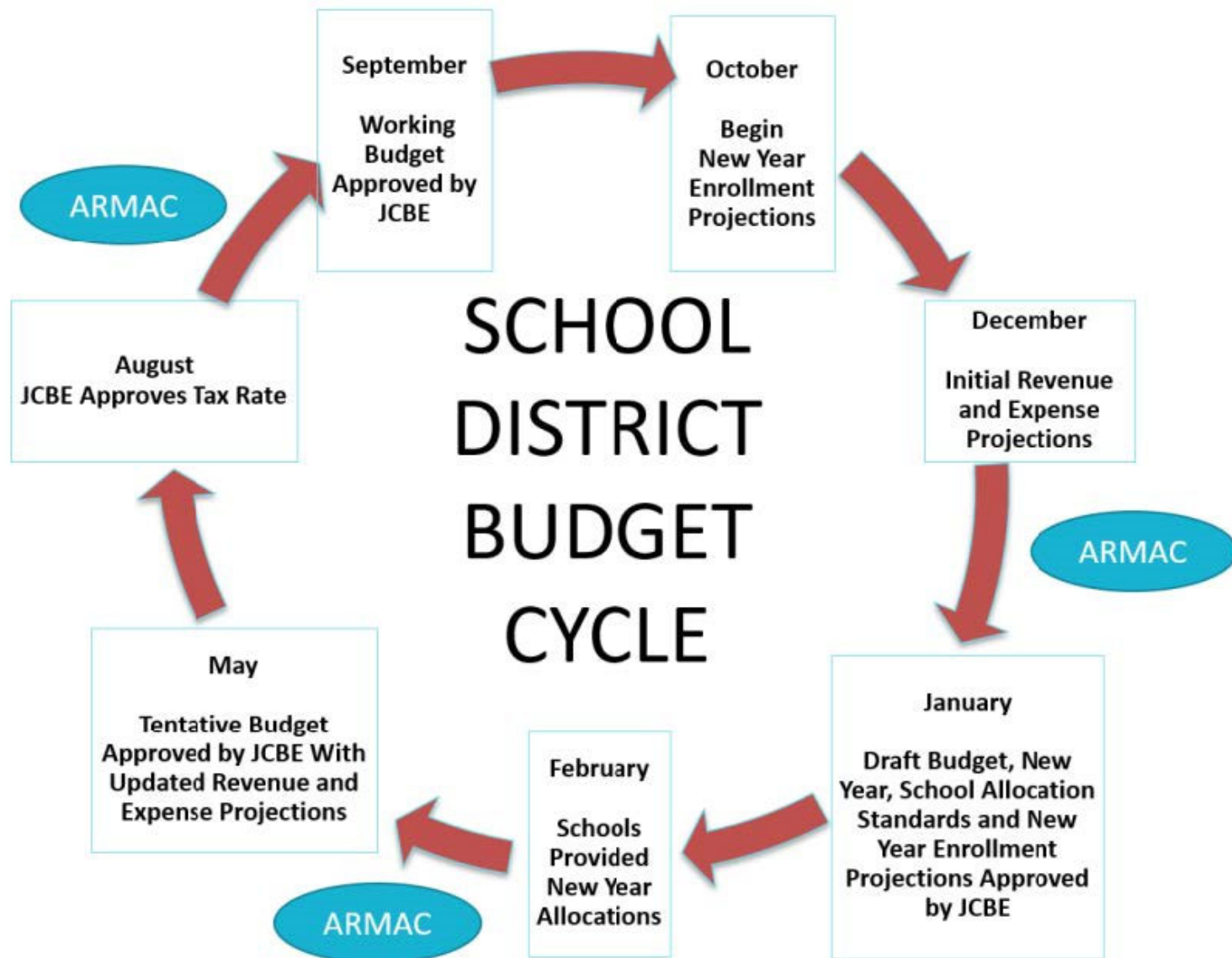




FY26 Tentative Budget

SCHOOL DISTRICT BUDGET CYCLE



Tentative Budget Highlights

WHERE WE ARE IN THE BUDGET CYCLE

August
JCBE Approves Tax Rate

May

Tentative Budget
Approved by JCBE With
Updated Revenue and
Expense Projections

ARMAC

February
Schools
Provided
New Year
Allocations

January
Draft Budget, New
Year, School Allocation
Standards and New
Year Enrollment
Projections Approved
by JCBE



