



SENATE BILL 382: Revision of SB 612.

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	June 14, 2016
Introduced by:	Sens. Rabon, Harrington, Meredith	Prepared by:	Kara McCraw
Analysis of:	PCS to Second Edition S382-CSTC-80		Committee Co-Counsel

SUMMARY: *The PCS for SB 382 eliminates the prior contents of the bill, and creates new local funding requirements for the Nash-Rocky Mount School Administrative Unit, and a moratorium on litigation related to local school funding for that school administrative unit.*

The revised PCS adds a new Section 7 that would transfer that portion of the Nash-Rocky Mount School Administrative Unit located in Edgecombe County to the Edgecombe School Administrative Unit if the Edgecombe Board of Commissioners or City of Rocky Mount failed to provide required funding.

CURRENT LAW: S.L. 1991-391 (SB 612) merged the Nash County and Rocky Mount City School Administrative Units to create the Nash-Rocky Mount School Administrative Unit (NRMS). NRMS includes all of Nash County and the portion of the City of Rocky Mount located in Edgecombe County.

Section 20 of S.L. 1991-391 requires the County Commissioners of Edgecombe County to appropriate local current expense funds to NRMS on the same per pupil basis as provided the Edgecombe School Administrative Unit. Additionally, the Edgecombe County Commissioners must apportion capital outlay funds between the Edgecombe School Administrative Unit and that portion of NRMS located in Edgecombe County on a per capita basis according to the membership of each unit.

Section 21 of S.L. 1991-391 requires the City of Rocky Mount to appropriate to NRMS, from funds derived from sources other than ad valorem taxation, funds for the current expense and capital outlay needs of the NRMS in an amount equal to any current expenditure differential between Nash and Edgecombe Counties, calculated based on the difference in the per pupil expenditure by county multiplied by the number of students residing in the portion of the City in the county with the lowest per pupil expenditure.

G.S. 115C-431 provides a process for dispute resolution and litigation over the sufficiency of county appropriations for a local school administrative unit annual school budget.

BILL ANALYSIS: The PCS for SB 382 would make the following changes:

Section 1 (Effective when it becomes law):

- Would require the NRMS Board of Education (NRMS Board) to submit an annual school budget to the Nash County Board of Commissioners (Nash BOC) for approval and to the Edgecombe County Board of Commissioners (Edgecombe BOC) for review. The Edgecombe BOC would provide recommendations to the Nash BOC, who would give final approval to the budget.

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- The NRMS Board and Nash BOC would be required to make best efforts to achieve a fair, reasonable, and practical appropriation of capital outlay and debt service funds for those schools in the NRMS located in Edgecombe County.
- If the respective finance officers could not agree by consensus on the amounts to be paid, a certified public accountant with expertise in school finance would be selected by consensus to determine the amounts to be paid.
- The Edgecombe BOC would be required, beginning July 1, 2016, to provide the Edgecombe proportional share of the capital outlay fund for NRMS - the percentage of the appropriated capital outlay budget equal to the percentage of students enrolled in the NRMS domiciled in Edgecombe County.

Section 2 (Effective July 1, 2020): The Edgecombe BOC would be required to appropriate the Edgecombe proportional share of the local current expense funds - the percentage of the appropriated local current expense funds equal to the percentage of students enrolled in the NRMS domiciled in Edgecombe County.

Section 3 (Effective July 1, 2016): The City of Rocky Mount would be required to appropriate the current expense differential for local current expense funds for NRMS, but would not be required to appropriate the current expense differential for capital outlay funds.

Section 4: (Effective July 1, 2020): The City of Rocky Mount would no longer be required to appropriate funding for NRMS.

Section 5: (Effective July 1, 2020): The Nash-Rocky Mount School Administrative Unit would be renamed the Nash School Administrative Unit, and the Nash-Rocky Mount Board of Education would be renamed the Nash Board of Education.

Section 6: (Effective when law): The board of education for the NRMS would be prohibited from initiating litigation with Nash County over the sufficiency of the local appropriation to the local current expense fund, the capital outlay fund, or both beginning with the 2016-2017 fiscal year and ending with the adoption of the 2026-2027 fiscal year budget. The Nash BOC would be required to approve a school budget that provided an amount per pupil annually equal to or greater than the per pupil amount appropriated for the 2016-2017 fiscal year.

Section 7: (Effective when law): If the Edgecombe BOC or City of Rocky Mount failed to provide the required funding to NRMS, as determined by the Local Government Commission, and failed to remedy the deficiency within 30 days of that determination, the portion of the NRMS located in Edgecombe County would become part of the Edgecombe School Administrative Unit effective July 1 of the following year. Both local boards would be required to revise electoral districts and call special elections as needed. The boards would jointly develop a transfer agreement subject to approval by the State Board of Education. Property, claims, demands, obligations, and liabilities related to NRMS schools located in Edgecombe County would be transferred to the Edgecombe Board of Education.

Section 8: Severability Clause.

EFFECTIVE DATE: Except as otherwise provided, SB 382 would become effective when it become law.