

Louisiana Senate Finance Committee



FY18 Executive Budget

19 – Dept. of Education

May 2017

Sen. John A. Alario, Jr., President

Sen. Eric LaFleur, Chairman



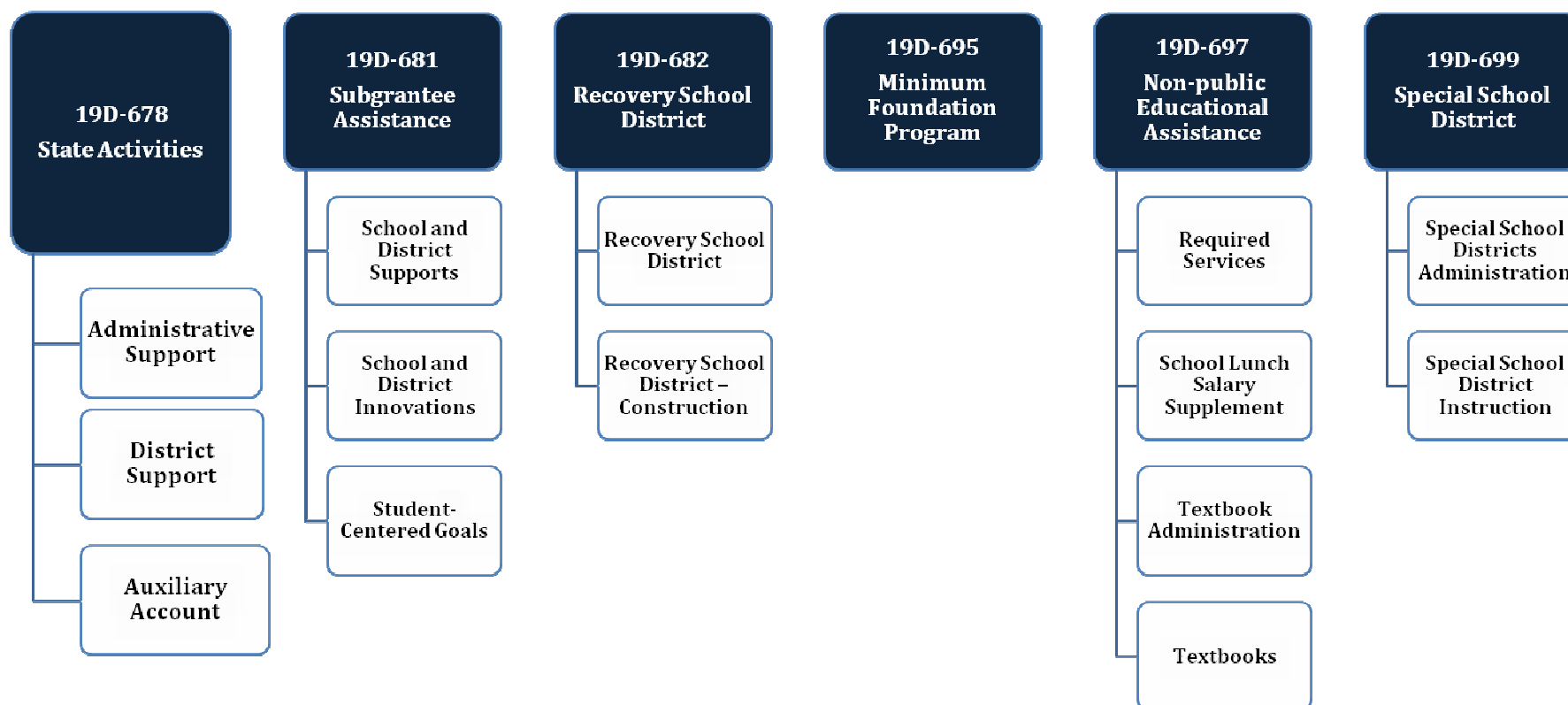
Kari Couvillon



FY18 Executive Budget

Schedule 19 — Department of Education

Departmental mission — The Louisiana Department of Education's primary goal is to ensure that all students, at every grade level, are on track to attain a college degree or succeed in a professional career.

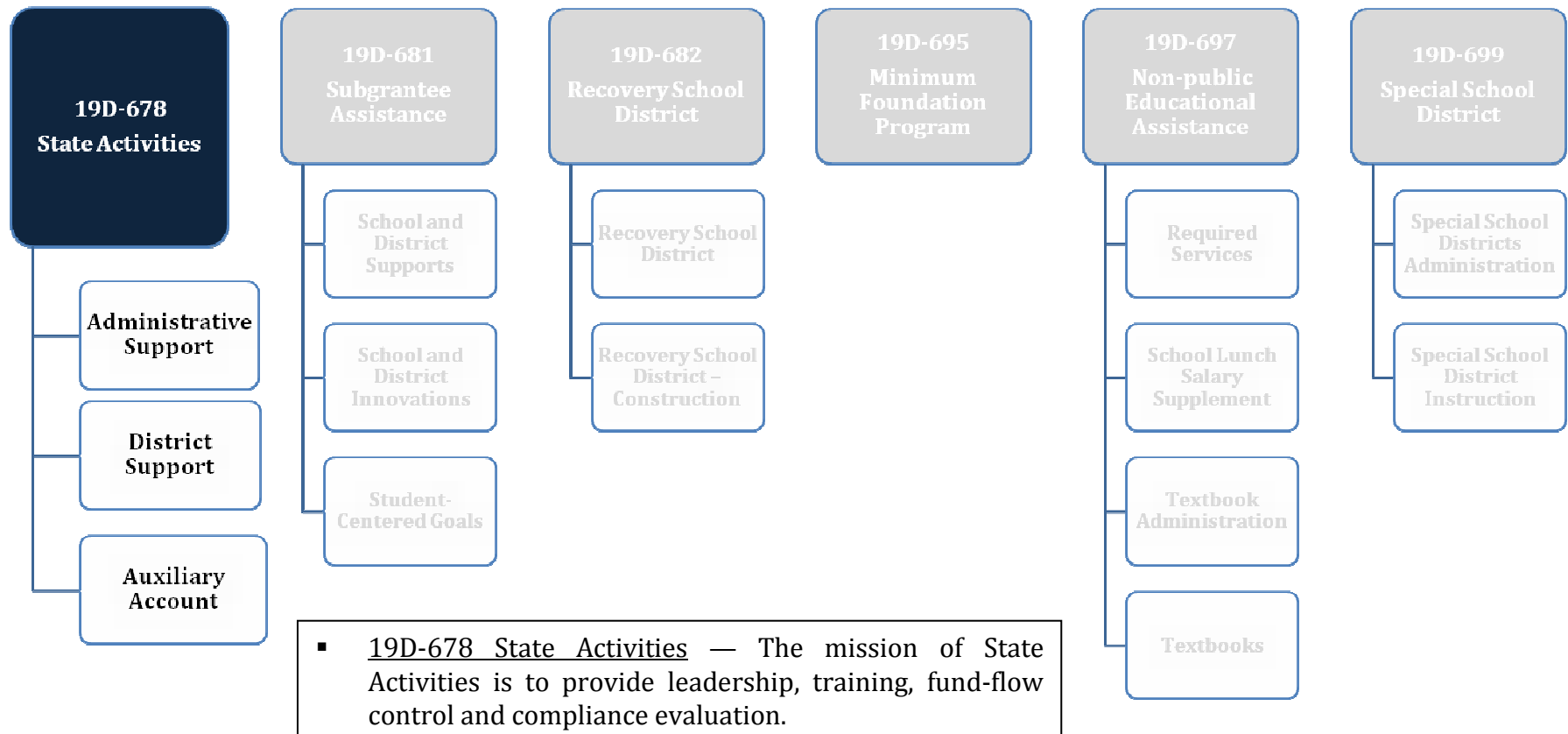




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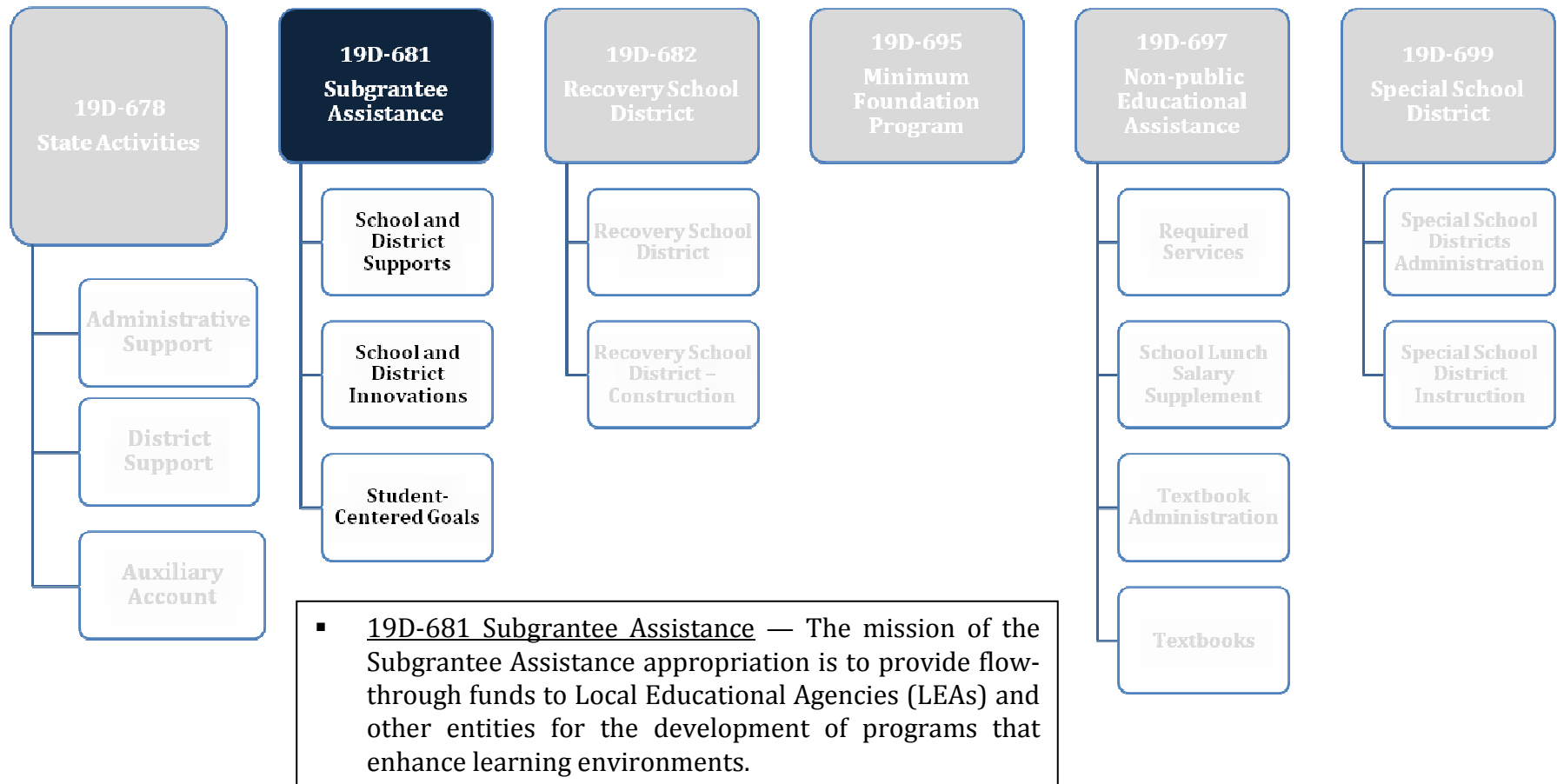




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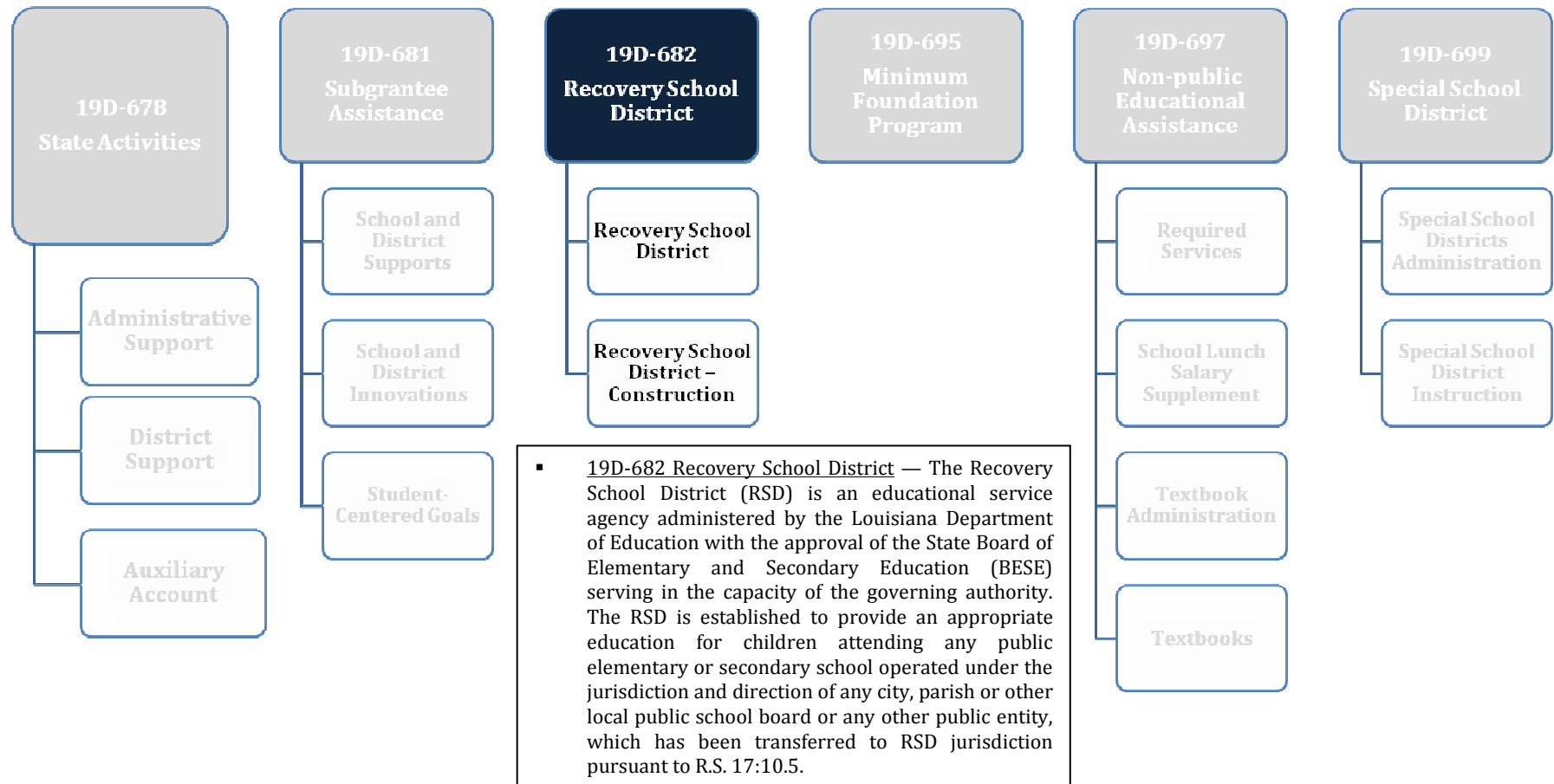




