

School Finance

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PAYMENT CALCULATIONS

January Foundation Payment Calculations

The January 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 or webreplyadmsf@dese.mo.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 change in threshold percentages are as follows:

<u>Weighting Component</u>	<u>FY15 & FY16</u>	<u>FY17 & FY18</u>
Free & Reduced Lunch (FRL)	41.00%	36.12%
Special Education (IEP)	12.60%	12.16%
Limited English Proficiency (LEP)	2.10%	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://dese.mo.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.

UPCOMING CHANGES TO THE ACCOUNTING CODE STRUCTURE DUE TO ESSA

Updated Project Codes

The Department of Elementary and Secondary Education's School Finance Section has posted an updated Project Code document to provide districts and charter schools with guidance related to Project Codes required to be used starting July 1, 2018. This document can be found on the School Finance Accounting Manual webpage under Accounting Structure Changes.

Updated Function and Object Codes Required to be Reported at a Building Level

The Department of Elementary and Secondary Education's School Finance Section has posted an updated Function and Object Codes Required to be Reported at a Building Level document to provide districts and charter schools with guidance related to building level reporting requirements starting July 1, 2018. This document can be found on the School Finance Accounting Manual webpage under Accounting Structure Changes.

Additional Accounting Manual Changes

The Department of Elementary and Secondary Education's School Finance Section has posted an updated document showing some of the changes that will be occurring in the July 1, 2018 Missouri Financial Accounting Manual. This document can be found on the School Finance Accounting Manual webpage under Missouri Financial Accounting Updates. This document will be updated as new changes are determined.

Potential New Object Code Survey Results and New Survey

A follow-up survey has been posted after reviewing the November 28, 2017 potential new object code survey. Please go to the following address to review the original survey results and provide feedback on the modified proposal on potential new object codes: <https://www.surveymonkey.com/r/PotentialNewObjectCodesUpdate>. Deadline to complete this survey is January 19, 2018, at 5:00 pm.

Webinar to Explain and Discuss the Various ESSA Coding Guidance Documentation

February 13, 2018 at 10:00 A.M. a webinar will be held with presenters from School Finance, Special Education Finance, Federal Finance, and Early Learning. DESE staff will discuss the various ESSA coding guidance documentation that has been distributed to districts and take questions regarding this material.

ATTENDANCE HOUR REPORTING

Attendance Hour Reporting

Attendance hours are an important component of the average daily attendance (ADA) calculation. Accurate documentation must be kept to ensure that districts are properly reporting attendance data on students. To help ensure that districts/LEAs are reporting attendance correctly, an Attendance Hour Reporting document is available on the School Finance Topics and Procedures page located [here](#). Following are a few points to help clarify what can and cannot be claimed as attendance hours for State Aid:

- 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.
- Attendance Recovery - Law does not allow for the make-up of attendance hours. If a student is absent those hours must be reported as absent 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.
- Poor Attendance Days - Districts are required to report all hours of student attendance and absence. There is no allowance in state statute to drop a day of school due to poor attendance and make that day up with another day. This would be considered intentional manipulation of attendance records and would result in an overstatement of

attendance hours. If the district attended school the day must be reported unless it did not meet the minimum day length to count as a day of school according to state statute.

- The only attendance hours that can be claimed for state aid that does not occur under the supervision of a certified instructor is Virtual Course hours. Computer based courses are different from Virtual Courses and cannot be claimed unless under the supervision of a certified instructor.
- Any hours claimed as remedial hours must meet the definition of remedial hours as outlined in 167.640.1, RSMo, 167.340.2, RSMo, and 167.645, RSMo. See the Attendance Hour Reporting Document for more detailed information.
- If a program is 100% funded with federal funds then the hours cannot be claimed for state aid (do not report as remediation hours, attendance hours, or summer attendance hours).
- Districts/LEAs do not have the ability to claim attendance hours for students when school is closed due to weather. There is no allowance in law to have attendance hours claimed for students if they perform school work at home or do online school work.

