

Joint Schools, School Facilities and Superintendents: An Alternative Approach to Address Community Public Education

The current wave of consolidating public education entities in the United States is found in northern states experiencing a decline in the Gross State product, high unemployment, a declining population base and higher operating costs. These external factors have led to a decrease in the number of school-age children attending public schools, higher operating costs per student, and a decrease in state-assisted funding. Historically, school district consolidation efforts have been shown to be more successful than consolidation of local governments. School boards in a consolidated school district are combined and downsized in number of representatives with grass-roots consolidation efforts respected and almost always honored by the courts. The Commonwealth of Virginia also allows for consolidated school districts.

Section 22.1-25 of the Code of Virginia provides the State Board of Education the authority to establish school division lines. Division lines existing on July 1, 1978 are recognized by law as the established school divisions of the Commonwealth of Virginia. No school division may be divided or combined with another without the approval of the localities involved. Since July 1, 1978, the State Board of Education has approved consolidation of several school divisions.

One of the approved consolidated school systems is the City of Williamsburg and James City County school system that operates under a contract for the joint operation of schools. The two members of the City School Board and five members of the County School Board serve as one School Board for all decisions regarding operation of the joint school system including the hiring and firing of the superintendent.

The five-year contract effective July 1, 2007 sets forth the funding formula for the City to pay operational costs equivalent to the percentage of City students enrolled in the joint system times an add-on factor of 1.15 for fiscal years 2008, 2009 and 2010 and 1.14 for fiscal years 2011 and 2012. To calculate the percentage of City students, the average school division daily membership is computed as of September 30 of the preceding fiscal year and is used in applying the formula to the next fiscal year. Nonresidents living in other localities, those of halfway houses, group homes, detention centers, and mental hospitals without a home address in the City or County, and children who cannot be assigned a home address in the City or County are not included in the funding formula. This funding formula also is used to determine all capital project costs approved by the governing bodies.

The City and County directly provide their share of state sales tax to the joint system with the School board determining how the funds are used. The Council and Board also have the responsibility to assure that funding provided to the joint school system is spent wisely and efficiently in achieving quality of education for students.

Under state law, school boards may establish jointly owned and operated regional schools, including regional public charter schools. The Code of Virginia also allows for a school board to contract with the school board of an adjacent school division for use of school facilities and for any two or more school divisions to appoint the same person as school superintendent.

In 1992 City of Lexington students began attending Rockbridge County High School. The high school is owned and operated by Rockbridge County public schools with Lexington paying tuition based on the number of City students attending the high school. Compiled information by the Virginia Department of Education shows that as of March 5, 2008 for student membership reported on September 30, 2007 there were 1,071 students in grades 9-12 attending Rockbridge County High School and 337 students in grades 9-12 attending Parry McCluer High School in the City of Buena Vista for a regional total of 1,408 high school students.

Virginia Department of Education student membership on September 30, 2007 compiled as of March 5, 2008 for grades K-8 for the County and Cities of Buena Vista and Lexington is:

Rockbridge County	1,756
City of Buena Vista	817
City of Lexington	488
Regional K-8 Total	3,061

Total regional student membership for K-12 compiled March 5, 2008 from September 30, 2007 reporting to the Virginia Department of Education is 4,469.

With the existing relationship between the City of Lexington and the County, information on future total student enrollment projections is important and is reported as:

	FY09	FY10	FY11	FY12
Lexington	635	628	607	607
Rockbridge	2,644	2,620	2,600	2,606

Student membership is one of the indicators in considering joint schools, facilities and superintendents as alternatives for public education. Other indicators include transportation routes, location and use of school facilities, management and staffing, and funding for operations and capital projects. Funding for school operations is provided by federal, state and local receipts. State funding for school operations is based on composite index of local ability-to-pay and is calculated for each school division by the Virginia Department of Education based on indicators of true value of property, adjusted gross income, taxable retail sales, March 31 average daily student membership, and total population of the locality. The 2008-2010 composite index calculated with 2005 base year indicators excluding nonresident adjusted gross income for Rockbridge and Lexington is:

	TRUE VALUE OF PROPERTY	ADJUSTED GROSS INCOME	TAXABLE RETAIL SALES	MARCH 31, 2006 ADM	TOTAL POPULATION	COMPOSITE INDEX
Rockbridge	\$2,861,893,725	\$ 457,882,964	\$ 211,879,656	2,744	21,336	.4728
Lexington	\$ 511,880,637	\$ 119,397,527	\$ 50,348,683	625	7,097	.4040

(Data Sources: True Value of Property, Adjusted Gross Income and Taxable Retail Sales – Virginia Department of Taxation, March 31, 2006 ADM – Virginia Department of Education and Total Population – Weldon Cooper Center for Public Service, UVA; US Census)

The actual intergovernmental revenues received by the City of Lexington and Rockbridge County and actual total revenues and expenditures for school operations excluding school debt service for the year ended June 30, 2007 as reported in the comprehensive audited financial reports are:

	Lexington	Rockbridge
Federal	\$ 306,517	\$ 1,981,331
State	3,014,661	13,104,895
Local	1,892,922	10,578,052
Total Revenues	\$5,451,539	\$27,057,455
Total Expenditures	\$5,403,947	\$27,057,455

Other variables to consider in any discussion or further research on alternative approaches to address community public education include graduation rate, class size, academic achievement, class offerings, activities, future proposed new school facilities, debt capacity and other measures to determine the best management practices for any joint operation or shared school facility. In challenging times, considering alternatives and ideas for the future to alleviate compounding and increasing operations and particularly debt is prudent. Comprehensive planning and communication by community leaders and stakeholders will further assist in engaging internal and external resources to develop innovative and collaborative regional solutions addressing public education.

Should school divisions decide to consolidate, development of a master plan by school officials would need to include basic components to be dissolved in each school division, phase-in of the new consolidated division, and administration and operations of the consolidated/joint school division. The School Boards of the respective divisions would consider each division's finances, property and assets, debt service, workforce, curriculum, federal and state programs, athletics and school activities. With no two consolidation efforts being the same, preparing to meet the challenges of such an effort assists in mitigating frustration that in all likelihood will occur. A few noted benefits from lessons learned from school consolidations are:

- One school district may eliminate competing interests and discord among two entities serving the same community or demographic base.
- Less duplication of effort including and not limited to human resources, purchasing, facilities, maintenance and operation of facilities and assets, finance and team sports results from a consolidated school district.
- A consolidated school district will have a higher combined student population which may serve as a tool for city/county economic development efforts.
- A consolidated school district allows for taking greater advantage of economies of scale.
- To fully undertake the highly complex, sensitive and emotional nature of addressing consolidated/joint schools, acquiring services of a professional consulting firm to help with the effort is recommended. Such a professional firm will not have the emotional ties to the former districts, employees, athletics or neighborhoods and will readily be

able to identify potential areas for realization of financial savings and process improvements.

Information contained in this paper regarding the Cities of Buena Vista and Lexington and Rockbridge County school systems is available on the specific schools and Virginia Department of Education websites and by contacting the school administrative offices in each jurisdiction. Other information on school consolidation was provided by James City County, Virginia, Management Analysis, Incorporated and the Virginia Association of Counties.