WEST VIRGINIA LEGISLATURE

2021 REGULAR SESSION

ENROLLED

House Bill 3177

By Delegates Ellington, Hanna, Higginbotham,
Hamrick, Kessinger, Smith, Toney, Mazzocchi,
Horst, Holstein and Mandt

[Passed April 10, 2021; in effect ninety days from passage.]

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AN ACT to repeal §18-2-5d, §18-2-13b, §18-2-24, §18-2-29, and §18-2-35 of the Code of West Virginia, 1931, as amended; to repeal §18-2E-4a of said code; to repeal §18-3-9b of said code; to repeal §18-4-12 of said code; to repeal §18-5-18e, and §18-5-43 of said code; to repeal §18-7A-36 of said code; to repeal §18-9A-8a of said code; to repeal §18-9B-11a of said code; to repeal §18-10H-4 of said code; to amend and reenact §18-9A-6a, §18-9A-7, and §18-9A-16 of said code; and to amend and reenact §18-9B-1, §18-9B-2, §18-9B-3, §18-9B-4, §18-9B-5, §18-9B-6, §18-9B-6a, §18-9B-7, §18-9B-8, §18-9B-9, §18-9B-10, §18-9B-12, §18-9B-13, §18-9B-14, §18-9B-15, §18-9B-17, §18-9B-18, §18-9B-19, §18-9B-20 and §18-9B-21 of said code, all relating to removing expired, outdated, inoperative and antiquated provisions and report requirements in education code; updating references; repealing expired report requirement related to productive and safe schools; repealing authorization of state board respecting use of revenues from dormitories, home or refectories; repealing outdated structure for collaboration on professional development delivery among state universities, regional education service agencies and center for professional development; repealing unused competitive grant program for selected schools and school districts; repealing unused requirement for state board rule on school uniforms for students; repealing outdated exception to mailing school report cards; repealing outdated mandated reduction in budgeted amount for personal services in certain fiscal year; repealing outdated exception for county board meeting related to fixing salaries of county superintendent; repealing expired study and report on pupils per teacher; repealing expired report requirement relating to county-wide council on productive and safe schools; repealing expired report requirement relating to joint study of retirement systems; removing reference to repealed allocation to teachers retirement fund; removing expired provisions related to additional funding bus system using biodiesel alternative fuel; repealing expired allowance for regional education service agencies; replacing reference to state board of school finance with state superintendent;

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removing expired provision prohibiting salary reduction of certain persons due to passage of school finance article; correcting references to tax commissioner for functions previously transferred to state auditor; deleting outdated references to employment term and instructional term; and removing outdated provisions creating state board of school finance and requiring state superintendent to exercise powers and perform duties; repealing outdated authorization for adjustments to average daily attendance; and repealing mandate for establishment of certain interdisciplinary doctoral program.

Be it enacted by the Legislature of West Virginia:

CHAPTER 18. EDUCATION.

ARTICLE 2. STATE BOARD OF EDUCATION.

- §18-2-5d. Duty of board to report guidelines for productive and safe schools.
- 1 [Repealed.]
 - §18-2-13b. Additional authority of state Board of Education concerning revenue bonds for dormitories, homes or refectories.
- 1 [Repealed.]
 - §18-2-24. Collaboration of state institutions of higher education having a teacher preparation program with the Center for Professional Development, state board and the regional education service agencies.
- 1 [Repealed]
 - §18-2-29. Competitive grant program for selected schools and school districts.
- 1 [Repealed.]
 - §18-2-35. Dress codes requiring school uniforms for students.
- 1 [Repealed.]
 - ARTICLE 2E. HIGH QUALITY EDUCATIONAL PROGRAMS.
 - §18-2E-4a. Exception to requirement of mailing school report cards.
- 1 [Repealed.]

ARTICLE 3. STATE SUPERINTENDENT OF SCHOOLS.

§18-3-9b. Reduction in amount budgeted for personal services.

[Repealed.]

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ARTICLE 4. COUNTY SUPERINTENDENT OF SCHOOLS.

