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Missouri State Auditor

Valley R-VI School District Attendance Procedures

Report No. 2020-040

July 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Valley R-VI School District Attendance Procedures

Low Attendance	Student attendance decreased significantly after the Superintendent's April 2019 letter that discouraged attendance. Although the Department of Elementary and Secondary Education disallowed the student attendance data for the date included in the Superintendent's letter, the district continued to experience low attendance during the remainder of the school year. As a result, the district met the goal noted in the letter of a lower Average Daily Attendance and was eligible for additional funding.
Attendance procedures and controls	The district's attendance system does not limit the time period when changes can be made and there is no review by district officials to ensure changes made to current school year attendance records are appropriate. The Superintendent has more access in the attendance system than required for his job duties.

Due to the nature of this report, no rating is provided.

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Valley R-VI School District Attendance Procedures

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Board of Education
Valley R-VI School District

The State Auditor conducted an audit of the Valley R-VI School District Attendance Procedures under authority granted in Section 29.205, RSMo. Due to concerns regarding attendance rates raised by the Department of Elementary and Secondary Education, the State Auditor initiated the audit. We have audited certain operations of the district in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019, and the period of July 1, 2019, to October 31, 2019. The objectives of our audit were to:

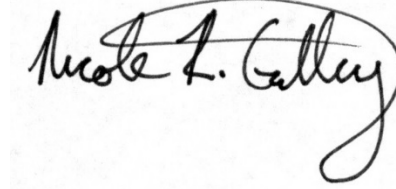
1. Evaluate the district's internal controls over significant management and financial functions related to enrollment and attendance recording and reporting.
2. Evaluate the district's compliance with certain legal provisions related to enrollment and attendance recording and reporting.
3. Evaluate the economy and efficiency of certain management practices and procedures related to enrollment and attendance recording and reporting.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing enrollment and attendance data. We obtained an understanding of internal controls that are significant to the audit objectives and assessed the design and implementation of such internal controls to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Valley R-VI School District Attendance Procedures.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Mackenzie J. Wooster
Audit Staff:	Dacia Rush, M.Acct., CIA, CFE, CGAP

Valley R-VI School District Attendance Procedures

Introduction

Background

In July 2019, Department of Elementary and Secondary Education (DESE) officials contacted and met with the State Auditor's Office (SAO) and requested an audit based on concerns over the attendance rates reported by the Valley R-VI School District. The SAO conducted an initial review of these concerns under Section 29.221, RSMo, and determined further investigation was warranted.

The Superintendent sent a letter to parents in the district encouraging students not to attend school on April 19, 2019, and added there may be additional similar days later in the school year, if necessary. See Appendix A for a copy of this letter. In the letter, the Superintendent stated the school district needed to have an Average Daily Attendance (ADA) of 350 or less to maintain small school status, allowing the district to receive additional state funding. DESE officials also indicated they were contacted by parents concerned that district personnel were requesting parents keep students home on other school days.

After learning about this letter, DESE officials sent a letter to the school district disallowing the day to be counted in the attendance for the 2018-2019 school year, and requiring the district make up the day on August 15, 2019. The DESE letter stated this action could impact the district's accreditation classification, because "Manipulation of data for District gain is a violation of state law." See Appendix B for a copy of this letter.

Attendance reporting

The DESE requires all school districts to track attendance accurately by attendance hour. The DESE uses attendance data reported by districts in the Missouri Student Information System (MOSIS) to determine the district's ADA and the appropriate amount of state funding for each school district and charter school through the state funding formula. The ADA is calculated by dividing the actual attendance hours for the school year by the potential attendance hours to determine the attendance rate. The attendance rate is multiplied by the enrollment¹ amount to determine the ADA. In addition, a fraction of the number of students eligible for (1) free and reduced lunches, (2) special education, and (3) limited English proficiency are added to the school's ADA to determine its weighted average daily attendance (WADA).

Information about the enrollment of a district, the courses the schools in the district will offer, and the hours in a regular school day is reported to the DESE through the MOSIS several times a year. District attendance data is submitted in June each year. For the Valley R-VI School District, the Superintendent is responsible for completing and certifying the final submissions of the school district's attendance data to the DESE.

¹ Head count taken the last Wednesday in September of all resident and non-resident students in the attendance center and reported to the DESE for the October reporting cycle.



