

2020 Regular Session

SENATE CONCURRENT RESOLUTION NO. 21

BY SENATOR FIELDS

BESE. Provides for legislative approval of the MFP formula for the 2020-2021 Fiscal Year.

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A CONCURRENT RESOLUTION

To provide for legislative approval of the formula developed by the State Board of Elementary and Secondary Education pursuant to Article VIII, Section 13(B) of the Constitution of Louisiana to determine the cost of a minimum foundation program of education in all public elementary and secondary schools as well as to equitably allocate the funds to parish and city school systems, and adopted by the board on March 11, 2020.

WHEREAS, the minimum foundation program formula for the 2020-2021 Fiscal Year as adopted by the State Board of Elementary and Secondary Education on March 11, 2020, reads as follows:

PROPOSED

FY 2020-2021 MINIMUM FOUNDATION PROGRAM FORMULA

The FY 2020-21 Minimum Foundation Program (MFP) formula was adopted by the Board of Elementary and Secondary Education on March 11, 2020.

The formula determines allocations for city, parish, or other public school systems or schools. The definition of city, parish, or local public school systems and schools shall include city and parish school systems, Recovery School District including direct operated and Type 5 charter schools, Louisiana School for Math, Science, and

1 the Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), Thrive
2 Academy, New Type 2 Charter schools, Legacy Type 2 Charter schools, Type 3B
3 Charter schools, Office of Juvenile Justice (OJJ) schools, and Louisiana State
4 University, Southern University, and University of Louisiana at Lafayette Lab
5 schools. The formula is divided into four calculations as follows:

6 **Level 1** determines the minimum cost of education based on the education needs of
7 each student. The cost includes funding for students enrolled in city and parish
8 school systems, Recovery School District operated and Type 5 Charter schools, New
9 Type 2 Charter schools, and Type 3B Charter schools. The cost is then shared
10 equitably between the State and the city and parish school systems based on the
11 ability of the systems to support education in their communities through local sales
12 and property tax revenues.

13 **Level 2** provides an incentive for city and parish school systems to support education
14 in their communities above the minimum level of financial support required.

15 **Level 3** provides specific legislative education funding to city and parish school
16 systems for teacher and support worker pay raises, the Historical Formula
17 Allocation, and mandated operating costs.

18 **Level 4** provides additional funding including:

- 19 • Supplementary funding to meet specific needs at city, parish, or other
20 local school systems and schools including Foreign Associate
21 Teacher Salary and Stipends Allocation, Career Development
22 Allocation, High Cost Services Allocation, and Supplemental Course
23 Allocation.
- 24 • Allocations for State-approved public school systems or schools
25 including Legacy Type 2 Charter schools, Louisiana State University,
26 Southern University, and University of Louisiana at Lafayette Lab
27 schools, New Orleans Center for Creative Arts (NOCCA), Louisiana
28 School for Math, Science, and the Arts (LSMSA), Thrive Academy,
29 and Office of Juvenile Justice (OJJ) schools.
- 30 • Mid-Year Allocation Adjustments to account for mid-year increases

1 and decreases in students in all city, parish, or other local public
2 school systems or schools.

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

12 **I. FORMULA CALCULATIONS**

13 **A. Level 1: Calculate State and Local Cost Allocation**

14 **1. Determine Educational Costs**

15 Eligible students from the following school systems and schools will be counted in
16 both the Base and Weighted Student Memberships:

- 17 a. City and parish school systems.
- 18 b. State-Approved Public Schools - The student counts of New Type 2
19 Charter Schools shall be included in the membership and weighted
20 student counts of the city or parish school system in which the
21 student resides.
- 22 c. Recovery School District - The student membership and weighted
23 student counts of schools transferred to the Recovery School District,
24 both direct operated and Type 5 Charter schools, shall continue to be
25 included in the membership and weighted student counts of the city
26 or parish school system from which jurisdiction of the school was
27 transferred.

28 **STEP ONE: Determine the Number of Eligible Students for the Base Count**

29 The formula first counts each of the students enrolled on February 1 to determine the
30 cost of education services. The formula utilizes the February 1 Student Membership

1 Count to allocate funding beginning in July. The students eligible to be counted are
2 identified in the Student Membership Definition adopted by the Board of Elementary
3 and Secondary Education. These students are counted as one (1.0) in the formula.

4 **STEP TWO: Determine the Number of Students Eligible for the Weighted**
5 **Student Count**

6 The formula recognizes that providing educational services to meet the needs of
7 particular students is more costly than regular educational services. Each special
8 characteristic or need is given a numerical value referred to as a weight. The special
9 needs of each student are taken into consideration by multiplying the student count
10 for each eligible child (1.0) by each of the weights. This calculation provides
11 additional students that are then added to the February 1 Student Membership Count
12 to equal the Total Weighted Student Membership Count. The students and units
13 eligible to be counted are identified in the Student Membership Definition adopted
14 by the Board of Elementary and Secondary Education. The following are the
15 additional costs recognized by the formula:

16 **Low Income and English Language Learner Weight** - The formula recognizes
17 that students living in poverty or students with a native language other than English
18 are more likely to require additional educational services to be successful. To
19 recognize that these services require additional costs, students identified by the
20 Student Membership Definition for Low Income and English Language Learner
21 Weight are provided a weight of 22%.

22 **Career and Technical Education Weight** - The formula recognizes that the cost of
23 providing materials and equipment, and teacher credentialing and training, for Career
24 and Technical Education courses is above and beyond the cost of traditional
25 academic education. Each secondary career and technical education course in which
26 a student is enrolled in the fall or spring semesters is provided a weight of 6%.

27 **Special Education Weight** - The formula addresses the extra cost associated with
28 the delivery of services required in order to meet the needs of students with
29 disabilities. Students with disabilities that have an Individualized Education Program
30 (IEP) plan developed according to Board of Elementary and Secondary Education

1 regulations are provided a weight of 150%.

