AN ACT relating to school finance; an omnibus bill addressing education funding; revising the existing education funding formula; providing additional revenue for education by transferring existing revenues; providing for moratoria on new alternative schools and purchases and leases of school buses and other restrictions on education expenditures; specifying various dates for determination of funds to be distributed and for other implementation purposes; establishing a joint select committee on education funding; requiring reports; providing appropriations; modifying previous appropriations; repealing certain distributions related to education funding; providing conformance with other laws; providing sunset dates; and providing for effective dates.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 9-4-219, 21-13-101(a)(i), (xiv) and (xvii), 21-13-309(m)(v)(intro), (B)(IV)(intro), by creating a new subdivision (V) and (C), 21-13-315(b), 21-13-320 by creating new subsections (j) through (m) and 21-15-111(a)(i) are amended to read:

9-4-219. Legislative stabilization reserve account created; purposes.

(a) The legislative stabilization reserve account created by 2005 Wyoming Session Laws, Chapter 191, Section 4, Section 301(d) is continued and codified. Funds within the account shall only be expended by legislative appropriation. All funds within the account shall be invested by the state treasurer and all investment earnings from the account shall be credited to the general fund.
(b) To the extent funds are available after all other appropriations or transfers from the legislative stabilization reserve account to be made on or prior to June 30 of the applicable fiscal year have been made, an amount necessary to restore the unobligated, unencumbered balance within the public school foundation program account to one hundred million dollars ($100,000,000.00) on June 30 of each fiscal year shall be transferred from the legislative stabilization reserve account into the public school foundation program account. This subsection is repealed the month immediately following the date that the state auditor and the state treasurer first certify to the governor and the department of revenue, and the governor certifies the same to the secretary of state, that the unobligated, unencumbered balance in the legislative stabilization reserve account is less than five hundred million dollars ($500,000,000.00).


(a) As used in this chapter:

(i) "Average daily membership" or "ADM" means the aggregate number of pupils present plus the aggregate number of pupils absent, divided by the actual number of days the school is in session for the year. Pupils who attend at least eighty percent (80%) of a full time equivalency basis shall be considered full time. For pupils enrolled in school on less than eighty percent (80%) of a full time equivalency basis, the school district shall calculate the pupil's contribution to the ADM on a prorated basis with the hours or class periods of enrollment being the numerator and the hours or class periods of full time equivalency being the denominator. Pupils who have withdrawn from school or who have been absent for more than
ten (10) consecutive calendar days shall not be counted as members;

(xiv) "Education resource block grant model" means the block grant model for Wyoming school finance contained within the enumeration of model components summarizing and executing recommendations within the 2010 cost of education study as modified by the legislature and as referenced in paragraph (xvii) of this subsection. and "Education resource block grant model" or "model" includes model spreadsheets provided by the consultant performing the 2010 cost of education study updated with technical corrections, all of which are enacted into law, on file with the secretary of state and are maintained and made available for public inspection by the state superintendent under W.S. 21-2-202(e), and as may be subsequently modified by the legislature prior to future model recalibration required under W.S. 21-13-309(t);

(xvii) "Attachment A" to 2011 House Bill 0127 as amended by 2012 Wyoming Session Laws, Chapter 99 consists of an enumeration of model components as enacted into law, summarizing and executing recommendations contained within the 2010 cost of education study, as modified by the legislature, and is hereby incorporated into this chapter by this reference;

21-13-309. Determination of amount to be included in foundation program for each district.

(m) In determining the amount to be included in the foundation program for each district, the state superintendent shall:
(v) Based upon ADM computations and identified school configurations within each district pursuant to paragraph (iv) of this subsection, compute the foundation program amount for each district as prescribed by the education resource block grant model adopted by the Wyoming legislature as defined under W.S. 21-13-101(a)(xiv), as contained within the spreadsheets and accompanying reports referenced under W.S. 21-13-101(a)(xvii), on file with the secretary of state and maintained by the state superintendent pursuant to W.S. 21-2-202(e). The following criteria shall be used by the state superintendent in the administration of the education resource block grant model:

(B) Alternative schools qualifying for separate consideration under the education resource block grant model may be established by a school district for offering educational programs to students with educational needs which the district finds are not appropriately met by other schools in the district, excluding charter schools established under W.S. 21-3-301 through 21-3-314. Alternative schools include within a district's configuration of schools identified under paragraph (iv) of this subsection shall for purposes of the education resource block grant model:

(IV) Except as otherwise provided in subdivision (V) of this subparagraph, on and after July 1, 2014, and if not qualifying under subdivision (I) of this subparagraph, be approved by the state superintendent subject to the following:

(V) Not be included for purposes of the block grant model if established on or after March 15, 2017 and before June 30, 2019. No new alternative school
shall be approved by the department on and after March 15, 2017 and before July 1, 2019.

