



MONITORING THE COST-BASIS OF THE K-12 WYOMING FUNDING MODEL

*Prepared by the
LSO Budget and Fiscal Section*

*Prepared for
Joint Appropriations Committee &
Joint Education Interim Committee*

September 2023

JOINT APPROPRIATIONS COMMITTEE MEMBERS

Senator Tara Nethercott, Co-Chairman
Representative Bob Nicholas, Co-Chairman
Senator Jim Anderson
Senator Mike Gierau
Senator Dave Kinskey
Senator Tim Salazar
Representative Bill Henderson
Representative Lloyd Larsen
Representative Trey Sherwood
Representative Clark Stith
Representative Tom Walters
Representative David Zwonitzer

JOINT EDUCATION INTERIM COMMITTEE MEMBERS

Senator Charles Scott, Co-Chairman
Representative David Northrup, Co-Chairman
Senator Bo Biteman
Senator Evie Brennan
Senator Chris Rothfuss
Senator Cheri Steinmetz
Representative Lane Allred
Representative Ocean Andrew
Representative Ryan Berger
Representative Landon Brown
Representative Ken Clouston
Representative Martha Lawley
Representative Jerry Obermueller
Representative Karlee Provenza

Table of Contents

TABLE OF CONTENTS	II
MONITORING REPORT HISTORY	1
2023 MONITORING REPORT	2
HISTORICAL EXTERNAL COST ADJUSTMENTS	2
STATUTORY MODEL VS. EVIDENCE-BASED FUNDING LEVELS	4
NON-PERSONNEL (EDUCATIONAL MATERIALS AND ENERGY).....	7
PROFESSIONAL AND NON-PROFESSIONAL PERSONNEL	9
EXTERNAL COST ADJUSTMENT	10

APPENDICES

APPENDIX A – MONITORING LABOR MARKET COST PRESSURES
“CURRENT STATUS OF `COST PRESSURES ON TEACHER SALARIES IN WYOMING,” SEPTEMBER 2023,
DR. CHRISTIANA STODDARD, WYOMING LEGISLATURE CONSULTANT

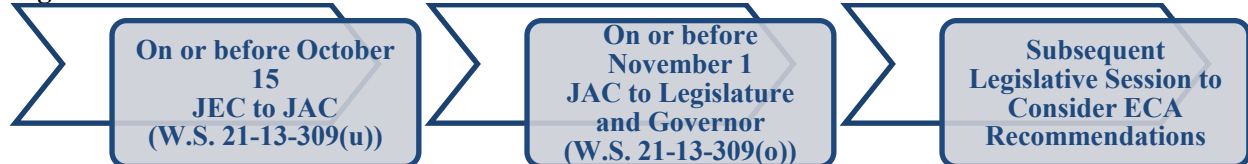
APPENDIX B – WYOMING DEPARTMENT OF EDUCATION USE OF RESOURCES REPORT
“CONTINUED REVIEW OF EDUCATIONAL RESOURCES IN WYOMING (CRERW)” SEPTEMBER 27, 2023,
TRENT CARROLL AND LESLIE ZIMMERSCHIED, WYOMING DEPARTMENT OF EDUCATION

APPENDIX C – FUNDING MODEL COST INDICES
“EXTERNAL COST ADJUSTMENTS FOR THE WYOMING SCHOOL FUNDING MODEL: 2023” SEPTEMBER
2023, DR. LORI TAYLOR, WYOMING LEGISLATURE CONSULTANT

MONITORING REPORT HISTORY

The K-12 monitoring process reflects policies adopted by the Legislature, in consultation with its school finance consultants, following the 2010 recalibration effort and subsequent enabling legislation during the 2011 General Session.¹ Pursuant to W.S. 21-13-309(u), the Legislature receives information to monitor the cost pressures on both the "statutory" and "evidence-based" K-12 funding models in years between recalibrations and to determine the appropriateness of application of an inflationary adjustment via an external cost adjustment (ECA). The Joint Education Interim Committee forwards its recommendation regarding an ECA to the K-12 funding model for the upcoming school year to the Joint Appropriations Committee by October 15. The Joint Appropriations Committee, upon receipt of the Joint Education Interim Committee's recommendation, makes its own recommendation to the Governor and Legislature by November 1 regarding any ECA to the K-12 funding model pursuant to W.S. 21-13-309(o). Figure 1 depicts the timeline for which an ECA is recommended and considered by the Legislature under W.S. 21-13-309(o) and (u).

Figure 1. K-12 ECA Recommendation and Consideration Timeline.



To access previous monitoring reports, select "K-12 Funding Model Monitoring Reports" from the dropdown list on the "Reports" tab of the LSO's School Finance [website](#). The LSO, the Legislature's consultants, and the Wyoming Department of Education (WDE) will present the 2023 report to the Joint Education Interim Committee and the Joint Appropriations Committee at the September 27, 2023 joint meeting.

