Bill No.: HB0055 **Effective:** 7/1/2017

LSO No.: 17LSO-0283

Enrolled Act No.: HEA No. 0122

Chapter No.: 206

Prime Sponsor: Select Committee on Capital Financing & Investments

Catch Title: Spending policy amendments-2.

Subject: Amends the spending policy rates for certain funds and accounts.

Summary/Major Elements:

- Existing law specifies the fund balance when funds shall be transferred (or "tipped") annually from the permanent Wyoming mineral trust fund reserve account, the common school permanent fund reserve account and the excellence in higher education endowment reserve account back into the corpus of their respective permanent fund.
  - For purposes of the permanent Wyoming mineral trust fund reserve account, funds in the account in excess of 90% of the specified annual spending policy amount shall be credited to the permanent Wyoming mineral trust fund (PWMTF). This act increases that percentage to 150%;
  - For purposes of the common school permanent fund reserve account, funds in excess of 90% of the spending policy amount shall be credited to the common school account within the permanent land fund (CSPLF). This act increases that percentage to 150%;
  - For purposes of the excellence in higher education endowment reserve account, funds in excess of 75% of the specified annual spending policy amount shall be credited to the excellence in higher education endowment fund. This act increases that percentage to 150%.

- Existing law establishes the annual spending policy amounts for the PWMTF and the CSPLF. Earnings in excess of the specified spending policy amount from the corpus of these permanent funds are annually deposited to their respective reserve account. This act provides that the spending policies for both the PWMTF and the CSPLF are:
  - For fiscal years 2018, 2019 and 2020, an amount equal to 5% of the previous 5 year average market value of the respective fund;
  - For fiscal year 2021, an amount equal to 4.75% of the previous 5 year average market value of the respective fund;
  - For fiscal year 2022 and each fiscal year thereafter, an amount equal to 4.5% of the previous 5 year average market value of the respective fund.

- Existing law establishes the annual spending policy amount for the excellence in higher education endowment. This act provides that the amount is:
  - For fiscal year 2018, an amount equal to 5% of the previous 5 year average market value of the fund;
  - For fiscal year 2019 and each fiscal year thereafter, an amount equal to 4.75% of the previous 5 year average market value of the respective fund.

- Existing law provides for the transfer of funds from the common school permanent fund reserve account to the common school account within the permanent land income fund as necessary to ensure that an amount equal to 2.5% of the previous 5 year average market value of the account is available for expenditure annually.
  - This act increases the amount of the maximum transfer, to the extent funds are available in the reserve account, to the specified annual spending policy amount which shall be available for expenditure annually.

- The act modifies restrictions and provisions on shortfalls regarding earnings distributed to institutions from investments of monies in the excellence in higher education endowment fund.

- The act also repeals the appropriation of funds to the school foundation program reserve account when earnings from the CSPLF exceed 3% of the previous 5 year average market value of the CSPLF.

Comments: Creates/amends a major program relating to revenue distribution.