



Public Education in West Virginia

An Overview of Teacher Pay and Benefits, and Student Achievement

By: Brian Dayton, West Virginia Chamber of Commerce



WEST VIRGINIA CHAMBER

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Executive Summary

February of 2018 saw the longest teacher's strike in West Virginia history. Teachers and school service personnel walked off the job in all 55 counties across West Virginia for 13 days. The stated reasons for the strike were salary and health insurance. Teachers asserted that they needed a salary increase, as well as reforms to the state's public employees' health insurance program ("PEIA"). In an agreement to resolve the work stoppage, the Legislature and Governor Jim Justice provided all public employees with an average five percent (5%) pay raise. Further, PEIA health insurance premiums were "frozen" at their existing levels for 18 months, and a PEIA Task Force was created to examine the insurance program in greater detail and make recommendations for its future operation.

In an effort to provide a full and complete overview of teacher compensation in West Virginia, this paper examines the various components which make-up teacher salaries across the state. Recent data shows that average teacher salary in West Virginia will rank 43rd in the nation (upon implementation of the upcoming 5% pay raise). However, cost-of-living data also shows that West Virginia is the 6th least expensive state in which to live. When adjusted for cost of living, the average teacher salary in West Virginia will rank 37th in the nation (upon implementation of the upcoming 5% pay raise). When fully considering the issue of teacher compensation, salary is just one aspect of the equation. This paper provides additional background information explaining the entire compensation and benefit package provided to West Virginia's public school teachers, including: salary (base pay + supplements + codified annual raise + additional money from county levies); retirement pension; health insurance (PEIA); and sick leave.

West Virginia also expends considerable sums for its public employees' health insurance program and its teachers' retirement system. Unlike other states, PEIA premiums for health insurance in West Virginia are based on the employee's salary -- not their health risk factors -- thereby making PEIA coverage more affordable for lower-income state employees. Despite complaints about recent changes to the PEIA benefits package (i.e. increased premiums, deductibles, co-pays, etc.), the fact remains that PEIA health insurance provides

comprehensive coverage to public employees and their families at a modest price, especially when compared with similar private-sector health plans.

West Virginia's teachers also earn a generous defined benefit pension upon retirement. The State of West Virginia has made significant investments in its Teachers Retirement System over the past 15 years to increase the plan's funding and make it actuarially sound. In FY 2019, West Virginia will contribute a total of \$426 million to the Teachers Retirement System (which represents 10% of the entire General Revenue budget). As a result of these disciplined contributions by the Legislature over the past 15 years, the WV Teachers Retirement System is currently 72% funded (up from a funding level of just 19% in 2003).

Beyond these components of teacher salary and benefits, West Virginia spends significant sums on its public education system. Almost one-half (44%) of the state's General Revenue Budget is directed towards public education. On a "per pupil" basis, West Virginia ranks in the Top 15 states nationally for its public education expenditures. West Virginia also has the 16th lowest student-teacher ratio in the country. Yet despite our above-average investment in public education and a favorable student-teacher ratio, student performance in WV continues to lag behind most other states. The 2017 National Assessment of Education Progress ("NAEP") shows that despite significant spending on our education system, only 27% of West Virginia's 8th graders are proficient in Reading at grade level, and only 23% of our 8th graders are proficient in Math. The 2017 RTI International / US News & World Report ranking of all 20,487 public high schools across the US found that the very best high school in WV was only ranked 1,492 nationally. These statistics clearly demonstrate that spending alone does not result in student performance or achievement.

When reviewing issues such as teacher pay, benefits, insurance and retirement pensions, the control and authority over these components resides largely with the West Virginia Legislature. Despite having a State Board of Education, as well as separate Boards of Education in each of the state's 55 counties, West Virginia operates under a very centralized and codified education system. An independent audit of the state's education system conducted in 2012 by *Public Works LLC* noted that they had "*encountered no other state that insulates its education system so much from gubernatorial – or voter – control; restricts local initiative so much on the part of the districts, building principals, and teachers; and vests so much authority for education at the state level.*" *The independent report concluded that "West Virginia has one of the most highly regulated systems in the country – if not the most – with many details of school operations spelled out in code."*

The issues of teacher compensation and benefits, as well as student performance, present a variety of questions and challenges. State spending on our educational system in relation to student performance, as well as cost containment and adequate funding for employee insurance and retirement programs, rise beyond simply granting a pay raise. Hopefully this paper will provide useful background information for those state leaders who must address these challenges in order to secure a world class education for West Virginia's children.

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The 13-day teachers' strike in West Virginia in 2018 generated significant interest regarding the amount of compensation that public school teachers receive for the important job they have of educating West Virginia's children, the talent pipeline of the future.

During multiple conversations with members of the West Virginia Legislature, state and county boards of education, and other interested stakeholders, the West Virginia Chamber of Commerce realized there was a need for a thorough explanation of total teacher compensation as well as a general background of public education in West Virginia. To help fill this need, the West Virginia Chamber created this white paper.

This document provides facts related to several critical public education matters, including a general overview of public education in West Virginia, recent performance results of students in the state with a comparison to bordering states, and a review of total compensation for public school teachers. The details provided in this document were gathered from various resources available to the public through government documents and independent organizations.

It is our hope that this paper can be a useful tool to support continued discussion and examination of the education system to ensure every West Virginia child receives a world-class education – no matter where they live or attend school.

Background Information on Education in West Virginia

Education is a major function of state government in West Virginia, with many details codified in state code. Over 44% of the state's General Revenue Budget is directed towards public education, far outpacing any other functions of state government.¹ There are fifty-five counties in West Virginia, each with its own county school system and elected Board of Education. At the state level, public education is overseen by the West Virginia Department of Education. Overseeing the Department of Education is a nine-member State Board of Education, with members appointed by the Governor for nine-year terms.

Most funding for schools is determined through the School Aid Formula, with a determined dollar amount per student. The number of students in each county determines the amount of money that county receives from the school aid formula.

West Virginia is one of the top spenders per student in the nation. At \$14,274, West Virginia is in the top 15 states for current expenditures per student in fall enrollment, nearly \$3,000 above the national average²:

U.S. Average	\$11,462
Pennsylvania	\$15,017 (12th)
Maryland	\$14,774 (13th)
West Virginia	\$14,274 (14th)
Virginia	\$11,141 (24th)
Ohio	\$10,669 (29th)
Kentucky	\$10,508 (31st)

As of 2017, West Virginia has the sixteenth lowest student-teacher ratio in the country, with an average of 14.27 students per teacher. This is a lower ratio than the national average, almost even with Pennsylvania, and higher than neighboring Virginia³:

U.S. Average	15.96
Virginia	12.72 (8th)
West Virginia	14.27 (16th)
Pennsylvania	14.43 (17th)
Maryland	14.70 (19th)
Ohio	15.89 (31st)
Kentucky	16.27 (35th)

Despite having a lower than average student-teacher ratio and significantly higher per pupil spending than the national average, West Virginia's education outcomes continue to lag behind much of the nation.

