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

DIGEST

Appel

SCR No. 23

Provides for legislative approval of the formula for FY 2013-14 to determine the cost of a minimum foundation program (MFP) of education in all public elementary and secondary schools as well as to equitably allocate the funds to local public school systems (including the Recovery School District, the LSU and SU laboratory schools, the Office of Juvenile Justice schools, the La. School for Math, Science, and the Arts, the New Orleans Center for Creative Arts, Type 2 Charter schools, the Special School District, and the La. School for the Deaf and Visually Impaired) as developed by the State Board of Elementary and Secondary Education (BESE) and adopted by the board on March 8, 2013.

I. FUNDING FOR CITY AND PARISH SCHOOL DISTRICTS

Present formula utilizes three levels to determine MFP funding allocations for city and parish school systems, as follows:

- Level 1 - Cost Determination and Equitable Distribution of State and Local Funds
- Level 2 - Incentive for Local Effort
- Level 3 - Legislative Enhancements

Proposed formula utilizes four levels to determine MFP funding allocations, as follows:

- Level 1 - Calculation of Total MFP Educational Costs and the Proportion of the Costs Supported by the State and Local School Districts.
- Level 2 - Incentive for Local Effort
- Level 3 - Supplemental Funding
- Level 4 - School Level Funding

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

Compared to present formula, **Level 1 of proposed formula** determines total MFP educational costs, as follows:

- (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:
 - 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)
 - Louisiana School for the Deaf and Visually Impaired (LSDVI)
- (3) Provides, for the FY2013-2014 MFP formula only, special assistance 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.
- (4) Maintains the existing weight of 22% for add-on student units for at-risk and English language learner students and re-designates this the "Low Income and English Language Learner Weight". Deletes the directive that BESE seek to increase the at-risk weight to 0.40 over a seven year period.
- (5) Maintains the existing weight of 6% for Career and Technical Education course units.
- (6) Revises the existing weight of 150% for all Special Education/Other Exceptionalities students and instead provides for differentiated special education weights utilizing three categories of disabilities, as follows:
- (a) Needs of the Child - based on relative cost of providing services to student.

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

- (b) How the Child is Educated - based on relative cost of environment or placement. (Does not include speech articulation and language students or students parentally placed in a private school.)

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

- (c) How Well the Child is Educated - recognizes how well the academic interest of students with disabilities is served.

Student Performance

- Category 1 Weight - 135% for students with disabilities whose score in English/Language Arts or math in the Value Added Model "exceeded expected achievement" or whose Louisiana Alternative Assessment 1 (LAA1) or Louisiana Alternative Assessment 2 (LAA2) test results

improved one or more achievement levels.

- Category 2 Weight - 175% for students with disabilities whose score in English/Language Arts or math in the Value Added Model "significantly exceeded expected achievement".

Graduation Rate

- Weight of 150% for students with disabilities who graduate within four or five years of entering high school.

Continued Services After Declassification

- Weight of 150% to recognize the costs to school districts associated with students declassified from special education but still requiring special education services. (Does not include students identified as developmentally delayed or speech articulation impairment.)

Solutions Prior to Referral - recognizes district academic interventions prior to student referral for special education services.

- Weight of 12% if the change in the special education referral rate is greater than or equal to -2.0 percent.
- Weight of 6% if the change in the special education referral rate is between -1.99 and 0 percent.
- Weight of 3% if the change in the special education referral rate is between .01 and 1.0 percent.
- No weight is provided if the change in the special education referral rate is above 1.0 percent.

- (7) Revises the existing weight of 60% for Special Education/Gifted and Talented students and provides instead for two levels of gifted and talented weights, as follows:
- Weight of 60% for students in grades Preschool through eight identified as Gifted and Talented.
 - Weight of 30% for students in grades 9 - 12 identified as Gifted and Talented.
- (8) Establishes a new "High Standards Weight" of 30%, based upon student performance, to recognize the cost of providing advanced course work, as follows:
- 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 or higher on an International Baccalaureate (IB) Course.

Proposed formula provides that the 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, as follows:

- The financial impact of incorporating these weights will be determined by comparing the FY 2012-13 formula as originally adopted to the same formula utilizing the revised weights.
- Increases or decreases experienced as a result of these weights will be implemented at a rate of 10% of the true impact and will be applied to the final FY 2013-14 total state cost allocation for each school or school system included in the MFP formula.

(9) Maintains the Economy of Scale curvilinear weight of 20% for school systems with a student membership of less than 7,500.

(10) Retains base per pupil funding amount of \$3,855.

