BUNCOMBE COUNTY SCHOOLS
PREPARING STUDENTS FOR THEIR TOMORROW

Rob Jackson, Ed. D., Superintendent

175 Bingham Road, Asheville, NC 28806
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May 7, 2026

Chairman Elliot and Members of the 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 15th. Based on discussions, we are bringing proposed budgets for both Capital Outlay and Current Expense appropriations to the May 7, 2026, Board meeting. My recommendation is summarized below:

The 2026-27 local operational recommendation budget increases are based on the best assumptions at this time for the following items:

Increase in Salaries & Benefits	$4.3m
Allotment Model Methodology & Board Priorities	$4.5m
Immutable Cost of Operations Increases	$1.7m
Charter Schools Transfer Increase	$1.1m
Total Base Proposed Increase in Local Appropriation for 2026-27	**$11,626,654**
Option 1 = Base Budget Only	**$115,085,871**
Option 2 = Base Budget + Athletic Request	**$115,343,115**
Option 3 = Base Budget + EC Assistants 7 to 8 hours Request	**$115,985,868**
Option 4 = Base Budget + Athletic + EC Assistant Requests	**$116,243,115**

The total local appropriation for 2026-27 is $128,340,901.00, which will be split between the Buncombe County Schools and Asheville City Schools on approximately an 84.86%/15.14% basis based on the information on projected enrollment currently available.

As required by General Statutes, Mrs. Tina Thorpe has prepared a proto-type budget resolution for the option chosen by the board to accompany our requests for funding that will be submitted to the county.

Sincerely,

Rob Jackson
BCS Superintendent

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Chairman Elliot, Superintendent Jackson, and Members of the Buncombe County Board of Education,

Following this letter of transmittal, you will find a proto-type budget resolution to accompany our local budget submittal to the Buncombe County Board of Commissioners. Such a proto-type budget is required to be submitted to the Commissioners on or before May 15th each year by General Statute 115C-429. Our actual budget will not be adopted until: 1) the General Assembly makes it 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 approves 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 most 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 2026-27, from both state and federal sources, is indeterminable at this point in the budget process with only two months before the new fiscal year will begin. The 2026-27 budget will be heavily impacted by increased student needs, different demographics and socioeconomics pertaining to our student population and less state and federal funding allotments. 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 2026-27.

The major purpose that the base budget serves is to identify what the current program of services will cost in 2026-27. The proposed Governor's budget has been released but has never been a reliable source to use for building budget projections. The Senate's and House's budgets have not been released. As it stands right now, the assumptions made in the projected budget are based on research and historical data for salary increases and hospitalization rates. This is the "short session" of the 2-year state budget process, and it is anticipated that it will be a very "unique short session" before a state budget is passed since we didn't have a state budget passed for the "long session". Therefore, we have included the current assumptions for the 2026-27 proposed budget with an average increase of 5% including step for certified staff, an increase of 3.0% plus step for classified staff, no change to the local supplement for certified and classified rates. We have projected the retirement rate of 25.4% and the health insurance at $8,905. Likewise, non-personnel costs are projected in the same account in which they are currently budgeted. Due to unprecedented times, planning for the future will be challenging because of the unknown state and federal legislation for the revenue sources. We will have to balance the budget in total once specific revenue information is available and will have to have in place plans for reductions if the revenue that will ultimately become available to us is insufficient to fund the cost of the 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 2026-27.

Another unknown variable is federal revenue. The dismantling of the US Department of Education is a completely unknown territory with no way to predict how and if there will be revenue to cover the expenditures that are currently paid by federal funds. We currently have 223 FTEs paid by federal funds along with many other non-salaries cost. This could significantly impact our federal program areas such as Title 1, 2, 3, and 4.

There is a movement for weighted funding in total and possibly a different funding model for exceptional children. If this comes to fruition, this may have significant impact on our overall ability to meet the needs of our most disadvantaged students. The exceptional children funding formula is based on a cap of 13% of the overall Public School Units average daily membership. Buncombe County Schools is currently at 14.11% exceptional children's population. Also, Buncombe County Schools is currently at 13.43% multilingual population.

