

MINIMUM FOUNDATION PROGRAM FORMULA

The FY 2013-14 Minimum Foundation Program (MFP) formula was adopted by the State Board of Elementary and Secondary Education on March 8, 2013. The Formula is as follows:

I. FUNDING FOR CITY AND PARISH SCHOOL DISTRICTS

The calculation to determine funding allocations for city and parish school systems is divided into four categories as follows:

Level 1 determines the minimum cost of education in each city or parish school district based on the education needs of each student. The cost is then shared equitably between the State and the city and parish school districts based on the ability of the districts to support education in their communities through local sales and property tax revenues.

Level 2 provides an incentive for city and parish school systems to support education in their communities above the minimum level of financial support required.

Level 3 provides supplementary education funding to districts and schools for continuing teacher and support worker pay raises, Hold Harmless provision, and operating costs.

Level 4 provides funding for programs which allocate funding to reward or meet needs at specific schools.

State MFP funds shall only be expended for educational purposes. Expenditures for educational purposes are those expenditures related to the operational and instructional activities of a district to include: instructional programs, pupil support programs, instructional staff programs, school administration, general administration, business services, operations and maintenance of plant services, student transportation services, food services operations, enterprise operations, community services operations, facility acquisition and construction services and debt services as defined by Louisiana Accounting and Uniform Governmental Handbook, Bulletin 1929.

A. Level 1: Calculation of Total MFP Educational Costs and the Proportion of the Costs Supported by the State and Local School Districts

1. Total MFP Educational Costs

STEP ONE: Determine the Total Number of Eligible Students

The formula first counts each of the students enrolled across the state to determine the cost of regular educational services. The students eligible to be counted are identified in the Student Membership Definition approved by the State Board of Elementary and Secondary Education. The Student Membership includes students enrolled on February 1. The formula utilizes the February 1 Student Membership Count to allocate funding beginning in July. These students are counted as one (1.0) in the formula. Students counted are enrolled in the following school districts and schools:

- Parish and city school systems,
- Recovery School District Schools, both operated and Type 5 Charter schools,
- Type 2 Charter schools,
- LSU and Southern Lab Schools,
- Office of Juvenile Justice (OJJ) schools,
- New Orleans Center for Creative Arts (NOCCA),
- Louisiana School for Math, Science, and the Arts (LSMSA),
- Special School District (SSD) and
- Louisiana School for the Deaf and Visually Impaired (LSDVI)

In the FY2013-14 MFP Formula only, special assistance will be provided to the St. John the Baptist Parish School Board for its recovery efforts from the effects of Hurricane Isaac by maintaining the February 1 student membership count for the school district only at the February 1, 2012 student membership count.

STEP TWO: Determine the Number of Students with Special Characteristics

The formula recognizes that providing educational services to meet the needs of particular students is more costly than regular educational services. Each special characteristic or need is given a numerical value referred to as a weight. The special needs of each student are taken into consideration by multiplying the student count for each eligible child (1.0) by each of the weights. This calculation provides additional students that are then added to the February 1 Student Membership Count to equal the Total Weighted Student Membership Count.

The following are the additional costs recognized by the formula:

Low Income and English Language Learner Weight - The formula recognizes that students living in poverty or students with a native language other than English are more likely to require additional educational services to be successful. To recognize that these services require additional costs, students that qualify for free or reduced price meals under the United States Department of Agriculture (USDA) School Food Service Program guidelines, and students identified as an English Language Learner are provided

a weight of 22%.

Career and Technical Education Weight - The formula recognizes that the cost of providing materials and supplies for Career and Technical Education courses is beyond the cost of traditional academic education. Students enrolled in Career and Technical Education courses (or units) are provided a weight of 6% for each course in which they are enrolled.

Special Education Weight – The formula addresses the extra cost associated with meeting the needs of students with disabilities. There are three distinct series of weights utilized to ensure the cost of providing special educational services is recognized.

1. Needs of the Child - The needs of the child are recognized based on the relative cost of providing educational services for a specific disability. There are three categories of disabilities each with a unique weight representing low, medium, and high costs. To determine the relative cost associated with providing services for each student with disabilities, the eligible February 1 Special Education Student Count (1.0) is multiplied by the assigned weight (40%, 55%, and 80% respectively). The categories are as follows:

Category 1 Weight (40%)

- Speech Articulation, Fluency, and Voice Impairments

Category 2 Weight (55%)

- Speech Language Impairments
- Intellectual Disability (Mild)
- Orthopedic Impairment
- Other Health Impairment
- Specific Learning Disability
- Developmental Delay
- Hearing Impairment (Hard of Hearing)
- Visual Impairment (Partially Seeing)
- Infants and Toddlers with Impairments

