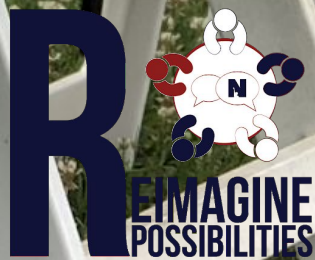


# THE NELSON COUNTY SCHOOLS 2018 - ANNUAL TAX PLANNING



# COMMUNITY CENTERED

## POWERING LIVES

Community Centered Schools unite the gifts of our students and educators with the larger community. In Nelson County Schools we will embrace a Community Centered approach creating **INSPIRED LEADING & LEARNING** experiences for all students and educators to live **Npowered** lives, sharing their gifts with the world.

## POSSIBLE GOALS

1. To ensure every student, family, and educator are safe and cared for as we **PUT PEOPLE FIRST**.
2. To build upon our rich history of success, uniting our students, educators, and community through a shared sense of **NELSON COUNTY PRIDE**
3. To ensure every student and educator have **INSPIRED LEARNING** experiences, sharing their gifts with the world, living an **Npowered** life,

## DRIVING QUESTIONS

Our work is driven by two big questions that create a platform for shared leadership and ownership in our community.

1. What does it mean to be a community?
2. What is the purpose of school within our community?

## THE NCS MISSION

Our current priorities and values were developed in conversation with various NCS alumni, teachers, principals, business, parent, and community leaders. Each of these conversations pointed to the importance of the district mission of community partnership and **INSPIRED LEARNING**.

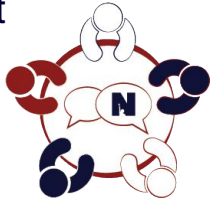


## CULTURAL PRIORITIES

Building from dialogue with school, business, and community leaders, three cultural priorities were identified to ensure we are allocating resources on the most essential cultural growth practices.

### SHARED LEADERSHIP

We create nothing alone, and we must **Npower** everyone within our community to take a seat at the community table. A seat at the table creates ownership, inspiration, and empowerment.



### NELSON COUNTY PRIDE

Our sense of pride and ownership in our schools will be the most essential ingredient to our future. The flame is a culminating symbol of **PRIDE**, representing the energy that NC Pride creates for our community.



### INSPIRED LEADING & LEARNING

To meet our mission of inspired students thriving within a global economy we must commit to transformative leadership & learning experiences for all students. The backpack will become a symbol of the experiences we want for all students within Nelson County Schools.



## NELSON COUNTY PRIDE

“What word or idea do you connect with Nelson County Schools?” Over and over again; that word is “**PRIDE**.” This answer, along with a deep look into our past with local community leaders, creates a platform for the Nelson County Pride value set.





# 2018 INITIAL VISIONING

## OUTLINING THE PRIDE VALUES

### LEADERSHIP PROFILE

Community Centered values drive our work together in NCS. Inspired by conversation with Nelson County community members, the PRIDE Pyramid provides a foundation in 2018-2019 to begin discussing core experiences for students that will create a shared LEADERSHIP profile by 2019.

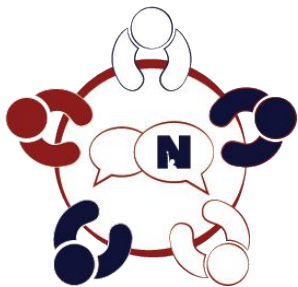


### PUT PEOPLE FIRST

The people in our schools are what make Nelson County Schools great. In order to create a more remarkable future we have to take **CARE** of people across our community. This includes committing time in school to ensure our students are socially, emotionally, and physically inspired to live an **N**powered life. It also means we invest heavily in celebrating people, honoring each other's gifts, embracing annual traditions, and having a lot of fun together!



### REIMAGINE POSSIBILITY



Strong communities and organizations dwell in possibility! In order for Nelson County Schools to experience dynamic growth we have to invest heavily in bringing people to the community table.

In our conversations we must have **POWERFUL CONVERSATIONS** about the future for our kids. This conversation must continuously reimagine possibility to inspire growth for our kids and our community.

### INNOVATE & GROW

Our mission and community demands that we rethink school together. We must continually energize our vision for **COMMUNITY CENTERED STUDENTS & PROFESSIONALS**, along with the hiring, recruiting, and growth processes that will allow our district to create a transformative future for our students. .



### DEDICATED TO OUR COMMUNITY

Our schools exist to serve our students, their families, and our community. We have a major commitment to **WORKFORCE DEVELOPMENT** through work based learning experiences for all graduating students by August of 2020. Community centered curriculum experiences will provide a foundation for these experiences beginning in 2018.

### ENERGIZE THE WORLD

**COMMUNICATING OUR STORY** with the world is an essential component to creating energy. When we create a platform to wildly celebrate our district and inspire others to join our **N**possible story, we will energize the world together.



### FINANCIAL STEWARDSHIP

Our success will rely largely on aligning resources to our priorities and providing sound financial management. We must be clear on **VALUE DRIVEN FINANCIAL MANAGEMENT** process providing a priority aligned spending that is transparent and **N**powering to our school teams.

# MISSION ALIGNMENT

## CULTURAL PRIORITIES FOR NCS



### NELSON COUNTY PRIDE

WE WILL UNITE OUR  
DISTRICT FAMILY  
THROUGH A SHARED  
VISION OF NELSON  
COUNTY PRIDE



### INSPIRED LEADERS & LEARNERS

WE WILL PROVIDE  
FUTURE-CENTERED  
LEARNING EXPERIENCES  
TO ENGAGE & INSPIRE  
ALL STUDENTS IN  
PARTNERSHIP WITH  
LOCAL INDUSTRY



