

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

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

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

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

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

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

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

10 **I. FORMULA CALCULATIONS**

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

12 **1. Determine Educational Costs**

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

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

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

27 The formula first counts each of the students enrolled on February 1 to determine the
 28 cost of education services. The formula utilizes the February 1 Student Membership
 29 Count to allocate funding beginning in July. The students eligible to be counted are

1 identified in the Student Membership Definition adopted by the Board of Elementary
2 and Secondary Education. These students are counted as one (1.0) in the formula.

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

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

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

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

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

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

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

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

15 Formula:

16 **Total Weighted Student Membership Count**

17 **Equals**

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

19 **Plus**

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

21 **Career and Technical Education Weight**

22 **Special Education Weight**

23 **Gifted and Talented Weight**

24 **Economy of Scale Weight**

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

26 Formula:

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

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

29 Formula:

30 **Total MFP Educational Costs**

1 **Equals**
 2 **Total Weighted Student Membership Count**
 3 **Multiplied by**
 4 **State and Local Base Cost Per Pupil**

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

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

- 11 1. Local Property Tax Revenue Contribution
- 12 2. Local Sales Tax Revenue Contribution
- 13 3. Other Local Revenue Contribution

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

15 **Formula:**

16 **Local Property Tax Revenue Contribution**

17 **Equals**

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

19 **Times**

20 **Net Assessed Property Value**

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

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

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

29 **Formula:**

30 **Local Sales Tax Revenue Contribution**

1 **Equals**
2 **Computed Sales Tax Base (debt and non-debt) (including TIF areas)**

3 **Multiplied By**
4 **State Computed Sales Tax Rate**

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

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

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

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

17 **Formula:**
18 **Other Local Revenue Contribution**

19 **Equals**
20 **State Revenue in lieu of taxes**
21 **Plus**
22 **Federal Revenue in lieu of taxes**
23 **Plus**
24 **50% of Earnings on Property**

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

26 **Formula:**
27 **Local Cost Allocation**

28 **Equals**
29 **Property Tax Contribution**

30 **Plus**

1 **Sales Tax Contribution**

2 **Plus**

3 **Other Revenues Contribution**

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

5 **Formula:**

6 **State Cost Allocation**

7 **Equals**

8 **Total State and Local Cost**

9 **Minus**

10 **Local Cost Allocation**

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

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

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

- 19 1. Total Sales Taxes
- 20 2. Total Property Taxes
- 21 3. State and Federal Revenue in Lieu of Taxes
- 22 4. 50% Earnings on Property Revenue

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

24 **Formula:**

25 **Eligible Local Revenue**

26 **Equals**

27 **Total Sales Tax Revenue**

28 **Plus**

29 **Total Property Tax Revenue**

30 **Plus**

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

2 **Plus**

3 **50% of Earnings on Property Revenue**

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

5 **Formula:**

6 **Local Revenue Eligible for Incentive**

7 **Equals**

8 **Eligible Local Revenue**

9 **Minus**

10 **Local Cost Allocation**

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

12 **Formula:**

13 **Limit on Revenue Eligible for Incentive**

14 **Equals**

15 **Total State and Local Cost Allocation**

16 **Multiplied by**

17 **34%**

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

19 **Formula:**

20 **Local Support of Level 2 Incentive**

21 **Equals**

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

23 **Eligible for Incentive**

24 **Multiplied by**

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

26 **Multiplied by**

27 **Level 2 Incentive Factor**

28 **Level 2 Incentive Factor** - The Level 2 Incentive Factor determines the amount of

29 local support required in Level 2. In FY 2014-2015, the Level 2 Incentive Factor is

30 established at 1.72.

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

2 **Formula:**

3 **State Support of Level 2 Incentive**

4 **Equals**

5 **Lesser of Local Revenue Eligible for Incentive or Limit on Local Revenue**
6 **Eligible for Incentive**

7 **Minus**

8 **Local Support of Level 2 Incentive**

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

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

14 **Formula:**

15 **Total Level 3 Legislative Allocations**

16 **Equals**

17 **Continuation Pay Raises**

18 **Plus**

19 **Historical Formula Allocation**

20 **Plus**

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

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

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

27 a. Certificated Personnel Pay Raises provided in 2001-2002, 2006-2007,
28 2007-2008, and 2008-2009 will continue for each school system and school
29 based on the calculated per pupil amount times the February 1 Student
30 Membership Count.

