



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 185** HLS 25RS 734
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 23, 2025	7:18 PM	Author: FREIBERG
Dept./Agy.: Education/BESE		
Subject: Attendance based MFP formula funding		Analyst: Julie Silva

SCHOOLS/FINANCE-MFP

OR +\$100,000 GF EX See Note

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Provides for the methodology the State Board of Elementary and Secondary Education uses to count students for purposes of the minimum foundation program (MFP) formula

Proposed legislation requires the Board of Elementary and Secondary Education (BESE) to develop and implement, through the Administrative Procedure Act rulemaking process, a methodology using average daily attendance rather than enrollment when calculating the base student count for state funding in the Minimum Foundation Program (MFP) formula.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$100,000	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$100,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Proposed legislation is anticipated to increase SGF expenditures in FY 26 by \$75,000-\$100,000 for the Louisiana Department of Education (LDOE) and the Board of Elementary and Secondary Education (BESE) to contract with a school finance expert to develop a new Minimum Foundation Program (MFP) formula based on a student count determined by average daily attendance (ADA). The provisions of proposed legislation are also expected also result in indirect impacts to state and local fund expenditures. When undertaking previous MFP restructuring projects, a request for proposal (RFP) process was used to identify a firm with expertise in school finance. Actual costs to contract with a school finance expert may be higher or lower, and will be based on the contract entered into by BESE/LDOE and the length of time the expert is engaged.

Indirect impacts to state and local fund expenditures will be dependent on the specific formula developed to meet the requirement of proposed law that directs BESE to develop an MFP formula that determines student counts using average daily attendance (ADA) versus the current method based on actual enrollment numbers. Until the formula is developed, actual impacts to state and local expenditures through the MFP formula are indeterminable, but may be significant. Currently, the MFP formula bases funding on student membership, establishing the base student count using actual enrollment numbers, with specific student count dates historically set for February and October each year. Proposed legislation would instead require BESE to develop an MFP formula to calculate the base student count using ADA, calculated as the aggregate days of student attendance during the school year divided by the number of days that school is in session. For informational purposes, the statewide truancy rate in the 2023-2024 academic year was 41.76%. The statewide chronic absenteeism rate was 24.6% for the same period. **Actual impacts to state and local fund expenditures as a result of changes to the MFP formula calculation method are indeterminable until a new formula is adopted by BESE and approved by the legislature.**

REVENUE EXPLANATION

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

Depending on the formula developed, there are likely to be indirect impacts to local school system revenues received through the MFP. Actual impacts will vary by school system but may be significant for school systems with a higher absenteeism rate.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<div>Patrice Thomas</div> Patrice Thomas Deputy Fiscal Officer