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Financial and Administrative Services

DESE Update
MARE Conference 2026

Missouri
DEPARTMENT OF ELEMENTARY & SECONDARY
EDUCATION™



October 23, 2026

Agenda

- Commissioner of Education / Search
- A-F Grade Card
- School Finance / FY28 Budget Request

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Commissioner of Education / Search

Commissioner of Education / Search

- Dr. Stacey Preis: Interim Commissioner resigned at SBOE meeting held on Oct. 20, 2026. Resignation was effective immediately.

- Dr. Lisa Sireno: Named Interim Commissioner as of Oct. 21, 2026.

- SBOE has selected The K12 Search Group to facilitate search for the next Commissioner of Education.

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A-F Grade Card

Executive Order 26-01

Executive Order Requirements:

- Grades (overall ratings of A, B, C, D, or F) for each public school district, public school, and public charter school.
- 95% test participation rate.
- Opt-in for private schools.
- Grading scale rigor increases when 65% of schools earn an A or B.
- Embargoed grade cards for schools, charter schools, and districts mid-September.
- Grade cards published by schools, charter schools, and districts at the end of September.
- State-level grade card.

Definitions

- Academic Achievement Level (Status).
  - Based on actual MAP scores.
- Value-Added Growth.
  - Calculation is based on actual student growth vs. predicted amount of growth.
- Growth to Proficiency.
  - Calculation is based on actual student growth vs. how much growth is necessary to achieve Proficient in 3 years.

Framework: K-8 School Structure

Category	Subject	Percent Approved	Percent Adjusted
Academic Achievement Level (Status)	ELA & Literacy	**38%**	**30%**
	Math		
	Science		
Value-Added Growth	ELA	**33%**	**35%**
	Math		
	Science		
Growth to Proficiency (GTP)	ELA	**29%**	**35%**
	Math		

GREEN = New Measurement

Framework: 9-12 School Structure

Category	Subject	Percent Approved	Percent Adjusted
Academic Achievement Level (Status)	ELA	**29%**	**30%**
	Math		
	Science		
Value-Added Growth	ELA	**29%**	**30%**
	Math		
	Science		
Success-Ready Graduate Measure		**21%**	**30%**
Four-Year Graduation Rate		**21%**	**10%**

Framework: District Structure

Category	Subject	Percent Approved	Adjusted
Academic Achievement Level (Status)	ELA & Literacy	26%	Student Weighted Average of Building Grades
	Math		
	Science		
Value-Added Growth	ELA	23%	
	Math		
	Science		
Growth to Proficiency (GTP)	ELA	19%	
	Math		
Success-Ready Graduate Measure		16%	
Four-Year Graduation Rate		16%	

Framework: Grading Scale

Grade	Score Range Approved	Score Range Adjusted
A	89% or Above	90% or Above
B	88% – 76%	80% – 89%
C	75% – 63%	67.5% – 79%
D	62% – 50%	55% – 67%
F	Below 50%	Below 55%

Which Years of Data to Use and Why?

- 24-25: Data is readily available. Being used as Draft/Pilot/Test Run.
  - Does not include Literacy measure.
    - (K-3 foundational reading data is not available).
  - Just released to schools (embargoed access).
  - Need review and feedback.
  - Allows opportunity for adjustment before additional years of data are calculated and released.

Which Years of Data to Use and Why?

- 25-26: Work is underway.
  - Intended as a 2nd Draft/Pilot/Test Run.
  - Does not include Literacy measure
    - (K-3 foundational reading data is not available).
  - Available in Spring 2027.
  - Need review and feedback.
  - Allows another opportunity for adjustment before the project “goes live”.

Which Years of Data to Use and Why?

- 26-27: First complete A-F Grade Cards.
  - Will be first version to include Literacy measure.
    - (K-3 foundational reading data will be available).
  - Potentially available in September 2027.
  - The Draft/Pilot/Test Runs will help inform the appropriate weighting of Status vs. Value-Added Growth vs. Growth to Proficiency.

Why Do Draft / Pilot / Test Runs?

- Final product (26-27 data) needs to represent schools as accurately and fairly as possible.
- Status-only measurements are highly correlated with socio-economic conditions.
- Status vs. Value-Added Growth vs. Growth to Proficiency must be weighted appropriately to truly measure the impact a school has on students.

Draft 2024-25 Statewide Grade Distributions

	Original Framework[1]			Adjusted Framework[2]		
	K-8	9-12	LEA	K-8	9-12	LEA
A	19%	18%	11%	19%	17%	10%
B	24%	41%	34%	24%	32%	32%
C	27%	30%	36%	32%	39%	42%
D	19%	10%	16%	19%	10%	14%
F	10%	1%	3%	6%	2%	2%

[1]Reflects the Framework approved by the State Board of Education in September, 2026.
[2]Includes adjustments to the approved Framework derived from adviser and stakeholder feedback.

