



State Basic Aid Formula Calculation

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Missouri Department
of Elementary and Secondary Education

Topics

- Formula Calculation
 - WADA Calculation
 - State Adequacy Target
 - Dollar Value Modifier
 - Local Effort
 - Phase In
 - Hold Harmless
- September Payment
- Prior Year Correction



Formula Calculation

Weighted Average Daily Attendance
x State Adequacy Target
x Dollar Value Modifier
- Local Effort
= State Funding



Formula Calculation

Weighted Average Daily Attendance

x State Adequacy Target

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Weighted ADA

- Regular Term Average Daily Attendance
- Summer School Average Daily Attendance

Weighting Components

2010-2011 and 2011-2012

- Free and reduced price lunch > 32.0% of ADA weighted at .25
- Special education students (IEP) > 13.7% of ADA weighted at .75
- Limited English Proficient (LEP) students > 0.9% of ADA weighted at .60

2012-2013 and 2013-2014

- Free and reduced price lunch > 38.8% of ADA weighted at .25
- Special education students (IEP) > 13.2% of ADA weighted at .75
- Limited English Proficient students (LEP) > 1.8% of ADA weighted at .60



Weighted ADA Calculation (2013-2014)

	2nd Preceding Year <u>2011-2012</u>	1st Preceding Year <u>2012-2013</u>
□ 1. Regular Year ADA	869.7773	850.0000
□ 2. Summer School ADA	17.5422 (SS-2011)	24.2662 (SS-2012)
□ 3. Total ADA (1+2)	887.3195	874.2662



Weighted ADA Calculation (2013-2014)

	2nd Preceding Year <u>2011-2012</u>	1st Preceding Year <u>2012-2013</u>
1. Regular Year ADA	869.7773	850.0000
2. Summer School ADA	17.5422 (SS-2011)	24.2662 (SS-2012)
3. Total ADA (1+2)	887.3195	874.2662
4. Free & Reduced Lunch (Screen 15)	562.52	560.00
5. Threshold Percentage	32.00%	38.80%
6. Minus Total ADA (Line 3) times line 5 (threshold %)	283.9422	339.2153
7. Equals Count to be weighted (Line 4 – Line 6)	278.5788	220.7847
8. FRL Weighted Calculation (Line 7 x 25%)	69.6445	55.1962



Weighted ADA Calculation (2013-2014)

	2nd Preceding Year <u>2011-2012</u>	1st Preceding Year <u>2012-2013</u>
1. Regular Year ADA	869.7773	850.0000
2. Summer School ADA	17.5422 (SS-2011)	24.2662 (SS-2012)
3. Total ADA (1+2)	887.3195	874.2662
9. IEP Count (Screen 11)	200	195
10. Threshold Percentage	13.70%	13.20%
11. Minus Total ADA (Line 3) times line 10 (threshold %)	121.5628	115.4031
12. Equals Count to be weighted (Line 9 – Line 11)	78.4372	79.5969
13. IEP Weighted Calculation (Line 12 x 75%)	58.8279	59.6977



Weighted ADA Calculation (2013-2014)

	2nd Preceding Year <u>2011-2012</u>	1st Preceding Year <u>2012-2013</u>
1. Regular Year ADA	869.7773	850.0000
2. Summer School ADA	17.5422 (SS-2011)	24.2662 (SS-2012)
3. Total ADA (1+2)	887.3195	874.2662
14. LEP Count (LEP Census)	1	1
15. Threshold Percentage	0.90%	1.80%
16. Minus Total ADA (Line 3) times line 5 (threshold %)	7.9859	15.7368
17. Equals Count to be weighted (Line 14 - Line 16)	0	0
18. LEP Weighted Calculation (Line 17 x 60%)	0	0



Weighted ADA & Formula Weighted ADA (2013-2014)

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
1. Regular Year ADA	869.7773	850.0000	0.0000
2. Summer School ADA	17.5422 (2011)	24.2662(2012)	22.0000 (2013)
3. Total ADA (1+2)	887.3195	874.2662	0.0000
8. FRL Weighted	69.6445	55.1962	0
13. IEP Weighted	58.8279	59.6977	0
18. LEP Weighted	0	0	0
19. Weighted ADA (Line 3 + 8 + 13 + 18)	1,015.7919	989.1601	0
20. Weighted ADA (Line 19) minus Summer School ADA (Line 2)	998.2497	964.8939	0
21. Formula Weighted ADA (highest of 3 years line 20 + current Summer School ADA)			1,020.2497



Formula Worksheet Example

1. Weighted ADA

1,020.2497

Highest of:

Current Year Estimated ADA = 0

Second Preceding WADA = 998.2497

First Preceding WADA = 964.8939

Plus current summer school ADA = 22.00



Formula Calculation

Weighted Average Daily Attendance
x State Adequacy Target
x Dollar Value Modifier
- Local Effort
= State Funding



