

SENATE FILE NO. SF0145

State budgeting and reserves.

Sponsored by: Senator(s) Kinskey and Hicks

A BILL

for

1 AN ACT relating to public funds; repealing accounts and
2 subaccounts as specified; amending appropriations, loan
3 authority, distributions and transfers of funds as
4 specified; amending local government audit withholding
5 requirements; modifying the distribution of revenues as
6 specified; authorizing specified state permanent fund
7 reserve accounts to maintain larger balances; requiring
8 certifications before specified investment activities;
9 providing for the transfer of funds to specified reserve
10 accounts; requiring the repayment of transferred funds as
11 specified; providing that balances in specified reserve
12 accounts are intended to be inviolate; removing
13 encumbrances on specified reserve accounts; repealing a
14 guarantee for the school foundation program account;
15 defining legislative intent for future appropriations and
16 budget requests; providing legislative findings; providing

1 for the transfer from and reversion of funds to the
 2 repealed accounts and subaccounts; making conforming
 3 amendments; repealing obsolete language; requiring reports;
 4 and providing for effective dates.

5

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

7

8 **Section 1.** W.S. 9-1-417(a), 9-1-507(j)(i),
 9 9-2-102(a)(iii), 9-2-1012(e), 9-2-1013(d)(ii), (iii)(B),
 10 (iv) and (vi), 9-4-203(a)(xiii), 9-4-305(b),
 11 9-4-601(a)(ii), (b)(i)(intro), (iv)(A), (B), (d)(intro),
 12 (iv), (vi), (vii), (ix) and by creating a new subsection
 13 (o), 9-4-719(b)(intro), (f), (k), (q)(intro) and (i),
 14 16-1-111(f), 21-13-306(a) and (b), 21-13-311(a),
 15 21-15-108(a) and (d)(vii), 21-15-109(b), 21-15-117(d),
 16 21-15-119(a)(ii)(A) and (C), 21-15-120(b), 21-16-720(b),
 17 21-16-1302(b), 35-1-1002(a)(vi), 35-11-528(e), 35-11-529,
 18 39-14-801(d)(intro) and 39-19-111(a)(intro) are amended to
 19 read:

20

21 **9-1-417. Interfund loans; repayment; maximum amount;**
 22 **interest.**

23

1 (a) The state treasurer and the state auditor may
2 utilize interfund loans from the legislative stabilization
3 reserve account, or the general fund if insufficient funds
4 exist in the legislative stabilization reserve account, to
5 any other fund or account to meet obligations which come
6 due prior to receipt of revenues. The interfund loans shall
7 be repaid as soon as the anticipated revenue is received.
8 The total amount of interfund loans under this subsection
9 outstanding at one (1) time shall not exceed sixty million
10 dollars (\$60,000,000.00). These loans shall not be used to
11 fund shortages caused by expenditures exceeding projected
12 revenues but are to be used only to fund temporary
13 shortages caused by meeting obligations which come due
14 prior to receipt of revenues. The interest charged on each
15 interfund loan under this subsection, other than to the
16 general fund, ~~or budget reserve account,~~ shall be the
17 interest rate earned on pooled fund investments in the
18 previous fiscal year.

19

20 **9-1-507. Examination of books of state institutions,**
21 **agencies and certain districts and entities; independent**
22 **audit authorized; guidelines.**

23

1 (j) The director of the department of audit shall
2 certify:

3
4 (i) To the state treasurer and state auditor by
5 October 5 of each year, a list of counties, cities and
6 towns that failed to comply with paragraph (a)(vii) of this
7 section. The state treasurer shall withhold the annual
8 distribution, ~~which would otherwise be made under W.S.~~
9 ~~9-2-1014.1,~~ by any legislative appropriation to any county,
10 city or town failing to comply with paragraph (a)(vii) of
11 this section. The withheld distribution shall be retained
12 in the ~~budget reserve account~~ general fund until the
13 director of the department of audit certifies that the
14 county, city or town has filed the required report. The
15 state auditor shall immediately notify all state agencies
16 and boards of every county, city or town that failed to
17 comply with paragraph (a)(vii) of this section. Upon
18 receipt of notification by the state auditor pursuant to
19 this paragraph, a state agency or board shall withhold
20 state grant and loan payments to every noncompliant county,
21 city or town for the period after October 15 until further
22 notice from the state auditor that a noncompliant county,
23 city or town has come into compliance with paragraph

1 (a)(vii) of this section. The department of audit shall
2 certify to the state auditor when a county, city or town
3 comes into compliance with paragraph (a)(vii) of this
4 section. The state auditor shall immediately notify all
5 state agencies and boards of every county, city or town
6 that has come into compliance with paragraph (a)(vii) of
7 this section. Any withheld state grant or loan payments
8 shall be retained by the state agency or board in the
9 account from which the disbursement would be made until the
10 state agency or board receives notification from the state
11 auditor that the county, city or town is in compliance with
12 paragraph (a)(vii) of this section, or as otherwise
13 provided by law;

14

15 **9-2-102. Department of health; duties and**
16 **responsibilities; state grants.**

17

18 (a) The department of health is the state mental
19 health authority, the developmental disabilities authority
20 and the substance abuse authority. The department through
21 its divisions has the following duties and responsibilities
22 to:

23

1 (iii) Establish minimum standards and approve
2 policies and procedures for the establishment and operation
3 of community-based mental health, substance abuse and
4 developmental disabilities programs receiving state
5 support. The department through its mental health division
6 and its substance abuse division shall annually withhold
7 not less than five percent (5%) of all amounts provided in
8 each contract with a community-based mental health,
9 substance abuse or drug court program or provider and shall
10 not release the funds withheld to the individual program or
11 provider until the respective division and the individual
12 program or provider enter into a written agreement that
13 provides for performance and outcome measures. If the
14 respective division and an individual program or provider
15 do not enter into a mutually agreed upon set of performance
16 and outcome measures, the funds withheld under this
17 paragraph shall revert to the ~~budget reserve account~~
18 general fund at the end of the biennium in which the funds
19 were withheld;

20

21 **9-2-1012. Duties of the department; transmittal of**
22 **standard budget and manual; return of completed exception**
23 **and expanded budgets; submission to governor; disposition**

1 of excess general fund appropriations; submission of
2 selected budget information to joint appropriations
3 committee.

