

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1947



ENROLLED

HOUSE BILL No. 344

(By Mr. Committee Substitute)



PASSED March 6 1947

In Effect July 1, 1947 ~~Passage~~



344

**ENROLLED**  
COMMITTEE SUBSTITUTE FOR  
**House Bill No. 344**

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(Originating in the Committee on Finance)

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[Passed March 6, 1947; in effect July 1, 1947.]

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AN ACT to amend and reenact all of article nine-a, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as enacted by chapter forty-six, acts of the Legislature, one thousand nine hundred thirty-nine, and as last amended by chapter forty-four, acts of the Legislature, one thousand nine hundred forty-three, relating to state aid for schools.

*Be it enacted by the Legislature of West Virginia:*

That article nine-a, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as originally enacted by chapter forty-six, acts of the Legislature, one thousand nine hundred thirty-nine, and as last amended by chapter forty-four, acts of the Legislature, one thousand nine hundred forty-three, be amended and reenacted to read as follows:

Section 1. *Distribution of State Aid to Free Schools.*—

2 The purpose of this article is to provide for the distribu-  
3 tion of state aid for free schools among the several  
4 counties of the state. In enacting this method of compu-  
5 tation and distribution, the Legislature has the following  
6 specific purposes:

7 1. To provide a method of distribution that will  
8 supply each county with the funds reasonably necessary  
9 to operate its schools on a basis that accords with the  
10 relative educational needs of the several counties;

11 2. To establish a method of computation and alloca-  
12 tion that as far as possible eliminates the need for the  
13 exercise of state administrative discretion as to the re-  
14 quirements of the several counties;

15 3. Give to each county every possible incentive to the  
16 constructive development of its school system, and to  
17 place with the county boards of education the responsi-  
18 bility for the preservation and improvement of the stand-  
19 ards of local education;

20 4. Coordinate the administration of state aid more  
21 closely with the general fiscal policies of the state.

22 With the foregoing purposes and objectives in view  
23 the allocation and administration of state aid is hereby  
24 conferred upon the state board of school finance.

Sec. 2. *Definitions.*—For the purpose of this article:

2 “State Board of School Finance,” “State Board”, or  
3 “Board” means the state board of school finance except  
4 where the context refers to county boards of education.

5 “County Board” means a county board of education.

6 “Teacher” shall include principal.

7 “Average Teacher Salary” for any county means the  
8 sum of the basic salaries and the salaries for experience  
9 for all teachers employed therein, divided by the total  
10 number of said teachers. Basic and salaries for experi-  
11 ence shall be those designated by the laws of West  
12 Virginia.

13 “Net Enrollment” means the number of pupils enrolled  
14 in grades one to twelve, inclusive, of the public schools of  
15 the county for the first four months of the school term :  
16 *Provided*, That no pupil shall be counted more than once  
17 by reason of transfer within the county or from another  
18 county within the state.

19 "Weighted Net Enrollment" means the total net enroll-  
20 ment, plus one-third of the high school enrollment.

21 "High School Enrollment" means those pupils enrolled  
22 in a school consisting only of grades above the sixth,  
23 organized for instruction by departments, and those  
24 pupils in a school in which the seventh and eighth grades  
25 are organized for instruction by departments, having  
26 four or more teachers in these grades.

27 "Pupil Factor" means the weighted net enrollment  
28 divided by the net enrollment, carried to four decimal  
29 places.

30 "Sparsity Factor" shall be a number derived as fol-  
31 lows:

32 The number five divided by the sum of (1) the  
33 weighted net enrollment divided by the total miles of  
34 designated roads in the county, and (2) the weighted net  
35 enrollment divided by the number of square miles of area  
36 in the county.

37 "Miles of Designated Roads" shall mean miles of pri-  
38 mary and secondary roads and highways in any county  
39 designated as such by the state road commission.

40 "Square Miles of Area" means the area of a county to  
41 be taken from the latest figures furnished by the West  
42 Virginia Geological Survey.

43 "Index" means and is a percentage figure representing  
44 average ability of a county to contribute to the founda-  
45 tion program. It is to be compounded as follows:

46 First: Determine the ratio of the economic factors,  
47 mentioned in section five of this article, in each county to  
48 the total for each such respective factor for the entire  
49 state of West Virginia. For purposes of computing  
50 "Index" the ratio of said economic factors shall be  
51 averaged and the average under this paragraph "first"  
52 shall be counted as one-third.

53 Second: A ratio consisting of the total taxes levied  
54 for current expense purposes under sub-section three,  
55 section six-c, article eight, chapter eleven of this code, in  
56 such county for the preceding assessment year from non-  
57 public utilities property divided by the total tax levies  
58 for current expense purposes as aforesaid for all counties  
59 of the state for such year, said ratio under this para-  
60 graph "second" shall be counted as one-third.

