

## HOUSE BILL NO. HB0103

School finance-amendments-2.

Sponsored by: Representative(s) Harshman

A BILL

for

1 AN ACT relating to school finance; modifying the school  
2 reconfiguration requirements under the education resource  
3 block grant funding model; clarifying and defining  
4 requirements, expanding application as specified and  
5 providing an exception; updating the hedonic wage index  
6 used within the regional cost adjustment to the education  
7 resource block grant model; providing technical  
8 corrections; clarifying methodology for computing model  
9 external cost adjustments; adjusting cost of education  
10 study components as specified; providing for a review of  
11 the WCLI; providing appropriations; and providing for  
12 effective dates.

13

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

15

1           **Section 1.** W.S. 21-9-101(d), 21-13-309(m)(v)(C), by  
2 creating a new paragraph (vi) and (o) and 21-15-123(e) are  
3 amended to read:

4

5           **21-9-101. Educational programs for schools;**  
6 **standards; core of knowledge and skills; special needs**  
7 **programs; class size requirements; cocurricular activities.**

8

9           (d) In addition to subsections (b) and (c) of this  
10 section, each school district within this state shall  
11 endeavor to maintain when practicable, in kindergarten  
12 through grade three (3) within the district, an average  
13 class size of no more than ~~twenty (20)~~ sixteen (16)  
14 students per teacher, excluding children with disabilities  
15 who spend more than fifty percent (50%) of their time  
16 outside of regular classroom instruction.

17

18           **21-13-309. Determination of amount to be included in**  
19 **foundation program for each district.**

20

21           (m) In determining the amount to be included in the  
22 foundation program for each district, the state  
23 superintendent shall:

24

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

14           (C) Salaries for all school and district  
15 level staffing categories, including teachers, principals  
16 and assistant principals, central office administrators,  
17 secretarial and clerical staff, operations and maintenance  
18 staff and aides and media technicians, shall be based upon  
19 average statewide salary levels calibrated for school year  
20 2005-2006 for each staffing category, adjusted under  
21 subsection (o) of this section, including the experience,  
22 education and responsibility level as appropriate and as  
23 computed for each staffing category. The statewide average  
24 for each staffing category shall be adjusted for each

1 district based upon the district experience, education and  
2 responsibility level relative to the statewide average for  
3 that category. District experience, education and  
4 responsibility level by appropriate staffing category shall  
5 be updated each year such that district adjustments reflect  
6 the prior school year staffing information. The district  
7 adjusted average salary for each staffing category shall be  
8 further adjusted for regional cost differences as measured  
9 by the greater of the hedonic wage index or the Wyoming  
10 cost-of-living index computed by the division of economic  
11 analysis, department of administration and information,  
12 with a minimum of one hundred (100) index value, as  
13 prescribed by the education resource block grant model. For  
14 purposes of the education resource block grant model:<sup>7</sup>

15

16 (I) The version of the Wyoming cost-  
17 of-living index used by the division of economic analysis  
18 shall be based upon the unrecalibrated housing cost index  
19 weights unless otherwise determined by the legislature  
20 based upon recommendation of the joint education interim  
21 committee. In addition, the version of the Wyoming cost-  
22 of-living index applied under this subparagraph for any  
23 school year shall be the average of the six (6) consecutive

1 semi-annual index reports completed by January 1 of the  
2 immediately preceding school year; and

3

4 (II) The autoregressive random effects  
5 hedonic wage index shall be used in the computations of the  
6 regional cost adjustment, as defined by the August 2011  
7 hedonic wage index report on file with the legislative  
8 service office and recommended by consultants to the  
9 legislature, updated annually to reflect changes in student  
10 demographic data, the Wyoming cost-of-living index and the  
11 comparative wage index.

