Executive Order 26-047 and 2026-27 Minimum Foundation Program (MFP) Information

July 1, 2026

This document provides information on Executive Order 26-047 and the 2026-27 MFP. The FY 2026-27 MFP documents inclusive of adjustments required by Executive Order 26-047 are now available on the LDOE website at MFP Library.

For further information, send inquiries to LDOEMFPHelpdesk@la.gov or call the Office of School System Financial Services at 225.342.3617.

Executive Order 26-047 issued by Governor Landry is effective on July 1, 2026. A copy of the Executive Order is attached for your reference.

The Executive Order states:

1. The MFP appropriation contained for Fiscal Year 2026-27 in House Bill 1 of the 2026 Regular Session of the Legislature is hereby reduced by $168,000,000 from non-instructional dollars.

2. The Department of Education, in consultation with the State Board of Elementary and Secondary Education (BESE), shall identify the allocations from which the reduction shall be made.
   - The Department and BESE should assist school districts so that the areas of security, transportation, and food services remain intact, and
   - where feasible school systems should utilize unassigned fund balances to replace reduced allocations.

3. The money for the stipend for classroom teachers and support staff shall be drawn from the Overcollections Fund once funds are sufficient to pay for the stipend.
   - The Department of Education shall submit a budget adjustment to the Louisiana Division of Administration (DOA) in the amount sufficient to provide for a one-time stipend of **$2,000 to classroom teachers and $1,000 to support staff, including the employer retirement contribution, for the 2026-27 school year.**
   - Should the DOA determine that the appropriation reduction exceeds the amount required for the stipend and employer contribution, the Department may submit a budget adjustment to return the surplus to the MFP.

Implementation of Executive Order

- The total cost of a one-time stipend of $2,000 to classroom teachers and $1,000 to support staff, including the employer retirement contribution (19.11% for TRSL and 19.5% for LSERS) totaling $168 million will be reduced from the MFP allocation to each school system and transferred to the Overcollections Fund, a statutorily dedicated fund.
- Cash in the Overcollections Fund is available to return to the school systems for use to support the cost of the $2,000 stipend to classroom teachers and $1,000 stipend to support staff.

- The Joint Legislative Committee on the Budget (JLCB) must approve the distribution of the cash in the Overcollections Fund for stipends. A meeting date for the approval has not yet been determined.
- Subsequent to JLCB approval, stipend allocation payments will be released to school systems. Further information on the release date will be forthcoming.

<u>Reduction Calculation</u>

- The reduction of the MFP is equal to the cost of the stipends for each school system including the employer retirement contribution. The cost of the stipends is calculated on the staff reported by each school system in the Fall 2025 staffing data collection.
- The total MFP allocation (Level 1+2+3+4) for each school system is reduced by the cost of the stipends for teachers and support staff including employer contribution rates.
- Exempt from reduction are Level 4 program allocations paid annually and excluded from monthly payments. These allocations will be paid at 100% of the allocated amount. These allocations include:
    - International Associate Teacher Stipends
    - Career Development Fund (CDF)
    - High Cost Services, and
    - Mentor Stipends
- The MFP payments for each school system will be reduced monthly over the twelve months of the fiscal year equal to the cost of the stipends including the employer retirement contribution.

<u>Reduction Implementation</u>

- Executive Order states that the reduction should be applied to non-instructional expenditures.
- The MFP formula does not contain any allocation that is labeled non-instruction.
- The application of the concept of non-instructional expenditures is only present at the local level so budget adjustment decisions to address the MFP reduction will be made by school systems.
- Where feasible, the Executive Order suggests that school systems should utilize unassigned fund balances to replace the reduced MFP allocation rather than reducing expenditures.
- School systems should be conscientious when making budgeting decisions so as to maintain compliance with the 70% Requirement which remains in effect per HCR 23.

State of Louisiana

EXECUTIVE DEPARTMENT
OFFICE OF THE GOVERNOR
EXECUTIVE ORDER NUMBER 26-047

REDUCTION OF MINIMUM FOUNDATION PROGRAM APPROPRIATION FOR FISCAL YEAR 2026-2027

WHEREAS, educational dollars should be prioritized for the classroom and improving student outcomes rather than administration and overhead;

WHEREAS, since 1988, Louisiana's K-12 enrollment has dropped by over 111,000 students, yet the cost to educate each child has skyrocketed from approximately $9,400 per student in inflation-adjusted 1988 dollars to approximately $16,500 per student today, representing a 67% real increase in per-pupil spending;

WHEREAS, annual financial reports submitted by local school systems demonstrate that many school districts maintain tens of millions of dollars in unassigned fund balances, which are available for the provision of stipends for classroom teachers and support staff;

WHEREAS, Louisiana has made historic progress in education, strengthening parental rights, elevating teacher rights, and restoring a sense of purpose and accountability in our schools;

WHEREAS, for the second year in a row, Louisiana ranks first among states in reading growth and second among states in math growth;

WHEREAS, Louisiana is one of only two states performing above 2019 levels in math, and the only state in the nation that has surpassed its pre-pandemic reading benchmark;

WHEREAS, Constitutional Amendments 2 and 3, presented to voters in the statewide elections of March 29, 2025, and May 16, 2026, would have strengthened the teacher retirement system by eliminating debt and dedicating the resulting interest savings to provide permanent salary increases for teachers and support staff;

