

2015 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 18

BY REPRESENTATIVE CARTER

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

EDUCATION/FINANCE: Provides for legislative approval of the MFP formula for the 2015-2016 fiscal year

1 A CONCURRENT RESOLUTION

2 To provide for legislative approval of the formula developed by the State Board of  
3 Elementary and Secondary Education pursuant to Article VIII, Section 13(B) of the  
4 Constitution of Louisiana to determine the cost of a minimum foundation program  
5 of education in all public elementary and secondary schools as well as to equitably  
6 allocate the funds to parish and city school systems, and adopted by the board on  
7 March 6, 2015.

8 WHEREAS, the minimum foundation program formula for Fiscal Year 2015-2016  
9 adopted by the State Board of Elementary and Secondary Education on March 6, 2015, and  
10 submitted to the legislature for approval on March 13, 2015, in accordance with applicable  
11 law reads as follows:

12 **PROPOSED**

13 **FY 2015-16 MINIMUM FOUNDATION PROGRAM FORMULA**

14 The FY 2015-16 Minimum Foundation Program (MFP) formula was adopted  
15 by the State Board of Elementary and Secondary Education on March 6, 2015. The  
16 formula determines allocations for city, parish, or other public school systems or  
17 schools. The definition of city, parish, or local public school systems and schools  
18 shall include city or parish school systems, Recovery School District including  
19 operated and Type 5 charter schools, Louisiana School for Math, Science, and the  
20 Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), New Type 2  
21 Charter schools, Legacy Type 2 Charter schools, Office of Juvenile Justice (OJJ)

1 schools, and Louisiana State University and Southern University Lab schools. The  
2 formula is divided into four calculations as follows:

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

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

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

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

- 17 • Supplementary funding to meet specific needs at city, parish, or other  
18 local school systems and schools including Foreign Associate  
19 Teacher Salary and Stipends Allocation, Career Development  
20 Allocation, High Cost Services Allocation, and Supplemental Course  
21 Allocation.
- 22 • Allocations for State-Approved public school systems or schools  
23 including Legacy Type 2 Charter schools, Louisiana State University  
24 and Southern University Lab schools, New Orleans Center for  
25 Creative Arts (NOCCA), Louisiana School for Math, Science, and  
26 Arts (LSMSA), and Office of Juvenile Justice (OJJ) schools.
- 27 • Mid-Year Allocation Adjustments to account for mid-year increases  
28 and decreases in students in all city, parish, or other local public  
29 school systems or schools.

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

10 **I. FORMULA CALCULATIONS**

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

12 **1. Determine Educational Costs**

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

- 15 1. City and Parish school systems
- 16 2. State-Approved Public Schools - The student counts of the following  
 17 state-approved schools shall be included in the membership and  
 18 weighted student counts of the city or parish school system in which  
 19 the student resides:  
 20 a) New Type 2 Charter schools,
- 21 3. Recovery School District - The student membership and weighted  
 22 student counts of schools transferred to the Recovery School District,  
 23 both operated and Type 5 Charter schools, shall continue to be  
 24 included in the membership and weighted student counts of the city  
 25 or parish school system from which jurisdiction of the school was  
 26 transferred.

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

28 The formula first counts each of the students enrolled on February 1 to determine  
 29 the cost of education services. The formula utilizes the February 1 Student  
 30 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 of  
7 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 recognizes  
17 that students living in poverty or students with a native language other than English  
18 are more likely to require additional educational services to be successful. To  
19 recognize that these services require additional costs, students that qualify for free  
20 or reduced price meals under the United States Department of Agriculture (USDA)  
21 School Food Service Program guidelines, or an alternative count as defined in the  
22 Student Membership Definition, and students identified as an English Language  
23 Learner are provided a weight of 22%.

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

29 **Special Education Weight** - The formula addresses the extra cost associated  
30 with the delivery of services required in order to meet the needs of students with

1 disabilities. Students with disabilities that have an Individualized Education Plan  
2 (IEP) developed according to State Board of Elementary and Secondary Education  
3 regulations are provided a weight of 150%.

