

School Finance

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PAYMENT CALCULATIONS

September Foundation Payment Calculations

The September Basic Formula payment, including Classroom Trust Fund, was calculated using the best data available for each district. Each month's calculation will be made using the best available data 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 (573-751-0357; finadmgo@dese.mo.gov) with questions or concerns about the district's calculations.

State Adequacy Target (SAT) – September Payment

The September payment calculation continues to assume a SAT of \$6,316. **In order to help achieve the greatest accuracy for all districts' payments we urge that summer school data be entered as soon as possible**, doing so will enable School Finance staff to calculate payments that more accurately reflect the district's entitlement for the year.

Claiming Prekindergarten ADA for State Aid

163.018, RSMo, now allows for all districts and charter schools to claim a small portion of their prekindergarten students for state aid if the prekindergarten students meet certain criteria. 163.018, RSMo, allows for a school district that operates an early childhood education program to receive state funding through the foundation formula for some students between the ages of three and five who are eligible for free and reduced lunch. This legislation will allow these students to be included in the average daily attendance calculation (ADA) of the district or LEA charter school. The total number of such pupils included in the ADA calculation cannot exceed 4% of the total number of resident pupils eligible for free and reduced lunch between the ages of five and eighteen as of October 1 who are included in the district's ADA calculation.

More information on this topic can be found in guidance that has been posted on the Finance Topics & Procedures webpage at <https://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>. The document is titled PK Eligibility for State Aid.

Estimated Regular Term Average Daily Attendance (ADA)

The calculated Threshold percentages to be used in the Weighted Average Daily Attendance (WADA) calculation for FY20 and FY19 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 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 this year. Estimates including prekindergarten students should be supplied only after the MOSIS 2020 October Student Core file is submitted so that the maximum 4% of prekindergarten students can be calculated.

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 finance contact the following:

- The regular term ADA the district/charter wishes to estimate separated by PK and the K-12.
- The enrollment used as the base for the 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.

CORE DATA

September 2018 Membership Report to the Counties

Prior year’s September membership data (September 2018) for the 2018-19 school year are used by the county to calculate the 2019-20 distribution of Fines, Escheats, etc., as well as the apportionment of State Assessed Railroad and Utilities Revenue. A September membership report, which lists the membership data by district within the county as submitted to DESE by each district, is accessible on the School Finance website.

Two September Membership reports are available on the web for school districts. To access these reports, log on to the DESE Web Applications located at <https://apps.dese.mo.gov/webLogin/login.aspx> and then select Data Collection. Once in the Data Collection system, change the year to 2018-19 and select the Report Menu option from the left hand navigation menu. Select Summary Reports. 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. Please review the membership data. If reporting errors are found, update the September 2018 membership through the 2020 MOSIS October Student Core file. Remember, a change made to September membership may necessitate a corresponding change to enrollment.

September 2019 Membership Count – Last Wednesday in September

The last Wednesday in September (September 25, 2019) is the membership count day and the enrollment count day. In the October Cycle MOSIS 2019 Student Core submission, individual student data are used to populate Core Data Screen 16 to provide enrollment data by male/female in the appropriate categories and report the September 2019 membership data by county. The Core Data & Missouri Student Information System Reference Manual provides the definitions for September enrollment and membership. Please certify data for the October cycle screens by October 15, 2019.

Reminders regarding reporting of enrollment and membership for students attending districts outside their district of residence:

- 1) District paid tuition – When the district of residence pays another district full tuition, the district of residence will receive the membership for the student but not the enrollment. Such students are known as Resident II students to the district of residence. The district educating the student will include the student in their MOSIS file as a non-resident with the appropriate district of residence code. This will allow the district receiving the tuition and educating the student to include the student in non-resident enrollment and will move other data, such as membership and attendance data, to the district of residence’s core data files.
- 2) Parent paid tuition – When a parent pays tuition for a student to attend another district, the district of residence will not report the student in their MOSIS files and will not receive enrollment or membership. The district receiving the tuition from the parent and educating the student will include the student in their MOSIS file as a parent tuition student. This will allow the district receiving the tuition and educating the student to include the student in non-resident enrollment and move certain data to the district’s core data files.
- 3) Local effort – When a district pays local effort only (as opposed to full tuition) to another district for a student attending that district, the district paying the local effort will not report the student in their MOSIS files and will not receive enrollment or membership. The district receiving the local effort payment and educating the student reports the student in their MOSIS file as a resident student. This will allow all appropriate data to flow into the district’s core data files.