The monitoring process uses readily available state, regional, and national data as part of a set of relatively simple, understandable indicators of cost pressures. These indicators are intended to be viewed collectively by the Legislature for policy making decisions. The indicators are not to be considered in isolation of one another as individual indicators nor are they intended to be seen as definitively signaling any degradation of the cost-basis of the statutory model. The following core principles developed by the Legislature's consultants guide this process:

1. Cost pressures are identified when indicators show changes relative to previous levels, and trends are best identified when there are broad based changes in several measures.
2. All indicators have some transitory year-to-year variation and as such, the process seeks high quality data series that are consistent over time.
3. As new data collections are developed and become available, it is important to retain enough consistency with former measures to enable tracking of evolving trends in market conditions.
4. Changes in supply and demand conditions and changes in district outcomes are monitored.
5. If several indicators reflect deviations from historical ranges, the process invokes the collection of a deeper set of cost data to confirm the presence of cost pressure.

The monitoring process includes the review of four cost indices, one for each of the following model categories: professional staff resources, non-professional staff resources, energy, and educational materials. The monitoring process incorporates the WDE's annual report that analyzes resource utilization patterns of school districts in comparison to statutory model-generated resources, as initiated by the Legislature's consultants following the 2005 recalibration.

¹ See [report](#) submitted to the Joint Appropriations Committee and Joint Education Interim Committee November 4, 2011 (Kenning, N., Seder, R., Stoddard, C., and Taylor, L. (2011). "Identifying Data Elements to Support Wyoming's Monitoring of Cost Pressures.") and 2011 Wyoming Session Laws, Chapter 185.

2023 MONITORING REPORT

The 2023 monitoring process utilizes similar information from prior reports:

- Reviewing historical ECAs enacted by the Legislature.
- Comparing funding allocations between the statutory model and the evidence-based model from school year 2006-07 to estimated school year 2024-25.
- Monitoring the cost-basis of components comprising the non-personnel and personnel categories by observing the difference between the statutory model and the evidence-based model, as adjusted by the appropriate cost index.
- Monitoring the cost-basis of **teacher** salaries by utilizing the expertise of Dr. Christiana Stoddard to evaluate readily available labor market data (Appendix A).
- Reviewing the resource utilization patterns of school districts in comparison to statutory model-generated resources (Appendix B).
- Reviewing the annual change in the recommended external cost adjustments from Dr. Lori Taylor (Appendix C).

Each section below updates information previously provided in prior reports with current year information.

HISTORICAL EXTERNAL COST ADJUSTMENTS

The Legislature adjusts the statutory model in periods between recalibrations. Prior to the 2010 recalibration, the Legislature adjusted the statutory model with a single percentage amount. After the 2010 recalibration, the Legislature has provided separate ECA percentage amounts for the statutory model’s four ECA categories: professional staff, non-professional staff, educational materials, and energy. Table 1 depicts the historical ECAs enacted by the Legislature since school year 2001-02.

Table 1. Historical Funding Model ECAs Between Years of Recalibration Efforts.

School Year	Single ECA Amount	Professional Staff	Non-Professional Staff	Educational Materials	Energy
2001-02	9.440%				
2003-04	2.000%				
2004-05	2.300%				
2005-06	2.300%				
2007-08	3.800%				
2008-09	4.300%				
2009-10	3.700%				
2014-15		1.045%	0.995%	0.750%	-0.530%
2015-16		2.675%	2.375%	2.930%	4.770%
2016-17		2.148%	1.947%	2.126%	2.445%
2019-20		1.415%	1.536%	3.335%	10.823%
2020-21		1.488%	2.091%	5.857%	0.936%
2021-22		0.744%	1.046%	2.929%	0.468%
2022-23				5.958%	8.935%
2023-24		4.254%	5.377%	19.477%	38.996%

Source: LSO analysis.

Generally, the ECAs provided by the Legislature are cumulative in nature until a recalibration occurs, but there are exceptions. Additionally, the Legislature has made one-time appropriations in addition to ECAs. Details regarding these exceptional cases include:

