



FY2026 Recommended Budget

Presented by

John Hudson, Budget Director

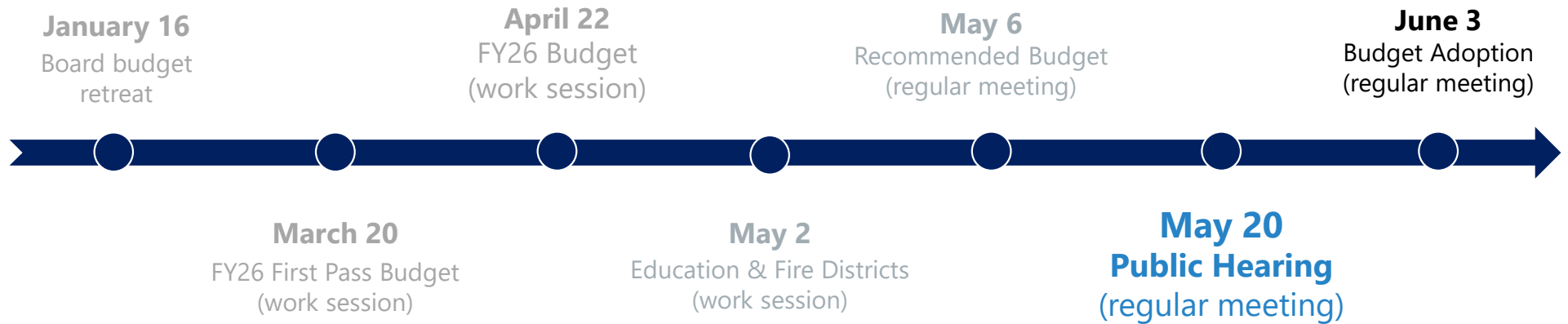
May 20, 2025



BUNCOMBE COUNTY



Budget Meetings



Post-Helene Budget Realities

- - **\$11.4 million** in Revenue
 - Reduced Property Tax (-\$6M)
 - Reduced Sales Tax Receipts (-\$1.4M)
 - Unrestricted revenue down 3.49%
- + **\$2.7 million** in health insurance and retirement costs
- - **\$11.1 million** use of fund balance in FY24
 - (- \$8-15 million use in FY25)



FY2026 Budget Environment - How We Have Responded

Maintain essential operations budget:

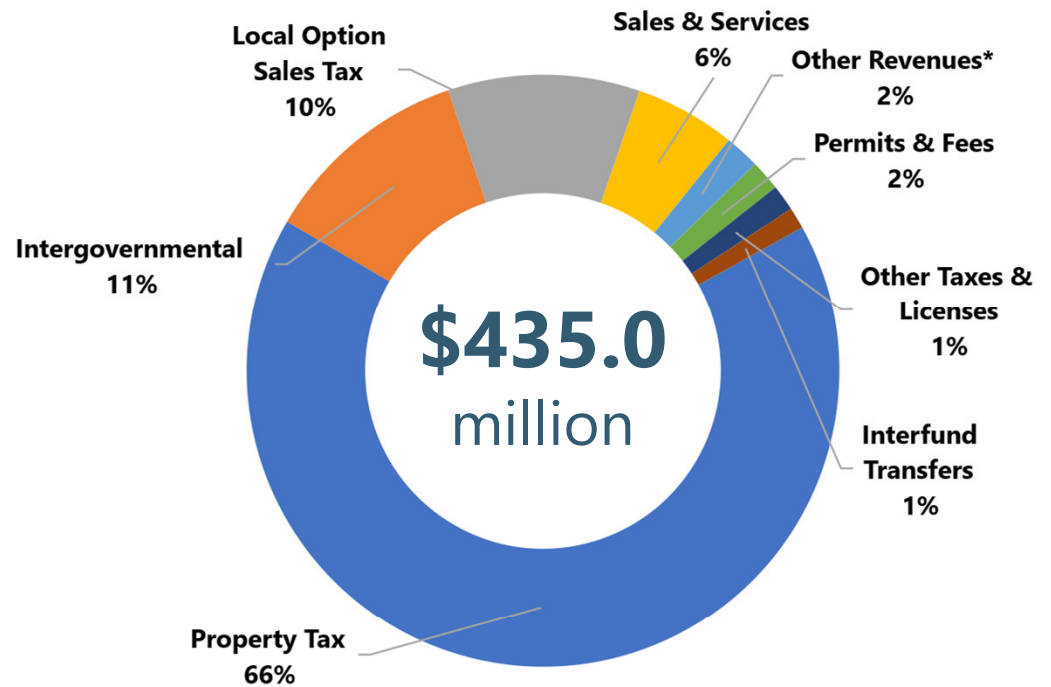
- - **\$4.6 million** reduction in County Operating Budgets (lower than FY24)
- - **\$7.5 million** reduction in Salary budget to account for potential vacancies and turnover and staggering start dates
- - **\$4.6 million** reduction in Discretionary Community Investments
- - **\$1.7 million** in debt service savings from debt refunding
- - **\$0.5 million** reduction in Transportation Fund transfer
- **No** pay-go capital projects
- **No** FY26 debt service costs from new capital projects



