

**STATE OF WEST VIRGINIA
EXECUTIVE SUMMARY OF THE
PUBLIC SCHOOL SUPPORT PROGRAM
FOR THE 2002-03 YEAR**

The Public School Support Program is a plan of financial support for the public schools in the State of West Virginia, which specifies statutorily the responsibilities of both the State and the fifty-five county school districts. The State's responsibility for the basic program allowance is the total of the allowances calculated under Steps 1 through 7, less the aggregate amount calculated as the school district's local share.

1. **Foundation Allowance for Professional Educators (WVC §§18-9A-4 and 18-9A-5a):** Step 1 of the public school support program provides to each school district an allowance to pay the annual state minimum salary and supplemental equity amount for professional educators as established by statute: WVC §18A-4-2 sets forth the annual state minimum salary that is to be paid to each teacher; WVC §18A-4-3 sets forth the annual state salary increment that is to be paid to each principal and assistant principal; and WVC §18A-4-5 authorizes the payment of the supplemental allocation that is to be paid to professional educators to assist the State in meeting its objective of salary equity among the school districts.

The Step 1 allowance is limited to: 53.5 professional educators per 1,000 students in adjusted enrollment; 74.0 professional educators per 1,000 students in net enrollment; or the number of professional educators actually employed, whichever is lowest. In addition, each school district must maintain a minimum ratio of 50 professional instructional personnel per 1,000 students in adjusted enrollment or suffer a pro rata reduction in the allowance. A proviso, however, exempts those districts that had an increase in net enrollment. Personnel employed as permanent substitutes are not included in computing the 50/1,000 minimum ratio. Pursuant to WVC §18-9A-4, school districts cannot increase the number of administrative personnel employed above the number which were employed, or for which positions were posted, on June 30, 1990.

2. **Foundation Allowance for Service Personnel (WVC §§18-9A-5 and 18-9A-5a):** Step 2 of the public school support program provides to each school district an allowance to pay the monthly state minimum salary and supplemental equity amount for service personnel as established by statute: WVC §18A-4-8a sets forth the monthly state minimum salary that is to be paid to each service employee and WVC §18A-4-5 authorizes the payment of the supplemental allocation that is to be paid to service personnel to assist the State in meeting its objective of salary equity among the school districts.

The Step 2 allowance is limited to: 34 service personnel per 1,000 students in adjusted enrollment; 43.60 service personnel per 1,000 students in net enrollment for the school districts whose ratio of student population to square miles is greater than the state average or 44.5 for the school districts whose ratio is less than the state average; or the number of service personnel actually employed, whichever is lowest. A proviso allows the state superintendent of schools to grant a school district a waiver to the maximum ratio of 34 service personnel per 1,000 students in adjusted enrollment to the extent that funds are appropriated.

- 3a. **Foundation Allowance for Fixed Charges (WVC §18A-9A-6):** Step 3 of the public school support program provides to each school district an allowance to cover the employer's share of contributions for social security, unemployment compensation and workers' compensation. The allowance for each school district is determined by multiplying the district's total allowance for salaries under Steps 1 and 2 by the following rates: for social security the current rate of 7.65%; for unemployment compensation the rate of .04%; and for workers' compensation the rate of 1.25%, which is derived by dividing the total estimated aggregate contribution for workers' compensation by all school districts by the sum of the foundation allowance for professional and service personnel. The estimated contribution for workers' compensation is determined by multiplying each school district's allowance for professional and service personnel by the district's actual contribution rate for the most recent year for which the information is available. The total allowance rate for social security, unemployment compensation and workers' compensation for the 2002-03 year was determined to be 8.94% (7.65% + .04% + 1.25%).

- 3b. Foundation Allowance for Retirement (WVC §§18-9A-6a and 18-9A-6b):** Step 3 also provides an allowance to the teachers retirement system. The amount of the allowance is the total of the following: (1) 15% of the basic foundation allowance for salaries; all salary equity appropriations; and such amounts as are paid by the school districts as salary supplements, to the extent that such county supplements are equal to the amount distributed for salary equity among the school districts; and (2) the additional amount estimated to be required to eliminate the unfunded liability by June 30, 2034, such amount to be based on an annual actuarial report to be provided to the Legislature.

