

School Finance

April 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>
April 2023	0.00%	4.615085	-1.383010

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	\$3,561,737,794	
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.



Updated Allocations

Career Ladder and Teacher Baseline Salary Grant FER's

The Department is working to update allocation amounts and open the FER's for Career Ladder and the Teacher Baseline Salary Grants. Once allocation have been updated and the FER's are open an email will be sent to participating LEA's.

Charter School Payment

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.

Also, HB 1552 modified the charter school basic formula calculation to allow charter schools to be paid on Formula Weighted ADA (FWADA). FWADA is the use 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.

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%

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.

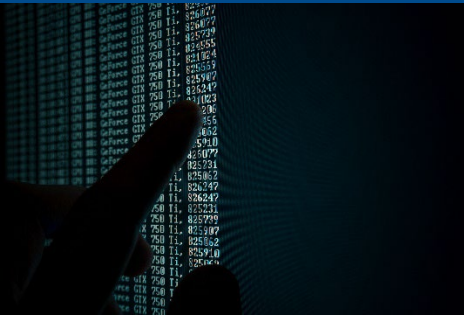
Estimating Average Daily Attendance (ADA)

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 FY 2022-23 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](#).

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.



2023-24 Career Ladder Application Window

The Missouri Career Development and Teacher Excellence Plan (Career Ladder Program) is a voluntary performance pay matching program established by statute. The General Assembly makes an annual appropriation for the purpose of providing the state's share of the Career Ladder Program. The Career Ladder rule ([5 CSR 20-400.370](#)) sets forth guidelines for local district participation in the Career Ladder Program. Up to 60 percent of the additional salary supplement shall come from state grant funds, with the remaining amount (not less than 40 percent) and any related benefit costs coming from local sources. This grant is subject to appropriation on an annual basis. The Career Ladder Grant Program supports salary supplements for teaching staff to provide compensation for additional responsibilities and voluntary efforts performed for which a teacher does not already receive some type of compensation.

The application window for the 2023-24 school year is now open. School districts may now revise their existing plans or submit new plans and upload them in Compliance Plans. Applications are due by **April 30, 2023**. More information can be found in the updated [Career Ladder Program Guidance](#).

Topics of Interest

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. 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. 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

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.

Changing Depository Banks

LEAs changing banks or bank accounts must be registered in the State of Missouri procurement system, MissouriBUYs. All banking changes will then be completed in MissouriBUYs. MissouriBUYs is located at <https://MissouriBUYs.mo.gov>. Reminder: when depositories are changed, Office of Administration staff will need to confirm the change with the LEA before approval. No payments will be made until approval is complete. Prompt replies to Office of Administration communication is necessary to ensure minimal delay occurs with payment. Payments may be held until the banking information is 100% verified and the ACH set up process is complete. If you have issues with using MissouriBUYs, please contact the MissouriBUYs team in the Office of Administration, Division of Accounting, at 573-751-2971 or MissouriBUYs@mo.gov.

[Point of Interest](#)

Preliminary FY 2022-23 transfer amounts have been posted on the School Finance Website under the [Data & Reports webpage](#). Final amounts will be posted after the June payment is completed.

1% Professional Development Expenditures

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 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.

Summer School Attendance

To claim summer school attendance hours for state aid, the district must have an approved summer school. Summer school must be separate from your regular school term. Summer school also 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.

Point of Interest

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



Data Reporting

Mid-Year Fund Balance Reporting

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

- Incidental and Teachers Funds Unrestricted Ending Fund Balance as of December 31 that can be found in the district's accounting records.
- 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.

If you have any questions regarding this reporting, please contact School Finance at (573) 751-0357.

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.

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 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.

2022-2023 Attendance Reporting

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

[Point of Interest](#)

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

Other Important Reminders

Non-Certificated Educators – Attendance Hours Adjustment

Attendance hours for any educator without a valid teaching certificate will be disallowed for state aid payment purposes. State law requires all school district personnel who are responsible for working with students in an instructional or supervisory capacity during the school day to have a valid Missouri teaching certificate. This applies to in-school suspension teachers as well as those supervising study hall, recess, virtual courses taken in school, or other computer based instructional programs taken in school. 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.

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.

Minimum Salary Requirements

The minimum teacher's salary is \$25,000 and the minimum salary for a full-time teacher with a master's degree with at least ten years of public teaching experience is \$33,000.

All teachers are to receive at least their FTE proration of the applicable state minimum salary. Teachers 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. Substitute teachers filling a regular classroom teacher's position as the teacher-of-record for the class must be paid the minimum salary.

The penalty for noncompliance with the minimum salary requirements of Section 163.172, RSMo, is stated in Section 163.021.3, RSMo. The statutory penalty for noncompliance is a reduction of the Basic Formula to the 1993-94 amount per eligible pupil. Therefore, it is important that each district ensure compliance with the minimum salary requirements. Questions on specific situations may be directed to the School Finance staff at 573-751-0357.

Point of Interest

Information regarding MOSIS & Core Data can be found on the School Data website, [Core Data & MOSIS](#) webpage.

School Governance & Transportation

Architectural and Engineering Services

From time to time school districts have questions about the required use of an architect or engineer for a construction project. A good source of information is the Division of Professional Registration at the Department of Commerce & Insurance.

State Transportation Aid Calculation

See payment section above.

Certified School Bus Driver Instructor Training

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](#).

Stop Arm Violation Survey

While school buses remain incredibly safe, we all know that students who ride buses are most vulnerable when they are outside the bus in the “danger zone.” Missouri is assisting the National Association of State Directors of Pupil Transportation Services (NASDPTS) in coordinating a national survey to determine the prevalence of illegal passing of school buses. That data will help improve safety countermeasures at the state or national level. We are enlisting your assistance in this important project.

On Wednesday, May 11th, please have your district’s school bus drivers observe and report any instances of motorists illegally passing their school buses on the [Stop Arm Violation Survey](#).

[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](#).

School Finance Contact Information & Staff Changes

Name	Duties
<p>David Tramel Coordinator, Administrative and Financial Services David.Tramel@dese.mo.gov</p>	<p>Contact for Governance questions or Transportation question other than Transportation data reporting or Transportation payment.</p>
<p>Tammy Lehmen Coordinator, School Finance Tammy.Lehmen@dese.mo.gov</p>	<p>Contact for districts in counties 048 & Kansas City Charters 347-347. Contact for Transportation data reporting or Transportation payment questions.</p>
<p>Sharon Bax Director, School Finance Sharon.Bax@dese.mo.gov</p>	<p>Contact for districts in counties 075-115 & St Louis Charters</p>
<p>Taylor Doerhoff Director, School Finance Taylor.Doerhoff@dese.mo.gov</p>	<p>Contact for districts in counties 060-074 Contact for questions regarding Audits.</p>
<p>Kara Shumate Director, School Finance Kara.Shumate@dese.mo.gov</p>	<p>Contact for districts in counties 001-047 & 049-059 Contact for County Clerks.</p>



School Finance

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

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