

**ONslow COUNTY GOVERNMENT AND ONslow COUNTY SCHOOLS
ANNUAL CURRENT EXPENSE FUNDING AGREEMENT**

To encourage excellence in education, fiscal sustainability and create more consistent long-range budget planning, the Onslow County Board of Commissioners (BOC) and the Onslow County Board of Education (OCS) hereby enter into this Annual Current Expense Funding Agreement ("Agreement"), which is effective in January 2020, on the specific date fully executed by the Chairman of each Board below.

FUNDING FORMULA:

Each year, the BOC agrees to fund OCS for the fiscal year in the total amount defined below in equal monthly installments that begin on July 15th each year:

- 1. The base funding amount is 36.1 % of the sum of property tax and sales tax received by Onslow County Government for the calendar year.**

On or before the first regular BOC meeting in January of each year, BOC or their designated staff will provide to OCS the total exact sum of the sales tax revenue and property tax revenue actually received by Onslow County Government during each month of the calendar year immediately preceding the fiscal year under budget consideration. Exactly 36.1% of that twelve-month sum will be the base funding for OCS for the upcoming fiscal year, subject to Provision 2 immediately below.

- 2. Wide variations in school population adjust the base funding amount.**

On or before the first regular BOC meeting in January of each year, OCS or their designated staff will provide to BOC the actual Average Daily Membership for the second school month ("Second Month ADM") as provided to and published by the North Carolina Department of Public Instruction for the school year then in progress, and the Second Month ADM for the immediately prior school year for Onslow County Public Schools. If the difference in Second Month ADM shows the addition of more than 375 students over the prior year, the base funding amount will be adjusted upward by .5% to a total of 36.6%. If the difference in Second Month ADM shows more than 375 fewer students over the prior year, the base funding amount will be adjusted downward by .5% to 35.6%.

INTENDED TERM AND TIMING OF AGREEMENT:

Both parties fully agree that this Agreement documents the good faith intent of both Boards to establish a stable, long lasting funding formula, and to set the budget for the upcoming fiscal year by the end of January immediately preceding that fiscal year, providing several months for both the BOC and OCS to plan prior to approving their respective budgets. Both parties intend for the initial term of this Agreement to extend through January 2023, determining the FY23-24 budget funding, but also that this Agreement will automatically renew for a one-year term effective on February 1st of 2023 and each year thereafter, unless either party delivers written notice of termination at least fourteen calendar days prior to the February 1st renewal date to the Chairman of the Board of the other party. Notwithstanding these terms, however, both parties understand that funding the public schools is a legislative function and that future Boards cannot be bound by a current Board, and they therefore agree that each year, at a regular meeting in December or January, the Onslow County Board of Commissioners and the Onslow County Board of Education will affirm this Agreement or submit a written notice to the other party by January 18th that the Agreement will be terminated, effective for the following year.

Paula E. Thomas Date 1-22-2020
Pam E. Thomas, Chairman
Onslow County Board of Education

Paul L. Wiggins
Paul Wiggins, Vice Chairman
Onslow County Board of Education

Jeff Hudson
Jeff Hudson, Board Member
Onslow County Board of Education

Bill Lanier
Bill Lanier, Board Member
Onslow County Board of Education

Ken Reddic
Ken Reddic, Board Member
Onslow County Board of Education

Earl Taylor
Earl Taylor, Board Member
Onslow County Board of Education

Bob Williams
Bob Williams, Board Member
Onslow County Board of Education

ATTEST:
Dr. Barry Collins
Dr. Barry Collins, Superintendent and Secretary
Onslow County Board of Education



Jack Bright Date 1/22/20
Jack Bright, Chairman
Onslow County Board of Commissioners

Paul Buchanan
Paul Buchanan, Vice Chairman
Onslow County Board of Commissioners

Royce Bennett
Royce Bennett, Commissioner
Onslow County Board of Commissioners

Tim Foster
Tim Foster, Commissioner
Onslow County Board of Commissioners

Robin Knapp
Robin Knapp, Commissioner
Onslow County Board of Commissioners

Mark Price
Mark Price, Commissioner
Onslow County Board of Commissioners

William P. Shanahan III
William P. Shanahan III
Onslow County Board of Commissioners

ATTEST:
Julie S. Wand
Julie S. Wand, Clerk to the Board
Onslow County Board of Commissioners