




STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
Toll Free #: 1-877-453-2721
<http://www.louisianaschools.net>

DATE: June 24, 2005

CIRCULAR: 1088

TO: Parish/City School Superintendents
Deans, Colleges of Education of Louisiana State University
and Southern University
Type 5 Charter School Board Presidents

FROM: Cecil J. Picard 
State Superintendent of Education

SUBJECT: 2005-2006 State Public School Fund – Minimum Foundation
Program (MFP) Equalization Distribution

The General Appropriations Bill of the 2005 Regular Session of the Louisiana Legislature provides funding for the Minimum Foundation Program (MFP) Formula contained in Senate Concurrent Resolution (SCR) 125 of the 2005 Regular Session of the Louisiana Legislature. The total MFP funding appropriated in House Bill 1 is \$2,672,369,439.

The final implementation cost for the MFP formula per SCR 125, exclusive of mid-year allocations for student growth, is \$2,666,478,791. An appropriated balance of \$5,890,648 is available for mid-year allocations for student growth as per SCR 125.

The following tables are included:

- Table 1: **State -Level Comparison**
MFP 2004-2005 Budget Letter variables compared to MFP 2005-2006 Budget Letter variables used to calculate the State equalization distribution.
- Table 2: **MFP Distribution and Adjustments**
Total MFP distribution less audit adjustments and revised monthly MFP distributions for the 68 Louisiana school systems.
- Table 3: **FY 2005-2006 MFP Level 1 Base Per Pupil and Level 2 Local Incentive**
Calculation of the 2005-2006 MFP Level 1 and 2 for the 68 Louisiana school systems.
- Table 3A: **FY 2005-2006 Certificated Pay Raise Requirement**
Calculation of the 2005-2006 certificated pay raise requirement.
- Table 4: **FY 2005-2006 Level 3 Unequalized Funding**
Continuation of the 2001-2002 pay raise, continuation of the 2002-2003 support worker pay raise, foreign language associates funding, and hold harmless funding for the 68 Louisiana school systems.
- Table 5A: **FY 2005-2006 Allocation for the Lab Schools**
Total MFP distribution less audit adjustments and revised monthly MFP distributions for LSU and SU Lab Schools.

- Table 5B-1: FY 2005-2006 MFP Allocation for the Recovery School District**
Calculation of the State Share Allocation to the RSD Schools and the Local Revenue Transfer to the RSD Schools.
- Table 5B-2: FY 2005-2006 District MFP Reduction and Local Revenue Transfer for the Recovery School District**
Calculation of the District State Share Reduction and the District Local Revenue Transfer Reduction for the Recovery School District.
- Table 6: MFP Local Wealth Factor (LWF)** Calculation of the Local Wealth Factor (LWF) for the 68 Louisiana school systems.
- Table 7: 2003-2004 Local Property and Sales Tax Revenues**
Summary of the Assessed Property Values and Ad Valorem and Sales Tax amounts and rates for the 68 Louisiana school systems.
- Table 8: October 1, 2004 Student Membership**
October 1, 2004 student membership by grade level and the October 1, 2003 adjusted total membership for the 68 Louisiana school systems.

SCR 125 changes to the previous year MFP formula are as follows:

- A. The per pupil amount increases from \$3,459 to \$3,554.**
- B. Provides for Recovery School District funding in the MFP Formula, Table 5B.**
Recovery School District students will be included in the MFP calculations of the school system with prior jurisdiction. Once all MFP calculations are complete, the October 1 per pupil MFP state share amount from all levels of the MFP times the number of students in the Recovery School District will be transferred to the Recovery School District on a monthly basis. In considering mid-year adjustments, if the Recovery School District has an increase in students from the district with prior jurisdiction, additional funds will be transferred from the district with prior jurisdiction to the Recovery School District as part of the mid-year adjustment.
- C. Addition of TIF (Tax Incremental Financing) Language**
The impact of this language is to include the portion of the sales tax base and net assessed property dedicated to a TIF in the calculation of the local wealth factor, but exclude the revenue generated from those areas in calculating the state support in Level 2 Incentives for Local Effort.
- D. Defines educational purposes and limits MFP state funds to expenditures for educational purposes.**
- E. Provides a 20% cap on increases in the sales tax base for purposes of calculating the local wealth factor.**
- F. Adjusts the submission date of the MPF Accountability Report from April 1 to June 1.**
- G. Addition of Language Regarding School Improvement 6 (SI6) Schools**
Prohibits MFP funding for students attending and staff assigned to an Academically Unacceptable School in School Improvement 6 (SI6) that does not have a BESE-approved and implemented reconstitution plan.