### SHARED LEADERSHIP

WE WILL BRING PEOPLE  
FROM ACROSS THE  
COMMUNITY TO THE  
TABLE TO CREATE THE  
FUTURE TOGETHER



# FINANCIAL STEWARDSHIP

## A COMMUNITY CENTERED PROCESS

### ENERGIZE THE WORLD

WE SHARE OUR FINANCIAL STORY WITH THE WORLD IN ORDER TO LEARN FROM OTHERS AND BETTER SERVE THE FUTURE OF OUR DISTRICT



### DEDICATED TO OUR COMMUNITY

WE SPEND TIME WITH OUR COMMUNITY TO BUILD A SHARED VISION FOR FINANCIAL SPENDING



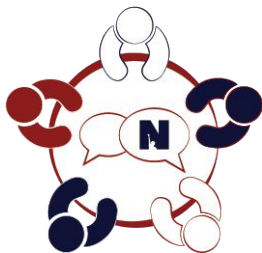
### PUT PEOPLE FIRST

WE CREATE TRANSPARENCY & EMPOWER DISTRICT LEADERS & SCHOOLS TO HAVE SHARED FINANCIAL OWNERSHIP



### INNOVATE & GROW

WE ALLOCATE RESOURCES TOWARDS COMMUNITY CENTERED SCHOOLS, PROFESSIONALS, & STUDENTS



### REIMAGINE POSSIBILITY

WE MEANINGFULLY ENGAGE OUR SCHOOLS & COMMUNITY IN LONG-TERM DISTRICT FINANCIAL PLANNING



**P**   
PUT PEOPLE FIRST

**R**   
REIMAGINE POSSIBILITIES

**I**   
INNOVATE & GROW

**D**   
DEDICATED TO OUR COMMUNITY

**E**   
ENERGIZE THE WORLD

4



# FINANCIAL STEWARDSHIP

## A COMMUNITY CENTERED TIMELINE

### ANNUAL REVENUE PROJECTIONS OCTOBER - NOVEMBER

1. Projecting next year enrollment & ADA
2. Projection of property assessment and SEEK impact
3. Board evaluates long-term planning priorities and shares with Community Pride Teams
4. School Principals collaborate with Superintendent on Future Centered Resource Allocation

### DRAFT BUDGET W/BOARD JANUARY 31

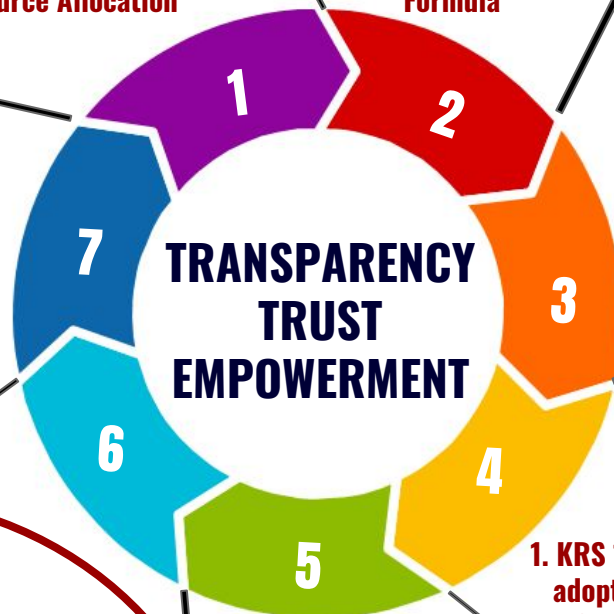
1. Draft budget created using local Projections & Needs Assessment
2. State SEEK Calculations
3. Cash flow analysis
4. Salary & Staffing Formula

### SCHOOL BUDGET APPROPRIATIONS MARCH - MAY

1. School Principals & SBDM teams work in collaboration with the NCS District to develop and approve local budgets.
2. Principal Team works closely together to allocate towards Future Ready practices.
3. Principal Team evaluates District Budget

### FINAL WORKING BUDGET APPROVAL BEFORE SEPT. 30TH

1. Superintendent and CFO share final working budget for approval.
2. Analysis of financial process, tax levy, enrollment, & staffing is shared via CFO in Community Centered Financial Report shared with all stakeholders.



### TENTATIVE WORKING BUDGET W/BOARD BEFORE MAY 30

1. KRS 160.470(6)(a) requires all districts to adopt a tentative working budget including a 2% minimum reserve of total budget.
2. Community Pride Teams review tentative working budget and share ideas to innovate.
3. CFO shares vision with Board of Education

### TAX RATES LEVIED WITHIN 30 DAYS OF ASSESSMENT

1. Superintendent receives local property tax assessment from the Kentucky Dept. of Education
2. CFO, Board, & Superintendent contextualize taxes within financial trends And district priorities.
3. Superintendent makes a recommendation To the Board of Education.
4. Board votes on tax rates.

### ACCOUNTING ADMINISTRATION & FINANCIAL REPORT JUNE - JULY

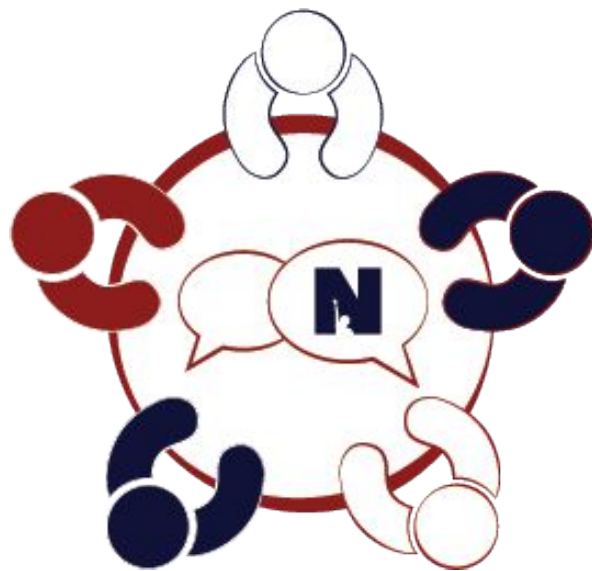
1. CFO shares Financial Innovation & Growth Plan for the following year strengthening this Community Centered planning process.
2. Accounting procedures follow KRS Statutes
3. Unaudited Annual Financial Report is shared with the board by July 25th.