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

8 **Economy of Scale Weight** - This weight is provided for city or parish school  
9 systems to recognize a base amount of funding for fixed overhead costs that should  
10 be provided when student populations equal 7,500 students or less. The Economy of  
11 Scale Weight is calculated as a curvilinear weight of 20% at a student membership  
12 count of zero down to 0% at a student membership count equal to or greater than  
13 7,500. To calculate this weight, the February 1 Student Membership Count for each  
14 city and parish school system is subtracted from 7,500 and divided by 37,500. The  
15 result of this calculation is then multiplied by each system's February 1 Student  
16 Membership Count to determine the weighted students.

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

18 **Formula:**

19 **Total Weighted Student Membership Count**

20 **Equals**

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

22 **Plus**

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

24 **Career and Technical Education Weight**

25 **Special Education Weight**

26 **Gifted and Talented Weight**

27 **Economy of Scale Weight**

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

2           **Formula:**

3                   **The State and Local Base Cost Per Pupil shall equal \$3,961 plus 1.375**  
4           **percent times \$3,961 for a total of \$4,015.**

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

6           **Formula:**

7           **Total MFP Educational Costs**

8                   **Equals**

9           **Total Weighted Student Membership Count**

10                   **Multiplied by**

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

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

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

- 19                   1. Local Property Tax Revenue Contribution
- 20                   2. Local Sales Tax Revenue Contribution
- 21                   3. Other Local Revenue Contribution

22           **STEP ONE - Determine the Local Property Tax Revenue Contribution**

23           **Formula:**

24           **Local Property Tax Revenue Contribution**

25                   **Equals**

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

27                   **Times**

28           **Net Assessed Property Value**

29                   **Net Assessed Property Value Increase Cap** - If a school system's Net Assessed  
30           Property Value has increased equal to or greater than 10% over the prior year Net

1 Assessed Property Value, then the growth in the Net Assessed Property Value is  
2 capped at 10%. This cap is applied on a year-to-year basis comparing the current  
3 year Net Assessed Property Value to the prior year uncapped Net Assessed Property  
4 Value.

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

8 **STEP TWO - Determine the Local Sales Tax Revenue Contribution**

9 **Formula:**

10 **Local Sales Tax Revenue Contribution**

11 **Equals**

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

13 **Multiplied By**

14 **State Computed Sales Tax Rate**

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

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

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

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

28 **Formula:**

29 **Other Local Revenue Contribution**

30 **Equals**

1           **State Revenue in lieu of taxes**

2                   **Plus**

3           **Federal Revenue in lieu of taxes**

4                   **Plus**

5           **50% of Earnings on Property**

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

7                   **Formula:**

8                   **Local Cost Allocation**

9                   **Equals**

10           **Property Tax Contribution**

11                   **Plus**

12           **Sales Tax Contribution**

13                   **Plus**

14           **Other Revenues Contribution**

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

16                   **Formula:**

17                   **State Cost Allocation**

18                   **Equals**

19           **Total State and Local Cost**

20                   **Minus**

21           **Local Cost Allocation**

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

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

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

- 30           1. Total Sales Taxes



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

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

5           **Formula:**

6           **Eligible Local Revenue**

7           **Equals**

8           **Total Sales Tax Revenue**

9           **Plus**

10          **Total Property Tax Revenue**

11          **Plus**

12          **State and Federal Revenue in Lieu of Taxes**

13          **Plus**

14          **50% of Earnings on Property Revenue**

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

16          **Formula:**

17          **Local Revenue Eligible for Incentive**

18          **Equals**

19          **Eligible Local Revenue**

20          **Minus**

21          **Local Cost Allocation**

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

23          **Formula:**

24          **Limit on Revenue Eligible for Incentive**

25          **Equals**

26          **Total State and Local Cost Allocation**

27          **Multiplied by**

28          **34%**

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

2           **Formula:**

3           **Local Support of Level 2 Incentive**

4           **Equals**

5           **Lesser of Local Revenue Eligible for Incentive or Limit on Local Revenue**  
6           **Eligible for Incentive**

7           **Multiplied by**

8           **Local Cost Allocation Percentage (Level 1)**

9           **Multiplied by**

10          **Level 2 Incentive Factor**

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

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

15          **Formula:**

16          **State Support of Level 2 Incentive**

17          **Equals**

18          **Lesser of Local Revenue Eligible for Incentive or Limit on Local Revenue**  
19          **Eligible for Incentive**

20          **Minus**

21          **Local Support of Level 2 Incentive**

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

23          Level 3 provides funding for three programs that address funding for school systems  
24 and schools regarding teacher and support worker pay raises, Hold Harmless funding, and  
25 mandated operating costs, and are in addition to allocations provided in Level 1 and 2.

