

1 University, and University of Louisiana at Lafayette Lab schools. The formula is
2 divided into four calculations as follows:

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

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

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

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

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

- 1 ● Mid-Year Allocation Adjustments to account for mid-year
- 2 increases and decreases in students in all city, parish, or other
- 3 local public school systems or schools.

4 State MFP funds shall only be expended for educational purposes.

5 Expenditures for educational purposes are those expenditures related to the

6 operational and instructional activities of city, parish, or other public school

7 systems or schools to include: instructional programs, pupil support

8 programs, instructional staff programs, school administration, general

9 administration, business services, operations and maintenance of plant

10 services, student transportation services, food services operations, enterprise

11 operations, community services operations, facility acquisition, and

12 construction services and debt services as defined by Louisiana Accounting

13 and Uniform Governmental Handbook, Bulletin 1929.

14 **I. FORMULA CALCULATIONS**

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

16 **1. Determine Educational Costs**

17 Eligible students from the following school systems and schools will be counted in

18 both the Base and Weighted Student Memberships:

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

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

1 The formula first counts each of the students enrolled on February 1 to determine the
2 cost of education services. The formula utilizes the February 1 Student Membership
3 Count to allocate funding beginning in July. The students eligible to be counted are
4 identified in the Student Membership Definition adopted by the State Board of
5 Elementary and Secondary Education. These students are counted as one (1.0) in the
6 formula.

7 **STEP TWO: Determine the Number of Students Eligible for the Weighted**
8 **Student Count**

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

19 **Low Income and English Language Learner Weight** - The formula recognizes
20 that students living in poverty or students with a native language other than English
21 are more likely to require additional educational services to be successful. To
22 recognize that these services require additional costs, students that qualify for free
23 or reduced price meals under the United States Department of Agriculture (USDA)
24 School Food Service Program guidelines, or an alternative count as defined in the
25 Student Membership Definition, and students identified as an English Language
26 Learner are provided a weight of 22%.

27 **Career and Technical Education Weight** - The formula recognizes that the cost of
28 providing materials and equipment, and teacher credentialing and training, for Career
29 and Technical Education courses is above and beyond the cost of traditional

1 academic education. Each secondary career and technical education course in which
2 a student is enrolled in both the fall and spring semesters is provided a weight of 6%.

3 **Special Education Weight** - The formula addresses the extra cost associated with
4 the delivery of services required in order to meet the needs of students with
5 disabilities. Students with disabilities that have an Individualized Education
6 Program (IEP) plan developed according to State Board of Elementary and
7 Secondary Education regulations are provided a weight of 150%.

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

12 **Economy of Scale Weight** - This weight is provided for city or parish school
13 systems to recognize a base amount of funding for fixed overhead costs that should
14 be provided when student populations equal 7,500 students or less. The Economy
15 of Scale Weight is calculated as a curvilinear weight of 20% at a student membership
16 count of zero down to 0% at a student membership count equal to or greater than
17 7,500. To calculate this weight, the February 1 Student Membership Count for each
18 city and parish school system is subtracted from 7,500 and divided by 37,500. The
19 result of this calculation is then multiplied by each system's February 1 Student
20 Membership Count to determine the weighted students.

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

22 **Formula:**

23 **Total Weighted Student Membership Count**

24 **Equals**

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

26 **Plus**

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

28 **Career and Technical Education Weight**

29 **Special Education Weight**

30 **Gifted and Talented Weight**

1 **Economy of Scale Weight**

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

3 **Formula:**

4 **The State and Local Base Cost Per Pupil shall equal \$4,015.**

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

6 **Formula:**

7 **Total MFP Educational Costs**

8 **Equals**

9 **Total Weighted Student Membership Count**

10 **Multiplied by**

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

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

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

- 18 1. Local Property Tax Revenue Contribution
- 19 2. Local Sales Tax Revenue Contribution
- 20 3. Other Local Revenue Contribution

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

22 **Formula:**

23 **Local Property Tax Revenue Contribution**

24 **Equals**

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

26 **Times**

27 **Net Assessed Property Value**

28 **Net Assessed Property Value Increase Cap** - If a school system's Net Assessed
29 Property Value has increased equal to or greater than 10% over the prior year Net
30 Assessed Property Value, then the growth in the Net Assessed Property Value is

1 capped at 10%. This cap is applied on a year-to-year basis comparing the current
2 year Net Assessed Property Value to the prior year uncapped Net Assessed Property
3 Value.

