



Budget Basics: K-12 Education

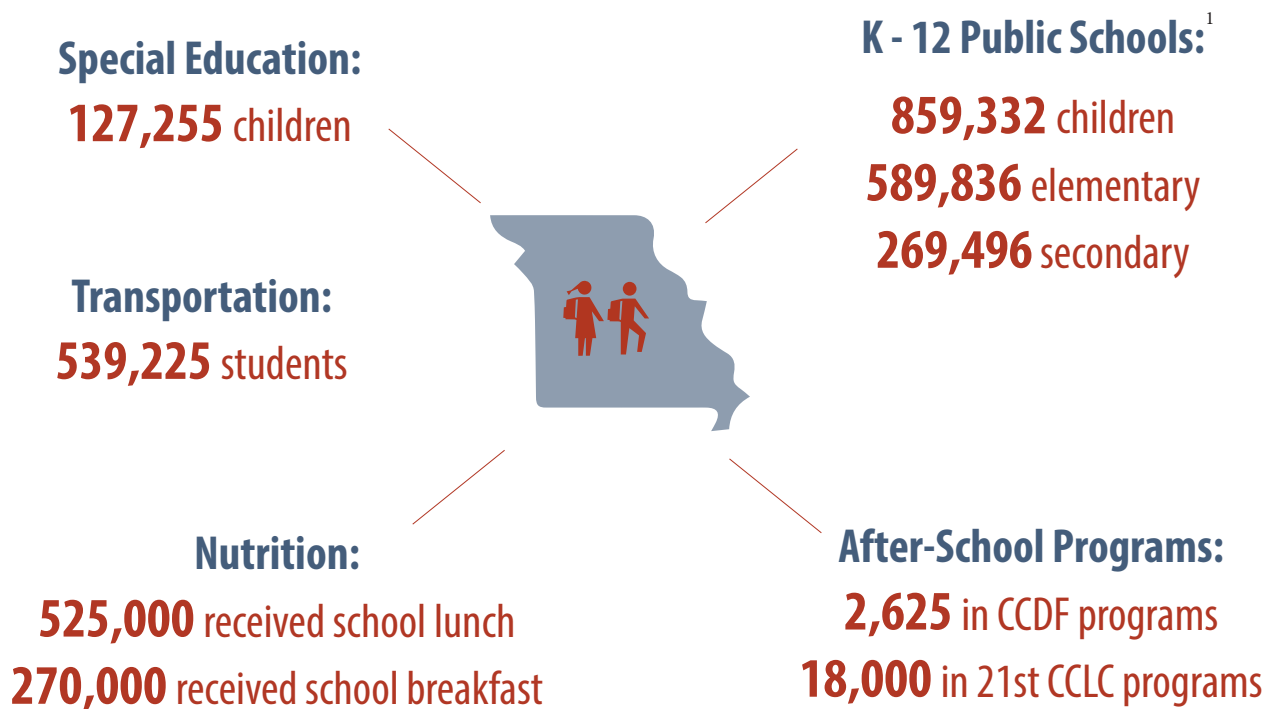


FY 2022

**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.

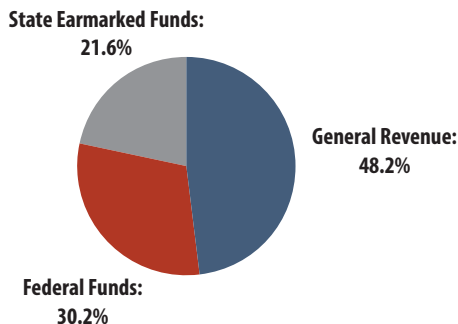


This primer is intended to serve as a guide for Missourians who care about elementary and secondary education programs, and increase the transparency of the budget by providing information about where key programs can be found in the budget bills. **Amounts included are Appropriated and reflect Gubernatorial 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 FY2021 is **\$7.485 billion** and accounts for **21% of the total state budget**, including state and federal funding.

