

Application for Initial Funding under the State Fiscal Stabilization Fund Program

CFDA Numbers: 84.394 (Education Stabilization Fund) and
84.397 (Government Services Fund)



**U.S. Department of Education
Washington, D.C. 20202**

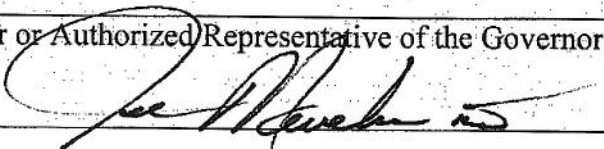
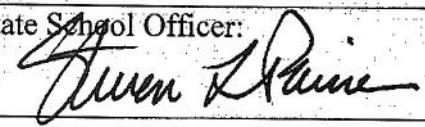
**OMB Number: 1810-0690
Expiration Date: 9/30/2009**

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0690. The time required to complete this information collection is estimated to average 17 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: State Fiscal Stabilization Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118

STATE FISCAL STABILIZATION FUND APPLICATION

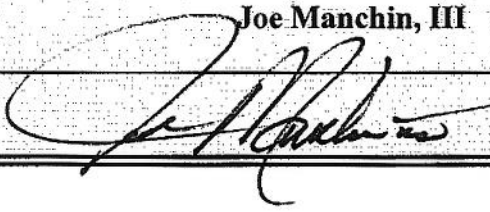
PART 1: APPLICATION COVER SHEET (CFDA Nos. 84.394 and 84.397)

Legal Name of Applicant (Office of the Governor): Office of Joe Manchin, III, Governor of West Virginia	Applicant's Mailing Address: 1900 Kanawha Blvd., E. Charleston, WV 25305
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: Emily Castleberry Position and Office: Deputy Director of Policy Contact's Mailing Address: 1900 Kanawha Blvd., E. Charleston, WV 25305 Telephone: (304) 558-2000 Fax: (304) 558-4983 E-mail address: Emily.B.Castleberry@wv.gov	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Same
To the best of my knowledge and belief, all of the information and data in this application are true and correct.	
Governor or Authorized Representative of the Governor (Printed Name): <p style="text-align: center;">Joe Manchin, III</p>	Telephone: <p style="text-align: center;">(304) 558-2000</p>
Signature of Governor or Authorized Representative of the Governor: 	Date: <p style="text-align: center;">6-18-09</p>
Recommended Statement of Support from the Chief State School Officer <i>(Optional)</i> : The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.	
Chief State School Officer (Printed Name): <p style="text-align: center;">Dr. Steven L. Paine</p>	Telephone: <p style="text-align: center;">(304) 558-2681</p>
Signature of the Chief State School Officer: 	Date: <p style="text-align: center;">6/18/09</p>

PART 2: EDUCATION REFORM ASSURANCES

The Governor or his/her authorized representative assures the following:

- (1) The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers. (*Achieving Equity in Teacher Distribution Assurance*)
- (2) The State will establish a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871(e)(2)(D)). (*Improving Collection and Use of Data Assurance*)
- (3) The State will –
 - (3.1) Enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of the ESEA (20 U.S.C. 7301a(a)); (*Improving Assessments Assurance*)
 - (3.2) Comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments; (*Inclusion Assurance*) and
 - (3.3) Take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act. (*Improving Standards Assurance*)
- (4) The State will ensure compliance with the requirements of section 1116(b)(7)(C)(iv) and section 1116(b)(8)(B) of the ESEA with respect to schools identified under these sections. (*Supporting Struggling Schools Assurance*)

Governor or Authorized Representative of the Governor (Printed Name): Joe Manchin, III	
Signature: 	Date: 6-18-09

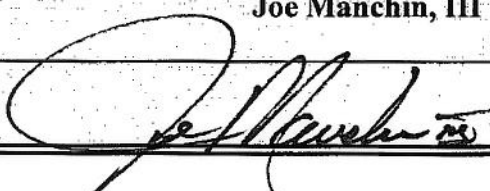
PART 3: INITIAL BASELINE DATA FOR EDUCATION REFORM ASSURANCES

SPECIAL NOTES:

- In completing this portion of the application, please refer to Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances.
- The data described in Appendix B for two of the education reform assurances in Part 2 of the application – the Improving Assessments Assurance and the Improving Standards Assurance – are the most current available baseline data for these areas. Thus, the Department is not inviting States to submit additional information with respect to these two assurances.
- The Governor or his/her authorized representative should confirm whether the initial baseline data sources described in Appendix B for the four assurances referenced below – Achieving Equity in Teacher Distribution; Improving Collection and Use of Data; Improving State Academic Content and Student Achievement Standards; and Supporting Struggling Schools – reflect the State’s current status with respect to these assurances. A State that confirms the use of these initial baseline data sources does not have to submit additional baseline data with this application. If a State elects not to use the identified data sources for one or more of these four assurances, it must submit other initial baseline data for that assurance.

The Governor or his/her authorized representative confirms that the data sources that are currently available to the Department and described in Appendix B are a reasonable reflection of the current status of the State with respect to the following education reform assurances that he/she provided in Part 2 of the Application (*check only those assurances for which the State accepts the data described in Appendix B*):

- Achieving Equity in Teacher Distribution Assurance.
- Improving Collection and Use of Data Assurance.
- Improving Standards Assurance. * see attached
- Supporting Struggling Schools Assurance. * see attached

Governor or Authorized Representative of the Governor (Printed Name): Joe Manchin, III	
Signature: 	Date: 6-18-09

PART 4, SECTION A: MAINTENANCE-OF-EFFORT (MOE) ASSURANCE

SPECIAL NOTES:

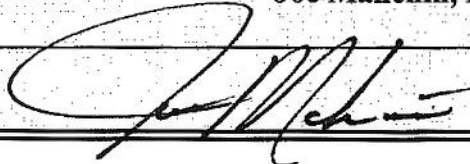
- In completing Part 4 of the application, please refer to Appendix C – Instructions for Part 4: Maintenance of Effort.
- The Governor or his/her authorized representative should check only those MOE requirements that he or she anticipates the State will meet. If the Governor or his/her authorized representative anticipates that the State will be unable to meet one or more of the requirements, he or she must sign the additional waiver assurance in Part 4, Section B.
- For the purpose of determining MOE, State support for public institutions of higher education (IHEs) must not include support for capital projects or for research and development or tuition and fees paid by students.

The Governor or his/her authorized representative assures the following (*check appropriate assurances that apply*):

- In FY 2009, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2010, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2009, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- In FY 2010, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- In FY 2011, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

---OR---

_____ To the best of his/her knowledge and based on the best available data, the State will be unable to meet any of the above-referenced maintenance-of-effort requirements.

Governor or Authorized Representative of the Governor (Printed Name): Joe Manchin, III	
Signature: 	Date: 6-18-09

PART 4, SECTION B: MAINTENANCE-OF-EFFORT WAIVER ASSURANCE

SPECIAL NOTES:

- If a State anticipates that it will be unable to comply with one or more of the Stabilization program MOE requirements referenced in Part 4, Section A of the application, the State must provide the assurance below.
- States that anticipate meeting all of the Stabilization program MOE requirements should not complete the waiver assurance in this section of the application. *See Appendix C – Instructions for Part 4: Maintenance of Effort. The criterion for a waiver of the MOE requirements is provided in Appendix C.*
- The Department will be providing additional guidance to States regarding the process for applying for waivers of the Stabilization program MOE requirements.

