

School Finance

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PAYMENT CALCULATIONS

November Foundation Payment Calculations

The November Basic Formula payment, including Classroom Trust Fund, was calculated using the most current data available for each district. 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@dese.mo.gov, with questions or concerns about the district's calculations.

State Adequacy Target (SAT) – November Payment

The State Adequacy Target used in the November Basic Formula payment was increased to \$6,349.96. We will continue to evaluate data used in the Foundation Formula as well as the monies available monthly and adjust the SAT accordingly.

Prior Year (2018-19) Adjustment

Each year the prior year's Classroom Trust Fund, Basic Formula, Small Schools Grant, Prop C, and Transportation payments are recalculated to reflect the best actual data applicable for that payment year. The 2018-19 Basic Formula calculations were made using the highest of the 2018-19 estimated weighted average daily attendance (WADA), the 2017-18 actual WADA, or the 2016-17 actual WADA. Districts will receive a positive or negative recalculation based on the current data. Any adjustment to data will impact each district in the state since DESE is redistributing the 2018-19 fixed dollars. The Formula WADA increased from the June payment by 2,982.8180. The change is as follows:

June 2019 SAT	6,308.000000000
November 2019 Recalculated SAT	6,291.069721937

This change appears in line with prior recalculations where the change between the June Formula WADA and the Prior Year Correction Formula WADA has increased on average by 3,000.

Prior year correction payment amounts can be viewed by going to the payment transmittal for November 2019 and clicking on the dollar amount of the district's Basic Formula, Classroom Trust Fund, Transportation, Small Schools Grant, Prop C, and Transportation payments. 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.

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.

Estimated Regular Term Average Daily Attendance (ADA)

The calculated Threshold percentages to be used in the Weighted Average Daily Attendance (WADA) calculation for FY19 and FY20 declined from prior years. This decline may cause districts’ FY20 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 the FY20 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 FY20 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.

AUDIT REPORTS

Fiscal Year 2019 Audit Submissions via Tiered Monitoring System

The following guidelines are provided for the Fiscal Year 2019 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 2019-20 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, 2019**.
- 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.

OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

September 2020 Membership

September Membership reports are available on the web. Log on to the DESE Web Applications Page located at <https://apps.dese.mo.gov/weblogin/login.aspx> and then select Data Collection. Once in the Data Collection system, select the 2019-2020 year and select the Report Menu option from the upper-right dropdown box. Select Summary reports. Two September Membership reports are listed for review. One report, the September Membership Comparison Report (SAR070R), compares September membership as reported by the district for the year selected and the prior year. The other report, September Membership Report (SAR080R), displays only the data for the year selected.

The September 2020 membership data by county will be made available to each county to be used in various county payments to school districts during the 2020-21 year. The accuracy of the payments is dependent on the accuracy of the membership data.

Please review the membership data. If reporting errors are found, update the MOSIS October Student Core file and recertify the file. The corrected data will then flow to the Core Data Screen 16. Remember, if a change is made to September membership, a corresponding change to enrollment may be necessary.

Transfer Projections – 7%, 5% and Transportation

Projections for the \$162,326 or 7% x SAT x WADA transfer, the FY06 Designated Levy or 5% x SAT x WADA transfer, and the transportation transfer are available on the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>. These are preliminary calculations for the 2019-20 year. Final calculations will be available June 2020.

Mid-Year Fund Balance Reporting

The mid-year fund balance reporting will occur as a part of the February Core Data cycle as a manual entry 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.

Questions regarding this reporting should be directed to School Finance at (573) 751-0357.

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 GOVERNANCE

Election Dates and Filings Information Update

The **2020 Missouri Election Calendar** provided by the Missouri Secretary of State's Office is available at the following web address. <https://www.sos.mo.gov/elections/calendar/2020cal> Notice that the first day for candidate filing for school board member is December 17, 2019. **The district must provide an opportunity for candidates to file at 8:00 A.M. on December 17, 2019, and until 5:00 P.M. on January 21, 2020.** If the office will be closed certain days during the holiday season, it would be helpful to publish the dates the office will be closed. Please study the calendar carefully.

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 second 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 November 2019 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>
November 2019	67.101855%	3.878947	-1.397291

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.

<https://clearinghouse.fmcsa.dot.gov/>

Minimum Standards for School Buses – Slogan/Logo Change

The State Board of Education has proposed a rule change to the Minimum Standards for School Buses, which will allow for school districts to have a school slogan or logo on their school buses:

Manufacturer, or dealer identification, school slogan, or logos that are not to exceed 64 square inches of total display.

The proposed rule will be published in the Missouri Register in November and open for public comment.

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

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/>