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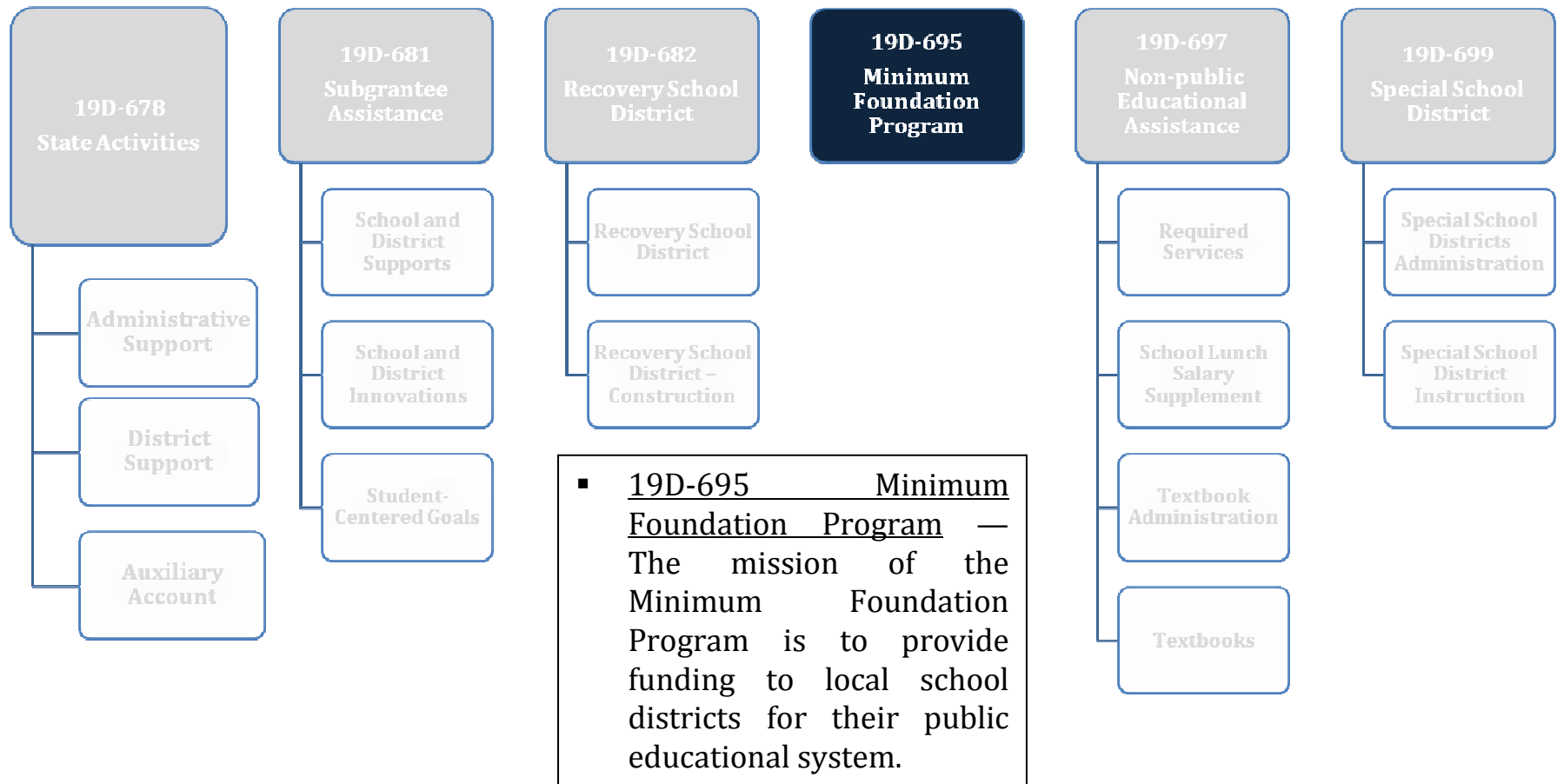




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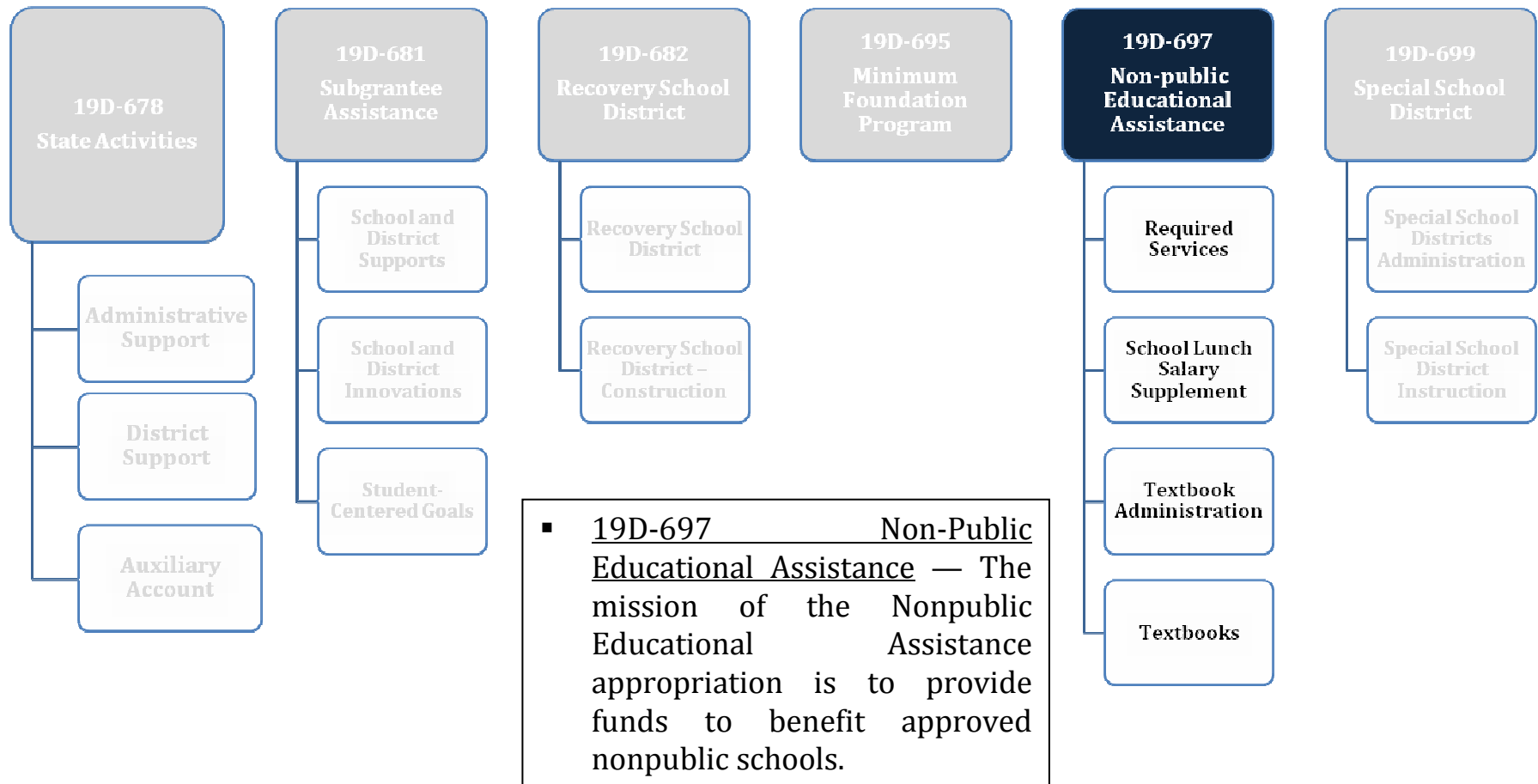




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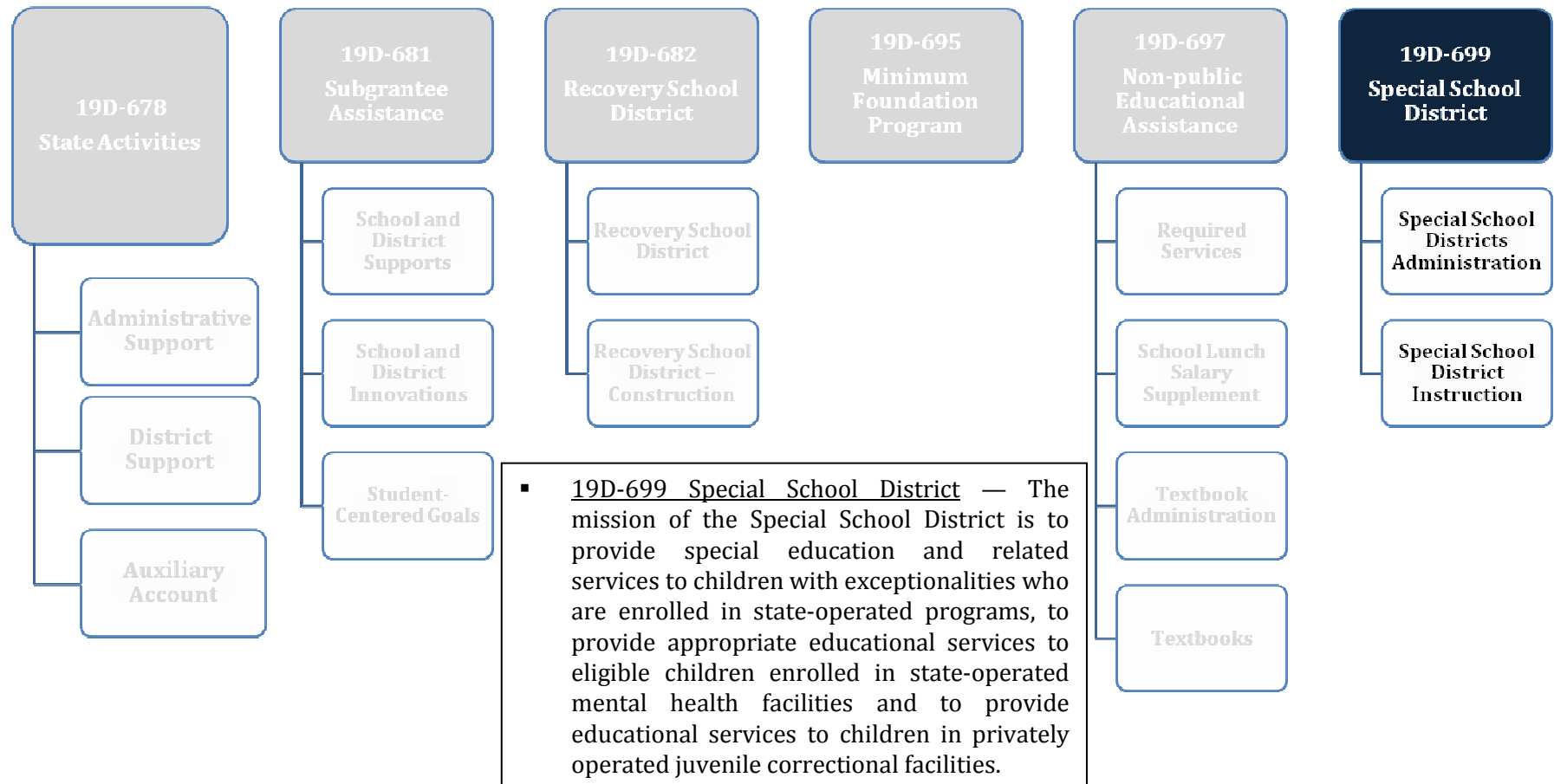




