

School Finance

October 2023



Highlights

- [October Payment Calculations](#)
- [163.021.1\(4\), RSMo. Impact on Payment](#)
- [Charter School Payment](#)
- [Basic Formula Calculation Tool](#)
- [SAT](#)
- [Estimated ADA](#)
- [Minimum Salary Requirements](#)
- [Audit Reports](#)
- [Publication of the Audit](#)
- [Submitting Single Audit to Federal Audit Clearinghouse](#)
- [Bonuses/Stipends/Extra-Duty Pay](#)
- [Covid-19 Homebound Attendance Allowance Ending](#)
- [Students Moving Between Onsite and Virtual Courses](#)
- [School Finance Related Webinars and Presentations](#)
- [Proper Coding and Use of Project Codes](#)
- [Requirement to Provide Transportation](#)
- [School Bus Aisle Blocking](#)
- [School Bus Driver Seat Belt Use](#)
- [School Bus Safety Week](#)
- [School Finance Contact Information](#)



Payment Calculations

Basic Formula

For districts, the pandemic provision was applied and payment was based on the current data available for Fiscal Years 2023-24, 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 using FY 2022-23 average daily attendance (ADA) data. The pandemic provision does not apply to this payment for FY 2024.

Proposition C

The payment was calculated using FY 2022-2023 WADA. The pandemic provision does not apply to this payment for FY 2024.

Transportation

This is the first live state transportation calculation made for the current year. The calculation is based on 2022-23 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 October FY 2023 calculation is shown below. This reduction percentage represents the amount the entitlement exceeded the appropriation and will fluctuate from month-to-month as revisions are made to individual school district data. The A and B factors are reflected on each district's Summary Transportation Report found on the payment transmittal.

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>
October 2023	0.00%	4.913379	--1.376857

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.

Small Schools Grant

Section 173.044, RSMo, authorizes payments to small schools defined as districts with an average daily attendance (including summer school) of 350 or less. The allocation of the \$15 million appropriation requires that \$10 million be distributed to the eligible districts on an equal amount per prior year average daily attendance. The remaining \$5 million is distributed (on an equal amount per tax rate weighted average daily attendance) to the eligible districts with a current year adjusted Incidental plus Teachers Funds tax rate of \$3.43 or higher and any district which previously had a Incidental plus Teachers Fund tax rate of \$3.43 or higher but currently has a tax rate less than \$3.43 solely due to modification of such levy required under Section 137.073.5(4), RSMo.

The first Small Schools Grant payment for 2023-24 was calculated in October using the best data available for each district. The October payment is 4/12ths of the annualized calculation. The remaining payments will be approximately 1/12th of the annualized calculation. The district’s calculation is available through the payment transmittal.

163.021.1(4), RSMo. Impact on Payments

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. This statutory provision does not apply to charter schools. Regular payment methodology will be used 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.

Charter School Payment

A Charter School payment simulation tool is posted to the School Finance [Calculation Tools](#) Website.

The Charter Sponsor Cap is to be recalculated each year per 160.400.11 RSMo. It has been calculated at \$181,470.59 for FY 2024 year.

House Bill 1552 (2022) 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.

Basic Formula Calculation Tool

The Basic Formula Calculation project tool is being updated with the new SAT and threshold information. The updated tool has been posted on the [School Finance Calculation Tools](#) webpage. Please keep in mind that the Basic Formula is subject to appropriation on an annual basis.