Monitoring the Cost-Basis of the K-12 Wyoming Funding Model

- For school year 2005-06, the Legislature made one-time appropriations for health insurance (\$33,321,126) and salary enhancements (\$22,736,000) in addition to the ECA. See 2005 Wyoming Session Laws, Chapter 121, Section 3(c) and Chapter 191, Section 342, respectively.
- While not shown as an ECA, in school year 2013-14, the Legislature made a one-time salary retention incentive appropriation of \$8,100,000. See 2013 Wyoming Session Laws, Chapter 73, Section 330(d).
- For school year 2014-15, the Legislature made a one-time \$6,000,000 appropriation for salary increases in addition to the ECA. See 2014 Wyoming Session Laws, Chapter 26, Section 2, Section 205, Footnote 3(a)(i).
- The ECAs enacted by the Legislature for school years 2014-15 and 2015-16, were time-limited by the Legislature and were not sustained (carried forward) to school year 2016-17.
- The Legislature enacted an ECA to the statutory model for school year 2016-17, similar to what was previously provided. However, during the 2017 General Session and after the 2017 recalibration, the Legislature amended the statutory model for school year 2017-18 to eliminate the ECAs previously provided in school year 2016-17 for professional and non-professional staff. Further, the statutory model was calibrated to reflect the prices for the educational materials and energy categories to the amounts recommended in the 2015 recalibration, as adjusted by ECAs.
- The ECAs enacted by the Legislature for school year 2020-21, were time-limited by the Legislature and not sustained (carried forward) to school year 2021-22.
- The ECAs enacted by the Legislature for school year 2021-22 and after the 2020 recalibration, were time-limited by the Legislature, reflect one-half of the school year 2020-21 ECA, and not sustained (carried forward) to school year 2022-23.
- The ECAs enacted by the Legislature for school year 2022-23, were time-limited by the Legislature and not sustained (carried forward) to school year 2023-24. The ECAs for educational materials and energy reflect a cumulative percentage that accounts for the school year 2020-21 ECA and the annual percentage change from 2020-21.
- The ECAs enacted by the Legislature for school year 2023-24, are sustained (carried forward) and cumulative. The ECAs reflect a cumulative percentage that accounts for the school year 2022-23 ECA and the annual percentage change from 2021-22.

STATUTORY MODEL VS. EVIDENCE-BASED FUNDING LEVELS

LSO staff compute historical and estimated funding levels for the statutory model and evidence-based model by applying certain assumptions, which if changed, would alter the analysis. The total funding levels do not consider funding from federal sources, state capital construction and major maintenance programs, or other school district revenues.

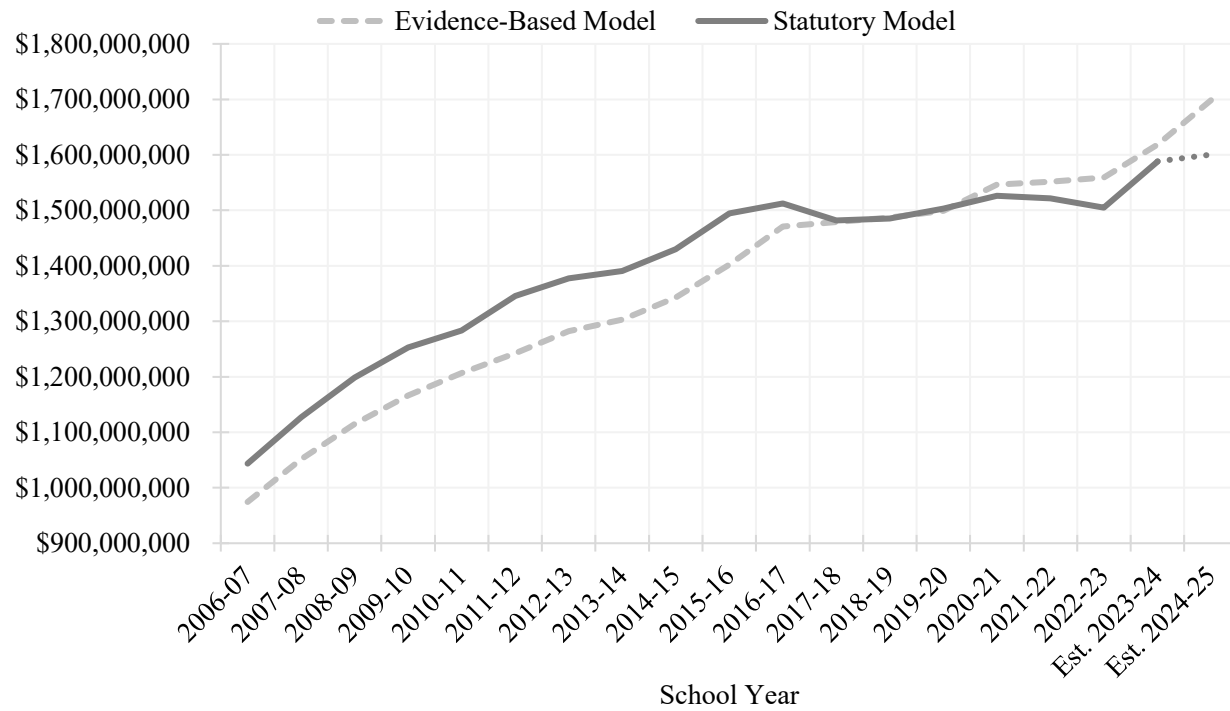
The statutory model funding levels funding levels under current law, which include the foundation program guarantee plus additional appropriations outside of the statutory model (i.e., special education, food service program enhancements, school bus video camera reimbursements, distance education grants, retirement contributions, tuition, salary enhancements, national board certified teacher program payments, etc.). The statutory model funding levels reflect the law at the time in effect for each school year, including the ECAs enacted by the Legislature. The statutory model estimates for school year 2024-25, do not incorporate ECAs that may be enacted by the Legislature.