FY18 Executive Budget

Schedule 19 — Department of Education

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Department of Education

FY16, FY17, and FY18 Comparison

Total Funding — All Means of Finance

Total Funding	FY16 Actual	FY17 Enacted	FY17 EOB as of 12-1-16	FY18 Recommended	FY18 Re-engrossed HB1	Difference FY18 Re-engrossed HB1 vs. FY17 EOB as of 12-1-16
Preamble	\$ -	\$ -	\$ -	\$ -	\$ (17,644,900)	\$ (17,644,900)
State Activities	\$ 110,548,139	\$ 140,689,619	\$ 141,175,169	\$ 145,725,821	\$ 145,725,821	\$ 4,550,652
Subgrantee Assistance	\$ 1,179,438,300	\$ 1,226,001,486	\$ 1,226,001,486	\$ 1,213,682,358	\$ 1,213,682,358	\$ (12,319,128)
Recovery School District	\$ 223,384,317	\$ 236,011,117	\$ 235,937,318	\$ 235,668,561	\$ 235,668,561	\$ (268,757)
Minimum Foundation Program	\$ 3,684,986,335	\$ 3,669,014,470	\$ 3,669,014,470	\$ 3,710,196,294	\$ 3,710,196,294	\$ 41,181,824
Nonpublic Educational Assistance	\$ 23,391,015	\$ 19,359,021	\$ 19,359,021	\$ 18,971,841	\$ 18,971,841	\$ (387,180)
Special School District	\$ 10,377,336	\$ 11,263,329	\$ 11,173,970	\$ 10,972,376	\$ 10,972,376	\$ (201,594)
TOTAL	\$ 5,232,125,442	\$ 5,302,339,042	\$ 5,302,661,434	\$ 5,335,217,251	\$ 5,317,572,351	\$ 14,910,917
Total Authorized FTEs	481	481	489	446	446	(43)

EOB March 2017	FY18 Re-engrossed HB1	Difference
\$ 5,298,273,678	\$ 5,317,572,351	\$ 19,298,673
489	446	(43)

Total State Effort — State General Fund, Dedicated Funds, and Fees and Self-generated Revenue

FY17 EOB as of 12-1-16	FY17 EOB as of March 2017 (Includes Attrition Adjustment)	Difference	FY18 Recommended	Difference	FY18 Re-engrossed HB1	Difference
TOTAL STATE EFFORT	TOTAL STATE EFFORT	EOB 12-1-16 vs. EOB March 2017	TOTAL STATE EFFORT	EOB March 2017 vs. FY18 Recommended	TOTAL STATE EFFORT	EOB March 2017 vs. FY18 Re-engrossed
\$ 3,887,322,637	\$ 3,882,934,881	\$ (4,387,756)	\$ 3,926,048,780	\$ 43,113,899	\$ 3,908,403,880	\$ 25,468,999

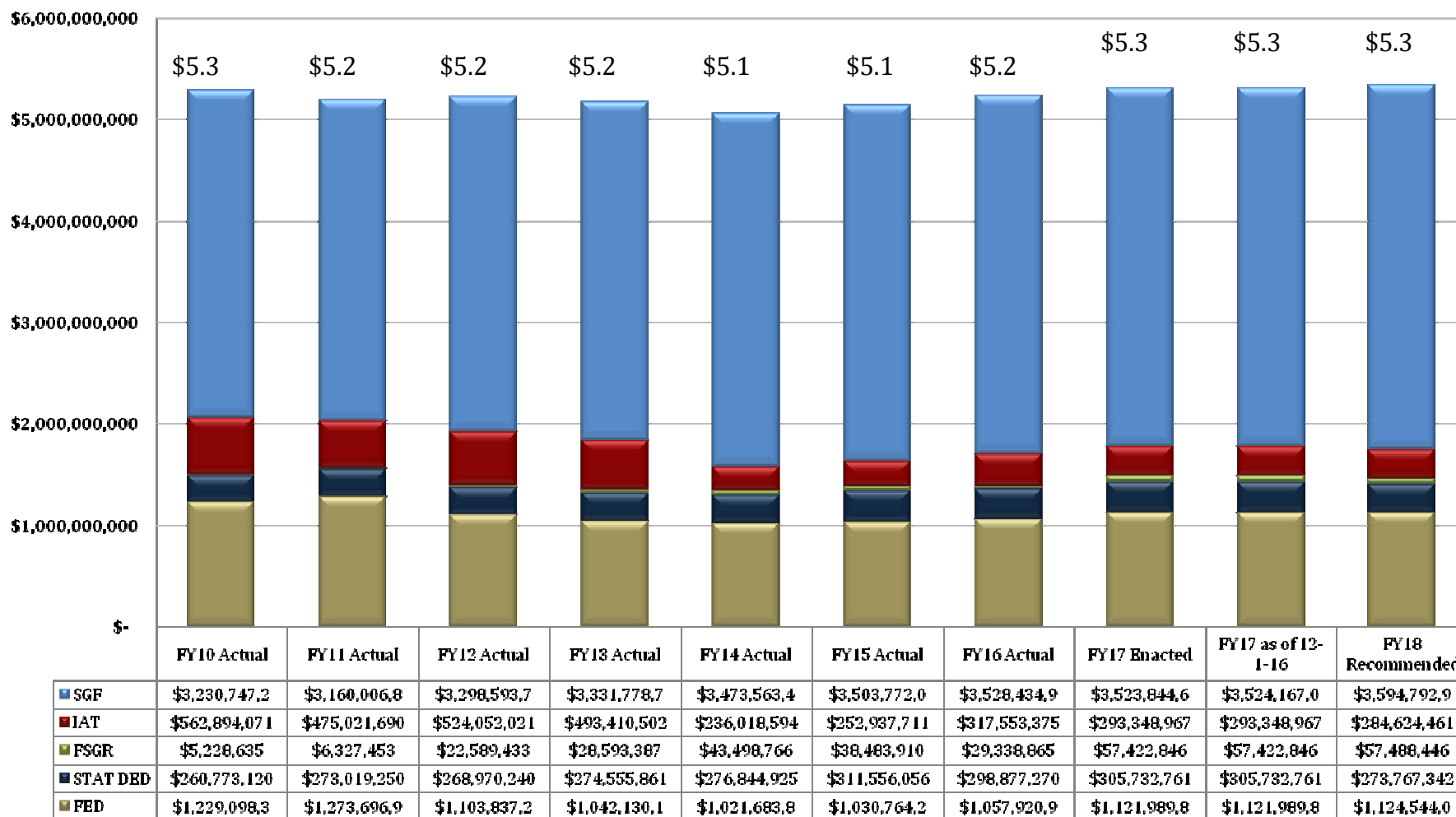


Department of Education

Changes in Funding since FY10

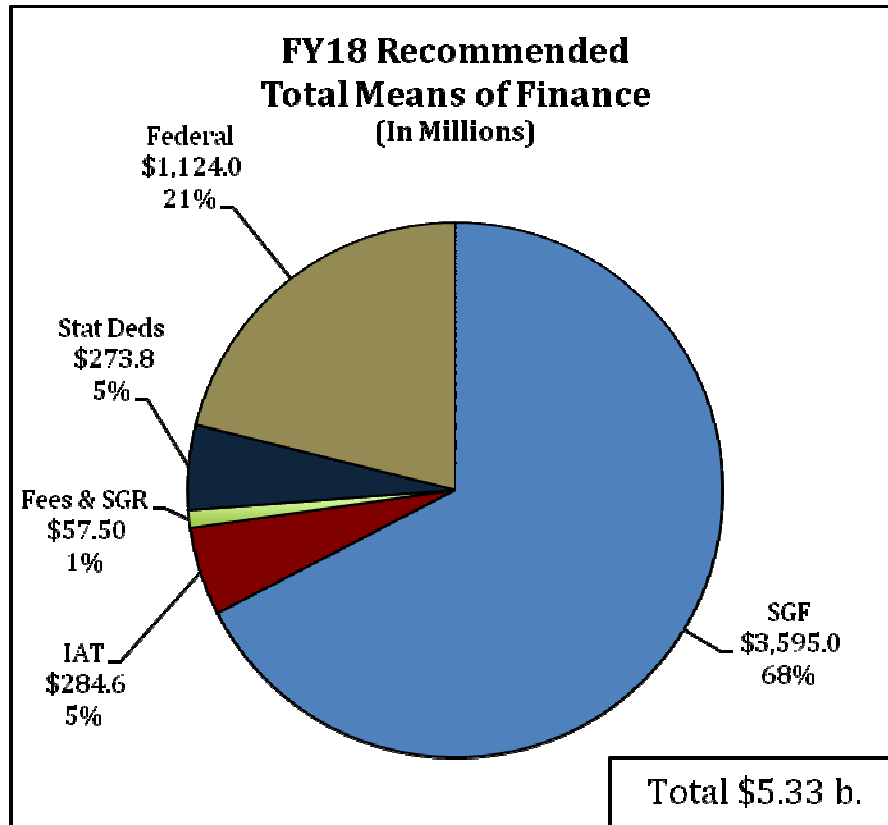
**Total Budget by Fiscal Year and Means of Finance
(in \$ billions)**

Change from FY10 to FY18 is 0.0%.





FY18 Recommended Means of Finance



Non-SGF Sources of Funding:

Statutory Dedications are comprised primarily of the La. Lottery Proceeds Fund (C) which supports the Minimum Foundation Program and the Support Education in Louisiana First Fund (S) which supports salaries for certified Pre-K through 12 teachers. Additional monies are received through the Education Excellence Fund (C) for educational enhancements for Pre-K through 12 students.

Interagency Transfers are derived from several state agencies, including FEMA monies from the Division of Administration for disaster reconstruction; Temporary Assistance to Needy Families (TANF) monies from the Department of Children and Family Services (DCFS) for the LA4 Early Childhood Program and the Jobs for America's Graduates program (JAG); and support for the Recovery School District out of the Minimum Foundation Program. Other monies are received from the Louisiana Workforce Commission for employment training and transition programs and from the Board of Elementary & Secondary Education for school and staff initiatives.

Federal monies include funding for Food & Nutrition Services; Disadvantaged Persons; Special Education; Teacher and Principal Quality; Child Care Development; Academic Improvement; School Improvement; and Reading initiatives.

Fees and Self-generated Revenues are derived from a variety of sources, including the Broad Foundation, the Carl D. Perkins Vocational and Applied Technology Education Act of 1990, fees for auxiliary services, Harrah's Capital Funding project, and Lexington Insurance Proceeds from Hurricane Katrina.



Department of Education Dedicated Funds FY16, FY17, and FY18

Dedicated Funds	Source of Funding	FY16 Actual	FY17 Enacted	FY18 Recommended
Education Excellence Fund	Tobacco Settlement Proceeds	\$14,129,936	\$14,872,761	\$14,672,342
Lottery Proceeds Fund	Lottery Corporation revenues	\$186,324,197	\$181,100,000	\$152,800,000
Support Education In Louisiana First Fund	Gaming Franchise Fees	\$98,423,137	\$109,760,000	\$106,295,000
TOTALS		\$298,877,270	\$305,732,761	\$273,767,342

Dedicated Funds used to solve FY17 Mid-Year Deficits — Includes December and February Adjustments

Dedicated Fund	Amount
Education Excellence Fund (November)	(\$743,638)



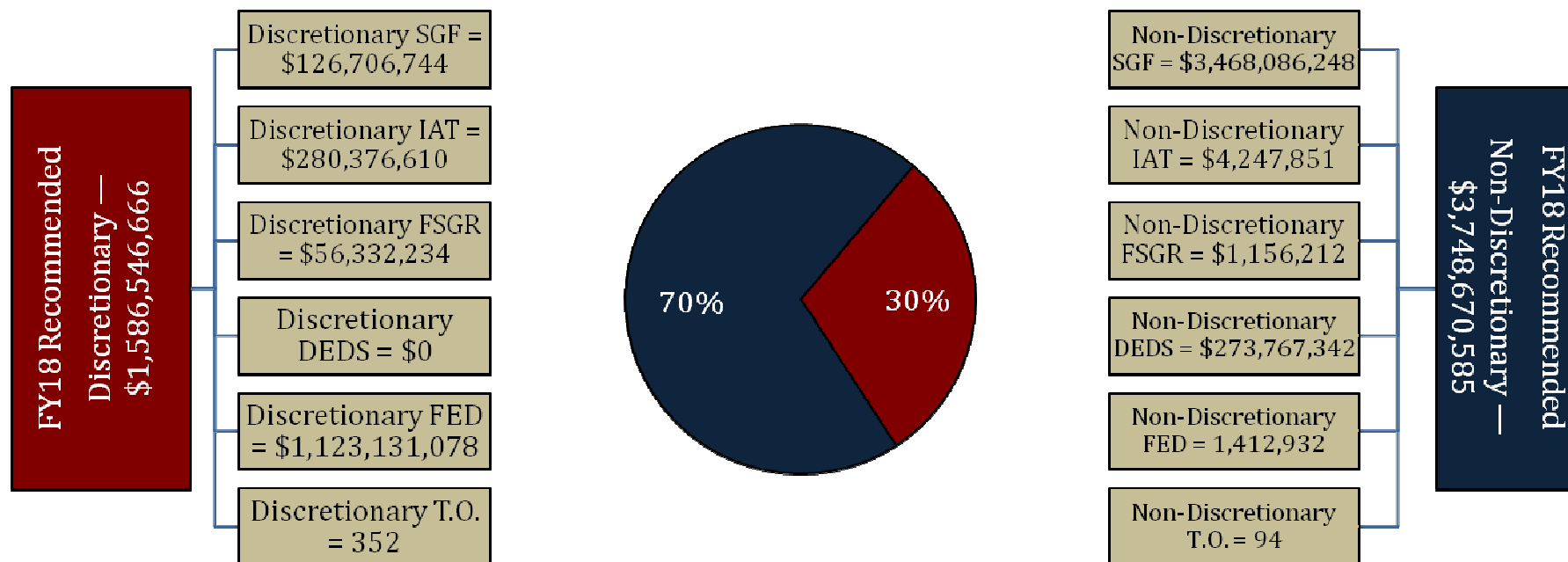
Department of Education Expenditures FY16, FY17, and FY18

