

# SCHOOL FINANCE HOT TOPICS

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# 2015 CPRB WEBINAR

## TRS Tier II



# Welcome TRS Benefit Coordinators

## Microsoft Live Meeting Instructions

If you have questions for our Chief Operating Officer during the presentation you will have the opportunity to use the Microsoft Live Meeting Q&A feature to ask questions about **TRS Tier II** member benefits and payroll reporting. Tier II questions will be answered by our presenter at the end of the presentation.

Select the **Q&A** option on the top menu bar of the Live Meeting console. Click in the *Type a question for the presenter* box. If you have multiple questions, simply click *Edit* and type your next question in the same box. Click *Ask* to post each question (Note: Clicking the **X** will delete all questions).

Use the Live Meeting **Feedback** feature on the top menu bar of the console for all other questions. Click the Feedback pull down menu and choose a color coded option (Need Help, Can't Hear, Slow Down, Question). A meeting administrator will be contacted through a private live chat to assist you. Be certain to click the green **Proceed** option under *Feedback* once your question has been answered.



# Senate Bill 529

**Senate Bill 529**, effective March 18, 2015, was passed during the 2015 Regular Session of the WV Legislature and signed into law on April 3, 2015.

In addition to other things, the provisions of **SB529** created a second tier of retirement benefits for those eligible to be a member of the Teachers' Retirement System (TRS) who are hired for the first time and first become a member of TRS on or after July 1, 2015.

# “Hired for the first time and first becomes a member on or after July 1, 2015”

- *What exactly does this mean?*
  - Anyone who has never been employed with any TRS employer before in a position which would qualify them for TRS participation (i.e. regularly employed for full-time service working 5 days per week).
  - This would mean someone who has been in a substitute position for 2 years who becomes regularly employed on August 3, 2015 for the first time.
- *It does not mean:*
  - Someone who worked for a TRS employer, even if it was a different county or TRS employer, in the past even if it was 20 years ago.
  - Someone who has withdrawn their retirement contributions and has not paid them back to TRS.

# New Enrollment Forms & TRS Tier II Brochures

- TRS will be sending out New Enrollment forms and TRS Tier II brochures to employers.
- The Enrollment form will ask questions to help you determine which Tier of benefits they are eligible for so you can provide them the proper brochure.
- **Please be certain to provide the correct brochure to new hires.**
- If you or the new hire are uncertain as to which Tier of TRS benefits they will be eligible for, please contact Jessica McCullough, TRS Enrollment, at (800) 654-4406 ext. 52455 for assistance.

# Amendments Affecting TRS Provisions

- Military service credit (affects both Tier I and Tier II employees)
- Regular retirement age
- Deferred retirement age
- Early/Reduced Retirement age
- Vesting
- Retirement eligibility
- Use of unused sick and annual leave at the time of retirement for additional retirement service credit
- Teachers Retirement System (TRS) and Public Employees Retirement System (PERS) reciprocal service credit



# Amendments Affecting TRS Provisions

## Military service credit



# TRS Military Service Credit

- Existing TRS members who do not qualify for the non-contributory Draft military service credit and those first hired on or after July 1, 2015 may purchase up to 60 months of active military service if:
  - 1) Existing member completes at least a complete fiscal year of contributory service after July 1, 2015 or a new member completes at least a complete fiscal year of contributory service after date of hire and submits a request to purchase military service on a TRS form during these 12 months (this form will be posted to the CPRB website at [www.wvretirement.com](http://www.wvretirement.com));
  - 2) Active military duty occurs prior to the date on which the member first becomes an employee of a participating public employer; and
  - 3) The employee pays the actuarial reserve purchase amount within 48 months after July 1, 2015 for existing TRS members, or 48 months after the date on which the employee and employer contributions are first received for future employees hired for the first time on or after July 1, 2015 and while he/she is still employed with a participating public employer and still making contributions to TRS; if the employee ceases employment prior to completing the purchase in full, he/she is not eligible to purchase.