The evidence-based model funding levels assume the Legislature's consultants' recommendations from prior recalibrations and include additional off-model funding provided to school districts (i.e., special education, retirement contributions, salary enhancements, tuition, and school bus video camera reimbursements). LSO staff incorporate the following assumptions within the evidence-based model funding levels:

- For school years 2006-07 to 2010-11, consultant recommendations from the 2005 recalibration are reflected and the ECAs adopted by the Legislature are incorporated.
- For school years 2011-12 to 2015-16, consultant recommendations from the 2010 recalibration are reflected and the ECAs adopted by the Legislature since the 2010 recalibration are incorporated. Additional ECAs for non-personnel prices are incorporated for school year 2012-13 (educational materials 2.18 percent and energy 0.11 percent) and school year 2013-14 (educational materials 2.78 percent and energy -5.11 percent).
- For school years 2016-17 to 2019-20, consultant recommendations from the 2015 recalibration are reflected and ECAs adopted by the Legislature since the 2015 recalibration are incorporated. Additional ECAs for non-personnel prices are incorporated for school year 2017-18 (educational materials 0.719 percent and energy -10.762 percent), school year 2018-19 (educational materials 0.861 percent and energy 6.092 percent) and school year 2019-20 (educational materials 2.468 percent and energy 4.459 percent).
- For school years 2018-19 through 2020-21, allowable reimbursements are assumed to be 100 percent of prior year actual expenditures. The Legislature modified both the transportation and special education reimbursements between this period.
- For school years 2020-21 and 2021-22, consultant recommendations from the 2020 recalibration are reflected. No ECAs are applied to the evidence-based model for these years.
- For school year 2022-23, consultant recommendations from the 2020 recalibration are reflected. The 2020 recalibration recommended ECAs are applied to the to the non-personnel and personnel components (educational materials 0.095 percent, energy 7.925 percent, non-professional staff 3.701 percent, and professional staff 3.823 percent).
- For *estimated* school year 2023-24, consultant recommendations from the 2020 recalibration are reflected. The 2020 recalibration recommended ECAs are applied in a cumulative manner to the non-personnel and personnel components (educational materials 12.759 percent, energy 27.595 percent, non-professional staff 1.616 percent, and professional staff 0.416 percent).
- For *estimated* school year 2024-25, consultant recommendations from the 2020 recalibration are reflected. The preliminary 2020 recalibration recommended ECAs are applied in a cumulative manner to the non-personnel and personnel components (educational materials 21.852 percent, energy 14.669 percent, non-professional staff 4.106 percent, and professional staff 3.871 percent).

Figure 2 depicts the differences between the two models, with the above assumptions applied to the evidence-based model, for school years 2006-07 to estimated school year 2024-25. Table 2 reflects the amounts shown in Figure 2.

Figure 2. Evidence-Based Funding Levels Compared to Statutory Funding Levels.



Source: LSO analysis and calculations.

Table 2. Evidence-Based Funding Levels Compared to Statutory Funding Levels.

School Year	Evidence-Based Model	Statutory Model	Difference
2006-07	\$974,384,621	\$1,043,521,790	\$69,137,169
2007-08	\$1,051,584,249	\$1,126,991,003	\$75,406,754
2008-09	\$1,114,929,855	\$1,198,670,825	\$83,740,970
2009-10	\$1,166,146,943	\$1,252,956,891	\$86,809,948
2010-11	\$1,206,491,760	\$1,283,409,749	\$76,917,989
2011-12	\$1,242,191,617	\$1,345,435,177	\$103,243,560
2012-13	\$1,282,008,100	\$1,377,282,350	\$95,274,250
2013-14	\$1,302,879,403	\$1,390,441,588	\$87,562,185
2014-15	\$1,343,025,593	\$1,429,884,730	\$86,859,138
2015-16	\$1,402,355,064	\$1,494,415,878	\$92,060,814
2016-17	\$1,470,805,562	\$1,512,344,463	\$41,538,901
2017-18	\$1,479,161,966	\$1,482,064,347	\$2,902,381
2018-19	\$1,486,769,970	\$1,485,451,914	(\$1,318,056)
2019-20	\$1,499,154,266	\$1,502,947,423	\$3,793,157
2020-21	\$1,546,670,691	\$1,526,001,914	(\$20,668,777)
2021-22	\$1,551,518,014	\$1,521,736,834	(\$29,781,180)
2022-23	\$1,558,799,161	\$1,505,031,482	(\$53,767,679)
Est. 2023-24	\$1,618,400,000	\$1,588,200,000	(\$30,200,000)
Est. 2024-25	\$1,698,400,000	\$1,600,400,000	(\$98,000,000)

Source: LSO analysis and calculations.

