

TO: School Administrators

FROM: Ron Lankford

SUBJECT: DVM Re-Calculation Update

DATE: October 25, 2011

On October 3, 2011, you were notified of the availability of a recorded webinar, for the purpose of explaining methodology for recalculation of the Dollar Value Modifier (DVM) on the Department's web page. Several handouts were also provided (printable PDF) for your review.

Subsequent to the time since this information was made available, inquiries have been made concerning the spreadsheet calculation that was provided to give districts the relative impact that would result from a change in the DVM. Those inquiries led to further study relative to the questions posed as to why hold harmless districts with a greater than 1.000 DVM did not reflect any decrease. It has been determined that the adjusted DVM was not being applied in the spreadsheet to the 2005-06 hold harmless thresholds as it should have been. On this revised spreadsheet the calculation has been corrected and the recalculation now reflects the statutory adjustment.

<http://dese.mo.gov/webinar/documents/DollarValueModifierRelativeImpactofDVMChange.pdf>

Please bear in mind, this calculation was based upon a "what if" it had been applied in FY12 scenario. Again, this was done to enable districts to gauge what impact the DVM, when factored alone, would have on each district. We are all aware that as we move forward in FY13, there are other variables that potentially will have a much larger overall impact to the calculation process.

Once you have reviewed the recalculation data, please feel free to contact our office with your questions.