

June 30, 2022

Madam Chair and Members of the Buncombe County Board of Education:

While the General Assembly continues to negotiate the 2nd year of the biennial budget, there are several components that are related to salary and benefit increases. At this time, it is unknown what the final budget will be for 2022-23. Therefore, we will require an interim budget resolution to authorize continuation of operations during the first part of fiscal year 2022-23. The Department of Public Instruction (DPI) usually requires about a month after the General Assembly approves a budget to calculate allotments for each of the 115 Local Education Agencies (LEA's) and the Charter Schools in the State.

DPI allotments specify only the revenue side of the budget, and the budget bill will contain many provisions that affect the expenditure side of the budget. The cost of our workforce and operations must be "estimated" before we are able to determine how well the new state allotments will balance out with the 2022-23 cost of the same programs covered by state funds in 2021-22. As always, the credentials of new hires who replace retiring or terminating employees must be evaluated in order to place those employees correctly on the salary schedules. Until the August 31st payroll for salaried employees and until the September 15th payroll for hourly-paid workers are both produced, we will not know what our initial 2022-23 workforce will cost. This not only impacts our ability to balance the State Public School Fund but also all other funds as well.

With respect to the Local Current Expense Fund, as the Board will recall, we asked the Buncombe County Commissioners to increase our 2022-23 funding by \$23,906,664 above the level for 2021-22 to cover the following costs:

- \$15,237,875 = Salary/benefit increases for certified and non-certified employees based on legislated increases from the 2nd year of the biennial budget and recommendations from the salary study to address compression of salary tables for non-certified employees
- \$3,737,789 = Other non-negotiables including utility cost increases, property insurance increases and adjustment to charter school share due to increased enrollment
- \$4,931,000 = Request to offset need to use fund balance

\$23,906,664 = Total Proposed Increase in Local Appropriation for 2022-23

At the June 21, 2022 Commissioners' meeting, the County of Buncombe voted to appropriate an additional \$8,719,096 above the 2021-22 allocation which is an 11.9% increase. While this amount does not cover the requested amount of \$23,906,664 for all the above categories, the County has agreed to work with Buncombe County Schools on a 3-year phased approach for salary increases to facilitate continued efforts to meet the recommendations addressed in the HIL salary study.

This interim budget resolution includes the continuation of the local supplement for licensed employees based on the following schedule.

Years on License	Rate
0 to 4	8.50%
5 to 9	9.50%
10 to 14	10.50%
15 to 19	11.50%
20 to 24	12.50%
25 to 29	13.50%
30+	16.00%

The interim budget resolution also includes the continuation of the local supplement for non-certified employees at 10.77%.

A continuation of the special appropriation to Buncombe County Schools of \$276,116 for the Community High School that serves both districts was requested and approved by the Commissioners.

Both the State Public School Fund and Local Current Expense Fund budgets are subject to too many unknowns for a full fiscal year budget to be presented at this time. That is also the case with the Other Restricted Revenue Fund, whose grant funding sources vary considerably from year to year. I anticipate that it is likely a full-year’s budget resolution will be available to the Board by the November meeting. For that reason, the interim budget resolution provides authority to continue operations through the month of November. However, if a budget can be brought sooner it certainly will be.

Accordingly, the amounts in this interim budget resolution for the State Public School Fund and the Other Restricted Revenue Fund are one-half (1/2) of the amounts contained in the prototype budget resolution submitted to the Commissioners in May, as shown on the chart below. The Local Current Expense Fund budget is one-half (1/2) of the adjusted amount which includes the approved County appropriation by the Commissioners.

Fund	Amount in Request to Commissioners	Amount adjusted for approved County Appropriation	Amount in Interim Budget Resolution	Percent
State Public School Fund	\$152,501,903		\$76,250,952	50%
Local Current Expense Fund	\$97,288,856	\$89,687,232	\$44,843,616	50%
Other Specific Revenue Fund	\$3,321,445		\$1,660,723	50%

Not all federal planning allotments have been released, nor have the carryover amounts been finalized. Therefore, the Federal Grants Fund is budgeted with the available planning allotments.

The chart below shows the updated information on the individual Federal grant allocations that together create the Federal Grants Fund budget. Information on some specific grants was not available in May when the request to the Commissioners was prepared. The grants shown below total \$69,303,776 which is different than the \$63,862,441 amount given to the Board in May, this is due to fluctuations in planning allotments and projected carryover. Federal planning allotments are still being released. The amount in the Interim Budget Resolution is 50% of planning allotments plus available carryover funds.

