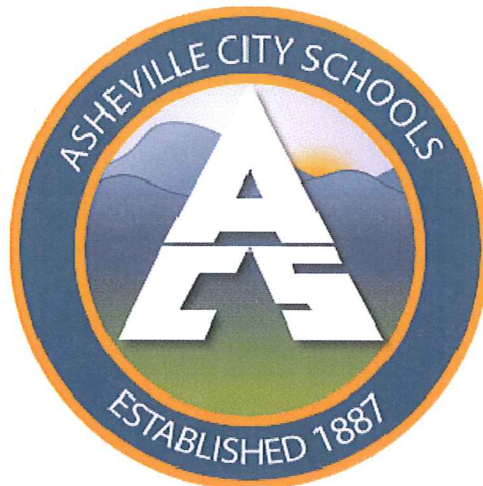


Asheville City Schools

Local Budget Request to the Buncombe County Board of Commissioners

**Fiscal Year Ending
June 30, 2013**



May 2012

TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal	
Superintendent's Budget Message	B-1
<u>Local Current Expense Fund</u>	
Assumptions Used in Preparing the 2012-13 Budget	L-1
Proposed Significant Budget Changes	L-2
Local Current Expense Fund Positions	L-3
<u>Capital Outlay Fund</u>	
Proposed Capital Outlay Funding	C-1
<u>Supplemental Information</u>	
Advisory Budget Committee 2012-2014 Final Report	ABC-1
Status of Advisory Budget Committee Recommendations	ABC-7



Asheville City Schools

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

May 11, 2012

ELECTRONICALLY TRANSMITTED

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

Contained herein is the local budget request of the Asheville City Schools for 2012-13 as adopted by the Asheville City Board of Education on April 30, 2012:

Local Current Expense Fund

Buncombe County General Appropriation (projected at 14.40% of ADM) \$ 8,082,114

Projected Pass-Through Revenues:

Asheville District Supplemental Tax (as collected; rate remains at 15¢)	7,977,099
Fines and forfeitures (as collected)	<u>120,000</u>
Total Pass-Through Revenues	<u>8,097,099</u>

Total Local Current Expense Fund Appropriation and Pass-Through Revenues	<u>\$16,179,213</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) \$ 2,227,864

Capital Outlay Fund

Buncombe County Capital Outlay Appropriation \$ 1,355,753

It is requested that the Buncombe County Board of Commissioners continue to work with the Asheville City Board of Education to identify and provide funding resources necessary for the replacement of Asheville Middle School and Dickson Elementary School.

The Superintendent's Budget Message begins on page B-1 and provides additional discussion and analysis.

LOCAL CURRENT EXPENSE FUND

The Board of Education reviewed the recommendations of the Superintendent and adopted the budget proposal herein requested. Page L-1 lists the assumptions used in preparing the Local Current Expense Fund budget. As you know, items to be considered by the General Assembly in the current session which may impact education funding and our local budget remain uncertain. In particular, the amount required for salaries and matching benefits cannot be accurately determined until the General Assembly reconvenes for its Short Session later this month. At this time, we have not included a salary increase for any employees other than for those employees who will obtain the necessary years of experience to move to the next level on the longevity and/or local supplement pay scales. The matching retirement rate and employer hospitalization cost have been projected at the rates included in the biennial budget approved by the General Assembly last year.

Page L-2 shows significant estimated changes to the Local Current Expense Fund budget for fiscal year 2013. Page L-3 compares locally-funded positions included in the Local Current Expense Fund budgets for 2011-12 and 2012-13.

CAPITAL OUTLAY FUND

Page C-1 presents the Capital Outlay Fund funding request for 2012-13 from the restricted sales tax funds along with proposed expenditure priorities. We are grateful that the Commissioners, the County Manager and the Finance Office have been willing to work with us to investigate means to replace Asheville Middle School and Dickson Elementary School. The needed revenues and anticipated expenditures to replace these two schools have not been included in our proposed Capital Outlay Fund budget at this time.

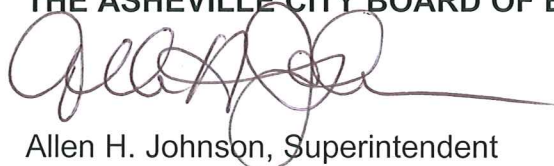
SUPPLEMENTARY INFORMATION

As additional information, a copy of the 2012-14 Advisory Budget Committee Final Report has been provided for your review. Also included on page ABC-7 is the fiscal year 2013 projected status of the Advisory Budget Committee recommendations.

