

**MISSOURI STATE BOARD OF EDUCATION AGENDA ITEM:****September 2014****CONSIDERATION OF ADOPTION OF THE FISCAL YEAR 2016 BUDGET REQUEST****STATUTORY AUTHORITY:**

Section 33.220, RSMo

Consent  
ItemAction  
ItemReport  
Item**DEPARTMENT GOAL NO. 4:**

The Missouri Department of Elementary and Secondary Education will improve departmental efficiency and operational effectiveness.

**SUMMARY:**

The final list of new and increase decision items for Fiscal Year 2016 will be presented at the September Board meeting. In compliance with the October 1 deadline, the Department will submit the Fiscal Year 2016 budget request to the Office of Administration Division of Budget and Planning upon final approval of the State Board of Education at its September 16, 2014 meeting. Time will be given for the discussion of this agenda item.

**PRESENTER(S):**

Ron Lankford, Deputy Commissioner, and Shari LePage, Chief Budget Officer, Financial and Administrative Services, will assist in the presentation and discussion of this agenda item.

**RECOMMENDATION:**

We recommend that the State Board of Education approve the Fiscal Year 2016 budget request as presented.



**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION  
FISCAL YEAR 2016 BUDGET SUMMARY**

	FY 2014		FY 2015		FY 2016	
	TAFP	FTE	TAFP AFTER	FTE	DESE	FTE
	TAFP	FTE	VETOES	FTE	REQUEST	FTE
DMH/DMF PUBLIC SCHOOL PLACEMENTS	11,099,337		11,099,337		11,099,337	
SHELTERED WORKSHOPS	24,783,457		24,783,457		26,283,457	
READERS FOR THE BLIND	25,000		25,000		25,000	
BLIND STUDENT LITERACY (SB 401)	236,164		231,953		231,953	
SCHOOL FOR DEAF-TRUST	49,500		49,500		49,500	
SCHOOL FOR BLIND-TRUST	1,500,000		1,500,000		1,500,000	
SPECIAL OLYMPICS	100,000		100,000		100,000	
SCHOOL FOR SEVERELY HANDICAP-TRUST	200,000		200,000		200,000	
<b>OTHER</b>						
MISSOURI COMMISSION FOR THE DEAF	539,278	5.00	540,848	5.00	646,041	7.00
MISSOURI ASSISTIVE TECHNOLOGY	4,037,166	10.00	4,142,978	10.00	4,380,712	10.00
CHILDREN'S SERVICES COMMISSION	8,000		8,000		8,000	
<b>TOTALS</b>	<b>5,504,873,446</b>	<b>1,693.76</b>	<b>5,860,659,371</b>	<b>1,693.76</b>	<b>6,213,150,222</b>	<b>1,706.76</b>
<b>LESS:</b>						
FACILITIES MAINT RESERVE FUND						
REFUNDS*	(70,000)		(70,000)		(70,000)	
REBUILD MISSOURI SCHOOLS*	(900,000)		(3,235,000)		0	
MOAT-DEBT OFFSET ESCROW	0		(1,000)		(1,000)	
<b>TOTAL BUDGET</b>	<b>5,503,903,446</b>	<b>1,693.76</b>	<b>5,857,353,371</b>	<b>1,693.76</b>	<b>6,213,079,222</b>	<b>1,706.76</b>
GENERAL REVENUE	2,897,809,349	817.50	3,140,946,409	817.50	3,151,170,310	830.50
FEDERAL	1,098,047,023	859.26	1,086,371,024	859.26	1,103,727,245	859.26
OTHER	1,508,047,074	17.00	1,630,035,938	17.00	1,958,181,667	17.00
<b>TOTAL BUDGET</b>	<b>5,503,903,446</b>	<b>1,693.76</b>	<b>5,857,353,371</b>	<b>1,693.76</b>	<b>6,213,079,222</b>	<b>1,706.76</b>

