



Fayette County Public Schools Budget and Finance Facts Background, Context, and Details

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Audit Committee

Background:

- The Audit Committee helps the school board oversee the financial reporting process, the system of internal controls, the audit process, and the district's process for making sure we comply with laws, regulations, and the Code of Conduct.
- Committee has five voting members who are external to the district and have expertise in finance and auditing and up to eight non-voting members representing various constituencies in the district.

Voting Members:

- Lindsey Dial, CPA, Senior Accountant at Gray Construction
- Larry Forester, Senior Vice President and Commercial Banking Officer at Forcht Bank
- Greg Hodge, CIA, CFE, CRMA, General Auditor at Alltech
- Christopher Mottet, CIA, Chief Audit Executive at Valvoline Inc.
- Dave Osborne, Adjunct Professor of Accounting at Transylvania University and retired Audit Director from Ashland Inc.

Non-Voting Members:

- Nick Clark, district's internal auditor
- Amy Green, school board representative
- Bret Nathaniel, Equity Council Committee representative
- Chris Salyers, certified representative
- Kacey Urbaneja, classified representative
- TBD, principal representative
- Vacant, optional additional school board representative



Audits

Background:

- FCPS is currently engaged in two independent audits:
 - One proactively requested by the school board
 - One initiated by the State Auditor of Public Accounts
- Additionally, as required of all school districts under state law, FCPS recently received the results of its routine annual Independent Auditors Report

Independent Auditors Report:

- After five years of “perfect” scores, which is statistically rare for a district as large and complex as FCPS, the auditors identified two technical issues:
 - Issue 1 (The 2007 Facility Nickel): A technicality in how revenue from a 2007 tax was categorized. It was in the “Building Fund”; auditors say it belongs in the “General Fund.” The money still goes to buildings; the “bucket” just changed.
 - Issue 2 (June 2025 Bonds): A clerical timing error on when a bond liability was recorded. It was off by 30 days. We’ve corrected the entry and retrained staff.
- Despite these technical findings, the district received a “clean, unmodified opinion,” which is the highest level of assurance possible. Our books are fair and accurate.

State Auditor of Public Accounts:

- On June 10, 2025, Kentucky State Auditor Allison Ball issued a press release that her office would conduct a special examination of FCPS.
- FCPS officials publicly welcomed the inquiry and pledged cooperation and openness.
- In July 2025, the state auditor told reporters that her examination would be complete at the end of the 2026 calendar year.
- In a Sept. 17 news report, the spokesperson from the auditor’s office stated:
 - They are requesting state funding for the FCPS examination
 - They are not estimating how long the examination will take.
 - “Our goal is to provide a penny-by-penny accounting of FCPS’s expenditures.”



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- In a September letter to FCPS, the auditor’s office described the examination as:
 - “a limited-scope special examination” to “review a specific matter brought to our attention.”
 - In an October media interview, Ball said she hoped to complete her examination in the spring of 2026.
 - On November 10, Kentucky Auditor of Public Accounts Allison Ball sent a letter to FCPS expressing concerns that the external audit the school board was considering might duplicate her office’s work and could potentially waste public funds.
 - In December, representatives from the auditor’s office declined to share details about the scope of the special examination to determine if there was overlap with the board’s external review.

School Board Commissioned Audit:

- On September 9, Fayette County Board of Education Chair Tyler Murphy called a special meeting for September 16, with an agenda that included authorizing an external operational audit, investigation, and review of our budget, finance, and internal control systems.
- On September 16, the board voted 5–0 to refer the matter of an external review and audit to the Audit Committee, following a motion by Amy Green and a second by Monica Mundy.
- On September 19, Chair Murphy asked the Audit Committee to:
 - Determine the appropriate scope and type of review needed based on the Board’s objectives
 - Develop an RFP aligned to that scope
 - Avoid duplicating any existing or pending external reviews, and
 - Report back to the Board with cost estimates, options for cost savings, and any other recommendations
- Specific objectives for the review included examining the internal structure and procedures of the Budget & Financial Planning office and the Financial Accounting & Benefit Services office; evaluating communication among departments involved in financial processes; reviewing how financial information is reported to the Board; determining whether further investigative review is warranted; and recommending improvements that support efficiency, strategic alignment, and transparency.