(C) Salaries for all school and district level staffing categories, including teachers, principals and assistant principals, central office administrators, secretarial and clerical staff, operations and maintenance staff and aides and media technicians, shall be based upon average statewide salary levels calibrated for school year 2005-2006 under "Attachment A" for each staffing category, adjusted under subsection (o) of this section, including the experience, education and responsibility level as appropriate and as computed for each staffing category. The statewide average for each staffing category shall be adjusted for each district based upon the district experience, education and responsibility level relative to the statewide average for that category. District experience, education and responsibility level by appropriate staffing category shall be updated each year such that district adjustments reflect the prior school year staffing information. The district adjusted average salary for each staffing category shall be further adjusted for regional cost differences as measured by the greater of the hedonic wage index or the Wyoming cost-of-living index computed by the division of economic analysis, department of administration and information, with a minimum of one hundred (100) index value, as prescribed by the education resource block grant model. For purposes of the education resource block grant model, the version of the Wyoming cost-of-living index used by the division shall be based upon the unrecalibrated housing cost index weights unless otherwise determined by the legislature based upon recommendation of the joint education interim committee. In addition, the version of the Wyoming cost-of-living index applied under this subparagraph for any school year
shall be the average of the six (6) consecutive semi-annual index reports completed by January 1 of the immediately preceding school year;

21-13-315. Costs of court ordered placement of children in private residential treatment facilities, group homes, day treatment programs and juvenile detention facilities.

(b) Except to the extent costs are covered under subsection (n) of this section, the department of education using federal or foundation funds, or both, shall pay for the allowable education costs of juvenile and district court ordered placements of children residing in private treatment facilities and group homes where a fee is charged, including court ordered placements in programs for children with disabilities provided by a board of cooperative educational services. No district shall receive funds, either directly or indirectly, from any facility or home receiving payment under this section for providing education programs and services to children placed and residing in the facility or home, but the district may count the children among its average daily membership if the district provides education services directly to the children or pays another district to provide education services to the children pursuant to contract. The department of education shall adopt reasonable rules and regulations prescribing standards and allowable costs for educational program services funded under this section. Standards shall be subject to W.S. 21-9-101 and 21-9-102 and rules and regulations of the state board and shall be designed to fit the unique populations of residential centers, group homes, programs and services provided by boards of cooperative educational services and out of state placement facilities.
21-13-320. Student transportation; amount within school foundation program formula for transportation maintenance and operations expenditures and school bus purchases; district reporting requirements.

(j) Effective for the school year 2018-2019 and each school year thereafter the amount computed under this section shall be in accordance with the provisions of this subsection. Each district shall receive:

(i) An amount equal to an average of the amounts the district received for school years 2014-2015, 2015-2016 and 2016-2017 pursuant to paragraphs (i) and (ii) of subsection (b) of this section; plus

(ii) The amount authorized by and computed in accordance with subsection (g) of this section for each school bus purchased or initially leased prior to March 15, 2017; plus

(iii) An amount calculated in accordance with subsection (g) of this section for each school bus purchased or initially leased on or after March 15, 2017, if the school district first applied to the department and the department determined the purchase or lease was necessary to alleviate an emergency.

(k) For the 2018-2019 school year and each school year thereafter, the provisions of subsections (b), (c) and (f) of this section shall not be used to compute the amount a school district receives pursuant to this section, but the remaining requirements of those subsections shall be effective. As of July 1, 2018, subsection (g) of this
section shall be applicable only as necessary to determine an amount under subsection (j) of this section.

(m) No district shall purchase a school bus or enter into a new lease for a school bus on or after March 15, 2017 unless it first applies to the department and the department determines that an emergency exists necessitating the purchase or lease of the bus.


(a) As used in this act, unless the context requires otherwise:

(i) "Capital construction account" or "school capital construction account" means the account into which revenues are deposited pursuant to W.S. 9-4-305(b), and 9-4-601(a)(vii), (b)(i) and (iv), and 21-13-306(c), into which the proceeds from any revenue bonds are credited under W.S. 21-15-108, and into which any other funds are appropriated to the account for purposes of this act. Funds within the account shall be expended only for purposes of and in the manner prescribed by this act;

Section 2. W.S. 9-4-601(a)(xi) and (d)(viii), 9-4-719(r), 21-13-306(c), 21-13-307(a)(iv), 21-13-334, 21-13-335 and 21-15-122 are repealed.