The Governor or his/her authorized representative assures the following:

To the best of his/her knowledge and based on the best available data, the State meets or will meet the eligibility criterion for a MOE waiver for each of the Stabilization program MOE requirements that the Governor or his/her authorized representative anticipates the State will be unable to meet.

Governor or Authorized Representative of the Governor (Printed Name):	
Signature:	Date:

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the “levels of State support” for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. *See Appendix C – Instructions for Part 4: Maintenance of Effort.*

1. Levels of State support for elementary and secondary education *(the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):*

FY 2006 **\$1,590,407,235**

FY 2009* **\$1,721,793,398**

FY 2010* **\$1,747,613,663**

FY 2011* **Not available at this time, but will keep at or above FY2006 level**

(* Provide data to the extent that data are currently available.)

2. Levels of State support for public institutions of higher education *(enter amounts for each year):*

FY 2006 **\$303,171,149**

FY 2009* **\$358,761,867**

FY 2010* **\$348,898,061**

FY 2011* **Not available at this time, but will keep at or above FY2006 level**

(* Provide data to the extent that data are currently available.)

3. Additional Submission Requirements: In an attachment to the application –

- (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -
- (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- | | |
|---|------------------------|
| (a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae | \$1,680,312,324 |
| (b) Level of State support for public IHEs in FY 2008 | \$340,367,599 |
| (c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae | \$1,721,793,398 |
| (d) Level of State support for public IHEs in FY 2009 | \$358,761,867 |
| (e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae | \$1,747,613,663 |
| (f) Level of State support for public IHEs in FY 2010 | \$348,898,061 |

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

Yes No

* See Appendix D Worksheets for further guidance on how such increases affect a State’s “use of funds” calculations.

2. State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

- (a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 **\$0**
- (b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 **\$0**

Restoration Amounts (continued)

(c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010	\$23,000,000
(d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010	\$9,863,806
(e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010	\$185,107,164

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

**PART 5, SECTION B: STATE USES OF THE
GOVERNMENT SERVICES FUND**

SPECIAL NOTES:

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

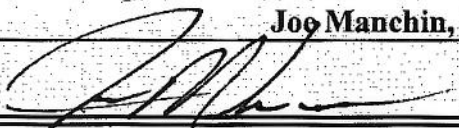
Uses of the Government Services Fund

Category	Estimated Percentage of Funds to Be Used
Public Safety	0
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	22
Public IHEs (excluding modernization, renovation, or repair of IHEs)	1
Modernization, renovation, or repair of public school facilities	17
Modernization, renovation, or repair of IHEs	0
Medicaid	0
Public assistance	0
Transportation	0
Other (please describe) Economic development initiatives/Assistance for working families	60
Undetermined	0
TOTAL	100%

**PART 6: ACCOUNTABILITY, TRANSPARENCY, AND
REPORTING ASSURANCES**

The Governor or his/her authorized representative assures that the State will comply with all of the accountability, transparency, and reporting requirements that apply to the Stabilization program, including the following:

- For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
 - the uses of funds within the State;
 - how the State distributed the funds it received;
 - the number of jobs that the Governor estimates were saved or created with the funds;
 - tax increases that the Governor estimates were averted because of the funds;
 - the State's progress in reducing inequities in the distribution of highly qualified teachers, implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities;
 - the tuition and fee increases for in-State students imposed by public IHEs and a description of any actions taken by the State to limit the increases;
 - the extent to which public IHEs maintained, increased, or decreased enrollment of in-State students, including those students eligible for Pell Grants or other need-based financial aid; and
 - a description of each modernization, renovation or repair project funded, including the amounts awarded and project costs. (ARRA Division A, Section 14008)
- The State will cooperate with any Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps. (ARRA Division A, Section 14009)
- If the State uses funds for any infrastructure investment, the State will certify that the investment received the full review and vetting required by law and that the chief executive accepts responsibility that the investment is an appropriate use of taxpayer funds. This certification will include a description of the investment, the estimated total cost, and the amount of covered funds to be used. The certification will be posted on the State's website and linked to www.Recovery.gov. A State or local agency may not use funds under the ARRA for infrastructure investment funding unless this certification is made and posted. (ARRA Division A, Section 1511)
- The State will submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by Office of Management and Budget or the Department. (ARRA Division A, Section 1512(c))
- The State will cooperate with any Inspector General examination of records under the program. (ARRA Division A, Section 1515)

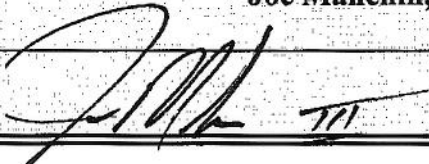
Governor or Authorized Representative of the Governor (Printed Name):	
Joe Manchin, III	
Signature: 	Date: 6-18-09

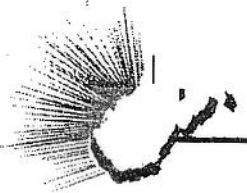
PART 7: OTHER ASSURANCES AND CERTIFICATIONS

The Governor or his/her authorized representative assures or certifies the following:

- The State will comply with all applicable assurances in OMB Standard Forms 424B and D (Assurances for Non-Construction and Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.
- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.
- The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 *et seq.*) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).
- Any LEA receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).
- To the extent applicable, an LEA will include in its local application a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a). The description must include information on the steps the LEA proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, the program.

- The State and other entities will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 74 -- Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 76 -- State-Administered Programs, including the construction requirements in section 75.600 through 75.617 that are incorporated by reference in section 76.600; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General Education Provisions Act—Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Governor or Authorized Representative of the Governor (Printed Name): Joe Manchin, III	
Signature: 	Date: 6-18-09



West Virginia
Department of Education

Dr. Steven L. Paine, State Superintendent of Schools
1900 Kanawha Boulevard, East, Building 6
Charleston, West Virginia 25305-0330
Phone: 304-558-2681
Fax: 304-558-0048

<http://wvde.state.wv.us>

June 9, 2009

The Honorable Arne Duncan
Secretary of Education
U.S. Department of Education
Office of Elementary and Secondary Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Duncan:

Thank you for the opportunity to discuss West Virginia's ideas in the conference call on April 28, 2008. During that conference call West Virginia Department of Education (WVDE) understood that we could request approval to *use the same substitute for determining Adequate Yearly Progress (AYP) for 2009 and 2010 school year as approved in the original Accountability Workbook*. The following outlines the details of the process that WVDE would employ as a substitute to the current trajectory:

- **As a substitute to AYP for 2009**, WVDE proposes to calculate the starting point for determining AYP following the recommendations of the United States Department of Education metric for determining starting points. As per this metric, the percent of students at mastery (proficiency) in the 20th percent enrollment school, based on 2009 operational assessment. This percent will serve as the substitute for AYP for the 2008-2009 school year.
- **As a substitute to AYP for 2010**, WVDE proposes to recalculate the starting point and determine the percent of students at mastery (proficiency) in the 20th percent enrollment school. This percent will serve as the substitute for AYP for the 2009-2010 school year. West Virginia would average the two years of baseline data to get the starting points for the new system of standards/assessment/AYP.
- It is important to note that the original *West Virginia Accountability Workbook* (<http://www.ed.gov/admins/lead/account/stateplans03/wvcsa.pdf>) approved this approach and the same approach will be submitted as an amendment to the current workbook immediately.

