



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
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TO: Parish/City School Superintendents
Acting Superintendent of Recovery School District
Deans, Colleges of Education of Louisiana State University
and Southern University

FROM: Cecil J. Picard 
State Superintendent of Education

SUBJECT: 2006-2007 State Public School Fund – Minimum
Foundation Program (MFP) Equalization Distribution

The General Appropriations Bill of the 2006 Regular Session of the Louisiana Legislature provides funding for the Minimum Foundation Program (MFP) Formula defined in House Concurrent Resolution (HCR) 290 of the 2006 Regular Session of the Louisiana Legislature. The total MFP funding appropriated in House Bill 1 is \$2,727,225,160.

House Bill 1 further provides "Pay raises or supplements provided for by this Act shall in no way supplant any local or parish salaries or salary supplements to which the personnel affected would be ordinarily entitled."

The initial implementation cost for the MFP formula per HCR 290, exclusive of mid-year allocations for student growth and adjustments to pay raise allocations, is \$2,718,478,638. An appropriated balance of \$8,746,522 is available for mid-year student membership adjustments as provided in HCR 290.

It is critical that the data transmitted to the Department for October 2, 2006 and February 1, 2007 via the Student Information System (SIS), Profile of Educational Personnel (PEP), Special Education Reporting System (SER) and LEADS Curriculum (CUR) are accurate and submitted in a timely basis. The October 2 data will be used to calculate the final pay raise allocations and mid-year student membership adjustments and the February 1, 2007 data will be used for the second mid-year student adjustment and the 2007-08 MFP funding.

The following tables are included:

- Table 1: State-Level Comparison
MFP 2005-2006 Revised Budget Letter variables compared to MFP 2006-2007 Budget Letter variables used to calculate the State equalization distribution.
- Table 2: MFP Distribution and Adjustments
Total MFP distribution, less audit adjustments and revised monthly MFP distributions for the 68 Louisiana school systems.
- Table 3: FY 2006-2007 MFP Level 1 Base Per Pupil and Level 2 Local Incentive
Calculation of the 2006-2007 MFP Level 1 and 2 for the 68 Louisiana school systems.
- Table 3A: FY 2006-2007 Certificated Pay Raise Requirement
Calculation of the 2006-2007 50% pay raise requirement for certificated personnel.

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- Table 4: FY 2006-2007 Level 3 Unequalized Funding**
Continuation of the 2001-2002 certificated staff pay raise, continuation of the 2002-2003 support worker pay raise, 2006-2007 pay raises for certificated staff and support worker staff, foreign language associates funding, hold harmless funding, and mandated cost adjustment for the 68 Louisiana school systems.
- Table 5A: FY 2006-2007 Allocation for the LSU and SU Lab Schools**
Total MFP distribution, less audit adjustments and revised monthly MFP distributions for LSU and SU Lab Schools and calculation of the 50% pay raise requirement.
- Table 5B: FY 2006-2007 MFP Allocation and Local Revenue Transfer for the Recovery School District**
Calculation of the State Share Allocation to the RSD Schools and the Local Revenue Transfer to the RSD Schools. Calculation of the District State Share Reduction and the District Local Revenue Transfer Reduction for the Recovery School District.
- Table 6: MFP Local Wealth Factor (LWF)**
Calculation of the Local Wealth Factor (LWF) for the 68 Louisiana school systems.
- Table 7: 2004-2005 Local Property and Sales Tax Revenues**
Summary of the Assessed Property Values and Ad Valorem and Sales Tax amounts and rates for the 68 Louisiana school systems.
- Table 8: May 1, 2006 Student Membership**
May 1, 2006 student membership by grade level and the adjusted October 1, 2004 total membership for the 68 Louisiana school systems.

HCR 290 changes to the previous year MFP formula are as follows:

- A. Increases the per pupil amount from \$3,554 to \$3,652.
- B. Provides minimum memberships for storm-impacted districts with loss of membership greater than 10%.
 1. Cameron, Jefferson and City of Bogalusa
90% of October 1, 2004 membership
 2. Plaquemines
75% of October 1, 2004 membership
 3. Orleans and St. Bernard
35% of October 1, 2004 membership
- C. Provides for two mid-year student adjustments.
 1. **October 2, 2006**
If a district's October 2, 2006 student membership exceeds the May 1, 2006 student membership by 50 students or 1%, a mid-year adjustment of additional funding will be provided equal to the district's MFP per pupil amount times the number of increased students. Monthly payments will be adjusted to reflect the growth.
 2. **February 1, 2007**
If a district's February 1, 2007 student membership exceeds the October 2, 2006 student membership by 50 students or 1%, a mid-year adjustment of additional funding will be provided equal to one-half of the district's MFP per pupil amount times the number of increased students. Monthly payments will be adjusted to reflect the growth.
- D. Increases the At-Risk Weight from 17% to 19%.

