

59th Annual Cooperative Conference for School Administrators



August 6, 2020

Email questions to
Communications@dese.mo.gov



Bright Spots During COVID-19



Frontier Schools



A small team of teachers rose to the challenge during a shortage of protective wear and used 3D printers to print and assemble face shields to donate to local hospitals and clinics to help keep medical personnel safe.



School Finance Update

*Dr. Kari Monsees, deputy commissioner,
Financial and Administrative Services*

August 6, 2020

Presentation Topics



- Budget Update
- CARES Act Funding
- Attendance Reporting
- Emergency Waivers
- Reminders



Budget Update

State Revenue Update



- Final FY 2020 collections as of June 30:

Individual Income Taxes	-9.1%
Sales Taxes	+1.8%
Corporate Income Taxes	-12.0%
All Other	+1.2%
<u>Refunds (deduct)</u>	<u>-5.8%</u>
Net General Revenue	-6.6% (approx. -\$634 M)
- July 2021 Net General Revenue: +96.4% or +\$567 M

Budget Restrictions



- Announced June 30 for FY 2021
 - ❑ Foundation Formula: \$123.3 M
 - ❑ Parents as Teachers: \$1.0 M
 - ❑ Several new/recently added budget items restricted
 - ❑ Total restriction for PK-12 of \$133.2 M
- Formula restriction applied entirely to July payment

SAT, DVM and Threshold Percentages



State Adequacy Target (SAT) = \$6,375

Dollar Value Modifier (DVM) for can be viewed at

<http://dese.mo.gov/financial-admin-services/school-finance/data-reports>

Threshold Percentages

	FY 2019 & FY 2020	FY 2021 & FY 2022
Free & Reduced-Price Lunch	31.42%	29.45%
Special Education (IEP)	12.06%	12.83%
Limited English Proficiency (LEP)	2.50%	2.07%



- Governor waived Section 163.031.7, RSMo.
 - ❑ FY 2020 payment was prorated for underfunding off of the total annualized payment.
 - ❑ Ended the year at 95.20%

Example from June 2019-2020

16.	If Line 11 < Line 14, then district held harmless: (Line 14)	\$1,275,927.51
17.	Total Basic Formula Payment (Greater of Line 11 or 16)	\$1,275,928
	Total Basic Formula Payment (Line 17) x 0.95204380	\$1,214,739

FY 2021 Basic Formula



General Revenue Shortfall	Proration Percentage
Full Funding	100.00%
\$25,000,000	99.14%
\$50,000,000	98.57%
\$75,000,000	97.86%
\$100,000,000	97.14%
\$125,000,000	96.43%
Average Drop per \$25M	-.7100%

Classroom Trust Fund



- Classroom Trust Fund is one funding source of Basic Formula
- Be careful not to double budget



FY 2020 Classroom Trust Fund



For the final 2020 payment, receipts were \$78.8 million less than the \$349,999,054 appropriation



For every \$10 million shortfall in receipts, compared to the appropriation, the amount per ADA adjusts by **-\$12** per ADA

FY 2021 Classroom Trust Fund



Appropriation	ADA	Amount Per ADA	Difference
\$ 353,359,579.00	828,503.00	\$ 426.50	
\$ 343,359,579.00	828,503.00	\$ 414.43	\$ (12.07)
\$ 333,359,579.00	828,503.00	\$ 402.36	\$ (12.07)
\$ 323,359,579.00	828,503.00	\$ 390.29	\$ (12.07)

For every \$10 million shortfall in receipts, compared to the appropriation, the amount per ADA adjusts by **-\$12** per ADA



As of the final 2020 payment, cash ran \$39.8 million short of the \$958,400,000 appropriation