61 Third: A ratio consisting of the total taxes levied for  
62 current expense purposes under sub-section three, sec-  
63 tion six-c, article eight, chapter eleven of this code in  
64 such counties for the preceding assessment year from  
65 public utilities property divided by the total tax levies for  
66 current expense purposes as aforesaid for all counties of  
67 the state for such year, said ratio under this paragraph  
68 "third" shall be counted as one-third.

69 The ratio under paragraphs first, second and third, shall  
70 be reduced to percentage and the average of the re-  
71 spective percentages shall constitute the "Index".

72 "Enrolled Pupil" means pupils included in the "Net  
73 Enrollment."

Sec. 3. *The Foundation School Program.*—The foun-  
2 dation school program is hereby established as the basic  
3 essential of free public education in this state for the  
4 purpose of computing the amount of state aid that each  
5 county shall receive. So far as funds available from  
6 state sources will permit, each county shall receive a sum  
7 which, together with the amount of local revenue reason-  
8 ably to be expected, will pay the cost of the foundation

9 school program as computed in accordance with this  
10 article.

Sec. 4. *Preliminary Computation.*—The state board,  
2 the state superintendent of schools, and the various  
3 county boards of education may commence preliminary  
4 computation of their foundation programs and state aid  
5 requirements for the next fiscal year at any time after  
6 the first day of March in any calendar year, and commu-  
7 nicate with each other with respect to the same.

Sec. 5. *Index; Factors to Apply.*—The following  
2 recognized economic factors shall be used in preparing  
3 the “Index”:

4 (a) The amount of retail sales for each county and  
5 for the entire state for the last year in which data with  
6 respect to same is available.

7 (b) The most recent registration showing the num-  
8 ber of passenger cars licensed by the state road commis-  
9 sion from each county and the entire state.

10 (c) The net buying power of each county or its  
11 people and the buying power of the entire state as the

12 same appears in the annual survey published by the  
13 "Sales Management Magazine."

14 (d) The population of each county and of the entire  
15 state based upon the latest available United States census  
16 figures.

17 (e) The number of United States Income Tax Re-  
18 turns filed by residents of the respective counties and  
19 for the entire state in the latest year available as released  
20 by the Department of Internal Revenue.

21 (f) The total income of the residents of each county  
22 and of the state as a whole, including income from salaries,  
23 wages, entrepreneurial withdrawals, dividends, interest,  
24 net rents and royalties.

25 (g) The postal receipts from all post offices located  
26 in each county and for the state as a whole.

27 (h) The total amount of consumers sales tax receipts  
28 received from each county and collected in the state of  
29 West Virginia as a whole.

30 The data aforesaid shall be the most recent releases  
31 of information with respect to these factors, and so far  
32 as is possible, information with relation to data under

33 (a), (b), (e), (g) and (h), shall be the data for the  
34 preceding fiscal calendar year as the case may be.

35 For the purpose of securing the above, the board shall  
36 be entitled to call upon any state or public agency which  
37 may have in its possession data with respect to any of  
38 the above items or economic factors, and use such publi-  
39 cations or statistical data and information with respect  
40 to the same which may be released by any research organ-  
41 ization of a public or private nature.

*Sec. 6. Computation of Local Share of Revenue.—*

2 For the fiscal years one thousand nine hundred forty-  
3 seven, one thousand nine hundred forty-eight and one  
4 thousand nine hundred forty-eight—one thousand nine  
5 hundred forty-nine, the state board shall determine the  
6 taxes levied for current expense purposes by all counties  
7 under sub-section three, section six-c, article eight, chap-  
8 ter eleven of this code, for the preceding year, and total  
9 the same. Ninety-five percent of the total amount of afore-  
10 said levies for the entire state, shall be multiplied by the  
11 "Index" for each respective county. The result of such  
12 multiplications shall as to the respective counties, consti-

13 tute their "local share of revenue" for said fiscal years.  
14 Commencing with the first day of July one thousand  
15 nine hundred forty-seven, the tax commissioner shall  
16 commence making such surveys, examinations, audits  
17 and investigations of the value of the several classes of  
18 property in each county which should be listed and taxed  
19 under the several tax classifications provided by law and  
20 determine the true and actual value thereof. In making  
21 such surveys he may use such methods of checking prop-  
22 erty values and determining the amount of property in  
23 each classification, as accepted survey and investigation  
24 procedures of like nature employed for the purpose of  
25 ascertaining the true and actual value of all such prop-  
26 erty in each such county. The commissioner may employ  
27 such assistance as the appropriation mentioned will per-  
28 mit, and shall be allowed not to exceed fifty thousand  
29 dollars in each fiscal year of the biennium beginning on  
30 the first day of July, one thousand nine hundred forty-  
31 seven, for the purpose, and his expenses shall be charged  
32 as an item of operational expense to money appropriated  
33 and available for state aid.

