



FY2023 Budget Work Session

Presented by

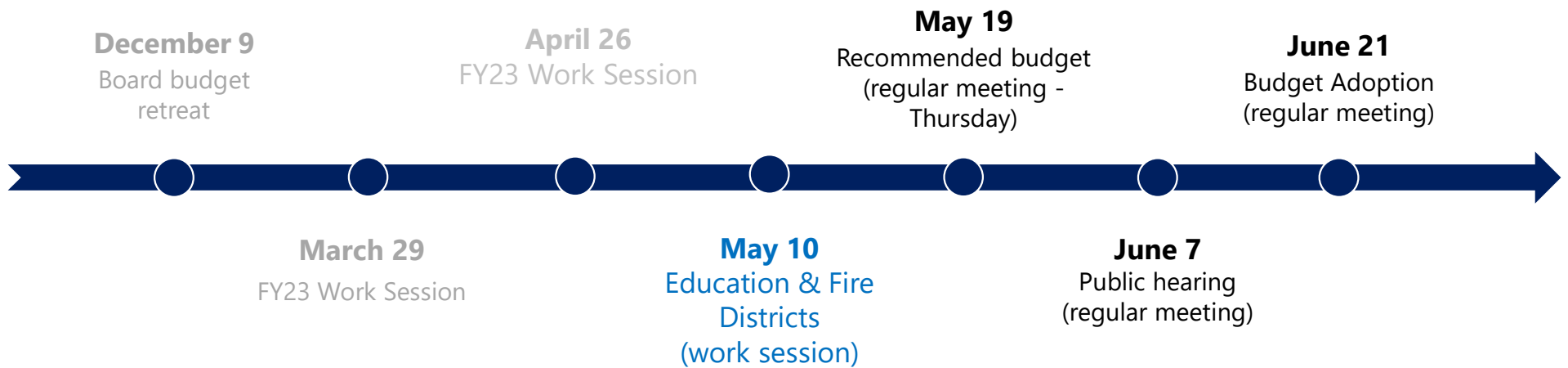
John Hudson, Interim Budget Director

May 10, 2022



BUNCOMBE COUNTY

Budget Meetings



Agenda

- Fire district tax rates
- Changes since 4/26 work session
- Education overview
- Education presentations
- Education funding
- Priorities and Wrap Up



Fire District Tax Rates



FY2023 Fire District Budget Requests

- Primary budget drivers include:
 - Salary & benefit increases: wage increases; new positions
 - Utility & fuel costs
 - New stations, repairs and maintenance to current facilities
 - Vehicle & equipment replacement
- 18 districts requesting same FY2022 tax rate for FY2023
- 2 districts requesting tax rates above FY2022 tax rate
 - Barnardsville and Skyland



FY2023 Second Pass Tax Rates

Tax District	FY 2022	FY2023	FY2023
	Tax Rate	Requested Tax Rate	Recommended Tax Rate
Asheville Special	8.36	8.36	8.36
Asheville Suburban	8.97	8.97	8.97
Barnardsville	20.00	22.00	22.00
Broad River	16.00	16.00	16.00
East Buncombe	10.69	10.69	10.69
Enka-Candler	10.50	10.50	10.50
Fairview	14.50	14.50	14.50
French Broad	17.20	17.20	17.20
Garren Creek	13.84	13.84	13.84
Jupiter	10.75	10.75	10.75

Tax District	FY 2022	FY2023	FY2023
	Tax Rate	Requested Tax Rate	Recommended Tax Rate
Leicester	14.03	14.03	14.03
North Buncombe	10.77	10.77	10.77
Reems Creek	15.07	15.07	15.07
Reynolds	11.24	11.24	11.24
Riceville	14.60	14.60	14.60
Skyland	9.80	10.30	9.80
Swannanoa	14.00	14.00	14.00
Upper Hominy	16.56	16.56	16.56
West Buncombe	13.50	13.50	13.50
Woodfin	10.59	10.59	10.59



Barnardsville FD Request

- FY2022 Tax Rate = 20.00
- FY2023 Request = 22.00
- The 2.00 cent increase would provide an additional estimated \$95,949.
- County Manager and Budget Office are **in support** of tax rate increase request.
 - Financial ratio only slightly above 1.
 - District has not been able to rely on volunteer fighters as much as historically.
 - Additional need for paid staff, along with pay increases and retirement contributions.