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- The Audit Committee met publicly on September 24 and October 1 to discuss the charge and begin drafting the scope for the RFP.
 - Audit Committee members presented a draft scope to the board on October 13 and board members asked that two additional items be added:
 - A review of the findings from the 2014 APA Special Examination, and
 - A review of procurement card expenditures related to travel.
 - The Audit Committee met again on October 15 to incorporate those additions
 - Revised scope approved with a 3-2 vote by the school board on October 27.
 - The RFP was released October 28.
 - On November 10, Kentucky Auditor of Public Accounts Allison Ball sent a letter to FCPS expressing concerns that the RFP might duplicate her office’s work and could potentially waste public funds.
 - The deadline for RFP submissions was November 14. Nine responses were received.
 - Members of the Audit Committee independently scored all proposals. No FCPS employees were involved in scoring, which was done solely by the independent committee members.
 - On November 24, three Audit Committee members presented the results during the Board’s action meeting. They noted that the top three firms were separated by less than a point and that they felt confident in all three. When asked directly, all three advised the board that this specific operational review is necessary to fix internal FCPS systems now rather than waiting for a state report that has no set deadline.
 - The Board directed FCPS staff to follow up with the state auditor’s office for more clarity about their scope of work.
 - The state auditor declined to provide additional information.
 - On December 8, the school board voted 3-2 to approve and award the contract for the external independent audit, review, or investigation to Weaver and Tidwell, the firm that received the highest RFP score.

Specific to the Superintendent:

- Weaver and Tidwell (the highest-scoring firm from 9 applicants) is not a “staff pick.” The firm was selected and scored solely by the Independent Audit Committee, which consists of local financial experts, not FCPS employees.



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- Although Weaver and Tidwell is from Texas, Dr. Liggins has not had direct interactions with them.
 - Weaver and Tidwell conducted the routine annual financial audit of Grand Prairie Independent Schools in 2016 and 2017. Dr. Liggins was Superintendent of Greenville Independent School District in 2016 and 2017.
 - Weaver and Tidwell was awarded a contract with FCPS in March 2024 to evaluate the effectiveness, efficiency, and security of the district's information technology systems.
 - Weaver and Tidwell is the largest independent accounting firm headquartered in the Southwest and is recognized nationally.



Australia Trip

Background:

- In 2013, Fayette County Public Schools was one of four U.S. school districts selected to join the Global Cities Education Network, an international learning community of urban school systems.
- Since then, each FCPS superintendent has traveled internationally for one professional learning opportunity:
 - Tom Shelton, October 2013, Singapore
 - Emmanuel Caulk, March 2019, Australia
 - Demetrus Liggins, November 2022, Australia
- Both the University of Kentucky and Commerce Lexington have participated in this partnership over the years. For example, in 2013, UK College of Education Dean Mary John O’Hair, and Commerce Lexington President Bob Quick, joined then-superintendent Tom Shelton for the annual GCEN Symposium in Singapore. In 2023, UK and Commerce Lexington worked with FCPS to host the GCEN Symposium here in Fayette County.

Specific to the Superintendent:

- The focus of the professional learning in Australia was “to assist district systems in addressing the extensive social emotional learning (SEL) and mental health needs of students brought by the COVID-19 pandemic.”
- Dr. Liggins, along with two FCPS staff members were scheduled to serve on a panel about the district’s comprehensive approach to mental health support for students and employees.
- Dr. Liggins was on his way to the airport on Nov. 4 when shots were fired at the entrance to the Tate Creek campus during the middle school arrival. He immediately turned around to come back to Lexington.
- Students witnessed the incident and although this was later determined to be untrue, an initial report suggested that a student was the target.
- The school was on lockdown for several hours.
- Dr. Liggins tried to cancel, but since Lexington was hosting the GCEN symposium the following year, that was not acceptable to the organization.
- The high cost was due to the last-minute change of flight plans.
- He did not fly first class, nor has he ever flown first class using district funds.



Board Finance and Accountability Committee

Background:

- FCPS has had a budget and finance committee comprised of representatives from various stakeholder groups for several years.
- Members were not required to have specific expertise in finance.
- The panel has met infrequently and reviewed budget documents before they go to the board but had little involvement in setting priorities or examining budget and finance reports.

Dr. Liggins' proposal for reimagined "Board Finance and Accountability Committee:"

Purpose and Mission:

- To strengthen fiscal transparency, accountability, and long-range financial planning for Fayette County Public Schools (FCPS).
- To serve as a link between the Board, district leadership, and the community, ensuring that financial decisions reflect responsible stewardship, strategic alignment, and public trust.

