

WYOMING DEPARTMENT OF EDUCATION

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TO: Chairmen Hank Coe and David Northrup
Joint Education Committee
Subcommittee on Education Deficit Reduction Options

FROM: Jillian Balow, State Superintendent of Public Instruction

DATE: January 4, 2017

RE: Feedback on "Wyoming K-12 Education Funding Deficit White Paper"

Introduction

While 2017 brings many challenges for Wyoming education, I am confident that we are more than capable of handling these challenges and continuing to make great strides for our kids and education system. We have made a lot of progress in education in recent history. For example, we just received notice that Wyoming is ranked 7th in the nation for overall school quality in the *2017 Quality Counts Report* published by *Education Week*. I am determined to work with you on continuing this trend of excellence despite some economic setbacks.

You wisely put together a "Subcommittee on Education Deficit Reduction Options" after the two bills designed to address this issue failed at Joint Education Committee on December 19. Thank you for including a leader from my fiscal team in the discussion. The Subcommittee's "Wyoming K-12 Education Funding Deficit White Paper" is a step in the right direction to working on a comprehensive solution to the school foundation account shortfall.

General Comments

- I applaud the action of the Legislature and Subcommittee in beginning the work of reaching a complete solution to the problem. The shortfall is too big and education is too complex to address through piecemeal legislation.

- We must resist the temptation to find quick fixes this legislative session and move discussion about any changes to the model to an interim "super" committee designed to deal solely with this issue and make recommendations for the 2018 budget session. The decision has already been made to fund the shortfall this biennium through savings. We do not need to rush into significant changes to our education funding model that we may later regret.

- The decision to address school construction separately can be helpful when trying to break this math problem down into smaller parts. However, it is probably wiser to analyze the two deficits concurrently since possible solutions to each could likely address one or the other or both. This is another reason to handle this topic in the interim where it can receive undivided attention.

Recommendations

As stated above, it is imprudent to try to make *changes to the actual funding model* during this session. That subject is better left to a comprehensive review by a “super” committee with thoughtful input from stakeholders and partners throughout the interim. However, it is certainly reasonable to discuss saving money with changes to the *operationalization of the model* and other related areas this session. There are ways we can be more efficient with state and district spending without hacking away at the model itself. I support exploring and implementing some of the following this session:

1. Amend Chapter 8 of the WDE’s rules to disallow the “Major Fraction Method” for Average Daily Membership (ADM) calculation.
2. Find a one-time cash infusion for the Common School Permanent Land Fund Reserve Account to guarantee a higher level of investment income to flow back to the School Foundation Program Account (Suggested in White Paper).
3. Eliminate the duplicative spending created by statute related to ADM reimbursement and Court Ordered Placement (COPs) reimbursements.
4. Seek Medicaid reimbursement for services at school districts.
5. Place a moratorium on alternative school establishment.
6. Place a moratorium on grade reconfigurations that result in an increase in funding for the district.
7. Consider having districts spend down pre-1997 reserve amounts like the state’s savings expenditures.

This list of suggestions alone could result in approximately \$100 million in annual savings and revenues for education funding without touching the model itself.

As always, thank you for your service to Wyoming and public education. I look forward to helping navigate us through these tough times.