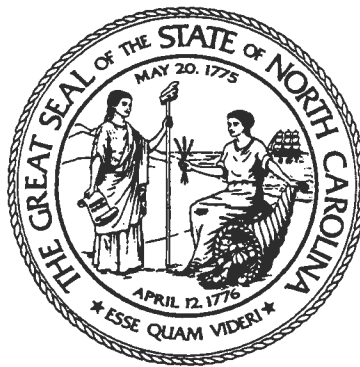


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2001

LEGISLATIVE RESEARCH COMMISSION

**Resolution of Conflicts Between  
Boards of Education and County Commissioners**



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REPORT TO THE  
2001 SESSION OF THE  
2001 GENERAL ASSEMBLY  
OF NORTH CAROLINA

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TABLE OF CONTENTS

LETTER OF TRANSMITTAL .....i

LEGISLATIVE RESEARCH COMMISSION MEMBERSHIP .....ii

PREFACE .....1

COMMITTEE PROCEEDINGS .....3  
 Legal Memorandum – Exhibit 1

SURVEY OF LOCAL SCHOOL ADMINISTRATIVE UNITS .....5  
 I. Methodology .....5  
 II. Results .....7  
 Exhibit 2 - Survey  
 Exhibit 3 – Table of Responses

APPENDICES .....8  
 APPENDIX A - 1999 STUDIES BILLS, S.L. 1999-395, PART II, Sec. 2.1(3)c. ....  
 APPENDIX B - MEMBERSHIP OF THE LRC COMMITTEE ON RESOLUTION OF  
 CONFLICTS BETWEEN BOARDS OF EDUCATION AND COUNTY COMMISSIONERS..... 9

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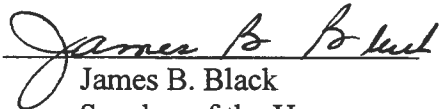


January 10, 2001

TO THE MEMBERS OF THE 2001 GENERAL ASSEMBLY (REGULAR SESSION 2001):

The Legislative Research Commission herewith submits to you for your consideration its 2001 Final Report on the resolution of conflicts between boards of education and county commissioners. The report was prepared by the Legislative Research Commission's Committee on Resolution of Conflicts between Boards of Education and County Commissioners pursuant to G.S. 120-30.17(1).

Respectfully submitted,

  
James B. Black  
Speaker of the House

  
Marc Basnight  
President Pro Tempore

Cochairs  
Legislative Research Commission



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1999 - 2000

LEGISLATIVE RESEARCH COMMISSION

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## PREFACE

The Legislative Research Commission, established by Article 6B of Chapter 120 of the General Statutes, is the general purpose study group in the Legislative Branch of State Government. The Commission is cochaired by the Speaker of the House of Representatives and the President Pro Tempore of the Senate and has five additional members appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

The Legislative Research Commission, prompted by actions during the 1999 Session and 2000 Sessions, has undertaken studies of numerous subjects. These studies were grouped into broad categories and each member of the Commission was given responsibility for one category of study. The Cochairs of the Legislative Research Commission, under the authority of G.S. 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Cochairs, one from each house of the General Assembly, were designated for each committee.

The study of the resolution of conflicts between boards of education and county commissioners was authorized by PART II, Section 4.1(3)c. of S.L. 1999-395. The relevant portions of Chapter 395 are included in Appendix A.

The Legislative Research Commission authorized this study under authority of G.S. 120-30.17(1) and grouped this study in its Intergovernmental Issues Grouping area under the direction of Representative Wainwright. The Committee was chaired by Senator Linda Garrou

and Representative Douglas Yongue. The full membership of the Committee is listed in Appendix B of this report. A committee notebook containing the committee minutes and all information presented to the committee will be filed in the Legislative Library by the end of the 1999-2000 biennium.

## COMMITTEE PROCEEDINGS

The Committee on Resolving Conflicts Between School Boards and County Commissioners first met on February 10, 2000. At this meeting, the Committee received general information from several Institute of Government Faculty members. Mr. Don Liner reviewed the State and local funding and governance structures for North Carolina public schools. He provided some historical background as well as general comparisons with other states. Mr. John Stephens reviewed the budget dispute resolution process between school boards and county commissioners. He gave an historical overview of how the procedure for resolving conflicts has evolved. Ms. Susan Flinspach gave an overview of other States' Funding while focusing on a regional comparison of states with independent school systems and states with dependent systems. Based on her research, she concluded that there was no clear association between the governance structure of school boards (independent vs. dependent) and the level of educational funding those boards received.

