

First Extraordinary Session, 2005

SENATE CONCURRENT RESOLUTION NO. 29

BY SENATOR ULLO AND REPRESENTATIVE CRANE

FUNDS/FUNDING. Approves the MFP formula adopted on 11/15/05 by BESE.

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A CONCURRENT RESOLUTION

To provide for legislative approval of adjustments adopted by the state Board of Elementary and Secondary Education on November 15, 2005 to the Minimum Foundation Program formula for FY 2005-06 previously developed and adopted by BESE on June 16, 2005 and approved by the Legislature as Senate Concurrent Resolution No. 125 of the 2005 Regular Session.

WHEREAS, Article VIII, Section 13(B) of the Constitution of Louisiana requires the State Board of Elementary and Secondary Education to develop and adopt annually a formula which shall be used to determine the cost of a minimum foundation program of education in all public elementary and secondary schools as well as to allocate equitably the funds to parish and city school systems; and

WHEREAS, at a special meeting of the State Board of Elementary and Secondary Education on November 15, 2005, the board adopted adjustments to the formula previously approved in Senate Concurrent Resolution No. 125 of the 2005 Regular Legislative Session for such cost determination and the equitable allocation of funds for Fiscal Year 2005-06; and

WHEREAS, the Constitution of Louisiana requires the Legislature to fully fund the current cost to the state of the minimum foundation program as determined by applying the

1 legislatively approved formula; and

2 WHEREAS, the Constitution of Louisiana requires the appropriated funds to be
3 allocated equitably to parish and city school systems according to the formula as adopted by
4 the State Board of Elementary and Secondary Education and approved by the Legislature
5 prior to making the appropriation; and

6 WHEREAS, on August 29, 2005 Hurricane Katrina and on September 24, 2005
7 Hurricane Rita significantly altered the community life and orderly delivery of elementary
8 and secondary education services in most Louisiana school systems; and,

9 WHEREAS, the movement of Louisiana citizens and school children as a result of
10 these devastating events necessitates certain adjustments to the 2005-06 final Minimum
11 Foundation Program formula allocations approved by Senate Concurrent Resolution No. 125
12 of the 2005 Regular Legislative Session and promulgated by the Department of Education
13 as Circular 1088 State Public School Fund - Minimum Foundation Program (MFP)
14 Equalization Distribution.

15 THEREFORE, BE IT RESOLVED by the Legislature of Louisiana, that the
16 adjustments to the formula approved in Senate Concurrent Resolution No. 125 of 2005
17 Regular Session to determine the cost of a minimum foundation program of education in all
18 public elementary and secondary schools in FY 2005-06 as well as to allocate equitably the
19 funds to parish and city school systems as developed by the State Board of Elementary and
20 Secondary Education and adopted by the board on November 15, 2005, is hereby approved
21 to read as follows:

22 **MINIMUM FOUNDATION PROGRAM**
23 **ELEMENTARY AND SECONDARY EDUCATION**
24 **COST DISTRIBUTION FORMULA**
25 **2005-06 SCHOOL YEAR**
26 **ADJUSTMENTS TO SCR 125 OF 2005 REGULAR LEGISLATIVE SESSION**

27 **I. BASIS OF ADJUSTMENTS**

28 All provisions of SCR 125 of the 2005 Regular Session remain in effect except as
29 provided herein Sections II and III. Adjustments provided in Section II shall apply to the
30 2005-06 final allocations of the minimum foundation program formula for parish, city and
31 other local school systems, LSU and SU Lab Schools and the Recovery School District
32 schools as promulgated in Department of Education Circular 1088 State Public School Fund

1 - Minimum Foundation Program (MFP) Equalization Distribution.

2 **II. ADJUSTMENTS**

3 A. Category 1 Districts are those with severely damaged school facilities, where
4 schools have been closed for more than 30 days, and most, if not all students
5 have been sent to another school district. The districts in this category are
6 Orleans, Plaquemines and St. Bernard. Category 1 districts shall receive a
7 revised MFP allocation based on the following criteria.

8 1. Category 1 Districts receive their MFP monthly payments provided
9 by Circular 1088 for July 2005 through October 2005.

10 2. November 2005 through June 2006 payments are recalculated as
11 follows:

12 a. State funded allocation for retiree health insurance and
13 School Board, Superintendent and basic operational expenses
14 as required by law for the remaining 8 months of FY 2005-06
15 is calculated as 5% of total Level 1 state and local costs as
16 provided in Circular 1088, including 8/12 of prior years audit
17 adjustments.

