

2021 Regular Session

SENATE CONCURRENT RESOLUTION NO. 2

BY SENATOR FIELDS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

BESE. Provides for legislative approval of the MFP formula for the 2021-2022 school year. (7/1/21)

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A CONCURRENT RESOLUTION

To provide for legislative approval of the formula developed by the State Board of Elementary and Secondary Education pursuant to Article VIII, Section 13(B) of the Constitution of Louisiana 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 parish and city school systems, and adopted by the board on May 12, 2021.

WHEREAS, the minimum foundation program formula for the 2021-2022 Fiscal Year as adopted by the State Board of Elementary and Secondary Education on May 12, 2021, reads as follows:

PROPOSED

FY 2020-2021 MINIMUM FOUNDATION PROGRAM FORMULA

The FY 2021-2022 Minimum Foundation Program (MFP) formula was adopted by the State Board of Elementary and Secondary Education on May 12, 2021. The formula determines allocations for city, parish, or other public school systems or schools. The definition of city, parish, or local public school systems and schools shall include city or parish school systems, Recovery School District including direct operated and Type 5 charter schools, Louisiana School for Math, Science, and the

1 Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), Thrive Academy,
2 New Type 2 Charter schools, Legacy Type 2 Charter schools, Type 3B Charter
3 schools, Office of Juvenile Justice (OJJ) schools, and Louisiana State University,
4 Southern University, and University of Louisiana at Lafayette Lab schools. The
5 formula is divided into four calculations as follows:

6 **Level 1** determines the minimum cost of education based on the education
7 needs of each student. The cost includes funding for students enrolled in city
8 and parish school systems, Recovery School District direct operated and
9 Type 5 Charter schools, New Type 2 Charter schools, and Type 3B Charter
10 schools. The cost is then shared equitably between the State and the city and
11 parish school systems based on the ability of the systems to support
12 education in their communities through local sales and property tax revenues.

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

16 **Level 3** provides specific legislative education funding to city, parish, or
17 other local public school systems or schools for Continuation of Certificated
18 and Support Worker pay raises, the Historical Formula Allocation, and
19 Mandated Operating Costs.

20 **Level 4** provides additional funding including:

- 21 ● Supplementary funding to meet specific needs at city, parish,
22 or other local school systems and schools including
23 International Associate Teacher Salary and Stipends
24 Allocation, Career Development Allocation, High Cost
25 Services Allocation, Supplemental Course Allocation,
26 Certificated and Support Staff Pay Raise Allocations, and
27 Certified Mentor Teacher Stipend Allocations.
- 28 ● Allocations for State-approved public school systems or
29 schools including Legacy Type 2 Charter schools, Louisiana
30 State University, Southern University, and University of

1 Louisiana at Lafayette Lab schools, New Orleans Center for
2 Creative Arts (NOCCA), Louisiana School for Math, Science,
3 and the Arts (LSMSA), Thrive Academy, and Office of
4 Juvenile Justice (OJJ) schools.

- 5 ● Mid-Year Allocation Adjustments to account for mid-year
6 increases and decreases in students in all city, parish, or other
7 local public school systems or schools.

8 State MFP funds shall only be expended for educational purposes.
9 Expenditures for educational purposes are those expenditures related to the
10 operational and instructional activities of city, parish, or other public school
11 systems or schools to include: instructional programs, pupil support
12 programs, instructional staff programs, school administration, general
13 administration, business services, operations and maintenance of plant
14 services, student transportation services, food services operations, enterprise
15 operations, community services operations, facility acquisition, and
16 construction services and debt services as defined by Louisiana Accounting
17 and Uniform Governmental Handbook, Bulletin 1929.

18 **I. FORMULA CALCULATIONS**

19 **A. Level 1: Calculate State and Local Cost Allocation**

20 **1. Determine Educational Costs**

21 Eligible students from the following school systems and schools will be counted in
22 both the Base and Weighted Student Memberships:

- 23 a. City and parish school systems.
- 24 b. State-Approved Public Schools - The student counts of New Type 2
25 Charter Schools shall be included in the membership and weighted
26 student counts of the city or parish school system in which the
27 student resides.
- 28 c. Recovery School District - The student membership and weighted
29 student counts of schools transferred to the Recovery School District,
30 both direct operated and Type 5 Charter schools, shall continue to be

1 included in the membership and weighted student counts of the city
2 or parish school system from which jurisdiction of the school was
3 transferred.

4 **STEP ONE: Determine the Number of Eligible Students for the Base Count**

5 The formula first counts each of the students enrolled on February 1 to determine the
6 cost of education services. The formula utilizes the February 1 Student Membership
7 Count to allocate funding beginning in July. The students eligible to be counted are
8 identified in the Student Membership Definition adopted by the State Board of
9 Elementary and Secondary Education. These students are counted as one (1.0) in the
10 formula.

11 **STEP TWO: Determine the Number of Students Eligible for the Weighted**
12 **Student Count**

13 The formula recognizes that providing educational services to meet the needs of
14 particular students is more costly than regular educational services. Each special
15 characteristic or need is given a numerical value referred to as a weight. The special
16 needs of each student are taken into consideration by multiplying the student count
17 for each eligible child (1.0) by each of the weights. This calculation provides
18 additional students that are then added to the February 1 Student Membership Count
19 to equal the Total Weighted Student Membership Count. The students and units
20 eligible to be counted are identified in the Student Membership Definition adopted
21 by the State Board of Elementary and Secondary Education. The following are the
22 additional costs recognized by the formula:

23 **Low Income and English Language Learner Weight** - The formula recognizes
24 that students living in poverty or students with a native language other than English
25 are more likely to require additional educational services to be successful. To
26 recognize that these services require additional costs, students that qualify for free
27 or reduced price meals under the United States Department of Agriculture (USDA)
28 School Food Service Program guidelines, or an alternative count as defined in the
29 Student Membership Definition, and students identified as an English Language
30 Learner are provided a weight of 22%.

