

School Finance

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PAYMENT CALCULATIONS

February Foundation Payment Calculations

The February Basic Formula payment, including Classroom Trust Fund, was calculated using the most current data available as reported by the district to DESE. The SAT was adjusted to \$6,375. 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 (webreplyadmsf@dese.mo.gov) with questions or concerns about the district's calculations.

New ASBR Listserv

An ASBR listserv has been created in order to send pertinent ASBR and coding guidance to those who wish to receive it. To sign up for the listserv go to <https://dese.mo.gov/financial-admin-services/school-finance/annual-secretary-board-report-asbr-listserv> and follow the instructions for subscribing. Please forward this information to all staff who would be interested in signing up for this new listserv.

Financial Institution Tax Reduction Payment

HB 604 was passed during the 2019 legislative session and modified 163.018, RSMo, to create a payment that districts would receive from the Department of Elementary and Secondary Education to make up for the reduced Financial Institution Tax owed due to the corporate income tax reduction in 143.071, RSMo. Per the Missouri Department of Revenue, Taxation Division, this reduced rate became effective January 1, 2020, and the first tax return using the new reduced rate for financial institutions are required to be filed and any applicable taxes paid by April 15, 2021. Any tax paid will be distributed in December 2021 making the first payment from the Department of Elementary and Secondary Education for the Financial Institution Tax Reduction to be paid in January 2022.

School Finance will obtain all necessary information to make this payment directly from the Department of Revenue. There will be no need for districts to submit information to obtain this payment in January 2022.

Estimated Regular Term Average Daily Attendance (ADA)

Districts with growing enrollment or weighted populations of students are encouraged to estimate their ADA for payment purposes. Also, if your district will be claiming prekindergarten students for state aid it will be necessary to estimate an ADA including those prekindergarten students in order to get paid on those students in the current year.

To help determine if it would be advantageous for your district to estimate ADA for the Fiscal Year 2020 year please see the Estimated ADA page located under School Finance in the web application system. Also, a tool has been developed to compare current year information for your district to the district’s first or second preceding year WADA. This tool can be found on the School Finance website under Calculation Tools at <https://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>. There is a sheet in the tool labeled “Instructions” that provides instructions on estimating ADA and logic related to estimated regular term ADA.

If your district determines it is appropriate to estimate an ADA for Fiscal Year 2020 please email your district’s School Finance contact the following:

- The regular term ADA you wish to estimate separated by PK and K-12.
- The enrollment used as the base on your estimate.
- The attendance percentage used to develop the estimate.
- Any other logic applied to determine the estimate provided.

Once the email is received, the information provided will be reviewed to determine if the estimate appears reasonable. If the estimate appears reasonable then your district’s School Finance contact will enter the estimate on the Estimated ADA Screen. Please monitor your estimated ADA throughout the year to ensure overestimating does not occur. This estimate may be adjusted at any time during the year by sending a revised estimate which includes the detailed information outlined above.

Revisions to the 2019-20 estimated ADA may be made through **May 15, 2020**. Contact School Finance staff if you have questions about estimating ADA.

FISCAL YEAR 2019-20 BUDGET ESTIMATES

State Adequacy Target (SAT) and Threshold Recalculation

The SAT and related Thresholds for Fiscal Year 2019-20 are as follows:

Item	Amount
State Adequacy Target FY 2020	\$6,375
Free & Reduced Lunch Threshold	31.42%
Special Education (IEP) Threshold	12.06%
Limited English Proficiency Threshold	2.50%

Fiscal Year 2019-20 Budget Estimate Information

	Basic Formula ³	Classroom Trust Fund ¹	Prop C ²	Small Schools Grant \$10M ¹	Small Schools Grant \$5M ⁴
SAT/Amount Per Appropriation	\$6,375	\$412	\$1,049	\$280	\$150
Project Cash Available	\$3,553,211,885	\$349,999,054	\$958,400,000	\$10,000,000	\$5,000,000
Denominator		\$340,000,000			
		825,578	913,246	35,728	33,363

¹ADA / ² WADA / ³ FWADA / ⁴ Tax-Rate WADA

Classroom Trust Fund dollars are running approximately eight million behind the appropriated level and in the past by June dollars compared to appropriation has ranged from meeting the appropriation to being ten million dollars short of the appropriated level. If Classroom Trust Fund dollars run ten million short of the appropriation the amount is estimated to be \$412 per ADA. You are urged to continue to closely monitor the Classroom Trust Fund receipts for the remainder of the year.

Proposition C payments each month vary due to the cash available which is based on sales tax paid roughly two months prior. At this point we remain cautiously optimistic that Proposition C funds will reach the appropriated level, but you are urged to continue to closely monitor the Proposition C receipts for the remainder of the year.

