

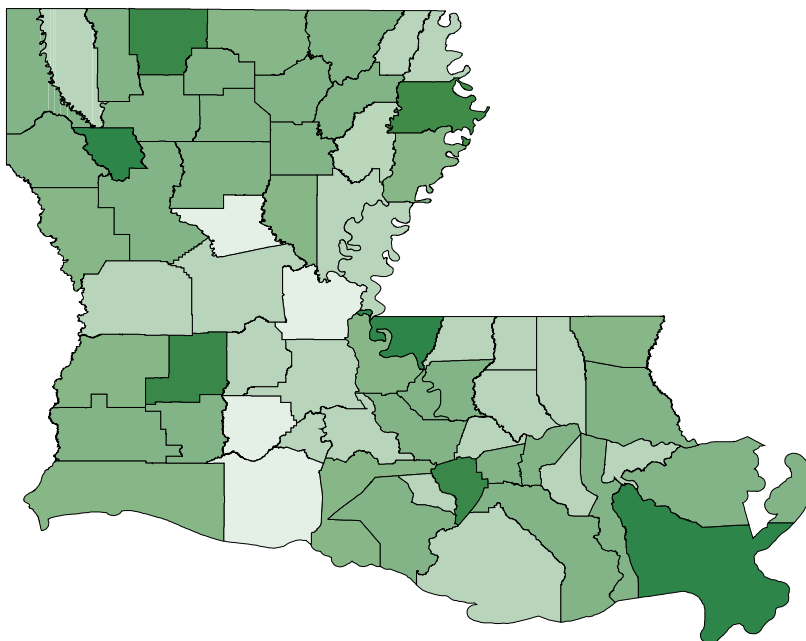
Public School Funding in Louisiana

Minimum Foundation Program (MFP)

- The primary source of state and local funding for schools in Louisiana is the Minimum Foundation Program (MFP).
- The Louisiana Constitution requires the State Board of Elementary and Secondary Education (BESE) to annually develop and adopt a formula which determines the cost of a minimum foundation program of education in all public elementary and secondary schools as well as to equitably allocate the funds to parish and city school systems. Once BESE adopts the formula, the Legislature passes it by Concurrent Resolution without making changes to the formula.
- The MFP combines local and state revenue under the formula established by BESE to ensure that every student in Louisiana receives at least a minimum foundation of education.
- The MFP formula also includes factors that provide more funding for special classes of students (e.g., at-risk and special education students).

MFP Per Pupil by Parish

This map represents the per pupil spending from local and state sources for each parish in the state. Allen, Assumption, Claiborne, Madison, Plaquemines, Red River, and West Feliciana parishes receive the highest per pupil funding while Acadia, Avoyelles, Grant, and Vermilion parishes receive the lowest per pupil funding. Parishes receive varying levels of funding based on student population needs and local tax revenues.



Per Pupil Funding under the Minimum Foundation Program (2008-2009)

