

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
General Administration	\$ 208,589,762	\$ 240,715,438	\$ 251,672,759	\$ 250,706,675
Public School Aid	4,054,571,321	4,172,780,739	4,390,126,219	4,228,861,413
School Improvement/Teacher				
Quality and Urban Education	346,868,408	390,654,366	445,213,967	364,278,145
Vocational Rehabilitation	87,394,587	101,541,802	106,664,606	105,899,721
Career Education	63,295,789	71,490,151	82,295,045	71,515,500
Special Education	304,142,519	315,102,222	332,615,532	329,746,503
Board Operated Schools Operations	47,348,825	50,611,368	53,223,687	52,480,131
Commission for the Deaf and Hard of Hearing	370,718	445,208	487,247	410,723
Assistive Technology Council	2,655,276	3,785,175	3,886,230	3,799,918
Children's Services Commission	0	10,000	10,000	10,000
DEPARTMENTAL TOTAL	\$ 5,115,237,205	\$ 5,347,136,469 *	\$ 5,666,195,292	\$ 5,407,708,729
General Revenue Fund	129,954,962	135,398,387	219,551,486	137,138,959
Federal Funds	848,306,738	950,859,501	971,073,534	972,040,273
School District Bond Fund	341,237	392,000	392,000	392,000
Certification of Interpreters Fund	99,594	117,000	117,000	117,000
Independent Living Center Fund	353,021	390,556	390,556	390,556
Outstanding Schools Trust Fund **	587,317,691	644,817,690	644,817,691	518,600,000
Bingo Proceeds for Education Fund	1,707,167	1,707,167	1,707,167	1,707,167
Lottery Proceeds Fund	201,347,152	171,484,307	173,421,808	147,587,411
Children's Service Commission Fund	0	10,000	10,000	10,000
State School Moneys Fund ***	2,237,416,708	2,298,810,788	2,511,569,129	2,420,203,478
Handicapped Children's Trust Fund	58,832	30,000	30,000	30,000
Excellence in Education Fund	1,642,251	2,955,082	2,940,082	2,653,590
School District Trust Fund ****	772,820,016	803,700,000	803,700,001	760,600,000
After-School Retreat Reading and				
Assessment Grant Program Fund	0	0	10,000	10,000
Missouri Commission for the Deaf				
and Hard of Hearing Fund	750	52,100	52,100	53,093
Missouri Assistive Technology				
Council Funds	2,148,785	2,970,079	2,970,925	2,978,034
Classroom Trust Fund*****	311,285,315	311,285,314	311,285,315	307,100,979
Part C Early Intervention Fund	4,537,361	5,295,254	5,295,254	5,295,254
Early Childhood Development,				
Education and Care Fund	15,297,280	15,336,244	15,336,244	15,336,244
Rebuild Missouri Schools Fund	0	0	0	5,337,135
Schools First Elementary and Secondary	0	0	0	108,602,556
Education Improvement Fund*****				
School for the Blind Trust Fund	592,096	1,500,000	1,500,000	1,500,000
School for the Deaf Trust Fund	10,249	25,000	25,000	25,000
Full-time equivalent employees	1,664.98	1,830.21	1,832.21	1,715.71

* Does not include \$35,283,687 recommended in the Fiscal Year 2009 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Elementary and Secondary Education supplemental appropriations.

** 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 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.

***** The Schools First Elementary and Secondary Education Improvement Fund, created by Proposition A (2008), receives an annual transfer from the Gaming Proceeds for Education Fund.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DEPARTMENT SUMMARY

Despite the current economic crisis, the Fiscal Year 2010 budget fulfills Missouri's commitment to K-12 education by fully funding the foundation formula at a total cost of \$3.5 billion. In addition, the State Board - operated schools (Missouri School for the Blind, Missouri School for the Deaf, and the Missouri Schools for the Severely Disabled) have been provided funding at the Fiscal Year 2009 level plus an additional \$1 million. Missouri's sheltered workshop funding is increasing by \$3.6 million to allow an \$18 per day, per employee, reimbursement rate. The First Steps Program will receive an additional \$1.15 million to bring the Fiscal Year 2010 funding to nearly \$17 million. High need and special education funding has increased nearly \$10 million and additional funds are being provided to maximize vocational rehabilitation grants for a total of over \$5 million. Science and technology is an important part of all students' education and \$1 million is being provided for the eMINTS – METS School Grant Program. Finally, funding for Missouri's alternative schools will increase by \$250,000 for the first increase to the program in the last five years. All of these additional resources are being provided at the same time that administrative salaries and overhead are being reduced by over \$1 million.

