

1 program:

2 **GOAL 1 - - EQUITY:** The school finance system in Louisiana provides
3 equal treatment of pupils with similar needs with the requirement that local school
4 systems have a tax burden sufficient to support Level 1.

5 **GOAL 2 - - ADEQUACY:** The school finance system in Louisiana provides
6 programs and learning opportunities that are sufficient for providing a minimum
7 educational program for every individual. The State Board of Elementary and
8 Secondary Education and the legislature through the adoption of the minimum
9 foundation program formula establish a minimum program.

10 **GOAL 3 - - LOCAL CHOICE:** The school finance system in Louisiana
11 provides that local taxpayers and the school board establish the budget and set the
12 tax levy for operating the schools above a set level of support for the minimum
13 program.

14 **GOAL 4 - - EVALUATION OF THE STATE SCHOOL FINANCE**
15 **SYSTEM:** The school finance system in Louisiana ensures the attainment of the
16 goals of equity, adequacy, and local choice. Whereas the school finance system
17 utilizes significant state general fund revenues, it is important that the system be
18 evaluated on a systematic basis annually.

19 **GOAL 5 - - PERFORMANCE MEASURES:** The school finance system
20 in Louisiana provides for financial accountability and program efficiency
21 maximizing student achievement. Accountability means that city, parish, and other
22 local public school districts can demonstrate that they are operating in conformance
23 with state statutes, financial accounting standards, and student performance
24 standards.

25 WHEREAS, to properly measure the achievement of the goals, a comprehensive
26 management information system containing state-level and district-level components shall
27 continue to be developed; and

28 WHEREAS, to provide fiscal and programmatic accountability, a fiscal
29 accountability program and a school and district accountability program shall continue to
30 be developed; and

1 WHEREAS, the fiscal accountability program shall verify data used in allocating
2 minimum foundation program funds and report fiscal information on the effectiveness of the
3 manner in which the funds are used at the local school system level; and

4 WHEREAS, the school and district accountability program in establishing the state
5 goals for schools and students creates an easy way to communicate to schools and the public
6 how well a school is performing, recognizes schools for effectively demonstrating growth
7 in student achievement, and focuses attention, energy, and resources on schools needing help
8 in improving student achievement; and

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

12 WHEREAS, this minimum foundation program formula is designed to provide
13 greater equity and adequacy in both state and local funding of local school systems; and

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

18 THEREFORE, BE IT RESOLVED by the Legislature of Louisiana, that the formula
19 to determine the cost of a minimum foundation program of education in all public
20 elementary and secondary schools as well as to allocate equitably the funds to city, parish,
21 and other local public school systems developed by the State Board of Elementary and
22 Secondary Education and adopted by the Board on February 27, 2012, is hereby approved
23 to read as follows:

24 **MINIMUM FOUNDATION PROGRAM**
25 **ELEMENTARY AND SECONDARY EDUCATION**
26 **COST DISTRIBUTION FORMULA**
27 **2012-2013 SCHOOL YEAR**

28 **I. BASIS OF ALLOCATION**

29 **A. Preliminary and Final Allocations**

30 1. BESE shall determine preliminary allocations of the minimum foundation

1 program formula for city, parish, and other local public school systems, Recovery
2 School District schools, LSU and Southern Lab schools, Office of Juvenile Justice
3 schools, Louisiana School for Math, Science, and the Arts (LSMSA), New Orleans
4 Center for Creative Arts (NOCCA), Type 2 Charter schools, Student Scholarships
5 for Educational Excellence Program (SSEEP), Special School District (SSD), and
6 Louisiana School for the Deaf and Visually Impaired (LSDVI), using latest available
7 data, no later than March 15 each year for the upcoming fiscal year. Upon adoption
8 by the board of such preliminary allocations for the ensuing fiscal year, the
9 superintendent shall submit the budget requirements in accordance with R.S. 39:33
10 and shall submit the minimum foundation program funding requirements to the Joint
11 Legislative Committee on the Budget and to the House and Senate committees on
12 education.

13 2. Upon final adoption by BESE and the legislature of the minimum
14 foundation program formula resolution in effect for the upcoming fiscal year, BESE
15 shall determine final allocations of the minimum foundation program formula for
16 city, parish, and other local public school systems, the Recovery School District,
17 LSU and Southern Lab schools, Office of Juvenile Justice schools, Louisiana School
18 for Math, Science, and the Arts (LSMSA), New Orleans School for the Creative Arts
19 (NOCCA), Type 2 Charter schools, Special School District (SSD), and Louisiana
20 School for the Deaf and Visually Impaired (LSDVI), using latest available data, no
21 later than June 30 for the fiscal year beginning July 1.

22 3. Latest available student count estimates will be utilized for newly opened
23 school districts or local education agencies in the final allocations of the minimum
24 foundation program formula no later than June 30 for the fiscal year beginning July
25 1.

26 **B. Mid-year Adjustments**

27 1. Districts and schools may request that the state superintendent make
28 estimated monthly payments based on documented mid-year growth prior to the
29 October 1 count.

30 2. If any city, parish, or other local public school system's, Recovery School

1 District schools', LSU and Southern Lab schools', Louisiana School for Math,
2 Science, and the Arts (LSMSA), New Orleans School for the Creative Arts
3 (NOCCA), Type 2 Charter schools', Special School District's (SSD), and Louisiana
4 School for the Deaf and Visually Impaired's (LSDVI), current year October 1 student
5 count is more or less than the previous year's February 1 membership, a mid-year
6 adjustment to per pupil funding shall be made for each student gained or lost based
7 on the final MFP allocation per pupil amount for that city, parish, or other local
8 public school system as approved by BESE.

9 3. Districts and schools may request that the state superintendent make
10 estimated monthly payments based on documented mid-year growth prior to the
11 February 1 count.

12 4. If any city, parish, or other local public school system's, Recovery School
13 District schools', LSU and Southern Lab schools', Louisiana School for Math,
14 Science, and the Arts (LSMSA), New Orleans School for the Creative Arts
15 (NOCCA), Type 2 Charter schools', Special School District's (SSD), and Louisiana
16 School for the Deaf and Visually Impaired's (LSDVI), current year February 1
17 membership is more or less than the current year October 1 membership, a second
18 mid-year adjustment to per pupil funding shall be made for each student gained or
19 lost based on one-half the final MFP allocation per pupil amount for that city, parish,
20 or other local public school system as approved by BESE.

21 5. If the Recovery School District, the district of prior jurisdiction, and local
22 education agencies have an increase or decrease in current year October 1
23 membership from the prior year February 1 membership included in the final MFP
24 allocation individually, the Recovery School District, the district of prior jurisdiction,
25 and local education agencies shall receive individually a mid-year adjustment of
26 MFP funding based upon the increases and decreases in the October 1 membership
27 times the final MFP allocation per pupil for the district of prior jurisdiction. For
28 increases or decreases in the current year February 1 membership from the October
29 membership, the Recovery School District, the district of prior jurisdiction, and local
30 education agencies shall receive individually a mid-year adjustment based on the

1 increases and decreases in the February 1 membership times one-half of the final
2 MFP allocation per pupil for the district of prior jurisdiction.

3 6. If the Recovery School District's current year October 1 membership count
4 qualifies for a mid-year adjustment to state funds, a mid-year adjustment shall also
5 be made based on the local per pupil amount of the district of prior jurisdiction times
6 the number of students identified in the mid-year adjustment. For the current year
7 February 1 student count, an adjustment will be made using one-half the local per
8 pupil amount times the number of students identified in the mid-year adjustment.

9 7. For the newly opened school districts or local education agencies, in the
10 first year of operation, a special mid-year adjustment will be made to finalize their
11 minimum foundation program formula allocations using October 1 data. This special
12 mid-year adjustment will replace the October mid-year adjustment. The newly
13 opened school districts or local education agencies will qualify for the February 1
14 mid-year adjustment.

15 **II. LEVEL 1 - COST DETERMINATION AND EQUITABLE**
16 **DISTRIBUTION OF STATE AND LOCAL FUNDS**

17 **A. Base Foundation Level 1 State and Local Costs**

18 1. February 1 Membership (as defined by the State Board of Elementary and
19 Secondary Education) including Recovery School District students.

20 **Plus**

21 2. Add-on Students/Units.

22 a. At-Risk Students weighted at 0.22.

23 At-Risk students are defined for purposes of allocating funds as those
24 students whose family income is at or below income eligibility guidelines or other
25 guidelines as provided by the State Board of Elementary and Secondary Education
26 and the number of students identified as English Language Learners that were not
27 included based on income eligibility guidelines times the weighted factor of 0.22.

28 The State Board of Elementary and Secondary Education shall seek to
29 increase the at-risk weight over seven years by an appropriate amount annually until
30 reaching a total at-risk weight of .40.

1 b. Career and Technical Education course units weighted at .06.

2 The number of combined fall and spring student units enrolled in secondary
3 career and technical education courses times the weighted factor of 0.06.

4 c. Special Education/Other Exceptionalities students weighted at 1.50.

