

August 21, 2012

**TO:** School District Administrators

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

**RE:** August Financial Information

### August Payments

#### Basic Formula -

The August Basic Formula payment, including Classroom Trust Fund, was calculated using the best data available for each district. Each month's calculation will be made using the best available data reported by the district to DESE.

One common data quality issue affecting a district's calculation is the lack of the 2012 summer school attendance data provided through the MOSIS August submission; therefore, the payment weighted average daily attendance for the district may not include a summer school component. The weighted average daily attendance value used in the formula calculation will change in some future month once the summer school attendance data have been submitted to DESE. *Please submit the 2012 summer school attendance data as soon as possible.*

### Tax Rate Hearing Notice

Effective August 28, 2007, a new requirement was added to Section 67.110, RSMo, which requires each school district to include information regarding additional revenue to be received from new construction and reassessment separately and to show a percent of additional new revenue from reassessment in the tax rate hearing notice.

### Setting 2012-13 Tax Levies

The district should have received the 2012 State Auditor's Office forms for computing the 2012 tax rate ceiling for operations and the debt service maximum levy. These forms should be completed as soon as possible and forwarded through the appropriate channels. Establishing the tax rate ceiling is fundamental in determining the actual adjusted tax levy and the placement of the levy by fund. A tax rate calculator is available on the State Auditor's web page at [www.auditor.mo.gov](http://www.auditor.mo.gov).

A District Tax Reduction Worksheet (more commonly referred to as the Prop C Rollback Worksheet) is available on the web at <http://www.dese.mo.gov/divadm/finance/tools/>. For those districts completing the Prop C Rollback Worksheet, data for Line 1b (if applicable) may be found on Proposition C Compliance letters sent in May. Only districts that did not have a full waiver of Prop C in 2011-12 received a letter. A listing of districts that received Prop C letters can be found on the School Finance web page by clicking on Data and Reports, clicking on Prop C and then clicking on Compliance Letters Sent. The data for Line 2a of the Prop C Rollback Worksheet and the data for Line 14 of the State Auditor's Office tax rate ceiling form can be found on the School Finance web page by clicking on Data and Reports and then clicking on Estimated State Assessed Revenues used in the Tax Rate and Prop C Rollback Calculations. Districts who received voter approval for a full waiver of the Proposition C rollback do not need to complete the Prop C Rollback Worksheet.

The tax rate by fund approved by the school board to be extended onto the tax books for the calendar year is reported on the Estimate of Required Local Taxes. One form is sent to each county clerk in which a school district has assessed valuation. The form must be filed by each school district, except counties and any political subdivision located at least partially within any county with a charter form of government or any political subdivision located at least partially within any city not within a county (St. Louis City, St. Charles, Jackson, and St. Louis Counties), shall fix its ad valorem property tax rates no later than September 1 for entry into the tax books at the county. Each school district located, at least partially, within a county with a charter form of government or within a city not within a county (St. Louis City, St. Charles, Jackson, and St. Louis Counties), shall fix its ad valorem property tax rates no later than October 1 for entry into the tax books at the county. The **Estimate of Required Local Taxes** form is available in an Excel file version at <http://dese.mo.gov/divadm/finance/tools/EstimateTaxes.xls>. Refer to the July 2012 memo for information about the form.

## 2012-13 Core Data Screen 6

The 2012 (2012-13 school year) tax levies and assessed valuations are reported on Screen 6 titled "District Tax Data" of the Core Data Collection System. The tax levy information entered on Screen 6 must agree with the levies on the **Estimate of Required Local Taxes** form, which is to be filed with the respective county(ies) by September 1. The assessed valuation data for 2012 entered on Screen 6 is the estimated assessed valuation received from the county in June/July for the 2012 calendar year and used in the calculation of the district's tax rate ceiling. Do not enter the December 31, 2011, assessed valuation on Screen 6.

August cycle data should have been entered by August 15, 2012, or as soon thereafter as possible, as this will impact the accuracy and completeness of the Missouri School Directory.

