

PRESENTATION TO THE JOINT COMMITTEE ON EDUCATION,
JOINT COMMITTEE ON FINANCE AND JOINT SELECT COMMITTEE ON TAX REFORM
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*Public School Support Plan &
State and Local Taxation and the Public Education System*

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STATE OF WEST VIRGINIA PUBLIC SCHOOL SUPPORT PROGRAM

TOTAL BASIC FOUNDATION ALLOWANCE

Total funding to local
school districts
(Sum of Steps 1-7)

STEP 1 Allowance for Professional Educators

STEP 2 Allowance for Service Personnel

STEP 3 Allowance for Employee Benefits Costs

STEP 4 Allowance for Transportation

STEP 5 Allowance for Professional Student
Support Personnel

STEP 6 Allowance for Other Current Expense,
Substitutes, and Faculty Senates

STEP 7 Allowance for the Improvement of
Instructional Programs

LOCAL SHARE

The county's share of the
Public School Support
Program; Based on
each district's projected
regular levy net property
tax collections for the
year.

STATE AID FOR SCHOOLS

The state's share the
Public School Support
Program for school
districts.

**STATE OF WEST VIRGINIA
ABBREVIATED SUMMARY OF THE
PUBLIC SCHOOL SUPPORT PROGRAM
BASED ON THE FINAL COMPUTATIONS
FOR THE 2015-16 YEAR**

The Public School Support Program (PSSP) is a plan of financial support for the public schools in the State of West Virginia that specifies statutorily the responsibilities of both the State and the fifty-five county school districts. The State's responsibility for the basic program allowance is the total of the allowances calculated under Steps 1 through 7, less the aggregate amount calculated as the school districts' local share.

The PSSP provides allowances for personnel salaries (Steps 1, 2, and 5), employee benefit costs (Step 3), transportation operating costs (Step 4), general operating costs, substitute costs and allowances for faculty senates (Step 6), and improvement of instructional programs, increase in technology funding, and advanced placement programs (Step 7). Additional allowances are provided for alternative education, increased enrollment over the previous year, and other programs.

The PSSP divides the school districts into four separate categories based on student population density and provides funding for a specified number of professional educators, professional student support personnel (nurses and counselors), and service personnel to each district based on the district's student enrollment, with the districts with lower student population densities being funded at higher personnel ratios. Funding for student transportation operating costs is also based on these four categories, with the districts with lower student population densities receiving a higher allowance.

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

Each school district's local share is subtracted from that district's total PSSP allowance to arrive at the state aid that the district is entitled to receive. Local share is a computation of a district's projected regular levy property tax collections for the year. School districts are authorized to levy an excess levy if approved by at least a majority of the voters, and 43 of the 55 districts have such levies in place for the current year, however, the projected tax collections from the excess levies are not included in determining the local share amount.

Local share is computed by multiplying the taxable assessed valuation of all property in the district for the current fiscal year as certified by the county assessor by 90% of the regular levy rates for the year as set by the Legislature and then deducting four percent (4%) as an allowance for discounts, exonerations, delinquencies, with other allowances also deducted.

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

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

A brief description of each step, and the amounts appropriated for each step for the 2015-16 year, are:

Description	Appropriation
<p>1. Professional Educators - Allowance to pay the annual state minimum salary and supplemental equity for professional educators (PE), limited to the following applicable funding limits per each 1,000 students in net enrollment, based on the district's student population density. The limits used for 2015-16 were: Sparse – 72.75, Low – 72.60, Medium – 72.45, or High - 72.30.</p>	<p>\$ 869,841,621</p>
<p>2. Service Personnel - Allowance to pay the annual state minimum salary and supplemental equity for service personnel (SP), limited to the following applicable funding limits per each 1,000 students in net enrollment, based on the district's student population density. The limits used for computing the allowances for 2015-16 were: Sparse – 45.88, Low – 45.30, Medium – 44.73, or High – 44.17.</p>	<p>294,796,569</p>
<p>3. Fixed charges - Allowance for the district's share of contributions for social security, unemployment compensation and workers' compensation on the salaries determined in steps 1, 2 and 5 (8.60%).</p>	<p>103,420,680</p>
<p>4. Transportation - Allowance for student transportation operating costs. (a) Allowance for operating costs based on the actual maintenance, operations and contracted services multiplied by the appropriate percentage based on the county's population density (b) an additional 10% allowance of the actual expenditures for maintenance, operations and contracted services for the portion of the bus fleet that uses alternative fuels (c) an additional 10% allowance of actual expenditures for operations, maintenance and contracted services for the portion of the bus fleet used to transport students to and from multi-county centers (d) 100% of insurance premium costs; and (e) aid paid to students in lieu of transportation, based on state average rate. Allowance for bus replacement based on 8.33% of the current replacement value of the bus fleet, plus the remaining value for buses purchased after July 1999 with 180,000 miles. For the 2015-16 year, the allowance for the replacement of buses was limited to \$15 million. Districts with increased net enrollments are able to apply for funding for additional buses. Each district's allowance is limited to 1/3 above the state average allowance on a per mile basis, exclusive of the allowance for additional buses.</p>	<p>76,249,111</p>
<p>5. Professional Student Support Services - Allowance to pay the annual state minimum salary and supplemental equity for professional student support personnel (counselors and school nurses) employed. The allowance is fixed at the 2012-13 amount.</p>	<p>37,927,850</p>
<p>6. Allowance for Other Current Expenses, Substitute Employee Salaries and Faculty Senates - Allowance determined as follows: (a) 10% of the allowance for steps 1, 2 and 5 for current expense distributed to each school district proportionally on the basis of the average of each school district's average daily attendance and net enrollment; (b) & (c) 2.5% of steps 1 & 5 and step 2 for substitutes distributed on the basis of the number of personnel allowed for funding; and (d) \$200 per professional instructional personnel and professional student support personnel employed for faculty senates.</p>	<p>154,485,546</p>
<p>7. Improvement of Instructional Programs - Step 7a is the allowance for the improvement of instructional programs; the amount appropriated is the amount appropriated for the preceding year, plus 10% of the growth in local share; distribution to each school district is made on the following basis: \$150,000 equally with the balance distributed proportionally on the basis of the average of each school district's average daily attendance and net enrollment. Step 7b is the allowance for the 21st Century Strategic Technology Learning Plan. The amount appropriated is the amount appropriated the preceding year plus 20% of the growth in local share, distributed to each district on the following basis: \$30,000 equally with the balance allocated proportional as Step 7a. Step 7c is the allowance for advanced placement, dual credit and international baccalaureate programs. The appropriation is based on one percent of the state average per pupil state aid multiplied by the number of students enrolled in such classes in each district.</p>	<p>66,544,000</p>
<p>8. Total Basic Program Allowance - The total of the seven preceding allowances.</p>	<p>1,603,265,377</p>
<p>9. Local Share - Computation of each district's projected regular levy net property tax collections for the year, determined by multiplying the current assessed valuation of all taxable property in the county from the March 3rd Certificates of Valuation completed by the county assessor, exclusive of the increased valuation for Tax Increment Financing (TIF) projects, by 90% of the regular levy rates as set by the Legislature and then deducting: (a) an allowance of 4% for discounts, exonerations and delinquencies; (b) the amount paid to the Assessor's Valuation Fund; and (c) the amount required to fund the Growth Counties Facilities Fund. Excess levies are not included in the local share calculation.</p>	<p>(454,137,621)</p>
<p>10. State Aid Allowance for County School Districts - The State's share of the Public School Support Program for school districts.</p>	<p>\$ 1,149,127,756</p>