Category 3 Weight (80%)

- Intellectual Disability (Moderate)
- Intellectual Disability (Severe)
- Hearing Impairment-Deafness
- Visual Impairment- Blindness
- Emotional Disturbance
- Deaf-Blindness
- Multiple Disabilities
- Autism
- Traumatic Brain Injury

2. How the Child is Educated – The individual plan for the child is recognized based on the relative cost of providing for the environment or placement. There are three categories of environment/placement, each with a unique weight representing low, medium, and high costs. To determine the relative cost for environment/placement associated with each student, the eligible February 1 Special Education Student Count (1.0) is multiplied by the assigned weight (35%, 55%, and 70% respectively). The environment/placement categories are as follows:

Category 1 Weight (35%)

- In Regular Classroom less than 40% of day
- In a Regular early childhood program less than 10 hours per week and majority of services received in other location

Category 2 Weight (55%)

- In Regular Classroom between 40% and 79% of day
- Home and receives majority of services at Other Location
- In a Regular early childhood program at least 10 hours per week and majority services received in other location
- In a Regular early childhood program less than 10 hours per week and majority services received in regular class

Category 3 Weight (70%)

- In Regular Classroom 80% or greater of day
- Home and receives majority of services at home
- Hospital/Homebound
- Separate School
- Correctional Facility
- Separate Class
- Residential Facility
- In a Regular early childhood program at least 10 hours per week and majority services in regular class
- Ages 0-2 not yet placed

Note that the Environment/Placement Weight does not include Speech Articulation and Language students or students parentally placed in a Private School.

3. How Well the Child is Educated –The third weight category recognizes how well the academic interest of students with disabilities is served. There are three ways in which the formula measures how well the child is educated and compensates for decisions made in the best interest of the child. Each of these measures has a unique

weight. To determine the weighted students, the eligible February 1 Special Education Student Count (1.0) is multiplied by the assigned weight for each category. The categories are as follows:

A. Student Performance – A weight is provided for student performance using the Value Added Model (VAM) and the LAA1 and LAA2 accountability data from the latest available data. The weight is provided under the following circumstances:

i. Category 1 provides a 135% weight times the number of students whose score in English Language Arts (ELA) or Math “exceeded expected achievement” in the Value Added Model or whose LAA1 or LAA2 test results improved one achievement level or more, or

ii. Category 2 provides a 175% weight times the number of students whose performance in English Language Arts or Math “significantly exceeded expected achievement” in the Value Added Model.

B. Graduation Rate - A weight is provided for students with disabilities that graduate using the latest available data. The weight is provided at 150% times the number of students who graduated within four or five years of entering high school.

C. Continued Services After Declassification – The formula utilizes this weight in order to recognize the cost to the district associated with students declassified from special education but still requiring academic support services. This weight sustains funding once a student is no longer identified with a disability. The number of students that are no longer identified as a student with a disability from the latest available data is multiplied by 150% to determine the weighted student count. This weight does not include students identified as Developmentally Delayed or Speech Articulation Impairment.

D. Solutions Prior to Referral – The formula utilizes this weight in order to recognize the cost to a district associated with academic interventions prior to a student

being referred for special education services, a cost that generates no revenue under previous formulas if a student is never classified. Using the latest available data, this weight is provided if a city or parish school district has a change in the referral rate from one year to the next that is less than, equal to, or slightly above, the state average referral rate:

If the change in the referral rate is greater than or equal to -2.0, the weight equals 12%

If the change in the referral rate is between -1.99 and 0, the weight equals 6%

If the change in the referral rate is between .01 and 1.0, the weight equals 3%

If the change in the referral rate is above 1.0, then no weight is provided.

The eligible February 1 Special Education Student Count is multiplied by each weight to generate the weighted student count.

Gifted and Talented Weight - The formula recognizes the cost of providing educational services to Gifted and Talented students. Students in grades Preschool through 8 identified as Gifted and Talented are provided a 60% weight. Gifted and Talented students in grades 9 through 12 are provided a weight of 30%. To determine the Gifted and Talented weight, the eligible February 1 Gifted and Talented Student Count (1.0) is multiplied by 60% or 30% respectively.