Other factors that may have budgetary implications for the 2026-27 base budget include potential changes to laws governing funds that must be shared with the charter schools and growth of existing charter schools

in fiscal year 2026-27. Virtual charter schools are on the rise and approved by state legislation. There is currently a virtual school in Wake County that has approximately 30 of our students. There is no way to forecast the reduction to the average daily membership from virtual charter schools. Additionally, support from the legislature to provide private school vouchers has redirected millions of funds away from public education. These factors are very hard to calculate with respect to how it will affect BCS and are expected to have a negative impact on public school funding in the coming years.

There are three more factors that will have budgetary implications. We were able to utilize ESSER funds over recent years to restore fund balance to the required level designated by Board Policy 8100. However, our projections show that even with additional local funding, we may still need to use fund balance to balance the budget in 2026-27. This will have a major bearing on the next fiscal year's budgeting process since there is still a need to right align staffing and there will not be enough fund balance to cover the shortfall based on current staffing and operating expenses in future years. Secondly, the average daily membership (ADM) loss that has occurred over recent years has caused state allotments to significantly decrease which also puts greater strain on other funding sources such as local and grants. Although initiatives are in place to try and increase ADM, the expectation is that future reductions in staffing to "right align" with decreased state allotments are inevitable. The third factor is School Nutrition's implementation of CEP (Community Eligibility Provision) which began in the 2023-24 school year. This program provides school meals to all students at no cost to them. It is yet to be determined what impact this will have on the School Nutrition's budget and consequently the opportunity for indirect cost to be charged to the program. G. S. 115C-450 states that "no public-school unit that provides school nutrition services can assess indirect costs to a school nutrition program unless the program has an operating balance of at least two months." CEP only works if students participate in eating the free meals.

The amount of local funding that we will receive from the Buncombe County Board of Commissioners is set by the newly implemented local funding formula. The local current expense appropriation is based 37.76% of all property and sales tax revenues received in the previous specified lookback (Mar 25-Feb 26) 12-month period. 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) by an annual certification process based on best 1 of 2 from DPI and charter school verification enrollments.

The cost for the 2026-27 recommended local operational budget increases is summarized below.

Increase in Salaries & Benefits	$4,300,000
Allotment Model Methodology & Board Priorities	$4,526,654
Immutable Cost of Operations Increases	$1,700,000
Charter Schools Transfer Increase	$1,100,000
Total Base Proposed Increase in Local Appropriation for 2026-27	**$11,626,654**
Option 1 = Base Budget Only	**$115,085,871**
Option 2 = Base Budget + Athletic Request	**$115,343,115**
Option 3 = Base Budget + EC Assistants 7 to 8 hours Request	**$115,985,868**
Option 4 = Base Budget +Athletic + EC Assistant Requests	**$116,243,115**

The four proto-type budget resolutions presented below is an estimate of purpose totals by fund for year 2026-27. The board will vote to choose one of the four proto-type budget resolutions. These totals represent the budget based on the best data available at this time and is made on a vast number of assumptions and projections.

Respectfully submitted,

Tina Thorpe

Tina Thorpe
Chief Financial Officer
Buncombe County Schools

BUDGET RESOLUTION FOR FISCAL YEAR 2026-27
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, 2026 and ending June 30, 2027.

Purpose	Description	Initial Budget
5000	Instructional Services	$147,097,049
6000	System-wide Support Services	$21,324,521
7000	Ancillary Services	$151,716
8000	Non-Programmed Charges	$0
TOTAL		$168,573,286

SECTION 2 - The following revenues estimated to be available for the **State Public School Fund** for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Funding Source	Description	Initial Budget
3100	State Public School Fund Revenue	-$168,573,286
TOTAL		-$168,573,286

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, 2026 and ending June 30, 2027.

Purpose	Description	Initial Budget
5000	Instructional Services	$65,676,889
6000	System-wide Support Services	$36,378,643
7000	Ancillary Services	$23,017
8000	Non-Programmed Charges	$13,007,319
9000	Capital Outlay	$0
TOTAL		$115,085,868

SECTION 4 - The following revenues are estimated to be available to the **Local Current Expense** for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Funding Source	Description	Initial Budget
3200	State Revenue	$0
4120-4800	Local other than County Appropriation	-$600,000
4110	County Appropriation	-$108,633,973
TOTAL OPERATING REVENUE		-$109,233,973
4900	Fund Balance	-$5,851,895
4900	Fund Balance/Stabilizing Funds	$0
TOTAL		-$115,085,868

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, 2026 and ending June 30, 2027.

