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2025–26

# Fayette County Public Schools **Draft Budget**



# The Budget and Finance Cycle

With each budget cycle, the board shapes the future of our community through historic investments in education. The board has developed a model in Fayette County that provides advanced opportunities to students and support for families and the community.

In accordance with Kentucky Revised Statutes and the Kentucky Department of Education, local school boards have three different versions of the annual budget:

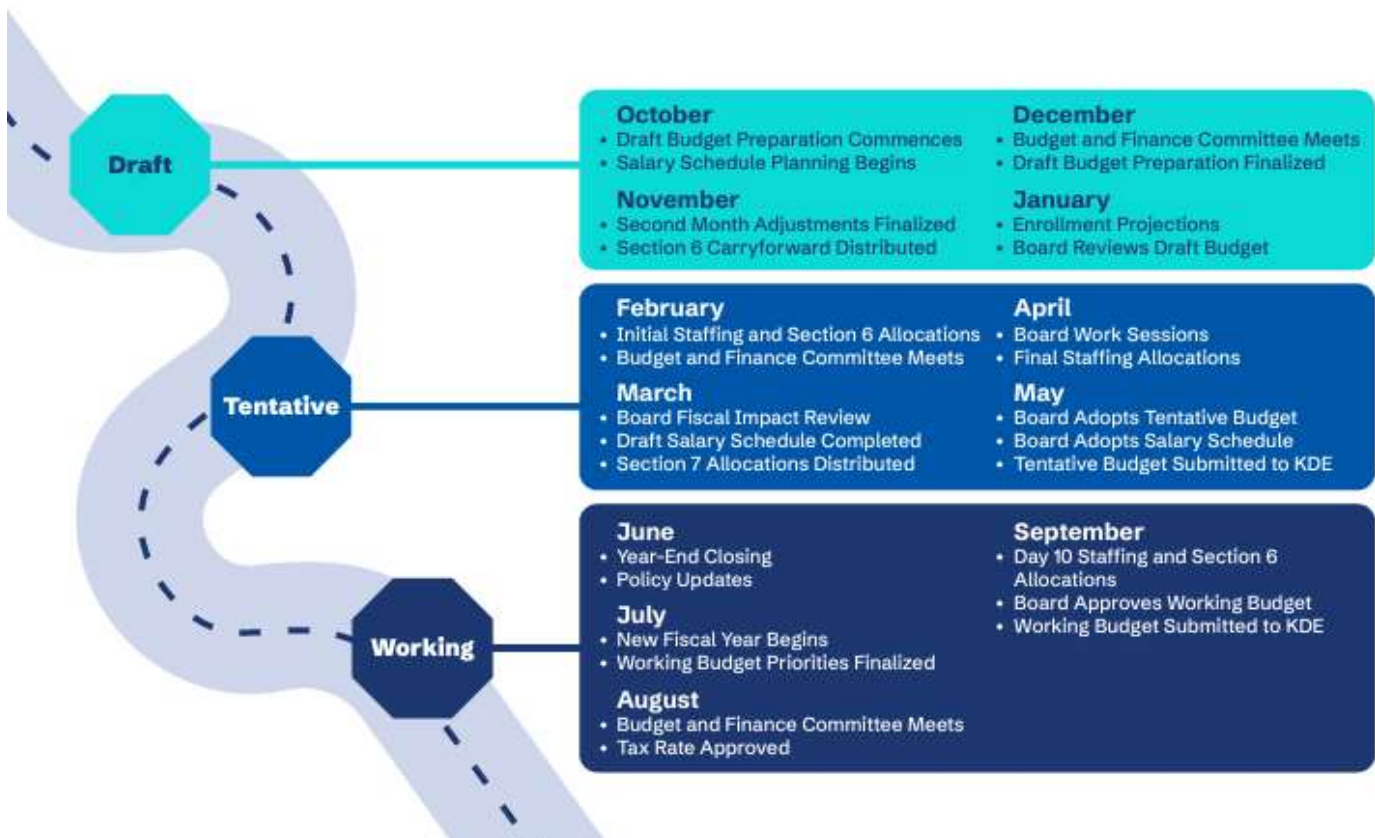
**A Draft Budget is reviewed in January.**

**A Tentative Budget is adopted in May.**

**A Working Budget is approved in September.**

## Budget Timeline

**Ongoing:** School Board Monitors Performance and Financial Reports



# School District Budget Planning Process

## Overview

The purpose of a school district budget is to outline a financial plan and allocate resources to support the educational programs, services, and operations. A well-structured and effective budget allocates funding to ensure the district can fulfill its mission, meet educational goals, and provide a high-quality learning environment for students, while also ensuring the responsible use of public funds.

The Draft Budget is the first iteration in a school district budget cycle and Board members review forecasts to plan for student enrollment changes and available resources using conservative estimates to anticipate economic shifts. Preparation for unforeseen expenditures is crucial for financial stability. Estimates are created from historical revenue and expenditure data from local, state and federal sources to ensure resources are allocated strategically and equitably across schools and district supports.

Stakeholder engagement is an important component of the budget planning process. To inform the Board's budget, input is received through various town hall engagements, Budget and Finance Committee proceedings, and focus groups. School district budgets are built through collaboratively identifying needs for the highest levels of student achievement.

When developing a budget, legal compliance is at the forefront to ensure Kentucky Revised Statutes and Federal Regulations are met. District oversight of funding allocations and requirements are set by the Kentucky Department of Education and various federal agencies.

Financial stewardship and accountability is created through the Board's mission and vision contained within the District Strategic Plan, Comprehensive District Improvement Plan, and Comprehensive School Improvement Plan. Pillars from each of the plans ensure spending supports Board priorities and cover fiscal needs across the school year. Limited resources are prioritized based on data while assessing program effectiveness to guide funding decisions and focusing on areas that drive student achievement.

# School District Budget Planning Process

## Draft Budget

During the Draft Budget phase, there are many unknowns with estimates created using historical data and initiatives carried forward from the current fiscal year. It is a very preliminary phase of budget preparation. The Tentative Budget phase provides Districts with Board priorities, legislative funding updates, salary estimates from the approved Salary Schedule in April, and updated enrollment projections for the upcoming fall start of the school year.

### The FY26 Draft Budget assumes:

- Support Education Excellence in Kentucky (SEEK) Per Pupil Base of \$4,586 resulting in a 6% increase over the FY25 per pupil amount of \$4,326
- The total amount of FY26 SEEK forecasted between \$90m and \$95m
- A 3.5% increase in assessments conservatively estimated and based on historical data
- Revenue increases estimated to be \$8m to \$10m more than current fiscal year with a 4% increase in revenue
- Kentucky Public Pension Authority County Employees Retirement System (KPPA CERS) employer cost rates are yet to be determined for 2026 and currently 19.71% for 2025

### The FY26 Budget includes:

#### Estimated Revenues

- Fund Balance estimated at \$42m
- Estimated General Fund Revenues - subject to change during Tentative Budget phase:
  - Local - \$378,200,400
  - State - \$248,840,000
  - Federal - \$1,200,000
  - Interfund Transfers - \$5,000,000
  - Capital Lease Proceeds - \$3,940,000
  - Total (includes fund balance estimate) - \$674,180,400

#### Proposed Expenditures

- Salary and benefits with a step increase is projected at \$593.8m
- Staffing and operating estimates for Mary E. Britton Middle School and The Hub for Innovative Learning and Leadership (HILL) is estimated \$5m to \$7m
- Advancement Via Individual Determination (AVID), Grow Your Own (GYO), and Dual Credit continued funding support at \$1.4m