Note: As of 09/03/14

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION PRELIMINARY FISCAL YEAR 2016 INCREASE, REPLACEMENT, AND NEW BUDGET REQUESTS						
DECISION ITEM		TOTAL	GENERAL REVENUE	FEDERAL	OTHER	FTE
<b>FOUNDATION AND CATEGORICALS</b>						
<i>Incr</i>	<b>FOUNDATION - EQUITY</b>	<b>\$482,487,499</b>	\$0	\$0	\$482,487,499	0.00
Increase request reflects amount needed to fund the foundation formula based on the current statutory formula. (Other Funds are OSTF, Lottery, Classroom Trust Fund and State School Moneys Fund.)						
<i>Incr</i>	<b>FOUNDATION - EARLY CHILDHOOD DEVELOPMENT (PAT)</b>	<b>\$3,462,250</b>	\$0	\$0	\$3,462,250	0.00
Increase in funding will provide additional resources for the early childhood development support program serving high need families. Additional funds would be used to provide parent education services to approximately 2,518 high needs families on waiting lists throughout Missouri. Calculation: 2,518 high needs families x 25 personal visits (eligible for up to 25 per program year) x \$55 (current reimbursement rate).						
<i>Incr</i>	<b>FOUNDATION - EARLY CHILDHOOD SPECIAL EDUCATION (ECSE)</b>	<b>\$5,000,000</b>	\$0	\$0	\$5,000,000	0.00
Increased costs necessitate an increase to the appropriation for this mandated reimbursement to districts pursuant to the 1992 Missouri Supreme Court decision. The increased amount is based on estimated 2014 Annual Secretary of the Board Report (ASBR) ECSE costs which will be reimbursed in FY 2015. (Other Fund is State School Monies Fund.)						
<b>OTHER REQUESTS</b>						
<i>Incr</i>	<b>PAY PLAN</b>	<b>\$386,097</b>	\$180,704	\$200,222	\$5,171	0.00
Increase request reflects cost to continue the FY 2015 pay plan. The FY 2015 budget includes appropriation authority for a 1% pay raise, beginning January 1, 2015 (11 pay periods). The remaining 13 pay periods were unfunded, but the stated intent of the legislature was to provide the funding in FY 16. (Other Fund is Excellence in Education Fund, ECDEC Fund, Deaf Relay Service & Equipment Distribution Program and Assistive Technology Loan Revolving Fund.)						
<i>New</i>	<b>PRESCHOOL DEVELOPMENT GRANT</b>	<b>\$17,500,000</b>	\$0	\$17,500,000	\$0	0.00
The new grant funding, through the U.S. Department of Education, will allow Missouri to (1) build or enhance a preschool program infrastructure that would enable the delivery of high-quality preschool services to children, and (2) expand high-quality preschool programs in targeted communities that would serve as models for expanding preschool to all 4-year-olds from low- and moderate-income families. This grant funding would lay the groundwork to ensure that Missouri is ready to participate in the Preschool for All formula grant initiative proposed by the Administration.						

<b>DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION PRELIMINARY FISCAL YEAR 2016 INCREASE, REPLACEMENT, AND NEW BUDGET REQUESTS</b>						
	<b>DECISION ITEM</b>	<b>TOTAL</b>	<b>GENERAL REVENUE</b>	<b>FEDERAL</b>	<b>OTHER</b>	<b>FTE</b>
<i>New</i>	<b>SCHOOL SUPPORT AND INTERVENTION</b>	<b>\$3,142,597</b>	\$2,984,197	\$0	\$158,400	11.00
	With the elimination of critical needs funding, providing meaningful supports and interventions to school districts needing improvement has become a challenge. This request will provide funds to support the Missouri School Improvement Program (MSIP) process and its statewide focus on Missouri's student achievement ranking among the top 10 states by 2020; for the Missouri Turnaround Network (MTN) and its targeted focus on improving Missouri's lowest-performing districts; and for the Missouri Leadership for Excellence, Achievement and Development (MoLEAD), an executive leadership training designed to develop Missouri's PK-12 education leaders. (Other Fund is Excellence in Education Revolving Fund.)					
<i>Incr</i>	<b>INDEPENDENT LIVING CENTERS - FUND RESTORATION</b>	<b>\$455,000</b>	\$455,000	\$0	\$0	0.00
	Funding supporting the 22 Independent Living Centers throughout the state has been reduced by \$910,000 since SFY09. This decision item would restore half of this funding.					
<i>Incr</i>	<b>HIGH NEED FUND</b>	<b>\$5,000,000</b>	\$5,000,000	\$0	\$0	0.00
	Increase request reflects the anticipated increase in the number of students claimed, number of schools claiming, and cost of special education services.					
<i>Incr</i>	<b>SHELTERED WORKSHOPS</b>	<b>\$1,500,000</b>	\$1,500,000	\$0	\$0	0.00
	Based on language added by the Legislature to section 2.205 in HB 2002, an increase request is necessary to reflect the amount needed to ensure that the payments to the workshops, in accordance with Section 178.930, are provided without interruption.					
<i>Incr</i>	<b>ASSISTIVE TECHNOLOGY TRUST FUND</b>	<b>\$235,000</b>	\$0	\$0	\$235,000	0.00
	This funding request will provide additional assistive technology to schools and to individuals with disabilities in community settings to help them maintain or improve their independence. (Other Fund is Assistive Technology Trust Fund.)					
<i>Incr</i>	<b>MISSOURI COMMISSION FOR THE DEAF AND HARD OF HEARING</b>	<b>\$104,000</b>	\$104,000	\$0	\$0	2.00
	This funding request will support the hiring of a Certification Specialist to provide support to the MICS Coordinator; previously this position was referred to as the "Senior Secretary" for the MICS Coordinator and an Outreach Specialist to target those in the community who are traditionally underserved by MCDHH: hard of hearing, late deafened, and veterans returning from war with hearing loss. Funding is for salaries - \$84,000 and for E&E expenses (travel, office equipment, supplies, etc.) - \$20,000.					
<b>TOTALS:</b>		<b>\$519,272,443</b>	<b>\$10,223,901</b>	<b>\$17,700,222</b>	<b>\$491,348,320</b>	<b>13.00</b>

