

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY19-20 HB105 Review

Department of Education

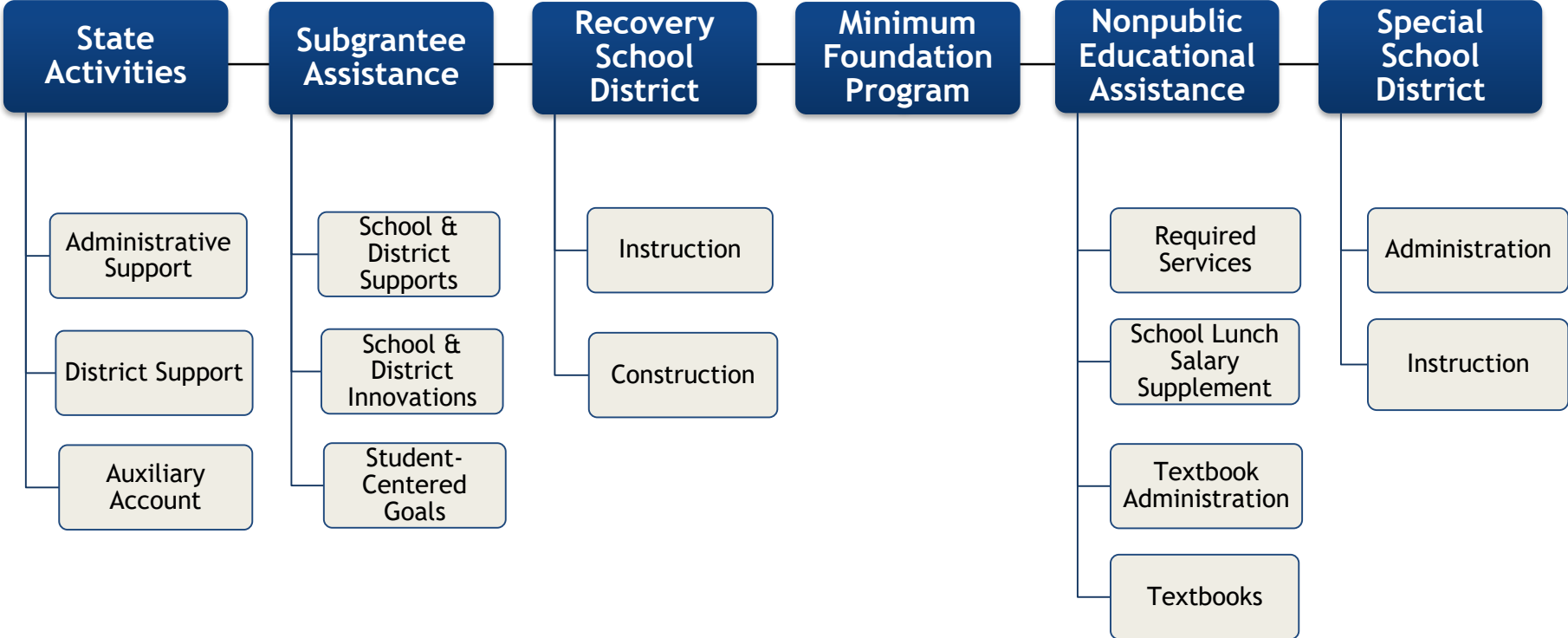
House Committee on Appropriations
Prepared by the House Fiscal Division

April 15, 2019

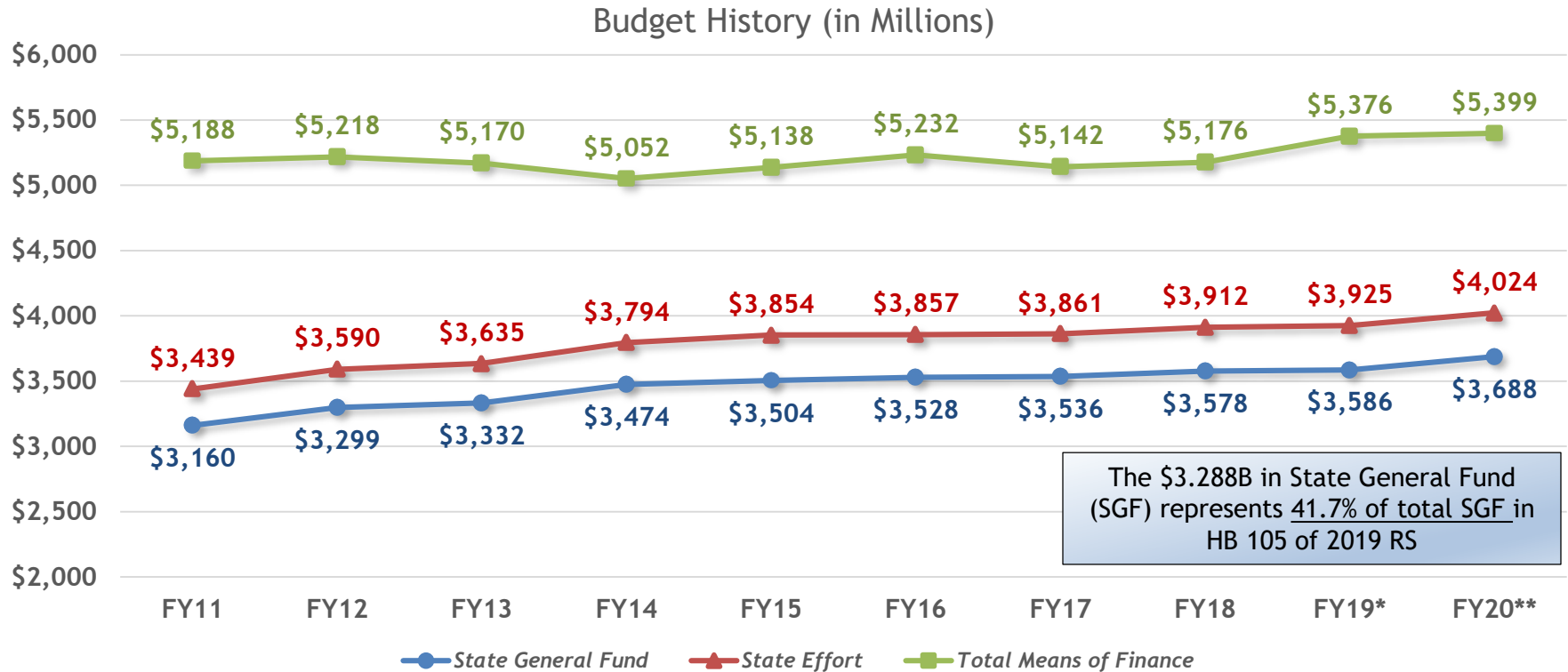
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DEPARTMENT ORGANIZATION



DEPARTMENT BUDGET HISTORY (IN MILLIONS)



MAJOR SOURCES OF REVENUE

Federal Funds \$1.2 Billion

- \$299 million for Title I, Part A, to improve the teaching and learning of children from low-income families.
- \$279 million from School, Child and Adult Food and Nutrition Programs to provide basic nutrition to eligible participants.
- \$181 million from Individuals with Disabilities Education Act (IDEA) to ensure all children with disabilities age 3 - 21 are provided special education services.
- \$102 million for Child Care Development Fund Block Grant (CCDF) to provide child care assistance, licensing, and quality improvement.
- \$33 million from Title II - Improving Teacher Quality funds used to provide professional development to teachers in the core academic subjects.
- \$28 million for 21st Century Community Learning Centers.

Self-Generated \$51.4 Million

- RSD \$34 million for the Construction Program from sources such as Harrah's, New Market Tax Credits, and insurance proceeds.
- \$9.4 million in federal Carl Perkins Secondary Vocational Education funding from LCTCS.
- Teacher certification fees.

Statutory Dedications \$285.0 Million

- \$163 million from the Lottery Proceeds Fund for the MFP (constitutional).
- \$107 million from the Support Education in Louisiana First (SELF) Fund (statutory).
- \$15 million from the Education Excellence Fund (EEF) for public and nonpublic students (constitutional).

Interagency Transfers \$194.0 Million

- \$114 million Federal Emergency Management Agency (FEMA) funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) to the Recovery School District (RSD) for the repair and reconstruction of schools and equipment damaged in Hurricanes Katrina and Rita.
- \$40.5 million Temporary Assistance for Needy Families (TANF) funds from the Department of Children and Family Services (DCFS) to Subgrantee Assistance for the LA 4 Early Childhood Education Program.

FUNDING CHANGE OVERVIEW

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$3,577,825,832	\$3,586,184,156	\$3,687,922,686	\$101,738,530	2.8%	\$110,096,854	3.1%
Interagency Transfers	\$130,125,282	\$260,674,050	\$194,038,718	(\$66,635,332)	(25.6%)	\$63,913,436	49.1%
Fees and Self-Gen Rev	\$49,034,795	\$52,181,509	\$51,428,223	(\$753,286)	(1.4%)	\$2,393,428	4.9%
Statutory Dedications	\$285,499,902	\$286,979,044	\$285,016,131	(\$1,962,913)	(0.7%)	(\$483,771)	(0.2%)
Federal Funds	\$1,133,945,447	\$1,190,164,513	\$1,180,618,637	(\$9,545,876)	(0.8%)	\$46,673,190	4.1%
Total Means of Finance	\$5,176,431,258	\$5,376,183,272	\$5,399,024,395	\$22,841,123	0.4%	\$222,593,137	4.3%



\$66.6M Interagency Transfers

Decrease in IAT (FEMA) budget authority in the Recovery School District (RSD) due to the completion of the majority of school construction and renovation projects.



\$753K Fees and Self-Gen Rev

Decrease in excess budget authority from the Auxiliary Account in State Activities due to historical expenditures, and non-recur funds in the RSD due to the transfer of the New Orleans Therapeutic Day Program.



\$1.9M Statutory Dedications

Projected decrease in the Lottery Proceeds Fund due to anticipated REC forecast changes.



