

Tony Baldwin, Ed.D., Superintendent

175 Bingham Road, Asheville, NC 28806

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ELECTRONICALLY TRANSMITTED

May 12, 2016

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 2016-17 fiscal year, we are asking for a \$3,986,171 total increase above the 2015-16 level of County's current expense appropriation of \$62,622,293 to make a new total to be shared between both districts (and those charter school students residing within our respective boundaries) of \$66,608,464.

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 \$3,371,504 of the increase in the joint appropriation would be coming to Buncombe County Schools.

The items for which we are requesting new Current Expense funding from the Commissioners are:

- \$1,349,400 – Fund Enka Intermediate Personnel and Start Up Instructional Supplies Cost
- \$199,839 – Nesbitt Discovery Academy Personnel - Unified Arts and Physical Education
- \$1,018,000 - Fund estimated 5% salary increase for certified personnel based on Governor's Proposal
- \$510,000 – Fund estimated 3% salary increase for locally funded non-certified personnel based on Governor's Proposal
- \$174,265– Fund an estimated increase in the retirement contribution rate and health insurance premium in the Local Current Expense Fund
- \$120,000 – Cost for HOMEBASE and CANVAS Student Subscription

The total amount of these items is \$3,371,504.

In addition, we are requesting a continuation of the special appropriation (PRC 068/069) 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. 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.

The North Carolina General Assembly and Governor are considering the implementation of a salary increase of around 5% for certified personnel and up to a 3% increase for non-certified personnel. What is not certain is how those funds are given to employees, whether it be by salary increase or one-time bonus. In any event, we have projected the above percentages as a salary increase since that is the typical method of receiving additional salary. The total budgetary impact of these salary adjustments is \$1,528,000.

The budget totals for each fund includes the impact of mandated increases in the employer's retirement contribution rate estimated to increase from 15.32% to 15.65%, and in the employer-paid health insurance premium estimated to increase by roughly 2% in January 2017, totaling \$174,265. The budget also includes several high priority enhancements that received consensus approval in the budget committee meetings, namely \$1,549,239 to fund the opening of the new Enka Intermediate School, \$120,000 for enhanced student/teacher/parent reporting and communication (the product called "Home Base") and associated support and the cost of Canvas LMA.

The proto-type budget resolution presented below is an estimate of purpose totals by fund for year 2016-17. These totals represent the budget based on the best data available at this time.

Also included in this transmittal is the additional component requested outlining a detailed level for both revenues and expenditures for FY 2015 actual, FY 2016 adopted budget and FY 2017 requested amounts for Local Current Expense, Special Revenue fund and Capital Outlay.

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

Tony Baldwin, Superintendent

Enclosure

cc: Members of the Buncombe County Board of Education

**BUDGET RESOLUTION FOR FISCAL YEAR 2016-17
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, 2016 and ending June 30, 2017.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$121,262,389
6000	System-wide Support Services	\$17,240,071
7000	Ancillary Services	\$97,835
8000	Non-Programmed Charges	\$82,981
TOTAL		\$138,683,276

SECTION 2 - The following revenues estimated to be available for the **State Public School Fund** for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Funding Source	Description	Preliminary Budget
3100	State Public School Fund Revenue	\$138,683,276
TOTAL		\$138,683,276

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, 2016 and ending June 30, 2017.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$34,273,640
6000	System-wide Support Services	\$23,207,596
7000	Ancillary Services	\$29,566
8000	Non-Programmed Charges	\$3,577,704
TOTAL		\$61,088,506

SECTION 4 - The following revenues are estimated to be available to the **Local Current Expense** for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Funding Source	Description	Preliminary Budget
3200	State Revenue	\$30,000
	Local other than County	
4120-4800	Appropriation	\$700,000
4110	County Appropriation	\$56,322,111
TOTAL OPERATING REVENUE		\$57,052,111
4900	Other Financing Sources	\$4,036,395
TOTAL		\$61,088,506

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, 2016 and ending June 30, 2017.