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

3 a. Non-certificated Support Worker Pay Raises provided in
4 2002-2003, 2006-2007, and 2007-2008 will continue for each school
5 system and school based on the calculated per pupil amount times the
6 February 1 Student Membership Count.

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

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

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

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

24 The amount of funding removed from the districts listed above is reserved and
25 redistributed to the remaining school districts. The total amount is divided by the
26 total number of students within these same districts to calculate a per pupil
27 amount. The allocation is determined using the per pupil amount multiplied by
28 the February 1 student membership count.

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

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

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

6 **Formula:**

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

8 **Equals**

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

10 **Plus**

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

12 **Plus**

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

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

15 1. Specific Needs Allocations

16 Specific Needs Allocations provide funding for four allocations for specific
17 purposes and is in addition to system level allocations from Levels 1, 2, and 3.

18 These allocations are as follows:

19 **Formula:**

20 **Total Level 4 Supplementary Allocations**

21 **Equals**

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

23 **Plus**

24 **Career Development Allocation**

25 **Plus**

26 **High Cost Services Assistance Allocation**

27 **Plus**

28 **Supplemental Course Allocation**

29 **Plus**

30 **2019-20 Certificated and Non-Certificated Pay Raises**

1 **Plus**

2 **Mentor Teacher Stipends**

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

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

10 These teachers shall be paid by the employing city, parish, or other local public
11 school system or school at least the state average classroom teacher salary (without PIP)
12 by years of experience and degree beginning with year three. Of the \$21,000 allocation,
13 \$20,000 shall be allocated to the school where the teacher is employed and the funds
14 used to support the total cost of the teacher salary, and the remaining amount shall be
15 associated with costs of VISA sponsorship pursuant to Board of Elementary and
16 Secondary Education regulations.

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

22 **STEP TWO: Career Development Allocation**

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

28 The first step in the allocation is to calculate six percent (6%) of the MFP State
29 and Local Base Cost Per Pupil to determine the Career Development Per Pupil Amount.
30 The Career Development Per Pupil Amount will be provided for each qualifying student

1 course enrollment in grades 9 through 12 and grade 8 for select career readiness courses
2 for high school credit.

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

9 **Formula:**

10 **Career Development Allocation Per Pupil**

11 **Equals**

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

13 **Multiplied By**

14 **Six Percent (6%)**

15 **Formula:**

16 **Career Development Allocation**

17 **Equals**

18 **Career Development Allocation Per Pupil**

19 **Multiplied By**

20 **Number of Students in Qualifying Courses in Grades 9 through 12 and**
21 **Grade 8 for select Career Readiness Courses**

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

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

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

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

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

Formula:

Percent (%) Impact on Budget

Equals

Cost of Services

Divided By

Total State and Local Revenue

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

STEP FOUR: Calculate Supplemental Course Allocation

28 Pursuant to R.S. 17:4002.1 through 4002.6, the Supplemental Course
 29 Allocation shall provide for the cost of secondary course choices specifically
 30 approved by the Board of Elementary and Secondary Education. For each city

1 and parish school system and other public school, the allocation shall equal the
2 number of students enrolled in grades 7 through 12 as of February 1 each year
3 multiplied by \$59 per pupil.

4 **Formula:**
5 **Supplemental Course Allocation for School Systems or Other Public**
6 **Schools**

7 **Equals**
8 **Supplemental Course Allocation Per Pupil**
9 **Multiplied By**
10 **Number of Students in Grades 7 through 12**

11 If the entire allocation is not committed by the city or parish public school
12 systems or other public school by a date set forth by the Louisiana Department
13 of Education, the original allocation will be reduced by the uncommitted amount.
14 The total uncommitted amount from each city or parish public school systems
15 or other public school will be reallocated to those city or parish public school
16 systems or other public schools that obligated one hundred percent of their
17 original allocation based on criteria set forth by the Louisiana Department of
18 Education.

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

20 1. Certificated Personnel Pay Raise
21 Each city, parish, or other public school district or school shall receive \$1,000
22 plus the annual retirement rate as reported by Teachers Retirement System of
23 Louisiana (TRSL) in the for the employer contribution to the appropriate
24 retirement system based on Profile of Educational Personnel (PEP) data as of
25 October 1 to provide an across the board \$1,000 pay raise and any associated
26 retirement for K-12 classroom educators and other certificated K-12 personnel
27 defined per Louisiana Department of Education Bulletin 1929 to include:

- 28 Teachers (all function codes 1000-2200s, object code 112);
- 29 Therapists/Specialists/Counselors (function codes 1000- 2200s, object
30 code 113); School Site-based Principals, Assistant Principals, and Other

1 School Administrators (function code 2400s, object code 111); Central
2 Office Certificated Administrators (function codes 1000-2200 & 2324,
3 2831, and 2832 (excluding 2130s), object code 111); School Nurses
4 (function code 2134, object code 118); and Sabbaticals (function codes
5 1000-2200s, 2134, and 2400s, object code 140).

