

FY15 Executive Budget

Schedule 19D — Department of Education

Louisiana Senate Finance Committee

April 21, 2014



FY15 Executive Budget

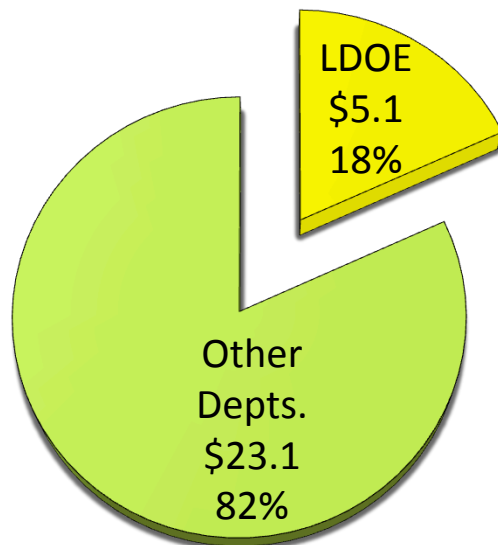
Schedule 19D — Department of Education Agencies

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- 19-697 Non-Public Educational Assistance
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LA Department of Education: FY15 Budgetary Size and Scope

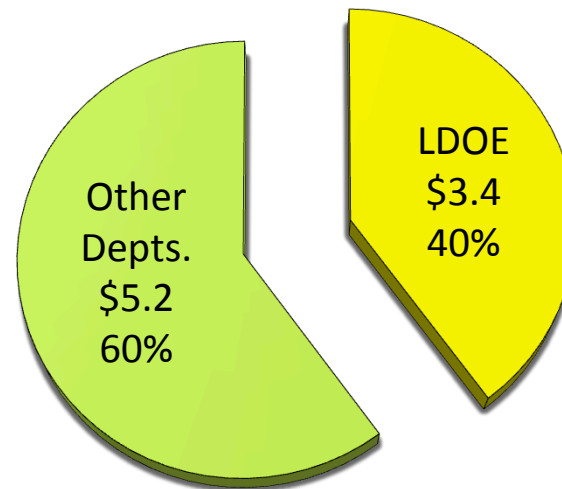
Total State Expenditures

(in billions)



Total State General Fund (Direct)

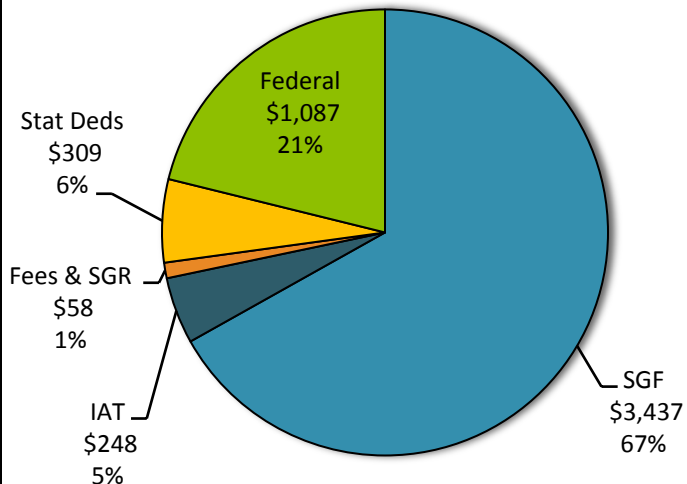
(in billions)



FY15 Total Department of Education

Total Funding	FY14 EOB as of 12-1-13	FY15 Recommended	Difference
LDOE	\$ 5,282,869,807	\$ 5,139,872,909	\$ (142,996,898)
Total Positions	574	483	(91)
FY15 Authorized Other Charges Positions: 0			

FY15 Total Means of Finance (In Millions of \$)



FY15 Discretionary Funding

Total Discretionary: \$1,561,146,052
 Total Disc. SGF: \$171,115,378
 Discretionary T.O.: 350

FY15 Non-Discretionary Funding

Total Non-Disc.: \$3,578,726,857
 Total SGF Non-Disc.: \$3,266,032,616
 Non-Disc. T.O.: 133

LDOE

E.O.B. v. Recommended

(in millions)

