

School Finance

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PAYMENT CALCULATIONS

March Payments

Basic Formula

The payment was based on the current data available for Fiscal Years 2021, 2020 and 2019 weighted average daily attendance (WADA). Governor Parson announced the release of over \$123.3 million in Foundation Formula funds that had been previously withheld. The release of funds will be spread over the March and April payments resulting in a proration percentage of approximately 97% for the March payment. At this time, it appears this release of funds should result in local education agencies (LEAs) receiving the full State Adequacy Target of \$6,375 by the June payment.

Classroom Trust Fund

The payment was calculated using School Year 2020 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 \$370 to \$390 per prior year ADA.

Proposition C

The payment was based on SY 2020 weighted average daily attendance (WADA). Collections have trended upward throughout the fiscal year, with receipts through the March payment projecting to an annual amount of \$1,025 to \$1,048 per WADA.

Transportation

The Transportation payment was based on SY 2020 cost, miles, and ridership data. See the Transportation section of this memo for more information.

Small Schools Grant

The payment was calculated using SY 2020 average daily attendance data (ADA) and tax levy data.

FISCAL YEAR 2022 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% |

Fiscal Year 2022 Budget Estimates

| | Basic Formula ³ | Classroom Trust Fund ¹ | Prop C ² | Small Schools Grant \$10M ¹ | Small Schools Grant \$5M ⁴ | 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* | | | |

¹ADA / ² WADA / ³ FWADA / ⁴ 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.

163.021.1(4), RSMo. Impact on Payments

163.021.1(4), RSMo. states "Computes average daily attendance as defined in subdivision (2) of section 163.011 as modified by section 171.031. Whenever there has existed within the district an infectious disease, contagion, epidemic, plague or similar condition whereby the school attendance is substantially reduced for an extended period in any school year, the apportionment of school funds and all other distribution of school moneys shall be made on the basis of the school year next preceding the year in which such condition existed."

For FY 2022, district Basic Formula payments will process as normal by including the greater of the FY 2020, FY 2021 or an estimate of FY 2022. For Classroom Trust Fund and Prop C, School Finance will utilize the greater of the FY 2021 or FY 2020 ADA or WADA for payment purposes. For the Small Schools Grant, FY 2021 ADA will be used to determine if a district qualifies for the grant, then the greater of FY 2021 or FY 2020 ADA will be used for payment purposes (capped at 350 ADA per statute requirements). Districts will not need to take any action for a prior year to be utilized for payment purposes when beneficial to the district under this provision. This provision does not apply to charter schools, but a similar approach will apply to the Classroom Trust fund and Prop C payments to charters for 2021-2022 under the 5 CSR 30-660.090 Charter School Local Education Agency (LEA) Attendance Hour Reporting rule.

ALTERNATIVE METHOD OF INSTRUCTION

Alternative Method of Instruction

There is no authority to pivot to distanced instruction per the district's AMI-X plan as it 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 [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 (an estimate is only necessary if the current year's estimated WADA including the PK ADA will be higher than the previous two years' actual WADA).

To help determine if it would be advantageous for your district to estimate ADA for the FY 2021 year, please see the Estimated ADA screen 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's 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 FY 2021, 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 FY 2021 estimated ADA may be made through **May 15, 2021**. Contact School Finance staff if you have questions about estimating ADA.

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

Summer School – Tuition vs. State Aid for Non-resident Students

Section 167.227, RSMo, permits a student to attend summer school in a school district other than the student's district of residence if the other district accepts non-resident students. School districts who accept non-resident students for summer school have three options for receiving payment. They are:

- 1) including all such students' attendance hours with the district's resident student summer school attendance hours when reporting on Core Data and receive the state aid on these students,
- 2) collecting tuition from all such students, or
- 3) collecting tuition from the resident district for all such students for which the resident district had contracted for summer school services.

Summer School Student Attendance

To claim summer school attendance hours for state aid, the district must have an approved summer school. Summer school must be separate from your regular school term. Summer school also cannot be required.

Also, be aware that a student can only attend one school district/charter summer school. Section 167.227, RSMo, states "No pupil shall attend summer school classes in more than one district during any one summer." If a student attends summer school in more than one district, the district that the student attended first will be the only district allowed to report the attendance hours for state aid.

Per the ESSER and ESSER II guidance documents, ESSER funds may be used to support summer school programs to the extent that such expenditures are related to preventing, preparing for, and responding to COVID 19 and the costs are reasonable and necessary. For summer school reimbursement, LEAs would be able to claim under ESSER the difference between the cost of instruction and the revenue generated by ADA through the Foundation Formula and Prop. C sources. Likewise, LEAs can claim under ESSER the cost of providing supplemental or remedial service expenses during the school year in excess of what is reimbursable through the Foundation Formula. LEAs that utilize ESSER funds for all summer school or all remedial program expenses may not claim ADA for those same services. The LEA cannot be paid twice for the same supplemental service.

Note: Summer school transportation and transportation to support supplemental instruction during the school year are allowable uses of both ESSER funds and GEER Transportation Supplement funds. Any student transportation expenses funded under the CARES/CRRSA/ARPA relief programs should be coded to Function Code 2558 – Non-Allowable Transportation to avoid double-claiming for reimbursement. The miles associated with these costs should not be reported on the Application for State Transportation Aid.

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.

Boundary Change Appeal to State Board

In case a district is involved in a boundary change appeal to the State Board of Education, the district must adhere to the time line for such appeal as defined in state law. Section 162.431.3, RSMo, states, “If one of the districts votes against the change and the other votes for the change, the matter may be appealed to the state board of education, in writing, within fifteen days of the submission of the question by either one of the districts affected, or in the above event by a majority of the signers of the petition requesting a vote on the proposal. At the first meeting of the state board following the appeal, a board of arbitration composed of three members, none of whom shall be a resident of any district affected, shall be appointed.” For additional information concerning the appeal process refer to Section 162.431, RSMo, or call the School Administrative Services Section at (573) 751-0357.

STUDENT TRANSPORTATION

2020-21 State Transportation Aid Calculation

The FY 2021 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 sixth live state transportation calculation made for the current year. The calculation is based on SY 2020 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 March 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> |
|------------|-------------------------|-----------------|-----------------|
| March 2021 | 69.347128% | 4.950716 | -1.374564 |

Certified School Bus Driver Instructor Training

The Certified School Bus Driver Instructor recertification training will be held in Columbia on July 20, 2021. The Certified School Bus Driver Instructor workshop is scheduled for July 28-30, 2021, in Warrensburg. Registration forms for these trainings will soon be available [here](#), also, a listing of all current Certified School Bus Driver Instructors can also be viewed at this site.

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

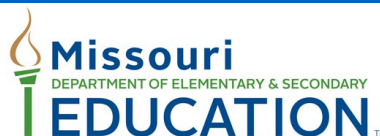
For more resources to prepare for the February 7, 2022, new Federal Entry-Level Driver Training (ELDT) Regulation below is a link to a recorded webinar discussing the new regulation, a frequently asked questions link, and training provider resources including an ELDT checklist and a curricula summary.

<https://tpr.fmcsa.dot.gov/Provider>

School Finance

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



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