
SENATE COMMITTEE AMENDMENTS

Amendments proposed by Senate Committee on Education to Original Senate Concurrent Resolution No. 55 by Senator Appel

1 AMENDMENT NO. 1

2 On page 1, line 6, between "systems," and "adopted" delete "and"

3 AMENDMENT NO. 2

4 On page 1, line 7, between "2014" and the period "." insert ", and amended by the board on
5 May 12, 2014"

6 AMENDMENT NO. 3

7 On page 1, line 9, between "Year" and "adopted" insert "was"

8 AMENDMENT NO. 4

9 On page 1, line 11, after "law" delete the remainder of the line and insert "; and"

10 AMENDMENT NO. 5

11 On page 1, after line 11, insert the following:

12 "WHEREAS, the Minimum Foundation Program formula for the 2014-2015 Fiscal
13 Year adopted by the State Board of Elementary and Secondary Education on March 13,
14 2014, was not approved by the legislature; and

15 WHEREAS, the Minimum Foundation Program formula for the 2014-2015 Fiscal
16 Year adopted by the State Board of Elementary and Secondary Education on March 13,
17 2014, was amended by the State Board of Elementary and Secondary Education on May 12,
18 2014, and was resubmitted to the legislature for approval on May 14, 2014, and reads as
19 follows:"

20 AMENDMENT NO. 6

21 On page 1, delete lines 12 through 18, delete pages 2 through 28, and on page 29, delete
22 lines 1 through 26, and insert the following;

23 **"PROPOSED**
24 **FY 2014-2015 MINIMUM FOUNDATION PROGRAM FORMULA**

25 The FY 2014-15 Minimum Foundation Program (MFP) formula was adopted
26 by the State Board of Elementary and Secondary Education on March 13, 2014, and
27 amended May 12, 2014.

28 The formula determines allocations for city, parish, or other public school
29 systems or schools. The definition of city, parish, or local public school systems and
30 schools shall include city or parish school systems, Recovery School District
31 including operated and Type 5 charter schools, Louisiana School for Math, Science,
32 and the Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), New Type
33 2 Charter schools, Legacy Type 2 Charter schools, Office of Juvenile Justice (OJJ)
34 schools, and Louisiana State University and Southern University Lab schools. The
35 formula is divided into four calculations as follows:

36 **Level 1** determines the minimum cost of education based on the education
37 needs of each student. The cost includes funding for students enrolled in city and

1 parish school systems, Recovery School District operated and Type 5 Charter
 2 schools, and New Type 2 Charter schools. The cost is then shared equitably between
 3 the State and the city and parish school systems based on the ability of the systems
 4 to support education in their communities through local sales and property tax
 5 revenues.

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

9 **Level 3** provides specific legislative education funding to city and parish
 10 school systems for continuing teacher and support worker pay raises, the Hold
 11 Harmless provision, and mandated operating costs.

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

- 13 • Supplementary funding to meet specific needs at city, parish, or other
 14 local school systems and schools including Foreign Associate
 15 Teacher Salary and Stipends Allocation, Career Development
 16 Allocation, High Cost Services Allocation, and Supplemental Course
 17 Allocation.

- 18 • Allocations for State-Approved public school systems or schools
 19 including Legacy Type 2 Charter schools, Louisiana State University
 20 and Southern University Lab schools, New Orleans Center for
 21 Creative Arts (NOCCA), Louisiana School for Math, Science, and
 22 Arts (LSMSA), and Office of Juvenile Justice (OJJ) schools.

- 23 • Mid-Year Allocation Adjustments to account for mid-year increases
 24 and decreases in students in all city, parish, or other local public
 25 school systems or schools.