In addition, the following amounts were appropriated under the Public School Support Program for county boards of education for the 2015-16 year:

• State Teachers' Retirement System:	
o Normal Cost	66,486,618
o Actuarial Accrued Liability (General – Fund 0317) (1)	<u>298,584,000</u>
o Sub-total Teachers' Retirement System - PSSP	365,070,618
• Public Employees Insurance Agency (2)	214,590,471
• School Building Authority for debt service on bonds issued prior to Jan. 1, 1994	<u>23,423,270</u>
 Basic State Aid (Including PEIA, Retirement and Debt Service for SBA)	 <u>\$1,752,212,115</u>

In addition to the preceding allowances, the following additional amounts were appropriated as other allowances under the PSSP for the 2015-16 year:

• Allowance for increased enrollment	\$ 5,260,000
• Allowance for safe schools (Alternative education programs)	5,028,664
• Allowance for County Transfers	469,993
• English as a Second Language	100,000
• Regional Education Service Agencies (RESAs)	<u>3,690,750</u>
 Total other allowance under the Public School Support Program	 <u>14,549,407</u>

Total Allowance Appropriated - PSSP – 2015-16 Year	\$1,766,761,522
Teachers' Retirement Savings Realized (1)	<u>34,472,000</u>
Total Appropriation – PSSP (Including Teachers' Retirement Savings Realized)	<u>\$1,801,233,522</u>

Notes: (1) In addition to the \$365 million reflected above that was appropriated for the Teachers Retirement System for the 2015-16 year, the following appropriation was made directly to the Teachers' Retirement System for the year from the savings realized by closing the Teachers' Defined Contribution (TDC) Plan in 2005:

• Teachers' Retirement Savings Realized (From General Fund – Acct. 0313)	\$ 34,472,000
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Summarizing the amounts appropriated, for the Teachers' Retirement System for the 2015-16 year, the following reflects the amounts appropriated for normal cost for the year and the amount appropriated for the unfunded past service actuarial liability:

• Total appropriation for the Teachers' Retirement System – 2015-16	\$ 399,542,618
• Total appropriated for the normal cost for the year	<u>66,486,618</u>
 Balance appropriated for the Unfunded Actuarial Liability (UAL)	 <u>\$ 333,056,000</u>

(2) The appropriation for PEIA was reduced by \$5,760,835 for the 2015-16 year to distribute a portion of the balance on deposit in the PEIA Excess Appropriation Reserve Account which has accumulated over prior years.

**STATE OF WEST VIRGINIA
HISTORY OF PUBLIC SCHOOL SUPPORT PROGRAM**

1932 Tax Limitation amendment to the State Constitution ratified at the general election on November 8, 1932, placing a limitation on the power of local levying bodies to impose taxes upon property.

1933 The Legislature consolidated 398 city and independent school districts into 55 countywide school districts to save money and make education more equitable across the state. Any and all monies in the separate funds of any magisterial district or independent school district transferred to the Board of Education for control, distribution and expenditure.

The Board of the School Fund, consisting of the Governor, the state superintendent of schools, auditor and treasurer, was created to manage, control and invest proceeds of the General School Fund.

1935 The Code designated the State Board of Education as the state board to carry out the provisions of the U.S. Congress Act of 1917 to provide for the promotion of vocational education among the states; to provide for cooperation with the states in the preparation of teachers of vocational subjects, and to appropriate money and regulate expenditures.

1939 Statutes adopted to create the Public School Support Program for the purpose of providing a plan of financial support for the public schools of the state.

Statutes adopted specifying that funds raised from the levy of taxes could be expended only for purposes for which raised and that local fiscal bodies could not expend money or incur obligations: in an unauthorized manner; for an unauthorized purpose; in excess of the amount allocated to the fund in the levy order; or in excess of the funds available for current expense.

1961 A major revision, effective July 1, 1961, rewrote most statutory sections of the Public School Support Program.

1967 Several revisions made to the statutes affecting public education, including the expansion of the minimum employment term from nine and one-half months to ten months.

1973 Tax Limitation and Homestead Exemption Amendment to the State Constitution ratified during a special election on November 6, 1973.

1975 The parents of 5 children filed a class action suit in circuit court alleging that their children were being denied a "thorough and efficient" education. After finding many inadequacies, the Circuit Court dismissed the action, leaving the legal questions to be decided by the Supreme Court.

1979 In Pauley v. Kelly, the West Virginia Supreme Court reversed the Circuit Court's dismissal, remanded the case for further evidentiary development, and proposed certain guidelines to assist the Circuit Court in determining the parameters of a thorough and efficient education system.

On remand to the Circuit Court, Judge Arthur Recht was appointed as a special judge. He found broad and comprehensive constitutional inadequacies in the structure, composition and financing of West Virginia's educational system, outlined core elements of a thorough and efficient educational system, and ordered the appointment of a commissioner to oversee the development of a Master Plan.

1991 The Step 7 allowance for the attainment of the national average was changed to the improvement of instructional programs.

1982 Tax Limitation and Homestead Exemption Amendment to the State Constitution ratified at the general election of November 2, 1982 that required the assessment of all real property for tax purposes to be at 60% of appraised value and decreased the percent of votes required for approval of bond and excess levies for school purposes from 60% to 50%.

Judge Recht issued a supplemental opinion granting the request of the State Board of Education and the State Superintendent of Schools to appoint, in lieu of a commissioner, a responsible committee of public and private sector representatives to develop the Master Plan.

1983 Judge Recht approved the Master Plan. The plan was an extensive compilation of detailed concepts and standards on personnel, facilities, instructional materials and equipment, and proposed changes to the educational financing system.

County boards required to create kindergarten programs beginning with the 1983-84 year and kindergarten students included in enrollment.

