

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

Senate Bill 437

**FISCAL
NOTE**

By Senator Deeds

[Introduced January 16, 2026; referred
to the Committee on Education; and then to the
Committee on Finance]

1 A BILL to repeal §18-9A-1, §18-9A-2, §18-9A-3, §18-9A-4, §18-9A-5, §18-9A-6, §18-9A-7, §18-
2 9A-8, and §18-9A-9 of the Code of West Virginia, 1931, as amended; and to amend the
3 code by adding a new article, designated §18-9H-1, §18-9H-1a, §18-9H-2, §18-9H-3, §18-
4 9H-4, §18-9H-5, §18-9H-6, §18-9H-7, §18-9H-8 and §18-9H-9, relating to establishing the
5 Fair State Aid Formula Act of 2026; providing an equitable method of distributing state aid
6 to county boards of education; recognizing the additional costs associated with rural,
7 small, and high-need schools; and promoting fairness, transparency, and adequacy in
8 education funding.

Be it enacted by the Legislature of West Virginia:

ARTICLE 9A. PUBLIC SCHOOL SUPPORT.

§18-9A-1. Legislative findings; public school support plan.

1 [Repealed.]

§18-9A-2. Definitions.

1 [Repealed.]

§18-9A-3. Total state basic foundation program.

1 [Repealed.]

§18-9A-4. Foundation allowance for professional educators.

1 [Repealed.]

§18-9A-5. Foundation allowance for service personnel.

1 [Repealed.]

§18-9A-6. Foundation allowance for fixed charges.

1 [Repealed.]

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

1 [Repealed.]

§18-9A-8. Foundation allowance for professional student support services.

1 [Repealed.]

§18-9A-9. Foundation allowance for other current expense and substitute employees and faculty senates.

[Repealed.]

ARTICLE 9H. FAIR STATE AID FORMULA ACT OF 2026.

§18-9H-1. Short title.

This article may be cited as the "Fair State Aid Formula Act of 2026."

§18-9H-1a. Purpose.

The Legislature hereby declares that all children in West Virginia are entitled to equitable educational opportunities. It is the intent of this article to:

(1) Establish a funding system that recognizes differences in student needs and local fiscal capacity;

(2) Provide adequate support for rural and isolated counties where educational costs are higher;

(3) Promote transparency, accountability, and stability in funding allocations; and

(4) Narrow disparities in opportunity among counties.

§18-9H-2. Definitions.

As used in this article:

(1) "Base per-pupil amount" means the statewide average cost to provide core educational services per student.

(2) "Weighted pupil" means a student assigned an additional weighting factor under §18-9H-4 of this code.

(3) "Local revenue capacity" means the total estimated revenue a county may generate for public education.

(4) "Rural isolation factor" means a cost adjustment applied to counties that meet the criteria in §18-9H-5 of this code.

(5) "Student needs index" means a composite indicator including the share of low-income

11 students, English learners, and special education students.

§18-9H-3. General state aid formula.

1 The State Aid Allocation (SAA) for each county board of education shall be determined as
 2 follows: $SAA = (Base\ Per-Pupil\ Amount \times Weighted\ Enrollment) - (Local\ Revenue\ Capacity \times 0.9)$
 3 + Equity Adjustment + Rural Isolation Factor.

§18-9H-4. Student weighting factors.

1 The following student weighting factors shall apply:
 2 General education student – 1.00
 3 Low-income – +0.30
 4 Special education – +0.80
 5 English language learner – +0.40
 6 Career and technical education – +0.15
 7 At-risk early learner (Pre-K–3) – +0.20
 8 Rural small-school adjustment – +0.10 to +0.25

§18-9H-5. Rural isolation and small-school adjustment.

1 (a) Counties meeting at least two of the following criteria qualify for the Rural Isolation
 2 Factor (RIF):
 3 (1) Population density <50 persons/sq mi
 4 (2) Average bus route >15 miles
 5 (3) Enrollment below 2,000
 6 (4) Fewer than three high schools
 7 (b) Eligible counties receive a supplemental \$250–\$600 per pupil adjustment based on
 8 transportation and staffing costs.

§18-9H-6. Minimum and maximum aid levels.

1 No county shall receive less than 90% of the statewide average per-pupil state aid, nor
 2 more than 115%, except where justified by §18-9H-5 of this code.

§18-9H-7. Stabilization and transition.

- 1 No county shall lose more than 3% of total state aid from the preceding year during the first
2 three years of implementation. A Rural Stability Fund is established, funded from general revenue
3 appropriations and excess severance tax collections.

§18-9H-8. Transparency and reporting.

- 1 The Department of Education shall publish an annual State Aid Equity Report, provide a
2 public calculator, and submit biennial reports to the Legislative Oversight Commission on
3 Education Accountability.

§18-9H-9. Effective date and phase-in.

- 1 This article takes effect July 1, 2026. Implementation shall be phased in over three fiscal
2 years (FY2026–FY2028). No county shall receive less total state aid than in FY2025.

NOTE: The purpose of this bill is to establish the Fair State Aid Formula Act of 2026. The bill provides an equitable method of distributing state aid to county boards of education. The bill recognizes the additional costs associated with rural, small, and high-need schools. Finally, the bill promotes fairness, transparency, and adequacy in education funding.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.