According to WVC '18-9A-6b, any increase in local share above the amount calculated for the previous year which is attributable to an increase in the tax levy rate as set by the Legislature, not to exceed \$7 million dollars, is to be used to reduce the amount required by the actuarial report.

- 4. Foundation Allowance for Transportation Costs (WVC §18-9A-7):** Step 4 of the public school support program provides to each school district the sum of the following computations as an allowance for transportation:

- (a) 85% of actual transportation expenditures for maintenance, operation and related costs, exclusive of all salaries, for the school districts whose ratio of student population to square miles is greater than the state average and 90% for the school districts whose ratio is less than the state average; with allowance being 95% for that portion of a county's bus fleet that uses alternative fuels;
- (b) 100% of the insurance premium costs on buses, buildings and equipment used in transportation, provided that such premiums were procured through competitive bids;
- (c) 8.33% of the current replacement value of each school district's bus fleet plus the remaining replacement value of buses purchased after July 1, 1999 that attain 180,000 miles. In addition, districts that experience an increase in net enrollment may apply for funding for additional buses;
- (d) 85% of the cost of contracted and public transportation services for the school districts whose ratio of student population to square mileage is greater than the state average and 90% for the school districts whose ratio is less than the state average.
- (e) Aid paid to students in lieu of transportation based on the state average amount paid per pupil; and
- (e) 95% of the transportation expenditures for operations, maintenance, and related costs, exclusive of salaries, incurred in transporting students to and from multi-county vocational centers.

Each district's allowance is limited to 1/3 above the computed state average allowance per mile multiplied by the total mileage for the district. Also, one-half of one percent of each district's allowance must be expended for trips related to academic classroom curriculum.

- 5a. Foundation Allowance for Administrative Costs (WVC §18-9A-8):** Step 5 of the public school support program provides an allowance for administrative costs of \$150 multiplied by the total number of professional educators authorized in Step 1. This allowance is distributed to each school district in equal amounts.

- 5b. Foundation Allowance for RESAs (WVC §18-9A-8a):** Step 5 also provides an allowance for the regional education service agencies (RESAs) equal to .63% of the total allowance provided under Step 1. The allowance is allocated to each RESA, according to Board Policy, on the following basis; 60% is distributed equally among the eight RESAs and the remaining 40% is distributed to each RESA according to the net enrollment of the school districts served by the RESA.

- 6. Foundation Allowance for Other Current Expenses, Substitute Salary Costs and Faculty Senates (WVC §18-9A-9):** Step 6 of the public school support program provides an allowance to each school district for other current expenses, substitute salary costs and faculty senates the sum of the following, except that the allowance under (a), (b), and (c) below is not to exceed the previous year's allowance by more than 104%:

- (a) For current expense, 10% of the total allowance for salaries; distribution is made to each district proportionally based on the average of each district's average daily attendance for the preceding year and the district's second month net enrollment;
- (b) For substitute salary costs of professional educators or current expense, 2.5% of the computed allowance for salaries for professional educators; distribution made to each district proportionally based on the number of professional educators respectively authorized;
- (c) For substitute salary costs of service personnel or current expense, 2.5% of the computed allowance for salaries for service personnel; distribution made to each district proportionally based on the number of service personnel respectively authorized;
- (d) For expenditure by faculty senates for academic materials, supplies and equipment used in instructional programs, \$200 multiplied by the number of professional instructional personnel employed. School districts are required to forward the allowance to each school during the month of September of each year.

7. Foundation Allowance for the Improvement of Instructional Programs (WVC §18-9A-10): Step 7 of the public school support program provides an allowance to each school district for the improvement of instructional programs. The specific amount to be appropriated is not stated in code, but has been set at \$33 million for the past several years. Step 7 funds are to be used to improve instructional programs according to a plan submitted to the State Board for approval. Distribution of the amount appropriated is made to the various school districts on the following basis: \$150,000 to each school district with the remaining funds allocated proportionally on the basis of the average of each district's average daily attendance for the preceding year and the district's second month enrollment. Up to 25% of each district's allowance may be used for the employment of professional and service personnel after all applicable provisions of WVC "18-9A-4 and 18-9A-5 have been fully utilized. The funds for personnel, however, cannot be used to increase the total number of professional non-instructional personnel in the central office beyond four. Funds may also be used for implementation and maintenance of the West Virginia Education Information System (WVEIS).

