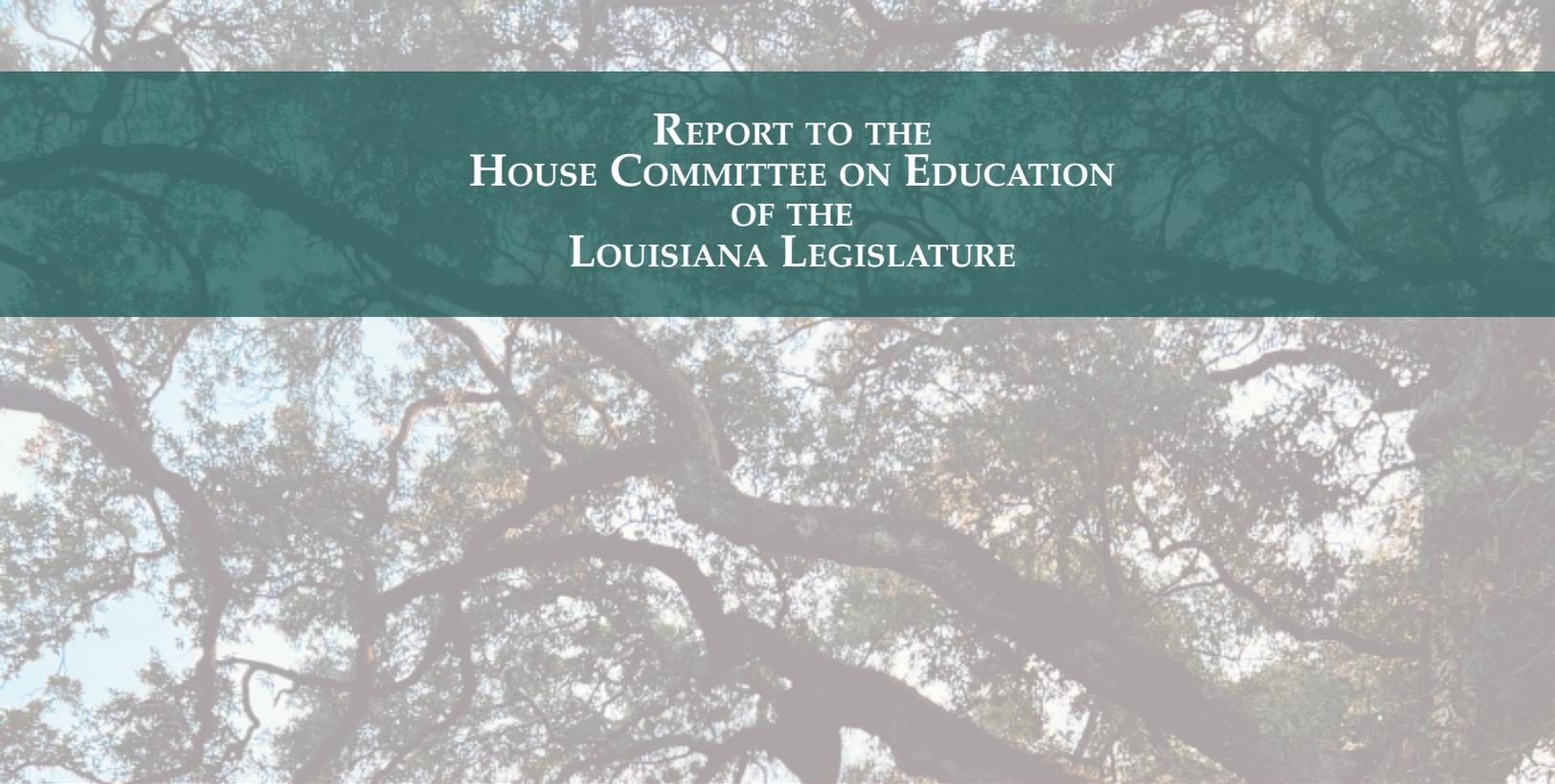
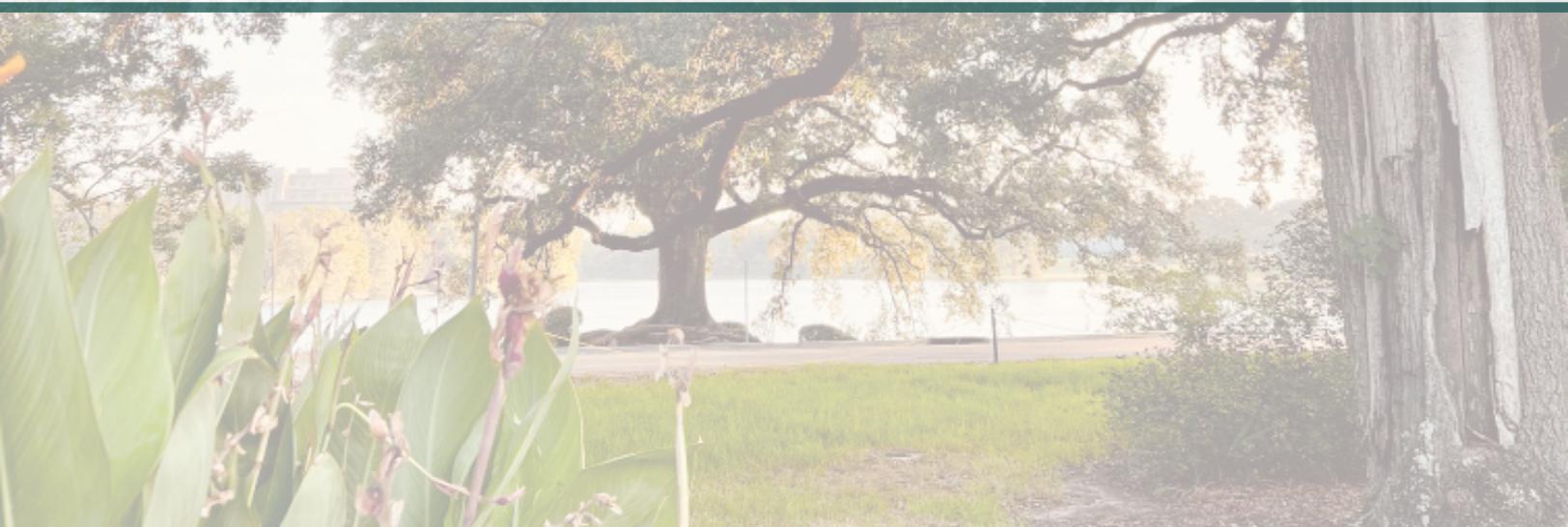
