

Funding Wyoming's K12 Educational Program

by Albert Sommers

In Wyoming newspapers recently, articles related to K12 education funding have referred to our “Cadillac education system,” and have quoted a Legislator claiming that “Everything we cut out of every agency, every program – mental health, substance abuse treatment, tax exemptions for veterans, home health care for seniors – all that money we cut just flows right into K12 education.”

Let me address the last statement first. We have a \$300 million annual deficit in K12 education funding, but Wyoming's “Rainy Day” account (the Legislative Stabilization Reserve Account, or LSRA), is the backstop for education funding. When traditional revenues for K12 education are insufficient, we make up that shortfall by utilizing our savings, the LSRA. Wyoming is not cutting mental health services or any agency of state government and putting that money towards education funding. This statement is simply not true. We can't blame education funding for the reductions happening to the General Funded state agencies. Wyoming does have a shortfall in education funding, we are eroding our savings, and we need to solve this challenge before our savings are gone.

As to the first statement, a “Cadillac education system” implies that we are driving a luxury model, but I disagree. School finance in Wyoming has a long, complicated history that includes five significant supreme court decisions, with subsequent efforts by the Legislature to ensure that Wyoming's K12 funding remains cost-based, while providing an adequate/equitable education to every child in Wyoming. The State of Wyoming lost parts of four Supreme Court cases because the state either refused to provide an equitable funding model (Washakie decision), or refused to provide adequate K12 funding (Campbell decisions). The Wyoming Supreme Court found that the State was NOT meeting its constitutional mandate to our children in four different decisions. Finally, in the 2008 Campbell IV decision, the court ruled that “the legislature has in place a thorough and efficient educational structure funded from state wealth as required by our state constitution.”

Due to these court decisions, the Legislature goes through a process every five years to ensure that K12 funding remains adequate and equitable, or put more simply, remains constitutional. This legislative process is called Recalibration, which means the Legislature is to recalibrate the funding model based upon current information. Wyoming hired a consultant firm, Picus and Oden, during the 2005 Recalibration effort, and their funding model, with modifications, has been utilized to fund K12 education from that date forward. Picus and Oden identifies the elements of an adequate/equitable model and how much these elements cost, and then these consultants provide the Legislature with a model they believe meets the constitutional standard that the Wyoming Supreme Court required. This model is provided to school districts as a block grant, which means local school boards can determine the best way to utilize those funds based upon local priorities. Initially in 2005, the Legislature funded the modified Picus and Oden model more richly than the consultants recommended, and this lasted through 2017. However, in 2018 the resources provided by the Legislative model dropped to the level of the consultant's (constitutional) model. In essence, since 2018 we have arguably been funding education at its constitutional level. You can call this funding system a Cadillac, an F-350 or whatever you want, but this is the vehicle the Supreme Court mandated Wyoming to drive.

In 2020, the Legislature fulfilled its obligation by conducting a Recalibration of the K12 funding model, utilizing the same consultants, Picus and Oden, who have provided Wyoming a constitutional model since 2005. After months of study by multiple consulting firms, Picus and Oden produced their new Evidenced Based funding model. This new Evidenced Based Model would cost the State about \$21 million more than the current Legislative Model. Further, in their official report, Picus and Oden wrote, "The revenue declines have challenged the Legislature. And by extension, our team of researchers have searched for the most cost-effective options to provide the elements of the basket of goods and services." When pressed in committee, the consultants stated that their model provided the most cost-efficient means of providing a constitutional K12 funding model for Wyoming. Picus and Oden view their model as the minimum needed to provide an adequate/equitable education to every child in Wyoming.

I served as co-chairman of the Recalibration Committee and we passed HB61 as a vehicle to start a discussion in Wyoming about K12 funding. The bill reduces the current Legislative Model by \$100 million (6.5%) and references a Sales Tax for education. Can the Legislature reduce K12 funding below what the consultants recommend and remain constitutional? Perhaps. Can the Legislature cut the entire \$300 million shortfall (20%) from education funding and maintain a constitutional K12 funding system? Absolutely not. There is more than one solution to this education funding shortfall. My solution would be to reduce spending, divert some streams of money headed for savings, continue to spend from the “Rainy Day” fund and impose a one cent sales tax for education that would go into effect only after the “Rainy Day” fund is reduced to \$650 million. When or if this “penny for education” is implemented, it will be important to protect local government’s sales tax options. I would hope the Supreme Court would view a comprehensive solution favorably, but that is up to them.

I will not support efforts to downgrade the constitutional priority of education through amendments to Wyoming’s Constitution. Roughly 92,000 children are served by nearly 19,000 employees in over 300 schools in nearly every town in our state. In my opinion, education is the most important service that government provides to its citizens. Our Supreme Court stated in *Campbell II*(2001), “In addition to holding the constitution requires an equal educational opportunity for all Wyoming children, this court, in *Campbell*, held our constitution commands the legislature “to provide and fund an education system which is of a quality ‘appropriate for the times’” and that command goes well beyond simply allowing the legislature to dispense a minimal level of elementary and secondary education and then fund it as best it can amidst other competing priorities. Supporting an opportunity for a complete, proper, quality education is the legislature’s paramount priority; competing priorities not of constitutional magnitude are secondary, and the legislature may not yield to them until constitutionally sufficient provision is made for elementary and secondary education.”

Respectfully,

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