

School Finance

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PAYMENT CALCULATIONS

June Foundation Payment Calculations

The June Basic Formula payment, including Classroom Trust Fund, was calculated using the most current data available as reported by the district to DESE. The SAT used in the June payment calculation was \$6,198.711938359. 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 (finadmgo@de.se.mo.gov) with questions or concerns about the district’s calculations.

Prior Year (2015-16) Adjustment - Basic Formula

A second recalculation was completed with the June payment. This recalculation was completed using the highest of the 2015-16, the 2014-15 or the 2013-14 actual WADA. Any adjustment to data will impact each district in the state since DESE is redistributing the 2015-16 fixed dollars. The State Adequacy Target (SAT) changes are:

June 2017	6,121.196418367
November 2016	6,121.383388689

Prior year correction payment amounts can be viewed by going to the payment transmittal for June 2017 and clicking on the dollar amount of the district’s Basic Formula, Classroom Trust Fund, Transportation, and Small Schools Grant payment. These numbers are a hyperlink to a detail page which displays the amount of payment contributed to the current year payment as well as the prior year correction amount.

2016-17 Classroom Trust Fund Payment

The 2016-17 Classroom Trust Fund (CTF) payment through the Basic Formula was \$404.9466 per 2015-2016 Average Daily Attendance (ADA). The total state 2015-16 ADA used in the CTF calculation was 849,425.2587.

2016-17 Proposition C Sales Tax Payment

The total sales tax revenue distributed in 2016-17 was \$979.04 per 2015-16 Weighted Average Daily Attendance (WADA). The total state 2015-16 WADA used in the Proposition C calculation was 903,742.18.

2016-17 Small Schools Grant

The 2016-17 Small Schools Grant of \$15,000,000 is divided into two parts, \$10 million and \$5 million. The \$10,000,000 portion is distributed to districts whose average daily attendance (ADA), including summer school, in 2015-16 is less than or equal to 350. The 2015-16 ADA includes the summer school held in 2015. The 2016-17 small school actual amount per average daily attendance is \$277.7350. The remaining \$5,000,000 is distributed on a tax-rate weighted average daily attendance basis to districts whose 2015-16 ADA is less than or equal to 350 and the 2015-16 Incidental plus Teachers Funds tax rates are greater than or equal to \$3.43. The 2016-17 actual amount per tax-rate weighted ADA is \$154.9317.

2017-18 ACH Dates

The 2017-18 Automated Clearinghouse (ACH) transfer dates are located on the School Finance Website under Financial Reports. Below is also a list of those dates:

ACH DATE	
07/21/17	08/22/17
09/21/17	10/20/17
11/21/17	12/21/17
01/22/18	02/21/18
03/21/18	04/20/18
05/21/18	06/21/18

2017-18 BUDGET ESTIMATES

2017-18 Basic Formula Estimate

The Basic Formula revenue allocated for the 2017-18 budget is \$3,392,907,149. While the SAT for the 2017-18 year calculates at \$6,241 this SAT will only be achieved if revenue is available to fund at the level appropriated. More information regarding the SAT and funding will be provided throughout the year.

2017-18 Classroom Trust Fund Estimate

The 2017-18 Classroom Trust Fund payment is paid on the 2016-17 average daily attendance of approximately 850,000. The projected Classroom Trust Fund revenue as stated in the Governor's recommendations for the 2017-18 budget is \$351,663,349. This estimated revenue will be divided by an estimated 2016-17 average daily attendance of approximately 850,000, which is approximately \$413 per ADA from the Classroom Trust Fund for the 2017-18 year. The Classroom Trust Fund is one of the funding sources of the Basic Formula and, like other funding areas, we will not know exactly the funding level until the appropriation process concludes. Please remember that this calculation is done to determine the proper placement of funds in accordance with statute.

As a reminder, Senate Bill 291 passed in the 2009 legislative session includes the following provision in Section 163.043.5:

For the 2010-2011 school year and for each subsequent year, all proceeds a school district receives from the classroom trust fund in excess of the amount the district received from the classroom trust fund in the 2009-2010 school year shall be placed to the credit of the district's teachers and incidental funds.