2 **Gifted and Talented Weight** - The formula recognizes the cost of providing
3 educational services to Gifted and Talented students that have an Individualized
4 Education Program (IEP) Plan developed according to Board of Elementary and
5 Secondary Education regulations and are provided a 60% weight.

6 **Economy of Scale Weight** - This weight is provided for city or parish school
7 systems to recognize a base amount of funding for fixed overhead costs that should
8 be provided when student populations equal 7,500 students or less. The Economy of
9 Scale Weight is calculated as a curvilinear weight of 20% at a student membership
10 count of zero down to 0% at a student membership count equal to or greater than
11 7,500. To calculate this weight, the February 1 Student Membership Count for each
12 city and parish school system is subtracted from 7,500 and divided by 37,500. The
13 result of this calculation is then multiplied by each system's February 1 Student
14 Membership Count to determine the weighted students.

15 **STEP THREE: Determine Total Weighted Student Membership Count**

16 **Formula:**

17 **Total Weighted Student Membership Count**

18 **Equals**

19 **February 1 Student Membership Count (1.0)**

20 **Plus**

21 **Low Income and English Language Learner Weight**

22 **Career and Technical Education Weight**

23 **Special Education Weight**

24 **Gifted and Talented Weight**

25 **Economy of Scale Weight**

26 **STEP FOUR: Identify the State and Local Base Cost Per Pupil**

27 **Formula:**

28 **The State and Local Base Cost Per Pupil shall equal \$4,125.**

29 **STEP FIVE: Determine Total MFP Educational Costs**

30 **Formula:**

1 **Total MFP Educational Costs**

2 **Equals**

3 **Total Weighted Student Membership Count**

4 **Multiplied by**

5 **State and Local Base Cost Per Pupil**

6 **2. Determine State and Local Cost Allocation**

7 The Total MFP Educational Costs are shared between the State and the city or parish
8 school systems. The ability of school systems to support the cost of education in their
9 communities is measured by the potential to raise local revenue. This potential
10 contribution is measured by the following three factors using the latest available data
11 as reported through the Annual Financial Report (AFR) as required by R.S. 17:92:

12 1. Local Property Tax Revenue Contribution

13 2. Local Sales Tax Revenue Contribution

14 3. Other Local Revenue Contribution

15 **STEP ONE - Determine the Local Property Tax Revenue Contribution**

16 **Formula:**

17 **Local Property Tax Revenue Contribution**

18 **Equals**

19 **State Computed Property Tax Millage (debt and non-debt)**

20 **Times**

21 **Net Assessed Property Value**

22 **Net Assessed Property Value Increase Cap** - If a school system's Net Assessed
23 Property Value has increased equal to or greater than 10% over the prior year Net
24 Assessed Property Value, then the growth in the Net Assessed Property Value is
25 capped at 10%. This cap is applied on a year-to-year basis comparing the current
26 year Net Assessed Property Value to the prior year uncapped Net Assessed Property
27 Value.

28 **Computed Property Tax Millage** - The Computed Property Tax Millage is calculated
29 annually at the rate necessary to maintain a state and local allocation ratio of
30 65%/35%.

1 **STEP TWO - Determine the Local Sales Tax Revenue Contribution**

2 **Formula:**

3 **Local Sales Tax Revenue Contribution**

4 **Equals**

5 **Computed Sales Tax Base (debt and non-debt) (including TIF areas)**

6 **Multiplied By**

7 **State Computed Sales Tax Rate**

8 **Mid-Year Rate Increases** - If a local school system's sales tax goes into effect
9 during the fiscal year, the tax rate is prorated to an annual rate applicable for the total
10 revenue generated.

11 **Sales Tax Increase Cap** - If a system's Computed Sales Tax Base increased equal
12 to or greater than 15% over the Computed Sales Tax Base calculated in the prior year
13 formula, then the growth in the Computed Sales Tax Base will be capped at 15%
14 over the amount used in the prior year formula. This cap will be applied on a
15 year-to-year basis comparing the current year sales tax base to the prior year
16 uncapped sales tax base.

17 **Computed Sales Tax Rate** - The Computed Sales Tax Rate is calculated annually
18 at the rate necessary to maintain a state and local allocation ratio of 65%/35%.

19 **STEP THREE - Determine Other Local Revenue Contribution**

20 **Formula:**

21 **Other Local Revenue Contribution**

22 **Equals**

23 **State Revenue in lieu of taxes**

24 **Plus**

25 **Federal Revenue in lieu of taxes**

26 **Plus**

27 **50% of Earnings on Property**

28 **STEP FOUR - Determine Local Cost Allocation**

29 **Formula:**

30 **Local Cost Allocation**

1 **Equals**
 2 **Property Tax Contribution**
 3 **Plus**
 4 **Sales Tax Contribution**
 5 **Plus**
 6 **Other Revenues Contribution**

STEP FIVE - Determine State Cost Allocation

Formula:

State Cost Allocation

Equals

Total State and Local Cost

Minus

Local Cost Allocation

Minimum State Cost Allocation - In no event shall the State Cost Allocation be less than 25% of Total Level 1 Cost for any city or parish school system.

B. Level 2: Incentive for Local Effort

Level 2 provides incentives for city and parish school systems that contribute a greater proportion of local revenues towards the cost of education in their communities by increasing local property and sales tax revenues. This effort is measured using the latest available data for the following sources of revenue as reported in the Annual Financial Report (AFR) as required in R.S. 17:92.

