



Transylvania County Schools

Budget Message

Fiscal Year 2021

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Superintendent's Message

Transylvania County has a long history of support for our public school system. The rich legacy of support and value was evident early in our county's formation, and continues today. Our schools are the center of our community. The worldwide COVID-19 pandemic has made this even more evident as our school system has continued to lead with teaching and learning, meals, social-emotional support, and community assistance throughout this challenging period.

Our county has always placed a high value on education. The families and citizens here are proud of Transylvania County Schools and the long legacy of excellence that has been established and upheld. Excellence is measured in many ways, from our work to develop future leaders and thinkers, to how we help our most vulnerable transition through life and learning. Our students excel in the classroom and on the field of play. They become the leaders in our communities, across the state, and for our nation.

In times of challenge, Transylvania County Schools has a powerful heritage of going beyond the accepted constraints of the era. Our schools were the first system west of Raleigh to go to a longer and more modern school year. We were a leader in integrating our schools, and the first system in North Carolina to be fully accredited. We take pride in the number of students yearly being awarded prestigious scholarships, preparing to attend colleges and universities, and readying to serve in our nation's armed services. We know each student is unique and one size or application will not fit all. We grow each one individually with positive outcomes far beyond the narrow snapshot of a testing point in time.

Modern schooling should never be comfortably predictable or follow a strict routine. Today's educational journey requires modern creativity. Imagination and resourcefulness are more important to our nation's economic future than ever before. Computational thinking, innovative problem solving, and social-emotional resiliency join traditional and applied academics as the disciplines necessary for success. Our system was better prepared than many systems to make the rapid transition to remote learning and social distancing. These are the investments and the underlying supports for children that Transylvania County Schools works hard for every day.

This year's budget addresses these supports by being proactive, practical, and positive. The budget supports our Strategic Plan by focusing on the essential requirements to meet our Mission, Vision, Values, and Goals. It is a budget that maintains and continues excellence in our educational focus on students and addresses challenges from external stakeholders and volatility.

NCGS 115C-427 requires the superintendent to prepare a budget for the ensuing year, and present the proposed budget and budget message to the Board of Education by May 1. After modification, adjustment, and approval the proposed budget is submitted to the County Commissioners for consideration by May 15.



Mission

The mission of **Transylvania County Schools** is to prepare students to become caring and productive citizens in an ever-changing society through the shared responsibility of students, parents, educators, and the community.

Vision

Transylvania County Schools provides a bright and promising future for its students; both recruits and retains a professional, caring, and talented workforce; engages with parents, families and the community at large; drives economic development and opportunity for our citizens; and exists as the central point of pride in our community.

Values

All children can learn; however, they learn differently, and we must value and understand those differences.

High expectations will result in high achievement.

Through the **shared responsibility** of students, teachers, parents, and community, we can reach our goals.

Children are our most important resource.

All **children deserve** a safe, comfortable, attractive, and inviting atmosphere that fosters learning.

All educators, students, and parents deserve **respect**.

Minds and hearts are the focus of education.

Goals

Every Transylvania County Schools student has a personalized education, graduating from high school prepared for work, higher education, and citizenship.

Every Transylvania County Schools student, every day, has excellent educators.

Every Transylvania County Schools student is healthy, safe, and responsible.

tcsnc.org



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Our Mission, Vision, Values, and Goals as components of our Strategic Plan support the NC State Board of Education's (SBOE) vision, mission, goals, and policies.

The Vision of the Transylvania County Schools builds upon and promotes the State Board of Education's vision for our schools, that *"Every public school student in North Carolina will be empowered to accept academic challenges, prepared to pursue their chosen path after graduating high school, and encouraged to become lifelong learners with the capacity to engage in a globally-collaborative society."*

The Mission of Transylvania County Schools guides our focus to meet and exceed the mission of the North Carolina State Board of Education: *"to use its constitutional authority to guard and maintain the right of a sound, basic education for every child in North Carolina Public Schools."*

Our goals for Transylvania County Schools reinforce the guiding goals of the State Board of Education to:

- Eliminate opportunity gaps by 2025
- Improve school and district performance by 2025
- Increase educator preparedness to meet the needs of every student by 2025

