

1 program:

2 **GOAL 1 - - EQUITY:** The school finance system in Louisiana provides equal
3 treatment of pupils with similar needs with the requirement that local school systems have
4 a tax burden sufficient to support Level 1.

5 **GOAL 2 - - ADEQUACY:** The school finance system in Louisiana provides
6 programs and learning opportunities that are sufficient for providing a minimum educational
7 program for every individual. The State Board of Elementary and Secondary Education and
8 the legislature through the adoption of the minimum foundation program formula establish
9 a minimum program.

10 **GOAL 3 - - LOCAL CHOICE:** The school finance system in Louisiana provides
11 that local taxpayers and the school board establish the budget and set the tax levy for
12 operating the schools above a set level of support for the minimum program.

13 **GOAL 4 - - EVALUATION OF THE STATE SCHOOL FINANCE SYSTEM:**
14 The school finance system in Louisiana ensures the attainment of the goals of equity,
15 adequacy, and local choice. Whereas the school finance system utilizes significant state
16 general fund revenues, it is important that the system be evaluated on a systematic basis
17 annually.

18 **GOAL 5 - - PERFORMANCE MEASURES:** The school finance system in
19 Louisiana provides for financial accountability and program efficiency maximizing student
20 achievement. Accountability means that city, parish, and other local public school districts
21 can demonstrate that they are operating in conformance with state statutes, financial
22 accounting standards, and student performance standards.

23 WHEREAS, to properly measure the achievement of the goals, a comprehensive
24 management information system containing state-level and district-level components shall
25 continue to be developed; and

26 WHEREAS, to provide fiscal and programmatic accountability, a fiscal
27 accountability program and a school and district accountability program shall continue to
28 be developed; and

29 WHEREAS, the fiscal accountability program shall verify data used in allocating
30 minimum foundation program funds and report fiscal information on the effectiveness of the

1 manner in which the funds are used at the local school system level; and

2 WHEREAS, the school and district accountability program in establishing the state
3 goals for schools and students creates an easy way to communicate to schools and the public
4 how well a school is performing, recognizes schools for effectively demonstrating growth
5 in student achievement, and focuses attention, energy, and resources on schools needing help
6 in improving student achievement; and

7 WHEREAS, the Constitution of Louisiana requires the legislature to fully fund the
8 current cost to the state of the minimum foundation program as determined by applying the
9 legislatively approved formula; and

10 WHEREAS, this minimum foundation program formula is designed to provide
11 greater equity and adequacy in both state and local funding of local school systems; and

12 WHEREAS, the Constitution of Louisiana requires the appropriated funds to be
13 allocated equitably to parish and city school systems according to the formula as adopted by
14 the State Board of Elementary and Secondary Education and approved by the legislature
15 prior to making the appropriation.

16 THEREFORE, BE IT RESOLVED by the Legislature of Louisiana, that the formula
17 to determine the cost of a minimum foundation program of education in all public
18 elementary and secondary schools as well as to allocate equitably the funds to city, parish,
19 and other local public school systems developed by the State Board of Elementary and
20 Secondary Education and adopted by the Board on March 11, 2010, is hereby approved to
21 read as follows:

22 **MINIMUM FOUNDATION PROGRAM**

23 **ELEMENTARY AND SECONDARY EDUCATION**

24 **COST DISTRIBUTION FORMULA**

25 **2010 - 2011 SCHOOL YEAR**

26 **I. BASIS OF ALLOCATION**

27 **A. Preliminary and Final Allocations**

28 1. BESE shall determine preliminary allocations of the minimum foundation
29 program formula for city, parish, and other local public school systems, Recovery School
30 District schools, LSU and Southern Lab schools, and Office of Juvenile Justice schools using

1 latest available data, no later than March 15 each year for the upcoming fiscal year. Upon
2 adoption by the board of such preliminary allocations for the ensuing fiscal year, the
3 superintendent shall submit the budget requirements in accordance with R.S. 39:33 and shall
4 submit the minimum foundation program funding requirements to the Joint Legislative
5 Committee on the Budget and to the House and Senate committees on education.

6 2. Upon final adoption by BESE and the legislature of the minimum foundation
7 program formula resolution in effect for the upcoming fiscal year, BESE shall determine
8 final allocations of the minimum foundation program formula for city, parish, and other local
9 public school systems, the Recovery School District, LSU and Southern Lab schools, and
10 Office of Juvenile Justice schools using latest available data, no later than June 30 for the
11 fiscal year beginning July 1.

12 3. Latest available student count estimates will be utilized for newly opened school
13 districts or local education agencies in the final allocations of the minimum foundation
14 program formula no later than June 30 for the fiscal year beginning July 1.

15 **B. Mid-year Adjustments**

16 1. Districts and schools may request that the state superintendent make estimated
17 monthly payments based on documented mid-year growth prior to the October 1 count.

18 2. If any city, parish, or other local public school system's, Recovery School District
19 schools', LSU and Southern Lab schools', and Office of Juvenile Justice schools' current year
20 October 1 student count is more or less than the previous year's February 1 membership, a
21 mid-year adjustment to per pupil funding shall be made for each student gained or lost based
22 on the final MFP allocation per pupil amount for that city, parish, or other local public
23 school system as approved by BESE.

24 3. Districts and schools may request that the state superintendent make estimated
25 monthly payments based on documented mid-year growth prior to the February 1 count.

26 4. If any city, parish, or other local public school system's, Recovery School District
27 schools', LSU and Southern Lab schools', and Office of Juvenile Justice schools' current year
28 February 1 membership is more or less than the current year October 1 membership, a
29 second mid-year adjustment to per pupil funding shall be made for each student gained or
30 lost based on one-half the final MFP allocation per pupil amount for that city, parish, or

1 other local public school system as approved by BESE.

2 5. If the Recovery School District, the district of prior jurisdiction, and local
3 education agencies have an increase in current year October 1 membership above the prior
4 year February 1 number included in the final MFP allocation individually, the Recovery
5 School District, the district of prior jurisdiction, and local education agencies shall receive
6 individually a mid-year adjustment of MFP funding based upon the number of students
7 identified above the membership number used in the final MFP allocation. This transfer shall
8 be based on the final MFP allocation per pupil for the district of prior jurisdiction times the
9 number of students identified. For increases in the current year February 1 membership
10 above the October 1 membership, the Recovery School District, district of prior jurisdiction,
11 and local education agencies shall receive individually a mid-year adjustment based on the
12 number of students identified above the membership number times one-half of the final MFP
13 allocation per pupil.

14 6. If the Recovery School District's current year October 1 membership count
15 qualifies for a mid-year adjustment to state funds, a mid-year adjustment to provide
16 additional local per pupil funding shall also be made for each additional student based on the
17 local per pupil amount of the district of prior jurisdiction times the increased number of
18 students and provided in the monthly MFP payments. For current year February 1 increases,
19 one-half the local per pupil will be provided in the monthly MFP payments.