## 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/sf-AAttendanceReporting.pdf>.

## 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 WEB 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 Finance website at <http://dese.mo.gov/divadm/finance/topicsandprocedures/documents/sf-AAttendanceReporting.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.

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.

## School Calendar Requirements

Missouri statute directs that *each school board shall prepare annually a calendar for the school term* per Section 171.031.1, RSMo. Due to the fact that a number of school districts that have moved, or in the future may consider moving, to a school year of less than one-hundred and seventy-four (174) days, it has been determined that additional guidance should be provided to give greater clarity on what needs to be considered when setting such calendars.

### School Calendar Options as Provided in Statute

School districts may operate under one of three possible calendar scenarios described below:

1. A traditional calendar may be adopted which requires the school board to provide a minimum term of at least 174 days and 1,044 hours of instruction, 171.031.1, RSMo.
  - a. Minimum required hours in a school day of 3 hours per Section 160.041.1, RSMo.
  - b. Maximum possible hours in a school day of 7 hours per Section 171.031.7, RSMo.
2. A calendar of less than 174 days may be adopted by the school board that provides a minimum of at least 1,044 hours of instruction, 171.029.1 RSMo.
  - a. Minimum required hours in a school day of 4 hours per Section 160.041.1, RSMo.
  - b. Maximum possible hours in a school day of 8 hours per Section 171.031.7, RSMo.
3. A calendar of 142 days (four days per week) may be adopted by the school board that provides a minimum of at least 1,044 hours of instruction, 171.031.1, RSMo.
  - a. Minimum required hours in a school day of 4 hours per Section 160.041.1, RSMo.
  - b. Maximum possible hours in a school day of 8 hours per Section 171.031.7, RSMo.

## Points of Clarification

1. Districts must establish which type of calendar they will be operating under as well as the number of days they plan to attend school prior to the opening of a new school year. In order to assure that the district has complied with this statute, the planned calendar will be reported to the Department on Core Data Screen 10 by August 15 of each year. Once the type of calendar has been established by the district the number of days of planned attendance cannot be amended or changed after the August 15 reporting date.

2. Districts that operate with a traditional calendar (174 days or more) may not attend fewer than 174 days or 1,044 hours except as forgiven by weather as established in Section 160.041, RSMo.
3. Districts that operate with a calendar of less than 174 days, and with a minimum of 1,044 hours, must attend the number of planned attendance days as certified to the Department on Core Data Screen 10 by August 15 of each year, except as forgiven by weather as established in Sections 171.033 and 160.041, RSMo.
4. Districts that operate with a calendar of 142 days, and with a minimum of 1,044 hours, must attend the number of planned attendance days as certified to the Department on Core Data Screen 10 by August 15 of each year, except as forgiven by weather as established in Sections 171.033 and 160.041, RSMo.
5. Section 163.021.1, RSMo, requires compliance with the minimum term for eligibility for state aid. A school day ending before the minimum required hours of class time does not count toward the day requirement and the hours do not count toward the 1,044 hour requirement. Since the day is not a legal school day, the hours and day do not count for state aid purposes. Such hours are not reported as a part of the school district's calendar and the attendance hours are not reported for the ADA calculation for state aid purposes.
  - a. Minimum required hours of class time to count as a school day:
    - i. School districts that provide a minimum term of at least 174 days and 1,044 hours of instruction must have at least three hours of class time to count day as an attendance day for calendar purposes.
    - ii. School districts that provide a minimum term of less than 174 days, and with a minimum of 1,044 hours, must have at least four hours of class time to count day as an attendance day for calendar purposes.

### Single Funding Certification – Federal Programs

Where employees are expected to work solely on a single Federal program (Perkins, IDEA, NCLB, etc.), charges for their salaries and wages are to be supported by the completion of the Single Funding Certification Form. This certification is to be signed at least each semester by the employee or supervisory official. Districts are expected to keep these forms on file to certify that all staff fully funded with federal funds are conducting activities consistent with the purposes of the funding sources. A sample form with the required content is available under **Publications and Forms** on the Federal Grants Management web page and at [http://dese.mo.gov/divimprove/fedprog/grantmgmt/PDF\\_Files/Single-Funding\\_Certification.pdf](http://dese.mo.gov/divimprove/fedprog/grantmgmt/PDF_Files/Single-Funding_Certification.pdf)

Please review your district's federal expenditure documentation and insure that this form has been completed for all applicable staff for the 2011-2012 year.

