



WEST VIRGINIA

Description of the Formula

The Public School Support Program (PSSP), commonly referred to as the state aid funding formula, 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 the following four categories based on student population density and provides funding for a specified number of professional educators 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:

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

For the districts with student net enrollments of less than 1,400, their net enrollments are increased for funding purposes by an amount determined by taking the difference between the

district's actual enrollment and 1,400, and further adjusting the difference by the relationship the district's student population density is to the district with the lowest student population density. For the 2014-15 year, the enrollments of nine school districts were adjusted in such a manner.

For the 2014-15 year, the funding ratios for professional educators (PE) and service personnel (SP) were as follows for each 1,000 students in net enrollment:

Category	PE	PI	SP
Sparse	72.75	66.26	45.88
Low	72.60	66.20	45.30
Medium	72.45	66.10	44.73
High	72.30	66.00	44.17

The local districts are required to maintain the minimum limits of professional instructional personnel (PI) indicated in the preceding chart, or be penalized. The category of PI personnel is comprised of classroom teachers, librarians, attendance directors and school psychologists. The penalty is computed by multiplying the number of such personnel employed short of the required limits by the average state funded salary.

The formula identifies school counselors and school nurses as professional student support personnel but there are no funding ratios established for this group of personnel; the state aid allowance is fixed at the total state aid allowance provided for the 2012-13 year.

The allowances for salaries for all personnel are based on the state basic salary schedules and supplemental equity funding included in statutes. Equity funding was started in 1984 to ensure salary equity among the various school districts throughout the state and is determined by computing the difference between each district's salary supplement schedules that were in place in 1984 and the state required equity schedules.

Funding for student transportation operating costs is also based on the preceding four student population density categories, with the districts with the lower student population densities receiving a higher allowance. Funding is based on the following percentage of actual expenditures for the latest year for which the data is available, which for the 2014-15 year, was actual expenditures incurred during the 2012-13 fiscal year.

Sparse	-	95%
Low	-	92.50%

Medium	-	90%, and;
High	-	87.50%

The allowance rate is increased by 10% for that portion of the districts’ bus fleets that use alternative fuels or transport students to and from multi-county vocational centers, and additional allowances are provided for the replacement of buses over a 12 year replacement cycle, for the purchase of additional buses for the districts with increasing enrollments, and for the payments paid in lieu of being provided transportation.

Each district’s allowance is limited to not more than 1/3 above the state average allowance on a per mile basis, exclusive of the allowance for additional buses. Beginning with the 2014-15 year, the definition of alternative fuel is restricted to compressed natural gas. For the districts that used bio-diesel as alternative fuel in prior years, the additional allowance is being reduced by 2.5% per year over a four-year period, until it is eliminated.

Step 6 provides an allowance for operating and maintenance costs and for substitute costs. An allowance of \$200 per professional instructional personnel is also provided for the faculty senates at each school. Step 7 provides allowances for: the improvement of instructional programs; the improvement of technology; and advanced placement programs. Ten percent (10%) of the growth in local share each year is dedicated to increasing the allowance for the improvement of instructional programs and twenty percent (20%) is dedicated to increasing the allowance for the improvement of technology.

Each school district’s total program allowance is reduced by its local share to arrive at the state aid that the district is entitled to receive. Local share is each district’s projected regular levy property tax collections for the year. 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.

As a result of this equalization process, West Virginia is consistently ranked near the top regarding the equability of its state aid funding formula.

District-Based Components

Density/Sparsity of Small Schools

As discussed in the preceding section, districts are divided into four categories based on student population density per square mile. These groupings are utilized in calculating the allowances for salaries and transportation in order to provide more funding for the rural districts.

Grade Level Differences

Does not apply.

Declining Enrollment or Growth

Increased enrollment is addressed through statute; additional funds are provided for districts experiencing enrollment increases. The foundation formula is based on enrollment; therefore, declining enrollment generates decreased basic state aid.

Capital Outlay and/or Debt Service

The funding formula does not provide funds for either capital outlay or debt service.

Transportation

As discussed in the preceding section, districts are divided into four groups based on student population density, and additional funding is provided to the districts with the lower student population density ratios.

Charter Schools

Not authorized.

Student-Based Components

Special Education

No additional funding is provided to school districts through the based on student enrollment in special education programs. However, an additional appropriation is provided each year to be distributed to the school districts to support children with high acuity needs that exceed the capacity of the school district to provide with available funds. Each district is required to apply to the State Superintendent for receipt of this funding.

