



**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 30, 2009

CIRCULAR: 1124

TO: Parish/City School Superintendents  
Superintendent of Recovery School District  
Deans, Colleges of Education of Louisiana State  
University and Southern University

FROM: Paul G. Pastorek *PPG*  
State Superintendent of Education

SUBJECT: 2009-2010 State Public School Fund – Minimum Foundation  
Program (MFP) Equalization Distribution

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The General Appropriations Bill (House Bill 1) of the 2009 Regular Session of the Louisiana Legislature provides \$3,275,341,821 in funding, more or less estimated, for the Minimum Foundation Program (MFP) Formula defined in Senate Concurrent Resolution (SCR) 17 of the 2009 Regular Session of the Louisiana Legislature.

The specific allocation amounts to local school systems, lab schools, and the Recovery School District are identified in the following information:

**Tables**

- Table 1: **State-Level Comparison**  
Provides comparison of the 2008-2009 MFP Budget Letter to the 2009-2010 MFP Budget Letter.
- Table 2: **MFP Distribution and Adjustments**  
Provides the Total MFP distribution, minus audit adjustments, and the monthly MFP distributions for the 69 Louisiana school systems.
- Table 3: **FY 2009-2010 MFP Level 1 Base Cost and Level 2 Reward Incentive**  
Provides the detailed calculation of the 2009-2010 MFP Levels 1 and 2 for the 69 Louisiana school systems.
- Table 4: **FY 2009-2010 Level 3 Unequalized Funding**  
Provides the continuation of prior year pay raises for certificated and support worker staff from 2001-2002 through 2008-2009. Additionally, in Level 3, funding is provided for foreign language associates, prior pay raises and insurance supplement amounts for the hold harmless districts, and mandated costs for the 69 Louisiana school systems. Also includes emergency assistance to Morehouse and Union Parish School Districts for the loss of the major employer in each of these parishes. Lastly, the hold harmless funds are reduced and redistributed to the non-hold harmless districts.
- Table 4A: **FY 2009-2010 Stipends for Foreign Associate Teachers**  
Provides for the distribution of the 2009-2010 stipends for Foreign Associate Teachers
- Table 5A: **FY 2009-2010 Allocation for the LSU and SU Lab Schools**  
Provides the Total MFP distribution, minus audit adjustments, and the monthly MFP distributions, for LSU and SU Lab Schools

- Table 5B1:** FY 2009-2010 MFP State Share Allocation for the Recovery School District and the Orleans Parish School District  
Provides the calculation of the State Share Allocation to the RSD Operated Schools and Charter Schools and the Orleans Parish School District.
- Table 5B2:** FY 2009-2010 MFP State Share Allocation for the Recovery School District other than Orleans Parish School District  
Provides the calculation of the State Share Allocation to the RSD Charter Schools other than those in the Orleans Parish School District
- Table 5C:** FY 2009-10 MFP State Allocation for Type 2 Charter Schools  
Provides the calculation of the State Share Allocation to Type 2 Charters approved by SBESE on or after July 1, 2008
- Table 6:** Calculation of the Local Deduction  
Provides the calculation of the Local Deduction amount for the 69 Louisiana school systems.
- Table 7:** 2007-2008 Local Property and Sales Tax Revenues  
Provides a summary of the Net Assessed Property Values, Ad Valorem and Sales Tax amounts and millage and sales tax rates for the 69 Louisiana school systems.
- Table 8:** February 2, 2009 Student Membership  
Provides the February 2, 2009 MFP funded student membership and the adjusted February 1, 2008 MFP Funded student membership for the 69 Louisiana school systems.

**Significant Items Affecting Implementation of SCR 17:**

SCR 17 is essentially a continuation of HCR 207 of 2008, with the following revisions as noted below:

- 1) Zero Increase in the Base Per Pupil Amount; Base per pupil amount remains at \$3,855
- 2) Removed projected student counts for Orleans, Plaquemines and St. Bernard
- 3) Suspended the 50% Pay Raise Requirement for Certificated Personnel when the base per pupil amount has zero growth
- 4) Removed the requirement that 50% of the Required Pay Raise for Certificated Personnel be dedicated to supplement a legislative pay raise
- 5) Added Emergency Assistance to school districts in Level 3
  - Emergency assistance is provided for two school districts that in FY2009-10 experienced the loss of the major employer in the parish
    - Morehouse - \$1,600,000
    - Union - \$1,000,000

**Provisions continued from the previous year MFP formula:**

- A. Student based formula including:
- Base per pupil cost
  - February 1 student membership count
  - Weights recognizing the unique needs of At-Risk, Special Education, Gifted and Talented, and Vocational Education students
  - English Language Learners (ELL) students counted with the At-Risk Count
  - Economy of Scale recognizing the high cost of operating small districts (less than 7,500 students)



