State Board of Elementary and Secondary Education

Louisiana Minimum Foundation Program Audit and Evaluation Report 1999-2000
State Level

Executive Summary

Louisiana State Department of Education
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April 2001

Louisiana State Board of Elementary and Secondary Education

For additional information, please visit the Louisiana Department of Education's web site at www.louisianaschools.net or contact the Office of Management and Finance, Division of Education Finance at 225-342-8848.

This public document was published at a total cost of $150.75. Fifty copies were published in this first printing at a cost of $150.75. This document was published by Louisiana Department of Education, Office of Management and Finance; P.O. Box 94064, Baton Rouge, LA 70804-9064, under the authority of LA R.S. 17:7(2)(d) to provide continuous information on school finance in the State of Louisiana. This material was printed in accordance with the standards for state agencies established pursuant to R.S. 43:31.

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Highlights from the 1999-2000 annual audit are provided below. Details of the audit findings and recommendations begin on page 9.

Seventy Percent Expenditure Requirement in the Instructional Area

Five districts did not meet the 70% Local General Fund Expenditure Requirement in the Instructional Area based on the FY 1999-2000 financial data.

Four of the five districts in noncompliance with this requirement in FY 1999-2000 were also in noncompliance in at least one of the prior four years.

The lowest percentage for these five districts was 66.38%; the highest was 69.46%.

Audits of MFP Student Data

On-site student membership audits of all 66 local school districts were conducted in 1999-2000.

The audits encompassed data elements used in the 1999-2000 MFP formula including the October 1 Student Membership Count, Vocational Education Unit Count, At-Risk Student Count, and Special Education Student Count.

Individual student records were reviewed in at least two schools in all 66 school districts.

Of the student records reviewed, a net total of 1,382 students were denied inclusion in the October 1, 1999, Student Membership Count.

Adjustments were also made to the At-Risk Student Count, Special Education Student Count, and Vocational Education Unit Count.

All together the adjustments for the 1999-2000 audits produced a total savings of approximately $3 million.

For the past seven years, results from these audits have provided cumulative savings to the state of approximately *$18.68 million.*

Executive Summary

The Minimum Foundation Program formula is designed to determine the costs of a minimum education program. In order to distribute total costs on an equitable basis, the Department makes *adjustments* to each district's October 1 student count through weights designed to recognize student needs unique to each local school system. *Level 1* costs, which are to be shared by the State and the local school system are determined by multiplying the total weighted student count by a set per pupil amount. Each local school systems' share of the total cost is determined according to the Local Wealth Factor (LWF), which is used to reflect each district's ability to pay (as measured by fiscal capacity). *Level 2* of the formula is designed to recognize the local tax effort and to provide an incentive (i.e., additional state funds) for school districts that raise revenues beyond the minimum costs determined in Level 1 of the formula.

A component which impacts the distribution of State aid is the *prior year funding adjustment* (i.e., hold harmless funding). Continuation of this funding reflects legislative decisions rather than formula design. The *prior year funding adjustment* ensures that a district's State aid per pupil amount does not fall below the amount received in the prior year. Consequently, districts with higher fiscal capacity continue to receive more in State support than targeted by the formula which overstates the state share cost of the formula.

Prior to 1999-2000, the distribution of State aid was also impacted by a *growth limitation* that restricted the magnitude of cost increases from one year to the next. This limitation resulted in u*nderfunding* in that the State failed to contribute the amount as targeted in Level 1 of the funding formula. However, as of 1999-2000, the State has fully implemented the MFP formula, thereby eliminating any *underfunding* of State aid due districts. Currently, any underfunding is a result of local districts not meeting their Level 1 target. (See page 5 for a discussion of Level 1 targeted contribution.)

Highlights from this year's annual evaluation are provided below. For the selected statistical analysis, 1995-96 data were used for a five-year comparison. Findings and recommendations begin on page 9.

Revenues for Education

Local Revenues have increased 30.7% since FY 1995-96. The largest share of that increase continues to come from Sales Tax Revenues. Local Revenues made up 39% of the total $4.8 billion collected in FY 1999-2000. Local Revenues averaged $2,530 per pupil in FY 1999-2000.

State Revenues have increased 19.4% since FY 1995-96. State Revenues made up 49.3% of the total $4.8 billion in FY 1999-2000 Total Revenues. State Revenues averaged $3,197 per pupil in FY 1999-2000.

Federal Revenues have increased 17.7% since FY 1995-96. The federal proportion of Total Revenues, 11.7%, was lower in FY 1999-2000 than in FY 1995-96. Federal Revenues averaged $762 per pupil in FY 1999-2000.

Total Revenues from all sources averaged $6,489 per pupil in FY 1999-2000, an increase of $318 over FY 1998-99.

Total Expenditures (Including Interest on Debt)

Classroom expenditures in FY 1999-2000 made up 55.6% of the total $4.8 billion Total Expenditures; of approximately $2.7 billion spent for classroom instruction, nearly $1.7 billion provided for full time classroom teachers' salaries. Since 1995-96, costs for classroom expenditures have increased by $859 per pupil.

Costs of General Administration in FY 1999-2000 ($98 million) made up 2% in Total Support Expenditures. Since FY 1995-96, costs for General Administration have increased by $30 per pupil.

Total Expenditures (including Interest on Debt) from all sources averaged $6,513 per pupil in FY 1999-2000, an increase of $262 per pupil over 1998-99.

Variation in Revenue and Expenditures Among Local School Districts

The Coefficient of Variation (c.v.) in Total Local Revenues per pupil was .351 in FY 1999-2000; it has not changed significantly since FY 1995-96 when c.v.= .386.

The Coefficient of Variation (c.v.) in MFP State aid per pupil increased from c.v.=.094 in FY 1995-96 to c.v.= .156 in FY 1999-2000. To offset the disparities caused by the fiscal capacity of local school systems completely, the variation among districts in state aid and the variation among districts in local revenue must grow inversely by the same amount. Greater variation in local revenue results in increased difficulty in achieving fiscal equity.

The Coefficient of Variation (c.v.) for Total Instruction per pupil - which includes classroom instruction, pupil support and instructional staff support - is down from a low c.v.= .098 in FY 1995-96 to an even lower c.v.=.080 in FY 1999-2000. This indicator shows that districts are continuing to spend on an average similar per pupil amounts for instructional services.

Moderate spending disparities among local school districts continue for the support services area of General Administration (c.v. = .545 in FY 1999-2000) while 1999-2000 expenditure data reflect high disparities among local school districts in Central Services (c.v. = .983 in FY 1999-2000) expenditures. Facility acquisitions and construction services, while no longer reflecting the highest level of spending disparity among local school systems, still remains relatively high at c.v. = .775 in FY 1999-2000.

Correlation between Fiscal Capacity and Selected Variables

The relationship between the Local Wealth Factor (LWF) of each local school system and Total Local Revenues per pupil (r = .864) remains strong and positive. This indicator implies that wealthier school systems, as identified by the new pupil driven formula, continue to raise more in Local Revenues than do school systems identified as poorer.

A strong inverse relationship continues to exist between the district Local Wealth Factor (LWF) and the amount of MFP State aid per pupil (r = -. 878 in FY 1999-2000). The negative correlation indicates that districts with a lower LWF receive more in MFP State aid per pupil than do districts with a higher LWF.

Spending disparities among local school districts for instruction declined from c.v.=.098 in FY 1995-96 to c.v.=.080 in FY 1999-2000; the correlation between Total Expenditures (including interest on debt) and the district Local Wealth Factor (LWF) declined from r=.681 in 1995-96 to r=.489 in FY 1999-2000. The data suggest that the higher a local school district's LWF, the higher is its total spending for education.

Evaluation By Wealth Quintile

In FY 1999-2000, statewide fiscal capacity averaged $1,726 per pupil. The disparity among school districts has continued to increase with significant ranges between quintiles. Average fiscal capacity ranged from $932 per pupil for districts in the lowest wealth quintile to $2,743 per pupil for districts in the highest wealth quintile.

Revenues generated through property and sales taxes (including revenues for debt) continue to vary greatly among local school districts. Property Revenues ranged from an average $381 per pupil in the lowest wealth quintile to an average $1,127 per pupil for districts in the highest wealth quintile. Sales Revenues ranged from $782 per pupil for the lowest wealth quintile to $2,168 per pupil in the highest wealth quintile.

Total Federal, State and Local Revenues ranged from an average $6,011 in the lowest wealth quintile, to an average $6,958 per pupil in the highest wealth quintile, a difference of $947 per pupil in FY 1999-2000.

MFP State aid per pupil continues to be distributed inversely to local wealth. Districts in the lowest wealth quintile received an average $3,601 in state aid per pupil, while districts in the highest wealth quintile received $2,445 per pupil. Overall, State aid through the MFP averaged $3,050 per pupil in FY 1999-2000.

In FY 1999-2000, the statewide equivalent millage rate, which is calculated based upon net assessed property values of the local district, averaged 41.11. Districts in the lowest wealth quintile had an average of 33.41 mills, including debt that generated on an average $381 per pupil in property revenues. Highest wealth quintile districts averaged 31.32 mills (including debt), which generated an average per pupil amount of $1,127. The data indicate that districts in the lowest wealth quintile had a higher tax rate; but because of a low tax base, they were unable to match funds raised by districts in the highest wealth quintile.

The statewide average sales tax rate, which is calculated based upon the computed sales tax base, averaged 1.80% in FY 1999-2000. Districts in the lowest wealth quintile had an average rate of 1.86%, which generated on an average $782 per pupil, while districts in the highest wealth quintile had an average sales tax rate of 1.88%, which generated an average of $2,168 per pupil. This difference suggests that school districts with a low tax base usually have low funding per pupil even with high tax rates. Whereas, districts with a high tax base (property and sales) have high funding per pupil even with similar and often lower tax rates.

Irrespective of local wealth, districts spent approximately 55.6% of total funds for the costs of classroom instruction in FY 1999-2000.

Local Contributions and Amount Targeted for Level 1

The funding formula determines an amount needed from both the State and local sources to meet the costs determined in Level 1 of the formula. In FY 1999-2000, six school districts failed to meet the Level 1 share of costs. Two of these districts (Madison and West Carroll) are in the lowest wealth quintile; two (Tensas and Union) in the second quintile; and two (Plaquemines and Pointe Coupee) in the highest wealth quintile.

Local districts were targeted to contribute an average $1,419 per pupil to cover the minimum costs determined by the formula. The actual contribution averaged $2,293 per pupil.

Twenty-five school systems, which make up the lowest wealth quintile in FY 1999-2000, were targeted to contribute an average $773 per pupil toward the costs of Level 1 support. While the average actual contribution made by these districts was $1,203 per pupil, two school systems fell short by an average of $63 per pupil (or $324,014).

Ten school systems, which make up the highest wealth quintile, were targeted to contribute an average $2,282 per pupil toward the costs of Level 1 support. The actual contribution averaged $3,348 per pupil with two school systems falling short by an average $187 per pupil ($1.5 million).

State Contribution and Amount Targeted for Level 1

In FY 1999-2000, the State's targeted contribution averaged $2,899 per pupil, the actual contribution averaged $3,050 per pupil. The MFP State aid targeted for wealthier districts averaged $1,809 per pupil; the actual amount awarded averaged $2,445 per pupil. Districts in the lowest wealth quintile received the target average per pupil amount of $3,601 in State aid. Funding received in excess of the targeted amounts for the State, as well as for the fourth and highest quintiles, reflects distributions in accordance with prior year formula calculations (hold harmless funding).

Eleven school systems received funding through an adjustment based on the prior year formula calculation known as "hold harmless funding." Funding to accommodate the adjustment cost $111.5 million in FY 1999-2000. Ten districts in the highest wealth quintile received an average $637 per pupil more than the amount targeted by the formula. One district in the fourth wealth quintile received an average $289 per pupil more than that targeted by the formula.

Summary of Recommendations

Audit Recommendations:

1. Districts should continue to be monitored and provided technical assistance for adherence with the 70% instructional requirement. Additionally, districts not meeting the 70% instructional expenditure requirement should report plans and their progress in meeting the 70% instructional requirement to the Department of Education.

2. The scope of the MFP audits (covering student and staff data) should continue to expand and improve audit procedures according to the evolution of the automated edit reports and clarifications of data definitions.

3. The Student Information System data collection methods should continue to be refined and enhanced as technology capabilities evolve. Accountability among districts should be promoted to ensure the accuracy of data provided to the Department. The State needs to move forward with the Louisiana Education Accountability Data Systems (LEADS) project to align and integrate all major universal data collections regarding the educational process.

Evaluation Recommendations:

1. Fiscal equity should be monitored to determine the impact inherent to local tax structures through the use of relevant, systematic baseline data established for each local school system. Using this data, philosophical considerations should be given by policy makers regarding specific revenue sources and amounts of support expected from each local tax structure for educational purposes.

2. The Federal, State and Local partnership should be monitored in order to estimate probable impact upon future State and local budgets for education.

3. Spending patterns of local school systems should be monitored and reported to the SBESE and to the House and Senate Education Committees in a user-friendly format. This information may be reflective of and indicate changes needed to State policies and/or the MFP funding formula.

4. Further impact review should be conducted to validate and/or suggest revision of the methods and factors used to determine a local district's wealth capacity in relation to the State and local contributions of revenue for educational purposes. Analysis of the current formula without the restrictions of hold-harmless funding should be continued.