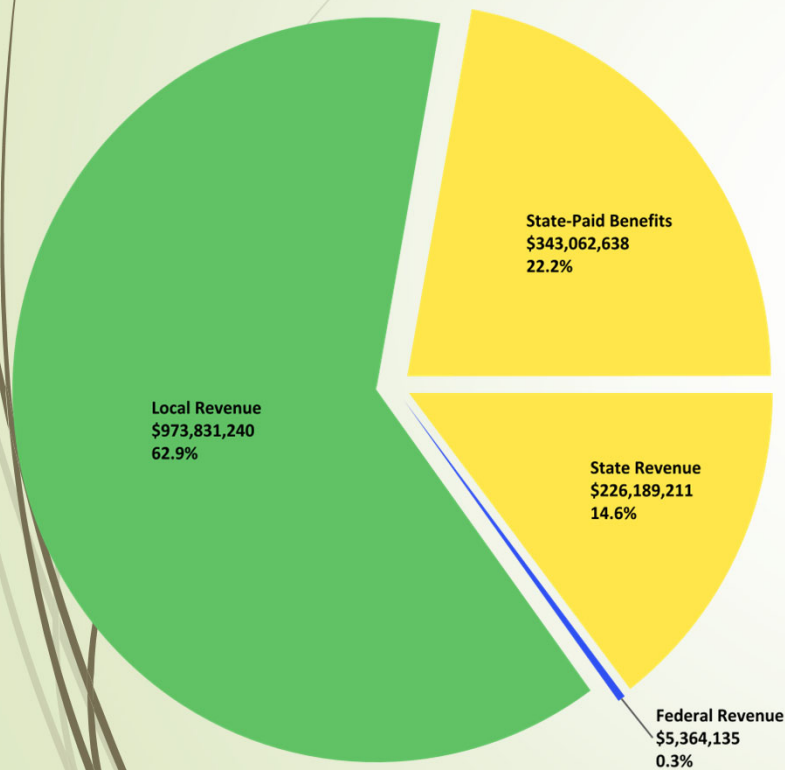
Tentative Budget Highlights - Revenues

- Property tax assessments forecasted to grow
- 6% increase in base SEEK and increase in SEEK Transportation providing much needed increase in state revenues
- Local economy forecasted to slow slightly but remain strong
- JCPS remains heavily dependent on local taxpayers

Tentative Budget Highlights - Expenses

- Collaborative effort between the Superintendent and Cabinet to reduce our budget by \$99.1 million
- Maintains \$29.8 million in **Racial Equity Funds** for schools
- Maintains \$11.1 million for **Mental Health Practitioners**
- Maintains all Employee stipends in effect during the 2024-25 school year
- Adds \$3.8 million additional support for **Multilingual Students**
- Maintains \$20 million for **ALS/Choice Zone stipends** plus additional PD and E3 supports for these schools