Charge:

- Review and analyze district financial trends, budgets, and multi-year projections.
- Provide independent, data-informed recommendations to the Superintendent and Board of Education.
- Build public confidence through open, transparent financial oversight.
- Ensure all fiscal decisions support FCPS's mission, strategic priorities, and equity goals.

Composition:

- Three Business & Financial Experts (CPAs, economists, financial advisors, or higher-education finance faculty)
- Two Community Leaders (Civic, faith-based, nonprofit, or private-sector representatives)
- One Family Representative (PTA or SBDM council leaders from elementary and secondary levels)
- Three School-Based Staff (One principal, one certified, and one classified staff member)



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- Three FCPS Representatives (Non-Voting: Superintendent (or designee), Executive Director of Financial Accounting, Benefits & Budget, and Director of Grant Programming)
 - One Board Liaison (Non-Voting: designated member of the Board of Education)
 - Recorder/Support (Budget Office or Communications staff assigned to document meetings)

Roles and Responsibilities

- Review quarterly and annual financial reports.
- Evaluate budget forecasts, revenue trends, expenditures, and fund-balance targets.
- Assess financial implications of capital projects, staffing models, and new initiatives.
- Recommend strategies for efficiency, cost savings, and resource alignment.
- Review contingency and debt-management practices.
- Support clear, transparent communication of financial decisions to the community.
- Publish a Quarterly Financial Health Report summarizing findings and recommendations.

Nuts and Bolts

- Monthly meetings, all open to the public
- Meeting agendas, documents, and summaries will be public



Budget Shortfall

Background:

- Heading into the 2025-26 budget cycle, district office departments trim 10% from current year spending due to inflation.
- During the development of the 2025-26 tentative budget, board determines spending priorities including continued investments in building a pipeline of future teachers, expanding student access to dual credit courses, helping prepare first-generation students for college, improving transportation routing and communication, bringing salaries for Family Resource Youth Center coordinators on par with other professionals, and granting a 1% raise for all employees.
- District office departments identify additional cuts of \$8.9 million (including \$1.14 million in staff reductions) for 2025-26.
- Despite those cuts, projections in May determine a \$16 million difference in the estimated revenue and expenses for the 2025-26 budget unless additional revenue is identified or proposed expenses are reduced.
- Money is not missing. This is about planning for the upcoming year.
- School districts around the state and nation are facing similar situations.
- Board informed of potential shortfall during May 12 planning meeting and asked for direction. Board does not change spending priorities.

Current Status:

- The \$16 million was a potential shortfall for fiscal year 2025-26 based on projections if no changes were made.
- Changes were made to avoid a shortfall.
- The working budget is balanced and there is no shortfall because:
 - Contingency fund was reduced (Budget Solutions Work Group Recommendation)
 - District staffing was cut (Budget Solutions Work Group Recommendation)
 - District department budgets were cut (Budget Solutions Work Group Recommendation)



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- The former Southside Technical Center building has been placed on the market (Budget Solutions Work Group Recommendation)
 - Some costs previously budgeted in the general fund are being covered instead by grant funds and capital funds.



Budget Solutions Work Group

Background:

- This group was established by the Fayette County Board of Education to examine school district finances and recommend solutions for an anticipated \$16 million difference between district revenues and expenses for the 2025-26 fiscal year.
- They met three times over the course of six weeks during June and July and reviewed thousands of pages of material, asked probing questions, and discussed many possible solutions.
- All meetings were facilitated by Eastern Kentucky University Associate Professor and Millennium Learning Concepts President Roger Cleveland, who has expertise in leading community conversations.
- The group included 31 community members, parents, educators from preschool through higher education, business representatives, faith leaders, and students.
- FCPS received more than 240 applications from individuals interested in serving on the panel. To ensure impartiality and fair representation across all six high school zones in Fayette County, a portion of the group was selected using an online randomizer.
- Additional members were nominated or selected by community organizations or peer groups to ensure a broad mix of voices and expertise.

