



West Virginia DEPARTMENT OF
EDUCATION

Funding Formula Roundtable Discussion

WVDE Office of School Finance



West Virginia DEPARTMENT OF
EDUCATION

State of West Virginia
Public School Support Plan (PSSP)

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

State Aid Block Grants

- A provision in WV Code requires each county's basic state aid funding to be distributed in the form of a block grant, effective with the 2019-20 school year.
- That provision indicates that all basic state aid funds distributed to the county board shall be exempt from expenditure requirements.
- A couple of exemptions – faculty senate and staff development funding.

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 (6a), Substitute Employees (6b & 6c), Faculty Senates (6d)

Overview

- Step 7:
 - 7a - Improvement of Instructional Programs
 - 7b - Improvement of 21st 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 1st Collection
- Certified List of Personnel Data – October 1st 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 (up to 2,500)
 - Districts with less than 1,400 students
 - Jointly established schools where the sending school provides the transportation
 - Public Charter School Students

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 1-Allowance for Professional Educators

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

<u>Group</u>	<u>Limit</u>
• Sparse	72.75
• Low	72.60
• Medium	72.45
• High	72.30



Step 1- 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 Supplement – Supplemental amount paid under WVC 18A-4-5 (previously called state equity supplement)
- State Principals’ Increment – WVC 18A-4-3
- Three-step increases for eligible math and special education teachers
- Bonuses:
 - Classroom teachers with 20+ years
 - National certifications



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	47.39
• Low	47.95
• Medium	48.52
• High	49.10



Step 2 – Funding Allowances

Funding based on years of experience and pay grades of positions in which actual staff are employed:

- Basic Salary – State Minimum Monthly Pay for Service Personnel
- WVC 18A-4-8a
- State Supplement – Supplemental amount paid under WVC 18A-4- 5 (previously called state equity supplement)
- Bonuses and additional payments:
 - Educational Bonus
 - Shift differential pay
 - Supervisory of students pay
 - Specialized health care procedures pay



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 (0.64%))
 - FY24 Sub-total (8.26%)**
 - 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, compressed natural gas (CNG), and electric
- 10% additional allowance for transporting students to and from multi-county vocational centers (20 districts), based on mileage allocation
- An additional 5% increase is provided for the portion of a county board's bus fleet that is manufactured in WV.

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 5 – Allowance for Professional Student Support Personnel

- Includes professional personnel providing social and emotional support to students and to professional personnel addressing chronic absenteeism. Also includes counselors and nurses.
- Funded at a ratio of 5 per 1,000 students.



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

- Step 6a – Reimbursement of actual operations and maintenance expenditures reported by each county reimbursed at approx. 71.25%
- Steps 6b & 6c - Substitute costs - 2.5% of Steps 1, 2, & 5 – Allocated among districts on number of personnel allowed.
- Step 6d - Faculty senates - \$400 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 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 7c – Allowance for Advanced Placement

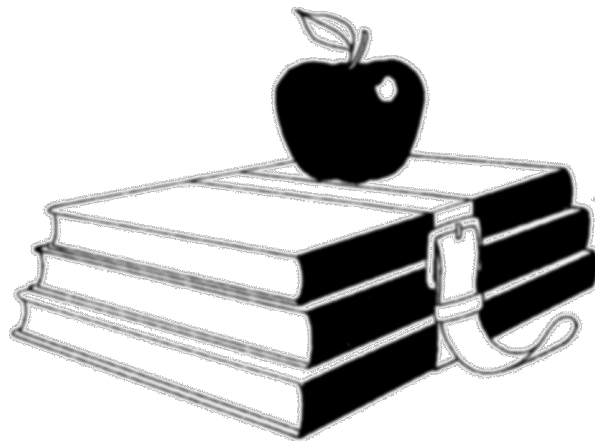
- Appropriation is based on 1% of state average per pupil state aid multiplied by the number of students enrolled in dual credit, advanced placement, and international baccalaureate courses.
- Allocation to county boards is based on the number of students enrolled in those courses (unduplicated count).

Step 7d – Allowance for Teacher and Leader Induction

- Step 7d was first 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 is 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 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.
- Reduces the overall foundation allowance by 85% of the Local Share amount so the county board is picking up their “fair share” of the cost to educate a student.



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.



HOW ARE PUBLIC CHARTERS FUNDED?

- Policy 3300, Section 12:
 - Generally, 99% of Step 8 per pupil follows a student to their charter school.
 - The amount owed by a county to a charter is withheld from the county's net state aid and paid directly by WVDE to the charter.
 - If a county has insufficient net state aid, the county must make a minimum of quarterly payments to the charters.
 - In the initial year of existence for a charter, the charter will receive 99% of the per pupil basic foundation allowance for each student based on a projected enrollment count for the initial year as determined by the primary round of charter school enrollment.

Retirement Allowance

- Basic (current) allowance based on the average contribution rate for:
 - Salary allowance under steps 1-2-5
 - State supplement (equity) appropriations
 - County supplements equal to state supplement (equity)
- Currently WV Code allows for a 7.5% employer match. However, was previously 15%.



Insurance 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 2024-25 year, the average allowance rate for PEIA for health and basic life was estimated to be \$9,903.82 per year per employee following two years of consecutive rate increases.





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Roundtable Discussion

Questions/Discussion

- WV used to provide additional “weight” for students with IEPs.
- **Do other states still allow similar provisions within state funding?**
- **If so, is the additional funding sufficient?**

Questions/Discussion

- One of the biggest inadequacies expressed by WV school districts surrounds substitute cost funding.
- **Does your state provide an allocation for substitute expenditures within the funding formula?**
- **If so, is the funding sufficient?**



Questions/Discussion

- One of the biggest benefits afforded under the WV funding formula is the flexibility that exists to the unrestricted, block grant style of distribution.
- **Does your state provide similar flexibility?**

Other Questions/Discussion

