AN INDEPENDENT REVIEW OF PUBLIC RECORDS

Saving North Middletown Elementary School

A Close Look at Bourbon County Schools

Prepared for the North Middletown community and the members of the Bourbon County Board of Education

Paris and North Middletown, Kentucky • July 2026

Written by a group of volunteers from the NMES community (past and present), including Dr. Ryan Bradley, a former NMES King and Bourbon County Colonel; the analysis and report writing were accelerated with the use of an AI research assistant.

Built from public records and Open Records Requests only.

Version 4.5 • August 2, 2026

This review is built from public records and Open Records Requests only: the district's audited financial statements for the fiscal years ending June 30, 2024 and June 30, 2025; documents the district produced in response to Open Records Requests under KRS 61.870; Kentucky Department of Education funding, facility, and school report card data; federal enrollment records; municipal bond disclosures; state regulations; and contemporaneous local reporting. Where a figure is an estimate rather than a published number, it is labeled as an estimate and its assumptions are stated. This document is not an audit, and it alleges no misconduct by any person; both years of the district's financial statements received clean opinions from its independent auditors. Its purpose is narrower and simpler: to lay out what the public record shows, and what it does not yet show, before an irreversible decision is made about a community's school. We write as volunteers from the NMES community, past and present. The analysis and report writing were accelerated with the use of Claude, an AI research assistant from Anthropic; every figure should be re-verified against the cited primary sources before formal submission or republication.

Contents

The order above follows SaveNMES.org section for section: the case against closing, the priced models, the district-wide growth plan, and the choice. Figures are numbered in a single sequence through the report; supporting tables sit unnumbered beside the text they serve. Every figure traces to an archived source document and runs as a live formula in the through the report. Every figure traces to an archived source document and runs as a live formula in the companion workbook.

1. Executive Summary: The Case, the Plan, and the Choice

On July 15, 2026, the Local Planning Committee of Bourbon County Schools voted to label North Middletown Elementary “transitional” in the district's draft four-year facility plan. That is the first step toward closing the school. The vote is advisory: the elected Board of Education decides, and under state regulation nothing takes effect without further committee action, a public hearing, and approval by the Kentucky Board of Education. Superintendent Larry Begley has said publicly that “the decision is not final.” We checked the public records so the Board and the public can see the whole picture before any vote. This opening mirrors the executive summary published at SaveNMES.org; every figure below is sourced in the numbered sections that follow and runs as a live formula in the companion workbook. Where the record forces an assumption, this report makes one, states it where it is used, and publishes it openly so it can be challenged: every assumption is a live input in the workbook and the calculators, and corrections are made publicly.

Part One. The case against closing NMES: four facts from the district's own documents

- **Fact one: it is the county's best elementary school.** On the state's 2024-25 tests, North Middletown ranks first among the county's four elementary schools in every tested subject, and it beats the state average in science and writing. It was a National Blue Ribbon School in 2011, one of five in Kentucky that year (Section 2).
- **Fact two: it is not expensive.** On the newest state spending file (2024-25), NMES costs $17,903 per student. The average Kentucky elementary school costs $19,299, so NMES runs 7 percent below the state average. The district's own cost table, dated May 21, 2026, agrees: it prices the school at $19,080 per student against a state average of $19,020 on the same table, a gap of three tenths of one percent (Section 3).
- **Fact three: closing it frees very little.** Start from everything the district spent on the school last year: $1,285,310, from its own ledger. Almost all of it moves with the children or pays for itself. Only the building's own costs stop: $79,211 a year if staff keep their jobs, up to $127,039 if the building is sold. The superintendent's written response says all staff would be retained, and it prices those staff at its own $54,479.40 loaded cost. The superintendent's $661,139 savings claim does not survive the district's own paperwork: with staff retained and supplies moving with the kids, only $127,039 of it remains. This report priced 5,832 closure scenarios on the district's own figures: the range runs from losing $591,545 a year to saving $484,582, the median LOSES $20,007, and 55 percent lose money (Section 4).
- **Fact four: closing it risks a lot, every year.** Under HB 563, state money follows each child to whichever district wins the family. Registered homeschooling in this county grew from 170 to 259 in five years. The state virtual academy grew from 937 to 2,412 students in two years. Every family that leaves takes about $5,100 a year of state money with it, and the loss grows as the missing kids reach every grade (Section 5):

Share who leave	Students (of 128)	Year one	Per year, full effect	Total by grade 12
10 percent	13	$67,000	$144,000	**$1.5 million**
20 percent	26	$133,000	$287,000	**$3.1 million**
30 percent	38	$195,000	$420,000	**$4.6 million**
50 percent	64	$328,000	$713,000	**$7.7 million**

What leaving families cost, priced at the $4,626 base plus $500 of typical add-ons. The first wave is only the start: the missing kids climb one grade a year until every grade from kindergarten through twelve is short.

Read the escalation across the table's columns: every 10 percent of the school's students whose families leave costs about $67,000 a year at first; at full effect the same shares cost about $144,000, $287,000 and $420,000 a year, more than double the first hit; and summed over the thirteen years the losses total roughly $1.5 million at 10 percent, $3.1 million at 20 and $4.6 million at 30. The children in the building carry about $6.2 to $6.9 million of remaining state funding through grade 12 (their actual grade counts are 1,339 student-years, priced at the $4,626 base to $5,126 with add-ons). One in seven middle and high schoolers came through North Middletown; a family lost at kindergarten is lost for thirteen years. **The bottom line, from the two priced models:** grow the school and the middle case GAINS $141,780 a year, with not one losing scenario in 19,683. Close it and the middle case LOSES $20,007 a year.

Part Two. The district needs growth, not closures: three levers the board already owns

The money problem is real, and it is district-wide. The General Fund ran a $2.65 million deficit in fiscal 2025. The district's own June 2026 ledger trends fiscal 2026 about $1.74 million in the red: better, still red. The causes are plain. Pandemic aid ended. Funded attendance fell by about 248 once the pandemic hold-harmless ended, and the state's 2026-27 forecast puts it at 2,174, down again. The district also sweeps $1.32 million a year of restricted building money into operations, draining the fund that should pay for buildings. And the revenue posture is unique in the region: the county's tax base grew 107.5 percent since 2012, second fastest of eight area counties, while the school levy fell 5.4 percent, the only drop among nine districts. Every neighbor's base grew too. Their boards raised rates anyway (Sections 7 and 10).

- **Lever one, enrollment.** Each recovered student brings about $4,226 of state money after supplies. The pool is measured: 236 students sit in Bourbon's own homeschool files, and 450 to 550 Bourbon County Schools kids are homeschooled, in private school, or enrolled in another district, worth $2.1 to $2.5 million a year at the full $4,626 SEEK base. Eminence Independent proved the model an hour away: it grew 35 percent in the decade Bourbon Schools shrank 10. Growth pays in every one of 19,683 priced scenarios, with a middle case of +$141,780 a year.
- **Lever two, fixed costs.** Trim every non-teaching position by attrition: $340,000 to $425,000 a year. Weigh an administrative restructuring: $224,000 to $450,000. Smarter bus routes: $146,000 to $291,000 on a $2.9 million line no routing study has ever tested. Energy contracts: $50,000 to $150,000. Counted once, the package is $760,000 to $1.3 million a year.
- **Lever three, revenue.** The rate is simply lower while the tax base more than doubled. Restoring the board's own 2018 rate brings in about $1.7 million a year, and the rate menu beyond it reaches $1.0 to $2.5 million.

Together, the plan is transformative. With costs at the low end and the full restore, it clears the trending gap with about $721,000 a year to spare: a 5 percent raise for every certified teacher and about $35 million of building capacity, anchored on the $32 million of bonding capacity the district's own advisor presented in June 2026, before a single leaked student comes back. Recover half the pool and the surplus reaches about $1.9 million a year; the full pool reaches about $3.6 million and about $72 million of capacity. Every school stays open. To run it, the board should create three standing committees, one per lever, each reporting publicly: enrollment growth, fixed costs, and revenue (Section 10).

The choice: two roads, and four asks that cost nothing

Shrink to fit, or grow and thrive. On North Middletown, four asks that cost nothing:

- **One:** keep the school listed as Permanent in the facility plan; a plan commits no money, and only Permanent keeps every door open.
- **Two:** give it the four years to the next plan, with public enrollment targets and the tools to hit them, judged on results.
- **Three:** let the community fund the building's needs with grants, private money, and donated labor.
- **Four:** say publicly that the district will work to grow this school; uncertainty is its own enrollment killer.

These asks put no money at risk: if staff keep their jobs, closing frees only $79,211 of building costs on the district's own ledger. A closed school cannot be recalled by the children it displaces; a growth plan can be measured by everyone, every year. The timing ask: pause any vote until the closure worksheet is published with both sides of the ledger and the four asks are answered in public (Section 11).

Part One: The Case Against Closing NMES

Four facts, in the same order as the website: the school outperforms, it is not expensive, closing it frees very little, and the risks land on the revenue side. Every figure is sourced and lives in the companion workbook.

2. Academic Performance: The District Would Be Closing Its Best Elementary School

The state's own numbers, first

Before any index or ranking, here is the primary record: the Kentucky Department of Education's school-level assessment file for the 2024-25 Kentucky Summative Assessments, archived in this repository (build/kde_ksa_2024_25.json) so anyone can check it. On the state's own tests, North Middletown is first among all four elementary schools in Bourbon County, county district and Paris Independent alike, in every tested subject, and it beats the **statewide** elementary average in science and writing.

Subject (percent proficient or distinguished)	NMES	Bourbon Central	Cane Ridge	Paris Elem.	KY average
Reading	41	38	37	25	49
Mathematics	31	28	27	29	43
Science	53	26	*	*	37
Social Studies	36	31	27	22	38
Combined Writing	56	40	27	4	43

Kentucky Summative Assessment results, 2024-25, all students, percent scoring proficient or distinguished. Source: KDE School Report Card assessment dataset, archived in this repository. Asterisks are cells the state suppresses for small groups; the Kentucky average is the statewide elementary level. North Middletown leads all four county schools in all five subjects.

Here is the full arc, straight from the state's own files (Figure 1, top panel). Through the Unbridled Learning era North Middletown's official overall score rose every single year, 62.6 to 68.8 to 71.4 to 72.1 to **79.1**, closing 2015-16 with a formal **Distinguished** classification, the county's best score by nearly ten points. The same files show the school **first in the county in elementary mathematics in every pre-COVID administration on record**, 2011-12 through 2018-19, eight straight. The pandemic cratered every school in the county; the recovery is where they separate. North Middletown's overall indicator rate climbed 51.9 to 62.2 to **74.5** in 2023-24, first in the county by fourteen points, with reading and math both at 45 percent proficient or better. In 2024-25 a tested cohort of roughly sixty children slipped to 41 and 31 while statewide averages ticked up, a real single-year decline worth watching, and the school still finished first among all four county elementaries in every subject where the state publishes comparable results (two schools' science scores are state-suppressed small groups). Small schools swing hard in single years, in both directions; the record above is why one soft year argues for attention, not for closure. One reading note, because the official index line crosses in 2024-25: Kentucky's overall index blends each year's level with the change from the year before, and on every 2024-25 status measure the state computed, North Middletown led Bourbon Central. The index crosses only because the change formula subtracts North Middletown's own 2023-24 spike and credits Bourbon Central's climb off its 50.3; a school is not worse for having been excellent the year before, and the state's component file is archived in the repository.

The repository also archives the federal EDFacts series, an independent federal cross-check of the state numbers that reaches back into the era of the 2011 Blue Ribbon, where North Middletown prints 89.5 and 94.8 on the old KCCT scale. Kentucky replaced its test in 2011-12, so federal values before and after that line are different scales, and the file reports small-school values as range midpoints.

We keep the SchoolDigger index in Figure 1's lower panel and in Figure 2 only as outside context, with its limits printed: it tracks the county's larger schools closely but is unreliable year to year for a school North Middletown's size, and it named the wrong county leader in three of the ten years both sources cover. Wherever the index and the official record disagree, the official record governs in this report.

In 2023-24 North Middletown matched the statewide elementary average in reading (45 percent proficient or better against 47) and beat it in mathematics (45 against 42); in 2024-25 it beat the state decisively in writing (56 against 43) and science (53 against 37). Most striking for a school where about three-quarters of children qualify for free or reduced-price meals: on the third-party index, its economically disadvantaged students alone rank in the 62nd percentile of all Kentucky schools, evidence that this environment lifts precisely the students the research says are hardest to lift.

This is not a new story. In 2011 the U.S. Department of Education named North Middletown Elementary a **National Blue Ribbon School**, one of just five Kentucky public schools honored that year, an award reserved for schools performing in roughly the top ten percent of their state in reading and mathematics, and the state's education department separately gave it an inaugural Distinguished Winners Circle Award. In the years around that recognition the school ranked 36th of 683 Kentucky elementary schools (2010) and 51st of 688 (2011). The school the district proposes to close is not a school with a history of failure; it is a school with a history of excellence, now climbing back toward it.

The record was built by people, and two anchor it: Mrs. Beverly Craycraft and Mrs. Roxanne Mitchell, whose classrooms set the kindergarten-through-fifth standard for generations of North Middletown families. The honors around them are documented: Alison Cloyd (2014) and Lydia Austin (2017) each received Campbellsville University's Excellence in Teaching Award, and the Blue Ribbon culture ran on community-powered programs, notably “ArtBurst,” which threaded the performing and creative arts through core academics. The present belongs to a new set of educators: under principal Hannah Southall the current staff took the school from its COVID-era trough back to the county's best official overall rate, 74.5 in 2023-24, and the county's top marks in every state-reported subject in 2024-25, and keeps a gifted-and-talented program running. What that faculty needs is not consolidation. It is time, and a district willing to back them.

Two honest caveats belong here. Small schools produce noisier year-to-year scores, and subgroup results vary widely: the school's girls (85.7, the 91st percentile) far outpace its boys (28.8), a gap the district should be helping the school close rather than closing the school. And no single year should define any school, which is why three-year averages matter, and they tell the same story: on the third-party index North Middletown averages 48.1 for 2023 through 2025, against 26.4 at Bourbon Central and 29.9 at Cane Ridge. Neither caveat changes the central fact: the consolidation on the table would move children from the district's strongest elementary environment into its weakest ones. If the administration believes those receiving schools can preserve these students' outcomes, that belief should be supported in writing, with a transition plan, before any vote, not assumed after one.

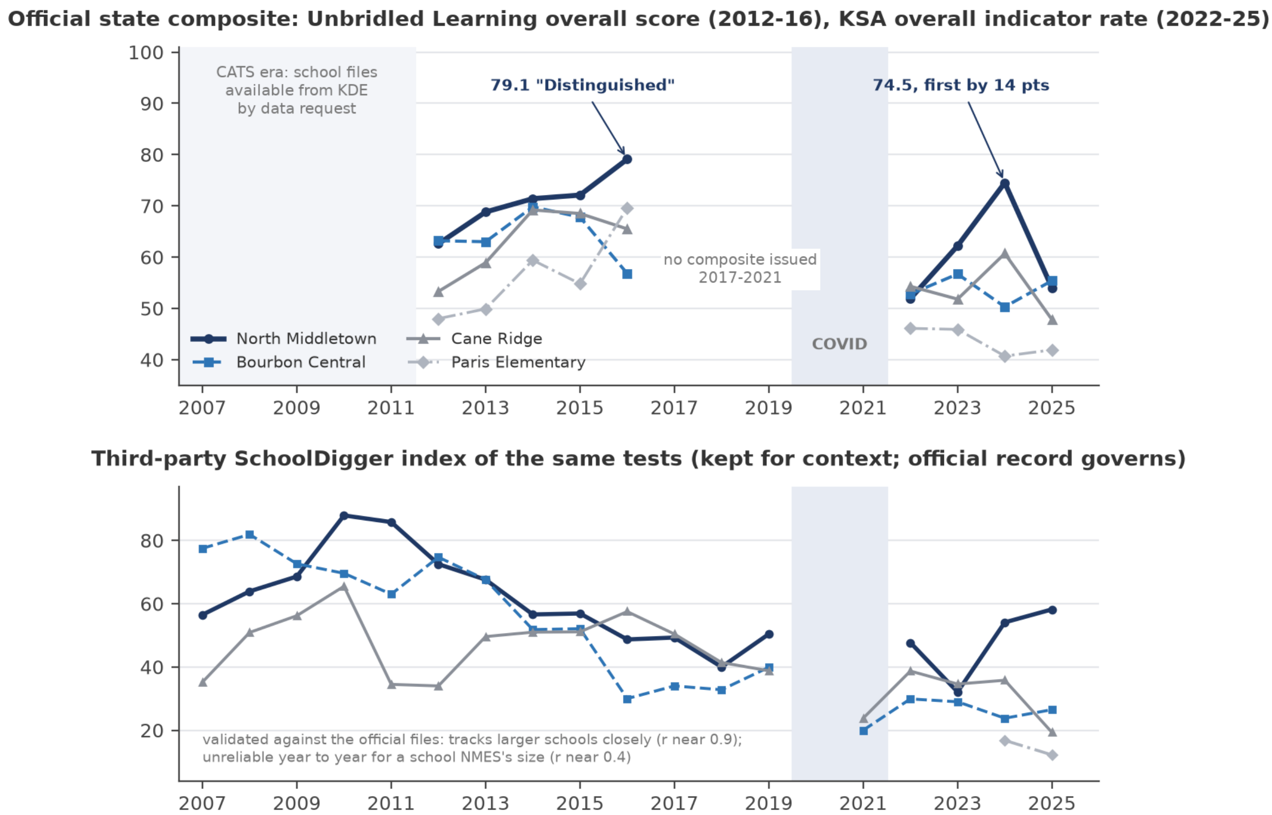


Figure 1. Top: the official state record, Kentucky's overall accountability composite in its two comparable eras (Unbridled Learning overall score, 2012-2016; KSA overall indicator rate, 2022-2025). No composite was issued from 2017 through 2021 (system transition, star-rating years, then COVID), and CATS-era school files (2006-2011) are available from KDE by data request. Bottom: SchoolDigger's third-party 0-100 index of the same tests, retained for context and validated against the official record; wherever the two disagree, the official record governs. Sources: KDE historical datasets, archived in this repository as build/kde_scores_history.json.

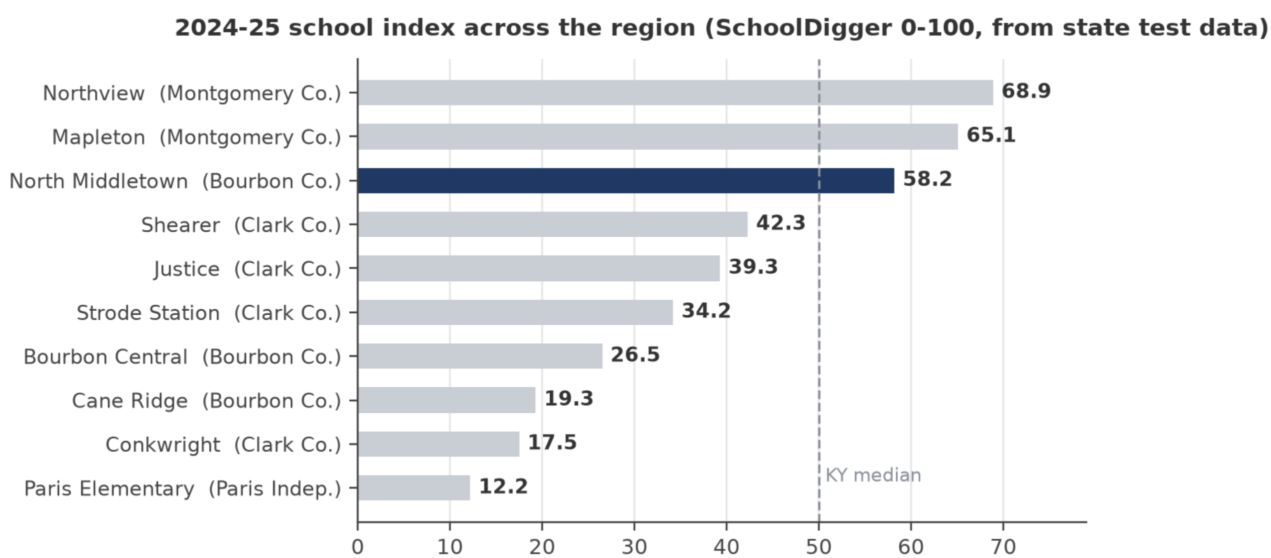


Figure 2. SchoolDigger's normalized 0-100 index for 2024-25 across the region's elementary schools, computed from state test data (not KDE's official rating). Montgomery County operates four elementaries; the two with retrieved index values are shown, and Montgomery County's two elementaries outscore North Middletown; every elementary in Bourbon County, Clark County, and Paris Independent trails it.

3. The School Is Not Expensive: The Cost Record

The headline belongs first, because it is the newest number in the record. On the state's newest school spending file, 2024-25, posted after the July committee citation, North Middletown costs **$17,903 per student** against a Kentucky elementary average of $19,299: **7 percent below the state average**, and below it in five of the eight modern-era years. Every older figure in this section, including the 2023-24 numbers the July citation used, should be read with that newest file beside it.

What this school has cost, in every year the state has ever measured it

The cost argument rests on one recent number, so this version assembles every school-level cost figure, through the newest 2024-25 file, that exists in any state or federal record: three reporting systems reaching back a quarter century, each archived in the repository. The oldest are the 2000-01 state report cards, recovered from the Internet Archive, and they show all four of the district's then-elementaries on a single scale curve: about $2,851 per student plus a fixed base of about $332,000 per building spread over however many children the zone lines assign to it. That one formula predicts every school within 4 percent: Bourbon Central $3,360 at 595 students, Cane Ridge $4,053 at 312, North Middletown $4,414 at 193, Millersburg $5,200 at 145. No school on that list was mismanaged; the ranking is enrollment. In every year measured, the cheapest school in the county has been its biggest.

The middle years confirm it: KDE's own report-card datasets for 2011-12 through 2016-17 show North Middletown's premium widest exactly when the building was emptiest, and two federal collections that measured school-level salaries independently show the same pattern. The record even contains a controlled experiment: Millersburg's premium over its receiving school was about $166,000 a year on the 2000-01 report cards; the district closed it in 2006; and the thirty-year record in this report shows the district's budget did not measurably bend. North Middletown's premium today is $156,000, the same experiment at almost the same number, twenty-three years apart. Provenance notes: CATS-era cards may report prior-year spending, which does not affect the within-year comparison; the 2012-13 file prints North Middletown at $19,635 in a renovation year, an obvious capital charge excluded from operating comparisons; and the three reporting systems use different definitions, so every comparison here is within one system in one year. The School_Costs tab carries all of it live.

4. The Million-Dollar Question: What Closing the School Would Actually Save

The case for closure rests on a single public statement: that keeping North Middletown Elementary open "cost over a million dollars last school year." No worksheet for that figure has ever been released; the district's later 48-page response prices a different, smaller number, $661,138.94, which this section takes apart below. The state's own school spending data put the million-dollar figure in context.

