May 11, 2021

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

Contained herein is the 2021-2022 local budget request of Asheville City Schools.

Local Current Expense Fund

Buncombe County General Appropriation (projected at 15.46% of ADM) $13,826,098

Projected Pass-Through Revenues:
- Asheville District Supplemental Tax (as collected; rate 12¢) $12,553,657
- Fines and forfeitures (as collected) $150,000
- Sales tax revenue (as collected) $3,650,434

Total Local Current Expense Fund Appropriation and Pass-Through Revenues $30,180,189

Below are critical items included in local current expense fund for 2021-2022 due to expected increases in matching retirement and hospitalization costs:

- $426,901 Projected increase from 21.68% to 24.37% to the retirement matching rate as set by the North Carolina General Assembly.
- $68,519 Projected increase in the employer hospitalization cost, per employee, from $6,326 to $6,580, as determined by the North Carolina General Assembly.

$495,420 TOTAL State mandated increases in retirement and hospitalization

- Additionally Salary increases anticipated by state: Estimated total $808,777
  - Classified bump/COLA of 3.75% $281,580
  - Certified bump/COLA of 7.5% $527,197

Total Budget minimum to meet increases $30,180,189
FY21 ACS is trending for use of $3,000,000 general fund balance (Fund 2) and use of $1,212,303 other fund balance (Fund 8) to meet the budget. ACS is working toward a minimum of $2,000,000 reduction in salaries with no layoff of personnel for FY22. The goal is to retain the anticipated $2,000,000 remaining in fund balance (Fund 2) at end of this year for emergencies. Fund 8, other fund balance, is anticipated to have no unrestricted fund balance for use FY22.

**Capital Outlay Fund**

Buncombe County Capital Outlay Appropriation (projected at 15.65% of Article 40/42 sales tax, as collected) $2,743,554

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.

**Asheville City Schools is requesting that the tax rate for the Asheville District Supplemental Tax continue at the rate of 12¢.**

**Asheville City Schools plan is to budget and expense within the requested $30,180,189 for FY22. No use of Fund balance – this is actual reduction from planned budget for FY21 of local fund (2) $835,838 and other fund (8) 1,200,000.**
Interest, sales tax refunds, tuition and indirect costs are all revenues that are not consistent and/or reliable for balancing a planned budget, especially salaries. The amounts shown for FY21 were estimates based on trends and this year has not met those estimates.