Members:

- Stephen Behnke, Lexington Clinic
- Lisa Bell, Bluegrass Community and Technical College
- Jessica Berry, YMCA
- Jay Blanton, University of Kentucky
- Neha Cheriya, FCPS High School Student
- Amari Coleman, FCPS High School Student
- Kelsey Cross, FCPS High School Student
- Ella Dulaney, FCPS High School Student
- Ron Edmonson, Immanuel Baptist Church
- Heather Hardesty, community member
- Bailey Hauswald, FCPS High School Student
- Roman Henderson, community member
- Jenna Jennings, 16th District PTA
- Laura Jones, community member
- Bryan Kennedy, The Learning Center Principal
- Nicole Kiser, Fayette County Support Professional Education Association



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- Christina Lancaster, FCPS High School Student
 - Mark Little, community member
 - George McCormick, community member
 - Eric Monday, University of Kentucky
 - Abdul Muhammad, Wesbanco
 - Carrie Paul, Tates Creek Elementary School Principal
 - Chad Peavler, KY 120 AFT
 - Erika Pennington, Fayette County Education Association
 - Sharon Price, Community Action Council
 - Rob Shear, SRC
 - Alan Stein, Fayette Education Foundation
 - Barbara Sterrett, community member
 - Hunter Stout, Keeneland
 - David Wirtschafter, Temple Adath Israel
 - Stacey Zamora, community member

Outcome:

The group finalized its work by identifying and ranking 10 possible solutions. In order from highest to lowest preference, the results were:

1. Reduce the district contingency fund from 6% to 4% of the total general fund budget
2. Take the full \$16 million out of the contingency fund
3. Freeze any spending not contractually obligated
4. Charge the district with making up the rest of the cuts from administration – not impacting teachers
5. Continue with program of attrition for administration
6. Initiate a sponsorship program for particular programs, pieces of buildings, and public-private partnerships
7. Reduce maintenance costs by \$1.7 to \$2 million
8. Liquidate real estate and other assets
9. Reduce maintenance costs and increase lunch pricing
10. Raise the occupational license tax and let the long-term committee continue to work

Specific to the Superintendent:

- Dr. Liggins approached that effort in good faith, and the information shared with the work group was the same information given to the superintendent.
- He fully heard the group's message that an increase to the Occupational License Tax rate was unacceptable.



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- He agreed that using the contingency fund was the best short-term solution while turning focus toward long-term solutions.
 - Dr. Liggins was shocked and infuriated when he was informed that the carry-forward amount would be lower than anticipated.
 - He told the team to find a solution that did not require an increase in the OLT, tapped two people outside of those offices to investigate, and shared the information directly with members of the Budget Solutions Work Group.
 - Since then, Dr. Liggins has followed these recommendations from the Budget Solutions Work Group:
 - Reduced the district contingency fund from 6% to 3.9% of the general fund budget
 - Froze district spending
 - Cut district administration without impacting teachers
 - Continued staff attrition for district administration
 - Initiated exploration of public-private partnerships
 - Reduced maintenance budget
 - Began liquidating real estate assets
 - Members of the Budget Solutions Work Group have been invited to participate in other long-term efforts to address fiscal efficiency.



Carry-Forward Balance and Contingency

Background:

- Carry-forward is the term used for the actual, audited balance remaining in the General Fund at the end of a fiscal year after all revenues and expenses are finalized. These are audited year-end numbers, reflecting final reconciliations.
- The carry-forward from the previous fiscal year becomes the beginning fund balance for the next fiscal year.
- Contingency is the portion of the General Fund earmarked in the budget specifically for emergencies or unexpected costs. Kentucky law requires a contingency of at least 2%, but FCPS has an administrative procedure calling for a 6% reserve for financial stability.
- The budget is a plan, based on estimates, while financial reports reflect actual revenues and expenses.
- As part of normal year-end processes, FCPS begins closing out and reconciling the previous fiscal year in July.
- The numbers are not final until the annually required external Independent Auditor's Report is complete.

Specific to 2024-25 and 2025-26 Fiscal Years:

- The 2025-26 tentative budget approved by the Fayette County Board of Education in May included an estimated beginning fund balance of \$42 million and a contingency of \$42.9 million (6%).
- Based on this information, the Budget Solutions Work Group recommended in July to temporarily lower the contingency target from 6% to 4% and use money from the carry-forward balance to offset the difference in revenue and expenses.
- In early August, preliminary numbers from the close-out of the 2024-25 fiscal year suggested the carry-forward balance would be in the range of \$15 to \$22 million instead of the \$42 million included as the beginning fund balance in the 2025-26 Tentative Budget.
- Later in August, more complete estimates for the 2024-25 fiscal year indicated the carry-forward balance would be \$26.3 million.