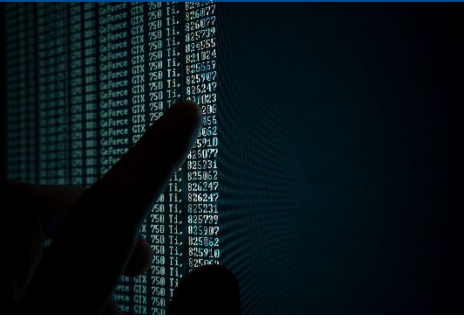
State Adequacy Target (SAT) and Threshold Recalculations for FY 2025 & FY 2026

The SAT and related Thresholds for Fiscal Year 2024-25 and 2025-26 are as follows:

Item	FY 2025	FY 2026
State Adequacy Target	\$6,760	\$7,145
Free & Reduced Lunch Threshold	16.73%	16.73%
Special Education (IEP) Threshold	13.30%	13.30%
Limited English Proficiency Threshold	2.09%	2.09%

Point of Interest

Calculation tools to help with revenue projects can be found on the [School Finance Calculation Tools](#) webpage.



Miscellaneous Finance Topics

FY 2023-24 Contact Information

Much of the notification process used for the ASBR, payments, and other correspondence is done by e-mail. In order to provide proper and timely notification, DESE must have an accurate e-mail address for the person(s) responsible for financial functions. The e-mail addresses must be reported on Core Data Screen 3 for the ASBR, Finance, and Bookkeeper contacts, as well as, Screen 4 for the Superintendent. Please check all of the information on the appropriate Core Data Screens to ensure the contact person's name, e-mail address, and phone numbers are correct.

Estimated Regular Term Average Daily Attendance (ADA)

The estimated regular term ADA for 2023-24 may be provided to your school finance contact to be entered on the Estimated ADA Screen. The LEA would report an estimated regular term ADA for the 2023-24 year only if the LEA's 2023-24 regular term ADA is expected to be greater than the 2022-23, 2021-22, 2020-21 and 2019-20 regular term ADA figures and the district wants to be paid in 2023-24 on the 2023-24 estimated number. Regular term average daily attendance includes qualified remediation attendance outside the regular school day. Refer to the [Attendance Reporting](#) guidance document for the description of qualified remediation attendance.

LEA who will be claiming eligible prekindergarten ADA for state aid should evaluate if there is a need to estimate their regular term ADA and should contact their school finance contact after school starts and enrollment is stable.

A worksheet to assist districts when estimating their ADA is available on the [Calculation Tools](#) webpage.

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 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 ensures 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

All COVID Relief Fund grant information can be found on the [DESE COVID Relief Information](#) webpage.

FY 2023 Audit Report Submission Via Tiered Monitoring System

The following guidelines are provided for the Fiscal Year 2023 Audit Submissions:

Board approved Audits, copies of signed board minutes approving the audit, and management letters must be submitted to DESE via the Tiered Monitoring System. The documents should be in Adobe searchable pdf format, version 11.0 or lower. The file description should easily identify the document, such as audit, management letter, or signed board minutes.

- The board approved audit report must be uploaded as “Audit Documents (required fiscal audit)”. The board minutes, management letter, and any corrective action plans must be uploaded as “Audit Documents (supporting docs)” in the file upload dialog box for the 2023-24 fiscal year. Ensure the Year on the left hand navigation area under Functions also has the 2023-24 year shown. The file upload box will also require adding the contact information for the auditor before the audit report can be uploaded. (Use the global document repository (uploads) link under “Utilities” on the right side of the screen to upload the documents.)
- The deadline for submitting audits is **December 31, 2023**. If the audit is not submitted by the deadline, state aid will be withheld and the LEA will receive a reduction in points on the Annual Performance Report (APR) for missing the statutory deadline.
- Copies of signed board minutes and management letters may be submitted after the December 31 deadline. These documents should include all required signatures.
- The school, not the auditor, is responsible for ensuring that the audit, board minutes, and management letter are submitted to DESE in compliance with the provisions of the audit rule. With the change of audit submission via the Tiered Monitoring System, the auditor should not have access to this system and, therefore, not be able to upload the audit documents.
- To minimize the need for subsequent audit corrections, schools are strongly encouraged to complete the following checklist prior to submitting the audit:
 - Ensure Audit is the final Board Approved Audit and does NOT say DRAFT.
 - The pages of the audit have been compared to the Table of Contents and no pages are missing or out of order. Audits with missing pages may be rejected as incomplete.
 - The audit includes the auditor’s signature and the date of the audit report. Audit reports that are not signed and dated may be considered a draft, not a final report. Draft reports will not be accepted in satisfaction of the audit requirement.
 - The ending debt balances in the audit report (reported in the financial statements and/or Notes to the Financial Statements) agree to the balances reported in Part IV, Long and Short Term Debt, of the Annual Secretary of the Board Report (ASBR). Any differences should be reconciled.
 - The audit includes the updated version of the Schedule of Selected Statistics, which is found on the School Audit webpage.
 - The data reported on the Schedule of Selected Statistics agrees to the corresponding data on the ASBR and MOSIS/Core Data. If changes to the ASBR and/or MOSIS/Core Data are needed as a result of the review, please revise and resubmit corrections as soon as possible and notify your auditor of any changes.
 - Submit/upload corrective action plans for federal and state findings in a separate document from the audit report.