Tentative Budget Highlights - Revenues



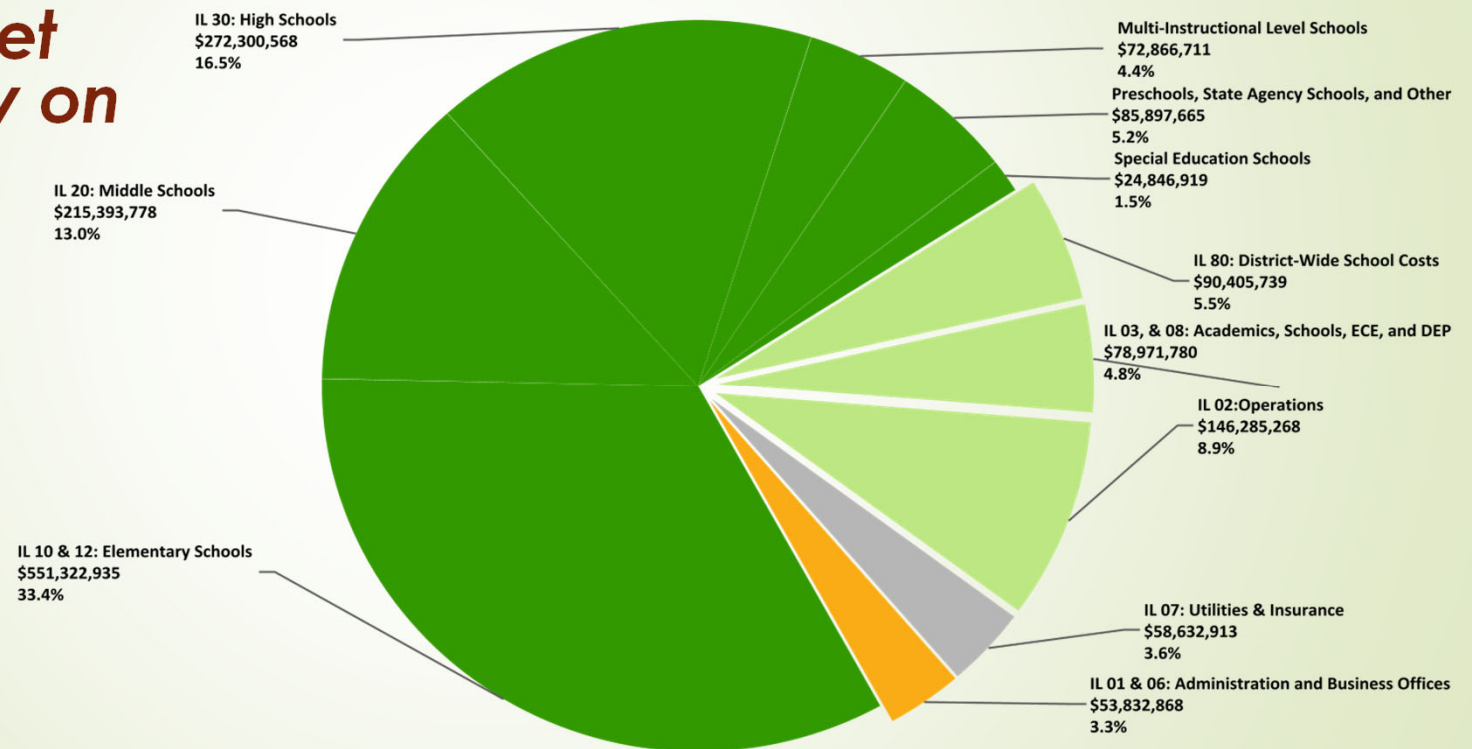
Local revenues are 62.9%

- Property taxes are $\frac{3}{4}$ of this amount
- Occupational taxes are 22% of this amount

State-paid benefits are the cost of health insurance and TRS employer match that are paid by the state

