School revenue may drop 9 percent

The public school system will have to use all of its reserve funds to make up for a projected 9 percent drop in sales tax revenues for the 1986-87 fiscal year, school finance officials said Wednesday.

The system received about $3.5 million in December sales tax revenue receipts, the latest figures show. Those numbers are about 4 percent less than December 1985 receipts.

According to the latest projections, it will take all of the system's $1.9 million in reserve funds to cover the setbacks.

But while the system may be able to cope with the declining sales tax revenues, if a 5 percent state funding cut ordered by Gov. Edwin Edwards is not restored, the system probably will be forced to shut down for several days to save money.

If the state funds are not restored, the board will hold a special meeting on March 10 to consider closing schools for five days.

Finance Director Grady Hazel said the December tax collections “does not change our prediction” that the sales-tax revenues will be at least $2 million lower than budgeted projections.

At the end of December, sales taxes already were $1.4 million below projections.

When adopting the general budget, School Board members predicted that sales tax receipts would be received at a rate of 97 percent of last year's receipts, despite projections by Superintendent Raymond Arveson and the staff that receipts would be 95 percent of last year's money. The board projected the higher figure to avoid the staff's recommendation to eliminate a number of school jobs for the 1986-87 school year.

The difference in projections amounts to about $740,000.

According to finance department figures, the school system has received $1.7 million in sales taxes. The school system's latest figures show that the school system will receive $33,860,000 this fiscal year, compared to the $36,963,062 it got in 1985-86. The fiscal year ends on June 30.