4
5 (e) In preparing the overall state budget for
6 distribution to the legislature, including any
7 supplemental, budget shortfall or other emergency changes
8 to the budget, the governor shall recommend to the
9 legislature that not less than five percent (5%) of
10 estimated general fund receipts for the next biennial
11 budget period shall be ~~appropriated from the general fund~~
12 ~~to the budget reserve account within the earmarked fund.~~
13 ~~This appropriation shall be in addition to any fund balance~~
14 ~~within the budget reserve account. At the end of each~~
15 ~~biennial budget period, general fund appropriations for the~~
16 ~~biennium in excess of expenditures including encumbrances~~
17 ~~during the biennium, as identified by the state auditor in~~
18 ~~accordance with the provisions of W.S. 9-2-1008 and~~
19 ~~9-4-207, shall be transferred into the budget reserve~~
20 ~~account. All funds in the budget reserve account shall be~~
21 ~~invested by the state treasurer and earnings therefrom~~
22 ~~shall be credited into the general fund. Appropriations to~~
23 ~~the account shall not lapse at the end of any fiscal~~

1 ~~period. Expenditures from the budget reserve account shall~~
2 ~~be by legislative appropriation only~~ maintained in the
3 general fund as a reserve amount. This general fund reserve
4 amount shall not be included in any request for
5 appropriation during the biennial budget period for which
6 it is recommended. Subject to accrual accounting
7 principles, any unappropriated, unexpended and unobligated
8 funds in the general fund on June 30 in the last year of
9 each biennial budget period in excess of the general fund
10 reserve amount recommended under this subsection shall be
11 transferred to the legislative stabilization reserve
12 account.

13

14 **9-2-1013. State budget; distribution of copies to**
15 **legislators; copies and reports of authorizations;**
16 **interfund loans.**

17

18 (d) In addition to the items contained in subsection
19 (a) of this section and notwithstanding any other
20 recommendations made by the governor, the state budget
21 shall also include the governor's recommendations for
22 appropriations for the ensuing two (2) years, or if a

1 supplemental budget request, the remainder of the budget
2 period, subject to the following:

3
4 (ii) The total recommended appropriations under
5 this subsection for any two (2) fiscal year budget period
6 shall not exceed the total estimated revenues for that two
7 (2) year period. The total estimated revenues computed
8 under this paragraph shall not include increases in
9 existing revenue sources which would be available to the
10 state only after enactment of legislation in addition to
11 existing law, but shall include the unencumbered balances
12 in all other accounts in all other expendable funds subject
13 to this section, and as further provided herein, as those
14 funds are identified in accordance with standards
15 promulgated by the governmental accounting standards board,
16 but specifically excluding pension funds, nonexpendable
17 trust funds, debt service funds and intragovernmental
18 funds, that would be available for that budget period.
19 Funds within the permanent Wyoming mineral trust fund
20 reserve account created under W.S. 9-4-719(b), funds within
21 the common school permanent fund reserve account created
22 under W.S. 9-4-719(f), funds within the legislative
23 stabilization reserve account in excess of the limitation

1 under subparagraph (iii)(C) of this ~~section, or funds~~
2 ~~within five percent (5%) of estimated general fund receipts~~
3 ~~for the next biennium to be appropriated to the budget~~
4 ~~reserve account as required~~ subsection and the general fund
5 reserve amount specified by W.S. 9-2-1012(e) shall not be
6 included in total estimated revenues computed under this
7 paragraph. Funds from a contingent appropriation shall not
8 be included as an estimated source of revenue or funds
9 available unless those funds previously had been authorized
10 to be expended within the fiscal period covering the budget
11 period of the recommendation;

12

13 (iii) The total recommended appropriations under
14 this subsection shall not include any of the following:

15

16 (B) The transfer of funds from an account
17 to another account; ~~except transfers from the budget~~
18 ~~reserve account;~~

19

20 (iv) As used in this subsection,
21 "appropriations" include any of the following:

22

1 (A) Specific legislative authorization to
2 expend state revenues contained in a budget bill that is
3 enacted into law~~;~~

4

5 (B) An amount to be expended from an
6 account which does not require additional specific
7 legislative authorization~~;~~ ~~the transfer of funds from the~~
8 ~~budget reserve account to another account or~~

9

10 (C) A specific statutory distribution of a
11 revenue source~~.~~

12

13 (vi) Nothing in this subsection prevents the
14 governor from recommending an additional, alternative
15 budget without the limitations specified in this subsection
16 or from including recommendations for additional funding
17 for state agencies and for local governments from federal
18 mineral royalties or severance tax distributions.

19

20 **9-4-203. Definitions.**

21

22 (a) As used in this act:

23

1 (xiii) "This act" means W.S. ~~9-4-201~~9-4-202
2 through ~~9-4-224~~9-4-225.