FY2026 Revenue Budget by Source

(millions of \$)

| Revenue Source | FY2026 Recommended |
|------------------------------------|-----------------------|
| Property Tax (Before Tax Increase) | 272.0 |
| Intergovernmental | 49.6 |
| Local Option Sales Tax | 45.5 |
| Sales & Services | 23.9 |
| Other Revenues* | 8.3 |
| Permits & Fees | 7.2 |
| Other Taxes & Licenses | 6.2 |
| Interfund Transfers | 5.1 |
| Total (Before Tax Increase) | 417.9 |
| 3.26¢ Property Tax Increase | 17.1 |
| Total (After Tax Increase) | 435.0 |

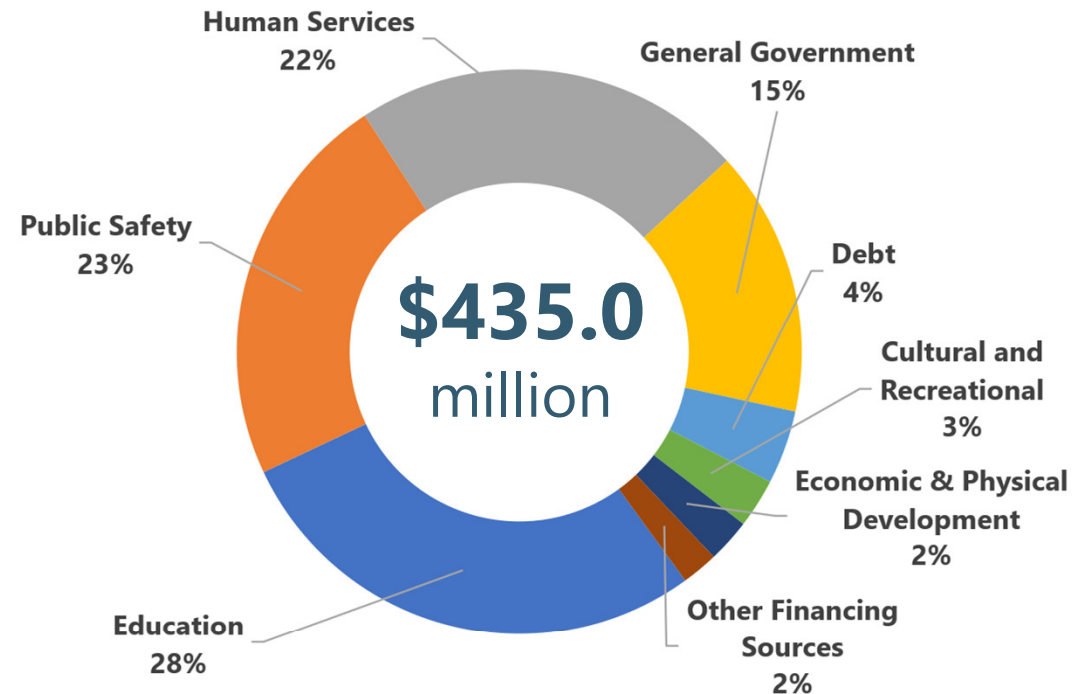


*Note: Other Revenue includes indirect cost recovery, investment earnings, program revenue, and sale of assets

