

### 3.7 Public Education

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Public education in northeastern Wyoming serves students associated directly and indirectly with mineral and energy development. At the same time, the schools derive revenues from taxes on the mineral and energy industries.

There are 10 school districts in the PRB ranging in size from Campbell County School District #1 (Campbell #1) with 7,368 students in the 2003 school year to Sheridan County School District #3 (Sheridan #3) (based in Clearmont) with fewer than 100 students. Campbell #1, based in Gillette, serves the primary energy and resource development region. **Table 3-18** is an overview of the school districts in terms of the number of schools in operation, recent enrollment, district expenditures, and the local tax base, expressed in terms of the assessed valuation of real and personal property and mineral production within the district.

**Table 3-18**  
**Overview of Public Education Facilities in the PRB**

School District	District Office Locations	Number of Schools in Operation	Students Enrolled		General Fund Expenditures (millions)	Assessed Valuation (millions)
			2002-03	2003-04	2002-03	2002
Campbell #1	Gillette	20	7,441	7,368	\$57.55	\$2,563.9
Converse #1	Douglas	8	1,663	1,688	\$13.00	\$221.7
Converse #2	Glenrock	5	792	787	\$6.38	\$138.2
Crook #1	Sundance	10	1,142	1,122	\$11.65	\$86.7
Johnson #1	Buffalo	8	1,257	1,257	\$11.48	\$102.2
Sheridan #1	Ranchester	7	857	867	\$8.32	\$38.5
Sheridan #2	Sheridan	12	3,250	3,172	\$25.25	\$161.9
Sheridan #3	Clearmont	4	113	95	\$1.94	\$25.1
Weston #1	Newcastle	5	875	849	\$8.00	\$61.5
Weston #7	Upton	3	265	261	\$3.31	\$16.6

Notes: The number of schools in each district was tallied from data from the Wyoming Department of Education. Enrollments are 60-day averages from current 5-year plans filed by the districts with the Wyoming School Facilities Commission. General fund expenditures are data from the Wyoming Department of Education.

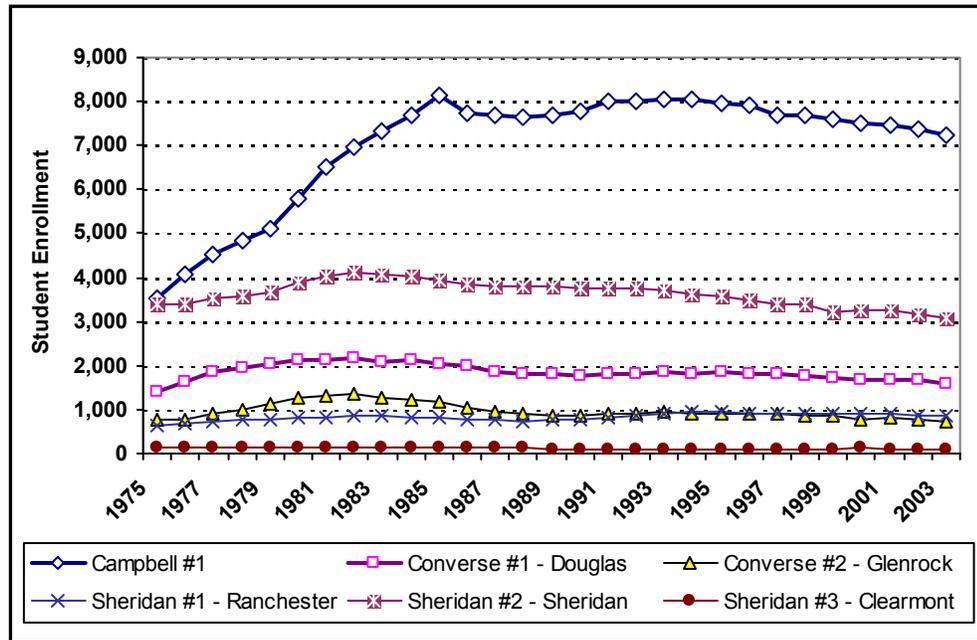
Sources: Wyoming Department of Education 2003a,c; Wyoming School Facilities Commission 2004a.

The trends in public school enrollment generally mirrored population trends during the period of rapid population growth. District-wide enrollment in Campbell County grew by more than 4,600 students (131 percent) between 1975 and 1985. Enrollment increased in all school districts in Converse and Sheridan counties as well.