Proposed formula provides that Total MFP Educational Cost is equal to the Total Weighted Membership Count multiplied by the State and Local Base Cost Per Pupil.

Present formula provides that if no annual increase is provided in the formula and the formula previously adopted remains in effect, BESE must annually adjust the state and local per pupil amount, with approval from the Joint Legislative Committee on the Budget (JLCB). Further provides that if the JLCB does not approve the rate established by BESE, then an annual growth adjustment of 2.75% shall be automatically applied to the state and local base per pupil amount.

Proposed formula deletes these provisions and instead provides that BESE shall reconsider the state and local base cost per pupil on an annual basis.

Compared to present formula, Level 1 of proposed formula determines the proportion of the costs supported by the state and local school districts, as follows:

- (1) Retains provisions that the calculation of the local school system share of the total MFP cost includes a property tax revenue contribution, a sales tax revenue contribution, and an other revenue contribution, as follows:
 - (a) Local Property Revenue Contribution is calculated by multiplying the State Computed Property Tax Millage (debt and non-debt) by each school system's Net Assessed Property Value for the latest available fiscal year including Tax Increment Financing (TIF) areas. If a 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 will be capped at 10%. This cap will be 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 the 65% to 35% state to local share.

- (b) Local Sales Tax Revenue Contribution is calculated by dividing the district's actual sales tax revenue collected (including debt service) by the district's sales tax rate that was applicable to create a sales tax base. If a local school system'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. Each district's sales tax base is then multiplied by the state's projected yield of the sales tax rate. The computed sales tax rate is calculated annually at the rate necessary to maintain the 65% to 35% state to local share.
 - (c) Other Revenue Contribution is calculated by combining state revenue in lieu of taxes, federal revenue in lieu of taxes, and 50% of earnings on property.
 - (d) Retains provisions specifying that the Local Cost Allocation equals the sum of adding the property tax contribution, the sales tax contribution, and the other revenue contribution.
- (2) Retains provisions specifying that the State Cost Allocation is calculated by subtracting the Local Cost Allocation from the total state and local cost as determined in Level 1.
 - (3) Retains provisions specifying that in no event shall the state share of the total Level 1 costs be less than 25% for any district.

B. Level 2 - Incentive for Local Effort

- (1) Retains present formula 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; as follows:
- (2) Eligible Local Revenue is equal to prior year local revenues collected for educational purposes - total sales tax, plus total property tax, plus state and federal revenue in lieu of taxes, plus 50% of earnings on property.
- (3) Local Revenue Eligible for Reward is equal to eligible local revenue minus local share cost of allocation.
- (4) Limit on Revenue Eligible for Reward is equal to the total state and local cost multiplied by 34%.
- (5) Continues provision that the Level 2 Reward Factor determines the amount of local support required in Level 2. Establishes the Level 1 Reward Factor at 1.72% and provides

that BESE may reset this factor on an annual basis.

C. Level 3 - Supplementary Funding

Present formula designates Level 3 as Legislative Enhancements and included continuing pay raises for certificated and non-certificated support workers, funding for foreign language associate teachers, hold harmless funding for certain school districts, and funding for increasing mandated costs in health insurance, retirement, and fuel. Proposed formula moves funding for foreign language associate teachers to the new Level 4 created in the formula, but retains all other Level 3 components included in present formula.

Continuation of Funding for Pay Raises:

- (1) Continues supplemental pay raises for certificated personnel initiated in 2001-02, 2006-07, 2007-08, and 2008-09 as a per pupil amount.
- (2) Continues supplemental pay raises for non-certificated support workers initiated in 2002-03, 2006-07, and 2007-08 as a per pupil amount.

Hold Harmless Enhancement

- (1) Continues the 10-year phase-out of hold harmless funding for Concordia, East Baton Rouge, Evangeline, Iberville, Jefferson, Plaquemines, St. Bernard, St. James, and West Feliciana parishes, beginning with a 10% reduction of the revised "over funded" amount in FY 07-08. Additionally provides that this provision remains in effect within the formula for FY 2013-14.
- (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) Present formula provides that the annual 10% reduction amount will be repurposed and utilized as rewards for student progress. Further provides that reward schools shall include high performing schools and schools achieving significant student progress, as defined by BESE.

Proposed formula deletes these provisions and instead provides for these funds to be used for monetary rewards to Top Gains schools in Level 4 of proposed formula.

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

Proposed formula continues present formula 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.

Proposed formula provides that Total Level 3 Supplementary Funding is equal to continuation pay raises, plus hold harmless enhancement, plus support for increasing mandated costs in health insurance, retirement, and fuel.