Expenditure Category	FY16 Actual	FY17 Enacted	FY18 Recommended	Percent Change FY17 Enacted vs. FY18 Recommended
Personal Services:	\$56,409,176	\$63,667,498	\$62,125,522	(2.4)
Salaries	\$26,407,389	\$30,684,577	\$28,642,139	(6.7)
Other Compensation	\$10,434,008	\$10,539,165	\$10,635,368	0.9
Related Benefits	\$19,567,779	\$22,443,756	\$22,848,015	1.8
Operating Expenses:	\$8,898,380	\$13,953,638	\$13,713,638	(1.7)
Travel	\$1,040,126	\$3,125,281	\$3,125,281	-
Operating Services	\$7,294,983	\$9,001,426	\$8,851,426	(1.7)
Supplies	\$563,271	\$1,826,931	\$1,736,931	(4.9)
Professional Services	\$77,411,820	\$93,674,117	\$87,842,742	(6.2)
Other Charges:	\$4,917,840,664	\$4,946,512,511	\$4,985,139,325	0.8
Other Charges	\$4,892,012,250	\$4,903,690,725	\$4,940,398,058	0.7
Debt Service	\$0	\$0	\$0	-
Interagency Transfers	\$25,828,414	\$42,821,786	\$44,741,267	4.5
Acquisitions & Major Repairs:	\$171,565,402	\$184,531,278	\$186,396,024	1.0
Acquisitions	\$5,458,425	\$5,400,000	\$5,400,000	-
Major Repairs	\$166,106,977	\$179,131,278	\$180,996,024	1.0
Total Expenditures	\$5,232,125,442	\$5,302,339,042	\$5,335,217,251	0.6



Department of Education

FY18 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
State Activities	\$ 138,381,156	9%
Subgrantee Assistance	\$ 1,196,530,974	75%
Recovery School District	\$ 235,574,538	15%
Minimum Foundation Program	\$ -	0%
Nonpublic Educational Assistance	\$ 16,059,998	1%
Special School District	\$ -	0%
Total Discretionary	\$ 1,586,546,666	100%

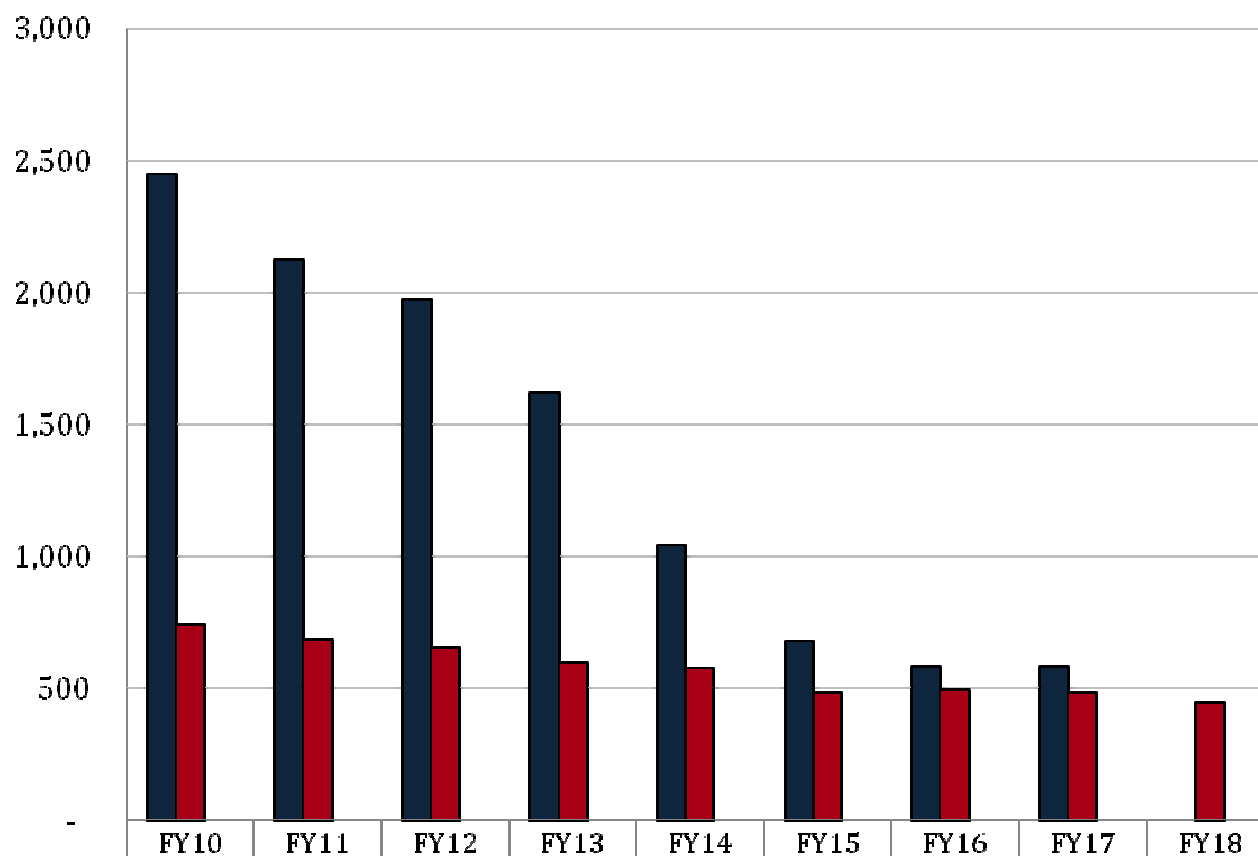
Total Non-Discretionary Funding by Type		
Needed for Debt Service	\$ 2,708,120	0.07%
Constitutional Requirements	\$ 3,728,163,898	99.45%
Avoidance of Court Order	\$ 10,232,194	0.27%
Statutory Requirements	\$ 2,620,284	0.07%
Unavoidable Obligations	\$ 4,946,089	0.13%
Total Non-Discretionary	\$ 3,748,670,585	100%

Debt Service = Rent in State-owned Buildings
 Constitutional Requirements = Superintendent salary, MFP, textbooks & instructional materials, and Education Excellend Fund
 Avoidance of Court Order = 2003 Juvenile Justice Settlement
 Statutory Requirements = Deputy Superintendent salary and the Professional Improvement Program.
 Unavoidable Obligations = Retirees Group Insurance and Legislative Auditor Fees.



Department of Education

FTEs, Authorized Positions, and Other Charges Positions



■ Total FTEs (as of July 1 of each fiscal year)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
■ Total Authorized Positions (Enacted)	2,445	2,122	1,974	1,619	1,040	676	582	578	-
■ Authorized Other Charges Positions	739	682	654	596	574	482	490	481	446
	-	-	-	-	-	-	-	-	-

Notes:

Data for Total FTEs uses the first weekly employment report published by State Civil Service in July at the start of the named fiscal year.

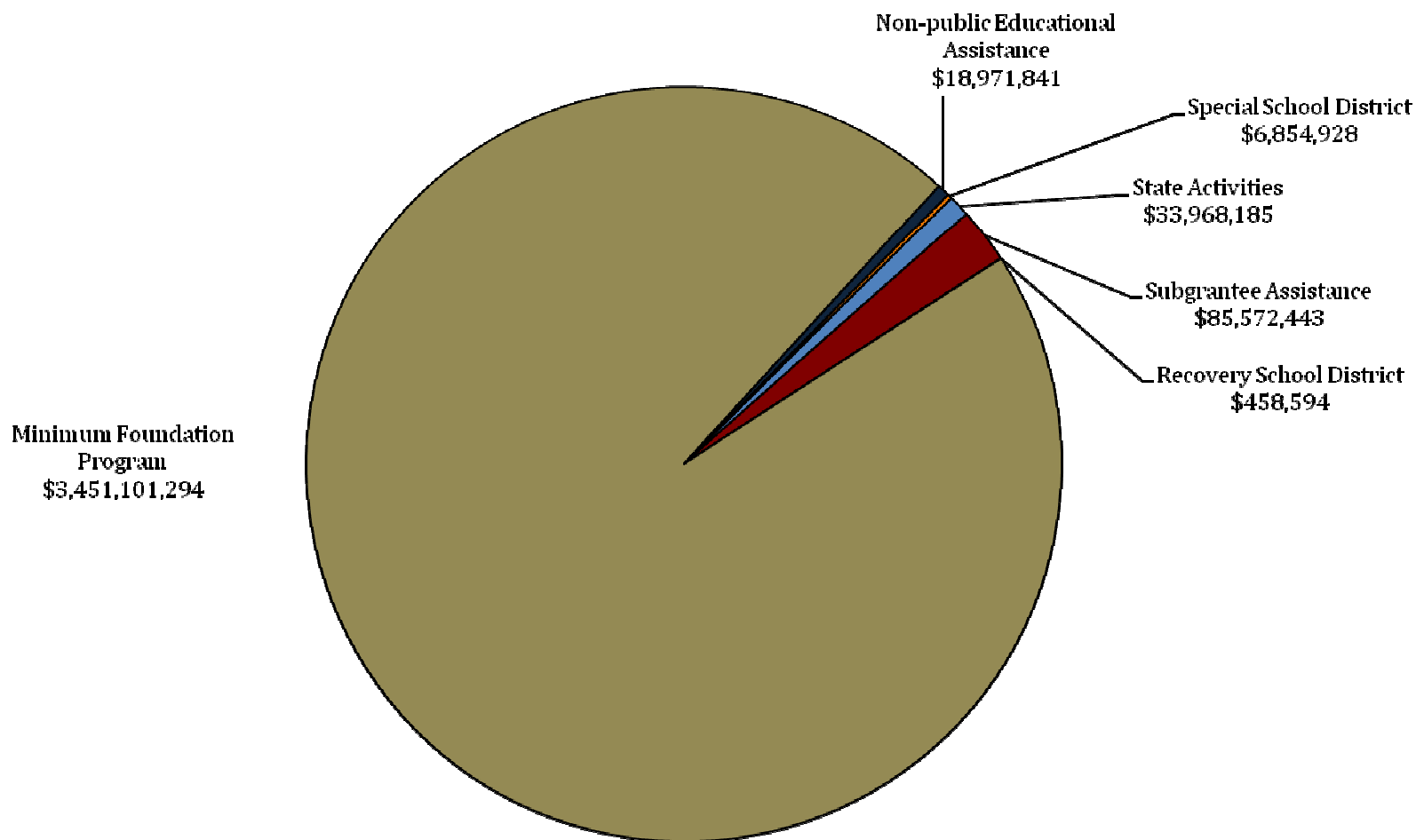
Data for Total Authorized Positions uses fiscal year enacted levels, except for FY18 Recommended.

Data for Other Charges Positions are reflected in the Executive Budget per Act 377 of the 2013 Regular Legislative Session (beginning in FY15).



Department of Education

FY18 Re-engrossed – State General Fund Distribution*



*Note: A preamble reduction in the Reengrossed HB1 directs the commissioner of administration to make a department-wide reduction in state general fund of \$19,779,193. That reduction will decrease the state general fund amounts shown.



Department of Education

Total Statewide Adjustments for FY18

19D_LDOE Department of Education ADJUSTMENTS TO EXISTING OPERATING BUDGET Recommended								
GEN. FUND	I.A.T.	SELF-GEN.	STAT. DED.	I.E.B.	FEDERAL	TOTAL	T.O.	DESCRIPTION
\$3,524,167,030	\$293,348,967	\$57,422,846	\$305,732,761	\$0	\$1,121,989,830	\$5,302,661,434	489	Existing Oper Budget as of 12/01/16
A. STATEWIDE STANDARDS								
(\$2,932,482)	\$0	\$0	\$0	\$0	\$0	(\$2,932,482)	0	State General Fund (SGF) reduction in accordance with the Louisiana Constitution, Article VII, Section 11(A).
\$801,003	(\$103,537)	(\$576,016)	\$0	\$0	(\$48,420)	\$73,030	0	Related Benefits Base Adjustment
\$155,160	\$143,312	\$95,538	\$0	\$0	\$316,302	\$710,312	0	Retirement Rate Adjustment
(\$258,704)	\$88,704	(\$1,080,555)	\$0	\$0	(\$1,130,977)	(\$2,381,532)	0	Salary Base Adjustment
(\$420,646)	(\$93,439)	(\$37,512)	\$0	\$0	(\$480,682)	(\$1,032,279)	0	Attrition Adjustment
\$0	\$0	\$0	\$0	\$0	\$0	\$0	(43)	Personnel Reductions
\$0	\$148,794,906	\$37,101,118	\$0	\$0	\$500,000	\$186,396,024	0	Acquisitions & Major Repairs
\$0	(\$148,439,824)	(\$35,591,454)	\$0	\$0	(\$500,000)	(\$184,531,278)	0	Non-Recurring Acquisitions & Major Repairs
(\$196,129)	(\$404,442)	(\$450)	\$0	\$0	(\$1,705)	(\$602,726)	0	Risk Management
(\$73,418)	\$0	\$0	\$0	\$0	\$0	(\$73,418)	0	Legislative Auditor Fees
(\$17,201)	\$0	\$0	\$0	\$0	\$0	(\$17,201)	0	Rent in State-Owned Buildings
\$5,656	\$0	\$0	\$0	\$0	\$0	\$5,656	0	Capitol Park Security
(\$45)	\$0	\$0	\$0	\$0	\$0	(\$45)	0	UPS Fees
\$18,716	\$0	\$0	\$0	\$0	\$0	\$18,716	0	Civil Service Fees
\$6,022	\$0	\$0	\$0	\$0	\$0	\$6,022	0	State Treasury Fees
\$886,761	\$300,350	\$65,600	\$0	\$0	\$1,652,662	\$2,905,373	0	Office of Technology Services (OTS)
(\$3,430)	\$0	\$0	\$0	\$0	\$0	(\$3,430)	0	Administrative Law Judges
(\$47,427)	\$0	\$0	\$0	\$0	\$0	(\$47,427)	0	Office of State Procurement
\$31,765,000	\$0	\$0	(\$31,765,000)	\$0	\$0	\$0	0	TOTAL MEANS OF FINANCING SUB ADJUSTMENT



