



Overview of the Minimum Foundation Program (MFP) Formula

MFP Purpose

- Article VIII, Section 13 of the Louisiana Constitution provides that the Board of Elementary and Secondary Education (BESE) shall annually develop and adopt a formula which shall be used to:
 - Determine the cost of a minimum foundation program of education in the State.
 - Equitably distribute State funds through the formula.

MFP Formula Budgeting Cycle

- August to December - LDOE conducts research as needed
- January to February - Task Force makes recommendations to BESE on possible revisions to the formula for the upcoming fiscal year
- March - BESE makes final decision on formula components and submits proposed formula and estimated cost to the Legislature.
- April to June - Legislature considers the formula
- July - Adopted formula implemented in new fiscal year

MFP Adoption Process

- The formula for the upcoming fiscal year must be submitted by BESE to the Legislature for consideration no later than March 15th.
- Possible outcomes include:
 - Formula is adopted then implemented July 1 in new fiscal year.
 - Formula is returned to BESE with suggestions for revisions, then BESE has the option to revise and resubmit or take no action.
 - Formula is not passed then current formula remains in effect for upcoming fiscal year.

MFP Formula Structure

- The current formula has four sections or “levels”, each with its own purpose.
- Each level has separate calculations to provide funding for different educational needs.
- Level 1 calculates the cost of education in each city and parish school system based on the education needs of students.
 - Once determined, the state and local shares of the cost are determined.
 - Potential of school systems to generate local tax revenues drives the local share while the state is responsible for the difference.
 - Two-thirds of the formula funding is allocated through Level 1.

MFP Level 1

- The Level 1 calculation starts with the student counts including a base count and weighted counts.
 - The base student count is the total number of students counted by the school systems in the most recent February 1 data collection.
 - Each student counts as one (1.0) in this data set.

MFP Level 1

- Weighted counts recognize additional costs associated with educating certain special populations of students.
 - Each weight utilizes a unique data set using student or course counts.
 - These counts are multiplied by the weight/percent to generate a weighted count.
 - For example, a weight of 60% adds .60 of a student to the weighted count.
 - This .60 is added to the base count of 1.0 so that this student is counted as 1.60 in the weighted student count.

MFP Level 1

- The formula includes five different weights:
 - Economically Disadvantaged (ED)Weight (22%) – recognizes the additional cost associated with educating students that are economically disadvantaged.
 - Students are if they qualify for programs such as Medicaid and reduced price lunch eligibility.
 - Career and Technical Education Weight (6%) – designed to recognize the additional costs incurred for supplies for CTE courses.
 - The number of CTE courses in which students are enrolled drives this count.
 - Students with Disabilities Weight (150%) - acknowledges the extra cost that is incurred to provide services to students with disabilities.
 - A student is counted if they are receiving one of the 16 identified special education services identified in the individual student IEP.

MFP Level 1

- Gift and Talented Weight (60%) - recognizes the additional cost associated with providing services to gifted and/or talented students.
 - The number of students qualifying as gifted and/or talented should be counted for this weight.
- Economy of Scale Weight(up to 20%) - City and parish School systems with less than 7,500 students as of the most recent February 1 student count are recognized to have extra costs due to their small size.
 - These systems are assigned extra weighted students in order to recognize this extra cost.
 - The amount is determined by how close or distant they are from 7,500 students.

MFP Level 1

- The weighted student or unit counts are added to the base student count to equal the total weighted student count.



MFP Level 1

- The base per pupil amount is the next component in the Level 1 formula calculation.
 - This amount is specifically named in the formula resolution adopted by the Legislature.
 - Level 1 is the only level of the formula in which this amount is utilized.
 - The per-pupil amount is an input not an output; it is not the final per-pupil allocation that each school system receives when the Level 1 calculation is complete.
 - The current base per-pupil amount is \$4,015.

MFP Level 1

- Total weighted student count is multiplied by the base per pupil amount to equal the cost of education calculated by the formula.



MFP Level 1

- Next, the proportion of the cost of education that will be funded by the State and supported by the local school systems is calculated.
- The local share is determined first and is based on the potential of the school systems to support education in their communities through local tax revenues rather than the actual amount collected.
 - This methodology accounts for the differences in the amount of local tax revenues city and parish school systems are able to generate.
- The local share equals the net assessed taxable property and the calculated sales tax base for each city and parish school system multiplied by an ad valorem millage and sales tax rate appropriate to yield the 65%/35% split.
 - The formula ensures that the average State share of the cost of education is 65% and the school systems share on average is 35% of the cost.

