

## **Revenue Task Force Meeting – 8/11/25**

### Call to Order – James Craig

- Similar situation to COVID
- 100 million budget deficit in 25/26
- 50 mill deficit in 26/27, could be closer to 100 mill
- Tough challenges ahead and political climate is unknown
  - KY & Federal
- 7/1 notification of federal funds (Title 2, 3, & 4 – multilingual learners) will be eliminated, then on 7/31 decision reversed without description

### Introduction of task force members

### Introduction of Dr. Yearwood

- Nothing but excellence
- Budget cuts will be difficult
  - Minimize impact on students
  - Will not reduce salaries
  - Key is integrity of instruction
  - Planning for successful future
  - Ensuring successful school district – can/must do better
  - Issues require revenue; to do that, must understand the present first
  - Will get through this together

### Additional comments

- Resources – ambitious
  - Salary 3-year crisis – given teachers increase of 9%, but this was on top of an already 15-year stagnation
  - Also, from the rest of the ranks
  - Technology
- End of ESSR funds
  - In 5-10 years will be a teacher crisis and the lack thereof
  - 2023 was a lack of bus drivers
  - Budget crisis and future of public education
- Main ask to board – tax rate for 26/27 and beyond
- Resolve existing resources AND consider future

### Revenue looks like number of funds

- General Fund
- Special
- Construction
- Smaller Funds

### Looking at General Fund, as %'s, revenue consists of:

- Property tax – 55% (looks like most schools)
- Occupational tax

- Seek sources

Question – how has %'s changed over 30 years

With Seek formula, as assessments go up, state revenue goes down. KERA (KY Education Reform Act), was implemented in 1989, which pulls property tax from all counties and reallocates back out.

Question – Utility gross receipts tax; how many counties in KY do?

We choose occupational tax over this because occupational is higher

Question – would like to see chart with all counties and compare taxes (prop, occupational, etc and %'s)

Question – also show how much state vs federal funded.

Other state revenue includes On-behalf Payments which includes teacher retirement (4 tiers)

Property Tax (House Bill 44)

- Board sets
- 4% rate, if exceeds becomes callable
- Always affected by assessments
- Revenue does not go up by 4% because assessments increase
- Assessments are done by quarters (of the county)

Question – can we breakout commercial and residential?

Seek – subtract \$.30 local effort (i.e. with assessment growth subtract state help) 2.5% annualized or \$58 million less from Seek

Occupational tax

- Highest year
- 20 yr average – 4.1% average growth
- 2020 – 2022 14.9% growth
- Excluding COVID 2.2% which is normal

January 2026 – recommend to the Board

Question – list (graph) of potential taxes/lost revenue

Question – Compounding \$'s of lost revenue from 2006 – 2020 where we didn't take 4%

Question – if go above 4%, what are the challenges for this

Question – would like to see enrollment trends

Question – would like to see trends - size of students, people, teachers, and pay

Question – information on Operations (i.e. buses, supplies, etc.)

Question – Cliff of employees by age – to understand upcoming retirements

Budget discussion 1<sup>st</sup>

HR discussion 2<sup>nd</sup>

Next meeting on 8/25 @ 5:30

Send feedback to James Craig and other questions Lea Ann Bickett to log questions in google doc.