



Missouri Department of Elementary and Secondary Education

— Making a positive difference through education and service —

June 26, 2009

TO: School District Administrators

FROM: Gerri Ogle, Associate Commissioner, Administrative and Financial Services
Roger Dorson, Coordinator, School Administrative Services

RE: June Financial Information

Accounting Revenue, Function, Object and Project Codes

An updated list of accounting revenue codes, expenditure function codes, expenditure object codes and expenditure project codes effective July 1, 2009 will be provided by early July. There will be new revenue codes and project codes specifically for American Recovery and Reinvestment Act (ARRA) funds. The announcement of the list and steps to access it will be made available on the School Finance website at: <http://www.dese.mo.gov/divadm/finance/> in the section titled "News and Updates".

Prior Year (2007-08) Adjustment - Basic Formula

Each year the prior year's formula apportionment is recalculated to reflect the best actual data applicable for that payment year. The 2007-08 Basic Formula calculations were made using the highest of the 2007-08 estimated weighted average daily attendance (WADA), the 2006-07 actual WADA, or the 2005-06 actual WADA. The 2007-08 data have been reviewed by School Finance staff, the district auditor and the district staff. Some districts are due a positive or negative adjustment to the 2007-08 apportionment. Positive adjustments to the Classroom Trust Fund (CTF) allocation resulted in negative adjustments to other districts. If there were no data changes, the negative adjustment in the CTF was offset by a positive adjustment in Basic Formula-State Monies. The first prior year recalculation was included with the December payment. This final 2007-2008 prior year recalculation is reflected in the June payment.

2008-09 Basic Formula

There is no proration factor in the 2008-09 Basic Formula calculation for Basic Formula-Classroom Trust Fund or Basic Formula-State Monies. All districts received the amount of their formula calculation.

2008-09 Classroom Trust Fund Payment

The 2008-2009 Classroom Trust Fund (CTF) payment through the Basic Formula was \$307,880,397 or \$361.3608 per 2007-2008 Average Daily Attendance (ADA). The total state 2007-08 ADA used in the CTF calculation was 852,002.7013.

2008-09 Small Schools Grant

The 2008-09 Small Schools Grant of \$15,000,000 is divided into two parts, \$10 million and \$5 million. The \$10,000,000 portion is distributed to districts whose average daily attendance (ADA), including summer school, in 2007-08 is less than or equal to 350. The 2007-08 ADA includes the summer school held in 2007. The 2008-09 small school actual amount per average daily attendance is \$289.6340. The remaining \$5,000,000 is distributed on a tax-rate weighted average daily attendance basis to districts whose 2007-08 ADA is less than or equal to 350 and the 2007-08 Incidental plus Teachers Funds tax rates are greater than or equal to \$3.43. The 2008-09 actual amount per tax-rate weighted ADA is \$176.7575.

2008-09 Proposition C Sales Tax Payment

The total sales tax revenue distributed in 2008-2009 was \$730,325,406.57 on 908,284.11 Weighted Average Daily Attendance (WADA) yielding \$804.07 per WADA. The June payment totaled \$70,328,006.51 and was higher than had been expected because DESE delayed the payment calculation several days in order for the fund to receive additional sales tax deposits. This higher payment in June may result in a lower July payment.

A five year revenue history follows:

Five Year Proposition C Revenue History

	Disbursed	% Revenue Change from Prior Year
FY05	\$710,513,384.35	+2.92%
FY06	\$749,274,705.24	+5.46%
FY07	\$784,900,800.00	+4.75%
FY08	\$772,820,015.93	-1.54%
FY09	\$730,325,406.57	-5.50%

The June Proposition C payment also includes an adjustment for 2007-08 as a result of districts correcting 2006-07 data used in the 2007-08 Proposition C distribution.

2009-10 – Proposition C Sales Tax Payment Estimate

The estimate of the projected Proposition C revenue in the 2009-10 budget of \$760,600,000 was forecast several months ago. To achieve this funding level, the revenue in 2009-10 will need to grow 4.15% from the actual 2008-09 revenue of \$730,325,406. A growth rate of approximately 1% over 2008-09 may be more realistic. The 2009-10 Proposition C Sales Tax payment is paid on the 2008-09 weighted average daily attendance which is estimated to be 915,000. If the FY10 amount is approximately \$737 million, growth of approximately 1%, the FY10 amount per WADA will be approximately \$805.