4 Computed Property Tax Millage - The Computed Property Tax Millage is calculated
5 annually at the rate necessary to maintain a state and local allocation ratio of
6 65%/35%.

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

8 **Formula:**

9 **Local Sales Tax Revenue Contribution**

10 **Equals**

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

12 **Multiplied By**

13 **State Computed Sales Tax Rate**

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

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

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

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

26 **Formula:**

27 **Other Local Revenue Contribution**

28 **Equals**

29 **State Revenue in lieu of taxes**

30 **Plus**

1 **Federal Revenue in lieu of taxes**

2 **Plus**

3 **50% of Earnings on Property**

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

5 **Formula:**

6 **Local Cost Allocation**

7 **Equals**

8 **Property Tax Contribution**

9 **Plus**

10 **Sales Tax Contribution**

11 **Plus**

12 **Other Revenues Contribution**

13 **STEP FIVE - Determine State Cost Allocation**

14 **Formula:**

15 **State Cost Allocation**

16 **Equals**

17 **Total State and Local Cost**

18 **Minus**

19 **Local Cost Allocation**

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

22 **B. Level 2: Incentive for Local Effort**

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

- 28 1. Total Sales Taxes
- 29 2. Total Property Taxes
- 30 3. State and Federal Revenue in Lieu of Taxes

1 4. 50% Earnings on Property Revenue

2 **STEP ONE - Determine Eligible Local Revenue**

3 **Formula:**

4 **Eligible Local Revenue**

5 **Equals**
6 **Total Sales Tax Revenue**

7 **Plus**
8 **Total Property Tax Revenue**

9 **Plus**
10 **State and Federal Revenue in Lieu of Taxes**

11 **Plus**
12 **50% of Earnings on Property Revenue**

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

14 **Formula:**
15 **Local Revenue Eligible for Incentive**

16 **Equals**
17 **Eligible Local Revenue**

18 **Minus**
19 **Local Cost Allocation**

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

21 **Formula:**
22 **Limit on Revenue Eligible for Incentive**

23 **Equals**
24 **Total State and Local Cost Allocation**

25 **Multiplied by**
26 **34%**

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

28 **Formula:**
29 **Local Support of Level 2 Incentive**

30 **Equals**

1 **Lesser of Local Revenue Eligible for Incentive or Limit on Local**
2 **Revenue Eligible for Incentive**

3 **Multiplied by**

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

5 **Multiplied by**

6 **Level 2 Incentive Factor**

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

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

11 **Formula:**

12 **State Support of Level 2 Incentive**

13 **Equals**

14 **Lesser of Local Revenue Eligible for Incentive or Limit on Local**
15 **Revenue Eligible for Incentive**

16 **Minus**

17 **Local Support of Level 2 Incentive**

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

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

23 **Formula:**

24 **Total Level 3 Legislative Allocations**

25 **Equals**

26 **Continuation Pay Raises**

27 **Plus**

28 **Historical Formula Allocation**

29 **Plus**

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

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

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

6 a. Certificated Personnel Pay Raises provided in 2001-2002,
7 2006-2007, 2007-2008, and 2008-2009 will continue for each
8 school system and school based on the calculated per pupil
9 amount times the February 1 Student Membership Count.

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

12 a. Non-certificated Support Worker Pay Raises provided in
13 2002-2003, 2006-2007, and 2007-2008 will continue for each
14 school system and school based on the calculated per pupil
15 amount times the February 1 Student Membership Count.

16 **3.** This provision applies to city and parish school systems, Recovery
17 School District, New Orleans Center for Creative Arts (NOCCA), Louisiana
18 School for Math, Science, and the Arts (LSMSA), THRIVE, Legacy Type 2
19 Charter Schools, New Type 2 Charter Schools, Type 3B Charter Schools,
20 Louisiana State University, Southern University, and University of Louisiana
21 at Lafayette Lab schools, and Office of Juvenile Justice (OJJ).

