

School Finance Hot Topics – May 18, 2022

Save the Date

School Finance Services' annual summer conference will be held in-person at the Robert H. Mollohan Research Center in Fairmont. The dates will be Tuesday, July 12, 2022 through Thursday, July 14, 2022. We are close to finalizing the planning stages and will send out a draft agenda and registration as soon as possible so you can plan ahead.

Certified List of Personnel training is tentatively scheduled to be held virtually again this year on Tuesday, August 2, 2022.

Upcoming Deadlines

As a reminder, county board of education budgets are due no later than Tuesday, May 31, 2022. Because the May 30, 2022 deadline falls on a Sunday and Monday, May 31, 2021 is Memorial Day, the deadline is extended to Tuesday.

County salary schedules and the signed certificates are due Friday, June 3, 2022.

Attendance Incentive Bonus – FY22 data collection forms are due on Friday, June 17, 2022.

WVDE School Finance Services Team

Sam Pauley – School Operations Officer

Uriah Cummings – Director of School Finance Services

Lori Elliott - Coordinator of School Finance (Barbour - McDowell)

Josh Harner – Coordinator of School Finance (Mercer – Wyoming)

We are in the process of hiring a new coordinator that will take over Mercer through Wyoming Counties. Josh will take on a special projects type role once the vacancy is filled. Please note that most communication should begin with your assigned coordinator. If necessary, the coordinator will then involve other members of the school finance team to help resolve a particular issue or question.

WVBE Finance Policies Update

School Finance is currently in the process of revising two state board policies: WVBE Policy 8100, *Public School Finance (Handbook for School Finance in West Virginia)* and WVBE Policy 1224.1, *Accounting Procedures Manual for Public Schools in West Virginia*.

WVBE Policy 8100 is currently scheduled to go before the state board during the September board meeting. The policy has been under revision for over 10 years and is in the final review stages. We hope to be able to provide everyone with a copy of the policy at Fall ASBO.

WVBE Policy 1224.1 is currently scheduled to go before the state board at some point during the 2023 fiscal year. The policy is in the very beginning stages of revision.

WVBE Policy 8200, *Purchasing Policies and Procedures Manual Policy* is scheduled to be revised at some point during the 2024 fiscal year.

Legislative Update

SB 531 - Increasing annual salaries of certain state employees (Effective – July 1, 2022)

The bill modifies the state minimum salary schedule for teachers to reflect the proposed raise which was outlined in the budget.

The bill increased the basic salary amounts in the State Minimum Salary Schedule for teachers and other professional personnel contained in WVC 18A-4-2 by \$2,240, effective for the 2022-23 school year and continuing thereafter. The \$2,240 increase equated to an average five percent across the board increase based on the average state-funded basic salary for state aid eligible professional educators.

The bill also increased the basic salary amounts in the State Minimum Salary Schedule for service personnel contained in WVC 18A-4-8a by \$122 per month, effective for the 2022-23 school year and continuing thereafter. The \$122 per month increase equates to a \$1,220 per year increase based on a standard 200-day employment contract. The \$1,220 increase equated to an average five percent across the board increase based on the average state-funded basic salary for state aid eligible service personnel.

HB 4110 - Relating to staffing levels at multi-county vocational centers (Effective – June 9, 2022)

The bill prevents county boards of education who serve as fiscal agents for a multi-county vocational center (MCVC) from being penalized for not meeting the minimum professional instructional ratio set forth in WVC §18-9A-4 if the penalty is caused by staffing levels of the MCVC.

The provisions under the bill were included in the second preliminary computations that were issued on March 29, 2022. For the FY23 state aid computations, only one county board of education (Calhoun) saw the benefit of the legislation.

HB 4353 - Relating to On Cycle Elections — Voter Turnout Act (Effective – June 10, 2022)

The bill repeals WVC §18-9-1, §18-9-2, and §18-9-2a. In doing so, the ability of levying bodies to hold special elections to provide a county board additional levies beyond the regular current levy was abolished. These elections for additional levies must now coincide with a regularly scheduled primary or general election. The bill allows county boards of education to enter an order authorizing a special election, for levies expiring after July 1, 2022 for the purpose of presenting to the voters the question of synchronizing the renewal of the levy with a future regularly scheduled primary or general election.

HB 4466 - Relating to School Building Authority's review of school bond applications (Effective – June 9, 2022)

The bill requires a county board of education to have prior consultation with the executive director of the West Virginia School Building Authority (SBA) and initial approval from the SBA board when it plans to include SBA funding as part of a capital improvement bond levy proposed to the voters of a county. This planning process does not obligate the SBA board to fund the project but establishes a system for early communication among the staff and boards of the county and the SBA. Grants of financial assistance are contingent upon passage of the bond levy and final approval by the SBA board.

The bill also provides a county board with four years to finalize the project funding, with the SBA having the authority to grant an extension in extenuating circumstances.

HB 4489 - Require counties to post open positions on statewide job bank (Effective – June 6, 2022)

The bill requires the West Virginia Board of Education to establish and maintain a statewide job bank for both service and professional employees. Each county board of education shall be responsible for providing the required information for the job bank.