High Standards Weight – This weight is provided to recognize the cost of providing advanced coursework. A 30% weight is provided for students in grades 8 through 11 that meet the certain criteria on exams. To determine the High Standards Weight, the number of eligible students from the latest available data is multiplied by 30%. Students must meet the following criteria in order to be considered eligible:

- Students who by the 8th grade score excellent on Algebra I End Of Course (EOC) tests
- Students who by the 9th grade score excellent on Geometry End Of Course (EOC) tests or score a 3 or higher on an Advanced Placement (AP) exam
- Students who by the 10th grade score 3 or higher on an Advanced Placement (AP) exam

- Students who by the 11th grade score a 3 or higher on an Advanced Placement (AP) exam or a 4+ on an International Baccalaureate (IB) Course

Economy of Scale Weight – This weight is provided for city or parish school districts to recognize a base amount of funding for fixed overhead costs that should be provided when student populations equal 7,500 students or less. The Economy of Scale Weight is calculated as a curvilinear weight of 20% at a student membership count of zero down to 0% at a student membership count equal to or greater than 7,500. To calculate this weight, the February 1 Student Membership Count for each district is subtracted from 7,500 and divided by 37,500. The result of this calculation is then multiplied by each district's February 1 Student Membership Count to determine the weighted students.

STEP THREE: Determine Total Weighted Student Membership Count

Formula:

Total Weighted Student Membership Count

Equals

February 1 Student Membership Count (1.0)

Plus

Low Income and English Language Learner Weight
 Career and Technical Education Weight
 Special Education Weights
 Gifted and Talented Weights
 High Standard Weight
 Economy of Scale Weight

STEP FOUR: Determine Total MFP Educational Costs

Formula:

Total MFP Educational Costs

Equals

Total Weighted Student Membership Count

Multiplied by

State and Local Base Cost Per Pupil

In FY 2013-14, the State and Local Base Cost Per Pupil equals \$3,855.

The State Board of Elementary and Secondary Education shall reconsider the State and Local Base Cost Per Pupil on an annual basis.

2. Determine Cost Allocation

The Total State and Local Cost is shared between the State and the city or parish school systems. The ability of school districts to support the cost of education in their communities is measured by the potential to raise local revenue. This potential contribution is measured by the following three factors using the latest available data:

1. Property Tax Revenue Contribution
2. Sales Tax Revenue Contribution
3. Other Revenue Contribution

STEP ONE – Determine the Local Property Tax Revenue Contribution

Formula:

Local Property Tax Revenue Contribution

Equals

State Computed Property Tax Millage (debt and non-debt)

Times

Net Assessed Property Value

If a school district's Net Assessed Property Value has increased equal to or greater than 10% over the prior year Net Assessed Property Value, then the growth in the Net Assessed Property Value is capped at 10%. This cap is applied on a year-to-year basis comparing the current year Net Assessed Property Value to the prior year uncapped Net Assessed Property Value.

The Computed Property Tax Millage is calculated annually at the rate necessary to maintain a state and local share of 65%/35%.

STEP TWO – Determine the Local Sales Tax Revenue Contribution

Formula:

Local Sales Tax Revenue Contribution

Equals

Computed Sales Tax Base (debt and non-debt) (including TIF areas)

Times

State Computed Sales Tax Rate

If a local school district's sales tax goes into effect during the fiscal year, the tax rate is prorated to an annual rate applicable for the total revenue generated.

If a district's Computed Sales Tax Base increased equal to or greater than 15% over the Computed Sales Tax Base calculated in the prior year formula, then the growth in the Computed Sales Tax Base will be capped at 15% over the amount used in the prior year formula. This cap will be applied on a year-to-year basis comparing the current year sales tax base to the prior year uncapped sales tax base.

The Computed Sales Tax Rate is calculated annually at the rate necessary to maintain a state and local share at 65%/35%.

STEP THREE – Determine Other Revenue Contribution

Formula:

Other Revenue Contribution

Equals

State Revenue in lieu of taxes

Plus

Federal Revenue in lieu of taxes

Plus

50% of Earnings on Property

STEP FOUR – Determine Local Cost Allocation

Formula:

Local Cost Allocation

Equals
Property Tax Contribution
Plus
Sales Tax Contribution
Plus
Other Revenues Contribution

STEP FIVE – Determine State Cost Allocation

Formula:

State Cost Allocation
Equals
Total State and Local Cost
Minus
Local Cost Allocation

In no event shall the State Cost Allocation be less than 25% of Total Level 1 Cost for any city or parish school district.

B. Level 2: Incentive for Local Effort

Level 2 provides rewards for city and parish school districts that contribute a greater proportion of local revenues towards the cost of education in their communities by increasing local property and sales tax revenues.

