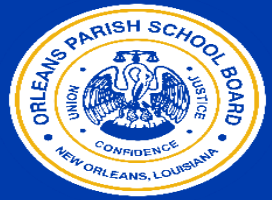




Fiscal Year 2018-2019 Funding Update
Orleans Parish School Board

July 20th, 2018

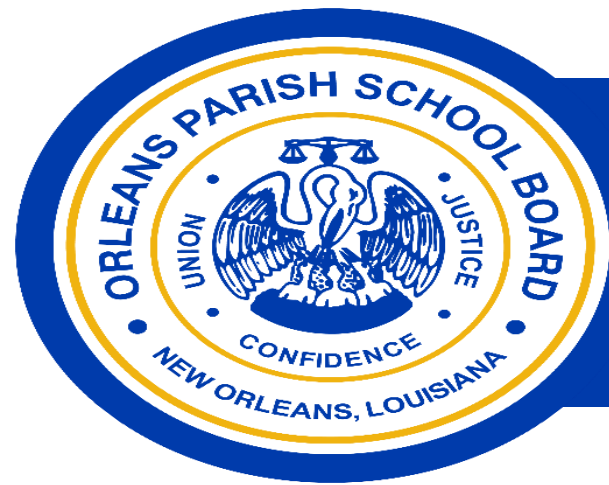
Why Are We Meeting Today?



- ▶ July 1, 2018 marked the onset of Unification and also the start of the 2018-2019 Fiscal Year.

- ▶ The first monthly funding distribution for FY2018-2019 is scheduled to take place on July 25, 2018.

- ▶ With the arrival of Unification, OPSB wants to clearly communicate:
 - ▶ How schools should expect to receive state and local funds.
 - ▶ How much money schools should expect to receive in their payments.
 - ▶ How OPSB is coordinating with the LDOE to equitably and appropriately distribute dollars to schools.



Processes for Distributing Funds

This presentation focuses on the funds that the district is responsible for distributing directly to schools in our Unified district for FY2018-2019



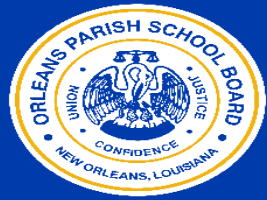
- ▶ Charter schools in Orleans may receive funding from the local government, state government, federal government, or private entities.
- ▶ Today's meeting only focuses on the funds that the district will distribute to schools in FY2018-2019.
- ▶ In FY2018-2019 OPSB will be the agency responsible for distributing the majority of state and local funds to the Unified district's LEAs.

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The below table details state MFP and local funds; other funds, such as federal grants will continue to be distributed as they were in FY17-18.

Funding Source	Is it included in the DFF?	Who calculates the pre-DFF funding amount?	Who distributes to schools?	How frequently will it be distributed?	Will it be included in the July 25 distribution?
Level 1 MFP	Yes	LDOE	OPSB	Monthly	Yes
Level 2 MFP	Yes	LDOE	OPSB	Monthly	Yes
Level 3 MFP (without Continuation of Prior Year Pay Raises)	Yes	LDOE	OPSB	Monthly	Yes
Level 3 Continuation of Pay Raises	No	LDOE	OPSB	Monthly	Yes
Level 4 MFP (Foreign Teacher Salaries)	No	LDOE	OPSB	Monthly	Yes
Level 4 MFP (CDF)	No	LDOE	OPSB	Monthly	Yes
Level 4 MFP (SCA)	No	LDOE	OPSB	Monthly	Yes
Level 4 MFP (Foreign Teacher Stipends)	No	LDOE	OPSB	Annually	No
Level 4 MFP (HCS)	No	LDOE	LDOE	Annually	No
Local DFF Contribution	Yes	OPSB	OPSB	Monthly	Yes



How will funding payments take place each month?

- ▶ Each month, OPSB will make payments to schools on or before the 25th of the month via an ACH transfer.
- ▶ OPSB is maintaining an ongoing weekly dialogue with the LDOE to ensure the transition from FY17-18 to FY18-19 is as seamless as possible.



What fees and deductions will be applied to schools this school year?

- ▶ **Admin Fee:** On a monthly basis, OPSB plans to withhold each school's 2.00% admin fee.
- ▶ **Usage Fee (Property Insurance):** For schools with new leases, OPSB will withhold this fee on a monthly basis; for schools with old leases, OPSB will directly bill the school for these funds.
- ▶ **Expulsion Center Fee:** OPSB plans to apply the expulsion center fee to schools on a monthly basis, but the size of this fee will depend on data from the Center. This fee will not be applied to the July funding allocation.
- ▶ **LEA Chargeback:** For applicable schools, OPSB will withhold the LEA chargeback on a semi-annual basis.

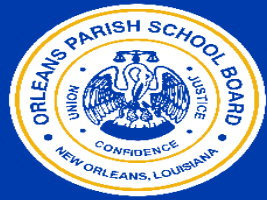


Differentiated Funding Formula (DFF)



Overview of the Differentiated Funding Formula (DFF)

- ▶ The district uses the DFF to determine school-level allocations of the majority of state MFP funds and local funds to schools.
- ▶ The overall pot of money that is allocated via the DFF includes state and local revenues only.
- ▶ The DFF is rooted in equity, providing additional funding to students with special needs.