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- The working budget adopted by the Fayette County Board of Education in September included an estimated beginning fund balance of \$26.3 million and a contingency of \$27 million (3.9%)
 - The annually required external Independent Auditor’s Report finalized in December indicates the final, audited carry-forward balance from the 2024-25 fiscal year is \$28.4 million.

Final Numbers:

- Page 72 of the Districtwide and Fund Financial Statements and Required Supplementary Information from the Independent Auditor includes a Statement of Revenues and Expenditures for the General Fund, which compares original budget, final budget and actual figures for the 2024-25 fiscal year.
- The document shows:
 - Total revenues from state and local sources for 2024-25 were \$646.4 million, which was \$25.8 million more than anticipated.
 - The variance included higher than anticipated revenue from property and motor vehicle taxes, and a significant increase in on-behalf payments from the state.
 - Note: When the General Assembly approves its biennial budget, it includes money for education that meets state obligations, like their portion of employee health insurance. This money is transferred directly from the state treasury to whatever entity receives the allocation. For budgeting purposes, the state divides this total investment into set amounts for every school district that they call “on-behalf payments” because the state is paying it *on behalf* of local school districts. Local school districts show these amounts as both a revenue and an expenditure although the dollars are never in district accounts.
 - Financing from other sources, including bond sales, and transfers from building and grant funds for 2024-25 were \$23.98 million, which was about \$12 million more than expected.
 - Total expenditures for 2024-25 were \$685.2 million, which was \$51.5 million more than estimated.
 - After accounting for the higher than budgeted revenue and other sources, FCPS expenses were \$14.9 million more than budgeted, which reduced the expected carry-forward balance.



Money is Not Missing:

- FCPS spent more than budgeted for 2024-25, and those higher costs were covered by the contingency fund, which is exactly why the district has a contingency fund to begin with.
- Spending more than budgeted does not mean the expenses were not warranted. For example, some of the discrepancies for 2024-25 included:
 - Salary estimates for teachers, bus drivers, and school administrators were lower than actual costs because new hires had more experience and education than previous averages reflected. To address this, the district is developing new models and the 2025-26 working budget was adjusted to reflect actual employee wages rather than averages.
 - The budget did not anticipate increased staffing of approximately 91 additional teachers and 88 additional paraeducators working directly with students. To address this, the district is examining better budgeting processes and revisions to staffing procedures.
 - Higher than budgeted costs for substitutes in classrooms, child nutrition debt, and retirement overages.

Changes Ahead:

- No Placeholder Numbers: For years, the district failed to budget for actual salary costs. We attracted high-quality, experienced teachers, but our budget models didn't account for their higher pay steps. We have adjusted our modeling for future budgets and the working budget adopted by the board in September was based on real numbers.
- Zero-Based Budgeting: FCPS is abandoning "historical" or roll-over budgeting. Every department head must now build their budget from \$0, justifying every dollar based on current student needs rather than what they spent last year. We will also cut an additional 7% from the district office.



Credit Cards

Background:

- Fayette County Public Schools does not have credit cards. Paying for something with a credit card is essentially borrowing money for a purchase upfront with an obligation to pay that money back with interest at a future date.
- The district uses procurement cards, which are issued to the organization, not an individual, and are used for planned, specific, and authorized business expenditures.
- The name on the card is the individual with authority to make those purchases on behalf of the organization. That does not mean those purchases were for the individual.
- FCPS has issued procurement cards to 135 principals and district staff for use in situations where vendors do not accept purchase orders, short turnaround times do not allow for purchase order processing, or for travel related costs to avoid employees having to pay out-of-pocket prior to the professional learning activity and then wait until after the activity is complete for reimbursement.
- Controls on the cards include restrictions on the merchant categories where they can be used, spending limits per transaction, spending limits per billing cycle, and caps on the number of transactions allowed per day or per billing cycle.
- Each month, card holders review billing statements and submit original receipts and requisition forms documenting each purchase, the expenditure purpose, and the budget codes tied to the expense.
- Documentation is then reviewed by the district's financial department to ensure compliance with bids, procurement procedures, and tax exemptions.