26 State MFP funds shall only be expended for educational purposes.
 27 Expenditures for educational purposes are those expenditures related to the
 28 operational and instructional activities of city, parish, or other public school systems
 29 or schools to include: instructional programs, pupil support programs, instructional
 30 staff programs, school administration, general administration, business services,
 31 operations and maintenance of plant services, student transportation services, food
 32 services operations, enterprise operations, community services operations, facility
 33 acquisition and construction services and debt services as defined by Louisiana
 34 Accounting and Uniform Governmental Handbook, Bulletin 1929.

35 **I. FORMULA CALCULATIONS**

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

37 **1. Determine Educational Costs**

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

- 40 1. City and Parish school systems
- 41 2. State-Approved Public Schools - The student counts of the following
 42 state-approved schools shall be included in the membership and
 43 weighted student counts of the city or parish school system in which
 44 the student resides:
 45 a) New Type 2 Charter schools.
- 46 3. Recovery School District - The student membership and weighted
 47 student counts of schools transferred to the Recovery School District,
 48 both operated and Type 5 Charter schools, shall continue to be
 49 included in the membership and weighted student counts of the city
 50 or parish school system from which jurisdiction of the school was
 51 transferred.

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

53 The formula first counts each of the students enrolled on February 1 to
 54 determine the cost of education services. The formula utilizes the February 1 Student
 55 Membership Count to allocate funding beginning in July. The students eligible to

1 be counted are identified in the Student Membership Definition adopted by the State
 2 Board of Elementary and Secondary Education. These students are counted as one
 3 (1.0) in the formula.

4 **STEP TWO: Determine the Number of Students Eligible for the Weighted**
 5 **Student Count**

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

15 The following are the additional costs recognized by the formula:

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

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

30 **Special Education Weight** - The formula addresses the extra cost associated
 31 with the delivery of services required in order to meet the needs of students with
 32 disabilities. Students with disabilities that have an Individualized Education Plan
 33 (IEP) developed according to State Board of Elementary and Secondary Education
 34 regulations are provided a weight of 150%.

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

39 **Economy of Scale Weight** - This weight is provided for city or parish school
 40 systems to recognize a base amount of funding for fixed overhead costs that should
 41 be provided when student populations equal 7,500 students or less. The Economy of
 42 Scale Weight is calculated as a curvilinear weight of 20% at a student membership
 43 count of zero down to 0% at a student membership count equal to or greater than
 44 7,500. To calculate this weight, the February 1 Student Membership Count for each
 45 city and parish school system is subtracted from 7,500 and divided by 37,500. The
 46 result of this calculation is then multiplied by each system's February 1 Student
 47 Membership Count to determine the weighted students.

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

49 **Formula:**

50 **Total Weighted Student Membership Count**

51 **Equals**

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

53 **Plus**

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

55 **Career and Technical Education Weight**

56 **Special Education Weight**

57 **Gifted and Talented Weight**

58 **Economy of Scale Weight**

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

Formula:

The State and Local Base Cost Per Pupil shall equal \$3,855 plus 2.75 percent times \$3,855 for a total of \$3,961.

STEP FIVE: Determine Total MFP Educational Costs

Formula:

Total MFP Educational Costs

Equals

Total Weighted Student Membership Count

Multiplied by

State and Local Base Cost Per Pupil

2. Determine State and Local Cost Allocation

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. This potential contribution is measured by the following three factors using the latest available data as reported through the Annual Financial Report (AFR) as required by R.S. 17:92:

1. Local Property Tax Revenue Contribution
2. Local Sales Tax Revenue Contribution
3. Other Local Revenue Contribution

STEP ONE - Determine the Local Property Tax Revenue Contribution

Formula:

Local Property Tax Revenue Contribution

Equals

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

Times

Net Assessed Property Value

Net Assessed Property Value Increase Cap - If a school system'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 is capped at 10%. This cap is applied on a year-to-year basis comparing the current year Net Assessed Property Value to the prior year uncapped Net Assessed Property Value.

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

STEP TWO - Determine the Local Sales Tax Revenue Contribution

Formula:

Local Sales Tax Revenue Contribution

Equals

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

Multiplied By

State Computed Sales Tax Rate

Mid-Year Rate Increases - 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.

