

School Finance Hot Topics – July 13, 2022

Save the Date

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

The fall WVASBO Conference will be held in-person in Preston County at Camp Dawson Event Center from October 18-21, 2022.

Updated CSBO List

See **Attachment #1** for the latest CSBO list for the 2022-23 year. If you see any changes that need to be made (ex: updated extensions, missing credentials, etc.), please notify Uriah Cummings at uriah.cummings@k12.wv.us by no later than Friday, July 15, 2022.

Medicaid

For the April-June 2022 quarter, county boards did not hit the minimum statewide random moment time study (RMTS) response count of 2,401 as set forth the statewide agreement. In turn, WVDE, PCG, and DHHR were tasked with coming up with a solution to meeting statistical validity in the study. The solution was to add 59 non-reimbursable moments in order to meet the minimum response count. This solution has an overall negative impact on the total reimbursement county boards will receive statewide for the quarter. However, this approach was the least impactful of the proposed solutions. PCG and DHHR may look for a more monetarily impactful solution if this issue continues. The state plan's implementation guide contains a "corrective action" requirement for when the state's total response rate is below 75%. However, as a means of stemming the continued decline in response rates, WVDE will be requiring all county boards with response rates below 80% to submit a formal corrective action plan. Additionally, the sample size for the October-December 2022 quarter will be increased for the personal care pool in an effort to meet the minimum response count.

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 appropriately monitored; specifically, in situations where employee salary and benefits have been shifted to ESSER funding.

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]

HJR 102 – 2022 Regular Session

If Amendment 4 is passed by the voters, the following sentence will be added to Article XII, Section 2 of the West Virginia Constitution:

ARTICLE XII. EDUCATION.

§2. Supervision of free schools.

“Under its supervisory duties, the West Virginia Board of Education may promulgate rules or policies which shall be submitted to the Legislature for its review and approval, amendment, or rejection, in whole or in part, in the manner prescribed by general law.”

HJR3 Property Tax Modernization Amendment – 2021 Regular Session

If Amendment 2 is passed by the voters, Article X, Section 1 of the West Virginia Constitution will be amended providing the Legislature with authority to exempt tangible machinery and equipment personal property directly used in business activity and tangible inventory personal property directly used in business activity and personal property tax on motor vehicles from ad valorem property taxation by general law.

Electric Buses

As a reminder, the EPA’s “Clean School Bus Program” funding applications are due August 19, 2022. At least one LEA within every state is guaranteed an award under this program. After that, awards will be made on a lottery basis.

The maximum funds to be granted per replacement bus is \$375,000, for up to 25 buses. Additionally, because West Virginia is a priority zone for these funds, an additional \$20,000 per bus for infrastructure will also be awarded. Upon selection, LEAs will have two years to implement their replacement plan. Additional details concerning this funding opportunity can be found at:

- How to apply presentation: <https://www.epa.gov/system/files/documents/2022-06/clean-school-bus-rebates-how-to-apply-2022-06-29.pdf>
- EPA’s Clean School Bus Website: <https://www.epa.gov/cleanschoolbus/events-related-clean-school-bus-program>

Long-Term Substitute Coding Standardization

Due to the Legislature’s increased interest in county board substitute expenditure data, School Finance Services is standardizing the expenditure coding for substitute compensation. Specifically, two new codes have been added to the chart of accounts (16X and 19X) to be used for the coding of compensation for substitutes who are filling vacant positions on a long-term basis. Additionally, a note has been added

under object code 11X that compensation of permanent substitutes which are those employees who are hired by the board on a full-time basis (contracted position) to perform the duties of a day-to-day substitute teacher. An amendment was made to object codes 13X and 14X that restricts those codes to be used only for the compensation of true day-to-day substitutes. Essentially, 13X and 14X should only be used for substitute costs where a regular employee is on paid leave from a position and a substitute is filling in during their absence. Please reach out to School Finance Services with any questions you may have with this new coding structure.

Renewal of CSBO and Professional Accountant Licensure

Beginning with the 2019 fiscal year, CSBO and Professional Accountant licensure renewal requirements were changed to allow the renewal process to take place every three years. However, there has been some confusion as to how the continuing education hours shall be allocated toward the renewal years. Similar to the WV Board of Accountancy CPE rules, WVDE is now requiring a minimum number of continuing education hours to be completed each year toward the three-year average. For CSBO renewals, a minimum of three hours must be obtained each of the three years prior to renewal. For professional accountant renewals, a minimum of one hour must be obtained each of the three years prior to renewal. As a reminder, the average continuing education requirements, across a three-year renewal period, are as follows:

- CSBO: Average of 15 hours across three years (minimum 3 hours annually)
- Professional Accountant: Average of 6 hours across three years (minimum 1 hour annually)

Efficiency Standards

As a reminder, WVBE Policy 2322: *West Virginia System of Support and Accountability* stipulates that financial efficiency standards be developed and monitored by School Finance Services on an annual basis. In FY 22 the following factors were considered with their respective point allotment:

1. Timely submission of annual proposed budget by the May 30th deadline. (10 points)
2. Annual proposed budget submission requires fewer than 5 changes to be recommended to the State Superintendent for approval. (10 points)
3. Timely submission of the unaudited financial statements by the September 28th statutory deadline. (15 points)
4. Financial statement audit completed by the March 31st deadline (excluding any extenuating circumstances caused by the audit firm). (10 points)
5. Financial Statement audit report contains no findings categorized as material weaknesses of internal control. (10 points)
6. Financial statement audit report contains no repeat findings from the prior year. (15 points)
7. Financial statement audit report contains an unmodified opinion. (15 points)

8. Treasurer/CSBO attends WVDE-sponsored or approved trainings to remain current on the latest rules and regulations (minimum of 15 hours). (10 points)
9. Unrestricted fund balance is within or exceeds the recommended range of 3-5%. (5 points)

Any county board of education not receiving 70% of the possible points will be identified as **Needs Assistance**. The nature of the technical assistance needed by the county will depend on the specific areas of deficiency identified during the review process.

Supplemental Pay Issues

We have been made aware many county boards are making separate payments to employees for the levy supplements. These wages have not been reported on the CL or the PEIA wages or Compensated Leave and they have been paid on separate checks without the required flat tax. County boards should set up these payments with a z-addenda code to ensure the wages are reported accurately.

**COUNTY BOARDS OF EDUCATION, ESCs AND MCVCS
TREASURERS/CHIEF SCHOOL BUSINESS OFFICIALS
FOR THE 2022-23 YEAR**

<u>County</u>	<u>Treasurer/CSBO, & Other Finance Officers</u>	<u>Email Address</u>	<u>Telephone Number</u>
Barbour	Annette Hughart, CPA	ahughart@k12.wv.us	304-457-3030 (Ext. 1034)
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Summers			

**COUNTY BOARDS OF EDUCATION
TREASURERS/CHIEF SCHOOL BUSINESS OFFICIALS
FOR THE 2022-23 YEAR**

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EDUCATIONAL SERVICES COOPERATIVES

<u>Agency</u>	<u>Chief Financial Off.</u>	<u>Email Address</u>	<u>Telephone Number</u>
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Mountain State Educational Services Cooperative (MSESC)	Tinessa Williamson	tdwilliamson@k12.wv.us	304-766-0011

**MULTI-COUNTY VOCATIONAL CENTERS
CHIEF FINANCIAL OFFICERS**

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CSBO 23
7/7/22