



Karl Couvillon

FY16 Executive Budget

Schedule 19D Department of Education



Louisiana Senate
Finance Committee
April 30, 2015

FY16 Executive Budget

Schedule 19D — Department of Education Agencies

- **19-678 State Activities** – Provides programmatic and fiscal administration and oversight for all LDOE activities.
- **19-681 Subgrantee Assistance** – Acts as a conduit through which various state and federal education funds are provided to local education agencies (LEAs).
- **19-682 Recovery School District** – Provides an appropriate education for over 42,000 children attending any public elementary or secondary school operated under the jurisdiction and direction of any city, parish or other local school board or any other public entity, which has been legally transferred to the District.
- **19-695 Minimum Foundation Program** – Acts as the funding mechanism whereby nearly 683,000 students in the state’s public elementary and secondary schools are assured of a minimum program of education.
- **19-697 Non-Public Educational Assistance** – Provides the means by which constitutionally mandated and statutorily required financial assistance is provided to nondiscriminatory state-approved non-public schools.
- **19-699 Special School District** – Provides 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.

Audit Findings

Recovery School District

INADEQUATE CONTROLS OVER MOVABLE PROPERTY • DECEMBER 10, 2014

For the eighth consecutive year, the Recovery School District (RSD) did not ensure that movable property was safeguarded against loss, resulting in unlocated property with a total acquisition cost of \$7,041,340 in the current year. Between July 1, 2012, and December 31, 2013, 627 assets costing \$2.5 million, purchased partially or entirely with federal funds, were not entered into the state's asset management system. Four hundred forty-two (442) assets with an acquisition cost of \$716,246 were recorded in the asset management system as "inventory in transit," or between two location codes, which is not a physical location. Forty-three (43) of these assets with an acquisition cost totaling \$60,157 were recorded as unlocated. Auditors could not determine the physical location of the remaining 399 assets.

In addition, 467 assets with an acquisition cost of \$946,796 were recorded in the inventory system as being in a warehouse location code; however, RSD had stopped physically storing assets at that warehouse on September 1, 2013. Finally, a review of the late additions report for July 1, 2013, through March 24, 2014, disclosed that RSD entered 754 assets with an acquisition cost totaling \$3,222,748 from 18 to 1,472 days after the required 60-day period.

FY16 Executive Budget

Schedule 19D — Department of Education Statistics (FY 12-13)

▪ Elementary and secondary public school membership	707,464
▪ Public school full-time classroom teachers	47,995
▪ Number of public schools	1,445
▪ Current instructional-related expenditures per pupil	\$7,123
▪ Total current expenditures per pupil	\$10,432
▪ Average actual classroom teacher salary	\$48,497
▪ Pupil-teacher ratio	14.7 to 1
▪ Average ACT score	19.5
▪ Number of High School Graduates	37,592
▪ Number of High School Dropouts	9,246

Source: Louisiana Department of Education, Fiscal Year 2015–2016 Budget Request, Operational Plan.

Department of Education

FY15 Existing Operating Budget vs. Proposed FY16 Budget

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	<i>Difference</i>
LDOE	\$ 5,251,226,516	\$ 5,282,066,137	\$ 30,839,621

Total Positions	523	490	(33)
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Other Charges Positions: 0

FY16 Non-Discretionary Funding

Total Non-Disc.: \$3,671,609,835

Percent Non-Disc: 69.5%

Total Non-Disc. SGF: \$3,391,229,461

Non-Disc. T.O.: 125

FY16 Discretionary Funding

Total Discretionary: \$1,610,456,302

Percent Discretionary: 30.5%

Total Discretionary SGF: \$108,049,949

Discretionary T.O.: 365

Department of Education

Non-Discretionary/Discretionary Funding by Agency

Non-Discretionary Funding:

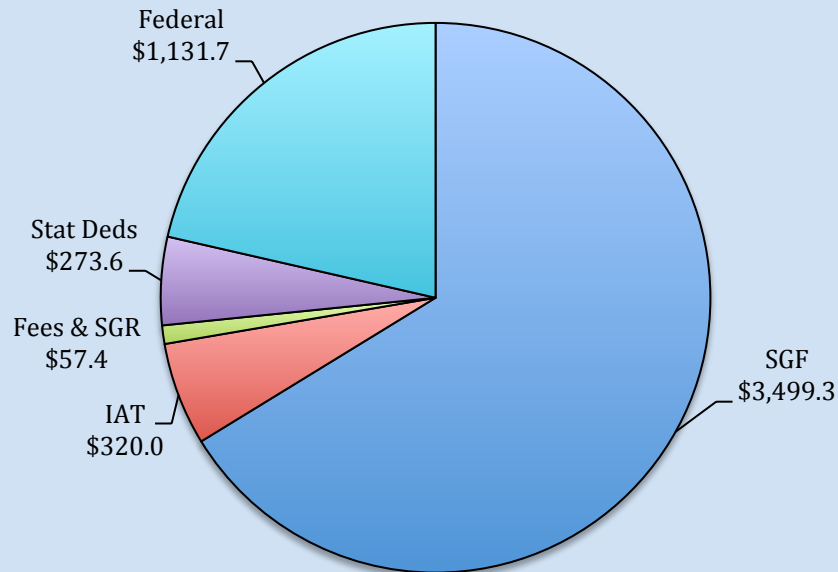
\$6.9 m. — State Activities
\$21.1 m. — Subgrantee Assistance
\$0.2 m. — Recovery School District
\$3,628.3 m. — Minimum
Foundation Program
\$2.9 m. — Non-Public Educational
Assistance
\$12.3 m. — Special School District

Discretionary Funding:

\$120.3 m. — State Activities
\$1,230.4 m. — Subgrantee
Assistance
\$236.4 m. — Recovery School
District
\$23.4 m. — Non-Public Educational
Assistance

FY16 LDOE Means of Finance

FY16 Total Means of Finance
(In Millions)



Major Non-SGF Sources of Funding:

Interagency Transfers

- DOA - \$183 m FEMA funds for hurricane damages to educational infrastructure and equipment.
- DCFS - \$71 m TANF funds for LA-4 and JAG.
- LDOE - \$11 m MFP funds for RSD.