DATA COLLECTION

Mid Year Fund Balance Reporting

The mid year fund balance reporting will occur as a part of the February Core Data Cycle on Core Data Screen 35. Each district/LEA will be required to report the following information as of December 31, 2017:

- Incidental and Teachers Funds Unrestricted Ending Fund Balance as of December 31.
- 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 31, 2018) 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 31, 2018, 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 has been chosen district wide) or all of the students enrolled in a CEP building (if only certain buildings in 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 School Food Service 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 31, 2018, and were in attendance one of the previous ten school days. The February Cycle is due to DESE by February 15, 2018.

OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

Inclement Weather

Districts/LEAs must comply with Section 163.021.1, RSMo, which requires compliance with the minimum term, including a minimum number of days and hours, to be eligible for state aid. Additionally, Section 171.033.4, RSMo, provides forgiveness for inclement weather days after a specified number of inclement weather days have been reached by a school district or charter school. Below is specific information regarding minimum day length, minimum hours of attendance, and inclement weather forgiveness day information.

Minimum Hours Required in a School Day

Severe weather increases the possibility of an early release from school. Section 160.041.1, RSMo, states that a minimum school day consists of at least 3 hours (except districts establishing less than a 174 day school calendar which require 4 hours) in which the pupils are under the guidance and direction of teachers in the teaching process. Districts must meet both the minimum day requirement and the minimum hour requirement as dictated by their respective calendar.

Minimum required hours of class time to count as a school day:

- 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 the day as an attendance day for calendar purposes.
- 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 the day as an attendance day for calendar purposes.

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 the 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 in the June MOSIS Enrollment and Attendance file submission for the ADA calculation for state aid purposes.

Missed School Days

Some school districts may have missed days this school year due to inclement weather. Per 171.033.4, RSMo:

"In the 2009-2010 school year and subsequent years, a school district may be exempt from the requirement to make up days of school lost or canceled due to inclement weather in the school

district when the school district has made up the six days required under subsection 2 of this section and half of the number of additional lost or canceled days up to eight days, resulting in no more than ten total make-up days required by this section.”

“Inclement weather”, for purposes of this section, shall be defined as ice, snow, extreme cold, flooding, or a tornado, but such term shall not include excessive heat.

This rule applies to districts that plan to attend 174 days or more as well as to those districts that plan to attend less than 174 days (per Section 171.029, RSMo). Days that are missed for reasons other than inclement weather, such as illness, have to be made up and are not included in this provision of law.

Reminder: Days 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 following two charts illustrate the make-up requirements associated with this statute.

Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10	Day 11	Day 12	Day 13	Day 14	+
M	M	M	M	M	M	M	F	M	F	M	F	M	F	F

Key:

M = Day must be made up

F = Day is forgiven

Days Missed	Days to Make Up
1 Day	1
2 Days	2
3 Days	3
4 Days	4
5 Days	5
6 Days	6
7 Days	7
8 Days	7
9 Days	8
10 Days	8
11 Days	9
12 Days	9
13 Days	10
14 Days	10
More than 14	10

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.

Fiscal Year 2017 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 needs to do so as soon as possible.

SCHOOL GOVERNANCE

Qualified Zone Academy Bonds (QZAB)

Congress has not re-authorized the Qualified Zone Academy (QZAB) program. There are no remaining funds from previously authorized monies.

If you have questions, contact David Tramel at (573) 751-0357 or david.tramel@dese.mo.gov.

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 fourth 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 January 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>
January 2018	70.369240%	3.554001	-1.408334

School Bus Purchases

Missouri Statute 304.060, RSMo, requires school districts to comply with State Board of Education regulations that set school bus safety standards (this statute carries a "guilty of misconduct" violation for any school employee who does not comply with this requirement). School districts and their school bus contractors are required by State Board of Education Regulation 5 CSR 30-261.025 to operate only school buses that meet Missouri Minimum Standards for School Buses. In addition, school bus manufacturers are also charged in the Minimum Standards with certifying that their product meets the Minimum Standards for School Buses.

Please make sure that all school bus purchases, *including used school buses*, specify that the school bus meets Missouri Minimum Standards for the year in which the bus was manufactured. Several states do not have the same specifications that Missouri does including the fire block seat upholstery, the second stop arm, and the lower side skirts.

Ridership List

The second ridership list for the current school year must be finalized on the second Wednesday of February (February 14, 2018). 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.

School Finance

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



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