



Fayette County Public Schools

Executive Summary Fayette County Public Schools Board Meeting Agenda Item

MEETING: Planning

DATE: 1/12/2026

TOPIC: 2026-2027 Draft Budget

PREPARED BY: Rodney Jackson/Jessica Williams

Recommended Action on: 01/12/2026
Informational Item

Superintendent Prior Approval: Yes

Recommendation/Motion: No motion necessary

Background/Rationale: Review 2026-2027 Draft Budget

Strategic Priority:

- ☐ Student Achievement ☐ Unity, Belonging & Student Efficacy
- ☐ Highly Effective, Culturally Responsive Workforce
- ☐ Outreach & Engagement ☒ Organizational Health & Effectiveness

Data Considerations: The Draft Budget was developed in alignment with the Fayette County Public Schools Strategic Plan, Portrait of a Graduate, Comprehensive District Improvement Plan, and Comprehensive School Improvement Plan utilizing an established budget process. Further, the impact on instructional and operational needs is measured with analytics and budgetary factors in accordance with the requirements established by the Kentucky Department of Education.

Policy: 01.11 (General Powers and Duties of the Board)

Fiscal Impact: Review anticipated revenue and expenditures for the 2026-2027 school year

Attachments(s): Draft Budget Memo

FAYETTE COUNTY PUBLIC SCHOOLS DRAFT BUDGET FOR THE 2026-2027 SCHOOL YEAR

Background:

In accordance with state statute (KRS 160.470) and Kentucky Department of Education regulations for budget development, the Board of Education must formally and publicly review the anticipated draft budget for the upcoming fiscal year by January 31 of each year.

The Draft Budget discussion for 2026-2027 was developed through a collaborative effort with the Department of Budget and Financial Planning, Department of Financial Accounting and Benefits, Superintendent and Cabinet.

The Department of Financial Accounting and Benefits Services projects the anticipated General Fund revenues through an analysis of past trends and the current market. The two departments meet to review both anticipated revenues and expenditures. The two functions are then merged into the Draft Budget.

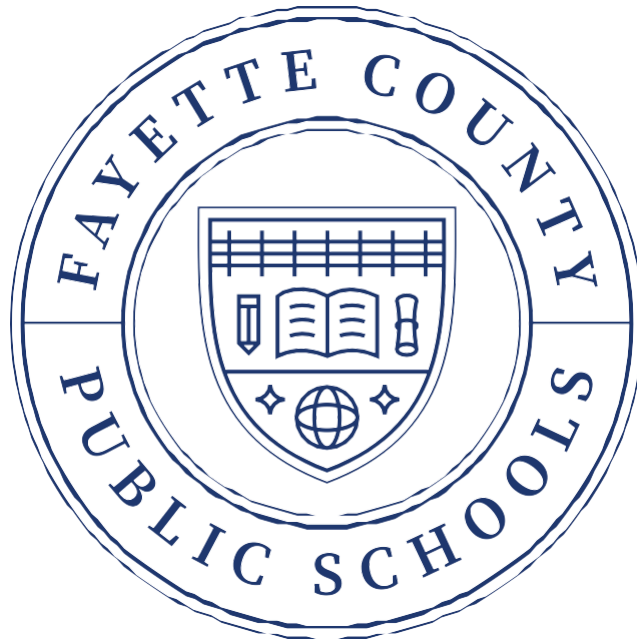
Rationale:

The FY27 Draft Budget is a starting point for discussion and presented in open forum with full knowledge that it is subject to change as both revenue and expenditure requirements are refined.

In January, the Fayette County Board of Education must review the FY27 Draft Budget but is not required to take any action. In May, the Fayette County Board of Education must approve the FY27 Tentative Budget. Upon receipt of its certified assessment and maximum permissible tax rates from the Kentucky Department of Education, the Fayette County Board of Education has thirty (30) days within which to levy tax rates and submit the Tax Rates Levied form to the Kentucky Department of Education, Division of School Finance. The FY27 Working Budget is the final stage in the budgeting process. Within forty-five (45) days of the adoption of the levy tax rates, or not later than September 30, the Fayette County Board of Education must approve the FY27 Working Budget.

