

MASA

SCHOOL FINANCE TOPICS

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of Elementary and Secondary Education

Topics

- ❑ Estimated ADA
- ❑ Budget Projections
- ❑ Local Effort
- ❑ Minimum Salary
- ❑ Non-Certificated Educators
- ❑ Inclement Weather
- ❑ School Calendar
- ❑ Summer School



Estimating ADA

- Districts are paid on the greater of the:
 - Current year estimated ADA
 - 1st preceding year ADA
 - 2nd preceding year ADA
- This year is unique because the threshold percentages have changed, which will result in greater weighting for some districts.

Weighting Component	FY15 & FY16	FY17 & FY18
Free & Reduced Lunch (FRL)	41.00%	36.12%
Special Education (IEP)	12.60%	12.16%
Limited English Proficiency (LEP)	2.10%	1.94%



Estimating ADA

- There is a Estimated ADA Screen in DESE Web Applications that provides historical information, such as Membership, Enrollment, ADA, and ADA percentages that may be helpful when estimating an ADA.
- A worksheet to assist districts when estimating their ADA is available at <http://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>.
- If your district wishes to estimate please contact your districts School Finance Consultant and they can enter the estimated ADA for you.



Proposition C Funding Estimates

- A \$.01 state-wide general sales tax for education with a corresponding property tax reduction for school districts. Prop C sales tax revenue is collected locally, transmitted to the state and then passed on to school districts based on an amount per prior year Weighted Average Daily Attendance (WADA) amount



Proposition C Funding Estimates

- 2016-2017 Prop C Estimate
 - Based on the WADA and estimated revenue of \$880,400,000 the 2015-16 estimated amount per WADA would be \$974. At this point, we remain cautiously optimistic that Proposition C funds will remain strong during the second half of FY17 and that the projected amount per WADA will be realized. You are urged to continue to closely monitor the Proposition C receipts very closely for the remainder of the year.
 - Monitor the monthly School Finance memos for updates.



Proposition C Funding Estimates

- 2017-2018 Prop C Estimate
 - The Governor's Budget has projected an increase in Proposition C revenue for the 2017-18 fiscal year. The 2017-18 Proposition C Sales Tax payment will be paid on the 2016-17 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 903,000 in FY17. If the Revenue Estimate of \$901,600,000 is achieved, it would mean a WADA payment of approximately \$998. While it appears this level of collection is achievable, caution should be used as determination of budget estimates are made.



Classroom Trust Fund

- Shall be spent at discretion of local school district
 - 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.
- May be used for:
 - Teacher recruitment, retention, salaries
 - School construction, renovation, leasing
 - Technology, textbooks, instructional materials
 - School safety
 - Supplying additional funding for required programs



Classroom Trust Fund Estimates

- 2016-2017 Classroom Trust Fund Estimate
 - \$405 per prior year ADA
 - The state will only distribute funds that are actually collected into the Classroom Trust Fund, which may or may not reach the appropriated level of \$343,971,832.
- 2017-2018 Classroom Trust Fund Estimate
 - Approximately \$414 per ADA
 - The Classroom Trust Fund is one of the funding sources of the Basic Formula and, like other funding areas, we will not know exactly the funding level until the appropriation process concludes.



Small Schools Grant

- To qualify for the Small Schools Grant a districts prior year ADA must be equal to or less than 350.
 - \$10M distributed equal amount per ADA to Districts with prior year ADA ≤ 350
 - \$5M will be distributed to districts with tax rates \geq \$3.43 on a tax-rate-weighted ADA basis



Small Schools Funding Estimate

- 2016-2017 Estimate

- \$10,000,000 portion - \$278 per ADA

- \$5,000,000 portion - \$155 per tax rate weighted ADA

- 2017-2018 Estimate

- \$10,000,000 portion - \$270 per ADA

- \$5,000,000 portion - \$156 per tax rate weighted ADA



State Adequacy Target (SAT)

- The State Adequacy Target is the sum of the current operating expenditures of every performance district that falls entirely above the bottom five percent and entirely below the top five percent of average daily attendance, when the districts are rank-ordered based on their current operating expenditures per average daily attendance, divided by the total average daily attendance of all included performance districts.
- Performance districts are districts that have earned at least 90% of the possible points reported in both school years immediately prior to the year in which the calculation must be made.
- Calculated every two years.