5 The number of students identified as having Other Exceptionalities as
6 reported in the membership count as defined by the State Board of Elementary and
7 Secondary Education times the weighted factor of 1.50.

8 d. Special Education/Gifted and Talented students weighted at .60. The
9 number of students identified as Gifted and Talented as reported in the membership
10 count as defined by the State Board of Elementary and Secondary Education times
11 the weighted factor of 0.60.

12 e. Economy of Scale calculated as a curvilinear weight of .20 at 0 student
13 membership level down to zero at 7,500 student membership level. This weight will
14 vary depending on the size of the school system. There will be no benefit to school
15 systems with a membership of 7,500 or greater. The formula for this weight is:

16 (1) for each district with less than 7,500 students, subtract its membership
17 from 7,500;

18 (2) divide this difference by 37,500 to calculate each district's economy of
19 scale weight; then

20 (3) multiply each district's economy of scale weight times their membership
21 count.

22 **Equals**

23 3. Total Weighted Membership and/or Units (Sum of I.A.1 and I.A.2.a.
24 through e.)

25 **Times**

26 4. State and Local Base Per Pupil Amount of **\$3,855.**

27 In the event no provision for an annual increase has been provided and this
28 Resolution remains in effect in the Fiscal Year 2013-2014 or thereafter, the State
29 Board of Elementary and Secondary Education shall annually adjust the state and
30 local base per pupil amount with approval by the Joint Legislative Committee on the

1 Budget. If the Joint Legislative Committee on the Budget does not approve the rate
 2 established by the State Board of Elementary and Secondary Education, then an
 3 annual growth adjustment of 2.75% shall automatically be applied to the state and
 4 local base per pupil amount beginning in the Fiscal Year 2013-2014.

5 **Equals**

6 5. Total Base Foundation Level 1 State and Local Costs (I.A.3 times I.A.4.)

7 **B. Local School System Share Calculation**

8 1. Property Revenue Contribution is calculated by multiplying the state's
 9 computed property tax rate (including debt service) by each school system's Net
 10 Assessed Property Value for the latest available fiscal year including TIF areas. If
 11 a district's Net Assessed Property Value has increased equal to or greater than 10%
 12 over the prior year Net Assessed Property Value, then the growth in the Net
 13 Assessed Property Value will be capped at 10%. This cap will be applied on a
 14 year-to-year basis comparing the current year Net Assessed Property Value to the
 15 prior year uncapped Net Assessed Property Value. In FY 2007-08, this millage was
 16 set at a level appropriate to yield a state average share of 65% and a local average
 17 share of 35%. The millage set in FY 2007-08 will remain the same in FY 2008-09
 18 and beyond except that the State Board of Elementary and Secondary Education may
 19 revise the millage as deemed appropriate in order to reestablish the 65%/35% share.

20 2. Sales Revenue Contribution is calculated by dividing the district's actual
 21 sales tax revenue collected (including debt service) in the latest available fiscal year
 22 by the district's sales tax rate that was applicable to create a sales tax base. If a local
 23 school system's sales tax goes into effect during the fiscal year, the tax rate is
 24 prorated to an annual rate applicable for the total revenue generated. If a district's
 25 Computed Sales Tax Base increased equal to or greater than 15% over the Computed
 26 Sales Tax Base calculated in the prior year formula, then the growth in the Computed
 27 Sales Tax Base will be capped at 15% over the amount used in the prior year
 28 formula. This cap will be applied on a year-to-year basis comparing the current year
 29 sales tax base to the prior year uncapped sales tax base. Each district's sales tax base
 30 is then multiplied by the state's projected yield of the sales tax rate. In FY 2007-08,

1 this rate was set at a level appropriate to yield a state average share of 65% and a
2 local average share of 35%. The rate set in FY 2007-08 will remain the same in FY
3 2008-09 and beyond except that the State Board of Elementary and Secondary
4 Education may revise the rate as deemed appropriate in order to reestablish the
5 65%/35% share.

6 3. Other Revenue Contribution is calculated by combining (1) State Revenue
7 in lieu of taxes;(2) Federal Revenue in lieu of taxes; and (3) 50% of Earnings on
8 Property.

9 4. Local School System Share is the sum of adding Item 1- Property Tax
10 Contribution, Item 2 - Sales Tax Contribution and Item 3 - Other Revenues
11 Contribution.

12 **C. State Share Calculation**

13 The State Share is calculated by subtracting the Local Share from the Total
14 Level 1 Costs. In no event shall the State Share of the Total Level 1 Costs be less
15 than 25% for any district.

16 **III. LEVEL 2 - INCENTIVE FOR LOCAL EFFORT**

17 **A. Level 2 Eligible Local Revenue**

18 1. Local Revenue.

19 Prior year revenues collected for educational purposes from total Sales Tax,
20 total Property Tax, State and Federal Revenue in Lieu of Taxes, and 50% of Earnings
21 on Property.

22 **Minus**

23 3. Local School System Share Contribution of Level 1 Costs.

24 **Equals**

25 4. Local Revenue over Local School System Share Contribution of Level 1
26 Costs. This is the funding available for consideration in Level 2 incentive funding.

27 5. Limit on Revenue Eligible for Level 2.

28 The maximum local revenue eligible for incentive funding is equal to 34%
29 of Total Base Foundation Level 1 State and Local Costs (I.A.5 times .34).

30 6. Eligible Local Revenue collected for educational purposes. The Lesser of:

1 a. Local Revenue Over Level 1 Local Share (II.A.4.),

2 or

3 b. Limit on Revenue Eligible for Level 2 Incentive Funding (II.A.5).

4 **B. State Support of Level 2 Local Effort**

5 1. State Support of Level 2 equals Eligible Revenue in Level 2 minus the
6 Local Share of Level 2.

7 2. Local Share of Level 2 revenue equals the district's Eligible Local Revenue
8 in Level 2 times the district's local share percentage of Level 1 times a factor of 1.72
9 in FY 2007-08. For FY 2008-09 and beyond, this factor will remain in effect. The
10 State Board of Elementary and Secondary Education may calculate this factor on an
11 annual basis.

12 **Equals**

13 3. State Support of Level 2 Incentive for Local Effort.

14 **IV. MINIMUM FOUNDATION PROGRAM LEVEL 3 LEGISLATIVE**
15 **ENHANCEMENTS**

16 **A. Continuation Funding for Pay Raises**

17 **1. 2001-02 Certificated Personnel Pay Raise Continuation Enhancement**

18 The supplemental funding provided for the 2001-02 certificated pay raise will
19 continue for each district based on the prior year per pupil amount times their current
20 year membership.

21 **2. 2006-07 Certificated Personnel Pay Raise Continuation Enhancement**

22 The supplemental funding provided for the 2006-07 certificated pay raise will
23 continue for each district based on the prior year per pupil amount times their current
24 year membership.

25 **3. 2002-03 Support Worker Pay Raise Continuation Enhancement**

26 The supplemental pay raise allocation for noncertificated support workers provided
27 in FY 2002-03 will continue for each district based on the prior year per pupil
28 amount times the current year membership.

29 **4. 2006-07 Support Worker Pay Raise Continuation Enhancement**

30 The supplemental pay raise allocation for noncertificated support workers provided

1 in FY 2006-07 will continue for each district based on the prior year per pupil
2 amount times the current year membership.

3 **5. 2007-08 Certificated Personnel Pay Raise Continuation Enhancement**

4 The supplemental funding provided for the 2007-08 certificated pay raise will
5 continue for each district or school based on the prior year per pupil amount times
6 their current year membership.

7 **6. 2007-08 Support Worker Pay Raise Continuation Enhancement**

8 The supplemental pay raise allocation for noncertificated support workers
9 provided in FY 2007-08 will continue for each district or school based on the prior
10 year per pupil amount times the current year membership.

11 **7. 2008-09 Certificated Personnel Pay Raise Continuation Enhancement**

12 The supplemental funding provided for the 2008-09 certificated pay raise will
13 continue for each district or school based on the prior year per pupil amount times
14 their current year membership.

15 **B. Foreign Language Associate Enhancement**

16 Any local school system employing a Foreign Language Associate or a
17 graduate of the Escadrille Louisiane program shall receive a supplemental allocation
18 from BESE of \$20,000 per teacher not to exceed a total of 300 teachers in the
19 program.

20 **C. Hold Harmless Enhancement**

21 The concept for the present formula was first enacted in Fiscal Year 1992-93.
22 At that time, there were school systems that were "underfunded" by the state and
23 those that were "overfunded" by the state. In Fiscal Year 1999-2000, this MFP
24 formula concept was fully implemented for the first time with 52 systems funded at
25 the appropriate state level, eliminating the "underfunded" situation. School systems
26 identified as "overfunded" in FY 2000-01 have since received their prior year per
27 pupil Hold Harmless amount times their current year membership not to exceed the
28 total Hold Harmless amount received in the prior year. Beginning in FY 2007-08, the
29 Hold Harmless amount as identified in the FY 2006-07 formula provided to these
30 "overfunded" systems will be phased out. After subtracting amounts attributable to

1 insurance supplements and legislative pay raises provided between FY 1993-94 and
2 FY 1998-99 from the FY 2006-07 Hold Harmless amount, a revised Hold Harmless
3 amount will be calculated. Each of the school districts identified as "overfunded" in
4 FY 2006-07 will receive a reduction in FY 2007-08 equivalent to 10% of their total
5 revised "overfunded" amount. The annual 10% reduction will continue each year for
6 10 years. On an annual basis, any hold harmless district may choose to reduce the
7 remaining balance by an amount greater than 10% through formal notification to the
8 department. This request must take place no later than June 30th each year.