6 2. Non-Certificated Personnel Pay Raise

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

14 Aides (function codes 1000-4900s, object code 115); Support Supervisors
15 (function codes 2130s, 2300s (excluding 2311, 2321, 2324, 2831 and
16 2832) and 2500- 4900s, object code 111); Clerical/Secretarial (function
17 codes 1000-4900s, object code 114); Service Workers (function codes
18 1000-4900s, object code 116); Skilled Craftsmen (function codes
19 1000-4900s, object code 117); Degreed Professionals (function codes
20 1000-4900s, (excluding 2134s) object code 118); and Other Personnel
21 (function codes 1000-4900s, object codes 100, 110 and 119).

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

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

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

28 Each city, parish, or other public school district or school whose average teacher
29 salary as reported by the Louisiana Department of Education is below the latest
30 available Southern Regional Education Board (SREB) average teacher salary

1 shall reserve 50% of the increase generated by the 2.75% increase to the Base
2 Per Pupil in 2020-2021 and shall utilize this funding to pay for: 1) Pay raise to
3 certificated K-12 classroom educators and other certificated K-12 personnel as
4 of October 1 Profile of Educational Personnel (PEP) data as defined per
5 Louisiana Department of Education Bulletin 1929 to include:

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

14 2) Any associated retirement costs as applicable.

15 2. Allocations for Other Public Schools

16 **STEP ONE: Louisiana State University, Southern University, and University of**
17 **Louisiana at Lafayette Laboratory Schools**

18 1. State Cost Allocation

19 a. The February 1 Student Membership count at the Louisiana State
20 University, Southern University, and University of Louisiana at Lafayette
21 Lab Schools shall be multiplied by the Average State Cost Allocation Per
22 Pupil to equal the Louisiana State University, Southern University, and
23 University of Louisiana at Lafayette Lab Schools State Cost Allocation.

24 b. Funds appropriated for these schools shall be allocated to the
25 institution of higher education operating such a school. Each such
26 institution of higher education shall ensure the equitable expenditure of
27 such funds to operate such schools.

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

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

- 1 1. State Cost Allocation
- 2 a. Any Legacy Type 2 Charter school shall annually be allocated funds
- 3 as determined by applying the formula contained in R.S. 17:3995.
- 4 b. The State Cost Allocation equals the number of students multiplied
- 5 by the State Per Pupil for the system where the student resides.
- 6 2. Local Cost Allocation
- 7 a. Any Legacy Type 2 Charter school shall annually be allocated funds
- 8 as determined by applying the formula contained in R.S. 17:3995.
- 9 b. The Local Cost Allocation equals the number of students multiplied
- 10 by the Local Per Pupil for the system where the student resides.
- 11 c. For any student enrolled in a Legacy Type 2 Charter school, the Local
- 12 Cost Allocation shall be funded by the State.
- 13 3. The exclusion of any portion of local revenues specifically dedicated by
- 14 the legislature or by voter approval to capital outlay or debt service shall be
- 15 applicable only to a charter school housed in a facility or facilities provided by
- 16 the district in which the charter school is located.

STEP THREE: Office of Juvenile Justice (OJJ) Schools

- 18 1. Eligible Schools - Any elementary and secondary school operated by the
- 19 Office of Juvenile Justice (OJJ) in a secure care facility shall be
- 20 considered a public elementary or secondary school and, as such, the
- 21 Office of Juvenile Justice (OJJ) shall be annually appropriated funds for
- 22 these students.
- 23 2. Eligible Students - Each student counted in the prior year average daily
- 24 membership, as defined by the Board of Elementary and Secondary
- 25 Education in the Student Membership Definition, is calculated by dividing
- 26 the number of days the student is under the guidance and direction of
- 27 teachers by the total instructional days during the specified school year.
- 28 3. Allocation - The Office of Juvenile Justice (OJJ) shall annually be
- 29 allocated funds for the eligible students. For each student enrolled in these

1 schools, both a State Cost Allocation and a Local Cost Allocation shall be
2 provided.

3 4. State Cost Allocation

4 a. The State Cost Allocation is equal to the State Cost Allocation Per
5 Pupil for the system where each student resided prior to adjudication
6 multiplied by the prior year average daily membership of the Office of
7 Juvenile Justice schools.

