



Tony Baldwin, Ed. D., Superintendent

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April 26, 2019

Madam Chair and Members, Buncombe County Board of Education,

As you are aware, North Carolina General Statutes require us to submit a request for both Capital Outlay and Current Expense appropriations to the Commissioners on or before May 15<sup>th</sup>. Based on discussions, we are bringing proposed requests for both Capital Outlay and Current Expense appropriations to you at your May 2, 2019 Board meeting.

The items for which we are requesting new Current Expense funding from the Commissioners are:

- \$567,000 = Personnel for Expanding Behavioral Health Services – 7 positions
- \$1,809,183 = To Cover Average of 5% Pay Increase for Certified Personnel Paid from Local Funds
- \$542,310 = To Cover Average of 3% Pay Increase for Non-Certified Personnel Paid from Local Funds
- \$1,367,812 = Retirement and Health Insurance Rate Increases
- \$728,640 = Attrition of Instructional Assistants

The total amount of these items is \$5,014,945.

When the matching funds for Asheville City Schools are added in, the total increase in the appropriation needed becomes \$5,945,400, which will be split between the Buncombe County Schools and Asheville City Schools on approximately an 84.35%/15.65% basis based on the information on projected enrollment currently available. We believe that this total increase is within the County's ability to provide and that the Commissioners understand the financial commitment needed from them in order to continue delivering high quality educational and supportive services to our students.

As required by General Statutes, Ms. Frisby has prepared a proto-type budget resolution to accompany our requests for funding.

Sincerely,

*Tony Baldwin*

Tony Baldwin  
Superintendent



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April 26, 2019

Superintendent Baldwin and Madam Chair/Members of the Buncombe County Board of Education,

Following this letter of transmittal, you will find a proto-type budget resolution to accompany our request for funding of the Commissioners of the County of Buncombe. Such a proto-type budget is required to be submitted to the Commissioners on or before May 15<sup>th</sup> each year by General Statute 115C-429. Our actual budget will not be adopted until: 1) the General Assembly makes its final decisions about what revenue to provide to us and what salary and benefit costs to mandate to us; and 2) the County of Buncombe makes its funding decisions and we can calculate the distribution of the total current expense appropriation with Asheville City Schools and those charter schools that serve students residing in our respective attendance areas.

As of today, we still have incomplete information about a number of critical budget variables, both on the revenue side of the budget and on the expenditure side of the budget. The amount of revenue available to Buncombe County Schools for 2019-20, from both state and federal sources, is less determinable than it has ever been before at this same point in the budget process – only two months before that new fiscal year will begin. Under these conditions, a base budget cannot specify with any certainty how much revenue will be available from which source and therefore **cannot** be taken as an indication from which fund specific positions or non-personnel costs will actually be paid in 2019-20.

The major purpose that the base budget serves is to identify what the current program of services will cost in 2019-20. The pay and benefits for individual employees are projected and recorded based on the funding source from which they are currently paid. Likewise, non-personnel costs are projected in the same account in which they are currently budgeted. We will have to balance the budget in total once specific revenue information is available and to have in place contingency plans for service reductions if the revenue that will ultimately become available to us is insufficient to fund the cost of current programs. Only after decisions are made about the operating budget as a whole can costs be assigned to the actual funds and accounts from which they will be paid in 2019-20.

Another variable is federal revenue. With uncertain federal cuts, the federal programs will likely have to be self-sustaining in year 2019-20 as they have had to be in the past few years.

Even the amount of local funding that we will receive from the Commissioners of the County of Buncombe is not yet certain. Because the county appropriation is split between Buncombe County Schools and Asheville City Schools (as well as shared with all charter schools drawing students from each attendance area) when the ratio of students in Buncombe County Schools and Asheville City Schools change, the funds distributed fluctuates based on the new ratio. The combined enrollment for 2019-20

for Buncombe County Schools and Asheville City Schools is projected by the North Carolina Department of Public Instruction to be 28,013, compared to a 2018-19 actual count of 28,012. These numbers do not include charter school students with whom the appropriation must also be shared.

