

PREFACE

Public Life Foundation of Owensboro. The Public Life Foundation of Owensboro (PLFO) is a private, nonpartisan, nonprofit corporation established by the John S. Hager family in 1996. The Foundation promotes broad-based community dialogue and deliberation, grounded in solid research, to resolve important local issues.

Citizens Committee on Education. The Citizens Committee on Education (CCE), a community-based, nonprofit organization established in 1983, seeks to improve and expand educational opportunities in Owensboro-Daviess County, Kentucky.

Origin of Study. This limited, comparative, quantitative study of Daviess County Public Schools and Owensboro Public Schools arose from growing concern about future development of both systems in light of relatively flat general population growth, OPS's landlocked border, and other factors examined within this report.

Researcher. Mark A. Dartt, Ed.S, Director of Institutional Research for Kentucky Wesleyan College, conducted the research and prepared this report. His 32-year career in education includes nine years as a classroom teacher, ten years as a principal, and thirteen years as a district superintendent – most recently in Madison, Indiana. He earned degrees from Kentucky Wesleyan College, Western Kentucky University, and Indiana State University.

Editor. CCE and PLFO retained Bob Darrell, Ph.D., Professor Emeritus in English at Kentucky Wesleyan College, to serve as report editor. Dr. Darrell works as an editing, teaching, and writing consultant as well as a strategic planner for national corporations and regional and local businesses.

Appreciation. Both CCE and PLFO express appreciation to Daviess County Public Schools and to Owensboro Public Schools for providing data pertinent to this study. Particularly, we thank Stu Silberman, DCPS Superintendent, and Larry Vick, Ed.D, OPS Superintendent, for their assistance.

Corrections, Suggestions? CCE and PLFO will welcome any corrections, comments, or questions regarding this work. Also, for additional information about the mission and activities of either organization, address either or both organizations at 401 Frederica Street, Suite B-203, Owensboro, Kentucky 42301. Telephone: 270/685-2652; fax: 270/685-6074; email: rodney.berry@plfo.org.

EXECUTIVE SUMMARY

Chief Themes

Etiology of School Districts

- ◆ In 1946, the Thomas v Spragens decision legally established school district boundaries in Daviess County and across the Commonwealth of Kentucky. Those boundaries effectively landlocked the Owensboro Public Schools (OPS) to the 1950's City boundaries. While the City of Owensboro continued to grow in population and assessed valuation, similar growth in OPS has not kept pace. As a result, housing developments, commercial developments, and industrial developments generally have not located within the OPS boundary but, instead, within the Daviess County Public Schools (DCPS) boundary. Note: In an analysis of 2002-2003 (not included in this study and bucking this trend), growth in DCPS did not come principally from OPS emigration, but from an influx of new families into DCPS district, according to DCPS (page 7).

Student Population Shift

- ◆ During the past fifty years, student population in DCPS has tripled while OPS has decreased in size to less than the district's 1950's population. In the last ten years, population changes have been more dramatic as OPS experienced an average loss of 55 students per year while DCPS experienced an average annual gain of 91 students. During the past five years, DCPS's growth rate approximates OPS's decline rate - - perhaps indicating some shift in student population from one school district to another (page 7).

Federal Aid

- ◆ For the year ending June 30, 2001 school year, OPS reported 61.07% of their students were on free or reduced lunch, nearly twice the percentage for DCPS. Subsequently, OPS revenue from federal sources was 2.5 times greater than revenue from Federal sources for DCPS (pages 33 and 34).

Tax Assessment Growth

- ◆ From 1992 through 2001, DCPS recorded 105.3% growth in residential assessment, 124.5% growth in commercial assessment, and 96.2% growth in total assessment. During the same period, OPS recorded 56.99% growth in residential assessment, 32.5% growth in commercial assessment, and 48.5% growth in total assessment. A shift in both residential and commercial growth from the City to the County negatively affects revenues available to OPS (page 21).

Tax Differentials

- ◆ Taxpayers living in OPS district pay 42.62 cents more (per \$100 of assessed valuation) for real estate taxes, 42.62 cents more for tangible taxes, and 45.4 cents more for motor vehicle taxes than DCPS district taxpayers pay.

When one compares the Daviess County tangible tax rates, the OPS total rate of 1.5972 is 36.4% higher than the DCPS total rate of 1.1710.

When one compares the school tax rates for real estate, the OPS school tax rate of 66.9 cents is 17.9 cents higher than the DCPS rate of 49 cents. Taxpayers in OPS district pay 36.5% more in school taxes than DCPS district taxpayers pay (See Exhibit #A6, page 20).

As assessed valuation growth increases at a slower rate within the OPS district, less revenue will be available, and overall cost to educate will continue to increase disproportionately to DCPS's cost to educate. Cost to taxpayers in OPS district will continue to exceed that of DCPS district (page 22).

- ◆ Revenue categories as a percent of total revenue also point to disparities:

Federal sources – 6% in DCPS, compared to 16% in OPS

State sources – 62% in DCPS, compared to 49% in OPS

Local sources – 32% in DCPS, compared to 35% in OPS

Expenditures Per Child

- ◆ For the year ending June 30, 2002, OPS ranked 13th in the state in expenditure per child whereas DCPS ranked 83rd. During the same year, OPS ranked 73rd in revenue per child while the DCPS ranked 109th. Why does OPS spend \$1,228 more per child and receive \$2,159 more in revenue per child than DCPS (page 27)?

OPS Sources for Staff/Teacher Raises

- ◆ To remain competitive in teacher compensation, OPS recently redistributed funds dedicated to maintenance and construction to fund a salary schedule equal to that of DCPS. Where will OPS locate necessary future funds to maintain the adopted salary schedule, and provide for future increases in salary and benefits (page 48)?

Total Expenses and Average Daily Attendance

- ◆ For the last four calendar years comparing budget categories by ADA, total expenses increased \$796 or 13.6% in DCPS and \$1,853 or 25.7% in OPS (Appendix, page 59).

Instructional Costs

- ◆ Instruction (Category 1000) increased \$290 or 9.1% and Support Services (Category 2000) increased \$353 or 21.7% in DCPS, while in OPS, Instruction (Category 1000) increased \$971 or 27.2% and Support Services (Category 2000) increased \$689 or 28.1% (Appendix, page 59).

At the same time, Facility (Category 4000) increased by \$78 or 41.9% in DCPS while Facility (Category 4000) decreased by \$69 or 67.6% in OPS (Appendix, page 59).

Conclusions

This study identifies statistical trends in Daviess County Public Schools (DCPS) and Owensboro Public Schools (OPS):

- Student enrollment
- Student attendance
- Faculty-student ratios
- Faculty beginning salaries
- Time required to reach peak on respective salary scales
- Tax bases
- General population changes

This analysis allows quantitative comparisons between DCPS and OPS to provide information about the future of public school education and to indicate where either and both systems face challenges.

OPS faces increasing fiscal challenges to its viability:

- Student loss and emigration
- More limited, landlocked tax base
- General fiscal security
- Sustaining competitive teacher compensation (which affects ability to hire and retain quality teachers)
- Teacher-student ratios (trending too low as to be cost-prohibitive)
- Larger burden of special needs students

DCPS faces increasing challenges:

- Flattening student enrollment as Daviess County population ages
- Increased facility costs due to population shifts
- Student-teacher ratio (trending higher than desired)
- Special needs students

Trends indicate OPS faces a challenge to survive long-term as an independent entity. Financial strength, student out-transfers, and limited tax base challenge OPS to attend to strategic planning and greater collaboration with DCPS.

Due to an aging population, DCPS faces long-term a countywide flat general population growth; needs capital construction as population density shifts; and must address student, faculty, and administration diversity issues.

INTRODUCTION

Overview of Research Study

School districts and their governing bodies throughout the Commonwealth of Kentucky constantly face fiscal pressures and concerns as they endeavor to establish and fund quality educational programs to meet current and future needs of their respective constituents. Educators, policy-makers, taxpayers, and citizens generally share a vision and responsibility in that quest to meet each community's goals and aspirations.

Current Budgetary Constituents. Throughout Kentucky, school districts currently face many budgetary and fiscal challenges as they endeavor to meet goals and expectations of their respective school communities. Decreasing state and local budgets and negative budget projections for the immediate future have exacerbated those challenges. As budget shortfalls occur, local school districts shoulder the responsibility to cover those shortfalls. That additional financial responsibility often results in reduction of local educational programming to balance budgets.

Scope of Study. This research project examines some common variables related to the two public school districts in Daviess County, namely Owensboro (OPS) and Daviess County Public School (DCPS) districts. This project intends to present a fair and accurate history of funding and financing and to examine future trends and expectations relative to these two local school districts.

Two Foci. This research project focuses on two components. First, a general historical overview examines funding and related variables of the two school districts over the last fifty years (between 1951 and 2001). A second, companion overview concentrates on funding issues since inception of KERA (1990-1991). KERA years are examined separately because this legislation derives from a landmark judicial decision that redefined equality of education in Kentucky. That legislation produced a profound and positive historical impact on funding education, not only in Kentucky but also throughout the United States.

Resource Base. This project intends to review the funding history, coupled with future trends and projections, to provide local leadership with baseline information for mutual strategic planning and with an opportunity to affect positively future public education in the City and County.

A GROWING, CHANGING COMMUNITY

In 1946, the Thomas v Spragens decision effectively established school district boundaries in Daviess County and across the Commonwealth. (308 Kentucky, v97, 213 SW (2nd) 452 (KY 1948)). In the last fifty years, Owensboro and Daviess County population has increased dramatically, yet public school boundaries have remained virtually unchanged (See Exhibit #1).

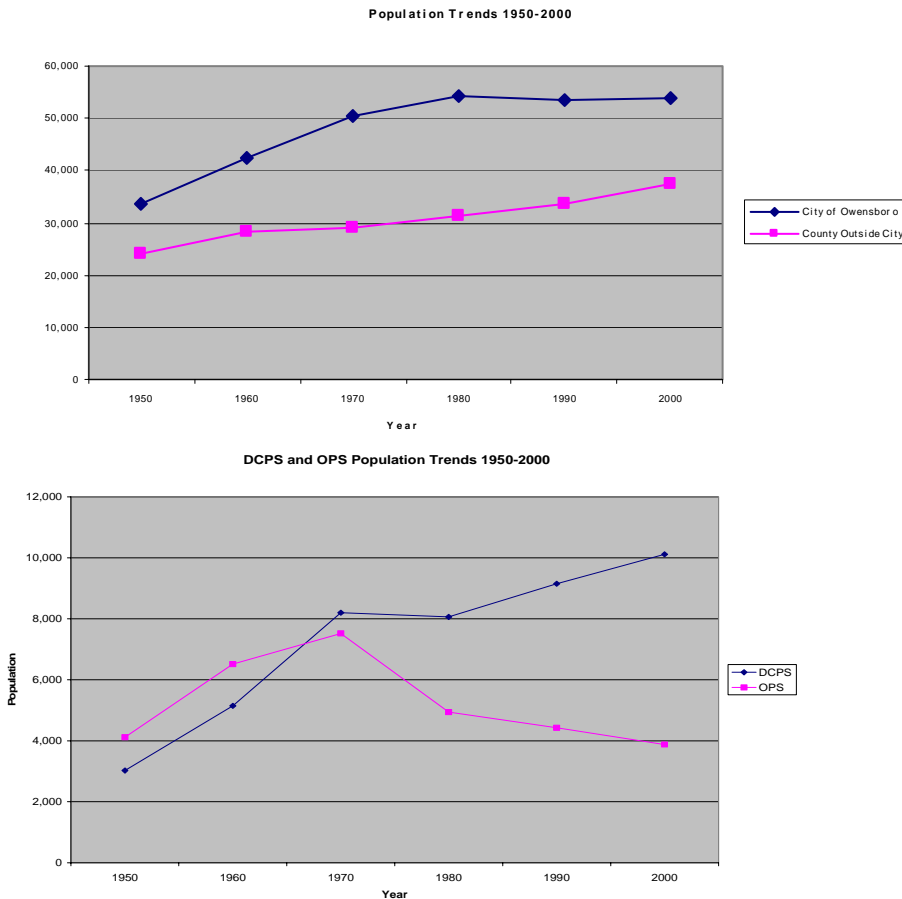
During the past 50 years, Owensboro’s general population increased by 61% or 20,416 individuals and Daviess County has increased by 60% or 34,304 people (See Exhibit #2).

Exhibit #2: Daviess County Population (1951-2001)

Year	City of Owensboro	Daviess County Outside City	Daviess County	OPS	DCPS
1950	33,651	23,590	57,241	4,115	3,025
1960	42,471	28,117	70,588	6,513	5,145
1970	50,329	29,157	79,486	7,520	8,200
1980	54,450	31,499	85,949	4,939	8,063
1990	53,549	33,640	87,189	4,428	9,150
2000	54,067	37,478	91,545	3,876	10,116
DIFFERENCE	+20,416	+13,888	+34,304	-239	+7,091
% INC./DEC.	61%	6%	60%	-6%	234%

Source: U.S. Census Bureau, Kentucky State Data Center

Or consider the same data in line charts below.



Daviess County Public Schools (DCPS) increased in ADM by 231.5% or 7,064 students while Owensboro Public Schools (OPS) decreased 5.7% in ADM, a loss of 235 students. Combining both school districts, the ADM increase of 95.3% exceeded the percentage of growth in both Owensboro and Daviess County (See Exhibit #3 below).

Exhibit #3: Average Daily Membership (ADM) 1951 to 2001

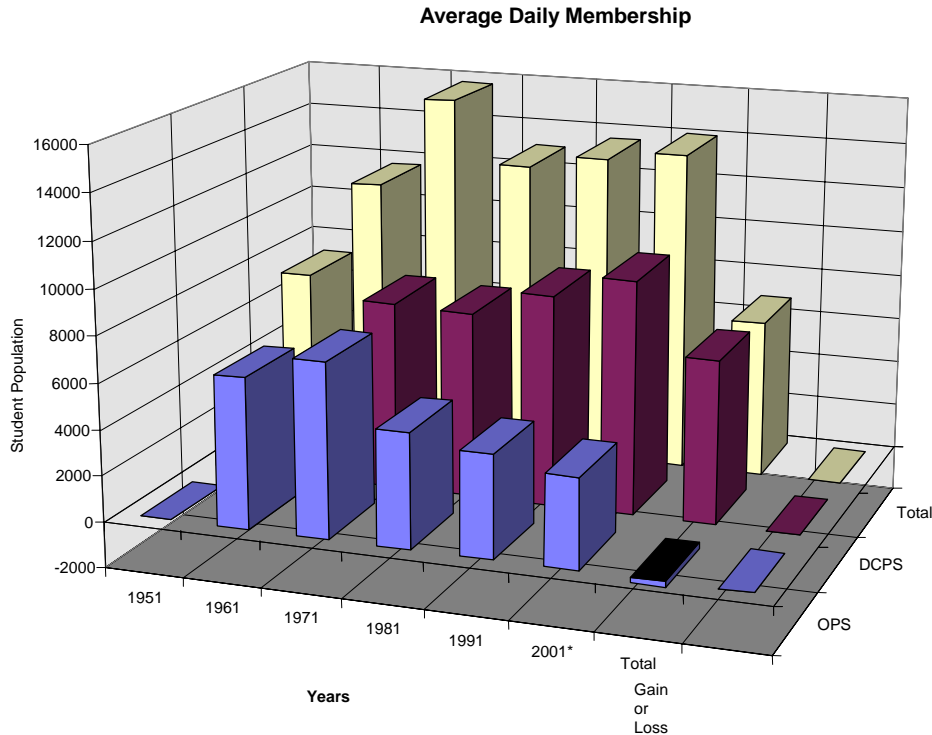
Year Ending June 30	Daviess County Public Schools	Owensboro Public Schools	Total
1951	3051.70	4114.51**	7166.21
1961	5144.70	6512.7	11657.4
1971	8199.9	7520.1	15720.0
1981	8063.0	4939.4	13002.4
1991	9149.5	4428.3	13577.8
2001*	10116.0	3879.5	13,995.5
Total Gain or Loss	7064.30/3051.7	-235.01/4114.51	+6829.29
	231.5% Increase	5.7% Loss	95.3% Gain

Source: State Board of Education Biennial Reports

* Sources: Separately self reported by Daviess County and Owensboro public schools

** Includes Memberships for Segregated Schools

Consider the same data visually in the bar graph below:



Significantly, during the last ten years an even more pronounced change has occurred: Owensboro Public Schools experienced an ADM decline of 14.15% or 548.8 students while Daviess County Public Schools reported an ADM increase of 9.9% or 912 students (See Exhibit #A1 below).

Exhibit #A1: Average Daily Membership (KERA: 1990-1991 to 2000-2001)

Year Ending June 30	DCPS	OPS	Totals
1991	9,204	*4,428.3	13,632.3
1992	9,451	NA	NA
1993	9,869	4,082.3	13,951.3
1994	9,972	4,516.6	14,488.6
1995	10,035	4,312.8	14,347.8
1996	10,116	4,365.5	14,481.5
1997	10,136	4,334.0	14,470
1998	10,074	4,217.8	14,291.8
1999	10,106	4,153.5	14,259.5
2000	10,057	4,002.3	14,059.3
2001	10,116	3,879.5	13,995.5
Total Period Gain or Loss	+912/9,204 (9.9% Gain)	-548.8/4,428.3 (12.4% Loss)	+363.3/13,632.3 (2.67% Gain)

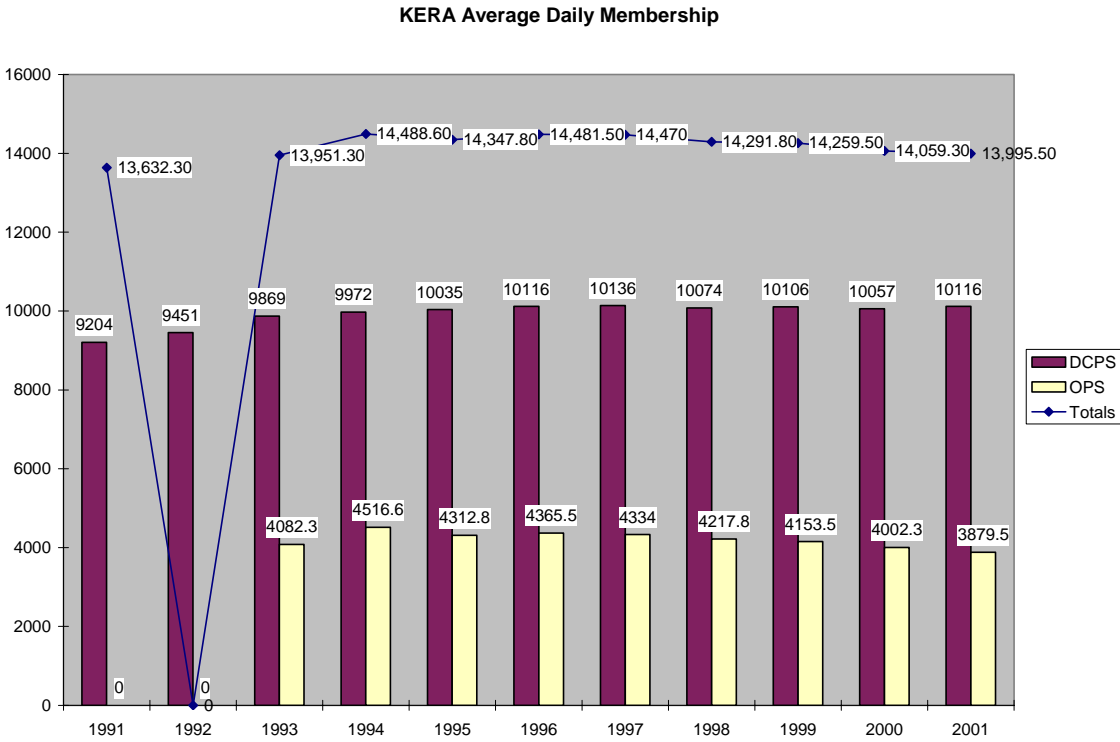
Sources: Separately self-reported by Daviess County and Owensboro public schools

* State Board of Education Biennial Report

Note: ADM (Average Daily Membership) is invoked throughout this research to provide continuity from 1950 to the present. KERA ADA (Average Daily Attendance) information has been added and placed in the Appendix because Kentucky public school funding is based on those numbers. Those ADA numbers will be referenced throughout the study in the Appendices.

Equivalent ADA information for the chart above is located in the Appendix, page 54.

Consider the KERA ADM data visually in the bar graph below:



As an example, in 1996, combined ADM for both districts totaled 14,481.5. In 2001, ADM in both districts totaled 13,995.5, a loss of 486 students. That overall loss, from 1996 through 2001, amounted to the same ADM loss occurring in OPS (See Exhibit #A1, page 10).