1. Total Sales Taxes
2. Total Property Taxes
3. State and Federal Revenue in Lieu of Taxes
4. 50% Earnings on Property Revenue

STEP ONE - Determine Eligible Local Revenue

Formula:

Eligible Local Revenue

Equals

Total Sales Tax Revenue

1 **Plus**

2 **Total Property Tax Revenue**

3 **Plus**

4 **State and Federal Revenue in Lieu of Taxes**

5 **Plus**

6 **50% of Earnings on Property Revenue**

7 **STEP TWO - Determine Local Revenue Eligible for Incentive**

8 **Formula:**

9 **Local Revenue Eligible for Incentive**

10 **Equals**

11 **Eligible Local Revenue**

12 **Minus**

13 **Local Cost Allocation**

14 **STEP THREE - Determine the Limit on Revenue Eligible for Incentive**

15 **Formula:**

16 **Limit on Revenue Eligible for Incentive**

17 **Equals**

18 **Total State and Local Cost Allocation**

19 **Multiplied by**

20 **34%**

21 **STEP FOUR - Determine Local Support of Level 2 Incentive**

22 **Formula:**

23 **Local Support of Level 2 Incentive**

24 **Equals**

25 **Lesser of Local Revenue Eligible for Incentive or Limit on Local**

26 **Revenue Eligible for Incentive**

27 **Multiplied by**

28 **Local Cost Allocation Percentage (Level 1)**

29 **Multiplied by**

30 **Level 2 Incentive Factor**

1 **Level 2 Incentive Factor** - The Level 2 Incentive Factor determines the amount of
2 local support required in Level 2. In FY 2014-2015, the Level 2 Incentive Factor is
3 established at 1.72.

4 **STEP FIVE - Determine State Cost of Level 2 Incentive**

5 **Formula:**

6 **State Support of Level 2 Incentive**

7 **Equals**

8 **Lesser of Local Revenue Eligible for Incentive or Limit on Local**
9 **Revenue Eligible for Incentive**

10 **Minus**

11 **Local Support of Level 2 Incentive**

12 **C. Level 3: Legislative Allocations**

13 Level 3 provides funding for three programs that address funding for school systems
14 and schools regarding teacher and support worker pay raises, historical formula
15 allocations, and mandated operating costs, and are in addition to allocations provided
16 in Level 1 and 2. These allocations are as follows:

17 **Formula:**

18 **Total Level 3 Legislative Allocations**

19 **Equals**

20 **Continuation Pay Raises**

21 **Plus**

22 **Historical Formula Allocation**

23 **Plus**

24 **Mandated Costs in Health Insurance, Retirement, and Fuel**

25 **STEP ONE: Calculate Continuation Funding for Pay Raises**

26 **1.** Certificated Personnel Pay Raises were implemented in four recent years to
27 assist in increasing Teacher and School Leader pay to the Southern Regional
28 Average. These funds continue to be provided directly to systems and schools to
29 support these increased salaries.

30 a. Certificated Personnel Pay Raises provided in 2001-2002, 2006-2007,

1 2007-2008, and 2008-2009 will continue for each school system and school
2 based on the calculated per pupil amount times the February 1 Student
3 Membership Count.

4 **2.** Non-certificated Support Worker Pay Raises were implemented in three
5 recent years to assist with increasing these salaries.

6 a. Non-certificated Support Worker Pay Raises provided in
7 2002-2003, 2006-2007, and 2007-2008 will continue for each school
8 system and school based on the calculated per pupil amount times the
9 February 1 Student Membership Count.

10 **3.** This provision applies to city and parish school systems, Recovery School
11 District, New Orleans Center for Creative Arts (NOCCA), Louisiana School for
12 Math, Science, and the Arts (LSMSA), Thrive Academy, Legacy Type 2 Charter
13 Schools, New Type 2 Charter Schools, Type 3B Charter Schools, Louisiana State
14 University, Southern University, and University of Louisiana at Lafayette Lab
15 schools, and Office of Juvenile Justice (OJJ).

16 **STEP TWO: Calculate Historical Formula Allocations**

17 **Allocations for Insurance and Pay Raises** - The following school systems
18 are being provided continuing funding for the 1994 insurance supplement
19 and employee pay raises provided by the Legislature beginning in 1997
20 through 1999: East Baton Rouge, Iberville, Jefferson, Lafayette,
21 Plaquemines, Pointe Coupee, St. Charles, St. James, and West Feliciana.

22 **Redistribution Allocation** - After setting aside the insurance and pay raise
23 funding, the balance of the "Hold Harmless" funding was removed from
24 these school districts over ten years from 2006-2007 to 2016-2017:
25 Concordia, East Baton Rouge, Evangeline, Iberville, Jefferson, Plaquemines,
26 St. Charles, St. James, and West Feliciana.

27 The amount of funding removed from the districts listed above is reserved
28 and redistributed to the remaining school districts. The total amount is
29 divided by the total number of students within these same districts to
30 calculate a per pupil amount. The allocation is determined using the per pupil

1 amount multiplied by the February 1 student membership count.

2 **STEP THREE: Determine Allocation for Increasing Mandated Costs in Health**
3 **Insurance, Retirement, and Fuel**

4 City and parish school systems shall receive a minimum of \$100.00 for each
5 student in the prior year February 1 membership to offset these increasing
6 operational costs.

7 The following formula is applied to determine the Level 1, 2, and 3 State
8 Cost Allocation Per Pupil:

9 **Formula:**

10 **Level 1, 2, and 3 State Cost Allocation Per Pupil**

11 **Equals**

12 **Level 1 State Cost Allocation Per Pupil**

13 **Plus**

14 **Level 2 State Cost Allocation Per Pupil**

15 **Plus**

16 **Level 3 State Cost Allocation Per Pupil**

17 **D. Level 4: Supplementary Allocations**

18 1. Specific Needs Allocations

19 Specific Needs Allocations provide funding for four allocations for specific
20 purposes and is in addition to system level allocations from Levels 1, 2, and

21 3. These allocations are as follows:

22 **Formula:**

23 **Total Level 4 Supplementary Allocations**

24 **Equals**

25 **Foreign Language Associate Program Salary and Stipend Allocation**

26 **Plus**

27 **Career Development Allocation**

28 **Plus**

29 **High Cost Services Assistance Allocation**

30 **Plus**

Supplemental Course Allocation**Plus****2019-20 Certificated and Non-Certificated Pay Raises****Plus****Mentor Teacher Stipends****STEP ONE: Calculate Foreign Language Associate Salary and Stipend Allocation**

Salary Allocation - Any city, parish, or other public school system or school employing a Foreign Language Associate or a graduate of the Escadrille Louisiane program shall receive a supplemental allocation from State Board of Elementary and Secondary Education of \$21,000 per teacher. The state shall maintain support of the Foreign Language Associate program at a maximum of 300 Foreign Language Associates employed in any given year.

