

FY 2015-16 TENTATIVE BUDGET

May, 2015

JEFFERSON COUNTY PUBLIC SCHOOLS
LOUISVILLE, KENTUCKY
TENTATIVE BUDGET – FY 2015-16

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ASSUMPTIONS:

There are some unknowns at the time of the Tentative Budget, the second budget of a fiscal year. Therefore, assumptions that must be made for the year being budgeted as well as the five-year projection. It is understood that variables can change, but these are the current assumptions embedded in the FY 2015-16 budget as well as the five-year forecast:

- 4% Increase in Property Tax revenue for FY 2015-16 only;
- No property revenue increases from 2016-17 through 2019-20;
- 2.36% COLA plus STEP in 2015-16, includes 2% State mandated COLA & one-time negotiated pay in FY'15;
- Years after FY'16 includes STEPS ONLY and NO Cost of Living Allowance increases;
- FY 2015-16 and beyond: No additional budget approvals for new programs or positions; No New Programs in future years
- Full funding of SEEK formula by state;
- Recurrent Indirect Cost charged to Nutrition Services;
- Continued health of Occupational Taxes.

IMMINENT CHANGES FOR THE UPCOMING WORKING BUDGET (September 2015)

GENERAL FUND

- The following will determine the final calculation on property tax revenue: tax assessments for property in Jefferson County received in July; the tax rate approved by the Board of Education in August; and the collection rate of taxes in the previous year.
- Other revenue may be updated prior to the Working Budget based on information on the fiscal year completed in June.
- Carryover will be provided in August in the following categories: school flex codes, high school textbooks, and Annual Facilities Improvement Fund. This does not impact our forecasts since we expect end-of-year surpluses in these same components at the end of FY 2015-16.
- Carry Forward will be posted. This is the required budget pushed forward from the prior year due to purchase orders that have not yet been paid. This does not impact our forecasts since we expect end-of-year surpluses in operational codes at the end of FY 2015-16.
- There is \$3.8 million in the budget for school opening, and this covers the cost of additional staff needed at the adjustment made at the 5th student day. This allocation will be distributed to the schools by the Working Budget presented in September.
- There is \$4.0 million in the budget for Section 7 allocation supporting gap students. This allocation will be distributed to the schools by the Working Budget presented in September.
- There is \$5,493,613 in the budget for recommendations on new-year budgets. Once the Tentative Budget is approved, this allocation will be distributed to the pertinent schools and departments by the Working Budget presented in September.

IMMINENT CHANGES FOR THE UPCOMING WORKING BUDGET (September 2015) (continued)

GRANTS and AWARDS

- Local grants will be budgeted as awarded, and could be as much as another \$7 to \$9 million in a typical year.
- State and federal grants will be newly budgeted or adjusted as we receive final award amounts.

CONSTRUCTION FUND

- At the time of the Tentative Budget, the capital projects had not yet been identified. However, there will be about \$34 million in new-year funding, and the funding source will be bond revenue.

ENTERPRISE FUND

- For FY 2015-16, the Challenger Learning Center is being removed from the enterprise fund. We will be adding a new enterprise for the Aquatics programs at the Academy at Shawnee and Central H.S. This new enterprise was required due to the need to hire support staff as employees (i.e. life guards and swim instructors) since they were supporting students more than 20 hours per week, and because it is a fee-based programs (IRS rules).

NEW FUND – STUDENT ACTIVITY FUND

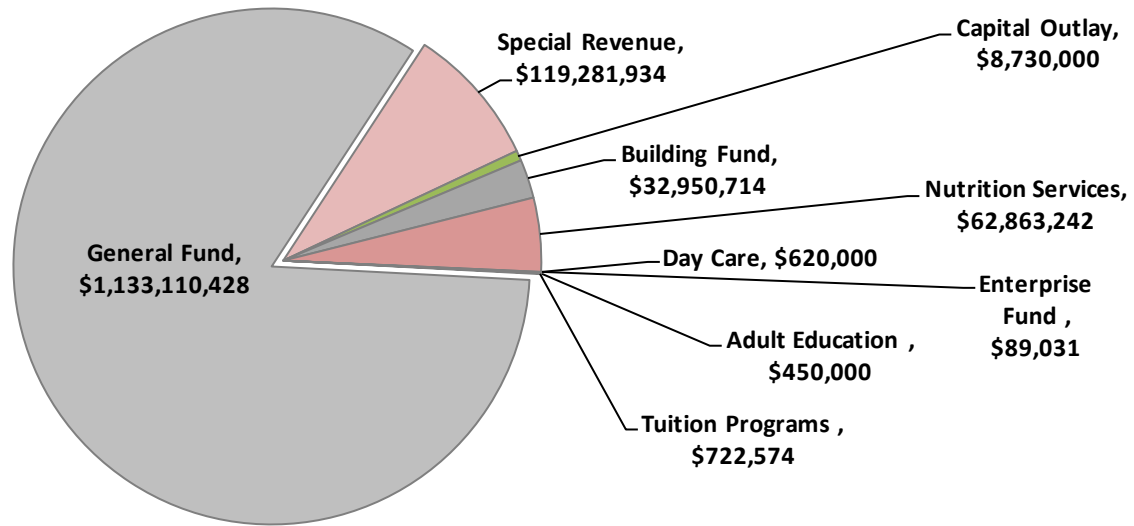
- Due to changes in the Kentucky Department of Education's Activity Fund Account Procedures (aka "Redbook"), we will establish a fund to receive student fees that schools will submit to District for expenditure processing. The schools will still have access to their own expense budgets that are equal to the fee revenue received and submitted by schools.

BUDGET PROPOSALS PENDING APPROVAL OF TENTATIVE BUDGET

The following items are recommended for approval by the Superintendent and her cabinet, and funds have been set aside in a single account code in the Tentative Budget in anticipation of possible Board approval:

Atkinson E.S.	REACH ACADEMY	\$ 412,842
Digital Technology Dept.	KETs MATCHING	\$ 2,200,000
ESL	ESL Instructional Staff	\$ 641,300
Transportation Department	SCHOOL BUS REPLACEMENT PARTS	\$ 500,000
Maupin E.S.	CATALPA	\$ 396,550
Curriculum and Instruction Department	JCPS Bellarmine Literacy Project - Phase II	\$ 200,000
Communications and Community Relations	Junior Achievement	\$ 182,000
Computer Education Department	ANGEL/ Blackboard	\$ 173,037
Equity Department	Equity/Culture Project	\$ 101,500
Curriculum Mananagement Department	5 x 5 Program	\$ 100,000
Fairdale High	Cambridge International AICE Program and In-school Security	\$ 97,000
Career and Technical Education	Aviation Flight - Shawnee	\$ 85,000
Transportation Department	Compass Routing and GPS Aplication Annual Maintenance	\$ 79,650
Computer Education Department	21st Century Skills Assessment	\$ 70,000
Valley High School	Literacy Lead Resource Teacher	\$ 67,500
Early Childhood	Early Childhood/Heuser collaboration	\$ 65,000
Valley High School	Instructor III	\$ 25,800
Human Resources Department	Electronic Employee File Conversion (1 time cost)	\$ 17,280
Transportation Department	Liebert UPS Warranty for C. B. Young	\$ 1,417
		<u>\$5,415,876</u>

**Jefferson County Public Schools - TOTAL BUDGET
Revenue Budget - FY 2015-16 TENTATIVE BUDGET**

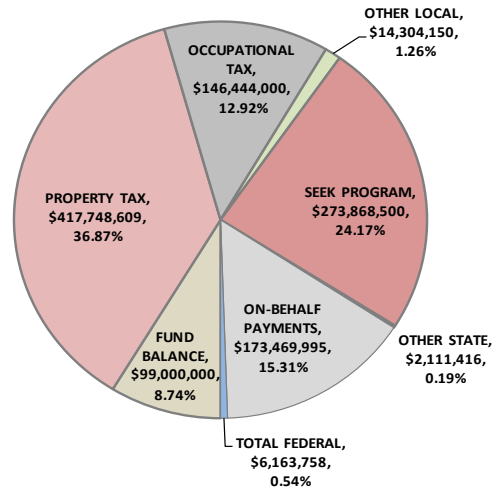


REVENUE BUDGET (All Fund Sources)

General Fund	1,133,110,428
Special Revenue	119,281,934
Capital Outlay	8,730,000
Building Fund	32,950,714
Nutrition Services	62,863,242
Day Care	620,000
Enterprise Fund	89,031
Adult Education	450,000
Tuition Programs	722,574

TOTAL TENTATIVE BUDGET 1,358,817,923

**Jefferson County Public Schools
General Fund Revenue
FY 2015-16 TENTATIVE BUDGET**



GENERAL FUND REVENUE SOURCES

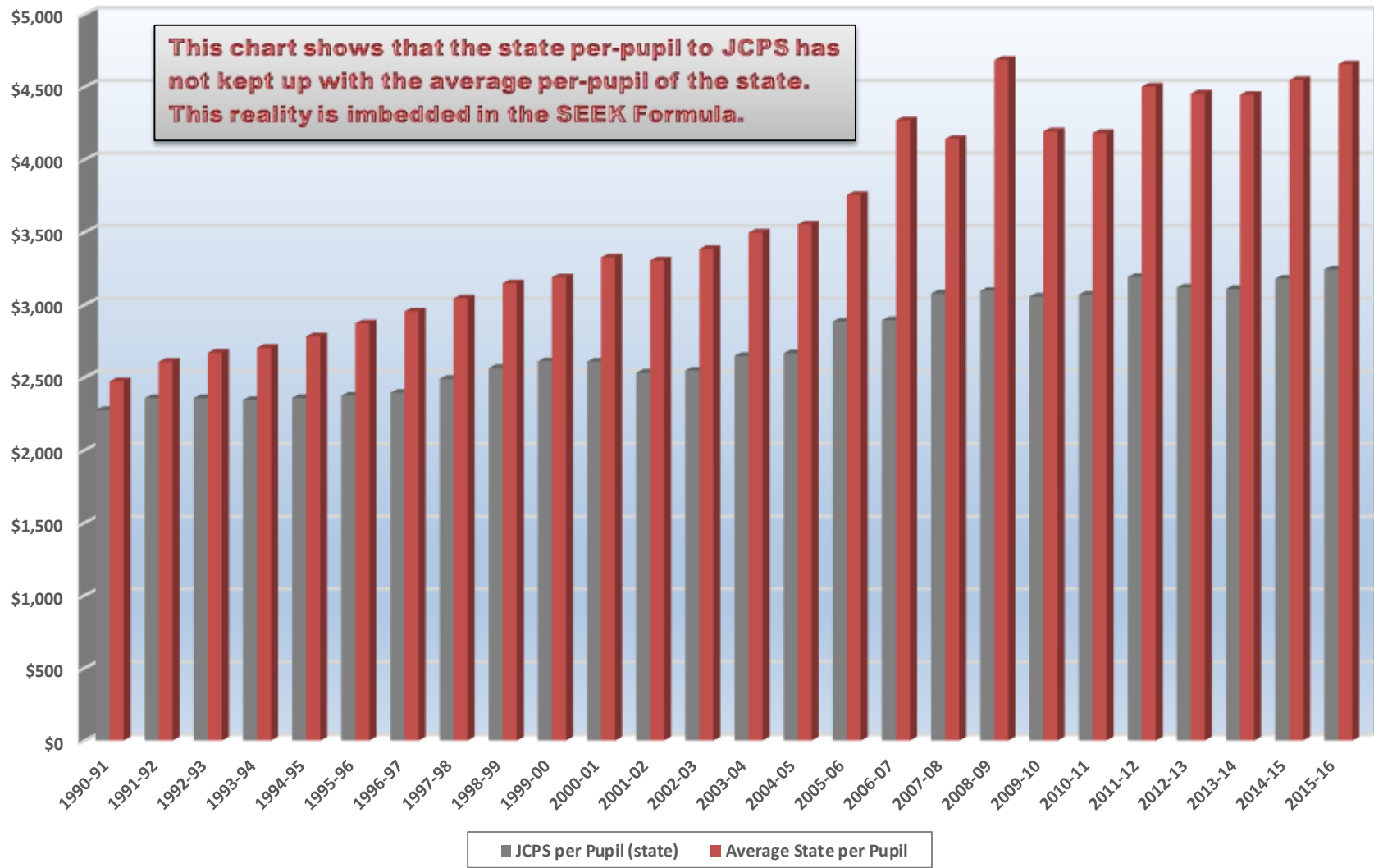
FUND BALANCE	99,000,000
PROPERTY TAX	417,748,609
OCCUPATIONAL TAX	146,444,000
OTHER LOCAL	14,304,150
TOTAL LOCAL	677,496,759
SEEK PROGRAM	273,868,500
OTHER STATE	2,111,416
TOTAL STATE	275,979,916
STATE-PAID BENEFITS	173,469,995
TOTAL FEDERAL	6,163,758
TOTAL GENERAL FUND	1,133,110,428

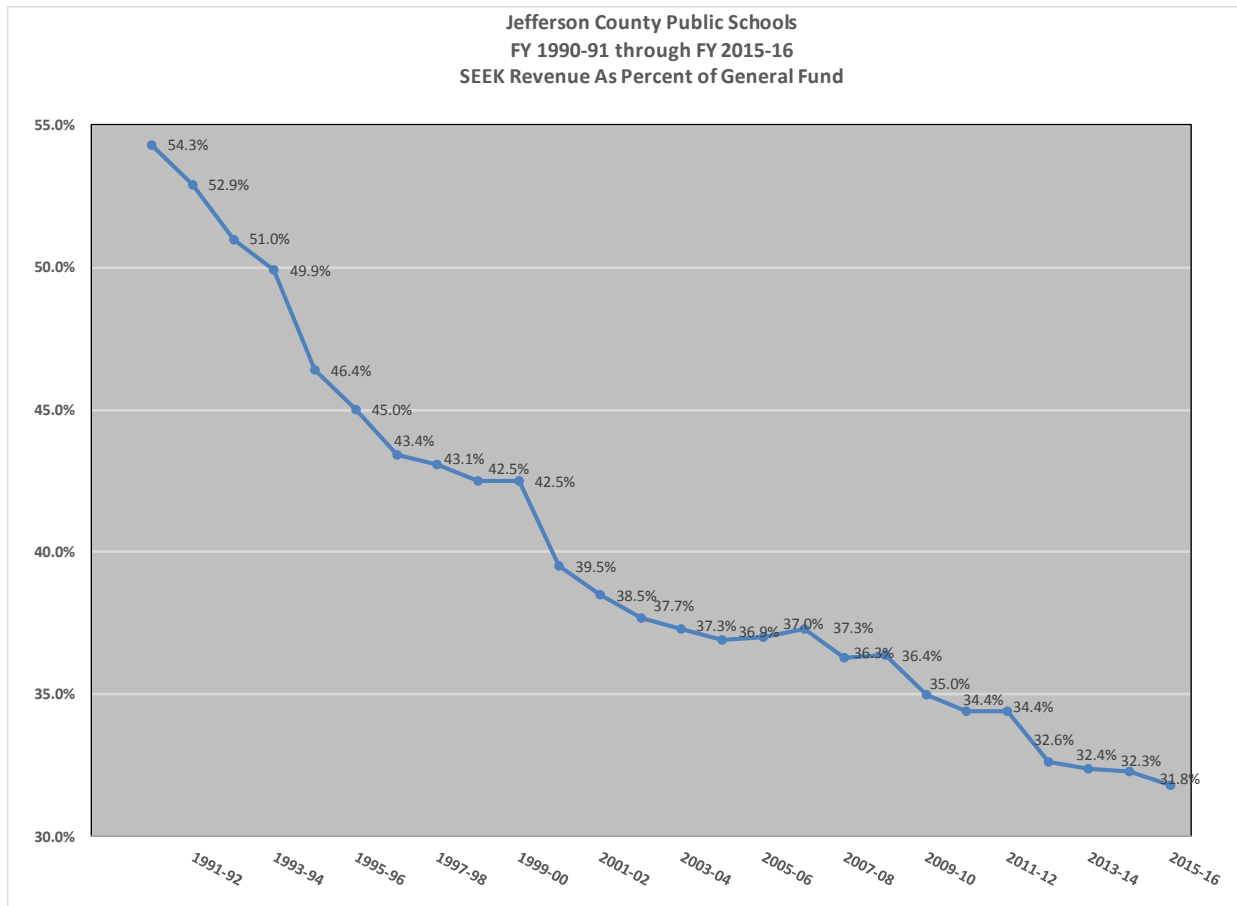
GENERAL FUND REVENUE (Receipts only; excluding state-paid benefits)