STEP ONE – Determine Eligible Local Revenue

Formula:

Eligible Local Revenue
Equals
Prior year local revenues collected for educational purposes to include:
Total Sales Tax
Plus
Total Property Tax

Plus
State and Federal Revenue in Lieu of Taxes

Plus
50% of Earnings on Property

STEP TWO - Determine Local Revenue Eligible for Reward

Formula:

Local Revenue Eligible for Reward

Equals

Eligible Local Revenue

Minus

Local Share Cost of Allocation

STEP THREE – Determine the Limit on Revenue Eligible for Reward

Formula:

Limit on Revenue Eligible for Reward

Equals

Total State and Local Cost

Times

34%

STEP FOUR – Determine Local Support of Level 2 Reward

Formula:

Local Support of Level 2 Reward

Equals

Local Revenue Eligible for Reward or Local Revenue Limit (whichever is less)

Times

Local Share Percentage (Level 1)

Times

Level 2 Reward Factor

The Level 2 Reward Factor determines the amount of local support required in Level 2. In FY 13-14, the Level 2 Reward Factor is established at 1.72%. The State Board of Elementary and Secondary Education may reset the Level 2 Reward Factor on an annual basis.

STEP FIVE – Determine State Cost of Level 2 Incentive for Local Effort

Formula:

State Support of Level 2 Reward

Equals

Local Revenue Eligible for Reward or Local Revenue Limit (whichever is less)

Minus

Local Support of Level 2 Reward

C. Level 3: Supplementary Funding

Level 3 provides funding for three programs that address funding for school districts and schools regarding teacher and support worker pay raises, Hold Harmless funding, and specific operating costs.

Formula:

Total Level 3 Supplementary Funding

Equals

Continuation Pay Raises

Plus

Hold Harmless Enhancement

Plus

Support for Increasing Mandated Costs in Health Insurance, Retirement, and Fuel

STEP ONE: Calculate Continuation Funding for Pay Raises

1. Certificated Personnel Pay Raises were implemented in four recent years to assist in increasing Teacher and Principal pay to the Southern Regional Average. These funds continue to be provided directly to districts and schools to support these increased salaries.
 - a. Certificated Personnel Pay Raises provided in 2001-02, 2006-07, 2007-08, and 2008-09 will continue for each school district and school based on the calculated per pupil amount times the February 1 Student Membership Count.
2. Noncertificated Support Worker Pay Raises were implemented in three recent years to assist with increasing these salaries.
 - a. Noncertificated Support Worker Pay Raises provided in 2002-03, 2006-07, and 2007-08 will continue for each school district and school based on the calculated per pupil amount times the February 1 Student Membership Count.
3. This provision applies to parish and city school systems, Recovery School District, LSU and Southern Lab Schools, Office of Juvenile Justice, New Orleans Center for Creative Arts (NOCCA), Louisiana School for Math, Science, and the Arts (LSMSA), Type 2 Charter Schools, Special School District (SSD, and Louisiana School for the Deaf and Visually Impaired (LSDVI).

STEP TWO: Hold Harmless Enhancement

1. The concept for the current student-driven formula was first enacted in FY 1992-93. When the calculations were made to convert the previous allocations to the current formula, there were a few school districts that were underfunded or overfunded. In FY 1999-00, the current formula was fully implemented eliminating the underfunded situation but continuing the overfunding for some districts. The State Board of Elementary and Secondary Education and the Legislature determined these school districts should retain this funding. From FY

2000-01 through 2006-07, these districts received an annual Hold Harmless allocation.

2. In 2006-07, the following school districts had a remaining Hold Harmless or "overfunded" allocation: Concordia, East Baton Rouge, Evangeline, Iberville, Jefferson, Plaquemines, St. Bernard, St. Charles, St. James, and West Feliciana.
3. The State Board of Elementary and Secondary Education and the Legislature first approved a plan in the 2007-08 formula to reduce the Hold Harmless allocation over time. Beginning in FY 2007-08 and continuing for ten years, each of the remaining Hold Harmless school districts were to receive a reduction of 10% to their remaining Hold Harmless allocation.
4. This provision remains in effect within the formula for FY 2013-14.
5. On an annual basis, any hold harmless district may choose to reduce the remaining balance by an amount greater than 10% through formal notification to the department. This request must take place no later than June 30th each year.

STEP THREE: Support for Increasing Mandated Costs in Health Insurance, Retirement, and Fuel

City and parish school districts shall receive a minimum of \$100.00 for each student in the prior year February 1 membership to offset these increasing operational costs.