North Middletown's $19,348 per student is the highest of the three elementaries, and that is exactly what the math predicts for a small school, because one principal, one office, one kitchen, and one heated building divide across 128 children instead of 450. Multiplied out, the federal report puts about $2.5 million against this school, of which roughly $1.8 million is state and local money. That is an allocated figure rather than a site ledger. On the same 2023-24 basis the report showed $2,611,980 for North Middletown (its $19,348 rate at the 135 students then reported; at today's 128 the same rate gives the $2,476,544 the cost case rests on), while the district's own working budget coded $1,593,309 to the school that year, about $1.0 million less, and the difference is central office, district transportation and district instructional support that the report spreads across buildings and that no closure removes. But almost none of that total is what a closure would save, for a simple reason: **closing a school does not delete its students.**

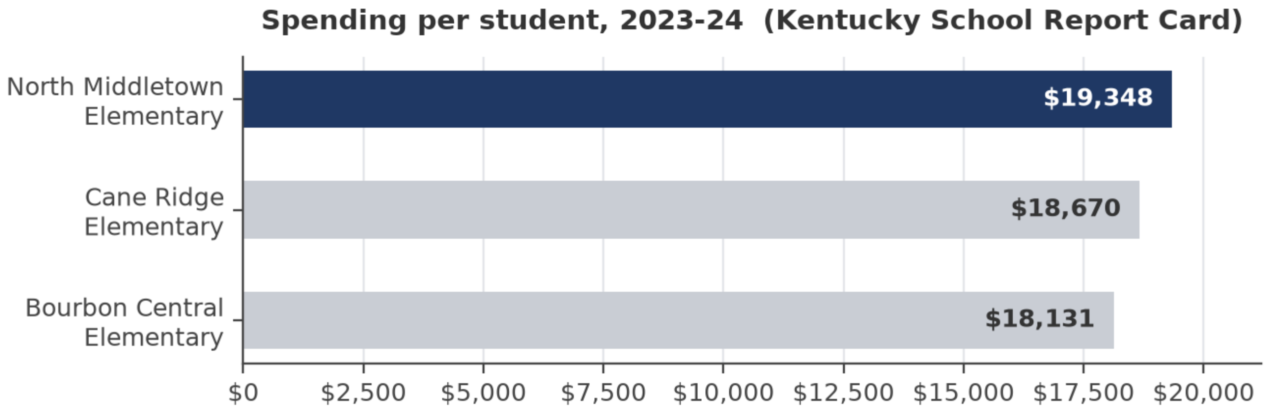


Figure 3. Per-student spending at the district's three elementary schools, 2023-24, as published in the Kentucky School Report Card's school-level expenditure data (total of state, local, and federal dollars). The newer 2024-25 file, posted since, puts North Middletown at $17,903, 7 percent below the $19,299 Kentucky elementary average (Section 3).

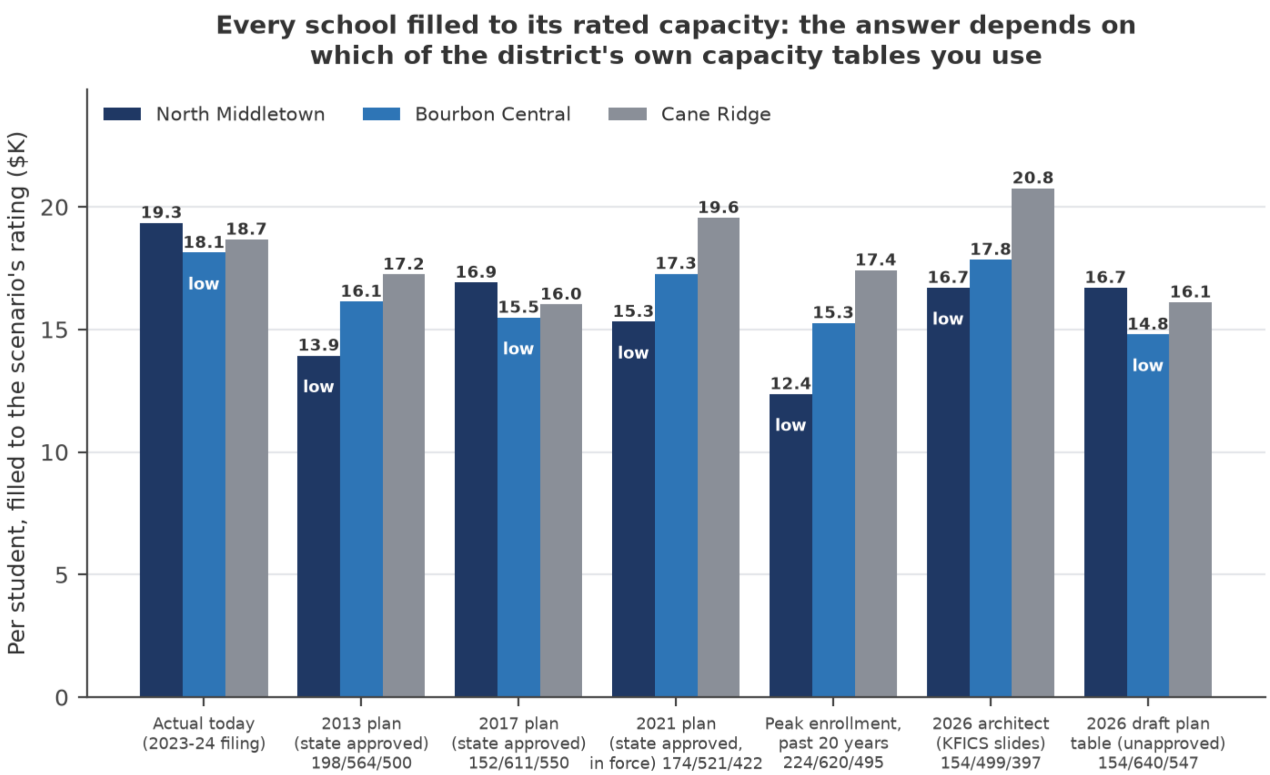


Figure 4. Every school filled to its rated capacity, priced with step variable costs ($400 of supplies per student added or removed, plus or minus an $85,000 loaded section wherever KRS 157.360 class caps require one), on the district's 2023-24 state filings. Seven capacity sets, all from the district's own documents or federal data: today's actual enrollments, the three state-approved plans (2013, 2017, 2021), each school's twenty-year peak enrollment, the district's own architect's 2026 KFICS capacities, and the unapproved 2026 draft table. North Middletown comes out cheapest under the 2013 plan, the 2021 plan in force, the twenty-year peaks, and the architect's own numbers; Bourbon Central comes out cheapest under today's actuals, the 2017 plan, and the draft table. The 2017 plan, recovered from the Internet Archive and corroborated by the June 7, 2017 state board minutes, rated North Middletown at 152 seats with 154 enrolled: the school now described as half empty was listed OVER capacity nine years ago.

Five years of the district's own filings say the same thing in time series: North Middletown's total site spending grew the **least** of the three elementaries, up about 16 percent since 2019-20, against 35 to 37 percent at Bourbon Central and 46 to 47 percent at Cane Ridge, under either base-year count the record offers. Priced per student, the same filings put all three schools up 49 to 53 percent since 2019-20, within four points of each other, with North

Middletown in the middle: a district-wide cost trend, not one building's. What grew at North Middletown is the empty space around each student as enrollment slid from 166 to 128. Divide a nearly flat cost by a shrinking class and the per-student figure climbs; that is division, not an expensive school. Fill the seats and the same division runs in reverse: at 174 students the school's per-student cost drops to between $14,339 and $15,316 depending on staffing, about $14,827 at the one-added-section default this version prices, $3,300 to $3,800 under either receiving school, and the students who fill it come from the exact schools that are over or near their rated capacity today.

The capacity ratings themselves deserve the scrutiny they have never gotten: the same three unchanged buildings have been rated wildly differently by four consecutive plans, North Middletown 198, then 152, then 174, then the draft's 154; Bourbon Central 564, 611, 521, 640; Cane Ridge 500, 550, 422, 547, with no major construction at any of the three after 2009. Ratings that swing by up to 128 seats between cycles are policy choices, not walls. The cost conclusion is validated against actuals two ways. At bare supplies ($400), the filled school runs $14,339 at the approved 174 rating and $16,149 at the draft's 154; with class-cap staffing added, $15,316 and $16,701. All four land below both receiving schools. The bound that matters is where the result would turn: North Middletown stops being cheaper than Bourbon Central only if each added student costs more than $14,745 at 174, or more than $12,140 at 154, and priced the way this report prices everything else, an added student costs between about $2,250 and $4,100. This version withdraws the earlier third validation, a two-school cost slope whose sign depended on a membership pair the district has not published. In the pandemic-aid years the filled school would have run within 1 to 3 percent of the others, a tie; in the district's current cost structure the result is not close.

One symmetry this report applies to itself: per-student numbers move wherever the students move. Send students out of Bourbon Central and Cane Ridge and their per-student costs rise for the same denominator reason. A pure shuffle leaves total district spending nearly unchanged in either direction; cost per student is a utilization measure, not a verdict on a building, and on the post-move comparison a filled North Middletown is still the cheapest of the three. The same symmetry runs the other way: closing North Middletown would improve the receiving schools' per-student optics while saving almost nothing in total, which is this report's Section 4 finding restated in one sentence.

The 128 children would still need teachers, about eight to nine classrooms' worth, and Bourbon Central (459 students) and Cane Ridge (453) would each absorb roughly 64 more children across six grade levels. The children's SEEK funding transfers with them; food service, self-supporting, follows the meal counts. What is genuinely avoidable is the fixed cost of running the building, and only if the building is sold or fully repurposed rather than mothballed. Against those savings run the new costs: longer bus routes in the district's fastest-growing and worst-reimbursed budget line (families have warned of rides exceeding two hours a day), staffing or space additions at the receiving schools, transition costs, and the quiet revenue risk that some families leave the district altogether, each departure taking at least $4,626 a year in base state funding with it, permanently (the fiscal 2027 base, the first year a closure could take effect; this report uses the fiscal 2027 figure for anything after a closure).

First, the staffing price, stated plainly: $85,000 is the right all-in figure for comparing spending filings, but the wrong figure for the General Fund, because Kentucky pays teacher retirement and health insurance on behalf of districts, and the General Fund keeps only salary plus roughly five percent when a position goes away: **$50,000 to $75,000 per position, not $85,000**. This report goes one step further and retires even that band: every staffing lever is priced at the district's own fully loaded figure, **$54,479.40 per position**, from Appendix A.1 of its written response. Their number, their basis.

The grid is built on the district's own 48-page response. Seven levers, each sourced: how much of the district's own $107,039 of building-bound expense lines actually stops (50 to 100 percent, plus its $20,000 insurance figure at the full stop); how many of the four fixed positions are cut over time rather than retained (its own appendix says all staff are retained in year one); zero to three teachers at its own $54,479.40 price (its savings sheet says two, its own classroom-capacity count supports three); the families who leave, from none to half the school, each taking $4,626 plus up to $1,000 of add-ons; the zone property effect; and the added busing a 110-square-mile zone requires. Every combination is enumerated, 5,832 in all, by build/closure_grid.py and published lever by lever in the workbook. Each lever carries an explicit distribution: where the record pins a central setting (the derived $63,000 busing figure, the ~$500 of add-ons, the middle reads of the building, property and staffing-path levers), that setting counts double, a triangular 1-2-1 weight; where it gives no defensible center (teachers cut, families leaving), every setting counts equally. The result is Figure 5: the net yearly effect falls between **losing $591,545 and saving $484,582**, the middle half of weighted scenarios lands between a $137,095 loss and a $98,603 saving, the median outcome **LOSES $20,007 a year**, and 55 percent of scenarios lose money outright, before $100,000 to $300,000 of one-time transition costs in the first year (unweighted, the median is a $24,431 loss; the weighting changes no conclusion). The plan's own requirement, the superintendent's stated need to free up $800,000 to $1,000,000 a year of operating money to bond a $14 million renovation, sits entirely outside the range. One more thing closure does not buy: borrowing room. Bonding capacity is built from restricted revenue streams that do not grow when a school closes (Section 8).

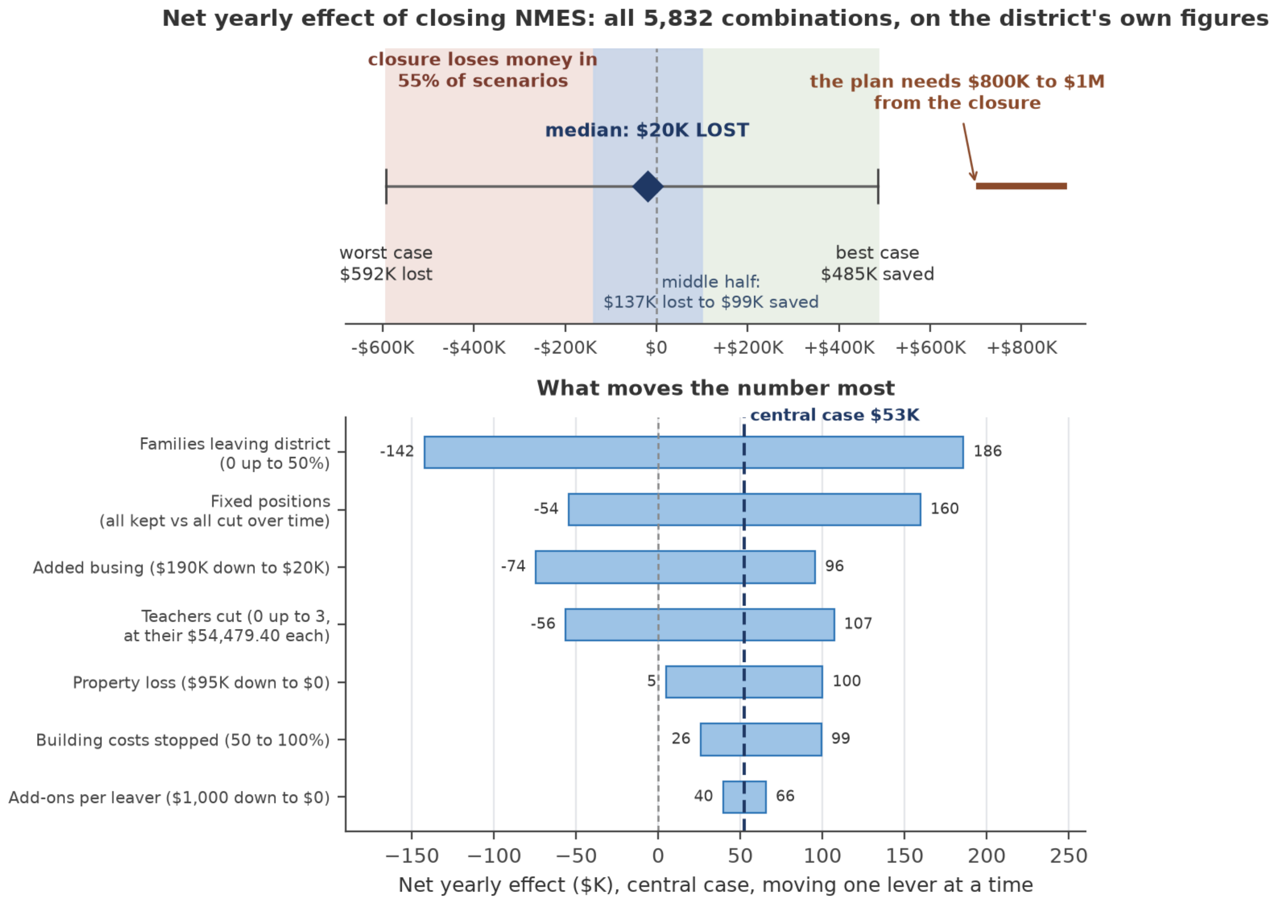


Figure 5. The honest range. Top: the net yearly effect of closure across all 5,832 combinations of the seven sourced inputs, from losing $591,545 to saving $484,582, with the middle half of weighted scenarios between a $137,095 loss and a $98,603 saving and the median at a $20,007 loss. The plan's own $800,000 to $1,000,000 requirement lies entirely outside the defensible range. Bottom: how far each input moves the central case by itself. Inputs: the district's own response worksheet and staffing appendix (Appendix A and A.1), its capacity appendix, its KDE filings, the federal attendance-zone map, and the exit routes open under HB 563, homeschooling, and the statewide virtual academy; every lever and formula is in the workbook's Closure_Model tab.

What the district's own ledger says this school costs

In July 2026 the district answered an open records request and produced its books. The answer to what North Middletown costs moves by about a million dollars depending on which of the district's own documents you open.

The 300-student breakeven, and every version of the cost case against this school, rests on $2,476,544, which comes from the federal per-student report and spreads district-wide costs across buildings. The district's own **Overall Cost by ORG** summary codes **$1,285,310** to North Middletown. Its FY2026 working budget codes **$1,706,493** to location 090, the school's own code, of which $406,333 is the state's on-behalf pension and health payments, which are not district cash. The two documents reconcile: $1,706,493 less on-behalf is $1,300,160, within 1.2 percent of the Cost by ORG figure. On a like-for-like basis, same year and same all-in definition, the federal report put $2,611,980 against the school for 2023-24 while the working budget coded $1,593,309 to location 090 that year, a difference of $1,018,671 in central office, district transportation, the maintenance pool and district instructional support that no closure removes. One number puts the scale in view: of a roughly $44 million all-funds budget, the district codes $21,482,445 to any school at all.

School	Coded by the district	Enrolled	Breakeven at $15,983	Clears by
North Middletown	$1,285,310	128	80	48
Bourbon Central	$4,033,689	459	252	207
Cane Ridge	$4,326,733	453	271	182
Bourbon County Middle	$3,868,106	590	242	348
Bourbon County High	$5,515,105	766	345	421

The corrected average-cost test (all-in cost against the district's full $15,983 revenue per member), run on the cost the district's own ledger codes to each school rather than the cost the federal report allocates to it. Every school clears, and that is the finding rather than a defense of this one: the answer to how many students a school needs swings from 300 to 80 on the definition of cost alone, and the district picks the definition. Source: Overall Cost by ORG, produced July 2026; enrollment as elsewhere in this report. Model, School_Costs tab.

The same ledger cuts against this report in one place. Measured on dollars coded to each school, North Middletown runs **$13,332** per student against $12,167 at Cane Ridge and $11,882 at Bourbon Central, premiums of 9.6 and 12.2 percent, against 3.6 and 6.7 percent on the federal all-in basis. Equally allocated overhead narrows every gap, so the direct-coded comparison necessarily shows a wider one. The dollar premium is $149,000 to $186,000 a year, and it remains smaller than this school's ledger-actual fixed base of $293,316. That is the scale argument in the district's own numbers: a fixed base spread over few students, not a school that overspends.

Of the $1,706,493 coded to the school, on-behalf payments ($406,333) are not district cash, federal grants ($191,048) follow the child, and food service ($170,423) is self-supporting from meal reimbursement. That leaves the General Fund, and the district's own MUNIS ledger, the 203-page Cost by ORG transaction detail archived in this repository, shows what the school actually spent from it in fiscal 2026: **$933,537**, within 0.55 percent of the working budget's $938,690, and most of it teacher salary payable again at the receiving school. By function, from the ledger: regular classroom instruction $474,956; other instructional programs $128,036; school administration $115,397; the building itself, utilities, disposal, telecom, supplies and repairs, $79,211; custodial pay and benefits $49,655; library and media $49,052; student health $33,664; transportation and other $2,893; and $673 of special education, because the school's special-education staffing is carried at the district office. The parse of that ledger reproduces the report's own org totals to the penny, and build/munis_extract.py reruns it from the archived file. The same ledger converts this report's per-position estimate from reasoned to measured: on-behalf payments coded to the school total $406,333 against $1,497,576 of salary and benefits, a load of 27.1 percent, which puts the General Fund share of an all-in $85,000 position at about $66,860, and the school's own classroom payroll line of $324,550 over 4.9 to 5.8 teaching positions works out to $56,000 to $66,000 each. Three routes, one answer, and it sits at the middle of the $50,000 to $75,000 range this report already uses.

Where the superintendent's $661,139 comes from, and why it may never show up

The district's response prices closure savings at “$661,138.94 MINIMUM.” Take it apart the same way the website's claim card does, block by block. The claim is $493,407 of staffing priced with benefits, $40,693 of supplies, books and field trips, and $127,039 of building costs and insurance ($107,039 plus $20,000): $493,407 + $107,039 + $20,000 + $40,693 = $661,139. The same response states all current staff would be retained, so the staffing block saves $0 in year one; the supplies are spent wherever the children sit; and the $127,039 that remains is the same building money the ledger walk above already counts. The response prices no added busing and not one leaving family. Those costs are real, so this report prices them: about $63,000 a year to bus the children to Paris, and one family in ten leaving (13 students at $5,126 each is $66,638 a year of state money). And the analysis behind the number? Asked for any cost-benefit analysis of closing the school, the district's July 2026 records response answered N/A: none exists.

Two conclusions follow. First, the closure model estimated this school's avoidable fixed base at $230,000 mothballed and $290,000 sold. Measured, school administration plus custodial plus the building's own lines total **$244,263** on the MUNIS ledger's FY2026 actuals ($227,831 on the earlier working-budget program view), and every fixed line at the school including the library totals **$293,316** on the ledger ($276,928 on the budget view): the model's two estimates land within seven percent of the measured record on either basis. Second, **$230,000 is the floor of the grid, not a floor case**: reaching it requires that the principal, the secretary, the custodian and the utilities all go, and districts frequently redeploy people rather than cut them. Version 3.9 therefore rebuilt the grid on measured fixed lines, moving the median from $91,240 to $21,571; the district's written response then answered the open question directly, all current staff retained, savings only through attrition, avoidable expense lines of $107,039 plus $20,000 of insurance; and version 4.2 rebuilt the grid once more on the district's own figures throughout, flipping the median negative. Version 4.5 adds the explicit lever weights described above and re-bases the fixed-position lever on the MUNIS ledger's FY2026 actuals ($214,104 against the budget's $218,154), and the published median is a $20,007 yearly loss, with 55 percent of scenarios losing money.

There is a limit to what any ledger can settle. The seven inputs that decide a closure's net effect span about $950,000. The district's books speak to two of them, worth about a third of that spread. The rest, how many families leave, whether the building is sold or mothballed, whether the receiving schools need capacity work, how far the buses go, and whether staff are cut or moved, are decisions rather than accounting. The range is wide because the decisions are open.

The same records response contains a staffing document that answers the scale question from the other direction. The School Council Allocation for 2026-27 gives North Middletown **5.5 fixed positions**: a principal, a secretary, a custodian, one paraprofessional, and half a librarian, half a housekeeper and half a library aide. No assistant principal. No counselor. Bourbon Central receives 12.25 fixed positions and Cane Ridge 11.5, each with an assistant principal, a counselor, three paraprofessionals and two secretaries. Per hundred students that is 4.3 fixed positions at North Middletown against 2.6 at the receiving schools, and that ratio is printed here because it is the first thing a critic would compute. It is also the whole scale argument: a building needs one principal and one office whether it holds 128 children or 460, and the leanest-staffed school in the county is the one proposed for closure. (The same document's teacher column is enrollment divided by the KRS 157.360 statutory cap, a floor rather than a roster, and this report does not use it as a staffing count.)