9 **D. Rewards for Student Progress**

10 Beginning in FY 2012-2013, the annual 10% reduction in the Hold Harmless
11 funding amount will be repurposed and utilized as rewards for student progress.
12 Reward schools shall include high performing schools, and schools achieving
13 significant student progress, as defined by BESE.

14 **E. Support for Increasing Mandated Costs in Health Insurance,**
15 **Retirement, and Fuel**

16 City, parish, and other local public school systems shall receive a minimum
17 of \$100.00 for each student in the prior year February 1 membership.

18 **V. FUNDING FOR RECOVERY SCHOOL DISTRICT**

19 **A. MFP State Share Per Student**

20 1. The student membership and weighted student counts of schools
21 transferred to the Recovery School District shall continue to be included in the
22 membership and weighted student counts of the city, parish, or other local public
23 school board from which jurisdiction of the school was transferred.

24 2. Once all final MFP calculations have been made, the MFP state share per
25 prior year February 1 student membership from Levels 1, 2, and 3 of the MFP
26 formula for the city, parish, or other local public school board which counted the
27 Recovery School District students, shall be multiplied by the number of students in
28 the Recovery School District and converted to a monthly amount. The monthly
29 amount(s) shall be reduced from the city, parish, or other local public school board
30 MFP monthly allocation and transferred to the Recovery School District.

1 **B. MFP Local Share Per Student**

2 1. In addition to the appropriation required in VA.2. of this section, the
3 Recovery School District shall receive an applicable local revenue per student
4 allocation.

5 2. To begin the fiscal year July 1, the local revenue per student allocation is
6 based on projected local revenues for the most recent prior fiscal year from the city,
7 parish, or other local public school board that had jurisdiction of the school prior to
8 its transfer divided by the total MFP student membership in the Recovery School
9 District and in the district of prior jurisdiction used in the MFP final allocation.

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

16 a. Sales and use taxes, less any tax collection fee paid by the school district.

17 b. Ad valorem taxes, less any tax collection fee paid by the school district.

18 c. Earnings from sixteenth section lands owned by the school district.

19 4. The provisions in Section B.3. above to exclude any portion of local
20 revenues specifically dedicated by the legislature or by voter approval to capital
21 outlay or debt service, shall be applicable only to a charter school housed in a facility
22 or facilities provided by the district in which the charter school is located.

23 5. The total local revenue allocation for the Recovery School District is
24 determined by multiplying the local revenue per student times the number of
25 Recovery School District students used in the MFP final allocation.

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

29 7. Based on the October 1 student count, the local revenue allocation per
30 student will be recalculated and there will be a corresponding adjustment in the local

1 revenue allocation per student. No recalculation of the local revenue per student will
2 occur at the February 1 student count adjustment.

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

5 9. A final reconciliation will occur based upon the receipt of the annual
6 audited financial statements of the district of prior jurisdiction. If an increase or
7 decrease in local revenue collection exists, the state superintendent may establish a
8 payment schedule. In the event that the fiscal status of the district of prior
9 jurisdiction or the Recovery School District changes during the fiscal year or on or
10 before the final reconciliation, the state superintendent may adjust the local revenue
11 based on the revenues identifies.

12 C. Except for administrative costs, monies appropriated to the Recovery
13 School District that are attributable to the transfer of a school from a prior school
14 system and monies allocated or transferred from the prior system to the Recovery
15 School District shall be expended solely on the operation of schools transferred from
16 the prior system to the jurisdiction of the Recovery School District.

17 **VI. FUNDING FOR LOUISIANA STATE UNIVERSITY AND**
18 **SOUTHERN UNIVERSITY LABORATORY SCHOOLS**

19 A. Any elementary or secondary school operated by Louisiana State
20 University and Agricultural and Mechanical College or by Southern University and
21 Agricultural and Mechanical College shall be considered a public elementary or
22 secondary school and, as such, shall be annually appropriated funds as determined
23 by applying the formula contained in Subsection B of this Section.

24 B. Each student in membership, as defined by the State Board of Elementary
25 and Secondary Education, at the schools provided for in Subsection A of this Section
26 shall be provided for and funded from the minimum foundation program an amount
27 per student equal to the amount allocated per student for the state share of the
28 minimum foundation program.

29 C. The funds appropriated for the schools provided for in this Section shall
30 be allocated to the institution of higher education operating such a school. Each such

1 institution of higher education shall ensure the equitable expenditure of such funds
2 to operate such schools.

3 D. Fifty percent of increased funds provided are to be directed to certificated
4 staff pay raises as defined in Section XIV.A. Provisions specified in Section XIII.
5 through XV. of this Resolution shall apply to these schools.

6 **VII. FUNDING FOR TYPE 2 CHARTER SCHOOLS**

7 A. Any school authorized as a Type 2 Charter School approved by the State
8 Board of Elementary and Secondary Education, shall annually be appropriated funds
9 as determined by applying the formula contained in R.S. 17:3995, except that the
10 local share allocation will be funded with a transfer of the MFP monthly amount
11 representing the local share allocation from the city, parish, or local public school
12 board in which the attending students reside. The city, parish, or other local school
13 board that has local taxing authority shall provide the local support for the students.

14 B. Virtual Charter schools may receive, as approved by the State Board of
15 Elementary and Secondary Education, a lesser percentage of the state and local
16 amount calculated in R.S. 17:3995.

17 C. For any student that resides on a military base, the local share allocation
18 shall be funded by the state.

19 D. Where student attendance is from multiple school districts, the Department
20 of Education shall determine the local share based on students reported by the
21 schools. The student membership count of the Type 2 charter schools shall be
22 included in the membership count of the city, parish, or other local public school
23 board in which the student resides to determine the local share.

24 E. Student adjustments for Type 2 Charter Schools authorized shall adhere
25 to the guidelines established in Section I.(B) – Mid-year Adjustments.

26 F. The student membership and weighted student counts of any Type 2
27 Charter school authorized by the State Board of Elementary and Secondary
28 Education shall be included in the membership and weighted student counts of the
29 city, parish, or other local public school board in which the student resides using the
30 actual prior year February 1 enrollment data of the Type 2 Charter school. This shall

1 not apply in the first year of operation where estimated data only is available.

2 G. Fifty percent of increased funds provided are to be directed to certificated
3 staff pay raises as defined in Section XIV.A. Provisions specified in Section XIII.
4 through XV. of this Resolution shall apply to these schools.

5 **VIII. FUNDING FOR THE OFFICE OF JUVENILE JUSTICE**
6 **SCHOOLS AND STUDENTS**

7 A. Any elementary and secondary school operated by the Office of Juvenile
8 Justice in a secure care facility shall be considered a public elementary or secondary
9 school and, as such, the Office of Juvenile Justice shall be annually appropriated
10 funds for these students as determined by applying the formula contained in
11 Subsections B and C of this Section.

12 B. Each student counted in the prior year average daily membership, as
13 defined by the State Board of Elementary and Secondary Education to be calculated
14 by dividing the number of days the students are under the guidance and direction of
15 teachers by the total instructional days during the specified school year, shall be
16 provided for and funded from the minimum foundation program a state share per
17 pupil equal to the amount allocated per student for the state share of the district
18 where the student resided prior to adjudication.

19 1. The state share per pupil allocation shall be adjusted based on a factor
20 determined by the Louisiana Department of Education to provide for the differential
21 in the number of educational days provided to the students in the custody of the
22 Office of Juvenile Justice.

23 2. Additionally, the state share per pupil allocation shall be adjusted based on
24 a factor determined by the Louisiana Department of Education to recognize the
25 increased number of special education students in the Office of Juvenile Justice
26 schools relative to the state average special education student population.

27 C. Each student counted in the prior year average daily membership, as
28 defined by the State Board of Elementary and Secondary Education, shall be
29 provided for and funded from the minimum foundation program a local contribution
30 per pupil equal to the local contribution per pupil for the district where the student

1 resided prior to adjudication.

2 1. For the purpose of the local share allocation per pupil amount, the average
3 daily membership of the Office of Juvenile Justice shall be included in the
4 membership counts of the city, parish, or other local public school board in which
5 the student resided prior to adjudication to the Office of Juvenile Justice.

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

8 3. The local share allocation shall be funded with a transfer of the MFP
9 monthly amount representing the local share allocation from the city, parish, or other
10 local public school board in which the attending students resided prior to
11 adjudication to the Office of Juvenile Justice.

