

Administrative Memo

Date: June 30, 2020
To: School Administrators
From: Kari Monsees, deputy commissioner, Division of Financial and Administrative Services
Subject: FAS-20-006 – FY21 Budget Restrictions Announced

The continued economic downturn brought on by the COVID-19 pandemic has resulted in dramatic revenue shortfalls for the State of Missouri. On June 30, 2020, Governor Parson announced over \$448 million in budget restrictions to start the FY21 budget year. As part of that announcement, the Department of Elementary and Secondary Education (DESE) will incur a total of \$133.2 million in restrictions for FY21, including the following withholds to the Foundation Formula and the Parents as Teachers program.

Foundation Formula – \$123,358,675

School districts will receive a reduced July payment to reflect the \$123 million spending restriction and any shortfall in Classroom Trust Fund revenue. Additional information regarding the State Adequacy Target (SAT) and proration factor will be provided to school leaders prior to the July payment.

In June 2020, Governor Parson waived [Section 163.031.7, RSMo](#). This statute grants some school districts a “hold harmless” status and allows them to not be affected by a budget shortfall. This statutory waiver continues to be in effect for this restriction, meaning hold harmless districts are not exempt from these withholdings; all local education agencies (LEAs), including charter schools, will share proportionately in this budget shortfall.

Parents as Teachers – \$1,000,000

Families identified as high need by their local Parents as Teachers program receive two visits per month; families not identified as high need take part in one personal visit per month. Due to this restriction, approximately 375 high need families and 400 non-high need families across the state will not participate in family personal visits in the coming academic year.

Additional Restrictions

[Click here](#) to view the additional DESE FY21 budget restriction information.

Missouri public schools must plan for a year or two of tight budgets, as the State of Missouri waits for the economy to recover from COVID-19. We know this means school leaders will be forced to make difficult choices in the coming months. Please contact DESE’s School Finance section at 573-751-0357 or finadmgo@desemo.gov with questions.