§18-4-12. Exception to §18-4-4.

[Repealed.]

ARTICLE 5. COUNTY BOARD OF EDUCATION.

- §18-5-18e. Study of limits on the number of pupils per teacher in a classroom in elementary and middle schools.
- 1 [Repealed.]
 - §18-5-43. Duty of the county board of education to report the county-wide productive and safe school plans to the West Virginia Board of Education.
- 1 [Repealed.]

ARTICLE 7A. STATE TEACHERS RETIREMENT SYSTEM.

- §18-7A-36. Joint study of state retirement systems; report to Joint Committee on Government and Finance by specified date of study conclusions.
- 1 [Repealed.]

ARTICLE 9A. PUBLIC SCHOOL SUPPORT.

- §18-9A-6a. Teachers retirement fund allowance; unfunded liability allowance.
- 1 (a) The total teachers retirement fund allowance is the sum of the basic foundation
- 2 allowance for professional educators, the basic foundation allowance for professional student
- 3 support personnel and the basic foundation allowance for service personnel, as provided in §18-
- 4 9A-4, §18-9A-5 and §18-9A-8 of this code; all salary equity appropriations authorized in §18A-4-
- 5 of this code; and such amounts as are to be paid by the counties pursuant to §18A-4-5a and
- 6 §18A-4-5b of this code to the extent such county salary supplements are equal to the amount

- distributed for salary equity among the counties, multiplied by the average retirement contribution rate for each county board. The average contribution rate for each county board is based on the required employer contributions for state aid eligible employees participating in the retirement plans pursuant to §18-7A-1 *et seg.* and §18-7B-1 *et seg.* of this code.
- (b) The teachers retirement fund allowance amounts provided for in subsection (a) of this section shall be accumulated in the employers accumulation fund of the State Teachers Retirement System Fund pursuant to §18-7A-18 of this code and shall be in lieu of the contribution required of employers pursuant to §18-7A-18(b) of this code as to all personnel included in the allowance for state aid in accordance with §18-9A-4, §18-9A-5 and §18-9A-8 of this code.
- (c) In addition to the teachers retirement fund allowance provided for in subsection (a) of this section, there shall be an allowance for the reduction of any unfunded liability of the teachers retirement fund in accordance with the following provisions of this subsection. On or before December 31, of each year, the actuary or actuarial firm employed in accordance with the provisions of §5-10D-4 of this code shall submit a report to the President of the Senate and the Speaker of the House of Delegates which sets forth an actuarial valuation of the teachers retirement fund as of the preceding June 31. Each annual report shall recommend the actuary's best estimate, at that time, of the funding necessary to both eliminate the unfunded liability over a 40-year period beginning on July 1, 1994, and to meet the cash flow requirements of the fund in fulfilling its future anticipated obligations to its members. In determining the amount of funding required, the actuary shall take into consideration all funding otherwise available to the fund for that year from any source. In any year in which the actuary determines that the teachers retirement fund is not being funded in such a manner, the allowance made for the unfunded liability for the next fiscal year shall be not less than the amount of the actuary's best estimate of the amount necessary to conform to the funding requirements set forth in this subsection.

§18-9A-7. Foundation allowance for transportation cost.

