

First Extraordinary Session, 2005

SENATE BILL NO. 98

BY SENATOR MARIONNEAUX

FUNDS/FUNDING. Provides with regard to required distribution by school boards of increased amounts in the MFP. (gov sig)

1 AN ACT

2 To enact R.S. 17:25.2, relative to the Minimum Foundation Program formula; to provide
3 relative to the costs of the formula and the distribution of allocations; to provide
4 relative to the application of the requirements of the formula to city, parish, and other
5 local public school systems; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 17:25.2 is hereby enacted to read as follows:

8 **§25.2. Minimum Foundation Program; approved formula; required**
9 **distributions**

10 **A. Whenever the approved formula that is the basis for determining the**
11 **cost to the state of the Minimum Foundation Program of education and for the**
12 **allocation of funding to the city, parish, and other local public school systems**
13 **requires that a specific percentage of new funding allocated in any year under**
14 **the formula to any such school system as compared to the allocation of the prior**
15 **year be distributed as salary to any class of employees, each school board may**
16 **delay the inclusion of such amount in the payments of salary to employees until**
17 **such time as the final budgetary letter from the state superintendent of**

1 **education is provided to the school board that informs the school board of the**
 2 **final amount of funding due the school system under the formula. However,**
 3 **once the final amount of funding for the year is determined, the school board**
 4 **shall insure that the required percentage of the total is paid as salary as**
 5 **required by the formula.**

6 **B. In Fiscal Year 2005-2006 any school board which was provided a**
 7 **preliminary allocation of funds under the formula which is reduced when the**
 8 **final determination is made or because of a court order and the school board**
 9 **has distributed a fixed percentage of any increase in the amount of its allocation**
 10 **as compared to the prior year's allocation as salary to any class of employees as**
 11 **required by the formula shall not be required to continue to pay such increase**
 12 **to such employees during the balance of the fiscal year.**

13 Section 2. This Act shall become effective upon signature by the governor or, if not
 14 signed by the governor, upon expiration of the time for bills to become law without signature
 15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 17 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Diane M. Burkhart.

DIGEST

Marionneaux (SB 98)

Provides that when the approved MFP formula requires that a specific percentage of new funding provided in any year as compared to the prior year be distributed as salary to any class of employees, each school board may delay the inclusion of such amount in the payments of salary to employees until such time as the final budgetary letter from the state superintendent of education is provided to the school board that informs the school board of the final amount of funding due the school system under the formula. Requires that once the final amount of funding for the year is determined, the school board shall insure that the required percentage of the total is paid as salary as required by the formula.

Provides that in FY 2005-06 any school board which was provided a preliminary allocation of funds under the formula which is reduced when the final determination was made or was reduced as the result of a court order and the school board had already distributed a fixed percentage of any increase in the amount of its allocation as compared to the prior year's allocation as salary to any class of employees as required by the formula shall not be required to continue to pay such increase to such employees.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 17:25.2)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Education to the original bill.

1. Provides that in FY 2005-2006, a school board which had a reduction in their MFP allocation because of a variation between the preliminary estimates and the final determination or because of a court order is exempt from the requirement that 50% of "new money" be spent on employee salaries.
2. Eliminates provision which directed that in FY 2005-2006, a school board which had a reduction in their MFP allocation because of a variation between the preliminary estimate and the final determination or because of a court order not have the overage reduced.