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



Allen H. Johnson, Superintendent

**BUDGET MESSAGE TO THE ASHEVILLE CITY BOARD OF EDUCATION
BUNCOMBE COUNTY BOARD OF COMMISSIONERS
CITIZENS OF ASHEVILLE AND BUNCOMBE COUNTY**

The 2011-12 school year for the Asheville City School System has proven to be a very successful year. Asheville City Schools experienced several highlights during the year. Some of these include: an increase of projected student enrollment of 95 students which continues to reverse a 20 + year trend of declining enrollment, student achievement data exceeding state averages on state assessments on a consistent annual basis and the continued implementation of the multi-year federal IMPACT grant which will have provided over \$5 million for incorporating technology into our classrooms over the span of the grant.

Asheville City Schools continues to place a high priority on increasing student achievement for all students. School year 2010-2011 data states Asheville City Schools' graduation rate has steadily improved and now rises above the state average. All schools (100%) met or exceeded state growth expectations on North Carolina ABC's Program. Scholastic Aptitude Test (SAT) performance indicates that Asheville City Schools students have out-paced North Carolina and national averages for 14 consecutive years. The participation rate among SAT test takers is among the highest in the state. In 2010-2011 Asheville City Schools posted the lowest dropout figures (39 students) dropping out of school in the past decade. Dropout figures have steadily declined and now rank below the state average for students dropping out of school. A significant accomplishment for our district this year included providing a personal laptop computer for each high school student in Asheville City Schools. Students are provided a laptop computer to use throughout the year for conducting research, writing assignments, performing homework assignments, reviewing classroom assignments through Moodle sites among other uses. We refer to this initiative as our "One to One" technology effort in improving student learning and engagement for all students. A combination of state, federal, local and private funding made the "One to One" laptop initiative a reality for high school students in Asheville City Schools.

Based upon our current budget information, the Local Current Expense Fund budget is expected to increase from \$16,006,215 as of April 30, 2012 to \$16,799,213 for fiscal year 2013. Our current local funding request reflects an increase of \$303,079 for the County General Appropriation assuming that the county wide level of education funding will remain at fiscal year 2012 levels while Asheville City Schools' per capital distribution of local funds will increase from 13.86% to 14.40%.

Asheville City Schools continues to operate on the supplemental school tax rate of 15 cents. This current rate was established during the 2006 property revaluation whereby the rate was reduced from 20 cents to 15 cents. Based on estimates provided by the County, collections of the Asheville City Schools supplemental school tax are expected to increase by \$116,919. As shown on page L-2, this projected increase, along with the projected increase in the County General Appropriation, will be needed to maintain classroom positions funded by the federal Education Jobs Fund allocation to Asheville City Schools which should be fully expended by the end of fiscal year 2012.

An additional concern to Asheville City Schools is that our facilities are aging and are in need of replacement or repair and renovation. In fact, our newest school, Vance Elementary

School, was constructed in 1987 and is currently 25 years old. Dickson Elementary School, built in 1959, and Asheville Middle School, built in 1961, are both in need of immediate replacement. We will continue to seek assistance from the Buncombe County Commissioners in replacing these two schools and renovating other facilities. We commend the Buncombe County Commissioners for the support they recently demonstrated by approving funding to commission architects for these two projects.

The funding that is being requested from the Buncombe County Board of Commissioners for 2012-13 includes the following:

Local Current Expense Fund:

Buncombe County General Appropriation	\$ 8,082,114
Asheville City School District Supplemental Tax	7,977,099
Fines/forfeitures	<u>120,000</u>
Total	\$ 16,179,213

Other Specific Revenue Fund:

Sales tax revenues	\$ 2,227,864
--------------------	--------------

Capital Outlay Fund:

Buncombe County Capital Outlay Appropriation	\$ 1,355,753
--	--------------

The citizens of Asheville and particularly Buncombe County Commissioners continue to demonstrate their commitment of quality education by the support and funding provided to Asheville City Schools. We appreciate the vision and dedication from the Commissioners, a positive working relationship with the Buncombe County Manager and, most importantly, the commitment in supporting educational programs in Asheville City Schools.



