

Board Members,

In the October and November Board meetings I shared with you the status of our student count and budget realities for the upcoming school year. To summarize, what Natchitoches Parish schools are facing, we must cut 5 to 6 million dollars out of our budget to have a balanced budget for the 24-25 school year. The reason(s) for the future deficit are as follows:

1. Sales tax leveling off after 6 years of continual growth. As of today, sales tax for the year is down 1.97%.
2. ESSER indirect cost ending Sept 24'. Every year we have received around 2.4 million dollars in indirect cost from ESSER spending and that ends in the 24-25 school year in September.
3. Consistent student count reduction over the past 10 years. Specifically, we have lost around 1700 students in the past 10 years. This trend continues and we do not know when it will plateau.
4. By an act of the legislature, teachers formerly referred to as "long term subs" were made eligible for TATs or temporary authority to teach, which entitles them to full compensation, thus increasing costs to the district (close to double per person). This was unfunded from the state that we are responsible for.
5. Insurance costs increasing for the district.

The itemized list was presented to the board. Board President Benefield tasked the district staff in November to create a plan to address the deficit. What follows are two district reorganization plans, as well as the status of our budget if we do not act. The two plans outline the ways the district can create savings and balance the 24-25' district budget. Only one of the plans results in a balanced budget, with the second plan mitigating some of the shortfall but not erasing it.

Please be reminded as you look over this list of changes that the MFP allocation is the greatest source of revenue in our general fund, and our general fund expenditures are comprised of mostly payroll costs. Payroll costs are comprised of salaries and related benefits. The vast majority of our general fund budget is applied to personnel. Therefore, it makes sense that when we are trying to overcome a budget shortfall the easiest way to do so, is through personnel adjustments. Furthermore, with a drop in MFP numbers the district should respond to a lower number of students with adjusting to a lower number of teachers, ideally through attrition.

Usually, if 25-30 students leave you should have one less teacher position in your district. It is not always that easy. In some cases, we may have 200 students leave us, but they are spread out over 12 grade levels and 14 locations making it impossible to lose a position. Furthermore, we have some schools that only have 1 teacher slot per grade level meaning it's impossible to reduce teaching slots based on enrollment. Finally, when we make staff adjustments, we must also ensure that we are not hurting classroom instruction and are in compliance with state laws regarding class size.

Ultimately, all these concerns make costs savings a very narrow and specific exercise. One that can only be done in certain areas. In my planning I made budget adjustments in every area possible but ultimately was unable to balance the budget without proposing a school closure. Once I realized that a school closure was unavoidable, I determined that due to Goldonna's significantly low enrollment it was

the only logical suggestion for closure. This is not something I came to lightly but unfortunately the math left me no choice.

I was further able to close the gap through the following means: Central office payroll adjustments, BRE adjustments parish wide, parish wide staffing adjustments, STRONG grant indirect cost and increased property tax revenue.

Your other alternative is to keep Goldonna open in some form. No matter how you accomplish that, either keeping it open as it is today or consolidating grade levels it will mean dipping into our districts reserves to balance the budget. I do not recommend this as our cash reserves are meant to keep us healthy financially, to address true emergencies, and for cash flow purposes. A school having a student count of around 100 students is not an emergency and it is not fiscally responsible to spend millions of dollars out of reserves to support it, especially when a real emergency may occur at any moment.

Unfortunately, I can see no other budget solution except reducing our overall district footprint. Some have asked why this is happening now, it is specifically because ESSER and sales tax was able to prevent our MFP issues from being more dire, we are now beyond that ability. For the past few years, we have been able to make minor adjustments and remain fiscally stable. That time has passed, and minor adjustments are unable to address the issue. We must make larger adjustments to ensure the health and security of the district for the future. Furthermore, I want to mention that the board has taken many opportunities to reach out to communities to bring students back to the parish, but the demographic trends have proven more powerful

