

# School Finance

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## PAYMENT CALCULATIONS

### August Payments

#### Basic Formula

The payment was based on the current data available for Fiscal Years 2020-21, 2019-20, and 2018-19 weighted average daily attendance (WADA). Due to the unique circumstances surrounding the FY 2021 withholding, the proration percentage used in the August payment is substantially lower than the expected final proration percentage for FY 2021. It is expected that each month the proration percentage will increase until becoming final in June of 2021. For other important information regarding this payment please see administrative memo [FAS-20-007 – Updated Information on July Payment to Schools](#).

#### Classroom Trust Fund

The payment was calculated using School Year 2019-20 average daily attendance data (ADA). As LEAs continue to verify and clean up FY 2020 data adjustments will be made in future months to reflect districts' School Year 2019-20 data submissions.

#### Proposition C

The payment was based on Fiscal Year 2019-20 weighted average daily attendance (WADA) used in the June Proposition C payment.

#### Transportation

The July and August payments were based on the June 2020 Transportation payment data and the Fiscal Year 2020-21 Transportation allocation. The September payment will also use the June 2020 Transportation payment data.

#### Summer School ADA

One common data quality issue affecting a district's calculation is the lack of the 2020 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 months once the summer school attendance data has been submitted to DESE. *Districts should submit the 2020 summer school attendance data as soon as possible.*

## State Adequacy Target (SAT) and Threshold Recalculation

The SAT and related Thresholds for school years 2020-21 & 2021-22 have been recalculated. The SAT was calculated at \$6,375 but per 163.011 RSMo, “should a recalculation result in an increase in the state adequacy target amount, fifty percent of that increase shall be included in the state adequacy target amount in the year of recalculation, and fifty percent of that increase shall be included in the state adequacy target amount in the subsequent year.” The SAT and thresholds are as follows:

Item	Amount
State Adequacy Target FY 2021	\$6,375
Free & Reduced Lunch Threshold	29.45%
Special Education (IEP) Threshold	12.83%
Limited English Proficiency Threshold	2.07%

## DVM for FY 2021 & FY 2022

The dollar value modifier (DVM) for FY 2021 and FY 2022 may be viewed at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>.

## AUDIT REPORTS

### Fiscal year 2020 Audit Submissions via Tiered Monitoring System

The following guidelines are provided for the Fiscal Year 2020 Audit Submissions:

- Audits, copies of signed board minutes approving the audit, and management letters should be submitted to DESE via the Tiered Monitoring System. The documents should be in Adobe searchable pdf format, version 11.0 or lower. The file description should easily identify the document, such as audit, management letter, or signed board minutes.
- The audit report should be uploaded as “Audit Documents (required fiscal audit)” and the board minutes, management letter and any corrective action plans would be “Audit Documents (supporting docs)” in the file upload dialog box for the 2020-21 fiscal year. The file upload box will also require adding the contact information for the auditor before the audit report can be uploaded. (Use the [global document repository \(uploads\)](#) link under “Utilities” on the right side of the screen to upload the documents.)
- The deadline for submitting audits is **December 31, 2020**. There is no longer any need to file for an extension of the audit deadline.
- Copies of signed board minutes and management letters may be submitted after the December 31 deadline. These documents should include all required signatures, which is a change from current practice.
- The school, not the auditor, is responsible for ensuring that the audit, board minutes, and management letter are submitted to DESE in compliance with the provisions of the audit rule. With the change of audit submission via the Tiered Monitoring System, the auditor should not have access to this system and, therefore, not be able to upload the audit documents.
- To minimize the need for subsequent audit corrections, schools are strongly encouraged to complete the following checklist prior to submitting the audit:
  - The pages of the audit have been compared to the Table of Contents and no pages are missing or out of order. Audits with missing pages may be rejected as incomplete.
  - The audit includes the auditor’s signature and the date of the audit report. Audit reports that are not signed and dated may be considered a draft, not a final report. Draft reports cannot be accepted in satisfaction of the audit requirement.
  - The ending debt balances in the audit report (reported in the financial statements and/or Notes to the Financial Statements) agree to the balances reported in Part IV, Long and Short Term Debt, of the Annual Secretary of the Board Report (ASBR). Any differences should be reconciled.