- 1984 The plaintiffs asked Judge Recht to reopen the case, alleging that the standards being developed by the State Board to implement the Master Plan were not adequate and requested that the Court establish a timeline. The judge found that the standards were inadequate, but did not impose a definite timeline. He also issued a call to the Legislature to completely reconstruct the entire system of education and deferred the duty to rectify the inadequacies to the legislative and executive branches of government.
- A statewide excess levy was attempted during the General Election of November 6, 1984, but failed by a vote of 46% for and 54% against.
- The Legislature enacted legislation to provide supplemental salary equity funding for the purpose of equalizing the salaries of teachers and service personnel among the 55 school districts.
- 1988 A statewide excess levy was again attempted during a special election on March 5, 1988, but also failed by a vote of 44% for and 56% against.
- 1990 The School Building Authority (SBA) was created to construct and renovate school facilities with state funds.
- The Legislature implemented a statewide reappraisal of real property, requiring that all property be appraised at fair market value once every three years and that each parcel be assessed at 60% of appraised value.
- 1989 Adults enrolled in regular secondary vocational programs, limited to 1,000 statewide, include in net enrollment.
- 1990 Net enrollment funding ratios imposed for the 1989-90 school year as follows, and specified that funding was to be based on the lowest of adjusted or net enrollment limits: 76.5/1,000 students for professional educators (PE) and 45.5/1,000 for service personnel (SP), with the ratios decreasing by 0.5/1,000 for following five years to: 74.0/1,000 for PE and 43.5 for SP.
- 1991 Adjusted enrollment funding ratios decreased from 55/1,000 students in adjusted enrollment to 54.33 for the 1990-91 year and to 53.5/1,000 students for the 1991-92 year, and thereafter.
- 1993 The statute related to the Step 7 allowance for the improvement of instructional programs was revised, deleting the requirement specifying any particular amount be appropriated for this purpose.
- 1994 The West Virginia Supreme Court ruled as unconstitutional the funding mechanism used by the School building Authority to fund school construction projects, but let the bond issues issued prior to the opinion of stand.
- 1995 The plaintiffs filed a petition seeking the complete enforcement of the Master Plan, contending that sufficient time had elapsed since the adoption of the Master Plan.
- 1997 Judge Dan Robinson was appointed as special judge of the Circuit Court. He found that the State's Public School Support Plan (State Aid funding formula) was constitutionally deficient.
- 1998 The Legislature established a process for improving education that includes standards, assessment, accountability, and capacity building to provide assurances that a thorough and efficient system of schools is being provided for all public school students on an equal education opportunity basis and that high quality standards are being met.
- The legislation required the State Board to develop high quality educational standards that include measures of student performance; required county boards to submit annual unified county and school improvement plans; and created the Office of Education Performance Audits (OEPA) to evaluate the quality of education and the performance of school systems.
- 1999 Beginning with the 1999-2000 year, the county boards were divided into the following two categories and different net enrollment limits created for the funding of service personnel for the two categories: those with a student population density above the state average and those with a student population density below the state average.
- 2000 The parties to the court case entered into an agreement before Judge Recht, who had again been appointed as special judge of the Circuit Court that resolved most of the critical issues relating to the adequacy and equality of educational opportunities for public school students. Judge Recht accepted the enactment of the legislation enacted in 1998 in lieu of the Master Plan. The judge concluded that the Legislature had, with the enactment of this legislation, changed the paradigm of public education from a resource to a performance model.
- The issues that were not addressed in the Amended Agreed Order involved funding; they were assigned for future evidentiary development and a ruling by the court.

- 2001 Judge Recht ruled that any decision relating to funding inadequacies must and will be deferred until a sufficient period of time has elapsed to afford both the legislative and executive branches of government the opportunity to meet the challenges that they have chosen to provide for a thorough and efficient system of education.
- 2002 Judge Recht ruled that the previously discussed legislation for improving education was specifically found to satisfy the requirements of the West Virginia Constitution to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools; denied the plaintiffs' request to compel the Legislature to provide for the funding of additional personnel through the funding formula; and dismissed the case.
- Beginning with the 2002-03 year, county boards were required, in collaboration with community based programs, to develop a plan to provide a universally free early childhood program for all four year-old students by the 2012-13 school year, and all enrolled four year-old students are included in enrollment.
- 2005 Beginning with the 2005-06 school year, the same two categories of county boards as established for the funding of service personnel was extended to professional educators and the net enrollment limits were to be increased over a 12-year period for both professional and service personnel, with the funding ratios for the following three years specified in Code and the ratios for the remaining nine years to be determined.
- 2008 Major revisions made to the PSSP to simplify the formula, to be phased in over a five year period beginning with the 2008-09 school year, including the following: (1) Eliminated the adjusted enrollment limits; (2) divided districts into the following four categories: sparse, low medium and high; (3) increased the net enrollment limits for PE by 0.05/1,000 per year over the phase-in period; (4) increased the net enrollment for districts with less than 1,400 students to a percent of 1,400, based on student population density; (5) created the new classification of Professional Student Support Personnel composed of school nurses and counselors and funded the group under a separate step of the formula, and (6) established a formula for determining the amount to be appropriated for Step 7 for the improvement of instructional programs, and designated that a portion of the increase in local share be allocated for the improvement of instructional programs and technology improvements.
- 2013 The State Supreme Court ruled as unconstitutional the Special Acts of the Legislature that required nine county boards to set aside a portion of their regular levy tax collections for the support of public libraries.

PSSP History

**WEST VIRGINIA DEPARTMENT OF EDUCATION RESPONSES TO
HOUSE CONCURRENT RESOLUTION NO. 140**

- (A) Whether the differences in staffing ratios for school systems with different student population density, including the adjustment for school systems with less than 1,400 students, adequately compensate for differences in economies of scale

Although a base of 1,400 students was established on which each county board's state aid allowance is to be calculated, the formula for determining the number of additional students to be added for each county board creates inequities. The formula is based on the relationship on a percentage basis between the student population density of each county board with an enrollment of less than 1,400 students and the county with the lowest student population density, which has historically been Pocahontas County. For example the actual net enrollment of Pocahontas County Schools is 1,074.00, but since it has the lowest student density factor of 1.14 students per square mile, it receives funding for the full complement of 1,400 students, a difference of 326 students. In contrast, Calhoun County Schools has an almost identical student net enrollment of 1,071.29, but since its student population density is 3.82, 29.85% of Pocahontas County Schools' student population density, it receives funding for only 98 additional students, a difference in comparison to Pocahontas County Schools of 228 students. In addition, the additional funding provided may not be sufficient to meet the fixed costs of the county boards with less than 1,400 students. In addition, according to WVC §18-9A-2, this provision is to be reviewed every three years by the Legislative Oversight Commission of Education Accountability to determine whether or not it properly addresses the needs of counties with low enrollment and a sparse population density.

- (B) Whether the allowance for the replacement of school buses accurately reflects bus replacement needs based on the expected useful life of the buses and bus safety

The allowance for the replacement of buses is based on a 12 year replacement cycle. Many states use a longer replacement cycle, and the national average is near 15 years.

Although bus replacement funding is based on a 12 year cycle, based on bus fleet data as of June 30, 2014, the average age of the bus fleet is 6.75 years. This indicates the county boards of education actually replace buses on a 13.5 year replacement cycle.

In theory, it would be expected that the older the bus fleet, the higher the maintenance costs would be on the aging buses. However, based on WVEIS financial data for FY14, there does not appear to be a strong correlation between the average age of the bus fleet and the average maintenance cost per bus.