The Governor's budget bill considers the implementation of a salary increase of an average of 5% for certified personnel. Based on guidance for NCDPI, the proposed increase for non-certified personnel is an average of a 3% increase. What is not certain is how those funds are given to employees, whether it be by salary increase or one-time bonus. In any event, we have projected the above percentages as a salary increase since that is the typical method of receiving additional salary. The total budgetary impact of these salary adjustments is \$2,351,493.

As suggested by the budget bill, the budget totals for each fund includes the impact of mandated increases in the employer's retirement contribution rate estimated to increase from 18.86% to 20.59%, and in the employer-paid health insurance premium estimated to increase by roughly 5% in January 2020, both totaling \$1,367,812.

The budget request includes \$567,000 to fund seven positions for expanding services for behavioral health for our students. This budget proposal also includes a request for \$728,640 to maintain 20 Instructional Assistant positions that would otherwise be absorbed through the attrition strategy. The total request for new money is \$5,014,945.

The proto-type budget resolution presented below is an estimate of purpose totals by fund for year 2019-20. These totals represent the budget based on the best data available at this time and is made on several assumptions.

Respectfully submitted,

*Deborah B. Frisby*

Deborah B. Frisby  
Chief Financial Officer

**BUDGET RESOLUTION FOR FISCAL YEAR 2019-20  
BUNCOMBE COUNTY BOARD OF EDUCATION**

**SECTION 1** - The following amounts are estimated to be available to support operation of the school administrative unit in the **State Public School Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Purpose	Description	Initial Budget
5000	Instructional Services	\$129,179,366
6000	System-wide Support Services	\$17,631,396
7000	Ancillary Services	\$117,543
8000	Non-Programmed Charges	\$0
<b>TOTAL</b>		<b>\$146,928,305</b>

**SECTION 2** - The following revenues estimated to be available for the **State Public School Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Funding Source	Description	Initial Budget
3100	State Public School Fund Revenue	\$146,928,305
<b>TOTAL</b>		<b>\$146,928,305</b>

**SECTION 3** - The following amounts are estimated to be available to support operation of the school administrative unit in the **Local Current Expense** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Purpose	Description	Initial Budget
5000	Instructional Services	\$42,231,836
6000	System-wide Support Services	\$25,128,175
7000	Ancillary Services	\$30,672
8000	Non-Programmed Charges	\$6,333,803
<b>TOTAL</b>		<b>\$73,724,486</b>

**SECTION 4** - The following revenues are estimated to be available to the **Local Current Expense** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Funding Source	Description	Initial Budget
3200	State Revenue	\$40,225
	Local other than County	
4120-4800	Appropriation	\$885,000
4110	County Appropriation	\$70,299,261.00
<b>TOTAL OPERATING REVENUE</b>		<b>\$71,224,486</b>
4900	Fund Balance/Stabilizing Funds	\$2,500,000
<b>TOTAL</b>		<b>\$73,724,486</b>

**SECTION 5** - The following amounts are estimated to be available to support operation of the school administrative unit in the **Federal Grants Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Purpose	Description	Initial Budget
5000	Instructional Services	\$16,493,901
6000	System-wide Support Services	\$1,206,871
7000	Ancillary Services	\$0
8000	Non-Programmed Charges	\$2,413,742
TOTAL		\$20,114,514

**SECTION 6** - The following revenues are estimated to be available to the **Federal Grants Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Funding Source	Description	Initial Budget
3600	Federal Grants Allotted through NCDPI	\$20,114,514
TOTAL		\$20,114,514

**SECTION 7** – The following amounts are estimated to be available to support operation of the school administrative unit in the **Capital Outlay Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Purpose	Description	Initial Budget
5000	Instructional Services	\$4,225,795
6000	System-wide Support Services	\$2,297,500
7000	Ancillary Services	\$0
8000	Non-Programmed Charges	\$400,000
9000	General Capital Projects	\$16,297,925
TOTAL		\$23,221,220