3

4 **9-4-305. Disposition of state land revenue.**

5

6 (b) Proceeds from the sale of state lands, mineral
7 royalties and any money designated by the Wyoming
8 constitution or Wyoming statutes as collected shall be
9 transmitted to the state treasurer and credited to the
10 proper accounts within the permanent land fund. As
11 authorized by article 7, section 2 of the Wyoming
12 constitution, thirty-three and one-third percent (33 1/3%)
13 of the mineral royalties received from the lease of any
14 school lands shall be deposited into the public school
15 ~~lands mineral royalties~~foundation program account. To the
16 extent constitutionally permissible and notwithstanding any
17 other provision of law, at the end of every fiscal year,
18 the state treasurer shall transfer to the corpus of each
19 account within the permanent land fund, except the common
20 school account, from the income earned on the corresponding
21 account within the permanent land fund, to the extent
22 available, an amount as provided by this subsection. In
23 determining the amount to be withheld, the state treasurer

1 shall calculate the fiscal year beginning balance and
2 ignore any appropriations made from the account within that
3 fiscal year. For the fiscal year 2000, he shall transfer an
4 amount equal to five percent (5%) of the inflation rate for
5 the previous twelve (12) month period as determined by the
6 department of administration and information multiplied by
7 the beginning balance of each permanent land fund account,
8 except the common school account. At the end of each
9 succeeding fiscal year, the state treasurer shall increase
10 the amount to be multiplied by that year's inflation rate
11 by five percent (5%) until such time as the multiplier
12 reaches one hundred percent (100%) of the inflation rate,
13 and then multiply that amount by the beginning balance of
14 each permanent land fund account, except the common school
15 account.

16

17 **9-4-601. Distribution and use; funds, accounts,**
18 **cities and towns benefited; exception for bonus payments.**

19

20 (a) All monies received by the state of Wyoming from
21 the secretary of the treasury of the United States under
22 the provisions of the act of congress of February 25, 1920
23 (41 Stat. 437, 450; 30 U.S.C. §§ 181, 191), as amended, or

1 from lessees or authorized mine operators and all monies
2 received by the state from its sale of production from
3 federal mineral leases subject to the act of congress of
4 February 25, 1920 (41 Stat. 437, 450; 30 U.S.C. §§ 181,
5 191) as amended, except as provided by subsection (b) of
6 this section, shall be deposited into an account and the
7 first two hundred million dollars (\$200,000,000.00) of
8 revenues received in any fiscal year shall be distributed
9 by the state treasurer as provided in this subsection. One
10 percent (1%) of these revenues shall be credited to the
11 general fund as an administrative fee, and the remainder
12 shall be distributed as follows:

13

14 (ii) Subject to ~~paragraph (xi)~~ subsection (o) of
15 this section, ~~forty-four and eight-tenths percent (44.8%)~~
16 forty-seven and one-half percent (47.5%) to the public
17 school foundation program account subject to allocations
18 under W.S. 9-4-605;

19

20 (b) The state treasurer shall ascertain and withhold
21 all bonus payments received from the federal government
22 attributable to coal, oil shale or geothermal leases of

1 federal land within Wyoming and shall distribute it as
2 follows:

3

4 (i) Fifty percent (50%), the first seven million
5 five hundred thousand dollars (\$7,500,000.00) of which
6 shall be distributed as follows, and any amount in excess
7 of seven million five hundred thousand dollars
8 (\$7,500,000.00) per year shall be deposited into the public
9 school ~~capital construction account established under W.S.~~
10 ~~21-15-111(a)(i), except for fiscal years 2019, 2021 and~~
11 ~~2022 amounts in excess of seven million five hundred~~
12 ~~thousand dollars (\$7,500,000.00) per year shall be~~
13 ~~deposited to the school foundation program reserve account:~~
14 ~~created by W.S. 21-13-306.1:~~

15

16 (iv) And:

17

18 (A) Ten percent (10%) but not to exceed one
19 million six hundred thousand dollars (\$1,600,000.00) per
20 year, to a separate account which may be expended by the
21 community college commission in accordance with and in
22 addition to appropriations available under W.S.
23 21-18-205(c). Any amount in excess of one million six

1 hundred thousand dollars (\$1,600,000.00) together with any
2 unexpended revenues within the account at the end of any
3 biennial budget period shall be credited to the public
4 school ~~capital construction account established under W.S.~~
5 ~~21-15-111(a)(i), except for fiscal years 2019, 2021 and~~
6 ~~2022 these funds shall be deposited to the school~~
7 foundation program reserve account; ~~created by W.S.~~
8 ~~21-13-306.1;~~

9
10 (B) Forty percent (40%) to be deposited to
11 the public school ~~capital construction account established~~
12 ~~under W.S. 21-15-111(a)(i), except for fiscal years 2019,~~
13 ~~2021 and 2022 these funds shall be deposited to the school~~
14 foundation program reserve account. ~~created by W.S.~~
15 ~~21-13-306.1.~~

16
17 (d) Except as provided in ~~subsections (k), (m) and~~
18 ~~(n)~~ subsection (o) of this section, any revenue received
19 under subsection (a) of this section in excess of two
20 hundred million dollars (\$200,000,000.00) shall be
21 distributed as follows:

22

1 (iv) Subject to paragraphs (vii) and (ix) of
2 this subsection, two-thirds (2/3) to the ~~budget-reserve~~
3 ~~account-general fund~~;

4
5 (vi) From the amounts which would otherwise be
6 distributed to the school foundation program account under
7 paragraph (iii) of this subsection, ~~and paragraphs (k)(i),~~
8 ~~(m)(i) and (n)(i) of this section,~~ there is annually
9 appropriated to the common school permanent fund reserve
10 account the amount determined under W.S. 9-4-719(g). The
11 appropriation shall be credited to the account as provided
12 in W.S. 9-4-719(g);

13
14 (vii) From the amounts that would otherwise be
15 distributed to the ~~budget-reserve account-general fund~~
16 under paragraph (iv) of this subsection ~~and paragraphs~~
17 ~~(k)(ii), (m)(ii) and (n)(ii) of this section,~~ amounts
18 necessary to make the required revenue bond payments as
19 provided by W.S. 9-4-1003(d), but in no event more than
20 eighteen million dollars (\$18,000,000.00) annually;

21
22 (ix) For the period beginning July 1, 2019 and
23 ending June 30, 2049, from the amounts that would otherwise

1 be distributed to the ~~budget reserve account~~ general fund
2 under paragraph (iv) of this subsection, the first eight
3 million dollars (\$8,000,000.00) shall be distributed to a
4 separate account for the University of Wyoming. These
5 funds are continuously appropriated to the university upon
6 deposit to the account. The University of Wyoming shall
7 reduce its standard budget request for the 2021-2022
8 biennium by an amount equal to the maximum amount of funds
9 authorized to be deposited under this paragraph. The
10 University of Wyoming shall acknowledge this reduction of
11 its 2021-2022 budget request pursuant to this paragraph in
12 each standard budget request submitted to the governor's
13 office through June 30, 2048.