Means of Financing	12/1/13	FY15	+ / -
State General Fund (Direct)	\$3,431	\$3,437	\$6
Interagency Transfers	\$391	\$248	\$(143)
Fees & Self-generated Revenues	\$64	\$58	\$(6)
Statutory Dedications	\$277	\$309	\$33
Federal Funds	\$1,120	\$1,087	\$(33)
TOTAL	\$5,283	\$5,140	\$(143)

LDOE FY15: -\$21.2M in Significant Statewide Adjustments

+\$1.2M — Performance Adjustments for Classified State Employees and Unclassified State Teachers

+\$0.5M — LASERS and TRSL Rate and Base Adjustments

+\$0.1M — Group Insurance Rate and Base Adjustments for Active Employees and Retirees

-\$3.9M — Personal Services Adjustments: Salary Base; Attrition; and Personnel Reductions (-48 T.O.; -32 T.O. in State Activities; -16 T.O. in Special School Districts)

-\$18.3M — Net Acquisitions and Major Repairs

-\$0.7M — Various Adjustments: Risk Management; Legislative Auditor Fees; Rent in State-Owned Buildings; Capitol Park Security; UPS Fees; Civil Service Fees; Office of Computing Services Fees; and Administrative Law Judges

LDOE— Audit Issues, Findings

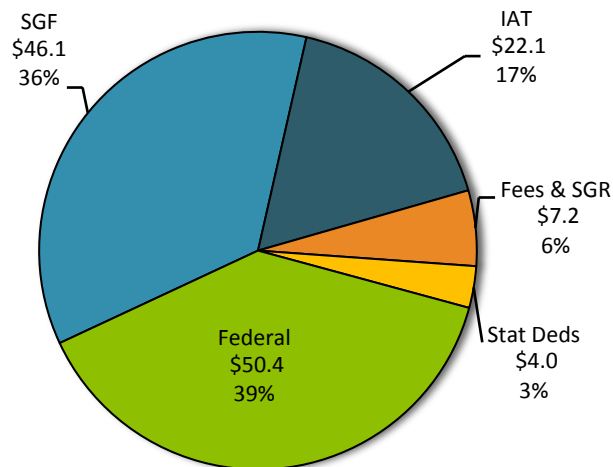
- Independent auditors found that in the Student Scholarships for Educational Excellence Program (SSEEP), LDOE overpaid or underpaid 48 (41%) of the 118 participating schools in academic year 2012-2013.
- Independent auditors were unable to perform all procedures related to the use of funding for 115 (97%) of the 118 schools because these schools did not separately account for the Scholarship funds.
- SB 460 (Adley) requires that schools account for all scholarship funds separately from other funds by maintaining funds in a separate account or by using accounting procedures that allow the legislative auditor to identify the separate funds. (*Pending in the House and Governmental Affairs Committee*)

LDOE

19-678 State Activities

Total Funding	FY14 EOB as of 12-1-13	FY15 Recommended	Difference
State Activities	\$ 132,108,652	\$ 129,889,905	\$ (2,218,747)
Total Positions	424	350	(74)

FY15 Total Means of Finance
(in millions)



- The mission of State Activities is to provide programmatic and fiscal administration and oversight for all LDOE activities.
- State Activities has three (3) programs: Administrative Support; District Support; and Auxiliary Account.