Allen H. Johnson
Superintendent
Asheville City Schools

May 11, 2012

ASSUMPTIONS USED TO PREPARE THE PRELIMINARY LOCAL CURRENT EXPENSE FUND BUDGET FOR 2012-13

The following assumptions were used in developing the preliminary Local Current Expense Fund budget for 2012-13:

REVENUES

- Per Capita Distribution of Local Funds for 2012-13 will increase from 13.86% to at least 14.40% (including charter schools). [The State allotment ADM for per capita distribution of local funds, excluding charter schools, is 3,941 (13.42%) for 2011-12 and 4,156 (14.04%) for 2012-13.]
- Buncombe County will maintain the total County General Appropriation for Buncombe County Schools and Asheville City Schools at \$56,125,793. Asheville City Schools' share of the total County General Appropriation will increase due to its increase in the per capita share of the county funding.
- The Asheville City Schools Supplemental tax rate will remain at 15¢. Each cent yields \$531,807 based on a 99.08% collection rate.
- Appropriated fund balance for the Local Current Expense Fund will increase to \$600,000.

EXPENDITURES

- There will be no salary increases for any employees except for those employees who will obtain the necessary years of experience to move to the next level on the longevity and/or local supplement pay scales.
- There will be no increase in the social security matching rate. The retirement matching rate will increase from 13.12% to 14.31%. Annual employer provided hospitalization premiums will increase from \$4,931 to \$5,192, per employee.
- The local salary supplement will remain as follows based on North Carolina years of service accumulated as of July 1, 2012:

<u>Years of Service</u>	<u>Supplement Rate</u>
0 – 4	8.5%
5 – 9	9.0%
10 – 19	9.5%
20+	10.0%

- The General Assembly will continue to provide additional funding for the School of Inquiry and Life Sciences at Asheville (SILSA) as part of the Small Specialty High Schools Pilot Program. The additional funding will provide for a principal and clerical assistance for SILSA.
- Funding for the State Public School Fund will not be reduced below the level included in the biennial budget approved by the General Assembly last year.

ASHEVILLE CITY SCHOOLS
Significant Estimated Changes to the Proposed Local Current Expense Fund Budget
Fiscal Year 2013

<u>REVENUES</u>	<u>Proposed 2012-13</u>
▶ Increase in per capita share of County General Appropriation from 13.86% to 14.40% (from \$7,779,035 to \$8,082,114)	303,079
▶ Increase in supplemental tax revenues per County estimates (from \$7,860,180 to \$7,977,099)	116,919
▶ Increase in appropriated fund balance (from \$227,000 to \$600,000)	373,000
 <u>EXPENDITURES</u>	
▶ Increase matching retirement due to rate increase from 13.12% to 14.31%	87,817
▶ Increase hospitalization due to increase in employer premiums from \$4,931 to \$5,192, per qualifying employee	51,544
▶ Add Maintenance Department position, including matching benefits, and increase contracted building repairs (Advisory Budget Committee recommendation #1)	47,858
▶ Transfer 2 instructional assistants from expiring federal Education Jobs Fund and add 1.5 new instructional assistants to maintain the current formula for funding instructional assistants (ABC #2)	98,876
▶ Increase funding for the ACS Preschool program from \$335,630 to \$500,000 to maintain existing classrooms (ABC #3)	164,370
▶ Transfer 12 classroom teachers from expiring federal Education Jobs Fund and add one classroom teacher to maintain emphasis on low class size district wide (ABC #4)	547,231
▶ Support the implementation of an elementary school AVID pilot program at Hall Fletcher (ABC #5)	9,655
▶ Provide funding for the expanded AVID program at AMS & SILSA (ABC #11)	6,380
▶ Increase projected energy savings due to lighting upgrades/retrofits	(50,000)
▶ Reduce contracted external legal services	(70,000)
▶ Transfer expenditures related to Channel 16 broadcasts to the Other Specific Revenue Fund	(18,750)
▶ Eliminate financial support for the STEM Cluster School Initiative due to change in eligibility criteria as determined by Race to the Top funding	(50,000)

ASHEVILLE CITY SCHOOLS
Local Current Expense Fund Positions
Fiscal Years 2012 and 2013 (proposed)

Object Code	Description	Positions 2011-12	Positions 2012-13	Change
121/131/135	Teachers	66.45	79.18	12.73
142/146/148	Classroom Assistants/Media, Lab & Technology Assistants/Support	20.50	29.50	9.00
114/116	Principals/Assistant Principals	9.09	9.09	-
113/115/118	Directors and Administrators	13.40	12.88	(0.52)
151/153	Office and Clerical Support	24.55	25.50	0.95
152	NC WiSE Support/Computer Programmers & Technicians	8.00	8.00	-
173	Custodians	25.50	25.50	-
175	Maintenance	18.00	19.00	1.00
		185.49	208.65	23.16

