

MISSOURI STATE BOARD OF EDUCATION AGENDA ITEM:**September 2015**

CONSIDERATION OF ADOPTION OF THE FISCAL YEAR 2017 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 2017 will be presented at the September Board meeting. In compliance with the October 1 deadline, the Department will submit the Fiscal Year 2017 budget request to the Office of Administration Division of Budget and Planning upon final approval of the State Board of Education at its September 15, 2015 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 2017 budget request as presented.

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DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION PRELIMINARY FISCAL YEAR 2017 INCREASE, REPLACEMENT, AND NEW BUDGET REQUESTS					
DECISION ITEM	TOTAL	GENERAL REVENUE	FEDERAL	OTHER	FTE
FOUNDATION AND CATEGORICALS					
<i>Incr</i>	FOUNDATION - EQUITY	\$509,814,444	\$509,814,440	\$0	\$4 0.00
Increase request reflects the amount needed to fund the foundation formula based on the current statutory formula. (Other funds are Lottery, Classroom Trust Fund, OSTF and State School Moneys Fund)					
<i>Incr</i>	FOUNDATION - EARLY CHILDHOOD SPECIAL EDUCATION (ECSE)	\$21,780,500	\$21,780,500	\$0	\$0 0.00
Increased costs necessitate an increase to the appropriation for this mandated reimbursement to districts pursuant to the 1992 Missouri Supreme Court decision. There are no carryover funds to expend in FY 2016 or FY 2017 and sequestration will cut federal funding starting again in FY2016 by close to \$1M.					
<i>Incr</i>	BOARD OPERATED SCHOOLS - SALARY SCHEDULE ADJUSTMENT	\$2,900,000	\$2,900,000	\$0	\$0 0.00
Funding is needed to fix the salary schedule at the State Operated Schools (SOP's). The average teacher salary at the SOP's is \$33,000. The average teacher salary statewide is \$47,000. This disparity has made it difficult to fill the positions at the SOP's.					
<i>Incr</i>	SCHOOL NUTRITION SERVICES	\$24,105,126	\$0	\$24,105,126	\$0 0.00
Funding increase will support 9 cent reimbursement rate increase for Reduced and Free meals in FY 2015 and FY 2016. Increase of LEAs participation in Community Eligibility Program will increase the number of reimbursed meals.					
OTHER REQUESTS					
<i>New</i>	RIGHT FROM THE START PROGRAM	\$900,000	\$0	\$900,000	\$0 0.00
The Department applied for and received a grant awarded through the Department of Health and Human Services - Office of Adolescent Health. DESE will receive \$637,888 each year for 5 years - Total of \$3,189,440. \$900,000 capacity is being requested to allow for any possible carryover funds.					
<i>Incr</i>	PERFORMANCE BASED ASSESSMENT	\$4,242,000	\$4,242,000	\$0	\$0 0.00
Funding is needed to ensure that the transition from Smarter Balance to Missouri developed tests is successful. Additional funding would ensure that test development is completed in a timely manner while temporary testing, including the ACT is ongoing.					