Section 3. 2011 Wyoming Session Laws, Chapter 185, ATTACHMENT "A" (b)(vi), (ix), (x), (xxi), (xxiii) through (xxvii), (xxx), (xxxi), (xxxiv) and (xxxv) is amended to read:

ATTACHMENT "A"
ATTACHMENT "A" CONTAINS AN ENUMERATION OF EDUCATION
(b) Notwithstanding components specified in the 2010 cost of education study accepted by the legislature, the Wyoming education resource block grant model components and the resourcing for those components, as enacted by the legislature, shall be as follows:

(vi) Instructional facilitators: Computed in accordance with W.S. 21-13-335. (A) 0.81 FTE teacher position for 288 ADM prototypical elementary school for school year 2017-2018. 0.45 FTE teacher position for 288 ADM prototypical middle or high school for school year 2018-2019 and each year thereafter; (B) 0.81 FTE teacher position for 315 ADM prototypical middle or high school for school year 2017-2018. 0.45 FTE teacher position for 315 ADM prototypical middle or high school for school year 2018-2019 and each year thereafter;
(C) Resourced at the highest grade prototype using the total school ADM.

(ix) Extended day and summer school:
Computed in accordance with W.S. 21-13-334.
(A) 0.15 FTE teacher position for every 30 at-risk students as identified under W.S. 21-13-309(m)(v)(A);
(B) Minimum of 0.5 FTE teacher position for each district.

(x) Summer school: Computed in accordance with W.S. 21-13-334 paragraph (ix) of this subsection.

(xxii) Books/Ins. Instructional materials:
$333.43/elementary and middle school ADM;
$408.26/$191.37 per elementary, middle and high school ADM.

(xxiii) Special education: 100% state reimbursement of prior year actual expenditures Computed in accordance with W.S. 21-13-321.
(xxiv) Gifted: $29.19–$40.29/ADM.

(xxv) Vocational education: 0.29 times FTE vocational education ADM;
$9,027.27–$9,428.77/FTE vocational education teacher for equipment and supplies.

(xxvi) Student activities: Resource under the following school configurations:
K-5 Elementary school: $24.05–$23.79/ADM;
6-8 Middle school: Declining from $791.02 to $782.54/ADM at 1 ADM school to $204.38 $202.18/ADM for 1,260 ADM school;
9-12 High school: Declining from $2,039.09 to $594.63/ADM for 1,260 ADM school;
Alternative school: $288.98/ADM—Ninth grade ADM in a middle school resourced at the high school amount for the school students would normally attend.
(xxvii) Professional development: 10 pupil free days as resourced in teacher salary under paragraph (xxxvii) of this subsection; plus $116.76 - $125.90/ADM for trainers.

(xxviii) Assessment: $37.70 - $25.00/ADM, which amount is not subject to any adjustment made pursuant to W.S. 21-13-309(o).

(yyy) Central office nonpersonnel expenses: $350.28 - $365.86/ADM.

(xxxyi) Transportation: 100% state reimbursement of prior year actual expenditures computed in accordance with W.S. 21-13-320.

(xxxyiv) M & O supplies: $0.64 - $0.67 per 110% of gross square feet of authorized education space.

(xxxyv) Utilities: Actual 2009-2010 expenditures by district as adjusted by 2015 Wyoming Session Laws, Chapter 142, Section 2, Section 205 footnote.
2(a)(i)(D) and (ii)(D) and further adjusted by negative ten and seven hundred sixty-two thousandths percent (-10.762%). For additional school buildings added to district building inventories after 2009-2010, 100% of 2009-2010 district average utility expenditures per gross square foot for district school buildings multiplied by the additional authorized educational square footage.

Section 4. 2011 Wyoming Session Laws, Chapter 185, ATTACHMENT "A" (b)(xxii) as amended by 2012 Wyoming Session Laws, Chapter 99, ATTACHMENT "A" (b)(xxii) is amended to read:

ATTACHMENT "A"
ATTACHMENT "A" CONTAINS AN ENUMERATION OF EDUCATION RESOURCE BLOCK GRANT MODEL COMPONENTS SUMMARIZING AND EXECUTING RECOMMENDATIONS CONTAINED IN THE 2010 COST OF EDUCATION STUDY AS FOLLOWS:

(b) Notwithstanding components specified in the 2010 cost of education study accepted by the legislature, the Wyoming education resource block
grant model components and the resourcing for those components, as enacted by the legislature, shall be as follows:

(xxii) **Computers,** **Technology** equipment:

\[
\begin{array}{lcl}
\text{Computers} & \text{Technology} \\
\$291.90 & \text{equipment:} & \$250.00/ADM,
\end{array}
\]

which amount is not subject to any adjustment made pursuant to W.S. 21-13-309(o).

