



WYOMING LEGISLATIVE SERVICE OFFICE

Memorandum

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TO Members, Select Committee on School Facilities

FROM Tania Hytrek, Operations Administrator
Matthew Willmarth, Senior School Finance Analyst
Hank Hoversland, Associate Fiscal Analyst

SUBJECT Overview of K-12 School Facilities Planning and Budgeting

INTRODUCTION

The Select Committee on School Facilities' (Select Committee) Priority #2 for the 2023 interim includes study of the facility planning and budgeting processes utilized to construct and maintain Wyoming's K-12 public schools. This memorandum serves as a summary of the statutes governing the facility planning and budgeting processes. It is worth noting at the outset that the School Facilities Commission (Commission) is actively in the process of revising its rules. For that reason, references to the Commission's rules are limited.

SCHOOL DISTRICT FACILITY PLANS

The State Construction Department (Department) is charged with developing long range comprehensive school building and facility plans for each school district. The plans must:

- Identify facility needs aligned with the statewide adequacy standards;
- Identify actions to remediate the needs, including construction, renovation, major maintenance expenditures, and any local enhancements beyond the statewide adequacy standards, on a building-by-building, space-by-space basis;
- To the extent practical, identify and prioritize non-construction alternatives for each need, including building closure, modification of school boundaries, modification of school grade configurations, and similar approaches;
- Incorporate any planned demolition, use, lease, or other methods of disposition of surplus buildings, facilities, or land, including alternative methods of building disposition, the proposed allocation of costs incurred or revenues resulting from the disposition, and allocation of disposition revenues to offset any costs paid by the Department;
- Include student enrollment projections for a period of five (5) years commencing on the date of anticipated project completion. The Commission may adjust projections as necessary to reflect more precise analysis of historical, economic, social, and other data impacting the community in which buildings are or are to be located;
- Describe proposed new schools and additions or remediation of existing schools to meet the statewide building adequacy standards and include the grades, and the total number of pupils, to be

served, the proposed year for the school to open, and the timeline for planning and construction for the project;

- Include projections for new land required for new schools, including land purchases, acquisitions, and site analysis;
- Include appropriate cost estimates;
- Plan for expenditure of major maintenance funding generated under W.S. 21-15-109; and
- Identify facilities to be leased by the school district, either as the lessee or the lessor.

See W.S. 21-15-116(a).

The Commission is required to review and approve each school district's plan at least once every two (2) years to ensure the plan:

- Complies with statewide adequacy standards;
- Reduces needs in the most efficient and cost effective manner in order to deliver quality educational services;
- Considers non-construction alternatives; and
- Provides facilities capable of supporting the statewide educational program required by law of public schools.

See W.S. 21-15-116(d).

According to the Commission's **2022 Annual Report**, the Department's timeline indicates school building and facility plans should be finalized with districts by the end of April, prior to a Budget Session. Subsequently, the Commission reviews and approves each plan, which acts as a guiding document for the following two (2) years. Specifically, the plans assist the Department and the Commission to formulate a budget recommendation to forward to the Governor and Select Committee.

Districts may informally review the facility plans, remedies, and projects with the Department and the Commission. After the informal review, any school district aggrieved by a decision of the Department or the Commission may seek review in accordance with the Wyoming Administrative Procedures Act. Decisions by the Department are reviewed by the Commission. See W.S. 21-15-116(e) and (f).

PRIORITIZATION OF K-12 CAPITAL PROJECTS

The development of each school building and facility plan and associated budget recommendations are predicated upon duties of the Commission related to school building and facility assessments, policies and criteria related to determined remedies, and statewide adequacy standards.

School Building and Facility Evaluation

The Commission is required to adopt policies, guidelines, and standards for the assessment of school buildings and facilities. The Commission evaluates the adequacy of school buildings and facilities annually and prioritizes needs based upon the evaluation. The Commission must give due consideration to school district facility plans in performing the evaluation and prioritization of needs. The annual evaluation results in the development of the two (2) remediation schedules: 1) a condition schedule; and, 2) a capacity schedule. Under each schedule the Commission is to prioritize educational buildings and facilities that impede the delivery of the statewide educational program. The intent is to bring all educational buildings and facilities into compliance with the Commission's statewide adequacy standards over time. See W.S. 21-15-117(a).

The condition schedule is required to be developed using appropriate criteria and measures for building condition, as established by Commission rule, compiled under the building systems condition reference guide for building condition. See W.S. 21-15-117(a)(i). The Department and Commission are currently in the final stages of completing a facility condition assessment. The previous comprehensive facility condition assessment was conducted in 2016, which informed the previous condition needs schedule. This assessment also allows districts to better understand the condition of their buildings, which they can address in the district facility plans.

