

Tammy Lehmen, Coordinator, School Finance

David Tramel, Coordinator, Administrative and Financial Services



School Finance

March 2023



- Budget Projections
- PK Funding
- Calendar Requirements
- Increment Weather
- 1% PDC Spending Requirement
- Quarterly Financial Reporting
- Residency
- Transportation Reminders



**FY 2023 and FY 2024
Budget Projections**

FY 2023 and FY 2024 Budget Projections

- Basic Formula
- Classroom Trust Fund
- Prop C
- Small Schools Grant
- Transportation



Budget Estimates for FY 2023

SAT, DVM and Threshold Percentages

State Adequacy Target (SAT) = \$6,375

Dollar Value Modifier (DVM) for can be viewed at

<http://dese.mo.gov/financial-admin-services/school-finance/data-reports>

Threshold Percentages

	FY 2023 & FY 2024
Free & Reduced-Price Lunch	30.95%
Special Education (IEP)	13.11%
Limited English Proficiency (LEP)	2.29%

- FY 2023 funding impacted by FY 2021 and FY 2022 attendance:
 - Prop. C, Classroom Trust Fund, Small Schools Grant
- § 163.021(4), RSMo. provides relief:

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.

What does this mean?

- In FY 2023 DESE is using the higher of the FY 2023, FY 2022, FY 2021 or FY 2020:
 - ❑ ADA for Classroom Trust Fund
 - ❑ WADA for Prop C
 - ❑ WADA for Small Schools Grant

Classroom Trust Fund

- Classroom Trust Fund is one funding source of Basic Formula
- Be careful not to double budget