2017-18 Proposition C Sales Tax Payment Estimate

The consensus revenue estimate of the projected Proposition C revenue for the 2017-18 fiscal year is \$901,600,000. The 2017-18 Proposition C Sales Tax payment will be paid on the 2016-17 weighted average daily attendance (WADA).

It is predicted that Proposition C payment WADA will be in the vicinity of 912,000 in FY17. If the revenue estimate of \$901,600,000 is achieved, it would mean a WADA payment of approximately \$988. While it appears this level of collection is potentially achievable caution should be used as determination of budget estimates are made.

Below is trend data for Proposition C Payments since the inception of the current foundation formula.

Year	Dollars Distributed	WADA	WADA Payment
2006-07	\$784,900,800	915,941.2936	\$857
2007-08	\$772,820,015	914,272.3027	\$845
2008-09	\$730,325,406	908,284.1060	\$804
2009-10	\$695,120,132	910,040.6792	\$764
2010-11	\$711,615,172	915,272.7157	\$777
2011-12	\$749,703,272	901,439.5600	\$832
2012-13	\$751,559,817	899,756.8400	\$835
2013-14	\$793,100,000	896,553.9900	\$884
2014-15	\$831,282,000	902,449.0100	\$921
2015-16	\$854,000,000	901,191.4300	\$947
2016-17	\$884,800,000	903,742.1800	\$979
2017-18	\$901,600,000		

2017-18 Small Schools

The 2017-18 Small Schools Grant of \$15,000,000 will be divided into two parts, \$10 million and \$5 million. The \$10,000,000 portion will be distributed to districts whose average daily attendance (ADA), including summer school, in 2016-17 is less than or equal to 350. The 2016-17 ADA includes the summer school held in 2016. The 2017-18 small school estimate per average daily attendance is \$277. The remaining \$5,000,000 will be distributed on a tax-rate weighted average daily attendance basis to districts whose 2016-17 ADA is less than or equal to 350 and the 2016-17 Incidental plus Teachers Funds tax rates are greater than or equal to \$3.43. The 2017-18 estimate per tax-rate weighted ADA is \$154.

DVM for FY18

The dollar value modifier (DVM) for FY18 may be viewed at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>.

AUDIT REPORTS

2016-17 Audit Schedule of Selected Statistics

A copy of the 2016-17 Schedule of Selected Statistics that is to be included in the 2016-17 audit report is available at <http://dese.mo.gov/financial-admin-services/school-audits>. The district should print and keep a copy as a reference when it reviews the 2016-17 audit report prior to submitting the audit report to DESE to ensure the **updated schedule** is used by the auditor and included in the report. The district is encouraged to compare the information in the audit on this Schedule to the data the district submitted through MOSIS, on Core Data, the Annual Secretary of the Board Report, or other reports and resolve any differences prior to submitting the audit report.

OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

2016-17 Annual Secretary of the Board Report

The 2016-17 Annual Secretary of the Board Report (ASBR) program is available by logging into the DESE Web Applications at <https://apps.dese.mo.gov/weblogin/login.aspx>.

A few reminders for working in the ASBR system:

- A complete list of changes for the 2016-17 ASBR can be located on the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/annual-secretary-board-report-asbr>.
- To obtain detailed information regarding the navigation of the ASBR, access to the ASBR, printing options, the file transfer process, etc. please select the ASBR Help Document on the left hand navigational menu.
- Edits can be viewed by selecting the Edits link located on the top portion of the header row. The user will have to select the Edits button and then select the Run Edits button to view the edits.
- All edit errors will be located at the top of the Edit listing. If there are no edit errors the submit button will be enabled. If the district has edit errors generating on the Edits page the submit button will not appear until all errors have been resolved.
- To submit the ASBR select Edits, select Run Edits, if there are no edit errors generating and the user has submit authority the submit button will appear on the top of the Edits page.
- Save often when entering data in the ASBR system.

If the user doesn't have access to the ASBR on the DESE web applications menu please contact the district's user manager or complete the login request form at <http://dese.mo.gov/dsm/websystemuserid.htm>.