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

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

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

19 5. Local Cost Allocation

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

25 b. The Local Cost Allocation is equal to the Local Cost Allocation
26 Per Pupil for the system were each student resided prior to adjudication
27 multiplied by the prior year average daily membership of the Office of
28 Juvenile Justice schools.

29 c. For the purpose of the Local Cost Allocation Per Pupil, the
30 average daily membership of the Office of Juvenile Justice (OJJ) shall be

1 included in the membership counts of the city, parish, or other local public
2 school board in which the student resided prior to adjudication to the
3 Office of Juvenile Justice.

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

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

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

14 3. Mid-Year Student Allocations

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

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

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

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

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

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

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

20 **Total MFP State Cost Allocation**

21 **Formula:**

22 **Total MFP State Cost Allocation**

23 **Equals**

24 **Level 1 State Cost Allocation**

25 **Plus**

26 **Level 2 State Cost Allocation**

27 **Plus**

28 **Level 3 State Cost Allocation**

29 **Plus**

30 **Level 4 State Cost Allocation**

1 **II. FORMULA CALCULATIONS FOR STATE-APPROVED PUBLIC**
2 **SCHOOLS**

3 **A. Recovery School District**

4 1. State Cost Allocation

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

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

25 2. Local Cost Allocation

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

28 **Formula:**

29 **Local Cost Allocation Per Pupil**

30 **Equals**

1 **Projected Local Revenues from District of Prior Jurisdiction**
 2 **Divided by**
 3 **Total School District Membership (Recovery School District Student**
 4 **Membership Count plus Student Membership Count for the system of prior**
 5 **jurisdiction plus New Type 2 Charter school students residing in the**
 6 **jurisdiction)**

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

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

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

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

27 e. The projected local revenues shall be divided by the Total School
 28 District Membership Count including the Recovery School District
 29 Student Membership Count, both operated and charter schools, plus the
 30 Student Membership Count of the system of prior jurisdiction. If any New

1 Type 2 Charter School student resides within the physical boundaries of
 2 the system of prior jurisdiction, this school the student attends shares in
 3 the local revenues of the system of prior jurisdiction. As a result, the New
 4 Type 2 Charter School Student Membership Count of the students residing
 5 in the jurisdiction will be added to the Recovery School District and the
 6 system of prior jurisdiction Student Membership Count.

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

Formula:

Local Cost Allocation

Equals

Projected Local Revenues from District of Prior Jurisdiction Per Pupil

Multiplied By

Recovery School District Student Membership Count

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

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

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

27 j. A final reconciliation will occur based upon the receipt of the annual
 28 audited financial statements of the system of prior jurisdiction. If an
 29 increase or decrease in local revenue collections exists, the state
 30 superintendent may establish a payment schedule. In the event that the

1 fiscal status of the system of prior jurisdiction or the Recovery School
2 District changes during the fiscal year or on or before the final
3 reconciliation, the state superintendent may adjust the local revenue based
4 on the revenues identified.

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

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

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

14 1. State Cost Allocation

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

18 b. The State Cost Allocation equals the number of students multiplied
19 by the State Cost Allocation Per Pupil for the system in which the student
20 resides.

21 c. Mid-Year Adjustments shall adhere to the guidelines established in
22 this document.

23 2. Local Cost Allocation

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

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

29 c. One exception to R.S. 17:3995 is that the Local Cost allocation will
30 be funded with a transfer of the MFP monthly amount representing the

1 Local Cost Allocation from the city or parish school system in which the
2 attending students reside.

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

6 e. Mid-Year Adjustments will adhere to the guidelines established in
7 this document.

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

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

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

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

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

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

29 2. State Cost Allocation

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

4 3. Local Cost Allocation

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

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

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

15 **III. FORMULA PROCEDURES**

16 A. Preliminary Allocation

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

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

26 B. Final Allocation

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

1 opening for the first time in the fiscal year beginning July 1. For first-year city,
2 parish, or other public school systems or schools, the final allocation will be
3 based on the October 1 count, once available.

4 **IV. FORMULA PAYMENTS**

5 **A. Payment Procedures**

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

10 **B. Requested Payment Adjustments**

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

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

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

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

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

1 Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), and Thrive
2 Academy.

3 **V. 70% EXPENDITURE REQUIREMENT**

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

12 **VII. SEVERABILITY PROVISION**

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

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

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 26 Original

2020 Regular Session

Garofalo

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.