

ELECTRONICALLY TRANSMITTED

May 12, 2017

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 2017-18 fiscal year, we are asking for a \$5,442,572 total increase above the 2016-17 level of County's current expense appropriation of \$69,047,184 to make a new total to be shared between both districts (and those charter school students residing within our respective boundaries) of \$74,489,756.

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 \$4,584,823 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:

- \$691,000 = Personnel for Final Phase of Nesbitt Discovery Academy and Expansion/Sustain Operations
- \$616,715 = Retirement and Health Insurance Rate Increases for Locally Funded Personnel
- \$829,428 = To Cover Average of 5% State Pay Increase for Certified Personnel Paid from Local Funds
- \$799,024 = To Cover Average of 3% State Pay Increase for Non-Certified Personnel Paid from Local Funds
- \$1,648,656 = Year Two of Certified Local Supplement Increase

The total amount of these items is \$4,584,823.

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.

Request to Commissioners

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 \$1,628,452.

The budget totals for each fund includes the impact of mandated increases in the employer's retirement contribution rate estimated to increase from 16.33% to 17.33%, and in the employer-paid health insurance premium estimated to increase by roughly 2.4% totaling \$616,715 for both.

The budget proposal also includes several high priority enhancements that received consensus approval in the budget committee meetings, namely \$691,00 to fund the following: the final phase of the Nesbitt Discovery Academy which includes three core teaching positions in the areas of English, Math and Social studies at a cost of \$201,000; maintain four counseling positions at a cost of \$292,000 to sustain these positions funded by grant that expires June 30, 2017 and finally, sustain year 2 of elementary math textbooks/consumables at a cost of \$198,000.

The proto-type budget resolution presented below is an estimate of purpose totals by fund for year 2017-18. 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 2016 actual, FY 2017 adopted budget and FY 2018 requested amounts for Local Current Expense, Special Revenue fund and Capital Outlay.

The draft budget also maintains the local supplement schedule shown below with proposed increases to the licensed supplement scale for year two in 2017-18 at a cost of \$1,648,656.

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

Certified/Licensed Local Supplement Scale

Years on License	2016-17 Current Rate	Proposed Year 2 2017-18
0-4	8.50%	8.50%
5-9	8.50%	9.50%
10-14	9.25%	10.50%
15-19	9.25%	11.50%
20-24	12.00%	12.50%
25-29	12.00%	13.50%
30+	13.00%	16.00%

Non-certified/non-licensed local supplement rate is 10.77%.

Respectfully Submitted,



Tony Baldwin, Superintendent

Enclosures

CC: Members of the Buncombe County Board of Education

Request to Commissioners

**BUDGET RESOLUTION FOR FISCAL YEAR 2017-18
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, 2017 and ending June 30, 2018.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$130,588,478
6000	System-wide Support Services	\$18,916,164
7000	Ancillary Services	\$96,605
8000	Non-Programmed Charges	(\$4,983)
TOTAL		\$149,596,264

SECTION 2 - The following revenues estimated to be available for the **State Public School Fund** for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Funding Source	Description	Preliminary Budget
3100	State Public School Fund Revenue	\$149,596,264
TOTAL		\$149,596,264

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, 2017 and ending June 30, 2018.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$38,287,227
6000	System-wide Support Services	\$23,387,234
7000	Ancillary Services	\$30,430
8000	Non-Programmed Charges	\$3,807,589
TOTAL		\$65,512,480

SECTION 4 - The following revenues are estimated to be available to the **Local Current Expense** for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Funding Source	Description	Preliminary Budget
3200	State Revenue	\$30,000
4120-4800	Local other than County Appropriation	\$700,000
4110	County Appropriation	\$62,888,265
TOTAL OPERATING REVENUE		\$63,618,265
4900	Other Financing Sources	\$1,894,215
TOTAL		\$65,512,480

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, 2017 and ending June 30, 2018.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$13,253,828
6000	System-wide Support Services	\$1,003,461
8000	Non-Programmed Charges	\$4,871,853
TOTAL		\$19,129,142

SECTION 6 - The following revenues are estimated to be available to the **Federal Grants Fund** for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Funding Source	Description	Preliminary Budget
3600	Federal Grants Allotted through NCDPI	\$19,129,142
TOTAL		\$19,129,142

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, 2017 and ending June 30, 2018.

