

# School Finance

November 2023



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## Basic Formula

For districts, the pandemic provision was applied and payment was based on the current data available for Fiscal Years 2023-24, 2022-23, 2021-22, 2020-21, or 2019-2020 weighted average daily attendance (WADA). Calculation documentation can be found linked on the payment transmittal.

Charter schools are paid on the higher of the current year estimate, 1<sup>st</sup> preceding year, or 2<sup>nd</sup> preceding year.

## Classroom Trust Fund

The payment was calculated using FY 2022-23 average daily attendance (ADA) data. The pandemic provision does not apply to this payment for FY 2024.

## Proposition C

The payment was calculated using FY 2022-2023 WADA. The pandemic provision does not apply to this payment for FY 2024.

## Transportation

The calculation is based on 2022-23 school year data submitted by the district on the state transportation aid documents included in Part IV of the Annual Secretary of the Board Report (Application for State Transportation Aid, School Bus and Facility Depreciation Schedules). Calculation documentation can be found linked on the payment transmittal.

The percent of reduction to the calculated entitlement computed for this month's payment calculation is shown below. This reduction percentage represents the amount the entitlement exceeded the appropriation and will fluctuate from month-to-month as revisions are made to individual school district data. The A and B factors are reflected on each district's Summary Transportation Report found on the payment transmittal.

The percentage reduction and the A and B factors are as follows:

<u>Month</u>	<u>Reduction Factor</u>	<u>A Factor</u>	<u>B Factor</u>
November 2023	0.00%	4.954899	--1.409503



[Point of Interest](#)

Annual Audit Report is due December 31, 2023.

## Small Schools Grant

Section 173.044, RSMo, authorizes payments to small schools defined as districts with an average daily attendance (including summer school) of 350 or less. The allocation of the \$15 million appropriation requires that \$10 million be distributed to the eligible districts on an equal amount per prior year average daily attendance. The remaining \$5 million is distributed (on an equal amount per tax rate weighted average daily attendance) to the eligible districts with a current year adjusted Incidental plus Teachers Funds tax rate of \$3.43 or higher and any district which previously had a Incidental plus Teachers Fund tax rate of \$3.43 or higher but currently has a tax rate less than \$3.43 solely due to modification of such levy required under Section 137.073.5(4), RSMo.

## 163.021.1(4), RSMo. Impact on Payments

For the Basic Formula calculation in FY 2024, DESE considers FY 2022 as impacted under this statute and will adjust Basic Formula payment calculations accordingly. District Basic Formula payments will include the greater of the FY 2020, FY 2021, FY 2022, FY 2023, or an estimate of FY 2024 WADA. This statutory provision does not apply to charter schools. Regular payment methodology will be used for the Basic Formula in FY 2025. Classroom Trust Fund, Prop C, and Small Schools Grant payments will rely on FY 2023 ADA or WADA for payment purposes in FY 2024.

## Charter School Payment

A Charter School payment simulation tool is posted to the School Finance [Calculation Tools](#) Website.

The Charter Sponsor Cap is to be recalculated each year per 160.400.11 RSMo. It has been calculated at \$181,470.59 for FY 2024 year.

House Bill 1552 (2022) modified the charter school basic formula calculation to allow charter schools to be paid on Formula Weighted ADA (FWADA). FWADA is calculated using of the higher of the 2<sup>nd</sup> preceding, 1<sup>st</sup> preceding, or estimate of the current year WADA, less that year's summer school, plus the current year summer school.



## Estimated Regular Term Average Daily Attendance (ADA)

The estimated regular term ADA for 2023-24 may be provided to your school finance contact to be entered on the Estimated ADA Screen. The district should report an estimated regular term ADA for the 2023-24 year only if the district's 2023-24 regular term ADA is expected to be greater than the 2022-23, 2021-22, 2020-21 and 2019-20 regular term ADA figures and the district wants to be paid in 2023-24 on the 2023-24 estimated number. Regular term average daily attendance includes qualified remediation attendance outside the regular school day. Refer to the [Attendance Reporting](#) guidance document for the description of qualified remediation attendance.

