

School Finance

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PAYMENT CALCULATIONS

April Foundation Payment Calculations

The April Basic Formula payment, including Classroom Trust Fund, was calculated using the most current data available as reported by the district to DESE. It is important that the district compare DESE's calculations with those generated by the district. Please call or email School Finance at (573) 751-0357 (finadmgo@desemo.gov) with questions or concerns about the district's calculations.

Estimated Regular Term Average Daily Attendance (ADA)

This time of year districts/LEAs may wish to review student attendance and enrollment to determine if it would be beneficial if the district were to estimate the 2017-18 regular term ADA for payment. The calculated threshold percentages to be used in the Weighted Average Daily Attendance (WADA) calculation for FY17 and FY18 declined from prior years. This decline may cause districts' FY18 WADA to increase over prior years' calculations due to greater weighting of one or all of the weighting categories. The changes in Threshold percentages are as follows:

<u>Weighting Component</u>	<u>FY17 & FY18</u>
Free & Reduced Lunch (FRL)	36.12%
Special Education (IEP)	12.16%
Limited English Proficiency (LEP)	1.94%

If the district chooses to estimate, the estimated regular term ADA for 2017-18 may be provided to your School Finance consultant to be entered on the Estimated ADA Screen. The Estimated ADA Screen is now located in DESE Web Applications by selecting School Finance and then selecting Estimated ADA. This screen also provides historical information, such as Membership, Enrollment, ADA, and ADA percentages that may be helpful when estimating an ADA.

A worksheet to assist districts when estimating their ADA is available at <http://desemo.gov/financial-admin-services/school-finance/calculation-tools>.

Revisions to the 2017-18 estimated ADA may be made through **May 15, 2018**. Contact School Finance staff if you have questions about estimating ADA.

2018-19 BUDGET ESTIMATES

Basic Formula Projection Tool

School Finance has a Basic Formula Calculation Tool available to help project how much Basic Formula, Classroom Trust Fund, Small Schools Grant, and Prop C funds a district can expect to receive. The tool is available on the School Finance webpage under Calculation Tools which can be located at <https://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>. This tool has recently been updated to take into account how the Free and Reduced Lunch number is determined and used in the Weighted ADA calculation for CEP districts. If you are a CEP district we encourage you to download a new copy of this tool.

Dollar Value Modifier Recalculation (DVM)

The calculation of the Dollar Value Modifier that will be used in the formula distribution for FY19 has been completed and can be viewed at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>.

2018-19 Proposition C Sales Tax Payment Estimate

The Governor's budget projected an increase in Proposition C revenue for the 2018-19 fiscal year. The 2018-19 Proposition C Sales Tax payment will be paid on the 2017-18 weighted average daily attendance (WADA).

With statewide ADA basically holding constant and the assumption that summer school will do the same, it is predicted that Proposition C Payment WADA will be in the vicinity of 912,000 in FY19. If the Revenue Estimate of \$917,500,000 is achieved, it would mean a WADA payment of approximately \$1,006. While it appears this level of collection is potentially achievable, caution should be used as determination of budget estimates are made.

2018-19 Classroom Trust Fund Estimate

The 2018-19 Classroom Trust Fund payment is paid on the 2017-18 average daily attendance of approximately 849,000. The projected Classroom Trust Fund revenue as stated in the Governor's recommendations for the 2018-19 budget is \$351,702,205. This estimated revenue will be divided by an estimated 2017-18 average daily attendance of approximately 849,000, which is approximately \$414 per ADA from the Classroom Trust Fund for the 2018-19 year. The Classroom Trust Fund is one of the funding sources of the Basic Formula and, like other funding areas; we will not know exactly the funding level until the appropriation process concludes. While it appears this level of collection is potentially achievable, caution should be used as determination of budget estimates are made. Please remember that this calculation is done to determine the proper placement of funds in accordance with statute.

As a reminder, Section 163.043.5, RSMo, includes the following provision:

All proceeds a school district receives from the classroom trust fund in excess of the amount the district received from the classroom trust fund in the 2009-2010 school year shall be placed to the credit of the district's teachers' and incidental funds.

