

SPENDING POLICY: PERMANENT WYOMING MINERAL TRUST FUND (PWSTRF)

Prepared using October 2013 CREG Projections

last update 10/23/13

W.S. 9-4-719 established annual spending policy amounts from the PWSTRF (currently five percent (5%) of the average five (5) year rolling average market value) and created the PWSTRF reserve account. To the extent earnings from the PWSTRF exceed the five percent (5%) spending policy amount, the excess earnings flow to the PWSTRF reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the corpus of the PWSTRF.

The spending policy amount for fiscal year 2013 was \$233,646,816. Total PWSTRF investment income for FY13 was \$366,635,722. As investment earnings exceeded the five percent (5%) spending policy amount, \$132,988,906 flowed into the spending policy reserve account at the end of fiscal year 2013, leaving a fiscal year end balance in the reserve account of \$277,304,391. This amount exceeded 75% of the spending policy amount by \$102,069,278 which spilled over to Corpus and left an ending balance in the reserve account of \$175,235,112 at the end of fiscal year 2013.

The five percent spending policy amount for fiscal year 2014 is \$253,420,015. Investment income is projected to be less than the spending policy amount for fiscal year 2014 through fiscal year 2018 based on October 2013 CREG estimates, so no funds are projected to flow into the reserve account unless there are realized capital gains that increase investment earnings. Capital gains/losses are not included in the CREG investment income projections.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/97	1,396,009,173	1998										
7/1/98	1,507,006,444	1999										
7/1/99	1,540,767,270	2000										
7/1/00	1,539,636,928	2001										
7/1/01	1,755,553,508	2002	1,547,794,665	8.000%	123,823,573	90,510,496	0			92,867,680	0	
7/1/02	1,864,380,749	2003	1,641,468,980	7.625%	125,162,010	58,647,855	0			93,871,507	0	
7/1/03	2,050,845,569	2004	1,750,236,805	5.000%	87,511,840	98,110,315	10,598,475 (f)		10,598,475	65,633,881	0	10,598,475
7/1/04	2,218,179,475	2005	1,885,719,246	5.000%	94,285,962	87,789,397	0	44,500,000 (b)	56,747,488 (c)	70,714,472	0	55,098,475 (d)
7/1/05	2,557,758,285	2006	2,089,343,517	5.000%	104,467,176	123,952,616	19,485,440 (f)			74,583,915	0	74,583,915
7/1/06	3,070,623,840	2007	2,352,357,584	5.000%	117,617,879	150,487,083	32,869,204 (f)			107,453,119	19,239,709 (e)	88,213,409
7/1/07	3,728,082,077	2008	2,725,097,849	5.000%	136,254,892	321,357,789	185,102,897			273,316,306	171,125,137	102,191,169
7/1/08	4,135,435,366	2009	3,142,015,809	5.000%	157,100,790	135,264,226	0			102,191,169	0	102,191,169
7/1/09	3,893,843,313	2010	3,477,148,576	5.000%	173,857,429	139,450,800	0	54,264,775 (g)	156,455,944	130,393,072	0 (h)	156,455,944
7/1/10	4,414,080,035	2011	3,848,412,926	5.000%	192,420,646	215,755,659	23,335,013			179,790,957	35,475,472 (i)	144,315,485
7/1/11	5,325,828,961	2012	4,299,453,950	5.000%	214,972,698	205,847,144 (j)	0			144,315,485	0	144,315,485
7/1/12	5,595,493,940	2013	4,672,936,323	5.000%	233,646,816	366,635,722	132,988,906			277,304,391	175,235,112	102,069,278
7/1/13	6,112,755,251	2014	5,068,400,300	5.000%	253,420,015	135,500,000	0			175,235,112	0	175,235,112
7/1/14	6,466,755,251	2015	5,582,982,688	5.000%	279,149,134	146,300,000	0			175,235,112	0	175,235,112
7/1/15	6,835,455,251	2016	6,067,257,731	5.000%	303,362,887	155,200,000	0			175,235,112	0	175,235,112
7/1/16	7,214,055,251	2017	6,444,902,989	5.000%	322,245,149	163,700,000	0			175,235,112	0	175,235,112
7/1/17	7,601,455,251	2018	6,846,095,251	5.000%	342,304,763	172,200,000	0			175,235,112	0	175,235,112
7/1/18	7,997,955,251	2019	7,223,135,251	5.000%	361,156,763	172,200,000	0			175,235,112	0	175,235,112

* FY2014 spending policy amount calculated using actual market value as of 06/30/13