Budget Preparation

In preparing the budget proposal, many complex factors must be considered. Some factors are known, such as:

- Certain personnel changes
- Certain service and supply contracts
- Certain policy goals requiring funding

Some factors that are heavy influencers are typically unknown, such as:

- Salary and benefit increases, including legislative changes
- Class sizes, especially kindergarten. It is not possible in NC to predict the exact number of students who will walk through the doors of a school on the first day. A good example was this past year when enrollment, including kindergarten numbers, was up across the system, surpassing all predictions (including a dramatic jump from 45 to 67 at just one of our schools)
- Increases in the cost of materials, services, and utilities
- State and federal budget action and statutory changes

Unknowns make preparation for each upcoming fiscal year extremely difficult, and underscore the need for an appropriate fund balance reserve to mitigate unforeseen changes. The lack of a fully funded FY20 state budget made planning even more difficult, and there are strong indications that we may face the same situation this fiscal year. Over the past 5 years state mandated increases, which we have little control over, have averaged almost 72% of our projected increases.

The COVID-19 pandemic has also increased uncertainty about the FY21 budget. The effects of lower sales tax revenue and income taxes, business closings, and exploding unemployment claims will put a major strain on state budgets if the current distancing measures stay in place for a lengthy time frame. Federal and state assistance will soften much of this financial hardship, if in fact it becomes available.

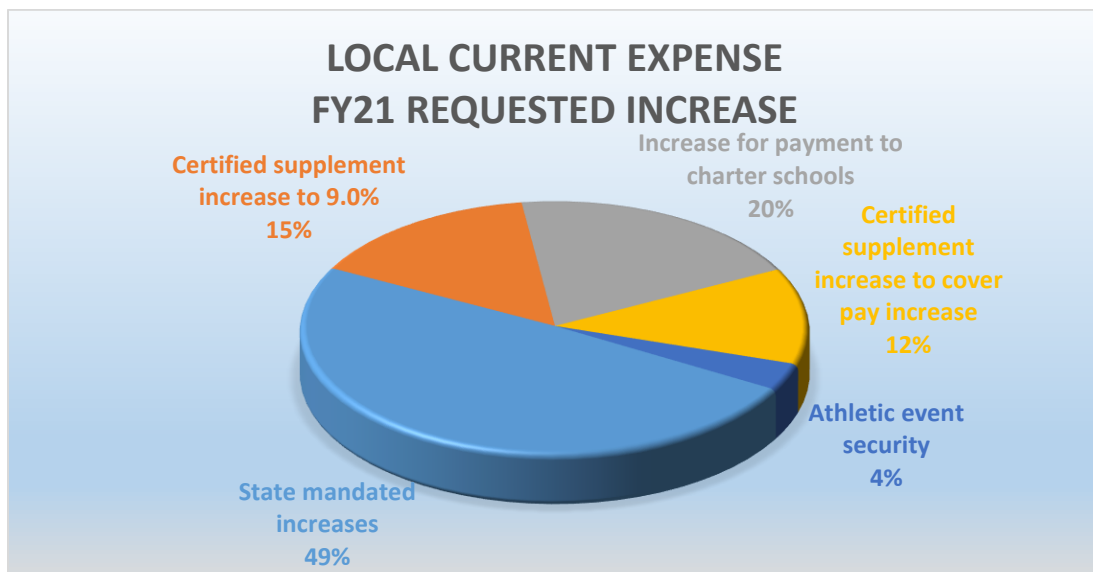
We have worked hard to make our operations as efficient and effective and appropriate as possible. We have done this by always keeping the best interests of our children and their futures in mind. Unfortunately, over the last 5 years we have been forced to identify and make almost \$900,000 in budget savings in order to stay within budgetary constraints, meet statutory requirements, and maintain some progress toward strategic goals.

Summary of FY21 Local Current Expense Requested Increases

Our FY21 Local Current Expense Fund budget request totals \$13,534,468. Of this total, \$13,424,468 would come from county appropriation and \$110,000 from fines and forfeitures designated for schools. Our request for FY21 includes increases for projected salaries, benefits, charter school payments, and teacher supplement increases keyed to pay raises. We are also requesting funds to raise certified supplements to 9.0% (9.5% for veteran teachers), and to maintain security at athletic events by reimbursing schools for these services.