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

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

28 **Redistribution Allocation** - After setting aside the insurance and pay raise
29 funding, the balance of the “Hold Harmless” funding was removed from
30 these school districts over ten years from 2006-2007 to 2016-2017:

1 Concordia, East Baton Rouge, Evangeline, Iberville, Jefferson, Plaquemines,
2 St. Charles, St. James, and West Feliciana.

3 The amount of funding removed from the districts listed above is reserved
4 and redistributed to the remaining school districts. The total amount is
5 divided by the total number of students within these same districts to
6 calculate a per pupil amount. The allocation is determined using the per
7 pupil amount multiplied by the current year student count.

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

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

13 **STEP FOUR: Calculate 2019-20 Certificated and Non-Certificated Pay Raises**

14 1. Certificated Personnel Pay Raise

15 Each city, parish, or other public school district or school shall receive
16 \$1,000 plus 26.0% for the employer contribution to the appropriate
17 retirement system based on Profile of Educational Personnel (PEP) data as
18 of October 1 to provide an across the board \$1,000 pay raise and any
19 associated retirement for K-12 classroom educators and other certificated
20 K-12 personnel defined per Louisiana Department of Education Bulletin
21 1929 to include:

- 22 Teachers (all function codes 1000-2200s, object code 112);
- 23 Therapists/Specialists/Counselors (function codes 1000-
- 24 2200s, object code 113); School Site-based Principals,
- 25 Assistant Principals, and Other School Administrators
- 26 (function code 2400s, object code 111); Central Office
- 27 Certificated Administrators (function codes 1000-2200 &
- 28 2324, 2831, and 2832 (excluding 2130s), object code 111);
- 29 School Nurses (function code 2134, object code 118); and

1 Sabbaticals (function codes 1000-2200s, 2134, and 2400s,
2 object code 140).

3 2. Non-Certificated Personnel Pay Raise

4 Each city, parish, or other public school district or school shall receive \$500
5 plus 29.4% for the employer contribution to the appropriate retirement
6 system based on the Profile of Educational Personnel (PEP) data as of
7 October 1 to provide an across the board \$500 pay raise and associated
8 retirement for non-certificated K-12 personnel defined per Louisiana
9 Department of Education Bulletin 1929 to include:

10 Aides (function codes 1000-4900s, object code 115); Support
11 Supervisors (function codes 2130s, 2300s (excluding 2311, 2321,
12 2324, 2831 and 2832) and 2500- 4900s, object code 111);
13 Clerical/Secretarial (function codes 1000-4900s, object code 114);
14 Service Workers (function codes 1000-4900s, object code 116);
15 Skilled Craftsmen (function codes 1000-4900s, object code 117);
16 Degreed Professionals (function codes 1000-4900s, (excluding
17 2134s) object code 118); and Other Personnel (function codes
18 1000-4900s, object codes 100, 110 and 119).

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

21 **Formula:**
22 **Level 1, 2, and 3 State Cost Allocation Per Pupil**
23 **Equals**
24 **Level 1 State Cost Allocation Per Pupil**
25 **Plus**
26 **Level 2 State Cost Allocation Per Pupil**
27 **Plus**
28 **Level 3 State Cost Allocation Per Pupil**

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

1 1. Specific Needs Allocations

2 Specific Needs Allocations provide funding for four allocations for specific purposes
3 and is in addition to system level allocations from Levels 1, 2, and 3. These
4 allocations are as follows:

5 **Formula:**
6 **Total Level 4 Supplementary Allocations**

7 **Equals**

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

9 **Plus**

10 **Career Development Allocation**

11 **Plus**

12 **High Cost Services Assistance Allocation**

13 **Plus**

14 **Supplemental Course Allocation**

15 **STEP ONE: Calculate Foreign Language Associate Salary and Stipend**
16 **Allocation**

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

23 These teachers shall be paid by the employing city, parish, or other local
24 public school system or school at least the state average classroom teacher salary
25 (without PIP) by years of experience and degree beginning with year three. Of the
26 \$21,000 allocation, \$20,000 shall be allocated to the school where the teacher is
27 employed and the funds used to support the total cost of the teacher salary, and the
28 remaining amount shall be associated with costs of VISA sponsorship pursuant to
29 State Board of Elementary and Secondary Education regulations.

