

West Virginia DEPARTMENT OF
EDUCATION

State of West Virginia
Public School Support Plan (PSSP)

WVDE Office of School Finance

Public School Support Plan

- Plan of financial support for the public schools in WV
- Commonly called the State Aid Funding Formula
- Basic 7 step program with other allowances added



Recent Legislative Changes

HB 206 passed during the 2019 First Special Session and made several significant changes to the PSSP. SB 1 passed during the 2019 Regular Session and HB 4804 passed during the 2020 Regular Session and both made minor changes to the PSSP. Those changes are reflected in **red font** throughout this presentation.



State Aid Block Grants

- A new provision in House Bill 206 requires each county's basic state aid funding to be distributed in the form of a block grant, effective with the 2019-20 school year.
- That provision indicates that all basic state aid funds distributed to the county board shall be exempt from expenditure requirements and limitations contained in WVC Chapter 18, Article 9A and that a county board may expend the funds in any authorized and allowable manner the county board deems appropriate.



State Aid Block Grants, Cont'd

- The provision further indicates, however, that all expenditures shall be consistent with the provisions of all other articles of West Virginia Code. As such, the following state aid funding restrictions still remain since they are contained in other articles: Faculty Senate and Professional & Service Staff Development Councils.
- HB 4804, from the 2020 Legislative Session, contained a provision in WVC §18A-3C-3 that would restrict Step 7d funding effective July 1, 2020.



Overview

- Step 1 - Professional Educators
- Step 2 - Service Personnel
- Step 3 - Fixed Charges
- Step 4 - Transportation
- Step 5 - Prof. Student Support Personnel
- Step 6 - Other Current Expense (6a), Substitute Employees (6b & 6c), Faculty Senates (6d)



Overview

- Step 7:
 - 7a - Improvement of Instructional Programs
 - 7b - Improvement of 21st Century Technology Systems
 - 7c - Advanced Placement
 - 7d – Teacher and Leader Induction
- Step 8 - Total Basic Foundation Allowance (Sum of Steps 1-7)
- Step 9 – Local Share (subtracted from Step 8)
- Step 9a - Adjustments for Taxes Not Collected & Payments in Lieu of Taxes (added to/subtracted from Step 8, respectively)
- Step 10 - State Aid Allowance (Step 8 minus Step 9 plus/minus Step 9a)



Data Used in Calculations

- Certified Student Enrollment Data – October 1st Collection
- Certified List of Personnel Data – October 1st Collection
- Transportation Data:
 - Bus Fleet and Mileage Collections - performed in July for the previous fiscal year
- WVEIS Financial Data File
- Average Daily Attendance – Year End Data Collection
- Certified Facility Square Footage Data – Year End Data Collection



Student Enrollment Specifics

- State aid funding is based on FTE (full-time equivalence) enrollment adjusted for:
 - Certified Adults (up to 2,500)
 - Districts with less than 1400 students
 - Jointly established schools where the sending school provides the transportation



Student Enrollment Specifics

- Less than 1,400 FTE enrollment:
 - For districts with less than 1,400 students on an FTE basis, each district's net enrollment is increased based on their difference between their actual net enrollment and 1,400, as adjusted proportionately based on the population density of the district compared to the population density of the most sparsely populated district (Pocahontas).
 - That calculated enrollment is increased by an additional 10% up to a maximum of 1400 students.



Student Enrollment Specifics

–Less than 1,400 FTE enrollment:

- 11 of the 55 school districts have less than a 1,400 net enrollment for the 2019-20 year (Calhoun, Doddridge, Gilmer, Pendleton, Pleasants, Pocahontas, Ritchie, Tucker, Tyler, Webster and Wirt)
- The change from HB 206 resulted in an additional 1,005.73 students statewide in net enrollment for FY21 funding.



Student Enrollment Specifics

- The definition of Certified Adults changed with the passage of SB 1 during the 2019 regular legislative session and was modified further with HB 206.
- Previously, Certified Adults were adults enrolled in regular secondary programs who were not charged tuition (Grade 14 in WVEIS). The FTE count for Certified Adults was based on the actual contact hours of the prior year, limited to 1,000 statewide.
- Moving forward, Certified Adults are simply adults enrolled in vocational programs (Grade 13, Grade 14 or the new Grade 18 in WVEIS). There is no longer a consideration as to whether the adult is charged tuition. The statewide cap was increased to 2,500 Certified Adults and the FTE count will still be based on the actual contact hours of the prior year. FY20 actual adult contact hours will determine FY22 funding.