Specific Purchases Receiving Public Attention

August 2024: \$52,000 at the Galt House

- In July 2024, FCPS held a leadership retreat in conjunction with the annual Kentucky Association of School Administrators (KASA) Conference.
- This was an opportunity for our campus principals to avail themselves of the national speakers at the KASA conference and familiarize themselves with statewide changes for the upcoming year, while also attending FCPS-specific sessions addressing districtwide initiatives and expectations.



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- A total of 112 campus principals and district leaders attended the four-day event at the Galt House, with 19 individuals not staying overnight, 13 individuals staying one night, 9 individuals staying two nights, and 71 staying all three nights.

October 2024: \$32,000 at Crank and Boom

- One of the goals under the “Organizational Health and Effectiveness” priority in the FCPS five-year strategic plan is to foster a healthy and positive culture among staff by implementing programs for employees focused on well-being, recognition, and celebration.
- As part of that effort, the FCPS Cares initiative coordinates periodic staff appreciation activities, which included a “districtwide ice cream social” in October of 2024.
- In partnership with a locally-owned business, community donors funded a serving of ice cream for every campus employee, and district staff picked up the ice cream and delivered it to every school. The total cost of the ice cream was \$32,000.
- Although the order was placed with a district procurement card, the following donations covered the cost:
 - Elaine Allen and Coddell Construction: \$3,600
 - JRA Architects: \$3,600
 - D.W. Wilburn, Inc.: \$3,600
 - Sherman Carter Barnhart Architects: \$3,600
 - Rising Sun Developing Company: \$3,600
 - GRW Engineers, Inc.: \$3,600
 - Compass Municipal Advisors, LLC: \$3,600
 - Tate Hill Jacobs Architects: \$3,600
 - Ross Tarrant Architects: \$3,600
 - EOP Architects: \$3,600

November 2024: \$3,300 at Battle Axes

- In November of 2024, Principal Adam Kirk organized a staff appreciation and team building activity at Battle Axes for the faculty and staff at Deep Springs. The venue rental was \$1,500 per hour, with a two-hour minimum and a \$300 service fee.
- Food and beverage costs were paid personally by those in attendance and no alcohol was consumed. Deep Springs has roughly 80 staff members. The cost of the outing was paid from the school budget, which is approved annually by the SBDM



Executive Coach

Background:

- In April 2024 the school board approved an addendum to the superintendent's contract including a wellness package, up to 20 vacation days, and an executive coach costing up to \$25,000 per year.
- The idea was raised by school board members following a recommendation they heard from a speaker at a professional training.
- The wellness package says the superintendent shall submit to an annual physical examination of his choice, and the district will pay the portion not covered by Liggins' health insurance in a maximum sum of \$5,000.
- Under the addendum, the superintendent can, but is not obligated to, obtain the services of an executive coach (not an employee of FCPS) on such topics as leadership and problem solving not to exceed \$25,000 per year.

Specific to the Superintendent:

- Eliminating the executive coach from the budget was among the first cuts Dr. Liggins identified in August.



Occupational License Tax Rate Increase

Background

- In Kentucky, cities, counties, and school districts are considered “local tax districts” and have the legal authority to levy different kinds of taxes, including property taxes and occupational license taxes.
- State laws about these taxes differ between municipalities and school districts. Occupational license taxes generally take two forms:
 - Taxes on wages: applied to salaries, wages, commissions, and other compensation earned by persons within the “local tax district” for work done and services performed or rendered in the district.
 - Taxes on net profits: Businesses are subject to occupational license taxes imposed on their net profits from activities conducted in the tax district. Businesses operating in multiple districts use a formula to determine the portion of their net profits to be apportioned to each district.
- When a school district levies an occupational license tax:
 - Taxes on wages apply only to people who both live and work in Fayette County.
 - Taxes on net profits are assessed on all businesses operating in Fayette County, regardless of owner residency.
- Kentucky law provides for all counties to levy an occupational license tax rate of .5%.
- For counties that exceed 300,000 inhabitants, that allowance increases to .75%.
- Fayette County exceeded 300,000 inhabitants during the pandemic in 2020.
- The city charter and state law allow the local board(s) of education within a county to vote to increase that tax rate from .5% to .75% when the population trigger of 300,000 inhabitants is met.
- The Board of Education resolution, once adopted, requires adoption of the subsequent increase by the fiscal court. The fiscal court’s role is purely procedural, as its only role is to adopt, not to debate and “approve” or “disapprove.”

