

School Finance

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PAYMENT CALCULATIONS

October Payments

Basic Formula

The payment was based on the current data available for Fiscal Years 2021-22, 2020-21, and 2019-20 weighted average daily attendance (WADA). Calculation documentation can be found linked on the payment transmittal.

Classroom Trust Fund

The payment was calculated using Fiscal Year 2020-21 average daily attendance data (ADA) if the ADA was greater than zero; otherwise, Fiscal Year 2019-20 ADA was used. Adjustments will be made in future months to reflect districts' School Year 2020-21 data submissions. Due to technical difficulties we were unable to implement the necessary changes to comply with 163.021, RSMo., (see below) but are planning to implement those changes in the upcoming months. Once implemented all payments will be adjusted to ensure the LEA is paid the correct year-to-date amount. Calculation documentation can be found linked on the payment transmittal.

Proposition C

The payment was based on Fiscal Year 2020-21 weighted average daily attendance (WADA). Due to technical difficulties we were unable to implement the necessary changes to comply with 163.021, RSMo., (see below) but are planning to implement those changes in the upcoming months. Once implemented all payments will be adjusted to ensure the LEA is paid the correct year-to-date amount. Calculation documentation can be found linked on the payment transmittal.

Transportation

This is the first live state transportation calculation made for the current year. The calculation is based on 2020-21 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). Calculation documentation can be found linked on the payment transmittal.

The percent of reduction to the calculated entitlement computed for the October FY 2022 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 found on the payment transmittal.

The percentage reduction and the A and B factors are as follows:

	<u>Reduction Factor</u>	<u>A Factor</u>	<u>B Factor</u>
October 2021	57.957692%	4.661503	-1.292725

Small Schools Grant

Section 173.044, RSMo, authorizes payments to small schools defined as districts with an average daily attendance (including summer school) of 350 or less. The allocation of the \$15 million appropriation requires that \$10 million be distributed to the eligible districts on an equal amount per prior year average daily attendance. The remaining \$5 million is distributed (on an equal amount per tax rate weighted average daily attendance) to the eligible districts with a current year adjusted Incidental plus Teachers Funds tax rate of \$3.43 or higher and any district which previously had a Incidental plus Teachers Fund tax rate of \$3.43 or higher but currently has a tax rate less than \$3.43 solely due to modification of such levy required under Section 137.073.5(4), RSMo.

The first Small Schools Grant payment for 2021-22 was calculated in October using the best data available for each district. The October payment is 4/12ths of the annualized calculation. The remaining payments will be approximately 1/12th of the annualized calculation. The district’s calculation is available through the payment transmittal.

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, districts’ 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.

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.

Calendar Requirements for PK Programs Claimed for State Aid

In order to claim PK for state aid the LEA must have either a full day PK program that is 1,044 hours and plans 36 weather make-up hours or have a half day PK AM or PM program that is no less than 522 hours and plans 36 weather make-up hours.

The program must also be taught by a certificated staff member who is paid minimum salary per [163.172](#), RSMo.

More information on this topic can be found in guidance that has been posted on the [Finance Topics & Procedures](#) webpage. The document is titled PK Eligibility for State Aid.

Estimated Regular Term Average Daily Attendance (ADA)

If a district has had an increase in enrollment or other factor that will make the FY 2022 regular term ADA higher than the preceding two years, the district may wish to estimate their ADA for payment purposes. In addition, if your district will be claiming prekindergarten students for state aid for the first time in FY 2022 it will be necessary to estimate an ADA including those prekindergarten students in order to be paid on those students this year. Estimates including prekindergarten students should be submitted only after the MOSIS 2022 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 FY22 year, please see the Estimated ADA page located under School Finance in the web application system. In addition, the Estimated ADA Calculation tool was developed to compare current year information for your district to the district's first or second preceding year WADA. This tool is found on the School Finance website under [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 FY22, 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 submitting a revised estimate that includes the detailed information outlined above.

Revisions to the 2021-22 estimated ADA may be made through **May 15, 2022**. Contact School Finance staff if you have questions about estimating ADA.

AUDIT REPORTS

Fiscal Year 2021 Audit Submissions via Tiered Monitoring System

The following guidelines are provided for the Fiscal Year 2021 Audit Submissions:

- Audits, copies of signed board minutes approving the audit, and management letters must 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 must be uploaded as "Audit Documents (required fiscal audit)" and the board minutes, management letter and any corrective action plans should be "Audit Documents (supporting docs)" in the file upload dialog box for the 2021-22 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, 2021**.
- 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 will not 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 is found on the [School Audits](#) webpage.
 - 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 because 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.

Submitting the Single Audit to the Federal Audit Clearinghouse

Districts/charter schools that have a Single Audit are required to submit a data collection form and reporting package to the Federal Audit Clearinghouse (FAC) at the U. S. Bureau of Census within the earlier of 30 days from the receipt of the audit report or nine months after the end of the audit period (March 31 of the subsequent fiscal year). The reporting package consists of the complete audit (financial statements and auditor's reports) and, as necessary, a summary schedule of prior audit findings and a corrective action plan for current year audit findings. Reports should be submitted to the FAC.

Districts/charter schools that expend less than \$750,000 in total federal funds are not required to send a copy of the audit report to the Federal Audit Clearinghouse.