- (a) The allowance in the foundation school program for each county for transportation is the sum of the following computations:
- (1) A percentage of the transportation costs incurred by the county for maintenance, operation and related costs exclusive of all salaries, including the costs incurred for contracted transportation services and public utility transportation, as follows:
 - (A) For each high-density county, 87.5 percent;
- (B) For each medium-density county, 90 percent;
- (C) For each low-density county, 92.5 percent;
- (D) For each sparse-density county, 95 percent;
 - (E) For any county for the transportation cost for maintenance, operation and related costs, exclusive of all salaries, for transporting students to and from classes at a multicounty vocational center, the percentage provided in paragraphs (A) through (D) of this subdivision as applicable for the county plus an additional 10 percent; and
 - (F) For any county for that portion of its school bus system that uses as an alternative fuel compressed natural gas or propane, the percentage provided in paragraphs (A) through (D) of this subdivision as applicable for the county plus an additional 10 percent: *Provided*, That any county using an alternative fuel and qualifying for the additional allowance under this subdivision shall submit a plan regarding the intended future use of alternatively fueled school buses;
 - (2) The total cost, within each county, of insurance premiums on buses, buildings and equipment used in transportation;
 - (3) An amount equal to 8.33 percent of the current replacement value of the bus fleet within each county as determined by the state board. The amount shall only be used for the replacement of buses except as provided in subdivision (4) of this subsection. Buses purchased after July 1, 1999 that are driven 180,000 miles, regardless of year model, are subject to the replacement value of 8.33 percent as determined by the state board. In addition, in any school

year in which its net enrollment increases when compared to the net enrollment the year immediately preceding, a school district may apply to the state superintendent for funding for an additional bus or buses. The state superintendent shall make a decision regarding each application based upon an analysis of the individual school district's net enrollment history and transportation needs: *Provided*, That the superintendent may not consider any application which fails to document that the county has applied for federal funding for additional buses. If the state superintendent finds that a need exists, a request for funding shall be included in the budget request submitted by the state board for the upcoming fiscal year;

- (4) Notwithstanding the restriction on the use of funds for the replacement of buses pursuant to subdivision (3) of this subsection, up to \$200,000 of these funds in any school year may be used by a county for school facility and equipment repair, maintenance and improvement or replacement or other current expense priorities if a request by the county superintendent listing the amount, the intended use of the funds and the serviceability of the bus fleet is approved by the state superintendent. Before approving the request, the state superintendent shall verify the serviceability of the county's bus fleet based upon the state school bus inspection defect rate of the county over the two prior years; and
- (5) Aid in lieu of transportation equal to the state average amount per pupil for each pupil receiving the aid within each county.
- (b) The total state share for this purpose is the sum of the county shares: *Provided*, That a county may not receive an allowance which is greater than one-third above the computed state average allowance per transportation mile multiplied by the total transportation mileage in the county exclusive of the allowance for the purchase of additional buses.
- (c) One half of one percent of the transportation allowance distributed to each county is for the purpose of trips related to academic classroom curriculum and not related to any extracurricular activity. Any remaining funds credited to a county for the purpose of trips related to academic classroom curriculum during the fiscal year shall be carried over for use in the same

manner the next fiscal year and shall be separate and apart from, and in addition to, the appropriation for the next fiscal year. The state board may request a county to document the use of funds for trips related to academic classroom curriculum if the board determines that it is necessary.

§18-9A-8a. Foundation allowance for regional education service agencies.

1 [Repealed.]

§18-9A-16. General school fund and its use.

There is continued a separate school fund to be known as the "general school fund" which shall be administered by the state superintendent. The proceeds from the income of this school fund, and the interest thereon, as provided for under the irreducible school fund amendment to the Constitution shall accrue to the General School Fund which, with moneys appropriated by the Legislature, shall be used to support the public schools of the state. All other State funds and taxes formerly dedicated to the General School Fund shall hereafter be paid into the State General Fund.

ARTICLE 9B. COUNTY SCHOOL BOARD BUDGETS AND AUDITS.

§18-9B-1. Purpose and construction of article.

Because of the adoption of the "Tax Limitation Amendment," it has become necessary for the state to participate, to an increasing degree, in the financing of the free public schools. In the fiscal year 1938-1939, this participation aggregated 55 percent of the total expended by county boards of education for the operation of the schools of the state, and in 17 counties state aid represented in excess of 70 percent of the total amounts spent for public education in those counties. In consequence of this state investment in local education, the state has acquired a paramount interest in the sound and stable management of the financial affairs of county school districts so that the maximum effectiveness of education may be obtained from the expenditure of the limited funds available.

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With the foregoing purposes in view, this article is enacted to develop improved methods of financial administration and to bring increased financial guidance and assistance to the management of county school affairs.

