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FOREWORD

The FY 2002-2003 *Minimum Foundation Program Audit and Evaluation Report* is presented to the Louisiana Legislature, State Board of Elementary and Secondary Education and the Local School Community. This report contains results from the Minimum Foundation Program annual audits and evaluation conducted by the Department of Education, Division of Education Finance, in accordance with R.S.17: 7(2)(d). The Minimum Foundation Program formula is used to determine the costs for a minimum education program as well as to distribute funds equitably from both state and local sources.

Annual audits are performed to determine the accuracy and reliability of data being reported to the Department by local school districts. Evaluations of the data reported by local school districts are used to determine the effectiveness of the formula in terms of meeting goals established for the Minimum Foundation Program. Those goals are (1) to meet student academic needs, (2) to provide funds on an equitable basis, (3) to encourage local taxpayers and school boards to establish and set tax levies that support a minimum education program, and (4) to evaluate performance in relation to funding.

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DISTRICT LEVEL TABLES: located on the Department website at the following address - <http://www.louisianaschools.net/lde/finance/1793.html>

Executive Summary

2002-2003 MFP Audit and Evaluation Report

Highlights from the 2002-2003 annual audit are provided below. Details of the audit findings and recommendations begin on page 7.

Seventy Percent Expenditure Requirement in the Instructional Area

Ten districts did not meet the 70% Local General Fund Expenditure Requirement in the Instructional Area based on the FY 2002-2003 financial data. (See Appendix B for district comments.)

Four of the ten districts in noncompliance with this requirement in FY 2002-2003 were also in noncompliance in FY 2001-2002.

Among these ten districts, the lowest percentage spent in Instructional areas was 62.83%, which reflects a 2.69% decrease from 2001-2002; the highest was 69.13%. (See the table on page 9.)

Audits of MFP Student Data

In 2001-2002, the audit staff began the process of risk-based auditing. A risk analysis was developed based on certain criteria. This process continued to be used in 2002-2003. Complete field audits were conducted in 18 school districts; combination field work and desk reviews were conducted in two school districts; and desk reviews were completed for the remaining 46 school districts.

The audits encompassed data elements used in the 2002-2003 MFP formula including the October 1 Student Membership Count, Vocational Education Unit Count, At-Risk Student Count, and Special Education Student Count.

Individual student records were reviewed in selected school districts based on risk assessments.

Of the student records reviewed, a net total of 450 students were denied inclusion in the October 1, 2002, Student Membership Count.

Adjustments were also made to the At-Risk Student Count, Special Education Student Count, and Vocational Education Unit Count.

All together the adjustments for the 2002-2003 audits produced a total savings of approximately \$3.96 million.

For the past ten years, results from these audits have provided cumulative savings to the State of approximately \$34.7 million.

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The Minimum Foundation Program (MFP) formula is designed to determine the costs of a minimum education program. In order to distribute total costs on an equitable basis, the Department makes *adjustments* to each district's October 1 student count through weights designed to recognize student needs unique to each local school system. *Level 1* costs, which are to be shared by the State and the local school system, are determined by multiplying the total weighted student count by a set per pupil amount. Each local school systems' share of the total cost is determined according to the Local Wealth Factor (LWF), which is used to reflect each district's ability to pay (as measured by fiscal capacity). *Level 2* of the formula is designed to recognize the local tax effort and to provide an incentive (i.e., additional state funds) for school districts that raise revenues beyond the minimum costs determined in Level 1 of the formula.

Hold Harmless funding previously operated as a prior year funding adjustment in Level 1 and Level 2 of the MFP formula. In FY 2001-2002, the "hold harmless" distinction was eliminated for all systems in Level 1 and Level 2. Instead, the "over funded" allocations for 11 specified school districts were separated and limited in Level 3. These 11 school districts received their designated per pupil amounts times their current year October 1 membership, not to exceed the total Hold Harmless amount received in the prior year. Continuation of Hold Harmless funding reflects legislative decisions rather than formula design. Consequently, districts with higher fiscal capacity continue to receive more in State support than targeted by the formula which overstates the state share cost of the formula.

Highlights from this year's annual evaluation are provided below. For the selected statistical analysis, 1998-99 data were used for a five-year comparison. Findings and recommendations begin on page 15.

Revenues for Education

Local Revenues have increased 20% since FY 1998-99. The largest share of that increase in FY 2002-03 was from Property Tax Revenues. Local Revenues made up 38.2% of the \$5.5 billion collected in Total Revenues in FY 2002-03. Local Revenues averaged \$2,883 per pupil in FY 2002-03.

State Revenues have increased 11.6% since FY 1998-99. State Revenues made up 48.4% of the total \$5.5 billion in FY 2002-03 Total Revenues. State Revenues averaged \$3,649 per pupil in FY 2002-03.

Federal Revenues have increased 34.9% since FY 1998-99. Of the \$5.5 billion in Total Revenues in FY 2002-03, Federal Revenues made up 13.4%, an increase of 10.2% over FY 2001-02. Federal Revenues averaged \$1,009 per pupil in FY 2002-03.

Total Revenues from all sources averaged \$7,540 per pupil in FY 2002-03, an increase of \$332 over FY 2001-02.

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Total Expenditures (Including Interest on Debt)

Classroom expenditures in FY 2002-03 made up 55.8% of the \$5.5 billion in Total Expenditures; of more than \$3 billion spent for classroom instruction, \$1.9 billion provided for full time classroom teachers' salaries. Since 1998-99, costs for classroom expenditures have increased by \$807 per pupil.

General Administration costs in FY 2002-03 (\$118 million) made up 2.1% of Total Expenditures. Since FY 1998-99, costs for General Administration have increased by \$44 per pupil.

Total Expenditures (including Interest on Debt) from all sources averaged \$7,627 per pupil in FY 2002-03, an increase of \$325 per pupil over 2001-02.

Variation in Revenue and Expenditures Among Local School Districts

Coefficients of Variation show the degree to which amounts in a distribution vary above or below the mean. The formula, standard deviation divided by the mean, measures the ratio of the standard deviation of a distribution to the mean of the distribution. A coefficient of zero indicates uniform distribution.

The Coefficient of Variation (c.v.) in Total Local Revenues per pupil was .365 in FY 2002-03; it has not changed significantly since FY 1998-99 when c.v. = .346.

The Coefficient of Variation (c.v.) in MFP State aid per pupil increased from c.v. = .134 in FY 1998-99 to c.v. = .167 in FY 2002-03. To offset the disparities caused by the fiscal capacity of local school systems completely, the variation among districts in state aid and the variation among districts in local revenue must grow inversely by the same amount. Greater variation in local revenue results in increased difficulty in achieving fiscal equity.

The Coefficient of Variation (c.v.) for Total Instruction per pupil - which includes classroom instruction, pupil support and instructional staff support - is down from a low c.v. = .090 in FY 1998-99 to an even lower c.v. = .083 in FY 2002-03. This indicator shows that districts are continuing to spend, on average, similar per pupil amounts for instructional services.

Moderate spending disparities among local school districts continue for the support services areas of General Administration (c.v. = .560 in FY 2002-03) and Central Services (c.v. = .560 in FY 2002-03) expenditures.

Correlation between Fiscal Capacity and Selected Variables

The relationship between the Local Wealth Factor (LWF) of each local school system and Total Local Revenues per pupil ($r = .866$) remains strong and positive. This indicator implies that wealthier school systems, as identified by the pupil driven formula,

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continue to raise more in Local Revenues than do school systems identified as less wealthy.

A strong inverse relationship continues to exist between the district Local Wealth Factor (LWF) and the amount of MFP State aid per pupil ($r = -.915$ in FY 2002-03). The negative correlation indicates that districts with a lower LWF receive more in MFP State aid per pupil than do districts with a higher LWF.

Spending disparities among local school districts for instruction declined from $r = .665$ in FY 1998-99 to $r = .357$ in FY 2002-03; the correlation between Total Expenditures (including interest on debt) and the district Local Wealth Factor (LWF) declined from $r = .617$ in FY 1998-99 to $r = .393$ in FY 2002-03. The data suggest that the higher a local school district's LWF, the higher the district's total spending for education.

Evaluation By Wealth Quintile

In FY 2002-03, statewide fiscal capacity averaged \$1,999 per pupil. The disparity among school districts has continued to increase with significant ranges between quintiles. Average fiscal capacity ranged from \$1,066 per pupil for districts in the lowest wealth quintile to \$3,275 per pupil for districts in the highest wealth quintile.

Revenues generated through property and sales taxes (including revenues for debt) continue to vary greatly among local school districts. Property Revenues ranged from an average of \$467 per pupil in the lowest wealth quintile to an average of \$1,461 per pupil for districts in the highest wealth quintile. Sales Revenues ranged from \$901 per pupil for the lowest wealth quintile to \$2,549 per pupil in the highest wealth quintile.

Total Federal, State and Local Revenues ranged from an average of \$7,047 per pupil in the lowest wealth quintile, to an average of \$8,222 per pupil in the highest wealth quintile, a difference of \$1,175 per pupil in FY 2002-03.

MFP State aid per pupil continues to be distributed inversely to local wealth. Districts in the lowest wealth quintile received an average of \$4,081 in MFP State aid per pupil, while districts in the highest wealth quintile received an average of \$2,607 per pupil. Overall, State aid through the MFP averaged \$3,406 per pupil in FY 2002-03.

In FY 2002-03, the statewide equivalent millage rate, which is calculated based upon net assessed property values of the local district, averaged 41.73. Districts in the lowest wealth quintile had an average of 34.00 mills, including debt, that generated an average of \$467 per pupil in property revenues. Highest wealth quintile districts averaged 31.34 mills (including debt), which generated an average per pupil amount of \$1,461. The data indicate that districts in the lowest wealth quintile had a higher tax rate; but because of a low tax base, they were unable to match funds raised by districts in the highest wealth quintile.

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The statewide average sales tax rate, which is calculated based upon the computed sales tax base, averaged 1.90% in FY 2002-03. Districts in the lowest wealth quintile had an average rate of 2.02%, which generated an average of \$901 per pupil, while districts in the highest wealth quintile had an average sales tax rate of 2.05%, which generated an average of \$2,549 per pupil. This difference suggests that school districts with a low tax base usually have low funding per pupil even with high tax rates. Whereas, districts with a high tax base (property and sales) have high funding per pupil even with similar tax rates.

Of total fund expenditures, classroom instruction expenditures accounted for 56.4% in the lowest quintile, 55.9% in the second quintile, 57.9% in the third quintile, 55.4% in the fourth quintile, and 53.4% in the highest quintile. The state average classroom expenditure was 55.8% in FY 2002-03.

Local Contributions and Amount Targeted for Level 1

The funding formula determines an amount needed from both the State and local sources to meet the costs determined in Level 1 of the formula. In FY 2002-03, only two school districts (Madison and Pointe Coupee) failed to meet the Level 1 share of costs. Madison is in the lowest wealth quintile and Pointe Coupee is in the highest wealth quintile.

Local districts were targeted to contribute an average of \$1,527 per pupil to cover the minimum costs determined by the formula. The actual contribution averaged \$2,677 per pupil.

Twenty-six school systems, which make up the lowest wealth quintile in FY 2002-03, were targeted to contribute an average of \$836 per pupil toward the costs of Level 1 support. While the average actual contribution made by these districts was \$1,411 per pupil, one school system fell short by an average of \$172 per pupil (or \$409,445).

Nine school systems, which make up the highest wealth quintile, were targeted to contribute an average of \$2,496 per pupil toward the costs of Level 1 support. While the average actual contribution made by these districts was \$4,062 per pupil, one school system fell short by an average of \$26 per pupil (or \$84,033).

State Contribution and Hold Harmless Funding

In FY 2002-03, the State's MFP contribution averaged \$3,406 per pupil. The MFP State aid for wealthier districts averaged \$2,607 per pupil; districts in the lowest wealth quintile received an average per pupil amount of \$4,081 in State aid.

Eleven school systems received funding through an adjustment based on the prior year formula calculation known as "hold harmless funding." Funding to accommodate the adjustment cost \$84.6 million in FY 2002-03. Eight districts in the highest wealth quintile received an average of \$639 per pupil more than the amount targeted by the formula. Districts in the lowest wealth quintile, second lowest wealth quintile and second highest wealth quintile received an average of \$30, \$61, and \$69 per pupil more than that targeted by the formula respectively.

SECTION I
MFP AUDIT REPORT

MFP Audit Report

The establishment of a Department of Education MFP audit function in 1993 fulfilled the requirements of R.S. 17:7(2)(d) adopted in the 1992 Legislative Session requiring the institution of fiscal accountability measures for the Minimum Foundation Program. The Division of Education Finance audit staff is responsible for verification of the data utilized in the Minimum Foundation Program formula and for the evaluation of local public school district compliance with established procedures and policies applicable to the funding formula. The scope of the audits is continually being expanded to recognize the evolution of the funding formula, in addition to including examinations of items related to funding. The following are the results of the major reviews conducted for FY 2002-03.

Reviews of Seventy Percent Instructional Expenditure Requirement

Finding 1: Ten of the sixty-six school districts did not meet the 70% Instructional Expenditure Requirement for FY 2002-03. These districts are Cameron, Catahoula, East Baton Rouge, Iberville, Jackson, Plaquemines, Red River, St. Helena, Tensas and West Baton Rouge.

Explanation: The Seventy Percent Instructional Expenditure Requirement, as stated in SCR 139 of the 2001 Legislative Session, dictates that local school districts spend seventy percent of general fund monies, both State and local, on areas of instruction. The financial information reported by the local public school districts in a special report entitled the "Annual Financial Report" is used to calculate the percentage of funds expended on instruction according to the established definition. Four of the ten districts in noncompliance with this requirement were also in noncompliance in FY 2001-02. St. Helena was the lowest percentage of the ten districts with 62.83%; the highest percentage was for Jackson with 69.13%. (See the table on page 9.)

Summary: In the 2002-03 school year, the number of districts not meeting the 70% instructional requirement increased from six to ten. Each district not meeting the 70% Instructional Requirement made a reporting to the Department outlining reasons for falling short of the requirement. The obstacles these districts are facing in meeting the 70% Instructional Requirement remain much the same among districts and over time. In broad terms they are as follows. (See Appendix B for greater detail.)

- Operational costs increasing at a much greater percentage than instructional costs.
- Younger, less experienced teaching staff earning lower salaries and thereby reducing overall salary expenses.
- Increases in property and liability insurance.
- Large investments in technology.
- Reduction in staff that has not resulted in the operation of fewer facilities.
- High transportation costs due to the geographical spread of the district.
- Aging facilities requiring increased maintenance and repair.
- Reductions in instructional staff due to declining enrollment.

Why districts are unable to meet the 70% Instructional Requirement may no longer be the question but rather, "Is this requirement realistic or meaningful?" School systems should be given flexibility to spend in a manner suited to the unique needs of a given district while being held accountable for the services provided the students of that system.

After much discussion about tying accountability to spending, in February 2003, the School Finance Review Commission (SFRC) made specific recommendations to the State Board of Elementary and Secondary Education (SBESE) regarding the linkage of the MFP funding formula to the state's Accountability Program in the FY 2003-2004 formula.

The SFRC recommendation was acted upon by SBESE and was first included in HCR 235 of the 2003 Regular Session of the Legislature. Specifically, an MFP Accountability report must be generated for schools with performance scores below the state average and growth of less than five points. This requirement continues with the current MFP resolution, SCR 122 of 2004.

The first report was submitted to the House and Senate Committees on Education on April 1, 2004. The following data elements are contained in the report.

1. School Data – School name, city and district; type of school; October 1 Elementary/Secondary Enrollment; and grade span.
2. Accountability Data – Scores and labels.
3. Fiscal Data – Expenditures per Elementary/Secondary Enrollment for classroom instruction (less adult education) and pupil/instructional support.
4. Student Demographic Data – Percent of students classified as at-risk, special education, gifted and talented, and minority. Also included are data regarding Advanced Placement, student attendance rates, and pupil-teacher ratios.
5. Teacher Data – Average FTE (full-time equivalent) teacher salaries, percent of teachers certified, average years of experience, percent master's degree and above, percent minority, and teachers' days absent.
6. Staffing Data – Number per 1000 pupils for certified teachers, uncertified teachers, and instructional aides.

The following tables relate to the 70% Instructional Requirement. The first table provides a by district calculation of the instructional percentage per the 70% Instructional Requirement definition of instruction. An additional table provides a five-year by district historical reference of instructional percentages per the 70% calculation. Also included in this table is data regarding the absolute change in instructional dollars in the same five-year period (1998-99 compared to 2002-03).

The usefulness of the 70% Instructional Expenditure Requirement should be re-evaluated in light of accountability initiatives, including but not limited to the MFP Accountability Report, which requires a reporting of fiscal data for schools not meeting certain accountability criteria.

"Seventy Percent" Instructional Evaluation By District For Fiscal Year 2002-2003 (General Funds)