12

13 (vi) Except for charter schools established  
14 under W.S. 21-3-301 through 21-3-314, any alteration of the  
15 configuration of grades within a district, school or school  
16 facility which differs from the configuration of grades  
17 during the immediately preceding school year as reported  
18 under paragraph (iv) of this subsection shall be considered  
19 a reconfiguration and shall be documented by the district  
20 and reported to the state superintendent and the director  
21 of the school facilities department. Following review and  
22 evaluation, the state superintendent and the director  
23 shall, each acting independently, approve or deny the  
24 reconfiguration for purposes of application to the

1 education resource block grant model and the determination  
2 of school facility needs and remedies. The following shall  
3 apply:

4  
5 (A) Approval under this paragraph shall be  
6 based upon the appropriate delivery of the required  
7 educational program, the cost effectiveness of the proposed  
8 grade reconfiguration for delivery of adequate educational  
9 services to students with block grant resources, district  
10 wide capacity of school educational facilities as defined  
11 under W.S. 21-15-109(a)(ii) and any extraordinary  
12 circumstances related to the safe and efficient delivery of  
13 the education program to students;

14  
15 (B) Approval under this paragraph shall be  
16 required prior to receiving state funds for adding any new  
17 school within a district;

18  
19 (C) Effective for the school year  
20 commencing after July 1, 2012, and each school year  
21 thereafter, no reconfiguration of grades within any  
22 district, school or facility shall differ from the previous  
23 school year such that more than one (1) school is included  
24 within any one (1) school facility to be reported under

1 paragraph (iv) of this subsection for purposes of  
2 determining the foundation program amount for that  
3 district;

4  
5 (D) As used in this paragraph,  
6 "configuration" means the approved combination of grades  
7 served within a district, school or school facility as  
8 reported for purposes of determining the foundation program  
9 amount for that district under this section.

10

11 (o) To the extent specifically provided ~~within the~~  
12 ~~school foundation program budget as enacted~~ by the  
13 legislature, and between periods of model recalibration  
14 required under subsection (t) of this section, the amount  
15 computed for each district under subsection (m) of this  
16 section shall be adjusted to provide for the effects of  
17 inflation, excluding those amounts specified under  
18 subparagraphs (m)(v)(E) and (F) of this section and the  
19 assessment component contained in paragraph (b)(xxviii) of  
20 "Attachment A" as referenced in W.S. 21-13-101(a)(xvii).  
21 The adjustment under this subsection shall not be applied  
22 until the expiration of the school year immediately  
23 following the first school year of application of the  
24 recalibrated model, and shall be adjusted on a cumulative

1 basis each school year thereafter and until the first  
2 school year of application of a subsequent model  
3 recalibration. Following analysis of information reported  
4 under subsection (u) of this section, the joint  
5 appropriations interim committee shall submit a  
6 recommendation to the legislature and the governor not  
7 later than November 1 of each applicable year on an  
8 external cost adjustment for purposes of this subsection.

9

10 **21-15-123. School facilities department; creation;**  
11 **control; director; duties and authority.**

12

13 (e) The director is the chief administrative officer  
14 of the department with general supervision and control of  
15 all activities, functions and employees of the department,  
16 under the direction and supervision of the commission. He  
17 shall devote his entire time to the performance and  
18 supervision of the duties conferred on him by the  
19 commission and by law. The director shall also review and  
20 evaluate school district requests for the alteration of  
21 grade configurations pursuant to W.S. 21-13-309(m)(vi), and  
22 shall evaluate the request in the best financial and  
23 educational interests of the state, taking into



1 consideration the most efficient and cost effective  
 2 approach in order to deliver quality educational services.

3  
 4 **Section 2.** W.S. 21-13-309(m)(iv)(C) is repealed.