D. Level 4: School Level Funding

Level 4 provides funding for two programs which allocate funding on behalf of specific schools and are in addition to district level allocations from Levels 1, 2, and 3. These programs are as follows:

Formula:

Total Level 4 School Level Funding

Equals

Foreign Language Associate Program Salary and Stipends

Plus

Top Gains Rewards

STEP ONE: Calculate Foreign Language Associate Salary and Stipends

1. Any city or parish school system, Recovery School District, LSU and Southern Lab Schools, Office of Juvenile Justice, New Orleans Center for Creative Arts (NOCCA), Louisiana School for Math, Science, and the Arts (LSMSA), Type 2 Charter Schools, Special School District (SSD), and Louisiana School for the Deaf and Visually Impaired (LSDVI) employing a Foreign Language Associate or a graduate of the Escadrille Louisiane program shall receive a supplemental allocation from BESE of \$20,000 per teacher. The state must maintain support of the Foreign Language Associate program at a maximum of 300 Foreign Language Associates employed in any given year.
2. These teachers shall be paid by the employing city, parish, or other local public school system or school at least the state average classroom teacher salary (without PIP) by years of experience and degree beginning with year three. The \$20,000 supplemental allocation must be allocated to the school where the teacher is employed and the funds used to support the total cost of the teacher salary.
3. First year teachers will receive an installation incentive of an additional \$6,000; second and third year teachers will receive a retention incentive of an additional \$4,000. These amounts must be provided to each Foreign Associate Teacher by each school district or school in which they are employed.

STEP TWO: Top Gains Schools

To recognize schools that make significant growth from one year to the next, Louisiana designates schools that achieve their growth target as a Top Gains school if they are not in subgroup component failure and they are not identified as failing NCLB subgroup performance for more than one year. Top Gains schools are eligible for monetary rewards that can be used for any educational purpose within the school.

The FY 2012-13 and FY 2013-14 annual 10% reduction to the remaining Hold Harmless amount will be utilized to support the monetary rewards to the Top Gains schools in FY 2013-14. Top Gains schools shall include High performing schools, and schools achieving significant student progress, as defined annually by the State Board of Elementary and Secondary Education.

E. Total MFP Allocation

Formula:

Total State Cost Allocation

Equals

Level 1 Cost Allocation

Plus

Level 2 Cost Allocation

Plus

Level 3 Cost Allocation

Plus

Level 4 Cost Allocation

F. Pilot of FY 13-14 Formula Changes

Revisions to the Special Education and Gifted and Talented Weights, and the addition of the High Standards Weight will be piloted in FY 2013-14. The financial impact of incorporating the revisions to the Special Education and Gifted and Talented Weights, and the addition of the High Standards weight will be determined by comparing the FY 2012-13 formula as originally adopted to the FY 2012-13 formula with the revisions and the addition. Any increases or decreases experienced as a result of only these specific revisions will be implemented at a rate of 10% of these revisions' true impact and shall be applied to the final FY 2013-14 Total State Cost Allocation for each parish and city school system, Recovery School District, LSU and Southern Lab Schools, Office of Juvenile Justice (OJJ), New Orleans Center for Creative Arts (NOCCA), Louisiana School for Math, Science, and the Arts (LSMSA), Type 2 Charter Schools, Special

School District (SSD), and Louisiana School for the Deaf and Visually Impaired (LSDVI).

II. ALLOCATION PROCEDURES

A. PRELIMINARY AND FINAL ALLOCATIONS

1. The minimum foundation program formula for the upcoming fiscal year shall be adopted by the State Board of Elementary and Secondary Education, and submitted to the Joint Legislative Committee on the Budget and to the House and Senate Education Committees for consideration no later than March 15.
2. A preliminary allocation schedule demonstrating the total cost of the proposed formula shall also be submitted. This preliminary allocation utilizes student and other input data available at that time.
3. After final adoption by the legislature of the minimum foundation program formula in effect for the upcoming fiscal year, final allocations will be determined no later than June 30.
4. The final total allocation will be converted to monthly payments in effect from July through June each year.
5. Final data will be utilized to calculate the final allocation except that student count estimates will be utilized for school districts or charter schools opening for the first time in the fiscal year beginning July 1.

B. PAYMENT ADJUSTMENTS

1. If the city or parish school districts, Recovery School District, Type 2 Charter schools, Louisiana State University and Southern University Lab schools, Special School District (SSD), Louisiana School for the Deaf and Visually Impaired (LSDVI), Louisiana School for Math, Science and the Arts (LSMSA), and New Orleans Center for Creative Arts (NOCCA) have documented growth in students prior to the actual Mid-Year Student Counts in October and February, a

temporary change to the final allocation may be requested. The State Superintendent is authorized to approve or deny this revision. Sufficient documentation will be requested to substantiate this requested allocation adjustment.