- \$6,500 - \$7,500
- \$7,501 - \$8,500
- \$8,501 - \$9,500
- \$9,501 - \$10,700

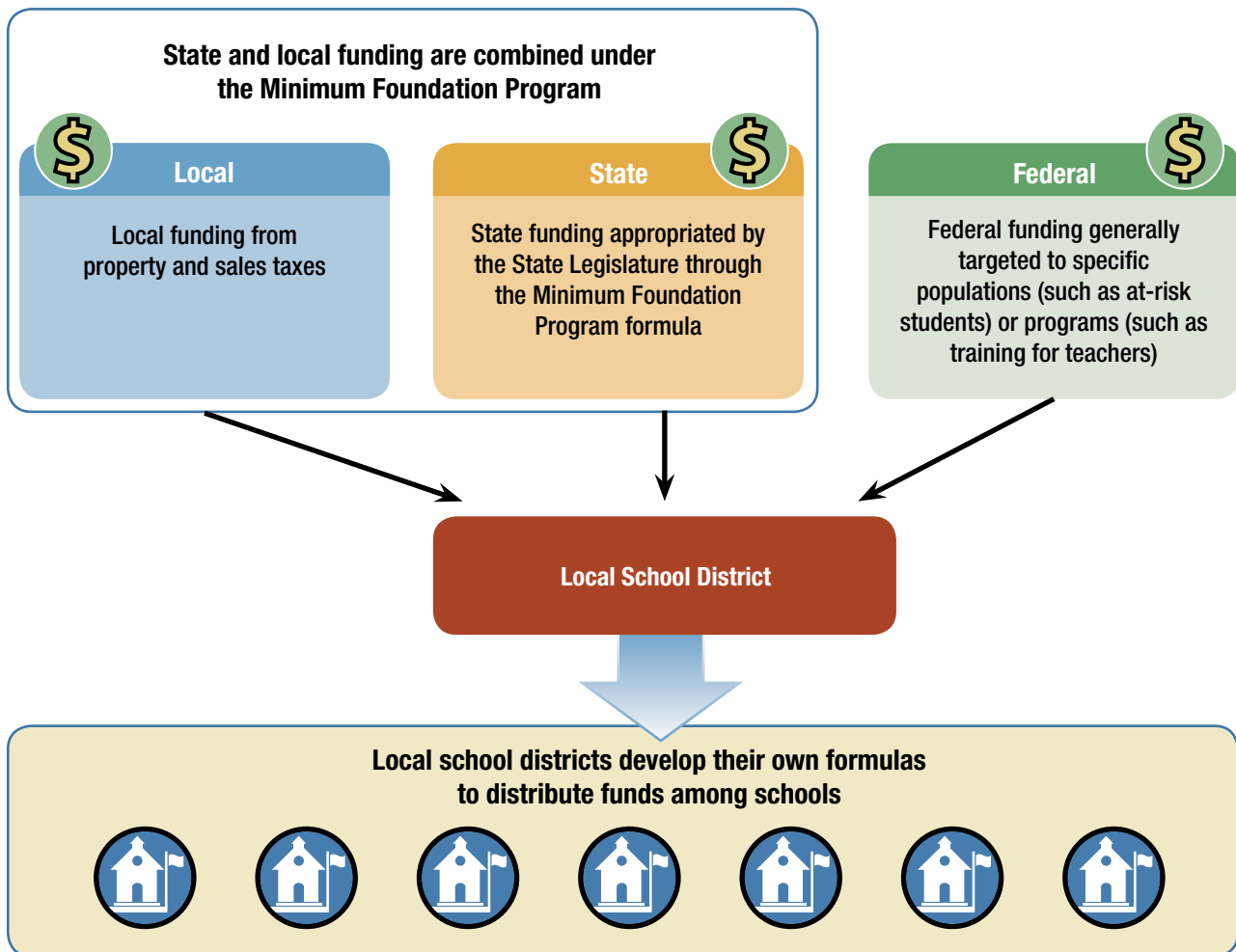
Including local, state, and federal funds, Louisiana spends on average \$10,307 per pupil. This is almost the national average of \$10,557 per pupil.

Source: EdWeek – Quality Counts Report, 2010

Traditional Funding Structure for Louisiana Public Schools

Public schools in Louisiana receive funding from local, state, federal, and private sources:

- The local funding in the Minimum Foundation Program (MFP) consists of property and sales taxes levied by the local school boards.
- The state funding in the MFP comes from an appropriation by the State Legislature.
- Federal funding comes from Titles I, II, III, IV, and V*, Individuals with Disabilities Education Act, National School Lunch Program, and Public Charter Schools Federal Grant Program, among others.
- Once received by the local school district, it is up to the district to distribute funds to their individual schools based on a district formula.



* Title I – Improving the Academic Achievement of the Disadvantaged; Title II – Preparing, Training, and Recruiting High Quality Teachers and Principals; Title III – Language Instruction for Limited English Proficient and Immigrant Students; Title IV – Safe and Drug Free Schools; and Title V – Innovative Education Program Strategies

Local and State Share of the MFP

The local and state shares of the MFP vary across parishes. Aggregated at the state level, the state pays 65 percent of the cost of the minimum foundation program.

However, due to variations in the wealth of parishes, the state-funded portion of the MFP in individual parishes varies from 37 to 84 percent.