On March 9, 2000, the Committee held its second meeting and heard presentations from several members of the General Assembly staff. Kory Goldsmith and Phyllis Pickett, Committee Co-counsel, presented a legal memorandum outlining the current State and local budgetary process (See Exhibit 1, attached). Mr. Philip Price, Fiscal Analyst, provided some longitudinal information related to State, local, and federal spending for current expenses from 1970 to 1998. The Committee then heard presentations from Ms. Leanne Winner, North Carolina School Boards Association, and Mr. Ed Reagan, North Carolina Association of County Commissioners.

Ms. Winner presented information indicating that many school boards believe that county commissioners attempt to influence school policy by using the budgetary process. She noted that some school boards are very reluctant to force a budgetary mediation for fear of future budgetary retaliation by the county commissioners. Ms. Winner also stated that the current funding structure reduces local accountability because school boards can blame the

county commissioners if the schools lack resources and the county commissioners can blame school boards if citizens are unhappy with educational policies.

Mr. Reagan noted that the County Commissioners Association does not believe there is a problem. He noted that the budget process is built on a dynamic tension, but that was beneficial because the commissioners must look at all the needs of the county. He noted that the current system has produced "good to excellent" credit ratings for North Carolina's counties and questioned what impact any change would have on that status. Finally, Mr. Reagan cautioned that if the State grants independent taxing authority to school boards, other local agencies would want similar authority.

The Committee scheduled a third meeting for April 4, 2000. However, that meeting was cancelled due to the Special Extra Session on tobacco litigation and the enforcement of civil judgments.

The Committee held its final meeting on December 14, 2000. At that meeting the Committee reviewed the results from a survey of local boards of education. The Committee then reviewed the Draft Report and approved it for submission to the Legislative Research Commission.



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Legislative Services Office**

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**MEMORANDUM**

March 9, 2000

**TO:** LRC Resolution of Disputes Between Local School Boards  
And Boards of County Commissioners Committee

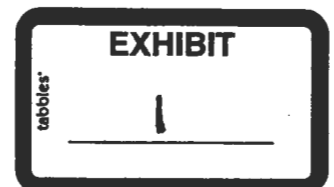
**FROM:** Phyllis Pickett & Kory Goldsmith *K6*  
Committee Co-Counsel *PP*

**RE:** **State and Local Funding of North Carolina Public  
Schools – Constitutional/ Statutory Background**

**I. Introduction**

Article IX, Section 2 of the North Carolina Constitution sets-out the division of financial responsibility for public education in this state. The General Assembly must provide though taxation or otherwise for a “general and uniform system of free public schools” to be maintained at least nine months each year, and where “equal opportunities shall be provided for all students.” The General Assembly is also authorized to “assign to units of local government such responsibility for the financial support” of the schools at it deems appropriate. This division is more clearly defined in Chapter 115C of the General Statutes.

Local responsibility for public education in North Carolina is shared by local school boards and boards of county commissioners in a manner designed by statute to separate programmatic responsibility from financial responsibility. The local school boards are responsible for local administration, educational policy, and curricular and programmatic goals. G.S. 115C-47. The county commission is responsible for making fiscal decisions that determine the amount of local financial support for the public schools. G.S. 115C-426. This arrangement, however, is not free from political issues that sometimes “blur” the basic statutory bifurcation of local educational obligations. As noted by one commentator:



“In application, of course, the division of responsibility is not that simple. In determining the amount of county funds available for education, the county commissioners influence educational policy. And school boards, dissatisfied with the share of county resources allocated to them, are entitled to take their case beyond the commissioners to the courts.” (Laurie L Mesibov, Education Law in North Carolina, “The School Budget Fiscal Control Act,” The University of North Carolina, 1998.)