State Adequacy Target (SAT)

Fiscal Years	Calculated SAT	Used SAT	June Proration Percentage	Prior Year Correction Proration Percentage
2007	\$6,117	\$6,117	100.000000%	100.000000%
2008	\$6,117	\$6,117	100.000000%	100.000000%
2009	\$6,117	\$6,117	100.000000%	100.000000%
2010	\$6,117	\$6,117	98.661002%	98.272000%
2011	\$6,124	\$6,124	96.979260%	96.458193%
2012	\$6,131	\$6,131	94.150969%	93.550547%
2013	\$6,716	\$6,131	92.583743%	92.387206%
2014	\$6,716	\$6,131	93.282523%	92.787959%
2015	\$6,580	\$6,131	96.869553%	96.439251%

Fiscal Years	Calculated SAT	June Proration Adjusted SAT	Prior Year Correction Adjusted SAT
2016	\$6,580	\$6,145.826158666	\$6,121.383388689
2017	\$6,241	\$6,145.268312037*	

* As of the February 2017 Payment



Dollar Value Modifier (DVM)

- DVM for FY18 can be viewed at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports>



Threshold

Threshold percentages for FY2017 & FY2018:

Free & Reduced Lunch	36.12%
Special Education (IEP)	12.16%
Limited English Proficiency (LEP)	1.94%



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

- Local Effort explanation document and FAQ is located on the School Finance Website under Finance Topics & Procedures.



Minimum Salary Requirements

- All teachers are to receive at least their full-time equivalent proration of the applicable minimum salary which is either \$25,000 or \$33,000.

- **\$25,000** – Beginning Teacher working at a 1.0 FTE
 - FTE .50 must be paid \$12,500 ($\$25,000 \times .5$)
 - FTE of .22 must be paid \$5,500 ($\$25,000 \times .22$)

- **\$33,000** – Teachers with a Master's Degree plus 10 years experience working at a 1.0 FTE
 - FTE .75 must be paid \$24,750 ($\$33,000 \times .75$)
 - FTE of .12 must be paid \$3,960 ($\$33,000 \times .12$)



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
- 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.
 - To access this report in the Data Collection system, go to the left hand navigational tree and select Reports, then Special Reports, then Staff Certification



Non-certificated Educators

- At the end of the 2016-2017 year, DESE will prepare a list of educators meeting the following criteria:
 - did not hold a valid Missouri educator certificate for the Regular School year teaching assignment or;
 - has a certificate pending but did not initiate the required background check
- School districts notified by School Improvement that they have an educator(s) that met the above criteria must provide School Improvement with the attendance hours by building and by grade for all students who were under the supervision of those educators since the educator did not have a valid certificate. These hours of attendance will be excluded from the total hours of attendance for the school year.



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 Improvement.



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 7th day and are forgiven the 8th, required to make up the 9th and forgiven the 10th 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



School Calendar

- There is a day requirement
 - Three calendar options that have been discussed
 - Districts cannot operate under hours only
- Districts will report the planned calendar to the department by August 15 of each year
- Once the type of calendar has been established by the district the number of days of planned attendance can't be changed
- Districts planned calendars will be used when determining if a district has gone the required number of days in a year



School Calendar

- A school day ending before the minimum required hours on class time does not count toward the day requirement and the hours do not count toward the 1,044 hour requirement
 - The day is not a legal day
 - The hours and day do not count for state aid purposes
 - Hours are not reported as a part of the school district's calendar and the attendance hours are not reported for the ADA calculation for state aid purposes



Summer School

- Separate from the regular school term
- Summer School is not required
- 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



Summer School

- In order for summer school attendance hours to be counted in the calculation for state aid the summer school program must be approved by the Department of Elementary and Secondary Education
- The summer school application must be submitted no later than May 1
- Summer School Handbook is available at <https://dese.mo.gov/office-quality-schools/summer-school-program>



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