HOUSE BILL NO. HB0038

School finance-interfund borrowing.

Sponsored by: Joint Education Interim Committee

A BILL

for

AN ACT relating to school finance; eliminating the interest charged for funds borrowed from the common school account within the permanent land fund to cash flow the school foundation program account; conforming account names; making conforming amendments; and providing for an effective date.

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

Section 1. W.S. 21-13-313(g) and 21-13-316(a) are amended to read:

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

(g) In addition to subsections (b) and (c) of this section, the state superintendent shall, for any district subject to W.S. 21-13-102(b) as determined by the department for any school year, or for any district not subject to W.S. 21-13-102(b) whose entitlement amount determined under W.S. 21-13-311(a) for any school year is equal to or less than twenty percent (20%) of the foundation program amount computed under W.S. 21-13-309(p), and upon demonstration by the district of financial need as documented by cash flow analysis, provide payments from the school foundation program account in an amount not to exceed one-fifth (1/5) of the foundation program amount computed for that district for that school year in accordance with W.S. 21-13-309. The computed amount shall be paid to each eligible district on or before September 1 based upon tentative computations under W.S. 21-13-309, for which the department may use fiscal information available from foundation program computations for the previous school year in the manner provided under subsection (b) of this section. Any district receiving a payment under this subsection ~~and repaying~~ <u>shall repay</u> the foundation program account ~~by December 15 of that school year shall not be assessed interest. After December 15, the district shall~~

~~be assessed interest at a rate equal to the rate specified by W.S. 21-13-316(a) until the payment is repaid in full. In no event shall an advance payment under this subsection extend beyond and remain unpaid by any district, including interest, on and after~~ not later than June 15 of that school year.

21-13-316. Interfund borrowing.

(a) The state treasurer may utilize interfund loans from the common school account within the permanent land fund to the school foundation program account to enable statutory payments to be made when dedicated revenues are not yet received. ~~However, a~~Any interfund loans ~~shall bear interest at the rate of six percent (6%) per year payable from the foundation account to the common school account within the permanent land income fund and~~ executed pursuant to this section shall be repaid in whole or in part periodically as soon as school foundation program account revenues permit.

Section 2. This act is effective July 1, 2017.

(END)