## **II. The School Budget Fiscal Control Act**

### **A. Overview of Shared Local & State Responsibility**

The fiscal interplay between the local school board, the county commissioners, and the State is governed by the School Budget Fiscal Control Act, Article 31 of Chapter 115C of the North Carolina General Statutes. Under the Act, the State Board of Education and the Local Government Commission adopt a uniform budget format for school administrative units. Importantly, this format provides the fund structure and framework for financial obligations and decisions. The Act requires a minimum of four distinct funds for the budgetary operation of the local schools, with each funded to differing degree by the local and State funds. The mandatory independent accounting funds at the heart of the uniform budget format include the following:

- (1) State Public School Fund – Accounts for current operating expenses funded by State appropriations. G.S. 115C-426(c)(1).
- (2) Local current expense fund – Accounts for current operating expenses funded by local revenues; supplemental taxes; fines, penalties; and forfeitures; State funds appropriated directly to the local school administrative unit; and, other funds available for current operations. G.S. 115C-426(c) (2)
- (3) Capital outlay fund -- Accounts for real property acquisitions; construction, reconstruction, renovation, acquisition, replacement, and equipping of school facilities; acquisition and replacement of furniture, furnishings, instructional apparatus, data-processing equipment, and similar equipment; acquisition of school buses as replacements to the fleet; and, acquisition of activity buses and other motor vehicles. G.S. 115C-426(c)(3). These items are funded mainly from revenues made available by the State Board of Education and the board of county commissioners for capital outlay purposes and supplemental taxes levied by or on behalf of the local school unit by local act or G.S. 105-501 to 105-511. Other sources of funds include the proceeds of the sale of capital assets and the proceeds of fire and casualty insurance claims.
- (4) School food service fund. G.S. 115C-450.

The local current expense fund must include local appropriations that are "sufficient," when "added" to monies from the State Public School Fund, for the current operating expenses of the public schools "in conformity with the educational goals and policies of the State and the local board of education, within the financial resources and consistent with the financial policies of the board of county commissioners." G.S. 115C-426(e).

### **B. Obligations at the State Level**

It is a matter of State policy that the public school system shall graduate "good citizens with the skills demanded in the marketplace and . . . necessary to cope with contemporary society. . . using State, local and other funds in the most cost-effective manner." G.S. 115C-408. To meet this aim, the State Board of Education (State Board) is charged with general supervisory and administrative control of State and federal funds provided for public education. State funds are earmarked for "the instructional expenses for current operations of the public schools system as defined in the standard course of study." The State Board does not have control, however, over local funds for public schools or funds generated by fines and forfeitures under Article IX, Sec. 7 of the North Carolina Constitution. Further, facilities requirements are to be met by county governments. G.S. 115C-408(b).

### **C. Obligations of the Local School Board**

The local school boards have the duty to provide "adequate school systems within their local school administrative units." G.S. 115C-47(a). However, local school boards depend on counties (and, in some instances cities) for local funding to supplement the State funding provided for the public schools. This dependent relationship requires that the local school board assess annually local school funding needs and then convey those needs to the board of commissioners for consideration in the form of a balanced budget resolution. G.S. 115C-425. The school board must submit its entire line item budget to the county, not just that portion for which county funds are sought. Thus, the school budget submitted to the county must reflect all State, federal, private, and other funds.

Although the county commissioners appropriate the funds for facilities and equipment, the general rule requires that school boards are responsible for contracting for the construction, renovation, and repair of facilities. G.S. 115C-521. School boards also must hold title to all school property. G.S. 115C-40. If a school board determines a building is no longer desirable or useful, the board must offer it to the county commissioners for a fair market price or a price agreed upon between the two boards. If the county commissioners do not want to purchase the

property, the school board must sell the property as provided in Article 12 of Chapter 160. G.S. 115C-518.

#### **D. Obligations of the Board of County Commissioners**

G.S. 115C-429 provides the process used by the commissioners in considering the amount of county revenues to be appropriated in the county budget ordinance to the local school administrative unit for the budget year. The commissioners may review the budget proposed by the school board on a line-by-line basis. However, the board of commissioners does not possess line-item control of the school budget. Wilson County Board of Education v. Wilson County Board of Commissioners, 26 N.C.App.114, 215 S.E.2d 412 (1975) [Decided under prior, but consistent, law]. The county commissioners may not direct the school board to limit expenditures within a given function to specified line item or to refrain from spending money on a particular line item. As explained by the court in the Wilson County case:

“[I]nherent in the failure of the commissioners to approve an item is, of course, their conclusion that it is not needed for the economical administration of the schools. Failure to approve an item would necessarily reduce the total amount of the budget in which the item appears.”