At its peak during the early 1980s, enrollment in Campbell County and Sheridan County School District #1 (Sheridan #1) (Ranchester) exceeded projected 1990 enrollment levels, but the peak enrollments in the other districts were considerably below the projected levels for 1990. Enrollment levels in Sheridan #1 continued to climb at a modest rate through 1996 (**Figure 3-34**), but declined in the other districts. In 1990, total enrollment in Campbell County public schools was 7,234 students, 11.2 percent lower than the peak. Total enrollment in Sheridan County School

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District #2 (Sheridan #2) (covering the city of Sheridan and surrounding areas) was 1,045 students, or 26 percent, below its peak.



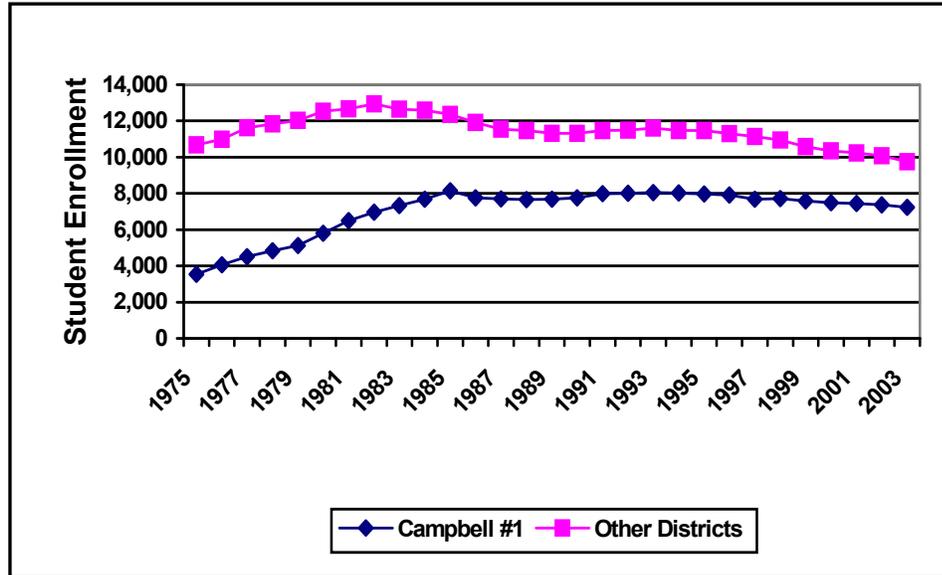
Source: Wyoming Department of Education 1975-2003c.

**Figure 3-34 Public School Enrollment Trends in Directly Affected Counties**

Enrollment in study area school districts since 1975 generally corresponds to the level of economic activity in the region, which in turn has encompassed several different periods and types of mineral and energy resource development. Because they have been relatively small to-date and somewhat localized, the effects of recent CBNG development on enrollment at specific school districts cannot be distinguished in the trends shown in **Figure 3-34**.

**Figure 3-35** graphically compares the enrollment growth and decline at Campbell #1 with changes in combined enrollment at all other districts in the PRB. As shown, enrollment at Campbell #1 has remained at the relatively high level first achieved during the development of most of the large coal mines in the mid-1980s, despite a slight drop since the last peak in the mid-1990s. Elsewhere, enrollments generally have declined, and the sum of enrollments in the study area’s other districts is now at its lowest level since 1975. In part, this reflects the loss of traditional economic sectors and a high sensitivity to the cyclical character of energy resource development in the region.

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Source: Wyoming Department of Education 1975-2003c.

**Figure 3-35 Combined Enrollment of School Districts in the PRB Study Area (1975 – 2003)**

In Wyoming, a statewide school finance system, the Wyoming School Foundation Program (WSFP) [Title 21, Chapter 13, of Wyoming Statutes], regulates operating revenues and expenditures for public educational services delivered at the local level. The system is structured to achieve equalization in educational opportunities across the state, irrespective of the differences in the local revenue generating capacities of the individual districts. The northeastern part of the state plays an important role in the system because of its large energy and minerals-related tax base. Revenues for school funding come from taxes on minerals production; real estate and taxable personal property; and various other local, state, and federal program funds and grants. More information on the school foundation program is presented later in this report.