The 2017 National Assessment of Education Progress (NAEP)⁴ released in April 2018 by the National Center for Education Statistics shows West Virginia students' performances behind that of their peers when it comes to the critical subjects of reading and math.

¹ Governor's Budget Presentation FY 2019, <http://budget.wv.gov/executivebudget/Documents/Presentation%20FY%202019.pdf>, Accessed April 18, 2018

² National Education Association's "Rankings of the States 2017 and Estimates of School Statistics 2018" P. 37

³ National Education Association's "Rankings of the States 2017 and Estimates of School Statistics 2018" P. 23

⁴ The Nation's Report Card, NAEP Data Explorer, <https://www.nationsreportcard.gov/ndecore/landing>, Accessed April 18, 2018

Students across the United States as a whole outscored West Virginia students in 4th and 8th Grade Math and Reading in multiple NAEP reports. Below is a chart that shows the percentage of students in both West Virginia and the nation who are considered at or above proficient levels in these subjects:

	4th Grade Math	8th Grade Math	4th Grade Reading	8th Grade Reading
WV (2017)	35.5%	23.9%	32.4%	27.8%
US (2017)	40.2%	34.3%	36.6%	36.1%
WV (2015)	32.6%	20.5%	30.0%	27.2%
US (2015)	40.0%	33.1%	36.1%	34.3%
WV (2013)	35.2%	23.5%	27.3%	25.3%
US (2013)	41.8%	35.5%	35.2%	36.1%
WV (2011)	31.8%	21.3%	26.7%	24.1%
US (2011)	40.5%	34.7%	33.7%	33.5%

The 2017 Report also shows that West Virginia students also continue to fall behind students from states with which West Virginia shares a border:

	4th Grade Math	8th Grade Math	4th Grade Reading	8th Grade Reading
West Virginia	35.5%	23.9%	32.4%	27.8%
Kentucky	39.8%	29.8%	37.5%	34.2%
Maryland	42.3%	32.6%	40.2%	37.6%
Ohio	41.2%	40.2%	38.7%	39.1%
Pennsylvania	43.6%	38.1%	40.2%	40.0%
Virginia	50.2%	40.3%	42.8%	37.2%
U.S. Average	40.2%	34.3%	36.6%	36.1%

West Virginia education performance has been further measured by North Carolina-based RTI International, a global nonprofit social science research firm. The firm partners with U.S. News & World Report for its annual publication of ranking high schools in the United States. The comprehensive methodology is based on key principles to define what makes a great high school. According to the report, outstanding schools must:

- Serve all students well, not just those who are college bound.
- Be able to produce measurable academic outcomes to show it is successfully educating its student body across a range of performance indicators.

The evaluation is conducted on more than 20,500 public high schools in every state and the District of Columbia. In 2017, West Virginia's best performing school ranked 1,492. The second best school received a ranking of 1,729. By comparison, the best schools in each of our surrounding states were ranked as follows⁵:

Ohio	47th
Pennsylvania	51st
Maryland	75th
Virginia	6th
Kentucky	152nd

In 2018, West Virginia's best performing school ranked 1,517 – a drop of 25 spots from the previous year. The second best school received a ranking of 1,939 – a drop of 210 spots. The 2018 national rankings for the best school in each of West Virginia's surrounding states are⁶:

Ohio	92nd
Pennsylvania	34th
Maryland	113th
Virginia	10th
Kentucky	152nd

In 2012, Public Works LLC released its Education Efficiency Audit of West Virginia's Primary and Secondary Education System, which discussed numerous aspects of public education in West Virginia. In the audit, Public Works noted that they had “encountered no other state that insulates its education system so much from gubernatorial – or voter – control; restricts local initiative so much on the part of the districts, building principals, and teachers; and vests so much authority for education at the state level.”⁷

Public Works highlighted the degree to which public education in West Virginia is regulated in state code: “West Virginia has one of the most highly regulated systems in the country – if not the most – with many of the details of school operations spelled out in code.”⁸ While this report was released over six years ago, no major reforms in the governance of public education have occurred since that time.

⁵ U.S. News & World Report – Best High Schools, <https://www.usnews.com/education/best-high-schools>, Accessed April 30, 2018

⁶ U.S. News & World Report – Best High Schools, <https://www.usnews.com/education/best-high-schools>, Accessed May 16, 2018

⁷ Public Works LLC Education Efficiency Audit of West Virginia's Primary and Secondary Education System, P. 15, <http://www.wvsba.org/sites/default/files/WVDE-Report-Final-for-Print-01-06-12.pdf>, Accessed April 20, 2018

⁸ Public Works LLC Education Efficiency Audit of West Virginia's Primary and Secondary Education System, P. 20, <http://www.wvsba.org/sites/default/files/WVDE-Report-Final-for-Print-01-06-12.pdf>, Accessed April 20, 2018

Teacher Salaries in West Virginia

Teachers in West Virginia are among three groups of public employees whose salaries are set in state code. The other two categories are school service personnel and the West Virginia State Police. West Virginia is not unique in establishing a State Minimum Salary Schedule for public school teachers, but many other states do not set such a schedule. Of the five states with which West Virginia shares a border, only Kentucky and Ohio have a state-established minimum schedule.⁹ Because teacher salaries in West Virginia are prescribed in state code, any pay raises require an act of the West Virginia Legislature.

Recent data from the National Education Association indicates that West Virginia is 49th in the nation for Average Salary of Public School Teachers at \$45,555. For comparison, New York is ranked 1st with an average teacher salary of \$81,902, and Mississippi is ranked 51st at \$42,925. The U.S. Average is \$59,660¹⁰ but these numbers only tell part of the story. The cost of living is considerably less in West Virginia than many other states. According to the U.S. Department of Commerce's Bureau of Economic Analysis, West Virginia is the 6th least expensive state in which to live.¹¹ If you adjust the Average Salary of Public School Teachers for cost-of-living¹², West Virginia rises to 41st in the nation, with an adjusted average teacher salary of \$51,243. With this same adjustment, Delaware moves to 1st in the nation at \$75,390, while Florida falls to last place at \$47,505.

In response to the 2018 teachers' strike, the West Virginia Legislature passed and the Governor signed, HB 4145, which provides a 5% pay raise for teachers, school service personnel, and state troopers. All other public employees received a 5% pay raise as well, though the funds for those raises were provided in the Budget Bill. With the recent 5% pay raise included, it appears that West Virginia teacher salaries will advance to 43rd in the nation, or 37th when adjusted for cost-of-living.

