

OSF Review of LEA Original Budgets

Each June, the WVDE Office of School Finance (OSF) reviews the original proposed budgets of each LEA and makes a recommendation of approval to the State Superintendent once each LEA's budget passes the OSF inspection process. Details of the inspection process utilized for review of the FY16 budgets are outlined below. Please note that the process is subject to change annually, including the allowable tolerance levels.

Vehicle Supplies Analysis: OSF compared the amount budgeted to **Object Code 66X** to the amount expended two fiscal years prior (ex: the amount budgeted for FY16 was compared to the amount actually expended in FY14).

Type of LEA	Funds Included in Analysis	Upper Tolerance Level	Lower Tolerance Level
County Boards	Funds 11 & 12	75%	-5%
MCVCs	Fund 13	500%	-100%
RESAs	Fund 14	500%	-10%

Utility Analysis: OSF compared the amount budgeted to **Object Codes 41X** and **62X** to the amount expended two fiscal years prior (ex: the amount budgeted for FY16 was compared to the amount actually expended in FY14).

Type of LEA	Funds Included in Analysis	Upper Tolerance Level	Lower Tolerance Level
County Boards	Funds 11 & 12	\$5 million, 50%	-\$70,000 or -5%
MCVCs	Fund 13	100%	-5%
RESAs	Fund 14	100%	-5%

Property Tax Revenues: OSF compared the amounts budgeted for the levy types listed below to the amounts included on each county board of education's Levy Order and Rate Sheet. The only discrepancies allowed were for minor rounding differences. This comparison is performed for county boards of education only since MCVCs and RESAs are not levying bodies.

- Regular Levy (Fund 11, Revenue Source 01111)
- Excess Levy (Funds 11 & 12, Revenue Source 01112)
- Bond Levy (Fund 2X, Revenue Source 01111)
- Permanent Improvement Levy (Fund 41, Revenue Source 01111)

PEIA Revenue: OSF compared the amount budgeted for PEIA revenue (**Revenue Source 03918**) to the amount included on the PEIA Preliminary Allocation 16 Final Comps schedule. For County Boards, the comparison is made in Fund 11 and for MCVCs, the comparison is made in fund 13. No comparison was performed for RESAs since there is no separate PEIA funding on their behalf. The only discrepancies

allowed were for minor rounding differences. As part of this analysis, OSF also reviewed to see if counties with variances have simply used the old object code of 03181 instead of 03918.

PEIA Expense: OSF compared the amounts budgeted in **Object Code 21X** to the amount included on the PEIA Preliminary Allocation 16 Final Comps schedule as a general guideline to ensure sufficient PEIA expenses are budgeted.

Type of LEA	Funds Included in Analysis	Upper Tolerance Level	Lower Tolerance Level
County Boards	Funds 11, 12 & 61	\$10 million	\$0
MCVCs	Fund 13	\$10,000	\$0
RESAs	N/A	N/A	N/A

Retirement Revenue: OSF compared the amounts budgeted in **Revenue Source 03911** to the amount indicated in the Retirement – Budget- Final 16 schedule. No comparisons were performed for MCVCs or RESAs. The only discrepancies allowed were for minor rounding issues.

Retirement Expense: OSF compared the amounts budgeted to **Object Code 23X** to the amount indicated in the Retirement – Budget- Final 16 schedule.

Type of LEA	Funds Included in Analysis	Upper Tolerance Level	Lower Tolerance Level
County Boards	Funds 11, 12 & 61	\$10 million	\$0
MCVCs	N/A	N/A	N/A
RESAs	N/A	N/A	N/A

Professional Educator Salary Expense – OSF compared the amount budgeted to **Object Code 11X** to the amount projected for professional salaries. The amount projected was based on the number of professional personnel employed per the FY16 comps (adjusted for MCVC employees) multiplied by the county’s FY15 average contracted salary for professional educators.

Type of LEA	Funds Included in Analysis	Upper Tolerance Level	Lower Tolerance Level
County Boards	Funds 11 & 12	\$10 million, 25%	-\$35,000, -0.75%
MCVCs	N/A	N/A	N/A
RESAs	N/A	N/A	N/A

Service Personnel Salary Expense - OSF compared the amount budgeted to **Object Code 12X** to the amount projected for service salaries. The amount projected was based on the number of service personnel employed per the FY16 comps (adjusted to regular FTE instead of extended FTE and adjusted for MCVC employees) multiplied by the county’s FY15 average contracted salary for service personnel.

Type of LEA	Funds Included in Analysis	Upper Tolerance Level	Lower Tolerance Level
County Boards	Funds 11, 12 & 61	\$5million, 25%	-\$50,000, -1.0%
MCVCs	N/A	N/A	N/A
RESAs	N/A	N/A	N/A

State Aid Unrestricted Revenues - OSF compared the amount budgeted to **Revenue Source 03111** to the amount of unrestricted state aid indicated in the PBNSA 16 schedule. The only discrepancies allowed were for minor rounding differences.

Type of LEA	Funds Included in Analysis	Upper Tolerance Level	Lower Tolerance Level
County Boards	Funds 11 & 61	\$0	\$0
MCVCs	Funds 13 & 63	\$0	\$0
RESAs	N/A	N/A	N/A

Note: Funds 61 & 63 were included in the analysis since some counties opt to budget for Academic Classroom Curriculum Trips and Staff Development Councils directly in those funds using their unrestricted state aid dollars instead of doing a transfer.

State Aid Restricted Revenues - OSF compared the amounts budgeted using **Revenue Source 03211** for the various types of restricted state aid below to the amounts included on the PBNSA 16 schedule. The only discrepancies allowed were for minor rounding differences. This comparison was performed for county boards of education, with a faculty senate comparison only performed for MCVCs. This was not applicable to RESAs.

- Step 7a – Project 016XX
- Bus Replacement – Project 0863X
- Faculty Senate – Project 0864X
- Advanced Placement (Step 7c) – Project 0866X
- Step 7b – Project 0868X
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Staff Development Councils and Academic Curriculum Trips - OSF compared the revenues budgeted (using either Revenue Source 03111 or 05211) in the projects listed below to the amounts included on the PBNSA 16 schedule. The only discrepancies allowed were for minor rounding differences.

- Professional Personnel Staff Development Councils – Project 0861X
- Service Personnel Staff Development Councils – Project 0862X
- Academic Classroom Curriculum Trips – Project 0865X

If a county utilized the revenue source code of 03211, restricted state aid, it was an error and correction was required.

FICA Expenditures – OSF compares the amount budgeted for FICA expenses in **Object Code 22X** to the estimated taxable salary amount budgeted. The estimated taxable salary amount budgeted assumes that approximately 90% of the total amount of salaries budgeted to Objects 11X, 12X, 13X and 14X will be subject to FICA tax.

Type of LEA	Funds Included in Analysis	Upper Tolerance Level	Lower Tolerance Level
County Boards	Funds 11, 12, 61	50%	-2%
MCVCs	Funds 13	50%	-5%
RESAs	Funds 14	50%	-5%