



Asheville City Schools

PO Box 7347 • 85 Mountain Street
Asheville, North Carolina 28802

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May 4, 2016

ELECTRONICALLY TRANSMITTED

Buncombe County Board of Commissioners
County Manager, Finance Director, and Budget and Management Services Director
Asheville, North Carolina

Contained herein is the local budget request of the Asheville City Schools for 2016-17 as adopted by the Asheville City Board of Education on April 25, 2016:

Local Current Expense Fund

Buncombe County General Appropriation (projected at 15.59% of ADM) \$10,250,956

Projected Pass-Through Revenues:

Asheville District Supplemental Tax (as collected; rate remains at 15¢; less \$300,000 budgeted in Capital Outlay Fund)	8,180,688
Fines and forfeitures (as collected)	<u>110,000</u>
Total Pass-Through Revenues	<u>8,290,688</u>

Total Local Current Expense Fund Appropriation and Pass-Through Revenues \$18,541,644

It is requested that the Buncombe County Board of Commissioners apportion the general appropriation and fines and forfeitures between the Asheville City Schools and the Buncombe County Schools on a per-pupil basis, as required by N.C. General Statute §115C-430, taking into account charter school pupils.

Other Specific Revenue Fund

Projected Pass-Through Revenues – Sales tax revenue (as collected) \$ 2,583,881

Capital Outlay Fund

Buncombe County Capital Outlay Appropriation (projected at 15.40% of
Article 40/42 sales tax, as collected) \$ 2,051,060

Projected Pass-Through Revenues:

Asheville District Supplemental Tax (as collected; rate remains at 15¢; \$300,000 budgeted in Capital Outlay Fund)	<u>300,000</u>
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Total Capital Outlay Fund County Appropriation and Pass-Through Revenues \$ 2,351,060

The Board of Education reviewed the recommendations of the Superintendent and adopted the budget proposal herein requested. As requested by the County Manager, a spreadsheet is attached comparing actual revenues and expenditures for fiscal year 2015 to budgeted revenues and expenditures for fiscal years 2016 and 2017 (proposed).

LOCAL CURRENT EXPENSE FUND AND OTHER SPECIFIC REVENUE FUND

Asheville City Schools is requesting that the tax rate for the Asheville District Supplemental Tax remain at the current rate of 15¢. Based on estimates provided by Buncombe County Budget and Management Services, collections of the Asheville District Supplement Tax are expected to increase \$252,799 compared to the current year budgeted revenues.

Asheville City Schools has prepared its budget proposal based on no change to existing legislation regarding local sales tax revenues and the distribution thereof. Accordingly, per estimates received from Buncombe County Budget and Management Services, an increase of \$153,699 is projected for sales tax revenues to be recorded in the Other Specific Revenue Fund.

For fiscal year 2016-17, Asheville City Schools is requesting that the total Buncombe County General Appropriation to be apportioned between Asheville City Schools and Buncombe County Schools increase at least 5.0% from \$62,622,293 to \$65,753,408. Because the distribution of this total funding is impacted by students residing within Buncombe County that attend a North Carolina charter school and because that information is not yet available, the exact distribution of funding between the two school systems is not yet known. However, Asheville City Schools is projecting that its share of the total General Appropriation will increase from 15.27% to 15.59%, including charter school students, and is submitting its local budget proposal based on that distribution percentage. If the total General Appropriation increases 5.0% and if Asheville City Schools' share of the total General Appropriation also increases from 15.27% to 15.59%, Asheville City Schools will experience an increase of \$688,532 in the Buncombe County General Appropriation next fiscal year.

Based on the projected increase in the Asheville District Supplement Tax, the projected increase in sales tax revenues and the requested increase in the Buncombe County General Appropriation, Asheville City Schools has prepared its local budget request based on a combined increase of \$1,095,030 for these three revenue sources. This increase is needed for the following items budgeted within the Local Current Expense Fund and the Other Specific Revenue Fund:

- **\$389,144** – Projected net cost of salary increases, including the projected impact on the local salary supplement and matching benefits, assuming that the North Carolina General Assembly provides an average 5% salary increase for all certified employees and a 3% salary increase for classified and Central Office employees. It is assumed that the \$750 one-time bonus paid to all employees in fiscal year 2016 will not be repeated and the cost of that bonus has been netted against the projected salary increases.