Questions related to the statewide job bank can be directed to Taran Wolford, WVDE Human Resources Officer.

HB 4571 – Modifying foundation allowance to account for transportation by electric powered buses (Effective – July 1, 2022)

The bill modifies WVC §18-9A-7 adding electric-powered buses to the definition of alternative fueled buses. This will allow county boards of education to receive ten percent additional funding within the Public-School Support Plan (PSSP) for the portion of its bus fleet powered by electricity.

This bill also provides for an additional five percent increase in PSSP funding for the portion of a county board of education's bus fleet that is manufactured within the State of West Virginia under WVC §18-9A-7.

HB 4642 – Relating to pecuniary interests of county and district officers, teachers and school officials in contracts (Effective – June 10, 2022)

The bill clarifies that it is not a violation of W. Va. Code §61-10-15 for any member of a county commission, district school officer, secretary of a Board of Education, supervisor or superintendent, principal, or teacher of public schools or any member of any other county or district board or any county or district officer to have a pecuniary interest in a contract where he or she may have any voice, influence, or control in the award or letting of the contract if:

- (1) It is not a contract for services;
- (2) The contract has been put out for competitive bid, and the contract is awarded based on lowest cost;
- (3) If the party to the contract is in a voting or other decision-making position as to the contract, he or she recuses himself or herself from voting or decision-making; and

(4) The party to the contract has previously obtained a written advisory opinion from the West Virginia Ethics Commission permitting the employee to have a pecuniary interest in the contract.

HB 4829 - Modifying definitions of certain school cafeteria personnel (Effective – June 9, 2022)

The bill amends the definition of a cafeteria manager and cook III. Revised responsibilities of the cafeteria manager include monitoring freezers and temperatures on equipment, communicating with the food service supervisor or food service director and requires that an appropriate time will be set aside, each day, for ordering/emailing and paperwork as needed. The bill provides that a cook III will assist the cafeteria manager, interpret menus, and will act as the cafeteria manager if the cafeteria manager is absent.

WVEIS Coding for Leased Buses

It is becoming more common for county boards of education to enter into lease-purchase agreements for school buses instead of purchasing them directly. It is very important that county boards of education properly code the expenditures in WVEIS to ensure that state aid funding for student transportation is accurately calculated and that the county isn't inadvertently "double dipping" by coding the transactions in a manner that will give them both bus replacement funding and operational funding. The correct WVEIS coding is listed below:

To record the initial capital lease

11.00000.X2711.741 Bus Replacement
11.00000.05501.009 Capital Lease Proceeds

To record the annual payments on the capital lease

11.00000.15141.836 Redemption of Principal - Buses
11.00000.15141.837 Interest Expense - Buses
11.00000.00101.001 Cash

The leased buses are included in the county's bus fleet data reported by the county transportation director, so the county receives bus replacement funding for the leased buses like they would a bus purchased outright. This guidance is slightly different than the guidance that was provided last year due to the need to separate out payments for leased buses from that of any other leased asset a county board may acquire. **Object codes 836 & 837 have been added to the chart of accounts for this purpose.**

Medicaid Update

PCG is contracting with a new vendor, Zendesk, for help desk support. Be mindful that this is not spam mail and monitor your junk mail for possible situations of misfiling. Zendesk was to begin their services with PCG on May 1st.

Quarterly Cost Reports

The quarterly cost report for the January-March 2022 quarter is due this Friday, May 20, 2022.

PCG is currently in the process of finalizing the desk reviews of the October – December 2021 quarter. Once that process is complete, it will be time for the CPE forms and invoices to DHHR for that quarter. The expected timeline for that is the end of May.

Reminder on Fee-for-Service Billing

Fee-for-service billing is a required component of the school-based Medicaid program. County boards of education are reminded to complete all of the necessary Medicaid billing paperwork and submit the fee-for-service claims. The fee-for-service claims can be submitted within one year of the date of service, but earlier submission of the billing is strongly encouraged so that it can be captured on the initial interim cost settlement for the fiscal year.

Sworn Statement of Expenditures

As a reminder, sworn statements are required to be submitted to your assigned coordinator by June 30, 2022. There are many grant awards requiring a sworn statement that are outstanding statewide.

Audit Bid

As a reminder, the deadline to elect for your annual audit to be performed by an outside public accounting firm was May 1st. Once approved by the Chief Inspector Division of the WV State Auditor's Office (WVSAO), proper audit service procurement should take place following the *Procedures Manual For Procuring and Conducting Audits and Reviews of Local Governments* published on the WVSAO's website at the following link:

[file:///C:/Users/ulcumming/Downloads/Audit%20Procurement%20Manual%20\(revised%200320\)%20\(1\).pdf](file:///C:/Users/ulcumming/Downloads/Audit%20Procurement%20Manual%20(revised%200320)%20(1).pdf).

Federal Prevailing Wage

As a reminder, federal prevailing wage is required to be paid on all federally funded construction projects. Several county boards have asked about whether or not federal prevailing wage is required to be paid on split funded projects. The U.S. Department of Labor (USDOL) has issued guidance that federal prevailing wage is to be paid on a construction project that includes any amount of federal funding to fund the project.