FY15 Non-Discretionary	FY15 Discretionary
\$7,343,298	\$122,546,607

FY 15 State Activities

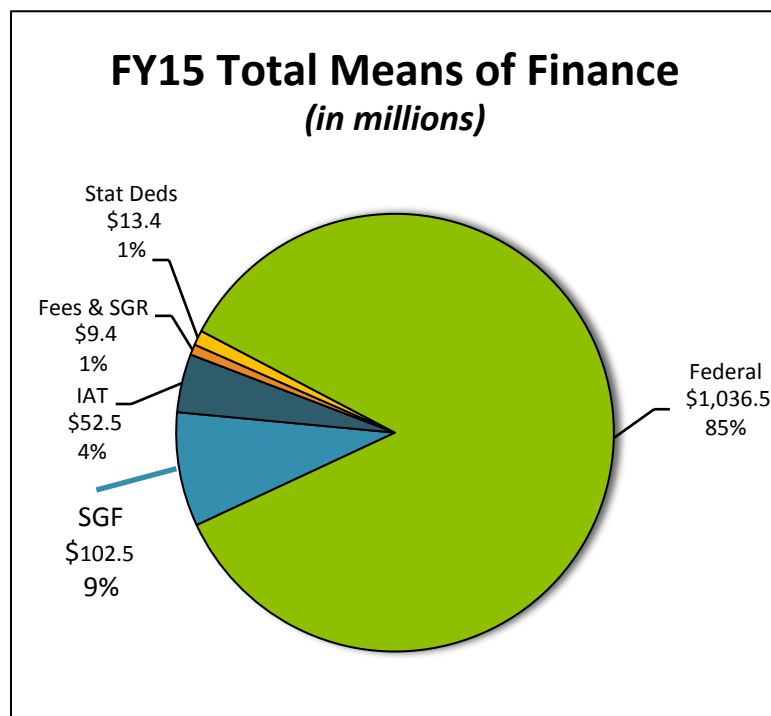
Budget Highlights

- **+\$4.0M** – Increase Overcollections Fund to improve program quality and provide support for choice programs. (SD)
- **+\$0.9M** – Transfer MFP funds from RSD to fund eight **(8)** vacant District Support positions to administer the charter school program. (IAT)
- **+\$0.7M** – Provide funding for Brumfield v. Dodd litigation. (SGF)
- **-\$3.1M** – IT Consolidation with the Office of Technology Services **(-34 T.O.)**. (SGF)
- **-\$2.6M** – Reduce excess budget authority based on historical data. (IAT; FF)
- **-\$1.2M** – Non-recur expiring Gates Foundation Grant. (FSGR)
- **-\$0.7M** – Annualize Executive Order BJ 14-1 Hiring Freeze **(-8 T.O.)**. (SGF; IAT; FF)

LDOE

19-681 Subgrantee Assistance

Total Funding	FY14 EOB as of 12-1-13	FY15 Recommended	Difference
Subgrantee Asst	\$ 1,238,674,663	\$ 1,214,238,564	\$ (24,436,099)
Total Positions	-	-	-



- The mission of Subgrantee Assistance is to act as a conduit through which various education funds are provided to local education agencies (LEAs).
- Subgrantee Assistance has three (3) programs: School & District Supports; School & District Innovations; and Student – Centered Goals.

FY15 Non-Discretionary	FY15 Discretionary
\$13,388,225	\$1,200,850,339

FY15 Subgrantee Assistance Budget Highlights

- **+\$3.5M** – Anticipated **Course Choice increase** in students: from 2,700 to 5,300. *(SGF)*
- **+\$3.0M** – Anticipated **SSEEP increase** in students and tuition (+5%). *(SGF)*
- **-\$22.6M** - Reduce **excess budget authority** based on historical data. *(FF)*
- **-\$3.6M** – Non-recur **Hurricane Katrina Contributions**. *(FF)*
- **-\$2.1M** – Non-recur 8(g) Fund from BESE for **Louisiana Virtual School** program. *(IAT)*
- **-\$1.2M** – Non-recur one-time **St. John the Baptist Disaster Assistance** program. *(SGF)*
- **-\$0.6M** – Adjusts **Education Excellence Fund** per REC projection. *(SD)*
- **-\$0.4M** – Non-recur **Special Legislative Projects** (SLPs). *(SGF)*

Subgrantee Assistance: FY15 SGF – Size and Scope

- **\$46.2M** – Student Scholarships for educational Excellence Program (SSEEP)
- **\$35.9M** – Cecil J. Picard LA4 Early Childhood Program (*complemented with \$38.7M in TANF funds*)
- **\$6.8M** – Private Pre-Kindergarten Services
- **\$5.8M** – Professional Improvement Program (PIP)
- **\$3.5M** – Course Choice Initiative
- **\$3.0M** – Extended School Year Program per *Laura I.* Consent Decree
- **\$0.5M** – Teach for America
- **\$0.4M** – School Choice Pilot Program
- **\$0.3M** – SREB Teacher Development Program
- **\$40K** – Escadrille Louisiana Program