\$9.5M Federal Funds

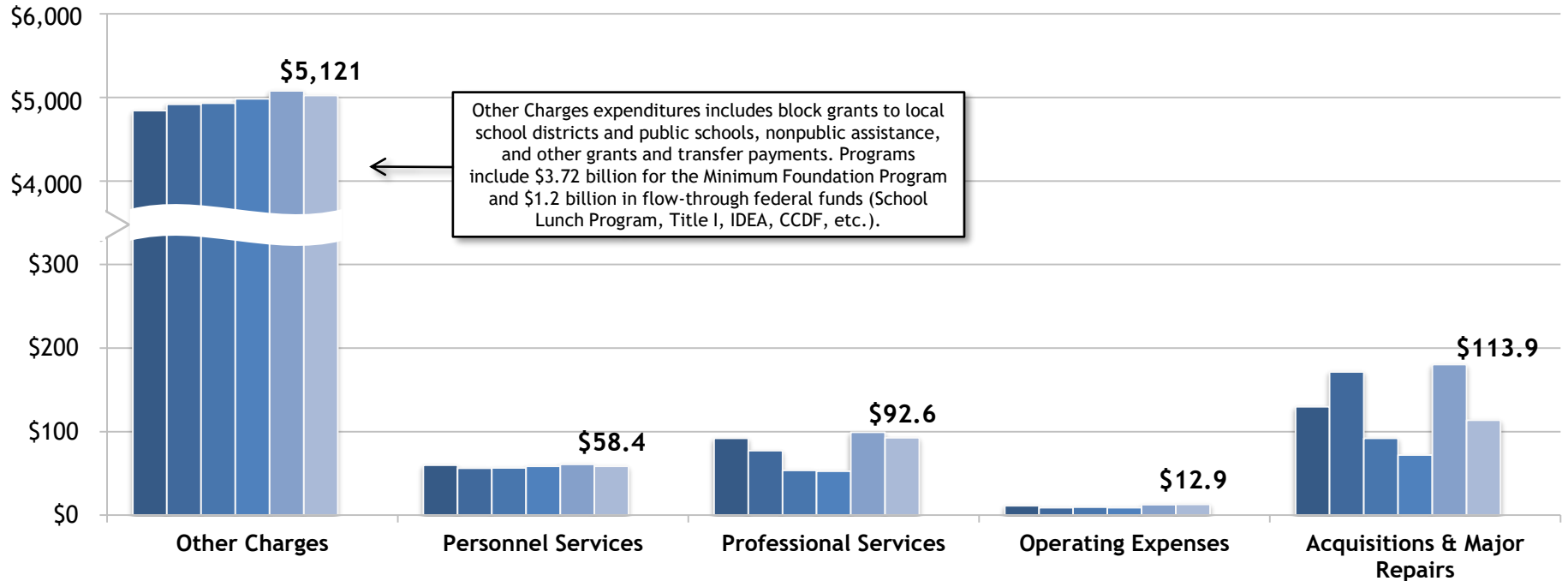
Decrease due to non-recurring FY19 carryforwards of testing contract expenses in State Activities and the expiration of the \$8.8M Pre-K Expansion Federal Grant in Subgrantee Assistance.

EXPENDITURE CHANGE OVERVIEW

Expenditure	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
Salaries	\$24,114,027	\$28,478,551	\$32,741,037	\$4,262,486	15.0%	\$8,627,010	35.8%
Other Compensation	\$13,524,906	\$9,138,634	\$4,289,003	(\$4,849,631)	(53.1%)	(\$9,235,903)	(68.3%)
Related Benefits	\$20,907,629	\$23,288,222	\$21,388,542	(\$1,899,680)	(8.2%)	\$480,913	2.3%
Travel	\$1,297,106	\$3,145,815	\$3,154,709	\$8,894	0.3%	\$1,857,603	143.2%
Operating Services	\$6,712,917	\$8,065,367	\$8,195,952	\$130,585	1.6%	\$1,483,035	22.1%
Supplies	\$848,000	\$1,544,131	\$1,527,110	(\$17,021)	(1.1%)	\$679,110	80.1%
Professional Services	\$52,504,846	\$99,247,173	\$92,570,196	(\$6,676,977)	(6.7%)	\$40,065,350	76.3%
Other Charges	\$4,984,365,873	\$5,022,812,240	\$5,121,281,519	\$98,469,279	2.0%	\$136,915,646	2.7%
Acq/Major Repairs	\$72,155,954	\$180,463,139	\$113,876,327	(\$66,586,812)	(36.9%)	\$41,720,373	57.8%
Total Expenditures	\$5,176,431,258	\$5,376,183,272	\$5,399,024,395	\$22,841,123	0.4%	\$222,593,137	4.3%
Authorized Positions	446	445	544	99	22.2%	98	22.0%

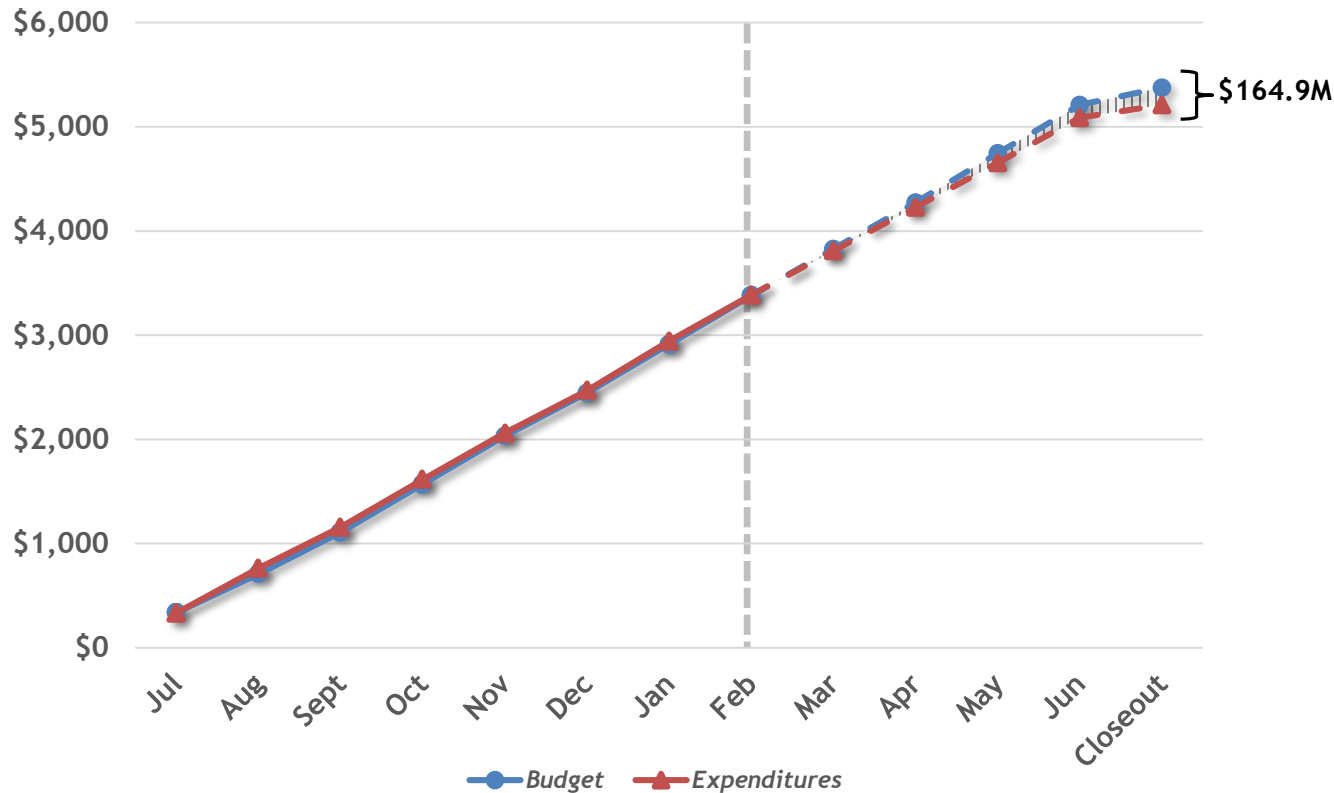
EXPENDITURE HISTORY

Fiscal Year: ■ 2014-15 ■ 2015-16 ■ 2016-17 ■ 2017-18 ■ 2018-19 EOB ■ 2019-20 HB 105



Source: Budget Supporting Documents and HB 105 of 2019 RS

FY19 EXPENDITURE TRENDS



Analysis shows approximately \$164.9M or 3.1% in total means of finance budget authority could be unspent at year-end based on actuals through February and projections through the end of the year.

The projected remaining budget authority is \$23.6M, excluding the Recovery School District (RSD). These monies are primarily federal funds in State Activities and Subgrantee Assistance. The RSD could have \$141.2M remaining budget authority - Interagency Transfers (FEMA) revenues via the Construction Program. OPB recommended eliminating \$66.6M in budget authority in FY20 due to project completions.

In FY18, approximately \$155M, or 2.9% of its budget authority was left unspent, of which \$134.7M were IAT revenues (RSD), \$8.4M Self-Generated Revenues, \$8.4M Federal Funds, and \$3.1M in State General Funds. The Department had \$8.4M of carryforwards in FY19.

OTHER CHARGES - STATE GENERAL FUND

AMOUNT	DESCRIPTION
\$3,544,558,356	Minimum Foundation Program (SGF only)
\$41,965,707	Student Scholarships for Educational Excellence Program
\$33,801,910	LA 4 Early Childhood Program (Public Pre-K)
\$11,292,704	Nonpublic Required Services
\$7,554,505	Department-wide interagency fees and expenditures (incl. OTS, ORM, LLA fees, Rent in State-Owned Buildings, etc.)
\$7,002,614	Nonpublic School Lunch Salary Supplement
\$6,472,236	Nonpublic School Early Childhood Development (Private Pre-K)
\$4,498,386	State Activities initiatives, including Early Childhood Lead Agency, Jump Start, and Educator Effectiveness Program grants
\$2,875,241	Nonpublic Textbooks and Textbook Administration
\$2,577,608	Professional Improvement Program
\$706,099	Other Subgrantee Assistance Programs (SREB and School Choice Pilot for Students with Exceptionalities)
\$3,663,305,366	Total State General Fund Other Charges Expenditures

STATE ACTIVITIES

Means of Finance Breakdown

The mission of State Activities is to provide leadership, training, fund-flow control, and compliance evaluation. The goal is to provide information, leadership, and oversight necessary to achieve a quality educational system.

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$31,057,948	\$38,668,329	\$31,479,250	(\$7,189,079)	(18.6%)	\$421,302	1.4%
Interagency Transfers	\$11,503,239	\$20,287,148	\$20,452,654	\$165,506	0.8%	\$8,949,415	77.8%
Fees and Self-Gen Rev	\$3,705,167	\$7,004,615	\$6,527,887	(\$476,728)	(6.8%)	\$2,822,720	76.2%
Statutory Dedications	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Federal Funds	\$77,632,590	\$99,555,479	\$96,650,178	(\$2,905,301)	(2.9%)	\$19,017,588	24.5%
Total Means of Finance	\$123,898,944	\$165,515,571	\$155,109,969	(\$10,405,602)	(6.3%)	\$31,211,025	25.2%
Authorized Positions	354	362	464	102	28.2%	110	31.1%