State Minimum Salary Schedule

The salaries of public school teachers in West Virginia are divided into ten education levels, and years of experience ranging from 0-35 years. Teachers are typically employed for 200 days each year, and the State Minimum Salary Schedule is based on 200 days of employment.

The 5% pay raise for teachers contained in HB 4145, which was based on the average teacher salary in the state, equaled a \$2,020 increase. That amount was added to each part of the salary schedule. On the next page is the State Minimum Salary Schedule (B.A. through Doctorate) for teachers that will be in place for the 2018-2019 school year.¹³

⁹ Public Works LLC Education Efficiency Audit of West Virginia's Primary and Secondary Education System, P. 127, <http://www.wvsba.org/sites/default/files/WVDE-Report-Final-for-Print-01-06-12.pdf>, Accessed April 9, 2018

¹⁰ National Education Association's "Rankings of the States 2017 and Estimates of School Statistics 2018" P. 26

¹¹ U.S. Department of Commerce Bureau of Economic Analysis "Real Personal Income for States and Metropolitan Areas, 2015" P. 3, <https://www.bea.gov/newsreleases/regional/rpp/2017/pdf/rpp0617.pdf>, Accessed April 9, 2018

¹² U.S. Department of Commerce Bureau of Economic Analysis "Real Personal Income for States and Metropolitan Areas, 2015" Pp. 2-3, <https://www.bea.gov/newsreleases/regional/rpp/2017/pdf/rpp0617.pdf>, Accessed April 9, 2018

¹³ 2018, HB 4145, http://www.wvlegislature.gov/Bill_Text_HTML/2018_SESSIONS/RS/bills/HB4145%20SUB%20ENR.pdf, Pp. 5-7, Accessed March 28, 2018

Years Exp.	A.B.	A.B. + 15	M.A.	M.A. + 15	M.A. +30	M.A. + 45	Doctorate
0	32,335	33,096	34,863	35,624	36,385	37,146	38,181
1	32,853	33,614	35,382	36,143	36,903	37,664	38,699
2	33,372	34,133	35,900	36,661	37,422	38,183	39,218
3	33,891	34,651	36,419	37,180	37,940	38,701	39,736
4	34,653	35,414	37,182	37,943	38,703	39,464	40,499
5	35,172	35,933	37,700	38,461	39,222	39,983	41,018
6	35,690	36,451	38,219	38,980	39,740	40,501	41,536
7	36,209	36,970	38,737	39,498	40,259	41,020	42,055
8	36,727	37,488	39,256	40,017	40,777	41,538	42,573
9	37,246	38,007	39,774	40,535	41,296	42,057	43,092
10	37,766	38,526	40,294	41,055	41,816	42,576	43,611
11	38,284	39,045	40,813	41,573	42,334	43,095	44,130
12	38,803	39,563	41,331	42,092	42,853	43,613	44,648
13	39,321	40,082	41,850	42,610	43,371	44,132	45,167
14	39,840	40,600	42,368	43,129	43,890	44,650	45,685
15	40,358	41,119	42,887	43,647	44,408	45,169	46,204
16	40,877	41,637	43,405	44,166	44,927	45,687	46,722
17	41,395	42,156	43,924	44,685	45,445	46,206	47,241
18	41,914	42,675	44,442	45,203	45,964	46,725	47,760
19	42,432	43,193	44,961	45,722	46,482	47,243	48,278
20	42,951	43,712	45,479	46,240	47,001	47,762	48,797
21	43,469	44,230	45,998	46,759	47,519	48,280	49,315
22	43,988	44,749	46,516	47,277	48,038	48,799	49,834
23	44,507	45,267	47,035	47,796	48,556	49,317	50,352
24	45,025	45,786	47,554	48,314	49,075	49,836	50,871
25	45,544	46,304	48,072	48,833	49,594	50,354	51,389
26	46,062	46,823	48,591	49,351	50,112	50,873	51,908
27	46,581	47,341	49,109	49,870	50,631	51,391	52,426
28	47,099	47,860	49,628	50,388	51,149	51,910	52,945
29	47,618	48,378	50,146	50,907	51,668	52,428	53,463
30	48,136	48,897	50,665	51,425	52,186	52,947	53,982
31	48,655	49,416	51,183	51,944	52,705	53,465	54,500
32	49,173	49,934	51,702	52,463	53,223	53,984	55,019
33	49,692	50,453	52,220	52,981	53,742	54,503	55,538
34	50,210	50,971	52,739	53,500	54,260	55,021	56,056
35	50,729	51,490	53,257	54,018	54,779	55,540	56,575

When examining the State Minimum Salary Schedule shown on the previous page, one can see that teachers also receive an automatic increase of \$518 - \$519 for each additional year of teaching service, often referred to as an annual “step,” reaching the cap at 35 years of service.

Equity Supplement

In addition to the pay from the State Minimum Salary Schedule shown above, teachers in West Virginia also receive an equity supplement. Per the state code, this supplement is designed to meet the objective of salary equity among the counties. All teachers receive a base equity payment, with an additional amount multiplied by years of service. The multiplier for all education levels of B.A. or higher is \$69 x Years of Service. The equity supplement reaches its cap at 35 years of service. As an example, a teacher with a Masters +15 and 10 years of service would receive a \$3,430 equity supplement. Below are the rates for the equity supplement based on education level:¹⁴

B.A.:	\$2,360 + (\$69 x Years of Service)
B.A.+15:	\$2,452 + (\$69 x Years of Service)
M.A.:	\$2,644 + (\$69 x Years of Service)
M.A. +15:	\$2,740 + (\$69 x Years of Service)
M.A. + 30:	\$2,836 + (\$69 x Years of Service)
M.A. +45:	\$2,836 + (\$69 x Years of Service)
Doctorate:	\$2,927 + (\$69 x Years of Service)

When factoring in both the automatic salary schedule increase and the equity supplement increase, teachers in West Virginia receive an increase of \$587 - \$588 in their pay each year. Since the \$2,020 pay raise doesn't take effect until the 2018-2019 school year, teachers who are not retiring will actually see their pay increase \$2,607 - \$2,608 next year as compared to this year.

20+ Year Experience Increase

A teacher who reaches twenty years of service receives an additional \$600 in annual pay increase. This additional \$600 is applied each year in addition to the prescribed amounts set forth in the State Minimum Salary Schedule and the Equity Supplement.¹⁵

So What does the State Minimum Salary Schedule actually look like?

