SENATE FILE NO. SF0106

School finance-local resources.

Sponsored by: Select Committee on School Finance

A BILL

for

AN ACT relating to school finance; diverting certain revenues available for the public schools directly to the public school foundation program account for distribution to districts through the foundation program; modifying scheduled foundation program payments to school districts; repealing statutory provisions pertaining to maximum recapture; authorizing foundation account deposits in time deposit, open account program; modifying related provisions as necessary and modifying provisions governing treatment of tuition payments; providing for school year 2011-2012 transition as specified; and providing for an effective date.

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

Section 1. W.S. 8-1-109, 9-4-401(a), 9-4-503, 21-2-202(e), 21-4-501(a), (b)(intro), (i), (c) and (d), 21-4-505(b), 21-13-102(a)(intro), 21-13-201(b), 21-13-207, 21-13-303(b), 21-13-304, 21-13-306 by creating a new subsection (d), 21-13-310(a)(intro), (ix) and (xiv), 21-13-313(b), (c) and (e), 21-13-331(c) and 39-13-111(a)(i)(C), (ii)(A) and (iii) are amended to read:

8-1-109. Payment of fines and penalties.

Unless otherwise specifically provided by law, all civil or administrative fines or penalties collected under the Wyoming statutes shall be paid over to the state treasurer to be credited to the public school ~~fund of the county in which the violation for which the fine or penalty was imposed occurred~~ foundation program account created under W.S. 21-13-306.

9-4-401. Distribution of funds.

(a) All funds received by the state of Wyoming, as its distributive share of the amounts collected by the United States government under the provisions of the act of congress of June 28, 1934 (48 Stat. 1269), known as the Taylor Grazing Act, and any act amendatory thereof, shall be deposited with the state treasurer. Upon receipt the state treasurer shall, for those amounts received from grazing fees, distribute the money to the several counties of the state as provided by subsection (b) of this section, and for those amounts received from leased or sold public lands and on behalf of those school districts in which the public lands are located, deposit the amounts received in the public school foundation program account. The state treasurer shall ascertain from the proper United States officers having the records of receipt from leased or sold public lands the amount of receipts from the sources in this state for each year for which money is received by the state. A separate ~~account~~ accounting shall be kept of the sum received from sale or lease rentals from public lands.~~, which sum shall be segregated by the state treasurer and paid to the county in which the leased or sold public land is located. If any leased or sold land lies in more than one (1) county of the state, each county shall receive a proportional amount of the revenue as the area of the leased or sold public land included within the boundary of the county bears to the total area of the leased or sold public land.~~

9-4-503. Money from federal forest reserves; distribution among counties and between school foundation account and county roads.

(a) Upon making the apportionment provided for in W.S. 9-4-501 through ~~9-4-504~~ 9-4-503, the state treasurer shall subtract five percent (5%) of the total amount apportioned to each county and certify the remaining amount to the state auditor as the amounts due to ~~the counties, whereupon the state auditor shall issue a warrant payable~~ that county from the monies received pursuant to W.S. 9-4-501.~~,~~

(b) The amount retained by the state treasurer from each county's apportionment under subsection (a) of this section shall be deposited into the public school foundation program account.

(c) Upon certification of county apportionments following amounts subtracted under subsection (a) of this section, the state auditor shall issue a warrant payable from monies received under W.S. 9-4-501 in favor of the county treasurer ~~of the counties included in the distribution~~ for the amount to which the county is entitled and remit the ~~warrants~~ warrant to the county ~~treasurers~~ treasurer. Upon receipt, the county treasurer shall deposit the amount into the road fund of that county.

21-2-202. Duties of the state superintendent.

