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That article nine-a, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as originally enacted by chapter forty-six, acts of the Legislature, one thousand nine hundred thirty-nine, and as last amended by chapter forty-four, acts of the Legislature, one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 distribution of state aid for free schools among the several counties of the state. In enacting this method of computation and distribution, the Legislature has the following specific purposes:

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

2. To establish a method of computation and allocation that as far as possible eliminates the need for the exercise of state administrative discretion as to the requirements of the several counties;

3. Give to each county every possible incentive to the constructive development of its school system, and to place with the county boards of education the responsibility for the preservation and improvement of the standards of local education;

4. Coordinate the administration of state aid more closely with the general fiscal policies of the state.
With the foregoing purposes and objectives in view the allocation and administration of state aid is hereby conferred upon the state board of school finance.

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

"State Board of School Finance," "State Board", or "Board" means the state board of school finance except where the context refers to county boards of education. "County Board" means a county board of education. "Teacher" shall include principal. "Average Teacher Salary" for any county means the sum of the basic salaries and the salaries for experience for all teachers employed therein, divided by the total number of said teachers. Basic and salaries for experience shall be those designated by the laws of West Virginia.

"Net Enrollment" means the number of pupils enrolled in grades one to twelve, inclusive, of the public schools of the county for the first four months of the school term: *Provided,* That no pupil shall be counted more than once by reason of transfer within the county or from another county within the state.
"Weighted Net Enrollment" means the total net enrollment, plus one-third of the high school enrollment.

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

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

"Sparsity Factor" shall be a number derived as follows:

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

"Miles of Designated Roads" shall mean miles of primary and secondary roads and highways in any county designated as such by the state road commission.
"Square Miles of Area" means the area of a county to be taken from the latest figures furnished by the West Virginia Geological Survey.

"Index" means and is a percentage figure representing average ability of a county to contribute to the foundation program. It is to be compounded as follows:

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

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

The ratio under paragraphs first, second and third, shall be reduced to percentage and the average of the respective percentages shall constitute the “Index”.

“Enrolled Pupil” means pupils included in the “Net Enrollment.”

Sec. 3. The Foundation School Program.—The foundation school program is hereby established as the basic essential of free public education in this state for the purpose of computing the amount of state aid that each county shall receive. So far as funds available from state sources will permit, each county shall receive a sum which, together with the amount of local revenue reasonably to be expected, will pay the cost of the foundation
school program as computed in accordance with this article.

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

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

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

(b) The most recent registration showing the number of passenger cars licensed by the state road commission from each county and the entire state.

(c) The net buying power of each county or its people and the buying power of the entire state as the
same appears in the annual survey published by the
"Sales Management Magazine."
(d) The population of each county and of the entire
state based upon the latest available United States census
figures.
(e) The number of United States Income Tax Re-
turns filed by residents of the respective counties and
for the entire state in the latest year available as released
by the Department of Internal Revenue.
(f) The total income of the residents of each county
and of the state as a whole, including income from salaries,
wages, entrepreneurial withdrawals, dividends, interest,
net rents and royalties.
(g) The postal receipts from all post offices located
in each county and for the state as a whole.
(h) The total amount of consumers sales tax receipts
received from each county and collected in the state of
West Virginia as a whole.
The data aforesaid shall be the most recent releases
of information with respect to these factors, and so far
as is possible, information with relation to data under
(a), (b), (e), (g) and (h), shall be the data for the preceding fiscal calendar year as the case may be.

For the purpose of securing the above, the board shall be entitled to call upon any state or public agency which may have in its possession data with respect to any of the above items or economic factors, and use such publications or statistical data and information with respect to the same which may be released by any research organization of a public or private nature.

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

For the fiscal years one thousand nine hundred forty-seven, one thousand nine hundred forty-eight and one thousand nine hundred forty-nine, the state board shall determine the taxes levied for current expense purposes by all counties under sub-section three, section six-c, article eight, chapter eleven of this code, for the preceding year, and total the same. Ninety-five percent of the total amount of aforesaid levies for the entire state, shall be multiplied by the "Index" for each respective county. The result of such multiplications shall as to the respective counties, consti-
tute their "local share of revenue" for said fiscal years.
Commencing with the first day of July one thousand
nine hundred forty-seven, the tax commissioner shall
commence making such surveys, examinations, audits
and investigations of the value of the several classes of
property in each county which should be listed and taxed
under the several tax classifications provided by law and
determine the true and actual value thereof. In making
such surveys he may use such methods of checking prop-
erty values and determining the amount of property in
each classification, as accepted survey and investigation
procedures of like nature employed for the purpose of
ascertaining the true and actual value of all such prop-
erty in each such county. The commissioner may employ
such assistance as the appropriation mentioned will per-
mit, and shall be allowed not to exceed fifty thousand
dollars in each fiscal year of the biennium beginning on
the first day of July, one thousand nine hundred forty-
seven, for the purpose, and his expenses shall be charged
as an item of operational expense to money appropriated
and available for state aid.
On or before the first day of December, one thousand nine hundred forty-eight, the commissioner shall conclude the survey and render to the state board of school finance a report of his conclusions with respect to the true and actual value of the several classes of taxable property in each county of the state based upon said surveys and investigations. For the purposes of state aid the values set forth in said report shall be the true and actual value of the various classes of property in each such county for the fiscal year one thousand nine hundred forty-nine-one thousand nine hundred fifty. Thereafter the tax commissioner shall annually continue such work of survey, examination, audit and investigation and annually revise his reports to the state board of the true and actual value of the several classes of taxable property in any county from time to time as such subsequent investigation may warrant, the same to be made not later than the first day of December of each year, as to all or any counties of the state which have been resurveyed prior to said date. The tax commissioner shall, at least once every four
years, redetermine the true and actual value of property in each county of the state. For the fiscal year one thousand nine hundred forty-nine—one thousand nine hundred fifty, and thereafter, the commissioner shall be allowed annually not to exceed twenty-five thousand dollars in any fiscal year for the purposes hereof, and his expenses shall be charged to money appropriated and available for state aid in the same manner as funds appropriated herein for the original survey.

