

PROPOSED AGREEMENT

THIS AGREEMENT is made and entered into the 23rd of May, 2016 by and between the Nash County Board of Commissioners and the Edgecombe County Board of Commissioners. The purpose of this Agreement is to set forth the terms of an agreement that has been mutually agreed upon by the County boards related to the proposed changes to S.B. 612 originally enacted by the North Carolina Legislature in 1991 merging the Nash County Administrative Unit and the City of Rocky Mount Administrative Unit into a single school administrative unit known as the Nash-Rocky Mount School Administrative Unit, as of July 1, 1992 (herein the "School Unit"). It is duly acknowledged and agreed by both counties that certain changes are needed to the original legislation after almost twenty-four (24) years.

The parties hereby agree as follows:

1. Beginning with fiscal year 2017 - 2018, it is agreed that the amount of current expenditure differential in funding between Nash and Edgecombe Counties that has been provided by the City of Rocky Mount to the School Unit on behalf of the students residing in Edgecombe County as set forth in Section 21 of S.B. 612 shall be reduced by twenty-five (25%) percent each year such that after the 2020 - 2021 fiscal year, the City of Rocky Mount will no longer provide any current expenditure differential funding to the School Unit.
2. Beginning with fiscal year 2021 - 2022, the Edgecombe County Commissioners shall appropriate the current per pupil expenditure for students

in the School Unit residing in Edgecombe County in the same annual amount as the current per pupil expenditures as determined and appropriated by the Nash County Board of Commissioners.

3. The Edgecombe County Commissioners hereby agree to fund all new capital expenditures, including new schools, additions, renovations, existing and future debt service, all yearly capital outlay and all other capital expenditures of the School Unit in a percentage that is equal to the percentage of students residing in Edgecombe County that attend the School Unit. For example, if eleven (11%) percent of the students that attend the School Unit, [based on the previous year's Average Daily Membership (ADM) as certified by NCDPI] reside in Edgecombe County, then the Edgecombe County Commissioners shall be responsible for funding of eleven (11%) percent of all capital expenses as defined above for the School Unit, (irrespective of where the capital expense is incurred).
4. In addition, all capital funds, including statewide or local bonds or notes or appropriations from the state or federal government (i.e. lottery proceeds, sales tax, profits from ABC stores, fines and forfeitures, etc.), coming into the possession of Edgecombe County for capital school funding shall be paid to the School Unit in accordance with Section 20 of S.B. 612.
5. The School Unit shall be prohibited from filing any legal action under N.C.G.S. 115C-426, 115C-431 or 115C-432 challenging the sufficiency of the funds appropriated by the Nash or Edgecombe County Board of Commissioners to the local expense fund, the capital outlay fund or both.

6. The School Unit will continue to retain the same geographic boundary as established in July 1, 1992.
7. Upon the effective date of the new legislation amending S. B. 612, the name of the School Unit shall become "Nash School Administrative Unit".

THIS AGREEMENT has been approved by a majority vote of both Boards of Commissioners at a joint meeting of the respective Boards and shall be submitted to the North Carolina General Assembly to amend 1991 Session Law – 391 (S. B. 612) to be effective on July 1, 2016.

This the 23rd day of May 2016.

NASH COUNTY BOARD OF COMMISSIONERS

By: _____
Fred Belfield, Jr., Chairman

EDGECOMBE COUNTY BOARD OF COMMISSIONERS

By: _____
Leonard Wiggins, Chairman