

School Finance

October 2022



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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

This is the first live state transportation calculation made for the current year. 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 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:

Month	Reduction Factor	A Factor	B Factor
October 2022	0.00%	4.678210	--1.383894

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.

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 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.

The first Small Schools Grant payment for 2022-23 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

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.

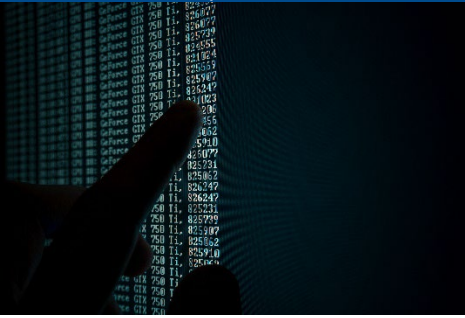
Section 163.021.1(4), RSMo indicates that "Whenever there has existed within the district an infectious disease, contagion, epidemic, plague or similar condition whereby the school attendance is substantially reduced for an extended period in any school year, the apportionment of school funds and all 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.

LEAs utilizing FY 2020 ADA as a result of this provision should begin planning for FY 2024 with the assumption that this provision will not be extended. Some LEAs will experience a significant decline in Formula WADA. Please utilize the [Foundation Formula Projection](#) tool in order to estimate the impact for your LEA, and make plans accordingly.

Point of Interest

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



Miscellaneous Finance Topics

Transportation Supplement

If the LEA has claimed all funds, please make sure to submit the FER by October 31, 2022.

Relief Fund Reminders

Grants expiring September 30, 2022 are:

- ESSER I
- Student Connectivity
- Transportation Supplement

If the LEA has claimed all funds, please make sure to submit the FER by October 31, 2022.

Fiscal Year 2023 Governors Recommendations

Payment	SAT/Amount		Denominator
	Per/% Increase	Appropriation	
Basic Formula ³	\$6,375.00	\$3,561,737,794	
Classroom Trust Fund ¹	\$412	\$349,005,372	848,027
Prop C ²	\$1,256	\$1,153,426,000	918,688
Small Schools Grant \$10M ¹	\$250	\$10,000,000	
Small Schools Grant \$5M ⁴	\$140	\$5,000,000	
Transportation	188.21%	\$328,411,105	

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

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.

Estimated Regular Term Average Daily Attendance (ADA)

The estimated regular term ADA for 2022-23 may be provided to your school finance contact to be entered on the Estimated ADA Screen. The district would report an estimated regular term ADA for the 2022-23 year only if the district's 2022-23 regular term ADA is expected to be greater than the 2021-22, 2020-21 and 2019-20 regular term ADA figures and the district wants to be paid in 2022-23 on the 2022-23 estimated number. Regular term average daily attendance includes qualified remediation attendance outside the regular school day. Refer to the [Attendance Reporting](#) guidance document for the description of qualified remediation attendance.

Districts who will be claiming eligible prekindergarten ADA for state aid should evaluate if there is a need to estimate their regular term ADA and should contact their school finance contact after school starts and enrollment is stable.

The local education agency (LEA) charter schools and non-LEA charter schools must provide an estimated regular term ADA to their school finance consultant for 2022-23. Payment is made to charter schools on current year attendance.

A worksheet to assist districts when estimating their ADA is available on the [Calculation Tools](#) webpage.

Point of Interest

All COVID Relief Fund grant information can be found on the [DESE COVID Relief Information](#) webpage.

FY 2022 Audit Report Submission Via Tiered Monitoring System

The following guidelines are provided for the Fiscal Year 2022 Audit Submissions:

- Board approved 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 board approved audit report must be uploaded as “Audit Documents (required fiscal audit)”. The board minutes, management letter, and any corrective action plans must be uploaded as “Audit Documents (supporting docs)” in the file upload dialog box for the 2022-23 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, 2022**. Failure to submit the audit in a timely fashion can result in the withholding of state aid.
- 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 Audit 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 as a result 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.

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.

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:

A summary statement of fund balances and receipts and disbursements by major classifications of each fund and all funds;

A summary statement of the scope of the audit examination;

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.

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.

