



HOUSE COMMITTEE ON APPROPRIATIONS

FY 12-13

Executive Budget Review

Louisiana Department of Education

April 3, 2012



**The Louisiana Department of Education has
six budget units:**

- 19-678 – State Activities**
- 19-681 – Subgrantee Assistance**
- 19-682 – Recovery School District**
- 19-695 – Minimum Foundation Program**
- 19-697 – Nonpublic Educational Assistance**
- 19-699 – Special School Districts**

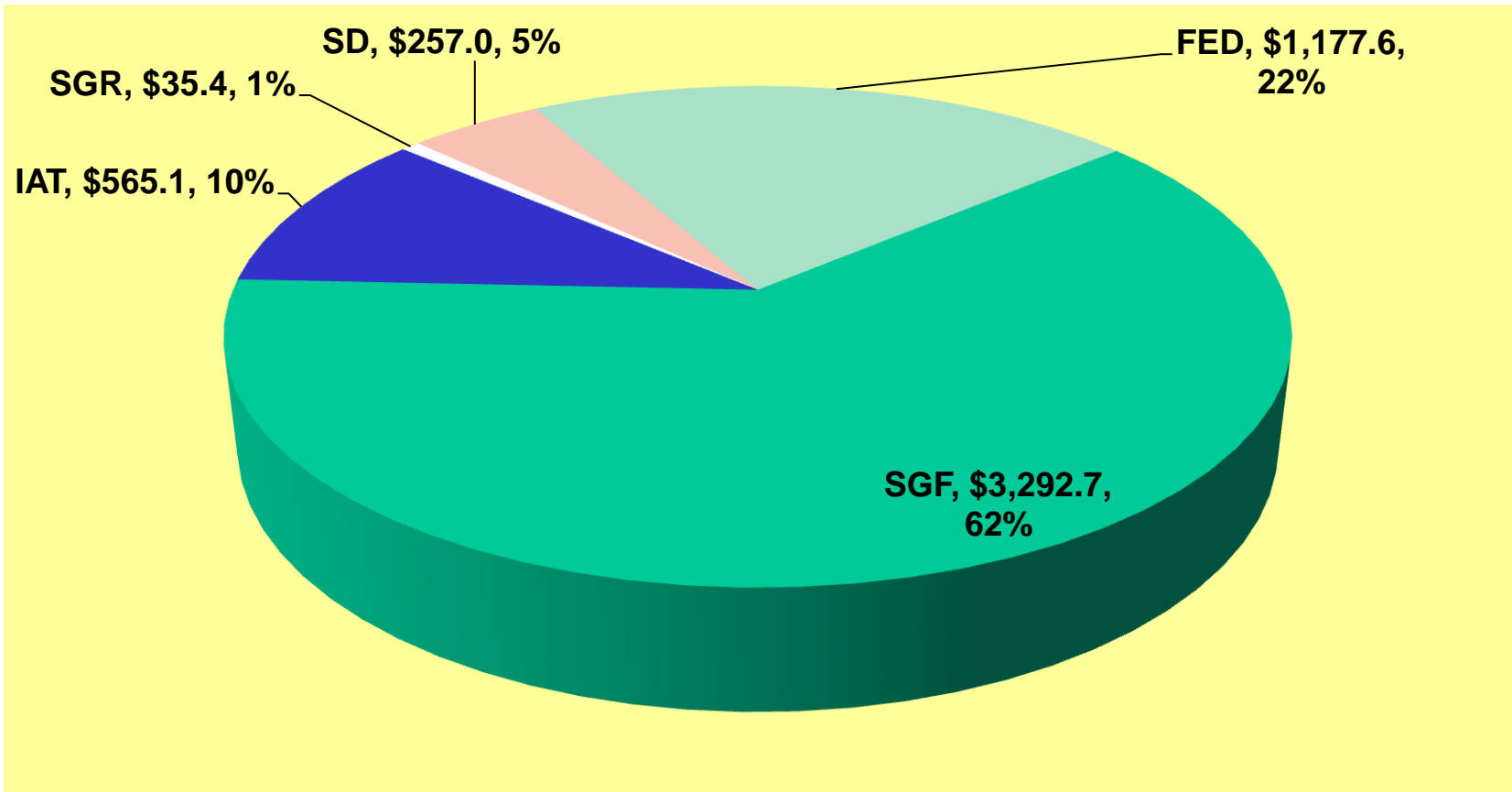


Executive Budget By Means of Finance

LOUISIANA DEPARTMENT OF EDUCATION					
Means of Financing (MOF)	Actual Expenditures FY 2010-11	Existing Operating Budget FY 2011-12 (12/01/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
State General Fund (SGF)	\$3,160,006,805	\$3,264,231,046	\$3,292,674,466	\$28,443,420	0.87%
Interagency Transfers (IAT)	\$475,021,690	\$624,791,747	\$565,060,665	-\$59,731,082	-9.56%
Fees & Self-gen Rev (SGR)	\$6,327,453	\$37,520,092	\$35,378,037	-\$2,142,055	-5.71%
Statutory Dedications (SD)	\$273,019,250	\$278,989,512	\$256,993,594	-\$21,995,918	-7.88%
Interim Emergency Board	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$1,273,696,935	\$1,443,606,070	\$1,177,557,735	-\$266,048,335	-18.43%
TOTAL MOF	\$5,188,072,133	\$5,649,138,467	\$5,327,664,497	-\$321,473,970	-5.69%
Authorized Positions	682	654	596	-58	-8.87%



LDOE FY 12-13 TOTAL MOF (in millions \$) \$5.3 Billion





Distribution of SGF in the DOE

STATE GENERAL FUND (DIRECT)

Department of Education Agencies	Actual Expenditures FY 2010-11	Existing Operating Budget FY 2011-12 (12/01/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
State Activities	\$57,077,230	\$55,752,680	\$46,936,411	-\$8,816,269	-15.81%
Subgrantee Assistance	\$57,988,473	\$20,437,422	\$45,220,358	\$24,782,936	121.26%
Recovery School District	\$15,833,395	\$11,500,117	\$3,530,937	-\$7,969,180	-69.30%
