund; establishing the endowment; providing for
3 separate accounts for each critical access hospital;
4 defining terms; imposing conditions and limitations;
5 establishing a matching program based upon gifts received
6 by each critical access hospital's foundation; providing an
7 appropriation; and providing for an effective date.

8

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

10

11 **Section 1.** W.S. 35-1-1001 through 35-1-1004 are
12 created to read:

13

14 ARTICLE 10

15 WYOMING CRITICAL ACCESS HOSPITAL ENDOWMENT CHALLENGE

16 PROGRAM

1

2 **35-1-1001. Wyoming critical access hospital endowment**
3 **challenge program.**

4

5 The Wyoming critical access hospital endowment challenge
6 program is created.

7

8 **35-1-1002. Definitions.**

9

10 (a) As used in this article:

11

12 (i) "Challenge fund" means the critical access
13 hospital endowment challenge fund created under this
14 article;

15

16 (ii) "Critical access hospital" means a state,
17 county or special district hospital that is certified to
18 receive cost-based reimbursement from Medicare.

19

20 (iii) "Endowment gift" means an irrevocable gift
21 or transfer to a Wyoming critical access hospital
22 foundation of money or other property, whether real,
23 personal, tangible or intangible, and whether or not the
24 donor or transferor retains an interest in the property,

1 where the gift or the foundation's interest in the property
2 is required to be used by the foundation exclusively for
3 endowment purposes, provided:

4
5 (A) The gift was received or the transfer
6 occurred during the period July 1, 2006, through June 30,
7 2011; or

8
9 (B) A commitment to make the gift or
10 transfer was made in writing to the respective critical
11 access hospital foundation, which commitment was received
12 during the period July 1, 2006, through June 30, 2011, and
13 the gift was received or the transfer occurred not later
14 than June 30, 2012.

15
16 (iv) "Foundation" means an organization
17 established for each critical access hospital that among
18 other purposes, exists to generate additional revenues for
19 critical access hospital programs and activities;

20
21 (v) "Permanent endowment funds managed by a
22 Wyoming critical access hospital foundation" means the
23 endowment funds that are invested by the respective Wyoming
24 critical access hospital foundation on a permanent basis

1 and the earnings on those investments are dedicated to be
2 expended exclusively to benefit and promote the mission,
3 operation or any program or activity of the respective
4 critical access hospital, including but not limited to
5 capital and programmatic expenses, healthcare, increases to
6 the corpus of the endowment and to defray reasonable costs
7 of endowment administration.

8
9 **35-1-1003. Wyoming critical access hospital endowment**
10 **challenge fund.**

11
12 (a) The Wyoming critical access hospital endowment
13 challenge fund is created and shall consist of thirteen
14 (13) separate accounts, one (1) account for each Wyoming
15 critical access hospital.

16
17 (b) The state treasurer shall invest funds within the
18 fund created under subsection (a) of this section and shall
19 deposit the earnings from fund investments to the general
20 fund.

21
22 **35-1-1004. Endowment challenge fund matching program;**
23 **matching payments; agreements with foundations; annual**
24 **reports.**

1

2 (a) To the extent funds are available in the separate
3 account of any critical access hospital within the
4 endowment challenge fund, the state treasurer shall match
5 endowment gifts actually received by that critical access
6 hospital's foundation. A match shall be paid under this
7 subsection by the state treasurer at the time any
8 accumulated amounts actually received by a critical access
9 hospital foundation total ten thousand dollars (\$10,000.00)
10 or more. The match shall be made by transferring from the
11 separate challenge fund account to the appropriate critical
12 access hospital foundation an amount equal to the amount
13 accumulated by the foundation. The recipient critical
14 access hospital foundation shall transfer matching funds
15 received under this subsection to the critical access
16 hospital.

17

18 (b) Each critical access hospital shall enter into an
19 agreement with its foundation under which the foundation
20 shall manage the matching funds received under subsection
21 (a) of this section in the same manner as other permanent
22 endowment funds are managed by its foundation, including
23 the permanent investment of funds, maintenance of the fund

1 corpus as inviolate and the expenditure of fund earnings
2 for endowment purposes only.

3

4 (c) Earnings from endowment funds established with
5 matching funds under this section shall be expended only
6 for the purpose of the endowment, including increasing the
7 balance in the fund corpus and reasonable costs of
8 administration.

9

10 (d) The state treasurer shall make transfers to the
11 appropriate critical access hospital foundation under this
12 section not later than the end of the calendar quarter
13 following the quarter during which foundation gifts total
14 at least ten thousand dollars (\$10,000.00). If gifts are
15 made through a series of payments or transfers, no matching
16 funds shall be transferred under this section until the
17 total value of all payments or transfers actually received
18 totals at least ten thousand dollars (\$10,000.00).

19

20 (e) Except as provided under subsection (f) of this
21 section, matching funds paid under this section shall not
22 be distributed to or encumbered by any critical access
23 hospital foundation in excess of the amount in the
24 challenge fund account for that critical access hospital.

1 Except to the extent authorized under subsection (f) of
2 this section, matching funds shall not be transferred to
3 any critical access hospital foundation by the state
4 treasurer except to match gifts actually received by the
5 foundation.

6
7 (f) Notwithstanding subsection (e) of this section,
8 matching funds may be distributed to or encumbered by a
9 critical access hospital foundation in excess of the amount
10 within the challenge fund account of that critical access
11 hospital if:

12
13 (i) Endowment gifts for that critical access
14 hospital exceed the amount within its challenge fund
15 account; and

16
17 (ii) The critical access hospital enters into a
18 written agreement with another critical access hospital
19 having unencumbered amounts remaining within its challenge
20 fund account and the critical access hospital with
21 unencumbered amounts within its account agrees to transfer
22 any portion of its unencumbered amount to that critical
23 access hospital.

24

1 (g) Matching funds transferred by the state treasurer
2 for amounts transferred between critical access hospitals
3 pursuant to subsection (f) of this section shall be divided
4 equally between the critical access hospitals participating
5 in the agreement.

6

7 (h) If the foundation's board of any critical access
8 hospital determines that the purpose of an endowment gift
9 to the critical access hospital is not consistent with the
10 mission or capability of that critical access hospital, the
11 gift shall not qualify for matching funds under this
12 section.

13

14 (j) For the purpose of computing the matching amount,
15 the state treasurer shall use the value of an endowment
16 gift based upon its fair market value at the time the gift
17 is received by the critical access hospital foundation.
18 The critical access hospital shall provide evidence of fair
19 market value for any gift if requested by the state
20 treasurer and shall fund the cost of providing any
21 requested evidence.

22

23 (k) Each critical access hospital shall on or before
24 October 1 of each year submit a report to the state

1 treasurer from its foundation on the endowment matching
2 program under this section for the preceding fiscal year.
3 The report shall include a financial summary and a review
4 of the accomplishments resulting from endowment program
5 expenditures. The report required under this subsection
6 shall be for each applicable fiscal year through June 30,
7 2013.

8

9 **Section 2.**

10

11 (a) Thirty-two million five hundred thousand dollars
12 (\$32,500,000.00) is appropriated from the general fund to
13 the critical access hospital endowment challenge fund as
14 created under section 1 of this act. Notwithstanding any
15 other provision of law, any unexpended funds from the
16 amount appropriated under this subsection shall revert to
17 the budget reserve account on July 1, 2012.

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19 (b) The amount appropriated into the challenge fund
20 under subsection (a) of this section shall be equally
21 deposited into each of the thirteen (13) separate accounts
22 created within the fund pursuant to section 1 of this act.

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