To better illustrate what the minimum teacher salaries are in West Virginia, we have combined the State Minimum Salary Schedule with the Equity Supplement and the 20+ Year Experience Increase. On the following page is an updated chart that reflects these changes:

¹⁴ 2018, HB 4145, http://www.wvlegislature.gov/Bill_Text_HTML/2018_SESSIONS/RS/bills/HB4145%20SUB%20ENR.pdf, Pp. 7-8, Accessed March 28, 2018

¹⁵ 2018, HB 4145, http://www.wvlegislature.gov/Bill_Text_HTML/2018_SESSIONS/RS/bills/HB4145%20SUB%20ENR.pdf, P. 7, Accessed March 28, 2018

Years Exp.	A.B.	A.B. + 15	M.A.	M.A. + 15	M.A. +30	M.A. + 45	Doctorate
0	34,695	35,548	37,507	38,364	39,221	39,992	41,108
1	35,282	36,135	38,095	38,952	39,808	40,579	41,695
2	35,870	36,723	38,682	39,539	40,396	41,167	42,283
3	36,458	37,310	39,270	40,127	40,983	41,754	42,870
4	37,289	38,142	40,102	40,959	41,815	42,586	43,702
5	37,877	38,730	40,689	41,546	42,403	43,174	44,290
6	38,464	39,317	41,277	42,134	42,990	43,761	44,877
7	39,052	39,905	41,864	42,721	43,578	44,349	45,465
8	39,639	40,492	42,452	43,309	44,165	44,936	46,052
9	40,227	41,080	43,039	43,896	44,753	45,524	46,640
10	40,816	41,668	43,628	44,485	45,342	46,112	47,228
11	41,403	42,256	44,216	45,072	45,929	46,700	47,816
12	41,991	42,843	44,803	45,660	46,517	47,287	48,403
13	42,578	43,431	45,391	46,247	47,104	47,875	48,991
14	43,166	44,018	45,978	46,835	47,692	48,462	49,578
15	43,753	44,606	46,566	47,422	48,279	49,050	50,166
16	44,341	45,193	47,153	48,010	48,867	49,637	50,753
17	44,928	45,781	47,741	48,598	49,454	50,225	51,341
18	45,516	46,369	48,328	49,185	50,042	50,813	51,929
19	46,103	46,956	48,916	49,773	50,629	51,400	52,516
20	47,291	48,144	50,103	50,960	51,817	52,588	53,704
21	47,878	48,731	50,691	51,548	52,404	53,175	54,291
22	48,466	49,319	51,278	52,135	52,992	53,763	54,879
23	49,054	49,906	51,866	52,723	53,579	54,350	55,466
24	49,641	50,494	52,454	53,310	54,167	54,938	56,054
25	50,229	51,081	53,041	53,898	54,755	55,525	56,641
26	50,816	51,669	53,629	54,485	55,342	56,113	57,229
27	51,404	52,256	54,216	55,073	55,930	56,700	57,816
28	51,991	52,844	54,804	55,660	56,517	57,288	58,404
29	52,579	53,431	55,391	56,248	57,105	57,875	58,991
30	53,166	54,019	55,979	56,835	57,692	58,463	59,579
31	53,754	54,607	56,566	57,423	58,280	59,050	60,166
32	54,341	55,194	57,154	58,011	58,867	59,638	60,754
33	54,929	55,782	57,741	58,598	59,455	60,226	61,342
34	55,516	56,369	58,329	59,186	60,042	60,813	61,929
35	56,104	56,957	58,916	59,773	60,630	61,401	62,517

National Board Certification

Obtaining National Board Certification is a rigorous process and only a small percentage of teachers obtain this certification. As a means of encouraging teachers to obtain National Board Certification, a \$3,500 yearly bonus is provided to teachers who achieve and maintain this important certification. The state will also reimburse the costs of enrolling in the program to become nationally certified.¹⁶

Excess Levies

The State Minimum Salary Schedule, Equity Supplement, 20+ year supplement, and the National Board Certification bonus are all means of state funding for public school teacher salaries. However, individual counties can also pass an excess levy on property taxes and use all or part of that levy revenue to supplement teacher incomes.

Excess levies must be proposed by county boards of education and approved by the voters at the ballot box. An excess levy provides a county school board additional funding for education, and most of the funds, beyond what is required to service bond indebtedness, can be used to supplement teacher salaries. County school boards, however, are limited by state law as to how much they can levy. Below is the maximum rate of excess levy a county school board can propose according to state law. (cents per \$100)¹⁷:

Class II Property

(Residential and
Agricultural Property)

45.90

Class III & IV Property

(Non-Residential
Property)

91.80

No property is classified as Class I Property, which was at one time used to classify agricultural property.¹⁸

County boards of education have discretion in how money from the excess levy is used to supplement teacher salaries. Some have opted to provide a flat rate increase to all teachers, regardless of education level or experience. Others have designed a sliding scale based on these factors, and some provide additional rewards for teachers with National Board Certification.

Below are a few examples from different counties to illustrate how the excess levy can affect total teacher salaries. According to state code, a full-time teacher with an education level of MA-15 and ten years of experience would make \$42,465. As you can see in the following example, Clay County does not have an excess levy, so the example given equals what is defined in state code. For these, all are full-time, have an education level of MA-15, are not Nationally Board Certified, and have ten years of experience:

Cabell County	\$45,026
Clay County	\$42,465 (no levy)
Jefferson County	\$44,665
Kanawha County	\$45,616
Marshall County	\$46,227
Monongalia County	\$47,190

¹⁶ WV State Code §18A-4-2a, <http://code.wvlegislature.gov/18A-4/>, Accessed March 28, 2018

¹⁷ WV State Tax Department "Maximum Property Tax Regular Levy Rates," <https://tax.wv.gov/Business/PropertyTax/Pages/PropertyTaxRates.aspx>, Accessed April 9, 2018

¹⁸ WV State Tax Department, Property Tax Classifications, <https://tax.wv.gov/Business/PropertyTax/Pages/PropertyTaxClassifications.aspx>, Accessed April 20, 2018

Summary of West Virginia Teacher Salaries

Even with excess levies, there is not a great deal of variation in teacher salaries from county to county. Counties that border states with higher pay are limited in their ability to make their salaries more competitive, and West Virginia offers no form of locality pay to address this issue. Additionally, there is no mechanism in West Virginia to provide increased pay for teachers in more “in-demand” subjects, or for teachers with specialized education that may attract job offers from higher-paying employers.

As West Virginia is a state surrounded by five other states, and the nation’s capital is within a 90-minute drive of the Eastern Panhandle, it is important to examine how teacher salaries’ compare with those of our neighbors.