5. What Closure Risks: The Record Where It Has Been Tried

Bourbon County has run this play before: Millersburg, 2006

Millersburg Elementary, about nine road miles from Paris, closed in 2006 with a final enrollment of 119 students, nearly the size of North Middletown today. Its students went to Cane Ridge, whose addition the district's own facility plan dates to 2007. What happened next is on the census rolls, Figure 6: Millersburg fell from 842 people in 2000 to 792 in 2010 to 747 in 2020, down 11 percent, while the county grew 4.6 percent. No single closure did that alone: the private Millersburg Military Institute, a separate school, shut permanently the same July, and the Joy Global plant followed in 2013, taking 197 jobs and, by the town's own accounting, half its operating budget. That is the honest lesson, and it is worse, not better: small towns lose their anchors in cascades, each loss making the next more likely. Twenty years later the district is over capacity at the school that absorbed Millersburg's children and proposes to solve it by closing another small school. North Middletown's attendance zone holds 2,625 people. The records ask writes itself: produce the savings analysis from the 2007 closure and the savings actually realized, before the same projection is made again.

Bourbon County has closed a small school before. The county grew; the town did not.

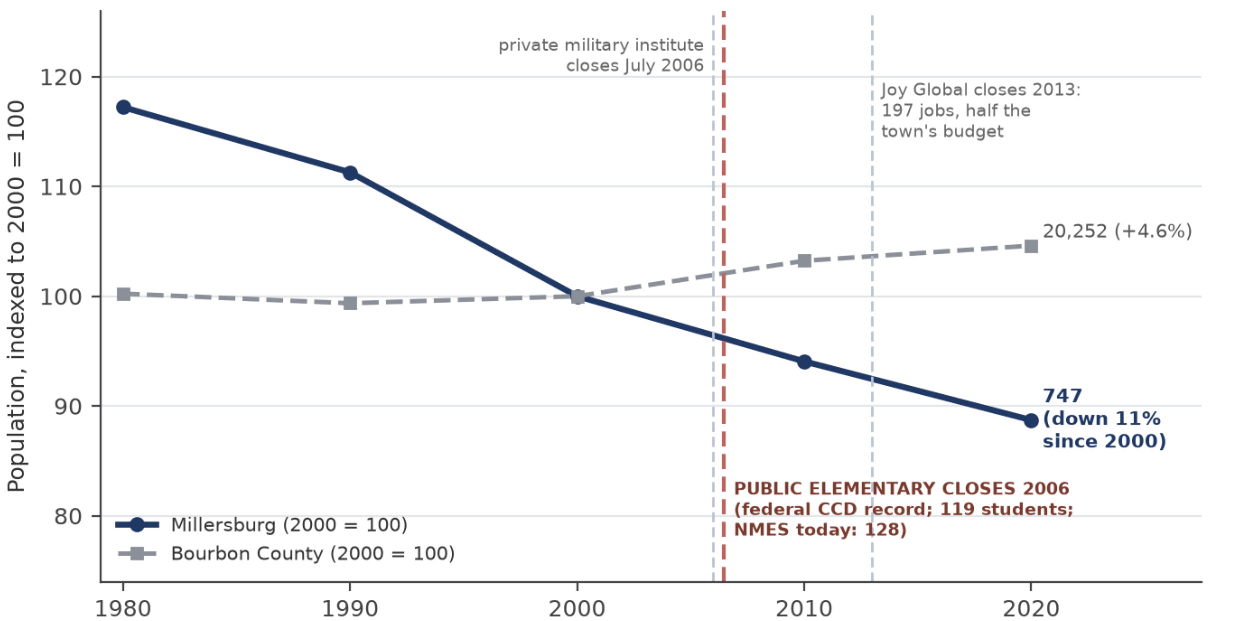


Figure 6. Millersburg and Bourbon County population, indexed to 2000, with the town's three institutional losses marked. The elementary's 2006 date is its federal record: enrolled through 2005-06, status closed in the 2006-07 CCD universe file; the military institute is a separate, private school that closed permanently in July 2006. Decennial census counts: Millersburg 987, 937, 842, 792, 747; the county grew 4.6 percent from 2000 to 2020. Millersburg Elementary's final enrollment was 119 students; North Middletown enrolls 128 today.

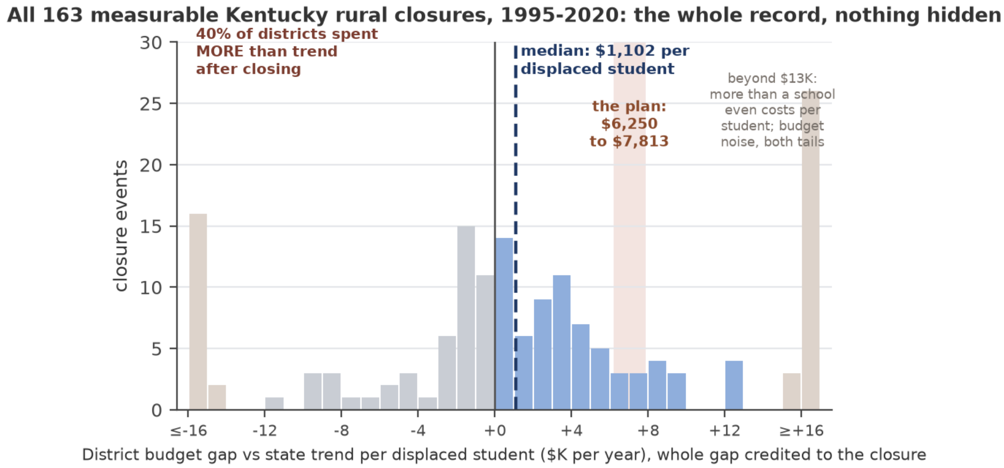
Has this ever worked in Kentucky? We checked all thirty years

From the federal Common Core of Data, every Kentucky public school, every year, 1994 through 2023, we built the complete record: **339 rural and small-town school closures since 1995**, after screening out renames, rebuilds under new federal IDs, and non-community programs, and **72 towns that lost their last public school entirely**. Millersburg 2006 is one of them, which independently validates the method. The full lists and inputs are archived in this repository. Three findings follow.

First, the money. For the 163 closure events with clean finance data, we compared each district's spending from the year before closure to three years after against the statewide trend, credited the ENTIRE gap to the closure, the most generous reading, and priced it per displaced student. Figure 7 shows the whole distribution. The median closure produced **$1,102 per displaced student** ($818 among the physically plausible cases), and **40 percent of districts spent MORE than trend after closing**. Both tails hold events beyond $13,000 per child, more than any school costs to run per student, budget-wide noise rather than closure effects. The raw median for the 27 closures most like this plan prints $8,440; it is the same artifact, and inside the plausible window that median is **$541**. The yardstick: this plan needs **$6,250 to $7,813 per displaced child**, above the record's 75th percentile. Among rural elementary closures the one clean comparable with nothing built, Webster County's closure of Slaughters Elementary in 2012, paid $3,525; every case at or near the plan's number came with a new school (Perry 2017, Adair 2006, Metcalfe 2013) or was a city or county-seat grade reshuffle. The record's figure credits a district's entire budget change to its closure, an upper bound by construction; this report's bottom-up model prices only the levers a closure moves and now reads $169 per displaced student. The plan's requirement is eight times the first and thirty-seven times the second.

Second, the classrooms. Test scores can only be compared within one accountability system, so we tested the 42 closure events measurable inside the 2012 to 2019 window on the uniform federal proficiency series. Eleven districts improved three or more points against the state, ten declined, twenty-one were flat: a wash, median half a point down. The pattern inside the wash points one way: the more children a closure displaced, the worse the trend; the improvers were overwhelmingly small closures inside eastern Kentucky's broad mid-decade testing rebound, gains far too large for schools that were one to eight percent of their districts to explain. Exactly **one** event in the record shows both clear savings and clear gains: Leslie County 2013, which folded its middle school into an existing campus in the same community. No case in this record shows a district closing a rural town's elementary school, clearly saving money, and clearly improving scores.

Third, the two best cases, disclosed by us so no one has to discover them. Perry County closed three rural elementaries in 2017 and shows real, modest savings, about $3,600 per displaced student, with scores continuing an earlier climb; it did so by building the new West Perry Elementary for the children it moved. Johnson County closed 178-student Meade Memorial Elementary in 2016 with nothing built; spending ran about six points under trend while scores stayed flat, in proportion to the school's five percent share of the district, our own model's median arriving on schedule. Neither resembles what this plan promises. Two honest limits belong here too: closures before 2012 and after 2016 cannot be score-tested across Kentucky's assessment-system changes, and small towns that kept their schools also declined at nearly the same rate as towns that lost them, so we make no claim that closure causes population decline. What the record does show is narrower and harder: no measurable precedent for the savings this plan requires, and none for academic improvement from a closure like this one. If the board believes it will be the first in thirty years, show us the data.



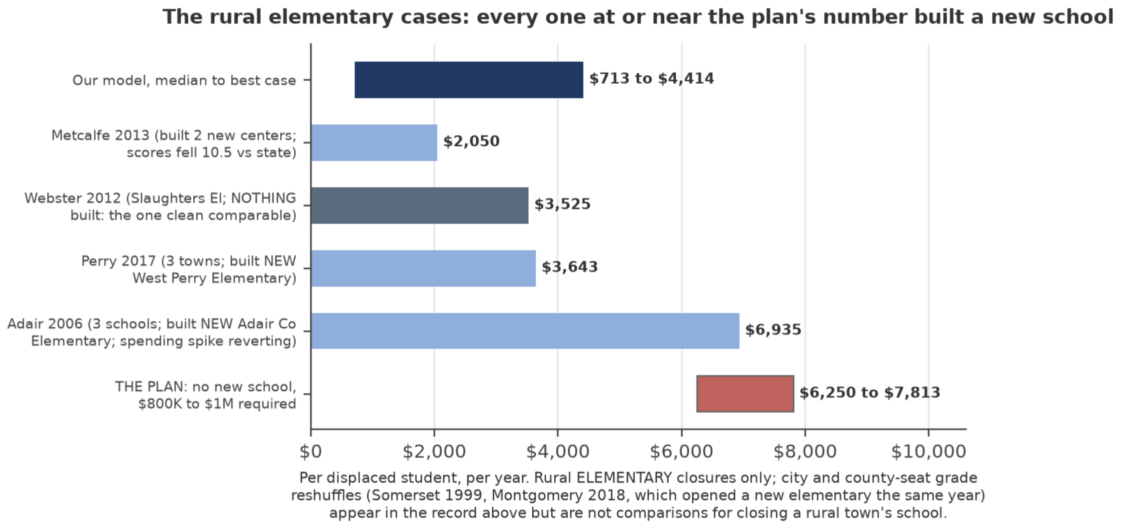


Figure 7. Top: all 163 measurable Kentucky rural closures, priced per displaced student with each district's entire budget gap against the state trend credited to its closure. The median is $1,102; 40 percent of districts spent more than trend after closing; the shaded tails beyond $13,000 per child exceed what any school costs to run per student and mark budget-wide noise, not closure effects. Bottom: the rural elementary cases only. The one clean no-construction comparable (Webster 2012) paid $3,525 per displaced student; Perry, Adair, and Metcalfe built new schools; the plan requires $6,250 to $7,813 while building nothing. City and county-seat grade reshuffles (Somerset 1999; Montgomery 2018, which opened a new elementary the same year) appear in the top panel but are not comparisons for a rural closure. Data: build/ky_closure_events_full.csv (every event, every input), build/ky_rural_closures_1995_2023.csv, and build/ky_closure_dollar_cases.csv.

What happened when other districts tried this

- **Chicago, 2013.** The district closed about fifty schools projecting roughly $1 billion over a decade, including $43 million a year in operations. A 2023 Sun-Times and WBEZ analysis found actual labor savings of about $25 million a year, some $18 million short, while the district borrowed $329 million to prepare receiving schools, and a decade on more than half of the 46 emptied buildings still sat unused. The University of Chicago's own research consortium found displaced students' math scores depressed for up to four years.
- **Twelve districts, 2013.** The Pew Charitable Trusts studied a dozen districts that had closed schools and found 301 buildings still sitting unused, with those that did sell typically fetching $200,000 to $1 million, well below initial projections.
- **West Virginia, 1990-2002.** The state closed more than 300 schools and spent over $1 billion consolidating; the head of its own School Building Authority conceded in 2002 that the closings did not save taxpayers money. Local administrative staff grew 16 percent while enrollment fell 13 percent, and the state came to

spend more of its education dollar on busing than any other.

- **Vermont, 2017-2020.** A 2024 Yale economics thesis by Grace Miller, studying 109 districts merged under Act 46, found no significant change in per-pupil spending or tax rates: administrative savings were absorbed almost entirely by higher salaries, benefits, and transportation.
- **California, 2026.** A Stanford analysis for the Getting Down to Facts project found that after closures amid enrollment decline, spending fell about $440 per pupil, and revenue fell by effectively the same amount, with no reduction in teachers or staff. Districts broke even. Earlier research puts typical closure savings below five percent of a district's budget.

The costs to children pile on top of the costs to the budget: a 2024 national study following 470 Texas closures found displaced children, low-income children most of all, absent more often, disciplined more often, and earning less as adults. Roughly three-quarters or more of North Middletown's students qualify for free or reduced-price meals. If Bourbon County believes its closure would beat this record, the burden is on the administration to show the math.

When the district shows its numbers in public, watch four ways it can frame them, because each can make closure look better than it is: gross site cost presented as savings; restricted building dollars presented as operating relief; per-pupil cost cited without noting that state funding follows the student; and district- wide cost growth attributed to one small school. We flag our own judgment calls where they occur.

Whatever the true net number proves to be, one comparison frames the decision, and it holds on either honest yardstick. Against the $2.6 million structural deficit before transfers, closing North Middletown addresses at best a small fraction; against the roughly $1.15 million the district actually draws from reserves each year, even the fullest documented case reaches about forty percent. On either measure it is a partial fix, while the measures in Section 10 total more, harm no student, and close no town's school.

6. What Can't Be Quantified: A Town and Its Heartbeat

> *“The school is the heartbeat of our small, but vital community.”*
> Rev. Dr. Stephanie Moon, North Middletown pastor, July 2026

Everything to this point can be argued in dollars. This section cannot, and belongs in the record anyway. North Middletown is a town of about 610 people. Its school has stood on College Street since 1948, educating grandparents, parents, and children in the same classrooms; this month those children were invited to write love letters to it. When a place that small loses its school, it loses its largest engine of civic life: the gym where the town gathers, the stage for every concert, the reason young families give for staying.

The research on what follows a closure is unusually consistent. Cornell sociologist Thomas Lyson, studying 297 rural New York villages, found that in the smallest of them, 500 people or fewer, the presence of a school went with home values roughly a quarter higher ($59,508 versus $47,782), better water and sewer infrastructure, and more residents working in town; he warned that money saved through consolidation “could be forfeited in lost taxes.” A North Dakota State University study that followed eight communities through consolidation found that in the towns that lost their schools, businesses, retail trade, and participation in community organizations all declined. A 2022 Brown University analysis of Arkansas's forced consolidations estimated that affected communities lost 13 to 15 percent of their population and roughly $1,300 in assessed value per property, with communities of color hit hardest. And a case study of Limerick, Saskatchewan documented the quieter losses after a school closed: volunteerism, community recreation, and the everyday ties between generations all frayed, felt even by residents with no children in school.

There is a fiscal irony buried in that research: a district closing a school to protect its budget risks shrinking the very tax base the budget stands on. Property values, population, and local business activity are not sentimental line items. They are the assessment roll.

The people closest to this school have already said what the studies measure. An alumna planning to enroll her own children told reporters that closing it “just makes no sense when the other schools are already so packed.” Mayor Jeff McFarland calls closure “a disservice to the community.” None of this appears in a savings worksheet. All of it should appear in the Board's deliberation, because a decision that counts only what is easy to count is not a complete accounting.

A personal note from Dr. Ryan Bradley

> I grew up in this school and in this town, and I cannot overstate what they made of me. Our academic team won a regional championship in that building. I played basketball as an NMES King and kickball on that playground. I learned from teachers like Mrs. Craycraft, Mrs. Johnson, and Mrs. Mitchell, the kind of teachers a child remembers for the rest of his life. Whatever I have become, the foundation was poured there, early, by people who knew my name. And the debt runs wider than one building: Bourbon County Schools carried me from elementary through high school, and I loved every year of it.
>
> I also remember that this fight is not new. When I was a student, the board of that era tried to attach this same transitional label to this school. My parents and their neighbors chose to fight, and North Middletown Elementary stayed permanent. It was the lifeblood of this town then. It is the lifeblood of this town now.
>
> Bourbon County is no longer my home, or my family's. But the grit and perseverance it and NMES gave me still remain. Some things are worth fighting for wherever life takes you, and this school is one of them.
>
> Dr. Ryan Bradley, a former NMES King and Bourbon County Colonel

Part Two: The District Needs Growth, Not Closures

The district has a real money problem. It is district-wide, North Middletown did not cause it, and closing the school does not dent it. The sections that follow size the problem from the audited statements, then price the three levers the board already owns.

7. The District's Finances: A Real Problem With Clear Causes

We do not dispute that Bourbon County Schools faces genuine budget pressure. The district's own audited statements, prepared by Summers, McCrary and Sparks, PSC and posted by the Kentucky Department of Education, show it plainly.

General Fund (audited)	FY2023	FY2024	FY2025
Revenues, before transfers	$27,668,655	$24,952,644	$26,449,318
Expenditures, before transfers	$27,905,775	$27,487,732	$29,097,404
Operating result before transfers	($237,120)	($2,535,088)	($2,648,086)
Net transfers and other sources		$1,469,431	$1,422,621
Change in fund balance		($1,065,657)	($1,225,465)

General Fund (audited)	FY2023	FY2024	FY2025
Ending fund balance	$6,582,802	$5,516,305	$4,290,840
Unassigned portion		$5,301,744	$3,925,193

Figure 8. Three-year General Fund summary, from the district's audited financial statements for the years ended June 30, 2024 and June 30, 2025. The fiscal 2023 revenue figure reflects a different presentation of state pension payments made on the district's behalf and is shown for context. The fiscal 2024 change line differs from the balance movement by $840, a residual carried in the audit and noted in the companion workbook.

A note on the transfers line: “net transfers and other sources” of roughly $1.4 million a year are moves between the district's own funds, not new money from outside. They cushion the reported change in fund balance, which is why the honest measure of the structural problem is the operating result before transfers: the district spends about $2.6 million more than it takes in, interfund transfers cover roughly half the gap, and reserves absorb the rest. Which transfers can be sustained is itself a question the district's finance office should answer in writing.

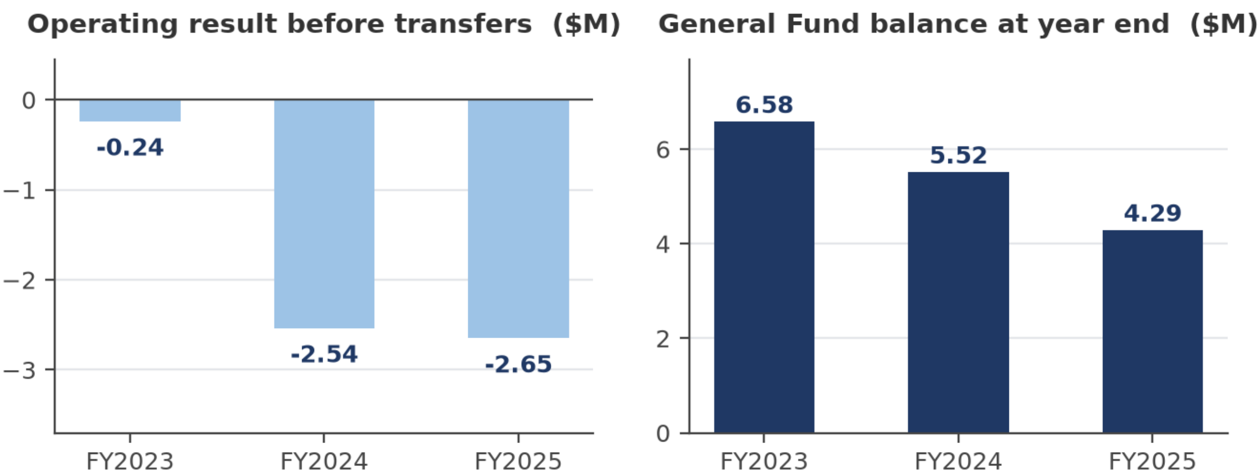


Figure 9. The operating gap and the drawdown. The district spends roughly $2.5 to $2.6 million more from its General Fund than it takes in before transfers, and reserves have fallen about $2.3 million in two years. Source: audited financial statements, FY2024 and FY2025.

Why it happened

Three forces converged. One-time federal pandemic relief, the ESSER programs, wound down, taking about $2.95 million a year with it while the staff and programs it paid for remained. Average Daily Attendance, the basis of Kentucky's SEEK funding formula, fell from a pandemic hold-harmless figure of 2,490 to 2,243, a recurring revenue loss on the order of $1.1 million a year at the fiscal 2026 base guarantee of $4,586 per student. And the state's new two-year budget offers little relief: the SEEK base rises less than one percent in fiscal 2027, and state school-bus funding is frozen roughly $90 million a year below what Kentucky statute calls for, statewide.

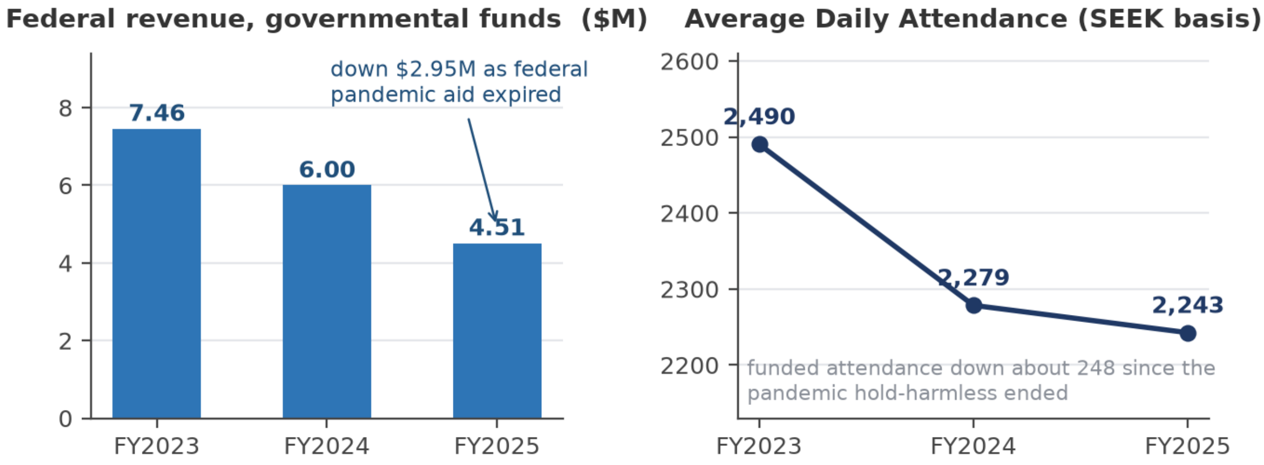


Figure 10. The two revenue shocks. Federal revenue in the governmental funds fell $2.95 million from FY2023 to FY2025 as ESSER pandemic aid expired, and attendance-based state funding fell as funded average daily attendance dropped by roughly 248 (attendance, not enrollment headcount). Sources: audited financial statements; SEEK attendance figures reported in the audits.