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION  
CORE REDUCTIONS/REALLOCATIONS/TRANSFERS  
FISCAL YEAR 2016**

<b>HOUSE BILL</b>	<b>PROGRAM DESCRIPTION</b>	<b>AMOUNT</b>	<b>FTE</b>
2.022	Unaccredited School Fund Balance	(1)	
2.065	Rebuild Missouri Schools	(3,235,000)	
2.075	Early Childhood Program - Federal	(324,000)	
2.080	Afterschool Trust Fund	(20,000)	
2.015	Foundation-Formula - Surplus Revenue Fund	(163,202,591)	
<b>TOTAL CORE REDUCTIONS</b>		<b><u>(166,781,592)</u></b>	<b><u>0.00</u></b>
2.015	Board Operated Schools - PS	(2,000,000)	
2.015	Board Operated Schools - E&E	2,000,000	
<b>TOTAL CORE REALLOCATIONS</b>		<b><u>0</u></b>	<b><u>0.00</u></b>
<b>TOTAL TRANSFER IN</b>		<b><u>0</u></b>	<b><u>0.00</u></b>

<b>DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION FISCAL YEAR 2015 SUPPLEMENTAL BUDGET REQUESTS</b>						
<b>DECISION ITEM</b>		<b>TOTAL</b>	<b>GENERAL REVENUE</b>	<b>FEDERAL</b>	<b>OTHER</b>	<b>FTE</b>
<b>FOUNDATION AND CATEGORICALS</b>						
<i>Supp</i>	<b>FOUNDATION - EARLY CHILDHOOD SPECIAL EDUCATION (ECSE)</b>	<b>\$3,400,000</b>	\$0	\$0	\$3,400,000	0.00
Increased costs necessitate an increase to the appropriation for this mandated reimbursement to districts pursuant to the 1992 Missouri Supreme Court decision. The increased amount is based on estimated 2014 Annual Secretary of the Board Report (ASBR) ECSE costs which will be reimbursed in FY 2015. (Other Fund is the State School Monies Fund.)						
<b>OTHER REQUESTS</b>						
<i>Supp</i>	<b>HIGH NEED FUND</b>	<b>\$980,300</b>	\$980,300	\$0	\$0	0.00
Increase request reflects the anticipated increase in the number of students claimed, number of schools claiming, and cost of special education services.						
<i>Supp</i>	<b>SHELTERED WORKSHOPS</b>	<b>\$1,500,000</b>	\$1,500,000	\$0	\$0	0.00
Based on language added by the Legislature to section 2.205 in HB 2002, an increase request is necessary to reflect the amount needed to ensure that the payments to the workshops, in accordance with Section 178.930, are provided without interruption.						
<i>Supp</i>	<b>ASSISTIVE TECHNOLOGY TRUST FUND</b>	<b>\$235,000</b>	\$0	\$0	\$235,000	0.00
This funding request will provide additional assistive technology to schools and to individuals with disabilities in community settings to help them maintain or improve their independence. (Other Fund is the Assistive Technology Trust Fund.)						
<b>TOTALS:</b>		<b>\$6,115,300</b>	<b>\$2,480,300</b>	<b>\$0</b>	<b>\$3,635,000</b>	<b>0.00</b>