5. The Department of Education should continue to convey to the districts that they must take necessary measures to achieve the Level 1 local support requirement and have those districts not meeting the requirement submit to SBESE practical plans to achieve the Level 1 target. The Department of Education should encourage and promote fiscal responsibility among local and city school districts through periodic review of critical fiscal elements in relation to performance goals.

6. Consideration should be given to the philosophical intent of the formula in comparison to its political and technical implementation.

7. Study of the formula for possible enhancements that would lessen or eliminate the impact of funding gaps across local school districts should continue. Particular consideration should be given to the effects of the hold harmless provision on equalization efforts of the MFP funding formula.

8. The Department of Education should monitor and report spending patterns of local school systems regarding teacher salaries both to the SBESE and to the House and Senate Education Committees in a user-friendly format. This information may be reflective of and indicate changes needed in State policies.

SECTION I
MFP AUDIT REPORT

The establishment of a Department of Education MFP audit function in 1993 fulfilled the requirements of R.S. 17:7(2)(d) adopted in the 1992 Legislative Session requiring the institution of fiscal accountability measures for the Minimum Foundation Program. The Division of Education Finance audit staff is responsible for verification of the data utilized in the Minimum Foundation Program formula and for the evaluation of local public school district compliance with established procedures and policies applicable to the funding formula. The scope of the audits is continually being expanded to recognize the evolution of the funding formula, in addition to including examinations of items related to funding. The following are the results of the major reviews conducted for 1999-2000.

Reviews of Seventy Percent Instructional Expenditure Requirement

Finding 1: Five of the sixty-six school districts did not meet the 70% Instructional Expenditure Requirement for FY1999-2000. These districts are Cameron, Plaquemines, St. James, Tensas and Jackson.

Explanation: The Seventy Percent Instructional Expenditure Requirement, as stated in SCR 159 of the 1999 Legislative Session, dictates that local school districts spend seventy percent of general fund monies, both State and local, on areas of instruction. The financial information reported by the local public school districts in a special report entitled the "Annual Financial Report" is used to calculate the percentage of funds expended on instruction according to the established definition. Four of the five school districts have previously been identified as not meeting this requirement at least one time in the past four years. The lowest percentage of the four districts was 66.4% for Plaquemines ,while the highest percentage was for Jackson with 69.4%. (See the table on the next page.)

Recommendation: Districts should continue to be monitored and provided technical assistance for adherence with the 70% instructional requirement. Additionally, districts not meeting the 70% instructional expenditure requirement should report plans and their progress toward meeting the 70% instructional requirement to the Department of Education.

Audits of MFP Data

Finding 2: The 1999-2000 school year audits revealed that 1,382 students should be denied inclusion from the October 1, 1999 Student Membership Count. Additionally, there were 1,708 student units denied from the Vocational Education Unit Count, and 134 students denied from the Special Education Student Count. Two hundred three students were added to the At-Risk Student Count.

The audit findings resulted in adjustments to MFP funding levels with monetary savings to the State totaling *$2.90 million*. In the six years in which funding adjustments have been made to local school districts' funding as a result of the audits, a total savings to the taxpayers of approximately *$18.6 million* has been realized.

"Seventy Percent" Instructional Evaluation By District
For Fiscal Year 1999-2000 (General Funds)

LEA	District	Oct.1, 1999 Adjusted MFP Student Membership	Instructional	Support	GrandTotal	Per Pupil	Percent
1	Acadia Parish	10,007	$31,044,586	$10,996,205	$42,040,791	$4,201	73.84%
2	Allen Parish	4,239	$14,432,155	$5,765,256	$20,197,411	$4,765	71.46%
3	Ascension Parish	14,655	$56,397,964	$20,101,907	$76,499,871	$5,220	73.72%
4	Assumption Parish	4,551	$16,296,266	$6,859,012	$23,155,278	$5,088	70.38%
5	Avoyelles Parish	7,189	$21,638,180	$7,192,205	$28,830,385	$4,010	75.05%
6	Beauregard Parish	6,120	$21,147,318	$8,407,460	$29,554,778	$4,829	71.55%
7	Bienville Parish	2,657	$9,782,553	$3,518,819	$13,301,372	$5,006	73.55%
8	Bossier Parish	18,676	$66,410,426	$25,465,860	$91,876,286	$4,919	72.28%
9	Caddo Parish	45,365	$178,043,860	$64,433,363	$242,477,223	$5,345	73.43%
10	Calcasieu Parish	32,446	$118,574,072	$38,209,870	$156,783,942	$4,832	75.63%
11	Caldwell Parish	1,847	$5,346,850	$2,050,564	$7,397,414	$4,005	72.28%
12	Cameron Parish	1,982	$7,839,343	$3,921,439	$11,760,782	$5,934	66.66%
13	Catahoula Parish	1,951	$6,594,613	$2,758,637	$9,353,250	$4,794	70.51%
14	Claiborne Parish	2,811	$9,963,606	$3,319,083	$13,282,689	$4,725	75.01%
15	Concordia Parish	3,933	$13,146,191	$4,103,952	$17,250,143	$4,386	76.21%
16	DeSoto Parish	5,093	$19,546,835	$7,420,854	$26,967,689	$5,295	72.48%
17	E. Baton Rouge Parish	54,519	$201,843,677	$83,656,142	$285,499,819	$5,237	70.70%
18	East Carroll Parish	1,910	$6,187,168	$2,688,801	$8,875,969	$4,647	69.71%
19	East Feliciana Parish	2,660	$8,880,637	$3,359,134	$12,239,771	$4,601	72.56%
20	Evangeline Parish	6,340	$18,692,085	$6,560,725	$25,252,810	$3,983	74.02%
21	Franklin Parish	4,007	$12,879,307	$4,653,418	$17,532,725	$4,376	73.46%
22	Grant Parish	3,615	$11,272,650	$4,675,634	$15,948,284	$4,412	70.68%
23	Iberia Parish	14,662	$52,943,041	$17,691,500	$70,634,541	$4,818	74.95%
24	Iberville Parish	5,070	$18,969,489	$7,492,282	$26,461,771	$5,219	71.69%
25	Jackson Parish	2,682	$9,098,563	$4,000,236	$13,098,799	$4,884	69.46%
26	Jefferson Parish	51,310	$191,192,592	$74,908,407	$266,100,999	$5,186	71.85%
27	Jefferson Davis Parish	5,957	$20,868,480	$7,765,118	$28,633,598	$4,807	72.88%
28	Lafayette Parish	29,745	$105,177,691	$29,395,068	$134,572,759	$4,524	78.16%
29	Lafourche Parish	15,348	$59,342,876	$17,161,171	$76,504,047	$4,985	77.57%
30	LaSalle Parish	2,610	$9,197,615	$3,870,303	$13,067,918	$5,007	70.38%
31	Lincoln Parish	6,745	$23,198,612	$7,525,371	$30,723,983	$4,555	75.51%
32	Livingston Parish	19,421	$66,097,493	$18,754,117	$84,851,610	$4,369	77.90%
33	Madison Parish	2,547	$7,680,894	$3,091,509	$10,772,403	$4,229	71.30%
34	Morehouse Parish	5,421	$18,188,893	$6,878,518	$25,067,411	$4,624	72.56%
35	Natchitoches Parish	6,823	$21,739,543	$8,283,405	$30,022,948	$4,400	72.41%
36	Orleans Parish	77,665	$260,585,771	$111,532,640	$372,118,411	$4,791	70.03%
37	Ouachita Parish	17,128	$60,820,400	$21,968,747	$82,789,147	$4,834	73.46%
38	Plaquemines Parish	4,775	$17,315,571	$8,771,637	$26,087,208	$5,463	66.38%
39	Pointe Coupee Parish	3,346	$9,908,078	$4,074,827	$13,982,905	$4,179	70.86%
40	Rapides Parish	23,505	$79,526,787	$27,364,387	$106,891,174	$4,548	74.40%
41	Red River Parish	1,869	$7,547,857	$2,246,750	$9,794,607	$5,241	77.06%
42	Richland Parish	3,807	$13,360,456	$4,829,245	$18,189,701	$4,778	73.45%
43	Sabine Parish	4,358	$14,023,920	$5,031,830	$19,055,750	$4,373	73.59%
44	St. Bernard Parish	8,633	$32,617,833	$10,599,220	$43,217,053	$5,006	75.47%
45	St. Charles Parish	9,751	$49,146,746	$17,762,988	$66,909,734	$6,862	73.45%
46	St. Helena Parish	1,478	$5,118,531	$2,095,633	$7,214,164	$4,881	70.95%
47	St. James Parish	3,964	$16,956,498	$7,863,786	$24,820,284	$6,261	68.32%
48	St. John Parish	6,401	$24,930,844	$9,601,783	$34,532,627	$5,395	72.20%
49	St. Landry Parish	15,736	$52,161,829	$18,684,984	$70,846,813	$4,502	73.63%
50	St. Martin Parish	8,559	$29,958,383	$9,824,308	$39,782,691	$4,648	75.31%
51	St. Mary Parish	10,837	$38,595,481	$13,843,982	$52,439,463	$4,839	73.60%
52	St. Tammany Parish	32,286	$131,649,125	$43,250,217	$174,899,342	$5,417	75.27%
53	Tangipahoa Parish	18,498	$58,317,568	$16,219,172	$74,536,740	$4,029	78.24%
54	Tensas Parish	1,152	$4,020,015	$1,837,502	$5,857,517	$5,085	68.63%
55	Terrebonne Parish	19,900	$72,425,644	$21,919,931	$94,345,575	$4,741	76.77%
56	Union Parish	3,688	$9,539,258	$3,681,176	$13,220,434	$3,585	72.16%
57	Vermilion Parish	9,215	$29,373,584	$10,746,798	$40,120,382	$4,354	73.21%
58	Vernon Parish	10,023	$37,254,758	$13,617,480	$50,872,238	$5,076	73.23%
59	Washington Parish	4,567	$16,811,558	$6,403,372	$23,214,930	$5,083	72.42%
60	Webster Parish	7,754	$24,001,094	$7,084,448	$31,085,542	$4,009	77.21%
61	W. Baton Rouge Parish	3,816	$13,095,349	$5,275,129	$18,370,478	$4,814	71.28%
62	West Carroll Parish	2,590	$7,736,332	$2,468,555	$10,204,887	$3,940	75.81%
63	West Feliciana Parish	2,224	$10,735,847	$4,605,132	$15,340,979	$6,898	69.98%
64	Winn Parish	2,935	$8,280,042	$3,411,534	$11,691,576	$3,984	70.82%
65	City of Monroe	10,164	$32,780,471	$10,704,550	$43,485,021	$4,278	75.38%
66	City of Bogalusa	3,086	$11,144,170	$4,636,200	$15,780,370	$5,114	70.62%
	State Totals	**738,624**	**$2,639,395,924**	**$958,893,288**	**$3,598,289,212**	**$4,872**	**73.35%**

Note: Total Instruction include Regular Program, Special Education Program, Vocational Education Program, Other Instructional Program, Special Programs, Pupil Support (exclude object code 730), and Instructional Staff Services (exclude object code 730), less nonpublic textbooks revenues (kpc 7960).

Total Support (exclude object code 730): Includes General Administration, School Administration, Business Services, Operation and Maintenance, Student Transportation, and Central Services, less nonpublic transportation revenue (kpc 7945)

In addition, for the first time, audits of student data were conducted at LSU and Southern University Lab schools. The audit findings resulting from these audits produced additional savings of $105,782, bringing total savings due to audits to $3 million in the 1999-2000 school year.

Cumulative MFP Savings as a Result of Audits
Local School Districts and Lab Schools

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Number of students reduced from Oct. 1 membership	1,384	1,096	1,344	1,753	1,543	1,209	1,382
State dollars saved	$1,877,350	$2,367,994	$2,905,208	$2,961,111	$3,411,397	$2,246,193	$3,011,720
Cumulative dollars saved since creation of the Division of Education Finance	$1,877,350	$4,245,344	$7,150,552	$10,111,663	$13,523,060	$15,769,253	$18,780,973

Explanation: Students and/or units were denied inclusion in the October 1, 1999, Student Membership Count, Vocational Education Unit Count, and Special Education Student Count for failing to meet established funding criteria. Students were added to the At-Risk Count. A number of school districts often misinterpreted the definitions when determining which students or units should or should not be counted for funding purposes. In 1999-2000, the Audit Section again conducted on-site audits of all 66 local school districts. Verification of membership data continues to be crucial because the MFP formula distributes State funds based on this information. Efforts again included resolving reporting errors in the October 1 Student Membership Count identified through computer generated reports, verification of the Vocational Education Unit Count, At-Risk Student Count, and Special Education Student Count. In addition, the student level data review was expanded to include a random sample of student records in at least two schools in every school district.

It should be noted that additional audit savings were recognized for 1998-1999 as a result of audits completed after publication of the 1998-1999 MFP Audit and Evaluation Data Book. These savings are included in the totals reported for 1998-1999 in this document.

Recommendation: The scope of the MFP audits (covering student and staff data) should continue to expand and improve audit procedures according to the evolution of the automated edit reports and clarifications of data definitions.