Important Disclaimer

The DFF figures that we are presenting today should not simply be inserted into your school's budget. The figures represent our most up-to-date information regarding school funding but are subject to change during the fiscal year.



For FY2018-2019 there is a projected increase in state and local funding to be distributed via the DFF.

Since FY16-17, the district has experienced a projected increase in non-differentiated per pupil revenue by 2.0%.

		FY17 Final	FY18 Final	FY19 Preliminary Projection (July)	Change FY17 to FY19	% Change FY17 to FY19
A	Regular Local Revenue	\$229,070,414	\$237,969,908	\$242,723,010	+\$13,652,596	+6.0%
B	Local Revenue One-Time Add-On*	\$2,603,490	\$500,000	\$0	(\$2,603,490)	(100.0%)
C	State Revenue**	\$160,805,025	\$158,190,413	\$160,328,762	(\$476,263)	(0.3%)
D	Total Revenue Allocated via the DFF (A + B + C)	\$392,478,929	\$396,660,321	\$403,051,772	+\$10,572,843	+2.7%
E	Total Excluding One-Time Add-On (D - B)	\$389,875,439	\$396,160,321	\$403,051,772	+\$13,176,333	+3.4%
F	Funded Student Base Count	44,011	44,561	44,610	+599	+1.4%
G	Non-Differentiated Per Pupil Revenue (D ÷ F)	\$8,917.75	\$8,901.51	\$9,035.01	+\$117.26	+1.3%
H	Per Pupil Excluding Add-On (E ÷ F)	\$8,858.59	\$8,890.29	\$9,035.01	+\$176.42	+2.0%

*In FY17, schools experienced a one-time increase in local revenue due to a lapse in the state legislation related to the local carve-out. In FY18, OPSB allocated one-time local funding of \$500,000.

**State revenues include state MFP funds included in the DFF – i.e. Level 1 funds, Level 2 funds, and Level 3 funds (excluding Continuation of Prior Year Pay Raises).



The DFF remains the same in FY2018-2019.

- ▶ For FY2018-2019, OPSB will distribute applicable local and state funds via the same DFF that was used in FY16-17 and FY17-18.
- ▶ The funding tiers and weights will remain the same.
- ▶ The district will still apply the phase-in provision of the funding formula.

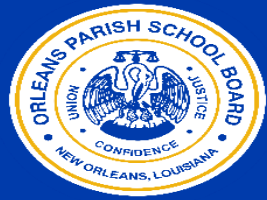
Projected Annualized Outcomes from the Differentiated Funding Formula



Funding Group	Weight	FY17-18 Final		FY18-19 Preliminary Projection (July)		Change
		DFF Count*	Per-Pupil Funding	DFF Count*	Per-Pupil Funding	Per Pupil Funding (+1.5%)
Base (K-12)	1.000	44,561	\$7,305.09	44,610	\$7,417.18	+\$112.09
Funding Tiers						
High School	0.050	12,451	\$365.25	12,369	\$370.86	+\$5.60
SPED Tier 1*	0.200	1,673	\$1,461.02	1,673	\$1,483.44	+\$22.42
SPED Tier 2	1.175	2,914	\$8,583.48	2,914	\$8,715.19	+\$131.70
SPED Tier 3	1.875	715	\$13,697.05	715	\$13,907.21	+\$210.16
SPED Tier 4	2.175	547	\$15,888.58	547	\$16,132.37	+\$243.79
SPED Tier 5	3.000	530	\$21,915.28	530	\$22,251.54	+\$336.26
Gifted/Talented	0.050	2,582	\$365.25	2,582	\$370.86	+\$5.60
ELL	0.300	2,343	\$2,191.53	2,343	\$2,225.15	+\$33.63
Overage	0.225	1,782	\$1,643.65	1,782	\$1,668.87	+\$25.22
Phase-In	N/A	N/A	\$68.73	N/A	\$47.99	\$(21.58)

*The DFF count for FY17-18 consists of a combination of the 10/1/17 and 2/1/18 counts, while the DFF count for FY18-19 consists solely of the 2/1/18 count. With mid-year adjustments to take place on 10/1/2018 and 2/1/2019, the DFF count for FY19 will change, resulting in changes to the per pupil funding figures.

The current FY2018-2019 figures are likely to change with updated information throughout the year.



At a minimum, the total revenue and school-level funds allocated via the DFF will adjust based on the below developments during the school year.

10/1/2018 Counts

When the 10/1/2018 counts become available, all schools and the district at-large will have updated base student counts, which will affect the state's MFP Funds and the district's DFF.

2/1/2019 Counts

When the 2/1/2019 counts become available, all schools and the district at-large will have updated differentiated category student counts and base student counts.

NOTE: In FY2017-2018 the LDOE conducted additional adjustments to Orleans Parish funding in the spring of that fiscal year. The adjustments were due to one-time developments, and the LDOE does not believe any similar adjustments will reoccur in FY2018-2019. Though the likelihood of any additional adjustments similar to those experienced in FY2017-2018 are highly unlikely, it is important to note that such instances did occur last fiscal year.



