

School Finance

April 2022



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Payment Calculations

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 as allowed by 163.021.1(4), RSMo., using the higher of FY 2020-21 or FY 2019-20 average daily attendance (ADA) data.

Proposition C

The payment was calculated as allowed by 163.021.1(4), RSMo., using the higher of FY 2020-21 or FY 2019-20 weighted average daily attendance (WADA) data.

Transportation

The FY 2021-22 state transportation aid calculation is available through the School Finance website. Select Monthly Financial Reports, input County-District number, and the Payment Transmittal is then displayed. Click on the revenue name "Transportation" on the Payment Transmittal to access the transportation aid calculation.

The percent of reduction to the calculated entitlement and A & B factor for the FY2021-22 calculation follows below.

<u>Month</u>	<u>Reduction Factor</u>	<u>A Factor</u>	<u>B Factor</u>
April 2022	58.868161%	4.426044	-1.192388

Small Schools Grant

The payment was calculated as allowed by 163.021.1(4), RSMo., using the higher of FY 2020-21 or FY 2019-20 average daily attendance (ADA) data and tax levy data.



Point of Interest

ASBR Data is be used in a variety of reporting. Please ensure all data in the ASBR is correct and all expenditures are coded to appropriate project codes if applicable.

Fiscal Year 2022 Budget Estimates

Payment	SAT/Amount Per/% Increase	Appropriation	Denominator
Basic Formula ³	\$6,375.00	\$3,561,737,794	
Classroom Trust Fund ¹	\$430	\$350,254,932	814,009
Prop C ²	\$1,046	\$958,400,000	916,299
Small Schools Grant \$10M ¹	\$255	\$10,000,000	
Small Schools Grant \$5M ⁴	\$144	\$5,000,000	
Transportation ⁵	21.29%	\$113,947,713	

¹ADA /² WADA/ ³ FWADA / ⁴ Tax-Rate WADA

⁵ Percentage increase in appropriation will affect each LEA differently. See transportation calculation for actual reimbursement amounts.

A Supplemental Appropriation for Prop C has been proposed for FY22 in the amount of \$153,891,000, which if passed would result in \$1,213.90 per WADA if revenue receipts equal the increased appropriation level.

Remember that these amounts will only be achieved if revenue is available to fund at the level appropriated. If dedicated revenues exceed the appropriation level, a supplement appropriation may be necessary.

Fiscal Year 2023 Governors Recommendations

Payment	SAT/Amount Per/% Increase	Appropriation	Denominator
Basic Formula ³	\$6,375.00	\$3,561,737,794	
Classroom Trust Fund ¹	\$429	\$349,005,372	814,009
Prop C ²	\$1,259	\$1,153,426,000	916,299
Small Schools Grant \$10M ¹	\$255	\$10,000,000	
Small Schools Grant \$5M ⁴	\$144	\$5,000,000	
Transportation		\$113,947,713	

¹ADA /² WADA/ ³ FWADA / ⁴ Tax-Rate WADA

Remember that these amounts will only be achieved if revenue is available to fund at the level appropriated. If dedicated revenues exceed the appropriation level, a supplement appropriation may be necessary.



Accounting Manual

Accounting Manual Updates

Various CARES Act grants have been created for distribution in FY 2022 after the Missouri Financial Accounting Manual was published on July 1, 2021. The revised sections include the Revenue Object Quick Reference, Revenue Object Code Descriptions, and the Project Code section. You may wish to print off these revised sections for reference.

Relief Funds

Recording Relief Funds

If an LEA is using expenditures from a fiscal year to claim any of the various relief funds, it is necessary to ensure the expenditures are coded with the appropriate assigned project code and ensure the Annual Secretary of the Board Report reflects the proper source of funds and project code associated with the expenditure.

No more than the allocation for the LEA can be coded to the project code. Local match dollars should be coded to a local project code as DESE does not assign a project code for that. It is necessary to ensure proper project code usage as various reporting, monitoring, and audit review processes rely on this coding.

Point of Interest

Calculation tools to help with revenue projects can be found on the [School Finance Calculation Tools](#) webpage.

State Adequacy Target (SAT) and Threshold Recalculations

The SAT and related Thresholds for Fiscal Year 2022-23 and 2023-24 are as follows:

Item	Amount
State Adequacy Target	\$6,375.00
Free & Reduced Lunch Threshold	30.95%
Special Education (IEP) Threshold	13.11%
Limited English Proficiency Threshold	2.29%

163.021.1(4), RSMo. Impact on Payments

DESE has determined that FY 2022 student attendance has been broadly impacted by the COVID-19 pandemic, specifically due to the Delta and Omicron variants that occurred during the school year. As such, payment calculations for districts will include the use of FY 2020 ADA and WADA values as outlined below.

163.021.1(4), RSMo. indicates that “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.”