Specific to FCPS:

- To balance the tentative budget prior to the state deadline for adoption on May 30, staff recommended a .25% (one-fourth of one percent) OLT rate increase.



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- Guidance from a tax attorney with expertise in this area indicated:
 - To have the rate increase take effect in time for the 2025-26 fiscal year, the board had to vote prior to the next planned meeting of the fiscal court in June.
 - Procedures for adopting the occupational license tax rate differed from procedures for setting property tax rates.
 - In June, the state Attorney General declared the board’s vote unlawful.
 - The board paused discussion of the tax rate increase and created the Budget Solutions Work Group to explore ways to address the potential budget shortfall.
 - In September, the board held a public hearing to provide an opportunity for community input on the Occupational License Tax rate increase proposal.
 - The board did not pursue the rate increase further.

Specific to the Superintendent:

- In July, Dr. Liggins recommended board members stop pursuing the OLT rate increase and directed staff to balance the budget without additional revenue.



Right Size, Bright Future Committee

Background

- Fayette County currently operates 70 schools and special programs. Compared with peer districts of our size, we have significantly more campuses.
- With new school buildings under construction to replace aging facilities and serve growing neighborhoods, we are adding more seats while districtwide enrollment has plateaued.
- Our variety of programs is a strength our families love, but it must be sustainable.
- This is a long-term initiative born from a conversation during the work of the Budget Solutions Work Group.
- We are evaluating every program and building for fiscal efficiency.
- We want to ensure that every student, regardless of their ZIP code, has a “world-class” experience that the district can afford to maintain for the next 20 years.
- The committee’s 15 voting members include two students, nine community members, three retired principals, and one district employee.
- All meetings are facilitated by Ray Daniels, a former school board member and Special Assistant to the President for Strategic Partnerships and Community Relations for Transylvania University.

Committee Members:

- Gerry Brooks, retired FCPS elementary school principal
- James Brown, LFUCG at-large councilmember
- Erica Beatty, current FCPS employee in public engagement
- Neha Cheriyan, high school student
- Annissa Franklin, social justice community leader
- Joe Gibson, retired FCPS middle school principal
- Dr. Rodney Jackson, medical community leader
- Cristina Lancaster, high school student
- Abdul Muhammad, banking community leader
- Rev. David Peoples, faith community leader
- Betsy Rains, retired FCPS high school principal
- Stephanie Spires, former Fayette County Board of Education member
- Alan Stein, business community leader



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- Mizari Suarez, legal community leader
 - Rabbi David Wirtschafter, faith community leader

Status Update:

- The committee first examined George Washington Carver STEM Academy for Boys, Rise STEM Academy for Girls, and The Stables because making any changes to the building plan for Rise or contract for The Stables would have to happen quickly.
- On December 18, the Fayette County Board of Education voted to:
 - Complete the Rise STEM Academy building as planned, without modifications, and move the program into its new home during the 2026-27 school year.
 - Pause plans for facility improvements to the former Johnson Elementary where Carver is currently housed.
 - Continue looking for a permanent location for Carver.
 - Maximize recruitment and enrollment efforts for both STEM programs, which includes expanding Rise into the middle school grades.
 - Temporarily relocate Carver in the fall of 2026 to a separate wing of the Rise building, while maintaining each school as a distinct program and ensuring all students feel welcomed.
 - Move Carver to a permanent home as early as the 2027-28 school year.
 - Maintain the current structure of The Stables for 2026-27 while exploring public-private partnerships and funding for the program.
 - Implement a new funding model in 2027-28 or serve existing students in alternate locations.
- In January, the committee will begin looking at the following programs:
 - Audrey Grevious Center
 - Family Care Center
 - Martin Luther King, Jr. Academy for Excellence
 - Re-engagement Center at Success Academy
 - Virtual Learning Center at Success Academy



Salaries

Background:

- After three years without increasing wages, FCPS made historic investments in employee compensation during the 2022-23 and 2023-24 fiscal years.
- Based on employee compensation studies conducted by an external firm – first of hourly staff and then of salaried staff – the school board voted to:
 - Commit an additional \$26 million in 2022-23 to bring all salaries above \$15.55 an hour and give every FCPS employee a pay raise of at least 3 percent in addition to step increases for experience and education.
 - Maintain that investment in 2023-24 along with another \$28.9 million to become the first district in the state to raise starting teacher salaries above \$50,000 and give employees an average pay increase of 8% – with a minimum raise of 4%.

