

HOUSE BILL NO. _____

Inviolate higher education funds.

Sponsored by: Hdraft

A BILL

for

1 AN ACT relating to public funds; designating funds within
 2 certain higher education accounts as inviolate pursuant to
 3 article 15, section 20 of the Wyoming Constitution;
 4 prohibiting expenditure of principal accordingly;
 5 authorizing investment of funds in stock as specified;
 6 providing for use of earnings; and providing for an
 7 effective date.

8

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

10

11 **Section 1.** W.S. 9-4-834(a), 21-16-1201(a), (b) and
 12 (d), 21-16-1202(a) and 21-16-1203(a) are amended to read:

13

14 **9-4-834. Investment of permanent funds.**

15

16 (a) To the extent constitutionally allowed, the state
 17 treasurer, or his designee, which shall be registered under

1 the Investment Advisor's Act of 1940 as amended, or any
2 bank as defined in the act, upon written authority, may
3 invest monies in the permanent fund accounts, in securities
4 authorized by law, provided not more than fifty-five
5 percent (55%) shall be invested in common stocks. As used
6 in this section, "permanent fund accounts" means the
7 permanent Wyoming mineral trust fund under W.S.
8 9-4-204(u)(iii), ~~and~~ the excellence in higher education
9 endowment account under W.S. 21-16-1201(a) including the
10 University of Wyoming and community college accounts
11 holding distributions from that account for investment, the
12 Hathaway student scholarship endowment account under W.S.
13 21-16-1201(b), the permanent land fund under W.S.
14 9-4-204(u)(iv), including revenues credited to that fund
15 under W.S. 9-4-605(j), and the reserve accounts created
16 under W.S. 9-4-713(b) and (f).

17

18 **21-16-1201. Excellence in higher education endowment**
19 **account; student scholarship endowment account;**
20 **distributions by state treasurer; legislative restrictions.**

21

22 (a) The excellence in higher education endowment
23 account is created to consist of funds appropriated or
24 designated to the account by law, or by gift from whatever

1 source, for distribution in accordance with this article.
2 Funds within the account may be distributed for investment
3 as provided in this article but in accordance with Wyoming
4 Constitution, Article 15, Section 20, those funds shall not
5 be expended, regardless of the source of the funds. Funds
6 within the account may be invested in the same manner as
7 other permanent funds of the state and earnings from the
8 investment of the funds may be expended as provided in this
9 article.

10
11 (b) In addition to the account established under
12 subsection (a) of this section, a student scholarship
13 endowment account, to be known as the Hathaway student
14 scholarship endowment account, is established to consist of
15 funds appropriated or designated to the account by law, or
16 by gift from whatever source., ~~for distribution in~~
17 ~~accordance with this article.~~ In accordance with Wyoming
18 Constitution, Article 15, Section 20, funds within the
19 account shall not be expended, regardless of the source of
20 the funds. Funds within the account may be invested in the
21 same manner as other permanent funds of the state. Earnings
22 from funds within the account shall be expended as provided
23 by subsection (d) of this section and W.S. 21-16-1302.

24

1 (d) Commencing with the fiscal year beginning July 1,
2 2006, earnings from the Hathaway student scholarship
3 endowment account created by this article shall be
4 transferred by the state treasurer to the Hathaway
5 scholarship expenditure account created by W.S. 21-16-1302.

6 ~~Any subsequent deposits to the Hathaway student scholarship~~
7 ~~endowment account mandated by law or appropriation shall~~
8 ~~remain in the account until otherwise used to support~~
9 ~~scholarship programs as specified by law.~~

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

13
14 (a) The University of Wyoming shall upon receipt of
15 distributions from the excellence in higher education
16 endowment account under W.S. 21-16-1201(c)(i), immediately
17 transfer this amount to the university foundation to be
18 permanently invested on behalf of the university. The
19 university shall enter into a new agreement or modify its
20 existing agreement with the University of Wyoming
21 foundation under which the foundation shall manage the
22 funds it receives under this subsection in the same manner
23 as other permanent endowment funds managed by the
24 University of Wyoming foundation. Funds received under

1 this subsection may be invested in the same manner as
2 permanent funds of the state, including the authorization
3 and restrictions under W.S. 9-4-834(a). The agreement
4 shall be a contract which shall provide that the principal
5 shall not be withdrawn from the endowment. Only the
6 earnings from the investment of these funds may be expended
7 in accordance with this section.

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9 **21-16-1203. Excellence in higher education endowment**
10 **account distributions to Wyoming community colleges.**

11
12 (a) Upon receipt of amounts distributed from the
13 excellence in higher education endowment account under W.S.
14 21-16-1201(c)(ii), each Wyoming community college shall
15 immediately transfer the distributed amount to its
16 foundation to be permanently invested on behalf of the
17 community college. Each community college shall enter into
18 an agreement with its foundation under which the foundation
19 shall manage the funds it receives under this subsection in
20 the same manner as other permanent endowment funds it
21 manages on behalf of the community college. Funds received
22 under this subsection may be invested in the same manner as
23 permanent funds of the state, including the authorization

1 and restrictions under W.S. 9-4-834(a). Only the earnings
2 from the investment of these funds may be expended.

3

4 **Section 2.** This act is effective immediately upon
5 completion of all acts necessary for a bill to become law
6 as provided by Article 4, Section 8 of the Wyoming
7 Constitution.

8

9

(END)