At the same time, several costs the district controls grew quickly: a two-percent raise in fiscal 2024 with "some employees receiving much more," in the words of the district's own audit narrative, step increases in fiscal 2025, transportation up 20.3 percent in a single year, and central-office administration up 44.8 percent in two years (Section 9). A $6.055 million bond issued in 2024 helped push the district's debt-service payments up by about $430,000 this year (Section 8).

Two more facts fill in the picture, and both cut in the community's favor. The district has already shown it can fix a money-losing operation without closing anything: between fiscal 2024 and 2025 it cut the day-care fund's loss from $722,828 to $79,010 and swung food service from a $610,606 loss to a $179,197 surplus, about $1.4 million of improvement in one year, proof that focused management can move seven figures without touching a school. And the district is not in collapse: both audits carry clean opinions, the fiscal 2026 budget holds a $1,489,853 contingency, well above the state's two-percent minimum, and at the current pace of drawdown the unassigned reserve lasts roughly three more budget cycles. The problem is real. So is the time to fix it right.

A same-year yardstick: Fayette County, on both districts' audits

Fayette County Public Schools spent the year in the headlines over its money; Bourbon did not. Hold the two districts to the same fiscal year, 2025, on their audited statements and the same two measures, both audits archived in this repository. The yearly gap, revenues less expenditures before transfers over General Fund spending: Bourbon ran **9.1 cents in the red per dollar spent** ($2,648,086 against $29,097,404), its third deficit in three years, against Fayette's **5.7 cents** ($38,907,376 against $685,348,803) in the year of all the coverage. The cushion, the ending General Fund balance over the same spending: Bourbon still holds **14.7 cents of reserve per dollar** ($4,290,840) against Fayette's **4.1 cents** ($28,361,786), after Fayette's balance fell another $14.9 million, from $43.3 million to $28.4 million, in the very year its budget book had planned to hold the fund flat. Read together: Bourbon has the larger cushion and is burning it at a faster rate per dollar than the district in the headlines.

8. Bonds, Buildings, and Two Different Pots of Money

Kentucky school finance separates operating money from building money, and that split decides what closing a school can and cannot do. Districts do not borrow directly: a Finance Corporation, a separate body on paper but made up of the same people as the Board, issues bonds and leases the buildings back to the district. The state's School Facilities Construction Commission (SFCC) pays part of qualifying debt; the local share comes from restricted facility revenues, chiefly the "nickel" building tax (about $2.05 million in fiscal 2025) and the capital outlay allotment. **None of that money can lawfully pay teachers or plug the operating deficit.** "We spend a great deal on buildings" and "we cannot afford to operate a school" describe two different pots, and the public conversation should keep them separate.

Series	Original amount	Interest rate	Final maturity	Outstanding 6/30/25
2013	$2,255,000	1.90-2.10%	2026	$348,000
2013R (refunding)	$468,000 *	2.75-4.05%	2033 *	$585,000 *
2016	$5,700,000	1.00-3.00%	2029	$3,145,000
2018	$1,850,000	3.50%	2038	$1,560,000
2020	$3,620,000	0.50-1.85%	2031	$3,405,000
2023	$810,000	3.65-4.00%	2034	$755,000
2024	$6,055,000	4.00-5.00%	2044	$5,945,290
Total	**$20,758,000**			**$15,743,290**

*Figure 11. Outstanding bonds of the Bourbon County School District Finance Corporation, from Note 4 of the FY2025 audited financial statements. The 2016 issue refinanced $5,315,000 of 2009 bonds (saving $314,834 in present value) and the 2020 issue refinanced $3,410,000 of 2011 bonds (saving $106,627). * The audit's figures for the 2013R issue are internally inconsistent: the outstanding balance exceeds the listed original amount, and the stated maturity contains an obvious typographical error. Both are details the finance office should correct on the record.*

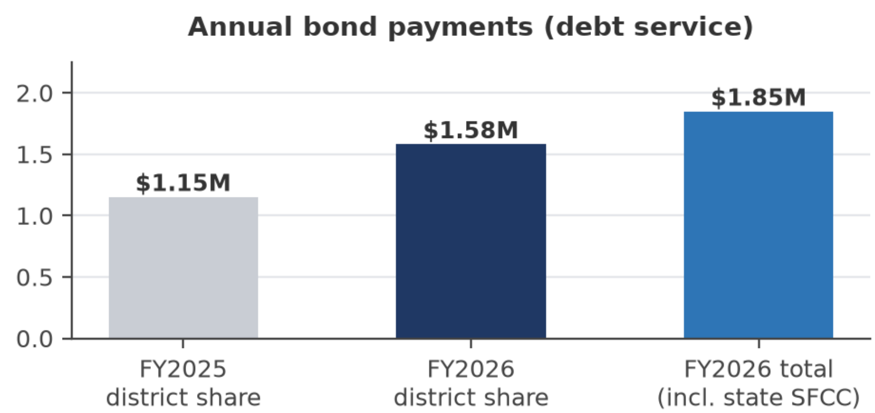


Figure 12. Annual bond payments are rising as the 2024 issue comes online. The state's SFCC pays $1,568,809 of the outstanding principal over the life of the bonds. Source: FY2024 and FY2025 audits.

Three things in the bond record deserve the Board's attention.

- **The 2024 borrowing's stated purpose is on the public record, and it names the high school, not any elementary.** The SFCC Bond Payee Disclosure approved by the legislature's Capital Projects and Bond Oversight Committee on June 20, 2024 states the purpose of the Series of 2024 bonds: various construction projects including roof replacement at Bourbon County High School and a districtwide audio system. The issue sold at $6.055 million, and the proceeds flowed into the Construction Fund, where construction in progress grew from $3.65 million to $7.41 million during fiscal 2025. The disclosure and the committee minutes are archived in this repository; the BG-1 project applications would complete the project-by-project accounting, and that records ask stands.

- **No bond issue on record names North Middletown Elementary.** The capital program has flowed elsewhere for years, and the 2021 facility plan shows where: its in-biennium priority was the $6.66 million high school Career and Technical Center, while North Middletown's $3.62 million renovation sat scheduled after the biennium. That raises a fairness question the administration should answer directly: how much has been invested in this building compared with the district's other schools over the past decade? The records a public-records request away, and this report will publish whatever comes back.
- **The construction fund ran a negative $1.43 million restricted balance at June 30, 2024**: project spending ran ahead of the borrowing that later covered it, a capital program prioritized and paid for out of cash flow in the same years the operating budget went into deficit. The same audit notes $23.5 million in unused bonding capacity, borrowing room for buildings that cannot pay teachers either way.

The district's own June 2026 bonding numbers, from its own advisor

In June 2026 the district's financial advisor, Robert W. Baird and Co., presented the bonding picture to the planning committee, and the presentation, archived in this repository, anchors this section. Bondable restricted revenues for fiscal 2027: $3,252,893, built from the two nickels ($1,200,105 each), their state equalization ($552,990), 80 percent of capital outlay ($173,944), and $126,250 a year of unexpired SFCC offers of assistance that expire between January 2028 and January 2034 (the components print $501 over the stated total, Baird's own rounding). Current bonding capacity: **$32 million**. Two of Baird's own sensitivities matter to this decision. First, **a loss of 50 students drops capacity to $31 million**: about $20,000 of building capacity walks out with every student, which prices the enrollment risk of a closure in the district's own advisor's terms (that $20,000 rides the restricted streams, a different conversion from the General Fund bond multiplier this report uses elsewhere, so the two rates are not comparable). Second, the presentation is built on the state's 2026-27 SEEK forecast of 2,174.3 in funded attendance (AADA plus growth, the attendance measure SEEK pays on, not enrollment headcount), and the state's own SEEK files, archived beside it, verify the forecast line by line, with the same $2,400,209,505 assessment Baird prints, down from the 2,222.8 the same state series funded in fiscal 2026: the slide the growth plan exists to reverse. None of this capacity pays a teacher or closes the operating gap, and all of it depends on the restricted stream actually paying for buildings rather than being swept into operations.

What closing a school does, and does not do, to bonding capacity

A district's ability to borrow for buildings is simple math set by statute. Capacity is built from two restricted streams: the capital outlay allotment of $100 per student in average daily attendance (KRS 157.420), of which regulation lets a district pledge 80 percent (702 KAR 4:160), and the restricted building-fund levy, the “nickel,” with its state FSPK equalization (KRS 157.440). Set existing debt payments against those streams and what remains is the room for new debt: on the fiscal 2025 numbers, roughly $224,000 a year of capital outlay, about $2.05 million of building-fund tax, and $1.58 million of district-paid debt service. The fiscal 2024 audit states the bottom line plainly: about $23.5 million of unused bonding capacity as of June 30, 2024, laid out component by component on the workbook's Debt_Service tab.

Nothing in that math grows when a school closes: no assessment, no attendance, no levy. What it changes is the plan, not the capacity: a “transitional” label removes the school's modest listed needs from the priority list and steers future SFCC offers of assistance (KRS 157.622), and the district's own borrowing, toward other projects. That is a choice about priorities, and it deserves to be argued openly as one. The math can also run against the district: every family that responds to closure by leaving takes $100 a year out of capital outlay and the SEEK base out of operations, permanently. Nor is an emptied building a windfall: the Pew study in Section 5 found districts typically realized $200,000 to $1 million on sales, one-time money that is itself restricted to capital use.

As the 2024 issue and the other series settle into their schedules, the district's total debt-service payment steps up by about $430,000, from $1.15 million in fiscal 2025 to $1.58 million in fiscal 2026 (the net change across all seven series, some rising and the 2013 issue maturing, not the 2024 bond's payment alone). The state's SFCC participates in the qualifying issues, paying $1,568,809 of principal over the life of the bonds. None of the seven outstanding issues names North Middletown Elementary.

Where the general fund is actually trending: the unaudited FY2026 close

The district's own KDE Budget Monitoring Tool, in the June 2026 packet on the board's July 16 agenda and archived in this repository, shows fiscal 2026 closing down roughly $374,000, the best result in three years, against audited drawdowns of $1.07 million and $1.23 million in the two years before. The same packet shows how that headline was built: two June entries, a $1,320,939 transfer of restricted capital money into the general fund (lawful, through a Capital Funds Request, and precisely the sweep the growth plan would end) and a $1,413,929 receipt booked to miscellaneous revenue in period 12 against a budget of zero, account for nearly all of it, and the packet's variance row reconciles to the dollar. The genuine improvements are real but modest: SEEK revenue $402,000 over budget and payroll falling through ordinary attrition. Excluding the capital transfer, the year is down about $1.7 million; excluding the unidentified June receipt as well, about $3.1 million, the same range as the audited years. These figures are unaudited, the balance sheet shows no receivable behind the June receipt, and the packet does not identify its source; the district should identify it on the record before this close is cited to justify anything, in either direction.

9. Where the Money Is Actually Going: Administrative Growth

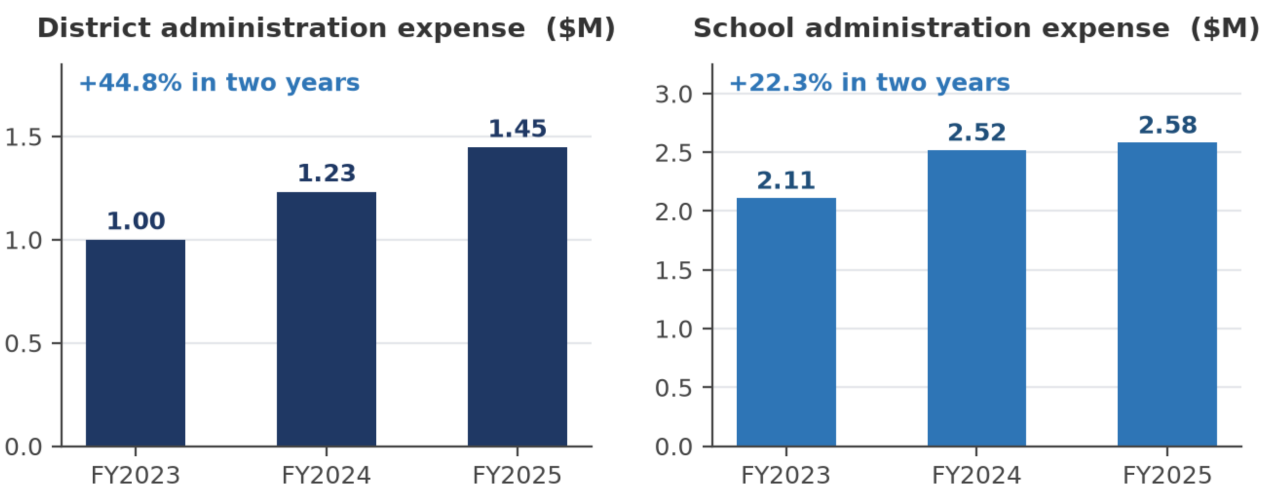


Figure 13. Administration expense from the district's audited statements of activities. District (central office) administration grew from $999,727 in FY2023 to $1,447,164 in FY2025; school administration grew from $2,110,039 to $2,581,412 over the same two years.

The biggest cost jump in the audits is not at North Middletown. Central-office administration grew 44.8 percent in two years, an increase of $447,000 a year, as much as or more than any realistic net saving from closing the school, while enrollment and attendance fell. School-level administration grew 22.3 percent, and transportation grew 20.3 percent in fiscal 2025 alone, alongside bus purchases of roughly $888,000 and $691,000 in consecutive years. Federal data most recently on file show four central-office administrators and fifteen school administrators; matching that headcount against the dollar growth, position by position, is a fair thing to ask before any classroom building closes.

A caution belongs beside that number: functional expense lines in Kentucky school audits include allocated state pension payments made on the district's behalf, and reclassifications between categories can move money on paper without a single new hire. Some share of the 44.8 percent may be accounting rather than administration. That is the reason for asking for a position-by-position accounting rather than assuming the worst.

What the 44.8 percent is actually made of

The district produced its FY2024, FY2025 and FY2026 working budgets in July 2026, and this section is the result of reading them line by line. The 44.8 percent is real and it cross-validates: district administration on the MUNIS ledger grows by a very similar amount on a different two-year window, two independent documents agreeing within about two and a half percent. What they disagree with is the story told about it, including in earlier versions of this report.

Administrative salaries went down, not up. Over the window the ledger covers, salaries in the district administration function fall about 8 percent. The growth sits in four non-salary lines. Insurance, meaning property, liability and general coverage, roughly doubled, which is a regional market cost rather than a hiring decision. Tax collection fees under object 0311 are statutory: the sheriff and the county clerk are paid a percentage of what they collect, so the line rises when assessments rise. Accrued sick leave paid at retirement, object 0291, is a Kentucky benefit that lets a retiring employee convert unused sick leave to a lump sum, and it is coded to central office because that is where payroll clears, not because central office grew; it is a retirement cost for staff across the district. Purchased professional and technical services covers legal, audit, architect and consulting work, including this facility planning cycle itself.

The number that matters most runs against the way this increase is usually described. **Total district payroll fell**, from $30,410,725 to $30,201,047 across the two most recent years in the district's own payroll reports, down 0.7 percent. The district as a whole did not get bigger.

What did grow is narrower, and every word of it is defensible. Board and central office payroll, location 001, rose 25.6 percent. That headline is misleading and this report will not use it: $187,623 of the $248,611 increase is the sick-leave and on-behalf program described above, which is not ongoing salary. Setting that program aside, **central office payroll still grew 7.6 percent in a year when total district payroll fell 0.7 percent.** That is the fair comparison. The remaining increase is $60,988, and it is two offices moving in opposite directions: the business office up $114,295, the superintendent's office down $53,307, netting to exactly $60,988. Every other central office program is flat in total.

Three findings run against the assumption this report started from. First, **the records do not show the district adding net administrative positions**: twenty-two months of board agendas contain two director-level structural actions and both are consolidations (Finance Officer combined with Food Service Director, December 2024; Pupil Personnel combined with Elementary Continuous Improvement, May 2025). Second, **neither the salary schedules nor the payroll report can answer the question**: the published schedules name no senior certified administrator at all, and the payroll report carries dollars rather than headcount, so it cannot separate one more person from the same people paid more. Third, **the one real documented addition is below director level**: a Childcare Director line, a Migrant Advocate and Recruiter Coordinator line, and a widened assistant principal index that reaches schools of 400 to 500 pupils.

So the ask changes shape. The right question is not who was hired. It is that **the cost growth cited as a reason to close a school is concentrated in insurance, statutory fees, retirement payouts and professional services, and the district has never published a position-by-position administrative roster with titles, FTE and salary that would let anyone check the rest.** Until it exists, nobody outside the central office can answer this question.

We deliberately rely on the audited totals rather than individual salaries, because individual figures should come from official records: the KDE superintendent salary file and the board-adopted administrator salary schedule, both produced in the district's July 2026 records response.

10. The Alternatives on the Table: Grow, Don't Close

Every option below is available under current Kentucky law, and each comes with the question the administration should answer about it. Dollar values are planning estimates from the audited base figures, labeled as such; several overlap and cannot simply be summed. Even conservatively combined, they exceed both the realistic saving from closure and the district's annual reserve drawdown. The first revenue option is a tax adjustment; the full rate analysis follows in this section, and the itemized menu is Figure 21 in Appendix B; together they show a district taxing near the bottom of its region.

First among them: grow the Kings into the region's premier elementary school

The strongest alternative is not defensive. Kentucky law already gives the district a way to grow: under House Bill 563 (2021), codified at KRS 157.350, a district that adopts a nonresident-student policy may, since July 2022, enroll students from other counties and count them in its attendance for state SEEK funding, with no agreement from the child's home district required and tuition at the board's discretion. Every family North Middletown attracts brings at least the $4,626 base guarantee (fiscal 2027), plus applicable add-ons.

North Middletown is built to compete for those families. It is a 2011 National Blue Ribbon school with a gifted-and-talented program, a 13.6-to-1 student-teacher ratio, state results that lead every elementary school in Bourbon County in every state-reported subject, and a third-party index that also tops every school in neighboring Clark County and Paris Independent (Conkwright 17.5, Strode Station 34.2, Justice 39.3, Shearer 42.3, Paris Elementary 12.2). Its state-approved capacity is 174 against 128 enrolled: forty-six open seats which, filled with transfer students at the base guarantee alone, represent roughly $213,000 a year of new recurring revenue gross, about $194,000 after supplies and about $134,000 if they require the added section this version prices, before tuition, add-ons, or the further growth a signature program (advanced learners is one natural fit), a preschool satellite, and a serious marketing effort could generate along the U.S. 460 corridor, within a short drive of five surrounding counties. The question for the administration is why the district's only nationally honored school is proposed for reclassification instead of expansion.

Honesty requires naming the headwind first. Bourbon County has hovered near twenty thousand residents for more than fifty years, from 18,476 in 1970 to 20,252 in 2020, and the Kentucky State Data Center projects a decline of roughly four percent by 2040. The county is aging, its share of children is shrinking, and its celebrated horse-farm land base, the second largest stock of conserved farmland in Kentucky, structurally limits new subdivisions. The regional boom passed to the west: neighboring Scott County is projected to grow 46 percent by 2050 and Fayette nearly ten, while Bourbon sits outside that corridor. The district's enrollment decline is real and structural, and we will not pretend otherwise. North Middletown Elementary itself tells the story: it held 261 children in 1988-89, about double today's 128 (Figure 14).

But a school's enrollment does not have to wait on a county's birth rate, because the board controls two levers that demographics do not. The first is redistricting: attendance boundaries are the board's to draw, and with Bourbon Central at 459 students and Cane Ridge at 453 while the district's best elementary sits at 128 of a rated 174, redrawing the eastern edges, starting with families who already live closer to North Middletown than to their assigned school, would fill its open seats with children the district already educates, relieve the crowded Paris schools, and shorten those children's rides. The second is the county's edges: under House Bill 563, families just across the line in Clark, Nicholas, Bath, and Harrison counties can enroll at North Middletown and bring their state funding with them, and on the third-party index every nearby comparison school with a published score sits below it. The pitch is not that the region is growing. It is that a school with the county's top state-reported results has empty seats within a short drive of families in four counties.

The seats deserve a destination, not just a headcount. One natural path is a specialized program for advanced learners that families apply into from across the district and, under House Bill 563, from the surrounding counties; Kentucky's larger districts have run magnet schools for decades precisely because a distinctive program pulls enrollment to the building that hosts it. A preschool satellite, or simply growing the neighborhood school it has always been, serves the same end, and under any of them every child in the zone keeps their seat. Framed this way, growth means recruiting on the strength of a good school, not betting on a population rebound, and the near-term target is modest: returning to the 160 students the school enrolled as recently as 2019-20 takes just 32 children from a district of 2,600 and four neighboring counties.

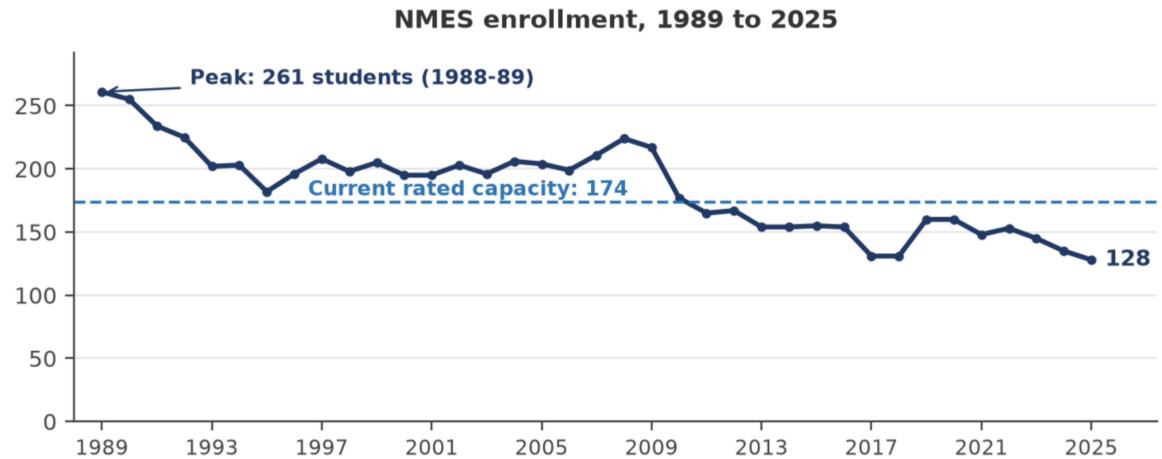


Figure 14. NMES enrollment from 1989 through 2025 against its current state-rated capacity of 174. The school held 261 students at its 1988-89 peak, roughly double today's official count of 128. History compiled from federal school-level data. The long decline mirrors the county's flat population, which is exactly why this plan relies on boundary decisions and cross-county enrollment rather than demographics.