MFP	\$2,991,987,806	\$3,138,436,463	\$3,163,540,785	\$25,104,322	0.80%
Nonpublic Educational Assistance	\$25,141,162	\$25,544,467	\$25,428,467	-\$116,000	-0.45%
Special School Districts	\$11,978,739	\$12,559,897	\$8,017,508	-\$4,542,389	-36.17%
TOTAL	\$3,160,006,805	\$3,264,231,046	\$3,292,674,466	\$28,443,420	0.87%



Distribution of Total Funds in the DOE

TOTAL MEANS OF FINANCE

Department of Education Agencies	Actual Expenditures FY 2010-11	Existing Operating Budget FY 2011-12 (12/01/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
State Activities	\$108,914,337	\$137,850,805	\$129,193,568	-\$8,657,237	-6.28%
Subgrantee Assistance	\$1,271,235,888	\$1,522,555,884	\$1,250,920,137	-\$271,635,747	-17.84%
Recovery School District	\$402,544,008	\$560,006,658	\$498,724,561	-\$61,282,097	-10.94%
MFP	\$3,366,144,000	\$3,387,319,481	\$3,408,370,784	\$21,051,303	0.62%
Nonpublic Educational Assistance	\$25,141,162	\$25,544,467	\$25,428,467	-\$116,000	-0.45%
Special School Districts	\$14,092,738	\$15,861,172	\$15,026,980	-\$834,192	-5.26%
TOTAL	\$5,188,072,133	\$5,649,138,467	\$5,327,664,497	-\$321,473,970	-5.69%



SGF Revenue – State Activities

STATE GENERAL FUND (DIRECT)

19-678 STATE ACTIVITIES	Actual Expenditures FY 2010-11	Existing Operating Budget FY 2011-12 (12/01/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
Executive Office	\$12,174,023	\$4,969,586	\$4,477,071	-\$492,515	-9.91%
Management and Finance	\$11,926,272	\$6,000,947	\$5,195,398	-\$805,549	-13.42%
Departmental Support	\$25,103,760	\$28,156,201	\$25,372,912	-\$2,783,289	-9.89%
Innovation	\$3,486,039	\$5,483,003	\$3,901,405	-\$1,581,598	-28.85%
Student-Centered Goal Offices	\$1,193,442	\$11,142,943	\$7,989,625	-\$3,153,318	-28.30%
Regional Service Centers	\$3,193,694	\$0	\$0	\$0	0.00%
Auxiliary Account	\$0	\$0	\$0	\$0	0.00%
TOTAL	\$57,077,230	\$55,752,680	\$46,936,411	-\$8,816,269	-15.81%