D. Level 4 - School Level Funding

Proposed formula creates a new Level 4, as follows:

Foreign Language Associate Enhancement

(Present formula includes funding for foreign language associate teachers in Level 3.)

Compared to present formula, proposed formula provides as follows with regard to foreign language associate teachers:

- (1) Continues the supplemental allocation of \$20,000 per teacher from BESE to local school systems that employ a Foreign Language Associate or a graduate of the Escadrille Louisiane program , not to exceed a total of 300 teachers.
- (2) Retains requirement that such 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 \$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'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.

Top Gains Schools

Present formula provides for rewards for student progress. Proposed formula places this program in Level 4 to provide monetary rewards to Top Gains schools, as follows:

- (1) Provides that the state designates schools that achieve their growth target as a Top Gains school if they are not in subgroup component failure and are not identified as failing No Child Left Behind (NCLB) subgroup performance for more than one year.
- (2) Provides that Top Gains schools are eligible for monetary rewards that can be used for any educational purpose within the school.
- (3) Provides that the annual 10% reduction to the remaining Hold Harmless amount for FY 2012-13 and FY 2013-14 will be utilized to support monetary rewards to Top Gains schools in FY 2013-14.

- (4) Provides that Top Gains schools shall include high performing schools and schools achieving significant progress as defined annually by BESE.

Proposed formula provides that Total Level 4 School Level Funding is equal to the Foreign Language Associate Program salary and stipends plus Tops Gains school rewards.

TOTAL MFP ALLOCATION

Proposed formula provides that Total MFP Allocation is equal to the combined cost allocations in Levels 1, 2, 3, and 4 of the proposed formula.

II. ALLOCATION PROCEDURES

A. Preliminary and Final Allocations

Proposed formula retains provisions of present formula relative to the computation of preliminary and final MFP allocations, as follows:

- (1) BESE determines no later than March 15 each year for the upcoming fiscal year preliminary allocations of the MFP formula for city, parish, and other local public school systems, the RSD, LSU and SU laboratory schools, OJJ , LSMSA, NOCCA, Type 2 charter schools, SSD, and LSDVI using the latest available data. Upon adoption by BESE of such preliminary allocations for the ensuing fiscal year, the superintendent submits the MFP funding requirements to the Joint Legislative Committee on the Budget and to the House and Senate committees on education.
- (2) Upon legislative approval of the MFP formula resolution for the upcoming fiscal year, BESE determines final allocations for local school systems (including the RSD, LSU and SU laboratory schools, OJJ schools, LSMSA, NOCCA, Type 2 charter schools, SSD, and LSDVI), using latest available data, no later than June 30.

B. Payment Adjustments

Proposed formula retains present formula provisions that allow city, parish, and other local public school systems, the RSD, LSU and SU laboratory schools, OJJ , LSMSA, NOCCA, Type 2 charter schools, SSD, and LSDVI with documented student growth prior to actual mid-year student counts in October and February to request a temporary change to the final MFP allocation. If granted by the state superintendent of education, the adjusted allocation will remain in effect until the actual October or February mid-year student count. After the actual counts, the amounts will be reconciled and payments adjusted accordingly.

C. Mid-Year Allocation Adjustments

Proposed formula retains present formula provisions, as follows:

- (1) If a school/school district's current year Oct. 1 student count is more or less than the previous year's Feb. 1 membership, a mid-year adjustment to per pupil funding shall be made for each student gained or lost based on the final MFP allocation.
- (2) If a school/school district's current Feb. 1 student count is more or less than the current year's Oct. 1 membership, a second mid-year adjustment to per pupil funding shall be made for each student gained or lost based on one-half the final MFP allocation.
- (3) Districts and schools may request the state superintendent to make estimated monthly payments based on documented mid-year growth prior to the Oct. 1 count and prior to the Feb 1 count.
- (4) If the RSD, the district of prior jurisdiction, and local education agencies have an increase or decrease in current year Oct. 1 membership above the prior year Feb. 1 number included in the final MFP allocation individually, such entities shall receive a mid-year adjustment of MFP funding based upon the number of students identified above or below the membership number used in the final MFP allocation.
- (5) If the RSD Oct. 1 membership count qualifies for a mid-year adjustment to state funds, a mid-year adjustment to local per pupil funding also shall be made for each additional student gained or lost based on the local per pupil amount of the district of prior jurisdiction times the increased number of students. For Feb. 1 increases, one-half of the local per pupil amount will be transferred.
- (6) For newly opened school districts or local education agencies, in the first year of operation, a special mid-year adjustment will be made to finalize their MFP formula allocations using Oct. 1 data. This special mid-year adjustment will replace the Oct. mid-year adjustment. The newly opened school districts or local education agencies will qualify for the Feb. 1 mid-year adjustment.