The decline itself deserves questions, not just measurement, because its milestones track the district's own planning documents: 261 at the 1988-89 peak, 169 in the 2013 facility plan, 161 in the 2021 plan, 128 today. The town did not empty out, and the zone's boundaries are unchanged in the federal record since at least 2015-16. Over the same years the district centralized preschool at the Paris center, so many zone families now start their school lives in Paris; the renovation priced for the building in 2013 reappears in the 2021 plan, priced higher; the rated capacity was written down from 198 to 174; and no public recruitment or transfer program has marketed the county's highest-scoring elementary to anyone. Each of those is a district decision, not a demographic fact. A school that stood 93 percent full against its rating in the 2021 plan did not become surplus in four years by itself.

The children never left the county

The case for closing a school starts with a premise: there are fewer children. Checked against exact counts, the premise is false. The decennial census counts every child rather than sampling them, and children aged 5 to 17 in Bourbon County number **3,594 in 2000, 3,574 in 2010 and 3,548 in 2020**, a change of 1.3 percent across twenty years. The Census Bureau's separate annual school-age estimates agree, moving from about 3,400 in 2014 to about 3,491 in 2023. There is no demographic decline story available here.

The enrollment is a different matter, and these are federal fall counts rather than estimates. The two county districts together held **3,708 students in fall 2019 and 3,428 in fall 2022**. Bourbon County Schools alone went from 2,912 in 2014 to 2,616 in 2023, down 10.2 percent, while the county's children moved four tenths of one percent. The elementary grades fell 16.5 percent from their 2016 peak, 1,245 to 1,040; kindergarten intake hit 149 last fall, the lowest in the federal record, and fewer children have entered kindergarten than left fifth grade in seven of the last eight years. The break is neither gradual nor a birth-rate story: it begins after 2019.

Three cautions belong beside that finding. The Census counts homeschooling inside private school, so the category can never be labeled private alone. Bourbon does not stand alone, and this report will not claim it does: the move away from public school after 2019 is regional, with registered homeschooling up 139 percent in Harrison County and 112 percent in Fayette over comparable windows. And survey vintages from 2022 and 2023 carry pandemic weighting caveats. What is specific to Bourbon is the combination: a flat child population, a double-digit enrollment decline, and a district responding by removing a school rather than competing for the children who are still here.

Every one of those children is a Bourbon County child whose family already chose something else, and the state pays $4,626 for each one who returns. Filling North Middletown's 46 open seats requires winning back fewer than one in ten of them.

Where the students come from: the pool is measured, and it is large

The students are not hypothetical, and the public record measures the pool three ways, all archived here. First, the districts' own records: Kentucky homeschool families must file a letter of intent with the local superintendent (KRS 159.160), and the counts the districts reported, collected by the Washington Post's records project, show **236 registered homeschool students in the Bourbon County district and 23 in Paris Independent** in 2022-23, about 259 in all, up roughly half since 2018-19. Compliance with the filing statute is incomplete, so that is a floor. Second, the Census: the American Community Survey counts private school and homeschooling as one combined answer, and shows that group roughly doubling since the 2014-2018 window. An earlier version of this report put it at about one in three of the county's school-age children from the survey alone; that was too high, inflated by a small-sample weighting artifact in one age band. Reconciling the district rosters, the census counts and the state's non-resident file gives **about 450 to 550 Bourbon County Schools children** outside this district's classrooms: homeschooled, in private school, or enrolled in another district (county-wide, roughly 13 to 15 percent of school-age children sit outside public school entirely, against nearer one in eleven a decade ago). The county has two private schools: St. Mary in Paris, which enrolls 96 students in the federal Private School Survey, and Bourbon Christian Academy in Millersburg, a K-12 school founded in 2002 that grew out of a homeschool group and does not appear in that voluntary survey, so its students add to the pool uncounted. Third, the state: KDE's Non-Resident Student report for 2024-25 counts **247 Bourbon County Schools residents enrolled in another district**, 171 at Paris Independent and 76 out of county, ten of the 76 at Cloverport Independent, 150 miles away, which hosts the statewide virtual academy. Those exports belong in the pool: the aim is to win them back, not to net them away against the 436 nonresident students who enroll here (131 from out of county, **including 54 from Fayette County**, proof the district can pull families when it competes). The two documented counts alone, 236 homeschool filings and 247 students enrolled elsewhere, reach 483 before a single private-school student is counted, so the 450 to 550 band is conservative.

The revenue side is symmetric with the closure math in Section 4, on purpose, using the same $4,626 SEEK base cell in the workbook. A homeschool or private-school student generates no state funding for the district today, so each one who enrolls is entirely new money: $4,626 of SEEK a year, about $4,226 after supplies. At the full check, the 450 to 550 pool, homeschool, private school, and out-of-district enrollment together, is $2.1 to $2.5 million a year the district is not collecting; net of supplies, the 236 students in this district's own homeschool files alone carry about $1.0 million a year and the full pool $1.9 to $2.3 million. Filling all 46 open seats at the rated 174 from this pool alone is worth about **$213,000 a year gross, roughly $134,000 to $194,000 net of supplies and the zero to one new section the v3.8 correction prices**, and requires fewer than one in five of the registered homeschoolers. The model's Redistricting tab carries a returning-student lever alongside the rezone and transfer levers, capped together at the 70 seats between today's enrollment and the 198 rating the state approved in 2013 (today's 174 is not a ceiling), and set to zero by default so the separate rezone-and-transfer package, priced in Appendix B at $56,000 to $116,000, claims nothing from it. What would move these families is not a mystery either: the county's top test scores, the state's best-trending building, and small classes are precisely the product homeschool and private-school families shopped for when they left. Two records asks sharpen this: the letter-of-intent counts by year at both districts, which are public records, and the school-level split of the 131 out-of-county students already here. Closing the school with the open seats forfeits the one asset this recruitment case runs on.

The growth path: the same menu as a district-wide recovery plan

Bourbon County Schools has a structural funding problem: spending has outrun revenue at every building, salaries are hard to raise, capital projects wait, and North Middletown is being blamed for it. It is not the reason salaries cannot increase (its excess cost is about $156,000 a year, $121,220 on the district's own KDE-filed comparison to the peer average, six tenths of one percent of the budget), and it is not the reason capital projects cannot be funded: the district's own financial advisor presented $32 million of bonding capacity to the planning committee in June 2026 (Baird, archived in this repository), while the capital-to-operations sweep consumes about $17 million of it, a General Fund problem every school shares. Organized as a plan, the Appendix B menu (Figure 21) prices out as three moves. **Move one, inspect fixed costs**: every non-teaching position district-wide trimmed by attrition, administrative restructuring considered on its own merits (the district's own audit table shows the recent growth was insurance, payouts and contracts, not new hires), and transportation and energy efficiency, worth $760,000 to $1.3 million a year. **Move two, grow enrollment instead of shrinking it**: fill North Middletown's 46 seats, recover attendance, and recruit district-wide from the measured pool of homeschool, private-school and nonresident families, worth $260,000 to $530,000 a year. **Move three, have the honest revenue conversation**: restore the board's own 2018 rate, worth about $1.7 million a year with Bourbon still taxing below five of its eight neighbors, with the recallable rate menu beyond it reaching $1.0 to $2.5 million and delinquency recovery adding $60,000 to $120,000 on top. Together the counted-once cost package and the 2018 restore alone are worth about $2.5 to $3.0 million a year (Figure 21; each line's confidence and overlap are disclosed on the Alternatives tab). Any one move alone outweighs closure, whose median outcome now loses $20,007 a year. Together they balance the budget, end the sweep, free the restricted stream to bond the renovation plan, and close nothing. The Alternatives tab prices each move live.

And the surplus is transformative. The website's plan calculator prices the enrollment lever directly: recovered leakage students themselves, zero to the full measured pool of 550, each at the same $4,226 net-of-supplies cell the closure model uses. The gap the plan must close is also the district's own most current number: its June 2026 year-end ledger trends the fiscal 2026 General Fund at **$1,738,653** in the red before transfers ($20,694,287 of revenue against $22,432,940 of spending; the on-behalf entries cancel in the gap, the audit will refine it, and the audited fiscal 2025 gap was $2,648,086; Section 8 walks the same year-end packet line by line). With the cost package at its low end, the full 2018 restore, and not one student recovered, the plan clears the trending gap with about $721,000 a year to spare, enough to fund a 5 percent raise for every certified teacher, about $507,000 a year on the district's own $10.0 million General Fund certified payroll, and still leave about $214,000 for new debt service, about $2.8 million of GF-leveraged bonds at the same 4.5 percent, 20-year basis this report applies to every other bonding claim. The website calculator opens at the plan's central case, half the measured pool recovered: 275 of 550 students at the same $4,226 add $1,162,150 a year, the plan runs about $1.88 million ahead of the trending gap, and after the raise about $1.38 million services roughly $17.9 million of new bonds, about $50 million of capacity with the advisor's $32 million. At the sliders' top, the full 550-student pool with every lever high, the plan runs about $3.6 million ahead: the raise plus roughly $40 million of new bonds, about $72 million of capacity. Every 100 recovered students move the number by $422,600 a year in either direction. The building capacity beneath it is no longer this report's estimate: the district's own advisor rates it at $32 million, capacity that is real only once the sweep ends, because the sweep spends the very stream the capacity is built on. Together, about $35 million of building capacity, teachers paid more, and every school open. The earlier 10-percent-raise and $52 million top-end claims are withdrawn with the lever correction.

A suggestion for running the plan: the board should create three standing committees, one per lever, each with a public charge and a progress report at every board meeting. An enrollment growth committee would work to win families back: reach the 236 homeschool households in the district's own files, market the county's top-scoring elementary to the 450 to 550 Bourbon County Schools children now outside its classrooms, and own the public enrollment targets. A fixed-cost committee would drive the $760,000 to $1.3 million package: commission the routing study the $2.9 million transportation line has never had, review every non-teaching vacancy before it is refilled, and put the energy contracts out to bid. A revenue committee would lay the rate choices in front of the public: what each step on the menu funds, what it costs the median homeowner per month, and a path back to the board's own 2018 rate. Committees cost nothing, and they turn a plan on paper into work with names on it; volunteers from the North Middletown community stand at the ready to serve on all three.

The growth model, priced like the closure model

The growth side is priced with the same discipline as the closure grid, and on the district's own standards. The anchor is its own Appendix B: 24 students per room in kindergarten through grade 3, 28 in fourth, 29 in fifth. Applied to the school's actual grade counts, the six homerooms hold 153 students against 128 enrolled, so 25 seats sit open today; the architect slide in the same packet rates the building at 154, corroborating the count. The model fills those seats first, then hires one classroom teacher per full new class, at a selectable pace with every setting a real classroom count: 1 per 18 (smaller classes than today), 1 per 21 (today's actual class size), or 1 per 24 (the district's own K-3 cap). Support staff is priced on its own lever, none, 1 per 75, or 1 per 50 added students, at the school's own classified lines. New teachers are priced at the certified schedule's entry-to-midpoint rows, $41,718 to $56,583. Busing runs $0 to $1,000 per recruit, marginal costs $400 to $1,000 per student against a measured $331, and state add-ons run the same $0, $500, and $1,000 legs the closure grid prices for each leaver, so the two models treat state add-ons symmetrically. One asymmetry is disclosed rather than buried: leavers are priced at the gross $4,626 plus add-ons with no supplies offset, while recruits are credited net of supplies. Priced the harshest symmetric way instead, with every leaver also saving $400 of supplies, the closure median moves from a $20,007 loss to a $5,305 loss and 52 percent of scenarios still lose money: no sign changes, no conclusion moves.

The result: across all 19,683 priced scenarios, growth pays in every single one. Under the same lever weighting as the closure grid (triangular on every cost lever, whose middle legs are the documented central reads; uniform on the enrollment target, which is the board's choice, not a chance), the median gains $141,780 a year and the middle half runs from $94,520 to $182,654; even the worst case, a class of 18 at the top salary with every cost at its maximum, still nets $3,331. The website's calculator opens at the weighted median itself: 30 added students (a target of 140 on the slider's 110 base, the district's own still-unsourced figure; the same 30 added to the official 128 count is a target of 158), no new hires needed, $141,780 a year. The same stack drives the cost-per-student curve: at 160 students the school costs about $14,600 per student with no new hire yet needed, and at the 198 seats the state approved in 2013, with two new teachers paid for, about $12,500, cheaper than every school in the county today. One script in the repository, build/growth_grid.py, reproduces the whole grid.

The tax question, faced squarely

The rate history strengthens rather than weakens the community's hand. Bourbon County Schools levies 52.4 cents per $100 on real estate, second lowest among nine area districts and roughly 13 cents below the statewide school average of 65.1. Fayette levies 80.9, Paris Independent, in this same county, 71.5, Clark 65.5, Bath 63.4, Scott 62.9, and Harrison 57.7; only Nicholas County, at 43.1, sits lower, and Montgomery is essentially tied at 52.5 (Figure 15). The trend runs the same direction: the levied rate has fallen from 61.3 cents in 2018 to 52.4 today, a decline that largely reflects Kentucky's rollback mechanics, in which a rising assessment base pushes the cent rate down to hold revenue roughly level. KDE's levied-type file, archived in this repository, shows the board took the full four percent revenue option in five of the last twelve years and the compensating rate or less in the other seven, the exact years the rate slid. The regional contrast is stark: Scott County rode the same assessment boom, raised its rate 38.9 percent on top, and levies a 0.5 percent occupational tax besides; eight Kentucky districts levy that tax, Bourbon levies none, though its utility tax is already at the 3 percent maximum. Merely holding the 2012 rate, three cents higher, would yield about $573,000 more per year today at the district's own per-cent yield.

Where the money lands is equally clear. Of the $9.9 million the property tax produced in fiscal 2025, $7.8 million went to the General Fund and $2.1 million to the building and debt funds; set against $29.1 million of General Fund spending, the local levy covers barely a quarter of operations, with state SEEK dollars carrying most of the rest. Two corrections belong on the record here. First, the rate confusion in the audits resolves cleanly: 52.4 cents is the levied real estate rate, the 54.2 in one audit note is a digit transposition of it, and 54.7 is the separate motor vehicle rate. Second, the collection shortfalls visible in the audits, $387,840 in fiscal 2024 and $239,126 in fiscal 2025, are ordinary delinquencies of roughly two to four percent of certified yield, the kind every Kentucky district carries, not revenue the board declined to levy. The Figure 21 menu counts only a partial recovery of them for exactly that reason: honest numbers cut both ways, and we built this report to take the cut.

What remains is the choice the board controls every August: the rate itself. The anchor of this report's revenue lever is the rate this board levied in 2018, 61.3 cents, whose restoration raises about $1.7 million a year on the General Fund levy of $7,829,060, the part that can actually pay teachers, with Bourbon still taxing below five of its eight neighbors: Fayette, Paris Independent, Clark, Bath, and Scott. The four percent revenue growth KRS 160.470 allows without recall exposure is a revenue cap, not a rate move, and it is not the ask here; for scale, it compounds to roughly $313,000 in its first year, about $639,000 in its second, and about $978,000 a year by its third, over four fifths of the annual reserve drawdown, and the next subsection walks why a board can take it every year while the printed rate still falls. (The restricted building-fund levy, which cannot pay operating costs, is excluded from this base, the same restricted-funds rule this report applies to closure.) Section 11 carries the recommendation and the companion workbook carries the math. To be clear, the levy is one option, not the only one: the Figure 21 menu lists other revenue and cost measures, and deeper spending reductions are always available to a board willing to make them. But the math is simple and it does not bend. Either spending comes down or revenue goes up, and a district drawing down a million dollars of reserves a year does not get to choose neither. The board and superintendent owe the public a chosen path, in writing, with the work shown. What they do not owe anyone is the closure of the district's best performing school presented as the only choice.

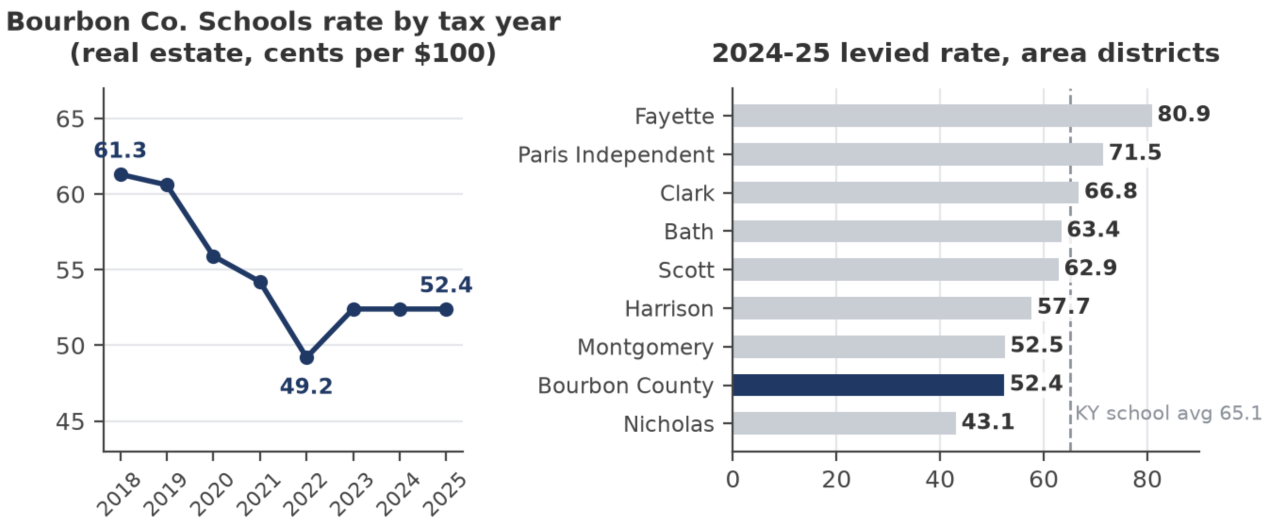


Figure 15. Left: the Bourbon County Schools real estate rate by tax year, from Kentucky Department of Revenue rate books; years before 2018 could not be retrieved and are not interpolated. Right: current levied real estate rates across nine area districts against the statewide school average of 65.1 cents. Fayette and Clark are from local reporting of their board votes; all other rates are Department of Revenue rate book lines. Bath's bar is its 2025 rate (2024 was 60.7); Nicholas is shown at its real estate rate of 43.1 (its tangible rate is 43.7).

The fourteen-year record settles how unusual this county's levy path is. KDE publishes every district's levied rates back to tax year 2012, and Figure 16 plots all nine area districts on the same axis: every neighboring district's levied rate is higher today than it was fourteen years ago, most by double-digit percentages, Bath by 72 percent. Bourbon County's is **5.4 percent lower**, the only decline in the region, falling from second highest among the nine in 2012 to seventh today. Two honesty notes belong in the reading. First, these are levied RATES: under House Bill 44 a rate can drift down while collections hold, because the compensating rate falls as assessments grow, so the chart measures the net of each board's levy choices against its assessment growth, and by that measure every other board in the region chose to keep or grow its rate while Bourbon's slid. Second, Bourbon did take the four percent revenue option in five of the last twelve years, by KDE's own levied-type file; the rate fell anyway because the other seven years took the compensating rate or less, including the twelve-cent slide from 2018 to 2022, the exact years the drawdowns began. The neighbors that rose took the four percent seven, eight, and nine times over the same window. The community that has twice declined to petition against a facilities nickel has never been asked to vote against the operating levy that pays teachers; the board simply has not levied it.

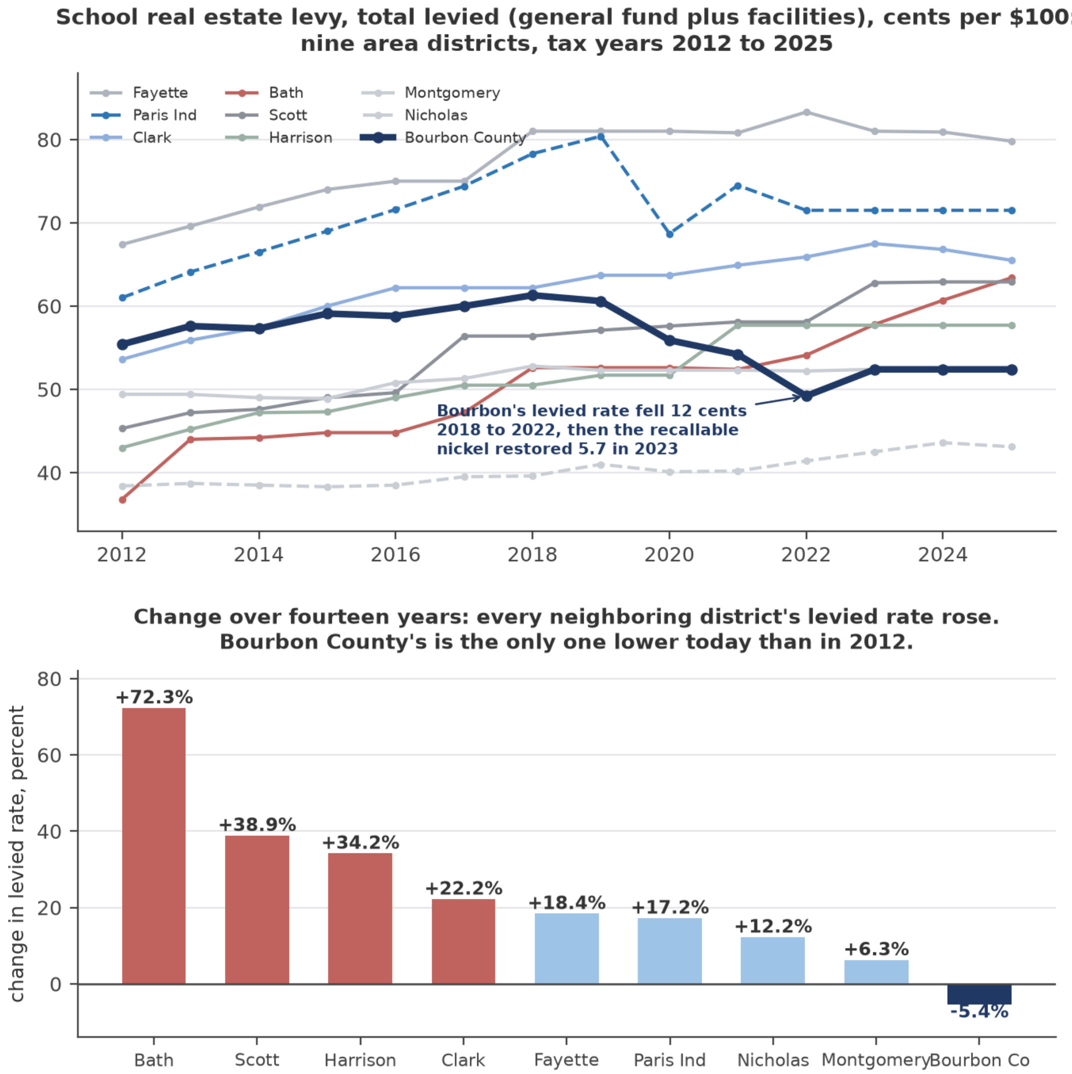


Figure 16. Fourteen years of school levies, nine area districts, from KDE's Local District Tax Levies files (total real estate column: general fund plus all facilities levies), cross-checked against the Department of Revenue rate books for 2024 and 2025, where all nine districts reconcile exactly. Top: levied rates by tax year. Bottom: percentage change from 2012 to 2025. Bourbon County is the only district in the region whose levied rate is lower today than in 2012. Rates are levied rates, not revenue effort; see the House Bill 44 note in the text. Data archived as build/ky_levy_history_2012_2026.csv.

