

HOUSE BILL NO. HB0095

School generational account.

Sponsored by: Select Committee on Capital Financing &
Investments

A BILL

for

1 AN ACT relating to state funds; creating an inviolate
2 school generational account within the permanent land fund;
3 creating the school generational income account; providing
4 for the long-term investment of the school generational
5 account as specified; providing for expenditure of the
6 account's earnings for the benefit of schools; 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. 9-4-227 is created to read:

12

13 **9-4-227. School generational account.**

14

1 (a) The school generational account within the
2 permanent land fund, created by W.S. 9-4-310(a)(xiii), is a
3 permanent fund containing monies that shall be inviolate as
4 perpetual school funds. The account is intended to increase
5 revenues by taking advantage of the compounding effect of
6 money and utilizing long-term investment strategies that
7 have historically provided higher investment returns.

8
9 (b) Investment of the school generational account
10 shall be in accordance with W.S. 9-4-715(a) and (c) through
11 (e) and W.S. 9-4-716, except that W.S. 9-4-716(e) shall
12 apply to require that the school generational account be
13 invested so that the overall risk profile of the account's
14 investments shall not materially exceed the risk profile of
15 a reference portfolio that consists of eighty-five percent
16 (85%) private equity and fifteen percent (15%) private
17 credit investments. In adopting investment policy
18 statements for the school generational account under W.S.
19 9-4-716, the board shall seek to preserve the balance of
20 the account in a manner that strives for the highest
21 possible risk-adjusted total net return consistent with an
22 appropriate level of safety and liquidity, giving
23 consideration to the account's potential extended

1 investment period and the extended period during which
2 monies in the account may be ineligible for withdrawal.

3

4 (c) At times determined by the state treasurer,
5 earnings from investment of the school generational account
6 shall be deposited in the school generational income
7 account within the permanent land income fund. Earnings
8 deposited in the school generational income account shall
9 be appropriated and expended only pursuant to this section.

10

11 (d) All appropriations and other monies directed to
12 the school generational account shall be credited to the
13 account by the state treasurer. To further the purposes of
14 the school generational account and unless contrary to law,
15 earnings from the investment of monies in the account shall
16 be deposited into the school generational income account
17 but shall not be expended from the income account less than
18 twenty-two (22) years after the first date that monies are
19 credited to the school generational account.

20

21 (e) No earnings from the school generational account
22 that are deposited into the school generational income
23 account shall be expended from the school generational

1 income account except upon legislative appropriation and
2 then only for purposes authorized under the public school
3 foundation program. Any appropriation of monies in the
4 school generational income account on and after the date
5 appropriations are allowed under subsection (d) of this
6 section shall be executed in consultation with the state
7 treasurer and in a manner that allows for the prudent
8 generation of the appropriated earnings giving due regard
9 to the consequences of realizing earnings from the types of
10 investments in which the school generational account is
11 invested.

12

13 **Section 2.** W.S. 9-4-203(a)(xiii), 9-4-305(b),
14 9-4-310(a) by creating a new paragraph (xiii), (b) and (c)
15 by creating a new paragraph (vi) and 9-4-716(e) are amended
16 to read:

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18 **9-4-203. Definitions.**

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20 (a) As used in this act:

21

22 (xiii) "This act" means W.S. 9-4-202 through

23 ~~9-4-226~~ 9-4-227.

1

2 **9-4-305. Disposition of state land revenue.**

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

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

15

16 **9-4-310. Permanent land fund and land income fund**
17 **accounts.**

18

19 (a) The following accounts within the permanent land
20 fund are established to account for revenue dedicated to
21 certain institutions or for certain purposes accruing from
22 grants of land contained in the Act of Admission or acts of

1 congress, or accruing from provisions of the Wyoming
2 constitution or Wyoming statutes:

3

4 (xiii) School generational account.

5

6 (b) No appropriation shall be made from the
7 agricultural college, common school, school generational or
8 university accounts within the permanent land fund.

9

10 (c) The following accounts within the permanent land
11 income fund are established to be expended as provided by
12 law:

13

14 (vi) School generational income account.

15

16 **9-4-716. State investment policy; investment**
17 **consultant.**

18

19 (e) In investing monies of a fund or account which
20 may be invested in stock of a corporation or other
21 equities, the overall risk profile of the investments,
22 excluding any specific public purpose investment authorized
23 or directed by the legislature, shall not materially exceed

1 the risk profile of a reference portfolio that consists of
2 seventy percent (70%) global equities and thirty percent
3 (30%) domestic fixed income investments. The state
4 treasurer after consultation with the investment funds
5 committee shall submit to the board the committee's
6 recommendations of specific benchmarks for the measurement
7 of the portfolio risk characteristics. The specific
8 benchmarks shall be determined by the board. Any provision
9 of law which restricts or expands the investment of a
10 specific fund or account to a greater degree than the
11 provisions of this subsection shall control over this
12 subsection.

13

14 **Section 3.** From any monies received by the state of
15 Wyoming from the sale of state school trust lands before
16 December 31, 2025, one hundred million dollars
17 (\$100,000,000.00), or as much thereof as becomes available,
18 is appropriated to the school generational account under
19 W.S. 9-4-227 and 9-4-310(a)(xiii), as created by section 1
20 of this act. This appropriation shall not be transferred
21 or expended for any other purpose. Notwithstanding W.S.
22 9-2-1008, 9-2-1012(e) and 9-4-207, this appropriation shall

1 remain in effect and not lapse or revert at the end of any
2 fiscal period except upon further legislative action.

3

4 **Section 4.** 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)