The capacity schedule is based on an analysis of student enrollment changes, in accordance with a Commission approved enrollment projection methodology, to determine the need for changes in building capacities for compliance with the statewide adequacy standards over a five (5) year period. See W.S. 21-15-117(a)(iii). During the 2023 General Session, the Legislature repealed the requirement for the Commission to develop a consolidated remediation schedule, which combined both the capacity need schedule and the condition need schedule.¹ This change in statute will require revision of the Commission's administrative rules.

For each remedy to address a condition or capacity need, the Commission must: 1) ensure the remedy is the most cost-effective remedy to deliver quality educational services; 2) determine the remedy complies with the statewide adequacy standards; and 3) conclude the expenditure is in the best financial interest of the state. This analysis may include consideration of consolidating educational facilities within, between, or among school districts. See W.S. 21-15-117(b) through (d).

Statewide Adequacy Standards

The Commission is required to establish and maintain statewide adequacy standards for school buildings and facilities, and not less than every four (4) years, review and evaluate the standards. See W.S. 21-15-115(a) and (c). The Commission's Chapter 3 rules establish the statewide adequacy standards. The statewide adequacy standards are required to include at a minimum:

- Requirements for educating students in a safe environment, including applicable building, health, safety, and environmental codes and standards required by law for public buildings;
- Building site requirements;
- Building performance standards and guidelines, including for energy efficient criteria;
- Assurances for students with special needs, including students with disabilities;
- Standards for education space to allow the delivery of the required educational program;
- Building capacity criteria aligned to the prescribed state education program, with consideration given to utilization differences between school sizes and school level in accordance with W.S. 21-15-117(e)(iv); and
- Technological capacity criteria sufficient to meet required educational program needs and the requirements imposed under the state education technology plan.

See W.S. 21-15-115(a).

¹ Through **2021 Wyoming Session Laws, Chapter 131 (Senate File 2, School facilities-project prioritization)**, the Commission was required to develop a consolidated remediation schedule. This consolidation remediation schedule requirement was repealed through **2023 Wyoming Session Laws, Chapter 83 (House Bill 27, School facilities-consolidated remediation schedule)**. Both bills were sponsored by the respective Select Committees.

SCHOOL FACILITY BUDGETING PROCESS

The Commission is required to submit its budget recommendation to the Governor and the Select Committee by September 1 of each year. This budget recommendation includes capital construction projects, inflationary funds, unanticipated costs, off-site infrastructure costs, other contingency or special projects costs, and major maintenance payments required by W.S. 21-15-109. Along with the budget, the Commission is required to include the capacity and condition schedules, including any amounts allocated to each project, and the annual building status report. See W.S. 21-15-119(a). The Commission's budget request must also be tied to specific projects and separately identify amounts for design and construction. Any modification of expenditures between project phases must be reported to the Select Committee. With the approval of the Governor, the Department may transfer up to 15 percent of the total funds appropriated between project phases. See W.S. 21-15-119(c). Recall, the Legislature enacted **2023 Wyoming Session Laws, Chapter 15 (House Bill 26, School facilities appropriations)**, sponsored by the Select Committee. This legislation clarified the Legislature's ability to appropriate a single amount for the design and construction phases of a project, but did not alter the requirement of the Commission to present its budget recommendation by project phase.

Pursuant to W.S. 28-11-301(b)(v), the Select Committee uses the information received from the Commission to formulate a budget recommendation to forward to the Joint Appropriations Committee and the Governor, by November 1 of each year. After this step, the budget for school facilities is subject to the normal budget process, including review by the Governor, Joint Appropriations Committee, and the Legislature.

During the 2023 General Session, the Legislature appropriated \$100 million through the FY 2023-2024 biennium's supplemental budget. Specifically, **Section 313 of 2023 Wyoming Session Laws, Chapter 94 (House Bill 1, General government appropriations)**, appropriated \$100 million as follows: \$5 million to conduct most cost effective remedy studies and \$95 million dedicated to school facility and building projects, as determined by the Commission. These appropriations are both subject to the 2023 school facility assessment being completed, which occurs when the Chairman of the Commission certifies the completion of the assessment in writing to the Governor. Additionally, projects utilizing the \$95 million must be identified in a school district facility plan and must be determined to be the most cost-effective remedy. If a project meets these requirements, the Department is required to conduct the planning and design of the project or approve the documents of the planning and design of the project.