Department of Education

Total Statewide Adjustments for FY18

19D_LDOE
Department of Education
ADJUSTMENTS TO EXISTING OPERATING BUDGET
Recommended

GEN. FUND	I.A.T.	SELF-GEN.	STAT. DED.	I.E.B.	FEDERAL	TOTAL	T.O.	DESCRIPTION
A. STATEWIDE STANDARDS								
\$1,255,302	\$408,367	\$89,331	\$0	\$0	\$2,247,000	\$4,000,000	0	TOTAL NEW AND EXPANDED ADJUSTMENT
\$17,500,000	(\$9,418,903)	\$0	(\$200,419)	\$0	\$0	\$7,880,678	0	TOTAL OTHER ADJUSTMENTS ADJUSTMENT
(\$750,000)	\$0	\$0	\$0	\$0	\$0	(\$750,000)	0	TOTAL OTHER ANNUALIZATIONS ADJUSTMENT
\$22,931,824	\$0	\$0	\$0	\$0	\$0	\$22,931,824	0	TOTAL WORKLOAD ADJUSTMENT
\$3,594,792,992	\$284,624,461	\$57,488,446	\$273,767,342	\$0	\$1,124,544,010	\$5,335,217,251	446	Total Budget
\$70,625,962	(\$8,724,506)	\$65,600	(\$31,965,419)	\$0	\$2,554,180	\$32,555,817	(43)	Total Adjustments



Department of Education Significant Increases for FY18

Increase	Source	T.O.	Agency	Description
\$41.2 million	State General Fund	0	Minimum Foundation Program	This increase provides \$8.0 million for high-need students, \$10.0 million for additional high school courses, \$5.1 million for anticipated tax base adjustments, and \$18.1 million for the October 1 student count of an additional 4,013 students.



Department of Education

Significant Decreases for FY18

Decrease	Source	T.O.	Agency	Description
(\$693,228)	State General Fund	0	State Activities	Reduction in accordance with Louisiana Constitution, Article VII, Section 11(A).
(\$1,700,000)	State General Fund	0	Subgrantee Assistance	Reduction in accordance with Louisiana Constitution, Article VII, Section 11(A).
(\$9,359)	State General Fund	0	Recovery School District	Reduction in accordance with Louisiana Constitution, Article VII, Section 11(A).
(\$387,180)	State General Fund	0	Non-Public Educational Assistance	Reduction in accordance with Louisiana Constitution, Article VII, Section 11(A).
(\$139,896)	State General Fund	0	Special School District	Reduction in accordance with Louisiana Constitution, Article VII, Section 11(A).
(\$1.0 million)	State General Fund	0	Subgrantee Assistance	Decreases state general fund for the Professional Improvement Program (PIP) due to declining participation.
(\$9.4 million)	Interagency Transfers	0	Subgrantee Assistance	Decreases excess authority in Interagency Transfers based on historical levels of expenditures.



Department of Education

Significant Means of Financing Substitutions for FY18

MOF Swap	Source	T.O.	Agency	Description
(\$31.8 million)	Statutory Dedications	0	Minimum Foundation Program	This means of finance substitution increases state general fund and decreases statutory dedications by \$31.8 million based on the most recent Revenue Estimating Conference adjustments for the Lottery Proceeds Fund and the Support Education in Louisiana First (SELF) Fund.
\$31.8 million	State General Fund	0	Minimum Foundation Program	This means of finance substitution increases state general fund and decreases statutory dedications by \$31.8 million based on the most recent Revenue Estimating Conference adjustments for the Lottery Proceeds Fund and the Support Education in Louisiana First (SELF) Fund.



Department of Education

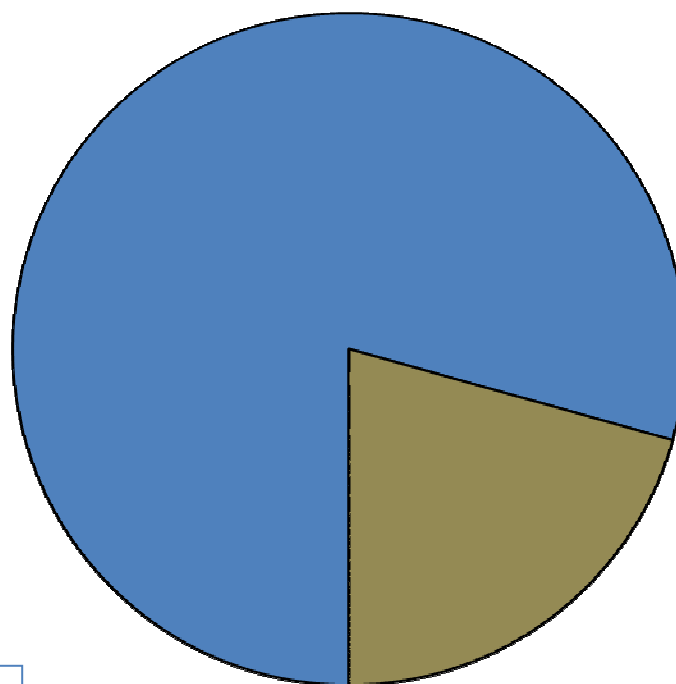
Changes from FY18 Recommended to FY18 Re-engrossed

Changes from FY18 Recommended to FY18 Re- engrossed	Source	T.O.	Agency	Description
(\$19,779,193)	State General Fund	0	Department of Education	House Committee Amendments direct the Commissioner of Administration to reduce the State General Fund appropriation.
(\$9,392,570)	Interagency Transfers	0	DOE-State Activities	House Committee Amendments direct the Commissioner of Administration to reduce the Interagency Transfer appropriation.
\$9,392,570	Federal	0	DOE-State Activities	House Committee Amendments provide \$9,392,570 out of Federal Funds to the District Support Program for the Child Care Assistance Program for licensing and eligibility determination expenses.
\$1,134,293	State General Fund	0	DOE-Subgrantee Assistance	House Committee Amendments provide State General Fund to the Student-Centered Goals Program for the Student Scholarships for Educational Excellence Program.
\$0	All Means of Finance	0	DOE-Subgrantee Assistance	House Committee Amendments allocate \$41 million out of the Student-Centered Goals Program for the Student Scholarships in Educational Excellence Program.
(\$12,031,856)	Interagency Transfers	0	DOE-Subgrantee Assistance	House Committee Amendments direct the Commissioner of Administration to reduce the Interagency Transfers appropriation.
\$12,031,856	Federal	0	DOE-Subgrantee Assistance	House Committee Amendments provide Federal monies to the Student-Centered Goals Program for the Child Care Assistance Program for payments to providers.
\$1,000,000	State General Fund	0	DOE-Subgrantee Assistance	House Committee Amendments provide State General Fund to the Student-Centered Goals Program to be allocated to local education agencies and other public schools to support Jump Start Career Diploma workplace-based education experiences, including internships and trainings aligned to Louisiana workforce and economic development needs.
\$0	All Means of Finance	0	DOE-Special School District	House Committee Amendments allocate \$425,000 out of the appropriation to the Instruction Program for the provision of special education and related services for students at River Oaks Hospital in New Orleans and Brentwood Hospital in Shreveport.



Department of Education

FY18 Recommended Total Authorized Positions by Agency



State Activities
354
79%

State Activities – The largest categories of positions in State Activities include the Office of Management & Finance (51), Early Childhood Programs (92), Food and Nutrition Service (24), and Academic Content (49). The remaining positions are spread among several other areas, including legal support, HR, policy initiatives, public affairs, assessments, federal reporting, and grants management.

Special School District
92
21%

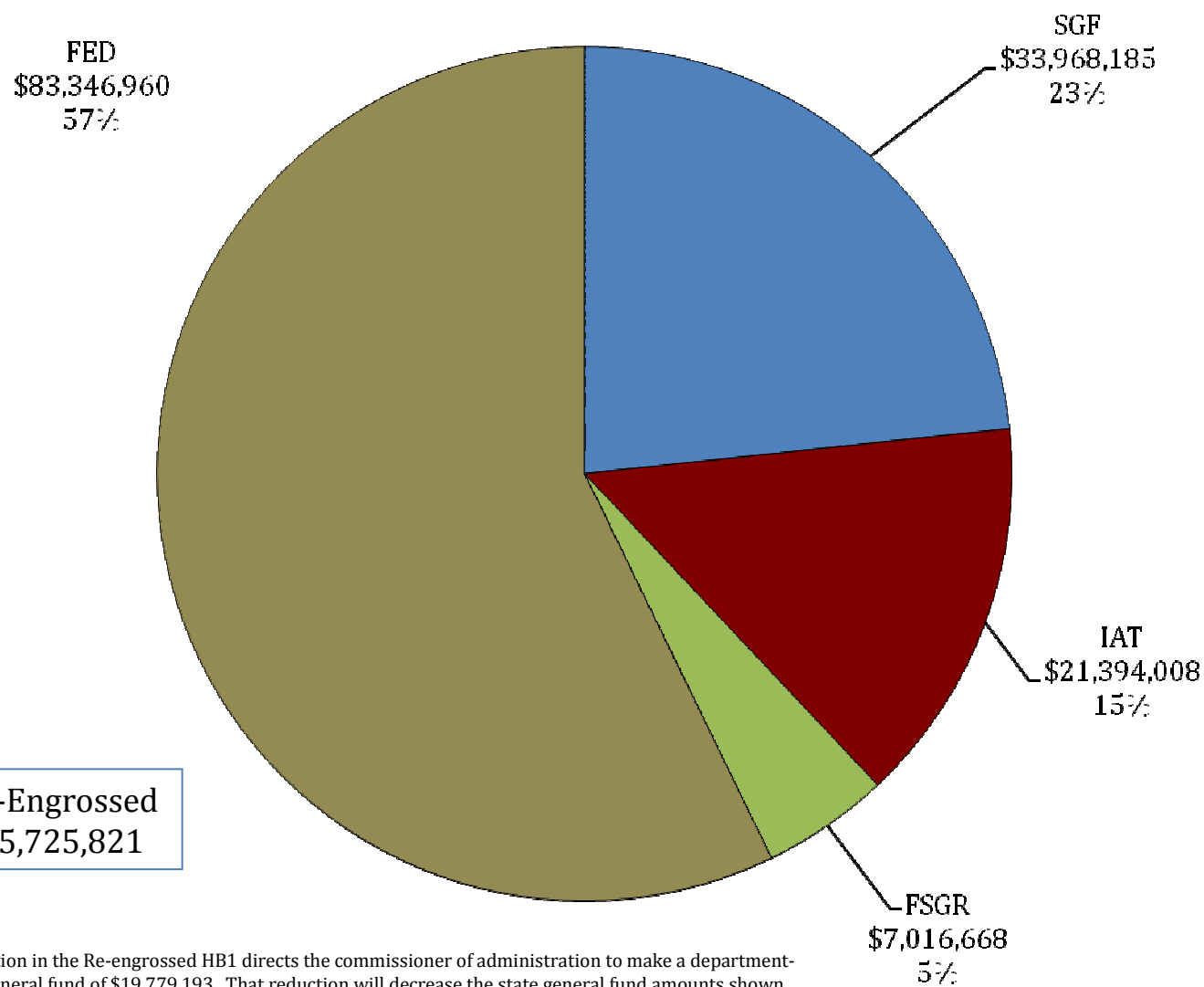
Special School District – These positions provide educational services to students in mental health, developmental, and juvenile secure care facilities.

