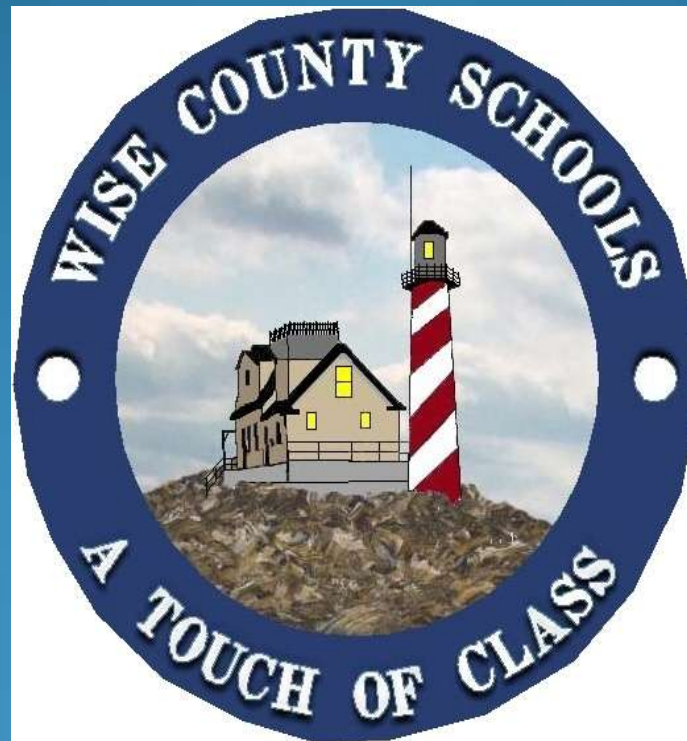


WISE COUNTY SCHOOL DIVISION PLAN OF CONSOLIDATION



Consolidation Plan

Basic Plan

- Consolidate six high schools into three high schools
- Combine Powell Valley and Appalachia
- Combine Pound and J. J. Kelly
- Combine Coeburn and Saint Paul
- May be some flexibility on building schedule
- Commitment to finish all three

Enrollment Numbers

New School Configuration	Projected Enrollment
Appalachia Powell Valley	681
Pound Wise	696
Saint Paul Coeburn	504

Public/Private Education Act Schedule

Num	Description	Time Frame
1	Disseminate RFPs for solicited proposals	Mid-August 2009
2	Receive first round (preliminary eng. report)	Late-September 2009
3	Review and select leading proposals	First of October 2009
4	Receive second round (more detailed)	Mid-November 2009
5	Award bid	First-December 2009
6	Final design work and refinement	Dec./February 2009/2010
7	Construction begins	February/March 2010
8	School completed	July 2012
9	Open school	August 2012

Financial Responsibility

1. Total Cost \$100 million
2. Board of Supervisors must address
 - a. Debt management policy
 - b. Amount of debt service that is responsible
3. Debt Service on \$33 million \$2.6 million
4. Debt Service on \$66 million \$5.2 million
5. Debt Service on \$100 million \$7.9 million
6. Debt Service without raising taxes? \$70 million

Payment Options

Num	Descriptions	Rate	Total	Difference
1	Virginia Public School Authority Bonds	5%	\$159 million	0
2	Rural Development Authority Bonds	4%	\$146 million	\$13 million
3	Low Interest Zero interest Bonds	0%	\$100 million	\$59 million
4	Lease Options	n/a	Deferred payment	n/a
5	Assuming 2010 Bond Issuance * Interest 2011 * Principal and Interest 2012	n/a	n/a	n/a

Social Aspect

1. Expanding the concept of community schools

- a. 1950's (9 schools)
- b. Consolidated into 6 high schools
- c. Economic factors (Weldon-Cooper Study)

2. Must develop a sustainable design

a. Loss of student enrollment

* 2003 enrollment	6,698
* 2008 enrollment	6,537
* Net loss state/federal	(161) \$1.2 million

b. Increased operational costs

- * 2003 Budget \$57 million
- * 2008 Budget \$75 million
- * Net increase \$18 million

3. Need to develop a planned and deliberate consolidation

- a. Lost \$3 million (more cuts possible)
- b. Budget is nearly 75% wage/benefits
- c. Options – closed schools or cut programs
- d. Failure to plan will result in forced, inflexible and difficult consolidation

Financial Aspect

1. Take advantage of Stimulus funding or bonds

- a. Difference between VSPA 2008 (5%) and VSPA 2009 (3.8%)
 - * \$700,000 annually
 - * 14 million over 20 years
- b. Other funding opportunities (zero interest bonds)
 - * \$59 million
- c. Ancillary services (sewage, transportation, technology, etc)

2. Take advantage of low construction costs

- a. Cost per square foot 2007 (over \$200 sq. ft.)
- b. Project cost per square foot 2010 (\$150 sq. ft.)
- c. Savings on this project
 - * \$6.5 million per school
 - * \$19.6 million total

3. Realize operational savings from consolidation

- a. Savings of \$3.1 million
- b. Savings of \$1.4 million (non-instructional)

Educational Aspect

1. Size of the high school

a. Average Virginia enrollment (1187 enrollment)

b. Same enrollment as three largest schools in late 1970's

* JJKHS	692	projected total	696
* PVHS	562	projected total	681
* CHS	465	projected total	504

2. Academic performance

a. Research indicates balance

b. Wise County School Division

3. Equity of opportunity

a. Limited experiences/curriculum

b. Limited diversity and social environments

c. Loss of opportunity

d. Versatility of staff member and skill sets

e. Attract the best

4. Recruiting and retention

Summary

1. Need to Make Difficult Decision

- * Assume a leadership role
- * Develop a vision and future for the county
- * Do what is best for Wise County

2. Need for to Take Immediate Action

- * Take advantage of the construction market
- * Take advantage of the bond interest rates
- * Help stimulate the local economy
- * Resolve the issue before we face crisis-management

3. Need to Move Forward

- * Create unity and progress
- * Develop long term plans for school division and county
- * Meet the educational needs today
- * Allow us to focus on other issues

Consolidation Savings

Category	Description	Savings
Administrative	Principals, asst. principals, counselors, SROs, bookkeepers, adm. asst., nurses	1,400,000
Instructional	Reduce number of teachers from 160 to 144	964,000
Support	Cafeteria, custodians, ISS, fiber optic, and clerks	344,700
Coaching	Reduce the number of coaches from 165 to 114	153,400
Operational	Water, sewage, electricity, maintenance, etc.	380,000
Total		3,242,100

Facility Facts

Description	Data
Square footage	131,000
Projected enrollment	700
General classrooms	24
Typical classroom	750 SF
Gym	14,000 SF
Auditorium	14,600 SF
Fine arts	6,000 SF
Media Center	1,710 SF

Description	Data
AES/SPES	\$2,500,000
Contingency	\$1,200,000
Building costs	\$21,000,000
Site Costs	\$5,600,000
Technology	\$1,200,000
Furniture/Equip.	\$1,200,000
Technical costs	\$3,000,000
Total	\$91,000,000 - \$100,000,00