1 **Career and Technical Education Weight** - The formula recognizes that the cost of
 2 providing materials and equipment, and teacher credentialing and training, for Career
 3 and Technical Education courses is above and beyond the cost of traditional
 4 academic education. Each secondary career and technical education course in which
 5 a student is enrolled in both the fall and spring semesters is provided a weight of 6%.

6 **Special Education Weight** - The formula addresses the extra cost associated with
 7 the delivery of services required in order to meet the needs of students with
 8 disabilities. Students with disabilities that have an Individualized Education Program
 9 (IEP) plan developed according to State Board of Elementary and Secondary
 10 Education regulations are provided a weight of 150%.

11 **Gifted and Talented Weight** - The formula recognizes the cost of providing
 12 educational services to Gifted and Talented students that have an Individualized
 13 Education Program (IEP) Plan developed according to State Board of Elementary
 14 and Secondary Education regulations and are provided a 60% weight.

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

24 **STEP THREE: Determine Total Weighted Student Membership Count**

25 **Formula:**

26 **Total Weighted Student Membership Count**

27 **Equals**

28 **February 1 Student Membership Count (1.0)**

29 **Plus**

30 **Low Income and English Language Learner Weight**

1 **Career and Technical Education Weight**

2 **Special Education Weight**

3 **Gifted and Talented Weight**

4 **Economy of Scale Weight**

5 **STEP FOUR: Identify the State and Local Base Cost Per Pupil**

6 **Formula:**

7 **The State and Local Base Cost Per Pupil shall equal \$4,015.**

8 **STEP FIVE: Determine Total MFP Educational Costs**

9 **Formula:**

10 **Total MFP Educational Costs**

11 **Equals**

12 **Total Weighted Student Membership Count**

13 **Multiplied by**

14 **State and Local Base Cost Per Pupil**

15 **2. Determine State and Local Cost Allocation**

16 The Total MFP Educational Costs are shared between the State and the city or parish
17 school systems. The ability of school systems to support the cost of education in their
18 communities is measured by the potential to raise local revenue. This potential
19 contribution is measured by the following three factors using the latest available data
20 as reported through the Annual Financial Report (AFR) as required by R.S. 17:92.

21 1. Local Property Tax Revenue Contribution

22 2. Local Sales Tax Revenue Contribution

23 3. Other Local Revenue Contribution

24 **STEP ONE: Determine the Local Property Tax Revenue Contribution**

25 **Formula:**

26 **Local Property Tax Revenue Contribution**

27 **Equals**

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

29 **Times**

30 **Net Assessed Property Value**

1 **Net Assessed Property Value Increase Cap** - If a school system's Net Assessed
 2 Property Value has increased equal to or greater than 10% over the prior year Net
 3 Assessed Property Value, then the growth in the Net Assessed Property Value is
 4 capped at 10%. This cap is applied on a year-to-year basis comparing the current
 5 year Net Assessed Property Value to the prior year uncapped Net Assessed Property
 6 Value.

7 **Computed Property Tax Millage** - The Computed Property Tax Millage is calculated
 8 annually at the rate necessary to maintain a state and local allocation ratio of
 9 65%/35%.

10 **STEP TWO: Determine the Local Sales Tax Revenue Contribution**

11 **Formula:**

12 **Local Sales Tax Revenue Contribution**

13 **Equals**

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

15 **Multiplied By**

16 **State Computed Sales Tax Rate**

17 **Mid-Year Rate Increases** - If a local school system's sales tax goes into effect
 18 during the fiscal year, the tax rate is prorated to an annual rate applicable for the total
 19 revenue generated.

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

26 **Computed Sales Tax Rate** - The Computed Sales Tax Rate is calculated annually
 27 at the rate necessary to maintain a state and local allocation ratio of 65%/35%.

28 **STEP THREE: Determine Other Local Revenue Contribution**

29 **Formula:**

30 **Other Local Revenue Contribution**

1 **Equals**
 2 **State Revenue in lieu of taxes**
 3 **Plus**
 4 **Federal Revenue in lieu of taxes**
 5 **Plus**
 6 **50% of Earnings on Property**

7 **STEP FOUR: Determine Local Cost Allocation**

8 **Formula:**

9 **Local Cost Allocation**

10 **Equals**

11 **Property Tax Contribution**

12 **Plus**

13 **Sales Tax Contribution**

14 **Plus**

15 **Other Revenues Contribution**

16 **STEP FIVE: Determine State Cost Allocation**

17 **Formula:**

18 **State Cost Allocation**

19 **Equals**

20 **Total State and Local Cost**

21 **Minus**

22 **Local Cost Allocation**

23 **Minimum State Cost Allocation** - In no event shall the State Cost Allocation be less
 24 than 25% of Total Level 1 Cost for any city or parish school system.

25 **B. Level 2: Incentive for Local Effort**

26 Level 2 provides incentives for city and parish school systems that contribute a
 27 greater proportion of local revenues towards the cost of education in their
 28 communities by increasing local property and sales tax revenues. This effort is
 29 measured using the latest available data for the following sources of revenue as
 30 reported in the Annual Financial Report (AFR) as required in R.S. 17:92.