However, if the FY09 amount had been the \$720 million projected in May, then growth of 1% for FY10 would be approximately \$727 million yielding approximately \$794 per WADA. The current FY10 Prop C estimated range is \$794 to \$805 per WADA.

June 2009 Core Data

The 2008-09 June Core Data Cycle screens to complete are 7, 9, 10, 10A, 12, 13, 14, 14A, 14B, 17, 19 and 24. This year several of these screens are populated directly from files submitted through the MOSIS Data Collection System. When all errors are resolved for a MOSIS file and it is “certified”, the data will be aggregated as needed and copied by DESE to the appropriate Core Data screen. The screens and related Core Data reports should be reviewed to verify that the data are correct.

These screens are to be completed and submitted by June 30, 2009. Districts whose June Cycle data are not entered by July 15 may have their August Basic Formula payment held until September. Continued delay in submitting the June Cycle may result in continued holding of the payment.

The Attendance Attachment at the end of this memo provides guidance for attendance reporting for state aid.

2008-09 Annual Secretary of the Board Report

The 2008-09 Annual Secretary of the Board Report (WEB application) was released June 8, 2009. Access to the web pages will be the same process as in prior years using an assigned userid and password. Because the DESE payment file information will not be available until late June or early July (used in the ASBR edit process) and the district’s fiscal year does not end until June 30, districts will only be able to enter and save data to the web screens prior to July 1, 2009. Districts will not be able to “SUBMIT” a 2008-09 report until after July 1, 2009.

Updates, notes, or concerns relating to the ASBR or ASBR process will be listed on the School Finance WEB page at <http://dese.mo.gov/divadm/finance> , click on “ASBR”.

The 2008-09 Annual Secretary of the Board Report (ASBR) must be submitted on the WEB based format by the due date of midnight, August 17, 2009, or the September Basic Formula payment will be held until October. Continued delay in submitting the ASBR will result in continued holding of the payment.

2008-09 ASBR E-Mail Contact Person

Much of the notification process used for the 2008-09 ASBR (e.g., edit letters, balance letters, etc.) will be done by e-mail. In order to provide proper and timely notification of ASBR related functions, DESE must have an accurate e-mail address for the person(s) responsible for these ASBR functions. The e-mail addresses must be reported on Core Data Screen 3 (ASBR) and Screen 4 (Superintendent), as applicable. Please check the information on the appropriate Core Data Screens to ensure the contact persons and e-mail addresses are correct.

Transfer Projections – 7%, 5% and Transportation

The final \$162,326 or 7% x SAT x WADA transfer, the Designated Levy or 5% x SAT x WADA transfer and transportation transfer are available on the School Finance website at <http://dese.mo.gov/divadm/finance/transfers/>. These are the final calculations for the 2008-2009 year.

2008-09 Professional Development (1%) Money

Section 160.530.1, RSMo, requires districts to spend one percent (1%) of the Basic Formula monies (based on Line 17B of the district's June basic formula calculation) for professional development committee expenditures. Seventy-five percent (75%) of one percent (1%) of the current year's Basic Formula current apportionment must be spent in the year received for purposes determined by the Professional Development Committee and identified in the professional development plan in relation to a school improvement plan. The other twenty-five percent (25%) of the one percent (1%) may be spent on any professional development approved by the Committee and also recorded to Function Code 2214. Any portion of the one percent (1%) not expended during the year must be shown as a part of the restricted fund balance on June 30.

Annual Report of the County Clerk to the State Board of Education

The district can locate a copy of their Annual Report of the County Clerk to the State Board of Education on the School Finance Report Menu in the DESE web applications under "Annual Financial Reports". Please note that if a county is missing from this report it is because the county has not submitted its Annual Report.

School Governance

There are no School Governance topics this month.

School Transportation

2008-09 State Transportation Aid Calculation

The fiscal year 2008-09 state transportation aid calculation is available through the School Finance website. Select Financial Reports. Next select payment transmittals and choose a district. The Payment Transmittal is then displayed for the month selected. Click on the revenue name "Transportation" on the Payment Transmittal to access the transportation aid calculation. The link to School Finance Monthly Financial Reports is <http://dese.mo.gov/divadm/finance/FinancialRpt.html>.