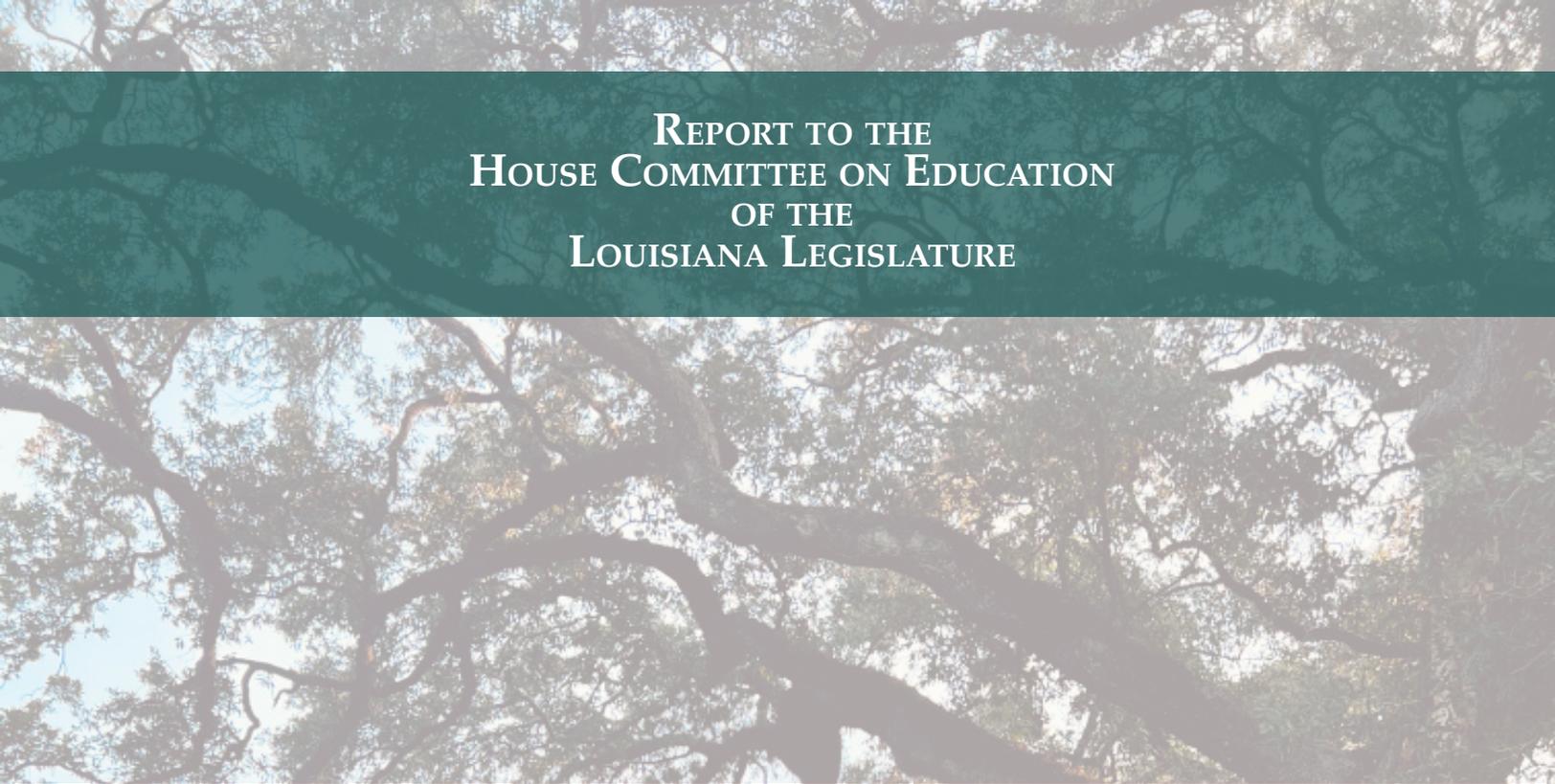