WHEREAS, both amendments were rejected by the voters, leaving teachers and support staff without a dedicated funding source for the permanent pay raises they urgently need and deserve;

WHEREAS, from the time I took office, I have remained firmly committed to a permanent pay raise for teachers, while providing the stipend each of the previous years as we work toward a permanent solution;

WHEREAS, the money for a permanent teacher pay raise did not exist in the state budget under the prior administration, and it does not exist today; however, the educators that have tirelessly worked to ensure the success of our students deserve the funds they have received for the past three years;

WHEREAS, despite per-student education spending increasing, when adjusted for inflation, classroom teachers today are paid less than they were in 1988, which highlights a serious problem and makes clear that we must prioritize a permanent pay increase for teachers who are at the center of our success;

WHEREAS, there are approximately 51,000 public school teachers and 40,000 support staff across Louisiana, and with the help of the Legislature, we can provide the stipend;

WHEREAS, the ability to recruit and retain qualified classroom teachers is essential to the educational mission established by La. Const. art. VIII as well as the State's long-term workforce, economic, and civic interests, making a permanent two-thousand dollar salary increase for certificated classroom teachers not merely beneficial, but necessary;

WHEREAS, the Legislature, through its leadership, President Cameron Henry and Speaker Phillip Devillier, passed SCR 80 of the 2026 Regular Session, which creates a task force to study the minimum foundation program formula and recommend permanent, predictable funding for pay raises for teachers and support staff for future years, but it did not fund a stipend for the current year;

WHEREAS, La. Const. art. VIII, § 13(B) authorizes the governor to reduce the Minimum Foundation Program ("MFP") appropriation as provided in the act containing the appropriation, when the reduction is consented to in writing by two-thirds of the elected members of each house of the Legislature;

WHEREAS, House Bill No. 1 of the 2026 Regular Session ("HB 1") appropriates $4,017,822,558 to the MFP and provides that the governor may reduce the appropriation when the reduction is consented to in writing by two-thirds of the elected members of each house of the Legislature;

WHEREAS, House Bill No. 313 of the 2026 Regular Session authorizes and directs the state treasurer to deposit into the Overcollections Fund from the revenues in the state general fund an amount equal to the amount of the State General Fund (Direct) for each appropriation in HB 1 that has an appropriation that is reduced by the governor pursuant to his authority under La. Const. art. VIII, § 13(B) and that is consented to in writing by two-thirds of the elected members of each house of the Legislature;

WHEREAS, the Legislature has the authority, by budget adjustment or other lawful means, to direct the funds made available through a reduction of the MFP appropriation under La. Const. art. VIII, § 13(B) to a one-time stipend for classroom teachers and support staff for the 2026-2027 school year;

WHEREAS, the public interest is best served by reducing the Fiscal Year 2026–2027 MFP appropriation by One Hundred Sixty-Eight Million Dollars ($168,000,000) from non instructional dollars and redirecting those funds to provide a stipend for classroom teachers and support staff during the 2026–2027 school year;

WHEREAS, the State desires to give school systems notice of the MFP reduction, and the Department of Education is committed to working closely with each school system to help them plan and budget effectively during this transition;

WHEREAS, this Order shall not take effect, and no MFP reduction shall occur, unless and until two-thirds (2/3) of the elected members of each house of the Legislature have consented to the reduction in writing as required by La. Const. art. VIII, § 13(B);

NOW THEREFORE, I, JEFF LANDRY, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and the laws of the State of Louisiana, and specifically, La. Const. art. VIII, § 13(B), as well as the corresponding language contained in HB 1, do hereby order and direct as follows:

<u>Section 1.</u> The MFP appropriation for Fiscal Year 2026–2027 in House Bill 1 of the 2026 Regular Session is hereby reduced by One Hundred Sixty-Eight Million Dollars ($168,000,000) from non-instructional dollars.

<u>Section 2.</u> The Department of Education, in consultation with the State Board of Elementary and Secondary Education (BESE), shall identify the allocations from which the reduction shall be made. The Department and BESE should assist school districts so that the areas

of security, transportation, and food services remain intact and, where feasible school systems should utilize unassigned fund balances to replace reduced allocations.

Section 3. The money for the stipend for classroom teachers and support staff shall be drawn from the Overcollections Fund once funds are sufficient to pay for the stipend. The Department of Education shall submit a budget adjustment to the Division of Administration in an amount sufficient to provide for a one-time stipend of $2,000 to classroom teachers and $1,000 to support staff, including the employer retirement contribution, for the 2026–2027 school year. Should the Commission of Administration determine that the appropriation reduction exceeds the amount required for the stipend and employer retirement contribution, the Department of Education may submit a budget adjustment to return the surplus to the MFP.

Section 4. Contingent upon the written consent of two-thirds (2/3) of the elected members of each house of the Legislature, as required by La. Const. art. VIII, § 13(B), this Order shall take effect July 1, 2026.

Section 5. The Commissioner of Administration, the State Superintendent of Education, the State Board of Elementary and Secondary Education, the State Treasurer, and all other officers, departments, agencies, boards, and commissions of the executive branch of State government are directed to take all actions necessary or appropriate to carry out the provisions of this Order, consistent with applicable law.

IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of the State of Louisiana in the City of Baton Rouge, on this 2nd day of June 2026.

Jeff Landry
GOVERNOR OF LOUISIANA

ATTEST BY THE SECRETARY OF STATE

Nancy Landry
SECRETARY OF STATE