- (C) A statutorily fixed dollar amount for the allowance for professional student support personnel that does not provide for needed increases in nurses and counselors as enrollment increases and further reduces nurse and counselor employment when the dollars are required for state salary increases

The allowance for each county board is set at the dollar amount allocated for the 2012-13 year creating the situation where the allowance does not change with a change in student enrollment. In addition, the set amount means that county boards receive funding for a lesser number of personnel as state salary increases are granted, since the allowance cannot be increased to cover the cost. The current level of funding is also considered insufficient by many county boards giving the growing health care needs for students with diabetes and other chronic health conditions.

- (D) The absence of state funded positions for technology system specialists to adequately service and maintain the growing number of instructional technology devices in use in the schools

The position of Technology System Specialist (TSS) is not defined as a professional educator and therefore not eligible for state aid funding through the personnel related steps of the state aid funding formula. If Step 7a funds are used for the purpose of the improvement of instructional programs to employ personnel, the growth in the amount available for personnel (limited to 25% of the total allowance) from the 2012-13 year through the current funding year must be utilized to employ TSS personnel. However, if a county can prove that they already employ sufficient TSS personnel to meet the needs of the county, the county board is not required to utilize a portion of its Step 7a personnel funding for these positions. There exists a line item appropriation of \$2 million for distribution to the county boards for the employment of TSS personnel, however this amount is insufficient to fund the number of TSS personnel needed by all county boards.

Since 2009, the number of computer devices used in West Virginia schools has increased from **110,160** to **201,002** in 2015. This represents an increase of **82.46 %**. This number is expected to increase further as West Virginia schools work to implement 1:1 computing environments that include digital classroom tools, online curriculum and computer based assessments. In his vision plan, One Voice One Focus All Students Achieving, State Superintendent of Schools, Dr. Michael Martirano, has set a goal for all grades 3 - 12 to be at a 1:1 student to computer ratio by the year 2020.

Support of existing and new systems is an important component of the State's continued success implementing technology in schools statewide. The number of TSS personnel supporting an increased number of computers requires that these individuals attain a higher level technical skill set to remain productive. Some challenges that impact technology implementation and support are, the retirement or repurpose of legacy Windows XP devices, increased number of mobile devices, higher network bandwidth connectivity, network security and increasingly complex wired and wireless networks. Considering the rapid increase in the number of computer devices and the shift to digital curriculum, the number of Technology System Specialists employed in West Virginia Schools has not increased to meet the demand.

- (E) The lack of a rational basis between salary costs that are currently used for determining the allowance for current expense and the actual costs of school systems for funding general operations and maintenance

The total statewide allowance for other operating costs is determined by multiplying the allowances for steps 1, 2, and 5 by 10%, with the amount allocated proportionally among the county boards based on the average of net enrollment and average daily attendance. This calculation based on salary allowances has no direct correlation to the actual operations and maintenance costs. This is illustrated by the fact that many county boards allowances for steps 1, 2 and 5 have decreased in recent years because of the retirement of more experienced personnel and their replacement with less experienced employees, which causes a decrease in the allowance for operating costs, whereas, these costs generally increase each year.

- (F) The current non-formula allowances in areas including special education, high acuity/high cost special needs students, high cost nursing services, limited English proficient students, alternative education, tuition reimbursement, and beginning teacher induction and support programs that are fixed appropriations and do not reflect changing school system needs

- **Special Education & High Acuity/High Cost Special Needs Students:** Many county boards are experiencing an increase in the enrollment of students with high cost special needs, such as autism, but yet the state funding through a line item appropriation for special education programs has not been increased for at least 25 years (Fund 0314 – Act Code 15900 - \$7,271,757). And although an additional \$1.5 million has been appropriated in the past few years for high acuity special need students (Fund 0313 – Act 63400), this amount is not sufficient to cover the cost of such students.
- **High Acuity Health Care** – The current appropriation for high cost nursing services do not reflect changing school system needs of caring for children with specialized health care procedures ordered by a licensed prescribing medical provider. The population of students with an ordered specialized health procedure is approximately 1 in 4 students, or 25% of all students. The majority of these students are not receiving IEP services but have an individualized health care plan or Section 504 plan which do not provide for reimbursable cost for services or any funding streams including daily supplies and equipment parents/guardians may not furnish.

Based on FY15 school health data, students with insulin dependent diabetes grew to 1,018 from 859 in FY13. This is a growth of 159 students needing specialized diets, carbohydrate counting, insulin injections, emergency glucose in the muscle for extremely low sugar and continuous monitoring from a school nurse to ensure their blood sugars are at the level to effectively learn. In addition, schools now have wound-vacuums, tracheotomy care, mechanical ventilators, gastric feeding tubes, seizure

management with high potency prescription drugs which cause breathing depression when administered to save a life, anaphylactic shock reactions for over 5,000 students, students with brain damage from neonatal abstinence syndrome and mental health conditions from our drug addicted families/communities, asthma and the list of ongoing chronic medical conditions in schools.

At this time 302 school nurse RNs manage approximately 280,000 students in 714 schools with roughly 70,000 students requiring medically ordered care during the school day, in addition to providing all students health promotion and disease prevention care. The combined level of funding between Step 5 – Professional Student Support Personnel and the High Acuity Health Care funding is not sufficient to meet the healthcare needs of students.

- **Limited English Proficient Students** – Title VI of the Civil Rights Act of 1964 and the Equal Educational Opportunities ACT (EEOA) established educational precedence in the United States by defining the expectation for public schools to ensure the meaningful participation of Limited English Proficient (LEP) students in their educational programs and services. The number of LEP students, also known as English Language Learners (ELLs), in West Virginia has increased by forty percent from 2011 to 2015. Data from the National Center for Education Statistics indicates continual growth nationally in the number of ELLs in public schools.

In 2010 the Legislature of West Virginia amended §18-9A-22 to include supplemental funding for the provision of programs required for LEP students. Original funding was appropriated at \$350,000 to be allocated at a per pupil expenditure to support districts in implementing effective core instructional education programs. These funds were reduced in appropriation to the amount of \$100,000 in 2013. The supplemental funds secured through the amendment in 2010 represents the only set of state allocated funds dedicated to providing services for ELLs.

School districts are only permitted to utilize federal ESEA Title III for activities beyond those activities necessary to comply with Federal civil rights obligations. Explicitly, these funds are not allowed to be applied for securing teaching staff to provide the language instruction education program for ELLs. It is important to remember, however, that the legal obligations of an SEA and a school district under Title VI and the EEOA are independent of the amount or type of State or Federal funding received. Thus, for example, any change to State funding dedicated to EL programs and services, including State limitations on funding after a child has received ELL services for a specified period of time, does not change an SEA's or school district's Federal civil rights obligations to ELL students. As the number of ELLs in West Virginia continues to increase and the dedicated supplemental State and Federal funding remains constant or decreases, the capacity of local districts to implement high-quality language instruction education programs becomes a challenge.

