

# School Finance

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## PAYMENT CALCULATIONS

### February Payments

#### **Basic Formula**

The payment was based on the current data available for Fiscal Years 2020-21, 2019-20, and 2018-19 weighted average daily attendance (WADA). Due to the unique circumstances surrounding the FY 2021 withholding, the proration percentage used in the February payment is lower than the expected final proration percentage for FY 2021. It is expected that each month the proration percentage will increase until becoming final in June 2021. For other important information regarding this payment, please see administrative memo [FAS-20-007 – Updated Information on July Payment to Schools](#).

#### **Classroom Trust Fund**

The payment was calculated using School Year 2019-20 average daily attendance data (ADA). Cash available continues to run below appropriated levels. Predicting the exact level of total receipts for FY 2021 is not possible at this time, but current trends indicate a range of \$360 to \$380 per prior year ADA.

#### **Proposition C**

The payment was based on School Year 2019-20 weighted average daily attendance (WADA). Collections have trended positive throughout the fiscal year, with receipts through the February payment projecting to an annual amount of \$1,025 to \$1,054 per WADA.

#### **Transportation**

The Transportation payment was based on School Year 2019-20 cost, miles, and ridership data. See the Transportation section of this memo for more information.

#### **Small Schools Grant**

The payment was calculated using School Year 2019-20 average daily attendance data (ADA) and tax levy data.

## FISCAL YEAR 2021-22 BUDGET ESTIMATES

### State Adequacy Target (SAT) and Threshold Recalculation

The SAT and related Thresholds for Fiscal Year 2020-21 and 2021-22 are as follows:

Item	Amount
State Adequacy Target FY 2020	\$6,375
Free & Reduced Lunch Threshold	29.45%
Special Education (IEP) Threshold	12.83%
Limited English Proficiency Threshold	2.07%

	Basic Formula <sup>3</sup>	Classroom Trust Fund <sup>1</sup>	Prop C <sup>2</sup>	Small Schools Grant \$10M <sup>1</sup>	Small Schools Grant \$5M <sup>4</sup>	Transportation
SAT/Amount						
Per/% Increase	\$6,375	\$425	\$1,047	\$270	\$140	No Change
Governor's Budget	\$3,561,737,794	\$353,254,932	\$958,400,000	\$10,000,000	\$5,000,000	\$93,947,713
Denominator		830,000*	915,000*			

<sup>1</sup>ADA / <sup>2</sup> WADA / <sup>3</sup> FWADA / <sup>4</sup> Tax-Rate WADA

\*ADA and WADA amounts are estimated as the impact of COVID-19 and applying 163.021.4, RSMo, to the payment.

Remember that these amounts will only be achieved if revenue is available to fund at the level appropriated.

## ALTERNATIVE METHOD OF INSTRUCTION

### Alternative Method of Instruction

There is no authority to pivot to distanced instruction per the districts AMI-X plan as that is only allowed for a COVID related reason, however, per 171.033.5, RSMo., starting in 2020-21 up to **36 hours** of an approved Alternative Method of Instruction (AMI) can be used for any hours of school lost or cancelled due to exceptional or emergency circumstances during a school year which shall include, but not be limited to, inclement weather, a utility outage, or an outbreak of a contagious disease. The alternative method of instruction, provided for in a DESE approved AMI plan, can be used for up to a maximum of **36 hours** during the school year pursuant to 171.033.5. AMI hours are not considered planned weather make up. **AMI hours are considered hours of instruction.**

When an AMI day is implemented, which is only allowed on the day the exceptional or emergency circumstance occurred, the hours are considered instructional hours school was in session. Attendance hours can only be claimed for classes in which students completed the prescribed lessons in the time frame and manner that was approved within the AMI plan. Students who do not complete the lessons in the timeframe and manner approved within the AMI plan must be marked absent.

## INCLEMENT WEATHER MAKE-UP HOUR REQUIREMENT

### Inclement Weather Make-up Hours

To be eligible for state aid, a LEA must attend no less than 1,044 hours unless after a specified number of inclement weather hours have been reached per 171.033.3(2), RSMo, and the LEA qualifies for some hours to be forgiven for weather. Statute states:

“In school year 2019-20 and subsequent years, a school district may be exempt from the requirement to make up school lost or cancelled due to inclement weather in the school district when the school district has made up the thirty-six hours required under subsection 2 of this section 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.”

“Inclement weather”, for purposes of this section, shall be defined as ice, snow, extreme cold, excessive heat, flooding, or a tornado.

Hours that are missed for reasons other than inclement weather, such as illness, have to be made up and are not included in this provision of law unless provided under an approved alternative method mentioned above (limited to 36 hours).

Hours that are forgiven due to inclement weather will not have an adverse impact on the average daily attendance (ADA) calculation. This will create a situation which will have an effect on both components (both the total attendance hours and the hours in session) of the ADA calculation and, therefore, will not have a negative impact on the ADA.

An Excel spreadsheet tool has been created to assist with determining the number of weather hours required to be made up. This can be found on the School Finance website under [Calculation Tools](#).

The above information regarding inclement weather and a short FAQ are available at [here](#).