Purpose	Description	Preliminary Budget
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5000	Instructional Services	\$12,484,940
6000	System-wide Support Services	\$824,363
7000	Ancillary Services	\$11,343
8000	Non-Programmed Charges	\$4,621,095
TOTAL		\$17,941,741

SECTION 6 - The following revenues are estimated to be available to the **Federal Grants Fund** for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Funding Source	Description	Preliminary Budget
3600	Federal Grants Allotted through NCDPI	\$17,941,741
TOTAL		\$17,941,741

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, 2016 and ending June 30, 2017.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$3,489,035
6000	System-wide Support Services	\$2,318,373
7000	Ancillary Services	\$30,000
8000	Non-Programmed Charges	\$358,033
9000	General Capital Projects	\$22,520,000
TOTAL		\$28,715,441

SECTION 8 - The following revenues are estimated to be available to the **Capital Outlay Fund** for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Funding Source	Description	Preliminary Budget
3200	State - Not Allotted through NCDPI	\$100,000
3700	Federal - Not Allotted through NCDPI	\$0
4100-4800	Local Revenue	\$22,115,441
TOTAL OPERATING REVENUE		\$22,215,441
4900	Other Financing Sources	\$6,500,000
TOTAL		\$28,715,441

SECTION 9 - In addition, authorization is hereby granted to continue both regular and building program projects uncompleted at June 30, 2016 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, 2016 and ending June 30, 2017.

Purpose	Description	Preliminary Budget
7000	Ancillary Services	\$12,491,071
8000	Non-Programmed Charges	\$757,753
TOTAL		\$13,248,824

SECTION 11 - The following revenues are estimated to be available to the **Child Nutrition Fund** for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Funding Source	Description	Preliminary Budget
3200	State Revenue	\$0
3800	Federal Revenue	\$7,757,971
4100-4800	Local Revenue	\$4,998,782
TOTAL OPERATING REVENUE		\$12,756,753
4900	Other Financing Sources	\$492,071
TOTAL		\$13,248,824

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, 2016 and ending June 30, 2017.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$4,841,415
6000	System-wide Support Services	\$2,084,144
7000	Ancillary Services	\$29,100
8000	Non-Programmed Charges	\$320,051
TOTAL		\$7,274,710

SECTION 13 - The following revenues are estimated to be available to the **Other Specific Revenue Fund** for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Funding Source	Description	Preliminary Budget
3200	State - Not Allotted through NCDPI	\$45,741
	Federal - Not Allotted through NCDPI	
3700	NCDPI	\$2,447,384
4100-4800	Local Revenue	\$2,931,362
TOTAL OPERATING REVENUE		\$5,424,487
4900	Other Financing Sources	\$1,850,223
TOTAL		\$7,274,710

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 FIFTH DAY OF MAY 2016 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

BUNCOMBE COUNTY 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	\$ 51,390,856	\$ 53,053,607	\$ 56,322,111
Fines and Forfeitures	715,380	750,000	700,000
State of North Carolina	28,323	35,000	30,000
Other Revenues	158,373	10,000	
Fund Balance Decrease (Increase) - Fiscal Year 2015			
Fund Balance Appropriated	1,051,010	6,580,250	4,036,395
Total Local Current Expense Fund Revenues	\$ 53,343,942	\$ 60,428,857	\$ 61,088,506
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 12,128,493	\$ 13,665,111	\$ 15,229,978
Special Populations Services	2,595,614	4,281,084	4,324,998
Alternative Programs & Services	727,050	712,210	969,381
School Leadership Services	6,027,877	6,769,779	6,610,755
Co-Curricular Services	920,569	1,033,750	102,867
School-based Support Services	5,552,713	6,077,087	7,035,661
System-wide Support Services			
Regular Instructional Support Services	919,095	1,147,332	1,107,566
Special Populations Support Services	151,576	167,778	185,191
Alternative Programs Support Services	91,952	90,530	133,616
Technology Support Services	2,782,941	2,586,197	2,687,455
Operational Support Services	13,419,241	14,436,512	14,525,004
Financial & Human Resource Services	1,560,056	1,828,492	1,776,439
Accountability Services	103,078	112,722	120,442
System-wide Pupil Support Services	794,389	795,444	820,295
Policy, Leadership & Public Info Services	1,780,042	1,856,804	1,851,588
Ancillary Services - Nutrition Services	(2)	29,231	29,566
Non-programmed Charges			
Payments to Charter Schools	2,312,441	3,199,871	3,577,704
Transfers to Other Funds	1,476,817	1,638,923	
Contingency			
Total Local Current Expense Fund Expenditures	\$ 53,343,942	\$ 60,428,857	\$ 61,088,506

