



# Basic Formula Calculation and Prior Year Correction

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# Topics

- Formula Calculation
  - WADA Calculation
  - State Adequacy Target
  - Dollar Value Modifier
  - Local Effort
  - Phase In
  - Hold Harmless
- September Payment
- Prior Year Correction
- SB 532



# 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

x Dollar Value Modifier

- Local Effort

= State Funding



# Weighted ADA

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

## **Weighting Components**

### 2012-2013 and 2013-2014

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

### 2014-2015 and 2015-2016

- Free and reduced price lunch > 41.00% of ADA weighted at .25
- Special education students > 12.60% of ADA weighted at .75
- Limited English Proficient students > 2.10% of ADA weighted at .60



# Weighted ADA Calculation (2014-2015)

<b>Year</b>	<b>2nd Preceding Year</b>	<b>1st Preceding</b>
	<b><u>2012-2013</u></b>	<b><u>2013-2014</u></b>
□ 1. Regular Year ADA	869.7773	850.0000
□ 2. Summer School ADA	17.5422 (SS-2012)	24.2662 (SS-2013)
□ 3. Total ADA (1+2)	887.3195	874.2662



# Weighted ADA Calculation (2014-2015)

	<b>2nd Preceding Year</b> <b><u>2012-2013</u></b>	<b>1st Preceding Year</b> <b><u>2013-2014</u></b>
1. Regular Year ADA	869.7773	850.0000
2. Summer School ADA	17.5422 (SS-2012)	24.2662 (SS-2013)
3. Total ADA (1+2)	887.3195	874.2662
4. Free & Reduced Lunch (Screen 15)	562.52	560.00
5. Threshold Percentage	38.80%	38.80%
6. Minus Total ADA (Line 3) times line 5 (threshold %)	344.2799	339.2153
7. Equals Count to be weighted (Line 4 - Line 6)	218.2401	220.7847
8. FRL Weighted Calculation (Line 7 x 25%)	54.5600	55.1962



# Weighted ADA Calculation (2014-2015)

	<b>2nd Preceding Year</b> <b><u>2012-2013</u></b>	<b>1st Preceding Year</b> <b><u>2013-2014</u></b>
1. Regular Year ADA	869.7773	850.0000
2. Summer School ADA	17.5422 (SS-2012)	24.2662 (SS-2013)
3. Total ADA (1+2)	887.3195	874.2662
9. IEP Count (Screen 11)	200	195
10. Threshold Percentage	13.20%	13.20%
11. Minus Total ADA (Line 3) times line 10 (threshold %)	117.1262	115.4031
12. Equals Count to be weighted (Line 9 – Line 11)	78.4372	79.5969
13. IEP Weighted Calculation (Line 12 x 75%)	62.1554	59.6977



# Weighted ADA Calculation (2014-2015)

	<b><u>2nd Preceding Year</u></b> <b><u>2012-2013</u></b>	<b><u>1st Preceding Year</u></b> <b><u>2013-2014</u></b>
1. Regular Year ADA	869.7773	850.0000
2. Summer School ADA	17.5422 (SS-2012)	24.2662 (SS-2013)
3. Total ADA (1+2)	887.3195	874.2662
14. LEP Count (LEP Census)	1	1
15. Threshold Percentage	1.80%	1.80%
16. Minus Total ADA (Line 3) times line 5 (threshold %)	15.9718	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 (2014-2015)

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
1. Regular Year ADA	869.7773	850.0000	0.0000
2. Summer School ADA	17.5422 (2012)	24.2662(2013)	22.0000 (2014)
3. Total ADA (1+2)	887.3195	874.2662	0.0000
8. FRL Weighted	56.5600	55.1962	0
13. IEP Weighted	62.1554	59.6977	0
18. LEP Weighted	0	0	0
19. Weighted ADA (Line 3 + 8 + 13 + 18)	1,004.0349	989.1601	0
20. Weighted ADA (Line 19) minus Summer School ADA (Line 2)	986.4927	964.8939	0
21. Formula Weighted ADA (highest of 3 years line 20 + current Summer School ADA)			1,008.4927