From 1953 to 2001, the number of schools in OPS decreased from 13 to 9, and the number of schools in DCPS increased from 12 to 17. The total number of schools, however, in all of Daviess County increased by only one, from 25 to 26 (See Exhibit #4, page 12).

Exhibit #4: Daviess County and Owensboro Public Schools

1953 Daviess County

1. Daviess County High
2. Maceo
3. Masonville
4. Philpot
5. Snyder
6. Sorgho
7. Stanley
8. Sutherland
9. Thruston
10. Whitesville Elementary and High
11. Utica Elementary and High
12. West Louisville Elementary and High

1953 Owensboro

1. Central Junior High
2. Emerson
3. Foust Junior High (1953)
4. Franklin
5. Lee
6. Lincoln (1950)
7. Longfellow
8. Owensboro Senior High
9. Owensboro Technical High
10. Washington (1951)
11. Wilson
12. Dunbar
13. Western Elementary and High

2001 Daviess County

1. Apollo High
2. Audubon
3. Burns
4. College View Middle
5. Daviess County High
6. Daviess County Middle
7. Deer Park
8. Eastview
9. Burns Middle
10. Country Heights
11. Highland
12. Philpot
13. Sorgho
14. Tamarack
15. Utica
16. West Louisville
17. Whitesville

2001 Owensboro

1. Cravens
2. Estes
3. Foust
4. Newton-Parrish
5. Owensboro 5-6
6. Owensboro High
7. Owensboro Middle
8. Seven Hills
9. Sutton

Source: State Board of Education Biennial Reports
State Board of Education School Profile Data

As we consider Average Daily Membership, we should remind ourselves that ADM represents one way of measuring. In the last five years (1997-2001) alone, total revenue per pupil (ADM) in DCPS increased 14.34% from \$4554 to \$5207 per ADM. OPS increased 31.54% from \$5600 in 1997 to \$7366 per ADM in 2001 (See Exhibit #A2, page 13).

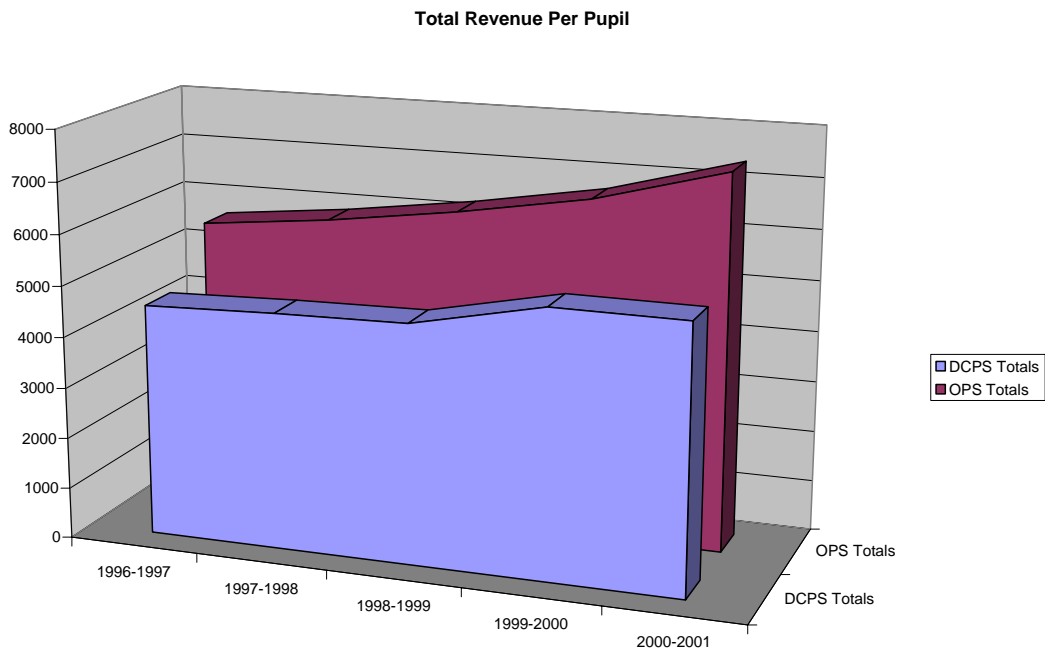
Total assessments per pupil (ADM) increased 33.96% from \$219,727 in 1997 to \$294,340 in 2001 in OPS. During the same time period, DCPS increased 31.46% from \$220,526 in 1997 to \$289,912 in 2001 (See Exhibit #A2, page 13).

Total debt per student (ADM) in OPS increased 7.4% from \$2,575 in 1997 to \$2,764 in 2001. During the same time period, DCPS decreased 7.23% in debt per ADM from \$3,649 in 1997 to \$3,385 in 2001 (See Exhibit #A2 below).

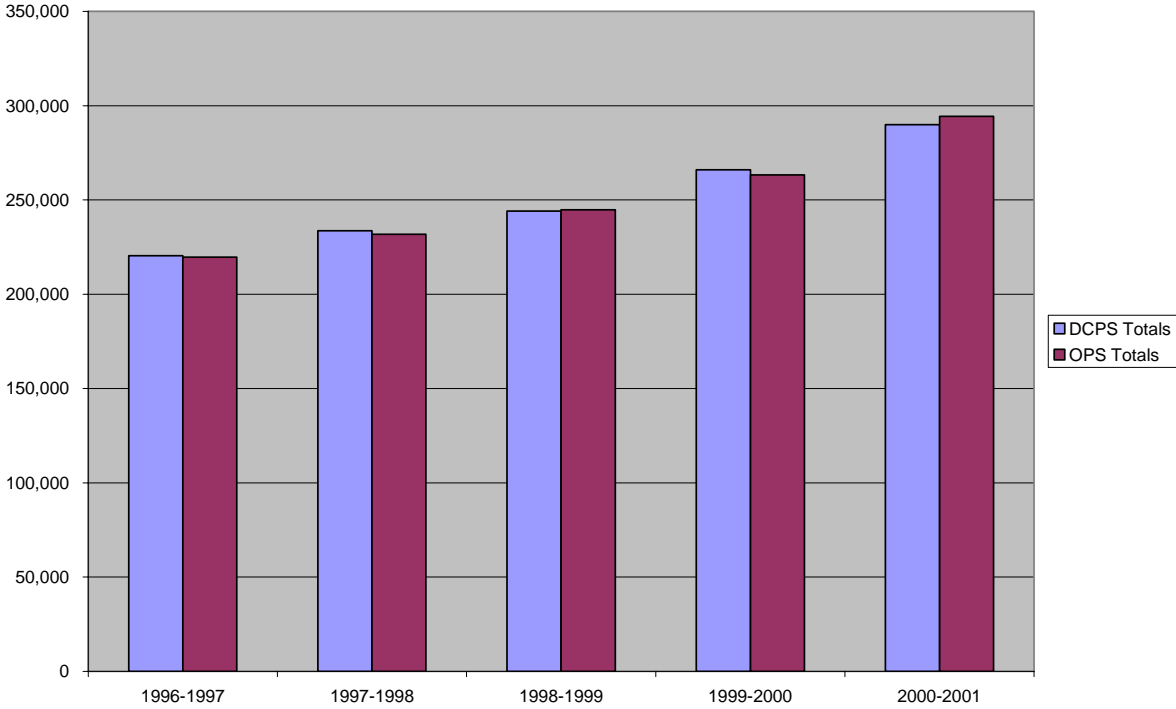
Exhibit #A2: ADM Comparisons

Year	School	Total Revenue	Total Assessment	Total Debt	ADM
2000-2001	DCPS	52,670,467 (5207)	2,932,744,970 (289,912)	34,240,204 (3385)	10,016
	OPS	28,575,661 (7366)	1,141,893,821 (294,340)	10,271,922 (2764)	3,879.5
1999-2000	DCPS	52,529,813 (5223)	2,675,061,305 (265,990)	35,844,322 (3564)	10,057
	OPS	26,673,136 (6664)	1,054,027,044 (263,355)	11,186,301 (2795)	4,002.3
1998-1999	DCPS	47,283,612 (4679)	2,466,639,792 (244,077)	33,085,327 (3274)	10,106
	OPS	25,848,999 (6223)	1,016,763,910 (244,797)	12,766,568 (3074)	4,153.5
1997-1998	DCPS	46,695,209 (4635)	2,353,058,901 (233,577)	34,550,442 (3430)	10,074
	OPS	24,217,466 (5867)	956,865,760 (231,810)	10,709,939 (2593)	4,127.8
1996-1997	DCPS	46,163,012 (4554)	2,235,249,918 (220,526)	36,982,976 (3649)	10,136
	OPS	24,268,915 (5600)	952,297,778 (219,727)	11,161,465 (2575)	4,334

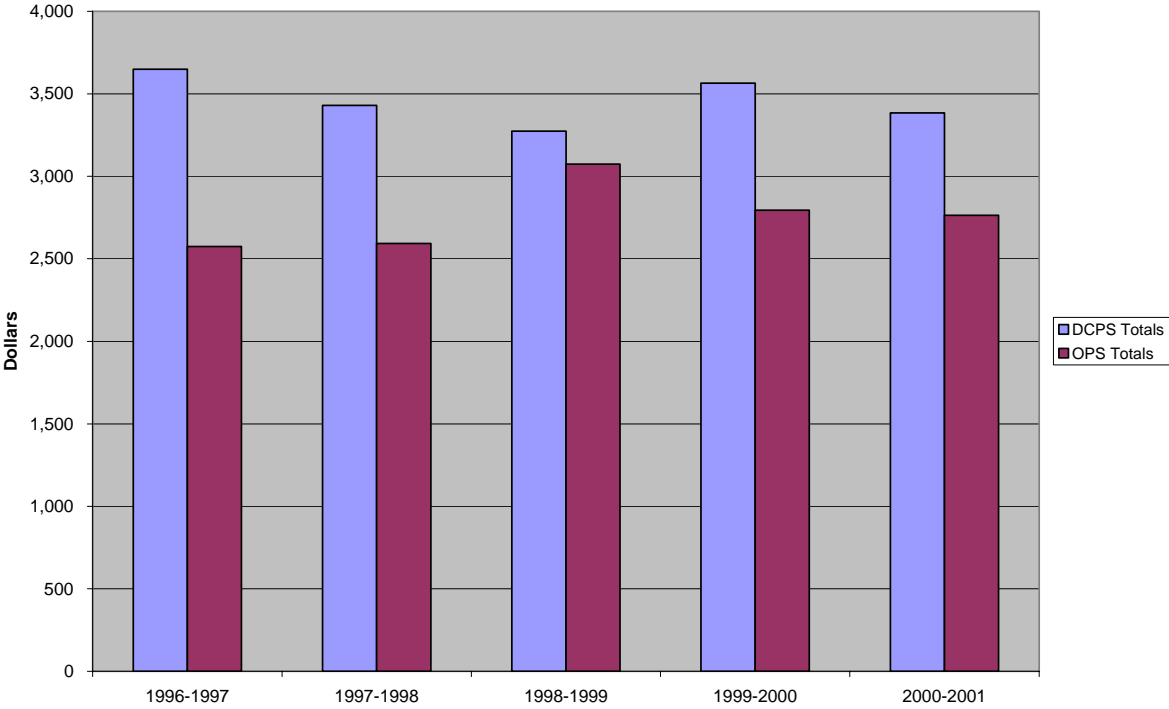
Consider these data visually in the graphs below and page 14:



Total Assessment Per ADM



Total Debt Per ADM



LOCAL REVENUE SOURCES

From 1950 through 2001, a significant percentage of residential growth and most commercial and industrial growth in Daviess County occurred in Daviess County Public Schools' (DCPS) district. Subsequently, revenue generated from taxes of those areas became revenue for DCPS.

This growth includes residential development along highway 54 (southeast of Owensboro) commercial development on South Frederica Street, and new plants in all three industrial parks. Effectively, Owensboro Public Schools (OPS) is landlocked, for funding and enrollment purposes, inside Wendell Ford Parkway.

Local Taxes: June 30, 1951 to June 30, 2001

Local revenue represents that portion of the total budget collected locally through local tax levies. Local revenue for OPS increased from \$460,835 to \$9,992,466 while local revenue for DCPS during the same period increased from \$290,138 to \$16,669,253.

Exhibit #5: Revenue Receipts 1950-1951 to 2000-2001

Year	Daviess County Public Schools			Owensboro Public Schools				
	Federal	State	Local	Total	Federal	State	Local	Total
1951	NA	\$278,284	\$290,138	\$568,422	NA	\$279,161	\$460,835	\$739,996
1961	0	\$643,162	\$1,074,611	\$1,717,773	0	\$1,037,436	\$1,209,824	\$2,247,260
1971	\$597,158	\$2,680,359	\$2,222,713	\$5,500,230	\$708,776	\$2,541,281	\$2,620,525	\$5,870,582
1981	\$1,274,176	\$9,839,421	\$3,626,753	\$14,740,350	\$2,115,078	\$6,393,401	\$3,296,841	\$11,805,320
1991	\$1,694,209	\$20,836,622	\$7,755,772	\$30,286,604	\$2,957,394	\$10,873,998	\$6,385,134	\$20,216,526
*2001	\$3,224,893	\$32,776,322	\$16,669,253	\$52,670,468	\$4,546,383	\$14,036,812	\$9,992,466	\$28,575,661

* Source: State Board of Education Biennial Reports

Note: Figures are rounded to nearest one-dollar

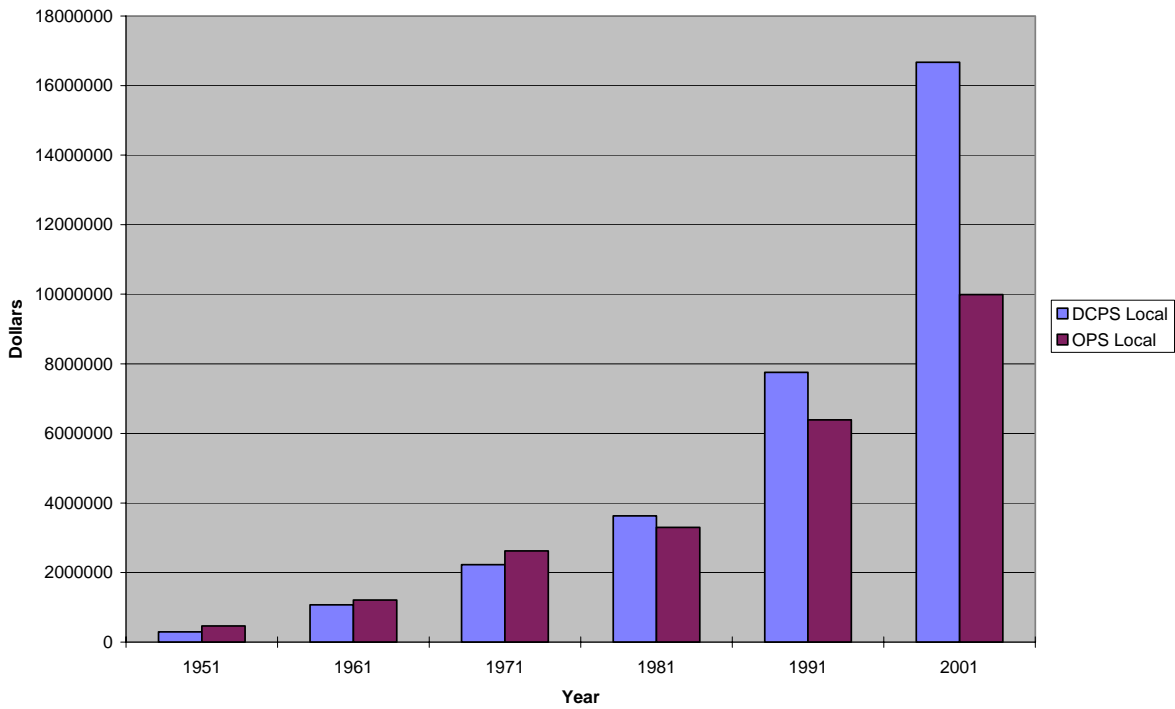
Sources: Separately self-reported by Daviess County and Owensboro public schools

Local and total data appear in bar graph form on the following page.

State data appear in graph form on page 24.

Federal data appear in graph form on page 31.

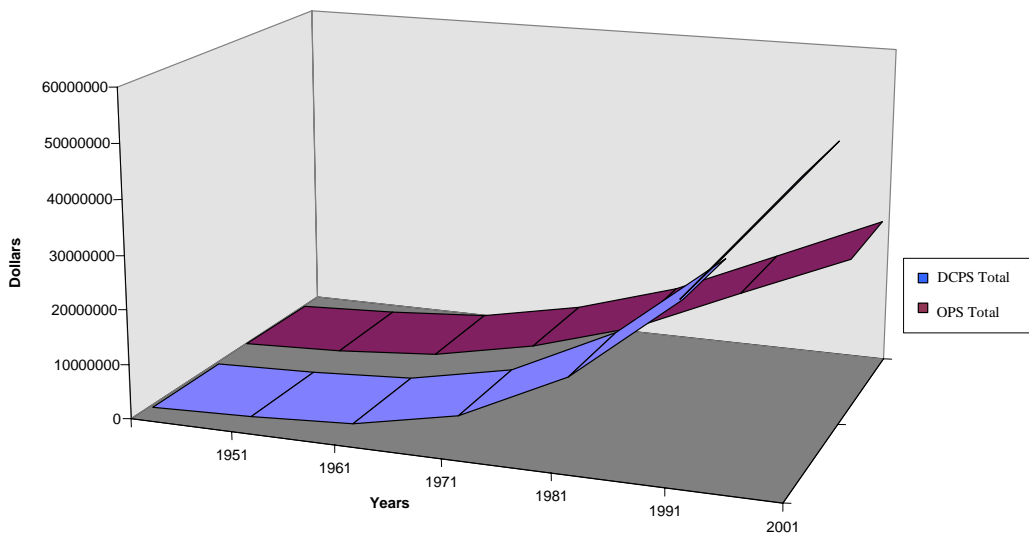
Local Revenue Receipts



Total Revenue: Federal, State, and Local: 1951 to 2001

During that same time period, total revenue receipts for OPS increased from \$739,996 to \$28,575,661 and DCPS increased from \$568,422 to \$52,670,468 (See Exhibit #5, page 15).

Total Revenue Receipts



**Total Revenue: Federal, State, and Local: KERA Years:
June 30, 1991 to June 30, 2001**

Calendar year revenue extends over two school years. As an example, calendar year revenue for 2000 would represent receipts from January 1 to June 30, 1999-2000 and June 30 to December 31, 2000-2001.

Exhibit #A3: Revenue Sources (KERA 1990-1991 to 2000-2001)

Year Ending June 30	Daviness County Public Schools				Owensboro Public Schools			
	State	Federal	Other	Total	State	Federal	Other	Total
1991	18759210	2193463	9899645	30852318	10625702	1967864	5779510	18373076
1992	20065187	2711696	10740352	33517235	11193861	2267556	6207110	19668527
1993	21572542	3172305	10365430	35110277	11564400	2337258	6293667	20195325
1994	22893703	3045014	15009574	40948291	12253461	2557531	6545665	21356657
1995	23852561	3261657	17115120	44229338	12349065	2490390	7259480	22098935
1996	28260872	3089158	13858418	45208448	12206810	2807221	7811237	22825268
1997	30655946	2769836	12737230	46163012	13005000	3130540	8133375	24268915
1998	30064877	3038503	13591829	46695209	12903178	3240260	8074028	24217466
1999	31108128	2550195	13625289	47283612	13726891	3310299	8811809	25848999
2000	31491754	2842224	18195835	52529813	14044305	3592943	9035888	26673136
2001	32776322	3224893	16669253	52670467	14036812	4546383	9992466	28575661
Increase/ Decrease	14017112	1031430	6769608	21818149	3411110	2578519	4212956	10202585
Percent*	+74.7%	+47%	+68.4%	+70.7%	+32.1%	+131%	+72.9%	+55.5%

Sources: Separately self-reported by Daviness County and Owensboro public schools
Rounded to nearest tenth

Notes: ADA revenue during KERA information appears in Appendix, page 55.

Other and total data appear in bar graph form on the following page.

State data appear in graph form on page 25.