- 1 1. Total Sales Taxes
- 2 2. Total Property Taxes
- 3 3. State and Federal Revenue in Lieu of Taxes
- 4 4. 50% Earnings on Property Revenue

STEP ONE: Determine Eligible Local Revenue

Formula:

Eligible Local Revenue

Equals

Total Sales Tax Revenue

Plus

Total Property Tax Revenue

Plus

State and Federal Revenue in Lieu of Taxes

Plus

50% of Earnings on Property Revenue

STEP TWO: Determine Local Revenue Eligible for Incentive

Formula:

Local Revenue Eligible for Incentive

Equals

Eligible Local Revenue

Minus

Local Cost Allocation

STEP THREE: Determine the Limit on Revenue Eligible for Incentive

Formula:

Limit on Revenue Eligible for Incentive

Equals

Total State and Local Cost Allocation Multiplied by 34%

STEP FOUR: Determine Local Support of Level 2 Incentive

Formula:

Local Support of Level 2 Incentive

1 **Equals**
 2 **Lesser of Local Revenue Eligible for Incentive or Limit on Local**
 3 **Revenue Eligible for Incentive**
 4 **Multiplied by**
 5 **Local Cost Allocation Percentage (Level 1)**
 6 **Multiplied by**
 7 **Level 2 Incentive Factor**

8 **Level 2 Incentive Factor** - The Level 2 Incentive Factor determines the amount of
 9 local support required in Level 2. In FY 2014-2015, the Level 2 Incentive Factor is
 10 established at 1.72.

11 **STEP FIVE: Determine State Cost of Level 2 Incentive**

12 **Formula:**
 13 **State Support of Level 2 Incentive**
 14 **Equals**
 15 **Lesser of Local Revenue Eligible for Incentive or Limit on Local**
 16 **Revenue Eligible for Incentive**
 17 **Minus**
 18 **Local Support of Level 2 Incentive**

19 **C. Level 3: Legislative Allocations**

20 Level 3 provides funding for three programs that address funding for school systems
 21 and schools regarding teacher and support worker pay raises, historical formula
 22 allocations, and mandated operating costs, and are in addition to allocations provided
 23 in Level 1 and 2. These allocations are as follows:

24 **Formula:**
 25 **Total Level 3 Legislative Allocations**
 26 **Equals**
 27 **Continuation Pay Raises**
 28 **Plus**
 29 **Historical Formula Allocation**
 30 **Plus**

1 **Mandated Costs in Health Insurance, Retirement, and Fuel**

2 **STEP ONE: Calculate Continuation Funding for Pay Raises**

3 **1.** Certificated Personnel Pay Raises were implemented in four recent years to
4 assist in increasing Teacher and School Leader pay to the Southern Regional
5 Average. These funds continue to be provided directly to systems and schools to
6 support these increased salaries.

7 a. Certificated Personnel Pay Raises provided in 2001-2002, 2006-2007,
8 2007-2008, and 2008-2009 will continue for each school system and school
9 based on the calculated per pupil amount times the February 1 Student
10 Membership Count.

11 **2.** Non-certificated Support Worker Pay Raises were implemented in three
12 recent years to assist with increasing these salaries.

13 a. Non-certificated Support Worker Pay Raises provided in 2002-2003,
14 2006-2007, and 2007-2008 will continue for each school system and school
15 based on the calculated per pupil amount times the February 1 Student
16 Membership Count.

17 **3.** This provision applies to city and parish school systems, Recovery School
18 District, New Orleans Center for Creative Arts (NOCCA), Louisiana School for
19 Math, Science, and the Arts (LSMSA), Thrive Academy, Legacy Type 2 Charter
20 Schools, New Type 2 Charter Schools, Type 3B Charter Schools, Louisiana State
21 University, Southern University, and University of Louisiana at Lafayette Lab
22 schools, and Office of Juvenile Justice (OJJ).

23 **STEP TWO: Calculate Historical Formula Allocations**

24 **Allocations for Insurance and Pay Raises** - The following school systems
25 are being provided continuing funding for the 1994 insurance supplement
26 and employee pay raises provided by the Legislature beginning in 1997
27 through 1999: East Baton Rouge, Iberville, Jefferson, Lafayette,
28 Plaquemines, Pointe Coupee, St. Charles, St. James, and West Feliciana.

29 **Redistribution Allocation** - After setting aside the insurance and pay raise
30 funding, the balance of the "Hold Harmless" funding was removed from

1 these school districts over ten years from 2006-2007 to 2016-2017:
2 Concordia, East Baton Rouge, Evangeline, Iberville, Jefferson, Plaquemines,
3 St. Charles, St. James, and West Feliciana.

4 The amount of funding removed from the districts listed above is reserved
5 and redistributed to the remaining city, parish or other local public school
6 systems or schools. The total amount is divided by the total number of
7 students within these same city, parish or other local public school systems
8 or schools to calculate a per pupil amount. The allocation is determined using
9 the per pupil amount multiplied by the current year student count.

10 **STEP THREE: Determine Allocation for Increasing Mandated Costs in Health**
11 **Insurance, Retirement, and Fuel**

12 City, parish or other local public school systems or schools shall receive a
13 minimum of \$100.00 for each student in the prior year February 1
14 membership to offset these increasing operational costs.