Low Income / At-Risk

No specific funds are provided for Low Income / At-Risk.

English Language Learner/Bilingual Education

The PSSP includes a provision that provides supplemental funding for programs for Limited English Proficient students where the cost of the program in a particular district exceeds the district's capacity to provide the program with the funds that the district has available. The statute does not require any specific amount of funding to be appropriated, but required that funds so appropriated be distributed to the various districts in a manner that takes into account

the varying proficiency levels of the students and the capacity of the district to deliver the needed programs. Districts are required to apply for the funds that are available in accordance with the provisions contained in State Board policy.

Gifted and Talented Education

An additional allowance is provided to school districts for students enrolled in advanced placement courses. The allowance is 1.0% of the state average per pupil state aid times the number of students enrolled in advanced placement, dual credit and international baccalaureate programs by each district.

Preschool Education

All school districts are required to offer a universally free, pre-school program for all children who turn four years of age by September 1 and whose parents enroll them in the program. Enrollment is not mandatory, but once enrolled, students are required to attend. The instructional programs can be delivered by the school district or in collaboration with community based organizations. Beginning with the 2016-17 school year, all programs must be full-time, providing at least 25 hours of instruction per week. All students enrolled in pre-kindergarten programs are included in the district's enrollment count, and are included in the funding calculations.

Revenue and Expenditure Information

During the 2012-13 year, the latest year for which the information is currently available, the 55 school districts received \$3.4 billion in revenue, comprised of 30.7% from local funds, 58.8% from state funding, and 10.5% from federal program funds. Expenditures totaled \$3.6 billion, including \$3.2 billion for current operations, \$261 million for capital outlay, and \$147 million for debt service.

State Mandates Restricting Revenue or Expenditure Increases

There are no restrictions on the level of expenditure increases or revenues set by the funding formula.

Property Assessment Ratios Used/Legal Standards for Property Assessment

All property in the State is classified into the following four classes, however, all Class I property is exempted from taxation: Class I – All tangible personal property employed in agriculture, all products of agriculture, all notes bonds and accounts receivable, stocks and any other evidence of indebtedness; Class II – all property owned, used and occupied by the owner exclusively for residential purposes, and all farms; Class III – All real and personal property situation outside of municipalities, exclusive of classes I and II property; and Class IV – All real and personal property situation within the corporate limits of municipalities, exclusive of classes I and II property.

The County Assessor certifies the taxable assessed valuations of all property in the district as of March 3rd each year. The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year.

To ensure uniformity throughout the State, the Legislature sets the regular levy rates for the school districts. The levy rates for the 2014-15 year were: For Class I property - 19.40¢ per \$100 of assessed valuation; for Class II property – 38.80¢ per \$100 of assessed valuation; and for classes III and IV property – 77.60¢ per \$100 of assessed valuation. Projected regular levy gross tax collections for the 2014-15 year totaled \$521 million.

County boards can assess an additional levy for operating costs if approved by a majority of the voters casting ballots during the election, for the duration of one to five years. The maximum levy rates can be 100% of the maximum statutorily allowed for the regular levy. Forty-three (43) of the fifty-five county boards have such levies in effect for the 2014-15 year, with the projected gross tax collections being \$481 million.

Measure of Local Ability to Support Schools

As discussed in a preceding section, each school district's total program allowance is reduced by its local share to arrive at the state aid that the district is entitled to receive. Local share is based on each district's projected regular levy property tax collections for the year. The projected tax collections from 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. Local share totaled \$432 million for the 2014-15 year.

School District Budget and Tax Rate Procedures/Sources of Local Revenue

All 55 school districts are fiscally independent. They are all required to submit their proposed budgets for the upcoming year to the State Superintendent of Schools for approval on or before the date established by the budget calendar, which is generally May 30th. County boards are required to hold a meeting or meetings between March 7th and March 28th, with certain exceptions, to ascertain the fiscal condition of the board and determine the amount to be raised by the levy of taxes. The meeting is then to stand adjourned until the third Tuesday in April, at which time the board is to reconvene the meeting to finally enter the levy order, after having received approval from the State Auditor's Office. Although the Legislature sets the levy rates of the regular levy for school boards, the boards are responsible for setting the levy rates for all other levies, including the levies for permanent improvements, excess and bond purposes.

Other than a few miscellaneous revenue sources, such as interest earned on investments, the proceeds from property taxes is the only major source of local revenue for the school districts in the State.

State Support for Nonpublic Schools

Does not apply.