

# School Finance

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## PAYMENT CALCULATIONS

### April Foundation Payment Calculations

The April Basic Formula payment, including Classroom Trust Fund, was calculated using the most current data available as 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 at (573) 751-0357 ([finadmgov@dese.mo.gov](mailto:finadmgov@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 FY19 and FY20 declined from prior years. This decline may cause districts’ FY19 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 and FY 2018	36.12%	12.16%	1.94%
FY 2019 and FY 2020	31.42%	12.06%	2.50%

Also, if your district will be estimating and 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.

Please see the Estimated ADA page located under School Finance in the web application system to help determine if it would be advantageous for your district to estimate ADA for the 2018-19 year. Also, a tool has been developed to compare current year information for your district to the district's first or second preceding year's 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 FY2018-19 please email your district's finance contact the following:

- The regular term ADA the district or charter school wishes to estimate separated by PK and K-12.
- The enrollment used as the base of the district's or charter's school 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 2018-19 estimated ADA may be made through **May 15, 2019**. Contact School Finance staff if you have questions about estimating ADA.

## 2019-20 BUDGET ESTIMATES

### 2019-20 Proposition C Sales Tax Payment Estimate

The Governor's Budget projected an increase in Proposition C revenue for the 2019-20 fiscal year. The 2019-20 Proposition C Sales Tax payment will be paid on the 2018-19 weighted average daily attendance (WADA).

With statewide ADA basically holding constant and the assumption that summer school will do the same, it is predicted that Proposition C payment WADA will be in the vicinity of 925,000 in FY 2018-19. If the revenue estimate of \$958,400,000 is achieved, it would mean a WADA payment of approximately \$1,036. While it appears this level of collection is potentially achievable, caution should be used as determination of budget estimates are made.

Trend data for Proposition C Payments since the inception of the current foundation formula can be located in the section of this memo titled 2018-19 – Proposition C Sales Tax Payment Estimate Revision.

### 2019-20 Classroom Trust Fund Estimate

The 2019-20 Classroom Trust Fund payment is paid on the 2018-19 average daily attendance of approximately 854,000. The projected Classroom Trust Fund revenue as stated in the Governor's recommendations for the 2019-20 budget is \$349,999,054. This estimated revenue will be divided by an estimated 2018-19 average daily attendance of approximately 849,000, which is approximately \$409 per ADA from the Classroom Trust Fund for the 2019-20 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. While it appears this level of collection is potentially achievable, caution should be used as determination of budget estimates are made. 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.

## 2019-20 Small Schools

The 2019-20 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 2018-19 is less than or equal to 350. The 2018-19 ADA includes the summer school held in 2018. The 2019-20 small school estimate per average daily attendance is \$273. The remaining \$5,000,000 will be distributed on a tax-rate weighted average daily attendance basis to districts whose 2018-19 ADA is less than or equal to 350 and the 2019-20 Incidental plus Teachers Funds tax rates are greater than or equal to \$3.43. The 2019-20 estimate per tax-rate weighted ADA is \$154.

## IMPORTANT REMINDERS AND TOPICS OF INTEREST

### Changing Depository Banks

Districts/charter schools changing banks or bank accounts must first be registered in the State of Missouri new procurement system MissouriBUYS. All banking changes will now be completed in MissouriBUYS. MissouriBUYS weblink is <https://MissouriBUYS.mo.gov>. Reminder: when depositories are changed, the first payment issued after the change could be in the form of a paper check. If you have issues in using MissouriBUYS, please contact MissouriBUYS team via email [WebProcure.Support@perfect.com](mailto:WebProcure.Support@perfect.com) or phone (866) 889-8533.

### PDC Expenditure Requirements Modification Enacted August 28, 2018

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 or special education 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.

Effective August 28, 2018, HB 1606 modified 160.530.1, RSMo, to allow "that in any fiscal year ending with fiscal year 2024 in which the amount appropriated and expended to the public schools under section 163.161 for the transportation of pupils is less than twenty-five percent of the allowable costs of providing pupil transportation under said section, a school district may, by majority vote of its board, allocate an amount less than one percent of the moneys received pursuant to section 163.031, exclusive of categorical add-ons, to the professional development committee of the district but in no instance shall the district allocate less than one-half of one percent of the moneys received pursuant to section 163.031, exclusive of categorical add-ons, to the professional development committee of the district."

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.

### Minimum Salary Requirements

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 of 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. Substitute teachers filling a regular classroom teacher's position as the teacher-of-record for the class must be paid the minimum salary.

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.

## Non-Certificated Educators – Attendance Hours Adjustment

Attendance hours for any educator without a valid teaching certificate will be disallowed for state aid payment purposes. 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.