LEA	District	Elementary/Secondary Membership	Instructional	Support	Grand Total (Instructional plus Support)	Per Pupil Grand Total	Percent Instructional
1	Acadia Parish	9,666	\$ 36,963,420.00	\$ 13,018,802.00	\$ 49,982,222.00	\$ 5,170.93	73.95%
2	Allen Parish	4,340	\$ 17,104,765.00	\$ 7,080,926.00	\$ 24,185,691.00	\$ 5,572.74	70.72%
3	Ascension Parish	15,469	\$ 71,940,565.00	\$ 23,399,542.00	\$ 95,340,107.00	\$ 6,163.30	75.46%
4	Assumption Parish	4,516	\$ 19,810,612.00	\$ 7,852,269.00	\$ 27,662,881.00	\$ 6,125.53	71.61%
5	Avoyelles Parish	6,740	\$ 23,516,005.00	\$ 8,806,561.00	\$ 32,322,566.00	\$ 4,795.63	72.75%
6	Beauregard Parish	6,058	\$ 23,932,314.00	\$ 9,572,650.00	\$ 33,504,964.00	\$ 5,530.70	71.43%
7	Bienville Parish	2,528	\$ 11,850,651.00	\$ 4,367,944.00	\$ 16,218,595.00	\$ 6,415.58	73.07%
8	Bossier Parish	18,686	\$ 74,714,933.00	\$ 26,700,691.00	\$ 101,415,624.00	\$ 5,427.36	73.67%
9	Caddo Parish	44,556	\$ 203,436,876.00	\$ 73,576,774.00	\$ 277,013,650.00	\$ 6,217.20	73.44%
10	Calcasieu Parish	31,909	\$ 131,008,661.00	\$ 47,223,958.00	\$ 178,232,619.00	\$ 5,585.65	73.50%
11	Caldwell Parish	1,888	\$ 6,061,693.00	\$ 2,474,309.00	\$ 8,536,002.00	\$ 4,521.19	71.01%
12	Cameron Parish	1,847	\$ 9,761,981.00	\$ 4,669,028.00	\$ 14,431,009.00	\$ 7,813.22	67.65%
13	Catahoula Parish	1,811	\$ 6,804,027.00	\$ 3,173,961.00	\$ 9,977,988.00	\$ 5,509.66	68.19%
14	Claiborne Parish	2,803	\$ 12,879,581.00	\$ 4,175,719.00	\$ 17,055,300.00	\$ 6,084.66	75.52%
15	Concordia Parish	3,845	\$ 14,858,419.00	\$ 4,909,014.00	\$ 19,767,433.00	\$ 5,141.07	75.17%
16	DeSoto Parish	5,042	\$ 23,274,451.00	\$ 8,799,604.00	\$ 32,074,055.00	\$ 6,361.38	72.56%
17	E. Baton Rouge Parish	52,434	\$ 202,860,536.00	\$ 93,595,653.00	\$ 296,456,189.00	\$ 5,653.89	68.43%
18	East Carroll Parish	1,746	\$ 6,829,327.00	\$ 2,987,728.00	\$ 9,817,055.00	\$ 5,622.60	69.57%
19	East Feliciana Parish	2,504	\$ 10,415,847.00	\$ 4,050,989.00	\$ 14,466,836.00	\$ 5,777.49	72.00%
20	Evangeline Parish	6,337	\$ 23,448,991.00	\$ 7,707,078.00	\$ 31,156,069.00	\$ 4,916.53	75.26%
21	Franklin Parish	3,913	\$ 14,958,109.00	\$ 5,177,168.00	\$ 20,135,277.00	\$ 5,145.74	74.29%
22	Grant Parish	3,572	\$ 13,166,704.00	\$ 5,585,505.00	\$ 18,752,209.00	\$ 5,249.78	70.21%
23	Iberia Parish	14,227	\$ 58,598,836.00	\$ 19,399,154.00	\$ 77,997,990.00	\$ 5,482.39	75.13%
24	Iberville Parish	4,622	\$ 20,391,288.00	\$ 10,726,137.00	\$ 31,117,425.00	\$ 6,732.46	65.53%
25	Jackson Parish	2,442	\$ 12,293,822.00	\$ 5,490,264.00	\$ 17,784,086.00	\$ 7,282.59	69.13%
26	Jefferson Parish	51,501	\$ 202,374,522.00	\$ 79,765,952.00	\$ 282,140,474.00	\$ 5,478.35	71.73%
27	Jefferson Davis Parish	5,811	\$ 24,794,247.00	\$ 9,104,324.00	\$ 33,898,571.00	\$ 5,833.52	73.14%
28	Lafayette Parish	29,554	\$ 128,557,394.00	\$ 38,633,022.00	\$ 167,190,416.00	\$ 5,657.12	76.89%
29	Lafourche Parish	15,023	\$ 69,188,026.00	\$ 21,644,315.00	\$ 90,832,341.00	\$ 6,046.22	76.17%
30	LaSalle Parish	2,693	\$ 11,492,551.00	\$ 4,493,500.00	\$ 15,986,051.00	\$ 5,936.15	71.89%
31	Lincoln Parish	6,650	\$ 23,668,615.00	\$ 7,384,524.00	\$ 31,053,139.00	\$ 4,669.64	76.22%
32	Livingston Parish	20,334	\$ 76,434,025.00	\$ 22,627,584.00	\$ 99,061,609.00	\$ 4,871.72	77.16%
33	Madison Parish	2,387	\$ 8,774,589.00	\$ 3,837,028.00	\$ 12,611,617.00	\$ 5,283.46	69.58%
34	Morehouse Parish	5,209	\$ 19,908,373.00	\$ 8,094,202.00	\$ 28,002,575.00	\$ 5,375.81	71.09%
35	Natchitoches Parish	6,978	\$ 25,520,928.00	\$ 10,254,245.00	\$ 35,775,173.00	\$ 5,126.85	71.34%
36	Orleans Parish	70,246	\$ 260,469,250.00	\$ 109,944,533.00	\$ 370,413,783.00	\$ 5,273.09	70.32%
37	Ouachita Parish	17,793	\$ 77,465,331.00	\$ 29,204,288.00	\$ 106,669,619.00	\$ 5,995.03	72.62%
38	Plaquemines Parish	4,811	\$ 21,798,956.00	\$ 12,232,323.00	\$ 34,031,279.00	\$ 7,073.64	64.06%
39	Pointe Coupee Parish	3,185	\$ 14,121,535.00	\$ 5,837,920.00	\$ 19,959,455.00	\$ 6,266.70	70.75%
40	Rapides Parish	22,872	\$ 90,811,230.00	\$ 32,084,581.00	\$ 122,895,811.00	\$ 5,373.20	73.89%
41	Red River Parish	1,604	\$ 6,360,466.00	\$ 2,860,102.00	\$ 9,220,568.00	\$ 5,748.48	68.98%
42	Richland Parish	3,527	\$ 14,948,633.00	\$ 5,452,952.00	\$ 20,401,585.00	\$ 5,784.40	73.27%
43	Sabine Parish	4,299	\$ 15,061,293.00	\$ 5,819,443.00	\$ 20,880,736.00	\$ 4,857.11	72.13%
44	St. Bernard Parish	8,734	\$ 38,038,552.00	\$ 13,176,397.00	\$ 51,214,949.00	\$ 5,863.86	74.27%
45	St. Charles Parish	9,717	\$ 53,282,425.00	\$ 20,874,080.00	\$ 74,156,505.00	\$ 7,631.63	71.85%
46	St. Helena Parish	1,368	\$ 4,105,845.00	\$ 2,428,936.00	\$ 6,534,781.00	\$ 4,776.89	62.83%
47	St. James Parish	4,076	\$ 17,868,837.00	\$ 5,801,470.00	\$ 23,670,307.00	\$ 5,807.24	75.49%
48	St. John Parish	6,282	\$ 32,159,869.00	\$ 12,237,589.00	\$ 44,397,458.00	\$ 7,067.41	72.44%
49	St. Landry Parish	15,331	\$ 60,771,813.00	\$ 22,484,050.00	\$ 83,255,863.00	\$ 5,430.56	72.99%
50	St. Martin Parish	8,614	\$ 33,955,415.00	\$ 11,918,239.00	\$ 45,873,654.00	\$ 5,325.48	74.02%
51	St. Mary Parish	10,363	\$ 43,040,669.00	\$ 16,743,765.00	\$ 59,784,434.00	\$ 5,769.03	71.99%
52	St. Tammany Parish	34,081	\$ 161,996,471.00	\$ 56,229,700.00	\$ 218,226,171.00	\$ 6,403.16	74.23%
53	Tangipahoa Parish	17,926	\$ 64,346,790.00	\$ 17,973,631.00	\$ 82,320,421.00	\$ 4,592.24	78.17%
54	Tensas Parish	920	\$ 4,548,639.00	\$ 2,223,315.00	\$ 6,771,954.00	\$ 7,360.82	67.17%
55	Terrebonne Parish	19,345	\$ 81,822,589.00	\$ 26,866,346.00	\$ 108,688,935.00	\$ 5,618.45	75.28%
56	Union Parish	3,479	\$ 12,107,234.00	\$ 4,688,429.00	\$ 16,795,663.00	\$ 4,827.73	72.09%
57	Vermilion Parish	8,905	\$ 32,147,179.00	\$ 13,755,710.00	\$ 45,902,889.00	\$ 5,154.73	70.03%
58	Vernon Parish	9,841	\$ 41,260,419.00	\$ 15,236,998.00	\$ 56,497,417.00	\$ 5,741.02	73.03%
59	Washington Parish	4,739	\$ 20,016,256.00	\$ 7,498,058.00	\$ 27,514,314.00	\$ 5,805.93	72.75%
60	Webster Parish	7,728	\$ 27,286,484.00	\$ 8,641,981.00	\$ 35,928,465.00	\$ 4,649.13	75.95%
61	W. Baton Rouge Parish	3,529	\$ 14,500,215.00	\$ 6,825,514.00	\$ 21,325,729.00	\$ 6,042.99	67.99%
62	West Carroll Parish	2,376	\$ 8,094,234.00	\$ 3,077,397.00	\$ 11,171,631.00	\$ 4,701.86	72.45%
63	West Feliciana Parish	2,409	\$ 13,303,612.00	\$ 5,582,740.00	\$ 18,886,352.00	\$ 7,839.91	70.44%
64	Winn Parish	2,815	\$ 9,580,090.00	\$ 4,051,748.00	\$ 13,631,838.00	\$ 4,842.57	70.28%
65	City of Monroe	9,678	\$ 40,607,433.00	\$ 15,332,508.00	\$ 55,939,941.00	\$ 5,780.11	72.59%
66	City of Bogalusa	3,018	\$ 13,866,241.00	\$ 4,693,840.00	\$ 18,560,081.00	\$ 6,149.79	74.71%
	State Totals	723,252	\$ 2,971,339,689	1,112,138,707	\$ 4,083,478,396	\$ 5,646	72.76%

Note: Total Instruction includes Regular Program, Special Education Program, Vocational Education Program, Other Instructional Program, Special Programs, Pupil Support Service (exclude object code 730), and Instructional Staff Service (exclude object code 730), less Nonpublic Textbook Revenue (kpc 7960).

Total Support (exclude object code 730) includes General Administration, School Administration, Business Service, Operation and Maintenance, Student Transportation, Central Service and Food Service Operation less Nonpublic Transportation Revenue (kpc 7945)

LEA	District	Seventy Percent Instructional Requirement 1998-1999 through 2002-2003					Instructional Expenditures per 70% Definition 1998-1999 and 2002-2003			
		70% 1998-1999	70% 1999-2000	70% 2000-2001	70% 2001-2002	70% 2002-2003	Instruction 1998-1999	Instruction 2002-2003	Absolute Change	Percent Change
1	Acadia Parish	73.46%	73.84%	72.88%	74.60%	73.95%	\$31,093,538	\$36,963,420	\$5,869,882	18.88%
2	Allen Parish	72.38%	71.46%	70.30%	71.89%	70.72%	\$13,978,327	\$17,104,765	\$3,126,438	22.37%
3	Ascension Parish	75.06%	73.72%	75.00%	75.91%	75.46%	\$54,959,109	\$71,940,565	\$16,981,456	30.90%
4	Assumption Parish	70.66%	70.38%	70.33%	70.85%	71.61%	\$15,850,853	\$19,810,612	\$3,959,759	24.98%
5	Avoyelles Parish	75.19%	75.05%	74.35%	74.80%	72.75%	\$21,649,957	\$23,516,005	\$1,866,048	8.62%
6	Beauregard Parish	71.10%	71.55%	71.11%	71.53%	71.43%	\$21,055,334	\$23,932,314	\$2,876,980	13.66%
7	Bienville Parish	74.68%	73.55%	72.49%	73.45%	73.07%	\$9,928,547	\$11,850,651	\$1,922,104	19.36%
8	Bossier Parish	72.28%	72.28%	72.21%	73.13%	73.67%	\$65,817,526	\$74,714,933	\$8,897,407	13.52%
9	Caddo Parish	73.37%	73.43%	72.85%	74.16%	73.44%	\$170,828,849	\$203,436,876	\$32,608,027	19.09%
10	Calcasieu Parish	75.63%	75.63%	74.30%	74.53%	73.50%	\$118,827,942	\$131,008,661	\$12,180,719	10.25%
11	Caldwell Parish	74.18%	72.28%	71.07%	71.97%	71.01%	\$5,400,458	\$6,061,693	\$661,235	12.24%
12	Cameron Parish	68.48%	66.66%	67.11%	67.91%	67.65%	\$8,540,746	\$9,761,981	\$1,221,235	14.30%
13	Catahoula Parish	71.38%	70.51%	68.32%	69.53%	68.19%	\$6,601,718	\$6,804,027	\$202,309	3.06%
14	Claiborne Parish	74.88%	75.01%	73.99%	74.88%	75.52%	\$9,491,767	\$12,879,581	\$3,387,814	35.69%
15	Concordia Parish	75.65%	76.21%	75.79%	76.51%	75.17%	\$13,124,171	\$14,858,419	\$1,734,248	13.21%
16	DeSoto Parish	72.18%	72.48%	71.56%	73.32%	72.56%	\$20,051,008	\$23,274,451	\$3,223,443	16.08%
17	E. Baton Rouge Parish	72.29%	70.70%	68.80%	70.37%	68.43%	\$206,663,987	\$202,860,536	(\$3,803,451)	-1.84%
18	East Carroll Parish	70.33%	69.71%	68.53%	70.61%	69.57%	\$6,090,130	\$6,829,327	\$739,197	12.14%
19	East Feliciana Parish	72.18%	72.56%	70.64%	72.50%	72.00%	\$8,647,121	\$10,415,847	\$1,768,726	20.45%
20	Evangeline Parish	74.71%	74.02%	73.64%	74.49%	75.26%	\$19,565,968	\$23,448,991	\$3,883,023	19.85%
21	Franklin Parish	71.82%	73.46%	73.45%	75.28%	74.29%	\$12,474,015	\$14,958,109	\$2,484,094	19.91%
22	Grant Parish	71.15%	70.68%	68.74%	71.61%	70.21%	\$11,260,241	\$13,166,704	\$1,906,463	16.93%
23	Iberia Parish	75.25%	74.95%	74.98%	75.39%	75.13%	\$53,281,422	\$58,598,836	\$5,317,414	9.98%
24	Iberville Parish	71.99%	71.69%	69.16%	74.33%	65.53%	\$18,533,256	\$20,391,288	\$1,858,032	10.03%
25	Jackson Parish	71.72%	69.46%	67.27%	69.71%	69.13%	\$9,774,452	\$12,293,822	\$2,519,370	25.78%
26	Jefferson Parish	72.26%	71.85%	71.04%	72.38%	71.73%	\$192,524,103	\$202,374,522	\$9,850,419	5.12%
27	Jefferson Davis Parish	72.81%	72.88%	71.62%	73.01%	73.14%	\$20,117,513	\$24,794,247	\$4,676,734	23.25%
28	Lafayette Parish	78.46%	78.16%	77.84%	77.38%	76.89%	\$106,745,783	\$128,557,394	\$21,811,611	20.43%
29	LaFourche Parish	78.08%	77.57%	76.61%	75.55%	76.17%	\$57,714,322	\$69,188,026	\$11,473,704	19.88%
30	LaSalle Parish	73.34%	70.38%	70.39%	72.87%	71.89%	\$9,150,300	\$11,492,551	\$2,342,251	25.60%
31	Lincoln Parish	75.66%	75.51%	72.74%	76.59%	76.22%	\$22,946,026	\$23,668,615	\$722,589	3.15%
32	Livingston Parish	77.19%	77.90%	76.33%	77.24%	77.16%	\$62,032,388	\$76,434,025	\$14,401,637	23.22%
33	Madison Parish	72.20%	71.30%	70.81%	72.11%	69.58%	\$7,640,186	\$8,774,589	\$1,134,403	14.85%
34	Morehouse Parish	73.07%	72.56%	68.73%	71.99%	71.09%	\$18,007,600	\$19,908,373	\$1,900,773	10.56%
35	Natchitoches Parish	72.02%	72.41%	72.36%	72.91%	71.34%	\$22,293,043	\$25,520,928	\$3,227,885	14.48%
36	Orleans Parish	71.99%	70.03%	71.26%	70.45%	70.32%	\$257,889,223	\$260,469,250	\$2,580,027	1.00%
37	Ouachita Parish	74.22%	73.46%	72.53%	74.36%	72.62%	\$56,332,060	\$77,465,331	\$21,133,271	37.52%
38	Plaquemines Parish	66.22%	66.38%	64.42%	65.52%	64.06%	\$18,733,748	\$21,798,956	\$3,065,208	16.36%
39	Pointe Coupee Parish	70.03%	70.86%	69.62%	69.89%	70.75%	\$10,253,544	\$14,121,535	\$3,867,991	37.72%
40	Rapides Parish	74.71%	74.40%	73.07%	74.42%	73.89%	\$77,863,311	\$90,811,230	\$12,947,919	16.63%
41	Red River Parish	74.22%	77.06%	67.81%	71.88%	68.98%	\$7,070,347	\$6,360,466	(\$709,881)	-10.04%
42	Richland Parish	72.83%	73.45%	72.41%	73.10%	73.27%	\$12,723,930	\$14,948,633	\$2,224,703	17.48%
43	Sabine Parish	74.34%	73.59%	72.92%	72.98%	72.13%	\$13,627,904	\$15,061,293	\$1,433,389	10.52%
44	St. Bernard Parish	75.13%	75.47%	74.60%	74.99%	74.27%	\$31,769,520	\$38,038,552	\$6,269,032	19.73%
45	St. Charles Parish	75.33%	73.45%	71.12%	71.60%	71.85%	\$53,611,007	\$53,282,425	(\$328,582)	-0.61%
46	St. Helena Parish	72.54%	70.95%	66.86%	68.91%	62.83%	\$5,084,812	\$4,105,845	(\$978,967)	-19.25%
47	St. James Parish	69.30%	68.32%	75.77%	75.46%	75.49%	\$17,121,583	\$17,868,837	\$747,254	4.36%
48	St. John the Baptist Parish	70.55%	72.20%	71.18%	72.30%	72.44%	\$23,570,146	\$32,159,869	\$8,589,723	36.44%
49	St. Landry Parish	73.84%	73.63%	73.24%	74.07%	72.99%	\$46,290,593	\$60,771,813	\$14,481,220	31.28%
50	St. Martin Parish	75.71%	75.31%	73.31%	73.11%	74.02%	\$30,137,687	\$33,955,415	\$3,817,728	12.67%
51	St. Mary Parish	73.76%	73.60%	71.56%	72.53%	71.99%	\$40,716,320	\$43,040,669	\$2,324,349	5.71%
52	St. Tammany Parish	75.19%	75.27%	74.81%	74.70%	74.23%	\$127,462,698	\$161,996,471	\$34,533,773	27.09%
53	Tangipahoa Parish	78.39%	78.24%	77.36%	79.26%	78.17%	\$56,810,858	\$64,346,790	\$7,535,932	13.26%
54	Tensas Parish	69.00%	68.63%	65.43%	66.30%	67.17%	\$4,084,593	\$4,548,639	\$464,046	11.36%
55	Terrebonne Parish	77.62%	76.77%	75.22%	76.09%	75.28%	\$75,593,915	\$81,822,589	\$6,228,674	8.24%
56	Union Parish	71.64%	72.16%	70.61%	72.09%	72.09%	\$9,168,767	\$12,107,234	\$2,938,467	32.05%
57	Vermilion Parish	74.49%	73.21%	72.60%	73.32%	70.03%	\$31,952,225	\$32,147,179	\$194,954	0.61%
58	Vernon Parish	73.38%	73.23%	71.88%	72.87%	73.03%	\$36,121,113	\$41,260,419	\$5,139,306	14.23%
59	Washington Parish	72.02%	72.42%	72.07%	73.30%	72.75%	\$15,760,273	\$20,016,256	\$4,255,983	27.00%
60	Webster Parish	76.66%	77.21%	75.63%	76.52%	75.95%	\$22,512,527	\$27,286,484	\$4,773,957	21.21%
61	W. Baton Rouge Parish	69.86%	71.28%	71.21%	70.10%	67.99%	\$11,493,628	\$14,500,215	\$3,006,587	26.16%
62	West Carroll Parish	76.43%	75.81%	73.80%	73.65%	72.45%	\$7,695,437	\$8,094,234	\$398,797	5.18%
63	West Feliciana Parish	71.03%	69.98%	68.09%	69.22%	70.44%	\$10,871,217	\$13,303,612	\$2,432,395	22.37%
64	Winn Parish	71.39%	70.82%	67.67%	68.67%	70.28%	\$8,545,305	\$9,580,090	\$1,034,785	12.11%
65	City of Monroe	75.47%	75.38%	74.55%	75.87%	72.59%	\$33,818,445	\$40,607,433	\$6,788,988	20.07%
66	City of Bogalusa	70.67%	70.62%	71.66%	71.04%	74.71%	\$10,393,602	\$13,866,241	\$3,472,639	33.41%
	STATE TOTAL	73.87%	73.35%	72.63%	73.43%	72.76%	\$2,617,742,044	\$2,971,339,689	\$353,597,645	13.51%

MFP Audit Report

Audits of MFP Data

Finding 2: The 2002-2003 school year audits revealed that 450 students should be denied inclusion from the October 1, 2002 Student Membership Count. Additionally, there were 896 student units denied from the Vocational Education Unit Count, and 2,174 students (406 gifted and talented and 1,768 other exceptionalities) denied from the Special Education Student Count. Twenty-two students were added to the At-Risk Student Count.

The audit findings resulted in adjustments to MFP funding levels with monetary savings to the State totaling *\$3.96 million*. In the ten years in which funding adjustments have been made to local school districts' funding as a result of the audits, a total savings to the taxpayers of approximately *\$34.7 million* has been realized. In addition, audits of student data were conducted at LSU and Southern University Lab schools.