Sales Tax Increase Cap - If a system'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.

1 **Computed Sales Tax Rate** - The Computed Sales Tax Rate is calculated
 2 annually at the rate necessary to maintain a state and local allocation ratio of
 3 65%/35%.

4 **STEP THREE - Determine Other Local Revenue Contribution**

5 Formula:
 6 **Other Local Revenue Contribution**
 7 **Equals**
 8 **State Revenue in lieu of taxes**
 9 **Plus**
 10 **Federal Revenue in lieu of taxes**
 11 **Plus**
 12 **50% of Earnings on Property**

13 **STEP FOUR - Determine Local Cost Allocation**

14 Formula:
 15 **Local Cost Allocation**
 16 **Equals**
 17 **Property Tax Contribution**
 18 **Plus**
 19 **Sales Tax Contribution**
 20 **Plus**
 21 **Other Revenues Contribution**

22 **STEP FIVE - Determine State Cost Allocation**

23 Formula:
 24 **State Cost Allocation**
 25 **Equals**
 26 **Total State and Local Cost**
 27 **Minus**
 28 **Local Cost Allocation**

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

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

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

- 38 1. Total Sales Taxes
- 39 2. Total Property Taxes
- 40 3. State and Federal Revenue in Lieu of Taxes
- 41 4. 50% Earnings on Property Revenue

42 **STEP ONE - Determine Eligible Local Revenue**

43 Formula:
 44 **Eligible Local Revenue**
 45 **Equals**
 46 **Total Sales Tax Revenue**
 47 **Plus**
 48 **Total Property Tax Revenue**
 49 **Plus**
 50 **State and Federal Revenue in Lieu of Taxes**
 51 **Plus**
 52 **50% of Earnings on Property Revenue**

53 **STEP TWO - Determine Local Revenue Eligible for Incentive**

54 Formula:

1 **Local Revenue Eligible for Incentive**
 2 **Equals**
 3 **Eligible Local Revenue**
 4 **Minus**
 5 **Local Cost Allocation**

6 **STEP THREE - Determine the Limit on Revenue Eligible for Incentive**

7 **Formula:**
 8 **Limit on Revenue Eligible for Incentive**
 9 **Equals**
 10 **Total State and Local Cost Allocation**
 11 **Multiplied by**
 12 **34%**

13 **STEP FOUR - Determine Local Support of Level 2 Incentive**

14 **Formula:**
 15 **Local Support of Level 2 Incentive**
 16 **Equals**
 17 **Lesser of Local Revenue Eligible for Incentive or Limit on Local**
 18 **Revenue Eligible for Incentive**
 19 **Multiplied by**
 20 **Local Cost Allocation Percentage (Level 1)**
 21 **Multiplied by**
 22 **Level 2 Incentive Factor**

23 **Level 2 Incentive Factor** - The Level 2 Incentive Factor determines the
 24 amount of local support required in Level 2. In FY 14-15, the Level 2 Incentive
 25 Factor is established at 1.72.

26 **STEP FIVE - Determine State Cost of Level 2 Incentive**

27 **Formula:**
 28 **State Support of Level 2 Incentive**
 29 **Equals**
 30 **Lesser of Local Revenue Eligible for Incentive or Limit on Local**
 31 **Revenue Eligible for Incentive**
 32 **Minus**
 33 **Local Support of Level 2 Incentive**

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

35 Level 3 provides funding for three programs that address funding for school systems
 36 and schools regarding teacher and support worker pay raises, Hold Harmless
 37 funding, and mandated operating costs, and are in addition to allocations provided
 38 in Level 1 and 2. These allocations are as follows:

39 **Formula:**
 40 **Total Level 3 Legislative Allocations**
 41 **Equals**
 42 **Continuation Pay Raises**
 43 **Plus**
 44 **Hold Harmless Enhancement**
 45 **Plus**
 46 **Mandated Costs in Health Insurance, Retirement, and Fuel**

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

- 48 1. Certificated Personnel Pay Raises were implemented in four recent years to
 49 assist in increasing Teacher and Principal pay to the Southern Regional
 50 Average. These funds continue to be provided directly to systems and
 51 schools to support these increased salaries.
- 52 a. Certificated Personnel Pay Raises provided in 2001-02, 2006-07,
 53 2007-08, and 2008-09 will continue for each school system and
 54 school based on the calculated per pupil amount times the February
 55 1 Student Membership Count.

