

April 22, 2013

**TO:** School District Administrators

**FROM:** Ron Lankford, Deputy Commissioner, Financial and Administrative Services  
Roger Dorson, Coordinator, School Financial and Administrative Services

**RE:** April Financial Information

### **Prior Year (2011-12) Adjustment - Basic Formula**

A third prior year recalculation was completed with the April payment. This recalculation was completed using the highest of the 2011-12 weighted average daily attendance (WADA), the 2010-11 actual WADA, or the 2009-10 actual WADA. Any adjustment to data will impact each district in the state since DESE is redistributing the 2011-12 fixed dollars. The proration percentage changes are:

June 2012	0.94150969
January 2013	0.93576321
February 2013	0.92710946
April 2013	0.93560207

Prior year correction payment amounts can be viewed by going to the payment transmittal for April 2013 and clicking on the dollar amount of the districts Basic Formula, Classroom Trust Fund, Transportation, and Small Schools Grant payment. These numbers are a hyperlink to a detail page which displays the amount of payment contributed to the current year payment as well as the prior year correction amount.

### **Estimated Regular Term Average Daily Attendance (ADA)**

The estimated regular term ADA for 2012-13 may be provided to your School Finance consultant to be entered on the August Core Data Screen 2 in the Estimated ADA field. The district would report an estimated regular term ADA for the **2012-2013** year *only if the district's 2012-13 regular term ADA is expected to be greater than both the 2010-11 and 2011-12 regular term ADA figures* and the district wants to be paid in 2012-13 on the 2012-13 estimated number. Regular term average daily attendance includes qualified remediation attendance outside the regular school day. Refer to the School Finance website at <http://dese.mo.gov/divadm/finance/topicsandprocedures/documents/sf-AAAttendanceReporting.pdf> for the description of qualified remediation attendance.

The local education agency (LEA) charter schools must provide an estimated regular term ADA to their School Finance Consultant for 2012-13. Payment is made to charter schools on current year attendance data.

Revisions to the 2012-13 estimated ADA may be made through **May 15, 2013**. Contact School Finance staff if you have questions about estimating ADA.

### **Minimum Salary Requirements**

The minimum teacher's salary is \$25,000 and the minimum salary for a full-time teacher with a master's degree with at least ten years public teaching experience is \$33,000.

All teachers are to receive at least their FTE proration of the applicable state minimum salary. Teachers include study hall teachers, in-school suspension teachers, and all others for whom the students' hours are included in the average daily attendance calculation for state aid. Substitute teachers filling a regular classroom teacher's position as the teacher of record for the class must be paid the minimum salary.

The penalty for noncompliance with the minimum salary requirements of Section 163.172, RSMo, is stated in Section 163.021.3, RSMo. The statutory penalty for noncompliance is a reduction of the Basic Formula to the 1993-94 amount per eligible pupil. Therefore, it is important that each district ensures compliance with the minimum salary requirements. Questions on specific situations may be directed to the School Finance staff at 573-751-0357.

### **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. This report can be accessed in either of the following ways:

- 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, on the left navigation pane, select Reports, select Special Reports, and then Staff Assignment Report. Under Special Report, select No Certification-Teacher, scroll down and select Selected Assignments Only, and then Run Report. The report can be run for all buildings or individual buildings and can be sorted by last name or by school code; or
- To access a report identifying those non-certificated educators, log into web applications and select Educator Qualifications under the Cross Divisional heading, then select report menu, then select Staff Assignment Report. When the report selection options are available select No Certification – Teacher under the Special Report Heading and select Selected Assignments Only at the top of the selection criteria. After these selections are made select the run report option on the bottom of the screen.

At the end of the 2012-13 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, 2012 and July 1, 2013; or
2. has a certificate pending but did not initiate the required background check prior to June 30, 2013.

School districts must then exclude the 2012-13 hours of attendance for all students who were under the supervision of those educators since they did not have a valid certificate.

### **Attendance Reporting**

For guidance regarding various attendance reporting scenarios please refer to the School Finance website at <http://dese.mo.gov/divadm/finance/topicsandprocedures/documents/AttendanceReporting.pdf>.

## ***SCHOOL GOVERNANCE***

### **Boundary Change**

If there is a change in your school district's boundary following the April election, please send a copy of the ballot with the legal description of the boundary change to the School Financial and Administrative Services Section.