Classification of Districts

- The 55 county boards of education are classified into the following four categories based on student population density (no. of net students/sq. mile):

- Sparse: Less than 5 students per sq. mile
- Low: 5 to less than 10 students/sq. mile
- Medium: 10 to less than 20 students/sq. mile
- High: 20 or more students/sq. mile



Step 1-Allowance for Professional Educators

- Number of professional educators (PE) funded based on the following ratios per 1,000 students

<u>Group</u>	<u>Limit</u>
• Sparse	72.75
• Low	72.60
• Medium	72.45
• High	72.30



Step 1-Allowance for Professional Educators

Under HB 2561 that passed during the 2017 Legislative Session, the allowance for professional educators is no longer limited to the number actually employed by each district. Instead, each district is funded for the number of personnel calculated based on their enrollment, even if they are actually “under formula.”



Step 1- Funding Allowances

Funding based on years of experience and educational attainment of actual staff employed:

- Basic Salary – State Minimum Salary for Teachers – WVC 18A-4-2
- State Supplement – Supplemental amount paid under WVC 18A-4-5 (previously state equity supplement)
- State Principals’ Increment – WVC 18A-4-3
- Three-step increases for eligible math and special education teachers
- Bonuses:
 - Classroom teachers with 20+ years
 - National certifications



Professional Instructional Personnel

Of the professional educators funded, PSSP requires that districts employ a certain number of professional instructional (PI) personnel, which are:

- Classroom teachers
- Librarians
- Attendance directors
- School psychologists



Professional Instructional Personnel

- Failure to maintain required PI ratios results in reduction of funding for professional educators.
- The reduction is based on the number of PI personnel employed below the required ratios times average state funded salary for the county.
- Districts with increased enrollment are exempt from the PI ratio requirement.



Professional Instructional Personnel

- The PI ratio requirement is based on the lesser of the number of professional educators actually employed or the number funded.
- Instead of being based on a specific ratio per thousand students in net enrollment, the PI requirement is calculated as a specific percentage of the lesser of the number PE employed or funded.

<u>Group</u>	<u>PI Percentage</u>
-Sparse	91.07%
-Low	91.18%
-Medium	91.24%
-High	91.29%



Step 1 – Special Provisions

Funded for 200-day employment term only. Any extended employment days are paid through local funds.



Step 2 – Allowance for Service Personnel

- Number of service personnel (SP) funded based on the following ratios per 1,000 students:

<u>Group</u>	<u>Limit</u>
• Sparse	45.68
• Low	45.10
• Medium	44.53
• High	43.97



Step 2 – Allowance for Service Personnel

The allowance for service personnel is no longer limited to the number actually employed by each district. Instead, each district is funded for the number of personnel calculated based on their enrollment even if they are actually “under formula.”



Step 2 – Funding Allowances

Funding based on years of experience and pay grades of positions in which actual staff are employed:

- Basic Salary – State Minimum Monthly Pay for Service Personnel - WVC 18A-4-8a
- State Supplement – Supplemental amount paid under WVC 18A-4- 5 (previously state equity supplement)
- Bonuses and additional payments:
 - Educational Bonus
 - Shift differential pay
 - Supervisory of students pay
 - Specialized health care procedures pay



Step 2 – Special Provisions

- Funded for full employment term – Personnel counted on an extended FTE basis – (Employed full year – 261 days = 1.305 FTE)
- To compute FTE – divide the number of days employed by 200 (Example: 220 days employed / 200 = 1.1)



Step 3- Allowance for Fixed Charges

- An allowance to cover the employers' share of contributions for employee benefits:
- Based on percentage of allowances for steps 1-2-5
 - Social security – actual rate (7.65%)
 - Unemployment compensation (0.04%)
 - Workers' compensation – computed each year (state average determined by multiplying each district's actual rate x steps 1-2-5 allowance (0.73%))
 - FY21 Sub-total (8.42%)
 - Retirement (discussed later)



Step 4- Allowance for Student Transportation



- Allowance for current operating costs
- Based on actual expenditures for latest year for which data is available
- Does not include allowance for:
 - Salaries (Included in Step 2)
 - Expenditures for capital improvements other than school buses



Step 4 - Allowances

Allowance for current operations, maintenance, and contracted services is based on the following percentages of actual expenditures:

<u>Group</u>	<u>Pct.</u>
-Sparse	95.0 %
-Low	92.5 %
-Medium	90.0 %
-High	87.5 %



Step 4 - Allowances (Cont.)

- 10% additional allowance for portion of bus fleet that uses alternative fuels
- Alternative fuels defined as propane and compressed natural gas (CNG)
- 10% additional allowance for transporting students to and from multi-county vocational centers (20 districts), based on mileage allocation



Step 4 - Allowances (Cont.)

