

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.**

**Jefferson County Public Schools
FY 2023-24
Tentative Budget
May 2023**

Table of Contents

BUDGET DEVELOPMENT	
Draft Budget	3
Tentative Budget	3
REVENUE	
Property Tax	4
Occupational Tax	4
Indirect Costs from Grants	4
State SEEK Funding	4
SEEK Revenue Calculation	5
TENTATIVE BUDGET	
Fund 1: General Fund	6
Fund 2: Grants and Awards	6
Fund 310: Capital Outlay	6
Fund 320: Building Fund	6
Fund 360: Construction Fund	6
Fund 51: Nutrition Services	6
Fund 52: Daycare Operations	6
Fund 53: Enterprise Fund	6
Fund 54: Adult Education Enterprise Fund	6
Fund 59: Tuition Preschool Program	6
Tentative Budget: All Funds FY 2023-24	7
Revenue: Receipts & State-Paid Benefits	8
EXPENSES	
Expenses by Instructional Level	9
Elementary Schools	10
Middle Schools	10
Multiple Instructional Level Schools	10
Special Education Schools, State Agency Schools, Preschools and Other Special Schools	10
District-Wide School Costs	10
Academics Division	11
Operations Division	11
Business Offices	11
Utilities and Insurance	11
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) FUNDS	
ESSER Grants	12
ARP ESSER Expense Overview	13
FY24 ESSER Investments	14
FY24 TENTATIVE BUDGET SUMMARY	15

BUDGET DEVELOPMENT

The purpose of the budget is to ensure the resources of the district are aligned with the vision, mission and goals of the JCPS Board of Education. The district budget evolves across three primary phases of development: Draft Budget (January), Tentative Budget (May) and Working Budget (September). A summary of the major financial impacts on the Draft Budget and Tentative Budget are described below.

DRAFT BUDGET

The Draft Budget is the first of three budgets presented to the Board and the base foundation for which the Fiscal Year (FY) 2023-24 budget begins to be developed. The General Fund is in the developmental stage in MUNIS for the new fiscal year; however, grants and other funds are projected within the Draft Budget.

The **FY 2023-24 Draft Budget** for the new fiscal year:

- Represents salary adjustments due to advancing the salary steps of every employee and including a **5% salary increase** resulting in a **recurrent increase of \$47,012,000** to the General Fund budget.
- Represents a base SEEK per pupil guarantee of **\$4,200**, which is a \$100 increase over FY23 and a \$200 increase over FY22.
- Projects a **FY24 SEEK funding decrease of \$15,407,455** due to the compounding effects of the anticipated increase in local property tax revenue and a decrease in Adjusted Average Daily Attendance (AADA).
- Projects a **3.5% increase in property tax assessments**.
- Projects a **5.0% increase in occupational tax revenue**.
- Projects a **10% increase in cost of utilities** for the district.
- Assumes a **tax rate that will provide the allowable 4.0% increase** in General Fund revenue. The final tax rate will be submitted for Board approval in August before the Working Budget is presented in September.
- Assumes the allowable **12% increase to the CERS employer rate for the pension plans** of classified employees.
- Reflects school-based funding as determined by the **FY24 JCPS School Staffing and Allocation Standards**.
- Reflects school-based funding for the expansion of Waller Williams Environmental School to include services to high school students and the additional grade levels at W.E.B Dubois Academy and Grace M. James Academy of Excellence.
- Provides for **\$21,082,000 in Elementary Equity Funds**. Currently, elementary schools are receiving a total of \$10.5 million in non-standardized additional funding supports. The Elementary Equity Funding formula standardizes additional supports to elementary schools based on the JCPS Needs Index, the percentage of Students of Color, as well as AIS and Choice Zone status.
- Provides for **\$19,592,000 in AIS/Choice Zone stipends** including schools recently out of AIS.
- Provides new-year school investments of **\$2,730,000 for Blaine Hudson Middle School** and **\$2,039,000 for Echo Trail Middle School**.

TENTATIVE BUDGET

While the Draft Budget is the starting point of the new-year budget, the Tentative Budget represents major decisions made over the subsequent months. The state biennial budget can substantially impact General Fund as well as grant programs. Board decisions on budget priorities also have a significant impact on the Tentative Budget presented each year in May.

In addition to the items listed above for the Draft Budget, the **FY 2023-24 Tentative Budget**:

- Reflects the total **Equity Funds allocation of \$21,082,000** among all elementary, middle, high and multiple-instructional level schools.
- Reflects the total **AIS/Choice Zone stipends of \$24,509,953** for AIS, Choice Zone and “recently exited AIS” schools.
- Reflects a FY24 new-year operational budget of **\$4,759,742 for the new Blaine Hudson Middle School** including Equity Funds and Choice Zone stipends.
- Reflects a FY24 new-year operational budget of **\$2,840,333 for the new Echo Trail Middle School** including Equity Funds.
- Reflects a FY24 budget of **\$6,150,096 for Middle School Teams**. With the addition of two middle schools and middle school enrollment changes due to Choice Zone, this is an increase from the FY23 budget of \$2,821,141.
- Includes **\$1,541,400** for 18.0 additional ECE teachers and 2.0 additional Home Hospital Teachers in District-Wide School Costs that will be moved into the assigned schools for the Working Budget.
- Includes increased projected expenses related to **Housekeeping, Insurance and Utilities**.
- Includes significant changes to **Organizational Charts** for central office departments.

REVENUE

District revenue is a combination of Property Tax, Occupational Tax, State SEEK and other much smaller sources. By law, a local school district may approve a property tax rate each year that will provide enough revenue in the new year to experience up to 4% increase in total revenue compared to the prior year. The approved property tax rate in any given year impacts the revenues for property tax in every subsequent year; for example, when only a compensating rate is approved in any given year, the result would be a forfeiture of revenue of more than \$80 million over a five-year period in Jefferson County. For the FY 2023-24 Tentative Budget, we have assumed this maximum allowable increase in total revenue without recall of 4%.

A very important aspect of budgeting for our school district is that the largest source of revenue for JCPS is local property tax revenue. However, local property taxes are not received until mid-November of each year. Therefore, our available cash balance at the end of each fiscal year needs to be sufficient to meet our expense obligations during the first four months of the new fiscal year.

PROPERTY TAX

The Tentative Budget assumes a **3.5% increase** in total assessed values for General Property tax, including Motor Vehicle tax and Franchise tax. The revenue from Property taxes (\$665,122,360) represent 59.7% of projected FY 2023-24 General Fund revenue receipts, not including fund balance or state-paid employee benefits.

OCCUPATIONAL TAX

We are currently projecting a **5.0% increase** in Occupational taxes compared to last fiscal year. Locally-assessed occupational taxes are levied upon Jefferson County residents who work within Jefferson County at a rate of 0.75% of salary. The forecast for these taxes is projected based upon historical trends, current year data from the Revenue Commission, and economic data from the U.S. Department of Commerce. Occupational taxes (\$213,360,000) represent 19.1% of projected FY 2023-24 General Fund revenue receipts, not including fund balance or state-paid employee benefits.

Occupational tax revenue is subject to economic conditions and this tax tends to provide for accurate measurement of the local workforce and the strength of the local economy. For example, the recession of 2010 resulted in decreases in occupational taxes for two years. Although revenue from occupational taxes rebounded after the 2010 recession, the more recent recession caused by economic slowdown due to the COVID pandemic resulted in a \$9.4 million decrease in revenue for JCPS in FY 2019-20. We are fortunate to see the economy rebound for the last two fiscal years and we expect this positive trend to continue.

INDIRECT COSTS FROM GRANTS

Indirect costs are a source of General Fund revenue from the administration of large grants. A maximum defined percentage of a grant that allows indirect costs is a result of services provided to the grant such as payroll processing, accounting services and other expenses related to administrative services. While this revenue category is still less than 1% of the total General Fund revenue, the budget has experienced some significant increases due to indirect costs associated with the federal ESSER grants and Nutrition Services. Indirect revenue is expected to provide about **\$2,486,281** in revenue to the General Fund in FY 2023-24.

STATE SEEK FUNDING

State SEEK funding is a level of state support for local education based on a Guaranteed Per Pupil Base plus adjustments for Transportation, Adjusted Average Daily Attendance (AADA), number of at-risk students, number of ECE and ESL students, and number of Home and Hospital students. Local property taxes reduce the State SEEK support for the Guaranteed Per Pupil Base by “30 cent local effort”, which is the local tax assessment times .003. In FY 2023-24, the Guaranteed Per Pupil Base total funding for JCPS students is projected at **\$512,779,027**, but revenue from local tax assessments will cover \$294,626,714 of the Guaranteed Per Pupil Base SEEK. The resulting State SEEK funding support for the General Fund, after adjusting for required Capital Outlay, is **\$209,576,993** in FY 2023-24.

State SEEK support is inversely proportional to local tax revenue; therefore, as local tax assessments increase JCPS must account for the decrease in the State SEEK revenue. The **current revenue projection for State SEEK is a decrease of \$15,407,455** in SEEK revenue compared to the FY 2022-23 State SEEK support. Recognizing the annual decrease in State SEEK revenue for JCPS is an important component of district budgeting and long-term planning.

SEEK REVENUE CALCULATION

The following revenue calculations are included in the State SEEK revenue projections for the FY 2023-24 Tentative Budget:

- **Property tax assessments** increased to \$98,208,904,562 based on a projected change of 3.5%.
- **Base SEEK increased** to \$4,200 per pupil.
- **AADA** is projected to decrease significantly. We are currently estimating a decrease of 2,000, although this could be more by the time of the Working Budget.
- **ECE and ESL** numbers are projected to increase by the amounts shown below.

	FY22 KDE Final	FY23 KDE Final	FY24 Tentative Budget	Change from FY23 to FY24
JCPS Tax Assessment	\$ 85,775,434,127	\$ 94,887,830,495	\$ 98,208,904,562	3.5%
Prior Year End of Year AADA	87,753.184	87,753.184	\$ 85,753.200	-2,000
AADA Plus Growth	87,753.184	87,753.184	\$ 85,753.200	-2,000
Transportation (Unprorated)	\$ 62,795,224	\$ 62,820,099	\$ 62,820,099	0
Prior Year 12 mo. Ave. Free Lunch Pupils	57,633.435	57,633.435	57,633.400	0
LEP Count	11,933	13,283	16,123	2,840
Prior Year December 1 ECE Count				
severe	2,816	2,840	2,842	2
moderate	7,135	6,917	7,028	111
speech	1,844	1,814	1,972	158
Prior Year Home and Hospital	483.185	483.185	483.200	0
SEEK Base Per Pupil	4,000	4,100	4,200	\$100
Guaranteed Base: SEEK base * AADA Plus	\$351,012,736	\$359,788,054	\$360,163,440	0.1%
AT Risk: SEEK base * 0.15 * # students	\$34,580,061	\$35,444,563	\$36,309,042	2.4%
Home and Hospital: SEEK base-\$100 * #	\$1,884,422	\$1,932,740	\$1,981,120	2.5%
ESL: SEEK base * 0.096 * # students	\$4,582,272	\$5,228,189	\$6,500,794	24.3%
ECE				
severe: SEEK base * 2.35 * # students	\$26,470,400	\$27,363,400	\$28,050,540	2.5%
moderate: SEEK base * 1.17 * # students	\$33,391,800	\$33,180,849	\$34,535,592	4.1%
speech: SEEK base * 0.24 * # students	\$1,770,240	\$1,784,976	\$1,987,776	11.4%
Transportation (Prorated)	\$33,841,371	\$43,250,724	\$43,250,723	—%
Calculated Base Funding	\$487,533,302	\$507,973,495	\$512,779,027	0.9%
LESS .30 Local Effort: tax assessments *	\$257,326,302	\$284,663,491	\$294,626,714	3.5%
General Fund SEEK State Portion	\$230,207,000	\$223,310,004	\$218,152,313	(2.3)%
4% Adjusted Assessment	\$2,883,270	\$10,464,112		
Adjustments per KDE	-\$2,000	-\$14,350		
Total State SEEK	\$233,088,270	\$233,759,766	\$218,152,313	
Less Capital Outlay: \$100*AADA Plus Growth	\$8,775,318	\$8,775,318	\$8,575,320	
General Fund SEEK Adjusted	\$224,312,952	\$224,984,448	\$209,576,993	
Difference between FY24 Tentative Budget and FY23 KDE Final			-\$15,407,455	

TENTATIVE BUDGET

The Tentative Budget for FY 2023-24 is projected at **\$2,116,076,302**. The overall budget for JCPS consists of several funds. Although the General Fund is the main fund for operational needs of the district, the following is a summary of the projected FY 2023-24 expense budgets of all funds of Jefferson County Public Schools.

FUND 1: GENERAL FUND

District expenses are primarily funded by property taxes, occupational taxes, and state SEEK. School-level allocations, including District-wide school-centered costs, are 86% of the budget, but this will increase by the Working Budget. This General Fund budget allocates 97% of the available funding to services relevant to student services, including district-wide school-centered costs. Approximately 3% is business office operational expenses (function series 2300 & 2500), such as Finance, Human Resources, and Information Technology. The total General Fund budget is **\$1,718,000,241** including \$323,310,864 in state-paid benefits.

FUND 2: GRANTS and AWARDS

This fund is comprised of over 380 grants and awards from various fund sources including state, federal, and local. This fund is a multi-year fund where projects budgeted will often extend beyond a single fiscal year, and grant periods do not always coincide with the fiscal year. Some grant amounts will not be known until the Working Budget is presented in September. The total budget of grants in Grants and Awards is projected at **\$131,825,580**.

FUND 310: CAPITAL OUTLAY

Capital Outlay is funded by \$100 per Adjusted Average Daily Attendance (AADA) by the SEEK formula and used for bond payment and capital improvement. Only a major facility project that is 20% of the value of a property and has a 30-year life can be supported with these resources. The budget for Capital Outlay is projected at **\$8,575,320**.

FUNDS 320: BUILDING FUND

Funded by the “nickel tax” within the property tax rate, the Building Fund can only be used for bond payments and capital improvement. Only a major facility project that is 20% of the value of a property and has a 30-year life can be supported with these resources. The budget for the Building Fund is projected at **\$49,104,452**.

FUND 360: CONSTRUCTION FUND

This multi-year fund houses the bond proceeds as revenue and expenses of bondable projects in support of addressing our unmet facility needs of JCPS which currently exceed \$1,157,000,000. The budget for the Construction Fund is projected at **\$125,000,000**.

FUND 51: NUTRITION SERVICES FUND

Local and federal funding is provided for Nutrition Services. This fund includes revenue from federal funding on free/reduced meals as well as revenue from families who pay for school meals. The budget for the Nutrition Services Fund is projected at **\$82,029,015**.

Fund 52: DAYCARE OPERATIONS

This revenue comes from daycare operations as part of the Teenage Parent Program (TAPP) budget. The budget for the TAPP Daycare Operations is projected at **\$744,531**.

FUND 53: ENTERPRISE FUND

All-county band, choir and orchestra generate revenue in the Enterprise Fund. The budget for the Enterprise Fund is projected at **\$61,921**.

FUND 54: ADULT EDUCATION ENTERPRISE FUND

This revenue comes from the family literacy component of Adult Education. This fund does not represent the entire budget of the Adult Education program. The budget for Adult Education Enterprise Fund is projected at **\$298,839**.

FUND 59: TUITION PRESCHOOL PROGRAM

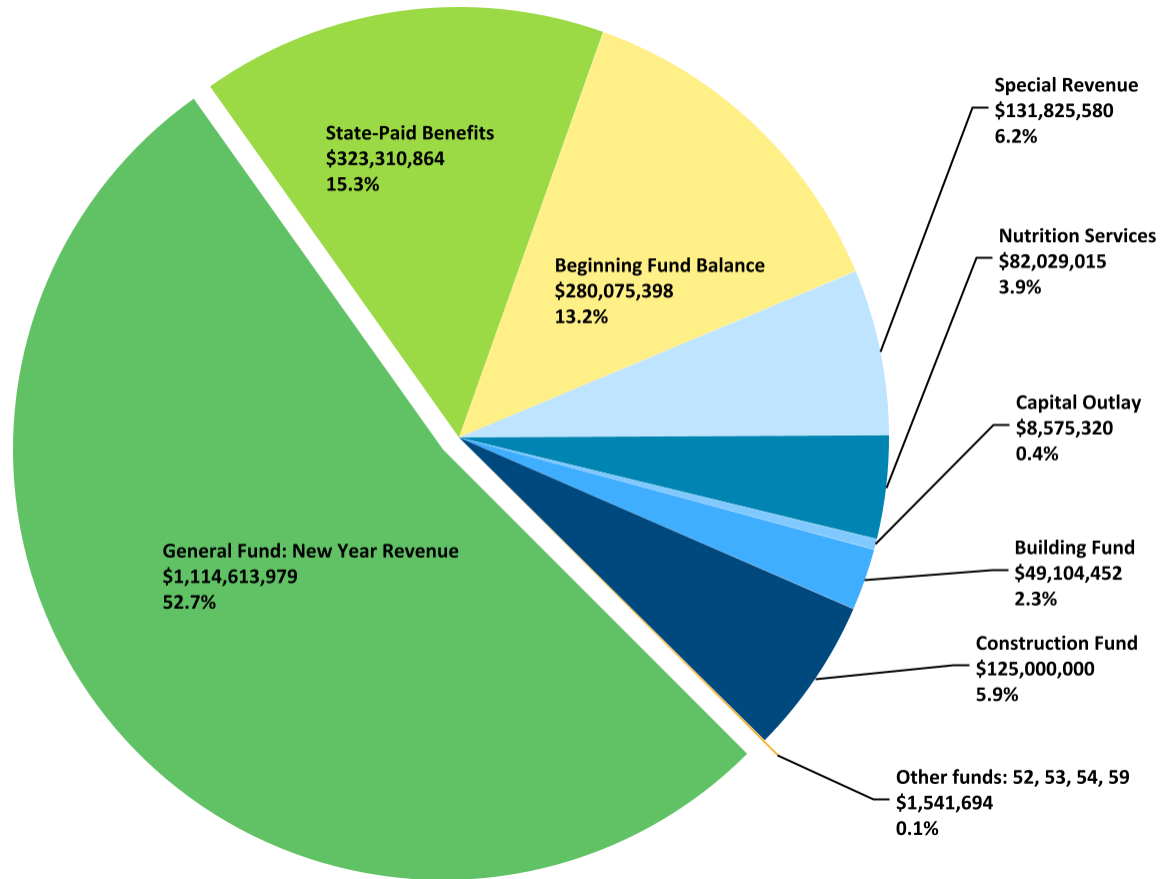
Preschools are available for students who meet specific income or disability criteria. JCPS also offers this Tuition Preschool Program for students who do not meet this criteria. The budget for the Tuition Preschool Program is projected at **\$436,403**.

TENTATIVE BUDGET: ALL FUNDS FY 2023-24

General Fund Revenue consists of local revenue (property and occupational taxes), state revenue (SEEK and state-paid benefits) and federal revenue from permissible “indirect costs” associated with federal grants. General Fund Revenue is the largest component (52.67%) of the total JCPS Budget. **Special Revenue** (6.23%) comes from local, state and federal grants. **Nutrition Services** (3.88%) is largely subsidized by a federal grant. The three funds committed to capital improvement— **Capital Outlay, Building Fund and Construction Fund**— collectively make up 8.6% of the total JCPS Budget.

Beginning Fund Balance (13.24%) of \$280,075,398 in the FY 2023-24 Tentative Budget is the mathematical calculation of the FY 2021-22 remaining fund balance of \$284,631,074 plus the difference between FY2022-23 transfers into and out of the District contingency code. The FY 2021-22 fund balance is found in the Annual Comprehensive Financial Report prepared by JCPS Accounting.

The total JCPS Budget of all funding sources for FY 2023-24 is **\$2,116,076,302**.



ALL FUNDS FY 2023-24

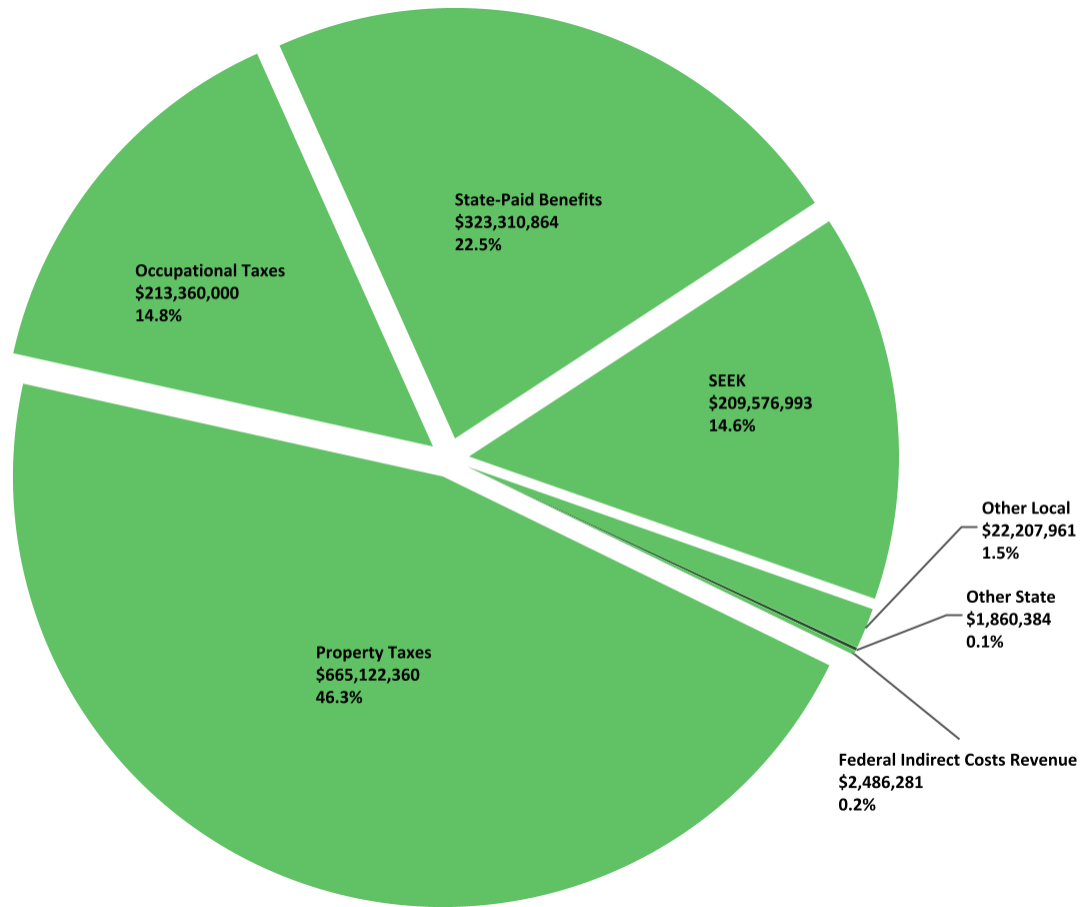
Fund	SOURCE		
1	General Fund: New Year Revenue	\$ 1,114,613,979	52.7 %
1	State-Paid Benefits	\$ 323,310,864	15.3 %
1	Beginning Fund Balance	\$ 280,075,398	13.2 %
2	Special Revenue	\$ 131,825,580	6.2 %
51	Nutrition Services	\$ 82,029,015	3.9 %
310	Capital Outlay	\$ 8,575,320	0.4 %
320	Building Fund	\$ 49,104,452	2.3 %
360	Construction Fund	\$ 125,000,000	5.9 %
	Other funds: 52, 53, 54, 59	\$ 1,541,694	0.1 %
TOTAL		\$ 2,116,076,302	100.0 %

REVENUE: RECEIPTS & STATE-PAID BENEFITS

The new-year revenues in General Fund that are available to support operational needs of the District are the projected revenue from “receipts”. Receipts consists of **local revenue** (property and occupational taxes), **state revenue** (SEEK and other state sources) and **federal revenue** from permissible “indirect costs” associated with federal grants. State-paid benefits are non-discretionary funds provided in accordance with Kentucky Revised Statutes and are offset by the same amount in expense.

Fund balance will not be finalized until after the financial year is fully closed out. Therefore, the true projected revenue to support operational needs of the District omits fund balance.

The new year receipts and state-paid benefits for the General Fund in FY 2023-24 is **\$1,437,924,843**.



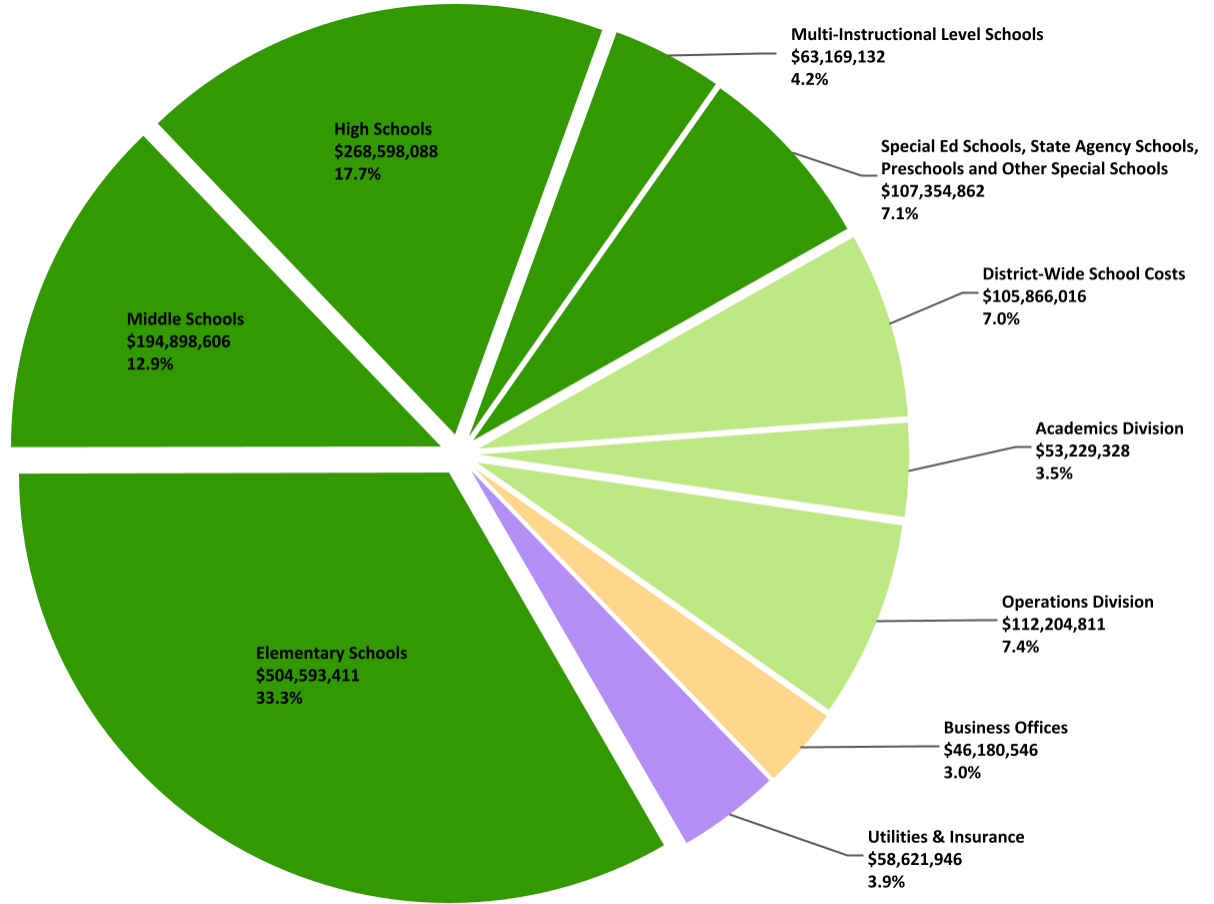
REVENUE FY 2023-24

Property Taxes	\$ 665,122,360	46.3%
Occupational Taxes	\$ 213,360,000	14.8%
Other Local	\$ 22,207,961	1.5%
SEEK	\$ 209,576,993	14.6%
State-Paid Benefits	\$ 323,310,864	22.5%
Other State	\$ 1,860,384	0.1%
Federal Indirect Costs Revenue	\$ 2,486,281	0.2%
NEW YEAR REVENUE	\$ 1,437,924,843	100.0%

EXPENSES

The Tentative Budget includes staffing and operational allocations for 201 school units including: Elementary, Middle, High, Multi-Instructional Level Schools, State Agency schools, Special Education schools, Special Schools, and Early Childhood.

EXPENSES BY INSTRUCTIONAL LEVEL



EXPENSES BY INSTRUCTIONAL LEVEL FY 2023-24

				Number Schools	Number Pupils	Per Pupil Investment
Elementary Schools	\$ 496,536,341	32.8 %		87	41,384	\$ 12,193
Middle Schools	\$ 199,694,793	13.2 %		23	17,274	\$ 11,283
High Schools	\$ 261,790,336	17.3 %		18	24,819	\$ 10,822
Multi-Instructional Level Schools	\$ 63,594,396	4.2 %		6	5,485	\$ 11,517
Special Educ Schools, State Agency Schools, Preschools and Other Special	\$ 118,243,338	7.8 %		67	5,988	\$ 17,928
District-Wide School Costs	\$ 90,203,478	6.0 %		201	94,950	\$ 1,052
Academics Division	\$ 57,386,212	3.8 %		201	94,950	\$ 561
Operations Division	\$ 120,516,867	7.9 %		201	94,950	\$ 1,182
Business Offices	\$ 46,183,900	3.0 %		201	94,950	\$ 486
Utilities & Insurance	\$ 61,873,689	4.1 %		201	94,950	\$ 681
TOTAL	\$ 1,516,023,350	100.0 %				

Elementary Schools

Regular education elementary schools, grade K through 5, are allocated based on student enrollment projections and the approved JCPS Allocation Standards. The FY 2023-24 Budget for elementary schools includes:

- **\$26,116,549** to support a student-weighted equity formula to provide additional funds to elementary schools using the JCPS Needs Index and the percentage of Students of Color as factors
- **\$2,517,620** for reduced class size support among Choice Zone elementary schools

Middle Schools

Regular education middle schools, grades 6 through 8, are allocated based on student enrollment projections and the approved JCPS Allocation Standards. The FY 2023-24 Budget for middle schools includes:

- **\$16,000,723** in additional funds to middle schools from the student-weighted formula using the JCPS Needs Index
- **\$6,150,096** in additional funding for middle schools selecting to structure learning in four-person core content teams

High Schools

Regular education high schools, grades 9 through 12, are allocated based on student enrollment projections and the approved JCPS Allocation Standards. The FY 2023-24 Budget for high schools includes:

- **\$12,132,065** in additional funding for high school Academy career pathways and other CTE programs
- **\$10,755,428** in additional funds to high schools from the student-weighted formula using the JCPS Needs Index

Multiple Instructional Level Schools

Multiple instructional level schools are regular education program schools that have high school, middle school and/or elementary school programs. The six regular education schools in this category include: J. Graham Brown, W.E.B Dubois Academy, Grace M. James Academy of Excellence, Marion C. Moore, Newcomer Academy and The Academy at Shawnee. Multi-instructional level schools are allocated based on enrollment projections and the appropriate combined instructional level allocations within the approved JCPS Allocation Standards. The FY 2023-24 Budget for multiple instructional level schools includes:

- A student-weighted equity formula provides **\$9,271,739** in additional funds to these six schools using the JCPS Needs Index.
- As applicable, multi-instructional level schools receive the combined benefit of equity allocations, middle school teams, middle school Explore pathways and high school career pathways.

Special Education Schools, State Agency Schools, Preschools and Other Special Schools

Special education schools, state agency schools, preschool sites and other special schools are budgeted based on approved allocations, program needs, and individual school's student capacities. There are 21 special education and state agency schools, 5 stand-alone preschool sites and 35 preschools housed within an elementary school. JCPS is proud to offer six special schools including: Breckinridge Metropolitan, Liberty, Minor Daniels Academy, Pathfinder, The Phoenix School of Discovery and the Georgia Chaffee Teenage Pregnancy Program (TAPP).

District-Wide School Costs

District-wide school costs provide a budget for substitute teachers, teachers who are in transition to receive certification, retired administrative support for schools, and other budgets for school-oriented supports. This is also where we budget **\$27,000,000** for Future State Funds that are not already allocated to schools and **\$1,850,000** for teacher Amazon account allocations.

Academics Division

The Academics Division consists of Academic Schools, Academic Services and Exceptional Child Education. Academic Schools include the Chief of Schools, Assistant Superintendents of Schools, Transition Readiness, Activities and Athletics, School Choice, Academic Improvement Schools (AIS), and Adult Education. Academy Services include Teaching and Learning Innovations, Library Media Services, School Culture and Climate, Pupil Personnel, Physical Development and Health Services, English as a Second Language, and Early Childhood.

The FY 2023-24 Budget for these Cost Centers includes:

- **\$2,715,000** increase from FY23 in Exceptional Child Education (eight Diagnostician Communication Disorders; Executive Administrator ECE; Executive Director ECE, three ECE Implementation Coaches, two Specialists, Supervisor, three Data Technicians, Assistant Transportation Data, three Resource Teacher, others)
- **\$1,833,000** increase from FY23 School Culture & Climate (ten Consultant Behavior Systems; ten Consultant Social Emotional Learning; three Associate of Re-Engagement & Transition; two Specialist District Behavior Support; Safety Administrator Manager)
- **\$977,000** increase from FY23 Teaching & Learning Innovation (five English Instructional Coaches, five Math instructional Coaches, one Science Instructional Coach, two Choice Zone Specialists)
- **\$370,000** increase from FY23 for Early Childhood (six Specialist Behavior Support Systems)

Operations Division

The Operations Division includes the following departments by total budget:

\$ 68,751,146	Transportation
\$ 26,009,664	Property Management
\$ 9,153,930	Safety & Environmental
\$ 6,332,203	Security & Investigations
\$ 1,608,135	Operations Services
\$ 1,394,933	Facility Planning

The budget for the Operations Division also includes **\$6,715,000** for the Annual Facilities Improvement Fund (AFIF). Nutrition Services is funded by a grant and is managed under the Operations Division; the General Fund annually covers any shortfalls incurred by this department to sustain the nutritional program for students.

The FY 2023-24 Budget for these Cost Centers includes **\$3,382,6912** increase from FY22 in Security & Investigations (fifteen District Security Monitors) and **\$467,000** in Operations (Executive Administrator Operations, two Analysts, two Specialists).

Business Offices

Business Offices include the following departments by total budget:

\$ 8,485,680	Human Resources
\$ 6,695,810	Financial Services
\$ 6,361,535	Diversity, Equity and Poverty
\$ 6,057,665	Technology
\$ 3,834,690	Accountability, Research and Systems Improvement
\$ 3,826,035	Communications and Community Relations

Utilities & Insurance

This category includes expenses related to electricity, natural gas, water, sewage, telephone, postage, bank fees, liability insurance, property insurance, pupil transportation insurance, student liability insurance, legal services and JCTA president salary.

ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) FUNDS

In response to the COVID-19 pandemic, the US. Department of Education provided a series of federal relief grants to support the operations of state and local education:

- Coronavirus Aid, Relief and Economic Security (CARES)
- Coronavirus Response and Relief Supplemental Appropriations (CRRSA)
- Governor’s Emergency Education Relief (GEER)
- Elementary and Secondary School Emergency Relief (ESSER)
- American Rescue Plan (ARP) ESSER

The ESSER federal grants have provided opportunities for resourcing school and supporting students in ways previously unimaginable. The infusion of ESSER funds began shortly after schools were shut down due to COVID in 2020 and several iterations of ESSER followed as the nation grappled with the impact of the pandemic on physical health, mental health, academic loss, and socio-economic losses due to the dramatic downturn in the economy.

ESSER GRANTS

As with all grants, each funding source has a designated purpose and timeframe to post expenses. Numerous smaller ESSER grants have been provided as a resource for identified need. Grant awards greater than \$1 million are summarized below.

Grant	Project	FY Grant Origin	Primary Support Areas
GEER FRYSC	564GF	FY 2021-22	FRYSC support
ARP IDEA	478I, 488I	FY 2021-22	IDEA Basic and Preschool
ARP Homeless	476I, 476IC	FY 2021-22	Homeless Phase I and Phase II
GEER CARES	633F, 633FP	FY 2019-20	technology, food
ESSER State Set Aside	554GS	FY 2020-21	technology
ESSER CARES	613F, 613FP	FY 2019-20	technology
ESSER CRRSA	554G, 554GD	FY 2020-21	transportation, health services, PPE, learning loss
ARP ESSER	473G, 473GL	FY 2020-21	comprehensive COVID mitigation, learning loss
ESSER ARP ERL/ERS	473GE	FY 2022-23	state-funded education recovery leaders in schools

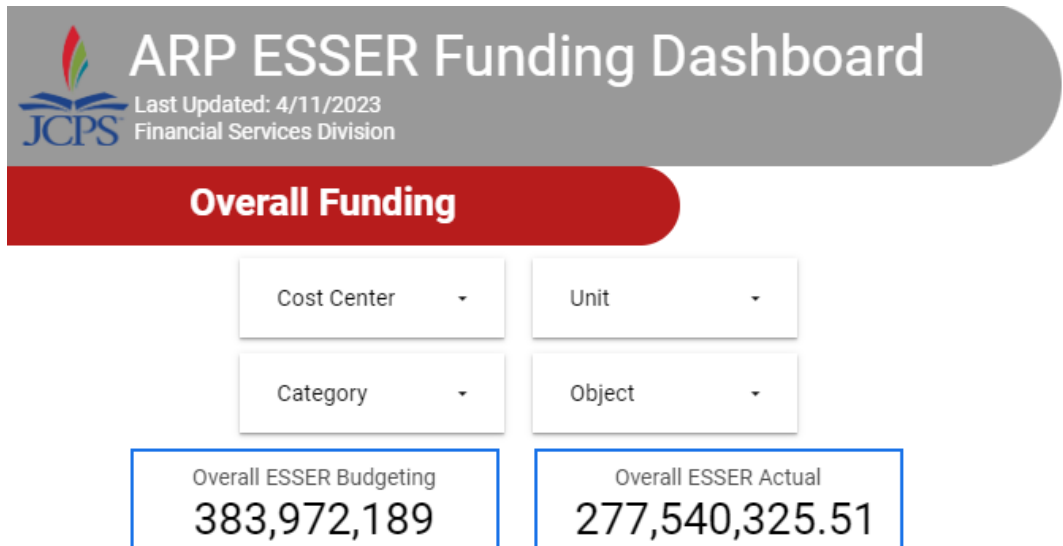
The following table represents expenses posted as of the time of final preparations of the Tentative Budget in April 2023. Indirect cost percentages are determined according to the federal regulations of the specific grant.

Grant	Grant Amount	Indirect Cost Revenue YTD	Expenses and Encumbrances YTD	Remaining	Grant End Date
GEER FRYSC (564GF)	\$ 1,500,000	\$ 17,981	\$ 1,207,360	\$ 292,640	09/30/2024
ARP IDEA (478I, 488I)	\$ 6,906,154	\$ 2,294	\$ 6,198,281	\$ 707,873	09/30/2023
ARP Homeless (476I,	\$ 1,073,062	\$ 13,641	\$ 244,601	\$ 828,461	09/30/2024
GEER CARES (633F, 633FP)	\$ 5,211,088	\$ 213,337	\$ 5,211,088	\$ —	Closed
ESSER CARES (613F)	\$ 30,378,113	\$ 927,092	\$ 30,378,113	\$ —	Closed
ESSER (554GS)	\$ 6,324,257	\$ 50,833	\$ 5,256,242	\$ 1,068,015	09/30/2023
ESSER (554G, 554GD)	\$ 178,107,468	\$ 17,850,397	\$ 158,390,573	\$ 19,716,895	09/30/2023
ARP ESSER (473G, 473GL)	\$ 383,972,189	\$ 28,753,091	\$ 298,712,503	\$ 85,259,686	09/30/2024
ESSER ARP ERL/ERS	\$ 1,744,137	\$ 36,539	\$ 1,138,427	\$ 605,710	06/30/2023
TOTAL	\$ 615,216,468	\$ 47,865,205	\$ 506,737,188	\$ 108,479,280	

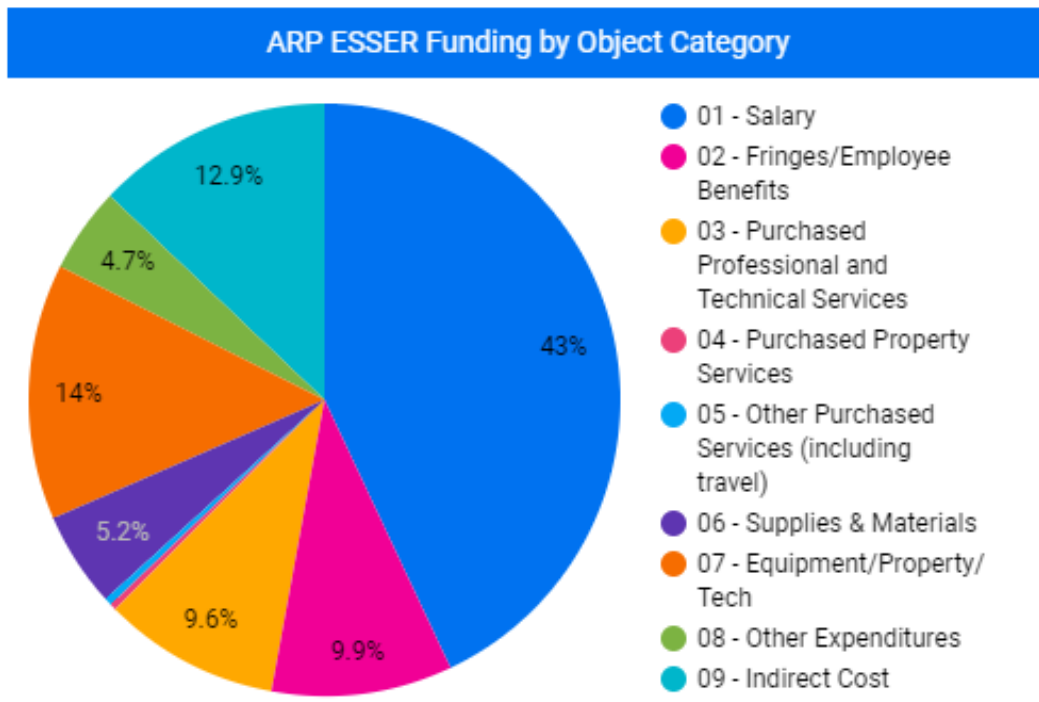
ARP ESSER EXPENSES OVERVIEW

ARP ESSER is the largest ESSER grant provided to JCPS. This grant was used to support district operational and instructional needs during non-traditional instruction, return to in-person learning in March 2021, and the necessary expansion of targeted services in response to the pandemic.

JCPS Accountability, Research & Systems Improvement created a platform within the JCPS Investment Tracking System (ITS) to support the budgeting and monitoring of ESSER fund distribution. The ITS platform is used by schools and Central Office when requesting budget for these federal grant funds. Additionally, JCPS Accountability, Research & Systems Improvement created an ARP ESSER Funding Dashboard to increase transparency of use of these funds.



As of April 2023, over 54% of spent ARP funds supported salaries and employees’ fringes, 20% has been spent on supplies and equipment and 10% went to contract services.



FY24 ESSER INVESTMENTS

As of the end of April 2023, there is \$85,259,686 remaining in ARP ESSER:

- Remaining indirect cost revenue will account for \$15 million.
- Salary expenses related to ESSER positions for the rest of this school year will account for \$7 million.
- The Office of Equity, Diversity and Poverty has an ESSER budget of \$2.5 million remaining.
- Schools have about \$1.5 million in budgeted requests.

Therefore, there is about \$59.3 million in ARP ESSER for FY24 as reflected in the table below.

The following expenses are embedded into the FY24 budget plan; these investments will need to be taken into consideration when developing the FY25 General Fund Budget.

ESSER GRANT ACTIVITY IN FY24

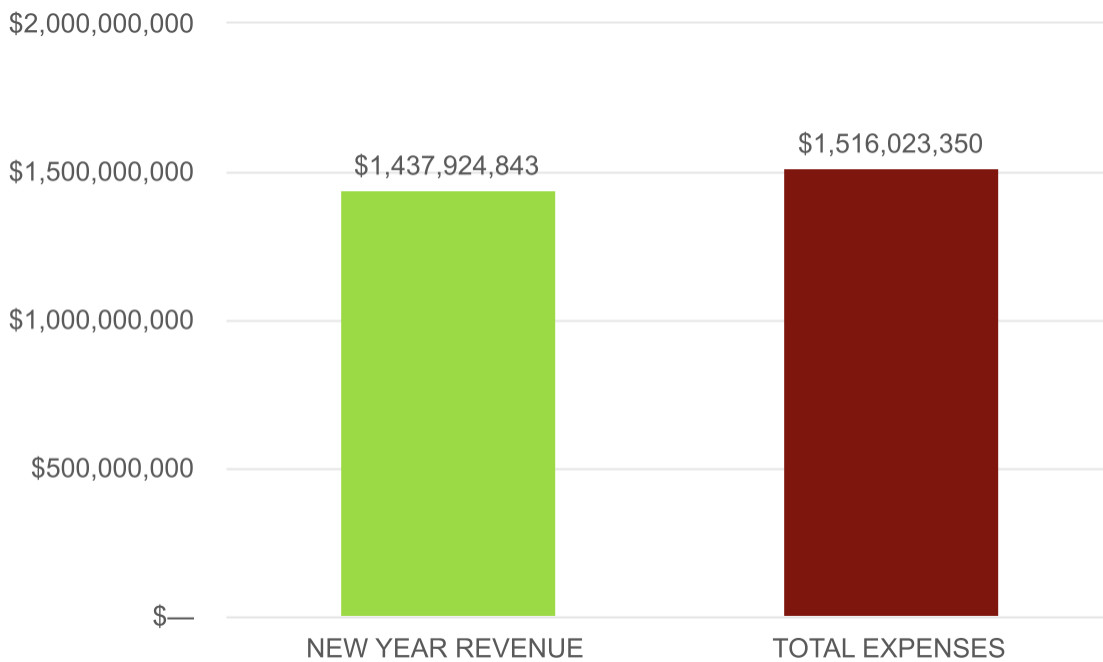
Imagine Learning Digital Curriculum	\$	8,700,000
Nursing Services	\$	7,800,000
ESL Teachers (52) and BAIs (10)	\$	5,300,000
Tutoring: Chat-Based Service	\$	4,600,000
Explore Coaches (14), Teachers (29) and Supplies	\$	6,500,000
Pathfinder Middle School Staffing	\$	5,800,000
Compassionate Schools Teachers (18)	\$	1,700,000
ELEV8 Learning Centers	\$	1,000,000
Summer 2023 Backpack League	\$	6,800,000
Evolve502 for Summer Backpack League	\$	3,750,000
Global Game Changers	\$	1,650,000
Competency Based Education	\$	1,349,000
Classroom Environment Cohorts	\$	1,000,000
Amplify Science	\$	999,000
Ready 4K Summer 2023 Camp	\$	950,000
EL Professional Services	\$	670,000
GALE Resources	\$	600,000
TOTAL	\$	59,168,000

FY24 TENTATIVE BUDGET SUMMARY

The district budget balances total revenues and total expenses. However, we know that not every position in the district will be filled with an employee for the entire school year. The funds from unfilled positions throughout the school year can be considered a “vacancy credit” and are shown below as a revenue (we could have equally showed this as a decrease in expenses). Based on historical trends, we are projecting the vacancy credit for JCPS in FY24 to be \$30,000,000; this is significantly higher than past years because of the continuing challenges we are facing in filling our work force. We can also plan for about \$5,000,000 in annual reimbursement from the state and federal government from technology rebates.

The recurrent revenue is shown below in comparison to the projected TOTAL EXPENSES. Although the expenses exceed revenue at the time of the Tentative Budget, we know there will be a funds remaining from the prior fiscal year; these funds become the Beginning Fund Balance. A fund balance is required by law for districts to maintain financial stability. Considering every payroll incurs about \$45 million, JCPS strives to maintain a fund balance of least \$90 million.

Beginning Fund Balance is the mathematical calculation of the FY 2021-22 remaining fund balance of \$284,631,074 plus the difference between FY2022-23 transfers into and out of the District contingency. The FY 2021-22 fund balance is found in the Annual Comprehensive Financial Report prepared by JCPS Accounting. At the time of the Tentative Budget, the Beginning Fund Balance is \$280,075,398.



REVENUE

RECEIPTS & STATE PAID BENEFITS	\$	1,437,924,843
VACANCY CREDIT	\$	30,000,000
TECHNOLOGY REIMBURSEMENTS	\$	2,000,000

EXPENSES

TOTAL EXPENSES	\$	(1,516,023,350)
DIFFERENCE	\$	(46,098,507)
FY24 ESSER EXPENSES	\$	(59,168,000)
BEGINNING FUND BALANCE	\$	280,075,398