State Activities	
Admin. Support	108
District Support	238
Auxiliary Account	8

Special School District	
Administration	3
Instruction	89



Department of Education — FY18 Re-engrossed 19-678 State Activities

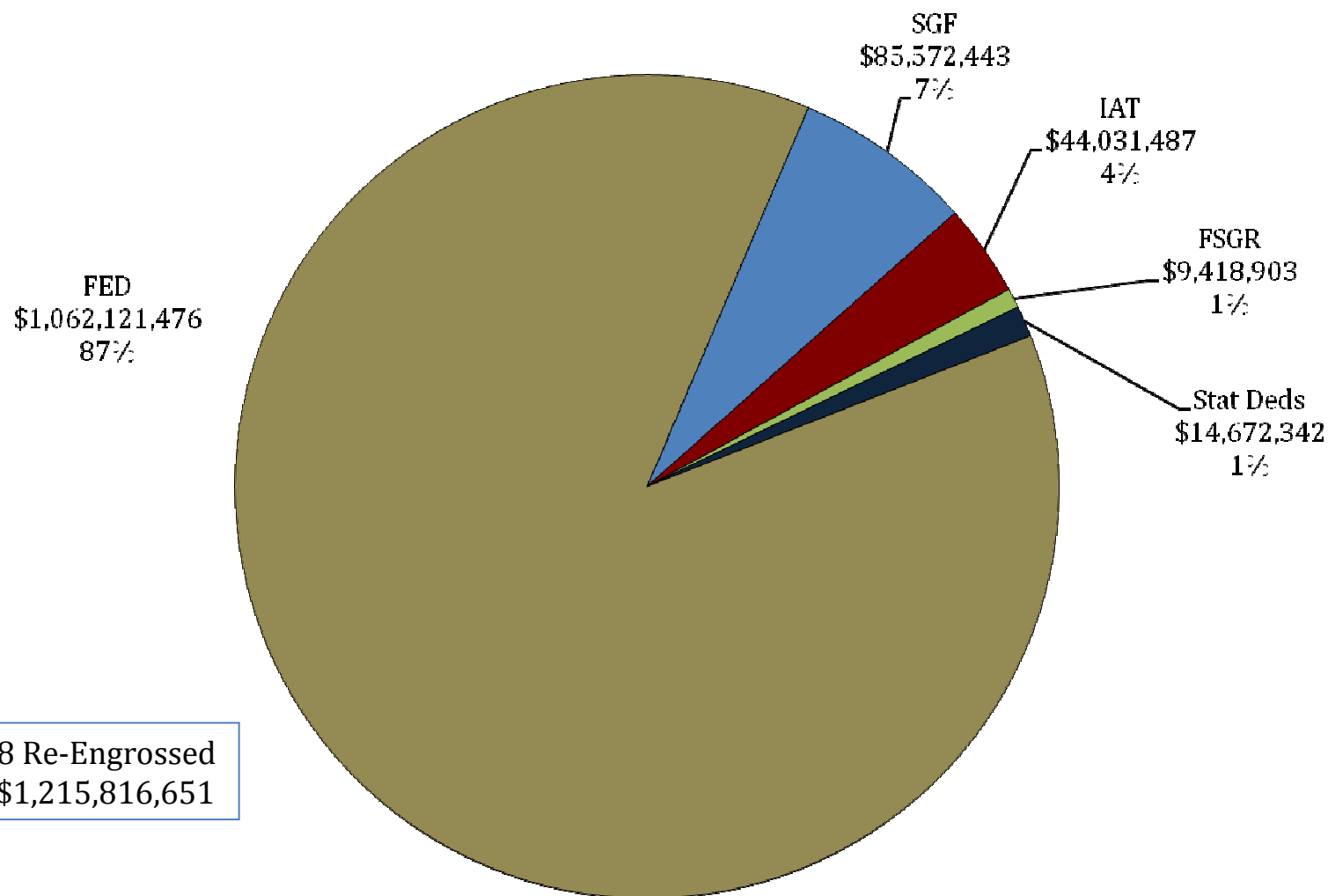


Total FY18 Re-Engrossed
Budget = \$145,725,821

*Note: A preamble reduction in the Re-engrossed HB1 directs the commissioner of administration to make a department-wide reduction in state general fund of \$19,779,193. That reduction will decrease the state general fund amounts shown.



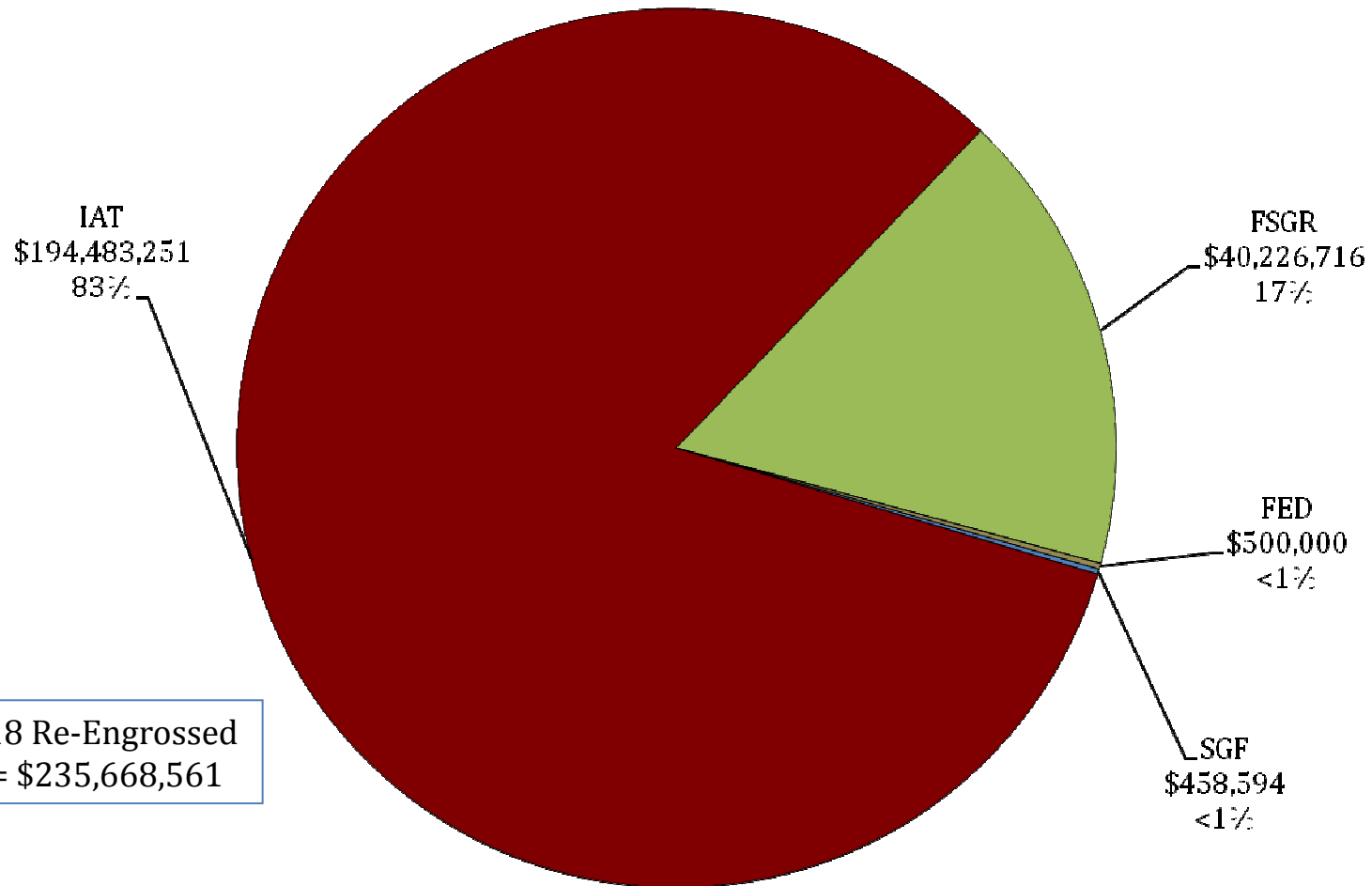
Department of Education — FY18 Re-engrossed 19-681 Subgrantee Assistance



*Note: A preamble reduction in the Re-engrossed HB1 directs the commissioner of administration to make a department-wide reduction in state general fund of \$19,779,193. That reduction will decrease the state general fund amounts shown.



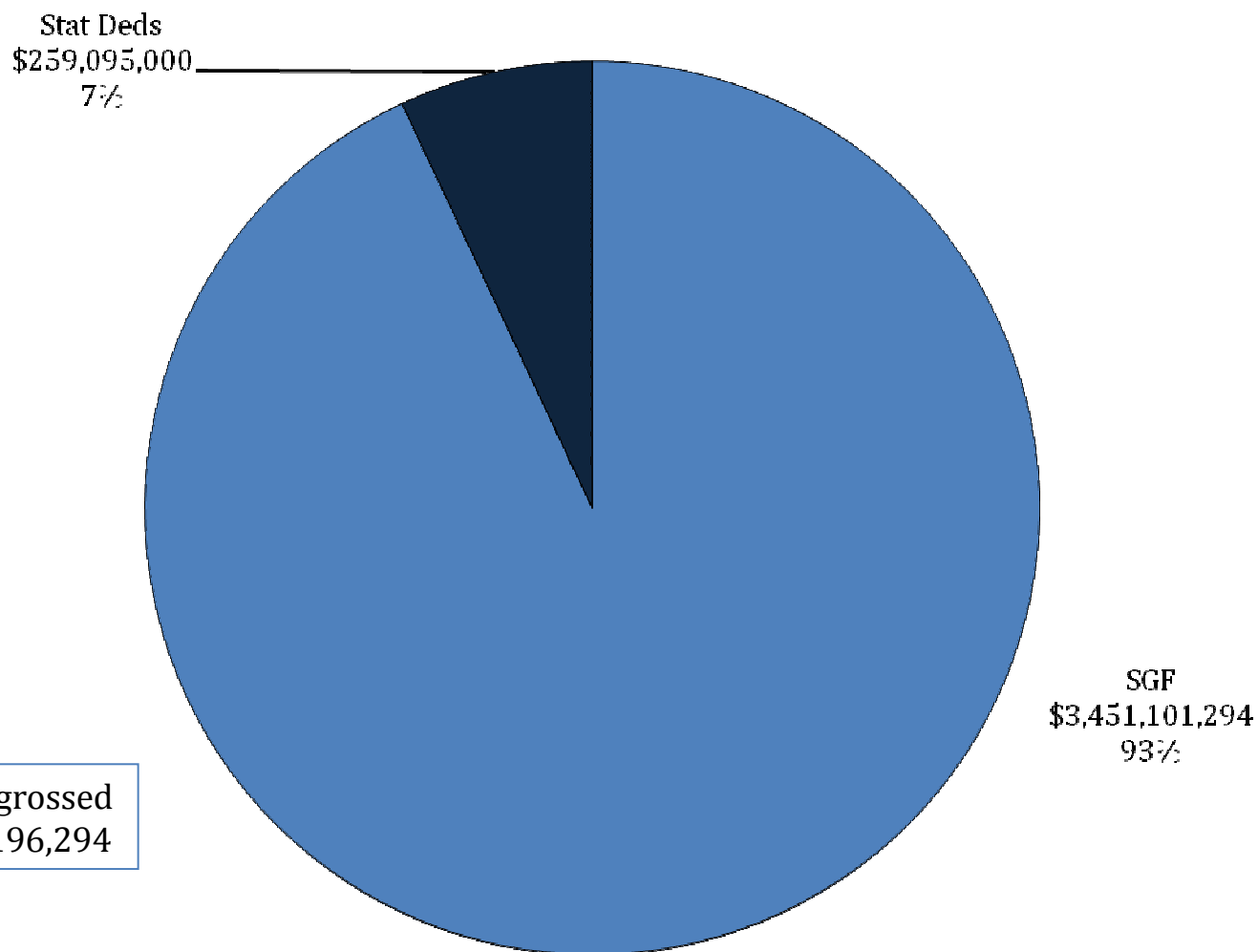
Department of Education — FY18 Re-engrossed 19-682 Recovery School District



*Note: A preamble reduction in the Re-engrossed HB1 directs the commissioner of administration to make a department-wide reduction in state general fund of \$19,779,193. That reduction will decrease the state general fund amounts shown.



Department of Education — FY18 Re-engrossed 19-695 Minimum Foundation Program

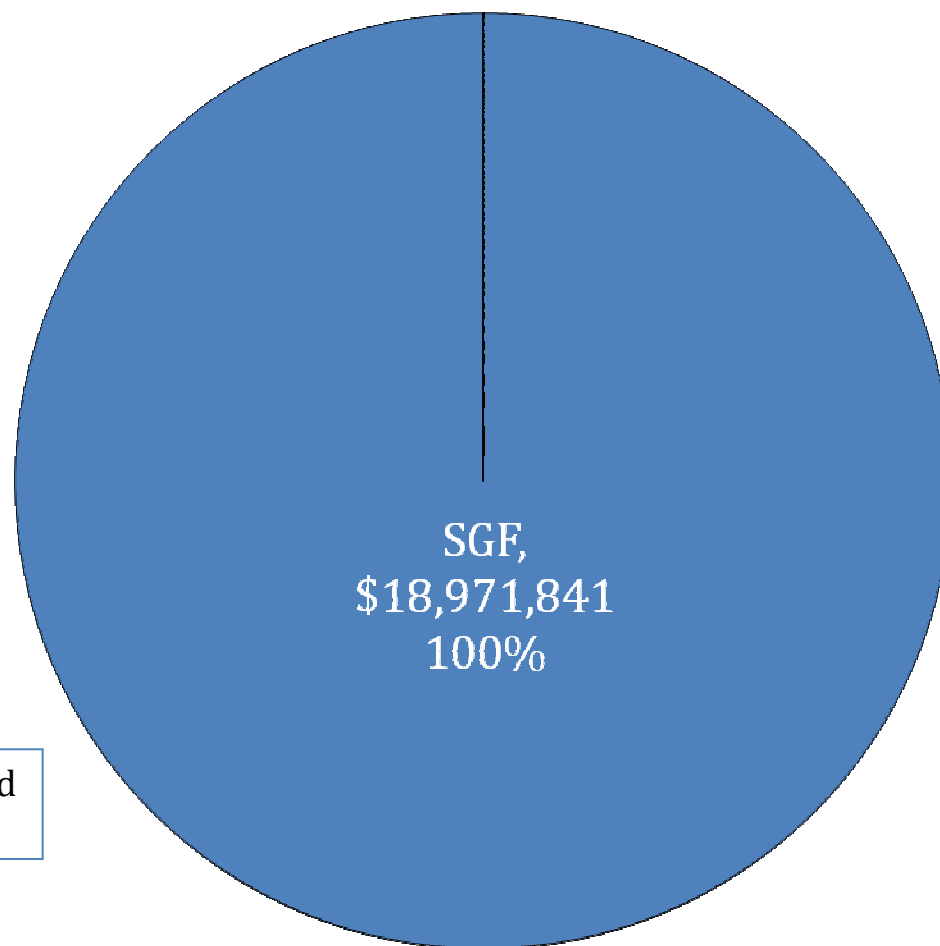


Total FY18 Re-Engrossed
Budget = \$3,710,196,294

*Note: A preamble reduction in the Re-engrossed HB1 directs the commissioner of administration to make a department-wide reduction in state general fund of \$19,779,193. That reduction will decrease the state general fund amounts shown.