Comparison with Other States

At 49th in the nation for Average Salary of Public School Teachers, West Virginia lags behind all five of its border states.¹⁹ (These numbers do not reflect WV’s recent teacher pay raise):

Maryland	\$68,357 (7th)
Pennsylvania	\$66,265 (10th)
Ohio	\$58,202 (15th)
Kentucky	\$52,338 (29th)
Virginia	\$51,049 (34th)
West Virginia	\$45,555 (49th)

When adjusted for Cost-of-Living, West Virginia does move ahead of Virginia, but remains behind the four other border states. (These numbers do not reflect WV’s recent teacher pay raise):

Pennsylvania	\$67,686 (5th)
Ohio	\$65,249 (9th)
Maryland	\$62,370 (12th)
Kentucky	\$59,072 (20th)
West Virginia	\$51,243 (41st)
Virginia	\$49,804 (46th)

Given that three of our bordering states do not set salaries in state code, how does West Virginia’s average teacher salary compare with some individual counties and school districts along the border? The information below and on the next page shows the average teacher salaries in these regions, with the exception of the examples from Maryland and Ohio, in which we used a master’s degree with 11 years’ experience as the sample:

Virginia ²⁰	
Loudon County, VA (borders Jefferson)	\$63,553
Alleghany County, VA (borders Greenbrier)	\$49,427

Maryland ²¹	
Washington County, MD (borders Morgan, Berkeley, Jefferson)	\$60,577 (11yr Master’s)
Garrett County, MD (borders Preston, Grant, Mineral)	\$54,050 (11yr Master’s)

¹⁹ National Education Association’s “Rankings of the States 2017 and Estimates of School Statistics 2018” P. 26

²⁰ Virginia Department of Education, 2015-2016 Teacher Salary Survey Results, P. 5, FY 2016 Budgeted, http://www.doe.virginia.gov/teaching/workforce_data/salaries/2015-2016_salary_report.pdf, Accessed April 16, 2018

²¹ Maryland Department of Education, 2017-2018 Professional Salary Schedules, Pp. 9-11, <http://www.marylandpublicschools.org/about/Documents/DCAA/SSP/20172018Staff/20172018SalarySchedules.pdf>, Accessed April 16, 2018

Pennsylvania²²

Washington, PA (Washington County – borders Hancock, Brooke, Ohio, Marshall)	\$52,345
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Uniontown Area, PA (Fayette County – borders Monongalia and Preston)	\$60,548
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Ohio²³

Steubenville, OH (Jefferson County – borders Hancock and Ohio)	\$54,090 (11yr Master's)
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Ironton, OH (Lawrence County – borders Cabell and Wayne)	\$50,186 (11yr Master's)
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Kentucky²⁴

Boyd County, KY (borders Wayne)	\$48,507
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Pike County, KY (borders Mingo)	\$52,731
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On average, the sample areas along West Virginia’s border have lower salaries than the average for their respective states, with two exceptions: Loudon County, VA and Pike County, KY. What is noticeable, however, is that salaries in the border states tend to have a much higher variance than in West Virginia. This would indicate that localities in bordering states are empowered with more flexibility to ensure that teacher pay is competitive with local economic factors.

²² PennLive Database, http://www.pennlive.com/news/page/teacher_pay_search_the_databas.html, Accessed April 16, 2018

²³ Ohio Education Association, 2015-2016 Ohio teacher salaries, <https://www.ohea.org/resources/affiliate-resources/2015-2016-ohio-teacher-salaries/>, Accessed April 16, 2018

²⁴ Kentucky Department of Education, Average Classroom Teacher Salaries, <https://education.ky.gov/districts/FinRept/Pages/School%20District%20Personnel%20Information.aspx>, Accessed April 16, 2018

Healthcare Benefits for Active Teachers

PEIA

Teachers and public employees in West Virginia are offered healthcare coverage through PEIA (WV Public Employees Insurance Agency). PEIA insures 170,000 active public employees and dependents, of which over 74,000 are employees of county boards of education and their dependents (including teachers).²⁵

Within PEIA are four main “fee for service” plans from which insured individuals can choose.²⁶ 91% of PEIA-insured individuals have selected one of these plans, with the descriptions and number of covered individuals below:²⁷

PPB Plan A	high premium / low deductible option (76%)
PPB Plan B	low premium / high deductible option (13%)
PPB Plan C	low premium / high deductible option that is designed to work with a health savings account (1%)
PPB Plan D	The West Virginia only plan, where all services must be performed within the state, except for emergency stabilization of select procedures that are not offered in West Virginia (1%)

Public employees also have the option to select an HMO plan administered through The Health Plan. 9% of public employees choose this option.²⁸

Premiums – Employee Share

What differentiates PEIA from most health insurance plans is that employee premiums are based on income rather than risk factors. Currently, PEIA is divided into ten income categories, with the lowest category being for those employees who make \$20,000 or less, and the highest for those making \$125,001 or more. The income categories affect premiums, deductibles, and out-of-pocket maximums for the insured.

For example, a teacher or public employee making the average teachers’ salary in West Virginia can purchase family coverage on Plan A (high premium / low deductible option) for a monthly premium (tobacco-free) of \$291. An employee at the top income category purchasing family coverage would pay \$697 per month, even if all risk factors and the number of family members covered are the same.²⁹ It is worth noting that the premium costs are not affected by the number of family members.

Premiums – Employer Share

The *employer share* of the premium does not change based on the employee’s income level. The *employer’s share* only changes based on whether it is providing single coverage, family coverage, etc. In FY 2018, the *employer’s share* of the premium contributions on PEIA PPB Plan A are as follows:

Single	\$288
Employee and Child(ren)	\$402
Family	\$769
Family with Employee Spouse	\$769

²⁵ PEIA Task Force Orientation, April 10, 2018, Slide 10

²⁶ WV Public Employees Insurance Agency – Understand My Benefits, https://peia.wv.gov/understand_my_benefits/Pages/default.aspx, Accessed March 28, 2018

²⁷ PEIA Task Force Orientation, April 10, 2018, Slide 34

²⁸ PEIA Task Force Orientation, April 10, 2018, Slide 34

²⁹ WV Public Employees Insurance Agency – Premium Rates, <https://peia.wv.gov/Forms-Downloads/Pages/Premium-Rates.aspx>, Accessed March 28, 2018

Since the *employer share* does not change based on income level, those who are earning a higher income subsidize the healthcare costs for those who make less by paying a higher *employee share*.

Annual Deductibles

Just as employee premiums vary by income level, so do annual deductibles and out-of-pocket maximums. Family coverage annual deductibles in FY 2018 range from \$650 to \$1,650, and annual out-of-pocket maximums range from \$3,600 - \$6,500.

Once the annual deductible is met, PEIA's co-insurance takes effect. While the rate at which PEIA pays can vary based on where services are received, for care provided inside West Virginia, PEIA covers 80% of the costs. Once the annual out-of-pocket maximum is met, PEIA will cover 100% of the costs.