Fees & Self-generated Revenues

- RSD - \$34 m Harrah's Capital Funding Project for construction costs at various sites.

Statutory Dedications

- La. Lottery Proceeds Fund [S] - \$154 m for MFP purposes.
- SELF Fund [S] - \$106 m for salaries for public Pre-K - 12 certificated teachers.
- Education Excellence Fund [C] - \$14 m for educational enhancements for Pre-K - 12 students.

Federal Funds

- Food and Nutrition Services - \$359 m.
- Disadvantaged Persons - \$289 m.
- Special Education - \$177 m.
- Teacher and Principal Quality - \$74 m.
- Child Care Development - \$56 m.
- Academic Improvement - \$44 m.
- School Improvement - \$25 m.
- Reading - \$13 m.

FY15 Existing Operating Budget vs. FY16 Recommended

Schedule 19A HIED — Total Expenditures

Expenditure Category	FY15 Existing Operating Budget	FY16 Recommended Budget	Difference
Personal Services	\$66,915,207	\$60,228,486	(\$6,686,721)
Operating Expenses	\$13,957,548	\$10,975,277	(\$2,982,271)
Professional Services	\$114,461,043	\$66,503,751	(\$47,957,292)
Other Charges	\$4,875,128,639	\$4,959,038,799	\$83,910,160
Acquisitions & Major Repairs	\$180,764,079	\$185,319,824	\$4,555,745
Total Expenditures	\$5,251,226,516	\$5,282,066,137	\$30,839,621

FY16 Department of Education

Selected Standard Statewide Adjustments

Annualization of FY15 Mid-Year Reduction Plan - (\$5.6 million) Total and (14) T.O.

Performance/Salary Adjustments:

(\$2.2 million) Total - Salary Base Adjustment

(\$1.4 million) Total - Attrition Adjustment

(\$2.4 million) Total and (55) T.O. - Personnel Reduction

Retirement Adjustments

(\$1.7 million) Total - La. State Employees' Retirement System Adjustments

Other:

\$4.6 million Total - Acquisitions and Major Repairs

(\$39.0 million) Total - Non-Recurring Carryforwards

\$1.4 million Total - Office of Technology Services

(10) T.O. - Transferred to Office of State Human Capital

(4) T.O. - Transferred to Office of State Procurement

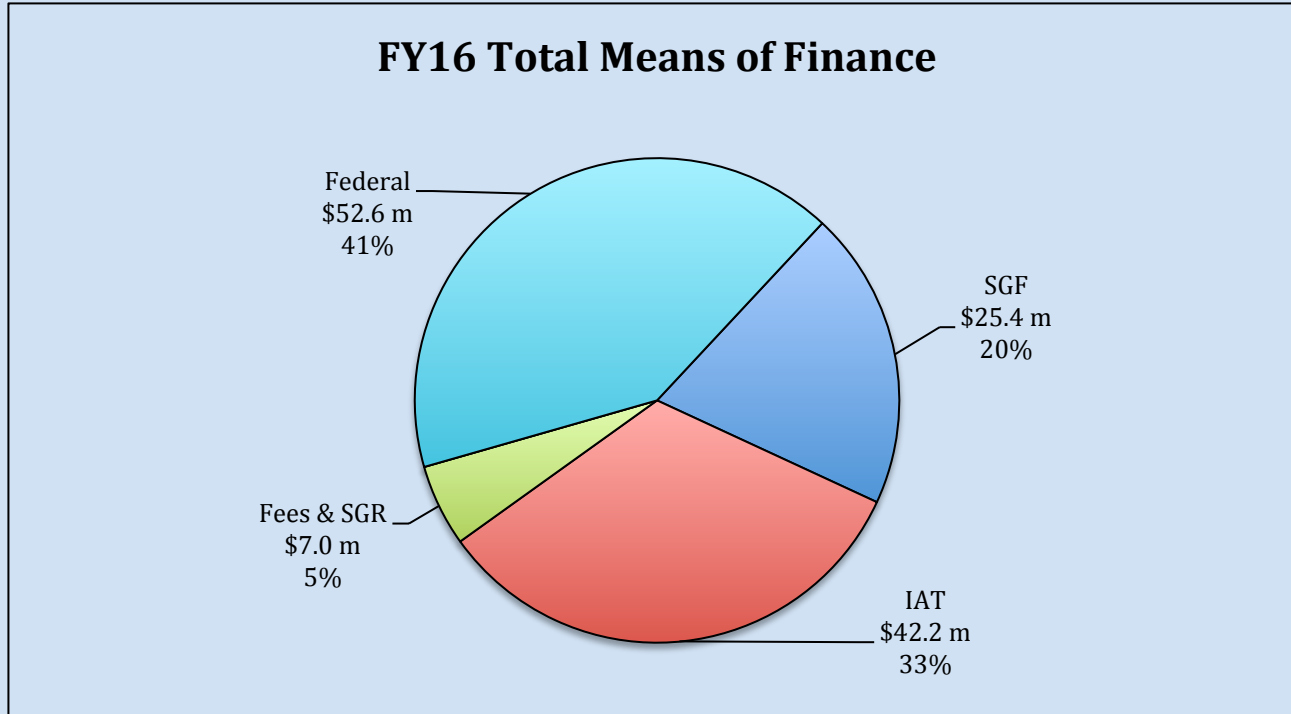
(\$1.5 million) SGF — GEMS Savings (procurement)