14

15 (o) Beginning in fiscal year 2025 and until three
16 hundred fifty-nine million one hundred thousand dollars
17 (\$359,100,000.00) is deposited into the legislative
18 stabilization reserve account pursuant to this subsection,
19 all amounts which would otherwise be distributed to the
20 school foundation program account on and after July 1, 2024
21 under paragraphs (a)(ii) and (d)(iii) and subparagraph
22 (d)(v)(C) of this section, and after making the transfers

1 required by W.S. 9-4-719(g), shall be deposited into the
2 legislative stabilization reserve account.

3

4 **9-4-719. Investment earnings spending policy**
5 **permanent funds.**

6

7 (b) There is created the permanent Wyoming mineral
8 trust fund reserve account. All funds within the account
9 shall be invested by the state treasurer as authorized
10 under W.S. 9-4-715(a), (d), (e) and (r) and all investment
11 earnings from the account shall be credited to the account.

12 ~~Beginning July 1, 2021 for fiscal year 2022 and each fiscal~~
13 ~~year thereafter, to the extent funds are available, the~~
14 ~~state treasurer shall transfer unobligated funds from this~~
15 ~~account to the general fund on a quarterly, pro-rata basis~~
16 ~~as necessary to ensure that an amount equal to two and~~
17 ~~one-half percent (2.5%) of the previous five (5) year~~
18 ~~average market value of the permanent Wyoming mineral trust~~
19 ~~fund, calculated on the first day of the fiscal year, is~~
20 ~~available for expenditure during each fiscal year. Except~~

21 for funds specified by the legislature that guarantee the
22 obligations of permanent Wyoming mineral trust fund
23 investment earnings and funds to be transferred into the

1 permanent Wyoming mineral trust fund, funds deposited into
2 the reserve account created by this subsection are intended
3 to be inviolate and constitute a permanent or perpetual
4 trust fund. As soon as possible after the end of each of
5 the fiscal years beginning on and after July 1, 2017, after
6 making ~~any transfer~~ the reconciliation required pursuant to
7 ~~paragraphs (i) and~~ paragraph (ii) of this subsection,
8 revenues in this account in excess of ~~one hundred fifty~~
9 ~~percent (150%)~~ two hundred forty-five percent (245%) of the
10 spending policy amount in subsection (d) of this section
11 shall be credited to the permanent Wyoming mineral trust
12 fund. For fiscal year 2020 and for each fiscal year
13 thereafter:

14

15 (f) There is created the common school permanent fund
16 reserve account. All funds within the account shall be
17 invested by the state treasurer as authorized under W.S.
18 9-4-715(a), (d), (e) and (r) and all investment earnings
19 from the account shall be credited to the account. Except
20 for funds specified by the legislature that guarantee the
21 obligations of the investment earnings from the common
22 school account within the permanent land income fund and
23 funds to be transferred into the common school account

1 within the permanent land fund, funds deposited into the
2 reserve account created by this subsection are intended to
3 be inviolate and constitute a permanent or perpetual trust
4 fund. Beginning July 1, 2017 for fiscal year 2018 and each
5 fiscal year thereafter, the state treasurer shall transfer
6 unobligated funds from this account to the common school
7 account within the permanent land income fund as necessary
8 to ensure that an amount equal to the spending policy
9 amount established in subsection (h) of this section is
10 available for expenditure annually during the fiscal year.
11 As soon as possible after the end of each of the fiscal
12 years beginning on and after July 1, 2017, revenues in this
13 account in excess of ~~one hundred fifty percent (150%)~~ four
14 hundred twenty percent (420%) of the spending policy amount
15 shall be credited to the common school account within the
16 permanent land fund.

17

18 (k) There is created the excellence in higher
19 education endowment reserve account. Interest and other
20 earnings on funds within the account shall be credited to
21 the account. Except for funds specified by the legislature
22 that guarantee the obligations of excellence in higher
23 education endowment fund investment earnings and funds to

1 be transferred into the excellence in higher education
2 endowment fund, funds deposited into the reserve account
3 created by this subsection are intended to be inviolate and
4 constitute a permanent or perpetual trust fund. As soon as
5 possible after the end of each of the fiscal years
6 beginning on and after July 1, 2017, revenues in this
7 account in excess of ~~one hundred fifty percent (150%)~~ two
8 hundred ten percent (210%) of the spending policy amount in
9 subsection (o) of this section shall be credited to the
10 excellence in higher education endowment fund created by
11 W.S. 9-4-204(u)(vi).