Certainly when a state increases the rigor of their standards/assessments, the trajectory needs to align to the rigor of the new results. West Virginia believes that providing two years of baseline data will assure the most reliable baseline data for determining starting points and re-establishing the AYP trajectories in 2011. The new starting points will require a change in the AYP percentages of the current WV trajectory.

WVDE previously requested to adjust to the trajectory in the *West Virginia Accountability Workbook* upon completion of two standard settings (one in 2009 and the other in 2010). The request was approved by USED as of June of 2008.

WEST VIRGINIA BOARD OF EDUCATION
2008-2009

Delores W. Cook, President; Priscilla M. Haden, Vice President; Jenny N. Phillips, Secretary
Robert W. Dunlevy, Member; Barbara N. Fish, Member; Burma Hatfield, Member; Lowell E. Johnson, Member; L. Wade Linger Jr., Member; Gayle C. Manchin, Member
Brian E. Noland, Ex Officio; James L. Skidmore, Ex Officio; Steven L. Paine, Ex Officio

Arne Duncan
June 9, 2009
Page 2

In addition, WVDE requests the following waivers from the Secretary of Education as it pertains to implementation of NCLB requirements:

Waiver 1: Extend AYP trajectory from 2014 to 2020 and

Waiver 2: Expand the federal accountability system to provide a composite index score from agreed upon indicators to determine AYP beginning in school year 2011.

The details of both waiver requests are found in Attachment A. The current accountability system often does not identify schools and counties that are in the greatest need of improvement. Therefore, the WVDE wishes to establish an index system approach to AYP to include a broad number of reliable indicators that considers more rigorous accountability measures to include WESTEST 2 assessments results that are based upon 21st century content standards and objectives.

The index will also include research based indicators that are highly valued by West Virginia educators and school systems. Subgroup information would be provided to schools, LEAs and the SEA because West Virginia has a unique student identification number; therefore, it is possible to recalculate all of the indicators into an index score by subgroups to determine AYP.

The WVDE wishes to assure that no child is left behind but more importantly, assuring all children are moving toward global excellence by broadening and increasing rigor of the indicators that would determine if the school, LEA and SEA are making annual progress toward the goal of having 100% of the school, county and state students **At or Above Proficiency**. Again, Attachment A provides a detailed explanation of the two waiver requests for Secretary Duncan's consideration.

Thank you for your time in considering these most important requests that support West Virginia commitment to more rigorous standards, assessments and accountability systems. These systems will increase the opportunity for all students to be prepared to be productive citizens in this complex global world.

Sincerely,



Steven L. Paine
State Superintendent of Schools

SP/JB
Attachment

Cc: Patrick Rooney
Grace Ross

ATTACHMENT A

WAIVER REQUEST 1

WVDE requests a waiver to the current law to extend the trajectory from 2014 to 2020. As states increase the rigor of their standards and assessments, their trajectories become outdated and unreliable. Therefore, in the fall of 2011 and based on baseline data from the new system, West Virginia proposes to define annual intermediate goals by school; each school will have its unique school trajectories for improvement. All annual incremental increases for the school, county and state will assure that West Virginia public schools and districts are making improvements toward meeting the goal of 100% proficiency through 2020.

In the fall of 2011, elementary, middle and high school grade span starting points will be established from the two years of baseline data per school to determine the school level projections for intermediate goals through 2020. The goals and objectives will be set based on the predetermined group of indicators which will yield an index score per school, per county and per state.

If approved, WVDE will rewrite the *West Virginia Accountability Workbook* to be submitted for federal approval to incorporate approved requests. The trajectories which are currently approved in state accountability workbook would be repealed and the approved substitutes outlined in this proposal would be employed as AYP determinations in 2009 and 2010. In the new accountability system which would begin in 2011, the programmatic level trajectories would be created per school - based on each school's performance -- from the index score (see Indicator/Index Chart below) -- in which a single combined score from the indicators would be used to determine school, county and state AYP. Subsequently, new trajectories, based on indexed scores, would be developed for each elementary, each middle and each high school.

WAIVER REQUEST 2

The second waiver request for an expanded accountability system calls for two years to gather reliable data and create a reliable composite index score to serve as the AYP standard for schools, local school districts (LEAs) and the state (SEA) beginning in school year 2011-2012. Over the next two years, WVDE would study and make recommendations for an AYP index score based on analysis of the reliability of indicators for activation for accountability calculations in 2011. While a composite index score would determine AYP in the first year, improvement to the school composite score from year to year would be used to define each school's trajectory. Schools would still receive assessment reports that would define school performance by providing the percent of students at proficient by content area/by grade which could be used to define areas of weakness for schools as improvement targets. The following Indicator/Index Chart provides the reliable indicators being considered, **but not limited to these indicators**, to determine a composite score for creating an AYP trajectory of expected growth for each school, county and state.

As it pertains to Waiver 2, this index system of assessment and accountability would be used to hold schools, local school districts (LEAs) and the state (SEA) accountable for meeting Adequate Yearly Progress (AYP) via a Composite Index Score in the following programmatic areas: elementary, middle, and secondary. The indicators currently listed below for consideration are those indicators which have been reviewed and determined to have statistical reliability.

INDICATOR/INDEX CHART

AYP Indicator	INDICATORS	PROGRAM LEVEL		
		Elementary	Middle	Secondary
1	State assessment (WESTEST 2 and APTA) mathematics – actual percentage of the All Students (AS) subgroup scoring proficient or above. (One point for each percentage point at mastery or above). For example, if 75% of the AS subgroup score at mastery or above, the school would receive 75 points.	X	X	X
2	State assessment (WESTEST 2 and APTA) reading and English language arts – actual percentage of the All Students (AS) subgroup scoring proficient or above. (One point for each percentage point at mastery or above). For example, if 75% of the AS subgroup score at mastery or above, the school would receive 75 points.	X	X	X
3	State assessment (WESTEST 2 and APTA) science – actual percentage of the All Students (AS) subgroup scoring proficient or above. (One point for each percentage point at mastery or above). For example, if 75% of the AS subgroup score at mastery or above, the school would receive 75 points.	X	X	X
4	State assessment (WESTEST 2) social studies – actual percentage of the All Students (AS) subgroup scoring proficient or above. (One point for each percentage point at mastery or above). For example, if 75% of the AS subgroup score at mastery or above, the school would receive 75 points.	X	X	X
5	PLAN scores – actual percentage of students scoring at or above benchmark.			X
6	EXPLORE scores – actual percentage of students scoring at or above benchmark.		X	
7	ACT – one (1) point for every percent of students increased in test participation.			X
8	SAT – one (1) point for every percent of students increased in test participation.			X
9	Attendance – actual rate.	X	X	
10	Graduation Rate – actual rate.			X
11	Percentage of AP test takers who score three (3) or more on the test.			X
12	End-Of-Course (percentage passing career/technical tests) – total average above 80%.			X
13	Percent of courses taught by highly qualified teachers – actual percent.			X
14	Percentage of K students who attend a pre-K program.	X		

