



August 29, 2018

Memo to: Board of Commissioners

From: George Wood, Interim County Manager *GW*

Re: Recommendation on Budget Amendment for the Two School Systems

As you recall, when you adopted the FY 2019 Budget, you withheld \$1,863,907 from the appropriation to the Buncombe County and Asheville City School Systems, pending a meeting with Buncombe County School System to discuss the matter. We had that meeting yesterday and reviewed their request in detail. Dr. Baldwin provided a cover letter that explained the added costs they are facing, as well as a spreadsheet (enclosed). The NC General Assembly gave teachers 6.5% raises this fiscal year, which are higher than normal. That also increases the retirement system contributions. In addition, the percentage of salary that must be paid into the retirement system rose from 17.13% to 18.86%.

After reviewing this information, my recommendation is that you amend the FY 2019 Budget by appropriating \$1,863,907 from the General Fund's fund balance, and allocate \$1,569,410 to the Buncombe County School System for operating expenses, and \$294,497 to the Asheville City School System. These allocations are based on their ADM (% of total students in the two systems).

Further, I recommend that we take the new annual appropriations for both systems, divide them by 12 months, and pay any funds that might be in arrears due to the withholding of these funds for the two months based on 12 equal monthly payments. Thereafter, they would be paid 1/12 of the annual appropriation each month.

Please call me if you have any questions or comments on this matter.