The provisions of this article shall be construed to be in addition to the authority now exercised by the State Auditor as chief inspector and supervisor of public offices under §6-9-1 *et seq.* of the code for the purposes of fidelity accounting and auditing. The intent of the Legislature is that the powers granted by this article to the State Superintendent of Schools over financial management shall in administration be fully coordinated with those of the State Auditor over the legality and fidelity of public expenditures.

The provisions of this article shall be liberally construed to give effect to the purposes stated.

§18-9B-2. Definitions.

- For the purposes of this article:
- 2 "State superintendent" means the State Superintendent of Schools.
- 3 "Budget" means the annual budget of school revenues and expenditures prepared and 4 adopted by a county board of education in accordance with this article.
 - "Levy estimate" means the summary statement of the total budgeted school requirements prepared and adopted by a county board of education in accordance with law, in justification of the amount levied upon taxable property within the county for the support of the local schools.
 - "Appropriation" means an item, or the amount of an item, budgeted by a county board of education for expenditure during the fiscal year.
 - "Expenditure schedule" means a schedule for the expenditure of amounts budgeted throughout the fiscal year and adopted in conjunction with the annual budget.
- "County board" means a county board of education.

§18-9B-3. State Superintendent of Schools.

The State Superintendent of Schools shall exercise the powers and perform the duties conferred upon him or her by this article.

§18-9B-4. Powers and duties of State Superintendent of Schools.

The State Superintendent of Schools, in addition to the specific powers and duties conferred upon him or her, shall advise and assist county boards of education and county superintendents in the planning and management of school finances to the end that the most effective program of public education be realized from the funds available for expenditure by the several counties.

In the exercise of the powers granted under this article, the state superintendent shall not substitute his or her discretion and judgment for that of a county board of education with respect to the desirability or reasonability of a lawful school expenditure if the provisions of law and the orders of the state superintendent are complied with by the county board. If, however, a county board fails or refuses to provide for the support of the standard school term, to adhere to the budget and the expenditure schedule, or to comply with other provisions of this article, the state superintendent may require such action on the part of the county board, not in violation of law, as the state superintendent may find to be best calculated to restore the financial affairs of the county board to a proper and lawful basis.

§18-9B-5. School district budgeting.

- The state superintendent shall formulate and prescribe a uniform system of school district budgeting for the use of all county school districts to include, at least:
 - (1) Itemization schedules for estimating anticipated revenues and receipts of all kinds;
- (2) Itemization schedules for estimating anticipated requirements for expenditure during the fiscal year;
 - (3) The form, classification and itemization of budget items for appropriation purposes;

- 7 (4) Expenditure schedules for the allotment of amounts of proposed expenditures 8 throughout the fiscal year;
 - (5) A budget calendar fixing the dates by or upon which schedules shall be prepared, budgets adopted, and reports made to the state superintendent;
 - (6) Methods and procedures of budgeting to be followed in the use of the uniform system. §18-9B-6. Submission and approval of budget.

A county board of education shall, on or before the day fixed by the budget calendar, submit its proposed budget to the state superintendent together with such supporting schedules as the state superintendent may require.

A county board shall not finally adopt its budget until after the written approval of the state superintendent has been received, and the levy estimate has been approved by the State Auditor as required by law. If the State Auditor finds that the levy estimate, based upon the budget, does not conform to the requirements of law, the board shall authorize and require such further revision of the budget as may be necessary for the correction of the levy estimate as required by the State Auditor.

A county board of education shall submit a preliminary budget upon requirement of the state superintendent, which approved budget shall be considered by the State Auditor when approving levy estimates.

§18-9B-6a. Delaying submission of budget.