**SECTION 8** – The following revenues are estimated to be available to the **Capital Outlay Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Funding Source	Description	Initial Budget
3200	State - Other Funds	\$100,000
3400	NCDPI	\$0
4100-4800	Local Revenue	\$20,621,220
TOTAL OPERATING REVENUE		\$20,721,220
4900	Other Financing Sources	\$2,500,000
TOTAL		\$23,221,220

**SECTION 9** – In addition, authorization is hereby granted to continue both regular and building program projects uncompleted at June 30, 2019 per prior budget authorization.

**SECTION 10** - - The following amounts are estimated to be available to support operation of the school administrative unit in the **Child Nutrition Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Purpose	Description	Initial Budget
7000	Ancillary Services	\$12,357,061
8000	Non-Programmed Charges	\$774,644
TOTAL		\$13,131,705

**SECTION 11** - The following revenues are estimated to be available to the **Child Nutrition Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Funding Source	Description	Initial Budget
3200	State Revenue	\$336
3800	Federal Revenue	\$9,694,232
4100-4800	Local Revenue	\$3,437,137
TOTAL OPERATING REVENUE		\$13,131,705
4900	Other Financing Sources	\$0
TOTAL		\$13,131,705

**SECTION 12** - - The following amounts are estimated to be available to support operation of the school administrative unit in the **Other Specific Revenue Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Purpose	Description	Initial Budget
5000	Instructional Services	\$2,401,710
6000	System-wide Support Services	\$1,841,390
7000	Ancillary Services	\$19,921
8000	Non-Programmed Charges	\$78,389
TOTAL		\$4,341,410

**SECTION 13** - The following revenues are estimated to be available to the **Other Specific Revenue Fund** for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Funding Source	Description	Initial Budget
3200	State - Not Allotted through NCDPI	\$160,000
	Federal - Not Allotted through	
3700	NCDPI	\$648,933
4100-4800	Local Revenue	\$3,006,072
TOTAL OPERATING REVENUE		\$3,815,005
4900	Other Financing Sources	\$526,405
TOTAL		\$4,341,410

**SECTION 14** – Within the overall budget, all appropriations shall firstly be paid from revenues restricted as to use and secondly from general unrestricted revenues.

**SECTION 15** – The Chief Financial Officer is hereby directed to record all restricted revenue that was not expended for its intended purpose as either deferred revenue, restricted fund balance, committed fund balance or assigned fund balance (as appropriate) within the Financial Statements. The restricted revenue sources include, but are not limited to, Medicaid reimbursements, reimbursements for services rendered to exceptional children, grant advances, Enka Consolidated Special Tax District unexpended proceeds, and Pisgah Forest reserve payments.

**SECTION 16** - The Chief Financial Officer is hereby directed to record all cash being invested for the individual schools as restricted cash upon the body of the Financial Statements so that the Board of Education's intent to keep these sums separate and apart can be clearly demonstrated. This action will also demonstrate the Board's intent that the Buncombe County Schools not draw upon these moneys to satisfy its overall cash flow needs.

**SECTION 17** - The Superintendent is authorized to administer the budget as outlined in Section 501 of the adopted Buncombe County Public Schools Policy Manual.

**SECTION 18** - Copies of the Budget Resolution shall be immediately furnished to the Superintendent and the Chief Financial Officer for direction in carrying out their duties.

**READ AND APPROVED THIS SECOND DAY OF MAY 2019 FOR THE PURPOSE OF SUBMITTING AN ESTIMATE OF THE ENTIRE BUDGET TO THE COUNTY COMMISSIONERS IN SUPPORT OF OUR REQUESTS FOR BOTH A CURRENT EXPENSE AND A CAPITAL OUTLAY APPROPRIATION.**

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Chairman, Board of Education

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Secretary