



Budget Basics: K-12 Education

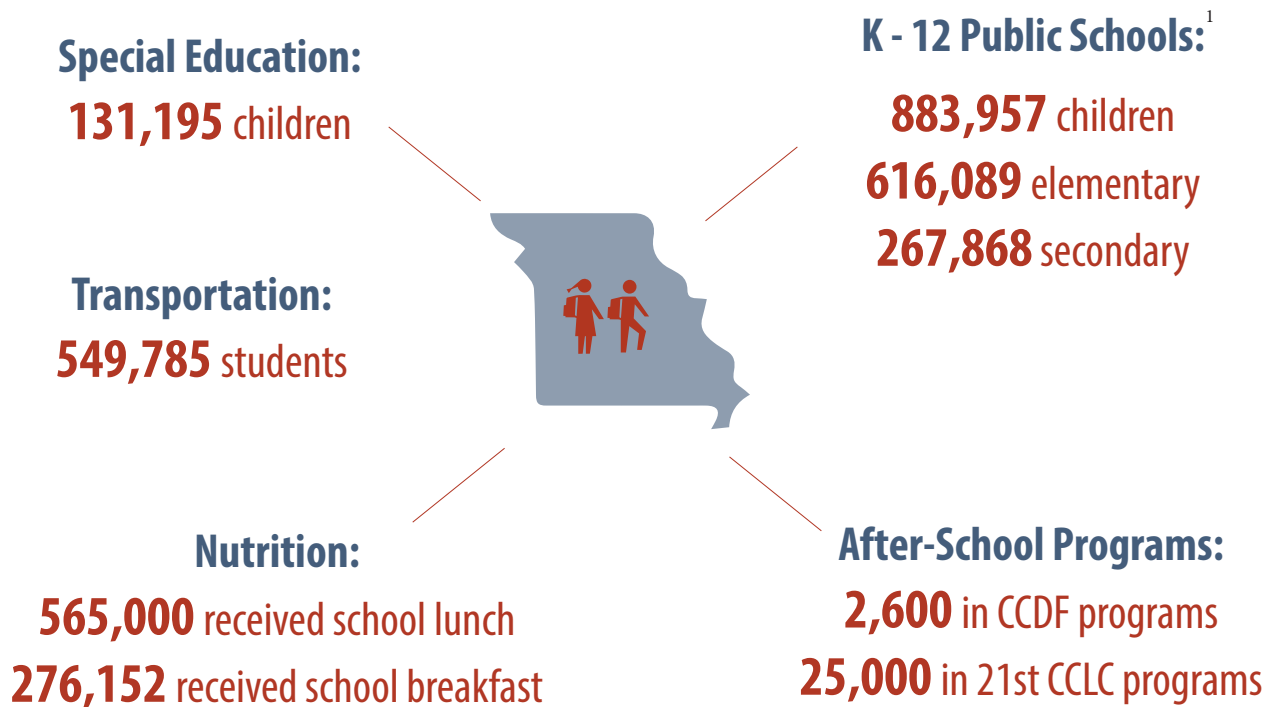


FY 2018

**An introduction to Missouri's K-12
education services and funding**

K - 12 Education

- Missouri's budget supports elementary and secondary education programs, which focus on the education and enrichment of children from kindergarten to grade 12.
- Quality K-12 education benefits both individuals and society and provides a boost to the economy by building a healthy and skilled workforce.
- Public K-12 education is especially critical given that public schools are legally required to serve all children, regardless of special needs or behavioral issues.

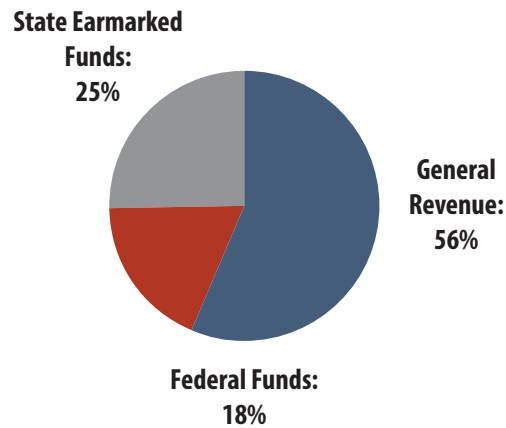


This primer is intended to serve as a guide for Missourians who care about elementary and secondary education programs, and increase the transparency of the budget by providing information about where key programs can be found in the budget bills. **Amounts included are Appropriated and reflect Gubernatorial vetoes, but not any mid-year restrictions that may have been made.**