### **Architectural and Engineering Services**

From time to time school districts have questions about the required use of an architect or engineer for a construction project. A good source of information is the Division of Professional Registration at the Department of Insurance, Financial Institutions and Professional Registration, the number they can be reached at is 573-751-0047.

## ***SCHOOL TRANSPORTATION***

### **2012-13 State Transportation Aid Calculation**

The fiscal year 2012-13 state transportation aid calculation is available through the School Finance website. Select Monthly Financial Reports. Input County-District number. The Payment Transmittal is then displayed. 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 seventh live state transportation calculation made for the current year. The calculation is based on 2011-12 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 April 2013 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>
April 2013	63.212522	3.235325	-1.324203

### **2013-14 Transportation Estimate**

The 2012-13 state budget for the transportation state aid formula in the Governor's recommendation and the House budget bill amount is \$99,797,713, based on this recommendation, for purposes of planning the district's transportation budget for 2013-14, the estimated proration at this funding level is approximately a 65% reduction on the district's Calculation for State Transportation Aid, Line 52, or approximately a 35% proration of Line 51 (the district's state transportation aid entitlement). The statewide average reimbursement is estimated to be approximately 20% of allowable costs.

### **Stop Arm Violation Survey**

While school buses remain incredibly safe, we all know that students who ride buses are most vulnerable when they are outside the bus in the "danger zone." Missouri is assisting the National Association of State Directors of Pupil Transportation Services (NASDPTS) in coordinating a national survey to determine the prevalence of illegal passing of school buses. That data will help improve safety countermeasures at the state or national level.

We requested your assistance in this important project via an email on March 27 to all school transportation contacts. On Wednesday, April 17, 2013, you were asked to have your drivers observe and report any instances of motorists illegally passing their school buses. The results need to be submitted to the National Association of State Directors of Pupil Transportation Services by April 30, 2013.

### **Certified School Bus Driver Instructor Training**

The Certified School Bus Driver Instructor recertification training will be held in Columbia on July 19, 2013. The Certified School Bus Driver Instructor workshop is scheduled for July 22-24, 2013, in Warrensburg. Registration forms for this training are available at <http://dese.mo.gov/divadm/trans/BusDrivers.htm>; a listing of all current Certified School Bus Driver Instructors can also be viewed at this site.

### **Non-Conforming Van Use**

Since July 1, 2001, any vehicle that transports 11 or more passengers including the driver that is newly purchased, leased, or contracted must be a school bus and meet all Missouri Minimum Standards for School Buses as well as all Federal Motor Vehicle Safety Standards for School Buses (with the exception of motor coaches).

*A school district cannot purchase, contract, or rent 12/15/17 passenger vans for the transportation of school children.*

### **Free Danger Zones Training Program**

Due to the dramatic increase in Danger Zone fatalities, National Association for Pupil Transportation, the School Bus Safety Company, Public School Risk Institute, and 247Security Inc. will provide to any district, a free copy of the *Danger Zone* driver training program. The program consists of a really effective 20 minute DVD, a trainer's guide and a driver's handout. The Danger Zones DVD and training material are available at <http://schoolbussafetyco.com/node/80>.

### **MAPT Poster Contest and Award Nominations**

The Missouri Association for Pupil Transportation has posted forms for the School Bus Safety Poster Contest, School Transportation Administrator of the Year Award, Distinguished Service Award, and the School Bus Driver of the Year Award on the website at <http://moapt.org/awards.html>.

For more information contact Shirley Francis, Executive Director, Missouri Association for Pupil Transportation, at (314) 541-9557 or [sfrancis04@aol.com](mailto:sfrancis04@aol.com).

### School Bus Aisle Blocking

State Board of Education Rule 5 CSR 30-261.010 requires that school bus aisles not be blocked. As your district makes field trips and activity trips this spring, please ensure that all school bus drivers know and adhere to this rule. The aisles must be free of any obstruction so the bus, if needed, could be evacuated quickly without difficulties caused by the aisles being blocked by trash cans, coolers, book bags, band equipment, or other items.

### Pre-Trip Inspection Requirement

5 CSR 30-261.010.1.K states "Boards of education shall require operators of school buses to conduct and prepare a record of the daily pretrip inspection for each school district." Additionally, 5 CSR 30-261.010.3.A.3 requires that school bus drivers: "Perform and prepare written documentation of the daily pretrip inspection which is to be submitted to the transportation administrator. Pretrip inspection of vehicles shall include brakes, steering components, lights, signaling devices, emergency door, tires and safety equipment, as a minimum. Any defects or deficiencies that may affect the safety of vehicle operation or result in mechanical breakdown shall be reported immediately in writing and driver shall not operate school bus until the defect or deficiency has been corrected ..."

