

# **School Finance Update**

**Missouri Department of Elementary  
and Secondary Education**

**2014 MASA Spring Conference**

## Topics

- Budget Projections
- Local Effort
- Non-Certificated Educators
- Minimum Salary
- Increment Weather
- Calendar Options



## Basic Formula-2013-14

- Gaming money continues to run behind projections
- \$33 Million carryover
- \$22 Million in the supplemental
- Funding percentage for this March-93.246348%
- We expect this to rise slightly by the end of the year



## Basic Formula-2014-15

- Governor-\$278 Million
- House-\$122 Million
- Possibility of another \$156 Million if revenue grows
- \$122 Million-SAT of \$6,131-Funding percentage of 98%



## Dollar Value Modifier (DVM)

- Preliminary FY14 DVM available at <http://dese.mo.gov/divadm/finance/DollarValueModifier.htm>



## Weighting Thresholds

- 2012-13 and 2013-14- FRL-38.8%, IEP-13.2% and LEP-1.8%
- 2014-15 and 2015-16- FRL-41%, IEP-12.6%, and LEP-2.1%



## Basic Formula

### Local Effort

- Decrease in assessed valuation below 2004 valuation
- Increase in Fines above 2004-05 revenue





## 2013-14 Budget Estimates-Prop C

- Prop C estimate - The 2013-14 Proposition C Sales Tax payment is paid on the 2012-13 weighted average daily attendance (WADA) which was 896,599.4421 as of the February 2014 payment. Based on the WADA and estimated revenue of \$793,100,000 the 2013-14 estimated amount per WADA would be \$884



## 2013-14 Budget Estimates-Prop C

- In the June memo an estimate of \$833 was provided and while the revenue is currently ahead of this estimate it must be noted that last year the rate of increase in sales tax revenue slowed considerably after January resulting in the revenue falling short of the projection



## 2013-14 Budget Estimates-Prop C

- At this point we remain optimistic that the estimate will not decrease and that it will hopefully show modest improvement above last year's actual of \$835.29. You are urged to continue to closely monitor the Proposition C receipts very closely for the remainder of the year



## 2014-15 Budget Estimates – Proposition C

- Prop C - \$922 per prior year WADA
  - The Governor's Budget has projected an increase in Proposition C revenue for the 2014-15 fiscal year which is \$34,400,000 above last year's estimate of \$793,100,000. The 2014-15 Proposition C Sales Tax payment will be paid on the 2013-14 weighted average daily attendance (WADA)
  - With statewide ADA basically holding constant and the assumption that summer school will do the same, it is predicted that Proposition C Payment WADA will be in the vicinity of 897,000 in FY14. If the Revenue Estimate of \$827,500,000 is achieved, it would mean a WADA payment of approximately \$922. While it appears this level of collection is achievable, caution should be used as determination of budget estimates are made



## 2013-14 Classroom Trust Fund

- 2013-2014 Classroom Trust Fund Estimate
  - \$445 per prior year ADA
  - Year-to-date revenues continue to trail those revenues compared to FY13. Based on this current year trend it is possible that the Classroom Trust Fund amount per ADA will more likely be somewhere in the proximity of **\$388**. The state will only distribute funds that are actually collected into the Classroom Trust Fund, which may or may not reach the appropriated level.



## 2014-15 Budget Estimates – Classroom Trust Fund

- Classroom Trust Fund - \$401 per prior year ADA
- The 2014-15 Classroom Trust Fund payment is paid on the 2013-14 average daily attendance of approximately 843,000. The projected Classroom Trust Fund revenue as stated in the Governor's recommendations for the 2014-15 budget is \$338,505,978. This estimated revenue will be divided by an estimated 2013-14 average daily attendance of approximately 843,000, which is approximately \$401 per ADA from the Classroom Trust Fund for the 2014-15 year.



## 2014-15 Budget Estimates – Classroom Trust Fund

As a reminder, Senate Bill 291 passed in the 2009 legislative session includes the following provision in Section 163.043.5:

- For the 2010-2011 school year and for each subsequent year, all proceeds a school district receives from the classroom trust fund in excess of the amount the district received from the classroom trust fund in the 2009-2010 school year shall be placed to the credit of the district's teachers' and incidental funds.



## Small Schools Grant

- \$10M distributed equal amount per ADA to Districts with prior year ADA  $\leq$  350
- \$5M will be distributed to districts with tax rates  $\geq$  \$3.43 on a tax-rate-weighted ADA basis





## Small Schools Funding Estimate

- 2013-2014 Estimate
  - \$10,000,000 portion - \$278 per ADA
  - \$5,000,000 portion - \$159 per tax rate weighted ADA



## Bill Back Procedures (Local Tax Effort)

Section 167.126, RSMo, requires a school district providing education services to a student who resides in another district but was placed in the district by the Department of Mental Health, Department of Social Services or a court of competent jurisdiction to bill the district of domicile an amount equal to the average sum produced per child by the local tax effort of the district of domicile.