FY 2023 Classroom Trust Fund

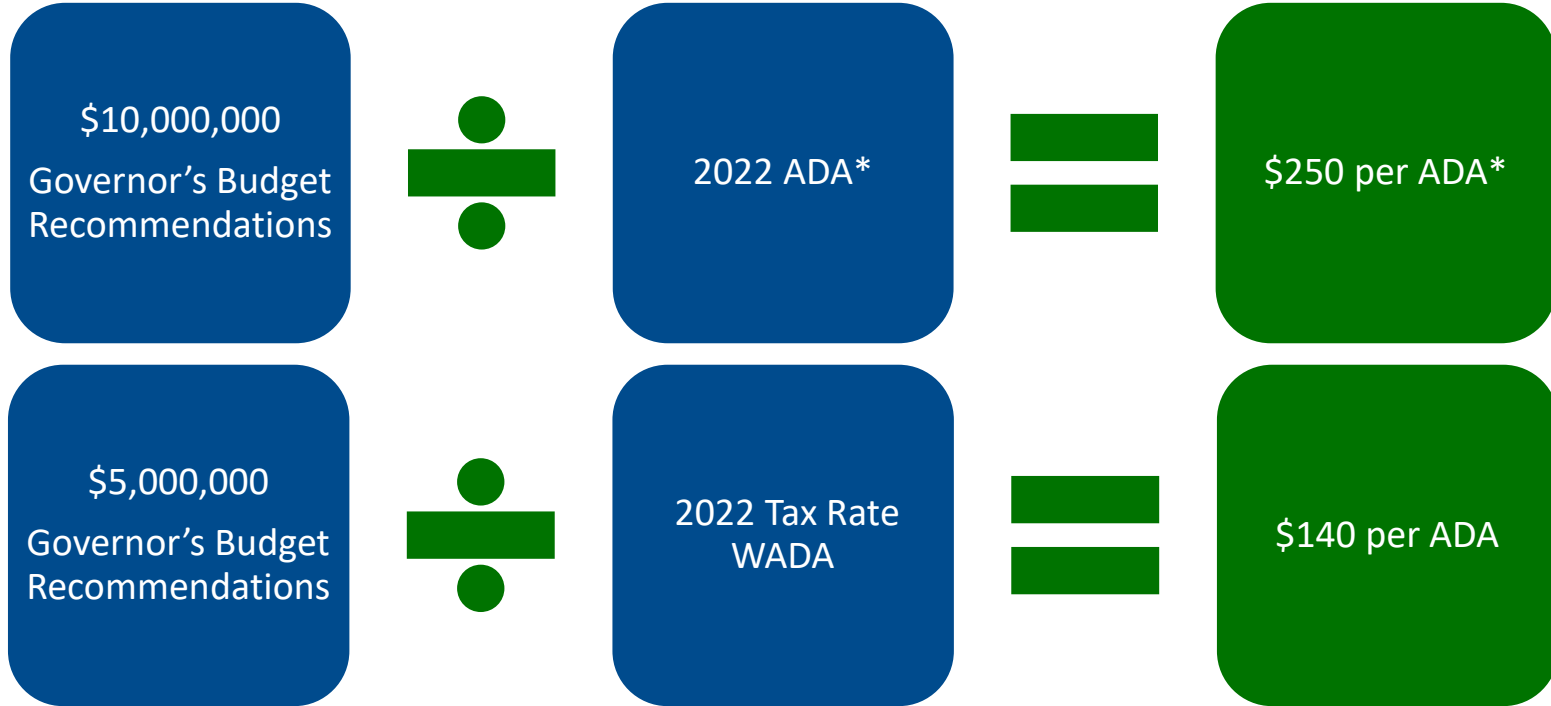


Each \$10 million variance from the appropriation impacts the amount per ADA by approximately \$12

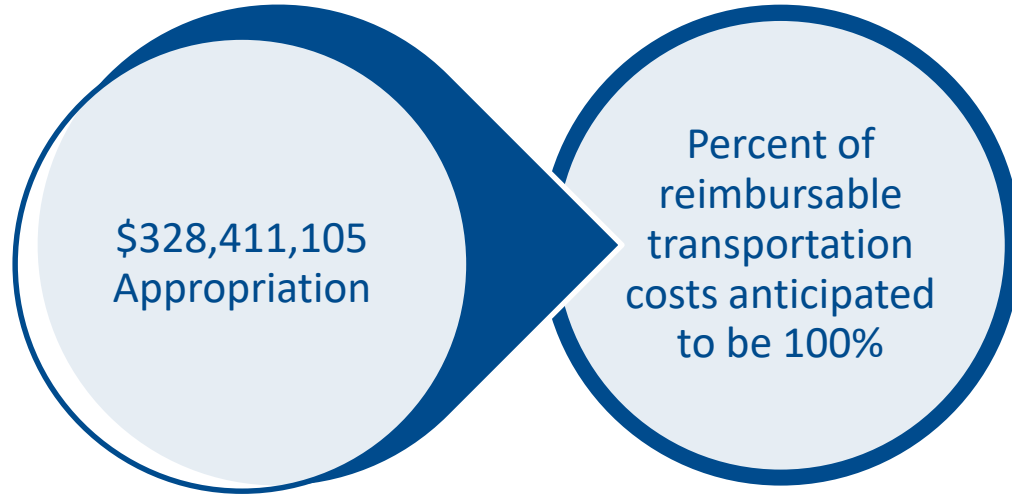


Each \$10 million variance from the appropriation level impacts the amount per WADA by approximately \$11. **The Governor's supplemental budget recommendation (HB 15) would increase the appropriation by \$28.5 million. If approved, the per WADA amount could increase up to \$1,286.**

FY 2023 Small Schools Grant



*ADA and WADA amounts are adjusted due to applying 163.021.4, RSMo.



Transportation is paid on the prior year's ASBR data.

Prior Year Correction

Statute dictates that a recalculation of the prior year payment calculations will be performed.

- Typically calculated in November and May.

Fiscal Years	FWADA Change	SAT Change/Proration Change
2016	3,695.8726	-24.4427
2017	3,310.4344	-22.2549
2018	2,982.8180	-23.0599
2019	2,626.9990	-16.9302
2020	4,175.0870	-.440564%
2021	295.6985	No Change
2022*	-203.8052	No Change

*As of the February 2023 Payment



Budget Estimates FY 2024

State Adequacy Target (SAT) = \$6,375

Dollar Value Modifier (DVM) can be viewed at

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Threshold Percentages

	FY 2023 & FY 2024
Free & Reduced-Price Lunch	30.95%
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Payment Adjustments

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.