POLICY REFERENCE: 01.11 (General Powers and Duties of the Board)

RECOMMENDATION: Discussion only



2026-27

Fayette County Public Schools Draft Budget



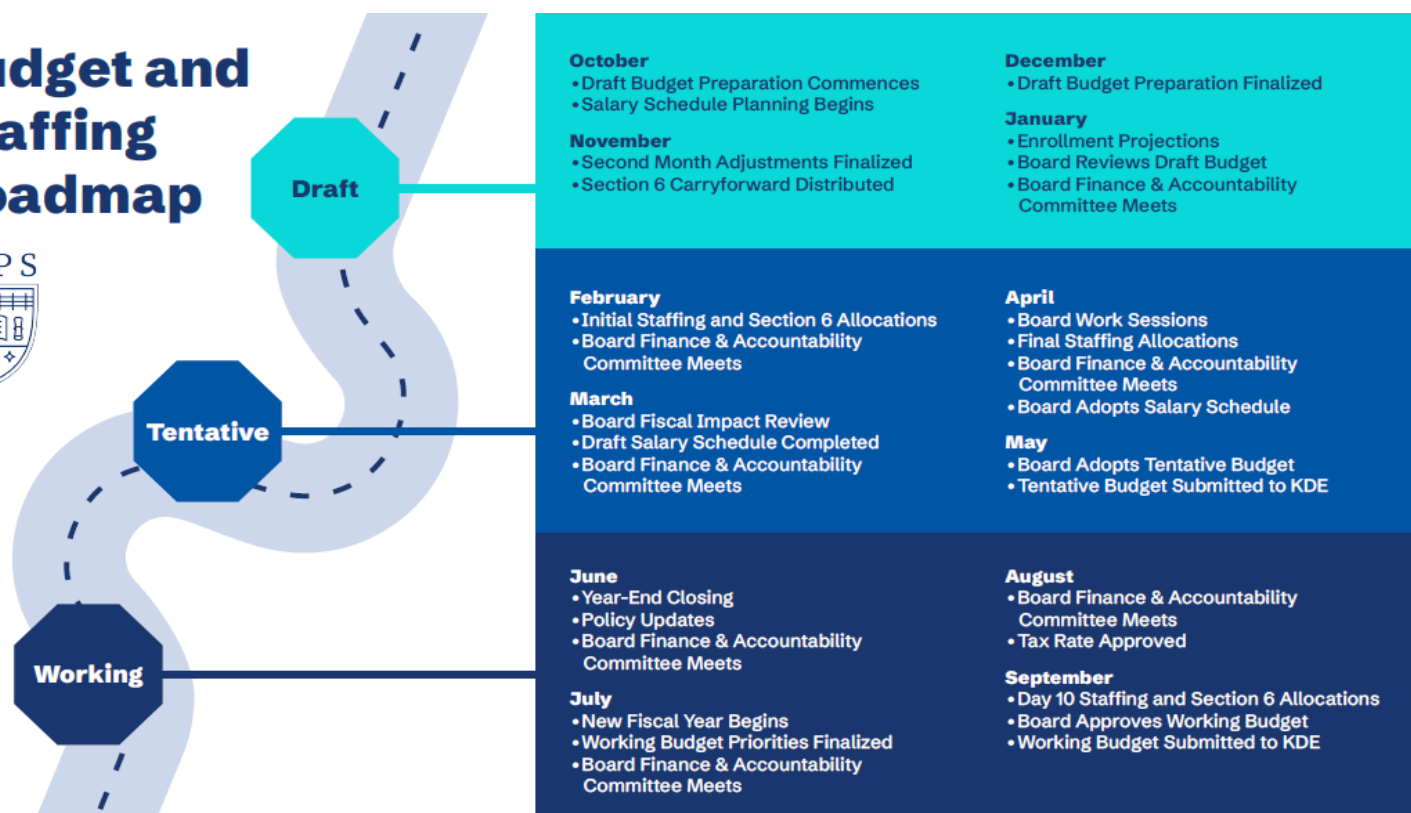
The Budget and Finance Cycle

With each budget cycle, the board helps shape the future of our community through historic investments in education. Fayette County Public Schools has developed a model that provides students with advanced opportunities while offering support for families and our community.