REPORT TO THE
HOUSE COMMITTEE ON EDUCATION
OF THE
LOUISIANA LEGISLATURE



PURSUANT TO
HOUSE RESOLUTION No. 7
OF THE
2025 REGULAR SESSION



PREPARED BY THE LEGISLATIVE FISCAL OFFICE

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REQUIREMENTS OF THE RESOLUTION

House Resolution No. 7 of the 2025 RS urges and requests the Legislative Fiscal Office to study the means and methods used to provide state dollars and other funding for the operation of laboratory schools in Louisiana, including but not limited to issues concerning equity and fairness in funding methods and amounts, and to report study findings and recommendations in writing to the House Committee on Education prior to the start of the 2026 RS.

OVERVIEW

Louisiana’s six university laboratory schools are located on college and university campuses across the state. These schools offer many benefits to both the host university and the teachers and students of the lab schools. They serve as sites where future teachers gain practical, hands-on experience by allowing university students majoring in education to observe classroom dynamics as part of their coursework while remaining on campus and provide a setting for Colleges of Education to conduct research on emerging educational strategies. In turn, teachers employed at lab schools are given the opportunity to participate in numerous professional development opportunities through their affiliated colleges or universities, keeping them engaged with the most current research on effective teaching practices. Although all lab schools share the same foundational purpose, their methods of financing vary across institutions.

LAB SCHOOLS

There are seven statutorily approved lab schools in Louisiana. The table below lists the schools, the school district in which they are located, and the university that they are associated with.

School System	School	University
East Baton Rouge	University Lab School	Louisiana State University (LSU)
East Baton Rouge	Southern University Lab School	Southern University (SU)
Lincoln	A.E. Phillips Lab School	Louisiana Tech University (LaTech)
Natchitoches	NSU Elementary Lab School	Northwestern State University (NSU)
Natchitoches	NSU Middle Lab School	Northwestern State University
Tangipahoa	Southeastern Louisiana Lab School	Southeastern University (SELU)
*Lafayette	University of Louisiana Lafayette Lab School	University of Louisiana Lafayette (ULL)

*University of Louisiana Lafayette Lab School is not currently operational. An estimated opening date for the school is not known at this time.

UNIVERSITY FUNDING

The Southern Regional Education Board (SREB) has designed institutional categories for colleges and universities¹ that are based upon the number and types of degrees the institution awards, with an SREB average funding assigned to each category. The universities that operate a lab school fall in one of the five categories as follows: Category 1 – LSU; Category 2 – LaTech and ULL; Category 3 - SELU and SU; and Category 4 – NSU. The Board of Regents adopted a funding formula as a means to provide certain funding to universities and colleges. The formula attempts to provide funding to the universities to bring each closer to the SREB average for each institutional category. As a general rule, Category 1 universities are provided more funding per full-time equivalent student (FTE) and therefore may have access to supplementary funding that an institution of a lower category may not. This funding formula is not the sole method used to provide funding to universities as the Board of Regents has the discretion to provide additional funding as necessary.

