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School Finance Topics

MASA
March 2019



Topics

- Budget
- PK Funding
- Annual Secretary of the Board Report
- FY 2018-19 Inclement Weather
- FY 2018-19 School Calendar Options
- FY 2019-20 Calendar Requirements
- New Financial Data Reporting Requirements
- PDC Expenditure Requirements





Budget



Basic Formula Budget Estimate

State Adequacy Target (SAT)

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

| Fiscal Years | Calculated SAT | June Proration Adjusted SAT | Prior Year Correction Adjusted SAT |
|--------------|----------------|-----------------------------|------------------------------------|
| 2016 | \$6,580 | \$6,145.826158666 | \$6,121.383388689 |
| 2017 | \$6,241 | \$6,198.711938359 | \$6,176.457027823 |
| 2018 | \$6,241 | \$6,241.000000000 | \$6,217.940047911* |
| 2019 | \$6,308 | \$6,285.* | |
| 2020 | \$6,375 | | |

* As of the February 2019 Payment

DVM and Threshold Percentages

DVM for FY 2018-19 can be viewed at

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

Threshold percentages

| | FY 2016-17 & FY 2017-18 | FY 2018-19 & FY 2019-20 |
|-----------------------------------|----------------------------|----------------------------|
| Free & Reduced-Price Lunch | 36.12% | 31.42% |
| Special Education (IEP) | 12.16% | 12.06% |
| Limited English Proficiency (LEP) | 1.94% | 2.50% |

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 | June FWADA | PYC FWADA | Calculated SAT | June Proration Adjusted SAT | Prior Year Correction Adjusted SAT | FWADA Change | SAT Change |
|--------------|--------------|--------------|----------------|-----------------------------|------------------------------------|--------------|---------------|
| 2016 | 915,600.9451 | 919,296.8177 | \$6,580.00 | 6,145.826158666 | 6,121.383388689 | 3,695.8726 | -24.442769977 |
| 2017 | 919,097.7259 | 922,408.1603 | \$6,241.00 | 6,198.711938359 | 6,176.457027823 | 3,310.4344 | -22.254910536 |
| 2018 | 921,206.9874 | 924,189.8054 | \$6,241.00 | 6,241.000000000 | 6,217.940047911 | 2,982.8180 | -23.059952089 |



Other Budget Estimates

Classroom Trust Fund Estimates

- FY 2018-19 Classroom Trust Fund Estimate
 - ❑ \$414 per prior year ADA
 - ❑ State will only distribute funds actually collected into the Classroom Trust Fund (may or may not reach the appropriated level of \$351,702,205)

- FY 2019-20 Classroom Trust Fund Estimate
 - ❑ Classroom Trust Fund is paid on the prior year ADA.
 - ❑ FY 2018-19 ADA projected to be 854,000.
 - ❑ Governor's Budget projection for Classroom Trust Fund is \$349,999,054.
 - ❑ \$409 per ADA.
 - ❑ Classroom Trust Fund is one funding source of Basic Formula; like other funding areas, exact funding level is unknown until appropriation process concludes.

Budget – Estimated Revenues

- FY 2018-19 Prop C Estimate
 - ❑ FY 2017-18 WADA is 909,193.
 - ❑ Appropriation for Proposition C is \$917,500,000.
 - ❑ \$1,009 per WADA.

- FY 2019-20 Prop C Estimate
 - ❑ Prop C is paid on the prior year WADA.
 - ❑ FY 2018-19 WADA projected to be 925,000.
 - ❑ Governor's Budget projection for Proposition C is \$958,400,000.
 - ❑ \$1,036 per WADA.
 - ❑ While it appears this level of collection is achievable, caution should be used as determination of budget estimates are made. Exact funding level is unknown until appropriation process concludes.

Small Schools Grant

- 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 \leq 350
 - ❑ \$5M will be distributed to districts with tax rates \geq \$3.43 on a tax-rate-weighted ADA basis
- FY 2018-19 Estimate
 - ❑ \$10,000,000 portion – \$276 per ADA
 - ❑ \$5,000,000 portion – \$158 per tax rate weighted ADA
- FY 2019-20 Estimate
 - ❑ \$10,000,000 portion – \$273 per ADA
 - ❑ \$5,000,000 portion – \$154 per tax rate weighted ADA

Transportation Funding Estimate

- FY 2018-19
 - ❑ Transportation is paid on the prior year's ASBR data.
 - ❑ Appropriation is \$102,547,713
 - ❑ Percentage of reimbursement of allowable transportation cost is projected at 18%.
- FY 2019-20
 - ❑ Governor's Budget projection for Transportation is \$107,547,713.
 - ❑ Percentage of reimbursement of allowable transportation cost is projected at 19% or an increase of 1%.

Budget Information and Resources

- Revenue estimating tools for basic formula revenue are found at <http://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>
- Located under K-12 Basic Formula Calculation or K-8 Basic Formula Calculation
- Using the basic formula calculation tool
 - ❑ Log into web applications and access transmittal page
 - ❑ From transmittal page select Basic Formula – State Monies
 - ❑ Print calculation sheet and all available links
 - ❑ Plug all numbers into calculation tool; ensure that totals match to calculation sheet
 - ❑ Once you ensure numbers are correctly entered, you can add/change numbers for projection purposes



Estimating Expenditures

Estimating Expenditures

- Salary Schedule
- Health insurance and other benefits
- Projected increases in contracted services
- Projected increases in utility costs
- Facility needs
- New programs, additional needs or other known increases in expenditures

Budget Information and Resources

- The State Auditor's Office tax rate calculation tool can be found at <http://www.auditor.mo.gov/taxrates/index>.
- The Proposition C Rollback Calculation Form can be found at <http://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>.
 - ❑ This form is only necessary for use at districts that do not have a full waiver of Proposition C and are required to calculate and apply a rollback to the tax rate.
- The Estimate of Required Local Taxes form can be found at <http://dese.mo.gov/financial-admin-services/school-finance/calculation-tools>
 - ❑ Districts are required to submit this completed form to the county clerk of each county where the district has assessed valuation on or before Sept. 1st.