15 The following formula is applied to determine the Level 1, 2, and 3 State Cost
16 Allocation Per Pupil:

17 **Formula:**
18 **Level 1, 2, and 3 State Cost Allocation Per Pupil**
19 **Equals**
20 **Level 1 State Cost Allocation Per Pupil**
21 **Plus**
22 **Level 2 State Cost Allocation Per Pupil**
23 **Plus**
24 **Level 3 State Cost Allocation Per Pupil**

25 **D. Level 4: Supplementary Allocations**

26 **1. Specific Needs Allocations**

27 Specific Needs Allocations provide funding for four allocations for specific purposes
28 and is in addition to system level allocations from Levels 1, 2, and 3. These
29 allocations are as follows:

30 **Formula:**

- 1 **Total Level 4 Supplementary Allocations**
- 2 **Equals**
- 3 **International Language Associate Program Salary and Stipend**
- 4 **Allocation**
- 5 **Plus**
- 6 **Career Development Allocation**
- 7 **Plus**
- 8 **High Cost Services Assistance Allocation**
- 9 **Plus**
- 10 **Supplemental Course Allocation**
- 11 **Plus**
- 12 **2019-20 Certificated and Non-Certificated Pay Raises**
- 13 **Plus**
- 14 **2020-21 Certificated and Non-Certificated Pay Raises**

STEP ONE: Calculate International Language Associate Salary and Stipend Allocation

Salary Allocation - Any city, parish, or other public school system or school employing an International Language Associate or a graduate of the Escadrille Louisiane program shall receive a supplemental allocation from State Board of Elementary and Secondary Education of \$21,000 per teacher. The state shall maintain support of the International Language Associate program at a maximum of 300 International Language Associates employed in any given year.

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. Of the \$21,000 allocation, \$20,000 shall be allocated to the school where the teacher is employed and the funds used to support the total cost of the teacher salary, and the remaining amount shall be associated with costs of VISA sponsorship pursuant to State Board of Elementary and Secondary Education regulations.

Stipend Allocation - First year teachers will receive an installation incentive

1 of an additional \$6,000; second and third year teachers will receive a retention
2 incentive of an additional \$4,000. These amounts must be provided to each
3 International Associate Teacher or Escadrille Louisiane graduate by each school
4 district or school in which they are employed.

5 **STEP TWO: Career Development Allocation**

6 The cost of providing materials and equipment and teacher credentialing and
7 training to attain a statewide industry-based credential is above and beyond the cost
8 typically required for high school courses. An allocation will be provided to support
9 the development of these technical courses required for statewide credentials in city
10 and parish school systems and other public schools.

11 The first step in the allocation is to calculate six percent (6%) of the MFP
12 State and Local Base Cost Per Pupil to determine the Career Development Per Pupil
13 Amount. The Career Development Per Pupil Amount will be provided for each
14 qualifying student course enrollment in grades 9 through 12.

15 If a city or parish school system receives less than \$25,000 from the Career
16 Development Per Pupil Amount, then the city or parish school system will be
17 provided an economies of scale minimum allocation of \$25,000. If other public
18 school systems and schools containing grades 9 through 12 receive less than \$10,000
19 from the Per Pupil Amount, then the other public school systems and schools
20 containing grades 9 through 12 will be provided an economies of scale minimum
21 allocation of \$10,000.

22 **Formula:**

23 **Career Development Allocation Per Pupil**

24 **Equals**

25 **MFP State and Local Base Cost Per Pupil**

26 **Multiplied By**

27 **Six Percent (6%)**

28 **Formula:**

29 **Career Development Allocation**

30 **Equals**

1 **Career Development Allocation Per Pupil**

2 **Multiplied By**

3 **Qualifying Student Course Enrollments**

4 **in Grades 9 through 12**

5 **STEP THREE: Calculate High Cost Services Assistance**

6 High cost services for students with disabilities generate a particular budget
7 challenge for city, parish, and other public school systems and schools.

8 In an effort to assist with these expenses, an allocation will be provided to
9 city, parish, and other public school systems and schools which submit
10 documentation as required by the Louisiana Department of Education substantiating
11 that the prior year cost of services for a specific student exceeds three times the most
12 recent state average total expenditure per pupil amount.

13 Once costs associated with providing services for a student with a disability
14 or disabilities have been verified, the city or parish school system or other public
15 school will be eligible to receive an allocation to assist with these costs. The
16 allocation will be limited by the amount budgeted for the High Cost Services
17 Assistance Allocation. So as to be equitably distributed, the total allocation provided
18 to city and parish school systems versus other public schools shall be proportional
19 to the share of total qualifying applications submitted by city and parish school
20 systems versus other public schools.

21 The first step in the allocation will be to calculate the impact of these costs
22 on the budget of the school system or school using the latest available state and local
23 revenue data. The High Cost Services requested for reimbursement will be reduced
24 by the MFP state and local amount allocated on behalf of each student from Levels
25 1, 2, and 3. The next step will rank the Percent (%) Impact from highest to lowest
26 percent, with two separate rank listings for school systems and other public schools.

27 **Formula:**

28 **Percent (%) Impact on Budget**

29 **Equals**

30 **Cost of Services**

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Divided By

Total State and Local Revenue

The two ranked listings will be divided into four tiers and allocations will be provided based on a percentage from one hundred percent reimbursement in the highest funded tier with smaller percentages reimbursed in the lower tiers based on where the school system or school falls within the tiers on one of the two lists.

STEP FOUR: Calculate Supplemental Course Allocation

Pursuant to R.S. 17:4002.1 through 4002.6, the Supplemental Course Allocation shall provide for the cost of secondary course choices specifically approved by the State Board of Elementary and Secondary Education. For each city and parish school system and other public school, the allocation shall equal the number of students enrolled in grades 7 through 12 as of February 1 each year multiplied by \$59 per pupil.

Formula:

Supplemental Course Allocation for School Systems or Other Public Schools

Equals

Supplemental Course Allocation Per Pupil

Multiplied By

Number of Students in Grades 7 through 12

If the entire allocation is not committed by the city or parish public school systems or other public school by a date set forth by the Louisiana Department of Education, the original allocation will be reduced by the uncommitted amount. The total uncommitted amount from each city or parish public school systems or other public school will be reallocated to those city or parish public school systems or other public schools that obligated one hundred percent of their original allocation based on criteria set forth by the Louisiana Department of Education.

