



# FY2022 Budget Work Session

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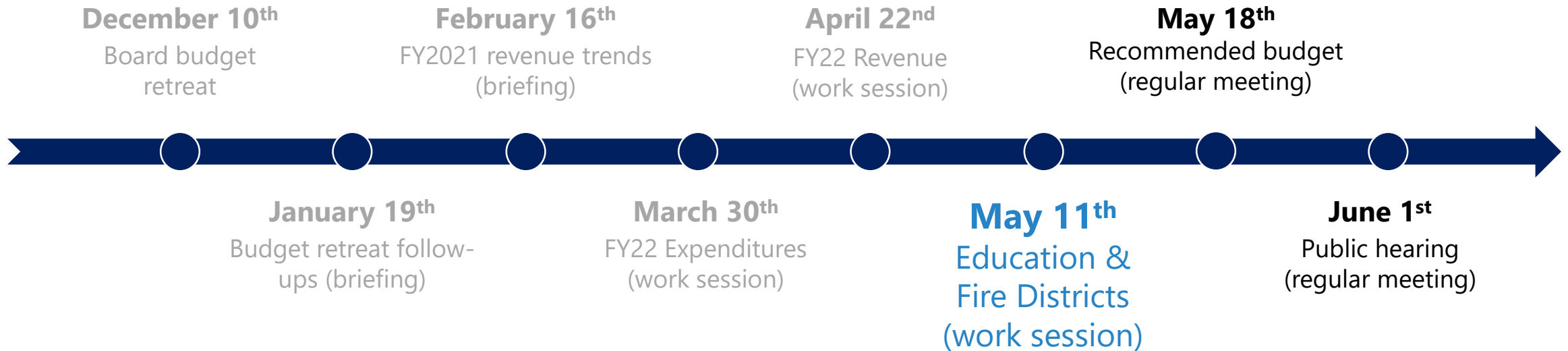
*Presented by*

Jennifer Barnette, Budget Director

**May 11, 2021**



# Budget Meetings



# Overview

1. Fire district tax rates
2. Changes since 4/22 work session
3. Education funding scenarios
4. Asheville City Schools supplemental tax rate



# Fire District Tax Rates



# FY2022 Fire District Tax Rate Requests

- 8 districts maintaining revenue neutral tax rate
- 12 districts requesting tax rates above revenue neutral tax rate
- Primary budget drivers include:
  - Salary & benefit increases: new positions, wage increases, potential state retirement contributions
  - New stations, repairs and maintenance to current facilities
  - Vehicle & equipment replacement



# FY2022 Recommended Tax Rates

## Maintain Revenue-Neutral

Tax District	FY2022 Revenue-Neutral	FY2022 Recommended
Asheville Special	8.36	8.36
Asheville Suburban	8.97	8.97
East Buncombe	10.69	10.69
Garren Creek	13.84	13.84
Jupiter	10.75	10.75
North Buncombe	10.77	10.77
Reynolds	11.24	11.24
Skyland	9.80	9.80

## Above Revenue-Neutral

Tax District	FY2021 Tax Rate	FY2022 Revenue-Neutral	FY2022 Recommended
Barnardsville	20.00	17.61	<b>20.00</b>
Broad River	16.00	15.06	<b>16.00</b>
Enka-Candler	10.50	9.80	<b>10.50</b>
Fairview	14.50	13.64	<b>14.50</b>
French Broad	17.00	15.21	<b>17.20</b>
Leicester	14.00	13.09	<b>14.03</b>
Reems Creek	15.00	13.08	<b>15.07</b>
Riceville	14.50	12.78	<b>14.60</b>
Swannanoa	14.00	12.25	<b>14.00</b>
Upper Hominy	16.50	15.24	<b>16.56</b>
West Buncombe	14.00	12.67	<b>13.50</b>
Woodfin	10.00	9.03	<b>10.59</b>

# Changes since April 22<sup>nd</sup> Work Session



# Changes since previous Work Session (4/22)

## Expenditures

Initiative (thousands of \$)	Increase (Decrease)	Change due to:
Homeowner Assistance	300	Adds <b>\$300k</b> placeholder for homeowner assistance support
GASB 84 Adjustment	157	Incorporates remittance of revenue to state in General Fund
Mobile BCHHS Unit	150	Added capital outlay, covered by COVID Public Health funds
Capital Projects	146	Increase identified through facility assessment
Public Safety Interoperability	(18)	Reduced FY22 contracted services expense
Education Special Projects	(220)	Establishes education special projects funding at <b>\$80k</b>
<b>Total</b>	<b>515</b>	

## Revenue

Initiative (thousands of \$)	Increase (Decrease)	Change due to:
Sales Tax	857	Increases FY22 revenue to <b>\$36.3 million</b> based on additional data
GASB 84 Adjustment	157	Incorporates remittance of revenue to state in General Fund
Mobile BCHHS Unit	150	Added capital outlay, covered by COVID Public Health funds
Public Safety Interoperability	(8)	Billable revenue reduction based on expenditure decrease
<b>Total</b>	<b>1,155</b>	