Purpose	Description	Preliminary Budget
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5000	Instructional Services	\$3,903,313
6000	System-wide Support Services	\$2,081,767
7000	Ancillary Services	\$38,000
8000	Non-Programmed Charges	\$325,276
9000	General Capital Projects	\$19,673,730
TOTAL		\$26,022,086

SECTION 8 – The following revenues are estimated to be available to the **Capital Outlay Fund** for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Funding Source	Description	Preliminary Budget
3200	State - Not Allotted through NCDPI	\$100,000
3700	Federal - Not Allotted through NCDPI	\$0
4100-4800	Local Revenue	\$21,872,286
TOTAL OPERATING REVENUE		\$21,972,286
4900	Other Financing Sources	\$4,049,800
TOTAL		\$26,022,086

SECTION 9 – In addition, authorization is hereby granted to continue both regular and building program projects uncompleted at June 30, 2017 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, 2017 and ending June 30, 2018.

Purpose	Description	Preliminary Budget
7000	Ancillary Services	\$12,969,643
8000	Non-Programmed Charges	\$765,328
TOTAL		\$13,734,971

SECTION 11 - The following revenues are estimated to be available to the **Child Nutrition Fund** for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Funding Source	Description	Preliminary Budget
3200	State Revenue	\$0
3800	Federal Revenue	\$7,966,283
4100-4800	Local Revenue	\$5,219,289
TOTAL OPERATING REVENUE		\$13,185,572
4900	Other Financing Sources	\$549,399
TOTAL		\$13,734,971

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, 2017 and ending June 30, 2018.

Purpose	Description	Preliminary Budget
5000	Instructional Services	\$5,701,331
6000	System-wide Support Services	\$1,709,298
7000	Ancillary Services	\$30,700
8000	Non-Programmed Charges	\$142,026
TOTAL		\$7,583,355

SECTION 13 - The following revenues are estimated to be available to the **Other Specific Revenue Fund** for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Funding Source	Description	Preliminary Budget
3200	State - Not Allotted through NCDPI	\$45,500
3700	Federal - Not Allotted through NCDPI	\$2,548,007
4100-4800	Local Revenue	\$3,056,092
TOTAL OPERATING REVENUE		\$5,649,599
4900	Other Financing Sources	\$1,933,756
TOTAL		\$7,583,355

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 FOURTH DAY OF MAY 2017 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

BUNCOMBE COUNTY 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	\$ 53,069,656	\$ 58,503,679	\$ 62,888,265
Fines and Forfeitures	1,115,845	840,000	700,000
State of North Carolina	39,420	35,000	30,000
Other Revenues	140,900	80,000	
Fund Balance Decrease (Increase) - Fiscal Year 2016			
Fund Balance Appropriated	1,118,088	5,489,839	1,894,215
Total Local Current Expense Fund Revenues	\$ 55,483,909	\$ 64,948,518	\$ 65,512,480
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 11,534,717	\$ 18,334,047	\$ 18,538,675
Special Populations Services	4,071,485	3,317,748	3,353,961
Alternative Programs & Services	843,691	1,130,667	1,144,788
School Leadership Services	6,462,830	7,400,873	7,485,153
Co-Curricular Services	907,538	974,848	983,982
School-based Support Services	5,728,076	6,702,859	6,780,668
System-wide Support Services			
Regular Instructional Support Services	1,220,936	1,352,827	1,361,137
Special Populations Support Services	153,598	232,787	233,872
Alternative Programs Support Services	80,637	70,332	70,162
Technology Support Services	2,595,516	2,650,673	2,666,145
Operational Support Services	12,718,931	14,404,492	14,490,730
Financial & Human Resource Services	1,662,707	1,706,909	1,716,623
Accountability Services	97,488	114,423	114,598
System-wide Pupil Support Services	852,766	954,342	961,215
Policy, Leadership & Public Info Services	1,735,223	1,759,484	1,772,752
Ancillary Services - Nutrition Services	349	31,004	30,430
Non-programmed Charges			
Payments to Charter Schools	3,227,479	3,420,000	3,807,589
Transfers to Other Funds	1,589,942	390,203	
Contingency			
Total Local Current Expense Fund Expenditures	\$ 55,483,909	\$ 64,948,518	\$ 65,512,480