By applying this provision to FY 2023 payment calculations that rely on pandemic-impacted attendance years, the Basic Formula, Classroom Trust Fund, Prop C, and Small Schools Grant will be adjusted. Districts’ Basic Formula payments will include the greater of the FY 2020, FY 2021, FY 2022, or an estimate of FY 2023 WADA. For Classroom Trust Fund and Prop C, School Finance will utilize the greater of the FY 2020, FY 2021, or FY 2022 ADA or WADA for payment purposes. For the Small Schools Grant, FY 2022 ADA will be used to determine if a district qualifies for the grant, then the greater of FY 2020, FY 2021, or FY 2022 ADA will be used for payment purposes (not to exceed 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 statutory provision does not apply to charter schools, but an administrative rule revision is being proposed to adopt a similar approach under 5 CSR 30-660.090 Charter School Local Education Agency (LEA) Attendance Hour Reporting.

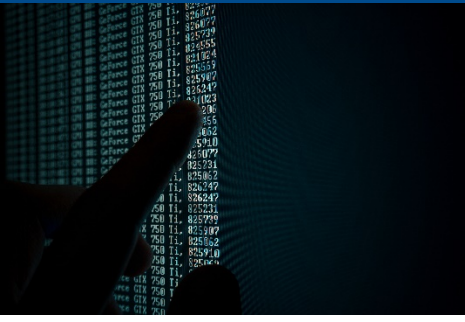
Estimating Average Daily Attendance (ADA)

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.

To help determine if it would be advantageous for your district to estimate ADA for the FY 2021-22 year, please see the Estimated ADA page located under School Finance in the web application system. A tool to help with estimating ADA can be found on the School Finance website under [Calculation Tools](#).

Point of Interest

Information regarding Attendance Hour reporting for the 2022 School Year can be found on the [Attendance Reporting Guidance](#) document located under Finance Topics & Procedures on the School Finance Webpage.



Transportation Supplement Grant

Transportation Supplement

Transportation Supplement Grant has been extended and can now be used for funds obligated through September 30, 2022. The [Grant Guidance Document](#) can be found on the [DESE COVID Relief Information page](#).

If the LEA has claimed all funds, please make sure to submit the FER.

Fund Transfers

Fund Transfer Maximums

Transferring money between funds is governed by statute and there is limited authority to transfer money from the General Fund to the Capital Projects Fund. There is no statutory authority to transfer above the maximum amount calculated.

All statutorily allowed transfers are outlined in a [Transfer](#) guidance document posted on the School Finance website under Topics and Procedures. Before planning large capital outlay projects, districts need to be aware of statutory transfer allowances and maximum transfer amounts.

Topics of Interest

Bonuses/Stipends/Extra-Duty Pay

Several Missouri constitutional provisions prohibit extra compensation to be paid to public employees. In addition, the Teacher Tenure Act, case law, and Opinions of the Attorney General provide that in Missouri, it is unlawful to give bonuses to public employees. When an LEA wants to compensate an employee with a stipend for extra work beyond an employee's regular contract, then the LEA must develop written documentation beforehand that indicates the extra work to be performed, the date(s) of performance, and the amount or rate to be paid to the employee. A written agreement, if established, must also be signed by a representative of the LEA and the employee to show the acceptance of the terms. If an LEA plans to pay compensation for work beyond an employee's regular contract, proper processes must be in place to document the extra work performed.

In addition, if paid with federal funds the employee must complete time and effort documentation that supports the extra work beyond the employee's regular contract. This documentation could be a semi-annual time certification or monthly personnel activity reports.

LEAs should consult their legal counsel with any questions about these provisions.

Grant Tracking Tool

Any LEA that would like help tracking various grants, an excel tool has been created to help with that process. Project codes will now be listed on the allocation documents along with other pertinent information regarding the grant. The Grant Tracking Tool can be found on the [School Finance Calculation Tools](#) page, along with, the [General Federal Guidance](#) webpage.

A short presentation has been created discussing coding accountability for grants as well. The presentation can be found on the [School Finance Related Webinar](#) webpage.

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 then 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 or phone (866) 889-8533.

Point of Interest

Preliminary FY 2021-22 transfer amounts have been posted on the School Finance Website under the [Data & Reports webpage](#). Final amounts will be posted after the June payment is completed.

1% Professional Development Expenditures

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 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.

In FY 2022 the following provision in 160.530.1, RSMo, applies as the amount appropriated and expended for transportation is less than twenty-five percent of the allowable cost of providing pupil transportation.

165.530.1, RSMo, states "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." Any portion of the amount allocated and not expended during the year must be shown as a part of the restricted fund balance on June 30.

Summer School 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.

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, ESSER II and ESSER III 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. That means no attendance hours should be included for students serviced in a summer school program paid for with ESSER, ESSER II and ESSER III funds. Attendance hours and absent hours should be zero in the August Enrollment and Attendance MOSIS file submission.