Additional Updates and Next Steps

Additional Update – LDOE Recommendation regarding the Level 3 Continuation of Prior Year Pay Raises



- ▶ How were the continuation of prior year pay raises treated in the past?
 - ▶ The continuation of prior year pay raises was set differently for schools across Orleans Parish.
 - ▶ Each school's level of funding in this area depended on the time in which the school was authorized.

- ▶ According to the LDOE how should the continuation of prior year pay raises be treated in FY18-19?
 - ▶ In recent years, the pay raise amounts across the state have been applied on a per pupil basis.
 - ▶ The LDOE believes that the continuation of prior year pay raises should be applied with a constant per pupil amount for each school in the local district.

- ▶ What is the general impact on schools of this recommendation?
 - ▶ Some schools experience a decrease in funds, while others experience an increase in funds.
 - ▶ The most common adjustments include an increase of 0.72% for many schools and a decrease of 1.82% for many schools. A small number of schools are outliers relative to these common adjustments.

- ▶ In the interest of equity, OPSB plans to adopt the LDOE's recommendation.

- ▶ **As of the state's July calculations, each school will receive an annualized amount of \$732.46 per pupil for the continuation of prior year pay raises.**

Additional Update – For eligible schools that are experiencing significant growth, Forward Funding will be applied beginning in August.

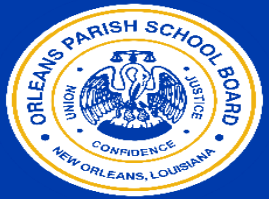


- ▶ For schools that are likely to experience significant enrollment growth (e.g., those that are adding a new grade level), the LDOE has a process to apply for additional funding, or “Forward Funding”.
- ▶ All applications for Forward Funding will be reviewed by the LDOE and approved or disapproved in advance of the August funding distribution.
- ▶ The LDOE will share Forward Funding figures for all applicable schools with OPSB, and those schools will receive applicable state and local funds according to their projected growth enrollment.
- ▶ Overall, Forward Funding will not apply to the July 25 distribution from OPSB but will apply to the August distribution; the August funding distribution should also reconcile any funds that were unrealized for applicable schools in July.

Next Steps



- ▶ If you have any questions, please contact Charlie Crosby at ccrosby@opsb.us.
- ▶ Once you receive your school's respective funding allocation one-pager, please notify us of any questions or issues.
- ▶ The district will process ACH transfers on or before July 25, provided receipt of correct bank routing information. If you do not receive funding by July 25, please notify Katherine Phelan at kphelan@opsb.us.
- ▶ District staff will work throughout the fall to gather projected tier counts from schools. We plan to share an update on our findings prior to 12/21/18.



Please refer to your school's respective handout to review your annualized payment level for the July FY19 payment distribution.

If you have any concerns about the figures in your handout, please notify the OPSB finance team.



Appendix

Appendix – What could be the effect of student population growth on the DFF’s per pupil figures?



	Final FY17-18 DFF Per Pupil Figures	Projected FY18-19 (Prelim July Information) Per Pupil Figures				
		FY18-19 Using 2/1/2018 Count*	FY18-19 Using 2/1/18 Count +1,000 Students	FY18-19 Using 2/1/18 Count +2,000 Students	Change Resulting from +1,000 Students on Top of 2/1/18 Count	Change Resulting from +2,000 Students on Top of 2/1/18 Count
Base (K-12)	\$7,305.09	\$7,417.18	\$7,319.25	\$7,225.52	\$(97.93)	\$(191.66)
High School	\$365.25	\$370.86	\$365.96	\$361.28	\$(4.90)	\$(9.58)
SPED Tier 1	\$1,461.02	\$1,483.44	\$1,463.85	\$1,445.10	\$(19.59)	\$(38.33)
SPED Tier 2	\$8,583.48	\$8,715.19	\$8,600.11	\$8,489.98	\$(115.07)	\$(225.20)
SPED Tier 3	\$13,697.05	\$13,907.21	\$13,723.59	\$13,547.84	\$(183.62)	\$(359.37)
SPED Tier 4	\$15,888.58	\$16,132.37	\$15,919.36	\$15,715.50	\$(213.00)	\$(416.87)
SPED Tier 5	\$21,915.28	\$22,251.54	\$21,957.74	\$21,676.55	\$(293.80)	\$(574.99)
G/T	\$365.25	\$370.86	\$365.96	\$361.28	\$(4.90)	\$(9.58)
ELL	\$2,191.53	\$2,225.15	\$2,195.77	\$2,167.65	\$(29.38)	\$(57.50)
Overage	\$1,643.65	\$1,668.87	\$1,646.83	\$1,625.74	\$(22.03)	\$(43.12)

*The 2/1/18 count is the student count that is being applied to the July 2018 DFF model and allocation.

Assumptions in the above analysis: Per pupil state contribution to the DFF remains constant, adjusting the overall state contribution according to total pupil count changes. Overall local contribution remains static and does not change with any student count changes. Tiers make up the same proportion of the total student count with the increase in the overall count.