

## School Finance Hot Topics – Fall ASBO 2015

### **FY 2015 Financial Statement Submissions:**

The unaudited financial statements for the year ended June 30, 2015 were due to the Office of School Finance (OSF) on September 28, 2015. As of Saturday October 10, 2015, OSF had received submissions from all but one county board of education, one RESA and one MCVC. The missing submissions are expected to be received in the near future. Thanks to everyone for their hard work on completing the financial statements in a timely manner again this year!

### **GASB 68 Financial Statement Changes:**

The August 28, 2015 memo from Chief Operations Officer Joseph Panetta regarding the implementation of GASB Statements No. 68 and 71 is included as Attachment #1 to this document. As mentioned in that memo, all county boards of education, RESAs and MCVCs are required to implement GASB Statements No. 68 and 71 for the fiscal year ended June 30, 2015. Because the information needed to implement these GASB statements was not available prior to the September 28, 2015 submission deadline, the preliminary financial statements for FY15 were prepared without implementation.

As of Saturday, October 10, 2015, the West Virginia Consolidated Public Retirement Board (CPRB) had not yet published the audited GASB 68 allocation schedules for the Teachers' Retirement System (TRS). When OSF reviewed the preliminary allocation schedules in early September, we questioned some of the large deferred inflows/outflows that were included for certain counties and those were determined to be the result of the over/under application of the state aid retirement amounts between years. Due to the significance of some of the contribution differences between years, CPRB and their auditors planned to go back and review the allocations to see if there was a better method that would eliminate the large deferred inflows/outflows being calculated and "smooth" the variances between years. That review process is still underway to the knowledge of OSF.

In accordance with Generally Accepted Accounting Principles (GAAP), the preliminary financial statements submitted to the OSF to meet the September 28, 2015 deadline must be updated to fully implement GASB Statements No. 68 and 71 once the data is available to do so. **All audited financial statements must include the implementation of the Statements. Due dates for the revised statements will be established once the necessary data is received from CPRB.**

### **Unrestricted Fund Balance Schedules & Watch List Designations:**

The initial fund balance schedule for FY15 is included as Attachment #2 to this document. This is the schedule being presented to the State Board Finance Committee and the schedule that will be provided to the SBA for their November meeting to help determine building projects that will receive funding. Please review the numbers for your county and notify OSF immediately if you see a discrepancy.

Please remember that Unrestricted Fund Balance is comprised of the Committed, Assigned, and Unassigned Fund Balances from the FY15 fund level financial statements. To that balance, OPEB liability is added back and any unrestricted encumbrances are subtracted to arrive at the "Net Unrestricted Fund Balance Adjusted for OPEB Liability & Encumbrances."

Included as Attachment #3 is the five year unrestricted fund balance history schedule. This history schedule was reviewed to help determine which county boards of education are experiencing a significant declining trend in fund balance, the primary consideration for placing a county board of education on the OSF "Watch List." Based on a review of the fund balance history schedule and discussions with several of the county boards of education, the following counties are being included on the 2016-17 watch list:

- Boone – Trending Towards a Deficit
- Calhoun – Deficit
- Clay – Recovering from a Deficit
- Fayette – Takeover County
- Gilmer – Takeover County
- Grant – Recovering from a Deficit
- Greenbrier – Trending Towards a Deficit
- Hampshire – Trending Towards a Deficit
- Hancock – Trending Towards a Deficit (pending receipt of FY15 financial statements)
- Lewis – Trending Towards a Deficit
- Pocahontas – Trending Towards a Deficit
- Upshur – Trending Towards a Deficit

## **Payroll Encumbrance Reminder**

As a reminder, all county boards of education, RESAs and MCVCs must encumber payroll in the WVEIS system by October 31, 2015. Encumbering payroll is not required until October so that the final Certified List of Personnel data may be utilized and the early school year staffing changes have slowed down. If you have questions regarding how to encumber the funds in WVEIS, please contact Kim Harvey.

## **Carryover Supplement Entry Reminder**

As a reminder, all carryover supplement budget revision entries are due by October 31, 2015. The missing GASB 68 entries should not impact the governmental fund balance amounts, so the fund level financial statements used to meet the September 28<sup>th</sup> deadline should contain the amounts needed to prepare the required entries. **It is critical that all LEAs prepare and submit the carryover entries so that their FY16 budgets reflect the accurate amounts available for spending.** This is particularly important to the LEAs with an actual carryover fund balance as of June 30, 2015 that was less than the amount estimated and included in the original FY16 budget as the beginning fund balance amount.

## Upcoming Changes to the Drawdown Request Process

Once WVDE begins receiving nightly OASIS data files, discussions are underway to go back to the old process that the Office of Internal Operations used to verify cash need. That process compared expense information from WVEIS against payments made in FIMS. The FIMS part of the old program will simply be changed to the new OASIS data. Once that change is made, it should no longer be necessary to scan and upload a copy of the Special Projects Worksheet to the drawdown requests.

However, based on federal requirements contained in the Omni-Circular, WVDE may need to make changes to who is allowed to perform the drawdowns and in what platform the drawdowns are requested (from WebTop to WOW). See excerpt below from 2CFR200.415.

### **§200.415 Required certifications.**

Required certifications include:

- (a) To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

Because federal regulations require that drawdowns be performed by “an official who is authorized to legally bind” the LEA, it may be necessary for the local boards of education to pass a board resolution authorizing the CSBO to legally authorize the organization for grant drawdown request purposes. If not, then WVDE would have to program a process in WOW that would require the Superintendent to electronically approve and certify the drawdown requests. **The potential changes to the drawdown request process as the result of the federal regulations are still in discussion phase at WVDE.** More guidance will be forthcoming, including a sample board resolution, should we determine that such board action is necessary. Please do not take any action at this time.

## Medicaid Update

### **Random Moment Time Study Roster Guidance**

Included as Attachment #4 is the Random Moment Time Study (RMTS) roster guidance sent out on September 1, 2015. This guidance was developed to help clarify which individuals should be included on the RMTS roster each quarter.

### **Requirements Contained in WVC §18-2-5b**

Also, at the OSF “All Quiet on the Finance Front” conference in July, the requirements of WVC §18-2-5b had not come to our attention regarding Medicaid billing. That section of WV Code states the following:

“The state board **shall** become a Medicaid provider and seek out Medicaid eligible students for the purpose of providing Medicaid and related services to students eligible under the Medicaid program and to **maximize** federal reimbursement for all services available under the Omnibus Budget Reconciliation Act of one thousand nine hundred eighty-nine, as it relates to Medicaid expansion and any future expansions in the Medicaid program for Medicaid and related services for which state dollars are or will be expended: Provided, That the state board may delegate this provider status and subsequent reimbursement to regional educational service agencies (RESA) and/or county boards.....”

While OSF has requested a legal opinion regarding whether LEAs are permitted to choose to not participate in a particular cost pool or to stop participating in the Medicaid program altogether, until such time that a legal opinion is provided, it is the opinion of OSF that this provision of code requires all county boards to continue to participate in the Medicaid program in all cost pools in order to maximize federal reimbursements.

### **Superintendent Update Blurb from 10.9.15**

As a reminder, the Medicaid process requires all county boards of education to participate in a Random Moment Time Study (RMTS) for three quarters of the fiscal year (October – June). The first quarter RMTS for FY16 began on October 1, 2015. After only the first four days of moments, statewide two of the four cost pools are already below the required 85% response rate. The cost pool with the lowest response rate is the personal care aide pool with a response rate of 60%. Approximately half of all districts have at least one cost pool with a response rate under 85%, which could lead to the sanctions discussed below, if not corrected. Although it is very early in the quarter, the new sanctions make it critical that districts address the response timeline issues immediately.

The RMTS responses will ultimately determine the amount of Medicaid funding that is received through the annual cost settlement process. Statewide, each of the four cost pools must have an overall response rate of 85%, or negative moments are added to bring the response rate up to the 85%, which decreases the amount of Medicaid funding through the cost settlement process.

In addition to the potential statewide reduction in the allowable cost rate, new for FY16 are additional sanctions that could be incurred by individual school districts that fall below an 85% response rate. For example, if a county’s response rate falls below 85% in any particular cost pool, the county could potentially be precluded from performing any Medicaid fee-for-service billing for services in that pool for a 12 month period and from claiming any costs for that cost pool on the annual cost report for the 12 month period. Therefore, responding to the RMTS moments in a timely manner is critical.

In addition, be aware that while school districts currently have a five business day window to respond to the moments, the Centers for Medicaid and Medicare Services (CMS) are pushing for a two business day response window. Since the final RMTS details have yet to be approved by CMS, the two business day response time could become a reality, so school districts should plan accordingly.

To help ensure compliance with the timelines and ensure accurate responses to the moments, please consider implementing the following steps:

1. Review the Random Moment Time Study certified roster to ensure that all e-mail addresses are correct. There have been multiple cases of e-mail notices being returned as undeliverable.
2. Request staff members to check their e-mails daily and complete surveys prior to leaving work the day of the moment.
3. Review moments each morning to see which employees did not complete responses the previous instructional day. This would allow follow up with those employees before the two day window expires.