The four percent is a limit on revenue, not on the rate

That distinction decides an argument raised at every public meeting on this proposal, so it belongs in the record plainly. The district states that it takes the four percent option. The published rate has not risen. **Both statements can be true at the same time, and ordinarily are.** Under KRS 160.470 the board's benchmark each August is not last year's rate. It is the **compensating rate**, defined as the rate that raises the same dollars from existing property as the prior year. When assessments rise, that rate falls automatically, by the amount assessments rose. The four percent option is the compensating rate multiplied by 1.04. A board taking the full four percent every year, in a county whose property is appreciating, therefore publishes a falling rate while collecting more money. The table below works that math on this district's own figures: the fiscal 2025 certified assessment of $1,843,569,625 and the 41.0 General Fund cents in KDE's levied-rates file.

Assessment growth	Compensating rate	Four percent option	Rate raised four percent	Revenue, four percent option	Revenue, rate raised four percent	Recallable excess
0 percent	41.00	42.64	42.64	$7,860,981	$7,860,981	none
3 percent	39.81	41.40	42.64	$7,860,981	$8,096,810	$235,829
5 percent	39.05	**40.61**	42.64	$7,860,981	$8,254,030	$393,049
7 percent	38.32	39.85	42.64	$7,860,981	$8,411,250	$550,269

Rates in cents per $100 of assessed value, General Fund levy only, on the fiscal 2025 certified assessment of $1,843,569,625 at the 41.0-cent General Fund rate. Read the five percent row: the largest rate the board can levy without recall exposure is 40.61 cents, below the 41.0 it levies now, and it still collects four percent more revenue. Revenue from new construction sits outside the cap and is additional. A reading of KRS 160.470 and KRS 132.017, not legal advice.

Two consequences follow. First, **a flat or falling rate is not evidence either way**; arguing about the rate alone settles nothing. Second, **raising the rate four percent is a different act entirely from taking the four percent option**: last year's rate multiplied by 1.04, against five percent assessment growth, raises about 9.2 percent more revenue, and every dollar above the four percent ceiling is subject to a recall petition.

What Figure 16 measures, then, is not property markets: every board sets its rate each August against its own compensating rate, so assessment growth is netted out before any of them votes. What remains is the choice each board made. Eight boards facing the same statutory mechanism finished with more resources to compete with, and one did not. **A single document closes the remaining uncertainty**, and it is an outstanding records ask: for each of the last five years, the certified compensating rate set against the rate the board actually levied.

One movement in Figure 16 needs explaining. Bourbon's total levied rate rose 3.2 cents in tax year 2023, from 49.2 to 52.4, and has held there since. **That increase was not operating money:** KDE dates this board's recallable facilities nickel to August 17, 2023 and puts it at 5.7 cents, and a new 5.7-cent restricted levy inside a 3.2-cent net increase means the remainder of the rate fell about 2.5 cents the same year, roughly $477,000 a year of unrestricted revenue at this district's own $191,000 per cent. KDE does not publish the year-by-year rate-type split, so the 2.5 cents is an inference from the current file rather than a document, and the certified split by year is requested for precisely that reason. The direction, however, is not in doubt: the levy that rose in 2023 was money that cannot lawfully pay a teacher, and it rose in the same year the operating levy appears to have fallen.

Beyond the four percent: the recallable levy options

The four percent revenue growth is the most the board can collect without offering voters a veto. It is not the ceiling, and the rate is the real lever. Kentucky law (KRS 160.470) lets the board levy any rate, with the portion above four percent subject to a voter recall petition, and that is exactly how every neighboring district in Figure 16 climbed past Bourbon. Each option below is priced at Bourbon's own audited yield of about $191,000 per cent of rate: $7,829,060 of General Fund collections across the 41.0 General Fund cents in KDE's levied-rates file, real estate only, so the figures are conservative. The household cost is priced on the county's median owner-occupied home of $211,600 (Census ACS 2019-2023): each added cent costs that household $21.16 a year, about $1.76 a month. Vehicle rates are untouched; the homestead exemption shields about $46,000 of a senior homeowner's value, so most retirees pay less; farmland is assessed at agricultural value, not market; renters pay only what landlords pass through.

Option	New rate	Added cents	Median-home cost	New recurring revenue
Match Harrison County	57.7	+5.3	$112/yr ($9.35/mo)	about $1.01 million
Match the regional median (Fayette excluded)	60.3	+7.9	$167/yr ($13.93/mo)	about $1.51 million
Restore Bourbon's own 2018 rate	61.3	+8.9	$188/yr ($15.69/mo)	about $1.70 million
Match Clark County	65.5	+13.1	$277/yr ($23.10/mo)	about $2.50 million

Recallable levy options at Bourbon's own per-cent yield. Rates are 2025-26 levied real estate rates; the regional median is the median of the eight area districts with Fayette excluded. Every formula is live in the model's Tax_History tab, rows 70 to 91.

Restoring the rate this district itself levied in 2018 closes about two thirds of the structural gap on its own; matching Clark closes nearly all of it. And the sequencing is where the plan's own goal comes within reach. The first call on any new recurring money is closing the operating gap ($373,989 on the FY2026 trend) and ending the $1,320,939 capital-to-General-Fund sweep, $1,694,928 in all, because ending the sweep is what frees the restricted building stream to carry bonds. Restoring the 2018 rate raises $1,699,479, covering that requirement to within $4,551. The per-cent yield is verified against KDE's own levied-rate file: the district's 41.0-cent General Fund share of the real rate (the printed 52.4 cents minus the two 5.7-cent building nickels) on its $7,829,060 of audited General Fund property collections gives $190,953 per cent, and 8.9 cents gives $1,699,479 to the dollar. The rate this board itself levied eight years ago is, almost to the dollar, the make-the-General-Fund-stand-alone rate. Once the General Fund stands alone, the nickel residual carries the $14 million renovation, the restricted capacity becomes genuinely pledgeable, and the phasing-in nickel equalization adds about $3.6 million more: roughly $35.6 million of construction capacity, a figure the district's own advisor corroborated in June 2026 by rating current capacity at $32 million on the same restricted stream, for $15.69 a month on the median home, without pledging a cent of the new levy to a bond and without closing anything. Pledged straight to construction instead, the four options carry about $13.2, $19.6, $22.1, and $32.5 million at the model's 4.5 percent, 20-year assumption. The Harrison and median options are honest partial steps; they leave about $680,000 and $190,000 a year still to find from the alternatives menu before the sweep can end.

None of this is a recommendation of a particular number, and none of it is counted in the alternatives package of Section 10. The point is narrower: a menu of options exists between cut nothing and close a school, every one of them prices out larger than the most generous closure estimate, and every one of them carries a built-in democratic check. **A levy above four percent can be recalled by the voters it taxes. A closed school cannot be recalled by the children it displaces.** This community was offered that veto twice on the facilities nickels and twice declined to use it. It has never been offered the same vote on the operating levy that pays teachers. And the recall record next door is thin: across the eight neighboring districts in the last ten years, voters have turned down exactly one school tax, Bath County's building nickel, in November 2024 and again in January 2025, and no neighbor has lost an operating rate to a recall in that decade. Statewide, Marion County voters upheld their board's nickel 54 to 46 in 2015.

11. The Decision, and the Four Asks

The decision before the Board is often framed as closure versus no closure. That is the wrong frame: the deficit is a districtwide problem, and North Middletown, whose realistic closure saving covers under a quarter of the gap, did not cause it. The real question is which full operating plan gives the best five-year result, and there are at least three on the table. The comparison below is an illustration built on this report's stated assumptions, not a forecast; the workbook's Scenarios tab carries the math, one-time closure transition costs (unpublished) are not included, and two yardsticks run throughout this report: coverage percentages against the $2.65 million operating gap before transfers, balance projections against the roughly $1.15 million net drawdown after transfers.

Plan	Recurring impact, year 3	Projected FY2029 balance	What it requires
1. Districtwide status quo (change nothing)	None	Fully drawn down	No decisions; the districtwide drawdown simply continues, with or without North Middletown
2. Close NMES and consolidate	-$591,545 to +$484,582 (median: LOSES $20,007)	Median: gone sooner than status quo; best case $1.2M	Closure vote; the median scenario loses money; longer rides; enrollment-loss risk
3. Districtwide recovery plan (menu plus 2018 restore)	$2.5-$3.0 million a year	About $4.3 million or better	Revenue votes, administrative rollback, boundary action and HB 563 recruitment, implementation discipline; every school stays open

Three complete plans, compared on the same assumptions. At the closure grid's median, Plan 2 drains reserves faster than doing nothing; only its best case buys a meaningful cushion, and 55 percent of its scenarios lose money outright. Plan 3 restores balance while keeping every school open, and rebalancing and growing North Middletown ($56,000 to $116,000 a year, Section 10) is one line inside its menu. Scenarios and Runway tabs of the companion workbook.

The four asks, in full

One: keep the school Permanent in the facility plan with its capital needs at lower priority; a plan commits no money, Priority 2 exists for exactly this, and the Transitional label saves nothing while foreclosing state facilities eligibility, major renovation, and replacement. **Two:** give the school and community the four years to the next facility plan for a measured enrollment push, against public targets set with the board, and judge it on results; the tools are options to weigh, a themed academy in arts, technology, or agriculture and outdoor sciences, or a donor-funded promise scholarship that pays every North Middletown graduate toward college, trade school, or any certification. **Three:** let the school and community raise grant-based and private funds, with donated services, for the building's critical needs, at no cost to the district. **Four:** state publicly that the district will work to grow this school, because uncertainty is its own enrollment killer and a sentence of commitment gives existing and future families the confidence to enroll. The honesty behind these asks is already in the district's books: if staff are reassigned rather than cut, a closure frees the $79,211 of building costs in its own ledger, and the restricted renovation money is capped by enrollment regardless, a ceiling that rises with every recruited student. A closed school cannot be recalled by the children it displaces; a growth plan can be measured, every year, by everyone.

The ask, plainly stated: the community requests that the Board of Education pause any vote on the facility plan, or on the future of North Middletown Elementary, until the closure worksheet, with both sides of the ledger, is published and the four asks are answered in writing and in public. A pause is fully within the Board's power: boards control their own agendas, a resolution deferring adoption of the plan requires only a majority, and if the four-year planning deadline presses, the governing regulation (702 KAR 4:180) allows a district to request a waiver or extension from the Kentucky Department of Education, relief the Department has granted other districts. Nothing in state law forces a rushed decision.

Before any Board action on the facility plan

- Adopt a formal Board position that closure is a last resort, to be considered only after the closure worksheet is published with its downside and the alternatives in Section 10 have been costed.
- Decline to adopt any facility plan carrying a “transitional” designation for North Middletown until the net-savings worksheet, the complete KFICS assessment behind the July slides, the 2024 bond project applications (the BG-1s behind the already-public high school roof and audio-system purpose), and the school-level climate-and-safety survey results are public.

- A working threshold for the Board: if documented net recurring General Fund savings fall below roughly $400,000 to $500,000 a year, less than a third of the $1.7 million that restoring the 2018 rate raises without closing a school, closure fails on its own financial terms.
- Face the levy each August with the rate on the table, not just the revenue formula: restoring the board's own 2018 rate raises about $1.7 million a year, and Bourbon would still tax below five of its eight neighbors. Adopt it or reject it, but decide on the record, alongside the spending decisions, because standing idle is the one answer we rule out.

Over the next twelve months

- Pursue the low-harm levers first: the collections-gap reconciliation, the levy decision at the September tax setting with the 2018 restore priced on the table, transportation routing, attrition-based staffing, and an administrative cost review, with quarterly public reporting against a target of cutting the operating deficit from $2.6 million to under $1.5 million by fiscal 2027 and under $800,000 by fiscal 2028.
- Set up a North Middletown sustainability committee, district, city, parents, and business, to design the signature program, community uses of the building, and a transfer-in program for the 2027-28 school year.
- Give that plan a real test: the published ladder of targets: 145 at the fall 2027 count, 160 by 2028, 180 by 2029, 198 by 2030, and quarterly reporting against it. If the community's plan misses its own number, the conversation changes; if it hits, the question is settled. Either way, the decision will have been earned rather than assumed.

If consolidation is ever revisited

- Require an independent review of the savings estimate, a receiving-school capacity study, and a student transition plan, and cost grade reconfiguration (for example, a primary center at North Middletown) as the explicit alternative to outright closure.

The district holds about $4.3 million in General Fund balance and is drawing it down at $1.1 to $1.2 million a year: a serious problem, and roughly three budget cycles in which to fix it properly. Closing the county's best elementary school, in the town that would lose the most, on the strength of an unpublished number, would be a permanent answer to a solvable problem. The record is now settled by the district's own July 2026 records response: asked for any cost-benefit analysis, enrollment study, capacity study, feasibility study, transportation study, or document evaluating the future use of NMES, the district answered N/A to every one. The analyses do not exist. Before any vote, the Board should require the administration to create them and compare closure against complete keep-open and districtwide recovery plans. Revenue or reductions, the Board must choose one and own it; standing still simply spends the reserves and settles nothing. Pause the vote. Create the analysis the records response says does not exist.

Notes on the Data

We built this report from public records and Open Records Requests only, and we want it held to that standard. The audited figures come from the district's financial statements for the years ended June 30, 2024 and June 30, 2025, both of which carry clean opinions. The multi-year score series in Figure 1 is SchoolDigger's normalized 0-100 rendering of state test data, a consistent yardstick across years but not KDE's official rating; where this report says first in every tested subject, that is the state's own 2024-25 assessment file, archived in the repository, and the underlying state assessments changed in 2012 and again in 2021-22. Demographic figures come from the U.S. Census Bureau, the Kentucky State Data Center, and the county's Envision 2040 plan. Enrollment counts from 1989 through 2014 are compiled from federal data by PublicSchoolReview; the 2015 through 2025 counts match the federal figures directly. Every dollar range labeled an estimate is ours, its assumptions are stated where it appears, and every one of them is adjustable in the companion workbook. The boundary rebalancing scenario in the appendix is simple math on the cited enrollment counts, not a routing study; the transportation estimates beside it use the official federal zone boundaries (SABS, 2015-16), a highway distance, and labeled cost-per-mile bands, and the district's annual T-1 transportation report would replace the cost inputs.

A few items in the record need the district, not us, to resolve. The real-estate tax rate appears three ways in public records, as 52.4, 54.2, and 54.7 cents; that confusion is resolved in Section 10: 52.4 cents is the levied rate, 54.2 a transposition typo, 54.7 the motor vehicle rate. The cent split (41.0 General Fund plus two 5.7 nickels) and the levied rate type by year are now settled from KDE's own files, archived in this repository; still open is the pre-2018 rate history, in state files the district can produce. The 2013R bond figures are internally inconsistent as printed. The 2024 bond's stated purpose is now on the public record through the state's June 2024 bond disclosure (high school roof and a districtwide audio system); the 2023 issue's project detail and both years' BG-1 applications are still open. The school-level climate and safety survey results were not publicly retrievable. And the enrollment count itself: federal data show 128, public statements have said around 100, and a 118 figure appears in no official record we could find. Reported free and reduced-price meal shares for the school range from roughly 76 to 93 percent across federal and state sources. The recollection in Section 6 of an earlier transitional episode is Dr. Bradley's, from personal discussions with Dr. Bradley's father, who served as mayor of North Middletown; it is offered as memory, and the pre-2021 planning records that would confirm it remain a public-records request away. One more for the record: the fiscal 2025 audit misprints the prior year's attendance as 2,278.527; the correct figure, 2,278.537, comes from the fiscal 2024 audit itself.

We prepared this report ourselves, a group of volunteers from the NMES community, with Claude, an AI research assistant from Anthropic, doing the digging alongside us, and we disclose that on purpose: check our work. Every figure traces to a source below, and every school and district named is the Kentucky one. Cautions on pension allocations inside expense lines, one-time swings, single-year score noise, and the tax cost of the levy option sit beside the numbers they qualify. The Kings mascot and the blue and white of these pages are the school's own. This report criticizes decisions and asks for documents. It attributes no motive and alleges no wrongdoing to the superintendent, the finance office, the Board, or any member of the planning committee, and nothing in it should be read otherwise.

Version history. Every version stays public at github.com/ryanuspsagm/SaveNMES, with the line-by-line record of every change to the report, model, and website. The changes in each release:

Version 4.5, August 2. Both scenario grids now carry explicit lever distributions: triangular 1-2-1 weights where the record pins a central setting, uniform where it does not (teachers cut, families leaving, the enrollment target). The published closure median moved from a $21,971 to a $17,982 yearly loss (54 percent losing money) and the growth median from $140,331 to $141,780; the ranges are unchanged and no conclusion moved. The middle half of each grid is now published beside its range. The Kentucky elementary average on the cost chart was extended back to 2012 from the same state files as the school lines. The kindergartner lifetime-funding range tightened to $67,000-$76,000 with add-ons counted at both ends. The district's $661,139 claim is now reconciled block by block against the school's General Fund budget. A review round the same day: both website calculators now state only the percentile their settings reflect, the growth calculator opens at the weighted median itself (30 added students, $141,780), the decision panel shows the three default scenarios side by side, the leaving-cost escalation is charted year by year, and the website cost chart starts at 2014 because the 2013 file carries the one-time renovation charge. The growth plan itself became a calculator (levers, raise, bonds and building capacity, on the model's own bases), the closure calculator prices any loss in cents of tax rate and dollars a month for the median homeowner, and the scenario bars became percentile scales with a live marker tied to the calculators. A MUNIS pass followed: the district's own 203-page Cost by ORG transaction ledger, archived here, replaced the working-budget line items everywhere they appeared; the parse reproduces the ledger's own org totals to the penny, the school's General Fund actuals ($933,537) land within 0.55 percent of the budget ($938,690), the fixed-position lever re-based to $214,104, and the closure median moved to a $20,007 yearly loss with the ceiling at $484,582. Two more changes the same day: FIRST, a correction. The plan's enrollment lever had been published at $1.1 to $3.3 million a year, unsupported by the model's own Move 2 rows ($260,000 to $530,000); the corrected band now governs, the low-end plan clears the gap only with the full restore (about $71,000 to spare on the basis then in use; the final basis and figures follow later in this note), the top ends fund the 5 percent raise and about $4.9 million of new bonds, and the earlier 10-percent-raise and $52 million claims are withdrawn. SECOND, the district's advisor's June 2026 bonding presentation was archived and now anchors the capacity claims: $32 million of capacity, $126,250 of expiring SFCC offers, and about $20,000 of capacity lost per departing student, by its own sensitivity. The Fayette comparison was aligned to the same fiscal year 2025 on both sides, then moved from Fayette's budget book to its audited statements (a 5.7-cent gap per General Fund dollar against Bourbon's 9.1, both audited, same measure), and the state's own SEEK files were archived to verify the 2,174.3 forecast independently of the advisor. The district's July 2026 records response was then received and archived: it produced the ledger, budgets, salary schedules, bus routes, and planning records this report now cites, and answered N/A to any cost-benefit, enrollment, capacity, feasibility, or transportation analysis and any document evaluating the school's future; the report's publish-the-worksheet asks were rewritten as that finding, and the money section was rebuilt as a plain ledger walk from the $1,285,310 all-funds total. The report was then restructured to follow the website's flow end to end: Part One the case against closing, Part Two the growth plan, ending on the asks. The twelve-questions section and the Open Records appendix were removed (their requests live on in the asks and the named records gaps), and the process record, the building assessment, and the transportation and rebalancing analyses moved to an appendix of other supporting data. A later round re-based the plan calculator twice over: the enrollment lever now prices recovered leakage students directly, zero to 550 at $4,226 each, and the plan is measured against the trending fiscal 2026 gap, $1,738,653 on the district's own June 2026 year-end ledger, beside the audited fiscal 2025 gap of $2,648,086 it improves on. The same round added the family survey to the website, made the leakage picture district-specific (236 students in Bourbon's own homeschool files at $4,226 each, about $1.0 million a year; a net import of 189 on public-school transfers), re-derived the county leakage band at the symmetric $4,226 cell ($1.9 to $2.3 million, from $2.1 to $2.3 million), added the audited reserve comparison to the Fayette card (Bourbon 14.7 cents of fund balance per dollar spent, Fayette 4.1), and re-labeled every SEEK figure as funded attendance rather than students, since SEEK pays on attendance, not enrollment. On review, the plan calculator's default moved from zero recovery to the central case, half the measured pool (275 students, a $1,882,976 default surplus); the zero-recovery floor stays published beside it. On a further review the leakage pool was restated specific to Bourbon County Schools and now includes residents enrolled in other districts alongside homeschool and private school: the two documented counts alone, 236 homeschool filings and 247 students enrolled elsewhere, reach 483, so the 450 to 550 band and its $1.9 to $2.3 million pricing are unchanged and conservative, and the net-import framing was retired. An adversarial audit round then ran across all four artifacts and corrected five published figures: Eminence Independent's growth is 35 percent (733 to 991), not 37, and the matching decade decline at Bourbon County Schools is 10 percent, not 13; the bus-route trim of $146,000 to $291,000 is 5 to 10 percent of the audited $2.9 million fiscal 2025 transportation line, which the prose had understated as $2.7 million; the carried state funding of the school's 128 students is $6.2 to $6.9 million on their actual grade counts (1,339 student-years at $4,626 to $5,126), replacing an unreproducible $5.6 to $7.4 million band; the 30-percent-leaving loss is 87 percent of the best-case closure saving, not 86; and the site's escalation chart now uses the same whole-student convention as its table. The supplies asymmetry between the two grids is now disclosed with its sensitivity (leavers priced net of supplies move the closure median to a $5,305 loss; no conclusion changes), and the workbook was swept for stale prior-version figures. The same round corrected the report's per-hundred staffing ratio (4.3 fixed positions, not 5.0, on the school's own 128 count), restated the measured fixed base on the MUNIS ledger ($244,263 and $293,316, beside the budget-view $227,831 and $276,928), replaced the stale one-documented-year rate-type sentence with KDE's own five-of-twelve levied-type record, re-derived the hold-the-2012-rate figure at $573,000, updated Clark County to its current 65.5 cents, corrected the General Fund share of an $85,000 position to about $66,860, disclosed the growth calculator's 110 base beside the official 128, and repaired cross-references left by the removed sections. Three deep-dive sections then came out at the community's direction, the 300-student-breakeven reconstruction, the $14 million plan walk, and the June 2026 capital-transfer decomposition, with their key facts kept in Sections 4 and 8 and the full math in the workbook, and the revenue ask was re-anchored on restoring the 2018 rate, still below five of the eight neighbors, rather than on the four percent revenue option. A condensation pass closed the release: the opening was rewritten to mirror the executive summary document, the back matter was retitled Supporting Data and Appendices, duplicated passages were removed, and the report was tightened from 60 to 50 pages with every figure and table retained. A reader correction after release: St. Mary in Paris had been called the county's sole private school; Bourbon Christian Academy in Millersburg (K-12, founded 2002, grown from a homeschool group) is the second, absent from the voluntary federal survey that sourced the claim, and its uncounted students only make the 450 to 550 pool more conservative. In the same review round, the pool's headline pricing moved to the undiscounted $4,626 SEEK base, $2.1 to $2.5 million a year the district is not collecting, since forgone revenue is the full check; the net-of-supplies $1.9 to $2.3 million stays published in Section 10, and the plan calculator still credits recovered students only at $4,226.

