

# ***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, 2023 through June 30, 2024 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 2024 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 a two percent increase of \$1.7 million in ad valorem (property) tax collections based on the Assessor's best projection of increases for FY 2024. The official tax roll was not available for any projections.

We have been experiencing decreases in sales tax revenue over the past few months when compared to same months in FY 2022. To be conservative, we have projected a \$4.7 million decrease 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 are projected to decrease by \$4.8 million from last year's allocation. The decrease in MFP was caused by a reduction in funding due to increases in local taxes received. 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 1<sup>st</sup> and February 1<sup>st</sup> will cause the MFP allocation to be adjusted accordingly in April.

Other restricted state revenue increased by \$13.2 million. This is a mainly a result of one-time funding provided by the Louisiana Legislature. The one-time funding consisted of 1) \$1.5 million to be used for recruitment and retention such as critical shortage stipends, highly effective stipends, and targeted school stipends and 2) 11.8 million to pay one-time stipends to certificated employees (\$2,000) and support employees (\$1,000).

## **General Fund Expenditures**

Salaries and benefits including stipends are projected to increase by \$19.9 million in FY 2024. For FY 2024, employees were given two steps (Certificated employees \$1,000 and Support employees \$700). Also, the state will be providing and funding one-time stipends to employees (Certificated employees \$2,000 and Support employees \$1,000). The School Board also increased various supplemental pay rates for teachers and support staff and added new positions in the schools. The increases in salaries, supplemental pay, and state stipends is partially offset by a decrease in the Teachers Retirement System contribution rate (\$1.7 million in projected savings) and a decrease in worker's compensation rates (\$525,000 in projected savings)

Cost of textbooks will decrease for FY 2024 in the amount of \$4.5 million. The School Board will purchase fewer new textbooks in FY 2024.

The school supplemental budgets reflect an increase of \$1.2 million. This increase is a result of school carryovers and unspent balances from FY 2023.

Professional development costs will increase by approximately \$460,000 in FY 2024 as a result of additional trainings being provided to our teachers and staff.

The cost of utilities has a decrease of \$8.4 million. This is a result of \$1.1 million of utilities being claimed in Elementary and Secondary Emergency Relief grant fund (ESSER II) and \$7.3 million of utilities being paid in the Community Disaster Loan Fund. After all summer programs and professional development opportunities were completed, there was a balance remaining in the ESSER II funds. These funds must be used by September 30, 2023. Due to time constraints, the decision was made to use the funds for General Fund utilities. Also, the cost of utilities being paid in the Community Disaster Loan Fund are due to a projected budget shortfall of approximately \$7.3 million for FY 2024.

Transfers to other funds will decrease by \$2.5 million for FY 2024. The decreases are a result of projected funding decreases to Parishwide Construction Fund and Career Development Fund.

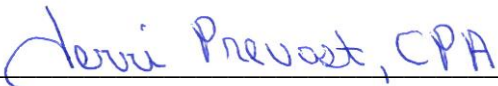
### **Other Fund Revenues and Expenditures**

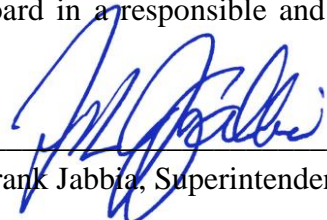
School Lunch Fund budget had a projected deficit of approximately \$4 million for FY 2024. This budget was balanced with Community Disaster Loan Proceeds.

School Security Fund budget had a projected deficit of approximately \$450,000 for FY 2024. The contribution to this fund from General Fund was increased by \$450,000.

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.

  
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Terri Prevost, CPA, Chief Financial Officer

  
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Frank Jabbia, Superintendent

September 14, 2023