- 100% of insurance premium costs
- 8.33% of the current replacement value of the bus fleet (12 year replacement cycle)
- Funding for additional buses for districts with increased enrollment
- Aid paid to students in lieu of transportation based on state average rate



Step 4 - Allowances (Cont.)

- Each district's allowance is limited to one third (1/3) above the state average allowance on a per mile basis.
- The allowance for additional buses excluded from the limit.



Step 4 - Allowances (Cont.)

Prior to the passage of HB 206 during 2019, the funding for the replacement of buses and the purchase of additional buses could only be used for that sole purpose, with the flexibility to spend up to \$200,000 on alternative purposes with the approval of the State Superintendent after consideration of the county's two-year bus defect rate. Because HB 206 provides all state aid funding in the form of a block grant and frees the county boards of education from any expenditure restrictions contained in West Virginia Code Chapter 18, Article 9A, bus replacement funding and funding for additional buses can now be spent on any allowable and authorized purpose deemed appropriate by the county board of education.



Step 5 – Allowance for Professional Student Support Personnel

Prior to the passage of HB206, funding for Step 5 was based on the 2012-13 allowance and was limited to school nurses and school counselors.



Step 5 –Allowance for Professional Student Support Personnel

HB 206 expanded the definition of professional student support personnel to also include professional personnel providing social and emotional support to students and to professional personnel addressing chronic absenteeism.



Step 5 –Allowance for Professional Student Support Personnel

Beginning with the 2019-20 funding year, each district will be provided an allowance to pay the annual state minimum salary and the state supplement amount for professional student support personnel at a funding ratio of 5 positions per each 1,000 students in net enrollment. County boards will be funded at the number of positions calculated, even if they are “under formula.”



Step 6 – Allowance for Other Current Expense, Substitutes and Faculty Senates

The Step 6a calculation works as follows:

- Actual operations and maintenance expenditures reported by each county are divided by the total reported square footage of school buildings in each county to determine a state average expenditure per square foot for operations and maintenance.
 - Salary related expenditures are excluded (they are covered under Step 2)
 - Expenditures reported in special revenue funds are excluded (ex: SBA funds)



Step 6 – Allowance for Other Current Expense, Substitutes and Faculty Senates

- The total reported square footage for school buildings in each county is divided by the total net enrollment for each county to calculate a state average square footage per student.
- Each county's net enrollment is multiplied by the state average expenditure per square foot and the state average square footage per student.
- Each county's total is then multiplied by 71.25% to determine the Step 6a allowance (previously 70.25%).



Step 6 – Allowance for Other Current Expense, Substitutes and Faculty Senates

- For those county boards of education that participate in a multi-county vocational center (MCVC), the Step 6a allowance is prorated among the participating counties by adjusting the net enrollment by the number of students enrolled in the MCVC.
- For non-fiscal agent county boards, net enrollment is decreased and the enrollment is added to the fiscal agent county board so that the Step 6a funding for the MCVC is appropriately provided to the fiscal agent county board.



Step 6 – Allowance for Other Current Expense, Substitutes and Faculty Senates

- Steps 6b & 6c - Substitute costs - 2.5% of Steps 1, 2, & 5 – Allocated among districts on number of personnel allowed.
- **Step 6d - Faculty senates - \$400 per professional instructional personnel and student support personnel employed (previously \$200)**



Step 7a – Allowance for the Improvement of Instructional Programs

- Appropriation is based on the amount appropriated in the previous year plus 10% of growth in local share.
- Allocation among districts based on following:
 - \$150,000 base to each district;
 - Balance allocated on each district’s average of net enrollment and average daily attendance (ADA).



Step 7a – Allowance for the Improvement of Instructional Programs

Prior to the passage of HB 206 during 2019, there were various restrictions on Step 7a expenditures. Up to 50% of the total Step 7a funds could be spent on the employment of personnel and up to 25% could be used for alternative purposes. Because HB 206 provides all state aid funding in the form of a block grant and frees the county boards of education from any expenditure restrictions contained in West Virginia Code Chapter 18, Article 9A, Step 7a funding can now be spent on any allowable and authorized purpose deemed appropriate by the county board of education.

Note: Counties will still complete a Step 7a plan even though the funding is now unrestricted.



Step 7b – Allowance for 21st Century Technology Systems

- Appropriation is based on the amount appropriated in the previous year plus 20% of growth in local share.
- Allocation to county boards determined as follows:
 - \$30,000 to each county board;
 - Balance allocated among districts on each district’s average of net enrollment and average daily attendance (ADA).



