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TO: Co-chairmen Kinskey and Sommers, Select Committee on School Finance Recalibration

FROM: Brandon Gilbreath, Chairman, on behalf of Converse County School District #1 Board of Trustees

RE: Requested feedback on impact of budget gap

Thank you very much for asking for feedback from districts about the devastating impacts of budget cuts on districts in lieu of finding a permanent funding stream for public education in Wyoming. You will find below the impacts of projected cuts on Converse County School District #1 if the entire budget shortfall were borne by a reduction in school funding.

Some background information about the financial situation of Converse County School District #1 will likely be helpful in understanding the limited options the board would have in dealing with cuts as proposed in your letter of September 30, 2020. As long as we can remember, the Converse County School District #1 Board of Trustees has taken a very conservative approach to budgeting and savings. In June of 2021, the district will be at the 15% general fund reserve cap, saving as much as possible under the current law. The district also has some special reserves that have been saved for specific purposes of making up for the deficits in major maintenance funding. In addition to saving prudently over the years, the district has developed and deployed future-focused five-year plans based on needs assessments in the areas of facilities and maintenance, curriculum and instruction, technology, and activities. Those plans project funding for future needs within the parameters of a comprehensive resource allocation plan aligned to the district strategic priorities and developed to ensure strategic priorities drive budget decisions. This resource allocation plan grew out of significant cuts to the district budget in 2017. In 2017, the district cut approximately \$1.1 million dollars which included reductions of building and department budgets and 16.5 FTEs including administration, teachers, support staff, and operations employees. The district continues to feel the negative impacts of those deep cuts three years ago.

Additionally, school district funding across the state has been reduced due to a change in ADM calculation, sporadic ECAs and cuts to the ECA, caps on special education and transportation reimbursables, and modifications to the health insurance component of the funding model.

With regard to current proposed cuts, the district has considered budget reductions over a three-year period combining both the use of reserve funds and reductions to expenditures to lessen the impact of the cuts on the delivery of services to students. Toward this end, the district has created multiple scenarios for consideration. In overall terms, the district has considered the request of the governor for a 10% cut as well as the cuts contemplated by your letter to us of 16% and 27% to this biennium and the next.

A 10% cut to our budget is approximately \$3.15 million. A 16% cut, which we would incur in this next fiscal year, would be just over \$5 million. Assuming the district reduced its next two budgets by 13.5% for each year, the corresponding cuts would be an additional \$3.57 million and \$3.09 million. The 16%

and 27% cuts would amount to a reduction in the district budget of \$11.7 million or a 37% reduction from \$31.5 million to \$19.8 million over the three-year period.

Assuming the district used every penny of available reserves, an additional \$6 million would have to be borne by reductions in the general fund. Assuming a 25% cut in building and department budgets, additional budget savings across all funds of \$750,000, a total cut of activities (2.8% of the current budget), and an additional 25% cut in non-personnel costs (curriculum, professional development, technology, etc.), there would still remain just over \$4 million in personnel costs that would need to be reduced. That \$4 million cut in personnel would be approximately 55 staff members or perhaps more depending on position and experience. These cuts would come across all schools and departments and would include reductions to operations and support staff and administration, but the majority of cuts would be borne by instructional staff because those are our largest segment of employees.

Cuts in elective course offerings would definitely endanger the ability of our high school to provide career pathways and to provide options for meeting Hathaway curriculum requirements. The level and comprehensiveness at which the basket of goods could be delivered would be greatly reduced, and class sizes would increase at all levels. Teacher collaborative time would be seriously diminished if not eliminated. Picus and Odden note in their most recent recalibration study that “high performing schools organize teachers into collaborative teams” (p. 6, 2020). That practice would essentially be impossible with these proposed cuts.

Additionally, these projections do not account for certain costs increasing over these next three years. For instance, health insurance and utility costs will certainly continue to rise. The cuts proposed would result in the loss of perhaps hundreds of community members, negatively impacting tax revenues and further exacerbating the loss of income the state is experiencing.

With regard to potential solutions, one thing to consider might be the approach we take to tackling this potentially divisive issue. Blaming each other is guaranteed to not be a winning strategy. There are many on the school side of this issue that might say the legislature has seen this situation coming for years and has “kicked the can down the road” and failed to properly explore options for a permanent funding stream for education. There are many legislators who have opined that school districts aren’t as effective and efficient as possible, that districts don’t “follow the model,” or that we don’t “get our bang for the education buck.” We think these are largely old arguments that are unhelpful to solving the current dire funding gap now before us. We need to forge a new path forward together or all our Wyoming kids will suffer and the ability of our state to attract high-quality teachers and new, contributing residents will be reduced.

It’s important that whatever funding model is chosen and adopted reflect the actual costs to deliver the basket of goods. Our current basket of goods is comparable to other states. Our Wyoming students deserve a full array of content offerings to ensure they are life ready upon graduation. Therefore, a cost-based funding model for a full basket of goods is essential. Moreover, making decisions based on comparisons to contiguous states does not fully contemplate the demographic and geographical differences that contribute to significant differences in educational needs in regional states.

Finally, we support a two-pronged approach to tackling the funding issues before us. One is to find an additional funding source, or combination of sources, for education in the short term as cuts alone cannot be an equitable and workable solution for addressing the funding gap at the state level. Second,

we should be looking at future-focused initiatives to ensure sustainable education funding for the long term. Volatility in the education realm makes it difficult for districts to recruit and retain high quality staff members and makes multi-year budget planning nearly impossible. Exploring the overall tax structure at the state level, incentivizing business development, and looking for ways to keep Wyoming's young people in our state are just a few of the ways we can consider supporting a world-class education system for years to come. Wyoming should build a seamless, aligned, and coherent system from preschool to graduate school that makes certain there is adequate funding for both instruction and infrastructure. No solid economy can be built without solid education P-20.