Skyland FD Request

- FY2022 Tax Rate = 9.80
- FY2023 Request = 10.30
- The .50 cent increase would generate an additional estimated \$304,595.
- County Manager and Budget Office are **not able to support** tax rate increase request.
 - Financial ratio is strong.
 - More revenues than expenditures in FY2021 – Able to commit fund balance to reserve accounts.
 - Support additional need for pay increases but believe these can be accomplished with the projected \$917,371 of natural growth and without a tax rate increase.



Fire District Request



Changes since April 26th Work Session



Changes since previous Work Session (4/26)

Revenue Changes Since Last Work Session		Change
Reduction in 911 Revenue	\$	(101,487)
Adjusted General Revenues budget after actuals in April	\$	215,000
Change in Public Health Revenue	\$	64,216
Total	\$	177,729

Expenditure Changes Since Last Work Session		Change
Additional costs of Compensation Study (mostly longevity)	\$	75,577
Added back Community Paramedics	\$	326,055
Arts and Culture Grant (Includes Museums)	\$	129,788
Changes in Operating and Program Support to offset Salary	\$	7,281
Increased Jail Health costs	\$	223,971
Total	\$	762,672

Net Change	\$	584,943
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FY2023 Second Pass Budget (continued)

	FY2022 Adopted	FY2022 Amended	FY2023 Second Pass
Revenues	351,050,267	360,632,081	382,402,816
Appropriated Fund Balance*	9,344,348	28,019,239	12,283,889
Expenditures	360,394,615	388,651,320	394,686,705
Total	360,394,615	388,651,320	394,686,705

*FY2022 Amended Appropriated Fund Balance reflects the Capital Fund transfer





Education: Overview

Presented by

Sam Riddle, Budget Analyst



Terminology

- Local Current Expense Fund
 - County Appropriation
 - School Supplemental District Tax Revenue (if applicable)
- Local Supplemental Pay
 - Pay Component
- School Supplemental Taxing District (GS 115C, Article 36)
 - Property tax (sales tax)



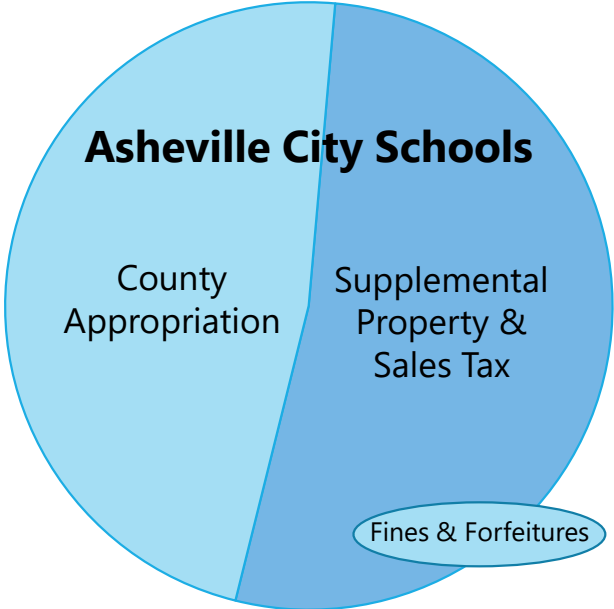
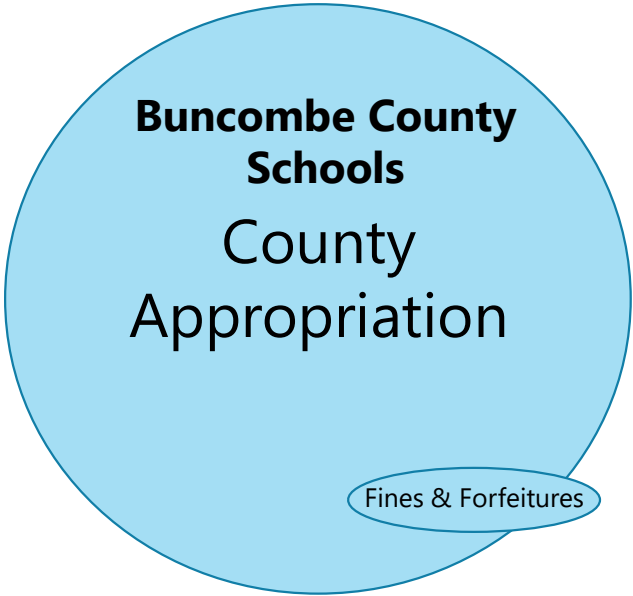
Statutory Obligation

- State
 - Instructional Expenses
 - *State Public School Fund*
- County
 - Facilities Requirements **and more!**
 - *Local Current Expense Fund*
 - "...within the financial resources and consistent with fiscal policies of the board of county commissioners."