MFP Level 1

- The State share is calculated by subtracting the local share from the cost of education.
- Each individual city and parish school system will have a unique State share based on its unique situation.
 - The proportion of the cost funded by the State may range, for example, from a high of 89% to a low of 25% although the state average remains at 65%.
- Each year, as school systems are more or less able to support education costs through increases or decreases in local revenues, the formula adjusts the State and local share upward or downward.

MFP Level 2

- When this formula was first developed in the early 1990s some school systems were not generating local revenues sufficient to meet the required local contribution.
- Level 2 was implemented to provide an incentive to school systems to tax themselves beyond the minimum required to meet the local share.
 - This calculation measures the amount of local revenues collected.
 - An amount above the required local share is eligible for a reward.
 - The reward amount is on average approximately one-third of the amount of local revenues above the required minimum.
 - When local revenues increase, the amount of funds eligible for the reward increases.
 - The reward amount will increase up to the limit on Level 2.

MFP Level 3

- Level 3 provides three allocations added due to requests from the Legislature. The four allocations are:
 - 1 - Continuation of Prior Year Pay Raises - Continues funding for teacher pay raises and support worker pay raises originally provided by the Legislature the 2000s.
 - 2- Historical Formula Allocation – A one-time hold harmless provision instituted in the early 1990s when the current student driven formula was implemented to ease transition.
 - 3 - Support for Increasing Mandated Costs of Health Insurance, Retirement, and Fuel - \$100 per student to defray the costs of these expenses implemented in mid-2000s.

MFP Level 4

- Level 4 provides funding for six specific programs and the State-authorized schools including:
 - **1 – International Teacher Allocation** - Funding to support the cost of employing international teachers for language instruction including:
 - \$21,000 per teacher towards salary expenses plus
 - installation stipend for first-year teachers and
 - retention stipend for second and third- year teachers.
 - **2 - Career Development Fund (CDF) Allocation** – Funding to support the cost of specific courses providing career training and certifications.

MFP Level 4

- **3 - Supplemental Course (SCA) Allocation** - Funding to support the cost of secondary course choices above and beyond the traditional classroom including dual enrollment.
- **4 - High Cost Services (HCS) Allocation** –School systems apply for funding to assist with expenses for services to a student with disabilities when the cost of the services are greater than three times the average per student cost.

MFP Level 4

- **5 - Certificated and Support Worker Pay Raises** - Funding for the continuation of:
 - \$1,000 certificated personnel pay raise along with a \$500 Support Worker pay raise plus associated retirement costs that was provided first in 2019-20.
 - \$800 certificated personnel pay raise along with a \$400 Support Worker pay raise plus associated retirement costs was provided in 2021-22.
 - \$1,500 certificated personnel pay raise along with a \$750 Support Worker pay raise plus associated retirement costs that was provided first in 2022-23.

MFP Level 4

- **8 – Teacher Mentor Stipend Allocation** – Supports Teacher Mentors to undergraduate year-long residents and post-baccalaureate certification residents with a \$2,000 stipend.

MFP Level 4

- Level 4 also contains allocations for State-authorized public schools including:
 - LSU and Southern Lab Schools
 - Type 2 Charter Schools
 - Recovery School District (RSD)/Type 5 Charter Schools
 - Office of Juvenile Justice (OJJ) Schools
 - New Orleans Center for Creative Arts (NOCCA)
 - Louisiana School for the Math, Science, and the Arts (LSMSA)
 - Thrive Academy
 - Special School District (SSD)
 - ULL Lab School (opening in future year)

MFP Adjustments

- MFP funding is allocated in July and also adjusted in March to incorporate student increases or decreases reported by the school systems during the most recent October and February student counts.
- The size of the funding adjustment depends on the difference in the student count, upward or downward, multiplied by the unique State share per pupil amount.
 - Changes in the October student count require an adjustment for the full per pupil amount but changes in the February count only require one-half of the per pupil amount.

Questions

For more information on the Minimum Foundation Program (MFP), reference the following link:

<http://www.louisianabelieves.com/resources/library/minimum-foundation-program>

Questions may be sent to LDOEMFPHelpdesk@la.gov

