



Tony Baldwin, Ed.D., Superintendent

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Mr. George Wood, Interim County Manager
Buncombe County Government
200 College Street, Suite 300
Asheville, NC 28801

Brownie Newman, Chairman
Buncombe County Commissioners
200 College Street, Suite 300
Asheville, NC 28801

August 28, 2018

Dear Mr. Wood and Chairman Newman,

The following correspondence represents a formal request from Buncombe County Schools for funds currently maintained within the County's fund balance in the amount of \$1,569,409. The opportunity to access these funds was referenced in the comments of Commissioner Whiteside during the Commissioner's meeting held on June 19, 2018.

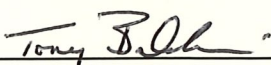
A review of the 2018-2019 funding request made by Buncombe County Schools to the Commissioners on May 8th would note an initial total dollar amount of \$3,204,279. Likewise, it would be noted that \$518,802 was reduced from that initial request during a budget presentation to the commission on June 5th by Interim County Manager Mandy Stone in order to comply with the County's policy regarding Fund Balance. Ms. Stone further remarked in her presentation that the majority of the education requests would still be addressed and the tax rate would be held flat. Following a 5-2 majority vote at the June 19th session, the remaining \$2,685,477 was approved with the stipulation that \$1,116,068 (42%) would be allocated and as prior noted, \$1,569,409 (58%) would be maintained in the County's Fund Balance for future accessibility in part or totality.

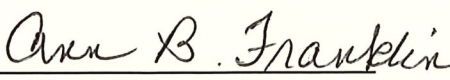
A breakdown of the initial \$3,204,279 would reveal that a majority of the areas requested would fall in the category of uncontrollable costs including salary increases and matching benefits for employees as well as utility rate increases. Beyond the scope of these uncontrollable costs were requests associated with expenses for operating Twilight School and Mini-mester under the Graduation Initiative; purchasing Math Investigations textbooks; and creating three new staff positions in the area of Behavioral Health Services support.

We have explored alternative sources of funding beyond the request of local county dollars to address the three requests outside of the uncontrollable cost areas. Fortunately, we have applied for and received grant funds from the state that will address the costs associated with both the textbooks and additional Behavioral Health Services support staff. Likewise, we sought and were able to obtain renewal for a Sisters of Mercy grant in support of the Twilight School and Mini-mester programs for the 2018-2019 school year.

It is our intent to request allocation of the full amount of \$1,569,409 currently being held in Fund Balance in order to meet the costs associated with salary and matching benefit increases in addition to utility rate increases impacting all 40 plus campuses across the district. As a reference, the total amount of requested local allocation specific to salary and matching benefits was \$2,302,861. The original estimate, based on projected state cost figures, failed to reflect the reality in the state's final budget of an 18.86 % rate for matching retirement or include the 6.9% increase in base pay for school principals.

While the employment of both certified and non-certified personnel is still in process for the 2018-2019 school year, we have enclosed supporting documentation regarding the most current cost estimates for justification of this request. A more accurate rendering of salary and benefit numbers will be available following the mid-September payroll data collection. That said, your consideration of this formal request and guidance as to future action is appreciated.


Tony Baldwin Ed. D
Superintendent


Ann B. Franklin
Madam Chair, BCS BOE


Cindy McMahon
Vice-Chair, BCS BOE

Category	Original Budget Request	Basis of Request	Revised Budget Needs- Estimated*	Actual	Difference
Certified Personnel	\$694,315	Average of 4%	\$1,198,262	Average of 6.5%	\$503,947
Non-Certified Personnel	\$728,224	Average of 3%	\$595,865	2%	(\$132,359)
Matching Retirement	\$713,002	From 17.13% to 18.44%	\$941,598	From 17.13% to 18.86%	\$228,596
Employer Paid Health Insurance	<u>\$167,320</u>	From \$5869/year to \$6,104/year	<u>\$167,320</u>	From \$5869/year to \$6,104/year	0
Total	\$2,302,861	Total	\$2,903,045	Total	\$600,184
Utilities	\$378,000		\$243,672		(\$134,328)
Grand Total	\$2,680,861		\$3,146,717		\$465,856
			*Still hiring so amount is estimated and is subject to change.		
Total Original Budget Request	\$3,204,270				
Deduction for Buncombe County Fund Balance Policy	<u>(\$518,802)</u>				
Revised Amount	\$2,685,477	\$1,116,068	42% Approved for Appropriation		
		\$1,569,409	58% Held in County Fund Balance Contingency		
Revised Budget Needs from Chart Above	\$3,146,717				
Original Request	\$2,680,861				
Shortfall	(\$465,856)				