In 000's

	2010-11A	% of TOTAL	2011-12A	% of TOTAL	2012-13A	% of TOTAL	2013-14A	% of TOTAL	2014-15B	% of TOTAL	2015-16B	% of TOTAL
1111 General and Personal Property	327,496,680	43.8%	334,939,206	43.6%	348,844,922	43.3%	356,890,674	44.1%	365,809,741	43.8%	375,242,130	43.6%
1115 Delinquent Property	11,021,035	1.5%	7,121,432	1.0%	6,835,445	0.8%	5,756,726	0.7%	5,756,725	0.7%	5,756,725	0.7%
1117 Motor Vehicle	21,648,571	2.9%	23,206,884	3.0%	24,800,071	3.0%	25,303,237	3.1%	26,219,231	3.1%	27,268,000	3.2%
1119 Franchise	7,422,257	1.0%	222,542	0.0%	14,092,617	1.7%	7,790,520	1.0%	8,155,533	1.0%	9,481,754	1.1%
Subtotal Property Taxes	367,588,543	49.2%	365,490,064	47.6%	394,573,055	48.8%	395,741,157	48.9%	405,941,230	48.6%	417,748,609	48.5%
												0.0%
1131 Occupational Taxes	116,762,420	15.6%	120,452,400	15.7%	128,882,355	16.0%	132,569,312	16.4%	140,812,000	16.8%	146,444,000	17.0%
Other Local	14,131,930	1.9%	11,712,294	1.5%	14,918,394	1.8%	14,286,876	1.8%	14,053,770	1.7%	14,304,150	1.7%
TOTAL Local Revenue	498,482,893	66.7%	497,654,758	64.8%	538,373,804	66.8%	542,597,345	67.1%	560,807,000	67.1%	578,496,759	67.2%
STATE REVENUE												
3111 SEEK Funds	243,348,060	32.6%	264,745,559	34.5%	263,184,705	32.6%	261,949,817	32.4%	270,018,985	32.3%	273,868,500	31.8%
3129 other state	26,840	0.0%	21,387	0.0%	20,344	0.0%	12,416	0.0%	20,000	0.0%	12,416	0.0%
3130 Nat Brd Cert	206,149	0.0%	259,193	0.0%	284,963	0.0%	351,383	0.0%	351,000	0.0%	351,000	0.0%
3800 Rev in Lieu of Taxes	1,794,470	0.2%	1,763,599	0.2%	1,748,204	0.2%	1,748,117	0.2%	1,748,000	0.2%	1,748,000	0.2%
TOTAL State G.F. Funds	245,375,519	32.8%	266,789,738	34.7%	265,238,216	32.9%	264,061,733	32.6%	272,137,985	32.6%	275,979,916	32.1%
FEDERAL REVENUE												
4100 P. L. 874	22,995	0.0%	9,853	0.0%	5,504	0.0%	8,305	0.0%	8,300	0.0%	8,300	0.0%
5210 Fund Transfer	467,600		296,788									
5220 Indirect Cost	3,741,795	0.5%	3,719,016	0.5%	2,880,262	0.4%	2,805,687	0.3%	2,865,247	0.3%	6,155,458	0.7%
Total Federal Funds	4,232,390	0.6%	4,025,657	0.5%	2,885,766	0.4%	2,813,992	0.3%	2,873,547	0.3%	6,163,758	0.7%
Total General Fund	748,090,802	100.1%	768,470,153	100.0%	806,497,786	100.0%	809,473,070	100.0%	835,818,532	100.0%	860,640,433	100.0%
Federal Stabilization (SFSF)	21,039,464								Fund Balance		99,000,000	
									State-paid Benefits		173,469,995	
									TOTAL		1,133,110,428	

Jefferson County Public Schools
SEEK Data
JCSP State Per Pupil versus State Average Per-Pupil

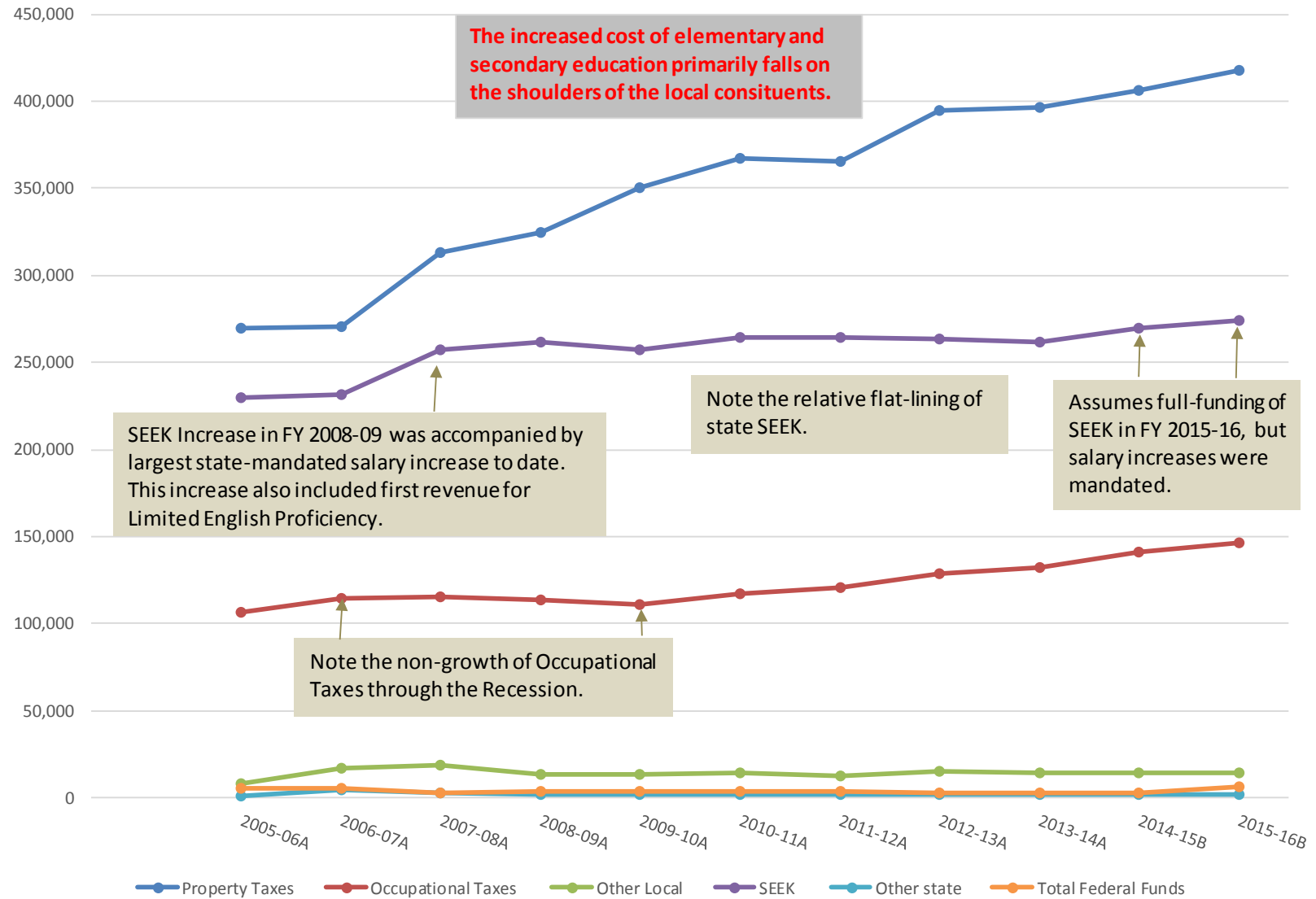




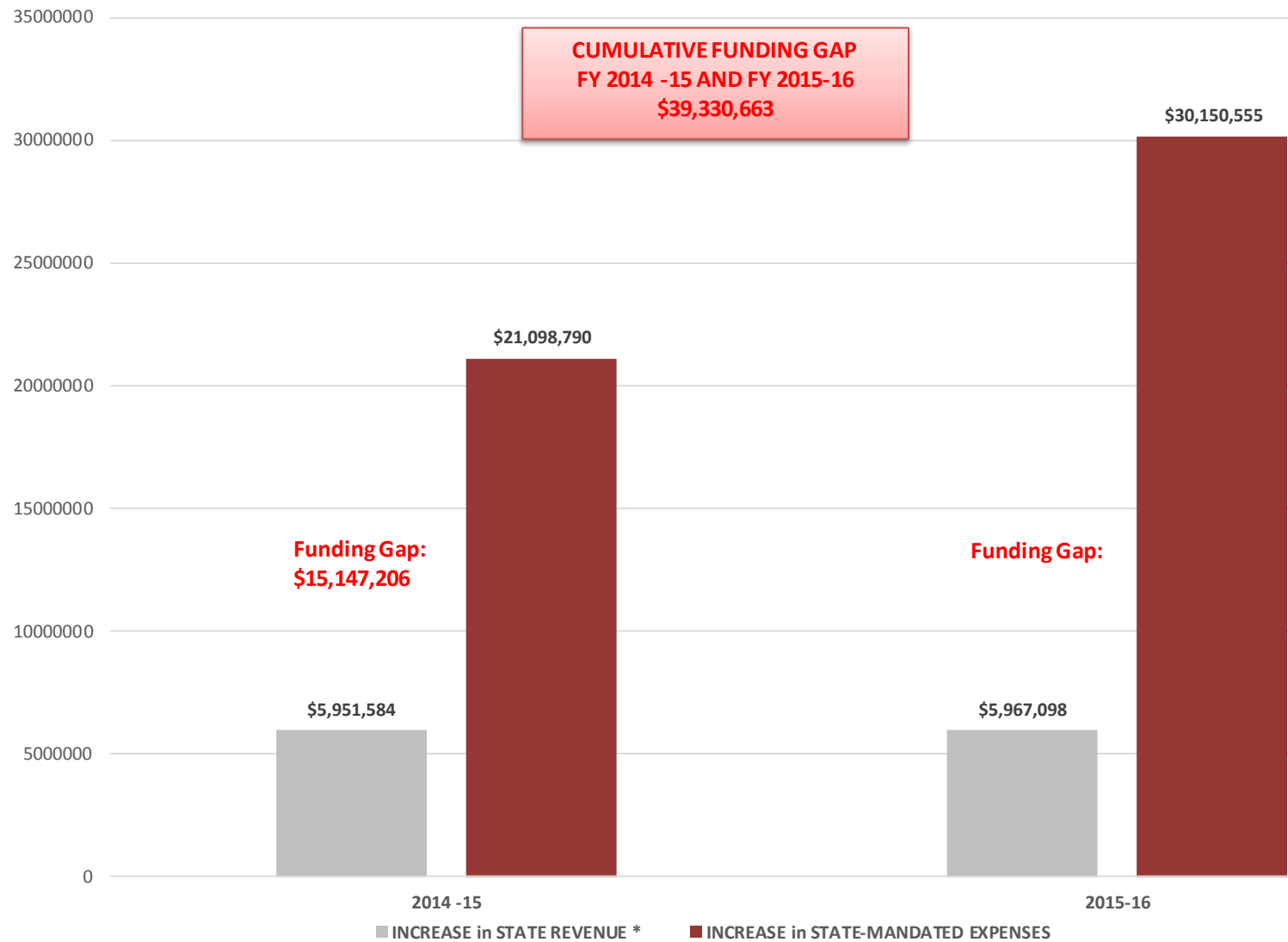
The graph demonstrates greater proportions of SEEK are funded locally. Local effort will trend towards greater proportions of the total and will eventually reach 99%. There is no likelihood that the SEEK formula could ever be considered inequitable by the majority of stakeholders across the Commonwealth. However, there are commonly agreed upon opportunities the SEEK formula does not yet address. Multiple past studies ordered by a previous Commissioner of Education for Kentucky presented the annual under-funding of an adequate educational system at \$740 million to \$2 billion per year. An adequacy of funding as shown in our comparison to other regional (or adjacent) states' funding of elementary and secondary education. A study cited by Courier Journal in 2005 stated the state funding of education in Indiana was over \$1,000 per year per student. A revision of the transportation formula within the SEEK formula is needed in order to eliminate a significant number of districts receiving more revenue for transportation than their costs. The value of weighted factors such as at-risk and LEP are insufficient.