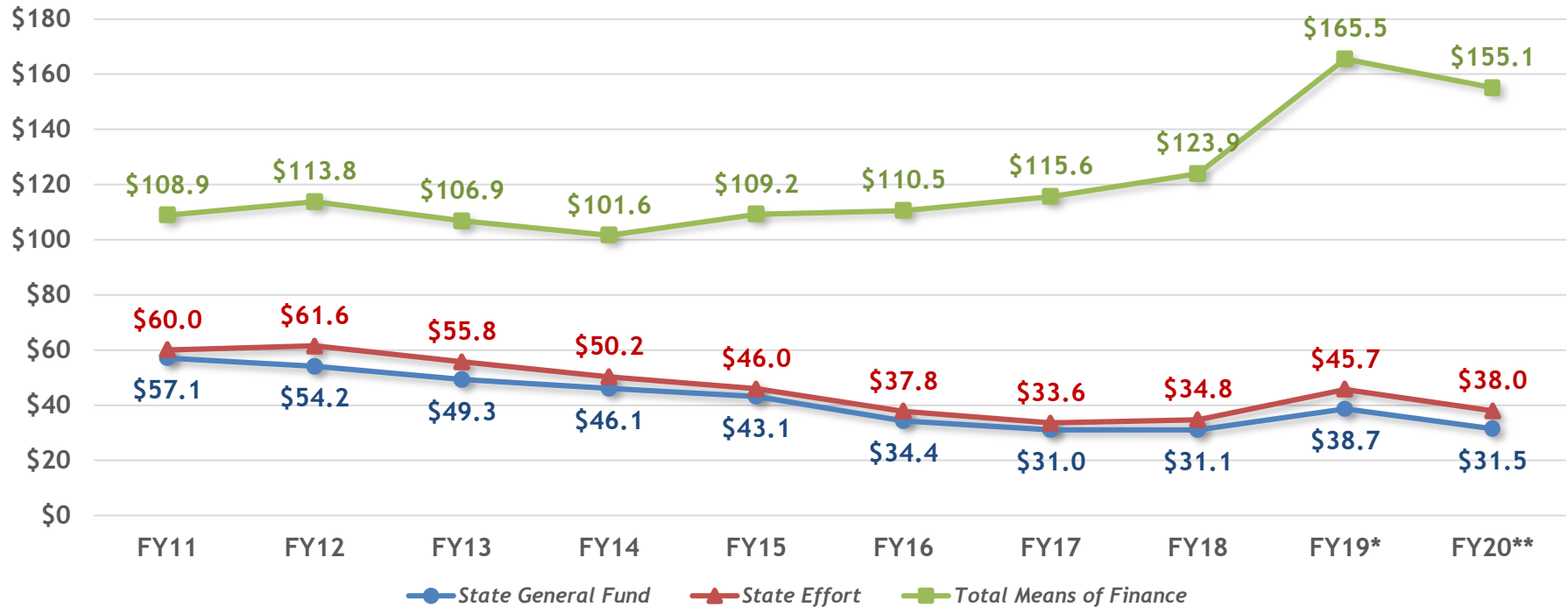
State Activities includes the following Programs:

- Administrative Support, including the Office of the Superintendent, Management and Finance, Public Affairs, Legal, Auditing, and Analytics.
- District Support, including District Support Networks, Academic Policy, Portfolio, Food and Nutrition, Child Care Licensing, Talent, and Statewide Monitoring.
- Auxiliary Account, includes the Teacher Certification Division.

Source: Budget Supporting Documents and HB 105 of 2019 RS

STATE ACTIVITIES

Budget History (in Millions)



Source: Budget Supporting Documents and HB 105 of 2019 RS

*Existing Operating Budget as of 12/1/18

**HB 105 of 2019 RS

STATE ACTIVITIES

Significant Adjustments

(\$1.7M) - Personal Services (Salaries & Related Benefits)

- \$884K - Net increase to standard adjustments for market rate adjustments, salary base, related benefits, group insurance, and attrition adjustments.
- **(\$293K)** - Reduction of 6 vacant positions.
- **(2.3M)** - Reduces State General Funds associated with 41 Authorized T.O. positions (31 in the Administrative Support Program and 10 in the District Support Program).

(\$638K) - Statewide Adjustments

- Net reduction in standard statewide adjustments, such as Civil Service Fees, Legislative Auditor Fees, Office of Technology Services and Office of State Procurement Fees, Risk Management, etc.

(\$8.0M) - Other Adjustments

- **(\$8.4M)** - Due to non-recurring carryforwards for testing contracts (\$4.6M State General Funds and \$3.8M Federal Funds).
- \$580K - Increases federal budget authority for administrative functions associated with three new grants: School Emergency Management Program (\$5,724), National Assessment of Education Program (\$123,351), and the School Mental Health Support Program (\$451,370).
- **(\$249K)** - Reduces excess budget authority in the Auxiliary Account Program due to historical expenditure trends.

STATE ACTIVITIES

FY20 Personnel/Budget Ratio

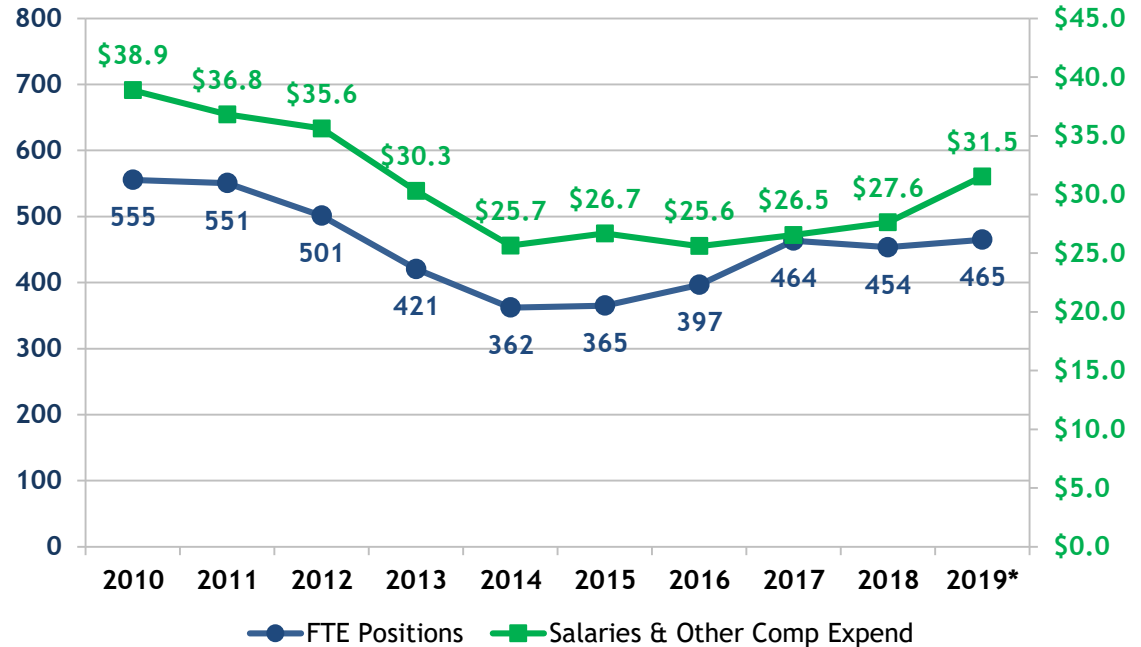
\$30.9 M	Salaries and Other Comp.
+ \$17.2 M	Related Benefits
= \$48.2 M	Total Personnel Services

41.0% of budget expenditures
(excluding Other Charges)

Authorized Positions

- 464 (433 classified and 31 unclassified)
- State Activities had 31 vacancies as of 1/31/2019
- Net increase of 102 T.O. Authorized Positions due to conversion of 108 Non-T.O. FTE Positions to T.O. and elimination of 6 vacancies
- 5 Non-T.O. FTE Positions in FY20

10 Year FTE Positions/Salaries Expended



*Existing Operating Budget as of 12/1/18
Source: Dept. of Civil Service and Budget Supporting Documents

SUBGRANTEE ASSISTANCE

Means of Finance Breakdown

The mission of Subgrantee Assistance is to provide flow-through funds to local educational agencies (LEAs) and other entities for the development of programs that enhance learning environments.

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$84,705,183	\$85,531,248	\$85,533,854	\$2,606	0.0%	\$828,671	1.0%
Interagency Transfers	\$44,031,487	\$44,031,487	\$44,031,487	\$0	0.0%	\$0	0.0%
Fees and Self-Gen Rev	\$9,417,370	\$9,418,903	\$9,418,903	\$0	0.0%	\$1,533	0.0%
Statutory Dedications	\$15,128,637	\$15,149,881	\$15,189,968	\$40,087	0.3%	\$61,331	0.4%
Federal Funds	\$1,056,082,388	\$1,090,109,034	\$1,083,718,459	(\$6,390,575)	(0.6%)	\$27,636,071	2.6%
Total Means of Finance	\$1,209,365,065	\$1,244,240,553	\$1,237,892,671	(\$6,347,882)	(0.5%)	\$28,527,606	2.4%

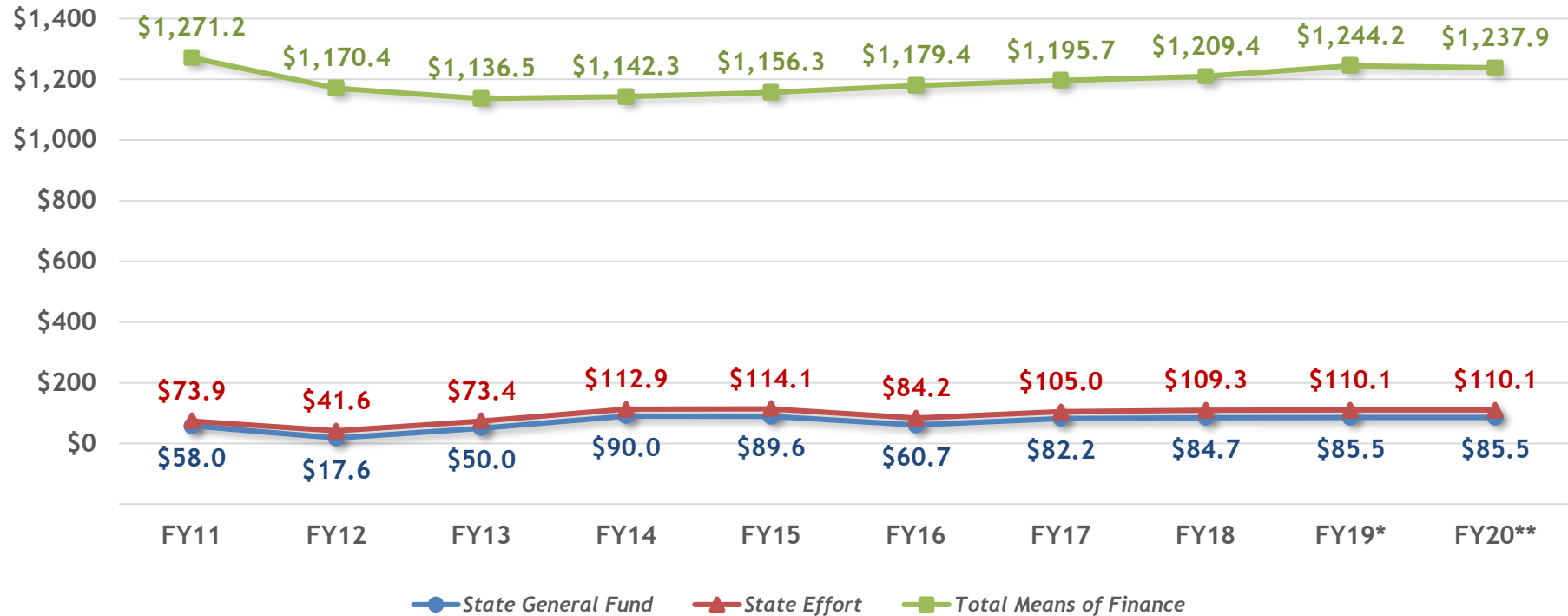
Subgrantee Assistance includes the following Programs:

- School and District Supports includes federal Title I, Part A, IDEA funds, School Food and Nutrition, etc. and the state Professional Improvement Program.
- School and District Innovations includes federal Title II, Charter School and School Improvement funds, and the state School Choice Pilot Program.
- Student-Centered Goals includes the state Scholarship Program (Vouchers), LA 4 Early Childhood Program and Nonpublic Pre-Kindergarten, and federal Child Care Development Funds (CCDF).