LDOE

19-678 State Activities

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
LDOE - St. Acts.	\$ 132,118,591	\$ 127,145,434	\$ (4,973,157)

Total Positions	390	365	(25)
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FY16 Non-Discretionary	FY16 Discretionary
\$6,858,533	\$120,286,901

LDOE

19-678 State Activities

Significant FY16 Budget Issues in LDOE – State Activities:

+\$21.3 m net IAT and Federal Funds plus +50 T.O. to implement transfer of Child Care Licensing Division from DCFS to LDOE pursuant to R.S. 17:407.26.

State General Fund (Direct) is proposed to be reduced from \$48.8 m to \$25.4 m, a 48% reduction.

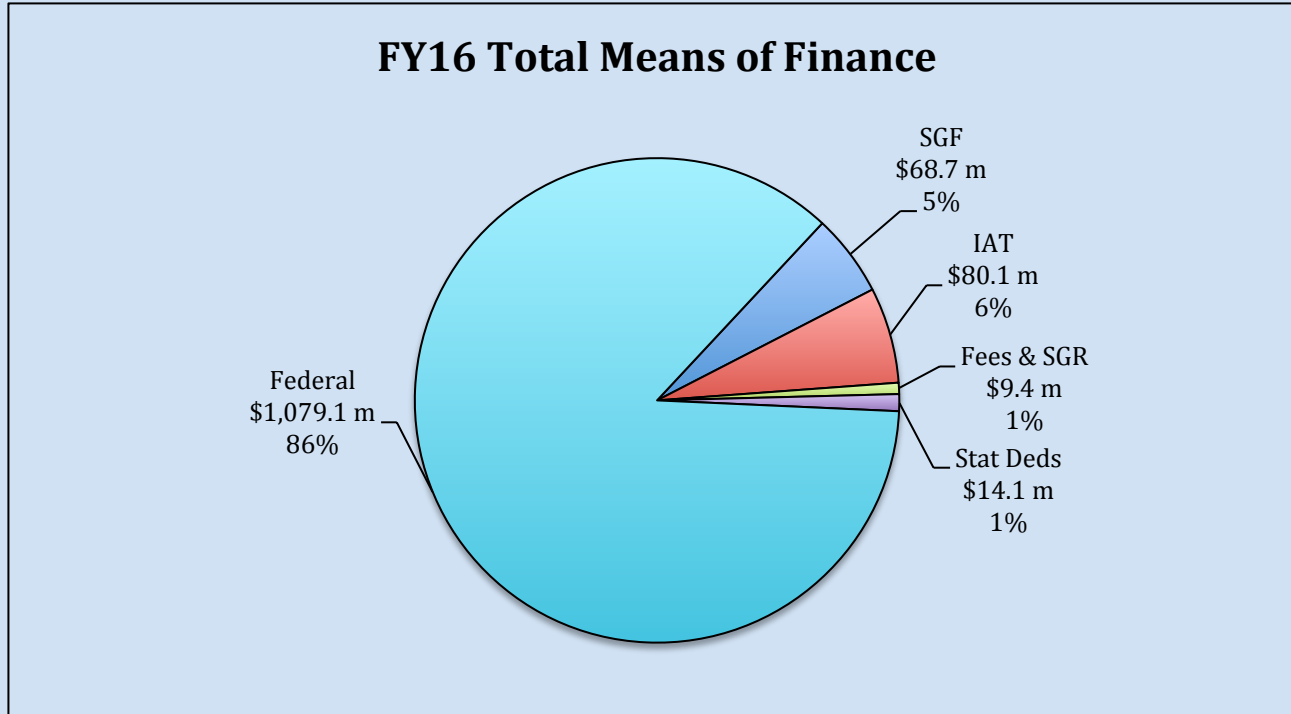
- **-\$6.2 m SGF Statewide Adjustments (includes -75 T.O.)**
- **-\$4.0 m SGF Non-recurs one-time School Choice funding**
- **-\$10.9 m SGF in Professional Services and Other Charges**
- **-\$2.0 m SGF in Personal Services (including 45 Non-T.O. FTEs)**
- **-\$0.3 m SGF in Operating Services**
- **How many workers in State Activities will be laid off due to the reductions?**
- **How much funding for testing will be reduced due to the reductions?**
- **What tests will be impacted by the reductions?**
- **Will the funding reductions for testing endanger federal aid to Louisiana?**

LDOE

19-681 Subgrantee Assistance

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
LDOE - Subg. Asst.	\$ 1,213,438,569	\$ 1,251,413,032	\$ 37,974,463

Total Positions	-	-	-
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FY16 Non-Discretionary	FY16 Discretionary
\$21,067,118	\$1,230,345,914