(e) In addition to paragraph (a)(i) of this section, the state superintendent shall promulgate rules and regulations governing the administration of the Wyoming education resource block grant model adopted by the Wyoming legislature as defined under W.S. 21-13-309, and governing the operation of the model in determining school district foundation program payments in accordance with chapter 13, article 3 of this title and other applicable law. Copies of the block grant model spreadsheets as administered under department rule and regulation shall be provided to school districts by the state superintendent for district use in district budgeting and in complying with mandatory financial reporting requirements imposed under W.S. 21-13-307(b) and by other provisions of law. Following adoption of any recalibration of or modification to the block grant model by the Wyoming legislature, and prior to computing the foundation program amount for each school district under W.S. 21-13-309(p) and determining the amount to be distributed to a district under W.S. 21-13-311, ~~or recaptured from a district subject to W.S. 21-13-102(b),~~ the state superintendent shall certify to the legislature that the block grant model as enacted by the legislature is properly incorporated into the administration of the model for the appropriate school year of model application. Technical corrections to model spreadsheets necessary for model administration between any session of the legislature shall be implemented by the state superintendent, shall be in accordance with procedures specified by rule and regulation filed with the secretary of state and shall be reported to the legislature together with the associated fiscal and technical impact of the correction. As used in this subsection, "technical corrections to model spreadsheets" means corrections necessary to ensure model operation and current school year district payments are in accordance with law and the model is properly computing school foundation program payments to school districts as required by law. Notwithstanding W.S. 16-3-114(c), no judicial review of rules promulgated and adopted under this subsection shall hold unlawful or set aside action of the state superintendent in promulgating or adopting rules unless the rules are by clear and convincing evidence, shown to exceed statutory authority.

21-4-501. High school attendance for children resident of districts which maintain no high school; out-of-state placements.

(a) Any district which does not maintain a high school shall pay tuition, in addition to transportation or maintenance, for any child resident therein who has successfully completed the course offered therein and desires to attend high school, at any public school within or subject to the approval of the state board of education, ~~without~~ outside the state, which the district board may designate in the best interest, welfare and convenience of the child. Application for attendance at a high school outside the state shall be filed by the nonunified district board with the state department of education. If the nonunified district provides evidence that the amount of tuition assessed by the out-of-state district for the out-of-state placement shall not exceed one hundred twenty-five percent (125%) of the actual per pupil cost as determined under subsection (c) of this section, state board approval shall be waived under this subsection. If a resident child of a nonunified district attends any public high school within the state, the nonunified district shall not pay tuition to the admitting district for his attendance.

(b) The board of trustees of any school district within the state which maintains a high school shall admit~~,~~ ~~upon payment of tuition,~~ pupils of districts which do not maintain a high school.~~; provided that nothing in~~ This section shall ~~be construed to~~ not require a district to admit nonresident pupils~~, when~~ if to do so would overcrowd the facilities of the admitting district or in any way work a definite hardship upon the educational program offered by the admitting district. The admitting district shall:

(i) Not assess tuition payments upon the nonunified district but shall include any pupil admitted under this section among its average daily membership (ADM) for purposes of computing the foundation program under W.S. 21-13-309; and

(c) ~~The amount of tuition assessed under this section~~ For purposes of this article, the per pupil cost shall be determined by dividing the total operating cost of the district for the previous year~~, plus the cost of bond redemption and interest for the previous year,~~ by the total of the district's average daily membership for the previous year.

(d) Subject to state board approval if an out-of-state placement as required under subsection (a) of this section, nonunified school districts shall not include any student placed under this section among its average daily membership (ADM) but shall be reimbursed from the school foundation program account for tuition paid under subsection (a) of this section as if the district's total foundation program amount for that year as computed under W.S. 21-13-309(p) was increased by the amount of the tuition paid during the preceding year.

21-4-505. Agreements for pupils attending school in another state; admission of out-of-state pupils.