Source: Budget Supporting Documents and HB 105 of 2019 RS

SUBGRANTEE ASSISTANCE

Budget History (in Millions)



Source: Budget Supporting Documents and HB 105 of 2019 RS

*Existing Operating Budget as of 12/1/18
**HB 105 of 2019 RS

SUBGRANTEE ASSISTANCE

Significant Adjustments

(\$6.4M) - Other Adjustments

- \$40K - Increase in Statutory Dedications, Education Excellence Fund, based on anticipated REC adjustments.
- \$2.4M - Increase in Federal Funds budget authority due to the receipt of new grants:
 - \$744K for School Emergency Management Program
 - \$1.6M for School Mental Health Support Program
- **(\$8.8M)** - Reduces budget authority due to the expiration of the four-year federal Pre-Kindergarten Expansion Grant. The LDE is in the process of working with local grantees to maintain a portion of these seats for FY 2019-20.

SCHOOL CHOICE PROGRAMS

Total SSEEPP and TDCP Expenditures (in Millions)



Program/Data		FY13	FY14	FY15	FY16	FY17	FY18	FY19*
SSEEPP	Total Tuition/Fees	\$24,286,160	\$34,583,771	\$39,486,522	\$40,878,010	\$38,521,178	\$42,164,267	\$41,713,471
	Total Enrollment	4,774	6,574	7,138	6,926	6,574	6,755	6,752
	Average Tuition/Fees	\$5,087	\$5,261	\$5,532	\$5,902	\$5,860	\$6,242	\$6,178
TDCP	Total Tuition/Fees		\$60,975	\$221,161	\$3,169,090	\$6,979,947	\$7,957,566	\$8,000,000
	Total Enrollment		16	63	816	1,664	1,900	n/a
	Average Tuition/Fees		\$3,811	\$3,510	\$3,884	\$4,195	\$4,188	n/a

* FY19 SSEEPP data based on HFD calculation of the 1st quarter enrollment, approved tuition and fees, and an average 3-year attrition rate; TDCP projection based on REC forecast.

Source: Louisiana Department of Education and HFD calculations.

EARLY CHILDHOOD EDUCATION

Enrollment in Public Early Childhood Education Programs						
Program	Infants	Ones	Twos	Threes	Fours	Totals
Child Care Assistance Program (October 2018)	890	2,239	3,064	3,021	1,752	10,966
Head Start and Early Head Start (2018-19 funded)	785	1,070	1,715	11,225	7,813	22,608
Title I (2018-19)	-	-	-	-	8,212	8,212
PreK Expansion Grant (2017-18)	-	-	-	-	1,720	1,720
IDEA Part B (2017-18 self contained)	-	-	-	193	204	397
LA 4 Early Childhood Program (2018-19 funded)	-	-	-	-	16,221	16,221
Nonpublic School Early Childhood Development (2018-19 funded)	-	-	-	-	1,413	1,413
8(g) Grants (2018-19)	-	-	-	-	2,228	2,228
Total	1,675	3,309	4,779	14,439	39,563	63,765

Source:

Louisiana Department of Education, Early Childhood Care and Education 2018 Annual Report.

EARLY CHILDHOOD EDUCATION

Sources of Funding for Public Early Childhood Care and Education Programs in Louisiana, FY 2018-19 Appropriated*

Program	Means of Finance (in Millions)			
	SGF	Statutory Dedications	Federal	Total
Child Care Assistance Program (total subsidies)	-	-	\$135.9	\$135.9
Head Start and Early Head Start (FFY17)**	-	-	\$182.9	\$182.9
Title I	-	-	\$42.5	\$42.5
Pre-K Expansion Grant	-	-	\$9.5	\$9.5
IDEA Part B	-	-	\$7.8	\$7.8
LA 4 Early Childhood Program	\$33.8	-	\$40.5	\$74.3
Nonpublic School Early Childhood Development	\$6.4	-	-	\$6.4
8(g) Grants	-	\$9.0	-	\$9.0
Total Funding	\$40.2	\$9.0	\$419.0	\$468.3
Percent of Total Funding:	8.6%	1.9%	89.5%	100.0%

Notes:

* Programs and funding sources are associated with the direct provision of slots and services for early childhood care and education. It does not include supplemental funding from public sources, such as state and federal grants administered by the Louisiana Department of Education (LDE), School Readiness Tax Credits, Education Excellence Fund allocations, or local revenues from school districts and other public schools.

** Head Start and Early Head Start grants are allocated directly from the Administration for Children and Families (ACF) to local providers, therefore do not appear in the state budget.

Sources:

Office of Planning and Budget Early Childhood System Integration Budget, U.S. Department of Health and Human Services (HHS), and the Louisiana Department of Education (LDE).

EARLY CHILDHOOD EDUCATION

Act 639 of the 2018 Regular Session established the Early Childhood Care and Education Commission, comprised of 26 voting and 12 nonvoting members. The Commission was charged with collecting data, considering research and current practices, determining a sustainable infrastructure, identifying opportunities for collaboration, and a time frame for necessary funding to achieve affordable access to quality care and education for all children birth through age four. The Commission recommendation included:

- ✓ Request for an initial \$85.8 million appropriation in FY20 budget, including the following new and expanded services:
 - \$44.1 million to expand access to an estimated 5,520 children on the Child Care Assistance Program (CCAP) wait list or authorized children awaiting service.
 - \$30.0 million to raise rates for CCAP subsidies from 22nd percentile to 75th percentile.
 - \$4.0 million to maintain current level of prekindergarten services for 800 four-year olds in FY20, due to the expiration of temporary federal grant.
 - \$6.7 million to support quality, measurement, professional development, and coordination for expanded service providers and classrooms.
 - \$1.0 million to increase evidence-based, voluntary family support services.
- ✓ Request for cumulative funding increases over ten years to ultimately 92,000 additional children birth through three, estimated to cost \$839 million.
- ✓ The Legislative Report may be accessed here:
https://www.louisianabelieves.com/docs/default-source/early-childhood/early-childhood-care-and-education-commission-legislative-report.pdf?sfvrsn=9a099e1f_6

RECOVERY SCHOOL DISTRICT

Means of Finance Breakdown

The mission of the Recovery School District is to fulfill the core governmental functions necessary to achieve excellence and equity in a decentralized system of schools.

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$458,592	\$252,936	\$65,185	(\$187,751)	(74.2%)	(\$393,407)	(85.8%)
Interagency Transfers	\$71,802,590	\$193,064,126	\$126,263,288	(\$66,800,838)	(34.6%)	\$54,460,698	75.8%
Fees and Self-Gen Rev	\$35,912,258	\$34,931,832	\$34,655,274	(\$276,558)	(0.8%)	(\$1,256,984)	(3.5%)
Statutory Dedications	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Federal Funds	\$230,469	\$500,000	\$250,000	(\$250,000)	(50.0%)	\$19,531	8.5%
Total Means of Finance	\$108,403,909	\$228,748,894	\$161,233,747	(\$67,515,147)	(29.5%)	\$52,829,838	48.7%

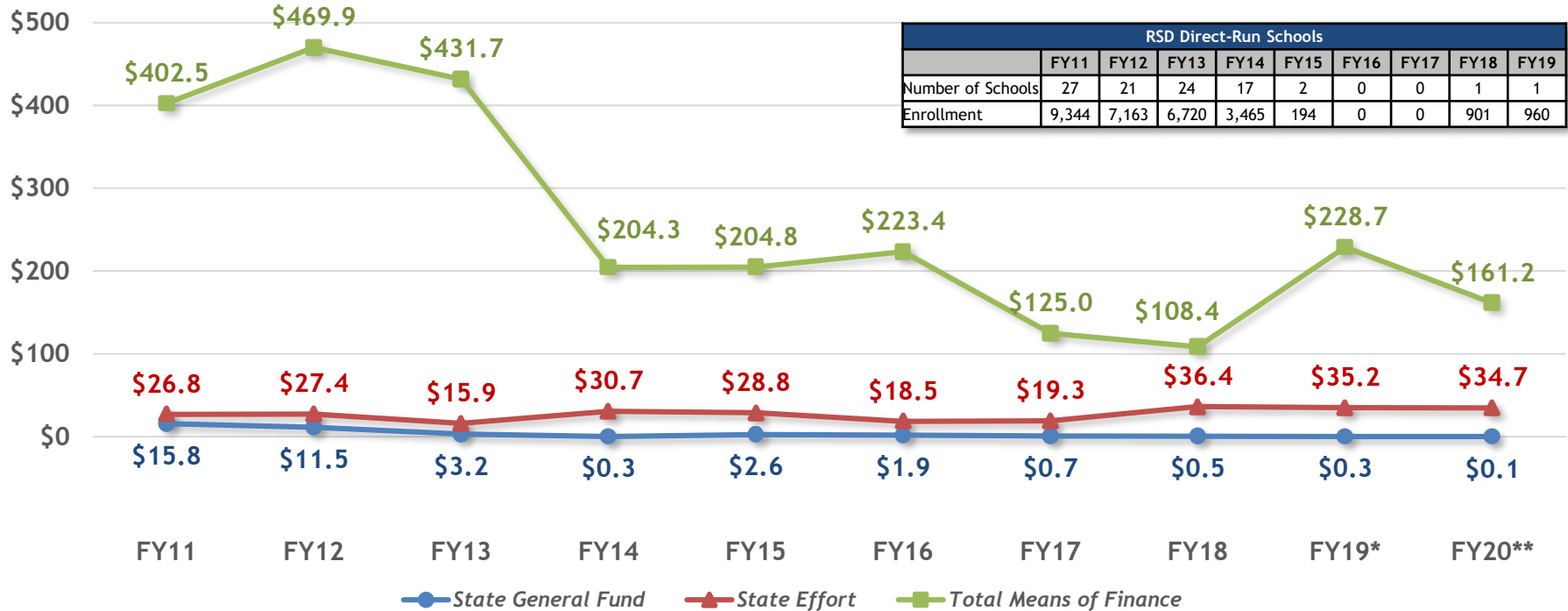
The Recovery School District includes two Programs

- Recovery School District is an educational service agency administered by the Louisiana Department of Education with approval of BESE to oversee any school operating under RSD jurisdiction.
- Construction Program provides funding for a multi-year Orleans Parish Reconstruction Master Plan for the renovation or building of school facilities.

Source: Budget Supporting Documents and HB 105 of 2019 RS

RECOVERY SCHOOL DISTRICT

Budget History (in Millions)



Source: Budget Supporting Documents and HB 105 of 2019 RS

*Existing Operating Budget as of 12/1/18

**HB 105 of 2019 RS

RECOVERY SCHOOL DISTRICT

Significant Adjustments

\$34K - Personal Services (Salaries & Related Benefits)

- \$34K - Increase to standard adjustments for group insurance rate for active and retired employees and retirement rate adjustments.