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DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION PRELIMINARY FISCAL YEAR 2017 INCREASE, REPLACEMENT, AND NEW BUDGET REQUESTS						
	DECISION ITEM	TOTAL	GENERAL REVENUE	FEDERAL	OTHER	FTE
<i>New</i>	MISSOURI YOUTH CHALLENGE INITIATIVE	\$228,000	\$228,000	\$0	\$0	0.00
	The Program is a joint initiative between the Missouri National Guard and the Department of Elementary and Secondary Education. The National Guard Youth Challenge Initiative is a community based program that leads, trains and mentors at-risk high school-age youth (age 16-18 high school dropouts). DESE has agreed to partner with the Guard in requesting the 25% state match required to draw down the federal dollars. \$228,000 of General Revenue is required for the Missouri National Guard to draw down an additional \$850,000 of federal funding to operate the program.					
<i>Incr</i>	TITLE III, PART A (LANGUAGE ACQUISITION)	\$200,000	\$0	\$200,000	\$0	0.00
	Additional capacity is needed to expend all federal funds available for this program.					
<i>Incr</i>	SCHOOL SUPPORT AND INTERVENTION	\$6,377,711	\$6,377,711	\$0	\$0	0.00
	The Department has developed a statewide system of support to provide quality educational opportunities for children in districts and schools across the state. All children deserve access to high quality schools where they live. The Missouri school Improvement Program Support and Intervention (MSIP S&I) plan provides varying levels of support based on the classification status and individual school and district needs. The Current resources are lacking to support district and school improvement as detailed in the MSIP S&I plan. The funding requested would provide the resources to implement the plan statewide to assist all low performing districts and schools so that all Missouri children have access to quality education.					
<i>New</i>	TEACHER OF THE YEAR PROGRAM	\$40,000	\$0	\$40,000	\$0	0.00
	Private grant funds are received from Monsanto and Boeing Company to honor the Missouri Teacher of the Year. Previously, this grant ran through the Federal Grants and Donations appropriation.					
<i>Incr</i>	VR CORE OPERATIONS	\$215,040	\$0	\$215,040	\$0	0.00
	Increase request will allow additional appropriation capacity in PS to support new VR responsibilities under the Workforce Innovation and Opportunities Act.					
<i>Incr</i>	INDEPENDENT LIVING CENTERS	\$950,000	\$950,000	\$0	\$0	0.00
	Recent federal changes in IL program requirement will require the provision of three additional services in 2016. 1) Youth transition (school to work); 2) transition from nursing homes, and 3) diversion from entering nursing homes. Increased funding is needed to achieve these requirements.					

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DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION PRELIMINARY FISCAL YEAR 2017 INCREASE, REPLACEMENT, AND NEW BUDGET REQUESTS					
DECISION ITEM	TOTAL	GENERAL REVENUE	FEDERAL	OTHER	FTE
<i>Incr</i> PUBLIC PLACEMENT FUND	\$5,063,000	\$5,063,000	\$0	\$0	0.00
Increase request reflects the amount needed to cover the full amount of reimbursement requested. Current reimbursement is at 69%.					
<i>Incr</i> SHELTERED WORKSHOPS	\$758,504	\$758,504	\$0	\$0	0.00
Increase request reflects amount needed to cover the contracts and work product that is expected to increase at the Sheltered Workshops due to economic growth in the community.					
MISSOURI PUBLIC CHARTER SCHOOL COMMISSION	\$430,000	\$430,000	\$0	\$0	2.00
Increase request reflects the need for two additional FTE. Requested positions include an Deputy Director of Application, Recruitment and Review and a Deputy Director of Accountability and Renewal as well as funding for an Accounting/Procurement/Administrative position. The positions would be located in either St. Louis or Kansas City depending on the need.					
<i>Incr</i> MISSOURI COMMISSION FOR THE DEAF AND HARD OF HEARING	\$35,000	\$35,000	\$0	\$0	0.00
Per 161.405 RSMo., one of the mandates of the MCDHH is to conduct workshops to educate non-deaf individuals of the problems associated with deafness. This funding request will support funding for training purposes: 1) Training for MO Police Officers - \$10,000; 2) New Rater Training for MO-BEI system - \$15,000; and 3) Training and workshop for CDI/BEI test retakers - \$10,000.					
TOTALS: \$578,039,325 \$552,579,155 \$25,460,166 \$4 2.00					

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DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION CORE REDUCTIONS/REALLOCATIONS/TRANSFERS FISCAL YEAR 2017

