



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



## 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, Substitute Employees, Faculty Senates



## Overview

- Step 7:
  - 7a - Improvement of Instructional Programs
  - 7b - Improvement of 21<sup>st</sup> 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 1<sup>st</sup> Collection
- Certified List of Personnel Data – October 1<sup>st</sup> 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
  - 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 proportionally based on their respective differences between actual net enrollment and 1,400 and such difference for the district with the lowest student population density (Pocahontas)
  - Ten of the 55 school districts have less than a 1,400 net enrollment (Calhoun, Doddridge, Gilmer, Pendleton, Pleasants, Pocahontas, Tucker, Tyler, Webster and Wirt)



## 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 I-Allowance for Professional Educators

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

Group      Limit

- |          |       |
|----------|-------|
| • Sparse | 72.75 |
| • Low    | 72.60 |
| • Medium | 72.45 |
| • High   | 72.30 |



## Step I-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 I- 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 Equity – Supplemental amount paid to equalize teachers salaries among all 55 county school districts – WVC 18A-4-5
- State Principals' Increment – WVC 18A-4-3
- Bonuses:
  - Classroom teachers with 20+ years
  - National certifications



## Professional Instructional Personnel

Of the professional educators funded, PSSP requires that districts employ 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

- After the passage of HB 2561 during 2017, 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.

Group	PI Percentage
- Sparse	91.07%
- Low	91.18%
- Medium	91.24%
- High	91.29%

- The new required PI thresholds were determined by converting the previous PI and PE requirements per thousand students into percentages.



## 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 is employed:

- Basic Salary – State Minimum Monthly Pay for Service Personnel - WVC 18A-4-8a
- State Equity – Supplemental amount paid to equalize service personnel salaries among all 55 county school districts – WVC 18A-4- 5
- 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 (0.85%)
  - Sub-total (8.54%)
  - 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.)

- Under HB2561 that passed during the 2017 legislative session, additional flexibility has been granted for the use of bus replacement funds. Those funds were previously restricted to be spent only for that purpose.
- The legislation allows each county to utilize up to \$200,000 of bus replacement funds for school facility and equipment repair, maintenance and improvement or replacement or other current expense priorities if a request by the county superintendent listing the amount, the intended use of the funds and the serviceability of the bus fleet is approved by the state superintendent.



## Step 4 - Allowances (Cont.)

- Before approving the request, the state superintendent must verify the serviceability of the bus fleet based upon the state school bus inspection defect rate of the county over the two prior years.
- An application to utilize the funds for alternative purposes was developed and sent to CSBOs and Transportation Directors.
- Applications can be submitted at any time during the year if a county determines the flexibility is needed for any unspent bus replacement funds.



## Step 5 – Allowance for Professional Student Support Personnel

- School nurses and school counselors
- Allowance is set at the same statewide aggregate dollar amount as for the 2012-13 year. SB 267 that passed during the 2018 legislative session does increase the amount of the allowance as the result of any increases in the State Minimum Salary Schedule for the fiscal year beginning July 1, 2018 and thereafter.



## Step 5 – Allowance for Professional Student Support Personnel

- Since the allowance amount is fixed, the number of personnel funded is calculated annually by dividing the county's allowance by the average state funded salary for the counselors and nurses employed.



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

The Step 6a calculation was changed to the following under HB2561:

- 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 70.25% to determine the Step 6a allowance.



## 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 - \$200 per professional instructional personnel and student support personnel employed.



## 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

- Under HB2561, the percentage of Step 7a funds that can be utilized for personnel increased from 25% to 50%.
- A provision was added to allow up to 25% of the Step 7a allocation to be utilized in any school year for school facility and equipment repair, maintenance and improvement or replacement and other current expense priorities and for emergency purposes.
- The use of the funds for these purposes must be included and justified in the county's Step 7a plan.



## 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

- A provision was added that specifically allows Step 7b funds to be used for the employment of technology systems specialists (TSS). Up to 100% of the funds could be used for this purpose.
- The amount of the Step 7b allocation used for the employment of TSS positions must be included and justified in the county's strategic technology learning plan.



## Step 7b – Allowance for 21st Century Technology Systems

- A provision was added to allow up to 50% of the Step 7b allocation to be utilized in any school year for school facility and equipment repair, maintenance and improvement or replacement and other current expense priorities and for emergency purposes.
- The use of the funds for these purposes must be included and justified in the county's strategic technology learning plan.



## 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 will first be 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 will be 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.



## Step 7d – Allowance for Teacher and Leader Induction

The statewide Step 7d amount will be allocated to the county boards of education in a manner established by the State Board which takes into account the following factors:

- The number of full-time equivalent teachers employed by the county with zero years of experience.
- The total number of full-time equivalent teachers employed by the county with one, two or three years of experience.
- 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.



## Step 7d – Allowance for Teacher and Leader Induction

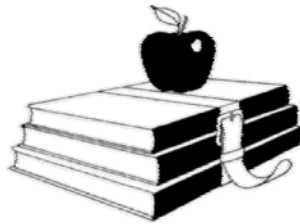
Step 7d allocation factors continued:

- 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.
- Needs identified in the strategic plans for continuous improvement of schools and school systems, including those identified through the performance evaluations of professional personnel.



## 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 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 3<sup>rd</sup> each year after all 55 county assessors issue their Certificates of Assessed Valuation.



## Step 9 - Local Share

- Calculation:
  - 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
  - Equity appropriations
  - County supplements equal to 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 2018-19 year, the average allowance rate for PEIA for health and basic life was computed to be \$595.55 per month (\$7,146.62 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



## HB256I – Emergency SBA Grants for Financially Distressed Counties

- HB2561 also added WVC §18-9D-4d, which requires the School Building Authority to set aside from their existing funds available an amount of not less than \$600,000 for the purpose of making emergency grants to financially distressed county boards of education to assist them in making repairs or performing urgent maintenance to facilities or facility-related equipment or facility-related equipment replacement necessary to maintain the serviceability or structural integrity of school facilities currently in use or necessary for educating the students of the county.
- “Financially distressed county” means a county either in a deficit or on the most recently established watch list established by the WVDE of those counties at risk of becoming in a deficit.



## Questions/Discussion