Louisiana ranks 47th out of 49 states ranked in terms of how well our funding formula neutralizes the relative wealth or poverty of school districts in terms of disparity of funding. (Source: EdWeek, Quality Counts, 2010)

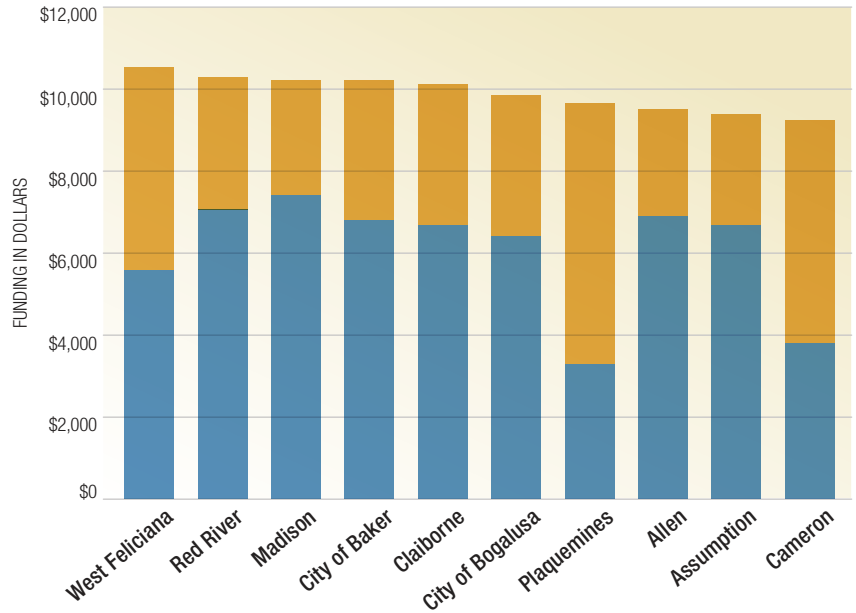
Also, we rank 39th out of 49 states in terms of the disparity between wealthy and poor districts. (Source: EdWeek, Quality Counts, 2010)

10 Districts with the Highest MFP Per Pupil

The graph displays the state and local share of MFP funding for the 10 districts receiving the highest per pupil funding.

Average local contribution: \$3,900
Average state contribution: \$6,050

Local Share ■
State Share ■

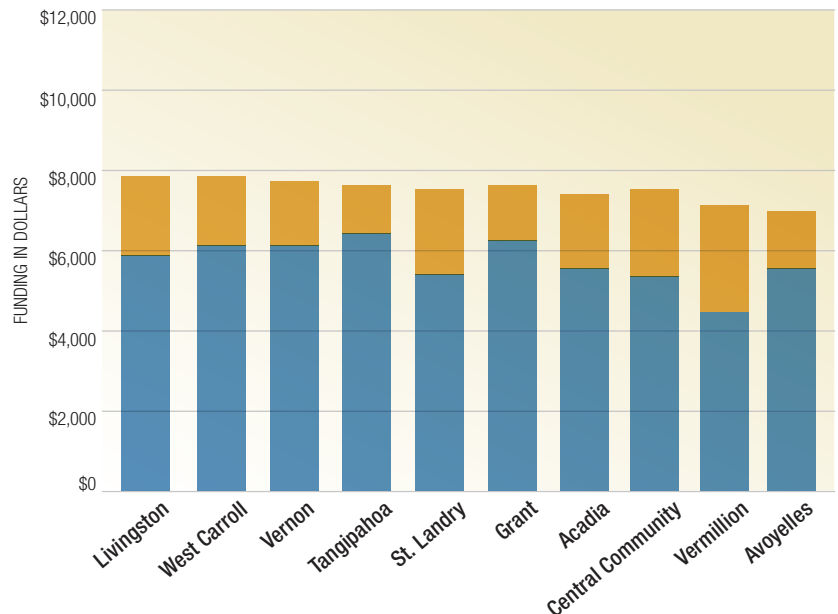


10 Districts with the Lowest MFP Per Pupil

The graph displays the state and local share of MFP funding for the 10 districts receiving the lowest per pupil funding.