State Adequacy Target

- Average expenditures of perfect score Annual Performance Report districts
- 2009-2010 and prior years \$6,117
- 2010-2011 \$6,124
- 2011-2012 thru 2013-2014 \$6,131
- Recalculated every 2 years



Formula Worksheet Example

1. Weighted ADA	1,020.2497	}
2. Multiplied by State Adequacy Target	\$6,131	
3. Equals District Total (Line 1 X Line 2)	<u>\$6,255,150.91</u>	



Formula Calculation

Weighted Average Daily Attendance
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Dollar Value Modifier

- ✓ Index of relative purchasing power of a dollar
- ✓ $1 + .15(\text{regional wage ratio} - 1.00)$
- ✓ Shall not be less than 1.00
- ✓ Regional wage ratio = regional wage per job ÷ state median wage per job
- ✓ Calculated on a regional basis if district is in a micropolitan or metropolitan area
- ✓ Otherwise, on a county basis
- ✓ Range - currently 1.000 to 1.092



Formula Worksheet Example

1. Weighted ADA	1,020.2497
2. Multiplied by State Adequacy Target	<u>\$6,131</u>
3. Equals District Total (Line 1 X Line 2)	\$6,255,150.91
4. Multiplied by Dollar Value Modifier	<u>1.0250</u>
5. Equals District Total Modified (Line 3 x Line 4)	\$6,411,529.68



Formula Calculation

Weighted Average Daily Attendance
x State adequacy target
x Dollar Value Modifier
- **Local Effort**
= State Funding



Local Effort

- 2004-05 Property Tax Calculation
- 2004-05 Revenue in Incidental & Teachers Funds
 - ◆ Financial Institutions Tax (5114)
 - ◆ Fines, Escheats (5211)
 - ◆ In Lieu of Tax (5116)
 - ◆ Merchants & Manufacturers (5115)
 - ◆ State Assessed Railroad & Utilities (5221)
 - ◆ Federal properties, unless used in Impact Aid (5231)
 - ◆ One-half of Proposition C (5113)



Local Effort Calculation

2004-05 Local Property Tax Effort

1.	Assessed valuation (December 31, 2004)	\$41,171,230
2.	Performance Tax Levy	<u>\$3.43</u>
3.	Local Tax Revenue (Line 1/100 x Line 2)	\$1,412,173.19
4.	Minus Collector and Assessor Fees (2.50 % x line 3)	<u>\$35,304.33</u>
5.	Net Local Tax Revenue (Line 3 - Line 4)	\$1,376,868.86



Local Effort Calculation

2004-05 Incidental + Teachers Fund Receipts

6.	School District Trust Fund (Prop C) x ½	\$368,741.80
7.	Financial Institution Tax	\$21.90
8.	Merchant's and Manufacturer's Tax	\$9,997.19
9.	In Lieu Of Tax	\$1,133.95
10.	Fines, Escheats, etc.	\$22,846.98
11.	State Assessed Utilities	\$149,800.35
12.	Federal Properties	\$0.00
13.	Local Earnings and Income Taxes	\$0.00
14.	Total Receipts (Sum Lines 6 – 13)	<u>\$552,542.17</u>
15.	Total Local Effort (Local Property Tax Effort + Receipts) (Line 5 + Line 14)	\$1,929,411.03



Local Tax Effort Reminders

- ❖ Performance levy is \$3.43 for every district except special districts
- ❖ Performance levy does not change when the State Adequacy Target is recalculated
- ❖ Remains constant through the life of the formula, except:
 - ❖ Decrease in assessed valuation below 2004 valuation
 - ❖ Increase in Fines above 2004-05 revenue



Formula Worksheet Example

1. Weighted ADA	1,020.2497
2. Multiplied by State Adequacy Target	<u>\$6,131</u>
3. Equals District Total (Line 1 X Line 2)	\$6,255,150.91
4. Multiplied by Dollar Value Modifier	<u>1.0250</u>
5. Equals District Total Modified (Line 3 x Line 4)	\$6,411,529.68
6. Minus Local Effort	\$1,929,411.03



Formula Calculation

Weighted Average Daily Attendance
x State Adequacy Target
x Dollar Value Modifier
- Local Effort
= State Funding



Formula Worksheet Example

1. Weighted ADA	1,020.2497
2. Multiplied by State Adequacy Target	<u>\$6,131</u>
3. Equals District Total (Line 1 X Line 2)	\$6,255,150.91
4. Multiplied by Dollar Value Modifier	<u>1.0250</u>
5. Equals District Total Modified (Line 3 x Line 4)	\$6,411,529.68
6. Minus Local Effort	\$1,929,411.03
7. Equals State Funding (Line 5 - Line 6)	\$4,482,118.65
8. FY06 State Funding	\$2,747,181.00