JCPS GENERAL FUND REVENUE TRENDS

in 000's



STATE REVENUE VERSUS STATE MANDATED EXPENSES JEFFERSON COUNTY PUBLIC SCHOOLS - General Fund



JEFFERSON COUNTY PUBLIC SCHOOL FUND SOURCES

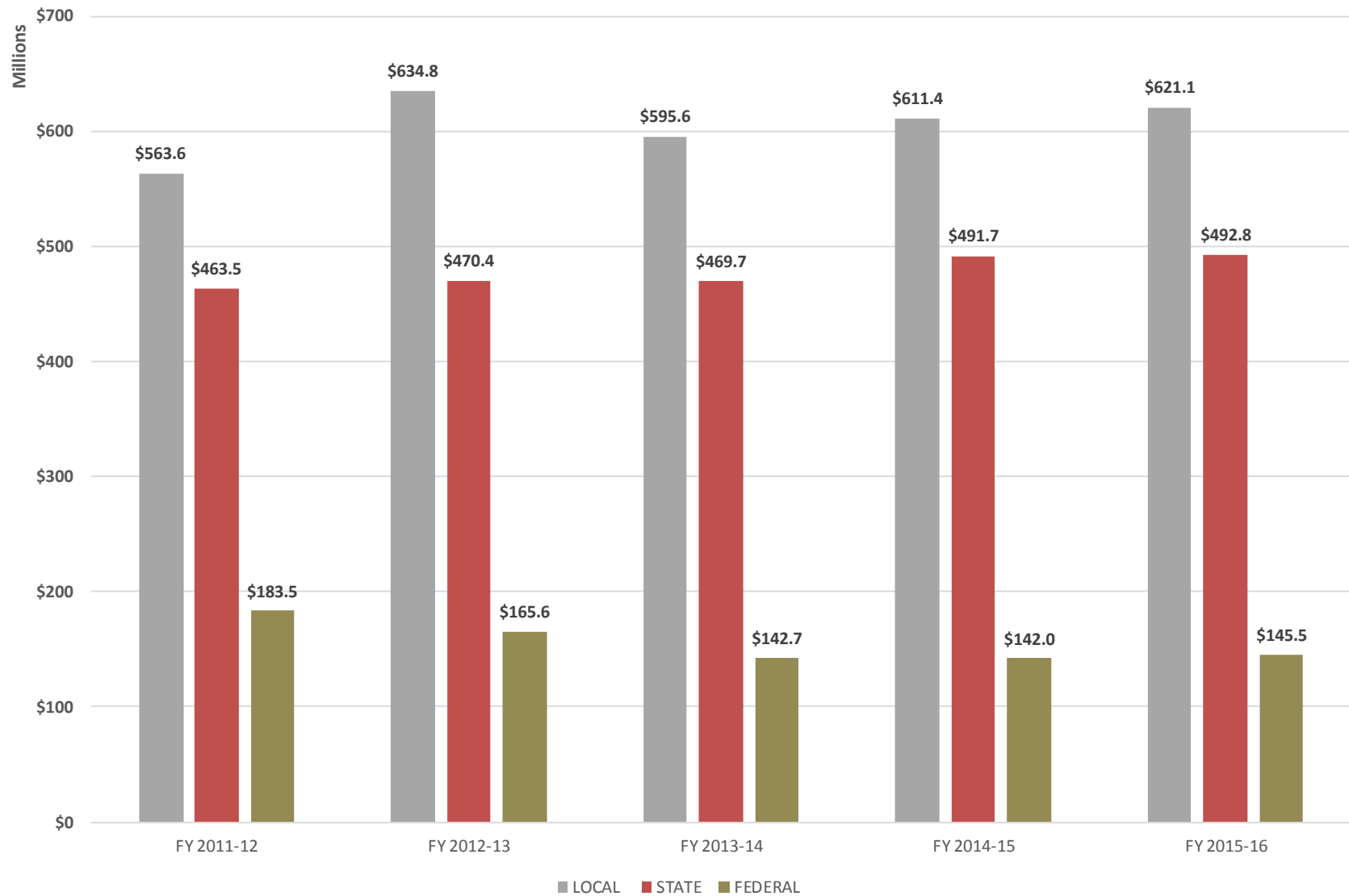
	LOCAL	% of Total	STATE	% of Total	FEDERAL	% of Total	TOTAL	% of Total
FUND 1 - General Fund (Receipts only - excludes fund balance)								
FY 2011-12	497,951,545.67	54.27%	415,835,884.59	45.32%	3,728,868.78	0.41%	917,516,299.04	100.00%
FY 2012-13	538,373,804.87	55.90%	421,852,749.76	43.80%	2,885,765.93	0.30%	963,112,320.56	100.00%
FY 2013-14	542,657,344.22	55.76%	427,786,368.03	43.95%	2,813,992.39	0.29%	973,257,704.64	100.00%
FY 2014-15	560,807,000.00	55.49%	447,010,638.27	44.23%	2,873,546.95	0.28%	1,010,691,185.22	100.00%
FY 2015-16	578,496,759.00	55.94%	449,449,910.80	43.46%	6,163,758.12	0.60%	1,034,110,427.92	100.00%
FUND 2 - Grants and Awards (new-year grants only)								
FY 2011-12	12,977,215.65	7.01%	32,641,138.96	17.62%	139,633,925.58	75.38%	185,252,280.19	100.00%
FY 2012-13	12,369,059.29	7.44%	34,844,480.63	20.95%	119,079,888.41	71.61%	166,293,428.33	100.00%
FY 2013-14	11,539,733.69	8.48%	30,369,472.29	22.32%	94,128,602.19	69.19%	136,037,808.17	100.00%
FY 2014-15	8,436,884.26	6.05%	34,679,038.89	24.87%	96,321,095.85	69.08%	139,437,019.00	100.00%
FY 2015-16 *	72,552.00	0.06%	34,394,555.00	28.83%	84,814,827.00	71.10%	119,281,934.00	100.00%
FUND 310 - Capital Outlay								
FY 2011-12	0.00	0.00%	8,565,567.00	100.00%	0.00	0.00%	8,565,567.00	100.00%
FY 2012-13	0.00	0.00%	8,721,252.00	100.00%	0.00	0.00%	8,721,252.00	100.00%
FY 2013-14	0.00	0.00%	8,708,956.00	100.00%	0.00	0.00%	8,708,956.00	100.00%
FY 2014-15	0.00	0.00%	8,701,700.00	100.00%	0.00	0.00%	8,701,700.00	100.00%
FY 2015-16	0.00	0.00%	8,730,000.00	100.00%	0.00	0.00%	8,730,000.00	100.00%
FUND 320 - Building Fund								
FY 2011-12	39,653,477.54	98.31%	680,598.00	1.69%		0.00%	40,334,075.54	100.00%
FY 2012-13	72,747,010.17	99.56%	324,994.00	0.44%		0.00%	73,072,004.17	100.00%
FY 2013-14	31,902,517.99	100.00%	0.00	0.00%	0.00	0.00%	31,902,517.99	100.00%
FY 2014-15	32,336,174.00	98.52%	484,389.00	1.48%	0.00	0.00%	32,820,563.00	100.00%
FY 2015-16	32,770,714.00	99.45%	180,000.00	0.55%	0.00	0.00%	32,950,714.00	100.00%
FUND 51 - Nutrition Services								
FY 2011-12	10,198,553.97	18.36%	5,332,816.13	9.60%	40,014,036.19	72.04%	55,545,406.29	100.00%
FY 2012-13	9,533,798.67	16.63%	4,216,864.05	7.36%	43,567,444.35	76.01%	57,318,107.07	100.00%
FY 2013-14	8,197,256.60	14.64%	2,054,333.15	3.67%	45,755,570.30	81.70%	56,007,160.05	100.00%
FY 2014-15	8,266,813.25	16.05%	463,098.25	0.90%	42,775,460.35	83.05%	51,505,371.85	100.00%
FY 2015-16	7,853,060.20	12.59%	0.00	0.00%	54,512,951.05	87.41%	62,366,011.25	100.00%

JEFFERSON COUNTY PUBLIC SCHOOL FUND SOURCES (continued)

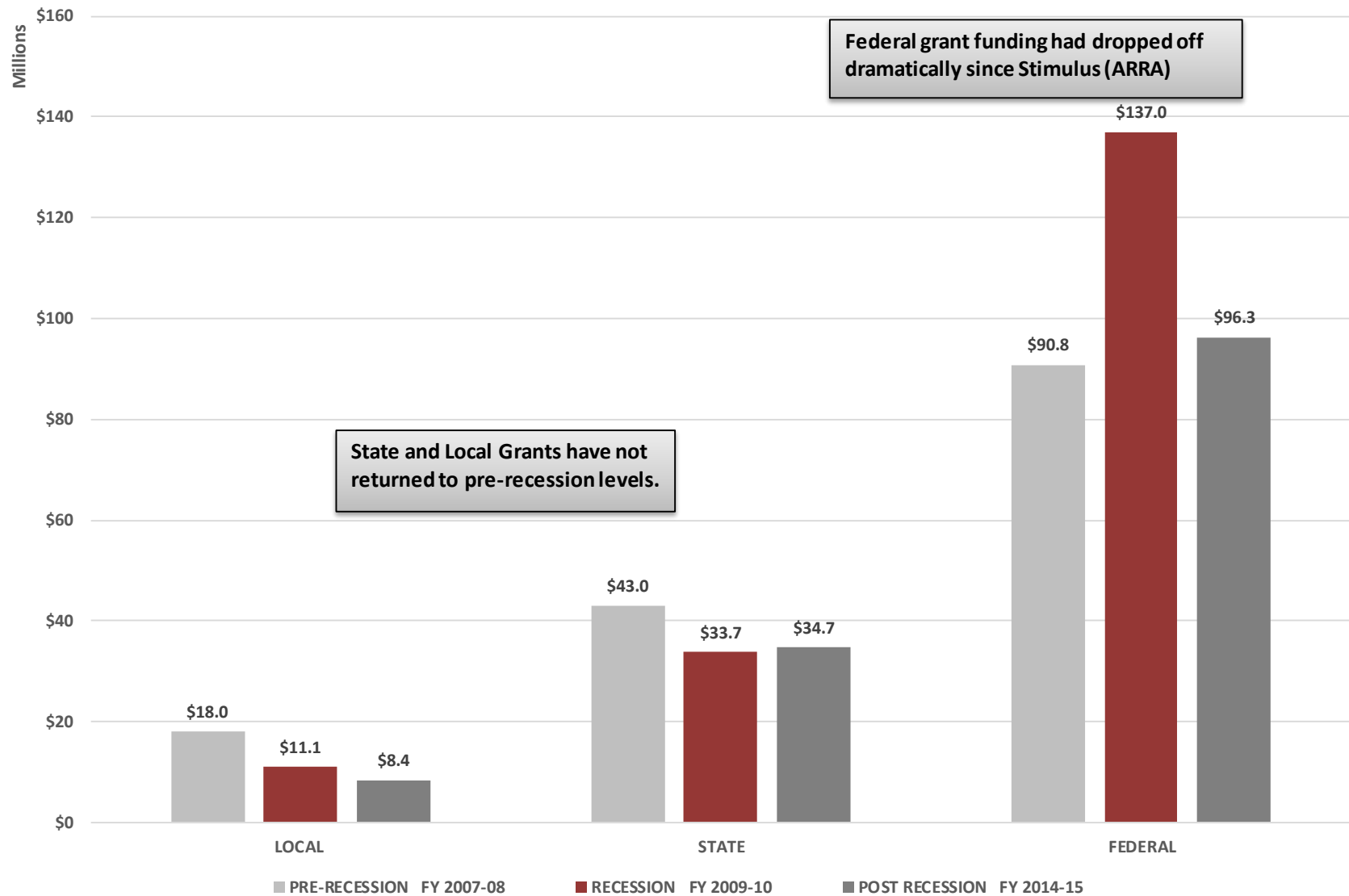
	LOCAL	% of Total	STATE	% of Total	FEDERAL	% of Total	TOTAL	% of Total
FUND 52 - Day Care								
FY 2011-12	810,602.00	75.23%	159,666.26	14.82%	107,283.00	9.96%	1,077,551.26	100.00%
FY 2012-13	504,953.00	61.42%	253,771.01	30.87%	63,461.56	7.72%	822,185.57	100.00%
FY 2013-14	39,613.40	5.85%	637,637.83	94.15%	0.00	0.00%	677,251.23	100.00%
FY 2014-15	235,510.12	40.62%	344,333.00	59.38%	0.00	0.00%	579,843.12	100.00%
FY 2015-16	620,000.00	100.00%	0.00	0.00%	0.00	0.00%	620,000.00	100.00%
FUND 53 - Enterprise								
FY 2011-12	560,911.55	92.32%	46,687.10	7.68%	0.00	0.00%	607,598.65	100.00%
FY 2012-13	87,451.50	93.61%	5,969.48	6.39%	0.00	0.00%	93,420.98	100.00%
FY 2013-14	86,791.68	90.30%	9,328.28	9.70%	0.00	0.00%	96,119.96	100.00%
FY 2014-15	115,818.30	100.00%	0.00	0.00%	0.00	0.00%	115,818.30	100.00%
FY 2015-16	88,880.51	100.00%	0.00	0.00%	0.00	0.00%	88,880.51	100.00%
FUND 54 - Adult Ed Tuition								
FY 2011-12	579,302.20	87.95%	79,367.86	12.05%	0.00	0.00%	658,670.06	100.00%
FY 2012-13	452,459.25	88.19%	60,569.22	11.81%	0.00	0.00%	513,028.47	100.00%
FY 2013-14	455,756.02	91.37%	43,047.36	8.63%	0.00	0.00%	498,803.38	100.00%
FY 2014-15	500,000.00	100.00%	0.00	0.00%	0.00	0.00%	500,000.00	100.00%
FY 2015-16	450,000.00	100.00%	0.00	0.00%	0.00	0.00%	450,000.00	100.00%
FUND 59 - Tuition Preschool								
FY 2011-12	849,732.36	86.67%	130,745.51	13.33%	0.00	0.00%	980,477.87	100.00%
FY 2012-13	769,384.00	86.80%	116,981.52	13.20%	0.00	0.00%	886,365.52	100.00%
FY 2013-14	672,725.00	90.58%	69,970.17	9.42%	0.00	0.00%	742,695.17	100.00%
FY 2014-15	697,280.32	100.00%	0.00	0.00%	0.00	0.00%	697,280.32	100.00%
FY 2015-16	722,573.94	100.00%	0.00	0.00%	0.00	0.00%	722,573.94	100.00%
TOTALS								
FY 2011-12	563,581,340.94		463,472,471.41		183,484,113.55		1,210,537,925.90	
FY 2012-13	634,837,920.75		470,397,631.67		165,596,560.25		1,270,832,112.67	
FY 2013-14	595,551,738.60		469,679,113.11		142,698,164.88		1,207,929,016.59	
FY 2014-15	611,395,480.25		491,683,197.41		141,970,103.15		1,245,048,780.81	
FY 2015-16	621,074,539.65		492,754,465.80		145,491,536.17		1,259,320,541.62	

** FY 2015-16 grants will increase as award letters come in between now and September. Local grants may increase by \$8 to \$9 million.

