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Non-resident Reasoning:

Why Accept Applications for Non-resident Students?!

Get ready to make a prediction. Which of the following statements is true?

- By no longer accepting select non-resident students, the Salem City Schools can save money and provide better educational opportunities for children who reside in Salem.
- By no longer accepting select non-resident students, the Salem City Schools will lose \$1.6 million in funds from the Virginia Department of Education and reduce the number, variety, and quality of educational opportunities for children who reside in Salem.

Before providing the answer, let's consider why there is a question. When we budget for our families and businesses, there are generally only two considerations...total revenue and total expenditures. The natural inclination is to apply this thinking to a school division, which is why I am frequently asked the question, "Why do Salem City Schools accept applications from non-resident students...shouldn't we only spend Salem money on Salem children?"

The answer is often unexpected because people do not fully understand how school divisions in Virginia are funded. The first clue is in the term "school division." In most states, Local Education Agencies (LEAs) are "districts" not "divisions." In Virginia, however, LEAs are a "division" of the State Board of Education. Most all of our policies and procedures are mandated by the State Board of Education including the Standards of Quality (SOQ) that set staffing requirements, the Standards of Accreditation (SOA) that set curriculum and graduation requirements, and the more widely known Standards of Learning (SOLs).

The City of Salem School Board is the policy-making body for our division, but our local Board may only make policies and regulations that enact state policy or involve a relatively small number of local options. One responsibility granted to the local School Boards is the development of the recommended budget for the local appropriating body, in our case the Salem City Council. On the revenue side of the school division operating budget are local, state, and federal funds. Unless the current economy results in a reduction in aid this school year (2008-2009), the Commonwealth of Virginia will reimburse the City of Salem \$4531 for every student, regardless of where the child resides.

This year, Salem City Schools received and approved applications for 369 children from 270 families to attend Salem City Schools (87% of whom were returning non-resident students who attended our schools last year.) Multiplying the state's reimbursement by the number of non-residents provides more than \$1.6 million in additional state revenue. When added to approximately \$95,000 in tuition from non-resident students the total is

more than \$1.7 million that the Salem School Board allocates to provide a comprehensive and rigorous curriculum that includes five different foreign languages, a variety of Career and Technical programs, and an array of intervention and enrichment opportunities in grades K-12 that are far exceed what is expected for a school division of slightly less than 4000 students.

Our choice to accept select non-resident students is not just about increasing our share of revenue from the state. Salem City School Board Policy is selective and requires that non-resident student applications are considered *only* when space is available and that acceptance be determined based on the applicant's attendance, conduct, and academic achievement.

In the spring of each year, all non-residents are required to re-apply and principals re-evaluate space availability and review the attendance, conduct, and student achievement of each applicant. These policy provisions are in place so that the number of non-resident students in any one grade-level, school, or program do not result in additional cost as they are accepted only when there is space in an existing program. Further, the application process and annual review helps ensure that our non-resident students are good citizens with strong achievement who contribute to the life of our schools and the quality of our programs.

An especially well informed reader may ask, "If having a limited number of selectively chosen non-resident students is such a good thing, why then did Roanoke County Schools stop accepting non-residents in 2008?" The answer involves economies of scale. Roanoke County has five high schools and five middle schools. This significantly larger number of schools and teachers provides greater flexibility when staffing programs and responding the natural ebb and flows of student enrollment. If one high school has a smaller-than-usual ninth grade class or student interest in an advanced math course or a foreign language dips at one school, the teacher's time can be split between two or more schools by assigning the teacher to teach part of the day at a school where numbers are up and reducing their assignment at a school where numbers are down.

In Salem, we do make good use of teachers who have licenses and experience that permit them to teach at multiple levels (elementary, middle, and high). For example, our elementary schools began using a new schedule this year so that shared staff can spend less time traveling and more time teaching by no longer splitting a day between two schools and instead varying the number of days each week that itinerant staff serve in different buildings. The only other way to control for subtle changes at the elementary level is to frequently adjust attendance zones so that in a year that kindergarten enrollment is down a little at one school, children on an attendance boundary who would attend a school with slightly larger numbers could be reassigned to a different elementary school.

This approach across our four elementary school could conceivably result in some savings (perhaps one teacher in some years and none in others) but the significant impact on the strong identity of our four elementary schools, the potential separation of

siblings in the same family who happen to live near a boundary, and the complication of current strong partnerships with Parks and Recreation, Booster Clubs, etc. far exceed the minimal savings that could be achieved.

The challenge is even greater at the secondary level. As a one high school and one middle school division, we cannot maintain our high quality teaching staff by reducing contracts of special area teachers in any one school year. By selectively accepting non-resident students in grade-levels with space available, we are able to insulate our programs from the naturally occurring ups and downs in enrollment and ensure that Salem students have reliable access to quality programs and courses.

You also may be wondering why we do not charge non-residents more to participate in our quality programs. This is a valid question that your School Board members and I are occasionally asked, and the answer is quite simple. An increase in tuition could actually *reduce* revenue for the school division. One would expect that a \$100 increase in tuition would increase revenue by \$36,900, but if just ten children elected not to attend because of the increase in cost to their families, the school division would realize a corresponding reduction in state aide of \$45,310. For this reason, the School Board must carefully consider tuition increases like the one enacted this school year.

As a school leader who is also a parent and a tax payer, I can best boil the issue down to a matter of return on investment. In fiscal year 2006 (the last year that state-wide numbers are available, Salem City Schools spent \$1116 *less than* the state average per student, yet Salem consistently recruits and retains an exceptional instructional staff who help the students we serve achieve at very high levels. It is precisely our history of high achievement when compared to what is expected based on per capita income that has resulted in our designation by Standard and Poors as an "Outperforming School Division."

Please note that our selective inclusion of non-resident students is not solely responsible for this considerable return on Salem's investment. We are also a very efficient school division, expending only 3.5% of our annual budget on central administration and making great use of our partnerships with the city to maintain buildings, playing fields, and transportation operations without a duplication in services by the two separate legal entities. The reality is, however, that an additional \$1.6 million in state revenue is approximately 4% of our total budget (the equivalent of approximately 30 teaching positions).

To arbitrarily stop accepting non-resident students would require either a reduction in the variety and quality of programs available for students who live in Salem or an increase in local expenditures to make up for the loss in state revenue. To date, our School Board has considered all of these variable (and more) and determined that by selectively accepting non-resident students in grade-levels that have space available, we increase revenue without increasing cost and serve a number of remarkable children who maintain good attendance, conduct, and achievement.

Hopefully our tradition of good results and fiscal responsibility translates into a measure of trust that we will seek to continually improve by monitoring this and other issues facing school divisions in Virginia and make well reasoned and prudent decisions accordingly.

Citizens who may have additional questions are encouraged to review the “Non-Resident Fact Sheet” that is revised annually in October and is available from my web page (<http://saalem.k12.va.us/salemdiv/superintendent/index.html>) or to contact my office either by calling 389-0130 or via email at: aseibert@saalem.k12.va.us.