



# Understanding how the state funding formula impacts Mehlville School District

This edition of the Messenger has a lot of financial information about the district. Much of it pertains to how we compare to other districts in St. Louis County.

On Sept. 27 we held a board listening session. I walked attendees through our finances, including where our revenue comes from and how we spend that revenue. I want to use this space to walk you through how our state Basic Formula (formula) revenue has stagnated. In the 2021-2022 school year, state revenue was 16 percent of the district's total funding.

The Basic Formula is literally a math formula that is used by Missouri to determine the amount of state funding Mehlville School District receives. Our formula funding is a calculation of our **weighted average daily attendance** multiplied by the **state adequacy target** multiplied by the **dollar value modifier** and then a fixed **local effort amount** is subtracted. Let's break that down.

The weighted average daily attendance (WADA) is a complicated formula in itself. The simplest way to think about it is that it is our daily student attendance plus a weighting for certain populations (like those who receive free and reduced meals, special education and English language proficiency services) plus summer school. Our regular attendance number has been going down because our overall enrollment has been falling since our high point in 1995. It is expected to continue to fall as we graduate more seniors each year than kindergarteners enter. We have been able to increase our summer school attendance numbers in recent years to offset part of the loss. However we seem to have reached our maximum attendance for summer school.

The dollar value modifier (DVM) is a measure of the cost of living across the micropolitan and metropolitan areas in Missouri. As a metropolitan county, our area has the highest DVM possible for Missouri schools.

Our local effort amount is fixed from 2005, so that part of the calculation is stable. It is a measure of how much money districts receive from local taxes and other sources.

## Board approves 2022 tax rates

The Mehlville Board of Education unanimously approved the 2022 blended tax rate of \$3.6784 at its annual tax rate hearing on Tuesday, Sept. 27, 2022. This rate is similar to the prior year rate of \$3.6598.

The blended rate is an average rate of the residential, commercial, agricultural and personal property tax rates. The rate includes \$0.035 for Prop A, a temporary tax for roofing and HVAC projects through 2025. Additionally, the rate includes a 12-cent tax levy for Prop S general obligation bonds. The Prop S tax rate is offset by a 12-cent voluntary tax rate reduction, resulting in a net zero tax increase for Prop S. Prop S is funding projects that improve safety and accessibility and deferred maintenance.

Specific tax rates are as follows:

- Residential tax rate: \$3.2628
- Commercial tax rate: \$3.7495
- Agricultural tax rate: \$4.2500
- Personal property tax rate: \$4.3461

These levies meet all state statutes and requirements for setting levies. The levies are determined per the standard calculation set by the Missouri State Auditor.

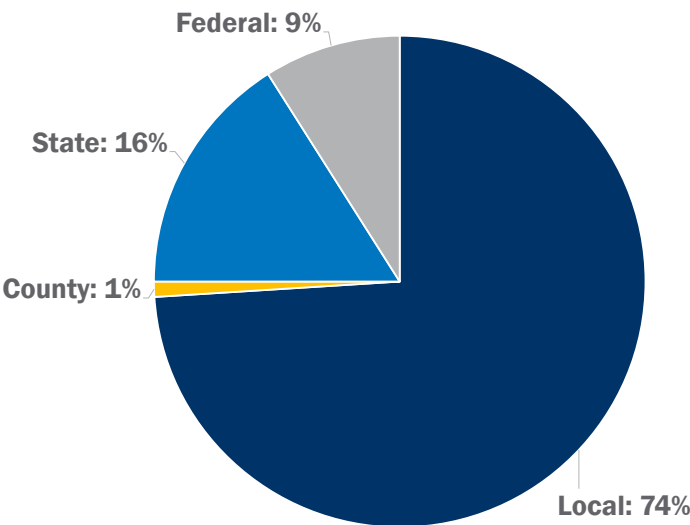
In 2021, Mehlville School District had the lowest blended tax rate of all 22 St. Louis County school districts.

The state adequacy target (SAT) is the piece that has been stagnant. The SAT was \$6,117 in 2009. In the 2019-2020 school year it was \$6,375. It will remain at \$6,375 through at least the 2023-2024 school year. That marks five years with no growth. If the SAT had grown at 1 percent since 2009 it would be at \$7,031 this year, yet we are at \$6,375 this year. This target does not take into account inflation.

As our major source of state revenue, the Basic Formula has become a stagnant to declining source of revenue. Based on the formula, state funding was \$15,906,975 in the last school year. This year, it is estimated to drop to \$15,007,735. This is troubling given our increasing costs of operating.

Please take some time to read about our finances on pages 6 and 7 in this issue of the Messenger.

### Sources of Mehlville School District funding, 2021-2022



## We want your input!

Our 2022 Mehlville School District resident survey will be hitting randomly selected mailboxes over the next few days. The survey, prepared by Opinion Research Specialists, asks for your opinions and perceptions about the operations and management of Mehlville School District and gathers feedback regarding a possible tax increase in 2023.

