

School Finance Hot Topics July 13, 2021

Save the Dates

- The annual Certified List of Personnel training will be held virtually on August 5, 2021.
- The fall WVASBO Conference will be held in-person in Cabell County from October 19-22, 2021.
- The new CSBO training will be held September 1, 2021. We are hoping that this will be an in-person training, but that has not yet been finalized.

COVID-19 Leave and IRS Form 941 Changes

The federal COVID-19 leave provisions under the Families First Coronavirus Response Act (FFCRA) expired on December 31, 2020. After such time, some county boards of education opted to offer local COVID-19 leave to employees. Federal legislation passed after the expiration of the FFCRA has offered some tax savings for employers for offering local COVID-19 leave even though the FFCRA leave provisions themselves were never extended for employees.

Consolidated Appropriations Act – Changes Effective January 1, 2021

The Consolidated Appropriations Act (CAA) extended the period during which credits for qualified sick leave (emergency paid sick leave (EPSL) and paid expanded family medical leave (EFML)) under the Families First Coronavirus Response Act (FFCRA) are available. Essentially, the credits are available as if the EPSL and EFML provisions under the FFCRA (subject to all applicable limitations) had been extended through March 31, 2021.

- For the period of 1/1/2021 – 3/31/2021, County boards of education would still qualify for the reduction in social security tax on qualified sick leave wages. See excerpt from the 941 - X instructions below:

“Qualified sick leave and family leave wages paid with respect to leave taken before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2%.”
- While counties were not required to offer this type of leave after December 31, 2020, they would be eligible for this credit if this leave was offered (subject to all applicable limitations on the leave benefits for employees).
- If your county reported local COVID-19 leave that would meet the definition of qualified sick leave and family leave wages on Form 941, line 5a, instead of on line 5a(i) and 5a(ii), you can make a correction on Form 941-X, lines 8, 9, and 10 and enter the properly calculated amount in column 4 for each line. This would allow you to receive the benefit of paying no employer share of the social security tax on those wages.

Below are the links to Form 941 – X and instructions:

[Form 941 - X](#)

[Form 941- X Instructions](#)

American Rescue Plan - Changes effective April 1, 2021

The American Rescue Plan Act of 2021 (ARP) adds new sections to the Internal Revenue Code to provide tax credits for qualified sick and family leave wages similar to the tax credits that were previously enacted under FFCRA. The credits are available for qualified leave wages paid for leave taken after March 31, 2021, and before October 1, 2021.

Please note that the ARP didn't extend the federally guaranteed FFCRA leave – it did not require employers to offer the leave. It simply extended the tax credits and made the full credits available to non-federal governmental entities for the first time.

Below are the major changes made under the ARP:

- The ARP keeps the daily wage thresholds that previously existed. The aggregate cap on qualified sick leave wages remains at 80 hours (10 days), **but the limitation on the number of days resets with respect to leave taken by employees beginning on April 1, 2021.** The aggregate cap on qualified family leave wages increases to \$12,000 from the previous cap of \$10,000, and **the aggregate cap resets with respect to leave taken by employees beginning on April 1, 2021.**
- The ARP also created a new category of leave under the Emergency Paid Sick Leave Act (EPSLA) and the Expanded Family and Medical Leave Act (Expanded FMLA) to include the time the employee is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 (and the employee has been exposed to COVID-19 or the employee's employer has requested such test or diagnosis), or the employee is obtaining immunizations related to COVID-19 or recovering from an injury, disability, illness, or condition related to such immunization. Additionally, employers may provide employees with paid family leave if the employee is unable to work due to any of the conditions for which eligible employers may provide paid sick leave under the EPSLA.
- **The credit for qualified sick and family leave wages isn't allowed in a quarter in which the employer provides the leave in a manner that discriminates in favor of highly compensated employees, full-time employees, or employees on the basis of employment tenure.**
- The credits are increased by the amount of the employer share of social security tax and Medicare tax on the qualified sick and family leave wages.
- How you report qualified sick and family leave wages and the credit for qualified sick and family leave wages has changed.
 - Taxable qualified sick and family leave wages for leave taken after March 31, 2021, are included on line 5a and taxed at 12.4% for social security tax purposes.
 - If you're reporting any qualified sick and family leave wages for leave taken before April 1, 2021, these wages are reported on lines 5a(i) and 5a(ii), respectively, and taxed at 6.2% for social security tax purposes.
 - For leave taken after March 31, 2021, the credit for qualified sick and family leave wages is reported on line 11d (nonrefundable portion) and, if applicable, line 13e (refundable portion); and the nonrefundable portion of the credit is against the employer share of Medicare tax. You will use worksheet 3 on the Instructions for Form 941 (rev. June 2021) to calculate the credits. The links to Form 941 and the Instructions are below:
[Form 941](#) [Form 941 Instructions](#)

Only county boards that offered local COVID-19 leave that meets all of the requirements would be eligible for the tax credits and need to report the local COVID-19 leave on their Form 941.

