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## DIGEST

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HCR 18 Engrossed

2015 Regular Session

Carter

Provides for legislative approval of the minimum foundation program (MFP) formula for FY 2015-2016 to determine the cost of a minimum foundation program of education in all public elementary and secondary schools as well as to equitably allocate the funds to local public school systems as developed by the State Board of Elementary and Secondary Education (BESE) and adopted by the board on March 6, 2015.

Proposed formula utilizes four levels to determine MFP funding allocations for city, parish, or other local public school systems or schools as follows:

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

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

Base Per Pupil Amount - Proposed formula provides for a base per pupil funding amount of \$4,015, which represents a 1.375% increase.

**Level 1 continues to determine the proportion of the costs supported by the state and local school systems 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:
- (2) Retains provisions specifying that in no event shall the state share of the total Level 1 costs be less than 25% for any district.

**Level 2 - Incentive for Local Effort - Continues as follows:**

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

**Level 3 - Legislative Allocations**

Retains Level 3 as "Legislative Allocations" as follows:

**Continuation of Funding for Pay Raises**

- (1) Continues supplemental pay raises for certificated personnel initiated in 2001-02, 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.
- (2) Retains provision that a Hold Harmless district may choose to reduce the remaining balance by an amount greater than 10%, provided such request is made by June 30th each year.
- (3) Retains provision that the annual 10% reduction amount will be redistributed to all non-hold harmless districts on a per pupil basis.

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

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

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

#### **Foreign Language Associate Enhancement**

Retains as follows with regard to foreign language associate teachers:

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

#### **Career Development Allocation**

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

## **High Cost Services Assistance**

Provides additional funds for students with disabilities. Retains that the total allocation for public school systems versus other public schools shall be proportional to the share of total qualifying applications submitted by public school systems versus other public schools. Proposed formula increases maximum allocation to \$9.4 million and revises the allocation methodology so that all entities within each group, city and parish school systems and other public school systems, shall receive the same percent of the requested allocation.

## **Supplemental Course Allocation**

Pursuant to present law relative to the Course Choice Program, provides for the cost of secondary course choices specifically approved by BESE. Proposed formula retains the allocation for each public school system and other public schools and increases from \$26 to \$35 per student enrolled in grades 7 - 12.

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

Proposed formula retains the requirement that 70% of general fund expenditures must be in the areas of instruction and school administration at the school building level.

## **Pay Raise Requirement**

Proposed formula provides that if a city, parish, or local public school system or other public school has a net increase from 2013-2014 to 2014-2015 in its per student Level 1 and 2 State Cost Allocation, the city, parish, or local public school system or other public school shall be required to sustain the certificated classroom teacher pay raises provided by appropriation in 2013-2014. Further provides that if the city, parish, or local public school system or other public school has established plans to sustain or increase the teacher pay raises provided for by the 2013-2014 appropriation prior to the development of proposed formula, then this provision shall not apply.