2. The adjusted allocation will remain in effect until the actual October or February Mid-Year Student Count. Once the Mid-Year Student Count is final, reconciliation will be completed and payments adjusted accordingly.

C. MID-YEAR ALLOCATION ADJUSTMENTS

1. Student counts in October and February may result in mid-year allocation adjustments for the following:

City and parish school districts, Recovery School District, Type 2 Charter schools, Louisiana State University and Southern University Lab schools, Special School District (SSD), Louisiana School for the Deaf and Visually Impaired (LSDVI), Louisiana School for Math, Science and the Arts (LSMSA), and New Orleans Center for Creative Arts (NOCCA).

2. If the current year October 1 Mid-Year Student Count is more or less than the prior year February 1 student count, an adjustment to the current year allocation shall be made for each student gained or lost. The October adjustment equals the number of students gained or lost times the annual State cost per pupil allocation amount for the district or school in which the change occurred. The February adjustment equals the number of students gained or lost times one-half of the State Cost per pupil allocation for the district or school in which the change occurred.

3. Individual adjustments shall be made for increases or decreases in the October or February Mid-Year Student Counts for the Recovery School District, the district of prior jurisdiction, and Type 5 Charter schools.

4. Mid-Year adjustments for the Recovery School District shall utilize the final State Cost per pupil allocation for the district of prior jurisdiction.

5. If the Recovery School District qualifies for an October Mid-Year Adjustment to the State Cost per pupil allocation, a Mid-Year adjustment shall also be made to the Local Cost per pupil allocation for the district of prior jurisdiction. The October Local Cost per pupil allocation shall be recalculated based on updated revenue data for the district of prior jurisdiction. There shall be no recalculation of the Local Cost per pupil allocation in conjunction with the February student count.
6. School districts or charter schools in the first year of operation are not eligible for an October Mid-Year Adjustment. However, their allocation will be finalized using October 1 data. The newly opened school districts or charter schools will qualify for the February 1 mid-year adjustment.
7. October and February Mid-Year Adjustments shall be combined and applied in the March through June payments.

III. FUNDING GUIDELINES

A. FUNDING FOR RECOVERY SCHOOL DISTRICT

1. State Cost Allocation
 - a. The student membership and weighted student counts of schools transferred to the Recovery School District shall continue to be included in the membership and weighted student counts of the city or parish school district from which jurisdiction of the school was transferred.
 - b. Once all final calculations are made, the final State Cost Allocation Per Pupil Amount for the city or parish school district which counted the Recovery School District students will be multiplied by the February 1 Recovery School District Student Membership Count to equal the Recovery School District State Cost Allocation.
 - c. The Recovery School District State Cost Allocation is converted to a monthly amount that will be reduced from the monthly allocation of the district of prior jurisdiction and transferred to the Recovery School

District.

2. MFP Local Cost Allocation

- a. In addition to the State Cost Allocation, the Recovery School District shall receive an applicable Local Cost Allocation.

Formula:

Local Cost Allocation Per Pupil

Equals

Projected Local Revenues from District of Prior Jurisdiction

Divided by

Total School District Membership (Recovery School District Student Membership Count plus Student Membership Count for the district of prior jurisdiction)

- b. To begin the fiscal year, the Local Cost allocation is based on eligible projected local revenues for the most recent prior fiscal year from the city or parish school district that had jurisdiction of the school prior to its transfer.

c. For purposes of the Recovery School District calculation, local revenue is defined to include revenue from the following sources, excluding any portion which has been specifically dedicated by the legislature or by voter approval to capital outlay or debt service, per the definitions in the Annual Financial Report and the Louisiana Accounting and Uniform Governmental Handbook (LAUGH) as reported to the Department of Education:

1. Sales and use taxes, less any tax collection fee paid by the school district.
2. Ad valorem taxes, less any tax collection fee paid by the school district.
3. Earnings from sixteenth section lands owned by the school district.

d. The exclusion of any portion of local revenues specifically dedicated by the legislature or by voter approval to capital outlay or debt service shall be applicable only to a charter school housed in a facility or facilities provided by the district in which the charter school is located.

e. The projected local revenues shall be divided by the Total School District Membership Count including the Recovery School District Student Membership Count, both operated and charter schools, plus the Student Membership Count of the district of prior jurisdiction. If any Type 2 Charter School(s) resides within the physical boundaries of the district of prior jurisdiction, this school(s) shares in the local revenues of the district of prior jurisdiction. As a result, the Type 2 Charter School Student Membership Count will be added to the Recovery School District and the district of prior jurisdiction Student Membership Count.

f. The Local Cost Allocation for the Recovery School District is determined by multiplying the local revenue per pupil times the number of Recovery School District students used in the MFP final allocation.

