

Budget Message

St. Tammany Parish School Board

321. N. Theard

Covington, Louisiana 70433

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

On behalf of the St. Tammany Parish School System, we are pleased to present the budgets for the fiscal year beginning July 1, 2025, and ending June 30, 2026. As Superintendent and Chief Financial Officer, we affirm our commitment to data accuracy, transparency, and responsible stewardship of public funds.

This year's budget development process was grounded in our mission and guided by thoughtful planning, collaboration, and adherence to the School Board's goals and financial policies. Each revenue and expenditure item was carefully reviewed and considered to ensure alignment with the needs of our students, employees, and community.

As required by state law, all submitted budgets are balanced. 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 report that every fund meets this requirement, reflecting our dedication to strong fiscal management.

Our Continued Commitment to Sound Financial Planning

The St. Tammany Parish School Board remains committed to sound fiscal planning. Established School Board policies and School System procedures governing annual budget planning, budget reconciliation, and management of budget transfers ensure that financial decisions are transparent, consistent, and future focused.

All financial transactions continue to be recorded and reported in accordance with 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

Based on information from the St. Tammany Parish Assessor's Office, we are projecting no increase in ad valorem (property) tax collections this year. The official tax roll was not available for projections, as it has been in previous years.

While last fiscal year we saw an increase in sales tax revenue, this year's projections remain flat due to economic uncertainty. For this reason, we are projecting no increase in sales tax. We will continue to monitor the sales taxes on a monthly basis and adjust the budget if needed.

Minimum Foundation Program (MFP) funding is expected to decrease by approximately \$50,000 due to higher local tax collections and a decline in student enrollment. This projection does not include any changes in enrollment, as enrollment numbers are not available at this time. Any increases or decreases in student enrollment for the October 1 and February 1 student counts will require the MFP allocation to be adjusted accordingly in April.

We are dedicating an additional \$1.6 million from MFP funds to support employee pay raises within the School Food Service fund and help offset the cost of providing free meals to all students across the district.

We expect to receive \$1.1 million in Federal Emergency Management (FEMA) reimbursements related to COVID pandemic expenses submitted in the fall 2021. We were recently notified that the one-time reimbursement would be processed in the near future.

With the conclusion of ESSER grant funding in FY 2025, our recovery of indirect costs is projected to decrease by \$1.4 million. That amount reflects the indirect cost received for ESSER funding last year.

General Fund Expenditures

Salaries and benefits are projected to increase by \$5.8 million in FY 2026. We are proud to invest in our dedicated staff by providing raises of \$2,550 for certificated employees and \$1,750 for support employees.

The salary increases are partially offset by a decrease in the Teachers Retirement System contribution rate, a decrease in Louisiana School Employees Retirement System contribution rate, and a decrease in worker's compensation rates.

A \$1.3 million increase in textbook costs is included, as the School Board deferred some purchases from FY 2025 to FY 2026.

We are investing \$1.5 million more in equipment repair and rental to improve infrastructure and support classroom technology.

To meet to state-mandated training requirements and enhance instructional quality, professional development funding will increase by approximately \$1.1 million.

Transfers to Parish wide Construction Fund will decrease by \$1.5 million to help fund the School Food Service increase.

Transfers to the Employee Salary Reserve are also projected to decrease by \$6.5 million. We are projecting a small surplus for FY 2026. For FY 2025, the projected Employee Salary Reserve transfer is \$6.5 million. Each year, one-half of any annual surplus is transferred to the Employee Salary Reserve fund and distributed equally to employees as a stipend. As a result of the projected \$6.5 million transfer for FY 2025, employees will receive a stipend in the fall of 2025.

Other Fund Revenues and Expenditures

The School Food Service Fund budget is projected to run a \$535,000 deficit for FY 2026. The School Lunch Fund's fund balance will cover most of this amount, with the remainder supported by an additional transfer of \$1.6 million from the General Fund MFP.

We will continue to monitor revenues and expenditures monthly. As required by the Louisiana Local Government Budget Act, we will recommend budget amendments for any variances of 5% or more and provide budget updates to the School Board in December and March. A final amended budget will be presented after year-end.

We want to thank our Supervisors, Directors, Chiefs and Assistant Superintendents for their hard work and collaboration in preparing this budget. Their commitment ensures we continue to operate efficiently while prioritizing student success and employee support. We also extend our gratitude to our St. Tammany School Board member's leadership, vision, and continued support in ensuring St. Tammany Parish remains a great place for students to learn and grow.

Together, we are proud to uphold our tradition of excellence while responsibly planning for the future of our schools.



Terri Prevost, CPA, Chief Financial Officer



Frank Jabbia, Superintendent

September 11, 2025