

**FINANCIALLY STRESSED SCHOOL DISTRICTS AND CHARTER SCHOOLS**

**STATUTORY AUTHORITY:**

Sections 161.520 and 160.417, RSMo

Consent  
Item

Action  
Item

Report  
Item

**STRATEGIC PRIORITIES**

Efficiency & Effectiveness

**SUMMARY**

Section 161.520, RSMo, specifies criteria for determining if a school district is experiencing financial stress and requires the Department of Elementary and Secondary Education to identify any school district meeting these criteria. Identification of those districts with statutory characteristics for being financially stressed is determined annually by analyzing the financial data submitted by each district on the Annual Secretary of the Board Report (ASBR).

The following are the statutory characteristics for identifying a district as financially stressed:

- A) negative balance in either the Teachers or Incidental Funds, or
- B) combined ending balance in the Teachers and Incidental Funds less than three percent, or
- C) tax anticipation borrowing between February 1 and June 30.

The statute requires notification of financial stress be provided to the local board of education and the chief operating officer of the district no later than November 1.

The 2019-2020 financial data were analyzed to determine districts financially stressed on June 30, 2020, and the following district was identified:

097-119 Malta Bend R-V

Section 160.417, RSMo, specifies criteria for determining if a charter school is experiencing financial stress and requires the sponsor of that charter school to identify any charter school under their sponsorship meeting these criteria. Identification of those charter schools with statutory characteristics for being financially stressed is determined annually by analyzing the financial data submitted by each charter school on the Annual Secretary of the Board Report (ASBR).

The following are the statutory characteristics for identifying a charter school as financially stressed:

- A) negative balance in either the Teachers or Incidental Funds, or
- B) combined ending balance in the Teachers and Incidental Funds less than three percent, or
- C) insufficient fund balances or reserves, incurred debt after January 31 and before July 1.

The 2019-2020 financial data were analyzed to determine charter schools financially stressed on June 30, 2020, and no charter school was identified.

**PRESENTERS**

Kari Monsees, Deputy Commissioner; and David Tramel, Coordinator, Division of Financial and Administrative Services, will assist in the presentation and discussion of this agenda item.