

FY 2016-17 BUDGET ORIENTATION

December 10, 2016
JEFFERSON COUNTY BOARD OF EDUCATION

AGENDA

- Responsibilities of the Board
- Revenue Information and Trends in General Fund
- Information on other funds
- Major Budgetary Events for Jefferson County Board of Education
- CONTINUOUS IMPROVEMENT MODEL –
 - Insuring effectiveness of resource usage
- Funding VISION 2020 –
 - Improving student outcomes through identified priorities
 - Building community and stakeholder support for allocation of budget dollars

KRS 160.290 Section (1)

- “Each board shall have control and management of all school funds and all public school property of its district and may use its funds and property to promote public education. Each board shall exercise generally all powers prescribed by law in the administration of its public school system, appoint the superintendent of schools, and fix the compensation of employees.”

General Board Fiscal Responsibilities

Board members should have a basic understanding of the following:

- Statutory laws and board policies that govern district finances
- Sources of revenues and regulatory restrictions
- Budgetary responsibilities, procedures and statutory requirements
- Procurement policies, procedures and statutory restrictions
- SBDM allocation procedures, policies and laws
- Staffing and salary allocations
- Accountability requirements (independent audit/state/federal agencies)
- Basic financial terminology

District Funds

- Fund 1 General Fund
- Fund 2 Special Revenue Fund
- Fund 310 Capital Outlay Fund
- Fund 320 Building Fund
- Fund 360 Construction Fund
- Fund 400 Debt Service Fund
- Fund 22 District Activity Fund
- Fund 51 School Food Service Fund
- Fund 52 Day Care Operations
- Fund 53 Enterprise
- Fund 54 Adult Education
- Fund 59 Tuition Preschool
- Fund 60 Agency Fund
- Fund 7000 Trust Fund

Our Budget (2016-17)

\$1.5 billion

Enterprise

(Nutrition, Adult Ed, Day Care, ...)

\$95 million

6.3%

Flexible

Add-ons, Section 7,
Special Schools, ...

\$410 million

27.1%

Categorical

(Grants, Building Fund, ...)

\$231 million

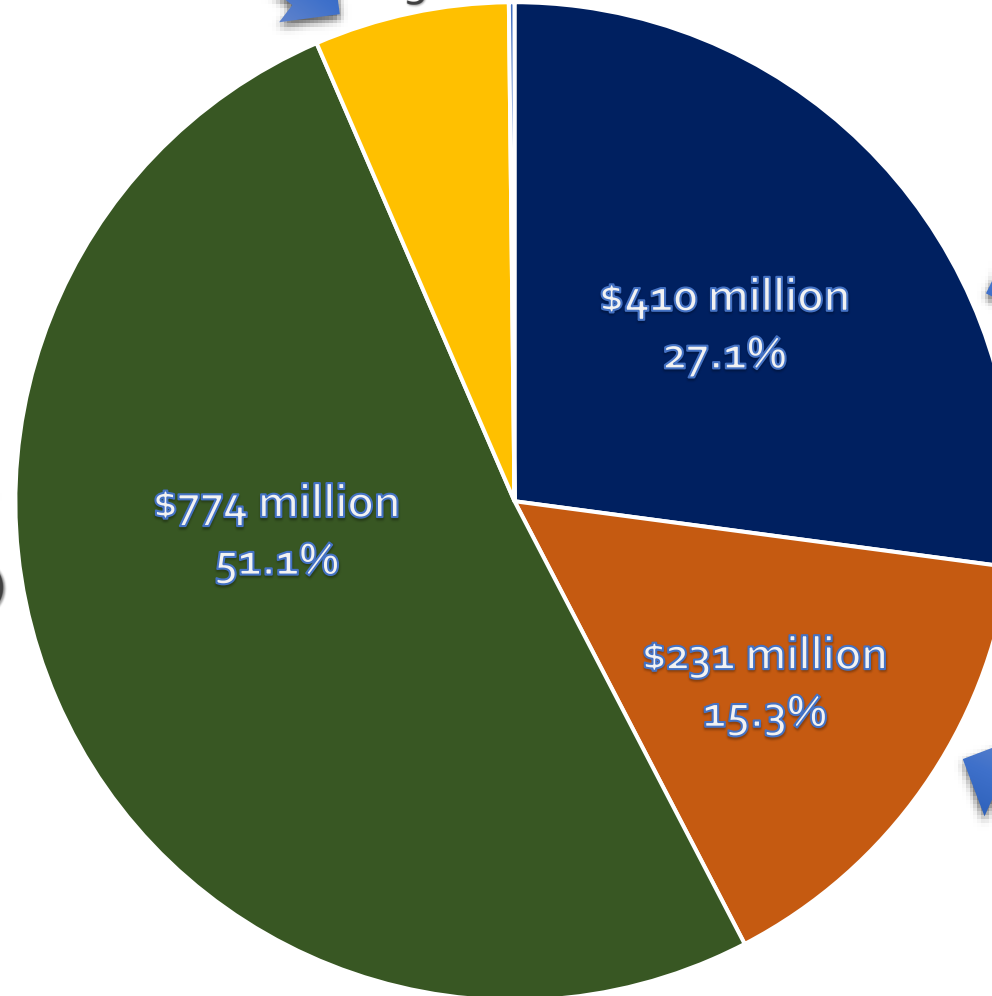
15.3%

Standardized

(Site-based, Central Office, Overhead)

\$774 million

51.1%




General Fund Revenue Sources

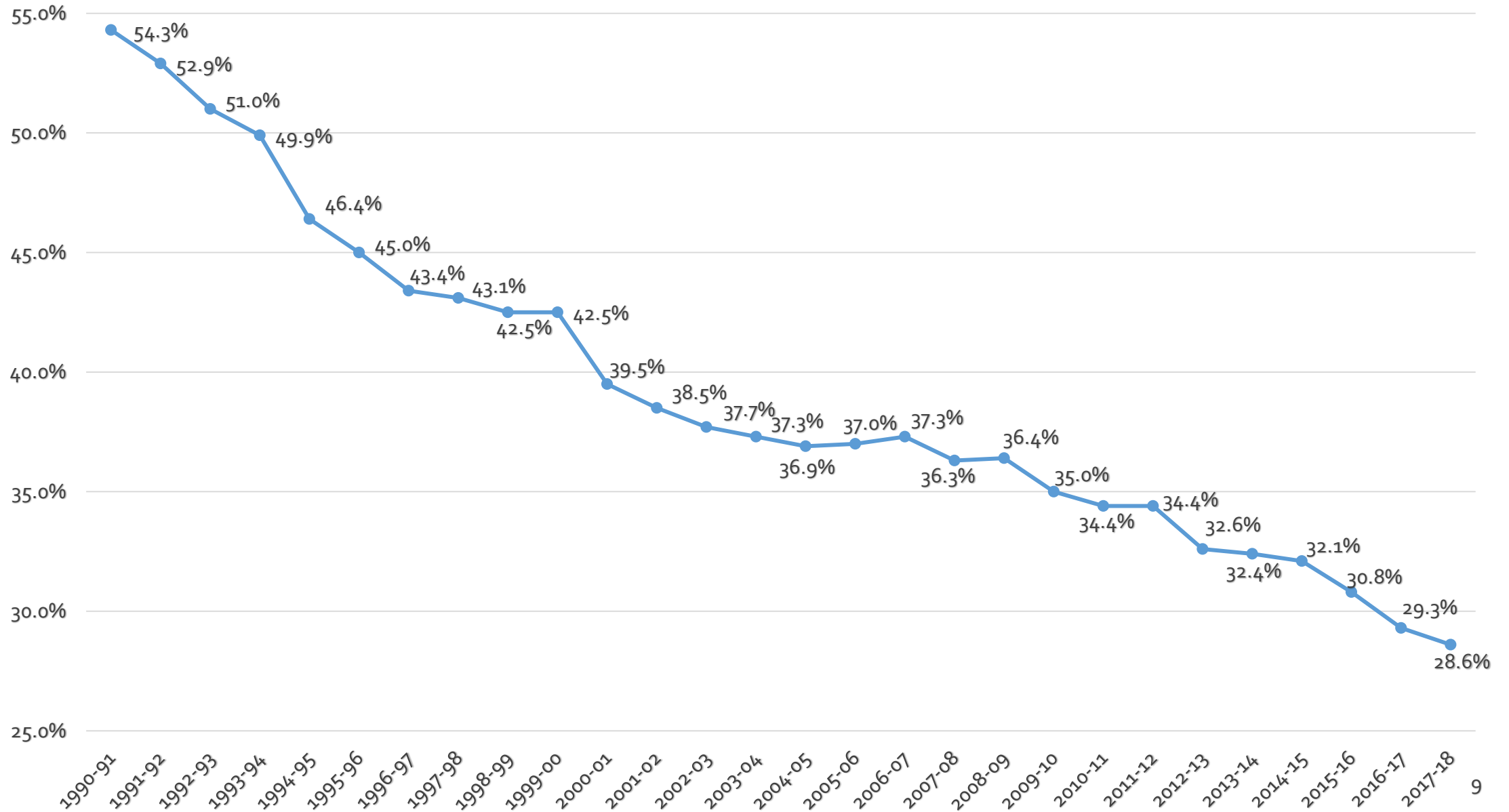
- **State - SEEK** (Support Education Excellence in Kentucky)
- **Interest earned**
- **Indirect costs** - % charged to Federal grants
- **Local - Property and PSC (Franchise) Taxes**
 - Real Estate and Personal Property (per \$100 assessment)
 - Motor Vehicle Taxes (per \$100 assessment)
- **Local - Permissive Taxes**
 - Occupational License Tax
 - Utility Tax
 - Excise Tax

SEEK

(Support Educational Excellence in KY)

- Base Per Pupil Allocation x Prior Year AADA+Growth
- Plus Add-ons
 - At Risk
 - Home & Hospital
 - Exceptional Child
 - Transportation
 - LEP
- Less 30 cent local effort X Property Assessment
- Plus Tier I
- Plus Capital Outlay (\$100 per ADA  Capital Outlay Fund)

Jefferson County Public Schools
State SEEK as Percent of General Fund
FY 1990-91 through FY 2017-18 (projected)



Capital Construction Funds (Restricted)

- **Capital Outlay Fund**
 - State Allocation (\$100 per ADA from SEEK)
 - Primarily restricted to debt service payments & capital improvement
- **Building Fund**
 - Local property taxes (5 cents per \$100 assessment)
 - Additional nickels (growth, equalized)
 - FSPK (State Equalization Funds)
 - School Facilities Construction Commission (SFCC)
 - Restricted to debt service or cash payments for capital improvement
- **Construction Fund**
 - Bond proceeds or cash from other sources
 - Restricted to approved construction/renovation on district facility plan

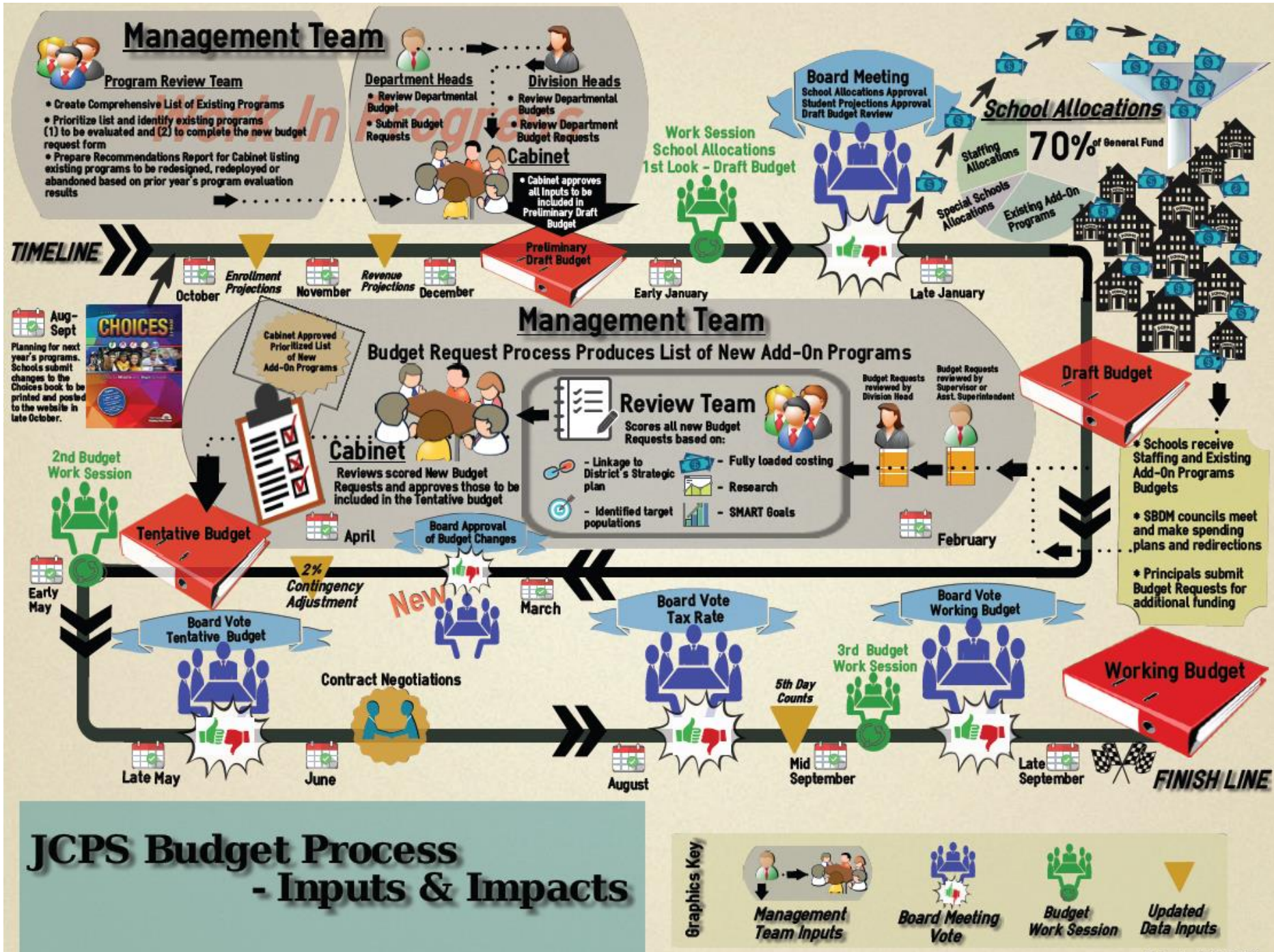
Revenue Projections

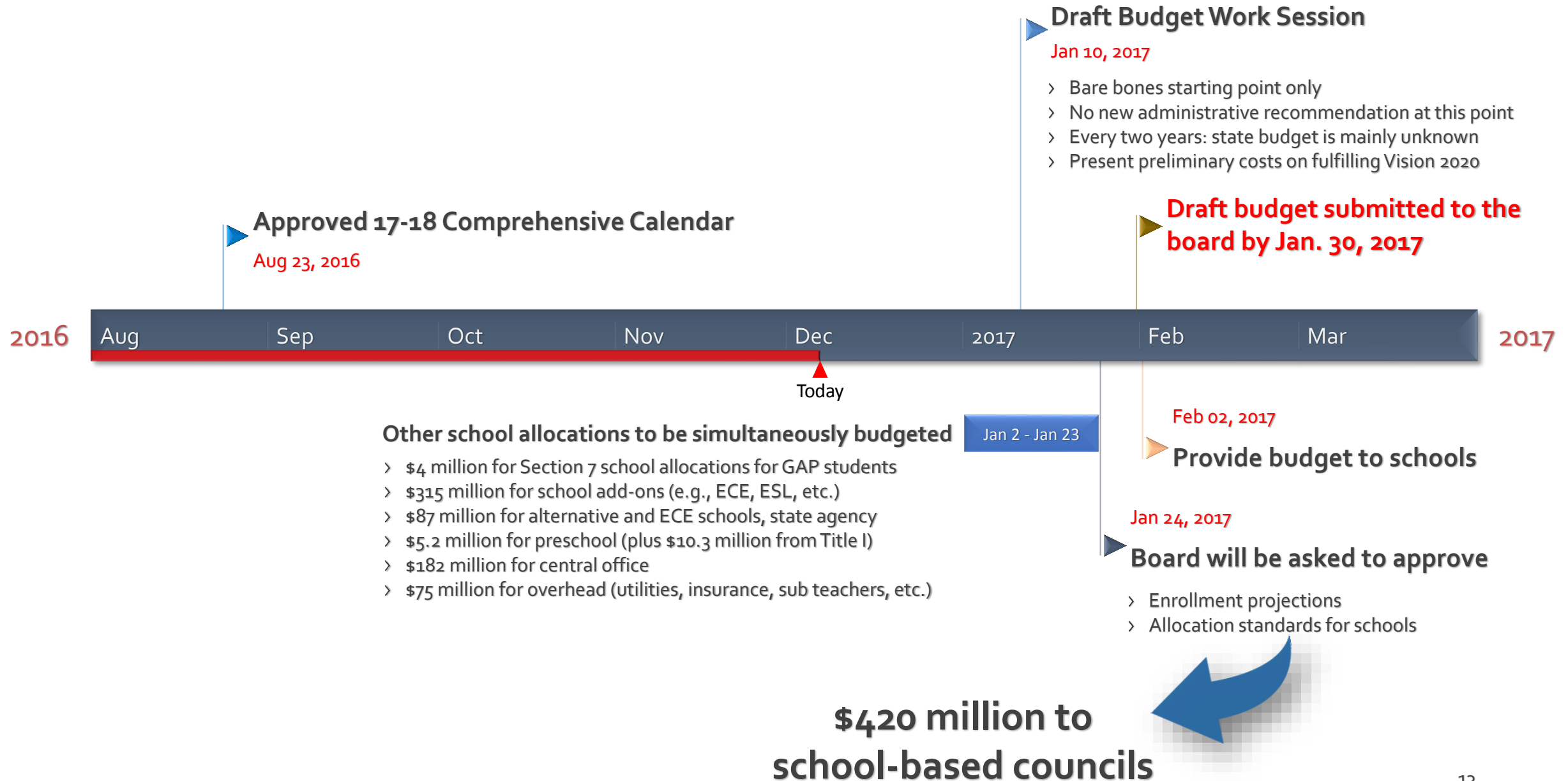
October and November

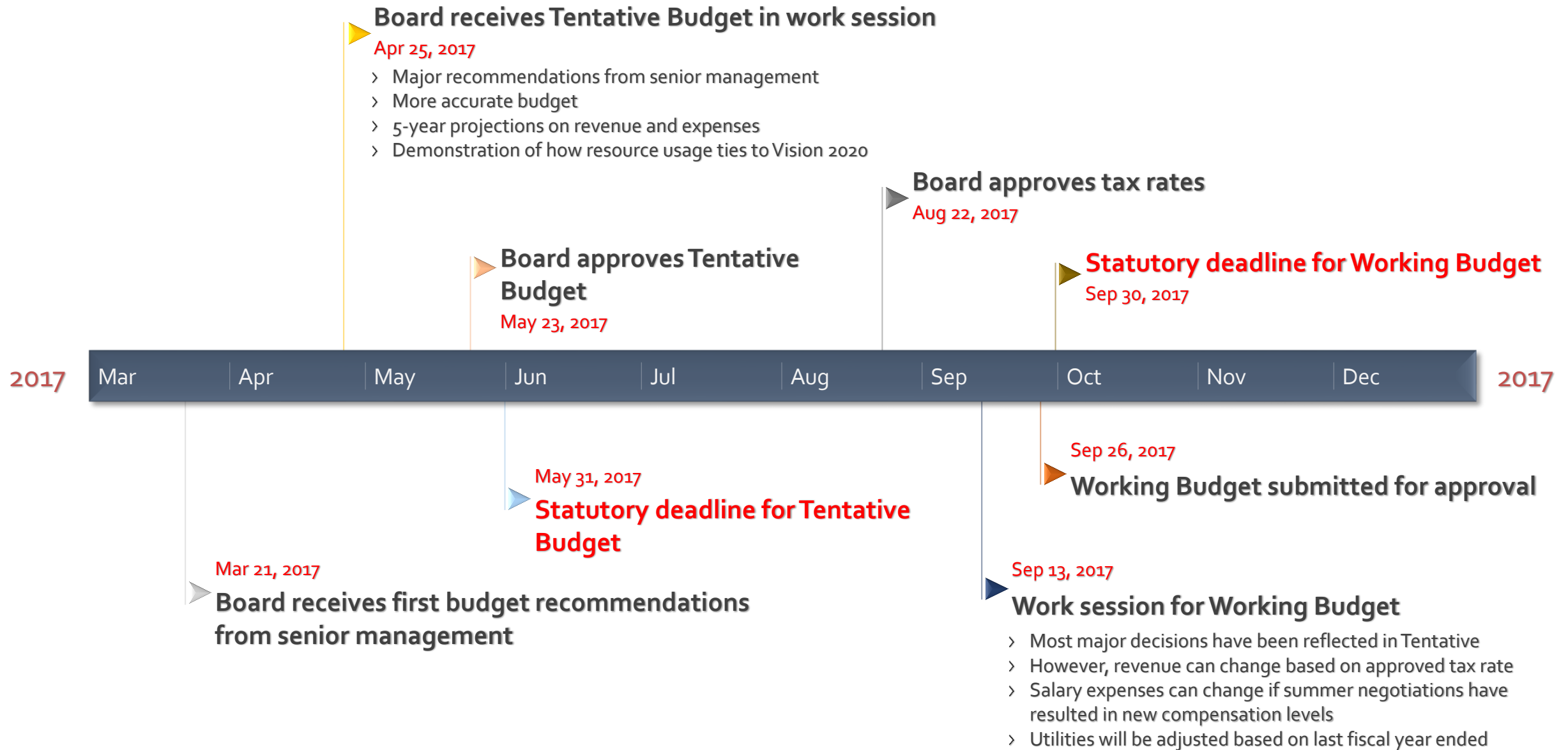
- Update estimated assessed value of property – use historical data and projections
- Local revenue sources – occupational, property, motor vehicle, utility, etc.
- Projection of state revenue (SEEK) by KY Department of Education after input from each District's Finance Department

(KRS 157.410 Tentative projection)

- Base Funding
 - Home Hospital
 - At-risk students
 - Limited English
 - Exceptional children
 - Capital Outlay
 - Transportation
- **Other Revenue**
 - Sale of property
 - Rental of school facilities
 - Tuition
 - Interest from investments
 - Reimbursements







Our Budget (2016-17)

\$1.5 billion

Enterprise
(Nutrition, Adult Ed, Day Care, ...)

\$95 million
6.3%

Flexible

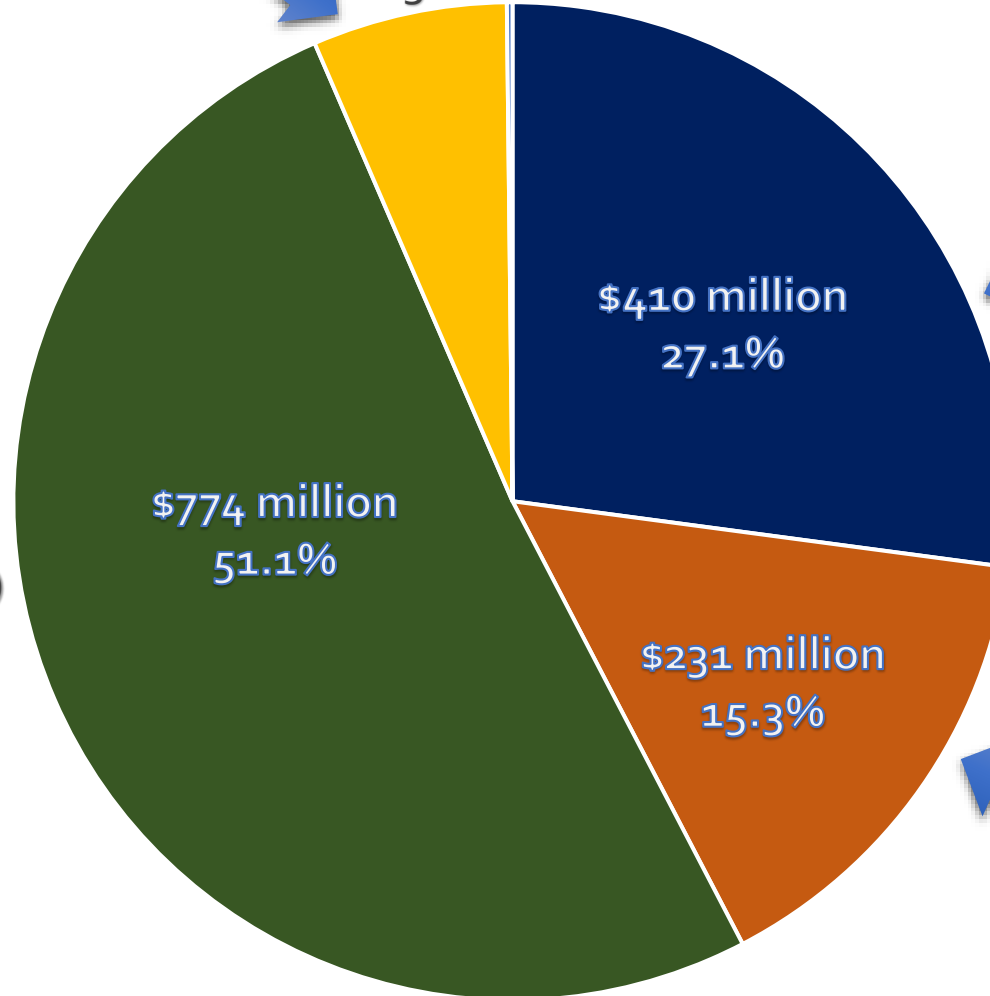
Add-ons, Section 7,
Special Schools, ...

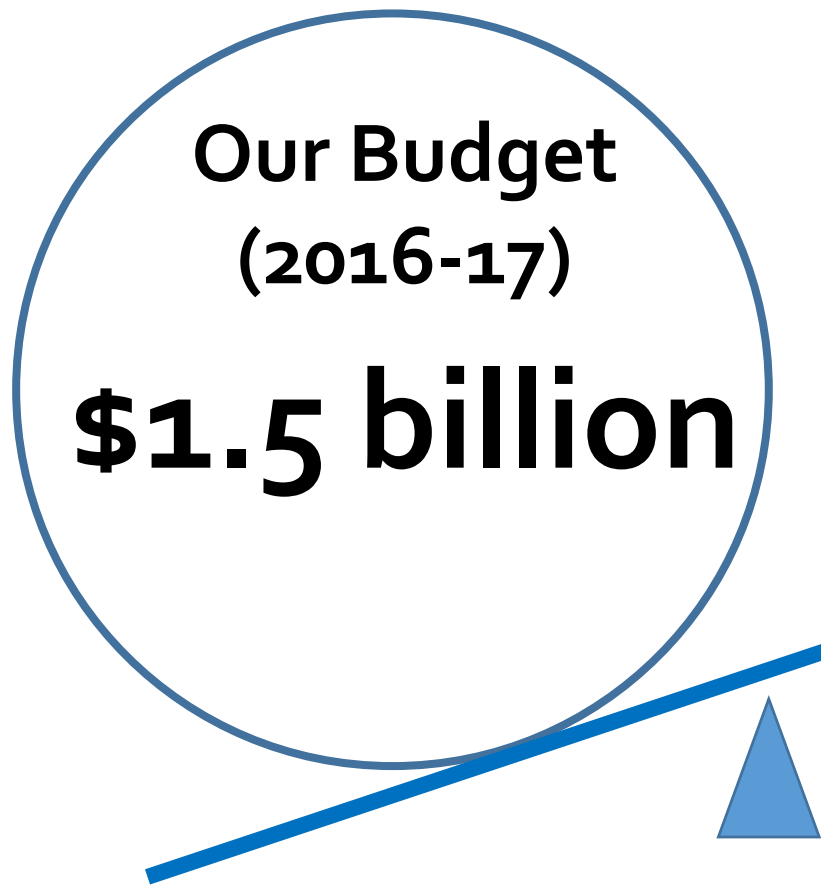
Standardized
(Site-based, Central Office, Overhead)

\$774 million
51.1%

\$231 million
15.3%

Categorical
(Grants, Building Fund, ...)





What does it
cost to fund
Vision 2020? -
\$60 million

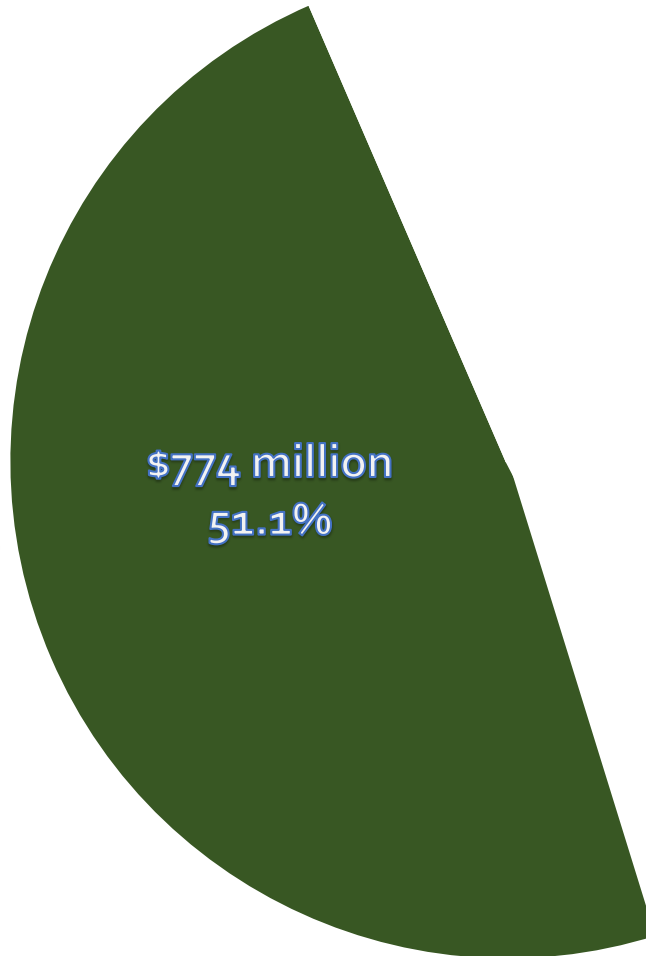


JEFFERSON COUNTY PUBLIC SCHOOLS

VISION2020

EXCELLENCE
With **EQUITY**

Standardized →
(Site-based, Central Office, Overhead)



Step 1: Cuts in 2016-17



Step 2: District Management Council



...



An updated standard

Fair & Equitable

JCPS 2015-16 NEED INDEX

Elementary						Middle					
LOC	SCHOOL	Need Index	LOC	SCHOOL	Need Index	LOC	SCHOOL	Need Index			
290	FRAYSER	49.2	149	BLAKE	40.6	730	OLMSTED SOUTH	45.2			
500	PORTLAND	48.7	76	INDIAN TRAIL	40.5	133	LASSITER	44.3			
530	ROOSEVELT/PERRY	48.2	60	CORAL RIDGE	40.3	85	FROST	43.8			
185	ATKINSON	47.7	121	HARTSTERN	39.8	620	OLMSTED NORTH	43.1			
300	HAZELWOOD	47.3	86	SANDERS	39.4	144	STUART	41.6			
182	WHEATLEY	47.3	78	ZACHARY TAYLOR	37.9	90	THOMAS JEFFERSON	40.5			
99	MINORS LANE	47.1	71	STONESTREET	37.7	155	MOORE TRADITIONAL	40.4			
243	BYCK	47.0	107	LUHR	37.4	163	KNIGHT	39.7			
432	KING	46.9	83	COCHRANE	37.4	164	CONWAY	37.5			
325	JACOB	46.8	720	KENNEDY	37.0	710	WESTERN	36.4			
560	RUTHERFORD	46.7	66	WILKERSON	36.9	41	NEWBURG	35.9			
69	WATSON LANE	46.6	72	WATTERSON	36.3	49	FARNSELEY	34.9			
240	ENGELHARD	46.5	660	COLERIDGE TAYLOR	35.8	77	WESTPORT	32.8			
580	SEMPLE	46.3	87	SMYRNA	34.8	320	HIGHLAND	32.8			
92	CRUMS LANE	45.8	145	LAUKHUF	33.6	167	CARRITHERS	31.9			
81	RANGELAND	45.8	175	ALEX R KENNEDY	33.6	219	RAMSEY	29.5			
128	PRICE	45.6	117	WILT	33.0	470	JOHNSON TRADITIONAL	28.4			
440	MCFERRAN	45.1	131	EISENHOWER	31.6	435	NOE	25.7			
374	YOUNG	44.8	166	JEFFERTONTOWN	31.4	162	KAMMERER	25.4			
323	COCHRAN	44.5	11	FERN CREEK	31.2	340	MEYZEEK	24.0			
480	MAUPIN	44.5	250	FIELD	30.5	119	CROSSBY	20.6			
27	OKOLONA	44.5	22	MEDORA	29.6	396	JEFFERSON COUNTY TRAD	20.5			
5	CANE RUN	44.4	48	HAWTHORNE	28.4	40	BARRET TRADITIONAL	13.5			
38	BRECKINRIDGE-FRANKLIN	44.3	520	LINCOLN	28.0	165	BROWN	12.3			
103	SLAUGHTER	44.2	46	CHENOWETH	28.0						
4	CAMP TAYLOR	44.1	55	BATES	27.4						
147	MILL CREEK	44.1	102	CHANCEY	25.7						
116	WELLINGTON	44.0	680	CARTER TRADITIONAL	24.8	335	IROQUOIS	43.2			
104	TRUNNELL	44.0	67	WILDER	24.2	590	SHAWNEE	42.7			
97	SHACKLETTE	43.8	94	BOWEN	24.1	179	CENTRAL	41.3			
126	LAYNE	43.7	63	SCHAFFNER TRADITIONAL	23.6	84	WESTERN	40.6			
82	DIXIE	43.5	212	FARMER	23.6	33	VALLEY	39.3			
270	FOSTER	43.2	64	ST. MATTHEWS	23.4	100	DOSS	38.9			
127	AUBURNDALE	43.1	109	WHEELER	23.1	57	FAIRDALE	36.5			
61	GOLDSMITH	43.1	24	MIDDLETOWN	22.6	73	SENECA	36.0			
59	KENWOOD	43.0	225	BLOOM	21.7	155	MOORE TRADITIONAL	35.7			
58	GILMORE LANE	42.8	16	TULLY	19.5	51	WAGGENER TRAD	35.0			
14	GREENWOOD	41.9	44	AUDUBON TRADITIONAL	18.4	31	SOUTHERN	33.9			
79	KERRICK	41.7	146	LOWE	17.5	75	PLEASURE RIDGE PARK	32.6			
10	FAIRDALE	41.6	95	HITE	16.5	12	FERN CREEK TRAD	31.3			
610	SHELBY	41.6	260	BRANDEIS	15.6	65	JEFFERTONTOWN	30.2			
115	GUTERMUTH	41.6	165	BROWN	15.4	45	BUTLER TRAD	27.9			
91	BLUE LICK	41.2	156	DUNN	14.0	18	ATHERTON	21.2			
134	KLONDIKE	41.2	13	GREATHOUSE/SHRYOCK	10.0	105	BALLARD	18.3			
106	JOHNSONTOWN ROAD	41.0	96	NORTON	9.4	47	LOUISVILLE MALE TRAD	17.2			
			211	STOPHER	6.8	7	EASTERN	16.4			
						165	BROWN	14.3			
						200	DUPONT MANUAL	9.9			

OTHER PARTICIPATING SCHOOLS:

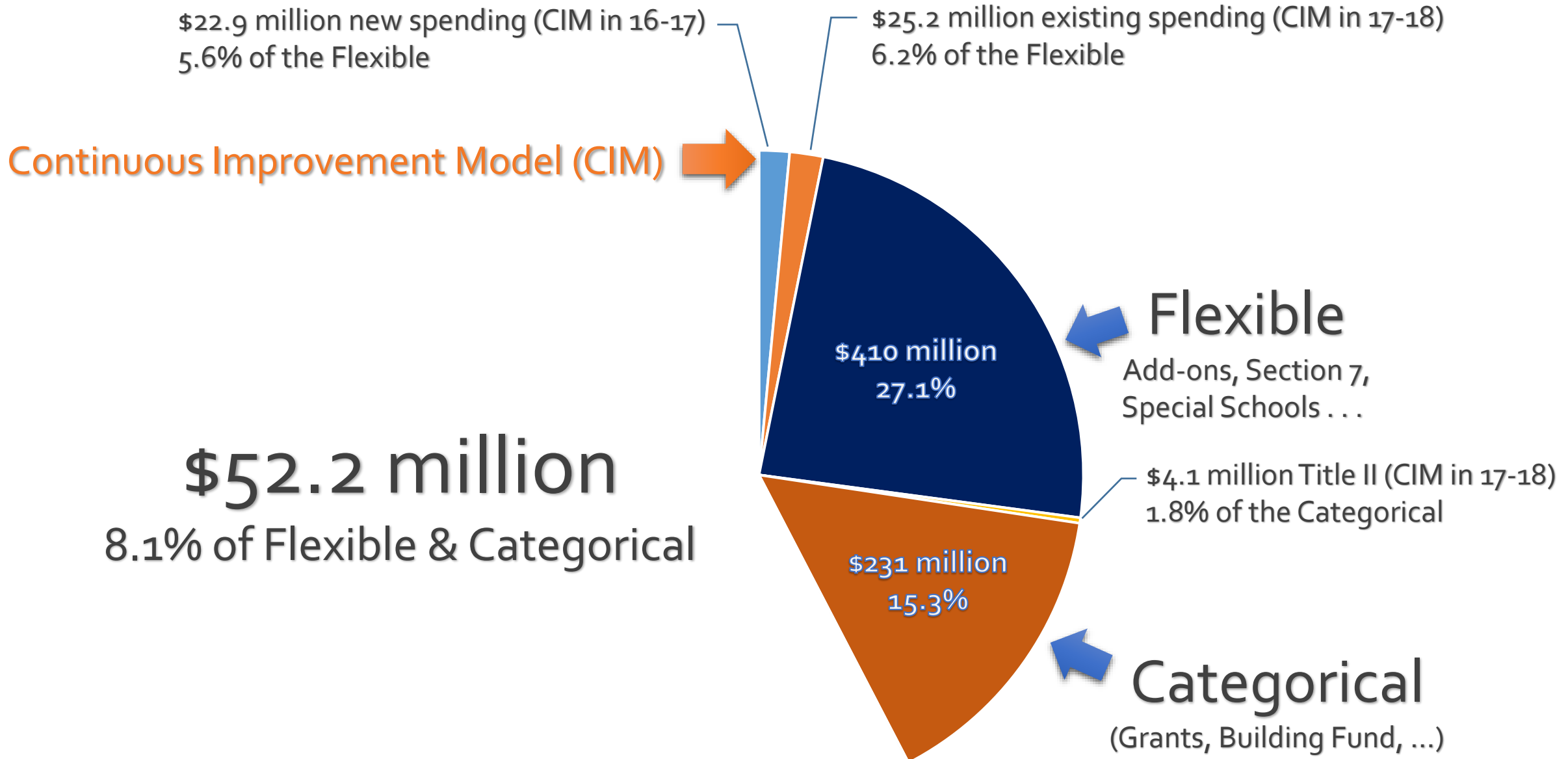
SPECIAL

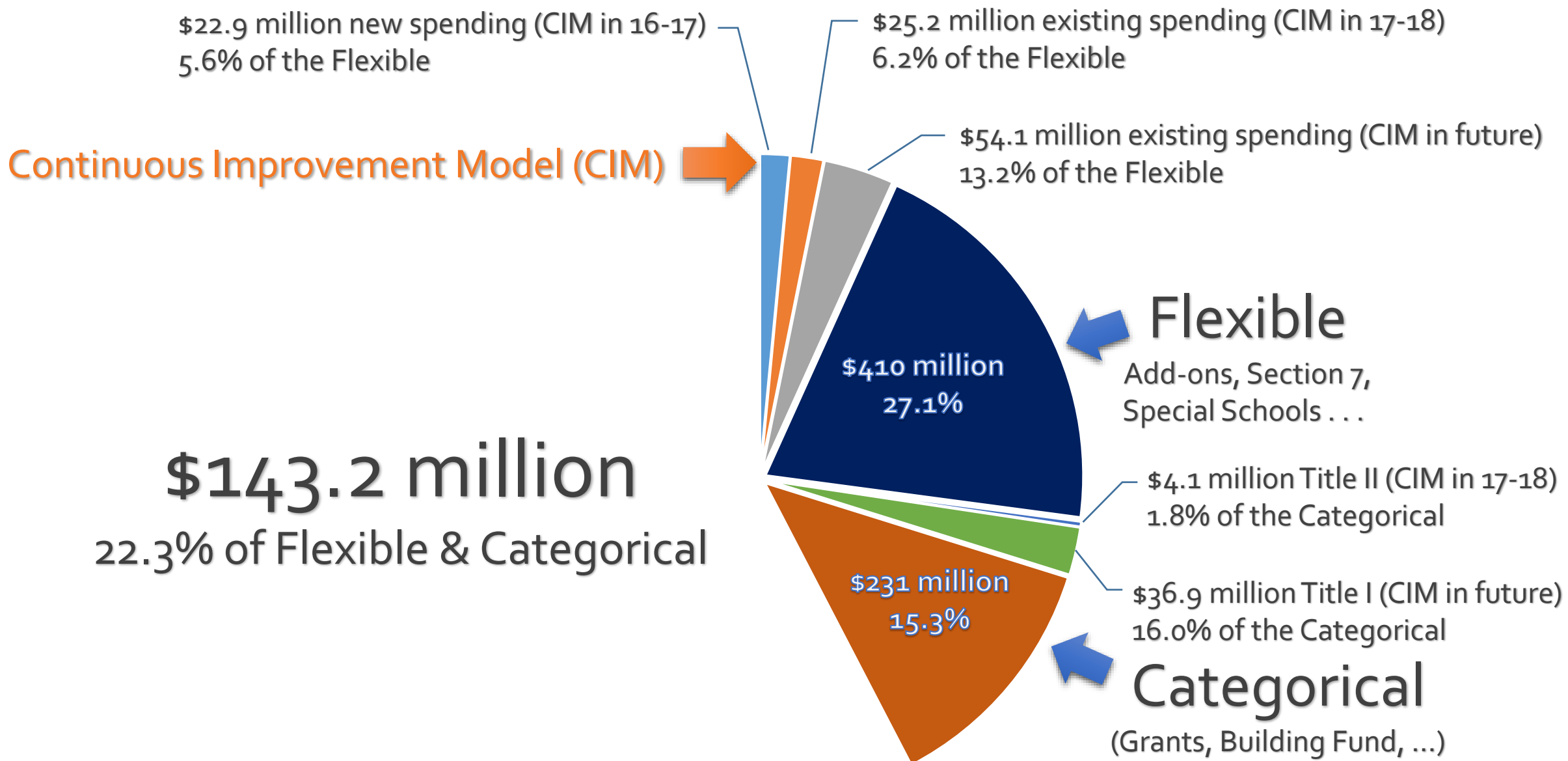
ESL Newcomer

Breckinridge Metro

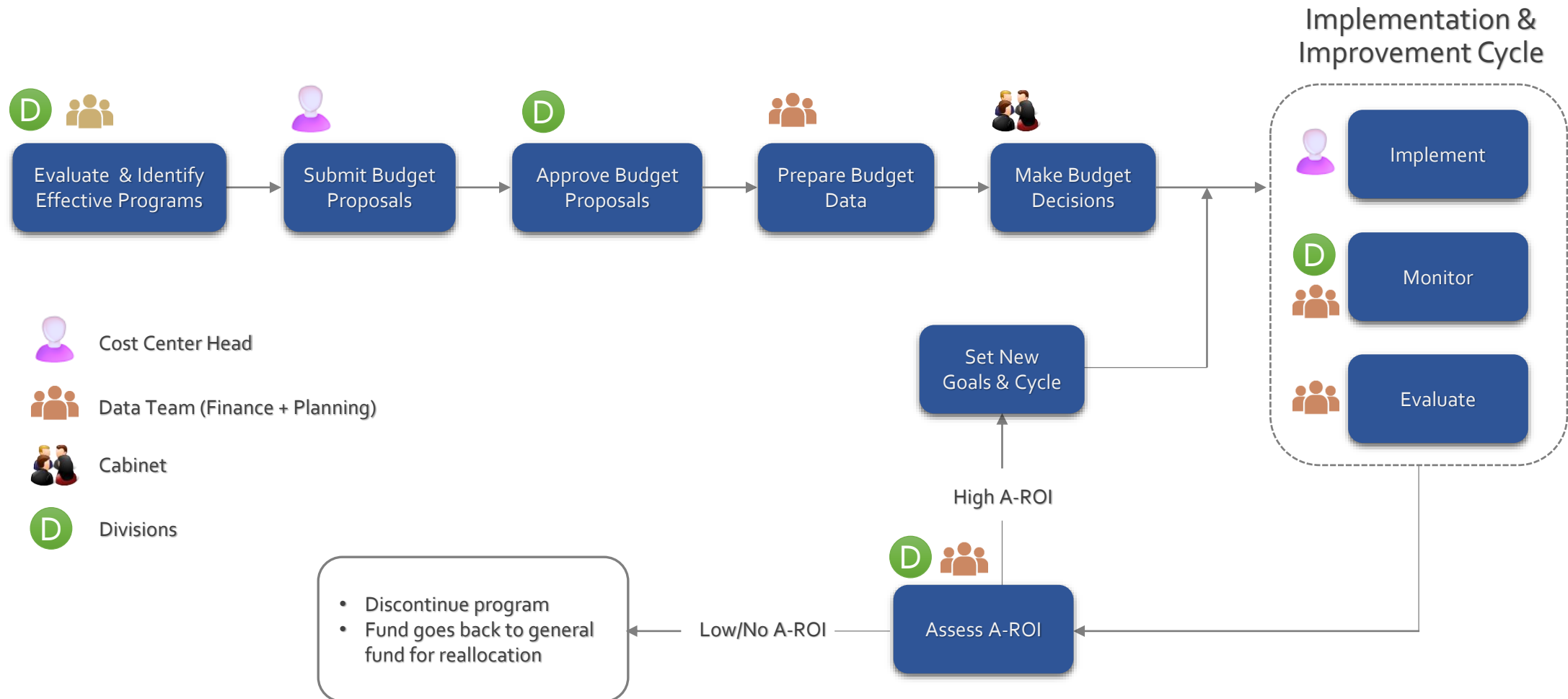
ECE

Waller Williams





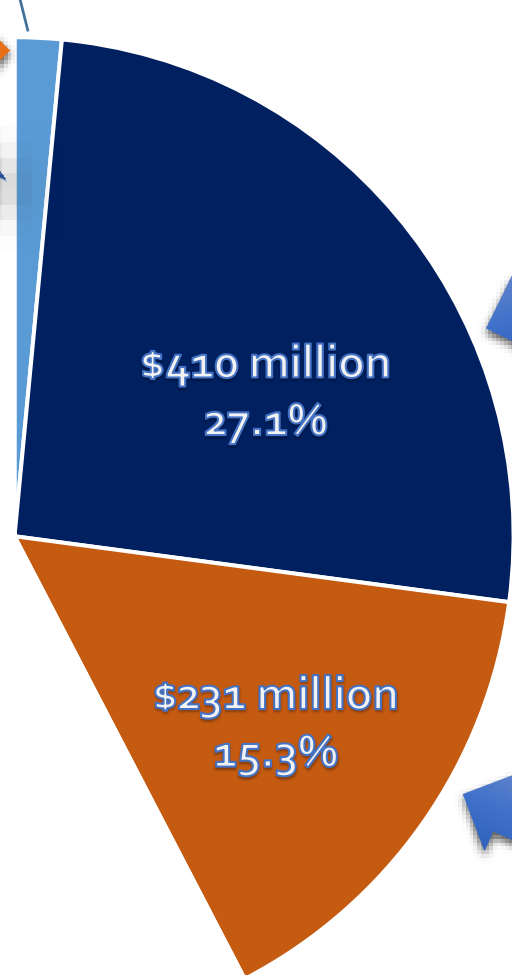
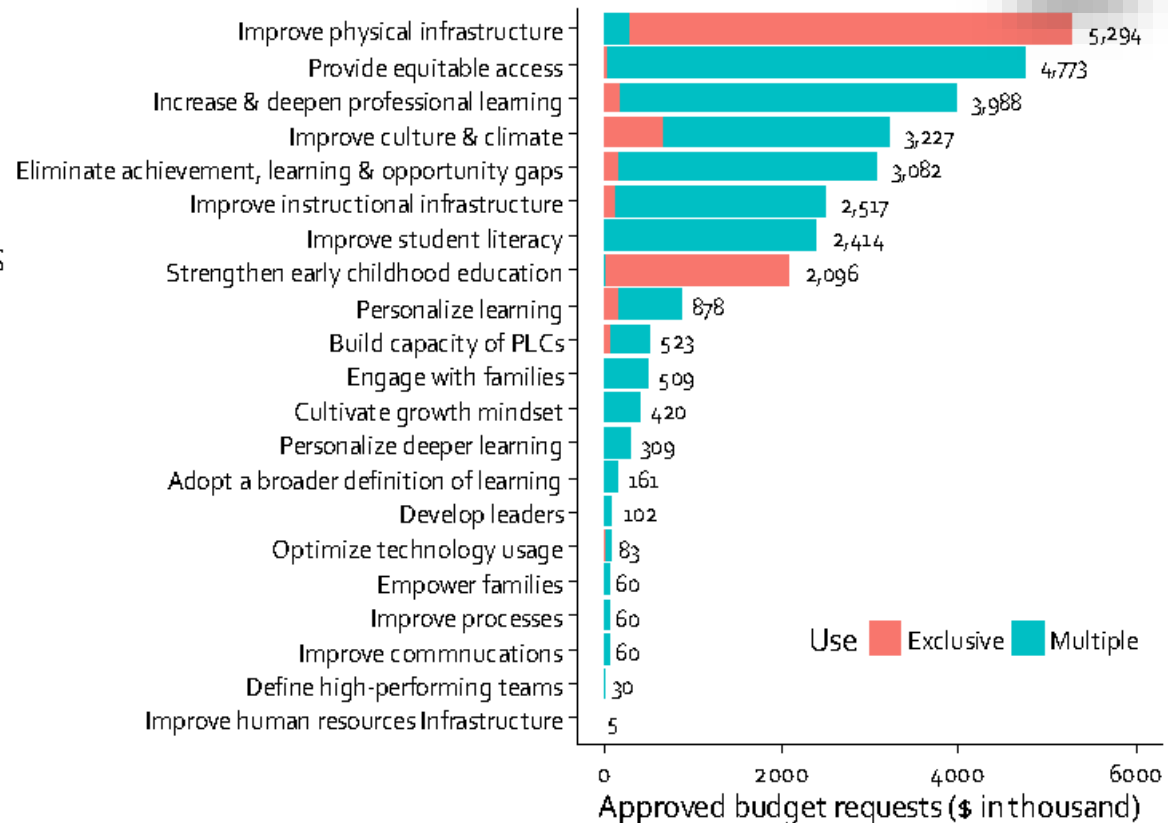
Continuous Improvement Model



\$22.9 million new spending (CIM in 16-17)
5.6% of the Flexible

Continuous Improvement Model (CIM)

- Tie spending to Strategic Plan
- Set time-bound measurable goals
- Selective abandonment based on A-ROI



Flexible

Add-ons, Section 7,
Special Schools . . .

Categorical
(Grants, Building Fund, ...)

Potential Cost Savings

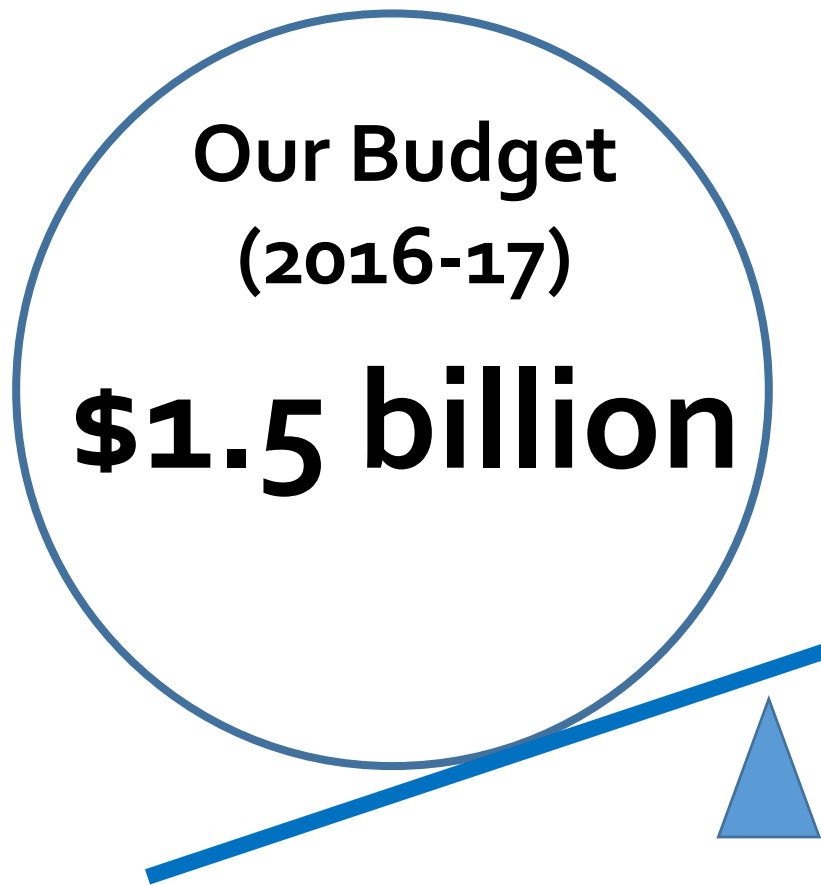


- **Certified Administrators & Classified Staff Salary - \$60 million annual savings**
- **Health Care Clinics Pilot - \$25 million over 4 years.**
- **School Rehabs and Energy Upgrades - \$6-8 Million annually.**
 - **\$282 Million in potential bonding capacity.**

Salary Premiums Relative to Market

Based on MAG, Inc. Salary Study

Category	Cost
Teacher Premium	\$53 Million
Certified Administrators and Classified Staff	\$52 – 66 Million
Local Market Economics	Unknown at this time
Total Premium Pay	\$105 – 119 Million



**Our Budget
(2016-17)**

\$1.5 billion

What does it
cost to fund
Vision 2020? -
\$60 million



JEFFERSON COUNTY PUBLIC SCHOOLS

VISION2020

EXCELLENCE
With **EQUITY**