Note: LEAs should evaluate current ADA relative to membership/attendance.

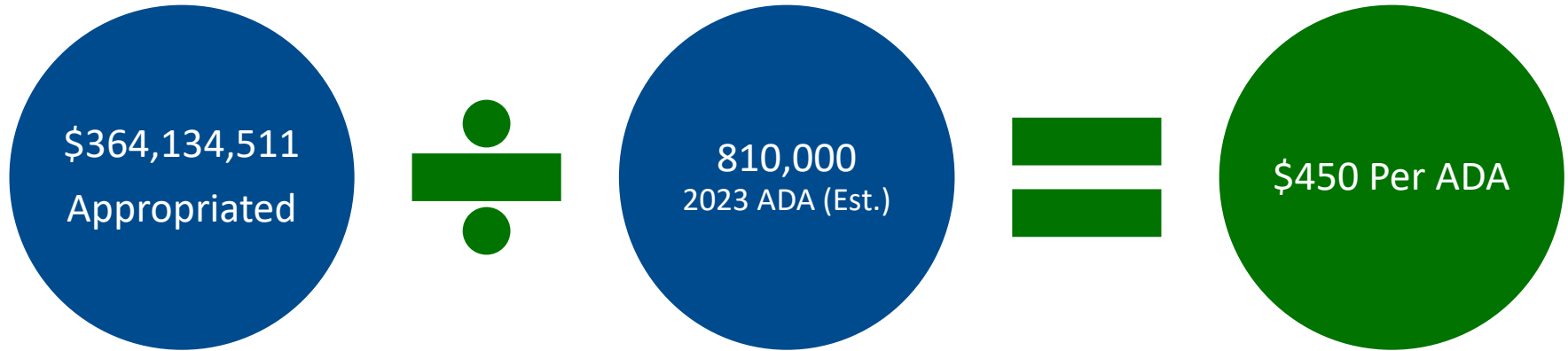
Classroom Trust Fund

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FY 2024 Classroom Trust Fund



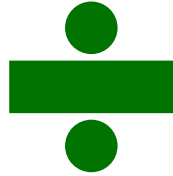
Each \$10 million variance from the appropriation impacts the amount per ADA by approximately \$12