If you have any questions regarding the RMTS process, please contact Terry Riley, Coordinator in the Office of Special Education, at 304-957-9833 x53223 or [tjriley@k12.wv.us](mailto:tjriley@k12.wv.us). Medicaid financial questions should be addressed to Amy Willard, Executive Director of School Finance, at 304-558-6300 or [awillard@k12.wv.us](mailto:awillard@k12.wv.us).

### **Other General Medicaid Updates**

- “The Time Study Implementation Guide & School Based Health Services Process Guide for Direct Services and Medicaid Administrative Claiming” has not yet been approved by CMS. In the latest submission to BMS, DHHR still included the 5 day window to respond to a moment request. But, to increase our chances of being successful of being granted the longer response window, the advance notification window was decreased from 5 days to 24 hours.
- The draft submission still includes the one year sanctions for individual LEAs if the response rate falls below 85%, but the guide specifies that the sanctions will only be imposed on the pool that fell below. In addition, the latest draft gives one quarter for a county to submit an improvement plan and improve their performance before a sanction is imposed. While CMS may deny the improvement quarter, it has been allowed in other states.
- All medical providers recently underwent a change in the standardized billing codes from ICD9 to ICD10 and DSM5 to DSM6. Because LEAs are considered medical providers for Medicaid billing purposes, LEAs must also begin using the new coding requirements. These coding requirements are much more complex and will require WVEIS programming changes. Therefore, until WVEIS can be updated to accommodate the new requirements, all billing forms must be completed in paper format and submitted to the county central office. The RESA will be unable to bill fee-for-service until the proper ICD10 & DMS 6 codes are determined and the WVEIS system is updated accordingly. Federal regulations allow one year from the date of service to bill and we do not anticipate that updating the system and coding will create problems meeting that deadline.
- The legal staff of DHHR and WVDE are working on a letter to the WV Board of Examiners of Speech Pathology to address the letter that entity sent to all Speech Language Pathologists regarding Medicaid billing.

**Mid-Year Budget Cuts**

Attachment #5 is the series of emails from WVDE Chief Operations Officer Joseph Panetta regarding the mid-year budget cut, including all distributed schedules.

WVDE is still developing guidance on the submission of budget revision requests to reduce LEA budgets by the announced cuts, including how to handle restricted versus unrestricted state aid. Such guidance will be distributed as soon as possible.

Date: August 28, 2015

To: Chief School Business Officials

From: Joe Panetta, <sup>JP</sup>Chief Operations Officer  
Division of Finance and Administration

RE: GASB Statements No. 68 and 71 Implementation for 2014-15 Financial Statements

As discussed at the Office of School Finance (OSF) annual summer conference "All Quiet on the Finance Front" on July 16, 2015, all county boards of education, RESAs and MCVCs are required to implement Governmental Account Standards Board (GASB) Statements No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* for the fiscal year ended June 30, 2015.

As of the time this memo was drafted, CPRB has not yet provided OSF with preliminary allocation schedules from which OSF can update the fiscal year ended June 30, 2015 LEA financial statement template for implementation of these GASB Statements. Furthermore, even after preliminary schedules have been provided to WVDE for review, it may take several additional weeks before CPRB's auditors can release final audited schedules while the Financial Accounting and Reporting Section (FARS) of the State and the auditors for the State have confirmed that they agree that the funding provided by the State is, in fact, a special funding situation.

As a result, the Office of School Finance does not believe that all of the data necessary to perform a reasonable estimate of the required GASB Statement 68 amounts will be available in time for LEAs to realistically meet the September 28, 2015 deadline for preparing and publishing the FY15 financial statements. Since GASB Statement 71 must be implemented simultaneously with the provisions of GASB Statement 68, LEAs are advised that they should go ahead and prepare their FY2015 financial statements without implementation of the two GASB Statements to meet their September 28, 2015 deadline. OSF is providing LEAs with FY15 financial statement templates which exclude required information related to the implementation of GASB Statements 68 and 71. Note 1.T. to the financial statements has been updated to explain why these two GASB Statements are not being implemented at this time. However, LEAs are permitted to customize the language as needed to fit their specific situation.



Chief School Business Officials

August 28, 2015

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**When publishing your financial statements as the required Class I-O legal advertisement, you should include the following additional note:** "The financial statements presented above do not include the implementation of Governmental Accounting Standards Board Statements (GASB) No. 68 and No. 71 because the required data was not available in sufficient time to incorporate the information in the statements. The final audited financial statements will be updated to reflect implementation of GASB Statements No. 68 and No. 71 in accordance with Generally Accepted Accounting Principles."

Once CPRB provides preliminary GASB 68 Schedules, OSF will begin finalizing the FY15 financial statement template to incorporate implementation of GASB Statement 68 and 71. The updated template will include additional conversion entries, required supplemental schedules, and calculation tabs. The footnotes and MD&A will also be updated accordingly. OSF will provide detailed instructions to the LEAs for completing the revised templates once the final audited CRPB GABS 68 allocation schedules are released. **In accordance with Generally Accepted Accounting Principles (GAAP), all LEAs will be required to update their preliminary financial statements to fully implement GASB Statements No. 68 and 71 once the data is available to do so. All audited financial statements must include the implementation of the Statements. Due dates for the revised financial statements will be established once the data is available from CPRB.**

If you have any questions regarding GASB Statements No. 68 or 71, please contact Amy Willard, Executive Director of School Finance at 304-558-6300 or [awillard@k12.wv.us](mailto:awillard@k12.wv.us) or Sam Pauley, Coordinator of School Finance at 304-558-6300 or [sepauley@k12.wv.us](mailto:sepauley@k12.wv.us).



**COUNTY BOARDS OF EDUCATION  
UNRESTRICTED FUND BALANCES WITH ADJUSTMENTS - UNAUDITED  
GENERAL CURRENT EXPENSE FUND  
AS OF JUNE 30, 2015**

County	Approved Levy Estimate	Unrestricted Fund Balance	OPEB Accumulated Annual Required Contribution (Added)	Unrestricted Encumbrances (Subtracted)	Net Unrestricted Fund Balances Adjusted for OPEB Liability & Encumbrances	Pct. Net Unrestricted Fund Balance to Approved Levy Estimate
Barbour	20,376,377	920,133	703,614	8,937	1,614,810	7.9%
Berkeley	158,139,734	1,052,020	7,497,746	391,694	8,158,072	5.2%
Boone	49,614,101	(1,221,070)	3,264,740	412,156	1,631,514	3.3%
Braxton	17,877,426	332,833	1,360,460	-	1,693,293	9.5%
Brooke	34,254,131	3,991,231	1,625,623	659,974	4,956,880	14.5%
Cabell	128,255,102	29,438,097	3,837,420	2,344,009	30,931,508	24.1%
Calhoun	7,874,708	(2,190,035)	414,479	2,292	(1,777,848) *	-22.6%
Clay	15,060,960	(699,513)	958,947	2,166	257,268	1.7%
Doddridge	15,208,613	2,154,720	1,124,133	31,293	3,247,560	21.4%
Fayette	67,743,978	4,083,088	3,659,384	69,067	7,673,405	11.3%
Gilmer	8,543,386	713,460	425,380	47,025	1,091,815	12.8%
Grant	13,291,332	(419,950)	431,322	-	11,372	0.1%
Greenbrier	38,756,413	(3,887,600)	3,888,469	-	869	0.0%
Hampshire	28,991,277	(170,573)	1,142,314	19,893	951,848	3.3%
Hancock	40,933,462	(1,255,974)	1,478,398	8,825	213,599	0.5%
Hardy	17,084,801	292,745	416,477	-	709,222	4.2%
Harrison	87,762,930	6,852,917	2,633,806	-	9,486,724	10.8%
Jackson	48,008,717	3,791,682	1,775,765	1,283,293	4,284,154	8.9%
Jefferson	81,633,274	(1,827,868)	4,291,751	75,783	2,388,100	2.9%
Kanawha	244,671,301	14,984,547	9,991,235	6,188,307	18,787,475	7.7%
Lewis	21,785,375	(748,028)	1,609,430	53,865	807,537	3.7%
Lincoln	35,648,586	(803,684)	2,190,218	139,033	1,247,501	3.5%
Logan	56,361,770	21,337,715	2,545,260	464,918	23,418,057	41.6%
Marion	74,897,385	2,983,230	3,897,601	339,612	6,541,219	8.7%
Marshall	56,348,889	5,674,196	2,593,502	390,040	7,877,658	14.0%
Mason	42,378,876	4,813	2,064,591	72,941	1,996,463	4.7%
McDowell	33,912,939	5,325,001	2,230,715	3,118,368	4,437,348	13.1%
Mercer	78,167,615	10,301,354	3,198,362	2,512,247	10,987,469	14.1%
Mineral	41,470,795	1,324,524	2,020,274	59,398	3,285,400	7.9%
Mingo	44,834,319	(1,376,539)	3,150,434	105,600	1,668,295	3.7%
Monongalia	109,852,217	7,481,648	4,349,070	579,480	11,251,238	10.2%
Monroe	15,763,202	1,779,046	1,457,274	57,472	3,178,848	20.2%
Morgan	24,452,011	(43,836)	1,312,763	138,527	1,130,400	4.6%
Nicholas	36,862,319	8,664,327	2,086,263	31,414	10,719,176	29.1%
Ohio	52,028,322	1,395,433	1,556,428	339,972	2,611,889	5.0%
Pendleton	11,874,348	(367,632)	519,483	16,222	135,629	1.1%
Pleasants	14,657,605	2,987,736	823,207	1,776	3,809,167	26.0%
Pocahontas	11,096,595	(43,419)	606,976	-	563,557	5.1%
Preston	32,565,343	302,595	1,706,625	29,648	1,979,572	6.1%
Putnam	99,758,536	12,796,870	2,498,803	934,149	14,361,524	14.4%
Raleigh	115,046,884	21,466,640	3,050,346	1,875,576	22,641,410	19.7%
Randolph	35,344,950	(1,269,093)	1,561,177	95,117	196,967	0.6%
Ritchie	14,396,414	433,430	933,185	13,407	1,353,208	9.4%
Roane	16,756,131	247,731	1,095,340	-	1,343,071	8.0%
Summers	12,059,665	(358,252)	753,904	139,031	256,621	2.1%
Taylor	20,111,456	3,969,181	810,079	7,170	4,772,090	23.7%
Tucker	10,908,207	308,972	408,708	-	717,680	6.6%
Tyler	13,086,454	1,201,484	917,385	127,068	1,991,801	15.2%
Upshur	36,081,529	(733,370)	1,458,117	179,207	545,540	1.5%
Wayne	68,514,191	1,963,234	3,377,213	470,903	4,869,544	7.1%
Webster	11,302,457	(652,947)	917,263	26,799	237,517	2.1%
Wetzel	31,940,440	5,937,708	1,461,989	1,385,237	6,014,460	18.8%
Wirt	9,535,057	495,349	405,383	13,824	886,908	9.3%
Wood	110,958,312	(1,303,303)	3,796,105	-	2,492,802	2.3%
Wyoming	45,341,939	2,559,987	1,846,652	299,868	4,106,771	9.1%
<b>State</b>	<b>2,570,183,156</b>	<b>170,176,991</b>	<b>116,131,589</b>	<b>25,562,603</b>	<b>260,745,977</b>	<b>10.2%</b>