(b) Any school district within the state may enter into agreements to admit pupils from out of state at the rate of tuition ~~at least as high as~~ equal to the actual per pupil cost of the Wyoming district computed as provided in W.S. 21-4-501(c). The admitting district shall:

(i) ~~If it requires payment of~~ Set tuition at ~~least as high as provided~~ the amount computed under W.S. 21-4-501(c)~~,~~ and include the admitted out of state pupil within its average daily membership (ADM) for purposes of computing its foundation program amount under W.S. 21-13-309; and

(ii) ~~Account separately for the portion of~~ Report the tuition received pursuant to this subsection ~~which is related to school buildings and facilities, as determined by the district and reported to the state department, and deposit that portion in its debt service account. The remainder shall be reported~~ as revenues for purposes of W.S. 21-13-310(a)(ix).

21-13-102. Maximum rate of school district tax; disposition of tax revenues.

(a) School district taxes levied under this section shall be deposited into the public school foundation program account created under W.S. 21-13-306 for distribution to all school districts within the state to ensure revenues are available to each school district in a uniform and sufficient amount to enable compliance with the uniform standards for educational programs provided under W.S. 21-9-101 and 21-9-102 and to secure state board accreditation of educational programs under W.S. 21-2-304(a)(ii). Except as otherwise provided by law, the maximum rate of school district tax that may be levied for all school purposes, exclusive of bond interest and redemption, for any school district in any school year on each dollar of assessed valuation within the school district is as follows:

21-13-201. Levy, collection and distribution of 6 mill school tax.

(b) ~~On or before September 1 of each year, the state department of education shall notify the treasurer of each county of the percentage proportion to be allocated from the countywide six (6) mill school levy to each school district in his respective county. The computation of the distribution of the countywide six (6) mill levy shall be made by the department of education on the basis of the average daily membership (ADM) for the previous year. This number, for each district, shall be converted into a percentage of the total average daily membership (ADM) for all school districts within the county.~~ The county treasurer shall ~~distribute~~ transfer the revenue arising from the countywide six (6) mill levy ~~among the school districts of the county according to the percentage computed above and pursuant to W.S. 21-13-207~~ to the state treasurer for deposit into the public school foundation program account created under W.S. 21-13-306.

21-13-207. County school fund; distribution of funds by county treasurer.

(a) On the second Monday of each month, the county treasurer shall ~~apportion~~ distribute all monies in the county treasury belonging to the county school fund, including all interest earned thereon, ~~and including fines and forfeitures, among the various school districts of the county in the same percentages as provided by W.S. 21-13-201(b) and shall immediately pay the amount to each school district.~~ as follows:

(i) Revenues from any taxes imposed by and collected for any school district under W.S. 18-9-201, 21-12-103, 21-13-503, 21-20-109, 21-20-110 and revenues from any taxes levied for the payment of school district bonded indebtedness, to the appropriate school district;

(ii) All remaining revenues to the state treasurer for deposit into the public school foundation program account created under W.S. 21-13-306.

21-13-303. Levy of state tax; disposition of funds; reduction of mill levy.

(b) The funds that may accrue under this section shall be placed in ~~a separate~~ the public school foundation program account created under W.S. 21-13-306. Balances in the account, if any, shall not lapse or be transferred to any other fund or account.

21-13-304. State treasurer to keep separate account.

The state treasurer shall keep a separate account created under W.S. 21-13-306 and except as otherwise provided by law, all monies appropriated for school purposes shall be kept in such account.

21-13-306. Foundation program account established; disposition of monies.

(d) The state treasurer may, subject to fiscal constraints necessary to properly maintain the fiscal integrity of the public school foundation program account, place monies deposited into the foundation account under subsection (a) of this section into time deposit, open account deposits authorized under W.S. 9-4-809 through 9-4-812 and 9-4-817. The state treasurer shall place interest earnings on time deposit, open account deposits made pursuant to this subsection and paid in accordance with W.S. 9-4-811, into the public school foundation program account. On or before November 1 of each year, the state treasurer shall report deposits made under this subsection, together with interest earnings on amounts deposited, to the select committee on capital financing and investments.