- **\$16,283** – Projected increase from 15.32% to 15.45% to the retirement matching rate as set by the North Carolina General Assembly.
- **\$19,436** – Projected increase in the employer hospitalization cost, per employee, from \$5,471 to \$5,565, as determined by the North Carolina General Assembly.
- **\$151,065** – Projected cost to add an elementary, middle and high school teacher to support a day treatment program.
- **\$46,370** – Projected impact on the local budget to add a teacher to our Academic and Intellectually Gifted (AIG) program.
- **\$69,294** – Projected cost to add an additional custodian at our two new facilities, Isaac Dickson Elementary School and Asheville Middle School.
- **\$17,795** – Projected cost to subscribe to the Canvas Learning Management System previously funded directly by the North Carolina Department of Public Instruction.
- **\$71,903** – Projected cost to provide continued support for the Asheville City Schools Preschool program and to expand the program to serve three and four year olds within our elementary schools.
- **\$78,350** – Projected additional cost to meet staff development needs as submitted to the 2016-2018 Advisory Budget Committee.
- **\$50,779** – Projected cost to implement Phase I of the multi-year plan to address issues with the classified salary schedule.
- **\$74,248** – Projected cost to maintain the current level of school nurses due to the projected reduction in state at-risk funding.
- **\$41,101** – Projected cost to maintain current staffing levels within our Children with Special Needs Programs as special funding accumulated in prior years has been spent down.
- **\$60,721** – Projected cost to provide the local salary supplement for new positions added to the state and local budgets including six new classroom teachers, three day treatment teachers, an AIG teacher, a school social worker and two new custodians.
- **\$39,525** – Projected cost to pass through the requested 5% increase in the County General Appropriation to charter school students.

The total of these items is \$1,126,014. Should additional funding in excess of this amount be available or if actual costs are less than those projected above, Asheville City Schools would direct the additional funding towards its three strategic plan focus areas: Early Childhood, Academic Achievement and the Whole Child.

CAPITAL OUTLAY FUND

The budget proposal for the Capital Outlay Fund has been prepared based on \$300,000 of the Asheville District Supplemental Tax to be budgeted in that fund, along with 15.40% of Article 40/42 sales tax to be shared with Asheville City Schools as estimated by Buncombe County Budget and Management Services.

Both the new Isaac Dickson Elementary School and the new Asheville Middle School will be open for students August 2016. It is hoped that the Isaac Dickson Elementary School project will be completed before the close of fiscal year 2016, leaving the major activity within the Capital Outlay Fund for fiscal 2017 to be the demolition of the old middle school facility and resulting site work. The amount budgeted for the Asheville Middle School project represents the projected remaining project balance as of June 30, 2016, and will be adjusted to the actual amount remaining as of that date.

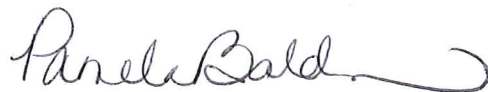
Other capital projects planned for fiscal year 2017 include roof replacement at Jones Elementary School along with projects to improve safety and security at that same school. Additionally, repair or replacement of the roof cornice at Claxton Elementary School is planned along with boiler replacement at the Central Office facility on Mountain Street. Finally, we are investigating the means to renovate the Montford Avenue facility for use as a secondary school beginning fiscal year 2018, as well as, making many critical and high priority repairs to our current Asheville High School/SILSA campus.

We are grateful to the Commissioners, the County Manager, the Finance Office and Budget and Management Services for their continued support for all capital funding needs, but especially for the support received to replace two of our schools simultaneously.

