

**Proposed language for fund balance communication (added to existing statute):**

§ 115C-426.2. Joint planning.

(a) In order to promote greater mutual understanding of immediate and long-term budgetary issues and constraints affecting public schools and county governments, local boards of education and boards of county commissioners are strongly encouraged to conduct periodic joint meetings during each fiscal year. In particular, the boards are encouraged to assess the school capital outlay needs, to develop and update a joint five-year plan for meeting those needs, and to consider this plan in the preparation and approval of each year's budget under this Article.

(b) County and school system staff involved in [responsible for] finance and budget preparation shall meet each year to discuss long-term budget needs and planning for the public schools in the county before the board of education submits its budget to the board of county commissioners. Staff are encouraged to develop [will develop] a local fund balance plan for use by the school system, which could include, for example, fund balance needs for disaster preparedness, reimbursement purposes, cash flow and State appropriation contingencies, time-limited projects, retirement expenditures, and funding for unforeseen circumstances. Staff shall also meet 30 days [a reasonable time] after the state budget becomes law to address changes required that fiscal year. County and school system staff are strongly encouraged to pursue multiple opportunities for communication and budget transparency throughout the budget cycle.