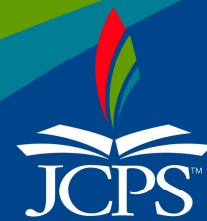


JCPS Revenues

Revenue Advisory Task Force
August 11, 2025



1


Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 651,146,926			\$ 54,909,745	\$ 706,056,671
Occupational taxes	222,962,802				222,962,802
Motor Vehicle taxes	42,746,749				42,746,749
Franchise taxes	19,815,465				19,815,465
Omitted taxes	6,194,030				6,194,030
Other taxes	9,758,023				9,758,023
Grants from local agencies and donors		\$ 3,976,041			3,976,041
State sources					
SEEK program	207,623,135			8,620,402	216,243,537
Other state revenues	1,850,655	44,407,107			46,257,762
KSFCC allocation				8,978,529	8,978,529
Grants from the United States government		143,149,553		2,630,820	145,780,373
Interest	21,547,485	394,100	\$ 2,733,914		24,675,499
Other sources	5,083,524	220,638		4,650,664	9,954,826
Total Revenues	1,188,728,794	192,147,439	2,733,914	79,790,160	1,463,400,307




2

	<u>General Fund</u>	
Revenues		
Local sources		
Property taxes	\$651,146,926	54.8%
Occupational taxes	222,962,802	18.8%
Motor Vehicle taxes	42,746,749	3.6%
Franchise taxes	19,815,465	1.7%
Omitted taxes	6,194,030	
Other taxes	9,758,023	
State sources		
SEEK program	207,623,135	17.5%
Other state revenues	1,850,655	
Interest	21,547,485	1.8%
Other sources	<u>5,083,524</u>	
Total Revenues	1,188,728,794	81.2%



3

	<u>General Fund</u>	
Revenues		
Local sources		
Property taxes	\$651,146,926	Highlighted revenues calculated using the same Board-approved tax rates
Occupational taxes	222,962,802	
Motor Vehicle taxes	42,746,749	
Franchise taxes	19,815,465	
Omitted taxes	6,194,030	
Other taxes	9,758,023	
State sources		
SEEK program	207,623,135	
Other state revenues	1,850,655	
Interest	21,547,485	
Other sources	<u>5,083,524</u>	
Total Revenues	1,188,728,794	



4

State sources

SEEK program	207,623,135	17.5%
Other state revenues	1,850,655	

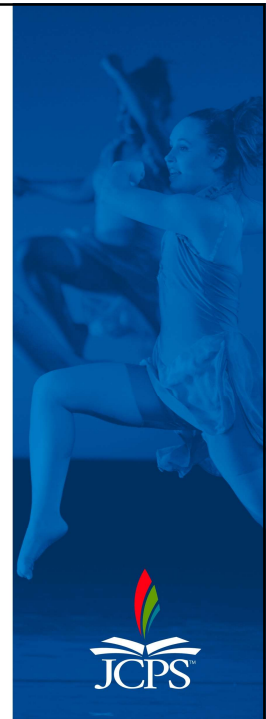
Other state revenues will include state-paid benefits once all closing entries are posted. These are offsetting revenues and expenses representing the cost of teachers retirement and health insurance for all employees



5

Property Taxes (HB44)

- Board sets the rate each year
- Not recallable unless exceeding the 4% rate
- Rate is directly affected by assessments
- Compensating rate – rate that gives same revenue as prior year
- Subsection (1) rate – antiquated
- 4% rate – rate that raises 4% more revenue in property, franchise, and motor vehicle taxes



6

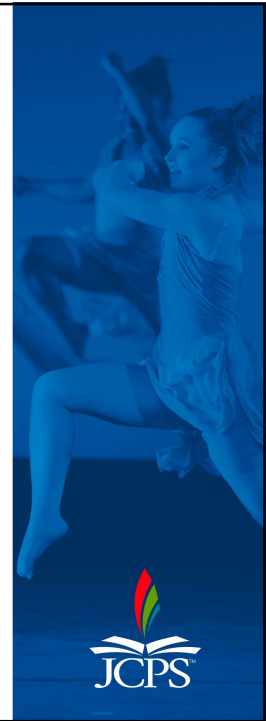
Property Taxes – 4% Rate

Local sources

Property taxes	\$651,146,926	54.8%
Occupational taxes	222,962,802	18.8%
Motor Vehicle taxes	42,746,749	3.6%
Franchise taxes	19,815,465	1.7%