Department of Education — FY18 Re-engrossed 19-697 Nonpublic Education Assistance

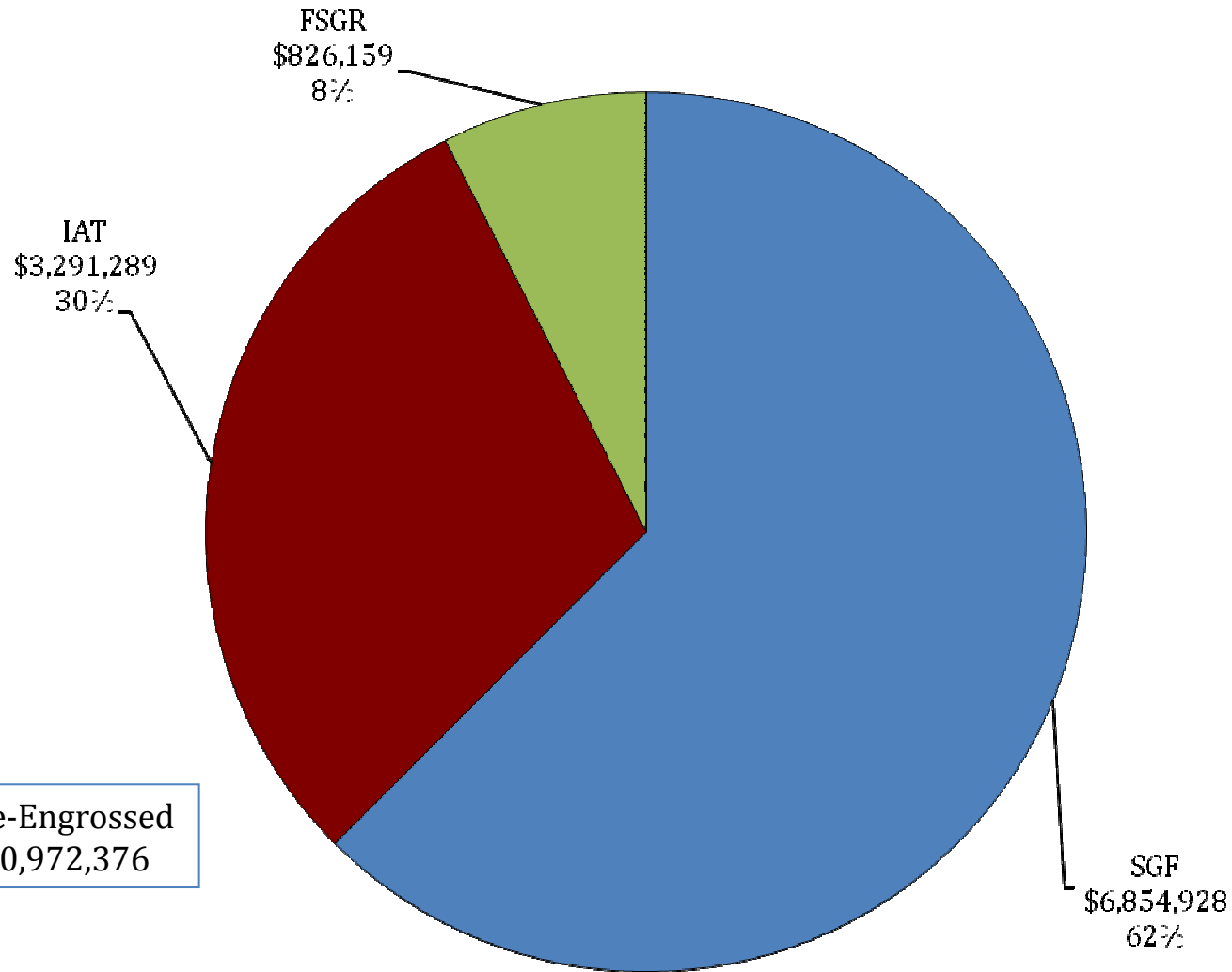


Total FY18 Re-Engrossed
Budget = \$18,971,841

*Note: A preamble reduction in the Re-engrossed HB1 directs the commissioner of administration to make a department-wide reduction in state general fund of \$19,779,193. That reduction will decrease the state general fund amounts shown.



Department of Education — FY18 Re-engrossed 19-699 Special School District



Total FY18 Re-Engrossed
Budget = \$10,972,376

*Note: A preamble reduction in the Re-engrossed HB1 directs the commissioner of administration to make a department-wide reduction in state general fund of \$19,779,193. That reduction will decrease the state general fund amounts shown.



Department of Education

Significant Budget Issues for FY18

Agency Specific Initiatives:

•State Activities –

- Early Childhood activities is funded at \$37.4 million total budget authority. \$2.8 million of that amount is State General Fund
- State Assessment and Accountability contracts are funded at \$51.1 million, with \$10.4 million of that amount being State General Fund.
- Fiscal Year 2018 recommended funding includes \$4 million to merge legacy Early Childhood data systems. The new system will address integration, replacement, and enhancement of existing systems.

•Subgrantee Assistance –

- The Cecil J. Picard LA-4 Pre-K Program for at risk children is funded at \$74 million. Of that amount, \$33.5 million is State General Fund, and \$40.5 million is allocated from Temporary Assistance for Needy Families (TANF).
- The Jobs for America's Graduates (JAG) Program is funded at \$5.2 million. Of that amount, \$2.5 million is received from the Louisiana Workforce Commission, and \$2.7 million is allocated from TANF.
- The Nonpublic Schools Early Childhood Development Program (NSECD) is recommended for \$6.4 million State General Fund. These monies are used to coordinate with eligible non-public schools and Class A daycares to provide pre-school instruction and services.
- The Student Scholarships for Educational Excellence Program (SSEEP) was funded at \$39.9 million State General Fund in the Recommended Budget for FY18. House Committee Amendments provided an additional \$1.1 million of State General Fund, bringing the total for FY18 to \$41 million. This program allows eligible families to have school choice.
- Instructional enhancements for students are funded at \$14.7 million by Statutory Dedications out of the Education Excellence Fund. These monies provide enhancements for local school districts, charter schools, and eligible non-public schools that provide Pre-K through 12th grade instruction.



Department of Education

Significant Budget Issues for FY18

Agency Specific Initiatives:

•Non-Public Educational Assistance –

- The Required Services Program is recommended at \$8.4 million State General Fund. This program provides reimbursements for a portion of the administrative costs incurred by participating non-public schools.
- The School Lunch Salary Supplement Program is recommended at \$7.5 million State General Fund. This program provides a cash supplement for non-public school lunchroom employees at participating schools.
- The Textbooks and Textbooks Administrative Programs are funded at \$3.1 million State General Fund. These programs provide for the purchase of books and instructional materials for participating non-public schools.



Department of Education

Significant Budget Issues for FY18

•Minimum Foundation Program (MFP)–

- **MFP Purpose:** The Minimum Foundation Program (MFP) calculates the minimum cost of an education in local educational agencies and equitably allocates funds to parish, city, and other local school systems, including Recovery School District, Louisiana State University and Southern University Lab Schools, Louisiana School for Math, Science and the Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), Charter Schools, and the Office of Juvenile Justice. The estimated student count is 694,773 as of October 1, 2016.
- **The MFP formula is divided into 4 categories :**
 - **Level 1-**Determines the minimum cost of education based on the education needs of each students.
 - **Level 2-**Provides an incentive for city and parish school systems to support education in their communities above the minimum level of financial support required.
 - **Level 3-**Provides specific legislative education funding to city and parish school systems for continuing teacher and support worker pay raises, the Hold Harmless provision, and mandated operating costs.
 - **Level 4-**
 - Supplementary funding to meet specific needs at city, parish, or other local school systems and school including Foreign Associate Teacher Salary and Stipends Allocation, Career Development Allocation, High Cost Services Allocation, and Supplemental Course Allocation.
 - Allocations for State Approved public school systems or schools including Legacy Type 2 Charter schools, Louisiana State University and Southern Lab Schools, New Orleans Center for the Creative Arts (NOCCA), Louisiana School for Math, Science, and the Arts (LSMSA), THRIVE, and the Office of Juvenile Justice (OJJ) schools.
 - Mid-Year Allocation Adjustments to account for mid-year increases and decreases in students in all city, parish, or other local public school systems or schools.



Department of Education

Significant Budget Issues for FY18

- **Minimum Foundation Program (MFP)–**

- The MFP formula currently in effect is Senate Concurrent Resolution 55 from the 2014 Regular Session. The proposed MFP for the 2017-2018 School Year is contained in House Concurrent Resolution 7.
- The MFP has not received the standard base adjustment of 2.75% since the 2014-15 School Year. The amount of that increase for FY18 would be \$74,954,042.

- **FY18 Recommended MFP Budget:**

- **MFP Budget as of March, 2017 - \$3,669,014,470**

- This includes:

- » State General Fund - \$3,378,154,470
 - » Statutory Dedications –
 - Support Education in Louisiana First Fund - \$109,760,000
 - Lottery Proceeds Fund - \$181,100,000

- **March 15 BESE Proposal (FY18 Recommended Budget)- \$3,710,196,294**

- This includes:

- » State General Fund - \$3,451,101,294
 - » Statutory Dedications –
 - Support Education in Louisiana First Fund - \$106,295,000
 - Lottery Proceeds Fund - \$152,800,000
 - » Significant Initiatives totaling \$41,181,824 included in the MFP for the FY18 Recommended Budget
 - \$8 million for High Need Students
 - \$10 million for additional high school courses
 - \$5.1 million for additional tax base data adjustments
 - \$18.1 million for the October 1 student count of an additional 4,013 students

- **NEW - May 15 BESE Proposal- \$3,717,667,944**

- This new BESE proposal increases the MFP by \$7,471,650 to account for parishes that were impacted by the Flood of 2016. This would reduce the fiscal impact due to flooding for three parishes. Those parishes include East Baton Rouge (\$2,858,158), Livingston (\$4,252,019), and Tangipahoa (\$361,473).



Department of Education Significant Budget Issues for FY18

Minimum Foundation Program (MFP)–

•Base Per Pupil Amount:

–The base per pupil amount for FY2018 Recommended has not changed from FY2017 and remains at \$3,961.

•Additional State General Fund Needs for the FY2018 MFP Budget:

–As the Re-engrossed HB1 currently stands, additional State General Fund in the amount of \$25.9 million may be needed if the proposed BESE formula (HCR7) is adopted for FY2018. Included in that amount are the replacement of preamble reductions, means of financing substitutions due to changes in the REC estimate for statutory dedications, and the BESE proposed increase to address flooding impacts.

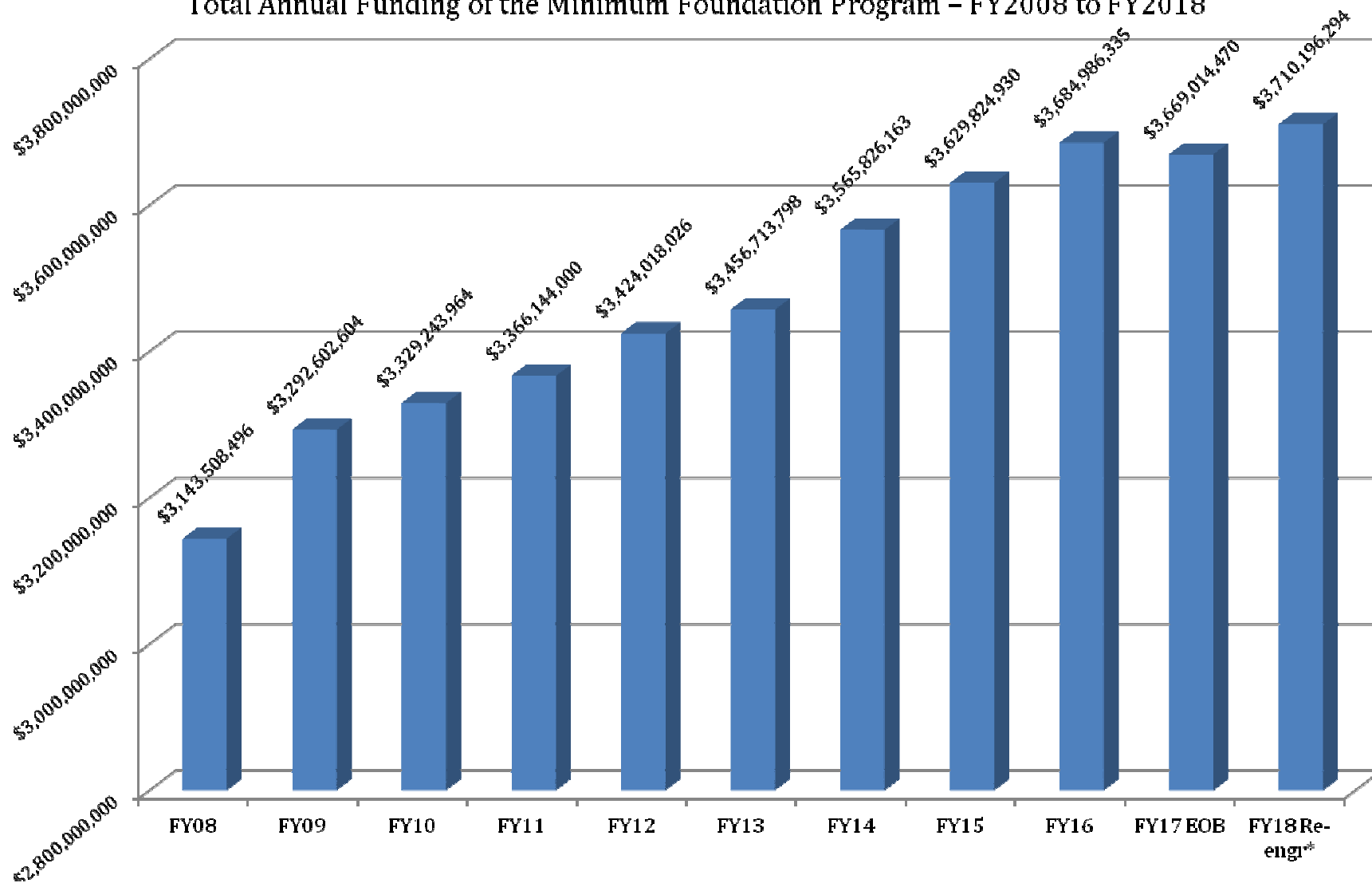
•Minimum Foundation Program (MFP)–

–**FY17 Supplemental Needs of the MFP** – Supplemental MFP State General Fund needs for FY2017 total \$18,639,679. This figure includes \$1,322,313 due to a mid-year adjustment for student count; \$8,209,862 due to certain districts under-reporting student weights; and \$9,107,504 due to decreases in projections for the Lottery Proceeds Fund (\$2,294,645) and the Support Education in Louisiana First Fund (\$6,812,859).