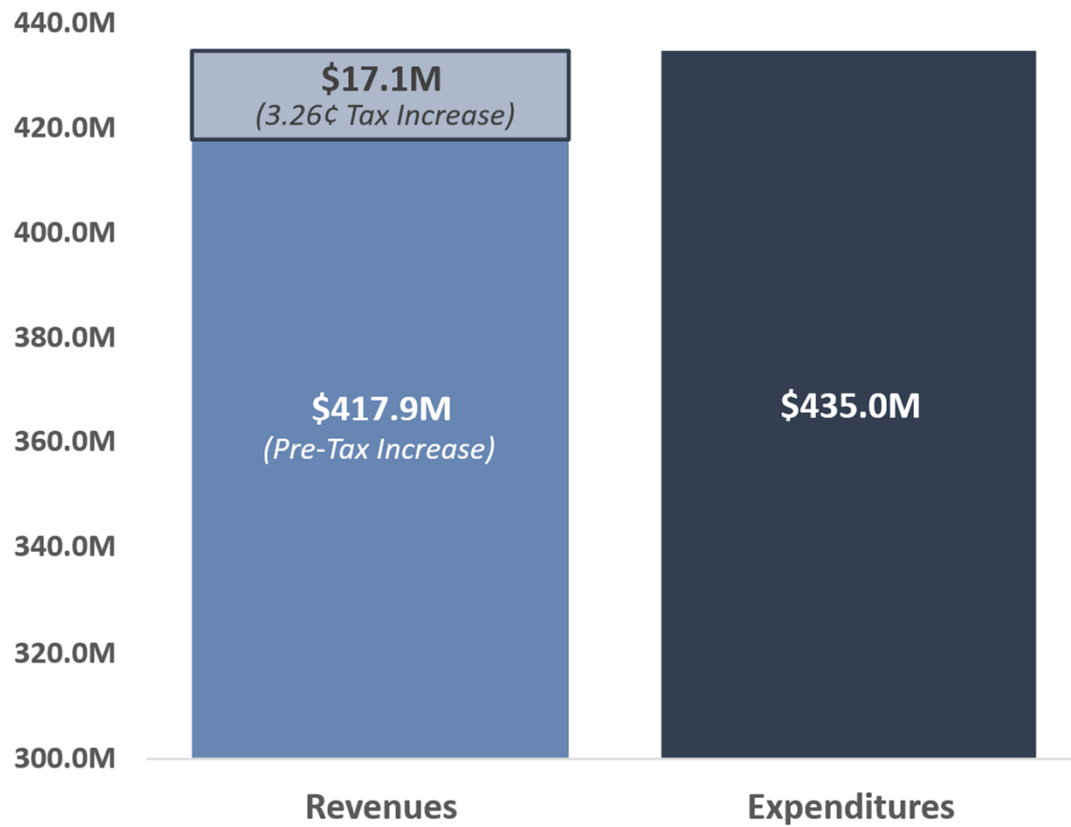
FY2026 Expenditure Budget by Function

(millions of \$)

| Function | FY2026 Recommended |
|---------------------------------|-----------------------|
| Education | 121.8 |
| Public Safety | 99.1 |
| Human Services | 97.3 |
| General Government | 66.3 |
| Debt | 18.3 |
| Cultural and Recreational | 12.2 |
| Economic & Physical Development | 10.8 |
| Other Financing Sources | 9.1 |
| Total | 435.0 |



FY2026 Recommended General Fund Budget



\$434,984,111
at 55.02 cents



FY26 Recommended Education Funding

| Education System (Millions of \$) | FY2025 Adopted (Adjusted ADM) | Unrestricted Revenue | FY2026 Recommended |
|--------------------------------------|----------------------------------|-------------------------|-----------------------|
| AB Tech | 8.7 | -.3 | 8.4 |
| Asheville City Schools | 18.0 | -.6 | 17.3 |
| Buncombe County Schools | 99.3 | -3.5 | 95.8 |
| Education Support* | .5 | | .2 |
| Total | 126.5 | -4.4 | 121.8 |

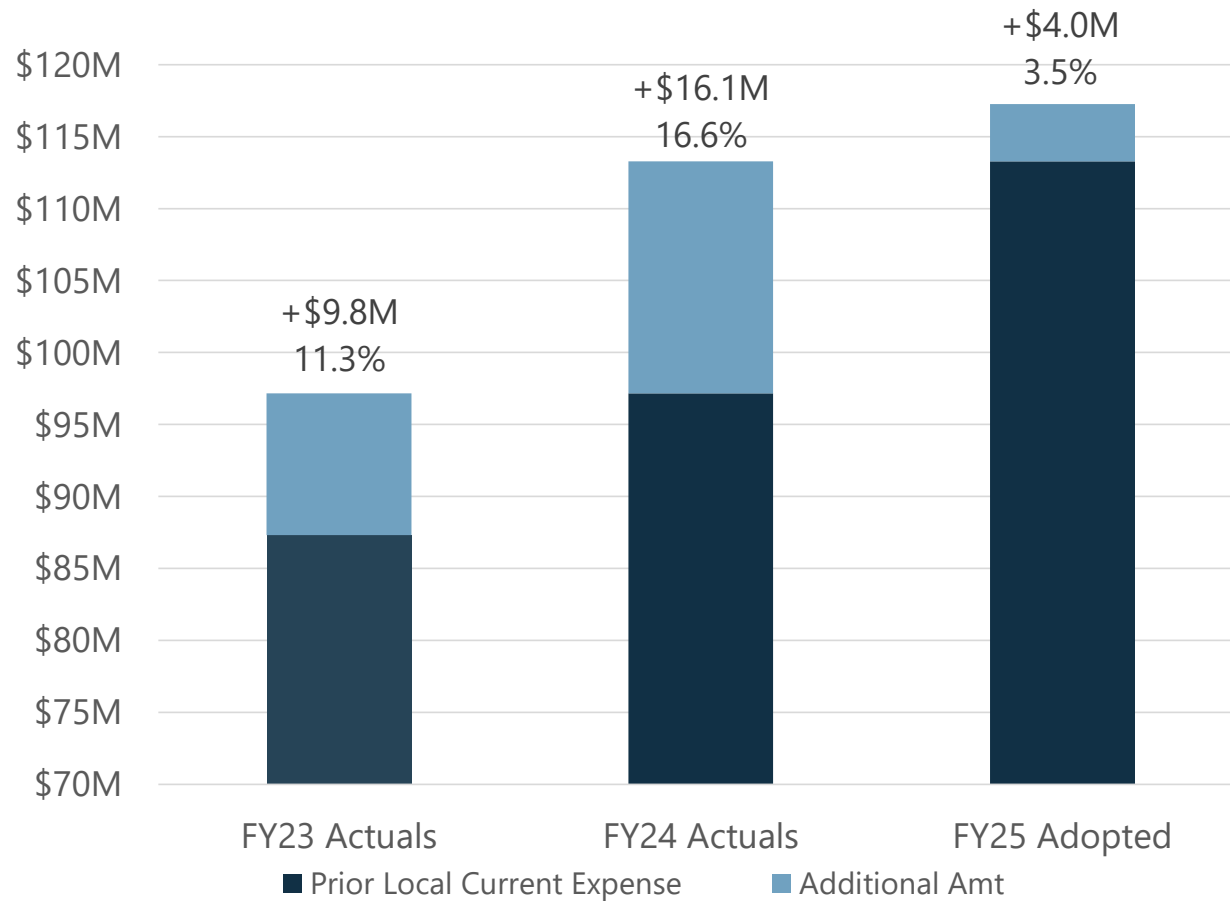
*Education support for FY25 included one-time consolidation study costs.