BUNCOMBE COUNTY 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	\$ 160,707	\$ 160,000	\$ 45,500
Federal Funds			
Medicaid Administrative Outreach	111,790	200,000	200,000
Medicaid Direct Services Reimbursement	1,076,228	892,590	838,913
Carol White PEP Grant	765,577	501,731	501,731
Avery County-MSP Grant			
APLUS Math/Science Grant	76,927	3,076	
Workforce Investment Grant	158,548	156,847	156,847
Junior ROTC	371,546	369,500	350,000
CLASS Grant	413,261	500,516	500,516
Local Funds			
Sales Tax Refunds			
Tuition and Fees	79,461	21,600	25,000
County Appropriation for Community High School	276,116	276,116	276,116
County Appropriation for Zeugner Pool	43,213		
Rental of School Property	300,547	450,000	475,000
Other Miscellaneous Revenue			
Interest Earned	57,705		50,000
Indirect Cost	1,037,247	1,000,000	1,000,000
Local Grants/Contracts			
Paddison	96,013	108,077	95,000
Social Workers	223,810	223,810	
Grant Matches-EWIF, etc.		40,000	40,000
Sisters of Mercy	60,132	51,196	50,000
Burroughs Wellcome	55,079	36,180	45,000
Miscellaneous Grants and Reimbursements	368,225	956,893	999,976
Fund Balance Decrease (Increase) - Fiscal Year 2016			
Fund Balance Appropriated/Transfers	502,315	1,590,663	1,933,756
Total Other Specific Revenue Fund Revenues	\$ 6,234,447	\$ 7,538,495	\$ 7,583,355
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 1,460,820	\$ 2,081,397	\$ 2,143,130
Special Populations Services	1,177,343	2,129,839	2,192,732
Alternative Programs & Services	395,954	459,157	472,640
School Leadership Services	49,202	56,381	58,154
Co-Curricular Services	4,060		
School-based Support Services	992,154	810,469	834,675
System-wide Support Services			
Regular Instructional Support Services	900,976	608,032	578,939
Special Populations Support Services	13,351	6,000	5,812
Alternative Programs Support Services	63,615	65,210	62,047
Operational Support Services	855,143	1,074,822	1,023,528
Financial & Human Resource Services			
Accountability Services			
System Wide Pupil Support	38,376	40,945	38,972
Policy, Leadership & Public Info Services			
Ancillary Services			
Community Services	1,971	4,000	4,000
Nutrition Services	29,889	29,400	30,700
Non-programmed Charges - Indirect Cost & Transfers	251,593	172,843	138,026
Total Other Specific Revenue Fund Expenditures	\$ 6,234,447	\$ 7,538,495	\$ 7,583,355

BUNCOMBE COUNTY 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			
Insurance Reimbursements			
Lottery Funds through SCCF	701,261	4,922,079	
State Bus Lease Pass Through	817,939	1,370,816	
Sales Tax Refunds	265,331	100,000	100,000
Local Funds			
County Appropriation - Zeugner Pool	12,000		
Article 39 Sales Tax	3,791,571	32,724,177	10,124,725
LOBS - Enka Intermediate	17,976,327	746,107	
Bus Lease Pass Through	1,746,210	778,782	
Article 40/42 Sales Tax	11,354,041	11,276,289	11,747,561
Contributions and Donations	314,644	263,951	
Interest Earned	66,387		
Sale of School Property			
Insurance Reimbursements	172,734	4,988	
Fund Balance Decrease (Increase) - Fiscal Year 2016	(276,099)		
Fund Balance Appropriated		6,540,868	4,049,800
Total Capital Outlay Fund Revenues	\$ 36,942,346	\$ 58,728,057	\$ 26,022,086
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 3,196,603	\$ 4,536,829	\$ 3,903,313
School-based Support Services		982,313	
System-wide Support Services	2,324,793	1,960,935	2,081,767
Ancillary Charges	21,066	34,500	38,000
Capital Outlay	30,316,614	50,855,447	19,673,730
Non-programmed Charges			
Transfers to Other Funds	1,083,270	358,033	325,276
Contingency			
Total Capital Outlay Fund Expenditures	\$ 36,942,346	\$ 58,728,057	\$ 26,022,086