

Tony Baldwin, Ed.D., Superintendent

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May 9, 2014

Dr. Wanda Greene, County Manager
County of Buncombe
200 College Street, Suite 300
Asheville, NC. 28801

Dear Dr. Greene,

Please know that the Board of Education and I continue to appreciate the excellent working relationship -- and value the good will -- that exists between the County of Buncombe Commissioners and staff and the Buncombe County Board of Education and employees.

It is reassuring, especially in our current challenging economic environment, to know that the County of Buncombe recognizes educational funding as a priority and respects the return on investment that Buncombe County Schools provides to our community.

For the upcoming 2014-15 fiscal year, we are asking for a \$3,622,821 total increase above the 2013-14 level of County's current expense appropriation of \$57,265,318 to make a new total to be shared between both districts (and those charter school students residing within our respective boundaries) of \$60,888,139.

Because we do not yet have information on the number of charter school students, we cannot calculate the distribution with Asheville City Schools precisely, but we anticipate that approximately \$3,083,383 of the increase in the joint appropriation would be coming to Buncombe County Schools.

That increase in funding is being requested to cover the following items:

- \$927,000 – Cover a projected three percent (3%) pay increase on the Local Current Expense Fund
- \$253,119 – Cover year one implementation of the Governor's proposal to increase pay for teachers with 0 to 9 years of experience
- \$ 43,704 – Fund estimated increase in the local supplement payments for the 25% teacher population
- \$350,000 – Absorb the loss of Race to the Top funds that expire in 2014-2015
- \$108,000 – Fund the support of Global Initiatives
- \$100,000 – Fund textbook replacements/new adoptions
- \$102,560 – Purchase the "Home Base" student/teacher/parent communication, instructional product and support
- \$ 57,000 – Fund on-going Twilight/Mini-Mester/Summer Bridge Program
- \$ 51,000 – Fund an increased retirement contribution rate in the Local Current Expense Fund
- \$ 91,000 – Fund an increased health insurance premium in the Local Current expense Fund
- \$1,000,000 – Funding to cover net revenue gap to avoid having to utilize one month's operating balance in committed fund balance

The total of these items is \$3,083,383.

In addition, we are requesting a continuation of the special appropriation to Buncombe County Schools of \$276,116 for the Community High School that serves both districts, as well as a capital outlay appropriation based upon the current estimate of dedicated sales tax receipts and prorated between Buncombe County Schools and Asheville City Schools according to ADM.

State Statutes require that school districts submit a request for the county appropriation each year no later than May 15th. The statute also mentions that an estimate of the entire budget for the school district should accompany the request for funding from the County Commissioners. This requirement has always been problematical inasmuch as insufficient information exists at this time of year to produce a detailed budget for the ensuing fiscal year. Among the items of crucial information that are not yet available are the General Assembly's action on salary and/or benefit increases, actual federal grant awards and carry-over, and final funding formulas for State funds.

At this time, the only information that we have is contained in the second year of the biennial budget as well as guidance from the NC Department of Public Instruction. Until the short session is over, it is difficult to ascertain the exact impact on the 2014-2015 budget. The NC Department of Public Instruction suggested incorporating a 3% pay increase for all employees as well as the Governor's proposed increase in teacher pay for teachers with 0 to 9 years of experience. Also, included in the biennial budget are increases in the employer's retirement contribution and the employer-paid health insurance rates.

Therefore, a 3% across-the-board increase would cost the Local Current Expense Fund approximately \$927,000. Implementation of the Governor's proposed pay raise for teachers with up to 9 years of experience would cost \$253,119 for year one. For the 25% teacher population that may be chosen based on the Appropriations Act of 2013, this \$500 increase in pay will impact their local supplement by approximately \$43,704. The proposed increase in the employer's retirement contribution from the current 14.69% to 14.91% would increase on the Local Current Expense Fund's costs by approximately \$51,000. The proposed increase in the employer-paid health insurance from the current \$5,285 annual premium to \$5,435 would increase the Local Current Expense Fund's cost by approximately \$91,000.

We also plan to absorb all but \$350,000 of the loss of decreased funding available from the federal government, both due to the expiration of the Race to the Top funding on September 30, 2014, and the possibility of additional federal sequestration.

What we are asking the Commissioners to fund in addition to the mandated salary and benefit increases are continuation of instructional services and programs and continuation of global initiatives which amounts to \$265,000. In addition, we are also requesting \$102,560 to allow for the annual licensing on the "Home Base" product. Finally, our request of \$1,000,000 in funding will offset the gap in net revenue to avoid having to utilize one month's operating balance in committed fund balance.

My staff and I would be happy to provide any additional information that you would find helpful in evaluating this request.

The draft budget also maintains the local supplement schedule shown below:

<u>Licensed Staff</u>				<u>Non-licensed staff</u>
0 - 4 years	6.3%	20-24 years	10.6%	10.77%
5 - 9 years	6.4%	25-29 years	10.9%	
10 -14 years	8.2%	30 or more	11.7%	
15-19 years	8.4%			

Respectfully Submitted,



Tony Baldwin, Superintendent

cc: Members of the Buncombe County Board of Education

BUDGET RESOLUTION FOR FISCAL YEAR 2014-15
BUNCOMBE COUNTY BOARD OF EDUCATION

SECTION 1 - The following amounts are estimated to be available to support operation of the school administrative unit in the **State Public School Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$120,233,284
6000	System-wide Support Services	\$15,814,246
7000	Ancillary Services	\$94,523
8000	Non-Programmed Charges	\$0
TOTAL		\$136,142,053