18 b. In addition, Category 1 districts will receive the revised state
19 average per pupil amount for Levels 1, 2 and 3 times the
20 number of students enrolled, adjusted monthly. When school
21 systems reopen, they will be funded a minimum of 3,000
22 students if their initial student count is less and these funds
23 shall be allocated for the full month if school reopens on a
24 date other than the official student count date for the month.
25 Student counts are based on monthly collections of Student
26 Information System data as determined by the Department of
27 Education. June payments will be based on May enrollments.

28 B. Category 2 Districts are those with minimal to moderate-severe damage to
29 school facilities, schools have been closed for more than 10 school days but
30 less than 30, a number of their displaced students have enrolled in other

1 Louisiana school district and they have enrolled a number of displaced
2 students from other Louisiana school systems. The districts in this category
3 are Calcasieu, Cameron, Jefferson, St. Charles, St. Tammany, Tangipahoa,
4 Vermilion, Washington, and City of Bogalusa.

5 1. Category 2 Districts receive their MFP monthly payments provided
6 by Circular 1088 for July 2005 through October 2005.

7 2. November 2005 through June 2006 payments are adjusted as follows:

8 a. Category 2 districts will receive a reduction for the remaining
9 8 months of FY 2005-06 in their monthly payments provided
10 by Circular 1088 based on the district's state share average
11 per pupil amount for Levels 1, 2 and 3 as provided in Circular
12 1088 times the number of their displaced students enrolled in
13 another Louisiana school system. Student counts are based
14 on monthly collections of Student Information System data as
15 determined by the Department of Education. June payments
16 will be based on May enrollments.

17 b. Category 2 districts shall receive a one-time payment of \$625
18 for each displaced student enrolled in the district based on
19 September 16, 2005 MFP student membership data. There
20 shall also be a second one-time payment of \$625 for each
21 displaced student enrolled in Category 2 districts based on
22 November 1, 2005 MFP student membership data. Both one-
23 time payments will be included in the December 2005 MFP
24 payment.

25 c. Category 2 districts will receive a new Level 3 allocation of
26 \$60 per student based on November 1, 2005 enrollments for
27 cost adjustments in health insurance, retirement and fuel
28 costs.

29 d. If the November payment is not adjusted for these items, the
30 December payment will include both the November and

1 December adjustments.

2 C. Category 3 Districts are those with minimal to no damage to school facilities,
3 schools have been closed for less than 10 days, and a number of displaced
4 students have enrolled in their school district. The remaining 56 districts and
5 LSU and SU Lab schools are in this category.

6 1. Category 3 Districts receive their MFP monthly payments provided
7 by Circular 1088 for July 2005 through June 2006.

8 2. Category 3 districts shall receive a one-time payment of \$625 for
9 each displaced student enrolled in the district based on September 16,
10 2005 MFP student membership data. There shall also be a second
11 one-time payment of \$625 for each displaced student enrolled in
12 Category 3 districts based on November 1, 2005 MFP student
13 membership data. Both one-time payments will be included in the
14 December 2005 MFP payment.

15 3. Category 3 districts will receive a new Level 3 allocation of \$60 per
16 student based on November 1, 2005 enrollments for cost adjustments
17 in health insurance, retirement and fuel costs.

18 4. If the November payment is not adjusted for these items, the
19 December payment will include both the November and December
20 adjustments.

21 D. The five schools in the Recovery School District (RSD) on August 29, 2005
22 received minimal to moderate-severe damage to their school facilities, these
23 schools have been closed for more than 30 days, and most, if not all students
24 have been sent to another school district. The schools are Capdau, Medard
25 H. Nelson, S.J. Green Middle, Edward Phillip and Sophie B. Wright.

26 1. The RSD receives the MFP monthly payments provided by Circular
27 1088 for July 2005 through October 2005.

28 2. November 2005 through June 2006 payments are recalculated as
29 follows:

30 a. State funded allocation for the remaining 8 months of FY

1 Constitution Article VII, Section 10(F)(2)(a) and (b).

2 Any reduction in the Minimum Foundation Program funding appropriated in
3 Act 16 of the 2005 Regular Session as a result of these adjustments to the
4 MFP allocations to city, parish, other local school systems or the Recovery
5 School District shall satisfy all requirements for reductions in the MFP
6 appropriation permitted by provisions contained in the Louisiana
7 Constitution Article VII, Section 10(F)(2)(a) and (b).