# FINANCIAL STEWARDSHIP

## WHAT CONVERSATIONS GUIDE THE WORK?

1. What financial forces and trends shape our past, current, and future financial reality?
2. How does the tax levy decision impact our future financial state?
3. How do we plan to allocate and budget current spending in alignment with district priorities?
4. How do our decisions impact opportunities for students?



# FINANCIAL STEWARDSHIP TAX LEVY DISCUSSION

## DEDICATED TO OUR COMMUNITY

In Nelson County Schools we are dedicated to our community. This dedication comes in our commitment to being strong financial stewards of tax dollars. In NCS this looks like:

1. Transparency with our financial state.
2. Continued process improvement and resource management.
3. Shaping budgeting processes to increase local ownership of funding to our schools and students.
4. Providing life changing educational experiences for students in our schools.

## A SHIFTING FUNDING LANDSCAPE

2018 marks a shift in tax funding revenue for The Nelson County Schools. For the first time, local tax assessments will provide the district 7% more funding than state SEEK funding. Since 2010, this shift has been significant as the local tax share has continued to grow while the impact of State SEEK revenue and increased retirement costs have led to an estimated \$5 million impact in net state funding over 10 years.

### 10 YEAR IMPACT

Increased local property assessments = \$2.1  
Enrollment Trends (1% annual) = \$1.6 Million  
New Retirement Costs = \$1 Million  
Others State Cuts = \$500,000

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Total 10 Year Decrease = \$ 5.2 Million

## HOUSE BILL 362 & SENATE BILL 151

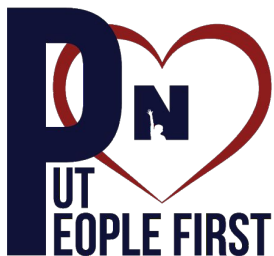
House Bill 362 increased local district contributions to County Employee Retirement System (Classified Employees). These contributions are expected to be phased in over the course of 4 to 5 years. From 2016 to 2021 the increase in CERS costs to Nelson County Schools will be in excess of \$100,000 annually.

Senate Bill 151 (currently in litigation) will impact

## ALIGNING SPENDING TO PRIORITIES

As we look at current financial trends, we must also look at the impact on future opportunities for students and teachers within our schools. Accordingly, we must continue to reallocate and align spending with district.

1. Increasing opportunities for student leadership.
2. School Safety Repairs (Access & Security)
3. Bussing & Transportation
4. Employee salary and benefits package
5. Expanding early college & career pathways

