BUNCOMBE COUNTY SCHOOLS
PREPARING STUDENTS FOR THEIR TOMORROW

Jennifer Reed, Ed. D., Superintendent
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www.buncombeschools.org

October 1, 2026

Chairman Elliot and Members of the Buncombe County Schools Board of Education,

I believe an organization's core values are reflected most clearly in the choices it makes through its budget. The 2026–27 Buncombe County Schools (BCS) Budget reflects our unwavering commitment to students and is intentionally aligned with the priorities of our Strategic Plan. This budget represents our collective commitment to sustaining the excellence our community expects and deserves while advancing improved student outcomes, responding thoughtfully to current challenges, and positioning BCS to seize new opportunities that will strengthen our schools and serve our students well into the future.

When analyzing the BCS Budget, it is important to consider the broader financial context in which this budget was developed. Across North Carolina, public education continues to navigate significant changes in the state's approach to education funding. One notable change is the rapid growth of the Opportunity Scholarship Program, which has resulted in a substantial increase in the number of Buncombe County students receiving scholarships to attend private schools. In 2022–23, 699 Buncombe County students received an Opportunity Scholarship. For 2025–26, according to the NC State Education Assistance Authority, that number has grown to 2,302 students. This number represents $13,372,570 in Opportunity Scholarship funding connected to Buncombe County students. These changes are an important part of the broader funding landscape in which BCS must plan and make responsible financial decisions.

At the federal level, continued uncertainty surrounding current and future funding presents additional challenges. Changes to federal requirements and eligibility guidelines for programs such as SNAP and Medicaid, along with other federally funded programs, may affect the resources available to support school nutrition, exceptional children, and Title I, II, III, and IV programs. As these changes continue to unfold, BCS will remain focused on understanding their potential impact and making thoughtful, informed decisions that protect our ability to serve students.

In the face of these challenges, Buncombe County Schools remains committed to being a responsible and strategic steward of every dollar entrusted to us. We will continue to intentionally align school and district staffing with enrollment, student needs, available revenues, and our highest-priority goals. Our ongoing work to strengthen the position allotment process will provide greater clarity, consistency, and accountability in how staffing resources are allocated across the school system.

Most importantly, this budget reflects a commitment to making difficult decisions with purpose. We will continue to examine how resources are allocated, identify opportunities to improve efficiency, and ensure that our investments are producing meaningful results for students.

We remain deeply grateful to our Buncombe County Commissioners for their continued investment in public education and their commitment to the students, staff, and families we serve. At a time when state and federal funding continue to present significant challenges, the County's support has been essential in helping BCS sustain strong schools and provide opportunities for our students.

Sincerely,

Jennifer Reed, Ed.D
Superintendent

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Chairman Elliot and Members of the Buncombe County Schools Board of Education,

Attached please find the beginning budget resolution for fiscal year 2026-27 which totals $487,080,529. The attached budget document shows the budget overview which summarizes the budget by purpose and funding source. State and Federal budgets are based on allotments provided by NCDPI. The North Carolina General Assembly passed the 2025-27 fiscal biennium, and it was signed into law on July 7, 2026. Therefore, this budget does contain legislated salary increases, bonuses, and other financial impacts for FY27. The local current expense budget includes appropriation based on the newly approved local funding formula approved by all three boards (County Commissioners, BCS Board of Education, and ACS Board of Education).

Buncombe County Schools has experienced a significant decline in Average Daily Membership (ADM) between the 2024–25 and 2025–26 school years. While enrollment appeared to stabilize prior to Hurricane Helene, a notable number of students who left in the immediate aftermath of the storm have not returned.

In addition to storm-related displacement, broader demographic trends are contributing to the decline. Birth rates have continued to decrease across North Carolina and the nation, resulting in smaller incoming student cohorts. As a result, the district recorded a loss of approximately 585 ADM (best 1 of 2) between the 2024–25 and 2025–26 school years. Due to the state's funding model, which operates in arrears, this decline is now reflected in reduced funding for the 2026–27 fiscal year, with further reductions anticipated in subsequent years. Preliminary data for the current fiscal year indicates an additional loss of approximately 300 students by Day 20, which will negatively impact funding allocations for the 2027–28 school year.

Given these ongoing enrollment and funding trends, the district must consider immediate realignment of staffing levels to ensure fiscal sustainability. Continued reliance on fund balance to offset budget shortfalls is not a viable long-term strategy. Preserving fund balance is essential to maintaining financial stability and ensuring the district can meet its obligations and balance future budgets.

At the state level, North Carolina ranks last (51st) in per-pupil spending when measured by funding effort. The rapid expansion of Opportunity Scholarships for private schools has redirected hundreds of millions of dollars away from public education, reducing the resources available to traditional public schools.

State tax policy changes present an additional concern that may further impact funding allocations. The North Carolina personal income tax rate decreased from 4.25% to 3.99% in FY2026 and is scheduled to decline further to 3.49% in FY2027. These reductions are projected to result in an estimated $2 billion loss in state revenue—funds that are critical to supporting K-12 education.

