Proposed Local Funding Formula between Buncombe County Government, Buncombe County Schools, and Asheville City Schools

This interlocal agreement is made and entered into this [day] of [month, year] to be effective July 1, 2026, by and between the County of Buncombe, a body politic of the State of North Carolina, hereinafter called BOC, the Asheville City Board of Education, a body politic of the State of North Carolina, hereinafter called ACS, and the Buncombe County Board of Education, a body politic of North Carolina, hereinafter called BCS, to memorialize an agreement between the parties regarding annual appropriations by the BOC to the Local Current Expense Funds of ACS and BCS.

Whereas, all parties encourage excellence in education and fiscal sustainability and desire to create more consistent long-range budget planning,

Now therefore, pursuant to NCGS 106A-461, the BOC, ACS, and BCS agree and enter into this interlocal undertaking as follows:

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

1. **The base funding amount is 37.76% of the sum of 12 months of property and sales tax preceding March 15th.**
    a. Property tax preceding March 15th will include General Fund Property Tax Revenues including Ad Valorem Interest from March of the prior year through February, the month prior the established deadline.
    b. Sales tax preceding March 15th will include all revenues associated with Articles 39, 40, and 42 received by Buncombe County, excluding municipal, fire, and supplemental taxing districts, and other statutorily required distributions from April of the prior year through March prior the established deadline.
    c. The statutory disbursements include Article 39 (S.L. 2025-35 and S.L. 2016-19) and Articles 40 and 42 (NCGS Chapter 105), which are limited to School Capital expenditures and not received by the County's general fund.
2. **Adjustments will be made to account for wide variations in enrollment or may be made for emergencies.**
    a. The Department of Public Instruction certifies a letter of enrollment for Buncombe County. This will serve as the basis of enrollment changes.
    b. On or before January 1st of each year, if the percentage change between the prior year's certified enrollment and the current year's certified enrollment is greater than or less than 2%, then the upcoming year's base funding percentage will increase or decrease, respectively, by 50 basis points, e.g. to 37.26% or 38.26%.

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c. For purposes of this interlocal agreement, "Emergency" is defined [language still being drafted.]

3. **All parties agree to an initial term through December 1st, 2028 (FY2027, FY2028, and FY2029). Between December 1st, 2028 and December 31st, 2028, all parties shall review and vote to keep or terminate this interlocal agreement for FY2030. This review will continue to occur every other year until the agreement is terminated. Notwithstanding these terms, however, all parties understand that funding public schools is a legislative function and that future Boards cannot be bound by a current Board, and they therefore agree to each year, at a regular meeting, prior to December 1st of each year, the BOC, ACS, and BCS, will affirm this agreement or submit a written notice to the other parties by December 1st, terminating the agreement effective for the following year.**

BOC Board Members:	BCS Board Members:	ACS Board Members:
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

ATTEST:

_____	_____	_____
Clerk to the BOC	Clerk to the BCS BOE	Clerk to the ACS BOE

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