# Formula Worksheet Example

## 1. Weighted ADA

**1,008.4927**

**Highest of:**

**Current Year Estimated ADA = 0**

**Second Preceding WADA = 986.4927**

**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 2014-2015                      \$6,131
- Recalculated every 2 years
- HB1689 requires adjustment of the SAT to accommodate appropriation level – effective 2015-2016 year



# Formula Worksheet Example

1. Weighted ADA	1,008.4927	}
2. Multiplied by State Adequacy Target	\$6,131	
<b>3. Equals District Total (Line 1 X Line 2)</b>	<b><u>\$6,183,068.74</u></b>	



# Formula Calculation

Weighted Average Daily Attendance  
x State Adequacy Target

**x Dollar Value Modifier**

- Local Effort

= State Funding



# 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	1,008.4927
2. Multiplied by State Adequacy Target	<u>\$6,131</u>
3. Equals District Total (Line 1 X Line 2)	\$6,183,068.74
4. Multiplied by Dollar Value Modifier	<u>1.0250</u>
5. <b>Equals District Total Modified</b> (Line 3 x Line 4)	<b>\$6,337,645.46</b>



# 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	1,008.4927
2. Multiplied by State Adequacy Target	<u>\$6,131</u>
3. Equals District Total (Line 1 X Line 2)	\$6,183,068.74
4. Multiplied by Dollar Value Modifier	<u>1.0250</u>
5. Equals District Total Modified (Line 3 x Line 4)	\$6,337,645.46
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	1,008.4927
2. Multiplied by State Adequacy Target	<u>\$6,131</u>
3. Equals District Total (Line 1 X Line 2)	\$6,183,068.74
4. Multiplied by Dollar Value Modifier	<u>1.0250</u>
5. Equals District Total Modified (Line 3 x Line 4)	\$6,337,645.46
6. Minus Local Effort	\$1,929,411.03
7. Equals State Funding (Line 5 - Line 6)	\$4,408,234.43
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)	<hr/> \$2,747,180.78



# Phase-in Calculation

7. Equals State Funding (Line 5 – Line 6)	\$ 4,408,234.43
8. FY06 State Funding	\$ 2,747,181.00

## Phase-In Calculation:

9. SB287 Formula (Line 7 x 100%)	\$4,408,234.43
10. FY06 State Funding (Line 8 x 0%)	\$0.00
11. Total	\$4,408,234.43
12. Total per Payment WADA (Line 11/Line1)	\$4,371.11



# Hold Harmless

**>350 ADA, hold harmless is:**

2005-06 Amount Modified by DVM

2005-06 funding x DVM ÷ 2005-06 WADA



# Hold Harmless

**$\leq 350$  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	\$4,408,234.43
8. FY06 State Funding	\$2,747,181.00
12. Total per Payment WADA (Line 11/Line1)	\$4,371.11
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)	\$2,806.2313
16. If Line 12 < Line 15, then district is held harmless:	

Line 12 was \$ 4,371.11

**This district is not Hold Harmless**



# Formula calculation

Total Basic Formula Payment	\$4,408,234
Total Basic Formula Payment (Line 17) x .9300000 <sup>1</sup>	\$4,099,658
Revenue Sources:	
A. Classroom Trust Fund (CTF) (Revenue Code 5319)	\$350,581
B. State Monies (Revenue Code 5311) (Line 17 - CTF)	\$3,749,077

Percentage multiplier for FY15 has been around 93% for the July, August and September payments. The release of \$100.2 million by the Governor will increase that to around 96%.

HB1689 requires adjustment of the SAT to accommodate appropriation level – effective 2015-2016 year



# 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 2013-2014 Basic Formula Apportionment will be recalculated at least twice during the 2014-2015 school year.
- December or January 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 2011-2012, 2012-2013 or 2013-2014 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/financial-admin-services/school-finance/calculation-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

- 2013-14 Basic Formula, Line 17B
  - June 2014 Calculation \$1,036,437
  - December 2014 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 2013-2014



# Senate Bill 532

- Creates the concept of a relative caregiver





# QUESTIONS?