Given that K-12 education comprises approximately 40% of the overall state budget, this significant reduction in revenue is likely to have a substantial impact on funding allotments for public schools. Without legislative adjustments or policy reversals, these fiscal changes could further strain already limited educational resources and hinder the ability of school systems to meet student needs effectively.

Federal funds represent a significant portion of the Buncombe County Schools (BCS) operating budget. Ongoing discussions at the federal level regarding potential reductions or changes to grant programs could have a direct impact on the district's funding and the programs and services supported by these resources. BCS will continue to monitor developments related to these programs and assess the financial and operational impacts on the district.

Recent changes to federal SNAP eligibility requirements may reduce the number of students who automatically qualify for free school meals. A reduction in SNAP participation could lower a school's Identified Student Percentage (ISP), which may in turn reduce federal meal reimbursements and affect eligibility for the Community Eligibility Provision (CEP). These changes could create additional financial pressure on the district's school nutrition program.

Changes to federal Medicaid eligibility may also reduce the number of students for whom the district can receive Medicaid reimbursement for eligible services. A reduction in Medicaid reimbursements would decrease federal revenue available to support services provided to students with disabilities and could place additional pressure on local funds supporting the Exceptional Children (EC) program.

The primary source of revenue for the Fund 2 Local Current Expense Fund is appropriation from the Buncombe County Commissioners. Beginning in the 2026-27 fiscal year a Local Funding Formula was used to calculate the County Appropriations for both Asheville City and Buncombe County Schools based on Buncombe County tax revenues received in the previous 12-month period (Mar-Feb). As a result of the County's calculation and NCDPI's revised per capita distribution, Buncombe County Schools is approved to receive a total of $109,128,268. The Community High School portion of the County Appropriation budgeted in Fund 8 is $276,116.

Historically, the financial support from Buncombe County has been strong. We appreciate the support to meet the needs of our students. The County Commissioners have continued to help Buncombe County Schools meet the needs of our students and provide local supplements to all staff to help account for our high cost of living.

The position allotment process is intended to identify staffing changes needed to support the needs of all Buncombe County School students, provide equity, as well as address overages or underages in staffing at schools which have lost or gained ADM. The position allotment process will need to be used to align staffing during the spring 2027 hiring season. The ongoing work through the position allotment model will be used as the mechanism along with attrition and staffing transfers to align Buncombe County Schools to the funding received in order to hopefully bypass a reduction in force.

With all the looming legislation uncertainties for funding public schools, it is vital that a two-month local expenditures or fifteen percent unassigned local fund balance be maintained by the school system to sustain all operations and allow time to make necessary adjustments if funding is reduced, delayed or becomes unavailable. This budget approval places Buncombe County Schools out of compliance with policy 8100. Policy 8100 requires $9,886,540 as unassigned fund balance compared to $8,201,335.

The chart below summarizes the proposed fiscal year 2026-27 beginning budget:

Fund	2026-27 Beginning Budget
State Public School Fund - Fund 1	$182,912,982
Local Current Expense Fund - Fund 2	$118,638,483
Federal Programs Fund - Fund 3	$24,384,589
Capital Outlay Fund - Fund 4	$124,804,123
School Nutrition Fund - Fund 5	$19,723,152
Childcare Program Fund - Fund 7	$686,844
Specific Revenue Fund - Fund 8	$15,930,357
Total	$487,080,529

Respectfully submitted,

Tina Thorpe

Tina Thorpe
Chief Financial Officer

CC: Dr. Jennifer Reed, Superintendent

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	$161,365,655
6000	System-wide Support Services	$21,089,231
7000	Ancillary Services	$458,096
8000	Non-Programmed Charges	$0
TOTAL		$182,912,982

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	-$182,912,982
TOTAL		-$182,912,982

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	$67,823,615
6000	System-wide Support Services	$37,704,926
7000	Ancillary Services	$15,740
8000	Non-Programmed Charges	$13,094,202
TOTAL		$118,638,483

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	-$42,000
4120-4800	Local other than County Appropriation	-$700,000
4110	County Appropriation	-$108,852,152.00
TOTAL OPERATING REVENUE		-$109,594,152
4900	Fund Balance	-$9,044,331
TOTAL		-$118,638,483

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	$22,302,633
6000	System-wide Support Services	$1,291,317
7000	Ancillary Services	$0
8000	Non-Programmed Charges	$790,639
TOTAL		$24,384,589

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	-$24,384,589
TOTAL		-$24,384,589

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	$11,649,242
6000	System-wide Support Services	$4,091,660
7000	Ancillary Services	$846,444
8000	Non-Programmed Charges	$2,010,561
9000	General Capital Projects	$106,206,215
TOTAL		$124,804,123

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	-$200,000
3400	NCDPI	-$5,082,391
3700	Federal Revenue - Other Funds	$0
4100-4800	Local Revenue	-$119,521,731
TOTAL OPERATING REVENUE		-$124,804,123
4900	Other Financing Sources	$0
TOTAL		-$124,804,123

SECTION 9 – In addition, authorization is hereby granted to continue both regular and building program projects uncompleted at June 30, 2027 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	$19,723,152
8000	Non-Programmed Charges	$0
TOTAL		$19,723,152