Districts who will be claiming eligible prekindergarten ADA for state aid should evaluate if there is a need to estimate their regular term ADA and should contact their school finance contact after school starts and enrollment is stable.

A worksheet to assist districts when estimating their ADA is available on the [Calculation Tools](#) webpage.

## Point of Interest

ASBR data will be used in the Report Card, which will go live soon. Please ensure all data in the ASBR is correct by this time.



## FY 2023 Audit Report Submission Via Tiered Monitoring System

The deadline for submitting Board approved Audits is **December 31, 2023**. If the audit is not submitted by the deadline, state aid will be withheld and the LEA will receive a reduction in points on the Annual Performance Report (APR) for missing the statutory deadline.

The copy of signed board minutes are not required by the December 31, 2023 deadline, but must be uploaded as soon as available.

The documents should be in Adobe searchable pdf format, version 11.0 or lower. The file description should easily identify the document, such as audit, management letter, or signed board minutes.

A detailed instruction document is located on the [Audit webpage](#). A short recorded [webinar](#) is also available for viewing the audit upload process.

A few short reminders:

- “Audit Documents (required fiscal audit)” is only for Board approved Independent Audit report.
- Once the “Audit Documents (required fiscal audit)” is selected, the screen will expand requiring multiple additional fields to be completed.
- “Fiscal Year” should be the fiscal year the audit is due. For the FY 2023 Audit the year selected should be 2023-2024.
- “Date Board Approved Audit” will be the date the Board approved the audit. This cannot be a future date.
- “Do you want to paste a link to an external file?” Select if you wish to paste a hyperlink to a website containing the document. Do NOT paste a link to a google doc.
- “File Description” should be the name of the document. Include Audit Fiscal Year, Name of document uploaded, LEA Name or District Code.
  - Example: FY 2023 Audit Report – 001-090 Adair County R-I
  - Example: FY 2023 Management Letter – 001-090 Adair County R-I
  - Example: FY 2023 Board Minutes – 001-090 Adair County R-I

## Adjusting FY2023 Payments

Each year the prior year’s Classroom Trust Fund, Basic Formula, Small Schools Grant, Prop C, and Transportation payments are recalculated to reflect the best actual data applicable for that payment year. Districts will receive a positive or negative recalculation based on the current data. Any adjustment to data will impact each district in the state since DESE is redistributing the 2022-23 fixed dollars. The Formula WADA increased from the June payment by 2,568.

Prior year correction payment amounts can be viewed by going to the payment transmittal for November 2023 and clicking on the dollar amount of the district’s Basic Formula, Classroom Trust Fund, Transportation, Small Schools Grant, Prop C, and Transportation payments.

### Point of Interest

- To minimize the need for subsequent audit corrections, schools are strongly encouraged to complete the following checklist prior to submitting the audit:
  - Ensure Audit is the final Board Approved Audit and does NOT say DRAFT.
  - The pages of the audit have been compared to the Table of Contents and no pages are missing or out of order. Audits with missing pages may be rejected as incomplete.
  - The audit includes the auditor's signature and the date of the audit report. Audit reports that are not signed and dated may be considered a draft, not a final report. Draft reports will not be accepted in satisfaction of the audit requirement.
  - The ending debt balances in the audit report (reported in the financial statements and/or Notes to the Financial Statements) agree to the balances reported in Part IV, Long and Short Term Debt, of the Annual Secretary of the Board Report (ASBR). Any differences should be reconciled.
  - The audit includes the updated version of the Schedule of Selected Statistics, which is found on [the School Audit webpage](#).
  - The data reported on the Schedule of Selected Statistics agrees to the corresponding data on the ASBR and MOSIS/Core Data. If changes to the ASBR and/or MOSIS/Core Data are needed as a result of the review, please revise and resubmit corrections as soon as possible and notify your auditor of any changes.
  - Submit/upload corrective action plans for federal and state findings in a separate document from the audit report.