- 1 2. Noncertificated Support Worker Pay Raises were implemented in three
- 2 recent years to assist with increasing these salaries.
- 3 a. Noncertificated Support Worker Pay Raises provided in 2002-03,
- 4 2006-07, and 2007-08 will continue for each school system and
- 5 school based on the calculated per pupil amount times the February
- 6 1 Student Membership Count.
- 7 3. This provision applies to city and parish school systems, Recovery School
- 8 District, New Orleans Center for Creative Arts (NOCCA), Louisiana School
- 9 for Math, Science, and the Arts (LSMSA), Legacy Type 2 Charter Schools,
- 10 New Type 2 Charter Schools, Louisiana State University and Southern
- 11 University Lab schools, and Office of Juvenile Justice (OJJ).

STEP TWO: Calculate Hold Harmless Enhancement

Participating School Systems - The following school systems have a remaining Hold Harmless or "overfunded" allocation: Concordia, East Baton Rouge, Evangeline, Iberville, Jefferson, Plaquemines, St. Charles, St. James, and West Feliciana.

Allocation Adjustment - After subtracting amounts attributable to insurance supplements and legislative pay raises provided between FY 1993-94 and FY 1998-99 from the FY 2006-07 Hold Harmless amount, a revised Hold Harmless amount is calculated. Each of the remaining Hold Harmless school systems will receive a reduction of 10% to their remaining Hold Harmless allocation. On an annual basis, any Hold Harmless system may choose to reduce the remaining balance by an amount greater than 10% through formal notification to the Louisiana Department of Education. This request must take place no later than June 30th each year.

Redistribution Allocation - The annual 10% reduction amount will be redistributed in a per pupil amount to all non-hold harmless systems.

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

City and parish school systems shall receive a minimum of \$100.00 for each student in the prior year February 1 membership to offset these increasing operational costs.

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

Formula:

Level 1, 2, and 3 State Cost Allocation Per Pupil
Equals
Level 1 State Cost Allocation Per Pupil
Plus
Level 2 State Cost Allocation Per Pupil
Plus
Level 3 State Cost Allocation Per Pupil

D. Level 4: Supplementary Allocations

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

Formula:

Total Level 4 Supplementary Allocations
Equals
Foreign Language Associate Program Salary and Stipend Allocation
Plus
Career Development Allocation
Plus
High Cost Services Assistance Allocation
Plus
Supplemental Course Allocation

STEP ONE: Calculate Foreign Language Associate Salary and Stipend Allocation

Salary Allocation - Any city, parish, or other public school system or school employing a Foreign 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 Foreign Language Associate program at a maximum of 300 Foreign 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 of an additional \$6,000; second and third year teachers will receive a retention incentive of an additional \$4,000. These amounts must be provided to each Foreign Associate Teacher or Escadrille Louisiane graduate by each school district or school in which they are employed.

STEP TWO: Career Development Allocation

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

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

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

Formula:

**Career Development Allocation Per Pupil
Equals
MFP State and Local Base Cost Per Pupil
Multiplied By
Six Percent (6%)**

Formula:

**Career Development Allocation
Equals
Career Development Allocation Per Pupil
Multiplied By
Number of Students Enrolled in Qualifying Courses in Grades 9 through 12**

STEP THREE: Calculate High Cost Services Assistance

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

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

1 Once costs associated with providing services for a student with disabilities
 2 have been verified, the city or parish school system or other public schools will be
 3 eligible to receive an allocation to assist with these costs. The allocation will be
 4 limited by the amount budgeted for the High Cost Services Assistance Allocation.
 5 So as to be equitably distributed, the total allocation provided to city and parish
 6 school systems versus other public schools shall be proportional to the share of total
 7 qualifying applications submitted by city and parish school systems versus other
 8 public schools.