The Fiscal Year 2010 budget provides a total of \$5.4 billion for elementary and secondary education. 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 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administrative and Financial Services	\$ 5,129,679	\$ 7,065,660	\$ 6,335,882
Court-Ordered Payments	11,000,000	10,000,000	9,000,000
Early Grade Literacy/Professional Development	492,500	500,000	250,000
School Food Services	190,696,412	207,757,778	219,728,793
School District Bond Program	341,237	392,000	392,000
Federal Grants and Donations	929,934	15,000,000	15,000,000
TOTAL	\$ 208,589,762	\$ 240,715,438	\$ 250,706,675
General Revenue Fund	16,813,612	15,935,090	14,424,482
Federal Funds	189,402,012	221,038,266	233,039,103
Other Funds	2,374,138	3,742,082	3,243,090

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 2010 Governor's Recommendations

- \$11,971,015 federal funds for school food services.
- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$92,741 for pay plan, including \$55,403 general revenue.
- (\$1,057,520) and (10) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$566,011) general revenue.
- (\$1,000,000) core reduction for Court Ordered Payments to be redistributed to the foundation formula as required by law.
- (\$15,000) Excellence in Education Fund transferred to the Office of Administration for information technology services.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Foundation - Formula	\$ 2,871,673,147	\$ 2,956,969,738	\$ 3,010,204,075
Foundation - Small Schools Program	15,000,000	15,000,000	15,000,000
Foundation - Transportation	167,797,713	167,797,713	183,603,843
Foundation - Early Special Education	98,811,209	98,811,209	123,564,281
Foundation - Career Ladder	37,467,000	37,467,000	37,767,000
Foundation - Career Education	52,880,428	52,930,428	52,930,428
Foundation - Parent Education/Parents As Teachers	34,304,651	34,304,651	34,304,651
School District Trust Fund	772,820,016	803,700,000	760,600,000
Virtual Education	3,817,157	5,800,000	4,800,000
Rebuild Missouri Schools Fund	0	0	5,337,135
Intra District Metro Transportation	0	0	750,000
DEPARTMENT TOTAL	\$ 4,054,571,321	\$ 4,172,780,739	\$ 4,228,861,413
General Revenue	0	750,000	750,000
Outstanding Schools Trust Fund	586,115,086	643,615,085	517,522,395
Lottery Proceeds Fund	147,085,622	114,779,552	113,779,552
State School Moneys Fund	2,237,265,282	2,298,650,788	2,420,043,478
School District Trust Fund	772,820,016	803,700,000	760,600,000
Classroom Trust Fund	311,285,315	311,285,314	307,100,979
Rebuild Missouri Schools Fund	0	0	5,337,135
Schools First Education Improvement Fund	0	0	103,727,874

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, Senate Bill 287 was signed into law resulting in a new foundation formula to distribute state aid to Missouri schools. Missouri's foundation formula now apportions money to school districts based on a per-student target of adequate funding. State funds are distributed to school districts based on this "adequacy target" times the number of students, minus the funding provided through local property and other taxes. The 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 funds are transferred to the Classroom Trust Fund, and then the Schools First Elementary and Secondary Education Improvement Fund, which are distributed directly to districts as components 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.

Fiscal Year 2010 Governor’s Recommendations

- \$63,168,672 Schools First Elementary and Secondary Education Improvement Fund for the foundation formula.
- \$24,753,072 Schools First Elementary and Secondary Education Improvement Fund for the Early Childhood Special Education Program.
- \$15,806,130 Schools First Elementary and Secondary Education Improvement Fund for transportation funding through the foundation formula.
- \$5,337,135 Rebuild Missouri Schools Fund for emergency projects in two school districts through the loan repayment program.
- \$750,000 for intra-district metropolitan transportation funding under a St. Louis Public Schools pilot project.
- \$300,000 State School Moneys Fund for the Career Ladder Program.
- (\$43,100,000) School District Trust Fund core reduction to align the appropriation with anticipated revenues to the fund.
- (\$6,000,000) other funds core reduction from the Fiscal Year 2009 appropriation level.
- (\$4,184,335) Classroom Trust Fund core reduction to align the appropriation with Proposition A funding mandates and anticipated revenues to the fund.
- (\$750,000) core reduction for one-time expenditures.

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), the Classroom Trust Fund (CRTF), and the Schools First Elementary and Secondary Education Improvement Fund (SFEIF).