The board of county commissioners may, in its discretion, allocate all or part of its appropriations by purpose, function, or project as defined in the uniform budget format. G.S. 115C-429(b). “Although the commissioners will have before them the entire proposed school budget, they appropriate from county funds only the amount needed to finance county-supported school operations. The county budget ordinance will not appropriate State school moneys or federal money received by the administrative unit . . .” Mesibov, 1998. The county budget ordinance should include separate appropriations to the local current expense fund and the capital outlay fund of each administrative unit in the county.

Because the county commissioners may approve capital outlay projects on the basis of individual capital projects, they may exercise more control over the capital expense fund than over the local current expense fund. For example, school boards are directed to provide adequate school buildings equipped with suitable furniture and equipment. The facilities and equipment needs must be presented annually to the county commissioners who are charged with providing the funds which “upon investigation, [they] find to be necessary” for providing suitably equipped buildings. G.S. 115C-521(b). This level of control also extends to State funds for facilities. The 1996 legislation authorizing the \$1.8 billion in school construction funds provides that the proceeds of the bonds and notes shall be used for making grants to counties for paying the cost of public school capital



outlay projects. S.L. 1996-0631; Sec. 5. This provision has been interpreted to mean that the funds flow to the county, which in turn has the authority to approve or disapprove a particular capital project proposed by the board of education.

If a county has only one administrative unit, the board of county commissioners may divide its school appropriations between current expense and capital outlay as it sees fit, subject only to the school board's ability to challenge this division in court under the dispute resolution procedure. G.S. 115C-431. In the case of counties having more than one unit, the Act requires apportionment. The county's appropriations to the local current expense fund must be apportioned among the school units in the county according to the membership of each unit. This provides for a lack of favoritism among units. However, because the capital needs of different units will vary, the apportionment requirement does not apply to capital outlays. G.S. 115C-430.

#### **E. Dispute Resolution Procedure**

If the board of education determines that the amount of money appropriated by the board of commissioners to the local current expense fund and/or the capital outlay fund is not sufficient to support the public schools, then the dispute resolution provisions of G.S. 115C-431 come into play. The first step is a joint meeting between the two boards arranged by the chair of the board of education and the chair of the county commissioners. Before the joint meeting, the Resident Superior Court Judge appoints a mediator, unless the two boards jointly select one. At the joint meeting, the mediator serves as a neutral facilitator and the entire school budget is to be "carefully and judiciously" considered. G.S. 115C-431(a). If no agreement is reached, the formal mediation process begins.

The local board of education may seek relief before the superior court if mediation produces no agreement on the budget. The court must determine the amount of money "necessary" to maintain a system of free public schools and the amount of money needed from the county to make up this total. The courts have not defined what constitutes a "necessary" amount, although the North Carolina Supreme Court has rejected "that which is indispensable" as being too narrow an interpretation. Wilson County.

#### **II. Local Sales Taxes & "Mandatory" Funding**

County funds for the public schools are derived from a variety of local revenue sources, including local sales taxes and ad valorem taxes. Chapter 105 of the General Statutes authorizes counties to levy additional local government sales and use taxes to support the local schools:

- (1) Article 39 – additional 1 cent tax.

- (2) Article 40 – additional ½ cent tax.
- (3) Article 42 – additional ½ cent tax.

These taxes are collected by the North Carolina Department of Revenue (NCDOR) and re-distributed to the counties. Under G.S. 105-487 and G.S. 105-502, respectively, 30% of the Article 40 sales tax and 60% of the Article 42 sales tax are restricted for capital outlay purposes. Each quarter, NCDOR allocates to each taxing county the net proceeds of the taxes collected in that county. G.S. 105-472(a). The net proceeds are reduced by the amount of the restricted portions of Article 39, 40, and 42 sales taxes (residual taxes).