Monitoring the Cost-Basis of the K-12 Wyoming Funding Model

The estimated school year 2024-25 statutory funding level, \$1,600,400,000, is estimated to increase approximately \$12.2 million and does not assume an ECA is enacted by the Legislature. The \$12.2 million increase reflects the following assumptions: (i) reimbursement increases of 4 percent – estimated \$14.4 million increase; and (ii) other normal model updates (i.e., most recent average daily membership, flat enrollment going forward, school openings and closures, regional cost adjustment updates to the Wyoming Cost of Living Index, and no change in health insurance premiums for the State) – estimated \$2.2 million decrease.

The expanded difference between the evidence-based model and the statutory model for school year 2024-25, is primarily the result of not applying an ECA to the statutory model and applying the preliminary 2020 recalibration recommended ECAs to the evidence-based model. The ECAs applied to the evidence-based model increases funding by approximately \$69 million: \$26.5 million for professional staff; \$5.4 million for non-professional staff; \$29.3 million for educational materials; and \$7.8 million for energy.

If the Legislature were to apply the same cost indices to the statutory model as used in the evidence-based model's estimates for school year 2024-25, it would increase funding within the statutory model by approximately \$68 million: \$25.2 million for professional staff; \$5.1 million for non-professional staff; \$30.3 million for educational materials; and \$7.4 million for energy. Table 3 compares to estimated school year 2024-25 impact of the 2020 recalibration recommended ECAs, by category, for the evidence-based model and the statutory model.

Table 3. Estimated Impact of ECAs by Model Category, School Year 2024-25 (Millions).

Model	Professional Staff	Non-Professional Staff	Educational Materials	Energy	Total
Evidence-Based	\$26.5	\$5.4	\$29.3	\$7.8	\$69.0
Statutory	\$25.2	\$5.1	\$30.3	\$7.4	\$68.0

Source: LSO analysis and calculations.

NON-PERSONNEL (EDUCATIONAL MATERIALS AND ENERGY)

Monitoring the cost-basis of components that comprise the non-personnel categories of the model is more straightforward than the personnel categories. The report monitors the difference of the non-personnel categories funded by the statutory model and the evidence-based model.

Based upon the previously outlined assumptions, estimated funding differences for school years 2023-24 and 2024-25, by component, can be seen in Table 4. Of the estimated \$30.2 million and \$98.0 million funding differences between the evidence-based model and statutory model for school years 2023-24 and 2024-25, respectively, non-personnel model components account for \$0.25 million (0.8 percent) and \$37.21 million (38.0 percent), respectively. The increase in the difference for school year 2023-24 is the result of not applying an ECA to the statutory model and applying the preliminary 2020 recalibration recommended ECAs to the evidence-based model.

Table 4. Estimated Differences for Non-Personnel Model Components (Millions).

Non-Personnel Model Component	Estimated School Year 2023-24			Estimated School Year 2024-25		
	Evidence-Based Model	Statutory Model	Difference	Evidence-Based Model	Statutory Model	Difference
Gifted and Talented	\$4.10	\$4.52	\$0.42	\$4.97	\$4.49	(\$0.48)
Professional Development	\$13.32	\$14.11	\$0.79	\$16.15	\$14.04	(\$2.11)
Short Cycle Assessments	\$2.27	\$0.00	(\$2.27)	\$2.26	\$0.00	(\$2.26)
Instructional Materials	\$21.52	\$21.45	(\$0.07)	\$26.09	\$21.34	(\$4.75)
Technology & Equipment	\$22.70	\$22.70	\$0.00	\$22.59	\$22.59	\$0.00
CTE Equipment/Materials	\$3.36	\$3.47	\$0.11	\$4.10	\$3.47	(\$0.63)
Student Activities	\$34.59	\$37.96	\$3.37	\$42.11	\$37.93	(\$4.17)
Central Office	\$40.99	\$41.02	\$0.02	\$49.70	\$40.81	(\$8.89)
O&M Supplies/Materials	\$16.32	\$16.38	\$0.06	\$19.95	\$16.43	(\$3.51)
Utilities	\$52.74	\$50.06	(\$2.68)	\$60.48	\$50.06	(\$10.42)
Total	\$211.92	\$211.67	(\$0.25)	\$248.38	\$211.17	(\$37.21)

Source: LSO analysis and calculations.