These teachers shall be paid by the employing city, parish, or other local public school system or school at least the state average classroom teacher salary (without PIP) by years of experience and degree beginning with year three. Of the \$21,000 allocation, \$20,000 shall be allocated to the school where the teacher is employed and the funds used to support the total cost of the teacher salary, and the remaining amount shall be associated with costs of VISA sponsorship pursuant to Board of Elementary and Secondary Education regulations.

Stipend Allocation - First year teachers will receive an installation incentive of an additional \$6,000; second and third year teachers will receive a retention incentive of an additional \$4,000. These amounts must be provided to each Foreign Associate Teacher or Escadrille Louisiane graduate by each school district or school in which they are employed.

STEP TWO: Career Development Allocation

The cost of providing materials and equipment and teacher credentialing and training to attain a statewide industry-based credential is above and beyond the cost typically required for high school courses. An allocation will be provided to support the development of these technical courses required for statewide credentials in city

1 and parish school systems and other public schools.

2 The first step in the allocation is to calculate six percent (6%) of the MFP
3 State and Local Base Cost Per Pupil to determine the Career Development Per Pupil
4 Amount. The Career Development Per Pupil Amount will be provided for each
5 qualifying student course enrollment in grades 9 through 12 and grade 8 for select
6 career readiness courses for high school credit.

7 If a city or parish school system receives less than \$25,000 from the Career
8 Development Per Pupil Amount, then the city or parish school system will be
9 provided an economies of scale minimum allocation of \$25,000. If other public
10 school systems and schools containing grades 9 through 12 receive less than \$10,000
11 from the Per Pupil Amount, then the other public school systems and schools
12 containing grades 9 through 12 will be provided an economies of scale minimum
13 allocation of \$10,000.

14 **Formula:**

15 **Career Development Allocation Per Pupil**

16 **Equals**

17 **MFP State and Local Base Cost Per Pupil**

18 **Multiplied By**

19 **Six Percent (6%)**

20 **Formula:**

21 **Career Development Allocation**

22 **Equals**

23 **Career Development Allocation Per Pupil**

24 **Multiplied By**

25 **Number of Students in Qualifying Courses in Grades 9 through**

26 **12 and Grade 8 for select Career Readiness Courses**

27 **STEP THREE: Calculate High Cost Services Assistance**

28 High cost services for students with disabilities generate a particular
29 budget challenge for city, parish, and other public school systems and
30 schools.

1 In an effort to assist with these expenses, an allocation will be
2 provided to city, parish, and other public school systems and schools which
3 submit documentation as required by the Louisiana Department of Education
4 substantiating that the prior year cost of services for a specific student
5 exceeds three times the most recent state average total expenditure per pupil
6 amount.

7 Once costs associated with providing services for a student with a
8 disability or disabilities have been verified, the city or parish school system
9 or other public school will be eligible to receive an allocation to assist with
10 these costs. The allocation will be limited by the amount budgeted for the
11 High Cost Services Assistance Allocation. So as to be equitably distributed,
12 the total allocation provided to city and parish school systems versus other
13 public schools shall be proportional to the share of total qualifying
14 applications submitted by city and parish school systems versus other public
15 schools.

16 The first step in the allocation will be to calculate the impact of these
17 costs on the budget of the school system or school using the latest available
18 state and local revenue data. The High Cost Services requested for
19 reimbursement will be reduced by the MFP state and local amount allocated
20 on behalf of each student from Levels 1, 2, and 3. The next step will rank the
21 Percent (%) Impact from highest to lowest percent, with two separate rank
22 listings for school systems and other public schools.

23 **Formula:**

24 **Percent (%) Impact on Budget**

25 **Equals**

26 **Cost of Services**

27 **Divided By**

28 **Total State and Local Revenue**

29 The two ranked listings will be divided into four tiers and allocations
30 will be provided based on a percentage from one hundred percent

1 reimbursement in the highest funded tier with smaller percentages
2 reimbursed in the lower tiers based on where the school system or school
3 falls within the tiers on one of the two lists.

4 **STEP FOUR: Calculate Supplemental Course Allocation**

5 Pursuant to R.S. 17:4002.1 through 4002.6, the Supplemental Course
6 Allocation shall provide for the cost of secondary course choices specifically
7 approved by the Board of Elementary and Secondary Education. For each
8 city and parish school system and other public school, the allocation shall
9 equal the number of students enrolled in grades 7 through 12 as of February
10 1 each year multiplied by \$59 per pupil.

11 **Formula:**

12 **Supplemental Course Allocation for School Systems or Other**
13 **Public Schools**

14 **Equals**

15 **Supplemental Course Allocation Per Pupil**

16 **Multiplied By**

17 **Number of Students in Grades 7 through 12**

18 If the entire allocation is not committed by the city or parish public
19 school systems or other public school by a date set forth by the Louisiana
20 Department of Education, the original allocation will be reduced by the
21 uncommitted amount. The total uncommitted amount from each city or
22 parish public school systems or other public school will be reallocated to
23 those city or parish public school systems or other public schools that
24 obligated one hundred percent of their original allocation based on criteria
25 set forth by the Louisiana Department of Education.