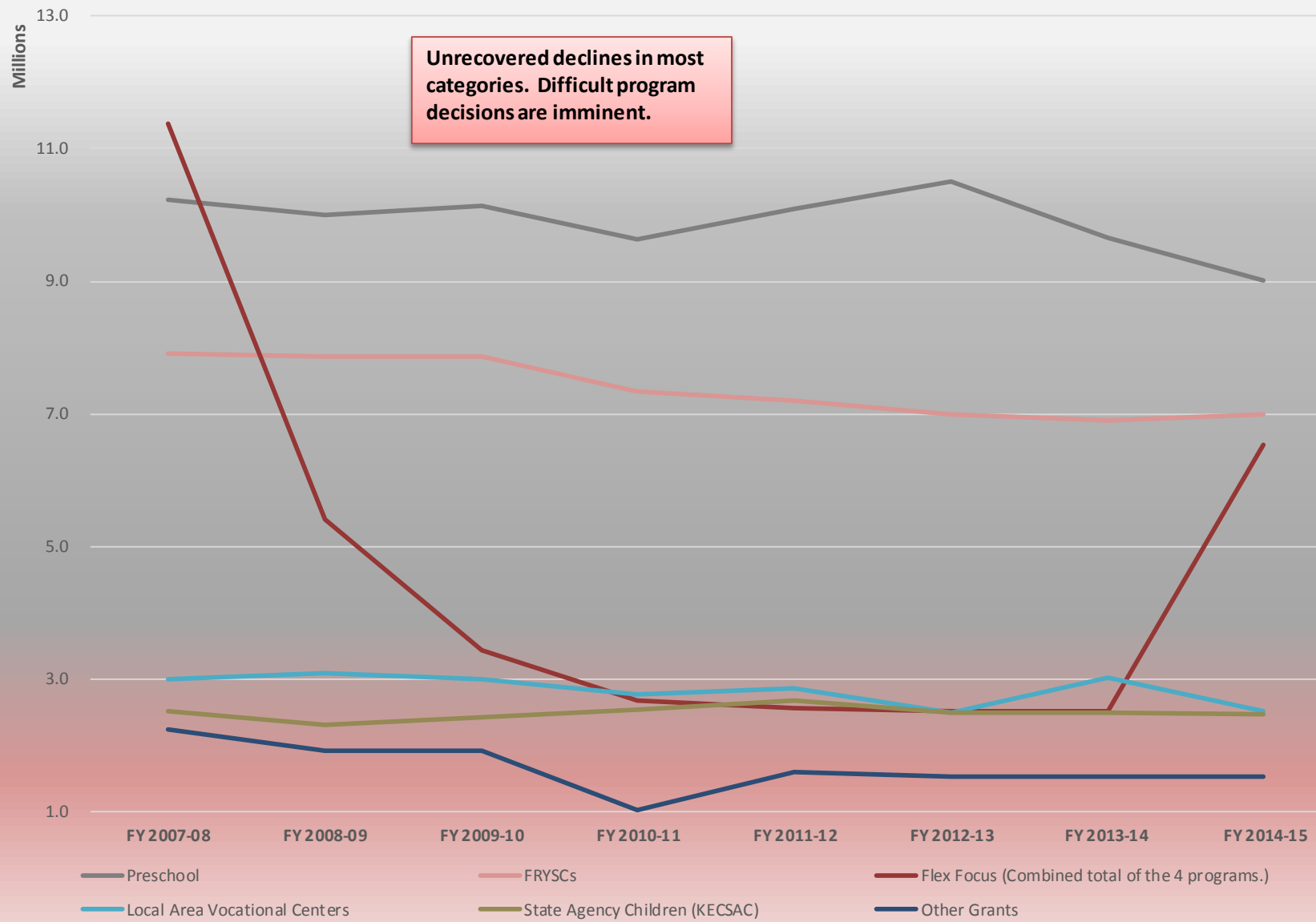
Jefferson County Public Schools Revenue (excluding fund balance) RECEIPTS ONLY



JEFFERSON COUNTY PUBLIC SCHOOLS GRANT FUNDS IN THREE PERIODS



JCPS State Grant Revenue Trend



Status of On-going District Rescues or Supplements of Grant Programs 2015-16

		Comment
Preschool		
General Fund	2,931,426	
General Fund	4,000,000	Waiver of \$4M transportation bill in FY 2015-16.
Title I	10,300,000	
	17,231,426	
State Agency (supplements state KECSAC grant)	9,916,354	Support has increased in recent years due to expansions at Home of the Innocents, Peace Academy, and others.
KERA -Locally Operated Voc Tech	4,183,799	Increase cost of \$478,000 since 2010-11. State funding has decreased.
FRYSC Grant	1,072,985	The first support in 2010-11 was 7% of coordinators salaries and fringes, 2011-12 support was 12.2%, 2012-13 was 14%, and 2013-14 was 16%.
Rescue of Title IV (Safe School Assessment Center)	1,035,433	Last of three rescues was at onset of 2011-12. Gen. Fund now supports the Assessment Center 100%.
LEEP	440,783	Includes two support positions & five Career Planners at High Schools (10 career Planners are supported By Louisville Metro, United Way)
Center for School Safety	250,000	General Fund Rescue began in 2012-13 for staff at Breckinridge Metro. Additional increase of \$60,000 in 2014-15
Adult Ed	159,680	Family Literacy Program (aka LEAF). This supports the preschool element of family program.
National Board Certification	211,154	This amount is gap between state revenue and expenses for FY 2013-14. Funding gap for FY 2014-15 is not yet known - state payment is in June
TOTAL	51,733,040	

FY 2015-16 GRANT LIST - TENTATIVE BUDGET

	Project Title	<u>15-16</u>
LOCAL *	JCTA PRESIDENT 15	72,552.00
	TOTAL LOCAL	72,552.00
STATE **	STATE AGENCY/KECSAC 15	2,467,920.00
	LOCALLY OPERATED VOC 15	2,513,886.00
	K-ESS 15	3,744,877.00
	K-FAM RES/YTH SVC 15	6,998,315.10
	GIFTED/TALENTED 15	151,698.00
	K-PRESCHOOL 15	8,584,427.83
	K-PROF DEVELOP 15	1,175,000.00
	K-TEXTBOOKS FY15	2,414,866.00
	LOCAL DIST TECH 15	5,479,602.00
	CENTER FOR SCH SAFETY 15	863,963.00
	TOTAL STATE	34,394,554.93
FEDERAL ***	TITLE I FY15	39,553,487.00
	TITLE I, PART D 15	149,059.00
	IDEA-B/JCPS CO-OP 15	901,700.00
	IDEA-B FY15	22,425,307.00
	IDEA-B DISABILITIES 15	440,000.00
	IDEA-B PRESCHOOL FY15	797,756.00
	TITLE III, LEP FY15	1,143,231.00
	VOC/TECH EDUCATION FY15	1,151,720.10
	TITLE II-TCH QUALITY FY15	4,556,758.00
	HEAD START-REGULAR 15	11,237,698.00
	HEAD START-TRAINING 15	126,340.00
	HEAD START-EARLY ED 15	2,275,611.25
	HEAD START-EARLY TRN 15	56,160.00
	TOTAL FEDERAL	84,814,827.35
	TOTAL	119,281,934.28

* \$8 to \$9 million more in local grants may materialize prior to September.

** Other state and federal grants may be awarded prior to September

*** Title I includes \$10.3 million commitment to Early Childhood made by JCPS

GENERAL FUND EXPENSE BREAKDOWN BY DIVISION

	2012-13	2013-14	2014-15	2015-16
ELEMENTARY	331,696,092	341,806,026	357,467,651	354,449,882
MIDDLE	131,779,979	135,304,389	142,920,191	140,223,803
SECONDARY	184,214,415	190,323,319	207,811,653	210,195,375
PRESCHOOL	1,942,983	1,362,815	3,853,903	2,931,426 *
SPECIAL ED. SCHOOLS	10,684,632	11,104,526	12,818,065	15,502,457
SPECIAL SCHOOLS	50,915,529	52,409,527	54,965,410	52,418,105
STATE AGENCY	10,060,319	10,048,567	11,012,614	9,916,354
Districtwide School centered Costs (Unit 945)	2,930,781	3,620,144	8,448,337	11,636,675 **
Contingencies for schools				13,193,613
SUBTOTAL	724,224,729	745,979,312	799,297,824	810,467,690
 ADMINISTRATION	 2,335,323	 2,474,213	 2,667,405	 2,388,602
OPERATIONS DIVISION	111,110,088	120,353,941	123,885,750	116,190,505
ACADEMICS DIVISION	27,368,700	28,161,187	31,994,720	30,027,009
DATA MANAGEMENT, PLANNING, and PROGRAM EVALUATION	7,961,415	8,371,499	8,924,283	9,006,671
COMMUNICATIONS AND COMMUNITY RELATIONS	4,725,426	3,568,766	3,977,963	3,473,368
EQUITY DIVISION	3,131,091	3,491,896	4,056,115	4,124,474
FINANCIAL SERVICES	8,526,797	8,181,557	8,916,425	8,721,737
Districtwide Costs and fiscal reserve (units 000,950, 960)	52,508,032	55,865,149	147,954,371	161,903,985
Less contingencies for schools				-13,193,613
SUBTOTAL	217,666,873	230,468,208	332,377,031	322,642,738
 TOTAL	 941,891,602	 976,447,519	 1,131,674,855	 1,133,110,428
 <u>Other Financing Uses</u>				
FUND TRANSFER (obj 0910)	16,559,496	8,728,806		
OTHER	-1,004,517	-1,773,047		
Total Per Financial Statement	957,446,581	983,403,278		

* Total Support of Early Childhood from General Fund will exceed \$6.9 million due to transportation waiver.

** Sub teacher costs are budgeted in unit 945, but expensed at individual schools based on actual occurrences.
Also, contingencies for class-size overages are in unit 945, but transfers made to reimburse schools.

ALLOCATIONS TO SCHOOL COUNCILS

The Board approves two items in January of the preceding year that dictate allocations to school-based councils: JCPS Allocation Standards; and new-year enrollment projections. The allocation standards seek to meet the requirements of AdvancEd, our contractual obligations with the associations representing employees, and our statutory responsibilities. The primary consideration must always be an annual determination of the adequacy of the standards to meet the needs of JCPS students. These standards must be constantly reviewed in order to insure adequacy and equity. The state regulation is 702 KAR 3:246; School Allocation Formula. Section 4 of the regulation is certified staff based on Board standards. Section 5 is classified staff standards. Section 6 is the minimum instructional allocation. Section 7 is anything provided above Sections 4, 5, and 6. At the time of the Tentative Budget, staff were still distributing Section 7 set-aside of \$4 million in the new-year budget.

	2010-11	2011-12	2012-13	2013-14	2014-15 *	2015-16 ***	5-year change	% Ave Annual Change
ELEMENTARY								
Salaries	161,634,075	174,671,183	178,490,093	178,930,674	181,498,273	187,911,813	26,277,738	3.09%
Instructional Operational	9,132,400	11,221,984	11,463,882	11,653,392	15,177,255 *	6,767,825 **	-2,364,575	0.30%
Additional Gap Funds	1,737,065	2,141,124	2,204,311	1,843,337	2,023,056	0	-1,737,065	-16.08%
TOTAL ELEMENTARY	172,503,540	188,034,291	192,158,286	192,427,403	198,698,584	194,679,638	22,176,098	2.51%
% to Total General Fund Budget (excluding 2% Contingency)	19.29%	20.14%	20.07%	19.57%	18.79%	18.52%		-0.77%

* FY 2014-15 includes carryover and carry forward.

** FY 2015-16 does not include carryover and carry forward

*** FY 2015-16 does not yet have \$4M in Section 7 distributed through three instructional levels, or opening of school distributed for 5th day adjustment.

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 ***	5-year change	% Ave Change
MIDDLE								
Salaries	61,179,008	66,876,747	70,855,628	72,525,257	71,986,833	73,701,685	12,522,677	3.85%
Instructional Operational	3,333,244	4,504,980	3,479,125	3,818,832	5,256,003 *	2,936,574 **	-396,670	3.13%
Additional Gap Funds	902,600	1,005,213	1,078,440	901,307	835,568	0 ***	-902,600	-21.01%
TOTAL MIDDLE	65,414,852	72,386,940	75,413,193	77,245,396	78,078,404	76,638,259	11,223,407	3.30%
% to Total General Fund Budget (excluding 2% Contingency)	7.31%	7.75%	7.88%	7.85%	7.38%	7.29%		

* FY 2014-15 Includes carryover and carry forward.

** FY 2015-16 does not include carryover and carry forward

*** FY 2015-16 does not yet have \$4M in Section 7 distributed through three instructional levels, or opening of school distributed for 5th day adjustment.

ALLOCATIONS TO SCHOOL COUNCILS (continued)

HIGH	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 ***	5-year change	% Ave Change
Salaries	83,973,261	92,542,938	96,069,191	98,001,811	96,416,185	104,568,727	20,595,466	4.57%
Instructional Operational	5,965,734	5,852,645	5,326,045	5,128,907	7,347,275 *	4,014,861 **	-1,950,873	-3.34%
Additional Gap Funds	902,600	1,005,213	1,078,440	901,307	981,416	0	-902,600	-17.78%
TOTAL HIGH	90,841,595	99,400,796	102,473,676	104,032,025	104,744,876	108,583,588	17,741,993	3.68%
% to Total General Fund Budget (excluding 2% Contingency)	10.16%	10.65%	10.70%	10.58%	9.91%	10.33%		
* FY 2014-15 Includes carryover and carry forward.								
** FY 2015-16 does <u>not</u> include carryover and carry forward								
*** FY 2015-16 does not yet have \$4M in Section 7 distributed through three instructional levels, or opening of school distributed for 5th day adjustment.								
TOTAL COUNCIL BUDGET	328,759,987	359,822,027	370,045,155	373,704,824	381,521,864	379,901,486	51,141,499	2.99%
% to Total General Fund Budget (excluding 2% Contingency)	36.76%	38.55%	38.65%	38.00%	36.08%	36.15%		
STABILIZATION BUDGET	20,518,770							
EMPLOYEE BENEFITS							5-year change	% Ave Change
ELEMENTARY	11,203,560	12,842,397	14,105,556	14,639,770	15,678,795	16,693,443	5,489,883	8.36%
MIDDLE	3,416,818	3,968,215	4,509,455	4,845,171	5,378,410	5,853,698	2,436,880	11.41%
HIGH	5,222,299	6,125,806	6,849,162	7,249,711	7,884,544	8,559,979	3,337,680	10.46%
Total	19,842,677	22,936,418	25,464,173	26,734,652	28,941,749	31,107,119	11,264,442	9.47%
TOTAL SITE-BASED ALLOCATIONS AND BENEFITS								
ELEMENTARY	183,707,100	200,876,688	206,263,842	207,067,173	214,377,379	211,373,081	27,665,981	2.91%
MIDDLE	68,831,670	76,355,155	79,922,648	82,090,567	83,456,814	82,491,957	13,660,287	3.76%
HIGH	96,063,894	105,526,602	109,322,838	111,281,736	112,629,420	117,143,567	21,079,673	4.09%
GRAND TOTAL	348,602,664	382,758,445	395,509,328	400,439,476	410,463,612	411,008,605	62,405,941	3.40%
% to Total General Fund Budget (excluding 2% Contingency)	38.98%	41.00%	41.31%	40.72%	38.82%	39.11%		

SCHOOL ADDED ALLOCATIONS (ADD-ON SCHOOL PROGRAMS) –

The greatest budget increases from 2012 forward has truly been at the school level. However, there are several aspects worth mentioning in regards to these increases. These aspects are as follows: the relation of add-on programs to councils and their decision-making; the implications to KDE mandates on chart of accounts; the vital importance of non-instructional elements added to schools in recent years; the budget process by which add-on programs have been added; and the increases in direct instruction through this process.

The increases at the school level for add-on programs are not under council purview, but the councils must understand and be provided information about those allocations. The councils cannot make their decisions without knowing the integral components added to the schools.