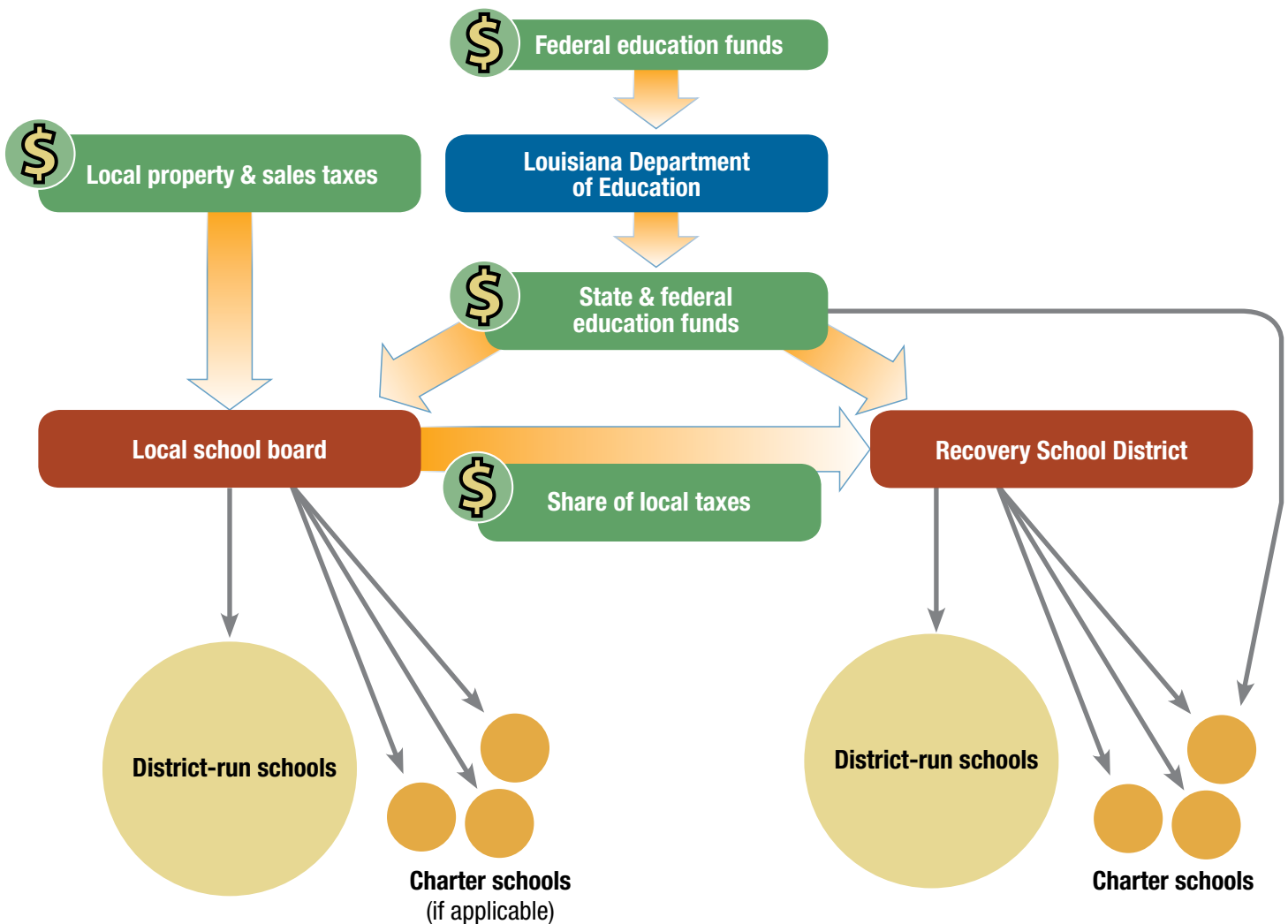
Average local contribution: \$1,850
Average state contribution: \$5,600

Local Share ■
State Share ■



Recovery School District Funding Structure

While the sources of funding are the same for the Recovery School District (RSD), the funding flows differently than for the local school districts. The local property and sales taxes levied by the local school board flow through the board to the RSD in proportion to the number of students in RSD schools in that district. Additionally, because many of the RSD charter schools are their own local education agency (LEA), state and federal education funds flow directly to those charter schools.