The 2016-17 Annual Secretary of the Board Report (ASBR) must be submitted via the Web Applications by the due date of midnight, August 15, 2017, or the September Basic Formula payment will be held until October. Continued delay in submitting the ASBR will result in continued holding of the payment.

Professional Development (1%) Money

Section 160.530.1, RSMo, requires districts to spend one percent (1%) of the Basic Formula monies (based on Line 17B of the district's June basic formula calculation) for professional development committee expenditures. A minimum of seventy-five percent (75%) of one percent (1%) of the current year's Basic Formula current apportionment must be spent in the year received for purposes determined by the Professional Development Committee and identified in the professional development plan in relation to a school improvement plan. This is completely separate from professional development that may be required by other programs such as title programs. Expenditures should be recorded to Function Code 2214. Any portion of the other twenty-five percent (25%) of the one percent (1%) not expended during the year must be shown as a part of the restricted fund balance on June 30. See the Missouri Professional Learning Guidelines for more detailed information.

Districts can locate a projection of the 1% PDC expenditure on Line 17 C of their Basic Formula Calculation. The final required PDC expenditure amount is calculated as of the June payment.

PDC – 1% Allocation Requirement

The PDC 1% allocation requirement for the 2016-17 school year is available on the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>.

Transfers – 7%, 5%, and Transportation

The final \$162,326 or 7% x SAT x WADA transfer, the Designated Levy or 5% x SAT x WADA transfer, and transportation transfer are available on the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>. These are the final calculations for the 2016-17 year.

Annual Report of the County Clerk to the State Board of Education

The district can locate a copy of their Annual Report of the County Clerk to the State Board of Education on the School Finance Report Menu in the DESE web applications under "Annual Financial Reports". Please note that if a county is not listed on this report, the county has not yet submitted its Annual Report.

June 2017 Core Data

The 2016-17 June Core Data Cycle screens to complete are 9, 10, 10A, 12, 13, 14, 14A, 14B, 17, 19 and 24. Several of these screens are populated directly from files submitted through the MOSIS Data Collection System. When all errors are resolved for a MOSIS file and it is "certified", the data will be aggregated as needed and copied by DESE to the appropriate Core Data screen. The screens and related Core Data reports should be reviewed to verify that the data are correct.

These screens are to be completed and submitted by June 30, 2017. *Districts whose June Cycle data are not entered by July 15 may have their August Basic Formula payment held until September. Continued delay in submitting the June Cycle may result in continued holding of the payment.*

2017-18 District Contact Information

Much of the notification process used for the ASBR, Payments, and other correspondence is done by e-mail. In order to provide proper and timely notification, DESE must have an accurate e-mail address for the person(s) responsible for financial functions. The e-mail addresses must be reported on Core Data Screen 3 for the ASBR, Finance, and Bookkeeper contacts, as well as, Screen 4 for the Superintendent. Please check all of the information on the appropriate Core Data Screens to ensure the contact person's name and e-mail address, and phone number are correct.

Attendance Reporting

For guidance regarding various attendance reporting scenarios please refer to the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures> and select Attendance Reporting from the General Guidance section.

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.
- Other Topics Included in the Attendance Reporting Document located [here](#) include:
 - Credit Recovery
 - District Paid Local Effort
 - District Paid Tuition
 - Early Dismissal of Seniors
 - Excused Absences
 - Map Testing
 - Out-of-School Suspension
 - Parent Paid Tuition
 - Zero Hour
 - Non-Tradition Methods of Instruction
 - Virtual Courses
 - Computer Based Courses
 - Homebound Instruction
 - Correspondence Courses
 - School Flex Program

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.

SCHOOL TRANSPORTATION

2016-17 State Transportation Aid Calculation

The fiscal year 2016-17 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 eighth live state transportation calculation made for the current year. The calculation is based on 2015-16 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 June 2017 calculation is shown below. 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>
June 2017	71.232037	3.391024	-1.397245

Certified School Bus Driver Instructor Training

The Certified School Bus Driver Instructor recertification training will be held in Columbia on July 21, 2017. The Certified School Bus Driver Instructor workshop is scheduled for July 26-28, 2017, in Warrensburg. Registration forms for this training are available at <http://dese.mo.gov/financial-admin-services/school-transportation/certified-bus-driver-instructors>, also, a listing of all current Certified School Bus Driver Instructors can also be viewed at this site.