This is the final state transportation calculation made for the current year. The calculation is based on 2008-09 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).

The percent of reduction to the calculated entitlement computed for the June 2009 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 percent of reduction and the A and B factors are also reflected on each district's Summary Transportation Report. The percentage reduction and the A and B factors are as follows:

	<u>Reduction Factor</u>	<u>A Factor</u>	<u>B Factor</u>
June 2009	36.036073	3.045520	-1.448101

2008-09 Transportation Data Collection

The transportation data are collected through the Annual Secretary of the Board Report via the ASBR web submission process. The data required for the Application for State Transportation Aid and School Bus and Facility Depreciation Schedules have not changed. The ASBR must be submitted on the Web-based format by midnight, August 17, 2009.

2007-08 Prior Year Recalculation

For the December, April and June 2009 payments, the 2007-08 transportation payment was recalculated based on prior year changes to the Annual Secretary of the Board Report (ASBR). If your district made changes to the 2007-08 ASBR's transportation revenues, expenditures, School Bus Depreciation Schedule, Facility Depreciation Schedule, or the Application for State Transportation Aid an adjustment was made due to those changes. Even if your district's data remained the same, the district has a prior year correction because of other districts' data changing and, therefore, affecting all districts as the appropriation adjustment and A and B factors were recalculated.

Missouri State Transportation Aid Document Preparation Manual

The 2009 Missouri State Transportation Aid Document Preparation Manual is available on the School Transportation website at <http://dese.mo.gov/divadm/trans/index.html>. This manual should be used as a reference guide as the district completes the transportation documents within the ASBR and finalizes the ASBR transportation coding.

Certified School Bus Driver Instructors

A current listing of the certified school bus driver instructors is available on the School Transportation website at <http://dese.mo.gov/divadm/trans/BusDrivers.htm>. This listing includes an expiration date for each instructor's certification. If you discover that an employee needs to be recertified this summer, registration forms are also available on this same website for the summer certified school bus driver instructor workshops.

DESE Homepage Address: <http://dese.mo.gov>

Attendance Reporting

Basic Attendance Rule

Students must be in attendance in an instructional capacity under the direct supervision of a certificated employee of the district to be counted for attendance purposes. A district may have policies allowing an excused absence for various purposes such as illness, religious beliefs, testing, etc. However, there is no authority to give attendance credit for state aid purposes for students not in attendance nor under the direct supervision of a certificated teacher.

Zero (“0”) Hour - The attendance of students taking a class in a zero (“0”) hour is not included in the attendance reported for state aid since that zero hour is not part of the district’s calendar hours in session.

MAP Testing - During MAP testing, some districts may have chosen to release students who are not involved in the testing process (such as seniors), allow some students not involved in the testing process to come to school late, allow students to come to school at the time of the test, etc. While the district may make such decisions, the district cannot count the student as being in attendance during those hours the student was absent. **A student is not to be counted as in attendance for state aid purposes unless the student is actually present and under the direct supervision of a certificated staff member.**

Excused Absences - A district may have policies allowing an excused absence for various purposes such as illness, religious beliefs, testing, etc. However, there is no authority to give attendance credit for students neither in attendance nor under the direct supervision of a certificated teacher. Students must be in attendance in an instructional capacity under the direct supervision of a certificated employee of the district to be counted for attendance for state aid purposes.

Early Dismissal of Seniors – While a district may make the decision to dismiss seniors prior to the last day the school is in session, no attendance can be reported for such students. Again, students must be in attendance in an instructional capacity under the direct supervision of a certificated employee of the district to be counted for attendance for state aid purposes.

District Paid Tuition - When the district of residence pays another district full tuition, the district receiving the tuition and educating the student will report non-resident data for that student. The district of residence receives the state aid on this student and uses the state aid in paying the tuition.

Parent Paid Tuition - When a parent pays tuition for a student to attend another district, the district of residence (domicile district) will not report enrollment, membership, or attendance for the student. The district receiving the tuition from the parent and educating the student will report data as Parent Tuition. Neither district will receive state aid on this student.

District Paid Local Effort - When a district pays local effort only (as opposed to full tuition) to another district for a student attending that district, the district paying the local effort will not report enrollment, membership or attendance for that student. The district receiving the local effort payment and educating the student will report enrollment, membership, and attendance hours as a resident student. The district educating the student receives state aid for this student.