Pursuant to G.S. 105-472(b), a county must choose one of two methods for distributing the residual sales taxes – the per capita method or the ad valorem method. Under the per capita method, the residual sales taxes are distributed to each taxing district within the county according to the percentage of the county's population that the taxing authority represents. G.S. 105-472(b)(1). Under the ad valorem method, the residual sales taxes are distributed to each taxing district within the county according to the percentage that the ad valorem taxes levied in the taxing district bears to the total county ad valorem tax levy. G.S. 105-472(b)(2).

This two-tier scheme is relevant particularly in those counties that have more than one local school administrative unit or taxing unit within the county. G.S. 115C-430; Banks v. County of Buncombe, 128 N.C.App. 214, 494 S.E.2d 791 (1998), aff'd 348 N.C. 687, 500S.E.2d 666 (1998). In Banks v. County of Buncombe, the Court of Appeals stressed that under the ad valorem G.S. 105-472(b)(2) the county's distribution of tax funds to individual taxing districts is mandatory. The county serves as "merely as a conduit" or agent of the taxing district in "passing through" funds which belong to those taxing districts over which the county has no control. This is to be distinguished from G.S. 115C-430, which deals with discretionary appropriations by the county to each school district's current expense fund. In relevant part, G.S. 115C-430 provides that if there is more than one local school administrative unit in a county, all appropriations by the county to the local expense funds of the units (except appropriations funded by supplemental taxes levied less than countywide) must be apportioned according to the membership of each unit.

### **III. Conclusion**

In summary, the General Assembly has assigned to the board of county commissioners and to the local school board shared statutory responsibility for effectuating on the local level the right of the people to the "privilege of education" as part of the State's duty to "guard and maintain " that right. N.C.

Const., Art. Sec. 15. The School Budget Fiscal Control Act provides the framework for coordinating the respective obligations of the two elected bodies. As noted by the North Carolina Supreme Court in Dilday v. Beaufort County Board of Education, 267 N.C. 438, 148 S.E.2d 513 (1966):

“This dual responsibility obviously requires the utmost cooperation between the two boards and the full assumption of responsibility by each, if the educational needs of the children of the county are to be met.”



# SURVEY OF LOCAL SCHOOL ADMINISTRATIVE UNITS

## I. Methodology

At the direction of the cochairs, committee counsel created a survey designed to gather information on the extent to which local boards of education support, oppose, or have no position on legislative action granting to them local taxing authority for public school needs.

### Contents

The survey (See Exhibit 2, attached) consisted of 3 questions:

- Has your local board of education taken an official position on whether school boards should have independent taxing authority?
- If so, what is that position and when did the board take that position?
- If not, is your local school board planning to take an official position?

In addition to the questions, the survey included the following:

### REQUEST FOR COMMENTS:

- If any member of your local board of education wants to make written comments concerning the issue of independent taxing authority for school boards, the Committee invites the member to submit written comments attached to this form or e-mail comments to committee legal staff at [phyllisp@ncleg.net](mailto:phyllisp@ncleg.net) or [koryg@ncleg.net](mailto:koryg@ncleg.net).
- If any member of your local board of education is interested in appearing before the Committee as part of a public hearing, the member is invited to indicate such interest below or e-mail as instructed above.

- OTHER INFORMATION - Please attach or e-mail as instructed above any additional information that you believe would be of assistance to the Committee in reviewing the issue of local school funding disputes and related matters?

Finally, the survey included a request for information as to who responded to the survey and which local school administrative unit the respondent represented.

A cover letter from the cochairs accompanied the survey. The cover letter identified the LRC Committee, outlined the contents of the survey, requested responses by October 6th, and thanked the participants for their time and attention.

### **Distribution**

During the second week of September 2000, the committee clerk mailed the cover letter and the survey to the chairs of all 117 local boards of education. Copies of the survey and cover letter were also mailed to each LRC committee member. With the assistance of the Department of Public Instruction (DPI), copies of the cover letter and survey were faxed to all Superintendents. About two weeks later, DPI again faxed the cover letter and survey to all Superintendents. Based upon feedback from some local school administrative units, it appears that a number of Superintendents may not have received the complete survey in one or both of the faxes. In those cases where we received incomplete responses, staff contacted the Superintendent directly, provided the complete survey, and recorded the response.

After the October 6<sup>th</sup> response date passed, the committee clerk re-mailed the survey and cover letter to the chairs of school boards in those school administrative units that had not previously responded. November 3<sup>rd</sup> was the final date for responses.

