Article for June 27, 2018

A combination of local, state, and federal monies are utilized to fund public education in Missouri. For most districts, the state and local communities provide the majority of the funding. Federal funding generally provides approximately 10% of the total funding. The federal government does not provide any funding directly to any school district, but rather sends it to a federal agency that has the responsibility to oversee and distribute those funds. The Department of Elementary and Secondary Education (DESE) is that agency in Missouri. Local funding comes mainly from property taxes and is paid in a lump sum once a year. State funding is revenue that comes from income taxes and sales tax, but also includes lottery, gaming, and other miscellaneous taxes. It is proportioned out through a formula that was designed to provide funding to allow equity and adequacy by bridging the funding gap between districts with and without much local funding. It is paid on a monthly basis.

The amount of money it takes to adequately educate a child with no special needs or services is called the State Adequacy Target (SAT). Multipliers are then put in place to provide districts more money for the additional cost of educating certain categories of students. Those categories include Free or Reduced Lunch (FRL), Individualized Education Plans (IEP), and English Language Proficient (ELP). Average daily attendance is weighted for students in these categories.

Weighted Average Daily Attendance (WADA) is the adjusted number of students the school serves based on multipliers and attendance. The SAT was determined by measuring the average spending per student in schools that were meeting state standards. The SAT was meant to be recalculated every other year to account for cost-of-living increases. The SAT began with the amount of $6,117 and increased to $6,131 where it remained for several years. The formula was to be phased in over seven years with the SAT reaching the level of $6,716 by 2014.

The Dollar Value Modifier adjusts funding based on the value of a dollar in a specific area. It increases funding in areas where the cost of living is especially high, but does not take money away from districts with lower costs of living. The DVM is calculated by comparing the regional wage ratio for the district, which is the average salary in the area, with the state median wage per job. Local Effort is the amount of money the district receives from local taxes and is the amount deducted from the product of the other three variables within the formula.

The formula that determines state funding takes the following factors into consideration:

Weighted Average Daily Attendance x State Adequacy Target x Dollar Value Modifier – Local Effort = State Support

For the last two years the state legislature has voted to fully fund the formula, but they did so by first capping the target for full funding. That means they lowered the level of the SAT from where it should have been at the 2014 level of $6,716 to around $6,220. When the recession hit, it negatively impacted the state’s ability to keep up with the formula. Also impacting the state’s ability to fund the formula came in 2009 when lawmakers removed a 5% cap on formula spending growth from the original plan, thinking that casino revenue would rise to cover the cost increase, but it did not. Removing that cap allowed the SAT to increase to $6,716 in 2012, sooner than anticipated. If revenue does not come in at the level for which the state has budgeted, it does not matter if they have voted to fully fund the formula or not...money cannot be distributed that is not there. State payments have been funded at a slightly different SAT amount each month, with the average for this year being $6,227.

In 2016, the average daily attendance for the Fayette R-III School District was 574.2 and the district expended $9,048.68 per pupil. Local funding accounted for $49.66% of all expenditures and contributed $4,493.39 in dollars per pupil. State funding accounted for 39.95% of all expenditures and contributed $3,615.12 in dollars per pupil. Federal funding accounted for 10.39% of all expenditures and contributed $940.17 in dollars per pupil.

Enrollment, attendance, and revenue are all things beyond which a local school board can control. The only factor related to funding the local school board has control over is spending.

Don’t forget to visit the District website for information and to utilize the calculation tool.