From the latest revised report of true and actual value which is in its hands the state board shall for each county compute at the maximum rate of levy provided in subsection three, section six-c, article eight, chapter eleven of this code, the amount of revenue which said levies would produce, if levied upon fifty per cent of the true and actual value of each of the several classes of property contained in the latest report or revised report of such value, made to it by the tax commissioner. It shall deduct from such estimated revenue five per cent as an allowance for the usual losses in collection due to discounts, exonerations, delinquencies and the like. The
remainder shall constitute the "local share of revenue".

The local share of revenue computed from the true and actual value shall apply to all fiscal years after the thirtieth of June, one thousand nine hundred forty-nine:

Provided, however, That any findings resulting from the survey provided for in this section shall not be used for any other official purpose than as a base of allocation for state aid for schools: And provided further, That no assessor shall be required to raise any assessment as a result of the findings made by the commissioner pursuant to this section.

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

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

Step B—The quotient resolved from step A shall be multiplied by the "Pupil Factor" mentioned in section
two of this article and the product obtained. Said product shall for purposes hereof be known as the "Adjusted Pupil Cost."

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

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

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

For the fiscal year commencing on the first day of July one thousand nine hundred forty-seven, the average teacher's salary shall be an average based upon the certification, experience and number of teachers employed by
each county board during the preceding year, at the
minimum rates established by law.

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

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

The product of twenty-two hundred multiplied by the
number of teachers approved for such county by the
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20 state board, July tenth, one thousand nine hundred forty-six, shall be added to the local share of revenue and the sum so obtained shall then be the adjusted foundation program for such county: Provided further, That for the fiscal years one thousand nine hundred forty-seven—one thousand nine hundred forty-eight and one thousand nine hundred forty-eight—one thousand nine hundred forty-nine, the state aid for any county shall in no case be less than sixty-five percent of such adjusted foundation program except where further reduced as a result of deficiencies in revenue under the provisions of section thirteen hereof and chapter thirty-nine, acts of the Legislature, one thousand nine hundred thirty-nine.

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

Sec. 10. County Request Schedule.—Each county board of education shall file a request schedule with the
state board for payments of state aid to which it is
entitled in each fiscal year. Following such request the
state board shall pay state aid by requisition upon the
state auditor in favor of the fiscal officer of the various
county boards of education in installments as requested.
The state board shall have authority to examine and
approve or disapprove the schedule of payments or
modify the same so long as its action is not designed to
unreasonably curtail the educational program by any
such county board.

Sec. 11. Inspections and Audits.—The state board,
in connection with its inspection and supervision of
school fiscal administration in the several counties, may
make such additional inspections and audits as may be
necessary to determine the accuracy of statistical reports
submitted to the state superintendent or to the state
board of education in connection with the computation
and distribution of state aid.
The state board shall cause proper corrections to be
made forthwith in any reports found to be inaccurate
and shall also make such adjustments in the distribution
of state aid to the county concerned as may be occasioned by the correction of data upon which the allocation of aid was based.

Sec. 12. **Records and Reports.**—The state board may,

for the purpose of exercising the powers delegated to it by this article, require county boards of education and county superintendents to keep such records and to make such reports as the board may determine. The state board shall prescribe the form, content and the time for making reports. The state board may require that reports be made to the board or to the office of the state superintendent. A county board of education and a county superintendent shall keep records and make reports as required by the state board.

Sec. 13. **Revenue Deficiencies.**—If at any time deficiencies in the revenue reduce amounts available for state aid below the amount of appropriations made by the Legislature for any fiscal year and it becomes necessary for the state board to reduce the amount of state aid it shall have the right to do so in such manner that under
this article the equitable rights of the various counties shall be protected.

Sec. 14. *Excess Appropriations.*—In any case where appropriations for state aid are in excess of the foundation program required for all counties of the state, such excess, if available for expenditure under appropriations shall be allocated and paid to the respective county boards of education in the same proportion which the foundation program of each county bears to the sum of the foundation programs of all counties of the state. Allocation shall be made by the state board.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the House of Delegates

Takes effect July 1, 1947

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 12th day of March, 1947.

Governor.