### Submitting the Single Audit to the Federal Audit Clearing Hours

Districts/charter schools that have a Single Audit are required to submit a data collection form and reporting package to the Federal Audit Clearinghouse (FAC) at the U. S. Bureau of Census within the earlier of 30 days from the receipt of the audit report or nine months after the end of the audit period (March 31 of the subsequent fiscal year). The reporting package consists of the complete audit (financial statements and auditor's reports) and, as necessary, a summary schedule of prior audit findings and a corrective action plan for current year audit findings. Reports should be submitted to the FAC.

Districts/charter schools that expend less than \$750,000 in total federal funds are not required to send a copy of the audit report to the Federal Audit Clearinghouse.

### Publication of the Audit

Per 165.121, RSMo, within thirty days of the receipt of the audit report the school board shall cause a summary of the report to be prepared which shall include, together with any other matter the board deems appropriate, the following:

- 1) A summary statement of fund balances and receipts and disbursements by major classifications of each fund and all funds;
- 2) A summary statement of the scope of the audit examination; and
- 3) The auditor's opinion on the financial statements included in the audit report.

Immediately upon the completion of the summary, the school board shall cause it to be published once in a newspaper within the county in which all or a part of the district is located which has general circulation within the district or, if there is none, then the board shall cause the summary to be posted in at least five public places within the district. The publication shall contain information as to where the audit report is available for inspection and examination. The report shall be kept available for such purposes thereafter.

#### Point of Interest

Information regarding Attendance Hour reporting for the 2024 School Year can be found on the [Attendance Reporting Guidance](#) document located under Finance Topics & Procedures on the School Finance Webpage.

## Other Important Reminders and Topics of Interest

### September 2023 Membership

September Membership reports are available on the web. Log on to the [DESE Web Applications](#) Page and then select Core Data Collection. Once in the Core Data Collection system, select the 2023-2024 year and select the Report Menu option from the upper-right dropdown box. Select Summary reports. Two September Membership reports are listed for review. One report, the September Membership Comparison Report (SAR070R), compares September membership as reported by the district for the year selected and the prior year. The other report, September Membership Report (SAR080R), displays only the data for the year selected.

The September 2024 membership data by county will be made available to each county to be used in various county payments to school districts during FY 2024-25. The accuracy of the payments is dependent on the accuracy of the membership data.

Please review the membership data. If reporting errors are found, update the MOSIS October Student Core file and recertify the file. The corrected data will then flow to the Core Data Screen 16. Remember, if a change is made to September membership, a corresponding change to enrollment may be necessary.

### Mid-Year Fund Balance Reporting

The mid-year fund balance reporting will occur as a part of the February Core Data cycle as a manual entry on Core Data Screen 35. Each district will be required to report the following information as of December 31, 2023:

- Incidental and Teachers Funds Unrestricted Ending Fund Balance as of December 31.
- Tax Anticipation borrowing in the Incidental or Teachers Funds between July 1 and December 31.
- Transfers from the General Fund to the Capital Projects or Debt Service Funds between July 1 and December 31.

Questions regarding this reporting should be directed to School Finance at (573) 751-0357.

### Missouri Accountability Portal (MAP) – Debt Reporting

Section 37.850, RSMo, requires school districts to report all bonded indebtedness and requires charter schools to report all debt, including new debt within seven days of issuing the bond or incurring the debt. This information shall be supplied to Office of Administration (OA) for display on the [State's Accountability Portal](#).

A user link for the portal is available on the main page. In order to submit information, an entity will need to visit the portal website and obtain a secure user name and password. The user name and password can be created by selecting “create account” on the right hand side of the screen. Once credentials are granted, a user may enter the site to enter or update bond or debt information.