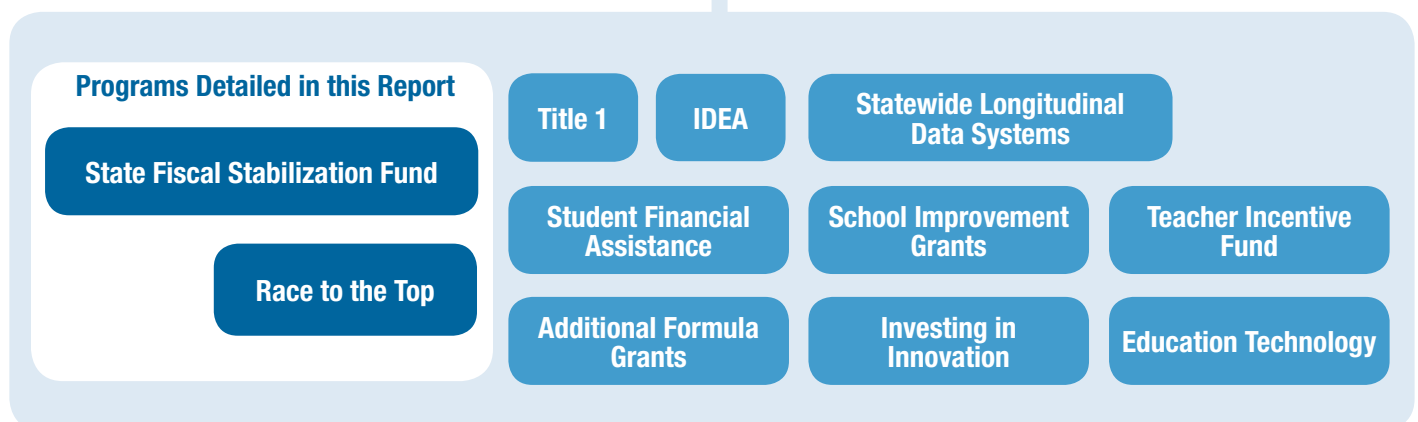


The American Recovery and Reinvestment Act

In February 2009, Congress enacted the American Recovery and Reinvestment Act (ARRA), widely referred to as “the Stimulus bill.” The education provisions of this bill provided approximately \$100 billion for a variety of programs for the entire country. The state of Louisiana and districts have so far received over \$780 million to be used for education purposes. Below, two of these provisions are discussed in detail.



American Recovery and Reinvestment Act of 2009 Education Funding



State Fiscal Stabilization Fund (SFSF)

- Because of the economic slowdown experienced across the country, many states were unable to fully fund their education budgets for 2008-2009 and were estimating additional shortfalls in 2009-2010.
- To assist states in filling budget gaps for K-12 and higher education in these years, the Stimulus bill provided \$48.6 billion in SFSF fund.
- Louisiana was able to fully fund the Minimum Foundation Program (MFP) for the 2008-2009 school year without any federal assistance.
- For 2009-2010, Louisiana used \$95 million in SFSF funds to fill a potential budget gap in the MFP.
- Even with the federal assistance, the MFP was level-funded for 2009-2010. Many schools districts argued that level funding led to a decrease in overall services because costs to the district continued to rise.

Race to the Top

- One of the signature education programs in the Stimulus bill is Race to the Top (RTTT).
- RTTT is a competitive grant program that will make \$4 billion available to states to implement reforms around four specific areas:
 - Standards and assessments;
 - Data systems;
 - Effective teachers and principals;
 - And turning around failing schools.
- Applications for Phase 1 of RTTT were due in January 2010. Louisiana submitted an application requesting \$315 million. (Initial budget guidance from the U.S. Department of Education suggested that Louisiana could expect to receive \$60-175 million for a successful application. Louisiana, like most other Phase 1 applicants, requested much more than the initial guidance.) Along with 14 other states and the District of Columbia, Louisiana is a finalist in the first round of Race to the Top.
- RTTT regulations require that the state distribute at least 50% of the total grant directly to participating school districts.

Louisiana school districts that have agreed to participate in RTTT

Ascension Parish	St. Bernard Parish
Assumption Parish	St. Helena Parish
Avoyelles Parish	St. James Parish
DeSoto Parish	St. John the Baptist Parish
East Baton Rouge Parish	St. Landry Parish
East Carroll Parish	St. Mary Parish
East Feliciana Parish	Tangipahoa Parish
Iberville Parish	Terrebonne Parish
Jefferson Parish	Vernon Parish
Lafayette Parish	West Baton Rouge Parish
Lafourche Parish	Monroe City
Madison Parish	Bogalusa City
Recovery School District	City of Baker
Richland Parish	65 charter schools
Sabine Parish	