12

13 (q) The earnings from the permanent Wyoming mineral
14 trust fund under W.S. 9-4-204(u)(iii) during each fiscal
15 year beginning July 1, 2016, which are less than the
16 spending policy established in subsection (d) of this
17 section are appropriated from the general fund subject to
18 ~~subsection (s) of this section and~~ the following:

19

20 (i) Any earnings in excess of two and one-half
21 percent (2.5%) of the previous five (5) year average market
22 value of the trust fund, calculated from the first day of
23 the fiscal year and less than or equal to the spending

1 policy amount specified in subsection (d) of this section
2 shall be credited to the legislative stabilization reserve
3 account created by W.S. 9-4-219; ~~and the strategic~~
4 ~~investments and projects account created by W.S. 9-4-220 in~~
5 ~~equal amounts;~~

6

7 **16-1-111. Loans to political subdivisions;**
8 **requirements; limitations; rulemaking.**

9

10 (f) There is created a loss reserve account for loans
11 made under this section. A loan origination fee of one-half
12 of one percent (0.5%) of the loan shall be paid by the loan
13 applicant and deposited to the loss reserve account for any
14 loan approved under this section. If, as a result of
15 default in the payment of any loan made under this section,
16 there occurs a nonrecoverable loss either to the corpus of,
17 or interest due to the permanent Wyoming mineral trust
18 fund, the board shall restore the loss to the permanent
19 fund using any funds available in the loss reserve account.
20 If the funds in the loss reserve account are insufficient
21 to restore the full amount of the loss, the board shall
22 submit a detailed report of the loss to the legislature and
23 shall request an appropriation to restore the balance of

1 the loss to the permanent fund. ~~Beginning June 30, 2018,~~
2 ~~the state treasurer shall transfer funds quarterly from the~~
3 ~~permanent Wyoming mineral trust fund reserve account to the~~
4 ~~loss reserve account created in this subsection, in an~~
5 ~~amount necessary to ensure that as of the last day of each~~
6 ~~quarter there is an unobligated, unencumbered balance equal~~
7 ~~to five percent (5%) of the balance of outstanding loans~~
8 ~~under this section. Any funds transferred to the loss~~
9 ~~reserve account pursuant to this subsection which are not~~
10 ~~necessary to maintain the five percent (5%) balance shall~~
11 ~~be transferred back to the permanent Wyoming mineral trust~~
12 ~~fund reserve account on the last day of the quarter.~~

13

14 **21-13-306. Foundation program account established;**
15 **disposition of monies.**

16

17 (a) The public school foundation program account is
18 established to consist of funds appropriated to, or
19 designated to the account by law, or by gift from whatever
20 source, for distribution to districts in accordance with
21 ~~this article~~ law.

22

1 (b) Within the limits of legislative appropriation,
2 if any, the resources of the public school foundation
3 program account shall be paid into the state treasury and
4 shall be drawn out and distributed to the districts in
5 accordance with this article upon certification of the
6 state superintendent and upon vouchers approved by the
7 state auditor payable to the treasurer of the several
8 districts.

9

10 **21-13-311. Determination of amount to be distributed**
11 **to each district from foundation account; undistributed**
12 **balance; prohibition on expenditures.**

13

14 (a) The amount of money which shall be distributed to
15 each district in accordance with this article from the
16 public school foundation program account shall be
17 determined by subtracting the sum of the district revenues
18 computed in accordance with W.S. 21-13-310 from the total
19 amount of the foundation program computed in accordance
20 with W.S. 21-13-309.

21

22 **21-15-108. Revenue bonds for grants and loans;**
23 **refunding revenue bonds.**

1

2 (a) Before distribution to the public school lands
3 ~~mineral royalties~~ foundation program account under W.S.
4 9-4-305(b), sufficient revenues for the purposes of this
5 section shall be deducted therefrom and credited to a bond
6 repayment account pursuant to the terms of the resolution,
7 indenture or other appropriate proceeding authorizing the
8 issuance of revenue bonds under this section. The revenues
9 deducted shall be used as provided by this section. The
10 balance of the revenues shall be credited to the public
11 school ~~lands~~ ~~mineral royalties~~ foundation program account
12 as provided under W.S. 9-4-305(b). After available
13 revenues under W.S. 9-4-305(b) have been used, revenues
14 under W.S. 21-13-301 shall also be credited, as necessary,
15 to the bond repayment account and shall be used as provided
16 by this section.

17

18 (d) Any bonds issued under this section shall:

19

20 (vii) Be additionally secured by a reserve fund
21 created from revenues deposited within the public school
22 ~~lands~~ ~~mineral royalties~~ foundation program account under
23 W.S. 9-4-305(b) or from the proceeds of the bonds, or both,

1 in an amount determined by the commission but not to exceed
2 an amount equal to ten percent (10%) of the revenue bonds
3 outstanding.

4

5 **21-15-109. Major building and facility repair and**
6 **replacement payments; computation; square footage**
7 **allowance; use of payment funds; accounting and reporting**
8 **requirements.**

9

10 (b) To the extent funds are available, the state
11 construction department shall, based upon square footage
12 computations computed from the prior school year,
13 distribute the estimated major building and facility repair
14 and replacement payments in quarterly installments to each
15 school district from the public school ~~capital-construction~~
16 foundation program account. The department shall distribute
17 the first quarterly payment on July 1 of each fiscal year,
18 with the remaining payments distributed on October 1,
19 January 2 and April 1. Payments shall be made as equal as
20 reasonably possible. If funds within the account are not
21 sufficient for any quarterly payment, the department shall
22 reduce all district payments for that quarter by a uniform
23 percentage. The department shall also increase or reduce a

1 subsequent school district payment, as appropriate, in the
2 event a school district receives an excessive or deficient
3 distribution. Major building and facility repair and
4 replacement payments shall be computed in accordance with
5 subsection (c) of this section.

6

7 **21-15-117. Annual evaluation of school buildings and**
8 **facilities; remediation schedules; needs prioritization;**
9 **combining facilities; implementation of remedy.**

10

11 (d) In determining building and facility remedies
12 under subsection (b) of this section, in developing
13 criteria and procedures for site analysis under W.S.
14 21-15-114(a)(xii) and in approving district facility plans
15 under W.S. 21-15-116 and otherwise administering this act,
16 the commission shall adopt the remedy that is in the best
17 financial and educational interests of the state, taking
18 into consideration the recommendations of the department
19 and the most efficient and cost effective approach in order
20 to deliver quality educational services and address
21 building and facility need. Expenditures from the public
22 school foundation program account for school capital
23 construction ~~account~~ shall be for necessary and related

1 costs to implement efficient and cost effective building
2 and facility remedies required to deliver quality
3 educational services. In making determinations under this
4 subsection, the commission shall take into consideration
5 the effects of the proposed activity on the local
6 community. The commission shall implement this subsection
7 in carrying out building and facility remedies and shall,
8 giving proper consideration to the prevention of
9 unnecessary delays in proceeding with a remedy, establish a
10 process to work with other political subdivisions of the
11 state in implementing this subsection.