- Alternative Education** - The annual appropriation for Alternative Education Programs is presently calculated at a rate of \$18 per student for a total for FY16 of \$5,028, 664 which is distributed according to county enrollment numbers statewide. This appropriation is not sufficient to meet the needs of educating alternative education students. Educating alternative education students requires: additional teachers in separate settings; counseling services; a lower teacher to student ratio; individual student plans; technology equipment and programs; facility security; custodial services; meals; supplies and; adherence to all state and federal laws. However, based on the current appropriation levels, 22 counties do not receive enough funding to support the salary of a teacher. One county receives only \$18,046 but the average salary for a contracted classroom teacher with fringes is \$52,540. Many counties must cover the additional costs associated with educating alternative education students with local LEA funds. Yet, alternative education is a must for at-risk students in our schools. The cost associated without alternative education is much greater on society now and in the future.
- Tuition Reimbursement** - The WVDE Office of Educator Effectiveness and Licensure has steadily received fewer applications requesting tuition reimbursement annually since 2010. The following table reflects the number of applications received, the number of applications approved/funded, and the number of applications denied due to the funds being exceeded. As the chart reflects, the percentage of applications that are funded annually with the allotted appropriation of \$297,188 varies from 29.1% in 2010 to 28.9% in 2015. Fewer than 30% of the applications received in the WVDE are funded through state appropriations. Additionally, more than half of the educators who are eligible for tuition reimbursement are denied due to insufficient funding to support their requests.

Year	# Applications Received	#Applications Approved	# Apps Denied Out of Funds	% Applications Funded	% Denied due to Out of Funds
2015	573	166	366	28.9%	63.8%
2014	631	185	410	29.3%	64.9%
2013	730	204	356	27.9%	48.7%
2012	838	229	512	27.3%	61.1%
2011	863	235	517	27.2%	59.9%
2010	831	242	488	29.1%	58.7%

- Induction and Support Programs** - The number of teachers in the initial progression of the WV Educator Evaluation System continues to increase annually. Likewise, as the evaluation system identifies areas of educator development, the WV Support for Improving Professional Practice (WV SIPP) plan requires that districts provide targeted professional development and support to educators based on these findings. The

state allocation for Teacher and Principal Mentors is based on the previous formula that provided a mentor to each beginning educator at an estimated \$600 per teacher. With the introduction of WVSIPP, the funding allocated did not increase to provide appropriate amounts for districts to address the areas of targeted improvement based on multiple factors that exceeded the 1:1 mentor funding. Essentially, the need for mentoring and support has increased, but the funding amount has remained the same. Districts are not able to provide the necessary structure of support required by WVSIPP.

(G) The salary equity provisions limiting the allowable difference in salary potential for school employees in different counties attributable to differences in local salary supplements, date back to the equal inputs model of educational equity in place in 1984 and may not reflect the current market conditions

Salary equity is an additional amount appropriated under the Public School Support Program (PSSP) to assist the State in meeting its objective of salary equity among the 55 county boards of education. These funds are distributed to the various county boards of education to be paid to each professional and service employee in addition to the basic salaries paid under the state minimum salary schedules specified in WVC §18A-4-2 for teachers and WVC §18A-4-8a for service personnel.

WVC §§ 18A-4-5a and 18A-4-5b grant county boards the authority to supplement the state minimum salary schedules for teachers and service personnel, respectively, using local funds. Many county boards have done so over the years, with the vast majority using excess levy proceeds, but a few have provided county supplements using other local funds.

However, since not all county boards were able to afford to provide county supplements, the Supreme Court ruled in the Recht decision that those county boards were not able to attract the same quality of teachers as the ones that could afford to pay county supplements and therefore ruled that the State was not meeting its obligation of providing a thorough and efficient education to all students. Hence, the concept of salary equity was created.

Salary equity is calculated for each county board by computing the difference in the state required equity schedule for each individual currently employed to the county supplement salary schedule that was in effect on January 1, 1984. Any salary increases granted by a county board since January 1, 1984 are not considered in the salary equity calculations and, therefore, salary increases do not reduce equity funding to county boards.

The service personnel salary schedules are currently out of equity. To bring the salary schedule to within equity based on the current definition, the state equity amount needs to be increased from \$164 per month to \$205 per month. However, because this would only bring the bottom county boards to exactly 90% of the average of the top 10 county boards, any increase in the county supplement in future years by any of the county boards in the top 10 will cause the county boards' salary schedules

for service personnel to again be out of equity, which will cause another increase in state equity funding.

There are several other options that could be considered to address this issue, including exploring whether the concept of salary equity among all the county boards is still a valid objective considering the unique variety of needs facing county boards in various regions of the State.

**ESTIMATED REDUCTION IN GROSS TAX COLLECTIONS
AND EFFECT ON LOCAL SHARE DUE TO ELIMINATION
OF PROPERTY TAX ON PERSONAL PROPERTY
FOR THE 2015-16 YEAR**