SECTION 2 - The following revenues estimated to be available for the **State Public School Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Funding Source	Description	Preliminary Budget
3100	State Public School Fund Revenue	\$136,142,053
TOTAL		\$136,142,053

SECTION 3 - The following amounts are estimated to be available to support operation of the school administrative unit in the **Local Current Expense** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$27,513,614
6000	System-wide Support Services	\$24,071,301
7000	Ancillary Services	\$7,676
8000	Non-Programmed Charges	\$1,649,834
TOTAL		\$53,242,425

SECTION 4 - The following revenues are estimated to be available to the **Local Current Expense** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Funding Source	Description	Preliminary Budget
3200	State Revenue	\$0
	Local other than County	
4120-4800	Appropriation	\$883,828
4110	County Appropriation	\$48,738,512
TOTAL OPERATING REVENUE		\$49,622,340
4900	Other Financing Sources	\$3,620,085
TOTAL		\$53,242,425

SECTION 5 - The following amounts are estimated to be available to support operation of the school administrative unit in the **Federal Grants Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$13,057,544
6000	System-wide Support Services	\$1,354,584
8000	Non-Programmed Charges	\$3,388,822
TOTAL		\$17,800,950

SECTION 6 - The following revenues are estimated to be available to the **Federal Grants Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Funding Source	Description	Preliminary Budget
3600	Federal Grants Allotted through NCDPI	\$17,800,950
TOTAL		\$17,800,950

SECTION 7 – The following amounts are estimated to be available to support operation of the school administrative unit in the **Capital Outlay Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$3,168,701
6000	System-wide Support Services	\$455,300
7000	Ancillary Services	\$5,000
8000	Non-Programmed Charges	\$297,244
9000	General Capital Projects	\$5,587,010
TOTAL		\$9,513,255

SECTION 8 – The following revenues are estimated to be available to the **Capital Outlay Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Funding Source	Description	Preliminary Budget
3200	State - Not Allotted through NCDPI	\$100,000
3700	Federal - Not Allotted through NCDPI	
4100-4800	Local Revenue	\$8,557,389
TOTAL OPERATING REVENUE		\$8,657,389
4900	Other Financing Sources	\$855,866
TOTAL		\$9,513,255

SECTION 9 – In addition, authorization is hereby granted to continue both regular and building program projects uncompleted at June 30, 2014 per prior budget authorization.

SECTION 10 - - The following amounts are estimated to be available to support operation of the school administrative unit in the **Child Nutrition Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Purpose	Description	Preliminary Budget
7000	Ancillary Services	\$13,809,925
8000	Non-Programmed Charges	\$700,018
TOTAL		\$14,509,943

SECTION 11 - The following revenues are estimated to be available to the **Child Nutrition Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Funding Source	Description	Preliminary Budget
3200	State Revenue	\$0
3800	Federal Revenue	\$8,755,911
4100-4800	Local Revenue	\$5,161,961
TOTAL OPERATING REVENUE		\$13,917,872
4900	Other Financing Sources	\$592,071
TOTAL		\$14,509,943

SECTION 12 - - The following amounts are estimated to be available to support operation of the school administrative unit in the **Other Specific Revenue Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$4,596,911
6000	System-wide Support Services	\$1,640,114
7000	Ancillary Services	\$32,841
8000	Non-Programmed Charges	\$193,047
TOTAL		\$6,462,913

SECTION 13 - The following revenues are estimated to be available to the **Other Specific Revenue Fund** for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Funding Source	Description	Preliminary Budget
3200	State - Not Allotted through NCDPI	\$45,741
	Federal - Not Allotted through	
3700	NCDPI	\$3,247,384
4100-4800	Local Revenue	\$3,051,539
TOTAL OPERATING REVENUE		\$6,344,664
4900	Other Financing Sources	\$118,249
TOTAL		\$6,462,913

SECTION 14 – Within the overall budget, all appropriations shall firstly be paid from revenues restricted as to use and secondly from general unrestricted revenues.

SECTION 15 – The Chief Financial Officer is hereby directed to record all restricted revenue that was not expended for its intended purpose as either deferred revenue, restricted fund balance, committed fund balance or assigned fund balance (as appropriate) within the Financial Statements. The restricted revenue sources include, but are not limited to, Medicaid reimbursements, reimbursements for services rendered to exceptional children, grant advances, Enka Consolidated Special Tax District unexpended proceeds, and Pisgah Forest reserve payments.

SECTION 16 - The Chief Financial Officer is hereby directed to record all cash being invested for the individual schools as restricted cash upon the body of the Financial Statements so that the Board of Education's intent to keep these sums separate and apart can be clearly demonstrated. This action will also demonstrate the Board's intent that the Buncombe County Schools not draw upon these moneys to satisfy its overall cash flow needs.

SECTION 17 - The Superintendent is authorized to administer the budget as outlined in Section 501 of the adopted Buncombe County Public Schools Policy Manual.

SECTION 18 - Copies of the Budget Resolution shall be immediately furnished to the Superintendent and the Chief Financial Officer for direction in carrying out their duties.

READ AND APPROVED THIS FIRST DAY OF MAY 2014 FOR THE PURPOSE OF SUBMITTING AN ESTIMATE OF THE ENTIRE BUDGET TO THE COUNTY COMMISSIONERS IN SUPPORT OF OUR REQUESTS FOR BOTH A CURRENT EXPENSE AND A CAPITAL OUTLAY APPROPRIATION.



Chairman, Board of Education



Secretary, Board of Education