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, 2026, and ending June 30, 2027. 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 preliminary tax roll information from the St. Tammany Parish Assessor's Office, we are projecting a $4.4 million increase in ad valorem (property) tax collections this year. The official final tax roll was not available for projections. This proposed increase reflects current tax roll increases and projected prior year tax collections.

We continue to see increases in sales tax revenue. This year's projection reflects an increase of $2.6 million which is based on prior year monthly trends. We will continue to monitor the sales taxes on a monthly basis and adjust the budget if needed.

Minimum Foundation Program (MFP) funding is projected to decrease by approximately $24.8 million due to (1) continued declines in student enrollment from prior year totaling $3.6 million, (2) a new K-8 charter school opening in the Parish which reduced funding by $8.6 million, (3) Governor Landry's Executive Order 26-047 requiring districts to pay for state stipends in the amount of $9.8 million, (4) projected loss of students for this fiscal year in the amount of $5 million based on preliminary data from charter school and our schools, and (5) increase in MFP for Career Development funding, Supplemental Course Allocation Funding, and High Cost Services funding in the amount of $2.2 million. We have projected a loss of students for this fiscal year but any actual decreases in student enrollment for the October 1 and February 1 student counts will require the MFP allocation to be adjusted accordingly in April.

For Fy 2026, we dedicated an additional $1.6 million 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. School Food Service is expected to have a surplus for FY 2027 of approximately $493,000 and an ending fund balance of $2.8 million. The district will continue to provide free meals to all students in Fy 2027, but General Fund will not need to fund the $1.6 million that was paid in Fy 2026. The School Food Service fund balance will be used to pay for the student meals in Fy 2027.

Due the large decrease in MFP funding for this school year, we used funds from the Community Disaster Loan Fund and Parishwide Construction fund to balance the budget in the amounts of $19.8 million and $5 million, respectively. This funding totaling $24.8 million is reflected as "transfers in" from the Community Disaster Loan Fund and Parishwide Construction Fund. These are one-time transfers and the transfer from the Community Disaster Loan Fund will close out that fund permanently.

We received COVID pandemic funds from FEMA in Fy 2026 totaling $1.1 million. Those funds are to reimburse the district for COVID pandemic supplies from prior years and is a one-time payment.

General Fund Expenditures

Salaries and benefits are projected to increase by $98,800 in Fy 2027. Salaries had a decrease of approximately $971,000. This decrease is a combination of the following: (1) the district has reviewed all positions in the district and eliminated positions through attrition when possible and achieved savings through retirements of approximately $3.2 million, (2) the district provided our dedicated staff with a pay raise of $500 for certificated employees and $350 for support staff at a cost of approximately $3.2 million, and (3) the cost of projected stipend payments to employees who were not eligible for state stipends under Governor Landry's Executive Order and to pay all employees the same stipend that they received in Fy 2026 for a cost of $1 million.

Decreases 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 are projected to total $4.2 million.

Group and retiree health insurance are projected to increase by 6% for an increase of $5 million.

Transfers to Parishwide Construction Fund will decrease by $2 million to help fund the projected budget deficit for Fy 2027.

Utilities reflect an increase over Fy 2026 of $5,007,008. This projected increase is mainly a result of some utilities being paid out of the Community Disaster Loan Fund for Fy 2026 to assist with the budget deficit for Fy 2026 in the amount of $4.7 million. The utility cost projected for Fy 2027 is the full cost of utilities district wide.

Transfers to the School Security Fund for school resource officers and mental health providers were reduced by $1.5 million to assist with balancing the budget for Fy 2027. The School Security Fund had a projected fund balance of $1.9 million for Fy 2026 that will be utilized for Fy 2027.

Other Fund Revenues and Expenditures

The School Food Service Fund budget is projected to have a profit for Fy 2027 and an ending fund balance of approximately $2.8 million. As a result, School Lunch funding from General Fund will decrease by $1.6 million. Cost cutting measures in the School Lunch department have been extraordinarily successful and this fund is operating at a profit as a result.

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

Terri Prevost, CPA, Chief Financial Officer

Frank Jabbia, Superintendent

September 10, 2026