# TRS Military Service (cont.)

- Military service purchase can be made by lump sum or in installment payments.
- Interest of 7.5% will accrue on outstanding balance until paid in full.
- TRS staff will send out cost after the one (1) complete fiscal year information has been submitted to TRS.
- Employee can purchase all or part of their eligible military service (1 month or up to 60 months) of qualifying (i.e. active duty service of at least 30 or more consecutive calendar days, honorable discharge) military service.
- If installment payment option is selected, the member must execute a contract specifying the number of months being purchased and the payments required.

# TRS Military Service (cont.)

- Military service will be computed by adding the total number of days in each period of active military duty eligible to be purchased, and divide by 30; fractions of 0.5 will be rounded up
- If an employee is employed for the first time after July 1, 2015, works 8 months, quits, then is re-employed at a later date for one (1) complete fiscal year...he/she could request a cost and purchase eligible military service after the one (1) complete fiscal year service and contributions have occurred. (Cost will be greater because age is greater.)
- USERRA military service purchases are still eligible under USERRA laws for those called to active duty while employed.

# TRS Tier II Provisions

## Regular & Deferred Retirement Ages

Regular retirement age increases to age 62 for an employee who goes directly into retirement with no break in service.



Deferred retirement (when an employee has a break in service between employment and retirement) age increases to 64 for those with less than 20 years of TRS service, and age 63 for those with 20 or more years of service.

# TRS Tier II Provisions

## Early/Reduced Retirement Ages

- An employee who is working may elect to take a reduced annuity between the age of 60 and 62 so long as he/she has 10 years of contributing service.
- An employee who is working with 20 or more years of service may elect to take a reduced annuity between the age of 57 and 62.
- An employee who is working with 30 or more years of service may take a reduced annuity between the age of 55 and 62.

# Amendments Affecting TRS Tier II Provisions

Vesting / minimum years of service for an annuity increases to 10 years of contributing service.



# TRS TIER II Provisions



## Teachers Retirement System (TRS) & Public Employees Retirement System (PERS) Reciprocal Service Credit

- Those who first become a member of TRS on or after July 1, 2015 must be employed for 10 years under TRS and 10 years under PERS to receive reciprocal service credit.
- Those who first become a member of TRS on or after July 1, 2015 may not use compensation amounts received under PERS in TRS final average salary calculation and vice versa.



# Options no longer available to TRS TIER II members



- Accrued unused sick and annual leave eligible to purchase additional retirement service credit.
- Retire at any age with 35 years of service.
- Retire at age 55 with 30 years of service.
- Retire with a reduced annuity at an age of less than 55 with 30-35 years of service.

# Questions?



**COUNTY BOARDS OF EDUCATION  
OPEB CREDIT AMOUNTS FOR STATE-AID FUNDED EMPLOYEES  
DUE TO SENATE BILL 469  
FOR FY 2015**

<b>County</b>	<b>2015</b>
Barbour	\$ 314,698.04
Berkeley	3,406,976.47
Boone	681,239.00
Braxton	321,559.52
Brooke	519,791.22
Cabell	2,236,330.07
Calhoun	165,311.63
Clay	323,822.57
Doddridge	175,191.27
Fayette	1,082,258.22
Gilmer	108,775.99
Grant	277,643.78
Greenbrier	959,240.69
Hampshire	625,855.55
Hancock	642,634.12
Hardy	390,269.44
Harrison	1,935,828.87
Jackson	912,003.91
Jefferson	1,587,575.28
Kanawha	4,696,541.62
Lewis	356,607.01
Lincoln	626,838.61
Logan	970,307.97
Marion	1,471,147.25
Marshall	702,900.81
Mason	734,397.77
McDowell	325,845.89
Mercer	1,541,489.90
Mineral	805,080.75
Mingo	736,623.41
Monongalia	1,768,910.13
Monroe	300,655.65
Morgan	490,707.23
Nicholas	757,054.56
Ohio	869,007.88
Pendleton	166,247.10
Pleasants	250,794.47
Pocahontas	178,570.98
Preston	689,362.38
Putnam	1,903,041.63
Raleigh	1,988,742.98
Randolph	734,154.91
Ritchie	237,988.13
Roane	365,528.20
Summers	214,193.87
Taylor	379,530.12
Tucker	176,278.24
Tyler	190,751.16
Upshur	622,187.68
Wayne	1,337,867.02
Webster	201,747.74
Wetzel	337,303.40
Wirt	165,425.67
Wood	2,489,570.15
Wyoming	715,243.44
<b>Total</b>	<b>\$ 47,165,651.33</b>