Subgrantee Assistance: FY15 Federal Funds – Size and Scope

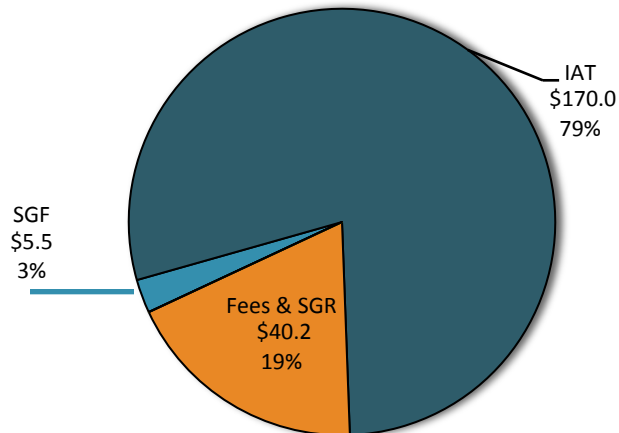
- \$352.6M – Food and Nutrition Services
- \$291.8M – Disadvantaged Persons
- \$180.9M – Special Education
- \$78.3M – Teacher and Principal Quality
- \$34.8M – Academic Improvement
- \$34.6M – School Improvement
- \$14.1M – Reading
- \$8.9M – Safe and Drug-Free Schools
- \$3.8M – Hurricane Disaster Recovery
- \$2.9M – English Language Acquisition
- \$2.2M – Migrant Education

LDOE

19-682 Recovery School District

Total Funding	FY14 EOB as of 12-1-13	FY15 Recommended	Difference
RSD	\$ 361,948,401	\$ 215,777,510	\$ (146,170,891)
Total Positions	-	-	-

FY15 Total Means of Finance (in millions)



- The RSD's mission is to provide an appropriate education for nearly 45,000 children attending any public elementary or secondary school operated under the jurisdiction and direction of any city, parish or other local public school board or any other public entity, which has been legally transferred to the District.
- The RSD has two (2) programs: RSD – Instruction; and RSD – Construction.

FY15 Non-Discretionary	FY15 Discretionary
\$410,580	\$215,366,930

FY15 Recovery School District Budget Highlights

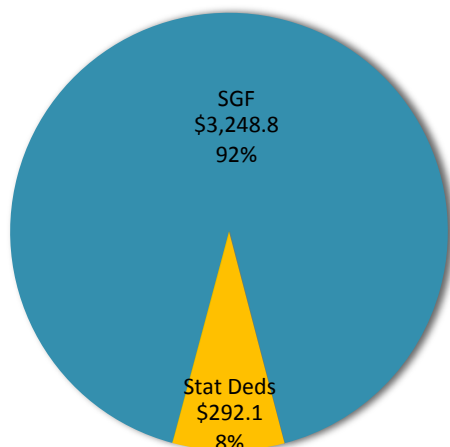
- -\$125.0M – Transitions RSD direct-operated schools to charter-operated schools.

LDOE

19-695 Minimum Foundation Program

Total Funding	FY14 EOB as of 12-1-13	FY15 Recommended	Difference
MFP	\$ 3,510,142,422	\$ 3,540,854,902	\$ 30,712,480
Total Positions	-	-	-

FY15 Total Means of Finance (in millions)



- The MFP's mission is to act as the mechanism by which nearly 686,000 students in the state's public elementary and secondary schools are assured of a minimum program of education.
- The MFP has one (1) program: the MFP.
- The MFP represents 14.4 percent of total state spending and 39.8 percent of overall State General Fund (Direct) expenditures.

FY15 Non-Discretionary	FY15 Discretionary
\$3,540,854,902	\$0

FY15 MFP

Budget Highlights

- **+\$25.6M** – Workload Adjustment: Based on 10/01/13 and estimated 02/01/14 student counts = **+5,400 students**.
- **+\$12.0M** – MFP FY 2014-2015 Task Force recommendations: Costs for **Career Development, High-Cost (Special Education) Service Assistance and Supplemental Course Allocations**.
- **-\$6.9M** – Workload Adjustment: **-1,400 MFP** students move into the Student Scholarships for Educational Excellence Program (**SSEEP**).
- **\$0.0M** – Means of Financing Substitution: Statutory Dedications, **Lottery** Proceeds Fund (**+\$17.6M**) and Support Education in Louisiana First (**SELF**) Fund (**+\$11.6M**) for **State General Fund (Direct)** (**-\$29.2M**) per Revenue Estimating Conference projections.
- **+\$30.7M - TOTAL**