Valley R-VI School District Attendance Procedures Introduction

Small school funding

State law provides additional state funding to small schools defined as those with an enrollment under 350 students. Section 163.031.2, RSMo, includes a hold harmless provision for school districts with an ADA less than or equal to 350, which states no district shall receive less state aid under the current funding formula than it did in the greater of the 2004-2005 or 2005-2006 school years. The Valley R-VI School District was authorized to receive a basic formula payment that included hold harmless funding totaling \$2,350,457 during the year ended June 30, 2020, based on the ADA from the 2018-2019 school year of 349. If the ADA had been over 350 during the 2018-2019 school year, the district basic formula payment would have been reduced by approximately \$585,000 based on the funding formula calculations.

In addition, Section 163.044, RSMo, authorizes payments to small schools, defined as districts with an ADA (including summer school) of 350 or less. The allocation of the \$15 million annually appropriated under the statute requires distribution of (1) \$10 million to the eligible districts on an equal amount based on the prior year ADA and (2) \$5 million to the eligible districts with an operating levy that meets the requirements of the statute. The Valley R-VI School District was eligible to receive an allocation from both funding portions of the appropriation. The district was authorized to receive small school funding from the annual appropriations totaling \$150,106 during the year ended June 30, 2020, based on the ADA from the 2018-2019 school year.

The following table shows enrollment and ADA for the Valley R-VI School District in the past 5 years:

School Year	Enrollment	ADA
2014-2015	398	348
2015-2016	405	356
2016-2017	411	366
2017-2018	395	349
2018-2019	395	349

Source: DESE Missouri Comprehensive Data Systems (MCDS) School Finance Report

Valley R-VI School District Attendance Procedures

Management Advisory Report

State Auditor's Findings

1. Low Attendance

Student attendance decreased significantly after the Superintendent's April 2019 letter that discouraged attendance. Although the Department of Elementary and Secondary Education (DESE) disallowed the student attendance data for the date included in the Superintendent's letter (April 19, 2019), the district continued to experience low attendance during the remainder of the school year. As a result, the district met the goal noted in the letter of a lower Average Daily Attendance (ADA) and was eligible for additional funding.

From April 22 to May 24, 2019 (the last date of school), the attendance rate was 85.48 percent, including 7 school days with attendance less than 85 percent. Prior to this period, the attendance rate was 93.78 percent. The low attendance during this period decreased the attendance rate for the entire year to 92.69 percent. If the attendance rate had not decreased for this period, the district's ADA would have exceeded the 350 ADA small school threshold. DESE officials estimated this change would have reduced the district's state funding for the 2019-2020 school year by approximately \$735,000, which is 15 percent of the district's total revenue and 29 percent of the district's state funding for that year.

School officials indicated some lower attendance can be expected at the end of the year due to policy and parent choice. However, we compared a sample of 2018-2019 school year attendance to a similar period for the 2017-2018 school year and determined the 2018-2019 attendance was lower, indicating the 2018-2019 school year attendance may not reflect normal end of the year reductions. Building secretaries indicated parents do not consistently send students to school after the Missouri Assessment Program (MAP) testing is completed, which was before May 10, 2019. Our comparison of attendance for the week after MAP testing in May 2019 to the comparable week in May 2018 determined the May 2019 attendance was 5 percent lower.

Of the 7 low attendance days noted above, 5 were from the last week of school, when final exams were administered. The official junior high and high school student handbook allows students to be exempt from final exams who maintain a grade of 84 percent or higher in each of their classes and have an attendance percentage that is at least 94 percent. Students that are exempt from final exams do not have to attend school during this time period. While this policy may explain the low attendance for the junior high and high school students, there is no corresponding explanation for the lower attendance of the elementary school students.

Section 167.031, RSMo, states that any parent or guardian must ensure that the child is enrolled in and regularly attends school for the full term of the school year. Section 167.111, RSMo, requires superintendents and school boards to enforce the compulsory school attendance. Manipulating the attendance data of the district in the manner suggested in the Superintendent's



Valley R-VI School District Attendance Procedures Management Advisory Report - State Auditor's Findings

letter discourages attendance and decreases the instructional time received by the students.

Recommendation

The Board of Education refrain from practices that encourage absenteeism and ensure all laws relating to compulsory school attendance are enforced as required by statute.