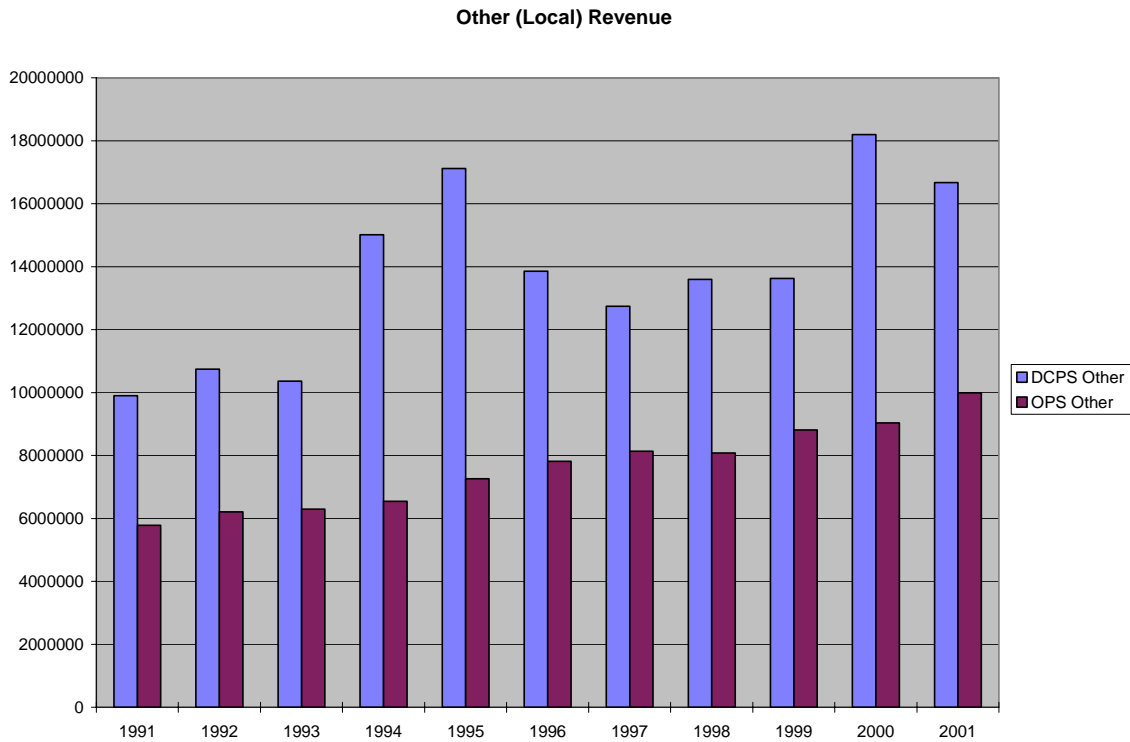
State increase/decrease data appear graphically on page 25.

Federal data appears visually in graph form on page 32.

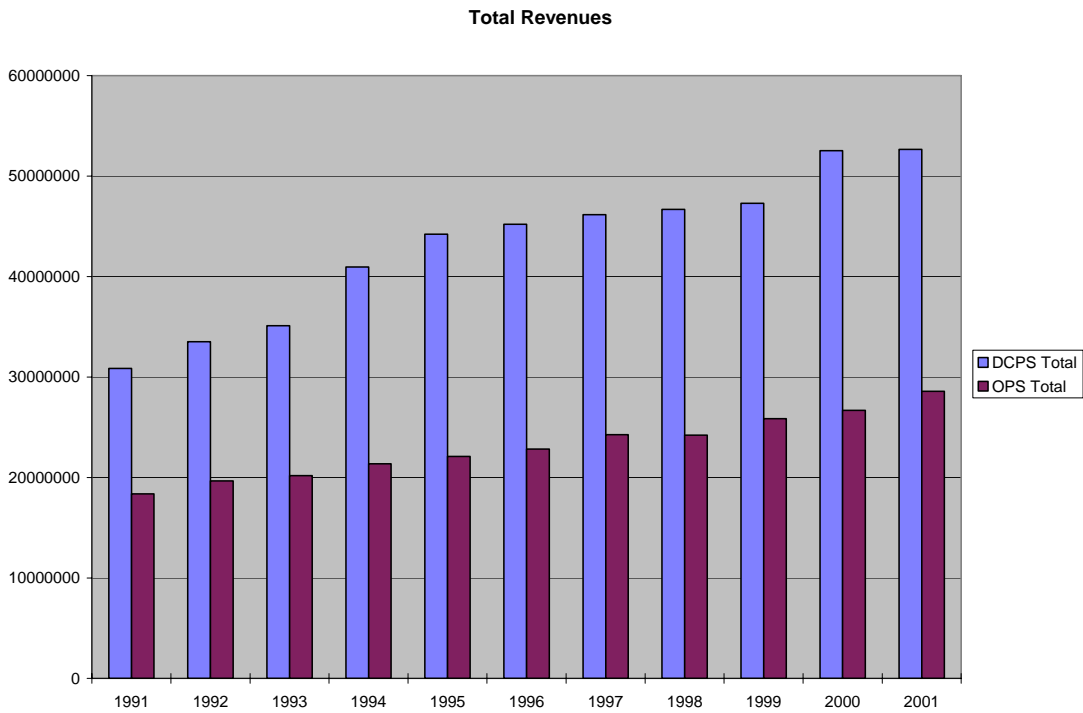
Federal increase/decrease data appear graphically on page 33.

Federal and total data appear in graph form on page 33.

From 1990 to 2001, local (other) revenue receipts for DCPS increased \$6,769,608 or 68.4% while local revenue receipts for OPS increased \$4,212,956 or 72.9%.



From 1990 to 2001, total revenue receipts for DCPS increased \$21,818,149 or 70.7% while total revenue from the OPS increased \$10,202,585 or 55.5%.



Tax Rates

In 1990-1991, beginning tax rates in DCPS were 36.2 cents for real, personal, and motor vehicle while initial rates in OPS were 62.9 cents for real and personal and 64.1 cents for motor vehicles (See Exhibit #A4 below).

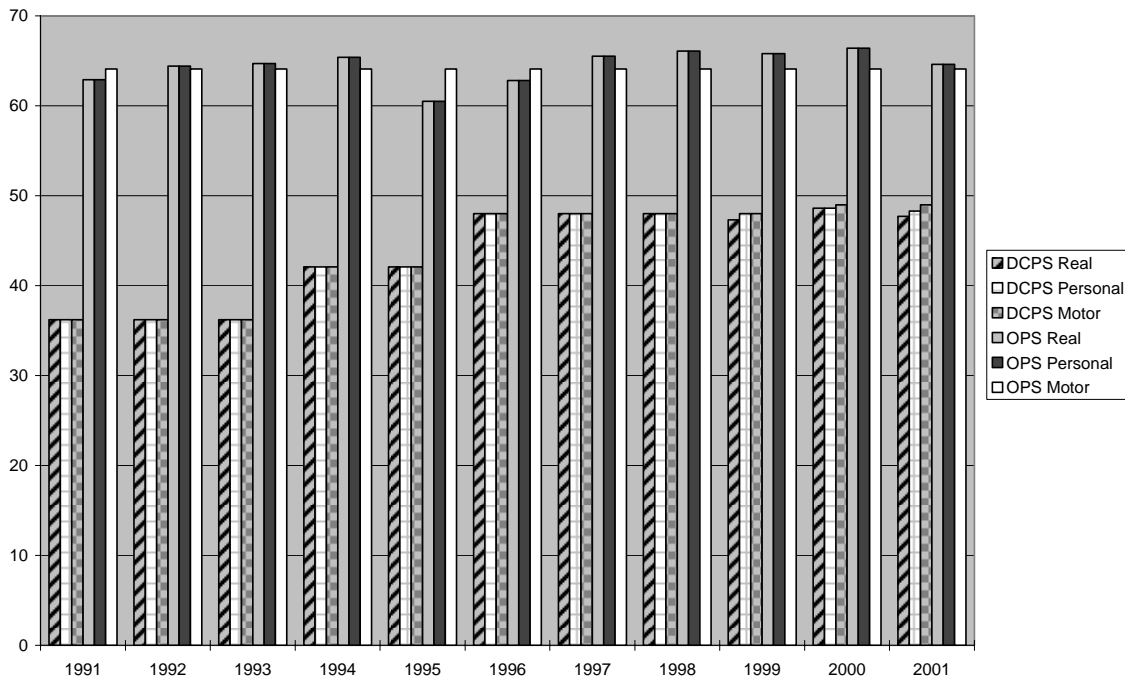
Exhibit #A4 Tax Rate Data (KERA Period)

Property Tax Rates Actual Levied	Daviness County Public Schools			Owensboro Public Schools		
	Real	Personal	Motor	Real	Personal	Motor
Year Ending June 30						
1991	36.2	36.2	36.2	62.9	62.9	64.1
1992	36.2	36.2	36.2	64.4	64.4	64.1
1993	36.2	36.2	36.2	64.7	64.7	64.1
1994	42.1	42.1	42.1	65.4	65.4	64.1
1995	42.1	42.1	42.1	60.5	60.5	64.1
1996	48.0	48.0	48.0	62.8	62.8	64.1
1997	48.0	48.0	48.0	65.5	65.5	64.1
1998	48.0	48.0	48.0	66.1	66.1	64.1
1999	47.3	48.0	48.0	65.8	65.8	64.1
2000	48.6	48.6	49.0	66.4	66.4	64.1
2001	47.7	48.3	49.0	64.6	64.6	64.1
Total Increase/Decrease	+11.5	+12.1	+12.8	+1.7	+1.7	0

Sources: Separately self-reported data by Daviness County and Owensboro public schools

These data appears pictorially in the bar graph below.

KERA Tax Rate Comparisons



From 1991-2001, DCPS real property tax rates increased 11.5 cents, the personal property tax rate increased 12.1cents, and the motor vehicle rate increased 12.8 cents. At the same time, OPS's tax rates remained fairly constant. Total rates, however, averaged 16.1 cents less for DCPS.

Exhibit #A5: KERA Taxable Assessments

Year	School District	Residential	Farming	Commercial	Totals	Grand Totals
2001	Daviess County	1,517,530,020	225,069,148	555,517,069	2,298,116,237	
2001	Owensboro	543,500,176		245,004,481	788,504,657	3,086,620,894
2000	Daviess County	1,429,733,253	220,840,758	513,936,729	2,164,510,740	
2000	Owensboro	535,295,583		233,456,420	768,752,003	2,933,262,743
1999	Daviess County	1,279,750,016	218,435,860	482,719,204	1,980,905,077	
1999	Owensboro	479,222,753		237,738,273	716,961,026	2,697,866,103
1998	Daviess County	1,209,088,057	214,510,622	411,763,919	1,835,362,598	
1998	Owensboro	475,127,195		220,308,103	695,435,298	2,530,797,896
1997	Daviess County	1,061,438,637	192,158,501	381,218,151	1,634,815,289	
1997	Owensboro	433,152,744		228,836,973	661,989,717	2,296,805,006
1996	Daviess County	1,001,368,092	189,195,450	352,276,695	1,542,849,237	
1996	Owensboro	428,218,575		215,739,732	643,958,307	2,186,807,544
1995	Daviess County	953,325,220	187,972,570	318,909,283	1,460,207,973	
1995	Owensboro	423,363,696		214,807,518	638,171,214	2,098,379,187
1994	Daviess County	901,372,321	185,678,200	302,698,529	1,394,108,097	
1994	Owensboro	419,989,215		210,778,525	630,767,740	2,024,875,837
1993	Daviess County	795,616,134	183,712,404	276,213,833	1,219,542,370	
1993	Owensboro	342,893,573		194,655,568	537,549,141	1,757,091,511
1992	Daviess County	739,023,497	184,876,339	247,443,890	1,171,343,726	
1992	Owensboro	346,205,009		184,848,113	531,053,122	1,702,396,848

From 1992 through 2001, DCPS increased 105.3% in residential assessment, 124.5% in commercial assessment, and 96.2% in total assessment. During the same period, OPS increased 56.99% in residential assessment, 32.5% in commercial assessment and 48.5% in total assessment (See Exhibit #A5 above).

**Exhibit #A6: 2001 Daviess County Tax Rates
(Per \$100 Assessed Value)
Real Estate**

Area	County	Extension	Health	Library	State	School	City	Totals
City	.1280	.0090	.0350	.0400	.1360	.6690	.2472	1.2642
Fringe	.1280	.0090	.0350	.0400	.1360	.4900	.2472	1.0852
County	.1280	.0090	.0350	.0400	.1360	.4900		.8380

**Daviess County 2001 Tangible Tax Rates
(.45 Cents State Plus Full Local)**

Area	Schedule A
City	1.5972
Fringe	1.4182
County	1.1710

Source: Daviess County Property Valuation Administrators

Exhibit #A7: 2001 Local Property Tax Rates

Taxing Jurisdiction	Taxing District	Real Estate	Tangible*	Motor Vehicle
Daviess County	Extension Services	0.900	0.900	0.900
	General	12.800	14.700	17.000
	Health	3.500	3.500	2.500
	Library	4.000	4.000	4.000
	Total:	21.200	23.100	24.400
School	Daviess County	49.000	49.000	49.000
	Owensboro	66.900	66.900	64.100
City	Owensboro	24.720	24.720	30.300
	Whitesville	8.500	10.700	14.000

Note: Tax rates are expressed in cents per \$100 dollars of assessed value.

*Inventory-in-transit: Cities, counties, charter counties, urban-counties, and school districts tax these properties at 80% of the tax rate levied on other tangible property for the January 1, 2001 assessment date.

Source: Owensboro Taxpayer Service Center

Taxpayers living in OPS district pay 42.62 cents more (per \$100 of assessed valuation) for real estate taxes, 42.62 cents more for tangible taxes, and 45.4 cents more for motor vehicle taxes than DCPS district taxpayers pay.

When one compares the Daviess County tangible tax rates, the OPS total rate of 1.5972 is 36.4% higher than the DCPS total rate of 1.1710.

When one compares the school tax rates for real estate, the OPS school tax rate of 66.9 cents is 17.9 cents higher than the DCPS rate of 49 cents. Taxpayers in OPS district pay 36.5% more in school taxes than DCPS district taxpayers pay (See Exhibit #A6, page 20).

As assessed valuation growth increases at a slower rate within the OPS district, less revenue will be available, and overall cost to educate youth will continue to increase disproportionately compared to DCPS. Cost to taxpayers in OPS district will continue to exceed that of DCPS district (See Exhibit #A7 above).

STATE FUNDS FOR EDUCATION

Tax revenue from state government sources has become a primary revenue source for Kentucky's local public schools. That source offered a less-than-fair and equitable source for many school districts across Kentucky prior to KERA. Through the years, judicial decisions have driven the legislature to change Kentucky's educational funding process. (NOTE: State funding includes various grants described in Exhibit #A8 below).

Exhibit #A8: Other KERA State Grants

KERA Strand	Purpose
School and Community Nutrition	Provides matching funds for program supervision, operations, and intrastate distribution of commodities
School Bus Driver Training	Increases school bus driver training hours
State Agency Children	Reimburses school-aged children for educational services provided by non-school agencies
Textbooks (K-8)	Provides students with free textbooks and instructional material
Principal Internship	Provides funds for administration of one-year internships for new principal applicants.
Writing Program	Underwrites professional development for teachers to improve student-writing performance. (Selected school districts)
Dropout Prevention	Funds 20 dropout programs in school districts whose dropout rates rank among the highest 25 districts and who report more than 100 student dropouts in any of the preceding three years.
Locally Operated Vocational Schools	Appropriates funds for school districts operating area vocational education centers for operations based on a formula. (Allocated by approved teacher counts per school.)
State Operated Vocational Centers	Provides centers operated by the Kentucky Tech System and serving secondary students from school districts determined by the number of FTE students served.

That process changed greatly with the advent of the Kentucky Educational Reform Act, known as KERA, (KRS 160). Prior to KERA reform, school district wealth varied greatly across the Commonwealth. KRS 160 required all local boards of education to levy a minimum of 30 cents per \$100 of assessed property valuation.

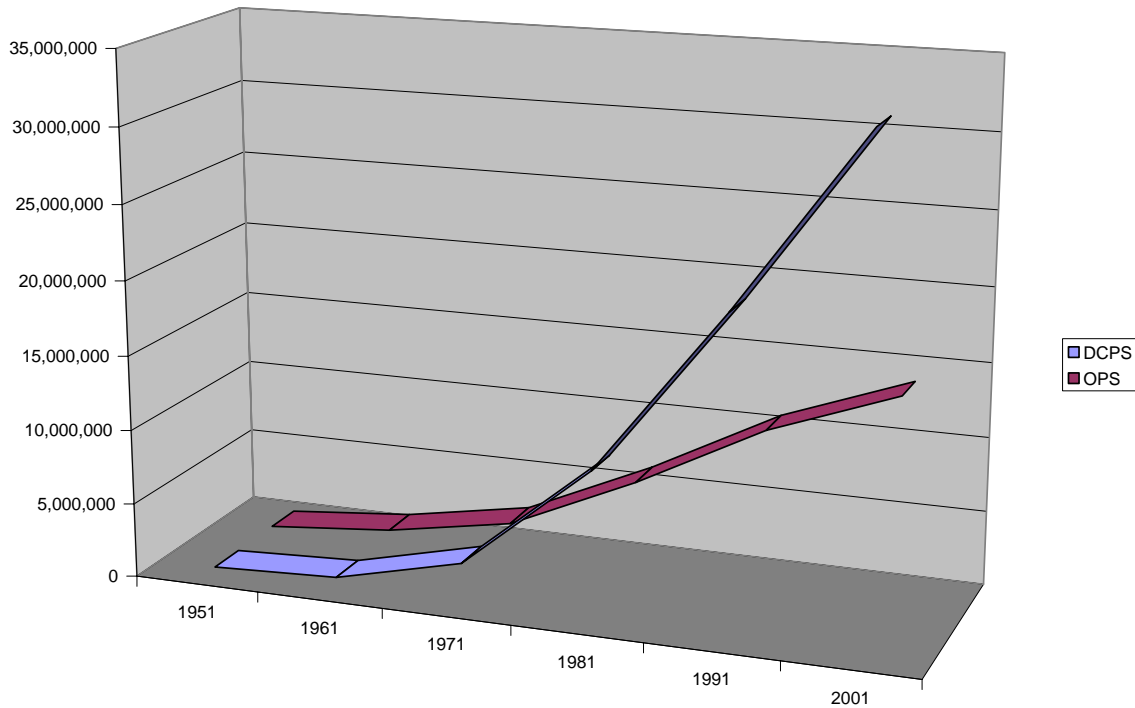
Exhibit #A9: KERA State Funding Strands

KERA Strand	Munis Project	Description	Distribution Basis	Restrictions
Professional Development	140X	Grant for professional development to improve instruction	ADA	Sixty-five percent goes to school-based councils
Preschool- All four year olds and three and four year olds with disabilities	135X	Provides developmentally appropriate experiences, transportation, nutrition, health and social services, and active parent involvement	Based on guidelines in 702 KAR 3:250	Families must meet income guidelines for National School Lunch Program
K-12 Extended School Services	120X	Extended school instructional programs for those having difficulty achieving their educational goals	Based on a formula found in 704 KAR 3:390	Programs must meet before or after school, on weekends, or during the summer
Successful School Rewards	145X	Measures improvement over a two year period based on goal established	Based on a formula for dispensing awards found in KAR 703 4:010	
Educational Technology	162X	Outlines activities related to purchasing, developing, and using technology.	Based on a five year plan	Schools may use to improve learning and teaching, curriculum delivery, delivery of professional development, administrative productivity, and to encourage private sector acquisition
Family Resource/ Youth Service Centers	129X	Grants provided to implement or continue Family Resource and Youth Service Centers to enhance students' ability to succeed in school	Criteria established by the Cabinet for Families and Children	

The Support Education Excellence in Kentucky (SEEK) formula consists of an adjusted base guarantee and two “Tiers.” Most importantly, the adjusted base guarantee specifies a level of per-pupil expenditure per ADA (Average Daily Attendance) that remains constant across all districts. As noted, HB 44 limits local school systems in Kentucky to a four-percent increase over previous years.

In Daviess County Public Schools (DCPS), total revenue from state revenue increased from \$278,284 for the year ending 1950 to \$32,776,322 for the year ending June 30, 2001. In Owensboro Public Schools (OPS), total revenue from state sources increased from \$279,161 for the year ending June 30, 1951 to \$14,036,812 for the year ending June 30, 2001 (Exhibit #5, page 15 and chart, page 24).