(1) The amounts presented above are from unaudited financial statements and are subject to change. (2) Fund balances presented in red are deficit balances; those presented in bold and with an asterisk are deficit balances that exceed the definition of a casual deficit, per WVC §11-8-26 and §18-1-1, which define a casual deficit as a deficit of not more than 3% of the approved levy estimate or that is nonrecurring. (3) The General Accounting Standards Board (GASB) changed the fund balance classifications, beginning with FYE 6-30-11, to the following: nonspendable, restricted, committed, assigned and unassigned; the amounts presented as unrestricted include committed, assigned and unassigned balances. (4) The amounts presented above are unrestricted fund balances, with the following adjustments: the accumulated annual required contribution (ARC), as defined in WVC §5-16D-1, for Other Post-Employment Benefits (OPEB) is added back, since according to the Public Employee Insurance Agency (PEIA) the county boards are not required to remit the amount, and encumbrances associated with the unrestricted fund balance are subtracted, since these amounts were obligated as of year-end.

**COUNTY BOARDS OF EDUCATION  
UNRESTRICTED FUND BALANCES WITH ADJUSTMENTS - UNAUDITED  
(SORTED IN DESCENDING ORDER BY PERCENT)  
GENERAL CURRENT EXPENSE FUND  
AS OF JUNE 30, 2015**

Ct.	County	Approved Levy Estimate	Unrestricted Fund Balance	OPEB Accumulated Annual Required Contribution (Added)	Unrestricted Encumbrances (Subtracted)	Net Unrestricted Fund Balances Adjusted for OPEB Liability & Encumbrances	Pct. Net Unrestricted Fund Balance to Approved Levy Estimate
1	Logan	56,361,770	21,337,715	2,545,260	464,918	23,418,057	41.6%
2	Nicholas	36,862,319	8,664,327	2,086,263	31,414	10,719,176	29.1%
3	Pleasants	14,657,605	2,987,736	823,207	1,776	3,809,167	26.0%
4	Cabell	128,255,102	29,438,097	3,837,420	2,344,009	30,931,508	24.1%
5	Taylor	20,111,456	3,969,181	810,079	7,170	4,772,090	23.7%
6	Doddridge	15,208,613	2,154,720	1,124,133	31,293	3,247,560	21.4%
7	Monroe	15,763,202	1,779,046	1,457,274	57,472	3,178,848	20.2%
8	Raleigh	115,046,884	21,466,640	3,050,346	1,875,576	22,641,410	19.7%
9	Wetzel	31,940,440	5,937,708	1,461,989	1,385,237	6,014,460	18.8%
10	Tyler	13,086,454	1,201,484	917,385	127,068	1,991,801	15.2%
11	Brooke	34,254,131	3,991,231	1,625,623	659,974	4,956,880	14.5%
12	Putnam	99,758,536	12,796,870	2,498,803	934,149	14,361,524	14.4%
13	Mercer	78,167,615	10,301,354	3,198,362	2,512,247	10,987,469	14.1%
14	Marshall	56,348,889	5,674,196	2,593,502	390,040	7,877,658	14.0%
15	McDowell	33,912,939	5,325,001	2,230,715	3,118,368	4,437,348	13.1%
16	Gilmer	8,543,386	713,460	425,380	47,025	1,091,815	12.8%
17	Fayette	67,743,978	4,083,088	3,659,384	69,067	7,673,405	11.3%
18	Harrison	87,762,930	6,852,917	2,633,806	-	9,486,724	10.8%
19	Monongalia	109,852,217	7,481,648	4,349,070	579,480	11,251,238	10.2%
20	Braxton	17,877,426	332,833	1,360,460	-	1,693,293	9.5%
21	Ritchie	14,396,414	433,430	933,185	13,407	1,353,208	9.4%
22	Wirt	9,535,057	495,349	405,383	13,824	886,908	9.3%
23	Wyoming	45,341,939	2,559,987	1,846,652	299,868	4,106,771	9.1%
24	Jackson	48,008,717	3,791,682	1,775,765	1,283,293	4,284,154	8.9%
25	Marion	74,897,385	2,983,230	3,897,601	339,612	6,541,219	8.7%
26	Roane	16,756,131	247,731	1,095,340	-	1,343,071	8.0%
27	Barbour	20,376,377	920,133	703,614	8,937	1,614,810	7.9%
27	Mineral	41,470,795	1,324,524	2,020,274	59,398	3,285,400	7.9%
29	Kanawha	244,671,301	14,984,547	9,991,235	6,188,307	18,787,475	7.7%
30	Wayne	68,514,191	1,963,234	3,377,213	470,903	4,869,544	7.1%
31	Tucker	10,908,207	308,972	408,708	-	717,680	6.6%
32	Preston	32,565,343	302,595	1,706,625	29,648	1,979,572	6.1%
33	Berkeley	158,139,734	1,052,020	7,497,746	391,694	8,158,072	5.2%
34	Pocahontas	11,096,595	(43,419)	606,976	-	563,557	5.1%
35	Ohio	52,028,322	1,395,433	1,556,428	339,972	2,611,889	5.0%
36	Mason	42,378,876	4,813	2,064,591	72,941	1,996,463	4.7%
37	Morgan	24,452,011	(43,836)	1,312,763	138,527	1,130,400	4.6%
38	Hardy	17,084,801	292,745	416,477	-	709,222	4.2%
39	Mingo	44,834,319	(1,376,539)	3,150,434	105,600	1,668,295	3.7%
40	Lewis	21,785,375	(748,028)	1,609,430	53,865	807,537	3.7%
41	Lincoln	35,648,586	(803,684)	2,190,218	139,033	1,247,501	3.5%
42	Boone	49,614,101	(1,221,070)	3,264,740	412,156	1,631,514	3.3%
43	Hampshire	28,991,277	(170,573)	1,142,314	19,893	951,848	3.3%
44	Jefferson	81,633,274	(1,827,868)	4,291,751	75,783	2,388,100	2.9%
45	Wood	110,958,312	(1,303,303)	3,796,105	-	2,492,802	2.3%
46	Summers	12,059,665	(358,252)	753,904	139,031	256,621	2.1%
47	Webster	11,302,457	(652,947)	917,263	26,799	237,517	2.1%
48	Clay	15,060,960	(699,513)	958,947	2,166	257,268	1.7%
49	Upshur	36,081,529	(733,370)	1,458,117	179,207	545,540	1.5%
50	Pendleton	11,874,348	(367,632)	519,483	16,222	135,629	1.1%
51	Randolph	35,344,950	(1,269,093)	1,561,177	95,117	196,967	0.6%
52	Hancock	40,933,462	(1,255,974)	1,478,398	8,825	213,599	0.5%
53	Grant	13,291,332	(419,950)	431,322	-	11,372	0.1%
54	Greenbrier	38,756,413	(3,887,600)	3,888,469	-	869	0.0%
55	Calhoun	7,874,708	(2,190,035)	414,479	2,292	<b>(1,777,848) *</b>	<b>-22.6%</b>
-	State	2,570,183,156	170,176,991	116,131,589	25,562,603	260,745,977	10.2%