FY06 State Funding

1.	Basic Formula (June 2006)	\$2,118,202.00
2.	Final Basic Formula Recalculation	\$2,143,822.00
3.	Line 14 (June 2006)	\$366,328.00
4.	Final Line 14 Recalculation	\$365,032.00
5.	Exceptional Pupil Aid	\$114,119.00
6.	Gifted Aid	\$0.00
7.	Remedial Reading	\$13,802.00
8.	Fair Share	\$24,413.88
9.	Free Textbook	\$85,991.90
10.	FY06 State Funding (Sum Lines 2, 4, 5 through 9)	<u>\$2,747,180.78</u>



Phase-in Calculation

7. Equals State Funding (Line 5 - Line 6)	\$ 4,482,118.65
8. FY06 State Funding	\$ 2,747,181.00

Phase-In Calculation:

9. SB287 Formula (Line 7 x 100%)	\$4,482,118.65
10. FY06 State Funding (Line 8 x 0%)	\$0.00
11. Total	\$4,482,118.65
12. Total per Payment WADA (Line 11/Line1)	\$4,393.16



Hold Harmless

>350 ADA, hold harmless is:

2005-06 Amount Modified by DVM

2005-06 funding x DVM ÷ 2005-06 WADA



Hold Harmless

≤ 350 ADA, hold harmless is:

the greater of -

2004-05 total state funding from 7 sources

2005-06 total state funding from 7 sources

Includes receipts from:

Basic Formula

Line 14

Exceptional Pupil Aid

Gifted Aid

Remedial Reading

Fair Share

Free Textbook

Higher Amount Modified by DVM



Hold Harmless Calculation

7. Equals State Funding	\$4,482,118.65
8. FY06 State Funding	\$2,747,181.00
13. Dollar Value Modifier	1.025
14. FY06 Modified State Funding (Line 8 x Line 13)	\$2,815,860.30
15. FY06 Modified Per 2005-06 Weighted ADA (Line 14 / 2005-06 Weighted ADA)	\$2,895.1718
16. If Line 12 < Line 15, then district is held harmless:	

Line 12 was \$ 4,393.16

This district is not Hold Harmless



Formula Calculation

Total Basic Formula Payment	\$4,482,119
Total Basic Formula Payment (Line 17) x .9200000 ¹	\$4,123,549
Revenue Sources:	
A. Classroom Trust Fund (CTF) (Revenue Code 5319)	\$401,288
B. State Monies (Revenue Code 5311) (Line 17 - CTF)	\$3,722,261

An adjustment percentage which is currently estimated at 92 percent will be applied to the FY11 annualized calculation and payment.



September Formula Payment

- To determine the September payment amount, take approximately 3/12ths (.25) of the State Monies (Line 17B) less the amount the district received through August.
- The above method can be used to determine the payment amount in any month during the school year.
- If a prior year correction was processed during the month the amount of the positive or negative prior year correction will need to be added to or subtracted from the monthly amount calculated through the above method.



September Formula Payment

September Basic Formula Apportionment	= \$ 3,730,470
.25 of the September Apportionment	= \$ 932,617
Amount paid to district July through August (Taken from August transmittal sheet)	- \$ 613,015
September Payment	= \$ 319,602
Prior Year Correction (if applicable)	+/- \$ 0
September Payment	= \$ 319,602



Prior Year Correction

- The 2012-2013 Basic Formula Apportionment will be recalculated at least twice during the 2013-2014 school year.
- November or December will most likely be the first time the recalculation is completed and will reflect the largest correction.
- A second prior year correction will likely be done in May.



Prior Year Correction

- To calculate the prior year correction, start with the June Basic Formula Calculation page. There are two items which may need to be updated.
 - Change the line 1 WADA to the greater of the 2010-2011, 2011-2012 or 2012-2013 actual WADA.
 - Change the uniform proportional adjustment for line 17 (if applicable)
- Calculation sheets are not currently available for the prior year corrections.
- To verify the prior year correction amount the district can complete the calculation tool including the current WADA information and the current proportional adjustment.



Formula Calculation Tool

- The formula calculation tool is available at <http://dese.mo.gov/divadm/finance/tools/>
- When completing this tool to verify the prior year correction amount first complete it based on the June calculation. After verifying that the tool was entered correctly and matches the June calculation, adjust the WADA and the uniform proportional adjustment.



Prior Year Correction

- 2012-13 Basic Formula, Line 17B
 - June 2013 Calculation \$1,036,437
 - November 2013 Recalculation \$1,068,273
 - Difference/Correction \$ 31,836

Note: A district may receive a negative correction even though the district's data did not change.

- A 6% interest penalty applies to the district's overpayment if the June calculation was greater than 5% of what the district should have received for 2012-2013





QUESTIONS?