Explanation: Students and/or units were denied inclusion in the October 1, 2002, Student Membership Count, Vocational Education Unit Count, Special Education Student Count, and At-Risk Student Count for failing to meet established funding criteria. A number of school districts often misinterpreted the definitions when determining which students or units should or should not be counted for funding purposes. In 2001-2002, the audit staff began the process of risk based auditing. A risk analysis was developed based on certain criteria. Complete field audits were conducted in 18 school districts; combination fieldwork and desk reviews were conducted in two school districts; and desk reviews were done for the remaining 46 school districts. Verification of membership data continues to be crucial because the MFP formula distributes State funds based on this information. Efforts again included resolving reporting errors in the October 1 Student Membership Count identified through computer generated reports, verification of the Vocational Education Unit Count, At-Risk Student Count, and Special Education Student Count. The student level data review also included an audit of the End of Year student data as submitted by the 66 Local School Districts.

Summary: In FY 1999-2000 the scope of the MFP audits was expanded to include reports provided by the Data Management staff that identified students who were reported as seniors for two consecutive years. Records of all students so identified were examined to determine if the students were appropriately included in the funded membership for the school district in which they were reported. A significant number of the identified students were not enrolled and attending school as of the October 1 funding date and were denied funding through the audit process.

In FY 2000-2001 the audit scope was further expanded to include reports of students reported in LANSER in Louisiana and who had no apparent SIS records in the state and also for students reported in LANSER in one school district and SIS in a different school district in the state. Audits of these select groups resulted in significant savings of state dollars.

Also in FY 2000-2001, the Data Management staff produced reports identifying students who were reported in the October 1 funded membership count and who, based on the end of year reporting should not have been included in funding. A reverse report was also generated identifying students who were not reported and included for October 1 funded membership and who, based on end of year reporting, should have been funded. The audit staff examined supporting documentation for students on these reports. The result was dollar savings to the state and a more accurate report of students in the State of Louisiana.

All of the above resources continue to be used in the audit process and are now an integral part of the MFP audit program. In FY 2002-2003, audits were expanded to include audit of PEP data as it related to the FY 2001-2002 certificated pay raise contained in the MFP formula. The scope of the MFP audits will continue to be refined with the ultimate goal of having the most accurate data possible used for funding the MFP program.

Decrease in SIS Reporting Errors

Finding 3: Since 1993-94, ongoing revisions and enhancements to the Student Information System (SIS) have resulted in significant decreases in reporting errors. The number of multiple enrollment errors occurring when two districts include the same student in membership has decreased by 934 occurrences overall between 1993-94 and 2002-2003. During the 2002-2003 reporting year, this number decreased by 62 occurrences over the prior year. Additionally, duplicate student errors, which occur when two students are identified on the database with the same or similar names, have decreased by 2,026 occurrences in the past ten years. The errors associated with reporting students with the same identification number have decreased as well by 5,263 occurrences in the same time period.

Decrease of Reporting Errors in SIS

	1993-94	2002-2003	Difference	% Change
Multiple Enrollments	1,417	483	934	66% decrease
Duplicate Enrollments	2,462	436	2,026	82% decrease
Same ID	6,616	1,353	5,263	80% decrease

Explanation: The systems' edits and analyses associated with the Student Information System along with continued efforts of the staff of the Department in educating school district personnel on the importance of accuracy have resulted in improvements in the integrity of the data. Many districts now have similar edits and analysis programs they run on their data before submitting the data to the Department of Education.

**Minimum Foundation Program (MFP) Audit Results
Local School Districts and Lab Schools**

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Number of students reduced from Oct. 1 membership	1,384	1,096	1,344	1,753	1,543	1,209	1,382	1,499	1,422	450
State dollars saved	\$1,877,350	\$2,367,994	\$2,905,208	\$2,961,111	\$3,411,397	\$2,246,193	\$3,011,720	\$6,382,521	\$5,603,333	\$3,966,226
Cumulative dollars saved since creation of the Division of Education Finance	\$1,877,350	\$4,245,344	\$7,150,552	\$10,111,663	\$13,523,060	\$15,769,253	\$18,780,973	\$25,163,494	\$30,766,827	\$34,733,053

Summary: Data integrity continues to be a primary focus for the Department. Phase I Implementation of the Louisiana Education Accountability Data Systems (LEADS) project continues. The project's long-term goal is to align and integrate all of the major Louisiana Department of Education data collection systems.

The audit staff will continue to make use of future enhancements to the Department's data collection systems in an effort to maximize the integrity of the data used in the Minimum Foundation Program.

CONCLUSION

Accountability is now a major component of the Minimum Foundation Program. The evaluation, verification, and audit of the data elements utilized in the funding formula contribute to the integrity of the final State dollar amounts provided to the local school districts. Planned expansions in audit activities will serve to increase the level of confidence in the Minimum Foundation Program funding formula.

SECTION II
MFP EVALUATION REPORT

State and Local Revenues

Finding 1: Local revenues in FY 2002-03 have increased by 20% since FY 1998-99. Sales tax revenues made up 53.9% of the two billion dollars generated, while revenues from property taxes made up 37% of the total local revenues generated. In FY 2002-03, districts in the lowest wealth quintile levied an average property tax rate of 34.00 mills (including debt) and an average sales tax rate (including debt) of 2.02% that generated an average of \$467 per pupil and \$901 per pupil respectively. Districts in the highest wealth quintile levied an average property tax rate of 31.34 mills and a sales tax rate of 2.05%, which generated an average of \$1,461 per pupil and \$2,549 per pupil. The overall increase in local revenues over the prior year was 2.8%, with sales tax revenues increasing 1% and property tax revenues increasing 5.8%.

Explanation: Local school systems continue to rely heavily on sales tax revenues for education. Sales taxes generate significantly greater revenues than those raised from property taxes. The data suggest that school districts with a low tax base usually have low funding per pupil even with high tax rates, whereas, districts with a high tax base (property and sales) have high funding per pupil with relatively the same or lower tax rates.

Finding 2: State revenues have increased 11.6% since FY 1998-99. In FY 2002-03, State revenues made up 48.4% of the nearly \$5.5 billion in total revenues collected. The Minimum Foundation Program (MFP), which is approximately 93.4% of the total State revenues, in FY 2002-03 distributed an average of \$1,474 per pupil more to the districts in the lowest wealth quintile (\$4,081) than to the districts in the highest wealth quintile (\$2,607).

Explanation: The increase in State revenues is due mainly to the increase in the actual appropriated MFP amount of 3.3% over the prior year. The MFP continues to distribute funds in an equitable manner by providing more State funds to districts in the lower wealth quintile than to the districts in the highest wealth quintile.

Expenditures

Finding 3: Spending for total instruction has remained relatively stable since 1998-99. In FY 2002-03, \$3,076,733,913 was spent on classroom instruction, making up 55.8% of the Total Fund Expenditures including interest on debt (\$5.5 billion). About 62% of classroom instruction - \$1,907,578,200 – was spent on classroom teacher salaries.

Explanation: Districts continue to spend similar percentages of the Total Expenditures including debt. This information is confirmed by low coefficients of variation (c.v.), which indicate that districts, regardless of wealth, on average, spend comparable per pupil percentages on different programs (such as total instruction c.v. of .083).

MFP State Aid Coefficient of Variation and Correlation of Coefficients

Finding 4: The Coefficient of Variation (c.v.) in MFP State aid per pupil increased from c.v. of .134 in FY 1998-99 to c.v. of .167 in FY 2002-03, but remains lower than the degree needed to offset disparities caused by the fiscal capacity of local school systems.

An inverse relationship between each district's Local Wealth Factor (LWF) and the amount of MFP State aid per pupil ($r = -.181$ in FY 1991-92 to $r = -.915$ in FY 2002-03) has continued to strengthen since the adoption of the pupil-driven funding formula.

Explanation: When coupled, the correlation coefficient and the coefficient of variation indicate that, while the poorer districts do receive more in State aid per pupil, the difference in the amount distributed among districts is not sufficient to eliminate disparities caused by the varying fiscal capacity of local school systems.

State and Local Funding Targets

Finding 5: In FY 2002-03, two school districts (Madison and Pointe Coupee) failed to meet the Level 1 share of costs. Madison Parish is in the lowest wealth quintile and Pointe Coupee is in the highest wealth quintile.

Twenty-six school systems, which make up the lowest wealth quintile in FY 2002-03, were targeted to contribute an average of \$836 per pupil toward the costs of Level 1 support. While the average contribution made by these districts was \$1,411 per pupil, one school system, Madison, under funded the local share by an average of \$172 per pupil (or \$409,445).

Nine school systems, which make up the highest wealth quintile, were targeted to contribute an average of \$2,496 per pupil toward the costs of Level 1 support. While the average contribution made by the districts was \$4,062 per pupil, one school system, Pointe Coupee, under funded the local share by an average of \$26 per pupil (or \$84,033).

Explanation: The funding formula determines an amount needed from both the State and local sources to meet the costs determined in Level 1 of the formula. Under funding occurs when local school districts fail to meet the Level 1 costs that are determined by the formula.

Finding 6: Eleven school systems continued to receive funding in Level 3 of the formula through an adjustment known as "Hold Harmless Funding." The eleven districts are Concordia, East Baton Rouge, Evangeline, Iberville, Jefferson, Lafayette, Plaquemines, Pointe Coupee, St. Charles, St. James, and West Feliciana. Funding necessary to accommodate the adjustment was \$84.6 million in FY 2002-03. Eight of the eleven districts were in the highest wealth quintile; one in the lowest wealth quintile; one in the second to lowest quintile; and one in the second to highest quintile. The per pupil Hold Harmless funding ranges from a high of \$2,657 in West Feliciana to a low of \$30 in Evangeline.

MFP Evaluation Report

Explanation: The funding formula determines for each local school system an amount needed from both the State and local sources to meet the costs determined in Level 1. The prior year funding adjustments create a distribution of State aid that is contrary to the design of the MFP formula.

State's Effort to Equalize Funding

Finding 7: Districts in the highest wealth quintile generated an average of \$2,703 per pupil more in local revenues than the districts in the lowest wealth quintile. This difference is a reflection of greater fiscal capacity enjoyed by wealthier districts due to enhanced sales and property tax bases from which to derive revenue. The State, through its equalization efforts, was able to reduce the funding gap an average of \$1,522 per pupil. (The total State revenue provided to the districts in the lowest wealth quintile averaged \$4,380 per pupil while the districts in the highest wealth quintile averaged \$2,858 per pupil.)

Explanation: While the State has been able to offset the funding gap at a higher per pupil amount over time, the difference in the amount distributed among districts remains lower than the degree needed to offset disparities caused by the variation in fiscal capacity of local school systems.

Actual Average Classroom Teacher Salary and Number of Teachers Per One Thousand Students

Finding 8: There is little variation in the number of teachers hired per one thousand students or the average classroom teacher salary across quintiles. (See Table 8.) The data further indicate that the current method of distributing State dollars to local school systems for teacher salaries is in line with the Minimum Foundation Program (MFP) funding formula.

The actual average teacher salary in FY 2002-2003 was \$37,166; this is \$838 higher than the average teacher salary in FY 2001-02 of \$36,328. School systems in the fifth wealth quintile, on average, paid their teachers \$37,915 (the highest actual average salaries by quintile in FY 2002-03). This average was \$2,540 more than for the teachers in the lowest wealth quintile, who averaged \$35,375. The lowest number of teachers per one thousand was 65 in quintile four; the highest was 71 in the second lowest wealth quintile.

Explanation: The coefficient of variation in average teacher salary in 2002-03 is $c.v. = .057$. The low coefficient of variation suggests that there is little disparity in the average teacher salary paid in the local school systems.

There is a moderate positive correlation between Local Wealth Factor (LWF) and the average teacher salary (FY 2002-03 of $r = .407$), indicating that, as the local wealth of the district increases, the salaries paid to teachers also increases. A low negative correlation exists between the per pupil adjusted Minimum Foundation Program amount and the actual average classroom teacher salary paid ($r = -.336$ in FY 2002-03). That is, as the salary paid to teachers increases, the amount received from the Minimum Foundation Program declines. This relationship indicates that the current method of distributing dollars for teacher salaries is

MFP Evaluation Report

in line with the current funding formula. Moreover, there exists a positive relationship between the wealth of the local school system and the salaries paid to teachers and a negative relationship between the MFP distributions to the local school system and the salaries paid to teachers. It could be inferred from these relationships that classroom teachers' salaries are a function of local choice, with some local school systems choosing to dedicate more local revenues to teacher salaries than do other school systems.

There is a moderate negative relationship ($r = -.577$) between the number of teachers per one thousand students (**See Table 8.**) and the size of the local school system (*measured by the October 1 Elementary/Secondary Membership*). That is, as the size of the district increases, the number of teachers per one thousand students in the local school system decreases. There is a mild positive relationship ($r = .454$) between the local wealth factor and the size of the local school system. Therefore, the data indicate that the districts with greater wealth and size tend to pay more through local funds.

MFP Formula Summary

Since its inception, the MFP Formula has been studied, revised and tweaked in response to concerns raised from the parties impacted by the mechanics of the formula. On the one hand, those receiving a distribution of funds through the Minimum Foundation Program Formula have an ever-watchful eye toward funding outcomes in relation to the impact of the formula on their individual school systems. On the other hand, legislators and policy-makers have a vested interest in the MFP Formula, as they are required to provide the means of financing the formula. Both parties' primary desire is that the goals of the MFP Formula be fulfilled through an equitable system that adequately meets the needs of all types of students in an environment allowing each to excel to the best of his or her ability.

Four primary issues related to state funding through the MFP formula continue to be explored. The issues are equity of state funding, adequacy of state funding, financial accountability and teacher pay.

When equity is discussed, questions continue to be raised about the method for calculating wealth among districts. Even though "Hold Harmless" funding was frozen in FY 2001-2002 and isolated in Level 3 of the funding formula, the appropriateness of the "Hold Harmless" provision and its impact on equity continues to be an issue. Another recurring question surrounding the calculation of local wealth is whether or not personal income of individual school districts should be recognized when calculating the wealth of a school system.

Adequacy discussions center on whether the funding formula provides an amount of funding that is sufficient to assure a minimum educational program for every child. An initial query is whether the base per pupil amount is sufficient to meet the goals of the formula and the needs of the districts. Also of primary concern is that the formula provides state funding that is adequate for the needs of parish and city school systems serving high poverty children and special education children. Areas to review include spending patterns across districts and schools where these special needs children are being successfully served as well as the appropriateness of weights currently assigned in the formula.

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In the area of financial accountability lies an effort to link accountability requirements to state funding. Districts should demonstrate financial accountability and program efficiency through improved student achievement. Key to this discussion is what the role of the State should be in determining proper resource allocation. For those systems not demonstrating acceptable progress in student achievement, the feasibility of the State directing classroom expenditures and/or suspending funding for some districts as outlined in the current standards-based Accountability Program may be explored. As noted earlier, the MFP Accountability Report is generated for all schools with performance scores below the state average and growth of less than five points. The first MFP Accountability Report was submitted on April 1, 2004 to the House and Senate Committees on Education. The MFP Resolution continues the requirement that this report be submitted each year by April 1 to the applicable parties.

Finally, the fourth area of major concern is teacher pay. Included for discussion of this topic is the method and impact of future pay raises on formula equity, salary equity among parish and city school systems, the relationship between teacher pay and class size, and what the State's role is in achieving a certain level of teacher compensation. The FY 2002-2003 MFP formula required that 50% of growth funds from Level 1 and Level 2 of the formula be directed to certificated pay increases and related retirement costs. This provision was continued in FY 2003-2004 and FY 2004-2005. Central to this issue is the cost of elevating teacher pay and where the burden for increased teacher salaries should be borne. Discussions should also include what will be required of teachers in the areas of skills, knowledge, and student performance when and if the State is able to meet teacher compensation goals. Another consideration when addressing teacher pay is the relevancy of a state teacher salary schedule and how such a schedule might be used in relation to MFP funding.

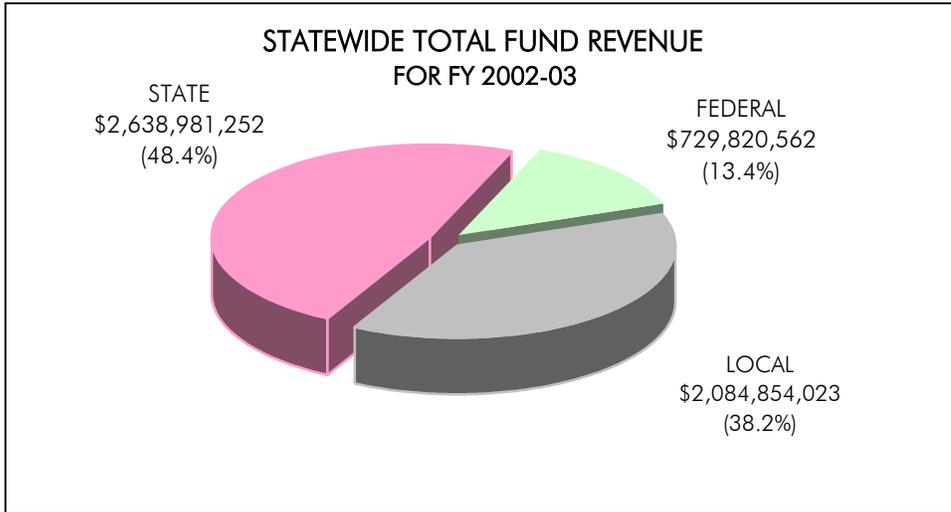
Each of these four issues seems to link equitable and adequate funding to resource allocation producing an acceptable level of standards-based performance. While state lawmakers continue to face growing demands to adequately fund education, school districts face escalating expectations from all interested parties that their allocation of resources be made in a manner that produces acceptable student performance outcomes.

SECTION III
SUMMARY OF DATA REVIEWED

Summary of Data Reviewed

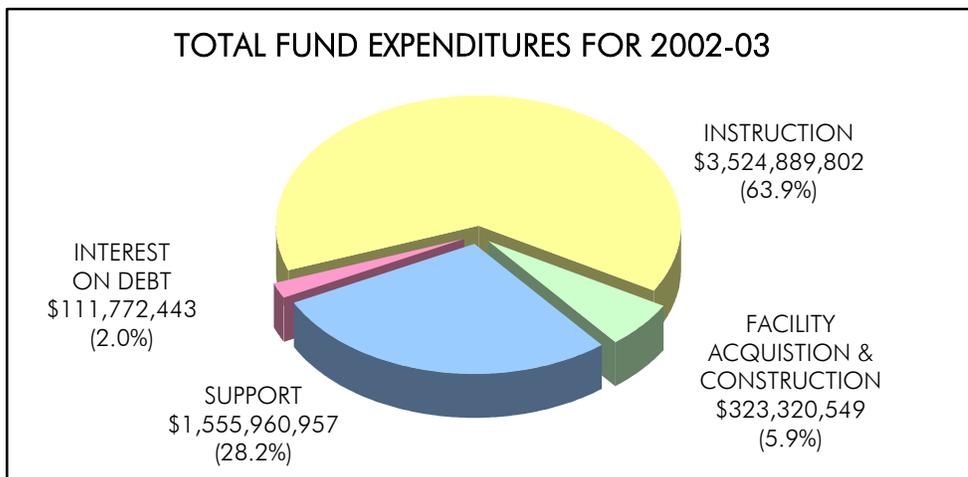
Revenues and Expenditures

Graph 1 illustrates the proportion of local, state and federal revenues to Total Fund Revenues collected in FY 2002-03. Of the Total Revenues for education, 48.4% came from State sources [\$2,638,981,252]; 38.2% [\$2,084,854,023] from local sources; and 13.4% [\$729,820,562] from federal sources. Overall, 2002-03 Total Fund Revenues from all sources show an absolute increase of 4.3% percent from the prior year.