STEP FIVE: Calculate 2019-20 Certificated and Non-Certificated Pay Raises

1. Certificated Personnel Pay Raise

Each city, parish, or other public school district or school shall receive

1 \$1,000 plus the current year annual retirement contribution rate as
2 established for the Teachers' Retirement System of Louisiana in the actuarial
3 valuation approved by the Public Retirement Systems' Actuarial Committee
4 based on the staffing data submitted to the official department personnel data
5 reporting system as of October 1 to provide an across the board \$1,000 pay
6 raise and any associated retirement for K-12 classroom educators and other
7 certificated K-12 personnel defined per Louisiana Department of Education
8 Bulletin 1929 to include:

9 Teachers (all function codes 1000-2200s, object code 112);
10 Therapists/Specialists/Counselors (function codes 1000-2200s, object
11 code 113); School Site-based Principals, Assistant Principals, and
12 Other School Administrators (function code 2400s, object code 111);
13 Central Office Certificated Administrators (function codes 1000-2200
14 & 2324, 2831, and 2832 (excluding 2130s), object code 111); School
15 Nurses (function code 2134, object code 118); and Sabbaticals
16 (function codes 1000-2200s, 2134, and 2400s, object code 140).

17 **2. Non-Certificated Personnel Pay Raise**

18 Each city, parish, or other public school district or school shall receive \$500
19 plus the current year annual retirement contribution rate as established for the
20 Louisiana School Employees' Retirement System in the actuarial valuation
21 approved by the Public Retirement Systems' Actuarial Committee based on
22 the staffing data submitted to the official department personnel data reporting
23 system as of October 1 to provide an across the board \$500 pay raise and
24 associated retirement for non-certificated K-12 personnel defined per
25 Louisiana Department of Education Bulletin 1929 to include:

26 Aides (function codes 1000-4900s, object code 115); Support
27 Supervisors (function codes 2130s, 2300s (excluding 2311, 2321,
28 2324, 2831 and 2832) and 2500-4900s, object code 111);
29 Clerical/Secretarial (function codes 1000-4900s, object code 114);
30 Service Workers (function codes 1000-4900s, object code 116);

1 Skilled Craftsmen (function codes 1000-4900s, object code 117);
2 Degreed Professionals (function codes 1000-4900s, (excluding
3 2134s) object code 118); and Other Personnel (function codes
4 1000-4900s, object codes 100, 110 and 119).

5 **STEP SIX: Calculate 2021-22 Certificated and Non-Certificated Pay Raises**

6 **1. Certificated Personnel Pay Raise**

7 Each city, parish, or other public school district or school shall receive \$800
8 plus the current year annual retirement contribution rate as established for the
9 Teachers' Retirement System of Louisiana in the actuarial valuation approved
10 by the Public Retirement Systems' Actuarial Committee based on the staffing
11 data submitted to the official department personnel data reporting system as
12 of October 1 to provide an across the board \$800 pay raise and any
13 associated retirement for K-12 classroom educators and other certificated
14 K-12 personnel defined per Louisiana Department of Education Bulletin
15 1929 to include:

16 Teachers (all function codes 1000-2200s, object code 112);
17 Therapists/Specialists/Counselors (function codes 1000-2200s, object
18 code 113); School Site-based Principals, Assistant Principals, and
19 Other School Administrators (function code 2400s, object code 111);
20 Central Office Certificated Administrators (function codes 1000-2200
21 & 2324, 2831, and 2832 (excluding 2130s), object code 111); School
22 Nurses (function code 2134, object code 118); and Sabbaticals
23 (function codes 1000-2200s, 2134, and 2400s, object code 140).

24 **2. Non-Certificated Personnel Pay Raise**

25 Each city, parish, or other public school district or school shall receive \$400
26 plus the current year annual retirement contribution rate as established for the
27 Louisiana School Employees' Retirement System in the actuarial valuation
28 approved by the Public Retirement Systems' Actuarial Committee based on
29 the staffing data submitted to the official department personnel data reporting
30 system as of October 1 to provide an across the board \$400 pay raise and

1 associated retirement for non-certificated K-12 personnel defined per
2 Louisiana Department of Education Bulletin 1929 to include:

3 Aides (function codes 1000-4900s, object code 115); Support
4 Supervisors (function codes 2130s, 2300s (excluding 2311, 2321,
5 2324, 2831 and 2832) and 2500-4900s, object code 111);
6 Clerical/Secretarial (function codes 1000-4900s, object code 114);
7 Service Workers (function codes 1000-4900s, object code 116);
8 Skilled Craftsmen (function codes 1000-4900s, object code 117);
9 Degreed Professionals (function codes 1000-4900s, (excluding
10 2134s) object code 118); and Other Personnel (function codes
11 1000-4900s, object codes 100, 110 and 119).

12 **2. Allocations for Other Public Schools**

13 **STEP ONE: Louisiana State University, Southern University, and University**
14 **of Louisiana at Lafayette Laboratory Schools**

15 1. State Cost Allocation

16 a. The February 1 Student Membership count at the Louisiana
17 State University, Southern University, and University of Louisiana at
18 Lafayette Lab Schools shall be multiplied by the Average State Cost
19 Allocation Per Pupil to equal the Louisiana State University, Southern
20 University, and University of Louisiana at Lafayette Lab Schools State Cost
21 Allocation.

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

26 **STEP TWO: Legacy Type 2 Charter Schools**

27 A Legacy Type 2 Charter school is a Type 2 Charter school approved by the State
28 Board of Elementary and Secondary Education before July 1, 2008.

29 1. State Cost Allocation

30 a. Any Legacy Type 2 Charter school shall annually be allocated

1 funds as determined by applying the formula contained in R.S. 17:3995.

