

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	FY 2008 REQUEST	GOVERNOR RECOMMENDS FY 2008
General Administration	\$ 307,284,656	\$ 230,195,121	\$ 241,751,347	\$ 241,867,423
Information Technology	2,435,165	0	0	0
Facility Services	0	1,390,201	0	0
Public School Aid	3,610,602,309	3,874,029,809	4,104,979,403	4,039,610,231
School Improvement/Teacher				
Quality and Urban Education	350,136,861	381,224,445	405,991,955	388,019,344
Vocational Rehabilitation	84,187,935	102,306,358	102,405,190	102,255,243
Vocational and Adult Education	66,143,575	75,303,734	91,139,412	76,390,932
Special Education	282,707,699	296,924,329	308,072,810	308,024,883
Board Operated Schools Operations	47,183,607	50,458,545	49,128,750	50,047,299
Commission for the Deaf and Hard of Hearing	350,529	431,277	491,893	460,414
Assistive Technology Council	0	4,256,965	4,256,965	4,270,861
Children's Services Commission	0	10,000	10,000	10,000
DEPARTMENTAL TOTAL	\$ 4,751,032,336	\$ 5,016,530,784 *	\$ 5,308,227,725	\$ 5,210,956,630
General Revenue Fund **	206,442,266	128,655,162	158,621,510	126,654,217
Federal Funds	851,869,621	939,524,896	955,425,787	956,462,095
School District Bond Fund	495,927	592,000	592,000	592,000
Certification of Interpreters Fund	107,267	117,000	117,000	117,000
Independent Living Center Fund	548,056	390,556	390,556	390,556
Outstanding Schools Trust Fund ***	435,800,000	491,400,000	587,317,690	587,317,690
Bingo Proceeds for Education Fund	1,707,167	1,707,167	1,707,167	1,707,167
Lottery Proceeds Fund	156,394,747	150,690,483	164,570,591	164,583,347
First Steps Fund				
Deaf Relay Ser & Eq Dist Program Fund	0	2,158,266	2,158,266	2,164,366
Children's Service Commission Fund	0	10,000	10,000	10,000
State School Moneys Fund ****	2,305,768,228	2,207,504,224	2,328,459,451	2,235,190,280
Handicapped Children's Trust Fund	0	30,000	30,000	30,000
Excellence in Education Fund	2,770,265	2,939,102	2,939,102	2,946,974
Fair Share Fund *****	23,565,819	0	0	0
School District Trust Fund *****	749,274,705	770,300,000	770,300,001	798,200,000
Missouri Commission for the Deaf and Hard of Hearing Fund	2,836	50,200	50,200	51,136
Missouri Assistive Technology Fund	0	750,000	750,000	750,000
Classroom Trust Fund*****	0	297,208,638	311,285,314	311,285,314
Part C Early Intervention Fund	700,000	5,095,254	5,095,254	5,095,254
Early Childhood Development, Education and Care Fund	14,897,573	15,336,244	16,336,244	15,336,244
Assistive Technology Loan Revenue Fund	0	546,592	546,592	547,990
School for the Blind Trust Fund	671,890	1,500,000	1,500,000	1,500,000
School for the Deaf Trust Fund	15,969	25,000	25,000	25,000
Full-time equivalent employees	1,765.94	1,842.46	1,833.46	1,831.71

* Does not include \$39,297,310 recommended in the Fiscal Year 2007 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Elementary and Secondary Education supplemental appropriations.

** Decrease in general revenue is due to facilities consolidation and Desegregation Payments.

*** Outstanding Schools Trust Fund receives an annual transfer from general revenue.

**** The State School Moneys Fund receives an annual transfer from general revenue, the Fair Share Fund, County Foreign Insurance Tax, and cigarette taxes.

***** The Fair Share Fund is now distributed via the foundation formula.

***** The School District Trust Fund receives revenues generated by a one cent sales tax (Proposition C).

***** The Classroom Trust Fund receives an annual transfer from the Gaming Proceeds for Education Fund and unclaimed lottery prize money.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2008 budget provides over \$5.2 billion for elementary and secondary education. Direct state aid to local schools will increase \$175 million in Fiscal Year 2008, which is about a 4.4 percent increase over Fiscal Year 2007 funding levels. This funding supports 2,278 public schools and nearly 990,000 students throughout the state.