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

6 **STEP TWO: Career Development Allocation**

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

12 The first step in the allocation is to calculate six percent (6%) of the MFP
 13 State and Local Base Cost Per Pupil to determine the Career Development Per Pupil
 14 Amount. The Career Development Per Pupil Amount will be provided for each
 15 qualifying student course enrollment in grades 9 through 12.

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

23 **Formula:**

24 **Career Development Allocation Per Pupil**

25 **Equals**

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

27 **Multiplied By**

28 **Six Percent (6%)**

29 **Formula:**

1 **Career Development Allocation**

2 **Equals**

3 **Career Development Allocation Per Pupil**

4 **Multiplied By**

5 **Number of Student in Qualifying Courses in Grades 9 through 12**

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

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

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

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

22 The first step in the allocation will be to calculate the impact of these costs
23 on the budget of the school system or school using the latest available state and local
24 revenue data. The High Cost Services requested for reimbursement will be reduced
25 by the MFP state and local amount allocated on behalf of each student from Levels
26 1, 2, and 3. The next step will rank the Percent (%) Impact from highest to lowest
27 percent, with two separate rank listings for school systems and other public schools.

28 **Formula:**

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

30 **Equals**

1 **Cost of Services**
2 **Divided By**
3 **Total State and Local Revenue**

4 The two ranked listings will be divided into four tiers and allocations will be
5 provided based on a percentage from one hundred percent reimbursement in the
6 highest funded tier with smaller percentages reimbursed in the lower tiers based on
7 where the school system or school falls within the tiers on one of the two lists.

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

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

15 **Formula:**
16 **Supplemental Course Allocation for School Systems or Other Public**
17 **Schools**
18 **Equals**
19 **Supplemental Course Allocation Per Pupil**
20 **Multiplied By**
21 **Number of Students in Grades 7 through 12**

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

29 2. Allocations for Other Public Schools

30 **STEP ONE: Louisiana State University, Southern University, and University**
31 **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.

12 **STEP TWO: Legacy Type 2 Charter Schools**

13 A Legacy Type 2 Charter school is a Type 2 Charter school approved by the State

14 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.

1 b. The Local Cost Allocation equals the number of students
2 multiplied by the Local Per Pupil for the system where the student
3 resides.

4 c. For any student enrolled in a Legacy Type 2 Charter school,
5 the Local Cost Allocation shall be funded by the State.

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

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

12 1. Eligible Schools - Any elementary and secondary school operated by
13 the Office of Juvenile Justice (OJJ) in a secure care facility shall be
14 considered a public elementary or secondary school and, as such, the
15 Office of Juvenile Justice (OJJ) shall be annually appropriated funds
16 for these students.

17 2. Eligible Students - Each student counted in the prior year average
18 daily membership, as defined by the State Board of Elementary and
19 Secondary Education in the Student Membership Definition, is
20 calculated by dividing the number of days the student is under the
21 guidance and direction of teachers by the total instructional days
22 during the specified school year.

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

27 4. State Cost Allocation
28 a. The State Cost Allocation is equal to the State Cost Allocation
29 Per Pupil for the system where each student resided prior to

1 adjudication multiplied by the prior year average daily membership
2 of the Office of Juvenile Justice schools.

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

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

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

15 5. Local Cost Allocation

16 a. Each student counted in the prior year average daily
17 membership, as defined by the State Board of Elementary and
18 Secondary Education, shall be provided for and funded from the
19 minimum foundation program a Local Cost Allocation Per Pupil
20 equal to the Local Cost Allocation Per Pupil for the district where the
21 student resided prior to adjudication.