(\$314K) - Statewide Adjustments

- Net reduction in standard statewide adjustments, such as Risk Management Fees, Legislative Auditor Fees, Office of Technology Services, Office of State Procurement Fees, and Uniform Payroll System.

(\$67.2M) - Other Adjustments

- **(\$180.5M)** - Due to non-recurring acquisitions and major repairs associated with the completion of school facility rebuilding, renovation, and refurbishment projects in the Construction Program. This is comprised of \$146M in IAT funds from GOHSEP (FEMA), and \$33.9M in Self-Generated Revenues.
- \$113.9M - Increases in IAT and Self-Generated Revenues for Acquisitions and Major Repairs associated with the continuation and new projects in the Construction Program.
- **(\$648K)** - Reduces excess IAT and Self-Generated Revenues budget authority due to the transfer of the New Orleans Therapeutic Day Program to a non-profit operator and the return of schools to the Orleans Parish School System.

RECOVERY SCHOOL DISTRICT

FY20 Personnel/Budget Ratio

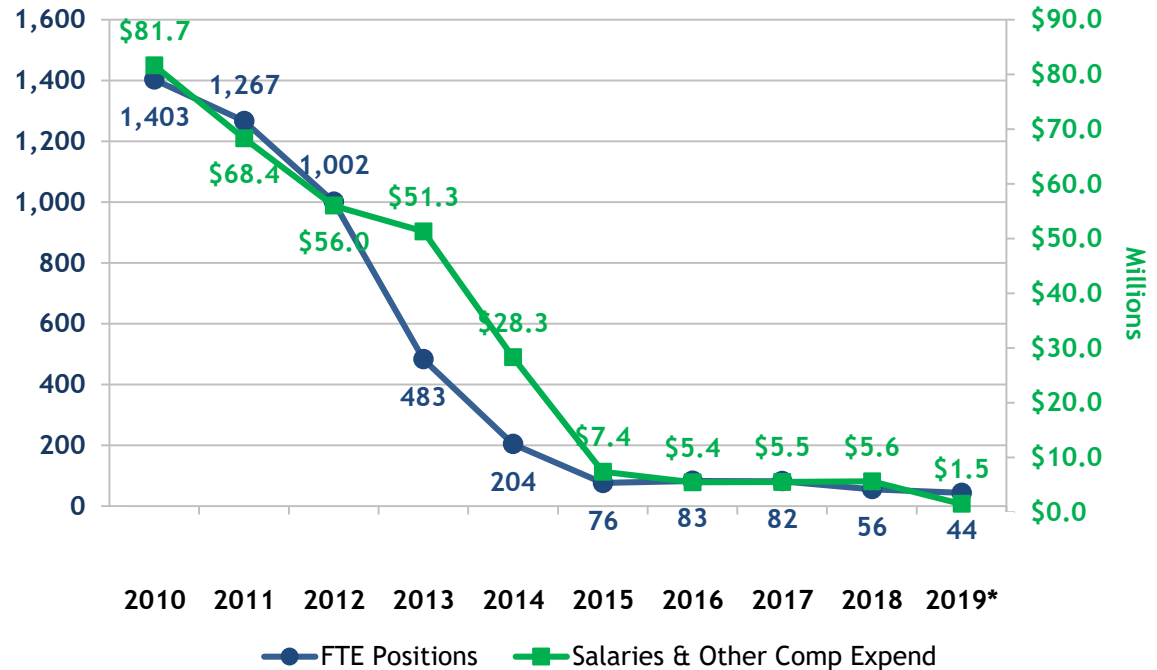
\$1.5 M	Salaries and Other Comp.
+ \$0.7 M	Related Benefits
= \$2.2 M	Total Personnel Services

1.5% of budget expenditures
(excluding Other Charges)

Authorized Positions

- 19 Non-T.O. FTEs recommended for FY20
- Recovery School District had no vacancies as of 1/31/2019

10 Year FTE Positions/Salaries Expended



*Existing Operating Budget as of 12/1/18
Source: Dept. of Civil Service and Budget Supporting Documents

MINIMUM FOUNDATION PROGRAM

Means of Finance Breakdown

The MFP provides block grants for 692,000 students attending 69 city and parish school districts, charter schools, Louisiana School for Math, Science and the Arts, New Orleans Center for the Creative Arts, Juvenile Justice schools, and Lab Schools. The \$3.7 billion in formula funding makes up 42% of total revenues for K-12 education in Louisiana.

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$3,436,831,987	\$3,438,191,214	\$3,544,558,356	\$106,367,142	3.1%	\$107,726,369	3.1%
Interagency Transfers	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Fees and Self-Gen Rev	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Statutory Dedications	\$270,371,265	\$271,829,163	\$269,826,163	(\$2,003,000)	(0.7%)	(\$545,102)	(0.2%)
Federal Funds	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Total Means of Finance	\$3,707,203,252	\$3,710,020,377	\$3,814,384,519	\$104,364,142	2.8%	\$107,181,267	2.9%

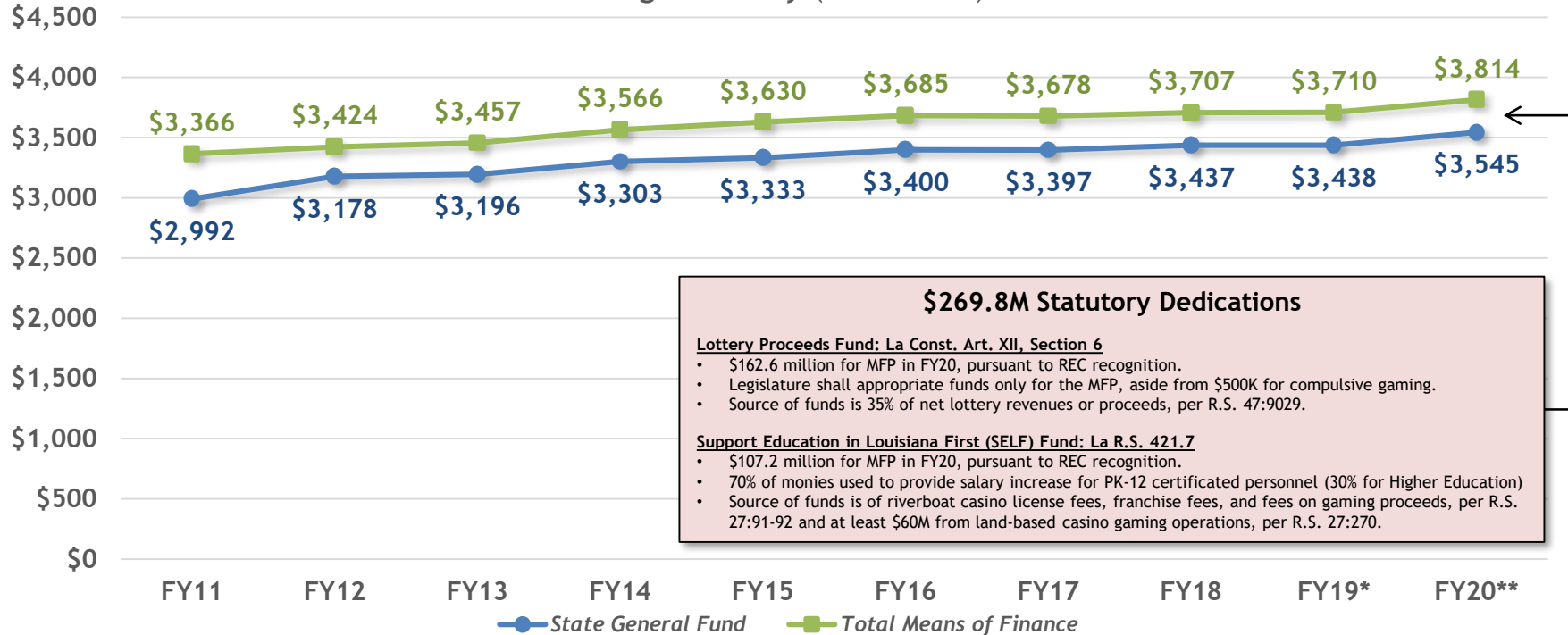
MFP Overview:

- BESE develops and adopts a formula.
- Legislature considers the BESE-adopted formula through concurrent resolution, which must contain the formula adopted by BESE verbatim. The legislature cannot amend the BESE-adopted formula.
- Prior to approval, the legislature may return the formula to BESE with recommendations.
- Louisiana State Constitution Art. 8, Section 13(B): "The legislature shall annually appropriate funds sufficient to fully fund the current cost to the state of such a program."

Source: Budget Supporting Documents and HB 105 of 2019 RS

MINIMUM FOUNDATION PROGRAM

Budget History (in Millions)



Source: Budget Supporting Documents and HB 105 of 2019 RS

*Existing Operating Budget as of 12/1/18

**HB 105 of 2019 RS

MINIMUM FOUNDATION PROGRAM

Significant Adjustments

\$104.4M - Other Adjustments

- \$0 - Means of Finance substitution, increasing State General Fund by \$2M and decreasing Statutory Dedications from the Lottery Proceeds Fund by (\$2.0M) due to anticipated REC adjustments.
- \$3M - Increase in State General Fund due to projected increase in the following items:
 - Number of students qualifying for the 150% Special Education Weight in Level 1
 - Increased costs in Level 2 due to local revenue adjustments
 - Increased costs in Level 4 due to the Career Development Fund
- \$101.3M - Increase in State General Fund to provide a \$1,000 certificated and \$500 non-certificated pay raise, including the associated retirement contributions.

MINIMUM FOUNDATION PROGRAM

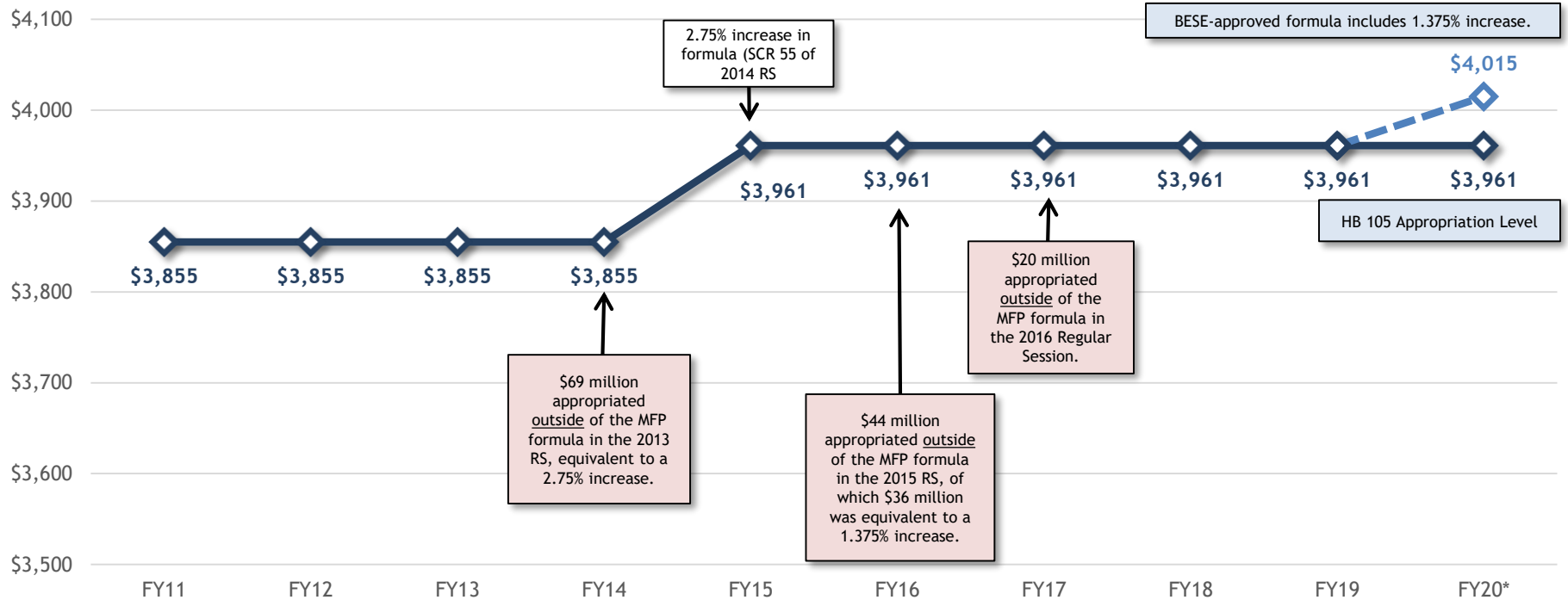
The State Board of Elementary and Secondary Education (BESE) adopted the FY 2019-20 MFP formula on March 13, 2019. The proposed formula includes the following adjustments:

- ✓ An increase to the Base Per Pupil Amount of 1.375%, from \$3,961 to \$4,015, equivalent to \$38,850,000. This item is not currently funded by HB 105.
- ✓ Provision of Certificated and Non-Certificated Pay Raises through Level 3. HB 105 includes \$101,334,280 to fully fund these items.
 - \$1,000 pay raise for classroom teachers and certificated personnel.
 - \$500 pay raise for support personnel.
 - This includes funding for associated retirement expenses for TRSL (26.0%) and LSERS (29.4%).
- ✓ Technical adjustments with no associated costs, including:
 - The addition of the University of Louisiana at Lafayette Lab School in anticipation of the school opening in FY 2020-21.
 - Renaming the “Hold Harmless” provision as “Historical Formula Allocations” to better reflect its current posture.

HB 105 currently includes an appropriation of \$3.81 billion, which funds 98.99% of the costs required by the proposed formula.

MINIMUM FOUNDATION PROGRAM

Base Per Pupil Cost and Supplemental Appropriations (FY11 to FY20 Proposed)

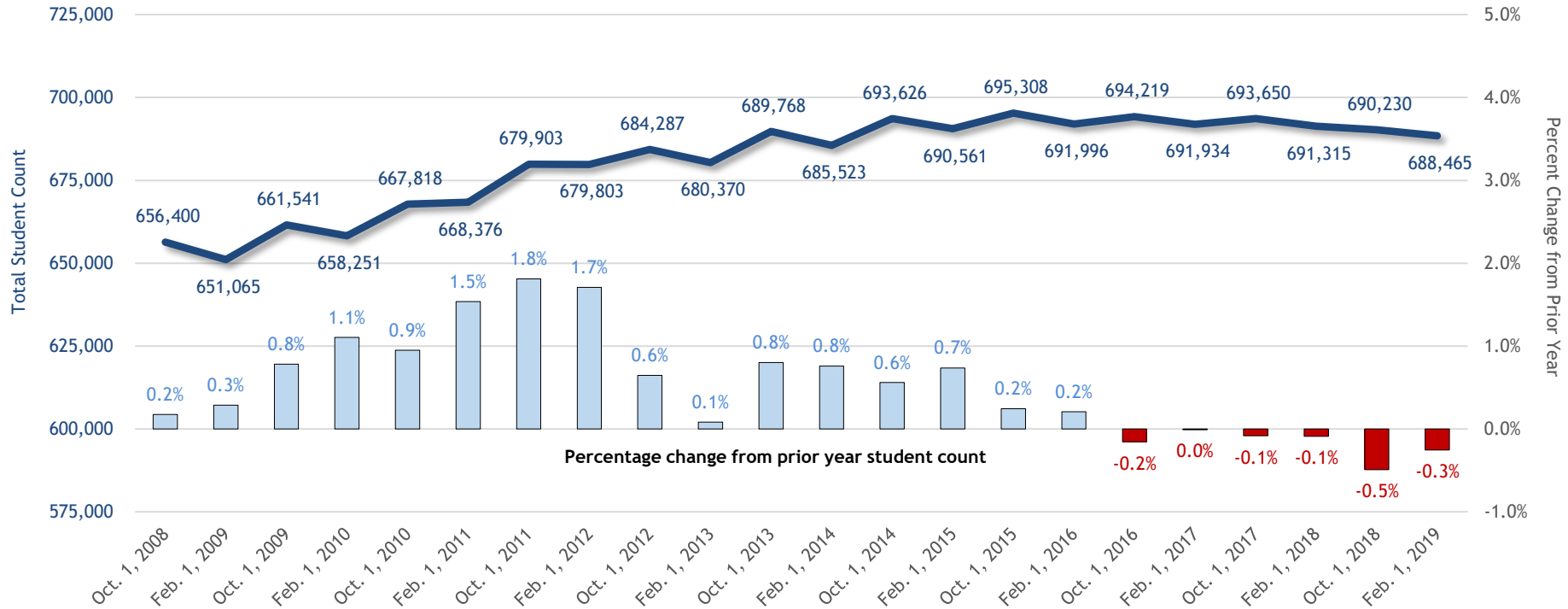


Source: Louisiana Department of Education

* Pending legislative approval

MINIMUM FOUNDATION PROGRAM

Historical MFP Student Enrollment (February and October Counts)

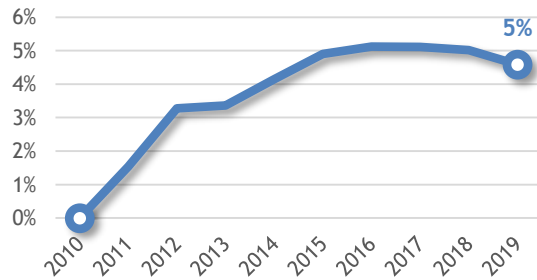


Source: MFP Budget Letters, Louisiana Department of Education

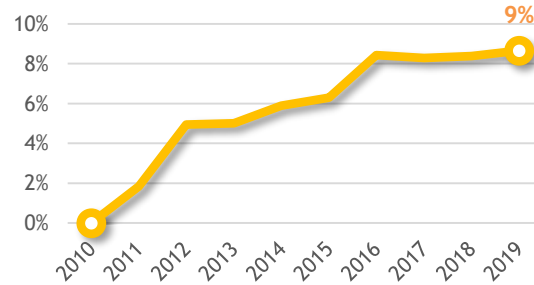
MINIMUM FOUNDATION PROGRAM

10-Year Percent Change in Total and Weighted Student Counts*

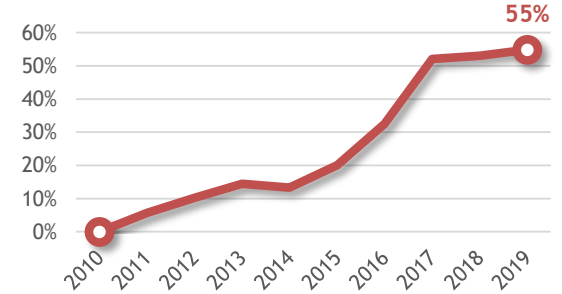
Total Student Count (as of Feb. 1)



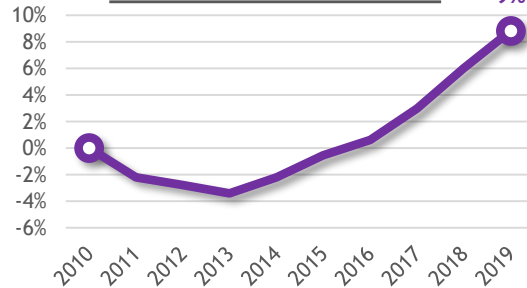
Economically Disadvantaged



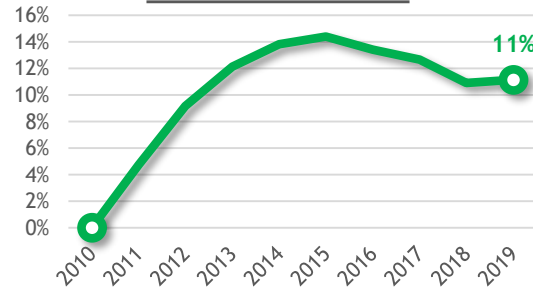
Career and Technical Units



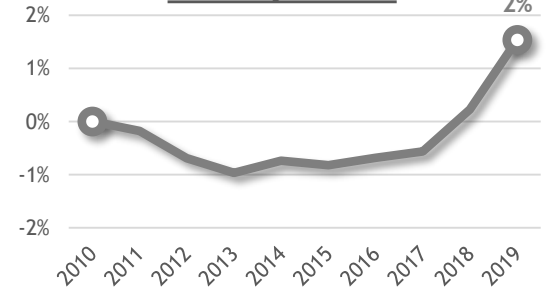
Students with Disabilities



Gifted and Talented



Economy of Scale



* The MFP formula recognizes students with special characteristics and assigns the following numerical values, or “weights”: **22% for Economically Disadvantaged**, **6% for Career and Technical Education Units**, **150% for Students with Disabilities**, **60% for Gifted and Talented**, and 0% to 20% for students in districts with ≤7,500 enrollment.

