

HOUSE COMMITTEE ON EDUCATION

Minutes of Meeting
2005 First Extraordinary Session
November 13, 2005

I. CALL TO ORDER

Representative Carl Crane, chairman of the House Committee on Education, called the meeting to order at 3:12 p.m., in Committee Room 1, in the State Capitol in Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT:

Representative Carl Crane, Chairman
Representative Avon Honey, Vice Chairman
Representative Ernie Alexander
Representative Austin Badon
Representative Regina Barrow
Representative Hollis Downs
Representative Jim Fannin
Representative Hunter Greene
Representative Lelon Kenney
Representative Mike Powell
Representative Don Trahan

MEMBERS ABSENT:

Representative A.G. Crowe
Representative Tank Powell
Representative Harold L. Ritchie
Representative Tommy Wright

III. STAFF MEMBERS PRESENT:

Paul Jones, Research Analyst
Nancy Jolly, Research Analyst
Jackie Snowden, Secretary
Beverly Vincent, Sergeant at Arms

IV. DISCUSSION

Senate Concurrent Resolution No. 15 by Senator Ullo

Senate Concurrent Resolution No. 15 approves adjustments adopted by the State Board of Elementary and Secondary Education (BESE) on 11/9/2005 to the minimum foundation

program (MFP) formula for FY 2005-2006 approved by the legislature as Senate Concurrent Resolution No. 125 of the 2005 Regular Session.

During opening statements, Representative Crane explained that the resolution contained the adjustments to the MFP adopted by BESE on November 9, 2005. He asked representatives of BESE to make the presentation.

Appearing before the committee in support of the legislation were Ms. Marilyn Langley, Ms. Beth Scioneaux, and Mr. Jim Hrdlicka, representing BESE, 1201 N. Third St., Baton Rouge, LA 70804, (225) 342-3602. Ms. Langley said she would present the format of the resolution and then present specifics on numbers. She stated that one of the issues the board recognized was that the concurrent resolution in effect for the 2005-2006 year (SCR No. 125) would remain in effect until an amendment was approved by BESE and the legislature. Ms. Langley acknowledged that questions had been raised about payments made in September and October to some of the areas affected by the hurricanes when they had no students enrolled. She said that until a change is made in the resolution, the payments provided for will continue to be made. Ms. Langley related that this issue was an area of focus as adjustments were made to the resolution. She noted that the resolution is set up as a series of adjustments, recognizing that various districts can be categorized depending upon the impact of the hurricane. Ms. Langley's presentation and the breakdown on each adjustment are contained in "Revisions to the FY 2005-2006 MFP As Adopted by BESE on November 9, 2005" (see Exhibit A).

Representative Downs expressed concern that one of his districts, after finally passing a tax that allowed them to participate in the wealth factor will not, under the current formula, be able to use the proceeds. Ms. Langley stated that the action will be delayed by one year. She noted that the concern was for districts that have lost significant amounts of local revenues, and the attempt to separate these and leave the other districts under the existing operations of the formula. If the March formula is not approved, she said SCR No. 125 will remain in effect.

Representative Fannin also mentioned the problems encountered by portions of his district last year after wealth factor calculations.

Ms. Langley then referred committee members to tables that contain the numbers that correspond to MFP formula items and the amount of funds distributed and adjustments made by school district. She explained that the state experienced a loss of approximately 69,000 students in terms of displaced students who are currently enrolled in school districts outside Louisiana (see Exhibit B).

Ms. Langley commented that BESE took a deliberate approach in preparing the adjustments. She said the MFP task force was assembled and superintendents, business managers, House and Senate members, the Louisiana Association of Business and Industry (LABI), Public Affairs Research Council (PAR), and the Council for A Better Louisiana (CABL) were all represented. She explained that the group laid out the concept of breaking the districts into new categories and the process of recovering funds. Ms. Langley noted that the groups recognized that this would be a transition year and that very significant challenges would occur for Category 1 and Category 2 districts. In Category 1, she pointed out that it will take Orleans Parish several years to recover to their pre-Katrina size of a 65,000-student operation. She said Orleans and St. Bernard (from 8,500 to 1,000 students enrolled) must look at downsizing and making decisions about how they will restructure and manage their operations.

Ms. Langley concluded by describing the formula as a transition document, noting that once the current year concludes, there must be a recognition in 2006-2007 that no transitional funding, other than the small amount provided for Category 1, will be available. She said the districts must create operations based on significantly reduced student membership.