Notes: (1) These are the draft allocations that will be reviewed by PEIA's auditors. (2) The credit amounts presented above are for counties and MCVs only. The credit calculations take RESAs into account so none of the credit should be allocated to a RESA by the fiscal agent.



**RECOMMENDED PROCEDURES FOR ACCOUNTING  
FOR THE COLLECTION AND DISBURSEMENT OF  
COUNTY BOARD FUNDS EXPENDED FOR  
THE SUPPORT OF PUBLIC LIBRARIES**

The following accounting procedures are established by the West Virginia Department of Education, Office of School Finance, to account for the collection and disbursement of tax collections to a public library from a special (excess) levy wherein the county board is the levying body:

1. **General:** Public libraries do not have the statutory authority to levy property taxes. Consequently, for a public library to be able to receive property tax proceeds, the taxes must be provided by an authorized levying body, which includes a county commission, a county board of education, or an incorporated municipality.
  
2. **Support of a Public Library from Levy Proceeds of a Special (Excess) Levy Sponsored Specifically for a Public Library:** If a county board sponsors a separate special (excess) levy election on behalf of the public library system in the county, the county board of education remains the levying body and although the board is authorized to disburse the funds to the public library, it ultimately remains responsible for ensuring that the levy proceeds are spent in accordance with the levy call approved by the voters. Therefore, the county board of education shall require the public library to provide, at a minimum, the following reports: (1) a monthly financial report in a timely manner that reflects specifically the amount of levy proceeds received for the month and how those funds were expended; (2) copy of the public library's annual audit report issued by either the State Auditor's Office or an independent accounting firm; and (3) any other supporting documents that county board treasurer/chief school business official may request to support the amounts reflected in the monthly and annual reports. The monthly financial report should include both monthly and year-to-date revenues and expenditures. County boards have the authority to request additional information, or conduct any additional auditing or monitoring procedures that are deemed necessary to ensure that the levy proceeds are being expended in accordance with the levy order, including copies of specific invoices, checks or other transactional data. This can include the requirement that the public library submit copies of actual invoices before the funds are disbursed to the library. To provide assurances to the public that the proceeds of the special (excess) levy for the support of the public library system are being expended in an authorized manner, the county board can include copies of the monthly and annual financial statements in its board minutes.

To make certain the financial activities are as transparent as possible, county boards that sponsor special (excess) levies for a public library must account for the proceeds in a fund separate in WVEIS from other special (excess) levies that the board may have in existence. For the boards that already have an excess levy, this means that the proceeds from the special levy sponsored specifically for a public library must be accounted for in Fund 12.

When completing the Schedule of Proposed Levy Rates in March and the Levy Order and Rate Sheet in April, the library excess levy must be shown as a separate and distinct excess levy. It cannot be combined with any other excess levies that a county board of education may have in existence.

The county board of education must work with the county sheriff to ensure that the funds are properly segregated when property tax collections are remitted by the sheriff to the county board. If the levy order and rate sheet is structured properly, it should not be difficult for the sheriff to separately identify the collections for the library excess levy versus the normal excess levy.