Data from the survey will assist the district with long-range planning and to identify ways in which we can better serve residents. All survey responses are confidential and anonymous. Completed questionnaires go directly to Opinion Research Specialists, who will collect and analyze the results. Overall findings of the survey are expected to be released to the public in December.



To ensure that everyone has the chance to participate in the 2022 Mehlville School District survey, we will post a link to the survey on Facebook and our website later this month. This survey link will allow households that were not randomly selected to have the opportunity to have their voices heard.



# Facts about finances in Mehlville School District

## Where Mehlville School District stands among the 22 St. Louis County Districts

The following financial data is provided by the Missouri Department of Elementary and Secondary Education and covers the 2020-2021 school year (the latest data available through the state).

### Blended tax rate

We have the lowest tax rate in St. Louis County. The fall 2022 blended tax rate is anticipated to continue to rank last. Local revenue is typically more than 70% of total district revenue and is crucial to the financial health of the district. Tax rate does not correlate to the 11th place ranking of assessed values.

Ranking	District	Blended rate 2021
1	Riverview Gardens	7.5922
2	Jennings	6.1226
3	Hazelwood	6.0527
4	Normandy	5.6554
5	Maplewood	5.4990
6	Aftton	5.1103
7	Hancock Place	5.0928
8	Ferguson-Florissant	5.0415
9	Ritenour	4.9923
10	Pattonville	4.9224
11	Valley Park	4.8892
12	Brentwood	4.6265
13	University City	4.5093
14	Webster Groves	4.4930
15	Bayless	4.3628
16	Clayton	4.3534
17	Rockwood	4.1252
18	Kirkwood	4.0146
19	Parkway	4.0032
20	Lindbergh	3.8276
21	Ladue	3.6936
22	Mehlville	3.6598

### Assessed value per student

Assessed value is an indicator of the district’s economic strength. Mehlville ranks 11th in assessed value per student based on 2020-2021. Assessed values are determined by the St. Louis County Assessor.

Ranking	District	Assessed value per student (FY21)
1	Clayton	\$559,428
2	Brentwood	\$517,364
3	Ladue	\$502,713
4	University City	\$361,469
5	Maplewood	\$347,929
6	Parkway	\$346,935
7	Valley Park	\$316,063
8	Kirkwood	\$310,938
9	Pattonville	\$279,854
10	Lindbergh	\$242,792
11	Mehlville	\$239,145
12	Webster Groves	\$238,536
13	Rockwood	\$225,551
14	Aftton	\$200,854
15	Hancock Place	\$174,647
16	Ferguson-Florissant	\$158,895
17	Ritenour	\$129,139
18	Hazelwood	\$120,586
19	Normandy	\$120,422
20	Bayless	\$118,200
21	Riverview Gardens	\$55,629
22	Jennings	\$45,774

### Expense per student

Expense per student represents normal daily operating expenses. Mehlville ranks 21st in spending per student, second lowest only to Riverview Gardens School District. All other districts in St. Louis County spend more on their students. The amount we can spend per student is tied to our blended tax rate.

Ranking	District	Expense per student (FY21)
1	Brentwood	20,723
2	Clayton	19,650
3	University City	16,316
4	Maplewood	14,641
5	Ladue	14,432
6	Pattonville	14,347
7	Normandy	14,063
8	Valley Park	13,775
9	Ferguson-Florissant	13,608
10	Hancock Place	13,275
11	Webster Groves	12,856
12	Parkway	12,837
13	Kirkwood	12,298
14	Hazelwood	11,822
15	Rockwood	11,510
16	Aftton	10,897
17	Bayless	10,565
18	Ritenour	10,382
19	Lindbergh	10,309
20	Jennings	10,288
21	Mehlville	10,082
22	Riverview Gardens	9,232

### Outstanding debt per student

Outstanding debt per student represents the investment in infrastructure for facilities such as buildings, HVAC and roofing. Mehlville ranks 22nd, or last, in this category. Even after selling bonds to pay for Prop S work, Mehlville is still last. This correlates to the tax rate ranking.

Ranking	District	Outstanding debt per student (FY21)
1	Brentwood	\$71,176
2	Ladue	\$64,336
3	Maplewood	\$51,000
4	Lindbergh	\$30,472
5	University City	\$28,256
6	Valley Park	\$27,048
7	Clayton	\$25,534
8	Normandy	\$23,662
9	Hancock Place	\$22,419
10	Parkway	\$16,203
11	Webster Groves	\$15,775
12	Pattonville	\$14,324
13	Kirkwood	\$13,997
14	Hazelwood	\$12,245
15	Bayless	\$11,240
16	Ritenour	\$10,611
17	Rockwood	\$9,729
18	Aftton	\$8,458
19	Ferguson-Florissant	\$6,687
20	Riverview Gardens	\$5,440
21	Jennings	\$5,135
22	Mehlville	\$4,069