34 On or before the first day of December, one thousand  
35 nine hundred forty-eight, the commissioner shall con-  
36 clude the survey and render to the state board of school  
37 finance a report of his conclusions with respect to the  
38 true and actual value of the several classes of taxable  
39 property in each county of the state based upon said  
40 surveys and investigations. For the purposes of state  
41 aid the values set forth in said report shall be the true  
42 and actual value of the various classes of property in  
43 each such county for the fiscal year one thousand nine  
44 hundred forty-nine - one thousand nine hundred fifty.  
45 Thereafter the tax commissioner shall annually continue  
46 such work of survey, examination, audit and investiga-  
47 tion and annually revise his reports to the state board of  
48 the true and actual value of the several classes of tax-  
49 able property in any county from time to time as such  
50 subsequent investigation may warrant, the same to be  
51 made not later than the first day of December of each  
52 year, as to all or any counties of the state which have  
53 been resurveyed prior to said date.

54 The tax commissioner shall, at least once every four

55 years, redetermine the true and actual value of property  
56 in each county of the state. For the fiscal year one  
57 thousand nine hundred forty-nine - one thousand nine  
58 hundred fifty, and thereafter, the commissioner shall be  
59 allowed annually not to exceed twenty-five thousand  
60 dollars in any fiscal year for the purposes hereof, and  
61 his expenses shall be charged to money appropriated and  
62 available for state aid in the same manner as funds  
63 appropriated herein for the original survey.

64 From the latest revised report of true and actual value  
65 which is in its hands the state board shall for each county  
66 compute at the maximum rate of levy provided in sub-  
67 section three, section six-c, article eight, chapter eleven  
68 of this code, the amount of revenue which said levies  
69 would produce, if levied upon fifty per cent of the true  
70 and actual value of each of the several classes of property  
71 contained in the latest report or revised report of such  
72 value, made to it by the tax commissioner. It shall  
73 deduct from such estimated revenue five per cent as an  
74 allowance for the usual losses in collection due to dis-  
75 counts, exonerations, delinquencies and the like. The

76 remainder shall constitute the "local share of revenue".  
77 The local share of revenue computed from the true and  
78 actual value shall apply to all fiscal years after the thir-  
79 tieth of June, one thousand nine hundred forty-nine:  
80 *Provided, however,* That any findings resulting from the  
81 survey provided for in this section shall not be used for  
82 any other official purpose than as a base of allocation for  
83 state aid for schools: *And provided further,* That no asses-  
84 sor shall be required to raise any assessment as a result  
85 of the findings made by the commissioner pursuant to this  
86 section.

Sec. 7. *Total of Foundation Program.*—The state  
2 board shall commence and cause to be determined, as  
3 soon after the first day of July in each fiscal year as is  
4 possible, the foundation program for each county for  
5 such year as follows:

6 Step A—The average teacher's salary for the preced-  
7 ing fiscal year for each county shall be divided by thirty-  
8 three and one-third and the quotient obtained.

9 Step B—The quotient resolved from step A shall be  
10 multiplied by the "Pupil Factor" mentioned in section

11 two of this article and the product obtained. Said  
12 product shall for purposes hereof be known as the  
13 "Adjusted Pupil Cost."

14 Step C—The product resulting from step B shall be  
15 multiplied by a number composed of the whole number  
16 one plus the "Sparsity Factor" mentioned in section two  
17 of this article and the product obtained.

18 Step D—The product resulting from step C shall be  
19 divided by seventy-one hundredths and the quotient  
20 obtained. This quotient, for the purposes of this article,  
21 shall be the total per pupil cost of the foundation pro-  
22 gram for such county.

23 Step E—The quotient resulting from step D shall be  
24 multiplied by the "Net Enrollment" as the same is defined  
25 in section two of this article and the product obtained.  
26 This product shall be the foundation program for such  
27 county.

28 For the fiscal year commencing on the first day of July  
29 one thousand nine hundred forty-seven, the average  
30 teacher's salary shall be an average based upon the certi-  
31 fication, experience and number of teachers employed by

32 each county board during the preceding year, at the  
33 minimum rates established by law.

