



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

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April 25, 2017

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 2017-2018 as will be presented and adopted by the Asheville City Board of Education on May 1, 2017:

Local Current Expense Fund

Buncombe County General Appropriation (projected at 15.59% of ADM)	<u>\$11,537,436</u>
Projected Pass-Through Revenues:	
Asheville District Supplemental Tax (as collected; rate 13¢;	9,473,772
Fines and forfeitures (as collected)	<u>125,000</u>
Total Pass-Through Revenue	9,598,772
Total Local Current Expense Fund Appropriation and Pass-Through Revenues	<u>\$21,136,208</u>

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)	<u>\$ 2,837,957</u>
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Capital Outlay Fund

Buncombe County Capital Outlay Appropriation (projected at 15.40% of Article 40/42 sales tax, as collected)	<u>\$ 2,148,093</u>
Total Capital Outlay Fund County Appropriation and Pass-Through Revenues	<u>\$ 2,148,093</u>

LOCAL CURRENT EXPENSE FUND AND OTHER SPECIFIC REVENUE FUND

Asheville City Schools is requesting that the tax rate for the Asheville District Supplemental Tax be set at the rate of 13¢.

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 \$254,076 is projected for sales tax revenues to be recorded in the Other Specific Revenue Fund.

For fiscal year 2017-18, Asheville City Schools is requesting that the total Buncombe County General Appropriation to be apportioned between Asheville City Schools and Buncombe County Schools be increased at least 5.0% from \$69,047,184 to \$72,499,543. 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 remain at 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 remains at 15.59%, Asheville City Schools will experience an increase of \$537,187 in the Buncombe County General Appropriation next fiscal year. This budget proposal also includes \$256,507 for the second phase of teacher supplement increases.

Listed below are several critical items and increases proposed for the 2017-2018 school year:

- **\$385,886** – Projected net cost of salary increases, assuming that the North Carolina General Assembly provides an average 5% salary and step increase for all certified employees and a 3% salary increase for classified and Central Office employees.
- **\$302,672** – Projected net cost of local salary supplement to increase remaining tiers. Phase I was implemented in fiscal year 2017.
- **\$143,166** – Projected increase from 16.33% to 17.33% to the retirement matching rate as set by the North Carolina General Assembly.
- **\$61,711** – Projected increase in the employer hospitalization cost, per employee, from \$5,659 to \$5,880, as determined by the North Carolina General Assembly.
- **\$288,577** – Projected cost to add five elementary teachers to reduce class size and comply with state class size law. This projection includes benefits.
- **\$117,864** – Projected cost to add two teachers and expand classrooms at the Asheville Primary campus (Currently Preschool Campus).
- **\$132,623** – Projected cost to add four teachers assistants. Two will be added for class size reduction and two for new classrooms at Asheville Primary Campus.
- **\$66,000** – Projected cost to add one School Resource Officer.
- **\$78,644** – Projected cost to add an Assistant Principal at Asheville Middle School, due to growth and safety issues.

- **\$68,927** – Projected cost to add one Media Coordinator to Asheville Primary.
- **\$69,471** – Projected cost to add two Day Treatment Teacher Assistants to support the Day Treatment program.
- **\$168,000** – Projected increase for waste management, electricity, and phone service. A plan will be established to start a sinking fund from the savings of LED lights to implement further energy savings.

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 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 opened for students in August 2016. It is hoped that the Isaac Dickson Elementary School project will be completed before the close of fiscal year 2017.

Other capital projects planned for fiscal year 2018 include continuation of the LED lighting project, boiler repair and replacement and much needed paving repairs. Additionally, repair or replacement of the roof cornice at Claxton Elementary School is planned. 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. We will gladly 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

Dr. Bobbie Short, Interim Superintendent

Attachments

ASHEVILLE CITY SCHOOLS

Comparison of Fiscal Year 2016 Actual Revenues/Expenditures to Fiscal Year 2017 Budgeted Revenues/Expenditures and Fiscal Year 2018 Proposed Budgeted Revenues/Expenditures

Local Current Expense Fund	Fiscal year 2015-2016 Actual	Fiscal year 2016-2017 Current Budget	Fiscal Year 2017-2018 Proposed Budget
Revenues			
County General Appropriation	\$ 9,562,424	\$ 10,543,505	\$ 11,537,436
Asheville District Supplemental Tax	8,030,977	8,080,688	9,473,772
Fines and Forfeitures	152,988	110,000	125,000
Interest Earned	43,849	25,000	25,000
Fund Balance Decrease (Increase) - Fiscal Year 2016	(497,415)	-	-
Fund Balance Appropriated	-	1,418,182	1,040,571
Total Local Current Expense Fund Revenues	\$ 17,292,823	\$ 20,177,375	\$ 22,201,779
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 4,671,963	\$ 5,490,129	\$ 6,515,193
Special Populations Services	224,348	225,839	246,582
Alternative Programs & Services	922,487	1,243,589	1,400,908
School Leadership Services	1,384,685	1,475,800	1,660,075
Co-Curricular Services	199,734	245,605	245,836
School-based Support Services	1,101,404	1,390,900	1,482,409
System-wide Support Services			
Regular Instructional Support Services	263,444	160,313	205,832
Special Populations Support Services	123,957	126,180	131,366
Alternative Programs Support Services	235,819	221,162	245,719
Technology Support Services	731,931	742,439	761,091
Operational Support Services	4,501,889	5,197,396	5,443,748
Financial & Human Resource Services	834,154	1,087,222	1,080,040
Accountability Services	110,325	114,012	117,477
System-wide Pupil Support Services	239,442	250,264	362,583
Policy, Leadership & Public Info Services	716,554	842,680	942,424
Ancillary Services - Nutrition Services	-	220	271
Non-programmed Charges			
Payments to Charter Schools	889,811	1,085,625	1,092,225
Transfers to Other Funds	140,876	228,000	218,000
Contingency	-	50,000	50,000
Total Local Current Expense Fund Expenditures	\$ 17,292,823	\$ 20,177,375	\$ 22,201,779