The family deductible is the highest amount a family will pay before co-insurance takes effect for all family members. However, no single person of the family will pay more than the individual deductible before co-insurance is implemented for that individual. For example, the annual family deductible for an employee making the average teachers' salary is \$950. The single deductible for that same salary level is \$475. Once one family member meets the \$475 level, co-insurance takes effect for that person. If two family members each meet the \$475 level, then co-insurance goes into effect for everyone in the family. The family deductible can also be met by the entire family without any one individual meeting the single deductible.³⁰

Out-of-Pocket Maximums

The annual out-of-pocket maximum for PEIA also works the same as the annual deductible. No one family member will pay more than the single out-of-pocket maximum for that income category before 100% coverage goes into effect for that person. Two family members meeting the single out-of-pocket maximum, or multiple family members paying an amount that equals the family out-of-pocket maximum will trigger 100% coverage for the entire family.

Out-of-pocket maximums for FY 2018 range from \$1,800 - \$3,250 for single coverage, and \$3,600 - \$6,250 for family coverage. As an example, for the family of an employee making the average teachers' salary, the annual family out-of-pocket maximum is \$5,500. The most one individual member of that family would pay is \$2,750 before 100% coverage kicks in. The most that family would pay out-of-pocket, as a whole, is \$5,500.³¹

Employee Income vs Total Family Income

Income brackets for PEIA are determined based only on the income earned by the named insured employee receiving coverage. For example, two teachers making the average salary with family coverage who have spouses that are not public employees will both pay the same amount in premiums, even if one teacher's spouse makes \$45,000 a year and the other's spouse makes \$300,000 a year.

³⁰ WV Public Employees Insurance Agency – Summary Plan Descriptions, <https://peia.wv.gov/Forms-Downloads/Pages/Summary-Plan-Descriptions.aspx>, Accessed March 28, 2018

³¹ WV Public Employees Insurance Agency – Summary Plan Descriptions, <https://peia.wv.gov/Forms-Downloads/Pages/Summary-Plan-Descriptions.aspx>, Accessed March 28, 2018

Efforts to Control Rising PEIA Costs

PEIA has a budget for FY 2019 of \$921 million,³² but costs are rising at a rate of approximately \$50 million per year, largely due to rising prescription drug costs.³³ Due to these rising costs, the PEIA Finance Board has implemented several changes over the past few years which include increased co-pays, deductibles, and out-of-pocket maximums.³⁴

For FY 2019, PEIA's Finance Board proposed a change that would reduce the number of income tiers from ten to five, and determine income categories based on total

family income, rather than just the employee's income. Additionally, a wellness plan called Go365 was proposed, which would have rewarded those who participated and met goals, while imposing higher premiums and deductibles on those who refused to participate or failed to meet goals. These proposals have been cited³⁵ as some of the reasons for the 2018 Teachers' Strike, and were frozen from taking effect while the PEIA Task Force works through potential solutions. The "freeze" for FY 2019 cost taxpayers \$29 million that the Legislature allocated to PEIA.³⁶

How Does PEIA Compare with Other Healthcare Plans?

As stated above, the main difference between PEIA and other health plans is that PEIA rates are based on income, while other plans generally are based on risk factors. Because of this, straight comparisons are

impossible, though the below charts illustrate some information that was prepared by PEIA's Executive Director for the PEIA Task Force in April 2018.³⁷ (PEIA Tobacco-free premium discount included):

	PEIA Employee	Avg. WV Employee – Small Group Coverage	Avg. WV Employee – Insurance Exchange
Category	Salary: \$45,000	Age: 40	Age: 40
Total Monthly Premium (Employer & Employee)	\$560	\$463	\$627
Annual Deductible	\$475	\$4,000	\$4,750
Annual Out-of-Pocket Max	\$2,750	\$7,150	\$9,500

	PEIA Family	Avg. WV Family – Small Group Coverage	Avg. WV Family – Insurance Exchange
Category	Salary: \$45,000	Age: 40	Age: 40
Total Monthly Premium (Employer & Employee)	\$1,262	\$1,543	\$2,054
Annual Deductible	\$950	\$8,000	\$7,350
Annual Out-of-Pocket Max	\$5,500	\$14,300	\$14,700

³² PEIA Task Force Orientation, April 10, 2018, Slide 9

³³ WV PEIA Task Force gets crash course in PEIA operations, expenses, Charleston Gazette-Mail, April 10, 2018

³⁴ PEIA Task Force Orientation, April 10, 2018, Slides 41-42

³⁵ WV PEIA Task Force gets crash course in PEIA operations, expenses, Charleston Gazette-Mail, April 10, 2018

³⁶ PEIA Task Force Orientation, April 10, 2018, Slide 15

³⁷ PEIA Task Force Orientation, April 10, 2018, Slides 44-45

When it comes to single coverage, PEIA's premiums are comparable with private health plans, while family PEIA premiums tend to be lower than those with private insurance. The major difference, however, are deductibles and out-of-pocket maximums. Those on private coverage can expect to pay significantly more money out-of-pocket before their health co-insurance kicks in.

PEIA also pays healthcare providers at much lower rates than other types of insurance.³⁸ PEIA pays Medicaid rates to hospitals, or only 30% of what they charge and about 70% of their actual costs.³⁹ In a news story about the April 10, 2018 PEIA Task Force Meeting quotes the Executive Director of PEIA as stating, "even with recent increases in premiums, copays and deductibles, it remains a bargain, compared to private-sector health insurance plans."⁴⁰

Other Benefits for Active Teachers

Personal Leave

West Virginia teachers who are employed full-time accrue personal leave at a rate of 1.5 days per employment month, "or major fraction thereof." There is no limit to the amount of personal leave an employee may accrue, and they are permitted to use 3 days per year without cause.⁴¹

Leave Banks

Under West Virginia law, county school boards may create a "leave bank" for employees who experience a catastrophic medical emergency and do not have sufficient accrued leave to cover the event. County employees may contribute up to 2 days of personal leave per year to the leave bank, but may not be forced or coerced into this contribution. Those who suffer a catastrophic medical emergency may apply to the leave bank for personal days to cover missed time beyond what their own accrued personal days cover.⁴²

School Calendar

Students in West Virginia are required to receive 180 days of instruction each school year and most teachers are employed for 200 days per year. The State Minimum Salary Schedule is based on 200 days of employment. Some teachers may be employed for a longer term based on additional responsibilities that go beyond the normal school calendar (band, sports, etc.). By comparison, year-round employment is considered to be 260 days, though actual time worked is generally closer to 240-245 days due to holidays and vacation time.⁴³

Teachers in West Virginia do not accrue vacation days, but that is because vacation time is already built into the school calendar. This includes summer vacation, holidays, Thanksgiving Break, Christmas Break, and Spring Break. When students are out of school during these times, teachers are not required to be at work either (with the exception of meeting their contractual obligations at the beginning and end of the year). Some or all days on these breaks may be eliminated if inclement weather or other events lead to school closures that halt work.