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

14 **IX. FUNDING FOR LOUISIANA SCHOOL FOR MATH, SCIENCE,**
15 **AND THE ARTS (LSMSA) AND NEW ORLEANS CENTER FOR CREATIVE**
16 **ARTS (NOCCA)**

17 A. LSMSA and NOCCA shall be considered a public elementary or
18 secondary school, and as such, shall be annually appropriated funds as determined
19 by applying the formula contained in Subsection B. of this Section.

20 B. Each LSMSA student in membership, and each NOCCA full-day student
21 in membership, as defined by the State Board of Elementary and Secondary
22 Education, shall be provided for and funded from the minimum foundation program
23 an amount per student equal to the amount allocated per student for the state share
24 of the minimum foundation program.

25 1. The amount allocated shall be supported state and locally based on the
26 proportion of state and local support provided in Level 1 of the MFP formula for the
27 district in which the attending student resides.

28 2. For a district(s) that shares local revenue, the allocation for LSMSA and
29 NOCCA will be completed before the calculation of local revenues.

30 3. The local share allocation will be funded with a transfer of the MFP

1 monthly amount representing the local share allocation from the city, parish, or local
2 public school board in which the attending students reside. Where student attendance
3 is from multiple school districts, the Department of Education shall determine the
4 local share allocation based on students reported by the schools.

5 C. Student adjustments for each LSMSA student and each NOCCA full-day
6 student authorized shall adhere to the guidelines established in Section I.(B) –
7 Mid-year Adjustments.

8 D. Fifty percent of increased funds provided are to be directed to certificated
9 pay raises as defined in Section XIV.A. Provisions specified in XIII. through XV.
10 of this Resolution shall apply to these schools.

X. FUNDING FOR SPECIAL SCHOOL DISTRICT (SSD)

11 A. Special School District (SSD) shall be considered a public school district,
12 and as such, shall be annually appropriated funds as determined by the state and local
13 share calculation for the city, parish, or other local public school board where the
14 attending students reside, except that the local share allocation will be funded with
15 a transfer of the MFP monthly amount representing the local share allocation from
16 the city, parish, or local public school board in which the attending students reside.
17 Where student attendance is from multiple school districts, the Department of
18 Education shall determine the local share allocation based on students reported by
19 the schools.
20

21 B. For a district(s) that shares local revenue, the allocation for SSD will be
22 completed before the calculation of local revenues.

23 C. Student adjustments for SSD authorized shall adhere to the guidelines
24 established in Section I.(B) – Mid-year Adjustments.

25 D. The student membership and weighted student counts of SSD authorized
26 by the State Board of Elementary and Secondary Education shall be included in the
27 membership and weighted student counts of the city, parish, or other local public
28 school board in which the student resides using the actual prior year February 1
29 enrollment data of SSD.

30 E. The fifty percent pay raise provision does not apply to SSD. Provisions

1 specified in XIII. through XV. of this Resolution shall apply to these schools.

2 **XI. FUNDING FOR THE LOUISIANA SCHOOL FOR THE DEAF**
3 **AND VISUALLY IMPAIRED (LSDVI)**

4 A. Louisiana School for the Visually Impaired (LSDVI) shall be considered
5 a public elementary or secondary school, and as such, shall be annually appropriated
6 funds as determined by the state and local share calculation for the city, parish, or
7 other local public school board where the attending students reside except that the
8 local share allocation will be funded with a transfer of the MFP monthly amount
9 representing the local share allocation from the city, parish, or local public school
10 board in which the attending students reside. Where student attendance is from
11 multiple school districts, the Department of Education shall determine the local share
12 allocation based on students reported by the schools.

13 B. For a district(s) that shares local revenue, the allocation for LSDVI will
14 be completed before the calculation of local revenues.

15 C. Student adjustments for LSDVI authorized shall adhere to the guidelines
16 established in Section I.(B) – Mid-year Adjustments.

17 D. The student membership and weighted student counts of LSDVI
18 authorized by the State Board of Elementary and Secondary Education shall be
19 included in the membership and weighted student counts of the city, parish, or other
20 local public school board in which the student resides using the actual prior year
21 February 1 enrollment data of LSDVI.

22 E. The fifty percent pay raise provision does not apply to LSDVI. Provisions
23 specified in XIV. through XV. of this Resolution shall apply to these schools.

24 **XII. CHOICE SYSTEM**

25 All children regardless of cultural and economic background should have the
26 ability to choose and have access to a quality education. The ultimate goal of the
27 Choice System is to improve student outcomes by providing opportunities for
28 parental choice regarding the delivery of educational services to students. City,
29 parish, and other local school systems shall provide choice opportunities to eligible
30 students and support the cost of those opportunities with the Minimum Foundation

1 Program state and local share per pupil allocations. The following opportunities are
2 provided for parental choice and shall be funded through the Minimum Foundation
3 Program:

4 **A. Educational Service Providers**

5 1. Authorized educational service providers are those entities approved by the
6 State to provide approved educational courses to students statewide. This program
7 will be fully implemented in Fiscal Year 2013-2014. For Fiscal Year 2012-13, city,
8 parish and other local school systems shall ensure that sufficient funding is available
9 for dual enrollment courses to meet the needs of students as has been the practice in
10 prior years. The following entities may be authorized educational service providers:

11 a. Institutions of Higher Education – Universities, community colleges, and
12 technical colleges may qualify to be educational service providers. Courses provided
13 by institutions of higher education provide dual enrollment opportunities for
14 students. Dual enrollment is the simultaneous enrollment of a student at both a
15 secondary and a post secondary institution. A student who is dually enrolled is
16 completing a post secondary course(s) and being granted secondary credit. The
17 student's grade is recorded on both the secondary and post secondary transcripts.
18 Dual enrollment opportunities assist students with being successful in their
19 post-secondary learning experiences.

20 b. On-line Course Providers – Courses provided by On-line Course Providers
21 allow students opportunities to ensure access to all required courses to meet
22 graduation requirements.

23 c. Industry Based Certification Programs – Courses provided by commercial
24 industry based educational programs provide opportunities for students to be career
25 ready upon graduation.

26 d. Other Providers deemed eligible to be supported with Minimum
27 Foundation Program funds as approved by the Board of Elementary and Secondary
28 Education

29 2. Student Eligibility

30 Students in grades Kindergarten through 12 are eligible to enroll and

1 participate in courses provided by Educational Service Providers if the student
2 attends a Louisiana school that earned a grade of no more than C+ in the most recent
3 evaluation cycle, or currently attends a school that earned an A or B in the most
4 recent evaluation cycle but one or more of the course offerings provided by the
5 educational service provider(s) are unavailable.

6 3. Course Scheduling

7 Each eligible student must schedule and attend a minimum of one course
8 through their locally assigned school. The remaining courses may be scheduled with
9 any combination of eligible educational services providers.

10 4. Course Funding

11 The cost of courses provided by Educational Service Providers to eligible
12 students is to be supported through ninety percent of the state and local share per
13 pupil allocation for the district in which the student currently resides. The remaining
14 ten percent shall be retained by the city, parish, or other local school district in which
15 the student currently resides and may be utilized for purposes determined by the
16 district. Funding shall be allocated as follows:

17 a. The funding available for each course shall be equivalent to a maximum
18 of one-sixth of the ninety percent of the state and local share per pupil allocation.

19 i. If after allocating the available funds for each eligible student, and any
20 balance remains then all or a portion of the balance may be used to obtain additional
21 courses. Higher education providers may charge up to the published maximum
22 tuition charged for the course to part-time postsecondary students or one-sixth of
23 ninety percent of the state and local share per pupil allocation, whichever is less.

24 **B. Student Scholarships for Educational Excellence Program (SSEEP)**

25 Another opportunity for parents to exercise parental choice is the
26 Scholarships for Educational Excellence Program. This program provides parental
27 choice for certain public school students enrolled in low performing public schools
28 and provides an opportunity for these students to attend eligible nonpublic and public
29 schools. In fiscal year 2012 -13, this program will transition to being funded through
30 the MFP and may provide for a statewide expansion.

- 1 1. The eligibility for the scholarships shall be determined by applicable laws.
- 2 2. Scholarship amounts will be based on the lesser of the state and local share
3 per pupil allocation for the city or parish school district in which the participating
4 student resides, or the actual cost of school tuition plus incidental or supplementary
5 fees that are charged to non-scholarship students enrolled in such school.
- 6 3. If the amount allocated for actual tuition and fees is less than the state and
7 local share per pupil allocation for a specific student, then the amount supported state
8 and locally shall be calculated based on the proportion of state and local support
9 provided in Level 1 of the MFP formula for the city or parish school district in which
10 the attending student resides. Any additional funding above actual tuition and fees
11 shall return to the state or to the city or parish school district according to the
12 proportion of state and local support provided in Level 1 of the MFP formula for the
13 city or parish school district.
- 14 4. For purposes of the Scholarship program, BESE will adopt an annual
15 maximum tuition rate increase for participating nonpublic schools by establishing
16 a percentage of the per pupil MFP in the district where the nonpublic school is
17 located. Such nonpublic school may not increase its annual tuition for scholarship
18 students by an amount to exceed that percentage.
- 19 5. A participating public school shall have received not less than a B- in the
20 most recent school performance evaluation period and shall receive the state and
21 local per pupil amount for the city or parish school system in which the scholarship
22 recipient resides.
- 23 6. The amount for which the city or parish school district is responsible will
24 be funded with a transfer from the MFP allocation for the city or parish school
25 district in which the participating student resides to the participating nonpublic or
26 public school on behalf of each student awarded a scholarship.
- 27 7. Eligible students participating in the scholarship program in Fiscal Year
28 2011-12 authorized in R.S. 17:4011 et seq., shall be grandfathered in and therefore
29 considered participating and enrolled for school year 2012-13 in the school district
30 which has local taxing authority. The legal taxing authority shall provide the local

1 support for the students grandfathered in as well as any new participating students.