**Investment income is based on October 2013 CREG estimates. All amounts shown in yellow are projections & do not include projections for any capital gains distributions

Source: W.S. 9-4-719

Notes:

- (a) Total Market Value for FY09 & Prior are Actual Market Values
- (b) Appropriation from General Fund to this reserve account-2004 budget session
- (c) Reflects addition of \$1,649,014 realized earned income on reserve account.
- (d) Reflects balance following correction of \$1,649,014 realized earned income-transfer out to general fund.
- (e) Reflects \$12,109,656 reduction of reversion to corpus following correction of market values
- (f) Reflects reduction in amount to reserve following correction of market values--\$9,599,515 transferred back to general fund
- (g) Reflects the net of the special appropriation of severance tax into the reserve account which amounted to \$74,264,775 (2009 session laws, Ch 159, Sec. 350) and the appropriation of \$20,000,000 from this reserve account to the office of state lands and investments to be allocated to cities, towns and counties (2010 Session laws, Ch 39, Sec 335)
- (h) 2010 Session laws, Ch 39, Sec 301(a) - no funds are to spill over to corpus until June 30, 2012
- (i) 2011 Session laws, Ch 88, Sec 301 repeals the provision of Ch 39, Sec 301(a) of the 2010 session laws such that funds are to once again spill over to corpus if the balance in reserve exceeds the spending policy amount.
- (j) 2012 Session laws, Ch 26, Sec 300 (c) - excludes \$30 million from earnings calculation for general fund appropriation to AML fund balancing account

SPENDING POLICY: COMMON SCHOOL PERMANENT LAND FUND (CSPLF)

Prepared using October 2013 CREG Projections

last update 10/23/13

W.S. 9-4-719 established annual spending policy amounts from the CSPLF (currently five percent (5%) of the average five (5) year rolling average market value) and created the CSPLF reserve account. To the extent earnings from the CSPLF exceed the five percent (5%) spending policy amount, the excess earnings flow to the CSPLF reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the corpus of the CSPLF.

The spending policy amount for fiscal year 2013 was \$98,978,909. Total CSPLF investment income for FY13 was \$142,833,282. As investment earnings exceeded the five percent (5%) spending policy amount, \$43,854,373 flowed to the spending policy reserve account at the end of fiscal year 2013, leaving a fiscal year end balance in the reserve account of \$112,890,821. This amount exceeded 75% of the spending policy amount by \$38,656,639 which spilled over to Corpus and left an ending balance in the reserve account of \$74,234,182 at the end of fiscal year 2013.

The five percent spending policy amount for fiscal year 2014 is \$107,624,856. Investment income is projected to be less than the spending policy amount for fiscal year 2014 through fiscal year 2018 based on October 2013 CREG estimates, so no funds are projected to flow into the reserve account unless there are realized capital gains that increase investment earnings. Capital gains/losses are not included in the CREG investment income projections.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income *	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/97	782,431,215	1998										
7/1/98	838,949,498	1999										
7/1/99	857,362,587	2000										
7/1/00	839,611,767	2001										
7/1/01	899,161,216	2002	843,503,257	8.200%	69,167,267	37,700,000	0			51,875,450	0	
7/1/02	930,348,643	2003	873,086,742	7.825%	68,319,038	36,070,760	0			51,239,278	0	
7/1/03	1,013,895,764	2004	908,075,995	5.000%	45,403,800	48,190,294	2,786,494 (h)		2,786,494	34,052,850	0	2,786,494
7/1/04	1,014,318,667	2005	939,467,211	5.000%	46,973,361	51,092,246	4,118,885 (h)	30,000,000 (b)	37,852,862 (e)	35,230,020	2,622,841 (g)	34,282,538 (f)
7/1/05	1,165,218,792	2006	1,004,588,616	5.000%	50,229,431	53,845,180	3,615,749 (h)		37,898,288	37,672,073	226,214 (g)	37,672,073
								(13,500,000) (c)				
7/1/06	1,371,627,543	2007	1,099,081,882	5.000%	54,954,094	65,520,931	10,566,837 (h)	(4,200,000) (d)	30,538,910	41,215,571	0	30,538,910
7/1/07	1,678,302,393	2008	1,248,672,632	5.000%	62,433,632	133,866,782	71,433,150		101,972,060	46,825,224	55,146,837	46,825,224
7/1/08	1,766,046,029	2009	1,399,102,685	5.000%	69,955,134	56,969,255	0	167,274 (i)	46,992,498	52,466,351	0	46,992,498
7/1/09	1,622,477,081	2010	1,520,734,368	5.000%	76,036,718	54,643,154	0		46,992,498	57,027,539	0 (j)	46,992,498
7/1/10	1,901,503,362	2011	1,667,991,282	5.000%	83,399,564	98,387,094	14,987,530		61,980,028	62,549,673	0 (j)	61,980,028
7/1/11	2,236,530,927	2012	1,840,971,958	5.000%	92,048,598	99,567,151	7,518,553		69,498,581	69,036,448	462,132	69,036,448
7/1/12	2,371,333,538	2013	1,979,578,187	5.000%	98,978,909	142,833,282	43,854,373		112,890,821	74,234,182	38,656,639	74,234,182
7/1/13	2,630,640,734	2014	2,152,497,128	5.000%	107,624,856	60,200,000	0		74,234,182	80,718,642	0	74,234,182
7/1/14	2,805,640,734	2015	2,389,129,859	5.000%	119,456,493	63,400,000	0		74,234,182	89,592,370	0	74,234,182
7/1/15	2,980,640,734	2016	2,604,957,333	5.000%	130,247,867	67,600,000	0		74,234,182	97,685,900	0	74,234,182
7/1/16	3,155,640,734	2017	2,788,779,295	5.000%	139,438,965	71,500,000	0		74,234,182	104,579,224	0	74,234,182
7/1/17	3,330,640,734	2018	2,980,640,734	5.000%	149,032,037	75,500,000	0		74,234,182	111,774,028	0	74,234,182
7/1/18	3,505,640,734	2019	3,155,640,734	5.000%	157,782,037	79,400,000	0		74,234,182	118,336,528	0	74,234,182

