

# School Finance

March 2024



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## 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, 1<sup>st</sup> preceding year, or 2<sup>nd</sup> 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

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 this month's payment 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> |
|--------------|-------------------------|-----------------|-----------------|
| March 2024   | 1.402615%               | 4.895862        | -1.402372       |



### 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 2024 Budget Estimates

| Payment                                | SAT/Amount Per/Proration Percent | Appropriation   | Denominator |
|----------------------------------------|----------------------------------|-----------------|-------------|
| Basic Formula <sup>3</sup>             | \$6,375.00                       | \$3,664,031,194 |             |
| Classroom Trust Fund <sup>1</sup>      | \$472                            | \$364,134,511   | 771,000     |
| Prop C <sup>2</sup>                    | \$1,374                          | \$1,187,660,000 | 864,000     |
| Small Schools Grant \$10M <sup>1</sup> | \$275                            | \$10,000,000    |             |
| Small Schools Grant \$5M <sup>4</sup>  | \$144                            | \$5,000,000     |             |
| Transportation                         | 100%                             | \$347,297,933   |             |

<sup>1</sup>ADA /<sup>2</sup> WADA/ <sup>3</sup> FWADA / <sup>4</sup> Tax-Rate WADA

<sup>5</sup> 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 FY24 in the amount of \$86,080,000, which if passed would result in \$1,474 per WADA if revenue receipts equal the increased appropriation level.

### Fiscal Year 2025 Governor’s Recommendations

| Payment                                | SAT/Amount Per /Proration Percent | Appropriation   | Denominator |
|----------------------------------------|-----------------------------------|-----------------|-------------|
| Basic Formula <sup>3</sup>             | \$6,760.00                        | \$3,785,430,822 |             |
| Classroom Trust Fund <sup>1</sup>      | \$525                             | \$404,687,962   | 771,000     |
| Prop C <sup>2</sup>                    | \$1,513                           | \$1,306,961,000 | 864,000     |
| Small Schools Grant \$10M <sup>1</sup> | \$275                             | \$10,000,000    |             |
| Small Schools Grant \$5M <sup>4</sup>  | \$144                             | \$5,000,000     |             |
| Transportation                         | 100%                              | \$361,366,614   |             |

<sup>1</sup>ADA /<sup>2</sup> WADA/ <sup>3</sup> FWADA / <sup>4</sup> 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.



### 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.

### 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 2<sup>nd</sup> preceding, 1<sup>st</sup> preceding, or estimate of the current year WADA, less that year’s summer school, plus the current year summer school.

### Point of Interest

## State Adequacy Target (SAT) and Threshold Recalculations

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%   |

### 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. Classroom Trust Fund, Prop C, and Small Schools Grant payments will use regular methodology and rely on FY 2023 ADA or WADA for payment purposes in FY 2024. For FY 2025 regular payment methodology will be used for the Basic Formula, Classroom Trust Fund, Prop C, and Small Schools Grant.

### Estimating ADA

If a district has had an increase in enrollment or other factor that will make the FY 2024 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 FY24 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](#).

### 1% Professional Development Expenditures - FY 2024

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 completely 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 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.

#### Point of Interest

Information regarding Attendance Hour reporting for the School Year can be found on the [Attendance Reporting Guidance](#) document located under Finance Topics & Procedures on the School Finance Webpage.



### Lengthening or Shortening the School Year and the Impact on Funding

If a district or charter school changes the length of their school year, even if due to weather forgiveness, there is no impact on funding because it does not change the Average Daily Attendance (ADA). The ADA is calculated by taking the actual attendance hours of the students divided by the possible attendance hours of a student (the calendar). This will result in no more than a 1.0 ADA for a student who had perfect attendance.

ADA is only increased due to the following reasons:

- Enrollment increase
- Better attendance rate
- Qualified remedial hours
- Summer School ADA

### Alternative Method of Instruction (AMI)

A local education agency (LEA) will not be required to make up school hours that are lost or cancelled due to exceptional or emergency circumstances (up to 36 hours) if the LEA implements an Alternative Methods of Instruction (AMI) Plan that is approved by the Department of Elementary and Secondary Education (DESE) (see Section 171.033, RSMo). LEAs must assure that the plan will favorably impact teaching and learning to receive DESE approval. LEAs will be required to submit an AMI Plan for each school year of implementation.

When an AMI day is implemented, the day is considered a day school was in session. Attendance hours can only be claimed for classes in which students completed the prescribed lessons in the time frame and manner that was approved within the AMI plan. For students who do not complete the lessons in the timeframe and manner approved within the AMI plan, the students must be marked absent.

Information regarding AMI can be found in the [Calendar Requirements](#) document posted on the School Finance Topics and Procedures page.

### Grant Tracking

#### Grant Tracking Tool

Any LEA that would like help tracking various grants, an excel tool has been created to help with that process. Project codes will now be listed on the allocation documents along with other pertinent information regarding the grant. The Grant Tracking Tool can be found on the [School Finance Calculation Tools](#) page, along with, the [General Federal Guidance](#) webpage.

A short presentation has been created discussing coding accountability for grants as well. The presentation can be found on the [School Finance Related Webinar](#) webpage.

#### Non-Certificated Educators – Attendance Hours Adjustment

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 or the hours are not allowed for state aid purposes. 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.

#### [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](#).



## 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 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 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. 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.