Total Means of Finance – State Activities

TOTAL MEANS OF FINANCE					
19-678 STATE ACTIVITIES	Actual Expenditures FY 2010-11	Existing Operating Budget FY 2011-12 (12/01/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
Executive Office	\$19,144,238	\$8,643,620	\$7,799,962	-\$843,658	-9.76%
Management and Finance	\$16,366,465	\$13,800,251	\$11,621,360	-\$2,178,891	-15.79%
Departmental Support	\$38,175,554	\$67,020,386	\$62,536,212	-\$4,484,174	-6.69%
Innovation	\$9,139,972	\$20,073,294	\$19,935,916	-\$137,378	-0.68%
Student-Centered Goal Offices	\$18,919,781	\$25,197,243	\$24,244,130	-\$953,113	-3.78%
Regional Service Centers	\$5,334,247	\$0	\$0	\$0	0.00%
Auxiliary Account	\$1,834,080	\$3,116,011	\$3,055,988	-\$60,023	-1.93%
TOTAL	\$108,914,337	\$137,850,805	\$129,193,568	-\$8,657,237	-6.28%



Position Summary – State Activities

AUTHORIZED FULL-TIME EQUIVALENTS

19-678 STATE ACTIVITIES	Actual FY 2010-11	Existing Operating Budget FY 2011-12 (12/01/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
Executive Office	96	33	28	-5	-15.15%
Management and Finance	131	81	74	-7	-8.64%
Departmental Support	77	206	185	-21	-10.19%
Innovation	47	49	45	-4	-8.16%
Student-Centered Goal Offices	95	113	100	-13	-11.50%
Regional Service Centers	58	0	0	0	0.00%
Auxiliary Account	14	14	14	0	0.00%
TOTAL	518	496	446	-50	-10.08%



Position Summary – State Activities Classified and Unclassified

AUTHORIZED FULL-TIME EQUIVALENTS					
19-678 STATE ACTIVITIES	Actual FY 2010-11	Existing Operating Budget FY 2011-12 (12/01/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
Classified	466	441	388	-53	-12.02%
Unclassified	52	55	58	3	5.45%
TOTAL	518	496	446	-50	-10.08%



Significant Budget Changes - Statewide

- (\$1,000,168) SGF** **Annualization of FY 11-12 Mid-Year Reduction Plan**
- (728,566)** **Annualization of Executive Order 11-12 Hiring Freeze and reduction of 8 authorized positions (-\$309,429 SGF, -\$305,763 IAT, -\$113,374 FED)**
- (\$3,021,398)** **LASERS rate adjustments (-\$1,329,188 SGF, -\$1,007,108 IAT, -\$119,490 SGR, -\$565,612 FED)**
- \$4,218,019** **Teacher Retirement Rate Adjustment (\$1,210,767 SGF, \$2,172,471 IAT, \$220,222 SGR, \$614,559 FED)**
- \$643,955** **Salary Base Adjustment (\$599,908 SGF, \$132,611 IAT, \$28,151 SGR, -\$116,715 FED)**



Significant Budget Changes - Statewide

- (\$1,430,499)** Adjustment for Attrition (-\$638,471 SGF, -\$111,009 IAT, -\$29,574 SGR, -\$651,445 FED)
- (\$941,335)** Personnel Reductions and elimination of 12 positions (-\$785,616 SGF, -\$151,893 IAT, -\$3,826 SGR)
- (\$388,303)** Salary Funding from Other Line Items (-\$149,154 SGF, -\$16,047 IAT, -\$49,653 SGR, -\$173,449 FED)
- (\$35,405,820)** Acquisitions and Major Repairs, including non-recurring adjustments (-\$9,192 SGF, -\$32,000,000 IAT, -\$3,396,628 SGR)