School Grades – High Poverty Schools[1]

	Framework	Schools (N)	A (N)	A (%)	A or B (N)	A or B (%)
K-8	Original	176	7	3.98	26	14.77
	Adjusted	176	13	7.39	34	19.32
9-12	Original	19	0	0.00	0	0.00
	Adjusted	19	0	0.00	0	0.00
LEA	Original	29	2	6.90	3	10.34
	Adjusted	29	2	6.90	5	17.24

[1]Schools and LEAs with direct certification rates of 50% or greater.

School Grades – Low Poverty Schools[1]

	Framework	Schools (N)	A (N)	A (%)	A or B (N)	A or B (%)
K-8	Original	214	87	40.65	155	72.43
	Adjusted	214	75	35.05	146	68.22
9-12	Original	82	45	54.88	73	89.02
	Adjusted	82	43	52.44	65	79.27
LEA	Original	121	25	20.66	87	71.90
	Adjusted	121	23	19.01	77	63.64

[1]Schools and LEAs with direct certification rates below 15%.

2024-25 Draft Grades – Next Steps



- Share embargoed draft data and technical guide to schools and districts (10/21/26).
- Conduct validation discussions with stakeholders and advisors (Nov. 2026).

- Identify and make any necessary corrections, updates, or refinements.
- Update data and technical guide, if necessary.

- Present adjusted Framework for State Board of Education approval.
- Prepare data for publication.
- Release grade cards.

Upcoming Stakeholder Engagement

October 22	October TBD	November 13
Missouri Association of Rural Educators Conference	Virtual	Kansas City

November 16	November 19	November TBD
Kirksville	Ozark	Virtual

Finance Update

A note about terminology

- For those who might be newer to state budget discussions...

  - FY 2026 refers to the 2025-26 school fiscal year.
  - FY 2027 refers to the 2026-27 school fiscal year.
  - FY 2028 refers to the 2027-28 school fiscal year.

FY 2027 Foundation Formula

- Foundation Formula in FY 2027.
  - For FY 2027 the scheduled SAT is $7,145.
  - For the FY 2027 budget, DESE requested an additional $190.6 million. That amount is necessary to fully fund the formula.
  - The budget, as passed and signed by the governor, does not include the additional $190.6 million requested.
  - The budget includes "level funding", which is an appropriation of $4,282,736,000 (same as in FY 2026).
  - The calculated SAT of $7,145 will not be achievable.
  - Assuming all revenues that are appropriated to the formula are received, DESE projects that a final payment SAT of approximately $6,900 may be achievable.

FY 2027 Foundation Formula

- Foundation Formula in FY 2027.
  - As noted earlier, DESE projected a shortfall of approximately $138 million in FY 2026 in lottery, gaming and cigarette taxes.
  - DESE also projected a shortfall of approximately $118 million in those categories for FY 2027.
  - The legislature took action to address the $118 million shortall in the budget for FY 2027.
  - The appropriations for these categories were reduced, and additional appropriation was added from the Missouri State Capitol Commission Capitol Preservation Fund and the Blind Pension Fund.
    - NOTE: The additional appropriations are "one-time" funds.

FY 2027 Foundation Formula

- Foundation Formula in FY 2027.
  - The final appropriation for the Foundation Formula will remain at $4,282,736,000.
  - Assuming the revised appropriation in lottery, gaming and cigarette tax is received, and assuming the newly appropriated funds are available, a final payment SAT of approximately $6,900 may be achievable.
  - Districts are advised to exercise great caution and fiscal discipline during FY 2027.
  - As per usual practice, DESE will start SAT payments at a lower level. The July payment was calculated using a level of $6,750. The payment SAT will be raised as conditions allow.

Foundation Formula / Classroom Trust Fund

- Reminders about the Foundation Formula and Classroom Trust Fund.
  - Remember that the Classroom Trust Fund is part of the Foundation Formula, not in addition to the Foundation Formula.
  - Districts have additional flexibility with the funds that are attributed to the Classroom Trust Fund.
  - Given the reduced appropriation in Classroom Trust Fund and the possibility of shortfalls in gaming revenue, the amount paid per ADA may be adjusted throughout the year, even though the total of state formula money may not change significantly.

FY 2027 Prop C



The expected amount per Combined WAM/WADA has decreased from FY 2026. This is because the appropriation (which is the same as FY 2026) is being divided by a higher number of Combined WAM/WADA.

Each $10 million variance from the appropriation level impacts the amount per Combined WAM/WADA by approximately -$11.

DESE projects that the full Prop C appropriation will be available and paid.

DESE Budget Request for FY 28

The DESE Budget Request

Each year, DESE must submit a budget by Oct. 1. That budget is then considered by the legislature in the Spring session. After the budget is passed by the legislature, it goes to the Governor for vetoes/signature.

DESE calculates the needs of each program and submits the following components:

- **Core Budget:** The amount of funding approved last year minus any money marked one-time.
- **Supplemental Requests:** Additional funding requested for the current year.
- **New Decision Item Requests:** Additional funding for the next budget year (including replacing any money marked one-time.)