As in past years, the overwhelming majority of our requested increase is the result of state mandated salary and benefit increases, and to comply with legislative initiatives.

The chart below provides a breakdown of the request. This request represents a 5.37% increase over the FY20 appropriation of \$12,740,312, recognizing that \$250,000 of the appropriation has been designated for Child Nutrition.



Salary and Benefit Increases - \$337,194

The budget request includes additional funding for projected salary increases of 5% for instructional personnel and 2% for all other employees. The projected salary increases are based on the most recent information available provided to School Finance Officers in March. The biennial budget includes an increase in the retirement contribution rate to 21.44% and the health insurance premium rate to \$6,647 per eligible member. These figures were used for our request but may be modified by the General Assembly during the current session. Lawmaker decisions to increase salaries, retirement rate, and health insurance are outside of our control.

Certified supplement increase to 9.0% (9.5% for veteran employees) - \$104,260

The Board of Education's efforts to raise teacher and school building administration supplements to 10% have stalled at 8.5% in recent years. However, the Board did vote to increase the supplement of veteran teachers to 9.0%, mainly to address concerns on retention and to offset poor or nonexistent pay raises from the State. This year's request includes funding to raise all certified supplements to 9.0%, with veteran teachers going to 9.5%.

Recruitment and retention are concerning for all NC school systems. This issue is affected by issues such as legislative action, local supplements, regional competition, housing availability, and cost of living within parts of regions. Approximately one quarter of the classroom teachers in our school system reside outside of the county and commute to their school.

Many of these educators have chosen to live in the Mills River/South Asheville/Etowah area. These areas are situated within a short distance to four school systems, and in particular Henderson and Buncombe County. With smaller candidate pools available from the UNC system, housing and affordability issues, and travel challenges, competition for educators is increasing.

Beginning in May of 2019 teachers in Transylvania County were surveyed as part of a Teacher Retention and Recruitment report to the Board of Education in January of 2020. The purpose of the survey was to collect feedback on teaching in TCS and to then use that feedback as a starting point for future discussion.

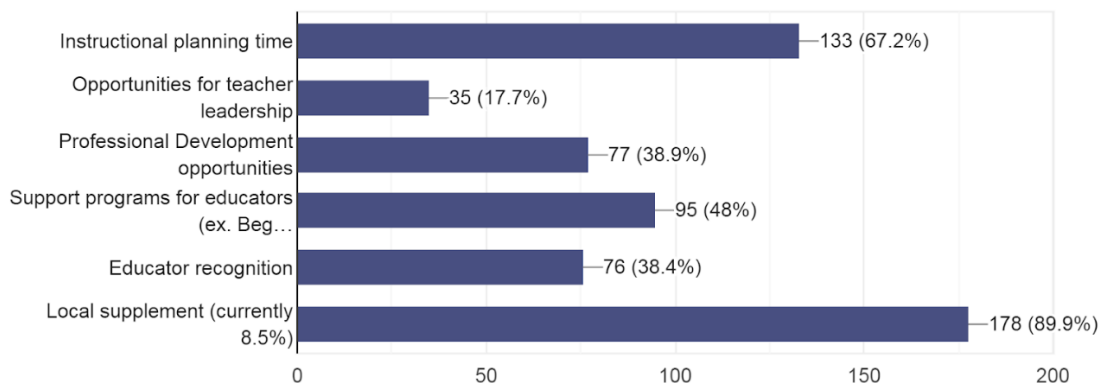
While it is recognized that issues such as more affordable housing, rental availability, and other cost of living expenses are beyond the school system's control, TCS wanted to look at other reasons "why" teachers leave Transylvania County Schools and/or the teaching profession; and "how" we can improve the retention of teachers.

Over a four year span beginning in the 2015-16 school year, the teacher attrition rate for Transylvania County Schools was higher than Henderson County Public Schools and Buncombe County Schools in three out of the four years. In one year, 2016-17, this rate was higher than the state average.

An important question resulting from the review of data, feedback, and discussion concerned increasing educator retention. The top consideration among all options for local educators was the local supplement. As the accompanying chart indicates, when asked, "In your opinion, what are the three most important components to increase educator retention in our school system?", local supplement was the top response out of 198 responses.