Personal Property Assessed Valuations

County	Class I Personal Property	Class II Personal Property	Class III Personal Property	Class IV Personal Property	Regular Levy Class I Levy Rates	Excess Levy Class I Levy Rates
Barbour	-	\$ 4,185,910	\$ 185,784,781	\$ 19,950,033	19.40	-
Berkeley	-	9,797,380	487,667,826	80,878,320	19.40	22.50
Boone	-	11,223,334	567,794,613	20,738,422	19.40	22.95
Braxton	-	3,510,362	113,134,705	10,829,628	19.40	-
Brooke	-	925,140	228,066,134	277,465,464	19.40	22.95
Cabell	-	7,640,562	465,860,819	441,452,844	19.40 (2)	22.95
Calhoun	-	804,653	55,342,644	5,133,054	19.40	0.40
Clay	-	3,627,392	61,297,451	3,286,133	19.40	7.25
Doddridge	-	1,506,852	713,090,341	3,344,556	19.40	22.95
Fayette	-	7,653,576	273,652,412	75,326,637	19.40	22.95
Gilmer	-	2,170,722	86,140,733	7,487,153	19.40	9.18
Grant	-	1,428,602	131,663,221	14,121,443	19.40	-
Greenbrier	-	2,526,856	247,027,214	70,038,577	19.40	11.48
Hampshire	-	5,500,426	96,214,128	10,621,691	19.40	-
Hancock	-	2,465,440	201,616,663	113,848,716	19.40	22.95
Hardy	-	2,087,076	55,649,564	42,715,145	19.40	-
Harrison	-	10,161,168	964,060,198	394,407,143	19.40	20.33 (1)
Jackson	-	4,628,154	408,131,874	53,093,109	19.40	22.95
Jefferson	-	2,753,400	243,671,480	66,734,500	19.40	22.95
Kanawha	-	24,243,316	1,120,027,968	1,144,577,430	19.40	16.10 (1)
Lewis	-	3,418,268	295,228,940	25,369,377	19.40	10.32
Lincoln	-	3,416,513	111,607,634	6,513,755	19.40	22.95
Logan	-	5,606,078	603,370,191	30,772,905	19.40	22.95
Marion	-	2,009,934	429,702,494	192,483,607	19.40	22.95
Marshall	-	2,212,871	1,708,740,063	179,824,636	19.40	20.66 (1)
Mason	-	7,480,988	178,654,850	34,587,708	19.40	22.95
McDowell	-	2,325,705	412,848,917	31,777,609	19.40	22.95
Mercer	-	11,533,878	265,156,764	91,648,603	19.40	22.95
Mineral	-	2,957,825	204,153,170	28,879,162	19.40	22.95
Mingo	-	12,960,994	431,864,000	23,502,034	19.40 (2)	22.95
Monongalia	-	13,165,994	918,578,324	236,479,448	19.40	16.99 (1)
Monroe	-	1,289,973	61,562,219	4,839,143	19.40 (2)	17.21
Morgan	-	3,503,612	67,782,881	5,067,620	19.40	16.08
Nicholas	-	6,822,862	210,595,197	53,305,254	19.40	13.31
Ohio	-	1,444,660	697,148,835	266,448,247	19.40	21.46
Pendleton	-	1,155,594	44,629,891	4,723,623	19.40	-
Pleasants	-	2,377,758	201,182,389	20,213,360	19.40	19.06
Pocahontas	-	859,454	56,914,098	10,650,919	19.40	-
Preston	-	8,916,025	186,983,773	37,967,331	19.40	-
Putnam	-	12,199,738	466,358,273	70,999,179	19.40	22.95
Raleigh	-	15,022,474	665,314,462	163,267,283	19.40	22.95
Randolph	-	8,009,146	170,079,067	55,180,533	19.40	9.25 (1)
Ritchie	-	671,958	247,159,220	33,115,737	19.40	14.92
Roane	-	4,317,268	90,231,104	17,956,248	19.40	-
Summers	-	2,097,154	29,881,267	15,708,279	19.40	-
Taylor	-	4,043,634	262,775,198	20,735,973	19.40	11.48
Tucker	-	1,317,808	82,734,776	18,490,520	19.40	-
Tyler	-	1,684,480	262,016,528	13,889,239	19.40	22.95
Upshur	-	5,902,715	287,828,393	46,370,088	19.40	9.83
Wayne	-	8,322,592	287,306,254	72,716,610	19.40 (2)	22.95
Webster	-	1,107,818	77,927,190	8,001,793	19.40	-
Wetzel	-	4,306,726	1,182,130,901	59,851,233	19.40	22.95
Wirt	-	333,354	22,129,709	2,698,021	19.40	20.66
Wood	-	6,840,482	463,229,577	289,676,929	19.40	18.36
Wyoming	-	5,730,452	366,186,481	22,663,807	19.40 (2)	22.95
Total	-	\$284,207,106	\$ 18,755,987,799	\$ 5,052,425,811	19.40	18.88

Notes: 1) Those county boards that have rolled back their excess levy rate below the maximum rate allowed by their levy call could potentially increase the levy rate on real property to offset a portion of the loss in gross collections on personal property depending on how far below the maximum the rate currently is. 2) The regular levy rate is inclusive of the portion dedicated for permanent improvement for the five county boards that made such an election.

**ESTIMATED REDUCTION IN GROSS TAX COLLECTIONS
AND EFFECT ON LOCAL SHARE DUE TO ELIMINATION
OF PROPERTY TAX ON PERSONAL PROPERTY
FOR THE 2015-16 YEAR**

Regular Personal Property Tax Projected Collections

County	Class I Projected Tax Collections	Class II Projected Tax Collections	Class III Projected Tax Collections	Class IV Projected Tax Collections	Regular Personal Property Projected Tax Collections
Barbour	-	\$ 16,241	\$ 1,441,690	\$ 154,812	\$ 1,612,743
Berkeley	-	38,014	3,784,302	627,616	4,449,932
Boone	-	43,547	4,406,086	160,930	4,610,563
Braxton	-	13,620	877,925	84,038	975,583
Brooke	-	3,590	1,769,793	2,153,132	3,926,515
Cabell	-	29,645	3,615,080	3,425,674	7,070,399
Calhoun	-	3,122	429,459	39,832	472,413
Clay	-	14,074	475,668	25,500	515,243
Doddridge	-	5,847	5,533,581	25,954	5,565,381
Fayette	-	29,696	2,123,543	584,535	2,737,773
Gilmer	-	8,422	668,452	58,100	734,975
Grant	-	5,543	1,021,707	109,582	1,136,832
Greenbrier	-	9,804	1,916,931	543,499	2,470,235
Hampshire	-	21,342	746,622	82,424	850,388
Hancock	-	9,566	1,564,545	883,466	2,457,577
Hardy	-	8,098	431,841	331,470	771,408
Harrison	-	39,425	7,481,107	3,060,599	10,581,132
Jackson	-	17,957	3,167,103	412,003	3,597,063
Jefferson	-	10,683	1,890,891	517,860	2,419,434
Kanawha	-	94,064	8,691,417	8,881,921	17,667,402
Lewis	-	13,263	2,290,977	196,866	2,501,106
Lincoln	-	13,256	866,075	50,547	929,878
Logan	-	21,752	4,682,153	238,798	4,942,702
Marion	-	7,799	3,334,491	1,493,673	4,835,963
Marshall	-	8,586	13,259,823	1,395,439	14,663,848
Mason	-	29,026	1,386,362	268,401	1,683,788
McDowell	-	9,024	3,203,708	246,594	3,459,326
Mercer	-	44,751	2,057,616	711,193	2,813,561
Mineral	-	11,476	1,584,229	224,102	1,819,807
Mingo	-	50,289	3,351,265	182,376	3,583,929
Monongalia	-	51,084	7,128,168	1,835,081	9,014,332
Monroe	-	5,005	477,723	37,552	520,280
Morgan	-	13,594	525,995	39,325	578,914
Nicholas	-	26,473	1,634,219	413,649	2,074,340
Ohio	-	5,605	5,409,875	2,067,638	7,483,119
Pendleton	-	4,484	346,328	36,655	387,467
Pleasants	-	9,226	1,561,175	156,856	1,727,257
Pocahontas	-	3,335	441,653	82,651	527,639
Preston	-	34,594	1,450,994	294,626	1,780,215
Putnam	-	47,335	3,618,940	550,954	4,217,229
Raleigh	-	58,287	5,162,840	1,266,954	6,488,082
Randolph	-	31,075	1,319,814	428,201	1,779,090
Ritchie	-	2,607	1,917,956	256,978	2,177,541
Roane	-	16,751	700,193	139,340	856,285
Summers	-	8,137	231,879	121,896	361,912
Taylor	-	15,689	2,039,136	160,911	2,215,736
Tucker	-	5,113	642,022	143,486	790,621
Tyler	-	6,536	2,033,248	107,780	2,147,565
Upshur	-	22,903	2,233,548	359,832	2,616,283
Wayne	-	32,292	2,229,497	564,281	2,826,069
Webster	-	4,298	604,715	62,094	671,107
Wetzel	-	16,710	9,173,336	464,446	9,654,491
Wirt	-	1,293	172,503	20,937	194,733
Wood	-	26,541	3,594,662	2,247,893	5,869,096
Wyoming	-	22,234	2,841,607	175,871	3,039,712
Total	-	\$ 1,102,724	\$ 145,546,465	\$ 39,206,824	\$ 185,856,013

Notes: 1) Those county boards that have rolled back their excess levy rate below the maximum rate allowed by their levy call could potentially increase the levy rate on real property to offset a portion of the loss in gross collections on personal property depending on how far below the maximum the rate currently is. 2) The regular levy rate is inclusive of the portion dedicated for permanent improvement for the five county boards that made such an election.