1 SREB institutional categories are a standardized classification system used to group public postsecondary institutions by mission and degree offerings (e.g., research universities, comprehensive universities, and two-year colleges), allowing for consistent comparison of institutions across states for policy, funding, and accountability analyses.

PER PUPIL FUNDING FROM MFP AND LOCAL REVENUES

All university lab schools charge tuition and fees to attend the school, ranging from \$2,500 per year to \$6,000 per year. Thus, the revenue generated from tuition varies greatly between schools. Schools often offer a sliding scale for tuition if more than one sibling attends. Financial aid is also available for some qualifying families. Tuition is used to fund operations and maintenance of the lab schools.

According to HCR 23 of the 2022 RS, the State Board of Elementary & Secondary Education is required to allocate from the Minimum Foundation Program (MFP) to LSU, SU, and ULL an amount per student equal to the amount allocated per student for the average state share of the MFP. For the 2025-2026 school year, both LSU and SU are receiving \$4,828 (state average) per student plus an additional amount per pupil (\$606 LSU and \$700 SU) to provide for the continuation of prior year teacher pay raises. ULL is not currently operational, but when it is, it will be eligible for funding in the same manner as LSU and SU. While these universities receive the per pupil state average amount from the MFP, they do not receive any local funds generated by the East Baton Rouge Parish School Board. These two schools, and ULL once it is operational, are effectively separate school districts in terms of receiving MFP funding and do not receive any reimbursements for any expenses from their local school boards.

The remaining lab schools, A.E. Phillips Lab, NSU Elementary Lab, NSU Middle Lab, and SELU Lab do not receive a direct MFP allocation. For these schools, the school district in which the lab school is located counts lab school students in their total student population for purposes of MFP funding and receives all MFP funding generated by these students. The district also generates revenues through local property and sales taxes. The local school board uses a combination of state MFP funds and locally generated revenues as sources to fund or reimburse the lab schools for operating expenses as determined by their individual agreements with the lab schools and these amounts vary by district and school.

Table A in the appendix provides an estimated operating budget for each lab school. The information in this table is self-reported by the individual school boards and/or universities. The operating budget listed for each lab school may not include certain costs such as shared costs/services including transportation and school food. The operating budget is broken out by four revenue sources: university funding, school board funding, direct MFP funding, and tuition and other fees. University funding indicates any monies provided for the lab school from the university's budget. School board funding indicates the funding that the school board provides for reimbursement to the university, direct payment of operations, or additional MFP funding for purposes of equity within the district. These funds are a combination of resources such as state MFP dollars and local revenues generated by the district. Direct MFP funding to the lab school indicates the MFP funding generated by the students at the LSU and SU Lab Schools that is allocated directly to the university through the MFP Budget Letter. Tuition and other fees indicate the funding generated by any tuition charges and any corresponding fees.

METHODS OF FUNDING OPERATIONS/OPERATIONS

The state does not adopt rules or policies specific to the operations of university lab schools. They are to follow the laws of a regular public school; however, the financing of operations is decided between the school board and the university. Each school has a differing agreement between the university and the local school board as to whom will provide funding for certain items. Typically, the Dean of the College of Education is thought of as the superintendent for the school. Both LSU and SU run their lab schools with no input from the school board, nor any financing. Most of the other lab schools are run by their respective universities with varying levels of input from the school board for day-to-day operations. For example, in the case of the NSU lab schools, the principal primarily reports to the school board rather than the Dean of the College of Education. At A.E. Phillips, the director of the lab school reports to the Dean of the College of Education, though for many purposes, the Superintendent of Lincoln Parish School Board is considered to be the governing authority of the lab school.

The local school districts do not necessarily forward the total amount of MFP revenues generated per student to district schools or lab schools. For example, a school district will reimburse a school for a set number of staff needed based on student enrollment. A university may then choose to employ additional staff with funding generated either by tuition or from the university's budget. The same funding methodology is used for textbooks, supplies, instructional equipment, etc. The school board allows for a certain expenditure amount and the university may use their operating budget to fund additional purchases over this amount. Some schools have a Memorandum of Understanding (MOU) with their respective school board to define the share of MFP funding provided to the lab school, as is the case with the Lincoln Parish School Board which provides \$1,000 per student, per year to A.E. Phillips for maintenance and operational expenses, consistent with the other schools operated by the Lincoln Parish School Board. Certain teachers at the lab schools may be supervising teachers. These teachers work closely with student teachers at the school and with university students working on clinical observations for coursework. The supervising teachers receive a stipend for such work. Depending on the agreement between the partners, these stipends may be paid by the school board or the university.