Funding for K - 12 Education

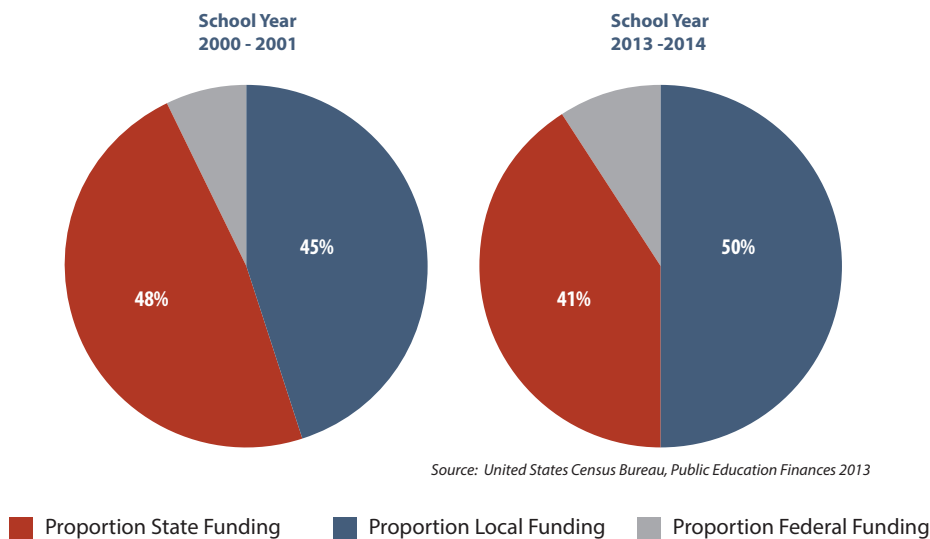
This primer describes the primary sources of funding for K-12 education in Missouri. The Department of Elementary and Secondary Education budget for FY2017 is **\$6.02 billion** and accounts for **22% of the total state budget**, including state and federal funding. The DESE budget is financed primarily with general revenue funds and earmarked funds, with federal dollars accounting for less than 1/5 of the total budget.

Total K - 12 Education Spending, by Source of Funding



The bulk of Missouri's K-12 education funding comes from local sources. Compared to other states, the share of funding provided by local sources is the 4th highest in the nation, while the share provided by the state is 48th lowest.²

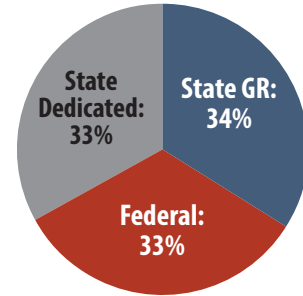
State Funding for Education Has Declined as a Proportion of Total Funding



Budget Basics

Each year the state takes in and spends approximately \$27 billion.

- About one third of the funds come from the federal government for very specific purposes.
- Another third is state revenue dedicated to specific state purposes, like the fuel tax, which is dedicated to transportation.
- Lawmakers have the most authority to allocate the final third, referred to as General Revenue.



Elementary and secondary education programs in Missouri are housed within:

- Department of Elementary and Secondary Education (DESE). [HB 2]

In order to track appropriations for a specific program, one must locate the appropriate budget bill and section number. (<https://oa.mo.gov/budget-planning/>)

Section # 11.235

The digits before the decimal indicate the bill number.

The numbers after the decimal show the section of that budget bill

See Appendix for a detailed list of specific elementary and secondary education programs, relevant section numbers, and FY2018 funding levels and sources.

Unless otherwise noted, all data on funding levels & sources, eligibility criteria, and program enrollment & efficacy were obtained from the 2019 Department Budget Requests through the Office of Administration, Division of Budget Planning
<https://oa.mo.gov/>.