Decrease in SIS Reporting Errors

Finding 3: Since 1993-94, ongoing revisions and enhancements to the Student Information System (SIS) have resulted in significant decreases in reporting errors. The number of multiple enrollment errors occurring when two districts include the same student in membership has decreased by 394 students overall between 1993-94 and 1999-2000. However, during the 1999-2000 reporting year, this number actually increased by 503 students over the prior year. This increase was due in part to new, inexperienced staff in one of the larger districts. Additionally, duplicate student errors, which occur when two students are identified on the database with the same or similar names, have also decreased by 1,908 students in the past six years. The errors associated with reporting students with the same identification number have decreased as well by 4,609 students in the same time period

Decrease of Reporting Errors in SIS

	1993-94	1999-00	Difference	% Change
Multiple Enrollments	1,417	1023	394	28% decrease
Duplicate Enrollments	2,462	554	1,905	77% decrease
Same ID	6,616	2007	4,609	70% decrease

Explanation: The systems' edits and analyses associated with the Student Information System along with continued efforts of the staff of the Department in educating school district personnel on the importance of accuracy have resulted in great improvements in the integrity of the data. Many districts now have similar edits and analysis programs they run on their data before submitting the data to the Department of Education.

Recommendation: The Student Information System data collection method should continue to be refined and enhanced as technology capabilities evolve.

Accountability among districts should be promoted to ensure the accuracy of data provided to the Department. The State needs to move forward with the Louisiana Education Accountability Data Systems (LEADS) project to align and integrate all major universal data collections regarding the educational process.

CONCLUSION

Accountability is now a major component of the Minimum Foundation Program. The evaluation, verification, and audit of the data elements utilized in the funding formula contribute to the integrity of the final State dollar amounts provided to the local school districts. Planned expansions in audit activities will serve to increase the level of confidence in the Minimum Foundation Program funding formula.

SECTION II
MFP EVALUATION REPORT

State and Local Revenues

Finding 1: Local revenues in FY 1999-2000 have increased by 30.7% since FY 1995-96. Sales tax revenues made up approximately 54% of the $1.9 billion generated, while revenues from property taxes made up 35% of the total generated. In FY 1999-2000, districts in the lowest wealth quintile levied an average property tax rate of 33.41 mills (including debt) and an average sales tax rate (including debt) of 1.86% that generated on average $381 per pupil and $782 per pupil respectively. Districts in the highest wealth quintile levied an average property tax rate of 31.32 mills and a sales tax rate of 1.88%, which generated on average $1,127 per pupil and $2,168 per pupil.

Explanation: Local school systems continue to rely heavily on sales tax revenues for education. Sales taxes generate one and one-half times the revenues as those raised from property taxes. The data suggest that school districts with a low tax base usually have low funding per pupil even with high tax rates, whereas, districts with a high tax base (property and sales) have high funding per pupil with relatively the same or lower tax rates.

Recommendation: Fiscal equity should be monitored to determine the impact inherent to local tax structures through the use of relevant, systematic baseline data for each local school system. Based on this data, philosophical considerations should be given by policy makers regarding specific revenue sources and amounts of support expected from each local tax structure for educational purposes.

Finding 2: State revenues have increased 19.4% since FY 1995-96. In FY 1999-2000, State revenues made up 49.3% of the total $4.8 billion revenues. The Minimum Foundation Program (MFP), which is approximately 95% of the total State revenues, in FY 1999-2000 distributed on average $1,156 per pupil more to the districts in the lowest wealth quintile ($3,601) than to the districts in the highest wealth quintile ($2,445).

Explanation: The increase in State revenues is due mainly to the increase in the actual appropriated MFP amount of 3.1% over the prior year. The MFP continues to distribute funds in an equitable manner by providing more State funds to districts in the lower wealth quintile than to the districts in the highest wealth quintile. The overall increase in local revenues over the prior year was 8% with a 10% increase in sales tax revenues and a 6 percent increase in property tax revenues.

Recommendation: The Federal, State and Local partnership should be monitored in order to estimate probable impact upon future State and local budgets for education.

Expenditures

Finding 3: Spending for total instruction has remained relatively stable since 1995-96. In FY 1999-2000, $2,672,328,200 was spent on classroom instruction, making up 55.6% of the Total Fund Expenditures including interest on debt ($4.8 billion). About 63% of classroom instruction - $1,687,942,220 - went for classroom teacher salaries. Of the Total Expenditures, districts in the lowest wealth quintile are spending approximately 65.4% on instruction (58.3% on classroom instruction), 29.9% on support, 3.1% on facility acquisition and construction, and 1.6% on interest on debt. Similarly, districts in the highest wealth quintile are spending 64.2% on instruction (56% on classroom instruction), 29% on total support, 4.4% on facility acquisition and construction, and 2.3% on interest on debt.

Explanation: Districts continue to spend similar percentages of the Total Expenditures including debt. This information is confirmed by low coefficient of variations (c.v.), which indicates that districts, regardless of wealth, on an average spend comparable per pupil percentages on different programs (such as total instruction c.v. of .080).

Recommendation: Spending patterns of local school systems should be monitored and reported to the SBESE and to the House and Senate Education Committees in a user-friendly format. This information may be reflective of and indicate changes needed to State policies and/or the MFP funding formula.

MFP State Aid Coefficient of Variation and Correlation of Coefficients

Finding 4: The Coefficient of Variation (c.v.) in MFP State aid per pupil increased from c.v. of .094 in FY 1995-96 to c.v. of .156 in FY 1999-2000, but remains lower than the degree needed to offset disparities caused by the fiscal capacity of local school systems.

An inverse relationship between each district's Local Wealth Factor (LWF) and the amount of MFP State aid per pupil (r= -. 181 in FY 1991-92 to r = -. 878 in FY 1999-2000) has continued to strengthen since the adoption of the pupil-driven funding formula.

Explanation: When coupled, the correlation coefficient and the coefficient of variation indicate that, while the poorer districts do receive more in State aid per pupil, the difference in the amount distributed among districts is not substantial. This difference can be explained in part due to prior year formula adjustments (i.e., hold harmless), which maintains each school system's MFP per pupil amount at an amount not less than that given in the prior year. At issue is the ability of MFP State aid to offset funding disparities, which are a result of each district's fiscal capacity. The reduction in or removal of in the amount used to maintain higher levels of spending through the prior year formula adjustments would offset fiscal disparities to a greater degree than is currently being achieved by the MFP formula.

Recommendation: Further impact review should be conducted to validate and/or suggest revision of the methods and factors used to determine a local district's wealth capacity in relation to the State and local distributions of revenue for educational purposes. Additionally, analysis of the current formula without the restrictions of hold-harmless funding should be conducted.

State and Local Funding Targets

Finding 5: In FY 1999-2000, six school districts failed to meet the Level 1 share of costs. Two (Madison and West Carroll) of these districts are in the lowest wealth quintile. Two (Tensas and Union) of the remaining four districts are in the second quintile and two (Plaquemines and Pointe Coupee) are in the highest wealth quintiles.

Twenty-five school systems, which make up the lowest wealth quintile in FY 1999-2000, were targeted to contribute an average $773 per pupil toward the costs of Level 1 support. While the average contribution made by these districts was $1,203 per pupil, two school systems underfunded the local share by an average of $63 per pupil (or $324,014).

Ten school systems, which make up the highest wealth quintile, were targeted to contribute an average $2,282 per pupil toward the costs of Level 1 support. The contribution averaged $3,348 per pupil with five school systems underfunding Level 1 costs an average of $187 per pupil ($1.5 million).

Explanation: The funding formula determines an amount needed from both the State and local sources to meet the costs determined in Level 1 of the formula. Underfunding occurs when local school districts fail to meet the Level 1 costs that are determined by the formula. Prior to the full implementation of the MFP formula in FY 1999-2000, *underfunding* was also a result of growth limitations applied to State aid as calculated by the MFP formula.

Recommendation: The Department of Education should continue to convey to the districts that they must take necessary measures to achieve the Level 1 local support requirement and have those districts not meeting the requirement submit to SBESE practical plans to achieve the Level 1 target. The Department of Education should encourage and promote fiscal responsibility among local and city school districts through periodic review of critical fiscal elements in relation to performance goals.

Finding 6: Because of the full implementation of the MFP formula in FY 1999-2000, average State aid per pupil awarded to local school systems through the MFP matches or exceeds the amount targeted by the funding formula. In FY 1999-2000, the State's targeted contribution averaged $2,899 per pupil; the actual contribution averaged $3,050 per pupil. Districts in the lowest wealth quintile received the target average per pupil amount of $3,601 in State aid. The MFP State aid targeted for wealthier districts averaged $1,809 per pupil; the actual amount awarded averaged $2,445 per pupil. Funding received in excess of the targeted amounts for the State

as well as for the fourth and highest quintiles, reflects distributions in accordance with prior year formula calculations (hold harmless funding).

Eleven school systems continued to receive funding through an adjustment to the prior year formula calculation, known as "hold harmless funding." Funding necessary to accommodate the adjustment was $111.5 million in FY 1999-2000. Ten of the eleven districts were in the highest wealth quintile; they received an average of $637 per pupil in excess funding. The remaining district was in the fourth wealth quintile; this district received an average of $289 per pupil more than was targeted by the formula.

Explanation: The funding formula determines for each local school system an amount needed from both the State and local sources to meet the costs determined in Level 1. The prior year funding adjustments create a distribution of State aid that is contrary to the design of the MFP formula.

Recommendation: Consideration should be given to the philosophical intent of the formula as compared to its political and technical implementation.

State's Effort to Equalize Funding

Finding 7: Districts in the highest wealth quintile on average generated $2,160 per pupil more in local revenues than the districts in the lowest wealth quintile. This difference is a reflection of greater fiscal capacity enjoyed by wealthier districts due to enhanced sales and property tax bases from which to derive revenue. The State, through its equalization efforts, was able to reduce the funding gap an average $1,119 per pupil. (The total State revenue provided to the districts in the lowest wealth quintile averaged $3,757 per pupil and to the districts in the highest wealth Quintile averaged $2,638 per pupil.)

Explanation: While the State has been able to offset the funding gap at a higher per pupil amount over time, the continuation of the prior year formula calculation (hold harmless) provision has hampered the effort of equalization of State aid to local school systems. The hold-harmless provision, which ensures that the district's State aid per pupil amount does not fall below the amount received in the prior year, provides more in State support to those districts with higher fiscal capacity than targeted by the formula. The additional State aid required by the hold harmless provision aggravates the total funding gap, which already exists as the result of varying capacity among local school districts to raise revenue.

Recommendation: Study of the formula for possible enhancements that would lessen or eliminate the impact of funding gaps across local school districts. Particular considerations should be given to the effects of the hold harmless provision on equalization efforts of the MFP funding formula.

Actual Average Classroom Teacher Salary and Number of Teachers Per One Thousand Students

Finding 8: There is little variation in the number of teachers hired and the average classroom teacher salary across quintiles. The data further indicate that the current method of distributing State dollars to local school systems for teacher salaries is in line with the Minimum Foundation Program (MFP) funding formula.

The actual average teacher salary in FY 1999-2000 was $33,109. School systems in the highest wealth quintile on average paid their teachers $33,872 (the highest actual average salaries by quintile in FY 1999-2000). This average was $2,342 more than for the teachers in the lowest wealth quintile, who averaged $31,530. The lowest number of teachers per one thousand was 63.1 in quintile four; the highest was 68.5 in the highest wealth quintile.

Explanation: The coefficient of variation in average teacher salary in 1999-2000 is .063 respectively. The low coefficient of variation indicates that there is little disparity in the average teacher salary paid in the local school systems.

There is a moderate positive correlation between Local Wealth Factor (LWF) and the average teacher salary (FY 1999-2000 of .357), indicating that, as the local wealth of the district increases, the salaries paid to teachers also increases. A low negative correlation exists between the per pupil adjusted Minimum Foundation Program amount and the actual average classroom teacher salary paid (-. 271 in FY 1999-2000). That is, as the salary paid to teachers increases, the amount received from the Minimum Foundation Program declines. This relationship indicates that the current method of distributing dollars for teacher salaries is in line with the current funding formula. Moreover, there exist a positive relationship between the wealth of the local school system and the salaries paid to teachers and a negative relationship between the MFP distributions to the local school system and the salaries paid to teachers. It could be inferred from these relationships that classroom teachers' salaries are a function of local choice with some local school systems choosing to dedicate more local revenues to teacher salaries.

There is a negative relationship (-.469) between the number of teachers per one thousand students and the size of the local school system *(measured by the adjusted October 1 student membership).* That is, as the size of the district increases, the number of teachers per one thousand students in the local school system decreases. The local wealth factor (.390) is positively related to the size of the local school system. Therefore, the data indicate that the districts with greater wealth and size tend to pay more through local funds.

Recommendation: The Department of Education should monitor and report spending patterns of local school systems regarding teacher salaries to SBESE and the House and Senate Education Committees in a user-friendly format. This information may be reflective of and indicate changes needed in State policies.