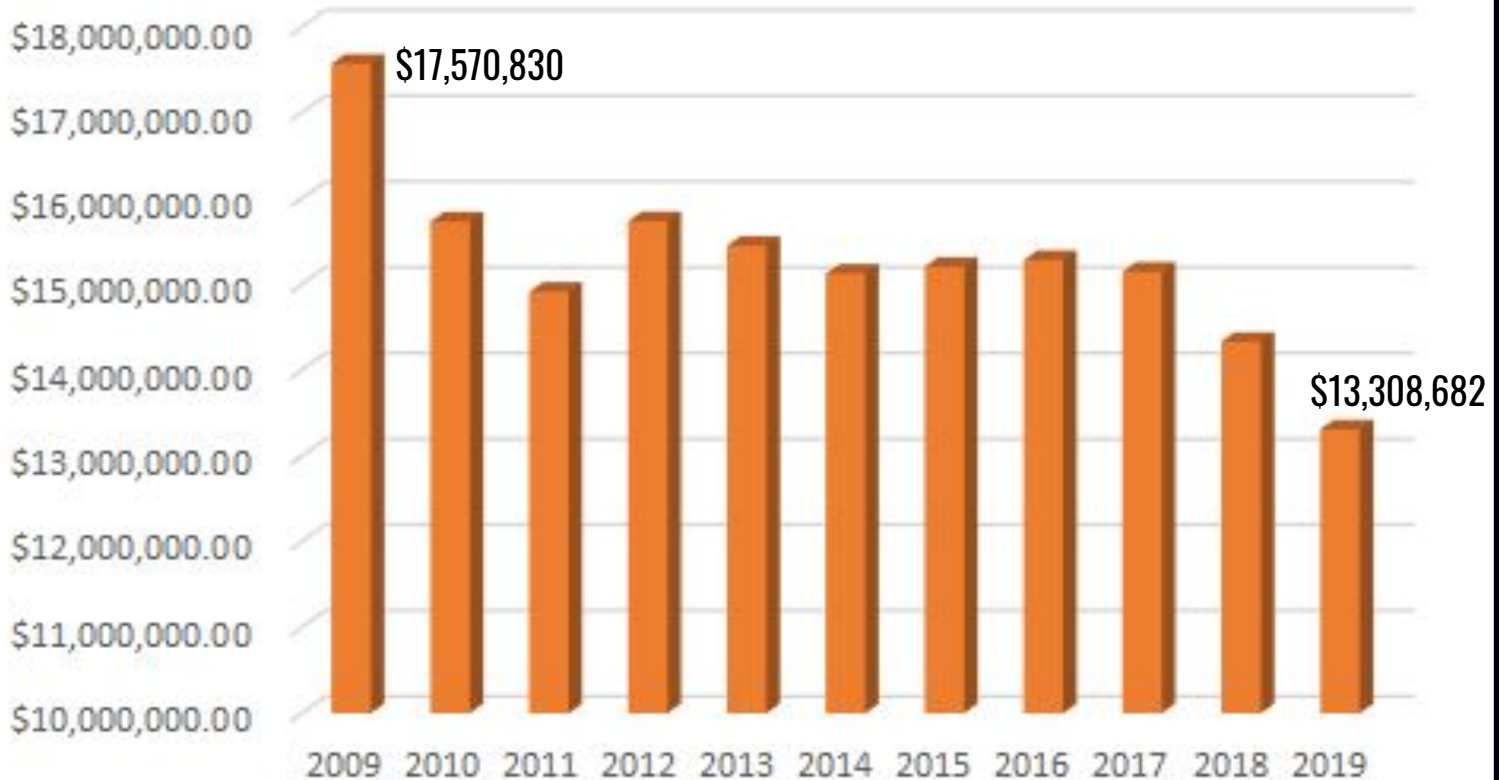




# DEDICATED TO OUR COMMUNITY

## FINANCIAL FORCES & TRENDS

STATE SEEK FUNDING



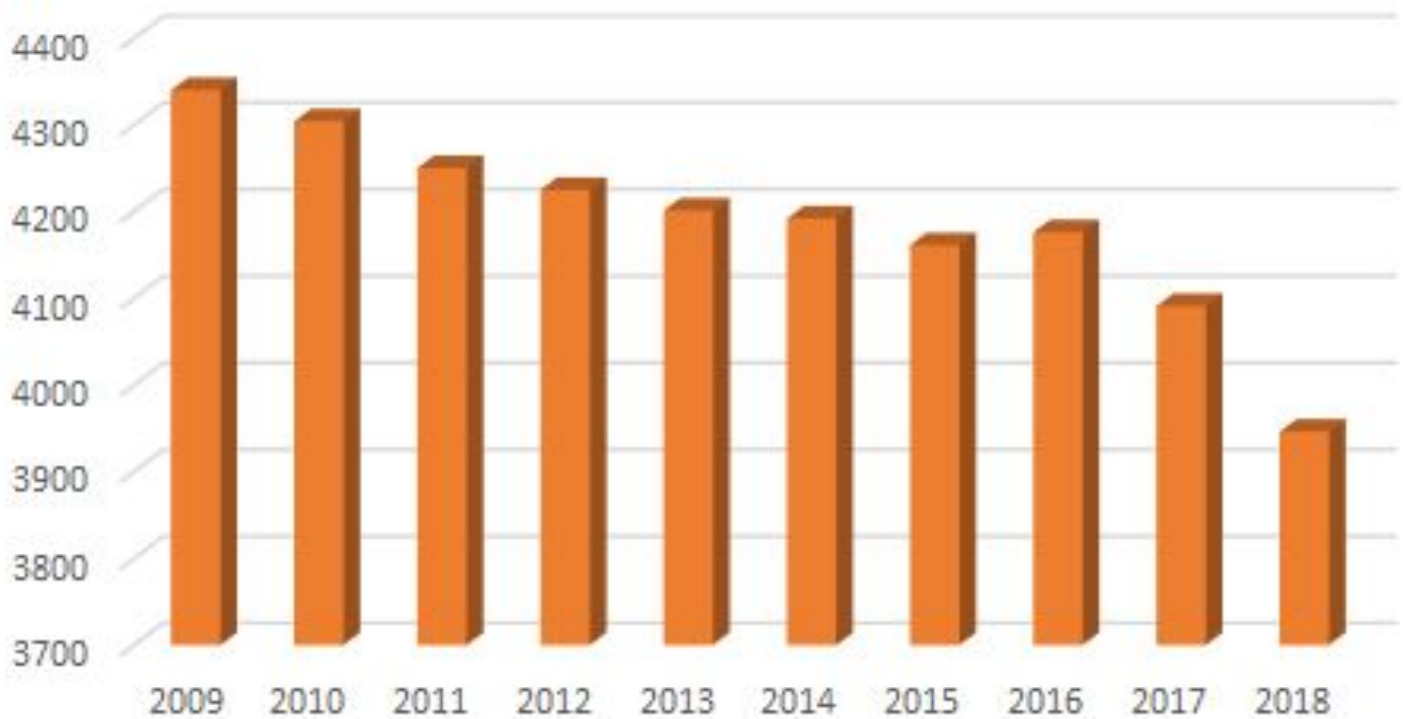
**Trend:** Enrollment trends coupled with increasing local assessments have resulted in a decrease in state SEEK funding of over \$4.2 Million since 2009. This reduction, coupled with an approximately \$1 million District contribution to KTRS and CERS over the same time period provides nearly a \$5.2 million decrease over a 10 year period.



# DEDICATED TO OUR COMMUNITY

## FINANCIAL FORCES & TRENDS

AADA



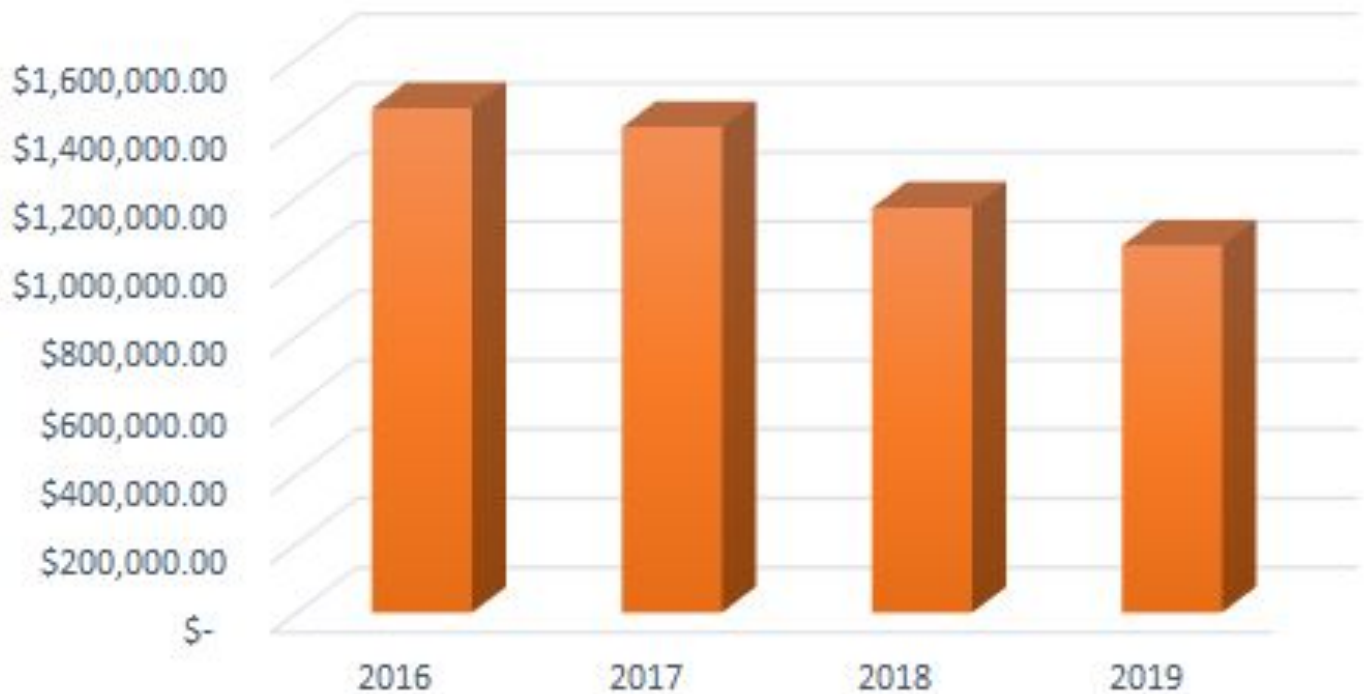
**Trend:** Adjusted Average Daily Attendance (AADA) decreased approximately 1% annually over 10 years, resulting in a loss of guaranteed SEEK base of just under \$1,600,000. Over the same time, Nelson County property assessments have increased by approximately \$500 million resulting in an additional decrease in SEEK funding of approximately \$2.1 Million. The 2018-2019 school year marks the 2nd consecutive year that our local property taxes provide more funding than State SEEK money.