2 b. The State Cost Allocation equals the number of students
3 multiplied by the State Per Pupil for the system where the student resides.

4 2. Local Cost Allocation

5 a. Any Legacy Type 2 Charter school shall annually be allocated
6 funds as determined by applying the formula contained in R.S. 17:3995.

7 b. The Local Cost Allocation equals the number of students
8 multiplied by the Local Per Pupil for the system where the student resides.

9 c. For any student enrolled in a Legacy Type 2 Charter school,
10 the Local Cost Allocation shall be funded by the State.

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

16 **STEP THREE: Office of Juvenile Justice (OJJ) Schools**

17 1. Eligible Schools - Any elementary and secondary school operated by
18 the Office of Juvenile Justice (OJJ) in a secure care facility shall be
19 considered a public elementary or secondary school and, as such, the
20 Office of Juvenile Justice (OJJ) shall be annually appropriated funds
21 for these students.

22 2. Eligible Students - Each student counted in the prior year average
23 daily membership, as defined by the State Board of Elementary and
24 Secondary Education in the Student Membership Definition, is
25 calculated by dividing the number of days the student is under the
26 guidance and direction of teachers by the total instructional days
27 during the specified school year.

28 3. Allocation - The Office of Juvenile Justice (OJJ) shall annually be
29 allocated funds for the eligible students. For each student enrolled in
30 these schools, both a State Cost Allocation and a Local Cost

- 1 Allocation shall be provided.
- 2 4. State Cost Allocation
- 3 a. The State Cost Allocation is equal to the State Cost Allocation
- 4 Per Pupil for the system where each student resided prior to
- 5 adjudication multiplied by the prior year average daily membership
- 6 of the Office of Juvenile Justice schools.
- 7 b. The State Cost Allocation Per Pupil allocation shall be
- 8 adjusted based on a factor determined by the Louisiana Department
- 9 of Education to provide for the differential in the number of
- 10 educational days provided to the students in the custody of the Office
- 11 of Juvenile Justice (OJJ).
- 12 c. Additionally, the State Cost Allocation Per Pupil shall be
- 13 adjusted based on a factor determined by the Louisiana Department
- 14 of Education to recognize the increased number of special education
- 15 students in the Office of Juvenile Justice (OJJ) schools relative to the
- 16 state average special education student population.
- 17 d. The average daily membership will be reconciled on an
- 18 annual basis using the latest available data.
- 19 5. Local Cost Allocation
- 20 a. Each student counted in the prior year average daily
- 21 membership, as defined by the State Board of Elementary and
- 22 Secondary Education, shall be provided for and funded from the
- 23 minimum foundation program a Local Cost Allocation Per Pupil
- 24 equal to the Local Cost Allocation Per Pupil for the district where the
- 25 student resided prior to adjudication.
- 26 b. The Local Cost Allocation is equal to the Local Cost
- 27 Allocation Per Pupil for the system where each student resided prior
- 28 to adjudication multiplied by the prior year average daily
- 29 membership of the Office of Juvenile Justice schools.
- 30 c. For the purpose of the Local Cost Allocation Per Pupil, the

1 average daily membership of the Office of Juvenile Justice (OJJ)
2 shall be included in the membership counts of the city, parish, or
3 other local public school board in which the student resided prior to
4 adjudication to the Office of Juvenile Justice.

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

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

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

15 **3. Mid-Year Student Allocations**

16 a. Student counts in October and February may result in
17 mid-year allocation adjustments for the following: city and parish
18 school systems, Recovery School District, New Type 2 Charter
19 schools, Legacy Type 2 Charter schools, Type 3B Charter schools,
20 Louisiana State University, Southern University, and University of
21 Louisiana at Lafayette Lab schools, Louisiana School for Math,
22 Science and the Arts (LSMSA), New Orleans Center for Creative
23 Arts (NOCCA), and Thrive Academy.

24 b. If the current year October 1 Mid-Year Student Count is more
25 or less than the prior year February 1 student count, an adjustment to
26 the current year allocation shall be made for each student gained or
27 lost. The October adjustment equals the number of students gained
28 or lost times the annual State Cost per pupil allocation amount for the
29 system or school in which the change occurred. The February
30 adjustment equals the number of students gained or lost times

1 one-half of the State Cost per pupil allocation for the system or
2 school in which the change occurred.

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

7 d. Mid-Year adjustments for the Recovery School District shall
8 utilize the final State Cost per pupil allocation for the system of prior
9 jurisdiction.

10 e. If the Recovery School District qualifies for an October
11 Mid-Year Adjustment to the State Cost per pupil allocation, a
12 Mid-Year adjustment shall also be made to the Local Cost per pupil
13 allocation for the system of prior jurisdiction. The October Local
14 Cost per pupil allocation shall be recalculated based on updated
15 revenue data for the system of prior jurisdiction. There shall be no
16 recalculation of the Local Cost per pupil allocation in conjunction
17 with the February 1 student count.

18 f. City, Parish, or Local public school systems or schools in the
19 first year of operation are not eligible for an October Mid-Year
20 Adjustment. However, their allocation will be finalized using October
21 1 data. The newly opened city, parish, or local public school systems
22 or schools will qualify for the February 1 mid-year adjustment.

23 g. October and February Mid-Year Adjustments shall be
24 combined and applied in the March through June payments.