Federal Definition of When Obligations are Made

As a reminder when spending grant funds, the chart below outlines when an obligation is considered to have been made for various categories of expenditures.

§ 76.707 When obligations are made.

The following table shows when a State or a subgrantee makes obligations for various kinds of property and services.

If the obligation is for—	The obligation is made—
(a) Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property.
(b) Personal services by an employee of the State or subgrantee	When the services are performed.
(c) Personal services by a contractor who is not an employee of the State or subgrantee	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
(d) Performance of work other than personal services	On the date on which the State or subgrantee makes a binding written commitment to obtain the work.
(e) Public utility services	When the State or subgrantee receives the services.
(f) Travel	When the travel is taken.
(g) Rental of real or personal property	When the State or subgrantee uses the property.
(h) A preagreement cost that was properly approved by the State under the cost principals identified in 34 CFR 74.171 and 80.22.	

(Authority: 20 U.S.C. 1221e-3, 3474, and 6511(a))

[45 FR 22517, Apr. 3, 1980. Redesignated at 45 FR 77368, Nov. 21, 1980, as amended at 55 FR 14817, Apr. 18, 1990; 57 FR 30342, July 8, 1992]

Virtual School

As a reminder, please pay any outstanding invoices for the West Virginia Virtual School (WVVS). Invoices were sent separately for the Fall 2020-21 semester for full-time students, the Spring 2020-21 semester for full-time students, and then for part-time virtual school students.

Please see attachment #1 for information regarding West Virginia Virtual School billing rates and changes for the upcoming 2021-22 school year.

School Support Organizations – Donations to Outside Entities

As a reminder, WVBE Policy 1224.1 Section 1-18 states, in part, the following:

“All moneys received by a school are considered quasi-public funds and are to be expended for the benefit of the students at the school.”

“Schools and school clubs may not make contributions to charitable or private non-profit organizations unless a fundraiser is conducted specifically for that purpose.”

Outside school support organizations must also abide by these rules. Funds raised by outside school support organizations must be used to benefit the students of the school and cannot be donated to another qualifying organization unless a fundraiser was specifically held for that purpose. For-profit organizations or groups that haven't officially received a non-profit designation (ex: many club travel teams) are not qualifying organizations, so schools and school support organizations should never make contributions to such organizations.

ARP ESSERF Construction Expenditure Update

After the WVDE's ARP ESSERF webinar on May 17, 2020, the United States Department of Education released additional guidance regarding the allowable uses of ESSERF funds. A link to the guidance is below.

[ESSER.GEER_FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf \(ed.gov\)](https://www.ed.gov/media/ESSER.GEER_FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf)

Pages 24-27 of the FAQ document cover questions related to the use of ESSER funds for construction, building improvements and purchase of modular classroom space. Please note that prior to the release of the guidance, the WVDE exercised a very broad interpretation of the language in the ARP Act with regard to building improvements to address environmental health hazards. The guidance in this section reiterates multiple times that the construction and improvement projects must be related to the purpose of “preventing, preparing for or responding to the COVID-19 pandemic,” and that the SEA and LEA are responsible for maintaining the appropriate documentation to support the expenditure.

Based on this new guidance, the WVDE believes that:

- The following projects being proposed by counties would be approvable:
 - HVAC installation, upgrades, repairs
 - Window and door replacements
 - Renovations to make existing non-classroom space usable as classroom space
 - Building of outdoor classroom space
 - Purchase of modular classroom space
 - Renovations to touchless controls for water faucets, toilets, doors
 - Renovations to make cleaning of space more effective and efficient (e.g. replacing carpeting with floor tile)

- The following projects being proposed by counties would not be approvable:
 - Roof replacements
 - School entrance barriers/man trap installation
 - Asbestos abatement (unless required as part of a project that is allowable)

Specific guidance related to bipolar ionization technology from page 27 of the USDE FAQs is copied and pasted below. Counties are encouraged to exercise due diligence when researching types of bipolar ionization technology if adding such technology to their HVAC systems.