The state can only distribute funds actually collected

- Appropriated level may not be reached



\$1,187,660,000
Appropriation



873,000
Est. 2023
WADA



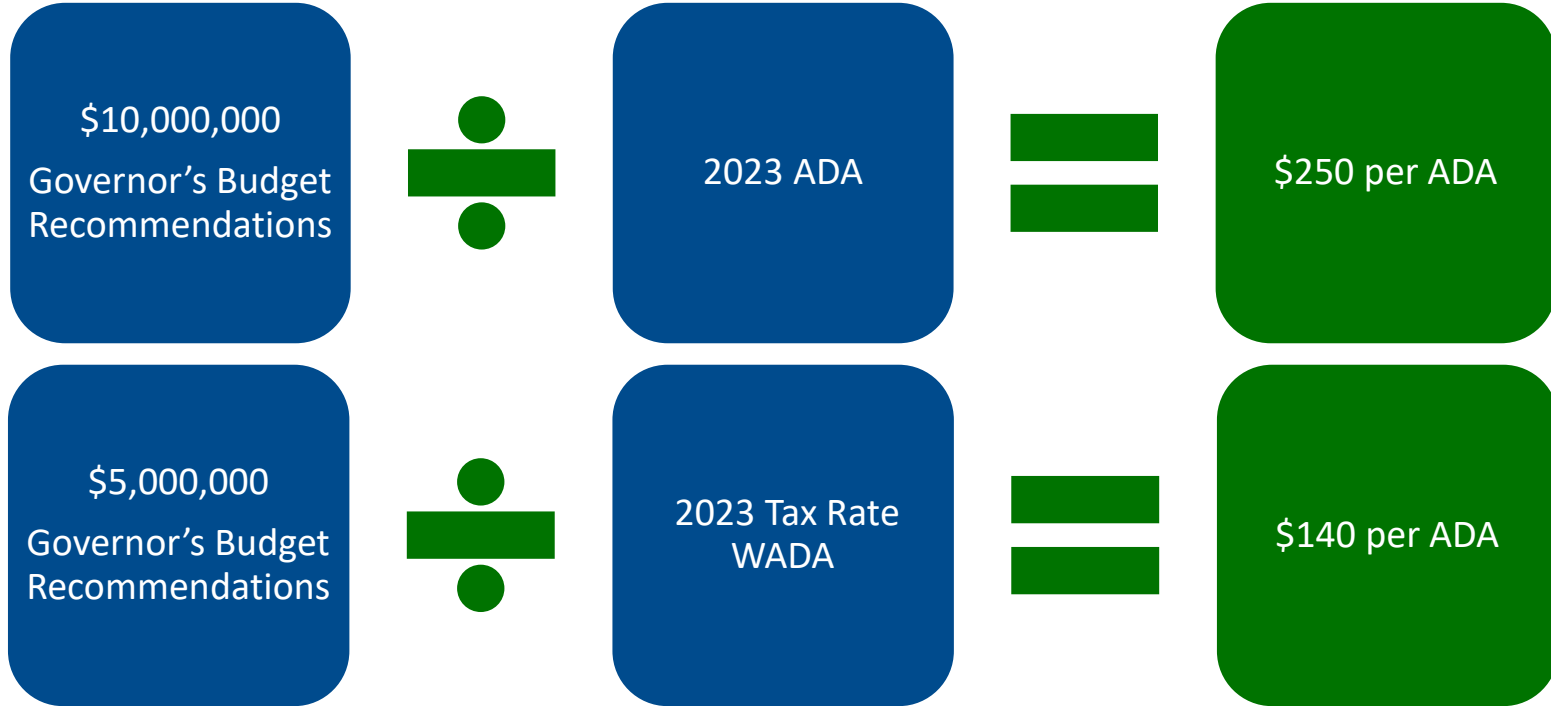
\$1,360 per
WADA

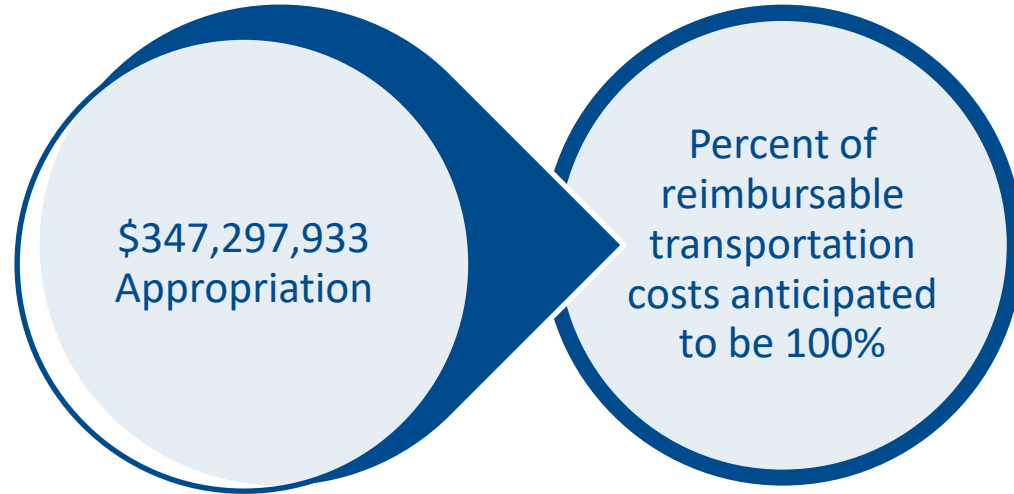
Each \$10 million variance from the appropriation level impacts the amount per WADA by approximately \$11. **WADA is estimated.**

To qualify for the Small Schools Grant, district's prior year ADA must be = or < 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

