

Research Update:

Lafourche Parish Consolidated School District No.1, LA Series 2025 GO Bonds Assigned 'A' Rating; Outlook Stable

September 4, 2025

Overview

- S&P Global Ratings assigned its 'A' rating to [Lafourche Parish Consolidated School District No. 1](#). La.'s projected \$17 million series 2025 general obligation (GO) bonds.
- We also affirmed our 'A' rating on the district's GO debt outstanding.
- The outlook is stable.
- The rating reflects the application of our criteria, "[Methodology For Rating U.S. Governments](#)," Sept. 9, 2024.

Rationale

Security

The district's unlimited ad valorem property tax pledge secures the GO bonds. Bond proceeds will finance various school facility projects. Our rating is based on the application of our "[Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness](#)" criteria, published Nov. 20, 2019. Lafourche Parish School Board is the governing and operating authority for the district. We view the district as having the same credit quality since it is the only operating district under the board. In addition, management and associated operations for the districts and the school district are identical. Since the district's and the school board's taxing boundaries are coterminous, we do not view the tax base of the school district as being exposed to disproportionate risks relative to the school board. Therefore, we rate the bonds to be on par with our view of the school board's general creditworthiness.

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Credit highlights

The rating reflects the district's robust reserve position supported by a long trend of positive financial performance that we view as offsetting its somewhat weaker economic metrics and exposure to extreme weather events from its location along the Gulf Coast.

In 2021, the district sustained significant damage from Hurricane Ida that ultimately caused a decline in assessed value (AV) and required officials to take out a loan to rebuild facilities. Despite this, the district's general fund reserves have grown in the past few years, thanks to consistent operating surpluses, to more than \$70 million (64%) in fiscal 2024 from under \$40 million (34% of expenditures) in fiscal 2021. The district issued \$90 million in privately placed hurricane recovery revenue bonds used for repair projects. Most of this is expected to be reimbursed by the Federal Emergency Management Agency (FEMA), with \$69 million received as of July 31, 2025. Additional damage from future weather events could pressure district finances, and therefore we view the maintenance of significant reserves as necessary to mitigate this risk.

The rating reflects our opinion of the district's:

- Projected tax-base stability following a near-complete recovery from the effects of Hurricane Ida, with tax base growth of nearly 16% over the past two years, though AV is still below pre-Ida levels and there might be fluctuations year to year due to the presence of oil-and-gas operations in the tax base;
- Very strong reserves from multiyear surpluses spurred by conservative budgeting with a surplus in fiscal 2025 expected to increase the reserve to \$80 million; and
- Low debt burden despite the current bond issuance and with no plans for additional debt.

Environmental, social, and governance

We view physical risks as moderately negative within our credit rating analysis due to the district's location on the Louisiana coast, which exposes it to hurricanes and flooding. As noted, the district experienced material damage from Hurricane Ida in 2021. Levee control districts in the area have completed infrastructure improvements to improve resiliency for flood control and storm surge protection. Climate transition risk and the district's ties to the oil-and-gas industry and offshore drilling could lead to volatility in sales tax and tax base trends. We view the district's social and governance factors as neutral.

Outlook

The stable outlook reflects our expectation that the district's economy will not materially deteriorate and that its financial position will remain stable through our two-year outlook horizon.

Downside scenario

We could lower the rating if there are prolonged declines in the tax base, or if there are material declines in the district's reserve position below a level that is no longer comparable with 'A' rated peers.

Upside scenario

Although we view this as unlikely, we could raise the rating if the district's economy expands and diversifies while its finances remain stable.

Credit Opinion

Economy

The district is located in southeastern Louisiana and its local economy has historically relied on oil-and-gas activity, with an industrial base that primarily serves offshore interests in the Gulf of Mexico. Medical services also remain a large part of the district's economy; Thibodaux Regional, a top employer, has recently added new facilities throughout the district. Argent LNG will be expanding at Port Fourchon with a significant \$20 billion liquidated gas facility that is expected to open in 2027 and will create more than 2,000 jobs. Official noted that there is active new residential activity occurring in the northern part of the district, around Thibodaux, as residents shift away from the southern portion that is more exposed to damage from extreme weather.

The district has largely completed recovery and repairs related to Hurricane Ida. It has worked with a project management firm to assist in FEMA applications and about \$14 million remains yet to be received from FEMA. The district has approximately \$20 million in additional projects still to be completed from Hurricane Ida damage; however, officials are waiting for FEMA to determine how much will qualify for reimbursement before moving forward with them.

In line with our expectations, the district's AV declined by 24% in fiscal 2021, to \$751 million, from \$983 million the previous year because of damages from Ida. Although AV has mostly recovered, the district's tax base is subject to variation due to the presence of the oil-and-gas sector and fluctuations in the value of watercraft, as evidenced by a further decline in AV from fiscal 2023 to fiscal 2024. We do not expect major AV declines in the next few years but could continue to see small fluctuations given the nature of the tax base.