Department of Education Significant Budget Issues for FY18

Total Annual Funding of the Minimum Foundation Program - FY2008 to FY2018

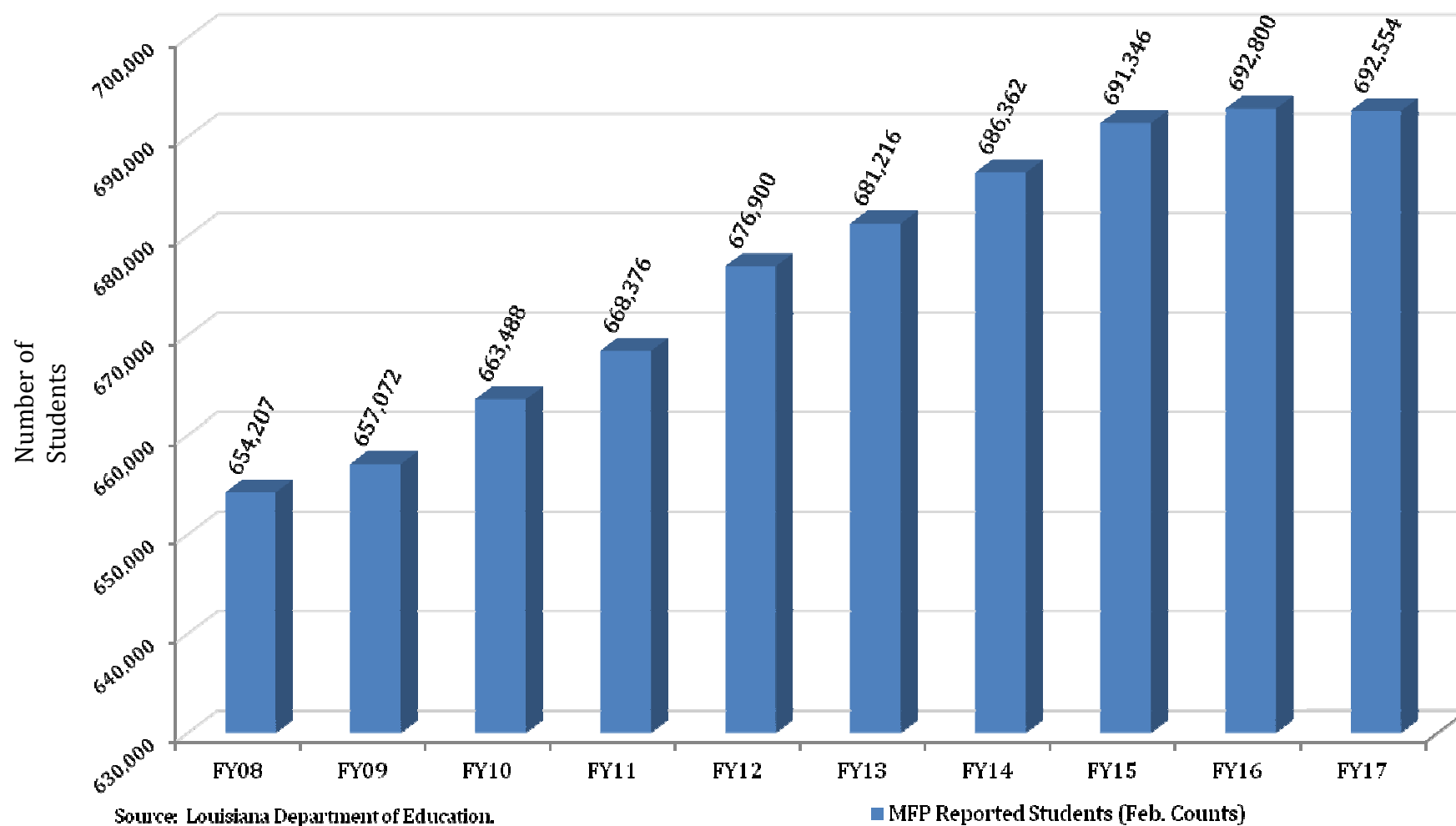


Source: Executive Budget Supporting Documents. *FY18 Re-engrossed assumes full funding of MFP and adoption of HCR7.



Department of Education Significant Budget Issues for FY18

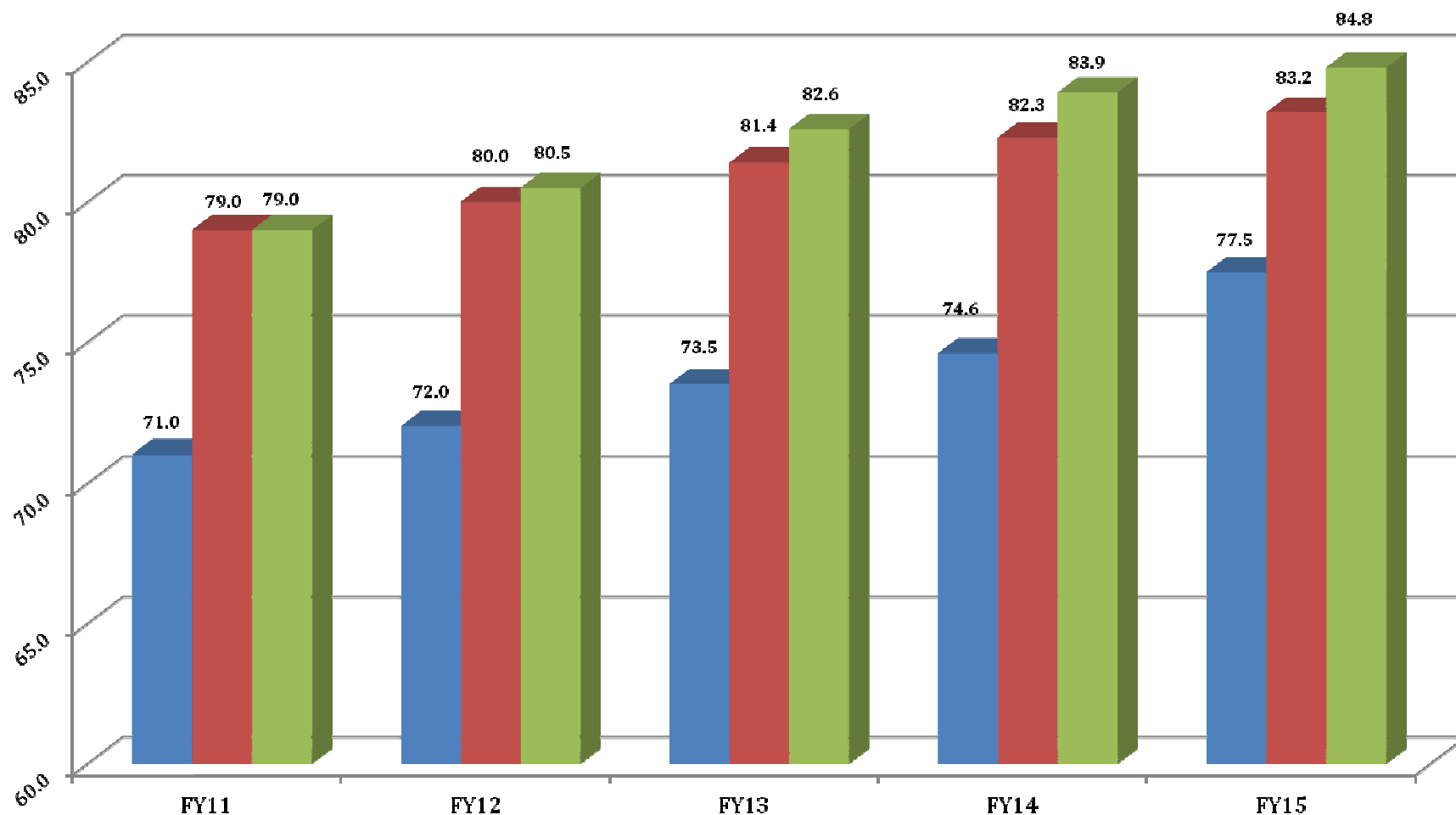
MFP Reported Students – FY2008 to FY2017





Department of Education Significant Budget Issues for FY18

Public High School Graduation Rate – FY2011 to FY2015



Source: U.S. Dept. of Education, National Center for Education Statistics.

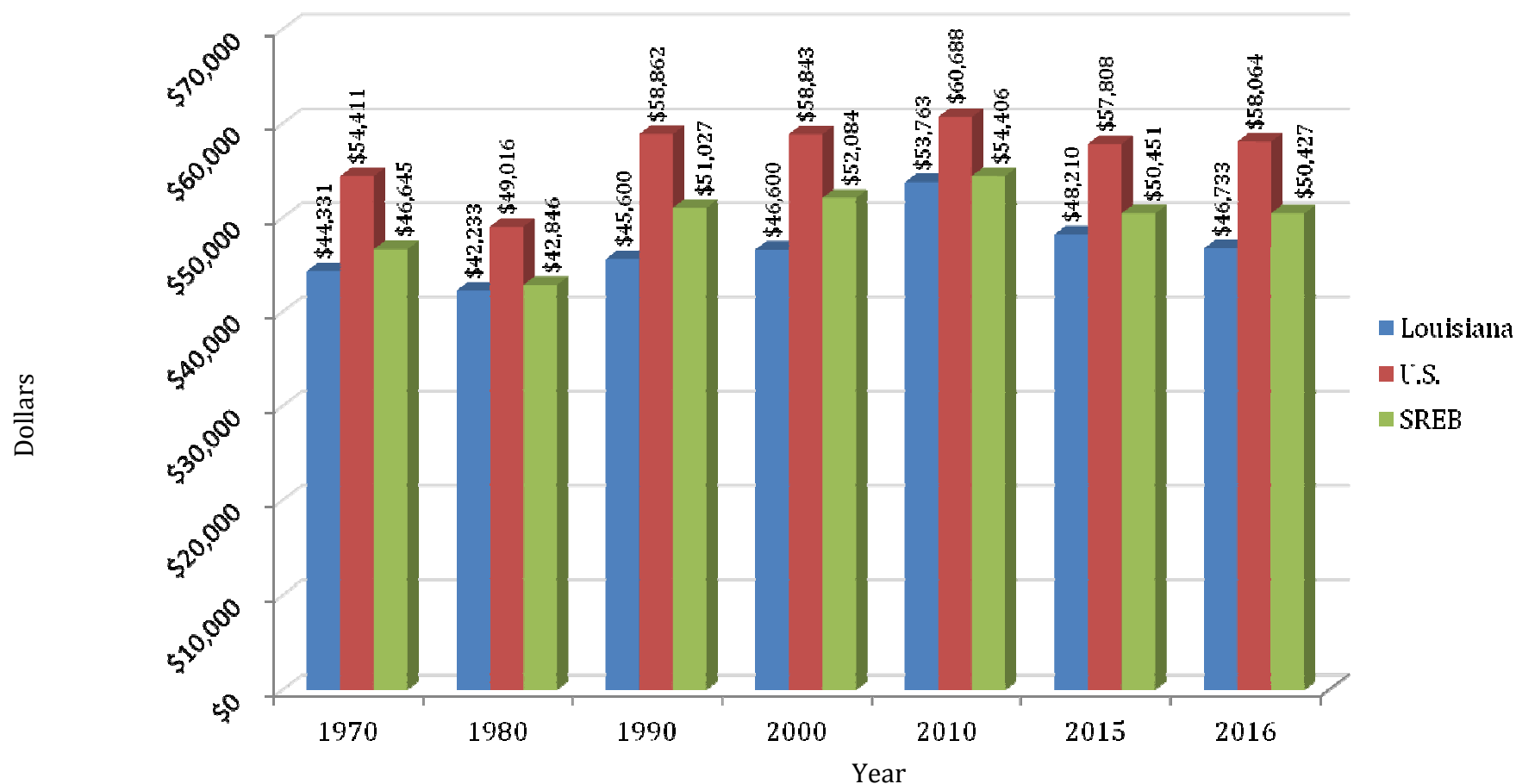
■ La. Graduation Rate ■ US Avg. Graduation Rate ■ SREB Median Graduation Rate



Department of Education

Significant Budget Issues for FY18

**Estimated Average Annual Salary of Teachers in
Public Elementary and Secondary Schools for Select Years***



Source: National Education Association, *Estimates of School Statistics*. *2015-2016 dollars held constant.