22 b. The Local Cost Allocation is equal to the Local 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 c. For the purpose of the Local Cost Allocation Per Pupil, the
27 average daily membership of the Office of Juvenile Justice (OJJ)
28 shall be included in the membership counts of the city, parish, or
29 other local public school board in which the student resided prior to
30 adjudication to the Office of Juvenile Justice.

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

4 e. The Local Cost Allocation Per Pupil shall be funded with a
5 transfer of the MFP monthly amount representing the Local Cost
6 Allocation Per Pupil from the city, parish, or other local public school
7 board in which the attending students resided prior to adjudication to
8 the Office of Juvenile Justice (OJJ).

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

11 3. Mid-Year Student Allocations

12 a. Student counts in October and February may result in
13 mid-year allocation adjustments for the following: City and parish
14 school systems, Recovery School District, New Type 2 Charter
15 schools, Legacy Type 2 Charter schools, Type 3B Charter schools,
16 Louisiana State University, Southern University, and University of
17 Louisiana at Lafayette Lab schools, Louisiana School for Math,
18 Science and the Arts (LSMSA), New Orleans Center for Creative
19 Arts (NOCCA), and THRIVE.

20 b. If the current year October 1 Mid-Year Student Count is more
21 or less than the prior year February 1 student count, an adjustment to
22 the current year allocation shall be made for each student gained or
23 lost. The October adjustment equals the number of students gained
24 or lost times the annual State Cost per pupil allocation amount for the
25 system or school in which the change occurred. The February
26 adjustment equals the number of students gained or lost times
27 one-half of the State Cost per pupil allocation for the system or
28 school in which the change occurred.

29 c. Individual adjustments shall be made for increases or
30 decreases in the October or February Mid-Year Student Counts for

1 the Recovery School District, the system of prior jurisdiction, and
2 Type 5 Charter schools.

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

6 e. If the Recovery School District qualifies for an October
7 Mid-Year Adjustment to the State Cost per pupil allocation, a
8 Mid-Year adjustment shall also be made to the Local Cost per pupil
9 allocation for the system of prior jurisdiction. The October Local
10 Cost per pupil allocation shall be recalculated based on updated
11 revenue data for the system of prior jurisdiction. There shall be no
12 recalculation of the Local Cost per pupil allocation in conjunction
13 with the February 1 student count.

14 f. City, Parish, or Local public school systems or schools in the
15 first year of operation are not eligible for an October Mid-Year
16 Adjustment. However, their allocation will be finalized using October
17 1 data. The newly opened city, parish, or local public school systems
18 or schools will qualify for the February 1 mid-year adjustment.

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

21 **Total MFP State Cost Allocation**

22 **Formula:**

23 **Total MFP State Cost Allocation**

24 **Equals**

25 **Level 1 State Cost Allocation**

26 **Plus**

27 **Level 2 State Cost Allocation**

28 **Plus**

29 **Level 3 State Cost Allocation**

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Plus

Level 4 State Cost Allocation

II. FORMULA CALCULATIONS FOR STATE-APPROVED PUBLIC SCHOOLS

A. Recovery School District

1. State Cost Allocation

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

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

2. Local Cost Allocation

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

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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)

b. To begin the fiscal year, the Local Cost allocation is based on eligible projected local revenues for the most recent prior fiscal year from the city or parish school district that had jurisdiction of the school prior to its transfer.

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

1. Sales and use taxes, less any tax collection fee paid by the school system
2. Ad valorem taxes, less any tax collection fee paid by the school system
3. Earnings from sixteenth section lands owned by the school system

d. The exclusion of any portion of local revenues specifically dedicated by the legislature or by voter approval to capital outlay or debt service shall be applicable only to a charter school housed in a

1 facility or facilities provided by the system in which the charter
2 school is located.

3 e. The projected local revenues shall be divided by the Total
4 School District Membership Count including the Recovery School
5 District Student Membership Count, both operated and charter
6 schools, plus the Student Membership Count of the system of prior
7 jurisdiction. If any New Type 2 Charter School student resides within
8 the physical boundaries of the system of prior jurisdiction, this school
9 the student attends shares in the local revenues of the system of prior
10 jurisdiction. As a result, the New Type 2 Charter School Student
11 Membership Count of the students residing in the jurisdiction will be
12 added to the Recovery School District and the system of prior
13 jurisdiction Student Membership Count.