³⁸ *WV PEIA Task Force gets crash course in PEIA operations, expenses, Charleston Gazette-Mail, April 10, 2018*

³⁹ *PEIA Task Force Orientation, April 10, 2018, Slide 75*

⁴⁰ *WV PEIA Task Force gets crash course in PEIA operations, expenses, Charleston Gazette-Mail, April 10, 2018*

⁴¹ *WV State Code §18A-4-10, <http://code.wvlegislature.gov/18A-4/>, Accessed March 28, 2018*

⁴² *WV State Code §18A-4-10, <http://code.wvlegislature.gov/18A-4/>, Accessed March 28, 2018*

⁴³ *Employee Handbook, West Virginia Department of Education, <https://wvde.state.wv.us/hr/documents/REVISEDEMPLOYEEHANDBOOKJANUARY232013.pdf>, Accessed March 28, 2018*

Since there is no limit to the amount of personal leave a teacher may accrue, those nearing retirement can do so with a large surplus of personal leave days. There are two main options for how those unused days can be spent.⁴⁴

The first option is to convert unused leave for extended health insurance coverage through PEIA. For those employees enrolled in PEIA prior to July 1, 1988, two personal days can purchase one additional month of single coverage, or three personal days may purchase one additional month of family coverage. For those employees enrolled in PEIA after July 1, 1988, two personal days can purchase one-half the cost of the

PEIA premium for a month of single coverage, or three personal days can purchase one-half the cost of the PEIA premium for a month of family coverage.

The second option is to convert unused personal leave days to extend retirement benefits. The formula is that each personal leave day counts as two additional days of service credit. This benefit does not count towards the initial retirement eligibility, only as an added benefit once initial eligibility is reached. This option, however, is not available for employees whose hire date was on or after July 1, 2015.

Retirement Benefits for Teachers

Teachers in West Virginia are enrolled in one of three retirement systems: Teachers' Retirement System (TRS) Tier I, TRS Tier II, or Teachers' Defined Contribution (TDC). Below is a brief description of each:

- TRS Tier I is a defined benefit plan that was first implemented in 1941. All new hires from 1941 – 1991, and 2005 – 2015 were enrolled in this plan.⁴⁵ TRS Tier I also contains approximately 78% of those enrollees who elected to switch from TDC when the option became available in 2008.⁴⁶
- TDC is a Defined Contribution plan that was implemented in 1991. All new hires from 1991 – 2005 were enrolled in this plan, with the option for some teachers hired before July 1, 1991 to transfer into this plan from the Teachers' Retirement System. TDC was closed to new enrollees on June 30, 2005.⁴⁷
- TRS Tier II is a defined benefit plan that was implemented for all new hires after July 1, 2015. This plan primarily differs from TRS Tier I in that it increases the retirement age and experience requirements.⁴⁸

⁴⁴ WV State Code §5-16-13, <http://code.wvlegislature.gov/5-16-13/>, Accessed March 28, 2018

⁴⁵ WV Consolidated Public Retirement Board – Teachers' Retirement System Tier I Brochure, <https://www.wvretirement.com/Forms/TRS-Brochure2017.pdf>, Accessed March 28, 2018

⁴⁶ National Institute on Retirement Security – Snapshot: The West Virginia Public Employees' Retirement System, https://www.nirsonline.org/wp-content/uploads/2017/11/west_virginia.pdf, P. 4, Accessed March 28, 2018

⁴⁷ WV Consolidated Public Retirement Board – Teachers' Defined Contribution Retirement System (TDC Plan), <https://www.wvretirement.com/TDC.html>, Accessed March 28, 2018

⁴⁸ WV Consolidated Public Retirement Board – Teachers' Retirement System Tier II Brochure, <https://www.wvretirement.com/Forms/TRS-Brochure2017-TIER2.pdf>, Accessed March 28, 2018

Teachers' Defined Contribution (TDC) Plan (Closed to New Teachers)

The Teachers' Defined Contribution plan contains 3,538 active members and 278 retired members as of July 1, 2017. While still working, teachers contribute a minimum of 4.5% of their salary, with the employer contributing an additional 7.5%. Participants become fully vested at 12 years of service, and are eligible to retire without a penalty at age 55.⁴⁹ Upon retirement, those in this plan own whatever funds are in their accounts, and can access those funds however they choose. They also receive no additional retirement pay once their employment has ended.

In 2005, following concerns that the TDC plan's investments were not providing adequate returns, the state closed this plan for any new hires, reverting back to the original Teachers' Retirement System. Those who were hired in under the TDC plan were given the option to switch to the Teachers Retirement System, but they would only receive 75% of the benefits. An option was made available to purchase the remaining 25% of benefits.⁵⁰

Teachers' Retirement System (TRS) Tier I

TRS Tier I is a defined benefit and is by far the largest retirement plan for West Virginia teachers. As of July 1, 2017, TRS Tier I contained 29,903 active members and 35,864 retirees.⁵¹ Teachers in this system contribute 6% of their salary and are eligible to retire with full benefits at:

- Age 60 with 5 years of service
- Age 55 with 30 years of service
- Any age with 35 years of service

The annual retirement benefit under this plan is calculated at Final Average Salary x Years of Service x 2%. The Final Average Salary is calculated based on the average of the 5 highest of the last 15 years of service. Teachers who retire under this system have four annuity options:

- **Straight Life** – Under this plan, the member receives the full monthly payment based on the above calculation for the remainder of their life. Once the member dies, the benefits cease.
- **100% Joint & Survivor** – The member receives a reduced monthly payment compared to the Straight Life Annuity Option, but if the member dies before their survivor, the same level of benefits will continue for the survivor for the remainder of his or her lifetime.
- **50% Joint & Survivor** – The survivor receives one-half of the benefits paid to the member, but during the member's life, they will receive a greater monthly payment than if they chose 100% Joint & Survivor.
- **10 Year Certain** – This plan is divided into 120 monthly payments. If the member dies before the 120 months, the remainder of the benefits are payable to the member's estate or named beneficiary.

⁴⁹ WV Consolidated Public Retirement Board – Plan Statistics, <https://www.wvretirement.com/Forms/2017Statistics.pdf>, Accessed March 28, 2018

⁵⁰ Huntington Herald-Dispatch – Education workers mull pension plan switch – April 13, 2008, http://www.herald-dispatch.com/education-workers-mull-pension-plan-switch/article_6b390fac-ed2c-5ab7-97ec-04f11ef6747b.html, Accessed March 28, 2018

⁵¹ WV Consolidated Public Retirement Board – Plan Statistics, <https://www.wvretirement.com/Forms/2017Statistics.pdf>, Accessed March 28, 2018



If a teacher over age 50 with more than 25 years of service dies before retirement, the surviving spouse will receive a lifetime annuity based on the 100% Joint & Survivor rate.⁵²

As an example, a teacher with 35 years' experience and education level of MA-30, retiring at a Final Average Salary of \$59,455, and electing a Straight Life Benefit, would have a monthly retirement benefit of \$3,468, for an annual benefit of \$41,618.36 until death.