Total K - 12 Education Spending, by Source of Funding:



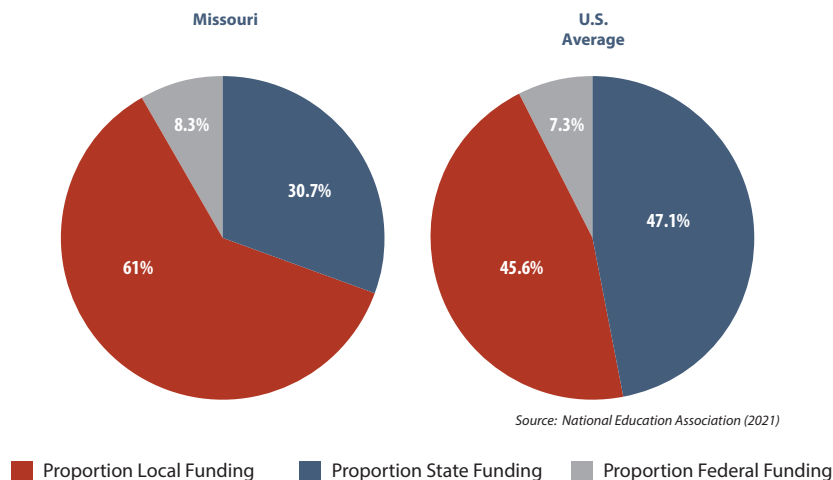
The bulk of Missouri’s K-12 education funding comes from local sources.

Compared to other states, the share of funding provided by local sources is the 2nd highest in the nation, while the share provided by the state is the lowest in the country.²

Moreover, both Missouri’s state and total spending per student (as measured by average daily attendance, or ADA), is less than other states:

- Missouri spends \$4,459 in state revenue per ADA, compared to the U.S. average of \$7,928.
- The state’s total spending (federal, state, and local) is \$14,526 per ADA, compared to the national average of \$16,832.³

State Support for Education in Missouri is Well Below National Average



Budget Basics

Missouri's state budget funding comes from three main sources:

- **Federal:** The first source of the funds come from the federal government for very specific purposes, such as Medicaid.
- **Earmarked State Funds:** Another source is state revenue dedicated to specific state purposes, like the fuel tax, which is dedicated to transportation.
- **State General Revenue:** Lawmakers have the most authority to allocate the final source of funds, 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 FY2021 funding levels and sources.

Unless otherwise noted, all data on funding levels & sources, eligibility criteria, and program enrollment & efficacy were obtained from the 2023 Department Budget Requests through the Office of Administration, Division of Budget Planning
<https://oa.mo.gov/>.

The Foundation Formula

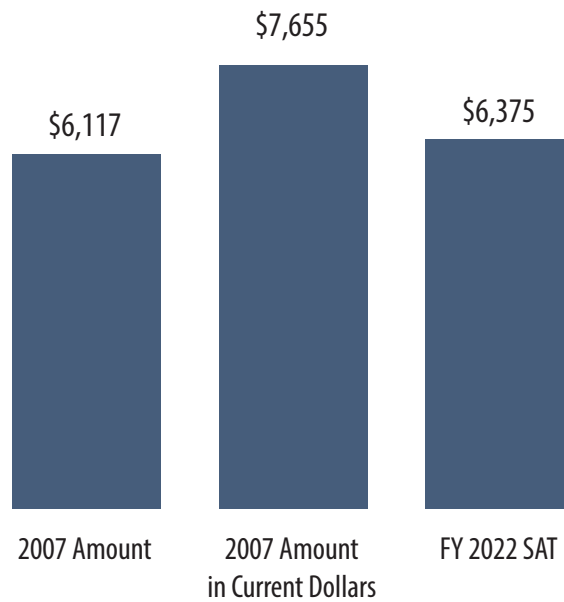
K-12 education is the largest area of spending in the Missouri general revenue budget.

- The FY2018 budget fully funded the Foundation Formula for the first time in over a decade.
- This milestone was reached after the legislature passed Senate Bill 586 in 2016, which lowered the target funding levels included in the state Foundation Formula.