14 f. The Local Cost Allocation for the Recovery School District
15 is determined by multiplying the local revenue per pupil times the
16 number of Recovery School District students used in the MFP final
17 allocation.

18 **Formula:**

19 **Local Cost Allocation**

20 **Equals**

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

22 **Multiplied By**

23 **Recovery School District Student Membership Count**

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

28 h. Based on the October 1 Student Membership Count, the local
29 revenue allocation per student will be recalculated and there will be
30 a corresponding adjustment in the local revenue allocation. No

1 recalculation of the local revenues per student will occur as a result
2 of the February 1 Student Count adjustment.

3 i. During the third quarter of the fiscal year, the local revenue
4 allocation per student shall be adjusted to reflect actual prior year
5 local revenue data.

6 j. A final reconciliation will occur based upon the receipt of the
7 annual audited financial statements of the system of prior
8 jurisdiction. If an increase

9 or decrease in local revenue collections exists, the state
10 superintendent may establish a payment schedule. In the event that
11 the fiscal status of the system of prior jurisdiction or the Recovery
12 School District changes during the fiscal year or on or before the final
13 reconciliation, the state superintendent may adjust the local revenue
14 based on the revenues identified.

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

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

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

23 1. State Cost Allocation

24 a. Any New Type 2 Charter School shall annually be provided
25 a State

26 Cost Allocation as determined by applying the formula contained in
27 R.S. 17:3995.

28 b. The State Cost Allocation equals the number of students
29 multiplied by the State Cost Allocation Per Pupil for the system in
30 which the student resides.

- 1 c. Mid-Year Adjustments shall adhere to the guidelines
2 established in this document.
- 3 2. Local Cost Allocation
- 4 a. Any New Type 2 Charter school shall annually be provided
5 a Local Cost Allocation by applying the formula contained in R.S.
6 17:3995.
- 7 b. The Local Cost Allocation equals the number of students
8 multiplied by the Local Cost Allocation Per Pupil for the system in
9 which the student resides.
- 10 c. One exception to R.S. 17:3995 is that the Local Cost
11 allocation will be funded with a transfer of the MFP monthly amount
12 representing the Local Cost Allocation from the city or parish school
13 system in which the attending students reside.
- 14 d. The city or parish where students attending the New Type 2
15 Charter school reside is the local taxing authority and shall provide
16 the local support for the students.
- 17 e. Mid-Year Adjustments will adhere to the guidelines
18 established in this document.
- 19 3. Virtual Charter schools may receive, as approved by the State Board of
20 Elementary and Secondary Education, a lesser percentage of the state and
21 local amount calculated in R.S. 17:3995.
- 22 4. Where student attendance is from multiple school systems, the
23 Department of Education shall determine the Local Cost Allocation based on
24 students reported by the schools. The student membership count of the New
25 Type 2 charter schools shall be included in the membership count of the city
26 or parish school board in which the student resides to determine the Local
27 Cost Allocation.
- 28 5. In the first year of operation, a New Type 2 Charter school shall be
29 allocated funding based on an estimated student count since a February 1

1 student count does not exist. The allocation will be finalized based on the
2 October 1 student count.

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

7 **C. Louisiana School for Math, Science, and the Arts (LSMSA), New Orleans**
8 **Center for Creative Arts (NOCCA), and THRIVE.**

9 1. The Louisiana School for Math, Science and the Arts (LSMSA), New
10 Orleans Center for Creative Arts (NOCCA), and THRIVE shall be provided
11 both a State and Local Cost allocation.

12 2. State Cost Allocation
13 a. The State Cost Allocation shall be based on the State Cost
14 Allocation Per Pupil for the city or parish school system
15 where the attending students reside.

16 3. Local Cost Allocation
17 a. The Local Cost Allocation will be based on the Local Cost
18 Allocation for the city or parish school system where the
19 attending students reside.