Public education funding also functions under the rules, policies, and procedures of the Wyoming School Facilities Commission (WSFC) [Title 21, Chapter 15, of Wyoming Statutes]. The WSFC was established during the 2002 Legislative session to oversee all aspects of construction and maintenance of school facilities and physical plants. Its mission is to provide adequate educational facilities for all children in Wyoming, mirroring the mission of the WSFP that focuses on operations.

#### 3.7.1 Campbell County School District #1

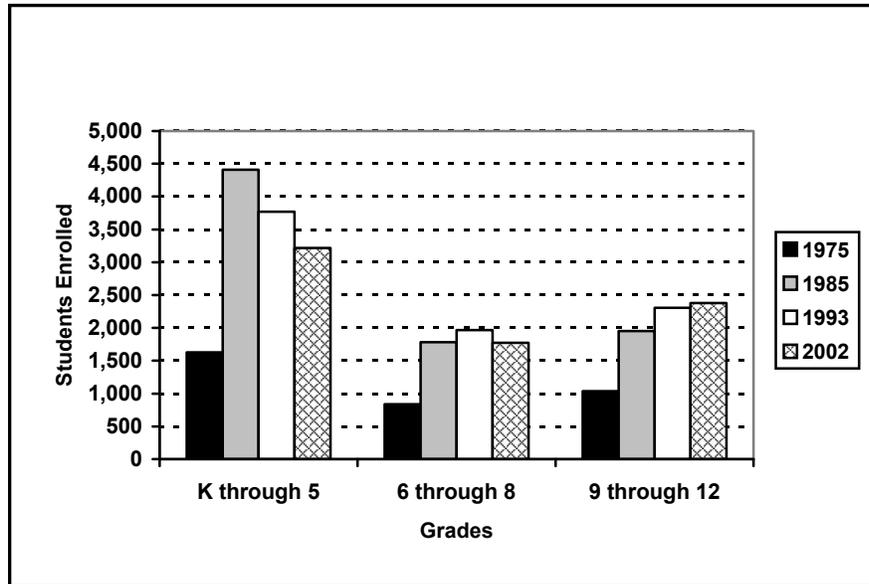
Campbell #1 provides public primary and secondary education services throughout Campbell County. Campbell #1 operates 2 high school campuses in Gillette under a single administration, a junior-senior high school in Wright, 2 junior high schools, 15 elementary schools, including 6 in the outlying rural areas of the county, an alternative school, and an aquatic center.

Enrollment in Campbell #1 has declined slowly over the past 5 years, from 7,684 students in the 1998 school year to 7,368 in the 2003 school year. Population growth in Campbell County, partly related to the onset of CBNG activity, has slowed but it has not reversed recent enrollment declines

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as in-migrating workers to the area appear to have been accompanied by relatively fewer families and children.

In addition, many Campbell County households that arrived or formed during the energy boom of the 1970s, resulting in a sharp increase in the number of school-age children, particularly in the elementary grades, are in life-stages where their children have or will soon complete their education. Concurrently, the birth rate in Campbell County has declined over time such that the number of children entering school each year is substantially below the peak levels experienced in the early 1980s. These trends are reflected in enrollments by grade level (**Figure 3-36**). Enrollment in the district's middle and lower grades is declining, and enrollment in the upper grades is leveling out. Enrollment projections for Campbell #1 prepared as part of a 5-year plan show the total school population continuing to decline somewhat before stabilizing at about 7,187 students in the 2007 and 2008 school years.



Source: Wyoming Department of Education 1975-2003c.

**Figure 3-36 Campbell County School Enrollment by Grade for Selected Years**

Campbell #1 has an extensive vocational technical program focused on educating and training students for jobs in the energy and related industries in the county. These include diesel mechanics and computer and robotics mechanics, as well as operation of computer assisted milling machines. This program provides local industries with a pool of entry-level employees in critical trades and crafts, and it helps stabilize the community by providing employment opportunities for local youth.

In its most recent 5-year plan, the district proposed no major changes in educational programs. Campbell #1 has a diversified instructional program that includes extensive vocational and technical programs targeting jobs in the energy and minerals industries. Preparing students for employment in locally important industries has tended to stabilize the community.