The Foundation Formula

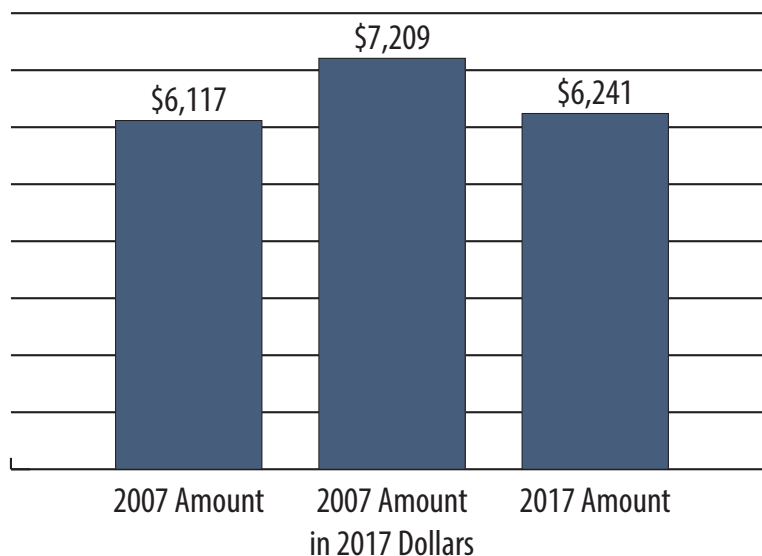
K-12 education is the largest area of spending in the Missouri general revenue budget.

- However, based on Missouri’s target funding levels, as defined in the Foundation Formula, Missouri has been underfunding local schools for the last seven years.
- In 2016, the legislature passed Senate Bill 586, which lowered the State Adequacy Target. By lowering that target, the ongoing shortfall in the funding of education was nearly eliminated.
- The FY2018 budget fully funded the Foundation Formula for the first time in over a decade.

Senate Bill 586 (SB 586):

- Reinstated a 5 percent cap on the growth in the State Adequacy Target (SAT), which determines the required level of funding per student under the Foundation Formula.
- Reduced the amount of required funding under the Formula by about \$460 million, thereby reducing the shortfall amount.

Per Student Required Funding Well Below 2007 Amount When Adjusted for Inflation



Supplemental Funding

Some school districts, particularly those in rural areas and the urban core, face unique challenges. The following programs serve to help close gaps in funding within these districts.

The Small Schools Program provides extra funding in the foundation formula for school districts with average daily attendance of 350 or fewer students.

Title I provides flexible federal funding to schools to implement strategies for raising student achievement in schools with high numbers of children living in poverty who are more costly to educate.

How the Foundation Formula is Calculated

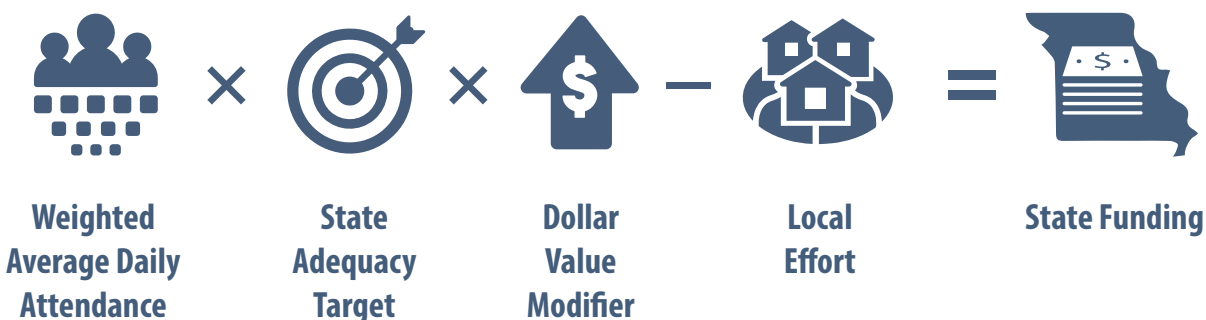
The following factors are used to determine the level of state funding for Missouri school districts:

Weighted average daily attendance (WADA): Measures attendance in each district and adjusts state aid to account for students who are more expensive to educate (such as those with low-income, special education, or limited English proficiency).

State adequacy target: Calculates the minimum amount that will be spent on students in all districts to ensure all students receive an adequate education - not to exceed a five percent cap on growth in state revenue received by a district.

