

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, 2022 through June 30, 2023 are hereby submitted. The Superintendent and the Chief Financial Officer assume responsibility for data accuracy and completeness.

The development, review, and consideration of the FY 2023 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 no increase in ad valorem (property) tax collections based on information provided by the Assessor's office. The official tax roll was not available as in prior years for any projections.

We have had increases in sales tax revenue throughout last fiscal year; however, due to uncertainty related to the economy, we have projected no increase in sales tax. We will continue to monitor the sales taxes on a monthly basis and revise the budget if necessary.

Minimum Foundation Program (MFP) funds based on the initial MFP allocation increased \$3.8 million from last year's allocation. The increase in MFP relates to state pay raises and associated benefits included in the MFP. This amount was offset by reduction in MFP due to loss of students, increases in amounts paid to non-public schools, and reduction in funding due to increases in local taxes received by the School Board. We did not budget any increases or decreases for student enrollment as enrollment numbers were not available for the projection. Any student enrollment increases or decreases at October 1st and February 1st will cause the MFP allocation to be adjusted accordingly in April.

General Fund Expenditures

Salaries and benefits are projected to increase by \$20.8 million in FY 2023. For FY 2023, employees were given two steps (Certificated employees \$1,000 and Support employees \$700) and three percent (3%) was added to every employee salary schedule. Also, the state provided pay raises to employees (Certificated employees \$1,500 and Support employees \$750). The School Board increased substitute pay rates as well as creating incentive pay, retention pay, and various performance and demand stipends for certificated staff.

The school supplemental budgets reflect an increase of \$1.8 million. All classroom teachers and librarians received an increase of \$400 for their classroom supply reimbursement making the total \$500 a year. This amount is provided to schools through their supplemental budgets. The schools reimburse the teachers for their eligible classroom supplies. The approximate annual cost of this increase is \$1.4 million.

Travel budgets reflect an increase of \$130,000. Employee travel reimbursement will be increased from \$0.45 per mile to the current Internal Revenue Service standard mileage rate. The mileage rate will be adjusted to the standard mileage rate each January 1st as changes occur. The current rate is \$0.625.

Transfers to other funds will decrease by \$30 million for FY 2023. A transfer of \$2.2 million to the Community Disaster Loan fund was made in FY 2022 for COVID-19 expense reimbursement. An additional transfer of \$19.4 million to the Parishwide Construction Fund was made in FY 2022 for upcoming large capital improvement projects for schools/sites. Funding for Construction Roofing Fund was decreased by \$800,000 for FY 2023 based on estimates of upcoming roofing projects and existing fund balance in the fund. Transfers to the School Security Fund were decreased by \$450,000 for FY 2023 as a result of an increase in ad valorem taxes received for

security and mental health in our schools. A transfer of \$1.8 million to the Career Development Fund was made for FY 2023. The Career Development Fund is a new fund for FY 2023 that will account for the state funding allocation for career development in our schools as well as the related spending of these funds. A transfer to the Employee Salary Reserve Fund of \$9 million was made in FY 2022 to provide for employee stipends from one half of the FY 2022 surplus. These stipends will be paid in November 2022.

Professional services will increase in FY 2023 by \$1.4 million. In FY 2023, contractual services will be added to budget for gifted student screenings and therapists needed in the student with exceptionalities program for a cost of \$1.1 million.

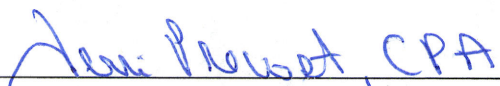
Transportation costs for bus owner/operator operational allowances and bus fuel purchases for all school buses will increase by \$3.5 million for FY 2023. This is a result of increases in bus owner/operator state and local operational allowances per mile, fuel cards being provided to bus owner/operators, and increases in the number of School Board owned buses.

Other Fund Revenues and Expenditures

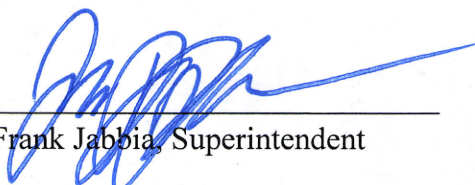
For FY 2022, COVID-19 pandemic stipends and costs were funded with Community Disaster Loan proceeds in the amount of \$8.3 million. For FY 2023, no COVID-19 stipends have been budgeted. The Community Disaster Loan fund will also be used to purchase 40 school buses that were ordered in FY 2021-2022 but will not be received until December 2022. The cost of the 40 school buses is \$4,204,871.

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 during the year and a final budget will be presented after year end.

The preparation of this budget could not have been accomplished without the assistance of each Director, Supervisor, and Assistant Superintendent. 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, Chief Financial Officer



Frank Jabbia, Superintendent

September 8, 2022