(1) The amounts presented above are from unaudited financial statements and are subject to change. (2) Fund balances presented in red are deficit balances; those presented in bold and with an asterisk are deficit balances that exceed the definition of a casual deficit, per WVC §11-8-26 and §18-1-1, which define a casual deficit as a deficit of not more than 3% of the approved levy estimate or that is nonrecurring. (3) The General Accounting Standards Board (GASB) changed the fund balance classifications, beginning with FYE 6-30-11, to the following: nonspendable, restricted, committed, assigned and unassigned; the amounts presented as unrestricted include committed, assigned and unassigned balances. (4) The amounts presented above are unrestricted fund balances, with the following adjustments: the accumulated annual required contribution (ARC), as defined in WVC §5-16D-1, for Other Post-Employment Benefits (OPEB) is added back, since according to the Public Employee Insurance Agency (PEIA) the county boards are not required to remit the amount, and encumbrances associated with the unrestricted fund balance are subtracted, since these amounts were obligated as of year-end.

**COUNTY BOARDS OF EDUCATION  
RESTRICTED AND UNRESTRICTED FUND BLANCES NET OF ENCUMBRANCES  
PERMANENT IMPROVEMENT FUND  
AS OF JUNE 30, 2015**

County	Fund Balance Classifications					Encumbrances	Net Fund Balances With Encumbrances	
	Restricted	Committed	Assigned	Unassigned	Total		Excluded	
Barbour	274,845	-	-	-	274,845	-	274,845	
Berkeley	-	-	-	-	-	-	-	
Boone	-	-	-	-	-	-	-	
Braxton	-	-	-	-	-	-	-	
Brooke	7,051	-	-	-	7,051	664,830	(657,779)	
Cabell	3,520,605	-	-	-	3,520,605	2,957,350	563,255	
Calhoun	-	-	-	-	-	-	-	
Clay	-	-	-	-	-	-	-	
Doddridge	-	-	-	-	-	-	-	
Fayette	407,071	-	-	-	407,071	-	407,071	
Gilmer	-	-	-	-	-	-	-	
Grant	-	-	-	-	-	-	-	
Greenbrier	-	-	-	-	-	-	-	
Hampshire	-	-	-	-	-	-	-	
Hancock	-	-	-	-	-	-	-	
Hardy	-	-	-	-	-	-	-	
Harrison	-	-	-	-	-	-	-	
Jackson	-	-	-	-	-	-	-	
Jefferson	-	-	-	-	-	-	-	
Kanawha	13,571,642	-	5,354,314	-	18,925,956	5,354,314	13,571,642	
Lewis	-	-	-	-	-	-	-	
Lincoln	-	-	-	-	-	-	-	
Logan	8,776,857	-	-	-	8,776,857	2,327,728	6,449,129	
Marion	-	-	-	-	-	-	-	
Marshall	-	8,000,000	-	-	8,000,000	-	8,000,000	
Mason	-	-	-	-	-	-	-	
McDowell	121,107	-	-	-	121,107	-	121,107	
Mercer	-	-	-	-	-	-	-	
Mineral	734,596	-	-	-	734,596	20,000	714,596	
Mingo	517,804	-	-	-	517,804	4,000	513,804	
Monongalia	14,478,585	-	-	-	14,478,585	1,264,317	13,214,268	
Monroe	446,896	-	-	-	446,896	-	446,896	
Morgan	472,796	-	-	-	472,796	484,806	(12,010)	
Nicholas	-	-	-	-	-	-	-	
Ohio	390,201	-	-	-	390,201	-	390,201	
Pendleton	-	-	-	-	-	-	-	
Pleasants	-	-	-	-	-	-	-	
Pocahontas	-	-	-	-	-	-	-	
Preston	-	-	-	-	-	-	-	
Putnam	-	-	-	-	-	-	-	
Raleigh	19,852,744	-	-	-	19,852,744	123,629	19,729,115	
Randolph	-	-	-	-	-	-	-	
Ritchie	-	-	-	-	-	-	-	
Roane	-	-	-	-	-	-	-	
Summers	-	-	-	-	-	-	-	
Taylor	-	-	-	-	-	-	-	
Tucker	-	-	-	-	-	-	-	
Tyler	-	-	-	-	-	-	-	
Upshur	-	-	-	-	-	-	-	
Wayne	2,310,731	-	-	-	2,310,731	725,523	1,585,208	
Webster	-	-	-	-	-	-	-	
Wetzel	-	-	-	-	-	-	-	
Wirt	-	-	-	-	-	-	-	
Wood	-	-	-	-	-	-	-	
Wyoming	815,580	80,103	-	-	895,683	80,103	815,580	
<b>State</b>	<b>66,699,111</b>	<b>8,080,103</b>	<b>5,354,314</b>	<b>-</b>	<b>80,133,528</b>	<b>14,006,600</b>	<b>66,126,927</b>	

Notes: (1) The fund balances reported above are from unaudited financial statements. (2) The Governmental Accounting Standards Board (GASB) Statement 54 changed the fund balance classifications beginning with FYE 6-30-11 to the following: nonspendable, restricted, committed, assigned, and unassigned. Nonspendable and restricted are considered to be a restricted portion of the fund balance; committed, assigned and unassigned are considered to be the unrestricted portion. (3) Total fund balances, including the restricted balances, are reported for this fund since the total fund balances are generally considered restricted because of the nature of the fund, but most of the balances are generally not designated for any particular project. (4) Under GASB Statement 54, reservations for encumbrances are no longer reflected as a separate fund category, but total encumbrances have been excluded above to arrive at the net balance, since these amounts were obligated as of year-end. (5) Of the county boards listed above as maintaining a Permanent Improvement Fund, only five dedicated a portion of their regular levy tax collections to the fund (Cabell, Mingo, Monroe, Wayne, and Wyoming); the remainder made transfers from other funds.

**COUNTY BOARDS OF EDUCATION  
UNRESTRICTED FUND BALANCES HISTORY WITH ADJUSTMENTS  
GENERAL CURRENT EXPENSE FUND  
FYE 6-30-11 THROUGH 6-30-15**