Auditee's Response

The Valley R-VI Board of Education and the Superintendent of Schools agree to refrain from practices that encourage absenteeism and ensure all laws relating to compulsory school attendance are enforced as required by statute.

Addressing the letter sent by the superintendent: The letter sent out to students' parents and the contents therein were an error in judgement. As a first year superintendent, I was faced with the situation of a fraction of a student's attendance (less than one student) causing the district to lose a large portion of funds. According to the Department of Elementary and Secondary Education (DESE) officials' explanation in this report, the sum would equal a loss of \$735,000, which is 15 percent of the district's total revenue and 29 percent of the district's state funding for the 2019-20 school year. That money is used each year to pay for educational student programs provided at our school, used to hire and retain quality staff to serve district students, and used for a multitude of other educational and social services for district students. After spending time my first year as superintendent speaking with DESE officials at "new superintendent" meetings, personally meeting with DESE financial officials in DESE's offices, and traveling to meet with legislators in Jefferson City, sending that letter was a desperate act to try to do something to help our situation. I did not understand to the fullest degree what I was doing by sending that letter, and as stated above, I was wrong to do this.

Shortly after sending out the letter and having low attendance on the half day of school before Spring Break, 2019, I received a phone call from an official from the DESE asking if I had sent out a letter to parents and explaining why I could not do that, ordering me to cease any further plans related to this letter. My responses during and after this call were as follows:

- 1. I was immediately forthcoming, answering all questions truthfully, and admitted to sending the letter. (I sent the letter publicly to all parents because no matter how dire our situation, I did not want to do anything deceitful. I mistakenly felt that this was an open and acceptable plan to help our situation.)*
- 2. I agreed immediately to stop any further plans.*
 - a. Although not ordered by the DESE, I immediately made personal phone calls to each Board member describing the conversation with*



Valley R-VI School District Attendance Procedures
Management Advisory Report - State Auditor's Findings

the DESE, and explaining that we were ordered to stop any future plans, and stated that I intended to follow those orders.

- b. Also not ordered by the DESE, I called a meeting with the district faculty and explained the same thing, and explained that moving forward, no one was to do anything resembling what was explained in the letter.*
- 3. Part of my guidance from the DESE official on the phone call was to begin to work with the Board over the next three to five years to manage our school budget to match our finances as if we had ADA above 350, and if we had a year we fell under, to put those moneys in reserves.*
 - a. In a Board meeting soon after that phone call, I began to discuss these matters with the Board, explaining what was suggested to do, and have continued to make that part of financial discussions, as well as incorporated those ideas in my budgeting.*
 - b. I have had meetings with district administration explaining these ideas and working towards finding ways to implement these ideas.*
- 4. Our district later received the official ruling from the DESE on the letter.*
 - a. We were not to count attendance from that half day before Spring Break mentioned in the letter. We removed that day from our attendance calendar in our student records system to comply.*
 - b. We were to make that day up by counting the attendance of the first day students physically attended school for their 2019-2020 school year on the 2018-2019 school year attendance. We did just that, and by the end of that day, I had run the reports and submitted them to the DESE.*

I now understand better the error I made in judgement, and all actions since that phone call from the DESE have been made to comply and to rectify the actions of sending the letter.

Addressing the exemption of finals for students in grades 7-12: This report mentions that our school allows students, grades 7-12, to be exempt from end of semester finals if that student meets certain academic and attendance requirements for a class for the semester. If a student is exempt, they do not have to attend school the day/hour that class gives the final test. This was a practice put in place by the prior superintendent while working with the DESE on a District Improvement Plan and a Building Accountability Plan. The purpose was to encourage students to work towards higher academic performance and to increase student attendance throughout the semester.



Valley R-VI School District Attendance Procedures Management Advisory Report - State Auditor's Findings

This was approved by the DESE within the plans, and the superintendent even presented this idea on behalf of the DESE for their Regional Professional Development Centers on two separate occasions. The main guidance given by the DESE was that the school could not count the students' ADA (average daily attendance) if they were not physically present for classes. We do not count their attendance if they are exempt and are not in attendance.