Sec. 8. *Allocation of State Aid.*—Following computa-  
2 tion of the foundation program for each county the state  
3 board shall compute and allocate state aid for each  
4 county as follows:

5 The amount of state aid for each county shall be the  
6 foundation program of such county minus the local share  
7 of revenue: *Provided, however,* That for the fiscal  
8 years one thousand nine hundred forty-seven—one thou-  
9 sand nine hundred forty-eight and one thousand nine  
10 hundred forty-eight—one thousand nine hundred forty-  
11 nine, if the amount of state aid computed in section seven  
12 of this article is less than the product of twenty-two  
13 hundred multiplied by the number of teachers approved  
14 for such county by the state board on July tenth one  
15 thousand nine hundred forty-six, the amount of state aid  
16 shall be recomputed and shall be as hereinafter computed  
17 to-wit:

18 The product of twenty-two hundred multiplied by the  
19 number of teachers approved for such county by the

20 state board, July tenth, one thousand nine hundred forty-  
21 six, shall be added to the local share of revenue and the  
22 sum so obtained shall then be the adjusted foundation  
23 program for such county: *Provided further*, That for  
24 the fiscal years one thousand nine hundred forty-seven—  
25 one thousand nine hundred forty-eight and one thousand  
26 nine hundred forty-eight—one thousand nine hundred  
27 forty-nine, the state aid for any county shall in no case  
28 be less than sixty-five percent of such adjusted founda-  
29 tion program except where further reduced as a result  
30 of deficiencies in revenue under the provisions of section  
31 thirteen hereof and chapter thirty-nine, acts of the Legis-  
32 lature, one thousand nine hundred thirty-nine.

Sec. 9. *Certification of Amount of State Aid.*—The  
2 state board shall certify to the board of education of each  
3 county the amount of state aid allocated to such county  
4 as soon after the commencement of each fiscal year as is  
5 practicable, such certification to be not later than the  
6 twenty-fifth day of July in any event.

Sec. 10. *County Request Schedule.*—Each county  
2 board of education shall file a request schedule with the

3 state board for payments of state aid to which it is  
4 entitled in each fiscal year. Following such request the  
5 state board shall pay state aid by requisition upon the  
6 state auditor in favor of the fiscal officer of the various  
7 county boards of education in installments as requested.  
8 The state board shall have authority to examine and  
9 approve or disapprove the schedule of payments or  
10 modify the same so long as its action is not designed to  
11 unreasonably curtail the educational program by any  
12 such county board.

Sec. 11. *Inspections and Audits.*—The state board,  
2 in connection with its inspection and supervision of  
3 school fiscal administration in the several counties, may  
4 make such additional inspections and audits as may be  
5 necessary to determine the accuracy of statistical reports  
6 submitted to the state superintendent or to the state  
7 board of education in connection with the computation  
8 and distribution of state aid.

9 The state board shall cause proper corrections to be  
10 made forthwith in any reports found to be inaccurate  
11 and shall also make such adjustments in the distribution

12 of state aid to the county concerned as may be occasioned  
13 by the correction of data upon which the allocation of aid  
14 was based.

Sec. 12. *Records and Reports.*—The state board may,  
2 for the purpose of exercising the powers delegated to it  
3 by this article, require county boards of education and  
4 county superintendents to keep such records and to make  
5 such reports as the board may determine. The state  
6 board shall prescribe the form, content and the time for  
7 making reports. The state board may require that re-  
8 ports be made to the board or to the office of the state  
9 superintendent. A county board of education and a  
10 county superintendent shall keep records and make re-  
11 ports as required by the state board.

Sec. 13. *Revenue Deficiencies.*—If at any time defi-  
2 encies in the revenue reduce amounts available for state  
3 aid below the amount of appropriations made by the  
4 Legislature for any fiscal year and it becomes necessary  
5 for the state board to reduce the amount of state aid it  
6 shall have the right to do so in such manner that under

7 this article the equitable rights of the various counties  
8 shall be protected.

Sec. 14. *Excess Appropriations.*—In any case where  
2 appropriations for state aid are in excess of the founda-  
3 tion program required for all counties of the state, such  
4 excess, if available for expenditure under appropriations  
5 shall be allocated and paid to the respective county  
6 boards of education in the same proportion which the  
7 foundation program of each county bears to the sum of  
8 the foundation programs of all counties of the state.  
9 Allocation shall be made by the state board.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Forest L. McNeer  
Chairman Senate Committee

R. J. Matthews  
Chairman House Committee

Originated in the House of Delegates

Takes effect July 1, 1947 ~~passage~~.

Howard Myers  
Clerk of the Senate

James  
Clerk of the House of Delegates

Arnold M. Tickers  
President of the Senate

John E. Amos  
Speaker House of Delegates

The within approved this the 12<sup>th</sup>  
day of March, 1947.

Quinn Meadows  
Governor.



Filed in the Office of the Secretary of State  
of West Virginia **MAR 13 1947**  
WM. S. O'BRIEN,  
SECRETARY OF STATE