2 8. Transfers of scholarship payments shall be made by the Department of
3 Education on behalf of the responsible city or parish school districts to eligible
4 nonpublic schools and eligible public schools in four equal installments throughout
5 the school year.

6 9. In administering the scholarship program, BESE shall establish an
7 accountability mechanism that abides by the law.

8 10. BESE shall measure the rate at which all schools serving scholarship
9 students admit and serve students with special education needs. BESE may establish
10 a lower rate of funding for those schools not meeting a minimum threshold of special
11 education enrollment established by BESE.

12 **C. Early High School Graduation Scholarship Program**

13 The purpose of the Early High School Graduation Scholarship Program is to
14 provide tuition and fee assistance to students graduating early from a public high
15 school including state-funded Scholarship students thus enabling and encouraging
16 the student to attend college in any public or private institution of higher education
17 in Louisiana. This program will begin in Fiscal Year 2013-14.

18 1. For students that graduate at the end of the eleventh grade, an amount shall
19 be available equal to one half of one year's MFP state and local share per pupil
20 allocation for the district in which the student resided at the time of graduation from
21 which the student graduated.

22 2. For students that graduate midterm of their senior year, an amount shall be
23 available equal to one quarter of the MFP state and local share per pupil allocation
24 for the district in which the student resided at the time of graduation.

25 3. The Early High School Graduation Scholarship students shall be included
26 in the MFP membership count in the district in which the student resided at the time
27 of graduation to calculate the funding amount.

28 4. These amounts will be placed in a special fund and held for up to one year
29 for use by the student at an institution of higher education.

30 5. These funds shall be used as the last source of income when paying for

1 cost of attendance such as tuition, fees and housing.

2 6. When a student receives a student aid grants and scholarships package that
3 includes MFP state and local share allocation funding and the student aid package
4 exceeds the cost of attendance, the amount exceeding the cost of attendance shall be
5 refunded to the State and the city, parish or other local school district where the
6 student resides at the time of graduation in the same proportion calculated in Level
7 1 of the MFP formula. The refund amount shall not exceed the MFP state and local
8 share allocation.

9 **XIII. ADJUSTMENTS FOR AUDIT FINDINGS AND DATA**
10 **REVISIONS**

11 Review and/or audit of the districts' or schools' data used in determining their
12 Minimum Foundation Program allocation may result in changes in final statistical
13 information. The Minimum Foundation Program allocation adjustments necessary
14 as a result of these audit findings will be made in the following school year.

15 **XIV. REQUIRED EXPENDITURE AMOUNTS**

16 **A. Required Pay Raise for Certificated Personnel**

17 Fifty percent of a district's increased funds provided in Levels 1 and 2 over
18 the prior year after adjusting for increases in student membership shall be used only
19 to supplement and enhance full-time certificated staff salaries and retirement benefits
20 for city, parish, or other local school systems, Recovery School District, and LSU
21 and SU Lab schools with an average teacher salary below the latest published SREB
22 average teacher salary. This requirement will be suspended for city, parish, or other
23 local school systems, Recovery School District schools, LSU and SU Lab schools,
24 Office of Juvenile Justice schools, Louisiana School for Math, Science, and the Arts
25 (LSMSA), New Orleans Center for Creative Arts (NOCCA), and Type 2 Charter
26 schools in any year in which no annual increase is provided in the state base per
27 pupil amount.

28 For purposes of determining the use of these funds, certificated personnel are
29 defined per state Department of Education Bulletin 1929 and are to include: teachers
30 (all function codes 1000-2200, object code 112); therapists/specialists/counselors

1 (function codes 1000- 2200, object code 113); school site-based principals, assistant
2 principals, and other school administrators (function code 1000-2200 and 2400,
3 object code 111); central office certificated administrators (function code 1000-2300
4 & 2831 (excluding 2321), object code 111); school nurses (function code 2134,
5 object code 118); and employees on sabbatical in function code 1000-2200, 2134,
6 and 2400.

7 **B. 70% Local General Fund Required Instructional Expenditure at the**
8 **School Building Level**

9 To provide for appropriate accountability of state funds while providing local
10 school board flexibility in determining specific expenditures, local school boards
11 must ensure that 70% of the local school system general fund expenditures are in the
12 areas of instruction and school administration at the school building level as derived
13 by the Department of Education.

14 1. The definition of instruction shall provide for:

15 a. The activities dealing directly with the interaction between teachers and
16 students to include such items as: teacher and teacher aide salaries, employee
17 benefits, purchased professional and technical services, textbooks and instructional
18 materials and supplies, and instructional equipment;

19 b. Student support activities designed to assess and improve the well-being
20 of students and to supplement the teaching process, including attendance and social
21 work, guidance, health and psychological activities; and

22 c. Instructional support activities associated with assisting the instructional
23 staff with the content and process of providing learning experiences for students
24 including activities of improvement of instruction, instruction and curriculum
25 development, instructional staff training, library/media, and instructional related
26 technology.

27 2. School administration shall include the activities performed by the
28 principal, assistant principals, and other assistants while they supervise all operations
29 of the school, evaluate the staff members of the school, assign duties to staff
30 members, supervise and maintain the records of the school, and coordinate school

1 instructional activities with those of the school district. These activities also include
2 the work of clerical staff in support of the teaching and administrative duties.

3 3. For city, parish, and other local public school districts that fail this
4 requirement, but perform at or above the state average in the District Performance
5 Score (DPS), a waiver for this noncompliance should be provided.

6 4. For city, parish, and other local public school districts that fail this
7 requirement, and also perform below the state average in the District Performance
8 Score (DPS), the following consequences should be applied:

9 a. Require that city, parish, and other local public school districts assess
10 expenditures in non-instructional areas including a self-assessment and/or hiring an
11 independent firm to determine operational activities that could be streamlined
12 through outsourcing, privatization, or consolidation and provide a report to BESE on
13 the implementation plan to redirect any savings from these actions to instructional
14 activities according to timelines set by the Department of Education.

15 b. Require the city, parish, and other local public school districts to examine
16 the manner in which state and federal funds are utilized, make revisions to
17 incorporate new spending patterns, and provide a report to BESE on the
18 implementation of these actions according to timelines set by the Department of
19 Education.

20 **C. Expenditure Requirement for Foreign Language Associate Program**

21 The state must maintain support of the Foreign Language Associate program
22 at a maximum of 300 Foreign Language Associates employed in any given year.
23 These teachers shall be paid by the employing city, parish, or other local public
24 school system or school the state average classroom teacher salary (without PIP) by
25 years of experience and degree beginning with year three. First year teachers will
26 receive an installation incentive of an additional \$6,000; second and third year
27 teachers will receive a retention incentive of an additional \$4,000. These amounts
28 must be provided to each Foreign Associate Teacher by each school district or school
29 in which they are employed.

30 **D. Expenditure Requirement for Educational Purposes**

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

10 **XV. ACCOUNTABILITY PROVISIONS**

11 **A. Accountability for School Performance**

12 Each school recognized by the Louisiana Department of Education will be
13 included in a MFP Accountability report submitted to the House and Senate
14 committees on education by June 30 of each year. Specific information to be
15 included in the report is as follows:

16 a. School Data - School name, city, and district; Type of school; October 1
17 elementary/secondary enrollment; and grade span.

18 b. Accountability Data - scores and labels.

19 c. Fiscal Data - expenditures per elementary/secondary enrollment for
20 classroom instruction (less adult education) and pupil/instructional support.

21 d. Student Demographic Data - percent of students eligible for free and/or
22 reduced lunch ("at-risk"), students with exceptionalities (special ed), gifted/talented,
23 and Minority; Advanced Placement data; student attendance rates; and pupil-teacher
24 ratios.

25 e. Teacher Data - Average FTE teacher salaries (object 112, function 1000
26 series); percent of teachers certified; average years of experience; percent master's
27 degree and above; percent turnover; percent Minority; and teachers' days absent. All
28 teacher data (excluding salaries) reported for certified teachers.

29 f. Staffing Data - number per 1000 pupils for certified teachers, uncertified
30 teachers, and instructional aides.