When I took over as superintendent my first year, this procedure had been in place for years, so we continued this practice; I had no reason to change it. Having explained all of this, if the DESE gave us new guidance to stop this practice, we would immediately comply. And more immediately, due to the potential outbreaks of COVID-19 schools may be facing during the 2020-2021 school year, the district has decided to remove the exemption from finals for at least that school year, leaning on the guidance from the DESE to schools to do away with any rewarding and honoring of students for perfect or good attendance.

Addressing the final ADA (Average Daily Attendance) numbers: Part of the struggle of creating a budget for the next year or making a three-year or five-year plan is our recent fluctuation in our ADA year to year. A large portion of our student population has been very transient for the past several years, and our total enrollment has hovered around that 350 number, producing an ADA finishing either a little above 350 or a little below 350. According to DESE records and the chart shared in this report, our enrollment numbers for the 2018-2019 school year, the year in question for this audit, were identical to the 2017-2018 school year, 395. The final ADA numbers, over the course of both years, also came out to be the same, 349 ADA. These were the very same two years the audit report compared. If you look at the two years prior, we had a slight increase in enrollment which brought about higher ADA numbers, 366 and 356. Those two years we went over the small school cut off. The year before that, 2014-2015 school year, an ADA of 348, an ADA under 350. Looking again at school year 2018-2019 compared to 2017-2018, the total attendance percentage for both of these years had a difference of less than one percent, very close to each other. Our school has experienced different ebbs and flows of attendance at various times through the years and during various years, but our end of the year attendance percentages have run very close each year for several years now, including the year in question.

Our enrollment at our school and the transient movement of a large population of our students are such that we could potentially hover around this 350 cut off for years to come. In fact, at the writing of this response, the 2019-2020 school year ended with an ADA of 348.66, a school year that ended abruptly and without too much warning on March 17, 2020, due to the global pandemic of the COVID-19 virus. We continued educating students through May 14, 2020, but attendance stopped on March 17, 2020. We had



Valley R-VI School District Attendance Procedures Management Advisory Report - State Auditor's Findings

no way of knowing this would happen, and our ADA number was just slightly under 350 again.

Conclusion: It is important to state that during the audit process, it was verbally stated to the superintendent by the auditors conducting the investigation that throughout the audit, nothing the State Auditor's Office found led them to believe there was any type of fraud or manipulating of numbers. Both the Board and the superintendent understand this letter should never have been sent out. We regret this action and agree to refrain from practices that encourage absenteeism moving forward.

Auditor's Comment

Auditors performed a comparison of the district's attendance data to that reported to the DESE to identify if data may have been manipulated to decrease the average daily attendance; auditors did not identify any manipulation of attendance data reported.

2. Attendance Procedures and Controls

2.1 Attendance procedures

The district does not have procedures to limit when changes can be made to the attendance system and no one reviews changes made. In addition, some user access rights in the attendance system are in excess of that required for their job duties.

The district's attendance system does not limit the time period when changes can be made and there is no review by district officials to ensure changes made to current school year attendance records are appropriate. The risk of erroneous changes significantly affecting attendance reports submitted to the DESE is increased due to the extended time period allowed for changes and the lack of review procedures.

District procedures require recording of daily student attendance in the attendance system by each teacher or by a school secretary when a teacher is absent. Each day the secretary at each school building ensures all attendance has been entered into the attendance system. Any changes after that day have to be made by the school secretary. Changes to the attendance records can be made by the secretary anytime during the current school year. Currently the attendance system cannot generate a detailed summary report documenting all changes made, further limiting the district's ability to monitor this information.

Correcting attendance data is necessary to ensure accuracy in the reporting process and any changes must be made before attendance can be certified to the DESE. However, review and approval of all changes is necessary to ensure reliability of the data.

2.2 User access

The Superintendent has more access in the attendance system than required for his job duties. He has access to both view and change data in system. The Superintendent reports the attendance data to the DESE, but he does not need



Valley R-VI School District Attendance Procedures Management Advisory Report - State Auditor's Findings

access to change attendance data in the system to perform this duty. Without limiting this access, the district cannot ensure proper segregation of duties is in place over the functions of entering and reporting the data.

Good internal controls require that users be allocated the minimum access rights necessary to perform their assigned job functions, and that access to security functions be explicitly assigned. Allowing users access to the system in excess of what is required for their job responsibilities increases the risk of improper activity occurring.