25 **Total MFP State Cost Allocation**

26 **Formula:**

27 **Total MFP State Cost Allocation**

28 **Equals**

29 **Level 1 State Cost Allocation**

30 **Plus**

1 **Level 2 State Cost Allocation**

2 **Plus**

3 **Level 3 State Cost Allocation**

4 **Plus**

5 **Level 4 State Cost Allocation**

6 **II. FORMULA CALCULATIONS FOR STATE-APPROVED PUBLIC**
7 **SCHOOLS**

8 **A. Recovery School District**

9 1. State Cost Allocation

10 a. Once all final calculations are made, the final State Cost
11 Allocation Per Pupil Amount for the city or parish school system
12 which counted the Recovery School District students will be
13 multiplied by the February 1 Recovery School District Student
14 Membership Count to equal the Recovery School District State Cost
15 Allocation.

16 b. In a system with one or more Type 3B charter schools, if the Type
17 3B charter is not its own LEA, the local school system shall distribute
18 minimum foundation program formula funds to each Type 3B charter
19 school in the system pursuant to calculations determined by the
20 Louisiana Department of Education. If the Type 3B charter is its own
21 LEA, such payments shall be made to the Type 3B charter school by
22 the Louisiana Department of Education. Such calculations shall
23 include differentiated funding weights for certain students, including
24 students identified as being eligible for special education services.
25 The calculations shall ensure equity so that each Type 3B charter
26 school in the system receives a per-pupil amount equal to the amount
27 a Type 5 charter school located in the same parish or school system
28 boundary would have received from the Recovery School District
29 (RSD).

30 2. Local Cost Allocation

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

3 **Formula:**

4 **Local Cost Allocation Per Pupil**

5 **Equals**

6 **Projected Local Revenues from District of Prior Jurisdiction**

7 **Divided by**

8 **Total School District Membership (Recovery School District Student**
9 **Membership Count plus Student Membership Count for the system of**
10 **prior jurisdiction plus New Type 2 Charter school students residing in**
11 **the jurisdiction)**

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

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

- 23 1. Sales and use taxes, less any tax collection fee paid by the
- 24 school system
- 25 2. Ad valorem taxes, less any tax collection fee paid by the
- 26 school system
- 27 3. Earnings from sixteenth section lands owned by the school
- 28 system

29 d. The exclusion of any portion of local revenues specifically
30 dedicated by the legislature or by voter approval to capital outlay or

1 debt service shall be applicable only to a charter school housed in a
2 facility or facilities provided by the system in which the charter
3 school is located.

4 e. The projected local revenues shall be divided by the Total
5 School District Membership Count including the Recovery School
6 District Student Membership Count, both operated and charter
7 schools, plus the Student Membership Count of the system of prior
8 jurisdiction. If any New Type 2 Charter School student resides within
9 the physical boundaries of the system of prior jurisdiction, this school
10 the student attends shares in the local revenues of the system of prior
11 jurisdiction. As a result, the New Type 2 Charter School Student
12 Membership Count of the students residing in the jurisdiction will be
13 added to the Recovery School District and the system of prior
14 jurisdiction Student Membership Count.

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

19 **Formula:**

20 **Local Cost Allocation**

21 **Equals**

22 **Projected Local Revenues from District of Prior Jurisdiction Per Pupil**

23 **Multiplied By**

24 **Recovery School District Student Membership Count**

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

29 h. Based on the October 1 Student Membership Count, the local
30 revenue allocation per student will be recalculated and there will be

1 a corresponding adjustment in the local revenue allocation. No
2 recalculation of the local revenues per student will occur as a result
3 of the February 1 Student Count adjustment.

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

7 j. A final reconciliation will occur based upon the receipt of the
8 annual audited financial statements of the system of prior
9 jurisdiction. If an increase or decrease in local revenue collections
10 exists, the state superintendent may establish a payment schedule. In
11 the event that the fiscal status of the system of prior jurisdiction or
12 the Recovery School District changes during the fiscal year or on or
13 before the final reconciliation, the state superintendent may adjust the
14 local revenue based on the revenues identified.

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

21 **B. New Type 2 Charter Schools**

22 A New Type 2 Charter school is a Type 2 Charter school approved after July 1,
23 2008, by the State Board of Elementary and Secondary Education.

24 1. State Cost Allocation

25 a. Any New Type 2 Charter School shall annually be provided
26 a State Cost Allocation as determined by applying the formula
27 contained in R.S. 17:3995.

28 b. The State Cost Allocation equals the number of students
29 multiplied by the State Cost Allocation Per Pupil for the system in
30 which the student resides.

- 1 c. Mid-Year Adjustments shall adhere to the guidelines
2 established in this document.
- 3 2. Local Cost Allocation
- 4 a. Any New Type 2 Charter school shall annually be provided
5 a Local Cost Allocation by applying the formula contained in R.S.
6 17:3995.
- 7 b. The Local Cost Allocation equals the number of students
8 multiplied by the Local Cost Allocation Per Pupil for the system in
9 which the student resides.
- 10 c. One exception to R.S. 17:3995 is that the Local Cost
11 allocation will be funded with a transfer of the MFP monthly amount
12 representing the Local Cost Allocation from the city or parish school
13 system in which the attending students reside.
- 14 d. The city or parish where students attending the New Type 2
15 Charter school reside is the local taxing authority and shall provide
16 the local support for the students.
- 17 e. Mid-Year Adjustments will adhere to the guidelines
18 established in this document.
- 19 3. Virtual Charter schools may receive, as approved by the State Board of
20 Elementary and Secondary Education, a lesser percentage of the state and
21 local amount calculated in R.S. 17:3995.
- 22 4. Where student attendance is from multiple school systems, the
23 Department of Education shall determine the Local Cost Allocation based on
24 students reported by the schools. The student membership count of the New
25 Type 2 charter schools shall be included in the membership count of the city
26 or parish school board in which the student resides to determine the Local
27 Cost Allocation.
- 28 5. In the first year of operation, a New Type 2 Charter school shall be
29 allocated funding based on an estimated student count since a February 1
30 student count does not exist. The allocation will be finalized based on the

1 October 1 student count.

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

6 **C. Louisiana School for Math, Science, and the Arts (LSMSA), New Orleans**

7 **Center for Creative Arts (NOCCA), and Thrive Academy.**

8 1. The Louisiana School for Math, Science and the Arts (LSMSA), New
9 Orleans Center for Creative Arts (NOCCA), and Thrive Academy shall be
10 provided both a State and Local Cost allocation.