Dollar value modifier: Adjusts for higher expenses (such as prevailing wages or costs of construction) in areas with a high cost of living.

Local effort: Assesses districts' access to local funding (primarily property taxes) and adjusts state aid to prioritize aid toward school districts that have limited local sources of funding.



Transportation

School transportation services are funded entirely by state funds in Missouri.

- School districts are partially reimbursed by the state for the previous year's transportation costs at a maximum rate of 75% of a school district's cost for transporting eligible pupils.
- Students who live more than 3 1/2 miles from the school they attend must be provided transportation.
- Students who live 1 mile to 3 1/2 miles may be transported with state assistance.
- Approximate reimbursement to local boards of education for the eligible costs of transporting students for FY2018 is 18.25.11%.
- The share of reimbursement from the state for eligible transportation costs has declined steadily over time from nearly 50% in 2003.

DESE projects that 549,785 students will be transported in FY2018.

Nutrition Services

The vast majority of funding for school nutrition services comes from the federal government. Several federal programs provide funding to local schools for school breakfast, lunches, milk, and after school snacks. Students from low-income families are provided meals and after school snacks free or at a reduced rate.

On average, 565,000 Missouri children per day will receive school lunch in 2018 – at an average cost of \$3.35 per meal.

On average, 275,000 Missouri children will receive school breakfast in 2018 – at an average cost of \$2.50 per meal.

After School Programs

School Age Afterschool Programs provides funding through the programs below to school districts and community based organizations for quality after school programming to improve academic achievement and individual development among school age children.

- The **Child Care Development Fund (CCDF) Program** provides funding to start new or expand existing afterschool programs. In FY2018, 2,600 students will be enrolled in CCDF programs.
- The **21st Century Community Learning Center (21st CCLC) Program** provides funding for centers offering academic, artistic and cultural enrichment opportunities during non-school hours for students in high poverty areas and low-performing schools. In FY2016, 25,000 students will be enrolled in CCLC programs.

Special Education

Special education services for K-12 students in Missouri are almost entirely funded through federal funds.

Special Education Grant funds are distributed to school districts in order to help alleviate the added costs of educating students with disabilities.

These funds are projected to serve over 131,195 students with disabilities in FY2018.

The Special Education High Need Fund provides additional funding to districts serving high need students with disabilities whose educational costs exceeds three times the district's Current Expenditure per Average Daily Attendance (ADA).

It is estimated that 3,650 high needs students will be served by this program in FY2018.

Students with Severe Disabilities

State Board Operated Programs are schools and programs that are designed to serve students with severe disabilities who cannot be educated within the local school district. Three programs operate in Missouri:

- Missouri School for the Blind
- Missouri School for the Deaf
- Missouri Schools for the Severely Disabled

The Virtual Schools Program provides funds for a virtual public school. State funded slots are available for medically fragile students in order to provide these students and their families the flexibility they need to keep up with schoolwork while managing severe medical issues. This program is projected to serve 800 students in FY2018.

Career Education

Career Education provides funding for career and technical education in Missouri. A range of programs and services provide training to help students gain employment, continue their education, or to retrain in order to gain new industry skills.

95.9% of students who completed secondary career education programs in FY2017 were placed in employment, continuing education, or military service.

This program will serve 182,871 secondary students in FY2018.

Appendix

Amounts shown are Appropriated and reflect Gubernatorial vetoes, but not any mid-year restrictions that may have been made.

All K-12 programs are housed within the Department of Elementary and Secondary Education (DESE) budget.