HIED

19-681 Subgrantee Assistance

Significant FY16 Budget Issues in LDOE – Subgrantee Assistance:

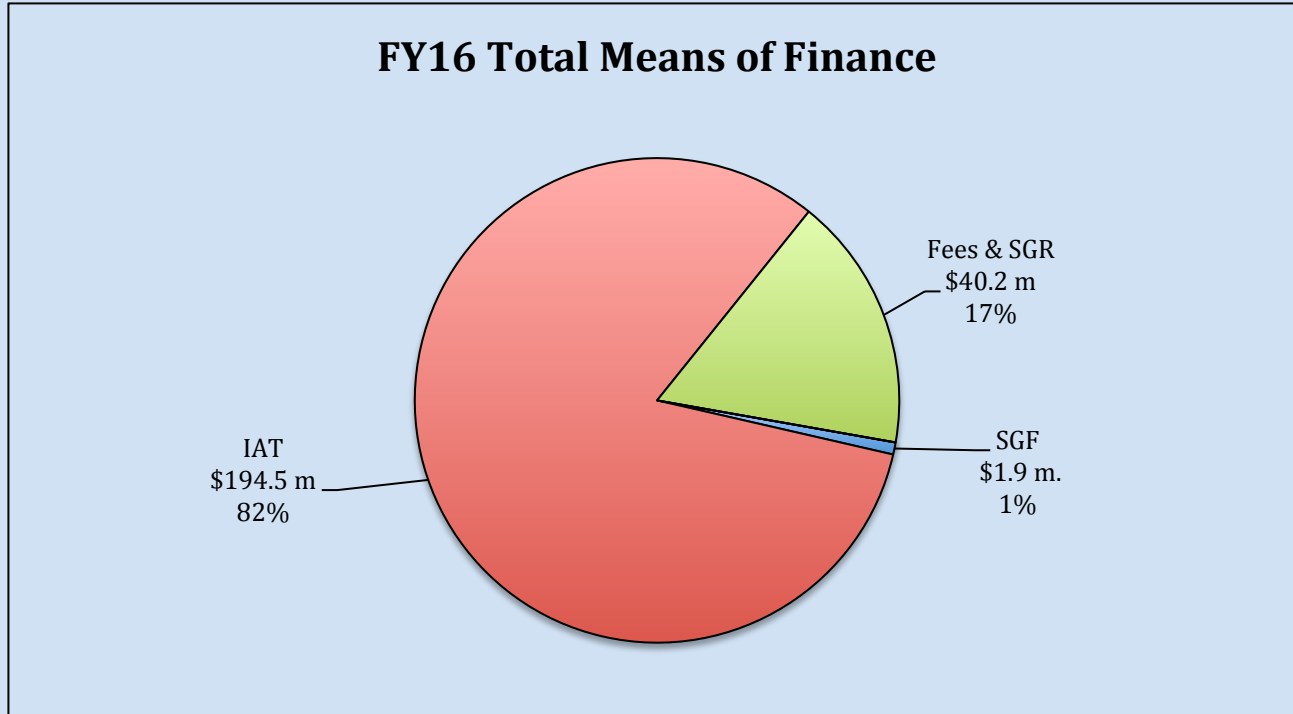
- **\$27.9 m MOF Swap of DCFS/TANF/IAT for SGF for LA-4 Program**
- **+\$55.9 m Federal Funds for Child Care Development Fund providers**
- **-\$13.3 m Federal Funds for expired ARRA School Improvement Grants**
- **-\$1.7 m Statutory Dedications, Overcollections Fund payments to school systems non-recurred**
- **-\$1.0 m SGF educational programs for at-risk students non-recurred**
- **+\$3.7 m SGF for Student Scholarships for Educational Excellence Program (SSEEP) for 679 new students**
- **Will SSEEP have more students next year?**

LDOE

19-682 Recovery School District

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
LDOE - RSD	\$ 271,776,436	\$ 236,629,900	\$ (35,146,536)

Total Positions	-	-	-
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FY16 Non-Discretionary	FY16 Discretionary
\$188,589	\$236,441,311

LDOE

19-682 Recovery School District

Significant FY16 Budget Issues in LDOE – RSD:

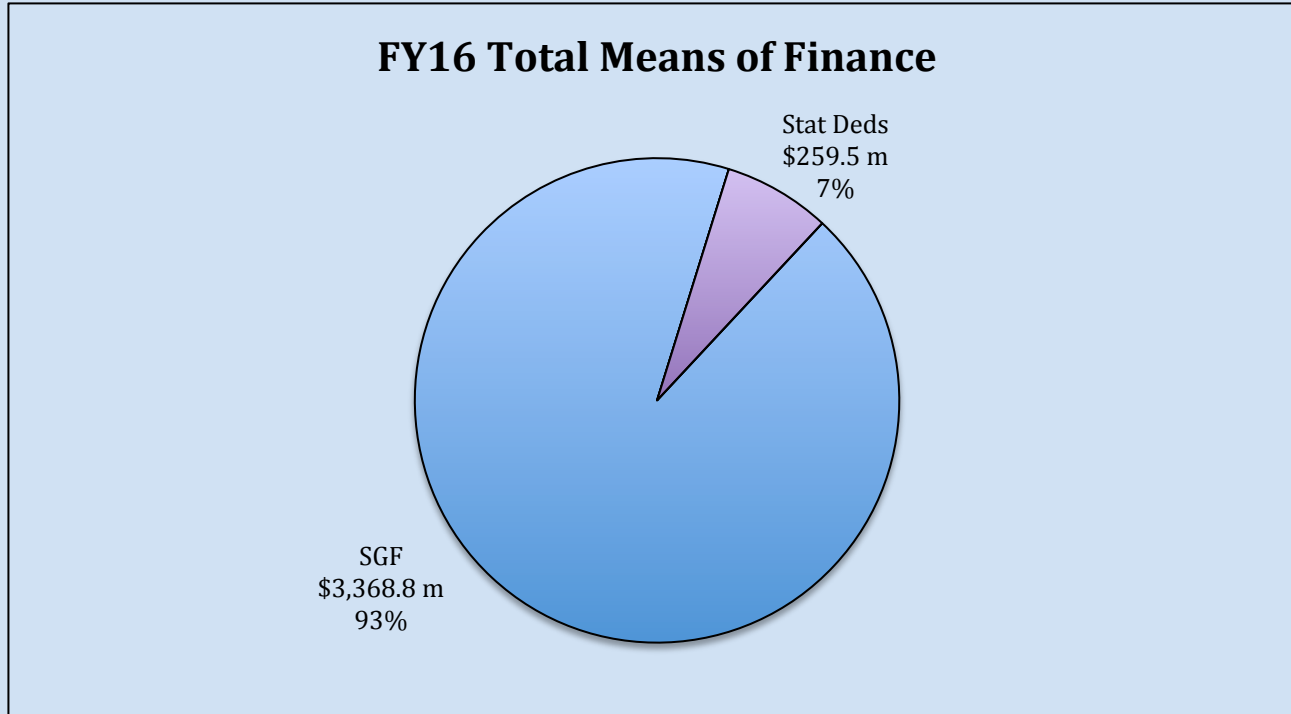
All FY 15-16 budget adjustments are Statewide Adjustments

LDOE

19-695 Minimum Foundation Program

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
LDOE - MFP	\$ 3,593,789,905	\$ 3,628,258,948	\$ 34,469,043

Total Positions	-	-	-
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FY16 Non-Discretionary	FY16 Discretionary
\$3,628,258,948	\$0

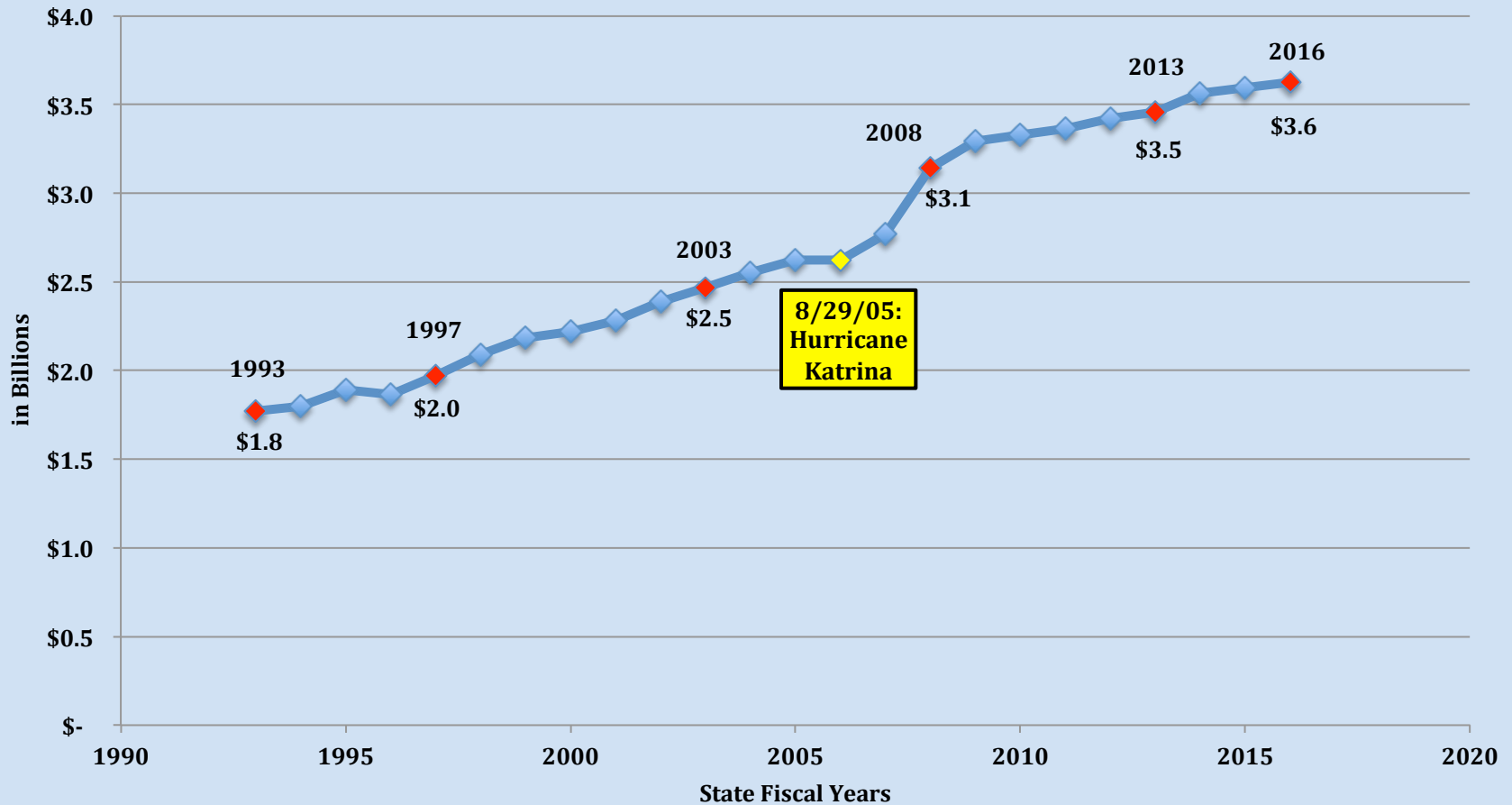
LDOE

19-695 Minimum Foundation Program

Significant FY16 Budget Issues in LDOE – MFP:

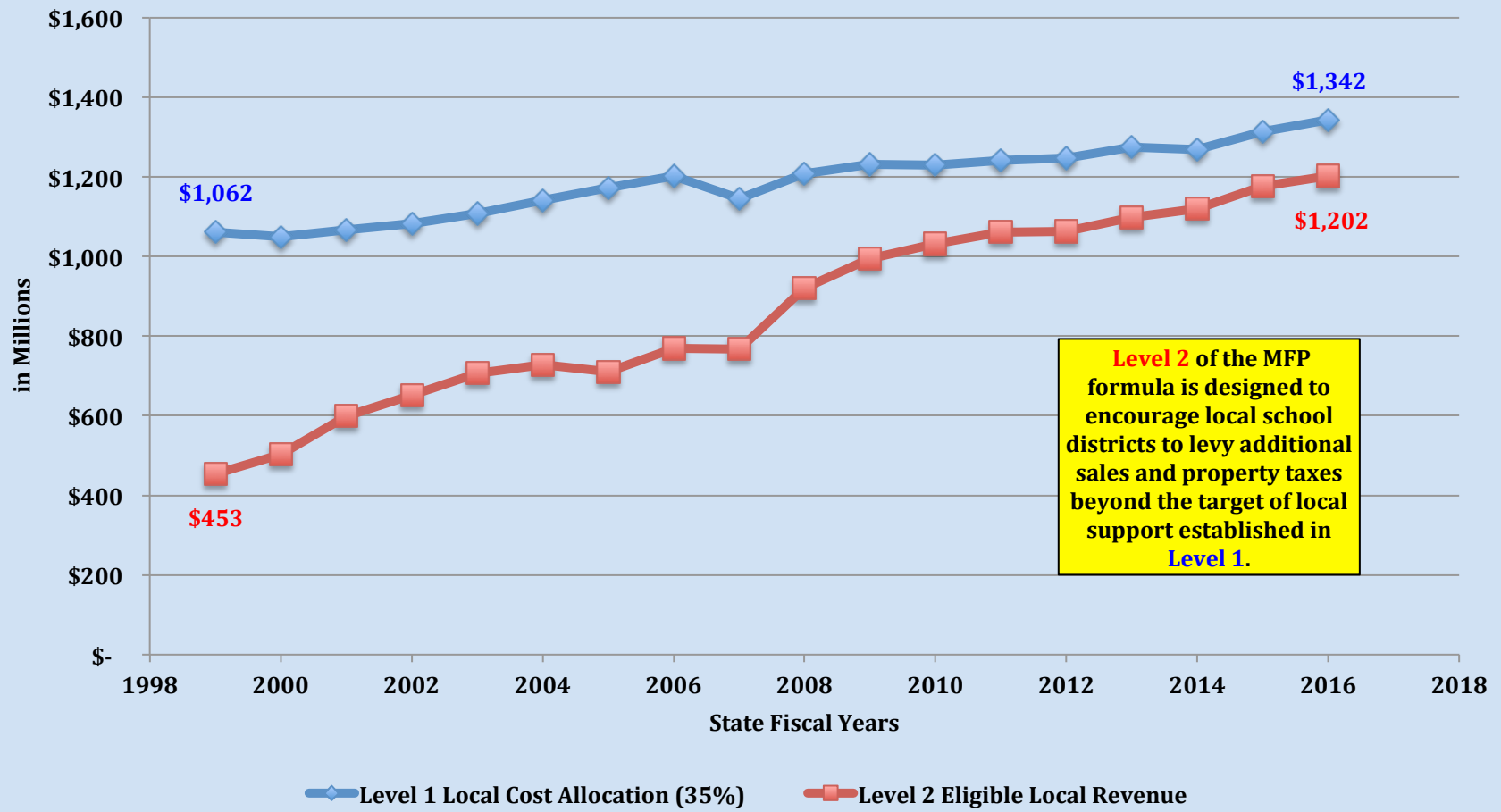
- **+\$34.5 m SGF based on net +6,284 students**
- **Despite enrollment adjustments, the MFP is otherwise frozen for the sixth time in the past eight years.**
- **BESE's projected FY 15-16 MFP Budget Letter as of March 13, 2015, requests \$50.3 m more for the MFP than is provided in the proposed Executive Budget.**
- **FY 14-15 MFP will need \$36.3 m before June 30, 2015.**

