



## WYOMING LEGISLATIVE SERVICE OFFICE

# EDUCATION UPDATE

*The Legislative Education Update is produced by the Wyoming Legislative Service Office (LSO). This issue of the update provides a summary of K-12 education legislation enacted by the 2004 Legislature during the recently completed 2004 Budget Session. Copies of referenced legislation can found on the legislative website at <http://legisweb.state.wy.us> and then by clicking on the School Finance Information link. For more information about legislative education issues, contact Dave Nelson at the LSO at (307) 777-7881.*

## SCHOOL FINANCE

The 2004 Wyoming Legislature increased funding for school operations under the education resource block grant model by approximately \$44.3 million effective School Year 2004-2005, raising the per ADM funding level to \$9,387, up from \$8,916 in School Year 2003-2004. In addition, operational funding outside the block grant model for School Year 2004-2005 totaled \$20 million, which includes funding for full-day kindergarten programs, reading assessment and intervention programs, summer school programs and a pilot project extending foreign language instruction in elementary grades.

**Bills and Estimates** Enacted legislation adopted by the 2004 Legislature and resulting estimates of district foundation program guarantee payments and major maintenance distributions are available on the School Finance Information link at the legislative website. The following block grant model components were modified by the 2004 Legislature:

**Small Schools** Multiple prototypes based upon school ADM, school configuration and minimum teacher levels were developed and subsequently adopted by the Legislature for use in computing the small school adjustment. The refined prototypes provide a more precise model on which to fund costs associated with providing the educational program at differing ADM levels. Alternative schools are included within this adjustment at the high school level. The refined adjustment generates an additional \$22 million in block grant funding. The matter of adjusting the prototypes for economy-of-scale issues associated with small schools in large districts will be addressed during the 2004 interim by the Joint Education Committee. Additional information on utility costs will also be collected during the interim,

from which further refinements to the adjustment may be warranted.

**Regional Cost Adjustment** The Wyoming cost-of-living index (WCLI) is continued as the basis for measuring regional cost differences between districts. The WCLI has been enhanced through expansion of sample sites, use of refined consumer expenditure information, and several other modifications resulting from 2003 legislative directives.

**At-Risk Adjustment** The unduplicated count of limited English speaking (LES) and free and reduced price lunch students at concentration levels that trigger the at-risk adjustment, was modified to include mobile students at grades six through twelve. This expansion enriches the identification of at-risk students under the block grant model. During the 2004 interim, additional information on LES programs and expenditures will be assembled for review, which may require some refinement to this adjustment.

**Classified Staff Compensation** Adjustment to the classified staff component within the block grant model was made for experience. Unlike the small school and at-risk adjustments, classified staff compensation is internal to the block grant model and is reflected by modification to the dollars per ADM amount specified by law.

**Routine Maintenance Adjustment** Similar to the major maintenance program, the routine maintenance adjustment was modified to conform excess square footage thresholds based upon new statewide adequacy standards adopted in December 2003 by the School Facilities Commission, in consultation with the legislative Select School Facilities Committee.

Due to this modification and more generous state standards, the adjustment generates in excess of \$6 million annually in block grant funding.

**Combined Incentive Grants-Special Education and Transportation Adjustments** The Legislature eliminated combined incentive grant payments for both the special education and transportation adjustments. Districts were provided an additional amount within special education and transportation reimbursements under the incentive upon reduction of district special education or transportation expenditures compared to 1997-1998 (model base year) expenditure levels. This legislation does NOT affect the cooperative services incentive provided under W.S. 21-13-331.

**External Cost Adjustment** The 2.3 percent external cost adjustment to the block grant model as recommended by the Joint Appropriations Committee was enacted, increasing block grant funding by approximately \$13 million annually.

**Hold Harmless** To the extent necessary, districts are held harmless to the 2001-2002 guarantee without the impact of loss of ADM, until model recalibration for the 2006 Budget Session. The impact of the hold-harmless is projected to be \$140,000 for two school districts, diminished significantly due to the combined effects of adopted refinements to model adjustments.

**Recapture District Payments** The Legislature provided cash flow assistance to districts subject to recapture, providing necessary funds during the time preceding receipt of local tax revenues. Amounts paid from the foundation account must be repaid by June 15 of the school year during which funds are advanced.