3. **Support of a Public Library from a County Board's Own Special (Excess) Levy:** If a county board of education includes as one of the purposes for placing a special (excess) levy call before the voters, the support of the public library system in the county, the county board of education may disburse the funds to the public library but remains responsible for ensuring that the levy proceeds are spent in accordance with the levy call approved by the voters. Therefore, the county board of education shall require the public library to provide, at a minimum, the following reports: (1) a monthly financial report in a timely manner that reflects specifically the amount of levy proceeds received for the month and how those funds were expended; (2) a copy of the public library's annual audit report issued by either the State Auditor's Office or an independent accounting firm; and (3) any other supporting documents that county board treasurer/chief school business official may request to support the amounts reflected in the monthly and annual reports. The monthly financial report should include both monthly and year-to-date revenues and expenditures. County boards have the authority to request additional information, or conduct any additional auditing or monitoring procedures that are deemed necessary to ensure that the levy proceeds are being expended in accordance with the levy order, including copies of specific invoices, checks or other transactional data. This can include the requirement that the public library submit copies of actual invoices before the funds are disbursed to the library. To provide assurances to the public that the proceeds of the special (excess) levy for the support of the public library system are being expended in an authorized manner, the county board can include copies of the monthly and annual financial statements in its board minutes.
4. **Support of a Public Library from Unrestricted Funds:** If a county board of education chooses to utilize unrestricted funds that are not required by an excess levy call to support the local public library system, the county board shall require the public library to provide a copy of its annual audit report.

**REVISED CHART OF ACCOUNTS  
FOR LEAS IN THE STATE OF WEST VIRGINIA  
EFFECTIVE JULY 1, 2015**

Following is a summary of the changes made in the revised Chart of Accounts, effective July 1, 2015:

**Agency Codes:**

All RESA names have been updated to use the RESA numbering of 1 through 8 rather than the previously used Roman Numerals.

**Project Codes:**

**00Y        Unrestricted Projects**

00Y86 Growth County Facility Act

Added new code

**05Y        Career and Technical Education (CTE) – State Formula Grants**

05Y7X Multi-County Administration

Added new code

**13Y        Student Enrichment Program/Critical Skills**

Project title revised to include “Critical Skills”

**14Y        WV Leaders of Literacy**

14Y1X WV Leaders of Literacy

Added new code

**24Y        High School Equivalency**

24Y1X High School Equivalency Scholarships  
24Y2X High School Equivalency Option Pathway  
24Y3X High School Equivalency Other

Project title revised  
Project title revised  
Project title revised

**44Y        Child Development**

44Y1X Birth to Three  
44Y2X Adolescent Health

Added new code  
Added new code

**Revenue Source Codes:**

**0195        Service to Other LEA**

01971 *Service to Other funds.*

Description revised

**0198      Miscellaneous Local Source**

01981    *Insurance Proceeds from School Bus Accidents.*

Added new code

**0465      Reimbursements for Food Service Programs**

Category updated to clarify that project code 87 should no longer be in use.

**Program/Function Codes with related Concentration Codes (CC) where applicable:**

2XXXX    Special Education Programs

Description revised to exclude gifted and talented programs.

4XXXX    Other Instructional Programs – Elementary/Secondary

Description revised to include gifted and talented programs.

**2 - Special Education Programs:**

~~21271      *Gifted.*~~

Moved to Other Instructional Education Programs 41471.

**3 - Vocational Education Programs:**

**31311      *Agriculture, Food, and Natural Resources.***

AG0222    Virtual Animal Science

New CC

~~AG0275    IWRC Agriculture, Food and Natural Resources  
(Special Education Only)~~