# FY2022 Budget: Second Pass

Category (millions of \$)	FY2021 Projected	FY2021 April 22 <sup>nd</sup>	FY2021 May 11 <sup>th</sup>
<b>Expenditures</b>	<b>334.1</b>	<b>359.6</b>	<b>360.0</b>
Education partners	89.5	92.2	92.2
All other expenditures	244.6	267.4	267.8
<b>Revenue</b>	<b>(337.6)</b>	<b>(350.6)</b>	<b>(351.1)</b>
Property tax	(217.6)	(234.1)	(233.6)
All other revenue	(120.0)	(116.5)	(117.5)
<b>Appropriated Fund Balance</b>	<b>(3.5)</b>	<b>9.0</b>	<b>8.9</b>
<b>Fund Balance (% of Expenditures)</b>	22.7%	<b>18.5%</b>	<b>18.6%</b>
Property Tax Rate	52.9¢	48.9¢	<b>48.8¢</b>

**Note:** FY2021 projected based on actuals through March 31, 2021



# Education Funding Scenarios



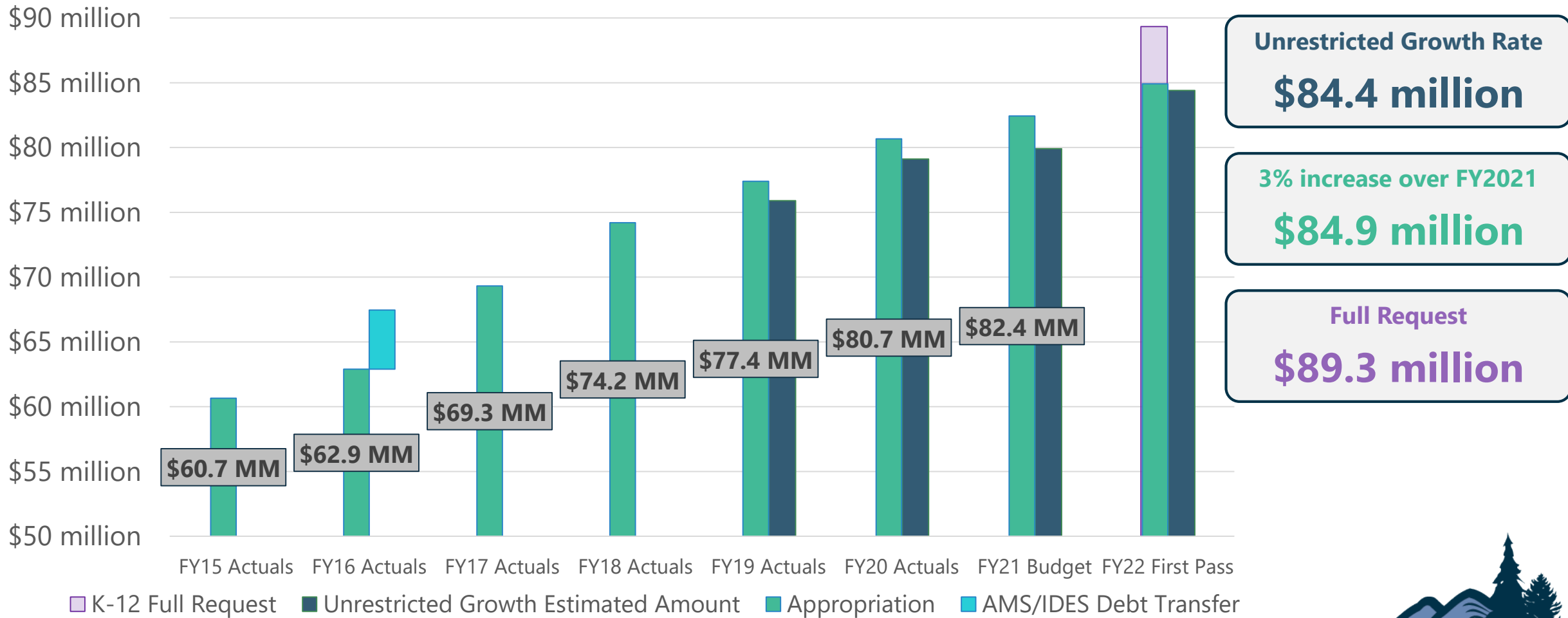
# Education Funding Scenarios

<b>Education System</b> (millions of \$)	<b>FY2021: Amended</b>	<b>FY22 Scenario A: 3% for Schools</b>	<b>FY22 Scenario B: 5.63% for K-12</b>	<b>FY22 Scenario C: Full Request</b>
AB Tech	7.1	7.3	7.3	7.3
Asheville City Schools	12.7	13.1	13.4	13.7
Buncombe County Schools	69.8	71.9	73.7	75.6
<b>Total</b>	<b>89.5</b>	<b>92.2</b>	<b>94.4</b>	<b>96.6</b>
Increase above FY21	-	2.7	4.8	7.1

**Note:** Asheville City Schools requested a 3.4% increase (\$431,008). However, due to the proportional share statute, the ACS "full request" reflects their share (\$1,061,777) of the increase needed to fulfill the full Buncombe County Schools increase request of 8.4% (\$5,841,864).