A copy of the reporting package should also be sent to pass-through entities, including the Department, if the Schedule of Findings and Questioned Costs includes audit findings or a summary schedule of prior audit findings relating to federal awards provided by the pass-through entity.

The Department of Education (USED) has recently updated guidance to more precisely identify grant program expenditures. The Department of Education (USED) requests that grantees include on the Schedule of Expenditures of the Federal Awards (SEFA) page of Form SF-SAC, if applicable: (1) whether the program is novel coronavirus 2019 (COVID-19) relief assistance (see list below of COVID-19 programs); and (2) the subprogram ALN alpha.

OMB's instructions to auditees in the FY 2020 Compliance Supplement instructed auditees to include COVID-19 in Column c (see 2020 Compliance Supplement Appendix VII beginning on page 8-VII-2 at https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement_FINAL_08.06.20.pdf)

Questions regarding implementation of this guidance should be emailed to Patrick Smith, Audit Liaison Officer, of the Office of Acquisitions and Grants Administration (OAGA) at patrick.smith@ed.gov.

OTHER IMPORTANT REMINDERS AND TOPICS OF INTEREST

Students Moving Between Onsite and Virtual Courses

To claim attendance for State Aid a student must be onsite and receiving instruction by a teacher certificated by the state of Missouri, or enrolled in a course meeting the requirements of a virtual course per 162.1250, RSMo.

When a student is onsite, attendance is counted for the time they are enrolled and present under the supervision of a certificated teacher. They are absent for the time they are enrolled and NOT present under the supervision of a certificated teacher.

When a student is enrolled in a course meeting the requirements of a virtual course per 162.1250, RSMo., attendance is claimed upon completion of 50% or 100% of the course, at a rate of 47% or 94% respectively, of the hours it would have taken to complete the course onsite.

If a student switches from virtual to onsite before reaching a component of course completion, no attendance hours can be claimed for the portion of time the student was not onsite. If a student switches from onsite to virtual, the student would need to reach a component of course completion to claim attendance for the time enrolled in the virtual course, and the onsite portion of attendance can be claimed in the regular fashion. In no case shall a student have more attendance and absent hours than the total possible calendar hours for their building and grade level. Regardless of attendance claiming status, LEAs should prioritize course transition decisions based on the best interest of the student.

Students put on a COVID-19 Related Quarantine

A student placed on COVID-19 related quarantine is deemed to qualify for homebound instruction which then allows for alternative instruction to be provided and attendance hours claimed outside of onsite site or virtual attendance hour claiming.

1. A student on COVID-19 quarantine can be provided five hours of one-on-one instruction to be provided in a Sunday to Saturday time period. This instruction can be done in person, through electronic methods and/or by phone.
 - a. Attendance when a student is provided five hours of one-on-one instruction is claimed as full time for the week only if the 5 hours of one-on-one instruction was provided. If less than five hours of one-on-one instruction was provided only the time provided can be counted as attendance hours, the remaining must be counted as absent hours.
2. A student on COVID-19 quarantine can video chat directly into the classroom while the teacher is teaching other students and the student participates in the class.
 - a. Attendance when a student video chats directly into the classroom is taken similar to onsite attendance where the student is counted as present for the time they are present (visible to the teacher) and they are absent for the time they are NOT present.
3. A student on COVID-19 quarantine can be provided instruction using the method of instruction approved by the Department of Elementary and Secondary Education in the districts Alternative Method of Instruction (AMI) plan.

- a. Attendance when a student is provided instruction using the method approved in the districts AMI plan is based on each individual course and if the assignment is completed and submitted within the time frame approved in the AMI plan. Those courses where the assignments were not completed and submitted in accordance to the AMI plan the student would be considered absent.
 - i. This is separate from implementation of an AMI plan at the school or LEA level. Attendance under this method is not limited to 36 hours per student under quarantine and does not count towards the LEA limit of 36 hours of AMI use.

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 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.

SCHOOL GOVERNANCE/STUDENT TRANSPORTATION

Health Insurance Coverage for Retirees

The Department receives questions from time to time regarding eligibility for health insurance coverage for individuals who are retiring, or who have retired, and are receiving or eligible to receive retirement benefits from a Missouri school employee retirement system. This eligibility is provided for in [Section 169.590 RSMo](#).

If you have questions please contact David Tramel, Financial and Administrative Services, at 573-751-0357.

2021-22 State Transportation Aid Calculation

See the Payment Calculation section of this memo for more information.

2021 EPA DERA School Bus Rebate Program – Deadline November 5, 2021

EPA's Office of Transportation and Air Quality is accepting applications nationwide for rebates to assist in replacing older, dirtier diesel school buses with new school buses certified to EPA's cleanest emission standards. EPA anticipates awarding over \$10 million in this funding opportunity. Selected applicants that scrap and replace their old diesel buses will receive a rebate of \$20,000-\$65,000 per bus depending on the fuel type of the replacement bus.

Information on the EPA DERA program and contact information can be found [here](#).

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 year, 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.

School Bus Driver Seat Belt Use

5 CSR 30-261.010, RSMo (Requirements for the Operation of School Buses), requires school bus drivers to use their seat belt whenever the bus is in motion. Please verify compliance with this requirement within your school district.

Non-Conforming Van Use

Any vehicle that was manufactured to transport 11 or more passengers (as manufactured) 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).

This means that a school district cannot purchase, contract, or rent 12/15/17 passenger vans for the transportation of school children.

School Finance

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



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