20 7. For the newly opened school districts or local education agencies, in the first year
21 of operation, a special mid-year adjustment will be made to finalize their minimum
22 foundation program formula allocations using October 1 data. This special mid-year
23 adjustment will replace the October mid-year adjustment. The newly opened school districts
24 or local education agencies will qualify for the February 1 mid-year adjustment.

25 **II. LEVEL 1 - COST DETERMINATION AND EQUITABLE**

26 **DISTRIBUTION OF STATE AND LOCAL FUNDS**

27 **A. Base Foundation Level 1 State and Local Costs**

28 1. February 1 Membership (as defined by the State Board of Elementary and
29 Secondary Education) including Recovery School District students.

30 **Plus**

1 2. Add-on Students/Units

2 a. At-Risk Students weighted at 0.22.

3 At-Risk students are defined for purposes of allocating funds as those students whose
4 family income is at or below income eligibility guidelines or other guidelines as provided
5 by the State Board of Elementary and Secondary Education and the number of students
6 identified as English Language Learners that were not included based on income eligibility
7 guidelines times the weighted factor of 0.22.

8 The State Board of Elementary and Secondary Education shall seek to increase the
9 at-risk weight over seven years by an appropriate amount annually until reaching a total
10 at-risk weight of .40.

11 b. Career and Technical Education course units weighted at .06.

12 The number of combined fall and spring student units enrolled in secondary career
13 and technical education courses times the weighted factor of 0.06.

14 c. Special Education/Other Exceptionalities students weighted at 1.50.

15 The number of students identified as having Other Exceptionalities as reported in the
16 membership count as defined by the State Board of Elementary and Secondary Education
17 times the weighted factor of 1.50.

18 d. Special Education/Gifted and Talented students weighted at .60. The number of
19 students identified as Gifted and Talented as reported in the membership count as defined
20 by the State Board of Elementary and Secondary Education times the weighted factor of
21 0.60.

22 e. Economy of Scale calculated as a curvilinear weight of .20 at 0 student
23 membership level down to zero at 7,500 student membership level. This weight will vary
24 depending on the size of the school system. There will be no benefit to school systems with
25 a membership of 7,500 or greater. The formula for this weight is:

26 (1) for each district with less than 7,500 students, subtract its membership from
27 7,500;

28 (2) divide this difference by 37,500 to calculate each district's economy of scale
29 weight; then

30 (3) multiply each district's economy of scale weight times their membership count.

1 **Equals**

2 3. Total Weighted Membership and/or Units (Sum of I.A.1 and I.A.2.a. through e.)

3 **Times**

4 4. State and Local Base Per Pupil Amount of **\$3,961.**

5 In the event no provision for an annual increase has been provided and this
6 Resolution remains in effect in the Fiscal Year 2011-12 or thereafter, the State Board of
7 Elementary and Secondary Education shall annually adjust the state and local base per pupil
8 amount with approval by the Joint Legislative Committee on the Budget. If the Joint
9 Legislative Committee on the Budget does not approve the rate established by the State
10 Board of Elementary and Secondary Education, then an annual growth adjustment of 2.75%
11 shall automatically be applied to the state and local base per pupil amount beginning in the
12 Fiscal Year 2011-12.

13 **Equals**

14 5. Total Base Foundation Level 1 State and Local Costs (I.A.3 times I.A.4.)

15 **B. Local School System Share Calculation**

16 1. Property Revenue Contribution is calculated by multiplying the state's computed
17 property tax rate (including debt service) by each school system's Net Assessed Property
18 Value for the latest available fiscal year including TIF areas. If a district's Net Assessed
19 Property Value has increased equal to or greater than 10% over the prior year Net Assessed
20 Property Value, then the growth in the Net Assessed Property Value will be capped at 10%.
21 This cap will be applied on a year-to-year basis comparing the current year Net Assessed
22 Property Value to the prior year uncapped Net Assessed Property Value. In FY 2007-08, this
23 millage was set at a level appropriate to yield a state average share of 65% and a local
24 average share of 35%. The millage set in FY 2007-08 will remain the same in FY 2008-09
25 and beyond except that the State Board of Elementary and Secondary Education may revise
26 the millage as deemed appropriate in order to reestablish the 65%/35% share.

27 2. Sales Revenue Contribution is calculated by dividing the district's actual sales tax
28 revenue collected (including debt service) in the latest available fiscal year by the district's
29 sales tax rate that was applicable to create a sales tax base. If a local school system's sales
30 tax goes into effect during the fiscal year, the tax rate is prorated to an annual rate applicable

1 for the total revenue generated. If a district's Computed Sales Tax Base increased equal to
 2 or greater than 15% over the Computed Sales Tax Base calculated in the prior year formula,
 3 then the growth in the Computed Sales Tax Base will be capped at 15% over the amount
 4 used in the prior year formula. This cap will be applied on a year-to-year basis comparing
 5 the current year sales tax base to the prior year uncapped sales tax base. Each district's sales
 6 tax base is then multiplied by the state's projected yield of the sales tax rate. In FY 2007-08,
 7 this rate was set at a level appropriate to yield a state average share of 65% and a local
 8 average share of 35%. The rate set in FY 2007-08 will remain the same in FY 2008-09 and
 9 beyond except that the State Board of Elementary and Secondary Education may revise the
 10 rate as deemed appropriate in order to reestablish the 65%/35% share.

11 3. Other Revenue Contribution is calculated by combining (1) State Revenue in lieu
 12 of taxes; (2) Federal Revenue in lieu of taxes; and (3) 50% of Earnings on Property.

13 4. Local School System Share is the sum of adding Item 1- Property Tax
 14 Contribution, Item 2 - Sales Tax Contribution and Item 3 - Other Revenues Contribution.

15 **C. State Share Calculation**

16 The State Share is calculated by subtracting the Local Share from the Total Level 1
 17 Costs. In no event shall the State Share of the Total Level 1 Costs be less than 25% for any
 18 district.

19 **III. LEVEL 2 - INCENTIVE FOR LOCAL EFFORT**

20 **A. Level 2 Eligible Local Revenue**

21 1. Local Revenue.

22 Prior year revenues collected for educational purposes from total Sales Tax, total
 23 Property Tax, State and Federal Revenue in Lieu of Taxes, and 50% of Earnings on Property

24 **Minus**

25 3. Local School System Share Contribution of Level 1 Costs

26 **Equals**

27 4. Local Revenue over Local School System Share Contribution of Level 1 Costs.

28 This is the funding available for consideration in Level 2 incentive funding.

29 5. Limit on Revenue Eligible for Level 2.