State Aid to Schools FY 2006, FY 2007, FY 2008, FY 2009, FY 2010 w proposed cuts

	1	2	3	4	5	6
	FY 2006	FY 2007	FY 2008	FY 2009	w/ Proposed cuts FY 2010	Enacted FY 2010
Fund 0317 State Aid Formula						
022 Other Current Expenses	132,247,294	135,681,426	140,964,341	145,546,433	148,912,188	148,912,188
053 Advanced Placement	-	-	-	775,245	155,458	155,458
151 Professional Educators	769,858,082	794,196,310	832,307,759	850,299,661	841,429,198	864,429,198
152 Service Personnel	256,082,478	259,242,494	269,157,414	275,319,410	278,695,752	278,695,752
153 Fixed Charges	93,976,155	98,391,184	101,334,796	104,513,542	102,684,546	102,684,546
154 Transportation	43,629,447	51,792,029	68,870,997	65,862,890	71,357,448	71,357,448
155 Administration	3,086,703	3,088,910	3,096,005	35,642,483	15,842,837	15,842,837
156 Improve Instructional Programs	33,000,000	33,000,000	34,137,057	34,387,231	37,185,054	37,185,054
936 21st Cent. Strat. Tech Learning Gr	-	-	1,137,057	1,882,410	4,184,906	4,184,906
Basic Foundation Allowances	1,331,880,159	1,375,392,353	1,451,005,426	1,514,229,305	1,500,447,387	1,523,447,387
Less Local Share	(323,422,629)	(345,548,621)	(353,129,003)	(358,289,205)	(373,447,774)	(373,447,774)
Basic State Aid	1,008,457,530	1,029,843,732	1,097,876,423	1,155,940,100	1,126,999,613	1,149,999,613
012 PEIA	203,360,957	198,740,538	191,812,331	202,961,229	213,776,225	213,776,225
019/775 TRS *	355,243,000	363,361,500	367,262,050	339,546,994	383,529,000	383,529,000
453 SBA	23,345,748	23,345,983	23,361,520	23,345,075	23,308,825	23,308,825
Total State Aid	1,590,407,235	1,615,291,753	1,680,312,324	1,721,793,398	1,747,613,663	1,770,613,663
Grand Total Fund 0317	1,590,407,235	1,615,291,753	1,680,312,324	1,721,793,398	1,747,613,663	1,770,613,663

* FY 2010 moved \$30,530,000 from General Revenue to Excess Lottery

Description of the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions:

Base line appropriation levels for each institution (backing out any ineligible items such as research, capital, debt services, athletics, financial aid, etc.), were established for each state fiscal year. Next adjustments were made for new funding provided for new programs and funding requirements related to HB 3215

(http://www.legis.state.wv.us/Bill_Status/bills_text.cfm?billdoc=HB3215%20enr.htm&yr=2008&sesstype=RS&i=3215). The difference in funding from state revenue sources of General Revenue, Lottery and Excess Lottery for FY 2009 vs. FY 2010 was established for each institution.

Higher Education FY 2010 Stabilization

		Backfill
FY 2006	303,171,149	
FY 2008	340,367,599	
FY 2009	358,761,867	
FY 2010	353,025,519	
FY 2010 program increases		
WVU (Disabilities)	(27,458)	
WVU (Alzhiemers Registry)	(100,000)	
MU (hearing program)	(100,000)	
MU New program Monies	(1,250,000)	
Fairmont New program Monies	(1,250,000)	
CTC	(1,400,000)	
Base Comparison FY 2010	348,898,061	(9,863,806)
	Backfill Net	(9,863,806)

Backfill by Institution:

WVU	5,556,475	
MU	504,013	
Osteopathic School of Medicine	224,265	
Bluefield State College	267,817	
Concord University	342,942	
Fairmont State University	-	
Glenville State College	195,807	
Shepherd University	353,059	
West Liberty University	271,075	
WV State University	404,405	
Marshall CTC	175,946	
New River CTC	163,158	
Peirpont CTC	247,857	
Blue Ridge CTC	83,792	
Kanawha Valley CTC	111,097	
Bridgemont CTC	106,015	
WVU at Parkersburg CTC	312,747	
Southern CTC	246,030	
Northern CTC	237,913	
Eastern CTC	59,393	
	9,863,806	

The levels of support for primary elementary and secondary education funding were based on budget appropriation data and the state's public school support program from the annual appropriations bill and supplemental appropriation bills for the applicable fiscal years. The funding source is from General Revenue except for FY 2010 \$30,530,000 which is from Excess Lottery.

Data Sources:

FY 2006

Budget Bill HB 2005 (passed April 16, 2005)

FY 2007

Budget Bill HB 2007

FY 2008

Budget Bill HB 2007 (passed March 18, 2007)

1st Special Session 2008 SB 1008 - \$5,744,475 Transportation

FY 2009

Budget Bill SB 150 (passed March 16, 2008)

FY 2010

Budget Bill HB 2010 (passed May 31, 2009)

Identified and described the specific data sources that were used in determining the levels of State support in public IHE.

The levels of support for institutions of higher education were based on budgeted appropriation data from the annual appropriations bill "Budget Bill" and supplemental appropriations bills for the applicable fiscal years. The level of support was established to be operating funding provided to each public community and technical college and four year colleges and universities. Details are provided down to the line item "activity number". Revenue was from General Revenue, Lottery and Excess Lottery.

Data Sources:

FY 2006

Budget Bill – H.B. 2005 (passed April 16, 2005)

H.B. 414 {General Revenue} (Fourth Special Session 2005, passed September 13, 2005) – Provided funding for a \$900 across the board salary increase on November 1, 2005

H.B. 417 {General Revenue-Surplus} – (Fourth Special Session 2005, September 7-14, 2005) - Provided a one-time \$149,000 appropriation to Northern C&T College to replace funding not spent in a prior fiscal year

S.B. 4017 {General Revenue} (Fourth Special Session 2005, September 7-14, 2005) - Restored funding for WVU Medical Schools

S.B. 1012 {General Revenue} (First Special Session 2006, June 2006) - Provided \$300,000 to WVU

FY 2008

Budget Bill – H.B. 2007 (passed March 18, 2007)

H.B. 209 {General Revenue-Surplus} (Second Special Session 2007, August 2007) -Provided Title III match funding for Bluefield State College and West Virginia State University; \$3,000,000 to Blue Ridge CTC for Capital improvements [this was backed out of base calculations]; \$330,438 to five CTC institutions to defer tuition increases at those institutions; and \$2 million to Marshall University School of Medicine to establish a new Orthopedic Residency Program