Recommendations

The Board of Education:

- 2.1 Implement additional controls and procedures to ensure student attendance data is accurately recorded and reported, including restricting the time period when changes can be made without authorization. The Board should also ensure the attendance system is programmed to generate an audit trail report or report of changes, and that this report is reviewed for accuracy.
- 2.2 Limit users access rights in the attendance system to only what is necessary to perform their job duties and responsibilities.

Auditee's Response

- 2.1 *The Valley R-VI Board of Education and the Superintendent of Schools agree to (1) ensure student attendance data is accurately recorded and reported, including restricting the time period when changes can be made without authorization; and (2) ensure the attendance system is programmed to generate an audit trail report or report of changes, and that this report is reviewed for accuracy.*

Addressing restricting time periods that changes can be made: During the 2018-19 school year, the district was using INOW, also named Chalkable, student records system. The district is changing systems to Tyler SIS starting the 2020-21 school year. The district's program manager from Tyler Technologies explained to the district that once a teacher enters the attendance, he or she will be locked out of changing attendance. The teacher will then have to submit the changes to the attendance administrators to fix any errors. Attendance administrators will be the building offices' administrative assistances.

The superintendent as well, if finding an error in district attendance numbers, will submit these changes to the proper building attendance administrator to make changes. (This was already the procedure practiced by the superintendent. See Auditee's Response 2.2 below.)



Valley R-VI School District Attendance Procedures Management Advisory Report - State Auditor's Findings

Addressing an audit trail report: The district's program manager from Tyler Technologies explained the district will have access to run a report that will show a tally of attendance history codes changed or deleted per individual student. The district can then review the student's attendance history to see details.

Building principals will share these reports and explanations of changes with the Board during the regular monthly Board meetings during the principal reports to the Board. This will start the first regular Board meeting after the district starts recording student ADA, presumably starting the 2020-21 school year.

- 2.2 *The Valley R-VI Board of Education and the Superintendent of Schools agree to limit user access rights in the attendance system to only what is necessary to perform job duties and responsibilities.*

When the superintendent took over for the 2018-19 school year, the district was using INOW, also named Chalkable, student records system. This was the system that stores student attendance and is used to pull data to report to the DESE. The district had already purchased the system and user accesses for the superintendent's roll was already set. We did not think to change these settings because it was already set as default. However, we did have a procedure in place and used this procedure. The procedure was, if a mistake was found by the superintendent, or if something needed to be corrected or changed for accuracy purposes, notes were given to the building offices' administrative assistances, and they made the proper changes to attendance.

As stated before, during the audit process, it was verbally stated to the superintendent by the auditors conducting the investigation that throughout the audit, nothing the State Auditor's Office found led them to believe there was any type of fraud or manipulating of numbers. Although the default settings in the system were not set correctly, the district was using the procedure explained above to issue needed changes made to attendance for accuracy purposes.

At the time of writing this response, the superintendent's user access rights have been changed to "read only" in the INOW system to finish out the 2019-20 school year. The district is changing systems to Tyler SIS and has started the process of setting up the system. The superintendent's access will be set to "read only" moving forward with the new system.

Valley R-VI School District Attendance Procedures

Organization and Statistical Information

The Valley R-VI School District is located in the eastern part of Missouri, covering parts of Washington and Iron counties.

The district operates one elementary school (grades K-6), and one junior high/high school (grades 7-12). Enrollment was 395 for the 2018-2019 school year. The district employed approximately 80 full- and part-time employees, at June 30, 2019.

The Valley R-VI School District has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

School Board

An elected board acts as the policy-making body for the district's operations. The board's seven members serve 3-year terms without compensation. Members of the board at June 30, 2019, were

Blake Yount, President
Mitch Tedder, Vice-President
Trina Kirby, Secretary
Steven Jones, Treasurer
Pat Masson, Member
Brent McClain, Member
Pat Yount, Member

Superintendent

The district's Superintendent at June 30, 2019, was Dr. Michael Silvy and his annual compensation was \$95,605. The Superintendent's compensation is established by the school board.

Financial Activity

A summary of the district's financial activity for the year ended June 30, 2019, is shown in Appendix C. We obtained this information from the district's audited financial statement report.



