

WEST VIRGINIA
SECRETARY OF STATE

BETTY IRELAND

ADMINISTRATIVE LAW DIVISION

Form #5

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FILED

2005 AUG 12 A 8:46

OFFICE WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF AGENCY ADOPTION OF A PROCEDURAL OR INTERPRETIVE RULE
OR A LEGISLATIVE RULE EXEMPT FROM LEGISLATIVE REVIEW

AGENCY: West Virginia Board of Education TITLE NUMBER: 126

CITE AUTHORITY: W. Va. Constitution, Article XII, §2, W. Va. Code §§11B-2-3, 18-2-5,
18-9A-2 and 18-9A-15

RULE TYPE: PROCEDURAL _____ INTERPRETIVE _____

EXEMPT LEGISLATIVE RULE X

CITE STATUTE(S) GRANTING EXEMPTION FROM LEGISLATIVE REVIEW

W. Va. Code §§ 29A-3B-1, et seq.; W. Va. Board of Education
v. Hechler, 180 W. Va. 451; 376 S.E.2d 839 (1988).

AMENDMENT TO AN EXISTING RULE: YES X NO _____

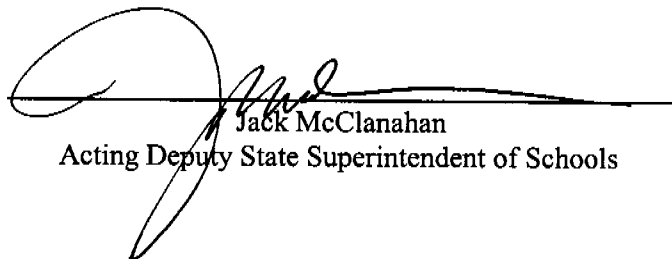
IF YES, SERIES NUMBER OF RULE BEING AMENDED: 207

TITLE OF RULE BEING AMENDED: Projection of Net Increases (8224)

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: _____

TITLE OF RULE BEING PROPOSED: _____

THE ABOVE RULE IS HEREBY ADOPTED AND FILED WITH THE SECRETARY OF STATE. THE
EFFECTIVE DATE OF THIS RULE IS September 11, 2005.


Jack McClanahan
Acting Deputy State Superintendent of Schools

EXECUTIVE SUMMARY
WEST VIRGINIA BOARD OF EDUCATION
Policy Number and Title: Policy 8224
Projection of Net Enrollment Increases

PUBLIC COMMENT PERIOD ENDING: July 10, 2005

BACKGROUND:

Under the Public School Support Program (PSSP), which is commonly known as the State Aid Funding Formula, the enrollment and personnel data for the current school year is used to determine the allowances under the program for the subsequent year. To assist county boards that experience an increase in net enrollment from the previous year, however, the PSSP includes a provision (W. Va. Code §18-9A-15) that provides an additional allowance to those boards that experience enrollment increases. In order to determine the amount to include in the West Virginia Department of Education's [WVDE] annual appropriation request, submitted in accordance with the provisions of W. Va. Code §11B-2-3, enrollment projections must be used for the upcoming school year. In the past, the projections were provided by the individual county boards of education.

W. Va. Code §18-9A-15 was revised during the recent legislative session by Senate Bill 604 to, among other things, require the State Board to promulgate a rule that establishes an objective method for projecting these increases in net enrollment. Other changes included in the bill were: the requirement that sixty percent of the amount appropriated for this purpose be distributed to the eligible county boards by September 1 of the year in which the enrollment increases occur, with the balance of the appropriation distributed by December 31 of the same year; all students enrolled in pre-kindergarten programs through 12th grade are now included in the computation, whereas in past years, students less than five years of age who were not enrolled in special education programs were excluded; and the Legislature is required to appropriate the amount requested for this purpose, whereas in the past, the statute included a provision that stated "Nothing in this section shall be construed to require any specific level of funding by the Legislature".

PURPOSE:

Policy 8224 is a new policy, to establish the objective method for projecting increased net enrollment, that is required by the provisions of the revised statute, however, it replaces an old policy by the same number entitled "Six Percent Loss Cap Waiver" which is no longer needed.

There are a variety of methods available to forecast student enrollments. A method that has proven reliable over a number of years of use is the cohort survival method. This method fares well even when compared with more sophisticated methods that employ multiple regression analysis. It is this reliability and relative simplicity that has led to its recommended use by the Association of School Business Officials, International, and is the reason for recommended adoption as the objective method employed by the WVDE for projecting net enrollment increases.

The basic concept behind cohort survival is that it is known, from historical records, what percentage of students in a cohort, or grade level, survive or are promoted to the next grade level. This information can be used to objectively project future enrollments. For the purpose of the policy, five years of net enrollment historical data of all students enrolled in the public schools of this State in pre-kindergarten through grade 12 will be aggregated for each school district and an average survival rate determined for each grade level to project the total net enrollment of each district for the upcoming school year.

