

Budget Message

St. Tammany Parish School Board

321. N. Theard

Covington, Louisiana 70433

To the Board and Citizens of St. Tammany Parish, Louisiana:

The budgets of the St. Tammany Parish School Board for the fiscal year July 1, 2020 through June 30, 2021 are hereby submitted. The Superintendent and the Director of Business Affairs assume responsibility for data accuracy and completeness.

The development, review, and consideration of the FY 2020-21 Operating Budgets were completed with a detailed review of every revenue and expenditure item within the context of the School Board's mission, goals, and financial policies.

The administration is required by state law to submit a balanced budget. A balanced budget is defined as, "a budget with total expenditures not exceeding total revenues and monies available in the fund balance within an individual fund." We are proud to publish and present each individual fund as having met the definition of a balanced budget.

The St. Tammany Parish School Board recognizes the importance of sound fiscal planning. Policies and procedures relating to annual budget planning and preparation, periodic budget reconciliation, and budgetary item transfer authority have been formally adopted by the School Board.

The St. Tammany Parish School Board records and reports all financial transactions using standards set by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP.)

The following highlights are the changes from last year's General Fund budget:

General Fund Revenue

We are projecting an increase in ad valorem (property) tax collections of \$4.9 million based on the latest tax roll provided by the Assessor's office. The tax roll indicates increases in the number of properties and the overall value of all properties.

We continue to have increases in sales tax revenue throughout last fiscal year; however, due to uncertainty related to the COVID19 pandemic, we have projected sales tax at the same amount as last year. We will continue to monitor the sales taxes on a monthly basis and revise the budget if necessary.

MFP funds are expected to decrease by \$91,000 from last year's allocation. The decrease in MFP relates to increases in amounts paid to non-public schools. We did not budget any increases for student growth due to uncertainty with the COVID19 pandemic.

Tuition reflects an increase of \$500,000. Tuition received in FY 2019-2020 was reduced due to the COVID19 pandemic. The increase of \$500,000 would replace lost tuition due to the pandemic.

Medicaid revenues reflect an increase of \$1.6 million. Medicaid revenues that reimbursed a portion of eligible salaries and benefits for fiscal years 2018 and 2019 were not received in fiscal year 2020 due to state delays in reimbursement. The salary and benefit reimbursements from prior years have been under audit causing delays in payment.

General Fund Expenditures

Salaries are projected to increase by \$2 million in FY 2020-2021. For FY 2019-2020, substitute costs were reduced by \$1.1 million as a result of the shutdown of schools due to the COVID19 pandemic. The remaining increase relates to reclassifications and new positions added.

A decrease of approximately \$520,000 in retirement contributions is projected due to a decrease in employer contribution rates for the School Employees Retirement System and Teachers Retirement System.

The School Supplemental budgets reflect an increase of \$660,000. Schools were given an increase of \$506,000 for school supply fees. The schools will no longer request and receive these funds from parents as they will be paid by General fund. The school supply fees are \$10 per student for elementary schools, \$12 per student for junior high schools, and \$20 per student for high schools.

Increase in funding for property insurance of \$600,000 as a result of an increase in insurance premiums and claims for last year.

Increase in material and supply budgets of \$2.4 million. Most of the increases are due to unspent funds from FY 2019-2020 due to the COVID19 shut down.

Increase in equipment and debt service of approximately \$600,000 for the lease purchase payments of 20 new school buses and various large equipment purchases including 21 maintenance vehicles.

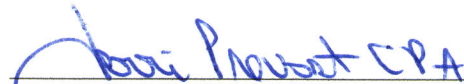
Other Fund Revenues and Expenditures

No projected increases or decreases for other fund budgets are noted.

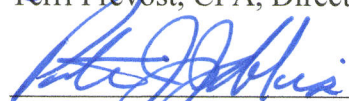
We will continue to monitor all revenues and expenditures on a monthly basis. The Louisiana Local Government Budget Act requires governmental entities to adopt a budget amendment when budgeted revenues or expenditures are different than actual revenues and expenditures by 5% or more. We will present budget updates to the Board in December and March. Budget revisions will be prepared if necessary.

The preparation of this budget could not have been accomplished without the assistance of each Director and Supervisor. We want to express our appreciation to them for their assistance.

We also thank the members of the Board for their input and support in planning and conducting the financial operations of the School Board in a responsible and progressive manner.



Terri Prevost, CPA, Director of Business Affairs



Pete Jabbia, Interim Superintendent

September 10, 2020