



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HCR 21** HLS 24RS 474
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 11, 2024	11:14 AM	Author: SCHLEGEL
Dept./Agy.: EDUCATION/BESE		
Subject: FY 2024-2025 MFP Formula		Analyst: Julie Silva

SCHOOLS/FINANCE-MFP OR +\$71,300,000 GF EX See Note Page 1 of 2
 Provides for legislative approval of the MFP formula for FY 2024-2025

Concurrent resolution provides for the FY 24-25 Minimum Foundation Program (MFP) formula that was adopted by the Board of Elementary and Secondary Education (BESE) on March 6, 2024. The formula contains 4 levels: Level 1 - provides for the calculation of the total MFP costs and the proportion supported by the state and local school districts; Level 2 - provides incentive for local effort; Level 3 - provides for specific legislative allocations (continued funding for past pay raises, historical funding allocations based on hold harmless reallocations, and mandated cost increases in health insurance, retirement, and fuel); Level 4 - provides for supplementary funding, including Foreign Language Associate salary and stipends; career development allocations; high cost services allocations; and supplemental course allocations.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$71,300,000	\$0	\$0	\$0	\$0	\$71,300,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$71,300,000	\$0	\$0	\$0	\$0	\$71,300,000
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed concurrent resolution will result in an estimated net increase of \$71.3 M in state expenditures over the FY 24 formula budget as calculated based on the last adopted (FY 23) Minimum Foundation Program formula. **\$4,098,802,179 is needed to fully fund the MFP.**

HCR 21 Compared to FY 24 EOB:

FY 24 Existing Formula Budget:	\$4,027,502,179
FY 25 BESE-Adopted MFP:	\$4,098,802,179
Difference	\$71,300,000

Significant increases include the addition of a differentiated compensation component to address teacher recruitment and retention (\$25 M), a \$22 increase in the per pupil mandated cost allocation (\$14.3 M), an expansion of the Supplemental Course Allocation (SCA) for student apprenticeships (\$2 M), funding for accelerated tutoring for kindergarten through third grade students (\$30 M), and the inclusion of the Ecole Pointe au Chien in the formula (\$369,000).

LEVEL 1: Uses the February 1 student count to determine the cost of education services. Maintains the weights for Career and Technical Education units (6%), Special Education/Other Exceptionalities (150%) and Special Education/Gifted and Talented (60%), Low Income and English Learner (22%), and Economy of Scale (0%-20%). Maintains the base cost per pupil of \$4,015. Maintains a state and local allocation ratio of 65% to 35%. The February 2024 student count is 646,481 down from the February 2023 count by 3,994 students. The total weighted membership count is 938,762.

LEVEL 2: Maintains the provisions of incentives for local effort. The total MFP educational costs are shared between the state and the city or parish school systems. The ability of school systems to support the cost of education in their communities is measured by the potential to raise local revenue measured in Level 1 by 1) local property tax revenue contribution, 2) local sales tax revenue contribution, and 3) other local revenue contribution. Level 2 provides incentives for city and parish school systems that contribute a greater proportion of local revenues towards the cost of education in their communities by increasing local property and sales tax revenues as measured by 1) total sales taxes, 2) total property taxes, 3) state and federal revenue in lieu of taxes, and 4) 50% earnings on property revenue.

CONTINUED ON PAGE 2

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: HCR 21 HLS 24RS 474
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Table with metadata: Date: April 11, 2024 11:14 AM, Author: SCHLEGEL, Dept./Agy.: EDUCATION/BESE, Subject: FY 2024-2025 MFP Formula, Analyst: Julie Silva

CONTINUED EXPLANATION from page one:

LEVEL 3: Continues the pay raises for certificated and support personnel initiated in 2001-2002, 2006-2007 through 2008-2009, and increases the per pupil allocation amount of the Mandated Costs Allocation by \$22 per pupil from \$100 to \$122.

LEVEL 4: Supplementary Allocations. 1) Career Development Allocation to support the development of technical courses required for statewide credentials in city and parish school systems and other public schools in the amount of 6% of the base per pupil cost for each qualifying student course enrollment; a minimum amount of \$25,000 will be provided for each city and parish school system and a minimum of \$10,000 will be provided for other public schools with students enrolled in grades 9 through 12; 2) Differentiated Compensation increases \$25 M to support the recruitment and retention of teachers based on local needs with an allocation of \$1,000 per teacher. These funds may be used for any of the following categories of expenditures: Stipends for teachers in critical shortage areas as determined by BESE; Stipends for Highly Effective Teachers (as defined in R.S. 17:381 through 3095 and Bulletin 130, Section 309); Stipends for teachers working in High Need schools defined as those with an Economically Disadvantaged rate of 85% or greater; Stipends for teacher leadership positions including classroom teachers appointed to lead weekly teacher collaborations, or those that serve as coaches or mentors. 3) High Cost Services Allocation to provide additional funds to public school systems and schools which substantiate that the prior year's cost of services for students with disabilities exceeds three times the most recent state average total expenditure per pupil amount; allocation amounts will be limited by the amount budgeted for this initiative and are to be distributed equitably to school systems and other public schools proportional to the total of qualifying applications submitted. 4) Supplemental Course Allocation to provide for the cost of secondary course choices specifically approved by BESE. For each school system and other public schools funded through the formula, the proposed allocation shall equal \$70 for each student enrolled in grades 7-12 as of February 1. Provides for the redistribution of uncommitted funds as of a date set by LDOE. Expands the SCA provision by adding a specific funding allocation for student apprenticeships. Funding would be allocated to school systems based on the number of eligible students who enroll in the program in either the fall or spring semester, up to 500 enrollments annually. If a school system is defined as "rural" by the U.S. Census Bureau, each school will receive \$3,500 per enrollment and if the system is "non-rural", each school will receive \$2,500 per enrollment. The variation in allocation amounts is due to the extra support needed for certain costs, such as those associated with the transportation of students to apprenticeship sites in rural parts of the state. 5) International Language Associate Program Salary and Stipends Allocation continues the supplemental allocation at \$21,000 per teacher, the first-year installation stipend of \$6,000, and the second-year and third-year retention stipend of \$4,000. The cap of 300 teachers is retained. 6) Mentor Teacher Stipend Allocation to provide a \$2,000 stipend to each certificated mentor teacher or teacher serving as the assigned mentor of record responsible for supporting undergraduate and post-baccalaureate resident teachers. 7) Resident Teacher Stipend Allocation moves the resident teacher stipend, which provides a \$3,300 stipend to each undergraduate and post-baccalaureate resident teacher, out of the pay raise allocations within Level 4, to its own separate section in Level 4, with no impact on costs. 8) Accelerate Tutoring provides funding for literacy and math tutoring, focusing on students with the most need for improved outcomes in kindergarten through fifth grade (\$30 M).

ALLOCATIONS FOR OTHER PUBLIC SCHOOLS: Continues funding methodology for the LSU, Southern University, and University of Louisiana at Lafayette Lab Schools, Type 2 Charter Schools, Office of Juvenile Justice Schools, the Recovery School District, NOCCA, LSMSA, Thrive Academy, and the Special School District. Adds Ecole Pointe au Chien under the same funding methodology used for the other special schools (\$369,000).

70% EXPENDITURE REQUIREMENT: Continues language that city, parish, local public school systems, or other public schools ensure that 70% of the general fund expenditures are in the areas of instruction and school admin.

Senate Dual Referral Rules
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
[X] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Patrice Thomas
Patrice Thomas
Deputy Fiscal Officer