Step 7b – Allowance for 21st Century Technology Systems

Prior to the passage of HB 206 during 2019, there were various restrictions on Step 7b expenditures. The funds could be used for the employment of Technology Systems Specialists (TSS), and up to 50% could be used for alternative purposes. Because HB 206 provides all state aid funding in the form of a block grant and frees the county boards of education from any expenditure restrictions contained in West Virginia Code Chapter 18, Article 9A, Step 7b funding can now be spent on any allowable and authorized purpose deemed appropriate by the county board of education.



Step 7c – Allowance for Advanced Placement

- Appropriation is based on 1% of state average per pupil state aid multiplied by the number of students enrolled in dual credit, advanced placement, and international baccalaureate courses.
- Allocation to county boards is based on the number of students enrolled in those courses (unduplicated count).



Step 7d – Allowance for Teacher and Leader Induction

- HB 4619 that passed during the 2018 legislative session added a new step to the PSSP for the purpose of supporting county-level implementation of comprehensive systems for teacher and leader induction and professional growth.
- Step 7d was first included in the state aid calculations for the 2019-20 school year.
- Up through the 2018-19 school year, the legislature made separate line-item appropriations for teacher and principal mentors. The statewide Step 7d funding is calculated as the amount appropriated for the purpose in the immediately preceding school year plus 20% percent of the growth in the local share amount under PSSP.
- **Effective with the passage of HB 4804 during the 2020 legislative session, for five years beginning with the 2020-21 school year, \$100,000 of the statewide Step 7d allowance will be retained by the WVDE to assist county boards of education with the design and implementation of a teacher leader framework.**



Step 7d – Allowance for Teacher and Leader Induction

The statewide Step 7d amount (**less the portion retained by WVDE**) will be allocated to the county boards of education in a manner established by the State Board (Policy 5500) which takes into account the following factors:

- The number of full-time equivalent teachers employed by the county with zero years of experience. (60%)
- The total number of full-time equivalent teachers employed by the county with one, two or three years of experience. (25%)
- The number of full-time equivalent principals, assistant principals and vocational administrators employed by the county who are in their first or second year of employment as a principal, assistant principal or vocational administrator. (10%)



Step 7d – Allowance for Teacher and Leader Induction

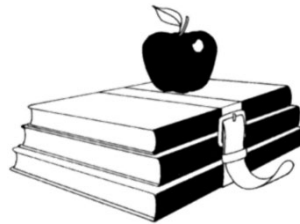
Step 7d allocation factors continued:

- The number of full-time equivalent principals, assistant principals and vocational administrators employed by the county who are in their first year in an assignment at a school with a programmatic level in which they have not previously served as a principal, assistant principal, or vocational administrator. (2%)
- Needs identified in the strategic plans for continuous improvement of schools and school systems, including those identified through the performance evaluations of professional personnel. (3%)



Step 8 - Total Foundation Allowance

The sum of the preceding seven steps



Step 9 - Local Share

- Estimation of each district's regular levy tax collections for the year.
- Excess levy taxes not included.
- Amount presented in the preliminary computations are based on estimated assessed valuations provided by State Tax Department.
- Values are updated on or after March 3rd each year after all 55 county assessors issue their Certificates of Assessed Valuation.



Step 9 - Local Share

- Calculation:
 - 85% (previously 90%) of each county's projected regular levy tax collections for the year less:
 - Allowance for uncollectibles (4%)
 - Allowance for Assessor's Valuation Fund
 - Assessed valuation of property included in Tax Increment Financing (TIF) projects
 - Allowance for Growth Counties School Facilities Act



Adjustments for Taxes Not Collected & Payments in Lieu of Taxes (Step 9a)

- In accordance with WVC §18-9A-12, the allocated state aid share shall be adjusted for the following:
 - Taxes not collected due to assessment errors or court proceedings
 - Payments or contributions in lieu of property taxes
- Although in statute for many years, 2016-17 was the first year the legislature included these amounts in the appropriation.



Basic State Aid

- Total foundation allowance less local share plus/minus any adjustments for taxes not collected and payments in lieu of taxes.
- Amount each school district receives from the State.



Retirement Allowance

- Basic (current) allowance based on the average contribution rate for:
 - Salary allowance under steps 1-2-5
 - State supplement (equity) appropriations
 - County supplements equal to state supplement (equity)
- Additional amount required to liquidate the Unfunded Actuarial Accrued Liability (UAAL) of the Teachers' Retirement System (TRS) by 2034.



PEIA Allowance

- Based on an average premium rate for all county board employees multiplied by the number of professional and service personnel allowed for funding.
- For the 2020-21 year, the average allowance rate for PEIA for health and basic life was estimated to be \$7,373.62 per year per employee.



Additional PSSP Allowances

- Allowance for county transfers
- Increased enrollment
- Extraordinary sustained enrollment growth
- Alternative education programs (Safe Schools)
- Limited English Proficiency



Questions/Discussion