Educational Materials Category

Each component within the educational materials category has a specific price and formula. The two components within the evidence-based model and statutory model that have the greatest difference in funding methodologies are student activities and short cycle assessments. During the 2020 recalibration, the Legislature’s consultants identified an alternative formula and pricing scheme for student activities within the evidence-based model that differs from the statutory model. Additionally, for short cycle assessments, the statutory model does not resource this component, rather it relies upon the statewide assessment system within the WDE to provide for these costs. The evidence-based model allocates a per student amount for the assessment component.

In accordance with the monitoring process, LSO staff adjust the evidence-base model’s educational materials category each year since the 2020 recalibration by the recommended ECA during the 2020 recalibration, in a cumulative manner. For school year 2024-25, this report incorporates a preliminary adjustment of 21.852 percent to all prices except for technology equipment and assessment costs, which are not subject to an ECA. For school year 2023-24, the statutory model’s educational materials category provides an estimated \$2.43 million more than the evidence-based model and an estimated \$26.8 million less in school year 2024-25, with no application of an ECA.

Energy Category

For the statutory model, funding for the energy component is based upon actual school year 2009-10 expenditures for utilities, adjusted for new school building square footage and ECAs enacted by the Legislature. During the 2020 recalibration, the Legislature's consultants set the price for the energy component within the evidence-based model based upon actual school year 2018-19 expenditures for

Monitoring the Cost-Basis of the K-12 Wyoming Funding Model

utilities, adjusted for new school building square footage. In accordance with the monitoring process, LSO staff adjust the evidence-based model's energy category each year since the 2020 recalibration by the recommended ECA during the 2020 recalibration, in a cumulative manner. For school year 2024-25, a preliminary adjustment of 14.669 percent has been made to the evidence-based model's energy component. For school year 2023-24, the statutory model's energy category provides an estimated \$2.68 million less than the evidence-based model and an estimated \$10.42 million less in school year 2024-25, with no application of an ECA.

Statutory model funding for non-personnel components and district-reported expenditures is compared within the WDE's Continued Review of Educational Resources in Wyoming (CRERW) report. This report can be reviewed in Appendix B.

PROFESSIONAL AND NON-PROFESSIONAL PERSONNEL

Monitoring the cost-basis of components comprising professional and non-professional personnel categories of the model is accomplished by evaluating readily available teacher labor market data and the annual change in the cost indices. Dr. Christiana Stoddard's 2023 "Current Status of Cost Pressures on Teacher Salaries in Wyoming" report can be reviewed in Appendix A.

The salaries and formulas for positions resourced in the evidence-based model and the statutory model are not aligned. During the 2020 recalibration, the Legislature’s consultants updated the evidence-based model to reflect new salary prices for all positions. For teachers, the evidence-based model salary reflects the 75th percentile of professional and technical workers' salaries in Wyoming from school year 2018-19, as adjusted for inflation.² Additionally, during the 2020 recalibration the Legislature's consultants recommended the evidence-based model no longer provide salary adjustments for experience, education, and responsibility (where appropriate), rather the salary is priced at an average amount, to be further adjusted by the regional cost adjustment for each school district.

Table 5 compares the estimated weighted average salary prices for the personnel categories.³ The statutory model's average salaries reflect the ECAs enacted by the Legislature during the 2023 General Session. In accordance with the monitoring process, LSO staff adjust the evidence-based model salaries each year since the 2020 recalibration by the recommended ECA during the 2020 recalibration, in a cumulative manner. For school year 2024-25, adjustments of 3.871 percent and 4.106 percent have been made to the professional staff and non-professional personnel categories, respectively.

Table 5. Estimated Differences for Personnel Component Weighted Average Salaries.

Personnel Model Component	Estimated School Year 2023-24			Estimated School Year 2024-25		
	Evidence-Based Model	Statutory Model	Difference	Evidence-Based Model	Statutory Model	Difference
Superintendent	\$135,977	\$118,010	(\$17,967)	\$141,240	\$118,127	(\$23,114)
Assistant Superintendent	\$106,569	\$110,523	\$3,953	\$110,713	\$110,791	\$77
Business Manager	\$89,048	\$80,105	(\$8,943)	\$92,521	\$80,184	(\$12,338)
Principal	\$107,788	\$90,977	(\$16,811)	\$112,006	\$91,140	(\$20,867)
Assistant Principal	\$90,362	\$79,029	(\$11,332)	\$93,846	\$79,163	(\$14,683)
Teacher	\$57,891	\$55,763	(\$2,128)	\$60,149	\$55,861	(\$4,288)
School Computer Technician	\$52,349	\$50,845	(\$1,503)	\$54,363	\$50,966	(\$3,397)
Supervisory Aide	\$24,406	\$20,810	(\$3,596)	\$25,419	\$20,843	(\$4,576)
School Secretary	\$35,954	\$36,011	\$57	\$37,442	\$36,073	(\$1,369)
School Clerical	\$34,270	\$27,830	(\$6,440)	\$35,691	\$27,884	(\$7,806)
Central Office Clerical	\$47,301	\$38,795	(\$8,506)	\$49,259	\$38,853	(\$10,406)
Maintenance Worker	\$47,313	\$39,103	(\$8,210)	\$49,249	\$39,161	(\$10,088)
Groundskeeper	\$32,155	\$39,103	\$6,948	\$33,477	\$39,161	\$5,683
Custodian	\$32,155	\$32,706	\$551	\$33,477	\$32,752	(\$725)

Source: LSO analysis and calculations.