- E. Adds students with Limited English Proficiency (LEP) to the MFP**
Students who have limited English proficiency who are not contained in the at-risk weight based on the free and reduced lunch criteria are added to the At-Risk student count.
- F. Adjusts local revenues for storm-impacted districts**
1. Cameron, Jefferson and City of Bogalusa
90% of 2004-2005 local revenue amount
 2. Plaquemines
75% of 2004-2005 local revenue amount
 3. Orleans and St. Bernard
35% of 2004-2005 local revenue amount
- G. Lowers the cap on the growth in the computed sales tax base for purposes of calculating the local wealth factor. The cap decreased from 20% to 15%.**
- H. Provides for \$80 per student in Level 3 to offset mandated costs.**
Continues the mandated cost adjustment provided in the revised 2005-2006 MFP Budget Letter. The amount is increased from \$60 to \$80 per student.
- I. Provides \$1,500 pay raise in Level 3 for Certificated staff.**
Each school system shall receive funding to provide an across-the-board \$1,500 pay raise plus 15.8% associated employer retirement contribution for certificated personnel.
1. **Basis of Distribution**
Final distribution is based on October 2, 2006 PEP (Profile of Educational Personnel) data as reported to the Department. Funding is estimated in Level 3 of the formula based on 2005-2006 PEP data and provided monthly beginning with the July 2006 MFP payment. Amounts will be adjusted once the October 2, 2006 PEP data is available.
 2. **Certificated Personnel Defined**
Per state Department of Education Bulletin 1929, Louisiana Accounting and Uniform Governmental Handbook (LAUGH), certificated personnel are defined to include the positions below. Positions in these categories must require certificates. Those individuals holding teaching certificates employed in positions not requiring a teaching certificate shall not be considered for funding.
 - a. **Teachers** (all function codes 1000-2200, object code 112);
 - b. **Therapists/Specialists/Counselors** (function codes 1000-2200, object code 113);
 - c. **School site-based principals, assistant principals, and other school administrators** (function code 1000-2200 and 2400, object code 111);
 - d. **Central office certificated administrators** (function code 1000-2300 & 2831 (excluding 2321), object code 111);
 - e. **School nurses** (function code 2134, object code 118);
 - f. **Sabbaticals** (function code 1000-2200, 2134, and 2400, object code 140).
 3. **Required Timelines for Pay Raise**
Funding is estimated in Level 3 of the formula based on 2005-2006 PEP data and provided monthly beginning with the July 2006 MFP payment. Each district shall include the \$1,500 pay increase in the 2006-2007 salary schedules and begin paying the increase by August 1, 2006.

J. Provides \$500 pay raise in Level 3 for Non-certificated staff.

Each school system shall receive funding to provide an across-the-board \$500 pay raise plus 17.7% associated employer retirement contribution for non-certificated personnel.

1. Basis of Distribution

Final distribution is based on October 2, 2006 PEP (Profile of Educational Personnel) data as reported to the Department. Funding is estimated in Level 3 of the formula based on 2005-2006 PEP data and will be provided monthly, beginning with the July 2006 MFP payment. Amounts will be adjusted once the October 2, 2006 PEP data is available.

2. Non-Certificated Personnel Defined

Per state Department of Education Bulletin 1929, Louisiana Accounting and Uniform Governmental Handbook (LAUGH), non-certificated personnel are defined to include the positions below.

- a. **Aides** (object code 115, function codes 1000-4900);
- b. **Support supervisors** (object code 111, function codes 2130, 2300 [except 2311, 2321, 2324, 2831 and 2832] and 2500 through 4900);
- c. **Clerical/secretarial** (object code 114, function codes 1000-4900);
- d. **Service workers** (object code 116, function codes 1000-4900);
- e. **Skilled craftsmen** (object code 117, function codes 1000-4900);
- f. **Degreed professionals** (object code 118, function codes 1000-4900, except 2134);
- g. **Other personnel** (object codes 100, 110 and 119; function codes 1000-4900).

3. Required Timelines for Pay Raise

Funding is estimated in Level 3 of the formula based on 2005-2006 PEP data and provided monthly, beginning with the July 2006 MFP payment. Each district shall include the \$500 pay increase in the 2006-2007 salary schedules by August 1, 2006. Districts have the option of paying the full \$500 pay increase amount as a supplement in the FY2006-2007 year only. Districts choosing to do so must make the full payment by October 30, 2006.

K. Provides for an exemption from the 50% pay raise requirement for certificated personnel where the district average salary is above the latest published SREB (Southern Region Education Board) average.

The latest published SREB average is \$42,291. DeSoto Parish, St. James Parish, West Feliciana Parish, and the LSU Lab School are exempt from this requirement in FY2006-2007. Average teacher salary data for the 68 school systems and the lab schools are based on FY 2005-2006 budgeted data.