26 **STEP FIVE: Calculate 2019-20 Certificated and Non-Certificated Pay Raises**

27 1. **Certificated Personnel Pay Raise**

28 Each city, parish, or other public school district or school shall receive
29 \$1,000 plus the annual retirement rate as reported by Teachers Retirement
30 System of Louisiana (TRSL) in the for the employer contribution to the

1 appropriate retirement system based on Profile of Educational Personnel
2 (PEP) data as of October 1 to provide an across the board \$1,000 pay raise
3 and any associated retirement for K-12 classroom educators and other
4 certificated K-12 personnel defined per Louisiana Department of Education
5 Bulletin 1929 to include:

6 Teachers (all function codes 1000-2200s, object code 112);
7 Therapists/Specialists/Counselors (function codes 1000- 2200s,
8 object code 113); School Site-based Principals, Assistant Principals,
9 and Other School Administrators (function code 2400s, object code
10 111); Central Office Certificated Administrators (function codes
11 1000-2200 & 2324, 2831, and 2832 (excluding 2130s), object code
12 111); School Nurses (function code 2134, object code 118); and
13 Sabbaticals (function codes 1000-2200s, 2134, and 2400s, object
14 code 140).

15 2. Non-Certificated Personnel Pay Raise

16 Each city, parish, or other public school district or school shall receive \$500
17 plus the annual retirement rate as reported by the Louisiana School
18 Employees Retirement System (LSERS) for the employer contribution to the
19 appropriate retirement system based on the Profile of Educational Personnel
20 (PEP) data as of October 1 to provide an across the board \$500 pay raise and
21 associated retirement for non-certificated K-12 personnel defined per
22 Louisiana Department of Education Bulletin 1929 to include:

23 Aides (function codes 1000-4900s, object code 115); Support
24 Supervisors (function codes 2130s, 2300s (excluding 2311, 2321,
25 2324, 2831 and 2832) and 2500- 4900s, object code 111);
26 Clerical/Secretarial (function codes 1000-4900s, object code 114);
27 Service Workers (function codes 1000-4900s, object code 116);
28 Skilled Craftsmen (function codes 1000-4900s, object code 117);
29 Degreed Professionals (function codes 1000-4900s, (excluding
30 2134s) object code 118); and Other Personnel (function codes

1 1000-4900s, object codes 100, 110 and 119).

2 **STEP SIX: Calculate Certified Mentor Teacher Stipend Allocation**

3 Certified Mentor Teachers serving in the role of a Mentor Teacher
4 based on October 1 Profile of Educational Personnel (PEP) data will
5 receive a stipend of \$2,000. This amount must be provided to each
6 mentor teacher by each school district or school in which they are
7 employed.

8 **STEP SEVEN: Calculate 2020-21 Certificated Pay Raise**

9 Each city, parish, or other public school district or school whose average
10 teacher salary as reported by the Louisiana Department of Education is below
11 the latest available Southern Regional Education Board (SREB) average
12 teacher salary shall reserve 50% of the increase generated by the 2.75%
13 increase to the Base Per Pupil in 2020-2021 and shall utilize this funding to
14 pay for: 1) Pay raise to certificated K-12 classroom educators and other
15 certificated K-12 personnel as of October 1 Profile of Educational Personnel
16 (PEP) data as defined per Louisiana Department of Education Bulletin 1929
17 to include:

18 Teachers (all function codes 1000-2200s, object code 112);
19 Therapists/Specialists/Counselors (function codes 1000- 2200s,
20 object code 113); School Site-based Principals, Assistant Principals,
21 and Other School Administrators (function code 2400s, object code
22 111); Central Office Certificated Administrators (function codes
23 1000-2200 & 2324, 2831, and 2832 (excluding 2130s), object code
24 111); School Nurses (function code 2134, object code 118); and
25 Sabbaticals (function codes 1000-2200s, 2134, and 2400s, object
26 code 140).

27 2) Any associated retirement costs as applicable.

28 2. Allocations for Other Public Schools

29 **STEP ONE: Louisiana State University, Southern University, and University**
30 **of Louisiana at Lafayette Laboratory Schools**

- 1 1. State Cost Allocation
- 2 a. The February 1 Student Membership count at the Louisiana
- 3 State University, Southern University, and University of Louisiana
- 4 at Lafayette Lab Schools shall be multiplied by the Average State
- 5 Cost Allocation Per Pupil to equal the Louisiana State University,
- 6 Southern University, and University of Louisiana at Lafayette Lab
- 7 Schools State Cost Allocation.
- 8 b. Funds appropriated for these schools shall be allocated to the
- 9 institution of higher education operating such a school. Each such
- 10 institution of higher education shall ensure the equitable expenditure
- 11 of such funds to operate such schools.

STEP TWO: Legacy Type 2 Charter Schools

A Legacy Type 2 Charter school is a Type 2 Charter school approved by the Board of Elementary and Secondary Education before July 1, 2008.

- 15 1. State Cost Allocation
- 16 a. Any Legacy Type 2 Charter school shall annually be allocated
- 17 funds as determined by applying the formula contained in R.S.
- 18 17:3995.
- 19 b. The State Cost Allocation equals the number of students
- 20 multiplied by the State Per Pupil for the system where the student
- 21 resides.
- 22 2. Local Cost Allocation
- 23 a. Any Legacy Type 2 Charter school shall annually be allocated
- 24 funds as determined by applying the formula contained in R.S.
- 25 17:3995.
- 26 b. The Local Cost Allocation equals the number of students
- 27 multiplied by the Local Per Pupil for the system where the student
- 28 resides.
- 29 c. For any student enrolled in a Legacy Type 2 Charter school,
- 30 the Local Cost Allocation shall be funded by the State.

1 3. The exclusion of any portion of local revenues specifically dedicated
2 by the legislature or by voter approval to capital outlay or debt service shall
3 be applicable only to a charter school housed in a facility or facilities
4 provided by the district in which the charter school is located.