FY 2023 Small Schools Grant





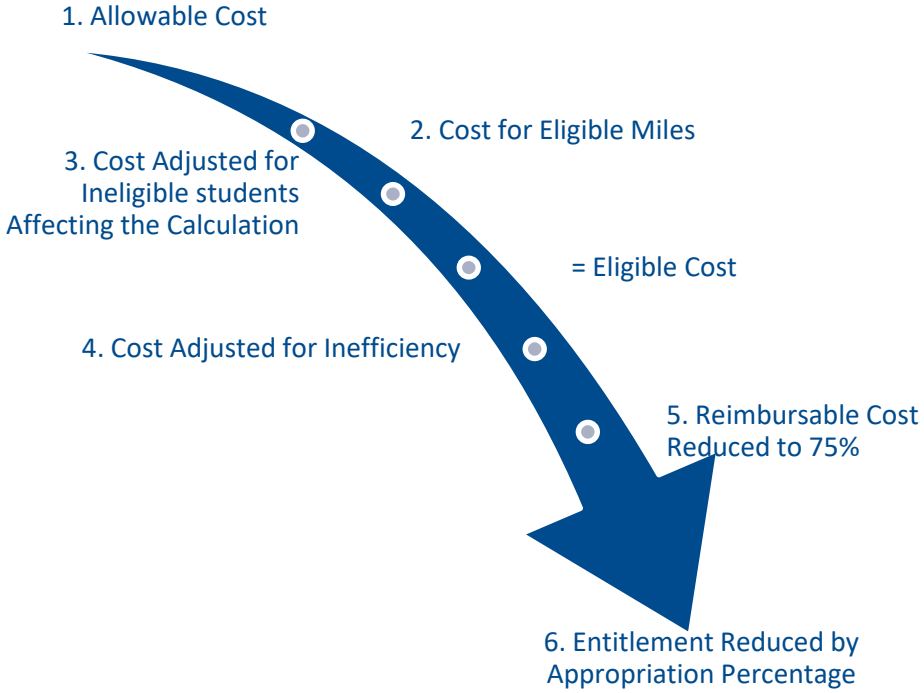
Transportation is paid on the prior year's ASBR data.

Allowable transportation cost is 75% of eligible cost.

- Line 50 of the District Summary Transportation Report
- Line 52 Adjusted for Appropriation Available.

Exact funding level is unknown until HB 3002 is passed.

Calculation Steps





- Basic Formula Calculation Tool for All Districts
 - ❑ Basic Formula
 - ❑ Classroom Trust Fund
 - ❑ Prop C
 - ❑ Small Schools Grant revenue are found at

<http://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>

- ❑ Information needed can be found
 - On the payment transmittal
 - Data collection



- Transportation Aid Calculator

<https://dese.mo.gov/financial-admin-services/school-transportation/transportation-aid-calculator>

- Information needed can be found
 - Annual Secretary of the Board Report (ASBR)

Finance Topics & Procedures

<http://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>

School Finance Memos

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

The State Auditor's Office Tax Rate Calculation

<https://auditor.mo.gov/property-tax-calculators>

Proposition C Rollback Calculation & Estimate of Required Local Taxes

<http://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>



**Prekindergarten Students Claimed for
State Aid**

All districts and charter schools have the ability to claim a limited number of prekindergarten students for state aid.

- Must be between the ages of 3 and 5 as of August 1
- Must qualify for Free and Reduced Lunch (direct certification list or application proving income eligibility)
- Total claimed shall not exceed 4% of total number of pupils between the age 5 to 18 pupils who qualify for Free and Reduced Lunch.

- The student cannot be served in an ECSE program.
 - Student can receive ECSE supplemental services such as speech therapy.
- The student's parents must not be charged tuition.
- If the PK student is served in Title I preschool, Title will apply the State Aid received against the cost of instruction and only allow Title I to pay for the remaining instructional cost.

- PK program must have a calendar of no less than 1,044 hours plus 36 planned weather make-up hours (522 plus 18 for half day programs).
- Teachers must be paid minimum salary.
- More information can be found on the School Finance, Finance Topics and Procedure website.