## *SCHOOL GOVERNANCE*

### Vision Screening

SB 16 was passed by the General Assembly in 2007. It required that all children entering Kindergarten and First Grade for the first time to have a comprehensive eye examination. It also required that all students have an eye screening before the end of First and Third Grades. SB 16 also created the Children's Vision Commission. The bill contained a sunset clause of June 30, 2012. The General Assembly did not pass legislation to extend the sunset provision. As a result, the screening provision for First and Third graders ended with the 2011-12 school year and the Children's Vision Commission ceased functioning on June 30, 2012. However, the law still requires comprehensive eye examinations for all students entering Kindergarten and First grade for the first time until September 1, 2013. In other words, eye examinations are still required for the 2012-13 school year.

### Nonresident Students

The School Administrative Services section has received a number of calls regarding the admission of nonresident students. Please note the following:

- If a school district enrolls a nonresident student the district must charge tuition and this student cannot be counted for state aid purposes.
- Homeless children are resident students.
- A child of a parent employed by the school district as a teacher or regular employee and agriculture exemptions are situations where a nonresident student may be enrolled and counted for state aid purposes.

It is the time of year when students are registering for school and the district is dealing with residency issues. It would be advisable, especially for districts with new administrators, to review the district's residency policy and enrollment forms. Additional information on residency, such as an enrollment checklist and residency waiver, can be found at the School Governance website at <http://dese.mo.gov/divadm/govern/index.html>.

Please contact Roger Dorson, Coordinator – School Administrative Services, at (573) 751-0357 if you have any questions relating to residency or other questions relating to the operation of your school district.

### **Use of Birth Certificates for Enrollment Purposes**

The Department of Health and Human Services - Bureau of Vital Records receives a large number of requests for birth certificates from parents attempting to enroll their child in a Missouri public school. According to the Bureau, these parents are being told they cannot enroll their child in a school district without a birth certificate containing the father's name and information on the certificate. The Bureau has questioned the Department about the use of birth certificates for this purpose.

Neither the Missouri Constitution, the Public School Laws of Missouri, nor Department rules require public school districts to request a birth certificate for enrollment purposes. In fact, school districts requiring this information before allowing a student to enroll may, in effect, be denying the student access to a public education for which s/he is otherwise legally qualified to receive. While a district may request a birth certificate at the time of enrollment, documents other than a birth certificate can be used to verify the age of a student. Finally, the U.S. Department of Education's Office for Civil Rights has, in the past, cautioned school districts about relying solely on birth certificates when other documents, such as parent affidavits or hospital records, are equally suitable as reliable sources of information.

In sum, the fact that a parent cannot provide a birth certificate with or without the father's name on it should not—by itself—prevent a child from enrolling in a public school.

### **MSPMA Annual State Conference**

The annual state conference of the Missouri School Plant Managers Association will be held on September 30 – October 2, 2012, at the Lodge of the Four Seasons at the Lake of the Ozarks. A MSPMA membership form and registration form for the conference have been sent in a separate mailing. Please provide the conference information to the person in your district in charge of facilities. Additional information about the conference can be obtained by calling Mr. Tony Sloan, Executive Director, at (573) 443-0789. Registration and conference information is also available at <http://www.mspma.com/>.

## **SCHOOL TRANSPORTATION**

### **National School Bus Safety Week**

National School Bus Safety Week is October 22-26, 2012. This Year's Theme is "I See the Driver – The Driver Sees Me". A National School Bus Safety Week Resource Guide and Activity Booklet may be printed off the National Association of Pupil Transportation's website at [http://naptonline.org/files/NSBSWdoc\\_Co.pdf](http://naptonline.org/files/NSBSWdoc_Co.pdf). School Bus Safety Week posters can be obtained from the National Assn. of Pupil Transportation at (800) 989-NAPT.

