

H1031 Working Group Meeting #3
December 12, 2018

Participants

Working Group Members

- Amy Cannon Cumberland County Manager
- Pam Dubois Senior Deputy Cabarrus County Manager
- Susan Holder Assistant Sampson County Manager
- Jeff Hollamon CFO, Onslow County Schools
- Kimberly Honeycutt Finance Officer, Harnett County
- Jennifer Mace Catawba County Budget and Management Director (on phone)
- Glynn Rollins Halifax County Attorney
- Pam Satterfield Executive Director, NCASBO
- Nick Sojka In-house Counsel, Cumberland County Schools
- Leanne Winner NC School Boards Association
- Mark Winters CFO, Wake County Public Schools

Facilitators

- David Brown Research Director, nCIMPACT, UNC School of Government
- Sharon Edmundson Director, Fiscal Management Section, State and Local Finance Division, Department of State Treasurer
- Kara Millonzi Professor of Public Law and Government, UNC School of Government

Agenda

- I. Chairs call meeting to order
- II. Group discussion of fund balance issue
 - a. Review of proposed legislation
 - b. Identify next steps related to fund balance issue
- III. Group discussion of capital funding issue
 - a. Review documents provided by working group members
 - b. School representatives share information about issues related to capital funding
 - c. County representatives share information about issues related to capital funding
 - d. Identify next steps related to capital funding issue

- IV. Set date/time and discussion topics for next meeting
- V. Other issues

School System Fund Balances – Discussion Topics

The group spent considerable time assessing the legislative changes proposed by several of the group members. Some of the areas of discussion included:

- The appropriate level of transparency
- To what extent schools and counties should share budget data
- One-time expenditures charged to (funded by) unassigned fund balance
- Recurring expenditures charged to (funded by) unassigned fund balance
- Use of a fund balance to balance a school system budget in emergencies
- For the meeting requirement, whether one board of education meeting with the county is sufficient in a multi-system county vs. meetings with each system’s superintendent
- Who should be responsible for organizing each meeting – school system or county? (shared? alternating?)
- Which leadership and/or staff should be involved in the meetings?
- Prevalence of a local requirement to have a fund balance policy in place

School System Capital Balances – Discussion Topics

As a way to kick off the group’s consideration of the issue, members shared capital balance policies and processes from their respective home counties.

Next Steps

- Ms. Winner said that she would prepare a revised draft of the proposed fund balance legislation that reflected the group’s discussion and distribute it prior to the next meeting.

Next Meeting

- Thursday, January 10th 10am-Noon at the School of Government