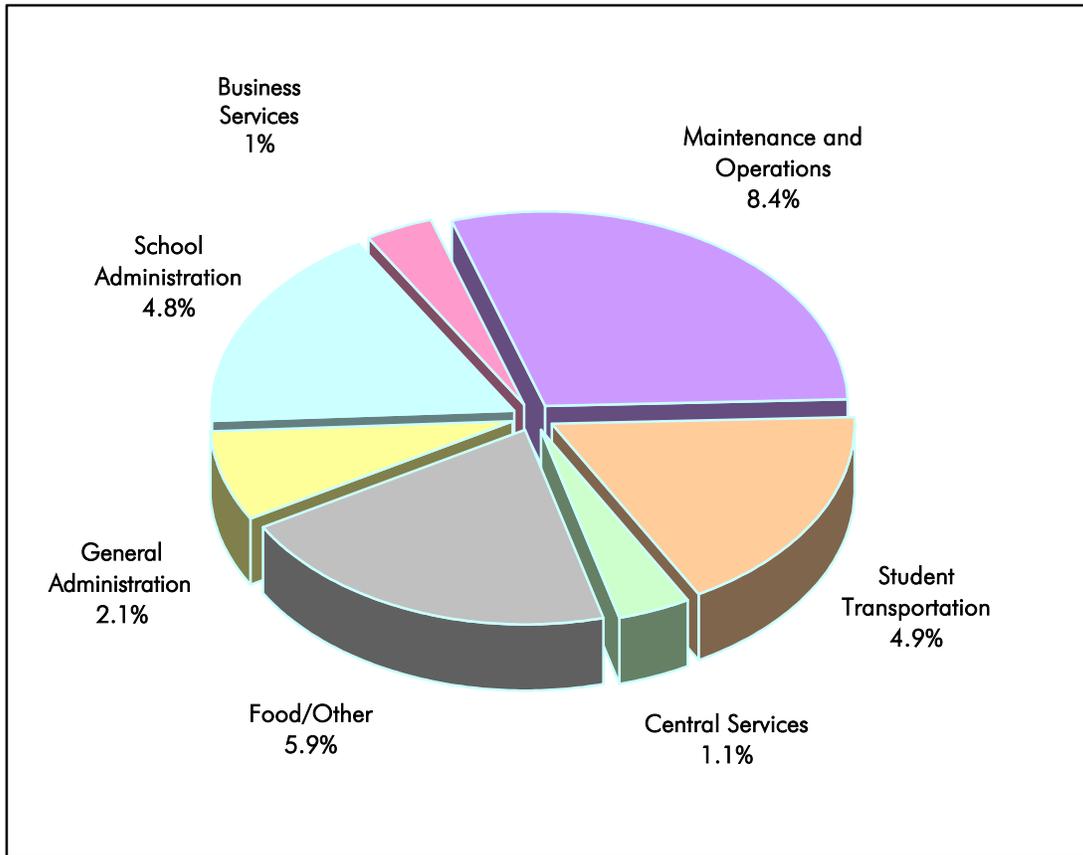
Graph 1

As illustrated in **Graph 2** below, in FY 2002-03, 63.9% of Total Fund Expenditures (including interest on debt) went to provide instructional services [\$3,524,889,802]. These services are those that involve direct interaction between teachers and students in various learning environments (i.e., the classroom, home or hospital). Expenditures for support services such as food service, student transportation, business and administrative services make up 28.2% [\$1,555,960,957] of Total Fund Expenditures. Facility acquisitions and construction services make up 5.9% [\$323,320,549] and interest on debt accounts for 2.0% [\$111,772,443] of Total Fund Expenditures.



Graph 2

2002-03 SUPPORT EXPENDITURES AS A PERCENT
OF TOTAL EXPENDITURES



Graph 3

Tables 1 to 7 of this section represent the data reviewed and include revenues, expenditures, tax data, and measures of fiscal equity in terms of the degree of variation among school districts and the relationship between these factors and the wealth of the local school system.

Table 1 includes the overall percentage change in absolute revenues generated and expenditures by local school districts. Since FY 1998-99, local school systems have increased their total share of support for education by 20%. Districts continue to rely more heavily on revenues generated from sales taxes (increasing by 23.4% since FY 1998-99) than those generated through property taxes. Contribution through the MFP formula has risen 12.8% since FY 1998-99. Districts have increased spending for both instruction (17.6% since FY1998-99) and support services (18.2% since FY1998-99). With regard to fiscal equity, examinations of both variation and the correlation between revenues generated, spending per pupil and wealth of each local school district are shown in Tables 2 and 3.

Summary of Data Reviewed

Table 2. The degree of fiscal equity, with regard to revenues and expenditures per pupil, has been examined first in terms of the coefficient of variation. Coefficients closer to zero indicate less disparity in the average per pupil amount among school districts. Generally, the degree of variation in per pupil revenues and expenditures has shown little change since the inception of the new MFP formula. The Coefficient of Variation (c.v.) in MFP State aid per pupil increased from c.v. = .134 in FY 1998-99 to c.v. = .167 in FY 2002-03, an increase that is not sufficient to offset the disparities caused by the variation in fiscal capacity of local school systems. A larger coefficient of variation for the MFP per pupil allocation indicates greater capability to amend possible spending disparities that are a result of the local school systems' fiscal capacity. Variation in total instructional expenditures per pupil has varied from year to year [.090 in 1998-99, .080 in 1999-00, .078 in 2000-01, .076 in 2001-02 and .083 in 2002-03]. The coefficient of variation in total support expenditures has also varied from year to year [.121 in 1998-99, .132 in 1999-00, .139 in 2000-01, .141 in 2001-02 and .147 in 2002-03].

In addition to the coefficient of variation, fiscal equity is measured using the bivariate correlation coefficient¹. This method measures the relationship between each local school district's relative Local Wealth Factor (LWF) and either revenues or expenditures. The local wealth factor (LWF) is derived by ranking local school systems according to the proportion of potential revenues raised if the statewide average property millage were levied against net assessed property values and the statewide average sales tax rate were levied against the estimated sales tax base. This method parallels the Representative Tax System (RTS) developed by the Advisory Commission on Intergovernmental Relations (ACIR) and is used by the federal government to estimate tax capacity of the states.

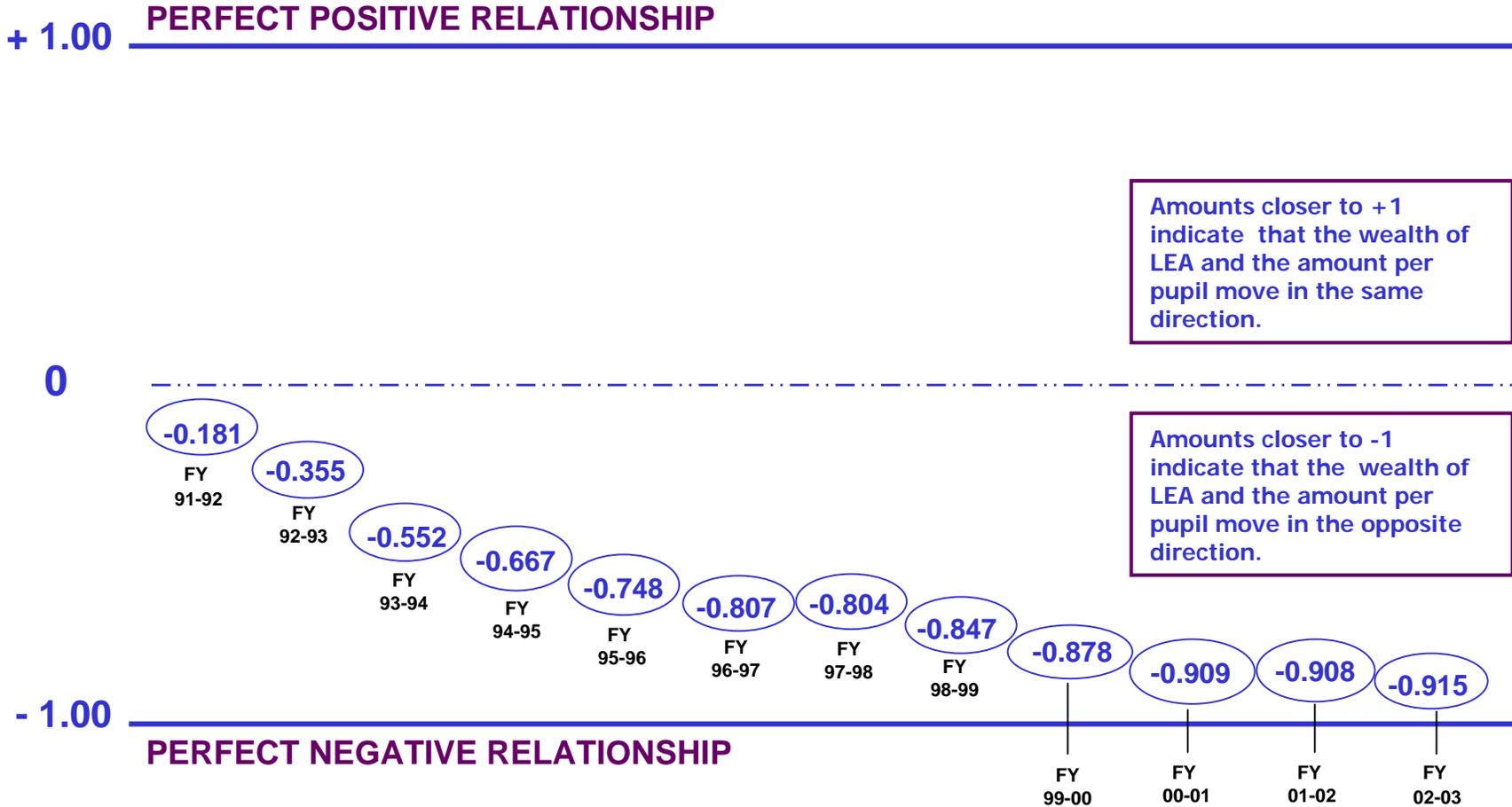
Correlation coefficients (See Table 3.) are used to show both the direction (i.e., whether inverse or positive) and magnitude (i.e., toward either -1 or +1) of the relationship between two variables. Correlation coefficients showing a strong positive relationship between local wealth and Total Local Revenues per pupil [$r = .866$ in FY 2002-03] raise concerns for each district's ability to pay. However, a strong inverse relationship between local wealth per pupil (i.e., LWF) and MFP per pupil allocation ($r = -.915$ in FY 2002-03) is used to indicate how well the State funding formula offsets disparity. **(See Graph 4 on the following page.)**

The longitudinal analysis provided on Table 3, and as illustrated by Graph 4, shows encouraging movement (i.e., stronger and inverse) between wealth of the local school district and MFP per pupil allocations. This movement has favorable implications for measuring the ability of the pupil-driven formula to offset and impact fiscal disparities that are a result of a district's fiscal capacity. In terms of magnitude, the impact made by the funding formula **(See Table 4.)** continues to be diminished by policy decisions such as hold-harmless, which undermines the formula's intent. The inverse relationship

¹See **Table 3**

Relationship Between LWF and MFP

Correlation Coefficients FY 1991-92 through FY 2002-03



Graph 4

Summary of Data Reviewed

between local wealth factor and MFP State aid per pupil indicates a steady movement toward negative one (-1), which indicates that as wealth goes up, State aid goes down. Another way disparities are examined is to look at the range in spending per pupil.

Table 5 outlines changes in selected variables related to fiscal capacity, revenues, State aid through the MFP, taxes and expenditures for instruction. On average, revenues generated from property millages and sales tax rates are much greater in districts with higher wealth factors than in districts with lower wealth factors. For example, the disparity in the range of fiscal capacity varies from \$1,066 per pupil for districts in the lowest wealth quintile to \$3,275 per pupil for districts in the highest wealth quintile. An attempt is made to offset this disparity through a greater MFP per pupil allocation to districts with lower Local Wealth Factors. The statewide average millage rate in FY 2002-03 was 41.73 mills; the statewide average sales tax rate was 1.90%. Districts in the lowest wealth quintile averaged 34.00 mills, which was higher than the average of 31.34 mills for districts in the highest wealth quintile. The average sales tax rate in the lowest wealth quintile was 2.02%; the average sales tax rate in the highest wealth quintile was 2.05%. Spending for instruction ranged from \$4,578 per pupil in the lowest wealth quintile to \$5,037 per pupil in the highest wealth quintile, an average difference of \$459 per pupil.

State and Local Funding Targets

Comparisons are made between revenues targeted for Level 1 funding of the MFP and actual collections. The difference between the actual and targeted amount reflects the degree to which the funding formula is working as designed.

Table 6 provides the analysis showing the extent to which actual local funding in FY 2002-03 matched the amount targeted to meet the costs determined in Level 1 of the funding formula. Actual local revenues collected exceeded the amount targeted for Level 1 by \$831,375,495 [\$1,104,649,579 MFP Local Target; \$1,936,025,074 MFP Actual Revenues from Sales and Property taxes levied]. Only two school districts representing 5,572 students failed to contribute the amount targeted for the district by \$493,478.

Table 7 shows the extent of State MFP funding in FY 2002-03 for the hold harmless provision (previously referred to as prior year formula calculation). In FY 2002-03, the State awarded \$84.6 million, an average of \$505 per pupil to select districts. This type of funding is provided for eleven districts that would otherwise receive substantially less in State funding.

Summary of Data Reviewed

Quintile	FY 2002-03 Hold Harmless Funding				
	Lowest	Second	Third	Fourth	Highest
No. of Districts	1	1	0	1	8
Amt. Per Pupil	\$30	\$61	\$0	\$69	\$639
No. of Students	6,183	3,726	0	28,933	128,569

CONCLUSION

The Department continues to entertain discussions regarding additional methods of evaluating the resources available to school districts. Data management technology and processes continue to be updated, allowing the Department to gather more and better data relating to all facets of school district operations. The State Board of Elementary and Secondary Education (SBESE) added an MFP Accountability Report requirement to the FY 2003-2004 MFP Resolution. In addition, SBESE continues to follow-up on previous District Dialogues in an effort to track the progress made in areas of concern, both fiscal and operational. These concerns were communicated to various districts in previous meetings at a State Review Committee comprised of SBESE members, community leaders, and legislative members.

Evaluation of the data elements serves as a basis for making inferences that are relevant to meeting the goals of the Minimum Foundation Program. These goals include meeting student academic needs, equitably distributing the costs, creating incentives for local school systems to support a minimum education program, and evaluating performance in relation to funding.

Note: See the Department website for by district detail of the following State level tables.
Address: <http://www.louisianaschools.net/lde/finance/1793.html>

Tables

Note: See the Department website for by district detail of the following State level tables. Address: <http://www.louisianaschools.net/lde/finance/1793.html>

TABLE 1
1998-99 TO 2002-2003 STATEWIDE TOTALS FOR SELECTED
LOUISIANA SCHOOL FINANCE REVENUE AND EXPENDITURE VARIABLES
TOTAL FUNDS: FIVE YEAR TREND

DESCRIPTION	1998-1999		1999-2000		2000-2001		2001-2002		2002-2003		CHANGE IN REVENUE & EXPENDITURES								
	1998-1999	Proportion to	1999-2000	Proportion to	2000-2001	Proportion to	2001-2002	Proportion to	2002-2003	Grand Total	98-99 To 02-03		01-02 To 02-03						
		Grand Total		Grand Total		Grand Total		Grand Total			Grand Total	ABSOLUTE	PERCENT	ABSOLUTE	PERCENT				
REVENUE																			
TOTAL LOCAL	\$1,737,818,404	37.4%	\$1,868,387,266	39.0%	\$1,978,896,656	39.7%	\$2,028,160,015	38.8%	\$2,084,854,023	38.2%	\$347,035,619	20.0%	\$56,694,008	2.8%					
PROPERTY	\$618,800,174		\$656,093,426		\$694,534,460		\$732,227,723		\$774,995,320		\$156,195,146	25.2%	\$42,767,597	5.8%					
Non-Debt	\$477,828,625		\$509,506,685		\$541,526,099		\$572,904,335		\$609,427,934		\$131,599,309	27.5%	\$36,523,599	6.4%					
Debt	\$140,971,549		\$146,586,741		\$153,008,361		\$159,323,388		\$165,567,386		\$24,595,837	17.4%	\$6,243,998	3.9%					
SALES	\$913,203,900		\$1,000,538,884		\$1,049,414,065		\$1,111,759,929		\$1,123,091,792		\$209,887,892	23.0%	\$11,331,863	1.0%					
Non-Debt	\$885,361,342		\$971,058,192		\$1,020,102,454		\$1,077,416,879		\$1,092,571,894		\$207,210,552	23.4%	\$15,155,015	1.4%					
Debt	\$27,842,558		\$29,480,692		\$29,311,611		\$34,343,050		\$30,519,898		\$2,677,340	9.6%	(\$3,823,152)	-11.1%					
TOTAL STATE	\$2,364,875,857	50.9%	\$2,361,701,215	49.3%	\$2,425,434,133	48.7%	\$2,536,107,928	48.5%	\$2,638,981,252	48.4%	\$274,105,395	11.6%	\$102,873,324	4.1%					
MFP ¹	\$2,184,959,240		\$2,253,136,739		\$2,275,965,513		\$2,384,437,631		\$2,463,604,288		\$278,645,048	12.8%	\$79,166,657	3.3%					
TOTAL FEDERAL	\$540,894,251	11.6%	\$562,525,038	11.7%	\$579,603,436	11.6%	\$662,419,324	12.7%	\$729,820,562	13.4%	\$188,926,311	34.9%	\$67,401,238	10.2%					
TOTAL REVENUES²	\$4,643,588,512	100.0%	\$4,792,613,519	100.0%	\$4,983,934,225	100.0%	\$5,226,687,267	100.0%	\$5,453,655,837	100.0%	\$810,067,325	17.4%	\$226,968,570	4.3%					
EXPENDITURES																			
INSTRUCTIONAL																			
CLASSROOM INSTRUCTION	\$2,636,586,735	56.1%	\$2,672,328,200	55.6%	\$2,715,831,552	55.0%	\$2,943,407,994	55.6%	\$3,076,733,913	55.8%	\$440,147,178	16.7%	\$133,325,919	4.5%					
CLASSROOM TEACHER SALARY ³	\$1,622,290,761	34.5%	\$1,687,942,220	35.1%	\$1,710,031,558	34.6%	\$1,853,001,312	35.0%	\$1,907,578,200	34.6%	\$285,287,439	17.6%	\$54,576,888	2.9%					
PUPIL SUPPORT	\$169,406,594	3.6%	\$175,644,617	3.7%	\$181,039,115	3.7%	\$197,820,676	3.7%	\$212,565,157	3.9%	\$43,158,563	25.5%	\$14,744,481	7.5%					
INSTRUCTIONAL STAFF SUPPORT	\$191,497,299	4.1%	\$199,544,112	4.1%	\$200,576,145	4.1%	\$218,472,254	4.1%	\$235,590,732	4.3%	\$44,093,433	23.0%	\$17,118,478	7.8%					
TOTAL INSTRUCTION	\$2,997,490,628	63.7%	\$3,047,516,929	63.4%	\$3,097,446,812	62.7%	\$3,359,700,924	63.5%	\$3,524,889,802	63.9%	\$527,399,174	17.6%	\$165,188,878	4.9%					
SUPPORT																			
GENERAL ADMINISTRATION	\$91,183,160	1.9%	\$98,016,108	2.0%	\$103,592,296	2.1%	\$109,845,074	2.1%	\$118,065,654	2.1%	\$26,882,494	29.5%	\$8,220,580	7.5%					
SCHOOL ADMINISTRATION	\$233,498,907	5.0%	\$235,605,828	4.9%	\$241,790,884	4.9%	\$258,257,205	4.9%	\$267,296,846	4.8%	\$33,797,939	14.5%	\$9,039,641	3.5%					
BUSINESS SERVICES	\$43,817,466	0.9%	\$45,787,728	1.0%	\$46,968,325	1.0%	\$50,329,682	1.0%	\$53,667,923	1.0%	\$9,850,457	22.5%	\$3,338,241	6.6%					
MAINT. & OPERATIONS	\$359,879,086	7.7%	\$372,029,601	7.7%	\$418,940,549	8.5%	\$422,735,382	8.0%	\$461,177,881	8.4%	\$101,298,795	28.1%	\$38,442,499	9.1%					
STUDENT TRANSPORTATION	\$236,017,131	5.0%	\$239,084,982	5.0%	\$254,162,266	5.1%	\$262,039,516	4.9%	\$271,779,055	4.9%	\$35,761,924	15.2%	\$9,739,539	3.7%					
CENTRAL SERVICES	\$48,365,936	1.0%	\$61,368,726	1.3%	\$53,716,574	1.1%	\$54,952,912	1.0%	\$58,291,969	1.1%	\$9,926,033	20.5%	\$3,339,057	6.1%					
FOOD/OTHER SERVICES [*]	\$303,742,171	6.5%	\$302,420,570	6.3%	\$305,700,881	6.2%	\$317,190,244	6.0%	\$325,681,629	5.9%	\$21,939,458	7.2%	\$8,491,385	2.7%					
TOTAL SUPPORT	\$1,316,503,857	28.0%	\$1,354,313,543	28.2%	\$1,424,871,775	28.9%	\$1,475,350,015	27.9%	\$1,555,960,957	28.2%	\$239,457,100	18.2%	\$80,610,942	5.6%					
FACILITY ACQ. & CONSTR. SERVICES	\$289,891,877	6.2%	\$307,354,401	6.4%	\$312,830,128	6.3%	\$354,619,567	6.7%	\$323,320,549	5.9%	\$33,428,672	11.5%	(\$31,299,018)	-8.8%					
TOTAL EXPENDITURES	\$4,603,886,362	97.9%	\$4,709,184,873	97.9%	\$4,835,148,715	97.9%	\$5,189,670,506	98.0%	\$5,404,171,308	98.0%	\$800,284,946	17.4%	\$214,500,802	4.1%					
INTEREST ON DEBT	\$99,868,063	2.1%	\$101,224,392	2.1%	\$102,151,802	2.1%	\$104,505,804	2.0%	\$111,772,443	2.0%	\$11,904,380	11.9%	\$7,266,639	7.0%					
TOTAL EXPENDITURES AND INTEREST ON DEBT	\$4,703,754,425	100.0%	\$4,810,409,265	100.0%	\$4,937,300,517	100.0%	\$5,294,176,310	100.0%	\$5,515,943,751	100.0%	\$812,189,326	17.3%	\$221,767,441	4.2%					
DEBT SERVICE																			
PRINCIPAL	\$144,472,672		\$123,987,252		\$133,370,797		\$147,000,434		\$149,384,107		\$4,911,435	3.4%	\$2,383,673	1.6%					
OTHER	\$16,158,099		\$8,071,779		\$7,655,034		\$9,197,114		\$45,744,842		\$29,586,743	183.1%	\$36,547,728	397.4%					
TOTAL DEBT SERVICE	\$160,630,771		\$132,059,031		\$141,025,831		\$156,197,548		\$195,128,949		\$34,498,178	21.5%	\$38,931,401	24.9%					
TOTAL OF DEBT SERVICE AND EXPENDITURES	\$4,864,385,196		\$4,942,468,296		\$5,078,326,348		\$5,450,373,858		\$5,711,072,700		\$846,687,504	17.4%	\$260,698,842	4.8%					