8 **III. CONTINGENCY ADJUSTMENTS TO SCR 125**

9 In the event SCR 125 remains in effect in the fiscal year 2006-07 or thereafter, the
10 State Board of Elementary and Secondary Education shall annually adjust the input variables
11 provided in sections A through B.

12 A. The student membership and weighted student counts shall be on a current
13 year October 1 basis beginning in FY 2006-07. Local school systems will
14 receive an estimated payment of MFP funds for the first eight months of the
15 school year. Once actual October 1 data is available, adjusted monthly
16 payments will be made to each parish or city school board as reflected in the
17 department's annual budget letter.

18 B. Category 1 Local school system wealth calculations and local revenues.
19 Local school system wealth calculations and local revenues for Category 1
20 districts are based on adjusted FY 2004-05 financial data reduced by 75% for
21 MFP calculations in years FY 2006-07 and FY 2007-08. Beginning in FY
22 2008-09, the local wealth calculation and local revenues will be based on the
23 prior year of FY 2006-07 financial data.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by David Smith.

DIGEST

Provides for legislative approval of the adjustments to SCR 125 of the 2005 R.S. for FY 2005-2006 MFP allocations that determine the cost of a minimum foundation program of education in all public elementary and secondary schools as well as to equitably allocate the funds to each parish, city and other local school systems as developed by the BESE and adopted by the board on November 15, 2005.

Retains the MFP formula provisions approved by SCR No. 125 of the 2005 R.S. with the

following changes:

Identifies three categories of local school systems according to the level of hurricane impact.

Category 1 systems are those school systems with the most severely damaged school facilities where schools have been closed for more than 30 days and most, if not all students, have been sent to other school systems. Category 1 is comprised of Orleans, Plaquemines and St. Bernard.

Category 2 systems are those school systems with minimal to moderate-severe damage to school facilities, schools have been closed for more than 10 schools days, but less than 30 and a number of their displaced students have enrolled in other La. School districts. Category 2 is comprised of Calcasieu, Cameron, Jefferson, St. Charles, St. Tammany, Tangipahoa, Vermilion, Washington, and City of Bogalusa.

Category 3 systems are those with minimal to no damage to school facilities, schools have been closed for less than 10 days and a number of displaced students have enrolled in their districts. Category 3 is composed of all systems not in categories 1 or 2, including LSU and SU Lab schools.

The adjustments are:

Category 1 systems:

Receive current monthly amounts for July 05 thru Oct. 05.

Receive 5% of the MFP total state and local Level 1 costs.

Receive 1/12th of MFP revised state share average per pupil amount for students enrolled on the 1st day of each month Nov. 05 thru May 06 (except January 9, 2006).

June 06 payments will be based on May 06 student membership count.

Category 2 systems:

Reduces funding to these systems by recognizing the loss in students being experienced from the student membership driving the SCR 125 allocations (10/1/04 count).

Adjusts the funding allocation downward only for students enrolled in other La. school districts.

Shall receive a onetime payment of \$625 for each displaced student enrolled on 9/16/05. Shall receive a second onetime payment for each displaced student enrolled on 11/1/05.

Receives a \$60 per student allocation for increases in mandated costs based on 11/1/05 student enrollment.

Category 3 systems:

Receive current monthly amounts.

Shall receive a onetime payment of \$625 for each displaced student enrolled on 9/16/05.

Shall receive a second onetime payment for each displaced student enrolled on 11/1/05.

Receives a \$60 per student allocation for increases in mandated costs based on 11/1/05 student enrollment.

Recovery School District:

Existing RSD schools receive current monthly amounts for July 05 through Oct. 05.

Existing RSD schools get 5% of MFP payments (Nov. 05-June 06); authorizes Dept. of Education to withhold \$50,000 per school for RSD operational expenses.

Existing and new RSD schools enrolling students and resuming service receive state average per pupil amount times the number of students, adjusted monthly.

Existing and new RSD schools receive June '06 payments based on May 06 enrollment.

Applicable to all categories:

If 1/9/06 count exceeds 10/1/04 count by either fifty students or one percent, make mid-year adjustment for each new student based on MFP allocation per pupil amount for that system.

If SCR 125 continues for 2006-07 the following additional adjustments will occur:

Student membership and weighted counts will be based on current year (10/1/06) basis starting in FY 06-07.

Local wealth calculations for Category 1 districts will be based on 25% of FY 04-05 data for FY 06-07 and FY 07-08.