SCR 125 continues the following provisions:

H. Fifty Percent (50%) of Level 1 and 2 Growth Dedicated to Certificated Pay Raise.

SCR 125 continues the provision that not less than 50% of each school district's increased State funding from implementation of Level 1 and Level 2 of the formula is to be used to supplement and enhance full-time certificated staff salaries and retirement benefits.

The **net** amount each district **must** distribute is located in **Table 3A, Column 13**. Employer retirement contributions have been accounted for by dividing each district's 50% distribution by 1.159%. The result of this calculation is the number reflected in Table 3A, Column 13.

1. Distribution of Pay Increase.

The State Board of Elementary and Secondary Education has taken the position that local school systems will be allowed the flexibility to distribute the pay raise in a manner that is most beneficial to the unique needs of individual school districts. For example, school districts may want to boost pay for beginning teachers, teachers willing to work in low performing schools or teachers in shortage areas. Alternatively, some districts may elect to distribute the pay increase in the same manner the FY 2001-2002 pay increase was distributed. School boards may make decisions that best suit the particular needs of their districts.

2. Required Timelines for Pay Raise.

At this time, districts are required to distribute these funds and make the necessary adjustments to the applicable salary schedules for FY 2005-2006. This is a **permanent** pay raise.

I. Funding for Lab Schools

1. Funding Basis

LSU and SU Lab Schools are funded at the state per pupil amount for Levels 1, 2 and 3 based on their October 1, 2004 MFP membership.

2. Certificated Pay Raise

Fifty percent (50%) of increased state funds must be directed to certificated pay raises. Lab Schools are afforded flexibility in the distribution of these funds to certificated staff in a manner that best meets the needs peculiar to each school.

J. Accountability for School Performance

SCR 125 provides for a report to be submitted to the Legislature for each school with a school performance score below 80 and annual growth of less than two points in the School Performance Score. The report will be submitted to the Legislature on or before June 1, 2005. Copies will be provided each district and will be placed on the Department's website

K. Use of Latest Available Data

For purposes of the MFP calculations required by SCR 125, latest available data is identified as follows:

- A. October 1 Membership is per BESE definition and based on the Fall 2004 Student Information System data, including any school transferred to the Recovery School District.
- B. Weighted membership data is as follows:
 - i. Exceptionalities – LANSER Fall 2004, including any school transferred to the Recovery School District.
 - ii. Gifted and Talented – LANSER Fall 2004, including any school transferred to the Recovery School District.
 - iii. Vocational Education – LEADS/Annual School Report Fall 2004 including any school transferred to the Recovery School District.

- iv. At-Risk – Student Information System Fall 2004, including any school transferred to the Recovery School District.
- v. Economy of Scale -- Student Information System Fall 2004, including any school transferred to the Recovery School District.
- C. Local School System Revenues and Tax Rates – Annual Financial Report data for Fiscal Year 2003-2004.
- D. Net Assessed Property Values – Louisiana Tax Commission December 2003 data.
- E. Foreign Language Associate Teacher – Data from the 2003-2004 school year.
- F. Accountability Student Transfer - Student Information System Fall 2004, including any school transferred to the Recovery School District.

If you have any questions regarding this information, contact Beth Scioneaux, Director, Division of Education Finance, at (225) 342-4989. This information will be posted to the Department of Education website, www.louisianaschools.net. You may also call the Department's toll free number at 1-877-453-2721.

CJP/ML/BS:cs
Attachments

- c:
- SBESE Members
 - Senator Francis Heitmeier
 - Senator Gerald J. Chris Ullo
 - Representative John Alario
 - Representative Carl Crane
 - Commissioner Jerry Luke LeBlanc
 - Local School System Business Managers/Directors of Finance
 - Type 5 Charter School Business Managers
 - Carole Wallin, Deputy Superintendent of Education, SDE
 - Marlyn Langley, Deputy Superintendent for Management and Finance, SDE
 - Beth Scioneaux, Director, Education Finance, SDE
 - Kitty Littlejohn, Director, Appropriation Control, SDE
 - Tommy Smith, Assistant Director of Budget and Planning, LSU
 - Dr. Wade Smith, Director, LSU Lab School
 - Bob Kuhn, Associate Vice Chancellor, LSU
 - Sheila Lewis, Director, SU Lab School
 - Curtis Lee, Director of Foundations, SU
 - James Cannon, Budget Office, SU
 - Veronica Howard, Office of the Governor
 - George Silbernagel, House Appropriations
 - Paul Fernandez, Office of Planning and Budget
 - David Ray, Senate Finance
 - David Smith, Senate Education
 - Gordon Monk, Legislative Fiscal Officer
 - Cliff Friedman, LSBA