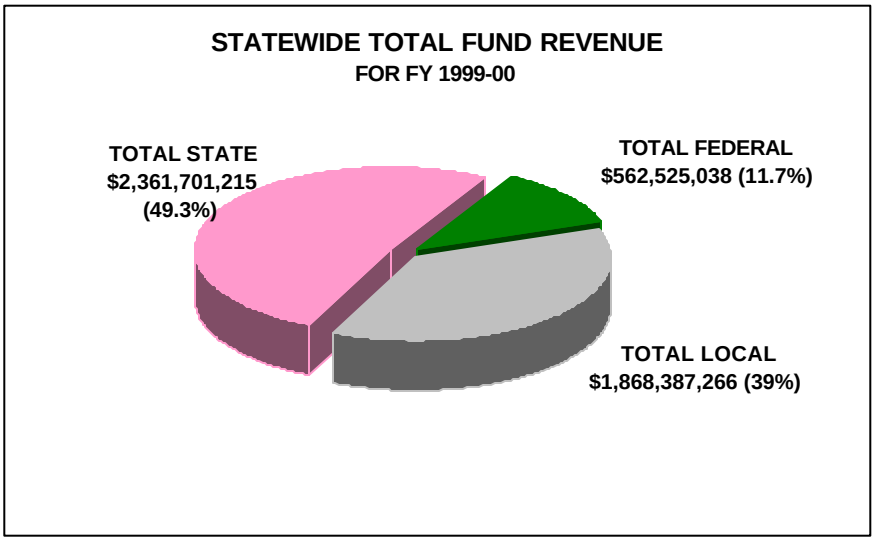
CONCLUSION

Evaluation of the data elements serves as a basis for making inferences that are relevant to meeting the goals of the Minimum Foundation Program. These goals include meeting student academic needs, equitably distributing the costs, creating incentives for local school systems to support a minimum education program, and evaluating performance in relation to funding.

SECTION III
SUMMARY OF DATA REVIEWED

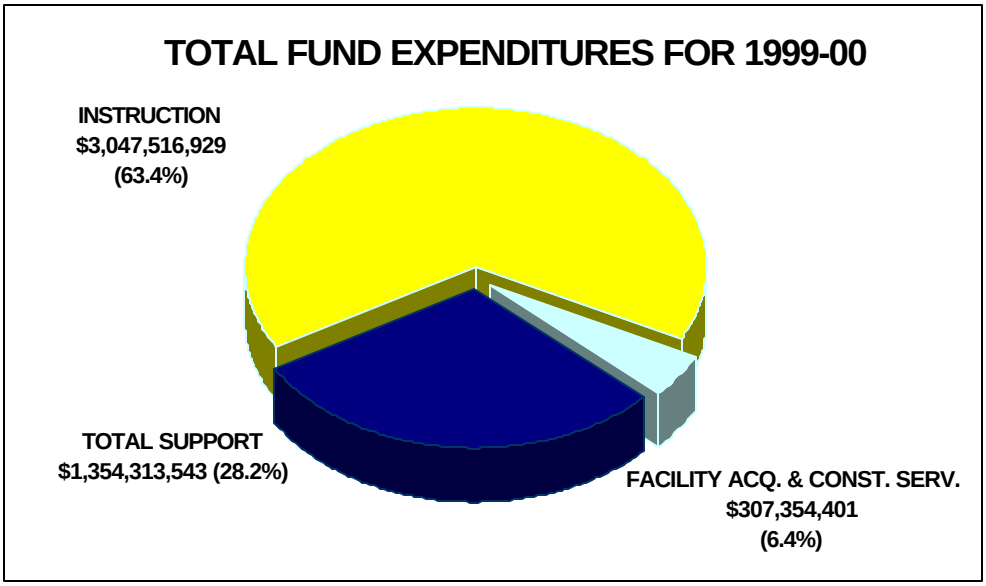
Revenue and Expenditures

Graph 1, illustrates the proportion of local, state and federal revenues to Total Fund Revenues collected in FY 1999-2000. Of the Total Revenues for education, 49.3% came from State sources [$2,361,701,215]; 39% [$1,868,387,266] from local sources; and 11.7% [$562,525,038] from federal sources. Overall, 1999-2000 Total Fund Revenues from all sources show an absolute increase of 3.2% from the prior year.



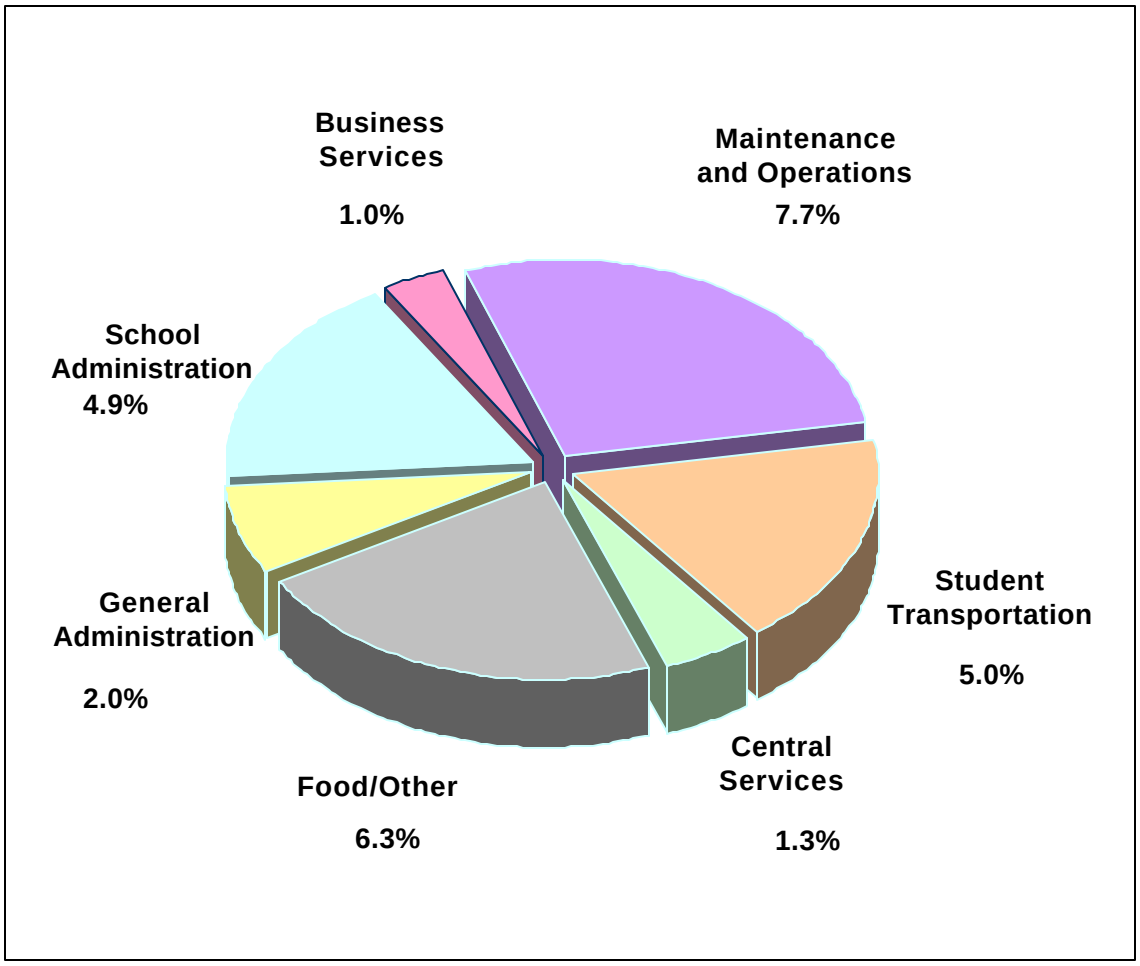
Graph 1

As illustrated in Graph 2 below, in FY 1999-2000, 63.4% of Total Fund Expenditures (including interest on debt) went to provide instructional services [$3,047,516,929]. These services are those that involve direct interaction between teachers and students in various learning environments (i.e., the classroom, home or hospital). Expenditures for support services such as food service, transportation, business and administrative services make up 28.2% [$1,354,313,543] of Total Fund Expenditures. Facility acquisitions and construction services make up 6.4% [$307,354,401] of Total Fund Expenditures.



Graph 2

1999-00 SUPPORT EXPENDITURES AS A PERCENT OF TOTAL EXPENDITURES



Graph 3

Tables 1 to 7 of this section represent the data reviewed and include revenues, expenditures, tax data, and measures of fiscal equity in terms of the degree of variation among school districts and the relationship between these factors and the wealth of the local school system.

Table 1 includes the overall percentage change in absolute revenues generated and expenditures by local school districts. Since FY1995-96, local school systems have increased their total share of support for education by 30.7%. Districts continue to rely more heavily on revenues generated from sales taxes (increasing by 30.2% since FY1995-96) than those generated through property taxes. Contribution through the MFP formula has risen nearly 21% since FY1995-96. Districts have increased spending for both instruction (25.5% since FY1995-96) and support services (18.7% since FY1995-96). With regard to fiscal equity, examinations of both variation and the correlation between revenues generated, spending per pupil and wealth of each local school district are shown in Tables 2 and 3.

Table 2. The degree of fiscal equity, with regard to revenues and expenditures per pupil, has been examined first in terms of the coefficient of variation.[1] Coefficients closer to zero indicate less disparity in the average per pupil amount among school districts. Generally, the degree of variation in per pupil revenues and expenditures has shown little change since

of the new MFP formula. Variation in per pupil revenues remains higher among school systems than variations in spending. The Coefficient of Variation (c.v.) in MFP State aid per pupil increased from c.v.=.094 in FY 1995-96 to c.v.= .156 in FY 1999-2000, an increase that is not sufficient to offset the disparities caused by the fiscal capacity of local school systems. A larger coefficient of variation for the MFP per pupil allocation indicates greater capability to amend possible spending disparities that are a result of the local school system's fiscal capacity. Variation in total instructional expenditures per pupil has continued to decline [.098 in 1995-96, .093 in 1996-97, .093 in 1997-98, .090 in 1998-1999 and .080 in 1999-2000]. The coefficient of variation in total support expenditures varied from year to year [.138 in 1995-96, .135 in 1996-97, .142 in 1997-98 and .121 in 1998-1999 and .132 in 1999-2000].

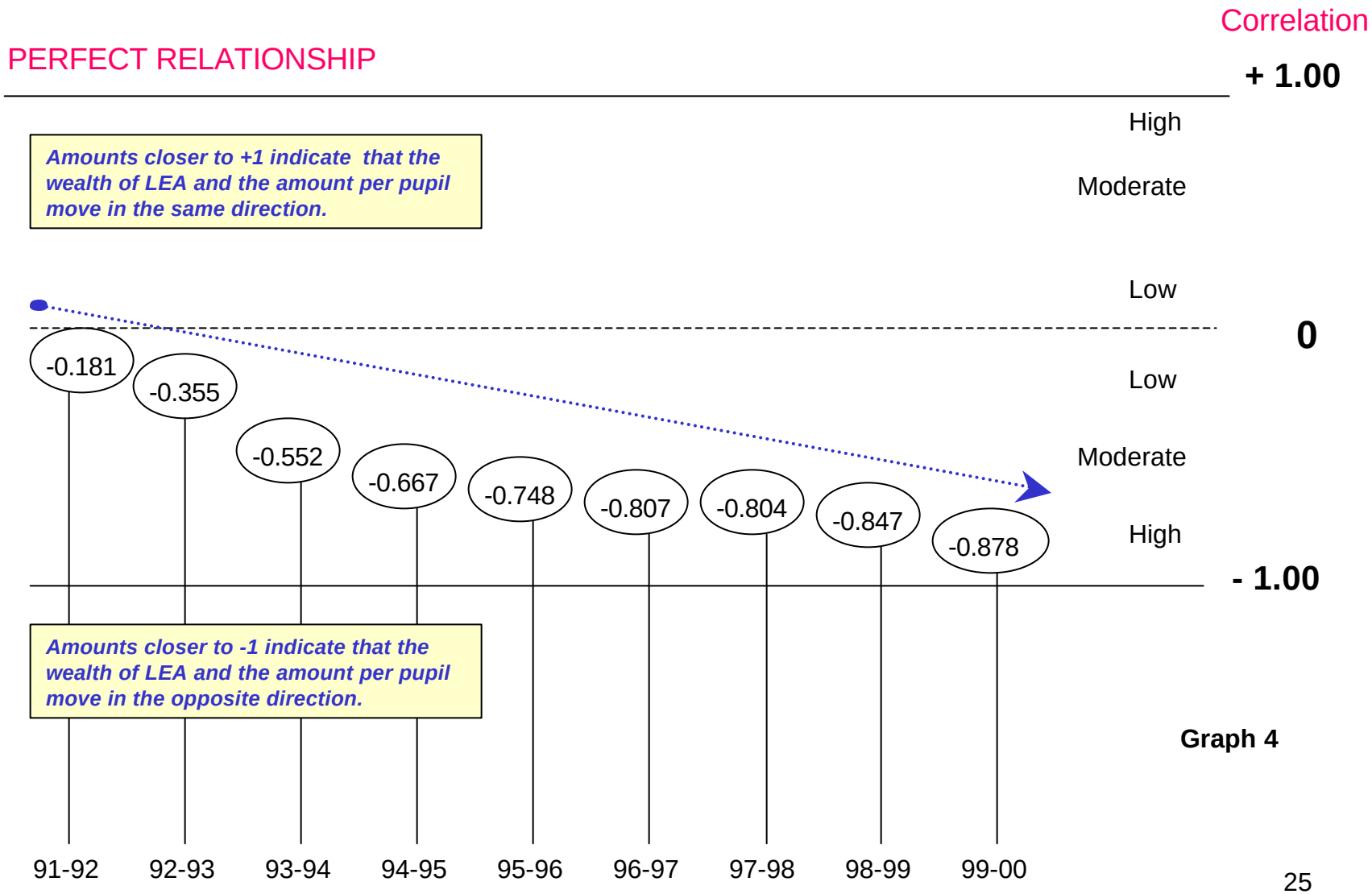
In addition to the coefficient of variation, fiscal equity is measured using the bivariate correlation coefficient[2]. This method measures the relationship between each local school district's relative Local Wealth Factor (LWF) and either revenues or expenditures. The local wealth factor (LWF) is derived by ranking local school systems according to the proportion of potential revenues raised if the statewide average property millage were levied against net assessed property values and the statewide average sales tax rate were levied against the estimated sales tax base. This method parallels the Representative Tax System (RTS) developed by the Advisory Commission on Intergovernmental Relations (ACIR) and used by the federal government to estimate tax capacity of the states.