5 **STEP THREE: Office of Juvenile Justice (OJJ) Schools**

6 1. Eligible Schools - Any elementary and secondary school operated by
7 the Office of Juvenile Justice (OJJ) in a secure care facility shall be
8 considered a public elementary or secondary school and, as such, the
9 Office of Juvenile Justice (OJJ) shall be annually appropriated funds
10 for these students.

11 2. Eligible Students - Each student counted in the prior year average
12 daily membership, as defined by the Board of Elementary and
13 Secondary Education in the Student Membership Definition, is
14 calculated by dividing the number of days the student is under the
15 guidance and direction of teachers by the total instructional days
16 during the specified school year.

17 3. Allocation - The Office of Juvenile Justice (OJJ) shall annually be
18 allocated funds for the eligible students. For each student enrolled in
19 these schools, both a State Cost Allocation and a Local Cost
20 Allocation shall be provided.

21 4. State Cost Allocation

22 a. The State Cost Allocation is equal to the State Cost
23 Allocation Per Pupil for the system where each student resided prior
24 to adjudication multiplied by the prior year average daily
25 membership of the Office of Juvenile Justice schools.

26 b. The State Cost Allocation Per Pupil allocation shall be
27 adjusted based on a factor determined by the Louisiana Department
28 of Education to provide for the differential in the number of
29 educational days provided to the students in the custody of the Office
30 of Juvenile Justice (OJJ).

1 c. Additionally, the State Cost Allocation Per Pupil shall be
2 adjusted based on a factor determined by the Louisiana Department
3 of Education to recognize the increased number of special education
4 students in the Office of Juvenile Justice (OJJ) schools relative to the
5 state average special education student population.

6 d. The average daily membership will be reconciled on an
7 annual basis using the latest available data.

8 5. Local Cost Allocation

9 a. Each student counted in the prior year average daily
10 membership, as defined by the Board of Elementary and Secondary
11 Education, shall be provided for and funded from the minimum
12 foundation program a Local Cost Allocation Per Pupil equal to the
13 Local Cost Allocation Per Pupil for the district where the student
14 resided prior to adjudication.

15 b. The Local Cost Allocation is equal to the Local Cost
16 Allocation Per Pupil for the system were each student resided prior
17 to adjudication multiplied by the prior year average daily
18 membership of the Office of Juvenile Justice schools.

19 c. For the purpose of the Local Cost Allocation Per Pupil, the
20 average daily membership of the Office of Juvenile Justice (OJJ)
21 shall be included in the membership counts of the city, parish, or
22 other local public school board in which the student resided prior to
23 adjudication to the Office of Juvenile Justice.

24 d. For a district(s) that shares local revenue, the allocation for
25 the Office of Juvenile Justice will be completed before the
26 calculation of local revenues.

27 e. The Local Cost Allocation Per Pupil shall be funded with
28 a transfer of the MFP monthly amount representing the Local Cost
29 Allocation Per Pupil from the city, parish, or other local public school
30 board in which the attending students resided prior to adjudication to

1 the Office of Juvenile Justice (OJJ).

2 f. The average daily membership will be reconciled on an
3 annual basis using the latest available data.

4 3. Mid-Year Student Allocations

5 a. Student counts in October and February may result in mid-year
6 allocation adjustments for the following: City and parish school systems,
7 Recovery School District, New Type 2 Charter schools, Legacy Type 2
8 Charter schools, Type 3B Charter schools, Louisiana State University,
9 Southern University, and University of Louisiana at Lafayette Lab schools,
10 Louisiana School for Math, Science and the Arts (LSMSA), New Orleans
11 Center for Creative Arts (NOCCA), and Thrive Academy.

12 b. If the current year October 1 Mid-Year Student Count is more or less
13 than the prior year February 1 student count, an adjustment to the current
14 year allocation shall be made for each student gained or lost. The October
15 adjustment equals the number of students gained or lost times the annual
16 State Cost per pupil allocation amount for the system or school in which the
17 change occurred. The February adjustment equals the number of students
18 gained or lost times one-half of the State Cost per pupil allocation for the
19 system or school in which the change occurred.

20 c. Individual adjustments shall be made for increases or decreases in the
21 October or February Mid-Year Student Counts for the Recovery School
22 District, the system of prior jurisdiction, and Type 5 Charter schools.

23 d. Mid-Year adjustments for the Recovery School District shall utilize the
24 final State Cost per pupil allocation for the system of prior jurisdiction.

25 e. If the Recovery School District qualifies for an October Mid-Year
26 Adjustment to the State Cost per pupil allocation, a Mid-Year adjustment
27 shall also be made to the Local Cost per pupil allocation for the system of
28 prior jurisdiction. The October Local Cost per pupil allocation shall be
29 recalculated based on updated revenue data for the system of prior
30 jurisdiction. There shall be no recalculation of the Local Cost per pupil

1 allocation in conjunction with the February 1 student count.

2 f. City, Parish, or Local public school systems or schools in the first year
3 of operation are not eligible for an October Mid-Year Adjustment. However,
4 their allocation will be finalized using October 1 data. The newly opened
5 city, parish, or local public school systems or schools will qualify for the
6 February 1 mid-year adjustment.

7 g. October and February Mid-Year Adjustments shall be combined and
8 applied in the March through June payments.

9 **Total MFP State Cost Allocation**

10 **Formula:**

11 **Total MFP State Cost Allocation**

12 **Equals**

13 **Level 1 State Cost Allocation**

14 **Plus**

15 **Level 2 State Cost Allocation**

16 **Plus**

17 **Level 3 State Cost Allocation**

18 **Plus**

19 **Level 4 State Cost Allocation**

20
21 **II. FORMULA CALCULATIONS FOR STATE-APPROVED**
22 **PUBLIC SCHOOLS**

23 **A. Recovery School District**

24 **1. State Cost Allocation**

25 a. Once all final calculations are made, the final State
26 Cost Allocation Per Pupil Amount for the city or parish
27 school system which counted the Recovery School District
28 students will be multiplied by the February 1 Recovery
29 School District Student Membership Count to equal the
30 Recovery School District State Cost Allocation.