¹ MFP Revenue is a subset of Total State Funds
FY 1998-99: Circular 1061, Table 4, (Col. 28)
FY 1999-00: Circular 1063, Table 4; (Col. 28)
FY 2000-01: Circular 1066, Table 2, (Col. 8)
FY 2001-02: Circular 1071, Table 2, (Col. 8)
FY 2002-03: Circular 1076, Table 2, (Col. 8)

² Includes Revenues for Non-public transportation and textbooks

³ Summary of Actual Salaries (Object Code 112 and Function 1000 Series Total Funds per AFR); a subset of classroom instruction.

* Other Services = Enterprises Operations and Community Service Operations

NOTE: Revenues are for all sources including debt service functions.

SOURCE: Annual Financial Report

TABLE 1A
AVERAGE PER PUPIL* FOR SELECTED
LOUISIANA SCHOOL FINANCE REVENUE AND EXPENDITURE VARIABLES: 1998-99 TO 2002-2003

DESCRIPTION	1998-99	1999-00	2000-01	2001-2002	2002-2003	CHANGE IN PER PUPIL AMOUNT	
	MEAN	MEAN	MEAN	MEAN	MEAN	98-99 TO 02-03	01-02 TO 02-03
STUDENT MEMBERSHIP	764,939	750,982	737,223	725,027	723,252	(41,687)	(1,775)
REVENUE							
TOTAL LOCAL	\$2,272	\$2,488	\$2,684	\$2,797	\$2,883	\$611	\$85
PROPERTY	\$809	\$874	\$942	\$1,010	\$1,072	\$263	\$62
Non-Debt	\$625	\$678	\$735	\$790	\$843	\$218	\$52
Debt	\$184	\$195	\$208	\$220	\$229	\$45	\$9
SALES	\$1,194	\$1,332	\$1,423	\$1,533	\$1,553	\$359	\$19
Non-Debt	\$1,157	\$1,293	\$1,384	\$1,486	\$1,511	\$353	\$25
Debt	\$36	\$39	\$40	\$47	\$42	\$6	(\$5)
TOTAL STATE	\$3,092	\$3,145	\$3,290	\$3,498	\$3,649	\$557	\$151
MFP ¹	\$2,856	\$3,000	\$3,087	\$3,289	\$3,406	\$550	\$118
TOTAL FEDERAL	\$707	\$749	\$786	\$914	\$1,009	\$302	\$95
TOTAL REVENUE	\$6,071	\$6,382	\$6,760	\$7,209	\$7,540	\$1,470	\$332
EQUIVALENT TAX RATES²							
PROPERTY***	40.64M	41.11M	40.82M	40.82M	41.73M	1.09M	0.91M
Non-Debt	31.38M	31.93M	31.83M	31.94M	32.82M	1.44M	0.88M
Debt	9.26M	9.19M	8.99M	8.88M	8.92M	-0.34M	0.04M
SALES	1.73%	1.80%	1.82%	1.87%	1.90%	0.17%	0.03%
Non-Debt	1.68%	1.75%	1.77%	1.81%	1.85%	0.17%	0.04%
Debt	0.05%	0.05%	0.05%	0.06%	0.05%	0.00%	-0.01%
EXPENDITURES							
INSTRUCTIONAL							
CLASSROOM INSTRUCTION	\$3,447	\$3,558	\$3,684	\$4,060	\$4,254	\$807	\$194
Classroom Teacher Salary ³	\$2,121	\$2,248	\$2,320	\$2,556	\$2,638	\$517	\$82
PUPIL SUPPORT	\$221	\$234	\$246	\$273	\$294	\$72	\$21
INSTRUCTIONAL STAFF SUPPORT	\$250	\$266	\$272	\$301	\$326	\$75	\$24
TOTAL INSTRUCTION	\$3,919	\$4,058	\$4,202	\$4,634	\$4,874	\$955	\$240
SUPPORT							
GENERAL ADMINISTRATION	\$119	\$131	\$141	\$152	\$163	\$44	\$12
SCHOOL ADMINISTRATION	\$305	\$314	\$328	\$356	\$370	\$64	\$13
BUSINESS SERVICES	\$57	\$61	\$64	\$69	\$74	\$17	\$5
MAINT. & OPERATIONS	\$470	\$495	\$568	\$583	\$638	\$167	\$55
STUDENT TRANSPORTATION	\$309	\$318	\$345	\$361	\$376	\$67	\$14
CENTRAL SERVICES	\$63	\$82	\$73	\$76	\$81	\$17	\$5
FOOD/OTHER SERVICES	\$397	\$403	\$415	\$437	\$450	\$53	\$13
TOTAL SUPPORT	\$1,721	\$1,803	\$1,933	\$2,035	\$2,151	\$430	\$116
FACILITY ACQ. & CONSTR. SERVICES	\$379	\$409	\$424	\$489	\$447	\$68	(\$42)
TOTAL EXPENDITURES	\$6,019	\$6,271	\$6,559	\$7,158	\$7,472	\$1,453	\$314
INTEREST ON DEBT	\$131	\$135	\$139	\$144	\$155	\$24	\$10
TOTAL EXPENDITURES AND INTEREST ON DEBT	\$6,149	\$6,405	\$6,697	\$7,302	\$7,627	\$1,477	\$325
DEBT SERVICE							
PRINCIPLE	\$189	\$165	\$181	\$203	\$207	\$18	\$4
OTHER	\$21	\$11	\$10	\$13	\$63	\$42	\$51
TOTAL DEBT SERVICE	\$210	\$176	\$191	\$215	\$270	\$60	\$54
TOTAL OF DEBT SERVICE AND EXPENDITURES	\$6,359	\$6,581	\$6,888	\$7,517	\$7,896	\$1,537	\$379

* Per Pupil amounts are based on Elementary/Secondary Membership as of October 1

¹ MFP Revenue is a subset of Total State Funds.

² Sales Tax Rates and Property Tax Millages per Circular 1076 (FY 2002-03), Table 7

³ Summary of Actual Salaries (Object Code 112 and Function 1000 Series Total Funds per AFR); A subset of Classroom Instruction.

NOTE: Revenues are for all sources including debt service functions.

SOURCE: Annual Financial Report

TABLE 2
COEFFICIENT¹ OF VARIATION FOR SELECTED
LOUISIANA SCHOOL FINANCE VARIABLES: 1998-99 to 2002-03

DESCRIPTION	1998-99 COEFFICIENT OF VARIATION	1999-00 COEFFICIENT OF VARIATION	2000-01 COEFFICIENT OF VARIATION	2001-02 COEFFICIENT OF VARIATION	2002-03 COEFFICIENT OF VARIATION
REVENUE					
TOTAL LOCAL	0.346	0.351	0.338	0.351	0.365
PROPERTY	0.618	0.609	0.587	0.594	0.597
Non-Debt	0.748	0.731	0.700	0.708	0.703
Debt	0.792	0.794	0.810	0.801	0.866
SALES	0.449	0.439	0.429	0.416	0.424
Non-Debt	0.462	0.456	0.444	0.436	0.432
Debt	1.886	1.912	1.954	1.853	2.034
TOTAL STATE	0.128	0.147	0.157	0.151	0.162
MFP ²	0.134	0.156	0.169	0.162	0.167
TOTAL FEDERAL	0.252	0.254	0.237	0.264	0.257
TOTAL REVENUE	0.095	0.099	0.094	0.095	0.098
EQUIVALENT TAX RATES					
PROPERTY	0.436	0.434	0.440	0.438	0.437
Non-Debt	0.543	0.538	0.528	0.515	0.513
Debt	0.801	0.809	0.824	0.807	0.841
SALES	0.243	0.223	0.220	0.205	0.211
Non-Debt	0.257	0.236	0.237	0.221	0.219
Debt	2.200	2.200	2.200	1.974	2.048
EXPENDITURES					
INSTRUCTIONAL					
CLASSROOM INSTRUCTION	0.082	0.075	0.076	0.072	0.078
Classroom Teacher Salary ³ (Expenditures)	0.079	0.073	0.069	0.067	0.073
Actual Average Classroom Teacher Salary ⁴	0.088	0.063	0.061	0.056	0.057
PUPIL SUPPORT	0.242	0.237	0.229	0.224	0.233
INSTRUCTIONAL STAFF SUPPORT	0.273	0.249	0.260	0.279	0.307
TOTAL INSTRUCTION	0.090	0.080	0.078	0.076	0.083
SUPPORT					
GENERAL ADMINISTRATION	0.531	0.545	0.528	0.525	0.560
SCHOOL ADMINISTRATION	0.158	0.169	0.183	0.170	0.169
BUSINESS SERVICES	0.335	0.300	0.289	0.337	0.311
MAINT. & OPERATIONS	0.162	0.193	0.237	0.271	0.275
STUDENT TRANSPORTATION	0.241	0.241	0.246	0.247	0.232
CENTRAL SERVICES	0.680	0.983	0.745	0.736	0.560
FOOD/OTHER SERVICES	0.157	0.161	0.156	0.136	0.147
TOTAL SUPPORT	0.121	0.132	0.139	0.141	0.147
FACILITY ACQ. & CONSTR. SERVICES	1.116	0.775	1.140	1.002	0.918
TOTAL EXPENDITURES	0.115	0.097	0.114	0.109	0.113
INTEREST ON DEBT	0.663	0.655	0.692	0.660	0.708
TOTAL EXPENDITURES AND INTEREST ON DEBT	0.117	0.099	0.116	0.110	0.115
DEBT SERVICE					
PRINCIPLE	1.791	0.630	0.913	0.970	0.612
OTHER	4.382	4.906	2.800	2.067	2.820
TOTAL OF DEBT SERVICE AND EXPENDITURES	0.127	0.103	0.125	0.116	0.126

¹Coefficient of Variation: indicates the amount of disparity relative to the mean.

Coefficients closer to zero indicate less disparity in average per pupil amounts among districts.

Coefficients are derived using weighted averages based on Oct. 1 Elementary/Secondary membership.

² Figures based on Adjusted Oct. 1 Elementary/Secondary Membership

³Per the Annual Financial Report (AFR), Summary of Actual Salaries (Object Code 112 and Function 1000 Series Total Funds per AFR).

⁴Per the Profile of the Educational Personnel (PEP) End of Year report, File weighted by number of teachers

NOTE: Revenues include all sources for debt service functions; expenditures exclude debt service functions.

SOURCE: Annual Financial Report

TABLE 3
CORRELATION BETWEEN WEALTH AND SELECTED VARIABLES
(WEALTH DEFINED AS FISCAL CAPACITY)*: 1998-1999 to 2002-2003

DESCRIPTION	1998-99	1999-00	2000-01	2001-02	2002-03
FISCAL CAPACITY PER PUPIL	1.000	1.000	1.000	1.000	1.000
REVENUE					
TOTAL LOCAL	0.867	0.864	0.847	0.863	0.866
PROPERTY	0.539	0.524	0.493	0.519	0.532
NON-DEBT	0.576	0.591	0.563	0.591	0.604
DEBT	0.004	-0.091	-0.097	-0.108	-0.089
SALES	0.752	0.799	0.808	0.831	0.839
NON-DEBT	0.734	0.774	0.783	0.811	0.824
DEBT	0.145	0.142	0.142	0.092	0.161
TOTAL STATE	-0.823	-0.857	-0.896	-0.892	-0.902
MFP	-0.847	-0.878	-0.909	-0.908	-0.915
TOTAL FEDERAL	-0.041	-0.073	-0.080	0.004	0.050
TOTAL REVENUES	0.604	0.547	0.456	0.547	0.533
EQUIVALENT TAX RATES					
PROPERTY TAX RATE	-0.219	-0.198	-0.199	-0.189	-0.166
NON-DEBT	-0.491	0.063	0.041	0.045	0.062
DEBT	0.023	-0.526	-0.492	-0.490	-0.463
SALES TAX RATE	-0.030	0.012	-0.022	0.011	0.059
NON-DEBT	-0.023	0.011	-0.022	0.020	0.047
DEBT	-0.024	0.004	0.006	-0.032	0.043
EXPENDITURES					
INSTRUCTIONAL					
CLASSROOM INSTRUCTION	0.641	0.529	0.434	0.450	0.329
Classroom Teacher Salary ²	0.490	0.440	0.421	0.399	0.286
Actual Average Classroom Teacher Salary ³	0.274	0.357	0.364	0.357	0.407
PUPIL SUPPORT	0.515	0.547	0.542	0.542	0.518
INSTRUCTIONAL STAFF SUPPORT	0.372	0.323	0.126	0.010	-0.010
TOTAL INSTRUCTION	0.665	0.595	0.488	0.471	0.357
SUPPORT					
GENERAL ADMINISTRATION	0.552	0.481	0.461	0.494	0.519
SCHOOL ADMINISTRATION	0.505	0.398	0.342	0.327	0.284
BUSINESS SERVICES	0.230	0.232	0.316	0.131	0.151
MAINT. & OPERATIONS	0.268	0.336	0.386	0.397	0.377
STUDENT TRANSPORTATION	0.000	0.040	-0.015	-0.064	-0.079
CENTRAL SERVICES	0.350	0.209	0.220	0.282	0.333
FOOD/OTHER SERVICES	-0.158	-0.124	-0.273	-0.118	-0.104
TOTAL SUPPORT	0.429	0.434	0.393	0.444	0.431
FACILITY ACQ. & CONSTR. SERVICES	0.212	-0.032	-0.071	0.017	0.078
TOTAL EXPENDITURES	0.599	0.471	0.310	0.388	0.372
INTEREST ON DEBT	0.346	0.280	0.295	0.199	0.282
TOTAL EXPENDITURES AND INTEREST ON DEBT	0.617	0.489	0.336	0.398	0.393
DEBT SERVICE					
PRINCIPLE	0.144	0.222	0.065	0.256	0.209
OTHER	-0.881	-0.049	-0.073	-0.035	0.029
TOTAL OF DEBT SERVICE AND EXPENDITURES	0.596	0.489	0.312	0.423	0.378

¹ Correlations closer to zero represent fiscal neutrality (no relationship); as correlations approach -1 the indication is that as the amount of wealth increases the amount of the other variable decreases; as correlations approach +1, the indication is that as the amount of wealth increases the amount of the other variable increases.

Correlations are derived using weighted averages based on Oct. 1 Elementary/Secondary membership.

² Per the Annual Financial Report (AFR), Summary of Actual Salaries (Object Code 112 and Function 1000 Series Total Funds per AFR).