General Davis-Bacon wage determinations are published online at www.sam.gov and are available for contracting agencies to incorporate into covered contracts and for contractors to post at the job site of covered projects. This website provides a single location for federal contracting officers to use in obtaining appropriate Service Contract Act (SCA) and Davis-Bacon Act (DBA) wage determinations (WDs) for each

official contract action. A general wage determination reflects wage rates determined by the USDOL to be prevailing in a specific geographic area for a certain type of construction and does not expire. Guidance in selecting WDs from this website is provided in the SAM.gov Learning Center. Additional information pertaining to wage determination can be found at the following link:

<https://www.dol.gov/sites/dolgov/files/WHD/davis-bacon/Conformance.pdf>.

ESSER Funding

As a reminder, the obligation period and ending liquidation date of the various ESSER funding appropriations are as followed:

ESSER I – Obligation: 03/13/2020 through 09/30/2022; Liquidation: 11/15/2022

ESSER II – Obligation: 03/13/2020 through 09/30/2023; Liquidation: 11/15/2023

ARP ESSER – Obligation: 03/13/2020 through 09/30/2024; Liquidation: 11/15/2024

Please be mindful of these due dates and assure the county board’s budget is monitored accordingly; specifically, in situations where employee salary and benefits have been shifted to ESSER funding.

Public Charter Schools

WVC §18-5G et seq. and WVBE Policy 3300, *Charter Public Schools* govern the setup, operation, and funding of public charter schools in West Virginia. Specifically, the funding aspect of WV public charter schools is established in WVC §18-5G-5 and Section 12 of Policy 3300.

WV Code §18-5G-5(a) requires 90 percent of the per pupil total basic foundation allowance (Step 8) to follow students to public charter schools. Furthermore, WVBE Policy 3300, Section 12.2.d., requires, “in the initial year of existence for a charter school, the charter school will receive 90 percent of the per pupil total basic foundation allowance for each pupil based on a projected enrollment count for the initial year as determined by the primary round of charter school enrollment.” For public charter schools seeking to begin operations in the 2022-23 school year the deadline was May 15, 2022 (Monday May 16th due to the deadline falling on the weekend). The deadline will be April 15th for public charter schools seeking to begin operation in subsequent school years.

Policy 3300 allows for a true-up adjustment for public charter school funding during their initial year of operations. Therefore, the funding that is initially provided to public charter schools will be adjusted once the October 2022 enrollment certifications are completed. Once the true-up occurs, allocations to county boards of education will also be adjusted for the remainder of the year. During the true-up process, further data will be available that will determine if a public charter school student was enrolled in WV public school during the 2022 fiscal year by comparing October 1, 2022 certified enrollment to October 1, 2021 certified enrollment. Public charter schools are entitled to only 90 percent of local share (Step 9) for students who were not enrolled in public education in the year prior to the initial year of operations.

Net state aid will be reduced for all counties impacted by public charter enrollment and that funding will be sent directly to the public charter schools. However, in situations where a county board of education's net state aid allocation is insufficient to fund public charter school operations, the county board of education will be required to remit payments directly to the public charter school. Section 12.2.c. of Policy 3300 provides detail on the timing of such direct payments to public charter schools.

WVDE has created two new accounts to track this funding – Revenue Source Code 03913 (Public Charter School State Aid Allocations) and Object Code 596 (Payments to Charter Schools) for recording those allocations. Note that you will need to reduce the amount you budget in Revenue Source 03111 for any amount you budget in Revenue Source 03913 and Object 596. County boards whose payments will not be “on-behalf” in nature they will only book the amount as an expenditure in Object 596 and will not utilize the newly created revenue source code.

Under the provisions of WVC §18-5G-5 and Policy 3300, further adjustments will be made in the initial year of operations to the preliminary PEIA and retirement allocations to include allocations to public charter schools. Public charter school allocations will be portioned out of the county board's allocation and remitted to PEIA and CPRB on the public charter school's behalf. In both cases, the amount to be reduced from the county board allocation will be calculated using the number of personnel attributable to the public charter school. For PEIA, the count is multiplied by the average employer PEIA premium for each county board of education. For retirement, the count is multiplied by the average state minimum salary of the county and the county's average retirement contribution rate for retirement. For both the PEIA and retirement calculations, 90% of each of these amounts will be allocated to the public charter school and will reduce the county allocation accordingly. For PEIA specifically, public charter schools will also be incorporated into the annual reallocation process.

There is an increased enrollment factor that must be considered as well when that calculation takes place in December. Public charter school students are to be removed from the county board enrollment count for the calculation. Public charter schools are entitled to increased enrollment funding in the same manner in which county boards receive the funding.

Public charter schools have been given a deadline of Friday, May 20, 2022 to report projected enrollment estimates to our office. School Finance will work diligently to get county boards updated state aid information once we receive the data.

For fiscal years following the initial year of operation, public charter school students will be dually enrolled in both a county board and a public charter school. Accordingly, 90 percent of the per pupil total basic foundation allowance (Step 8) will follow the students to public charter schools. Allocation schedules for PEIA and retirement amounts will be prepared utilizing the same methodology previously described.