9 The first step in the allocation will be to calculate the impact of these costs
 10 on the budget of the school system or school using the latest available state and local
 11 revenue data. The High Cost Services requested for reimbursement will be reduced
 12 by the MFP state and local amount allocated on behalf of each student from Levels
 13 1, 2, and 3. The next step will rank the Percent (%) Impact from highest to lowest
 14 percent, with two separate rank listings for school systems and other public schools.

15 **Formula:**
 16 **Percent (%) Impact on Budget**
 17 **Equals**
 18 **Cost of Services**
 19 **Divided By**
 20 **Total State and Local Revenue**

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

25 **STEP FOUR: Calculate Supplemental Course Allocation**

26 Pursuant to R.S. 17:4002.1 through 4002.6, the Supplemental Course
 27 Allocation shall provide for the cost of secondary course choices specifically
 28 approved by the State Board of Elementary and Secondary Education. For each city
 29 and parish school system and other public school, the allocation shall equal the
 30 number of students enrolled in grades 7 through 12 as of February 1 each year
 31 multiplied by \$26 per pupil.

32 **Formula:**
 33 **Supplemental Course Allocation for School Systems or Public Schools**
 34 **Equals**
 35 **Supplemental Course Allocation Per Pupil**
 36 **Multiplied By**
 37 **Number of Students in Grades 7 through 12**

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

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

46 **STEP ONE: Louisiana State University and Southern University Laboratory**
 47 **Schools**

48 1. State Cost Allocation
 49 a. The February 1 Student Membership count at the Louisiana State
 50 University and Southern University Lab Schools shall be multiplied by the
 51 Average State Cost Allocation Per Pupil to equal the Louisiana State
 52 University and Southern University Lab Schools State Cost Allocation.

53 b. Funds appropriated for these schools shall be allocated to the
 54 institution of higher education operating such a school. Each such institution
 55 of higher education shall ensure the equitable expenditure of such funds to
 56 operate such schools.

STEP TWO: Legacy Type 2 Charter Schools

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

1. State Cost Allocation
 - a. Any Legacy Type 2 Charter school shall annually be allocated funds as determined by applying the formula contained in R. S. 17:3995.
 - b. The State Cost Allocation equals the number of students multiplied by the average State Per Pupil for the system where the school is located.
2. Local Cost Allocation
 - a. Any Legacy Type 2 Charter school shall annually be allocated funds as determined by applying the formula contained in R. S. 17:3995.
 - b. The Local Cost Allocation equals the number of students multiplied by the average Local Per Pupil for the system where the school is located.
 - c. For any student enrolled in a Legacy Type 2 Charter school, the Local Cost Allocation shall be funded by the State.
3. The exclusion of any portion of local revenues specifically dedicated by the legislature or by voter approval to capital outlay or debt service shall be applicable only to a charter school housed in a facility or facilities provided by the district in which the charter school is located.

STEP THREE: Office of Juvenile Justice (OJJ) Schools

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

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

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

4. State Cost Allocation
 - a. The State Cost Allocation is equal to the State Cost Allocation Per Pupil for the system where each student resided prior to adjudication multiplied by the prior year average daily membership of the Office of Juvenile Justice schools.
 - b. The State Cost Allocation Per Pupil allocation shall be adjusted based on a factor determined by the Louisiana Department of Education to provide for the differential in the number of educational days provided to the students in the custody of the Office of Juvenile Justice (OJJ).
 - c. Additionally, the State Cost Allocation Per Pupil shall be adjusted based on a factor determined by the Louisiana Department of Education to recognize the increased number of special education students in the Office of Juvenile Justice (OJJ) schools relative to the state average special education student population.
 - d. The average daily membership will be reconciled on an annual basis using the latest available data.

