MEMORANDUM

To: Governor Mark Gordon
        Joint Appropriations Committee
        Joint Education Committee
        Select Committee on Capital Financing & Investments

From: Curtis E. Meier Jr., State Treasurer

Due: October 31, 2024

Re: Excellence in Higher Education Endowment Reserve Account

In accordance with Wyoming Statute 9-4-719(n), the State Treasurer, in consultation with the University of Wyoming and the Community College Commission, is to report to the Governor, the Joint Appropriations Committee, the Joint Education Committee and the Select Committee on Capital Financing and Investments no later than November 1st of any year in which funds have been or are anticipated to be distributed from the Excellence in Higher Education Endowment Reserve Account (Reserve Account).

Total investment income earned on the Excellence in Higher Education Endowment Account during FY24 amounted to $5,612,752, which was below the spending policy amount of $6,498,556. The spending policy for the Excellence in Higher Education Endowment Account requires that if the investment income falls below the spending policy amount, then one-half of the amount of the shortfall shall be transferred from the Reserve Account to the Income Account for distribution to the higher education institutions. The higher education institutions are then required to cover the other one-half of the shortfall.

The total investment return shortfall to the spending policy was $885,804. The amount of the shortfall covered by the Reserve Account was a total of $442,902, which is one-half of the shortfall as described above. Additionally, a one-time residual transfer from the reserve account to income occurred in the amount of $784,567 to shore-up the Spending Policy.

As monies were transferred out of the Reserve Account, the balance of the Reserve Account did not exceed the spending policy cap and thus no funds were transferred to the Higher Ed Fund corpus. The balance in the Reserve Account at the end of FY24 was $9,637,400.