Modern MFP State Funding: Actual FY93 to Budgeted FY15 to Recommended FY16

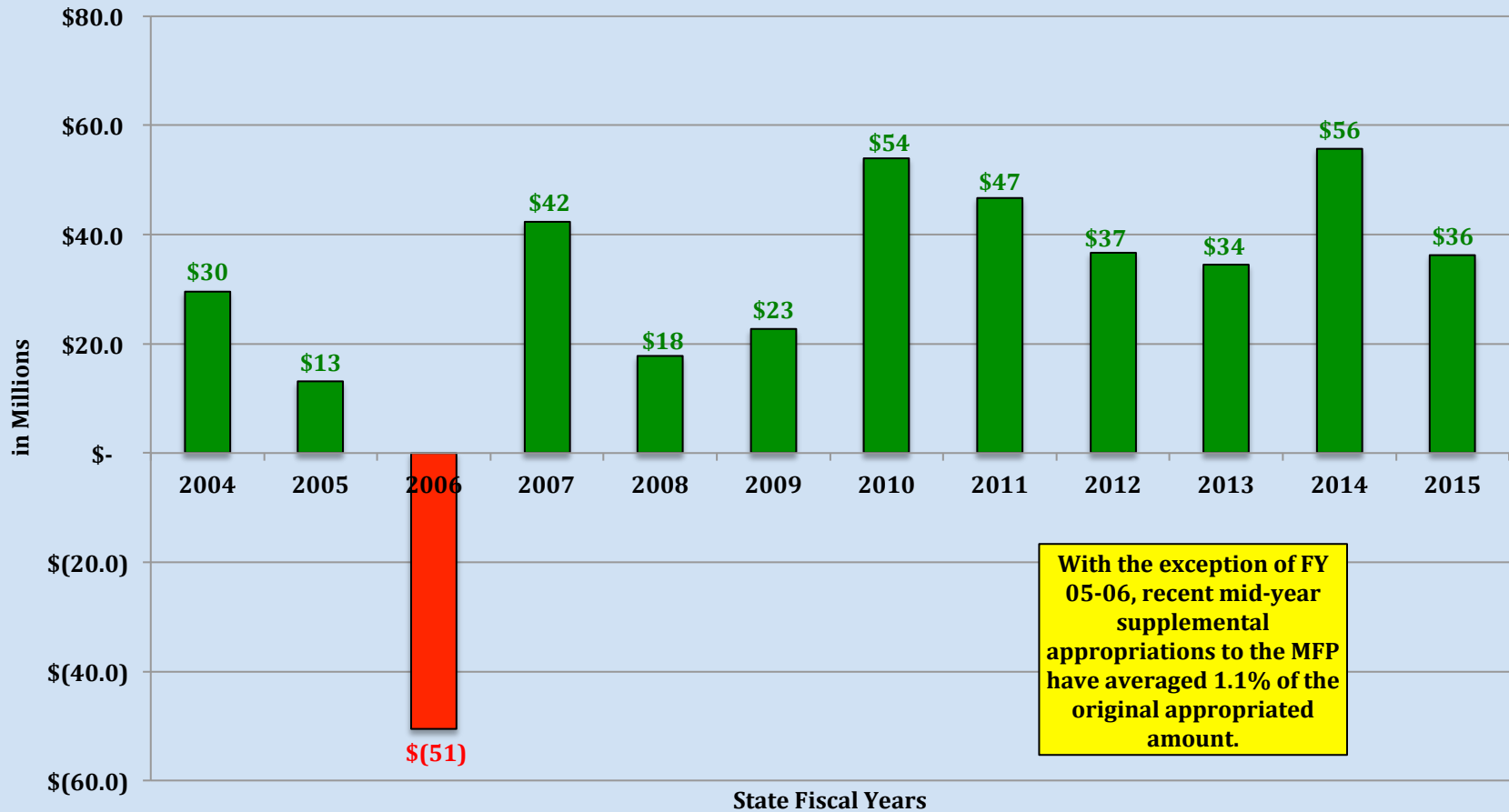


MFP: Local Fiscal Capacity

Actual FY99 to Budgeted FY15 to Recommended FY16



“More or Less Estimated”: MFP Mid-Year Adjustments

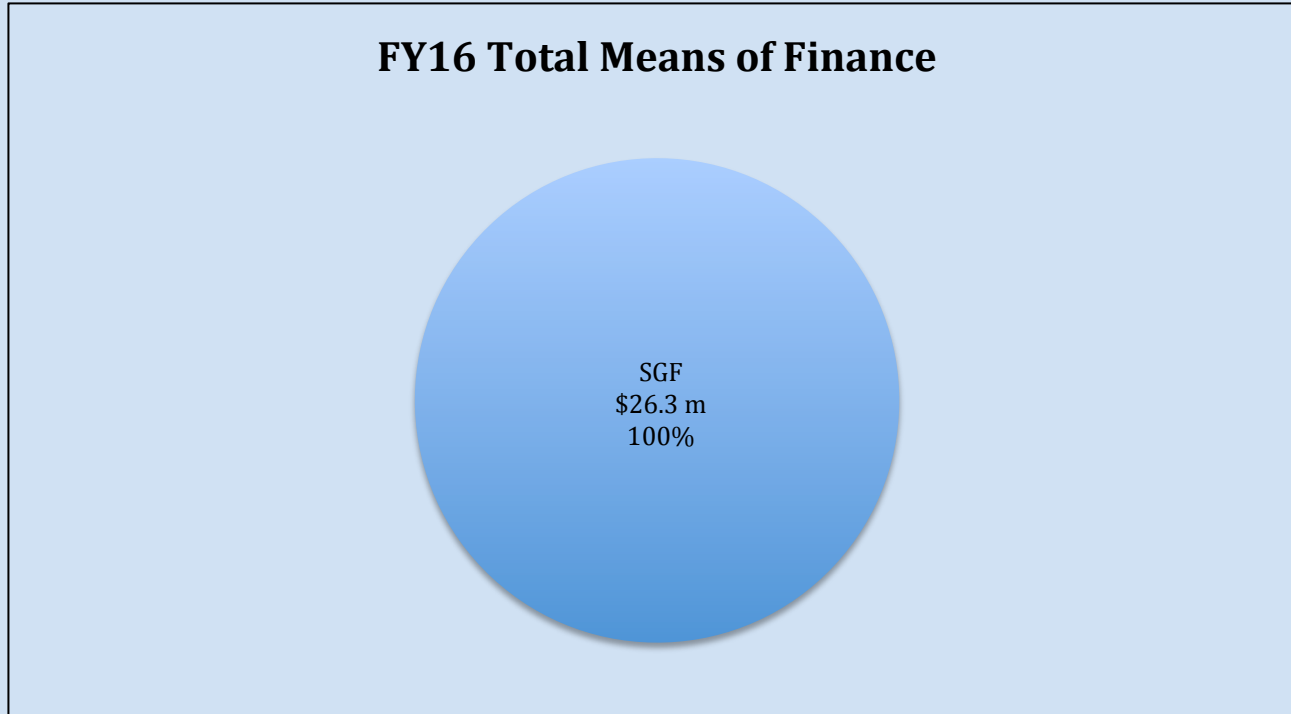


LDOE

19-697 Non-Public Educational Assistance

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	<i>Difference</i>
LDOE - Non-Public	\$ 26,294,019	\$ 26,294,019	\$ -

Total Positions	-	-	-
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FY16 Non-Discretionary	FY16 Discretionary
\$2,911,843	\$23,382,176

