



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HCR 23** HLS 22RS 482
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 4, 2022 7:03 AM	Author: HARRIS, LANCE
Dept./Agy.: Education	Analyst: Garrett Ordner
Subject: Minimum Foundation Program Funding Formula	

SCHOOLS/FINANCE-MFP EN +\$108,165,219 EX See Note Page 1 of 2
 Provides for legislative approval of the MFP formula for FY 2022-2023

Concurrent resolution provides for the FY 22-23 Minimum Foundation Program (MFP) formula that was adopted by the Board of Elementary and Secondary Education (BESE) on March 9, 2022. The formula contains 4 levels: **Level 1** - provides for the calculation of the total MFP costs and the proportion supported by the state and local school districts; **Level 2** - provides incentive for local effort; **Level 3** - provides for specific legislative allocations (continued funding for past pay raises, historical funding allocations based on hold harmless reallocations, and mandated cost increases in health insurance, retirement and fuel); **Level 4** - provides for supplementary funding, including Foreign Language Associate salary and stipends; career development allocations; high cost services allocations; and supplemental course allocations. New Level 4 provisions increase the Supplemental Course Allocation per pupil from \$59 to \$70, provide a \$2,000 stipend for mentor teachers, expand the allowable uses of the Career Development Fund Allocation, and provide a pay raise of \$1,500 for certificated employees and \$750 for non-certificated employees.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$205,981,715	\$0	\$0	\$0	\$0	\$205,981,715
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$97,816,496)	\$0	\$0	\$0	\$0	(\$97,816,496)
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$108,165,219	\$0	\$0	\$0	\$0	\$108,165,219

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed concurrent resolution will result in an estimated net increase of \$108.2 M in state expenditures over the FY 22 Existing Operating Budget (EOB). **\$4,023,235,394 is needed to fully fund the MFP.**

HCR 23 Compared to FY 22 EOB:

FY 22 Existing Operating Budget MFP:	\$3,915,070,175
FY 23 BESE-Adopted MFP:	<u>\$4,023,235,394</u>
Difference	\$108,165,219

Significant increases include an increase in the Supplemental Course Allocation per pupil from \$59 to \$70 (\$3.4 M), a \$2,000 stipend for mentor teachers (\$1.9 M), a proposed across-the-board pay raise of \$1,500 for certificated personnel and \$750 for non-certificated personnel (\$148 M), and the inclusion of the Special School District in the MFP Formula (\$2.8 M).

LEVEL 1: Uses the February 1 student count to determine the cost of education services. Maintains the weights for Career and Technical Education units (6%), Special Education/Other Exceptionalities (150%) and Special Education/Gifted and Talented (60%), Low Income and English Learner (22%), and Economy of Scale (0%-20%). Maintains the base cost per pupil of \$4,015. Maintains a state and local allocation ratio of 65% to 35%. The February 2022 student count is 653,462, down from the February 2021 count by 12,187 students, or 1.8%. The total weighted membership count is 938,994.

LEVEL 2: Maintains the provisions of incentives for local effort. The total MFP educational costs are shared between the state and the city or parish school systems. The ability of school systems to support the cost of education in their communities is measured by the potential to raise local revenue measured in Level 1 by 1) local property tax revenue contribution, 2) local sales tax revenue contribution, and 3) other local revenue contribution. 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 as measured by 1) total sales taxes, 2) total property taxes, 3) state and federal revenue in lieu of taxes, and 4) 50% earnings on property revenue.

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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 Interim Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

LEVEL 3: Continues the pay raises for certificated and support personnel initiated in 2001-2002, 2006-2007 through 2008-2009, and a \$100 per pupil funding amount for increasing mandated costs of health insurance, retirement and fuel, as well as historical allocations based on the hold harmless provision.

LEVEL 4: Supplementary Allocations. 1) Career Development Allocation (\$22.8 M) to support the development of technical courses required for statewide credentials in city and parish school systems and other public schools in the amount of 6% of the base per pupil cost for each qualifying student course enrollment; a minimum amount of \$25,000 will be provided for each city and parish school system and a minimum of \$10,000 will be provided for other public schools with students enrolled in grades 9 through 12; 2) High Cost Services Allocation (\$12 M) to provide additional funds to public school systems and schools which substantiate that the prior year cost of services for students with disabilities exceeds three times the most recent state average total expenditure per pupil amount; allocation amounts will be limited by the amount budgeted for this initiative and are to be distributed equitably to school systems and other public schools proportional to the total of qualifying applications submitted. 3) Supplemental Course Allocation (\$21.4 M) to provide for the cost of secondary course choices specifically approved by BESE. For each school system and other public schools funded through the formula, the proposed allocation shall equal \$70 for each student enrolled in grades 7-12 as of February 1. Provides for the redistribution of uncommitted funds as of a date set by LDE. 4) Foreign Language Associate Program Salary and Stipends Allocation (\$5.6 M) continues the supplemental allocation at \$21,000 per teacher, the first-year installation stipend of \$6,000, and the second-year and third-year retention stipend of \$4,000. The cap of 300 teachers is retained. 5) Mentor Teacher Stipend Allocation provides a \$2,000 stipend to each certificated mentor teacher or teacher serving as the assigned mentor or record responsible for supporting undergraduate and post baccalaureate resident teachers (\$1.9 M). 6) Certificated and Non-Certificated Pay Raises continues the 2019-2020 staff pay raises (\$98.7 M) and the 2021-2022 staff pay raises (\$75.6 M). Includes an additional pay raise of \$1,500 for certificated staff and \$750 for non-certificated staff (\$148 M).

ALLOCATIONS FOR OTHER PUBLIC SCHOOLS: Continues funding methodology for the LSU, Southern University, and University of Louisiana at Lafayette Lab Schools, Type 2 Charter Schools, Office of Juvenile Justice Schools, the Recovery School District, NOCCA, LSMSA, and Thrive Academy. Adds the Special School District under the same funding methodology used for the other special schools (\$2.8 M).

70% EXPENDITURE REQUIREMENT: Continues language that city, parish, local public school systems or other public schools ensure that 70% of the general fund expenditures are in the areas of instruction and school administration.

Senate Dual Referral Rules
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
[X] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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