2018-19 Small Schools Grant

The 2018-19 Small Schools Grant of \$15,000,000 will be divided into two parts, \$10 million and \$5 million. The \$10,000,000 portion will be distributed to districts whose average daily attendance (ADA), including summer school, in 2017-18 is less than or equal to 350. The 2017-18 ADA includes the summer school held in 2017. The 2018-19 small school estimate per average daily attendance is \$273. The remaining \$5,000,000 will be distributed on a tax-rate weighted average daily attendance basis to districts whose 2017-18 ADA is less than or equal to 350 and the 2018-19 Incidental plus Teachers Funds tax rates are greater than or equal to \$3.43. The 2018-19 estimate per tax-rate weighted ADA is \$154.

Changing Depository Banks

Districts/charter schools changing banks or bank accounts must first be registered in the State of Missouri new procurement system MissouriBUYS. All banking changes will now be completed in MissouriBUYS. MissouriBUYS weblink is <https://MissouriBUYS.mo.gov>. Reminder: when depositories are changed, the first payment issued after the change could be in the form of a paper check. If you have issues in using MissouriBUYS, please contact MissouriBUYS team via email WebProcure.Support@perfect.com or phone (866) 889-8533.

MissouriBUYS Registration

Districts/charter schools need to register in the State of Missouri's new procurement system MissouriBUYS. To register, please go to <https://MissouriBUYS.mo.gov> and follow the vendor registration instructions. Have the following ready in order to register:

- A completed and signed IRS W-9 form,
- Federal tax ID number,
- Banking information

Even though your district/charter school has already registered your current banking information with the State of Missouri, please enter the banking information in MissouriBUYS. Please remember all State of Missouri payments are deposited to one bank account. If you have registration questions, please contact MissouriBUYS team via email

OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

Professional Development (1%) Money

Section 160.530.1, RSMo, requires districts to spend one percent (1%) of the Basic Formula monies (based on Line 17B of the district's June basic formula calculation) for professional development committee expenditures. A minimum of seventy-five percent (75%) of one percent (1%) of the current year's Basic Formula current apportionment must be spent in the year received for purposes determined by the Professional Development Committee and identified in the professional development plan in relation to a school improvement plan. This is completely separate from professional development that may be required by other programs such as title programs. Expenditures should be recorded to Function Code 2214. Any portion of the other twenty-five percent (25%) of the one percent (1%) not expended during the year must be shown as a part of the restricted fund balance on June 30.

Districts can locate a projection of the 1% PDC expenditure on line 17 C of their Basic Formula Calculation. The final required PDC expenditure amount is calculated as of the June payment.

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 of 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 teaching 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. This applies to in-school suspension teachers as well as those supervising study hall, recess, virtual courses taken in school, or other computer based instructional programs taken in school. 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 the Department of Elementary and Secondary Education. To access this report in the Data Collection system, go to the left hand navigational tree and select Reports, then Special Reports, then Staff Certification.

The Department will prepare a list of educators meeting the following criteria:

1. did not hold a valid Missouri educator certificate for the regular school year teaching assignment or;
2. has a certificate pending but did not initiate the required background check.

School districts notified they have an educator(s) that met the above criteria must provide School Finance with the attendance hours by building and by grade for all students who were under the supervision of those educators since the educator did not have a valid certificate. These hours of attendance will be excluded from the total hours of attendance for the school year.

Attendance Recovery

There is no allowance in state statute that would allow for the make-up of attendance hours. A school district may require a student to make-up time for excessive absences; however, this does not allow the district to count those hours as attendance hours for the student.

Attendance Reporting

For guidance regarding various attendance reporting scenarios please refer to the Attendance Reporting document on the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>.