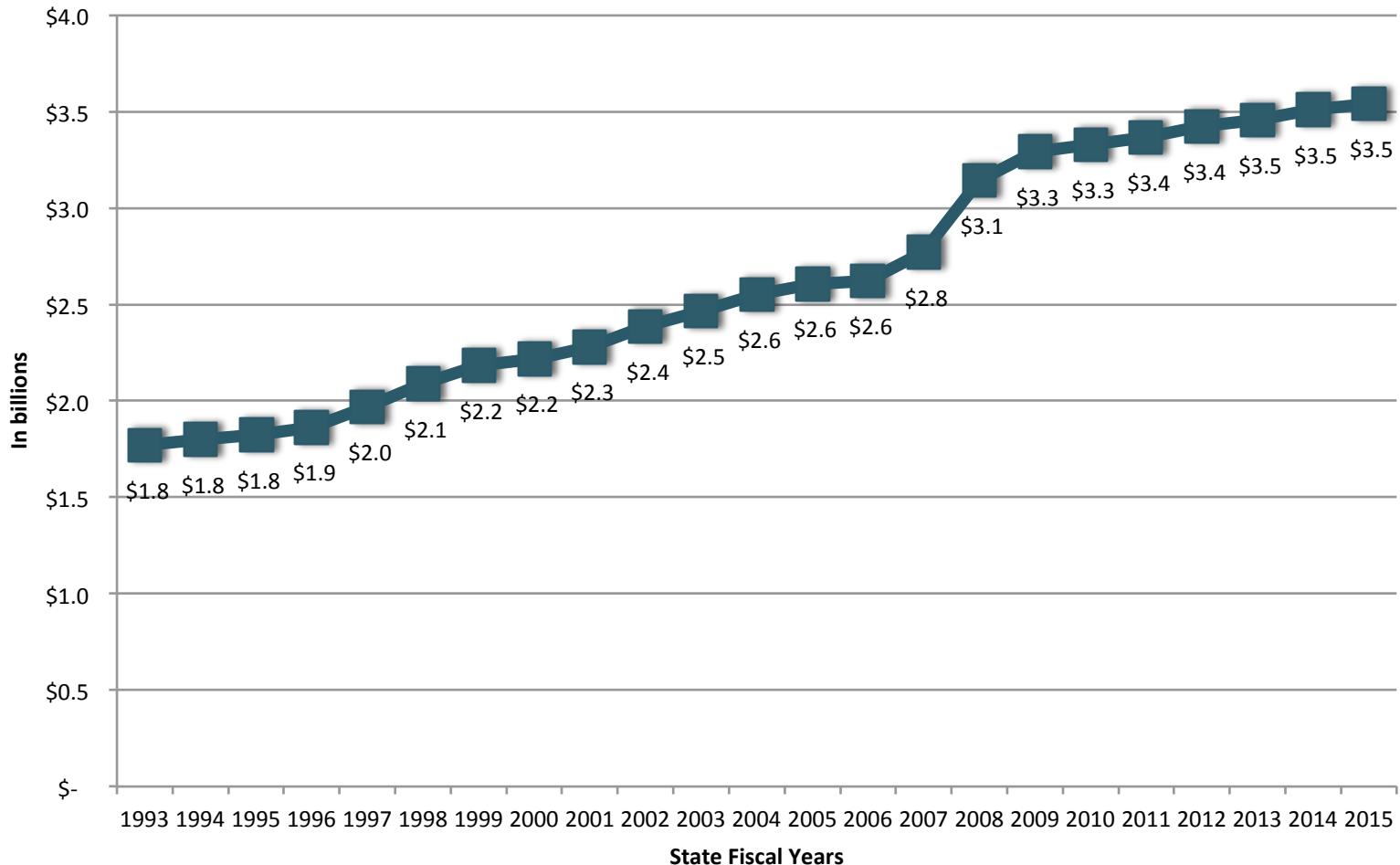
FY15 MFP Budget Issues

- The State Superintendent of Education estimates that the proposed Executive Budget MFP may be \$50 million short.
- Increased School System Employer Contributions to Retirement Systems due to Rate Increases:
 - +\$30.7M – Proposed Executive Budget MFP Increase
 - -\$25.4M – TRSL Rate Increase
 - -\$6.0M – LSERS Rate Increase
 - -\$0.7M – **TOTAL**

FY15 MFP: Major Formula Changes

- The MFP Base Per Pupil Amount increases from \$3,855 per student to \$3,961, representing a 2.75% increase.
- The 2.75% increase does not bind local education agencies to specific expenditures (such as pay raises for certificated personnel), but can be used to address inflation, mandated costs, increasing retirement obligations, salaries and technology upgrades.
- Again, the FY15 MFP provides \$12 million in allocations for: Career Development, High-Cost (Special Education) Services Assistance and Supplemental Courses.
- The new formula provides for “chargebacks” to local school systems for students attending state schools such as LSDVI and schools in the SSD.