30 The maximum local revenue eligible for incentive funding is equal to 34% of Total

1 Base Foundation Level 1 State and Local Costs (I.A.5 times .34).

2 6. Eligible Local Revenue collected for educational purposes. The Lesser of:

3 a. Local Revenue Over Level 1 Local Share (II.A.4.),

4 or

5 b. Limit on Revenue Eligible for Level 2 Incentive Funding (II.A.5)

6 **B. State Support of Level 2 Local Effort**

7 1. State Support of Level 2 equals Eligible Revenue in Level 2 minus the Local
8 Share of Level 2.

9 2. Local Share of Level 2 revenue equals the district's Eligible Local Revenue in
10 Level 2 times the district's local share percentage of Level 1 times a factor of 1.72 in FY
11 2007-08. For FY 2008-09 and beyond, this factor will remain in effect. The State Board of
12 Elementary and Secondary Education may calculate this factor on an annual basis.

13 **Equals**

14 3. State Support of Level 2 Incentive for Local Effort

15 **IV. MINIMUM FOUNDATION PROGRAM LEVEL 3 LEGISLATIVE**
16 **ENHANCEMENTS**

17 **A. Continuation Funding for Pay Raises**

18 **1. 2001-02 Certificated Personnel Pay Raise Continuation Enhancement**

19 The supplemental funding provided for the 2001-02 certificated pay raise will continue for
20 each district based on the prior year per pupil amount times their current year membership.

21 **2. 2006-07 Certificated Personnel Pay Raise Continuation Enhancement**

22 The supplemental funding provided for the 2006-07 certificated pay raise will continue for
23 each district based on the prior year per pupil amount times their current year membership.

24 **3. 2002-03 Support Worker Pay Raise Continuation Enhancement**

25 The supplemental pay raise allocation for noncertificated support workers provided in FY
26 2002-03 will continue for each district based on the prior year per pupil amount times the
27 current year membership.

28 **4. 2006-07 Support Worker Pay Raise Continuation Enhancement**

29 The supplemental pay raise allocation for noncertificated support workers provided in FY
30 2006-07 will continue for each district based on the prior year per pupil amount times the

1 current year membership.

2 **5. 2007-08 Certificated Personnel Pay Raise Continuation Enhancement**

3 The supplemental funding provided for the 2007-08 certificated pay raise will continue for
4 each district or school based on the prior year per pupil amount times their current year
5 membership.

6 **6. 2007-08 Support Worker Pay Raise Continuation Enhancement**

7 The supplemental pay raise allocation for noncertificated support workers provided in FY
8 2007-08 will continue for each district or school based on the prior year per pupil amount
9 times the current year membership.

10 **7. 2008-09 Certificated Personnel Pay Raise Continuation Enhancement**

11 The supplemental funding provided for the 2008-09 certificated pay raise will continue for
12 each district or school based on the prior year per pupil amount times their current year
13 membership.

14 **B. Foreign Language Associate Enhancement**

15 Any local school system employing a Foreign Language Associate shall receive a
16 supplemental allocation from BESE of \$20,000 per teacher not to exceed a total of 300
17 teachers in the program.

18 **C. Hold Harmless Enhancement**

19 The concept for the present formula was first enacted in Fiscal Year 1992-93. At that
20 time, there were school systems that were "underfunded" by the state and those that were
21 "overfunded" by the state. In Fiscal Year 1999-2000, this MFP formula concept was fully
22 implemented for the first time with 52 systems funded at the appropriate state level,
23 eliminating the "underfunded" situation. School systems identified as "overfunded" in FY
24 2000-01 have since received their prior year per pupil Hold Harmless amount times their
25 current year membership not to exceed the total Hold Harmless amount received in the prior
26 year. Beginning in FY 2007-08, the Hold Harmless amount as identified in the FY 2006-07
27 formula provided to these "overfunded" systems will be phased out. After subtracting
28 amounts attributable to insurance supplements and legislative pay raises provided between
29 FY 1993-94 and FY 1998-99 from the FY 2006-07 Hold Harmless amount, a revised Hold
30 Harmless amount will be calculated. Each of the school districts identified as "overfunded"

1 in FY 2006-07 will receive a reduction in FY 2007-08 equivalent to 10% of their total
2 revised "overfunded" amount. The annual 10% reduction will continue each year for 10
3 years. On an annual basis, any hold harmless district may choose to reduce the remaining
4 balance by an amount greater than 10% through formal notification to the department. This
5 request must take place no later than June 30th each year. The annual 10% reduction amount
6 will be redistributed in a per pupil amount to all non-hold harmless districts.

7 **D. Support for Increasing Mandated Costs in Health Insurance, Retirement,**
8 **and Fuel**

9 City, parish, and other local public school systems shall receive a minimum of
10 \$100.00 for each student in the prior year February 1 membership.

11 **V. Funding for Recovery School District**

12 **A. MFP State Share Per Student**

13 1. The student membership and weighted student counts of schools transferred to the
14 Recovery School District shall continue to be included in the membership and weighted
15 student counts of the city, parish, or other local public school board from which jurisdiction
16 of the school was transferred.

17 2. Once all final MFP calculations have been made, the MFP state share per prior
18 year February 1 student membership from Levels 1, 2 and 3 of the MFP formula for the city,
19 parish, or other local public school board which counted the Recovery School District
20 students, shall be multiplied by the number of students in the Recovery School District and
21 converted to a monthly amount. The monthly amount(s) shall be reduced from the city,
22 parish, or other local public school board MFP monthly allocation and transferred to the
23 Recovery School District.

24 **B. MFP Local Share Per Student**

25 1. In addition to the appropriation required in VA.2. of this section, the Recovery
26 School District shall receive an applicable local revenue per student allocation.

27 2. To begin the fiscal year July 1, the local revenue per student allocation is based
28 on the local revenue estimates for the upcoming fiscal year from the city, parish, or other
29 local public school board that had jurisdiction of the school prior to its transfer divided by
30 the total MFP student membership in the Recovery School District and in the district of prior

1 jurisdiction used in the MFP final allocation.

2 3. For purposes of the Recovery School District calculation, local revenue is defined
3 to include revenue from the following sources, excluding any portion which has been
4 specifically dedicated by the legislature or by voter approval to capital outlay or debt service,
5 or which was actually expended by the school board for facilities acquisition and
6 construction per the definitions in the Annual Financial Report and the Louisiana
7 Accounting and Uniform Governmental Handbook (LAUGH) as reported to the Department
8 of Education:

9 a. Sales and use taxes, less any tax collection fee paid by the school district.

10 b. Ad valorem taxes, less any tax collection fee paid by the school district.

11 c. Earnings from sixteenth section lands owned by the school district.

12 4. The total local revenue allocation for the Recovery District is determined by
13 multiplying the local revenue per student times the number of Recovery School District
14 students used in the MFP final allocation.