BUNCOMBE COUNTY 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 2014-15 Actual	Fiscal Year 2015-16 Current Budget	Fiscal Year 2016-17 Proposed Budget
Revenues			
State Funds	\$ 109,546	\$ 160,000	\$ 100,000
Federal Funds			
Medicaid Administrative Outreach	315,019	275,000	300,000
Medicaid Direct Services Reimbursement	3,824,832	1,240,641	1,264,302
Carol White PEP Grant	761,347	1,256,696	1,106,376
Avery County-MSP Grant	7,526	-	-
APLUS Math/Science Grant	155,870	80,004	
Workforce Investment Grant	255,051	215,586	115,473
Junior ROTC	376,884	315,000	315,000
CLASS Grant	275,257	521,884	516,000
Local Funds			
Sales Tax			
Sales Tax Refunds			
Tuition and Fees	69,751	91,600	91,600
County Appropriation for Community High School	276,116	276,118	276,118
Rental of School Property	249,104	200,000	250,000
Other Miscellaneous Revenue	551,479	669,489	575,000
Interest Earned	37,131		
Indirect Cost	1,039,292	667,463	700,000
Local Grants/Contracts			
Paddison	93,632	111,770	111,770
Social Workers	223,810	223,810	223,810
Grant Matches-EWIF, etc.			
Sisters of Mercy	111,717	73,672	75,000
Burroughs Wellcome	49,140	74,927	40,000
Miscellaneous Grants and Reimbursements	202,588	574,763	600,000
Fund Balance Decrease (Increase) - Fiscal Year 2015	(3,472,605)		
Fund Balance Appropriated/Transfers		502,315	614,261
Total Other Specific Revenue Fund Revenues	\$ 5,512,487	\$ 7,530,738	\$ 7,274,710
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 1,548,656	\$ 2,235,228	\$ 2,324,174
Special Populations Services	849,115	1,205,344	1,128,892
Alternative Programs & Services	350,188	428,675	367,796
School Leadership Services	59,580	54,111	55,116
Co-Curricular Services	2,198	-	-
School-based Support Services	1,186,895	1,015,737	965,437
System-wide Support Services			
Regular Instructional Support Services	922,476	1,384,668	1,238,217
Special Populations Support Services	275	16,684	16,684
Alternative Programs Support Services	63,051	63,039	68,802
Operational Support Services	282,927	766,281	719,802
Financial & Human Resource Services	50	-	-
Accountability Services	37,236	-	-
System Wide Pupil Support		40,980	40,639
Policy, Leadership & Public Info Services	-	-	-
Ancillary Services			
Community Services	2,172	2,000	2,000
Nutrition Services	23,532	28,800	27,100
Non-programmed Charges - Indirect Cost & Transfers	184,136	289,191	320,051
Total Other Specific Revenue Fund Expenditures	\$ 5,512,487	\$ 7,530,738	\$ 7,274,710

BUNCOMBE COUNTY 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			
Insurance Reimbursements	\$ 5,266		
Lottery Funds through SCCF - Discovery Academy	311,972	990,000	-
Lottery Funds through SCCF - Digital Learning	957,175	68,350	-
Sales Tax Refunds	147,895	75,000	100,000
Local Funds			
Article 39 Sales Tax	2,368,178	9,447,201	7,815,441
LOBS - Enka Intermediate	7,176,905	18,082,003	3,000,000
Bus Lease Pass Through	2,215,543	1,949,374	
Article 40/42 Sales Tax	10,587,694	9,798,587	11,300,000
Contributions and Donations	216,121		-
Interest Earned	37,388		-
Sale of School Property	18,822		-
Insurance Reimbursements	90,733	2,100	-
Fund Balance Decrease (Increase) - Fiscal Year 2015	(452,688)		
Fund Balance Appropriated		7,292,976	6,500,000
Total Capital Outlay Fund Revenues	\$ 23,681,004	\$ 47,705,591	\$ 28,715,441
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 1,069,367	\$ 3,160,624	\$ 3,489,035
School-based Support Services	2,090,135	1,328,411	
System-wide Support Services	1,670,943	2,318,373	2,318,373
Ancillary Charges	1,142	30,967	30,000
Capital Outlay	17,910,384	40,386,049	22,520,000
Non-programmed Charges			
Transfers to Other Funds	939,033	327,590	358,033
Contingency		153,577	
Total Capital Outlay Fund Expenditures	\$ 23,681,004	\$ 47,705,591	\$ 28,715,441

