JCPS™ JEFFERSON COUNTY PUBLIC SCHOOLS

9/12/2017

FY 2017-18 WORKING BUDGET
EXECUTIVE SUMMARY

Working Budget FY 2017-18 Executive Summary

TABLE OF CONTENTS

OUR VISION

All Jefferson County Public Schools students graduate prepared, empowered, and inspired to reach their full potential and contribute as thoughtful, responsible citizens of our diverse, shared world.

OUR MISSION

To challenge and engage each learner to grow through effective teaching and meaningful experiences within caring, supportive environments.

FOCUS AREAS AND GOALS

- **Learning, Growth, and Development**
  - Deeper Learning
- **Increasing Capacity and Improving Culture**
  - Professional Capacity in Teachers and Leaders
  - High-Performing Teams
- **Improving Infrastructure and Integrating Systems**
  - Infrastructure Improvement
  - Communications, Engagement, and Access to Information
  - Technology for Learning and Operations
  - Access to Public School Choice

2017-18 WORKING BUDGET, PROCESS, TIMELINE, AND BOARD APPROVALS

The Working Budget reflects decisions made by the Jefferson County Board of Education (the Board) over a seven-month period. The budget process supports Vision 2020 strategy 3.1.4 ensure responsible stewardship of resources. A formalized process and cycle has been created in the budget in order to promote stakeholder collaboration and intentional resource usage. At the time the Working Budget is presented for consideration in September, all major decisions have already been approved by the Board. An approval of the Working Budget is simply a validation of the decisions the Board has previously made. The Working Budget submitted for approval is the culmination of the budget development activities since October 2016. Major activity and decisions by the Board are as follows:

- January 10, 2017 – Board Work Session on the Draft Budget. Prior to this session, the following are examples of supporting activities that occurred beginning as early as October 2016:
  - Preliminary forecasts of expenses and revenue are created by Finance. New-year expenses are assumed to be the same in order to establish a starting point. Preliminary staffing is identical to prior year, but with increased salaries based on assumptions.
  - Schools receive preliminary enrollment projections for review and determination.
  - Completed negotiations between the Board and two bargaining groups: Jefferson County Teachers Association and Teamsters. The compensation agreement for these groups can then be represented in the Draft Budget. All other compensation levels for other employee subgroups are based on assumptions only at this point in time.
- January 24, 2017 –
  - A review of the Draft Budget by the Board. The Draft Budget is a starting point. No major decisions are presented to the Board at this point. However, some preliminary assumptions are discussed, and revenue projections are forecast based on the information available.
  - Board approval of School Allocation standards for schools – how much each school receives per school
  - Board approval of the enrollment projections for schools – how many students will attend each school
- March 7, 2017 – The Superintendent and the Chief Financial Officer present the preliminary list of budget proposals prior to administrative prioritization. The Superintendent and Cabinet meet with Assistant Superintendents on March 9 to review and prioritize all requests prior to submittal and Board approval on March 21.
- March 21, 2017 – After weeks of discussion among the Cabinet and the Assistant Superintendents, the Superintendent and the Chief Financial Officer present the final list of budget proposals for Board approval. The Board approved the entire list of recommendations except one minor item, committing resources of $23.4 million in new-year requests supporting Vision 2020.
- May 2017 – Work Sessions and final presentation of the Tentative Budget, which simply includes all previous approvals, including the investment of $23.4 million in new proposals.

2017-18 WORKING BUDGET, PROCESS, TIMELINE, AND BOARD APPROVALS (continued)

- June - August 2017 - Completed negotiations between the Board and other bargaining groups regarding compensation.
- August 22, 2017 – Board approved tax rates for FY 2017-18.
- September 2017 – Work Session and submission of the Working Budget for 2017-18.

FACTORS INFLUENCING THE FY 2017-18 BUDGET AND FUTURE BUDGETS

The District considers a multitude of operational and economic factors as it prepares its budget. The process provides opportunities where proposals can be submitted by program directors, department heads, principals, division chiefs, or other designated stakeholders. The budget process also provides an opportunity for the highest priorities to be considered and weighed by the Superintendent, the Cabinet, and the Board. The access to submit proposals and the process for weighing of priorities correlates to Vision 2020 strategy 3.2.4 to listen and respond to stakeholders. There were many factors considered in preparing the budget for FY 2017-18. Notable factors include:

- With no increase in the base SEEK per-pupil funding for the second year of the state's biennial budget, coupled with a sizeable increase in our local tax assessments, state SEEK funding decreased substantially in the amount of $8,194,638 from the original May 2017 projection in the Tentative Budget. However, $682,552 of the decrease in state revenue is due to a decrease in average daily attendance (see page 7). The decrease in state SEEK is primarily due to tax assessment increases. When local tax assessments increase, the mandatory amount of local support for elementary and secondary education also increases and the state portion of SEEK decreases. Therefore, the decrease in state SEEK is $8,194,638 less than the Tentative Budget and is an overall decrease of $14,058,410 compared to the prior year state SEEK.
- The resultant tax assessment increase also provides us an opportunity to receive an optimal revenue increase in property taxes without increasing the property tax rate. The increase in local property tax budget from the Tentative Budget projection is $4,703,044. Property taxes include the categories of real estate, other tangible property, distilled spirits, and motor vehicle. So, the difference between the loss of state SEEK and increase in property tax revenue is a net decrease of $3,491,595 from the Tentative Budget ($8,194,638 decrease in state SEEK less $4,703,044 property revenue increase). The projected property tax revenue is an increase over the prior year property tax revenue of $21,334,442.
- Occupational taxes are influenced by the local economy. The Tentative Budget was adjusted to a 3% increase based on historical trend. The prior year Occupational taxes for FY 2016-17 were 3.01% increase at the end of the year. Therefore, we increased the budget for Occupational taxes only slightly by $100,000 for the Working Budget.
- The only other notable change in revenue was the increase in Indirect Cost by $283,000 from the Tentative Budget based on the amount paid by the federal programs.

FACTORS INFLUENCING THE FY 2017-18 BUDGET AND FUTURE BUDGETS (continued)

- The greatest increase in positions was the number of teachers supported within the system. An additional 230 teacher positions were approved in General Fund over the last three years resulting in an increase of over $15 million to the General Fund.
- The expense for Kentucky Teachers Retirement System (KTRS) was a new cost to the District in FY 2010-11, and the cost to General Fund was $1,127,957 at that time. The rate was 0.25 and was increased incrementally to 3.00. The new cost in FY 2017-18 is $17,359,311. There are major concerns about the underfunding of this pension plan at the state level, and this could ultimately impact JCPS expenses in this category.
- The County Employee Retirement System (CERS) rate is 19.18%. This was 18.68% in the 2016-17 fiscal year, 17.06% in 2015-16, and 13.50% in FY 2008-09. The employer contribution rate continues to increase along with concerns of the underfunding of this retirement system. Due to the rate increase, increased salaries, and added classified positions, the total increased cost in FY 2016-17 was $3,383,099, a 13% increase over the prior year's expenses. We have a CERS budget in General Fund for $31,917,638 based on the July 2017 rate. This is an increase of $2,575,077 over prior year.
  There is discussion at the state level the rate may need to increase even more dramatically in order to solve the pension crisis that our Commonwealth is currently confronted with. Preliminary projections on a possible increased CERS rate in July 2018 could result in an increased expense in the amount of $13 million or more.
- The fastest growing segment of our student population is English Language learners (EL). The number of students supported by this program is increasing each year. The district has opened 8 ESL programs in schools over the past three years. This additional growth is due to a greater number of EL families receiving English as a Second Language (ESL) services than ever before. Approximately 86% of students identified as English Learners receive ESL support services. The ESL program has grown from $6.4 million in FY 2008-09 to an excess of $21 million in FY 2017-18, a $15 million increase with $9.7 million of the increase having occurred in FY 2015-16 through FY 2017-18. This is one area that has received annual increases and is a primary area of investment in the category of Deeper Learning.

FACTORS INFLUENCING THE FY 2017-18 BUDGET AND FUTURE BUDGETS (continued)

- The total increases approved by the Board on March 21st, 2017 was $23,705,546. The largest increases are listed below:
  - $7,415,675 - various individual school requests;
  - $3,999,567 - ESL Expansion with the majority going to ESL direct instruction to schools;
  - $3,033,047 - Talent Development Academy with almost all funding going directly to schools with $70,000 for marketing allocated to Communications;
  - $1,500,037 - Centralization of Custodians;
  - $1,109,257 - Preventive Maintenance Crews;
  - $1,080,000 - KERA Preschool Rescue to ensure sustainment of early childhood;
  - $1,000,000 - Summer Literacy Boost;
  - $600,000 - Kindergarten Readiness Summer Camp;
  - $500,000 - additional support for school facilities resulting in an annual budget of $6.5 million for Annual Facilities Improvement Fund (AFIF);
  - $404,326 - enhancing infrastructure to support Deeper Learning;
  - $400,000 - security enhancements for schools;
  - $400,000 - district-wide cultural competency training;
  - $315,000 - high school athletics enhancement;
  - $305,385 - mental health support in schools;
  - $285,882 - funding gap of Advanced Placement Fees;
  - $272,070 - Girls Street Academy;
  - $163,200 - an evaluation system;
  - $150,000 -YMCA Summer Reading;
  - $110,000 - Boys Street Academy;
  - $100,000 - after school tutoring;
  - $100,000 - REACH summer enrichment program;
  - $95,000 - sustainment of Challenger Learning Center;
  - $367,100 – various other small requests.
- Unused salary budget (i.e. vacancy credit) is caused by many factors but, it is primarily an issue of timing and assigning personnel to positions. At the Working Budget, salaries are budgeted based on actual employees. We have analyzed the unused portion of the budget and have adjusted our budget accordingly based on historical trends. This analysis resulted in an increase of our projected vacancy credit from $8 to $10 million.
- Transportation reimbursements from programs are also items of savings used to adjust the budget based on historical trends. The reimbursement received from the IDEA federal grant in FY 2016-17 resulted in a projected savings increase from $400,000 to $1,250,000. For FY 2016-17, JCPS also received transportation reimbursement from Early Childhood programs in the amount of $1,416,657. The Early Childhood program has a recurrent waiver; therefore, reimbursement is not required. We do not assume a reimbursement from Early Childhood will be received in FY 2017-18, as it was for FY 2016-17.

FACTORS INFLUENCING THE FY 2017-18 BUDGET AND FUTURE BUDGETS (continued)

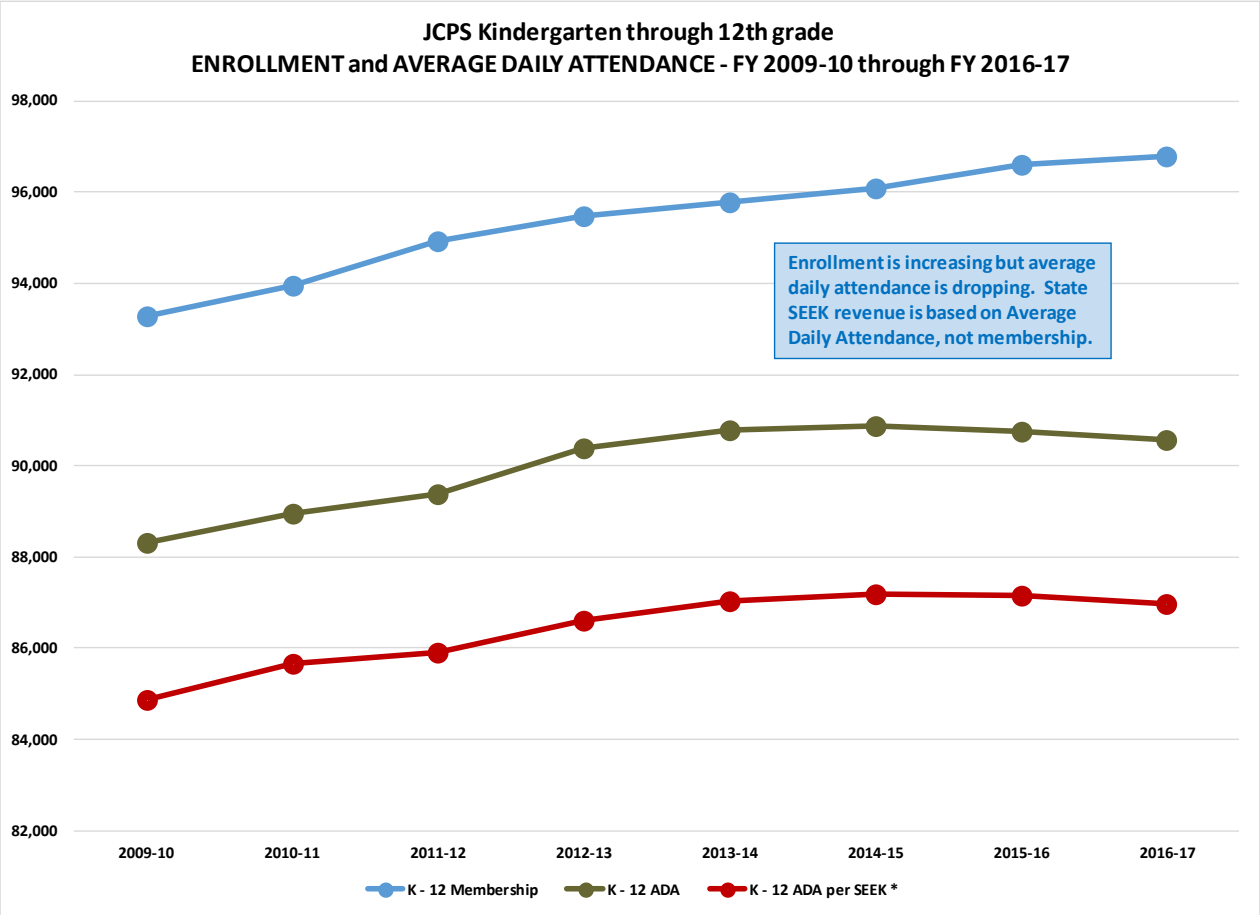
- Due to the increased cost of the bus driver attendance bonus that began in FY 2016-17, the projected cost in FY 2017-18 was increased from the Tentative at $800,000 to a total budget of $2.6 million in the Working Budget for this initiative.
- There was a $445,000 approval in FY 2017-18 for the Restorative Practices training in the current year. This funding was in addition to a $1,716,615 carryover provided to pay the second year of the contract for the services provided. This central office carryover results in an increase to the budget beyond the Tentative Budget.
- Additional budget approvals after Tentative: $760,000 for MAP testing; $500,000 repair/ renovation of athletic fields; $471,000 seven (7) new ECE teacher positions; $300,000 National Teacher Certification coursework; $109,000 middle school athletic directors' extended days; $98,251 renovations for Talent Development Academies; $68,600 Americana Community Center; $50,000 Stage One; $50,000 classified tuition reimbursement.
- Board approved item not yet budgeted: $5,000,000 LED lighting project.

LOGAN SMITH, Dupont Manual H.S.

BRAXTON GRANT, Atherton H.S.

ENROLLMENT AND ATTENDANCE

Average Daily Attendance (ADA) has not been keeping up with student enrollment increases. Increasing the compulsory age to 18 increased enrollment, but may have impacted our attendance. The data for 2016-17 ADA reveals yet another decrease from prior year, which will impact FY 2017-18 state SEEK. This decrease in attendance compared to prior year cost JCPS $682,552 in FY 2017-18. If attendance was proportionally the same as it was in FY 2009-10, the state SEEK would be $4,245,388 more. Student attendance is important for learning as well as for funding to provide resources needed in the classroom.

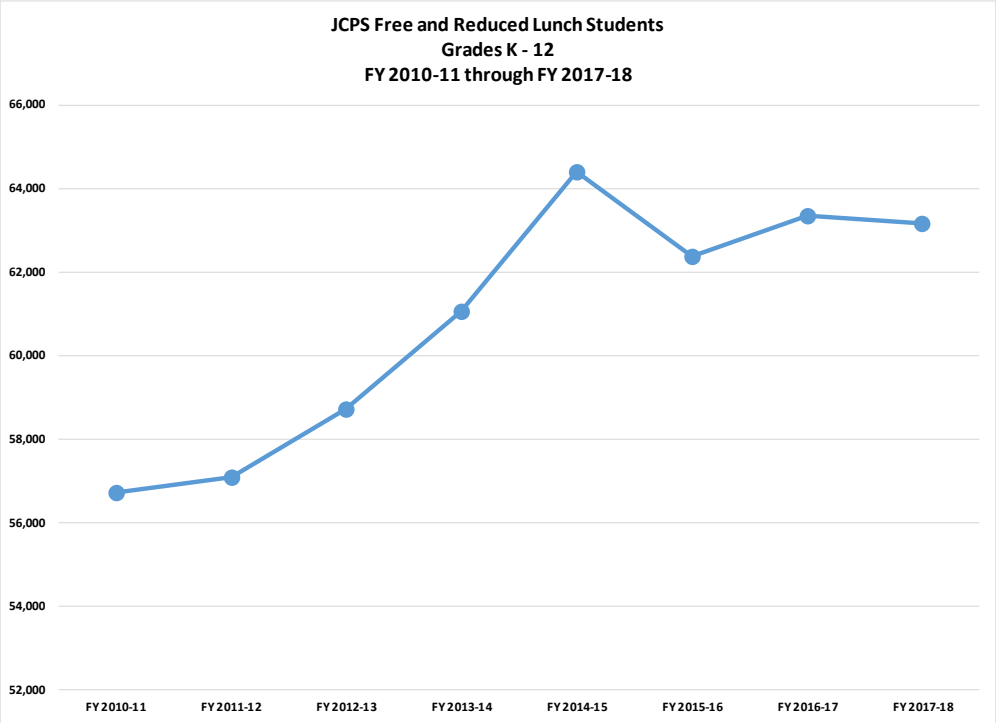


	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
K - 12 Membership	93,271	93,951	94,921	95,483	95,796	96,094	96,595	96,779
K - 12 ADA	88,326	88,967	89,368	90,400	90,782	90,886	90,747	90,555
K - 12 ADA per SEEK *	84,862	85,656	85,914	86,604	87,017	87,185	87,151	86,975

* SEEK only gives half credit for Kindergarten average daily attendance since state does not fund a full-day Kindergarten program.

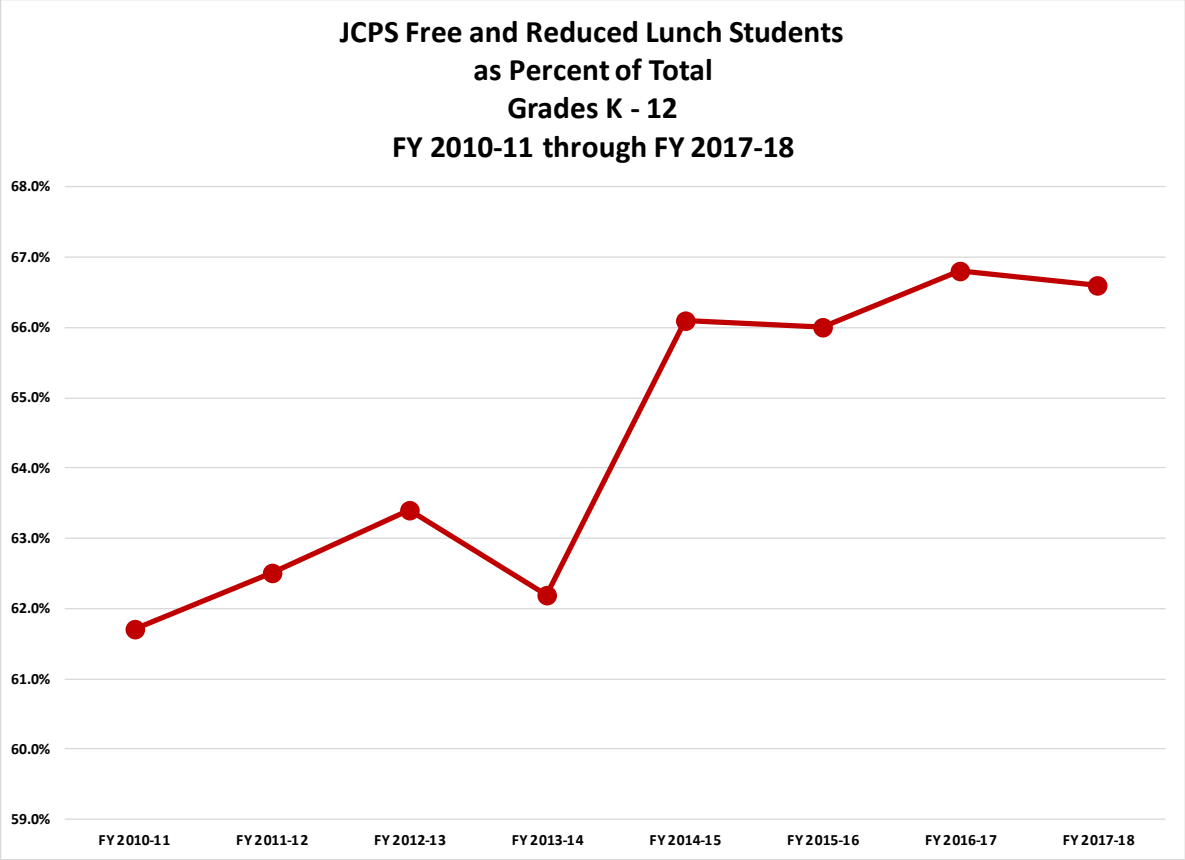
FREE AND REDUCED LUNCH STUDENTS

Students in this particular subset may face unique challenges, and these challenges can become barriers to their success. It is imperative that JCPS provides attention and support in the form of additional resources to each student in this growing segment. The priority is to provide optimal support and this correlates to Strategy 1.1.2 of personalized learning. These additional resources must be allocated to the degree that all obstacles are removed in order to accelerate learning. The removal of obstacles to learning is an imperative captured in strategy 1.1.3, providing equitable access. Another factor correlating to the challenges a student may face is the concentration of free and reduced students that exists within the school the student attends. The Planning and Evaluation Department concluded a literature review on the research validating the realty that students at schools with higher poverty concentrations face greater challenges than students at schools with lower poverty concentrations. The research captured in the literature review demonstrates poverty concentration at a school is a stronger predictor of academic failure than individual poverty of a student. Therefore, discussions continue to occur on the best approaches to allocating resources with intentionality and accountability while focusing on the needs and individual learning styles of each child. JCPS will not lose sight on the reality that the free and reduced lunch percentages (i.e. concentrations) at a school matters. The numbers of free and reduced lunch students continue to grow as well as the overall percent of our students across the district that fall within this growing segment.



Free and Reduced (grades K - 12)

FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
56,714	57,100	58,720	61,060	64,402	62,365	63,350	63,160

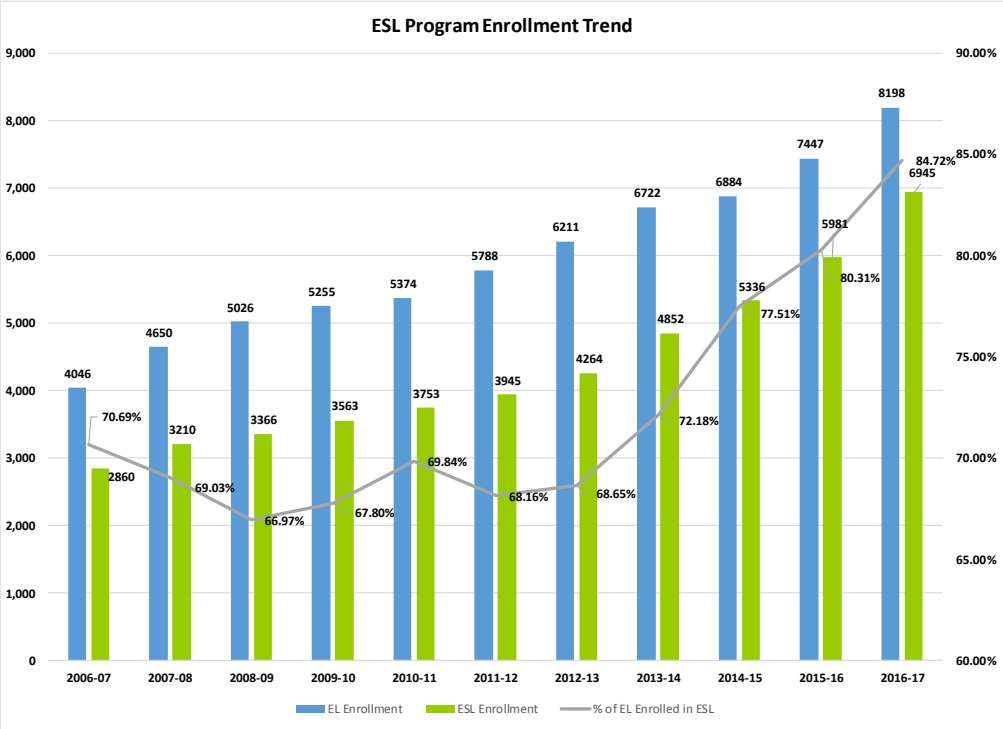


Free and Reduced (grades K - 12)

FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
61.7%	62.5%	63.4%	62.2%	66.1%	66.0%	66.8%	66.6%

INCREASED DIVERSITY IN OUR STUDENT POPULATION

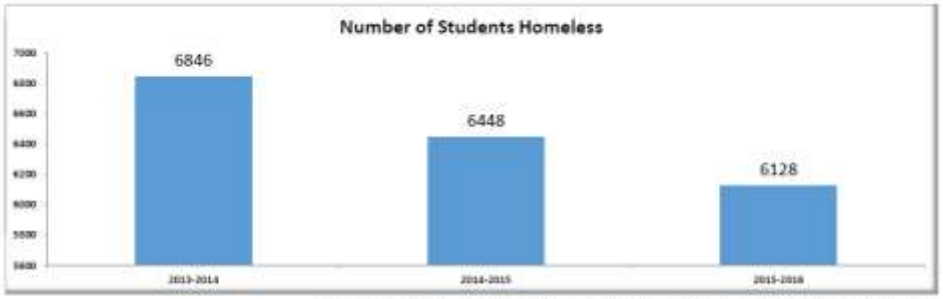
In the Every Student Succeeds Act (ESSA), the U.S. Department of Education replaced the term Limited English Proficiency (LEP) with EL – English Learner. With more than 7,000 ELs, JCPS is truly a diverse district. Our English as a Second Language (ESL) Department provides direction, leadership and support for the fastest-growing segment of our student population. In addition, they provide valuable resources to the ELs, their families, tutors, and teachers. Our ESL program has become one of the primary areas of investment the Board of Education has focused on. This investment correlates to strategy 1.1.7, eliminating achievement, learning, and opportunity gaps. The number of languages supported by the ESL Department has grown. In 2003-04, 77 languages were supported by the ESL Department, in 2012-13 it was 109 languages, and in 2016-17 there were 136 languages supported in our District. The continued success of the program allows us to reach more students in order to remove the barriers impacting their opportunities for success. The ESL Newcomer Academy is a large part of the momentum behind our EL students' achievements in learning. The goal of the school is to provide a welcoming and respectful environment to meet the needs of sixth through tenth grade ELs. All students at the academy are beginning English speakers, and most are in their first year of instruction in a U.S. school. Many of the students have had limited or interrupted educational experiences in their native countries. ESL Newcomer Academy students go to a different middle or high school with an ESL program after one to three semesters at the Newcomer Academy. The graph below demonstrates the following realities: the growth of EL students in our district; the increase in the number of students in this subset served by the ESL Department; and the upsurge of the percentage of students eligible that are receiving support from the ESL Department.



HOMELESS STUDENTS

Approximately 6% of our students have been identified as homeless. Unlike data that is collected on other groups of students by income, race, ethnicity, disability, and language, homelessness is a challenge that is often invisible to the teachers and administrators tasked with supporting a student population whose educational performance is increasingly hampered by personal hardships, such as poverty and lack of stable housing. Students and parents may try to hide their homelessness because they are embarrassed or fear they will be judged or stigmatized. The fear of losing custody of their children often prevents homeless parents from revealing their living circumstances to school officials. In striving to reach out to these families, the District is recognizing the importance of strategy 3.2.1, engaging families. Unaccompanied homeless youth may not report their homeless status for fear of being returned to unsafe family environments or taken into the custody of the child welfare system. Other factors impacting the homeless count includes state guidelines, federal guidelines (changes in the homeless definition), changes in the identification process to ensure accuracy, political climate (immigrant students that lack U. S. citizenship now are more reluctant to disclose their housing situation). The support of our homeless students correlates to strategies 1.1.3, equitable access, and 1.1.7, eliminating achievement gaps.

JEFFERSON COUNTY PUBLIC SCHOOLS
HOMELESS (3 Year Trend)



The homeless count include all students who receive homeless services from JCPS anytime throughout the school year.

Homeless 2016

Race	Motels/Hotels	Public/Private Nighttime Shelter	Special Care Facilities	Spouse Abuse Center	Uninhabitable Places	Friends or Relatives	Temporary Placed by CPC due to Neglect or Abuse	Unaccompanied Youth - not in custody of parent	Emergency Runaway Shelter	Totals	Percent of Homeless
Hispanic	26	62	290		9	379	7	6	*	780	12.7%
Black or African American	154	675	306	56	67	1869	31	*	8	3170	51.7%
White	125	207	165	13	35	1135	29	5	9	1703	27.8%
Other Races	32	111	72	*	11	238	5	*	*	475	7.8%
Grand Total	**337**	**1055**	**833**	**72**	**122**	**3601**	**72**	**15**	**21**	**6128**	**100%**

Homeless 2015

Race	Motels/Hotels	Public/Private Nighttime Shelter	Special Care Facilities	Spouse Abuse Center	Uninhabitable Places	Friends or Relatives	Temporary Placed by CPC due to Neglect or Abuse	Unaccompanied Youth - not in custody of parent	Emergency Runaway Shelter	Totals	Percent of Homeless
Hispanic	41	36	234	*	8	568	8	11	5	913	14.2%
Black or African American	126	496	293		19	1867	42	22	34	2839	44.0%
White	162	192	219	*	11	1407	57	26	20	2098	32.5%
Other Races	19	69	116	*	*	376	6	*	7	598	9.3%
Grand Total	**348**	**793**	**802**	**7**	**40**	**4218**	**113**	**61**	**66**	**6448**	**100%**

Homeless 2014

Race	Motels/Hotels	Public/Private Nighttime Shelter	Special Care Facilities	Spouse Abuse Center	Uninhabitable Places	Friends or Relatives	Temporary Placed by CPC due to Neglect or Abuse	Unaccompanied Youth - not in custody of parent	Emergency Runaway Shelter	Totals	Percent of Homeless
Hispanic	23	30	*	20		496	34	14	*	625	9.1%
Black or African American	89	502	104	55	*	1692	379	195	32	3052	44.6%
White	135	268	238	42	*	1237	351	804	26	2604	38.0%
Other Races	21	47	23	*		405	39	26	*	565	8.3%
Grand Total	**268**	**847**	**370**	**120**	**7**	**3830**	**803**	**539**	**62**	**6846**	**100%**

COMPONENTS OF THE FY 2017-18 WORKING BUDGET AND HOW THE BOARD IS INVOLVED

	2017-18 Budget	BOARD DECIDES EXPENSE BUDGET ?	IMPACTED BY BOARD ACTION?	BOARD ACTION and OTHER DETAILS
GENERAL FUND				
Site-based Allocation	382,441,423	YES	YES	Board approves two variables needed in January of preceding
fringes	32,766,604			year: enrollment projections; and JCPS allocation standards.
subtotal	415,208,027			Once allocated, these are funds under council authority.
Other School Allocations	136,193,523	YES	YES	New add-ons are approved through the Budget Request System, and
	41,884,912			were presented to Board for approval on March 21, 2017.
	178,078,435			This subset also includes $5.1 million in Section 7.
				Accountability applied through the Continuous Improvement Cycle.
Preschool	6,211,805	YES	YES	Includes $1,080,000 approved by the Board for a state grant
fringes	608,989			rescue that has not yet been distributed. In addition, $10.3 million
subtotal	6,820,794			in Title I supports the program, and a $4 M transportation waiver.
Special Schools, ECE Schools		YES	YES	New sites are only added or eliminated through Board approval.
State Agencies	61,956,411			This includes our alternative schools, Youth Perfroming Arts,
fringes	5,918,551			Brown School, ECE Schools, and state agency sites.
subtotal	67,874,962			Schools must submit budget requests in order to expand.
Districtwide School Costs	6,856,307	YES	YES	Includes salaries of preferred subs, 45 new hire teacher
fringes	5,346,320			positions, 8 ACEs classified mentees, 19 classified transition
subtotal	12,202,627			teachers, 10 teacher positions awaiting Kentucky certification,
				musical instrument repair / replacement, and science kits.
Overhead	44,282,322	NO	YES	Insurance and utilities are reviewed regularly.
fringes	1,717,358			Fringes are based on prior-year actuals and are not budgeted
subtotal	45,999,680			to specific cost centers.
Central Office	186,615,021	YES	YES	No positions can be added without Board approval of org chart.
fringes	23,753,995			The amount of this allocation has been explicit in budget.
subtotal	210,369,016			Superintendent reviews all central office vacancies to determine
				if positions are mission criticial before vacnacies can be filled.
State-Paid Benefits	191,618,724	NO	NO	State paid benefits are accounting entries, and budget for revenue must equal budget for expense in this category
Adult Ed Support	178,054	NO	YES	This is the family literacy program. The National Center is in Louisville.
Contingency	109,243,041	n/a	n/a	This code is the receipts plus fund balance less all expense budget. This is a state required budget item.
SUBTOTAL - GENERAL FUND	1,237,593,360			

Jasmine Grove, DuPont Manual

COMPONENTS OF THE FY 2017-18 WORKING BUDGET AND HOW THE BOARD IS INVOLVED

	2017-18 Budget	BOARD DECIDES EXPENSE BUDGET	IMPACTED BY BOARD ACTION?	BOARD ACTION and OTHER DETAILS
GRANTS	144,040,127	NO	YES	Grants are cateogrical and usage is restricted to specific items and strategies. Board approves local assurances defining requirements of major grants. Board approves receipts of grants.
ACTIVITY FUND	2,034,287	NO	NO	Fund falls 100% under council purview.
CAPITAL OUTLAY	8,727,000	YES	YES	Board approves all new bonds, and funds are restricted to capital projects, and debt service. Board approves Tentative and Working Budgets
BUILDING FUND	34,680,000	YES	YES	Board approves all new bonds, and funds are restricted to capital projects, and debt service. Board approves Tentative and Working Budgets
CONSTRUCTION FUND	55,000,000	YES	YES	Approves BG-1's for beginning of each capital project. Board members are represented on Long-Range Facility Planning Committee. All Board members are on Jefferson County School District Finance Corp.
NUTRITION SERVICES	82,360,580	NO	YES	Basically a federal reimbursment fund. Board approves any changes on meal costs to students that are not eligible for free and reduced lunch. This relfects cost of Nutrition Center and all cafeteria staff.
DAY CARE	644,792	NO	YES	This is the day care program of TAPP, and is self-sufficient through state and federal sources.
ENTERPRISE	187,853	NO	YES	These programs are intended to be self-sufficient. Board determines existence of these programs. Supports swim programs and Challenger.
ADULT ED	486,102	NO	YES	This is the tuition-based component of Adult Ed, and it is also supported by grants. Board approves budget with Tentative and Working Budgets
TUITION PROGRAMS	1,044,055	NO	NO	Funds must be used to support tuition programs like Tuition Preschool.
JEFFERSON COUNTY ED FOUNDATION	2,102,217	NO	NO	Foundation makes decision on usage of funds supporting schools.
TOTAL	1,568,900,373			

SOME EXAMPLES OF FY17 & FY18 BOARD FUNDED INITIATIVES

GENERAL FUND RECENT INVESTMENTS

	2015-16	2016-17	2017-18	TOTAL	
ENGLISH as a SECOND LANGUAGE	641,300	1,986,509	3,999,567	6,627,376	ESL is now a $21.2M program
ESL NEWCOMER CENTER	0	1,188,314	0	1,188,314	
EARLY CHILDHOOD	0	2,069,902	1,676,280	3,746,182	Total Support $6.1M plus
EARLY CHILDHOOD TRANSPORTATION WAIVER	0	4,000,000	0	4,000,000	. . . Also $10.3M of Title I
TALENT DEVELOPMENT ACADEMY	0	0	2,963,047	2,963,047	
RESTORATIVE PRACTICES	0	2,000,000	800,000	2,800,000	
BELLARMINE LITERACY PROJECT	200,000	1,951,350	501,655	2,653,005	plus Title II Support of $1M
BUS DRIVER ATTENDANCE BONUS	0	2,600,000	0	2,600,000	
AFIF	0	2,000,000	500,000	2,500,000	
55 EXTRA TEACHER POSITIONS FOR PRE-HIRING	0	0	2,255,000	2,255,000	
KETS MATCHING (TECHNOLOGY)	2,200,000	0	0	2,200,000	
BUS REPLACEMENT	0	2,000,000	0	2,000,000	
CENTRALIZATION OF CUSTODIANS	0	0	1,500,037	1,500,037	
PRIORITY SCHOOLS - EXTENDED LEARNING ETC	0	0	1,391,262	1,391,262	
MENTAL HEALTH COUNSELORS	247,180	741,540	308,975	1,297,695	from 15 to 38 since 2015
PREVENTIVE MAINTENANCE CREWS	0	0	1,109,257	1,109,257	
SUMMER LITERACY BOOST	0	0	1,000,000	1,000,000	
SCHOOL BUS PARTS	500,000	500,000	0	1,000,000	
FUNDING RESCUE OF NURSES	0	509,301	0	509,301	
ELEMENTARY BEHAVIOR SITE	0	0	508,675	508,675	
POSITIVE BEHAVIOR INTERVENTION AND SUPPORT	0	231,489	262,000	493,489	includes 35 Behavior Coaches - $2.4M.
DEEPER LEARNING INFRASTRUCTURE (and Symposium)	0	0	458,652	458,652	
CULTURAL COMPETENCY	0	0	400,000	400,000	
SECURITY ENHANCEMENTS FOR SCHOOLS	0	0	400,000	400,000	
PRIORITY STAFFING - MAUPIN E.S.	0	0	393,357	393,357	Replaced Catalpa add-ons
PEACE ACADEMY EXPANSION	0	0	374,350	374,350	
HIGH SCHOOL ATHLETICS	0	0	315,000	315,000	
TEACHER RELOCATION STIPEND BUDGET	0	300,000	0	300,000	
INCREASE NURSING CONTRACTS	0	290,000	0	290,000	
ADVANCED PLACEMENT	0	0	285,882	285,882	
GIRLS STREET ACADEMY	0	0	272,070	272,070	
PROGRAM AT THOMAS JEFFERSON M.S.	0	0	269,070	269,070	
EQUITY CULTURE PROJECT	253,113	0	0	253,113	
CARDS PROGRAM	0	200,000	0	200,000	
MAINTENANCE TRUCKS	0	200,000	0	200,000	
JUNIOR ACHIEVEMENT	182,000	0	0	182,000	
ANGEL / BLACKBOARD	173,037	0	0	173,037	
OASYS EVALUATION SYSTEM	0	0	163200	163,200	
YMCA SUMMER LEARNING COLLABORATIVE	0	0	150,000	150,000	
HIGH SCHOOL MONTESSORI	0	0	137,035	137,035	
LANGUAGE ARTS KNIGHT M.S.	0	0	134,535	134,535	
SAFE CRISIS MANAGEMENT	0	0	125,000	125,000	
MENTAL HEALTH SUPPORT (CASEL CONSULT.)	0	0	120,000	120,000	
MIDDLE SCHOOL ATHLETIC DIRECTOR - EXTRA DAYS	0	0	112,226	112,226	
BOYS STREET ACADEMY	0	0	110,000	110,000	
FUND FOR THE ARTS	100,000	0	0	100,000	
REACH SUMMER ENRICHMENT	0	0	100,000	100,000	
OUT OF SCHOOL TUTORING - DIVERSITY and EQUITY	0	0	100,000	100,000	
CHALLENGER LEARNING CENTER	95,000	0	0	95,000	

INVESTING IN HUMAN CAPITAL

The goal of our strategic plan is for JCPS to be the premiere urban school district in America. This can only be achieved through quality personnel. Staff must be supported personally and professionally, with the expectations of professionalism and improving student learning. We will support one another as we focus on the common goal of staying true to our vision and mission. An emphasis on supporting morale and culture is a priority for JCPS. The total budget is 90% personnel. Human capital is our greatest asset to accelerate student learning. The focus on personnel correlates to the following strategies: 2.2.1, defining high performance teams; 2.2.2, building capacity of professional learning communities; 2.2.3, increasing professional learning; and 2.2.4, developing leaders.

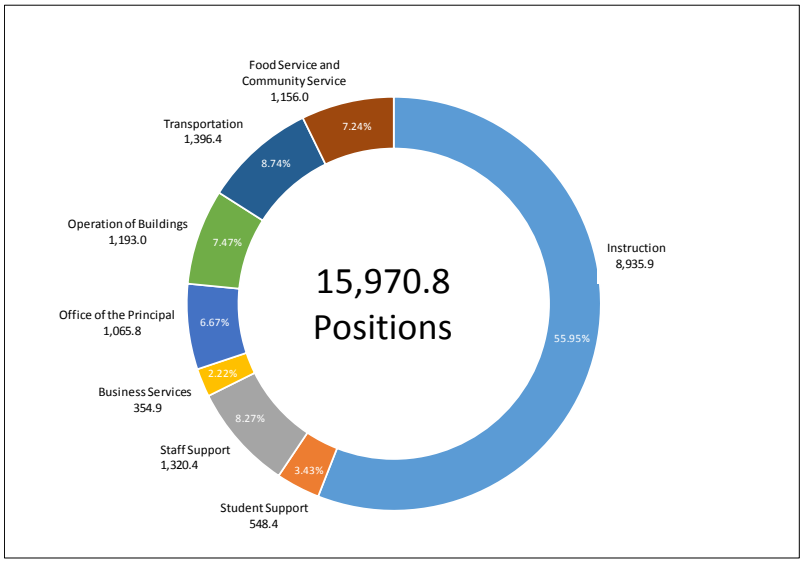
JCPS is committed to focusing on the recruitment, hiring, and retention of a diverse, highly-qualified workforce. We support a team environment that is characterized by open communication, approachability, understanding, confidentiality, personal accountability, trust, and mutual respect. Our employees deliver quality and excellence by being knowledgeable, responsive, consistent, engaged, and professional. There is an emphasis on morale and culture. Ensuring a culture and climate that embodies a passion to accelerate student learning is "Job #1".

2017-18 Starting Teacher Salaries
Step 0

JCPS -	$42,700
Oldham Cty -	$37,295
Bullitt Cty -	$39,054
Fayette Cty -	$41,982
Henry Cty -	$35,826

2017-19 Mid-Career Salaries
Rank II, Step 15

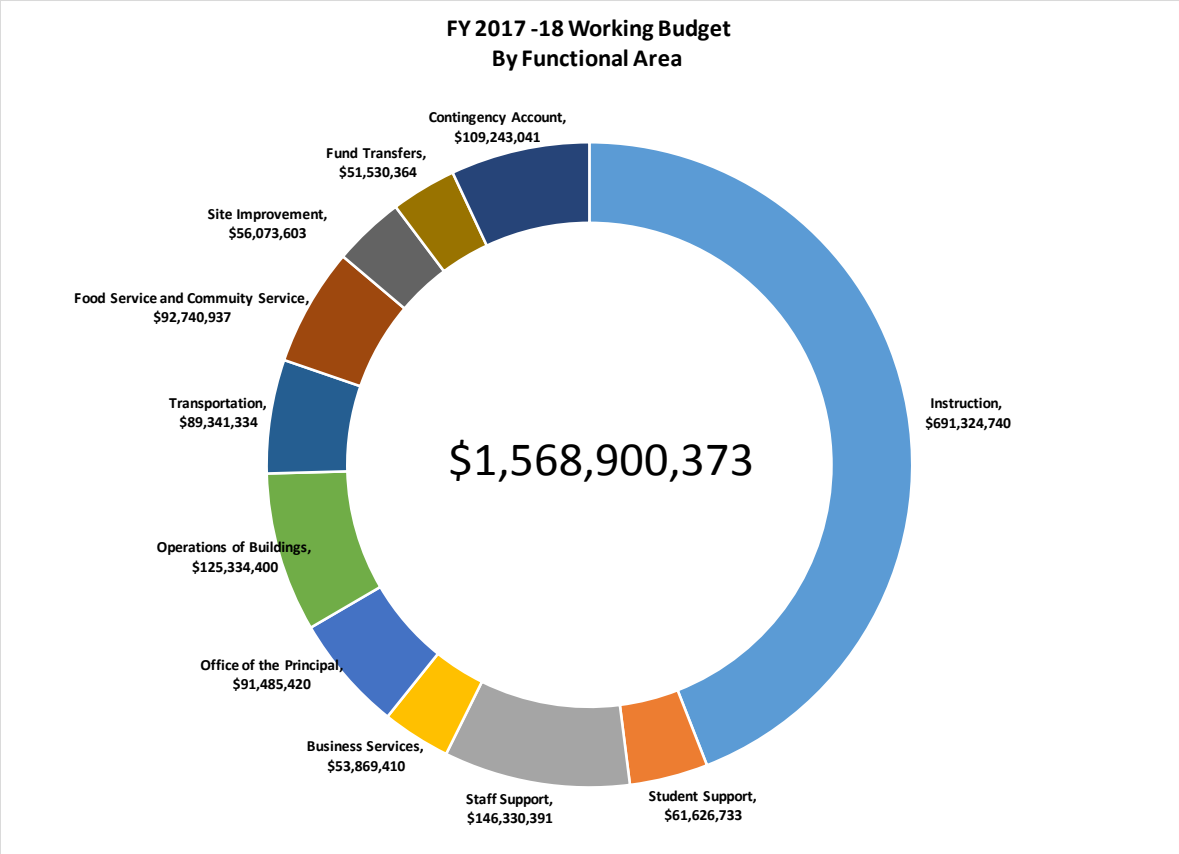
JCPS -	$69,937
Oldham Cty -	$55,571
Bullitt Cty -	$58,638
Fayette Cty -	$63,758
Henry Cty -	$53,750



JCPS Personnel		
Area of Position	Total FTE FY 2018	%
Instruction	8,935.9	55.95%
Student Support	548.4	3.43%
Staff Support	1,320.4	8.27%
Business Services	354.9	2.22%
Office of the Principal	1,065.8	6.67%
Operations of Buildings	1,193.0	7.47%
Transportation	1,396.4	8.74%
Food Service & Community Service	1,156.0	7.24%
Total Positions (FTE)	15,970.8	100.00%

IN WHAT FUNCTIONAL CATEGORIES ARE WE SPENDING IN?

See page 17 for an explanation of these categories



JCPS Expenses		
Area of Expense	TOTAL	%
Instruction	691,324,740	44.06%
Student Support	61,626,733	3.93%
Staff Support	146,330,391	9.33%
Business Services	53,869,410	3.43%
Office of the Principal	91,485,420	5.83%
Operations of Buildings	125,334,400	7.99%
Transportation	89,341,334	5.69%
Food Service and Commuity Service	92,740,937	5.91%
Site Improvement	56,073,603	3.57%
Fund Transfers	51,530,364	3.28%
Contingency Account	109,243,041	6.96%
Total Expenses	1,568,900,373	100.00%

EXPLANATIONS OF FUNCTIONAL AREAS REPRESENTED ON PAGES 15 and 16

INSTRUCTION – includes regular education, English as a Second Language education, Exceptional Child Education for special needs students, early childhood, and much more. Instruction is vital for education, as it is the transfer of learning from one person to another. This category also includes certified teachers' salaries, textbook expenses, salaries for classified instructors and instructional assistants, athletics, music, learning materials and equipment.

STUDENT SUPPORT – category includes guidance counselors, social workers, mental health counselors, nurses, contractual nursing services, parent-involvement activity, speech pathologists, support for the visually impaired, and pupil attendance services.

STAFF SUPPORT – includes professional development, goal clarity coaches, instructionally-related technology, library media services, resource teachers, support for instruction and curriculum, the Superintendent's Office, and the Diversity, Equity, and Poverty Department.

BUSINESS SERVICES – includes Finance, Human Resources, Board activities, Data Management, Planning and Program Evaluations Division, Internal Audit, Publishing, Public Information Services, Risk Management and Benefits, and Telecommunications.

OFFICE OF THE PRINCIPAL – includes the principals, the assistant principals, and all school office staff.

OPERATIONS OF THE BUILDING – includes the Annual Facilities Improvement Fund, custodial staff, security monitors at the schools, School Resource Officer contracts, electronic maintenance, Facility Planning Department, grounds maintenance, electrical and mechanical maintenance, and much more.

TRANSPORTATION – Includes more than 1,000 bus drivers, bus replacement, bus monitors, vehicle maintenance, and garage operations.

FOOD SERVICE and COMMUNITY SERVICE – includes the Nutrition Services Center, all cafeteria staff across the District, food expenses (including those reimbursed by federal government), and Coordinators of Family Resource and Youth Service Centers.

SITE IMPROVEMENT – funds for capital improvement to include major renovations and new construction. This does not include regular day-to-day maintenance of properties.

FUND TRANSFERS – largest item is the transfers from the Building Fund and Capital Outlay funds required in order to pay the principle and interest of Board-approved bonds.

CONTINGENCY CODE – state-required code for budgeting. It's difference between total revenue in General Fund (including fund balance) and the budgeted expenses. The state requires a 2% contingency, recommends a 5%, and the state average for school districts is about 12%.

HOW THE DISTRICT IMPROVES INTENTIONALITY, COHESIVENESS, AND FOCUS:

THE CONTINUOUS IMPROVEMENT MODEL (CIM)

The Financial Planning and Management Department and the Planning and Evaluation Department began the implementation of the CIM in FY 2015-16. The CIM is a powerful tool the Superintendent and the Board can use to manage focus, attention, and resources of a district. CIM is the primary tool we have available for determining how well our resources are correlating to our strategic vision. The CIM is not about test scores. It is about creating opportunities that allow the district to, on a regular basis (continuous improvement cycles), critically examine its spending in terms of strategy and outcome. Compared to the past, where such critical examination was either lacking or largely impacted by passion, anecdotal stories, or political influence, the CIM provides a structure and process for discussions and debates to take place in an open and safe environment and be anchored on tracking evidence and data.

The following are the benefits of the CIM:

1. **Direct focus to "Student Learning", "Support for Schools & Staff", and "Improving Culture & Climate"**
    - The Board, Superintendent and his Cabinet set funding priorities around these three areas
    - The funding priorities are communicated to school and central office cost center heads
    - By approving and declining budget requests, the Superintendent and his Cabinet send a strong and clear message about the priorities and what programs support those priorities and what programs do not.
2. **Take action on unsuccessful existing programs**
    - Without a structure and process, it is difficult to cut programs even when they are not giving any return on the investment.
    - Roll the selected existing programs into the CIM (e.g., Bellarmine Literacy Project and Behavior Coach) to:
        - Give an opportunity to reset for success
        - Set expectations on deliverables and implement a CIM cycle
    - Review the programs at the end of the cycle and make decisions based on return on investment and alignment with district priorities
3. **Empower leaders to identify and stop wasteful spending**
    - Budget decisions will always be complicated
    - CIM creates opportunities for personal influence to be mitigated by data and evidence of
        - Making it difficult for owners and constituents of programs with low/no return on investment to defend the spending
        - Empowering other leaders to feel confident and justified to say no.
4. **Improve coherence and accountability**
    - The CIM can expose and highlight issues, such as multiple owners of an area with responsibilities not clearly defined, duplicated or incoherent programs, and/or lack of accountability.
    - Superintendent can use the CIM budget process to require multiple departments to confront and solve any incoherence.

RESULTS OF CIM – FY 2015-16 through FY 2017-18

- $75.8 million in budget components captured.
  - NEW - $55.4 million captured in 332 proposals.
  - ESTABLISHED - $20.4 million captured in 3 proposals
- Each captured proposal has demonstrated the following:
  - Thorough description of program;
  - Identification of Vision 2020 strategies (maximum of 3) program correlates to;
  - Provide evidence-base for program, especially national research;
  - Provide specifics on budget being requested with fully identified costs (i.e. reflect fringe costs);
  - Information on Needs Assessment that provides rationale on the need for the proposal;
  - Targeted cost center(s), quantified student population(s), and demographics of students targeted;
  - Targeted student needs based on thorough needs assessment;
  - Quantified student outcomes;
  - Time period to reach goals (Continuous Improvement Cycle); and
  - Specific plans on implementation and management.

Important Terms Related To CIM

Academic Return on Investment (A-ROI)
A-ROI refers to academic or academic-related (student engagement, discipline, kindergarten readiness) return on investment. As a powerful tool, it allows us to discuss and debate issues as well as make decisions using a common language that is based on data and evidence.

Continuous Improvement Model (CIM)
CIM has two major components: 1) Cycle-based budgeting process that focuses on success of individual programs and 2) diagnostics that look at programs targeting one area for improvement holistically (e.g., human capital, infrastructure, student behavior, etc.). To date, we have only tapped into the power of budgeting process.

Cycle-based budgeting
A budgeting model that: 1) sets expectations on deliverables and timeline for investments (both new and existing); 2) allows A-ROI comparison between investments; 3) empowers district leaders to make adjustments to resource allocation with less controversy or resistance.

Continuous improvement cycle
With Cycle-based Budgeting, each approved budget request will be assigned with a continuous improvement cycle, which ranges between one and five years. At the end of the cycle, each investment will be reviewed for continued funding support based on A-ROI and alignment with the district's priorities.

Time-bound conditional commitment
Cycle-based Budgeting process sets the conditions for any investment to be time-bound (continuous improvement cycle for review) and conditional (continued funding support depends on A-ROI).

Competitive offering
A district initiative as a competitive offering allows: 1) schools with buy-ins and commitment to participate; 2) schools that don't have the buy-ins or readiness to opt out; and 3) initiative owner to have more control over implementation fidelity.

Reset for success
Instead of eliminating an existing program, which is often difficult to accomplish and does not address the unmet needs, resetting it for success means to roll the program into the Cycle-based Budgeting process to: 1) identify an owner, 2) set expectations on deliverables and timeline.