15 5. Once the local amount is determined, it is adjusted to a monthly amount that is
16 transferred from the MFP monthly allocation of the city, parish, or other local public school
17 board of prior jurisdiction to the Recovery School District.

18 6. Based on the October 1 student count, the local revenue allocation per student will
19 be recalculated and there will be a corresponding adjustment in the local revenue allocation
20 per student. No recalculation of the local revenue per student will occur at the February 1
21 student count adjustment.

22 7. During the third quarter of the fiscal year, in order to verify the estimated local
23 revenues used in the local revenue allocation per student in the final MFP allocation, local
24 revenues paid to date to the district of prior jurisdiction will be obtained from the most
25 timely and reliable sources available to the Department. The estimate will be reconciled to
26 the local revenues paid to date minus any portion dedicated to capital outlay or debt service,
27 or which was actually expended by the school board for facilities acquisition and
28 construction. If a difference exists, there will be a corresponding adjustment in the local
29 revenue allocation per student based on the number of students in the Recovery School
30 District on October 1. These funds shall be provided to the Recovery School District over

1 the remaining monthly MFP payments.

2 8. Near the end of the fiscal year, in order for the district of prior jurisdiction and the
3 Recovery School District to record an accounting estimate in the respective financial
4 statements, an updated local revenue estimate will be obtained from the district of prior
5 jurisdiction. The latest estimate will be reconciled to the estimate described in Item 7 above.
6 No adjustments to payments will occur at this time.

7 9. A final reconciliation will occur based upon the receipt of the annual audited
8 financial statements of the district of prior jurisdiction. If an increase or decrease in local
9 revenue collection exists, the state superintendent may establish a payment schedule. In the
10 event that the fiscal status of the district of prior jurisdiction or the Recovery School District
11 changes during the fiscal year or on or before the final reconciliation, the state
12 superintendent may adjust the local revenue based on the revenues identifies.

13 C. Except for administrative costs, monies appropriated to the Recovery School
14 District that are attributable to the transfer of a school from a prior school system and monies
15 allocated or transferred from the prior system to the Recovery School District shall be
16 expended solely on the operation of schools transferred from the prior system to the
17 jurisdiction of the Recovery School District.

18 **VI. Funding for Louisiana State University and Southern University**
19 **Laboratory Schools**

20 A. Any elementary or secondary school operated by Louisiana State University and
21 Agricultural and Mechanical College or by Southern University and Agricultural and
22 Mechanical College shall be considered a public elementary or secondary school and, as
23 such, shall be annually appropriated funds as determined by applying the formula contained
24 in Subsection B of this Section.

25 B. Each student in membership, as defined by the State Board of Elementary and
26 Secondary Education, at the schools provided for in Subsection A of this Section shall be
27 provided for and funded from the minimum foundation program an amount per student equal
28 to the amount allocated per student for the state share of the minimum foundation program.

29 C. The funds appropriated for the schools provided for in this Section shall be
30 allocated to the institution of higher education operating such a school. Each such institution

1 of higher education shall ensure the equitable expenditure of such funds to operate such
2 schools.

3 D. Fifty percent of increased funds provided are to be directed to certificated staff
4 pay raises as defined in Section IX. A. Provisions specified in Section VIII through X of this
5 Resolution shall apply to these schools.

6 **VII. Funding for Type 2 Charter Schools**

7 Any school authorized as a Type 2 Charter School by the State Board of Elementary
8 and Secondary Education on or after July 1, 2008, shall annually be appropriated funds as
9 determined by applying the formula contained in R.S. 17:3995, except that the local share
10 allocation will be funded with a transfer of the MFP monthly amount representing the local
11 share allocation from the city, parish, or local public school board in which the attending
12 students reside. Where student attendance is from multiple school districts, the Department
13 of Education shall determine the local share based on students reported by the schools. The
14 student membership count of the Type 2 charter schools shall be included in the membership
15 count of the city, parish, or other local public school board in which the school is located to
16 determine the local share.

17 **VIII. Funding for the Office of Juvenile Justice Schools and Students**

18 A. Any elementary and secondary school operated by the Office of Juvenile Justice
19 in a secure care facility shall be considered a public elementary or secondary school and, as
20 such, the Office of Juvenile Justice shall be annually appropriated funds for these students
21 as determined by applying the formula contained in Subsections B and C of this Section.

22 B. Each student counted in the prior year average daily membership, as defined by
23 the State Board of Elementary and Secondary Education, shall be provided for and funded
24 from the minimum foundation program a state share per pupil equal to the amount allocated
25 per student for the state share of the district where the student resided prior to adjudication.

26 1. The state share per pupil allocation shall be adjusted based on a factor determined
27 by the Louisiana Department of Education to provide for the differential in the number of
28 educational days provided to the students in the custody of the Office of Juvenile Justice.

29 2. Additionally, the state share per pupil allocation shall be adjusted based on a
30 factor determined by the Louisiana Department of Education to recognize the increased

1 number of special education students in the Office of Juvenile Justice schools relative to the
2 state average special education student population.

3 C. Each student counted in the prior year average daily membership, as defined by
4 the State Board of Elementary and Secondary Education, shall be provided for and funded
5 from the minimum foundation program a local share per pupil equal to the amount allocated
6 per student for the district where the student resided prior to adjudication.

7 1. For the purpose of the local share allocation per pupil amount, the average daily
8 membership of the Office of Juvenile Justice shall be included in the membership counts of
9 the city, parish, or other local public school board in which the student resided prior to
10 adjudication to the Office of Juvenile Justice.

11 2. For a district(s) that has schools transferred to the Recovery School District and
12 shares local revenue, the allocation for the Office of Juvenile Justice will be completed
13 before the calculation of local revenues as identified in Section VB.

14 3. The local share allocation shall be funded with a transfer of the MFP monthly
15 amount representing the local share allocation from the city, parish, or other local public
16 school board in which the attending students resided prior to adjudication to the Office of
17 Juvenile Justice.

18 **IX. Adjustments for Audit Findings and Data Revisions**

19 Review and/or audit of the districts' data used in determining their Minimum
20 Foundation Program allocation may result in changes in final statistical information. The
21 Minimum Foundation Program allocation adjustments necessary as a result of these audit
22 findings will be made in the following school year.

23 **X. Required Expenditure Amounts**

24 **A. Required Pay Raise for Certificated Personnel**

25 Fifty percent of a district's increased funds provided in Levels 1 and 2 over the prior
26 year after adjusting for increases in student membership shall be used only to supplement
27 and enhance full-time certificated staff salaries and retirement benefits for city, parish, or
28 other local school systems, Recovery School District, and LSU and Southern Lab schools
29 with an average teacher salary below the latest published SREB average teacher salary.