# DEDICATED TO OUR COMMUNITY

## FINANCIAL FORCES & TRENDS

STATE GRANT FUNDING



**Trend:** Total state grant funding has been reduced by over \$340,000 in the last three years which includes a six to twelve percent reduction in grants like ESS and Read to Achieve coupled with the elimination Instructional Resource and Professional Development funding.

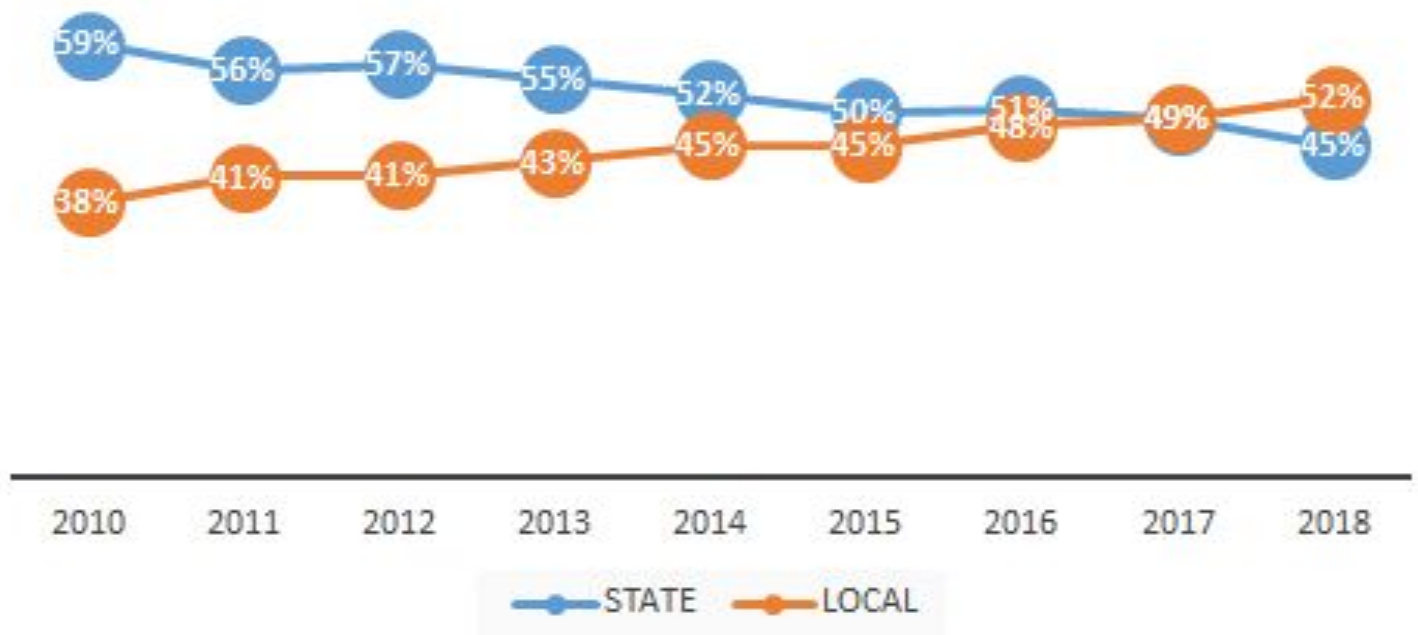




# DEDICATED TO OUR COMMUNITY

## FINANCIAL FORCES & TRENDS

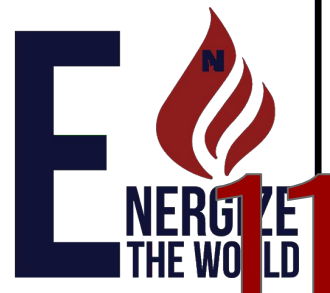
### FUND 1 REVENUE DISTRIBUTION



**Trend:** SEEK Funding will reduce in FY 2019 regardless of whether or not the 4% revenue increase is levied due to local assessment growth.

**Trend:** In 2018, local funding made up more than 50% of Fund 1 revenues with state funding accounting for just 45%.

**Trend:** Fund 1 Revenue has increased by just over \$1,000,000 over the last four years. This has been just enough to cover the increased costs of CERS and to cover the cost of reductions in state grants. It has not been sufficient to cover increased salary costs resulting from rank changes and step increases.