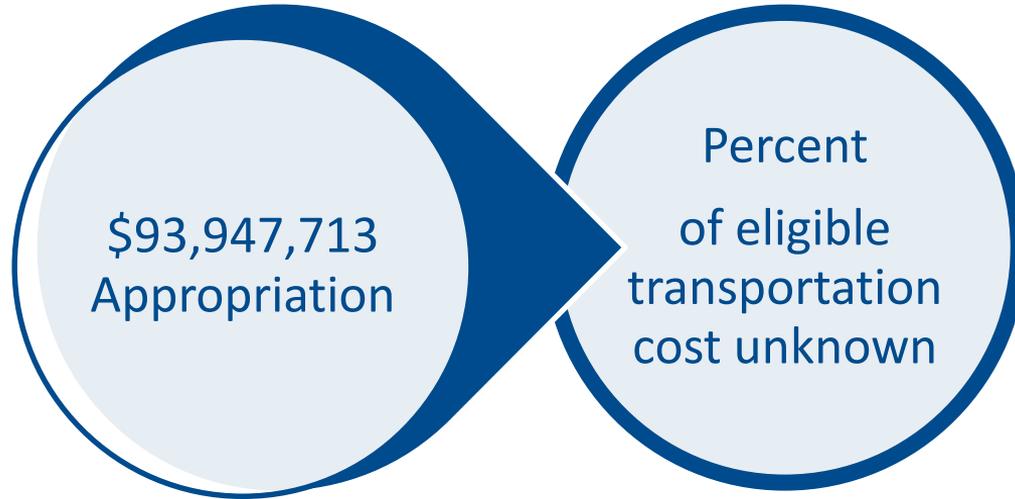
For every \$10 million short of the appropriation, the amount per ADA adjusts by **-\$11** per WADA.

FY 2021 Prop C



Appropriation	WADA	Amount Per ADA	Difference
\$ 958,200,000.00	913,100.00	\$ 1,049.39	
\$ 948,200,000.00	913,100.00	\$ 1,038.44	\$ (10.95)
\$ 938,200,000.00	913,100.00	\$ 1,027.49	\$ (10.95)
\$ 928,200,000.00	913,100.00	\$ 1,016.54	\$ (10.95)
\$ 918,200,000.00	913,100.00	\$ 1,005.59	\$ (10.95)

For every \$10 million short of the appropriation, the amount per ADA adjusts by **-\$11** per WADA.



Transportation is paid on the prior year's ASBR data



Basic Formula Calculation Tool

<http://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>

Finance Topics & Procedures

<http://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>

School Finance Memos

<http://dese.mo.gov/financial-admin-services/school-finance/school-finance-memos>

The State Auditor's Office Tax Rate Calculation

<https://auditor.mo.gov/property-tax-calculators>



CARES Act Funding



- ESSER Funds - \$187.5 M
- Student Connectivity Grant - \$30.0 M
- Transportation Supplement - \$15.0 M
- Transportation for Meal Delivery - \$7.5 M
- COVID Related Supply Reimbursement Grant - \$7.5 M
- Emergency Worker Childcare - \$795,543



Attendance Reporting



- Alternative Methods of Instruction § 171.033, RSMo.
 - ❑ Inclement weather, utility outage, contagious disease
 - ❑ LEAs must have an approved plan
 - ❑ Notify parents on the day of implementation
 - ❑ Limited to 36 hours per year



- AMI-X extends an approved AMI plan
- AMI-X must:
 - ❑ Provide engagement for all students
 - ❑ Explain how instruction and feedback is delivered
 - ❑ Address variations by grade level and content
 - ❑ Support each Individual Education Program



- Basis: Individual attendance rate for onsite days
- Onsite attendance rate applied to possible hours
- Calculation at individual student level
- Conditioned upon approval of AMI-X plan



- FY22 funding impacted by FY21 attendance:

- ▣ Prop. C, Classroom Trust Fund, Small Schools Grant

- § 163.021(4), RSMo. provides potential relief:

Whenever there has existed within the district an infectious disease, contagion, epidemic, plague or similar condition whereby the school attendance is substantially reduced for an extended period in any school year, the apportionment of school funds and all other distribution of school moneys shall be made on the basis of the school year next preceding the year in which such condition existed.



Emergency Waivers



- Hearings for Unaccredited or Provisionally Accredited Districts – Section 162.081.2, RSMo
- Transfers to and from the Incidental Fund – Section 165.011, RSMo
- Use of School Buses – Section 163.161.1, RSMo
- Hold Harmless Districts Exempt from Withholdings –Section 163.031.7, RSMo



Reminders

Calendar Requirements



- 171.037, RSMo.

Minimum requirement of 1,044 hours

Plan minimum of 36 weather make-up hours

No longer a minimum and maximum day length

No longer requires a minimum number of days

Quarterly Reporting Mandates



Template of what must be included (per RSMo 160.066) is as follows:

Income
Report generated from the financial accounting software detailing actual year-to-date income.
Expenditures
Report generated from the financial accounting software detailing actual year-to-date expenditures.
Disbursements
Report generated from the financial accounting software detailing the year-to-date check register.

Avoid posting confidential employee information



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Questions & Answers

Send live webinar questions to:
Communications@dese.mo.gov

Conference Line-Up

- **Friday 8/7:** Distance Learning Strategies & Commissioner's Closing Remarks