Formula:

Local Cost Allocation

Equals

Projected Local Revenues from District of Prior Jurisdiction Per Pupil

Multiplied By

Recovery School District Student Membership Count

g. Once the local amount is determined, it is adjusted to a monthly amount that is transferred from the MFP monthly allocation of the city, parish, or other local public school board of prior jurisdiction to the Recovery School District.

h. Based on the October 1 Student Membership Count, the local revenue allocation per student will be recalculated and there will be a corresponding adjustment in the local revenue allocation. No recalculation of the local revenues per student will occur as a result of the February 1 Student Count adjustment.

i. During the third quarter of the fiscal year, the local revenue allocation per student shall be adjusted to reflect actual prior year local revenue data.

j. A final reconciliation will occur based upon the receipt of the annual audited financial statements of the district of prior jurisdiction. If an increase or decrease in local revenue collection exists, the state superintendent may establish a payment schedule. In

the event that the fiscal status of the district of prior jurisdiction or the Recovery School District changes during the fiscal year or on or before the final reconciliation, the state superintendent may adjust the local revenue based on the revenues identified.

3. Monies appropriated to the Recovery School District, except for administrative costs, that are attributable to the transfer of a school from a prior school system and monies allocated or transferred from the prior system to the Recovery School District shall be expended solely on the operation of schools transferred from the prior system to the jurisdiction of the Recovery School District.

B. FUNDING FOR LOUISIANA STATE UNIVERSITY AND SOUTHERN UNIVERSITY LABORATORY SCHOOLS

1. Each student in the prior year February 1 Student Membership count at the Louisiana State University and Southern University Lab Schools shall be funded at the Average State Cost Allocation Per Pupil.

2. Funds appropriated for these schools shall be allocated to the institution of higher education operating such a school. Each such institution of higher education shall ensure the equitable expenditure of such funds to operate such schools.

C. FUNDING FOR TYPE 2 CHARTER SCHOOLS

1. Any school authorized as a Type 2 Charter School approved by the State Board of Elementary and Secondary Education, shall annually be appropriated funds as determined by applying the formula contained in R.S. 17:3995, except that the local share allocation will be funded with a transfer of the MFP monthly amount representing the Local Cost Allocation from the city or parish school board in which the attending students reside. The city or parish that has local taxing authority shall provide the local support for the students.

2. Virtual Charter schools may receive, as approved by the State Board of Elementary and Secondary Education, a lesser percentage of the state and local amount calculated in R.S. 17:3995.

3. For any student that resides on a military base, the local share allocation shall

be funded by the State.

4. Where student attendance is from multiple school districts, the Department of Education shall determine the local cost allocation based on students reported by the schools. The student membership count of the Type 2 charter schools shall be included in the membership count of the city or parish school board in which the student resides to determine the Local Cost Allocation.

5. The student membership and weighted student counts of any Type 2 Charter school authorized by the State Board of Elementary and Secondary Education shall be included in the membership and weighted student counts of the city or parish school board in which the student resides using the actual prior year February 1 enrollment data of the Type 2 Charter School. This shall not apply in the first year of operation where estimated data only is available.

D. FUNDING FOR THE OFFICE OF JUVENILE JUSTICE SCHOOLS AND STUDENTS

1. Any elementary and secondary school operated by the Office of Juvenile Justice in a secure care facility shall be considered a public elementary or secondary school and, as such, the Office of Juvenile Justice shall be annually appropriated funds for these students as determined by applying the formula contained in Subsections B and C of this Section.

2. Each student counted in the prior year average daily membership, as defined by the State Board of Elementary and Secondary Education is calculated by dividing the number of days the student is under the guidance and direction of teachers by the total instructional days during the specified school year, shall be funded from the minimum foundation program a State Cost Allocation Per Pupil equal to the amount allocated per student for the State Cost Allocation of the district where the student resided prior to adjudication.

a. The State Cost Allocation Per Pupil allocation shall be adjusted based on a factor determined by the Louisiana Department of Education to provide for the differential in the number of educational days provided to the students in the custody of

the Office of Juvenile Justice.

b. Additionally, the State Cost Allocation Per Pupil shall be adjusted based on a factor determined by the Louisiana Department of Education to recognize the increased number of special education students in the Office of Juvenile Justice schools relative to the state average special education student population.