Below is trend data for Proposition C Payments as of the February payment for the last four years:

Fiscal Year	Paid-to-date as of the February Payment	Appropriation	Percent Paid-to-Date
2016-2017	\$603,886,245.79	\$884,800,000	68.25%
2017-2018	\$605,015,583.75	\$901,600,000	67.10%
2018-2019	\$608,851,491.30	\$917,500,000	66.36%
2019-2020	\$612,574,471.74	\$958,400,000	63.90%

Please call or email School Finance at 573-751-0357 (finadmgo@desemo.gov) with questions or concerns about the district's calculations.

FISCAL YEAR 2020-21 BUDGET ESTIMATES

State Adequacy Target (SAT) and Threshold Recalculation

The SAT and related Thresholds for Fiscal Year 2020-21 are as follows:

Item	Amount
State Adequacy Target FY 2020	\$6,375
Free & Reduced Lunch Threshold	29.45%
Special Education (IEP) Threshold	12.83%
Limited English Proficiency Threshold	2.07%

Fiscal Year 2020-21 Budget Estimates

	Basic Formula ³	Classroom Trust Fund ¹	Prop C ²	Small Schools Grant \$10M ¹	Small Schools Grant \$5M ⁴	Transportation
SAT/Amount						
Per/% Increase	\$6,375	\$428	\$1,065	\$280	\$150	3% Increase
Governor's Budget Denominator	\$3,553,211,885	\$353,359,579	\$972,900,000	\$10,000,000	\$5,000,000	117,547,713
		825,580	913,246			

¹ADA / ² WADA / ³ FWADA / ⁴ Tax-Rate WADA

Remember that these amounts will only be achieved if revenue is available to fund at the level appropriated.

DATA COLLECTION

Mid-Year Fund Balance Reporting

The mid-year fund balance reporting is a part of the February Core Data cycle on Core Data Screen 35. Each district is required to report the following information as of December 31, 2019:

- Incidental and Teachers Funds Unrestricted Ending Fund Balance as of December 31 that can be found in the district's accounting records.
- Tax Anticipation borrowing in the Incidental or Teachers Funds between July 1 and December 31.
- Transfers from the General Fund to the Capital Projects or Debt Service Funds between July 1 and December 31.

If you have any questions regarding this reporting, please contact School Finance at (573) 751-0357.

Core Data Screen 15 – Home School/Free and Reduced Lunch Data

The February Cycle MOSIS submission will populate the Home School/Free and Reduced Lunch Data, Core Data Screen 15, which is used to collect the number of students eligible for free or reduced price lunch as of the last Wednesday in January (January 29, 2020) in the category described in the Core Data Collection System Manual – State FTE Free or Reduced Lunch Eligible Students. A description follows:

State FTE Resident Free or Reduced Lunch Eligible Students

1. Report the full-time equivalency count of resident students enrolled in grades K-12 on January 29, 2020, and in attendance one of the 10 preceding school days whose eligibility for free or reduced lunch is documented (through the application process using federal eligibility guidelines or through the direct certification process). For districts that participate in the Community Eligibility Program (CEP) all of the students enrolled in the district (if CEP is chosen district wide) or all of the students enrolled in a CEP building (if only certain buildings at the district participate) are considered eligible for free and reduced lunch.
2. Report eligible students on a full-time equivalency (FTE) basis. A student attending one-half day is counted as .5, one-fourth day as .25, etc. Kindergarten students attending less than a full day per the first grade calendar are included in the counts as a ratio of the kindergarten calendar divided by the first grade calendar. Example: If the calendar for "full day" students in a school is 1050 hours and the calendar for kindergarten students is 630, then the FTE for those kindergarten students would be 630/1050 or .60. In no case should a full-time half-day kindergarten student be reported less than .50.
3. Eligible students are counted regardless of whether or not they actually eat lunch/breakfast.
4. Nonresident students are to be counted by the district which pays the tuition for those students and are reported as "Resident II Students".
5. Do not count students for whom the Department does not distribute state aid. (Students in preschool, the Parents as Teachers Program or state schools are not counted for state aid purposes.)
6. Students are reported by attendance center. The total free and reduced lunch eligible students for an attendance center may not exceed the attendance center's January membership count reported on Screen 16.
7. Desegregation students are considered residents of the district in which the students are educated. Deseg In free and reduced lunch student counts will populate in separate columns for each attendance center.

The above paragraph describes the count of students eligible for free or reduced price lunch which differs from the count used by Food and Nutritional Services in the National School Lunch Program. The criteria for the **National School Lunch** count of free or reduced lunch eligible students include:

1. Report on the monthly lunch claim for food service reimbursement the highest number of students eligible for free or reduced price lunch during the month being reported.
2. Report students on a head count basis. (Both part-time and full-time students are counted as 1 in the head count.)
3. Eligible students are those eligible for free or reduced price meals that have access to the lunch program. This eligibility would include PK students and students up to age 21 that are enrolled in a high school grade and are allowed access to the lunch program.
4. Eligible students are counted regardless of whether or not they actually eat lunch/breakfast.
5. Students are reported by the district in which they are educated.