The Result:

- Fayette County Public Schools is the only school district in the Commonwealth of Kentucky to start the 2024-25 and 2025-26 school years fully staffed in critical classroom, transportation, and student support positions.
- The percentage of teachers with less than four years of experience fell from 24% in 2018-19 to 20% in 2024-25, while the percentage of teachers with 20 to 29 years of experience has risen from 17% to 25% during the same period.

Note about pay:

- Pay for nearly all salaried employees is based on the teacher salary schedule and adjusted for the number of contract days worked.
- Teacher contracts are for 189 days, while employees at the district office work 245 days. This accounts for a significant portion of the pay difference between teachers and district staff. For example:
 - During the 2025-26 school year, a first-year teacher with a bachelor's degree earns \$50,586. If that same college graduate with no experience were hired to a position in a district department, their salary would be \$65,574.



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- Salaries for administrators at the school and district level are also based on the teacher pay scale:
 - First, they are placed on the salary schedule according to education and experience,
 - Then their daily rate is adjusted for the length of their contract,
 - Then they receive an administrative additive relative to their level of responsibility. These additives are consistent by job category.
 - Administrative additives are outlined and publicly published annually in the salary schedule document and range from \$1,000 to \$81,000.
 - These additives were recommended by the compensation study and approved by the school board.



Travel

Background:

- It is unfortunate that news reports and social media posts have characterized overnight and out-of-state professional learning opportunities as “travel.”
- Before Dr. Liggins started in 2021, the Fayette County Board of Education commissioned an external review of the organization to provide suggested areas of improvement for the incoming superintendent. One of those recommendations was that the school district’s current approach to professional learning did not align to best practice.
- In response, the district placed an intentional focus on professional learning, adding district staff to lead the work and provide direct service and training in schools, as well as investing federal COVID relief funds to send school and district leaders to some of the strongest and most relevant learning opportunities nationally.
- The district has also set aside an additional three days for professional learning in employee contracts and clustered time at the beginning of the school year and the second semester to maximize impact.
- Following the pandemic, as education faced a once-in-a-generation challenge to reimagine how students learn and educators teach, our district intentionally leaned into professional learning to guide recovery and renewal. Participation in learning experiences became a vital source of innovation, helping us navigate unprecedented change with clarity and purpose.
- Through these opportunities, our leadership team has identified and implemented strategies that have transformed Fayette County Public Schools into a more adaptive, data-driven, and student-centered organization.
- It is important to note that FCPS is unique in Kentucky in terms of size and student population, so many conferences offered in the state do not address the unique learning needs of our community.

Specific to the Superintendent:

- “Throughout my tenure as Superintendent, I have intentionally sought out local, statewide and national professional learning experiences to stay on the leading edge of educational innovation. Each conference I attend is carefully chosen and Board-approved, with the clear goal of bringing back actionable ideas to enhance Fayette County Public Schools’ programs, operations, and culture of continuous improvement,” Dr. Liggins said,



attributing the district’s historic success in closing achievement gaps, in part, to the ongoing and intentional professional learning acquired at national conferences.

- These experiences have provided exposure to the most effective leadership, instructional, and operational strategies from across the country, many of which have been adapted to meet the unique needs of our students, staff, and community, including:
 - Implementing districtwide systems for data-informed decision-making, aligning strategic goals with measurable student outcomes and improving how we monitor progress across departments and schools.
 - Creating leadership development frameworks that cultivate aspiring principals and district leaders, ensuring a strong internal pipeline of well-prepared, equity-minded educators.
 - Advancing technology integration and innovation, leading the district to embrace emerging tools such as artificial intelligence and digital learning platforms that personalize instruction and expand access to high-quality resources. These innovations have enhanced both teaching and learning while improving operational efficiency.
 - Expanding career readiness and advanced learning opportunities, by opening pathways for students to earn college credits and industry certifications and improving systems that connect classroom learning to real-world experiences.
 - Applying new insights into organizational culture and governance, strengthening communication between the Board and district leadership, clarifying accountability structures, and aligning all actions to student success.
- In short, the knowledge gained through professional learning has translated into meaningful district transformation, modernizing instruction, empowering leaders, and ensuring every decision is centered on improving outcomes for students.

