


TO: School Administrators

FROM: Ronald Lankford 

SUBJECT: Recalculation of the State Adequacy Target and WADA Thresholds

DATE: November 3, 2011

During the past several weeks, the Department has been working to recalculate the State Adequacy Target that would be utilized in the formula calculation for FY2013 and FY2014 as defined by:

RSMo 163.011(18) "State adequacy target", the sum of the current operating expenditures of every performance district that falls entirely above the bottom five percent and entirely below the top five percent of average daily attendance, when such districts are rank-ordered based on their current operating expenditures per average daily attendance, divided by the total average daily attendance of all included performance districts. The department of elementary and secondary education shall first calculate the state adequacy target for fiscal year 2007 and recalculate the state adequacy target every two years using the most current available data. The recalculation shall never result in a decrease from the previous state adequacy target amount. Should a recalculation result in an increase in the state adequacy target amount, fifty percent of that increase shall be included in the state adequacy target amount in the year of recalculation, and fifty percent of that increase shall be included in the state adequacy target amount in the subsequent year. The state adequacy target may be adjusted to accommodate available appropriations.

Unlike prior calculations, the most recent calculation showed a significant increase in the adequacy target. Factors that contributed to the increase are:

- Overall increase in number of Performance Schools from 243 to 287
- Increasing number of "formula dependent" school districts that moved to Performance School Status
- Increasing student populations in Performance Schools caused increasing revenues in Performance Schools

Thresholds for WADA categories of Free and Reduced Lunch, Special Education, and Limited English Proficiency have also been recalculated. As anticipated, the threshold for Free and Reduced Lunch students saw the greatest change largely due to the increasing numbers of students that have become eligible due to the struggling economy, and also increased number of students overall that were in the Performance School calculation.

The SAT and WADA Thresholds are as follows:

	State Adequacy Target	Free/Reduced Lunch Threshold	Special Education Threshold	Limited English Proficiency Threshold
Current	\$6,131	32.0%	13.7%	0.9%
Recalculation				
2013	\$6,423	38.8%	13.2%	1.8%
2014	\$6,716	38.8%	13.2%	1.8%