### **School Bus Driving Record Checks**

With the 2005 change in school bus driver licensing from the Department of Revenue's central office to local fee offices the Department of Revenue (DOR) no longer has access to employer information for notifications of changes in school bus "S" endorsement status. Driving records can be obtained for \$5.88 (plus \$2.00 at the fee offices). A verbal S endorsement status check can be obtained by calling DOR, General Issuance, (573) 751-2730 (ext. 2) or by calling an automated line at (573) 751-2730 (ext. 1).

It is recommended that the driving record or S endorsement status be checked *at least every 6 months*. School bus drivers are notified by letter when any S endorsement status change occurs. Driving record checks are also run when the applicant is applying for an S endorsement.

### **Exempt Railroad Crossings**

A current listing of the exempt railroad crossings in Missouri can be found on the Missouri Operation Lifesaver website at [http://www.showmeol.org/safety/exempt\\_crossings.pdf](http://www.showmeol.org/safety/exempt_crossings.pdf). Please make sure that school buses traveling in these areas with exempt crossings are aware of this information.

## ***Deputy Commissioner's Comments***

Below is revenue data for the initial month of FY13. It is our goal to continue to provide this information on a monthly basis to enable districts to keep track of the revenue picture at the state level. As you look at this data you will note that our net revenues are up nearly twelve percent (12%) compared to last year. Much of that increase is due to a **one time** infusion of \$40 million in the receipts category of Other Collections. This spike in revenue is due to Missouri receiving its portion of a settlement of fines charged against mortgage companies found liable for improper business practices associated with the collapse of the housing market in recent years. Districts are urged to monitor this report and use it as a gauge for predicting what the future budget year might hold.

**Revenue Trends YTD**

	<u>YTD as of July FY12</u>	<u>YTD as of July FY13</u>	<u>Revenue Change</u>	<u>% Change</u>
Individual Income Taxes	\$353,400,000	\$341,300,000	(\$12,100,000)	-3.42%
Sales & Use Taxes	\$126,700,000	\$145,400,000	\$18,700,000	14.76%
Corporate Inc. & Franchise	\$15,400,000	\$16,800,000	\$1,400,000	9.09%
Other Collections	\$22,900,000	\$56,000,000	\$33,100,000	44.54%
Increase in Revenue YTD			<b>\$41,100,000</b>	<b>7.93%</b>
			<u>Refund Change</u>	
Refunds (YTD)	\$66,200,000	\$53,700,000	(\$12,500,000)	-18.88%
Net Revenue Status YTD	\$452,200,000	\$505,800,000	<b>\$53,600,000</b>	<b>11.85%</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	\$29,876,862	\$28,521,638	(4.50%)
Gaming Revenue Appropriated		\$319,696,995	
Percentage of Budget Year Reflected YTD		8.33%	
Percentage of Appropriation Realized YTD		8.92%	

It is hard to believe that the summer has sped by and most Missouri schools have begun the 2012-13 School Year. I did, however, begin to accept that reality as I noticed parents and children filling shopping carts with school supplies. In spite of the challenging times we continue to face, I could not help being uplifted as I witnessed the enthusiasm of children at the beginning of another new school year.

Recently, a Missouri artist and personal friend, Jack E. Dawson, finished a work he entitled *Tree of Life*. In this piece he sought to capture the excitement of life, vision, and hope through children. Ironically, this work was born out of his own personal witness of the devastation caused by the tragic tornado that struck in his neighboring town of Joplin in 2011. In his comments about this print he said, "The children depict hopeful expectation for the future and who they will become in the years ahead." I believe that his words accentuate the essence of importance of the work that is ours to do.

My best wishes to all who serve Missouri's school age children. May our combined efforts result in a successful school year that expands the hopes and dreams of each student we serve.

Best wishes



Ronald Lankford