Please note that the Environmental Protection Agency (EPA) has a variety of publications that can assist education leaders in improving the indoor air quality in schools. EPA resources on indoor air quality in schools can be accessed at: <https://www.epa.gov/iaq-schools>. The EPA has information available at: <https://www.epa.gov/coronavirus/air-cleaners-hvac-filters-and-coronavirus-covid-19> on some indoor air filtration devices that use bipolar ionization technology, which has the potential to create ozone. EPA states that ozone generators should not be used in occupied spaces. If choosing to use a device that incorporates bipolar ionization technology, EPA recommends using a device that meets UL 2998 standard certification (Environmental Claim Validation Procedure (ECVP) for Zero Ozone Emissions from Air Cleaners) and notes that there are many air cleaning devices that do not use bipolar ionization. In addition, the CDC provides information on improving ventilation in schools at: <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/ventilation.html> and in buildings at: <https://www.cdc.gov/coronavirus/2019-ncov/community/ventilation.html>.

As a reminder, there is a separate ARP ESSERF Facilities application that must be completed for each construction related project. The application contains multiple questions that address issues that are required to be considered under the various federal requirements. See Attachment #2.

Transportation Insurance Expense

As part of the Step 4 calculations under the PSSP, the WVDE Office of School Operations & Finance – School Finance Services has noted several instances where county boards of education are coding nearly 100% of their insurance premiums to X27XX – Student Transportation instead of appropriately splitting the cost of the insurance with X26XX – Operations & Maintenance and other appropriate program function codes. Overstating this expense for student transportation results in the county receiving state aid funding to which the county is not truly entitled. Please review the methodology utilized to split insurance expenditures for the 2020-21 school year so that corrections are not needed this fall during the FY23 state aid calculations.



2021 – 2022 West Virginia Virtual School INFORMATION FOR DISTRICTS

For the 2020 – 21 school year, the COVID-19 pandemic required county school districts to provide a virtual learning program without sufficient data to plan for the size and depth of the need. To assist counties with providing a virtual option, the West Virginia Department of Education (WVDE) expanded the scope of the West Virginia Virtual School’s (WVVS) grade level and course offerings. Additionally, the Governor’s office provided a one-time grant of 8 million dollars from federal COVID funds to reduce the financial burden to county school districts using WVVS as part of their virtual option during the 2020- 21 school year.

Much has been learned since August 2020 about the components needed for a successful virtual experience for students. Access to internet and technology, family support, academic support, and consistent communication between teacher, student, family, and school are essential for student success. These pieces are best developed and managed by local county board offices who understand and know the needs of their students and communities.

As county board offices begin to plan for the 2021 – 22 school year in terms of personnel and programs, WVDE is providing the following guidance to county board offices regarding virtual instruction and the role of WVVS in the upcoming school year.

2021 – 22 Configuration for Virtual Learning		
Grade Band	WV Virtual School	Local Virtual Using County Educators
K – 5th Grade	Not Provided by WVDE; Content Available for County Use	*Not Recommended but is a County Decision
6th – 8th Grade	Courses such as world languages and courses where there is a shortage of certified teachers	Courses Required by Policy 2510
9th – 12th Grade	Electives, AP Courses, courses where there is a shortage of certified teachers and courses not available at the county level (i.e. marine biology)	Courses Required by Policy 2510

**The criteria for enrolling students in a K – 5 virtual programs should be stringent and ensure students are provided an equitable experience to their in-person peers. Synchronous (live) instruction and regular communication with students using WVVS curriculum in K- 5 is required. Family support must play an integral role in the K – 5 child’s virtual experience.*



2021 – 2022 West Virginia Virtual School INFORMATION FOR DISTRICTS

2021 – 22 Curriculum Options for Virtual Learning	
Grade Band	Local Virtual School Curriculum
K – 5th Grade	Not recommended by WVDE; Curriculum from local, WVVS, and/or third-party vendor of county board offices choice aligned to WV College- and Career-Readiness Standards
6th – 8th Grade	Curriculum from local, WVVS, and/or third-party vendor of county board offices choice aligned to WV College- and Career-Readiness Standards
9th – 12th Grade	Curriculum from local, WVVS, and/or third-party vendor of county board offices choice aligned to WV College- and Career-Readiness Standards