Sincerely,

Grant Eloi

Dr. Grant Eloi
Superintendent NPSB

No Action

2024-2025 Projected Budget Deficits and Resolutions

Changes Costs		Per Student	4800 Student	4674 Students
			2024-2025	2025-2026
Declining MFP	200	5,938.00	\$1,187,600.00	\$2,000,000.00
ESSER Funds Indirect Cost going away			\$2,493,550.00	\$2,493,550.00
Assuming 2% sales tax decrease	23,040,159.00		\$460,803.18	\$460,803.18
Increasing Insurance Costs			\$250,000.00	\$250,000.00
22-23 increase in TATS - BS degrees			\$1,825,395.00	\$1,825,395.00
23-24 increase in TATS - Assoc Degrees			\$0.00	\$331,890.00
			\$6,217,348.18	\$7,361,638.18
Ways to Balance the budget				
Close Goldonna Savings			\$0.00	\$0.00
Central Office Payroll Efficiencies			\$0.00	\$0.00
Strong Grant Indirect Costs	\$5,583,116.00	8.4650%	\$472,610.77	\$472,610.77
Spend all Grant Monies Indirect Costs	\$758,420.00	8.4650%	\$64,200.25	\$64,200.25
Property Taxes Collections increase			\$517,912.00	\$517,912.00
Staff Efficiencies			\$0.00	\$0.00
Transfer of items for General to BRE			\$0.00	\$0.00
			\$1,054,723.02	\$1,054,723.02
Carry Forward				
			-	
Over/Under			\$5,162,625.16	-\$6,306,915.16
Cumulative 2 year impact				(\$11,469,540.32)

NPSB Reorganization Plan A

The district has a need to decrease spending by 5-6 million in the next 2 years. The following are the reasons for the reduction need:

- Sales tax leveling off after 6 years of growth.
- ESSER indirect cost ending Sept 24'
- Consistent student count reduction over the past 10 years.
- Teachers formerly referred to as "long term subs" becoming eligible for TATs or temporary authority to teach, which entitles them to full compensation thus increasing costs to the district (close to double per person).

The Natchitoches Parish School Board has requested that district staff present a plan to address the revenue shortfall. The following is that plan:

1. Remove Jr. High from Lakeview and send those students to Fairview. This will help consolidate staffing at Lakeview and make Fairview more efficient. School performance would be improved at both campuses due to the move and a true pre-k-8 would be created at Fairview with extracurriculars creating an improved culture at both Lakeview and Fairview. Developmentally/Behaviorally/Academically/Socially 7th and 8th grade fit better at a PK-8th than at a 7-12.
2. Close Goldonna: The school currently only serves 104 students (only 95 are MFP students and have 24 staff; or 1 staff per every 4 students). Send all students to Fairview.
 - a. Anticipated projected savings to the district – \$2,280,602.87
3. Consolidate NVA and NPTCC: Both would still exist but be under one Principal and have staff of both schools consolidated. Currently there are 21 staff, between both schools serving 190 students. Next year there will only be 100 students and on average only 100 of those are in class on any given day. The staff will be reduced from 21 to 11/12.
 - a. Anticipated projected Savings to the district – \$500,000.00
4. 10-20 Staff adjustments Parish wide: Positions. The staffing formula would be strictly enforced. Some schools would see no reductions while others would see no more than 2-3 per school.
 - a. Anticipated projected savings to the district – \$1,800,000.00
5. Central Office Budget changes
 - a. Anticipated projected savings to the district – 464,086.85
6. Move some school functions/costs from general fund to BRE.
 - a. Anticipated projected savings to the district – 1,519,314.20

Plan A: 2024-2025 Projected Budget Deficits and Resolutions

			4800 Student	4674 Students
			2024-2025	2025-2026
Changes Costs		Per Student		
Declining MFP	200	5,938.00	\$1,187,600.00	\$2,000,000.00
ESSER Funds Indirect Cost going away			\$2,493,550.00	\$2,493,550.00
Assuming 2% sales tax decrease	23,040,159.00		\$460,803.18	\$460,803.18
Increasing Insurance Costs			\$250,000.00	\$250,000.00
22-23 increase in TATS - BS degrees			\$1,825,395.00	\$1,825,395.00
23-24 increase in TATS - Assoc Degrees			\$0.00	\$331,890.00
			\$6,217,348.18	\$7,361,638.18
Ways to Balance the budget				
Close Goldonna Savings			\$2,280,602.87	\$2,280,602.87
Central Office Payroll Efficiencies			\$464,086.85	\$464,086.85
Strong Grant Indirect Costs	\$5,583,116.00	8.4650%	\$472,610.77	\$472,610.77
Spend all Grant Monies Indirect Costs	\$758,420.00	8.4650%	\$64,200.25	\$64,200.25
Property Taxes Collections increase			\$517,912.00	\$517,912.00
Staff adjustments	23	100,000.00	\$2,300,000.00	\$2,500,000.00
Transfer of items for General to BRE			\$1,519,314.20	\$1,519,314.20
			\$7,618,726.94	\$7,818,726.94
Carry Forward				
		Over/Under	\$1,401,378.76	\$457,088.76
		Cumulative 2-year impact		\$1,858,467.52