- The audit includes the updated version of the Schedule of Selected Statistics, which can be found at <http://dese.mo.gov/financial-admin-services/school-audits>.
- The data reported on the Schedule of Selected Statistics agrees to the corresponding data on the ASBR and MOSIS/Core Data. If changes to the ASBR and/or MOSIS/Core Data are needed as a result of the review, please revise and resubmit corrections as soon as possible and notify your auditor of any changes.
- Submit/upload corrective action plans for federal and state findings in a separate document from the audit report.
- The audit submission includes the district's Single Audit, if applicable. There is no provision in the rule allowing the Single Audit portion of the audit to be submitted at a later date

## Publication of the Audit

Per 165.121, RSMo, within thirty days of the receipt of the audit report the school board shall cause a summary of the report to be prepared which shall include, together with any other matter the board deems appropriate, the following:

- 1) A summary statement of fund balances and receipts and disbursements by major classifications of each fund and all funds;
- 2) A summary statement of the scope of the audit examination;
- 3) The auditor's opinion on the financial statements included in the audit report.

Immediately upon the completion of the summary, the school board shall cause it to be published once in a newspaper within the county in which all or a part of the district is located which has general circulation within the district or, if there is none, then the board shall cause the summary to be posted in at least five public places within the district. The publication shall contain information as to where the audit report is available for inspection and examination. The report shall be kept available for such purposes thereafter.

## CARES ACT

### CARES Act

New revenue and project codes were added associated with the new CARES grants announced in the July 29, 2020 [FAS-20-008 – CARES Act Funding Details](#) administrative memo. They can be found on the [Missouri Financial Accounting Manual](#) Page. Note several of these new grants have expenditures that may have occurred during FY 2019-20. If claiming these expenditures the LEA will need to recode those expenditures using the appropriate project code and then re-upload revised data into the Annual Secretary of the Board Report.

## CORE DATA

### 2020-21 Contact Information on Core Data Screen 3 and Screen 4

Please ensure that the district has updated the contact information on Core Data Screen 3 and Screen 4 with the most current contact information. These screens provide contact information to the DESE staff and it is important that this information is kept current throughout the school year.

### 2020-21 Core Data Screen 6

The 2020 (School Year 2020-21) 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 2020 entered on Screen 6 is the estimated assessed valuation received from the county in June/July for the 2020 calendar year and used in the calculation of the district's tax rate ceiling. Do not enter the December 31, 2019, assessed valuation on Screen 6 and do not update the Assessed Valuation once the tax rate has been set.

August cycle data should have been entered by August 15, 2020, or as soon thereafter as possible, as this will impact the accuracy and completeness of the [Missouri School Directory](#).

## OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

### Attendance Reporting

For guidance regarding various attendance reporting scenarios, especially those unique to the COVID-19 pandemic, please refer to the School Finance website at <https://dese.mo.gov/sites/default/files/sf-AAttendanceReporting.pdf>.

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

The estimated regular term ADA for 2020-21 may be provided to your School Finance consultant to be entered on the Estimated ADA Screen. The district would report an estimated regular term ADA for the **2020-21** year *only if the district's 2020-21 regular term ADA is expected to be greater than both the 2019-20 and 2018-19 regular term ADA figures* and the district wants to be paid in 2020-21 on the 2020-21 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/sites/default/files/sf-AAttendanceReporting.pdf> for the description of qualified remediation attendance.

Districts who will be claiming eligible prekindergarten ADA for state aid will wish to evaluate if they need to estimate their regular term ADA and should contact their school finance contact after school starts and enrollment is stable.

The local education agency (LEA) charter schools and non-LEA charter schools must provide an estimated regular term ADA to their School Finance consultant for 2020-21. Payment is made to charter schools on current year attendance.

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

Revisions to the 2020-21 estimated ADA may be made through **May 15, 2021**. 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. The school term in school year 2020-21 and subsequent years shall consist of one thousand forty-four hours of actual pupil attendance with no minimum number of school days required, and "school day" shall mean any day in which, for any amount of time, pupils are under the guidance and direction of teachers in the teaching process. For kindergarten and prekindergarten grade levels the board shall provide a minimum of five hundred twenty-two hours of actual pupil attendance in a term with no minimum number of school days. In short:

For the 2020-21 year there is only an hour requirement of 1,044 hours or 522 hours in session for half day kindergarten or prekindergarten programs claimed for state aid.