12

13 **21-15-119. Commission budget and funding**
14 **recommendations.**

15

16 (a) Notwithstanding W.S. 9-2-1012, the commission
17 shall annually, not later than September 1, develop and
18 submit a recommended budget for projects and school capital
19 construction financing to the governor, through the state
20 budget department and to the select committee on school
21 facilities. The department shall prepare and provide
22 information as requested by the commission. The commission
23 shall include with its recommended budget to the select

1 committee the prioritized schedules of projects specified
2 in W.S. 21-15-117 including the amounts allocated to each
3 project and the annual building status report specified
4 under W.S. 21-15-121. The recommended budget submitted by
5 the commission shall include:

6

7 (ii) Financing alternatives for funding the
8 recommended budget, which uses any combination of the
9 following financing alternatives:

10

11 (A) Direct payment from the public school
12 ~~capital construction~~ foundation program account;

13

14 (C) Real property leasing under W.S.
15 21-15-112. Any payments for real property leasing shall be
16 made from the public school ~~capital construction~~ foundation
17 program account subject to W.S. 21-15-112. For the purpose
18 of this section, real property leasing includes payments
19 sufficient for the exercise of a purchase option under the
20 lease.

21

22 **21-15-120. Emergency facility needs.**

23

1 (b) Upon a finding that an emergency exists under
2 subsection (a) of this section, the commission shall in
3 accordance with rules and regulations promulgated by the
4 commission under this subsection and to the extent funds
5 are available within the public school ~~capital-construction~~
6 foundation program account or otherwise made available by
7 the legislature, acquire facilities and equipment,
8 undertake school building and facility repairs, fund
9 additional operating expenses incurred in providing
10 temporary measures and other responses to the emergency
11 situation including necessary investigative and qualified
12 contract assistance expenses incurred by the commission, as
13 necessary to enable the district to provide educational
14 programs required by law on a temporary basis until
15 permanent action can be taken to address school building
16 and facility adequacy.

17

18 **21-16-720. Annual report and budget.**

19

20 (b) The authority shall submit its budget for review
21 as provided by W.S. 9-2-1010 through ~~9-2-1014.1~~ 9-2-1014.

22

1 **21-16-1302. Hathaway scholarship expenditure account**
2 **created; reserve account created; use and appropriation of**
3 **funds.**

4
5 (b) There is created the Hathaway student scholarship
6 reserve account. The reserve account shall consist of those
7 monies deposited to the account pursuant to subsection (a)
8 of this section and such other funds appropriated by the
9 legislature to the reserve account. Interest and other
10 earnings on funds within the reserve account shall be
11 credited to the reserve account. Except for funds

12 specified by the legislature that guarantee the scholarship
13 obligations of the Hathaway scholarship expenditure account
14 and funds to be transferred into the Hathaway student
15 scholarship endowment fund, funds deposited into the
16 reserve account created by this subsection are intended to
17 be inviolate and constitute a permanent or perpetual trust
18 fund. To the extent funds within the Hathaway scholarship

19 expenditure account are insufficient in any fiscal year to
20 fully fund scholarships awarded under this article, monies
21 within the reserve account shall be deposited by the state
22 treasurer to the expenditure account for distribution to
23 eligible institutions to fund those scholarships. As soon

1 as possible after the end of each of the fiscal years
 2 beginning on and after July 1, 2007, the state treasurer
 3 shall transfer monies from this reserve account to the
 4 Hathaway student scholarship endowment fund to the extent
 5 monies within the reserve account are in excess of the
 6 greater of ~~twelve million dollars (\$12,000,000.00)~~
 7 forty-seven million dollars (\$47,000,000.00) or an amount
 8 equal to ~~four and one half percent (4.5%)~~ eight percent
 9 (8%) of the previous five (5) year average market value of
 10 the Hathaway student scholarship endowment fund, calculated
 11 from the first day of the fiscal year. The state treasurer
 12 shall report not later than November 1, of each year to the
 13 joint education interim committee and the select committee
 14 on capital financing and investments the amount of funds
 15 within the reserve account at the end of the previous
 16 fiscal year and as of July 1, of the current fiscal year.

17

18 **35-1-1002. Definitions.**

19

20 (a) As used in this article:

21

22 (vi) "Unobligated," for purposes of W.S.

23 35-1-1003(b), and (d), means no commitment meeting the

1 requirements of subparagraph (iii)(B) of this subsection
2 was received prior to June 30, 2012.

3

4 **35-11-528. Municipal solid waste facilities cease and**
5 **transfer program created; criteria for grants and loans;**
6 **loan terms; availability of other state funding sources.**

7

8 (e) Loans may be made under the program at zero
9 interest rate, up to an annual interest rate equal to the
10 average prime interest rate as determined in accordance
11 with this subsection. Loans provided under the program
12 shall be adequately collateralized as determined by the
13 state loan and investment board. Principal and interest
14 payments shall be deposited in the ~~budget reserve account~~
15 general fund. The state loan and investment board shall
16 establish interest rates to be charged for loans under the
17 program, but the interest rate shall not exceed an annual
18 interest rate equal to the average prime interest rate as
19 determined by the state treasurer. To determine the
20 average prime interest rate, the state treasurer shall
21 average the prime interest rate for at least seventy-five
22 percent (75%) of the thirty (30) largest banks in the
23 United States. The interest rate shall be adjusted on

1 January 1 of each year. Interest rates shall be
2 established in recognition of the repayment abilities and
3 needs of the local municipal solid waste facility operator
4 eligible for loans under the program. The state loan and
5 investment board shall establish loan amortization
6 schedules, terms and conditions for each loan approved
7 based on an applicant's need, financial condition of the
8 landfill operator or the entity responsible for solid waste
9 funding, the projected life of the transfer facility and
10 the ability of that entity to repay the loan in a timely
11 manner.