- B. Use of Deduction/ Chargeback Method
  - Removes relational nature of the wealth calculation
  - Simpler to explain and understand
  - Cost neutral for state and local school districts
  - Calculates a local share based on the Net Assessed Property Value multiplied by a set millage and the Sales Tax Base multiplied by a set sales tax rate
  - Local share is then subtracted from the Total Cost of education in school districts as estimated by the formula
  - The result is the State share provided to each district via the MFP
- C. Cap of 15% on increases in district's sales tax base used in calculating the local share of the formula
- D. Cap of 10% on increases in Net Assessed Property Value when calculating local share of formula
- E. Minimum State share of 25% of Level 1 Costs
- F. Level 2 reward amounts are calculated using a set factor times the Level 1 local share percent for each district
- G. Provides for continuation of prior year Certificated and Support Worker Legislative pay raises
- H. Foreign Language Associates salary funding
- I. Foreign Associate Teacher Stipends to defray installation costs in year one and to provide for retention incentive in year two and year three
- J. Mandated Cost Adjustment for fuel, health insurance, and retirement cost increases
- K. Reduction of Hold Harmless Amounts
  - The reduction of the hold harmless amount began in 2007-08 with the hold harmless amount frozen at \$76 million with \$38 million set aside for permanent continuation of pay raise and insurance amounts provided in prior years
  - The remaining hold harmless amount of \$38 million will be reduced by 10% over 10 years and redistributed to all non-hold harmless districts on a per pupil basis
- L. Two Mid-year Adjustments based on Student Membership Count Dates of October and February
  - It is critical that the student data transmitted to the Department for October 1, 2009, and February 1, 2010, via the Student Information System (SIS) are accurate and submitted in a timely basis.
  - In addition, the February 1, 2010, data will be used to fund the 2010-11 MFP formula.
  - October 1, 2009, compared to February 1, 2009
    - Districts receive base per pupil cost times number of increased students
  - February 1, 2010, compared to October 1, 2009
    - Districts receive one half of base per pupil cost times number of increased student
- M. Modified 70% requirement that restricts educational school expenditures to school building level only, excludes Central office expenditures from measurement, and adds expenditures for principals and assistant principals

- N. Type 2 Charter Schools approved by SBESE on or after July 1, 2008 are included in the MFP with the local share allocation funded by a transfer of the MFP monthly amount representing the local share allocation from the district of prior jurisdiction
- O. Accountability provisions for the incremental increase in At-Risk and Career and Technical Education weights
- P. LSU and SU Lab Schools are funded at the state average per pupil amount for Levels 1, 2 and 3 based on their February 1, 2009, MFP membership.

### **Data Sources**

For purposes of the MFP calculations required by SCR 17, the latest available data is identified as follows:

1. February 1 Membership is per BESE definition and based on the February Student Information System data, including any school transferred to the Recovery School District.
2. Weighted membership data is as follows:
  - a. Exceptionalities – SER February 1, 2009, including any school transferred to the Recovery School District.
  - b. Gifted and Talented –SER February 1, 2009, including any school transferred to the Recovery School District.
  - c. Vocational Education – LEADS October 2008, including any school transferred to the Recovery School District.
  - d. At-Risk – Student Information System February 1, 2009, including any school transferred to the Recovery School District.
  - e. Economy of Scale – Student Information System February 1, 2009, including any school transferred to the Recovery School District.
3. Local School System Revenues and Tax Rates – Annual Financial Report data for Fiscal Year 2007-2008.
4. Net Assessed Property Values – Louisiana Tax Commission December 2007 data.
5. Foreign Language Associate Teacher – Data from February 2009.
6. Accountability Student Transfer - Student Information System February 1, 2009, including any school transferred to the Recovery School District.

### **Stimulus Funds**

Includes State Fiscal Stabilization Funds (SFSF) in the amount of \$100,300,000 which represent approximately 3% of each district's MFP allocation.

- These funds are part of the provisions in the American Recovery and Reinvestment Act of 2009 (ARRA)
- There are specific reporting requirements associated with the SFSF funding
- A separate circular will be issued next week detailing the specific funding amount for each district
- The Department recently received guidelines on the applicable reporting requirements for SFSF funds and is researching the implementation of these regulations in order to develop an outline of the reporting requirements



If you have any questions regarding this information, contact Charlotte Stevens at (225) 342-4989 or via e-mail at [charlotte.stevens@la.gov](mailto:charlotte.stevens@la.gov). This information will be posted to the Department of Education website, [www.louisianaschools.net](http://www.louisianaschools.net). You may also call the Department's toll-free number at 1-877-453-2721.

PGP/BS:cs

Attachments

c: SBESE Members  
Senator Joel Chaisson, II, President of the Senate  
Representative James W. Tucker, Speaker of the House  
Senator Ben W. Nevers, Chairman, Senate Education Committee  
Representative Austin Badon, Chairman, House Education Committee  
James R. Fannin, Vice Chairman, Joint Legislative Committee on the Budget  
Angele Davis, Commissioner of Administration  
Local School System Business Managers/Directors of Finance  
Ollie S. Tyler, Deputy Superintendent of Education, SDE  
Elizabeth "Beth" Scioneaux, Deputy Superintendent for Mgt and Finance, SDE  
Charlotte Stevens, Director, Education Finance, SDE  
Susie Buchmann, Appropriation Control, SDE  
Jeanette Vosburg, Acting Executive Director, SBESE  
Tommy Smith, Assistant Director of Budget and Planning, LSU  
Dr. Wade Smith, Director, LSU Lab School  
Bob Kuhn, Associate Vice Chancellor, LSU  
Dr. Derek Morgan, Director, SU Lab School  
Cary Clark, Comptroller's Office, SU  
James Cannon, Budget Office, SU  
Erin Bendily, Office of the Governor  
George Silbernagel, House Appropriations  
Etta Harris-Whitmore, Office of Planning and Budget  
Kevin Suire, Office of Planning and Budget  
David Ray, Senate Finance  
Paul Jones, House Education  
Jeanne Johnston, Senate Education  
Gordon Monk, Legislative Fiscal Officer  
Lloyd Dressel, LSBA  
Nolton Senegal, LSBA