30 For purposes of determining the use of these funds, certificated personnel are defined

1 per state Department of Education Bulletin 1929 and are to include: teachers (all function
2 codes 1000-2200, object code 112); therapists/specialists/counselors (function codes 1000-
3 2200, object code 113); school site-based principals, assistant principals, and other school
4 administrators (function code 1000-2200 and 2400, object code 111); central office
5 certificated administrators (function code 1000-2300 & 2831 (excluding 2321), object code
6 111); school nurses (function code 2134, object code 118); and employees on sabbatical in
7 function code 1000-2200, 2134, and 2400.

8 **B. 70% Local General Fund Required Instructional Expenditure at the School**
9 **Building Level**

10 To provide for appropriate accountability of state funds while providing local school
11 board flexibility in determining specific expenditures, local school boards must ensure that
12 70% of the local school system general fund expenditures are in the areas of instruction and
13 school administration at the school building level as derived by the Department of
14 Education.

15 1. The definition of instruction shall provide for:

16 a. The activities dealing directly with the interaction between teachers and students
17 to include such items as: teacher and teacher aide salaries, employee benefits, purchased
18 professional and technical services, textbooks and instructional materials and supplies, and
19 instructional equipment;

20 b. Student support activities designed to assess and improve the well-being of
21 students and to supplement the teaching process, including attendance and social work,
22 guidance, health and psychological activities; and

23 c. Instructional support activities associated with assisting the instructional staff with
24 the content and process of providing learning experiences for students including activities
25 of improvement of instruction, instruction and curriculum development, instructional staff
26 training, library/media, and instructional related technology.

27 2. School administration shall include the activities performed by the principal,
28 assistant principals, and other assistants while they supervise all operations of the school,
29 evaluate the staff members of the school, assign duties to staff members, supervise and
30 maintain the records of the school, and coordinate school instructional activities with those

1 of the school district. These activities also include the work of clerical staff in support of the
2 teaching and administrative duties.

3 3. For city, parish, and other local public school districts that fail this requirement,
4 but perform at or above the state average in the District Performance Score (DPS), a waiver
5 for this noncompliance should be provided.

6 4. For city, parish, and other local public school districts that fail this requirement,
7 and also perform below the state average in the District Performance Score (DPS), the
8 following consequences should be applied:

9 a. Require that city, parish, and other local public school districts assess expenditures
10 in non-instructional areas including a self-assessment and/or hiring an independent firm to
11 determine operational activities that could be streamlined through outsourcing, privatization,
12 or consolidation and provide a report to BESE on the implementation plan to redirect any
13 savings from these actions to instructional activities according to timelines set by the
14 Department of Education.

15 b. Require the city, parish, and other local public school districts to examine the
16 manner in which state and federal funds are utilized, make revisions to incorporate new
17 spending patterns, and provide a report to BESE on the implementation of these actions
18 according to timelines set by the Department of Education.

19 c. Require the city, parish, and other local public school districts involved in
20 desegregation litigation to examine the manner in which state and federal funds are utilized,
21 make revisions to incorporate new spending patterns, and provide a report to BESE on the
22 implementation of these actions according to timelines set by the Department of Education.

23 **C. Expenditure Requirement for Foreign Language Associate Program**

24 The state must maintain support of the Foreign Language Associate program at a
25 maximum of 300 Foreign Language Associates employed in any given year. These teachers
26 shall be paid by the employing city, parish, or other local public school system or school the
27 state average classroom teacher salary (without PIP) by years of experience and degree
28 beginning with year three. First year teachers will receive an installation incentive of an
29 additional \$6,000; second and third year teachers will receive a retention incentive of an
30 additional \$4,000. These amounts must be provided to each Foreign Associate Teacher by

1 each school district or school in which they are employed.

2 **D. Expenditure Requirement for Educational Purposes**

3 State MFP funds shall only be expended for educational purposes. Expenditures for
4 educational purposes are those expenditures related to the operational and instructional
5 activities of a district to include: instructional programs, pupil support programs,
6 instructional staff programs, school administration, general administration, business services,
7 operations and maintenance of plant services, student transportation services, food services
8 operations, enterprise operations, community services operations, facility acquisition and
9 construction services and debt services as defined by Louisiana Accounting and Uniform
10 Governmental Handbook, Bulletin 1929.

11 **XI. Accountability Provisions**

12 **A. Accountability for School Performance**

13 Each school recognized by the Louisiana Department of Education will be included
14 in a MFP Accountability report submitted to the House and Senate committees on education
15 by June 30 of each year. Specific information to be included in the report is as follows:

16 a. School Data - School name, city, and district; Type of school; October 1
17 elementary/secondary enrollment; and grade span.

18 b. Accountability Data - scores and labels.

19 c. Fiscal Data - expenditures per elementary/secondary enrollment for classroom
20 instruction (less adult education) and pupil/instructional support.

21 d. Student Demographic Data - percent of students eligible for free and/or reduced
22 lunch ("at-risk"), students with exceptionalities (special ed), gifted/talented, and Minority;
23 Advanced Placement data; student attendance rates; and pupil-teacher ratios.

24 e. Teacher Data - Average FTE teacher salaries (object 112, function 1000 series);
25 percent of teachers certified; average years of experience; percent master's degree and above;
26 percent turnover; percent Minority; and teachers' days absent. All teacher data (excluding
27 salaries) reported for certified teachers.

28 f. Staffing Data - number per 1000 pupils for certified teachers, uncertified teachers,
29 and instructional aides.

30 **B. Accountability for Weighted Student Funds**

1 1. In FY 2010-11, according to R.S. 17:7(2)(f)(I), city, parish, and other local public
2 school districts, Recovery School District schools, and LSU and Southern Lab schools will
3 be required to expend funds generated by applying the weighted factors contained in the
4 formula for At-Risk students, Career and Technical Education course units, Special
5 Education Other Exceptionalities students, and Special Education Gifted and Talented
6 students on the following: (a) personnel, (b) professional services, (c) instructional materials,
7 (d) equipment, and (e) supplies that serve the unique needs of students who generate such
8 funds.

9 2. The expenditure of these weighted funds must be submitted annually in a report
10 as directed by the Louisiana Department of Education including the details on the types of
11 activities for which these funds were expended to serve the needs of the weighted students
12 at all schools that serve such students. The information contained in such annual report shall
13 be published on the Department of Education website in an easily understandable format.

14 **XII. Study of Funding for Public Education**

15 The State Board of Elementary and Secondary Education directs the Louisiana
16 Department of Education to establish a task force to study funding for public education to
17 include the following issues: Review the effectiveness of the wealth factors in the MFP
18 formula; evaluate a potential increase of the 70% instructional requirement to 80%; and
19 continue the study of student-based budgeting including the impact of desegregation
20 litigation on its implementation.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Jeanne C. Johnston.