S.B. 1011 {Excess Lottery} (First Special Session 2008, March 2008) - Provided one-time funding for higher education in the following areas: \$50 million for Research; \$30 million for Advanced Workforce Centers; \$7 million to create a Energy Savings Loan Program Revolving fund for Higher Education; \$7,154,898 for Allied Health Program Expansion at the CTCs; \$1 million for Higher Education Grant Program; \$1 million for HEAPS (Higher Education Adult Part-time Students) awards, all were excluded from base calculations

S.B. 1006 {General Revenue} (First Special Session 2008, March 2008) Provided \$8 million to Higher Education to provide matching funds for capital improvements, this was backed out of base calculations

S.B. 1008 {General Revenue-Surplus} (First Special Session 2008, March 2008) -Provided \$119,000 to the Higher Education Policy Commission for REMI, for Marshall and WVU, this was backed out of base calculations

S.B. 2019 {General Revenue} (Second Special Session 2008, June 2008) - Provided \$1,445,000 for PROMISE Scholarship, this was backed out of base calculations

FY 2009

Budget Bill – S.B. 150 (passed March 16, 2008)

FY 2010

Budget Bill – H.B. 2010 (passed May 31, 2009)

Second Special Session 2009, June 15-17, 2009, funding from FY 2009 revenue streams for expenditure in FY 2010.

\$3,900,000 related to H.B. 3215 operations funding; \$2 million for recruitment/retention initiative; \$150,000 for WVU related to one-time for startup costs to Alzheimer's Registry; \$250,000 onetime cost to relocate Corrections Academy from WVUIT to Glenville State College; \$180,000 for a swimming pool at New River CTC; \$3.5 million for equipment upgrades at CTCs

**STATE OF WEST VIRGINIA
EXECUTIVE SUMMARY OF THE
PUBLIC SCHOOL SUPPORT PROGRAM
FOR THE 2009-10 YEAR**

The Public School Support Program (PSSP) is a plan of financial support for the public schools in the State of West Virginia, which 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 district's local share.

The PSSP is a basic foundation allowance program that provides funding to the local school districts 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 programs, increased enrollment, and other programs.

The number of personnel allowed for funding for each district is determined by the district's net enrollment. Each district's state aid allowance is determined by the salary degree classifications (pay grade for service personnel) and years of experience of the personnel actually employed by the district. The allowance for student transportation is determined by the actual transportation expenditures incurred by each district, within limits, and funding for technology and improvements to instructional programs (Step 7a and 7b) is based on the previous year's appropriation plus 15% of the increase in local share for each purpose, respectively.

According to statute, the allowance computations using enrollment and employment data are based on the data reported by the various school districts as of the second month for the preceding school year. The allowance computations for student transportation are based on actual expenditures for transportation operating costs for the most recent year for which the data is available.

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 holding harmless any district that is projected to receive less state aid as a result of implementing these revised provisions during the five year phase-in.

The changes include:

- (1) Bases the computations for steps 1, 2 and 5 on net enrollment only, eliminating the adjusted enrollment limits;
- (2) Divides districts into the following four groups based on student net enrollment per square mile:

Sparse	–	Less than 5 students per sq. mile
Low	–	5 to less than 10 students per sq. mile
Medium	–	10 to less than 20 students per sq. mile, and
High	–	20 or more students per sq. mile
- (3) Sets the net enrollment funding limits for professional educators (PE) (Step 1) and service personnel (SP) (Step 2) at the following limits for the 2009-10 year, sets the minimum professional instructional limits as indicated, increases the limits by .05 per year through the year 2012-13, and specifies that any additional positions that are created as a result of this increase shall be positions that will enhance student achievement and are consistent with the needs as identified in each district's strategic improvement plan, and are encouraged to fill some of the positions with technology integration specialists:

Category	PE	PI	SP
Sparse	72.60	66.10	45.73
Low	72.45	66.05	45.15
Medium	72.30	65.95	44.58
High	72.15	65.85	44.02

- (4) For the districts with student net enrollments of less than 1,400, increases each district's net enrollment by an amount determined by the following formula: Determine the enrollment difference between the district's actual enrollment and 1,400; multiply the difference by the percent derived by dividing the district's student population density into the student population density of the district with the lowest density, and; restrict the total net enrollment for each eligible district so that it does not exceed 1,400.
- (5) Identifies school counselors and school nurses as professional student support personnel; funds the number of these personnel employed during the 2007-08 year at the same percentages as the number of professional educators employed that are State Aid eligible as to funded, and; increases the allowance by .5% per year through the year 2012-13;
- (6) Uses the same four groups created for steps 1 and 2 to determine the allowance for student transportation operating costs and bases the allowances on the following percentages of actual expenditures:

Sparse	-	95%;
Low	-	92.5%;
Medium	-	90%, and;
High	-	87.5%

Provides an additional allowance of 10% for the districts that use alternative fuels or transport students to and from multi-county vocational centers and exclude the allowance for additional buses from the allowance limit of 1/3 above the state average on a per mile basis;

- (7) Provides an allowance for advanced placement at 1.0% of the state average per pupil state aid times the number of students enrolled in advanced placement, dual credit and international baccalaureate programs;
- (8) Provides an allowance for alternative education programs at \$12 per net enrollment student, and;
- (9) Requires that an appropriation be made to the WVDE each year to be distributed to the local districts to support children with high acuity special education needs that exceed the capacity of the districts to provide.

A brief description of each step follows:

1. **Foundation Allowance for Professional Educators (WVC §§18-9A-4 and 18-9A-5a):** Step 1 of the PSSP provides to each school district an allowance to pay the annual state minimum salary per degree classification and years of experience and the supplemental equity amount for professional educators as established by statute: WVC §18A-4-2 sets forth the annual state minimum salary that is to be paid to each teacher per degree classification and years of experience; WVC §18A-4-3 sets forth the annual state salary increment that is to be paid to each principal and assistant principal; and WVC §18A-4-5 authorizes the payment of the supplemental allocation that is to be paid to professional educators to assist the State in meeting its objective of salary equity among the school districts.

Beginning with the 2008-09 year, the school districts were divided into four categories based on student net enrollment density per square mile, and the following number of professional educators per each 1,000 net enrollment students were funded for the 2009-10 year, with the ratios increasing by .05 per year through the year 2012-13: Sparse – 72.60, Low - 72.45, Medium – 72.30, and High – 72.15.

In addition, each school district must maintain the following minimum ratio of professional instructional (PI) personnel per 1,000 students in net enrollment or suffer a pro rata reduction in the allowance: Sparse – 66.10, Low – 66.05, Medium – 65.95, and High – 65.85. Districts are not penalized for not meeting these ratios during the 2008-09 year and a proviso exempts the districts that have an increase in net enrollment from the penalty.

Pursuant to WVC §18-9A-4, school districts cannot increase the number of administrative personnel employed above the number which were employed, or for which positions were posted, on June 30, 1990.