Note: The \$126.5M does not include the supplemental taxing district revenue for Asheville City Schools. The request for an increase in the rate of that district was not recommended.

| Not Included: | Current |
|----------------------|----------------|
| ACS Supplemental Tax | (10.62¢) |
| Est. Property Tax | \$12.0M |
| Est. Sales Tax | \$4.5M |
| Total | \$16.5M |



Recent Education Funding

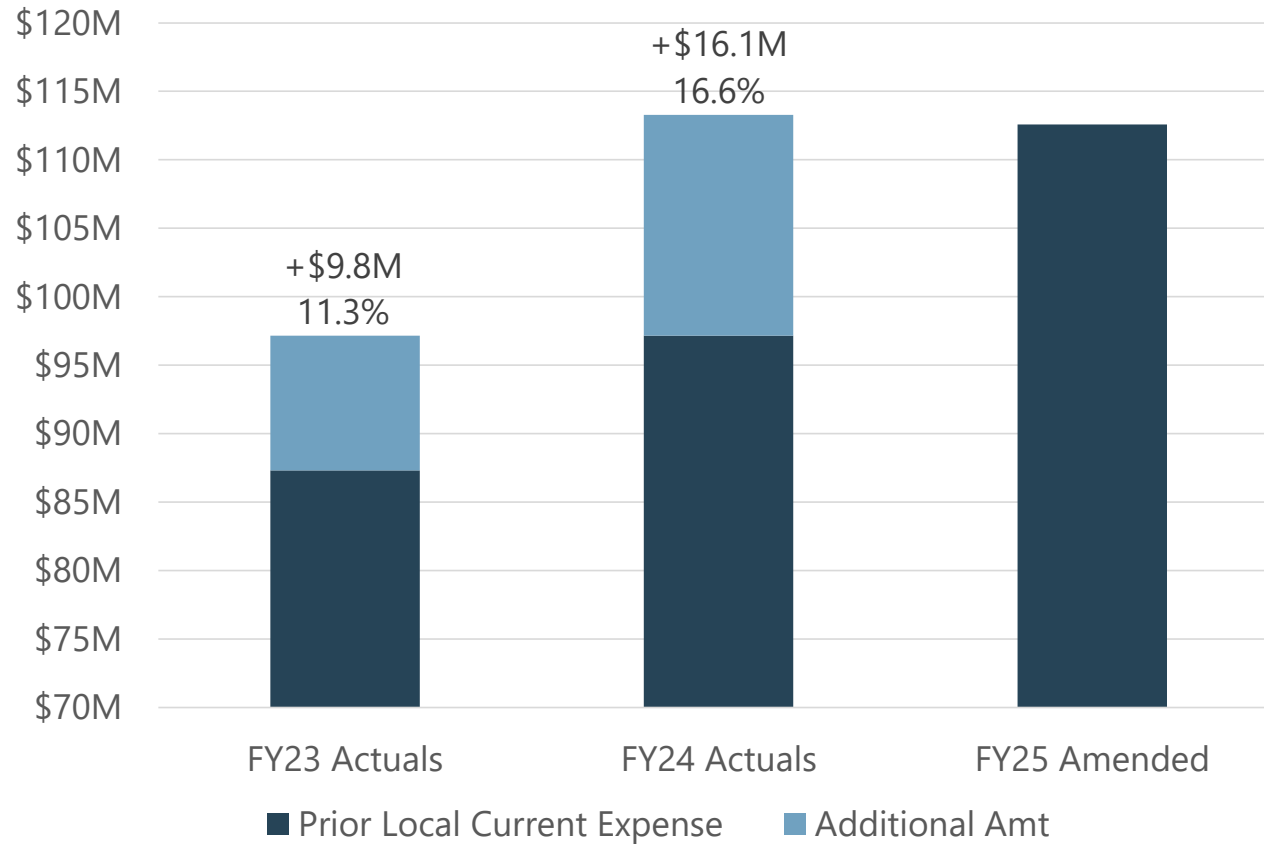


| Year | ACS Fund Balance | BCS Fund Balance |
|------|--|--|
| FY23 | Contribution +\$1.5M | Use -\$354K |
| FY24 | Contribution +\$2.1M | Contribution +\$8.5M |
| FY25 | County Reduced Appropriation -\$719K | County Reduced Appropriation -\$4.0M |