11 2. State Cost Allocation

12 a. The State Cost Allocation shall be based on the State Cost
13 Allocation Per Pupil for the city or parish school system
14 where the attending students reside.

15 3. Local Cost Allocation

16 a. The Local Cost Allocation will be based on the Local Cost
17 Allocation for the city or parish school system where the
18 attending students reside.

19 b. For any student enrolled in LSMSA, NOCCA, or Thrive
20 Academy, the Local Cost Allocation Per Pupil shall be
21 funded by the State.

22 c. Where student attendance is from multiple school systems,
23 the Department of Education shall determine the Local Cost
24 Allocation based on students reported by the schools.

25 **III. FORMULA PROCEDURES**

26 **A. Preliminary Allocation**

27 1. The Minimum Foundation Program formula for the upcoming
28 fiscal year adopted by the State Board of Elementary and Secondary
29 Education, along with a preliminary allocation schedule representing
30 the estimated cost of the proposed formula, shall be submitted to the

1 Joint Legislative Committee on the Budget and to the House and
2 Senate Education Committees for consideration no later than March
3 15.

4 2. This preliminary allocation shall utilize student and other input
5 data available at the time.

6 **B. Final Allocation**

7 Final allocations for the fiscal year in which the formula takes effect will be
8 determined no later than June 30 of the preceding fiscal year. The latest
9 available data will be utilized to calculate the final allocation except that
10 student count estimates will be utilized for school systems or charter schools
11 opening for the first time in the fiscal year beginning July 1. For first-year
12 city, parish, or other public school systems or schools, the final allocation
13 will be based on the October 1 count, once available.

14 **IV. FORMULA PAYMENTS**

15 **A. Payment Procedures**

16 The Total MFP State Cost Allocation for city, parish, and other school
17 systems and schools will be converted to monthly payments from July
18 through June each year except payments will be made on Level 4 allocations
19 as data becomes available.

20 **B. Requested Payment Adjustments**

21 If the city, parish, or other school systems and schools have documented
22 growth in students prior to the actual Mid-Year Student Counts in October
23 and February, a temporary change to the final allocation may be requested.

24 The State Superintendent is authorized to approve or deny this revision.

25 1. Sufficient documentation will be requested to substantiate this
26 requested allocation adjustment.

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

C. Payment Adjustments for Audit Findings

Review and/or audit of the systems' 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 systems, Recovery School District, Type 2 Charter schools, Type 3B Charter schools, Louisiana State University, Southern University, and University of Louisiana at Lafayette Lab schools, Office of Juvenile Justice (OJJ) schools, Louisiana School for Math, Science and the Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), and Thrive Academy.

V. 70% EXPENDITURE REQUIREMENT

To provide for appropriate accountability of state funds while providing city, parish, or local public school systems or other public schools flexibility in determining specific expenditures, city, parish, or local public school systems or other public schools must ensure that at least 70% of the city, parish, or local public school system or other public school general fund expenditures are in the areas of instruction and school administration at the school building level as developed by the Louisiana Department of Education and defined by the State Board of Elementary and Secondary Education regulations.

VII. SEVERABILITY PROVISION

If any provision of this minimum foundation formula or the application thereof is held invalid, such invalidity shall not affect other provisions or applications of this minimum foundation formula which can be given effect without the invalid provisions or applications, and to this end the provisions of this minimum foundation formula are hereby declared severable. The severability provision hereof shall be broadly construed so as to give effect to each and every possible provision or application of this minimum

1 foundation formula which is not specifically held invalid, unlawful, or
2 unconstitutional.

3 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
4 approve the formula developed by the State Board of Elementary and Secondary Education,
5 pursuant to Article VIII, Section 13(B) of the Constitution of Louisiana, to determine the
6 cost of a minimum foundation program of education in all public elementary and secondary
7 schools as well as to equitably allocate the funds to parish and city school systems, and
8 adopted by the board on May 12, 2021.

9 BE IT FURTHER RESOLVED that this Resolution shall become effective on
10 July 1, 2021.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Jeanne C. Johnston.

	DIGEST	
SCR 2 Engrossed	2021 Regular Session	Fields

Provides for legislative approval of the Minimum Foundation Program (MFP) formula for FY 2021-2022 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 12, 2021.

The MFP formula currently in effect is the formula adopted by the board and approved by the legislature for the Fiscal Year 2019-2020.

Proposed formula has a projected cost of \$3.918 billion.

Proposed formula continues to utilize four levels to determine MFP funding allocations to city, parish, and other local public school systems and schools as follows:

- Level 1 - Calculate State and Local Cost Allocation
- Level 2 - Incentive for Local Effort
- Level 3 - Legislative Allocations
- Level 4 - Supplementary Allocations

Proposed law maintains the current base per pupil funding amount of \$4,015.

In Level Four, proposed formula provides for a pay raise of \$800 for certificated employees and \$400 for support workers, plus related retirement costs, with a projected cost of approximately \$80 million.

Effective July 1, 2021.

Summary of Amendments Adopted by Senate

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

1. Eliminate increase in the base per pupil amount and maintains the amount currently in effect.
2. Correct language for calculation of related retirement costs.
3. Increase the pay raise for teachers to \$800/year and for support workers to \$400/year.
4. Eliminate stipend for mentor teachers in Level Four.