Finances

The district's available reserves increased to \$77.5 million, or 64% of expenditures, as of fiscal 2024 year-end, which we consider favorable compared with that of peers. Although the general fund has nearly \$70 million in interfund receivables, the other funds have the cash on hand that indicate the receivables are likely to be collected by the general fund. Cash available in the general fund only is \$28 million, but total governmental funds have about \$222 million in cash and investments that provide significant financial flexibility. The district has reported six consecutive surplus results with conservative budgeting with expenditures coming in under budget and revenues either meeting or exceeding budgeted assumptions. Another deficit is included in the 2026 budget although another surplus is likely given the historical trend. For example, the 2025 budget included a \$11 million deficit; however, current projections reflect a nearly \$3 million surplus.

Management

Management demonstrates practices and policies that are in line with those of peers. The budget document includes detailed assumptions that consider historical and current financial data. Budget-to-actual reports are provided to the board monthly and budget adjustments are usually made about once a year although they can be made more frequently if needed. The formal investment policy follows state statutes and holdings and earnings are reported monthly. Although the government finance officers' association recommends two months of expenditures in reserves, the district targets six months to provide ample liquidity in case of immediate needs related to weather or other causes. The district does not do any long-term financial or capital planning. It is aware of cybersecurity risk and has implemented practices to mitigate it, including

regular employee training. In addition, the district’s management team is experienced with extreme weather events, so they have established processes and procedures to guide them through school closings, safety operations, risks, and recoveries.

Debt and liabilities

The current issuance is the last of the district’s remaining debt authorization and there are no plans for additional debt. Any capital needs that emerge will be funded with cash on hand.

The district has borrowed \$90 million in tax revenue bonds for Hurricane Ida repairs and management expects to receive up to 90% in reimbursement from FEMA; these bonds were privately placed and were issued by the Louisiana Local Government Environmental Facilities and Community Development Authority. The agreement requires the district to put its FEMA reimbursements toward repayment once \$50 million has been received from FEMA. The district also privately placed its series 2020 and 2022 GO refunding bonds. We do not view these private placements as a risk to the district’s liquidity given there are no unusual bank terms and no acceleration of the debt.

We consider the district's net direct debt and total net pension liabilities manageable when considering these costs are approximately 16% of total governmental funds revenue.

The district participates in three retirement systems and has an other postemployment benefit (OPEB) liability (reported as of June 30, 2024):

- Louisiana Teachers' Retirement System, which is 74.3% funded, with a net proportional pension liability of \$121.7 million;
- Louisiana School Employees' Retirement System, which is 78.5% funded, with a net proportional pension liability of \$9.9 million;
- Louisiana State Employees' Retirement System, with a \$180,993 net pension liability; and
- Lafourche Parish School Board's OPEB, with an unfunded total liability of \$157 million.

Lafourche Parish School Board, Louisiana--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.95
Economy	6.0
Financial performance	2
Reserves and liquidity	1
Management	3.00
Debt and liabilities	2.75

Lafourche Parish School Board, Louisiana--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	69	--	69	63
County PCPI % of U.S.	83	--	83	81
Market value (\$000s)	7,684,818	7,923,573	8,132,891	6,829,291
Market value per capita (\$)	80,698	83,205	83,479	69,799
Top 10 taxpayers % of taxable value	18.9	20.5	22.3	--

Lafourche Parish School Board, Louisiana--key credit metrics

	Most recent	2024	2023	2022
County unemployment rate (%)	4.0	3.3	3.1	3.4
Local median household EBI % of U.S.	81	81	78	77
Local per capita EBI % of U.S.	77	77	73	71
Local population	95,229	95,229	97,424	97,842
Financial performance				
Operating fund revenues (\$000s)	--	120,896	111,782	106,896
Operating fund expenditures (\$000s)	--	134,695	124,337	116,599
Net transfers and other adjustments (\$000s)	--	28,099	22,923	25,375
Operating result (\$000s)	--	14,300	10,368	15,672
Operating result % of revenues	--	11.8	9.3	14.7
Operating result three-year average %	--	11.9	13.7	14.5
Enrollment	--	13,518	13,612	13,709
Reserves and liquidity				
Available reserves % of operating revenues	--	64.1	57.0	49.9
Available reserves (\$000s)	--	77,548	63,707	53,340
Debt and liabilities				
Debt service cost % of revenues	--	6.7	6.9	4.7
Net direct debt per capita (\$)	1,932	2,044	2,090	2,171
Net direct debt (\$000s)	183,995	194,670	203,624	212,459
Direct debt 10-year amortization (%)	77	84	--	--
Pension and OPEB cost % of revenues	--	9.0	9.0	8.0
NPLs per capita (\$)	--	1,310	1,353	1,430
Combined NPLs (\$000s)	--	124,745	131,851	139,918

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings

US\$17.0 mil GO sch bnds ser 2025 due 03/01/2045

Long Term Rating

A/Stable

Ratings Affirmed

Local Government

Lafourche Parish Cons Sch Dist #1, LA Unlimited Tax General Obligation

A/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have

different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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