The JCPS chart of accounts, including the identification of specific distinctions between instructional and non-instructional, are determined by the Kentucky Department of Education (KDE). In other words, with the exception of some project numbers in General Fund, KDE “owns” the chart of accounts by which our programs are identified. So, if KDE determines that principals, assistant principals, counselors, resource teachers, librarians, and other important positions are non-instructional, then JCPS must defer to their directives. Yet, we know many of our peer districts do not define the function of direct instruction with the same distinctions.

The greatest investments in our District have been made at the school level in non-instructional functions. However, the added components that are non-instructional have been instrumental in the rising tide of school success. Examples of the non-instructional increases are as follows: Goal Clarity Coaches, elementary assistant principals, CARTs, mental health counselors, FRYSC Coordinator salary rescue, Building Assessment Coordinators, and more. One example of the importance of the non-instructional elements added to schools is the Goal Clarity Coach (GCC). The Professional Learning Communities (PLCs) have been instrumental is the needed infra-structure for schools to accelerate their focus on individual student achievement. The GCCs have been pivotal to the ability of schools to implement PLCs with integrity and robustness.

It is important to know that there is a process for inserting added components to schools for programs and allocations not under council purview. This process is reliant on the Board approval in the Tentative Budget. In this process, requests to create or expand school “add-on” programs can originate at any level, but must have a cabinet level advocate. At the elementary level, the addition of elementary assistant principals is noteworthy because it started as a grass-roots effort at the school level, but grew into a school need that was discussed extensively by the superintendent and the Board. Specifically, more and more stakeholders acknowledged the need to have administrative support in elementary schools, and this was finally reflected in the 2005 AdvancEd staffing standards for schools. The Goal Clarity initiative is a gross cost as some expenses are offset by exchanges between grant-funded positions and a General Fund Early Childhood program and Embedded PD that moved to Title I and Title II, respectively.

Direct instruction has increased in the form of SRT/PBIS Coaches, ESL program expansion, and transition teachers. The MUSIC program at the elementary level is not a new program, but FY 2013-14 was the first year that the positions were cost-centered at the schools instead of being expensed in a school-centered districtwide code.

SCHOOL ADDED ALLOCATIONS (Allocated to schools but not under council decision-making)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	5-year change	% Ave Change
ELEMENTARY								
Special Education Add-ons	31,332,329	31,252,922	31,665,629	32,541,924	33,848,245	32,632,909	1,300,580	0.85%
Assistant Principals	0	0	6,589,263	7,563,202	7,796,400	8,370,000	8,370,000	
Goal Clarity Coach Initiative	0	0	2,475,695	4,342,557	6,239,517	7,037,968	7,037,968	
ESL Add-ons	3,754,819	3,950,255	4,523,495	5,138,141	5,160,750	5,471,848	1,717,029	7.95%
MUSIC (salaries)	0	0	0	1,408,688	1,320,160	1,381,029	1,381,029	
Start-up & Gold Days (Reg Program)	1,290,296	1,386,214	1,254,586	1,374,898	1,663,256	2,152,748	862,452	11.59%
Class-size and Redesign	1,203,603	1,602,244	1,641,401	1,610,966	2,120,832	1,988,830	785,227	11.83%
Student Reponse Team Coach	0	0	0	0	1,497,300	1,518,750	1,518,750	
Operational Add-ons (3 codes)	727,607	1,225,641	1,227,220	1,285,390	1,340,875	1,324,755	597,148	15.29%
Administrator Extended Days	445,168	642,826	1,098,543	1,141,184	1,140,880	1,190,760	745,592	24.70%
Foreign Language	876,485	937,384	980,504	1,030,882	1,048,932	1,121,786	245,301	5.08%
Magnet	576,638	715,234	808,249	809,127	1,367,300	629,989	53,351	10.44%
Fee Waiver	733,523	735,725	744,999	772,425	787,125	804,825	71,302	1.88%
Security Monitors	758,505	795,357	816,655	808,001	767,500	810,000	51,495	1.40%
FRYC Supplement	333,443	595,638	537,481	680,737	627,936	648,768	315,325	18.22%
Textbooks	700,699	1,097,276	988,823	1,078,776	614,696 *	0 *	-700,699	-17.44%
Embedded PD	0	0	648,063	720,589	0	0	0	
TLCs	631,796	676,527	693,944	629,177	0	0	-631,796	
Montessori					392,400	485,035	485,035	
Extended Learning (ATTAIN)	0	0	0	898,903	301,541	0	0	
Social Worker program	0	0	0	0	0	77,900	77,900	
Mental Health Counselors	0	0	0	0	320,201	331,100	331,100	
Employee Benefits (900XA)	2,189,587	2,461,476	3,132,574	3,514,610	3,956,400	4,518,780	2,329,193	15.73%
School Tech Coordinator	210,485	210,485	210,485	210,485	210,485	212,850	2,365	0.22%
District Positive Action Center	0	0	0	0	222,400	0	0	
Catalpa Program	0	0	0	0	60,000	60,000	60,000	
Activity Sponsor	56,800	57,452	58,347	59,201	59,541	59,541	2,741	0.95%
Other Instruction Add-on	0	0	0	0	334,128	340,680	340,680	
Office of Principal	0	0	0	0	0	0	0	
Other programs, start-up costs etc.	1,664,917	2,132,852	1,942,668	607,848	0	14,478	-1,650,439	
Sub total ELEMENTARY	47,486,701	50,475,508	62,038,625	68,227,711	73,198,800	73,185,329	25,698,628	9.29%
State-paid benefits	55,587,247	56,862,810	63,393,625	66,511,142	69,891,472	69,891,472	14,304,225	4.76%
totals from page 19 & 20	183,707,100	200,876,688	206,263,842	207,067,173	214,377,379	211,373,081	27,665,981	2.91%
GRAND TOTAL	286,781,048	308,215,006	331,696,092	341,806,026	357,467,651	354,449,882	67,668,834	4.38%
% to Total	32.1%	33.0%	34.6%	34.8%	33.8%	33.7%		
(excluding 2% contingency)								

* Elementary Textbooks - FY 2014-15 carryover only; new-year allocation in state grant. FY 2015-16 textbook allocation in grant in total.

SCHOOL ADDED ALLOCATIONS - continued - (Allocated to schools but not under council decision-making)

MIDDLE	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	5-year change	Annual Change
Special Education Add-ons	13,963,534	14,508,753	14,789,678	14,350,694	13,851,965	13,758,837	-204,697	-0.25%
Instruction Add-ons	2,300,365	3,144,203	2,865,180	2,462,827	2,220,000	2,325,000	24,635	1.73%
Goal Clarity Initiative	0	0	646,656	950,343	1,829,116	1,918,216	1,918,216	
Transition Center	0	0	0	0	1,302,400	1,364,000	1,364,000	
ESL Add-ons	1,016,864	973,141	1,026,677	1,095,106	1,233,750	1,300,400	283,536	5.19%
Extended Learning (ATTAIN)	0	0	0	705,419	733,079	0	0	
Music	0	0	0	982,137	861,360	902,100	902,100	
(Budgeted in schools in 2013-14)							0	
Activity Sponsor					112,200	112,200	112,200	
Start-up & Gold Days	655,284	722,023	625,572	726,543	771,666	800,012	144,728	4.57%
Security Monitors	652,405	712,228	730,306	698,435	680,800	693,400	40,995	1.33%
Administrator Extended Days					425,368	221,210	221,210	
Administrative Add-on	260,340	2,481,478	427,048	393,503	525,502	194,200	-66,140	146.60%
Operational Add-ons (3 codes)	316,307	436,112	482,207	521,399	518,950	508,734	192,427	10.83%
Student Reponse Team Coach	0	0	0	0	483,432	588,938	588,938	
Montessori (Westport)	0	102,710	222,330	348,097	396,353	420,200	420,200	
Magnet (Western & Highland)	269,893	229,829	192,191	225,384	398,220	410,002	140,109	13.14%
Textbooks	361,411	425,151	463,496	356,939	418,342	0	-361,411	-15.83%
Fee Waiver	362,101	365,580	381,492	392,396	388,170	388,170	26,069	1.42%
FRYC Supplement	83,724	143,831	148,653	149,040	187,417	167,424	83,700	18.10%
Athletics	8,162	170,900	191,701	207,042	334,708	334,708	326,546	415.15%
Mental Health Counselors	0	0	0	0	173,623	94,600	94,600	
Employee Benefits (900XA)	971,650	1,219,256	1,360,643	1,374,342	1,592,152	1,624,558	652,908	11.19%
School Tech Coordinator	60,500	60,500	60,500	60,500	60,500	60,500	0	0.00%
Added Teachers for Myers Impact					1,391,200	971,333	971,333	
Other programs, start-up costs etc.	1,064,873	735,791	1,326,355	202,355	0	0	-1,064,873	
Sub total MIDDLE	22,347,413	26,431,486	25,940,683	26,202,502	30,890,274	29,158,742	6,811,329	5.94%
State-paid benefits	22,640,721	23,791,771	25,916,648	27,011,320	28,573,104	28,573,104	5,932,383	4.80%
totals from page 19 & 20	68,831,670	76,355,155	79,922,648	82,090,567	83,456,814	82,491,957	13,660,287	3.76%
GRAND TOTAL	113,819,804	126,578,412	131,779,979	135,304,389	142,920,191	140,223,803	26,403,999	4.35%
% to Total	12.7%	13.6%	13.8%	13.8%	13.5%	13.3%		
(excluding 2% contingency)								

SCHOOL ADDED ALLOCATIONS - continued - (Allocated to schools but not under council decision-making)

HIGH	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	5-year change	Annual Change
Special Education Add-ons	15,533,252	15,690,576	15,873,389	16,401,838	17,451,961	17,506,786	1,973,534	2.44%
Add Teachers (Trim. & Trans.Cntr)	2,115,340	2,245,248	2,607,403	2,493,918	4,361,113	5,091,880	2,976,540	21.91%
Voc Tech (106X excl 935)	3,473,162	3,550,627	3,704,544	3,483,671	4,160,929	3,943,895	470,733	2.97%
Career and Tech Flex (unti935)	550,317	422,341	565,761	533,558	1,002,101	659,887	109,570	11.74%
ESL Add-ons	1,322,267	1,346,661	1,672,718	1,729,203	2,039,473	1,933,760	611,493	8.44%
Textbooks	1,539,396	1,573,743	1,020,435	874,492	2,872,183	2,134,650	595,254	31.11%
Goal Clarity Initiative	0	0	546,335	1,076,264	1,827,170	2,131,272	2,131,272	
Extended Learning	0	0	0	792,154	1,688,904	0	0	
Start-up & Gold Days	1,117,535	1,226,237	1,119,472	1,289,363	1,340,200	1,315,689	198,154	3.66%
Maintenance Worker	1,108,771	1,141,565	1,147,754	1,170,699	1,210,340	1,212,000	103,229	1.80%
Security Monitors	904,871	859,064	892,957	919,504	1,059,550	1,117,800	212,929	4.52%
Board pd Office of Princ. (incl BACs)	148,872	201,018	161,934	101,711	701,840	1,057,580	908,708	123.82%
Activity Sponsor	697,054	651,332	677,076	668,586	711,934	676,934	-20,120	-0.46%
Operational Add-ons (3 codes)	395,755	576,127	617,193	622,633	636,729	710,401	314,646	13.48%
MUSIC	0	0	0	470,871	778,480	815,300	815,300	
Fee Waiver	454,181	459,268	478,764	503,748	580,680	600,084	145,903	5.84%
Student Reponse Team Coach	0	0	0	0	130,200	135,000	135,000	
FRYC Supplement	85,988	138,547	140,150	131,230	159,677	156,960	70,972	15.18%
Magnet					88,077	90,877	90,877	
Athletics	3,714,074	4,201,352	4,214,124	4,286,193	4,160,929	3,671,256	-42,818	0.09%
Career Planners	0	0	213,078	221,562	234,960	207,000	207,000	
Vending Supplement	336,880	336,880	336,880	336,880	336,880	0	-336,880	-20.00%
Home School Coordinator	0	0	0	380,740	390,000	419,000	419,000	
Mental Health Counselors	0	0	0	0	201,000	189,200	189,200	
College Access Res. Teacher	0	0	0	0	830,577	1,080,000	1,080,000	
School Tech Coordinator	73,250	73,250	73,250	73,250	73,250	74,750	1,500	0.41%
Counselors	0	0	0	0	0	447,800		
Other programs, start-up costs, subs	41,089	657,320	496,268	362,848	2,539,888 *	3,206,026	3,164,937	414.91%
Summer Bridge Program	0	0	0	0	224,500	0	0	
Employee Benefits (900XA)	1,725,773	1,979,671	2,227,013	2,473,465	2,796,848	3,396,942	1,671,169	14.56%
Sub total HIGH	35,871,509	37,739,746	39,454,772	42,363,379	56,113,155	53,982,729	18,111,220	9.16%
State-paid benefits	31,857,278	32,080,334	35,436,805	36,678,204	39,069,078	39,069,078	7,211,800	4.24%
totals from page 19 & 20	96,063,894	105,526,602	109,322,838	111,281,736	112,629,420	117,143,567	21,079,673	4.09%
GRAND TOTAL	163,792,681	175,346,682	184,214,415	190,323,319	207,811,653	210,195,375	46,402,693	5.15%
% to Total	18.3%	18.8%	19.2%	19.4%	19.7%	20.0%		

(excluding 2% contingency)

* Includes \$410,886.64 in Valley H.S. start-up costs, adjustments for h.s./m.s. mergers, and department head funds not yet distributed in 2015-16.

EARLY CHILDHOOD – GENERAL FUND SUPPORT

The early childhood program continues to be a flagship of programs that JCPS believes makes a difference in students' lives. The drop in General Fund support in FY 2012-13 pertains to an exchange needed to implement the Goal Clarity Coach (GCC) initiative. Specifically, the cost of the Goal Clarity initiative was partially offset by exchanges between grant-funded positions and a General Fund Early Childhood program. The exchange was between grant-funded positions that could no longer stay in grants, and a General Fund Early Childhood program. However, it is important to note that the General Fund portion is not the only local support of Early Childhood program. Specifically, the total Title I support for Early Childhood is now \$10.3 million. Since these Title I funds are used for Early Childhood and could have been used for Kindergarten through twelfth grade program, the \$10.3 million in Title I investment demonstrates the belief that the support for fragile students in the early years is a vital need for their academic and life-long success. The budget increases we see in FY 2014-15 in General Fund is the recurrent addition of support from General Fund approved by the Board, but the allocations were approved as they were requested: one-year only.

There is one new and significant component of local support that is not represented in net expenses, but it is represented in the five-year forecast to be presented later in this document. Specifically, in FY 2014-15, there is an approximate waiver of transportation reimbursement of approximately \$1.8 million. In FY 2015-16 and beyond, there is an approved and recurrent waiver of this same expense in the amount of \$4.0 million. The impact cannot be seen in the individual expense codes, the waiver has the same impact in long-range planning as if \$4 million in new expenses had been added to the Early Childhood program. In other words, for the purposes of new-year AND long-term financial planning, a \$4 million reimbursement that is not received by General Fund has the same impact as \$4 million in new annual expenses. So, the early childhood program will receive about \$4 million in increased local support in FY 2015-16 that did not previously exist, but that support is not visible in the expense budget since this support is in the form of transportation reimbursements that the program is now exempt from paying. However, the \$4 million waiver will also provide an opportunity for the program to be sustained in spite of decreasing grant funding.

