



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
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TO: Parish/City School Superintendents
Superintendent of Recovery School District
Deans, Colleges of Education of Louisiana State
University and Southern University
Deputy Secretary, Office of Juvenile Justice

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

SUBJECT: 2010-11 State Public School Fund – Minimum Foundation
Program (MFP) Equalization Distribution

The General Appropriations Bill (House Bill 1) of the 2010 Regular Session of the Louisiana Legislature provides \$3,319,302,159 in funding, more or less estimated, for the Minimum Foundation Program (MFP) Formula defined in House Concurrent Resolution (HCR) 243 of the 2010 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 2009-2010 MFP Budget Letter to the 2010-2011 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 2A: **MFP Electronic Fund Transfer (EFT) Amounts**
Provides the monthly MFP distribution amount (from Table 2) for the 69 school systems, minus transfers for local revenue due to the Recovery School District, Type 2 Charter Schools approved on or after July 1, 2008, and the Office of Juvenile Justice.
- Table 3: **FY 2010-2011 MFP Level 1 Base Cost and Level 2 Reward Incentive**
Provides the detailed calculation of the 2010-2011 MFP Levels 1 and 2 for the 69 Louisiana school systems.
- Table 4: **FY 2010-2011 Level 3 Unequalized Funding**
Provides for the continuation of prior year pay raises for certificated and support worker staff from 2001-2002 through 2008-2009. Also provides funding for foreign language associates, insurance supplement amounts for the hold harmless districts, and mandated costs for the 69 Louisiana school systems. Additionally, the hold harmless funds are reduced and redistributed to the non-hold harmless districts.
- Table 4A: **FY 2010-2011 Stipends for Foreign Associate Teachers**
Provides for the distribution of the 2010-2011 stipends for Foreign Associate Teachers

- Table 5A: FY 2010-2011 Allocation for the LSU and SU Lab Schools**
Provides the Total MFP distribution, minus audit adjustments, and the monthly MFP distribution, for LSU and SU Lab Schools
- Table 5B1: FY 2010-2011 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 2010-2011 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 5C1: FY 2010-2011 MFP State and Local Allocation for Type 2 Charter Schools (Madison Prep Academy)**
Provides the calculation of the State Share Allocation to Madison Prep Academy, a Type 2 Charter School approved by SBESE on or after July 1, 2008
- Table 5C2: FY 2010-2011 MFP State and Local Allocation for Type 2 Charter Schools (D'Arbonne Woods Charter School)**
Provides the calculation of the State Share Allocation to D'Arbonne Woods Charter School, a Type 2 Charter School approved by SBESE on or after July 1, 2008
- Table 5C1: FY 2010-2011 MFP State and Local Allocation for Type 2 Charter Schools (International High School of New Orleans)**
Provides the calculation of the State Share Allocation to International High School of New Orleans, a Type 2 Charter School approved by SBESE on or after July 1, 2008
- Table 5D: FY 2010-2011 MFP State and Local Allocation for the Office of Juvenile Justice (Initial Allocation)**
Provides the calculation of the State and Local Share Allocation to the three schools operated by the Office of Juvenile Justice (OJJ) located at the secure care facilities at Jetson, Bridge City, and Swanson. Allocation is initially based on FY2008-09 average daily membership (ADM) and will be updated to FY2009-10 ADM to coincide with the October mid-year adjustment.
- Table 6: Calculation of the Local Deduction**
Provides the calculation of the Local Deduction amount for the 69 Louisiana school systems.
- Table 7: 2008-2009 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 1, 2010 Student Membership**
Provides the February 1, 2010 MFP funded student membership and the adjusted February 1, 2009 MFP Funded student membership for the 69 Louisiana school systems.

