



LAFAYETTE PARISH SCHOOL SYSTEM

P. O. Drawer 2158 Lafayette, LA 70502-2158 (337) 521-7000

June 24, 2008

Mr. Burnell Lemoine, Superintendent
Lafayette Parish School System
113 Chaplin Drive
Lafayette, LA 70508

Dear Mr. Lemoine,

The budget for fiscal year 2008-2009 is presented in accordance with applicable laws and regulations of the state of Louisiana. All funds presented reflect a surplus or break-even status:

General Fund

The General Fund reflects two areas of significant expenditure reductions due to gained efficiencies in the areas of transportation and staffing formula compliance. The related savings played a big role in our being able to fund 15 additional resource officers, 27 additional clerical assistants, and 2 additional nurses for our schools. In addition, as a result of our coordinated school health grant funding period ending,, we were able to retain 4 mental health professionals and 2 psychologists through the General Fund.

We have continued our efforts to address plant and facility maintenance needs. Adequate funding continues to present a challenge in this area, and has prompted administration and the Board to get the community more involved through our Community Coalition Committee (CCC). The CCC has been meeting on an ongoing basis as a means of quantifying the needs of the schools, but also looking for sources of funding.

The School Board has a policy which requires an undesignated fund balance of 8% of budgeted expenditures. The 08-09 General Fund budget reflects a "fund balance restoration" which is adequate to maintain our compliance with the board policy of 8%. The Board has indicated an interest in increasing the 8% to 15% over the next few years in their efforts to bring the fund balance to a level that approximates 3 months of expenditures.

Special Revenue Funds

The Special Revenue Funds budget reflects our continuing success in obtaining grant awarded funds. This success is represented in the following historical analysis:

	Total Revenues:	
2008	\$ 54,923,289	Budgeted
2007	50,573,409	Budgeted
2006	51,484,833	Audited
2005	38,399,264	Audited
2004	34,745,294	Audited
2003	32,925,464	Audited
2002	25,833,434	Audited

Capital Projects Funds

The Superintendent's reorganization plan initiated in 07-08 provided for the appointment of a director of maintenance, in addition to our having a project manager. This increase in supervisory personnel, coupled with the additional available funding, should facilitate a greater number of projects being completed during the 08-09 school year. Our Board will continue its policy to earmark revenues for future capital needs in their efforts to have funds available to address our most urgent needs. This is evidenced by an allocation of 75% of actual over budgeted sales tax revenues to the Capital Projects Fund.

Debt Service Fund

The Debt Service Fund budget reflects the additional debt service requirements that relate to the 07-08 sale of certificates of indebtedness. In addition, not yet reflected in the budget, is an anticipated decrease in debt service requirements resulting from a recent refunding of several sales tax bond obligations.

Sales Tax Funds

The Sales Tax Fund budgets reflect no growth over those projected in 2008. This conservative approach provides for a leveling off of the economic growth that we have enjoyed over the past years. The school system collects the following sales taxes:

1965 1% Sales Tax

One-half of tax proceeds must be used for teachers' salaries and expenses of operating the schools; the remainder may be used for capital improvements or operational purposes.

1988 ½% Sales Tax

Tax proceeds must be used for priorities set forth in the sales tax election which includes a restoration of funding of a five percent salary reduction for school employees; a restoration of funding for instructional materials and programs; funding for removal of asbestos from school buildings; funding for group health plan coverage for active employees and retirees; and funding for the establishment of certain enhancement programs. If tax proceeds are adequate to fund the above priorities, the excess will be used exclusively for pay increases of school employees or establishment of instructional program.

2002 ½% Sales Tax

Tax proceeds are dedicated to paying the costs of salaries and related benefits of classroom teachers and the establishment of a teachers' salary reserve fund. Priorities for use of these funds are set forth in the Board's Administrative Plan. A major change that is reflected in the 08-09 budget is the transfer of 15.5 positions to the General Fund. This change unencumbered approximately \$955,000.00, which will be used to fund the priorities identified in the Administrative Plan. A second major change provides for the funding of an increase of \$1,000.00 to the teacher salary schedule. This change supports the efforts of the administration and the Board in maintaining a salary schedule that is competitive state-wide.

Group Insurance Fund

Our Group Insurance Fund accounts for the costs of health care of our staff, retirees, and their families. As costs continue to increase, funding and plan benefits structure will continue to be our primary focus. It should be noted that changes in accounting for these types of plans (GASB 45) will require the accrual of the costs for providing health insurance after retirement in the fiscal years in which the employee earns that benefit. Our initial efforts in funding these accruals include a \$1,000,000 designation of funds. This amount indicates an effort by the Board to begin addressing these changes; however the financial implications of this accounting change will be much more substantial.

Property Taxes and Infrastructure

The school system's property tax millage rates have declined slightly in recent years due to reduction in funding required for general obligation bonds (Consolidated School District #1-Sinking Fund). The school system collects property taxes from the following five millages in Lafayette Parish:

Constitutional School Tax	4.59 mills
Special Schools Maintenance and Operational Tax	7.27 mills
Special Schools Improvement Tax	5.00 mills
School Operations Tax (1985)	16.70 mills
Consolidated School District No. 1	.19 mills

The Consolidated School District No. 1 millage is used to pay off debt that was issued 20 years ago. The debt associated with this millage will be retired in fiscal year 2009. This millage will be eliminated once the debt is paid off.

The budget for property tax revenues reflects an anticipated increase of 10% in property tax revenues. This increase is based on the assumption that the Board will approve the "roll forward" of existing millage rates. In addition, property tax values are expected to increase due to the 2008 reassessment of property values by the Lafayette Parish Tax Assessor's office.

Our district is in the process of developing a plan to address its capital and infrastructure needs. As part of this process, the Community Coalition Committee (membership consists of individuals from our community) has been formed. This Committee has been asked to assist in verifying the plant and facility needs of all of our schools, as well as identifying possible sources of funding for addressing these needs.

Acknowledgements

Preparation of the budget document for the 2008-2009 school year is the direct result of the teamwork of many of our staff members. This year's process included several budget workshops which allowed a detailed review by administration and the School Board, and resulted in a timely adoption on June 18, 2008. A special thanks to the following groups and individuals that helped to make the budget process a success:

Instructional Supervisors	Ronnie Bertrand	Carol Gaines
School Administrators	Jennifer Nestor	Jacqueline Snow
Matt Dugas	Mark Sibille	Olanda Gray
Stephanie Richard	Suzanna Boyd	Yvonne Menard
Carl Meche	Bob Simpson	Mona Bernard

The Business Services Department is very appreciative of the direction and support provided by both the Superintendent and School Board during the budget process.

Sincerely,



Billy D. Guidry, CPA
Executive Director and Chief Financial Officer

Lafayette Parish School System

Principal Officials

School Board Members

(All Board Members are in Office for the Same Four-Year Term
January 1, 2007 through December 31, 2010)

Mark A. Babineaux, District 1
Carl J. LaCombe, President, District 2
Lionel J. Lewis, Jr., District 3
Edward J. Sam, District 4
Michael C. Hefner, District 5
Gregory Awbrey, Vice-President, District 6
Mark Cockerham, District 7
Hunter Beasley, District 8
Rae B. Trahan, District 9

Administrative Officials

Burnell Lemoine
Superintendent and Board Secretary-Treasurer

Billy D. Guidry, CPA
Executive Director and Chief Financial Officer