Source: Audited Financial Statements



Recent Education Funding



| Year | ACS Fund Balance | BCS Fund Balance |
|------|---|---|
| FY23 | Contribution +\$1.5M | Use -\$354K |
| FY24 | Contribution +\$2.1M | Contribution +\$8.5M |
| FY25 | County Reduced Appropriation -\$719K | County Reduced Appropriation -\$4.0M |

Source: Audited Financial Statements



FY2026 Personnel

FY2026 COLA Calculation

$$\left(\frac{309.067 - 291.051}{291.051} \right) = 3.09\%$$

2

| Reclassifications | | Date of Change | Position Count |
|--------------------|---|----------------|----------------|
| County Manager | Recovery Officer | Jul | 1 |
| Planning | Zoning Code Compliance Officer to Floodplain Management | Jul | 1 |
| General Fund Total | | | 2 |



FY26 Recommended Capital Projects

| FY26 Recommended Capital Projects | Department | Funding Source | FY2026 Recommended |
|--|---------------------|----------------|--------------------|
| FY26 Ambulances* | Emergency Services | Debt | \$1.2M |
| Animal Shelter Renovation & Repair | General Services | Debt | \$0.4M |
| Courthouse Elevators Upgrade | General Services | Debt | \$1.1M |
| Detention Center Facility Assessment Renovation & Repair | Sheriff's Office | Debt | \$0.6M |
| Lake Julian Bathroom Replacement - Fisherman's Trail | Recreation Services | Debt | \$0.7M |
| Total | | | \$4.0M |

**Note: FY26 ambulances purchases will be budgeted in the County Capital Projects Fund (Fund 341) and a resolution was brought to the Board and adopted on 10/1/24 to commit to purchase these vehicles.*



Discretionary Community Investments

| Discretionary Community Investments | Amount |
|---|--------------------|
| Early Childhood Education | \$3,974,691 |
| Isaac Coleman Grants | \$500,000 |
| HCCBG Buncombe Co. Supplemental Aging Funds | \$375,000 |
| Conservation Easements | \$250,000 |
| Homeowner Grant Program | \$280,000 |
| ARTS Funding | \$129,788 |
| Career Academy | \$94,000 |
| School Community Impact funds | \$80,000 |
| CAYLA | \$65,000 |
| Total: | \$5,748,479 |

| Other Funding | Amount |
|-------------------------------------|--------------------|
| Home and Community Care Block Grant | \$1,700,000 |
| Juvenile Crime Prevention Council | \$644,477 |
| Total: | \$2,344,477 |

Note: The full list of awardees can be found in Appendix A of the FY2026 Recommended Budget in Brief



FY2026 Special District Recommended Tax Rates

| Tax District | FY2025 Tax Rate | FY2026 Requested Tax Rate | FY2026 Recommended Tax Rate |
|------------------------|-----------------|---------------------------|-----------------------------|
| Asheville City Schools | 10.62 | 12.00 | 10.62 |
| Asheville Special | 8.36 | 8.36 | 8.36 |
| Asheville Suburban | 8.97 | 8.97 | 8.97 |
| Barnardsville | 22.00 | 22.00 | 22.00 |
| Broad River | 16.00 | 16.00 | 16.00 |
| East Buncombe | 10.69 | 10.69 | 10.69 |
| Enka-Candler | 12.00 | 13.50 | 13.50 |
| Fairview | 16.00 | 16.00 | 16.00 |
| French Broad | 22.20 | 22.70 | 22.70 |
| Garren Creek | 13.84 | 13.84 | 13.84 |
| Jupiter | 12.75 | 12.75 | 12.75 |

| Tax District | FY2025 Tax Rate | FY2026 Requested Tax Rate | FY2026 Recommended Tax Rate |
|----------------|-----------------|---------------------------|-----------------------------|
| Leicester | 14.03 | 14.03 | 14.03 |
| North Buncombe | 12.27 | 12.27 | 12.27 |
| Reems Creek | 15.07 | 15.07 | 15.07 |
| Reynolds | 11.24 | 13.11 | 13.11 |
| Riceville | 16.60 | 16.60 | 16.60 |
| Skyland | 9.80 | 9.80 | 9.80 |
| Swannanoa | 14.00 | 15.00 | 15.00 |
| Upper Hominy | 19.00 | 20.60 | 20.60 |
| West Buncombe | 13.50 | 15.00 | 15.00 |
| Woodfin | 10.59 | 10.59 | 10.59 |