Proposed formula provides that October and February mid-year adjustments will be combined and applied in the March through June payments.

III. FUNDING GUIDELINES

A. FUNDING FOR THE RECOVERY SCHOOL DISTRICT

Continues RSD local revenue calculations contained in present formula as follows:

State Cost Allocation:

- (1) The student membership and weighted student counts of schools transferred to the RSD shall be included in the membership and weighted counts of the jurisdiction from which the school was transferred.

- (2) Once all final calculations have been made, the final state cost allocation per pupil amount for the city or parish school district which counted the RSD students will be multiplied by the February 1, RSD student membership count to equal the RSD state cost allocation.
- (3) The RSD state cost allocation is converted to a monthly amount that will be reduced from the monthly MFP allocation of the district of prior jurisdiction and transferred to the RSD.

Local Cost Allocation:

- (1) The RSD also receives an applicable local revenue per student allocation determined by dividing the projected local revenues from the district of prior jurisdiction by total RSD student membership count for the district of prior jurisdiction.
- (2) Local revenue is defined to include revenue from the following sources, excluding any portion specifically dedicated by the legislature or voter approval to capital outlay or debt service:
 - a. Sales and use taxes, less collection fees.
 - b. Ad valorem taxes, less collection fees.
 - c. Earnings from 16th Section lands.
- (3) Provides that exclusion of any portion of local revenues specifically dedicated by the legislature or by voter approval to capital outlay or debt service, are applicable only to a charter school housed in a facility or facilities owned by the district in which the charter school is located.
- (4) Projected local revenue is divided by the total school district membership count, including RSD membership count plus the student membership count of the district of prior jurisdiction. Type 2 charters within the district of prior jurisdiction share in the local revenues. Type 2 charter school student membership counts will be added to the RSD and the district of prior jurisdiction student membership counts.
- (5) Once the local amount is determined it is adjusted to a monthly amount that is transferred from the MFP monthly allocation of the local school board of prior jurisdiction to the RSD.
- (6) 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 collections exists, the state superintendent may establish a payment schedule.
- (7) Except for administrative costs, monies appropriated to the RSD attributable to transfer of

a school from a local school board shall be expended solely on the operation of the transferred schools.

B. FUNDING FOR LSU AND SU LAB SCHOOLS

Present formula provides that each student enrolled at LSU or SU lab schools shall be provided for and funded from the MFP a per pupil amount equal to the amount allocated per student for the state share of the MFP.

Proposed formula provides that each student in the prior year February 1 student membership count at the LSU and SU Lab Schools shall be funded at the average state cost allocation per pupil.

Proposed formula retains present formula requirement that MFP funds appropriated to LSU and SU lab schools shall be allocated to the institution of higher education operating such schools which shall ensure the equitable expenditure of such funds to operate the schools.

C. FUNDING FOR TYPE 2 CHARTER SCHOOLS

Retains present formula provisions regarding the funding for Type 2 charter schools, as follows:

- (1) Type 2 charter schools 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 share allocation from the city, parish, or local public school board in which the attending students reside. Specifies that the local school board that has local taxing authority shall provide the local support for the students.
- (2) Virtual charter schools may receive a lesser percentage of the state and local amount calculated pursuant to R.S. 17:3995, as approved by BESE.
- (3) The local share allocation for any student that resides on a military base shall be funded by the state.
- (4) Where student attendance is from multiple school districts, the Dept. of Education shall determine the local share based on students reported by the schools.
- (5) Student membership count of Type 2 charter schools shall be included in the membership count of the local school board in which the school is located to determine the local share.

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

Continues present formula provisions relative to funding for OJJ schools as follows:

- (1) Any elementary or secondary school operated by OJJ shall be considered a public school and annually appropriated funds as determined in the MFP formula.
- (2) Each student counted in the prior year average daily membership shall be provided for and funded from the MFP a state cost allocation per pupil amount 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 shall be adjusted based on a factor determined by DOE to provide for the differential in the number of educational days provided to students in OJJ custody.
 - b. The state cost allocation per pupil shall also be adjusted to recognize the increased number of special education students in OJJ schools relative to the state average special education student population.
- (3) Each student counted in the prior year average daily membership shall be provided for and funded from the MFP a local cost allocation per pupil amount equal to the amount allocated per student for the district where the student resided prior to adjudication.
 - a. For purposes of the local cost allocation per pupil amount, the average daily membership of the OJJ shall be included in the membership counts of the local school board in which the student resided prior to adjudication to OJJ.
 - b. 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 local school board in which the attending students resided prior to adjudication to OJJ.