5. Local Cost Allocation
 - a. Each student counted in the prior year average daily membership, as defined by the State Board of Elementary and Secondary Education, shall be provided for and funded from the minimum foundation program a Local Cost Allocation Per Pupil equal to the Local Cost Allocation Per Pupil for the district where the student resided prior to adjudication.

b. The Local Cost Allocation is equal to the Local Cost Allocation Per Pupil for the system were each student resided prior to adjudication multiplied by the prior year average daily membership of the Office of Juvenile Justice schools.

c. For the purpose of the Local Cost Allocation Per Pupil, the average daily membership of the Office of Juvenile Justice (OJJ) shall be included in the membership counts of the city, parish, or other local public school board in which the student resided prior to adjudication to the Office of Juvenile Justice.

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

e. 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 city, parish, or other local public school board in which the attending students resided prior to adjudication to the Office of Juvenile Justice (OJJ).

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

3. Mid-Year Student Allocations

1. Student counts in October and February may result in mid-year allocation adjustments for the following:

City and parish school systems, Recovery School District, Type 2 Charter schools, Louisiana State University and Southern University Lab schools, Louisiana School for Math, Science and the Arts (LSMSA), and New Orleans Center for Creative Arts (NOCCA).

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

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

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

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

6. School systems or charter schools in the first year of operation are not eligible for an October Mid-Year Adjustment. However, their allocation will be finalized using October 1 data. The newly opened school systems or charter schools will qualify for the February 1 mid-year adjustment.

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

Total MFP State Cost Allocation

Formula:

Total MFP State Cost Allocation

Equals

Level 1 State Cost Allocation

Plus

Level 2 State Cost Allocation

- 1 **Plus**
- 2 **Level 3 State Cost Allocation**
- 3 **Plus**
- 4 **Level 4 State Cost Allocation**

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

7 **A. RECOVERY SCHOOL DISTRICT**

8 1. State Cost Allocation

- 9 a. Once all final calculations are made, the final State Cost
- 10 Allocation Per Pupil Amount for the city or parish school
- 11 system which counted the Recovery School District students
- 12 will be multiplied by the February 1 Recovery School District
- 13 Student Membership Count to equal the Recovery School
- 14 District State Cost Allocation.
- 15 b. In a system with one or more Type 3B charter schools, if the
- 16 Type 3B charter is not its own LEA, the local school system
- 17 shall distribute minimum foundation program formula funds
- 18 to each Type 3B charter school in the system pursuant to
- 19 calculations determined by the Louisiana Department of
- 20 Education. If the Type 3B charter is its own LEA, such
- 21 payments shall be made to the Type 3B charter school by the
- 22 Louisiana Department of Education. Such calculations shall
- 23 include differentiated funding weights for certain students,
- 24 including students identified as being eligible for special
- 25 education services. The calculations shall ensure equity so
- 26 that each Type 3B charter school in the system receives a
- 27 per-pupil amount equal to the amount a Type 5 charter school
- 28 located in the same parish or school system boundary would
- 29 have received from the Recovery School District (RSD).

30 2. Local Cost Allocation

- 31 a. In addition to the State Cost Allocation, the Recovery School District shall
- 32 receive an applicable Local Cost Allocation.