Significant Budget Changes - Statewide

- (\$29,558,885) Non-recurring Carryforwards (-\$11,877,684 IAT, -\$424,873 SGR, -\$17,256,328 FED)**
- (\$727,612) Adjustment for risk management, Legislative Auditor fees, rent in state-owned buildings, Capitol Park security, UPS fees, Civil Service fees, Office of Computing Service Fees and Administrative Law Judges (-\$721,719 SGF, -\$2,381 IAT, -\$3,512 FED)**
- (\$2,483,744) Non-recurring funding for the 27th Pay Period (-\$449,057 IAT, -\$52,884 SGR, -\$1,259,505 SD, -\$722,298 FED)**



Significant Budget Changes – MOF Substitutions

- \$40,500,000** **Means of Finance Substitution for LA4 with \$20.5 million State General Fund and \$20 million Interagency Transfers from Office of Community Development replacing \$40.5 million non-recurring TANF funding.**
- \$4,053,019 SGF** **Means of Finance Substitution for the Minimum Foundation Program with State General Fund replacing Statutory Dedicated Lottery Proceeds Fund and Support Education in Louisiana First Fund. Total Lottery Proceeds Funds appropriated for FY 12-13 are \$136.1 million and SELF Funds appropriated for FY 12-13 are \$108.8 million.**
- (\$4,225,778) SGF** **Means of Finance Substitution replacing SGF with IAT for Special Schools District as a result of being added to the MFP.**



Significant Budget Changes – Nonrecur Funding

- (\$195,573,261) FED** This adjustment nonrecurs American Recovery and Reinvestment Act Federal Funds which were budgeted in Subgrantee Assistance
- (\$57,000,000) FED** This adjustment nonrecurs Education Jobs Fund Federal Funds in Subgrantee Assistance
- (\$8,900,000) SD** This adjustment nonrecurs Academic Improvement Fund Statutory Dedications which received funds from the Capitol Technology Enhancement Fund for the Student Scholarships for Educational Excellence Program which the Executive Budget places in the MFP for FY 12-13
- (\$41,000) IAT** This adjustment nonrecurs Interagency Transfers budget authority for 8(g) Foreign Languages in Subgrantee Assistance



Significant Budget Changes – Reductions

- (\$7,416,000) SGF** Departmental Reduction Plan reducing SGF and 41 authorized positions and 10 non T.O. full-time equivalents
- (\$7,287,471) SGF** Recovery School District reduction as a result of including RSD into the state risk pool for insurance
- (\$6,878,747) SGF** Minimum Foundation Program net SGF adjustments after adding Student Scholarships, LSDVI and SSD into the MFP and the amount for which the school district is responsible for NOCCA, LSMSA, LSDVI, SSD, Type 2 Charter Schools and Student Scholarships
- (\$7,636,002) SD** Decrease Statutory Dedication Education Excellence Fund based on 12/14/11 REC meeting



Significant Budget Changes – Reductions

- (\$563,500) SGF** **Reduction in the transfer of Model Regional Alternative School Pilot Program from Subgrantee Assistance to the Recovery School District**
- (\$486,323) SGF** **Reduction in support for dual enrollment services. The proposed MFP contains a section entitled the Choice System which requires local school systems to ensure that sufficient funding is available for dual enrollment courses to meet the needs of students as has been the practice in prior years.**



Significant Budget Changes – Increases

- \$27,930,050 SGF** Increase to the MFP for additional students making the Executive Budget MFP FY 12-13 \$3.408 billion. The MFP adopted by BESE March 7, requires \$3.422 billion. By way of comparison, the MFP is currently budgeted \$3.430 billion in FY 11-12.
- \$7,386,902 SGF** Increase due to the transfer of the Private Pre-K Program from the Office of the Governor and provides three authorized positions
- \$250,000 SGF** Increase to administer the student scholarships program
- \$300,000 FED** Increase due to the Striving Readers grant