CAPITAL OUTLAY

The process for obtaining funding for capital outlay is essentially the same for each lab school. All lab school buildings are state-owned via their respective university. Appendix B provides a breakdown of all lab school facilities by institution. To obtain capital outlay funding for a lab school building, the school must set priorities, which are then submitted to the respective university and prioritized along with other university projects. The university in turn must send their prioritized list to the university board. The university board will set priorities for projects for all of the universities they oversee and then submit that list to the Board of Regents. From that point the Division of Administration's Office of Facility Planning & Control will analyze projects for potential inclusion in the state's annual Capital Outlay Bill.

Tuition and fees partially cover operating costs of the schools and maintenance of buildings. However, a school may have needs that prompt seeking and obtaining funding from the university's operating budget. While the process of obtaining funding for maintenance costs across lab schools is the same, it is different than a regular public school as those buildings are owned by the local school district. When additional funding is needed, local school districts have the authority to pass local taxes. Note: Some school districts have an agreement to provide additional funding to the lab schools to assist with maintenance and operational expenses when necessary; however, the agreements do not provide a specific level of support.

ALTERNATIVE OPTIONS

The following options are provided, as required by HR 7 of the 2025 RS, in an attempt to illustrate how alternative methods may impact equity and fairness in the provision of state funding for lab schools. To reiterate previously provided information, lab schools are part of a university and therefore are eligible for direct funding from their respective institutions. Additionally, these schools are able to charge tuition. Due to these factors, the total available funding for each lab school will not be equal. The following alternative options are for illustrative purposes, and do not exhaust all potential options for changes in funding the lab schools. Each of these options would change the amount each lab school receives from the MFP formula and the local school district.

Note: The simulations used in this analysis were provided by the Louisiana Department of Education using data from the most recent MFP Budget Letter, dated August 2025. This budget letter is based on the last legislatively approved MFP formula as provided by HCR 23 of the 2022 RS. Due to the complexity of the MFP formula, actual impacts may vary but are expected to be reasonably close to those provided.

OPTION ONE

EACH LAB SCHOOL WILL REPORT THEIR STUDENTS SEPARATELY AND BE PROVIDED THE STATE AVERAGE PER PUPIL AMOUNT GENERATED BY THE MFP. THERE WILL BE A NET INCREASE IN COSTS TO THE STATE OF APPROXIMATELY \$1.2 M.

Increase in State MFP Dollars Directed to Lab Schools	\$5.4 M
Decrease in State MFP Dollars Directed to School Systems with Lab Schools	(\$6.4 M)
Increase in State MFP Dollars to Remaining 65 School Systems	<u>\$2.2 M</u>
Net Change	\$1.2 M

Set every school up as an individual school district for purposes of MFP funding as LSU and SU lab schools are currently handled. Each university will receive direct MFP funding based on the state average per pupil amount, allocated specifically to the lab school. Each school would no longer receive any financial support from the school district in which they are located. This method will allow for equal state funding from the MFP; however, it does not take into consideration the funding available from tuition or the university's budget. The table below shows the amount that each lab school would receive from the state through the MFP based on the current per pupil state allocation of \$4,828 for Levels 1-3. Note: This amount does not include the cost of any supplementary funding that school districts are eligible to receive via other levels of the formula nor the cost for continuation of prior year pay raises.

Although the MFP formula would remain unchanged, the shift in enrollment would alter the distribution of funds and change the cost to the state. In the current MFP formula, LSU and SU students are not counted in the East Baton Rouge Parish enrollment figures and are instead counted in a separate table, which generates a cost to the state of approximately \$10.5 M. The remaining lab schools would be treated the same in this scenario and the cost to provide the MFP state average to each lab school student, shown in the table below, would total an estimated \$15.9 M, or an increase of \$5.4 M.

AMOUNT OF STATE MFP DOLLARS DIRECTED TO LAB SCHOOLS

School	State MFP Per Pupil	Current Direct State MFP Allocation	Proposed State MFP Allocation Option 2
University Lab School	\$3,621	\$7,044,349	\$5,283,661
Southern University Lab School	\$3,621	\$3,466,650	\$2,600,184
A.E. Phillips Lab School	\$5,057	\$0	\$2,068,489
NSU Elementary Lab School	\$4,919	\$0	\$1,416,637
NSU Middle Lab School	\$4,919	\$0	\$885,398
Southeastern Louisiana Lab School	\$5,868	\$0	\$1,379,079
TOTAL		\$10,510,999	\$13,633,448

The students enrolled at these lab schools would not be counted in the enrollment figures of the district in which the school is located. In doing this, Lincoln Parish, Natchitoches Parish, and Tangipahoa Parish would lose students in the MFP calculation and lose an associated state MFP dollar amount. The total decrease for these three districts is \$6.4 M; the change for each district with one or more operating lab school is shown in the table on the following page.