21-13-310. Annual computation of district revenues.

(a) To ensure revenues available to each district are uniformly sufficient to enable compliance with the uniform standards for educational programs prescribed under W.S. 21-9-101 and 21-9-102 and to secure state board accreditation of educational programs under W.S. 21-2-304(a)(ii), the revenues specified under this subsection shall be ~~deemed state revenues~~ added to other revenues deposited within the public school foundation program account for the benefit of public schools and shall be considered in determining the amount to be distributed to each district under W.S. 21-13-311. A district shall make an annual computation of the following revenues:

(ix) The amount of tuition paid to the district during the previous school year~~, including any amount charged~~ under W.S. ~~21-4-501~~ 21-4-505(b) and any amount assessed in excess of the costs incurred for adult education programs, summer school programs, programs provided under an agreement for cooperative educational programs under W.S. 21-20-101 through 21-20-111 and any amount assessed for programs and services for children with disabilities, but excluding any tuition assessed by a district for the provision of distance education programs to participating nonresident students pursuant to W.S. 21-13-330;

(xiv) Except as provided under W.S. 21-15-114(a)(x) and except for the actual trade-in value or the actual sales price received by a district for school bus replacements authorized under W.S. 21-13-320(f) and (g), any amount received by the district during the preceding school year from the sale of real or personal property which was not owned by the district prior to July 1, 1997;

21-13-313. Distribution of funds from foundation account; cash reserve adjustment; regulations; time deposit, open account interest distributions.

(b) The state superintendent shall determine on or before ~~August~~ July 15 of each year the tentative allotment of foundation funds to which each district is entitled under this article. In making this determination, the state superintendent may, if current fiscal information required by law to compute the tentative allotment is not available for any district by ~~August~~ July 1 of that year, use fiscal information available to the state superintendent from the foundation program computations of the previous school year for that district. In determining tentative allotments and in accordance with department rules and regulations, the state superintendent may also use estimates based upon a district's prior school year fiscal information. The previous year's fiscal information shall be adjusted to reflect current fiscal changes and other information known by or available to the state superintendent. Upon receiving actual fiscal information from a district, the state superintendent shall accordingly adjust future foundation program determinations for that district such that foundation program payments appropriately reflect current fiscal information for the applicable school year.

(c) ~~One third (1/3) of~~ Each district's entitlement shall be paid to the district monthly beginning on ~~August~~ or before July 15 of each year,~~.~~ and subject to any adjustment under ~~subsections (d) and~~ subsection (e) of this section, on or about the fifteenth day of ~~October and February, the balance of the entitlements shall be distributed in equal payments~~ each month thereafter for eleven (11) successive months. The monthly amount distributed to each district during any school year shall be based upon the percentage of total actual expenditures for district operations in the immediately preceding school year for that month for that district. If~~, after March 1 and before April 1,~~ the state superintendent determines that the entitlement paid to a district ~~for that~~ during any school year is not accurate, the state superintendent shall make additional payments to or ~~require~~ withhold the amount from future payments ~~from~~ to that district as necessary to correct the inaccuracy as soon as practicable. Except as provided under W.S. 21-2-202(e), after March 31 of any school year, the state superintendent shall not adjust any district's entitlement or fiscal information used to compute a district's entitlement for that school year, and the entitlement or fiscal information shall only be adjusted thereafter in accordance with audit review pursuant to W.S. 9-1-513.

(e) Not later than January 31 of each fiscal year, the department shall compute the amount by which each district's operating balance and cash reserves at the end of the preceding fiscal year exceed fifteen percent (15%) of the total foundation program amount computed under W.S. 21-13-309 for the preceding fiscal year. In making this calculation, the entire operating balance and cash reserves for each district for the fiscal year ending June 30, 1997, as computed by the department, shall be separately accounted for and excluded, until it has been completely expended by the district. ~~Revenues from settlements of protested amounts attributable to levies assessed under W.S. 21-13-102(a)(i)(A) and (ii)(A) and 21-13-201, regardless of the assessment year, shall be accounted for and excluded from the calculation under this subsection for~~

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

21-13-331. Cooperative services incentive.