FY2026 Recommended Budget: All Annual Funds

| Annual Fund | Expenditures |
|---|----------------------|
| General Fund | \$434,984,111 |
| Fire & Service Districts Special Revenue Fund | \$69,585,716 |
| Health, Employment, Property & Casualty Insurance Internal Service Fund | \$48,242,165 |
| Occupancy Tax Special Revenue Fund | \$40,000,000 |
| Solid Waste Enterprise Fund | \$16,237,293 |
| Mountain Mobility Special Revenue Fund | \$5,722,612 |
| Opioid Settlement Fund | \$3,218,194 |
| School Fines & Forfeitures Fund | \$2,000,000 |
| Asheville-Buncombe Air Quality Agency Fund | \$1,262,912 |
| Representative Payee Fund | \$900,000 |
| PDF Woodfin Special Revenue Fund | \$818,468 |
| 911 Special Revenue Fund | \$728,900 |
| Tax Reappraisal Reserve Fund | \$703,280 |
| Inmate Commissary & Welfare Fund | \$450,000 |
| Register of Deeds Trust Fund | \$292,000 |
| Register of Deeds Automation Special Revenue Fund | \$135,000 |
| Forfeitures Fund | \$40,280 |
| Annual Funds Total | \$625,320,931 |



Education Requests

(millions of \$)

| | FY2025 Adopted | FY2025 Amended | FY2026 Recommended |
|----------------------------|-------------------|-------------------|-----------------------|
| BCS | 99.3 | 95.3 | 95.8 |
| ACS | 18.0 | 17.2 | 17.3 |
| | 117.3 | 112.6 | 113.2 |
| Tax Rate to Balance | | | 3.26¢ |

Annual Tax Increase on \$350,000 home

| | |
|-----------------|-------|
| Buncombe County | \$114 |
|-----------------|-------|

ACS Supplemental Tax

Note: The estimated student split between districts is 84.68% for BCS and 15.32% for ACS. This will change after the school year begins. This assumes no Article 39 support as it has not passed the House.



Education Requests

(millions of \$)

| | FY2025 Adopted | FY2025 Amended | FY2026 Recommended | Return to FY25 Adopted | |
|----------------------------|-------------------|-------------------|-----------------------|------------------------|--------------|
| BCS | 99.3 | 95.3 | 95.8 | +3.5 | 99.3 |
| ACS | 18.0 | 17.2 | 17.3 | +0.6 | 18.0 |
| | 117.3 | 112.6 | 113.2 | +4.1 | 117.3 |
| Tax Rate to Balance | | | 3.26¢ | 0.79¢ | 4.05¢ |

Annual Tax Increase on \$350,000 home

| | | |
|----------------------|-------|-------|
| Buncombe County | \$114 | \$142 |
| ACS Supplemental Tax | | |

Note: The estimated student split between districts is 84.68% for BCS and 15.32% for ACS. This will change after the school year begins. This assumes no Article 39 support as it has not passed the House.



BUNCOMBE COUNTY



5/20/2025

Education Requests

(millions of \$)

| | FY2025 Adopted | FY2025 Amended | FY2026 Recommended | Return to FY25 Adopted | | FY26 Requested (BCS) | |
|----------------------------|-------------------|-------------------|-----------------------|------------------------|--------------|----------------------|--------------|
| BCS | 99.3 | 95.3 | 95.8 | +3.5 | 99.3 | +10.6 | 105.9 |
| ACS | 18.0 | 17.2 | 17.3 | +0.6 | 18.0 | +1.9 | 19.2 |
| | 117.3 | 112.6 | 113.2 | +4.1 | 117.3 | +12.5 | 125.0 |
| Tax Rate to Balance | | | 3.26¢ | 0.79¢ | 4.05¢ | 2.27¢ | 5.53¢ |

Annual Tax Increase on \$350,000 home

| | | | |
|----------------------|-------|-------|-------|
| Buncombe County | \$114 | \$142 | \$194 |
| ACS Supplemental Tax | | | |

Note: The estimated student split between districts is 84.68% for BCS and 15.32% for ACS. This will change after the school year begins. This assumes no Article 39 support as it has not passed the House.



BUNCOMBE COUNTY



5/20/2025

Education Requests

(millions of \$)

| | FY2025 Adopted | FY2025 Amended | FY2026 Recommended | Return to FY25 Adopted | | FY26 Requested (BCS) | | FY26 Requested (ACS_Supp) ACS Tax Increase | |
|----------------------------|-------------------|-------------------|-----------------------|------------------------|--------------|----------------------|--------------|---|--------------|
| BCS | 99.3 | 95.3 | 95.8 | +3.5 | 99.3 | +10.6 | 105.9 | +13.3 | 108.6 |
| ACS | 18.0 | 17.2 | 17.3 | +0.6 | 18.0 | +1.9 | 19.2 | +2.4 | 19.6 |
| | 117.3 | 112.6 | 113.2 | +4.1 | 117.3 | +12.5 | 125.0 | +15.7 | 128.3 |
| Tax Rate to Balance | | | 3.26¢ | 0.79¢ | 4.05¢ | 2.27¢ | 5.53¢ | 2.88¢ | 6.14¢ |

Supplemental Tax **+1.38¢**
7.52¢

Annual Tax Increase on \$350,000 home

| | | | | |
|----------------------|-------|-------|-------|-------------|
| Buncombe County | \$114 | \$142 | \$194 | \$215 |
| ACS Supplemental Tax | | | | \$48 |
| | | | | <hr/> \$263 |

Note: The estimated student split between districts is 84.68% for BCS and 15.32% for ACS. This will change after the school year begins. This assumes no Article 39 support as it has not passed the House.