Point of Interest

Proper Coding and Use of Project Codes

A current copy of the [Missouri Financial Accounting Manual](#) can be located on the School Finance webpage. This document should be used to determine the appropriate revenue, function, object, and project codes to use in the coding process.

Additional documents to help with a variety of coding topics can be located on the School Finance webpage under [Finance Topics & Procedures](#) under the category Coding Procedures. Topics include:

- [Advanced Funding Accounting Procedures](#)
- [Career Education Coding Guidance](#)
- [Coding Salary Cost to the Capital Projects Fund](#)
- [Equipment vs. Supply](#)
- [ESSA Coding Changes Guidance](#)
- [General Obligation Bonds](#)
- [Guaranteed Energy Savings Performance Contracts](#)
- [Indirect Cost Rates](#)
- [Lease Purchase](#)
- [Loans](#)
- [Local Match Requirements](#)
- [MOHEFA Direct Deposit](#)
- [Refunds and Reimbursements](#)
- [Salary Coding Guidance](#)
- [Special Education Coding Guidance](#)
- [Special Education Cooperative Coding Guidance](#)
- [Supplemental Educational Services \(SES\) Fiscal Guidance](#)
- [Technology Coding Guidance](#)
- [Transfers](#)
- [Vocational Projects for Resale](#)
- [Worksheet for Calculation of Adjusted Expenditures](#)

2022-23 Attendance Hour Claiming

Information regarding claiming attendance hours for SY 2022-23 can be found in the Attendance Reporting guidance document located on the [Finance Topics & Procedures](#) webpage.

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.

School Finance Related Webinars and Presentations

Several Finance related webinars can be located on the School Finance webpage under the [School Finance Related Webinars](#) page. As time allows we are trying to expand the selection of available webinars, if you have any suggestions please feel free to reach out to finadmgo@dese.mo.gov with your suggestions.

[Point of Interest](#)

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 or virtual attendance hour claiming.

1. A student on COVID-19 quarantine can be provided five hours of one-on-one instruction during a Sunday-to-Saturday time period. This instruction can be done in person, through electronic methods and/or by phone. Attendance when a student is provided five hours of one-on-one instruction during a Sunday-to-Saturday time period is claimed as full time for the week. 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. 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. 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.

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.

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](#).

School Governance & Transportation

Requirement to Provide Transportation

Staffing shortages continue to create many challenges for businesses and industries across the country, and Missouri's public schools are no different. The Department of Elementary and Secondary Education (DESE) recognizes these are complex issues and that school leaders are working hard to be strategic and creative when troubleshooting these problems locally. One of those challenges is a shortage of school bus drivers leading to changes in bus routes, bus stops and travel time for students on the bus. Our office is fielding many questions regarding these changes and continue to advise parents and patrons that these decisions are made by local district and school board.

It is important to note that when making changes to bus routes to be cognizant of sight distance guidelines and regulations regarding distances between stops. Please refer to the guidance in the Administrator's Handbook related to establishing stops.

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.

National School Bus Safety Week

National School Bus Safety Week is October 17-21 and the 2022-23 poster contest theme will be ***Safely Rolling to My Destination***. For more information go to [NAPT](https://www.napt.org/). Entries for the 2022-23 National School Bus Safety poster contest may be submitted between August 15, 2022 – March 31, 2023. To order posters, contact the American School Bus Council at info@americanschoolbuscouncil.org.

SB 681, Transportation of 10 Passengers or Less Including the Driver

Senate Bill 681 went into effect August 28, 2022 changing the definition of a school bus and subsequent qualifications to operate certain vehicles.

- The bill effectively removes vehicles that are designed to transport 10 passengers or less from the current definition of a school bus as used by DESE.
- In order to operate a district owned vehicle capable of transporting 10 passengers or less the driver needs to only possess a class F operator's permit after this law goes into effect.
- The Department of Revenue is not requiring these drivers to hold a Class E license.
- It is important to note that the bill describes these vehicles as less than 12,000 lbs GVWR. Any vehicle capable of transporting more than 10 including the driver must still meet the minimum safety standards for a school bus.

Point of Interest

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

School Finance Contact Information & Staff Changes

Kara Shumate has accepted another position within the Department of Elementary and Secondary Education Administrative and Financial Services. We wish her well in her new adventure.

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



School Finance

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



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