

Budget and Finance Committee Meeting

January 22, 2018

Conference Room A

Meeting began at 4:33

Members Present: Lisa Smith, Sherry Price, John White, Rodney Jackson, Piper Lewis, Julane Mullins and Jessica Williams.

Discussion for this meeting was the 2018-2019 Draft Budget.

Local school districts are required to review a draft budget with their Boards by January 31st of each year. No action is required on behalf of the Board and no reports are required by KDE.

Julane Mullins informed the Committee of the Governors Proposed State Budget:

- Reduction of SEEK Transportation Add-On by 62%
- Reduction of 6.25% to State Grants (FRYSC, Preschool, etc.)
- Elimination of Professional Development, Instructional Materials and Community Education grants
- Shifts a portion of employer paid health insurance onto Local Districts
- Shifts substantial costs to local districts while creating new restrictions on local boards' statutory authority to make budget decisions including local tax revenues is included in the language of budget bill (HB 200).
- Proposed Tax Reform – There has been discussion of discontinuing the Business Inventory Tax to attract new business and industry into the Commonwealth of Kentucky.

Julane Mullins discussed HB 471 – Charter School Funding - Legislature is still finalizing funding for proposed charter schools. These changes will redirect state, local and federal funding away from public school districts.

Tax Rate - In August, we will be asking the Board to take the 4% tax rate above what is received this year related to real and personal property. According to our fiscal agent, this increase will be required to ensure the necessary bonding capacity for committed projects.

Julane discussed Potential Expense Changes

- 1.5% salary experience step up increase for both certified and classified staff -
- Pension Reform
 - Anticipated increases in employer paid retirement match for CERS, our current rate is 19.18% and would increase to 28.05%
- Lease agreement with BCTC for STEAM and OMC
- Dual Credit Tuition
- Phase III of Superintendent Entry Plan
- Utility Cost for recently purchased property at 1555 Georgetown Road
- Microsoft Office contract increase
- Hire principal and bookkeeper for new elementary school scheduled to open 2019-2020
- Startup funds for new elementary school (earmark in September 2018)

Meeting was adjourned at 4:52