26          These allocations are as follows:

27          **Formula:**

28          **Total Level 3 Legislative Allocations**

29          **Equals**

30          **Continuation Pay Raises**

1 **Plus**

2 **Hold Harmless Enhancement**

3 **Plus**

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

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

6 1. Certificated Personnel Pay Raises were implemented in four recent years to assist  
7 in increasing Teacher and Principal pay to the Southern Regional Average.  
8 These funds continue to be provided directly to systems and schools to support  
9 these increased salaries.

10 a. Certificated Personnel Pay Raises provided in 2001-02, 2006-07, 2007-08,  
11 and 2008-09 will continue for each school system and school based on the  
12 calculated per pupil amount times the February 1 Student Membership  
13 Count.

14 2. Noncertificated Support Worker Pay Raises were implemented in three recent  
15 years to assist with increasing these salaries.

16 a. Noncertificated Support Worker Pay Raises provided in 2002-03, 2006-07,  
17 and 2007-08 will continue for each school system and school based on the  
18 calculated per pupil amount times the February 1 Student Membership  
19 Count.

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

25 **STEP TWO: Calculate Hold Harmless Enhancement**

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

1           **Allocation Adjustment** - After subtracting amounts attributable to insurance  
2 supplements and legislative pay raises provided between FY 1993-94 and FY  
3 1998-99 from the FY 2006-07 Hold Harmless amount, a revised Hold Harmless  
4 amount is calculated. Each of the remaining Hold Harmless school systems will  
5 receive a reduction of 10% to their remaining Hold Harmless allocation. On an  
6 annual basis, any Hold Harmless system may choose to reduce the remaining balance  
7 by an amount greater than 10% through formal notification to the Louisiana  
8 Department of Education. This request must take place no later than June 30th each  
9 year.

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

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

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

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

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

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

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

- 1           **Formula:**
- 2           **Total Level 4 Supplementary Allocations**
- 3           **Equals**
- 4           **Foreign Language Associate Program Salary and Stipend Allocation**
- 5           **Plus**
- 6           **Career Development Allocation**
- 7           **Plus**
- 8           **High Cost Services Assistance Allocation**
- 9           **Plus**
- 10          **Supplemental Course Allocation**

11          **STEP ONE: Calculate Foreign Language Associate Salary and Stipend**  
 12          **Allocation**

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

19           These teachers shall be paid by the employing city, parish, or other local public  
 20          school system or school at least the state average classroom teacher salary (without  
 21          PIP) by years of experience and degree beginning with year three. Of the \$21,000  
 22          allocation, \$20,000 shall be allocated to the school where the teacher is employed  
 23          and the funds used to support the total cost of the teacher salary, and the remaining  
 24          amount shall be associated with costs of VISA sponsorship pursuant to State Board  
 25          of Elementary and Secondary Education regulations.

26           **Stipend Allocation** - First year teachers will receive an installation incentive of  
 27          an additional \$6,000; second and third year teachers will receive a retention incentive  
 28          of an additional \$4,000. These amounts must be provided to each Foreign Associate  
 29          Teacher or Escadrille Louisiane graduate by each school district or school in which  
 30          they are employed.

1           **STEP TWO: Career Development Allocation**

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

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

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

17           **Formula:**

18           **Career Development Allocation Per Pupil**

19           **Equals**

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

21           **Multiplied By**

22           **Six Percent (6%)**

23           **Formula:**

24           **Career Development Allocation**

25           **Equals**

26           **Career Development Allocation Per Pupil**

27           **Multiplied By**

28           **Number of Student Enrollments in Qualifying Courses in Grades 9 through**

29           **12**

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

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

4           In an effort to assist with these expenses, an allocation will be provided to city,  
5 parish, and other public school systems and schools which submit documentation as  
6 required by the Louisiana Department of Education substantiating that the current  
7 cost of services for a specific student including estimated costs for new services, or  
8 new students, exceeds three times the most recent state average total expenditure per  
9 pupil amount.