CHANGE IN STATE MFP DOLLARS DIRECTED TO DISTRICTS WITH LAB SCHOOLS

School System	Current FY 25-26 MFP State Allocation	Proposed FY 25-26 MFP State Allocation	Difference
East Baton Rouge	\$195,417,284	\$195,637,991	\$220,707
Lincoln	\$35,176,829	\$32,936,389	(\$2,240,440)
Natchitoches	\$25,739,913	\$23,005,249	(\$2,734,664)
Tangipahoa	\$123,319,634	\$121,899,206	(\$1,420,428)
TOTAL	\$379,653,660	\$373,478,835	(\$6,174,825)

Although there is reduction in state MFP funding to Lincoln, Natchitoches, and Tangipahoa, the total cost to provide state funding to the remaining 66 school districts would increase by \$2.2 M. Lincoln, Natchitoches, and Tangipahoa all lose students, but keep the same amount of local revenue; thus, the per pupil share of local revenue increases. Because local revenue does not decline proportionally with enrollment and the MFP must maintain a statewide 65%/35% state to local funding split, the state must then increase funding to other districts to rebalance the formula, which increases the total state cost for the other districts.

OPTION TWO

EACH LAB SCHOOL WILL REPORT THEIR STUDENTS SEPARATELY AND WILL BE PROVIDED THE STATE PER PUPIL AMOUNT GENERATED BY THE MFP FOR THE DISTRICT IN WHICH THE SCHOOL IS LOCATED. THERE WILL BE A NET DECREASE IN COSTS TO THE STATE OF \$1.5 M.

Increase in State MFP Dollars Directed to Lab Schools	\$3.1 M
Decrease in State MFP Dollars Directed to School Systems with Lab Schools	(\$6.4 M)
Increase in State MFP Dollars to Remaining 65 School Systems	\$2.2 M
Net Change	(\$1.1 M)

This option is similar to the first: set every school up as an individual school district for purposes of MFP funding as LSU and SU Lab Schools are currently handled. Each university will receive direct MFP funding based on a per pupil amount allocated specifically for the lab school. The state MFP per pupil amount provided for each student in the district in which the school is located would be provided to the university. For example, the state per pupil amount calculated for Natchitoches Parish is \$4,919; prior to the additional per pupil amount provided for the continuation of teacher pay raises. This amount would be provided on a per pupil basis directly to NSU Elementary and Middle students. Each lab school would no longer receive any financial support from the school district in which they are located.

Like the first option, this proposal does not take into consideration the funding available from tuition or the university's budget. The table below shows the state MFP allocation that each lab school would receive.

AMOUNT OF STATE MFP DOLLARS DIRECTED TO LAB SCHOOLS

School	State MFP Per Pupil	Current Direct State MFP Allocation	Proposed State MFP Allocation Option 2
University Lab School	\$3,621	\$7,044,349	\$5,283,661
Southern University Lab School	\$3,621	\$3,466,650	\$2,600,184
A.E. Phillips Lab School	\$5,057	\$0	\$2,068,489
NSU Elementary Lab School	\$4,919	\$0	\$1,416,637
NSU Middle Lab School	\$4,919	\$0	\$885,398
Southeastern Louisiana Lab School	\$5,868	\$0	\$1,379,079
TOTAL		\$10,510,999	\$13,633,448

Although the MFP formula would remain unchanged, the shift in enrollment would alter the distribution of funds and change the cost to the state. In the current MFP formula, LSU and SU students are not counted in the East Baton Rouge Parish enrollment figures for purposes of calculating the MFP. LSU and SU students are counted in a separate table, which generates a cost to the state of approximately \$10.5 M. The remaining lab schools would be treated the same in this scenario. The state MFP allocation to all lab schools is expected to total \$13.6 M, or an increase of \$3.1 M.

The students enrolled at these lab schools would not be counted in the enrollment figures of the district in which the school is located. As a result, Lincoln Parish, Natchitoches Parish, and Tangipahoa Parish would lose students in the MFP calculations, and lose an associated state MFP dollar amount. The total decrease for the three districts is \$6.4 M; the change for each district is shown in the table below.