**ESTIMATED REDUCTION IN GROSS TAX COLLECTIONS
AND EFFECT ON LOCAL SHARE DUE TO ELIMINATION
OF PROPERTY TAX ON PERSONAL PROPERTY
FOR THE 2015-16 YEAR**

Excess Levy Personal Property Tax Projected Collections

County	Class I Projected Tax Collections	Class II Projected Tax Collections	Class III Projected Tax Collections	Class IV Projected Tax Collections	Excess Levy Personal Projected Tax Collections
Barbour	-	\$ -	\$ -	\$ -	\$ -
Berkeley	-	44,088	4,389,010	727,905	5,161,004
Boone	-	51,515	5,212,355	190,379	5,454,248
Braxton	-	-	-	-	-
Brooke	-	4,246	2,093,647	2,547,133	4,645,026
Cabell	-	35,070	4,276,602	4,052,537	8,364,210
Calhoun	-	64	8,855	821	9,740
Clay	-	5,260	177,763	9,530	192,552
Doddridge	-	6,916	6,546,169	30,703	6,583,789
Fayette	-	35,130	2,512,129	691,499	3,238,758
Gilmer	-	3,985	316,309	27,493	347,787
Grant	-	-	-	-	-
Greenbrier	-	5,799	1,133,855	321,477	1,461,131
Hampshire	-	-	-	-	-
Hancock	-	11,316	1,850,841	1,045,131	2,907,289
Hardy	-	-	-	-	-
Harrison	-	41,315	7,839,738	3,207,319	11,088,372
Jackson	-	21,243	3,746,651	487,395	4,255,289
Jefferson	-	12,638	2,236,904	612,623	2,862,165
Kanawha	-	78,063	7,212,980	7,371,079	14,662,122
Lewis	-	7,055	1,218,705	104,725	1,330,485
Lincoln	-	15,682	1,024,558	59,796	1,100,036
Logan	-	25,732	5,538,938	282,495	5,847,166
Marion	-	9,226	3,944,669	1,767,000	5,720,894
Marshall	-	9,144	14,121,028	1,486,071	15,616,242
Mason	-	34,338	1,640,052	317,515	1,991,904
McDowell	-	10,675	3,789,953	291,718	4,092,346
Mercer	-	52,941	2,434,139	841,334	3,328,414
Mineral	-	13,576	1,874,126	265,111	2,152,813
Mingo	-	59,491	3,964,512	215,749	4,239,751
Monongalia	-	44,738	6,242,658	1,607,114	7,894,511
Monroe	-	4,440	423,794	33,313	461,547
Morgan	-	11,268	435,979	32,595	479,842
Nicholas	-	18,162	1,121,209	283,797	1,423,168
Ohio	-	6,200	5,984,326	2,287,192	8,277,718
Pendleton	-	-	-	-	-
Pleasants	-	9,064	1,533,815	154,107	1,696,985
Pocahontas	-	-	-	-	-
Preston	-	-	-	-	-
Putnam	-	55,997	4,281,169	651,772	4,988,938
Raleigh	-	68,953	6,107,587	1,498,794	7,675,334
Randolph	-	14,817	629,293	204,168	848,277
Ritchie	-	2,005	1,475,046	197,635	1,674,686
Roane	-	-	-	-	-
Summers	-	-	-	-	-
Taylor	-	9,280	1,206,138	95,178	1,310,596
Tucker	-	-	-	-	-
Tyler	-	7,732	2,405,312	127,503	2,540,547
Upshur	-	11,605	1,131,741	182,327	1,325,673
Wayne	-	38,201	2,637,471	667,538	3,343,211
Webster	-	-	-	-	-
Wetzel	-	19,768	10,851,962	549,434	11,421,164
Wirt	-	1,377	183,706	22,296	207,380
Wood	-	25,118	3,401,958	2,127,387	5,554,464
Wyoming	-	26,303	3,361,592	208,054	3,595,948
Total	-	\$ 969,539	\$ 142,519,243	\$ 37,884,741	\$ 181,373,523

Notes: 1) Those county boards that have rolled back their excess levy rate below the maximum rate allowed by their levy call could potentially increase the levy rate on real property to offset a portion of the loss in gross collections on personal property depending on how far below the maximum the rate currently is. 2) The regular levy rate is inclusive of the portion dedicated for permanent improvement for the five county boards that made such an election.

ESTIMATED REDUCTION IN GROSS TAX COLLECTIONS
AND EFFECT ON LOCAL SHARE DUE TO ELIMINATION
OF PROPERTY TAX ON PERSONAL PROPERTY
FOR THE 2015-16 YEAR

County	Total Regular & Excess Levy Personal Property Projected Tax Collections	Increase in State Aid Due To Decrease In Local Share Amounts	Net Reduction In Funding To Counties
Barbour	\$ 1,612,743	\$ 1,355,994	\$ 256,749
Berkeley	9,610,935	3,621,201	5,989,734
Boone	10,064,811	3,876,561	6,188,250
Braxton	975,583	820,271	155,312
Brooke	8,571,541	3,250,868	5,320,673
Cabell	15,434,609	5,781,071	9,653,538
Calhoun	482,154	397,205	84,949
Clay	707,795	433,215	274,580
Doddridge	12,149,170	4,692,731	7,456,439
Fayette	5,976,531	2,301,921	3,674,610
Gilmer	1,082,762	617,966	464,796
Grant	1,136,832	955,849	180,983
Greenbrier	3,931,366	2,076,735	1,854,631
Hampshire	850,388	715,006	135,382
Hancock	5,364,866	2,066,331	3,298,535
Hardy	771,408	649,712	121,696
Harrison	21,669,504	8,727,762	12,941,742
Jackson	7,852,352	3,024,410	4,827,942
Jefferson	5,281,599	2,016,069	3,265,530
Kanawha	32,329,524	14,749,345	17,580,179
Lewis	3,831,591	2,102,930	1,728,661
Lincoln	2,029,914	148,995	1,880,919
Logan	10,789,868	4,155,825	6,634,043
Marion	10,556,857	4,077,684	6,479,173
Marshall	30,280,090	11,975,443	18,304,647
Mason	3,675,693	1,426,721	2,248,972
McDowell	7,551,672	2,908,601	4,643,071
Mercer	6,141,975	2,365,642	3,776,333
Mineral	3,972,620	1,339,015	2,633,605
Mingo	7,823,680	3,013,369	4,810,311
Monongalia	16,908,843	7,258,612	9,650,231
Monroe	981,827	437,452	544,375
Morgan	1,058,756	486,751	572,005
Nicholas	3,497,509	1,754,062	1,743,447
Ohio	15,760,836	5,786,250	9,974,586
Pendleton	387,467	325,782	61,685
Pleasants	3,424,242	1,457,252	1,966,990
Pocahontas	527,639	443,638	84,001
Preston	1,780,215	1,496,804	283,411
Putnam	9,206,167	3,498,216	5,707,951
Raleigh	14,163,415	5,453,579	8,709,836
Randolph	2,627,367	1,495,858	1,131,509
Ritchie	3,852,227	1,830,876	2,021,351
Roane	856,285	719,964	136,321
Summers	361,912	304,296	57,616
Taylor	3,526,332	1,862,991	1,663,341
Tucker	790,621	670,447	120,174
Tyler	4,688,111	1,805,672	2,882,439
Upshur	3,941,956	2,199,771	1,742,185
Wayne	6,169,280	2,376,159	3,793,121
Webster	671,107	564,267	106,840
Wetzel	21,075,655	8,117,497	12,958,158
Wirt	402,113	163,732	238,381
Wood	11,423,559	4,934,735	6,488,824
Wyoming	6,635,661	2,555,791	4,079,870
Total	\$ 367,229,536	\$ 153,644,902	\$ 213,584,634