Correlation *coefficients (See Table 3.)* are used to show both the direction (i.e., whether inverse or positive) and movement (i.e., toward either -1 or +1) between two variables. Correlation coefficients showing a strong positive relationship [equal to +1.00][2] between local wealth and Total Local Revenues per pupil [r=. 864 in FY1999-2000] raise concerns for each district's ability to pay. However, a strong inverse relationship [equal to -1] between local wealth per pupil (i.e., LWF) and MFP per pupil allocation [r= -. 878 in FY1999-2000] is used to indicate how well the State funding formula offsets disparity. **(See Graph 4 on the following page.)**

[1] See **Table 3**

[2] As the school district's local wealth increases total local revenues increase.

Relationship Between LWF and MFP



Graph 4

The longitudinal analysis provided on Table 3, and as illustrated by Graph 3, shows encouraging movement (i.e., stronger and inverse) between wealth of the local school district and MFP per pupil allocations. This movement has favorable implications for measuring the ability of the pupil-driven formula to impact and offset fiscal disparities that are a result of a district's fiscal capacity. In terms of magnitude, the impact made by the funding formula (See Table 4.) continues to be diminished by policy decisions such as hold-harmless, which undermines the formula's intent. The inverse relationship between local wealth factor and MFP State aid per pupil indicates a steady movement toward negative one (-1), which indicates that as wealth goes up, State aid goes down. In addition, the disparity among local school systems' ability to generate revenues has steadily increased as well. Another way disparities are examined is to look at the range in spending per pupil.

Table *5* outlines changes in selected variables related to fiscal capacity, revenues, State aid through the MFP, taxes and expenditures for instruction. On an average, revenues generated from property millages and sales tax rates are much greater in districts with higher wealth factors than in districts with lower wealth factors. For example, the disparity in the range of fiscal capacity varies from $932 per pupil for districts in the lowest wealth quintile to $2,743 per pupil for districts in the highest wealth quintile. An attempt is made to offset this disparity through a greater MFP per pupil allocation to districts with lower Local Wealth Factors. The statewide average millage rate in FY1999-2000 was 41.11 mills; the statewide average sales tax rate was 1.80%. Districts in the lowest wealth quintile averaged 33.41 mills, which was higher than the average 31.32 mills for districts in the highest wealth quintile. The average sales tax rate in the lowest wealth quintile was 1.86%; the average sales tax rate in the highest wealth quintile was 1.88%. Spending for instruction ranged from $3,871 per pupil in the lowest wealth quintile to $4,406 per pupil in the highest wealth quintile, an average difference of $535 per pupil.

State and Local Funding Targets

Comparisons are made between revenues targeted (from both local and state sources) for Level 1 funding of the MFP and actual collections. The difference between the actual and targeted amount reflects the degree to which the funding formula is working as designed. For this reason, both over and underfunding of the formula are examined. In addition, average distributions that are a result of prior year formula calculations (known as "hold-harmless funding") are calculated as well.

Table 6 provides the analysis showing the extent to which actual local *funding* in FY1999-2000 matched the amount targeted to meet the costs determined in Level 1 of the funding formula. Actual local revenues collected exceeded the amount targeted for Level 1 [e.g., $1,048,008,969 MFP Local Target; $1,694,006,978 MFP Actual Revenues from Sales and Property taxes levied]. However, six school districts representing 18,098 students failed to contribute the amount targeted for the district. In total, an additional $2.7 million was needed from these nine school systems.

Table 7 shows the extent to which actual S*tate MFP funding* in FY1999-2000 matched the amount targeted to meet the costs determined in Level 1 of the funding formula. The amount targeted for State funding and the actual MFP allocation in both FY1998-99 and in FY1999-2000 are in **Chart 1.**

Prior year formula calculations (Hold-harmless). (See Table 7.) In FY1999-2000, the State awarded $111.5 million, an average $609 per pupil to select districts. This type of funding is provided for eleven districts that would otherwise receive substantially less in State funding than the amount given in the prior year. Therefore, districts continue to receive no less per pupil than the amount received in the prior year with a cap of the total MFP distribution for the prior year. While the districts' total amount may be reduced if there were a reduction in the student count, the per pupil amount remains relatively stable.

Chart 1

Year	MFP Target	MFP Actual
FY 1998-1999	$2,151,594,419	$2,184,959,240
FY 1999-2000	$2,141,636,223	$2,253,136,739

Chart 2

	FY 1999-2000 Prior Year Formula Calculation (Hold Harmless)				
Quintile	**Lowest**	**Second**	**Third**	**Fourth**	**Highest**
No. of Districts	0	0	0	1	10
Amt. Per Pupil	0	0	0	$289	$637
No. of Students	0	0	0	14,655	168,520

CONCLUSION

Evaluation of the data elements serves as a basis for making inferences that are relevant to meeting the goals of the Minimum Foundation Program. These goals include meeting student academic needs, equitably distributing the costs, creating incentives for local school systems to support a minimum education program, and evaluating performance in relation to funding.

Tables

TABLE 1

1995-96 TO 1999-2000 STATEWIDE TOTALS FOR SELECTED LOUISIANA SCHOOL FINANCE REVENUE AND EXPENDITURE VARIABLES TOTAL FUNDS: FIVE YEAR TREND

DESCRIPTION	95-96	Proportion to Grand Total	96-97	Proportion to Grand Total	97-98	Proportion to Grand Total	98-99	Proportion to Grand Total	99-00	Proportion to Grand Total	CHANGE IN REVENUE & EXPENDITURES 95-96 TO 99-2000 ABSOLUTE	95-96 TO 99-2000 PERCENT	98-99 TO 99-00 ABSOLUTE	98-99 TO 99-00 PERCENT
REVENUE														
TOTAL LOCAL	$1,429,148,059	**36.8%**	$1,535,486,012	**37.4%**	$1,670,832,504	**37.6%**	$1,737,818,404	**37.4%**	$1,868,387,266	**39.0%**	*$439,239,207*	*30.7%*	*$130,568,862*	*7.5%*
PROPERTY	*$485,842,655*		*$542,136,247*		*$602,587,293*		*$618,800,174*		*$656,093,426*		*$170,250,771*	*35.0%*	*$37,293,252*	*6.0%*
Non-Debt	*$356,502,619*		*$401,605,844*		*$451,597,920*		*$477,828,625*		*$509,506,685*		*$153,004,066*	*42.9%*	*$31,678,060*	*6.6%*
Debt	*$129,340,036*		*$140,530,403*		*$150,989,373*		*$140,971,549*		*$146,586,741*		*$17,246,705*	*13.3%*	*$5,615,192*	*4.0%*
SALES	*$768,234,160*		*$813,262,728*		*$880,750,023*		*$913,203,900*		*$1,000,538,884*		*$232,304,724*	*30.2%*	*$87,334,984*	*9.6%*
Non-Debt	*$722,073,276*		*$787,897,848*		*$854,709,879*		*$885,361,342*		*$971,058,192*		*$248,984,916*	*34.5%*	*$85,696,850*	*9.7%*
Debt	*$46,160,884*		*$25,364,880*		*$26,040,144*		*$27,842,558*		*$29,480,692*		*($16,680,192)*	*-36.1%*	*$1,638,134*	*5.9%*
TOTAL STATE	$1,978,049,859	**50.9%**	$2,087,902,280	**50.8%**	$2,266,287,211	**51.0%**	$2,364,875,857	**50.9%**	$2,361,701,215	**49.3%**	*$383,651,356*	*19.4%*	*($3,174,642)*	*-0.1%*
MFP[1]	*$1,864,207,437*		*$1,969,198,071*		*$2,088,511,104*		*$2,184,959,240*		*$2,253,136,739*		*$388,929,302*	*20.9%*	*$68,177,499*	*3.1%*
TOTAL FEDERAL	$477,761,328	**12.3%**	$485,470,855	**11.8%**	$506,524,601	**11.4%**	$540,894,251	**11.6%**	$562,525,038	**11.7%**	*$84,763,710*	*17.7%*	*$21,630,787*	*4.0%*
TOTAL REVENUES[2]	**$3,884,959,246**	**100.0%**	**$4,108,859,147**	**100.0%**	**$4,443,644,316**	**100.0%**	**$4,643,588,512**	**100.0%**	**$4,792,613,519**	**100.0%**	*$907,654,273*	*23.4%*	*$149,025,007*	*3.2%*
EXPENDITURES														
INSTRUCTIONAL														
CLASSROOM INSTRUCTION	$2,151,736,478	56.7%	$2,284,806,351	56.7%	$2,480,937,931	56.8%	$2,636,586,735	56.1%	$2,672,328,200	55.6%	*$520,591,722*	*24.2%*	*$35,741,465*	*1.4%*
CLASSROOM TEACHER SALARY[3]	$1,353,897,622	35.7%	$1,435,284,546	35.6%	$1,532,778,519	35.1%	$1,622,290,761	34.5%	$1,687,942,220	35.1%	*$334,044,598*	*24.7%*	*$65,651,459*	*4.0%*
PUPIL SUPPORT	$134,284,714	3.5%	$146,329,114	3.6%	$157,511,174	3.6%	$169,406,594	3.6%	$175,644,617	3.7%	*$41,359,903*	*30.8%*	*$6,238,023*	*3.7%*
INSTRUCTIONAL STAFF SUPPORT	$142,243,693	3.7%	$149,513,565	3.7%	$174,753,160	4.0%	$191,497,299	4.1%	$199,544,112	4.1%	*$57,300,419*	*40.3%*	*$8,046,813*	*4.2%*
TOTAL INSTRUCTION	**$2,428,264,885**	**64.0%**	**$2,580,649,030**	**64.1%**	**$2,813,202,265**	**64.5%**	**$2,997,490,628**	**63.7%**	**$3,047,516,929**	**63.4%**	*$619,252,044*	*25.5%*	*$50,026,301*	*1.7%*
SUPPORT														
GENERAL ADMINISTRATION	$79,970,469	2.1%	$84,932,271	2.1%	$96,717,965	2.2%	$91,183,160	1.9%	$98,016,108	2.0%	*$18,045,639*	*22.6%*	*$6,832,948*	*7.5%*
SCHOOL ADMINISTRATION	$194,983,807	5.1%	$207,176,808	5.1%	$219,446,759	5.0%	$233,498,907	5.0%	$235,605,828	4.9%	*$40,622,021*	*20.8%*	*$2,106,921*	*0.9%*
BUSINESS SERVICES	$36,193,185	1.0%	$37,482,551	0.9%	$39,793,590	0.9%	$43,817,466	0.9%	$45,787,728	1.0%	*$9,594,543*	*26.5%*	*$1,970,262*	*4.5%*
MAINT. & OPERATIONS	$322,211,763	8.5%	$333,448,947	8.3%	$351,754,553	8.1%	$359,879,086	7.7%	$372,029,601	7.7%	*$49,817,838*	*15.5%*	*$12,150,515*	*3.4%*
STUDENT TRANSPORTATION	$205,563,685	5.4%	$218,543,071	5.4%	$227,676,450	5.2%	$236,017,131	5.0%	$239,084,982	5.0%	*$33,521,297*	*16.3%*	*$3,067,851*	*1.3%*
CENTRAL SERVICES	$26,299,108	0.7%	$30,513,744	0.8%	$36,528,884	0.8%	$48,365,936	1.0%	$61,368,726	1.3%	*$35,069,618*	*133.3%*	*$13,002,790*	*26.9%*
FOOD/OTHER SERVICES*	$276,176,168	7.3%	$290,050,428	7.2%	$297,415,722	6.8%	$303,742,171	6.5%	$302,420,570	6.3%	*$26,244,402*	*9.5%*	*($1,321,601)*	*-0.4%*
TOTAL SUPPORT	**$1,141,398,185**	**30.1%**	**$1,202,147,820**	**29.9%**	**$1,269,333,923**	**29.1%**	**$1,316,503,857**	**28.0%**	**$1,354,313,543**	**28.2%**	*$212,915,358*	*18.7%*	*$37,809,686*	*2.9%*
FACILITY ACQ. & CONSTR. SERVICES	**$152,285,471**	**4.0%**	**$152,737,466**	**3.8%**	**$182,951,975**	**4.2%**	**$289,891,877**	**6.2%**	**$307,354,401**	**6.4%**	*$155,068,930*	*101.8%*	*$17,462,524*	*6.0%*
TOTAL EXPENDITURES	**$3,721,948,541**	**98.1%**	**$3,935,534,316**	**97.7%**	**$4,265,488,163**	**97.7%**	**$4,603,886,362**	**97.9%**	**$4,709,184,873**	**97.9%**	*$987,236,332*	*26.5%*	*$105,298,511*	*2.3%*
INTEREST ON DEBT	**$73,067,166**	**1.9%**	**$91,481,904**	**2.3%**	**$99,169,088**	**2.3%**	**$99,868,063**	**2.1%**	**$101,224,392**	**2.1%**	*$28,157,226*	*38.5%*	*$1,356,329*	*1.4%*
TOTAL EXPENDITURES AND INTEREST ON DEBT	**$3,795,015,707**	**100.0%**	**$4,027,016,220**	**100.0%**	**$4,364,657,251**	**100.0%**	**$4,703,754,425**	**100.0%**	**$4,810,409,265**	**100.0%**	*$1,015,393,558*	*26.8%*	*$106,654,840*	*2.3%*
DEBT SERVICE														
PRINCIPAL	$104,072,691		$105,078,207		$96,430,172		$144,472,672		$123,987,252		*$19,914,561*	*19.1%*	*($20,485,420)*	*-14.2%*
OTHER	$177,725,937		$29,322,967		$14,306,713		$16,158,099		$8,071,779		*($169,654,158)*	*-95.5%*	*($8,086,320)*	*-50.0%*
TOTAL DEBT SERVICE	**$281,798,628**		**$134,401,174**		**$110,736,885**		**$160,630,771**		**$132,059,031**		*($149,739,597)*	*-53.1%*	*($28,571,740)*	*-17.8%*
TOTAL OF DEBT SERVICE AND EXPENDITURES	**$4,076,814,335**		**$4,161,417,394**		**$4,475,394,136**		**$4,864,385,196**		**$4,942,468,296**		*$865,653,961*	*21.2%*	*$78,083,100*	*1.6%*

FY 1995-96 Circular 893 (Col 27d)
FY 1996-97 Circular 921A (Col 27d)
FY 1997-98 Circular 991 (Col 27d)
FY 1998-99 Circular 1061 (Col 28)
FY 1999-00 Circular 1063 (Col 28)

[2] Includes Revenues for Non-public transportation and textbooks

[3] Summary of Actual Salaries (Object Code 112 and Function 1000 Series Total Funds per AFR). Represents percent of total expenditures and is a subset of classroom instruction.