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B. Accountability for Weighted Student Funds

1. In Fiscal Year 2010-11, according to R.S. 17:7(2)(f)(I), city, parish, and other local public school districts, Recovery School District schools, LSU and Southern Lab schools, Louisiana School for Math, Science, and the Arts (LSMSA), New Orleans School for the Creative Arts (NOCCA), and Type 2 Charter schools, Special School District (SSD), and Louisiana School for the Deaf and Visually Impaired (LSDVI) will be required to expend funds generated by applying the weighted factors contained in the formula for At-Risk students, Career and Technical Education course units, Special Education Other Exceptionalities students, and Special Education Gifted and Talented students on the following: (a) personnel, (b) professional services, (c) instructional materials, (d) equipment, and (e) supplies that serve the unique needs of students who generate such funds.

2. The expenditure of these weighted funds must be submitted annually in a report as directed by the Louisiana Department of Education including the details on the types of activities for which these funds were expended to serve the needs of the weighted students at all schools that serve such students. The information contained in such annual report shall be published on the Department of Education website in an easily understandable format.

XVI. STUDY OF FUNDING FOR PUBLIC EDUCATION

The State Board of Elementary and Secondary Education will encourage school districts to explore utilizing student-based budgeting as a tool to improve student achievement.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jeanne C. Johnston.

DIGEST

Appel SCR No.

Provides for legislative approval of the formula for FY 2012-13 to determine the cost of a minimum foundation program (MFP) of education in all public elementary and secondary schools as well as to equitably allocate the funds to local school systems (including the Recovery School District, the LSU and SU laboratory schools, the Office of Juvenile Justice schools, the La. School for Math, Science, and the Arts, the New Orleans Center for Creative Arts, Type 2 Charter schools, the Student Scholarships for Educational Excellence Program, the Special School District, and the La. School for the Deaf and Visually Impaired) as developed by the State Board of Elementary and Secondary Education (BESE) and adopted

by the board on February 27, 2012.

BASIS OF ALLOCATION

Preliminary and Final Allocations

Proposed formula retains provisions of present formula relative to the computation of preliminary and final allocations, and additionally includes the Student Scholarships for Educational Excellence Program(SSEEP), the Special School District (SSD), and the La. School for the Deaf and Visually Impaired (LSDVI) in all relevant MFP computations, as follows:

1. BESE determines no later than March 15 each year for the upcoming fiscal year preliminary allocations of the MFP formula for city, parish, and other local public school systems (including the RSD, LSU and SU laboratory schools, OJJ , LSMSA, NOCCA, Type 2 charter schools, SSEEP, SSD, and LSDVI) using the latest available data. Upon adoption by BESE of such preliminary allocations for the ensuing fiscal year, the superintendent submits the MFP funding requirements to the Joint Legislative Committee on the Budget and to the House and Senate Committees on Education.
2. Upon legislative approval of the MFP formula resolution for the upcoming fiscal year, BESE determines final allocations for local school systems (including the RSD, LSU and SU laboratory schools, OJJ schools, LSMSA, NOCCA, Type 2 charter schools, SSD, and LSDVI), using latest available data, no later than June 30 for the fiscal year beginning July 1.
3. Latest available student count estimates will be used for newly opened school districts or local education agencies in the final allocations of the MFP formula no later than June 30 for the fiscal year beginning July 1.

Mid-Year Adjustments

Proposed formula retains present formula provisions and adds SSD schools and LSDVI in mid-year adjustment computations.

Mid-year adjustments are calculated as follows.

1. If a school/school district's current year Oct. 1 student count is more or less than the previous year's Feb. 1 membership, a mid-year adjustment to per pupil funding shall be made for each student gained or lost based on the final MFP allocation.
2. If a school/school district's current Feb. 1 student count is more or less than the current year's Oct. 1 membership, a second mid-year adjustment to per pupil funding shall be made for each student gained or lost based on one-half the final MFP allocation.
3. Districts and schools may request the state superintendent to make estimated monthly payments based on documented mid-year growth prior to the Oct. 1 count and prior to the Feb 1 count.
4. If the RSD, the district of prior jurisdiction, and local education agencies have an increase or decrease in current year Oct. 1 membership above the prior year Feb. 1 number included in the final MFP allocation individually, such entities shall receive a mid-year adjustment of MFP funding based upon the number of students identified above or below the membership number used in the final MFP allocation.
5. If the RSD Oct. 1 membership count qualifies for a mid-year adjustment to state funds, a mid-year adjustment to local per pupil funding also shall be made for each

additional student gained or lost based on the local per pupil amount of the district of prior jurisdiction times the increased number of students. For Feb. 1 increases, one-half of the local per pupil amount will be transferred.

6. For newly opened school districts or local education agencies, in the first year of operation, a special mid-year adjustment will be made to finalize their MFP formula allocations using Oct. 1 data. This special mid-year adjustment will replace the Oct. mid-year adjustment. The newly opened school districts or local education agencies will qualify for the Feb. 1 mid-year adjustment.

LEVEL 1 - COST DETERMINATION AND EQUITABLE DISTRIBUTION OF STATE AND LOCAL FUNDS

Compared to present formula, proposed formula provides as follows:

1. Maintains use of Feb. 1 membership as defined by BESE.
2. Maintains the existing weight for add-on student units for at-risk students at 0.22. Retains the time period for BESE to seek to achieve the goal of an at-risk weight of 0.40 over a seven year period.
3. Maintains the existing weight for Career and Technical Education course units at 0.06.
4. Maintains the existing weight for Special Education/Other Exceptionalities students at 1.50.
5. Maintains the existing weight for Special Education/Gifted and Talented students at 0.60.
6. Maintains the Economy of Scale curvilinear weight of 0.20 for school systems with a student membership of less than 7,500.
7. Retains base per pupil funding amount of \$3,855.
8. Retains provisions for subsequent annual adjustments as determined by BESE in base per pupil amount.
9. Retains provisions relative to the local school system share calculation as follows:
 - (a) Calculates property revenue contribution by multiplying the state's computed property tax rate (including debt service) by each school system's net assessed property value for the latest available fiscal year including Tax Increment Financing (TIF) areas. If a district's net assessed property value has increased equal to or greater than 10% over the prior year net assessed property value, then the growth in the net assessed property value will be capped at 10%. This cap will be applied on a year-to-year basis comparing the current year net assessed property value to the prior year uncapped net assessed property value. In FY 07-08, this millage was set at a level appropriate to yield a state average share of 65% and a local average share of 35%. The millage set in FY 07-08 will remain the same in FY 08-09 and beyond. BESE may revise the millage as deemed appropriate in order to reestablish the 65% to 35% share.
 - (b) Calculates sales revenue contribution by dividing the district's actual sales tax revenue collected (including debt service) in the latest available fiscal year by the district's sales tax rate that was applicable to create a sales tax base. If a local school system's sales tax goes into effect during the fiscal year, the tax rate is prorated to an annual rate applicable for the total revenue

generated. If a district's computed sales tax base increased equal to or greater than 15% over the computed sales tax base calculated in the prior year formula, then the growth in the computed sales tax base will be capped at 15% over the amount used in the prior year formula. This cap will be applied on a year-to-year basis comparing the current year sales tax base to the prior year uncapped sales tax base. Each district's sales tax base is then multiplied by the state's projected yield of the sales tax rate. In FY 07-08, this rate was set at a level appropriate to yield a state average share of 65% and a local average share of 35%. The rate set in FY 07-08 will remain the same in FY 08-09 and beyond. BESE may revise the rate as deemed appropriate in order to reestablish the 65% to 35% share.

- (c) Retains provisions specifying that other revenue contribution is calculated by combining state revenue in lieu of taxes, federal revenue in lieu of taxes, and 50% of earnings on property.
 - (d) Retains provisions specifying that the local school system share is the sum of adding the property tax contribution, the sales tax contribution, and the other revenue contribution.
10. Retains provisions specifying that the state share is calculated by subtracting the local share from the total Level 1 costs.
 11. Retains provisions specifying that in no event shall the state share of the total Level 1 costs be less than 25% for any district.

LEVEL 2 - INCENTIVE FOR LOCAL EFFORT

1. Continues present formula provision that the local share of Level 2 revenue equals the district's eligible local revenue as calculated in Level 2 times the district's local share percentage of Level 1 times a factor of 1.72.
2. Continues present formula provision that the state support of Level 2 incentive funding equals eligible revenue in Level 2 minus the local share of Level 2.
3. Continues present formula provision that the maximum local revenue eligible for incentive funding in Level 2 is 34% of Total Base Foundation Level 1 State and Local costs.

LEVEL 3 - LEGISLATIVE ENHANCEMENTS

Compared to present formula, proposed formula:

Continuation of Funding for Pay Raises:

1. Continues supplemental pay raises for certificated personnel initiated in 2001-02, 2006-07, 2007-08, and 2008-09 as a per pupil amount.
2. Continues supplemental pay raises for noncertificated support workers initiated in 2002-03, 2006-07, and 2007-08 as a per pupil amount.

Foreign Language Associate Enhancement

1. Continues the supplemental allocation of \$20,000 per teacher from BESE to local school systems that employ a Foreign Language Associate, not to exceed a total of 300 teachers.
2. Proposed formula adds graduates of the Escadrille Louisiana program to those teachers eligible for this supplement.