## II. Results

94 out of 117 local school administrative units responded to the survey (See Exhibit 3, attached). This represents about an 80% response rate. 23 local school administrative units did not respond to the survey. It appears that in several instances, the survey was distributed among all the members of a local board.

- 47 local boards responding to the survey have not taken any position on the issue. Of these boards:
  - 5 respondents are currently considering or discussing taking a position.
  - 2 respondents have declined to vote on or have or tabled a motion to support independent taxing authority.
  - 2 respondents have discussed the issue, but taken no action.
  - 1 respondent local board already has independent taxing authority, and therefore does not plan to take a position.
- 30 local boards responding to the survey have taken a position in support of independent taxing authority.
- 16 responding local boards have taken a position opposing independent taxing authority.
- 1 board responded to the survey, but it is functioning under an agreement with its Board of County Commissioners regarding the allocation of tax revenues. Therefore, it was counted as responding to the survey, but not otherwise categorized.
- Some responding board members and/or superintendents expressed interest in testifying before the committee.
- Some of the respondent units included additional comments or copies of relevant resolutions.







## SURVEY OF LOCAL BOARDS OF EDUCATION

*Legislative Research Commission / Committee on the  
Resolution of Conflicts Between School Boards &  
Boards of County Commissioners*

*Sen. Linda Garrou & Rep. Douglas Yongue  
Co-Chairs*

September, 2000

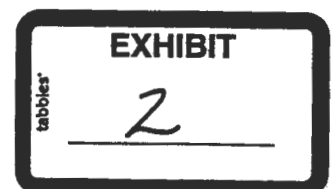
The North Carolina General Assembly has authorized the Legislative Research Commission (LRC) to review issues relating to conflicts between local school boards and boards of county commissioners. This survey by the LRC Committee on the Resolution of Conflicts Between Local School Boards and Boards of County Commissioners is designed to gather information on the extent to which local boards of education support, oppose, or have no position on legislative action granting to them local taxing authority for public school needs.

### QUESTIONS:

I. Has your local board of education taken an official position on whether school boards should have independent taxing authority?

II. If so, what is that position and when was that position taken by the board?

III. If not, is your local school board planning to take an official position?



REQUEST FOR COMMENTS

A. If any member of your local board of education wants to make written comments concerning the issue of independent taxing authority for school boards, the Committee invites the member to submit written comments attached to this form or e-mail comments to committee legal staff at [phyllisp@ncleg.net](mailto:phyllisp@ncleg.net) or [koryg@ncleg.net](mailto:koryg@ncleg.net).

B. If any member of your local board of education is interested in appearing before the Committee as part of a public hearing, the member is invited to indicate such interest below or e-mail as instructed above.

OTHER INFORMATION

Please attach or e-mail as instructed above any additional information that you believe would be of assistance to the Committee in reviewing the issue of local school funding disputes and related matters?

Please contact Committee legal staff if you have questions about this survey:  
Ms. Phyllis B. Pickett at (919) 733-6660 or Ms. Kory S. Goldsmith at (919) 733-2578.  
Thank you for your assistance.

**Please provide the following information:**  
**Survey Completed By --**

Name \_\_\_\_\_

Title \_\_\_\_\_

Fax # \_\_\_\_\_ Date \_\_\_\_\_

Completed for \_\_\_\_\_  
Name of School District

**Return completed survey by October 6, 2000 to:**

Survey Results  
Bill Drafting Division  
Suite 401, Legislative Office Bldg  
Raleigh NC 27603-5925

[Survey Control # \_\_\_\_\_]



**SURVEY RESULTS**  
**Resolution of Conflicts Between School Boards and Boards of County Commissioners**  
**LRC Committee**  
**November 2000 --FINAL**