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	-$14,366,911
4100-4800	Local Revenue	-$1,266,600
TOTAL OPERATING REVENUE		-$15,633,511
4900	Other Financing Sources	-$4,089,641
TOTAL		-$19,723,152

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	$686,844
8000	Non-Programmed Charges	$0
TOTAL		$686,844

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	-$670,913
TOTAL OPERATING REVENUE		-$670,913
4900	Other Financing Sources	-$15,931
TOTAL		-$686,844

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	$6,539,252
6000	System-wide Support Services	$2,404,372
7000	Ancillary Services	$41,725
8000	Non-Programmed Charges	$6,945,007
TOTAL		$15,930,357

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	-$602,500
3700	Federal - Not Allotted through NCDPI	-$943,145
4100-4800	Local Revenue	-$2,722,759
TOTAL OPERATING REVENUE		-$4,268,403
4900	Other Financing Sources	-$11,661,953
TOTAL		-$15,930,357

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 501 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 FIRST DAY OF OCTOBER 2026.

_____
Chairman, Board of Education

_____
Secretary, Board of Education



BUNCOMBE COUNTY SCHOOLS

2026-2027 Budget Overview

Beginning Budget
Operations and Capital Outlay

Budget Overview

The 2026-27 Buncombe County Schools budget consists of seven separate funds that are defined in a State-mandated chart of accounts. The legal level of control for expenditures is the purpose, again defined by the State chart of accounts as shown on the chart below. The Child Nutrition Fund and Childcare Program Fund are considered Enterprise funds rather than Governmental funds and are separated for financial reporting.

GOVERNMENTAL FUNDS

Purpose	State Public School Fund Fund 1	Local Current Expense Fund Fund 2	Federal Grants Fund Fund 3	Capital Outlay Fund Fund 4	Other Specific Revenue Fund Fund 8	Total Budget
Instructional Services	$161,365,655	$67,823,615	$22,302,633	$11,649,242	$6,539,252	**$269,680,397**
System-wide Support Services	$21,089,231	$37,704,926	$1,291,317	$4,091,660	$2,404,372	**$66,581,506**
Ancillary Services	$458,096	$15,740		$846,444	$41,725	**$1,362,005**
Non-Programmed Charges		$13,094,202	$790,639	$2,010,561	$6,945,007	**$22,840,410**
Major Capital Projects				$106,206,215		**$106,206,215**
Total	**$182,912,982**	**$118,638,483**	**$24,384,589**	**$124,804,123**	**$15,930,357**	**$466,670,534**

ENTERPRISE FUNDS

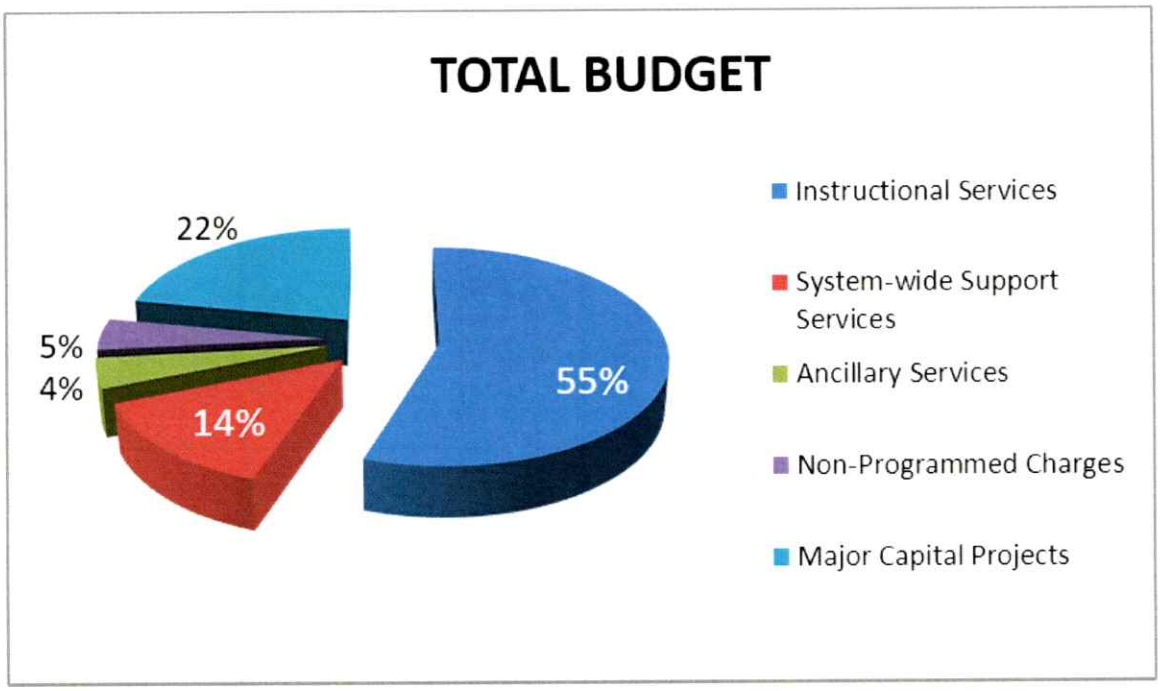
Purpose	Child Nutrition Fund Fund 5	Childcare Program Fund Fund 7	Total Budget
Instructional Services System-wide Support Services Ancillary Services Non-Programmed Charges Major Capital Projects	$19,723,152	$686,844	**$20,409,996**
Total	**$19,723,152**	**$686,844**	**$20,409,996**