PRC	Description	Planning	Est. Carryover	Total
017	Vocational Education - Program	\$ 422,239.00	\$ -	\$ 422,239.00
026	Education for Homeless Childre	\$ 45,000.00	\$ 31,073.00	\$ 76,073.00
049	IDEA Preschool Part B (619) Gr	\$ 177,627.00	\$ 10,046.00	\$ 187,673.00
050	ESEA Title 1 - LEA Basic Progr	\$ 8,209,984.00	\$ 1,794,490.00	\$ 10,004,474.00
051	ESEA Title 1 - Migrant Regular	\$ 223,351.00	\$ 195,968.00	\$ 419,319.00
060	IDEA, Part B (611)	\$ 5,321,736.00	\$ 4,320,999.00	\$ 9,642,735.00
082	IDEA State Improvement Grant	\$ -	\$ 12,488.00	\$ 12,488.00
103	Title II - Improving Teacher Q	\$ 1,070,515.00	\$ 391,222.00	\$ 1,461,737.00
104	Title III - Language Acquisiti	\$ 219,194.00	\$ 225,492.00	\$ 444,686.00
105	ESEA Title I - School Improvem	\$ -	\$ 86,118.00	\$ 86,118.00
108	Student Support and Academic E	\$ 496,009.00	\$ 90,903.00	\$ 586,912.00
111	Title III - Language Acquisiti	\$ -	\$ -	\$ -
114	IDEA, Part B (611) Risk Pool	\$ -	\$ 58,106.00	\$ 58,106.00
115	Title I Targeted Support & Imp	\$ 300,000.00	\$ 234,554.00	\$ 534,554.00
118	IDEA, Part B (611) Targeted As	\$ -	\$ 12,738.00	\$ 12,738.00
119	IDEA, Preschool Part B (619) T	\$ -	\$ 3,793.00	\$ 3,793.00
163	CARES Act K12 Emergency Relief	\$ -	\$ 62,493.00	\$ 62,493.00
165	ESSERF Digital Resources	\$ -	\$ -	\$ -
167	ESSERF - Exceptional Children	\$ -	\$ -	\$ -
169	GEER Spec Instr Supp Personnel	\$ -	\$ 89,504.00	\$ 89,504.00
170	GEER Suppl Instructional Servs	\$ -	\$ 407.00	\$ 407.00
171	ESSER II	\$ -	\$ 5,168,971.00	\$ 5,168,971.00
173	ESSER II - Contract Health Support	\$ -	\$ 143,858.00	\$ 143,858.00
174	ESSER II - School Nutrition	\$ -	\$ 34,938.00	\$ 34,938.00
176	ESSER - Learning Loss	\$ -	\$ 615,277.00	\$ 615,277.00
177	ESSER II - Summer Career Academy	\$ -	\$ 396,230.00	\$ 396,230.00
178	ESSER II - Competency Assessment	\$ -	\$ 126,690.00	\$ 126,690.00
181	ESSER III	\$ -	\$ 36,394,399.00	\$ 36,394,399.00
183	ESSER III - Homeless I	\$ -	\$ 68,992.00	\$ 68,992.00
184	ESSER III - Homeless II	\$ -	\$ 216,347.00	\$ 216,347.00
185	ESSER III - IDEA 611 Grant	\$ -	\$ 393,887.00	\$ 393,887.00
186	ESSER III - IDEA Preschool	\$ -	\$ 77,759.00	\$ 77,759.00
188	ESSER III - CTE Career Accelerator	\$ 546,720.00	\$ -	\$ 546,720.00
189	ESSER III - Math Learning Loss Program	\$ 527,292.00	\$ -	\$ 527,292.00
192	ESSER III - Cyberbullying/Suicide Prev	\$ -	\$ 142,834.00	\$ 142,834.00
195	ESSER III - School Improvement	\$ -	\$ 47,849.00	\$ 47,849.00
203	ESSER III - ARP Teacher Bonus	\$ -	\$ 295,594.00	\$ 295,594.00
205	ESSER III - Driver Education	\$ -	\$ 90.00	\$ 90.00
		\$ 17,559,667.00	\$ 51,744,109.00	\$ 69,303,776.00
	Interim Budget	\$ 8,779,834.00	\$ 51,744,109.00	\$ 60,523,943.00

In contrast, the revenue situation for the Capital Outlay Fund, and the Child Nutrition Fund is sufficiently clear to allow the full annual amounts to be budgeted for those two funds in the interim budget resolution.

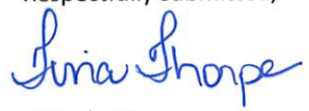
The budget for the Child Nutrition Fund is adjusted to reflect the budget for FY22-23:

Fund	Amount in Request to Commissioners	Amount in Interim Budget Resolution	Percent
Child Nutrition Fund	\$14,247,053	\$14,247,053	100%

In addition, under State law, the entire amount of any project funded by the Capital Outlay Fund must be available in order to encumber the full amount of funding prior to the inception of any work, so traditionally the projected full amount of the Capital Outlay Fund budget is included in the interim budget resolution. Our capital outlay request to the Commissioners was based upon the current estimate of dedicated sales tax receipts, with the total projected revenue being prorated between Buncombe County Schools and Asheville City Schools according to ADM. The budget for the Capital Outlay Fund is the same as that presented to the Board in May:

Fund	Amount in Request to Commissioners	Amount in Interim Budget Resolution	Percent
Capital Outlay Fund	\$50,834,971	\$50,834,981	100%

Respectfully submitted,



Tina Thorpe
Chief Financial Officer

Enclosure

**INTERIM BUDGET RESOLUTION FOR FISCAL YEAR 2022-23
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, 2022 and ending November 30, 2022.

