

Chapter 3

ENDOWMENT CHALLENGE PROGRAM-STATE FUNDS INVIOULATE

Original Senate File No. 26

AN ACT relating to the University of Wyoming endowment challenge program; clarifying that the corpus derived from state matching funds is inviolate and limiting expenditures from the corpus as specified; requiring a report; and providing for an effective date.

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

**Section 1.** W.S. 21-16-904(a)(iii) and by creating a new subsection (d) is amended to read:

**21-16-904. Endowment challenge fund matching fund program; matching payments; agreements with university foundation; annual reports; reversions of appropriations; legislative oversight.**

(a) The state treasurer shall administer the matching fund program established under this section. The following shall apply to the program:

(iii) The university shall immediately transfer all matching funds received to the university foundation to be permanently invested. 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 matching funds it receives in the same manner as other permanent endowment funds managed by the University of Wyoming foundation subject to the provisions of this section. Expenditures may be made from that portion of the funds attributable to endowment gifts received in accordance with the Uniform Prudent Management of Institutional Funds Act. Notwithstanding that act, only the earnings from the investment of these state matching funds may be expended for purposes other than reasonable costs of administration. These earnings shall be expended. All expenditures shall be used exclusively for the purposes of the endowment, including increasing the balance in the corpus and for reasonable costs of administration. Earnings also may be reinvested to increase the balance of the corpus;

(d) As used in this section “earnings from the investment of state matching funds” means that amount of net appreciation, realized and

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unrealized, in the fair value of assets of the endowment fund attributable to all state matching funds which exceeds the total amount of those state matching funds when distributed by the state treasurer to the university.

**Section 2.** The University of Wyoming shall report to the joint judiciary interim committee no later than October 15, 2014 on the creation of a stabilization reserve account for the endowment gifts and matching state funds managed under W.S. 21-16-904.

**Section 3.** This act is effective July 1, 2014.

Approved March 3, 2014.