WVC §18-9A-10 also provides to the School Building Authority the amount of funds required to meet debt service requirements on revenue bonds issued prior to January 1, 1994.

8. Total Basic Foundation Allowance (WVC §§18-9A-3): The total basic foundation program allowance is the sum of the above seven allowances. The basic program allowance includes both the State's share and the local districts' share.

9. Local Share (WVC §18-9A-11): Local share is a computation of each school district's projected regular levy net property tax collections for the year. Excess levy tax collections are not considered in the local share calculations.

Local share is computed by multiplying the assessed valuation of all property in the district for the current fiscal year as certified by the county assessor by 98% of the regular levy rates for the year as set by the Legislature and then deducting five percent (5%) as an allowance for discounts, exonerations, delinquencies and the like, and reducing the amount further by the amount that is to be paid to the Assessor's Valuation Fund. The total local share calculated for all school districts is subtracted from the total basic foundation allowance to determine the State's share that is appropriated.

10. Foundation Allowance Allocated to each School district (WVC §18-9A-12): The amount of the basic foundation program allowance allocated to each school district is the total of the amounts calculated in Steps 1 through 7, excluding the amounts for the RESAs, the School Building Authority and retirement, less the amount calculated for local share. The allocation for each school district is to be adjusted in the following circumstances where the calculated local share is not reflective of local funds available to a school district, provided that funds are appropriated for this purpose: (1) in instances where a district is under a final court order to refund or credit property taxes paid in prior years; (2) in instances where a district is collecting taxes based on an assessed value which is less than that determined by the state tax commissioner in the most recent published survey or property valuation due to an error; and (3) in

instances where a district is unable to collect property taxes from a taxpayer during the pendency of any court proceedings. Property taxes collected later upon completion of such court proceedings must be reimbursed to the State. Also, the amount of the basic foundation allowance allocated to each district is to be reduced by any payments or contributions received by a district in lieu of property taxes.

According to statute, the computations related to net and adjusted enrollment and employment are to be based on data reported by the various school districts as of the second month for the preceding school term. The computations for transportation are to be based on the transportation expenditures for the most recent year for which the data is available.

11. **Allowance for Legislative Reserve Fund, Current Expense and Substitute Costs (WVC §18-9A-13b)**: Funds which accrue from allocations due to decreases in net and adjusted enrollment from the preceding year are to be deposited in a special revenue fund designated as the "Legislative Reserve Fund" with the proceeds being appropriated by the Legislature.
12. **Allowance for County Transfers §WVC '18-9A-14)**: Allowance for county school districts that agree to transfer students to another school district pursuant to an agreement approved by the State Board, provided that funds are appropriated for this purpose. The allowance for the year in which the transfer occurs is to be 100% of amount in the agreement, not to exceed the district's per pupil state aid allocation; the allowance in the first year after the transfer occurs is to be 50% of the amount in the agreement; and the allowance for the second year is to be 25%. A proviso states that if professional or service personnel obtain full-time employment pursuant to WVC '18-9A-8i, the allowance is to be reduced by an appropriate amount.
13. **Incentive for Administrative Efficiency (WVC §18-9A-14a)**: Incentive to encourage administrative efficiency. Each district is to receive the funds equal to 80% of the difference between the total amount received from salaries and fixed charges based on the actual number of professional educators employed and the amount the district would receive if the maximum number were employed, provided that the following three conditions were met in the previous year: (a) the district maintained the minimum instructional personnel ratio of 50/1,000 students in adjusted enrollment; (b) the district reduced the number of maximum class size exemptions by 25%; and (c) the district reduced the number of split grade exemptions by 25%.