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

PK Students Claimed for State Aid

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Calendar Requirements

Calendar Requirements 171.031, RSMo.

Note: August 21
is the earliest start
date in 2023.

Minimum
requirement of 1,044
hours

Plan minimum of 36
weather make-up
hours (18 for half day
programs)

No longer
a minimum and
maximum day length

No longer requires a
minimum number of
days

Weather Make-up & AMI Hours

- Must attend no less than 1,044 unless forgiven by weather.
 - Make-up the first 36 (18 for half day) inclement weather hours and half the number of additional lost or cancelled hours up to 48 (24 for half day), resulting in no more than 60 (30 for half day) total make-up hours required by the statute.
- Alternative method of instruction (AMI)
 - DESE must approve the plan.
 - Up to 36 hours during the school year.
 - **These are considered hours of instruction.**
 - AMI is NOT weather make-up.
- Alternative method of instruction (AMI) hours can only be used on the day school was closed due to an exceptional or emergency circumstance.
 - Exceptional or emergency circumstances shall include, but not be limited to, inclement weather, a utility outage, or an outbreak of a contagious disease.
- No allowance to pivot to ongoing distanced instruction – AMI remains limited to 36 hours.

- Claimed for classes in which students completed the prescribed lessons in the time frame and manner that was approved within the AMI plan.
- Students who do not complete the lessons in the timeframe and manner approved within the AMI plan must be marked absent.

- Document AMI hours.
- Document weather hours.
- Document the hours that were made-up for weather hours.

This will help the LEA fill out Core Data Screen 10 and document calendar compliance.

Calculation Tools

School Finance Tools

Estimating ADA

- Estimated ADA Calculation

Revenue Estimating Tools

- Basic Formula Calculation Tool for All Districts Updated 11-4-2021
- Charter School Basic Formula Projection Tool Updated 2-10-2020
- Summer School Estimated Revenue Calculation Tool
- State Assessed Railroad and Utility Calculation Program

Tax Tools

- Estimate of Required Local Taxes
- Prop C Rollback Calculation

Miscellaneous Tools

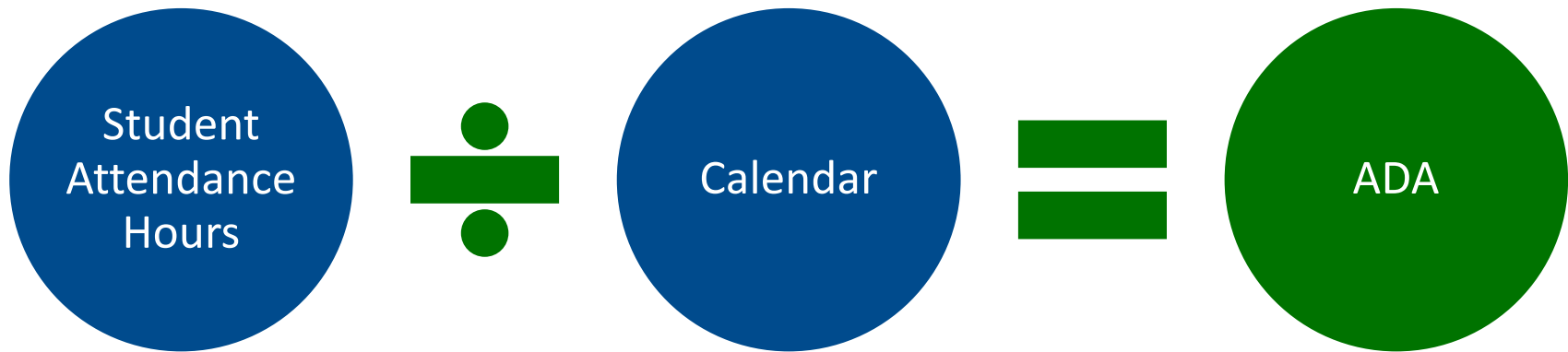
- Certificated Salary Compliance Worksheet
- Standard Day Length Calculator
- Tuition Calculation by Grade Level Grouping
- Weather Make-up Calculator - Starting FY 2020
- Calendar & Weather Make-up Calculator - 4-27-2021