2. **Foundation Allowance for Service Personnel (WVC §§18-9A-5 and 18-9A-5a)**: Step 2 of the PSSP provides to each school district an allowance to pay the monthly state minimum salary per pay grade and years of experience and the supplemental equity amount for service personnel as established by statute: WVC §18A-4-8a sets forth the monthly state minimum salary that is to be paid to each service employee and WVC §18A-4-5 authorizes the payment of the supplemental allocation that is to be paid to service personnel to assist the State in meeting its objective of salary equity among the school districts.

Beginning with the 2008-09 year, the school districts were divided into four categories based on student net enrollment density per square mile and the following number of service personnel per each 1,000 net enrollment students were funded for the 2009-10 year, with the ratios increasing by .05 per year through the year 2012-13: Sparse – 45.73, Low – 45.15, Medium – 44.58, and High – 44.02.

- 3a. **Foundation Allowance for Fixed Charges (WVC §18A-9A-6)**: Step 3 of the PSSP provides to each school district an allowance to cover the employer's share of contributions for social security, unemployment compensation and workers' compensation. The allowance for each school district is determined by multiplying the district's total allowance for salaries under Steps 1, 2 and 5 by the following rates: for social security the current rate of 7.65%; for unemployment compensation the rate of .04%; and for workers' compensation the rate which is derived by dividing the total estimated aggregate contribution for workers' compensation by all school districts by the sum of the foundation allowance for professional and service personnel.

The estimated contribution for workers' compensation is determined by multiplying each school district's allowance for professional and service personnel by the district's actual contribution rate for the most recent year for which the information is available. The allowance rate for workers' compensation for the 2009-10 year has been determined to be 1.17% therefore the total allowance rate for social security, unemployment compensation and workers' compensation for the year has been determined to be 8.86%.

- 3b. **Foundation Allowance for Retirement (WVC §§18-9A-6a and 18-9A-6b)**: Step 3 also provides an allowance to the teachers' retirement system. The amount of the allowance is the total of the following: (1) 15% of the basic foundation allowance for salaries; all salary equity appropriations; and such amounts as are paid by the school districts as salary supplements, to the extent that such county supplements are equal to the amount distributed for salary equity among the school districts; and (2) the additional amount estimated to be required to eliminate the unfunded liability by June 30, 2034, such amount to be based on an annual actuarial report to be provided to the Legislature.

According to WVC §18-9A-6b, any increase in local share above the amount calculated for the previous year which is attributable to an increase in the tax levy rate as set by the Legislature, not to exceed \$7 million, is to be used to reduce the amount required by the actuarial report.

3. **Foundation Allowance for Transportation Costs (WVC §18-9A-7)**: Step 4 of the Public School Support Program (PSSP) provides to each school district the sum of the following computations as an allowance for student transportation operating expenses:
 - (a) An allowance for the operations, maintenance and contracted services of student transportation services, exclusive of salaries, based on the following percentages of actual expenditures for such costs, with the county school districts categorized into the four groups indicated below, based on the number of net enrollment students per square mileage of the county:

Sparse (Less than 5 net students/sq. mile)	- 95.0% of actual expenditures
Low (5 to less than 10 net students/sq. mile)	- 92.5% of actual expenditures
Medium (10 to less than 20 net students/sq. mile)	- 90.0% of actual expenditures
High (More than 20 net students/sq. mile)	- 87.5% of actual expenditures

- (b) An additional allowance of 10% of the actual expenditures for operations, maintenance and contracted services, exclusive of salaries, for that portion of the bus fleet that uses alternative fuels;
- (c) An additional allowance of 10% of actual expenditures for operations, maintenance, and contracted services, exclusive of salaries, for that portion of the bus fleet used to transport students to and from multi-county vocational centers;
- (d) 100% of the insurance premium costs on buses, buildings and equipment used in transportation;
- (e) 8.33% of the current replacement value of each school district's school bus fleet plus the remaining replacement value of buses purchased after July 1, 1999 that attain 180,000 miles. In addition, districts that experience an increase in net enrollment may apply for funding for additional buses, with the allowance for additional buses excluded from the allowance limit discussed below; and
- (f) Aid paid to students in lieu of transportation, based on the state average amount paid per pupil.

According to WVC 18-9A-7, the funding for the replacement of buses and the purchase of additional buses is to be used only for the purchase of school buses. This includes the purchase of new bus chassis and bodies from bus manufacturers, as listed on the State bus bid list, the purchase of used buses from other school districts, and the purchase of optional equipment that either enhances the utility of the bus or increases safety for students, such as automatic lifts, wheel chair tie-downs, seat reconfigurations, seat belts, automatic chain dispensers, strobe lights, Global Positioning System (GPS) equipment, radios, video cameras, etc.

In addition, this optional equipment can be purchased either at the time the buses are originally purchased, or as an after-market purchase from another vendor and installed separately after the buses are purchased and received. If the optional equipment is purchased as an after-market purchase, however, only the original purchase of the equipment may be purchased with bus replacement funds; bus replacement funds are not to be used for the replacement of existing equipment.

Each district's allowance is limited to 1/3 above the computed state average allowance per mile multiplied by the total mileage for the district, exclusive of the allowance for the purchase of additional buses. In addition, each district is required to reserve one-half of one percent of its total transportation allowance for expenditure for trips related to academic classroom curriculum.

- 5a. **Foundation Allowance for Professional Student Support Personnel (WVC §18-9A-8)**: Step 5 of the PSSP identifies school counselors and school nurses as professional student support personnel and funds the number of these personnel employed during the 2007-08 year at the same percentages as the number of professional educators employed that are State Aid eligible as to funded, increases the allowance by .5% per year through the year 2012-13, and requires that the additional positions for counselors that may be created as a result of the .5% increase per year shall be assigned to schools where the counselor can (1) enhance student achievement; (2) provide early intervention for students in grades pre-kindergarten through five; and (3) enhance student development and career readiness.
- 5b. **Foundation Allowance for RESAs (WVC §18-9A-8a)**: Step 5 also provides an allowance for the regional education service agencies (RESAs) equal to .63% of the total allowance provided under Step 1, limited to \$4.2 million. The allowance is allocated to each RESA, according to State Board Policy, on the following basis; 60% is distributed equally among the eight RESAs and the remaining 40% is distributed to each RESA according to the net enrollment of the school districts served by the RESA.
- 6. **Foundation Allowance for Other Current Expenses, Substitute Salary Costs and Faculty Senates (WVC §18-9A-9)**: Step 6 of the PSSP provides an allowance to each school district for other current expenses, substitute salary costs and faculty senates the sum of the following, except that the allowance

under (a), (b), and (c) below is not to exceed the previous year's allowance by more than 104%:

- (a) For current expense, 10% of the total allowance for the salary allowances under steps 1, 2 and 5; distribution is made to each district proportionally based on the average of each district's average daily attendance for the preceding year and the district's second month net enrollment;
- (b) For substitute salary costs of professional educators or current expense, 2.5% of the computed allowance for salary allowances under steps 1 and 5; distribution is made to each district proportionally based on the number of professional educators respectively authorized;
- (c) For substitute salary costs of service personnel or current expense, 2.5% of the computed allowance for salaries for service personnel; distribution is made to each district proportionally based on the number of service personnel respectively authorized;
- (d) For expenditure by faculty senates for academic materials, supplies and equipment used in instructional programs, \$200 multiplied by the number of professional instructional and student support personnel employed. School districts are required to forward the allowance to each school during the month of September of each year.