Please make sure that the school bus drivers in your district are performing the above required daily pre-trip inspection.

## Deputy Commissioner's Comments

### Revenue Trends YTD

	<u>YTD as of February FY12</u>	<u>YTD as of February FY13</u>	<u>Revenue Change</u>	<u>% Change</u>
Individual Income Taxes	\$4,000,000,000	\$4,210,000,000	\$210,000,000	5.25%
Sales & Use Taxes	\$1,400,000,000	\$1,410,000,000	\$10,000,000	.70%
Corporate Inc. & Franchise	\$302,900,000	\$315,800,000	\$12,900,000	4.26%
Other Collections	\$269,300,000	\$338,600,000	\$69,300,000	25.73%
Increase in Revenue YTD			<b>\$280,500,000</b>	<b>5.06 %</b>
			<u>Refunds Change</u>	<u>% Change</u>
Refunds (YTD)	\$912,000,000	\$798,900,000	(\$113,100,000)	-12.40%
Net Revenue Status YTD	\$4,547,600,000	\$4,939,700,000	<b>\$392,100,000</b>	<b>8.62%</b>

(A decrease in refunds enhances Net Revenue. An increase in refunds diminishes Net Revenue.)

### Gaming Revenue YTD

	<u>Prior Year</u>	<u>Current Year</u>	<u>% Change</u>
Total Gaming Proceeds to Education	\$255,693,631	\$248,115,988	-3.0%
Gaming Revenue Appropriated		\$319,696,995	
Percentage of Budget Year Reflected YTD		75.00%	
Percentage of Appropriation Realized YTD		77.61%	

1. **General Revenue Trend:** Fiscal year 13 is now two-thirds complete and the year-to-date general revenue picture continues to trend in a positive direction. At this point revenues remain slightly ahead of projections due to a growth in all revenue sources. While sales tax growth is not as robust as would be liked, modest growth has been seen in both individual and corporate income taxes. The major contributor in the increase of general revenue is in other collections. Please be reminded that this is largely due to some one-time

funds on litigation settlements. These increases when coupled with the continuing decline in tax refunds, increases the likelihood that state budget estimates for FY13 will be achieved.

2. **Gaming Revenues:** Gaming revenue continues to run slightly ahead of the appropriated amount for FY13. Please note, however, that compared to the same time last year the overall revenue is down by three percent. Districts are urged to continue to monitor this revenue stream as budgets for next year are being developed. While the General Assembly appears to be planning an increase in the Classroom Trust Fund appropriation by nearly sixty-six million, those funds are generated through gaming revenue. To meet that target that revenue source will have to significantly increase its rate of growth. Districts must make their own decisions as to how conservative or liberal they wish to be in making an estimate as how close to the appropriated level revenues will come.
3. **DVM for FY14:** Final calculations for the dollar value modifier (DVM) have been made and may be viewed at the following link; <http://dese.mo.gov/divadm/finance/documents/fas-FY14DVMCalculation.pdf>. As you will recall a preliminary calculation was done in January with the intent of having the final calculation completed in April. Generally DVM calculations did not change from the January calculation. Going forward, the Department believes it will be able to run the calculation after January 1.
4. The FY14 Budget is now in committee in the Missouri Senate. No doubt many will be watching as it works its way through the process.

By the next memo the 2012-13 regular school year will have either ended or will be nearing its end for Missouri schools. While local districts, our state, and our nation continue to work out of these challenging times it is refreshing to continue to see children's futures being served. Though times have been challenging many local districts are continuing to make investments for the future of their young citizens. On April 2, 2013, we are aware of sixty-three ballots issues voted in Missouri. Of those forty-seven (74.6%) passed. In April 2012 forty-nine questions were voted and thirty-six (73.5%) were approved.

In the spring of the year students of all ages make their way to Jefferson City for a variety of reasons. Some are here to be honored, some to participate in competitions, and many are here on field trips. Regardless of their purpose for their visit, it is inspiring to see their enthusiasm and sense their excitement as they engage in a new experience that will never be forgotten. The students, who represent the future of our country, remind me of why we do what we do.

Best wishes as you continue to end a school year and begin the next one.

Best Wishes



Ronald Lankford