12

13 **35-11-529. Municipal solid waste facilities cease and**
14 **transfer accounts created; authorized expenditures from the**
15 **accounts.**

16

17 (a) There is created the municipal solid waste cease
18 and transfer grant account. Monies from the account shall
19 be awarded for grants to fund approved activities pursuant
20 to W.S. 35-11-528. Interest earned by this account shall
21 be deposited in the ~~budget-reserve-account~~general fund.
22 Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a),

1 funds deposited in this account shall not revert without
2 further action of the legislature.

3

4 (b) There is created the municipal solid waste cease
5 and transfer loan account. Monies from the account shall
6 be awarded for loans to fund approved activities pursuant
7 to W.S. 35-11-528. Interest earned by this account shall
8 be deposited in the ~~budget reserve account~~ general fund.
9 Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a),
10 funds deposited in this account shall not revert without
11 further action of the legislature.

12

13 **39-14-801. Severance tax distributions; distribution**
14 **account created; formula.**

15

16 (d) After making distributions pursuant to
17 subsections (b), (c), (f) and (j) of this section,
18 distributions under subsection (e) of this section shall be
19 made from the severance tax distribution account. The
20 amount of distributions under subsection (e) of this
21 section shall not exceed one hundred fifty-five million
22 dollars (\$155,000,000.00) in any fiscal year. To the extent
23 that distributions under subsection (e) of this section

1 would exceed that amount in any fiscal year, ~~except as~~
2 ~~provided in subsections (g), (h) and (k) of this section,~~
3 the excess shall be credited ~~+~~ to the general fund.

4

5 **39-19-111. Distribution.**

6

7 (a) All money collected under W.S. 39-19-101 through
8 39-19-111 shall be credited ~~as follows:~~ to the general
9 fund.

10

11 **Section 2.** W.S. 9-2-1014.1, 9-4-219(b), 9-4-220,
12 9-4-220.1, 9-4-224, 9-4-601(a)(vii), (k) and (m),
13 9-4-715(p)(vi), 9-4-719(b)(i) and (s), 21-15-111(a)(i),
14 35-1-1003(d), 39-14-801(d)(i), (ii), (g) and (h) and
15 39-19-111(a)(i) and (ii) are repealed.

16

17 **Section 3.** W.S. 9-4-601(n), as created by 2022
18 Wyoming Session Laws, Chapter 51, Section 315, and
19 39-14-801(k), as created by 2022 Wyoming Session Laws,
20 Chapter 51, Section 314, are repealed.

21

22 **Section 4.** For fiscal years 2023 and 2024, prior to
23 the transfer of any funds required under W.S. 9-4-220.1

1 from the strategic investments and projects account to the
2 Wyoming state penitentiary capital construction account,
3 the state auditor shall first transfer any funds required
4 under W.S. 9-4-220(b)(i) to the school major maintenance
5 subaccount within the strategic investments and projects
6 account.

7

8 **Section 5.** The budget reserve account, the strategic
9 investments and projects account, the Wyoming state
10 penitentiary capital construction account within the
11 strategic investments and projects account and the school
12 major maintenance subaccount within the strategic
13 investments and projects account are repealed.

14

15 **Section 6.**

16

17 (a) On July 1, 2024, all funds in the budget reserve
18 account, the strategic investments and projects account,
19 the Wyoming state penitentiary capital construction account
20 within the strategic investments and projects account and
21 the school major maintenance subaccount within the
22 strategic investments and projects account shall be
23 transferred to the general fund. Any unexpended funds that

1 have been appropriated or obligated from the accounts and
2 subaccounts specified in this subsection prior to July 1,
3 2024 shall be paid from the general fund. Any funds that
4 are directed to revert by law to the accounts and
5 subaccounts specified in this subsection shall revert to
6 the general fund.

7

8 (b) On July 1, 2024, all funds in the school lands
9 mineral royalties account and the school capital
10 construction account shall be transferred to the public
11 school foundation program account. Any unexpended funds
12 that have been appropriated or obligated from the accounts
13 and subaccounts specified in this subsection prior to July
14 1, 2024 shall be paid from the public school foundation
15 program account. Any funds that are directed to revert by
16 law to the accounts and subaccounts specified in this
17 subsection shall revert to the public school foundation
18 program account.

19

20 **Section 7.**

21

22 (a) On the effective date of this section, the state
23 auditor shall transfer:

1

2 (i) Three hundred fifty-nine million one hundred
3 thousand dollars (\$359,100,000.00), or as much thereof as
4 is available, from the legislative stabilization reserve
5 account to the common school permanent fund reserve account
6 created by W.S. 9-4-719(f);

7

8 (ii) Two hundred seventy-four million seven
9 hundred thousand dollars (\$274,700,000.00), or as much
10 thereof as is available, from the legislative stabilization
11 reserve account to the permanent Wyoming mineral trust fund
12 reserve account created by W.S. 9-4-719(b);

13

14 (iii) Four million six hundred thousand dollars
15 (\$4,600,000.00), or as much thereof as is available, from
16 the legislative stabilization reserve account to the
17 Hathaway student scholarship reserve account created by
18 W.S. 21-16-1302(b);

19

20 (iv) One million two hundred thousand dollars
21 (\$1,200,000.00), or as much thereof as is available, from
22 the legislative stabilization reserve account to the

1 excellence in higher education endowment reserve account
2 created by W.S. 9-4-719(k).

