

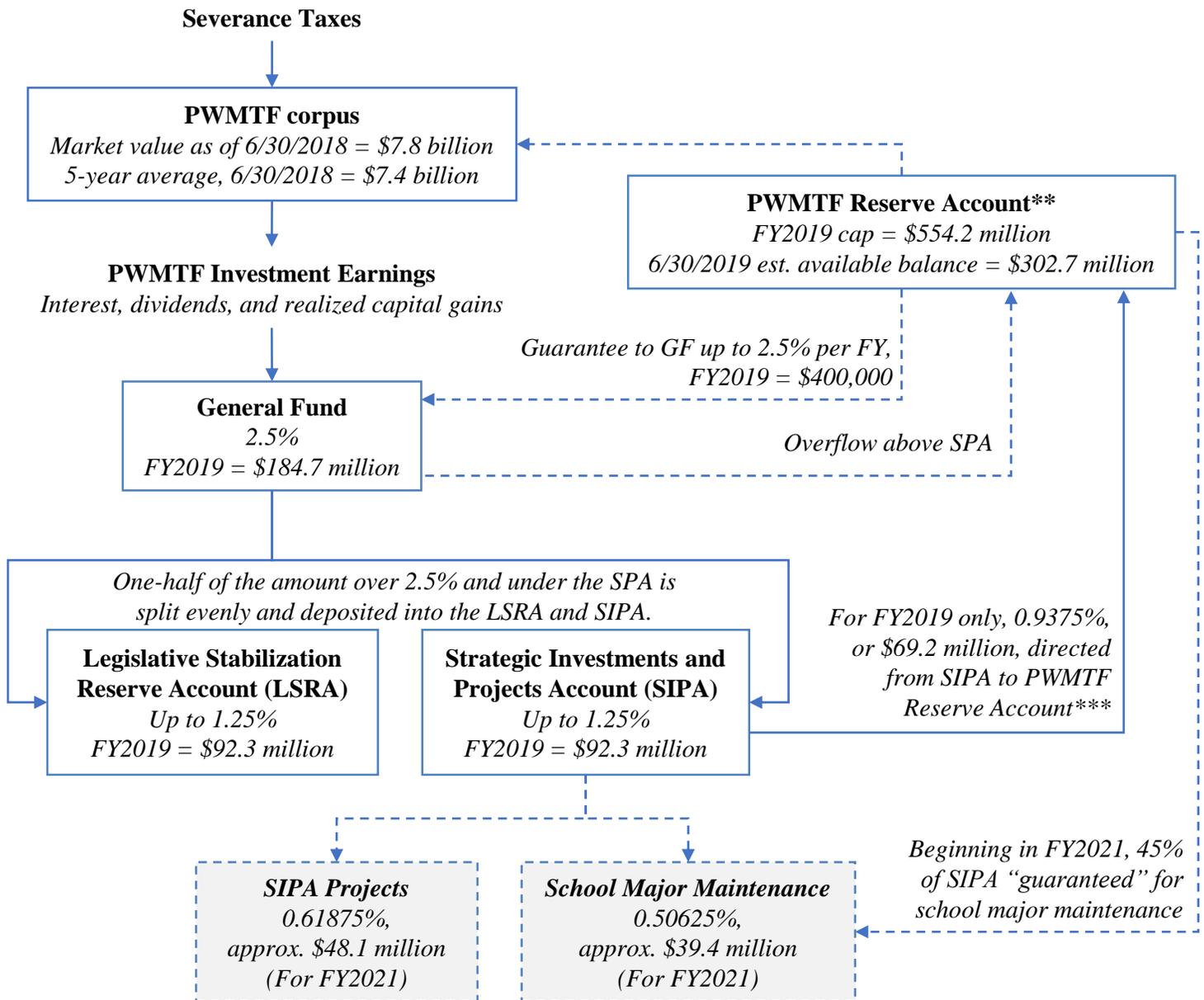
Spending Policy for FY2019

Permanent Wyoming Mineral Trust Fund (PWMTF)

W.S. 9-4-719

The **Spending Policy Amount (SPA)** for FY2019 is 5% of the 5-year average market value of the PWMTF corpus.* W.S. 9-4-719(a) outlines the purpose of the spending policy as:

- (a) The purpose of this section is to establish a spending policy for earnings on permanent fund investments to provide, in descending order of importance:
- (i) Consistent, sustainable flow of earnings for expenditure over time;
 - (ii) Protection of the corpus of the permanent funds against inflation; and
 - (iii) To the extent practicable, increases in earnings available for expenditure to offset the effects of inflation.



