

FISCAL NOTE

This bill creates the UNIVERSITY OF WYOMING RESERVE OFFICERS' TRAINING CORPS ENDOWMENT FUND (Endowment Fund) and the UNIVERSITY OF WYOMING RESERVE OFFICERS' TRAINING CORPS INCOME ACCOUNT (Income Account).

The Endowment Fund consists of funds appropriated to the fund by law or by gift from whatever source. In accordance with Article 15, Section 20 of the Wyoming Constitution, monies within the Endowment Fund shall not be expended and may be invested in the same manner as other permanent funds of the state.

This bill directs the State Treasurer to distribute investment earnings from the Endowment Fund yearly as soon as possible after July 1 to the Income Account. Accrued interest and other earnings on unexpended funds within the Income Account shall be credited to the account.

The University of Wyoming's reserve officers' training corps programs may expend an amount not to exceed 100% of the prior fiscal year's investment earnings distributed to the Income Account. Any unexpended, unobligated funds remaining in the Income Account on June 30 of each fiscal year shall be credited to the Endowment Fund not later than ninety (90) days after the end of the fiscal year.

The State Treasurer's Office projects yields in FY 2026 through FY 2028 to be 2.98%, 3.07%, and 3.02%, respectively for permanent funds and 4.28%, 4.12%, and 4.02%, respectively for State Agency Pool funds. Yield is defined as the interest and dividend income from the investment. Over the long term, total returns for permanent funds are expected to be 6.75%, while total returns for State Agency Pool funds are expected to be 4.05%. This is in accordance with the State's Investment Policy. Total return is defined as growth in the value of the investment, including both yield and realized & unrealized gains.

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