ASHEVILLE CITY SCHOOLS
Proposed Capital Outlay Fund
Fiscal Year 2013

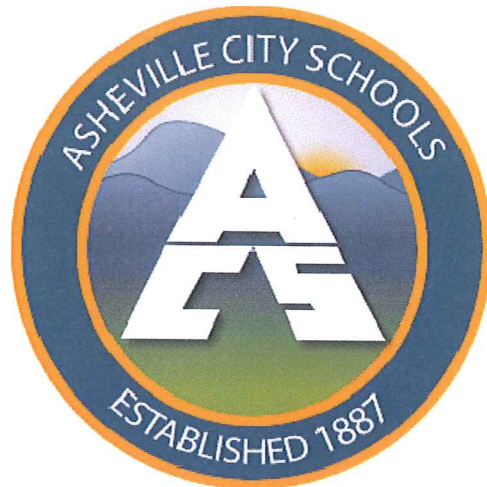
<u>Revenue Sources</u>	<u>Proposed 2012-13</u>
GENERAL APPROPRIATION	
▶ Buncombe County General Appropriation for Capital Outlay as estimated by Buncombe County Finance Department	\$ 1,355,753
OTHER FUNDING SOURCES	
▶ Qualified Zone Academy Bonds (QZAB) - Asheville High School renovations (remaining balance as of 4/30/12 - will be adjusted to 6/30/12 remaining balance)	924,393
▶ School Capital Fund Commission - Vance roofing project	400,000
▶ State yellow school bus replacement	97,776
▶ Sales tax refund, interest income and other	31,500
▶ Appropriated fund balance	300,000
TOTAL	<u>\$ 3,109,422</u>
<u>Expenditures</u>	
▶ Qualified Zone Academy Bonds (QZAB) - Asheville High School renovations (remaining balance as of 4/30/12 - will be adjusted to 6/30/12 remaining balance)	\$ 924,393
▶ Vance roofing project including School Capital Fund Commission and local match	800,000
▶ Claxton roofing project	150,000
▶ State yellow school bus replacement	97,776
▶ Furniture and equipment for schools, technology, safety, MIS, CTE, custodial, transportation, maintenance and Child Nutrition	697,500
▶ Minor renovation projects and contingency	439,753
TOTAL	<u>\$ 3,109,422</u>

Asheville City Schools will continue to pursue options with Buncombe County to secure funding to replace Asheville Middle School and Dickson Elementary School. Such funding, including promised funding for achitectural study costs, will be added to the proposed Capital Outlay Fund budget at a later date.

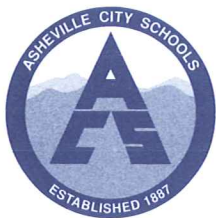
Asheville City Schools

**ADVISORY BUDGET
COMMITTEE**

**Final Report
2012-2014**



February 23, 2012



LETTER OF TRANSMITTAL

March 5, 2012

Mr. Allen H. Johnson, Superintendent
Asheville City Schools
Asheville, North Carolina

Dear Mr. Johnson:

I am pleased to submit to you the recommendations of the Asheville City Schools Advisory Budget Committee for the fiscal years ending June 30, 2013 and 2014. This report is prepared from input gathered and acted upon by the Committee as a whole. You may wish to refer to this document in preparing the fiscal year 2013 and 2014 budgets to be submitted to the Board of Education pursuant to North Carolina General Statute §115C-427.

We realize that it is not possible for the Committee to have all facts available at this time in the area of funding for the school system for fiscal years 2013 and 2014 since many of the issues related to funding have not been finalized. Our recommendations are based on the information that we now have at our disposal. We will be available in the future should you need our assistance.

The entire Advisory Budget Committee process could not have been accomplished without the efficient and dedicated services of the Business Office staff and other Central Office staff members. I would like to express my appreciation to our Principals, Supervisors and Chairpersons of the various bodies represented on the Committee for their wisdom in the recommendation of individuals to serve and/or for permitting time to be spent away from other equally important duties for this cause. I would also like to thank the administrators of the Asheville City Schools for their valuable input. Finally, a very sincere *thank you* is in order for each Committee member for many hours of hard work and diligence and for showing true care and concern for the children and staff of Asheville City Schools.