PRESCHOOL								
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	5-year change	% Ave Change
Salaries	961,263	2,333,081	1,467,619	1,116,093	2,741,474	2,465,839	1,504,576	43.45%
Employee benefits	213,365	588,286	227,859	143,586	501,095	350,563	137,198	59.28%
State-paid benefits	20,804	3,898	26,453	5,510	29,164	29,164	8,360	169.50%
Other Flex Payroll	3,327	50,390	48,534	10,320	51	7,300	3,973	3089.28%
Operational	38,393	48,249	172,518	87,306	582,119 *	78,560	40,167	142.82%
TOTAL PRESCHOOL	1,237,152	3,023,904	1,942,983	1,362,815	3,853,903	2,931,426	1,694,273	47.53%
% to Total (excluding 2% Contingency)	0.1%	0.3%	0.2%	0.1%	0.4%	0.3%		

* FY 2014-15 - \$200,000 one-time increase for Infinite Campus, and start-up costs for new early childhood centers.

SPECIAL EDUCATION SCHOOLS (aka ECE SCHOOLS)

The staffing of special education schools typically does not see much change beyond assignment approved by the Exceptional Child Education (ECE) Division based on the Individual Education Plans of specific students. However, FY 2014-15 reflected increases approved to support the efforts of these very special schools. An assistant principal was added to three sites, two specialists were added, and an increase in the Goal Clarity Coach initiative there. The special education schools are Ackerly, Alfred Binet School, Churchill Park, Heuser Hearing and Language Institute, Mary Ryan Academy, and Waller-Williams.

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	5-year change	% Ave Change
SPECIAL EDUCATION SCHOOLS								
Salaries	7,683,335	7,451,381	7,665,016	7,902,832	9,323,283	11,743,030	4,059,695	9.38%
Employee benefits	689,142	785,745	815,780	862,265	1,018,693	1,387,795	698,653	15.58%
State-paid benefits	1,791,668	1,656,281	1,792,142	1,885,132	1,975,836	1,975,836	184,168	2.13%
Other Flex Payroll	167,737	181,866	126,233	132,260	140,591	109,074	-58,663	-6.70%
Operational	259,557	332,438	285,461	322,037	359,661	286,723	27,166	3.63%
 TOTAL SPECIAL ED.	 10,591,439	 10,407,711	 10,684,632	 11,104,526	 12,818,065	 15,502,457	 4,911,018	 8.25%
% to Total								
(excluding 2% Contingency)								

SPECIAL SCHOOLS

Ahrens, Breckinridge Metro, Brown School, Buechel Metro, Dawson Orman, ESL Newcomer Center, TAPP Program, Jefferson County High School, Kennedy Metro, Liberty H.S., Two positions at the Challenger Learning Center, The Phoenix School of Discovery, and Youth Performing Arts School are considered special schools. The decrease in flex operational funds in FY 2012-13 was due to an intentional effort to specifically define and distinguish the budget needs of the schools. So, in collaboration with the principals we created clearly identifiable budget components which represent the schools' reported and recurrent needs. This decrease in flex funds is offset by an increase in salary budget.

SPECIAL SCHOOLS	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	5-year change	% Ave Change
Salaries	33,754,133	35,156,742	36,561,506	37,397,913	38,617,291	36,996,278	3,242,145	1.90%
Employee benefits	2,124,235	2,395,823	2,688,038	2,801,091	3,140,743	4,392,832	2,268,597	16.24%
State-paid benefits	8,296,444	8,625,036	9,256,709	9,632,077	10,205,522	9,422,258	1,125,814	2.72%
Other Flex Payroll	584,209	544,170	646,726	628,328	448,256	419,613	-164,596	-5.18%
Operational	1,692,939	1,809,283	1,762,550	1,950,118	2,553,598	1,187,124	-505,815	-1.53%
TOTAL SPECIAL	46,451,960	48,531,054	50,915,529	52,409,527	54,965,410	52,418,105	5,966,145	2.51%
% to Total (excluding 2% Contingency)	5.2%	5.2%	5.3%	5.3%	5.2%	5.0%		

STATE AGENCY

State Agency sites are the locations where JCPS delivers instruction to students at various residential facilities.

STATE AGENCY SITES	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	5-year change	% Ave Change
Salaries	5,771,760	7,011,662	7,421,313	7,373,644	7,838,861	7,302,702	1,530,942	5.23%
Employee benefits	349,637	454,960	523,159	591,887	672,269	914,872	565,235	21.58%
State-paid benefits	1,504,403	1,664,191	1,865,270	1,859,633	2,056,460	1,437,065	-67,338	0.57%
Other Flex Payroll	75,583	67,510	93,418	138,724	99,715	86,839	11,256	7.03%
Operational	244,993	233,997	157,159	84,679	345,309	174,877	-70,116	35.00%
TOTAL STATE AGENCY	7,946,376	9,432,320	10,060,319	10,048,567	11,012,614	9,916,354	1,969,977	4.98%
% to Total (excluding 2% Contingency)	0.9%	1.0%	1.1%	1.0%	1.0%	0.9%		

CENTRAL OFFICE

There are many items that warrant pointing out regarding central office. First, all positions in central office are approved by the Board, and this standard insures financial control for JCPS. Second, our Position Control system insures the integrity of this standard once specific approval is provided by the Board. Third, in the approval of the FY 2014-15 Comprehensive District Improvement Plan, the Board has established that no department may submit an org chart that increases the cost of central office. The savings of one department due to an eliminated position is not be transferable to another department. The realized savings of an eliminated position must be considered a captured efficiency of the District, and not resources that a division head might have at their disposal. Fourth, all departments must submit an annual spending blueprint to demonstrate how they intend on using their discretionary funds, and each plan must be approved by the Superintendent. Fifth, a department must submit a budget request through the established process in order to have resources added. Lastly, literally many of our central office staff are in direct contact with students:

CENTRAL OFFICE STAFF that provide direct services to students

Transportation

Bus Drivers	1,069	Pupil Personnel	
Interim Bus Drivers (unit 960)	20	Social Worker	15
Bus Driver/Compound Asst.	14	Physical Development and Health Services	
Bus Monitors	28	LPNs	22
Special Needs Transportation Assts.	124	English as a Second Language	
Exceptional Child Education		Bilingual Associate Instructor	5
Occupational and Physical Therapists	24	Equity Department	
ECE Instructional Assistants (OT/PT)	3	Diagnostic Assessment Counselor	6
ECE Instructional Assistants	20	Early Childhood	
Audiologist	1.5	Family Services/Parent Involvement Liaisons	6
Family Service Facilitator	2	Family Service Worker	27
Bi-lingual Associate Instructor	1	Instructional Assts. (floaters)	10
Speech Language Pathologist	1	Instructional Assts. & Instructors	28
Instructors and Instructional Assistant	8	Bi-lingual Associate Instructor	2
Exceptional Child Education Placement and Assessment		Site-administrators	<u>2</u>
Psychologists	<u>37.9</u>	subtotal	<u>123</u>
subtotal	1,353		
TOTAL		1,476	

CENTRAL OFFICE

ADMINISTRATION

Includes Superintendent's Office, Internal Audit,
and General Counsel

	2012-13	2013-14	2014-15	2015-16	4-year change	% Ave Change
Salaries	1,551,841	1,555,114	1,555,214	1,535,930	-15,911	-0.34%
Employee Benefits	117,489	123,561	145,067	143,762	26,273	7.22%
Other Payroll (900XS)	19,645	20,672	20,269	15,500	-4,145	-6.75%
Operational	646,349	774,865	946,855	693,410	47,061	5.10%
TOTAL	2,335,323	2,474,213	2,667,405	2,388,602	53,279	1.10%
% to Total (excl 2% conting.)	0.2%	0.3%	0.3%	0.2%	0	-2.16%

OPERATIONS DIVISION

Includes Facilities, Transportation, Technology
Human Resources, and Security and Investigations

	2012-13	2013-14	2014-15	2015-16	4-year change	% Ave Change
Salaries	67,159,722	66,876,007	64,732,434	68,640,564	1,480,842	0.80%
Employee Benefits	19,547,406	19,020,940	17,439,569 *	18,478,261	-1,069,145	-1.68%
Other Payroll (900XS)	1,058,245	1,153,396	1,370,816	992,932	-65,313	0.09%
Operational	23,344,715	33,303,598	40,342,931 **	28,078,748	4,734,033	11.13%
TOTAL	111,110,088	120,353,941	123,885,750	116,190,505	5,080,416	1.68%
% to Total (excl 2% conting.)	11.6%	12.2%	11.7%	11.1%		

* Decrease in fringes due to CERS rate

** Includes carryover of Voice and Data project, as well as Annual Facilities Improvement Fund carryover.

ACADEMICS DIVISION *

	2012-13	2013-14	2014-15	2015-16	4-year change	% Ave Change
Salaries	21,659,352	21,737,505	22,526,747	22,696,446	1,037,094	1.58%
Employee Benefits	1,940,161	1,985,597	2,222,039	2,216,499	276,338	4.67%
Other Payroll (900XS)	804,598	655,415	819,638 **	975,765	171,167	8.52%
Operational	2,964,588	3,782,671	6,426,296 **	4,138,299	1,173,711	20.63%
TOTAL	27,368,700	28,161,187	31,994,720	30,027,009	2,658,310	3.45%
% to Total (excl 2% conting.)	2.9%	2.9%	3.0%	2.9%		

* Early Childhood Department budget is included in Preschool totals, and not in this division.

** FY 2014-15 includes following recurrent increases: \$30,000 for SRT PBIS Training; \$65,000 safe-crisis management training; \$100,000 Stage One; \$53,219 in extended days for CM1; \$25,000 operational for PBIS/SRT; \$30,000 Kentucky Unbridled License. FY 2014-15 Carry Forward from 2013-14 was \$509,357.68.

FY 2014-15 also included the following one-time increases: \$547,000 Bellarmine Literacy Project ;

\$175,000 for DuFour P.L.C.; \$168,288 for Angel Blackboard; \$100,000 Fund for the Arts 5x5; ESL Unit start-up costs \$225,000.

e-Walk Electronic Walkthrough - \$62,475; \$500,000 for start-up costs for Transition Centers (includes PLATO); \$525,000 for NISL Training (carryover to be provided in 2016)

\$54,181 for SRT/PBIS start-up;

CENTRAL OFFICE (continued)

DATA MANAGEMENT, PLANNING, and PROGRAM EVALUATIONS SERVICES DIVISION	2012-13	2013-14	2014-15	2015-16	4-year change	% Ave Change
Salaries	6,096,594	6,233,605	6,391,801 *	6,885,670	789,076	4.17%
Employee Benefits	527,415	557,779	669,349	690,697	163,282	9.65%
Other Payroll (900XS)	249,236	178,742	133,612	145,200	-104,036	-14.95%
Operational	1,088,170	1,401,373	1,729,521 *	1,285,104	196,934	8.83%
TOTAL	7,961,415	8,371,499	8,924,283	9,006,671	1,045,256	4.23%
% to Total (excl 2% conting.)	0.8%	0.9%	0.8%	0.9%		

* FY 2014-15 - Added Harvard Data Project for 2014-15 and 2015-16 only - \$161,200;

COMMUNICATIONS and COMMUNITY	2012-13	2013-14	2014-15	2015-16	4-year change	% Ave Change
Salaries	3,478,940	2,482,114	2,252,984	2,369,300	-1,109,640	-10.91%
Employee Benefits	530,323	364,680	327,300	341,326	-188,997	-12.40%
Other Payroll (900XS)	268,720	239,929	181,933	158,441	-110,279	-15.93%
Operational	447,443	482,043	1,215,747 *	604,301	156,858	36.55%
TOTAL	4,725,426	3,568,766	3,977,963	3,473,368	-1,252,058	-8.57%
% to Total (excl 2% conting.)	0.5%	0.4%	0.4%	0.3%		

* FY 2014-15 -Fig Leaf Contract - \$283,685; \$121,839 in carry forward in supplies and materials; \$84,403 in carry forward in equip. repair code (0433); \$33,909 in carry forward in copier rental (0444), \$24,802 in 0734, and others.

DIVERSITY, EQUITY, and POVERTY	2012-13 *	2013-14	2014-15	2015-16	4-year change	% Ave Change
Salaries	2,246,194	2,693,055	2,847,749	3,075,002	828,808	11.21%
Employee Benefits	230,390	350,968	386,482	381,918	151,528	20.42%
Other Payroll (900XS)	152,694	55,645	132,598	54,350 ***	-98,344	5.24%
Operational	501,813	392,228	689,285 **	613,204 ***	111,391	14.29%
TOTAL	3,131,091	3,491,896	4,056,115	4,124,474	993,383	9.79%
% to Total (excl 2% conting.)	0.3%	0.4%	0.4%	0.4%		

* FY 2012-13 - Added \$150,000 for Volunteer Background Checks

** FY 2014-15 - Cultural Competence Training added - \$175,000 ; \$67,529 in total carry forward; \$7,800 for extended days for 504 Coord.

*** FY 2015-16 - Voluntary decrease in operational funds

FINANCE DIVISION	2012-13	2013-14	2014-15	2015-16	4-year change	% Ave Change
Salaries	6,671,393	6,334,421	6,776,339	6,848,899	177,507	1.00%
Employee Benefits	1,573,926	1,521,485	1,604,904	1,542,959	-30,967	-0.57%
Other Payroll (900XS)	93,190	137,359	110,320	66,320	-26,870	-4.06%
Operational	188,289	188,292	424,862 *	263,559	75,270	29.23%
TOTAL	8,526,797	8,181,557	8,916,425	8,721,737	194,940	0.92%
% to Total (excl 2% conting.)	0.9%	0.8%	0.8%	0.8%		

* FY 2014-15 - \$192,000 for Management Advisory Group

GRAND TOTAL CENTRAL OFFICE	2012-13	2013-14	2014-15 *	2015-16 **	4-year change	% Ave Change
	165,158,840.52	174,603,058.55	184,422,660.27	173,932,366.22	8,773,525.70	1.88%
% to Total (excluding 2% Contingency)	17.2%	17.8%	17.4%	16.6%		

* FY 2014-15 Grand Total includes carry forward from 2013-14 in the amount of \$5,637,364.37.