* Other Services = Enterprises Operations and Community Service Operations

NOTE: Revenues are for all sources including debt service functions.

SOURCE: Annual Financial Report

TABLE 1A
AVERAGE PER PUPIL FOR SELECTED
LOUISIANA SCHOOL FINANCE REVENUE AND EXPENDITURE VARIABLES: 1995-96 to 1999-00

DESCRIPTION	95-96 MEAN	96-97 MEAN	97-98 MEAN	98-99 MEAN	99-00 MEAN	CHANGE IN PER PUPIL AMOUNT 95-96 TO 99-00	98-99 TO 99-00
STUDENT MEMBERSHIP	780,000	775,817	763,840	752,525	738,624	(41,376)	(13,901)
REVENUE							
TOTAL LOCAL	$1,832	$1,979	$2,220	$2,309	$2,530	$698	$221
PROPERTY	$623	$699	$789	$822	$888	$265	$66
Non-Debt	$457	$518	$591	$635	$690	$233	$55
Debt	$166	$181	$198	$187	$198	$32	$11
SALES	$985	$1,048	$1,153	$1,214	$1,355	$370	$141
Non-Debt	$926	$1,016	$1,119	$1,177	$1,315	$389	$138
Debt	$59	$33	$34	$37	$40	($19)	$3
TOTAL STATE	$2,536	$2,691	$2,967	$3,143	$3,197	$661	$54
MFP[1]	*$2,390*	*$2,538*	*$2,734*	*$2,904*	*$3,050*	*$660*	*$146*
TOTAL FEDERAL	$613	$626	$663	$719	$762	$149	$43
TOTAL REVENUE	**$4,981**	**$5,296**	**$5,818**	**$6,171**	**$6,489**	**$1,508**	**$318**
EQUIVALENT TAX RATES							
PROPERTY***	38.66M	39.45M	40.96M	40.64M	41.11M	2.45M	.47M
Non-Debt	28.37M	29.22M	30.7M	31.38M	31.93M	3.56M	.55M
Debt	10.29M	10.23M	10.26M	9.26M	9.19M	-1.10M	-.07M
SALES	1.61%	1.65%	1.67%	1.73%	1.80%	0.19%	0.07%
Non-Debt	1.51%	1.60%	1.62%	1.68%	1.75%	0.24%	0.07%
Debt	0.10%	0.05%	0.05%	0.05%	0.05%	-0.05%	0.00%
EXPENDITURES							
INSTRUCTIONAL							
CLASSROOM INSTRUCTION	$2,759	$2,945	$3,248	$3,504	$3,618	$859	$114
Classroom Teacher Salary[2]	$1,736	$1,851	$2,007	$2,156	$2,285	$549	$129
PUPIL SUPPORT	$172	$189	$206	$225	$238	$66	$13
INSTRUCTIONAL STAFF SUPPORT	$182	$193	$229	$254	$270	$88	$16
TOTAL INSTRUCTION	**$3,113**	**$3,327**	**$3,683**	**$3,983**	**$4,126**	**$1,013**	**$143**
SUPPORT							
GENERAL ADMINISTRATION	$103	$109	$127	$121	$133	$30	$12
SCHOOL ADMINISTRATION	$250	$267	$287	$310	$319	$69	$9
BUSINESS SERVICES	$46	$48	$52	$58	$62	$16	$4
MAINT. & OPERATIONS	$413	$430	$461	$478	$504	$91	$26
STUDENT TRANSPORTATION	$264	$282	$298	$314	$324	$60	$10
CENTRAL SERVICES	$34	$39	$48	$64	$83	$49	$19
FOOD/OTHER SERVICES	$354	$374	$389	$404	$409	$55	$5
TOTAL SUPPORT	**$1,464**	**$1,550**	**$1,662**	**$1,749**	**$1,834**	**$370**	**$85**
FACILITY ACQ. & CONSTR. SERVICES	$195	$197	$240	$385	$416	$221	$31
TOTAL EXPENDITURES	**$4,772**	**$5,073**	**$5,584**	**$6,118**	**$6,376**	**$1,604**	**$258**
INTEREST ON DEBT	**$94**	**$118**	**$130**	**$133**	**$137**	**$43**	**$4**
TOTAL EXPENDITURES AND INTEREST ON DEBT	**$4,865**	**$5,191**	**$5,714**	**$6,251**	**$6,513**	**$1,648**	**$262**
DEBT SERVICE							
PRINCIPLE	$133	$135	$126	$192	$168	$35	($24)
OTHER	$228	$38	$19	$21	$11	($217)	($10)
TOTAL OF DEBT SERVICE AND EXPENDITURES	**$5,227**	**$5,326**	**$5,859**	**$6,464**	**$6,691**	**$1,464**	**$227**

[1] Figures based on Adjusted Oct. 1 Student Membership

[2] Summary of Actual Salaries (Object Code 112 and Function 1000 Series Total Funds per AFR). Represents percent of total expenditures and is a subset of classroom instruction

NOTE: Revenues include all sources for debt service functions; expenditures exclude debt service functions.

SOURCE: Annual Financial Report

TABLE 2

COEFFICIENT[1] OF VARIATION FOR SELECTED LOUISIANA SCHOOL FINANCE VARIABLES: 1995-96 to 1999-00

DESCRIPTION	*1995-96 COEFFICIENT OF VARIATION*	*1996-97 COEFFICIENT OF VARIATION*	*1997-98 COEFFICIENT OF VARIATION*	*1998-99 COEFFICIENT OF VARIATION*	*1999-00 COEFFICIENT OF VARIATION*
REVENUE					
TOTAL LOCAL	0.386	0.384	0.363	0.346	0.351
PROPERTY	0.573	0.642	0.626	0.618	0.609
Non-Debt	0.727	0.805	0.787	0.748	0.731
Debt	0.844	0.817	0.731	0.792	0.794
SALES	0.497	0.468	0.447	0.449	0.439
Non-Debt	0.457	0.483	0.462	0.462	0.456
Debt	1.716	1.789	5.620	1.886	1.912
TOTAL STATE	0.089	0.109	0.115	0.128	0.147
MFP[2]	*0.094*	*0.113*	*0.134*	*0.134*	*0.156*
TOTAL FEDERAL	0.242	0.250	0.255	0.252	0.254
TOTAL REVENUE	**0.118**	**0.109**	**0.101**	**0.095**	**0.099**
EQUIVALENT TAX RATES					
PROPERTY	0.410	0.407	0.361	0.436	0.434
Non-Debt	0.494	0.489	0.566	0.543	0.538
Debt	0.916	0.906	0.708	0.801	0.809
SALES	0.346	0.247	0.256	0.243	0.223
Non-Debt	0.363	0.255	0.258	0.257	0.236
Debt	2.778	2.000	3.333	2.200	2.200
EXPENDITURES					
INSTRUCTIONAL					
CLASSROOM INSTRUCTION	0.098	0.090	0.089	0.082	0.075
Classroom Teacher Salary[3] (Expenditures)	*0.094*	*0.084*	*0.090*	*0.079*	*0.073*
Actual Average Classroom Teacher Salary[4]			*0.093*	*0.088*	*0.063*
PUPIL SUPPORT	0.227	0.254	0.229	0.242	0.237
INSTRUCTIONAL STAFF SUPPORT	0.224	0.257	0.269	0.273	0.249
TOTAL INSTRUCTION	**0.098**	**0.093**	**0.093**	**0.090**	**0.080**
SUPPORT					
GENERAL ADMINISTRATION	0.542	0.510	0.516	0.531	0.545
SCHOOL ADMINISTRATION	0.148	0.141	0.162	0.158	0.169
BUSINESS SERVICES	0.289	0.278	0.296	0.335	0.300
MAINT. & OPERATIONS	0.185	0.178	0.208	0.162	0.193
STUDENT TRANSPORTATION	0.250	0.254	0.275	0.241	0.241
CENTRAL SERVICES	0.519	0.774	0.568	0.680	0.983
FOOD/OTHER SERVICES	0.163	0.159	0.143	0.157	0.161
TOTAL SUPPORT	**0.138**	**0.135**	**0.142**	**0.121**	**0.132**
FACILITY ACQ. & CONSTR. SERVICES	1.307	1.197	0.960	1.116	0.775
TOTAL EXPENDITURES	**0.109**	**0.108**	**0.116**	**0.115**	**0.097**
INTEREST ON DEBT	**0.952**	**0.811**	**0.779**	**0.663**	**0.655**
TOTAL EXPENDITURES AND INTEREST ON DEBT	**0.118**	**0.114**	**0.119**	**0.117**	**0.099**
DEBT SERVICE					
PRINCIPLE	0.715	0.770	0.706	1.791	0.630
OTHER	2.592	3.330	3.193	4.382	4.906
TOTAL OF DEBT SERVICE AND EXPENDITURES	**0.152**	**0.120**	**0.122**	**0.127**	**0.103**

[1]Coefficient of Variation: indicates the amount of disparity relative to the mean.
Coefficients closer to zero indicate less disparity in average per pupil amounts among districts.
Coefficients are derived using weighted averages based on Oct 1 Student Membership.

[2] Figures based on Adjusted Oct. 1 Student Membership

[3]Per the Annual Financial Report (AFR), Summary of Actual Salaries (Object Code 112 and Function 1000 Series Total Funds per AFR).

[4]Per the Profile of the Educational Personnel (PEP) End of Year report, File weighted by number of teachers

NOTE: Revenues include all sources for debt service functions; expenditures exclude debt service functions.

SOURCE: Annual Financial Report

TABLE 3

CORRELATION BETWEEN WEALTH AND SELECTED VARIABLES

(WEALTH DEFINED AS FISCAL CAPACITY)*: 1995-96 to 1999-00

DESCRIPTION	95-96	96-97	97-98	98-99	99-00
FISCAL CAPACITY PER PUPIL	1.000	1.000	1.000	1.000	1.000
REVENUE					
TOTAL LOCAL	0.852	0.863	0.842	0.867	0.864
PROPERTY	0.528	0.569	0.567	0.539	0.524
NON-DEBT	0.549	0.593	0.586	0.576	0.591
DEBT	0.045	0.054	0.052	0.004	-0.091
SALES	0.743	0.743	0.695	0.752	0.799
NON-DEBT	0.760	0.736	0.687	0.734	0.774
DEBT	0.420	0.064	0.047	0.145	0.142
TOTAL STATE	-0.680	-0.768	-0.776	-0.823	-0.857
MFP	-0.748	-0.807	-0.804	-0.847	-0.878
TOTAL FEDERAL	-0.151	-0.191	-0.202	-0.041	-0.073
TOTAL REVENUES	**0.738**	**0.695**	**0.631**	**0.604**	**0.547**
EQUIVALENT TAX RATES					
PROPERTY TAX RATE	-0.269	-0.262	-0.122	-0.219	-0.198
NON-DEBT	0.058	0.046	0.029	-0.491	0.063
DEBT	-0.461	-0.450	-0.395	0.023	-0.526
SALES TAX RATE	-0.063	-0.117	-0.135	-0.030	0.012
NON-DEBT	-0.041	-0.088	-0.109	-0.023	0.011
DEBT	-0.051	-0.103	-0.146	-0.024	0.004
EXPENDITURES					
INSTRUCTIONAL					
CLASSROOM INSTRUCTION	0.694	0.662	0.627	0.641	0.529
Classroom Teacher Salary [2]	0.546	0.512	0.521	0.490	0.440
Actual Average Classroom Teacher Salary [3]			0.341	0.274	0.357
PUPIL SUPPORT	0.604	0.494	0.619	0.515	0.547
INSTRUCTIONAL STAFF SUPPORT	0.203	0.175	0.274	0.372	0.323
TOTAL INSTRUCTION	**0.719**	**0.668**	**0.663**	**0.665**	**0.595**
SUPPORT					
GENERAL ADMINISTRATION	0.573	0.584	0.536	0.552	0.481
SCHOOL ADMINISTRATION	0.665	0.610	0.566	0.505	0.398
BUSINESS SERVICES	0.525	0.364	0.341	0.230	0.232
MAINT. & OPERATIONS	0.412	0.430	0.422	0.268	0.336
STUDENT TRANSPORTATION	-0.028	0.089	0.114	0.000	0.040
CENTRAL SERVICES	0.590	0.584	0.541	0.350	0.209
FOOD/OTHER SERVICES	0.045	-0.060	-0.028	-0.158	-0.124
TOTAL SUPPORT	**0.526**	**0.545**	**0.547**	**0.429**	**0.434**
FACILITY ACQ. & CONSTR. SERVICES	**0.137**	**0.304**	**0.344**	**0.212**	**-0.032**
TOTAL EXPENDITURES	**0.691**	**0.718**	**0.671**	**0.599**	**0.471**
INTEREST ON DEBT	**0.357**	**0.365**	**0.291**	**0.346**	**0.280**
TOTAL EXPENDITURES AND INTEREST ON DEBT	**0.681**	**0.719**	**0.686**	**0.617**	**0.489**
DEBT SERVICE					
PRINCIPLE	0.111	0.211	-0.104	0.144	0.222
OTHER	0.058	-0.038	0.371	-0.881	-0.049
TOTAL OF DEBT SERVICE AND EXPENDITURES	0.551	0.702	0.671	0.596	0.489

[1] Correlations closer to zero represent fiscal neutrality (no relationship); as correlations approach -1 the indication is that as amount of wealth increases the amount of te other variable decreases; as correlations approach +1, the indication is that as the amount of wealth increases the amount of the other variable increases.
Correlations are derived using weighted averages based on adjusted Oct. 1 student membership.