2021 – 22 Costs for West Virginia Virtual School Courses or Use of WVVS Curriculum		
Grade Band	WV Virtual School with Instructor Provided	Local Virtual School using WVVS Curriculum ONLY
K – 5th Grade	Not Provided for this grade band	\$160 per student annually to lease curriculum. County board must provide instructor.
6th – 8th Grade	\$200 per half credit	\$200 per student annually to lease curriculum. County board must provide instructor.
9th – 12th Grade	\$200 per half credit \$250 per half credit for AP and NCAA certified courses	\$200 per student annually to lease curriculum. County board must provide instructor. (Does not include AP Courses and some specialty courses)

Please Note:

- The costs associated with WVVS and Local Virtual School for students enrolled in a county are to be paid out of state aid or county funding.
- Counties must provide the instructor and necessary materials typically provided for in-person learning for all K – 5 students utilizing WVVS curriculum.
- There will no longer be a fee waiver for part-time virtual students or for the first 10 students per county per course.
- Schools who do not have world language teachers or an adequate number of world language teachers should contact the WVDE Office of Teaching & Learning for special pricing.
- Before enrolling a student with an IEP in either the West Virginia Virtual School (WVVS) or a County Virtual Instruction Program, an IEP Team meeting should be convened to determine if a virtual option would meet the needs of the student, fulfill the provisions of a free appropriate public education (FAPE) according to the Individuals with Disabilities Education Act (IDEA), and provide a meaningful benefit for the student.

Application for the Use of ESSER Funds for Construction-Related Activities to Prevent, Prepare For, or Respond to COVID-19



1. County name:
2. Funding source proposed for this application (ESSER, ESSER II, or ARP ESSER):
3. Location (school or facility name) of proposed project:
4. Estimated project cost: \$
5. Project description:

6. How will this proposed project help your county prevent, prepare for, or respond to COVID-19?

7. Has the county completed an environmental impact assessment of the proposed project and fully considered any potential environmental ramifications before proceeding with the project (34 CFR §75.601)? If yes, describe the environmental impact this project will have. If no, will an environmental impact assessment be completed before the project is started or is the proposed project of the nature that an environmental assessment is not needed?

8. Is the proposed project related to a district, site, building, or structure that is included or eligible for inclusion in the National Register of Historic Places (34 CFR §75.602)? If yes, what is the probable effect of the proposed construction on the building?

9. Does the county have title or other interest in the site, including right of access, that is sufficient to ensure that the county will have use and possession of the facility for 50 years or the useful life of the facility, whichever is longer (34 CFR §75.603)?

Yes No

10. What is the anticipated time period to begin the proposed project? Will the final project plans be approved before the construction is advertised or placed on the marked for bidding? (34 CFR §75.607)

11. Provide the anticipated project completion timeline that demonstrates the project can be completed within a reasonable time period, consistent with the approved plans and specifications (34 CFR §75.606).

12. Is the construction functional, economical, and not elaborate in design or extravagant in the use of materials as compared to other facilities in the State or other applicable geographical areas (34 CFR §75.607)?

Yes No

13. Do the county's plans and designs for the facilities comply with applicable Federal, State and local health and safety standards, as well as Federal requirements regarding access by persons with disabilities (34 CFR §75.609 and §75.610)?

Yes No

14. Does the county have sufficient operational funds to operate and maintain the facility once the construction is complete and will the county operate and maintain the facility in accordance with all applicable Federal, State, and local requirements (34 CFR §75.614 and §75.615)?

Yes No

15. What is the county's plan to maintain competent architectural/engineering supervision and inspection at the construction site to insure that the work conforms to the approved drawings and specifications (34 CFR §75.612)?

By signing this application, we understand that this project is subject to all applicable federal requirements, including but not limited to, Uniform Grant Guidance (2 CFR Part 200), Davis-Bacon Prevailing Wage requirements, and US Department of Education construction regulations (34 CFR §76.600 and §75.600-75.618).

County Treasurer

Date

County Superintendent

Date

WVDE Internal Use Only

Project recommended for Approval Yes No

Federal Programs Officer

Date

State Superintendent of Schools

Date