State Revenue Receipts

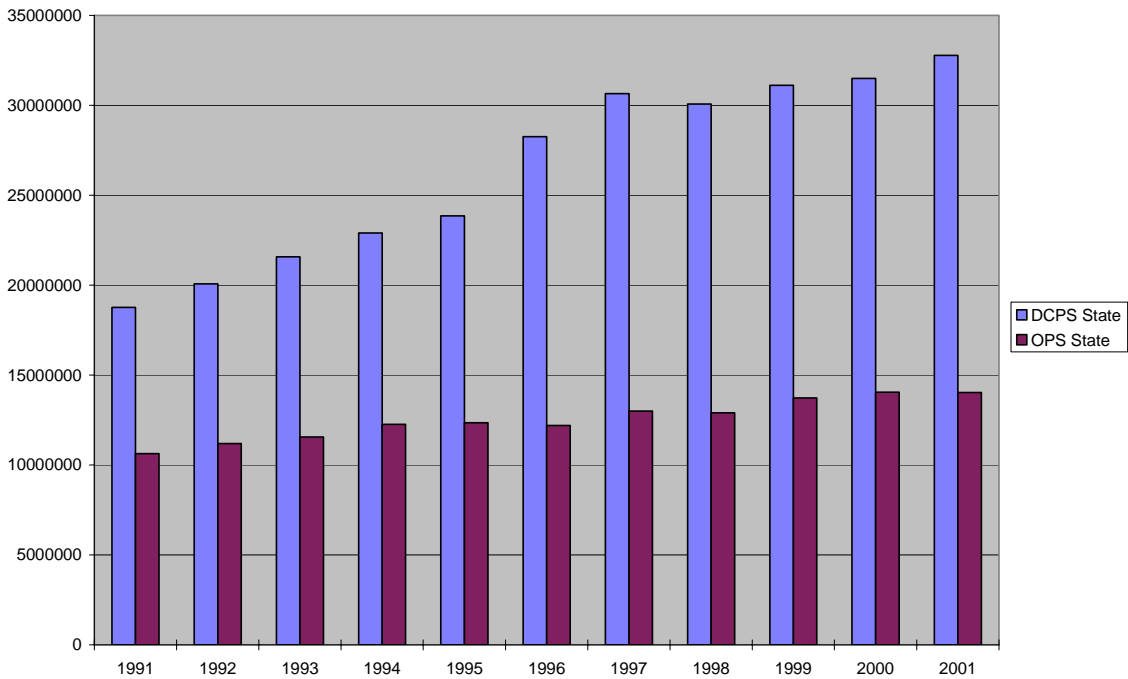


KERA Data

During KERA years, total revenue from state funding increased in DCPS from \$18,759,210 for the school year ending June 30, 1991 to \$32,776,322 for the school year ending June 30, 2001. In OPS, state revenue increased from \$10,625,702 for the year ending June 30, 1991 to \$14,036,812 for the year ending June 30, 2001 (See Exhibit #A3, page 17, and chart, page 25).

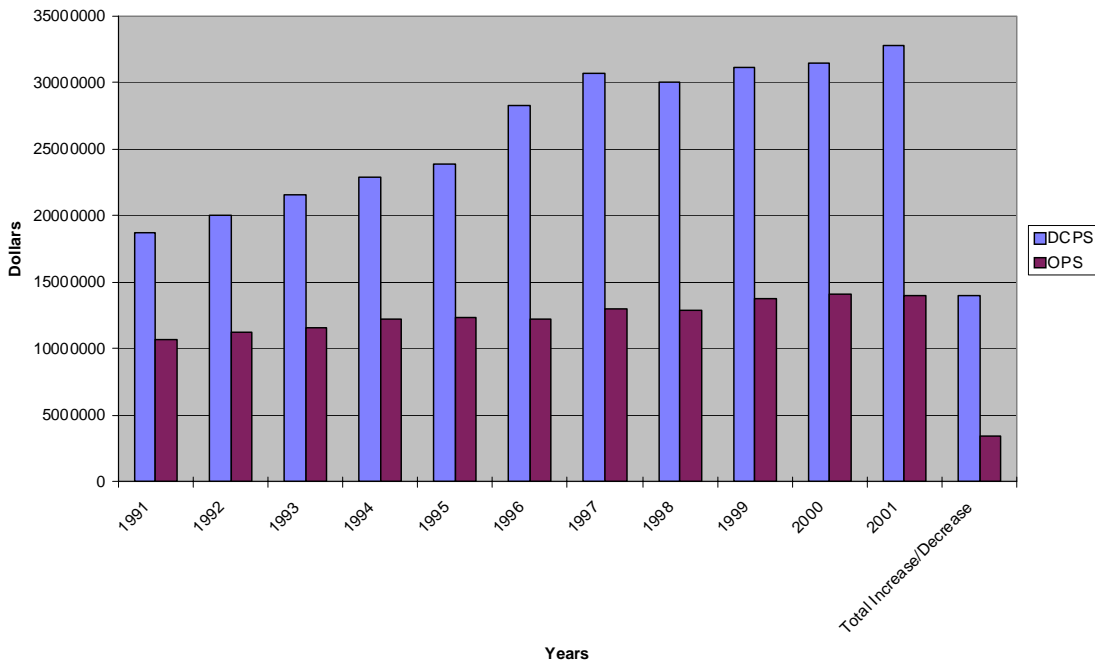
(Note: Calendar-year state revenue based on ADA during KERA is noted in Appendix, page 55.)

State Revenues (KERA)



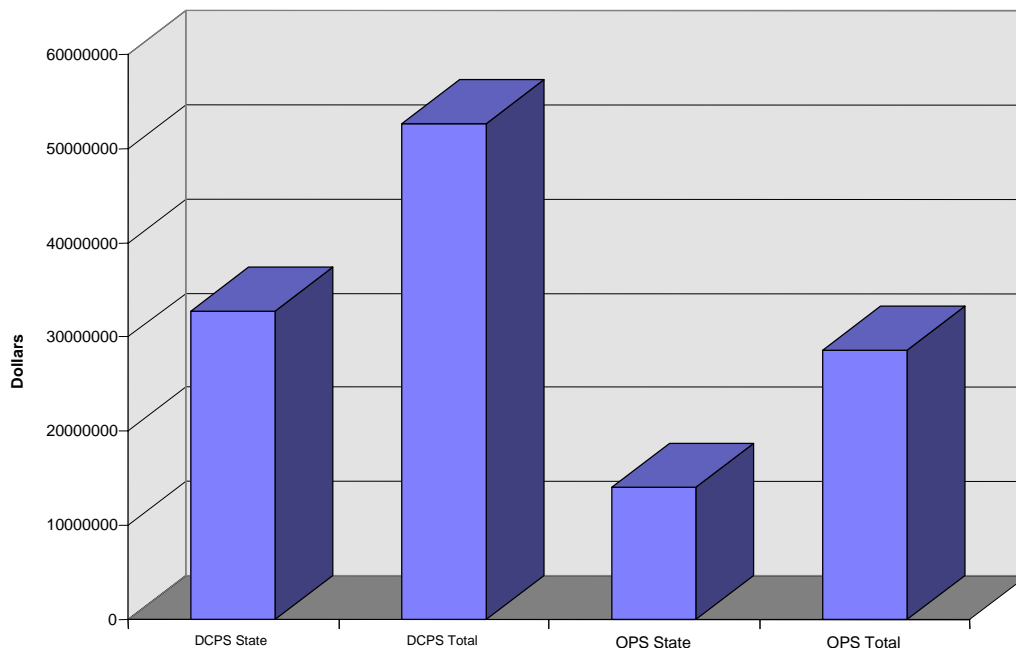
DCPS received a 74.7% increase in state funds during the first decade of KERA while OPS received a 32.1% increase for the same time period (See Exhibit #A3, page 17 and chart, page 24).

Increase in State Funding During KERA Years



During 2000-2001, 49.1% of funding came from state sources for OPS while 62.2% came from state sources for DCPS (See Exhibit #A3, page 17).

State Funding as a Percent of Total (KERA)



Support Education Excellence in Kentucky (SEEK) guarantees a base amount of revenue per pupil be provided for regular operating and capital expenditures. A guarantee of a minimum level of local support is generated by a required local effort of 30 cents per \$100 assessed property valuation (Tier I). The local effort is equalized at 150% of the statewide average per pupil assessed property valuation (Piscus, Odden and Fermanich, September 2001, "Assessing the Equity of Kentucky's SEEK Formula: A Ten-Year Analysis, Kentucky Department of Education," pp. 3-5.)

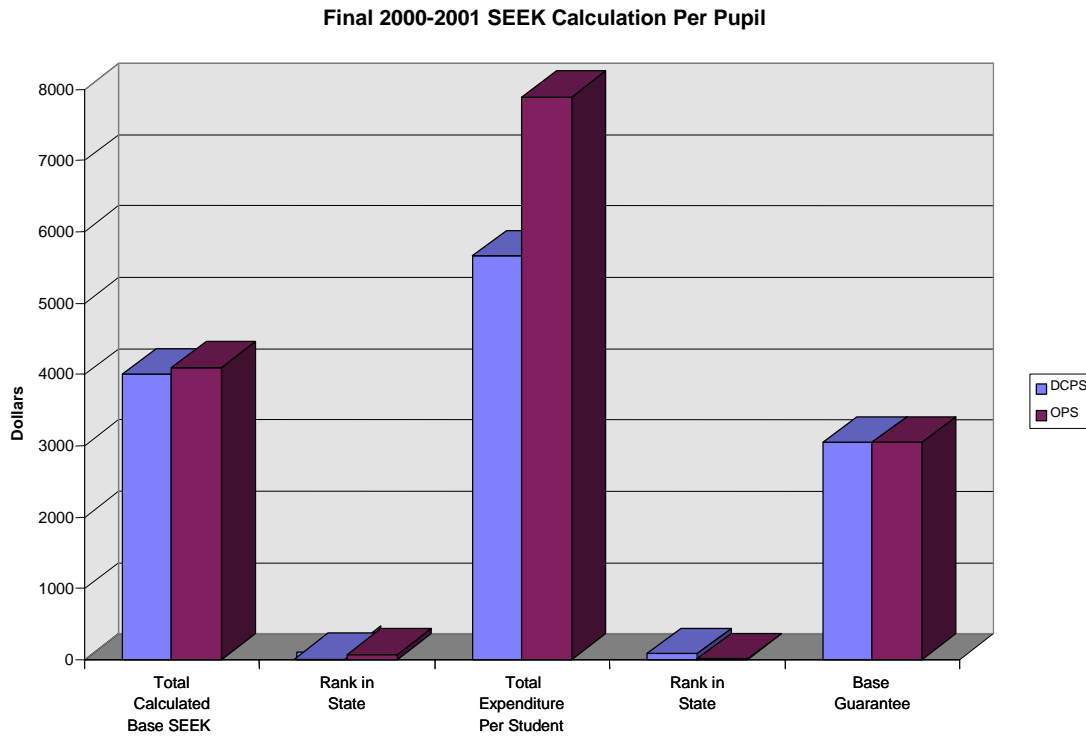
The final 2000-2001 state SEEK calculation provided a guaranteed base per pupil amount of \$3,046.33. After all adjustments, the calculated base SEEK totaled \$4,000 for DCPS and \$4,091.99 for OPS. Expenditure per pupil was calculated to be \$7,899.35 per pupil in OPS and \$6,661.31 per pupil in DCPS (See Exhibit #A10 below).

Exhibit #A10: Final 2000-2001 SEEK Calculations

School District	Total Calculated Base SEEK	Rank in State	Total Expenditure Per Pupil	Rank in State
Daviess County Public Schools	\$4000.00	109	\$6661.31	83
Owensboro Public Schools	\$4091.99	73	\$7889.35	13

Source: Kentucky Department of Education, Division of School Finance

The data on the previous page appears in graph form below:



Adjusted SEEK funds for the 2000-2001 school year totaled \$30,214,059 for Daviess County Public Schools and \$12,264,629 for Owensboro Public Schools (See Exhibit #A11 below).

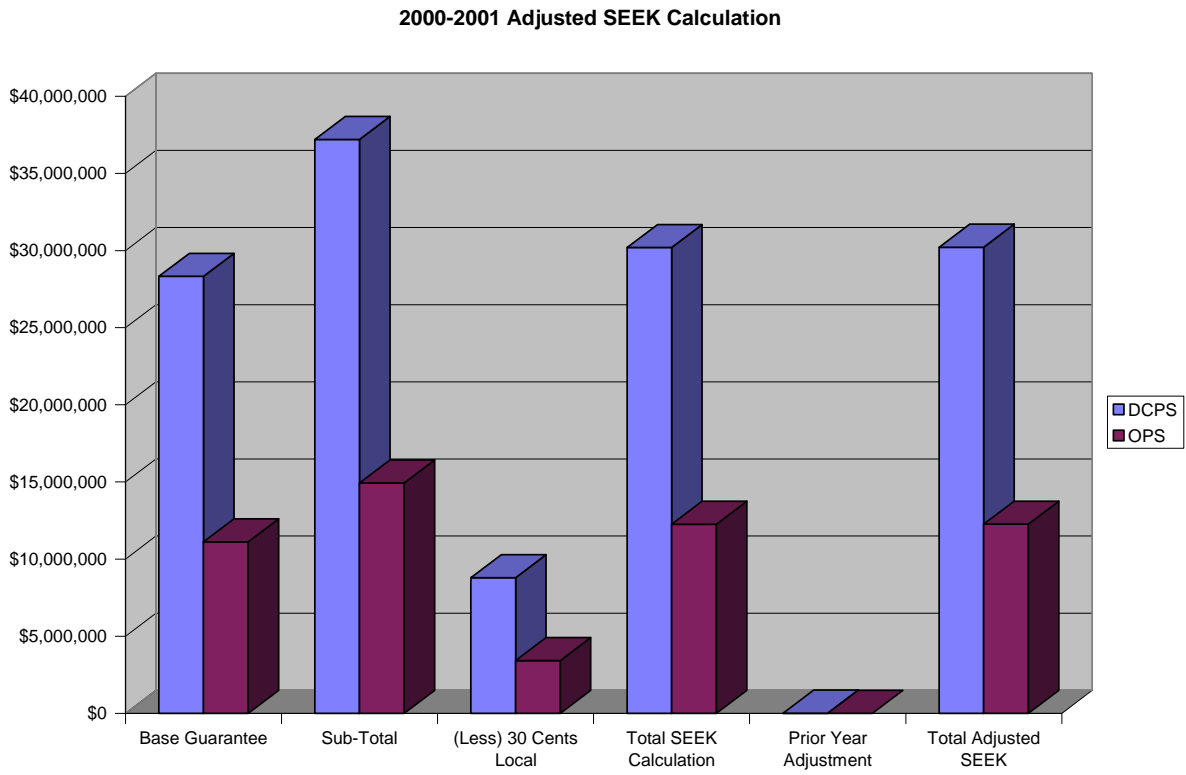
Exhibit #A11: 2000-2001 SEEK Calculation Totals

Final 2000-2001 SEEK Calculation- Per Pupil

SEEK Formula Variable	DCPS	OPS
Base Guarantee	\$3,046.43	\$3,046.33
Adjusted for "At Risk"	\$120.28	\$285.14
Rank in State	156	38
Adjusted for Exceptional Children	\$483.30	\$500.27
Rank in State	87	66
Adjusted for Home Hospital	\$23.45	\$5.97
Rank in State	9	100
Adjusted for Transportation	\$326.64	\$254.28
Rank in State	99	131
Total Calculated Base SEEK	\$4,000	\$4,091.99
Rank in State	109	73

Source: Kentucky Department of Education, Division of School Finance

The data on the previous page appears in graph form below:



FEDERAL FUNDS FOR EDUCATION

In the United States, education, and its subsequent funding, is primarily a function of each state. Federal funding has never matched the level required of states. Since the Federal Constitution contains no reference to education, the United States Supreme Court does not deal directly with educational issues. It has dealt, however, with issues possessing important implications and financial impact upon school districts across America. The *Brown v Board of Education* (1954) decision on school desegregation exemplifies such implications, both in policy and financial impact, derived from that decision.

Pre-1950. In the first half of the twentieth century, two acts influenced federal aid to education. The Smith-Hughes Act (1917) provided funds for vocational education below college level, and the National School Lunch Act (1946) stimulated construction and operation of thousands of school lunchrooms throughout the United States.

1950. Financial assistance for public schools began primarily with passage of the National Education Defense Education Act (1958). Federal funds provided for education have been earmarked for special purposes. Federal funding occurs in the form of categorical or special-purpose grants. The Elementary and Secondary Education Act (1965), for example, effectively doubled federal aid available for elementary and secondary schools from four to eight percent. Moreover, Title Programs under Title I, II, and III have been allocated primarily to public elementary and secondary schools (Steffy, Betty, *The Kentucky Education Reform: Lessons for America*, Technomic Publishing, Lancaster, pp. 94-97).

Federal grants and sources of revenue are described below along with corresponding purposes. Some grants carry restrictions; others involve competition.

Both Daviess County (DCPS) and Owensboro Public School (OPS) districts benefit from federal funds. For example, Title I funds provide financial assistance for schools to benefit children from families with low incomes. That assistance can include instruction costs as long as such costs do not supplant local and state mandates. Many of these funds provide “flow-through” dollars with oversight responsibility inhering in state departments of education (See Exhibit #A12, page 30).

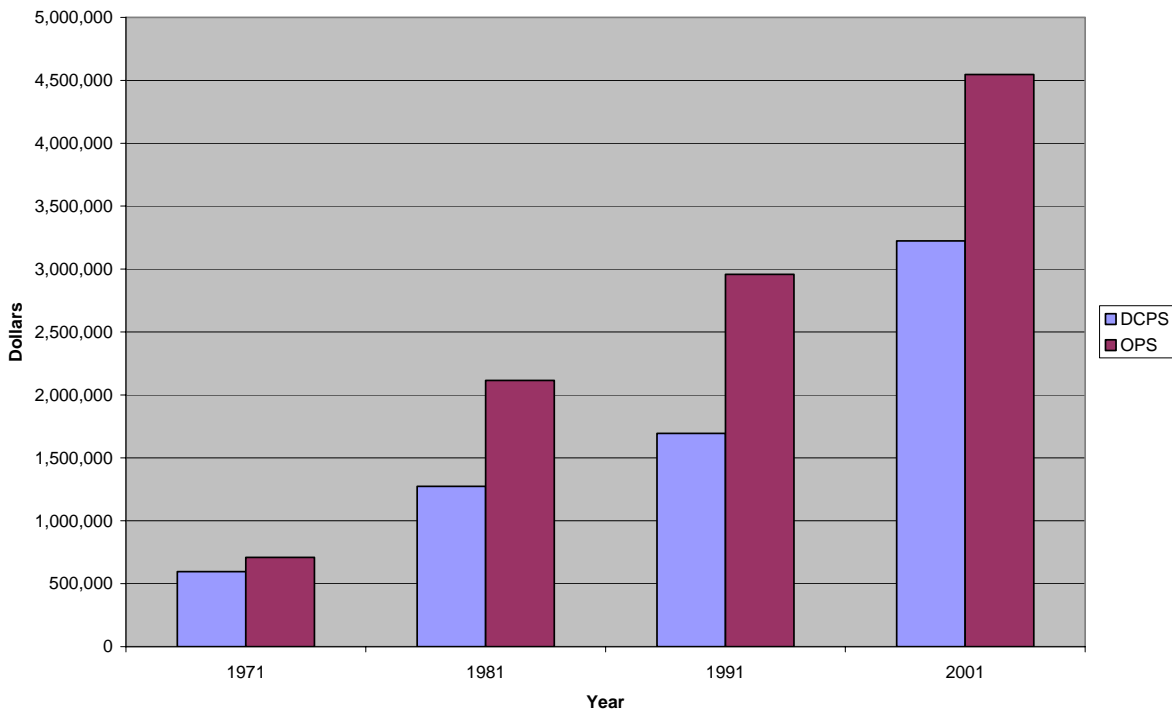
For the year ending 1950, federal funds for both DCPS and OPS were not listed as separate designations. Reimbursements for special vocational training and for school lunch programs are listed. In 1960, Federal Funds for PL#815, #874, and other federal aid were listed separately. Neither school system received any of those funds (See Exhibit #5, page 15).

An overview of federal funding sources is displayed in the matrix below:

Exhibit #A12: Federal Sources of Revenue

Program	Purpose
Basic IDEA-B	Flow-through funds to school districts to assist students with disabilities, ages 3 to 21.
Preschool IDEA-B	Flow-through funds to school districts to assist students with disabilities, ages 3 to 5.
Title I	Helping Disadvantaged Children
Part A	Flow-through funds for eligible school districts for basic programs and capital expenses for services provided to private school students.
Part B	Competitive grants for early childhood and family literacy programs.
Part C	Migrant education flow-through funds for schools meeting eligibility requirements for migrant programs.
Part D	Provides services for eligible neglected and delinquent students housed in state agency facilities or competitive grants to serve delinquent children in local programs.
Title II (Eisenhower)	Flow-through funds to support school district professional development activities primarily in math and science.
Title II B Single Parent Homemaker	Reimburses funds to provide service for single parents and in-school day-care. (For successful transition to work programs- provides basic academic and occupational skills.)
Title II B Gender Equity	Reimburses funds to provide for educational programs that assist in the elimination of gender bias in the workplace.
Title II C Carl Perkins Vocational	A transition from school to work program that provides reimbursement of funds for vocational program improvement, integration of academics and vocational education for special populations.
Title II Goals 2000, Educate America	Competitive grants to support education reform efforts at the district and school level.
Title IV	Flow-through funds to support school district activities related to the prevention of violence, and/or drug and alcohol abuse among students.
Title VI	Flow-through funds to support school district activities related to Innovative Education strategies.
Education for Homeless Children and Youth	Competitive grants to support education reform at the district and school level.

