

School Finance

January 2023



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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 4th 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 December FY 2023 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>Month</u>	<u>Reduction Factor</u>	<u>A Factor</u>	<u>B Factor</u>
January 2023	0.00%	4.592348	-1.379300



[Point of Interest](#)

Annual Audit Report was Due December 31, 2022.

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.



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 an 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

Point of Interest

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



Estimating 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 three 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 FY23 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](#).

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.

Point of Interest

Preliminary FY 2022-23 transfer amounts have been posted on the School Finance Website under the [Data & Reports webpage](#).

Professional Development

1% Professional Development Expenditures - FY 2023

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.

Professional Development Expenditure Coding

Function Code 2214 may only be used to code those expenditures made to meet the requirement of Section 160.530, RSMo, described above. Expenditures coded to Function Code 2214 - Professional Development with a source code or project code that indicates use of funds other than Basic Formula funds will not be allowed. If improper coding has occurred the district will be required to make adjusting entries and amend the Annual Secretary of the Board Report (ASBR) as necessary.

Any instructional staff professional development required by other programs or paid by other programs, as well as, expenditures made that do not meet the requirement of Section 160.530, RSMo, should be coded to Function Code 2213 – Instructional Staff Training Services.

Professional development for non-instruction staff should be coded to Function Code 2644 - Professional Development for Non-Instructional Staff.

Financial Software Survey

In an effort to ensure School Finance has a current list of the Financial Software vendors used by LEA's we ask that each LEA complete the [School Finance – Financial Software Survey](#).

[Point of Interest](#)

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



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.

An [Attendance Reporting Q & A](#) has been created to address common questions regarding use of AMI in the SY 2023 year.

Students put on a COVID-19 Related Quarantine

A student placed on COVID-19 related quarantine is deemed to qualify for homebound instruction that then allows 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.

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.

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 district's 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.

[Point of Interest](#)



October Educator MOSIS Data

With the implementation of the Teacher Baseline Salary Grant and Career Ladder Payment several new salary fields were added to the MOSIS Educator Core and Educator School Files. It's important if the LEA is participating in these programs that the data submitted is correct.

Teacher Baseline Salary Grant and Career Ladder salary information reported must align with applications submitted in the Compliance Plan to receive final ePeGS allocation amounts and final payments.

Please ensure the LEA's MOSIS staff review the information submitted and ensure it aligns with the applications submitted by the LEA where possible. It is understandable that staffing changes will add or remove individuals from qualification to the grant(s) but it is imperative to verify the correct reporting of data and to update the data as necessary throughout the year.

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 hours required under subsection 2 of this section and half the number of additional lost or cancelled hours up to forty-eight, resulting in no more than sixty total make-up hours required by this section".

"Inclement weather", for purposes of this section, shall be defined as ice, snow, extreme cold, excessive heat, flooding, or a tornado.

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

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](#).

Other Important Reminders

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.

Core Data Screen 16 – January Membership

- The February Cycle MOSIS submission will populate Core Data Screen 16 providing a membership count of resident students who were enrolled on January 25, 2023, and were in attendance one of the previous ten school days. The February Cycle is due to DESE by February 15, 2023.

Mid-Year Fund Balance Reporting

The mid-year fund balance reporting will occur as a part of the February Core Data cycle on Core Data Screen 35. Each district will be required to report the following information as of December 31, 2022:

- Incidental and Teachers Funds' Unrestricted Ending Fund Balance as of December 31.
- 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.

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 Division of Accounting, at 573-751-2971 or MissouriBUYS@mo.gov.

Point of Interest

Various relief Fund [Grant Guidance Documents](#) can be found on the [DESE COVID Relief Information page](#).

Core Data Screen 15 - Home School/Free and Reduced Lunch Data

The February Cycle MOSIS submission will populate the Home School/Free and Reduced Lunch Data, Core Data Screen 15, which is used to collect the number of students eligible for free or reduced price lunch as of the last Wednesday in January (January 25, 2023) in the category described in the Core Data Collection System Manual –State FTE Free or Reduced Lunch Eligible Students. A description follows:

State FTE Resident Free or Reduced Lunch Eligible Students

1. Report the full-time equivalency count of resident students enrolled in grades K-12 on January 25, 2023, and in attendance one of the 10 preceding school days whose eligibility for free or reduced lunch is documented (through the application process using federal eligibility guidelines or through the direct certification process). For districts that participate in the Community Eligibility Program (CEP) all of the students enrolled in the district (if CEP has been chosen district wide) or all of the students enrolled in a CEP building (if only certain buildings in the district participate) are considered eligible for free and reduced lunch.
2. Report eligible students on a full-time equivalency (FTE) basis. A student attending one-half day is counted as .5, one-fourth day as .25, etc. Kindergarten students attending less than a full day per the first grade calendar are included in the counts as a ratio of the kindergarten calendar divided by the first grade calendar. Example: If the calendar for “full day” students in a school is 1050 hours and the calendar for kindergarten students is 630, then the FTE for those kindergarten students would be 630/1050 or .60. In no case should a full-time half-day kindergarten student be reported less than .50.
3. Eligible students are counted regardless of whether or not they actually eat lunch/breakfast.
4. Nonresident students are to be counted by the district that pays the tuition for those students and are reported as “Resident II Students”.
5. Do not count students for whom the Department does not distribute state aid. (Students in preschool, the Parents as Teachers Program or state schools are not counted for state aid purposes.)

School Governance & Transportation Continued

State Transportation Aid Calculation

See payment section above.

Ridership List

The second ridership list for the current school year must be finalized on the second Wednesday of February (February 8, 2023). This list should be a compilation of the students’ names that regularly ride the bus from the beginning of the second semester to the February count day and should identify which students are eligible for state transportation aid (those living one mile or more from school) and those ineligible for state transportation aid (those living less than one mile from school).

The ridership list should not be a listing of all students who are eligible or ineligible to ride the buses nor should it be a listing of only those students riding on the count day, but should be a listing of students regularly riding the buses. A student should ride the bus a minimum of once a week to be considered a regular rider.

Point of Interest

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

Drug and Alcohol Clearing House

The following information is from the DOT website:

The [Clearinghouse](#) is a secure online database that will give employers, the FMCSA, State Driver Licensing Agencies (SDLAs), and State law enforcement personnel real-time information about commercial driver's license (CDL) and commercial learner's permit (CLP) holders' drug and alcohol program violations. An act of Congress directed the Secretary of Transportation to establish the Clearinghouse.

The [Clearinghouse](#) will enable employers to identify drivers who commit a drug and alcohol program violation while working for one employer, but who fail to inform another employer (as required by current regulations).

The Clearinghouse will also require the following:

- Employers will be required to query the Clearinghouse for current and prospective employees' drug and alcohol violations before permitting those employees to operate a CMV on public roads.
- Employers will be required to query the Clearinghouse annually for each driver they currently employ.

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

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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