The core functions provided by the Department of Elementary and Secondary Education include:

- Administering educational policies of the state and supervising instruction in the public schools.
- Distributing school funding, including the Foundation Program, and state and federal grant programs.
- Granting certificates of qualification and licenses to teach in the public schools of the state.
- Providing vocational rehabilitation services to Missourians with disabilities to help them obtain employment.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	GOVERNOR RECOMMENDS FY 2008
Administrative and Financial Services	\$ 6,090,876	\$ 6,865,320	\$ 7,017,645
Court-Ordered Payments	13,000,000	12,000,000	11,000,000
Early Grade Literacy/Professional Development	492,500	500,000	500,000
School Food Services	174,581,742	195,237,801	207,757,778
Fair Share Distribution	23,565,819	0	0
County Foreign Insurance Tax Distribution	83,559,138	0	0
School District Bond Program	495,927	592,000	592,000
Federal Grants and Donations	5,498,654	15,000,000	15,000,000
TOTAL	\$ 307,284,656	\$ 230,195,121	\$ 241,867,423
General Revenue Fund	102,313,966	17,807,786	16,887,883
Federal Funds	177,701,507	208,461,233	221,045,566
Lottery Proceeds Fund	192,638	145,000	145,000
Other Funds	27,076,545	3,781,102	3,788,974
Full-time equivalent employees	68.39	69.50	68.50

GENERAL ADMINISTRATION

The Department of Elementary and Secondary Education is supervised by the State Board of Education, which consists of eight members appointed for eight-year terms by the Governor with the advice and consent of the Senate. The board appoints the Commissioner of Education as its chief administrative officer.

The Department of Elementary and Secondary Education's administrative responsibilities include the distribution of all federal and state funds to local school districts and other agencies. The department also administers the department's Court Ordered Payment Program. The Court Ordered Payment Program was a result of the 1997 desegregation settlement with Kansas City and St. Louis school districts. Operating payments have ended; however, transfer costs and capital outlays will continue through Fiscal Year 2010. As these payments phase out, savings will be redirected to the school foundation formula for the benefit of school districts across the state.

Other administrative functions of the department include the supervision and administration of the Early Grade Literacy Program, School Food Program, School District Bond Program, and Federal Grants and Donations.

Fiscal Year 2008 Governor's Recommendations

- \$12,519,977 federal funds for the School Food Program.
- \$36,249 federal funds for replacement vehicles.
- \$102,434 for pay plan, including \$66,455 general revenue.
- \$13,642 transferred from fringe benefits to pay for fringe costs associated with the mailroom consolidation.
- (\$1,000,000) core reduction for Court Ordered Payments to be redistributed to the foundation formula as required by law.
- (One) staff core reduction for mailroom consolidation from the Fiscal Year 2007 appropriation level.

FACILITY SERVICES

Responsibility for management of facility related services has been transferred to the Office of Administration. The Facilities Management, Design and Construction Division will be the central point for these services.

Fiscal Year 2008 Governor's Recommendations

- (\$1,390,201) transferred to the Office of Administration for statewide consolidation of facility maintenance functions.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	GOVERNOR RECOMMENDS FY 2008
Foundation - Formula	\$ 1,892,428,847	\$ 2,707,281,434	\$ 2,839,884,230
Foundation - Small Schools Program	0	15,000,000	15,000,000
Foundation - Line 14 At Risk	404,209,179	0	0
Foundation - Transportation	162,067,076	162,667,713	162,667,713
Foundation - Special Education	149,611,489	0	0
Foundation - Remedial Reading	11,095,943	0	0
Foundation - Early Special Education	96,311,209	96,311,209	96,311,209
Foundation - Gifted	24,870,075	0	0
Foundation - Career Ladder	36,548,986	37,284,374	37,762,000
Foundation - Career Education	52,880,428	52,880,428	52,880,428
Foundation - Parent Education/Parents As Teachers	31,304,372	32,304,651	34,304,651
School District Trust Fund	749,274,705	770,300,000	798,200,000
Virtual Education	0	0	2,600,000
DEPARTMENT TOTAL	\$ 3,610,602,309	\$ 3,874,029,809	\$ 4,039,610,231
Outstanding Schools Trust Fund	434,597,395	490,197,395	586,115,085
Lottery Proceeds Fund	121,113,007	108,979,552	108,979,552
State School Moneys Fund	2,305,617,202	2,207,344,224	2,235,030,280
School District Trust Fund	749,274,705	770,300,000	798,200,000
Classroom Trust Fund	0	297,208,638	311,285,314

PUBLIC SCHOOL AID

A multitude of programs and funding sources are utilized to ensure all Missouri children receive a quality education. The bulk of state aid is distributed to districts via the foundation formula. In 2005, Governor Blunt signed into law Senate Bill 287, resulting in an equitable foundation formula to distribute state aid to Missouri schools. Missouri's foundation formula now apportions money to school districts based on student need. State funds are distributed to school districts based on the state adequacy target per pupil less the local effort. The new formula provides additional funding for children struggling with the English language, financial constraints, and special needs. In addition, the formula uses a regional dollar value modifier to address cost of living differences throughout the state.