We look forward to discussing our budgetary needs with you as you may request. We will attempt to provide you with any additional information needed. We greatly appreciate the support you have given us in the past and the excellent working relationship we have enjoyed. We are confident that you will provide the highest level of financial support possible to meet the educational needs of our students.

Respectfully yours,

THE ASHEVILLE CITY BOARD OF EDUCATION

A handwritten signature in cursive script, appearing to read "Pamela Baldwin", followed by a long horizontal flourish.

Dr. Pamela Baldwin, Superintendent

Attachments

ASHEVILLE CITY SCHOOLS

Comparison of Fiscal Year 2015 Actual Revenues/Expenditures to Fiscal Year 2016 Budgeted Revenues/Expenditures and Fiscal Year 2017 Proposed Budgeted Revenues/Expenditures

Local Current Expense Fund	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Current Budget	Fiscal Year 2016-2017 Proposed Budget
Revenues			
County General Appropriation	\$ 8,997,929	\$ 9,556,162	\$ 10,250,956
Asheville District Supplemental Tax	8,036,173	7,927,889	8,180,688
Fines and Forfeitures	125,036	105,000	110,000
Interest Earned	29,675	20,000	25,000
Fund Balance Decrease (Increase) - Fiscal Year 2015	(327,267)	-	-
Fund Balance Appropriated	-	1,219,032	1,239,138
Total Local Current Expense Fund Revenues	\$ 16,861,546	\$ 18,828,083	\$ 19,805,782
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 4,338,389	\$ 5,017,124	\$ 5,243,782
Special Populations Services	352,450	244,637	166,681
Alternative Programs & Services	783,141	1,004,364	1,229,250
School Leadership Services	1,302,343	1,405,479	1,452,094
Co-Curricular Services	217,959	242,375	243,616
School-based Support Services	1,188,684	1,129,354	1,328,662
System-wide Support Services			
Regular Instructional Support Services	148,793	269,428	252,590
Special Populations Support Services	134,800	123,418	126,443
Alternative Programs Support Services	214,084	260,135	219,101
Technology Support Services	698,191	742,316	747,364
Operational Support Services	4,422,162	5,020,615	5,128,178
Financial & Human Resource Services	784,930	936,227	1,041,160
Accountability Services	110,359	112,074	114,246
System-wide Pupil Support Services	320,940	250,841	273,893
Policy, Leadership & Public Info Services	805,674	801,886	880,097
Ancillary Services - Nutrition Services	34,657	-	-
Non-programmed Charges			
Payments to Charter Schools	871,890	1,004,810	1,085,625
Transfers to Other Funds	132,100	213,000	223,000
Contingency	-	50,000	50,000
Total Local Current Expense Fund Expenditures	\$ 16,861,546	\$ 18,828,083	\$ 19,805,782

ASHEVILLE CITY SCHOOLS

Comparison of Fiscal Year 2015 Actual Revenues/Expenditures to Fiscal Year 2016 Budgeted Revenues/Expenditures and Fiscal Year 2017 Proposed Budgeted Revenues/Expenditures