MINIMUM FOUNDATION PROGRAM

Certificated School Personnel Pay Raises					
Position	Full-Time Equivalent (FTE)	Pay Raise Amount	Pay Raise Funding	26.0% TRSL Emp. Contribution Rate	Total Funding
Teachers	49,086	\$1,000	\$49,085,566	\$12,762,247	\$61,847,813
Therapists/Specialists/Counselors	5,195	\$1,000	\$5,195,417	\$1,350,808	\$6,546,225
Principals, Asst. Principals, and Other School Admin.	3,396	\$1,000	\$3,395,664	\$882,873	\$4,278,537
Central Office Certificated Administrators	1,612	\$1,000	\$1,612,028	\$419,127	\$2,031,155
School Nurses	658	\$1,000	\$657,671	\$170,994	\$828,665
Sabbaticals	137	\$1,000	\$137,000	\$35,620	\$172,620
Total Certificated Personnel	60,083	\$1,000	\$60,083,342	\$15,621,670	\$75,705,012
Non-Certificated School Personnel Pay Raises					
Position	Full-Time Equivalent (FTE)	Pay Raise Amount	Pay Raise Funding	29.4 LSERS Emp. Contribution Rate	Total Funding
Support Supervisors	2,062	\$500	\$1,030,847	\$303,069	\$1,333,916
Clerical/Secretarial	4,873	\$500	\$2,436,277	\$716,265	\$3,152,542
Aides	13,246	\$500	\$6,623,187	\$1,947,217	\$8,570,404
Service Workers	15,446	\$500	\$7,723,045	\$2,270,575	\$9,993,620
Skilled Craftsmen	1,163	\$500	\$581,635	\$171,001	\$752,636
Degreed Professionals	968	\$500	\$483,763	\$142,226	\$625,989
Other Personnel	1,855	\$500	\$927,479	\$272,679	\$1,200,158
Total Non-Certificated Support Personnel	39,612	\$500	\$19,806,236	\$5,823,036	\$25,629,272
Total Pay Raises	99,696		\$79,889,578	\$21,444,706	\$101,334,284

MINIMUM FOUNDATION PROGRAM

Teacher Salary Proposals Among Southern States*

State	2017-18 Average Salary	SREB Rank (out of 16 states)	U.S. Rank (50 states & D.C.)	2018-19 Enacted	2019-20 Proposed
Alabama	\$50,568	9	37	2.5% salary increase	
Arkansas	\$50,544	10	38		Raise minimum base by \$1,000 each year over the next four years (Legislature approved and governor signed legislation enacting this increase)
Delaware	\$61,795	2	14		2% salary increase
Florida	\$48,168	13	46		
Georgia	\$56,329	3	22		\$3,000 flat pay raise (Legislature approved for FY20)
Kentucky	\$52,952	5	28		
Louisiana*	\$50,359	11	39		\$1,000 across-the-board for certificated and \$500 for non-certificated personnel
Maryland	\$69,627	1	8		
Mississippi	\$44,926	16	51		3% salary increase over next two years (Legislature approved \$1,500 salary increase in FY20 for certified teachers, teacher assistants, reading and librarian aides, counselors and librarians)
North Carolina	\$51,231	7	34	6.5% average salary increase	Average 4.6% increase in FY 20 and average 4.5% increase in FY 21 for teachers
Oklahoma	\$46,300	14	49	Ranged from 15.8% to 18.3% (average \$6,180)	\$1,200 flat increase for all teachers
South Carolina	\$50,182	12	40		5% salary increase
Tennessee	\$50,900	8	35	2% salary increase	Funding equivalent to provide average 2.5% salary increase for teachers (subject to each district's salary schedule)
Texas	\$53,334	4	27		
Virginia	\$51,994	6	32	3% salary increase (in effect 7/1/2019)	Additional 2% on top of 3% already enacted, for a total of 5% to take effect 7/1/2019
West Virginia	\$45,642	15	50	5% salary increase	Average 5% salary increase for teachers

Sources: National Education Association, based on the 2018 Rankings and Estimates Report, and the Southern Regional Education Board, data as of April 3, 2019.

NONPUBLIC EDUCATIONAL ASSISTANCE

Means of Finance Breakdown

Nonpublic Educational Assistance provides funds to benefit BESE approved nonpublic schools.

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$18,658,944	\$17,511,216	\$21,170,559	\$3,659,343	20.9%	\$2,511,615	13.5%
Interagency Transfers	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Fees and Self-Gen Rev	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Statutory Dedications	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Federal Funds	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Total Means of Finance	\$18,658,944	\$17,511,216	\$21,170,559	\$3,659,343	20.9%	\$2,511,615	13.5%

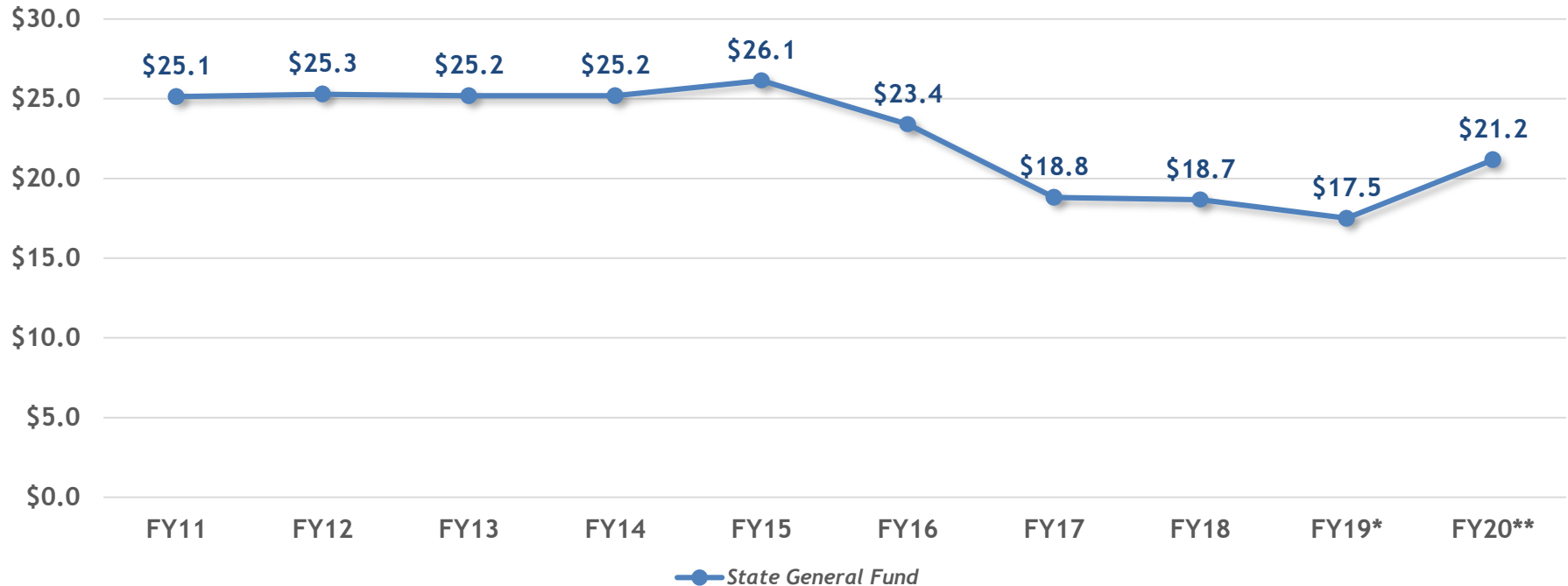
Nonpublic Educational Assistance includes four Programs:

- Required Services reimburses nonpublic schools for a percentage of costs incurred due to maintaining records, filing reports, etc.
- School Lunch Salary Supplements provides a cash supplement for nonpublic school lunchroom employees at eligible schools.
- Textbook Administration reimburses public school systems for costs due to providing and distributing school books.
- Textbooks provides funds for the purchase of books and instructional materials for nonpublic schools.

Source: Budget Supporting Documents and HB 105 of 2019 RS

NONPUBLIC EDUCATIONAL ASSISTANCE

Budget History (in Millions)



Source: Budget Supporting Documents and HB 105 of 2019 RS

*Existing Operating Budget as of 12/1/18
**HB 105 of 2019 RS

NONPUBLIC EDUCATIONAL ASSISTANCE

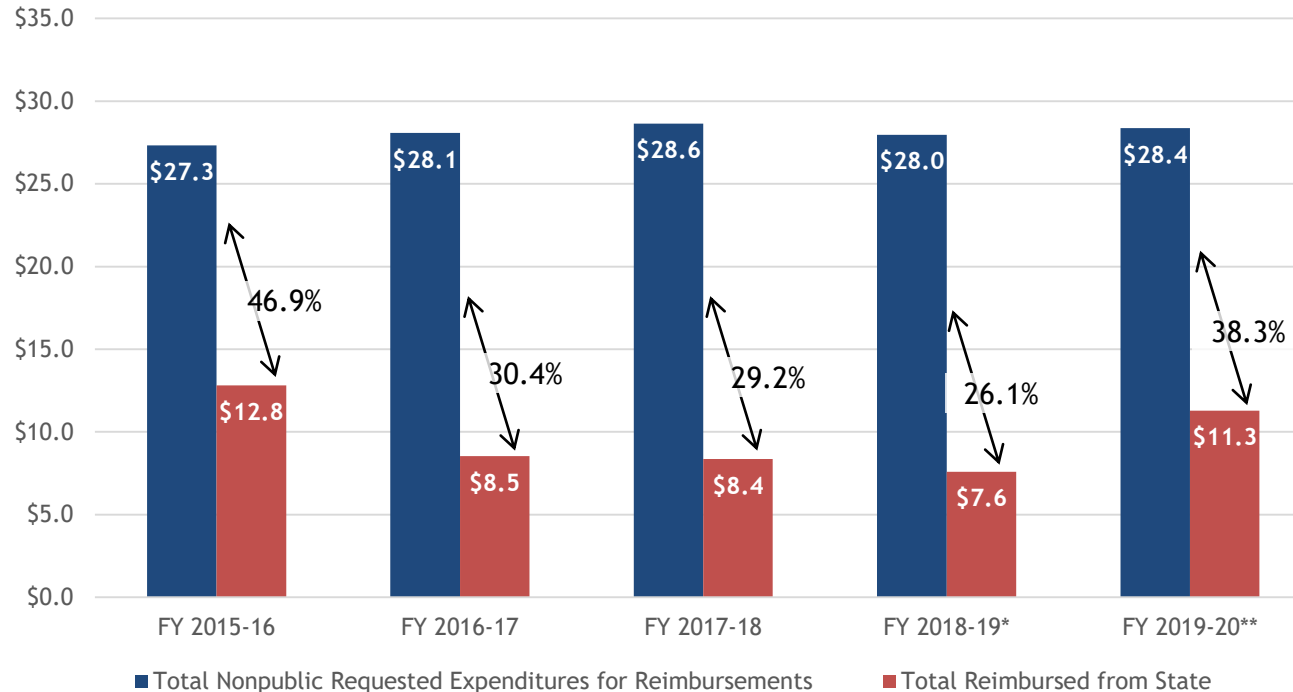
Significant Adjustments

\$3.6M - Other Adjustments

- \$3.7M - Provides additional funding for the Required Services Program, which reimburses non-public schools for a portion of qualifying expenses associated with certain administrative services, such as transportation, record maintenance, attendance, record keeping, etc.
- (\$44K) - Reduces excess State General Fund budget authority based on historical spending trends in the Textbook Program and the Textbook Administration Program.

NONPUBLIC EDUCATIONAL ASSISTANCE

Required Services (in Millions)



Required Services reimburses nonpublic schools for the following activities:

40.4% Transportation, such as supervision, loading/unloading students for buses and carpools, inspections, etc.

27.9% Record maintenance, including student transcripts, graduation records, etc.

14.1% Pupil attendance

11.4% Continuing education and professional development

4.5% Safety activities such as testing for lead, asbestos, scheduling emergency drills

1.3% Submitting nonpublic school data collection to the LDOE

0.5% Maintaining teacher certification information and compliance

Source: Louisiana Department of Education and HFD calculations.

*Existing Operating Budget as of 12/1/18

**HB 105 of 2019 RS

SPECIAL SCHOOL DISTRICT

Means of Finance Breakdown

The mission of the Special School District is to provide special education and related services to children with exceptionalities who are enrolled in state-operated programs, including mental health facilities and juvenile correctional facilities.

