

# 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. The SAT was adjusted to \$6,365.047514752. 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](mailto:webreplyadmsf@dese.mo.gov)) with questions or concerns about the district’s calculations.

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

The calculated Threshold percentages to be used in the Weighted Average Daily Attendance (WADA) calculation for FY 2019 and FY 2020 declined from prior years. This decline may cause districts’ FY 2020 WADA to increase over prior year’s calculations due to greater weighting of one or all of the weighting categories. The change in Threshold percentages are as follows:

Year	Free & Reduced Lunch (FRL)	Special Education (IEP)	Limited English Proficiency (LEP)
FY 2017 & FY 2018	36.12%	12.16%	1.94%
FY 2019 & FY 2020	31.42%	12.06%	2.50%

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 FY 2020 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 FY 2020 please email your district’s 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.

## 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.

## 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 will be required to report the following information as of December 31, 2019:

- 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 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 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.)

### 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 is due to DESE by February 15, 2020.

## OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

### Inclement Weather Requirements for FY 2020

Districts and charter schools must comply with Section 163.021.1, RSMo, which requires compliance with the minimum term, which is a minimum of 1,044 hours, to be eligible for state aid. Additionally, Section 171.033.2(2), RSMo, provides forgiveness for inclement weather days after a specified number of inclement weather hours have been reached by a school district or charter school. Below is specific information regarding inclement weather forgiveness.

## Inclement Weather Make-up Hours

Some school districts and charter schools may miss hours during the school year due to inclement weather. Per 171.033.3(2), RSMo:

“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.

Per 171.033.5, RSMo., starting in 2020-21 an approved alternative method of instruction 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 (not yet available), 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 will not count towards the required weather make-up hours.**

Hours 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 unless provided under an approved alternative method mentioned above (limited to 36 hours).

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 following charts and scenarios illustrate the make-up requirements associated with this statute.

School district or charter school plans 1,080 hours (1,044 plus 36 hours). Thirty-six weather make-up hours must be shown as planned weather make-up hours. School was dismissed for five full inclement weather days resulting in a loss of 32.5 hours. The school district or charter school does not have to make-up the hours missed for inclement weather since they were included in the original planned calendar and the calendar would remain greater than the 1,044 hour requirement.

1. School district or charter school plans 1,080 hours (1,044 plus 36 hours). Thirty-six weather make-up hours must be shown as planned weather make-up hours. School was dismissed for seven full inclement weather days resulting in a loss of 46 hours. The school district or charter school would be forgiven a total of five weather hours ( $46 - 36 = 10$ ,  $10/2 = 5$ ) and be required to make-up five hours missed for inclement weather to meet the 1,039 hour calendar requirement.
2. School district or charter school plans 1,104 hours (1,044 plus 60 hours) 36 weather make-up hours must be shown as planned weather make-up hours. School was dismissed for 10 full inclement weather days resulting in a loss of 65 hours. School district or charter school does not have to make-up any weather days missed weather since the maximum required make-up hours were included in the original planned calendar. The district or charter school would be forgiven the 14.5 additional hours lost due to weather allowing the calendar to be no less than 1,029.50 hours at the end of the school year.
3. School district or charter school plans 1,104 hours (1,044 plus 60 hours) 36 weather make-up hours must be shown as planned weather make-up hours. School was dismissed for 13 full inclement weather days resulting in a loss of 90 hours. School district or charter school does not have to make-up any weather days missed since the maximum required make-up hours were included in the original planned calendar. The district or charter school would be forgiven the 30 additional hours lost due to weather allowing the calendar to be no less than 1,014 hours at the end of the school year.

An Excel spreadsheet tool has been created to assist with determining the number of weather hours required to be made up. This can be found on the School Finance website under [Calculation Tools](#).

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>

**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 January 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>
January 2020	67.242546%	3.886530	-1.397540

**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 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.

## **School Finance**

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