Financial & Admin Services

- Accounting & Procurement
- Budget
- Career and Technical Education (CTE) Finance
- Coronavirus Aid, Relief, and Economic Security (CARES) Act
- ESEA Finance
- Food & Nutrition Services
- General Federal Guidance
- Human Resources
- New Superintendent Workshop
- School Audits
- School Finance
 - ASBR Listserv
 - Accounting Manual
 - Annual Secretary of the Board Report (ASBR)
 - Bond Direct Deposit
 - Calculation Tools
 - County Clerk

Calendar Reminder

Increasing the hours-in-sessions does not increase ADA.



Decreasing or increasing your calendar does not change ADA.



1% PDC Spending Requirement



For FY 2023 districts will be required to spend the full 1% of Basic Formula – Other State Monies funds for PDC due to transportation being funded above 25% of allowable cost.

- This is the first time in several years districts have been required to spend the full 1%.
- At minimum 75% of 1% must be spent with any funds unspent up to the 1% total restricted.



Quarterly Financial Reporting

- Districts and charter schools must post a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursements for the current calendar or fiscal year on the district or school website or other form of social media.
 - ❑ This information could be provided by posting a year-to-date general ledger and monthly bills.
 - ❑ The site shall contain only information that is a public record or that is not confidential or otherwise protected from public disclosure under state or federal law.

- ❑ The public school district or charter school shall, to the extent practicable, update the financial data contained on the site no less frequently than every quarter and provide the data in a structured format. The public school district or charter school shall archive the financial data, which shall remain accessible and searchable, for a minimum of ten years.
- ❑ Nothing in this section shall direct or require a school district or charter school to post online any personal information relating to payroll including, but not limited to, payroll deductions, payroll contributions, or any other information that is confidential or otherwise protected from public disclosure under state or federal law.
- DESE shall create a template for voluntary use by school districts needing assistance with the online posting of the information.

Template of what must be included (per RSMo 160.066) is as follows:

Income
Report generated from the financial accounting software detailing actual year-to-date income.
Expenditures
Report generated from the financial accounting software detailing actual year-to-date expenditures.
Disbursements
Report generated from the financial accounting software detailing the year-to-date check register.

Avoid posting confidential employee information

- Ensure that the district or charter school is not posting online any personal information relating to payroll including, but not limited to, payroll deductions, payroll contributions, or any other information that is confidential or otherwise protected from public disclosure under state or federal law.

Residency - 167.020, RSMo

- Students need to prove that they are a resident of the district they wish to enroll in upon registration.
- Residency can be established by:
 - meeting statutory definition.
 - meeting an exception to the statutory definition.
- Residency Enrollment Checklist
<https://dese.mo.gov/media/pdf/residency-enrollment-checklist>
- Residency Frequently Asked Questions
<https://dese.mo.gov/financial-admin-services/school-governance/residency-student-enrollment>

- Section 167.020, RSMo
 - ❑ Student resides and is **domiciled** within the district with a parent, military guardian, or court-ordered legal guardian.
 - ❑ Based on the student's physical presence in the district.
 - ❑ Homeless Child
 - Person under 21 years of age who lacks a fixed, regular, and adequate nighttime residence.

Special Circumstances

- Homeless (Section 167.020.6, RSMo)
- Section 167.151, RSMo:
 - ❑ Student is an orphan (must reside in district)
 - ❑ Student only has one parent living (must reside in district)
 - ❑ Traditional Agriculture (all conditions must be met) ends as of June 30, 2023*
 - Owns real estate of which 80 acres or more are used for agricultural purposes
 - Parent's residence is on the real estate
 - At least 35% of the real estate is in the district
 - Parent notified district on or before June 30 that the student would be attending

*Note: Agricultural exception is changing starting July 1, 2023 (SB 681)

Changes in 167.151

- Section 167.151, RSMo beginning on or after July 1, 2023 (all conditions must be met)
 - ❑ Current owner of residential real property or agricultural real property or a named beneficiary of a trust that currently owns residential real property or agricultural real property.
 - ❑ Pays a school tax in a district or districts other than the district in which such current owner or current beneficiary resides.
 - ❑ May send up to four of such owner's or beneficiary's children.
 - ❑ To a public school, excluding a charter school, in any district in which such owner or trust pays such school tax if the public school is in the same county in which they currently reside.