County	FYE 6-30-11	FYE 6-30-12	FYE 6-30-13	FYE 6-30-14	FYE 6-30-15
Barbour	1,504,923	1,007,076	1,086,736	1,239,439	1,614,810
Berkeley	17,829,745	18,844,292	17,985,672	10,215,306	8,158,072
Boone	9,384,157	8,510,759	5,163,142	4,036,078	1,631,514
Braxton	<b>(716,965) *</b>	<b>(203,911) *</b>	125,736	1,116,763	1,693,293
Brooke	6,732,250	7,113,904	7,370,530	5,834,857	4,956,880
Cabell	26,367,181	30,357,929	26,651,580	31,320,378	30,931,508
Calhoun	<b>(101,742)</b>	<b>(444,226) *</b>	<b>(977,433) *</b>	<b>(1,806,520) *</b>	<b>(1,777,848) *</b>
Clay	465,471	<b>(604,782) *</b>	<b>(1,333,366) *</b>	<b>(263,688) *</b>	257,268
Doddridge	2,655,053	2,361,742	2,331,976	2,477,880	3,247,560
Fayette	5,413,693	3,463,841	2,776,244	6,031,047	7,673,405
Gilmer	1,368,270	1,171,121	1,916,182	953,471	1,091,815
Grant	349,055	188,061	<b>(144,772)</b>	<b>(159,516) *</b>	11,372
Greenbrier	980,905	<b>(315,882)</b>	4,182	197,683 <sup>(1)</sup>	869
Hampshire	2,955,317	2,387,726	2,017,338	1,907,833 <sup>(1)</sup>	951,848
Hancock	1,426,898	2,066,987	2,260,612	1,026,014	213,599
Hardy	841,065	1,248,530	1,135,258	917,007	709,222
Harrison	7,951,036	5,170,017	2,547,319	7,038,775	9,486,724
Jackson	5,272,627	3,010,433	3,802,886	4,300,379	4,284,154
Jefferson	7,571,469	5,857,348	3,424,951	3,500,778 <sup>(1)</sup>	2,388,100
Kanawha	9,265,563	14,484,936	13,570,251	21,354,561	18,787,475
Lewis	2,313,137	1,760,920	1,354,332	1,239,592	807,537
Lincoln	2,562,235	2,057,396	1,545,646	1,750,988	1,247,501
Logan	19,790,019	17,324,391	21,998,341	25,693,403	23,418,057
Marion	1,162,786	3,815,104	8,070,699	10,394,305	6,541,219
Marshall	11,994,308	9,034,051	7,150,850	20,441,192	7,877,658
Mason	<b>(1,293,109) *</b>	<b>(88,234) *</b>	433,711	1,589,553 <sup>(1)</sup>	1,996,463
McDowell	3,309,707	5,501,919	5,022,036	7,015,324	4,437,348
Mercer	6,603,353	6,584,910	6,133,788	11,035,711	10,987,469
Mineral	2,610,051	3,167,857	2,571,313	3,571,168	3,285,400
Mingo	3,568,517	418,562	<b>(26,341)</b>	906,789	1,668,295
Monongalia	15,097,594	11,683,036	12,391,497	11,047,737	11,251,238
Monroe	<b>(702,335) *</b>	<b>(198,249) *</b>	953,607	1,753,540	3,178,848
Morgan	1,176,731	1,006,728	876,533	1,354,580	1,130,400
Nicholas	4,643,493	6,500,826	7,838,031	10,477,167	10,719,176
Ohio	3,746,839	2,938,905	1,934,422	2,119,390	2,611,889
Pendleton	87,301	<b>(8,450)</b>	136,119	42,955	135,629
Pleasants	3,290,489	3,644,893	5,033,980	3,987,915	3,809,167
Pocahontas	725,838	825,968	953,037	837,431	563,557
Preston	<b>(2,743,257) *</b>	<b>(2,432,449) *</b>	<b>(1,580,868) *</b>	682,101	1,979,572
Putnam	13,707,284	15,039,243	14,124,364	14,818,567	14,361,524
Raleigh	18,329,051	16,604,547	18,069,013	22,271,130	22,641,410
Randolph	663,195	<b>(92,499)</b>	<b>(998,115) *</b>	<b>(308,889) *</b>	196,967
Ritchie	1,753,806	1,989,992	1,695,067	1,528,813	1,353,208
Roane	811,197	1,350,239	1,309,800	1,387,953	1,343,071
Summers	179,797	599,016	522,706	627,343	256,621
Taylor	2,710,484	1,966,783	2,449,239	3,906,969	4,772,090
Tucker	247,536	54,379	496,001	618,141	717,680
Tyler	2,545,921	1,592,809	1,866,239	2,626,511	1,991,801
Upshur	4,666,125	4,222,545	3,796,696	1,627,280	545,540
Wayne	2,759,215	3,824,685	3,926,611	5,484,287	4,869,544
Webster	101,404	99,597	168,216	115,941	237,517
Wetzel	4,169,442	3,957,715	4,597,492	6,995,024	6,014,460
Wirt	912,764	875,507	950,654	1,003,696	886,908
Wood	6,899,861	1,947,617	2,216,786	1,129,342	2,492,802
Wyoming	7,043,558	5,234,909	4,592,283	4,524,020	4,106,771
<b>State</b>	<b>252,960,307</b>	<b>238,481,068</b>	<b>234,288,810</b>	<b>285,535,494</b>	<b>260,745,977</b>
<b>No. of deficits</b>	<b>5</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>1</b>

(1) The amounts presented for the years ended 6-30-11 through 6-30-14 are from audited financial statements, with the exception of the following four county boards: Greenbrier, Hampshire, Jefferson, and Mason, which are still unaudited and therefore subject to change. (2) All balances reflected for FYE 6-30-15 are from unaudited financial statements and are also subject to change. (3) Fund balances presented in red are deficit balances; those presented in bold and with an asterisk are deficit balances that exceed the definition of a casual deficit per WVC §11-8-26 and §18-1-1, which define a casual deficit as a deficit of not more than 3% of the approved levy estimate or that is nonrecurring. (4) The General Accounting Standards Board (GASB) Statement 54 changed the fund balance classifications, beginning with FYE 6-30-11, to the following: nonspendable, restricted, committed, assigned and unassigned; the amounts presented as unrestricted include committed, assigned and unassigned balances. (5) The amounts presented for all five years are unrestricted fund balances, with the following adjustments: the accumulated annual required contribution (ARC) as defined in WVC §5-16D-1, for Other Post-Employment Benefits (OPEB) is added back, since according to the Public Employee Insurance Agency (PEIA) the county boards are not required to remit the amount, and encumbrances associated with the unrestricted fund balance are subtracted, since these amounts were obligated as of year-end.

**COUNTY BOARDS OF EDUCATION  
TOTAL FUND BALANCES HISTORY WITH ADJUSTMENTS  
PERMANENT IMPROVEMENT FUND  
FYE 6-30-11 THROUGH 6-30-15**

County	FYE 6-30-11	FYE 6-30-12	FYE 6-30-13	FYE 6-30-14	FYE 6-30-15
Barbour	1,456,565	499,597	502,378	-	274,845
Berkeley	-	-	-	-	-
Boone	-	-	-	-	-
Braxton	-	-	-	-	-
Brooke	26,697	11,716	6,960	6,990	(657,779)
Cabell	641,702	4,554,732	4,263,005	3,227,124	563,255
Calhoun	-	-	-	-	-
Clay	-	-	-	-	-
Doddridge	-	-	-	-	-
Fayette	549,308	407,071	407,071	407,071	407,071
Gilmer	-	-	-	-	-
Grant	250,000	250,000	-	-	-
Greenbrier	-	-	-	(1)	-
Hampshire	-	-	-	(1)	-
Hancock	-	-	-	-	-
Hardy	-	-	-	-	-
Harrison	-	-	-	-	-
Jackson	-	-	-	-	-
Jefferson	-	-	-	(1)	-
Kanawha	15,087,279	11,273,363	14,188,548	12,568,623	13,571,642
Lewis	-	-	-	-	-
Lincoln	1	-	(5,000)	5,389	-
Logan	2,507,037	9,265,181	9,134,256	9,157,595	6,449,129
Marion	-	-	-	-	-
Marshall	-	-	-	-	8,000,000
Mason	-	-	-	(1)	-
McDowell	-	(5,687)	-	41,922	121,107
Mercer	-	-	-	-	-
Mineral	818,856	877,318	991,244	844,529	714,596
Mingo	960,653	1,283	54,093	330,223	513,804
Monongalia	2,708,531	345,478	12,228,720	15,972,501	13,214,268
Monroe	145,247	283,035	284,921	443,928	446,896
Morgan	-	-	-	-	(12,010)
Nicholas	-	-	-	-	-
Ohio	152,194	159,045	40,780	89,627	390,201
Pendleton	-	-	-	-	-
Pleasants	-	-	-	-	-
Pocahontas	-	-	-	-	-
Preston	-	-	-	-	-
Putnam	-	-	-	-	-
Raleigh	2,673,717	9,803,957	13,670,470	15,120,244	19,729,115
Randolph	-	-	-	-	-
Ritchie	-	-	-	-	-
Roane	-	-	-	-	-
Summers	-	-	-	-	-
Taylor	150,626	-	-	-	-
Tucker	-	-	-	-	-
Tyler	-	-	-	-	-
Upshur	-	-	-	-	-
Wayne	-	-	-	1,409,596	1,585,208
Webster	-	-	-	-	-
Wetzel	-	-	-	-	-
Wirt	-	-	-	-	-
Wood	-	-	-	-	-
Wyoming	868,736	866,960	649,378	551,923	815,580
<b>State</b>	<b>28,997,149</b>	<b>38,593,048</b>	<b>56,416,823</b>	<b>60,177,285</b>	<b>66,126,927</b>
No. of deficits	0	1	1	0	2

(1) The amounts presented for the years ended 6-30-11 through 6-30-14 are from audited financial statements, with the exception of the following four county boards: Greenbrier, Hampshire, Jefferson, and Mason, which are still unaudited and therefore subject to change. All balances reflected for FYE 6-30-15 are from unaudited financial statements and are also subject to change. (2) The General Accounting Standards Board (GASB) Statement 54 changed the fund balance classifications, beginning with FYE 6-30-11, to the following: nonspendable, restricted, committed, assigned and unassigned. Nonspendable and restricted are considered to be a restricted portion of the fund balance; committed, assigned and unassigned are considered to be the unrestricted portion. (3) Total fund balances, including the restricted balances, are reported for this fund since the total fund balances are generally considered restricted because of the nature of the fund, but most of the balances are generally not designated for any particular project. (4) Under GASB Statement 54, reservations for encumbrances are no longer reflected as a separate fund category, but total encumbrances have been excluded above to arrive at the net balance, since these balances were obligated as of year-end. (5) Of the county boards listed above with a Permanent Improvement Fund, only five dedicated a portion of their regular levy collections to the fund (Cabell, Mingo, Monroe, Wayne, and Wyoming); the remainder made transfers to the fund from other funds.