		Has board taken an official position?	If so, what position has the board taken?	If not, is the board considering taking a position?		
<b>LEA #</b>	<b>LEA Name</b>					
010	Alamance Co.	No		No		
020	Alexander Co.	Yes	For taxing authority			
030	Alleghany Co.					
040	Anson Co.	Yes	Against tax authority			
050	Ashe Co.	Yes	For taxing authority			
060	Avery Co.	No		No		
070	Beaufort Co.	Yes	Against tax authority			
080	Bertie Co.	Yes	For taxing authority			
090	Bladen Co.	No		No		
100	Brunswick Co.	No		No		
110	Buncombe Co.	No		Declined resolution vote		
111	Asheville City	No		No		
120	Burke Co.	Yes	For taxing authority			
130	Cabarrus Co.	Yes	For taxing authority			
132	Kannapolis City	Yes	For taxing authority			
140	Caldwell Co.	Yes	Against tax authority			
150	Camden Co.	Yes	Against tax authority			
160	Carteret Co.	No		No		
170	Caswell Co.	Yes	For taxing authority			
180	Catawba Co.					
181	Hickory City	Yes	For taxing authority			
182	Newton-Con. City	No		No		
190	Chatham Co.	Yes	For taxing authority			
200	Cherokee Co.					
210	Chowan Co.	No		No		
220	Clay Co.	No		No		
230	Cleveland Co.	No.		No		
231	Kings Mtn City	No		No		
232	Shelby City	No.		Discussed, but no position		
240	Columbus Co.	Yes	Against tax authority			
241	Whiteville City	No		Under consideration		
250	Craven Co.	No.		Discussed, but no position		
260	Cumberland Co.	Yes.	For taxing authority			
270	Currituck Co.	Yes	For taxing authority			
280	Dare Co.					
290	Davidson Co.	No		No		
291	Lexington City	No		No		
292	Thomasville City	No		No		
300	Davie Co.					
310	Duplin Co.	Yes	For taxing authority			
320	Durham Co.	Yes	For taxing authority			
330	Edgecombe Co.					
340	Forsyth Co.	No		Under consideration		
350	Franklin Co.	No		No		
360	Gaston Co.	Yes	For taxing authority			
370	Gates Co.					
380	Graham Co.	Yes	For taxing authority			
390	Granville Co.	No		No		
400	Greene Co.	No		No		
410	Guilford Co.	Yes	For taxing authority			
420	Halifax Co.	No		No		

**EXHIBIT**

3

**SURVEY RESULTS**  
**Resolution of Conflicts Between School Boards Boards of County Commissioners**  
**LRC Committee**  
**November 2000 --FINAL**

		Has board taken an official position?	If so, what position has the board taken?	If not, is the board considering taking a position?		
<b>LEA #</b>	<b>LEA Name</b>					
421	Roanoke Rapids City	Yes	Against tax authority			
422	Weldon City					
430	Harnett Co.	No		May consider		
440	Haywood Co.	No		Yes, actively considering		
450	Henderson Co.	Yes	Leave "as is" for now	Supports concept of more sch bd participation		
460	Hertford Co.	Yes	For taxing authority			
470	Hoke Co.	No		No		
480	Hyde Co.	Yes	Leave system "as is"			
490	Iredell Co.					
491	Mooresville City	No		Currently has local supplemental taxing authority.		
500	Jackson Co.	Yes	For taxing authority			
510	Johnston Co.	No		No		
520	Jones Co.	Yes	For taxing authority			
530	Lee Co.	Yes	For taxing authority			
540	Lenoir Co.	No		No		
550	Lincoln Co.					
560	Macon Co.	Yes	For taxing authority			
570	Madison Co.					
580	Martin Co.					
590	McDowell Co.					
600	Mecklenburg Co.					
610	Mitchell Co.	No		No		
620	Montgomery Co.	Yes	Against tax authority			
630	Moore Co.	No		To consider, post election		
640	Nash Co.					
650	New Hanover Co.					
660	Northampton Co.	Yes	For taxing authority			
670	Onslow Co.	No		No		
680	Orange Co.	Yes	Against tax authority			
681	Chapel Hill City	Yes	For taxing authority			
690	Pamlico Co.	Yes	For taxing authority			
700	Pasquotank Co.					
710	Pender Co.	Yes	For taxing authority			
720	Perquimans Co.	Yes	Against tax authority			
730	Person Co.	No		No		
740	Pitt Co.					
750	Polk Co.	Yes	For taxing authority			
760	Randolph Co.	No		No		
761	Asheboro City	No		No		
770	Richmond Co.	No		No		
780	Robeson Co.					
790	Rockingham Co.	No		No		
800	Rowan Co.					
810	Rutherford Co.	No		No		
820	Sampson Co.	No		No		
821	Clinton City					
830	Scotland Co.	Yes	Against tax authority			
840	Stanly Co.	No		No		
850	Stokes Co.	No		No.		
860	Surry Co.	Yes.	For taxing authority			
861	Elkin City	No		Tabled resolution motion		