In your opinion, what are the three most important components to increase educator retention in our school system?

198 responses



Increase for payment to charter schools - \$134,600

As the local current expense appropriation increases, the per pupil amount required to be remitted (paid) to charter schools also increases. The FY21 budget request projects total transfers of \$1,231,600.

Certified supplement increase keyed to pay raises - \$84,402

As teacher pay rises the dollar amount of associated supplements (which is a percentage of their salary) also increases. This is the additional amount required, including benefits, to fund the supplement at the current 8.5% rate.

Athletic event security - \$23,700

Several years ago the policy of providing compensatory time or flexing time for SROs who work athletic events was changed, requiring schools to pay for that time in addition to regular duties. Additional changes included the safety requirement of going from one officer to two at all events. This added expense has been increasingly difficult to absorb, especially for events involving traditional non-revenue sports, and this year's request includes funds to pay these costs at the system level rather than the school level.

School Resource Officers in their role as law enforcement officers provide a critical public safety service during sporting events. The NC High School Athletic Association's Code of Sportsmanship requires that a law enforcement officer in uniform shall be present at all high school varsity football and basketball games and is recommended for soccer and baseball games. School management is required to provide escort for officials off the field when law enforcement is not there; and the NCHSAA has the authority to require schools to provide a law enforcement officer in uniform at games where it deems necessary.

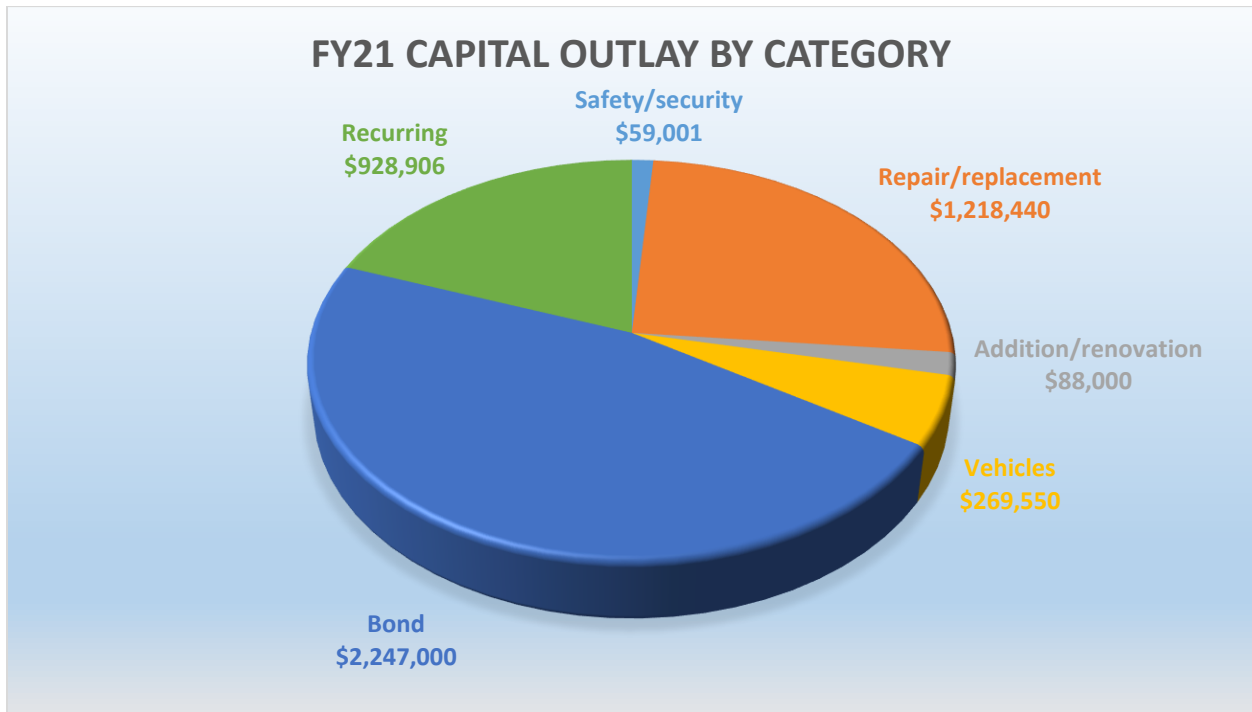
Establishing a safe environment ensures a fun, family oriented event for all attendees. Strategic crowd control includes anticipating and reducing disagreements or fights. Entrance and exit opportunities before, during, and after an event maintains a secure location. During the last several years, violent incidents at high school games have resulted in dangerous situations, black eyes for a community, and the disruption of events meant to celebrate the hard work and accomplishments of young people. The presence of law enforcement also discourages the illegal use and possession of controlled substances by adults, foresees disruption related to mental health, and shields against underage abuse.