Significant Budget Changes – Annualizations

\$5,213,500 FED Annualizes Race to the Top Federal Funds

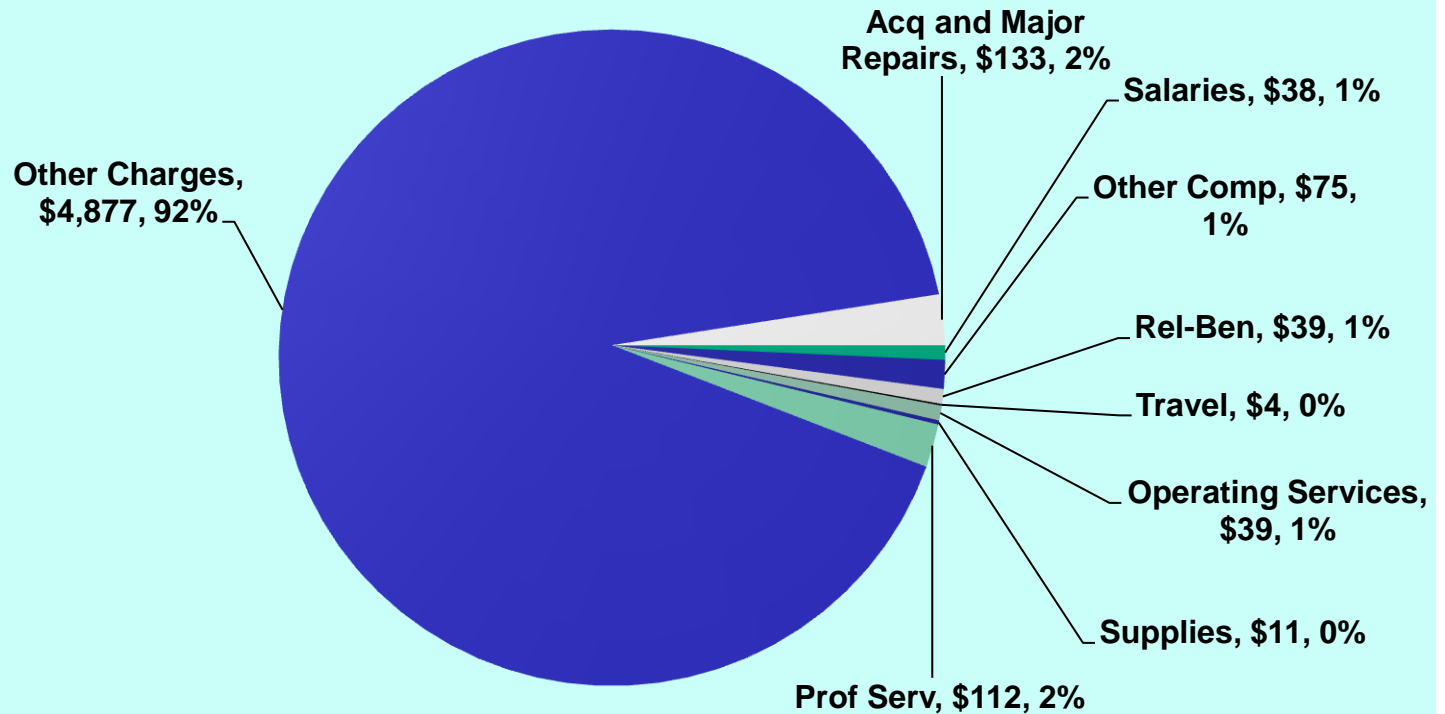


FY 12-13 Executive Budget by Expenditure Line Item

Expenditures	FY 10-11 Actual Budget	FY 11-12 Existing Operating Budget (12/01/11)	FY 12-13 Executive Budget	Change from FY 11-12 to FY 12-13	Percent Change
Salaries	\$41,352,686	\$43,222,946	\$38,123,379	-\$5,099,567	-11.8%
Other Compensation	\$72,767,181	\$75,935,296	\$75,199,596	-\$735,700	-1.0%
Related Benefits	\$38,449,670	\$40,072,739	\$38,875,154	-\$1,197,585	-3.0%
Travel	\$2,199,502	\$4,149,299	\$4,145,283	-\$4,016	-0.1%
Operating Services	\$43,165,882	\$38,839,714	\$38,601,020	-\$238,694	-0.6%
Supplies	\$6,183,968	\$10,569,722	\$10,609,418	\$39,696	0.4%
Prof Svcs	\$69,095,139	\$124,718,872	\$112,154,774	-\$12,564,098	-10.1%
Other Charges	\$4,869,482,945	\$5,142,137,581	\$4,876,597,961	-\$265,539,620	-5.2%
Acq/Major Repairs	\$45,375,160	\$168,763,732	\$133,357,912	-\$35,405,820	-21.0%
Unallotted	\$0	\$728,566	\$0	-\$728,566	-100.0%
TOTAL EXP	\$5,188,072,133	\$5,649,138,467	\$5,327,664,497	-\$321,473,970	-5.7%