Local Current Expense Fund

(Operating)



Note: Projected ACS Revenues for Supplemental Taxing District as of 3/30/2022



Average Daily Membership (ADM)

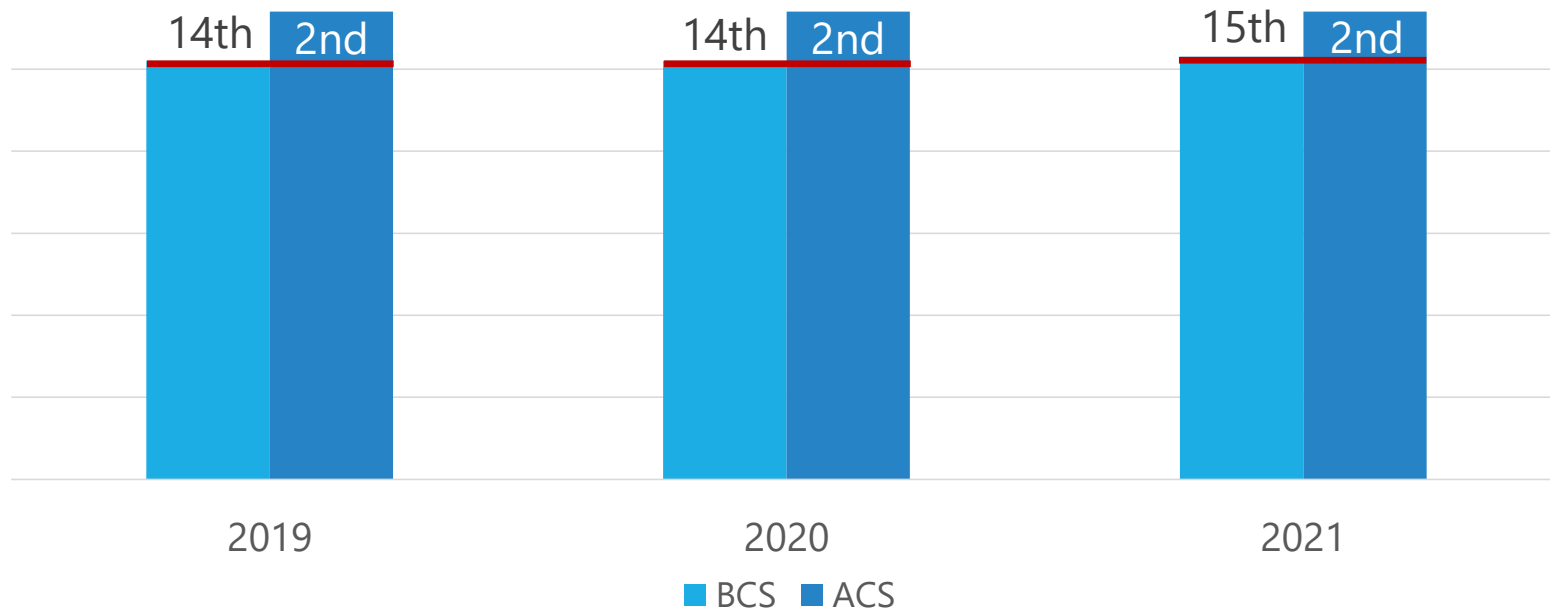
	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23 Est.
Asheville City Schools	4,832 (15.65%)	4,709 (15.44%)	4,720 (15.38%)	4,982 (16.21%)	4,210 (15.73%)
Buncombe County Schools	26,036 (84.35%)	25,797 (84.56%)	25,977 (84.62%)	25,753 (83.79%)	22,556 (84.27%)
Charter Schools	2,511	2,674	2,829	3,025	?