Transferred From	Transferred To	FY08 Actual	FY09 Appropriation	FY10 Recommended	FY10 Change
GR	OSTF	\$587,317,690	\$644,817,690	\$518,600,000	(\$126,217,690)
GR	SSMF	\$2,048,582,289	\$2,121,396,888	\$2,231,688,846	\$110,291,958
GR-County Foreign	SSMF	\$97,301,746	\$100,800,000	\$106,000,000	\$5,200,000
Fair Share Fund	SSMF	\$23,269,664	\$22,800,000	\$22,800,000	\$0
Gaming Proceeds For Education Fund	CRTF	\$297,314,439	\$299,625,742	\$297,314,440	(\$2,311,302)
Lottery Proceeds Fund – Unclaimed Prizes	CRTF	\$9,786,539	\$10,464,908	\$9,786,539	(\$678,369)
Gaming Proceeds For Education Fund	SFEIF	\$0	\$0	\$108,602,556	\$108,602,556

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.
- 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 2010 Governor's Recommendations

- \$1,000,000 for eMINTS (enhancing Missouri's Instructional Networked Teaching Strategies) classroom technology.
- \$250,000 for expansion of the Safe Schools Program.
- \$200,000 federal funds for the Wallace Foundation Grant Program.
- \$200,000 for charter schools evaluation.
- \$1,200 federal funds for the Missouri History Teacher of the Year.
- \$155,668 for pay plan, including \$66,728 general revenue.
- (\$25,336,524) transferred to the Department of Higher Education for the Missouri Promise Program, including (\$3,477,076) general revenue.
- (\$1,130,095) and (12) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$427,647) general revenue.
- (\$1,062,500) core reduction for one-time expenditures, including (\$1,000,000) general revenue.
- (\$249,000) transferred to the Department of Higher Education to move administration of the Missouri Teacher Education Scholarship Program.
- (\$200,000) Lottery Proceeds Fund transferred to the Department of Higher Education to move administration of the Minority Teaching Scholarship Program.
- (\$174,970) transferred to the Department of Higher Education to move administration of the Urban Flight and Rural Needs Scholarship Program.
- (\$30,000) and (1.5) staff transferred to the Department of Higher Education for scholarship program administration.

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 2010 Governor's Recommendations

- \$3,609,128 match for vocational rehabilitation federal grant funding, including \$603,311 general revenue.
- \$790,272 federal funds for pay plan.
- (\$41,481) federal funds core reduction for one-time expenditures.

DIVISION OF CAREER EDUCATION

The Division of Career Education provides individuals with services that supply the technical knowledge and skills needed to prepare for employment. The division also develops state plans for career education and adult education and literacy that form the basis for distribution of federal and state funds to local education agencies. The Division of Career 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 career-technical programs and distribution of funds to career education 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 2010 Governor's Recommendations

- \$10,000 After-School Retreat Reading and Assessment Grant Program Fund for the Afterschool Retreat and Reading Assessment Grant Program.
- \$105,774 for pay plan, including \$40,116 general revenue.
- (\$75,000) core reduction from the Fiscal Year 2009 appropriation level.
- (\$15,425) 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 2010 Governor's Recommendations

- \$5,000,000 federal funds for Special Education Federal Grants.
- \$4,874,682 Schools First Elementary and Secondary Education Improvement Fund for the Special Education High Need Program.
- \$3,587,646 for the Sheltered Workshop Program.
- \$1,150,000 for the First Steps Program.
- \$69,213 for pay plan, including \$5,597 general revenue.
- (\$37,260) and (one) staff core reduction from the Fiscal Year 2009 appropriation level.

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 Missouri Schools for the Severely Disabled 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 2010 Governor's Recommendations

- \$1,000,000 in additional resources to fund contract teachers, clinical and other services, or such other needs as the schools may prioritize.
- \$868,763 for pay plan, including \$854,213 general revenue.
- \$2,336,580 reallocated from salary expenses to provide more flexibility to the schools to obtain contract services when necessary.
- (\$2,336,580) reallocated to provide resources for flexible contract services at State Board Operated Schools, including the elimination of (90) vacant staff positions.

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 2010 Governor's Recommendations

- \$6,931 for pay plan, including \$5,938 general revenue.
- (\$41,416) core reduction from the Fiscal Year 2009 appropriation level.

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 2010 Governor's Recommendations

- \$14,743 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 2010 Governor's Recommendations

Continue funding at the current level.