10          Once costs associated with providing services for a student with disabilities have  
11 been verified, the city or parish school system or other public schools will be eligible  
12 to receive an allocation to assist with these costs. The allocation will be limited by  
13 the amount budgeted for the High Cost Services Assistance Allocation. So as to be  
14 equitably distributed, the total allocation provided to city and parish school systems  
15 versus other public schools shall be proportional to the share of total qualifying  
16 applications submitted by city and parish school systems versus other public schools.  
17 Based on the \$9.4 million available, all entities within each group, city and parish  
18 school systems and other public school systems, shall receive the same percent of the  
19 requested allocation. The High Cost Services requested for reimbursement will be  
20 reduced by the MFP state and local amount allocated on behalf of each student from  
21 Levels 1, 2, and 3.

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

23          Pursuant to R.S. 17:4002.1 through 4002.6, the Supplemental Course Allocation  
24 shall provide for the cost of secondary courses specifically approved by the State  
25 Board of Elementary and Secondary Education. For each city and parish school  
26 system and other public school, the allocation shall equal the number of students  
27 enrolled in grades 7 through 12 as of February 1 each year multiplied by \$35 per  
28 pupil.

1           **Formula:**  
2           **Supplemental Course Allocation for School Systems or Other Public Schools**  
3           **Equals**  
4           **Supplemental Course Allocation Per Pupil**  
5           **Multiplied By**  
6           **Number of Students in Grades 7 through 12**

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

14          2. Allocations for Other Public Schools

15          **STEP ONE: Louisiana State University and Southern University Laboratory**  
16          **Schools**

- 17           1. State Cost Allocation
- 18           a.       The February 1 Student Membership count at the Louisiana State  
19           University and Southern University Lab Schools shall be multiplied  
20           by the Average State Cost Allocation Per Pupil to equal the Louisiana  
21           State University and Southern University Lab Schools State Cost  
22           Allocation.
- 23           b.       Funds appropriated for these schools shall be allocated to the  
24           institution of higher education operating such a school. Each such  
25           institution of higher education shall ensure the equitable expenditure  
26           of such funds to operate such schools.

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

28          A Legacy Type 2 Charter school is a Type 2 Charter school approved before July 1,  
29          2008 by the State Board of Elementary and Secondary Education.

- 30           1. State Cost Allocation



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

3           b.     The State Cost Allocation equals the number of students multiplied  
4                     by the State Per Pupil for the system where the school is located.

5           2. Local Cost Allocation

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

8           b.     The Local Cost Allocation equals the number of students multiplied  
9                     by the Local Per Pupil for the system where the school is located.

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

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

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

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

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

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

1           4. State Cost Allocation

2           a.       The State Cost Allocation is equal to the State Cost Allocation Per  
3 Pupil for the system where each student resided prior to adjudication multiplied by  
4 the prior year average daily membership of the Office of Juvenile Justice schools.

5           b.       The State Cost Allocation Per Pupil allocation shall be adjusted based  
6 on a factor determined by the Louisiana Department of Education to provide for the  
7 differential in the number of educational days provided to the students in the custody  
8 of the Office of Juvenile Justice (OJJ).

9           c.       Additionally, the State Cost Allocation Per Pupil shall be adjusted based  
10 on a factor determined by the Louisiana Department of Education to recognize the  
11 increased number of special education students in the Office of Juvenile Justice (OJJ)  
12 schools relative to the state average special education student population.

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

15           5. Local Cost Allocation

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

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

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

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

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

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

7 3. Mid-Year Student Allocations

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

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

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

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

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

28 5. If the Recovery School District qualifies for an October Mid-Year  
29 Adjustment to the State Cost per pupil allocation, a Mid-Year adjustment  
30 shall also be made to the Local Cost per pupil allocation for the system of

1 prior jurisdiction. The October Local Cost per pupil allocation shall be  
2 recalculated based on updated revenue data for the system of prior  
3 jurisdiction. There shall be no recalculation of the Local Cost per pupil  
4 allocation in conjunction with the February 1 student count.

5 6. City, parish or other public school systems or schools in the first year of  
6 operation are not eligible for an October Mid-Year Adjustment. However,  
7 their allocation will be finalized using October 1 data. The newly opened  
8 city, parish or other public school systems or schools will qualify for the  
9 February 1 mid-year adjustment.

