

**Budget and Finance Meeting Minutes**  
**January 9, 2017**  
**Norsworthy Foyer, 701 E. Main St., Lexington, KY**

Members present: Jennifer Dyar, Jessica Hiler, Myron Thompson, Stephanie Hong, Jessica Williams, Amy McVey, Piper Lewis, Rodney Jackson, Debbie Boian

Jennifer Dyar called the meeting to order at 4:02 p.m. as Julane Mullins was out ill.

Debbie Boian served as recorder

Jenny reviewed with the group the update to the Working Budget and the talking points that were shared.

**WORKING BUDGET**

- The exceptional child count has increased by 55 students above last year's count. The budget office is continuing to work with special education staff to keep up with the growth. Amy McVey noted that the 55 students reflected an increase of approximately 3.6 positions.
- There was a \$20 per day increase for special education teacher and para subs. \$450,000 was set aside to cover those costs. The HR department is tracking the effectiveness of this initiative.
- The Board voted in December to give a .5% (Certified/Classified Salary) and a .75% (Classified) raise to offset Medicare and Social Security benefit taxation. The budget impact is approximately \$1 million for the remainder of the year. Amy pointed out that the recurring cost would be approximately \$2 million.
- Purchase of equipment for four law enforcement cruisers (\$20,000); software for the gifted and talented lottery process (\$20,000); employee accommodation budget (\$5,000)...
- Superintendent provided an Academy Coach to Bryan Station HS and Douglass HS – those employees were hired to begin in January (\$125,000). It was suggested that there be a bulleted list of items in the entry plan that have been included in both budgets. Amy pointed out that there was an Academy Coach added to Tates Creek HS that is not reflected in this document. The Budget Office will work on a list of entry plan initiatives. Julane is keeping a running list.
- Other staffing considerations include the ELL and GT staff plan Phase II, which is not known at this time, but will be fully vetted by spring. ELA materials are not in this budget because it is unknown how many schools will be participating. Amy estimated the cost to be approximately \$2.1 million.
- Douglas HS micro computer specialist (\$75,000); District wide extended school services plan (cost unknown).

Amy quickly added up the costs and it came to \$4.4 million. She asked where the funds for the new initiatives were coming from and whether they are being taken out of the contingency budget. Rodney explained that the beginning balance increased from projections by \$4.5 million – it is this money that is being spent, not contingency dollars.

A review of the draft budget included the following

- Revenues were kept flat with a flat SEEK base of \$3,981. The budget assumes a 4% compensating rate in August which will yield a \$9.5 million increase in revenues – this is needed to ensure the Board has the capacity to Bend committed projects including the new high school.
- Assuming flat growth in all other revenue streams.
- Expenses include: 1.5% salary step up expense for those who still qualify for step increases.
- Anticipated increases in retirement match for CERS (19.18% from 18.68%).
- Installment for KSBIT Workers Comp, property and general liability \$380,654
- Projected increase in debt service of \$2,950,000
- Recurring administrative costs for new high school \$1.6 million
- Projected utility cost increase – KU (\$400,000); new high school (\$410,000)
- Other potential increases in expenses include
  - Tuition increases for STEAM, OMC and Dual Credit Classes (due to increasing increases in enrollment)
  - Increases in insurance costs – bidding in April/May
  - Increase in nurse contract – bidding this year – Stephanie asked for the current cost, Debbie will send that to the group
  - SB142 – pension spiking reform legislation
  - Superintendents entry plan
  - Growth in ESL population
  - Possible cuts in Federal Grant dollars
  - KISTA Bus purchases due to increased ridership and additional facilities
  - Potential increases in KTRS match
  - Charter schools impact on district funding
  - Enrollment growth – property for new facilities included in the DFP
  - Continued growth in the exceptional child population
  - Rodney indicated that if there is population growth of just 8,000 over the next year the cost for publishing the District Financial report in the Herald-Leader could increase significantly

There was a discussion about foreign language programs in schools, as well as the current bus driver shortage.

The Budget Office will monitor current situations and projected trends in order to put together an accurate budget package in May for the group to review.

Jenny Dyar also asked, on behalf of the Superintendent, if there were any legislative barriers that needed to be shared with him – SB1 was cited. There was a brief discussion about staffing policies. There are plans to do another group to look at staffing, and administrative triggers.

Meeting adjourned at 4:57 p.m.