Capital Outlay Fund

Our Capital Outlay Fund request for FY21 is keyed to a projected \$1,912,961 in receipts from statutory Article 40 and 42 sales tax receipts. As we gear up for our 2 major construction projects we are also projecting \$2,247,000 in bond expenditures. Including appropriated fund balance for project carryovers and other income, our total revenue projection is \$4,810,897.

Summary of Budgeted Expenditures

The chart on the following page summarizes our request by category.



Recurring

Recurring items consist of the furniture and equipment, computers and other technology, and instructional equipment that are allotted to schools. Advancements in technology and deterioration of furniture and equipment occur each year.

Safety/Security

These funds are used to ensure and enhance the safety and security of our campuses either through renovation of space or equipment purchase or addition. This year's request consists of door access control panels for all schools, controls on the front foyer entrance at Brevard Elementary and Pisgah Forest Elementary, and new 2 way radios for Brevard High.

Repair/Replacement

As our buildings age many of the systems are reaching or are well past their expected useful life. These funds are used to extend the life of buildings and building systems. This year's request includes major mechanical repairs, painting, flooring, and replacement of Child Nutrition equipment.

Additions/Renovations

This category includes changes made to the building and grounds and includes matching funds for a playground at Pisgah Forest Elementary and a support frame for a new scoreboard donated to Rosman High.

Vehicles

Our small, but vital fleet of vehicles is rapidly aging and the FY21 request includes funds to implement the second year of a 5 year replacement plan. The request this year is for a passenger van to replace a 2006 Ford Taurus, an instructional staff car to replace a 2006 Impala, a handicapped-accessible student transportation van, a transportation vehicle to replace a Ford Ranger, a work van to replace a 2005 van, and an activity bus to replace a 1986 bus.

Bond

Bond expenditures for the year are projected at \$2,247,000 and include architect and engineering fees, soft costs such as hazardous materials design, and CMAR payments. Construction at both sites is slated to begin in May 2021.

Restricted Grants Fund

The Restricted Grants Fund consists of public and private grants, indirect costs charged to federal programs, Medicaid fee for service and administrative claims, before and after school care, and e-rate rebates.

Many grants that were received in past years have now expired and are no longer funded, leaving projected revenues at \$866,703. This is a decrease of \$106,600 (10.95%) from the FY20 budget.

Summary

Transylvania County Schools appreciates the support of our county government and community stakeholders. With the ever-increasing challenges associated with state and federal mandates and funding, our local dollars have allowed our schools to address our needs while improving our student readiness for success. Transylvania County Schools builds the leaders of tomorrow today. Here is a list of examples that local dollars help provide for and support. This is by no means an exhaustive list.

While dollar figures for each can vary (depending on competition qualifiers, materials costs, participation rates, Legislative mandates, and other internal and external conditions) the list provides an indication of the many opportunities taking place. (Non-ordered):

Instruction

Instructional materials

Travel and Field Trips

Student Club Competitions

Arts

- Music
- Art
- Band
- Dance
- Theatre

Athletics assistance, especially non-revenue sports

Remote & Blended Learning (and associated technical framework)

Technology (devices, operational, support)

TIME Science

ROTC

Equipment

Infrastructure

Robotics

Class size requirements

Special Education Requirements and Opportunities

School Safety and Security

Professional Development

Scholar's Banquet and student recognitions

Recruitment and retention of quality personnel

Teacher/Educator of the Year – all categories

Graduation

Student VIZ Leadership

New Teacher Orientation