## Medicaid RMTS Guidance

When developing the roster for the Random Moment Time Study (RMTS), please keep the following information in mind:

1. All employees who perform Medicaid eligible services should be included in the appropriate cost pool unless the employee is funded 100% through federal funds **Do NOT exclude employees who are performing the services for only non-Medicaid students** – the Medicaid IEP ratio applied to the cost report adjusts the total reported costs for the employees included on the roster by the ratio of Medicaid eligible students with the services indicated on their IEP by the total number of students with the services indicated on their IEP. Failure to include such employees results in a double reduction of costs through the cost settlement process.

For example, if a county has 5 Medicaid students with a personal care aide and 10 total students with a personal care aide, the IEP ratio is 50%. If the county includes all 10 personal care aides on the roster, the reported costs for the 10 aides on the cost report will be reduced by 50%. If the county only includes the 5 aides serving the Medicaid eligible students on the roster, the reported costs for the 5 aides on the cost report will be reduced by 50%.

2. As mentioned above, do not include employees who are 100% federally funded on the RMTS roster. The roster should reflect employees for which a county is entitled to receive reimbursement and including the federally funded staff could potentially skew the results of the RMTS. If a federally funded employee is inadvertently included for a quarter, simply do not claim costs for the individual on the cost report and the remove the employee from the roster for the subsequent quarter.
3. Counties should consider split coding employees between IDEA and state/local funds in order to increase the number of individuals participating in the RMTS process. However, counties must weigh the need for additional time and attendance documentation against reducing the number of moments received by the individuals included on the roster.
4. As mentioned in item #3 above, each county will need to make a determination of which services/people to pay with IDEA grants. This is a county by county decision; there is no universal guidance that would apply to all counties. When making this determination, keep in mind IDEA MOE regulations. IDEA requires that LEAs must budget and expend the same amount of local, or State and local, funding for special education as it expended in the previous fiscal year. Employees paid with IDEA funding cannot be considered when calculating MOE; however, they also can't be included on the roster for RMTS purposes if they are 100% federally funded.
5. **The direct service pool generally has the highest return for Medicaid reimbursement.** Therefore, paying for ST, PT, OT, etc. out of State/local funds instead of IDEA and including them on the direct service pools for RMTS purposes will, theoretically, increase Medicaid revenues.
6. For the direct service pool, be sure to include all employees who are providing the Medicaid-eligible services unless they are 100% federally funded. This includes all speech language pathologists licensed by the Board of Examiners, as well as those speech language pathologists who are certified by the WV

Department of Education. The latter should be categorized as SSLPAs on the roster. If you do not include these individuals on the roster, there is no opportunity for reimbursement through the cost settlement process.

7. **It is financially in the best interest of the counties to include LD teachers on the roster (assuming they are not 100% federally funded) if they have at least one student with a medical need for TCM services pursuant to an IEP plan.** An exception to this would be instances where the LD teacher has no student with a medical need for TCM services. This would be a very rare instance and, therefore, in most cases, LD teachers should be included on the rosters.

In situations where the LD teacher is included on the roster, it will be most cost effective to have the LD teacher perform the TCM services instead of a therapist. The teacher would be included in the TCM pool and the therapist(s) would be included in the direct service pool. **Although the TCM fee-for-service (FFS) billing rate would be the same whether the teacher or the therapist performed the service, the cost settlement process will result in a higher rate if the teacher performs the TCM service.**

8. **Classroom aides are now permitted by DHHR/BMS to be included on the roster as a classroom aide that provides personal care services to students.** However, there is currently no data to perform a financial analysis to determine if it is in the best interest of the counties for the classroom aides to be included on the roster. Including the classroom aides on the roster will result in an increase in the initial cost on the cost report, but will reduce the allowable response rate and, in theory, will reduce the Medicaid IEP ratio for that particular cost pool. **Each county will need to perform their own analysis to determine if they should begin billing FFS for classroom aides and include them on the rosters.** If classroom aides are included, they will have to begin FFS billing which includes filling out and maintaining the new personal care billing forms which are required by Chapter 538 of the Medicaid provider manual.
9. There may be instances in which there will be people who bill FFS, but who are not on the rosters for RMTS purposes due to the timing of when they were hired. Simply add those people to the roster for the next quarter. Additionally, there may be instances where people who are on the roster may not actually bill FFS for the quarter. **To be included on the roster, an individual must meet the licensure requirements to provide and bill for Medicaid services, not necessarily be actively billing for those services.**

For example: a teacher in a small special education classroom may end up with no students who are Medicaid eligible in their class for a particular quarter. However, they are still performing Medicaid eligible services for the students in their class and, therefore, they are to be included on the roster. As mentioned in item #1 above, these teachers should be included on the rosters to ensure that counties are not double penalized during the cost settlement process.

10. Some people who provide services infrequently could potentially bring down the allowable percentage based on the responses provided. Counties should carefully consider whether to include these people on the RMTS. However, keep in mind that if they aren't included, then the county cannot claim those costs on the cost report.
11. PCG does allow LEAs to place vacant positions on the RMTS roster if the LEA feels the position will be filled during the quarter. The vacant position will be included in the assignment of the random moments, which



could potentially hurt the response rate of the county. **Given that a response rate of less than 85% for a particular pool would trigger the one-year sanction, counties should carefully consider the risk before placing a vacant position on the RMTS roster.** A larger county would be much more likely to absorb the unanswered moments in their response rate than a smaller county. Some small counties may receive only 10 moments per quarter in a particular cost pool, so having a vacant position eliminates any potential margin of missing responses since even just 2 missing responses puts the response rate below 85%.

12. Please keep in mind that individuals who are on long-term leave can be replaced on the random moment roster. This allows the substitute to receive the random moments which helps the overall response rate for the cost pool. If a county has a need to make such a replacement on their roster, please contact Terry Riley from the Office of Special Education for assistance. Day to day substitutes in a short-term role cannot be included on the roster.
13. If an employee on the roster terminates employment during the quarter and a long-term substitute or permanent replacement is hired, the roster may be updated accordingly. If such a situation arises, please contact Terry Riley from the Office of Special Education for assistance.
14. WVC §18-2-5b requires county boards of education to be Medicaid providers and to maximize Medicaid revenues. While a legal interpretation has been sought as to whether LEAs would be permitted to not participate in particular cost pools or to stop billing certain types of services, until such time that a legal opinion is received, LEAs should continue to include staff in all of the RMTS cost pools to the extent possible— Direct Service, Targeted Case Management, Personal Care, and Administrative.
15. When determining who to include in the Administrative cost pool, LEAs should keep in mind that including principals in the roster spreads the moments out over more people, reducing the number of moments each participant in the pool receives. Not all LEAs have historically included principals on the roster and there is no clear data to determine whether including the principals would result in a higher administrative reimbursement. It would result in higher costs reported on the cost report, but likely a lower allowable administrative percentage. Inclusion of school principals is a local determination, but the decision of each county ultimately impacts the rest of the LEAs in the state.
16. Rosters for the October – December 2015 quarter are due by September 15, 2015.

## Amy Willard

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**From:** K12 SUPERINTENDENTS <K12-SUPER-L@LISTSERV.WVNET.EDU> on behalf of Joe Panetta <jpanetta@K12.WV.US>  
**Sent:** Tuesday, October 06, 2015 9:24 AM  
**To:** K12-SUPER-L@LISTSERV.WVNET.EDU  
**Subject:** One (1%) Reduction in State Aid  
**Attachments:** Comps Summary (With 1% Reduction) 16.pdf

**Importance:** High

**Categories:** Blue category

Please be aware of the Governor's announcement of yesterday afternoon in which he announced an across the board **4%** reduction in the state's budget for FY2016, which will include most all state agencies. He stated in the announcement that the move was necessary due to the "unexpected and unprecedented" drop in the state's severance tax collections.

As of September 30, the state's general revenues were more than \$60 million behind estimated collections, and projections are that the shortfall will reach \$250 million by year-end.

THE REDUCTION IN STATE AID TO SCHOOLS WILL BE **ONE PERCENT (1%)** OF THE TOTAL PROGRAM ALLOWANCE, WHICH AMOUNTS TO \$16 MILLION STATEWIDE. Attached is a schedule that reflects the reduction on a county-by-county basis.

Keep in mind in reviewing the schedule, however, that the WVDE will be required to reduce its budget by 4%, which will include many of the other funds that the Department distributes to school districts, RESAs, and MCVCs besides state aid to schools. The Department is currently analyzing the situation and decisions will be made shortly on how much those funds will need to be reduced, if any.

Additional guidance will be issued within the next few days regarding the procedures for the submittal of budget revision requests to reflect the above reductions.

Meanwhile, please do not hesitate to contact this office if there are any questions.

