

SUMMARY ISSUED BY THE WYOMING SUPREME COURT

January 8, 2008

Campbell County School Dist. v. State, Nos. 06-74, 06-75, 2008 WY 2 (*Campbell IV*).

The Supreme Court has concluded that because of the complexity and length of this opinion, a brief summary would aid the public in understanding the nature of the issues and the Court's rulings. This summary is not intended to modify, supplement or alter in any way the content of the opinion. It is offered solely to assist the public in understanding the substance of the opinion and should not be cited or relied upon in any way as legal precedent.

All parties, the schools districts, the Wyoming Education Association, the Association of School Boards and the State of Wyoming, appealed various findings by the district court concerning whether the legislative and administrative actions of the state had satisfied the Supreme Court's mandate in *State v. Campbell County School Dist.*, 2001 WY 19, 19 P.3d 518 (Wyo. 2001) (*Campbell II*). In general, the Supreme Court affirms the district court's findings that the state's actions were adequate and resulted in a constitutional system of school finance in Wyoming. As a result, the Supreme Court has determined it is no longer necessary for it to retain jurisdiction over the matter. *Campbell IV*, ¶ 4.

Operations

With regard to funding of school operations, the district court found that the state had made the necessary changes to address at-risk students, administrative and classified salaries, small schools and small districts, teacher beginning and average salaries, funding of health insurance costs, and external cost adjustments (inflation). In addition, the district court also found that the 2001 recalibration of the model used to determine and distribute adequate funding was cost-based and reasonably and accurately captured the cost of education. *Campbell IV*, ¶ 7. The Supreme Court concludes the evidence supports those findings. It also reiterates earlier rulings issued over a thirty year period that it is the legislature's role to determine what should be included in an adequate education for Wyoming children and then it is the legislature's responsibility to adequately fund the programs necessary to deliver that education. *Campbell IV*, ¶¶ 17, 47, 50, 52, 53, 68.

On the issue of regional cost adjustments, the Supreme Court concludes that both the state and the district court had misread its earlier ruling. In *Campbell II*, the Supreme Court held that the state's method of adjusting salaries in areas with a higher cost of living had to include the cost of housing. That ruling made it clear that the state could use any reasonable formula to accomplish that result. The state interpreted that ruling as requiring it to also reduce funding in areas with below average cost of living. In this opinion, the Supreme Court makes it clear that such a reduction not only was not required by its earlier rulings, but was inconsistent with the state's approach of relying on statewide averages as establishing the cost of education. *Campbell IV*, ¶ 66.

The only issue on which the Supreme Court disagrees with the district court is operation and maintenance funding for school facilities. The district court held that instead of putting limits on the number of square feet of facilities for which the state would provide funding, the state should have chosen a less onerous method of encouraging districts to eliminate excess square footage. The Supreme Court holds that the equal protection standard does not apply to this issue, the state did have a compelling state interest in achieving equality in facilities, and the approach chosen by the state did not prevent districts from providing programs authorized by law. *Campbell IV*, ¶¶ 34, 38, 41.

Capital Construction

Campbell II required the state to fund construction of school facilities from statewide wealth to eliminate wealth-based disparities. The district court found the statutes adopted by the state to accomplish that result were constitutional and the Supreme Court agreed. The state created the School Facilities Commission (SFC) and gave it the responsibility to adopt standards and determine, in consultation with school districts, what facilities should be constructed. Since 2002, the legislature earmarked about \$990 million for school capital construction funding and placed large sums in the projected capital school construction account. However, the district court found that, at the time of trial in 2005, little actual construction had been approved and that, in some cases, the SFC had rejected facilities without considering whether exceptions to its standards should have been granted.

The Supreme Court concludes the district court's findings were supported by the evidence and agrees that whether administration of the capital construction program met the constitutional and statutory mandates would best be determined on a case-by-case basis as the school districts have the right to appeal SFC decisions. The Supreme Court clarifies the standard that would apply to such

decisions and notes that the state is constitutionally required to provide facilities necessary for the programs authorized by law which include state authorized activities and athletics. The Supreme Court reiterates that determination of the scope of those facilities remains the province of the legislature so long as similarly situated students have access to similar facilities. *Campbell IV*, ¶ 126. Although the state conceded it had not complied with the *Campbell II* deadlines for replacing facilities the state had deemed inadequate, the Supreme Court concludes the state has acted with diligence in recognition of need for urgency and the Supreme Court's mandate. *Campbell IV*, ¶¶ 101, 102, 106, 117.