Program	Budget Section	FY18 GR	FY18 Federal	FY18 Other	FY18 TOTAL
Financial and Administrative Operations	2.005	\$1,971,229	\$2,639,052	\$0	\$4,610,281
Foundation - Equity Formula	2.015	\$1,948,277,009	\$0	\$1,444,630,140	\$3,392,907,149
Foundation - Transportation	2.015	\$36,024,611	\$0	\$69,273,102	\$105,297,713
Foundation - Career Education	2.015	\$50,069,028	\$0	\$0	\$50,069,028
Foundation - State Board Operated Programs	2.015	\$44,304,843	\$7,724,357	\$1,876,355	\$53,905,555
Foundation - Small Schools Program	2.015	\$15,000,000	\$0	\$0	\$15,000,000
Virtual Education	2.029	\$200,000	0	\$389,778	\$589,778
Dropout reduction (Community Partnerships)	2.017	\$0	\$0	\$0	\$0
Tutoring program (KCPS)	2.018	\$0	\$0	\$0	\$0
Math and science tutoring (St. Louis)	2.019	\$0	\$0	\$0	\$0
Urban Teaching	2.021	\$727,500	\$0	\$0	\$750,000
School Safety	2.025	\$0	\$0	\$0	\$0
STEM careers	2.027	\$100,000	\$0	\$0	\$100,000
School Nutrition Services	2.020	\$3,412,151	\$318,031,026	\$0	\$321,443,177
School Broadband	2.007	\$0	\$0	\$6,000,000	\$6,000,000
Missouri Scholars & Fine Arts Academies	2.031	\$0	\$0	\$0	\$0
Early Grade Literacy	2.041	\$0	\$0	\$0	\$0
Division of Learning Services	2.040	\$3,881,862	\$10,366,532	\$62,108	\$14,310,502
Adult Learning and Rehabilitation Services	2.040	\$0	\$32,489,184	0	\$32,489,184
School Age Afterschool Program	2.065	\$0	\$21,908,383	\$0	\$21,908,383
MAP (Missouri Assessment Program) Performance Based Assessment Program	2.070	\$9,472,213	\$7,800,000	\$4,311,255	\$21,583,468

Career Education Distribution	2.065	\$0	\$21,000,000	\$0	\$21,000,000
Dyslexia Training Program	2.070	\$250,000	\$0	\$0	\$250,000
Title I	2.080	\$0	\$260,000,000	\$0	\$260,000,000
Education for Homeless Children	2.080	\$0	\$1,500,000	\$0	\$1,500,000
Advanced Placement	2.090	\$0	\$315,875	\$0	\$315,875
Title II (Improve Teacher Quality)	2.095	\$0	\$44,000,000	\$0	\$44,000,000
Public Charter Schools Program	2.100	\$0	\$2,432,000	\$0	\$2,432,000
Title V, Part B (Federal Rural and Low-Income Schools)	2.105	\$0	\$3,500,000	\$0	\$3,500,000
Title III, Part A (Language Acquisition)	2.115	\$0	\$5,800,000	\$0	\$5,800,000
Federal Refugee Program	2.120	\$0	\$300,000	\$0	\$300,000
Character Education Initiatives	2.125	\$10,000	\$0	\$0	\$10,000
Trauma informed	2.078	\$0	\$0	\$0	\$0
Teacher of the Year program	2.130	\$0	\$40,000	\$0	\$40,000
Adult Education and Literacy	2.150	\$5,014,868	\$9,999,155	\$0	\$15,014,023
Special Education Grant	2.155	\$0	\$244,873,391	\$0	\$244,873,391
Special Education High Need Fund	2.160	\$39,946,351	\$0	\$19,590,000	\$59,536,351
DFS/DMH Placements/Public Placement Fund	2.170	\$0	\$0	\$5,000,000	\$5,000,000
Readers for the Blind	2.180	\$25,000	\$0	\$0	\$25,000
Blind Student Literacy	2.185	\$231,953	\$0	\$0	\$231,953
Missouri School for the Deaf	2.190	\$0	\$0	\$49,500	\$49,500
Missouri School for the Blind	2.195	\$0	\$0	\$1,500,000	\$1,500,000
Missouri Special Olympics Program	2.200	\$100,000	\$0	\$0	\$100,000
Missouri Schools for the Severely Disabled	2.205	\$0	\$0	\$200,000	\$200,000
Missouri Charter Public School Commission	2.210	\$500,000	\$500,000	\$2,750,000	\$3,750,000
Missouri Commission for the Deaf and Hard of Hearing	2.215	\$573,829	\$0	\$303,437	\$877,266
Missouri Assistive Technology Council	2.220	\$0	\$808,482	\$3,575,568	\$4,384,050
Children's Services Commission	2.225	\$0	\$0	\$8,000	\$8,000

Notes

1. K-12 school enrollment figures from 2016-2017 DESE school enrollment count
2. National Education Association. (2017). *Rankings and Estimates: Rankings of the States 2016 and Estimates of School Statistics 2017*. Retrieved November, 3, 2017