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

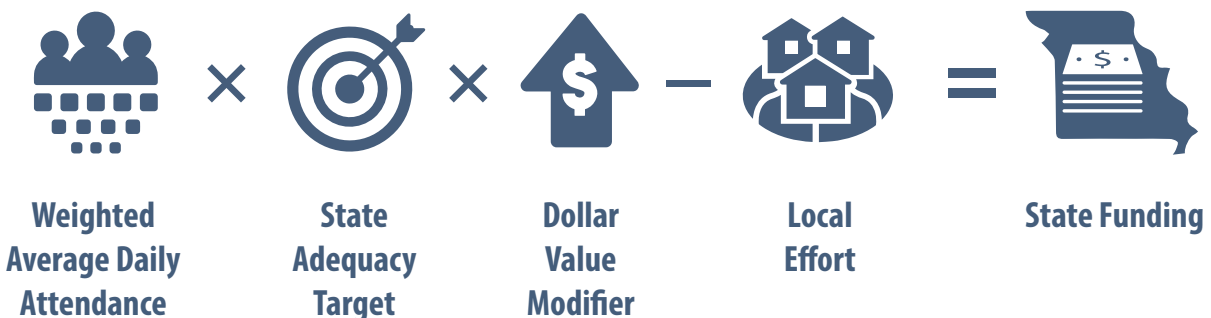
The following factors are used to determine the level of state funding for Missouri school districts:

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 and local 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.
- Actual reimbursement to local boards of education for the eligible costs of transporting students for FY2021 was 31.79%.
- The share of reimbursement from the state for eligible transportation costs has declined over time, from more than 72% in 2007.

DESE projects that 539,225 students will be transported in FY2022.

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, 525,000 Missouri children per day will receive school lunch in 2021 – at an average cost of \$4.50 per meal.

On average, 270,000 Missouri children will receive school breakfast in 2021– at an average cost of \$3.50 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 FY2022, 2,625 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 FY2022, 18,000 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 127,255 students with disabilities in the current year.

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). Currently districts are reimbursed only ~1/3 of the actual cost of educating students.

It is estimated that 3,672 high needs students will be served by this program in the current year.

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, serving 865 students in the current year.

- Missouri School for the Blind (43 students)
- Missouri School for the Deaf (50 students)
- Missouri Schools for the Severely Disabled (772 students)

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.

96% of students who completed secondary career education programs are placed in employment, continuing education, or military service.

This program will serve 181,554 secondary students in the current year.

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 | Department Budget | Budget Section | FY22 General Revenue | FY22 Federal | FY22 Other | FY22 Total |
|--|-------------------|----------------|----------------------|--------------|-----------------|-----------------|
| Financial and Administrative Operations | DESE | 2.005 | \$2,025,006 | \$2,727,693 | \$0 | \$4,752,699 |
| Foundation - Equity Formula | DESE | 2.015 | \$2,109,557,360 | \$0 | \$1,452,180,434 | \$3,561,737,794 |
| Foundation - Transportation | DESE | 2.015 | \$22,574,611 | \$17,500,000 | \$73,873,102 | \$113,947,713 |
| Foundation - Career Education | DESE | 2.015 | \$50,069,028 | \$0 | \$0 | \$50,069,028 |
| Foundation - State Board Operated Programs | DESE | 2.015 | \$45,928,928 | \$7,773,837 | \$1,876,355 | \$55,579,120 |
| Foundation - Small Schools Program | DESE | 2.015 | \$15,000,000 | \$0 | \$0 | \$15,000,000 |
| Public School Improvement | DESE | 2.082 | \$2,000,000 | \$0 | \$0 | \$2,000,000 |
| Virtual Education | DESE | 2.085 | \$700,000 | \$0 | \$389,778 | \$1,089,778 |
| Urban Teaching | DESE | 2.040 | \$1,700,000 | \$0 | \$0 | \$1,700,000 |
| School Safety | DESE | 2.075 | \$300,000 | \$0 | \$0 | \$300,000 |
| K-3 Reading Assessment | DESE | 2.045 | \$400,000 | \$0 | \$0 | \$400,000 |
| STEM Careers | DESE | 2.055 | \$0 | \$0 | \$250,000 | \$250,000 |
| Computer Science Education | DESE | 2.065 | \$0 | \$0 | \$450,000 | \$450,000 |