33 **Formula:**

34 **Local Cost Allocation Per Pupil**

35 **Equals**

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

37 **Divided by**

38 **Total School District Membership (Recovery School District Student**
 39 **Membership Count plus Student Membership Count for the system of prior**
 40 **jurisdiction plus New Type 2 Charter school students residing in the**
 41 **jurisdiction)**

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

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

- 51 1. Sales and use taxes, less any tax collection fee paid by the school
- 52 system
- 53 2. Ad valorem taxes, less any tax collection fee paid by the school
- 54 system
- 55 3. Earnings from sixteenth section lands owned by the school system

- 56 d. The exclusion of any portion of local revenues specifically dedicated by
- 57 the legislature or by voter approval to capital outlay or debt service shall be

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

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

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

15 **Formula:**

16 **Local Cost Allocation**

17 **Equals**

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

19 **Multiplied By**

20 **Recovery School District Student Membership Count**

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

24 h. Based on the October 1 Student Membership Count, the local revenue
 25 allocation per student will be recalculated and there will be a corresponding
 26 adjustment in the local revenue allocation. No recalculation of the local revenues per
 27 student will occur as a result of the February 1 Student Count adjustment.

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

30 j. A final reconciliation will occur based upon the receipt of the annual
 31 audited financial statements of the system of prior jurisdiction. If an increase or
 32 decrease in local revenue collections exists, the state superintendent may establish
 33 a payment schedule. In the event that the fiscal status of the system of prior
 34 jurisdiction or the Recovery School District changes during the fiscal year or on or
 35 before the final reconciliation, the state superintendent may adjust the local revenue
 36 based on the revenues identified.

37 3. Monies appropriated to the Recovery School District, except for
 38 administrative costs, that are attributable to the transfer of a school from a prior
 39 school system and monies allocated or transferred from the prior system to the
 40 Recovery School District shall be expended solely on the operation of schools
 41 transferred from the prior system to the jurisdiction of the Recovery School District.

42 **B. NEW TYPE 2 CHARTER SCHOOLS**

43 A New Type 2 Charter school is a Type 2 Charter school approved after July
 44 1, 2008 by the State Board of Elementary and Secondary Education.

45 1. State Cost Allocation

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

48 b. The State Cost Allocation equals the number of students multiplied by the
 49 average State Cost Allocation Per Pupil for the system in which the student resides.

50 c. Mid-Year Adjustments shall adhere to the guidelines established in this
 51 document.

52 2. Local Cost Allocation

53 a. Any New Type 2 Charter school shall annually be provided a Local Cost
 54 Allocation by applying the formula contained in R. S. 17:3995.

55 b. The Local Cost Allocation equals the number of students multiplied by the
 56 Local Cost Allocation Per Pupil for the system in which the student resides.

57 c. One exception to R. S. 17:3995 is that the Local Cost allocation will be
 58 funded with a transfer of the MFP monthly amount representing the Local Cost

1 Allocation from the city or parish school system in which the attending students
2 reside.

3 d. The city or parish where students attending the New Type 2 Charter school
4 reside is the local taxing authority and shall provide the local support for the
5 students.

6 e. Mid-Year Adjustments will adhere to the guidelines established in this
7 document.

8 3. Virtual Charter schools may receive, as approved by the State Board of
9 Elementary and Secondary Education, a lesser percentage of the state and local
10 amount calculated in R.S. 17:3995.

11 4. Where student attendance is from multiple school systems, the Department
12 of Education shall determine the Local Cost Allocation based on students reported
13 by the schools. The student membership count of the New Type 2 charter schools
14 shall be included in the membership count of the city or parish school board in which
15 the student resides to determine the Local Cost Allocation.

16 5. In the first year of operation, a New Type 2 Charter school shall be
17 allocated funding based on an estimated student count since a February 1 student
18 count does not exist. The allocation will be finalized based on the October 1 student
19 count.

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

24 **C. LOUISIANA SCHOOL FOR MATH, SCIENCE AND THE ARTS (LSMSA)**
25 **AND NEW ORLEANS CENTER FOR CREATIVE ARTS (NOCCA).**

26 1. The Louisiana School for Math, Science and the Arts (LSMSA) and
27 New Orleans Center for Creative Arts (NOCCA) shall be provided both a State and
28 Local allocation.

29 2. State Cost Allocation

30 a. The State Cost Allocation shall be based on the State Cost
31 Allocation Per Pupil for the city or parish school system
32 where the attending students reside.