2019-20 Core Data Screen 6

The FY2020 (2019-20 school year) tax levies and assessed valuations are reported on Screen 6 titled “District Tax Data” in the Core Data Collection System. The tax levy information entered on Screen 6 must agree with the levies on the **Estimate of Required Local Taxes** form, which is to be filed with the respective county(ies) by September 1. The assessed valuation data for 2019 entered on Screen 6 is the estimated assessed valuation received from the county in June/July for the 2019 calendar year and used in the calculation of the district’s tax rate ceiling. Do not enter the December 31, 2018, assessed valuation on Screen 6 nor update the assessed valuation after the tax rate is set.

Please enter the Screen 6 data as soon as possible as this will impact the accuracy and completeness of the Missouri School Directory.

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**. There is no longer any need to file for an extension of the audit deadline.
- 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

Attendance Reporting

Students must be in attendance in an instructional capacity under the direct supervision of a certificated employee of the district to be counted for attendance purposes. A district may have policies allowing an excused absence for various purposes such as illness, religious beliefs, testing, etc.; however, there is no authority to give attendance credit for students not in attendance nor under the direct supervision of a certificated teacher.

The attendance of students taking a class in a zero hour is not included in the attendance reported for state aid since that zero hour is not part of the district's calendar hours-in-session.

In addition, law does not allow for the make-up of attendance 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.

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

Minimum Salary Requirements

In 2019-20 the minimum teacher's salary is \$25,000 and the minimum salary for a full-time teacher with a master's degree with at least ten years public teaching experience is \$33,000.

All teachers are to receive at least their FTE proration of the applicable state minimum salary. Teachers include study hall teachers, in-school suspension teachers, and all others for whom the students' hours are included in the average daily attendance calculation for state aid.

The penalty for noncompliance with the minimum salary requirements of Section 163.172, RSMo, is stated in Section 163.021.3, RSMo. The statutory penalty for noncompliance is a reduction of the Basic Formula to the 1993-94 amount per eligible pupil. Therefore, it is important that each district ensures compliance with the minimum salary requirements. Questions on specific situations may be directed to the School Finance staff at 573-751-0357.

School Calendar

For FY2020 section 171.031, RSMo., requires that school districts include in their annual calendar a minimum of thirty-six weather make-up hours for loss of attendance due to inclement weather. School districts are required to make-up the first thirty-six hours of school lost or canceled due to inclement weather 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.

For additional guidance on School Calendar and Inclement Weather Requirements please refer to the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>.

2019-20 Calendar Changes

- **Starting in** the 2019-20 year, there will only be an hour requirement of 1,044 hours or 522 for half day kindergarten or prekindergarten programs.
 - There is no longer a minimum and maximum day length.
 - There is no longer a minimum day length requirement.
- **Starting in** the 2019-20 year there will be a make-up hour requirement instead of a day requirement.
 - 36 planned make-up hours will be required.
 - The first 36 weather hours must be made up, then half the amount thereafter up to 48 hours for a maximum of 60 total make-up hours.

For additional guidance on School Calendar and Inclement Weather Requirements please refer to the School Finance website at <http://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>.

STUDENT TRANSPORTATION

Ridership Lists

On October 9, 2019 (the second Wednesday in October), the compilation of the school district's first ridership list for the year should be completed. This list should only include students' names who regularly rode the buses (at least once per week) living both one mile or more from school (eligible students for state aid) and less than one mile (ineligible students for state aid). The ridership list from the second Wednesday of October will be combined with the ridership list from the second Wednesday of February (February 12, 2020) and reported at the end of the year on the Application for State Transportation Aid (Section I Pupil Data - A thru F) of the 2019-20 Annual Secretary of the Board Report (ASBR) due August 15, 2020.

National School Bus Safety Week

National School Bus Safety Week is October 21-25, 2019. This Year's Theme is **"My School Bus, the Safest Form of Student Transportation!"** A National School Bus Safety Week Resource Guide and Activity Booklet may be printed off at <https://dese.mo.gov/files/sf-nsbswfinalpdf>.

NEW Federal Entry Level Driver Training (ELDT) Key Information – Effective February 7, 2020

Following is a link to a document which details key points regarding the new Federal Entry Level Driver Training which is effective February 7, 2020, 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

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/>