### Joseph Panetta

Chief Operations Officer  
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**PUBLIC SCHOOL SUPPORT PROGRAM  
EFFECT OF ONE PERCENT (1%) REDUCTION  
IN TOTAL BASIC PROGRAM ALLOWANCE  
FOR THE 2015-16 YEAR**

County	Original Basic Program Allowance	1% Reduction Basic Program Allowance	Basic Prgm Allowance After 1% Red.	Local Share	Revised State Aid Allowance
Barbour	14,610,373	146,104	14,464,269	3,669,066	10,795,203
Berkeley	104,652,971	1,046,530	103,606,441	21,428,175	82,178,266
Boone	24,668,144	246,681	24,421,463	7,882,612	16,538,851
Braxton	12,509,847	125,098	12,384,749	2,967,122	9,417,627
Brooke	18,052,884	180,529	17,872,355	5,680,013	12,192,342
Cabell	73,098,471	730,985	72,367,486	18,348,984	54,018,502
Calhoun	7,328,724	73,287	7,255,437	1,165,215	6,090,222
Clay	12,189,191	121,892	12,067,299	1,405,197	10,662,102
Doddridge	7,085,949	70,859	7,015,090	5,978,293	1,036,797
Fayette	38,631,520	386,315	38,245,205	7,963,600	30,281,605
Gilmer	6,259,711	62,597	6,197,114	1,794,528	4,402,586
Grant	10,975,724	109,757	10,865,967	6,125,437	4,740,530
Greenbrier	30,179,871	301,799	29,878,072	7,964,988	21,913,084
Hampshire	20,439,052	204,391	20,234,661	5,964,679	14,269,982
Hancock	22,789,590	227,896	22,561,694	5,255,285	17,306,409
Hardy	14,019,358	140,194	13,879,164	4,593,463	9,285,701
Harrison	61,104,845	611,048	60,493,797	20,598,318	39,895,479
Jackson	29,127,198	291,272	28,835,926	6,750,585	22,085,341
Jefferson	49,714,254	497,143	49,217,111	14,256,546	34,960,565
Kanawha	156,185,466	1,561,855	154,623,611	51,228,985	103,394,626
Lewis	15,077,543	150,775	14,926,768	5,587,685	9,339,083
Lincoln	22,078,127	220,781	21,857,346	2,764,210	19,093,136
Logan	35,334,382	353,344	34,981,038	8,867,362	26,113,676
Marion	45,814,892	458,149	45,356,743	13,513,437	31,843,306
Marshall	25,812,395	258,124	25,554,271	21,687,273	3,866,998
Mason	24,232,822	242,328	23,990,494	5,386,065	18,604,429
McDowell	19,987,055	199,871	19,787,184	5,605,592	14,181,592
Mercer	52,975,106	529,751	52,445,355	9,311,442	43,133,913
Mineral	25,307,267	253,073	25,054,194	4,398,010	20,656,184
Mingo	25,213,646	252,136	24,961,510	6,179,420	18,782,090
Monongalia	63,889,963	638,900	63,251,063	26,809,392	36,441,671
Monroe	10,904,752	109,048	10,795,704	1,925,898	8,869,806
Morgan	13,661,898	136,619	13,525,279	4,459,721	9,065,558
Nicholas	23,195,083	231,951	22,963,132	5,108,355	17,854,777
Ohio	30,220,737	302,207	29,918,530	12,148,153	17,770,377
Pendleton	8,014,734	80,147	7,934,587	2,107,729	5,826,858
Pleasants	7,525,235	75,252	7,449,983	3,994,981	3,455,002
Pocahontas	8,506,312	85,063	8,421,249	3,386,461	5,034,788
Preston	27,076,158	270,762	26,805,396	6,708,800	20,096,596
Putnam	54,252,044	542,520	53,709,524	13,341,916	40,367,608
Raleigh	69,922,420	699,224	69,223,196	16,721,952	52,501,244
Randolph	24,873,603	248,736	24,624,867	6,063,933	18,560,934
Ritchie	8,812,782	88,128	8,724,654	3,361,796	5,362,858
Roane	13,709,376	137,094	13,572,282	2,371,544	11,200,738
Summers	9,770,723	97,707	9,673,016	2,402,267	7,270,749
Taylor	14,106,250	141,063	13,965,187	4,394,003	9,571,184
Tucker	7,183,833	71,838	7,111,995	3,329,210	3,782,785
Tyler	8,231,645	82,316	8,149,329	3,110,930	5,038,399
Upshur	22,876,301	228,763	22,647,538	5,686,397	16,961,141
Wayne	41,403,344	414,033	40,989,311	6,579,038	34,410,273
Webster	8,944,510	89,445	8,855,065	1,483,519	7,371,546
Wetzel	15,584,897	155,849	15,429,048	12,078,012	3,351,036
Wirt	6,456,191	64,562	6,391,629	692,740	5,698,889
Wood	73,930,931	739,309	73,191,622	16,163,395	57,028,227
Wyoming	24,256,264	242,563	24,013,701	5,385,892	18,627,809
State	1,602,766,364	16,027,663	1,586,738,701	454,137,621	1,132,601,080

F&A Div.

10/06/15

Comps Summary (With 1% Reduction) 16

## Amy Willard

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**From:** Chief Financial Officers <K12-CFO@LISTSERV.WVNET.EDU> on behalf of Joe Panetta <jpanetta@K12.WV.US>  
**Sent:** Wednesday, October 07, 2015 9:06 AM  
**To:** K12-CFO@LISTSERV.WVNET.EDU  
**Subject:** Calculation of the 15 Reduction  
**Attachments:** Comps on a Pct Basis 16.pdf  
**Categories:** Blue category

The following explanation is provided as a result of several inquiries received by this office about why the 1% reduction was based on the total program allowance rather than state aid.

It would not have been fair to all county boards to base the reduction on the state aid (Step 10) amount because the percentage of the total program allowance (Step 8) comprising the state and local portions varies greatly among the 55 county boards, as illustrated by the attached schedule. As you can see, the state aid portion varies from a high of 89.27% for Wirt County Schools, a property poor county, to a low of 15.63% for Doddridge County Schools a property wealthy county, mainly as a result of the recent natural gas exploration and production in the county.

If the reduction had been based on net state aid, Wirt County Schools' reduction, with a total allowance of only \$6.4 million would have been greater than several other county boards with much larger total allowances, such as Marshall, Wetzel, Grant, etc.

Regarding the comments that the reductions would have been smaller if they had been based on state aid, this statement is not true. An expenditure reduction of at least \$16 million was needed from state aid to schools to help offset the shortfall in the State's projected tax revenues of \$250 million for FY16. If the reduction had been computed on a smaller total gross, a larger percent reduction would have had to have been made.

Finally, please keep the following facts in mind as you are making expenditure decisions during the year: (1) It is not expected that the State's current financial situation will recover quickly; (2) the current reductions of 4% for all state agencies and 1% in state aid, produced a reduction of only \$100 million. With a projected shortfall of \$250 million, this still leaves a balance of \$150 million that will need addressed. According to Secretary of Revenue Bob Kiss, "To balance the budget, the government will have to come up with the remaining \$150 million – most likely by shifting around revenue and tapping the Rainy Day Fund, an action that requires lawmakers' approval"; and (3) the projected \$250 million shortfall is based on the fact that revenues are short of projections by \$60 million at the end of the first quarter of the current year, but the shortfall for the month of September alone was \$40 million. If this monthly rate continues for the remaining nine months of the year, the \$250 projected shortfall will most certainly be exceeded.

Please do not hesitate to contact this office if you want to discuss further.

### Joseph Panetta

Chief Operations Officer  
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**PUBLIC SCHOOL SUPPORT PROGRAM  
TOTAL ALLOWANCE, LOCAL SHARE & BASIC STATE AID  
BASED ON THE FINAL COMPUTATIONS  
FOR THE 2015-16 YEAR**

