

## HOUSE JOINT RESOLUTION NO. HJ0006

Common school account-investments and distributions.

Sponsored by: House Appropriations Committee

## A JOINT RESOLUTION

for

1 A JOINT RESOLUTION proposing to amend the Wyoming  
 2 Constitution to modify and modernize the common school  
 3 account within the permanent land fund; requiring that all  
 4 common school account earnings be transferred to a separate  
 5 earnings fund; specifying actions and uses of the common  
 6 school account's earnings; and requiring that the legislature  
 7 provide a means for making whole any investment losses to the  
 8 common school account.

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10 *BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF WYOMING,*  
 11 *two-thirds of all the members of the two houses, voting*  
 12 *separately, concurring therein:*

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14 **Section 1.** The following proposal to amend Article 7,  
 15 Sections 2, 6, 7, 8 and 9 and Article 18, Section 6 of the  
 16 Wyoming Constitution is proposed for submission to the

1 electors of the State of Wyoming at the next general election  
2 for approval or rejection to become valid as a part of the  
3 Constitution if ratified by a majority of the electors at the  
4 election:

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6 **Article 7, Section 2. School revenues.**

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8 The following are declared to be perpetual funds for school  
9 purposes, of which the ~~annual income~~ earnings only can be  
10 appropriated, to wit: Such per centum as has been or may  
11 hereafter be granted by congress on the sale of lands in this  
12 state; all moneys arising from the sale or lease of sections  
13 number sixteen and thirty-six in each township in the state,  
14 and the lands selected or that may be selected in lieu  
15 thereof; the proceeds of all lands that have been or may  
16 hereafter be granted to this state, where by the terms and  
17 conditions of the grant, the same are not to be otherwise  
18 appropriated; the net proceeds of lands and other property  
19 and effects that may come to the state by escheat or  
20 forfeiture, or from unclaimed dividends or distributive  
21 shares of the estates of deceased persons; all moneys, stocks,  
22 bonds, lands and other property now belonging to the common  
23 school funds. Provided, that the rents for the ordinary use

1 of said lands shall be applied to the support of public  
2 schools and, when authorized by general law, not to exceed  
3 thirty-three and one-third (33 1/3) per centum of oil, gas,  
4 coal, or other mineral royalties arising from the lease of  
5 any said school lands may be so applied.

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7 **Article 7, Section 6. State to keep school funds;**  
8 **investment.**

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10 (a) All funds belonging to the state for public school  
11 purposes, the ~~interest and income~~ earnings of which only are  
12 to be used, shall be deemed trust funds in the care of the  
13 state, which shall keep them for the exclusive benefit of the  
14 public schools. The legislature shall provide by law for the  
15 investment of such trust funds, subject to the following:

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17 (i) Earnings, which may include both realized and  
18 unrealized gains as prescribed by the legislature, shall be  
19 deposited or credited by the state treasurer in a separate  
20 earnings fund on not less than an annual basis;

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22 (ii) Earnings in the separate earnings fund may be  
23 invested or distributed as required by law;

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(iii) The legislature shall prescribe by law the manner, means and timing for supplying losses to the perpetual funds belonging to the state for public school purposes.

**Article 7, Section 7. Application of school funds.**

The ~~income~~earnings arising from the funds mentioned in the preceding section, together with all the rents of the unsold school lands and such other means as the legislature may provide, shall be exclusively applied to the support of free schools in every county in the state.

**Article 7, Section 8. Distribution of school funds.**

Provision shall be made by general law for the equitable allocation of ~~such income~~earnings among all school districts in the state. But no appropriation shall be made from said fund to any district for the year in which a school has not been maintained for at least three (3) months; nor shall any portion of any public school fund ever be used to support or assist any private school, or any school, academy, seminary, college or other institution of learning controlled by any

1 church or sectarian organization or religious denomination  
2 whatsoever.

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4 **Article 7, Section 9. Taxation for schools.**

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6 The legislature shall make such further provision by taxation  
7 or otherwise, as with the ~~income~~earnings arising from the  
8 general school fund will create and maintain a thorough and  
9 efficient system of public schools, adequate to the proper  
10 instruction of all youth of the state, between the ages of  
11 six and twenty-one years, free of charge; and in view of such  
12 provision so made, the legislature shall require that every  
13 child of sufficient physical and mental ability shall attend  
14 a public school during the period between six and eighteen  
15 years for a time equivalent to three years, unless educated  
16 by other means.

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18 **Article 18, Section 6. Disposition of unexpended**  
19 **earnings of perpetual school fund.**

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21 If any portion of the ~~interest or income~~earnings of the  
22 perpetual school fund be not expended during any year, said  
23 portion shall be retained in the separate earnings fund

1 created by article 7, section 6(a)(i) of this constitution or  
2 added to and become a part of the ~~said-perpetual~~ school fund,  
3 as provided by law.  
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5 **Section 2.** That the Secretary of State shall endorse  
6 the following statement on the proposed amendment:

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8 When Wyoming joined the Union in 1890, the federal government  
9 granted certain lands to the state for public-school  
10 purposes. The proceeds from the sale and rental of those lands  
11 constitute a perpetual school fund (the Common School Account  
12 within the Permanent Land Fund), which is one of Wyoming's  
13 permanent funds that holds public money for the benefit of  
14 current and future generations. Currently, the interest and  
15 income from that perpetual fund must be used for the exclusive  
16 benefit of the public schools in Wyoming. The Constitution  
17 does not currently specify the use or disposition of gains,  
18 including those from investments.  
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1 This amendment would clarify the inviolate nature of the  
2 perpetual school fund by specifying that decreases to the  
3 perpetual fund's value caused by investment losses must be  
4 made whole. The Legislature would be required to adopt laws  
5 to provide for the means and timing for doing so. This  
6 amendment would also clarify that all earnings—and not just  
7 income and interest—must be deposited in a separate fund for  
8 expenditure for the exclusive benefit of the public schools  
9 in Wyoming. Any earnings that are unspent during any year  
10 must be retained in the separate earnings fund or added to  
11 the perpetual school fund as provided by law.

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(END)