5  
 6 **Section 3.** 2011 Wyoming Session Laws, Chapter 185,  
 7 Attachment "A"(a)(ii) and by creating new paragraphs (iii)  
 8 through (vi) and (b)(xxii) and (xl) is amended to read:

9  
 10 ATTACHMENT "A"

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

15  
 16 (a) For purposes of this attachment:

17  
 18 (ii) "FTE" means the full time equivalency basis  
 19 as computed in accordance with guidelines prescribed by  
 20 rule and regulation of the department of education;

21  
 22 (iii) "Educational materials category of model  
 23 components" includes the following:

24  
 25 (A) Books/instructional materials component  
 26 resourced under paragraph (b)(xxi) of this attachment;

27  
 28 (B) Computers, equipment component  
 29 resourced under paragraph (b)(xxii) of this attachment;

30  
 31 (C) Gifted component resourced under  
 32 paragraph (b)(xxiv) of this attachment;

33  
 34 (D) Vocational education component  
 35 resourced under paragraph (b)(xxv) of this attachment;

36  
 37 (E) Student activities component resourced  
 38 under paragraph (b)(xxvi) of this attachment;

39

1 (F) Professional development component  
 2 resourced under paragraph (b)(xxvii) of this attachment;  
 3

4 (G) Central office nonpersonnel expenses  
 5 component resourced under paragraph (b)(xxx) of this  
 6 attachment;  
 7

8 (H) M & O supplies component resourced  
 9 under paragraph (b)(xxxiv) of this attachment.  
 10

11 (iv) "Energy category of model components"  
 12 includes the utility component resourced under paragraph  
 13 (b)(xxxv) of this attachment;  
 14

15 (v) "Nonprofessional labor category of model  
 16 components" includes aides, central office secretaries,  
 17 school secretaries, school clerical staff, maintenance  
 18 workers/groundskeepers and custodians resourced under  
 19 paragraph (b)(xxxvii) of this attachment;  
 20

21 (vi) "Professional labor category of model  
 22 components" includes teachers, principals, assistant  
 23 principals, superintendents, assistant superintendents,  
 24 business managers and library media technicians resourced  
 25 under paragraph (b)(xxxvii) of this attachment.  
 26

27 (b) Notwithstanding components specified in the 2010  
 28 cost of education study accepted by the legislature, the  
 29 Wyoming education resource block grant model components and  
 30 the resourcing for those components, as enacted by the  
 31 legislature, shall be as follows:  
 32

33 (xxii) Computers, equipment: ~~\$333.43/ADM-~~  
 34 \$291.90/ADM.  
 35

36 (xl) External cost adjustment: Applied to four  
 37 (4) major resource  
 38 categories of  
 39 block grant model  
 40 components based  
 41 upon an analysis  
 42 of: ~~appropriate~~  
 43 ~~cost indices~~  
 44

45 (A) Market pressures for professional and  
 46 nonprofessional labor, model components in accordance with  
 47 W.S. 21-13-309(u);

1  
2 (B) The BLS Producer Price Index for  
3 Commercial Electric Power weighted at 44.1% and the BLS  
4 Producer Price Index for Natural Gas weighted at 55.9% for  
5 energy model components; and  
6

7 (C) The BLS Producer Price Index for Office  
8 Supplies and Accessories for educational materials model  
9 components.  
10

11 **Section 4.** Notwithstanding W.S. 21-13-309(m)(vi) as  
12 amended under section 1 of this act, any request for a  
13 reconfiguration of grades within a school district  
14 anticipating the construction of new educational buildings  
15 that was approved by the state superintendent during the  
16 school year ending prior to the effective date of this act,  
17 and the request was also approved by the director of the  
18 school facilities department as not adversely impacting the  
19 cost effectiveness of the district's facility plan, shall  
20 not be considered a reconfiguration for purposes of W.S.  
21 21-13-309(m)(vi), as amended by section 1 of this act.  
22

23 **Section 5.** Fifty thousand dollars (\$50,000.00) is  
24 appropriated from the school foundation program account to  
25 the department of administration and information for an  
26 analysis and review of the Wyoming cost-of-living index,  
27 addressing concerns with the use of this index as contained  
28 in the August 2011 hedonic wage index report on file with

1 the legislative service office, and analyzing the index  
2 components and the weights assigned to each index  
3 component. Results of this analysis and review shall be  
4 reported by the department to the joint education interim  
5 committee not later than October 1, 2012, together with  
6 recommendations for improvement of the index. The  
7 appropriation under this section shall be for the period  
8 beginning on the effective date of this section and ending  
9 December 31, 2012.