- These ADM figures represent the split of funds for the county allocation. Within the figures for each traditional system is the charter student count, totaled in the bottom row.
- The final column is DPI's estimated planning allotment for FY22-23, which does not include charter student count.



Per Pupil Expenditures - Rankings

Local Per Pupil Expenditure Rankings



K-12 Support (Operational)

FY2022	Buncombe County Schools	Asheville City Schools
Local Expense Appropriation	\$73.2M	\$14.2M
Supplemental School Tax (as of 5/3/22)		\$11.2M
Proj. Sales Tax Revenue (as of 5/3/22)		\$4.5M
Total Local Discretionary (Estimated)	\$73.2M	\$29.9M
Est. Per Pupil Support*	\$2,841	\$5,998



K-12 Support (with Capital)

FY2022	Buncombe County Schools	Asheville City Schools
Total Local Discretionary (Estimated)	\$73.2M	\$29.9M
Projected Article 40 Revenues	\$4.8M	\$0.9M
Projected Article 42 Revenues	\$12.7M	\$2.5M
Total Capital Support w/o Article 39	\$17.5M	\$3.4M
Projected Article 39 Revenues		\$27.4M
Total Capital Support		\$48.4M
Total K-12 Support		\$151.4M



Education Presentations



Education Discussion



Education Funding – AB Tech

Education System (millions of \$)	FY2022 Amended	Unrestricted Revenue Rate (6.22%)	FY2023 Requested
AB Tech	7.3	7.7	7.7

- Salary increases to match state increases
- Utilities Increases
- Continue to realize energy savings



Education Funding – K-12 Requests

- Buncombe County Schools
 - \$15.2M Personnel
 - \$3.7M Operating
 - Utilities, Materials, Property Insurance, etc.
 - \$4.9M Offset Use of Fund Balance
 - Increase of \$23.9M
 - **Total Local Support: \$97.1M**
- Asheville City Schools
 - Personnel, Operating, and includes a request to increase the Supplemental School Taxing District by 1.38¢
 - **Total Local Support: \$33.2M**

NCGS 115C-430: Appropriations “must be apportioned according to the membership of each unit.”



Education Funding – ACS Supplemental Tax Impact to Request

Asheville City Schools	At Existing Rate (10.62¢)	At Requested Rate (12.00¢)
Property Tax	\$ 11,419,825	\$ 12,903,758
Sales Tax	\$ 4,825,695	\$ 4,825,695
Total Supplemental Support	\$ 16,245,520	\$ 17,729,453
Local Current Expense (Difference)	\$ 16,969,652	\$ 15,485,719
Total Local Request	\$ 33,215,172	\$ 33,215,172



Education Funding – K-12

Education System (millions of \$)	FY2022 Amended	FY2023 Estimated ADM Split	Unrestricted Revenue Rate (6.22%)	FY2023 Requested (BCS Request)	FY2023 Requested (ACS Request with Tax Increase)	FY2023 Requested (ACS Request, No Tax Change)
Asheville City Schools	14.2	15.73%	14.6	18.1	15.5	17.0
Buncombe County Schools	73.2	84.27%	78.2	97.1	83.0	90.9
Total	87.3		92.7	115.2	98.5	107.9

\$5.4M

\$27.9M (31.9%)

\$11.1M (12.8%) \$20.6M (23.6%)



Commissioner Priorities



Commissioner Priorities

Priority	FY22 Amended	FY23 Second Pass
Affordable Housing*	2,311,845	2,311,845
Apprenticeships	0	150,000
Arts and Culture Grant	0	129,788
Conservation Easements	750,000	750,000
Early Childhood Education*	3,751,985	3,820,349
Economic Development Incentives	4,723,000	5,313,000
Education Special Projects (K-12)	80,000	80,000
Homeowner Assistance Grants	450,000	300,000
Reparations Funding	0	2,000,000
Strategic Partnership Grants	1,489,305	1,500,000
Total	13,556,135	16,354,982

*ARPA funding has also been allocated to support these priorities

Additional Proposed	
Low-Income Septic Repair	75,000
Inclusive Hiring Partnership	50,000