² The school year 2018-19 professional and technical workers' average wage was \$70,522. Picus Odden and Associates adjusted the 75th percentile amount by 1.415 percent and 1.488 percent, to inflate the average evidence-based model teacher salary to a rounded value of \$54,500.

³ The weighted average salary calculation is the total salaries allocated for each personnel category, including regional cost adjustments, divided by the total number of positions allocated for each personnel category.

EXTERNAL COST ADJUSTMENT

Under current law, ECAs are not applied to the following components of the statutory model: technology equipment costs, reimbursements (i.e., special education costs, transportation costs, tuition, and teacher extra compensation), and health insurance (i.e., adjusted based upon the state's health insurance premiums as of January 1 of the preceding school year). The evidence-based model operates in the same manner, but the short cycle assessment component is not subject to the ECA.

One of the purposes of this report series is to provide information to the Legislature with which to make any decision regarding appropriate price adjustments. In the event the Legislature determines adjustments are needed to one or more model categories based upon information gathered from this monitoring process, a set of cost indices have been recommended by the Legislature’s consultants that can be targeted to specific categories of the funding model to maintain the cost-basis of the funding model. Table 6 provides the cost indices recommended from the 2020 recalibration report. Dr. Lori Taylor has updated this analysis in Appendix C to account for the most recent annual changes for the recommended cost indices.

Table 6. Model External Cost Adjustment Categories and Recommended Costs Indices.

Model Category	Index
Professional Labor	Comparable Wage Index (CWI) - Wyoming
Non-Professional Labor	High School Comparable Wage Index (HS CWI) - Wyoming
Energy ⁴	Producer Price Index – Commercial Electric Power Producer Price Index – Commercial Natural Gas Producer Price Index – Light fuel oils
Educational Materials	Producer Price Index – Office Supplies and Accessories

Source: 2020 Recalibration Report and Dr. Lori L. Taylor.

The cost index values for the educational materials and energy categories are provided within Table 7. Note, estimated school year 2024-25 (estimated year 2022-23) indices for energy and educational materials for April through June 2023, are subject to revision four months after original publication from the U.S. Bureau of Labor Statistics. Any revisions will be communicated to the Legislature by the LSO.

Dr. Lori Taylor updated the methodology used to construct the cost indices for the Wyoming Comparable Wage Index (professional staff) and the Wyoming High School Comparable Wage Index (non-professional staff). The cost index values for the professional and non-professional labor are provided within Table 8, reflecting the prior and new methodology. Details on the methodology can be found in Appendix C.

Figure 3 illustrates the data contained in Table 7 and Table 8. For the labor categories, only the updated Wyoming CWI and Wyoming HS CWI are shown.

⁴ The energy composite index is calculated as follows: $\{(0.568 \times PPI \text{ Commercial Electric Power}) + (0.191 \times PPI \text{ Commercial Natural Gas}) + (0.040 \times PPI \text{ Light Fuel Oils}) - 28.8\}$. Dr. Taylor recommended the energy composite index during the 2020 recalibration. The recommendation updated the prior energy composite index formula. Table 6 reflects the 2020 recalibration's recommended energy composite index for all years and will not necessarily match the ECA applied to the energy category in prior years.

Table 7. Cost Indices for Professional Staff and Non-Professional Staff, Educational Materials and Energy Categories.

School Year	Year	Educational Materials		Energy	
		Cost Index	Annual Change	Cost Index	Annual Change
2011-12	2009-10	100.0		100.0	
2012-13	2010-11	102.2	2.179%	105.4	5.442%
2013-14	2011-12	105.0	2.785%	105.6	0.193%
2014-15	2012-13	106.6	1.505%	105.9	0.235%
2015-16	2013-14	108.9	2.147%	110.0	3.904%
2016-17	2014-15	109.5	0.583%	105.1	-4.494%
2017-18	2015-16	110.3	0.719%	95.2	-9.424%
2018-19	2016-17	111.3	0.861%	99.8	4.844%
2019-20	2017-18	114.0	2.468%	106.2	6.416%
2020-21	2018-19	120.7	5.857%	107.6	1.310%
2021-22	2019-20	121.4	0.579%	102.7	-4.507%
2022-23	2020-21	121.5	0.095%	110.9	7.925%
2023-24	2021-22	137.0	12.759%	141.5	27.595%
Est. 2024-25	Est. 2022-23	166.9	21.852%	162.2	14.669%