Federal Revenue Receipts

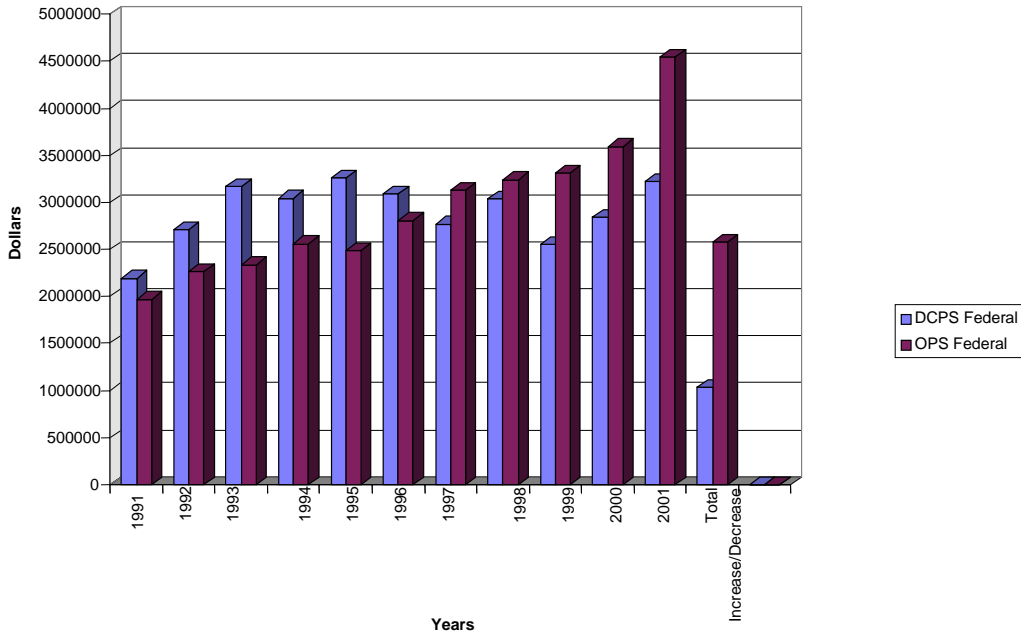


KERA Years and Federal Funding: 1990-1991 to 2000-2001

For the year ending June 30, 1991, DCPS received \$2,193,463 in federal funds, and that amount increased to \$3,224,893 for school year ending June 30, 2001. In OPS, for year ending June 30, 1991, \$1,967,864 was received in federal funds, increasing to \$4,546,383 for year ending June 30, 2001 (See Exhibit #A3, page 17, and chart, page 32).

Calendar-year federal revenue based on ADA during KERA is noted in Appendix A, page 55.

Federal Revenue (KERA)



In 2000-2001, DCPS reported 34% of its students on free or reduced lunch. OPS reported 61.07% of their students were on free or reduced lunch (See Exhibit #A13).

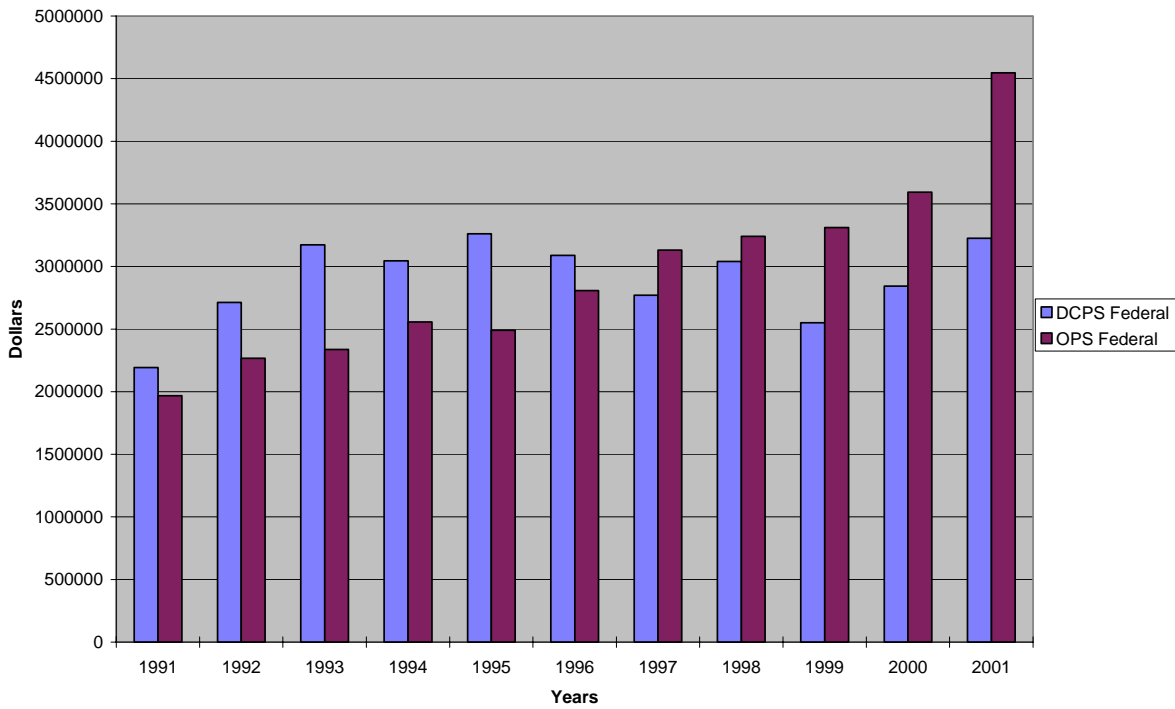
Exhibit #A13: Other Data Comparing DCPS and OPS

Variables	Daviess County	Owensboro	Data Year
Demographic			
Minority	4.8%	22.45%	2000-2001
On Free or Reduced Lunch	34%	61.07%	“
Living Outside the District	207/. 02%	272/6.98%	“
Classroom Characteristics			
Average Class size K-5	20:1	K-4 – 13:1 5-6 – 15:1	1999-2000
Average class Size 6-8	19.5:1	7-8 – 15:1	1999-2000
Average Class Size 9-12	21:1	15:1	1999-2000

Sources: Separately self-reported by Daviess County and Owensboro public schools

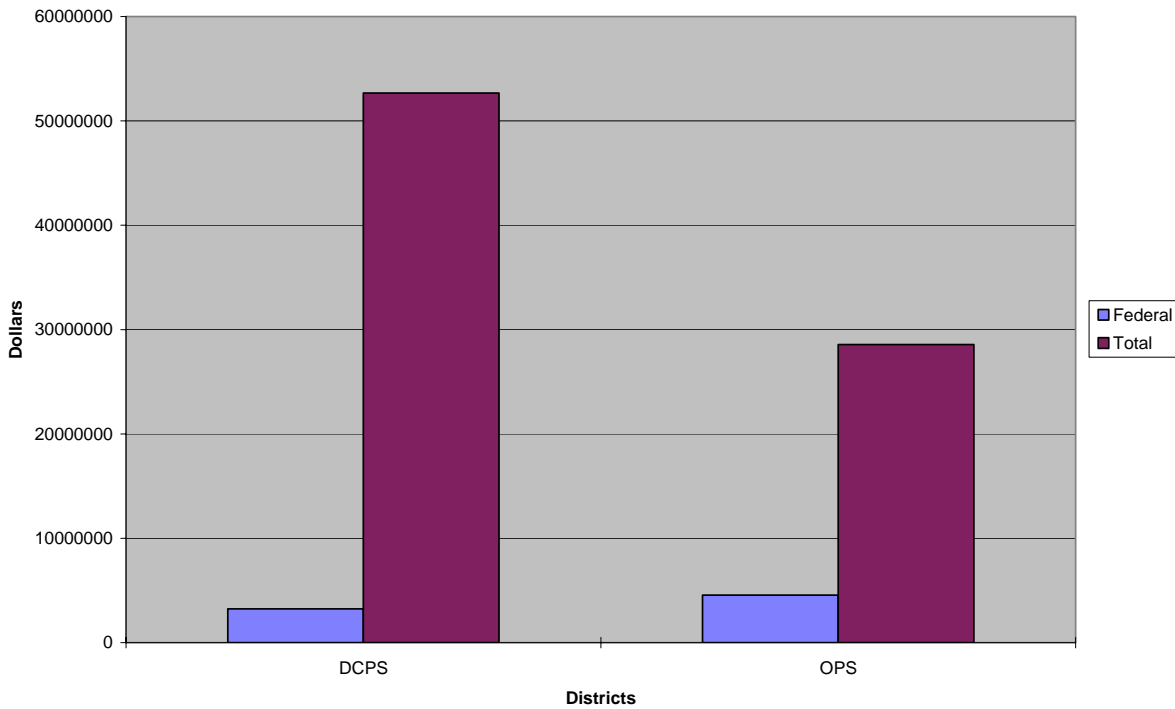
From 1990-1991 to 2000-2001, DCPS increased 47 percent in federal funds while during the same time, OPS increased 131 percent in federal funds (See Exhibit #A3, page 17 and chart, page 33).

Increase in Federal Funds During KERA



For year ending June 30, 2001, 6.1% of total revenues came from federal sources in DCPS while 15.9% of total revenues came from federal funds in OPS (See Exhibit #A3, page 17).

2000-2001 Federal and Total Revenue Comparisons



TOTAL FUNDING COMPARISONS

Excess (deficit) of revenues over expenditures

<u>Year ending June 30.</u>	<u>OPS</u>	<u>DCPS</u>
1999	(\$ 423,707)	\$ 416,196
2000	(1,956,816)	(2,890,809)
2001	276,154	(1,813,165)
2002	(1,074,302)	(261,341)

(Note: Figures may include one-time, budgeted expenditures.)

Fund balances (deficits)

<u>Year ending June 30.</u>	<u>OPS</u>	<u>DCPS</u>
1998	\$5,031,521	\$7,198,684
1999	8,203,295	7,933,158
2000	6,409,286	9,337,171
2001	6,698,262	7,535,826
2002	5,646,417	7,295,366

Source: Financial audits provided by OPS and DCPS.

OTHER VARIABLES RELATED TO FUNDING

Per-Student Analysis

Critical comparisons related to per-student averages also may prove useful. Assessments per student, expenditures per student, and revenue per student are components often utilized for comparison purposes. Although some persons argue against such comparisons, available funds can and will make the difference in the educational program a school district can afford. Obviously, since year ending June 30, 1950, and up through year ending June 30, 2001, both Daviess County Public Schools and Owensboro Public Schools have increased dramatically in all three: assessments, expenditures, and revenue per student.

Student-Teacher Ratios: KERA Years

Funding does affect class size and student-teacher ratio. In DCPS, the 2000-2001 school year student-to-teacher ratio was 15.57 (18.0 self-reported); whereas in OPS, the teacher-to-student ratio was 12.51(12.41 self-reported) during the same period. Kentucky's overall average was 15.57 (See Exhibit #A14, below).

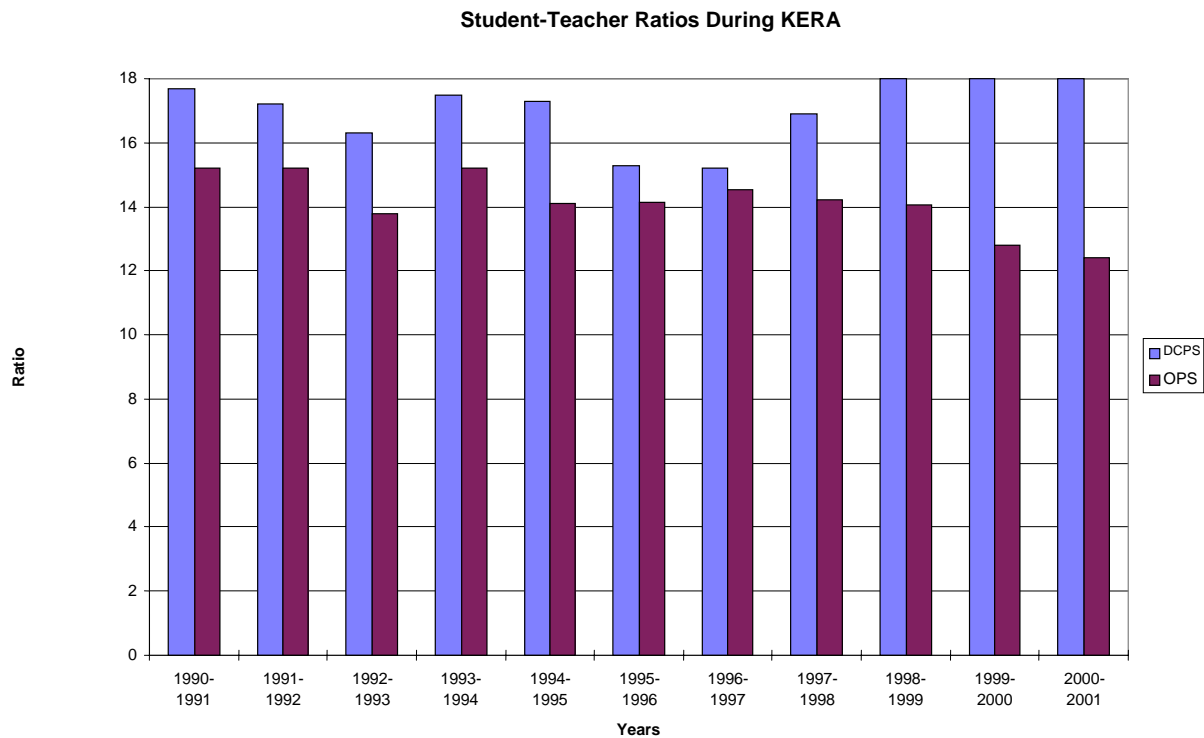
Since KERA's inception in 1990-1991, the student-to-teacher ratio for year ending June 30, 1991 in DCPS increased from 17.7 to 18.0 for year ending June 30, 2001; in OPS it decreased from 15.2 to 12.41 over the same time period (See Exhibit #A14 below).

Exhibit #A14: Student-Teacher Ratios (KERA)

Year	DCPS	OPS
1990-1991	17.7	15.2
1991-1992	17.2	15.2
1992-1993	16.3	13.78
1993-1994	17.5	15.22
1994-1995	17.3	14.09
1995-1996	15.3	14.15
1996-1997	15.2	14.53
1997-1998	16.9	14.23
1998-1999	18.0	14.07
1999-2000	18.0	12.8
2000-2001	18.0	12.41

Sources: Separately self-reported by Daviess County and Owensboro public schools

The following graph presents the data on the previous page visually.



Teacher Training and Salaries: KERA Data: 1990-2001

School districts attract and retain teachers based on many variables. One aspect focuses on salaries and benefit packages. Not only is a competitive beginning salary important, but also incentives for additional training and the number of years required to reach the top of salary schedules are equally important in attracting and retaining quality teachers. Because of these variables, lifetime earnings can differ greatly from district to district.

For the 2001-2002 school year, DCPS teachers, with no experience and a rank I, earned a starting salary of \$32,665; Rank II, \$29,267; and Rank III, \$28,000. Similar teachers in OPS earned a starting salary for Rank I of \$31,970; Rank II, \$28,490; and Rank III, \$26,001 (See Exhibit #A15 page 36).

Exhibit #A15: 2001-2002 Salary Schedules (185 Days)

Rank	DCPS	OPS
Rank I Start	32,655	31,970
Rank II Start	29,267	28,490
Rank III Start	28,000	26,001
Rank I Five Years	35,515	35,684
Rank II Five Years	32,331	32,276
Rank III Five years	29,600	29,648
Rank I Ten Years	39,253	39,604
Rank II Ten Years	35,649	36,083
Rank III Ten Years	31,696	32,173
Rank I 15 Years	45,348	44,414
Rank II 15 Years	41,556	40,466
Rank III 15 Years	34,801	33,413
Rank I 20 Years	48,768	44,990
Rank II 20 Years	44,532	41,056
Rank III 20 Tears	38,393	34,034
Rank I Top	49,012	48,016
Rank II Top	44,774	43,815
Rank III Top	38,637	34,034
Average Teacher Pay	36,626	34,872

Sources: Separately self-reported by Daviess County and Owensboro public schools

Note: Ranks I, II, III are progressive achievement scales involving years teaching, degrees earned, etc., with I as highest. Teachers start at zero years of experience. Years zero, one, two, three, and four constitute the first five years of experience.

Teachers at the top of the schedule for school year 2001-2002 in DCPS with Rank I earned \$49,012; Rank II, \$44,744; and Rank III, \$38,637. Teachers in OPS with Rank I earned \$48,016; Rank II, \$43,815; and Rank III, \$34,034 (See Exhibit #A15 above).

The average teacher salary in DCPS for the 2001-2002 school year was \$35,118.89 (\$36,626 self-reported); whereas the average in OPS was \$33,104.31 (\$34,872 self-reported) (See Exhibit #A15 above). As a whole, Kentucky averaged \$35,703.69.

A teacher on DCPS salary schedule reaches the top (as of 2001-2002 school year) in 21 years; whereas, a teacher in OPS reaches the top of the schedule in 25 years (See Exhibit #A16 page below).

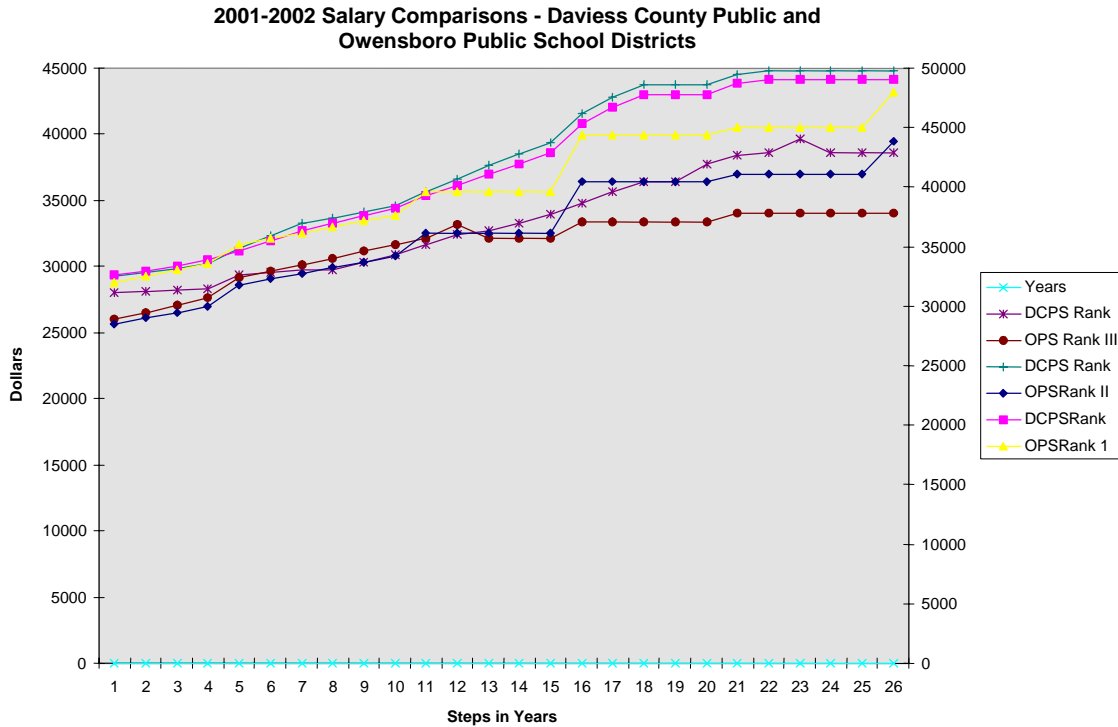
Exhibit #A16: 2001-2002 Salary Schedules

**0-25 Year Comparison
Daviness County and Owensboro School District**

Years	DCPS Rank III	OPS Rank III	DCPS Rank II	OPS Rank II	DCPS Rank I	OPS Rank 1
0	28,000	26,001	29,267	28,490	32,655	31,970
1	28,100	26,539	29,548	28,992	32,973	32,497
2	28,200	27,081	29,864	29,494	33,418	33,025
3	28,300	27,621	30,212	29,998	33,863	33,556
4	29,400	29,153	31,358	31,795	34,680	35,199
5	29,600	29,648	32,351	32,276	35,515	35,684
6	29,700	30,139	33,229	32,760	36,332	36,166
7	29,755	30,634	33,607	33,246	36,966	36,652
8	30,314	31,129	34,095	33,728	37,600	37,134
9	30,869	31,624	34,583	34,210	38,234	37,619
10	31,696	32,173	35,649	36,083	39,253	39,604
11	32,461	33,173	36,637	36,083	40,178	39,604
12	32,685	32,173	37,643	36,083	41,129	39,604
13	33,296	32,173	38,491	36,083	41,997	39,604
14	33,907	32,173	39,380	36,083	42,861	39,604
15	34,801	33,413	41,556	40,466	45,348	44,414
16	35,659	33,413	42,794	40,466	46,738	44,414
17	36,423	33,413	43,770	40,466	47,792	44,414
18	36,423	33,413	43,770	40,466	47,792	44,414
19	37,777	33,413	43,770	40,466	47,792	44,414
20	38,393	34,034	44,532	41,056	48,768	44,990
21	38,637	34,034	44,774	41,056	49,012	44,990
22	39,637	34,034	44,774	41,056	49,012	44,990
23	38,637	34,034	44,774	41,056	49,012	44,990
24	38,637	34,034	44,774	41,056	49,012	44,990
25	38,637	34,034	44,774	43,815	49,012	48,016