Notes: 1) Those county boards that have rolled back their excess levy rate below the maximum rate allowed by their levy call could potentially increase the levy rate on real property to offset a portion of the loss in gross collections on personal property depending on how far below the maximum the rate currently is. 2) The regular levy rate is inclusive of the portion dedicated for permanent improvement for the five county boards that made such an election.

Impact of Reduction in Tax Collections Due to Elimination of Taxes on Personal Property

October 19, 2015



Elimination of property taxes on personal property would result in the following loss of revenue to Raleigh County Schools:

Regular Personal Property	(<u>\$6,488,082</u>)
Excess Levy Personal Property	(<u>\$7,675,334</u>)
Total Gross Personal Property Coll.	(<u>\$14,163,416</u>)
Add: State Aid Increase from Decrease In Local Share	<u>\$5,453,579</u>
Total Net Funding Reduction Projected	(<u>\$8,709,837</u>)

- Information provided by the Office of School Finance is based on projected FY 16 tax collections. This projection does not reflect that property tax revenues are already reduced by a \$450K decrease in regular personal property tax collections and a \$530K decrease in excess levy personal property tax collections in comparison with the FY 15 Levy Order and Rate Sheet.



- Total tax collections for FY 16 are projected to decrease over \$992K due mainly to idling of mining interests and this trend is expected to continue due to stagnant economic growth.
- Medicaid revenues have decreased over 50% since 2013 due to changes mandated by the Federal Centers for Medicaid and Medicare Services.
- Program costs necessary for Child Nutrition is increasing at an alarming rate due to Community Eligibility adoption at all Elementary Schools, cooking from scratch and increased food related costs. Decreases in federal subsidies and/or student participation could substantially increase funding requirements on Raleigh County Schools.

Tax Base History 2012-2016

Fiscal Year	Certified Assessments	Increase/(Decrease)	Percentage
2011-12	\$2,889,706,732	\$ 64,040,790	2.27%
2012-13	2,909,905,520	20,198,788	.70%
2013-14	3,184,671,890	254,766,370	8.76%
2014-15	3,362,661,281	198,189,391	6.26%
2015-16	3,294,292,298	(68,568,985)	(2.04%)

Medicaid Revenue

Fiscal Year	Medicaid Revenue	Increase/(Decrease)	Percent
2011-12	\$1,344,374		
2012-13	\$1,638,441	\$294,067	21.87%
2013-14	\$1,255,213	(\$383,228)	(23.39%)
2014-15	\$ 881,805	(\$573,608)	(45.70%)

Child Nutrition

Fiscal Year	Total Program Costs	Federal Reimb.	Student Collections & State Restricted	County Contribution
2011-12	\$7,842,739	3,398,180	1,227,349	3,219,210
2012-13	\$7,692,435	3,428,608	1,017,855	3,245,772
2013-14	\$8,212,000	4,287,865	491,231	3,452,904
2014-15	\$9,076,920	5,215,500	503,813	3,357,807

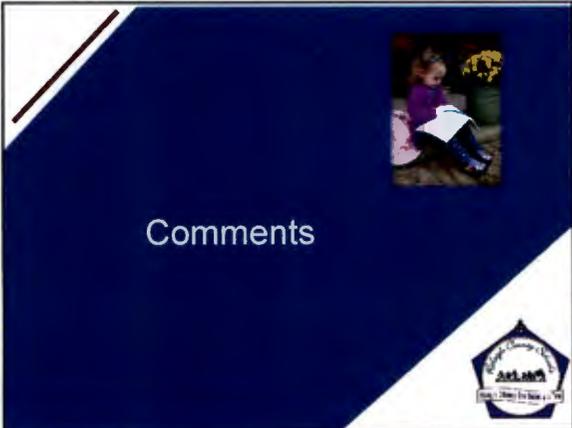
Impact of Net Reduction in Personal Property Tax Funding to Raleigh County



The loss of \$8,709,836 annually in personal property tax collections would cause unsustainable cuts in the following areas:

- The only funding mechanism that Raleigh County has for building construction and renovation is through carry-over. Historically, approximately \$2.5-\$4.0 million is set aside in permanent improvement annually for building construction and renovation. A new elementary school currently costs \$18-\$20 million. This means that the county is able to fund one new elementary construction approx. every 5-6 years. There are 29 current school locations in Raleigh County. It would be impossible for the county to provide sufficient funding for building construction and renovation.
- Raleigh County is the only county within the state that offers a fully integrated technology initiative at all levels of instruction. Students in grades 3-12 all have an electronic device and every two students in grades Pre-k to 2 have an electronic device provided by the county. All teachers have a MacBook and IPAD provided as well. This program is made available through a five year lease with Apple with annual lease payments of \$1.5 million. At the end of the lease period and beyond, the county plans to keep the technology current by renewing the lease with new devices. This program would have to be eliminated.

- (9) Computer technicians necessary to support the current technology initiative would be eliminated (approx. \$500K)
- Raleigh County currently provides nursing support services in all elementary and secondary locations. These services are provided primarily through county funding. Nursing support would be cut back to state mandated limits and contractual nursing support services would be eliminated resulting in the loss of seven of fifteen nursing positions and total spending of over \$600K.
- The remaining \$3.1 million would be cut as follows:
 - Operation and maintenance of buildings would be impacted to the point of not being able to provide for sustainability. Significant staffing cuts would be made to custodial and maintenance staff and major building and repair projects would not have sufficient funding.
 - Transportation routes would have to be reviewed and consolidated where practical to support further staffing reductions and vehicle maintenance reductions.
 - Personnel benefits provided through existing excess levy supports would be reduced and possibly eliminated in areas such as salary support, PEIA premium reduction, dental, optical and life insurance.
 - Any remaining cuts would have to be made to staffing and cost reductions to regular instructional programs further impacting student learning.



Comments