



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
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<http://www.louisianaschools.net>

DATE: June 30, 2011
CIRCULAR: 1142
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 (OJJ)
Chief Executive Officer, N. O. Center for Creative Arts (NOCCA)
Executive Director, LA School for Math, Science and the Arts (LSMSA)
Type 2 Charter School Board Presidents
Type 5 Charter School Board Presidents (RSD LA)
FROM: Ollie S. Tyler *O. S. Tyler*
Acting State Superintendent of Education
SUBJECT: FY 2011-12 State Public School Fund – Minimum Foundation
Program (MFP) Equalization Distribution

The General Appropriations Bill (House Bill 1) of the 2011 Regular Session of the Louisiana Legislature provides \$3,387,319,481 in funding, more or less estimated, for the Minimum Foundation Program (MFP) Formula defined in House Concurrent Resolution (HCR) 130 of the 2011 Regular Session of the Louisiana Legislature.

The MFP allocation includes funding for the 69 city/parish school systems, LSU and Southern Lab Schools, Type 2 Charter Schools, OJJ, NOCCA, LSMSA, and the Recovery School District (RSD Operated and Chartered.)

Highlights of HCR 130:

HCR 130 is essentially a continuation of HCR 243 of 2010, with the following items as noted below:

- 1) 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) Louisiana School for Math, Science and the Arts (LSMSA) and full-day students at New Orleans Center for Creative Arts (NOCCA) are included in the formula and funded at the state average per pupil amount for Levels 1, 2 and 3
- 4) Two Virtual Type 2 Charter Schools are included in the formula; an MFP local contribution will be required from districts where the students reside
 - Initially funded based on data per applications; will be updated to actual October 1, 2011, student counts and residency data as reported in the Student Information System (SIS)
- 5) Legacy Type 2 Charter Schools are included in the formula
- 6) Expresses SBESE's plans to establish a pilot program for student-based budgeting

MFP Budget Letter Documents:

- Attachment 1: Detailed listing of tables/calculations included in the MFP Budget Letter
Attachment 2: MFP Budget Letter
Attachment 3: Information regarding source data used in the MFP calculation per HCR 130
Attachment 4: Highlights of HCR 130 and provisions continued from the previous year
Attachment 5: MFP Resolution (HCR 130)

Midyear Adjustments:

- A. October 1, 2011, compared to February 1, 2011
 - Districts receive an adjustment for the base per pupil amount times the number of students gained or lost
- B. February 1, 2012, compared to October 1, 2011
 - Districts receive an adjustment for one-half of base per pupil amount times the number of students gained or lost

Note: It is critical that student data are transmitted accurately and timely to the Department for October 1, 2011, and February 1, 2012, via the Student Information System (SIS)

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.

OST/BS/CS:pm

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
Local School System Business Managers/Directors of Finance
Type 2 Charter School Business Managers
Type 5 Charter School Business Managers (RSD LA)
Paul Rainwater, Commissioner of Administration
Elizabeth "Beth" Scioneaux, Deputy Superintendent for Mgt and Finance, LDoE
Charlotte Stevens, Director, Education Finance, LDoE
Leslie Jewell, Director, Appropriation Control, LDoE
Catherine Pozniak, 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
Stafford Palmeiri, Office of the Governor
George Silbernagel, House Fiscal Division
Ternisa Hutchinson, Office of Planning and Budget
Leslye Milano, Office of Planning and Budget
David Ray, Senate Finance Staff
Paul Jones, House Education Committee Staff
Jeanne Johnston, Senate Education Committee Staff
Gordon Monk, Legislative Fiscal Officer
Mary Kathryn Drago, Legislative Fiscal Office
Lloyd Dressel, LSBA
Nolton Senegal, LSBA