Notwithstanding any other provisions of the code to the contrary, the county board shall not be required to submit its budget for approval by the state superintendent as provided by §18-9B-6 and §18-9B-7 of this code, until the 10th day next following the state superintendent's transmittal of final state aid computations following the adoption of the state budget, but no later than May 30: *Provided,* That, in any year in which the state budget is not adopted on or before May 1, the state superintendent may require the county board to adopt a preliminary budget and

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- to submit it to the state superintendent no later than May 30, and when final computations of state aid are transmitted to the county board, the county board shall make such adjustments as are necessary prior to final adoption of the budget.
 - §18-9B-7. Determination by the state superintendent before final approval of budget; length of term.
 - The state superintendent, before giving his or her final approval to a proposed budget, shall require that:
 - (1) Estimates of revenue and receipts are reasonable and accurate;
- 4 (2) Amounts are budgeted so as to cover actual requirements of school operation; and
 - (3) Amounts are budgeted so as to maintain the schools of the county for the employment term and the instructional term as provided by §18-5-45 of this code.

§18-9B-8. Projected expenditures order of revision in budget.

- If the state superintendent finds that the proposed budget for a county will not maintain the proposed educational program as well as other financial obligations of their county board of education, he or she may require that the budget be revised, but in no case shall he or she permit the reduction of the instructional term pursuant to the provisions contained in §18-5-45 of this code nor the employment term below 200 days. Any required revision in the budget for this purpose may be made in the following order:
- (1) Postpone expenditures for permanent improvements and capital outlays except from the permanent improvement fund;
- (2) Reduce the amount budgeted for maintenance exclusive of service personnel so as to guarantee the payment of salaries for the employment term; or
- (3) Adjust amounts budgeted in any other way so as to assure the required employment term of 200 days and the required instructional term of 180 days under the applicable provisions of law.

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§18-9B-9. Uniform accounting systems for school districts.

The state superintendent shall formulate the requirements of a uniform system of management accounting for the use of county school districts. The requirements shall include at least:

- (1) The accrual accounting of all revenues and other receipts from whatever source;
- (2) The accounting of expenditures under the several items of appropriation in accordance with the expenditure schedule;
- (3) Monthly and quarterly reports of rate of expenditure, encumbrances, and free balances under the several items of appropriation;
- (4) Methods of accounting practice and procedures to be followed in the use of the uniform system.

The accounting requirements so formulated shall be certified to the State Auditor. The State Auditor shall then incorporate the requirements into a uniform system of school district accounting and as chief inspector and supervisor of local government offices, shall prescribe the use of the uniform system by all county school districts by virtue of the authority vested in him or her by §6-9-2 of this code.

§18-9B-10. Restrictions on county boards.

County boards of education shall:

- (1) Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;
- (2) Make transfers between items of appropriation only with the prior written approval of the state superintendent.

§18-9B-11a. Adjustments in average daily attendance to assure equitable allocation of aid.

1 [Repealed.]

§18-9B-12. Practices of fiscal administration.

The state superintendent may formulate the requirements of adequate practices of fiscal administration to be followed by county school districts. Such requirements may include:

- 3 (1) Procedures for the receipts, control and disbursement of county school funds;
- 4 (2) Forms for requisitions, purchase orders, disbursements, and other necessary documents;
 - (3) Regulations for the performance of the powers and duties pertaining to school finance;
 - (4) Regulations for the exercise of the comptroller function;
 - (5) Other instructions and regulations for the proper procedures and practices of fiscal administration in the county schools.

The requirements formulated by the state superintendent shall be certified by the state superintendent to the State Auditor. The State Auditor as chief inspector and supervisor of local government offices shall incorporate the requirements so certified in his or her instructions with respect to fiscal administration and shall prescribe their use by all county school districts by virtue of the authority vested in him or her by §6-9-2 of this code.

§18-9B-13. Inspection and audit of school finance administration.

The state superintendent may, through his or her duly authorized representatives, make inspections and examinations of the fiscal administration of a county school district. The inspection and examination may extend to any matter or practice subject to regulation by the state superintendent. Regular and special examinations may be made by a certified public accountant approved pursuant to §6-9-7 of this code selected by the county board in accordance with nonemergency regulations submitted by the chief inspector, or by the chief inspector himself or herself. All examinations shall be made as provided in §6-9-7 of this code. The state superintendent may make selective audits to determine the accuracy of statements and reports made by a county board or superintendent.