Changes in 167.151

- ❑ **"residential real property"** shall not include any multifamily residential property which exceeds four units.
- ❑ Shall send thirty days' written notice to all school districts involved specifying which school district each child will attend.
- ❑ Shall also present proof of the owner's or trust's annual payment of at least two thousand dollars of school taxes levied on the real property specified in this subdivision within such school district and ownership of the specified real property for not less than the immediately preceding four consecutive years.
- ❑ Neither the resident nor nonresident districts shall be responsible for providing transportation services under this subdivision.

Special Circumstances

- Parent is a teacher or a regular employee of the school district
- Participates in Desegregation Program
- Student placed in residential facility by court, Department of Social Services (DSS), Department of Health and Senior Services (DHSS)
- Student is a ward of the state
- Waiver of Proof of Residency (still must reside in the district)
- Guardianships (still must reside in the district)
- Tuition Paying Student (non-resident (NR) students)
 - Tax Credit Tuition
 - Transportation Hardship
 - Unaccredited Schools Transfer
 - Educational Contract Between Districts



ELDT Requirements

- Drivers seeking their initial CDL must first go through the Entry Level Driver Training, (ELDT)
- Classroom and behind-the-wheel training is required with a total of 93 topics to be covered including 63 topics of theory and 30 topics of behind-the-wheel training.
- Training providers must demonstrate that their training meets the Federal standards.
- This is not related to the 8 hours of annual training each driver must undergo.
- Went into effect February 7, 2022.

- While there are no required minimum instruction hours for theory training, the instructor is expected to cover all the topics in the curriculum. Training providers must use assessments (in written or electronic format) to determine if trainees are proficient in all units of the theory curriculum. Trainees must earn a minimum overall score of 80 percent on the theory assessment(s).

A large green arrow pointing to the right, containing the text "Annual Bus Driver Training". The arrow has a white outline and a white shadow effect. On the left side of the arrow's tail, there are two vertical white lines.

Annual Bus Driver Training

- Missouri law requires that each school bus driver receive at least 8 hours of annual training.
- This includes regular route drivers, sub drivers, activity and field trip drivers, and school district staff members such as coaches and teachers who drive school buses.
- Training records should include who attended the training, when the training was provided, and the contents of the training.



Training Resources

Free NHTSA School Bus Driver In-Service Curriculum for ongoing annual training. This National Highway and Traffic Safety Administration Training is:

- Completely online and mobile-friendly so that school bus drivers can complete the curriculum at their own pace anytime, anywhere.
- Incorporates adult learning principles to provide an interactive and engaging experience that helps improve retention of content.
- Allows you to use the curriculum in its entirety or pick and choose modules to supplement your existing training and customize learning paths.

<https://www.nhtsa.gov/school-bus-safety/school-bus-driver-service-curriculum>

- Contains knowledge checks to assess learning.
- Allows for instant scheduling – no need to schedule in-service days.
- Enables you to track completion and conduct data analysis.
- Is no cost to school districts.

Contact: Kristin Rosenthal, M.Ed., MCHES
Highway Safety Specialist
U.S. Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue SE., Washington, DC 20590
Office: 202-366-8995



**Certified School Bus Driver
Instructor Training**

- The Certified School Bus Driver Instructor workshop is scheduled for July 26-28, 2023, in Warrensburg.
- The Certified School Bus Driver Instructor recertification training will be held in Columbia on July 6, 2023.
- Registration forms for this training are available <http://dese.mo.gov/financial-admin-services/school-transportation/certified-bus-driver-instructors>, a listing of all current Certified School Bus Driver Instructors can also be viewed at this site.

Contact Information

Name & Email		Title
David Tramel Coordinator, Financial and Administrative 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