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

12 **Total MFP State Cost Allocation**

13 **Formula:**

14 **Total MFP State Cost Allocation**

15 **Equals**

16 **Level 1 State Cost Allocation**

17 **Plus**

18 **Level 2 State Cost Allocation**

19 **Plus**

20 **Level 3 State Cost Allocation**

21 **Plus**

22 **Level 4 State Cost Allocation**

23 **II. FORMULA CALCULATIONS FOR STATE-APPROVED PUBLIC**  
24 **SCHOOLS**

25 **A. RECOVERY SCHOOL DISTRICT**

26 1. State Cost Allocation

27 a. Once all final calculations are made, the final State Cost Allocation  
28 Per Pupil Amount for the city or parish school system which counted  
29 the Recovery School District students will be multiplied by the

1 February 1 Recovery School District Student Membership Count to  
2 equal the Recovery School District State Cost Allocation.

3 b. In a system with one or more Type 3B charter schools, if the Type 3B  
4 charter is not its own LEA, the local school system shall distribute  
5 minimum foundation program formula funds to each Type 3B charter  
6 school in the system pursuant to calculations determined by the  
7 Louisiana Department of Education. If the Type 3B charter is its  
8 own LEA, such payments shall be made to the Type 3B charter  
9 school by the Louisiana Department of Education. Such calculations  
10 shall include differentiated funding weights for certain students,  
11 including students identified as being eligible for special education  
12 services. The calculations shall ensure equity so that each Type 3B  
13 charter school in the system receives a per-pupil amount equal to the  
14 amount a Type 5 charter school located in the same parish or school  
15 system boundary would have received from the Recovery School  
16 District (RSD).

17 2. Local Cost Allocation

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

20 **Formula:**

21 **Local Cost Allocation Per Pupil**

22 **Equals**

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

24 **Divided by**

25 **Total School District Membership (Recovery School District Student**  
26 **Membership Count plus Student Membership Count for the system of prior**  
27 **jurisdiction plus New Type 2 Charter school students residing in the**  
28 **jurisdiction)**

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

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

- 10                   1. Sales and use taxes, less any tax collection fee paid by the school  
11                   system
- 12                   2. Ad valorem taxes, less any tax collection fee paid by the school  
13                   system
- 14                   3. Earnings from sixteenth section lands owned by the school system

15           d. The exclusion of any portion of local revenues specifically dedicated by  
16 the legislature or by voter approval to capital outlay or debt service shall be  
17 applicable only to a charter school housed in a facility or facilities provided by the  
18 system in which the charter school is located.

19           e. The projected local revenues shall be divided by the Total School District  
20 Membership Count including the Recovery School District Student Membership  
21 Count, both operated and charter schools, plus the Student Membership Count of the  
22 system of prior jurisdiction. If any New Type 2 Charter School student resides  
23 within the physical boundaries of the system of prior jurisdiction, this school the  
24 student attends shares in the local revenues of the system of prior jurisdiction. As  
25 a result, the New Type 2 Charter School Student Membership Count of the students  
26 residing in the jurisdiction will be added to the Recovery School District and the  
27 system of prior jurisdiction Student Membership Count.

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

1           **Formula:**

2           **Local Cost Allocation**

3                   **Equals**

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

5                   **Multiplied By**

6           **Recovery School District Student Membership Count**

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

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

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

16                  j. A final reconciliation will occur based upon the receipt of the annual  
17                  audited financial statements of the system of prior jurisdiction. If an increase or  
18                  decrease in local revenue collections exists, the state superintendent may establish  
19                  a payment schedule. In the event that the fiscal status of the system of prior  
20                  jurisdiction or the Recovery School District changes during the fiscal year or on or  
21                  before the final reconciliation, the state superintendent may adjust the local revenue  
22                  based on the revenues identified.

23                  3. Monies appropriated to the Recovery School District, except for administrative  
24                  costs, that are attributable to the transfer of a school from a prior school system and monies  
25                  allocated or transferred from the prior system to the Recovery School District shall be  
26                  expended solely on the operation of schools transferred from the prior system to the  
27                  jurisdiction of the Recovery School District.

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

2           A New Type 2 Charter school is a Type 2 Charter school approved after July 1,  
3           2008 by the State Board of Elementary and Secondary Education.