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)

Continues present formula provisions relative to funding for SSD, LSDVI, LSMSA AND NOCCA as follows:

- (1) Funds shall be allocated based on the state and local cost allocation for the city or parish school board where the attending students reside.
- (2) The local cost allocation will be funded with a transfer of the MFP monthly amount representing the local cost allocation for the school district in which the student resides. Further provides that where student attendance is from multiple school districts, the Dept. of Education shall determine the local share based on students reported by the schools.

- (3) Specifies that requirements in the formula relative to using 50% of increased funds for pay raises for certificated personnel also apply to these schools.
- (4) For districts that share local revenue, allocations will be completed before the calculation of local revenues.
- (5) Student membership and weighted student counts shall be included in the membership and weighted counts of the local school board where the student resides using actual prior year Feb. 1 enrollment data.

CHOICE SYSTEM

Course Choice Program

Proposed formula deletes all present formula provisions relative to eligible educational service providers and the course choice program, including student eligibility, the cost of courses, and allocation of MFP funding.

Proposed formula instead provides that authorized educational service providers are those entities approved by the state to provide educational courses to students statewide. Specifies that this program shall be administered by applicable laws.

Student Scholarships for Educational Excellence Program (SSEEP)

Proposed law retains present formula provisions as follows:

- (1) BESE will adopt an annual maximum tuition rate increase for participating nonpublic schools by establishing a percentage of the MFP per pupil in the school district where the nonpublic school is located and such school may not increase its annual tuition for scholarship students by an amount that exceeds that percentage.
- (2) Requires BESE to measure the rate at which all schools serving scholarship students admit and serve students with special education needs.
- (3) Allows BESE to establish a lower rate of funding for schools not meeting a minimum threshold of special education enrollment as established by BESE.

Proposed formula specifies that this program shall be administered by applicable laws.

Proposed formula deletes all other present formula provisions relative to SSEEP, including student eligibility, scholarship amounts, criteria for participating public schools, and MFP allocations.

Proposed formula provides that in the event that the 19th Judicial District Court judgment in LFT vs. State, et al (consolidated with LSBA, et al v State, et al, Docket Number 612,733, 613,142;

and 613,320) is not reversed by the Louisiana Supreme Court, the funding for the Student Scholarships for Educational Excellence Program (SSEEP) and Course Choice Program included the FY 2013-14 Minimum Foundation Program (MFP) formula will not be in contradiction to the District Court judgment.

Proposed formula deletes present formula provisions relative to the Early High School Graduation Program.

IV. ADJUSTMENTS FOR AUDIT FINDINGS AND DATA REVISIONS

Continues present formula provisions as follows:

Provides that review and/or audit of a district's data may cause changes in final statistical information and that any necessary adjustments in a district's MFP allocation resulting from such audit findings will be made in the following school year.

REQUIRED EXPENDITURE AMOUNTS

Proposed formula deletes present formula provisions relative to required expenditures, as follows:

(1) Required Pay Raise for Certificated Personnel

Deletes requirement that 50% of increased funds over the prior year shall only be used to supplement full-time certificated salaries and retirement benefits for school systems, the RSD, LSU/SU lab schools, OJJ, SSD, LSMSA, NOCCA, and Type 2 charter schools with an average teacher salary below the SREB average teacher salary.

(2) 70% Local General Fund Required Instructional Expenditure at the School Building Level

Deletes requirement that 70% of local school system general fund expenditures must be in the areas of instruction and school administration at the school building level and additionally provides as follows for a local school district that fails to meet the 70% instructional expenditure requirement and that specifies consequences for districts that fail to meet this requirement.

ACCOUNTABILITY PROVISIONS

Deletes the following present formula provisions relative to accountability as follows:

- (1) Each school recognized by DOE will be included in a MFP Accountability Report containing specific data and submitted to the House and Senate education committees by June 30 of each year.
- (2) Accountability for all weight factors: at-risk, career and technical education, special

education other exceptionalities, and special education gifted and talented.

- (3) Annual report to DOE detailing the types of activities for which these funds were expended to serve the needs of the weighted students.

STUDY OF FUNDING FOR PUBLIC EDUCATION

Proposed formula deletes present formula provisions directing BESE to encourage school districts to explore utilizing student-based budgeting as a tool to improve student achievement.