BUNCOMBE COUNTY

5/20/2025

Article 39 Sales Tax Fund Capacity

| Fiscal Year | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Beginning balance | 66.6 | 41.3 | 62.3 | 29.8 | 23.6 | 18.8 |
| Article 39 Sales Tax Estimate | 27.8 | 28.1 | 28.7 | 29.2 | 29.8 | 30.4 |
| Bond Proceeds | | 57.6 | | | | |
| Total revenues | 27.8 | 85.7 | 28.7 | 29.2 | 29.8 | 30.4 |
| Existing Projects | 27.7 | 31.2 | 25.0 | | | |
| Capacity For New Projects | | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Debt Service | 25.4 | 23.6 | 26.2 | 25.4 | 24.6 | 23.8 |
| Total expenditures | 53.1 | 64.8 | 61.2 | 35.4 | 34.6 | 33.8 |
| Estimated Fund Balance | 41.3 | 62.3 | 29.8 | 23.6 | 18.8 | 15.4 |

Takeaway: The fund can sustain ~\$10M in annual expenditures above existing commitments



Reference Documents

The following materials are available for review with the May 20th agenda at www.BuncombeCounty.org/Commissioners:

- FY2026 Recommended Budget in Brief, which includes:
 - County Manager's message
 - Recommended Capital Improvement Plan (CIP)
 - Recommended grant awards
- Interactive Budget Explorer
- FY2026 Fee Schedule
- FY2026 Classification and Compensation Plan



Next Steps

- Conduct public hearing
- Address any needed changes
- Budget Adoption on June 3



FY2026 Economic Development Hearing

Routine Appropriations

- Asheville Buncombe Regional Sports Commission
- Asheville-Buncombe County Economic Development Coalitions

Previous Economic Development Agreements

- BorgWarner Turbo Systems, LLC
- New Belgium Brewing Company, Inc.
- Pratt & Whitney



Appendix

- Asheville City Schools FY2024 Annual Comprehensive Financial Report (ACFR)
- Buncombe County Schools FY2024 Annual Comprehensive Financial Report (ACFR)