Core Data Screen 16 – January Membership

The February Cycle MOSIS submission will populate Core Data Screen 16 providing a membership count of resident students who were enrolled on January 29, 2020, and were in attendance one of the previous ten school days. The February Cycle was due to DESE by February 15, 2020.

OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

Inclement Weather

Districts must comply with Section 163.021.1, RSMo, which requires compliance with the minimum term to be eligible for state aid. Additionally, Section 171.033.3, RSMo, states “in school year 2019-20 and subsequent years, a school district may be exempt from the requirement to make up school lost or cancelled due to inclement weather in the school district when the school district has made up the thirty-six hours required under subsection 2 of this section and half the number of additional lost or cancelled hours up to forty-eight, resulting in no more than sixty total make-up hours required by this section”.

“Inclement weather”, for purposes of this section, shall be defined as ice, snow, extreme cold, excessive heat, flooding, or a tornado.

Reminder: Hours that are forgiven due to inclement weather will not have an adverse impact on the average daily attendance (ADA) calculation. This will create a situation which will have an effect on both components (both the total attendance hours and the hours-in-session) of the ADA calculation and, therefore, will not have a negative impact on the ADA.

The above information regarding inclement weather and a short FAQ are available at <https://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures> under the Inclement Weather link.

Lengthening or Shortening the School Year and the Impact on Funding

If a district or charter school changes the length of their school year, even if due to weather forgiveness, there is no impact on funding because it does not change the Average Daily Attendance (ADA). The ADA is calculated by taking the actual attendance hours of the students divided by the possible attendance hours of a student (the calendar). This will result in no more than a 1.0 ADA for a student who had perfect attendance.

ADA is only increased due to the following reasons:

- Enrollment increase
- Better attendance rate
- Qualified remedial hours
- Summer School ADA

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 Improvement 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.

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.

Fiscal Year 2019 Audit Submission

As a reminder, any district or charter school that has **not** uploaded their signed board minutes and/or management letter (from the auditor, not the management representation letter) into the Tiered Monitoring System need to do so as soon as possible.

STUDENT TRANSPORTATION

2019-20 State Transportation Aid Calculation

The Fiscal Year 2019-20 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 fourth live state transportation calculation made for the current year. The calculation is based on 2018-19 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 February 2020 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>
February 2020	67.205085%	3.885269	-1.396191

DOT CBD Notice

Below is a link for newly issued guidance from the US DOT Office of Drug and Alcohol Policy and Compliance (ODAPC) regarding use of “Cannabidiol” (CBD) products by commercial drivers, including school bus drivers.

https://content.govdelivery.com/attachments/USDOT/2020/02/14/file_attachments/1379861/ODAPC%20CBD%20Notice.pdf

Ridership List

The second ridership list for the current school year should have been finalized on the second Wednesday of February (February 12, 2020). This list should be a compilation of the students' names that regularly ride the bus from the beginning of the second semester to the February count day and should identify which students are eligible for state transportation aid (those living one mile or more from school) and those ineligible for state transportation aid (those living less than one mile from school).

The ridership list should not be a listing of all students who are eligible or ineligible to ride the buses nor should it be a listing of only those students riding on the count day, but should be a listing of students regularly riding the buses. A student should ride the bus a minimum of once a week to be considered a regular rider.

Drug and Alcohol Clearinghouse – Effective January 6, 2020

The following information is from the DOT website:

The Clearinghouse is a secure online database that will give employers, the FMCSA, State Driver Licensing Agencies (SDLAs), and State law enforcement personnel real-time information about commercial driver's license (CDL) and commercial learner's permit (CLP) holders' drug and alcohol program violations. An act of Congress directed the Secretary of Transportation to establish the Clearinghouse.

The Clearinghouse will enable employers to identify drivers who commit a drug and alcohol program violation while working for one employer, but who fail to subsequently inform another employer (as required by current regulations).

- The Clearinghouse will also require the following:
- Employers will be required to query the Clearinghouse for current and prospective employees' drug and alcohol violations before permitting those employees to operate a CMV on public roads.
- Employers will be required to annually query the Clearinghouse for each driver they currently employ.

Effective Date Extended to February 7, 2022 – NEW Federal Entry Level Driver Training (ELDT)

Following is a link to a document which details key points regarding the new Federal Entry Level Driver Training which is effective February 7, 2022, for your transportation department and any other entry level employees who are obtaining their CDL or making changes to their CDL (<https://dese.mo.gov/sites/default/files/sf-EntryLevelDriverTraining-2019.pdf>).

School Finance

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



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