** FY 2015-16 Grant Total includes no carry forward.

OVERHEAD

	2010-11	2011-12	2012-13	2013-14	2014-15		2015-16	5-year change	% Ave Change
SYSTEMWIDE SCHOOL COSTS									
Sub teachers, Preferred Subs,	6,491,491	5,357,798	2,346,691	2,548,007	7,330,597	*	10,661,675	***	33.61%
National Board Certif., Cap Size								0	
Science Kit Refurbishment (prev. G.E.)	0	0	138,835	590,500	424,449		400,000	400,000	
Foreign Language Centralized Costs	11,671	5,589	0	0	1,179		600	(11,071)	
Registration Fees	0	72,000	0	0	0			0	
Music Instruments and Repair	531,594	541,936	416,020	457,897	661,712	**	544,000	12,406	3.10%
Itinerant teacher In-county travel	24,470	28,867	29,234	23,740	30,400		30,400	5,930	5.70%
sub-total	7,059,226	6,006,190	2,930,781	3,620,144	8,448,337	*	11,636,675		

* Sub teachers are primarily allocated centrally and expensed at school level.

** MUSIC budget included \$117,712 in carry forward in FY 2014-15.

*** increases were in CERS and KTRS - \$1,762,000

OTHER SYSTEMWIDE COSTS

WATER	1,539,438	1,480,734	1,478,661	1,479,785	1,764,455		1,600,000	60,562	1.21%
SEWAGE	2,102,119	2,251,114	2,331,723	2,433,891	2,518,698		2,500,000	397,881	3.56%
SANITATION SERVICE	561,407	579,440	562,565	578,741	645,046		625,000	63,593	2.30%
TELEPHONE	886,772	711,105	736,549	582,053	2,459,803		2,400,000	1,513,228	56.59%
NATURAL GAS	3,295,586	3,729,167	2,903,333	4,136,983	4,117,142		4,288,054	992,468	7.43%
ELECTRICITY	14,842,503	14,608,198	14,970,810	15,926,037	16,135,997		16,561,946	1,719,443	2.25%
PUPIL TRANSPORTATION INSURANCE	2,411,048	2,004,847	3,355,224	3,930,566	4,788,089		4,380,000	1,968,952	16.19%
PROPERTY INSURANCE	1,967,179	1,636,059	1,795,808	1,869,116	2,023,210		2,000,000	32,821	0.82%
FLEET INSURANCE	656,193	859,415	1,420,810	1,642,806	2,366,324		2,110,000	1,453,807	29.03%
OTHER INSURANCE (2 codes)	296,445	303,652	382,429	368,178	597,061		486,500	190,055	13.66%
POSTAGE	479,759	519,160	338,277	271,076	555,614		550,000	70,241	11.49%
GROUP LIABILITY INSURANCE	1,284,979	1,112,940	773,167	880,322	1,399,975		2,400,000	1,115,021	20.08%
UNREALIZED LOSSES	0	0	1,089,391	0	0		0	0	
INTERNAL AUDIT TRAINING	17,500	17,520	17,520	17,520	17,520		32,000	14,500	16.55%
BANK FEES	11,176	3,418	11,153	11,523	24,100		12,000	824	43.83%
NON-BUS VEHICLES	155,260	520,072	74,738	14,908	399,034	**	200,000	44,740	519.22%
CONTRACT GROUND SERVICE	74,909	22,670	-3,300	-975	0		0	(74,909)	
BUILDING REPAIR AND MAINTENANCE	7,175	7,175	12,050	10,875	12,925		10,500	3,325	11.66%
CELL PHONES	0	0	-3,449	0	0		0	0	
NON BUS GASOLINE	-32,573	-31,592	-31,178	-32,242	0		0	32,573	
NON BUS DIESEL	1,289	1,395	1,210	1,156	0		0	(1,289)	

OVERHEAD (continued)								
LAND and IMPROVEMENTS	0	0	0	0	0	0	0	
BUILDING RENT	90,000	92,500	115,349	98,500	101,000	101,000	11,000	3.08%
Fringe Costs (unit 950 only)	343,281	94,821	112,024	42,609	17,000	17,000	(326,281)	-35.26%
LEGAL SERVICES	0	0	75,429	63,005	101,812	80,000	80,000	
FIDELITY INSURANCE	-1,683	18,245	26,767	17,758	30,446	24,000	25,683	-224.22%
INTERIM POSITIONS, including 20 drivers	835,550	751,335	1,152,568	882,388	1,619,476	2,018,607	1,183,057	25.61%
KETS Projected and other Matching **	0	0	0	0	2,357,900 ***	0	0	
MUNIS Costs (multiple codes)	862,400	611,809	384,298	484,855	817,873	751,000	(111,400)	4.09%
INSURANCE REPLACEMENT(reimbursed)- 5 codes	-9,534	13,871	-513,440	10,894	101,780	150,000	159,534	-653.50%
ADMINISTRATIVE CONTINGENCY	15,203	0	0	0	114,723	150,000	134,797	
DUES and FEES	1,875	-43	0	0	0	0	(1,875)	
MISC EXPENSE	0	0	7,773	0	0	0	0	
Travel out of District	2,985	820	823	460	2,570	0	(2,985)	48.49%
ON-LINE NETWORK	0	792,701	750,379	489,487	0	0	0	
CONTINGENCY for SALARY	0	0	0	0	2,542,000	0	0	
CONTINGENCY FOR ATTAIN	0	0	0	0	80,824	0	0	
CONTINGENCY FOR ATTAIN TRANSP.	0	0	0	0	586,780	0	0	
Contingency for Opening of School	0	0	0	0	2,340,021	3,700,000	3,700,000	
Cont. for Superintendent's Recommendations	0	0	0	0	0	5,493,613	0	
Contingency for Section 7	0	0	0	0	0	4,000,000	0	
2% AND OTHER CONTINGENCY	0	0	0	0	74,243,155	82,190,748	82,190,748	
Athletic Trainer Match (fund transfer)	0	0	0	0	0	0	0	
Registration Fees	7,560	1,860	2,068	745	0	0	(7,560)	
	32,705,803	32,714,408	34,331,529	36,213,020	124,882,354	138,831,968	106,126,165	53.29%
MUNIS	32,705,802	32,714,410	34,221,528	36,213,019	124,882,354	138,831,968		
		2						
State-paid Benefits (I.L. 07 and 80 only)	23,356,240	23,569,126	18,176,503	19,652,129	23,072,017	23,072,017		
TOTAL OVERHEAD	56,062,043	56,283,534	52,508,032	55,865,149	147,954,371	161,903,985		

** Non-bus vehicle includes prior year carry forward of \$199,034.

*** KETS Matching is not expensed in General Fund but transferred to grant, per KDE requirement

GENERAL FUND EXPENSE TREND BY DIVISION

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
ELEMENTARY	286,781,048	308,215,006	331,696,092	341,806,026	357,467,651	354,449,882
MIDDLE	113,819,804	126,578,412	131,779,979	135,304,389	142,920,191	140,223,803
SECONDARY	163,792,681	175,346,682	184,214,415	190,323,319	207,811,653	210,195,375
PRESCHOOL	1,237,152	3,023,904	1,942,983	1,362,815	3,853,903	2,931,426 *
SPECIAL ED. SCHOOLS	10,591,439	10,407,711	10,684,632	11,104,526	12,818,065	15,502,457
SPECIAL SCHOOLS	46,451,960	48,531,054	50,915,529	52,409,527	54,965,410	52,418,105
STATE AGENCY	7,946,376	9,432,320	10,060,319	10,048,567	11,012,614	9,916,354
Districtwide School centered Costs (Unit 945)	7,059,226	7,570,945	2,930,781	3,620,144	8,448,337	11,636,675 **
Contingencies for schools	0	0	0	0	0	13,193,613
SUBTOTAL	637,679,687	689,106,036	724,224,729	745,979,312	799,297,824	810,467,690
ADMINISTRATION	9,581,454	9,478,541	2,335,323	2,474,213	2,667,405	2,388,602
OPERATIONS DIVISION	98,514,383	114,955,877	111,110,088	120,353,941	123,885,750	116,190,505
ACADEMICS DIVISION	22,935,348	27,482,993	27,368,700	28,161,187	31,994,720	30,027,009
DATA MANAGEMENT, PLANNING, and PROGRAM EVALUATION	3,456,513	2,968,409	7,961,415	8,371,499	8,924,283	9,006,671
COMMUNICATIONS AND COMMUNITY RELATIONS	3,940,094	4,507,970	4,725,426	3,568,766	3,977,963	3,473,368
EQUITY DIVISION	1,270,464	1,526,572	3,131,091	3,491,896	4,056,115	4,124,474
FINANCIAL SERVICES	7,916,468	8,307,484	8,526,797	8,181,557	8,916,425	8,721,737
Districtwide Costs and fiscal reserve (units 000,950, 960)	56,062,043	54,718,779	52,508,032	55,865,149	147,954,371	161,903,985
Less contingencies for schools	0	0	0	0	0	-13,193,613
SUBTOTAL	203,676,767	223,946,625	217,666,873	230,468,208	332,377,031	322,642,738
TOTAL	841,356,454	913,052,661	941,891,602	976,447,519	1,131,674,855	1,133,110,428
<u>Other Financing Uses</u>						
FUND TRANSFER (obj 0910)	36,841,076	5,202,809	16,559,496	8,728,806	0	0
OTHER ***	16,071,390	15,244,467	-1,004,516	-1,773,045	0	0
Total Per Financial Statement	894,268,920	933,499,937	957,446,582	983,403,280		

* Total Support of Early Childhood from General Fund will exceed \$6.9 million due to transportation waiver.

** Sub teacher costs are budgeted in unit 945, but expensed at individual schools based on actual occurrences.
Also, contingencies for class-size overages are in unit 945, but transfers made to reimburse schools.

*** Within the category "other" are central office expenses for departments that no longer exist within divisions that no longer exist.

JCPS GENERAL FUND - FIVE-YEAR REVENUE AND EXPENSE PROJECTION as of 05-08-2015

F=Forecast B=Budget

Assumes 2.36% COLA plus STEPS in FY 2016, and STEPS ONLY (NO COLA) from FY 2017 through FY 2020

in 000s	4% increase in Property Rate			0% incr. on Property Rate (Compensating Rate)			0% incr. on Property Rate (Compensating Rate)			0% incr. on Property Rate (Compensating Rate)			0% incr. on Prop. Rate (Compensating Rate)		
	\$		% Incr.	\$		% Incr.	\$		% Incr.	\$		% Incr.	\$		% Incr.
	2015-16B	Change		2016-17F	Change		2017-18F	Change		2018-19F	Change		2019-20F	Change	
On Behalf	173,470			176,939			180,478			184,088			187,770		
Property Taxes	417,749	11,808	2.9%	418,749	1,000	0.2%	419,749	1,000	0.2%	420,749	1,000	0.2%	421,749	1,000	0.2%
Occupational Taxes	146,444	5,632	4.0%	155,231	8,787	6.0%	164,544	9,313	6.0%	174,417	9,873	6.0%	184,882	10,465	6.0%
Other Local	14,304	250	1.8%	14,304	0	0.0%	14,304	0	0.0%	14,304	0	0.0%	14,304	0	0.0%
SEEK	273,869	3,850	1.4%	279,346	5,477	2.0%	284,933	5,587	2.0%	290,632	5,699	2.0%	296,445	5,813	2.0%
Other state	2,110	(9)	-0.4%	2,110	0	0.0%	2,110	0	0.0%	2,110	0	0.0%	2,110	0	0.0%
Federal	6,164	3,291	114.5%	6,287	123	2.0%	6,413	126	2.0%	6,477	64	1.0%	6,542	65	1.0%
<u>TOTAL REVENUE</u>	1,034,110	23,419	2.3%	1,052,967	18,857	1.8%	1,072,532	19,564	1.9%	1,092,777	20,245	1.9%	1,113,801	21,024	1.9%

EXPENSES

RECURRENT Expenses from Previous year	1,050,920			1,044,090			1,053,099			1,064,323			1,075,750		
(not including 0840 contingency code)				(excludes 2% Conting.)											

CHANGES in EXPENSES

Increased Cost of Personnel (est.)				11,026			11,224			11,426			11,632		
Subtract <u>One-time approvals</u> from previous year				(2,017)											
	<u>0</u>			<u>0</u>											
SUBTOTAL EXPENSE CHANGES	0			9,009			11,224			11,426			11,632		

<u>EXPENSES</u>	1,050,920	(6,601)	-0.6%	1,053,099	2,179	0.2%	1,064,323	11,224	1.1%	1,075,750	11,426	1.1%	1,087,382	11,632	1.1%
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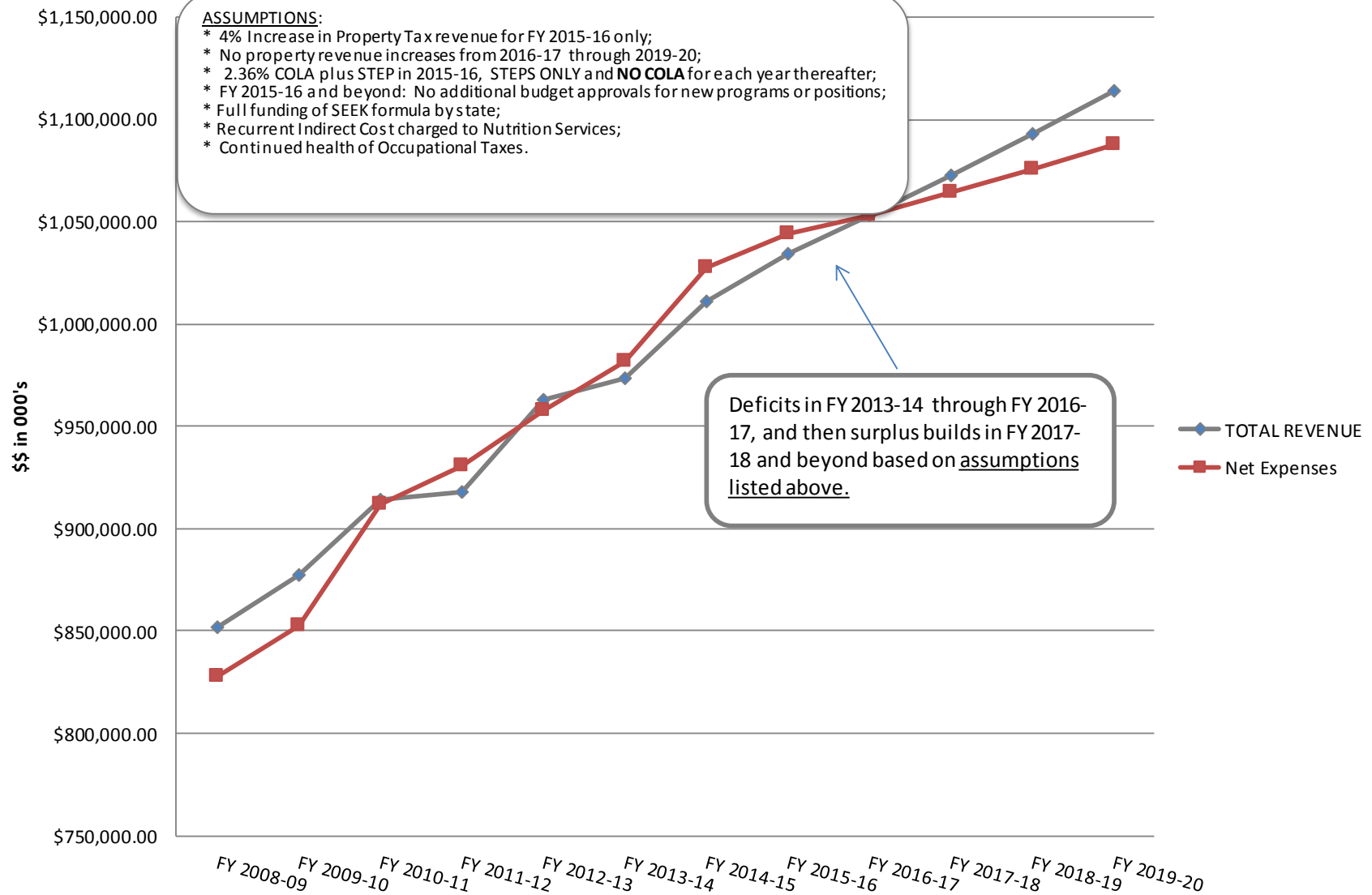
Anticipated savings and reimbursements (6,830)