<u>HOUSE BILL</u>	<u>FUND/ APPROP</u>	<u>PROGRAM DESCRIPTION</u>	<u>AMOUNT</u>	<u>FTE</u>
2.055	0101-7811	Div of LS - EE - Dyslexia Coordinator - One Time Funding(BOBC 580)	(2,560)	
2.080	0105-4162	MO History Teachers Program (BOBC 140/400/740)	(543)	
2.220	0101-2322	MCDHH - EE - One Time Funding (BOBC 580)	(5,120)	
TOTAL CORE REDUCTIONS			<u>(8,223)</u>	<u>0.00</u>
2.015	0859-8322	Early Childhood Special Education - ECDEC fund switch	(5,000,000)	
2.015	0101-9232	Early Childhood Special Education - GR fund switch	5,000,000	
2.035	0105-0496	School Nutrition Services (BOBC 180)	(1,200,000)	
2.035	0105-0496	School Nutrition Services (BOBC 400)	1,200,000	
2.035	0101-0495	School Nutrition Services (BOBC 400)	(800,000)	
2.035	0101-0495	School Nutrition Services (BOBC 800)	800,000	
2.015	0101-0015	Board Operated Schools PS (BOBC 100) - (Teacher O03006)		(2.00)
2.055	0101-7810	Div of Learning Services PS (BOBC 100) - (Dyslexia Coordinator O03306)		1.00
2.055	0859-8848	Div of Learning Services PS (BOBC 100) - ECDEC Coordinator O03306)		1.00
TOTAL CORE REALLOCATIONS			<u>0</u>	<u>0.00</u>
TOTAL TRANSFER IN			<u>0</u>	<u>0.00</u>

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DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION FISCAL YEAR 2016 SUPPLEMENTAL BUDGET REQUESTS

		GENERAL REVENUE	FEDERAL	OTHER	FTE	
DECISION ITEM	TOTAL					
FOUNDATION AND CATEGORICALS						
<i>Supp</i>	FOUNDATION - EARLY CHILDHOOD SPECIAL EDUCATION (ECSE)	\$19,523,000	\$19,523,000	\$0	\$0	0.00
Increased costs necessitate an increase to the appropriation for this mandated reimbursement to districts pursuant to the 1992 Missouri Supreme Court decision. There are no carryover funds to expend in FY2016 or FY2017 and the number of kids served in FY 2014-FY 2015 (reimbursed in FY 2016) increased from a childcount of 11,446 in FY 2014 to 11,914 in FY 2015.						
OTHER REQUESTS						
<i>Supp</i>	TITLE III, PART A (LANGUAGE ACQUISITION)	\$200,000	\$0	\$200,000	\$0	0.00
Increase request reflects additional capacity needed to cover carryover expenses from FY 2015.						
<i>Supp</i>	SHELTERED WORKSHOPS	\$758,504	\$758,504	\$0	\$0	0.00
Increase request reflects amount needed to cover the contracts and work product that is expected to increase at the Sheltered Workshops due to economic growth in the community.						
TOTALS:		\$20,481,504	\$20,281,504	\$200,000	\$0	0.00

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DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION FISCAL YEAR 2017 BUDGET COMPARISON