[2] Per the Annual Financial Report (AFR), Summary of Actual Salaries (Object Code 112 and Function 1000 Series Total Funds per AFR).

[3] Per the Profile of the Educational Personnel (PEP) End of Year report, File weighted by number of teachers

*NOTE: 1995-96 fiscal capacity (RTS factor) will reflect each district's prior year "weighted" student count [i.e., K-3, At Risk, Remediation, Voc. Ed.].
1996-97 Local Wealth Factor (LWF) for fiscal capacity is based on current year weighted student membership [i.e., At Risk, Voc. Ed, Special Ed., etc.].

TABLE 4

AVERAGE PER PUPIL AMOUNTS FOR SELECTED SCHOOL FINANCE REVENUE AND EXPENDITURE VARIABLES IN 1999-00 BY LWF * WEALTH QUINTILES*

	STATE AVERAGE	Proportion to Grand Total	LOWEST	Proportion to Grand Total	SECOND	Proportion to Grand Total	THIRD	Proportion to Grand Total	FOURTH	Proportion to Grand Total	HIGHEST	Proportion to Grand Total
QUINTILE												
NO. OF DISTRICTS	66		25		15		10		6		10	
NO. OF PUPILS	738,624		146,657		129,508		154,370		139,569		168,520	
LWF FACTOR	1.00		0.54		0.76		0.91		1.12		1.59	
FISCAL CAPACITY	$1,726		$932		$1,318		$1,570		$1,926		$2,743	
REVENUE												
TOTAL LOCAL	$2,530	39.0%	$1,419	23.6%	$2,320	35.2%	$2,444	38.1%	$2,718	42.3%	$3,579	51.4%
PROPERTY	$888		$381		$807		$1,010		$1,074		$1,127	
NON- DEBT	$690		$240		$507		$793		$805		$1,032	
DEBT	$198		$141		$300		$217		$270		$94	
SALES	$1,355		$782		$1,173		$1,140		$1,380		$2,168	
NON-DEBT	$1,315		$742		$1,153		$1,129		$1,321		$2,102	
DEBT	$40		$40		$20		$10		$59		$66	
TOTAL STATE	$3,197	49.3%	$3,757	62.5%	$3,582	54.4%	$3,257	50.8%	$2,863	44.6%	$2,638	37.9%
MFP	$3,050		$3,601		$3,452		$3,138		$2,733		$2,445	
TOTAL FEDERAL	$762	11.7%	$835	13.9%	$680	10.3%	$709	11.1%	$844	13.1%	$741	10.6%
TOTAL REVENUES	**$6,489**	**100.0%**	**$6,011**	**100.0%**	**$6,582**	**100.0%**	**$6,410**	**100.0%**	**$6,425**	**100.0%**	**$6,958**	**100.0%**
EQUIVALENT TAX RATES												
PROPERTY	41.11M		33.41M		50.93M		54.58M		45.21M		31.32M	
NON-DEBT	31.93M		21.05M		32.01M		42.83M		33.86M		28.70M	
DEBT	9.19M		12.36M		18.92M		11.75M		11.35M		2.62M	
SALES	1.80%		1.86%		1.97%		1.64%		1.66%		1.88%	
NON-DEBT	1.75%		1.76%		1.94%		1.63%		1.59%		1.82%	
DEBT	0.05%		0.09%		0.03%		0.01%		0.07%		0.06%	
EXPENDITURES												
INSTRUCTIONAL												
CLASSROOM INSTRUCTION	$3,618	55.6%	$3,447	58.3%	$3,610	53.1%	$3,603	55.9%	$3,550	54.4%	$3,843	56.0%
Classroom Teacher Salary	*$2,285*	*35.1%*	*$2,156*	*36.4%*	*$2,303*	*33.9%*	*$2,283*	*35.4%*	*$2,302*	*35.3%*	*$2,372*	*34.6%*
PUPIL SUPPORT	$238	3.7%	$197	3.3%	$214	3.1%	$233	3.6%	$265	4.1%	$273	4.0%
INSTRUCTIONAL STAFF SUPPORT	$270	4.1%	$227	3.8%	$269	4.0%	$313	4.9%	$246	3.8%	$290	4.2%
TOTAL INSTRUCTION	**$4,126**	**63.4%**	**$3,871**	**65.4%**	**$4,093**	**60.2%**	**$4,149**	**64.3%**	**$4,061**	**62.2%**	**$4,406**	**64.2%**
SUPPORT												
GENERAL ADMINISTRATION	$133	2.0%	$118	2.0%	$116	1.7%	$98	1.5%	$124	1.9%	$197	2.9%
SCHOOL ADMINISTRATION	$319	4.9%	$302	5.1%	$309	4.5%	$338	5.2%	$282	4.3%	$354	5.2%
BUSINESS SERVICES	$62	1.0%	$59	1.0%	$61	0.9%	$58	0.9%	$67	1.0%	$66	1.0%
MAINT. & OPERATIONS	$504	7.7%	$450	7.6%	$483	7.1%	$511	7.9%	$528	8.1%	$539	7.9%
STUDENT TRANSPORTATION	$324	5.0%	$347	5.9%	$350	5.1%	$320	5.0%	$242	3.7%	$354	5.2%
CENTRAL SERVICES	$83	1.3%	$37	0.6%	$51	0.8%	$54	0.8%	$207	3.2%	$72	1.0%
FOOD/OTHER SERVICES	$409	6.3%	$453	7.7%	$406	6.0%	$413	6.4%	$363	5.6%	$410	6.0%
TOTAL SUPPORT	**$1,834**	**28.2%**	**$1,766**	**29.9%**	**$1,776**	**26.1%**	**$1,792**	**27.8%**	**$1,813**	**27.8%**	**$1,992**	**29.0%**
FACILITY ACQ. & CONSTR. SERV.	**$416**	**6.4%**	**$183**	**3.1%**	**$765**	**11.3%**	**$409**	**6.3%**	**$481**	**7.4%**	**$303**	**4.4%**
TOTAL EXPENDITURES	**$6,376**	**97.9%**	**$5,820**	**98.4%**	**$6,634**	**97.6%**	**$6,350**	**98.4%**	**$6,355**	**97.4%**	**$6,701**	**97.7%**
INTEREST ON DEBT	**$137**	**2.1%**	**$96**	**1.6%**	**$165**	**2.4%**	**$100**	**1.6%**	**$170**	**2.6%**	**$157**	**2.3%**
TOTAL EXPENDITURES AND INTEREST ON DEBT	**$6,513**	**100.0%**	**$5,916**	**100.0%**	**$6,799**	**100.0%**	**$6,450**	**100.0%**	**$6,525**	**100.0%**	**$6,858**	**100.0%**

NOTE: Quintiles reflect weighted averages based on Oct. 1 Student Membership.
Quintiles are based upon the FY 1999-00 LWF factor.
Fiscal capacity per pupil reflects number of "weighted" students in the current year [i.e., At Risk, Special Ed, Voc. Ed., Economy of Scale].
* LWF (Local Wealth Factor)
TAX DATA: Circular 1063
SOURCE: Annual Financial Report

TABLE 5

COMPARISON OF QUINTILE AVERAGES FOR 1998-99 AND 1999-00 FOR SELECTED SCHOOL FINANCE VARIABLES

		State Average	LOWEST	SECOND	THIRD	FOURTH	HIGHEST
FISCAL CAPACITY							
	1998-99	$1,578	$857	$1,207	$1,455	$1,759	$2,472
	1999-00	$1,726	$932	$1,318	$1,570	$1,926	$2,743
CHANGE FROM 1998-99		**$148**	**$75**	**$111**	**$115**	**$167**	**$271**
PROPERTY							
NON-DEBT	1998-99	$635	$220	$464	$744	$732	$944
	1999-00	$690	$240	$507	$793	$805	$1,032
CHANGE FROM 1998-99		**$55**	**$20**	**$43**	**$49**	**$73**	**$88**
DEBT	1998-99	$187	$148	$255	$219	$243	$96
	1999-00	$198	$141	$300	$217	$270	$94
CHANGE FROM 1998-99		**$11**	**($7)**	**$45**	**($2)**	**$27**	**($2)**
TOTAL	1998-99	$822	$368	$719	$962	$975	$1,040
	1999-00	$888	$381	$807	$1,010	$1,074	$1,127
CHANGE FROM 1998-99		**$66**	**$13**	**$88**	**$48**	**$99**	**$87**
SALES							
NON-DEBT	1998-99	$1,177	$657	$1,074	$1,084	$1,247	$1,729
	1999-00	$1,315	$742	$1,153	$1,129	$1,321	$2,102
CHANGE FROM 1998-99		**$138**	**$85**	**$79**	**$45**	**$74**	**$373**
DEBT	1998-99	$37	$38	$20	$9	$56	$58
	1999-00	$40	$40	$20	$10	$59	$66
CHANGE FROM 1998-99		**$3**	**$2**	**$0**	**$1**	**$3**	**$8**
TOTAL	1998-99	$1,214	$695	$1,093	$1,093	$1,303	$1,788
	1999-00	$1,355	$782	$1,173	$1,140	$1,380	$2,168
CHANGE FROM 1998-99		**$141**	**$87**	**$80**	**$47**	**$77**	**$380**
MFP							
	1998-99	$2,904	$3,387	$3,233	$2,927	$2,624	$2,445
	1999-00	$3,050	$3,601	$3,452	$3,138	$2,733	$2,445
CHANGE FROM 1998-99		**$146**	**$214**	**$219**	**$211**	**$109**	**$0**
PROPERTY TAX							
NON-DEBT	1998-99	31.38M	20.52M	31.54M	42.28M	33.73M	27.93M
	1999-00	31.93M	21.05M	32.01M	42.83M	33.86M	28.70M
CHANGE FROM 1998-99		**.55M**	**.53M**	**.47M**	**.55M**	**.13M**	**.77M**
DEBT	1998-99	9.26M	13.78M	17.30M	12.43M	11.20M	2.83M
	1999-00	9.19M	12.36M	18.92M	11.75M	11.35M	2.62M
CHANGE FROM 1998-99		**-.07M**	**-1.42M**	**1.62M**	**-.68M**	**.15M**	**-.21M**
TOTAL	1998-99	40.64M	34.30M	48.84M	54.71M	44.93M	30.76M
	1999-00	41.11M	33.41M	50.93M	54.58M	45.21M	31.32M
CHANGE FROM 1998-99		**.47M**	**-.89M**	**2.09M**	**-.13M**	**.28M**	**.56M**
SALES TAX							
NON-DEBT	1998-99	1.68%	1.67%	1.95%	1.63%	1.60%	1.65%
	1999-00	1.75%	1.76%	1.94%	1.63%	1.59%	1.82%
CHANGE FROM 1998-99		**0.07%**	**0.09%**	**-0.01%**	**0.00%**	**-0.01%**	**0.17%**
DEBT	1998-99	0.05%	0.10%	0.04%	0.01%	0.07%	0.06%
	1999-00	0.05%	0.09%	0.03%	0.01%	0.07%	0.06%
CHANGE FROM 1998-99		**0.00%**	**-0.01%**	**-0.01%**	**0.00%**	**0.00%**	**0.00%**
TOTAL	1998-99	1.73%	1.77%	1.99%	1.64%	1.67%	1.71%
	1999-00	1.80%	1.86%	1.97%	1.64%	1.66%	1.88%
CHANGE FROM 1998-99		**0.07%**	**0.09%**	**-0.02%**	**0.00%**	**-0.01%**	**0.17%**
TOTAL INSTRUCTIONAL EXPENDITURES							
	1998-99	$3,983	$3,685	$3,908	$4,038	$3,952	$4,274
	1999-00	$4,126	$3,871	$4,093	$4,149	$4,061	$4,406
CHANGE FROM 1998-99		**$143**	**$186**	**$185**	**$111**	**$109**	**$132**

NOTE: Weighted averages are based on Oct. 1 adjusted Student Membership.