DIGEST

Nevers

SCR No.

Provides for legislative approval of the formula for FY 10-11 to determine the cost of a minimum foundation program (MFP) of education in all public elementary and secondary schools as well as to equitably allocate the funds to local school systems (including the Recovery School District (RSD), two university laboratory schools, and Office of Juvenile Justice schools) as developed by the State Board of Elementary and Secondary Education (BESE) and adopted by the board on March 11, 2010.

Preliminary and Final Allocations

Proposed formula retains provisions of present formula relative to the computation of preliminary and final allocations, and additionally includes Office of Juvenile Justice (OJJ) schools in all relevant MFP computations, as follows:

1. BESE determines no later than March 15 each year for the upcoming fiscal year preliminary allocations of the MFP formula for city, parish, and other local public school systems (including the RSD, LSU and SU laboratory schools, and OJJ schools) using the latest available data. Upon adoption by BESE of such preliminary allocations for the ensuing fiscal year, the superintendent submits the MFP funding requirements to the Joint Legislative Committee on the Budget and to the House and Senate Committees on Education.
2. Upon legislative approval of the MFP formula resolution for the upcoming fiscal year, BESE determines final allocations for local school systems (including the RSD, LSU and SU laboratory schools, and OJJ schools), using latest available data, no later than June 30 for the fiscal year beginning July 1.
3. Latest available student count estimates will be used for newly opened school districts or local education agencies in the final allocations of the MFP formula no later than June 30 for the fiscal year beginning July 1.

Mid-Year Adjustments

Proposed formula includes OJJ schools in mid-year adjustment computations.

Present formula provides that if the current Oct. 1 student count for a local school system, the RSD, or lab school exceeds the previous year's Feb. 1 membership by either 50 students or 1%, a mid-year adjustment to provide additional per pupil funding will be made for each additional student based on the final MFP allocation per pupil amount. Districts and schools may request the state superintendent to make estimated monthly payments based on documented mid-year growth prior to the Oct. 1 count.

Proposed formula deletes provisions in present formula providing for additional funding for increased student membership and instead provides that if a school/school district's current year Oct. 1 student count is more or less than the previous year's Feb. 1 membership, a mid-year adjustment to per pupil funding shall be made for each student gained or lost based on the final MFP allocation. Retains provisions in present formula allowing districts and schools to request the state superintendent to make estimated payments.

Present formula provides that if the current Feb. 1 membership for a local school system, the RSD, or lab school exceeds the current year Oct. 1 membership by either 50 students or 1%, a second mid-year adjustment to provide additional per pupil funding is made for each additional student based on one-half of the final MFP allocation per pupil amount for that local school system. Districts may request that the state superintendent make estimated monthly payments based on documented mid-year growth prior to the Feb. 1 count.

Proposed formula deletes provisions in present formula providing for additional funding for increased student membership and instead provides that if a school/school district's current Feb. 1 student count is more or less than the current year's Oct. 1 membership, a mid-year adjustment to per pupil funding shall be made for each student gained or lost based on one-half the final MFP allocation. Retains provisions in present formula allowing districts and schools to request the state superintendent to make estimated payments.

Proposed formula retains present formula provisions that if the RSD, the district of prior jurisdiction, and local education agencies have an increase in current year Oct. 1 membership above the prior year Feb. 1 number included in the final MFP allocation individually, such entities shall receive a mid-year adjustment of MFP funding based upon the number of students identified above the membership number used in the final MFP allocation.

Proposed formula retains present formula provision that if the RSD Oct. 1 membership count qualifies for a mid-year adjustment to state funds, a mid-year adjustment to provide

additional local per pupil funding shall also be made for each additional student based on the local per pupil amount of the district of prior jurisdiction times the increased number of students. For Feb. 1 increases, one-half of the local per pupil amount will be transferred.

Proposed formula retains present formula provision that for newly opened school districts or local education agencies, in the first year of operation, a special mid-year adjustment will be made to finalize their MFP formula allocations using Oct. 1 data. This special mid-year adjustment will replace the Oct. mid-year adjustment. The newly opened school districts or local education agencies will qualify for the Feb. 1 mid-year adjustment.

Level 1–Cost Determination and Equitable Distribution of State and Local Funds:

Compared to present formula, proposed formula provides as follows:

1. Maintains use of Feb. 1 membership as defined by BESE.
2. Maintains the existing weight for add-on student units for at-risk students at 0.22. Increases the time period for BESE to seek to achieve the goal of an at-risk weight of 0.40 from a four year period to a seven year period.
3. Maintains the existing weight for Career and Technical Education course units at 0.06.
4. Maintains the existing weight for Special Education/Other Exceptionalities students at 1.5.
5. Maintains the existing weight for Special Education/Gifted and Talented students at 0.60.
6. Maintains the Economy of Scale curvilinear weight of 0.20 for school systems with a student membership of less than 7,500.
7. Increases base per pupil funding amount from \$3,855 to \$3,961. Retains provisions that if no annual increase is provided and the resolution remains in effect for ensuing fiscal years, subsequent annual adjustments may be made in the per pupil amount as determined by BESE with approval of the Jt. Legislative Committee on the Budget. Provides for automatic 2.75% growth adjustment in base per pupil amount if JLCB fails to approve the BESE recommended amount for FY 2011-12.
8. Relative to the local school system share calculation, provides as follows:
 - (a) Calculates property revenue contribution by multiplying the state's computed property tax rate (including debt service) by each school system's net assessed property value for the latest available fiscal year including Tax Increment Financing (TIF) areas. If a district's net assessed property value has increased equal to or greater than 10% over the prior year net assessed property value, then the growth in the net assessed property value will be capped at 10%. This cap will be applied on a year-to-year basis comparing the current year net assessed property value to the prior year uncapped net assessed property value. In FY 07-08, this millage was set at a level appropriate to yield a state average share of 65% and a local average share of 35%. The millage set in FY 07-08 will remain the same in FY 08-09 and beyond. BESE may revise the millage as deemed appropriate in order to reestablish the 65% to 35% share.
 - (b) Calculates sales revenue contribution by dividing the district's actual sales tax revenue collected (including debt service) in the latest available fiscal year by the district's sales tax rate that was applicable to create a sales tax

base. If a local school system's sales tax goes into effect during the fiscal year, the tax rate is prorated to an annual rate applicable for the total revenue generated. If a district's computed sales tax base increased equal to or greater than 15% over the computed sales tax base calculated in the prior year formula, then the growth in the computed sales tax base will be capped at 15% over the amount used in the prior year formula. This cap will be applied on a year-to-year basis comparing the current year sales tax base to the prior year uncapped sales tax base. Each district's sales tax base is then multiplied by the state's projected yield of the sales tax rate. In FY 07-08, this rate was set at a level appropriate to yield a state average share of 65% and a local average share of 35%. The rate set in FY 07-08 will remain the same in FY 08-09 and beyond. BESE may revise the rate as deemed appropriate in order to reestablish the 65% to 35% share.