Recommended Supplemental and New Decision Item Requests

Foundation Formula

FY2027 Request

- Core: $4,282,736,000
- NDI: $190,609,070
  - NDI was not approved
- Potential shortall in lotto, gaming, cigarette tax appropriation was noted.
- Legislature appropriated one-time funding ($118,886,306 +) to address potential shortfall.

FY2028 Request

- Core: $4,163,849,694
  ($4,282,736,000 – one time money)
- Recommended NDI: $388,655,679
  - Includes replacing $118,886,306 in one-time money.
  - Includes $269,769,373 formula call above last year's appropriation.

Board Decision:

Total Request (Core + NDI) will equal $4,282,736,000

Formula Calculations (part 1)

FY 28 Formula Calculations	
SAT $7,145	
FY 27 Formula Call (w/o special payments)	**$4,267,377,123**
ADA/Membership Change	$69,173,242
DVM Change	$0
SAT Change	$0
Local Effort Components Change	($2,275,207)
Thresholds Change	($29,930,014)
WADA/WAM Phase-in	$26,321,256
Charter School Local Effort Change	($5,850,975)
Total Changes	**$57,438,302**
Total of FY 27 Call + Changes	**$4,324,815,425**

Formula Calculations (part 2)

Special Payments	
169 Day Incentive	$66,989,237
Kindergarten Payment	$87,376
Fine Reduction	$1,555,363
Add FIT Tax Reduction Payment	$3,334,581
Virtual Host School	$154,619,914
MO Scholars Payment	$0
Recovery High School	$0
Residential Care Facility Adjustment**	$603,477
Show-Me Diploma	$0
Total of Special Payments	**$227,189,948**
ITSD Maintenance	**$500,000**

Formula Calculations (part 3)

Total Funding Required	$4,552,505,373
Minus FY 28 CORE	$4,163,849,694
Funding Shortfall including Replacement for FY 27 One-Time Funding	$388,655,679
Actual FY 28 Budget Request Approved by Missouri State Board of Education (SBOE)	$4,282,736,000
FY 28 NDI (FY 27 One-Time Funding)	$118,886,306

Statutory/Legislative/Judicial

- **Transportation Formula**
  - NDI: Est. $64,219,330 GR
- **Early Childhood Special Education**
  - Supp: $56,760,045 GR
  - NDI: $65,646,978 GR
- **High Need Special Education**
  - Supp: $15,169,539 GR
  - NDI: $30,514,246 GR
- **A-F School Grade Card**
  - Supp: $518,000 GR
  - NDI: $6,530,390 GR
  - (2) FTE

Statutory/Legislative/Judicial

- **Interscholastic Oversight Commission (SB 863)**
  - Supp: $179,852 GR
  - NDI: $188,612 GR
  - (1) FTE
- **Antisemitism Prohibition and Reporting (HB 2061)**
  - Supp: $148,081 GR
  - NDI: $174,704 GR
  - (1) FTE
- **Elementary School Agricultural Education Program (HB 2896)**
  - Supp: $126,000 GR
  - NDI: $126,000 GR
- **STEM Career Awareness Activity (RSMo 161.264)**
  - NDI: $336,337 GR

Statutory/Legislative/Judicial

- **Communications Access Services Program, Missouri Commission for the Deaf and Hard of Hearing (MCDHH) - (HB 1840)**
  - Supp: $571,420 GR
  - NDI: $598,043 GR
  - (1) FTE

Federal / Other

- **Title I Federal Grant Authority**
  - Supp: $20,000,000 Fed
- **School Turnaround Grant Spending Authority**
  - Supp: $505,210 Other
- **School Meal Reimbursements**
  - Supp: $24,516,178 Fed
  - NDI: $24,332,331 Fed
- **Adult Education Spending Authority**
  - Supp: $1,500,000 Fed
  - NDI: $1,500,000 Fed
- **Federal Career Pathways Grant**
  - Supp: $2,000,000 Fed
  - NDI: $3,000,000 Fed

Federal / Other

- **Hall Grant for Strategic Initiatives Support**
  - Supp: $40,000 Other
  - NDI: $40,000 Other
- **Project Climb (Grades 6-8 Literacy)**
  - Supp: $1,843,261 Fed
  - NDI: $1,843,261 Fed
- **Missouri Healthy Schools (CDC Grant)**
  - Supp: $200,000 Fed
  - NDI: $100,000 Fed
- **Teacher Job Board**
  - Supp: $1,099,517 Other
  - NDI: $1,099,517 Other
- **School Health Profiles Grant**
  - Supp: $100,000 Fed
  - NDI: $100,000 Fed

Federal / Other

- **Child Care Subsidy Systems and Compliance**
  - Supp: $5,573,320 Fed
  - NDI: $11,058,187 Fed
- **21st Century Community Learning Centers**
  - Supp: $4,500,000 Fed
  - NDI: $4,500,000 Fed

Other Initiatives

- **Evidence-Based Reading Instruction Fund**
  - NDI: $10,000,000 GR

Closing Comments

- This is a very difficult budget year. The State of Missouri is dealing with a significant budget deficit.
- Budget will be a major focus during the legislative session.

Questions?