Tony Baldwin, Ed.D., Superintendent

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ELECTRONICALLY TRANSMITTED

May 12, 2016

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

Dear Dr. Greene,

Please find enclosed an addendum to the original 2016-17 Budget Resolution adopted by the Buncombe County Board of Education at their regular meeting on May 5, 2016. This addendum was approved by the Board of Education at a Special Called Meeting called held on May 11, 2016.

This addendum represents the Board's desire to submit for consideration an increase in the local supplement percentage rates for certified personnel in Buncombe County Schools. In 2007, the County graciously adopted a plan to increase the local teacher supplement over a three year period. Unfortunately, due to the down turn in the economy, only the first year of the three-year plan was implemented.

The total amount of this additional request is \$3,297,312.

Below are the current local supplement percentage rates along with the proposed local supplement percentage rates.

Years	Current Rate	Proposed Rate
0-4	6.30%	8.50%
5-9	6.40%	9.50%
10-14	8.20%	10.50%
15-19	8.40%	11.50%
20-24	10.60%	12.50%
25-29	10.90%	13.50%
30+	11.70%	16.00%

We appreciate your consideration of this additional request and value your continued support of our local supplement over the years. With this additional support we can provide our certified staff with a competitive salary to allow us to recruit and retain the most qualified personnel.

Also included in this transmittal is the additional component requested outlining a detailed level for both revenues and expenditures for FY 2017 for the addendum to the original budget resolution for Local Current Expense.

Two notes about the proposal: this current proposal would provide our newest teachers with the same supplement (8.5%) they would receive if they taught in neighboring Henderson or Transylvania Counties. Currently, teachers with less than twenty years of experience have a lower supplement than their colleagues in Henderson or Transylvania Counties. Further, this request provides a larger increase for our veteran teachers who received the smallest raises from the State two years ago.

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

Respectfully Submitted,

A handwritten signature in black ink that reads "Tony Baldwin". The signature is written in a cursive style with a large initial "T".

Tony Baldwin, Superintendent

Enclosure

BUNCOMBE COUNTY SCHOOLS

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

ADDENDUM

Proposed Increase In Local Supplement for Certified Personnel

Local Current Expense Fund	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-16 Budgeted	Fiscal Year 2016-2017 Proposed Budget
Revenues			
County General Appropriation			\$ 3,297,312
Fines and Forfeitures			
State of North Carolina			
Other Revenues			
Fund Balance Decrease (Increase) - Fiscal Year 2015			
Fund Balance Appropriated			
Total Local Current Expense Fund Revenues			\$ 3,297,312
Expenditures			
Instructional Services			
Regular Instructional Services			\$ 1,979,047
Special Populations Services			542,408
Alternative Programs & Services			234,109
School Leadership Services			198,168
Co-Curricular Services			-
School-based Support Services			224,547
System-wide Support Services			
Regular Instructional Support Services			44,514
Special Populations Support Services			9,562
Alternative Programs Support Services			5,935
Technology Support Services			3,297
Operational Support Services			6,924
Financial & Human Resource Services			7,584
Accountability Services			2,308
System-wide Pupil Support Services			20,443
Policy, Leadership & Public Info Services			15,827
Ancillary Services - Nutrition Services			2,638
Non-programmed Charges			
Payments to Charter Schools			
Transfers to Other Funds			
Contingency			
Total Local Current Expense Fund Expenditures			\$ 3,297,312