Purpose	Description	Initial Budget
5000	Instructional Services	$22,100,107
6000	System-wide Support Services	$1,033,705
7000	Ancillary Services	$0
8000	Non-Programmed Charges	$534,543
TOTAL		$23,668,354

SECTION 6 - The following revenues are estimated to be available to the **Federal Grants Fund** for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Funding Source	Description	Initial Budget
3600	Federal Grants Allotted through NCDPI	-$23,668,354
TOTAL		-$23,668,354

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, 2026 and ending June 30, 2027.

Purpose	Description	Initial Budget
5000	Instructional Services	$4,444,044
6000	System-wide Support Services	$1,928,088
7000	Ancillary Services	$84,494
8000	Non-Programmed Charges	$1,505,039
9000	General Capital Projects	$65,184,525
TOTAL		$73,146,189

SECTION 8 – The following revenues are estimated to be available to the **Capital Outlay Fund** for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Funding Source	Description	Initial Budget
3200	State - Other Funds	-$560,000
3400	NCDPI	-$3,432,928
4100-4800	Local Revenue	-$51,682,348
TOTAL OPERATING REVENUE		-$55,675,276
4900	Other Financing Sources	-$17,470,914
TOTAL		-$73,146,189

SECTION 9 – In addition, authorization is hereby granted to continue both regular and building program projects uncompleted at June 30, 2026 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, 2026 and ending June 30, 2027.

Purpose	Description	Initial Budget
7000	Ancillary Services	$19,274,880
8000	Non-Programmed Charges	$675,000
TOTAL		$19,949,880

SECTION 11 - The following revenues are estimated to be available to the **Child Nutrition Fund** for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Funding Source	Description	Initial Budget
3200	State Revenue	$0
3800	Federal Revenue	-$18,084,880
4100-4800	Local Revenue	-$1,825,000
TOTAL OPERATING REVENUE		-$19,909,880
4900	Other Financing Sources	-$40,000
TOTAL		-$19,949,880

SECTION 12 - - The following amounts are estimated to be available to support operation of the school administrative unit in the **Childcare Program Fund** for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Purpose	Description	Initial Budget
7000	Ancillary Services	$640,742
8000	Non-Programmed Charges	$0
TOTAL		$640,742

SECTION 13 - The following revenues are estimated to be available to the **Childcare Program Fund** for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Funding Source	Description	Initial Budget
4100-4800	Local Revenue	-$632,565
TOTAL OPERATING REVENUE		-$632,565
4900	Fund Balance	-$8,177
TOTAL		-$640,742

SECTION 14 - 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, 2026 and ending June 30, 2027.

Purpose	Description	Initial Budget
5000	Instructional Services	$4,804,371
6000	System-wide Support Services	$2,073,000
7000	Ancillary Services	$37,725
8000	Non-Programmed Charges	$95,788
TOTAL		$7,010,884

SECTION 15 - The following revenues are estimated to be available to the **Other Specific Revenue Fund** for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Funding Source	Description	Initial Budget
3200	State - Not Allotted through NCDPI	-$916,650
3700	Federal - Not Allotted through NCDPI	-$950,000
4100-4800	Local Revenue	-$2,296,009
TOTAL OPERATING REVENUE		-$4,162,659
4900	Other Financing Sources	-$2,848,225
TOTAL		-$7,010,884

SECTION 16 – Within the overall budget, all appropriations shall firstly be paid from revenues restricted as to use and secondly from general unrestricted revenues.

SECTION 17 – 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 18 - 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 19 - The Superintendent is authorized to administer the budget as outlined in Section 8100 of the adopted Buncombe County Public Schools Policy Manual.

SECTION 20 - 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 SEVENTH DAY OF MAY 2026 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.

Chairman, Board of Education

Secretary