

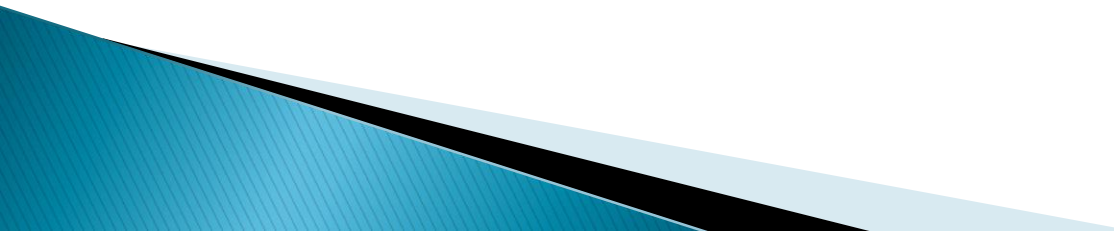
# Covington Independent Public Schools

Draft Budget Presentation  
For Fiscal Year 24/25  
Approval meeting 1/25/24

# Purpose of the Draft Budget

- To get the local Board of Education to start thinking about next year's fiscal budget.
- Has to be presented/approved by January 31st per the Kentucky Department of Education.

# Revenue Highlights / Concerns on General Fund

- ▶ The district turns in “trend data” to the Kentucky Department of Education in January/February. This is required for the district to do each year. This data is being compiled by the district & will be turned into KDE in February.
  - ▶ That data is used to project the 2024–2025 SEEK forecast.
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# Revenue Highlights / Concerns Continued on General Fund

- ▶ FY25 per pupil base amount is unknown at this time due to the state budget still being finalized.
- ▶ Historical trend on SEEK:
  - ▶ FY20 4,000 per pupil/student
  - ▶ FY21 4,000 per pupil/student
  - ▶ FY22 4,000 per pupil/student
  - ▶ FY23 4,100 per pupil/student
  - ▶ FY24 4,200 per pupil/student

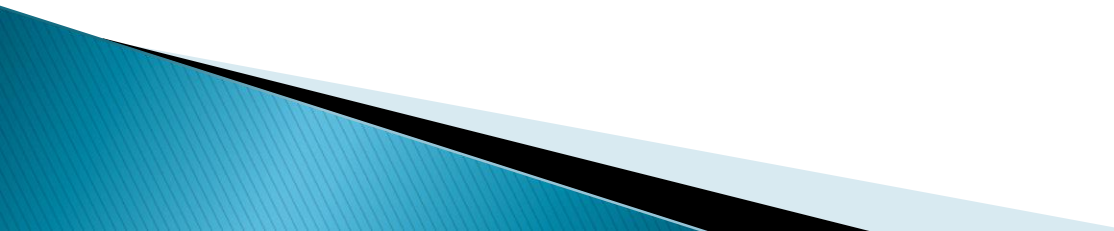
# Revenue Highlights / Concerns Continued on General Fund

- ▶ SEEK funding for Covington Independent Public Schools is approximately 13.6 million for the 23/24 school year. The district budgeted 95% of SEEK for FY24 at an approximate amount of 12.9 million.

# Revenue Highlights / Concerns Continued on General Fund

- ▶ Keep in mind the state enacted the Claw Back Provision for FY24 which is if a school district had at least a 10% loss in AADA from the FY23 student count, the state would provide 2/3 of the revenue loss to the district for FY24.
- ▶ The amount provided to the district for FY24 was approximately 1.329 million dollars.
- ▶ SEEK FY25 student count will be end of year FY24 AADA. This is compiled by the DPP's office and submitted to KDE in June of 2024.
- ▶ For FY25, if the district is still over that 10% loss in AADA, then a district would be provided 1/3 of the revenue loss to the district for FY25.

# Revenue Highlights / Concerns Continued on General Fund

- ▶ Revenue could be decreased in the 24/25 school year due to lower local taxes and lower vehicle taxes collected.
  - ▶ There could potentially be state and federal reductions in grants.
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# Revenue Highlights / Concerns on General Fund

ERATE funding (technology) decreased starting with the 15/16 school year. Our reimbursement rate continues to go down on some reimbursements. Originally some reimbursements were at 90% reimbursement back in FY15.



# Revenue Highlights / Concerns on General Fund

- ▶ Historical trend on ERATE revenue:
  - ▶ FY16 \$322,000 received
  - ▶ FY17 \$250,000 received
  - ▶ FY18 \$207,000 received
  - ▶ FY19 \$157,000 received
  - ▶ FY20 \$104,000 received
  - ▶ FY21 \$86,000 received
  - ▶ FY22 \$84,000 received
  - ▶ FY23 \$81,100 received
  - ▶ FY24 \$79,800 received as of 1/12/24

# Expenditures Highlights/Concerns on General Fund

- ▶ Other potential concerns that leadership has brought to the attention of the budget committee & school board that will need to be taken into consideration when balancing the FY25 budget:
  - ▶ 1. To make salary schedule equitable/competitive.

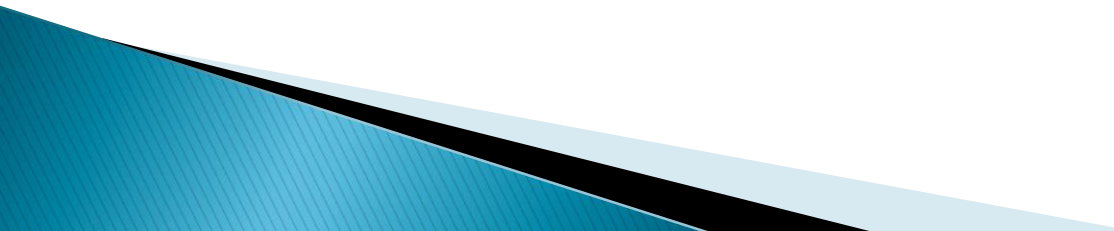
Estimate costs for raises for staff in general fund only (salary and fringes):

4% raise – 1.234 million

3% raise – 940K

2% raise – 646K

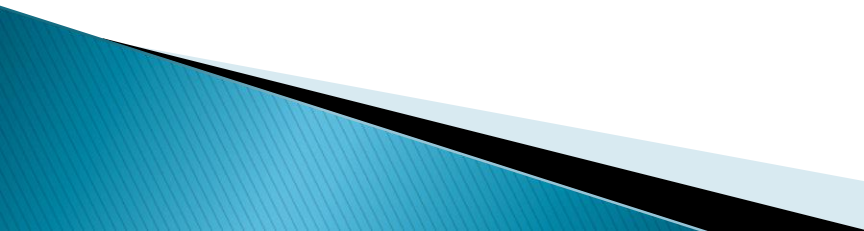
# Expenditures Highlights / Concerns on General Fund

2. To address facility needs
  3. To address technology needs
  4. To address teacher retention
  5. To address social/emotional wellness
  6. To address increase in # of SRO's needed
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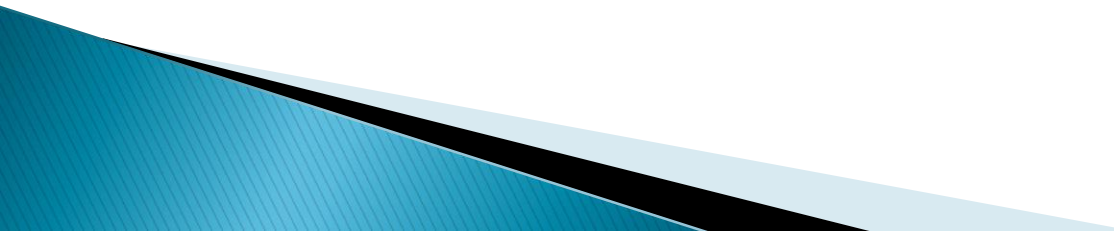
# Expenditures Highlights/Concerns on General Fund

7. To address more English Language Learners/more teachers/staff needed. CIPS currently has 5 ELL staff funded out of ESSER ARP/III funds that will need to be brought back into general fund since the funding ends 9/30/24. Total estimated FY25 cost with fringes is \$312,000.

# Expenditures Highlights/Concerns on General Fund

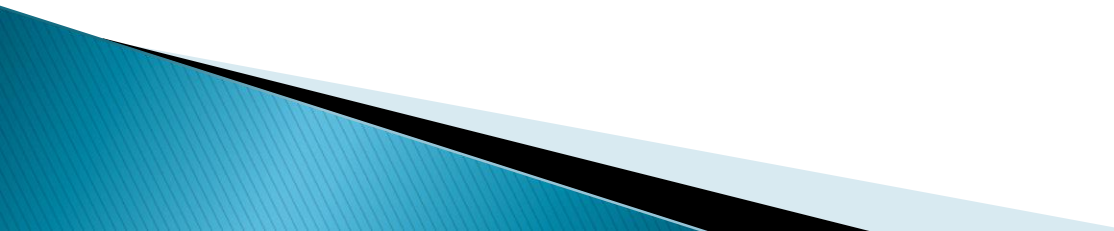
- ▶ The summer program prior to COVID was budgeted in general fund at approximately 70K.
  - ▶ Over the last several years, the district used ESSER II & ARP/ESSER III to fund a more robust summer program. Starting with the summer of 2025 (FY25), general fund will have to start picking up the cost of the summer program moving forward.
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# Expenditures Highlights/Concerns on General Fund

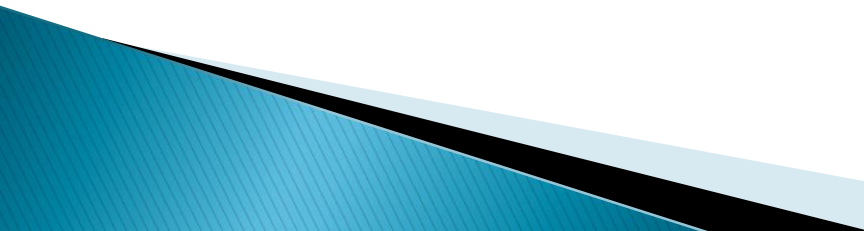
- ▶ Summer Program for last year (summer of 2023), ARP/ESSER III funds paid for approximately \$524,000.
  - ▶ 21<sup>st</sup> Century funding & ESS funding help support a small amount of the summer program as well.
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# Expenditures Highlights/Concerns on General Fund

▶ Other possible cliffs CIPS is facing:

1. School Choice
  2. City Heights – Affordable Housing
  3. Declining Enrollment
  4. Unfunded Mandates
  5. Inflation
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# Expenditures Highlights/Concerns on General Fund

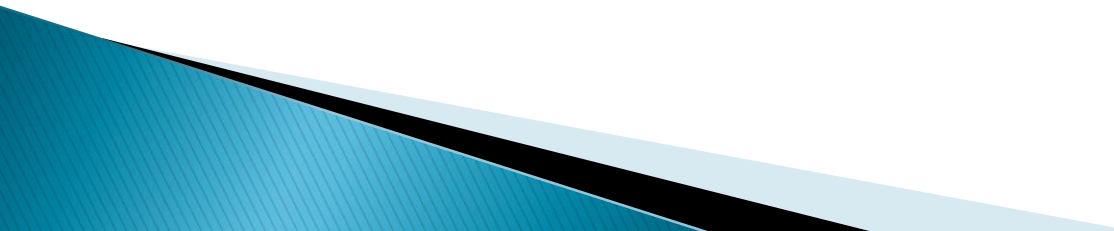
- ▶ KTRS rates that the district has to contribute started out at .25% in 10/11 and currently is capped at 3% in 15/16. We believe the rate will stay the same at this time for the 24/25 school year.
  - ▶ The current (23/24) general fund KTRS budget is \$599,000.
  - ▶ The projected step increases on certified salaries for next year is \$214,000. This will cost the district an additional \$10,000 for KTRS retirement along with other fringes. Total of \$224,000.
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# Expenditures Highlights/Concerns Continued on General Fund

- ▶ CERS rates that the district has to contribute started out at 16.93% in 10/11 and currently sits at 23.34% for the 23/24 school year. The rate for the 24/25 is going down to 19.71% from what districts are being told.
- ▶ The current (23/24) general fund CERS budget is 2.178 million.
- ▶ If the rate does decrease next year, using current year FY24 salaries, this could potential have a savings of \$344,000 to the district.

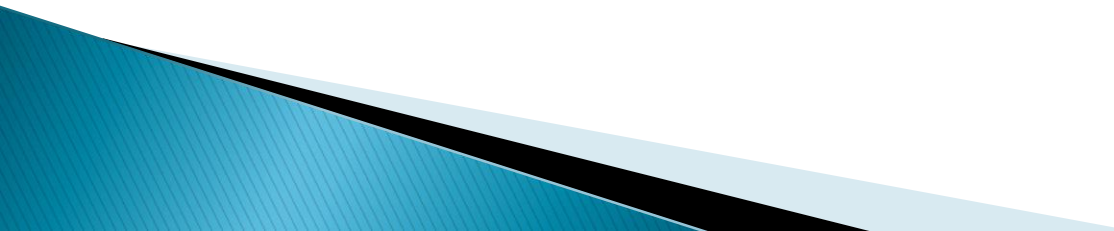
# Expenditures Highlights/Concerns Continued on General Fund

- ▶ Total CERS budget for the 23/24 school year is 2.178 million before step increases.
  - ▶ The projected step increases on classified salaries for next year is \$126,000. This will cost the district an additional \$39,000 for CERS along with other fringes. Total of \$165,000.
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# Expenditures Highlights/Concerns Continued on General Fund

- ▶ Gas, Electric and Diesel Fuel increases historically. If a 5% increase is used that would cost the district in 24/25 approximately \$47,000 more based on the 23/24 budget amount of \$942,000.

# Draft Budget

- ▶ School districts historically just roll over the current budget (23/24) in MUNIS to the draft budget for the 24/25 school year since the district is in preliminary stages of the budget.
  - ▶ The MUNIS draft budget is attached but doesn't reflect any of the projected revenue increases/decreases or increases in expenditures that have been presented today.
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# Draft Budget

- ▶ The Budget Committee will start to meet over the next several months. They will continue to meet in the upcoming months and in the upcoming new school year (July/August 2024) to discuss the potential issues that the district might face along with balancing the FY25 budget.
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