COMMENTS/SUGGESTIONS RECEIVED

The comment period extended from June 10, 2005 through July 10, 2005. There were no comments received on the proposed policy, therefore, no changes have been made.

It is recommended that the policy be adopted as originally proposed.

TITLE 126
LEGISLATIVE RULE
BOARD OF EDUCATION

FILED

2005 AUG 12 A 8:46

SERIES 207

Projection of Net Enrollment Increases (8224) OFFICE WEST VIRGINIA
SECRETARY OF STATE

§126-207-1. General.

1.1. Purpose - The purpose of this policy is to establish an objective method for projecting an increase in net enrollment for each school district to determine the amount of funding required to fully fund the provisions of W. Va. Code §18-9A-15.

1.2. Authority - W. Va. Constitution, Article XII, §2 and W. Va. Code §§11B-2-3, 18-2-5, 18-9A-2 and 18-9A-15.

1.3. Filing Date - August 12, 2005.

1.4. Effective Date - September 11, 2005.

1.5. Repeal of former rule. - This legislative rule repeals and replaces W. Va. 126CSR207, West Virginia Board of Education Policy 8224, Six Percent Loss Cap Waiver, filed November 17, 1989 and effective December 29, 1989.

§126-207-2. Applicability.

2.1. This policy applies to the West Virginia Department of Education [WVDE], Office of School Finance, and all county boards of education.

§126-207-3. Definitions.

3.1. Birth data – Annual birth information for each county in the state.

3.2. Cohort survival – The percentage of students in a certain grade that advance to the next grade level.

3.3. Enrollment history – The five-year history of student (headcount) enrollment for each county school district, based upon second month enrollment.

3.4. Net enrollment – the number of pupils enrolled in special education programs, kindergarten programs and grades one to twelve, inclusive, of the public schools of the county. Net enrollment shall include adults enrolled in regular secondary vocational programs and shall include no more than one thousand such adults counted on the basis of full-time equivalency and apportioned annually to each county in proportion to the adults participating in regular secondary vocational programs in the prior year counted on the

basis of full-time equivalency. No tuition or special fees beyond that required of the regular secondary vocational student is charged for such adult students (W. Va. Code §18-9A-2).

3.5. Net enrollment adjustment factor – Five year average percentage difference between the number of students enrolled in each school district and the number of students reported in net enrollment.

3.6. Survival ratio – Percentage of students that advance from one grade level to the next.

§126-207-4. Administration.

4.1. The WVDE, Office of School Finance, on behalf of the State Superintendent of Schools (hereinafter State Superintendent), shall be responsible for administering and complying with the requirements of this policy.

§126-207-5. Projections of Net Enrollment.

5.1. There are a variety of methods available to forecast student enrollment. A method that has proven reliable over a number of years of use is the cohort survival method. This method fares well even when compared with more sophisticated methods that employ multiple regression analysis. It is this reliability and relative simplicity that has led to its recommended use by the Association of School Business Officials, International, and is the reason for adoption as the objective method employed by the WVDE for projecting net enrollment increases.

5.2. The basic concept behind cohort survival is that it is known, from historical records, what percentage of students in a cohort, or grade level, are promoted to the next grade level. This information can be used to objectively project future enrollments.

5.3. For the purpose of this policy, five years of net enrollment historical data of all students enrolled in the public schools of this state in pre-kindergarten through grade 12 will be aggregated for each school district and an average survival rate determined for each grade level to project the total net enrollment of each district for the upcoming school year.

5.4. To project pre-kindergarten enrollment, birth data from four years earlier will be used.

5.5. Due to the large increases in student enrollment certain school districts have experienced in recent years due to a substantial growth in residential housing, annual changes in housing starts will be used to modify the cohort survival percentages, determined in the preceding paragraphs, proportionally in relationship to the change in housing starts.

5.6. The survival ratios will be further modified in situations where significant changes have occurred or are about to occur in the economic climate of a particular county, such as

the start-up or shutdown of a major employer, causing a material improvement or deterioration of the job market.

§126-207-6. Computations of Required Funding.

6.1. To determine the amount of funding to request for increased enrollment, the projected net enrollment for each school district for which an increase in net enrollment is projected for the upcoming school year will be multiplied by the average state aid per pupil for that school district for the latest year for which the data is available.

6.2. To ensure that adequate funding is requested for increased enrollment, a modification factor will be determined using historical data to adjust the aggregate amount determined in the preceding step, as outlined in §§126-207-5.5. and 5.6.

6.3. The total amount determined from the above steps will be the basis for the appropriation request for increased enrollment submitted by the State Superintendent to the West Virginia Legislature and the Governor, pursuant to the provisions of W. Va. Code §11B-2-3.

§126-207-7. Distribution of Funds Appropriated

7.1. Of the total amount appropriated for increased enrollment for a particular year, sixty percent (60%) will be distributed proportionally by September 1 of each year to each district that has been projected to experience an increase in net enrollment, based on the projected enrollments.