TOTAL OF GOVERNMENTAL AND ENTERPRISE FUNDS

Purpose	Total Budget
Instructional Services	$269,680,397
System-wide Support Services	$66,581,506
Ancillary Services	$21,772,000
Non-Programmed Charges	$22,840,410
Major Capital Projects	$106,206,215
Total	**$487,080,529**

Budget Overview

As is shown by the graph below, Instructional Services make up 55% of the total budget, even when the Capital Outlay Fund, Child Nutrition Fund and Childcare Program Fund are included. If the Child Nutrition Fund, Childcare Program Fund and Capital Outlay Fund are taken out of the equation, Instructional Services makes up 75% of the total budget.



Budget Overview

Within the basic "purpose" framework, the State chart of accounts is structured to allow increasing levels of detail to be shown to provide additional detail about what types of programs and services are offered. The table below shows the entire budget at the purpose-function level.

GOVERNMENTAL FUNDS

Purpose-Function Category	State	Local Fund 2	Federal	Capital	Local Fund 8	Total
Regular Instructional Services	$106,979,500	$32,160,966	$2,193,260	$7,006,667	$1,681,021	**$150,021,415**
Special Populations Services	$27,188,084	$10,836,548	$8,594,654	$4,500	$1,912,388	**$48,536,174**
Alternative Programs and Services	$7,695,082	$1,350,114	$10,944,832		$667,064	**$20,657,092**
School Leadership Services	$8,904,277	$12,818,381			$220,861	**$21,943,519**
Co-curricular Services		$1,374,308			$5,000	**$1,379,308**
School-based Support Services	$10,598,712	$9,283,298	$569,887	$4,638,075	$2,052,918	**$27,142,890**
Support and Development Services	$180,718	$1,007,905	$181,184	$564		**$1,370,371**
Special Populations Support and Development Services	$257,564	$330,332	$550,282			**$1,138,178**
Alternative Programs and Services Support and Development		$144,908	$527,349	$8,000	$63,338	**$743,595**
Technology Support Services	$256,103	$4,516,099				**$4,772,202**
Operational Support Services	$19,167,081	$22,997,377	$8,660	$3,120,548	$1,394,538	**$46,688,205**
Financial and Human Resources Services	$383,338	$3,615,796	$23,841	$833,929		**$4,856,904**
Accountability Services	$4,000	$297,576				**$301,576**
System-wide Support Services	$2,500	$512,782			$110,485	**$625,767**
Policy, Leadership, and Public Relations Services	$837,927	$4,282,151		$128,619	$836,011	**$6,084,708**
Community Services					$4,000	**$4,000**
Ancillary Services - Nutrition Services	$458,096	$15,740		$846,444	$37,725	**$1,358,005**
Payments to Other Government Units		$12,869,202	$720,057		$18	**$13,589,278**
Unbudgeted Funds			$70,582			**$70,582**
Debt Services						**$0**
Interfund Transfer		$225,000			$6,845,472	**$7,070,472**
Contingency				$2,010,561		**$2,010,561**
Foundation					$99,517	**$99,517**
Capital Projects				$106,206,215		**$106,206,215**
Total	**$182,912,982**	**$118,638,483**	**$24,384,589**	**$124,804,123**	**$15,930,357**	**$466,670,534**

ENTERPRISE FUNDS

Purpose-Function Category	School Nutrition	Childcare	Total
Community Services - Childcare		$686,844	**$686,844**
Ancillary Services - Nutrition Services	$19,723,152		**$19,723,152**
Payments to Other Governments - School Nutrition			**$0**
Total	**$19,723,152**	**$686,844**	**$20,409,996**

