

**STATE OF WEST VIRGINIA
ABBREVIATED SUMMARY OF THE
PUBLIC SCHOOL SUPPORT PROGRAM
BASED ON THE FINAL COMPUTATIONS
FOR THE 2016-17 YEAR**

The Public School Support Program (PSSP) 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 four separate categories based on student population density and provides funding for a specified number of professional educators, professional student support personnel (nurses and counselors), 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. Funding for student transportation operating costs is also based on these four categories, with the districts with lower student population densities receiving a higher allowance.

The allowances for salaries are based on the state basic salary schedules included in Code and state equity funding. Equity funding was started in 1984 to ensure equity among the salaries paid by the various school districts through the state and is determined by computing the difference between each district's county supplement schedule in place in 1984 and state required equity.

Each school district's local share is subtracted from that district's total PSSP allowance to arrive at the state aid that the district is entitled to receive. Local share is a computation of a district's projected regular levy property tax collections for the year. School districts are authorized to levy an excess levy if approved by at least a majority of the voters, and 42 of the 55 districts have such levies in place for the 2016-17 year; however, the projected tax collections from the 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.

Comprehensive changes were made to the Public School Support Program beginning with the 2008-09 year, with the increased allowances between the old and revised provisions being phased-in over a five year period, and a hold harmless provision included for the districts that are projected to receive less state aid as a result of implementing these revisions during the five year phase-in period.

The changes included: Eliminated adjusted enrollment as a funding ratio; divided the districts into four groups based on student net enrolment per square mile and increased the funding limits for the more sparse districts; funds the districts with student net enrollments of less than 1,400 at a base determined by computing the district's enrollment difference between its actual enrollment and 1,400, and further adjusting the difference by the percent that the district's student population density is to the district with the lowest density; created the personnel classification of Professional Student Support Personnel (SSP) for school counselors and school nurses and funds this category under a separate step of the formula (Step 5); uses the same four groups created for personnel to determine the allowance for student transportation operating costs; and added a few other allowances.

A brief description of each step, and the amounts appropriated for each step for the 2016-17 year, are:

Description	Request
<p>1. Professional Educators - Allowance to pay the annual state minimum salary and supplemental equity for professional educators (PE), limited to the following applicable funding limits per each 1,000 students in net enrollment, based on the district's student population density. The funding limits for the 2016-17 year were: Sparse – 72.75, Low – 72.60, Medium – 72.45, or High - 72.30.</p>	\$ 856,017,057
<p>2. Service Personnel - Allowance to pay the annual state minimum salary and supplemental equity for service personnel (SP), limited to the following applicable funding limits per each 1,000 students in net enrollment, based on the district's student population density. The funding limits for the 2016-17 year were: Sparse – 45.68, Low – 45.10, Medium – 44.53, or High – 43.97, which have been restated.</p>	290,711,435
<p>3. Fixed charges - Allowance for the district's share of employee benefit costs, including social security, unemployment compensation and workers' compensation (8.62% of steps 1, 2 & 5).</p>	102,033,345
<p>4. Transportation - Allowance for student transportation operating costs. (a) Allowance for operating costs based on the actual expenditures for maintenance, operations and contracted services multiplied by the appropriate percentage based on the county's student population density (b) an add'l 2.5% of actual expenditures for the portion of the bus fleet that used bio-diesel as an alternative fuel during the 2012-13 school year plus an add'l 10% for the portion of bus fleet that uses propane or compressed natural gas (CNG) (c) an additional 10% allowance of actual expenditures for the portion of the bus fleet used to transport students to and from multi-county centers (d) 100% of insurance premium costs; and (e) aid paid to students in lieu of transportation, based on state average rate. Allowance for bus replacement based on 8.33% of the current replacement value of the bus fleet, plus the remaining value for buses purchased after July 1999 with 180,000 miles. For the 2016-17 year, the allowance for the replacement of buses was limited to \$18 million. Districts with increased net enrollments are able to apply for funding for additional buses. Each district's allowance is limited to 1/3 above the state average allowance on a per mile basis, exclusive of the allowance for additional buses.</p>	74,729,928
<p>5. Professional Student Support Services - Allowance to pay the annual state minimum salary and supplemental equity for professional student support personnel (counselors and school nurses) employed. The allowance is fixed at the 2012-13 level, which was restated for the 2016-17 year.</p>	36,952,999
<p>6. Other Current Expenses, Substitute Employee Salaries and Faculty Senates – Allowances determined as follows: (a) for current expense, 10% of the allowance for steps 1, 2 and 5, distributed to each school district proportionally on the basis of the average of each school district's average daily attendance and net enrollment; (b) & (c) for substitute costs, 2.5% of allowances for steps 1, 2 & 5, distributed on the basis of the number of professional educators and service personnel allowed for funding; and (d) for faculty senates, \$200 per professional instructional personnel and professional student support personnel employed.</p>	152,089,960
<p>7. Improvement of Instructional Programs – (a) Allowance for the improvement of instructional programs determined by the amount appropriated the preceding year plus 10% of the growth in local share, distribution to each school district is made on the following basis: \$150,000 equally with the balance distributed proportionally on the basis of the average of each district's average daily attendance and net enrollment; (b) Allowance for the improvement of instructional technology determined by the amount appropriated the preceding year plus 20% of the growth in local share, distribution made on the basis of the average of each district's average daily attendance and net enrollment; (c) Allowance for advanced placement, dual credit and international baccalaureate programs based on one percent of the state average per pupil state aid multiplied by the number of students enrolled in such classes in each district.</p>	70,431,750
<p>8. Total Basic Foundation Allowance - The total of the seven preceding allowances.</p>	1,582,966,474
<p>9. Local Share – Estimation of each district's projected regular levy net property tax collections for the year, determined by multiplying the current assessed valuation of all taxable property in the county from the March 3rd Certificates of Valuation completed by the county assessor, exclusive of the increased valuation for Tax Increment Financing (TIF) projects, by 90% of the regular levy rates as set by the Legislature and then deducting: (a) an allowance of 4% for discounts, exonerations and delinquencies; (b) the amount paid to the Assessor's Valuation Fund; and (c) the amount required to fund the Growth Counties Facilities Fund. Excess levies are not included in the local share calculation.</p>	(467,039,269)

