

Tony Baldwin, Ed.D., Superintendent

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May 12, 2015

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 2015-16 fiscal year, we are asking for a \$3,644,627 total increase above the 2014-15 level of County's current expense appropriation of \$60,388,785 to make a new total to be shared between both districts (and those charter school students residing within our respective boundaries) of \$64,033,412.

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 \$3,082,990 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:

- \$197,160 – Cover year two implementation of Governor's proposal to increase pay for teachers with 0 to 4 years of experience
- \$75,000 – Fund estimated salary increase in school based administrators
- \$395,000 – Loss of federally funded positions/ services due to loss of grants
- \$108,000 – Funding for support of global initiatives
- \$100,000 – Fund textbook replacement/ adoptions
- \$99,900 – Purchase the "Home Base" student/teacher/parent communication and instructional product and support
- \$115,000 – Fund ongoing Twilight/ Mini-Mester/ Summer Bridge Program
- \$227,390– Fund an increased retirement contribution rate in the Local Current Expense Fund
- \$72,506 – Fund an increased health insurance premium in the Local Current Expense Fund
- \$432,275- Loss Driver Education Funds
- \$425,784- Maintain Advanced Placement Teachers
- \$60,000- Expand Strings Program
- \$24,975- Cost of Canvas LMS
- \$750,000- Student Access to Personalized Digital Learning Devices and Content

The total of these items is \$3,082,990.

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 15<sup>th</sup>. 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.

At this time, the only information that we have is contained in the Governor's continuation budget as well as guidance from the NC Department of Public Instruction. The North Carolina General Assembly and the Governor are considering the implementation of the second phase to the increase to teacher pay that would increase our teachers with 0 to 4 years of experience to a base pay of \$35,000. The second year of the implementation will increase the cost of the local current expense fund by \$ 197,160. In addition to this salary increase, there is also discussion surrounding a salary increase for school based administrators that would cost the school system an additional \$75,000.

The proposed increase in the employer's retirement contribution from the current 15.21% to 16.00% would increase the Local Current Expense Fund's costs by approximately \$227,390. The proposed 5% increase in the employer-paid health insurance, effective January 2016, from the current \$5,386 annual premium to \$5,500 would increase the Local Current Expense Fund's cost by approximately \$72,506.

The budget also contains several high priority requests and sustainment of existing initiatives, namely \$395,000 to absorb part of the loss of federally funded positions due to loss of grant funds, \$99,900 for enhanced student/teacher/parent reporting and communication (the product called "Home Base") and associated support, \$108,000 to support global initiatives, \$115,000 to support the dropout initiative program, \$432,275 to fund the driver education program, \$60,000 to expand the strings program, \$24,975 for the cost of Canvas LMA, \$750,000 for technology initiatives, and \$100,000 for absolutely necessary textbook replacement and adoptions.

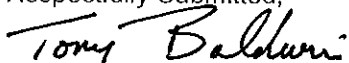
Also included in this transmittal is the additional component requested outlining a detailed level for both revenues and expenditures for FY 2014 actual, FY 2015 adopted budget and FY 2016 requested amounts for Local Current Expense, Special Revenue fund and Capital Outlay.

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, Superintendent

Enclosure

cc: Members of the Buncombe County Board of Education

## BUNCOMBE COUNTY SCHOOLS

### Comparison of Fiscal Year 2014 Actual Revenues/Expenditures to Fiscal Year 2015 Budgeted Revenues/Expenditures and Fiscal Year 2016 Proposed Budgeted Revenues/Expenditures

Local Current Expense Fund	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Current Budget	Fiscal Year 2015-2016 Proposed Budget
<b>Revenues</b>			
County General Appropriation	\$ 48,113,985	\$ 51,390,856	\$ 54,473,846
Fines and Forfeitures	624,527	660,000	700,000
State of North Carolina	27,890	30,000	25,000
Other Revenues	691,008	110,800	
Fund Balance Decrease (Increase) - Fiscal Year 2014			
Fund Balance Appropriated	1,554,729	5,972,830	5,519,492
<b>Total Local Current Expense Fund Revenues</b>	<b>\$ 51,012,139</b>	<b>\$ 58,164,486</b>	<b>\$ 60,718,338</b>
<b>Expenditures</b>			
<b>Instructional Services</b>			
Regular Instructional Services	\$ 10,516,118	\$ 14,156,358	\$ 15,042,787
Special Populations Services	3,721,005	4,275,798	4,466,830
Alternative Programs & Services	1,049,409	684,581	711,964
School Leadership Services	5,756,156	6,401,240	6,667,289
Co-Curricular Services	919,849	1,039,198	1,090,703
School-based Support Services	5,399,002	5,763,609	5,998,236
<b>System-wide Support Services</b>			
Regular Instructional Support Services	742,082	1,014,307	1,064,372
Special Populations Support Services	162,721	184,198	199,811
Alternative Programs Support Services	91,948	76,598	81,623
Technology Support Services	2,401,356	2,746,339	2,806,193
Operational Support Services	13,230,516	14,623,599	15,198,586
Financial & Human Resource Services	1,574,478	1,684,280	1,765,869
Accountability Services	115,402	114,375	132,025
System-wide Pupil Support Services	769,751	809,437	873,720
Policy, Leadership & Public Info Services	1,750,618	1,918,525	1,966,081
Ancillary Services - Nutrition Services	29	29,077	9,282
<b>Non-programmed Charges</b>			
Payments to Charter Schools	1,229,917	2,246,771	2,642,967
Transfers to Other Funds	1,581,782	396,196	
Contingency	-		
<b>Total Local Current Expense Fund Expenditures</b>	<b>\$ 51,012,139</b>	<b>\$ 58,164,486</b>	<b>\$ 60,718,338</b>