## The impact of our low tax rate on district resources and students

### 85% of our operations budget is for staff salaries.

- We are experiencing an incredible amount of competition for teachers and other employees.
- Mehlville School District currently offers new teachers a salary that is about \$2,000 below average.
- We routinely lose clerical, custodial, food service and other staff to jobs with higher pay, often at hospitals and in the private sector.
- Recent ballot measures (Prop R in 2016 and Prop S in 2021) did not provide for an increase in staff salaries to counter the cost of living or additional demands placed on our employees.
- Support staff positions, especially facilities and custodial staff and bus drivers, have gone unfilled. To meet the essential needs of students, employees are working overtime and shuffling duties. Some nonessential, but still critical, tasks are not getting done.

### Focusing resources on students instead of facilities.

- Facilities have faced decades of neglect due to the district’s lean budget and focus on learning.
- The passage of Prop S, a zero tax rate increase bond issue in the amount of more than \$35 million, has marked a significant investment in facilities, but a facilities steering committee recommended more than \$237 million of critical infrastructure work and facilities upgrades in 2020. Inflation has driven the cost of doing this work higher.

### COVID relief funds are helping, but they expire in 2024.

- COVID relief funds, or Elementary and Secondary School Emergency Relief (ESSER) funds, have provided an infusion of funds into our budget. Those funds end in 2024.
- Mehlville School District has hired 34 teaching interventionists using ESSER funds. These teachers are spread throughout district schools to provide help for students who need support and to challenge students who have mastered a skill. Interventionists focus on math, reading or social-emotional skills.
- The district has also used ESSER funds to expand student clubs, activities and tutoring, and provide afterschool transportation. Additionally, the funds have been used for mental health counseling at the high school levels and for curriculum materials.
- Without a tax rate increase, we will lose these 34 teaching positions at the end of the 2023-2024 school year.

### Inflation, inflation, inflation.

- District health insurance rates increased 22% for the 2023 calendar year.
- We use about 170,000 gallons of gasoline per year. For every \$1 per gallon gas cost increase, the total expense increases \$170,000. FY22 gasoline averaged \$3.05 per gallon. FY23 will be well above that.
- Salaries will have to be increased with inflation considerations. So far this year, 2022 inflation is 8.4% through September. The salary budget for this year is \$79.3 million. Just to keep pace with inflation, salaries would have to be increased \$6.66 million, or 8.4%, plus another \$1 million for salary-related retirement benefits.

## How transportation is coping with understaffing

The district’s transportation department made some changes this year due to a bus driver shortage. Currently, the department is down 15 drivers. The department has combined bus routes where it can. Currently, there are enough drivers to cover all of the routes, unless someone is on leave due to illness, family emergency or other reason. When that happens, transportation office staff get behind the wheel.

From left, Justin Keller, special needs coordinator, Mark Keiser, training and safety coordinator, and Tracy Herbert, router/dispatcher, routinely fill in for drivers to get kids to and from school. Herbert and Keller are the primary dispatchers for district buses. When they are driving, the transportation manager and the trip and activity specialist manage dispatch.

“That’s a high volume of dispatch communication for one or two people to manage on top of their usual duties,” Herbert said.

The transportation department has had instances where they need more than three substitute drivers. In that case, they tap the district’s mail delivery driver. They’ve even requested the assistance of school secretaries who are licensed and have bus driving experience.

“It is only by the commitment and creativity of the leaders in the Transportation Department that we have been able to stave off route cuts, and while their efforts are recognized and appreciated, the notion of operating without a fully staffed workforce is not sustainable,” said Dr. Chad Dickemper, executive director of planning and operations.



## Interventionists provide needed support for students

Before having a social-emotional learning interventionist at Oakville Elementary School, kindergarten teacher Peggy Evers sometimes felt overwhelmed with the task of meeting the emotional needs of her 20-plus students.

For many kindergarten students, being away from their family is a huge adjustment, Evers explained. The first few weeks of kindergarten is devoted to helping children learn how to calm themselves, regulate their emotions and learn the routine of school. “In the beginning of the year, some students need a lot of individual support to learn the academic concepts. They are not able to work independently until November or December,” she said.

The past few years have been different, Evers said. With the support of Sara Hecht, the school’s social-emotional learning interventionist, the 5- and 6-year-olds learn to talk about their feelings and cope with them. As a result, the students are able to spend more time learning to read, write, count, add and subtract.

Hecht supports all classrooms at Oakville Elementary. She prepares lessons for teachers to use each day, co-teaches with classroom teachers and supports students with one-on-one and small group teaching as needed.

Hecht’s position and 33 other teaching positions, are paid for using federal Elementary and Secondary School Emergency Relief (ESSER) funds. This funding will be discontinued after 2024. To keep these positions, Mehlville School District would need a tax increase.



Sara Hecht, social-emotional learning interventionist, shows a student how to ask for help.