³ Per the Profile of the Educational Personnel (PEP) End of Year report, File weighted by number of teachers

TABLE 4

**AVERAGE PER PUPIL AMOUNTS FOR SELECTED SCHOOL FINANCE
REVENUE AND EXPENDITURE VARIABLES IN 2002-03
BY LWF * WEALTH QUINTILES***

	STATE AVERAGE	Proportion to Grand Total	LOWEST QUINTILE	Proportion to Grand Total	SECOND QUINTILE	Proportion to Grand Total	THIRD QUINTILE	Proportion to Grand Total	FOURTH QUINTILE	Proportion to Grand Total	HIGHEST QUINTILE	Proportion to Grand Total
QUINTILE												
NO. OF DISTRICTS	66		26		15		10		6		9	
NO. OF PUPILS	723,252		143,835		153,339		144,032		145,762		136,284	
LWF FACTOR	1		0.53		0.78		0.94		1.18		1.64	
FISCAL CAPACITY**	\$1,999		\$1,066		\$1,563		\$1,885		\$2,350		\$3,275	
REVENUE												
TOTAL LOCAL	\$2,883	38.2%	\$1,606	22.8%	\$2,523	33.6%	\$2,881	38.6%	\$3,189	42.6%	\$4,309	52.4%
PROPERTY	\$1,072		\$467		\$989		\$1,207		\$1,258		\$1,461	
NON- DEBT	\$843		\$288		\$647		\$1,006		\$958		\$1,353	
DEBT	\$229		\$179		\$342		\$201		\$301		\$108	
SALES	\$1,553		\$901		\$1,287		\$1,384		\$1,711		\$2,549	
NON-DEBT	\$1,511		\$851		\$1,284		\$1,372		\$1,583		\$2,531	
DEBT	\$42		\$50		\$3		\$12		\$128		\$18	
TOTAL STATE	\$3,649	48.4%	\$4,380	62.2%	\$4,035	53.7%	\$3,688	49.4%	\$3,221	43.0%	\$2,858	34.8%
MFP ¹	\$3,406		\$4,081		\$3,800		\$3,471		\$3,010		\$2,607	
TOTAL FEDERAL	\$1,009	13.4%	\$1,061	15.1%	\$954	12.7%	\$900	12.0%	\$1,081	14.4%	\$1,055	12.8%
TOTAL REVENUES	\$7,540	100.0%	\$7,047	100.0%	\$7,511	100.0%	\$7,469	100.0%	\$7,491	100.0%	\$8,222	100.0%
EQUIVALENT TAX RATES²												
PROPERTY	41.73M		34.00M		51.32M		53.10M		45.64M		31.34M	
NON-DEBT	32.82M		20.98M		33.57M		44.26M		34.74M		29.04M	
DEBT	8.92M		13.02M		17.75M		8.84M		10.9M		2.31M	
SALES	1.90%		2.02%		1.91%		1.75%		1.78%		2.05%	
NON-DEBT	1.85%		1.91%		1.91%		1.74%		1.65%		2.04%	
DEBT	0.05%		0.11%		0.00%		0.01%		0.13%		0.01%	
EXPENDITURES												
INSTRUCTIONAL												
CLASSROOM INSTRUCTION	\$4,254	55.8%	\$4,040	56.4%	\$4,323	55.9%	\$4,313	57.9%	\$4,211	55.4%	\$4,386	53.4%
Classroom Teacher Salary ³	\$2,638	34.6%	\$2,487	34.7%	\$2,684	34.7%	\$2,682	36.0%	\$2,684	35.3%	\$2,648	32.2%
PUPIL SUPPORT	\$294	3.9%	\$234	3.3%	\$284	3.7%	\$291	3.9%	\$320	4.2%	\$343	4.2%
INSTRUCTIONAL STAFF SERVICES	\$326	4.3%	\$303	4.2%	\$336	4.3%	\$401	5.4%	\$280	3.7%	\$308	3.7%
TOTAL INSTRUCTION	\$4,874	63.9%	\$4,578	63.9%	\$4,942	63.9%	\$5,006	67.3%	\$4,811	63.3%	\$5,037	61.3%
SUPPORT												
GENERAL ADMINISTRATION	\$163	2.1%	\$149	2.1%	\$127	1.6%	\$125	1.7%	\$142	1.9%	\$283	3.4%
SCHOOL ADMINISTRATION	\$370	4.8%	\$349	4.9%	\$368	4.8%	\$395	5.3%	\$323	4.3%	\$416	5.1%
BUSINESS SERVICES	\$74	1.0%	\$71	1.0%	\$74	1.0%	\$72	1.0%	\$69	0.9%	\$86	1.0%
MAINT. & OPERATIONS	\$638	8.4%	\$548	7.7%	\$621	8.0%	\$620	8.3%	\$619	8.2%	\$789	9.6%
STUDENT TRANSPORTATION	\$376	4.9%	\$414	5.8%	\$402	5.2%	\$352	4.7%	\$318	4.2%	\$393	4.8%
CENTRAL SERVICES	\$81	1.1%	\$45	0.6%	\$76	1.0%	\$74	1.0%	\$122	1.6%	\$87	1.1%
FOOD/OTHER SERVICES	\$450	5.9%	\$483	6.7%	\$473	6.1%	\$427	5.7%	\$390	5.1%	\$479	5.8%
TOTAL SUPPORT	\$2,151	28.2%	\$2,060	28.8%	\$2,141	27.7%	\$2,065	27.7%	\$1,982	26.1%	\$2,532	30.8%
FACILITY ACQ. & CONSTR. SERV.	\$447	5.9%	\$419	5.9%	\$491	6.3%	\$295	4.0%	\$538	7.1%	\$491	6.0%
TOTAL EXPENDITURES	\$7,472	98.0%	\$7,057	98.5%	\$7,574	97.9%	\$7,365	99.0%	\$7,331	96.5%	\$8,059	98.1%
INTEREST ON DEBT	\$155	2.0%	\$105	1.5%	\$166	2.1%	\$78	1.0%	\$264	3.5%	\$157	1.9%
TOTAL EXPENDITURES AND INTEREST ON DEBT	\$7,627	100.0%	\$7,162	100.0%	\$7,740	100.0%	\$7,443	100.0%	\$7,595	100.0%	\$8,216	100.0%

Source: Annual Financial Report; Per Pupil amounts are based on Elementary/Secondary Membership as of October 1, 2002

¹MFP Revenue is a subset of Total State Revenue

²Sales Tax Rates and Property Tax Millages per Circular 1076, Table 7 (Baker and Zachary included in East Baton Rouge Parish for quintile data)

³Summary of Actual Salaries (Object Code 112 and Function 1000 Series Total Funds per AFR). A subset of classroom instruction; applicable percentage represents a percent of total expenditures, not total instruction.

Note: * Quintiles are based upon the FY 2002-03 LWF (Local Wealth Factor) per the 2003-2004 Budget Letter, Circular 1076.

** Fiscal capacity per pupil reflects number of "weighted" students in the current year [i.e., At Risk, Special Ed, Voc. Ed., Economy of Scale].

TABLE 5

COMPARISON OF QUINTILE AVERAGES PER PUPIL FOR 2001-02 AND 2002-03 FOR SELECTED SCHOOL FINANCE VARIABLES

		State Average	LOWEST QUINTILE	SECOND QUINTILE	THIRD QUINTILE	FOURTH QUINTILE	HIGHEST QUINTILE
FISCAL CAPACITY							
	2001-02	\$1,944	\$1,034	\$1,526	\$1,838	\$2,257	\$3,200
	2002-03	\$1,999	\$1,066	\$1,563	\$1,885	\$2,350	\$3,275
	CHANGE FROM 2001-02	\$55	\$32	\$37	\$47	\$93	\$75
PROPERTY TAX REVENUE							
	<i>NON-DEBT</i> 2001-02	\$790	\$276	\$606	\$961	\$877	\$1,266
	2002-03	\$843	\$288	\$647	\$1,006	\$958	\$1,353
	CHANGE FROM 2001-02	\$53	\$12	\$41	\$45	\$81	\$87
	<i>DEBT</i> 2001-02	\$220	\$178	\$336	\$196	\$273	\$101
	2002-03	\$229	\$179	\$342	\$201	\$301	\$108
	CHANGE FROM 2001-02	\$9	\$1	\$6	\$5	\$28	\$7
	<i>TOTAL</i> 2001-02	\$1,010	\$454	\$942	\$1,157	\$1,149	\$1,367
	2002-03	\$1,072	\$467	\$989	\$1,207	\$1,258	\$1,461
	CHANGE FROM 2001-02	\$62	\$13	\$47	\$50	\$109	\$94
SALES TAX REVENUE							
	<i>NON-DEBT</i> 2001-02	\$1,486	\$830	\$1,282	\$1,390	\$1,490	\$2,507
	2002-03	\$1,511	\$851	\$1,284	\$1,372	\$1,583	\$2,531
	CHANGE FROM 2001-02	\$25	\$21	\$2	(\$18)	\$93	\$24
	<i>DEBT</i> 2001-02	\$47	\$57	\$22	\$12	\$126	\$18
	2002-03	\$42	\$50	\$3	\$12	\$128	\$18
	CHANGE FROM 2001-02	(\$5)	(\$7)	(\$19)	\$0	\$2	\$0
	<i>TOTAL</i> 2001-02	\$1,533	\$887	\$1,303	\$1,401	\$1,616	\$2,525
	2002-03	\$1,553	\$901	\$1,287	\$1,384	\$1,711	\$2,549
	CHANGE FROM 2001-02	\$20	\$14	(\$16)	(\$17)	\$95	\$24
MFP FUNDING							
	2001-02	\$3,289	\$3,918	\$3,677	\$3,330	\$2,881	\$2,589
	2002-03	\$3,406	\$4,081	\$3,800	\$3,471	\$3,010	\$2,607
	CHANGE FROM 2001-02	\$117	\$163	\$123	\$141	\$129	\$18
PROPERTY TAX MILLAGE							
	<i>NON-DEBT</i> 2001-02	31.94M	20.74M	33.51M	43.17M	33.44M	27.94M
	2002-03	32.82M	20.98M	33.57M	44.26M	34.74M	29.04M
	CHANGE FROM 2001-02	.88M	.24M	.06M	1.09M	1.30M	1.10M
	<i>DEBT</i> 2001-02	8.88M	13.35M	18.57M	8.79M	10.40M	2.23M
	2002-03	8.92M	13.02M	17.75M	8.84M	10.90M	2.31M
	CHANGE FROM 2001-02	.04M	(.33M)	(.82M)	.05M	.50M	.08M
	<i>TOTAL</i> 2001-02	40.82M	34.09M	52.09M	51.96M	43.84M	30.18M
	2002-03	41.73M	34.00M	51.32M	53.10M	45.64M	31.34M
	CHANGE FROM 2001-02	.91M	(.09M)	(.77M)	1.14M	1.80M	1.16M
SALES TAX RATE							
	<i>NON-DEBT</i> 2001-02	1.81%	1.88%	1.87%	1.74%	1.57%	2.00%
	2002-03	1.85%	1.91%	1.91%	1.74%	1.65%	2.04%
	CHANGE FROM 2001-02	0.04%	0.03%	0.04%	0.00%	0.08%	0.04%
	<i>DEBT</i> 2001-02	0.06%	0.13%	0.03%	0.01%	0.13%	0.01%
	2002-03	0.05%	0.11%	0.00%	0.01%	0.13%	0.01%
	CHANGE FROM 2001-02	0.01%	-0.02%	-0.03%	0.00%	0.00%	0.00%
	<i>TOTAL</i> 2001-02	1.87%	2.01%	1.90%	1.75%	1.70%	2.02%
	2002-03	1.90%	2.02%	1.91%	1.75%	1.78%	2.05%
	CHANGE FROM 2001-02	0.03%	0.01%	0.01%	0.00%	0.08%	0.03%
TOTAL INSTRUCTIONAL EXPENDITURES							
	2001-02	\$4,634	\$4,309	\$4,644	\$4,793	\$4,563	\$4,876
	2002-03	\$4,874	\$4,578	\$4,942	\$5,006	\$4,811	\$5,037
	CHANGE FROM 2001-02	\$240	\$269	\$298	\$213	\$248	\$161

NOTE: Per pupil amounts are based on Elementary/Secondary Membership.

Quintiles are based upon the FY2002-03 LWF (Local Wealth Factor) per the FY2003-04 Budget Letter, Circular 1076. (Baker and Zachary included in East Baton Rouge Parish)

Fiscal capacity per pupil reflects number of "weighted" students in the current year [i.e., At Risk, Special Ed., Economy of Scale, Voc. Ed.]

SOURCE: Annual Financial Report

TABLE 6

EXTENT TO WHICH ACTUAL LOCAL FUNDING MATCHES MFP LEVEL 1 TARGET IN 2002-03

		PER PUPIL BY WEALTH QUINTILE				
		LOWEST	SECOND	THIRD	FOURTH	HIGHEST
STATEWIDE						
MFP TARGET LOCAL CONTRIBUTION¹						
TOTAL AMOUNT	\$1,104,649,579	\$120,228,132	\$186,476,912	\$207,024,060	\$250,813,502	\$340,106,973
AMOUNT PER STUDENT	\$1,527	\$836	\$1,216	\$1,437	\$1,721	\$2,496
MFP ACTUAL SALES AND PROPERTY TAX REVENUE²						
TOTAL AMOUNT	\$1,936,025,074	\$203,018,466	\$357,230,041	\$381,780,454	\$440,478,209	\$553,517,905
AMOUNT PER STUDENT	\$2,677	\$1,411	\$2,330	\$2,651	\$3,022	\$4,062
DISTRICTS WHERE LOCAL CONTRIBUTION WAS LOWER THAN THE TARGET						
NUMBER OF DISTRICTS	2	1	0	0	0	1
NUMBER OF STUDENTS	5,572	2,387	0	0	0	3,185
TOTAL AMOUNT	\$493,478	\$409,445	\$0	\$0	\$0	\$84,033
AMOUNT PER STUDENT	\$89	\$172	\$0	\$0	\$0	\$26
DISTRICTS WHERE LOCAL CONTRIBUTION WAS HIGHER THAN THE TARGET						
NUMBER OF DISTRICTS	64	25	15	10	6	8
NUMBER OF STUDENTS	717,680	141,448	153,339	144,032	145,762	133,099
TOTAL AMOUNT	\$831,868,973	\$83,199,779	\$170,753,129	\$174,756,394	\$189,664,707	\$213,494,965
AMOUNT PER STUDENT	\$1,159	\$588	\$1,114	\$1,213	\$1,301	\$1,604

Quintiles reflect averages that are based on Elementary/Secondary Student Membership.

¹ The Targeted Local Contribution reflects student audit adjustments per Circular 1072, Adjusted.

² The Actual Sales and Property Tax Revenue data is per Circular 1076. (Baker and Zachary included in East Baton Rouge Parish)

**DISTRIBUTION OF HOLD HARMLESS FUNDS
FY 2001-02 AND FY 2002-03**

**Table 7A
FY 2001 - 2002**

Quintile	LEA	2002/03 SCHOOL DISTRICT	October 1, 2001 MFP Membership Per Circular 1066	2001-02 Hold Harmless State Share of Cost	2001-02 Per Pupil Calculation
2	15	CONCORDIA	3,769	\$229,909	\$61
5	17	EAST BATON ROUGE	51,323	\$29,100,141	\$567
1	20	EVANGELINE	6,232	\$186,960	\$30
5	24	IBERVILLE	4,773	\$2,796,978	\$586
5	26	JEFFERSON	50,169	\$26,238,387	\$523
4	28	LAFAYETTE	29,110	\$2,002,961	\$69
5	38	PLAQUEMINES	4,720	\$7,065,840	\$1,497
5	39	POINTE COUPEE	3,173	\$355,376	\$112
5	45	ST. CHARLES	9,646	\$9,742,460	\$1,010
5	47	ST. JAMES	3,782	\$1,883,436	\$498
5	63	WEST FELICIANA	2,209	\$5,908,357	\$2,675 *
STATE TOTAL			168,906	\$85,510,805	\$506
1		Quintile 1 (Lowest)	6,232	\$186,960	\$30
1		Quintile 2 (Second)	3,769	\$229,909	\$61
0		Quintile 3 (Third)	0	\$0	\$0
1		Quintile 4 (Fourth)	29,110	\$2,002,961	\$69
8		Quintile 5 (Highest)	129,795	\$83,090,975	\$640
11		STATE TOTAL	168,906	\$85,510,805	\$506

* Per SCR 139, hold harmless funding is provided in Level 3 on a per pupil basis for a limited number of students. West Feliciana funding is based on \$2,697 per student for a maximum of 2,191 students; actual Oct. 1, 2001 MFP membership for West Feliciana was 2,209 students resulting in a lower actual hold harmless amount per pupil of \$2,675.

Source: Circular 1066

**Table 7B
FY 2002 - 2003**

2002/03 Quintile	LEA	SCHOOL DISTRICT	October 1, 2002 MFP Membership Per Circular 1072	2002-03 Hold Harmless State Share of Cost	2002-03 Per Pupil Calculation
2	15	CONCORDIA	3,726	\$ 227,286.00	\$61
5	17	EAST BATON ROUGE	50,803	\$ 28,805,301.00	\$567
1	20	EVANGELINE	6,183	\$ 185,490.00	\$30
5	24	IBERVILLE	4,567	\$ 2,676,262.00	\$586
5	26	JEFFERSON	49,931	\$ 26,113,913.00	\$523
4	28	LAFAYETTE	28,933	\$ 1,996,377.00	\$69
5	38	PLAQUEMINES	4,610	\$ 6,901,170.00	\$1,497
5	39	POINTE COUPEE	3,168	\$ 354,816.00	\$112
5	45	ST. CHARLES	9,463	\$ 9,557,630.00	\$1,010
5	47	ST. JAMES	3,803	\$ 1,893,894.00	\$498
5	63	WEST FELICIANA	2,224	\$ 5,908,357.00	\$2,657 *
STATE TOTAL			167,411	\$84,620,496	\$505
1		Quintile 1 (Lowest)	6,183	\$185,490	\$30
1		Quintile 2 (Second)	3,726	227,286	\$61
0		Quintile 3 (Third)	0	\$0	\$0
1		Quintile 4 (Fourth)	28,933	1,996,377	\$69
8		Quintile 5 (Highest)	128,569	\$82,211,343	\$639
11		STATE TOTAL	167,411	\$84,620,496	\$505

* Per HCR 235, hold harmless funding is provided in Level 3 on a per pupil basis for a limited number of students. West Feliciana funding is based on \$2,697 per student for a maximum of 2,191 students; actual Oct. 1, 2002 MFP membership for West Feliciana was 2,224 students resulting in a lower actual hold harmless amount per pupil of \$2,657.

Source: Circular 1072

<p align="center">TABLE 8</p> <p align="center">Average Teacher's Salary (Actual) And Number of Teachers Per One Thousand Students: FY 2002-2003</p>						
Quintile 2002-2003	LEA	DISTRICT NAME	Average Teacher's Salary (Actual)	Full-Time Equiv (FTE) (30 Hrs/Wk & 175 Days/Yr)	Elementary/ Secondary Enrollment October 1, 2002	Number of Teachers per one Thousand Students
2	001	Acadia Parish	35,374	673	9,666	69.6
1	002	Allen Parish	33,026	333	4,340	76.7
3	003	Ascension Parish	38,673	1,079	15,469	69.8
1	004	Assumption Parish	33,864	312	4,516	69.0
1	005	Avoyelles Parish	33,761	426	6,740	63.2
2	006	Beauregard Parish	35,021	417	6,058	68.9
4	007	Bienville Parish	38,071	205	2,528	81.0
3	008	Bossier Parish	36,804	1,063	18,686	56.9
3	009	Caddo Parish	39,864	2,979	44,556	66.8
4	010	Calcasieu Parish	37,066	2,182	31,909	68.4
1	011	Caldwell Parish	33,346	137	1,888	72.4
4	012	Cameron Parish	38,179	152	1,847	82.5
1	013	Catahoula Parish	28,415	143	1,811	78.8
1	014	Claiborne Parish	33,868	228	2,803	81.3
2	015	Concordia Parish	33,736	268	3,845	69.7
3	016	DeSoto Parish	38,578	362	5,042	71.7
5	017	E. Baton Rouge Parish	37,627	3,482	52,434	66.4
1	018	East Carroll Parish	31,601	141	1,746	81.0
1	019	East Feliciana Parish	33,540	174	2,504	69.3
1	020	Evangeline Parish	36,764	431	6,337	68.1
1	021	Franklin Parish	31,404	309	3,913	79.0
1	022	Grant Parish	32,507	244	3,572	68.4
2	023	Iberia Parish	37,028	1,063	14,227	74.7
5	024	Iberville Parish	40,019	325	4,622	70.4
2	025	Jackson Parish	40,993	172	2,442	70.5
5	026	Jefferson Parish	37,897	3,355	51,501	65.1
1	027	Jefferson Davis Parish	39,810	371	5,811	63.9
4	028	Lafayette Parish	39,268	2,080	29,554	70.4
2	029	Lafourche Parish	35,718	1,158	15,023	77.1
1	030	LaSalle Parish	34,235	186	2,693	69.1
3	031	Lincoln Parish	36,776	473	6,650	71.1
1	032	Livingston Parish	37,445	1,302	20,334	64.0
1	033	Madison Parish	29,804	155	2,387	65.0
2	034	Morehouse Parish	34,059	382	5,209	73.3
2	035	Natchitoches Parish	38,894	465	6,978	66.7
4	036	Orleans Parish	37,133	4,212	70,246	60.0
2	037	Ouachita Parish	38,496	1,307	17,793	73.4
5	038	Plaquemines Parish	36,910	334	4,811	69.4
5	039	Pointe Coupee Parish	33,675	230	3,185	72.2
2	040	Rapides Parish	35,433	1,626	22,872	71.1
1	041	Red River Parish	34,816	133	1,604	83.1
1	042	Richland Parish	34,216	265	3,527	75.1
1	043	Sabine Parish	31,301	292	4,299	68.0
3	044	St. Bernard Parish	36,257	622	8,734	71.2
5	045	St. Charles Parish	40,154	787	9,717	81.0
1	046	St. Helena Parish	32,767	85	1,368	62.1
5	047	St. James Parish	37,599	275	4,076	67.6
3	048	St. John Parish	38,875	400	6,282	63.7
1	049	St. Landry Parish	35,894	1,093	15,331	71.3
1	050	St. Martin Parish	36,958	602	8,614	69.9
3	051	St. Mary Parish	36,929	728	10,363	70.3
2	052	St. Tammany Parish	39,785	2,336	34,081	68.5
1	053	Tangipahoa Parish	39,251	1,047	17,926	58.4
2	054	Tensas Parish	29,412	80	920	87.1
3	055	Terrebonne Parish	34,244	1,412	19,345	73.0
2	056	Union Parish	35,033	230	3,479	66.2
3	057	Vermilion Parish	37,315	593	8,905	66.6
1	058	Vernon Parish	34,971	688	9,841	69.9
1	059	Washington Parish	34,792	353	4,739	74.4
2	060	Webster Parish	37,878	505	7,728	65.4
5	061	W. Baton Rouge Parish	34,722	255	3,529	72.4
1	062	West Carroll Parish	31,234	178	2,376	74.9
5	063	West Feliciana Parish	42,043	202	2,409	83.8
1	064	Winn Parish	34,947	207	2,815	73.5
4	065	City of Monroe	39,435	639	9,678	66.1
2	066	City of Bogalusa	34,725	230	3,018	76.2
		Statewide	\$37,166	49,174.55	723,252	68.0
26		QUINTILE 1	\$35,375	9,835.13	143,835	68.4
15		QUINTILE 2	\$37,089	10,912.86	153,339	71.2
10		QUINTILE 3	\$37,734	9,710.09	144,032	67.4
6		QUINTILE 4	\$37,779	9,470.69	145,762	65.0
9		QUINTILE 5	\$37,915	9,245.79	136,284	67.8
66		STATE TOTALS	\$37,166	49,174.55	723,252	68.0

Source: PEP02-03 End-of-Year Report, Selection: All Classroom Teachers (Object = 112 and Function = 1000-Series), Calculation: Total Salaries, including PIP, divided by FTE based on 30 Hrs/Wk & 175 Days/Yr.