A report is available on the Data Collection web application system which will identify educators within the district that do not have a valid certificate on file with the Department of Elementary and Secondary Education. To access this report in the Data Collection system, go to the left hand navigational tree and select Reports, then Special Reports, then Staff Certification.

The Department will prepare a list of educators meeting the following criteria:

1. did not hold a valid Missouri educator certificate for the regular school year teaching assignment or;
2. has a certificate pending but did not initiate the required background check.

School districts notified they have an educator(s) that met the above criteria must provide School Finance with the attendance hours by building and by grade for all students who were under the supervision of those educators since the educator did not have a valid certificate. These hours of attendance will be excluded from the total hours of attendance for the school year.

## Attendance Recovery

There is no allowance in state statute that would 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.

## Attendance Reporting

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

## 2018-19 Annual Secretary of the Board Report (ASBR)

The 2018-19 ASBR is open and available for all district and charter schools to upload test files to verify compliance with all the coding changes that have occurred during the last year. All districts and charter schools are encouraged to log in and review the changes that have been made for the 2018-19 ASBR.

## 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](mailto: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

### Boundary Change

If there is a change in your school district’s boundary following the April election, please send a copy of the ballot with the legal description of the boundary change to the School Administrative Services Section.

### Architectural and Engineering Services

From time to time school districts have questions about the required use of an architect or engineer for a construction project. A good source of information is the Division of Professional Registration at the Department of Insurance, Financial Institutions and Professional Registration, they can be reached at 573-751-0047.

## STUDENT TRANSPORTATION

### 2018-19 State Transportation Aid Calculation

The fiscal year 2018-19 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 seventh 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 April 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>
April 2019	66.671447	3.532133	-1.361616

### Operation Lifesaver Free Presentations on Highway-Rail Grade Crossing Safety

Operation Lifesaver railroad crossing training is available at no charge for school bus drivers. A presentation can be requested on the following link: <https://oli.org/education-resources/request-a-presenter/>.

### CDL License Checks

The Department of Revenue (DOR) recently reported to this department that they regularly hear from school bus drivers and/or their employers because their CDL does not include the proper endorsements. All school bus drivers should have on their CDL a P-Passenger Endorsement and an S-School Bus Endorsement. Each school bus driver’s employer should regularly be checking not only the expiration dates for the licenses but checking for the proper endorsements. Also, make sure you instruct the drivers to check the CDL before leaving the license office to make sure that DOR issued the license with the proper endorsements on it.

### 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! School Bus Safety Week posters can be obtained from the National Assn. of Pupil Transportation at (800) 989-NAPT.

### Certified School Bus Driver Instructor Training

The Certified School Bus Driver Instructor recertification training will be held in Columbia on July 19, 2019. The Certified School Bus Driver Instructor workshop is scheduled for July 24-26, 2019, 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.

### Non-Conforming Van Use

Any vehicle that is capable of transporting 11 or more passengers including the driver that is newly purchased, leased, or contracted must be a school bus and meet all Missouri Minimum Standards for School Buses as well as all Federal Motor Vehicle Safety Standards for School Buses (with the exception of motor coaches).

*A school district cannot purchase, contract, or rent 12/15/17 passenger vans for the transportation of school children.*

### MAPT Poster Contest and Award Nominations

The Missouri Association for Pupil Transportation has posted information for the School Bus Safety Poster Contest, School Transportation Administrator of the Year Award, Distinguished Service Award, School Bus Safety Competition Grant, Continuing Education Grant, and the School Bus Driver of the Year Award on the website at <https://moapt.starchapter.com/>.

For more information contact Keith Henry, Interim Director, Missouri Association for Pupil Transportation, at [keith.henry@lsr7.net](mailto:keith.henry@lsr7.net).

### School Bus Aisle Blocking

State Board of Education Rule 5 CSR 30-261.010 requires that school bus aisles not be blocked. As your district makes field trips and activity trips this spring, please ensure that all school bus drivers know and adhere to this rule. The aisles must be free of any obstruction so the bus, if needed, could be evacuated quickly without difficulties caused by the aisles being blocked by trash cans, coolers, book bags, band equipment, or other items.

### Pre-Trip Inspection Requirement

5 CSR 30-261.010.1.K states "Boards of education shall require operators of school buses to conduct and prepare a record of the daily pretrip inspection for each school district." Additionally, 5 CSR 30-261.010.3.A.3 requires that school bus drivers: "Perform and prepare written documentation of the daily pretrip inspection which is to be submitted to the transportation administrator. Pretrip inspection of vehicles shall include brakes, steering components, lights, signaling devices, emergency door, tires and safety equipment, as a minimum. Any defects or deficiencies that may affect the safety of vehicle operation or result in mechanical breakdown shall be reported immediately in writing and driver shall not operate school bus until the defect or deficiency has been corrected ..."

Please make sure that the school bus drivers in your district are performing the above required daily pre-trip inspection.

## **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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