

**STATE OF WEST VIRGINIA
ABBREVIATED SUMMARY OF THE
PUBLIC SCHOOL SUPPORT PROGRAM
BASED ON THE FINAL COMPUTATIONS
FOR THE 2018-19 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 42 of the 55 districts have such levies in place for the 2017-18 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.

During the 2017 legislative session, H.B. 2561 was passed by the legislature to provide additional flexibility to county boards of education over how restricted state aid funds can be spent. Under the legislation, up to \$200,000 of bus replacement funds can be spent for alternative purposes upon approval by the State Superintendent after verification of the serviceability of the bus fleet through a review of the bus defect rate from the previous two years. Up to 50% of Step 7a funds can now be utilized for the employment of personnel (previously 25%) and up to 25% of the Step 7a funds can be used for alternative purposes if justification is provided in the county's Step 7a plan. Step 7b funds can now be used to employ Technology Systems Specialists (TSS) and up to 50% of those funds can be spent for alternative purposes if justification is provided in the county's strategic technology learning plan.

In addition to the flexibility regarding how state aid funding is actually spent, H.B. 2561 also changed the calculation of the number of personnel funded under Steps 1 and 2, eliminating any reduction in funding for employing less personnel than calculated by the limits. The legislation also changed the calculation of Step 6a to a methodology that considers the average square footage per student and the average operations and maintenance expenditures per square foot. The provisions of the bill that change the state aid calculations became effective with the 2018-19 funding year based on the effective date of the legislation.

A brief description of each step, and the amounts appropriated for each step for the 2018-19 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 2018-19 year were: Sparse – 72.75, Low – 72.60, Medium – 72.45, or High - 72.30.</p>	\$ 876,075,903
<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 2018-19 year were: Sparse – 45.68, Low – 45.10, Medium – 44.53, or High – 43.97.</p>	297,680,615
<p>3. Fixed charges - Allowance for the district's share of employee benefit costs, including social security, unemployment compensation and workers' compensation (8.54% of steps 1, 2 & 5).</p>	103,542,614
<p>4. Transportation - Allowance for student transportation operating costs. (a) Allowance for operating costs based on the actual expenditures for maintenance, operations and contracted services multiplied by the appropriate percentage based on the county's student population density (b) an add'l 10% of actual expenditures for the portion of bus fleet that uses propane or compressed natural gas (CNG) (c) an additional 10% allowance of actual expenditures 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. 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>	73,375,145
<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 level per statute. SB 267, which passed during the 2018 legislative session, added a provision to increase the fixed 2012-13 amount by the amount of funding needed to provide for any increases in the State Minimum Salary Schedules effective July 1, 2018 and any increases thereafter. HB 4145 granted salary increases for the 2018-19 year, so the Step 5 allowance was increased accordingly.</p>	38,686,260
<p>6. Other Current Expenses, Substitute Employee Salaries and Faculty Senates – Allowances determined as follows: (a) for current expense, an allowance calculated based on statewide average actual operations and maintenance expenditures, the square footage of school buildings and student enrollment; (b) & (c) for substitute costs, 2.5% of allowances for steps 1, 2 & 5, distributed on the basis of the number of professional educators and service personnel allowed for funding; and (d) for faculty senates, \$200 per professional instructional personnel and professional student support personnel employed.</p>	149,651,626
<p>7. Improvement of Instructional Programs – (a) Allowance for the improvement of instructional programs determined by 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 district's average daily attendance and net enrollment; (b) Allowance for the improvement of instructional technology determined by the amount appropriated the preceding year plus 20% of the growth in local share, distribution made with \$30,000 equally per county with the balance distributed on the basis of the average of each district's average daily attendance and net enrollment; (c) Allowance for advanced placement, dual credit and international baccalaureate programs 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>	71,724,477
<p>8. Total Basic Foundation Allowance - The total of the seven preceding allowances.</p>	1,610,736,640
<p>9. Local Share – Estimation 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>	(458,622,709)

9a. Other adjustments – Under WVC §18-9A-12, the allocated state aid share for a county shall be increased by amounts certified by the State Tax Commissioner as taxes not collected due to final court orders or final decisions by a board of assessment appeals and shall be decreased by contributions or payments in lieu of taxes.	(1,694,701)
10. State Aid Allowance for County School Districts - The State's share of the Public School Support Program for school districts.	\$ 1,150,419,230

The following additional amounts were requested under the Public School Support Program for county boards of education for the 2018-19 year:

• State Teachers' Retirement System:	
o Normal Cost (1)	72,719,190
o Actuarial Accrued Liability (General – Fund 0317) (1)	<u>353,640,000</u>
o Sub-total Teachers' Retirement System - PSSP	426,359,190
• Public Employees Insurance Agency (2)	232,810,116
• School Building Authority for debt service on bonds issued prior to Jan. 1, 1994	<u>23,420,520</u>
Basic State Aid (Including PEIA, Retirement and Debt Service for SBA)	<u>\$1,833,009,056</u>

Notes: (1) The amounts are based on the Actuarial Valuation Report of the Teachers' Retirement System for the Fiscal Year Ended June 30, 2017. In addition to these amounts, an additional \$35,000,000 appropriation is projected to be made directly to the Teachers' Retirement System for the year from the savings realized by closing the Teachers' Defined Contribution (TDC) Plan in 2005. (2) The appropriation for PEIA was reduced by \$6,251,754 for the 2018-19 year to distribute a portion of the balance on deposit in the PEIA Excess Appropriation Reserve Account which has accumulated over prior years.

In addition to the preceding allowances, the following additional amounts were requested as other allowances under the PSSP for the 2018-19 year:

• Allowance for Increased Enrollment	\$2,910,000
• Allowance for Safe Schools (Alternative Education Programs)	4,869,447
• English as a Second Language	<u>96,000</u>
Total other allowance under the Public School Support Program	<u>7,875,447</u>

Total Appropriation - PSSP – 2018-19 Year **\$1,840,884,503**