Sources: Separately self-reported by Daviness County and Owensboro public schools

Consider the data on the previous page in the graph below:



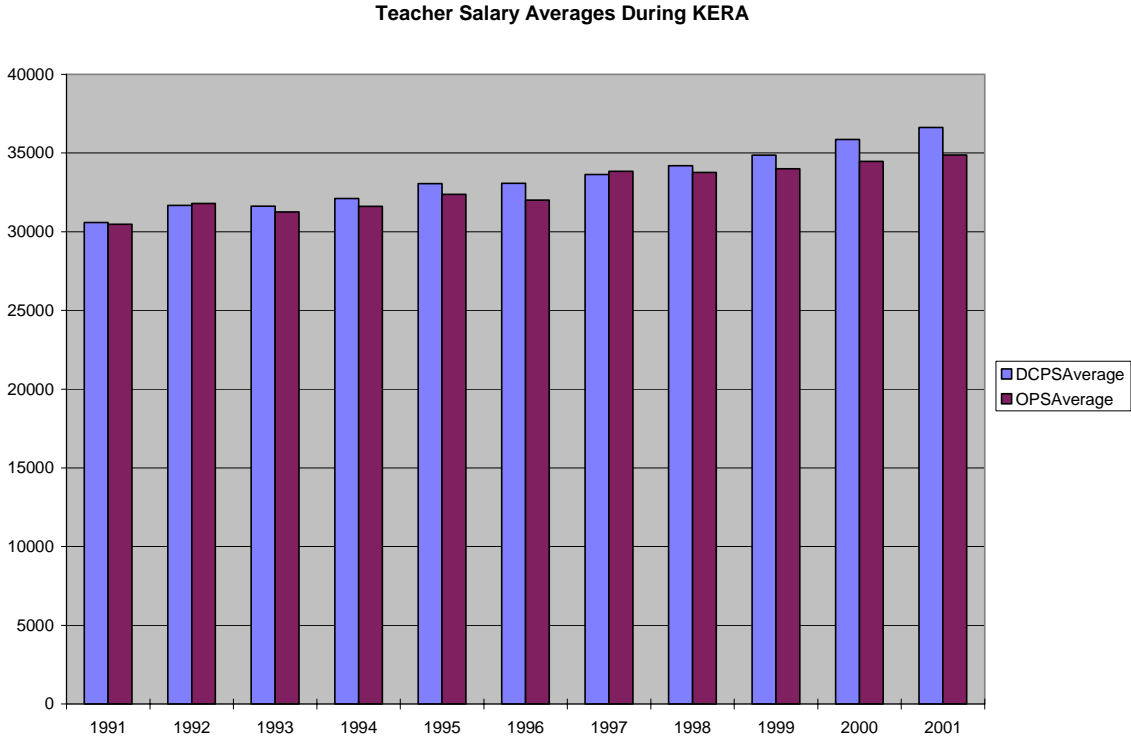
The average teacher salary in DCPS for 1990-1991 was \$30,584 and for OPS \$30,472. According to self-reported salary figures, that average increased for the 2001-2002 year for DCPS teachers to \$36,626 (+19.8 percent) and for OPS teachers to \$34,872 (+14.4 percent) (See Exhibit #A17 below).

Exhibit #A17: Teacher Salary Averages During KERA

Year Ending June 30	DCPS Average	OPS Average
1991	30,584	30,472
1992	31,674	31,795
1993	31,624	31,254
1994	32,119	31,618
1995	33,055	32,372
1996	33,076	32,012
1997	33,631	33,834
1998	34,201	33,776
1999	34,863	33,999
2000	35,865	34,467
2001	36,626	34,872

Sources: Separately self-reported by Daviess County and Owensboro public schools

See the graph below for a pictorial representation of the data on the previous page:



FUTURE IMPLICATIONS

Overall, Daviess County's two public school districts fare better than most districts throughout Kentucky. They both face, and will continue to face, fiscal pressures from "revenue shortfalls" now and in the future. Those shortfalls are in part cyclical, rising and falling with national, state, and local economic tides. All school districts and governmental agencies adjust accordingly to remain within finite budgets. Most important, each school district must plan and prepare for those eventualities, as they will occur. Other long-term implications needing attention, however, remain pertinent to both school districts.

Population Trends

State. Future population trends indicate that both the numbers of pre-school and school-aged children in Kentucky reached a high point and will decrease during the next 10 years. By 2010, Kentucky is projected to decrease 8.5% in population for children ages 5 – 17; similarly, a 7.7% decrease is projected for children, ages 0-4.

Daviess County. Daviess County is projected to decrease 8.7% in youth, ages 0-17 by 2020 (See Exhibit #F1 below).

Exhibit #F1: Population Projections

Daviess County Projections (1999)

County	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Totals
Daviess	92087	92421	92752	93056	93347	93616	93862	94092	94315	94523	94708	+2621
N/%		.4	.4	.33	.32	.29	.26	.25	.24	.22	.20	+2.8%

Daviess County Estimates (1997)

County	2000	2010	2020	Totals
Daviess	92087	94708	95771	+2964 (4% increase)
Males	44284	45729	46279	+1995 (4.5% increase)
Females	47803	48979	49492	+1689 (3.5% increase)
Ages 0-17	22735	21,779	20918	-1817 (8.7% decrease)

Kentucky Population Estimates

Ages	2000	2005	2015	2025	Difference
0-4 Totals	251,000	244,000	239,000	232,000	-19,000 (7.7%)
0-4 Females	122,000	119,000	116,000	113,000	-9,000 (8%)
5-17 Totals	712,000	707,000	663,000	656,000	-56,000 (8.5%)
5-17 Females	346,000	344,000	322,000	319,000	-27,000 (8.5%)

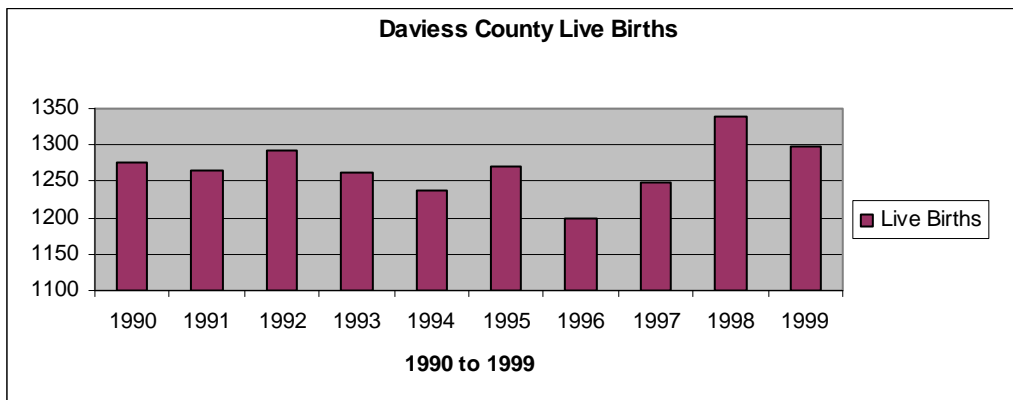
Source: Kentucky Population Research, University of Louisville

Live-birth rates for Daviess have remained relatively flat for the period 1990 to 1999, averaging 1269 per year. The 1999 rate of 1298 is 29 above average. Population estimates for Daviess County indicate an 8.5 percent decrease for ages 0-17 by 2025.

Exhibit #F2: Live Births Daviess County	
1990	1,277
1991	1,265
1992	1,291
1993	1,261
1994	1,238
1995	1,270
1996	1,200
1997	1,248
1998	1,339
1999	1,298

Source: Kentucky Department of Public Health

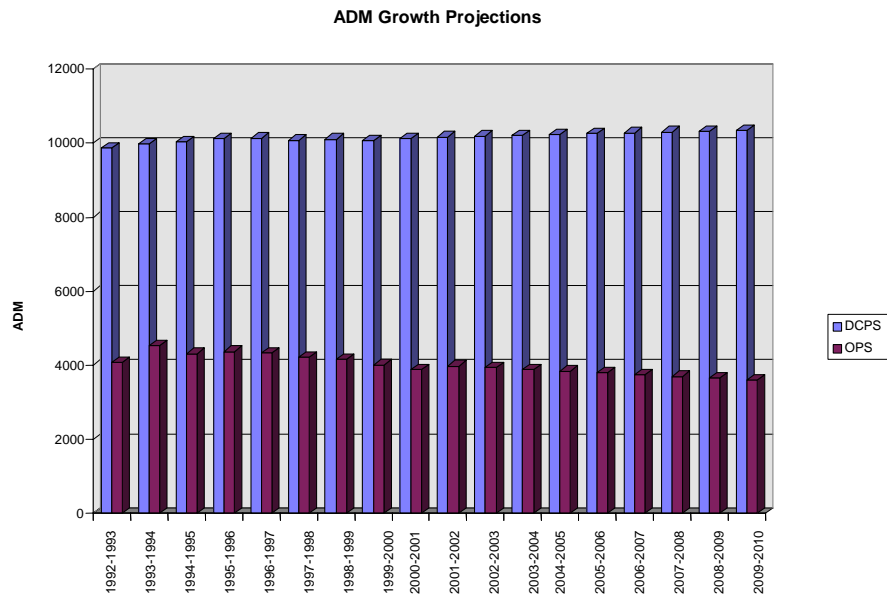
See above data in graph form below:



Population decreases will affect directly both local school districts in many ways – from revenue receipts to staffing patterns to classroom occupancy rates. Given the current variables and that OPS remains landlocked, the projected decline in student population is compounded by a projected decrease of school-aged children during the next several years. Once the classes with higher numbers of students exit the system, they will be replaced, most likely, by fewer students entering the primary grades.

Exhibit #F3: Projected School District Averages				
Year	ADM DCPS	ADM OPS	Per-Pupil Allocation OPS	Per-Pupil Allocation DCPS
1990-1991	9204	*4428	N/A	3352
1991-1992	9451	N/A	N/A	3546
1992-1993	9869	4082	4947	3558
1993-1994	9972	4517	4728	4106
1994-1995	10035	4313	5124	4408
1995-1996	10116	4366	5229	4469
1996-1997	10136	4334	5600	4554
1997-1998	10074	4218	5742	4635
1998-1999	10106	4154	6224	4679
1999-2000	10057	4002	6665	5223
2000-2001	10116	3880	7366	5207
2001-2002	10165.36	3972.42	7252.79	5460.64
2002-2003	10187.74	3925.43	7556.11	5647.46
2003-2004	10210.13	3878.45	7859.44	5834.28
2004-2005	10232.51	3831.47	8162.79	6021.09
2005-2006	10254.89	3784.48	8466.11	6207.91
2006-2007	10277.28	3737.5	8769.44	6394.73
2007-2008	10299.66	3690.52	9072.79	6581.55
2008-2009	10322.04	3643.53	9376.11	6768.36
2009-2010	10344.43	3596.55	9679.44	6955.18

The above data appears in graph form below:



Implication: Plan For Shifts. Additional population growth inside OPS boundaries remains restricted to current housing units with scant room for development of new housing tracts. Conversely, as additional new residential units are built and occupied, that construction likely will occur within district boundaries of DCPS where land for expansion exists. Planning should continue for the eventuality of continued population shifts in both student and family populations from the City to the County.

Implication: Plan For Flat Growth. By 2009-2010, using EXCEL linear best-fit models, OPS is projected to decrease in ADM by an additional 283 students (7.3% decrease), and DCPS is projected to increase 228 students (2.3% increase). Most important, overall total ADM for both school districts is projected to be 55 less than the 2000-2001 population. In-depth projections and growth trends should be compiled carefully and monitored at least annually in the future as part of strategic planning. Although both school districts probably monitor in-depth projections, we encourage each school district to share such data with each other as well as with the public.

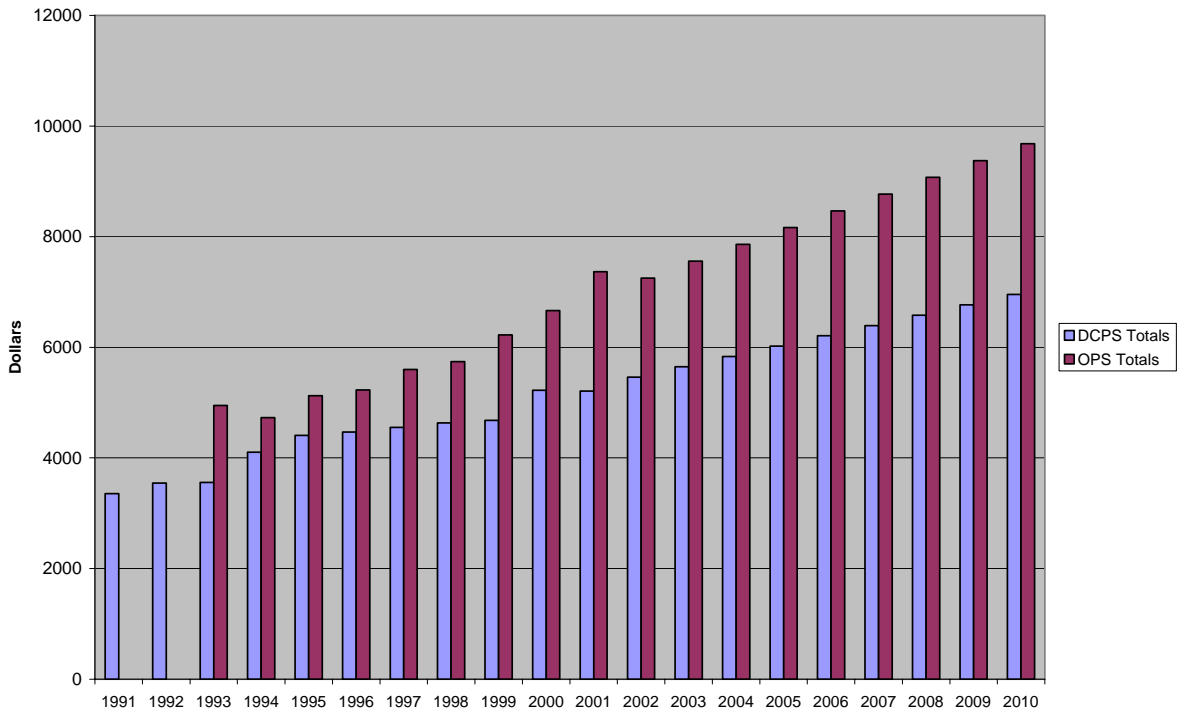
Future Revenue

Critical comparisons related to per-pupil averages also can illuminate. Although not all agree when and how to interpret these comparisons, available funds make the difference in educational programs districts can afford. Again, some revenue is cyclical, moving with the economy's ebb and flow. In good times, districts enjoy an abundance of educational programs; conversely, when the economy slows, school districts must revert to more austere plans. Other implications invite consideration.

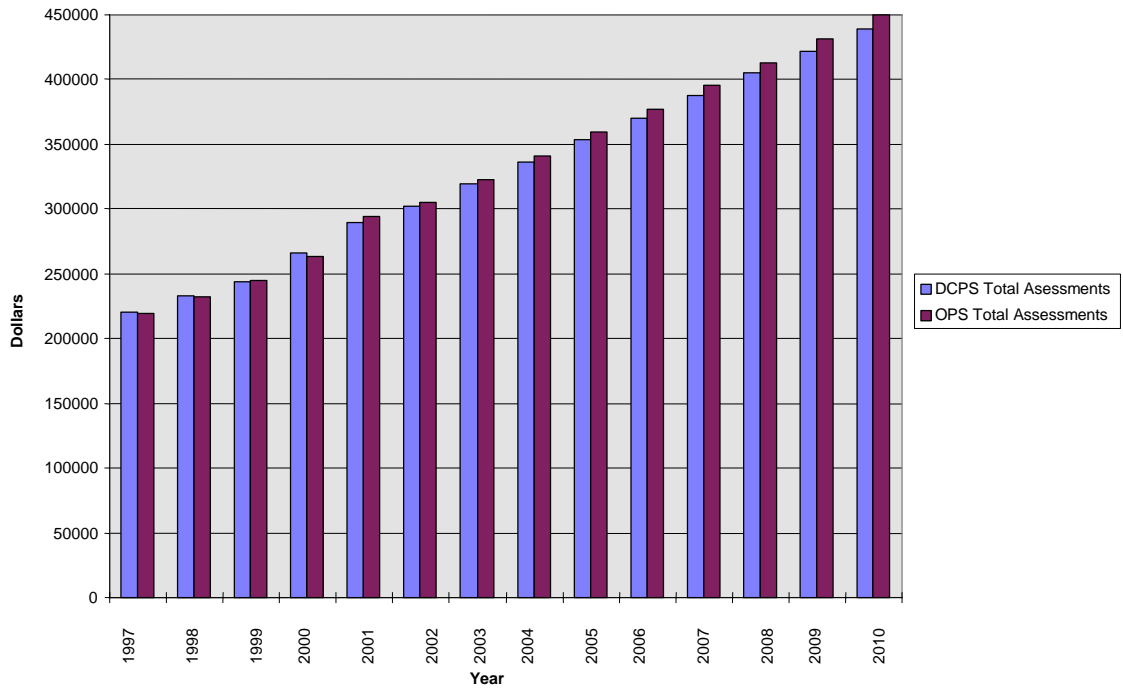
Total revenue per pupil (ADM) from 1996-1997 to 2000-2001 increased 31.5% in OPS and by 14.3% in DCPS (See chart, page 44). During the 2000-2001 school year, revenue per child in OPS totaled \$7366 and in DCPS revenue per child (ADM) totaled \$5207 (See Exhibit #A2, page 13).

(Note: Data supplied independently by each school district.)

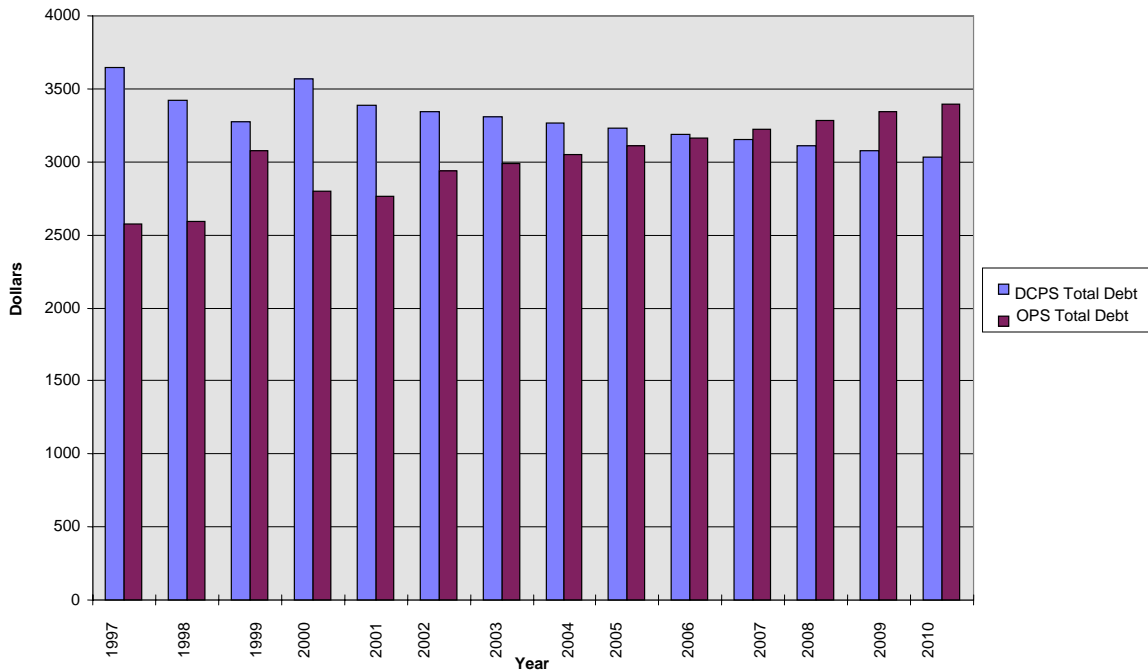
Per Pupil Allocation Growth Projections



Total Assessment Per ADM Projection



Debt Per ADM Projections



Implication: Disparity of Tax Base Increases and Population Shifts. As overall school populations decline, cost per student can increase significantly. Future planning should include continuous analysis of programming costs for both City and County districts.