The report of the examination shall be certified to the county board, which should include the identification of procedures and practices found to not be in accordance with the requirements of the state superintendent. The county board shall comply with the instructions forthwith.

The state superintendent, through his or her duly authorized representatives, shall have full access to all books, records, papers, and documents of the county board.

§18-9B-14. Establishment of permanent improvement fund; contents and use of fund.

- A county board of education may establish a special fund for county school purposes to be known as the "permanent improvement fund." The fund shall consist of:
 - (1) The proceeds of the levy allocated to that purpose by §11-8-6c, §11-8-12 and §11-8-12 of this code;
 - (2) Unexpended balances of other funds transferred to the fund, with the approval of the state superintendent, at the end of the fiscal year; and
 - (3) Any other moneys authorized by law to be used for the purposes of the fund.

The proceeds of the fund shall be used only for the support of building and permanent improvement projects. The fund may be accumulated from year to year but moneys shall not be paid into the fund so as to increase the assets of the fund to a total amount in excess of 25 percent of the amount of the foundation school program for that county for the same school year.

§18-9B-15. Permanent improvement fund — To be treated as separate fund; expenditures; limitation on accumulations and assets of fund.

A county board shall treat the permanent improvement fund as a separate fund in the annual budget for county school purposes. Expenditures shall be made from the fund only in accordance with an appropriation made pursuant to the annual budget, or made otherwise in accordance with this article. If the state superintendent finds, in his or her examination of the budget of a county school district, that a county board has accumulated, or with proposed additions to the fund in the fiscal year will accumulate, the fund of the county to an amount in excess of 25 percent of the amount of the foundation school program of the county for the same fiscal year, the state superintendent shall order that no moneys in excess of the limitation be appropriated for or paid into the fund. If the state superintendent finds that the assets of the fund of a county exceed 25 percent of the amount of the foundation school program for the county for

the same year, the state superintendent may require that building and permanent improvement projects included in the annual budget, be paid for out of the fund.

The state superintendent shall administer this section so as to keep the accumulated assets of the fund, as near as may be, within the limitation of 25 percent of the amount of the foundation school program.

§18-9B-17. Duties of county board and county superintendent.

A county board of education and a county superintendent shall comply with the instructions of the state superintendent and shall perform the duties required of them in accordance with the provisions of this article.

§18-9B-18. Issuance and enforcement of orders.

The state superintendent shall enforce the requirements of and his or her regulations issued under this article. The state superintendent may issue orders to county boards of education requiring specific compliance with his or her instructions. If a county board fails or refuses to comply, the state superintendent may proceed to enforce his or her order by any appropriate remedy in any court of competent jurisdiction.

§18-9B-19. Withholding of state aid for noncompliance by county board.

The state superintendent may withhold payment of state aid from a county board that fails or refuses to comply with the provisions of this article or the requirements of the state superintendent made in accordance therewith.

§18-9B-20. Fiscal reports to state superintendent.

The state superintendent may require, and prescribe the form of, fiscal reports to be made to the state superintendent at such times and to contain such information as the state superintendent may determine.

§18-9B-21. Reports by state superintendent.

The state superintendent shall make an annual report to the Governor and to the Legislature pertaining to the work of the state superintendent and the finances of school districts.

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- 3 The state superintendent shall make such special reports as the Governor or the Legislature may
- 4 request.

ARTICLE 10H. ALBERT YANNI PROGRAMS OF EXCELLENCE IN VOCATIONAL-TECHNICAL EDUCATION.

§18-10H-4. Interdisciplinary doctoral program in vocational-technical education.

1 [Repealed.]

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.
Chairman, House Committee
Chairman, Senate Committee
Originating in the House.
In effect ninety days from passage.
Clerk of the House of Delegates
Clerk of the Senate
Speaker of the House of Delegates
President of the Senate
The within this the
day of, 2021.
Governor