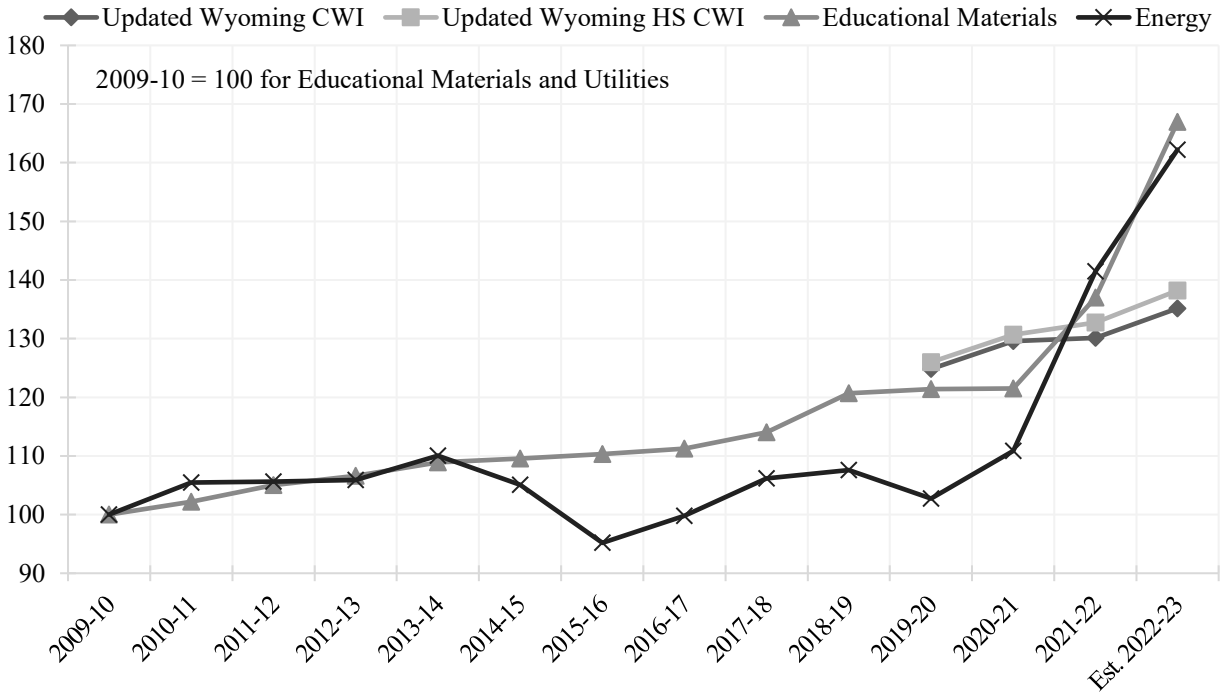
Source: LSO analysis of U.S. Bureau of Labor Statistics data, Dr. Lori Taylor's calculations.

Table 8. Cost Indices for Professional Staff and Non-Professional Labor Categories.

School Year	Year	Professional Staff				Non-Professional Staff			
		Wyoming CWI	Annual Change	Updated Wyoming CWI	Annual Change	Wyoming HS CWI	Annual Change	Updated Wyoming HS CWI	Annual Change
2011-12	2009-10	100.0				100.0			
2012-13	2010-11	103.9	3.947%			103.5	3.479%		
2013-14	2011-12	106.7	2.638%			106.2	2.593%		
2014-15	2012-13	108.9	2.092%			108.2	1.912%		
2015-16	2013-14	110.7	1.626%			109.8	1.458%		
2016-17	2014-15	113.4	2.411%			112.5	2.480%		
2017-18	2015-16	116.2	2.540%			115.4	2.569%		
2018-19	2016-17	119.4	2.748%			118.7	2.838%		
2019-20	2017-18	121.1	1.415%			120.5	1.536%		
2020-21	2018-19	122.9	1.482%			123.0	2.091%		
2021-22	2019-20	124.8	1.540%	124.8		126.0	2.424%	126.0	
2022-23	2020-21	127.1	1.808%	129.6	3.823%	128.9	2.338%	130.6	3.701%
2023-24	2021-22			130.1	0.416%			132.8	1.616%
Est. 2024-25	Est. 2022-23			135.2	3.871%			138.2	4.106%

Source: Dr. Lori Taylor's calculations.

Figure 3. Cost Indices for Professional Staff, Non-Professional Staff, Educational Materials and Energy Categories.



Sources: LSO analysis of U.S. Bureau of Labor Statistics data, Dr. Lori Taylor's calculations.