

Rob Jackson, Ed. D., Superintendent

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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

May 7, 2026

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 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 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
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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
Chief Financial Officer
Buncombe County Schools