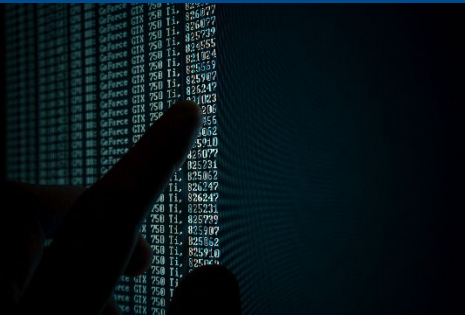
## Finance Topics and Procedures Webpage

School Finance has a multitude of guidance documents located on the [Finance Topics & Procedures](#) webpage. One of the documents contains information on what attendance hours can be claimed for state aid. Topics on this page include:

- Accounting Manual
- Attendance Hour Reporting
- Audit
- Budgeting
- Calendar & Inclement Weather Make-up
- Certificated Salary Compliance
- Coding Procedures
- Current Expenditures per Pupil Explanation
- Local Effort
- Pre-K Eligibility for State Aid
- Quarterly Financial Reporting Requirements
- Statutory Deadlines
- Tax Rates

### [Point of Interest](#)

Various relief Fund [Grant Guidance Documents](#) can be found on the [DESE COVID Relief Information page](#).



## 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, 2023:

- 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.

### Inclement Weather

Districts must comply with Section 163.021.1, RSMo, which requires compliance with the minimum term to be eligible for state aid. Additionally, Section 171.033.3, RSMo, allows "school lost or cancelled due to inclement weather in the school district when the school district has made up the thirty-six hours required under subsection 2 of this section and half the number of additional lost or cancelled hours up to forty-eight, resulting in no more than sixty total make-up hours required by this section".

"Inclement weather", for purposes of this section, shall be defined as ice, snow, extreme cold, excessive heat, flooding, or a tornado.

Reminder: Hours that are forgiven due to inclement weather will not have an adverse impact on the average daily attendance (ADA) calculation. The above information regarding inclement weather and a short FAQ are available at on the [Finance Topics and Procedures](#) page under the Inclement Weather link.

There are two calculation tools to help with determining weather make-up. They can be found under [Calculation Tools](#).

### 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.

#### [Point of Interest](#)

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

## School Governance & Transportation

### Boundary Change

If there is a change in your school district's boundary following the April election, please send a copy of the ballot with the legal description of the boundary change to the School Administrative Services Section.

### Boundary Change Appeal to State Board

Boundary Change Appeal to State Board

In case a district is involved in a boundary change appeal to the State Board of Education, the district must adhere to the time line for such appeal as defined in state law. Section 162.431.3, RSMo, states, "If one of the districts votes against the change and the other votes for the change, the matter may be appealed to the state board of education, in writing, within fifteen days of the submission of the question by either one of the districts affected, or in the above event by a majority of the signers of the petition requesting a vote on the proposal. At the first meeting of the state board following the appeal, a board of arbitration composed of three members, none of whom shall be a resident of any district affected, shall be appointed." For additional information concerning the appeal process refer to Section 162.431, RSMo, or call the School Administrative Services Section at (573) 751-0357.

### State Transportation Aid Calculation

See payment section above.

### School Bus Train the Trainer and Recertification Workshops

The Annual Train the Trainer Workshop held in Warrensburg will be held July 8<sup>th</sup>-10<sup>th</sup> at the American Legion Hall in Warrensburg.

The Re-Certification Workshop will be held in Columbia July 15<sup>th</sup> at the Courtyard by Marriott. Registration information can be found [here](#).

School Bus Trainer Certification may also be obtained at the MAPT Conference held in Columbia July 9-12. That information can be found [here](#).

#### [Point of Interest](#)

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

## School Finance Contact Information & Staff Changes

We ask that you always call our main number of 573-751-0357 or email the email addresses listed below and speak with your designated contact. Updated contact list for staff assignments are as follows:

| Name                                                                                                                                                | Duties                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>David Tramel</b><br>Coordinator, Administrative and Financial Services<br><a href="mailto:David.Tramel@dese.mo.gov">David.Tramel@dese.mo.gov</a> | Contact for Governance questions or Transportation questions other than Transportation data reporting or Transportation payment.                            |
| <b>Tammy Lehmen</b><br>Coordinator, School Finance<br><a href="mailto:Tammy.Lehmen@dese.mo.gov">Tammy.Lehmen@dese.mo.gov</a>                        | Contact for districts in counties 048 & Kansas City Charters 347-347.<br><br>Contact for Transportation data reporting or Transportation payment questions. |
| <b>Sharon Bax</b><br>Director, School Finance<br><a href="mailto:Sharon.Bax@dese.mo.gov">Sharon.Bax@dese.mo.gov</a>                                 | Contact for districts in counties 080-115 & St Louis Charters                                                                                               |
| <b>Emilea Edmondson</b><br>Director, School Finance<br><a href="mailto:Emilea.Edmondson@dese.mo.gov">Emilea.Edmondson@dese.mo.gov</a>               | Contact for districts in counties 045-047 & 049-079<br><br>Contact for questions regarding Audits.                                                          |
| <b>Kara Shumate</b><br>Director, School Finance<br><a href="mailto:Kara.Shumate@dese.mo.gov">Kara.Shumate@dese.mo.gov</a>                           | Contact for districts in counties 001-044<br><br>Contact for County Clerks.                                                                                 |



### School Finance

P.O. Box 480 • 205 Jefferson Street, Jefferson City, MO 65102  
 Phone # (573) 751-0357 • Fax # (573) 526-3897 • [finadmgo@dese.mo.gov](mailto:finadmgo@dese.mo.gov)  
<https://dese.mo.gov/financial-admin-services/school-finance/>

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