County	Total Allowance	Local Share	% of Local Share to Total Allowance	Basic State Aid Allowance	% of Net State Aid to Total Allowance
Barbour	14,610,373	3,669,066	25.11%	10,941,307	74.89%
Berkeley	104,652,971	21,428,175	20.48%	83,224,796	79.52%
Boone	24,668,144	7,882,612	31.95%	16,785,532	68.05%
Braxton	12,509,847	2,967,122	23.72%	9,542,725	76.28%
Brooke	18,052,884	5,680,013	31.46%	12,372,871	68.54%
Cabell	73,098,471	18,348,984	25.10%	54,749,487	74.90%
Calhoun	7,328,724	1,165,215	15.90%	6,163,509	84.10%
Clay	12,189,191	1,405,197	11.53%	10,783,994	88.47%
Doddridge	7,085,949	5,978,293	84.37%	1,107,656	15.63%
Fayette	38,631,520	7,963,600	20.61%	30,667,920	79.39%
Gilmer	6,259,711	1,794,528	28.67%	4,465,183	71.33%
Grant	10,975,724	6,125,437	55.81%	4,850,287	44.19%
Greenbrier	30,179,871	7,964,988	26.39%	22,214,883	73.61%
Hampshire	20,439,052	5,964,679	29.18%	14,474,373	70.82%
Hancock	22,789,590	5,255,285	23.06%	17,534,305	76.94%
Hardy	14,019,358	4,593,463	32.77%	9,425,895	67.23%
Harrison	61,104,845	20,598,318	33.71%	40,506,527	66.29%
Jackson	29,127,198	6,750,585	23.18%	22,376,613	76.82%
Jefferson	49,714,254	14,256,546	28.68%	35,457,708	71.32%
Kanawha	156,185,466	51,228,985	32.80%	104,956,481	67.20%
Lewis	15,077,543	5,587,685	37.06%	9,489,858	62.94%
Lincoln	22,078,127	2,764,210	12.52%	19,313,917	87.48%
Logan	35,334,382	8,867,362	25.10%	26,467,020	74.90%
Marion	45,814,892	13,513,437	29.50%	32,301,455	70.50%
Marshall	25,812,395	21,687,273	84.02%	4,125,122	15.98%
Mason	24,232,822	5,386,065	22.23%	18,846,757	77.77%
McDowell	19,987,055	5,605,592	28.05%	14,381,463	71.95%
Mercer	52,975,106	9,311,442	17.58%	43,663,664	82.42%
Mineral	25,307,267	4,398,010	17.38%	20,909,257	82.62%
Mingo	25,213,646	6,179,420	24.51%	19,034,226	75.49%
Monongalia	63,889,963	26,809,392	41.96%	37,080,571	58.04%
Monroe	10,904,752	1,925,898	17.66%	8,978,854	82.34%
Morgan	13,661,898	4,459,721	32.64%	9,202,177	67.36%
Nicholas	23,195,083	5,108,355	22.02%	18,086,728	77.98%
Ohio	30,220,737	12,148,153	40.20%	18,072,584	59.80%
Pendleton	8,014,734	2,107,729	26.30%	5,907,005	73.70%
Pleasants	7,525,235	3,994,981	53.09%	3,530,254	46.91%
Pocahontas	8,506,312	3,386,461	39.81%	5,119,851	60.19%
Preston	27,076,158	6,708,800	24.78%	20,367,358	75.22%
Putnam	54,252,044	13,341,916	24.59%	40,910,128	75.41%
Raleigh	69,922,420	16,721,952	23.92%	53,200,468	76.08%
Randolph	24,873,603	6,063,933	24.38%	18,809,670	75.62%
Ritchie	8,812,782	3,361,796	38.15%	5,450,986	61.85%
Roane	13,709,376	2,371,544	17.30%	11,337,832	82.70%
Summers	9,770,723	2,402,267	24.59%	7,368,456	75.41%
Taylor	14,106,250	4,394,003	31.15%	9,712,247	68.85%
Tucker	7,183,833	3,329,210	46.34%	3,854,623	53.66%
Tyler	8,231,645	3,110,930	37.79%	5,120,715	62.21%
Upshur	22,876,301	5,686,397	24.86%	17,189,904	75.14%
Wayne	41,403,344	6,579,038	15.89%	34,824,306	84.11%
Webster	8,944,510	1,483,519	16.59%	7,460,991	83.41%
Wetzel	15,584,897	12,078,012	77.50%	3,506,885	22.50%
Wirt	6,456,191	692,740	10.73%	5,763,451	89.27%
Wood	73,930,931	16,163,395	21.86%	57,767,536	78.14%
Wyoming	24,256,264	5,385,892	22.20%	18,870,372	77.80%
State	1,602,766,364	454,137,621	28.33%	1,148,628,743	71.67%

Note: Basic state aid includes steps 1 - 7 only, not any other allowances under the Public School Support Program.

OSF

04/09/15

Comps Pct 16

**PUBLIC SCHOOL SUPPORT PROGRAM  
TOTAL ALLOWANCE, LOCAL SHARE & BASIC STATE AID  
ARRANGED IN DESCENDING ORDER BY PCT OF STATE AID  
BASED ON THE FINAL COMPUTATIONS  
FOR THE 2015-16 YEAR**

Ct.	County	Total Allowance	Local Share	% of Local Share to Total Allowance	Basic State Aid Allowance	% of Net State Aid to Total Allowance
1	Wirt	6,456,191	692,740	10.73%	5,763,451	89.27%
2	Clay	12,189,191	1,405,197	11.53%	10,783,994	88.47%
3	Lincoln	22,078,127	2,764,210	12.52%	19,313,917	87.48%
4	Wayne	41,403,344	6,579,038	15.89%	34,824,306	84.11%
5	Calhoun	7,328,724	1,165,215	15.90%	6,163,509	84.10%
6	Webster	8,944,510	1,483,519	16.59%	7,460,991	83.41%
7	Roane	13,709,376	2,371,544	17.30%	11,337,832	82.70%
8	Mineral	25,307,267	4,398,010	17.38%	20,909,257	82.62%
9	Mercer	52,975,106	9,311,442	17.58%	43,663,664	82.42%
10	Monroe	10,904,752	1,925,898	17.66%	8,978,854	82.34%
11	Berkeley	104,652,971	21,428,175	20.48%	83,224,796	79.52%
12	Fayette	38,631,520	7,963,600	20.61%	30,667,920	79.39%
13	Wood	73,930,931	16,163,395	21.86%	57,767,536	78.14%
14	Nicholas	23,195,083	5,108,355	22.02%	18,086,728	77.98%
15	Wyoming	24,256,264	5,385,892	22.20%	18,870,372	77.80%
16	Mason	24,232,822	5,386,065	22.23%	18,846,757	77.77%
17	Hancock	22,789,590	5,255,285	23.06%	17,534,305	76.94%
18	Jackson	29,127,198	6,750,585	23.18%	22,376,613	76.82%
19	Braxton	12,509,847	2,967,122	23.72%	9,542,725	76.28%
20	Raleigh	69,922,420	16,721,952	23.92%	53,200,468	76.08%
21	Randolph	24,873,603	6,063,933	24.38%	18,809,670	75.62%
22	Mingo	25,213,646	6,179,420	24.51%	19,034,226	75.49%
23	Summers	9,770,723	2,402,267	24.59%	7,368,456	75.41%
24	Putnam	54,252,044	13,341,916	24.59%	40,910,128	75.41%
25	Preston	27,076,158	6,708,800	24.78%	20,367,358	75.22%
26	Upshur	22,876,301	5,686,397	24.86%	17,189,904	75.14%
27	Logan	35,334,382	8,867,362	25.10%	26,467,020	74.90%
28	Cabell	73,098,471	18,348,984	25.10%	54,749,487	74.90%
29	Barbour	14,610,373	3,669,066	25.11%	10,941,307	74.89%
30	Pendleton	8,014,734	2,107,729	26.30%	5,907,005	73.70%
31	Greenbrier	30,179,871	7,964,988	26.39%	22,214,883	73.61%
32	McDowell	19,987,055	5,605,592	28.05%	14,381,463	71.95%
33	Gilmer	6,259,711	1,794,528	28.67%	4,465,183	71.33%
34	Jefferson	49,714,254	14,256,546	28.68%	35,457,708	71.32%
35	Hampshire	20,439,052	5,964,679	29.18%	14,474,373	70.82%
36	Marion	45,814,892	13,513,437	29.50%	32,301,455	70.50%
37	Taylor	14,106,250	4,394,003	31.15%	9,712,247	68.85%
38	Brooke	18,052,884	5,680,013	31.46%	12,372,871	68.54%
39	Boone	24,668,144	7,882,612	31.95%	16,785,532	68.05%
40	Morgan	13,661,898	4,459,721	32.64%	9,202,177	67.36%
41	Hardy	14,019,358	4,593,463	32.77%	9,425,895	67.23%
42	Kanawha	156,185,466	51,228,985	32.80%	104,956,481	67.20%
43	Harrison	61,104,845	20,598,318	33.71%	40,506,527	66.29%
44	Lewis	15,077,543	5,587,685	37.06%	9,489,858	62.94%
45	Tyler	8,231,645	3,110,930	37.79%	5,120,715	62.21%
46	Ritchie	8,812,782	3,361,796	38.15%	5,450,986	61.85%
47	Pocahontas	8,506,312	3,386,461	39.81%	5,119,851	60.19%
48	Ohio	30,220,737	12,148,153	40.20%	18,072,584	59.80%
49	Monongalia	63,889,963	26,809,392	41.96%	37,080,571	58.04%
50	Tucker	7,183,833	3,329,210	46.34%	3,854,623	53.66%
51	Pleasants	7,525,235	3,994,981	53.09%	3,530,254	46.91%
52	Grant	10,975,724	6,125,437	55.81%	4,850,287	44.19%
53	Wetzel	15,584,897	12,078,012	77.50%	3,506,885	22.50%
54	Marshall	25,812,395	21,687,273	84.02%	4,125,122	15.98%
55	Doddridge	7,085,949	5,978,293	84.37%	1,107,656	15.63%
-	State	1,602,766,364	454,137,621	28.33%	1,148,628,743	71.67%

Note: Basic state aid includes steps 1 - 7 only, not any other allowances under the Public School Support Program.

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