Next Steps

- Budget Message – May 19th
- Public Hearing – June 7th
- Budget Adoption – June 21st
- More Information can be found at [BuncombeCounty.org](https://www.buncombecounty.org)
 - Interactive Budget Explorer (Live on May 19th)



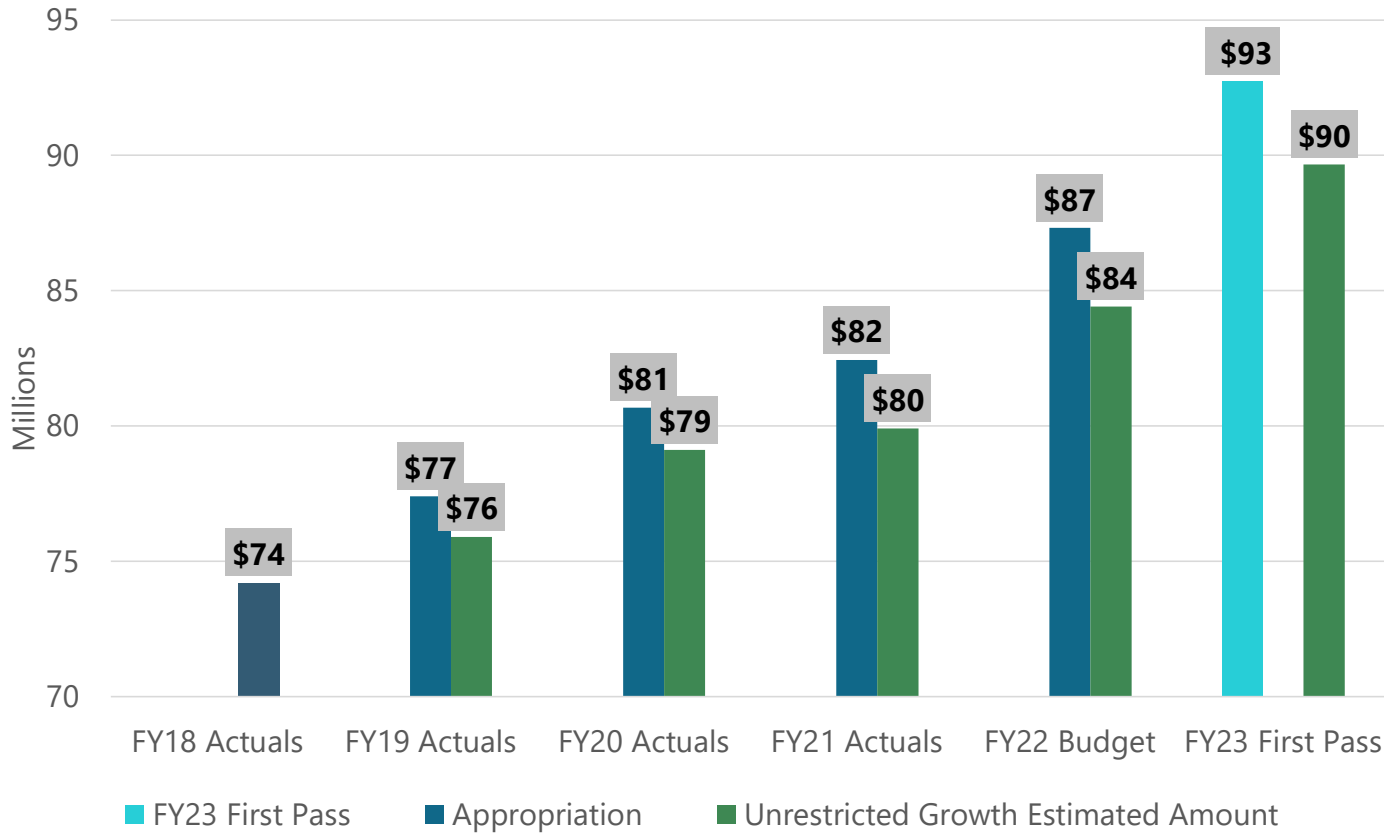
Discussion



Appendix



K-12 Education: Historical Growth



Fiscal Year	Unrestricted Rev. Rate	Actual Growth
2019	2.28%	4.30%
2020	4.24%	4.24%
2021	1.00%	2.19%
2022	5.63%	5.91%
2023	6.22%	6.22%