- Misnomer – 4%** is gain in three revenue categories, not total revenues
- New property adds to additional revenue collected

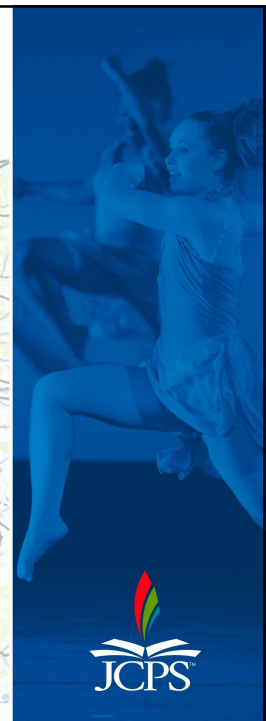
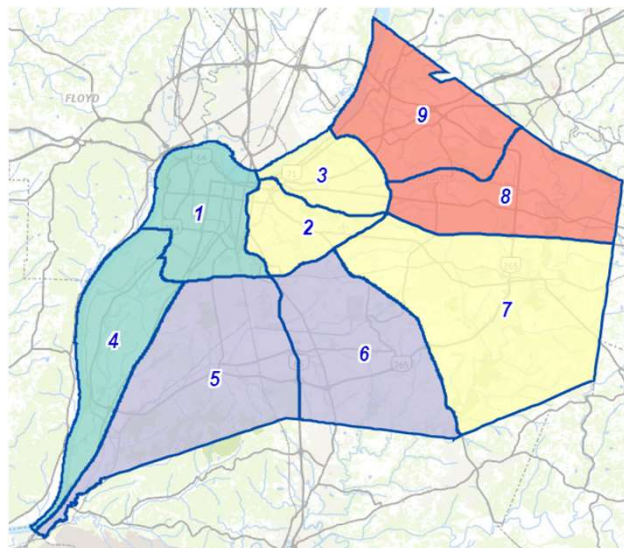
**** Factors in assessment increases!**



7

Property Tax Assessments

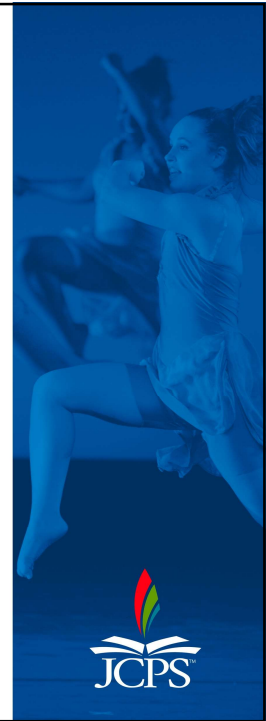
Quadrennial Plan



8

Property Taxes – Assessments

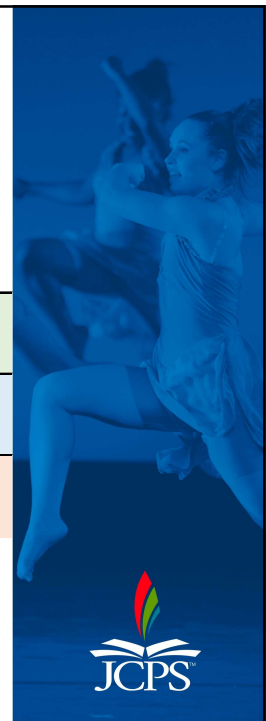
- 4% rate increase is net of new property and assessment increases
- Inverse relationship between rate and assessments



9

Property Taxes – Trend

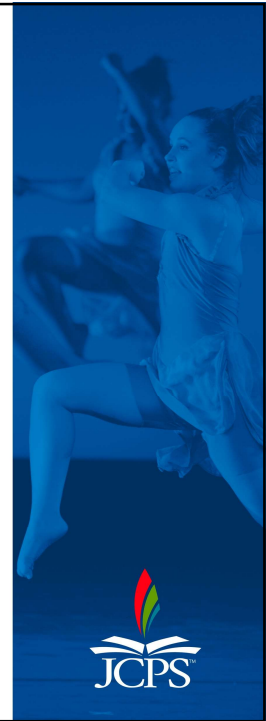
	Assessments	Rate % Change	
January 1, 2006 -			
January 1, 2020	3.2%	1.2%	4% all years except 2
January 1, 2021	1.8%	9.5%	Recallable
January 1, 2022 -			
January 2, 2025	7.9%	-2.3%	4% rate