Appendix A
Valley R-VI School District Attendance Procedures
Superintendent's Letter



Valley R-VI Schools
1 Viking Drive, Caledonia, MO 63631



Chad Middleton

High School Principal
Office 573-779-3515
Fax 573-779-3346

Dr. Michael Silvy

Superintendent of Schools
Office 573-779-3446
Fax 573-779-3505
msilvy@valley.k12.mo.us

Caleb Tiefenauer

Elementary Principal
Office 573-779-3332
Fax 573-779-3562

Thursday, April 11, 2019

RE: Snow Make-up Days and School Finances

Dear Valley Viking Parents:

What I am about to explain may sound crazy and even be hard to understand or believe, but I feel you should be informed so you understand why we are doing what we are doing. Your child may not have to attend school Friday, April 19.

The state formula is used to calculate the amount of funding our school receives based on the number of students we have attending our school throughout the year. It is designed to help smaller schools like ours with funding by considering us "small school" as long as our *average daily attendance* (ADA) is 350 students or less. Along with the formula dollars, the state gives an *additional* small school allocation if you are 350 students or less. Over the past several years, our enrollment has fluctuated and caused us to go over that 350 mark two out of the last three years (2015-16 and 2016-17).

Here's the important part: We have our budget built around the "small school" revenue from the state formula. On those two years our attendance went over 350, including the small school allocation, we received nearly 24% less funding of the state money based on our attendance. Higher attendance in 2015-16 and 2016-17 literally cost our school district over a million dollars of state funding. That is money we use to hire staff to work with your children, put technology in classrooms, keep the facilities operational and looking nice, run academic and after-school programs for your kids, and many other things.

What this means: Our current ADA is currently over 350, but not by much. We have to make up some snow days this year, and to prevent from going to school on a Saturday or messing with Memorial Day weekend, we are going for a half-day on Friday, April 19, originally a day off. To help lower ADA for the year, we are having school that day, but **you do not have to send your child to school that day. If your child is absent on April 19, it will not count against their attendance nor against them in any of their classes. If your child is a part of the high school A+ Program, he/she will need to speak with Counselor Mrs. Strange before choosing to miss school.** School will be in session (we will run buses, serve breakfast/lunch, etc.), but we will not cover any new material that day. We are just using that day for make-up work and practicing academic skills.

We could potentially look to do this again at the very end of the school year with some additional weather make-up days. I know being told your child does not have to come to school on these days may sound strange, but the amount of funding we could lose is a large portion of our budget. It is not anything the district has done; the state formula was created with this anomaly. If you have ANY questions about this, you may call the school and speak to our administrators, our teachers, or even discuss this with a board member. I hope you understand the situation and why we are doing what we are doing.

Sincerely,

Dr. Michael Silvy
Valley Superintendent of Schools

"Preparing Students Today for the Challenge of Tomorrow"
www.valleyschooldistrict.org



Appendix B
Valley R-VI School District Attendance Procedures
Department of Elementary and Secondary Education's Response to the
Superintendent's Letter



Margaret M. Vandeven, Ph.D. • Commissioner of Education

205 Jefferson Street, P.O. Box 480 • Jefferson City, MO 65102-0480 • dese.mo.gov

May 9, 2019

Mr. Blake Yount
School Board President
Valley R-VI School District
1 Viking Drive
Caledonia, MO 63631

Dear Mr. Yount:

The Missouri Department of Elementary and Secondary Education (Department) has reviewed documentation associated with Valley R-VI School District's (District) school calendar and attendance with a focus on April 19, 2019.

In an April 11, 2019, letter to District parents, Superintendent Dr. Michael Silvy outlined his plans to manipulate the District's attendance data to gain a financial advantage for the District. Specifically, an attendance make-up day was added to the District's calendar and then student attendance was discouraged for the purpose of maintaining aggregate Average Daily Attendance (ADA) below 350 in order to retain the small school hold harmless benefit under the Foundation Formula. Manipulation of data for District gain is a violation of state law. The Department has determined that the following corrective actions must take place.

Superintendent: Dr. Michael Silvy violated § 167.111, RSMo, by failing to enforce the compulsory attendance law when he wrote and distributed the letter regarding the April 19 make-up day. In that letter Dr. Silvy stated, "to help lower ADA for the year, we are having school that day, but you do not have to send your child to school that day. If your child is absent on April 19, it will not count against their attendance nor against them in any of their classes." Dr. Silvy also indicated the possibility of an additional low attendance day, if necessary. The Department hereby notifies Dr. Silvy that his failure to adhere to the mandates of the Revised Statutes of Missouri as well as the intentional manipulation of student attendance numbers in order to increase state funds sent to Valley R-VI School District must not be repeated. Any similar actions could be grounds for discipline of Dr. Silvy's certifications under § 168.071, RSMo.