The audit submission includes the district’s Single Audit, if applicable. There is no provision in the rule allowing the Single Audit portion of the audit to be submitted at a later date.

Point of Interest

Publication of the Audit

Per 165.121, RSMo, within thirty days of the receipt of the audit report, the school board shall cause a summary of the report to be prepared which shall include, together with any other matter the board deems appropriate, the following:

A summary statement of fund balances and receipts and disbursements by major classifications of each fund and all funds;

A summary statement of the scope of the audit examination;

The auditor's opinion on the financial statements included in the audit report.

Immediately upon the completion of the summary, the school board shall cause it to be published once in a newspaper within the county in which all or a part of the district is located which has general circulation within the district or, if there is none, then the board shall cause the summary to be posted in at least five public places within the district. The publication shall contain information as to where the audit report is available for inspection and examination. The report shall be kept available for such purposes thereafter.

Submitting the Single Audit to the Federal Audit Clearinghouse

Districts/charter schools that have a Single Audit are required to submit a data collection form and reporting package to the Federal Audit Clearinghouse (FAC) at the U. S. Bureau of Census within the earlier of 30 days from the receipt of the audit report or nine months after the end of the audit period (March 31 of the subsequent fiscal year). The reporting package consists of the complete audit (financial statements and auditor's reports) and, as necessary, a summary schedule of prior audit findings and a corrective action plan for current year audit findings. Reports should be submitted to the FAC.

Districts/charter schools that expend less than \$750,000 in total federal funds are not required to send a copy of the audit report to the Federal Audit Clearinghouse.

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

Proper Coding and Use of Project Codes

A current copy of the [Missouri Financial Accounting Manual](#) can be located on the School Finance webpage. This document should be used to determine the appropriate revenue, function, object, and project codes to use in the coding process.

Additional documents to help with a variety of coding topics can be located on the School Finance webpage under [Finance Topics & Procedures](#) under the category Coding Procedures. Topics include:

- [Advanced Funding Accounting Procedures](#)
- [Career Education Coding Guidance](#)
- [Coding Salary Cost to the Capital Projects Fund](#)
- [Equipment vs. Supply](#)
- [ESSA Coding Changes Guidance](#)
- [General Obligation Bonds](#)
- [Guaranteed Energy Savings Performance Contracts](#)
- [Indirect Cost Rates](#)
- [Lease Purchase](#)
- [Loans](#)
- [Local Match Requirements](#)
- [MOHEFA Direct Deposit](#)
- [Refunds and Reimbursements](#)
- [Salary Coding Guidance](#)
- [Special Education Coding Guidance](#)
- [Special Education Cooperative Coding Guidance](#)
- [Supplemental Educational Services \(SES\) Fiscal Guidance](#)
- [Technology Coding Guidance](#)
- [Transfers](#)
- [Vocational Projects for Resale](#)
- [Worksheet for Calculation of Adjusted Expenditures](#)

COVID-19 Homebound Attendance Allowance Ending

Homebound instruction will no longer apply to COVID-19 related absences in school year 2023-2024. Please refer to the [Attendance Reporting Guidance Document](#).