Significant Items Affecting Implementation of HCR 243:

HCR 243 is essentially a continuation of SCR 17 of 2009, with the following items as noted below:

- 1) Zero Increase in the Base Per Pupil Amount. Base per pupil amount remains at \$3,855
- 2) Suspended the 50% Pay Raise Requirement for Certificated Personnel when the base per pupil amount has zero growth
- 3) Revised the October and February Mid-year Adjustments to include decreases as well as increases for each student gained or lost
- 4) Added the authority to fund students being served at the three schools operated by the Office of Juvenile Justice (OJJ) located at the secure care facilities at Jetson, Bridge City, and Swanson. An MFP local contribution will be required from districts where the students resided prior to adjudication
- 5) Added consequences for districts and schools failing to meet the 70% Requirement. Any district or school failing to meet the 70% Requirement and also having a District Performance Score (DPS) below the state average will be required to conduct a study to determine what operational activities could be streamlined to save money and redirect any savings to instructional services.
- 6) Adopted a plan to study the MFP that includes:
 - a. Reviewing the effectiveness of the wealth factors
 - b. Evaluating a potential increase in the 70% Requirement to 80%
 - c. Studying the implementation of student-based budgeting including the impact of desegregation litigation on its implementation

Other Revisions Affecting Implementation of HCR 243:

- 1) Revised the language in the calculation of the Recovery School District (RSD) local revenue per pupil, so that
 - a. all charters in the state are funded using the same per pupil calculation based on local revenue from the same fiscal year
 - b. all schools in a parish affected by the RSD receive the same per pupil amount from local funds
- 2) Revised the language in the calculation of the local contribution per pupil amount for Type 2 Charter Schools, recognizing all students that must be supported by the local contribution
- 3) Added language to clarify the use of the same Mid-year Adjustment process for Type 2 Charter Schools and the RSD as all other schools in the formula
- 4) Adopted the language from Act 310 of the 2009 Legislative Session (R. S. 17:7) that requires reporting by local school systems of funds generated by the weighted student categories and provides for a report on revenue and expenditure data
- 5) Extended the time period from four to seven years for seeking an increase in the At-Risk weight from 22% to 40%
- 6) Eliminated the Emergency Assistance to School Districts which provided funding only in FY2009-10 to Morehouse and Union for the closure of a major tax generator
- 7) Eliminated the Accountability for Student Transfer Enhancement, since it was no longer applicable
- 8) Federal Stimulus Funds not a funding source in FY2010-2011

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, 2010, and February 1, 2011, via the Student Information System (SIS) are accurate and submitted on a timely basis.
 - In addition, the February 1, 2011, data will be used to fund the 2011-12 MFP formula.
 - October 1, 2010, compared to February 1, 2010
 - Districts receive adjustment for the base per pupil amount times the number of students gained or lost
 - February 1, 2011, compared to October 1, 2010
 - Districts receive adjustment for one-half of base per pupil amount times the number of students gained or lost
- M. 70% Instructional 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. 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, 2010, MFP membership.

Data Sources

For purposes of the MFP calculations required by HCR 243, the latest available data are 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 are as follows:
 - a. Exceptionalities – SER February 1, 2010, including any school transferred to the Recovery School District.
 - b. Gifted and Talented –SER February 1, 2010, including any school transferred to the Recovery School District.
 - c. Vocational Education – LEADS October 2009, including any school transferred to the Recovery School District.
 - d. At-Risk – Student Information System February 1, 2010, including any school transferred to the Recovery School District.
 - e. Economy of Scale – Student Information System February 1, 2010, including any school transferred to the Recovery School District.
3. Local School System Revenues and Tax Rates – Annual Financial Report data for Fiscal Year 2008-2009
4. Net Assessed Property Values – Louisiana Tax Commission December 2008 data.
5. Foreign Language Associate Teacher – Data from February 2010.

If you have any questions regarding this information, contact Charlotte Stevens at (225) 342-4989 or via e-mail at charlotte.stevens@la.gov. 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.

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
Senator Michael J. Michot, Vice Chair, Jt. 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
Leslie Jewell, Appropriation Control, SDE
Jeanette Vosburg, 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
Gerard Melancon, OJJ
Kim Mims, OJJ
Erin Bendily, Office of the Governor
George Silbernagel, House Appropriations
Pete Lafleur, Office of Planning and Budget
Leslye Milano, Office of Planning and Budget
David Ray, Senate Finance Staff
Paul Jones, House Education Staff
Jeanne Johnston, Senate Education Staff
Gordon Monk, Legislative Fiscal Officer
Lloyd Dressel, LSBA
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