20 b. For any student enrolled in LSMSA, NOCCA, or
21 THRIVE, the Local Cost Allocation Per Pupil shall be funded
22 by the State.

23 c. Where student attendance is from multiple school systems,
24 the Department of Education shall determine the Local Cost
25 Allocation based on students reported by the schools.

26 **III. FORMULA PROCEDURES**

27 **A. Preliminary Allocation**

28 1. The minimum foundation program formula for the upcoming
29 fiscal year adopted by the State Board of Elementary and Secondary

1 Education, along with a preliminary allocation schedule representing
 2 the estimated cost of the proposed formula, shall be submitted to the
 3 Joint Legislative Committee on the Budget and to the House and
 4 Senate Education Committees for consideration no later than March
 5 15.

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

8 **B. Final Allocation**

9 Final allocations for the fiscal year in which the formula takes effect will be
 10 determined no later than June 30 of the preceding fiscal year. The latest
 11 available data will be utilized to calculate the final allocation except that
 12 student count estimates will be utilized for school systems or charter schools
 13 opening for the first time in the fiscal year beginning July 1. For first-year
 14 city, parish, or other public school systems or schools, the final allocation
 15 will be based on the October 1 count, once available.

16 **IV. FORMULA PAYMENTS**

17 **A. Payment Procedures**

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

22 **B. Requested Payment Adjustments**

23 If the city, parish, or other school systems and schools have documented
 24 growth in students prior to the actual Mid-Year Student Counts in October
 25 and February, a temporary change to the final allocation may be requested.

26 The State Superintendent is authorized to approve or deny this revision.

27 1. Sufficient documentation will be requested to substantiate this
 28 requested allocation adjustment.

29 2. The adjusted allocation will remain in effect until the actual
 30 October or February Mid-Year Student Count. Once the Mid-Year

1 Student Count is final, reconciliation will be completed and payments
2 adjusted accordingly.

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

4 Review and/or audit of the systems' or schools' data used in determining their
5 Minimum Foundation Program allocation may result in changes in final
6 statistical information. The Minimum Foundation Program allocation
7 adjustments necessary as a result of these audit findings will be made in the
8 following school year. These adjustments are applicable to the following:
9 city or parish school systems, Recovery School District, Type 2 Charter
10 schools, Type 3B Charter schools, Louisiana State University, Southern
11 University, and University of Louisiana at Lafayette Lab schools, Office of
12 Juvenile Justice (OJJ) schools, Louisiana School for Math, Science and the
13 Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), and
14 THRIVE.

15 **V. 70% EXPENDITURE REQUIREMENT**

16 To provide for appropriate accountability of state funds while providing city, parish,
17 or local public school systems or other public schools flexibility in determining
18 specific expenditures, city, parish, or local public school systems or other public
19 schools must ensure that at least 70% of the city, parish, or local public school
20 system or other public school general fund expenditures are in the areas of
21 instruction and school administration at the school building level as developed by the
22 Louisiana Department of Education and defined by the State Board of Elementary
23 and Secondary Education regulations.

24 **VII. SEVERABILITY PROVISION**

25 If any provision of this minimum foundation formula or the application thereof is
26 held invalid, such invalidity shall not affect other provisions or applications of this
27 minimum foundation formula which can be given effect without the invalid
28 provisions or applications, and to this end the provisions of this minimum foundation
29 formula are hereby declared severable. The severability provision hereof shall be
30 broadly construed so as to give effect to each and every possible provision or

1 application of this minimum foundation formula which is not specifically held
2 invalid, unlawful, or unconstitutional.

3 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
4 approve the formula developed by the State Board of Elementary and Secondary Education,
5 pursuant to Article VIII, Section 13(B) of the Constitution of Louisiana, to determine the
6 cost of a minimum foundation program of education in all public elementary and secondary
7 schools as well as to equitably allocate the funds to parish and city school systems, and
8 adopted by the board on March 13, 2019.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HCR 1 Original

2019 Regular Session

Nancy Landry

Provides for legislative approval of the minimum foundation program (MFP) formula for FY 2019-2020 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 13, 2019.