Thank you for allowing us to participate in this process. We will be eager to answer any questions which may arise.

Respectfully submitted,

2012-2014 ADVISORY BUDGET COMMITTEE
Donna W. Watson, Chairperson

The Process

The Advisory Budget Committee, shown in Exhibit A, is comprised of thirteen members appointed by the Superintendent under authority granted by the Board of Education. A full-day meeting was held on February 23, 2012, and was attended by all but one of the Committee members. The meeting was conducted in an informal manner and input/discussion was encouraged.

The Committee limited its discussion primarily to the current operating budget, for which the Chief Financial Officer presented relevant information. Also attending the meeting to provide additional assistance was the Director of Financial and Data Services. After hearing all presentations and discussing and analyzing available data, the Committee voted on and ranked the various budget issues. The single-day meeting format once again seemed to work very well.

Budgetary Issues Discussed

Committee members were provided an overview of the budget process and baseline information on the 2011-12 budget. Projected information presented for 2012-2014 included student membership, personnel costs, State and Federal legislative issues, and other items. Issues presented for consideration included items expecting to impact the budget and items previously submitted by principals and other school administrators. The committee was asked to 1) recommend items or areas that should be protected should budget cuts be necessary; 2) recommend items or areas to consider for cuts or resource reallocation; and 3) recommend items or areas to consider for needed expansion or resource redirection. The group then developed a final list of twelve recommendations that were ranked in priority order.

Priority Ranking

Committee members were asked to rank items in order of the benefit to children and staff, and in accordance with the system's Strategic Plan through a process of assigning "points." Each person was given 100 points to assign among the issues and was also asked to separately indicate their single highest priority.

Priority of Recommendations and Discussion

The Committee recommendations that were put forth and ranked are listed on the following page, along with a parenthetical reference to the five goals outlined in the 2007-2012 Asheville City Schools Strategic Plan. Those strategic plan goals are also listed on the following page.

Because the Superintendent is very familiar with each of the items listed and was an active participant in the discussions, a detailed explanation of the recommendations is not provided. Also, please note that any cost figures shown are estimates only.

**Asheville City Schools
Advisory Budget Committee Recommendations
For Fiscal Years 2012-13 and 2013-14**

Rank	Recommendation (Strategic Plan Goal Reference)	Approx. Cost	Total Points	First Place Votes
1	Increase existing Maintenance staff to address safety needs at the schools. (Electrician, Plasterer) (Goal V)	\$ 70,000	170	5
2	At a minimum, maintain the current formula for funding instructional assistants (Goals I, II and III)	\$ -	165	4
3	Maintain existing classrooms at the ACS Preschool (Goals I-V)	\$ 188,000	160	2
4	Maintain emphasis on low class size district wide (Goals I-V)	\$ -	130	0
5 (tie)	Add an additional classroom at the ACS Preschool (Goals I-V)	\$ 165,000	105	0
5 (tie)	Support the implementation of an AVID pilot program at Hall Fletcher Elementary (Goals I-V)	\$ 20,000	105	0
7	Add a Response to Intervention Coach at the secondary level (Goals I-V)	\$ 51,000	90	0
8	Increase clerical position at William Randolph School to full time to address safety issue (Goal V)	\$ 18,000	90	1
9	Collaborate with existing community summer programs to augment our LEA summer programs to reduce summer loss (Goals I-V)	TBD	65	0
10	Repurpose existing secondary teacher to implement new intercession remediation class after regular school hours (Goals I and III)	\$ -	55	0
11	Provide funding for the expanded AVID program at AMS & SILSA (Goals I-V)	\$ 10,000	35	0
12	Maintain existing instructional supply allotment. Urge principals and SPMT committees to reevaluate spending to cover supplies that arise with new technology (Goal V)	\$ -	30	0

TBD = Cost to be determined at a later date.

Asheville City Schools 2007-2012 Strategic Plan Goals Referenced Above:

Goal I	Asheville City Schools will produce globally competitive students.
Goal II	21st Century professionals will lead and teach in Asheville City Schools.
Goal III	Asheville City Schools students will be healthy, responsible and engaged in positive relationships.
Goal IV	District leadership will guide innovation and continuous improvement in Asheville City Schools through collaboration and partnership with stakeholders.
Goal V	Asheville City Schools will use 21st Century systems to foster efficiency, accountability and communication.