Version 4.4, August 1. The growth model rebuilt on the district's own standards: the first 25 added students fill seats already open at its own Appendix B class caps, teachers are hired per full new class at a selectable pace (1 per 18, 21, or 24, each a real classroom count), support staff rides its own lever, and state add-ons run the same legs as the closure grid. Growth now pays in all 19,683 scenarios, median $140,331. The leaving-cost table added the full-effect and thirteen-year lifetime figures. The alternatives menu dropped Medicaid (v4.2) and shared services, and its band is published raw, $1.4 to $2.3 million, with no haircut. The asks grew to five, with a promise-scholarship option and the committee volunteers named. The 2011 National Blue Ribbon designation was added from the federal list. The transformative check was published: at the plan's low ends a 5 percent certified raise and about $23 million of building capacity; at the top ends a 10 percent raise and roughly $52 million.

Version 4.2, August 1. The closure grid rebuilt on the district's own 48-page response: its own $107,039 worksheet and $20,000 insurance figure, its own $54,479.40 fully loaded staffing price, a teacher lever running to three positions on its own classroom-capacity appendix, and leakage priced to 50 percent. The median outcome flipped to a $21,971 yearly LOSS across 5,832 scenarios, with 55 percent losing money. The prior published figures were this report's own estimates; the district's own paperwork replaced them.

Versions 4.0 and 4.1, July 31. The report restructured around the two cases and the choice; the executive summary added; the Millersburg case study kept while the cohort-leakage claim was withdrawn; the four asks revised.

Version 3.9, July 29. The district's ledger published and the grid rebuilt on measured fixed lines ($58,774 reassigned, $227,831 mothballed, $276,928 sold). Ten corrections ran in this release, five against this report's own case, including withdrawing an unsourced marginal-cost estimate, re-basing the breakeven range at 54 to 69 students, capping the out-of-system share at 13 to 15 percent, and narrowing the website calculator to the grid it cites. The published median fell from $91,240 to $21,571 and the negative share rose from 29 to 45 percent.

Versions 2.6 through 3.8, July 20 to 26. The bonding story and transport geography (2.6); the June 2026 capital transfer decomposed (2.7); two-tailed closure economics (3.0); building condition from every KFICS report (3.1); the recruitment pool measured (3.2); thirty years of Kentucky rural closures tested (3.3) and the full 163-event distribution (3.4); a correction release from this report's own adversarial audit (3.5); fourteen years of levies across nine districts (3.6); the recallable levy options priced (3.7); and the fill package charged for new sections alongside the 25-year cost record (3.8).

Corrections policy: errors identified in this report will be corrected publicly and promptly, and each corrected version will carry a new version number and date. Every version, and the line-by-line history of every change to the report, model and website, is archived at github.com/ryanuspsagm/SaveNMES. Send corrections, with the source that supports them, to ryanuspsagm@gmail.com. The same standard is asked of the district: its July 2026 records response answered N/A to any closure analysis, so if this report's numbers are wrong, creating and publishing the analysis is the fastest way to show it.

Sources

1. Bourbon County School District, Audited Financial Statements, year ended June 30, 2024 (Summers, McCrary and Sparks, PSC), posted by the Kentucky Department of Education: education.ky.gov/districts/FinRept/Documents/FY2023-2024 FA Bourbon Co.pdf

2. Bourbon County School District, Audited Financial Statements, year ended June 30, 2025, posted by the Kentucky Department of Education: education.ky.gov/districts/FinRept/Documents/FY2024-2025 FA Bourbon Co Rev.pdf

3. Kentucky School Report Card, school-level per-pupil expenditure data (2023-24) and assessment and accountability datasets (2021-22 through 2024-25), Kentucky Department of Education: kyschoolreportcard.com; education.ky.gov/Open-House

4. SchoolDigger, normalized 0-100 school test-score histories and statewide rankings built from Kentucky Department of Education assessment data: schooldigger.com (used for Figures 1 and 2 and the statewide ranks; not KDE's official rating)

5. Kentucky Department of Education, School Report Card assessment dataset, 2024-25 Kentucky Summative Assessments, school-level, all students: kyschoolreportcard.com datasets; the rows for the four Bourbon County elementary schools and the statewide elementary averages are archived in this repository as build/kde_ksa_2024_25.json

6. Kentucky Department of Education, historical School Report Card datasets, 2011-12 through 2023-24: accountability achievement and profile files (education.ky.gov/Open-House/data/HistoricalDatasets) and, for 2017-18 and 2018-19, Wayback Machine captures of KDE's retired openhouse download endpoint; the multi-year extract for the four county elementary schools, with the SchoolDigger validation results, is archived in this repository as build/kde_scores_history.json

7. Bourbon County Schools District Facility Plan, approved by the Kentucky Board of Education, August 2021: education.ky.gov/districts/fac/documents/bourbon co dfp.pdf (archived in this repository as build/dfp_current.pdf)

8. Bourbon County Schools District Facilities Plan, approved by the Kentucky Board of Education, June 2013, recovered from the Internet Archive's Wayback Machine captures of the same KDE address (24 captures, 2015-2025): web.archive.org; excerpt archived in this repository as build/dfp_2013_excerpt.png with provenance in build/dfp_manifest.json

9. Bourbon County Schools District Facility Plan, 2026 planning-cycle draft as presented at the July 15, 2026 Local Planning Committee forum, before the committee's amendment (KDE approval date listed TBD); annotated attendee copy archived in this repository as build/dfp_2026_draft_excerpt.png with provenance in build/dfp_manifest.json

10. 702 KAR 4:180, Kentucky School Facilities Planning Manual; 702 KAR 4:160, Capital Construction Process: apps.legislature.ky.gov/law/kar/titles/702/004

11. Kentucky Revised Statutes 160.470 and 132.017 (school property-tax rates); 157.350 (nonresident students); 157.420 and 157.440 (capital outlay and building funds); 157.360 (class-size caps); 157.622 (SFCC offers of assistance)

12. Kentucky Department of Education, SEEK funding files and Local District Tax Levies: education.ky.gov/districts/SEEK and education.ky.gov (Taxes)

13. Kentucky Department of Revenue, 2025 Property Tax Rate Book

14. School Facilities Construction Commission, bond participation and refunding policies: sfcc.ky.gov; SFCC Bond Payee Disclosure for the Series of 2024 bonds and the Capital Projects and Bond Oversight Committee minutes of June 20, 2024, Kentucky Legislative Research Commission (both archived in this repository under build/)

15. Municipal Securities Rulemaking Board, EMMA disclosure database (Bourbon County School District Finance Corporation): emma.msrb.org

16. National Center for Education Statistics, Common Core of Data, Bourbon County district and school files (district 2100540; school 210054000096): nces.ed.gov/ccd

17. Kentucky Center for Economic Policy, analyses of the 2026-2028 state budget and SEEK funding: kypolicy.org; Kentucky Lantern, “Schools get increase but transportation funding still flat,” February 25, 2026

18. Research for Action, Revisiting Research on School Closings: Key Learnings for District and Community Leaders (2024)

19. Howley, C., Johnson, J., and Petrie, J., Consolidation of Schools and Districts: What the Research Says and What It Means, National Education Policy Center (2011)

20. Kim, J., The Long Shadow of School Closures, Annenberg Institute EdWorkingPaper 24-963 (2024); analysis of Vermont Act 46 consolidation outcomes (2024)

21. WKYT-TV, “Residents and alumni defend small town school from closure in Bourbon County,” July 16, 2026, and “Community meeting planned for Bourbon Co. elementary school in danger of closing,” July 17, 2026

22. WKYT-TV and FOX 56 News, coverage of the Bath County nickel-tax votes, November 2024 and January 15, 2025 (the only school tax defeated by voters in any of the eight neighboring districts in the last ten years)

23. FOX 56 News, coverage of the Bourbon County facility-planning meetings, July 2026; The Bourbon County Citizen, July 9 and July 16, 2026

24. Bourbon County Schools, Comprehensive District Improvement Plan executive summary, 2024-25 (career-technical center and community-college partnership plans); district salary schedules as adopted by the Board of Education

25. Kentucky Teacher (Kentucky Department of Education), “Blue Ribbon school shares keys to success,” November 2011, North Middletown Elementary's 2011 National Blue Ribbon designation: kentuckyteacher.org

26. Kentucky Department of Education, Non-Resident Student Policy guidance under House Bill 563 (2021) and KRS 157.350: education.ky.gov/districts/enrol

27. KRS 157.370 and 702 KAR 3:270 (SEEK transportation add-on, calculated on transported pupils per square mile); Kentucky Association of School Superintendents on the funding history: kysupts.org; 2024-2026 Kentucky budget (HB 6) restoring pupil transportation to 90 and then 100 percent of formula, as reported by LINK nky and Kentucky Public Radio, 2024

28. Fayette County Public Schools, school rezoning working groups and boundary maps: fcps.net/zones; Jefferson County Public Schools, assignment boundary documents: jefferson.kyschools.us

29. Boston Public Schools bus-route optimization (Bertsimas, Delarue, and Martin, MIT Operations Research Center, 2017): 20 percent route efficiency, 50 buses cut, about $5 million saved in year one; MIT Sloan, Route Fifty, The 74, and U.S. DOT ITS case documentation

30. National Center for Education Statistics, School Attendance Boundary Survey 2015-16 (district attendance-zone GIS files) and EDGE geocoded school locations: nces.ed.gov/programs/edge

31. U.S. Census Bureau, 2020 decennial counts and land area: Bourbon County (289.7 land square miles), Paris (10,171), Millersburg (747), North Middletown (610); U.S. Route 460 mileage, North Middletown to Paris

32. Chicago Sun-Times and WBEZ, analysis of the 2013 Chicago school closings, June 2023; University of Chicago Consortium on School Research, School Closings in Chicago (2018)

33. The Pew Charitable Trusts, Shuttered Public Schools: The Struggle to Bring Old Buildings New Life (2013)

34. Charleston Gazette, “Closing Costs” series on West Virginia school consolidation (2002); West Virginia Public Broadcasting, “School Consolidation Failed to Live Up to Its Promises” (2015)

35. Miller, G., Evaluating the Impact of School District Mergers in Vermont, Yale University (2024; undergraduate economics thesis)

36. Pearman, F., The Fiscal Consequences of School Closures in California, Stanford University / Getting Down to Facts (2026), as summarized in Education Next and Education Week

37. Lyson, T., “What Does a School Mean to a Community?” Journal of Research in Rural Education 17(3), 2002

38. Sell, R., Leistritz, F., and Thompson, J., Socio-Economic Impacts of School Consolidation on Host and Vacated Communities, North Dakota State University, Agricultural Economics Report No. 347 (1996)

39. Oncescu, J., and Giles, A., on the community impacts of a rural school closure (Limerick, Saskatchewan), Leisure/Loisir 36(2), 2012

40. Smith and Zimmer, The Impacts of School District Consolidation on Rural Communities, Annenberg Institute at Brown University, EdWorkingPaper 22-530 (2022)

41. Campbellsville University, Excellence in Teaching Award announcements (2014 and 2017 Bourbon County honorees); Bourbon County Schools staff directory (current NMES principal)

42. NCES school-level enrollment history for North Middletown Elementary, 1988-89 through 2024-25 (as compiled by PublicSchoolReview); NCES CCD school detail, 2024-25 official count

43. U.S. Census Bureau, decennial counts and population estimates for Bourbon County, Kentucky (via FRED series KYBOUR7POP)

44. Kentucky State Data Center (University of Louisville), Kentucky Population and Household Projections 2025-2050 (June 2026), as summarized by the Kentucky Association of Counties

45. Bourbon County, Kentucky, Envision 2040 Comprehensive Plan (population projection and land-use analysis)

46. Kentucky Department of Revenue, Kentucky Property Tax Rates books, 2024 and 2025 editions (school district lines, including Bourbon County 009007 and area districts); 2018-2022 rates from prior-year editions

47. KRS 160.470 (school district tax rate limits, hearing, and the four percent revenue option); KRS 160.473

48. Winchester Sun, Clark County Board of Education tax rate adoption (September 2024); Lexington Herald-Leader coverage of the Fayette County Public Schools 2024-25 rate

49. Kentucky Department of Education, Local District Tax Levies files, SEEK Taxes page (rate type by year; cited as an open records item)

50. KRS 132.010 (definition of the compensating rate) and KRS 132.017 (petition and recall of a tax rate producing more than four percent additional revenue), the two statutes behind the rate-versus-revenue table in Section 10

51. Kentucky Department of Education, Nickel Levy Chart (March 2024), dating each district's facilities and recallable nickels, including Bourbon County's August 17, 2023 recallable levy; and KDE SEEK payment schedules FY2025 through FY2027 for the equalization phase-in on that nickel

52. Bourbon County Schools, Annual Financial Report and audit, fiscal 2025 (certified real and personal property assessment of $1,843,569,625 and General Fund property tax collections of $7,829,060; General Fund revenues $26,449,318, expenditures $29,097,404, and an ending fund balance of $4,290,840), archived in this repository as build/bourbon_audit_fy2025.pdf

53. Robert W. Baird and Co., Bonding Capacity Presentation to the Bourbon County Schools Local Planning Committee, June 2026 ($32 million current capacity from $3,252,893 of FY2027 bondable restricted revenues; sensitivities and the outstanding debt schedule), archived in this repository as build/baird_lpc_june2026.pdf

54. Fayette County School District, Financial Statements and Reports Required by the Single Audit Act, fiscal year ended June 30, 2025 (General Fund revenues $646,441,427, expenditures $685,348,803, a $38,907,376 gap before transfers; fund balance $43.3 million to $28.4 million), archived in this repository as build/fcps_audit_fy2025.pdf; its Tentative Budget 2025-26 (General Fund $715,685,019; beginning balances $91.6 million, $82.5 million, $42 million), archived as build/fcps_tentative_budget_2025_26.pdf

55. Kentucky Department of Education, SEEK calculation files: FY2026-2027 SEEK Forecast Data (May 6, 2026; Bourbon County AADA plus growth 2,174.3, assessment $2,400,209,505) and FY2025-2026 SEEK Final Data (February 27, 2026; AADA plus growth 2,222.755), archived in this repository as build/seek_forecast_2026_27_data.xlsx and build/seek_final_2025_26_data.xlsx with the extract build/seek_aada_series.json

56. Bourbon County Schools MUNIS general ledger, Cost by ORG transaction detail, fiscal 2026, archived in this repository as build/munis_cost_by_org_fy2026.pdf with the reproducible extractor build/munis_extract.py

57. Kentucky school-level spending files behind the cost-history chart, 2013-14 through 2024-25, archived in this repository (SPENDING_PER_STUDENT and Kentucky Report Card financial transparency files; statewide elementary averages in build/ky_elem_spending_2012_2017.json), with the reproducible extractor build/cost_history.py

58. Kentucky Department of Education assessment files behind the science, social studies and writing score series, 2017-18 through 2024-25, extracted with sources and suppression flags to build/kde_subjects_history.json

59. Bourbon County Schools, index of records fulfilled in response to the July 2026 open records requests (received July 20-21, 2026; N/A answers for any cost-benefit, enrollment, capacity, feasibility, or transportation analysis and any document evaluating the future use of NMES), archived in this repository as build/records_fulfilled_2026_07.pdf

Appendix A: Plain-Language Glossary

ADA (Average Daily Attendance)	The average number of students actually present each day; the main driver of state funding.
BG-1	The state form that authorizes a school construction project's scope and budget.
Bond / debt service	Borrowing for buildings, and the annual principal-and-interest payments that repay it.
Bonding potential / capacity	The new building debt a district's restricted revenues can support, as computed by KDE; built from the capital outlay and nickel streams, minus existing debt service. See Section 8.
Capital outlay	A state allotment restricted to buildings and equipment; it cannot pay salaries.
Compensating rate	The property-tax rate that produces the same revenue as the year before.
Contingency	The required budget cushion; Kentucky law sets a two-percent minimum.
DFP (District Facility Plan)	The state-approved four-year plan listing every building's status and capital priorities.
ESSER	Federal pandemic relief for schools (Elementary and Secondary School Emergency Relief), now expired.
Finance Corporation	The legal entity, with the same members as the Board, that issues a district's bonds.
4% rate (KRS 160.470)	The state law allowing a board to collect up to four percent more property-tax revenue each year without a recall election.
FRPL	Free and reduced-price lunch eligibility; a standard measure of student poverty.
FSPK / the "nickel"	A restricted building tax (five cents per $100 of property value) that funds facilities and bond payments.
Fund balance / unassigned	The district's accumulated reserves; the unassigned portion is not committed to any purpose.
General Fund	The district's main operating account, salaries, utilities, and daily costs.
Hold-harmless	A temporary rule that let districts keep pandemic-era funding based on older, higher attendance.
KDE / KBE	The Kentucky Department of Education and the Kentucky Board of Education, which must approve facility plans.
KSA	The Kentucky Summative Assessment, the state tests behind school accountability scores.
LPC (Local Planning Committee)	The citizen-and-staff committee that drafts the facility plan; it recommends, but cannot close a school.
Official statement	A bond's public prospectus describing its purpose, projects, and repayment terms.
On-behalf payments	Pension and benefit costs the state pays directly for district employees, shown in the audit as both revenue and expense.
SEEK	Support Education Excellence in Kentucky, the state's per-student funding formula ($4,586 base in fiscal 2026, rising to $4,626 in fiscal 2027).
SFCC	The School Facilities Construction Commission, a state body that pays part of qualifying school-construction debt.
Tier I	An optional layer of local tax effort that the state partially matches.
Title I	Federal funding for schools serving many low-income students.
"Transitional" center	A facility-plan label meaning a school is slated for possible consolidation; a classification, not a closure.
702 KAR 4:180	The state regulation governing facility planning and the school-closure process.

Appendix B: Other Supporting Data

Analysis that supports Parts One and Two but sits outside the website's flow: the process record, the building itself, and the transportation and rebalancing work. Everything here is sourced the same way as the body and reproduced in the companion workbook.

Where things stand: the decision and the process

Date (2026)	Event
Early July	As the district develops its four-year District Facility Plan, word spreads that closure of North Middletown Elementary is under discussion. North Middletown Mayor Jeff McFarland calls closure “possible and maybe even a probable outcome,” and notes that “the past several years, North Middletown has been right at the top of the county” on state testing.
July 9	First Local Planning Committee public session; community concern grows.
July 15	Second committee session and public forum at Bourbon County High School. Roughly 100 supporters attend; a 30-minute forum runs about an hour and a half. Afterward the committee votes to classify the school as “transitional” rather than “permanent,” allowing a draft facility plan to be prepared without it. The committee can only recommend; it cannot close a school.
July 15-16	Superintendent Larry Begley states the school serves about 100 students (federal records show 128), that keeping it open “cost over a million dollars last school year,” and that “the decision is not final.”
July 23	Community meeting set for 6:30 p.m. at the North Middletown Community Center, next to the fire department on Church Street; students and alumni invited to write letters of support.
July 29	Next Local Planning Committee public forum on the draft facility plan.

Figure 17. Timeline of the North Middletown Elementary decision, compiled from local reporting (WKYT; FOX 56; The Bourbon County Citizen), July 2026.

The remaining process is set by state regulation (702 KAR 4:180 and the Kentucky School Facilities Planning Manual). After the committee finishes its draft, the plan goes to the Kentucky Department of Education for review, returns to the committee for a vote, must be adopted by the local Board of Education, is subject to a formal public hearing, and finally requires approval by the Kentucky Board of Education. A “transitional” label in a facility plan is a planning classification, not a closure: no school closes unless and until the elected local Board votes to close it. Each of those steps is a point at which Board members and the public can insist on the documentation this report describes, and at which written objections become part of the official record that goes to Frankfort.

The North Middletown building itself

If the closure case rests on the building, the record so far does not support it. The school's sections date to 1948, 1963, and 1964, an older building, like much of the district. The state-approved District Facility Plan (adopted with Kentucky Board of Education approval in 2021) classifies North Middletown as a **permanent** kindergarten-through-five center with a capacity of 174, comfortably above its current 128 students. That plan, archived in this repository alongside its predecessor, prices the school's needs plainly: $317,660 of life-safety work, a $325,000 accessibility ramp and elevator, and a $3.62 million major renovation of the building's mechanical, electrical, and plumbing systems, about $4.26 million in all. The life-safety and accessibility items, $642,660 together, sit within the 2022-24 biennium schedule; the $3.62 million major renovation is scheduled **after** it. The biennium's headline priority was the $6.66 million high school Career and Technical Center. The district-wide capital need it assesses is roughly $43.4 million, concentrated at the high school and middle school, not at North Middletown.

What the district's own facility plans show

The prior facility plan, approved by the Kentucky Board of Education in June 2013 and recovered from the Internet Archive's captures of the state's own posting, settles what earlier versions of this report could only infer. Both plans are archived in this repository.

School	2013 plan: enrolled / capacity	2021 plan: enrolled / capacity	Today
North Middletown Elementary	169 / 198	161 / 174	128 enrolled
Cane Ridge Elementary	461 / 500	480 / 422	453 enrolled, 31 over its rating
Bourbon Central Elementary	602 / 564	535 / 521	459 enrolled, 62 open at its approved 521
Preschool/Head Start Center	296 / 180	272 / 200	over capacity in both plans

Enrollment and rated capacity in the district's two most recent state-approved facility plans (KBE June 2013 and KBE August 2021; both archived under build/ in this report's repository), with current 2024-25 enrollment. Bourbon Central's approved rating is 521; the plan's 549 is a contingent To-Become figure tied to an expansion never built, per its own 2021 plan. The reading order, enrollment first, is confirmed by the 2021 plan's own preschool note (272 = 80 full-day plus 192 half-day students).