2017-18 Audit Schedule of Selected Statistics

A copy of the 2017-18 Schedule of Selected Statistics, that is to be included in the 2017-18 audit report, is available on the web at <https://dese.mo.gov/financial-admin-services/school-audits>. The district should print and keep a copy as a reference when it reviews the 2017-18 audit report prior to submitting the audit report to DESE. The district is encouraged to compare the information the auditor reports on this Schedule to the data the district submitted through MOSIS, on Core Data, the Annual Secretary of the Board Report, or other reports and resolve any differences prior to submitting the audit report.

Missouri Accountability Portal (MAP) – Debt Reporting

Section 37.850, RSMo, requires school districts to report all bonded indebtedness and requires charter schools to report all debt. This information shall be supplied to Office of Administration (OA) for display on the State's Accountability Portal.

If a school district issues new bonds or a charter school enters into debt obligations the new debts are required to be entered onto the portal within seven days of issuing a bond or incurring an obligation or debt per section 37.850, RSMo.

A user link for the portal is available on the main page <http://mapyourtaxes.mo.gov/MAP/Bonds/HomePage.aspx>. In order to submit information, an entity will need to visit the portal website and obtain a secure user name and password. The user name and password can be created by selecting "create account" on the right hand side of the screen. Once credentials are granted, a user may enter the site to enter or update bond or debt information.

Most of the required fields on the reporting tool are self-explanatory; however, there have been questions regarding a couple of the fields. The description of the revenue stream is generally something such as revenue generated from a levy that was established, Classroom Trust Fund revenue, or local revenue. This list is not an all-inclusive list but provides a general idea as to what would seem to be an appropriate response. The description of the project would be a description as to what the project was, for example, a building project.

If you have questions regarding accessing the portal website, please contact OA at (573) 751-2971 or MAPBonds@oa.mo.gov. For questions regarding what debt should be entered on the portal please do not hesitate to contact School Finance at 573-751-0357.

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.

STUDENT TRANSPORTATION

2017-18 State Transportation Aid Calculation

The fiscal year 2017-18 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/financial-admin-services/school-finance/financial-reports>.

This is the seventh live state transportation calculation made for the current year. The calculation is based on 2016-17 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 2018 calculation follows. 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 2018	70.367022%	3.553543	-1.408386

Operation Lifesaver Free Presentations on Highway-Rail Grade Crossing Safety

Operation Lifesaver railroad crossing training is available at no charge for school bus drivers. A presentation can be requested on the following link: <https://oli.org/education-resources/request-a-presenter/>.

CDL License Checks

The Department of Revenue (DOR) recently reported to this department that they regularly hear from school bus drivers and/or their employers because their CDL does not include the proper endorsements. All school bus drivers should have on their CDL a P-Passenger Endorsement and an S-School Bus Endorsement. Each school bus driver's employer should regularly be checking not only the expiration dates for the licenses but checking for the proper endorsements. Also, make sure you instruct the drivers to check the CDL before leaving the license office to make sure that DOR issued the license with the proper endorsements on it.

National School Bus Safety Week

National School Bus Safety Week is October 22-26, 2018. This Year's Theme is My Driver-My Safety Hero. School Bus Safety Week posters can be obtained from the National Assn. of Pupil Transportation at (800) 989-NAPT.

Certified School Bus Driver Instructor Training

The Certified School Bus Driver Instructor recertification training will be held in Columbia on July 20, 2018. The Certified School Bus Driver Instructor workshop is scheduled for July 25-27, 2018, in Warrensburg. Registration forms for this training are available at <http://dese.mo.gov/financial-admin-services/school-transportation/certified-bus-driver-instructors>; also, a listing of all current Certified School Bus Driver Instructors can also be viewed at this site.

Non-Conforming Van Use

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.

MAPT Poster Contest and Award Nominations

The Missouri Association for Pupil Transportation has posted information for the School Bus Safety Poster Contest, School Transportation Administrator of the Year Award, Distinguished Service Award, School Bus Safety Competition Grant, Continuing Education Grant, 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 Coordinator, Missouri Association for Pupil Transportation, at (314) 541-9557 or 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.

School Finance

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<http://dese.mo.gov/divadm/finance/>