Notes:

* For future years, the SPA will change as follows: FY2020 = 5%, FY2021 = 4.75%, FY2022 = 4.5%

**Excess over 150% of the SPA in the PWMTF Reserve Account goes back to the PWMTF corpus.

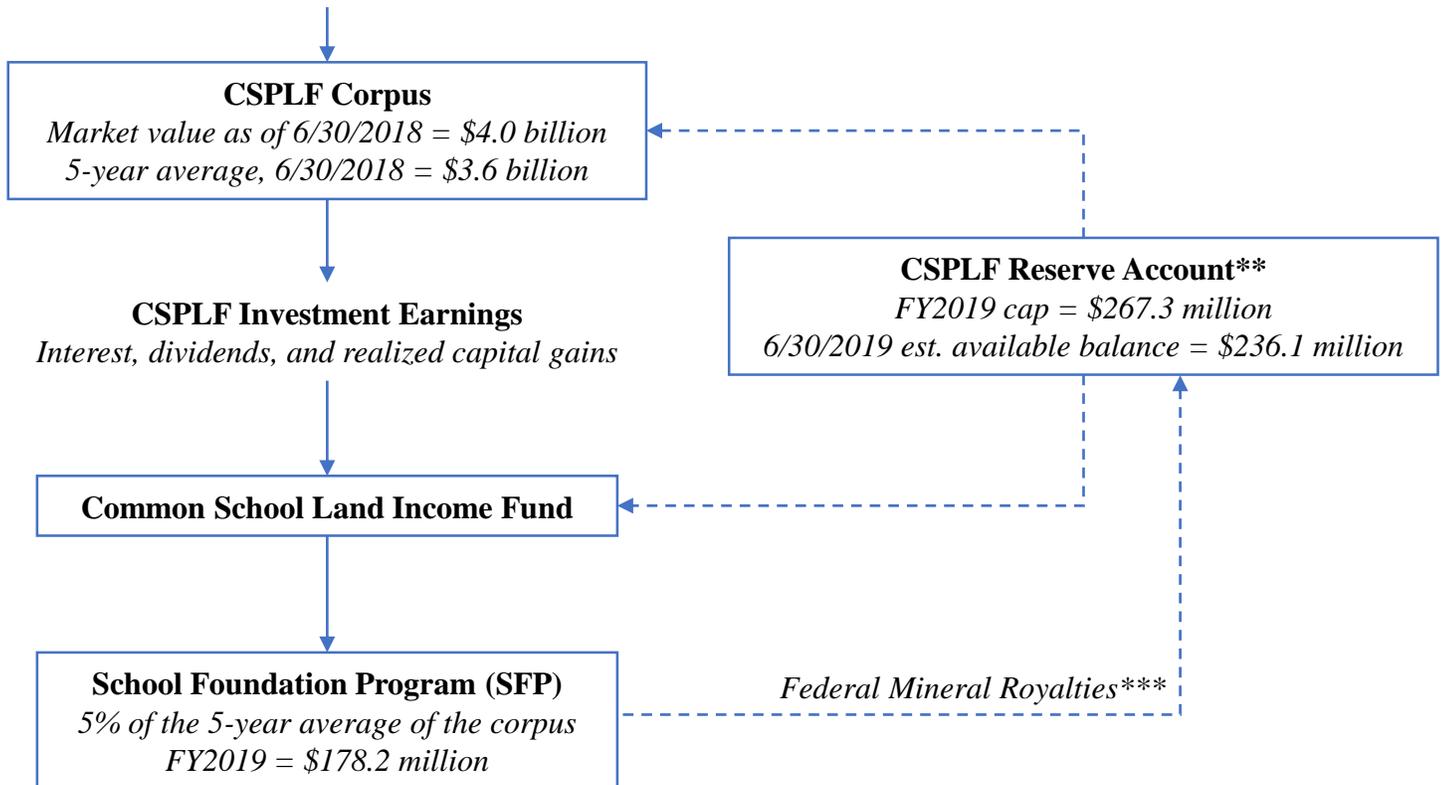
*** Pursuant to W.S. 9-4-719(q)(iii), the first priority (i.e., 0.9375% directed to the PWMTF Reserve Account) shall be fully funded before deposits are made into the second priority (0.3125% directed to the SIPA).