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

- Draft budget is reviewed in January
- Tentative budget is adopted in May
- Working budget is approved in September

Budget and Staffing Roadmap



FCPS District Budget Planning Process

Draft Budget

The purpose of a school district budget is to outline a financial plan that allocates resources to support educational programs, services, and operations. An effective, well-structured budget ensures the district can fulfill its mission, achieve educational goals, and provide a high-quality learning environment for students. At the same time, it promotes the responsible use of public funds and maintains compliance with applicable laws, including Kentucky Revised Statutes and federal regulations. Oversight of funding, allocations and requirements are provided by the Kentucky Department of Education and various federal agencies.

The Draft Budget is the first step in the district's annual budget cycle. Board members review forecasts to plan for changes in student enrollment and available resources, using conservative assumptions to anticipate potential economic shifts. Preparing for unforeseen expenditures is crucial for maintaining long-term financial stability. Budget estimates are developed using historical revenue and expenditure trends from local, state, and federal sources ensuring resources are allocated strategically and equitably across schools and district supports.

School district budgets are developed through a collaborative process that focuses on supporting student achievement. Stakeholder engagement is a critical component of this process. To inform the Board's budget decisions, input is gathered through various channels, including the Budget Solutions Workgroup, the Board Finance and Accountability Committee (BFAC), and focus groups. One such focus group, the Right Size, Bright Future's project, is designed to help the district take a thoughtful and responsible look at programming, understand shifting enrollment patterns, and how we can ensure that every student – regardless of where they live - has access to strong, well-resourced schools.

Financial stewardship and accountability are reinforced through the Board's mission and vision as outlined in the District Strategic Plan, Comprehensive District Improvement Plan, and Portrait of a Graduate. Pillars from each of these plans ensure that spending aligns with Board priorities and addresses fiscal needs throughout the school year. With limited resources, the Board prioritizes investments by evaluating program effectiveness, guiding funding decisions based on demonstrated results, and focusing on initiatives that have the greatest impact on student success. Our strategic plan emphasizes cultivating a highly effective workforce dedicated to student achievement and academic excellence. In support of this priority, the Board has made historic investments to recruit and retain highly qualified professionals whose skills, experiences, and perspectives strengthen our schools and support the shifting demographics. At the same time, a highly experienced workforce results in higher salary and fringe obligations that must be sustained over time.

As the district begins planning for the new fiscal year, we do so with a renewed commitment to transparency and accountability, recognizing the valuable lessons our community and constituents have encouraged us to embrace. By advancing new initiatives, reimagining stakeholder engagement, and strengthening how we utilize predictive analytics to monitor operating expenses, including salary checkpoints and variance tracking, we will be better positioned to refine forecasting, align with the priorities set by the Board, and deliver the outcomes our students and community expect and deserve.

FCPS District Budget Planning Process

Draft Budget

The draft budget phase, presented to the FCPS Board in January, is the first stage of planning for the upcoming fiscal year. Many details remain uncertain, as estimates are based on historical data and ongoing initiatives. Factors such as new Board priorities, legislative funding updates, salary schedule changes, tax rates and enrollment projections for the coming school year are still being determined.

The FY27 Draft Budget potential assumptions and considerations:

- The Support Education Excellence in Kentucky (SEEK) per-pupil base will be set by the General Assembly during the upcoming legislative session as part of the development of the current biennial budget. For reference, the FY26 amount was set at \$4,586 per student.
- Total SEEK funding for FY27 is currently projected to fall between \$100m and \$103m. This estimate will be refined once the legislative session concludes, and the new per-pupil base amount is set.
- A conservative 4% increase in assessments has been estimated and is consistent with historical data, resulting in projected revenue growth of approximately \$8m to \$10m – about a 3.5% increase compared to the current fiscal year.
- County Employees Retirement System (CERS) employer contribution rate for FY27 has not yet been established; the current employer rate for FY26 is 18.62%.
- The calculation of contingency will be completed in accordance with guidance issued by the Kentucky Department of Education.
- There continues to be significant uncertainty surrounding federal grant funding at the national level.
- Current Board priorities
- Revenue resources
- Fixed operating expenses such as utilities and insurance
- Further reductions to operating expenses at the district departmental level
- Salaries and benefits