**SURVEY RESULTS**  
**Resolution of Conflicts Between School Boards Boards of County Commissioners**  
**LRC Committee**  
**November 2000 --FINAL**

		Has board taken an official position?	If so, what position has the board taken?	If not, is the board considering taking a position?		
<b>LEA #</b>	<b>LEA Name</b>					
862	Mt. Airy City	Yes	For taxing authority			
870	Swain Co.	No		No		
880	Transylvania Co.	Yes	For taxing authority			
890	Tyrrell Co.	Yes	Against tax authority			
900	Union Co.	Yes	For taxing authority			
910	Vance Co.	No		No		
920	Wake Co.	Yes	Tax allocation agreement adopted by school bd and commsrs.			
930	Warren Co.	No		No		
940	Washington Co.	Yes	Against tax authority			
950	Watauga Co.					
960	Wayne Co.	Yes	Against tax authority			
970	Wilkes Co.	No		No		
980	Wilson Co.	Yes	Against tax authority			
990	Yadkin Co.	No		No		
995	Yancey Co.					





APPENDIX A

SESSION LAWS 1999 – 395

Part 2, Section 2.1(3)c.

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION, TO CREATE VARIOUS STUDY COMMISSIONS, TO DIRECT STATE AGENCIES AND LEGISLATIVE OVERSIGHT COMMITTEES AND COMMISSIONS TO STUDY SPECIFIED ISSUES, AND TO AMEND OTHER LAWS.

...

PART II.-----LEGISLATIVE RESEARCH COMMISSION

Section 2.1. The Legislative Research Commission may study the topics listed below. When applicable, the bill or resolution that originally proposed the issue or study and the name of the sponsor is listed. Unless otherwise specified, the listed bill or resolution refers to the measure introduced in the 1999 Regular Session of the 1999 General Assembly. The Commission may consider the original bill or resolution in determining the nature, scope, and aspects of the study. The following groupings are for reference only:

...

(3) Education Issues: ...

- c. Resolution of conflicts between boards of education and county commissioners.

...



1

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## APPENDIX B

### RESOLUTION OF CONFLICTS BETWEEN BOARD OF EDUCATION AND COUNTY COMMISSIONERS COMMITTEE (LRC)

1999-2001

S.L. 1999-395

#### Pro Tem's Appointments

Sen. Linda Garrou, Cochair  
3910 Camerille Farm Road  
Winston Salem, NC 27106  
(336) 922-4192

Ms. Annette Carter  
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Dallas, NC 28034  
(704) 864-8377

Mr. Dumont Clarke  
100 N. Tryon St., 47<sup>th</sup> Floor  
Charlotte, NC 28202-4003

Sen. Charlie Dannelly  
3167 Dawnshire Ave.  
Charlotte, NC 28216  
(704) 392-1227

Sen. Fletcher Hartsell  
PO Box 368  
Concord, NC 28026-0368  
(704) 786-5161

Sen. R.L. Martin  
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Raleigh, NC 27601-2801  
(919) 715-3040

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919/733-2578

Phyllis Pickett, Co-Counsel  
Bill Drafting Division  
919/733-6660

#### Speaker's Appointments

Rep. Doug Yongue, Cochair  
604 Prince Street  
Laurinburg, NC 28352  
(910) 276-1727

Rep. Gordon Allen  
PO Box 100  
Roxboro, NC 27573  
(336) 599-2175

Rep. Andy Dedmon  
PO Box 293  
Earl, NC 28038  
(704) 487-7272

Rep. Jim Horn  
810 Polkville Road  
Shelby, NC 28150  
704/487-9420

Rep. Max Melton  
220 Sandy Ridge Road West  
Monroe, NC 28122  
(704) 764-3690

Rep. Martin Nesbitt  
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Asheville, NC 28801  
(828) 252-0490

#### Clerk

Jenny Umstead  
919/733-5821