1 b. In a system with one or more Type 3B charter
 2 schools, if the Type 3B charter is not its own LEA, the local
 3 school system shall distribute minimum foundation program
 4 formula funds to each Type 3B charter school in the system
 5 pursuant to calculations determined by the Louisiana
 6 Department of Education. If the Type 3B charter is its own
 7 LEA, such payments shall be made to the Type 3B charter
 8 school by the Louisiana Department of Education. Such
 9 calculations shall include differentiated funding weights for
 10 certain students, including students identified as being
 11 eligible for special education services. The calculations shall
 12 ensure equity so that each Type 3B charter school in the
 13 system receives a per-pupil amount equal to the amount a
 14 Type 5 charter school located in the same parish or school
 15 system boundary would have received from the Recovery
 16 School District (RSD).

2. Local Cost Allocation

18 a. In addition to the State Cost Allocation, the Recovery School
 19 District shall receive an applicable Local Cost Allocation.

Formula:

Local Cost Allocation Per Pupil

Equals

Projected Local Revenues from District of Prior Jurisdiction

Divided by

**Total School District Membership (Recovery School District Student
 Membership Count plus Student Membership Count for the system of
 prior jurisdiction plus New Type 2 Charter school students residing in
 the jurisdiction)**

29 b. To begin the fiscal year, the Local Cost allocation is based on
 30 eligible projected local revenues for the most recent prior fiscal year

1 from the city or parish school district that had jurisdiction of the
2 school prior to its transfer.

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

10 1. Sales and use taxes, less any tax collection fee paid by the
11 school system

12 2. Ad valorem taxes, less any tax collection fee paid by the
13 school system

14 3. Earnings from sixteenth section lands owned by the school
15 system

16 d. The exclusion of any portion of local revenues specifically
17 dedicated by the legislature or by voter approval to capital outlay or
18 debt service shall be applicable only to a charter school housed in a
19 facility or facilities provided by the system in which the charter
20 school is located.

21 e. The projected local revenues shall be divided by the Total
22 School District Membership Count including the Recovery School
23 District Student Membership Count, both operated and charter
24 schools, plus the Student Membership Count of the system of prior
25 jurisdiction. If any New Type 2 Charter School student resides within
26 the physical boundaries of the system of prior jurisdiction, this school
27 the student attends shares in the local revenues of the system of prior
28 jurisdiction. As a result, the New Type 2 Charter School Student
29 Membership Count of the students residing in the jurisdiction will be
30 added to the Recovery School District and the system of prior

1 jurisdiction Student Membership Count.

2 f. The Local Cost Allocation for the Recovery School District
3 is determined by multiplying the local revenue per pupil times the
4 number of Recovery School District students used in the MFP final
5 allocation.

6 **Formula:**

7 **Local Cost Allocation**

8 **Equals**

9 **Projected Local Revenues from District of Prior Jurisdiction Per Pupil**

10 **Multiplied By**

11 **Recovery School District Student Membership Count**

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

16 h. Based on the October 1 Student Membership Count, the local
17 revenue allocation per student will be recalculated and there will be
18 a corresponding adjustment in the local revenue allocation. No
19 recalculation of the local revenues per student will occur as a result
20 of the February 1 Student Count adjustment.

21 i. During the third quarter of the fiscal year, the local revenue
22 allocation per student shall be adjusted to reflect actual prior year
23 local revenue data.

24 j. A final reconciliation will occur based upon the receipt of the
25 annual audited financial statements of the system of prior
26 jurisdiction. If an increase or decrease in local revenue collections
27 exists, the state superintendent may establish a payment schedule. In
28 the event that the fiscal status of the system of prior jurisdiction or
29 the Recovery School District changes during the fiscal year or on or
30 before the final reconciliation, the state superintendent may adjust the

1 local revenue based on the revenues identified.

2 3. Monies appropriated to the Recovery School District, except for
3 administrative costs, that are attributable to the transfer of a school from a
4 prior school system and monies allocated or transferred from the prior system
5 to the Recovery School District shall be expended solely on the operation of
6 schools transferred from the prior system to the jurisdiction of the Recovery
7 School District.

8 **B. New Type 2 Charter Schools**

9 A New Type 2 Charter school is a Type 2 Charter school approved after July 1, 2008
10 by the Board of Elementary and Secondary Education.

11 1. State Cost Allocation

12 a. Any New Type 2 Charter School shall annually be provided
13 a State Cost Allocation as determined by applying the formula
14 contained in R.S. 17:3995.

15 b. The State Cost Allocation equals the number of students
16 multiplied by the State Cost Allocation Per Pupil for the system in
17 which the student resides.

18 c. Mid-Year Adjustments shall adhere to the guidelines
19 established in this document.

20 2. Local Cost Allocation

21 a. Any New Type 2 Charter school shall annually be provided
22 a Local Cost Allocation by applying the formula contained in R.S.
23 17:3995.

24 b. The Local Cost Allocation equals the number of students
25 multiplied by the Local Cost Allocation Per Pupil for the system in
26 which the student resides.

27 c. One exception to R.S. 17:3995 is that the Local Cost
28 allocation will be funded with a transfer of the MFP monthly amount
29 representing the Local Cost Allocation from the city or parish school
30 system in which the attending students reside.

1 d. The city or parish where students attending the New Type 2
2 Charter school reside is the local taxing authority and shall provide
3 the local support for the students.

4 e. Mid-Year Adjustments will adhere to the guidelines
5 established in this document.

6 3. Virtual Charter schools may receive, as approved by the Board of
7 Elementary and Secondary Education, a lesser percentage of the state and
8 local amount calculated in R.S. 17:3995.

