

# Louisiana's Minimum Foundation Program for 2013-2014

## Overview and Fact Sheet

The Minimum Foundation Program (MFP) is a formula, adopted annually, to determine the minimum state share of education funding. The Board of Elementary and Secondary Education will consider the formula during its regularly scheduled meeting on March 7<sup>th</sup> and 8<sup>th</sup>.

### Education Spending Is Increasing.

Nearly every school district across the state is projected to receive an increase in state education funding for 2013-2014. This increase is due to rising enrollment numbers and the recognition of the costs associated with serving those additional children.

While the proposed state budget reflects a decrease of almost \$1 billion in total funding compared to the current year, the state's education funding continues to be fully protected by in the FY14 budget.

State aid to K-12 schools through the Minimum Foundation Program will increase from \$3.42 billion in 2012-2013 to more than \$3.46 billion in FY14. Since 2007-2008, the total MFP funding has increased by \$335.5 million, or 10.7 percent.

### There Are Several Overall Improvements to the 2013-2014 MFP.

- **Simplified Language.** The language in the MFP has been simplified to increase the clarity of the formula.
- **Removal of Policy.** Policy language prescribing how schools and school districts must use funds has been removed from the document. This includes language referring to future fiscal years.

### The Special Education Formula Has Changed, but in Pilot Form.

- **Background.** Last year, the Legislature passed Senate Concurrent Resolution 124, authored by Senator Claitor, which requested the Board of Elementary and Secondary Education to *"study and determine the most equitable funding methodology to appropriately address the individual needs of children with special needs within the Minimum Foundation Program formula and to incorporate such methodology into the formula as expeditiously as possible."* In response to this legislative request, and in recognition of the urgent need to more effectively serve students with disabilities, whose graduation rate of 29% trails nearly every state, the Department is recommending a change to the way that the special education weight within the formula is allocated.
- **Explanation of the Weight.** Currently students with disabilities generate 250% of the per-student MFP amount (150% more than traditional education students), regardless of their specific needs, how they are served, and how well they are served. This one-size-fits-all system creates no incentive to address the specific needs of unique students. The Department is proposing a differentiated special education amount based on: 1) the individual needs of the child, 2) the costs associated with the educational placement and to place children in the least

restrictive environment possible, and 3) positive academic outcomes that have been achieved with these students. In addition, the Department proposal sustains funding for students who have significant need for support services but are not classified as having special education needs.

- **Pilot.** The financial impact of proposed revisions to district allocations will be implemented at the rate of 10 percent in 2013-2014. This means that if the proposal's true result were a district losing or gaining \$100, then the district would only lose or gain \$10 this year. This allows schools and school districts a year in which to adjust to the formula.

**The Louisiana Scholarship Program and Course Choice Are Included In the 2013-2014 MFP.**

The Student Scholarship Program and Course Choice Program continue to exist in statute even though a legal challenge related to their funding is pending a ruling by the Supreme Court. The proposed formula continues to include funding for the program; however, contingency language has been included in the formula to address a circumstance in which the current funding mechanism is deemed unconstitutional.