NPSB Reorganization Plan B

The district has a need to decrease spending by 5-6 million in the next 2 years. The following are the reasons for the reduction need:

- Sales tax leveling off after 6 years of growth.
- ESSER indirect cost ending Sept 24'
- Consistent student count reduction over the past 10 years.
- Teachers formerly referred to as "long term subs" becoming eligible for TATs or temporary authority to teach, which entitles them to full compensation thus increasing costs to the district.

The Natchitoches Parish School Board has requested that district staff present a plan to address the revenue shortfall. The following is that plan:

1. Remove Jr. High from Lakeview and send those students to Fairview. This will help consolidate staffing at Lakeview and make Fairview more efficient. School performance would be improved at both campuses due to the move and a true pre-k-8 would be created at Fairview with extracurriculars creating an improved culture at both Lakeview and Fairview. Developmentally/Behaviorally/Academically/Socially 7th and 8th grade fit better at a PK-8th than at a 7-12.
2. Move 6th 7th and 8th grade from Goldonna to Fairview, remove Pre-K and combine grade levels to consolidate staff (Example: K/1st, 2nd/3rd, 4th/5th)
 - a. Anticipated projected savings to the district - \$500,000
3. Consolidate NVA and NPTCC: Both would still exist but be under one Principal and have staff of both schools consolidated. Currently there are 21 staff, between both schools serving 190 students. Next year there will only be 160 students and on average only 100 of those are in class on any given day. The staff will be reduced from 21 to 11/12.
 - a. Anticipated projected Savings to the district – \$500,000.00
4. 10-20 Staff adjustments Parish wide: Positions. The staffing formula would be strictly enforced. Some schools would see no reductions while others would see no more than 2-3 per school.
 - a. Anticipated projected savings to the district – \$1,800,000.00
5. Central office Budget changes
 - a. Anticipated projected savings to the district – 464,086.85
6. Move some school functions/costs from general fund to BRE.
 - a. Anticipated projected savings to the district – 1,236,260.20

Plan B: Keep Goldonna Open (K-5) and adopt all other options (no BRE reallocation)

2024-2025 Projected Budget Deficits and Resolutions

Changes Costs		Per Student	4800 Student	4674 Students
			2024-2025	2025-2026
Declining MFP	200	5,938.00	\$1,187,600.00	\$2,000,000.00
ESSER Funds Indirect Cost going away			\$2,493,550.00	\$2,493,550.00
Assuming 2% sales tax decrease	23,040,159.00		\$460,803.18	\$460,803.18
Increasing Insurance Costs			\$250,000.00	\$250,000.00
22-23 increase in TATS - BS degrees			\$1,825,395.00	\$1,825,395.00
23-24 increase in TATS - Assoc Degrees			\$0.00	\$331,890.00
			\$6,217,348.18	\$7,361,638.18
Ways to Balance the budget				
Goldonna Savings (k-5)			\$500,000.00	\$500,000.00
Central Office Payroll Efficiencies			\$464,086.85	\$464,086.85
Strong Grant Indirect Costs	\$5,583,116.00	8.4650%	\$472,610.77	\$472,610.77
Spend all Grant Monies Indirect Costs	\$758,420.00	8.4650%	\$64,200.25	\$64,200.25
Property Taxes Collections increase			\$517,912.00	\$517,912.00
Staff adjustments	23	100,000.00	\$2,300,000.00	\$2,500,000.00
Transfer of items for General to BRE			\$1,236,260.20	\$1,236,260.20
			\$5,555,070.07	\$5,755,070.07
Carry Forward				
	Over/Under		-\$662,278.11	-\$1,606,568.11
	Cumulative 2-year impact			(\$2,268,846.22)