- There is no longer a minimum and maximum day length.

For the 2020-21 year there is a make-up hour requirement instead of a day requirement.

- 36 planned make-up hours are required.
- The district or charter school cannot go below 1,044 hours in session, or 522 hours in session for half day kindergarten or prekindergarten programs claimed for state aid, unless forgiven by weather make-up requirements. Weather make-up requirements are:
  - The first 36 weather hours are made up, then half the amount thereafter up to 48 hours, for a maximum of 60 total make-up hours.

The 2020-21 year is the first year that there is an option to use up to 36 Alternative Method of Instruction (AMI) hours. AMI hours can be used for any hours of school lost or cancelled due to exceptional or emergency circumstances during a school year which shall include, but not be limited to, inclement weather, a utility outage, or an outbreak of a contagious disease. The alternative method of instruction, provided for in a DESE approved plan, can be used for up to 36 hours during the school year pursuant to 171.033.5, however, since these are considered hours of instruction they not offset the requirement to plan 36 weather make-up hours.

## 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 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](mailto: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

### Nonresident Students

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

- Districts are not allowed to claim for state aid non-resident students seeking to enroll because their resident district is not providing onsite instruction. If a school district enrolls a nonresident student the district must charge tuition and this student cannot be counted for state aid purposes. There are very few exceptions to this.
- Homeless children are resident students, for more information regarding homeless children, contact Cheryl Kosmatka at 573-522-5811.
- A child of a parent employed by the school district as a teacher or regular employee may be enrolled as resident students.

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/financial-admin-services/school-governance>.

Please contact David Tramel, 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 they are 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 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.

## STUDENT TRANSPORTATION

### National School Bus Safety Week

National School Bus Safety Week is October 19-23, 2020. This year's theme is Red Lights Mean Stop! A resource guide and activity booklet may be accessed by clicking on the following link: [A National School Bus Safety Week Resource Guide and Activity Booklet](#). School Bus Safety Week posters can be obtained from the American School Bus Council at [info@americanschoolbuscouncil.org](mailto:info@americanschoolbuscouncil.org).

### School Bus Driving Record Checks

Driving records can be obtained for \$2.82 (plus \$2.00 at the fee offices). A verbal driver's 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.

### DNR Guidance on Reducing School Bus Engine Idling

Help improve the air quality in your school district by reducing bus engine idling. Remind school bus drivers that buses emit many harmful pollutants right where children are breathing. Modern diesel buses do not need to idle more than five minutes for a cold start-up and are not harmed by frequent re-starting. Learn more about how to save fuel costs and improve air quality at <http://dnr.mo.gov/pubs/docs/pub2354.pdf>.

### Reminder of 2018 School Transportation Legislation

#### SS HCS HB 1606 and SB 687

302.272, RSMo. For drivers who are at least seventy years of age, such examination, **excluding the pre-trip inspection portion of the commercial driver's license skills test**, shall be completed annually **to retain the school bus endorsement**. *Effective August 28, 2018*

#### SS HCS HB 1606

162.064, RSMo. Each school district shall have on file a statement from a medical examiner which indicates that the driver is physically qualified to operate a school bus for the purpose of transporting pupils. Such statement shall be made on a **biennial** basis. The term "medical examiner" includes, but is not limited to, doctors of medicine, doctors of osteopathy, physician assistants, advanced practice nurses, and doctors of chiropractic. For new drivers, such statement shall be on file prior to the driver's initial operation of a school bus. This section shall apply to drivers employed by the school district or under contract with the school district. *Effective August 28, 2018*.

## **School Finance**

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



The Missouri Department of Natural Resource's Volkswagen Trust School Bus Program school bus replacement cycle is open for school buses that are 1992-2009 model year. The Missouri Department of Natural Resources is accepting applications Monday, March 2 through May 31, 2020 at 5 p.m. CDT. All school bus fleet owners may apply for the replacement of up to three buses on an application, plus as many as two more buses if applying for new alternative fuel or all-electric buses. More information is available at <https://dnr.mo.gov/env/apcp/vw/school-buses.htm>.