

School Finance

June 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> |
|--------------|-------------------------|-----------------|-----------------|
| June 2023 | 0.00% | 4.616681 | -1.383317 |

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 | \$3,636,118,519 | |
| Classroom Trust Fund ¹ | \$425.82 | \$349,005,372 | 819,608 |
| Prop C ² | \$1,286.92 | \$1,181,958,000 | 918,652 |
| Small Schools Grant \$10M ¹ | \$252.06 | \$10,000,000 | |
| Small Schools Grant \$5M ⁴ | \$140.97 | \$5,000,000 | |
| Transportation | 100% | \$328,411,105 | |

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

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

Fiscal Year 2024 Budget

| Payment | SAT/Amount Per /Proration Percent | Appropriation | Denominator |
|--|-----------------------------------|-----------------|-------------|
| Basic Formula ³ | \$6,375.00 | \$3,664,031,194 | |
| 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 | |

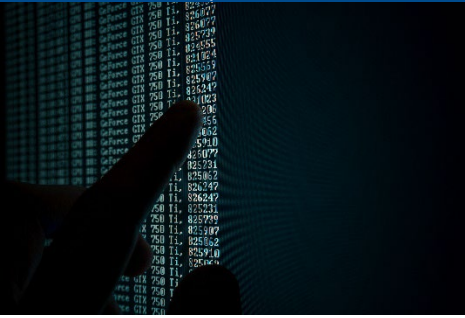
¹ADA /² WADA/ ³FWADA / ⁴ Tax-Rate WADA

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.

Also keep in mind that the ADA/WADA used for the various funding streams are very uncertain for FY 2024, and will not be known until after June MOSIS data are certified. Updates to these projections will be provided at that time. If dedicated revenues exceed the appropriation level, a supplemental appropriation may be necessary in order to distribute the additional funds.

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 | 2.39% |

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.

House Bill 1552 modified the charter school basic formula calculation to allow charter schools to be paid on Formula Weighted ADA (FWADA). FWADA is calculated using of the higher of the 2nd preceding, 1st preceding, or estimate of the current year WADA, less that year’s summer school, plus the current year summer school.

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.

DVM for FY 2024

The dollar value modifier (DVM) for FY 2024 may be viewed [under State Aid Payment Data](#) Portion of the School Finance website.

2023-2024 ACH Dates

The 2023-24 Automated Clearinghouse (ACH) transfer dates are located on the School Finance website under Financial Reports. Below is also a list of those dates:

| ACH Deposit Dates | |
|--|-------------------|
| Payment transmittals will be available the business day prior to the ACH date. | |
| July 21, 2023 | August 21, 2023 |
| September 19, 2023 | October 20, 2023 |
| November 21, 2023 | December 21, 2023 |

[Point of Interest](#)

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.

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. This statutory provision does not apply to charter schools.

1% Professional Development Expenditures – FY 2023 & FY 2024

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 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 the FY 2024 transportation funding remains at the budgeted amount of \$347,297,933, 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.

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.

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 half-day kindergarten and prekindergarten grade levels the board shall provide a minimum of five hundred twenty-two hours of actual pupil attendance in a term.

The weather make-up hour requirements are as follows.

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

Audit Reports

A copy of the 2022-23 Schedule of Selected Statistics that is to be included in the 2022-23 audit report is available on the [School Audit webpage](#). The district should print and keep a copy as a reference when it reviews the 2022-23 audit report prior to submitting the audit report to DESE to ensure the updated schedule is used by the auditor and included in the report. The district is encouraged to compare the information in the audit on this Schedule to the data the district submitted through MOSIS, Core Data, the Annual Secretary of the Board Report, or other reports and resolve any differences prior to submitting the audit report.

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.

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](#)

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

Summer School Attendance

To claim summer school attendance hours for state aid, the district must have a DESE approved summer school program. Summer school must be separate from the regular school term. Summer school 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.

FY 2022-23 Annual Secretary of the Board Report (ASBR)

Some changes have been made to the 2022-23 ASBR. These updates are listed on the [School Finance ASBR web page](#). The ASBR is now open for view and save, but will not be allowed to be submitted until July 1, 2023.

There is an [ASBR User Guide](#) as well as an [ASBR 101](#) recorded webinar to assist with the completion of the ASBR. ASBR is due August 15, 2023 by midnight.

Point of Interest

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

2022-2023 Attendance Reporting

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

- Attendance & Credit Recovery
- Breakfast in the Classroom
- District Paid Local Effort
- District Paid Tuition
- Early Dismissal of Seniors
- Excused Absences
- Map Testing
- Out-of-School Suspension
- Parent Paid Tuition
- Zero Hour
- Attendance when Participating in Sanctioned Programs Activities
- Moving between Onsite and Virtual Courses
- Non-Tradition Methods of Instruction
 - Virtual Courses
 - Computer Based Courses
 - Homebound Instruction
 - Correspondence Courses
 - School Flex Program

Point of Interest

An ASBR 101 presentation has been recorded and posted to the [School Finance Related Webinars](#) webpage.

School Governance & Transportation

Boundary Change

If there is a change in your school district's boundary following the June election, please send a copy of the ballot with the legal description of the boundary change to the School Financial and Administrative Services Section.

Residency – Due Diligence

As you begin to prepare for registration later this summer, it is important to provide due diligence to residency. It is important to accurately report the residency status of students in all reporting done throughout the year. Acceptable forms of verification are provided on our [Residency](#) webpage.

Superintendent Sharing

Districts now have an option to share a superintendent and each receive \$30,000 in additional funding for up to five years as an incentive to pool resources under [168.205](#), RSMo. The additional funding and half of the resulting savings must be used to compensate teachers or provide counseling services. Districts are asked to notify DESE if they want to take advantage of this opportunity so the department can make appropriate plans to budget for the necessary funding. Please contact David Tramel at David.Tramel@dese.mo.gov or 573-751-0357 for more information.

State Transportation Aid Calculation

See payment section above.

Certified School Bus Driver Instructor Training

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

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

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

2022-23 Transportation Data Collection

The transportation data are collected through the Annual Secretary of the Board Report via the ASBR web applications process. The data required for the Application for State Transportation Aid and School Bus and Facility Depreciation Schedules have not changed. The ASBR must be submitted via the Web Application by midnight, August 15, 2023.

[Point of Interest](#)

Calculation tools to help with revenue projects 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 |
| Vacant Director, School Finance finadmgov@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

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

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](#).