4           1. State Cost Allocation

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

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

9           c. Mid-Year Adjustments shall adhere to the guidelines established in this  
10          document.

11          2. Local Cost Allocation

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

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

16          c. One exception to R. S. 17:3995 is that the Local Cost allocation will be  
17          funded with a transfer of the MFP monthly amount representing the Local Per Pupil  
18          from the city or parish school system in which the attending students reside.

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

22          e. Mid-Year Adjustments will adhere to the guidelines established in this  
23          document.

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

27          4. Where student attendance is from multiple school systems, the Department  
28          of Education shall determine the Local Cost Allocation based on students reported  
29          by the schools. The student membership count of the New Type 2 charter schools



1 shall be included in the membership count of the city or parish school board in which  
2 the student resides to determine the Local Cost Allocation.

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

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

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

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

15 2. State Cost Allocation

16 a. The State Cost Allocation shall be based on the State Cost Allocation  
17 Per Pupil for the city or parish school system where the attending  
18 students reside.

19 3. Local Cost Allocation

20 a. The Local Cost Allocation will be based on the Local Cost Allocation  
21 Per Pupil for the city or parish school system where the attending  
22 students reside.

23 b. For any student enrolled in LSMSA or NOCCA, the Local Cost  
24 Allocation shall be funded by the State. Where student attendance is  
25 from multiple school systems, the Department of Education shall  
26 determine the Local Cost Allocation based on students reported by  
27 the schools.

1           **III. FORMULA PROCEDURES**

2           **A. Preliminary Allocation**

3           1.       The minimum foundation program formula for the upcoming fiscal  
4                   year adopted by the State Board of Elementary and Secondary  
5                   Education, along with a preliminary allocation schedule representing  
6                   the estimated cost of the proposed formula, shall be submitted to the  
7                   Joint Legislative Committee on the Budget and to the House and  
8                   Senate Education Committees for consideration no later than March  
9                   15.

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

12          **B. Final Allocation**

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

20          **IV. FORMULA PAYMENTS**

21          **A. PAYMENT PROCEDURES**

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

26          **B. REQUESTED PAYMENT ADJUSTMENTS**

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

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

1 a. Sufficient documentation will be requested to substantiate this requested  
2 allocation adjustment.

3 b. The adjusted allocation will remain in effect until the actual October or  
4 February Mid-Year Student Count. Once the Mid-Year Student Count is  
5 final, reconciliation will be completed and payments adjusted accordingly.

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

7 1. Review and/or audit of the systems' or schools' data used in determining  
8 their Minimum Foundation Program allocation may result in changes in final  
9 statistical information. The Minimum Foundation Program allocation  
10 adjustments necessary as a result of these audit findings will be made in the  
11 following school year. These adjustments are applicable to the following:  
12 city or parish school systems, Recovery School District, Type 2 Charter  
13 schools, Louisiana State University and Southern University Lab schools,  
14 Office of Juvenile Justice (OJJ) schools, Louisiana School for Math, Science  
15 and the Arts (LSMSA), and New Orleans Center for Creative Arts  
16 (NOCCA).

17 **V. 70% EXPENDITURE REQUIREMENT**

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

26 **VI. PAY RAISE REQUIREMENT**

27 If a city, parish, or local public school system or school has a net increase from  
28 2014-2015 to 2015-2016 in its per student Level 1 and 2 State Cost Allocation, the  
29 city, parish, or local public school system or school shall be required to sustain the  
30 certificated classroom teacher pay raises provided by appropriation in 2013-2014.

1 If the city, parish, or local public school system or school has established plans to  
2 sustain or increase the teacher pay raises provided for by the 2013-2014  
3 appropriation prior to the development of this formula, then this provision shall not  
4 apply.

5 **VII. SEVERABILITY PROVISION**

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

14 THEREFORE BE IT RESOLVED that the Legislature of Louisiana does hereby  
15 approve the formula developed by the State Board of Elementary and Secondary Education  
16 pursuant to Article VIII, Section 13(B) of the Constitution of Louisiana to determine the cost  
17 of a minimum foundation program of education in all public elementary and secondary  
18 schools as well as to equitably allocate the funds to parish and city school systems, and  
19 adopted by the board on March 6, 2015.

---

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

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:
  - 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
- (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.