(c) On or before July 15 of the succeeding fiscal year, districts shall report information necessary to compute any additional payments resulting from combined service agreements under subsection (a) or (b) of this section ~~at the same time they report actual revenue collections for the purpose of reconciliation under W.S. 21-13-313(d)~~ implemented during the prior fiscal year. Not later than October 15 of each year, school districts shall be paid from the school foundation program any payments for which the district is eligible under this section. None of the additional incentive payments under this section shall be counted for the purpose of computing a district's entitlement to revenues for any school year.

39-13-111. Distribution.

(a) The following shall apply to the distribution of tax collections:

(i) The county treasurer shall keep accurate records of taxes collected for each governmental entity for which a tax levy is made pursuant to W.S. 39-13-104(k) and shall pay the taxes collected to the treasurer of each governmental unit or settle accounts with the county commissioners as hereafter provided:

(C) To school districts as provided by W.S. ~~21-13-207~~ 21-13-207(a)(i) and to the public school foundation program account as provided by W.S. 21-13-102 and 21-13-201;

(ii) Upon sale of property for the nonpayment of taxes, the proceeds thereof shall be distributed as follows:

(A) The portion attributable to school district levies is payable to the public school foundation program account on behalf of the proper school district;

(iii) The county treasurer shall credit all taxes collected from rail car companies to a separate account and after the regular state, county and school district levies are made, distribute them in the same manner property taxes are distributed. ~~To determine the entitlement to the state, county and school districts the~~

~~county treasurer shall apportion the taxes to the various school districts through which the rail cars may have operated on the ratio that main track mileage in each school district bears to the total main track mileage within the county.~~

Section 2. W.S. 9-4-402, 9-4-504, 21-4-501(b)(ii), 21-13-102(b), (e) and (g), 21-13-206, 21-13-310(a)(i), (ii), (v) through (viii), (xii), (xiii), (c) and (d), 21-13-312(a)(ii) and 21-13-313(d) and (g) are repealed.

Section 3.

(a) For purposes of transitioning to the computation of payments to school districts from the public school foundation program account as enacted under sections 1 and 2 of this act, computation of school year 2011-2012 school district foundation program amounts shall be in accordance with this subsection. Notwithstanding W.S. 21-13-310(a) as amended by sections 1 and 2 of this act, and effective only for school year 2011-2012 school foundation program account distributions to school districts, revenues received by each school district originating during fiscal year 2010-2011 collections from sources specified under W.S.

21-13-310(a)(v), (vi), (vii), (viii), (xii) and (xiii), as effective prior to July 1, 2011, shall in addition to revenues specified under W.S. 21-13-310(a)(ix), (xiv) and (xv) and for purposes of W.S. 21-13-311(a), be included in the sum of that district's revenues to be subtracted from its total foundation program amount computed under W.S. 21-13-309.

(b) In addition to subsection (a) of this section and notwithstanding section 2 of this act, any revenue received by a district from levies imposed under W.S. 21-13-102(a)(i)(A) and (ii)(B) and 21-13-201, regardless of the assessment year, and that revenue is reported by the district to the department of education on or before August 15, 2011, as being less than or greater than the revenues estimated under W.S. 21-13-310(a)(i) and (ii) for purposes of school year 2010-2011 foundation program computations:

(i) By October 15, 2011, the 2011-2012 school foundation program amount computed under W.S. 21-13-309 for that district shall be increased by the difference if collections are reported as less than estimates; or

(ii) The 2011-2012 school foundation program amount computed under W.S. 21-13-309 for that district shall be reduced by the difference if collections are reported as greater than estimates.

Section 4. This act is effective July 1, 2011.

(END)