



K-12 Public Education

History

The Legislature is charged by the Wyoming Constitution to establish a system of public education that is “complete and uniform” and to provide revenues which “create and maintain a thorough and efficient system of public schools” (Wyoming Constitution, Article 7, Sections 1 and 9). Five landmark decisions by the Wyoming Supreme Court (Court), commonly referred to as the *Washakie*¹ and *Campbell*² decisions, help define the Wyoming Legislature’s obligations in establishing and funding a public education system. In *Campbell I*, the Court ruled Wyoming’s entire system of funding public education, including public school buildings and facilities, unconstitutional.

In response to *Campbell I*, the Management Council directed the Legislative Service Office (LSO) to take a more significant role in coordinating legislative activities related to K-12 public school finance reform, including school capital construction. *Campbell I* effectively required the Legislature to completely redesign the funding formula for operating K-12 public schools and for addressing K-12 public school major maintenance and capital construction needs. The Court mandated the Legislature to conduct a cost of education study for use in creating a new school finance system and stated that funding disparities among school districts had to be cost-based and not wealth-based. The *Campbell* cases can be accessed on the LSO website.

The Legislature’s response to *Campbell I* included assigning tasks to various legislative committees to: 1) define and specify what a proper education is to be furnished to students by school districts (the “educational program” sometimes referred to as the “basket of goods and services”); 2) develop a means of financing the educational program; and 3) review and recommend methods to address school district capital construction needs. The Legislature’s response has evolved over time, but the three primary results of the response include:

- **Defining the educational program.** The Legislature required the State Board of Education to establish uniform student content and performance standards which provide a mechanism to ensure consistency and uniformity in delivering the educational program statewide. Additionally, a statewide comprehensive student assessment was established to monitor student progress and performance against the required educational program. Today, this is accomplished with the assistance of the State Board of Education, Department of Education, and school districts.
- **Hiring a consultant to assist the Legislature in creating a "cost-based" state school finance system.** The consultant developed, designed, and submitted its report to the Legislature in April 1997. The Legislature has continued the practice of hiring consultants

¹See *Washakie Cnty. Sch. Dist. No. One v. Herschler*, 606 P.2d 310 (Wyo. 1980).

²The *Campbell* cases, collectively, are: *Campbell Cnty. Sch. Dist. v. State*, 907 P.2d 1238 (Wyo. 1995) (*Campbell I*); *State v. Campbell Cnty. Sch. Dist.*, 2001 WY 19, 19 P.3d 518 (Wyo. 2001) (*Campbell II*); *State v. Campbell Cnty. Sch. Dist.*, 2001 WY 90, 32 P.3d 325 (Wyo. 2001) (*Campbell III*); *Campbell Cnty. Sch. Dist. v. State*, 2008 WY 2, 181 P.3d 43 (Wyo. 2008) (*Campbell IV*).

to assist the Legislature in determining the cost to deliver the educational program. This is done through a required “recalibration” process at least every five years.³ The Legislature is also required to account for inflationary impacts on the school finance system in years between recalibrations to ensure funding remains cost-based.⁴

- The Legislature has historically relied on consultants to assist it in determining the cost of providing the educational program. The initial cost-based school finance system was implemented in School Year 1997-1998 and modified through recalibration in 2001. New consultants were hired in 2005 and the cost-based school finance system was subsequently developed in consultation with school districts through a series of professional judgement panels. A different “evidence-based” approach in determining the necessary cost to fund the required educational program was also used at this time. The 2005 system was subsequently recalibrated in 2010 and 2015. In 2017, the Legislature hired different consultants to conduct a new school finance study to again recalibrate funding. The most recent recalibration effort was conducted in 2020. All school finance studies conducted by the Legislature can be found on the LSO’s School Finance website.
- **Establishing a School Facilities Commission (SFC) to define adequacy standards for K-12 public school buildings and facilities.** The SFC routinely assesses statewide school buildings and facilities to identify needs that may impede the delivery of the prescribed statewide educational program. The SFC also approves each school district’s facilities plan. Today, the SFC is assisted by the School Facilities Division within the State Construction Department (SCD) to carry out its charge.

The impacts of the *Campbell* cases have led to increased funding for school districts, including capital construction, increased school district reporting and data collection, and increased uniformity and accountability.

School Foundation Program

During the 1950s, the Legislature adopted the initial School Foundation Program (SFP) which guaranteed a minimum financial base for Wyoming school districts. The SFP has essentially continued to exist since that time with necessary modifications to account for requirements of the *Washakie* and *Campbell* cases. The SFP provides Wyoming’s school districts funding for the necessary instructional and operational resources to provide each Wyoming student with an equal opportunity to receive a proper education. The funding each district receives is a function of the school finance system’s “funding model” (also referred to as the education resource block grant model), as well as the characteristics of the schools, staff, and students within a district. The funding model determines the amount available to the district, but it does not determine how such funding is spent.

The SFP guarantees school districts a certain funding level amount. The “guarantee” can be categorized in three areas: school-level resources (teachers, school administration, supplies and materials etc.), district-level resources (routine maintenance and operations, utilities, central office, etc.), and reimbursements (transportation, special education, and teacher extra compensation).

³See W.S. 21-13-309(t).

⁴See W.S. 21-13-309(o) and (u)

School districts receive additional state funding outside the “guarantee” for items such as additional retirement contributions, out-of-state tuition, and specific state grants and programs (career and technical education, distance education, and national board certified teachers). School districts also receive federal funds outside the SFP.

The Legislature has set up the SFP to pay all school districts the “guarantee” determined by the funding model through both state and local school district revenues. If a school district’s “guarantee” is greater than its local revenues, the state will make up the difference through a series of “entitlement” payments throughout the school year. If a school district’s guarantee is less than its local revenues, the state will “recapture” the difference from school districts through a series of payments from school districts throughout the school year.

Wyoming’s public education system is primarily funded through property taxes; specifically, 43 mill levies in total. School district revenues are generated through a county-wide levy of 6 mills, a school district-wide levy of 25 mills, and motor vehicle taxes. State revenues deposited within SFP Account, which pay the “entitlement” payments. Four revenue sources make-up much of the SFP Account’s revenue:

1. Statewide levy of 12 mills;
2. Income (investment income and state land bonus and lease revenue income) from the Common School Account within the Permanent Land Fund;
3. Federal Mineral Royalties; and
4. School district recapture revenue.

School Capital Construction

Per the Court’s holdings in the *Campbell* cases, the State is also responsible for school district buildings and facilities. The SFC and the SCD’s School Facilities Division are responsible for school district buildings and facilities to ensure they are adequate, efficient, and cost-effective. The Legislature has also established a Select Committee on School Facilities to keep apprised on these issues. The SFC annually recommends a budget to the Select Committee to address any needs for school district buildings and facilities. School districts receive funding for two categories: major maintenance and capital construction. Major maintenance is derived via a statutory formula and capital construction projects are recommended through a prioritization process established by the SFC.⁵

⁵See W.S. 21-15-109 and W.S. 21-15-117, respectively.