Other Specific Revenue Fund	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Current Budget	Fiscal Year 2016-2017 Proposed Budget
Revenues			
State Funds			
Smart Start	\$ 151,625	\$ 151,161	\$ 148,000
NC PreK	385,729	430,903	396,905
Federal Funds			
Medicaid Administrative Outreach	59,933	57,115	21,000
Medicaid Direct Services Reimbursement	249,563	77,000	53,000
Impact Aid	65,162	60,000	60,000
Early Head Start	1,040,998	213,631	-
NC Quest Grant	19,294	2,346	-
Marine Junior ROTC	64,689	65,500	65,500
Local Funds			
Sales Tax	2,495,436	2,430,212	2,583,881
Sales Tax Refunds	42,051	40,000	40,000
Tuition and Fees	147,402	140,000	140,000
Day Care Fees	239,768	251,119	396,374
Rental of School Property	31,586	20,000	20,000
Interest Earned	6,532	6,000	7,500
Indirect Cost	155,910	154,620	144,620
Local Grants/Contracts/Donations			
Asheville City Schools Foundation (ACSF)	1,647	30,000	-
Healthy and Ready to Learn	1,252	-	-
Homeless	1,525	-	-
Sisters of Mercy	-	50,000	50,000
Motherread Program	-	3,402	-
Z Smith Reynolds	9,825	-	-
Head Start	104,500	154,800	172,000
Fund Balance Decrease (Increase) - Fiscal Year 2015	(60,366)	-	-
Fund Balance Appropriated	-	374,055	330,302
Total Other Specific Revenue Fund Revenues	\$ 5,214,061	\$ 4,711,864	\$ 4,629,082
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 1,547,322	\$ 1,629,292	\$ 1,722,212
Special Populations Services	605,881	425,675	367,392
Alternative Programs & Services	1,785,820	1,476,735	1,365,819
School Leadership Services	176,698	177,076	185,882
School-based Support Services	244,726	202,397	210,130
System-wide Support Services			
Regular Instructional Support Services	15,228	26,284	25,179
Special Populations Support Services	11,155	9,895	10,203
Alternative Programs Support Services	115,501	48,702	21,143
Technology Support Services	36,873	38,503	40,425
Operational Support Services	313,083	276,005	261,712
Financial & Human Resource Services	52,909	56,017	67,444
Accountability Services	8,875	8,884	9,160
System-wide Pupil Support Services	25,968	23,696	27,075
Policy, Leadership & Public Info Services	90,060	83,348	89,435
Ancillary Services			
Community Services	121,447	149,424	145,855
Nutrition Services	62,458	79,931	80,016
Non-programmed Charges - Indirect Cost	57	-	-
Total Other Specific Revenue Fund Expenditures	\$ 5,214,061	\$ 4,711,864	\$ 4,629,082

ASHEVILLE CITY SCHOOLS

Comparison of Fiscal Year 2015 Actual Revenues/Expenditures to Fiscal Year 2016 Budgeted Revenues/Expenditures and Fiscal Year 2017 Proposed Budgeted Revenues/Expenditures

Capital Outlay Fund	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Current Budget	Fiscal Year 2016-2017 Proposed Budget
Revenues			
State Funds			
Lighting Efficiency Grant	\$ 10,887	\$ 10,422	\$ -
ADM through SCCF - New IDES	-	582,887	-
Lottery Funds through SCCF - New IDES	-	1,367,113	-
School Bus Replacement	-	121,048	187,828
Local Funds			
LOBS through SCCF - New IDES	7,705,726	7,089,105	-
LOBS through SCCF - New AMS	13,053,932	25,026,469	6,500,000
Article 40/42 Sales Tax	1,803,244	1,731,193	2,051,060
Asheville District Supplemental Tax	100,000	300,000	300,000
Sales Tax Refunds	93,516	189,111	30,000
Contributions and Donations	17,300	8,500	-
Interest Earned	5,945	5,000	5,000
Sale of School Property	25,389	30,000	10,000
Insurance Reimbursements	5,906	-	-
IDES Duke Progress Energy	-	77,700	-
Transfers from Other Funds	16,243	52,907	-
Fund Balance Decrease (Increase) - Fiscal Year 2015	141,419	-	-
Fund Balance Appropriated	-	686,000	350,000
Total Capital Outlay Fund Revenues	\$ 22,979,507	\$ 37,277,455	\$ 9,433,888
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 137,359	\$ 161,500	\$ 162,060
School-based Support Services	589,898	584,177	625,000
System-wide Support Services			
Technology Support Services	8,394	15,000	15,000
Operational Support Services	98,992	201,048	367,828
Capital Outlay	22,120,504	36,280,730	8,189,000
Non-programmed Charges			
Transfers to Other Funds	24,360	25,000	65,000
Contingency	-	10,000	10,000
Total Capital Outlay Fund Expenditures	\$ 22,979,507	\$ 37,277,455	\$ 9,433,888