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The plan concentrates on the expenditure of major maintenance funds to renovate all existing facilities to attain building condition and educational suitability standards. A total of about \$15.8 million in major maintenance has been programmed for the next 5 years. The plan includes four capital construction projects to replace three elementary schools and a bus maintenance facility; facility replacement projects total \$14.6 million. Campbell #1's capital construction projects appear to reflect a goal of attaining condition and educational suitability standards rather than a need for additional capacity. The Commission's budget request for the 2005-06 biennium includes \$2.78 million to help address capital needs in the district, the bulk of which is to replace the outdated Recluse elementary/middle school.

According to the WSFC, Campbell #1 has 59 percent more aggregate classroom floor space than recommended by Wyoming standards. The excess space stems from the declining enrollments superimposed on building capacities predicated on an expectation of future growth. The WSFC has instructed the district to assess the utilization of its facilities and potentially reduce square footages, if practical, by changing grade configurations and decommissioning classroom space. Utilization of the two-campus high school in Gillette is especially low, as it was originally built to accommodate larger-than-realized projected increases in high school enrollment. One obstacle to improving utilization is the reluctance of residents to close or realign neighborhood schools or to implement busing given local awareness of the relative affluence of the district.

For the 2001 school year, Campbell #1 had allowable general fund revenues of \$7,097 per average daily membership (ADM) under Wyoming's school funding program. (ADM is the formal measure of student attendance based on daily records used by the WSFP). This was 14 percent below the state average and compares to revenue per ADM rates for Campbell #1 in the mid-1980s and 1990s that generally were at par with the state average. Factors contributing to the increasing disparity reflect the district's lack of eligibility for small school and other adjustments.

Seventy-two percent of Campbell #1's revenue in the 2001 school year was locally derived, the highest among the school districts in northeastern Wyoming and twice the share of local taxes in school district revenues statewide. The remainder of the district's revenue was from state and federal funding sources. That local share represents the maximum requirement under the state's funding program. Local revenue's share of total revenue before recapture in Campbell #1 has generally been 70 percent or higher since 1985. In addition, because of the total amount of revenue generated locally, Campbell #1 is able to fully fund its requisite local share of allowable revenues and, in addition, remits approximately \$20 million to the state under the "recapture" provisions of the WSFP.

#### **3.7.2 Other Powder River Study Area School Districts**

Mineral development has directly and indirectly affected other school districts of the PRB. Over the years, all districts have, to some extent, served student populations from households supported by energy, minerals, and related service industries within the study area.

Energy minerals development has expanded the tax base of other school districts in the study area as it has that of Campbell County. In Converse County School District #1 (Converse #1), assessed valuation has grown because of coal production. Elsewhere, school district assessed valuations have grown recently because of increasing CBNG production.

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#### **Converse County School District #1**

Converse #1 covers Douglas, Bill, Shawnee, and surrounding areas in eastern Converse County. The district operates four schools in Douglas, each one organized as follows: primary (K through grade 2), intermediate (grades 3 through 5), middle (grades 6 through 8), and high school (grades 9 through 12). The district also has four rural K-8 schools that are used on an as-needed basis.

Enrollment in Converse #1 for the 2003 school year was 1,688 students, down from 1,793 students in the 1998 school year. The current 5-year plan projects small annual increases for the coming 5 years to 1,750 students in 2008 (a total of 3.7 percent growth).

Facilities utilization is acceptable in Converse #1, according to the WSFC, and no new or replacement facilities are anticipated in the district. The approved 5-year master plan requests \$4.1 million in funding, and the WSFC's budget request for the 2005-06 biennium includes \$783,920 for capital projects in the district. Projects requested in the 5-year plan would extend the life of existing facilities, accommodate growth of special education and non-classroom programs, and upgrade electrical and air conditioning systems to accommodate more computers in the schools.

The City of Douglas relies heavily on Converse #1's facilities for recreation. For a number of years, the community has paid an optional 1.0-mill property tax to operate recreation programs and facilities.

#### **Converse County School District #2**

Converse County School District #2 (Converse #2) covers the town of Glenrock and a remote school south of Glenrock in the western part of Converse County. In Glenrock, Converse #2 operates three schools: elementary (K through grade 4), intermediate/middle (grades 5 through 8), and high school (grades 9 through 12).

