

**STATE OF WEST VIRGINIA
ABBREVIATED SUMMARY OF THE
PUBLIC SCHOOL SUPPORT PROGRAM
BASED ON THE FINAL COMPUTATIONS
FOR THE 2015-16 YEAR**

The Public School Support Program (PSSP) is a plan of financial support for the public schools in the State of West Virginia that 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 districts' local share.

The PSSP provides allowances for personnel salaries (Steps 1, 2, and 5), employee benefit costs (Step 3), transportation operating costs (Step 4), general operating costs, substitute costs and allowances for faculty senates (Step 6), and improvement of instructional programs, increase in technology funding, and advanced placement programs (Step 7). Additional allowances are provided for alternative education, increased enrollment over the previous year, and other programs.

The PSSP divides the school districts into four separate categories based on student population density and provides funding for a specified number of professional educators, professional student support personnel (nurses and counselors), and service personnel to each district based on the district's student enrollment, with the districts with lower student population densities being funded at higher personnel ratios. Funding for student transportation operating costs is also based on these four categories, with the districts with lower student population densities receiving a higher allowance.

The allowances for salaries are based on the state basic salary schedules included in Code and state equity funding. Equity funding was started in 1984 to ensure equity among the salaries paid by the various school districts through the state and is determined by computing the difference between each district's county supplement schedule in place in 1984 and state required equity.

Each school district's local share is subtracted from that district's total PSSP allowance to arrive at the state aid that the district is entitled to receive. Local share is a computation of a district's projected regular levy property tax collections for the year. School districts are authorized to levy an excess levy if approved by at least a majority of the voters, and 43 of the 55 districts have such levies in place for the current year, however, the projected tax collections from the excess levies are not included in determining the local share amount.

Local share is computed by multiplying the taxable assessed valuation of all property in the district for the current fiscal year as certified by the county assessor by 90% of the regular levy rates for the year as set by the Legislature and then deducting four percent (4%) as an allowance for discounts, exonerations, delinquencies, with other allowances also deducted.

Comprehensive changes were made to the Public School Support Program beginning with the 2008-09 year, with the increased allowances between the old and revised provisions being phased-in over a five year period, and a hold harmless provision included for the districts that are projected to receive less state aid as a result of implementing these revisions during the five year phase-in period.

The changes included: Eliminated adjusted enrollment as a funding ratio; divided the districts into four groups based on student net enrolment per square mile and increased the funding limits for the more sparse districts; funds the districts with student net enrollments of less than 1,400 at a base determined by computing the district's enrollment difference between its actual enrollment and 1,400, and further adjusting the difference by the percent that the district's student population density is to the district with the lowest density; created the personnel classification of Professional Student Support Personnel (SSP) for school counselors and school nurses and funds this category under a separate step of the formula (Step 5); uses the same four groups created for personnel to determine the allowance for student transportation operating costs; and added a few other allowances.

A brief description of each step, and the amounts appropriated for each step for the 2015-16 year, are:

Description	Appropriation
<p>1. Professional Educators - Allowance to pay the annual state minimum salary and supplemental equity for professional educators (PE), limited to the following applicable funding limits per each 1,000 students in net enrollment, based on the district's student population density. The funding limits for the 2015-16 year were: Sparse – 72.75, Low – 72.60, Medium – 72.45, or High - 72.30.</p>	\$ 869,841,621
<p>2. Service Personnel - Allowance to pay the annual state minimum salary and supplemental equity for service personnel (SP), limited to the following applicable funding limits per each 1,000 students in net enrollment, based on the district's student population density. The funding limits for the 2015-16 year were: Sparse – 45.88, Low – 45.30, Medium – 44.73, or High – 44.17.</p>	294,796,569
<p>3. Fixed charges - Allowance for the district's share of contributions for social security, unemployment compensation and workers' compensation on the salaries determined in steps 1, 2 and 5 (8.60%).</p>	103,420,680
<p>4. Transportation - Allowance for student transportation operating costs. (a) Allowance for operating costs based on the actual maintenance, operations and contracted services multiplied by the appropriate percentage based on the county's population density (b) an additional 10% allowance of the actual expenditures for maintenance, operations and contracted services for the portion of the bus fleet that uses alternative fuels (c) an additional 10% allowance of actual expenditures for operations, maintenance and contracted services for the portion of the bus fleet used to transport students to and from multi-county centers (d) 100% of insurance premium costs; and (e) aid paid to students in lieu of transportation, based on state average rate. Allowance for bus replacement based on 8.33% of the current replacement value of the bus fleet, plus the remaining value for buses purchased after July 1999 with 180,000 miles. (HB2478, passed during the 2015 Legislative session, limits the allowance for bus replacement to \$15 million for the 2015-16 school year and \$18 million for the 2016-17 school year.) Districts with increased net enrollments are able to apply for funding for additional buses. Each district's allowance is limited to 1/3 above the state average allowance on a per mile basis, exclusive of the allowance for additional buses.</p>	76,249,111
<p>5. Professional Student Support Services - Allowance to pay the annual state minimum salary and supplemental equity for professional student support personnel (counselors and school nurses) employed. The allowance is fixed at the 2012-13 amount.</p>	37,927,850
<p>6. Allowance for Other Current Expenses, Substitute Employee Salaries and Faculty Senates - Allowance determined as follows: (a) 10% of the allowance for steps 1, 2 and 5 for current expense distributed to each school district proportionally on the basis of the average of each school district's average daily attendance and net enrollment; (b) & (c) 2.5% of steps 1 & 5 and step 2 for substitutes distributed on the basis of the number of personnel allowed for funding; and (d) \$200 per professional instructional personnel and professional student support personnel employed for faculty senates.</p>	154,485,546
<p>7. Improvement of Instructional Programs - Step 7a is the allowance for the improvement of instructional programs; the amount appropriated is to be the amount appropriated the preceding year plus 10% of the growth in local share; distribution to each school district is made on the following basis: \$150,000 equally with the balance distributed proportionally on the basis of the average of each school district's average daily attendance and net enrollment. Step 7b is the allowance for the 21st Century Strategic Technology Learning Plan. The amount appropriated is the amount appropriated the preceding year plus 20% of the growth in local share. Step 7c is the allowance for advanced placement, dual credit and international baccalaureate programs. It is based on one percent of the state average per pupil state aid multiplied by the number of students enrolled in such classes in each district.</p>	66,544,000
<p>8. Total Basic Foundation Allowance - The total of the seven preceding allowances.</p>	1,603,265,377
<p>9. Local Share - Computation of each district's projected regular levy net property tax collections for the year, determined by multiplying the current assessed valuation of all taxable property in the county from the March 3rd Certificates of Valuation completed by the county assessor, exclusive of the increased valuation for Tax Increment Financing (TIF) projects, by 90% of the regular levy rates as set by the Legislature and then deducting: (a) an allowance of 4% for discounts, exonerations and delinquencies; (b) the amount paid to the Assessor's Valuation Fund; and (c) the amount required to fund the Growth Counties Facilities Fund. Excess levies are not included in the local share calculation.</p>	(454,137,621)
<p>10. State Aid Allowance for County School Districts - The State's share of the Public School Support Program for school districts.</p>	\$ 1,149,127,756

In addition, the following amounts were appropriated under the Public School Support Program for county boards of education for the 2015-16 year:

• State Teachers' Retirement System:	
o Normal Cost	66,486,618
o Actuarial Accrued Liability (General – Fund 0317) (1)	<u>298,584,000</u>
o Sub-total Teachers' Retirement System - PSSP	365,070,618
• Public Employees Insurance Agency (2)	214,590,471
• School Building Authority for debt service on bonds issued prior to Jan. 1, 1994	<u>23,423,270</u>
Basic State Aid (Including PEIA, Retirement and Debt Service for SBA)	<u>\$1,752,212,115</u>

In addition to the preceding allowances, the following additional amounts were appropriated as other allowances under the PSSP for the 2015-16 year:

• Allowance for increased enrollment	\$ 5,260,000
• Allowance for safe schools (Alternative education programs)	5,028,664
• Allowance for County Transfers	469,993
• English as a Second Language	100,000
• Regional Education Service Agencies (RESAs)	<u>3,690,750</u>
Total other allowance under the Public School Support Program	<u>14,549,407</u>
Total Allowance Appropriated - PSSP – 2015-16 Year	\$1,766,761,522
Teachers' Retirement Savings Realized (1)	<u>34,472,000</u>
Total Appropriation – PSSP (Including Teachers' Retirement Savings Realized)	<u>\$1,801,233,522</u>

Notes: (1) In addition to the \$365 million reflected above that was appropriated for the Teachers Retirement System for the 2015-16 year, the following appropriation was made directly to the Teachers' Retirement System for the year from the savings realized by closing the Teachers' Defined Contribution (TDC) Plan in 2005:

• Teachers' Retirement Savings Realized (From General Fund – Acct. 0313)	\$ 34,472,000
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Summarizing the amounts appropriated, for the Teachers' Retirement System for the 2015-16 year, the following reflects the amounts appropriated for normal cost for the year and the amount appropriated for the unfunded past service actuarial liability:

• Total appropriation for the Teachers' Retirement System – 2015-16	\$ 399,542,618
• Total appropriated for the normal cost for the year	<u>66,486,618</u>
Balance appropriated for the Unfunded Actuarial Liability (UAL)	<u>\$ 333,056,000</u>

(2) The appropriation for PEIA was reduced by \$5,760,835 for the 2015-16 year to distribute a portion of the balance on deposit in the PEIA Excess Appropriation Reserve Account which has accumulated over prior years.