Appendix A

Quintile Distribution

APPENDIX A

SCHOOL DISTRICTS BY WEALTH QUINTILE BASED ON FY 2002-03 LOCAL WEALTH FACTOR (LWF)

Quintile	LOWEST	SECOND	THIRD	FOURTH	HIGHEST
	ALLEN ASSUMPTION AVOUELLES CALDWELL CATAHOULA CLAIBORNE EAST CARROLL EAST FELICIANA EVANGELINE FRANKLIN GRANT JEFFERSON DAVIS LASALLE LIVINGSTON MADISON RED RIVER RICHLAND SABINE ST. HELENA ST. LANDRY ST. MARTIN TANGIPAHOA VERNON WASHINGTON WEST CARROLL WINN	ACADIA BEAUREGARD CITY OF BOGALUSA CONCORDIA IBERIA JACKSON LAFOURCHE MOREHOUSE NATCHITOCHEs OUACHITA RAPIDES ST. TAMMANY TENSAS UNION WEBSTER	ASCENSION BOSSIER CADDO DESOTO LINCOLN ST. BERNARD ST. JOHN THE BAPTIST ST. MARY TERREBONNE VERMILION	BIENVILLE CALCASIEU CAMERON CITY OF MONROE LAFAYETTE ORLEANS	EAST BATON ROUGE IBERVILLE JEFFERSON PLAQUEMINES POINTE COUPEE ST. CHARLES ST. JAMES WEST BATON ROUGE WEST FELICIANA
Total	26	15	10	6	9

Quintiles are derived by ranking districts from low to high according to their Local Wealth Factor (per the applicable MFP Budget Letter), where each quintile contains approximately 20% of the Elementary/Secondary student membership.

Appendix B

Responses from Districts
Not Meeting the Seventy Percent Instructional
Requirement

Cameron Parish School Board
Dr. Douglas L. Chance, Superintendent
P. O. Box 1548, Cameron, LA 70631-1548
Phone 337.775.5784

May 13, 2004

Louisiana Department of Education
Division of Education Finance
Attn: Elizabeth Scioneaux, Director
P. O. Box 94064
Baton Rouge, LA 70804-9064

RECEIVED
MAY 17 2004
DIVISION OF
EDUCATION FINANCE

Dear Director Scioneaux:

The Cameron Parish School Board has continued its efforts to comply with the spirits and letter of House Concurrent Resolution No. 235 of the 2003 Regular Session, and as a first year superintendent, I will continue to focus attention on this issue in subsequent schools sessions.

A comparison of the financial data of Cameron Parish and other districts in Southwest Louisiana reveals that our system is making a significant effort to focus expenditures on the instructional program. We are spending more on instruction per pupil than other districts.

District's Per Pupil Cost in Southwest Louisiana and Amount of Change in 01-02 & 02-03

Parish	02-03 Regular Instruction	02-03 Total Instruction	02-03 Per Pupil Expenditure	01-02 Per Pupil Expenditure	Difference in 01-02 & 02-03
Allen	\$2,759	\$3,341	\$5,573	\$6,017	Reduced \$444
Beauregard	\$2,458	\$3,351	\$5,531	\$5,675	Reduced \$144
Calcasieu	\$2,528	\$4,106	\$5,586	\$5,647	Reduced \$61
Cameron	\$3,281	\$5,285	\$7,813	\$7,096	Increase \$717
Jeff Davis	\$2,535	\$4,257	\$5,834	\$5,983	Reduced \$149
Vermillion	\$2,353	\$3,510	\$5,155	\$5,555	Reduced \$400
Vernon	\$2,587	\$4,193	\$5,741	\$5,922	Reduced \$181

This table demonstrates that Cameron's per pupil expenditures are significantly higher than our neighbors when comparing regular instruction, total instruction, and all expenditures. Our 67.646% expended on instruction is short of our 70% goal; however, the table demonstrates that we are spending at least \$522 more in "Regular Instruction" and \$1,028 more in "Total Instruction" than other districts in Southwest Louisiana. These data represent our commitment.

Major factors in non-compliance appear to be related to our decreasing enrollment, geographic size requiring more transportation, food service cost due to our remoteness, and greater insurance cost due to our coastal location. These factors and declining local revenue creates difficulty in meeting and exceeding the 70% goal. We will continue to strive to attain the 70% criterion.

Your consideration of our efforts to comply will be appreciated.

Sincerely,


Douglas L. Chance

Catahoula Parish School Board

Post Office Box 290
Harrisonburg, Louisiana 71340
Telephone: 318-744-5727
Fax: 318-744-9221

Superintendent
Ronald R. Lofton

BOARD MEMBERS
Dorothy Watson, President
Clarence Martin, Vice-President
Lillian Aplin
Joe Ann Edwards
Charles "Bo" House
W.E. "Sonny" Manning
Dave Mays
Wayne Sanders
Dewey W. Stockman

May 12, 2004

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MAY 14 2004

DIVISION OF
EDUCATION FINANCE

LA Department of Education
Division of Education Finance
Attn: Elizabeth Scioneaux, Director
P.O. Box 94064
Baton Rouge, LA 70804-9064

Dear Ms. Scioneaux:

Our district was notified of noncompliance with the 70% General Fund Required Instructional Expenditures. Below are our responses to the 68.19%:

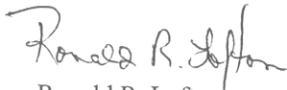
1. Our district cut two (2) supervisor positions from the Central Office that were both counted as instructional. This cut was due to declining student enrollment and increase costs of health insurance. We are operating against our reserves and are attempting to make budget cuts where we can.
2. Our district cut one (1) teaching position due to declining student enrollment.
3. With the above cuts to instructional personnel, our district has remained in the top of the state on test scores.
4. Our buildings are continuing to deteriorate due to age and are requiring more and more repairs each year.
5. Due to old buildings and increased natural gas/propane costs, our district is continuing to pay high utility bills.
6. Due to the rural nature of our parish, we pay a large amount of our 30% area in bus costs.

Plan of Action:

1. In 2003-2004, we cut one (1) central office custodian and one (1) bus driver through attrition. We will continue to try to decrease the number of positions in these areas when possible through attrition.
2. We have received and are implementing a School Renovation Grant that has provided work on several of our schools. We are hoping that these renovations will help decrease the cost of repairs needed in the future. Our repair cost for 2003-2004 is down from 2002-2003.
3. We are constantly looking for ways to improve our energy consumption at our schools. We work diligently with principals to find plans that work for them.
4. In 2004-2005, our district will face choices to be made towards restructuring our district for 2005-2006, due to declining enrollment and increased costs. We have tried to avoid or delay this situation and maintain our 10 schools due to our test scores being so high for a rural parish. We continually rank high on test scores and are worried that restructuring will have a negative impact on this. However, these changes are looming for the future and they will have a definite impact on our 70-30%.

I hope this provides an adequate explanation for our noncompliance in 2002-2003. I assure you all methods are being taken to regain compliance. If you need further information, please contact me at 318-744-5727 or by e-mail at rlofton@nls.k12.la.us.

Sincerely,

A handwritten signature in cursive script that reads "Ronald R. Lofton".

Ronald R. Lofton
Superintendent



1050 SOUTH FOSTER DRIVE, BATON ROUGE, LOUISIANA 70806
P.O. Box 2950, BATON ROUGE, LOUISIANA 70821-2950
PHONE (225) 922-5400
WWW.EBR_SCHOOLS.ORG

May 13, 2004

Ms. Elizabeth Scioneaux
Director
Division of Education Finance
Louisiana Department of Education
P. O. Box 94064
Baton Rouge, LA 70804-9064

Re: 70% Local General Fund Required Instruction Expenditure

Dear Ms. Scioneaux:

The following information is provided as an explanation for the East Baton Rouge Parish School System falling below the required 70% calculation for local General Fund required instruction expenditures.

- A declining student enrollment resulting in reduced State funding since 1994. In addition, the same number of facilities is still being maintained while serving approximately 10,300 less students with less funding.
- Third straight year of practically flat sales tax collections.
- Expenditure reductions in anticipation of adverse financial impact of approximate \$10.7 million associated with the Baker and Zachary School Systems' separation effective July 2003.
- Utility costs increased substantially: 1) electricity adjustment rates have increased approximately 30% from a year ago; 2) Gas fuel adjustment rate increased approximately 77% from a year ago.
- Many Court ordered facility enhancements (magnet programs) and legal fees as a result of the Consent Decree.
- An increase in transportation costs to comply with the Consent Decree and to provide the required services to special needs children.

Ms. Elizabeth Scioneaux
May 13, 2004
Page Two

As noted in earlier discussions by Ms. Charlotte Placide to your office, General Fund Budget reductions were necessary in fiscal year 2002-2003, were again required in fiscal year 2003-2004, and will again be required in fiscal year 2004-2005. These reductions are a result of the declining student enrollment, declining sales tax base and the approval of the Baker and Zachary School Systems. We believe this may again impact the 70% required spending in instruction in fiscal year 2003-2004.

However, we are reviewing the number of facilities needed in the district and will be making recommendations for the closure of some school sites. We are aware that we must correct this percentage and are working toward that goal.

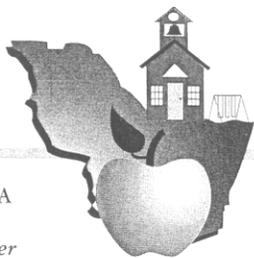
If you have any questions regarding this information, please contact Charlotte Placide, Deputy Superintendent for Operations and Budget Management, at (225) 922-5650.

Sincerely,


Dr. Clayton M. Wilcox
Superintendent

CMW/ca

CC: Charlotte D. Placide



Iberville Parish School Board

MARTIN H. BERA
Superintendent
Secretary-Treasurer

TOM DELAHAYE
President

MELVIN LODGE
Vice-President

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MAY 21 2004

DIVISION OF
EDUCATION FINANCE

Ms. Elizabeth Scioneaux
Louisiana Department of Education
Division of Educational Finance
P.O. Box 94064
Baton Rouge, Louisiana 70804-9064

Dear Ms. Scioneaux:

I am writing this in response to your recent notification that our school district is out of compliance with the 70% Local General Fund Required Instructional Expenditures the 2002-03 school year. The reasons our school district did not attain the required percentage for the 2002-03 school year can be attributed to:

1. Decrease MFP funding
2. Increased expenditures on employee benefits (health insurance)
3. Declining student enrollment
4. Increased expenditures on technology for the classroom

We will continue to do our best to comply and certainly feel strongly that expenditures to the classroom should remain our highest priority.

1. Supplemental funding (local) for Reading First
2. Restructuring health insurance plan to lower cost and redirect funds to the instructional expenditures
3. Reduction in staffing and redirecting funds to the instructional expenditures

Hopefully, these proposed measures will be able to meet our requirement.

Should you require additional clarification or information please do not hesitate to call me.

Yours sincerely,

Martin H. Bera
Superintendent
Iberville Parish School Board

P.O. BOX 151 • PLAQUEMINE, LA 70765-0151 • PH: (225) 687-4341 • FAX (225) 687-5408 • www.ipsb.net

MEMBERS

Carson Trusclair
Maringouin, La.

Louis J. Martinez
Plaquemine, La.

Tom Delahaye
Plaquemine, La.

Brian S. Willis
Plaquemine, La.

Melvin Lodge
St. Gabriel, La.

David J. Daigle
Grosse Tete, La.

Paul B. Distefano
Plaquemine, La.

Dorothy R. Sansoni
Plaquemine, La.

Nancy T. Broussard
St. Gabriel, La.

Albertha D. Hasten
White Castle, La.

Glyna M. Kelley
Plaquemine, La.

Michael C. Barbee
Plaquemine, La.

Thomas J. Edwards
Plaquemine, La.

Freddie Molden, III
Bayou Goula, La.

Darlene M. Ourso
White Castle, La.

MEMBERS

**JACKSON PARISH
SCHOOL BOARD**

Gary Black, Superintendent
Harvey T. Robinson, President

P. O. Box 705
Jonesboro, LA 71251-0705
Telephone (318) 259-4456
Fax (318) 259-2527

May 26, 2004

Louisiana Department of Education
Division of Education Finance, 11th Floor
PO Box 94064
Baton Rouge, LA 70804 9064

Director:

The Jackson Parish School Board submitted a budget for 2003-2004 with at least 70% to the total budgeted funds allocated to instructional expenditures. All supervisors will be required to expend funds as allocated to ensure that the 70% requirement be met.

A review of the chart of accounts for the General Fund has been done to ensure that the proper key punch codes are assigned. Special attention will be given to account numbers on all vouchers turned in for payment before approval is given.

These measures will ensure our 70% compliance for 2003-2004 fiscal year.

Sincerely,



Gloria J. Moore, Business Manager
Jackson Parish School Board

GJM/sc

Plaquemines Parish School Board
Belle Chasse Office

May 18, 2004

RECEIVED
MAY 19 2004
DIVISION OF
EDUCATION FINANCE

P.O. Box 69
557 F. Edward Hebert Blvd.
Belle Chasse, LA 70037
Phone (504) 392-4970
FAX (504) 392-4973

Louisiana Department of Education
Division of Education Finance
ATT: Ms. Elizabeth Scioneaux, Director
P.O. Box 94064
Baton Rouge, LA 70804-9064

JAMES C. HOYLE
Superintendent

RE: 70% Instruction Requirement

Dear Ms. Scioneaux:

MEMBERS:

BYRON V. WILLIAMS, JR.
District 1

NANCY LaHAYE
District 2

ANTHONY ST. PHILIP
District 3

JOYCE C. LAMKIN
District 4

SHARON BRANAN
District 5

CARLTON M. LAFRANCE, SR.
District 6

PAUL W. LEMAIRE, JR.
District 7

BOBBY L. BENEFIELD
District 8

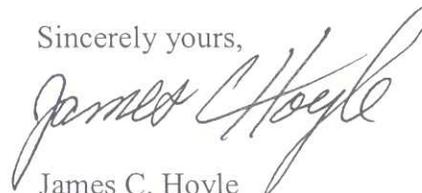
BETTY A. DINETTE
District 9

We try very hard each year to provide the best possible instructional climate for each of our students. The local taxpayers of Plaquemines Parish have always voted to provide for our students what is reasonably asked of them in the way of local financing. Of recent, a special millage was passed to provide more than \$500,000 per year to maintain and improve buildings and air-conditioning. While these dollars are not directly in the classroom, they certainly provide the basics, the classroom.

Our spending per student is in the top 10% of the state, with more than \$7,000 per student each year. Our demographics is the major contributor to the proportional spending by Plaquemines. We have no centralization. We are strung out over 90 miles with the Mississippi River splitting the parish.

We would welcome any input or suggestions that may assist us in achieving the 70% requirement. While open to suggestions, we remain steadfast that we are being accountable to the state and to our residents. We remain above the state average in all areas of the recent Accountability Report.

Sincerely yours,



James C. Hoyle
Superintendent

AN EQUAL OPPORTUNITY AGENCY



Red River Parish School Board

P. O. Box 1369

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Kay J. Easley
Superintendent

May 18, 2004

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Board President

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Coushatta, Louisiana 71019
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District 6

J.B. McElwee, President
905 Maple St.
Coushatta, LA 71019
District 7

Ms. Elizabeth Scioneaux, Director
Louisiana Department of Education
Division of Education Finance
P.O. Box 94064
Baton Rouge, LA 70804-9064

Dear Ms. Scioneaux:

In reference to your letter dated May 7, 2004, we acknowledge that 68.981% of our general fund expenditures were spent on instruction. Based on our beginning budget for the fiscal year 2002-2003, we had estimated that we would exceed the 70% requirement. However, the occurrence of two events precluded us from doing so. First, we lost 116 students from our school district. Second, our teaching staff was reduced by 19 teachers, partially due to the loss of students. These events, plus the fact that maintenance and operating expenses remained at their expected level, resulted in less money being spent on instruction than we had anticipated.

We have several plans to help us achieve compliance with the 70% requirement by fiscal year 2004-2005. We are increasing teachers' salaries in two ways: by four percent and by \$605 per year. This alone would have helped us exceed the 70% threshold in 2002-2003. We are also revamping the bus transportation system in order to eliminate any redundancies and waste. This will decrease the amount of money spent in non-instructional areas.

If you have any further questions, please contact David Jones at (318) 932-4081 extension 27. Thank you for your time.

Sincerely,

Kay J. Easley
Superintendent

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MAY 20 2004

DIVISION OF
EDUCATION FINANCE

*Children First!!!*

St. Helena Parish School System

354 Sitman St. * Post Office Box 540
Greensburg, LA 70441

Jerry O. Payne
Superintendent

Office: (225) 222-4349
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Fax #: (225) 222-4937

May 26, 2004

Ms. Elizabeth Scioneaux, Director
Louisiana Department of Education
Division of Education Finance
Post Office Box 94064
Baton Rouge, LA 70804-9064

Dear Ms. Scioneaux:

This letter is in response to Superintendent's Picard's letter of May 7, 2004 advising that St. Helena Parish School Board did not meet the 70% Local General Fund Required Instructional Expenditures for the 2002-03 fiscal year. We were unable to meet this requirement due to the following:

- Due to the poor conditions of the district's facilities, an urgent need exist for the renovation of buildings as well the operation and maintenance of these buildings.
- Because we are a small system, salaries for support staff that are vital in the general operation of the system, must be included in the general operations of the district.
- Transportation routes in our district are longer because we only have three schools, causing some students to ride as far as 25 miles one way. These lengthy routes cause excessive operational costs, mileage reimbursement and salaries for bus drivers.

The above listed conditions continue to exist in our school district, however we are hopeful that after further improvements are made to our facilities during the 2004-2005 fiscal year these funds will be allocated to Instructional Programs. This should enable us to meet the 70% requirement by the fiscal year ending June 30, 2005.

Sincerely,

Jerry O. Payne
Superintendent

JOP/lbr

Tensas Parish School Board

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Carol S. Johnson
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17 May 2004

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MAY 21 2004
DIVISION OF
EDUCATION FINANCE

Mrs. Elizabeth Scioneaux, Director
Division of Education Finance
Louisiana Department of Education
P.O. Box 94064
Baton Rouge, LA 70804-9064

RE: 70% Local General Fund Required Instructional Expenditures

Dear Mrs. Scioneaux:

Past efforts of Tensas Parish School Board have been over-shadowed by increasing cost in insurance, retirement, utilities, etc. Increased costs, combined with a decreasing student population, have resulted in diminishing the impact of the changes/efforts the school board took to reach the "70% Requirement." The following reflects the continued effort the school board has made to reach this requirement:

2002-2003 Instructional Percent.....67.169
2001-2002 Instructional Percent.....66.303
2000-2001 Instructional Percent.....65.427

Cost for "Support Expenditures" for the 2003-2004 fiscal year has been closely monitored. The following areas continue to be detrimental in reaching the 70% requirement:

1. Student Enrollment: The student population for Tensas Parish has continued to decline.
2. Student Transportation: The location of the schools in Tensas Parish and the geographical nature of the Parish require higher per student bus cost. Possible savings in the elimination of bus routes have been ineffective due to the increase cost of gas/diesel. Cost of transporting students with-in and out-side the parish continues to escalate.
3. The "School Renovation Grant" is nearing completion. This grant enabled the school board to address maintenance issues that have required general fund expenditures in the past. The financial impact of the future savings in "Operation and Maintenance" has yet to be determined.