LDOE

19-697 Non-Public Educational Assistance

Significant FY16 Budget Issues in LDOE – Non-Public:

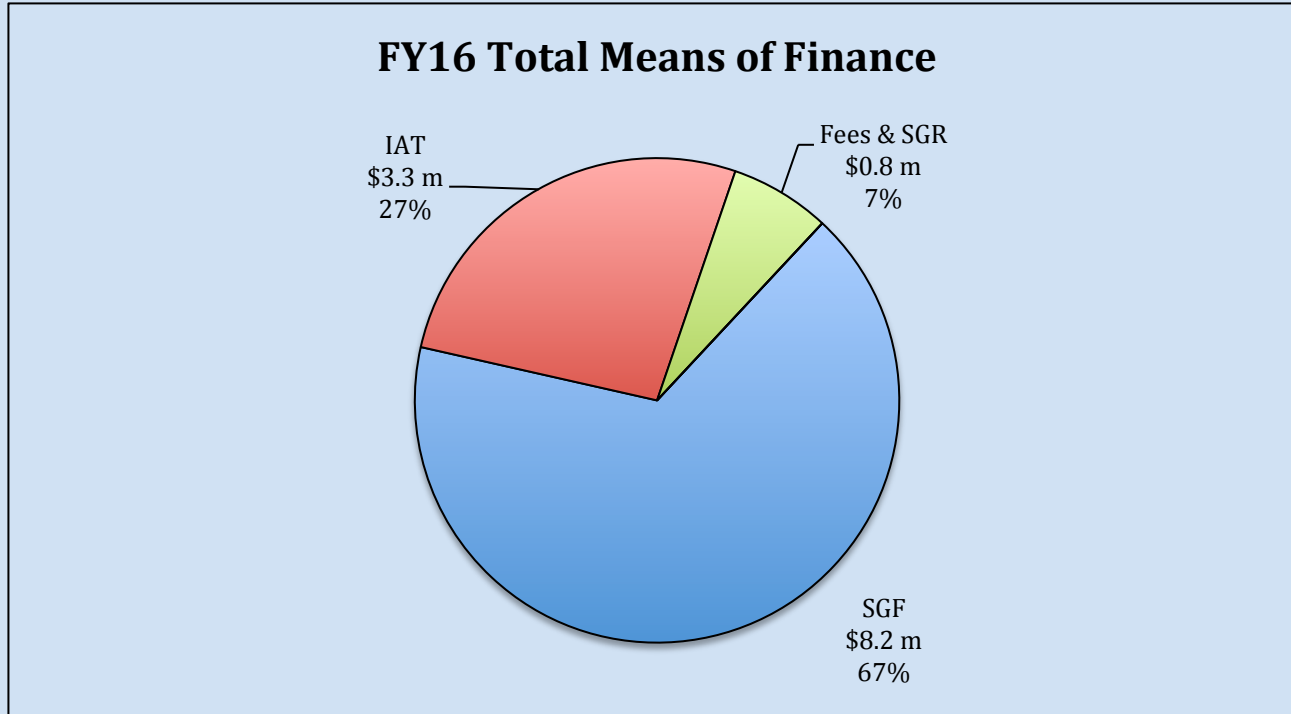
No budget adjustments for FY 15-16

LDOE

19-699 Special School District

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
LDOE - SSD	\$ 13,808,996	\$ 12,324,804	\$ (1,484,192)

Total Positions	133	125	(8)
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FY16 Non-Discretionary	FY16 Discretionary
\$12,324,804	\$0

LDOE

19-699 Special School District

Significant FY16 Budget Issues in LDOE – SSD:

All FY 15-16 budget adjustments are Statewide Adjustments