

SENATE CONCURRENT RESOLUTION NO. 29

BY SENATOR ULLO AND REPRESENTATIVE CRANE

A CONCURRENT RESOLUTION

To provide for legislative approval of adjustments adopted by the State Board of Elementary and Secondary Education on November 15, 2005 to the Minimum Foundation Program formula for FY 2005-06 previously developed and adopted by BESE on June 16, 2005 and approved by the Legislature as Senate Concurrent Resolution No. 125 of the 2005 Regular Session.

WHEREAS, Article VIII, Section 13(B) of the Constitution of Louisiana requires the State Board of Elementary and Secondary Education to develop and adopt annually a formula which shall be used to determine the cost of a minimum foundation program of education in all public elementary and secondary schools as well as to allocate equitably the funds to parish and city school systems; and

WHEREAS, at a special meeting of the State Board of Elementary and Secondary Education on November 15, 2005, the board adopted adjustments to the formula previously approved in Senate Concurrent Resolution No. 125 of the 2005 Regular Legislative Session for such cost determination and the equitable allocation of funds for Fiscal Year 2005-06; and

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

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

WHEREAS, on August 29, 2005 Hurricane Katrina and on September 24, 2005 Hurricane Rita significantly altered the community life and orderly delivery of elementary and secondary education services in most Louisiana school systems; and,

WHEREAS, the movement of Louisiana citizens and school children as a result of these devastating events necessitates certain adjustments to the 2005-06 final Minimum Foundation Program formula allocations approved by Senate Concurrent Resolution No. 125 of the 2005 Regular Legislative Session and promulgated by the Department of Education as Circular 1088 State Public School Fund - Minimum Foundation Program (MFP) Equalization Distribution.

THEREFORE, BE IT RESOLVED by the Legislature of Louisiana, that the adjustments to the formula approved in Senate Concurrent Resolution No. 125 of 2005 Regular Session to determine the cost of a minimum foundation program of education in all public elementary and secondary schools in FY 2005-06 as well as to allocate equitably the funds to parish and city school systems as developed by the State Board of Elementary and Secondary Education and adopted by the board on November 15, 2005, is hereby approved to read as follows:

**MINIMUM FOUNDATION PROGRAM
ELEMENTARY AND SECONDARY EDUCATION
COST DISTRIBUTION FORMULA
2005-06 SCHOOL YEAR
ADJUSTMENTS TO SCR 125 OF 2005 REGULAR LEGISLATIVE SESSION**

I. BASIS OF ADJUSTMENTS

All provisions of SCR 125 of the 2005 Regular Session remain in effect except as provided herein Sections II and III. Adjustments provided in Section II shall apply to the 2005-06 final allocations of the minimum foundation program formula for parish, city and other local school systems, LSU and SU Lab Schools and the Recovery School District schools as promulgated in Department of Education Circular 1088 State Public School Fund - Minimum Foundation Program (MFP) Equalization Distribution.

II. ADJUSTMENTS

A. Category 1 Districts are those with severely damaged school facilities, where schools have been closed for more than 30 days, and most, if not all students have been sent to another school district. The districts in this category are Orleans, Plaquemines and St. Bernard. Category 1 districts shall receive a revised MFP allocation based on the following criteria.

1. Category 1 Districts receive their MFP monthly payments provided

by Circular 1088 for July 2005 through October 2005.

2. November 2005 through June 2006 payments are recalculated as follows:

- a. State funded allocation for retiree health insurance and School Board, Superintendent and basic operational expenses as required by law for the remaining 8 months of FY 2005-06 is calculated as 5% of total Level 1 state and local costs as provided in Circular 1088, including 8/12 of prior years audit adjustments.

- b. In addition, Category 1 districts will receive the revised state average per pupil amount for Levels 1, 2 and 3 times the number of students enrolled, adjusted monthly. When school systems reopen, they will be funded a minimum of 3,000 students if their initial student count is less and these funds shall be allocated for the full month if school reopens on a date other than the official student count date for the month. Student counts are based on monthly collections of Student Information System data as determined by the Department of Education. June payments will be based on May enrollments.

- B. Category 2 Districts are those with minimal to moderate-severe damage to school facilities, schools have been closed for more than 10 school days but less than 30, a number of their displaced students have enrolled in other Louisiana school district and they have enrolled a number of displaced students from other Louisiana school systems. The districts in this category are Calcasieu, Cameron, Jefferson, St. Charles, St. Tammany, Tangipahoa, Vermilion, Washington, and City of Bogalusa.

1. Category 2 Districts receive their MFP monthly payments provided by Circular 1088 for July 2005 through October 2005.

2. November 2005 through June 2006 payments are adjusted as follows:

- a. Category 2 districts will receive a reduction for the remaining

8 months of FY 2005-06 in their monthly payments provided by Circular 1088 based on the district's state share average per pupil amount for Levels 1, 2 and 3 as provided in Circular 1088 times the number of their displaced students enrolled in another Louisiana school system. Student counts are based on monthly collections of Student Information System data as determined by the Department of Education. June payments will be based on May enrollments.