### Bill Back Procedures (Local Tax Effort)

- Calculated using the Annual Secretary of the Board Report (ASBR) and Core Data for the previous fiscal year.
- Computed by adding the prior year tax revenue the district of domicile received from property taxes, Intangible (Financial Institution) Taxes, M & M Taxes, In Lieu of Taxes and State Assessed Railroad and Utility Taxes, then dividing that sum by the prior year resident Average Daily Attendance (ADA) of the district of domicile.



### Bill Back Procedures (Local Tax Effort)

- The educating school district will bill the domicile district by dividing the domicile district's tax effort by the educating district's days in session and then multiplying by the number of days a student attended.

(Domicile district's tax effort per ADA / Days in Session) x Days Attended



## Bill Back Procedures (Local Tax Effort)

**The local tax effort per ADA is available on the Missouri Comprehensive Data System (MCDS) portal at <http://mcds.dese.mo.gov/Pages/default.aspx>**

Once on this website select Quick Facts, then District and School Information and then Local Effort



## Minimum Salary Requirements

- Beginning Teacher – Minimum Salary \$25,000
- Master's Degree with 10 years experience  
\$33,000



## Minimum Salary Requirements

- Substitute teachers filling a regular classroom teacher's position as the teacher of record for the class must be paid the minimum salary
- All teachers are to receive at least their full-time equivalent proration of the applicable minimum salary
- Minimum salary requirements 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



## Minimum Salary Requirements

- Section 163.021.3, RSMo, specifies that the penalty for noncompliance with Section 163.172, RSMo, is the reduction of the Basic Formula to the 1993-94 amount.





## Non-certificated Educators

- Attendance Hours for any educators without a valid certificate will be disallowed for state aid payment purposes.
- 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.
- A report is available which will identify educators within the district that do not have a valid certificate on file with DESE.



## Non-certificated Educators

- This report can be accessed in either of the following ways:
  - Through Data Collections select Reports, select Special Reports, select Staff Assignment Report. Under Special Reports select No Certification – Teacher, scroll down and select Selected Assignments Only and then Run Report.
  - Log into web applications and select Educator Qualifications under the Cross Divisional heading, then select report menu, then select Staff Assignment Report. When the report selection options are available select No Certification – Teachers under the Special Report Heading and select Selected Assignments Only at the top of the selection criteria and then select run report.



## Non-certificated Educators

- At the end of the 2012-2013 year, DESE will prepare a list of educators meeting the following criteria:
  - Did not hold a valid Missouri educator certificate at any point in time between July 1, 2012 and July 1, 2013; or
  - Has a certificate pending but did not initiate the required background check prior to June 30, 2013.
  
- School districts must then exclude the 2012-2013 hours of attendance for all students who were under the supervision of those educators since they did not have a valid certificate.



## Non-certificated Educators

- Questions regarding appropriate teacher certification should be directed to Educator Certification.
  
- Questions regarding documentation for exclusion of attendance hours should be directed to School Finance.



## Inclement Weather

- Section 160.041.1, RSMo
- Minimum required hours of class time to count as a school day
  - Schools that provide a minimum term of 174 days and 1,044 hours of instruction must provide at least 3 hours of class time
  - Schools that provide a minimum term of less than 174 days and 1,044 hours of instruction must have at least 4 hours of class time



## Inclement Weather

- A school day ending before the required hours of class time does not count toward the day requirement and the hours do not count toward the 1,044 hour requirement
- Since the day is not a legal day, the hours and day do not count for state aid purposes
- Such hours are not reported as a part of the district's calendar and the attendance hours are not reported in the June MOSIS Enrollment and Attendance file submission for ADA calculation purposes



## Inclement Weather

- Inclement Weather, for the purpose of this section, shall be defined as ice, snow, extreme cold, flooding, or a tornado, but such term shall not include excessive heat.
- Days missed for reasons other than inclement weather have to be made up
- Districts are required to make up the first 6 days lost due to inclement weather and are required to make up the 7<sup>th</sup> day and are forgiven the 8<sup>th</sup>, required to make up the 9<sup>th</sup> and forgiven the 10<sup>th</sup> and so forth until 10 days have been made up
- Specific information and frequently asked questions regarding inclement weather can be located at <http://dese.mo.gov/divadm/finance/topicsandprocedures/documents/sf-InclementWeather.pdf>



## School Calendar Options

1. A traditional calendar may be adopted which requires the school board to provide a minimum term of at least 174 days and 1,044 hours of instruction, 171.031.1, RSMo
  - a. Minimum required hours in a school day of 3 hours per Section 160.041.1, RSMo
  - b. Maximum possible hours in a school day of 7 hours per Section 171.031.7, RSMo
2. A calendar of less than 174 days may be adopted by the school board that provides a minimum of at least 1,044 hours of instruction, 171.029.1, RSMo
  - a. Minimum required hours in a school day of 4 hours per Section 160.041.1, RSMo
  - b. Maximum possible hours in a school day of 8 hours per Section 171.031.7, RSMo





## School Calendar Options

3. A calendar of 142 days (four days per week) may be adopted by the school board that provides a minimum of at least 1,0444 hours of instruction, 171.031.1, RSMo
  - a. Minimum required hours in a school day of 4 hours per Section 160.041.1, RSMo
  - b. Maximum possible hours in a school day of 8 hours per Section 171.031.7, RSMo



**QUESTIONS?**



## Contact Information

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