Board and District: The MSIP 5 rule, 5 CSR 20-100.105(5)(E), provides that a district's accreditation classification can be changed if a district has "[f]ailed to comply with a statutory requirement." The Board and District are hereby notified that any repeat of this type of

Phone 573-751-4446 • Fax 573-751-1179 • commissioner@dese.mo.gov



Appendix B
Valley R-VI School District Attendance Procedures
Department of Elementary and Secondary Education's Response to the
Superintendent's Letter

Mr. Yount
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May 9, 2019

manipulation of finance data or other breach of statute will result in consideration of a reduced accreditation level.

Further, the Department hereby notifies the Board and the District that April 19, 2019, is not allowed as a calendar day for the District. The District must remove the attendance data associated with that day before the submission to the Department in the June Core Data Cycle. Because the District will have failed to satisfy the minimum calendar requirements for the 2018-2019 school year, the District will make this day up as part of the 2019-2020 school year.

Finally, the District's Foundation Formula is subject to any and all prior year corrections needed as a result of the exclusion of April 19, 2019.

We trust that in the future the Board and Superintendent Silvy will recognize their professional responsibility in protecting the instructional time provided to each of their students and will not repeat this offense.

If you have questions, please contact Roger Dorson at (573) 751-4446.

Sincerely,

Margie Vandeven
Commissioner of Education

c: Michael Silvy, Superintendent, Valley R-VI School District
Roger Dorson, Deputy Commissioner, Division of Financial and Administrative Services
Chris Neale, Assistant Commissioner, Office of Quality Schools
Mike Wutke, Supervisor of Instruction, Office of Quality Schools
David Tramel, Coordinator, Financial and Administrative Services



Appendix C
Valley R-VI School District Attendance Procedures
Statement of Receipts, Disbursements and Changes in Fund Balance - Cash
Basis

Valley R-VI School District
Statement of Receipts, Disbursements and Changes in Fund Balance – Cash Basis
All Governmental Funds
Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
CASH RECEIPTS				
Local	\$ 983,031	\$ 357,525	\$ 134,782	\$ 1,475,338
County	286,997	4,874	84,969	376,840
State	688,199	1,859,599	-	2,547,798
Federal	201,122	93,861	-	294,983
Other	-	133,624	-	133,624
TOTAL CASH RECEIPTS	2,159,349	2,449,483	219,751	4,828,583
CASH DISBURSEMENTS				
Current				
Instruction	409,685	1,952,843	25,520	2,388,048
Attendance and social work services	31,338	51,063	-	82,401
Guidance	2,621	87,060	-	89,681
Health services	45,362	13,074	-	58,436
Improvement of instruction	4,000	-	-	4,000
Professional development	24,830	6,460	-	31,290
Media services	20,624	74,905	-	95,529
Board of Education services	45,022	-	-	45,022
Executive administration	157,263	96,873	1,110	255,246
Building level administration	55,281	104,470	3,330	163,081
Business, fiscal, internal services	3,160	437	-	3,597
Operation of plant	504,965	-	21,565	526,530
Security services	50,320	-	-	50,320
Pupil transportation	278,874	11,122	-	289,996
Food service	285,452	-	-	285,452
Community services	32,966	51,176	-	84,142
Capital outlay	-	-	78,581	78,581
Debt service				
Principal	-	-	198,076	198,076
Interest and other charges	-	-	7,424	7,424
TOTAL CASH DISBURSEMENTS	1,951,763	2,449,483	335,606	4,736,852
Cash receipts in excess of (less than) cash disbursements	207,586	-	(115,855)	91,731
OTHER FINANCING SOURCES (USES)				
Net insurance recovery	-	-	8,855	8,855
Fund balance, beginning of year	2,389,919	-	385,269	2,775,188
Fund balance, end of year	\$ 2,597,505	\$ -	\$ 278,269	\$ 2,875,774

The notes to the financial statements are an integral part of this statement.