7.2. After the actual enrollments are determined and certified by each county superintendent each year, the actual allocation of increased enrollment funds will be determined for each school district that has experienced an increase in net enrollment by multiplying the district's actual increase in net enrollment by the same average state aid per pupil as used in the projections.

7.2.1. An adjustment will be made to the funds distributed to each school district based on the projected allocations so that the total amount allocated to each school district for the year equals the total amount of the actual allocation, as determined in the preceding step. The balance of the increased enrollment funds to which each school district is entitled will be distributed by December 31 of the year in which the increased enrollment occurred.

7.2.2. If the amount distributed to a school district during the first distribution is greater than the total amount to which a district is entitled for the year, the school district will be notified and the district will be required to refund the difference to the WVDE on or before June 30 of the fiscal year in which the excess distribution was made.

7.3. If the total amount appropriated by the Legislature for increased enrollment is not adequate to provide full funding to all school districts that experienced an increase in net

enrollment, each district's allocation will be reduced proportionally so that the total amount allocated equals the amount appropriated.

7.3.1. In this case, the State Superintendent will submit a request for a supplemental appropriation for the year to the Governor, and the Governor, pursuant to the provisions of W. Va. Code §18-9A-15 will forward the request to the Legislature during the next legislative session.

7.4. If the amount appropriated by the Legislature for increased enrollment is greater than the amount needed to provide full funding to all of the school districts that experienced an increase in net enrollment, the balance will be either expired at the end of the fiscal year, or reappropriated for increased enrollment for the next ensuing fiscal year.

§126-207-8. Severability.

8.1. If any part of this policy is declared unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this policy, or the policy in its entirety.

FORM HD 201
(10-66)

FISCAL NOTE WORKSHEET
(Submit 4 Copies)

HD NO _____ DRAFT NO _____ BILL NO _____ RESOLUTION NO _____

SUBJECT Policy 8224 Projection of Net Enrollment Increases FUND _____

SOURCE OF REVENUE: GENERAL FUND SPECIAL OTHER (SPECIFY) _____

COST OF ESTIMATE BASED ON: AN ORIGINAL ESTIMATE BUDGET BILL OTHER (SPECIFY) _____

INCOME ESTIMATE BASED ON: AN ORIGINAL ESTIMATE BUDGET BILL OTHER (SPECIFY) _____

SHOW OVER-ALL EFFECT IN ITEMS 1 AND 2 & GIVE EXPLANATION OF BREAKDOWN BY FISCAL YEAR INCLUDING LONG-RANGE EFFECT

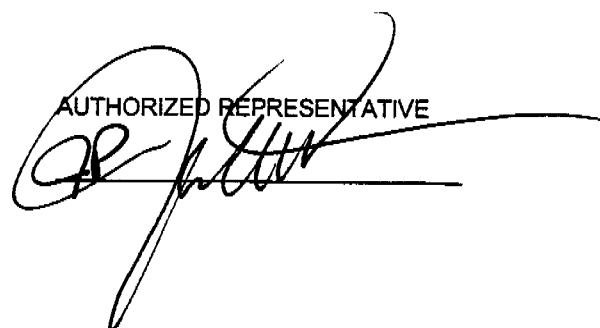
EFFECT OF PROPOSAL	ANNUAL		CURRENT	FISCAL YEAR	
	INCREASE	DECREASE		NEXT	THEREAFTER
1. ESTIMATED TOTAL COST	\$	\$	\$	\$ - 0 -	\$ - 0 -
PERSONAL SERVICES CURRENT EXPENSES REPAIRS/ALTERATIONS EQUIPMENT OTHER	\$	\$	\$	\$	\$
2. ESTIMATED TOTAL REVENUES	\$	\$	\$	\$	\$

3. EXPLANATION OF ABOVE ESTIMATES (INCLUDING LONG-RANGE EFFECT):

The purposes of Senate Bill 604 was to revise W. Va. Code 18-9A-15 to require the State Board of Education to promulgate a rule that establishes an objective method for projecting the increase in net enrollment for each school district; require that the appropriation request submitted by the State Superintendent for this purpose be determined by multiplying the average state aid per pupil by the projected increases in net enrollment; require that the amount requested be appropriated by the Legislature; require that sixty percent of the each district's share of the funds appropriated for this purpose be distributed by September 1 of each year and the balance by December 31; and require that all students enrolled in the public schools in pre-kindergarten through grade 12 be included in the calculations.

It is estimated that there will be no additional cost incurred as a result of the adoption of this policy.

DATE 5-25-05 AGENCY Education

AUTHORIZED REPRESENTATIVE


COMMENT/SUGGESTION LOG
Policy 8224: Emergency Purchasing Procedures
Comment Period: June 10, 2005 – July 10, 2005

Action
 N: No Response
 NA: Not Accepted
 A: Accepted

Type
 - Negative
 + Positive
 * Neutral

Date Received	Individual/Organization	Comments/Suggestions	Action/Type	Rationale
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No Comments Received.