Charters cost LPSS $9M

Audit says an additional $8M in funds from the state could be lost in 2016-17

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The Lafayette Parish School System expects to lose about $9 million next year as charter schools expand in the area. Meanwhile, officials estimate they could lose an additional $8 million in state revenue in 2016-17 if plans for a charter high school move forward.

According to the audit, the three charter schools that opened in August 2014 enrolled about 1,700 students, with about 1,100 of those from Lafayette Parish schools. The school system experienced a net loss of about 950 students in 2014-15, meaning the loss of about $8.5 million in funding in the current fiscal year.

Under the state's student funding formula, Minimum Foundation Program (MFP) funds follow a student to his or her charter school, meaning that money funnels away from the Lafayette Parish School System.

By the 2015-16 school year, the total charter school enrollment across the parish is expected to be more than 2,000 students.

"Legal action has been filed against the State by a coalition of local districts and the State teachers' organization challenging that money funnels away from the Lafayette Parish School System. By the 2015-2016 school year, the number of students enrolled in charters is expected to hit 2,000."

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THE TAKEAWAY
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The report noted: “The imposition of State-approved charter schools in Lafayette Parish and the resulting diversion of local funds to those schools pose a significant financial challenge to the Lafayette Parish School System. Reductions in expenditures will be needed to balance the budget in future fiscal years.”

In 2013, the Lafayette Parish School Board denied applications from Charter Schools USA and National Heritage Academies to open new charter schools in Lafayette Parish. The companies appealed to the Louisiana Board of Elementary and Secondary Education, who approved the applications.

Elsewhere in the report, auditors found that the district is not enforcing policies regarding the proper accounting and safeguarding of assets in school activity funds.

“The policies and procedures regarding collection of monies for various fundraisers and activities at the individual schools should be adhered to and closely monitored by the School Board,” the report noted.

As a corrective action, district officials said they are in the process of rating each school and basing results on issues such as disbursements, voided checks, receipts, class fees, fundraisers and athletics. Officials are also reviewing job descriptions, and will modify those if needed. Principals will also be given performance objectives that will better reflect the need for proper audit results.

Auditors also noted that the school board “did not have proper controls regarding the collection and remittance of sales taxes.”

In its response, officials said they are in the process of filling the new position of assistant sales tax director. That person will help revise existing policies and ensure compliance with all laws.