Prekindergarten Students Claimed for State Aid

Prekindergarten Students Claimed for State Aid

- Starting with the FY 2018-19 year all districts and charter schools have the ability to claim a limited number of prekindergarten students for state aid.
- The total number of PK students that the district's/charter school's calculation of average daily attendance can include shall not exceed four percent of the total number of pupils who are eligible for free and reduced price lunch between the ages of five and eighteen who are included in the district's or charter school's calculation of average daily attendance.

Prekindergarten Students Claimed for State Aid

- For more information on claiming prekindergarten students for state aid please see the document titled “[PK Eligibility for State Aid](#)” located on the School Finance, Finance Topics and Procedure website located <https://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>.



Annual Secretary of the Board Report

Annual Secretary of the Board Report

- Due to a new federal report card requirement districts and charter schools are now required to track revenues and expenditures at a more detailed level.
- The state has to include a building level current expenditure calculation denoted by local and state and federal sources on the district's/charter schools' report card .

What does this Calculation Mean for Districts and Charters Schools?

The media, patrons, and other districts can see how much the district or charter school is spending per pupil in each building broken out by local/state and federal revenue sources.

- The district or charter school should be prepared to answer why expenditures are what they are.
 - ❑ Does one building have a significant higher/lower expenditure per pupil?
 - ❑ Does one building have a significantly higher/lower federal expenditure per pupil?
 - ❑ How does the building's student performance compare to the current expenditure per pupil in the building?

What does this Calculation Mean for Districts and Charters Schools?

- Ability to analyze expenditures at a building level.
 - ❑ Efficiency and inefficiency
- Ability to analyze and draw comparisons regarding expenditures by building in a district and between districts of similar size and demographics.



FY 2018-19 Inclement Weather Requirements

Weather Make-Up Requirements

- Districts and charter schools must make up the first six weather days and every other day there after to a maximum of 10.
- Which means the district and charter schools makes up the first seven, then day eight is forgiven, etc.
- Weather Make-Up days may be done during the school year or added onto the end of the school year.

| Day 1 | Day 2 | Day 3 | Day 4 | Day 5 | Day 6 | Day 7 | Day 8 | Day 9 | Day 10 | Day 11 | Day 12 | Day 13 | Day 14 | + |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|---|
| M | M | M | M | M | M | M | F | M | F | M | F | M | F | F |

Weather Make-Up Requirements

- Districts and charter schools must be careful to attend the minimum day length required by their calendar when releasing early for weather.
- If a district and charter school does not attend the minimum day length on a partial day then the hours do not count in the calendar and the day does not count as a day.
- Hours should not be reported in MOSIS.
- If a day of school is planned to be used to make-up a weather day is canceled, that day is a not-in-session day as it is **not** considered a weather day.



FY 2019-20 Calendar Requirements

FY 2019-20 Calendar Changes

- HB 1606 is changing calendar requirements.
 - The changes take affect starting with FY 2019-20.
 - Starting with FY 2019-20 there will be an hour requirement of 1,044 hours.
 - There will no longer be a minimum and maximum day length.

FY 2019-20 Calendar Changes

- Starting in the FY 2019-20 year there will be a make-up hour requirement instead of a day requirement.
 - ❑ 36 planned make-up hours will be required.
- The district or charter school cannot go below 1,044 hours in session unless forgiven by weather make-up requirements.
- Weather make-up requirements are:
 - ❑ the first 36 weather hours are made up, then half the amount thereafter up to 48 hours, for a maximum of 60 total make-up hours.

FY 2019-20 Calendar Changes

- This change in the calendar will not result in additional ADA for those districts or charter schools who attend more than the typical day length or number of days.
 - ❑ ADA is calculated by taking the attendance hours of a student divided by their possible calendar resulting in a student with perfect attendance being counted as a 1.0 ADA.



New Financial Data Reporting Requirements

Section 160.066, RSMo, Reporting Mandates

- 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.

Section 160.066, RSMo, Reporting Mandates

- Updated no less frequently than every quarter.
- Keep for a minimum of ten years.
- Do not have to publish personal information relating to payroll deductions, payroll contributions, or any other information that is confidential or protected.
- Template has been provided in the document titled “Reporting Requirements” located <https://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures>.



1% PDC Expenditure Requirements

Section 160.530, RSMo, PDC Expenditure Requirements

FY 2018-19 through FY 2023-24

- Legislation modified the 1% professional development expenditure requirements if Transportation Aid falls below 25% of allowable costs.
 - Your board can vote to place less than 1% of your formula monies into the professional development committee budget but cannot place less than one-half of one percent of the formula monies into their budget.
- At minimum a district must spend **no less** than seventy-five percent of the one-half of one percent of your formula monies in the fiscal year. The remaining amount must be restricted and carried forward for future professional development committee approved expenditures.

Contact Information

School Finance 573-751-0357

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|---|--|
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Questions?