3

4 (b) Amounts transferred pursuant to subsection (a) of
5 this section shall be securely deposited into the reserve
6 accounts required by subsection (a) of this section and
7 shall not be invested or otherwise deposited in a manner
8 inconsistent with the way in which funds in the respective
9 reserve accounts were invested on July 1, 2022 until:

10

11 (i) The state treasurer's office certifies in
12 writing to the office of state lands and investments and
13 the state loan and investment board that investment policy
14 statements have been adopted pursuant to W.S. 9-4-716 that
15 provide for the investment of the transferred amounts in
16 accordance with law and as part of a total return
17 investment strategy and that all accounting and financial
18 reporting systems are available and are operating in a
19 condition that allows fully compliant accounting and
20 reporting on the investment and handling of all transferred
21 funds and associated earnings; and

22

1 (ii) The state loan and investment board, after
2 having received and considered the certification required
3 by paragraph (i) of this subsection, provides written
4 notice to the state treasurer's office that the office is
5 authorized to begin investing and depositing transferred
6 funds in a manner consistent with the adopted investment
7 policies and using fully compliant financial accounting and
8 reporting practices.

9

10 **Section 8.** Not later than September 1, 2024, the
11 state auditor shall report to the joint appropriations
12 committee on the amounts transferred under sections 6 and 7
13 of this act.

14

15 **Section 9.** It is the intent of the legislature that
16 the five hundred thirty-three thousand five hundred
17 seventy-nine dollar (\$533,579.00) appropriation from the
18 Hathaway scholarship expenditure account to the department
19 of education for the payment of administrative expenses in
20 2022 Wyoming Session Laws, Chapter 51, Section 2, Section
21 206 not be requested to be paid from, nor be paid from, the
22 Hathaway scholarship expenditure account in the 2025-2026
23 fiscal biennium or any subsequent fiscal biennium.

1

2 **Section 10.**

3

4 (a) The legislature finds that:

5

6 (i) The state of Wyoming has established
7 inviolate permanent funds in the Wyoming constitution.
8 These permanent funds are invested, and the earnings from
9 those investments are expended, for specified
10 constitutional and statutory purposes and on behalf of
11 specified beneficiaries;

12

13 (ii) The permanent funds include the permanent
14 Wyoming mineral trust fund, the common school account
15 within the permanent land fund, the excellence in higher
16 education endowment fund and the Hathaway student
17 scholarship endowment fund;

18

19 (iii) The state maintains four (4) permanent
20 fund reserve accounts, one (1) for each of the permanent
21 funds identified in paragraph (ii) of this subsection, that
22 guaranty distributions to the important beneficiaries of

1 the permanent funds in the event investment earnings are
2 insufficient to satisfy annual distribution requirements;

3

4 (iv) Because of the current size of the reserve
5 accounts and the need for each reserve account to maintain
6 assets that can be liquidated to satisfy guaranty
7 obligations, some reserve accounts and portions of their
8 related permanent funds are invested using shorter-term or
9 income-focused strategies. These shorter-term and
10 income-focused strategies provide important and necessary
11 liquidity, but they have historically provided a
12 meaningfully lower investment return when compared to funds
13 invested in longer-term, but more illiquid, "total return"
14 investment strategies;

15

16 (v) The Wyoming state treasurer's office
17 estimates that, over the last five (5) years, the state of
18 Wyoming has forgone investment earnings in excess of three
19 hundred seventy million dollars (\$370,000,000.00) by
20 maintaining small reserve account balances that require the
21 use of shorter-term and income-focused investment
22 strategies;

23

1 (vi) By ensuring that permanent fund reserve
2 accounts maintain balances that can cover at least five (5)
3 years, and preferably seven (7) years, of their annual
4 spending obligations, those accounts and their associated
5 permanent funds can be more fully invested in longer-term,
6 historically higher-yielding "total return" strategies
7 while still providing the necessary liquidity to meet their
8 guaranty obligations;

9

10 (vii) To ensure that each permanent fund reserve
11 account is funded to at least five (5) times its annual
12 spending obligations, a transfer of funds to each reserve
13 account is necessary. These transfers are provided by
14 section 7 of this act and total six hundred thirty-nine
15 million six hundred thousand dollars (\$639,600,000.00).
16 Although these transfers are sizeable, historical total
17 return strategy investment earnings indicate that these
18 transfers will provide enhanced investment returns to the
19 state of Wyoming that will exceed the transferred amounts
20 within a short period of time. Further, the transfers and
21 the associated investment earnings will help ensure that
22 the state of Wyoming can satisfy its future obligations in
23 the face of potentially declining mineral revenues;

1

2 (viii) The significant benefits of employing
3 longer-term, total return investment strategies will last
4 only as long as Wyoming's permanent fund reserve accounts
5 are adequately funded and maintain at least five (5) to
6 seven (7) years of their respective annual spending
7 obligations;

8

9 (ix) Although Wyoming's permanent funds are
10 constitutionally protected from legislative appropriation,
11 the state's permanent fund reserve accounts are not.
12 Consequently, restraint and a long-term commitment by the
13 Wyoming legislature will be necessary to maintain funding
14 for the reserve accounts at the amounts provided by this
15 act and at levels that maximize investment returns and
16 provide maximum benefits to the beneficiaries of Wyoming's
17 permanent funds. The legislature should not jeopardize the
18 benefits of the permanent fund reserve accounts by
19 encumbering the reserve accounts with new guarantees or
20 other extraneous obligations;

21

22 (x) By committing the funds and making the
23 statutory changes contained in this act, the legislature is

1 adopting a long-term commitment to funding Wyoming's
2 permanent fund reserve accounts at a level that maximizes
3 investment returns and provides maximum benefits to
4 permanent fund beneficiaries and to the state of Wyoming.

5

6 **Section 11.**

7

8 (a) Except as provided in subsection (b) of this
9 section, this act is effective July 1, 2024.

10

11 (b) Sections 3, 4 and 11 of this act are effective
12 immediately upon completion of all acts necessary for a
13 bill to become law as provided by Article 4, Section 8 of
14 the Wyoming Constitution.

15

16

(END)