

Notes of Interest

March 2025 Financial Report

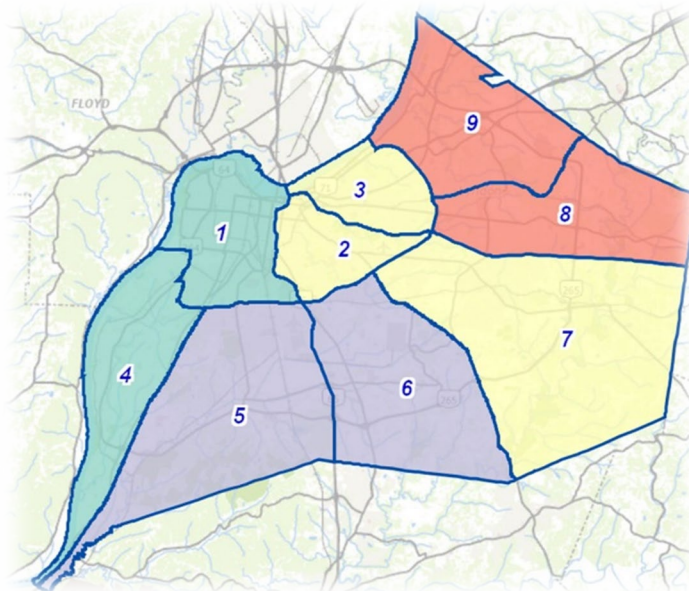
Monthly Update: As schools begin spring break, March is a critical month for budget development. All schools determine how they will use their allocated budget during the next school year, and all this data is entered by the Budget department. With 75% of the fiscal year completed, many financial trends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

Increase over
6.3%
2023-2024

Property Valuation Assessments are conducted by the Jefferson County Property Valuation Assessor, an elected position within Jefferson County and all Kentucky counties.

Quadrennial Plan



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 purple quadrant, sections 5 and 6.

State SEEK revenues (Support Education Excellence in Kentucky) 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 2% and increased SEEK Transportation to 100% for 2025-26, which was much needed and appreciated.

BASE FUNDING PER STUDENT			
	FY 2024 HB 1 Enacted	FY 2025 HB 6 House Committee Substitute	FY 2026 HB 6 House Committee Substitute
Base Guarantee Per Student	\$4,200	\$4,368	\$4,455
Change from FY 2024 to FY 2026			\$255

Budget to actual analysis is an important review for both long-term planning and forecasting our year's results. This is especially critical during tight budget times. The vast majority of our expense codes are tracking within each code's established budget.

Revenues

- Property taxes forecasted to exceed budget by about \$10 million
- Occupational taxes forecasted to exceed budget by about \$6 million
- Motor vehicle taxes forecasted to exceed budget by about \$2 million
- Interest on investments forecasted to exceed budget by about \$1 million

Expenses

- Salaries forecasted to be short of budget approximately the same as last year due to vacancies across many positions throughout JCPS; 52.5% of Salaries are paid to Teachers.
- Gasoline is forecasted to exceed budget by about \$137 thousand due to new police fleet, increase in Transportation's transit vans, and ground's new gasoline flatbed trucks.
- Diesel is forecasted to come in under budget by about \$1 million.

Budget status update finds the District and the nation in a period of instability. While JCPS has worked very hard to trim its budget in a way that minimizes the effects on our classroom, changes at the federal level have caused concern that these contracts may not be reliable as they previously were. We are monitoring federal activities very closely in concert with the Kentucky Department of Education and the Council of Great City Schools to be able to forecast and adjust to this new, less certain environment.