CHANGE IN STATE MFP DOLLARS DIRECTED TO DISTRICTS WITH LAB SCHOOLS

School System	Current FY 25-26 MFP State Allocation	Proposed FY 25-26 MFP State Allocation	Difference
East Baton Rouge	\$195,417,284	\$195,637,991	\$220,707
Lincoln	\$35,176,829	\$32,936,389	(\$2,240,440)
Natchitoches	\$25,739,913	\$23,005,249	(\$2,734,664)
Tangipahoa	\$123,319,634	\$121,899,206	(\$1,420,428)
TOTAL	\$379,653,660	\$373,478,835	(\$6,174,825)

Although the amount being provided to each lab school in this alternative differs from Option 1, the financial impact to each district is unchanged because both options require the same reduction in district student counts.

As is the case in Option 1, despite the decrease in state MFP funding to Lincoln, Natchitoches, and Tangipahoa, the total cost to provide state funding to the remaining 66 school districts would increase by \$2.2 M. Lincoln, Natchitoches, and Tangipahoa Parishes all lose students, but keep the same amount of local revenue. Thus, the per pupil share of local revenue increases. Because local revenue does not decline proportionally with enrollment, and the MFP must maintain a statewide 65%/35% state to local funding split, the state must then increase funding to other districts to rebalance the formula, increasing the total state cost for the other districts.

OPTION THREE

EACH LAB SCHOOL WILL REPORT THEIR STUDENTS TO BE INCLUDED IN THEIR LOCAL SCHOOL DISTRICT ENROLLMENT AND WILL BE PROVIDED THE STATE AND LOCAL PER PUPIL AMOUNT GENERATED BY THE MFP FOR THE DISTRICT IN WHICH THE SCHOOL IS LOCATED. THERE WILL BE A NET DECREASE IN COSTS TO THE STATE OF \$1.2 M.

Total Increase in State MFP Funding as a Result of Shift of Students	\$9.3 M
Decrease in Level 5 State MFP Funding to LSU and SU Lab Schools	(\$10.5 M)
Net Change	(\$1.2 M)

All lab school students will be counted in the enrollment counts for the school district in which they are geographically located. Outside of LSU and SU, all other lab schools currently conduct their enrollment count this way. LSU and SU students are instead counted separately from their encompassing district and receive their MFP allocations from the state via Level 5 of the MFP. This generates a cost to the state of approximately \$10.5 M in direct funding to the schools. Under this option, these two schools will include their student enrollment counts in the East Baton Rouge district count and will receive the district's MFP per pupil state share and per pupil local share.

Based on current enrollment, LSU and SU would be eligible to receive an estimated \$7.9 M in state MFP funding, a \$2.6 M decrease from their current allocations. The amount of both state and local MFP funding each lab school is estimated to receive under this option is shown in the table below.

ENROLLMENT BASED STATE AND LOCAL MFP DOLLARS GENERATED BY LAB SCHOOLS

School	Proposed Total MFP Allocation Option 3	Proposed State MFP Allocation	Proposed Local MFP Allocation
University Lab School	\$12,113,809	\$5,283,661	\$6,830,148
Southern University Lab School	\$5,961,422	\$2,600,184	\$3,361,238
A.E. Phillips Lab School	\$3,724,677	\$2,068,489	\$1,656,188
NSU Elementary Lab School	\$2,624,739	\$1,416,637	\$1,208,102
NSU Middle Lab School	\$1,640,462	\$885,398	\$755,064
Southeastern Louisiana Lab School	\$2,175,753	\$1,379,079	\$796,674
TOTAL	\$28,240,862	\$13,633,448	\$14,607,414

When students are added to a district under the MFP, the total cost to fully fund the formula increases. Because the MFP must maintain a statewide 65% / 35% state to local funding split, the state share is rebalanced across the district, which can reduce state funding to other districts even though no district experiences a decline in enrollment. For example, in this scenario, the 65 districts that do not include a lab school would realize an estimated \$3.8 M decrease in state MFP funding.

Despite the decrease explained above, total state MFP funding across all 69 districts would realize a net increase of an estimated \$9.3 M. This increase is offset by the removal of the original \$10.5 M in state funding currently allocated to the LSU and SU lab schools resulting in an overall decrease in state MFP expenditures by an estimated 1.2 M.