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$6,113,178	\$6,029,213	\$5,115,482	(\$913,731)	(15.2%)	(\$997,696)	(16.3%)
Interagency Transfers	\$2,787,966	\$3,291,289	\$3,291,289	\$0	0.0%	\$503,323	18.1%
Fees and Self-Gen Rev	\$0	\$826,159	\$826,159	\$0	0.0%	\$826,159	0.0%
Statutory Dedications	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Federal Funds	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Total Means of Finance	\$8,901,144	\$10,146,661	\$9,232,930	(\$913,731)	(9.0%)	\$331,786	3.7%
Authorized Positions	92	83	80	(3)	(3.6%)	(12)	(13.0%)

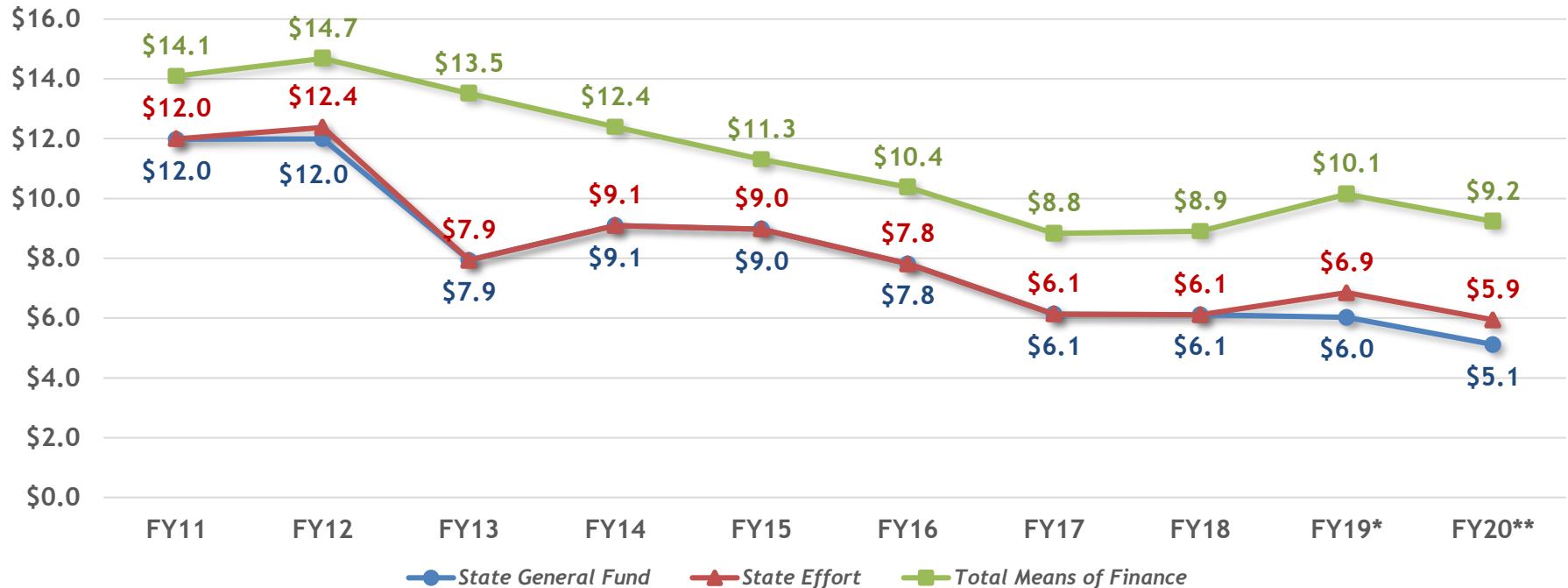
Special School District has two Programs:

- Administration includes central office staff and school administration.
- Instruction provides special education and related services to children enrolled under the following agencies: Office for Citizens with Developmental Disabilities, Office of Behavioral Health, Department of Corrections, and Office of Juvenile Justice.

Source: Budget Supporting Documents and HB 105 of 2019 RS

SPECIAL SCHOOL DISTRICT

Budget History (in Millions)

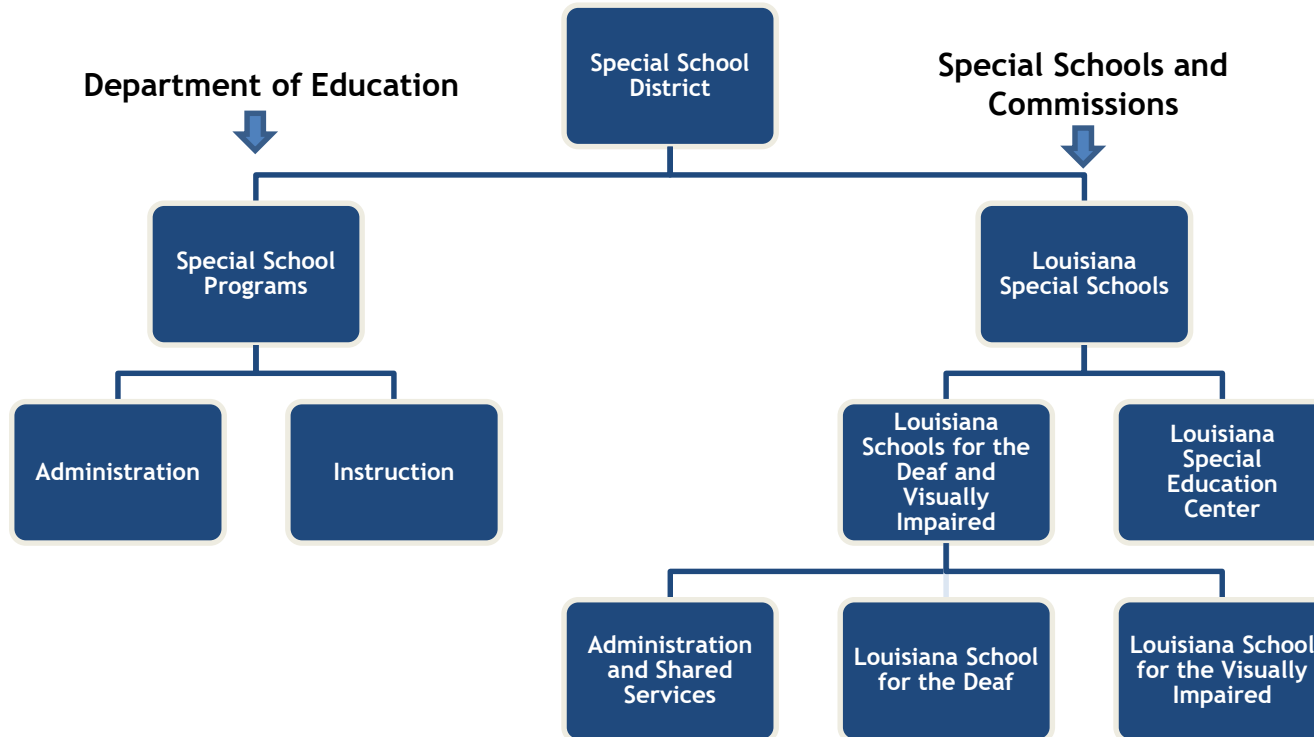


Source: Budget Supporting Documents and HB 105 of 2019 RS

*Existing Operating Budget as of 12/1/18

**HB 105 of 2019 RS

SPECIAL SCHOOL DISTRICT



Per R.S. 17:1945, The Special School District (SSD) is an educational service agency administered by the Department of Education.

The Special School District is comprised of the following:

1. **Special School Programs** - provides special education and related services to any eligible student with exceptionalities who is in any state-operated facilities.
2. **Louisiana Special Schools** - includes the Louisiana Schools for the Deaf and Visually Impaired (LSDVI), Louisiana Special Education Center (LSEC), and Shared Services.

SPECIAL SCHOOL DISTRICT

Significant Adjustments

(\$892K) - Personal Services (Salaries & Related Benefits)

- **(\$708K)** - Net decrease to standard adjustments for market rate adjustments, attrition, group insurance, and retirement rate adjustments.
- **(\$253K)** - Decrease due to the elimination of three vacant positions.
- \$70K - Provides a \$1,000 teacher pay raise and \$500 for non-certificated support personnel in the same manner as provided through the MFP.

(\$22K) - Statewide Adjustments

- Net reduction in standard statewide adjustments, such as Risk Management Fees, Legislative Auditor Fees, Office of Technology Services, Office of State Procurement Fees, and Uniform Payroll System.

SPECIAL SCHOOL DISTRICT

FY20 Personnel/Budget Ratio

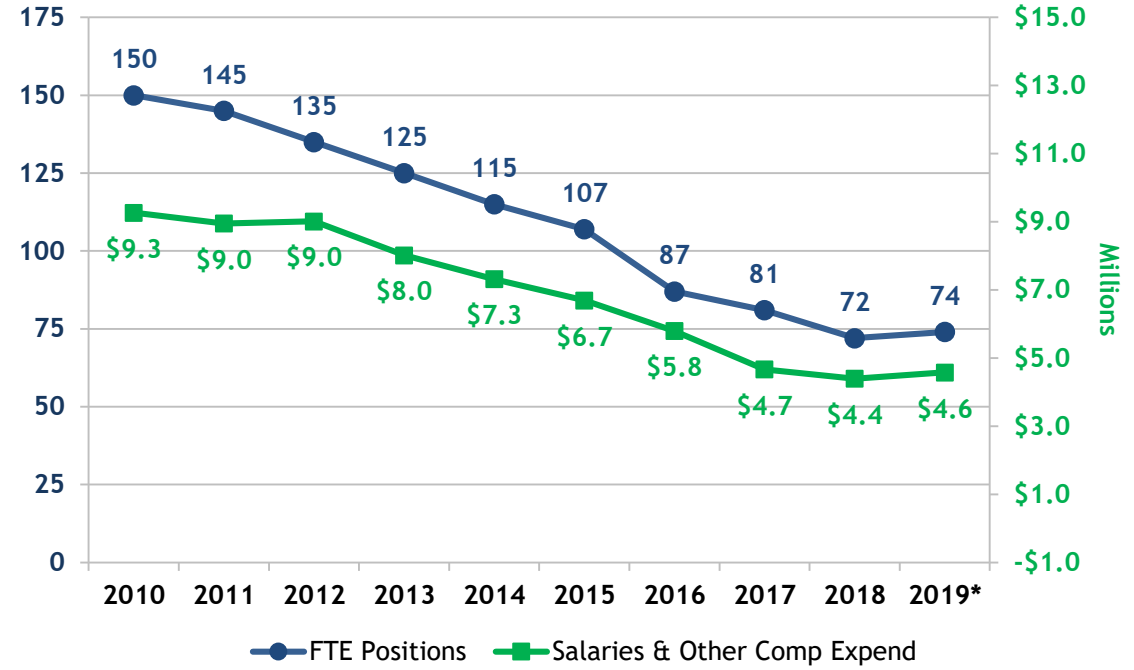
\$4.6 M	Salaries and Other Comp.
+ \$3.4 M	Related Benefits
<hr/>	
= \$8.0 M	Total Personnel Services

92.8% of budget expenditures
(excluding Other Charges)

Authorized Positions

- 80 (10 classified and 70 unclassified)
- 1 Non-T.O. FTE position in FY20
- Special School District had 10 vacancies as of 1/31/2019
- 3 vacancies eliminated for FY 2019-20

10 Year FTE Positions/Salaries Expended



*Existing Operating Budget as of 12/1/18
Source: Dept. of Civil Service and Budget Supporting Documents

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