- 7a. **Foundation Allowance for the Improvement of Instructional Programs (WVC §18-9A-10):** Step 7a of the PSSP provides an allowance to each school district for the improvement of instructional programs. The amount to be appropriated for the year is the amount appropriated for the preceding year plus 15% of the growth in local share over the previous year. Step 7a funds are to be used to improve instructional programs according to a plan submitted to the State Board for approval. Distribution of the amount appropriated is made to the various school districts on the following basis: \$150,000 to each school district with the remaining funds allocated proportionally on the basis of the average of each district's average daily attendance for the preceding year and the district's second month enrollment. Up to 25% of each district's allowance may be used for the employment of professional and service personnel after all applicable provisions of WVC §§18-9A-4 and 18-9A-5 have been fully utilized. The funds for personnel, however, cannot be used to increase the total number of professional non-instructional personnel in the central office beyond four. Funds may also be used for implementation and maintenance of the West Virginia Education Information System (WVEIS).
- 7b. **Foundation Allowance for the 21st Century Strategic Technology Learning Plan (WVC §18-9A-10):** Step 7b dedicates another 15% of the growth in local share for allocation to the county boards for the 21st Century Strategic Technology Learning Plan as provided for in WVC 18-2E-7. The funds are in addition to the funds specifically appropriated for this purpose.
- 7c. **Foundation Allowance for Advanced Placement, Dual Credit, and International Baccalaureate Programs (WVC §18-9A-10):** Step 7c provides an allowance for students enrolled in advance placement, dual credit, and international baccalaureate courses, based on one percent (1%) of the state average per pupil state aid multiplied by the number of students enrolled in such courses in each district.
- 7d. **Foundation Allowance for Debt Service (WVC §18-9A-10):** Step 7d provides to the School Building Authority the amount of funds required to meet debt service requirements on revenue bonds issued by the authority prior to January 1, 1994.
- 8. **Total Basic Foundation Allowance (WVC §18-9A-3):** The total basic foundation program allowance is the sum of the above seven allowances. The basic program allowance includes both the State's share and the local districts' share.
- 9. **Local Share (WVC §18-9A-11):** Local share is a computation of each school district's projected regular levy property tax collections for the year. Projected excess levy tax collections are not included. Local share for the 2009-10 year was 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 five percent (5%) as an allowance for discounts, exonerations, delinquencies, and reducing the amount further by the amount that is to be paid to the Assessor's Valuation Fund.

In addition, according to WVC §11-8-6f(c), in any school district in which tax increment financing is in effect pursuant to the provisions of WVC §7-11B-1 et seq., the assessed valuation used for the local share calculation is the base assessed valuation of the property located within the project area in the year the project was initiated.

Furthermore, for the school districts that are designated as a "growth county" and have by resolution elected to participate in the Growth County School Facilities Act established by WVC §11-8-6f(d), the estimated revenues from application of the regular school board levy rate to the taxable assessed valuation of new property and improvements to property is subtracted from the local share calculation.

As discussed in the paragraphs for Step 7, fifteen percent (15%) of the growth in local share from the previous year is dedicated for the allowance for the improvement of instructional programs (Step 7a) and another 15% is dedicated for the 21st Century Technology Improvement Plan (step 7b).

The total local share calculated for each school district is subtracted from the total basic foundation allowance to determine the State's share that is appropriated.

10. **State Aid Allowance Allocated to each School District (WVC §18-9A-12)**: The amount of the basic foundation program allowance allocated to each school district is the total of the amounts calculated in Steps 1 through 7, excluding the amounts for the RESAs, the School Building Authority and retirement, less the amount calculated for local share.

WVC §18-9A-12 provides that the allocation for each school district is to be adjusted in the following circumstances where the calculated local share is not reflective of local funds available to the school district, provided that funds are appropriated for this purpose:

- (1) In instances where a district is under a final court order to refund or credit property taxes paid in prior years;
- (2) In instances where a district is collecting taxes based on an assessed value which is less than that determined by the state tax commissioner in the most recent published survey or property valuation due to an error; and
- (3) In instances where a district is unable to collect property taxes from a taxpayer during the pendency of any court proceedings. Property taxes collected later upon completion of such court proceedings must be reimbursed to the State.

In addition, the amount of the basic foundation allowance allocated to each district is to be reduced by any payments or contributions received by a district in lieu of property taxes.

It should be noted that state aid has not been reduced as a result of payments received by a school district in lieu of taxes nor has any additional funding been appropriated in general for the purposes discussed above since the statute was enacted, however, funds have been appropriated by the Legislature to correct state aid allowances as the result of assessment errors on a case by case basis.

11. **Other Allowances:**

- a. **Allowance for Students Health Services (WVC §18-9A-10a)**: Augments the funding of instructional personnel by partially funding nurse positions for certain districts at the state average contracted salary for nurses, plus fixed charges, retirement and PEIA premiums, by applying a ratio of one nurse per each 1,500 students in net enrollment in grades pre-kindergarten through twelve, less the existing nurses employed during the 2005-06 school year, to the extent funds are available. This funding is being phased out at 20% per year as the other changes in the PSSP are phased in.
- b. **Allowance for Legislative Reserve Fund, Current Expense and Substitute Costs (WVC §18-9A-13b)**: The PSSP includes a provision that the reduction in state aid funding that accrues as a result of the decreases in net and adjusted enrollment from the preceding year is to be deposited

in a special revenue fund designated as the "Legislative Reserve Fund" with the proceeds being appropriated by the Legislature.

- c. **Allowance for County Transfers WVC §18-9A-14**: Under the PSSP, an allowance is provided for county school districts that agree to transfer students to another school district pursuant to an agreement approved by the State Board, provided that funds are appropriated for this purpose.

The allowance for the year in which the transfer occurs is to be 100% of amount in the agreement, not to exceed the district's per pupil state aid allocation; the allowance in the first year after the transfer occurs is to be 50% of the amount in the agreement; and the allowance for the second year is to be 25%. A proviso states that if professional or service personnel obtain full-time employment pursuant to WVC §18-9A-8i, the allowance is to be reduced by an appropriate amount.

- d. **Incentive for Administrative Efficiency (WVC §18-9A-14a)**: Under the PSSP, an incentive is provided to encourage administrative efficiency. Each district is to receive the funds equal to 80% of the difference between the total amount received from salaries and fixed charges based on the actual number of professional educators employed and the amount the district would receive if the maximum number were employed, provided that the following three conditions were met in the previous year: (a) the district maintained the minimum instructional personnel ratio of 50/1,000 students in adjusted enrollment; (b) the district reduced the number of maximum class size exemptions by 25%; and (c) the district reduced the number of split grade exemptions by 25%.