* FY2014 spending policy amount calculated using actual market value as of 06/30/13

**Investment income is based on October 2013 CREG estimates. All amounts shown in yellow are projections & do not include projections for any capital gains

Source: W.S. 9-4-719

* Does not include investment income on CSPLF II (\$5 million set aside from Express Pipeline Partnership of 1996) per 1997 session laws, ch 3, Sec 504

(a) Total Market Value for FY09 & Prior are Actual Market Values

(b) \$30,000,000 was appropriated from the school foundation account into this reserve account-2004 budget session

(c) \$13,500,000 was appropriated from this reserve account into the Hathaway scholarship expenditure account-2006 budget session

(d) \$4,200,000 was appropriated from this reserve account for distribution to the community colleges and the University of Wyoming to begin to implement the plan for excellence in the higher education endowment--\$2.8 million to UW and \$1.4 million equally split among the seven (7) community colleges.

(e) Reflects addition of \$947,482 realized earned income on reserve account

(f) Reflects balance following correction of \$947,482 realized earned income-transfer out to CSPLF income fund

(g) Reflects reduction in amount to revert to corpus following correction of market values--\$1,099,854 transferred back to reserve

(h) Reflects reduction in amount to reserve following correction of market values--\$1,076,494 transferred back to general fund

(i) UW returned \$167,274 of the \$2.8 million distributed from the \$4,200,000 appropriation to begin to implement the plan for the excellence in higher education endowment

(j) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to spill over to corpus until June 30, 2012

SPENDING POLICY: EXCELLENCE IN HIGHER EDUCATION ENDOWMENT (Higher Ed)
Prepared Using October 2013 CREG Projections

last update 10/23/13

W.S. 9-4-719 established annual spending policy amounts from the Excellence in Higher Education (Higher Ed) Endowment fund (currently five percent (5%) of the average five (5) year rolling average market value) and created the Excellence in Higher Education Endowment (Higher Ed) reserve account. To the extent investment earnings from the Higher Ed Endowment fund exceed the five percent (5%) spending policy amount, the excess earnings flow to the Higher Ed reserve account. If the investment earnings from the Higher Education Endowment fund are less than the five percent (5%) spending policy amount, an amount equal to the difference is taken from the Higher Ed reserve account and distributed to the University of Wyoming and seven community college foundations in accordance with W.S. 21-16-1201. Distributions of the annual spending policy amount is to be distributed on a quarterly basis, 2/3 to UW and 1/3 equally to the community colleges. If there are insufficient funds in the income account at the time the quarterly payments are to be made, then funds are to be taken from the reserve account to make the distributions to UW and the community colleges.