**Charter Schools** Effective School Year 2004-2005 and each school year thereafter, computation of the minimum school foundation program entitlement for charter schools includes 95 percent of the prototypical generated amount per ADM and all adjustments to the prototypical amount, excluding special education and transportation, which are negotiable between the district and the charter school.

**The following programs were funded by the 2004 Legislature outside the block grant model:**

**Reading Assessment and Intervention** K-2 reading and intervention programs continue to be funded outside the block grant, and not incorporated into the block grant funding model. \$3.7 million is distributed annually to districts under this categorically funded program.

**Full-Day Kindergarten Programs** \$6 million is made available during School Year 2004-2005 for districts providing full-day kindergarten programs. Funding is available under this program for one year only.

**Summer School Programs** \$4.5 million is available to districts during School Year 2004-2005 for assistance in the provision of summer school programs directed at intervention and remediation instruction. Funding is extended to Saturday and before and after school instruction, and is provided upon application and qualification with specified program criteria. Reporting and evaluation requirements are imposed upon recipient districts and, similar to the full-day kindergarten program. Funding is available for one year only.

**Elementary Level Foreign Language Instruction** A five-year pilot project expanding foreign language instruction from grades K-2 to K-6 in 50 elementary schools has been established under the Department of Education, two years of which has been funded at \$2 million. District participation is determined by the Department, based upon application and compliance with program criteria.

**Statewide Education Data System/Student Performance Tracking** \$2.5 million was appropriated for the continued development and implementation of the statewide education data system. The system enables statewide data collection and reporting, and the continued development and operation of the student performance tracking system, which provides capability to districts to track student performance as necessary to meet State Board of Education graduation requirements by 2006.

**Student Assessment and Accountability** The Task Force established by the 2003 Legislature was continued by the 2004 Legislature to work with the State Superintendent in the development of modifications to the statewide student assessment and

the development of statewide accountability mechanisms responding to requirements of the federal No Child Left Behind Act. Transition from WyCAS to an expanded assessment system, together with implementation of rewards and sanctions through accountability processes, will continue

through the interim with recommendations forthcoming in sufficient time for consideration by the 2005 Legislature and development of a pilot assessment for implementation in School Year 2004-2005.

## SCHOOL FACILITIES

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The Select Committee on School Facilities worked with the School Facilities Commission in the establishment of statewide building adequacy standards, facility guidelines and the district five-year facility planning process. Based upon this effort, \$294 million was appropriated by the Legislature to fund major and minor capital construction needs, addressing building inadequacies over the 2005-2006 biennium. In addition, an estimated \$71.8 million will be made available to districts for major maintenance needs during this biennial period.

**Major Maintenance Payments** Limitations on excess square footage were aligned to the newly adopted statewide building adequacy standards, resulting in level funding on a statewide basis for the 2005-2006 biennium. Adopted standards contain revised prototypes that provide a more precise formulation for necessary components of small school buildings, which comprise a good portion of schools within the state. Excess square footage or capacity thresholds prescribe the relationship of building square footage to levels set by state standards in major maintenance computations. Capacity thresholds are phased-down over a number of year, so that by school year 2009-2010, excess capacity is limited to 115 percent of state standard.

The Legislature also linked major maintenance expenditures to the district five-year facility planning process. Districts are provided a one-year transition whereby 8 percent of School Year 2004-2005 distributions may be expended on needs not specified within five-year plans, including enhancements. 2004 Legislation also provides payments for closed or moth-balled buildings, imposes limitations on major maintenance payments provided for leased space and modifies inclusion of square footages allowed for newly constructed buildings, so that complete consideration of associated square footage is not realized until the seventh year of a building's life. The Legislature also clarified consideration of revenues and expenses associated with disposition of district buildings deemed surplus by the School Facilities Commission.

**Local Enhancements** The Legislature directed study of enhancements to buildings beyond levels set by state adequacy standards for development of recommendations in sufficient time for consideration by the 2005 Legislature. During the 2004 interim, the Select Committee on School Facilities will be addressing enhancements, including revenues available to districts for funding and maintaining enhancements, together with collocated school buildings.