ASHEVILLE CITY SCHOOLS

Comparison of Fiscal Year 2016 Actual Revenues/Expenditures to Fiscal Year 2017 Budgeted Revenues/Expenditures and Fiscal Year 2018 Proposed Budgeted Revenues/Expenditures

Capital Outlay Fund	Fiscal year 2015-2016 Actual	Fiscal year 2016-2017 Current Budget	Fiscal Year 2017-2018 Proposed Budget
Revenues			
State Funds			
Light Efficiency Grant	\$ 10,422	\$ -	\$ -
ADM through SCCF - New IDES	583,000	-	-
Lottery Funds through SCCF - New IDES	667,465	699,535	-
School Bus Replacement	121,048	818,091	-
Local Funds			
LOBS through SCCF - New IDES	7,089,105	-	-
LOBS through SCCF - New AMS	20,139,714	4,886,755	-
Capital Fund Commission - General Lighting	-	171,609	-
Capital Fund Commission - Preschool Paving	-	240,000	-
Article 40/42 Sales Tax	2,040,637	2,051,060	2,148,093
Asheville District Supplemental Tax	300,000	400,000	-
Sales Tax Refunds	270,765	30,000	25,000
Contributions and Donations	8,500	-	-
Interest Earned	13,066	5,000	5,000
Sale of School Property	30,981	10,000	5,000
Insurance Reimbursements	1,090	-	-
IDES Duke Progress Energy	6,600	84,255	-
Transfers from Other Funds	61,436	35,974	-
Fund Balance Decrease (Increase) - Fiscal Year 2016	(687,931)	-	-
Fund Balance Appropriated	-	475,000	-
Total Capital Outlay Fund Revenues	\$ 30,655,898	\$ 9,907,279	\$ 2,183,093 *
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 126,145	\$ 212,060	\$ 268,000
Alternative Programs & Services	-	-	50,000
School-based Support Services	583,446	625,000	665,000
System-wide Support Services			
Technology Support Services	14,837	15,000	60,000
Operational Support Services	198,642	948,091	80,000
Capital Outlay	29,708,542	7,997,128	950,093
Non-programmed Charges			
Transfers to Other Funds	24,286	100,000	100,000
Contingency	-	10,000	10,000
Total Capital Outlay Fund Expenditures	\$ 30,655,898	\$ 9,907,279	\$ 2,183,093 *

* Construction close out for AMS and IDES expected by June 30, 2017.

ASHEVILLE CITY SCHOOLS

Comparison of Fiscal Year 2016 Actual Revenues/Expenditures to Fiscal Year 2017 Budgeted Revenues/Expenditures and Fiscal Year 2018 Proposed Budgeted Revenues/Expenditures

Other Specific Revenue Fund	Fiscal year 2015-2016 Actual	Fiscal year 2016-2017 Current Budget	Fiscal Year 2017-2018 Proposed Budget
Revenues			
State Funds			
Smart Start	\$ 151,341	\$ 155,500	\$ 155,000
NC PreK	430,664	371,873	420,970
Federal Funds			
Medicaid Administrative Outreach	24,420	39,162	39,162
Medicaid Direct Services Reimbursement	170,935	53,000	53,000
Impact Aid	75,632	60,000	75,000
Early Head Start	194,139	-	-
NC Quest Grant	2,346	-	-
Marine Junior ROTC	60,327	65,500	65,500
Local Funds			
Sales Tax	3,024,676	2,725,000	2,837,957
Sales Tax Refunds	40,875	40,000	40,000
Tuition and Fees	166,468	140,000	140,000
Day Care Fees	318,921	396,374	396,865
Rental of School Property	28,998	20,000	25,000
Interest Earned	10,769	7,500	10,000
Indirect Cost	136,516	127,541	127,539
Local Grants/Contracts/Donations			
Asheville City Schools Foundation (ACSF)	30,000	-	-
Sisters of Mercy	50,000	50,000	-
Motherread Program	3,401	-	-
Head Start	167,485	172,000	154,800
Fund Balance Decrease (Increase) - Fiscal Year 2016	(600,878)	-	-
Fund Balance Appropriated	-	504,769	930,413
Total Other Specific Revenue Fund Revenues	\$ 4,487,035	\$ 4,928,219	\$ 5,471,206
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 1,583,693	\$ 1,841,575	\$ 2,197,659
Special Populations Services	404,799	405,379	468,835
Alternative Programs & Services	1,397,639	1,385,375	1,288,758
School Leadership Services	175,320	217,351	274,956
School-based Support Services	196,205	226,725	291,140
System-wide Support Services			
Regular Instructional Support Services	26,284	19,415	12,077
Special Populations Support Services	9,894	16,231	16,823
Alternative Programs Support Services	45,866	21,341	39,036
Technology Support Services	38,502	43,788	48,900
Operational Support Services	250,100	290,463	323,993
Financial & Human Resource Services	56,018	89,145	98,394
Accountability Services	8,883	14,570	15,101
System-wide Pupil Support Services	23,363	34,146	48,342
Policy, Leadership & Public Info Services	81,395	92,894	103,553
Ancillary Services - Nutrition Services			
Community Services	121,864	149,090	153,916
Nutrition Services	67,210	80,731	89,723
Total Other Specific Revenue Fund Expenditures	\$ 4,487,035	\$ 4,928,219	\$ 5,471,206