Net Expenses 1,044,090 1,053,099 1,064,323 1,075,750 1,087,382

Surplus / Deficit (9,980) (132) 8,208 17,027 26,419

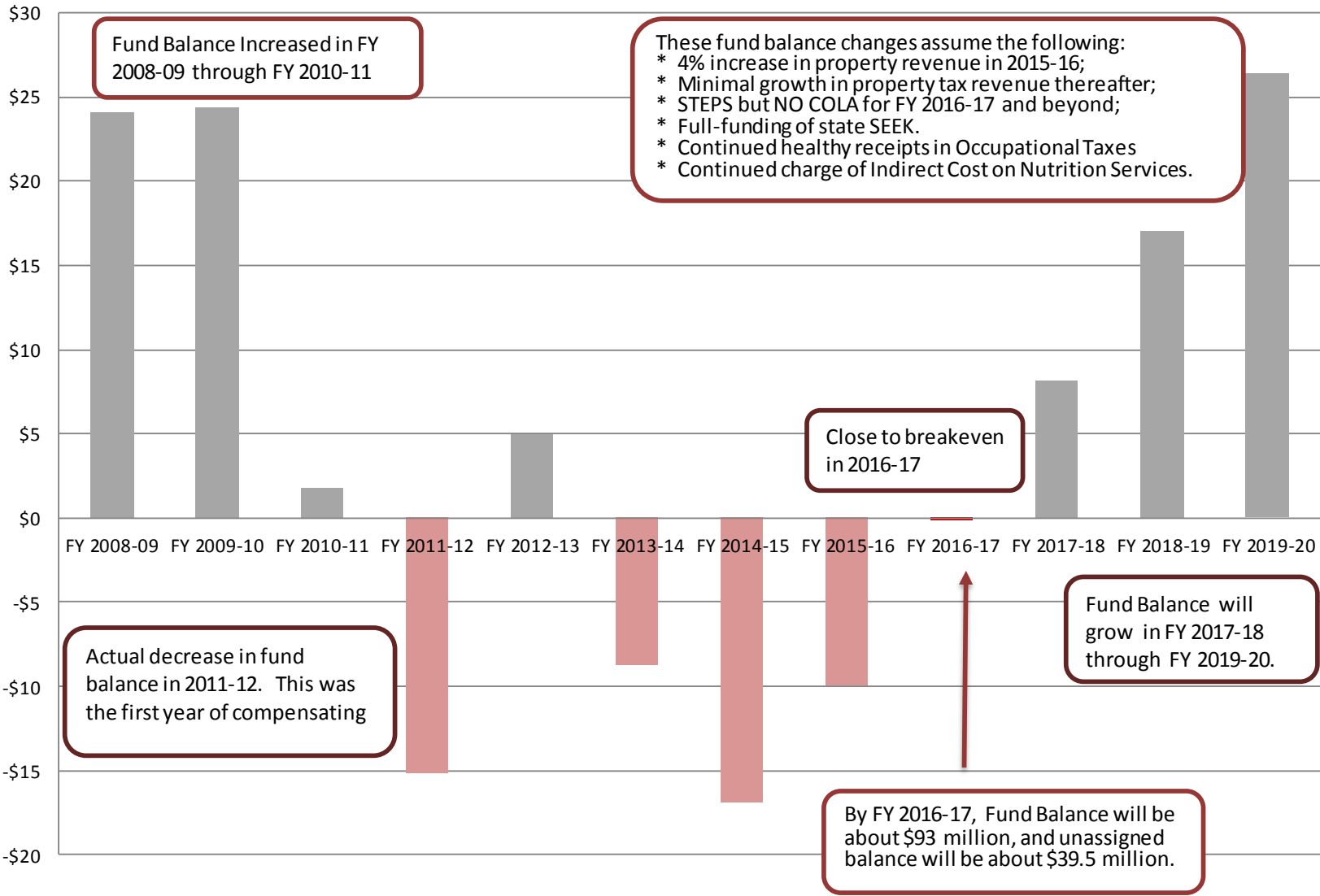
<u>Total General Fund Balance</u>	*	100,588		92,334			100,542			117,569			143,988		
Unreserved Fund Balance		38,836		38,704			46,912			63,939			90,358		
2% Mandated Reserve		36,000		36,000			36,000			36,000			36,000		
Reserved and Obligated		17,630		17,630			17,630			17,630			17,630		

JEFFERSON COUNTY PUBLIC SCHOOLS GENERAL FUND REVENUE TO EXPENSES



in millions

Jefferson County Public Schools General Fund Balance Usage



2016-17 Beginning Fund Balance Calculation - JCPS - General Fund

TOTAL FUND BALANCE PROJECTION

FY 2013-14 Ending Fund Bal	120,080,560
Fund Balance Usage 2014-15	<u>-17,000,000</u>
FY 2014-15 Ending Fund Bal	103,080,560

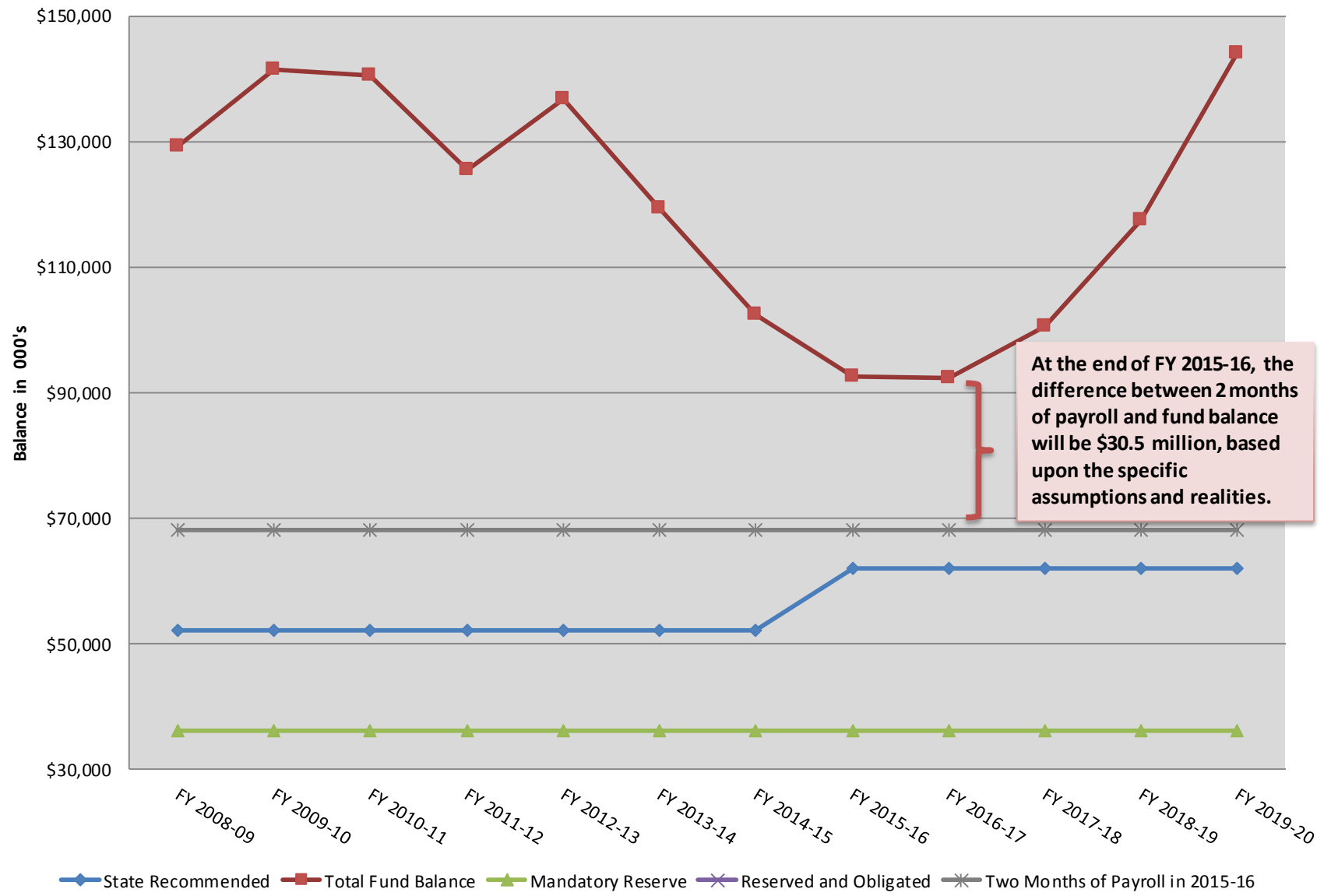
Fund Balance Usage 2015-16	<u>-9,980,000</u>
FY 2015-16 Ending Fund Bal	93,100,560

UNASSIGNED FUND BALANCE PROJECTION

FY 2013-14 Ending Fund Bal	66,450,433
Fund Balance Usage 2014-15	<u>-17,000,000</u>
FY 2014-15 Ending Fund Bal	49,450,433

Fund Balance Usage 2015-16	<u>-9,980,000</u>
FY 2015-16 Ending Fund Bal	39,470,433

Jefferson County Public School General Fund Balance



CONCLUSION

The Tentative Budget for FY 2015-16 is built upon the assumption that the Board will approve the rate equivalent to a 4% optimal increase in property revenue. However, the assumption in the long-term forecast is that every year thereafter (FY 2016-17 through FY 2019-20) will be the compensating tax rate, or the rate that will bring the same amount of property tax revenue as the year before. The small amount of annual increase shown in the long-term forecast in property taxes beyond FY 2015-16 is the new revenue brought in by newly constructed property.

In reality, the property rate assumption in the Tentative Budget does not obligate the Board to an optimal rate increase, and it is not the only option. The impact on an approval of anything less than the optimal rate would result in a deeper cut into an already diminishing fund balance in FY 2015-16. However, the approval of anything less than an optimal tax rate (the 4%) would have an exponentially increasing impact on the finances of the school system. This is because any year in which a lower rate is approved, this impacts the amount of property tax that can be received by the District in each subsequent year, ad infinitum. In other words, approving a compensating rate (the rate that brings in the same amount of revenue as the year before, doesn't just eliminate \$16 million in that particular fiscal year, but eliminates in excess of \$16 million each year thereafter as well. This dominoes effect is due to the fact that the level of allowable property tax is indelibly tied to the amount of revenue received in the prior year (and the year before that, and the year before that, etc. etc.). The following table reflects the lost revenue since FY 2011-12 and also assuming the compensating rate in FY 2016-17 through FY 2019-20:

<u>LOST REVENUE OF LOWER PROPERTY RATE - FY 2011-12 through FY 2019-20</u>									
	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>
Compensating rate in 2011-12	15,509,716	16,130,105	16,775,309	17,446,321	18,144,174	18,869,941	19,624,739	20,409,728	21,226,117
Optimal rate in 2012-13	0	0	0	0	0	0	0	0	0
Less than optimal in 2013-14	0	0	7,060,100	7,342,504	7,636,204	7,941,652	8,259,318	8,589,691	8,933,279
Less than optimal in 2014-15	0	0	0	11,913,215	12,389,744	12,885,333	13,400,747	13,936,777	14,494,248
Optimal rate in 2015-16 (assumed)	0	0	0	0	0	0	0	0	0
Compensating rate in 2016-17	0	0	0	0	0	16,000,000	16,640,000	17,305,600	17,997,824
Compensating rate in 2017-18	0	0	0	0	0	0	16,000,000	16,640,000	17,305,600
Compensating rate in 2018-19	0	0	0	0	0	0	0	16,000,000	16,640,000
Compensating rate in 2019-20	0	0	0	0	0	0	0	0	17,000,000
TOTALS	15,509,716	16,130,105	23,835,409	36,702,040	38,170,122	55,696,927	73,924,804	92,881,796	113,597,068

CUMULATIVE LOST REVENUE - 9 years **466,447,985**

NOTE: The additional 4% added to each subsequent year is the additional lost revenue that would have been added if maximum rate had been approved in the subsequent year.

So, every stakeholder understands that recurrent receipts must eventually be balanced to recurrent expenses. We cannot continue to use fund balance as revenue. Fund balance is not a sustainable resource; once it is gone, then it is gone forever. Additionally, using fund balance to pay for recurrent expense is a lot like a household using a savings account to buy groceries. You can do it for a little while, but sooner or later, the nest egg will be gone. Additionally, if JCPS ever gets below the state-required fund balance requirement, KDE will intervene at whatever level they feel is necessary. KDE can take over local finances. Our fund balance also impacts our interest rates on revenue bonds, which results in additional interest expense and fewer capital projects.

Another important assumption is that any cost-of-living increase (aka COLA) in FY 2016-17 and beyond must be covered by an increase in property revenue equal to the COLA. We have demonstrated in this document that we cannot expect state SEEK to cover that expense. It did not happen in previous years, and it has not happened in the current biennium. In short, the state has never fully covered a mandated salary increase. However, whether the state mandates a salary increase or it is negotiated with our employee associations, the cost must be covered, the bill has to be paid.

After \$3.8 million decrease in central office since 2012, there should be no expectation of trimming central office by even greater amounts. Administration will certainly continue to look for greater opportunities for efficiency. However, sustained reductions in central office have seriously undermined our ability to adequately replace roofs, buses, and much more. The outsourcing of departments offers no commitment of saving money either in FY 2015-16 or in the long-term, and that was never the purpose.

There are other options other than optimizing property tax rates. We can also hope for a resolute state action on increasing state revenue. However, the most recent study on SEEK adequacy is not the first, second, or even third that has been completed over the last twelve years. We have been waiting on adequate state funding since at least 2001. So, the other viable option for balancing the budget in future years, is to simply start eliminating the programs that have increased the base of our expenses in the future years. We will certainly look for opportunities to eliminate ineffective or marginal programs. However, we are well past the era where we can afford to choose between a good program and a bad program. We are now in an era where it is essential to decide among many programs, which has the most impact on student achievement. Even in a year where fund balance was not being used, that would be a worthwhile endeavor.