# DEDICATED TO OUR COMMUNITY FINANCIAL FORCES & TRENDS

INCREASED CERS & KTRS COSTS 10 YEAR AND PROJECTED (1.5 million)

Annual CERS Contributions



## CLASSIFIED RETIREMENT

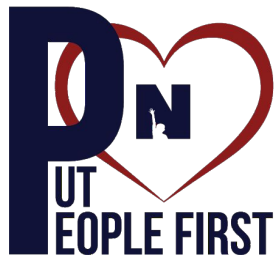
**Trend:** CERS rates have increased by 39% in the last 10 years. They are scheduled to increase by an additional 12% per year for the next 7 to 8 years until full funding is reached. This 12% increase per year will cost the district an additional \$100,000 each year for the next 7 to 8 years.

## KENTUCKY TEACHER RETIREMENT

**Trend:** In the last 10 years, Teacher's Retirement (KTRS) rates have increased from 0 to 3%. In 2009, the district contributed \$0 to KTRS. Last year, the district contributed almost \$770,000 to KTRS.

## PENSION REFORM

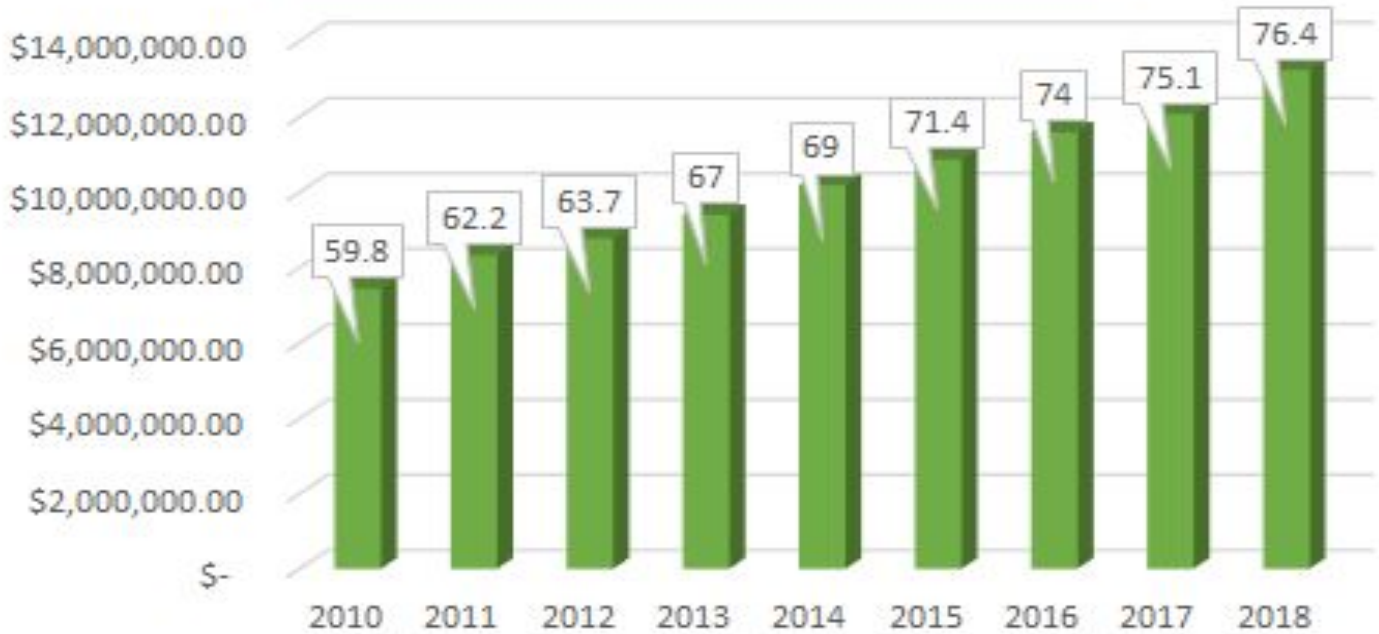
**Trend:** Senate Bill 151 (if approved by the KY Supreme Court) will increase the KTRS rate to 5% for all new certified employees resulting in an increase to the district of approximately \$20,000 per year for a total of \$500,000 over 25 years.



# DEDICATED TO OUR COMMUNITY

## FINANCIAL FORCES & TRENDS

GENERAL FUND PROPERTY TAXES



**Trend:** In the last 9 years, the Nelson County Property Tax Rate (School Portion) has increased by 28%.

**Trend:** The average increase in tax rates for Nelson County School District over the last nine years is 3.08% which has allowed the district to maintain inflationary costs.