L. Modifies the 70% Instructional Requirement

The requirement that 70% of a district's general fund be spent in instructional expenditures remains. However, educational expenditures are restricted to the school building level. No central office instructional expenditures will be considered in the 70% measurement. School administration has been added to the categories of instruction, pupil support, and instructional staff services as instructional expenditures.

M. Fifty Percent (50%) of Level 1 and 2 Growth Dedicated to Certificated Pay Raise.

HCR 290 continues the provision that not less than 50% of each school district's increased State funding from implementation of Level 1 and Level 2 of the formula is to be used to supplement and enhance full-time certificated staff salaries and retirement benefits. Districts with average teacher salaries above the latest published SREB average are exempt from the 50% pay raise requirement.

The net amount each district must distribute is located in Table 3A, Column 18. Employer retirement contributions have been accounted for by dividing each district's 50% distribution by 1.158%. The result of this calculation is the number reflected in Table 3A, Column 18.

1. Distribution of Pay Increase.

The State Board of Elementary and Secondary Education has taken the position that local school systems will be allowed the flexibility to distribute the pay raise in a manner that is most beneficial to the unique needs of individual school districts. For example, school districts may want to boost pay for beginning teachers, teachers willing to work in low performing schools or teachers in shortage areas. Alternatively, some districts may elect to distribute the pay increase in the same manner the FY 2001-2002 pay increase was distributed. School boards may make decisions that best suit the particular needs of their districts.

A. Required Timelines for Pay Raise.

Each district shall include the 50% pay increase in the 2006-2007 salary schedules and begin paying the increase by August 1, 2006. This is a permanent pay raise.

N. Funding for Lab Schools

1. Funding Basis

LSU and SU Lab Schools are funded at the state per pupil amount for Levels 1, 2 and 3 based on their May 1, 2006 MFP membership.

2. Certificated Pay Raise

Fifty percent (50%) of increased state funds must be directed to certificated pay raises. Lab Schools are afforded flexibility in the distribution of these funds to certificated staff in a manner that best meets the needs peculiar to each school. The exemption for average salaries above the SREB average applies to the Lab Schools.

O. Accountability for School Performance

HCR 290 provides for a report to be submitted to the Legislature for each school with a school performance score below 80 and annual growth of less than two points in the School Performance Score. The report will be submitted to the Legislature on or before June 1, 2007. Copies will be provided each district and will be placed on the Department's website.

P. Use of Latest Available Data

For purposes of the MFP calculations required by HCR 290, latest available data is identified as follows:

1. May 1 Membership is per BESE definition and based on the May Student Information System data, including any school transferred to the Recovery School District.
2. Weighted membership data is as follows:
 - a. Exceptionalities – SER May 1, 2006, including any school transferred to the Recovery School District.
 - b. Gifted and Talented –SER May 1, 2006, including any school transferred to the Recovery School District.

- c. Vocational Education – LEADS Spring 2006 including any school transferred to the Recovery School District.
 - d. At-Risk – Student Information System May 1, 2006, including any school transferred to the Recovery School District.
 - e. Economy of Scale -- Student Information System May 1, 2006, including any school transferred to the Recovery School District.
3. Local School System Revenues and Tax Rates – Annual Financial Report data for Fiscal Year 2004-2005.
 4. Net Assessed Property Values – Louisiana Tax Commission December 2004 data.
 5. Foreign Language Associate Teacher – Data from May of the 2005-2006 school year.
 6. Accountability Student Transfer - Student Information System May 1, 2006, including any school transferred to the Recovery School District.

If you have any questions regarding this information, contact Charlotte Stevens at (225) 342-3590 or via e-mail at charlotte.stevens@la.gov. This information will be posted to the Department of Education website, www.louisianaschools.net. You may also call the department's toll free number at 1-877-453-2721.

CJP/ML/BS:cs

Attachments

c: SBESE Members
Senator Francis Heitmeier
Senator J. Chris Ullo
Representative John Alario
Representative Carl Crane
Commissioner Jerry Luke LeBlanc
Local School System Business Managers/Directors of Finance
Carole Wallin, Deputy Superintendent of Education, SDE
Marlyn Langley, Deputy Superintendent for Management and Finance, SDE
Beth Scioneaux, Director, Education Finance, SDE
Kitty Littlejohn, Director, Appropriation Control, SDE
Tommy Smith, Assistant Director of Budget and Planning, LSU
Dr. Wade Smith, Director, LSU Lab School
Bob Kuhn, Associate Vice Chancellor, LSU
Sheila Lewis, Director, SU Lab School
Monica Mealie, Associate Comptroller for Financial Accounting, SU
James Cannon, Budget Office, SU
Veronica Howard, Office of the Governor
George Silbernagel, House Appropriations
Etta Harris-Whitmore, Office of Planning and Budget
David Ray, Senate Finance
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Gordon Monk, Legislative Fiscal Officer
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