**Spending Policy Reserve Account for FY2019
Common School Permanent Land Fund (CSPLF)
W.S. 9-4-719**

The **Spending Policy Amount (SPA)** for FY2019 is 5% of the five-year average of the value of the corpus.* W.S. 9-4-719(a) outlines the purpose of the spending policy as:

- (a) The purpose of this section is to establish a spending policy for earnings on permanent fund investments to provide, in descending order of importance:
- (i) Consistent, sustainable flow of earnings for expenditure over time;
 - (ii) Protection of the corpus of the permanent funds against inflation; and
 - (iii) To the extent practicable, increases in earnings available for expenditure to offset the effects of inflation.

Sale of school lands, at least 2/3 of production and sale of state mineral royalties, easements, surface damage payments, etc.



Notes:

* For future years, the SPA will change as follows: FY2020 = 5%, FY2021 = 4.75%, FY2022 = 4.5%

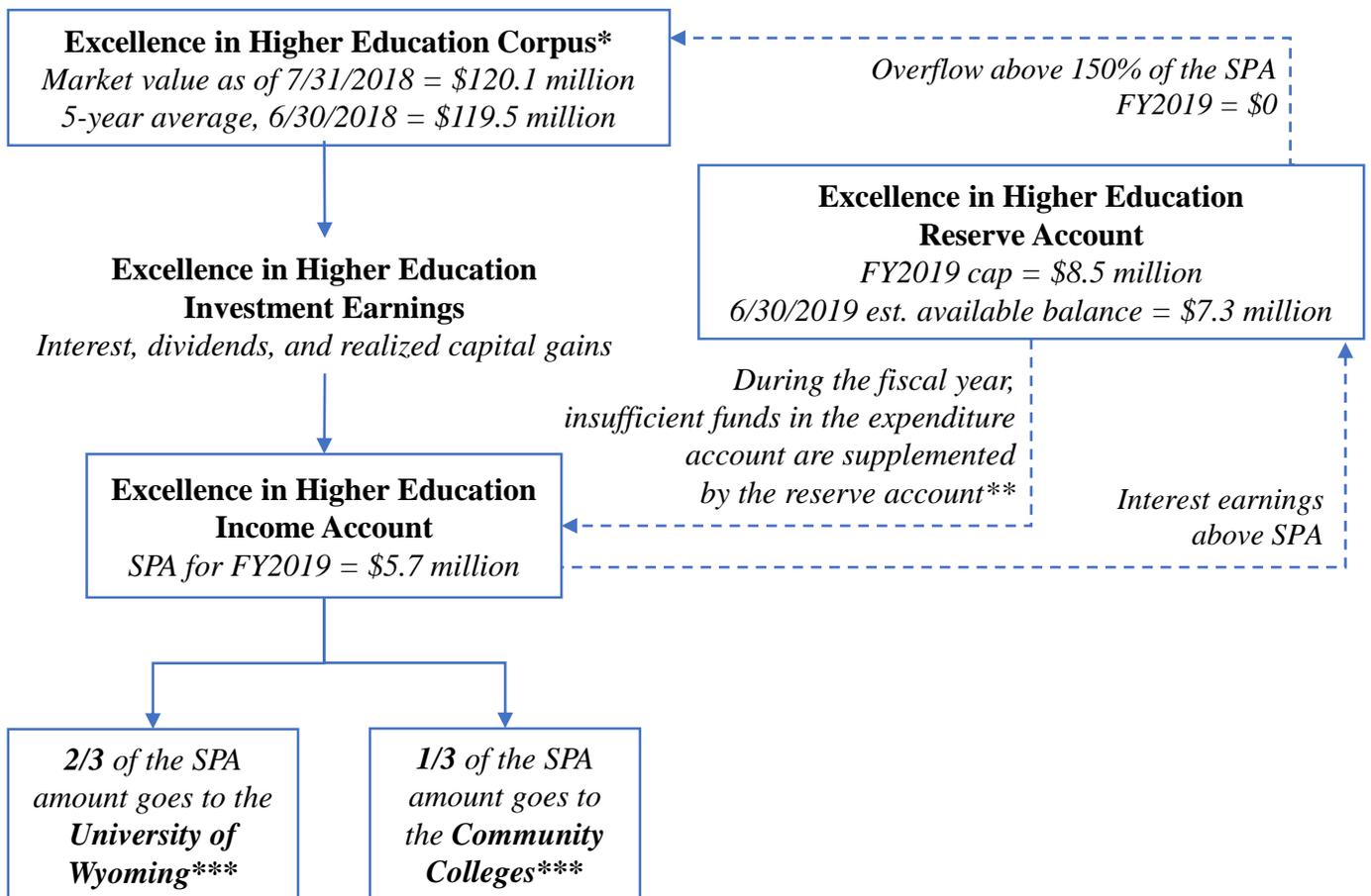
**The SPA is “guaranteed” from the CSPLF Reserve Account to the Common School Land Income Fund. The excess within the CSPLF Reserve Account over 150% of the SPA is directed to the CSPLF corpus (automatic appropriation).