# DEDICATED TO OUR COMMUNITY

## FY2010 TO FY2018 - TAX LEVY

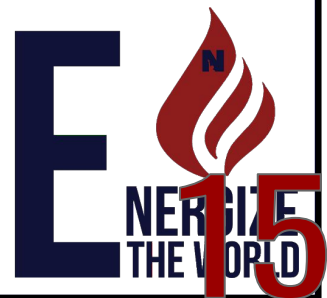
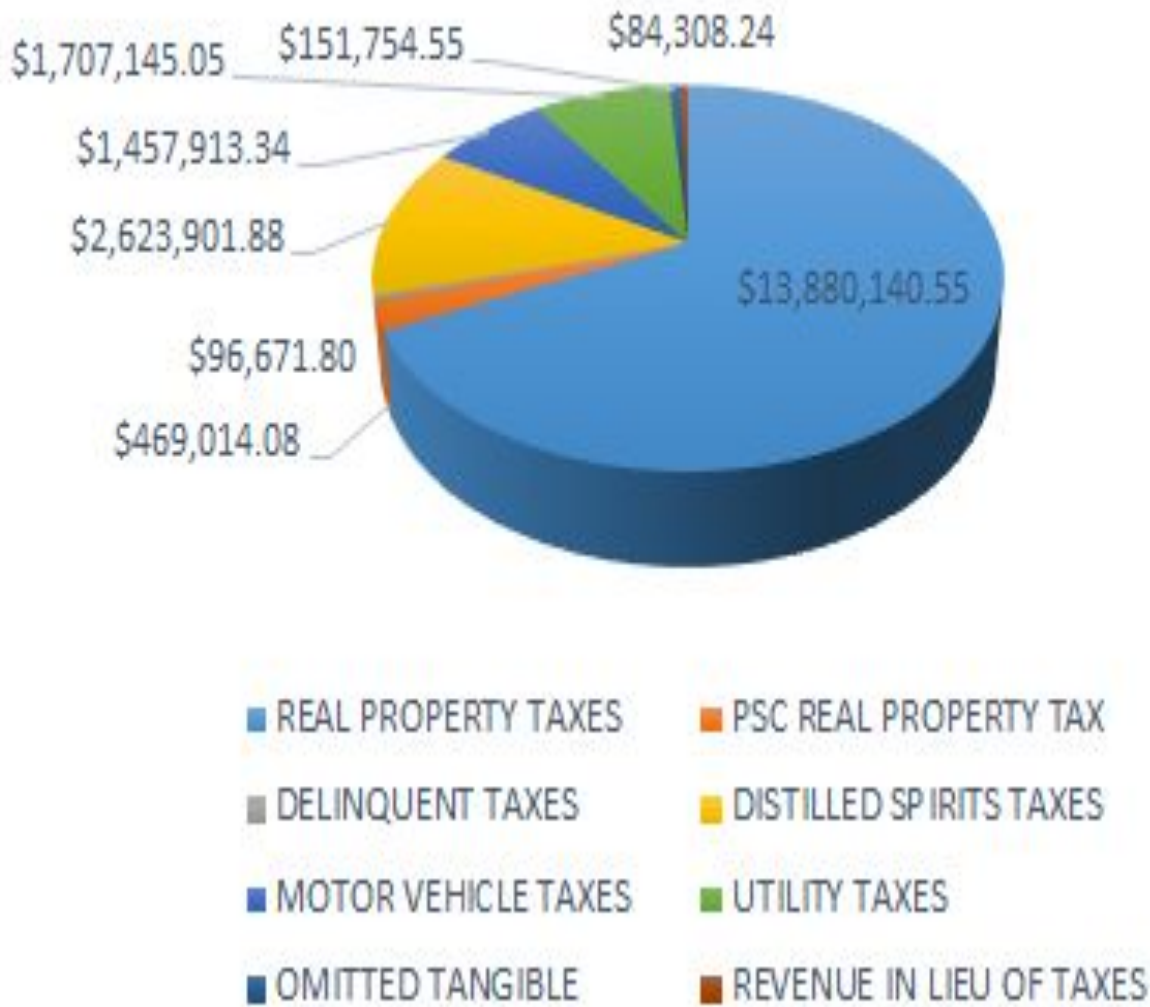
YEAR	TAX RATE PER \$100 OF REAL PROPERTY	TAX RATE PER \$100 OF PERSONAL PROPERTY	NCS BOARD TAX LEVY
FY2010	59.8	59.8	4% PLUS EXONERATIONS
FY2011	62.2	62.2	4% PLUS EXONERATIONS
FY2012	63.7	63.9	2.5% PLUS EXONERATIONS
FY2013	67	67	4% PLUS EXONERATIONS
FY2014	69	69	3% PLUS EXONERATIONS
FY2015	71.4	71.4	4% PLUS EXONERATIONS
FY2016	74	74	4% PLUS EXONERATIONS
FY2017	75	75	3% PLUS EXONERATIONS
FY2018	76.4	76.4	4% PLUS EXONERATIONS



# DEDICATED TO OUR COMMUNITY

## FINANCIAL FORCES & TRENDS

FY2018 Tax Distribution - \$20,470,849.49



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# DEDICATED TO OUR COMMUNITY

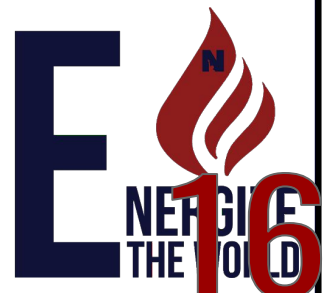
## SCHOOL AND COMMUNITY IMPACT

Tax Rate	Per \$100 of Real Property	Estimated Increase in General Fund Tax Revenue	Estimated Decrease in Overall General Fund Revenue	Cost per \$100,000 Home
1%	.750	\$304,489	-\$674,654	-\$14
2%	.757	\$439,924	-539,219	-\$7
3%	.765	\$593,604	-385,539	\$1
4%	.772	\$746,695	-232,448	\$8

**Analysis:** There will be an estimated \$1,000,000 reduction in SEEK funding due to an increased local property assessment and reduction in fiscal 2018 average daily attendance.

The district will likely experience a reduction to the General Fund, even with a 4% increase in local tax revenue.

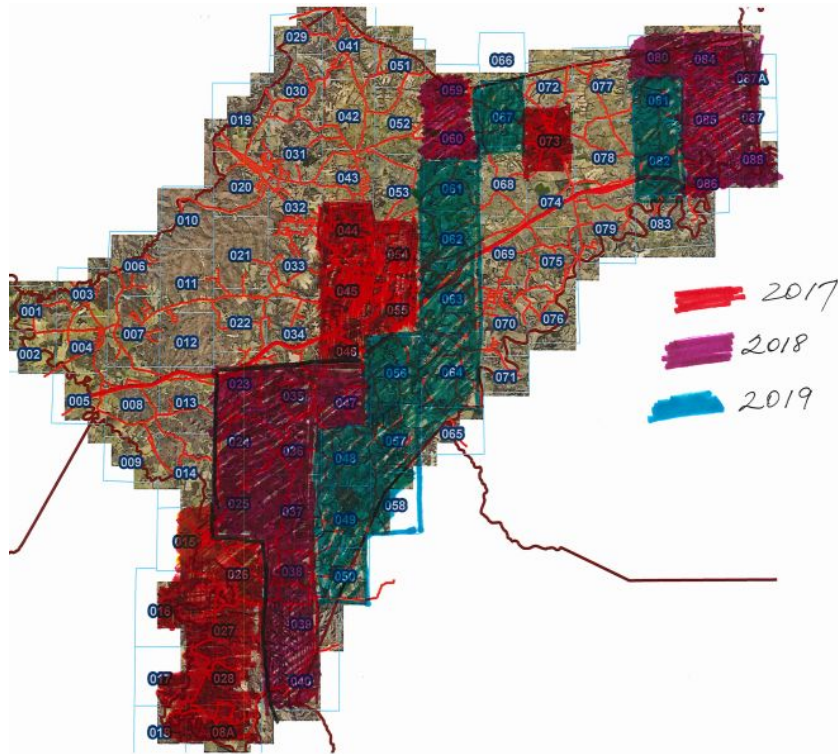
**Recommendation:** Based on this information, the Superintendent and Chief Finance Officer are recommending that the NCS Board levees a 4% tax revenue increase, plus prior year exonerations.