As the only school district to experience a change in enrollment, East Baton Rouge is also the only district to experience a reduction in its required local share of MFP funding. The MFP formula determines a school district’s local share based on local property and sales tax revenues. In this scenario, as more students enter the district with no change in the local property and sales taxes revenues, the district’s local share decreases. At the same time, this change will result in an increase in the state share for the district. Due to the shift for East Baton Rouge, all other districts statewide experience an increase in local share and a decrease in the state share. This shift is the result of maintaining the 65/35% balance in funding to maintain the equitable distribution of funds among the 69 school systems. Specifically, this option may significantly impact the three other districts with lab schools, as under this change they will be required to contribute a total of \$13.6 M local share to the lab schools, as shown by district in the table below.

Note: This option does not take into consideration students who reside in a different district from the lab school they are attending. However, there is a pre-existing mechanism to account for such occurrences. For example, Type 2 charter schools receive an amount per pupil equal to the state and local MFP share for the district in which the student resides. The local share allocation is “charged to” the resident district of the student by reducing the amount that district would receive from their state allocation. This ensures that local funds follow the student. Due to the unknown number of students this would include, the impacts of such occurrences are not considered in this analysis and the simulations assume all students are residents of the district in which the lab school they attend resides.

LOCAL MFP DOLLARS GENERATED BY LAB SCHOOLS BY DISTRICT

School System	Local Share Allocation Due to Lab Schools
East Baton Rouge	\$9,726,836
Lincoln	\$1,658,086
Natchitoches	\$1,965,600
Tangipahoa	\$797,120

APPENDICES

TABLE A: LABORATORY SCHOOL SELF-REPORTED DATA

School	Grades	Total # of Students	Reported Operating Budget	Means of Finance			
				University Funding	School Board Funding	Direct MFP Funding	Tuition & Other Fees
Louisiana State University Laboratory School	K - 12	1,459	\$17,447,661	\$0	\$0	\$8,575,482	\$8,872,179
A.E. Phillips Laboratory School (Louisiana Tech University)	K-8	422	\$2,609,796	*\$20,449	\$1,545,827	\$0	\$1,043,520
Northwestern State University Elementary Laboratory School	K-5	298	\$2,591,503	\$0	\$2,025,461	\$0	\$558,000
Northwestern State University Middle Laboratory School	6 - 8	176	\$1,990,550	\$0	\$1,291,451	\$0	\$367,000
**Southeastern University Laboratory School	K - 8	254	N/A	N/A	N/A	\$0	N/A
Southern University Laboratory School	K - 12	598	\$5,158,107	\$0	\$0	\$4,178,011	\$980,096

* Louisiana Tech University provides \$20,449 for a paraprofessional staffer’s salary.

** The LFO was unable to obtain complete budget information on the Southeastern Lab School.

Note: The enrollment figures included in the table above are those provided by the individual institutions. However, the student count used for funding via the MFP differs based on the statutorily outlined definition of MFP membership. Therefore, the simulations in this report use different enrollment numbers than those included above and are provided below.

School	Total # of Students
LSU Lab	1,459
A.E. Phillips	409
NSU Elementary Lab	288
NSU Middle Lab	180
SELU Lab	254
SU Lab	735

TABLE B: LABORATORY SCHOOL CAPITAL OUTLAY DATA

University	Building	Year Built	Square Footage	Replacement Value (Based on Most Recent ORM Appraisal)
Louisiana Tech University	A. E. Phillips	1969	74,845	\$13,219,205
Louisiana State University	Upper Elementary	2006	26,906	\$4,404,945
	Lower Elementary & Middle Annex	2004	68,908	\$7,278,419
	High	1951	34,800	\$4,641,112
	Gym/ Cafeteria	2004	26,753	\$3,504,470
	Pennington McKernan Gym	2011	17,220	\$3,792,578
	Pennington McKernan Gym Tower	2011	361	\$73,800
	Chiller Building	1964	2,570	\$151,114
Northwestern State University	Auditorium	1964	14,684	\$2,069,079
	Warren Easton Hall (Elementary)	1928	66,364	\$26,051,020
	Teacher Education Center	1970	94,552	\$21,375,575
Southeastern University	Warren Easton Gym	1988	5,820	\$1,193,189
	Charles E. Cate Teacher Education Center & Mechanical Building	1972	130,766	\$31,901,156
Southern University	Pre-K and K	1956	9,496	\$1,562,661
	Elementary	1956	4,350	\$824,618
	Middle and High	1956	46,422	\$7,746,907
	Gym/ Cafeteria	1956	21,355	\$3,818,050