9 4. Where student attendance is from multiple school systems, the
10 Department of Education shall determine the Local Cost Allocation based on
11 students reported by the schools. The student membership count of the New
12 Type 2 charter schools shall be included in the membership count of the city
13 or parish school board in which the student resides to determine the Local
14 Cost Allocation.

15 5. In the first year of operation, a New Type 2 Charter school shall be
16 allocated funding based on an estimated student count since a February 1
17 student count does not exist. The allocation will be finalized based on the
18 October 1 student count.

19 6. The exclusion of any portion of local revenues specifically dedicated by
20 the legislature or by voter approval to capital outlay or debt service shall be
21 applicable only to a charter school housed in a facility or facilities provided
22 by the district in which the charter school is located.

23 **C. Louisiana School for Math, Science, and the Arts (LSMSA), New**
24 **Orleans Center for Creative Arts (NOCCA), and Thrive Academy.**

25 1. The Louisiana School for Math, Science and the Arts (LSMSA),
26 New Orleans Center for Creative Arts (NOCCA), and Thrive
27 Academy shall be provided both a State and Local Cost allocation.

28 2. State Cost Allocation

29 a. The State Cost Allocation shall be based on the
30 State Cost Allocation Per Pupil for the city or parish

1 school system where the attending students reside.

2 3. Local Cost Allocation

3 a. The Local Cost Allocation will be based on the
4 Local Cost Allocation for the city or parish school
5 system where the attending students reside.

6 b. For any student enrolled in LSMSA, NOCCA, or
7 Thrive Academy, the Local Cost Allocation Per Pupil
8 shall be funded by the State.

9 c. Where student attendance is from multiple school
10 systems, the Department of Education shall determine
11 the Local Cost Allocation based on students reported
12 by the schools.

13 **III. FORMULA PROCEDURES**

14 A. Preliminary Allocation

15 1. The minimum foundation program formula for the
16 upcoming fiscal year adopted by the Board of Elementary
17 and Secondary Education, along with a preliminary allocation
18 schedule representing the estimated cost of the proposed
19 formula, shall be submitted to the Joint Legislative
20 Committee on the Budget and to the House and Senate
21 Education Committees for consideration no later than
22 March 15.

23 2. This preliminary allocation shall utilize student and other
24 input data available at the time.

25 B. Final Allocation

26 Final allocations for the fiscal year in which the formula takes effect will be
27 determined no later than June 30 of the preceding fiscal year. The latest
28 available data will be utilized to calculate the final allocation except that
29 student count estimates will be utilized for school systems or charter schools
30 opening for the first time in the fiscal year beginning July 1. For first-year

1 city, parish, or other public school systems or schools, the final allocation
2 will be based on the October 1 count, once available.

3 **IV. FORMULA PAYMENTS**

4 **A. Payment Procedures**

5 The Total MFP State Cost Allocation for city, parish, and other
6 school systems and schools will be converted to monthly payments
7 from July through June each year except payments will be made on
8 Level 4 allocations as data becomes available.

9 **B. Requested Payment Adjustments**

10 If the city, parish, or other school systems and schools have
11 documented growth in students prior to the actual Mid-Year Student
12 Counts in October and February, a temporary change to the final
13 allocation may be requested. The State Superintendent is authorized
14 to approve or deny this revision.

- 15 1. Sufficient documentation will be requested to
16 substantiate this requested allocation adjustment.
- 17 2. The adjusted allocation will remain in effect until the
18 actual October or February Mid-Year Student Count. Once
19 the Mid-Year Student Count is final, reconciliation will be
20 completed and payments adjusted accordingly.

21 **C. Payment Adjustments for Audit Findings**

22 Review and/or audit of the systems' or schools' data used in
23 determining their Minimum Foundation Program allocation may
24 result in changes in final statistical information. The Minimum
25 Foundation Program allocation adjustments necessary as a result of
26 these audit findings will be made in the following school year. These
27 adjustments are applicable to the following: city or parish school
28 systems, Recovery School District, Type 2 Charter schools, Type 3B
29 Charter schools, Louisiana State University, Southern University, and
30 University of Louisiana at Lafayette Lab schools, Office of Juvenile

1 Justice (OJJ) schools, Louisiana School for Math, Science and the
2 Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), and
3 Thrive Academy.

4 **V. 70% EXPENDITURE REQUIREMENT**

5 To provide for appropriate accountability of state funds while providing city, parish,
6 or local public school systems or other public schools flexibility in determining
7 specific expenditures, city, parish, or local public school systems or other public
8 schools must ensure that at least 70% of the city, parish, or local public school
9 system or other public school general fund expenditures are in the areas of
10 instruction and school administration at the school building level as developed by the
11 Louisiana Department of Education and defined by the Board of Elementary and
12 Secondary Education regulations.

13 **VII. SEVERABILITY PROVISION**

14 If any provision of this minimum foundation formula or the application thereof is
15 held invalid, such invalidity shall not affect other provisions or applications of this
16 minimum foundation formula which can be given effect without the invalid
17 provisions or applications, and to this end the provisions of this minimum foundation
18 formula are hereby declared severable. The severability provision hereof shall be
19 broadly construed so as to give effect to each and every possible provision or
20 application of this minimum foundation formula which is not specifically held
21 invalid, unlawful, or unconstitutional.

22 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
23 approve the formula developed by the State Board of Elementary and Secondary Education,
24 pursuant to Article VIII, Section 13(B) of the Constitution of Louisiana, to determine the
25 cost of a minimum foundation program of education in all public elementary and secondary
26 schools as well as to equitably allocate the funds to parish and city school systems, and
27 adopted by the board on March 11, 2020.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Serrett.

SCR 21 Original	DIGEST 2020 Regular Session	Fields
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Provides for legislative approval of the minimum foundation program (MFP) formula for FY 2020-2021 to determine the cost of a minimum foundation program of education in all public elementary and secondary schools as well as to equitably allocate the funds to local public school systems as developed by the State Board of Elementary and Secondary Education (BESE) and adopted by the board on March 11, 2020.