| | | | | | | |
|---|------|-------|-------------|---------------|-------------|---------------|
| School Nutrition Services | DESE | 2.030 | \$3,412,151 | \$318,031,026 | \$0 | \$321,443,177 |
| School Broadband | DESE | 2.100 | \$0 | \$0 | \$300,000 | \$300,000 |
| Missouri Scholars & Fine Arts Academies | DESE | 2.071 | \$500,000 | \$0 | \$0 | \$500,000 |
| Division of Learning Services | DESE | 2.105 | \$3,671,833 | \$9,811,332 | \$0 | \$13,483,165 |
| Adult Learning & Rehabilitation Services | DESE | 2.105 | \$0 | \$36,085,709 | \$0 | \$36,085,709 |
| School Age Afterschool Program | DESE | 2.260 | \$350,000 | \$21,577,278 | \$0 | \$21,927,278 |
| MAP (Missouri Assessment Program) Performance Based Assessment Program | DESE | 2.115 | \$8,972,212 | \$7,800,000 | \$4,311,255 | \$21,083,467 |
| Dyslexia Training Program | DESE | 2.125 | \$600,000 | \$0 | \$0 | \$600,000 |
| Title I | DESE | 2.140 | \$0 | \$228,588,775 | \$0 | \$228,588,775 |
| Education for Homeless Children | DESE | 2.145 | \$0 | \$1,200,000 | \$0 | \$1,200,000 |
| Title II (Improve Teacher Quality) | DESE | 2.155 | \$0 | \$44,000,000 | \$0 | \$44,000,000 |
| Title V, Part B (Federal Rural and Low-Income Schools) | DESE | 2.160 | \$0 | \$3,500,000 | \$0 | \$3,500,000 |

| | | | | | | |
|---|------|-------|-------------|---------------|-----------|---------------|
| Title III, Part A (Language Acquisition) | DESE | 2.165 | \$0 | \$5,800,000 | \$0 | \$5,800,000 |
| Title IV, Part A (Student Support & Academic Enrichment) | DESE | 2.170 | \$0 | \$21,000,000 | \$0 | \$21,000,000 |
| Federal Refugee Program | DESE | 2.175 | \$0 | \$300,000 | \$0 | \$300,000 |
| School Turn-around Act | DESE | 2.178 | \$0 | \$0 | \$975,000 | \$975,000 |
| Character Education Initiatives-DLACE | DESE | 2.176 | \$160,000 | \$0 | \$0 | \$160,000 |
| Teacher of the Year program | DESE | 2.185 | \$0 | \$40,000 | \$0 | \$40,000 |
| Early Literacy Program | DESE | 2.110 | \$455,000 | \$0 | \$0 | \$455,000 |
| Missouri Comprehensive Literacy State Development Program (CLSD) | DESE | 2.135 | \$0 | \$4,299,130 | \$0 | \$4,299,130 |
| Reading Literacy Program (St. Louis) | DESE | 2.136 | \$2,500,000 | \$0 | \$0 | \$2,500,000 |
| Tutoring & Education Enrichment Program (Dubois Center) | DESE | 2.186 | \$50,000 | \$0 | \$0 | \$50,000 |
| Adult Education and Literacy | DESE | 2.205 | \$5,014,868 | \$9,999,155 | \$0 | \$15,014,023 |
| Special Education Grant | DESE | 2.215 | \$0 | \$217,873,391 | \$0 | \$217,873,391 |

| | | | | | | |
|---|------|-------|--------------|-----------|--------------|--------------|
| Special Education High Need Fund | DESE | 2.220 | \$39,946,351 | \$0 | \$19,590,000 | \$59,536,351 |
| DFS/DMH Placements/ Public Placement Fund | DESE | 2.285 | \$625,000 | \$0 | \$5,000,000 | \$5,625,000 |
| Readers for the Blind | DESE | 2.295 | \$25,000 | \$0 | \$0 | \$25,000 |
| Blind Student Literacy | DESE | 2.300 | \$231,953 | \$0 | \$0 | \$231,953 |
| Missouri Special Olympics Program | DESE | 2.315 | \$100,000 | \$0 | \$0 | \$100,000 |
| Missouri Charter Public School Commission | DESE | 2.325 | \$0 | \$500,000 | \$3,086,666 | \$3,586,666 |
| Missouri Commission for the Deaf and Hard of Hearing | DESE | 2.330 | \$777,101 | \$0 | \$305,668 | \$1,082,769 |
| Missouri Assistive Technology Council | DESE | 2.345 | \$0 | \$790,264 | \$3,591,381 | \$4,381,645 |
| School Board Training | DESE | 2.076 | \$25,000 | \$0 | \$0 | \$25,000 |

Notes

1. K-12 school enrollment figures from 2020-2021 DESE Statistics of Missouri Public Schools.
2. National Education Association. (2021). *Rankings and Estimates: Rankings of the States 2020 and Estimates of School Statistics 2021*.
3. Missouri Budget Analysis of NEA 2021 data.