Removed CC

**31312      *Arts, A/V Technology, and Communication.***

~~AV0970    Applied Design~~

Moved to 31381 and CC Number Revised

~~AV2195    IWRC Arts and Humanities (Special Education Only)~~

Removed CC

~~AV2200    CIEL Arts and Humanities (Juvenile Institutions Only)~~

Removed CC

**31313      *Education and Training.***

ED1300    Careers in Education

Revised CC Number and Title

**31331      *Health Science.***

~~HE0800    IWRC Health Science Education (Special Education Only)~~

Removed CC

~~HE0805    CIEL Health Science Education (Juvenile Institutions Only)~~

Removed CC



<b>31333</b>	<b><i>Hospitality and Tourism.</i></b>	
	<del>HO1205</del> Event Planning and Design	Removed CC
	HO1210 Hospitality and Tourism	Revised CC Title
	<del>HO1213</del> Hospitality Skill Certification	Removed CC
	<del>HO1218</del> Hospitality Entrepreneurship	Removed CC
	<del>HO1735</del> IWRC Hospitality and Tourism (Special Education Only)	Removed CC
	<del>HO1740</del> CIEL Human Services (Juvenile Institutions Only)	Removed CC
<b>31334</b>	<b><i>Human Services.</i></b>	
	HU1016 Virtual Wellness Coaching	New CC
	<del>HU1735</del> IWRC Human Services (Special Education Only)	Removed CC
	HU2321 Virtual Family Services	New CC
	HU2322 Virtual Childcare	New CC
	HU2323 Virtual Counseling and Mental Health	New CC
<b>31342</b>	<b><i>Family and Consumer Sciences (Non Occupational).</i></b>	
	<del>HU0900</del> Family and Consumer Sciences Non-Occupational	Removed CC
<b>31343</b>	<b><i>Law, Public Safety, Corrections, and Security.</i></b>	
	LA1021 Virtual Criminology	New CC
	<del>LA1735</del> IWRC Law, Public Safety, Corrections and Security (Special Education Only)	Removed CC
<b>31344</b>	<b><i>Manufacturing.</i></b>	
	<del>MA2165</del> Cabling Technology	Removed CC
	<del>MA2190</del> IWRC Engineering and Technical (Special Education Only)	Removed CC
	<del>MA2192</del> CIEL Manufacturing (Juvenile Institutions Only)	Removed CC
<b>31345</b>	<b><i>Science, Technology, Engineering, and Mathematics.</i></b>	
	ST2175 Energy, Power and Engineered Systems (Advanced Career)	Revised CC Title
	ST2200 Aerospace Engineering (Advanced Career)	Revised CC Title
	ST2205 Innovations in Science and Technology (Advanced Career)	Revised CC Title
	ST2225 Clean Energy (Advanced Career)	Revised CC Title
<b>31346</b>	<b><i>Transportation, Distribution, and Logistics.</i></b>	
	<del>TR2190</del> IWRC Transportation, Distribution and Logistics (Special Education Only)	Removed CC
	TR2215 Global Logistics and Supply Chain Management (Advanced Career)	Revised CC Title
<b>31351</b>	<b><i>Technology Education (Non-Occupational).</i></b>	
	<del>ET2400</del> Technology Education Non-Occupational	Removed CC

<b>31361</b>	<b><i>Business, Management, and Administration.</i></b>	
	<del>BM1430 Business Finance</del>	CC Moved to 31362
	<del>BM1935 IWRC Business and Marketing (Special Education Only)</del>	Removed CC
	<del>BM1940 CIEL Business and Marketing (Juvenile Institutions Only)</del>	Removed CC
<b>31362</b>	<b><i>Finance.</i></b>	
	FI1430 Business Finance	CC Moved from 31361 and CC number revised
<b>31381</b>	<b><i>Architecture and Construction.</i></b>	
	AR0970 Applied Design	CC Moved from 31312 and CC number revised
	<del>AR2190 IWRC Architecture and Construction (Special Education Only)</del>	Removed CC
<b>31391</b>	<b><i>Other.</i></b>	
	<del>HU2330 Option Pathway</del>	Removed CC

**4 - Other Instructional Education Programs:**

41471	<i>Gifted.</i>	Moved from Special Education Programs 21271 and program/function code updated accordingly.
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**6 - Adult/Continuing Education Programs:**

<b>61611</b>	<b><i>Agriculture, Food and Natural Resources.</i></b>	
	AG0222 Virtual Animal Science	New CC
<b>61612</b>	<b><i>Arts, A/V Technology, and Communication.</i></b>	
	<del>AV0970 Applied Design</del>	Moved CC to 61681 and revised CC Number
<b>61613</b>	<b><i>Education and Training.</i></b>	
	ED1300 Careers in Education	Revised CC Number
<b>61631</b>	<b><i>Health Science.</i></b>	
	HE0782 Surgical Technologist	Revised CC Title
	HE0810 Electrocardiograph Technician	Revised CC Title