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.

Point of Interest

Transportation Supplement Grant has been extended and can now be used for funds obligated through September 30, 2022.

The [Grant Guidance Document](#) can be found on the [DESE COVID Relief Information page](#).



Data Reporting

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, 2021:

- 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.

Data Reporting

Once a MOSIS Cycle has been completed, it is important to verify that data has moved into Core Data and that the data appears correct. The report menu in Core Data provides numerous reports to help with this verification process.

Calendar

School Calendar Requirements

Missouri statute directs that each school board shall prepare annually a calendar for the school term per Section 171.031.1, RSMo. The school term shall consist of one thousand forty-four hours of actual pupil attendance, and "school day" shall mean any day in which, for any amount of time, pupils are under the guidance and direction of teachers in the teaching process. For kindergarten and prekindergarten grade levels the board shall provide a minimum of five hundred twenty-two hours of actual pupil attendance in a term. In short:

There is an hour requirement of 1,044 hours or 522 hours in session for half-day kindergarten or prekindergarten programs claimed for state aid.

There is also a weather make-up hour requirement.

- 36 planned make-up hours are required.
- The LEA school cannot go below 1,044 hours in session, or 522 hours in session for half-day kindergarten or prekindergarten programs claimed for state aid, unless forgiven by weather make-up requirements. Weather make-up requirements are:

The first 36 weather hours are made up and then half the amount thereafter up to 48 hours, for a maximum of 60 total make-up hours.

2021-2022 Attendance Reporting

For guidance regarding various attendance reporting scenarios please refer to the [Attendance Reporting](#) guidance document on the School Finance website.

Relief Fund Reminders

Grants expiring September 30, 2022 are:

- ESSER I
- Student Connectivity
- Transportation Supplement

ESSER Data Collection will begin in April 2022. Please be on the lookout for information regarding this new data collection.

[Point of Interest](#)

Other Important Reminders

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.

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, including new debt within seven days of issuing the bond or incurring the debt. This information shall be supplied to Office of Administration (OA) for display on the [State's Accountability Portal](#).

A user link for the portal is available on the main page. 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 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.

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 ensure compliance with the minimum salary requirements. Questions on specific situations may be directed to the School Finance staff at 573-751-0357.

Point of Interest

Information regarding MOSIS & Core Data can be found on the School Data website, [Core Data & MOSIS](#) webpage.

School Governance & Transportation

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 Commerce & Insurance.

State Transportation Aid Calculation

See payment section above.

Certified School Bus Driver Instructor Training

The Certified School Bus Driver Instructor recertification training will be held in Columbia on July 19, 2022. The Certified School Bus Driver Instructor workshop is scheduled for July 27-29, 2022, in Warrensburg. The three day certification workshop registration can be found [here](#). The one day certification workshop registration can be found [here](#).

A listing of all current Certified School Bus Driver Instructors can also be viewed [at Certified Bus Driver Instructors | Missouri Department of Elementary and Secondary Education \(mo.gov\)](#).

NEW Federal Entry Level Driver Training (ELDT) Effective as of February 7th 2022 Key Information

Information on the new Federal Entry Level Driver Training can be found on the [Student Transportation](#) website. This became effective February 7, 2022, and after that date, entry-level employees who are obtaining their CDL or Bus Endorsement are required to undergo the training outlined under these [federal guidelines](#). For more information, contact David Tramel at David.Tramel@dese.mo.gov or 573-751-0357.

[Point of Interest](#)

Calculation tools to help with revenue projections and inclement weather tracking and required make-up can be found on the [School Finance Calculation Tools webpage](#).

School Finance Contact Information & Staff Changes

Name	Duties
David Tramel Coordinator, Administrative and Financial Services David.Tramel@dese.mo.gov	Contact for Governance questions or Transportation question other than Transportation data reporting or Transportation payment.
Tammy Lehmen Coordinator, School Finance Tammy.Lehmen@dese.mo.gov	Contact for districts in counties 048 & Kansas City Charters 347-347. Contact for Transportation data reporting or Transportation payment questions.
Sharon Bax Director, School Finance Sharon.Bax@dese.mo.gov	Contact for districts in counties 075-115 & St Louis Charters
Taylor Doerhoff Director, School Finance Taylor.Doerhoff@dese.mo.gov	Contact for districts in counties 060-074 Contact for questions regarding Audits.
Kara Shumate School Finance Consultant Kara.Shumate@dese.mo.gov	Contact for districts in counties 001-047 & 049-059 Contact for County Clerks.



School Finance

P.O. Box 480 • 205 Jefferson Street, Jefferson City, MO 65102
 Phone # (573) 751-0357 • Fax # (573) 526-3897 • finadmgo@dese.mo.gov
<https://dese.mo.gov/financial-admin-services/school-finance/>

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