	FY 2016 TAFP	FTE	FY 2017 DEPT REQUEST	FTE	DIFFERENCE	
					AMOUNT	FTE
DIVISION OF FINANCIAL AND ADMINISTRATIVE SERVICES						
OPERATIONS	4,542,839	72.80	4,542,839	72.80	0	0.00
REFUNDS	70,000		70,000		0	
FOUNDATION - EQUITY FORMULA	3,274,322,533		3,784,136,977		509,814,444	
FOUNDATION - TRANSPORTATION	100,297,713		100,297,713		0	
FOUNDATION - EARLY CHILDHOOD SPEC EDUC	149,660,376		171,440,876		21,780,500	
FOUNDATION - CAREER EDUCATION	50,069,028		50,069,028		0	
FOUNDATION - EARLY CHILDHOOD DEVELOPMENT	17,462,250		17,462,250		0	
SMALL SCHOOLS PROGRAM	15,000,000		15,000,000		0	
VIRTUAL EDUCATION	589,778		589,778		0	
SLPS INTRA-DISTRICT METRO TRANSPORTATION	200,000		200,000		0	
KC INTRA-DISTRICT METRO TRANSPORTATION	100,000		100,000		0	
BOARD OPERATED SCHOOLS	48,647,844	716.90	51,547,844	714.90	2,900,000	(2.00)
READING INSTRUCTION	0		0		0	
BRIGHT FUTURES PROGRAM	150,000		150,000		0	
URBAN TEACHING PROGRAM	3,000,000		3,000,000		0	
MATH & SCIENCE TUTORING PROGRAM	300,000		300,000		0	
UNACCREDITED SCHL FUND BALANCE-NORMANDY	0		0		0	
KANSAS CITY TUTORING PROGRAM	100,000		100,000		0	
MISSOURI SCHOLARS AND FINE ARTS ACADEMIES	750,000		750,000		0	
SCHOOL BOARD MEMBER TRAINING	136,326		136,326		0	
RPDC's	0		0		0	
SCHOOL SAFETY TRAINING GRANTS	650,000		650,000		0	
ECONOMIC EDUCATION	100,000		100,000		0	
SCHOOL NUTRITION SERVICES	297,338,051		321,443,177		24,105,126	
SCHOOL DISTRICT TRUST FUND (PROP C)	848,739,000		848,739,000		0	
EARLY GRADE LITERACY	100,000		100,000		0	
SCHOOL DISTRICT BONDS	492,000		492,000		0	
FEDERAL GRANTS & DONATIONS	10,000,000		10,000,000		0	
REBUILD MISSOURI SCHOOLS PROGRAM	0		0		0	
DIVISION OF LEARNING SERVICES						
OPERATIONS	14,111,472	214.86	14,108,912	216.86	(2,560)	2.00
EXCELLENCE REVOLVING FUND	2,935,344	11.00	2,935,344	11.00	0	0.00
ADULT LEARNING AND REHABILITATION SERVICES	30,941,377	659.20	31,156,417	659.20	215,040	0.00
EARLY CHILDHOOD PROGRAM	13,791,841		13,791,841		0	
RIGHT FROM THE START PROGRAM	0		900,000		900,000	
AFTER SCHOOL PROGRAMMING (SACC)	21,908,383		21,908,383		0	
PERFORMANCE BASED ASSESSMENT	22,583,468		26,825,468		4,242,000	
MISSOURI YOUTH CHALLENGE INITIATIVE	0		228,000		228,000	
CAREER EDUC-DISTRIBUTION TO SCHOOLS	23,500,000		23,500,000		0	
MISSOURI HISTORY TEACHERS PROGRAM	543		0		(543)	
TITLE I IASA	250,000,000		250,000,000		0	
OTHER FEDERAL GRANTS	1,500,000		1,500,000		0	
STEPHEN M FERMAN FUND-GIFTED	9,027		9,027		0	
AP/DUAL CREDIT	415,875		415,875		0	
TITLE II - IMPROVE TEACHER QUALITY	52,000,000		52,000,000		0	
CHARTER SCHOOLS	2,432,000	0.00	2,432,000	0.00	0	0.00
TITLE VI, PART B - RURAL AND LOW INCOME SCHOOLS	3,500,000		3,500,000		0	
TITLE III, PART A - LANGUAGE ACQUISITION	5,200,000		5,400,000		200,000	
FEDERAL REFUGEES	300,000		300,000		0	
CHARACTER ED INITIATIVES	10,000		10,000		0	
SCHOOL SUPPORT AND INTERVENTION	0	0.00	6,377,711	0.00	6,377,711	0.00
TEACHER OF YEAR PROGRAM	0		40,000		40,000	
VOCATIONAL REHAB-GRANT	58,650,635		58,650,635		0	
DISABILITY DETERMINATION-GRANT	21,000,000		21,000,000		0	
INDEPENDENT LIVING CENTERS	4,644,588		5,594,588		950,000	

Note: As of 9/14/15