Conclusion










The Committee discussed many issues that will impact the overall funding outlook for 2012-2014 and understands that the prospects of having sufficient funds for all Advisory Budget Committee Recommendations are not likely. The Committee further understands that the Superintendent is responsible for maintaining knowledge of system-wide needs and for making funding decisions which best meet school system goals. At times, these decisions may not be consistent with certain Committee recommendations. While our method of developing consensus and priorities was not scientific and our recommendations may include some overlap and duplication, we believe that this report will serve as an additional resource to the Superintendent and Board of Education in developing system-wide budget priorities for 2012-2014. We will be available to the Superintendent and the Board of Education to assist in any budgetary matters, if necessary, or to clarify any of these recommendations.

We appreciate the opportunity we have been given to provide input into the 2012-2014 budgets for Asheville City Schools.

**ASHEVILLE CITY SCHOOLS
ADVISORY BUDGET COMMITTEE
2012-14**

<u>Name</u>	<u>Representing</u>
Donna Watson (Chief Financial Officer)	[Chairperson & Facilitator]
Jacquelyn Hallum and Al Whitesides (Board Members)	Board of Education
Amy Kett	Community/Parents
Ruth Smith (unable to attend meeting)	Community/Parents
Allen Johnson (Superintendent)	Administration
Mary Margaret Sullivan (Principal – Asheville Middle; ACS 2011-12 Principal of the Year)	Principals/Asst. Principals
Brian Blacklow (Teacher – Claxton Elementary; President, Asheville NCAE)	NCAE
Lisa Bruggeman (Teacher – ACS Preschool; ACS 2010-11 Teacher of the Year)	Teachers
Victoria Angelotti (Teacher – Jones Elementary; ACS 2011-12 Teacher of the Year)	Teachers
Essie Covington (Teacher Assistant – Hall Fletcher Elementary; Hall Fletcher 2011-12 Teacher Assistant of the Year)	Teacher Assistants
DeWayne Taylor (Maintenance Director)	Maintenance & Facilities
Tanya Presha School Success Coordinator	Classified Personnel

Asheville City Schools
Status of Advisory Budget Committee Recommendations
For Fiscal Years 2012-13 and 2013-14

Rank	Recommendation (Strategic Plan Goal Reference)	Approx. Cost as of 02/23/12	FY 13 Preliminary Budget Status as of 04/30/12
1	Increase existing Maintenance staff to address safety needs at the schools. (Electrician, Plasterer) (Goal V)	\$ 70,000	
2	At a minimum, maintain the current formula for funding instructional assistants (Goals I, II and III)	\$ -	
3	Maintain existing classrooms at the ACS Preschool (Goals I-V)	\$ 188,000	
4	Maintain emphasis on low class size district wide (Goals I-V)	\$ -	
5 (tie)	Add an additional classroom at the ACS Preschool (Goals I-V)	\$ 165,000	To be considered after NC PreK funding determined
5 (tie)	Support the implementation of an AVID pilot program at Hall Fletcher Elementary (Goals I-V)	\$ 20,000	
7	Add a Response to Intervention Coach at the secondary level (Goals I-V)	\$ 51,000	
8	Increase clerical position at William Randolph School to full time to address safety issue (Goal V)	\$ 18,000	
9	Collaborate with existing community summer programs to augment our LEA summer programs to reduce summer loss (Goals I-V)	TBD	In progress - summer programs budget increased \$25,000
10	Repurpose existing secondary teacher to implement new intercession remediation class after regular school hours (Goals I and III)	\$ -	To be considered when high school class enrollment #'s are available
11	Provide funding for the expanded AVID program at AMS & SILSA (Goals I-V)	\$ 10,000	
12	Maintain existing instructional supply allotment. Urge principals and SPMT committees to reevaluate spending to cover supplies that arise with new technology (Goal V)	\$ -	

TBD = Cost to be determined at a later date.

Asheville City Schools 2007-2012 Strategic Plan Goals Referenced Above:

Goal I	Asheville City Schools will produce globally competitive students.
Goal II	21st Century professionals will lead and teach in Asheville City Schools.
Goal III	Asheville City Schools students will be healthy, responsible and engaged in positive relationships.
Goal IV	District leadership will guide innovation and continuous improvement in Asheville City Schools through collaboration and partnership with stakeholders.
Goal V	Asheville City Schools will use 21st Century systems to foster efficiency, accountability and communication.