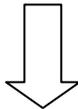


County Funding for North Carolina Public Schools: Dispute Resolution Process (G.S. 115C-431)

Step 1:

Joint Meeting of Two Boards

- The meeting must be held within 7 days of the adoption of the county budget ordinance.
- A mediator presides over meeting and acts as a neutral facilitator.
- The boards must consider the entire school budget.
- Both boards must make good faith efforts to resolve their differences.

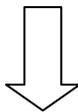


If Step 1 fails,

Step 2:

Mediation

- Unless the two boards agree otherwise, the participants in the mediation are the chairs, attorneys and finance officers of each board; the public school superintendent; and the county manager.
- The mediation is conducted in private and statements and conduct are not discoverable.
- The mediation must end by August 1, unless both boards agree otherwise.
- If the mediation continues beyond August 1, the county must appropriate to the local current expense fund a sum equal to the local appropriation for the previous fiscal year.

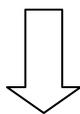


If Step 2 fails,

Step 3:

Superior Court Litigation

- Within 5 days of a failed mediation, the local board of education may file an action in superior court.
- Either side may demand a jury trial.
 - If a jury trial is not demanded, the court must find facts as to (1) the amount of money necessary to maintain a system of free public schools, and (2) the amount of money needed from the county to make up this total.
 - If a jury trial is demanded, the jury determines the amount of money needed from sources under the control of the board of county commissioners to maintain a system of free public schools.
 - Note that the trial court should instruct the jury that “G.S. 115C-431 requires the [county commissioners] to provide that appropriation legally necessary to support a system of free public schools, as defined by Chapter 115C [of the General Statutes] and the policies of the State Board.” Further, the trial court should instruct the jury “to consider the request of the local board of education, the financial resources of the county, and the fiscal policies of the board of county commissioners.” See *Beaufort County Bd. of Educ. v. Beaufort County Bd. of Com'rs*, 363 N.C. 500, 681 S.E.2d 278 (2009).
- The court orders the board of county commissioners to appropriate a specific amount to the local school administrative unit and, if necessary, to levy property taxes to cover the amount of the appropriation.
- Any payment by the county may not be considered or used to deny or reduce appropriations to a local school administrative unit in subsequent fiscal years.



If either board is dissatisfied with superior court's judgment,

Step 4:

Appeal

- Either board may appeal the superior court's judgment in writing within ten days after the entry of the judgment
- Final judgments at the conclusion of the appellate process are legally binding on both boards.