

School Finance

March 2023



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Payment Calculations

Basic Formula

The pandemic provision was applied for districts and payment was based on the current data available for Fiscal Years 2022-23, 2021-22, 2020-21, or 2019-2020 weighted average daily attendance (WADA). Calculation documentation can be found linked on the payment transmittal. Charter schools are paid on the higher of the current year estimate, 1st preceding year, or 2nd preceding year.

Classroom Trust Fund

The payment was calculated as allowed by Section 163.021.1(4), RSMo using the higher of FY 2021-22, FY 2020-21, or FY 2019-20 average daily attendance (ADA) data.

Proposition C

The payment was calculated as allowed by Section 163.021.1(4), RSMo using the higher of FY 2021-22, FY 2020-21, or FY 2019-20 weighted average daily attendance (WADA) data.

Transportation

The calculation is based on 2021-22 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 calculation is shown below.

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

<u>Month</u>	<u>Reduction Factor</u>	<u>A Factor</u>	<u>B Factor</u>
March 2023	0.00%	4.614747	-1.387350

Small Schools Grant

The payment was calculated as allowed by 163.021.1(4), RSMo., using the higher of FY 2021-22, 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 2023 Budget Estimates

Payment	SAT/Amount Per/Proration Percent	Appropriation	Denominator
Basic Formula ³	\$6,375.00	\$3,561,737,794	
Classroom Trust Fund ¹	\$425	\$349,005,372	820,000
Prop C ²	\$1,255	\$1,153,426,000	919,000
Small Schools Grant \$10M ¹	\$250	\$10,000,000	
Small Schools Grant \$5M ⁴	\$140	\$5,000,000	
Transportation	100%	\$328,411,105	

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.

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.

A Supplemental Appropriation for Prop C has been proposed for FY23 in the amount of \$28,532,000, which if passed would result in \$1,286 per WADA if revenue receipts equal the increased appropriation level.

Fiscal Year 2024 Governors Recommendations

Payment	SAT/Amount Per /Proration Percent	Appropriation	Denominator
Basic Formula ³	\$6,375.00	\$3,652,638,733	
Classroom Trust Fund ¹	\$450	\$364,134,511	810,000
Prop C ²	\$1,360	\$1,187,660,000	873,000
Small Schools Grant \$10M ¹	\$250	\$10,000,000	
Small Schools Grant \$5M ⁴	\$140	\$5,000,000	
Transportation	100%	\$347,297,933	

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 grants have been created for distribution in FY 2023 after the Missouri Financial Accounting Manual was published on July 1, 2022. 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.

Charter School Payment

Charter School Payment

A new Charter School payment simulation tool has been posted to the School Finance [Calculation Tools](#) Website.

The Charter Sponsor Cap is to be recalculated each year per 160.400.11 RSMo and has been calculated at \$181,470.59 for FY 2024 year.

Any questions regarding the calculation tool can be address to Tammy Lehmen (Kansas City Charter Schools) or Sharon Bax (Normandy and St. Louis Charter Schools).

Point of Interest

A variety of School Finance Guidance documents can be found on the [Finance Topics & Procedures](#) 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	2.39%

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.

Section 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 has been approved to adopt a similar approach under 5 CSR 30-660.090 Charter School Local Education Agency (LEA) Attendance Hour Reporting for FY 2022.

UPDATE: For the Basic Formula calculation in FY 2024, DESE considers FY 2022 as impacted under this statute and will adjust Basic Formula payment calculations accordingly. District Basic Formula payments will include the greater of the FY 2020, FY 2021, FY 2022, FY 2023, or an estimate of FY 2024 WADA. Districts should anticipate a return to regular payment methodology for the Basic Formula in FY 2025. Classroom Trust Fund, Prop C, and Small Schools Grant payments will rely on FY 2023 ADA or WADA for payment purposes in FY 2024.

Estimating Average Daily Attendance (ADA)

If a district has had an increase in enrollment or other factor that will make the FY 2023 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 2022-23 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 2023 School Year can be found on the [Attendance Reporting Guidance](#) document located under Finance Topics & Procedures on the School Finance Webpage.