3. Each student counted in the prior year average daily membership, as defined by the State Board of Elementary and Secondary Education, shall be provided for and funded from the minimum foundation program a Local Cost Allocation Per Pupil equal to the Local Cost Allocation Per Pupil for the district where the student resided prior to adjudication.

a. For the purpose of the Local Cost Allocation Per Pupil, the average daily membership of the Office of Juvenile Justice shall be included in the membership counts of the city, parish, or other local public school board in which the student resided prior to adjudication to the Office of Juvenile Justice.

b. For a district(s) that shares local revenue, the allocation for the Office of Juvenile Justice will be completed before the calculation of local revenues.

c. The Local Cost Allocation Per Pupil shall be funded with a transfer of the MFP monthly amount representing the Local Cost Allocation Per Pupil from the city, parish, or other local public school board in which the attending students resided prior to adjudication to the Office of Juvenile Justice.

d. The average daily membership will be reconciled on an annual basis using the latest available data

E. FUNDING FOR SPECIAL SCHOOL DISTRICT (SSD), LOUISIANA SCHOOL FOR THE DEAF AND VISUALLY IMPAIRED (LSDVI), LOUISIANA SCHOOL FOR MATH, SCIENCE AND THE ARTS (LSMSA) AND NEW ORLEANS CENTER FOR CREATIVE ARTS (NOCCA).

1. Special School District (SSD), the Louisiana School for the Deaf and Visually Impaired (LSDVI), the Louisiana School for Math, Science and the Arts (LSMSA) and New Orleans Center for Creative Arts (NOCCA) shall be allocated funds

based on the State and Local Cost Allocation for the city or parish school board where the attending students reside. The Local Cost Allocation will be funded with a transfer of the MFP monthly amount representing the Local Cost Allocation Per Pupil from the city or parish school board in whom the attending students reside. Where student attendance is from multiple school districts, the Department of Education shall determine the Local Cost Allocation based on students reported by the schools.

2. For a district(s) that shares local revenue, the allocation for SSD, LSDVI, LSMSA and NOCCA will be completed before the calculation of local revenues.

3. The student membership and weighted student counts of SSD, LSDVI, LSMSA and NOCCA authorized by the State Board of Elementary and Secondary Education shall be included in the membership and weighted student counts of the city, parish, or other local public school board in which the student resides using the February 1 Student Membership Count of SSD, LSDVI, LSMSA and NOCCA.

F. CHOICE SYSTEM

The following opportunities are provided for parental choice:

1. Course Choice Program

Authorized educational service providers are those entities approved by the State to provide approved educational courses to students statewide. This program shall be administered and funded in accordance with applicable laws, including R.S. 17:187.1, et seq.; R.S. 17:3137; and, R.S. 17:4002.1, et seq.

2. Student Scholarships for Educational Excellence Program (SSEEP)

Another opportunity for parents to exercise parental choice is the Student Scholarships for Educational Excellence Program. This program provides parental choice for certain public school students enrolled in low performing public schools and provides an opportunity for these students to attend eligible nonpublic and public schools. This program shall be administered and funded in accordance with applicable laws, including R.S. 17:4011, et seq.

a. For purposes of the Scholarship program, BESE will adopt an annual

maximum tuition rate increase for participating nonpublic schools by establishing a percentage of the MFP per pupil in the district where the nonpublic school is located. Such nonpublic school may not increase its annual tuition for scholarship students by an amount to exceed that percentage.

b. BESE shall measure the rate at which all schools serving scholarship students admit and serve students with special education needs. BESE may establish a lower rate of funding for those schools not meeting a minimum threshold of special education enrollment established by BESE.

3. In no event shall the funding for the Student Scholarships for Educational Excellence Program (SSEEP) and Course Choice Program be in contradiction to applicable jurisprudence. In the event that the funding mechanisms set forth in R.S. 17:4002.6 or R.S. 17:4016 are held to be unconstitutional, those funding mechanisms shall be severable and form no part of this FY 2013 -14 Minimum Foundation Program (MFP) formula.

IV. ADJUSTMENTS FOR AUDIT FINDINGS AND DATA REVISIONS

Review and/or audit of the districts' or schools' data used in determining their Minimum Foundation Program allocation may result in changes in final statistical information. The Minimum Foundation Program allocation adjustments necessary as a result of these audit findings will be made in the following school year. These adjustments are applicable to the following: city or parish school districts, Recovery School District, Type 2 Charter schools, Louisiana State University and Southern University Lab schools, Office of Juvenile Justice (OJJ) schools, Special School District (SSD), Louisiana School for the Deaf and Visually Impaired (LSDVI), Louisiana School for Math, Science and the Arts (LSMSA), and New Orleans Center for Creative Arts (NOCCA)