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## DIGEST

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HCR 7 Engrossed

2017 Regular Session

Nancy Landry

Provides for legislative approval of the minimum foundation program (MFP) formula for FY 2017-2018 to determine the cost of a minimum foundation program of education in all public elementary and secondary schools as well as to equitably allocate the funds to local public school systems as developed by the State Board of Elementary and Secondary Education (BESE) and adopted by the board on May 11, 2017.

Proposed formula (as compared to SCR 55 from the 2014 Reg. Session which is the formula in effect) uses four levels to determine MFP funding allocations for city, parish, or other local public school systems or schools as follows:

### **Level 1 - Calculate State and Local Cost Allocation**

- (1) Maintains use of Feb. 1 membership as defined by BESE and provides that each student is counted as 1.0 in the formula.
- (2) Provides that students counted are enrolled in the following school districts and schools:
  - City and parish school systems
  - Recovery School District Schools, both operated and Type 5 charter schools
  - State-approved public schools, including New Type 2 charter schools
- (3) Maintains the existing weight of 22% for add-on student units for at-risk and English language learner students.
- (4) Maintains the existing weight of 6% for Career and Technical Education course units.
- (5) Maintains the existing weight of 150% for Special Education Students with disabilities.
- (6) Maintains the 60% existing weight for Gifted and Talented Students.
- (7) Maintains the Economy of Scale curvilinear weight of 20% for school systems with a student membership of less than 7,500.

Retains State and Local Base Cost Per Pupil amount of \$3,961.

Continues to specify the proportion of the costs supported by the state and local school systems as follows:

- (1) Retains provisions that the calculation of the state and local school system share of the total MFP cost includes a property tax revenue contribution, a sales tax revenue contribution, and other local revenue contributions. Maintains a state and local allocation ratio of 65%/35%.
- (2) Retains provisions specifying that in no event shall the state share of the total Level 1 costs be less than 25% for any district.

### **Level 2 - Incentive for Local Effort**

- (1) Retains provisions to provide rewards to school districts that contribute a greater proportion of local revenue towards the cost of education by increasing local property and sales tax revenues.
- (2) Continues to limit the revenue eligible for reward to the total state and local cost multiplied by 34%.
- (3) Continues provision that the Level 2 Reward Factor determines the amount of local support required in Level 2. Maintains the Level 1 Reward Factor at 1.72.

### **Level 3 -Legislative Allocations**

Retains Level 3 as "Legislative Allocations" as follows:

#### Continuation of Funding for Pay Raises

- (1) Continues supplemental pay raises for certificated personnel initiated in 2001-2002, 2006-2007, 2007-2008, and 2008-2009 as a per pupil amount.
- (2) Continues supplemental pay raises for non-certificated support workers initiated in 2002-2003, 2006-2007, and 2007-2008 as a per pupil amount.
- (3) Adds THRIVE Academy and Type 3B charter schools to the list of schools eligible for continuation of funding for pay raises.

#### Hold Harmless Enhancement

- (1) Continues the 10-year phase-out of Hold Harmless funding for Concordia, East Baton Rouge, Evangeline, Iberville, Jefferson, Plaquemines, St. Charles, St. James, and West Feliciana parishes, beginning with a 10% reduction of the revised "over funded" amount in FY 2007-2008.
- (2) Retains provision that a Hold Harmless district may choose to reduce the remaining balance by an amount greater than 10%, provided such request is made by June 30th each year.

- (3) Retains provision that the annual 10% reduction amount will be redistributed to all non-Hold Harmless districts on a per pupil basis.

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

Continues provision that local school systems shall receive a per pupil funding amount of \$100 to support increasing mandated costs involving health insurance, retirement, and fuel.

### **Level 4 - Supplementary Allocations**

#### Foreign Language Associate Enhancement

- (1) Retains the supplemental allocation of \$21,000 for each Foreign Language Associate or a graduate of the Escadrille Louisiane program employed. Retains provision that the number of these teachers is not to exceed a total of 300 teachers. Specifies that \$1,000 of the amount is to be used toward the costs of VISA sponsorship.
- (2) Retains requirement that these teachers be paid by the employing school board at least the state average classroom teacher salary (without PIP) by years of experience and degree beginning with year three. Proposed formula additionally provides that the 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's salary.
- (3) Retains requirement that first year teachers be paid an installment incentive of an additional \$6,000 and that second and third year teachers shall receive a retention incentive of an additional \$4,000. Specifies that these amounts will be provided by the employing school district.

#### Career Development Allocation

Supports technical courses required for statewide credentials. Retains that allocation is equal to 6% of the base per pupil amount or for each qualifying course enrollment. Each school system is to receive a minimum amount of \$25,000 and other state-approved public schools with students enrolled in grades 9-12 will receive a minimum of \$10,000 per school.

#### High Cost Services Assistance Allocation

Provides additional funds for students with disabilities. Retains that the total allocation for public school systems versus other public schools shall be proportional to the share of total qualifying applications submitted by public school systems versus other public schools. The allocation is limited by the amount budgeted for the High Cost Services Assistance Allocation.

#### Supplemental Course Allocation

Pursuant to present law relative to the Course Choice Program, provides for the cost of secondary course choices specifically approved by BESE. Proposed formula retains the allocation for each public school system and other public school and increases from \$26 to \$59 the per student enrolled in grades 7-12.

#### Allocations for Other Public Schools

Provides for state cost allocation for LSU and SU Laboratory Schools and provides that the funds for these schools shall be allocated to the institution of higher education that operates the school.

Provides for state and local cost allocations for Legacy Type 2 charter schools.

Requires the state and local cost allocation to be based on the actual state per pupil for the system where the student resides instead of the average per pupil amount for the system where the school is located.

Provides for funding of office of juvenile justice schools.

#### Mid-Year Student Allocations

Provides for adjustments to the allocations based on mid-year student counts.

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#### 70% Local General Fund Required Instructional Expenditure at the School Building Level

Retains the requirement that 70% of the city, parish, or other local public school system or other public school general fund expenditures must be in the areas of instruction and school administration at the school building level.

#### Pay Raise Requirement

Eliminates the pay raise requirement which required a city, parish, or local public school

system or other public school with a net increase from 2013-2014 to 2014-2015 in its per student Level 1 and 2 State Cost Allocation to sustain the certificated classroom teacher pay raises provided by appropriation in 2013-2014.

#### Emergency Assistance

- (1) Provides for funding assistance for city, parish, and other local public school systems or schools for the significant loss of students as a result of a natural disaster if specified criteria are met.
- (2) Provides that the 2017-2018 MFP state allocation for a school district in which a military based is located will be held constant if there is a deployment of a brigade combat team or a combination of units of about the same size from such military base on or before Sept. 30, 2017.

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Education to the original bill:

1. Replace the 2017-2018 MFP formula adopted by BESE on March 8, 2017, with the formula adopted by the board on May 11, 2017, which includes provisions for emergency assistance for certain public school systems and schools impacted by natural disasters or military deployment.