Hold Harmless Enhancement

1. Continues the 10-year phase-out of hold harmless funding beginning with a 10% reduction of the revised "over funded" amount in FY 07-08.
2. Present formula provides that the annual 10% reduction amount will be redistributed in a per pupil amount to all non-hold harmless districts.

Proposed formula deletes this provision and instead provides that the annual 10% reduction amount will be repurposed and utilized as rewards for student progress. Further provides that reward schools shall include high performing schools and schools achieving significant student progress, as defined by BESE.

Support for Increasing Mandated Costs in Health Insurance, Retirement, and Fuel

Proposed formula continues present formula provision that local school systems shall receive a per pupil funding amount of \$100 to support increasing mandated costs involving health insurance, retirement, and fuel.

FUNDING FOR THE RECOVERY SCHOOL DISTRICT

Continues RSD local revenue calculations contained in present formula as follows:

1. The student membership and weighted student counts of schools transferred to the RSD shall be included in the membership and weighted counts of the jurisdiction from which the school was transferred.
2. Once all final MFP calculations have been made, the state share per prior year Feb. 1 student membership from Levels 1, 2, and 3 of the formula for the local school board that counted the RSD students shall be multiplied by the number of students in the RSD and converted to a monthly amount. The monthly amount shall be reduced from the local school board's monthly MFP allocation and transferred to the RSD.
3. The RSD shall also receive an applicable local revenue per student allocation that will be determined by multiplying the local revenue per student times the number of RSD students used in the MFP final allocation.
4. To begin the fiscal year July 1, the basis of the local revenue share allocation for RSD is based on projected local revenues for the most recent prior year of the public school board that had prior jurisdiction divided by total MFP student membership in the RSD and in the district of prior jurisdiction.
5. Local revenue is defined to include revenue from the following sources, excluding any portion specifically dedicated by the legislature or voter approval to capital outlay or debt service:
 - a. Sales and use taxes, less collection fees.
 - b. Ad valorem taxes, less collection fees.
 - c. Earnings from 16th Section lands.

Proposed formula additionally provides that the provisions excluding local revenues are applicable only to a charter school housed in a facility or facilities owned by the district in which the charter school is located.

6. Once the local amount is determined it is adjusted to a monthly amount that is

- transferred from the MFP monthly allocation of the local school board of prior jurisdiction to the RSD.
7. Based on the Oct. 1 student count, the local revenue allocation per student will be recalculated and there will be a corresponding adjustment in the local revenue allocation per student. There will be no recalculation at the Feb. 1 student count adjustment.
 8. During the third quarter of the fiscal year, the local revenue allocation per student shall be adjusted to reflect actual prior year revenue data.
 9. A final reconciliation will occur based upon the receipt of the annual audited financial statements of the district of prior jurisdiction. If an increase or decrease in local revenue collections exists, the state superintendent may establish a payment schedule.
 10. If the fiscal status of the district of prior jurisdiction or the RSD changes during the fiscal year on or before the final reconciliation, the state superintendent may adjust the local revenue allocation based upon the revenues identified.
 11. Except for administrative costs, monies appropriated to the RSD attributable to transfer of a school from a local school board shall be expended solely on the operation of the transferred schools.

FUNDING FOR LSU AND SU LAB SCHOOLS

Continues present formula provisions relative to funding for the LSU and SU university laboratory schools as follows:

1. Any elementary or secondary school operated by LSU or SU shall be considered a public school and annually appropriated funds as determined in the MFP formula.
2. Each student enrolled at LSU or SU lab schools shall be provided for and funded from the MFP a per pupil amount equal to the amount allocated per student for the state share of the MFP.
3. MFP funds appropriated to LSU and SU lab schools shall be allocated to the institution of higher education operating such schools which shall ensure the equitable expenditure of such funds to operate the schools.
4. Specifies that requirements in the formula relative to using 50% of increased funds for pay raises for certificated personnel also apply to the lab schools.

FUNDING FOR TYPE 2 CHARTER SCHOOLS

Present formula provides differentiated funding mechanisms for Type 2 charter schools authorized by BESE prior to July 1, 2008 (Legacy Type 2 charters) and Type 2 charter schools authorized by BESE after July 1, 2008. Legacy Type 2 charter schools are funded by the state in amount equal to the local and state portion of the MFP per pupil amount. Type 2 charter schools authorized after July 1, 2008 are funded through the present formula in the same manner as other public schools, with the state share paid by the state and the local share paid by the appropriate local school board.

Proposed formula removes the differentiated funding for Legacy Type 2 charter schools and funds all Type 2 charter schools through the MFP formula with the state share paid by the state and the local share paid by the appropriate local school board.

1. Provides that any BESE authorized Type 2 charter school shall annually be appropriated funds as determined by applying the formula contained in R.S. 17:3995,

except that the local share allocation will be funded with a transfer of the MFP monthly amount representing the local share allocation from the city, parish, or local public school board in which the attending students reside.

Proposed formula additionally specifies that the local school board that has local taxing authority shall provide the local support for the students.

2. Provides that virtual charter schools may receive a lesser percentage of the state and local amount calculated pursuant to R.S. 17:3995, as approved by BESE.
3. Proposed formula additionally provides that for any student that resides on a military base, the local share allocation shall be funded by the state.
4. Provides that where student attendance is from multiple school districts, the Dept. of Education shall determine the local share based on students reported by the schools.
5. Student membership count of Type 2 charter schools shall be included in the membership count of the local school board in which the school is located to determine the local share.
6. Specifies that requirements in the formula relative to using 50% of increased funds for pay raises for certificated personnel also apply to Type 2 charter schools.

FUNDING FOR THE OFFICE OF JUVENILE JUSTICE SCHOOLS AND STUDENTS

Continues present formula provisions relative to funding for OJJ schools as follows:

1. Any elementary or secondary school operated by OJJ shall be considered a public school and annually appropriated funds as determined in the MFP formula.
2. Each student counted in the prior year average daily membership shall be provided for and funded from the MFP a per pupil amount equal to the amount allocated per student for the state share of the district where the student resided prior to adjudication.
 - a. The state share per pupil allocation shall be adjusted based on a factor determined by DOE to provide for the differential in the number of educational days provided to students in OJJ custody.
 - b. The state share per pupil allocation shall also be adjusted to recognize the increased number of special education students in OJJ schools relative to the state average special education student population.
3. Each student counted in the prior year average daily membership shall be provided for and funded from the MFP a local share per pupil amount equal to the amount allocated per student for the district where the student resided prior to adjudication.
 - a. For purposes of the local share allocation per pupil amount, the average daily membership of the OJJ shall be included in the membership counts of the local school board in which the student resided prior to adjudication to OJJ.
 - b. For a district that has schools transferred to the RSD and shares local revenue, the allocation for OJJ will be completed before the calculation of revenues for purposes of RSD funding.
 - c. The local share allocation shall be funded with a transfer of the MFP monthly amount representing the local share allocation from the local school board in

which the attending students resided prior to adjudication to OJJ.

FUNDING FOR LSMSA AND NOCCA

Continues present formula provisions relative to funding for LSMSA and NOCCA as follows:

1. LSMSA and NOCCA shall be considered public schools and annually appropriated funds as determined in the MFP formula.
2. Each LSMSA student in membership, and each NOCCA full-day student in membership, as defined by BESE, shall be provided for and funded from the MFP a per pupil amount equal to the amount allocated per student for the state share of the MFP.
3. Present formula provides that students enrolled in LSMSA and NOCCA shall be provided a per pupil amount equal to the amount allocated per student for the state share of the MFP.

Proposed formula retains this provision and additionally provides that the amount allocated shall be supported state and locally based on the proportion of state and local support provided in Level 1 of the formula for the district in which the student resides. Provides that the allocations for LSMSA and NOCCA shall be completed before the calculation of local revenues for the local school district is calculated.

Proposed formula provides that the local share allocation will be funded with a transfer of the MFP monthly amount representing the local share allocation for the school district in which the student resides. Further provides that where student attendance is from multiple school districts, the Dept. of Education shall determine the local share based on students reported by the schools.

4. Specifies that requirements in the formula relative to using 50% of increased funds for pay raises for certificated personnel also apply to these schools.

FUNDING FOR THE SPECIAL SCHOOL DISTRICT (SSD) and the LOUISIANA SCHOOL FOR DEAF AND VISUALLY IMPAIRED (LSVDI)

Present formula does not include funding for the SSD or LSVDI.

Proposed formula provides funding for the SSD and LSVDI as follows:

1. Provides that the SSD shall be considered a public school district and LSVDI a public school, and, as such, shall be annually appropriated funds as determined by the state and local share calculation for the local public school board where the attending students reside.
2. Provides that the local share allocation will be funded with a transfer of the MFP monthly amount representing the local share allocation from the local school board in which the student resides. The Dept. of Education shall determine the local share based on students reported by the schools.
3. For districts that share local revenue, the SSD and LSVDI allocations will be completed before the calculation of local revenues.
4. Student membership and weighted student counts of the SSD and LSVDI shall be included in the membership and weighted counts of the local school board where the student resides using actual prior year Feb. 1 SSD and LSVDI enrollment data.
5. Specifies that requirements in the formula relative to using 50% of increased funds

for pay raises for certificated personnel shall not apply to the SSD and LSVDI, but the provisions of the formula relative to adjustments for audit findings/data revisions, required expenditures, and accountability shall apply to these schools.