Out of School Suspension - Any student serving an out-of-school suspension is not receiving instructional services and therefore should be reported as absent. Since these students are not in an instructional setting, they do not generate average daily attendance for state aid purposes. There is a separate field for reporting hours of absence in the MOSIS Student Enrollment and Attendance file.

Nontraditional Methods of Instruction

The following describe how attendance is counted for varying types of nontraditional methods of instruction:

MoVIP

1. A student taking a state funded MoVIP course and who is enrolled and attending a public school in Missouri is not counted for attendance for state aid purposes for the MoVIP course(s) he or she is taking. Instead the school district will receive 15% of the state aid per weighted average daily attendance that the student would have generated.
2. A student taking a MoVIP course with the tuition paid by the school district is counted for attendance by the school district upon the student’s successful completion of the course if the student is supervised by a certificated teacher during the regular school day at the school in which he or she is enrolled.

3. A student who is not a public school student, but whose parent or guardian has checked a box on the MoVIP enrollment form choosing to include their child in the local district's enrollment, is not counted in attendance for state aid purposes. The district does receive 15% of the state aid per weighted average daily attendance that the student would have generated.

Homebound

A student who by necessity requires instruction to be provided at home may be counted for full attendance if the student has received a minimum of 5 hours of instruction per week by a certificated teacher. If the instruction is below 5 hours then the student's attendance is only based on actual hours of instruction (such as 4 hours of instruction is only counted as 4 hours of attendance).

A student who requires instruction to be provided at home because of physician approved medical reasons or who has been suspended from school and has an IEP may be enrolled full time in MoVIP as an alternative to the above referenced format.

- If a qualified homebound student is served using a MoVIP state-funded seat, the district receives the 15% of the state aid per weighted average daily attendance the student would have generated as outlined in statute.
- If a district is paying MoVIP tuition to serve a qualified homebound student full-time, the student may be counted for full-time attendance.
- Any other students who are receiving instruction at home through MoVIP for reasons other than the two referenced in the second paragraph of this Homebound section will be counted for full attendance if they receive 5 hours of instruction per week by a certificated teacher. If the instruction is below 5 hours then the student's attendance is only based on actual hours of instruction (such as 4 hours of instruction is only counted as 4 hours of attendance).

Note – Student time spent on virtual education courses outside the school day cannot count for attendance hours except for qualified home-bound students as outlined above.

Correspondence Courses

A student's hours spent on correspondence courses, because of their delivery method which is generally outside the school day and not under the supervision of a certificated instructor, are not counted for attendance hours for state aid purposes.

Full-time/Part-time Classification for Certain Students

The following information provides guidance in determining whether certain students are considered "full-time" or "part-time" for purposes of average daily attendance (ADA) and membership.

- a. Students who leave school and are employed for part of the school day:
 - A student enrolled in a vocationally approved Cooperative Occupational Education (COE) or other supervised occupational experience program where one of the course requirements is to spend a part of the school day in an employment situation is considered a full-time student if the on-campus instruction plus the employment equals or exceeds the regular school day. The student's employment is considered instructional time and is counted for attendance, not to exceed ten hours per week for one unit of credit or twenty hours per week for two units of credit. The on-campus instruction time and employment time may be based on a daily average for the week. The average daily attendance for the student cannot exceed 1.0.
 - A student leaving school prior to the completion of the school day for employment other than vocationally approved supervised occupational experience programs is a "part-time" student. The attendance hours and membership data are reported in the MOSIS Student Core and Student Enrollment and Attendance file. The membership for the last Wednesday of September and January is computed by dividing the number of hours enrolled in class by the hours in the school day.
- b. Students working in a sheltered workshop for a part of the school day:
 - A student working in a sheltered workshop who has an Individual Educational Plan (IEP) that indicates the student is to obtain skills assessment, training, and/or work experience at a local sheltered workshop may be counted in attendance for the time spent working plus the time in the classroom, not to exceed the regular school day of the district. If the IEP does not contain this direction, the student may only be counted for attendance and membership for the part of the day the student is receiving classroom instruction.