Detailed Listing of Tables/Calculations included in the MFP

- Table 1: State-Level Comparison**
Provides comparison of the 2010-11 MFP Budget Letter to the 2011-2012 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 city/parish school systems.
- Table 2A: MFP Electronic Fund Transfer (EFT) Amounts**
Provides the monthly MFP distribution amount (from Table 2) for the 69 Louisiana city/parish 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 2011-2012 MFP Level 1 Base Cost and Level 2 Reward Incentive**
Provides the detailed calculation of the 2011-2012 MFP Levels 1 and 2 for the 69 Louisiana city/parish school systems.
- Table 4: FY 2011-2012 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 city/parish school systems. Additionally, the hold harmless funds are reduced and redistributed to the non-hold harmless districts.
- Table 4A: FY 2011-2012 Stipends for Foreign Associate Teachers**
Provides for the distribution of the 2011-2012 stipends for Foreign Associate Teachers.
- Table 5A1: FY 2011-2012 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 5A2: FY 2011-2012 Allocation for the NOCCA and LSMSA**
Provides the Total and monthly MFP distribution for NOCCA and LSMSA.
- Table 5B1: FY 2011-2012 MFP State Share Allocation for the Recovery School District and the Orleans Parish School District (RSD Orleans)**
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 2011-2012 MFP State and Local Allocation for the Recovery School District, other than Orleans Parish School District (RSD LA)**
Provides the calculation of the State and Local Allocation to the RSD Charter Schools, other than those in the Orleans Parish School District.
- Table 5C1: FY 2011-2012 MFP State and Local Allocation for Non-Virtual Type 2 Charter Schools approved on or after July 1, 2008 (Virtual Type 2 Charter Schools are included in Tables 5C2 and 5C3)**
Provides the calculation of the State and Local Allocation to Type 2 Charter Schools approved by SBESE on or after July 1, 2008.
- Table 5C2: FY 2011-2012 MFP State and Local Allocation for the Louisiana Virtual Charter Academy**
Provides the calculation of the State and Local Allocation to the Louisiana Virtual Charter Academy, a Type 2 Charter School approved by SBESE on or after July 1, 2008.

Table 5C3: FY 2011-2012 MFP State and Local Allocation for the Louisiana Connections Academy

Provides the calculation of the State and Local Allocation to the Louisiana Connections Academy, a Type 2 Charter School approved by SBESE on or after July 1, 2008.

Table 5D: FY 2011-2012 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.

Table 5E: FY 2011-2012 MFP Allocation to "Legacy" Type 2 Charters

Provides the calculation of the Allocation to Type 2 Charter Schools approved by SBESE prior to 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: 2009-2010 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, 2011 Student Membership

Provides the February 1, 2011 MFP funded student membership and the adjusted February 1, 2010 MFP Funded student membership for the school systems funded through the MFP.

FY2011-12 Budget Letter provided in a separate file.

Data Sources used in the MFP Calculation per HCR 130

For purposes of the MFP calculations required by HCR 130, the latest available data are identified as follows:

1. February 1 MFP Membership Definition per Louisiana Administrative Code Title 28, Part I, Section 1107.C, and based on the February Student Information System (SIS) data, including any school transferred to the Recovery School District and Type 2 Charter schools approved on or after July 1, 2008, with the exception of first year charters.
2. Weighted membership data are as follows:
 - a. Exceptionalities – SER February 1, 2011, including any school transferred to the Recovery School District and Type 2 Charter schools approved on or after July 1, 2008, with the exception of first year charters.
 - b. Gifted and Talented –SER February 1, 2011, including any school transferred to the Recovery School District and Type 2 Charter schools approved on or after July 1, 2008, with the exception of first year charters.
 - c. Vocational Education – LEADS October 2010, including any school transferred to the Recovery School District and Type 2 Charter schools approved on or after July 1, 2008, with the exception of first year charters.
 - d. At-Risk – Student Information System (SIS) February 1, 2011, including any school transferred to the Recovery School District and Type 2 Charter schools approved on or after July 1, 2008, with the exception of first year charters.
 - e. Economy of Scale – Student Information System (SIS) February 1, 2011, including any school transferred to the Recovery School District and Type 2 Charter schools approved on or after July 1, 2008, with the exception of first year charters.
3. Local School System Revenues and Tax Rates – Annual Financial Report data for Fiscal Year 2009-2010.
4. Net Assessed Property Values – Louisiana Tax Commission December 2009 data.
5. Foreign Language Associate Teacher – Data from February 2011.

Highlights of HCR 130:

HCR 130 is essentially a continuation of HCR 243 of 2010, with the following items as noted below:

- 1) 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) Louisiana School for Math, Science and the Arts (LSMSA) and full-day students at New Orleans Center for Creative Arts (NOCCA) are included in the formula and funded at the state average per pupil amount for Levels 1, 2 and 3
- 4) Two Virtual Type 2 Charter Schools are included in the formula; an MFP local contribution will be required from districts where the students reside
 - Initially funded based on data per applications; will be updated to actual October 1, 2011, student counts and residency data as reported in the Student Information System (SIS)
- 5) Legacy Type 2 Charter Schools are included in the formula
- 6) Expresses SBESE's plans to establish a pilot program for student-based budgeting

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 in determination of Local Share Contribution
 - 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, 2011, and February 1, 2012, via the Student Information System (SIS) are accurate and submitted on a timely basis.
 - In addition, the February 1, 2012, data will be used to fund the 2012-13 MFP formula.
 - October 1, 2011, compared to February 1, 2011
 - Districts receive adjustment for the base per pupil amount times the number of students gained or lost
 - February 1, 2012, compared to October 1, 2011
 - 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 and includes consequences for districts and schools failing to meet the 70% Requirement
- 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.

MFP Resolution provided in a separate file.