FY 12-13 Executive Budget by Expenditure Line Item (in millions \$)





DOE Discretionary and Non-Discretionary Funding in FY 12-13 Executive Budget

Discretionary	\$1,896,634,816	35.60%
Non-Discretionary	\$3,431,029,681	64.40%
Total	\$5,327,664,497	100.00%

Non-discretionary funding within DOE's FY 12-13 Executive Budget Recommendation is primarily due to the Minimum Foundation Program



Statutory Dedications

LOUISIANA DEPARTMENT OF EDUCATION Statutory Dedication Comparison

Statutory Dedications	FY 10-11 Actual Expenditures	FY 11-12 Existing Operating Budget 12/01/11	FY 12-13 Executive Budget	Change FY 11-12 to FY 12-13	Percent Change
Lottery Proceeds Fund	\$140,427,170	\$137,192,002	\$136,054,999	-\$1,137,003	-0.8%
Support Education in Louisiana First Fund	\$109,070,000	\$111,691,016	\$108,775,000	-\$2,916,016	-2.6%
Education Excellence Fund	\$14,824,409	\$19,799,617	\$12,163,595	-\$7,636,022	-38.6%
Academic Improvement Fund	\$8,640,171	\$8,900,000	\$0	-\$8,900,000	-100.0%
Overcollections Fund	\$50,000	\$1,406,877	\$0	-\$1,406,877	-100.0%
Motorcycle Safety and Training	\$7,500	\$0	\$0	\$0	0.0%
TOTAL	\$273,019,250	\$278,989,512	\$256,993,594	-\$21,995,918	-7.9%



Dedications

Education Excellence Fund Const. Art. VII, Section 10.8

- Beginning FY 11-12, the La. Constitution provides that the state treasurer shall credit to the Education Excellence Fund one-third of all investment earnings on the investment of the Millennium Trust
- Recommended in the Executive Budget at \$12 million
- To be allocated among public and nonpublic schools



Dedications

Lottery Proceeds Fund Const. Art. XII Section 6

- Shall annually be appropriated only for the MFP and no more than \$500,000 for compulsive and problem gaming services
- Recommended in the Executive Budget at \$136 million for MFP

Support Education in Louisiana First Fund R.S. 17:421.7

- Derived from riverboat and casino gaming revenues
- Appropriated for higher education faculty and public elementary and secondary certificated pay raise funding since FY 01-02
- Recommended in the Executive Budget at \$109 million for MFP



Dedications

Overcollections Fund R.S. 100:21

- Created in 2004
- Monies in the fund are invested in the same manner as monies in the SGF
- Interest earned on investment of monies in the fund are deposited in and credited to the SGF
- Unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund
- No Overcollections Fund amounts are included in the department's FY 12-13 budget



Louisiana Department of Education

FY 12-13	DOE Without Recovery School District	Recovery School District	DOE With Recovery School District
Salaries	\$38,123,379	\$0	\$38,123,379
Other Compensation	\$4,941,315	\$70,258,281	\$75,199,596
Related Benefits	<u>\$15,217,338</u>	<u>\$23,657,816</u>	<u>\$38,875,154</u>
Total Personal Services	\$58,282,032	\$93,916,097	\$152,198,129



Louisiana Department of Education Including the Recovery School District

FY 12-13 SALARIES/POSITIONS

- 113 million for Salaries and Other Compensation
- \$39 million for Related Benefits
- Total Personal Services = \$152 million, 2.8% of the LDOE total Executive Budget Recommendation

- DOE Average Classified Salary = \$56,394
- DOE Average Unclassified Salary = \$78,112
- Average RSD Salary (all unclassified) = \$48,173

- 596 Authorized Positions in the DOE (389 classified and 207 unclassified) – The RSD does not have an Authorized Position count
- As of March 28, 2012, LDOE had 62 vacancies



Louisiana Department of Education

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