The spending policy amount for fiscal year 2013 was \$5,268,752. Total investment income from the Higher Education Endowment fund for FY13 was \$7,791,230 which exceeded the the five percent (5%) spending policy amount by \$2,522,478. This amount flowed into the spending policy reserve account at the end of fiscal year 2013. However, a total of 2,372,144 was transferred from the reserve account to the Higher Ed income account during FY13 as there were insufficient funds in the income account to make the quarterly payments to the colleges due to timing of the investment income distributions. A balance of \$2,559,132 in unexpended, unobligated funds was remaining in the income account at fiscal year end which was transferred to the reserve account. The balance in the reserve account at the end of fiscal year 2013 exceeded 75% of the spending policy amount by \$2,462,258, which spilled over to Corpus at the end of fiscal year 2013. The balance in the Higher Ed reserve account at the end of FY13 is \$3,951,564.

The spending policy amount for fiscal year 2014 is \$5,359,054. Investment income is projected to be less than the spending policy amount for fiscal year 2014 through fiscal year 2018 based on October 2013 CREG estimates, which as shown would mean there would be insufficient funds in the reserve account to distribute to UW and the community colleges for the difference between the spending policy amount & projected investment income. However, investment income projections for fiscal years 2014 through 2018 do not include any projections for capital gains/losses that might occur.

As of	Total Market Value	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Earnings over 5% of spending policy amount to Reserve Acct *	Earnings less than 5% of spending policy from Reserve Acct to be distributed	Legislative Appropriations	Transfers to (from) Reserve Account	Year End Reserve Balance Before Reversion to Corpus or to cover shortfall	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/05	929,697 (a)	2006		5.000%	0.00	0	0				0	0	0	0
7/1/06	48,379,952 (a)	2007	48,379,952	5.000%	2,418,998	726,921	0				0	1,814,248	0	0
7/1/07	78,867,967 (a)	2008	63,623,960	5.000%	3,181,198	4,474,394	1,293,196				1,293,196	2,385,898	0	1,293,196
7/1/08	104,820,958	2009	77,356,292	5.000%	3,867,815	3,926,014	151,616 (c)				1,444,812 (c)	2,900,861	0	1,444,812 (d)
7/1/09	96,094,847	2010	82,040,931	5.000%	4,102,047	3,493,118	0	(608,929)	3,852,480 (b)		4,688,364 (c)	3,076,535	0	4,688,364 (d)
7/1/10	102,674,540	2011	86,167,653	5.000%	4,308,383	6,086,019	1,777,636	0		(79,026)	6,386,974 (c)	3,231,287	0	6,386,974
7/1/11	111,455,707	2012	98,782,804	5.000%	4,939,140	5,634,089	694,949	0		30,558	7,112,481	3,704,355	3,408,126	3,704,355
7/1/12	111,829,141	2013	105,375,039	5.000%	5,268,752	7,791,230	2,522,478	0		186,988	6,413,821	3,951,564	2,462,257	3,951,564
7/1/13	113,851,145	2014	107,181,076	5.000%	5,359,054	2,530,000	0	(2,829,054)		1,122,510	5,074,074	4,019,290	1,054,784	4,019,290
7/1/14	113,851,145	2015	110,732,336	5.000%	5,536,617	2,600,000	0	(2,936,617)		1,082,674	2,272,910	4,152,463	0	2,272,910
7/1/15	113,851,145	2016	112,967,657	5.000%	5,648,383	2,600,000	0	(3,048,383)		(775,473)	0	4,236,287	0	0
7/1/16	113,851,145	2017	113,446,744	5.000%	5,672,337	2,600,000	0	(3,072,337)		(3,072,337)	0	4,254,253	0	0
7/1/17	113,851,145	2018	113,851,145	5.000%	5,692,557	2,600,000	0	(3,092,557)		(3,092,557)	0	4,269,418	0	0
7/1/18	113,851,145	2019	113,851,145	5.000%	5,692,557	2,600,000	0	(3,092,557)		(3,092,557)	0	4,269,418	0	0

* FY2014 spending policy amount calculated using actual market value as of 06/30/13

**Investment income is based on October 2013 CREG estimates. All amounts shown in yellow are projections & do not include projections for any capital gains distributions

Potential shortage in Reserve to distribute to UW & colleges for difference between 5% spending policy amount & projected investment income if there are no capital gains

FY2016	775,473
FY2017	3,072,337
FY2018	3,092,557
FY2019	3,092,557

Notes:

- (a) Total Market Value for FY06 - FY08 are based on Higher Ed portion of SAP market value
- (b) Appropriation - federal mineral royalty diversion - 2009 session, Ch 159, Sec 342
- (c) Reflects balance following correction of \$93,417, realized earned income-transfer out of Higher Ed income fund
- (d) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to spill over to corpus until June 30, 2012