- (c) Other revenue contribution is calculated by combining state revenue in lieu of taxes, federal revenue in lieu of taxes, and 50% of earnings on property.
- 9. Provides that the state share is calculated by subtracting the local share from the total level 1 costs.
- 10. Provides that in no event shall the state share of the total level 1 costs be less than 25% for any district.

Level 2 - Incentive For Local Effort

- 1. Continues provision that the local share of Level 2 revenue equals the district's eligible local revenue as calculated in Level 2 times the district's local share percentage of Level 1 times a factor of 1.72.
- 2. Continues provision that the state support of Level 2 incentive funding equals eligible revenue in Level 2 minus the local share of Level 2.
- 3. Continues provision that the maximum local revenue eligible for incentive funding in Level 2 is 34% of Total Base Foundation Level 1 State and Local costs.

Level 3—Legislative Enhancements

- 1. Continues supplemental pay raises for certificated personnel initiated in 2001-02, 2006-07, 2007-08, and 2008-09 as a per pupil amount.
- 2. Continues supplemental pay raises for noncertificated support workers initiated in 2002-03, 2006-07, and 2007-08 as a per pupil amount.
- 3. Continues the supplemental allocation of \$20,000 per teacher from BESE to local school systems that employ a Foreign Language Associate, not to exceed a total of 300 teachers.
- 4. Deletes incentive funding for local school systems that enroll a student who transfers from an academically unacceptable school in an amount equal to the current year MFP state-average local share per pupil, for a maximum of 3 years.
- 5. Continues the 10-year phase-out of hold harmless funding beginning with a 10% reduction of the revised "over funded" amount in FY 07-08. The annual 10% reduction amount will be redistributed in a per pupil amount to all non-hold harmless districts.
- 6. Continues providing local school systems with a per pupil funding amount of \$100 for increasing mandated costs involving health insurance, retirement, and fuel.

7. Deletes emergency funding assistance for FY 2009-10 to the parishes of Morehouse (\$1.6 million) and Union (\$1 million).

Funding for the Recovery School District

Proposed formula retains present formula provision that school districts shall include the student membership and weighted student counts of schools transferred to the RSD and that the state and local shares shall be transferred to the RSD.

Present formula provides that the basis of the local revenue per student allocation for RSD funding is the latest available date of the local school board of prior jurisdiction divided by total MFP student membership in the RSD and in prior district used in the MFP final allocation.

Proposed formula changes the basis of the local revenue per student allocation for RSD funding from "the latest available date" to "estimates for the upcoming year" for such prior school districts.

Present formula, for purposes of RSD funding, defines local revenue as including revenue from sales and use taxes and ad valorem taxes (less tax collection fees) and earnings from 16th section lands, excluding any portion specifically dedicated by the legislature or voter approval to capital outlay or debt service or which was actually expended by the school board for facilities acquisition and construction as reported to DOE.

Proposed formula retains these provisions but specifies that expenditures by the school board for facilities acquisition and construction must conform to the definitions in the Annual Financial Report and the La. Accounting and Uniform Governmental Handbook (LAUGH).

Present formula provides that the total local revenue allocation for the RSD is determined by multiplying the local revenue per student times the number of students in the RSD.

Proposed formula provides that the total local revenue allocation for the RSD shall be determined by multiplying the local revenue per student times the number of RSD students used in the MFP final allocation.

Present formula provides that the local revenues per student will be recalculated to include any increases in students recognized for the Oct. 1 count and that an increase in the Oct. 1 mid-year adjustment will result in a corresponding decrease in the local revenue per student. Also provides that there will be no recalculation of the local revenue per student at the Feb. 1 adjustment.

Proposed formula instead provides that based on the Oct. 1 student count, the local revenue allocation per student will be recalculated and there will be a corresponding adjustment in the local revenue allocation per student. Retains provisions relative to no recalculation at the Feb. 1 student count adjustment.

Present formula provides:

1. On each March 1, certifications from the local tax collection agent will be obtained to identify local revenues paid to the school district of prior jurisdiction to date minus any portion dedicated to capital outlay or debt service.
2. A certification will be obtained from the prior district for the amount of current year expenditures made to date for facilities acquisition and construction. Provides that such expenditures will be subtracted from revenues and a comparison made.
3. If there is an increase in local revenue collections then the district of prior jurisdiction is required to pay the RSD its proportional share of the increased revenues.

4. A final reconciliation is to be performed at the end of the fiscal year.
5. If the fiscal status of the district of prior jurisdiction changes during the fiscal year, the state superintendent may determine a reduced local revenue allocation.

Proposed formula deletes these provisions and instead provides:

1. To verify the estimated local revenues used in the local revenue allocation per student in the final MFP allocation, in the 3rd quarter of the fiscal year local revenues paid to date to the district of prior jurisdiction will be obtained from the most timely and reliable sources available to the Dept. of Education.
2. The estimate will be reconciled to the local revenues paid to date minus any portion dedicated to capital outlay or debt service or was actually expended for facilities acquisition and construction.
3. If a difference exists, there will be a corresponding adjustment in the local revenue allocation per student based on the number of students in the RSD on Oct. 1 and such funds shall be provided to the RSD.
4. In order for the district of prior jurisdiction and the RSD to record an accounting estimate in their respective financial statements, near the end of the fiscal year an updated local revenue estimate will be reconciled to the prior estimate; however, no adjustments to payments will occur.
5. A final reconciliation will occur based upon the receipt of the annual audited financial statements of the district of prior jurisdiction. If an increase or decrease in local revenue collections exists, the state superintendent may establish a payment schedule.
6. If the fiscal status of the district of prior jurisdiction or the RSD changes during the fiscal year on or before the final reconciliation, the state superintendent may adjust the local revenue allocation based upon the revenues identified.

Proposed formula retains present formula provision that except for administrative costs, monies appropriated to the RSD attributable to the transfer of a school and monies allocated or transferred from the prior school system to the RSD shall be expended solely on the operation of schools transferred from the prior system to the RSD.

Funding for LSU and SU Laboratory Schools

Proposed formula retains present formula provisions relative to university laboratory schools as follows:

1. Any elementary or secondary school operated by LSU or SU shall be considered a public school and annually appropriated funds as determined in the MFP formula.
2. Each student enrolled at LSU or SU lab schools shall be provided for and funded from the MFP a per pupil amount equal to the amount allocated per student for the state share of the MFP.
3. MFP funds appropriated to LSU and SU lab schools shall be allocated to the institution of higher education operating such schools which shall ensure the equitable expenditure of such funds to operate the schools.
4. Specifies that requirements in the formula relative to using 50% of increased funds for pay raises for certificated personnel also apply to the lab schools.