***There is an automatic appropriation to the CSPLF Reserve Account from FMR amounts exceeding \$200 million that would otherwise be deposited in the SFP for any amounts in excess of the SPA.

Spending Policy Reserve Account for FY2019
Excellence in Higher Education Endowment Program
W.S. 9-4-719

The **Spending Policy Amount (SPA)** for FY2019 is 4.75% of the 5-year average market value of the Excellence in Higher Education corpus. W.S. 9-4-719(a) outlines the purpose of the spending policy as:

- (a) The purpose of this section is to establish a spending policy for earnings on permanent fund investments to provide, in descending order of importance:
- (i) Consistent, sustainable flow of earnings for expenditure over time;
 - (ii) Protection of the corpus of the permanent funds against inflation; and
 - (iii) To the extent practicable, increases in earnings available for expenditure to offset the effects of inflation.



Notes:

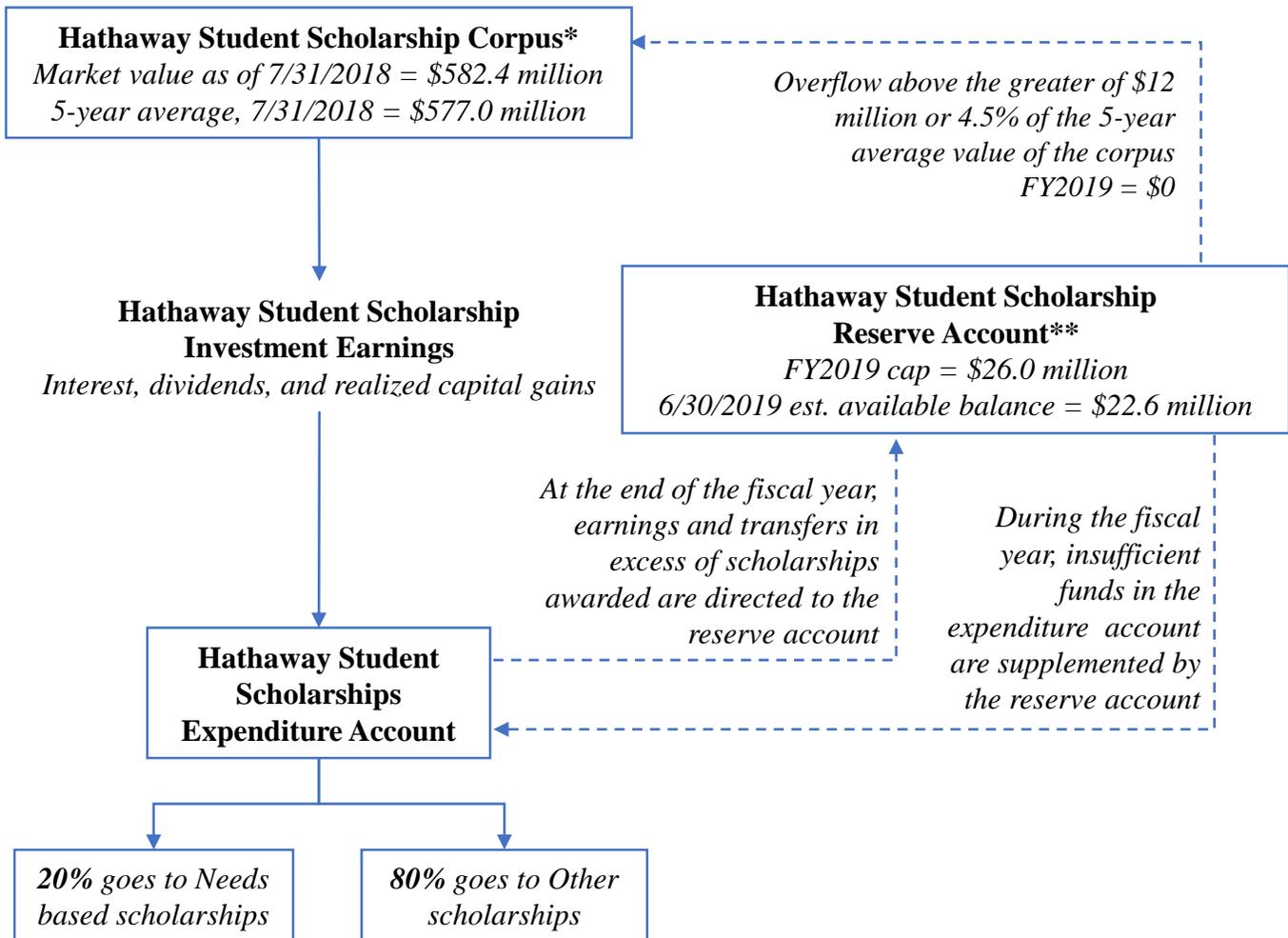
*A portion of the federal mineral royalties over the \$200 million cap that would have been deposited in the School Foundation Program Account were deposited in the Excellence in Higher Education fund (corpus) until the maximum of \$105 million was achieved. It was fully funded in FY2008.

** Pursuant to W.S. 9-4-719(n) the supplement for insufficient funds from the Excellence in Higher Education Reserve Account is limited to one-half of the difference between the investment income earned and the SPA.

*** Pursuant to W.S. 21-16-1201(c), the institutions shall only expend 90% of the distributions in fiscal years in which the SPA is reached or exceeded.

**Spending Policy Reserve Account for FY2019
Hathaway Student Scholarship Endowment Program
W.S. 21-16-1302**

The **Spending Policy Amount** (SPA) for this account is established as the amount necessary to fund scholarships for Wyoming students to attend the University of Wyoming and community colleges, if students meet legislatively established criteria, pursuant to W.S. 21-16-1303 through 1306.



Notes:

*A portion of the federal mineral royalties over the \$200 million cap that would have been deposited in the School Foundation Program Account were deposited in the Hathaway Student Scholarship fund (corpus) until the maximum of \$400 million was achieved. It was fully funded in FY2007. Pursuant to 2008 Session Laws, Ch. 48, Section 3, Section 027, Footnote 2, an additional \$50 million was appropriated from the federal coal lease bonus sales to the Hathaway Student Scholarship fund (corpus).