Each district is also to receive the funds equal to 80% of the difference between the amount received for salaries and fixed charges for service personnel based on an actual number employed and the amount the county would receive if the maximum number were employed, provided that the following condition was met in the previous year: the number of professional educators employed who do not spend at least 75% of their work day assigned to a school does not exceed the number derived by multiplying the first 200 or fewer professional and service personnel allowed under the public school support program by 2.5% and all additional personnel allowed by 1%.

14. **Allowance for Increased Enrollment (WVC §18-9A-15)**: Each school district which has an increase in net enrollment is to receive an allocation equal to the district's increase in net enrollment over the previous year multiplied by each district's average per pupil state. Except for students who are enrolled in special education programs, students who have not attained the age of five prior to the first day of September are not to be included in the calculations. These funds are distributed by December of the year in which the enrollment increase occurs. If the funds appropriated for this purpose are not sufficient to provide full funding, each district's allocation is to be reduced proportionally and a supplemental appropriation is to be requested.
15. **Allowance for the Public Employees Insurance Fund (WVC §§5-16-18 and 18-9A-24)**: The Public School Support Program provides an allowance for the Public Employees Insurance Fund. The total allowance is based on an average premium rate for all school district employees, as established by the PEIA Finance Board, multiplied by the number of personnel allowed for funding under the Public School Support Program. The average premium rate is to include a proportionate share of the retirees' subsidy established by the finance board and the difference, if any, between the previous year's actual premium costs and the previous year's appropriation, if the actual cost was greater than the appropriation.

The average premium rate for the 2002-03 year was determined by the PEIA Finance Board to be \$394.11 per month.

16. **Allowance for State Teacher of the Year (WVC §18-9A-25)**: An allowance to provide for a sabbatical leave for the state teacher of the year. The allowance is to be based on the state average contracted salary of teachers for the year.

DEFINITIONS

Adjusted enrollment (WVC §18-9A-2) - The number of students enrolled in net enrollment as defined below plus twice the number of students enrolled in special education, including exceptionally gifted, plus the number of students in grades nine through twelve enrolled in honors and advanced placement programs, subject to the following limitations: No more than four percent (4%) of net enrollment in grades one through eight may be counted as enrolled in gifted education and no more than six percent (6%) of net enrollment in grades nine through twelve may be counted in gifted education, exceptionally gifted, and honors and advanced placement programs. In addition, the number of students identified as exceptionally gifted is not to exceed one percent (1%) of net enrollment in grades nine through twelve. In addition, students receiving homebound or visiting-teacher services, as described in WVC §18-20-1, are not to be included in the number computed for adjusted enrollment.

Gifted (State Board Policy 2419) - Students in grades one through eight with exceptional intellectual abilities as evidenced by outstanding capabilities who require specifically designed instruction and/or service beyond those normally provided by the regular school program.

Exceptionally gifted (WVC §18-20-1) - Students in grades nine through twelve identified as gifted who also meet the criteria for one of the following: behavior disorder, specific learning disabilities, psychological adjustment disorder, underachieving or economically disadvantaged.

Net enrollment (WVC §18-9A-2) - The number of students enrolled in pre-kindergarten through grade twelve and special education programs in the public schools of a county, reported on a full-time equivalency (FTE) basis.

Permanent substitute (WVC §18-9A-4) - A full-time employee who performs the duties of a day-to-day substitute.

Professional educator (WVC §18-9A-2) - Personnel employed by a board of education as a teacher, supervisor, principal, superintendent, public school librarian, public school nurse with a baccalaureate degree who is licensed by the State board of examiners for registered professional nurses, or any other person regularly employed for instructional purposes in a public school in the State.

Professional instructional personnel (WVC §18-9A-2) - A professional educator employed by a board of education whose regular duty is that of a classroom teacher (including speech language pathologist), librarian, counselor, attendance director, school psychologist, or school nurse with a bachelor's degree and who is licensed by the State board of examiners for registered professional nurses.

Service personnel (WVC §18-9A-2) - Personnel employed by a board of education under any of the class titles identified in WVC §18A-4-8.

State minimum salary - The State legally mandated salaries for professional educators and service personnel as set forth in WVC §18A-4-1 et seq.