The schools within Converse #2 are underutilized because of declining enrollment in recent years. The declining trend is projected to continue, with enrollment projected to be 649 students in the 2008 school year, down 17.5 percent from an enrollment of 787 students in 2003.

Converse #2's 5-year plan includes requests for major renovations at two schools funded through \$6.7 million included in the WSFC's 2005-06 budget request to improve utilization in the elementary and middle school. In all, the 5-year plan requests a total of \$19.2 million for facilities improvements through the 2007-08 school year.

Community use of schools in Converse #2 is concentrated in the intermediate/middle school building, which was the old high school. It contains an indoor swimming pool, which doubles as a public pool, and an auditorium that is used for town meetings and social gatherings.

#### **Crook County School District #1**

Crook County School District (Crook #1) serves Hulett, Moorcroft, and Sundance, three separate communities that are 30 to 40 miles apart. Enrollment in Crook #1 as a whole has declined from

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1,300 to 1,122 over the past 5 years. Further declines are projected, but at a slower rate, such that district enrollment will fall to 964 in the 2008 school year.

Based on the recent trends and projections, Crook #1's 5-year plan requires no consolidation or expansion of facilities. However, each community experiences its own trends, with Moorcroft having shown particular sensitivity in the past to growth linked to energy development in Campbell County.

Crook #1 currently operates efficiently, according to the WSFC, and further consolidation of facilities is impractical. The approved 5-year master plan requests a cumulative total of \$14.0 million. This includes \$10.3 million in the WSFC's 2005-06 budget request for renovation of the entire education complex in Hulett.

#### **Johnson County School District #1**

While Johnson County's population has grown in the past 10 years, Johnson County School District #1's (Johnson #1's) student enrollment has not increased. However, district and state administrators are anticipating an expansion of CBNG development that could stimulate enrollment growth. Another possible source of growth is the secondary economic development that could come if the county continues to attract retirees as new residents.

Johnson #1 operates eight schools in Buffalo and Kaycee, two communities about 45 miles apart. There are five schools in Buffalo, plus a remote school 17 miles south of Buffalo. Kaycee has two schools, an elementary and a junior/senior high. District-wide enrollment has declined from 1,282 in the 1998 school year to 1,257 students in the 2003 school year. Enrollment is projected to stabilize at around 1,255 students over the next 5 years.

The district's 5-year plan includes several major capital projects to address crowding from past growth, the largest among them being a \$10.9 million expenditure for construction of a new middle school and demolition of the old Buffalo High School which is included as part of the WSFC's 2005-06 budget request. The approved 5-year master plan requests \$21.3 million for facilities, including proposed expansions of the Kaycee junior-senior high and the Buffalo elementary school. School improvements in Johnson County have community benefits as the schools are heavily used for social and cultural activities.

#### **Sheridan County School District #1**

Sheridan #1 serves Ranchester, Dayton, and Big Horn in northcentral Sheridan County. The district operates an elementary school and a middle school in Ranchester, a high school in Dayton, a combined high school-middle school in Big Horn, and a small rural school in Parkman.

Enrollment in Sheridan #1 currently is 867 students, down from 889 in 1998. Some growth in enrollment is anticipated because of the district's proximity to Sheridan and the potential for economic growth there.

Sheridan #1's 5-year master plan proposes to repair and renovate all of the district's existing facilities. The funding level approved for the 5-year period is \$2.6 million, and \$323,000 for about half of the capital construction needs identified in the plan is included in the WSFC's budget request for the 2005-06 biennium.

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### **Sheridan County School District #2**

Enrollment in Sheridan #2, currently 3,172 students, has been declining and could drop by another 133 students over the next 5 years, according to the WSFC. However, the district's administrators are watching two factors that could alter the trend: CBNG development and new programs at Sheridan Community College that may draw more young families to the area. The district has not attempted to project the impact of either possibility.

All but two of Sheridan #2's 12 facilities are in Sheridan. The two remote schools are 20 and 11 miles distant from the district's administrative facilities. A new middle school is under construction, and a \$7 million elementary school expansion is in the 5-year plan. Otherwise, elementary schools (with the one exception) and the Sheridan High School are under-utilized, according to the WSFC. The agency included \$4.98 million in its current budget request to address critical needs in the district, leaving a remainder of about \$10.3 million in requests in the approved master plan.