Revenues from the Fair Share Fund, County Foreign Insurance Tax, and Gaming Proceeds for Education Fund are distributed via the foundation formula.

- Fair Share Fund revenues are generated from tax receipts from four cents per cigarette pack established by Section 149.015, RSMo.
- County Foreign Insurance Tax revenues are generated from the receipts of a two percent, per annum tax levied on the direct premiums of insurance companies not based in Missouri but doing business in Missouri. One-half of the net receipts of the County Foreign Insurance Tax from the previous year are distributed to school districts.
- The Gaming Proceeds for Education Fund is transferred to the Classroom Trust Fund, which is distributed directly to districts as a component of the foundation formula.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

PUBLIC SCHOOL AID (Continued)

In addition to the foundation formula, Missouri's Public School Aid includes funding for four categorical add-on programs.

- The transportation add-on pays school districts up to 75 percent of the allowable costs of school bus and other transportation.
- The Career Ladder Program provides an incentive to teachers, librarians, and counselors who voluntarily participate in professional development activities. This program is financed by state and local matching funds.
- Career education provides for a full range of career education programs, services, and activities relating to agricultural education; business, marketing and cooperative education; family and consumer sciences; health sciences; and trade and industrial education.
- The Early Childhood Development Program provides state reimbursement to school districts that provide any of three programs for preschool children: 1) developmental screenings; 2) parent education; and 3) programs for the developmentally delayed.

The Small School Success Program provides additional funding for small school districts throughout the state. The School District Trust Fund provides additional funding distributed directly to districts to be used largely at their discretion. School District Trust Fund revenues are generated from Proposition C, which collects a one percent sales tax for elementary and secondary education.

In 2006, legislation was passed creating the Missouri Virtual School. The Missouri Virtual School will allow children to enroll in on-line classes. Students will have the option of enrolling full-time in the Virtual School or enrolling part-time allowing them to take courses not currently offered in their local school. Enrollment will be open to all students, public or private including home-schooled students. For Fiscal Year 2008 enrollment has been limited to 500 students.

Fiscal Year 2008 Governor's Recommendations

- \$132,602,796 other funds for the foundation formula.
- \$27,900,000 School District Trust Fund for distribution to school districts.
- \$2,600,000 State School Moneys Fund for the Missouri Virtual School.
- \$2,000,000 State School Moneys Fund for the Parents as Teachers Program.
- \$477,626 State School Moneys Fund for the Career Ladder Program.

To ensure adequate funding is available for Missouri's Public School Aid, a number of transfers are made from general revenue (GR), the Gaming Proceeds for Education Fund (GPEF), and the Lottery Proceeds Fund (LPF) to the Outstanding Schools Trust Fund (OSTF), State School Moneys Fund (SSMF), and the Classroom Trust Fund (CTF).

Transferred From	Transferred To	FY06	FY07	FY08	FY08 Changes
GR	OSTF	\$435,800,000	\$491,400,000	\$587,317,690	\$95,917,690
GR	SSMF	\$1,922,627,493	\$2,033,218,993	\$2,033,218,993	\$0
GR-County Foreign	SSMF	\$0	\$86,550,000	\$95,800,000	\$9,250,000
Fair Share	SSMF	\$0	\$23,400,000	\$23,400,000	\$0
GPFE	SSMF	\$276,714,074	\$0	\$0	\$0
GPFE	CTF	\$0	\$289,586,296	\$299,625,742	\$10,039,446
LPF -Unclaimed	CTF	\$0	\$7,622,342	\$11,659,572	\$4,037,230

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION

The Division of School Improvement manages state and federal grant programs in addition to providing consultant services and technical assistance to local school districts. The division is comprised of three main areas: School Improvement and Accreditation, Curriculum Services and Assessment, and Federal Programs.