Three facts fall out of that table. First, North Middletown's rated capacity was written down from 198 to 174 between the two plans, while the same 1948 and 1964 walls held 261 students at the 1988-89 peak; Cane Ridge fell from 500 to 422 and Bourbon Central from 564 to 521. What changes a rated capacity under the state's facilities planning manual (702 KAR 4:180, unamended since 2008 and re-certified by the state as recently as March 2025) is how rooms are counted: standard classrooms times a cap set by room size, with no utilization discount, so every room relabeled from standard classroom to preschool, intervention, or computer lab lowers the official number without a brick moving, and the manual itself says twice that “Different use of the facility spaces shall not reduce the capacity of the facility” (sections 302.2.2 and 302.3.1). Rated capacity is a number the district sets through its own room assignments, and it can be raised the same way it was lowered: the same pencil that makes space for 128 more children in Paris can raise North Middletown's rating back toward the 198 it carried in 2013. Second, as recently as the 2021 plan North Middletown stood at 161 students against its rating of 174: **93 percent full**. The “half-empty school” is four years old, not a generation old. Third, the 2013 and 2021 plans both classified North Middletown as permanent; the transitional label in the 2026 draft reverses two consecutive state-approved plans, which is precisely why the community is entitled to the analysis behind it.

The 2026 planning cycle sharpens the point. The draft presented at the July 15 forum, an annotated attendee copy of which is archived in this repository, carries no KDE approval date yet and re-rates the same buildings again, on the KFICS basis: Cane Ridge rises from 422 to 547 and Bourbon Central to 640, while North Middletown falls again, from 174 to 154. The draft's own new-construction sections read **None**, so the 244 paper seats it adds in Paris come from no brick; ratings that can move 125 seats in a single cycle are policy, not walls. Even at its reduced 154 rating, North Middletown stands 83 percent full today, and the draft as presented that day, before the committee's amendment, still listed the school as **permanent**; its headline capital priority is an $18.6 million major renovation of the high school's 1968 and 1981 sections.

The investment record runs alongside. The 2013 plan priced a $1.92 million major renovation for North Middletown: a security vestibule, enlarged music and computer classrooms, media center and kitchen, gymnasium upgrades, new flooring, window and door replacement, electrical upgrades, and HVAC replacement. The 2021 plan prices much of the same scope again, higher, at $4.26 million all told, with the major renovation again scheduled after the biennium. Whether any of the 2013-priced work was ever completed is exactly what the maintenance and project records held by the district would show. A fair question for the administration follows: when the same needs are priced in two consecutive plans, eight years apart, and the capital program builds elsewhere both times, at what point does deferred investment itself become the closure case?

The KFICS Facilities Assessment prepared by RossTarrant Architects, presented in slides at the July meeting and produced in full in the July 2026 records response, is archived in this repository. North Middletown's total need is **$8,530,093**, the **second lowest** of the district's schools. The two receiving schools need $23.2 million combined, $8,840,267 at Bourbon Central and $14,387,595 at Cane Ridge, a 1992 building needing two thirds more than the 1948 one proposed for closure; the high school needs $27.5 million, the middle school $22.4 million, and the districtwide total is **$98,441,294**, more than four times the unused bonding capacity in Section 8. Closing the second-least-needy building avoids $8.5 million of restricted-fund need, moves its children into buildings needing $23.2 million, and does nothing about a $98 million problem. Two points bound the building question. Any renovation would be paid from the restricted facility funds of Section 8, which cannot close the operating deficit either way. And the receiving schools have little room: approved ratings are 521 at Bourbon Central and 422 at Cane Ridge, so at today's 459 and 453 Cane Ridge sits 31 **over** its rating and there is a net 31 uncommitted seats for 128 children; if ratings can be adjusted by room assignment, the same adjustment raises North Middletown's capacity instead. An empty building is also not free: it must be secured, insured, minimally heated and eventually disposed of, in a town of about 610 people whose residents told the planning committee the school is the heartbeat of the town.

The state's own condition index: the district's best-trending building

The architect's slides are one reading of the building. The state publishes its own, and it is stronger. Kentucky's facilities inventory system (KFICS) assigns every public school building a Condition Index, defined in the state reports as one minus the ratio of repairs coming due within four years to the cost of replacing the building outright, so a higher number means a healthier building. KDE has published exactly three statewide reports: the official October 2023 report, the official October 2025 report (both resting on inspections done in 2020 and early 2021, with costs updated between them), and an updated report generated July 2, 2026 that carries the first fresh inspections, completed in April 2026 by the district's own third-party architect and reviewed by KDE. Figure 18 plots every number the state has ever published for the three elementary schools.

Three findings sit in that figure. First, in the newest KDE-reviewed data, North Middletown's condition index is **0.773**: better than Cane Ridge (0.728), within six points of Bourbon Central (0.823), and far ahead of the middle school (0.596), the district's other 1948 building. Second, North Middletown is the **only school in the district whose condition improved** between the 2020-21 and April 2026 inspection cycles, from 0.694 to 0.773, while every other school's index fell or held: the repairs coming due within four years at NMES dropped from about $4.1 million to **$3.1 million, the smallest four-year repair bill of the district's five schools**. Cane Ridge, a 1992 building, moved the other way, from 0.812 to 0.728 with a $4.8 million four-year bill. Third, the numbers reconcile with the architect's own $8.5 million total-need figure for NMES quoted above: that larger total includes longer-horizon work and $2.9 million of instructional-space items, while the condition index counts what is actually due within four years. On either reading NMES is near the bottom of the district's need list. One caveat belongs in the record, and it favors caution rather than the closure case: NMES's Educational Suitability score, the separate survey of how well the 1948 layout matches modern program standards, prints 0.21725 in the July 2026 report, identical to five decimal places to the 2023 report, so that half of the aggregate score appears to have been carried forward rather than re-surveyed in April 2026 even as the condition half was refreshed. On the state's newest published data the building the draft plan proposes to close is the only one in the district whose condition improved, carries the smallest near-term repair bill of the five, and scores above a receiving school 44 years its junior.

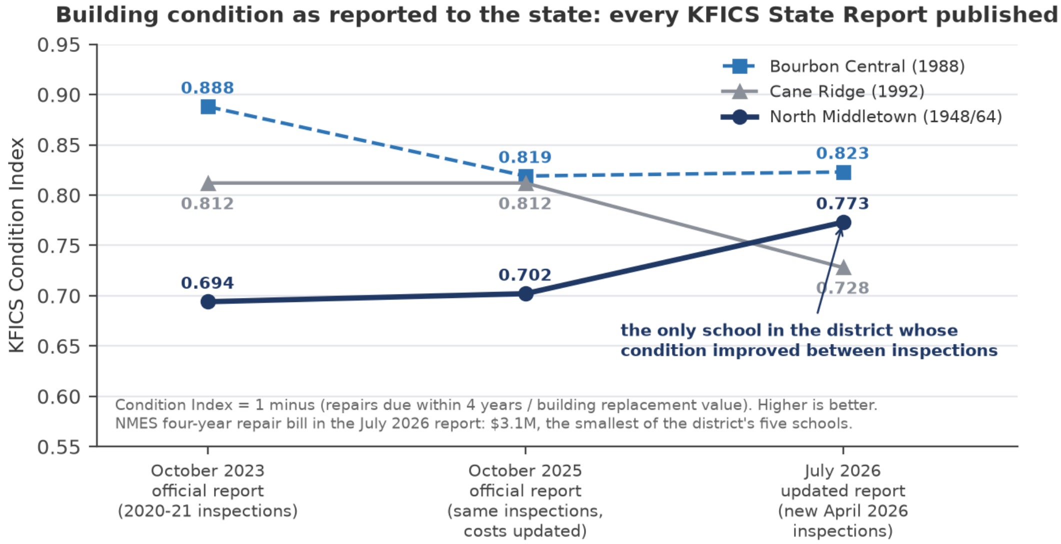


Figure 18. The KFICS Condition Index for Bourbon County's three elementary schools in every statewide report the state has published: October 2023 official, October 2025 official, and the July 2, 2026 update. The 2023 and 2025 reports rest on the same 2020-21 inspections; the July 2026 report is the first with fresh April 2026 inspections. Source: KDE, KFICS State Reports, downloadable from the department's facilities pages and archived under build/ in this repository; Bourbon County is district 041.

A worked example: rebalance the map, fill the school

One scenario, run in the workbook's Redistricting tab. Rezone 30 students to North Middletown from the adjacent edges of the Cane Ridge and Bourbon Central zones, drawing only from families who already live closer to North Middletown than to their assigned school, and recruit 16 cross-county transfers under House Bill 563. The school reaches exactly its rated 174; Bourbon Central eases to about 444 and Cane Ridge to about 438. Priced honestly, grade by grade: the class caps (KRS 157.360) bind grade by grade, not on average, so 46 arrivals likely require one new section, possibly two if they lump in the wrong grades and possibly none if the rezone is drawn grade-by-grade; the model's Redistricting tab carries that lever at the same $60,000 General Fund rate this report applies to eliminated positions. The 16 transfers bring roughly $74,000 a year of new SEEK revenue, supplies for all 46 added students cost about $18,000, and with one added section against one to two avoided at the receiving schools the package is worth roughly **$56,000 to $116,000 a year, recurring**, down from the $116,000 to $176,000 published before this correction. The move cuts the school's much-cited cost per student from $19,348 to about $14,827 with the added section, purely by filling seats. Two assumptions are flagged in yellow for the district to replace with real data: that rezoned students' routes shorten because they are chosen by proximity, and the receiving schools' grade-by-grade capacities. The July 2026 records response produced the current bus routes but answered N/A for GIS files, routing-software reports, and ride-time analyses; the district holds the data to run the full version, and it should, before any vote.

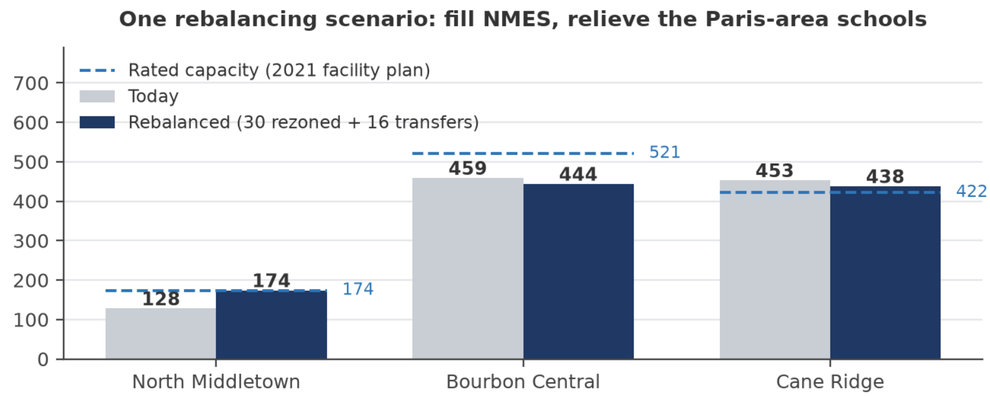


Figure 19. One rebalancing scenario: North Middletown fills to its rated 174 while Bourbon Central and Cane Ridge each ease by about fifteen students. Dashed lines mark each school's rated capacity (174, 521, 422); Cane Ridge enrolls above its rating today and remains above it even rebalanced, which is the receiving-capacity problem closure would compound. The scenario levers (30 rezoned, 16 cross-county transfers) are adjustable in the companion workbook's Redistricting tab.

The transportation map, drawn from the official boundaries

The zone geometry here is official: the federal School Attendance Boundary Survey (2015-16, the last national collection) published the district's actual attendance boundaries, and this report draws them directly. The district has still not published its geocoded student counts or its annual T-1 transportation report, so the cost inputs sit in yellow in the workbook's Transport_Geo tab. Bourbon County is about 290 square miles of land. Its people cluster west: Paris holds 10,171 of the county's 20,252 residents, against 747 in Millersburg and 610 in North Middletown. The federal boundary file settles the map: North Middletown's zone covers 110 square miles, 38 percent of the county, Cane Ridge serves the north including Millersburg, and Bourbon Central the southwest. The math follows: about 1.2 elementary students per square mile in the NMES zone, against roughly 5.1 across the two Paris-based schools' zones and 3.6 district-wide. That density gap is not a detail; it is the exact variable state law funds on. KRS 157.370 sets transportation aid by transported pupils per square mile, paying more where density is low because low density costs more to serve. The funding history sharpens the point: the formula ran underfunded for two decades, the 2024-2026 state budget restored it to 90 and then 100 percent, computed on lagged fiscal 2023 costs, and the 2026-2028 budget froze it again below the statute. A district that closes its one eastern school keeps every square mile of that coverage area and serves it with longer rides.

Zone	Approx. area (sq mi)	Elementary students	Students per sq mi
North Middletown zone (southeast)	110	128	~1.2
Cane Ridge zone (north)	120	453	~3.8
Bourbon Central zone (southwest)	59	459	~7.8
District overall	289	1,040	3.6

Official zone areas from the federal School Attendance Boundary Survey (2015-16 collection); students shown are each school's cited enrollment, the closest public proxy for zone residents. The July 2026 records response confirms it: current boundaries sit in board policy, and the district reports no newer maps, no GIS files, and no reassignment scenarios (all N/A).

Now the closure math, from the bottom up, with the distances measured on the official zone geometry (the workbook's Transport_Geo tab and build/zone_distances.py carry the computation). North Middletown sits ten road miles from the Paris schools on US 460, against 8.9 straight-line, a road factor of 1.13 on the one pair that can be measured exactly; a conservative 1.2 is applied everywhere else. Roughly 109 of the school's 128 students ride the bus on an estimated three rural routes. Extend those routes to Paris and each adds about 40 bus-miles a day: about 20,400 added bus-miles over a 170-day school year, $51,000 to $92,000 at $2.50 to $4.50 per mile, plus roughly $55,000 more if the longer runs force an additional bus. The bottom-up estimate lands at about

$51,000 to $147,000, overlapping the $75,000 to $200,000 planning range this report has used from the start. The geometry also prices the quieter cost: averaged over the zone, closure adds an estimated 4 road miles each way to a child's trip, and at the far corner a kindergartner who rides about 10 road miles today would ride about 18, roughly 15 to 20 added minutes each way. And 78 percent of the zone's area lies closer to North Middletown than to Paris, which is the whole map's point in a single number.

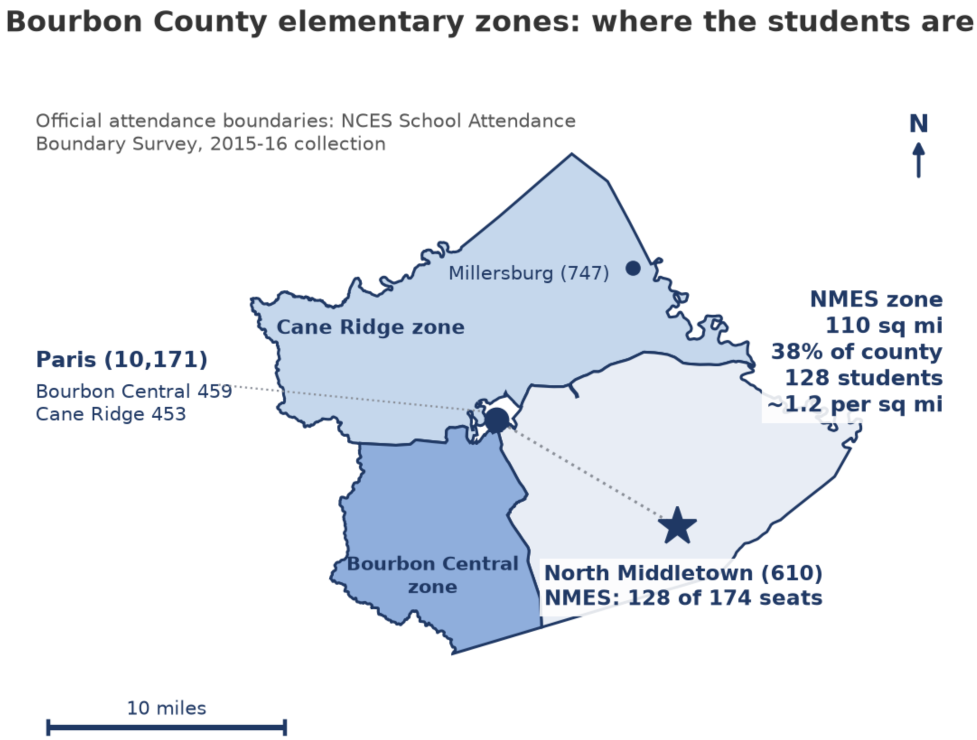


Figure 20. Where the students are: the district's official attendance zones from the federal School Attendance Boundary Survey (2015-16 collection), fetched by the repository's build/fetch_sabs.py. Paris holds half the county's people and both receiving schools; Millersburg sits in Cane Ridge's northern zone; the NMES zone runs about 1.2 students per square mile across 110 square miles of the southeast.

Run the same math on the rebalancing scenario and the sign flips. Rezoned students already ride district buses today, ten miles west to the Paris schools; rezoning moves them to the school they live closest to, so the affected routes shorten, an estimated $10,000 to $18,000 a year saved (each rezoned student cutting about 136 bus-miles a year at $2.50 to $4.50 a mile, an estimate the district's T-1 route data would replace). On this geometry rebalancing is transport-neutral at worst and modestly positive at best, while closure adds miles. District-wide, the optimization lever in the menu below, routing software, tiered bells, and a right-sized fleet, remains worth 5 to 10 percent of the $2.9 million line, $146,000 to $291,000 a year, whichever way the boundary question is decided.

The state-revenue side runs the same way. Because the 2026-2028 appropriation is frozen at flat dollars computed on old costs, the marginal state reimbursement on any NEW busing mile is zero: every dollar of closure's added routes is district money. Rebalancing changes no transported-pupil count, so the KRS 157.370 allotment and SEEK revenue are untouched, and cross-county transfer students add SEEK revenue while adding no required busing at all: under KRS 157.350 the receiving district sets its own transportation policy for nonresident students. On this math redistricting does not raise transportation costs; it trims them, while the revenue side gains.

How a real optimization would run, and who already runs them

None of this requires inventing anything. The method is standard: geocode enrolled students, build a travel-time matrix on the actual road network, then assign zones to schools to minimize ride time, subject to capacities, statutory class sizes, and keeping neighborhoods together, with routes re-optimized afterward. Kentucky districts already do this: Fayette County convenes boundary working groups over GIS scenarios and publishes the maps; Jefferson County publishes its assignment documents and has contracted route-optimization modeling. Every district files the T-1 annual transportation report and keeps the address data the analysis needs. A district facing a closure vote over money owes the public this study first, and the workbook's Transport_Geo and Redistricting tabs are built to receive its outputs.

The savings from doing this well are documented, not hypothetical. Boston Public Schools ran the signature version in 2017: an MIT-built routing algorithm produced bus routes 20 percent more efficient, cut 50 buses, and saved roughly $5 million in the first year. Bourbon County's transportation line is $2.9 million; the 5 to 10 percent captured in the menu below is $146,000 to $291,000 a year, and Boston's 20 percent shows the ceiling sits higher than the menu assumes. One more check anyone can run: the federal School Attendance Boundary Survey published the district's actual attendance-zone boundaries as free GIS files, and Figure 20 is drawn directly from that file, fetched by the repository's build/fetch_sabs.py, so anyone can reproduce it in one step.

Measure	Estimated annual value	How it works
Restore the board's own 2018 rate (61.3 cents)	about $1.7 million a year, recurring	The rate this board itself levied in 2018, restored, still leaves Bourbon taxing below five of its eight neighbors. Under KRS 160.470 the portion above four percent revenue growth is subject to voter recall, a built-in democratic check; priced at the district's own $191,000 per cent.
Improve delinquent-tax recovery (partial)	$60,000-$120,000	FY2025 collections ran $239,126 (2.4 percent) below certified yield, an ordinary delinquency level; assumes one quarter to one half is recoverable through routine county channels.
Attendance recovery	$100,000+ per 1% of ADA	SEEK pays per day of attendance. A chronic-absenteeism campaign is the cheapest revenue in school finance.
Staffing alignment through attrition	$340,000-$425,000	Funded attendance is down roughly 248 from the pandemic hold-harmless peak. Not replacing four to five positions district-wide as retirements occur spreads the adjustment fairly instead of extracting it from one town.
Administrative restraint	$224,000-$450,000	Return central-office spending toward its FY2023 level before any classroom building closes.
Transportation optimization	$146,000-$291,000	Routing software, tiered bell times, right-sized fleet, and a pause on bus purchases after $1.58 million in two years.
Energy performance contracting	10-25% of utility spend	State regulation (702 KAR 4:160) authorizes contracts in which guaranteed energy savings pay for the upgrades. No such contract is currently in place district-wide.
District-wide recruitment beyond North Middletown's seats	$106,000 to $211,000	Priced in v3.8: 25 to 50 additional students at $4,226 net each. State funding follows students who transfer in; the measured pool (450 to 550 Bourbon County Schools children in homeschool, private school, or another district) is in Section 10, and 62 open seats exist at Bourbon Central's approved rating. Growth, not shrinkage, is the durable fix for a small-district budget.

Measure	Estimated annual value	How it works
Fill North Middletown to capacity instead of closing it	$56,000 to $116,000 net, recurring	Rebalance eastern attendance boundaries and recruit cross-county transfers under House Bill 563 to fill all 46 open seats; the worked example above and the workbook's Redistricting tab show the math. A preschool or day-care satellite is an additional lever on top.

Figure 21. Measures available without closing a school. The menu deliberately mixes two kinds of lines, new recurring revenue and recurring cost reductions, and the workbook's Alternatives tab labels each one by type with a confidence rating and what would firm it up. Values are estimates derived from the district's audited figures and state data; ranges overlap and are not additive to the penny. The 2018 restore plus the counted-once cost package alone is $2.5 to $3.0 million a year, against an annual reserve drawdown of $1.1 to $1.2 million; the remaining lines overlap the growth plan's enrollment lever, and each carries its own confidence rating on the Alternatives tab, which also prices the KRS 160.470 four percent revenue mechanics row by row.

The closure analysis the district confirms does not exist

The July 2026 records response settled the central question of this report's records asks: asked for any cost-benefit analysis of closing, consolidating, or repurposing the school, the district answered N/A. None exists. When that analysis is created, and it should be created in writing before any vote, it should run line by line: the net recurring General Fund saving, meaning costs that truly disappear, minus added transportation, receiving-school costs, and the carrying or disposal cost of the building, with the downside beside it, because a worksheet carrying only one side of the ledger is not a worksheet. Two risks belong on that page and neither appears in anything the district has produced. **First, children who leave the district rather than change schools.** Each one takes the SEEK base with them, $4,626 at the fiscal 2027 rate, every year, permanently; ten students is $46,260 a year and thirty is $138,780. This report's grid prices that leakage rather than assuming zero, and the risk is live here specifically: 236 families sit in this district's own homeschool files, 247 residents are already enrolled in another district, and roughly 450 to 550 Bourbon County Schools children in all sit outside its classrooms, so the exits are open and in use. The district's published math carries no leakage line at all. **Second, assessment erosion.** What does the loss of the town's only school do to property values inside the North Middletown attendance area, and therefore to the assessment base that funds every school in the county? The limits of our own evidence belong in the question: the thirty-year Kentucky corpus in Section 5 does *not* establish that closure causes decline, because small towns that kept their schools declined at nearly the same rate. So this is not a claim. It is a risk, it runs in one direction only, and the revenue at stake is the district's own, which makes bounding it the district's job. Both risks are estimable; neither has been estimated. A worksheet that books every saving at its best case and every risk at zero is a sales document.