Other factors contribute to the district's effective capacity. Facilities are operated on extended hours. In addition, the district has a long-standing practice of sharing facilities with the community and of using other community facilities to support school programs. Community facilities that are in continuing use by the school district belong to the YMCA and the U.S. Department of Veterans Affairs.

### **Sheridan County School District #3**

Sheridan #3 is a small district that serves the sparsely populated eastern part of Sheridan County. There are two communities in the district, Clearmont and Arvada, which are 20 miles apart and are 38 and 58 miles from Sheridan, respectively. There is an elementary school in each community and a junior-senior high school at a central location.

Enrollment grew from 103 students in 1998 to 117 in 2000, but it has since declined to under 100. According to the WSFC, local administrators do not anticipate a change in the local economy, but they do expect enrollment to stabilize at between 90 and 100 students, which is within the district's available capacity.

Sheridan #3's approved 5-year master plan requests a total of \$2.5 million for facilities improvements. This amount is included in the WSFC's budget for the current biennium.

### **Weston County School District #1**

Weston County School District #1 (Weston #1) operates five schools, four in Newcastle and one 17 miles away. The district is very rural; however, all but 2 percent of the students attend school in Newcastle, with many students traveling long distances to get to school.

Weston #1's enrollment has declined from 1,057 students in 1998 to 836 in the 2003 school year. The WSFC projects a continued decline in enrollment to 636 in 2008. If this occurs, enrollment will have declined by almost 40 percent since the 1998 school year.

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The school district's approved 5-year master plan requests \$2.5 million for major maintenance projects. No capital construction funding was included for Weston #1 as part of the WSFC's budget request for the current biennium.

Despite an enrollment decline, some existing conditions have tended to disproportionately increase the demand for educational services in Weston #1. A growing number of households who hold energy-related jobs in Gillette and Campbell County reside in the school district. This trend is expected to continue. In addition, the Wyoming Department of Corrections Honor Camp in Newcastle brings families to the district on a transient basis. Students from this group tend to require higher levels of special services than typical school populations.

### **Weston County School District #7**

Weston County School District #7 (Weston #7) covers the northwest corner of Weston County adjacent to Campbell County. In the past, this has attracted mining employee households to locate in the district as well as field services firms linked to energy and resource development. District enrollment was 261 students in the 2003 school year, down from 342 students in 1998. The district operates elementary, middle, and high schools in Upton.

The WSFC projects that the district will be serving only 225 students by 2008. That combined with current facility conditions resulted in no approved capital construction funding for the district as part of the commission's 2005-2006 biennium budget request. The district's approved 5-year plan does include requests for a total of \$1.1 million for major maintenance of school facilities.

### **3.7.3 Wyoming School Foundation Program**

The WSFP provides a guaranteed level of funding to every school district in the state through formulas based on numbers of students, classrooms, and other factors, such as adjustments for small schools, transportation, and special programs.

When enrollment growth occurs in a local school district, the WSFP's provisions generally ensure adequate funds are available to pay for the incremental instructional and administrative costs. However, under certain conditions, a district may experience a funding gap because of a specific WSFP provision. Under that provision, the WSFP funding formula uses a 3-year rolling average of enrollment to compute the next year's allowable school district operating budget. Therefore, if a school district has a substantial increase in enrollment in one year, the WSFP may not fully fund the additional students for 3 years. There is an exception allowing for additional funding of enrollment spikes of 10 percent or more over the previous year. For growth of less than 10 percent, the district may need to hire new teachers and fund higher operating expenditures without a comparable increase in revenues. However, for large discrete projects, such as coal mines or power plants, the lead time required and the provisions of the Wyoming Industrial Information and Siting Act (WIISA) generally allow the district to adequately plan and secure funding to accommodate increases in enrollment. As noted above, CBNG development has not been accompanied by substantial increases in enrollment, so the 3-year rolling average factor has not been an issue for Campbell #1.

To fund public education, all districts are statutorily required to levy an ad valorem property tax of 43 mills, 31 mills of which are deemed local resources, with a separate statewide levy of 12 mills used to fund the guaranteed revenue for less wealthy districts. If local property tax revenues do not

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equal a district's guaranteed funding level, the WSFP makes up the difference. If the district's revenues exceed the guaranteed level, the excess is forwarded to the state to aid in the funding of other districts under what are termed the recapture provisions of the WSFP.