Tax assessments drive local revenue for both DCPS and OPS. DCPS has and will likely continue to experience robust growth in its tax base, but OPS will be strained by a stagnant tax base since most commercial, residential, and industrial investment occurs outside the OPS boundary.

Teacher Recruitment and Retention

Teachers at the top of the pay schedule (2000-2001) in DCPS at all ranks earn more than teachers at the top of the scale in OPS. In 21 years, a teacher in the DCPS reaches the top of the salary scale; an OPS teacher requires 25 years to reach the top of the salary schedule (See Exhibit #A16, page 46).

School districts attract and retain quality teachers based on many variables, but two issues related to salary remain continuous and critical. A competitive beginning and top salary are important aspects as well as the number of years required for teachers to reach their maximum.

**Exhibit #A16: 2001-2002 Salary Schedules
0-25 Year Comparison
Daviness County and Owensboro School District**

Years	DCPS Rank III	OPS Rank III	DCPS Rank II	OPS Rank II	DCPS Rank I	OPS Rank 1
0	28,000	26,001	29,267	28,490	32,655	31,970
1	28,100	26,539	29,548	28,992	32,973	32,497
2	28,200	27,081	29,864	29,494	33,418	33,025
3	28,300	27,621	30,212	29,998	33,863	33,556
4	29,400	29,153	31,358	31,795	34,680	35,199
5	29,600	29,648	32,351	32,276	35,515	35,684
6	29,700	30,139	33,229	32,760	36,332	36,166
7	29,755	30,634	33,607	33,246	36,966	36,652
8	30,314	31,129	34,095	33,728	37,600	37,134
9	30,869	31,624	34,583	34,210	38,234	37,619
10	31,696	32,173	35,649	36,083	39,253	39,604
11	32,461	33,173	36,637	36,083	40,178	39,604
12	32,685	32,173	37,643	36,083	41,129	39,604
13	33,296	32,173	38,491	36,083	41,997	39,604
14	33,907	32,173	39,380	36,083	42,861	39,604
15	34,801	33,413	41,556	40,466	45,348	44,414
16	35,659	33,413	42,794	40,466	46,738	44,414
17	36,423	33,413	43,770	40,466	47,792	44,414
18	36,423	33,413	43,770	40,466	47,792	44,414
19	37,777	33,413	43,770	40,466	47,792	44,414
20	38,393	34,034	44,532	41,056	48,768	44,990
21	38,637	34,034	44,774	41,056	49,012	44,990
22	39,637	34,034	44,774	41,056	49,012	44,990
23	38,637	34,034	44,774	41,056	49,012	44,990
24	38,637	34,034	44,774	41,056	49,012	44,990
25	38,637	34,034	44,774	43,815	49,012	48,016

Sources: Separately self-reported by the Daviness County and Owensboro public schools

Differences in all areas cited above will influence attraction and retention of faculty and staff. Not only do school districts want to attract teachers; but also districts want to retain quality teachers. Lifetime earnings increase significantly when the number of steps (years) to reach the top of the salary schedule is compressed.

Implication. Future consideration and planning should focus on closing the existing gaps between DCPS and OPS to ensure they do close these gaps. Even of more importance, OPS may need to focus future planning on changing the tax base, a state-wide decision by the Legislature.

(NOTE: In 2002, the Owensboro Board of Education approved a teacher salary schedule identical in steps and salary to that of DCPS for the 2002-2003 school year. Still at issue are five extra teaching days. For the 2002-2003 school year, these days are paid and paid at the new salary rate per step. Approval, however, to pay for these five extra days in the future remains contingent upon annual Board action.)

Funding for increases in OPS’s new salary schedule became possible when the Owensboro Board of Education reassigned funds dedicated to maintenance and construction.

Implication. Future funding of salary schedules should receive careful attention because such budget dollars are not constant. Once the salary fund increases, that increase not only continues to need funding, but also in light of incremental salary increases, it most likely will grow every budget year.

Student-Teacher Ratios

Funding may affect class size and student-to-teacher ratios. For example, as funding “cycles” turn “downhill,” school districts redirect priorities to maintain desirable class sizes. During the 2000-2001 school year, DCPS reported an 18:1 student-to-teacher ratio while OPS reported a 12.4 to 1 student-to-teacher ratio. Since the 1990-1991 school year, DCPS’s student-to-teacher ratio has increased from 17.7 to 18.0 (Sources: Separately self-reported by the Daviess County and Owensboro public schools.)

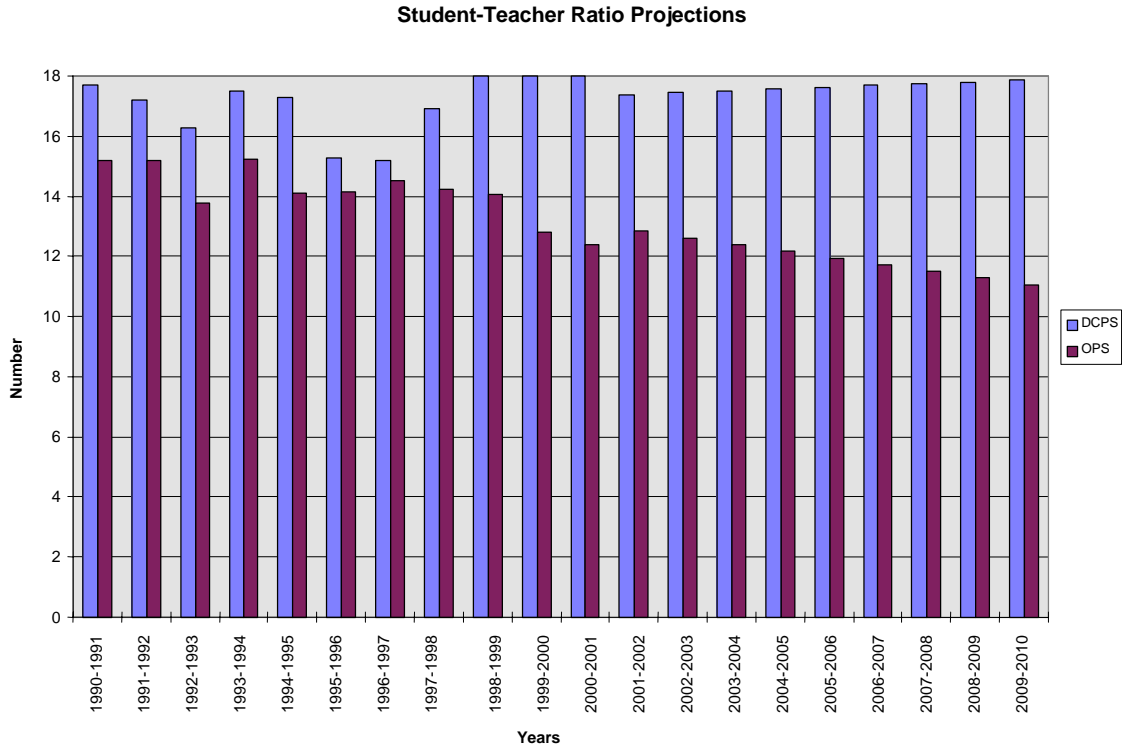
Since the 1990-1991 school year, OPS’s student-to-teacher ratios declined from 15.2 to 12.41 during the 2000-2001 school year. Reportedly, the state average was a 15.31 to 1 student-to-teacher ratio for the 2000-2001 school year (See Exhibit #F4 below).

Exhibit #F4: Student Teacher Ratios (KERA) With Projections

Year	DCPS	OPS
1990-1991	17.7	15.2
1991-1992	17.2	15.2
1992-1993	16.3	13.78
1993-1994	17.5	15.22
1994-1995	17.3	14.09
1995-1996	15.3	14.15
1996-1997	15.2	14.53
1997-1998	16.9	14.23
1998-1999	18	14.07
1999-2000	18	12.8
2000-2001	18	12.41
2001-2002	17.39	12.83
2002-2003	17.45	12.61
2003-2004	17.51	12.39
2004-2005	17.57	12.17
2005-2006	17.63	11.95
2006-2007	17.69	11.73
2007-2008	17.75	11.51
2008-2009	17.80	11.29
2009-2010	17.86	11.07

If student-to-teacher ratios are allowed to decline at their present rate, post 2002 projections indicate a consistent ratio for DCPS. The same annual projections indicate a steady decrease in OPS’s ratio, perhaps a matter for concern fiscally.

See the graph below for a pictorial representation of the data on the previous page.



Planning Implication. Future consideration should attend to maintaining a realistic student-to-teacher ratio. At first glance, an extremely small student-to-teacher ratio may appear attractive, but it may indicate and portend other problems. Careful study should be undertaken to seek out these reasons. Declining enrollment can cause occupancy issues by building, grade, and district - - potentially forcing redistricting possibilities.

Planning Implication. Conversely, student growth and lack of space may increase class size until more classroom space becomes available. The apparent shift in population from the City to the County should be monitored carefully and at least annually in terms of long-term classroom space for classroom needs and future population growth.

CONCLUSIONS

Daviess County Public Schools (DCPS) faces a growing challenge in flattening student enrollment; facilities relocation (thus capital construction costs); student-teacher ratios (trending toward too high); and student, faculty, and administration diversity issues. DCPS also faces long-term a countywide flattening general population growth.

Owensboro Public Schools (OPS) faces a growing fiscal challenge to its viability in student loss, tax base, general fiscal security, quality teacher hiring and retention, and student-teacher ratios (trending to too low).

Trends, moreover, indicate OPS faces a challenge to survive long-term as an independent entity. Trends identified herein, if they remain constant in the same direction and rate, indicate that within the next five to ten years OPS may face financial crisis, suffer quality teacher flight, and confront substantial (perhaps drastic) program reduction. Financial strength, student out-transfers, and limited tax base challenge OPS to attend to more intensive strategic planning and continuously greater collaboration with DCPS.

RECOMMENDATIONS

1. DCPS carefully monitor identified trends and actively involve DCPS residents in discussion and decisions.
2. OPS monitor carefully identified trends and actively involve City residents in discussion and decisions.
3. OPS develop a long-term strategic plan that addresses realistically and specifically the trend issues this report identifies.
4. Both DCPS and OPS establish a mechanism through which will occur closer and continuous cooperation; shared facilities and personnel; and increased, frequent sharing of information on these and related topics.

These recommendations presuppose and include (1) maintaining discussions and reaching decisions in which the general public is informed and actively participates and, (2) establishing greater diversity in staff, faculty, and students countywide and citywide occur.

RESEARCHER COMMENTS AND OBSERVATIONS

Introduction

Personal Perspective

The following comments derive from this research project and reflect this researcher's (Mr. Mark Dartt) opinions about the study's significance.

Scope

This research project does not intend to provide all information necessary to develop a "strategic plan of action" for Daviess County Public Schools (DCPS) and Owensboro Public Schools (OPS). Instead, this research intends to provide a foundation of quantitative information on which additional research, planning, information-sharing, and decision-making can occur.

Additional Questions

As a result of this research project, additional questions and concerns surface needing additional research and exploration. I present them in question format.

Funding Issue

1. Can OPS remain competitive with DCPS in attracting and retaining quality teachers?

Funding for salaries and fringe benefits is not a one-time event. Instead, the funding must be appropriated, budgeted and funded, on a year-to-year basis plus additional annual increases provided for certified staff. How will OPS's future budget appropriate necessary funds to continue to pay salary increases for 2002-2003 and future years? Will future funds continue to fund adequately other OPS district needs?

2. Why is revenue and expenditures per child greater in OPS? Is it a product of wealth? Will the gap in funding and expenditure per child continue to widen? Why?
3. Does equalization adversely affect DCPS? Larger class size? Less dollars and revenue per student?
4. OPS revenue from federal sources is 15.9%, whereas DCPS total revenues from federal sources represents 6.1% of its total budget. Are federal funds fragile in light of huge projected deficits?

Tax/Assessment Issues

1. What is the rate of future assessment increases for both school districts?
2. How will the tax base for the County change in the next ten years? Will OPS district residents experience a widening gap because of lost assessment?

3. Does the Daviess County master plan provide for removing additional assessments from OPS or DCPS districts? Tax Increment Funding Districts (TIFD), Not-For-Profit, Tax Abatements – The removal of real property from tax roles?

Facilities

1. Will projected decreases in school-aged children for DCPS dictate the need for fewer new buildings?
2. Will decreasing population in OPS force school closure and “single-grade-section” issues?

Student-Teacher Ratios

1. How will decreasing enrollment affect individual buildings and number of sections per grade?
2. Will the population shift from OPS continue to contribute to classroom overpopulation problems for DCPS while creating under-populated classroom problems for OPS?
3. Could OPS provide single- and multiple-classroom spaces for DCPS, thus reducing capital construction costs and contributing (albeit modestly) to OPS revenues?

Collaboration

1. To what extent can DCPS and OPS collaborate to address our community’s K-12 public education needs for the next decade?
2. Should DCPS and OPS examine implementing merger with the next decade – perhaps the next five years?

Glossary

Adjusted Base Guarantee: Part of SEEK formula, this first level of funding provides each district with a guaranteed amount through combined local taxes and state aid.

Assessed Valuation: Recorded value of property on tax roles required by law to be 100 percent of fair cash value.

Average Daily Attendance (ADA): Aggregate days attended by pupils in a public school divided by actual number of days the school is in session.

Average Daily Membership (ADM): Aggregate days membership of pupils in a public school divided by actual number of days school is in session.

Enrollment: Total of all original pupils registered in a given school year.

Equalization: The Kentucky State School Funding Formula (SEEK) attempts to ensure substantial uniformity and equality of financial resources among school districts. SEEK is designed to assure consistency across school districts in the determination of property wealth and to be more sensitive to disparity in wealth existing among various school districts.

Hold Harmless: School districts are guaranteed same per-pupil funding as received in the 1991-1992 school year. Declining enrollment, however, could result in less state funding for a school district than it received in 1991-1992.

KERA (Kentucky Education Reform Act): This Act resulted from a Kentucky Supreme Court decision declaring unconstitutional Kentucky's entire system of common schools. The Court directed the Kentucky General Assembly to "re-create a substantially uniform system of schools to provide each child an equal opportunity to have an adequate education." The bill was signed into law on April 11, 1990. Kentucky's General Assembly provided direction to Kentucky schools in areas of finance, governance, and curriculum.

Real Property: Land and structures built on land.

School Facility Construction Requirement: A school district must levy a five-cent equivalent tax to participate. The five cents is equalized when committed to debt service on same basis as Tier I.

SEEK (Support Education Excellence in Kentucky): Funding formula established by KERA legislation in 1990. School Finance goals include increasing overall per-pupil funding while reducing variations in per-pupil revenues and spending. Basically, it promises students in poor revenue districts will receive the same (basic) financial allocations as those students attending public school in property-rich districts if comparable tax rates are levied.

State Equalized Valuation: Valuation of real property where state control is managed to ensure assessment rates remain consistent throughout the state.

Tax Levy: Resolution of a school board indicating amount of money needed to be raised by taxes for various funds of that school district.

Tax Rate: Amount of tax paid for each increment (usually \$100) of assessed value of property.

Tier I Funding: Part of SEEK Formula, this optional component allows a Kentucky school district to raise up to an additional 15 Percent of the Adjusted Base Guarantee through a property tax equivalent. Districts with wealth less than 150% of the state average receive equalization aid to eliminate the difference between local tax base and equalization level. Tier I funds are matched with state equalization funds. A guarantee of a minimum level of local support is generated by a required local effort of 30 cents per \$100 assessed property valuation. Not subject to voter recall.

Tier II Funding: Section of SEEK Formula that allows a Kentucky school district to raise up to 30 percent of the base guarantee. Tier II funds are not matched by the state. Subject to voter recall.

Appendix A

Average Daily Attendance (ADA) KERA –1990-2001

(Page 10 reference)

From 1990 to 2001, ADA increased in DCPS 10.3% or 870.6. ADA decreased in OPS 13.4% or 477.7. Overall, for the period, the total ADA in the County only grew by 392.9 or 3.1% (See Appendix #1 below).

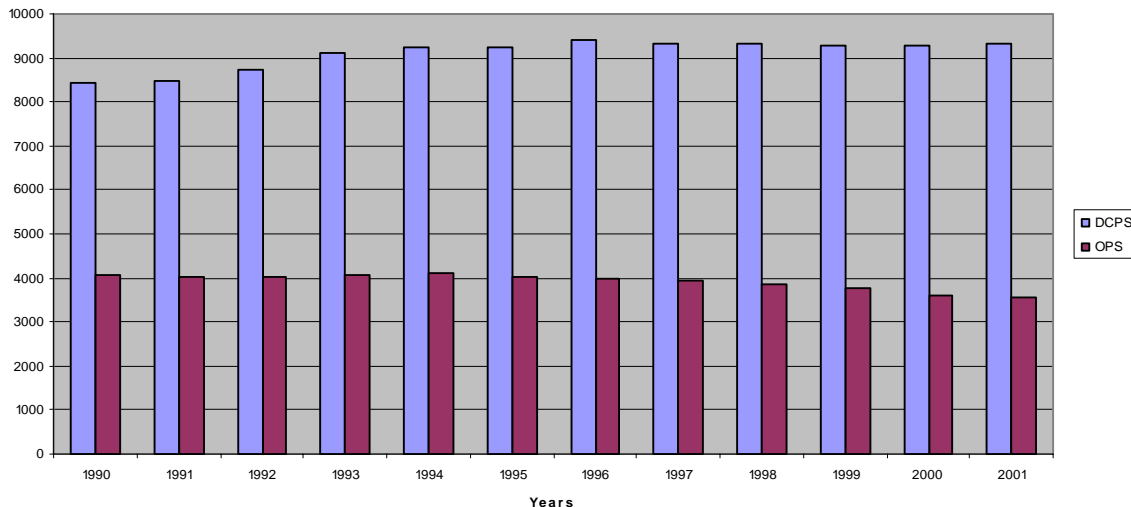
Appendix #1: Average Daily Attendance (KERA –1990-2001)

Year	DCPS	OPS	Totals
1990	8,440.6	4,046.9	12,487.5
1991	8,470	4,045	12,515
1992	8,735.1	4,045.3	12,780.4
1993	9,129.3	4,077.9	13,207.2
1994	9,221	4,123	13,344
1995	9,247.2	4,027.1	13,274.3
1996	9,416	3,974.8	13,390.8
1997	9,311.8	3,938.1	13,249.9
1998	9,333.1	3,843.1	13,176.2
1999	9,265	3,766	13,031
2000	9,298.6	3,615	12,913.6
2001	9,311.2	3,569.2	12,880.4
Gain or Loss	+870.6(10.3%)	-477.7(13.4%)	+392.9(3.1%)

Source: Kentucky Department of Education

Consider these data visually in the graph below:

Average Daily Attendance (KERA 1990-2001)



(Page 17 reference)

From 1990 to 2001, local revenue receipts for DCPS increased \$15,646,124 or 241%; OPS increased \$5,253,476 or 86% (See Appendix #2 below):

(Page 24 reference)

From 1990 to 2001, state revenue receipts for DCPS increased 85% or \$15,906,406; OPS increased 54% or \$5,168,917 (See Appendix #2 below):

(Page 31 reference)

From 1990 to 2001, federal revenue receipts for DCPS increased 204% or \$3,216,328; OPS increased 105% or \$2,809,752 (See Appendix #2 below):