CHOICE SYSTEM

Educational Service Providers

Present formula does not include funding for educational service providers.

Proposed formula provides for funding for educational service providers as follows:

1. Educational service providers may be authorized by BESE to provide approved educational courses to students statewide.
2. The program will be fully implemented in FY 2013-14 and directs local school systems to ensure that sufficient funding is available for dual enrollment courses for FY 2012-13.
3. The following entities are eligible to be authorized as educational service providers:
 - a. Institutions of higher education, including universities, community colleges, and technical colleges. Defines dual enrollment and provides how a student's grade will be recorded on student transcripts.
 - b. Online course providers.
 - c. Industry-based certification programs.
 - d. Other providers deemed eligible to be supported with MFP funds as approved by BESE.
4. Provides for student eligibility as follows:
 - a. Students enrolled in grades K - 12.
 - b. Students attending a public school that earned a performance letter grade of not more than a "C+" in the most recent evaluation cycle.
 - c. Students attending a school that earned a performance letter grade of "A" or "B", but the school doesn't offer the course(s) provided by the educational service provider.
5. Requires the student to schedule and attend at least one course at their locally assigned school.
6. The cost of courses provided by educational service providers will be supported through 90% of the state and local share of the MFP per pupil allocation for the district in which the student resides.
7. The remaining 10% of the MFP per pupil allocation shall be retained by the local school district to be used for purposes determined by the district.
8. The maximum funding for each course shall be an amount equivalent to one-sixth of 90% of the state and local share per pupil allocation.
9. Any balance remaining after allocation of the available funds for each eligible student may be used to obtain additional courses.

10. Allows higher education providers to charge up to the published maximum tuition charged for the course to part-time postsecondary students, or one-sixth of 90% of the state and local share per pupil allocation, whichever is less.

Student Scholarships for Educational Excellence Program (SSEEP)

Present formula does not include funding for the Student Scholarships for Educational Excellence Program. For FY 2011-12, SSEEP is limited in scope to Orleans Parish and funded with state funds. Pursuant to Act 1 of the 2012 Regular Session, SSEEP will be statewide in scope and funded through the MFP, beginning with FY 2012-13.

Proposed formula provides relative to SSEEP as follows:

1. Student eligibility will be determined by state law.
2. Scholarship amounts will be based on the lesser of the state and local share per pupil allocation for the public school district in which the student resides or the actual cost of tuition plus fees charged to non-scholarship students enrolled in the school.
3. If the amount allocated for actual tuition and fees is less than the state and local share per pupil allocation for a student, the amount supported state and locally will be calculated based on the proportion of state and local support provided in Level 1 of the MFP formula for the local public school district in which the student resides.
4. Any additional funding above the actual tuition and fees shall return to the state or to the local school district, according to the proportion of state and local support provided in Level 1 of the MFP formula.
5. BESE will adopt an annual maximum tuition rate increase for participating nonpublic schools by establishing a percentage of the MFP per pupil in the school district where the nonpublic school is located and such school may not increase its annual tuition for scholarship students by an amount that exceeds that percentage.
6. A participating public school shall not have received a performance letter grade of less than a "B-" and shall receive the state and local per pupil amount established for the local school system in which the scholarship recipient resides.
7. The amount for which the local school district is responsible for each scholarship recipient will be funded with a transfer from the MFP allocation for the local school district in which the scholarship recipient resides to the participating nonpublic or public school.
8. Students participating in SSEEP in FY 2011-12 will be grandfathered in and considered participating and enrolled for the 2012-13 school year in the school district which has local taxing authority.
9. The legal taxing authority shall provide the local support for all students participating in the program.
10. The Dept. of Education shall transfer scholarship payments on behalf of the responsible local school district to eligible nonpublic and public schools in four equal installments throughout the school year.
11. Requires BESE to establish an accountability mechanism for the program that abides by the law.
12. Requires BESE to measure the rate at which all schools serving scholarship students admit and serve students with special education needs.

13. Allows BESE to establish a lower rate of funding for schools not meeting a minimum threshold of special education enrollment as established by BESE.

Early High School Graduation Scholarship Program

Present formula does not include funding for this program.

Proposed formula provides for the Early High School Graduation Scholarship Program as follows:

1. The program will begin in FY 2013-14.
2. States that the purpose of the program is to provide tuition and fee assistance to students who graduate early from a public high school, including state-funded Scholarship student to encourage attendance at a public or private La. postsecondary educational institution.
3. Early High School Graduation Scholarship students shall be included in the MFP membership count for the district in which the student resided at the time of graduation.
4. For students who graduate at the end of the 11th grade, an amount equal to one-half of one year's MFP state and local share per pupil allocation for the school district in which the student resided at the time of graduation shall be available.
5. For students who graduate at mid-term of their senior year, an amount equal to one-quarter of the MFP state and local share per pupil allocation for the school district in which the student resided at the time of graduation shall be available
6. These funds will be placed in a special fund and held for up to one year for use by the student at an institution of higher education.
7. These funds shall be used as the last source of income when paying for cost of attendance such as tuition, fees, and housing.
8. When a student receives a student aid grants and scholarship package that includes MFP state and local share allocation funding that exceeds the cost of attendance, the excess amount shall be proportionately refunded to the state and the local school district where the student resided at the time of graduation. The refund amount shall not exceed the MFP state and local share allocation.

Adjustments for Audit Findings and Data Revisions

Continues present formula provisions as follows:

Provides that review and/or audit of a district's data may cause changes in final statistical information and that any necessary adjustments in a district's MFP allocation resulting from such audit findings will be made in the following school year.

REQUIRED EXPENDITURE AMOUNTS

Continues present formula provisions relative to required expenditures as follows:

Required Pay Raise for Certificated Personnel

1. Requires that 50% of a district's increased funds provided in Levels 1 and 2 over the prior year shall only be used to supplement full-time certificated salaries and retirement benefits for school systems, the RSD, and LSU/SU lab schools with an average teacher salary below the SREB average teacher salary.

2. This requirement will be suspended for city, parish, or other local school systems, RSD schools, LSU and SU lab schools, OJJ schools, LSMSA, NOCCA, and Type 2 Charter schools in any year in which no annual increase is provided in the state base per pupil amount.

70% Local General Fund Required Instructional Expenditure at the School Building Level

Requires that 70% of local school system general fund expenditures must be in the areas of instruction and school administration at the school building level and additionally provides as follows for a local school district that fails to meet the 70% instructional expenditure requirement:

1. A school district that fails to meet the 70% instructional expenditure requirement but has a District Performance Score (DPS) at or above the state average should be provided a waiver for noncompliance.
2. A school district that fails to meet the 70% instructional expenditure requirement and has a DPS below the state average should face the following consequences:
 - a. Be required to assess expenditures in non-instructional areas to determine operational activities that could be streamlined through outsourcing, privatization, or consolidation and report to BESE on the implementation plan to redirect any savings from these actions to instructional activities in accordance with DOE timelines.
 - b. Be required to examine the manner in which state and federal funds are utilized, revise spending patterns, and report to BESE on implementation of these actions according to DOE timelines.
 - c. If involved in desegregation litigation, be required to examine the manner in which state and federal funds are utilized, revise spending patterns, and report to BESE on implementation of these actions according to DOE timelines.

Expenditure Requirement for Foreign Language Associate Program

1. Requires that the state must maintain support of the Foreign Language Associate Program at a maximum of 300 Foreign Language Associates employed in any given year.
2. Provides that these teachers shall be paid by the employing school system or school the state average classroom teacher salary (without PIP) by years of experience and degree beginning with year three.
3. Specifies that first-year teachers will receive an installation incentive of an additional \$6,000 and second- and third-year teachers will receive a retention incentive of an additional \$4,000. Provides that these amounts must be provided to each Foreign Associate Teacher by each school district or school in which the teacher is employed.

Expenditure Requirement for Educational Purposes

Requires that state MFP funds shall be expended only for educational purposes.

ACCOUNTABILITY PROVISIONS

Continues present formula provisions relative to accountability as follows:

1. Requires that each school recognized by DOE will be included in a MFP

- Accountability Report submitted to the House and Senate education committees by June 30 of each year.
2. Requires for accountability from local school districts, the RSD, and the LSU/SU lab schools for all weight factors: at-risk, career and technical education, special education other exceptionalities, and special education gifted and talented.
 3. Requires an annual report to DOE detailing the types of activities for which these funds were expended to serve the needs of the weighted students. Further requires that such report be published on the DOE website in an easily understandable format.

STUDY OF FUNDING FOR PUBLIC EDUCATION

Present formula directs DOE, in an effort to explore opportunities to increase student achievement, to establish a pilot program for student-based budgeting.

Proposed formula deletes this provision and instead provides that BESE will encourage school districts to explore utilizing student-based budgeting as a tool to improve student achievement.