Teachers' Retirement System Tier II

TRS Tier II is a defined benefit plan that was implemented for all new hires after July 1, 2015. This plan is nearly identical to TRS Tier I, with changes to the retirement age requirements. Those hired under TRS Tier II must be age 62 with 10 or more years of service in order to retire with full benefits. All calculations for benefits and annuity options remain the same as TRS Tier I. As of July 1, 2017, Tier II had 4,415 active members and 0 retired members.⁵³

Teachers' Retirement Systems in Neighboring States

Many other states administer a retirement system for teachers, and each is done in a slightly different manner. Additionally, over the past few years, several states have made updates to their public employee retirement systems, which will affect the pensions of future employees.

⁵² WV Consolidated Public Retirement Board – Teachers' Retirement System Tier I Brochure, <https://www.wvretirement.com/Forms/TRS-Brochure2017.pdf>, Accessed March 28, 2018

⁵³ WV Consolidated Public Retirement Board – Teachers' Retirement System Tier II Brochure, <https://www.wvretirement.com/Forms/TRS-Brochure2017-TIER2.pdf>, Accessed March 28, 2018

While the details and options of the plans are complex and can vary significantly from state to state, below is a quick comparison on some of the main benefits of these plans (All examples are defined benefit plans):

	WV ⁵⁴	KY ⁵⁵	OH ⁵⁶	PA ⁵⁷	VA ⁵⁸	MD ⁵⁹
Example Plan	TRS Tier 1			Class TD	Hired Pre-7/1/2010	Reformed Contributory
Full Retirement Option 1	Age 60, 5 Years	Age 60, 5 Years	Age 65, 5 Years	Age 62, 1 Year	Age 50, 30 Years	Rule of 90 (Age + Service)
Full Retirement Option 2	Age 55, 30 Years	27 Years	32 Years	Age 60, 30 Years	Age 65, 5 Years	
Full Retirement Option 3	35 Years			35 Years		
Employee Contribution	6%	12.855%	14%	7.5%	5%	7%
Benefits Multiplier 1	2%	2.5% for 26+ Years	2.2%	2.5%	1.7%	1.5%
Benefits Multiplier 2 (If applicable)		3% only for years 30+				

As you can see, there are variations in retirement systems for public school teachers across states. Also, as a reminder, the plans listed above are samples, and may not be applicable to all teachers within that state due to changes made to the state's retirement systems.

⁵⁴ WV Consolidated Public Retirement Board – Teachers' Retirement System Tier I Brochure, <https://www.wvretirement.com/Forms/TRS-Brochure2017.pdf>, Accessed March 28, 2018

⁵⁵ KY Teachers' Retirement System, Membership, Contribution Rates & Benefits, <https://trs.ky.gov/active-members/membership/pt-or-substitute-teaching/>, Accessed April 18, 2018

⁵⁶ OH State Teachers' Retirement System, Defined Benefit Plan, <https://www.strsoh.org/actives/new-members/k-12/db-plan.html>, Accessed April 18, 2018

⁵⁷ PA Public School Employees' Retirement System, Active Member Handbook, <http://www.psers.pa.gov/Active-Members/NewToPSERS/Documents/Active%20Handbook.pdf>, Pp 5-15

⁵⁸ VA Retirement System Plan 1 Overview for State Employees, Teachers and General Political Subdivision Employees, <https://www.varetire.org/pdf/Publications/vrs-plan1-overview.pdf>, Accessed April 18, 2018

⁵⁹ MD State Retirement and Pension System Benefits Handbook, <http://www.sra.state.md.us/Participants/Members/Downloads/Handbooks/BenefitHandbook-Emp-Pen.pdf>, Pp. 27-34, Accessed April 19, 2018

West Virginia TRS Costs to the State

The costs for providing the Teachers Retirement System in West Virginia, both Tiers I and II, are considerable. In the FY 2019 budget, West Virginia will contribute nearly \$73 million directly to the Teachers' Retirement System, with an additional \$353 million to the Teachers' Retirement System Unfunded Liability. Added together, this equals \$426 million, or just shy of 10% of the state's entire General Revenue Budget. This amount also equals 21.4% of the amount spent on public education from the General Revenue Budget.⁶⁰

The health of the Teachers' Retirement System has improved considerably over the past fifteen years. In

FY 2003, the fund was only 19% funded. However, due to this taxpayer contribution and strong market returns, the Teachers' Retirement System was 67% funded at the end of FY 2017. When accounting for market returns for the first half of FY 2018, the fund is approximately 72.45% funded.⁶¹

By law, West Virginia's Teacher Retirement System is to be 100% funded, which would require assets in the fund to be nearly \$11 billion.

Conclusion

Ensuring that our children have the tools and abilities to succeed is one of the foremost concerns of all. West Virginia must provide an education path that guarantees that children – no matter where they live or attend school – have the knowledge and skillsets to be prepared for the workforce of the 21st Century.

West Virginia is one of the top investors in education in the nation on a per-pupil spending basis, however education results continue to lag behind the rest of the country and West Virginia's border states.

In order to address this disparity, a robust discussion by a variety of stakeholders – parents, teachers, students, administrators, policymakers, employers, and taxpayers – is necessary. Such a conversation should be extensive and address a variety of issues.

The West Virginia Chamber of Commerce hopes that this paper can help provide the necessary background information that helps launch a robust – and much needed – discussion on education funding and student performance in the state.

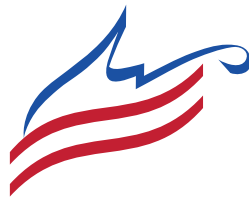
⁶⁰ *FY 2019 Budget Bill, Enrolled Committee Substitute*, http://www.wvlegislature.gov/Bill_Text_HTML/2018_SESSIONS/RS/bills/SB152%20SUB1%20ENR.pdf, Pp 32-37, Accessed March 28, 2018

⁶¹ *Governor's Budget Presentation FY 2019*, <http://budget.wv.gov/executivebudget/Documents/Presentation%20FY%202019.pdf>, Accessed March 28, 2018;

WV Investment Management Board Participant Reports, <https://www.wvimb.org/getattachment/6c1c6203-2e65-4ab4-b18a-89fb877dfa2f/2018-01-Participant-Plan-Performance.aspx>, Accessed March 28, 2018

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