

**AGREEMENT REGARDING LOCAL EDUCATION FUNDING
FOR FISCAL YEAR 2025-2026**

THIS AGREEMENT is entered into this 20th day of June, 2025, by and between the Alamance County Board of Commissioners (hereinafter "the County") and the Alamance-Burlington Board of Education (hereinafter "the School Board").

WHEREAS, pursuant to N.C. Gen. Stat. § 115C-429, the School Board submitted a budget request for the Alamance-Burlington School System (hereinafter "ABSS") to the County for the 2025-2026 fiscal year;

WHEREAS, the County adopted its annual budget ordinance on June 16, 2025;

WHEREAS, the School Board has expressed disagreement with the County's appropriations to ABSS's local current expense fund under N.C. Gen. Stat. § 115C-431;

WHEREAS, N.C. Gen. Stat. § 115C-431 provides that in the event of such a dispute, the chairpersons of the two boards shall arrange a joint meeting within seven days of the adoption of the county budget ordinance, with a mediator appointed to preside over the meeting;

WHEREAS, the parties wish to resolve their disagreement cooperatively and without further mediation or litigation;

WHEREAS, the parties seek to formalize an agreement regarding funding levels for the 2025-2026 fiscal year and release any remaining claims arising under the dispute resolution process outlined in N.C. Gen. Stat. § 115C-431;

WHEREAS, the County's total current expense appropriation to ABSS as a result of this Agreement shall be \$57,306,851;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

1. Additional Appropriation to Current Expense Fund

The County shall appropriate an additional \$2,700,000 to ABSS's local current expense fund for the 2025-2026 fiscal year.

2. Restricted Appropriation for SRO Services

The County shall appropriate an additional \$1,300,000 to ABSS's local current expense fund for the 2025-2026 fiscal year, to be used solely for the purpose of compensating Alamance County for the services of Sheriff's Office deputies assigned as school resource officers (SROs) within ABSS. These funds shall not be used for any other purpose. Any expenditure or encumbrance inconsistent with this provision shall result in the reversion of such funds to the County.

3. Capital Outlay Appropriation

The County shall appropriate \$4,820,500 to ABSS for capital outlay purposes for the 2025-2026 fiscal year.

4. Capital Improvement Plan (CIP) Appropriation

The County shall appropriate a total of \$9,400,000 for implementation of ABSS's capital improvement plan (hereinafter "CIP") for the 2025-2026 fiscal year, including \$8,000,000 adopted during final budget deliberations and incorporated into the ordinance adopted on June 16, 2025, as well as \$1,400,000 previously recommended for school technology needs and retained in the County's adopted budget.

5. Waiver of Procedural Defenses

The parties agree that the failure to hold a joint meeting within the time frame set forth in N.C. Gen. Stat. § 115C-431(a) shall not be asserted by either party as a procedural bar to proceeding with mediation or other dispute resolution if this agreement is not approved by both boards.

6. Release of Claims and Formula Disclaimer

In consideration of the appropriations described herein and contingent upon formal approval by both boards, the School Board hereby waives and releases any and all claims it may have against the County under N.C. Gen. Stat. § 115C-431 related to any form of local appropriation (including, but not limited to: the local current expense fund, capital outlay fund, and capital improvement plan) for the 2025-2026 fiscal year.

The parties further agree that this agreement reflects a compromise of a disputed obligation and shall not be construed as an admission that the statutory formula set forth in N.C. Gen. Stat. § 115C-431(b1) governs appropriations in this fiscal year. The parties further expressly deny that such formula has been triggered or accrued for purposes of the multiplier described in N.C. Gen. Stat. § 115C-431(b2) in any future fiscal year.

7. Fiscal Procedures and Compliance

All appropriations made pursuant to this Agreement shall be disbursed according to the County's standard fiscal procedures and shall be subject to all applicable accounting and auditing requirements. ABSS and the School Board shall provide documentation upon request confirming expenditure of all funds appropriated in accordance with this Agreement.

8. Public Records Acknowledgment

The parties acknowledge that this Agreement constitutes a public record and may be disclosed upon request in accordance with the North Carolina Public Records Act.

9. Entire Agreement and Modifications

This Agreement constitutes the entire understanding between the parties regarding the subject matter herein and supersedes all prior discussions or negotiations. Any modification must be in writing and approved by both boards.

10. Severability

If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

11. Authority to Execute

Each party represents that it has taken all actions necessary to authorize the execution and performance of this Agreement.

12. Notices

Any notices required under this Agreement shall be delivered to the respective board chairs in writing by hand delivery or by USPS certified mail, return receipt requested service.

13. Incorporation of Recitals

The recitals set forth above are incorporated by reference and shall be deemed part of this Agreement.

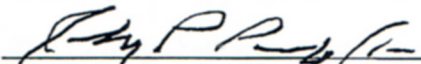
14. Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

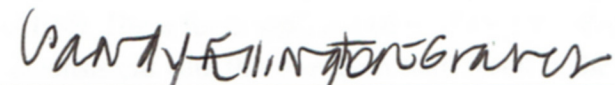
15. Effective Date

This Agreement shall become effective upon approval by both the County and the School Board and shall be recorded in the official minutes of their respective governing bodies.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers.



John P. Paisley, Jr., Chair
Alamance County Board of Commissioners



Sandy Ellington-Graves, Chair
Alamance-Burlington Board of Education