Funding for Type 2 Charter Schools

Proposed formula continues funding levels for Type 2 charter schools contained in present formula. Provides that any school authorized as a Type 2 charter school by BESE on or after July 1, 2008, shall annually be appropriated funds as determined by applying the formula contained in R.S. 17:3995, except that the local share allocation will be funded with a transfer of the MFP monthly amount representing the local share allocation from the city, parish, or local public school board in which the attending students reside. Provides that where student attendance is from multiple school districts, the Dept. of Education shall determine the local share based on students reported by the schools.

Proposed formula additionally specifies that the student membership count of Type 2 charter schools shall be included in the membership count of the local school board in which the school is located to determine the local share.

Funding for Office of Juvenile Justice Schools and Students

Proposed formula provides with respect to OJJ schools as follows:

1. Any elementary or secondary school operated by OJJ shall be considered a public school and annually appropriated funds as determined in the MFP formula.
2. Each student counted in the prior year average daily membership shall be provided for and funded from the MFP a per pupil amount equal to the amount allocated per student for the state share of the district where the student resided prior to adjudication.
 - a. The state share per pupil allocation shall be adjusted based on a factor determined by DOE to provide for the differential in the number of educational days provided to students in OJJ custody.
 - b. The state share per pupil allocation shall also be adjusted to recognize the increased number of special education students in OJJ schools relative to the state average special education student population.
3. Each student counted in the prior year average daily membership shall be provided for and funded from the MFP a local share per pupil amount equal to the amount allocated per student for the district where the student resided prior to adjudication.
 - a. For purposes of the local share allocation per pupil amount, the average daily membership of the OJJ shall be included in the membership counts of the local school board in which the student resided prior to adjudication to OJJ.
 - b. For a district that has schools transferred to the RSD and shares local revenue, the allocation for OJJ will be completed before the calculation of revenues for purposes of RSD funding.
 - c. The local share allocation shall be funded with a transfer of the MFP monthly amount representing the local share allocation from the local school board in which the attending students resided prior to adjudication to OJJ.

Adjustments for Audit Findings and Data Revisions

Present formula retains present formula provisions that review and/or audit of a district's data may cause changes in final statistical information and that any necessary adjustments in a district's MFP allocation resulting from such audit findings will be made in the following school year.

Required Pay Raise for Certificated Personnel

Proposed formula continues present formula requirement that 50% of a district's increased funds provided in Levels 1 and 2 over the prior year shall only be used to supplement full-time certificated salaries and retirement benefits for school systems, the RSD, and LSU/SU lab schools with an average teacher salary below the SREB average teacher salary.

70% Local General Fund Required Instructional Expenditure at the School Building Level

Proposed formula retains present formula requirement that 70% of local school system general fund expenditures must be in the areas of instruction and school administration at the school building level.

Proposed formula additionally provides as follows for a local school district that fails to meet the 70% instructional expenditure requirement:

1. A school district that fails to meet the 70% instructional expenditure requirement but has a District Performance Score (DPS) at or above the state average should be provided a waiver for noncompliance.
2. A school district that fails to meet the 70% instructional expenditure requirement and has a DPS below the state average should face the following consequences:
 - a. Be required to assess expenditures in non-instructional areas to determine operational activities that could be streamlined through outsourcing, privatization, or consolidation and report to BESE on the implementation plan to redirect any savings from these actions to instructional activities in accordance with DOE timelines.
 - b. Be required to examine the manner in which state and federal funds are utilized, revise spending patterns, and report to BESE on implementation of these actions according to DOE timelines.
 - c. If involved in desegregation litigation, be required to examine the manner in which state and federal funds are utilized, revise spending patterns, and report to BESE on implementation of these actions according to DOE timelines.

Expenditure Requirement for Foreign Language Associate Program

Proposed formula retains present formula requirement that the state must maintain support of the Foreign Language Associate Program at a maximum of 300 Foreign Language Associates employed in any given year. Provides that these teachers shall be paid by the employing school system or school the state average classroom teacher salary (without PIP) by years of experience and degree beginning with year three. Specifies that first-year teachers will receive an installation incentive of an additional \$6,000 and second- and third-year teachers will receive a retention incentive of an additional \$4,000. Provides that these amounts must be provided to each Foreign Associate Teacher by each school district or school in which the teacher is employed.

Expenditure Requirement for Educational Purposes

Proposed formula retains present formula requirement that state MFP funds shall only be expended for educational purposes.

Accountability Provisions

Present formula provides that each school district with a school that has a School

Performance Score (SPS) below 60 and growth of less than 2 points in the SPS will be included in an annual MFP Accountability Report submitted to the Senate and House Committees on Education by June 1 of each year.

Proposed formula deletes these provisions and instead provides that each school recognized by DOE will be included in a MFP Accountability Report submitted to the Senate and House Committees on Education by June 30 of each year.

Present formula provides that students attending an academically unacceptable school in School Improvement 4 (SI4) that does not have a BESE approved reconstitution plan or an academically unacceptable school in School Improvement 5 (SI5) that does not have a BESE approved and implemented reconstitution plan shall not be considered in the MFP formula calculations. Further provides that staff assigned to a SI4 school without a BESE approved reconstitution or a SI5 school without a BESE approved and implemented reconstitution plan shall not be considered in the MFP for any purposes.

Proposed formula deletes these provisions.

Present formula provides for accountability measures for the funding generated by the At-Risk and Career and Technical Weights as follows:

1. Requires local school systems to assure that 85% of the incremental increase in the at-risk weight generated in FY 08-09 continue and report to DOE on the utilization of such funds.
2. Requires local school systems to assure that funding generated by the incremental increase in the at-risk weight generated in FY 08-09 continue and report to DOE on the utilization of such funds.

Proposed formula deletes these provisions and instead provides for accountability from local school districts, the RSD, and the LSU/SU lab schools for all weight factors: at-risk, career and technical education, special education other exceptionalities, and special education gifted and talented on the following:

1. Personnel.
2. Professional Services.
3. Instructional Materials.
4. Equipment.
5. Supplies that serve the unique needs of the students generating such funds.

Requires an annual report to DOE detailing the types of activities for which these funds were expended to serve the needs of the weighted students. Further requires that such report be published on the DOE website in an easily understandable format.

Study of Funding for Public Education

Proposed formula directs DOE to establish a task force to study funding for public education to include the following issues:

1. Review the effectiveness of the wealth factors in the MFP formula.
2. Evaluate a potential increase of the 70% instructional requirement to 80%.
3. Continue the study of student-based budgeting, including the impact of desegregation on its implementation.