- School Improvement and Accreditation is responsible for the collection and maintenance of school core data, accrediting school districts through the Missouri School Improvement Program, supervising academically deficient schools, and administering Charter Schools and A+ programs.
- Curriculum Services and Assessment is responsible for providing curriculum technical assistance to school districts, overseeing the Missouri Assessment Program, providing support for gifted programs, and administering the Missouri Scholars and Fine Arts Academies.
- The division also monitors federal compliance with No Child Left Behind and manages multiple federal entitlement and discretionary grants.

The Division of Teacher Quality and Urban Education carries out the department's statutory obligations relating to educator certification, recruitment and retention, preparation, and professional development. The division is comprised of several sections including Educator Certification, Educator Preparation, Educator Recruitment and Retention, and Professional Development.

- Educator Certification is responsible for issuing and revoking certificates of license to teach, as well as maintaining records of certificated professionals.
- Educator Preparation administers MoSTEP, a program that evaluates professional education programs at Missouri higher education institutions.
- Educator Recruitment and Retention provides technical assistance to local districts and oversees programs including Career Ladder, professional staff tuition reimbursement, and scholarship programs.
- Professional Development designs, implements, and evaluates a variety of professional development events related to school improvement, instructional leadership, and student success.

Fiscal Year 2008 Governor's Recommendations

- \$3,628,507 Lottery Proceeds Fund for the A+ Program.
- \$2,924,700 Lottery Proceeds Fund for e-mints classroom technology.
- \$510,571 Lottery Proceeds Fund for the CHARACTERPlus Program.
- \$250,000 Lottery Proceeds Fund for Advanced Placement Exams.
- \$175,000 for the Urban Flight and Rural Needs Scholarship Program.
- \$122,400 and two staff for the Division of School Improvement.
- \$158,721 for pay plan, including \$74,997 general revenue.
- (\$600,000) federal funds core reduction from the CHARACTERPlus Program.
- (\$250,000) federal funds core reduction from the Transition to Teaching Program.
- (\$122,400) Lottery Proceeds Fund and (two) staff core reduction for the Division of School Improvement.
- (\$2,600) Lottery Proceeds Fund transferred to the Office of Administration for the statewide consolidation of information technology services.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

The Division of Vocational Rehabilitation provides services to Missourians with disabilities to help them overcome impediments to employment. Vocational Rehabilitation is comprised of three sections: Vocational Rehabilitation, Disability Determinations, and Independent Living.

- Vocational Rehabilitation assists individuals with disabilities to obtain and/or maintain employment.
- Disability Determinations is responsible for collecting and documenting medical evidence of a disability and is funded by the federal Social Security Administration.
- Independent Living Centers are non-residential, private, non-profit, consumer-controlled, community-based organizations providing services and advocacy by and for persons with all types of disabilities.

Fiscal Year 2008 Governor's Recommendations

- \$36,249 federal funds for replacement vehicles.
- \$744,408 federal funds for pay plan.
- \$8,978 federal funds transferred from fringe benefits to pay fringe costs associated with the mailroom consolidation.
- (\$500,000) federal funds core reduction for the Project Success Program.
- (\$300,000) federal funds core reduction for Independent Living Centers.
- (\$40,750) federal funds core reduction for one-time expenditures.
- (.75) staff federal funds core reduction for mailroom consolidation from the Fiscal Year 2007 appropriation level.

DIVISION OF VOCATIONAL AND ADULT EDUCATION

The Division of Vocational and Adult Education provides individuals with services that supply the technical knowledge and skills needed to prepare for employment. The division also develops state plans for vocational and adult education and literacy that form the basis for distribution of federal and state funds to local education agencies. The Division of Vocational and Adult Education includes; the Distribution to Schools Program, Workforce Investment Act grants, Adult Basic Education Program, Special Literacy Grant Award Program, school-aged child care, and Troops to Teachers Program.

- The Distribution to Schools Program oversees grants provided to educational institutions for improving vocational-technical programs and distribution of funds to vocational programs located in public school districts, institutions of higher education, state agencies, and business establishments.
- The federal Workforce Investment Act provides federal funds that can be used for skill training for 15 service delivery areas in Missouri.
- The Adult Basic Education Program provides training in the fundamental skills of English, reading, and mathematics. To enroll in a class, a person must be 16 years of age or older, out of school, and lacking a high school diploma.
- The Special Literacy Grant Award Program was established to respond to the increasing numbers of adults needing basic education services.
- The federal Child Care and Development Block Grant provides funds to house school-aged child care programs in school buildings when they are not being used for educational classes.
- The Troops to Teachers Program is designed to encourage military personnel transitioning to the civilian labor force to consider teaching as a post-military career.