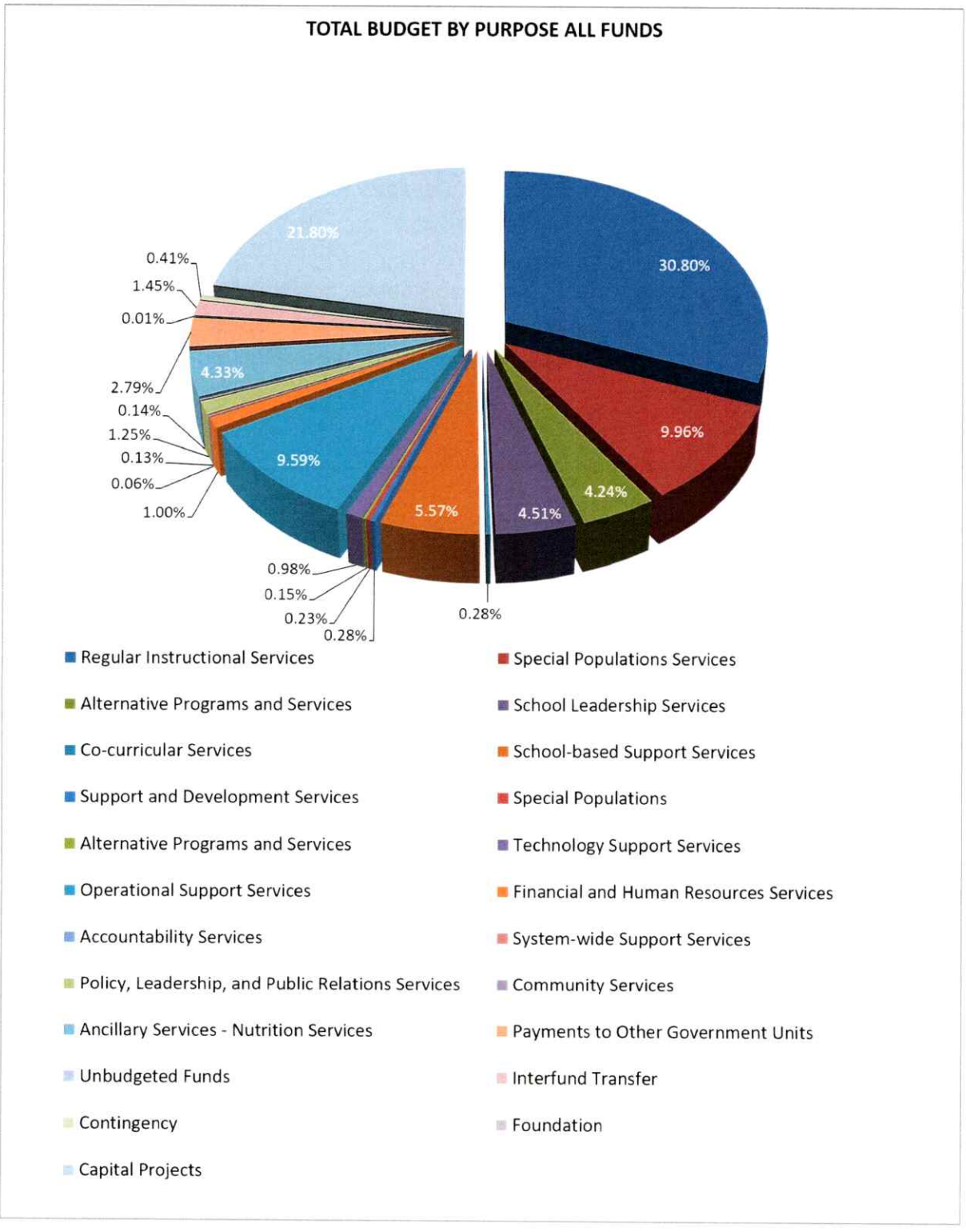
Budget Overview

As the table below and the pie chart on the following page show, nearly one third of the entire $487,080,529 budget is focused on regular instructional programs, even when the Capital Outlay Fund, Child Nutrition Fund and Childcare Program Fund are included. The next largest areas of focus are on Capital Projects (nearly 22%), Special Populations Services (10%) and Operational Support Services (9.6%). Other areas of concentration are on School-based Support Services (5.6%), and School Leadership Services (4.5%).

In the years following Hurricane Helene, additional capital outlay projects and revenues associated with repairs will continue to impact the capital budget and may impact fund balance until all reimbursements have been received from insurance, FEMA and Buncombe County.

Regular Instructional Services	30.80%
Special Populations Services	9.96%
Alternative Programs and Services	4.24%
School Leadership Services	4.51%
Co-curricular Services	0.28%
School-based Support Services	5.57%
Support and Development Services	0.28%
Special Populations	0.23%
Alternative Programs and Services	0.15%
Technology Support Services	0.98%
Operational Support Services	9.59%
Financial and Human Resources Services	1.00%
Accountability Services	0.06%
System-wide Support Services	0.13%
Policy, Leadership, and Public Relations Services	1.25%
Community Services	0.14%
Ancillary Services - Nutrition Services	4.33%
Payments to Other Government Units	2.79%
Unbudgeted Funds	0.01%
Interfund Transfer	1.45%
Contingency	0.41%
Foundation	0.02%
Capital Projects	21.80%

Budget Overview



Budget Overview – by Fund

FUND 1 – STATE PUBLIC SCHOOL FUND

The North Carolina Constitution mandates that the General Assembly adopt a biennial state budget every two years. The NC General Assembly did not agree on a state biennial budget for the 2025-26 fiscal year, however a budget for the 2026-27 fiscal year SL 2026-41 was signed into law on July 7, 2026. The state budget usually specifies state legislated salary increases, changes to retirement, hospitalization rates and step increases for teachers, as well as changes to previous appropriations and funding for new initiatives. The new budget for 2026-27 also included details of bonuses for state funded employees.