Year End FY2024 ACS ACFR Local Fund

ASHEVILLE CITY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit 4

| | Major Funds | | | | | | Total Governmental Funds |
|--|---------------|------------------------|-----------------------|----------------|--------------------------|----------------|--------------------------------|
| | General | State Public School | Individual Schools | Capital Outlay | Other Special Revenue | Federal Grants | |
| REVENUES | | | | | | | |
| State of North Carolina | \$ - | \$ 31,031,096 | \$ - | \$ - | \$ 212,845 | \$ - | \$ 31,243,941 |
| Buncombe County | 17,704,730 | - | - | 3,441,553 | - | - | 21,146,283 |
| U.S. Government | - | 131,558 | - | 406,172 | 103,466 | 4,626,956 | 5,268,152 |
| Supplemental city school tax | 11,775,432 | - | - | - | - | - | 11,775,432 |
| Local option sales tax | - | - | - | - | 4,540,113 | - | 4,540,113 |
| Other | 205,764 | - | 1,060,589 | 188,714 | 3,136,923 | - | 4,591,990 |
| Total revenues | 29,685,926 | 31,162,654 | 1,060,589 | 4,036,439 | 7,993,347 | 4,626,956 | 78,565,911 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| Instructional services: | | | | | | | |
| Regular instructional | 6,963,195 | 18,031,042 | 405,400 | 85,495 | 2,660,510 | 771,776 | 28,917,418 |
| Special populations | 1,004,147 | 5,041,031 | - | - | 921,229 | 730,128 | 7,696,535 |
| Alternative programs | 605,988 | 629,516 | - | - | 2,188,561 | 2,002,426 | 5,426,491 |
| School leadership | 2,184,131 | 1,527,098 | - | - | 440,388 | 2,250 | 4,153,867 |
| Co-curricular services | 340,902 | - | 1,267,048 | 12,031 | - | - | 1,619,981 |
| School-based support | 2,009,618 | 2,355,966 | - | 930,723 | 398,644 | 133,089 | 5,828,040 |
| System-wide support services: | | | | | | | |
| Support and development | 279,534 | 207,564 | - | - | 57,353 | - | 544,451 |
| Special population support and development | 15,974 | 128,729 | - | - | 25,791 | 281,057 | 451,551 |
| Alternative programs and services | 564,697 | - | - | - | 59,288 | 50,766 | 674,751 |
| Technology support | 1,153,491 | 88,656 | - | - | 92,745 | - | 1,334,892 |
| Operational support | 5,397,846 | 2,526,122 | - | 531,601 | 788,636 | 76,785 | 9,320,990 |
| Financial and human resource services | 1,471,674 | 56,690 | - | - | 148,837 | 90,609 | 1,767,810 |
| Accountability | 121,268 | - | - | - | 13,370 | - | 134,638 |
| System-wide pupil support | 690,192 | 106,843 | - | - | 113,203 | - | 910,238 |
| Policy, leadership and public relations | 1,375,969 | 418,397 | - | - | 122,455 | - | 1,916,821 |
| Ancillary services | 223,273 | - | - | - | 154,133 | 63,572 | 440,978 |
| Non-programmed charges: | | | | | | | |
| Payments to charter schools | 2,630,728 | - | - | - | - | - | 2,630,728 |
| Other | - | - | - | - | - | 424,498 | 424,498 |
| Capital outlay | - | - | - | 2,066,318 | - | - | 2,066,318 |
| Total expenditures | 27,032,627 | 31,117,654 | 1,672,448 | 3,626,168 | 8,185,143 | 4,626,956 | 76,260,996 |
| Revenues over (under) expenditures | 2,653,299 | 45,000 | (611,859) | 410,271 | (191,796) | - | 2,304,915 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers from other funds | - | - | 514,750 | - | - | - | 514,750 |
| Transfers to other funds | (514,750) | (45,000) | - | - | - | - | (559,750) |
| Total other financing sources (uses) | (514,750) | (45,000) | 514,750 | - | - | - | (45,000) |
| Net change in fund balance | 2,138,549 | - | (97,109) | 410,271 | (191,796) | - | 2,259,915 |
| Fund balances-beginning | 10,555,656 | - | 961,523 | 3,281,590 | 4,653,259 | - | 19,452,028 |
| Fund balances-ending | \$ 12,694,205 | \$ - | \$ 864,414 | \$ 3,691,861 | \$ 4,461,463 | \$ - | \$ 21,711,943 |

The accompanying notes are an integral part of the basic financial statements.

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Year End FY2024 BCS ACFR Local Fund

BUNCOMBE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit 4

| | Major Funds | | | | | Non-major Fund | Total Governmental Funds |
|---|---------------|---------------------|--------------------|----------------|----------------|------------------------|--------------------------|
| | General | State Public School | Individual Schools | Capital Outlay | Federal Grants | Other Specific Revenue | Other Governmental Fund |
| REVENUES | | | | | | | |
| State of North Carolina | \$ - | \$ 169,526,948 | \$ - | \$ 2,050,471 | \$ - | \$ - | \$ - |
| Buncombe County | 95,293,178 | - | - | 35,125,005 | - | 604,116 | - |
| U.S. Government | - | 379,604 | - | 31,672 | 39,063,486 | 369,395 | - |
| Other | 1,721,015 | - | 6,540,718 | 1,379,277 | - | 7,539,778 | 10,721 |
| Total revenues | 97,014,193 | 169,906,552 | 6,540,718 | 38,586,425 | 39,063,486 | 8,513,289 | 10,721 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| Instructional services | 48,368,948 | 147,459,112 | 7,642,499 | 4,512,654 | 32,165,492 | 2,677,420 | 819 |
| System-wide support services | 28,458,722 | 22,315,058 | - | 1,952,514 | 5,031,642 | 1,139,283 | - |
| Ancillary services | - | - | - | 69,958 | 46,505 | 26,788 | - |
| Non-programmed charges | 10,819,916 | - | - | - | 1,819,847 | 88,369 | - |
| Debt service: | | | | | | | |
| Principal payments | - | - | - | 300,634 | - | - | - |
| Capital outlay | - | - | - | 29,515,481 | - | - | - |
| Total expenditures | 87,647,586 | 169,774,170 | 7,642,499 | 36,351,241 | 39,063,486 | 3,931,860 | 819 |
| Revenues over (under) expenditures | 9,366,607 | 132,382 | (1,101,781) | 2,235,184 | - | 4,581,429 | 9,902 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers (to) from other funds | (890,811) | (132,382) | 872,184 | - | - | - | - |
| Installment purchase obligations issued | - | - | - | 405,861 | - | - | - |
| | (890,811) | (132,382) | 872,184 | 405,861 | - | - | - |
| Total other financing sources (uses) | | | | | | | |
| Net change in fund balance | 8,475,796 | - | (229,597) | 2,641,045 | - | 4,581,429 | 9,902 |
| Fund balances-beginning | 10,580,002 | - | 3,322,833 | 26,175,448 | - | 11,213,988 | 231,560 |
| Fund balances-ending | \$ 19,055,798 | \$ - | \$ 3,093,236 | \$ 28,816,493 | \$ - | \$ 15,795,417 | \$ 241,462 |