Over the years, Campbell #1 has forwarded large amounts of local revenue to the WSFP for redistribution to other school districts. Payments by Campbell #1 to the WSFP have varied widely since 1985; however, they frequently have been one-third to one-half of the district's local revenues. In the 2001-2002 school year, Campbell #1 paid the foundation program almost \$20 million, or about 51 percent of the district's local revenue before recapture (**Table 3-19**). (Local revenue in Campbell County consists of the school district levy plus the county school levy.)

**Table 3-19**  
**School District Revenues by Source (2001-2002 School Year)**

School District	Total Revenue (millions)	Percent Share by Source			Payments to State Fund (millions)
		Local	State	Federal	
Campbell #1	\$52.77	99.8	0.1	0.1	\$19.55
Converse #1	\$12.87	63.4	0.2	36.4	-
Converse #2	\$7.59	67.0	33.0	0.0	-
Crook #1	\$11.83	36.0	64.0	0.0	-
Johnson #1	\$11.22	39.5	60.6	0.0	-
Sheridan #1	\$8.66	17.9	82.1	0.0	-
Sheridan #2	\$23.94	24.5	75.5	0.0	-
Sheridan #3	\$1.60	33.6	66.4	0.0	-
Weston #1	\$7.38	32.7	67.4	0.0	-
Weston #7	\$3.30	23.8	76.2	0.0	-
<b>Total for All Wyoming Districts</b>	<b>\$717.12</b>	<b>47.3</b>	<b>51.7</b>	<b>1.0</b>	<b>\$47.18</b>

Notes: Campbell County School District #1's payment to the state recapture fund was 51 percent of the statewide total of all recapture payments by school districts available in the 2001-2002 school year. Percentages may not add up to 100 because of rounding.

Source: Wyoming Department of Education 2003a.

In northeastern Wyoming, the lagged response of WSFP funding to enrollment growth potentially could affect a local school district's ability to respond to CBNG development, which like other petroleum development is exempt from the WIISA. CBNG growth can occur quickly, unlike the large discrete projects that are covered by WIISA, such as coal mines and power plants, where large project lead times and WIISA provisions allow for districts to plan for and secure funding to handle anticipated growth.

#### 3.7.4 Wyoming School Facilities Commission

The WSFC was established by the state legislature to oversee all aspects of capital construction and physical plant maintenances for school facilities. The intent was to establish and maintain statewide standards for the adequacy of schools and related facilities necessary to provide the educational programs and services prescribed by law. The impetus for establishing the WSFC was a 2001 State Supreme Court decision (the State of Wyoming et al., v. Campbell County School

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District, et al., WY 19, 19, P.3d 518) requiring the Legislature and school districts to remedy facilities that are in immediate need and inadequate condition.

Prior to the establishment of the WSFC, state aid for public education facilities was part of the broader Wyoming Capital Construction program. Under that program, local districts carried much of the responsibility for capital construction, frequently through the use of locally issued and retired long-term debt. Under the 2001 State Supreme Court decision, construction now must be funded through a statewide tax or from other revenues imposed equally on all taxpayers rather than from locally derived revenues.

Since its inception, the WSFC has:

- Conducted a statewide assessment of school facility adequacy;
- Established a systematic approach to developing school enrollment projections;
- Developed space adequacy standards, based on the various types of programs;
- Adopted rules, policies, and procedures for developing, reviewing, and approving master plans for each district; and
- Completed the initial review of district master plans and formulated budget requests for submission to the legislature for funding.

Districts are required to conduct annual evaluations of school buildings and facilities, update their plans for compliance, and prioritize their needs for the upcoming 5-year period. Compliance can involve minor or major renovations and remodeling, new facility construction, as well as full or partial facility closure, demolition, sale, or lease. The WSFC is required to address the court-ordered needs within 6 years beginning in July 2002.

The agency's full budget request for the 2005-06 biennium includes nearly \$294 million for capital construction. That amount represents a substantial portion of the more than \$705 million in total projected costs to satisfy the immediate needs and inadequate facilities identified by the WSFC. A transfer from the state's budget reserve account is expected to fund this appropriation. In turn, the budget reserve account receives revenues from the mineral severance tax, royalties, and coal bonus distributions.