State funding supports 54% of Buncombe County Schools Operational Budget

State Revenues		
State Public School Fund	**$**	**182,912,982**
State Expenditures		
Salaries and Benefits	$	176,590,323
Purchased Services	$	882,623
Supplies and Materials	$	5,425,036
Capital Outlay	$	15,000
Total	**$**	**182,912,982**

Budget Overview – by Fund

FUND 2 – LOCAL CURRENT EXPENSE FUND

Local funding supports 39% of the Buncombe County Schools Operational Budget. The primary source of the Fund 2 Local Current Expense Fund is the appropriation from the Buncombe County Commissioners; other sources of funding include fines and forfeitures and sales tax refunds.

Local Fund 2 Revenue

County Appropriation	$	108,852,152
Fines & Forfeitures	$	500,000
Interest Income	$	200,000
Sales Tax Refund	$	42,000
Appropriated Fund Balance	$	9,044,331
Total	**$**	**118,638,483**

Local Fund 2 Expenditures

Salaries and Benefits	$	85,634,509
Purchased Services	$	15,020,194
Supplies and Materials	$	4,963,078
Capital Outlay	$	1,500
Transfers to Charter Schools	$	12,794,202
Transfers - Other	$	225,000
Total	**$**	**118,638,483**

Budget Overview – by Fund

County Appropriation

The county appropriation is the largest local funding source for the Buncombe County Schools budget. An agreement between Buncombe County Commissioners, Asheville City Schools and Buncombe County Board of Education means that starting in 2026-27 a Local Funding Formula is used to calculate the County Appropriations for both public school units based on tax revenues received by the County in the previous 12-month period. This provides stabilization for both the County and the school districts and obviates the need for the request process. Based on the County's calculation and NCDPI's revised per capita distribution, Buncombe County Schools expects to receive a total of $109,128,268 for the 2026-27 fiscal year which is an increase of $9,421,010 over the previous year. The Community High School portion of the County Appropriation is budgeted in Fund 8 - $276,116.

A percentage of local revenues received for County Appropriation and Fines & Forfeitures is not available for use by Buncombe County Schools and must be paid to Charter Schools proportionately based on the number of Buncombe County resident students who attend Charter Schools – both brick and mortar as well as virtual. Currently approximately 11.8% of County Appropriation and Fines & Forfeiture funds are shared with Charter Schools.

Budget Overview – by Fund

FUND 3 – FEDERAL GRANT FUND

The federal government's budget year starts on October 1 and runs through September 30 of the following year. NCDPI receives federal grant awards and distributes them to school districts across the state. Many grants are 27-month grants so carryover funds can be used to support costs until new federal grant year funding is available in October. Federal funds support 7% of the Buncombe County Schools Operational Budget.

Federal Revenues		
Federal Grant Revenues (NCDPI)	**$**	**24,384,589**
Federal Expenditures		
Salaries and Benefits	$	19,425,710
Purchased Services	$	1,561,906
Supplies and Materials	$	3,386,973
Transfers	$	10,000
Total	**$**	**24,384,589**

Budget Overview – by Fund

FUND 4 – CAPITAL OUTLAY FUND

The Capital Outlay fund pays for design and construction, major renovation and replacement of facilities and building projects to meet educational standards. Funding sources for the capital outlay budget are Article 39 School Capital Fund Commission, County sales tax dollars (Articles 40 and 42), NC Lottery public school building capital fund, Community Impact Funding, insurance settlements and disposition of fixed assets.

The capital beginning budget includes funds rolled over from 2025-26 fiscal year and newly allotted capital funds for the 2026-27 fiscal year.

Capital Outlay Revenue

Article 39 Sales Tax	$	66,448,470
Article 40/42 Sales Tax	$	50,631,991
Other State Revenues	$	1,052,885
Lottery Proceeds	$	4,229,506
Insurance/FEMA	$	239,451
Other Local Revenues	$	2,201,819
Total	**$**	**124,804,123**

Capital Outlay Expenditures

Purchased Services	$	2,010,561
Supplies and Materials	$	6,363,715
Capital Outlay	$	116,429,846
Total	**$**	**124,804,123**

Budget Overview – by Fund

FUND 5 – SCHOOL NUTRITION FUND

The School Nutrition program at Buncombe County Schools is funded mainly by USDA reimbursement. BCS schools participate in the Community Eligibility Provision (CEP) which provides free breakfast and lunch to all students. Reimbursements from the USDA are based on participation at all schools. Other local revenues include grants, interest income and sales revenues.

School Nutrition Revenues

USDA grants	$	14,366,911
Sales Revenues	$	1,265,600
Other Local Revenues	$	4,090,641
Total	**$**	**19,723,152**

School Nutrition Expenditures

Salaries and Benefits	$	10,590,652
Purchased Services	$	122,900
Supplies and Materials	$	8,938,600
Capital Outlay	$	71,000
Total	**$**	**19,723,152**

FUND 7 – CHILDCARE FUND

The BCS Learning Labs childcare program is funded by tuition which is supplemented by an Early Childhood Education grant from the Buncombe County Commissioners. For 2026-27 BCS received an NCPC Helene Recovery Funds grant from Buncombe Partnership for Children to support program recovery in the aftermath of Hurricane Helene.