Representative Crane asked Ms. Langley to comment on the significance of the November 15 date as it pertains to the adoption of SCR No. 15. She explained that BESE is required to make the MFP payment by November 25, and each year a payment schedule is established with the office of the treasurer. She said there are times when the holidays dictate that the payments be made earlier than November 25. Ms. Langley told committee members that in order for BESE to work with the banks to ensure that payments are into the districts by November 18, BESE has a deadline of November 15 to allow for any changes to the payment process. She said this is the reason for conversations pertaining to a November 15 deadline. In response to a question from Representative Crane about what would happen to the Orleans Parish payment if the resolution is not adopted by November 15, Ms. Langley explained that Orleans Parish would continue to receive their existing payment (\$17.5 million for this spending cycle) as opposed to \$6 million if the resolution is adopted.

Committee members expressed concern about the situation, their inability to make changes to the formula, and the manner in which Orleans Parish manages the funds they receive. Ms. Langley could not present detailed information about how Orleans Parish is using the funding it receives. She did point out that the district still had limited staff in place and various operational costs.

Representative Mike Powell questioned the percentage of funds being distributed to classrooms across the state (the 70% requirement) and cautioned against decreasing the distribution. He also expressed concern about plans for future contingencies.

Representative Ernie Alexander also expressed concern about future contingencies, and the manner in which the budget is set up. He said he wants what is best for the students of Louisiana but observed that financial realities needed to be closely examined considering the future income of the state.

Representative Fannin stated that the legislature had not had ample time to debate the makeup of the formula that would allow for suggestions to be made. He asked that BESE do a better job in making the formula available to legislators earlier to allow for debate in committee and on the House floor.

Ms. Langley introduced BESE member Penny Dastugue. Ms. Dastugue, representing District 1 (St. Tammany, Jefferson, and Orleans) on the board, stated that BESE is aware of legislator concerns and is working to develop better relationships with the legislature in crafting the formula. She noted that an October MFP meeting was well attended by BESE members and House education committee members. Ms. Dastugue said the meeting was productive and recalled that particular items discussed included weights in the formula and hold harmless issues. She assured committee members that their concerns are heard and being addressed, particularly as they related to individual district needs. Ms. Dastugue said BESE wants to work with the legislature in developing an MFP that is acceptable.

Relative to SCR No. 15, Ms. Dastugue commented that BESE has not had a lot of time given the numerous complex issues and the daily change in data and information being processed. She acknowledged that BESE could have done a better job with the 70% on instruction issue and others. Ms. Dastugue said that the current offering is BESE's best faith effort and is the result of reasonable and pragmatic thought, recognizing the needs of each district.

Testifying in support of the resolution was Mr. Ponder Jones, P.O. Box 239, Watson, LA 70786, (225) 665-1274. Mr. Jones stated that the resolution is the best that can be done under the circumstances. He recommended that the legislature, during the next regular session, use the authority granted to them in Article VI, Section 30 of the state constitution, to authorize school boards without voter approval to levy a 10 mil property tax for three to five years. He said this should be accompanied by some shift in the formula toward greater responsibility of the local systems as long as the new tax is in effect. He also recommended that the educational program for four year olds be funded through the MFP for those systems that have the facilities and finances.

Opposing the resolution were Mr. Tom Tate, representing the Louisiana Association of Educators, P.O. Box 479, Baton Rouge, LA, (225) 343-9243; Ms Alison Ocmant, representing the Louisiana Federation of Teachers, 9623 Brookline, Baton Rouge, LA, (225) 923-1037; and State Representative Mike Walsworth, representing District 15.

Representative Kenney moved that Senate Concurrent Resolution No. 15 be reported favorably. There was an objection, and the secretary called the roll. Senate Concurrent Resolution No. 15 was reported favorably by a vote of 8 yeas and 1 nay. Representatives Alexander, Crane, Downs, Fannin, Greene, Honey, Kenney, and Mike Powell voted yea, and Representative Trahan voted nay.

House Concurrent Resolution No. 37 by Representative Walsworth

House Concurrent Resolution No. 37 approves adjustments adopted by the state Board of Elementary and Secondary Education (BESE) on November 9, 2005, to the MFP formula for FY 2005-2006 approved by the legislature as Senate Concurrent Resolution No. 125 of the 2005 Regular Session.

Representative Walsworth asked that action on House Concurrent Resolution No. 37 be voluntarily deferred. There was no objection, and the motion passed by a vote of 9 yeas and 0 nays. Representatives Ernie Alexander, Crane, Downs, Fannin, Greene, Honey, Kenney, Mike Powell and Trahan voted yea.

V. OTHER BUSINESS

There was no other business for discussion.

VI. ANNOUNCEMENTS

There were no announcements.

VII. ADJOURNMENT

The meeting was adjourned at 5:07 p.m.

Respectfully submitted,

Austin J. Badon, Jr., Chairman

The committee has acknowledged on _____, that these minutes were prepared in accordance with the rules of the House of Representatives.