Tentative Budget Highlights - Expenses

74% of General Fund budget spent directly on schools

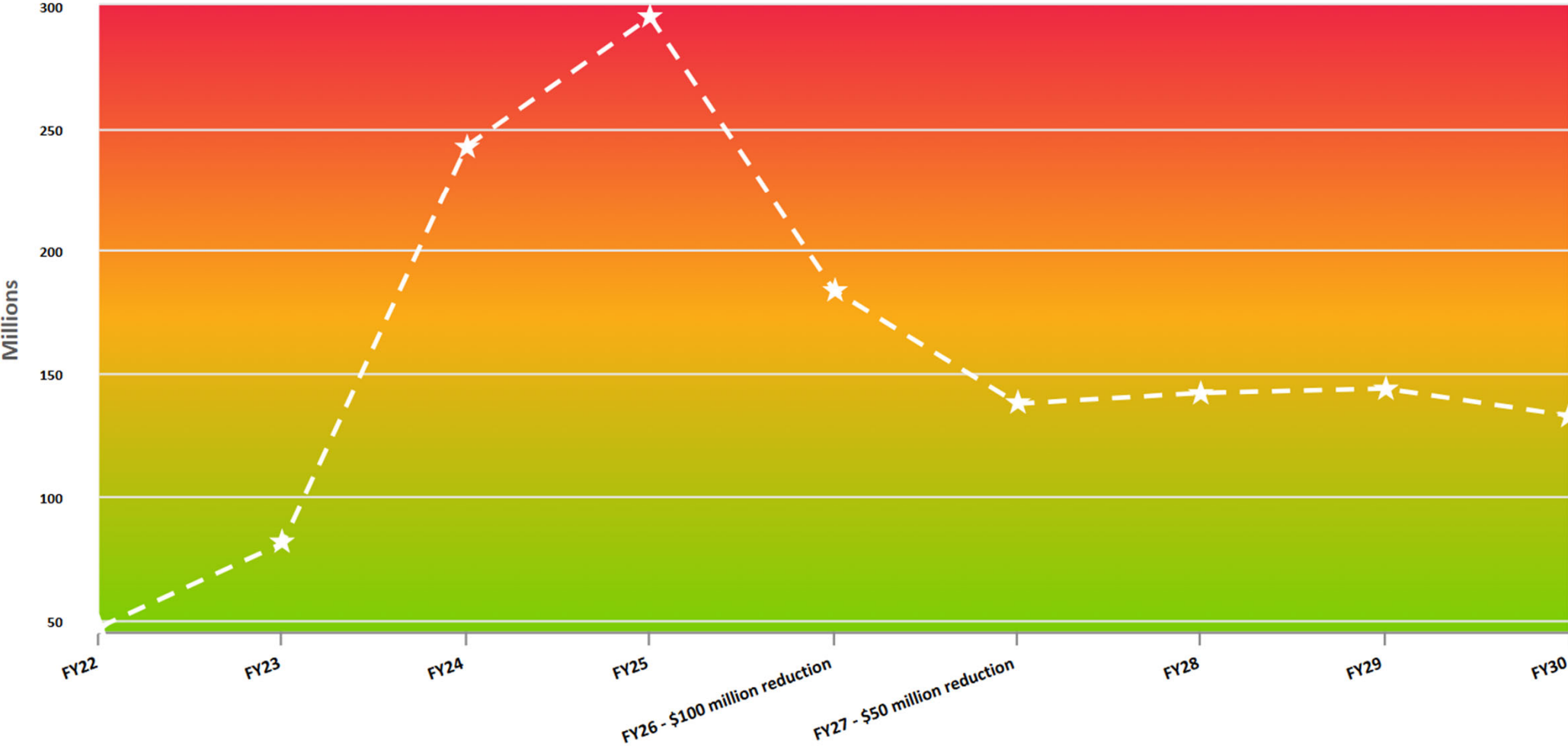


Tentative Budget Highlights – Bottom Line

- Includes COLA of 3%
- Includes \$99.1 million of budget reductions
- Will be sustainable if additional budget reductions are made in 2026-27 to achieve our soft landing

Revenues without Fund Balance	1,548,447,224
Expenses	<u>1,650,757,144</u>
Difference per Tentative Budget	(102,309,920)

Deficit Projected Over Time With Reductions



Tentative Budget – To Achieve a Soft Landing

- Reduce budget by \$100 million for 2025-26 school year
- Reduce another \$50 million for 2026-27 school year
- Offset budget additions by equal budget reductions
- Continue to prioritize all spending based on direct impact on student needs
- Secure JCPS finances at levels that achieve at least state-minimum 2% contingency balance and adequate cash flows to operate



Tentative Budget – Challenges for Future Budgets

Unmet Needs not provided for in this year's budget

- Salary schedule reviews of certain positions
- Sustainable replacement schedules for buses, Chromebooks
- Facilities funding needed to build new buildings, complete turf field project
- Continue to support growth of multi-lingual learners
- Software to reduce inefficiencies – routing, contract, case management



Questions?