



2016-17 DRAFT BUDGET WORK SESSION

December 14, 2015

The Draft Budget Status - Prior to Major Decisions

- A starting point only.
- Assumes steps for each eligible employee, no cost-of-living adjustment.
- Assumes no property tax increases.
- As a beginning point only, assumes status quo on the following:
 - Existing programs and initiatives;
 - Previous allocations to schools and departments;
 - Staffing
- Establishes foundation for major decisions and possible repurpose of resources.

Current Budget Drivers

REVENUE:

- Property Tax Revenue - \$1 million increase from new construction
- Occupational Taxes - \$8.9 million, 6% increase over FY16 Budget
- SEEK - \$5.3 million increase, estimated 2% increase
- Indirect Cost - \$183,000 increase from Federal grants
- Interest Income decrease - \$159,000 less due to decreased fund balances

TOTAL : \$15.2 million

EXPENSE:

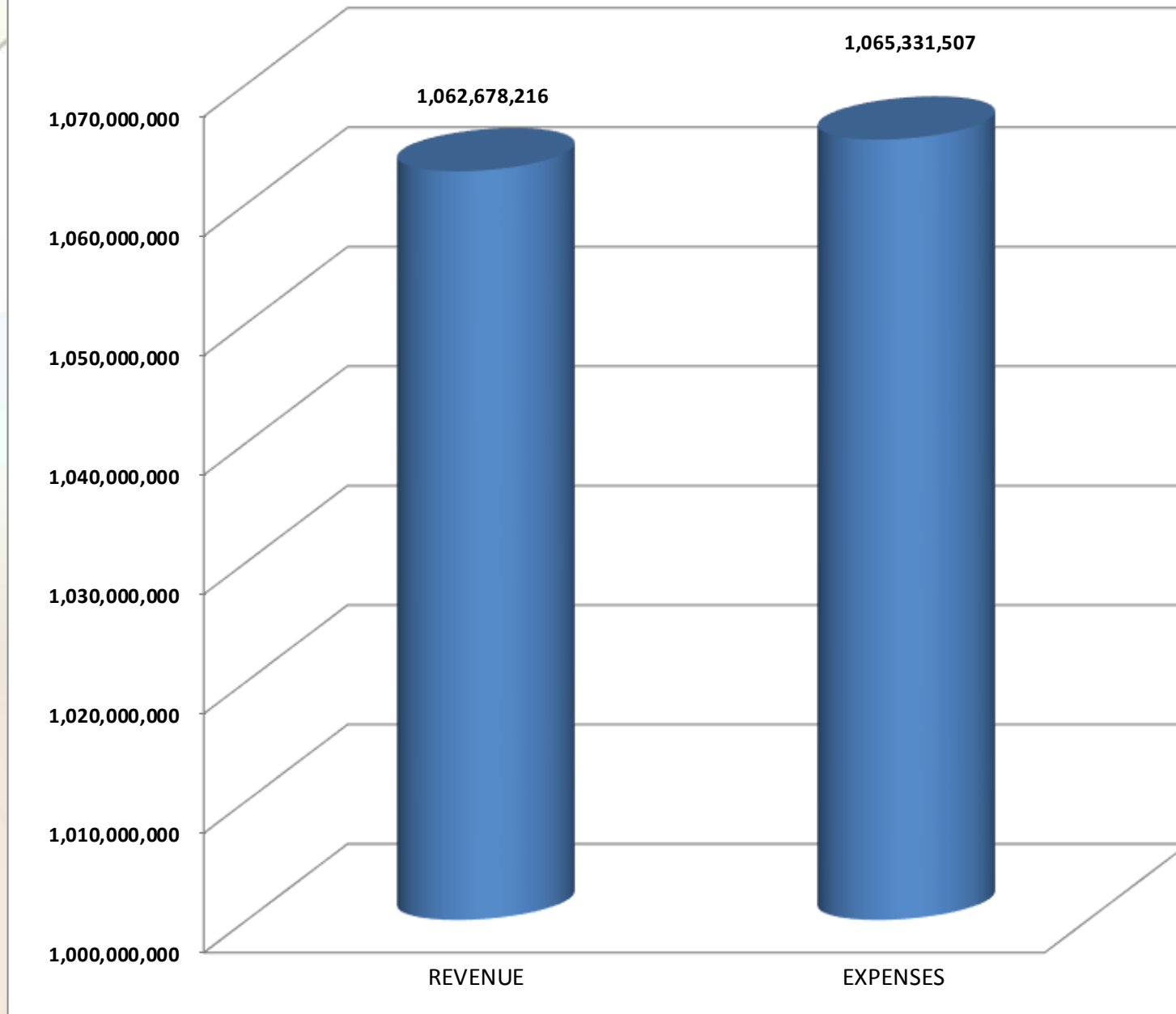
- Salary Steps - \$11.6 million increased salary cost
- e-Rate reimbursement decrease from \$1.5 million to \$1 million
- Early Childhood transportation expenses waiver of \$4 million

Revenue versus Expenses - The Starting Point

(prior to any changes)

REVENUE	1,173,678,215	
Less Beginning Fund Balance	<u>111,000,000</u>	
NET GENERAL FUND REVENUE		1,062,678,215
EXPENSES	1,173,678,215	
Less Contingency Code	<u>108,346,708</u>	
Expense subtotal		<u>1,065,331,507</u>
REVENUE minus EXPENSES		(2,653,292)
Less e-Rate reimbursement	1,000,000	
Less Special Ed reimbursement (mid-day runs)	400,000	
Less savings on unused salary budget	<u>4,000,000</u>	
PROJECTED REVENUE OVER EXPENSES		2,746,708

Revenue/Expenses

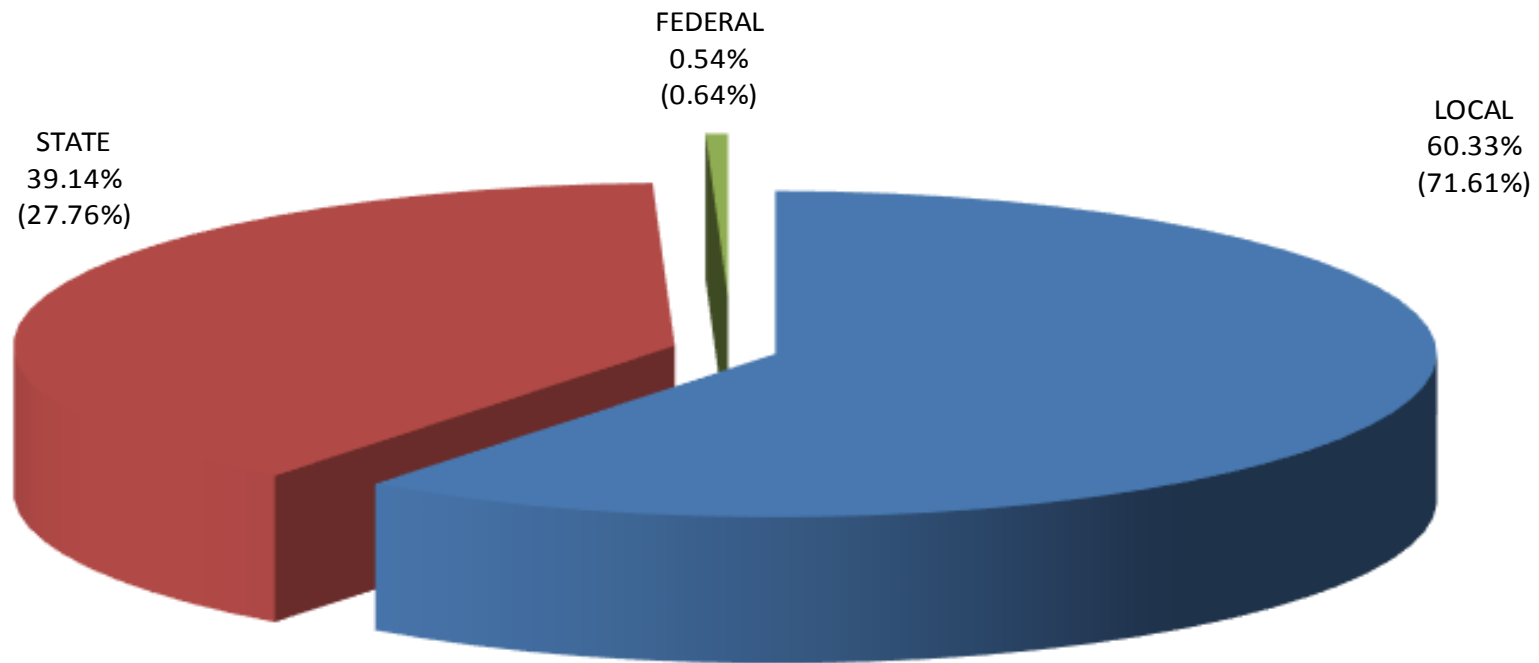


**DRAFT BUDGET
2016-17 General Fund**

REVENUE	
Personal Property Tax	385,395,000.00
Delinquent Tax	5,500,000.00
Motor Vehicle	28,282,000.00
Franchise Tax	9,807,000.00
Occupational Tax	157,108,000.00
Other Local Revenue	10,953,000.00
State SEEK	272,407,000.00
Other State Revenue	2,028,000.00
Federal Impact Aid	5,000.00
Federal Indirect Costs	6,281,000.00
Sub-total w/o State On-behalf	877,766,000.00
State On-behalf benefits	184,912,215.82
Sub-total w/o State On-behalf	1,062,678,215.82
Beginning Fund Balance	111,000,000.00
Total Revenue	1,173,678,215.82

EXPENSE		
Certified Salaries	498,861,899.46	46.83%
Classified Salaries (including subs)	195,542,323.66	18.36%
Sub Teachers	9,470,920.11	0.89%
Classified Coach Stipends etc.	340,516.00	0.03%
Board Per Diem	15,000.00	0.00%
Group Life (0211)	609,465.43	0.06%
Group Liability (0213)	1,710,604.10	0.16%
Disability (0215)	1,883,796.93	0.18%
FICA (0221)	9,971,744.60	0.94%
Medicare (0222)	9,416,165.16	0.88%
KTRS (0231- <u>New Expense</u> in FY'11)	15,986,048.27	1.50%
CERS (0232)	28,388,202.71	2.66%
KSBA Unemployment (0253)	853,386.54	0.08%
Workers Comp (0260)	5,784,675.24	0.54%
Other Benefits	900,433.19	0.08%
Professional Services	5,722,449.88	0.54%
Water, Sewage, Sanitation, Maintenance, Repairs	6,382,649.00	0.60%
Annual Facilities Improvement Fund	4,000,000.00	0.38%
Travel, postage, insurance, telephone	14,772,581.73	1.39%
Supplies, repair parts, and materials	14,983,215.60	1.41%
Natural Gas and Electric	22,670,000.00	2.13%
Gasoline and Diesel	9,788,568.00	0.92%
Instructional Supplies, textbooks etc.	7,454,588.11	0.70%
Equipment	7,993,524.72	0.75%
Vehicles	4,200,000.00	0.39%
Fees and Misc Expenses	516,532.99	0.05%
Central Office Flex	2,200,000.00	0.21%
Sub-Total	880,419,291.43	82.64%
State On-behalf benefits	184,912,215.82	17.36%
	1,065,331,507.25	100.00%
2% Contingency	108,346,708.57	
TOTAL BUDGET	1,173,678,215.82	

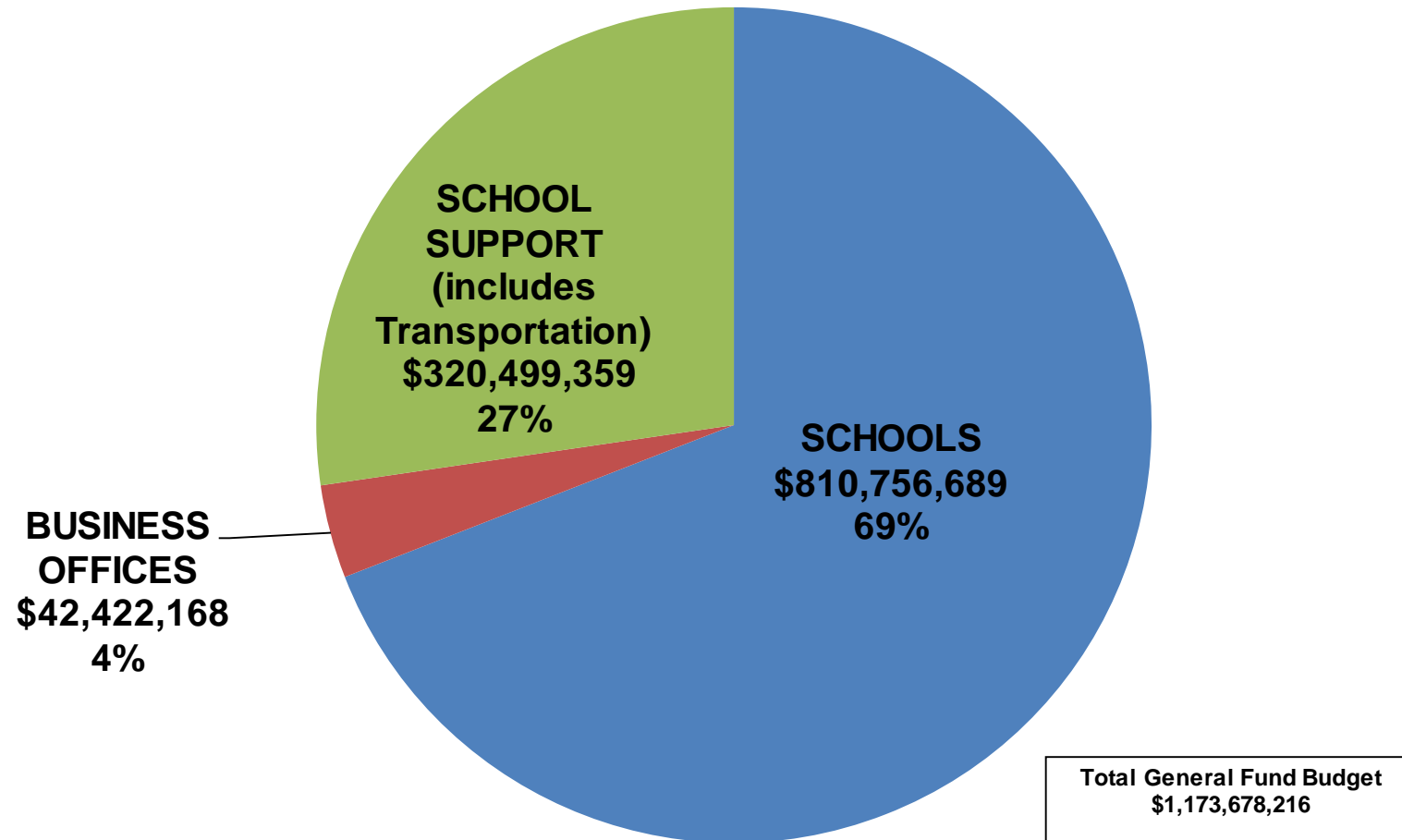
Jefferson County Public Schools GENERAL FUND REVENUE IDENTIFIED BY SOURCE Draft Budget 2016-2017



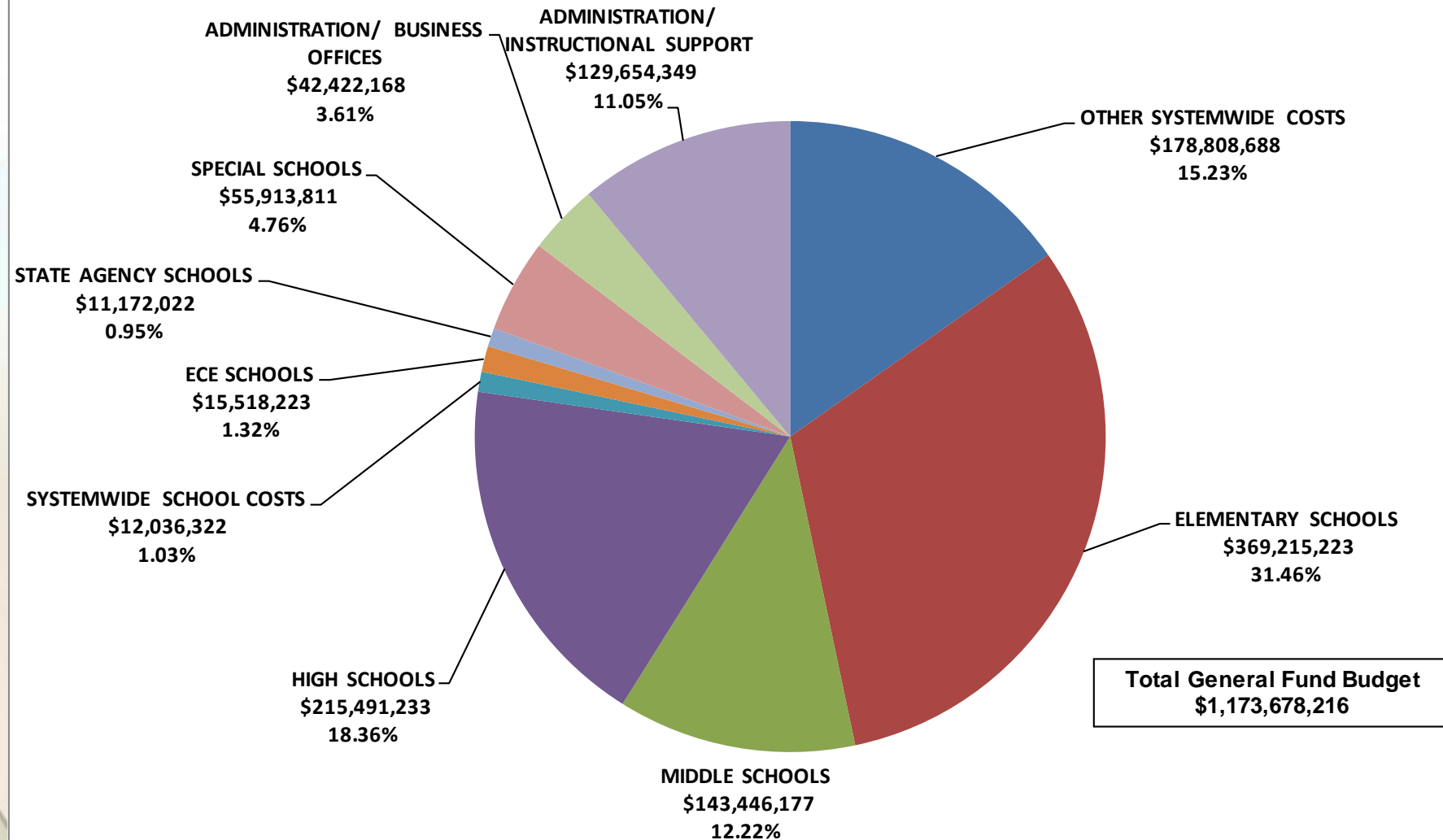
GENERAL FUND REVENUE (includes State on-behalf benefit payments)
\$1,173,678,216

*Does not include Fund Balance
** % without State on-behalf payments

**Jefferson County Public Schools
General Fund Draft Budget
Percentage of Budget Direct to Schools
2016-2017**



Jefferson County Public Schools General Fund Draft Budget by State Account Code Structure/Instructional Level 2016-2017



Other Budget Drivers & Next Steps for FY 2016-17

- Opening of legislative session to determine state budget for the biennium:
 - SEEK funding
 - Unfunded mandates (e.g. COLA)?
 - Grant funding levels (e.g. Voc-tech, Pre-K, KETs)
- Opening of Norton Commons Elementary
- Closing of Myers Middle – savings of \$1.5 million
- Review School Allocation Formula
 - Teacher Allocation - State standards vs JCPS standards & other options
 - Teacher Add-ons & Sell-backs
- Review School Add-on Programs
- Zero-based budgeting - Central Office departmental budgets

TEACHER ALLOCATION COMPARISON

	JCPS ALLOCATION		STATE & JCTA STANDARDS*		STATE STANDARDS LESS 1 STUDENT *		JCPS ALLOCATION PLUS 1 STUDENT*	
	Teachers	Allocation	Teachers	Allocation	Teachers	Allocation		
ELEMENTARY	2,135.36	132,178,784	2,029.92	125,652,048	2,049.31	126,852,289	2,112.55	130,766,845
MIDDLE	800.63	49,558,997	738.63	45,721,197	765.63	47,392,497	773.63	47,887,697
SECONDARY	1,195.17	72,902,715	1,079.67	65,753,275	1,114.67	67,919,775	1,154.67	70,395,775
Change from JCPS ALLOCATION								
ELEMENTARY			-105.44	-6,526,736	-86.05	-5,326,495	-22.81	-1,411,939
MIDDLE			-62.00	-3,837,800	-35.00	-2,166,500	-27.00	-1,671,300
SECONDARY			-115.50	-7,149,440	-80.50	-4,982,940	-40.50	-2,506,940
		TOTALS	-282.94	-17,513,976	-201.55	-12,475,935	-90.31	-5,590,179

* K through 3rd grade stays the same in all scenarios (allocated class-size may not go above 24 to 1).

NEXT STEPS

- December 2015 - January 15th, 2016 – Finance develops zero-based budgeting processes
- January 11th 2016 –
 - Board work session on Draft Budget
 - Submittal of School Standard Allocation Formula to the Board
- January 26th 2016
 - Draft Budget submitted to the Board for acceptance
- February 2nd 2016 – Schools receive new-year allocations
- February 2016 – Review of Central Office departments – zero-based budgets
 - Cabinet members & Cost Center Managers meet with CBO & CFO to review departmental budget needs
- From March 4th through 30th 2016
 - Requests are summarized and coded for relevance to Strategic Plan
 - Cabinet reviews & prioritizes budget requests
 - Cabinet determines final recommendations to the Board for funding priorities
- May 10th 2016 – Board Work Session on Tentative Budget
- May 24th 2016 – Tentative Budget submitted to the Board for acceptance