<b>61633</b>	<b><i>Hospitality and Tourism.</i></b>	
	<del>HO1205</del> Event Planning and Design	Removed CC
	HO1210 Hospitality and Tourism	Revised CC Title
	<del>HO1213</del> Hospitality Skill Certification	Removed CC
	<del>HO1218</del> Hospitality Entrepreneurship	Removed CC
<b>61634</b>	<b><i>Human Services.</i></b>	
	HU1016 Virtual Wellness Coaching	New CC
	<del>HU1735</del> IWRC Hospitality and Tourism (Special Education Only)	Removed CC
	HU2321 Virtual Family Services	New CC
	HU2322 Virtual Childcare	New CC
	HU2323 Virtual Counseling and Mental Health	New CC
<b>61643</b>	<b><i>Law, Public Safety, Corrections, and Security.</i></b>	
	LA1021 Virtual Criminology	New CC
	<del>LA1735</del> IWRC Law, Public Safety, Corrections and Security (Special Education Only)	Removed CC
<b>61644</b>	<b><i>Manufacturing.</i></b>	
	MA2060 Adult Electro Mechanical Technology	New CC
<b>61645</b>	<b><i>Science, Technology, Engineering, and Mathematics.</i></b>	
	ST2175 Energy, Power and Engineered Systems (Advanced Career)	Revised CC Title
	ST2200 Aerospace Engineering (Advanced Career)	Revised CC Title
	ST2205 Innovations in Science and Technology (Advanced Career)	Revised CC Title
	ST2225 Clean Energy (Advanced Career)	Revised CC Title
<b>61646</b>	<b><i>Transportation, Distribution, and Logistics.</i></b>	
	TR2215 Global Logistics and Supply Chain Management (Advanced Career)	Revised CC Title
<b>61661</b>	<b><i>Business, Management, and Administration.</i></b>	
	<del>BM1430</del> Business Finance	CC Moved to 61662 and CC number revised
	<del>BM1935</del> IWRC Business and Marketing (Special Education Only)	Removed CC
	<del>BM1940</del> CIEL Business and Marketing (Juvenile Institutions Only)	Removed CC
<b>61662</b>	<b><i>Finance.</i></b>	
	F11430 Business Finance	CC Moved from 61661 and CC number revised

**61681**      ***Architecture and Construction.***

AR0970    Applied Design

CC Moved from  
61612 and CC  
number revised

**8 – Community Service Programs:**

81891      *Instruction - Other.*

New code

**Valid Function and Activity Codes for the Support Services Function Codes:**

**X223**              **Instruction-Related Technology:**

Description modified  
to make it clear that  
that technology  
used by students in  
the classroom or  
that have a student  
instruction focus  
should be coded to  
instruction rather  
than support  
services.

**X25**              **Support Service Central Services:**

X2510      *Fiscal Services-General.* Activities concerned  
with the fiscal operations of the LEA. This  
function includes budgeting, receiving and  
disbursing, financial and property accounting,  
payroll, inventory control, internal auditing,  
investments and fund management.  
(Recommended, instead of using X2511-X2519)

Description modified  
to include  
investment  
activities

**Object Codes:**

**82**              **Judgments.**

Description modified  
to make it clear that  
this object code  
must be used only  
with the X2310  
function.

**83**              **Debt-Related Expenditures/Expenses.**

835          *Interest on Short-Term Debt.* Expenditures for  
interest on short-term debt or anticipation notes.  
(Use only with function X2510.)

New code added

92

**Bond Related Payments.**

Object code  
classification title  
revised

925

*Discount on the Issuance of Bonds.* Proceeds from that portion of the sale of bonds below their par value. The discount represents an adjustment of the interest rate and will be amortized at the district-wide financial reporting level. (Used only with function X51XX.)

New code added