**Section 5.** 2016 Wyoming Session Laws, Chapter 31, Section 2, Section 205 is amended to read:

**Section 205.** **EDUCATION-SCHOOL FINANCE**

<table>
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<tr>
<th>PROGRAM</th>
<th>2016 Wyo</th>
<th>2017 Wyo</th>
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<tr>
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<tr>
<td>Court Ordered Placements</td>
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<td>Foundation-Specials ²</td>
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<td>Education Reform</td>
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<td>Student Performance Data</td>
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<tr>
<td><strong>TOTALS</strong></td>
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<td>0</td>
</tr>
</tbody>
</table>

1,792,720,581 1,792,720,581

**AUTHORIZED EMPLOYEES**

| | Full Time | Part Time | TOTAL |
| | | | |
| **Full Time** | 3 | | 3 |
| **Part Time** | 0 | | |
| **TOTAL** | 3 | | |

1. (a) This other funds appropriation includes funding for an external cost adjustment to the education resource block grant model computed as follows:

(i) Effective for school year 2016-2017 only:

(A) For the "professional labor" category of model components inclusive of those components defined by 2012 Wyoming Session Laws, Chapter 99, Section 3 [Attachment "A"(a)(vi)], two and one hundred forty-eight thousandths percent (2.148%);
(B) For the "nonprofessional labor" category of model components inclusive of those components defined by 2012 Wyoming Session Laws, Chapter 99, Section 3 [Attachment "A"(a)(v)], one and nine hundred forty-seven thousandths percent (1.947%);

(C) For the "energy" category of model components inclusive of those components defined by 2012 Wyoming Session Laws, Chapter 99, Section 3 [Attachment "A"(a)(iv)], two and four hundred forty-five thousandths percent (2.445%);

(D) For the "educational materials" category of model components inclusive of those components defined by 2012 Wyoming Session Laws, Chapter 99, Section 3 [Attachment "A"(a)(iii)], two and one hundred twenty-six thousandths percent (2.126%).

(ii) Effective for school year 2017-2018 only:

(A) For the "professional labor" category of model components inclusive of those components defined by 2012 Wyoming Session Laws, Chapter 99, Section 3 [Attachment "A"(a)(vii)], one and four hundred sixty-two thousandths percent (1.462%);

(B) For the "nonprofessional labor" category of model components inclusive of those components defined by 2012 Wyoming Session Laws, Chapter 99, Section 3 [Attachment "A"(a)(v)], one and three hundred twenty-six thousandths percent (1.326%);

(C) For the "energy" category of model components inclusive of those components defined by 2012 Wyoming Session Laws, Chapter 99, Section 3 [Attachment "A"(a)(iv)], one and six hundred sixty-five thousandths percent (1.665%);

(D) For the "educational materials" category of model components inclusive of those components defined by 2012 Wyoming Session Laws, Chapter 99, Section 3 [Attachment "A"(a)(iii)], one and four hundred forty-seven thousandths percent (1.447%).

2. Not later than November 1, 2016, pursuant to W.S. 21-13-309(o) and (u), the joint education interim committee and the joint appropriations committee shall review information prepared for the model monitoring process, including school year 2015-2016 average daily membership data, to inform recommendations made to the governor and the legislature pursuant to law to modify the external cost adjustment contained in footnote 1(a)(ii) of this section. Not later than January 1, 2017, the department of education shall provide preliminary student enrollment data for school year 2016-2017 to the joint appropriations committee. The joint appropriations committee shall report any recommendation to revise the external cost adjustment as a result of the
review of the preliminary student enrollment data to the governor and the legislature.

Section 6.

(a) Except as otherwise provided in this section, the amendments to 2016 Wyoming Session Laws, Chapter 31, Section 2, Section 205 enacted pursuant to section 5 of this act shall be given precedence and shall prevail over amendments to 2016 Wyoming Session Laws, Chapter 31, Section 2, Section 205 made by 2017 House Bill 0001 to the extent that 2017 House Bill 0001 is in direct conflict with this act.

(b) Appropriations for court ordered placements in 2016 Wyoming Session Laws, Chapter 31, Section 2, Section 205 as amended by 2017 House Bill 0001 shall be given precedence and shall prevail over the appropriation amount for court ordered placements specified in that provision in section 5 of this act.