33 3. Local Cost Allocation

34 a. The Local Cost Allocation will be based on the Local Cost
35 Allocation for the city or parish school system where the
36 attending students reside.

37 b. For any student enrolled in LSMSA or NOCCA, the Local
38 Cost Allocation shall be funded by the State.

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

42 **III. FORMULA PROCEDURES**

43 **A. Preliminary Allocation**

44 1. The minimum foundation program formula for the upcoming
45 fiscal year adopted by the State Board of Elementary and
46 Secondary Education, along with a preliminary allocation
47 schedule representing the estimated cost of the proposed
48 formula, shall be submitted to the Joint Legislative
49 Committee on the Budget and to the House and Senate
50 Education Committees for consideration no later than March
51 15.

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

54 **B. Final Allocation**

55 Final allocations for the fiscal year in which the formula takes effect
56 will be determined no later than June 30 of the preceding fiscal year.
57 The latest available data will be utilized to calculate the final
58 allocation except that student count estimates will be utilized for

1 school systems or charter schools opening for the first time in the
2 fiscal year beginning July 1.

3 **IV. FORMULA PAYMENTS**

4 **A. PAYMENT PROCEDURES**

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

9 **B. REQUESTED PAYMENT ADJUSTMENTS**

10 1. If the city, parish, or other school systems and schools have
11 documented growth in students prior to the actual Mid-Year Student
12 Counts in October and February, a temporary change to the final
13 allocation may be requested. The State Superintendent is authorized
14 to approve or deny this revision.

- 15 a. Sufficient documentation will be requested to
16 substantiate this requested allocation adjustment.
- 17 b. The adjusted allocation will remain in effect until the
18 actual October or February Mid-Year Student Count.
19 Once the Mid-Year Student Count is final,
20 reconciliation will be completed and payments
21 adjusted accordingly.

22 **C. PAYMENT ADJUSTMENTS FOR AUDIT FINDINGS**

23 1. Review and/or audit of the systems' or schools' data used in
24 determining their Minimum Foundation Program allocation may
25 result in changes in final statistical information. The Minimum
26 Foundation Program allocation adjustments necessary as a result of
27 these audit findings will be made in the following school year. These
28 adjustments are applicable to the following: city or parish school
29 systems, Recovery School District, Type 2 Charter schools,
30 Louisiana State University and Southern University Lab schools,
31 Office of Juvenile Justice (OJJ) schools, Louisiana School for Math,
32 Science and the Arts (LSMSA), and New Orleans Center for Creative
33 Arts (NOCCA).

34 **V. 70% EXPENDITURE REQUIREMENT**

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

43 **VI. PAY RAISE REQUIREMENT**

44 If a city, parish, or local public school system or other public school has a net
45 increase from 2013-2014 to 2014-2015 in its per student Level 1 and 2 State Cost
46 Allocation, the city, parish, or local public school system or other public school shall
47 be required to sustain the certificated classroom teacher pay raises provided by
48 appropriation in 2013-2014. If the city, parish, or local public school system or other
49 public school has established plans to sustain or increase the teacher pay raises
50 provided for by the 2013-2014 appropriation prior to the development of this
51 formula, then this provision shall not apply.

52 **VII. SEVERABILITY PROVISION**

53 If any provision of this minimum foundation formula or the application thereof is
54 held invalid, such invalidity shall not affect other provisions or applications of this

1 minimum foundation formula which can be given effect without the invalid
2 provisions or applications, and to this end the provisions of this minimum foundation
3 formula are hereby declared severable. The severability provision hereof shall be
4 broadly construed so as to give effect to each and every possible provision or
5 application of this minimum foundation formula which is not specifically held
6 invalid, unlawful, or unconstitutional."

7 AMENDMENT NO. 7

8 On page 30, line 2, between "2014" and the period "." insert ", and amended by the board
9 on May 12, 2014"