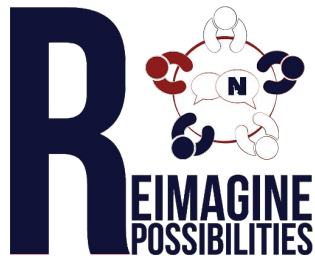


# DEDICATED TO OUR COMMUNITY

## PVA ASSESSMENT MAP



Although an annual PVA schedule is not currently available, a new plan will be submitted to the Department of Revenue early next year and will be forwarded to Nelson County School District once approved.

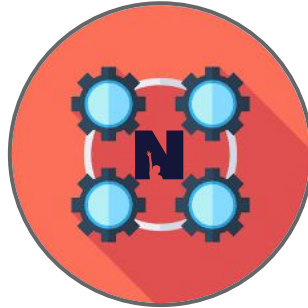


# DEDICATED TO OUR COMMUNITY

## HOW ARE WE PREPARING FOR THE FUTURE?



**STRENGTHEN  
PUBLIC-PRIVATE  
PARTNERSHIPS**



**RULE #1 = MAKE IT BETTER  
INVESTING HEAVILY IN  
PROCESS IMPROVEMENT**



**PROVIDE A REMARKABLE  
EDUCATION EXPERIENCE FOR  
ALL STUDENTS**



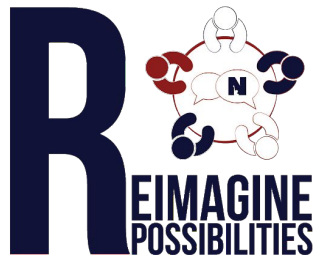
**INVESTING IN EFFICIENT  
SYSTEMS & RESOURCES  
TO PUT MORE MONEY  
TOWARDS TEACHER &  
STUDENT EXPERIENCES**

## PROCESS IMPROVEMENT

- COMMIT TO COMMUNITY CENTERED BUDGETING PROCESS (p. 3)
- REFINE AND SHARE BUDGET DEVELOPMENT PROCESS TO EMPOWER SCHOOLS THROUGH LOCAL OWNERSHIP.
- DEFINE FACILITY STANDARDS AND PROCESSES WITHIN LONGITUDINAL FACILITIES & OPERATIONS MANAGEMENT PLAN.
- INCREASE OPPORTUNITIES FOR PUBLIC-PRIVATE PARTNERSHIPS WITH LOCAL INDUSTRY & BUSINESS.

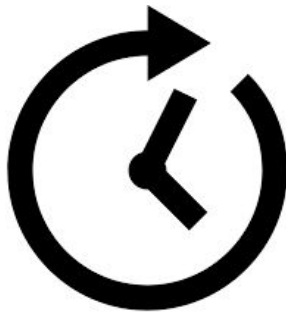
## REALLOCATION PLANS

- REEVALUATING SCHOOL AND DISTRICT NEEDS IN A CHANGING CLASSROOM LANDSCAPE.
- REVIEW OF CURRENT STAFFING GUIDELINES AND SCHOOL ALLOCATIONS
- RIGOROUS EXPENSE AUDIT PROCESS
- PHASING OUT 70% OF PAPER & PRINT BY 2020.
- REORGANIZATION OF DISTRICT PERSONNEL TO STRENGTHEN ALIGNMENT TO STUDENT NEEDS



# ENERGIZE THE WORLD STUDENT LEADERSHIP

CREATE MEANINGFUL TIME &  
SPACE WITHIN THE SCHOOL  
DAY STUDENTS TO LEAD



INVEST IN STUDENT  
ORGANIZATION PROGRAM  
BUILDING LEADERS &  
RESOURCES



DEVELOP A SHARED K-12 VISION  
WITH SCHOOL LEADERS FOR  
PRIORITY PROGRAMS WITHIN NCS



BUILD SKILLS THAT SUPPORT &  
INSPIRE STUDENT ORGANIZATION  
PARTICIPATION





# STUDENT LEADERSHIP PROFILE

# PUT PEOPLE FIRST

## COMMUNITY HEALTH & ENGAGEMENT

BY AUGUST OF 2020 EVERY STUDENT IN GRADES 6-12 WILL BE PART OF A STUDENT ORGANIZATION AND/OR ATHLETIC TEAM. THIS LEVEL OF LEADERSHIP & ENGAGEMENT WILL PROVIDE A SOCIAL & EMOTIONAL FOUNDATION FOR STUDENTS ACROSS NCS TO GROW & CREATE THE FUTURE TOGETHER.



# STUDENT LEADERSHIP PROFILE

# INNOVATE & GROW

EARLY COLLEGE & CAREER EXPERIENCES FOR ALL



kentuckyTRAINED. kentuckyBUILT.

KY APPRENTICESHIPS



EARLY CAREER



EARLY COLLEGES



DIGITAL BACKPACK

DEDICATED  
TO OUR  
COMMUNITY



WORK  
ETHIC  
CERTIFICATION

INNOVATE  
& GROW



EARLY  
COLLEGE  
& CAREER

REIMAGINE  
POSSIBILITY



PASSION  
PROJECTS

PUT PEOPLE  
FIRST



COMMUNITY  
HEALTH  
& ENGAGEMENT

AS A PART OF THE CLASS OF 2021, I AM  
WITH THE FIRST GROUP OF STUDENTS  
WHERE 100% OF US HAD AN EARLY  
COLLEGE & CAREER EXPERIENCES IN  
NELSON COUNTY SCHOOLS!