(c) The legislative service office shall adjust totals and renumber as necessary the provisions of 2016 Wyoming Session Laws, Chapter 31, Section 2, Section 205 as amended by 2017 House Bill 0001 as enacted into law, and as amended by this act to conform with the requirements of this section. In preparing copy for printing of laws affected by this section the legislative service office shall require the publisher to note the provisions of this section and shall cause the laws to be printed in accordance with the provisions of this section.

Section 7.
(a) As provided in W.S. 21-13-309(m)(v)(B)(V), no new alternative school shall be approved by any school district or the state superintendent on or after March 15, 2017 through June 30, 2019. If any alternative school is approved under W.S. 21-13-309(m)(v)(B) prior to March 15, 2017 but the school facilities for that alternative school have not been constructed prior to March 15, 2017, no design or construction funds shall be expended by the school facilities division of the state construction department to construct the facilities for that alternative school until July 1, 2019 or thereafter. Nothing in this section shall be deemed to prohibit expenditures related to major maintenance for existing alternative school facilities or to prohibit the completion of existing construction projects if physical construction of the project was commenced prior to March 15, 2017.

(b) The joint education interim committee shall conduct a study related to alternative schools and report the results of the study along with any recommended legislation to the legislature not later than November 30, 2018. The study under this subsection shall include a review of existing alternative schools, other alternative student placement options available to school districts and outcome statistics available for students who are placed in alternative schools.

Section 8.

(a) The reductions implemented by this act are intended to be temporary, pending a recalibration of the education resource block grant model. The select committee on school finance recalibration is created consisting of the following members:
(i) Five (5) members of the Wyoming senate appointed by the president of the senate of which one (1) member shall be the chairman of the senate education committee;

(ii) Five (5) members of the Wyoming house of representatives appointed by the speaker of the house of representatives, of which one (1) member shall be the chairman of the house education committee;

(iii) Not more than four (4) members from each house shall be from the same political party;

(iv) The cochairmen of the select committee shall be appointed by the president of the senate and the speaker of the house, respectively.

(b) The select committee shall undertake a study to review the state educational program under W.S. 21-9-101 and to recalibrate the education resource block grant model as provided under W.S. 21-13-309(t) to determine if modifications are necessary to ensure the model remains effective and cost-based in light of changing conditions and modifications to law. If the committee determines an alternative to the education resource block grant model should be reviewed and developed to more efficiently meet the constitutional duties of the legislature in providing K-12 education funding the committee shall not limit its study to a recalibration of the existing cost-based model.

(c) The select committee shall also study and recommend solutions to the projected budget shortfall for funding related to public education in the state of Wyoming. The select committee shall focus on four (4) major issues related to school funding as follows:
(i) Options for use of existing unencumbered, unobligated revenues;

(ii) Consideration of the use of diversions of existing revenue streams and investment income;

(iii) Options to increase revenues;

(iv) Options for budget and expenditure reductions.

(d) The select committee shall be staffed by the legislative service office. The department of education, department of workforce services, school districts and the school finance data advisory committee established under W.S. 21-2-203 shall collect and provide the information requested by the select committee.

(e) The select committee may, through management council, seek expert opinions and may hire consultants as necessary to complete the study and recommendations required under this section. The legislative service office is authorized, subject to the approval of management council, to contract with consultants for the purposes of this section to complete recalibration of the education resource block grant model or to develop a new model.

(f) The select committee shall report its recommendations and any associated proposed legislation to the legislature not later than January 31, 2018. The select committee may develop and sponsor legislation as necessary to effectuate the purposes of this section, provided that no legislation shall be sponsored by the committee unless
it is approved by a majority of the members of the select committee from each house.

(g) Appointments shall be made under this section not later than March 15, 2017. The select committee shall exist until March 31, 2018. Any vacancy occurring on the select committee shall be filled by the president of the senate or speaker of the house of representatives, as appropriate, immediately upon the vacancy occurring.

(h) For the period beginning on the effective date of this section and ending June 30, 2018, there is appropriated from the school foundation program account to the legislative service office eighty thousand dollars ($80,000.00) to provide salary, per diem and mileage for members of the select committee and to fund other expenses of the select committee as necessary to carry out this section.

Section 9.

(a) Except as otherwise provided in subsection (b) of this section, this act is effective July 1, 2017.
(b) W.S. 21-13-309(m)(v)(B) and 21-13-320 as amended by section 1 of this act and sections 5 through 9 of this act are effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

Speaker of the House

President of the Senate

______________________________
Governor

TIME APPROVED: __________

DATE APPROVED: __________

I hereby certify that this act originated in the House.

______________________________
Chief Clerk