MFP Funding History: Actual FY1993 to Recommended FY2015

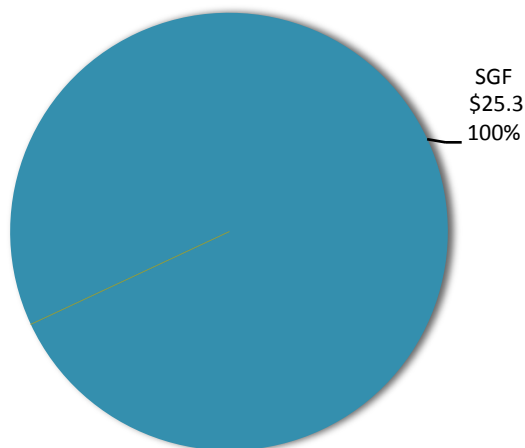


LDOE

19-697 Non-Public Educational Assistance

Total Funding	FY14 EOB as of 12-1-13	FY15 Recommended	Difference
Non-Public	\$ 25,421,599	\$ 25,294,019	\$ (127,580)
Total Positions	-	-	-

FY15 Total Means of Finance
(in millions)



- The mission of Non-Public Educational Assistance is to provide the means by which constitutionally mandated and statutorily required financial assistance is provided to nondiscriminatory state-approved non-public schools.
- Non-Public Educational Assistance has four (4) programs: Required Services; School Lunch Salary Supplement; Textbook Administration; and Textbooks.

FY15 Non-Discretionary	FY15 Discretionary
\$2,911,843	\$22,382,176

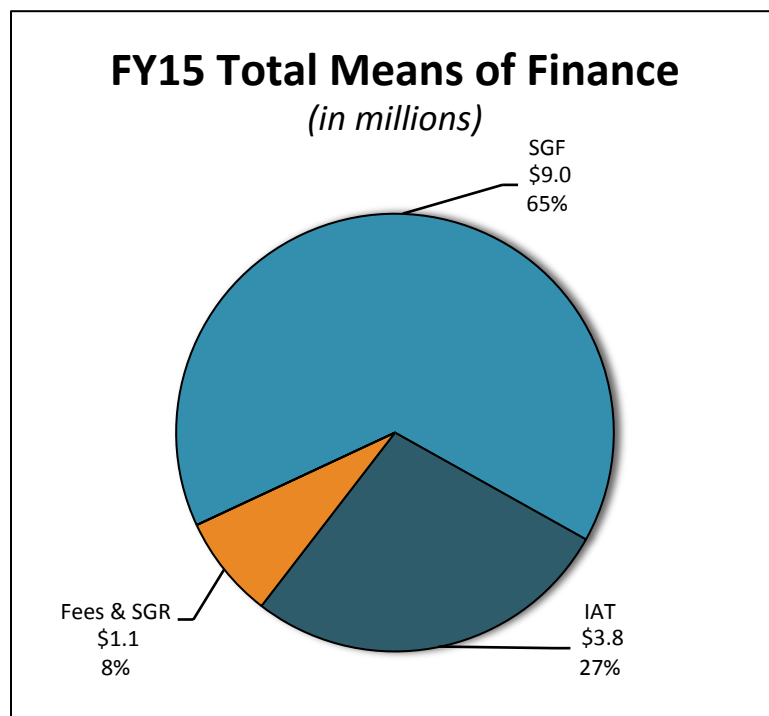
FY15 Non-Public Educational Assistance Budget Highlights

- **-\$0.1M** - Reduce **excess** SGF **budget authority** based on historical data in the Textbook administration and Textbooks programs.

LDOE

19-699 Special School Districts

Total Funding	FY14 EOB as of 12-1-13	FY15 Recommended	Difference
SSD	\$ 14,574,070	\$ 13,818,009	\$ (756,061)
Total Positions	150	133	(17)



- The mission of the SSD is to provide special education and related services for approximately 500 eligible children with exceptionalities who are enrolled in state-operated mental health facilities, developmental centers and correctional facilities.
- The SSD have two (2) programs: Administration; and Instruction.

FY15 Non-Discretionary	FY15 Discretionary
\$13,818,009	\$0

FY15 SSD

Budget Highlights

- **-\$0.1M** – Annualize Executive Order BJ 14-1 **Hiring Freeze (-1 T.O.)**.