Purpose	Description	Interim Budget
	5000 Instructional Services	\$67,213,845
	6000 System-wide Support Services	\$8,861,001
	7000 Ancillary Services	\$176,106
	8000 Non-Programmed Charges	\$0
TOTAL		\$76,250,952

SECTION 2 - The following revenues estimated to be available for the **State Public School Fund** for the fiscal year beginning July 1, 2022 and ending November 30, 2022.

Funding Source	Description	Interim Budget
	3100 State Public School Fund Revenue	\$76,250,952
TOTAL		\$76,250,952

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, 2022 and ending November 30, 2022.

Purpose	Description	Interim Budget
	5000 Instructional Services	\$25,525,657
	6000 System-wide Support Services	\$14,388,159
	7000 Ancillary Services	\$9,547
	8000 Non-Programmed Charges	\$4,920,254
TOTAL		\$44,843,616

SECTION 4 - The following revenues are estimated to be available to the **Local Current Expense** for the fiscal year beginning July 1, 2022 and ending November 30, 2022.

Funding Source	Description	Interim Budget
	3200 State Revenue	\$21,000
	4120-4800 Local other than County Appropriation	\$227,500
	4110 County Appropriation	\$40,802,144.00
TOTAL OPERATING REVENUE		\$41,050,644
	4900 Fund Balance	\$392,793
	4900 Fund Balance/Stabilizing Funds	\$3,400,179
TOTAL		\$44,843,616

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, 2022 and ending November 30, 2022.

Purpose	Description	Interim Budget
	5000 Instructional Services	\$38,103,050
	6000 System-wide Support Services	\$12,555,631
	7000 Ancillary Services	\$96,116
	8000 Non-Programmed Charges	\$9,769,145
TOTAL		\$60,523,943

SECTION 6 - The following revenues are estimated to be available to the **Federal Grants Fund** for the fiscal year beginning July 1, 2022 and ending November 30, 2022.

Funding Source	Description	Interim Budget
	3600 Federal Grants Allotted through NCDPI	\$60,523,943
TOTAL		\$60,523,943

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, 2022 and ending November 30, 2022.

Purpose	Description	Interim Budget
5000	Instructional Services	\$6,599,301
6000	System-wide Support Services	\$1,852,978
7000	Ancillary Services	\$95,000
8000	Non-Programmed Charges	\$898,560
9000	General Capital Projects	\$41,389,142
TOTAL		\$50,834,981

SECTION 8 – The following revenues are estimated to be available to the **Capital Outlay Fund** for the fiscal year beginning July 1, 2022 and ending November 30, 2022.

Funding Source	Description	Interim Budget
3200	State - Other Funds	\$100,000
3400	NCDPI	\$3,497,209
4100-4800	Local Revenue	\$36,487,563
TOTAL OPERATING REVENUE		\$40,084,772
4900	Other Financing Sources	\$10,750,209
TOTAL		\$50,834,981

SECTION 9 – In addition, authorization is hereby granted to continue both regular and building program projects uncompleted at June 30, 2022 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, 2022 and ending November 30, 2022.

Purpose	Description	Interim Budget
7000	Ancillary Services	\$13,805,802
8000	Non-Programmed Charges	\$441,251
TOTAL		\$14,247,053

SECTION 11 - The following revenues are estimated to be available to the **Child Nutrition Fund** for the fiscal year beginning July 1, 2022 and ending November 30, 2022.

Funding Source	Description	Interim Budget
3200	State Revenue	\$0
3800	Federal Revenue	\$13,509,094
4100-4800	Local Revenue	\$577,763
TOTAL OPERATING REVENUE		\$14,086,857
4900	Other Financing Sources	\$160,196
TOTAL		\$14,247,053

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, 2022 and ending November 30, 2022.

Purpose	Description	Interim Budget
5000	Instructional Services	\$1,438,429
6000	System-wide Support Services	\$149,835
7000	Ancillary Services	\$15,852
8000	Non-Programmed Charges	\$56,608
TOTAL		\$1,660,723

SECTION 13 - The following revenues are estimated to be available to the **Other Specific Revenue Fund** for the fiscal year beginning July 1, 2022 and ending November 30, 2022.

Funding Source	Description	Interim Budget
3200	State - Not Allotted through NCDPI	\$0
3700	Federal - Not Allotted through NCDPI	\$545,483
4100-4800	Local Revenue	\$1,115,240
TOTAL OPERATING REVENUE		\$1,660,723
4900	Other Financing Sources	\$0
TOTAL		\$1,660,723

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 AS AN INTERIM BUDGET THIS THIRTIETH DAY OF JUNE 2022.

Madam Chair, Board of Education

Secretary, Board of Education