9a. Other adjustments – Under WVC §18-9A-12, the allocated state aid share for a county shall be increased by amounts certified by the State Tax Commissioner as taxes not collected due to final court orders or final decisions by a board of assessment appeals and shall be decreased by contributions or payments in lieu of taxes	(2,527,044)
10. State Aid Allowance for County School Districts - The State's share of the Public School Support Program for school districts.	\$ 1,113,400,161

In addition, the following additional amounts were appropriated under the Public School Support Program for county boards of education for the 2016-17 year:

• State Teachers' Retirement System:	
○ Normal Cost (1)	67,464,000
○ Actuarial Accrued Liability (General – Fund 0317) (1)	<u>320,634,000</u>
○ Sub-total Teachers' Retirement System - PSSP	388,098,000
• Public Employees Insurance Agency (2)	241,429,043
• School Building Authority for debt service on bonds issued prior to Jan. 1, 1994	<u>23,421,520</u>
Basic State Aid (Including PEIA, Retirement and Debt Service for SBA)	<u>\$1,766,348,724</u>

Notes: (1) The amounts are based on the Actuarial Valuation Report of the Teachers' Retirement System for the Fiscal Year Ended June 30, 2015. In addition to these amounts, an additional \$37,656,000 appropriation is projected to be made directly to the Teachers' Retirement System for the year from the savings realized by closing the Teachers' Defined Contribution (TDC) Plan in 2005. (2) The appropriation for PEIA was reduced by \$6,016,424 for the 2016-17 year to distribute a portion of the balance on deposit in the PEIA Excess Appropriation Reserve Account which has accumulated over prior years. However, the appropriation includes an increase of \$29,311,633 to provide additional funding for employer premium increases. The average employer premium increase is projected to be approximately 14.5%.

In addition to the preceding allowances, the following additional amounts were appropriated as other allowances under the PSSP for the 2016-17 year:

• Allowance for County Transfers	\$ 282,732
• Allowance for Increased Enrollment	3,430,000
• Allowance for Safe Schools (Alternative education programs)	4,980,178
• English as a Second Language	96,000
• Regional Education Service Agencies (RESAs)	<u>3,543,120</u>
Total other allowance under the Public School Support Program	<u>12,332,030</u>

Total Appropriation - PSSP – 2016-17 Year **\$1,778,680,754**