Quintiles are based upon the FY 1999-00 LWF factor.

Fiscal capacity per pupil reflects number of "weighted" students in the current year [i.e., At Risk, Special Ed., Economy of Scale, Voc. Ed.].

SOURCE: Annual Financial Report

TABLE 6

EXTENT TO WHICH ACTUAL LOCAL FUNDING MATCHES MFP LEVEL 1 TARGET IN 1999-00

	STATEWIDE	PER PUPIL BY WEALTH QUINTILE				
		LOWEST	SECOND	THIRD	FOURTH	HIGHEST
MFP TARGET LOCAL CONTRIBUTION[1]						
TOTAL AMOUNT	$1,048,008,969	$113,361,950	$139,231,072	$197,512,258	$213,372,468	$384,531,221
AMOUNT PER STUDENT	$1,419	$773	$1,075	$1,279	$1,529	$2,282
MFP ACTUAL SALES AND PROPERTY TAX REVENUE[2]						
TOTAL AMOUNT	$1,694,006,978	$176,468,732	$264,208,344	$340,871,214	$348,307,816	$564,150,872
AMOUNT PER STUDENT	$2,293	$1,203	$2,040	$2,208	$2,496	$3,348
DISTRICTS WHERE LOCAL CONTRIBUTION WAS LOWER THAN THE TARGET						
NUMBER OF DISTRICTS	6	2	2	0	0	2
NUMBER OF STUDENTS	18,098	5,137	4,840	0	0	8,121
TOTAL AMOUNT	$2,688,248	$324,014	$849,663	$0	$0	$1,514,571
AMOUNT PER STUDENT	$149	$63	$176	$0	$0	$187
DISTRICTS WHERE LOCAL CONTRIBUTION WAS HIGHER THAN THE TARGET						
NUMBER OF DISTRICTS	60	23	13	10	6	8
NUMBER OF STUDENTS	720,526	141,520	124,668	154,370	139,569	160,399
TOTAL AMOUNT	$648,686,256	$63,430,796	$125,826,935	$143,358,956	$134,935,348	$181,134,222
AMOUNT PER STUDENT	$900	$448	$1,009	$929	$967	$1,129

[1] Note: The targeted per pupil amount reflects student audit adjustments.
Quintiles reflect weighted averages that are based on Oct. 1 adjusted student membership.
[2]SOURCE: Annual Financial Report and Circular 1061

TABLE 7

DISTRIBUTION OF HOLD HARMLESS FUNDS ACROSS SCHOOL DISTRICTS

FY 1998-99 And FY 1999-00

	STATEWIDE		LOWEST	SECOND	THIRD	FOURTH	HIGHEST
MFP TARGET [1]							
1998-99 TOTAL AMOUNT	$2,151,594,419		$530,874,987	$446,452,553	$478,760,778	$380,728,489	$314,777,612
1999-00 TOTAL AMOUNT	$2,141,636,223		$528,155,421	$447,088,960	$484,441,895	$377,156,721	$304,793,226
Difference	*($9,958,196)*		*($2,719,566)*	*$636,407*	*$5,681,117*	*($3,571,768)*	*($9,984,386)*
1998-99 AMOUNT PER STUDENT	$2,859		$3,562	$3,388	$3,060	$2,673	$1,821
1999-00 AMOUNT PER STUDENT	$2,899		$3,601	$3,452	$3,138	$2,702	$1,809
Difference	*$40*		*$39*	*$64*	*$78*	*$29*	*($12)*
MFP ACTUAL							
1998-99 TOTAL AMOUNT	$2,184,959,240		$504,812,830	$426,016,684	$457,940,327	$373,671,773	$422,517,626
1999-00 TOTAL AMOUNT	$2,253,136,739		$528,155,421	$447,088,960	$484,441,895	$381,385,905	$412,064,558
Difference	*$68,177,499*		*$23,342,591*	*$21,072,276*	*$26,501,568*	*$7,714,132*	*($10,453,068)*
1998-99 AMOUNT PER STUDENT	$2,904		$3,387	$3,233	$2,927	$2,624	$2,445
1999-00 AMOUNT PER STUDENT	$3,050		$3,601	$3,452	$3,138	$2,733	$2,445
Difference	*$146*		*$214*	*$219*	*$211*	*$109*	*$0*
HOLD-HARMLESS							
1998-99 NUMBER OF DISTRICTS	11		0	0	1	1	9
1999-00 NUMBER OF DISTRICTS	11		0	0	0	1	10
Difference	*0*		*0*	*0*	*-1*	*0*	*1*
1998-99 NUMBER OF STUDENTS	176,124		0	0	5,149	2,071	168,904
1999-00 NUMBER OF STUDENTS	183,175		0	0	0	14,655	168,520
Difference	*7,051*		*0*	*0*	*(5,149)*	*12,584*	*(384)*
1998-99 TOTAL AMOUNT	$95,897,474		$0	$0	$137,684	$421,386	$95,338,404
1999-00 TOTAL AMOUNT	$111,500,516		$0	$0	$0	$4,229,184	$107,271,332
Difference	*$15,603,042*		*$0*	*$0*	*($137,684)*	*$3,807,798*	*$11,932,928*
1998-99 AMOUNT PER STUDENT	$544		$0	$0	$27	$203	$564
1999-00 AMOUNT PER STUDENT	$609		$0	$0	$0	$289	$637
Difference	*$65*		*$0*	*$0*	*($27)*	*$86*	*$73*

[1] Targeted per pupil amount reflects adjusted Oct. 1 student membership.
Quintiles are based upon the FY 1999-00 LWF factor; weighted averages are based on Oct. 1 Student Membership.
SOURCE: Annual Financial Report and Circulars 1061 and 1063

TABLE 8

Average Teacher's Salary (Actual) And Number of Teachers Per One Thousand Students: FY 1999-2000

Qyintile 1999-00	LEA	DISTRICT NAME	Full-Time Equiv (FTE) *(30 Hrs/Wk & 175 Days/Yr)*	Average Teacher's Salary *(Actual)*	October 1, 1999 Adjusted Student Membership	Number of Teachers *per one* Thousand Students
1	001	Acadia Parish	705.29	$29,220	10,007	70.5
1	002	Allen Parish	324.75	$28,796	4,239	76.6
4	003	Ascension Parish	983.77	$34,367	14,655	67.1
1	004	Assumption Parish	316.65	$31,325	4,551	69.6
1	005	Avoyelles Parish	436.75	$30,948	7,189	60.8
2	006	Beauregard Parish	406.11	$31,151	6,120	66.4
4	007	Bienville Parish	203.73	$32,053	2,657	76.7
3	008	Bossier Parish	1,135.42	$33,325	18,676	60.8
3	009	Caddo Parish	3,004.72	$36,332	45,365	66.2
4	010	Calcasieu Parish	2,181.24	$31,685	32,446	67.2
1	011	Caldwell Parish	143.29	$29,627	1,847	77.6
4	012	Cameron Parish	145.42	$33,008	1,982	73.4
1	013	Catahoula Parish	150.80	$26,185	1,951	77.3
2	014	Claiborne Parish	209.00	$28,838	2,811	74.4
1	015	Concordia Parish	270.47	$30,048	3,933	68.8
3	016	DeSoto Parish	366.69	$30,531	5,093	72.0
5	017	E. Baton Rouge Parish	3,752.13	$34,206	54,519	68.8
1	018	East Carroll Parish	129.27	$30,786	1,910	67.7
1	019	East Feliciana Parish	189.73	$29,272	2,660	71.3
2	020	Evangeline Parish	414.15	$29,020	6,340	65.3
1	021	Franklin Parish	292.36	$29,249	4,007	73.0
1	022	Grant Parish	244.37	$29,012	3,615	67.6
2	023	Iberia Parish	1,005.80	$33,934	14,662	68.6
5	024	Iberville Parish	343.69	$35,690	5,070	67.8
2	025	Jackson Parish	183.52	$30,859	2,682	68.4
5	026	Jefferson Parish	3,441.58	$34,108	51,310	67.1
1	027	Jefferson Davis Parish	377.44	$32,855	5,957	63.4
5	028	Lafayette Parish	1,989.85	$32,718	29,745	66.9
2	029	Lafourche Parish	1,202.06	$31,139	15,348	78.3
1	030	LaSalle Parish	182.71	$30,871	2,610	70.0
3	031	Lincoln Parish	461.30	$30,152	6,745	68.4
1	032	Livingston Parish	1,216.62	$34,218	19,421	62.6
1	033	Madison Parish	166.50	$28,004	2,547	65.4
2	034	Morehouse Parish	377.95	$30,489	5,421	69.7
2	035	Natchitoches Parish	463.63	$32,525	6,823	68.0
4	036	Orleans Parish	4,624.00	$34,906	77,665	59.5
2	037	Ouachita Parish	1,177.60	$33,989	17,128	68.8
5	038	Plaquemines Parish	331.86	$31,763	4,775	69.5
5	039	Pointe Coupee Parish	207.91	$28,350	3,346	62.1
3	040	Rapides Parish	1,632.50	$31,422	23,505	69.5
1	041	Red River Parish	170.42	$29,448	1,869	91.2
1	042	Richland Parish	294.34	$28,296	3,807	77.3
2	043	Sabine Parish	299.92	$29,965	4,358	68.8
3	044	St. Bernard Parish	616.10	$31,334	8,633	71.4
5	045	St. Charles Parish	762.90	$35,723	9,751	78.2
1	046	St. Helena Parish	100.89	$29,479	1,478	68.3
5	047	St. James Parish	275.63	$35,403	3,964	69.5
3	048	St. John the Baptist Parish	464.81	$32,302	6,401	72.6
1	049	St. Landry Parish	1,073.63	$31,146	15,736	68.2
1	050	St. Martin Parish	569.97	$32,493	8,559	66.6
3	051	St. Mary Parish	717.43	$33,140	10,837	66.2
2	052	St. Tammany Parish	2,185.59	$34,909	32,286	67.7
1	053	Tangipahoa Parish	1,065.00	$36,009	18,498	57.6
2	054	Tensas Parish	90.80	$26,078	1,152	78.8
3	055	Terrebonne Parish	1,382.35	$33,339	19,900	69.5
2	056	Union Parish	224.65	$27,533	3,688	60.9
3	057	Vermilion Parish	586.10	$33,537	9,215	63.6
1	058	Vernon Parish	672.42	$31,882	10,023	67.1
1	059	Washington Parish	337.88	$31,111	4,567	74.0
2	060	Webster Parish	486.36	$34,714	7,754	62.7
5	061	W. Baton Rouge Parish	240.02	$31,381	3,816	62.9
1	062	West Carroll Parish	184.97	$28,079	2,590	71.4
5	063	West Feliciana Parish	193.52	$34,971	2,224	87.0
2	064	Winn Parish	209.76	$32,912	2,935	71.5
4	065	City of Monroe	668.14	$33,116	10,164	65.7
1	066	City of Bogalusa	213.21	$32,493	3,086	69.1
		Statewide	**49,479.46**	**$33,109**	**738,624**	**67.0**
25		**QUINTILE 1**	9,829.75	$31,530	146,657	67.0
15		**QUINTILE 2**	8,936.90	$32,693	129,508	69.0
10		**QUINTILE 3**	10,367.43	$33,494	154,370	67.2
6		**QUINTILE 4**	8,806.29	$33,815	139,569	63.1
10		**QUINTILE 5**	11,539.09	$33,872	168,520	68.5
66		**STATE TOTALS**	**49,479.46**	**$33,109**	**738,624**	**67.0**

Source: PEP99-00 End-of-Year Report, Selection: All Classroom Teachers (Object = 112 and Function = 1000-Series), Calculation: Total Salaries, including PIP, divided by FTE based on 30 Hrs/Wk & 175 Days/Yr.

Appendix

APPENDIX

SCHOOL DISTRICTS BY WEALTH QUINTILE

BASED ON FY1999-00 LOCAL WEALTH FACTOR (LWF)

Quintile	LOWEST	SECOND	THIRD	FOURTH	HIGHEST
	Acadia Allen Assumption Avoyelles Caldwell Catahoula Concordia East Carroll East Feliciana Franklin Grant Jefferson Davis LaSalle Livingston Madison Red River Richland St. Helena St. Landry St. Martin Tangipahoa Vernon Washington West Carroll City of Bogalusa	Beauregard Claiborne Evangeline Iberia Jackson Lafourche Morehouse Natchitoches Ouachita Sabine St. Tammany Tensas Union Webster Winn	Bossier Caddo DeSoto Lincoln Rapides St. Bernard St. John the Baptist St. Mary Terrebonne Vermilion	Ascension Bienville Calcasieu Cameron Orleans City of Monroe	East Baton Rouge Iberville Jefferson Lafayette Plaquemines Pointe Coupee St. Charles St. James West Baton Rouge West Feliciana
Total	**25**	**15**	**10**	**6**	**10**

Quintiles are derived by ranking districts from low to high according to their LWF (per latest budget letter), then defining the cut-off at approximately 20% of the October 1. Student Membership.