Childcare Revenues

Tuition	$	384,000
ECE Grant	$	249,565
Other Local Revenues	$	38,348
Carryover Funds	$	15.931
Total	**$**	**686,844**

Childcare Expenditures

Salaries and Benefits	$	616,658
Purchased Services	$	8,250
Supplies and Materials	$	38,936
Capital Outlay	$	23,000
Total	**$**	**686,844**

Budget Overview – by Fund

FUND 8 – OTHER SPECIFIC REVENUE FUND

Local sources of funding for Fund 8 include grants, donations, indirect cost, building/facility use fees, rebates, appropriated fund balance and a portion of the County Appropriation designated specifically to support Community High School. Federal funds also support Fund 8 with reimbursements for JROTC, direct federal grants and reimbursable funds for Medicaid programs. Safe Schools grants for School Resource Officers and school safety equipment although allotted by the State are recorded in Fund 8.

Local Fund 8 Revenues

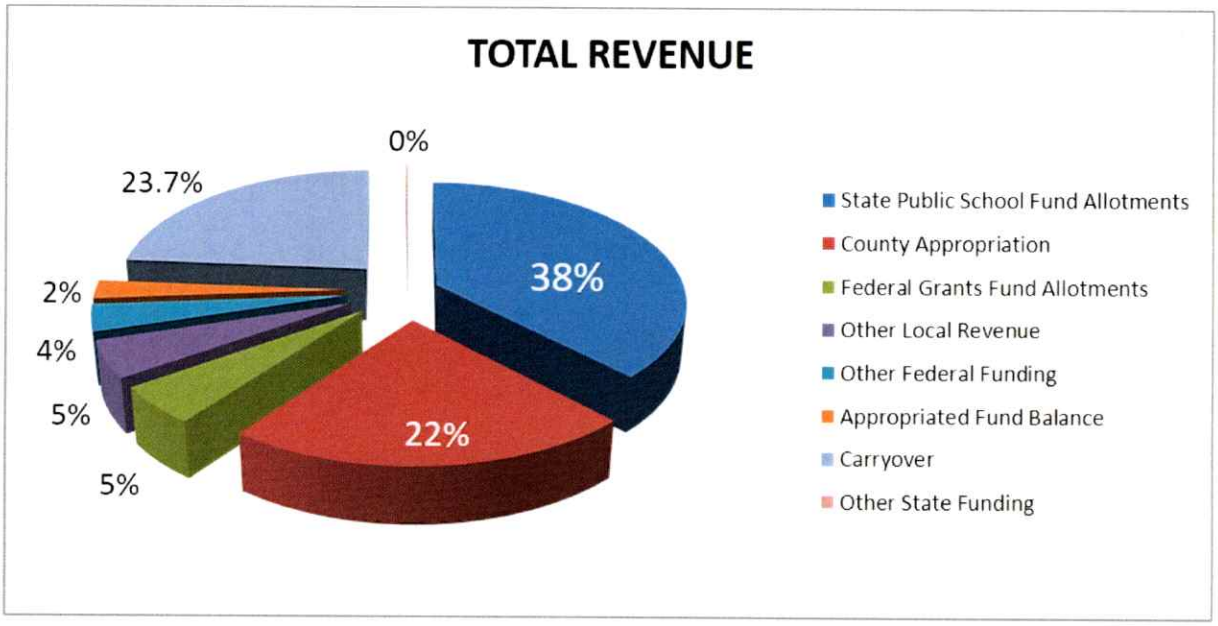
Appropriated Fund Balance	$	11,661,953
Other State Funding	$	602,500
Other Local Funding	$	1,856,643
Other Federal Funding	$	943,145
Indirect Cost	$	440,000
County Appropriation (CHS)	$	276,116
Use of Building Fees	$	150,000
Total	**$**	**15,930,357**

Local Fund 8 Expenditures

Salaries and Benefits	$	5,126,045
Purchased Services	$	3,248,070
Supplies and Materials	$	710,769
Transfers	$	6,845,472
Total	**$**	**15,930,357**

Budget Overview – by Fund

The pie chart below shows the sources of revenue across all funds. Note that if only the operating budget is categorized by revenue, the county appropriation percentage rises to 30.2% of the total revenue sources available.



Potential Risks

There are several areas of uncertainty that could impact costs in the 2026-27 fiscal year:

ADM CHANGES & FUNDING IN ARREARS

Average daily membership (ADM) has declined significantly for Buncombe County Schools during both the 2025-26 and 2026-27 school years. While ADM appeared to have stabilized prior to Hurricane Helene, students that left in the immediate aftermath of the storm do not appear to have returned. Because state funding is calculated based on the prior year's ADM, the decline in enrollment did not result in an immediate reduction in state allotments. However, the district is now experiencing reduced funding in 2026-27, and this reduction is expected to continue in future years unless ADM stabilizes or begins to grow. Given these ongoing enrollment and funding trends, immediate realignment of staffing levels should be considered. Reliance on fund balance to offset the resulting budget gap is not a sustainable long-term solution, as fund balance is needed to maintain financial stability and balance the budget.