Fiscal Year 2008 Governor's Recommendations

- \$1,000,000 Lottery Proceeds Fund for After School Programming.
- \$99,698 for pay plan, including \$37,810 general revenue.
- (\$12,500) federal funds core reduction for one-time expenditures.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF SPECIAL EDUCATION

The Division of Special Education is responsible for state and federal special education funds for Missouri public schools. The division administers special education grants, the High Need Fund and the Excess Cost of Public Placements, as well as the coordination of the First Steps Program, Sheltered Workshops, Readers for the Blind Program, and the Blind Literacy Task Force.

- Special education grants provide federal funds to districts to aid them in the purchase of instructional and technological equipment and services for disabled children.
- The High Need Fund and the Excess Cost of Public Placements are programs designed to aid school districts with education costs that exceed a district's normal expenditure per pupil. Excess Cost of Public Placements was created to address the issue of children in residential placements per the direction of the courts, the Department of Social Services or the Department of Mental Health.
- The First Steps Program is designed for children, birth to age 3, who have delayed development or diagnosed conditions that are associated with development disabilities.
- Sheltered Workshops are non-profit corporations that give people with disabilities a controlled working environment. Programs are designed to enable persons to progress toward normal living and develop their work capacities.
- The Readers for the Blind Program provides funds to employ readers for blind students served in local districts.
- The Blind Literacy Task Force was established to improve special education, vocational training, work to school transitions, rehabilitation services, independent living and employment outcomes for blind and visually impaired students.

Fiscal Year 2008 Governor's Recommendations

- \$6,030,000 Lottery Proceeds Fund for the Special Education High Need Program.
- \$5,000,000 federal funds for the Special Education Grant Program.
- \$24,166 federal funds for replacement vehicles.
- \$58,888 for pay plan, including \$6,205 general revenue.
- (\$12,500) federal funds core reduction for one-time expenditures.

BOARD OPERATED SCHOOLS OPERATIONS

The State Board of Education operates two residential facilities, the School for the Blind in St. Louis and the School for the Deaf in Fulton, and day-school facilities - the State Schools for the Severely Handicapped located throughout the state. The Department of Elementary and Secondary Education oversees the distribution of state, federal, and private donations to these institutions.

- The Missouri School for the Blind offers elementary and secondary education in a residential school environment for blind or visually impaired students from ages 5 to 21 years.
- The Missouri School for the Deaf provides elementary and secondary education in a residential school environment for deaf- or hearing-impaired students from ages 5 to 21 years. The school provides separate facilities for primary age, intermediate age, and high school students.
- For students too severely disabled to be served effectively by local public schools, the department operates 37 state schools and contracts with private non-profit agencies to provide educational services for children the state schools cannot practically serve. These schools offer day programs in basic and prevocational training with the ultimate goal of assisting students in functioning semi-independently in their homes and communities.

Fiscal Year 2008 Governor's Recommendations

- \$16,840 Lottery Proceeds Fund for a replacement vehicle.
- \$918,549 for pay plan, including \$868,427 general revenue.
- (\$1,003,881) and (nine) staff transferred to the Office of Administration for statewide consolidation of facility maintenance functions.
- (\$342,754) Lottery Proceeds Fund core reduction from the Fiscal Year 2007 appropriation level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

COMMISSION FOR THE DEAF AND HARD OF HEARING

The Missouri Commission for the Deaf and Hard of Hearing and the Board for Certification of Interpreters are assigned to the Department of Elementary and Secondary Education.

Fiscal Year 2008 Governor's Recommendations

- \$11,521 for office equipment replacement.
- \$10,095 for speech recognition software.
- \$7,521 for pay plan, including \$6,585 general revenue.

MISSOURI ASSISTIVE TECHNOLOGY COUNCIL

The Missouri Assistive Technology Council is assigned to the Department of Elementary and Secondary Education. The council supports access to adaptive devices that increase the independence and productivity of Missourians with all types of disabilities. The council provides adaptive telecommunications devices and computer adaptations, short-term loan of a full range of assistive technology, used equipment exchange, and low-interest loans for the purchase of assistive technology and home modifications.

Fiscal Year 2008 Governor's Recommendations

- \$13,896 federal and other funds for pay plan.

MISSOURI CHILDREN'S SERVICES COMMISSION

The Missouri Children's Services Commission is assigned to the Department of Elementary and Secondary Education. The Missouri Children's Services Commission takes a leadership role in identifying and evaluating programs and state services that affect the children of Missouri.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.