



COMMONWEALTH of VIRGINIA

Patricia I. Wright, Ed.D.
Superintendent of Public Instruction

DEPARTMENT OF EDUCATION
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September 12, 2013

The Honorable Walter A. Stosch
Chairman, Senate Finance Committee
Virginia General Assembly
Innsbrook Centre
4551 Cox Road, Suite 110
Glen Allen, Virginia 23060-6740

The Honorable Lacey E. Putney
Chairman, House Appropriations Committee
Virginia General Assembly
P. O. Box 127
Bedford, Virginia 24523

Dear Senator Stosch and Delegate Putney:

Pursuant to Item 139 A. 4. c.1) of the 2013 Appropriation Act (Chapter 806, 2013 Acts of Assembly), I am required to report on the composite indices approved by the Governor and the Board of Education under this provision. The most recent approval involves Bedford County. Item 139 A. 4. c.1) reads:

“In the event that two or more school divisions become one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, which shall include the transition of a city to town status, all state payments from this item adjusted by the composite index of local ability to pay to such resulting division or interest rates on approved Literary Fund loans shall be made on the basis of a composite index established by the Board of Education, which shall equal the no lower than the lowest nor higher than the highest composite index of any of the individual school divisions involved in such consolidation. In addition, the local share of state payments adjusted by the composite index shall also be based on the same composite index of any of the individual school divisions involved in such consolidation. This index shall remain in effect for a period of no less than five nor more than fifteen years, unless a lower composite index is calculated for the combined division through the process for computing an index figure as set forth above. The Governor shall approve the composite index determined by the Board of Education prior to disbursement of funds under such index. The department shall report to the Chairmen of the House Appropriations and Senate Finance Committees the composite indices approved by the Governor and the board in the event this provision is implemented.”

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As you are aware, the City of Bedford reverted to town status within Bedford County effective July 1, 2013. With Bedford City's reversion to town status, the Bedford City school division was dissolved and the Bedford County school division became responsible for public education within the new town entity. In accordance with Item 139 A. 4. C. 4), a new index for the consolidated school division was established by the Board of Education at its May 2013 meeting and approved by Governor McDonnell with an effective date of July 1, 2013. Item 139 A.4.c.4) reads:

"In the case of the consolidation of Bedford County and Bedford City school divisions, the fifteen year period for the application of a new composite shall apply beginning with the fiscal year that starts on July 1, 2013. Notwithstanding the provisions of paragraph c.1) the composite index established by the Board of Education shall equal the lowest composite index that was in effect prior to July 1, 2013, of any individual localities involved in such consolidation, and this index shall remain in effect for a period of fifteen years, unless a lower composite index is calculated for the combined division through the process for computing an index as set forth above."

Based on this provision, the composite index approved by the Board of Education and Governor McDonnell to be effective July 1, 2013, is 0.3132, which represents the composite index for Bedford City for the 2012-2014 biennium.

The state cost in fiscal year 2014 to provide Direct Aid to Public Education funding to Bedford County based on the composite index of 0.3132 is \$6.2 million. Governor McDonnell included this funding in his budget amendments to the 2013 General Assembly, and it was approved in the Chapter 806 budget. Since the Governor's approval of the adjusted composite index, all fiscal year 2014 state payments to Bedford County Public Schools have been made using this revised composite index.

Please do not hesitate to call me at (804) 225-2023 if you have any questions regarding this letter. You may also call Kent Dickey, deputy superintendent for finance and operations, at (804) 225-2025, if his assistance is needed.

Sincerely,



Patricia I. Wright, Ed.D.
Superintendent of Public Instruction

PIW/KCD/cle

c: The Honorable Robert F. McDonnell
The Honorable Laura W. Fornash