FEDERAL BUDGET UNCERTAINTY

Federal funds represent a significant portion of the Buncombe County Schools (BCS) operating budget. Ongoing discussions at the federal level regarding potential reductions or changes to grant programs could have a direct impact on the district's funding and the programs and services supported by these resources. BCS will continue to monitor developments related to these programs and assess the financial and operational impacts on the district.

Recent changes to federal SNAP eligibility requirements may reduce the number of students who automatically qualify for free school meals. A reduction in SNAP participation could lower a school's Identified Student Percentage (ISP), which may in turn reduce federal meal reimbursements and affect eligibility for the Community Eligibility Provision (CEP). These changes could create additional financial pressure on the district's school nutrition program.

Potential Risks

Changes to federal Medicaid eligibility may also reduce the number of students for whom the district can receive Medicaid reimbursement for eligible services. A reduction in Medicaid reimbursements would decrease federal revenue available to support services provided to students with disabilities and could place additional pressure on local funds supporting the Exceptional Children (EC) program.

COUNTY BUDGET

In 2026 State legislation restricted the ability of Buncombe County to implement the recent property re-evaluations. House bill 1089 proposes a constitutional amendment to limit the growth of local property levies in North Carolina, subject to voter approval in November 2026. Limiting levy growth could constrain the County's ability to provide the funds for education and other essential services.

Recent federal SNAP eligibility changes are also expected to reduce by 50% the reimbursements counties receive for processing claims. This reduction would further decrease the County's available revenue and add to the fiscal pressures facing the County as it develops and maintains its annual budget.

CHARTER SCHOOLS & OPPORTUNITY SCHOLARSHIP VOUCHERS

It is not yet known the number of students that are attending charter schools or the impact of increased funding for opportunity scholarship vouchers. Approximately 11.8% of each dollar of local current expense revenues goes to charter schools

HURRICANE HELENE

Repairs to facilities following Hurricane Helene continue, with several capital projects addressing hurricane-related damage scheduled throughout the 2026-27 school year and beyond. While FEMA and insurance reimbursements have been received for some repairs, the full reimbursement process is expected to extend over several years. In the interim, the costs associated with these repairs must be funded through other available resources, creating additional pressure on the district's financial and capital resources.

Membership Data

AVERAGE DAILY MEMBERSHIP

Buncombe County Schools has experienced a decline in student membership over the last ten years. The growth of charter schools, opportunity scholarship vouchers and home schooling have been the main cause of this decline. However, more recently, the impact of Hurricane Helene caused a significant drop between the beginning of the 2024-25 school year and 2025-26, this decline has continued into the 2026-27 school year.

K-12 Student Membership (2nd month average daily membership)							
Grade Level	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual	2026-27 Projected
K - 5	9,927	9,881	9,858	9,885	9,912	9,583	9,418
6 - 8	5,141	4,943	4,876	4,862	4,938	4,873	4,847
9 - 12	7,128	7,262	7,335	7,319	7,202	7,011	6,939
Total	**22,196**	**22,086**	**22,069**	**22,066**	**22,052**	**21,467**	**21,204**

Change from Previous Year							
Grade Level	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual	2026-27 Projected
K - 5	9,927	-46	-23	27	27	-329	-165
6 - 8	5,141	-198	-67	-14	76	-65	-26
9 - 12	7,128	134	73	-16	-117	-191	-72
Total	**22,196**	**-110**	**-17**	**-3**	**-14**	**-585**	**-263**



2026-27 Student Membership Projected by Grade	
K	1,423
1	1,506
2	1,652
3	1,537
4	1,585
5	1,715
6	1,569
7	1,650
8	1,628
9	1,859
10	1,814
11	1,687
12	1,579
	21,204

Membership Data

SPECIAL POPULATIONS - EXCEPTIONAL CHILDREN

Additional funding is provided for Exceptional Children but is subject to a cap. In December 2021 the NC legislature changed the cap from 12.75% to 13% of the student population. No additional funding is allotted for students that exceed this cap. Buncombe County Schools EC population is historically above the legislated cap for funding so the additional costs for serving students must be covered by local funds.

Exceptional Children (PreK-12) December Headcount							
	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual	2026-27 Projected
# Students	**2,893**	**2,858**	**2,914**	**3,056**	**2,941**	**3,028**	**3,064**
% of all students	**13.03%**	**12.94%**	**13.20%**	**13.85%**	**13.34%**	**14.11%**	**14.45%**

SPECIAL POPULATIONS – MULTILINGUAL LEARNERS

The number of students considered multilingual learners has increased by 46% since the 2020-21 school year when a small decline was seen during the first year of COVID-19. This number has since increased dramatically with the influx of students from Ukraine and other countries experiencing hardships, however the extent to which the new political climate may impact the population of multilingual students has yet to be determined. There is a projected decline of 127 students between 2025-26 and 2026-27.

Multilingual Learners							
	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual	2026-27 Projected
# Students	**1,890**	**1,987**	**2,290**	**2,726**	**2,981**	**2,884**	**2,757**
% of all students	**8.52%**	**9.00%**	**10.38%**	**12.35%**	**13.52%**	**13.43%**	**13.00%**