School districts shall not count students in membership or attendance for any type of off-campus instruction except Department-approved programs that are adequately supervised by the district's certificated teachers to the extent the students can be considered "under the guidance and direction of teachers" and for which the school district is granting high school credit.

Remediation Attendance Hours Outside the Traditional School Day

Remediation outside the traditional school day and the inclusion of those attendance hours in average daily attendance for state aid are governed by Section 167.640, RSMo.

Section 167.640.1, RSMo, states:

"School districts may adopt a policy with regard to student promotion which may require remediation as a condition of promotion to the next grade level for any student identified by the district as failing to master skills and competencies established for that particular grade level by the district board of education."

Section 167.640.3, RSMo, states:

"School districts providing remediation pursuant to this section outside of the traditional school day may count extra hours of instruction in the calculation of average daily attendance as defined in section 163.011, RSMo."

Condition for Promotion to Next Grade Level

The previously quoted section of the law states that the additional attendance hours outside the traditional school day are for those students requiring remediation as a condition for promotion to the next grade level based on the district developed policy to identify such students. After-school programs not specifically addressing remediation as a condition for promotion are not to be recorded as REMEDIAL HOURS in the Student Enrollment and Attendance file.

Remediation outside the regular school day for students scoring Below Basic on MAP may be counted for additional attendance hours if the remediation relates to the MAP curricular area.

While a district may have an after-school tutoring program to meet the varying needs of students, that program may not correspond to the remedial program based on district policy as required in Section 167.640.1, RSMo. Attendance in a credit recovery program cannot be reported for state aid.

Reading Improvement – Grades K through 3

Section 167.340.2, RSMo, states:

"Beginning July 1, 2000, if a school district provides reading improvement instruction for students in kindergarten through third grade who do not meet the district's objectives for reading as demonstrated by performance on the district's chosen methods of reading assessment, such students who receive reading improvement instruction pursuant to this subsection may be counted for additional average daily attendance for state school aid during their reading improvement instruction time if such time falls outside normal school hours."

When reading improvement instruction for students in grades kindergarten through three is provided, the attendance hours of those students in such instruction outside the normal school day must be recorded as REMEDIAL HOURS in the Student Enrollment and Attendance file.

Reading Improvement – Grades 4 through 6

Section 167.645, RSMo, provides for additional reading improvement plans for students in grades four through six who test below a certain target grade level (below the second-grade level for a fourth grader). Section 167.645.3, RSMo, requires a minimum thirty hours of additional reading instruction or practice outside the regular school day for a student in grades four through six whose reading assessment indicated the student is reading below the target grade level. When reading improvement instruction for such students in grades 4 through 6 is provided, the attendance hours of those students in such instruction outside the normal school day must be recorded as REMEDIAL HOURS in the Student Enrollment and Attendance file.

If your district is providing remediation during the 2008-09 year meeting the criteria described in Sections 167.340, 167.640 or 167.645, RSMo, the attendance hours of those students in such instruction outside the normal school day must be recorded

separately from the students' normal school day attendance. These attendance hours will be reported by student in the June MOSIS cycle as REMEDIAL HOURS in the Student Enrollment and Attendance file.

Non-certificated Educators – Attendance Hours Adjustment

Attendance hours for any educator without a valid certificate will be disallowed for state aid payment purposes. State law requires all school district personnel who are responsible for working with students in an instructional or supervisory capacity during the school day to have a valid Missouri teaching certificate. A substitute certificate meets the requirement of a certificate when the employee is functioning as a substitute teacher in the absence of the teacher of record or is employed as the teacher of record.

A report is available on the Data Collection web application system which will identify educators within the district that do not have a valid certificate on file with DESE. To access this report in the Data Collection system, go to the dropdown menu in the upper right-hand corner of the screen, select Report Menu, then Special Reports, then Inappropriate Certification. Under the Program dropdown menu on the Inappropriate Certification webpage is the new report entitled “No Certification-Teachers”. The report can be run for all buildings or individual buildings and can be sorted by last name or by school code.

At the end of the 2008-09 year, DESE will prepare a list of educators meeting the following criteria:

1. did not hold a valid Missouri educator certificate at any point in time between July 1, 2008 and July 1, 2009; or
2. has a certificate pending but did not initiate the required background check prior to June 30, 2009.

School districts must then exclude the 2008-09 hours of attendance for all students who were under the supervision of those educators.