### Estimated Regular Term Average Daily Attendance (ADA)

Districts with growing enrollment or weighted populations of students are encouraged to estimate their ADA for payment purposes. 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 Fiscal Year 2020 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 [here](#). 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 Fiscal Year 2020-21, please email your district's School 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 Fiscal Year 2020-21 estimated ADA may be made through **May 15, 2021**. Contact School Finance staff if you have questions about estimating ADA.

## DATA COLLECTION

### Mid-Year Fund Balance Reporting

The mid-year fund balance reporting is a part of the February Core Data cycle on Core Data Screen 35. Each district is required to report the following information as of December 31, 2020:

- Incidental and Teachers Funds Unrestricted Ending Fund Balance as of December 31 that can be found in the district's accounting records.
- 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.

If you have any questions regarding this reporting, please contact School Finance at (573) 751-0357.

### Core Data Screen 15 – Home School/Free and Reduced Lunch Data

The February Cycle MOSIS submission will populate the Home School/Free and Reduced Lunch Data, Core Data Screen 15, which is used to collect the number of students eligible for free or reduced price lunch as of the last Wednesday in January (January 27, 2021) in the category described in the Core Data Collection System Manual –State FTE Free or Reduced Lunch Eligible Students. A description follows:

#### State FTE Resident Free or Reduced Lunch Eligible Students

1. Report the full-time equivalency count of resident students enrolled in grades K-12 on January 27, 2021, and in attendance one of the 10 preceding school days whose eligibility for free or reduced lunch is documented (through the application process using federal eligibility guidelines or through the direct certification process). For districts that participate in the Community Eligibility Program (CEP), all of the students enrolled in the district (if CEP has been chosen district wide) or all of the students enrolled in a CEP building (if only certain buildings in the district participate) are considered eligible for free and reduced lunch.
2. **Participating in the Seamless Summer Option or the Summer Food Service Program does not qualify a student to be documented as qualifying for free lunch. Documentation proving income eligibility must be obtained to mark students as qualifying for free or reduced lunch when the district participates in these programs.**
3. Report eligible students on a full-time equivalency (FTE) basis. A student attending one-half day is counted as .5, one-fourth day as .25, etc. Kindergarten students attending less than a full day per the first grade calendar are included in the counts as a ratio of the kindergarten calendar divided by the first grade calendar. Example: If the calendar for "full day" students in a school is 1050 hours and the calendar for kindergarten students is 630, then the FTE for those kindergarten students would be 630/1050 or .60. In no case should a full-time half-day kindergarten student be reported less than .50.
4. Eligible students are counted regardless of whether or not they actually eat lunch/breakfast.
5. Nonresident students are to be counted by the district which pays the tuition for those students and are reported as "Resident II Students".
6. Do not count students for whom the Department does not distribute state aid.

### Core Data Screen 16 – January Membership

The February Cycle MOSIS submission will populate Core Data Screen 16 providing a membership count of resident students who were enrolled on January 27, 2021, and were in attendance one of the previous ten school days. The February Cycle is due to DESE by February 15, 2021.

## OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

### Lengthening or Shortening the School Year and the Impact on Funding

If a district or charter school changes the length of their school year, even if due to weather forgiveness, there is no impact on funding because it does not change the Average Daily Attendance (ADA). The ADA is calculated by taking the actual attendance hours of the students divided by the possible attendance hours of a student (the calendar). This will result in no more than a 1.0 ADA for a student who had perfect attendance.

ADA is only increased due to the following reasons:

- Enrollment increase
- Better attendance rate
- Qualified remedial hours
- Summer School ADA

### 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 Improvement 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.

### 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 located [here](#). 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.

**Fiscal Year 2020 Audit Submission**

As a reminder, any district or charter school that has **not** uploaded their signed board minutes and/or management letter from the auditor, (not the management representation letter) into the Tiered Monitoring System needs to do so as soon as possible.

**STUDENT TRANSPORTATION**

**2020-21 State Transportation Aid Calculation**

The Fiscal Year 2020-21 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 can be found [here](#).

This is the fifth live state transportation calculation made for the current year. The calculation is based on 2019-20 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 February 2021 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>
February 2021	69.346228%	4.950451	-1.373962

**Ridership List**

The second ridership list for the current school year should have been finalized on the second Wednesday of February (February 10, 2021). This list should be a compilation of the students' names that regularly ride the bus from the beginning of the second semester to the February count day and should identify which students are eligible for state transportation aid (those living one mile or more from school) and those ineligible for state transportation aid (those living less than one mile from school).

The ridership list should not be a listing of all students who are eligible or ineligible to ride the buses nor should it be a listing of only those students riding on the count day, but should be a listing of students regularly riding the buses. A student should ride the bus a minimum of once a week to be considered a regular rider.

**DOT CBD Notice**

Newly issued guidance from the US DOT Office of Drug and Alcohol Policy and Compliance (ODAPC) regarding use of "Cannabidiol" (CBD) products by commercial drivers, including school bus drivers can be found [here](#).

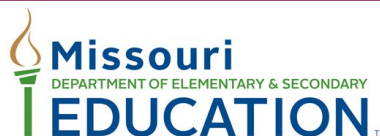
**Effective Date Extended to February 7, 2022 – NEW Federal Entry Level Driver Training (ELDT)**

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 can be found [here](#).

## **School Finance**

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<https://dese.mo.gov/financial-admin-services/school-finance/>



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