10

11 **Section 6.**

12

13 (a) For school year 2012-2013, the model components  
14 specified within the 2010 cost of education study, as  
15 accepted by the legislature but prior to modification by  
16 the legislature under 2011 Wyoming Session Laws, Chapter  
17 185, Attachment "A"(b), shall be adjusted for the effects  
18 of inflation in accordance with recommendations of the 2011  
19 report on the external cost adjustment. The August 2011  
20 report contains recommendations by consultants to the  
21 legislature and is on file with the legislative service  
22 office. Adjustments shall be as follows:

23

1           (i) For the educational materials category of  
2 model components as defined by 2011 Wyoming Session Laws,  
3 Chapter 185, Attachment "A"(a)(iii), as amended by section  
4 2 of this act, two and eighteen hundredths percent (2.18%)  
5 reflecting the annual change measured by the BLS Producer  
6 Price Index for Office Supplies and Accessories;

7  
8           (ii) For the energy category of model components  
9 as defined by 2011 Wyoming Session Laws, Chapter 185,  
10 Attachment "A"(a)(iv), as amended by section 2 of this act,  
11 twenty-seven hundredths percent (0.27%) reflecting the  
12 annual change measured by the BLS Producer Price Index for  
13 Commercial Electric Power weighted at 44.1% and the BLS  
14 Producer Price Index for Natural Gas weighted at 55.9%.

15  
16       **Section 7.** For the period commencing upon the  
17 effective date of this section and ending June 30, 2014,  
18 unexpended, unobligated amounts appropriated to the  
19 legislative service office under 2010 Wyoming Session Laws,  
20 Chapter 39, Section 334(f)(ii), shall be available for  
21 expenditure by the legislative service office.  
22 Additionally and notwithstanding W.S. 9-2-1008, 9-2-1012(e)  
23 and 9-4-207(a), any unexpended, unobligated monies  
24 appropriated from the school foundation program account to

1 the attorney general under 2010 Wyoming Session Laws,  
2 Chapter 39, Section 2, Section 015, for purposes of the  
3 school finance litigation law office, shall not revert on  
4 June 30, 2012 and shall be reappropriated for expenditure  
5 by the legislative service office for the period beginning  
6 July 1, 2012 and ending June 30, 2014. Expenditures of  
7 amounts appropriated and reappropriated under this section  
8 shall be for professional consulting expertise and other  
9 support necessary for analysis and evaluation of the data  
10 used within the education resource block grant funding  
11 model monitoring process established under W.S.  
12 21-13-309(u) and other reports for use by the joint  
13 appropriations interim committee and the joint education  
14 interim committee pertaining to model adjustment and  
15 maintaining model integrity. Professional consulting  
16 expertise may be retained by the legislative service office  
17 only upon approval of the management council, and the  
18 unexpended, unobligated amounts may be expended for  
19 contractual agreements between the council and professional  
20 consultants.

21

22 **Section 8.**

23

1           (a) Except as provided by subsection (b) of this  
2 section, this act is effective July 1, 2012.

3

4           (b) Notwithstanding subsection (a) of this act, W.S.  
5 21-9-101(d), as amended under section 1 of this act, 2011  
6 Wyoming Session Laws, Chapter 185, Attachment "A"(b)(xxii),  
7 as amended in section 3 of this act, and sections 5 and 7  
8 of this act are effective immediately upon completion of  
9 all acts necessary for a bill to become law as provided by  
10 Article 4, Section 8 of the Wyoming Constitution.

11

12

(END)