

HOUSE BILL NO. HB0280

School districts-cash reserves.

Sponsored by: Representative(s) Hammons, Harshman,
Jorgensen and Miller

A BILL

for

1 AN ACT relating to school districts; restricting previously
2 accumulated school district reserves as specified; imposing
3 reporting duties and granting rulemaking authority; and
4 providing for an effective date.

5

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

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8 **Section 1.** W.S. 21-13-313(e) is amended to read:

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10 **21-13-313. Distribution of funds from foundation**
11 **account; property tax and cash reserve adjustment;**
12 **regulations.**

13

14 (e) Not later than January 31 of each fiscal year,
15 the department shall compute the amount by which each
16 district's operating balance and cash reserves at the end

1 of the preceding fiscal year exceed fifteen percent (15%)
2 of the total foundation program amount computed under W.S.
3 21-13-309 for the preceding fiscal year. In making this
4 calculation, the entire operating balance and cash reserves
5 for each district for the fiscal year ending June 30, 1997,
6 as computed by the department, shall be separately
7 accounted for and excluded, until it has been completely
8 expended by the district. Expenditure of these operating
9 balances and cash reserves that existed on June 30, 1997,
10 which remain unexpended as of July 1, 2009, shall be
11 restricted to district emergency building and facility
12 needs which are not covered by payments under W.S.
13 21-15-109 or are maintenance needs for facilities and
14 buildings considered local enhancements under W.S.
15 21-15-111(a)(iii) or to cost effective early retirement
16 benefit plans offered by the district. On and after July
17 1, 2009, expenditure of these reserves shall be in
18 accordance with rule and regulation of the department of
19 education, shall demonstrate cost savings if expended for
20 early retirement and shall be reported to and monitored by
21 the department. Revenues from settlements of protested
22 amounts attributable to levies assessed under W.S.
23 21-13-102(a)(i)(A) and (ii)(A) and 21-13-201, regardless of
24 the assessment year, shall be accounted for and excluded

1 from the calculation under this subsection for a period of
2 not more than one (1) year following that fiscal year in
3 which the revenue was received by a district, as verified
4 in writing by the district and certified by the county
5 treasurer. Except as otherwise provided in 1997 Special
6 Session Laws, chapter 3, section 306(e), as amended, and
7 except as excluded under this subsection, that excess shall
8 be deemed to be a state revenue under W.S. 21-13-310(a) for
9 the purpose of determining distributions under W.S.
10 21-13-311 and amounts to be rebated under W.S. 21-13-102.
11 The department shall promulgate rules, including reporting
12 requirements and procedures for districts, to implement
13 this subsection. As used in this section, "operating
14 balance and cash reserves" means those financial resources
15 of the district which are not encumbered by the district
16 board of trustees for expenditure to meet an existing legal
17 obligation or otherwise restricted by law or regulation for
18 expenditure on specific educational programs. For purposes
19 of this subsection, any balance within a district's
20 separate account established under W.S. 21-15-109(e) for
21 major building and facility repair and replacement shall be
22 deemed restricted by law for expenditure as provided by
23 W.S. 21-15-109(e) and shall not be considered an operating
24 balance and cash reserve under this section.

1

2 **Section 2.** This act is effective July 1, 2009.

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4 (END)