Each district is also to receive the funds equal to 80% of the difference between the amount received for salaries and fixed charges for service personnel based on an actual number employed and the amount the county would receive if the maximum number were employed, provided that the following condition was met in the previous year: the number of professional educators employed who do not spend at least 75% of their work day assigned to a school does not exceed the number derived by multiplying the first 200 or fewer professional and service personnel allowed under the PSSP by 2.5% and all additional personnel allowed by 1%.

- e. **Allowance for Increased Enrollment (WVC §18-9A-15)**: Each school district which has an increase in net enrollment is to receive an allocation equal to the district's increase in net enrollment over the previous year multiplied by each district's average per pupil state aid. Sixty percent (60%) of the funds appropriated for this purpose are to be distributed by September 1st of the year in which the enrollment increase occurs and the balance is to be distributed by December 31 of that year. If the funds appropriated for this purpose are not sufficient to provide full funding, each district's allocation is to be reduced proportionally and a supplemental appropriation is to be requested.

In addition, to help offset the budgetary impact of extraordinary and sustained increases in net enrollment in a county whose most recent three-year average growth in second month net enrollment is 2% or more, the county boards are to receive ¼ of the state average per pupil state aid multiplied by the increase in the county's second month net enrollment in the latest year.

- f. **Allowance for Alternative Education Programs (WVC §18-9A-21)**: The PSSP provides an allowance for alternative education programs computed at \$12 per net enrollment student. The funds are distributed proportionally to each district on the basis of net enrollment.
- g. **Allowance to Improve Economies of Scale of Low Student Enrollment School Districts (WVC §18-9A-22)**: The PSSP includes a provision that if the state superintendent of schools finds that additional assistance is needed to improve the economies of scale of school districts whose net enrollment is less than 1,400 students, the superintendent may, subject to appropriations made by the Legislature, make a grant of funds to the school system to improve its economies of scale. This funding is being phased out at 20% per year as the other changes in the PSSP are phased in.

- h. **Allowance for the Public Employees Insurance Fund (WVC §§5-16-18 and 18-9A-24):** The PSSP provides an allowance for the Public Employees Insurance Fund. The total allowance is based on an average premium rate for all school district employees, as established by the PEIA Finance Board, multiplied by the number of personnel allowed for funding under the Public School Support Program. The average premium rate is to include a proportionate share of the retirees' subsidy established by the finance board and the difference, if any, between the previous year's actual premium costs and the previous year's appropriation, if the actual costs were greater than the appropriation. The average monthly premium rate for the 2009-10 year was determined by the PEIA Finance Board to be \$535.40 per month.
- i. **Allowance for State Teacher of the Year (WVC §18-9A-25):** The PSSP provides for an allowance to the school district from which the state teacher of the year is selected if the teacher takes a sabbatical leave. The allowance is to be based on the state average contracted salary of teachers for the year.
- j. **Allowance for Workers' Compensation for Unpaid Student Work-based Learning Programs (WVC §18-9A-26):** The PSSP provides an allowance for the workers' compensation premium costs for students who participate in unpaid work-based learning experiences off school premises. The amount of the allowance is determined by multiplying the number of hours each student participates in work-based learning by the base premium tax rate as established by the Workers' Compensation Division. The wage rate used in the calculations is the wage rate that will provide the minimum workers' compensation weekly benefits established by statute.

12. Allowance for the Education of Exceptional Children (WVC §18-20-5):

Although not a part of the Public School Support Program, a provision is included in WVC §18-20-5 that requires the State to make an appropriation to the Department of Education to be distributed to the county boards in accordance with State Board Policy to support children with high acuity needs that exceed the capacity of the school district to provide with available funds. Each county board is required to apply to the State Superintendent for receipt of this funding in a manner set forth by the State Superintendent that assesses and takes into account varying acuity levels of the exceptional students.

DEFINITIONS

Advanced Placement – Students enrolled in programs offering classes that are advanced in terms of content and performance expectations as opposed to those normally available for the age/grade level of the student and which provide credit towards graduation and possible college credit. These can include programs recognized or offered by the College Board, postsecondary institutions and other recognized foundations, corporations or institutions.

Allowance for Increased Enrollment (WVC §18-9A-15) – Allowance for the county boards that experience an increase in net enrollment as compared to the similar net enrollment of the previous year. According to statute, sixty percent (60%) of the allocation must be distributed no later than September 1 of the year in which the districts experience an increase in enrollment and the remaining balance must be distributed by December 31 of that year.

Full-time Equivalency (FTE) – The number students or personnel reported on a fractional basis compared to their full-time counterparts. For example, those students or personnel that attend school or are employed full-time are reported as a 1.0 FTE; those that attend or are employed half of what is considered full-time are reported as a 0.5 FTE.

Multi-County Vocational Centers (MCVCs) (WVC §18-2B-1) – Area vocational education training centers established under the authority of WVC §18-2B-1 to provide vocational programs to students from two or more school districts.

Net Enrollment (WVC §18-9A-2) - The number of students enrolled in pre-kindergarten through grade twelve and special education programs in the public schools of a county, reported on a full-time equivalency (FTE) basis, plus adults enrolled in regular secondary vocational programs, limited to a maximum of 1,000 of these students, statewide, and for any district whose net enrollment is less than 1,400, increase each district's net enrollment by an amount determined by the following formula: Divide each eligible district's actual student population density into the student population density of the district with the lowest student population density; multiply the amount so derived by 300; and restrict the total net enrollment for each eligible district so that it does not exceed 1,400.

Professional Educator (WVC §18-9A-2) - Personnel employed by a board of education as a teacher, supervisor, principal, superintendent, public school librarian, public school nurse with a bachelor's degree who is licensed by the State board of examiners for registered professional nurses, or any other person regularly employed for instructional purposes in a public school in the State.

Professional Instructional Personnel (WVC §18-9A-2) - A professional educator employed by a board of education whose regular duty is that of a classroom teacher (including speech language pathologist), librarian, counselor, attendance director, school psychologist, or school nurse with a bachelor's degree and licensed as a registered nurse.

Professional Student Support Personnel (WVC §18-9A-2) – A professional personnel who is assigned and serves on a regular full-time basis as a counselor or as a school nurse with a bachelor's degree and who is licensed by the West Virginia Board of Examiners for Registered Professional Nurses.

Regional Education Service Agencies (RESAs) (WVC §18-2-26) – Multi-county regional education agencies created by the State Board of Education under authority of WVC §18-2-26 to consolidate and administer more effectively existing educational programs and services so individual school districts will be able to extend educational opportunities.

Salary Equity (WVC §18A-4-5) – Salary equity among the districts means that the salary potential of school employees employed by the various districts throughout the State does not differ by greater than ten percent (10%) between those offering the highest salary and those offering the lowest salaries. State funds appropriated for the purpose of achieving salary equity are to be distributed within the PSSP.

Service Personnel (WVC §18-9A-2) - Personnel employed by a board of education under any of the class titles identified in WVC §18A-4-8.

State Minimum Salary - The State legally mandated salaries for professional educators and service personnel as set forth in WVC §18A-4-1 et seq., including the state basic salary plus supplemental state equity.

PSSP Executive Summary 10 – 2nd Prel