Who must have a School Bus (S) Endorsement?

State statutes require drivers of any vehicle (including a personal vehicle) who are being compensated for transporting students to/from ANY school event/program to have an "S" endorsement on their license.

District employees (i.e., teachers, coaches, administrators, secretaries, school nurses, janitors, etc.) who transport students as an "incident" to employment (i.e., student illness, etc.), are required only to have a valid Class F operator's license.

District employees who are hired knowing they will be transporting school children as part of their job (i.e., regularly scheduled field trips, school sponsored activities, etc.) must have a Class E (for hire) license with a school bus (S) endorsement. Vehicles must weigh less than 26,001 lbs. and be capable of transporting 15 or less including the driver.

In addition, parents or individuals who enter into a contract with the district to transport students in a district owned/district leased vehicle and who are paid a lump sum amount, an hourly wage, or more than the AAA cost per mile must have a Class E license with an S endorsement. These parents or individuals must agree to provide transportation in a safe, inspected, insured, licensed vehicle.

Note: Any vehicle that is capable of transporting 11 or more including the driver must be a yellow school bus that complies with Missouri Minimum Standards for School Buses.

National School Bus Safety Week

National School Bus Safety Week is October 16-20, 2017. This Year's Theme is "#STOP ON RED!". School Bus Safety Week posters can be obtained from the National Assn. of Pupil Transportation at (800) 989-NAPT.

2016-17 Transportation Data Collection

The transportation data are collected through the Annual Secretary of the Board Report via the ASBR web applications process. The data required for the Application for State Transportation Aid and School Bus and Facility Depreciation Schedules have not changed. The ASBR must be submitted via the Web Application by midnight, August 15, 2017.

Missouri State Transportation Aid Document Preparation Manual

The 2017 Missouri State Transportation Aid Document Preparation Manual is available on the School Transportation website at <http://dese.mo.gov/financial-admin-services/school-transportation/document-preparation-manual>. This manual should be used as a reference guide as the district completes the transportation documents within the ASBR and finalizes the ASBR transportation coding.

School Finance

**P.O. Box 480
205 Jefferson Street
Jefferson City, MO 65102
Phone # (573) 751-0357
Fax # (573) 526-3897**

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



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Deputy Commissioner's Comments

Revenue Trends YTD

	YTD as of <u>May FY17</u>	YTD as of <u>May FY16</u>	<u>% Change</u>
Individual Income Taxes	\$6,700,715,122	\$6,563,390,259	2.09%
Sales & Use Taxes	\$1,958,644,394	\$1,923,626,968	1.82%
Corporate Inc. & Franchise	\$351,509,335	\$395,548,452	-11.13%
Other Collections	\$454,888,094	\$401,373,161	13.33%
Increase in Revenue YTD			
			<u>Refund Change</u>
Refunds (YTD)	\$1,115,961,883	\$1,147,309,513	-2.73%
(A decrease in refunds enhances Net Revenue. An increase in refunds diminishes Net Revenue.)			
Actual Net Revenue Status YTD	\$8,349,795,066	\$8,136,629,328	2.62%

1. **General Revenue:** The close of eleven months of the fiscal year general revenue, while not at the revenue estimate, continues to hold in a positive direction. At the end of May the growth in revenue was over \$200 million. If this holds until the end of the fiscal year; the first round of individual income tax cuts would be triggered beginning January 1, 2018.
2. **Proposition C Revenue:** It was another strong year for Prop C. We were able to distribute not only the \$880,400,000 appropriation but the \$4,400,000 supplemental appropriation as well. This compared to the \$854 Million distributed in FY 2016. This continued increase gives optimism that the FY 2018 appropriation of \$901,600,000 can be met.
3. **Gaming Revenue:** For the first time in many years gaming revenue came in at the appropriated level of \$343,971,832.

I hope you have some time this summer to get away and relax. I appreciate all you do for the children of Missouri. Have a great summer and I hope to see you at the Cooperative Conference for School Administrators July 30 – August 1.

Roger Dorson