10

Property Taxes – Rates

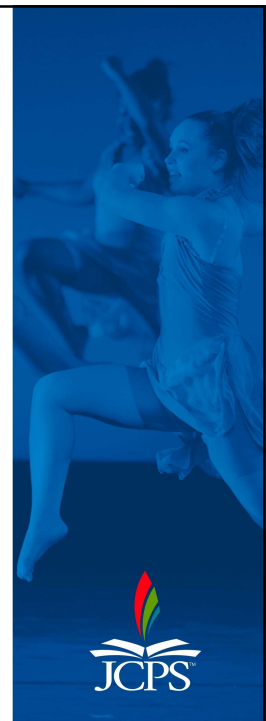
FY25	73.5	-3.3%
FY24	76.0	-0.4%
FY23	76.3	-3.8%
FY22	79.3	-1.6%
FY21	80.6	9.5%
FY20	73.6	1.5%
FY19	72.5	3.0%
FY18	70.4	



11

Property Taxes – Assessments

- Result of using assessment growth to limit property tax revenues is to force high growth years to lag inflation
- Assessment growth (can be used to measure inflation) exceeds revenue growth



12



SEEK

- State unrestricted** General Fund revenues
- Includes two restrictions(**) for facilities
- Transportation factor limits reimbursements severely

Factors:

- ADA
- Exceptional Child count
- LEP count
- Home/Hospital count
- At-risk count
- Transportation factor
- **\$.30 local effort**

13



SEEK – Effect of Local Effort

- Established during Kentucky Educational Reform Act
- Shared responsibility between state and local residents
- Designed to shift burden to local residents as assessments rise
- Wealthy counties contribute more
- Less wealthy counties are supported by state
- Includes a “hold harmless” provision (1991 dollars!)

14



SEEK – Effect of Local Effort

Past ten years:

	Decrease		Percent
SEEK	\$58.6 million		2.5% Annualized

15



SEEK – Building Fund

Building Fund

- FSPK requirement
- Local funding required to be designated for facility needs
- \$58 million per year
- Calculated based on percent of assessments

Capital Outlay

- \$100 times ADA
- State funds allocated for facility needs
- \$8 million per year

16



SEEK – Facilities Funding

- Capital Outlay is fairly stable
- Building Fund increases by full assessment percent, not limited by 4% rate calculation
- Increased by 5.5% annually, or \$21.2 million per year compared to ten years ago
- JCPS needs facility funding, but these funds are further reducing our General Fund that could be used for education

17

Occupational Tax

- Business tax charged as payroll tax at and net profits tax at .75%
- Part of total 2.2% tax (Metro (1.25%, TARC .2%, and JCPS .75%))
- Tends to track very closely to local economy
- Susceptible to stagnation and downturns



18

Occupational Tax

- 20-year average 4.1% growth county-wide
- July 1, 2020 through June 30, 2022 were outlier years averaging 14.9% growth as the nation pumped liquidity into the economy in an effort to curtail the downturn after COVID-19 (inflation!)
- Excluding the post-COVID years, average growth was 2.8%



19

Other State Revenues

- Over \$300 million each year
- State-paid teachers retirement and health insurance
- Offsetting expense and revenue

Motor Vehicle

- Affected by car prices
- Imperfectly tracks with economy



Interest Income

- Interest earning on checking balance and investment portfolio
- Portfolio – mostly federal agencies, limited to 5-yr maturity

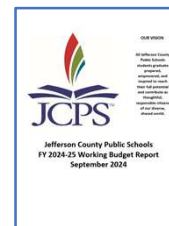
Franchise Tax

- Property tax assessed against companies that earn their revenues on someone else's property, gas/water connection into your house

20

JCPS Resources

- <https://www.jefferson.kyschools.us/o/jcps/page/comprehensive-annual-financial-reports>
- <https://www.jefferson.kyschools.us/o/jcps/page/budget>



21



22