Most of the required fields on the reporting tool are self-explanatory; however, there have been questions regarding a couple of the fields. The description of the revenue stream is generally revenue generated from a levy that was established, Classroom Trust Fund revenue, or local revenue. This list is not an all-inclusive list but provides a general idea as to what would seem to be an appropriate response. The description of the project would be a description as to what the project was, for example, a building project.

If you have questions regarding accessing the portal website, please contact OA at (573) 751-2971 or [MAPBonds@oa.mo.gov](mailto:MAPBonds@oa.mo.gov). For questions regarding what debt should be entered on the portal, please do not hesitate to contact School Finance at 573-751-0357.

#### Point of Interest

Information regarding relief funds can be found on the [DESE COVID Relief Information page](#).

## School Governance & Transportation

### Election Dates and Filing Information Update

The [2024 Missouri Election Calendar](#) provided by the Missouri Secretary of State's Office is available. Please note that window for candidates to file has changed. The first day for April candidate filing for school board member is December 5, 2023. The district must provide an opportunity for candidates to file at 8:00 A.M. on December 5, 2023, and until 5:00 P.M. on December 26, 2023. If the office will be closed certain days during the holiday season, it would be helpful to publish the dates the office will be closed. Please study the calendar carefully.

### State Transportation Aid Calculation

See payment section above.

### Drug and Alcohol Clearing House

The following information is from the DOT website:

The [Clearinghouse](#) is a secure online database that will give employers, the FMCSA, State Driver Licensing Agencies (SDLAs), and State law enforcement personnel real-time information about commercial driver's license (CDL) and commercial learner's permit (CLP) holders' drug and alcohol program violations. An act of Congress directed the Secretary of Transportation to establish the Clearinghouse.

The [Clearinghouse](#) will enable employers to identify drivers who commit a drug and alcohol program violation while working for one employer, but who fail to subsequently inform another employer (as required by current regulations).

- The Clearinghouse will also require the following:
- Employers will be required to query the Clearinghouse for current and prospective employees' drug and alcohol violations before permitting those employees to operate a CMV on public roads.
- Employers will be required to annually query the Clearinghouse for each driver they currently employ.

#### Point of Interest

Information regarding [Calendar Requirements](#) and [Inclement Weather Make-up](#) can be found on the School Finance, [Finance Topics & Procedures](#) webpage.

## School Finance Contact Information

Name	Duties
<b>David Tramel</b> Coordinator, Administrative and Financial Services <a href="mailto:David.Tramel@dese.mo.gov">David.Tramel@dese.mo.gov</a>	Contact for Governance questions or Transportation questions other than Transportation data reporting or Transportation payment.
<b>Tammy Lehmen</b> Coordinator, School Finance <a href="mailto:Tammy.Lehmen@dese.mo.gov">Tammy.Lehmen@dese.mo.gov</a>	Contact for districts in counties 048 & Kansas City Charters 347-347.  Contact for Transportation data reporting or Transportation payment questions.
<b>Sharon Bax</b> Director, School Finance <a href="mailto:Sharon.Bax@dese.mo.gov">Sharon.Bax@dese.mo.gov</a>	Contact for districts in counties 080-115 & St Louis Charters
<b>Emilea Edmondson</b> Director, School Finance <a href="mailto:Emilea.Edmondson@dese.mo.gov">Emilea.Edmondson@dese.mo.gov</a>	Contact for districts in counties 045-047 & 049-079  Contact for questions regarding Audits.
<b>Kara Shumate</b> Director, School Finance <a href="mailto:Kara.Shumate@dese.mo.gov">Kara.Shumate@dese.mo.gov</a>	Contact for districts in counties 001-044  Contact for County Clerks.



### School Finance

P.O. Box 480 • 205 Jefferson Street, Jefferson City, MO 65102  
 Phone # (573) 751-0357 • Fax # (573) 526-3897 • [finadmgo@dese.mo.gov](mailto:finadmgo@dese.mo.gov)  
<https://dese.mo.gov/financial-admin-services/school-finance/>



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