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

Alternative Method of Instruction (AMI)

A local education agency (LEA) will not be required to make up school hours that are lost or cancelled due to exceptional or emergency circumstances (up to 36 hours) if the LEA implements an Alternative Methods of Instruction (AMI) Plan that is approved by the Department of Elementary and Secondary Education (DESE) (see Section 171.033, RSMo). LEAs must assure that the plan will favorably impact teaching and learning to receive DESE approval. LEAs will be required to submit an AMI Plan for each school year of implementation.

When an AMI day is implemented, the day is considered a day 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. For students who do not complete the lessons in the timeframe and manner approved within the AMI plan, the students must be marked absent.

Information regarding AMI can be found in the [Calendar Requirements](#) document posted on the School Finance Topics and Procedures page.

Grant Tracking

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.

Non-Certificated Educators – Attendance Hours Adjustment

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 or the hours are not allowed for state aid purposes. 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.

[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](#).

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.

If transportation funding remains at the budgeted amount of \$328,411,105, the provision of Section 160.530.1, RSMo requiring the full one percent (1%) funds to be spent **will** apply. Districts will be required 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.

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.

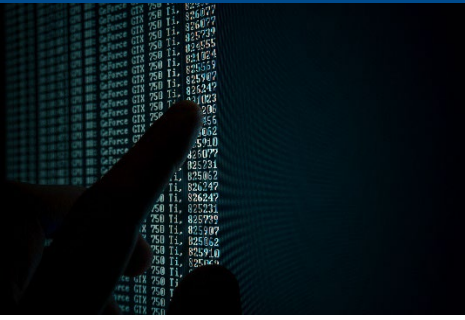
Be aware that a student can only attend one school district/charter summer school. Section 167.227, RSMo, states "No pupil shall attend summer school classes in more than one district during any one summer." If a student attends summer school in more than one district, the district that the student attended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

Per the ESSER 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 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. 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

Various relief Fund [Grant Guidance Documents](#) 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, 2022:

- 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.

Inclement Weather

Districts must comply with Section 163.021.1, RSMo, which requires compliance with the minimum term to be eligible for state aid. Additionally, Section 171.033.3, RSMo, allows "school lost or cancelled due to inclement weather in the school district when the school district has made up the thirty-six (18 for half day programs) hours required under subsection 2 of this section and half the number of additional lost or cancelled hours up to forty-eight (24 for half day programs), resulting in no more than sixty (30 for half day programs) 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.

Reminder: Hours that are forgiven due to inclement weather will not have an adverse impact on the average daily attendance (ADA) calculation. The above information regarding inclement weather and a short FAQ are available at on the [Finance Topics and Procedures](#) page under the Inclement Weather link.

There are two calculation tools to help with determining Weather make-up. They can be found under [Calculation Tools](#).

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 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. Per SB 681 which took effect August 28, 2022, 18 planned make-up hours are required for half day programs.

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 (18 for half day programs) weather hours are made up and then half the amount thereafter up to 48 (24 for half day programs) hours, for a maximum of 60 (30 for half day programs) total make-up hours.

Also, up to 36 Alternative Method of Instruction (AMI) hours 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. To use AMI the district must have a DESE approved AMI, plan for the year.

[Point of Interest](#)

Definitions of all MOSIS/Core Data elements can be found in the [Core Data and MOSIS Manual](#).

School Governance & Transportation Continued

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

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.

State Transportation Aid Calculation

See payment section above.

School Bus Train the Trainer and Recertification Workshops

The Annual Train the Trainer Workshop held in Warrensburg will be held July 26th-28th at the American Legion Hall in Warrensburg.

The Re-Certification Workshop will be held in Columbia July 6th at the Courtyard by Marriott.

Registration information can be found [here](#).

[Point of Interest](#)

The [Transportation Document Preparation Manual](#) can be found on the Student Transportation webpage.

School Finance Contact Information & Staff Changes

We ask that you always call our main number of 573-751-0357 or email the email addresses listed below and speak with your designated contact. Updated contact list for staff assignments are as follows:

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 Director, School Finance 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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