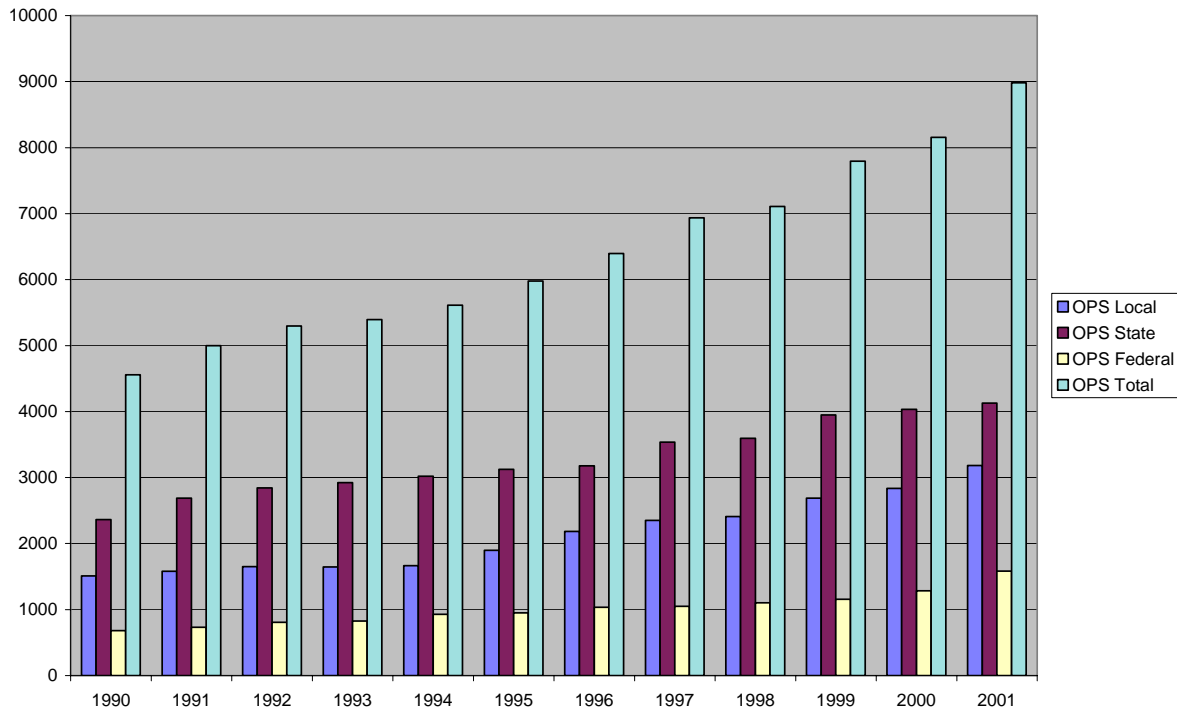
Appendix #2: ADA Revenue During KERA

Year	DCPS Local	DCPS State	DCPS Federal	DCPS Total	OPS Local	OPS State	OPS Federal	OPS Total
2001	22,118,173	34,686,582	4,790,350	62,032,181	11,368,634	14,736,888	5,650,176	32,054,748
2000	22,783,013	33,336,310	4,293,497	60,412,820	10,352,308	14,726,666	4,693,845	29,772,819
1999	17,916,215	33,823,294	3,964,577	55,704,806	10,128,012	14,869,757	4,349,372	29,347,142
1998	17,210,736	31,805,972	4,358,717	53,375,425	9,263,141	13,818,134	4,238,316	27,320,190
1997	13,893,548	32,288,341	2,769,836	48,951,725	9,255,826	13,924,771	4,133,210	27,313,808
1996	12,870,800	29,582,377	3,089,158	45,542,385	8,682,221	12,631,553	4,114,300	25,428,074
1995	11,298,211	27,211,961	3,431,966	41,942,138	7,651,670	12,581,881	3,835,115	24,068,661
1994	9,866,843	26,378,675	2,684,325	38,919,843	6,856,868	12,453,744	3,826,634	23,137,246
1993	8,287,741	24,729,400	2,588,310	35,605,450	6,704,644	11,917,365	3,365,266	21,987,274
1992	8,187,112	22,895,015	1,599,495	32,681,622	6,673,588	11,495,533	3,264,221	21,433,342
1991	7,755,772	20,836,622	1,694,209	30,286,608	6,385,134	10,873,998	2,957,394	20,216,527
1990	6,472,049	18,780,536	1,574,022	26,826,607	6,115,158	9,567,971	2,759,424	18,442,554
Diff	15,646,124	15,906,046	3,216,328	33,205,574	5,253,476	5,168,917	2,890,752	13,612,194
%	241	85	204	123	86	54	105	74

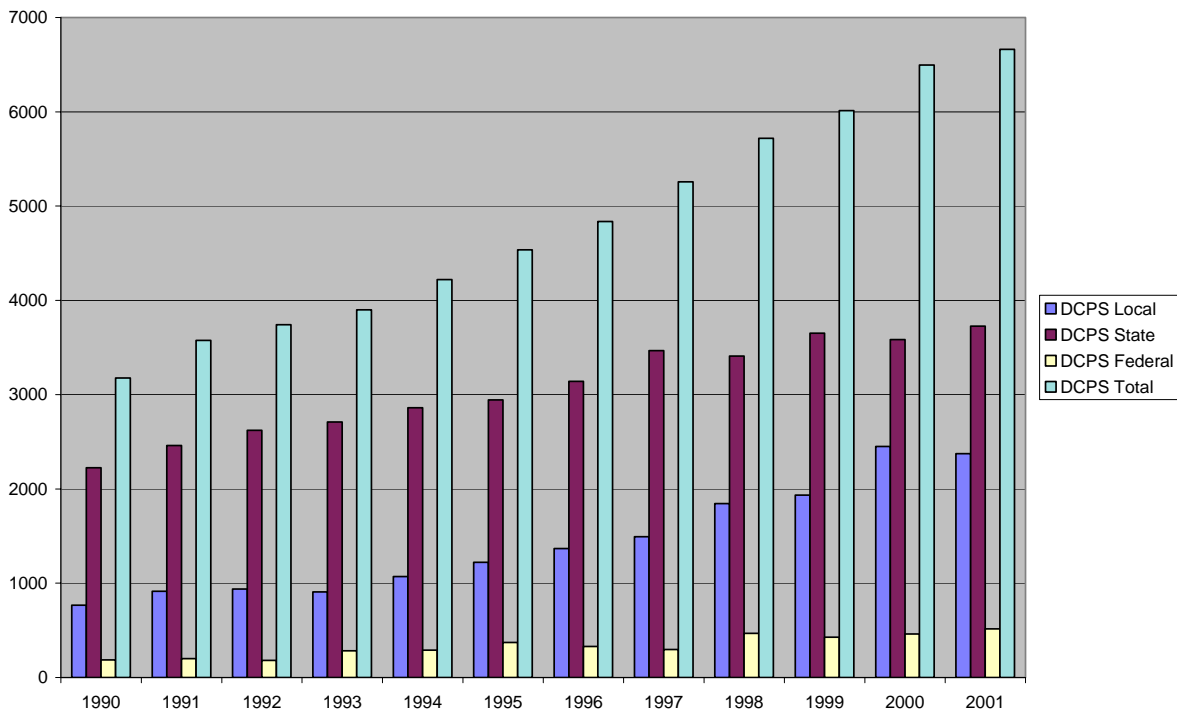
Source: Kentucky Department of Education

Consider the above data in graph form on page 56:

OPS Revenue Per ADA (KERA)



DCPS Revenue Per ADA (KERA)



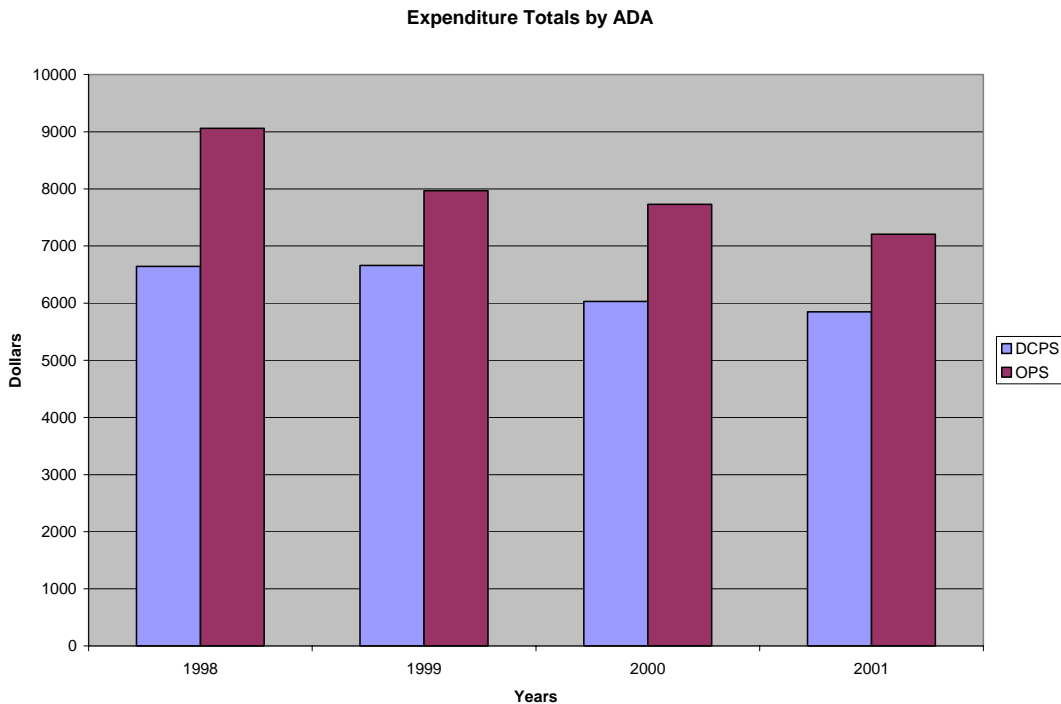
From 1990 to 2001 (calendar years), total expenditures for DCPS increased \$32,577,446 or 111.2% while total expenditures for OPS increased by \$12,764,824 or 65.4% (See Appendix #3 below).

For the same time period, the average per-pupil cost (ADA) in DCPS increased \$3,174 or 91.4% while average cost per-pupil in OPS increased \$4,222 or 87.5%.

Appendix #3: Total Expenditure Per ADA (KERA)

Year	DCPS		OPS	
	Total Expenditure by ADA	Total Expenditures	Total Expenditure by ADA	Total Expenditures
2001	6,646	61,880,777	9,049	32,297,302
2000	6,661	61,940,875	7,968	28,804,009
1999	6,033	55,901,301	7,728	29,102,542
1998	5,848	54,581,877	7,207	27,697,937
1997	5,703	53,109,723	6,836	29,922,532
1996	5,321	50,102,309	6,259	24,879,528
1995	5,287	48,891,453	6,632	26,709,157
1994	4,848	44,702,816	5,979	24,651,183
1993	4,044	36,919,232	5,709	23,279,645
1992	4,233	36,976,912	5,681	22,979,557
1991	3,951	33,462,166	4,045	21,947,034
1990	3,472	29,303,331	4,827	19,532,478

Total expenditure by ADA data appears graphically below:



From 1998 to 2001, total budget expenses per ADA in DCPS increased 13.6% or 796; OPS increased 25.7% or \$1,853.

For the same time period, Instruction (Budget Category 1000) increased \$290 or 9.1%, Support Services (Budget Category 2000) increased \$353 or 21.7%, and Facility (Budget Category 4000) increased 41.9% or \$78 in DCPS.

OPS Instruction (Category 1000) increased \$971 or 27.2%, Support Services (Category 2000) increased \$689 or 28.1%, but Facility (Category 4000) decreased \$69 or 67.6%.

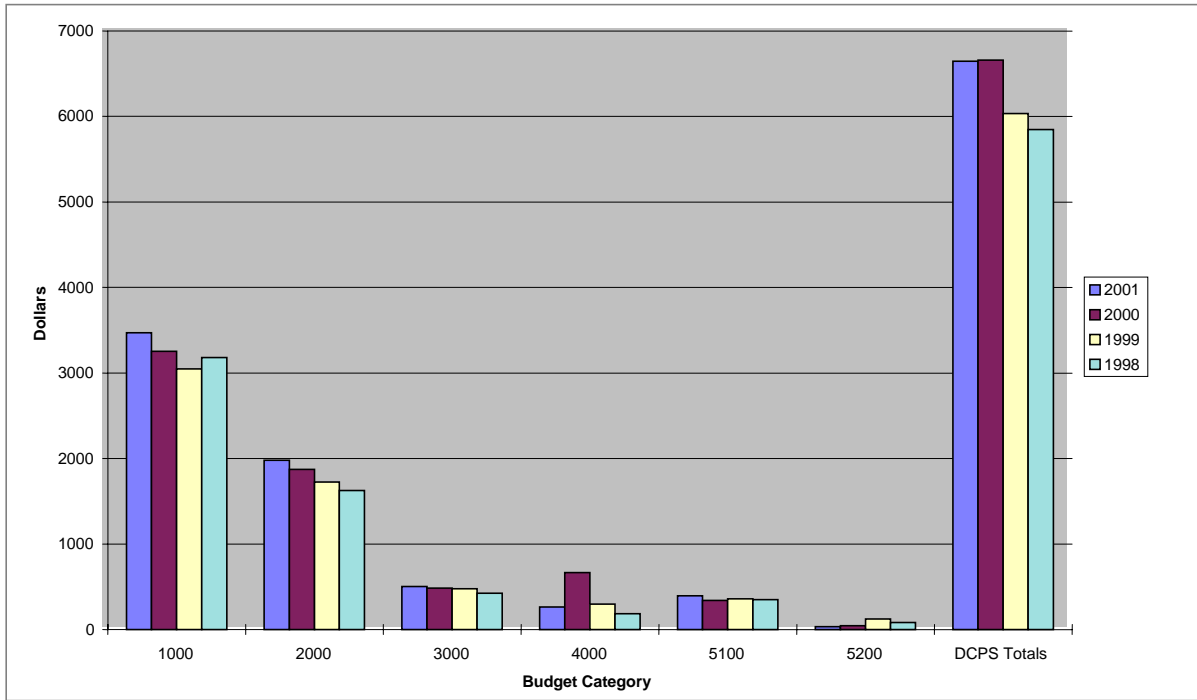
Appendix #4 Expenses Per ADA by Budget Category, 1998 - 2001

Year	School	Categories						Totals
		1000	2000	3000	4000	5100	5200	
2001	DCPS	3471	1978	504	264	395	33	6645
	OPS	4540	3144	732	33	212	399	9060
2000	DCPS	3255	1873	484	666	340	44	6662
	OPS	4104	2845	700	43	203	72	7967
1999	DCPS	3050	1725	477	297	360	123	6032
	OPS	3717	2635	672	65	201	439	7729
1998	DCPS	3181	1625	424	186	350	83	5849
	OPS	3569	2455	648	102	229	204	7207
Diff	DCPS	290	353	80	78	45	-50	796
	OPS	971	689	84	-69	-17	195	1853
%	DCPS	9.1	21.7	18.9	41.9	12.9	-60.2	13.6
	OPS	27.2	28.1	13	-67.6	-7.4	9.6	25.7

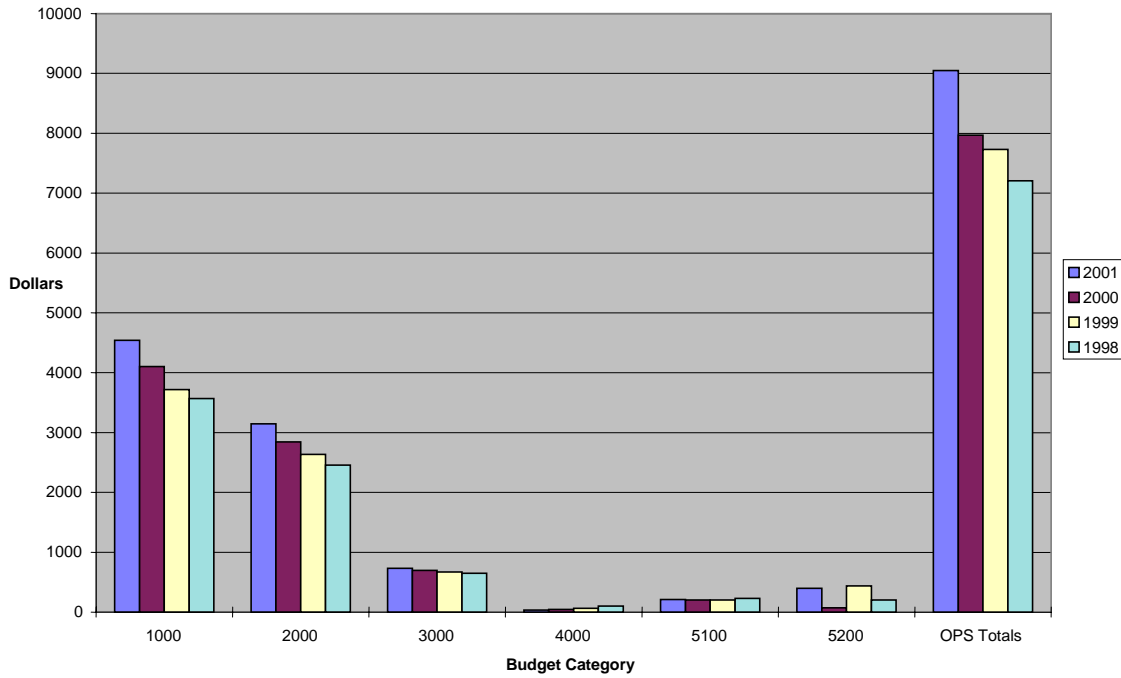
Source: Kentucky Department of Education

The above data are in presented in graph form on pages 59 and 60:

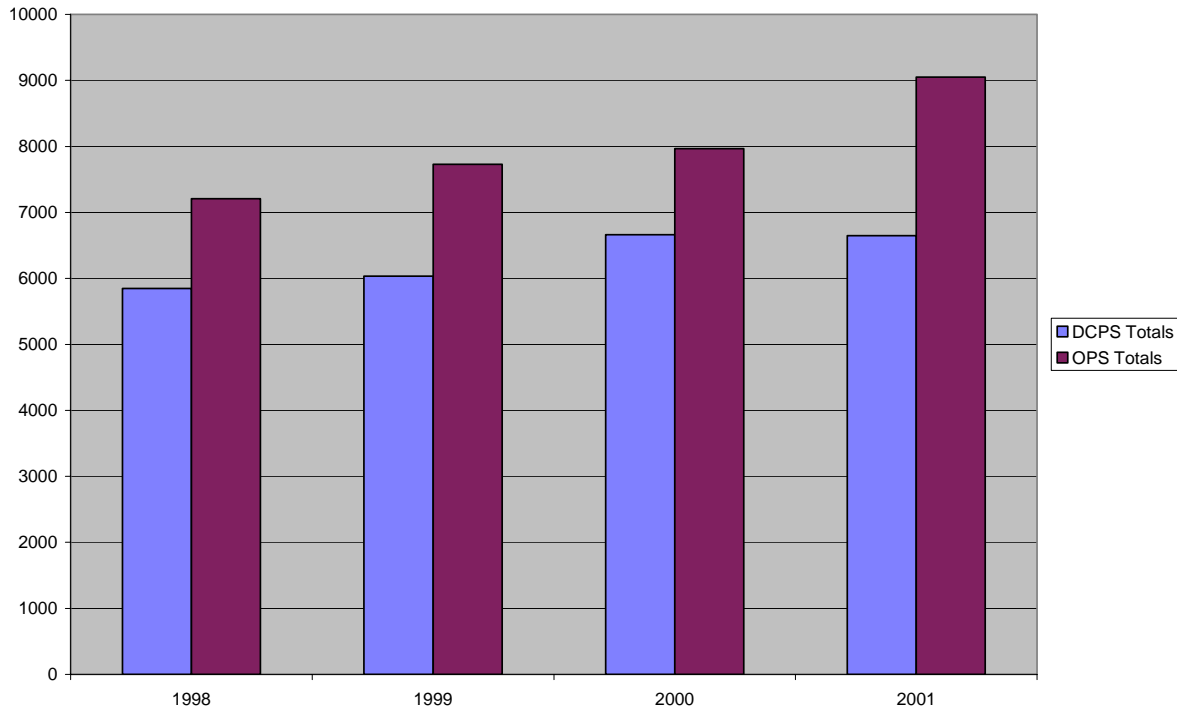
DCPS Expenditures Per ADA



OPS Expenditures by ADA



Expenditure Totals by ADA



A general overview of public school budgeting expenditure accounts appear in Appendix B below. We should also note that within each expenditure account object groups also appear. (See Appendix C). As an example, under Category 1000, the Instruction account, object codes 0100 through 0900 appear.

APPENDIX B

Budget Expenditure Accounts

1000	2000	3000	4000	5000
Instruction	2100 Student Support Services	3100 Food Service Operation	4100 Site Acquisition	5100 Debt Service
	2200 Instructional Staff Support Services	3200 Enterprise Operations	4200 Site Improvement	5200 Fund Transfer
	2300 District Administrators Support	3300 Community Services	4300 Architect and Engineering	
	2400 School Administrators Support	3900 Other Non- Instructional	4400 Educational Specifications Development	
	2500 Business Support Services		4500 New Building Construction	
	2600 Plant Operation & Management		4600 Building Renovations and Improvements	
	2700 Student Transportation		4900 Other Facility	
	2800 Central Office Support			
	2900 Other Instructional			

APPENDIX C

Objects within Each Expenditure Account

Object Number	Object Group
0100	Salaries & Personnel Services
0200	Employee Benefits
0300	Purchased Professional and Technical Services
0400	Purchased Property Services
0500	Other Purchased Services
0600	Supplies and Materials
0700	Property
0800	Miscellaneous
0840	Contingency
0900	Other Uses of Funds

Source: Kentucky Department of Education