- b. Category 2 districts shall receive a one-time payment of \$625 for each displaced student enrolled in the district based on September 16, 2005 MFP student membership data. There shall also be a second one-time payment of \$625 for each displaced student enrolled in Category 2 districts based on November 1, 2005 MFP student membership data. Both one-time payments will be included in the December 2005 MFP payment.
 - c. Category 2 districts will receive a new Level 3 allocation of \$60 per student based on November 1, 2005 enrollments for cost adjustments in health insurance, retirement and fuel costs.
 - d. If the November payment is not adjusted for these items, the December payment will include both the November and December adjustments.
- C. Category 3 Districts are those with minimal to no damage to school facilities, schools have been closed for less than 10 days, and a number of displaced students have enrolled in their school district. The remaining 56 districts and LSU and SU Lab schools are in this category.
- 1. Category 3 Districts receive their MFP monthly payments provided by Circular 1088 for July 2005 through June 2006.
 - 2. Category 3 districts shall receive a one-time payment of \$625 for

each displaced student enrolled in the district based on September 16, 2005 MFP student membership data. There shall also be a second one-time payment of \$625 for each displaced student enrolled in Category 3 districts based on November 1, 2005 MFP student membership data. Both one-time payments will be included in the December 2005 MFP payment.

3. Category 3 districts will receive a new Level 3 allocation of \$60 per student based on November 1, 2005 enrollments for cost adjustments in health insurance, retirement and fuel costs.
4. If the November payment is not adjusted for these items, the December payment will include both the November and December adjustments.

D. The five schools in the Recovery School District (RSD) on August 29, 2005 received minimal to moderate-severe damage to their school facilities, these schools have been closed for more than 30 days, and most, if not all students have been sent to another school district. The schools are Capdau, Medard H. Nelson, S.J. Green Middle, Edward Phillip and Sophie B. Wright.

1. The RSD receives the MFP monthly payments provided by Circular 1088 for July 2005 through October 2005.
2. November 2005 through June 2006 payments are recalculated as follows:
 - a. State funded allocation for the remaining 8 months of FY 2005-06 is calculated as 5% of total state share allocation as provided in Circular 1088 or no less than \$50,000. The Department of Education shall retain \$50,000 from each school to provide for RSD system expenditures.
 - b. In addition, the RSD will receive the revised state average per pupil amount for Levels 1, 2 and 3 times the number of students enrolled, adjusted monthly, when the schools enroll students and resume providing educational services. Student

counts are based on monthly collections of Student Information System data as determined by the Department of Education. June payments will be based on May enrollments.

E. New RSD Schools

The RSD shall receive the revised state average per pupil amount for Levels 1, 2 and 3 times the number of students enrolled, adjusted monthly for any additional schools that are placed in the RSD that open in FY 2005-06. The Department of Education shall retain \$50,000 for each school from the Orleans Parish School District allocation to provide for RSD system expenditures. Student counts are based on monthly collections of Student Information System data as determined by the Department of Education. June payments will be based on May enrollments.

F. Mid-Year Adjustments for normal student membership growth, excluding displaced students.

1. If any city, parish, or other local school system's January 9, 2006 student count, excluding displaced students, exceeds the previous year's audited October 1 membership by either 50 students or 1%, a mid-year adjustment to provide additional per pupil funding shall be made for each additional student based on the final MFP allocation per pupil amount for that city, parish or other local school system as approved by BESE in Circular 1088.

G. Reductions to Expenditure of State Funds Required by Louisiana Constitution Article VII, Section 10(F)(2)(a) and (b).

Any reduction in the Minimum Foundation Program funding appropriated in Act 16 of the 2005 Regular Session as a result of these adjustments to the MFP allocations to city, parish, other local school systems or the Recovery School District shall satisfy all requirements for reductions in the MFP appropriation permitted by provisions contained in the Louisiana Constitution Article VII, Section 10(F)(2)(a) and (b).

III. CONTINGENCY ADJUSTMENTS TO SCR 125

In the event SCR 125 remains in effect in the fiscal year 2006-07 or thereafter, the State Board of Elementary and Secondary Education shall annually adjust the input variables provided in sections A through B.

- A. The student membership and weighted student counts shall be on a current year October 1 basis beginning in FY 2006-07. Local school systems will receive an estimated payment of MFP funds for the first eight months of the school year. Once actual October 1 data is available, adjusted monthly payments will be made to each parish or city school board as reflected in the department's annual budget letter.
- B. Category 1 Local school system wealth calculations and local revenues.
Local school system wealth calculations and local revenues for Category 1 districts are based on adjusted FY 2004-05 financial data reduced by 75% for MFP calculations in years FY 2006-07 and FY 2007-08. Beginning in FY 2008-09, the local wealth calculation and local revenues will be based on the prior year of FY 2006-07 financial data.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES