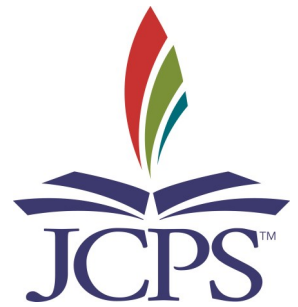


## Notes & Analysis

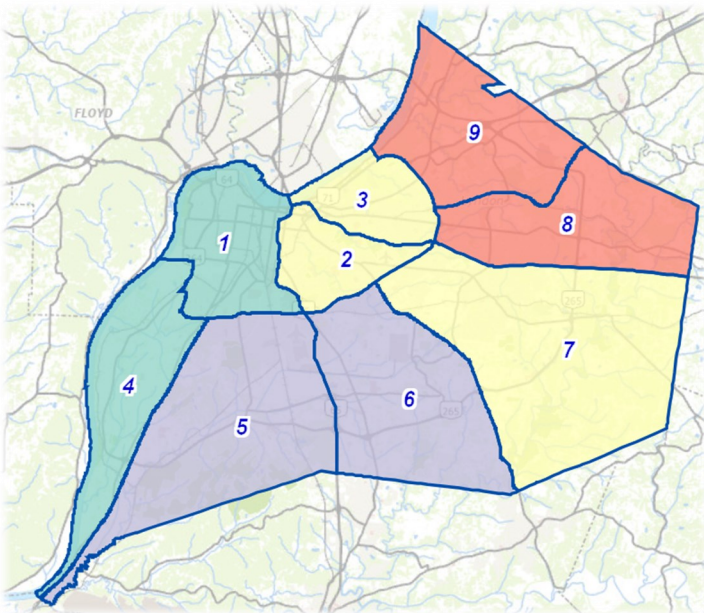
### March 2024 Financial Report



**Monthly Update:** As schools approach spring break, March is a critical month for budget development. All schools determine how they will use their allocated budget during the next school year, and all of this data is entered by the Budget department. With 75% of the fiscal year completed, many financial trends are emerging and the data is becoming more meaningful.

**Property taxes** are the largest revenue source for the District. Since tax bills are mailed at the beginning of November, with discounts available for early payment and penalties for late payment, we receive most of these payments between November and February 1 of each year. By March, we can see how the year's collections compare to previous years.

**4.9%** Increase over 2022-23



**Property Valuation Assessments** are conducted by the Jefferson County Property Valuation Assessor, an elected position within Jefferson County and all Kentucky counties. Many governments receive assessment-based tax revenues, including JCPS, fire districts, Metro Louisville, and the sixth class cities. The PVA is required by statute to reassess all properties in the county every four years. To accomplish this, they have divided the county into quadrants and reassess one each year. Currently, they are reassessing the yellow quadrant, including sections 3 St. Matthews, 2 Highlands and Shelby Park, and 7 Fern Creek and Jeffersontown. This quadrant is traditionally the highest assessment growth quadrant in Metro Louisville. This will likely result in a decreasing tax rate for the 2024-25 school year.

**State SEEK (Support Education Excellence in Kentucky)** revenues are the largest source of funds we receive from the state. The formula is designed to reduce the state payments as local assessments increase. The legislature increased base SEEK by 3% to \$4,326 and increased the SEEK Transportation reimbursement to 90%, which was much needed and much appreciated. Based on these changes, we forecast an increase in SEEK for 2024-25 of \$5.2 million instead of a large decrease compared to the previous year.

2021-22	2022-23	2023-24	2024-25 Forecast
<b>168.0</b>	<b>165.2</b>	<b>148.2</b>	<b>+5.2</b> ↑

**Revenue Budget-to-Actual Analysis** Most revenue codes are approximating their budget with some exceptions:

- Property taxes forecasted to exceed budget about \$4 million
- Interest income forecasted to exceed budget about \$4 million
- Occupational taxes forecasted to underperform budget about \$2 million
- Motor Vehicle taxes forecasted to underperform budget about \$2 million

**Expense Budget-to-Actual Analysis**

- ⇒ Salaries remain under budget as our vacancy rate remains around 8% compared to our traditional rate less than 4%.
- ⇒ Many substitute categories are exceeding budget as a result of our vacancies, though these codes exceed budget far less than the underspent salary budget savings.
- ⇒ Contract bus services are more than double the level of previous years as JCPS is making every effort possible to support student transportation.
- ⇒ Computer costs and related repairs are up significantly as JCPS continues to support 1:1 technology for our students.
- ⇒ As Jefferson County avoided an extreme winter, our utilities costs are \$1 million under trend and coming in under budget.
- ⇒ Transportation insurance costs have increased significantly. Although our fleet size is shrinking, a national trend of high transportation verdicts, including buses and logistics systems like tractor trailers, has increased the cost of our claims. We have forecasted this trend and adjusted our budget. Although the expense trend is increasing, we are not exceeding budget in this category.

Overall, expenses are coming in under budget.

**52%** of Salaries are paid to Teachers