# K-12 Education: Historical Growth



## Scenario A: 3% increase for Education

Category (millions of \$)	FY2021 Projected	FY22 Scenario A: 3% for Schools	FY2023 Projected
<b>Expenditures</b>	<b>334.1</b>	<b>360.0</b>	<b>367.9</b>
Education partners	89.5	92.2	95.0
All other expenditures	244.6	267.8	272.9
<b>Revenue</b>	<b>(337.6)</b>	<b>(351.1)</b>	<b>(360.7)</b>
Property tax	(217.6)	(233.6)	(240.8)
All other revenue	(120.0)	(117.5)	(119.9)
<b>Appropriated Fund Balance</b>	<b>(3.5)</b>	<b>8.9</b>	<b>7.1</b>
<b>Fund Balance (% of Expenditures)</b>	22.7%	<b>18.6%</b>	16.2%
Property Tax Rate	52.9¢	<b>48.8¢</b>	48.8¢

**Note:** FY2021 projected based on actuals through March 31, 2021. Education partners include AB Tech, Asheville City Schools, & Buncombe County Schools



## Scenario B: 5.63% increase for Education

Category (millions of \$)	FY2021 Projected	FY22 Scenario B: 5.63% for K-12	FY2023 Projected
<b>Expenditures</b>	<b>334.1</b>	<b>362.1</b>	<b>370.1</b>
Education partners	89.5	94.4	97.2
All other expenditures	244.6	267.8	272.9
<b>Revenue</b>	<b>(337.6)</b>	<b>(351.1)</b>	<b>(360.7)</b>
Property tax	(217.6)	(233.6)	(240.8)
All other revenue	(120.0)	(117.5)	(119.9)
<b>Appropriated Fund Balance</b>	<b>(3.5)</b>	<b>11.0</b>	<b>9.3</b>
<b>Fund Balance (% of Expenditures)</b>	<b>22.7%</b>	<b>17.9%</b>	<b>15.0%</b>
Property Tax Rate	52.9¢	<b>48.8¢</b>	48.8¢

**Note:** FY2021 projected based on actuals through March 31, 2021. Education partners include AB Tech, Asheville City Schools, & Buncombe County Schools



## Scenario C: Full request for Education

Category (millions of \$)	FY2021 Projected	FY22 Scenario C: Full Request	FY2023 Projected
<b>Expenditures</b>	<b>334.1</b>	<b>364.4</b>	<b>372.4</b>
Education partners	89.5	96.6	99.5
All other expenditures	244.6	267.8	272.9
<b>Revenue</b>	<b>(337.6)</b>	<b>(351.1)</b>	<b>(360.7)</b>
Property tax	(217.6)	(233.6)	(240.8)
All other revenue	(120.0)	(117.5)	(119.9)
<b>Appropriated Fund Balance</b>	<b>(3.5)</b>	<b>13.3</b>	<b>11.7</b>
<b>Fund Balance (% of Expenditures)</b>	<b>22.7%</b>	<b>17.1%</b>	<b>13.6%</b>
Property Tax Rate	52.9¢	<b>48.8¢</b>	48.8¢

**Note:** FY2021 projected based on actuals through March 31, 2021. Education partners include AB Tech, Asheville City Schools, & Buncombe County Schools



# Scenario Comparison

Category (millions of \$)	FY2021 Projected	FY22 Scenario A: 3% for Schools	FY22 Scenario B: 5.63% for K-12	FY22 Scenario C: Full Request
<b>Expenditures</b>	<b>334.1</b>	<b>360.0</b>	<b>362.1</b>	<b>364.4</b>
Education partners	89.5	92.2	94.4	96.6
All other expenditures	244.6	267.8	267.8	267.8
<b>Revenue</b>	<b>(337.6)</b>	<b>(351.1)</b>	<b>(351.1)</b>	<b>(351.1)</b>
Property tax	(217.6)	(233.6)	(233.6)	(233.6)
All other revenue	(120.0)	(117.5)	(117.5)	(117.5)
<b>Appropriated Fund Balance</b>	<b>(3.5)</b>	<b>8.9</b>	<b>11.0</b>	<b>13.3</b>
<b>Fund Balance (% of Expenditures)</b>	22.7%	<b>18.6%</b>	<b>17.9%</b>	<b>17.1%</b>
Property Tax Rate	52.9¢	48.8¢	48.8¢	48.8¢

Tax rate to fund increase for education: **48.8¢**      **49.3¢**      **49.7¢**



# Asheville City Schools Supplemental Tax Rate



# Asheville City Schools Supplemental Tax Rate Request

Asheville City Schools	FY2021 Tax Rate	FY2022 Revenue-Neutral	FY2022 Requested
Supplemental Tax Rate	12.00 ¢	10.62 ¢	12.00 ¢
Total Levy	\$10,716,807	\$11,150,386	\$12,599,305
Revenue above FY21		\$433,579	\$1,882,498

Local funding for Asheville City Schools comes from two sources:

1. Local current expense
2. Supplemental tax

In FY2020, ACS ranked **2<sup>nd</sup> highest in NC** in terms of local funding per pupil.