4. Operations and Maintenance: Increased fuel adjustments/cost for utilities continues to have a significant impact on the budget. These cost areas are being monitored. With the above mentioned grant, the school facilities are judged to be in good repair; therefore, all repairs are being limited to necessary safety areas. Cosmetic repairs and maintenance have been deferred; however, minor repairs remain costly as most supplies must be obtained out of the parish.

The Tensas Parish School Board struggles with the "Law of Diminishing Returns"; yet, is still challenged to provide educational opportunities for every child in Tensas Parish. Public awareness on the need to restructure the school board—personnel and facilities—to meet the current and future needs of the children of Tensas Parish, is the number one priority of the current administration. Through recent public meetings, we began the process of renewing public interest in the financial well-being of the board and began gathering information for future restructuring of the educational components in the parish. Every effort will be made to re-align expenditures to meet the "70% Requirement."

If you have any additional questions or concerns, please contact Mrs. Judy K. McKnight, Business Manager, at (318) 766-3269.

Sincerely,



Mrs. Carol S. Johnson
Superintendent

WEST BATON ROUGE PARISH SCHOOL BOARD
3761 ROSEDALE ROAD
PORT ALLEN, LOUISIANA 70767

Jerry Lowe
Acting Superintendent

Jason P. Manola
President

May 18, 2004

Ms. Elizabeth Scioneaux, Director
Louisiana Department of Education
Division of Education Finance
P. O. Box 94064
Baton Rouge, LA 70767

Dear Ms. Scioneaux,

The following information is provided as an explanation for the West Baton Rouge Parish School Board falling below the required 70% calculation for Local School Board instructional expenditures.

Our original budget reflected the 70% requirement for expenditures; however the following items provide an explanation of this decrease:

Increase in salaries and benefits for School Administration and General Administration for substituting administrators.

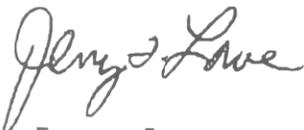
Increase in Maintenance of Facilities and Utility Costs.

Decrease in Supplemental pay for teachers due to a decrease in Sales and Use Tax.

The School Board is constantly reviewing these expenditures to insure the requirements of this rule. We believe these unexpected expenditures will be temporary and we are working toward increases in instructional expenditures that will meet the 70% requirement.

If you have any questions regarding this information, please contact John Musso, Business Manager, at 225-343-8309.

Sincerely,



Jerry Lowe
Acting Superintendent

Appendix C

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Base Per Pupil Amount. Prior to FY1997-98, the Base Per Pupil Amount was determined using district's prior year expenditures from the General Fund and Other Special Funds as reported on the Annual Financial Report. Technically, Total Instructional Expenditures less Costs for Equipment less Revenue Exclusions equals the Net Instructional Expenditures. The Net Instructional Expenditures divided by the Prior Year Weighted Student Membership equals the Initial Base Per Pupil Amount shown on the Budget Letter and begins the formula used to determine the costs for education. In FY 1996-97, the Base Per Pupil amount was frozen until year FY2000-2001 per the Senate Concurrent Resolution (SCR) of the 1996 regular session. The increase in the Base Per Pupil amount after FY1996-97 reflects adjustments for inflation.

Business Services are concerned with fiscal and internal services of paying, transporting, exchanging, and maintaining goods and services for the district.

Central Service activities provide for planning, research and development, and evaluation.

Classroom Instruction includes activities that involve direct interaction between students and teachers. Classroom instructional provisions for Regular Programs, Special Programs, Vocational Education, Other Instructional Programs (such as Driver Education), and Adult/Continuing Education Programs are included in this category.

Classroom Teacher Average Salary (Actual). The Average Actual Salary for Classroom Teachers is calculated from the End-of-Year Profile of Educational Personnel (PEP) database by summing the total actual salary (including PIP) for all Classroom Teachers and dividing the result by the sum of the Full-time Equivalent (FTE). The FTE is a man-year value calculated for each reported employee whereby anyone who worked at least 30 hours/week and 175 days is counted as ONE. Those who worked fewer than 30 hours/week and/or fewer than 175 days are counted proportionally (i.e., 0.01 to 0.99).

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Classroom Teacher Average Salary (Budgeted). The Average Budgeted Salary for Classroom Teachers is calculated from the October 1 Profile of Educational Personnel (PEP) database by summing the total budgeted salary (including PIP) for all Classroom Teachers and dividing the result by the sum of the Full Time Equivalent (FTE). This FTE calculation represents projected employment for these teachers. The FTE is a man-year value calculated for each reported employee whereby anyone who is scheduled to work at least 30 hours/week and 175 days is counted as ONE. Those scheduled to work fewer than 30 hours/week and/or fewer than 175 days are counted proportionally (i.e., 0.01 to 0.99).

Coefficients of Variation show the degree to which amounts in a distribution vary above or below the mean. The formula, standard deviation divided by the mean (i.e., the average), measures the ratio of the standard deviation of a distribution to the mean of the distribution. A coefficient of zero indicates uniform distribution.

Correlation Coefficients indicate the correlation between two or more variables. The correlation coefficient measures both the direction and the strength of the relationship between two variables. Coefficients range from +1 to -1 with *zero* meaning no relationship between the two variables. A perfect positive relationship between two variables (+1) means that, for every unit increase of one variable, there is a similar increase in the other variable; and, for every unit decrease in one variable, a similar decrease occurs in the other variable. A perfect negative relationship between two variables (-1), on the other hand, means that, for every unit increase of one, there is a corresponding decrease in the other variable; and, for every unit decrease in one variable, a similar increase occurs in the other variable.

Debt Service includes those transactions involved in retirement of the debt of the LEA, including payments of both principal and interest. Debt service generally applies to long-term obligations (exceeding one year).

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Elementary/Secondary Enrollment. The total number of pre-kindergarten (PK), grades k-12, and non-graded (NG) students in membership as of October 1. Data are reported at student level by the 66 public school districts via the Student Information System (SIS) Fall report.

Employee Benefits (Object Code 200). Fringe benefit amounts paid in behalf of the employee that are not included in the gross salary but are part of the costs. Examples include group insurance, social security contributions, Medicare/Medicaid, retirement, sick leave, and workmen's compensation.

Equity is most often discussed in terms of being horizontal (equal treatment of equals) or vertical (unequal treatment of unequals) and in terms of fiscal neutrality (correlated with school revenues per pupil). In terms of revenues for education, meeting horizontal equity (or equality) indicates equal revenue per pupil. Horizontal equity is desired when conditions and needs of students and school districts are similar. Vertical equity recognizes that children with different needs should receive different levels of resources. In this case, allocations of equal dollars and equal resources are not deemed equitable. The student weights used in the MFP formula are an example of vertical equity. Fiscal neutrality looks at the relationship between district wealth and per pupil revenue. In a fiscally neutral environment, the relationship between revenue capacity and revenue per pupil would be non-existent or minimal.

Expenditures by Object. *Bulletin 1929* provides uniform guidelines for program cost accounting at the local and state levels. "Functions" such as instruction, support services or operations describe the activity for which services or materials are needed; the "object" is the service or commodity bought. Educational expenditures (costs) are accounted for by nine major "object categories". For complete descriptions see *Bulletin 1929*, entitled *Louisiana Accounting and Uniform Governmental Handbook (LAUGH)*.

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Facility Acquisition and Construction Services are concerned with acquiring land and buildings, remodeling and constructing buildings, installing or extending service systems or built-in equipment, and improving sites.

Federal Revenues. I. Unrestricted federal sources are provided for impact, such as that caused in providing education to the families of military personnel in the area, and for flood control. II. Restricted federal revenues are provided categorically to support federally approved programs. Certain funds are given directly to the LEA (school district) while other funds flow through the State. III. Revenues in lieu of taxes include payments for privately owned property not subject to taxation. Federal housing projects and the sale of timber on federal forest reserves fall into this category. IV. Revenues for/on behalf of the LEA from federal sources include contributions of non-food and food items to the LEA.

Fiscal Capacity. The fiscal capacity in each local school district is divided by the statewide average capacity. This amount, which is ranked, indicates wealth relative to the other school districts. Sales and property tax data determine fiscal capacity.

Food and Other Services provide meals for students and may operate activities similar to private business enterprises: such as the school bookstore, operating a childcare center, swimming pool, or recreation program for the elderly.

Fund Equity Accounts show the excess of a fund over its liabilities. Portions of the balance may be reserved for future use.

General Administration includes those activities that establish and administer policy for operating the school system.

Hold Harmless funding previously operated as a prior year funding adjustment in Level 1 and Level 2 of the MFP formula. In FY 2001-2002, the "hold harmless" distinction was eliminated for all systems in Level 1 and Level 2 of the formula. The "over funded"

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allocations for 11 specified school districts are separated and limited in Level 3. These 11 school districts will receive their designated per pupil amounts times their current year's October 1 membership, not to exceed the total Hold Harmless amount received in the prior year. Continuation of Hold Harmless funding reflects legislative decisions rather than formula design. Consequently, districts with higher fiscal capacity continue to receive more in State support than targeted by the formula which overstates the state share cost of the formula.

Instructional Staff Support, a component of instruction, provides students with improved content for their learning experiences through additional staff training. Improving techniques used by teachers, updating curriculum, and providing workshops and continuing education for teachers are methods used to enhance an adequate education in Louisiana.

Interest (Long Term Debt) includes payments of interest in association with servicing of an LEA's debt of terms exceeding one year.

Level 1. The Minimum Foundation Program (MFP) calculation begins with the base per pupil amount, which is multiplied by the number of "weighted" students. Weights are derived from student needs shown in the current October 1 student count. Student weights are used as a proxy to represent the amount of extra dollars needed to meet particular student needs in each district. Currently, extra student counts are provided for At-Risk students, vocational education units, other exceptionalities and gifted and talented students, and an economy of scale weight for districts with student membership fewer than 7,500. Students that are determined in need of some or all of these services are multiplied by each respective "weight" (Note: A student may be in more than one "weighted" category). The final number is reflected as "Total Weighted Student Membership and/or Units" and is multiplied by the initial Base Per Pupil amount. This calculation determines the minimum education program costs to be shared by state and local governments and is referred to as Level 1 in the formula. Depending on the district's

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local wealth factor and its proportion of the State weighted student membership, the actual amount shared between the State and the districts will vary. On average, local governments are to provide 35% of Level 1 costs while the state should provide 65%.

Level 2. Part of the efforts to equalize State aid includes rewarding local school districts that exceed revenue collections determined to meet the costs of Level 1. Currently, the reward for local effort is set at .40 for each eligible dollar of revenue. An eligible dollar exceeds the amount targeted for Level 1. If the district's actual revenues exceed this amount, they received an additional amount of State aid in Level 2. The actual amount will vary depending on the relative wealth of the local school district. Eligible revenue for the district is the product of the district's local wealth factor (LWF) multiplied by the amount of eligible local revenue. This amount is distributed to eligible districts as the Level 2 reward for local effort.

Level 3. Level 3 of the formula is reserved for legislative enhancements. This funding is not equalized by wealth. Contained in Level 3 is funding for the Foreign Language Associate Program, continuation certificated pay increase granted by the Legislature in FY 2001-2002. Also contained in Level 3 of the formula is Hold Harmless funding for eleven school districts. (See *Hold Harmless* for definition.)

Local Revenues include collections from gross ad valorem taxes and gross sales and use taxes. Fund sources can be broken down into subsections: I. Ad valorem taxation: 1) constitutional taxes, 2) renewable taxes, 3) debt service taxes, and 4) up to 1% collections by the sheriff on taxes other than school taxes (a general fund revenue). II. Sales and use taxes are comprised of taxes assessed on taxable goods and services within the parish before the costs of collection have been deducted. School districts also collect additional revenue from tuition, fees, earnings on investments, community service activities and other sources such as rentals, donations, sale of books and supplies, and other various reimbursements.

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Local Wealth Factor (LWF). Local governments have varying degrees of fiscal capacity to raise revenues as well as varying efforts (via the tax structure) made to collect those revenues. Sales tax capacity is estimated by multiplying the sales tax revenues collected in each district by the statewide average tax rate. Similarly, property tax capacity is based on net assessed property values [i.e., assessed value less exemptions] of the district multiplied by the statewide average millage. The combined capacity (i.e., sales and property) for each local school district is divided by the statewide combined capacity per pupil amount. The result is a factor that represents the relative fiscal standing of each local school district.

Operational Expenditures used in this report exclude the costs of equipment and represent the general operating costs in each school district.

Operations and Maintenance keep the grounds, buildings, and equipment safe and in working condition.

Other Objects (Object Code 800). These are amounts paid for goods and services not otherwise classified in the other object code classifications. Dues and fees, judgments, and interest on bonds or notes fall into this category.

Other Purchased Services Costs (Object Code 500). These are services provided by organizations or personnel not on the payroll of the district (separate from purchased professional/technical and property services). Student transportation services, insurance, telephone and postage, advertising, printing and binding, tuition to other educational agencies for instructional services, food service management, travel and miscellaneous will be shown here.

Other Uses of Funds. Amounts for transactions not properly recorded as expenditures to the LEA are “other uses of funds”. Included are current fund outlays used to retire serial bonds and long term loans or to satisfy housing authority obligations of the district, and

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interfund transactions that should not be classified as an expenditure. This last subcategory includes residual equity transfers, operating transfers out , and indirect costs.

Profile of Educational Personnel (PEP) Reports. Staff information for regular employees, excluding temporary personnel and day-to-day substitutes, is collected from public school districts twice each year to create PEP databases. The October 1 PEP Report, intended to contain all regular employees of the school district who have been hired by that date, reflects the budgeted salary for each individual over the projected period of their employment during the school year. The End-of-Year PEP Report is intended to include all personnel who served as regular employees during any period of the school year, whether one day or the entire year, together with actual days worked and actual salaries paid them for the year. The school districts identify the primary duty of each reported employee by entering into the PEP record the most applicable combination of an Object Code and a Function Code, as defined by *Bulletin 1929: Louisiana Accounting and Uniform Governmental Handbook*. For example, a classroom teacher is identified by combining Object Code 112 (Teacher) with one of the 1000-Series (Instruction) Function Codes, such as 1105 (Kindergarten) or 1350 (Vocational Education - Industrial Arts).

Property Acquisition of Fixed Assets (land or buildings) (Object Code 700). This category includes improvements to grounds and initial, additional, and replacement equipment. Depreciation is required in proprietary funds only. Costs, less salvage value, are apportioned over the estimated service life of the asset. Costs are ultimately charged off as an expense.

Pupil Support Services provide administrative, technical and logistical support that serves to enhance instruction and has direct impact upon students. Expenditures to assess, improve, and supplement the teaching process are included here. Child welfare services are provided to circumvent problems that may limit student achievement, as well as deprive students of an equal educational opportunity. Guidance services facilitate locating career opportunities and providing referral assistance and job placement services. Health

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services, psychological services, and speech pathology are also provided under the category of pupil support.

Purchased Professional and Technical Services Costs (Object Code 300). This category includes payment for services that require specialized training. Consultants, tax assessing and collecting services, speakers, doctors, lawyers, and auditors are some examples of services falling into this category.

Purchased Property Services Costs (Object Code 400). This category includes the costs services required to operate, repair, maintain, and rent property owned or used by the district. Some examples are utilities, water/sewage, cleaning services, custodial, and lawn care.

Quintile. One of five, usually equal, portions of a frequency. When calculating quintiles based on the Local Wealth Factor (LWF), districts are ranked from high to low according to each district's wealth per the applicable Minimum Foundation Program (MFP) Budget Letter. Each quintile contains approximately twenty percent of the October 1 Elementary/Secondary membership.

Salaries (Object Code 100). This category is the gross amount paid to both permanent and temporary LEA employees, including substitutes, with accounting for overtime, sabbatical leave, and stipend pay.

School Administration is the oversight of overall administrative activities for the school.

State Revenues. I. Unrestricted grants-in-aid includes allocations from the Minimum Foundation Program (a general fund revenue) and interest paid from 16th section land. II. Restricted grants-in-aid includes provisions for special education, 8g mineral trust funds used to support specified programs, adult education, improvement programs, early childhood programs, Louisiana Education Assessment Program testing, non-public

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transportation, non-public textbooks reimbursements, and model career option programs. III. Revenue in lieu of taxes is appropriated annually by the State Legislature to compensate for loss due to homestead exemptions. IV. Revenues on behalf of the Local Education Agency (LEA) include items such as pension funds, or fixed assets.

State Targeted Contributions. The MFP formula adopted in 1992-93 changed the way schools are funded. Part of that change is how total costs are to be shared between the State and local governments. Level 1 targets both the State and local share of revenues for education and Level 2 provides additional State aid to eligible local school districts. When both the State and local governments provide the targeted amount, the formula will be fully funded.

Student Transportation to and from school and trips for school activities are provided for regular, special and other activities.

Supplies (Object Code 600). This category represents amounts paid for items consumed, worn out, or deteriorated through use. Audiovisual or classroom teaching supplies, energy, food, books and periodicals are some examples.

70% Instructional Requirement. This requirement, as stated in the MFP Resolution, dictates that local school districts *spend 70 percent of general fund monies, both state and local, on instruction.* The 70% instructional calculation is simply total instruction divided by the sum of total instruction plus support. ***Total Instruction includes Regular Program, Special Education Program, Vocational Education Program, Other Instructional Program, Special Programs, Pupil Support (exclude object code 730), and Instructional Staff Services (exclude object code 730) less nonpublic textbooks revenues (kpc 7960).*** ***Total Support (exclude object code 730) includes General Administration, School Administration, Business Services, Operation and Maintenance, Student Transportation, Central Services, and Food Services less nonpublic transportation revenue (kpc 7945).***

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Tax Effort. Dividing the actual revenues collected by the capacity to raise them derives the tax effort of each local school district. This amount indicates both the ability to pay and efforts made to reach that amount.

Total Instruction includes classroom instruction, pupil support services, and instructional staff support services.

Total Support includes general administration, school administration, business services, operations and maintenance, central services, and food and other services.

Weighted Student Membership. Variation in costs associated with particular student services is recognized through the new MFP formula using student weights. The weighted student membership is used to address equity by recognizing variation in added costs associated with selected student services. These added students/units are recognized as the “weighted” student membership count. Additional costs are recognized at 17% for those students identified as at-risk (i.e., those receiving free or reduced lunches), 5% for vocational education services, 150% for special education-other exceptionalities, 60% for special education-gifted and talented, and a curving economy of scale of up to 20%, with 20% at an October 1 membership level of 0 students down to zero percent at an October 1 membership level of 7,500 students.

The Louisiana Department of Education (LDE) does not discriminate on the basis of sex in any of the education programs or activities that it operates, including employment and admission related to such programs and activities. The LDE is required by Title IX of the Education Amendments of 1972 (Title IX) and its implementing regulations not to engage in such discrimination. LDE's Title IX Coord. is J. J. Guilbeau, Deputy Undersecretary, LDE, Exec. Office of the Supt.; PO Box 94064, Baton Rouge, LA 70804-9064; 877-453-2721 or customerservice@la.gov. All inquiries pertaining to LDE's policy prohibiting discrimination based on sex or to the requirements of Title IX and its implementing regulations can be directed to J.J. Guilbeau or to the USDE, Asst. Sec. for Civil Rights.