Students Moving Between Onsite and Virtual Courses

To claim attendance for State Aid, a student must be onsite and receiving instruction by a teacher certificated by the state of Missouri, or enrolled in a course meeting the requirements of a virtual course per 162.1250, RSMo.

When a student is onsite, attendance is counted for the time they are enrolled and present under the supervision of a certificated teacher. They are absent for the time they are enrolled and NOT present under the supervision of a certificated teacher.

When a student is enrolled in a course meeting the requirements of a virtual course per 162.1250, RSMo., attendance is claimed upon completion of 50% or 100% of the course, at a rate of 47% or 94% respectively, of the hours it would have taken to complete the course onsite.

If a student switches from virtual to onsite before reaching a component of course completion, no attendance hours can be claimed for the portion of time the student was not onsite. If a student switches from onsite to virtual, the student would need to reach a component of course completion to claim attendance for the time enrolled in the virtual course, and the onsite portion of attendance can be claimed in the regular fashion. In no case shall a student have more attendance and absent hours than the total possible calendar hours for their building and grade level. Regardless of attendance claiming status, LEAs should prioritize course transition decisions based on the best interest of the student.

School Finance Related Webinars and Presentations

Several Finance related webinars can be located on the School Finance webpage under the [School Finance Related Webinars](#) page. As time allows we are trying to expand the selection of available webinars, if you have any suggestions please feel free to reach out to finadmgo@dese.mo.gov with your suggestions.

[Point of Interest](#)

School Governance & Transportation

Requirement to Provide Transportation

Staffing shortages continue to create many challenges for businesses and industries across the country, and Missouri's public schools are no different. The Department of Elementary and Secondary Education (DESE) recognizes these are complex issues and that school leaders are working hard to be strategic and creative when troubleshooting these problems locally. One of those challenges is a shortage of school bus drivers leading to changes in bus routes, bus stops, and travel time for students on the bus. Our office is fielding many questions regarding these changes and continue to advise parents and patrons that these decisions are made by local district and school board.

It is important to note that when making changes to bus routes to be cognizant of sight distance guidelines and regulations regarding distances between stops. Please refer to the guidance in the Administrator's Handbook related to establishing stops.

School Bus Aisle Blocking

State Board of Education Rule 5 CSR 30-261.010 requires that school bus aisles not be blocked. As your district makes field trips and activity trips this year, please ensure that all school bus drivers know and adhere to this rule. The aisles must be free of any obstruction so the bus, if needed, could be evacuated quickly without difficulties caused by the aisles being blocked by trash cans, coolers, book bags, band equipment, or other items.

School Bus Driver Seat Belt Use

5 CSR 30-261.010, RSMo (Requirements for the Operation of School Buses), requires school bus drivers to use their seat belt whenever the bus is in motion. Please verify compliance with this requirement within your school district.

National School Bus Safety Week

National School Bus Safety Week is October 16-20 and the 2023-24 poster contest theme will be ***Driving Safely Into the Future***. For more information go to [NAPT](#). Entries for the 2022-23 National School Bus Safety poster contest may be submitted between October 2, 2023 – April 1, 2024. To order posters, contact the American School Bus Council at info@americanschoolbuscouncil.org.

Point of Interest

Calculation tools to help with calendar creation 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 questions 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 080-115 & St Louis Charters</p>
<p>Emilea Edmondson Director, School Finance Emilea.Edmondson@dese.mo.gov</p>	<p>Contact for districts in counties 045-047 & 049-079 Contact for questions regarding Audits.</p>
<p>Kara Shumate Director, School Finance Kara.Shumate@dese.mo.gov</p>	<p>Contact for districts in counties 001-044 Contact for County Clerks.</p>



School Finance

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



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