

School Finance Monthly Newsletter November 2014

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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 (573) 751-0357; finadmgo@dese.mo.gov with questions or concerns about the district's calculations.

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.

Function Code 2214 may **only** be used to code those expenditures made to meet the requirement of Section 160.530, RSMo, described above. Any instructional staff professional development required by other programs or expenditures made that do not meet the requirement of Section 160.530, RSMo, should be coded to Function Code 2213. If improper coding has occurred the district should make adjusting entries and amend the Annual Secretary of the Board Report (ASBR) as necessary.

September 2014 Membership

September Membership reports are available on the web. Log on to the DESE Web Applications Page located at <https://k12apps.dese.mo.gov/webapps/logon.asp> and then select Data Collection. Once in the Data Collection system, select the 2014-2015 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 2014 membership data by county will be reported to each county to be used in various county payments to school districts during the 2015-2016 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 WEB 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 2014-2015 year. Final calculations will be available June 2015.

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, 2014:

- 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

House Bill 116 was passed by the General Assembly and became law on August 28, 2013. The new legislation in 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

2014-15 State Transportation Aid Calculation

The fiscal year 2014-15 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 2013-14 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 2014 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>
November 2014	65.154656	3.519298	-1.416250

SCHOOL GOVERNANCE

Election Dates and Filings Information Update

The **2014 Missouri Election Calendar** provided by the Missouri Secretary of State's Office is available at the following web address: <http://www.sos.mo.gov/elections/calendar/default.asp?id=2015>. Notice that the first day for candidate filing for school board member is December 16, 2014. **The district must provide an opportunity for candidates to file at 8:00 A.M. on December 16, 2014, and until 5:00 P.M. on January 20, 2015.** 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.

Deputy Commissioner's Comments

Revenue Trends YTD

	<u>YTD as of</u> <u>October FY14</u>	<u>YTD as of</u> <u>October FY15</u>	<u>Revenue</u> <u>Change</u>	<u>% Change</u>
Individual Income Taxes	\$1,740,000,000	\$1,840,000,000	\$100,000,000	5.75%
Sales & Use Taxes	\$644,800,000	\$666,000,000	\$21,200,000	3.29%
Corporate Inc. & Franchise	\$164,300,000	\$160,700,000	(\$3,600,000)	-2.19%
Other Collections	\$104,300,000	\$105,000,000	\$700,000	0.67%
 Increase in Revenue YTD			 \$118,300,000	 4.46%
 Refunds (YTD)	 \$171,700,000	 \$185,900,000	 \$14,200,000	 8.27%
(A decrease in refunds enhances New Revenue. An increase in refunds diminishes Net Revenue.)				
 Actual Net Revenue Status YTD	 \$2,481,700,000	 \$2,585,800,000	 \$104,100,000	 4.19%

School District Trust Fund (Proposition C) YTD

	<u>(Nov.) Current Year</u>	<u>(Nov.) Prior Year</u>	<u>% Change</u>
Amount Paid to School Districts	\$349,952,599	\$334,838,878	4.51%
Appropriation	\$827,500,000		

Gaming Revenue YTD

	<u>(Oct.) Current Year</u>	<u>(Oct.) Prior Year</u>	<u>% Change</u>
Total Gaming Proceeds to Education	\$106,635,302	\$108,100,955	-1.36%
Gaming Revenue Appropriated	\$353,112,706		
YTD Classroom Trust Fund Available FY15*	\$115,300,352		

*Includes \$8,665,050 carryover from FY14 and \$13,105,978 unclaimed Lottery funds

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1. **General Revenue:** State revenue for October continued to hold a positive pattern with net revenue continuing to be up by approximately four percent (4%) from the prior year. The key unknown is the trend for the final two-thirds of the fiscal year.

 2. **Proposition C:** Revenue from the School District Trust Fund (Proposition C) available for distribution continues to run ahead of the prior year. We want to continue to remind you that some of the positive increase is the result of FY14 revenues that could not be distributed due to appropriations capacity limits. These carry-over funds were the result of an increase of revenue that far exceeded expectations for that year. With the appropriation increase for FY15, it does not appear at this time that expenditure capacity will prevent the ability to distribute all available funds in June 2015.

Over the next few days as I reflect more fully about both the past and the future, I hope to find within myself a greater appreciation for all that has been done by previous generations to help assure the continuation of the American Dream. While doing that, I hope to strengthen my personal resolve to think less about myself and more about the welfare of our future generations.

Best wishes to you and your loved ones for a wonderful time together.

Happy Thanksgiving



Ronald Lankford

School Finance

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



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