## BUNCOMBE COUNTY SCHOOLS

### Comparison of Fiscal Year 2014 Actual Revenues/Expenditures to Fiscal Year 2015 Budgeted Revenues/Expenditures and Fiscal Year 2016 Proposed Budgeted Revenues/Expenditures

Other Specific Revenue Fund	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Current Budget	Fiscal Year 2015-2016 Proposed Budget
<b>Revenues</b>			
State Funds	\$ 49,747	\$ 155,917	\$ 45,741
Federal Funds			
Medicaid Administrative Outreach	236,103	250,000	250,000
Medicaid Direct Services Reimbursement	340,621	1,429,510	1,127,067
Carol White PEP Grant	233,735	1,267,238	545,845
Avery County-MSP Grant	6,649	7,544	7,544
APLUS Math/Science Grant	64,277	230,314	230,314
Workforce Investment Grant	154,001	287,059	287,059
JTPA	51,843	-	-
Junior ROTC	412,366	401,725	402,265
CLASS Grant		397,290	397,290
Local Funds			
Sales Tax			
Sales Tax Refunds			
Tuition and Fees	168,033	201,100	201,100
County Appropriation for Community High School	276,116	276,116	276,116
Rental of School Property	260,730	200,000	200,000
Other Miscellaneous Revenue	336,216	399,014	525,684
Interest Earned	40,272		
Indirect Cost	910,156	723,791	698,563
Local Grants/Contracts			
Paddison	63,658	63,297	63,297
Social Workers	223,810		
Grant Matches-EWIF, etc.		102,500	221,086
Sisters of Mercy	88,252	68,500	68,500
Burroughs Wellcome	59,232	64,066	64,066
Miscellaneous Grants and Reimbursements	298,051	630,627	733,127
Fund Balance Decrease (Increase) - Fiscal Year 2014	(354,490)		
Fund Balance Appropriated/Transfers		830,016	1,850,223
<b>Total Other Specific Revenue Fund Revenues</b>	<b>\$ 3,919,378</b>	<b>\$ 7,985,624</b>	<b>\$ 8,194,887</b>
<b>Expenditures</b>			
Instructional Services			
Regular Instructional Services	\$ 1,235,546	\$ 2,213,944	\$ 2,271,558
Special Populations Services	432,647	1,221,166	1,252,916
Alternative Programs & Services	375,403	330,788	339,388
School Leadership Services	45,759	53,202	54,585
School-based Support Services	595,935	1,634,287	1,867,041
System-wide Support Services			
Regular Instructional Support Services	281,351	1,417,866	1,346,973
Special Populations Support Services	685	684	690
Alternative Programs Support Services	56,004	62,933	59,786
Operational Support Services	682,451	736,539	728,109
Financial & Human Resource Services	3,622	1,311	1,345
Accountability Services	10,459	40,856	
Policy, Leadership & Public Info Services	2,138		
Ancillary Services			
Community Services	1,933	2,500	2,500
Nutrition Services	29,399	28,800	30,261
Non-programmed Charges - Indirect Cost & Transfers	166,046	240,748	239,735
<b>Total Other Specific Revenue Fund Expenditures</b>	<b>\$ 3,919,378</b>	<b>\$ 7,985,624</b>	<b>\$ 8,194,887</b>

## BUNCOMBE COUNTY SCHOOLS

### Comparison of Fiscal Year 2014 Actual Revenues/Expenditures to Fiscal Year 2015 Budgeted Revenues/Expenditures and Fiscal Year 2016 Proposed Budgeted Revenues/Expenditures

<b>Capital Outlay Fund</b>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Current Budget	Fiscal Year 2015-2016 Proposed Budget
<b>Revenues</b>			
State Funds			
Lottery Funds through SCCF - Discovery Academy	4,530,687	341,860.00	
Lottery Funds through SCCF - Digital Learning	3,974,475	1,025,525.00	
Sales Tax Refunds	160,021	238,900	100,000
Local Funds			
Article 39 Sales Tax	2,628,884	9,922,525	5,240,000
LOBS - Koontz/Eblen	129,922		25,000,000
COPS - Enka Intermediate			
Bus Lease Pass Through	364,806	2,335,063	
Article 40/42 Sales Tax	9,293,273	9,274,355	9,695,185
Contributions and Donations	45,075		
Interest Earned	34,988		25,000
Sale of School Property	56,274	120,147	50,000
Insurance Reimbursements	49,121	47,061	25,000
Fund Balance Decrease (Increase) - Fiscal Year 2014	(2,248,875)		
Fund Balance Appropriated		7,288,614	4,285,000
<b>Total Capital Outlay Fund Revenues</b>	<b>\$ 19,018,651</b>	<b>\$ 30,594,050</b>	<b>\$ 44,420,185</b>
<b>Expenditures</b>			
Instructional Services			
Regular Instructional Services	\$ 1,079,769	\$ 2,186,044	\$ 2,021,000
School-based Support Services	1,284,179	2,194,453	1,400,000
System-wide Support Services			
Technology Support Services	459,048	1,937,472	1,945,000
Operational Support Services	76,942	5,000	10,000
Ancillary Charges	38,806		5,000
Capital Outlay	15,489,945	23,090,343	38,601,930
Non-programmed Charges			
Transfers to Other Funds	364,806	939,033	
Contingency	225,157.00	241,705	437,255
<b>Total Capital Outlay Fund Expenditures</b>	<b>\$ 19,018,651</b>	<b>\$ 30,594,050</b>	<b>\$ 44,420,185</b>