



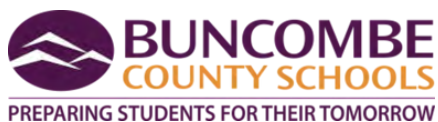
Buncombe County

School Consolidation Feasibility Study - Executive Summary

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Executive Summary

In April 2024, Buncombe County contracted Prismatic Services to conduct a study of the feasibility of consolidating the 2 public school systems within its boundaries: Asheville City Schools (ACS) and Buncombe County Schools (BCS). This study was in response to a mandate from the NC General Assembly (House Bill 142/SL 2023-12).

Prismatic followed an 8-task work plan to meet the County's requirements and provided a team of 11 consultants, supported technical and analytical staff. Project activities and report writing occurred from April through December 2024. Activities included data collection, observations, interviews, focus groups, and community forums. High school students, parents, ACS/BCS staff, and general community members provided input via online, confidential surveys. A summary of all forms of constituent input is provided in Chapter 3, while the results by input/constituent type are provided in the Appendices.

The legislative mandate required assessing the potential "economic and educational impact" as well as "any other relevant information." As there is no standard methodology or substantial historical precedent for assessing the feasibility of school system consolidation, Prismatic framed its work to respond to 3 key questions:

- ◆ *What does the research say?* A strong research base in favor of consolidation, yielding economies of scale, cost reductions, and/or improved academic outcomes would argue in favor of consolidation. A strong research base in favor of school systems of ~25k students (roughly the potential size of a consolidated ACS/BCS system) would also argue in favor of consolidation.
- ◆ *What do constituents want?* Constituents, including students, parents, community members, ACS/BCS staff, leaders of agencies/businesses that work with ACS/BCS, and government officials, have lived in the current dual system environment. Their experiences, thoughts on consolidation, and ideas for improvement matter. So do the factors that they deem most



important in considering consolidation. A constituent base that highly favored consolidation if it would likely save X% each year, combined with a research base that indicated consolidation could achieve X% savings each year, would lead the study to conclude in favor of consolidation.

- ◆ *Would consolidation improve things?* To answer this question, Prismatic consultants dove deeply into the operational areas required by the County's RFP:
 - ◆ Governance, Policy, Procedures
 - ◆ Educational Outcomes
 - ◆ Student Well-being
 - ◆ Instructional and Programmatic Offerings
 - ◆ Student Enrollment
 - ◆ Facilities
 - ◆ Business Operations/Fiscal Impacts
 - ◆ Management, Personnel, and Communications
 - ◆ Child Nutrition
 - ◆ Transportation
- ◆ For each area, consultants were tasked with answering 2 key questions:
 - ◆ *Are ACS and BCS equitable in this area?*
 - ◆ *Would there be financial, operational, or equity benefits to consolidation in this area?*

Conclusions

Prismatic reached 3 conclusions related to the current environmental conditions in which ACS and BCS operate and 6 conclusions specifically related to the study question of consolidation.

Environmental Condition – Enrollment Projections

From 2019-20 through 2023-24, Buncombe County K-12 enrollment declined by 5%. This was not just a COVID effect. Although the population of Buncombe County is expected to grow by 28% as of 2050, it will not include a proportionate number of K-12 residents. Countywide, the County is expected to grow just 8% among residents aged 5-18 as of 2050. Barring an unexpected disruptive event, level enrollment in ACS and BCS is the best case scenario for the near future.

Further details on enrollment and demographic projections are provided in Chapter 1 and the facilities section of Chapter 4.

Environmental Condition – Facilities

Although well-maintained, both ACS and BCS have many schools that are underutilized now, even before the effects of low population growth are considered. Using best practice standards for utilization (a measure of how many students the school is built for compared to the number actually using it), all ACS schools are underutilized and 37 of the 45 BCS schools are underutilized. Continuing to use schools that are substantially underutilized creates multiple additional cost burdens and opportunity costs for a school system.

Further details on facilities conditions are provided in Chapter 4.

Environmental Condition – Boundaries

The boundaries of ACS and those of the City of Asheville are not the same. Some students who live in the City of Asheville are zoned to attend BCS, rather than ACS. This situation is confusing among at least some residents; while the City has ~94k residents, only ~43k are zoned for ACS. Had the County prevented this lack of coterminous border lines as the City grew (or corrected it prior to now), ACS would likely have substantially larger enrollment than it does now.

Further details on boundaries are provided in Chapter 6.

Consolidation Consideration – Student Performance

Neither system is operating at a much higher level than the other – while in some cases ACS and BCS are outperforming state averages on EOCs, EOGs, and graduation rates, neither is far outpacing state averages or the other system. Both have disappointing current results with various student subgroups. Although both systems are making efforts to reduce achievement gaps, neither has yet demonstrated that it is on a certain path to success.

Further details on student performance are provided in Chapter 4.

Consolidation Consideration – Cost Saving Potential

Overall, Prismatic did not find areas of excess central office staffing in either ACS or BCS. With consolidation, Prismatic concluded that the likely savings in ACS/BCS central office staff positions would be only ~6%. Using aggressive salary and benefits assumptions, this would result in ~\$3.3M in annual savings, a 0.80% reduction in overall expenditures. Assuming the consolidated system adopted 1 facility for its central office, there would be some cost savings there as well. Unless schools are closed or attendance boundaries redrawn as part of consolidation, there would be no savings in school-based staff positions.

These savings would be offset by 1-time expenditures related to the implementation of consolidation, a loss of ~\$0.5M in annual state funding, and a likely substantial additional expense resulting from a need to adopt a consistent approach to salaries and supplements. Not only does pay differ between ACS and BCS for some positions, each offers a different level of salary supplement, tied to years of services and, in the base of BCS, position type. Reconciling these difference would likely only be in the upward direction. For example, if position A was paid at a higher level in ACS than in BCS, the ACS rate would be adopted. Then, if position B was paid at a higher level in BCS than in ACS, the BCS rate would be adopted. The net result would be overall higher salary expenditures in the new system than in either the current ACS or BCS. As salaries (and benefits) are more than 80% of the ACS/BCS budgets, this adjustment work could have a substantial impact on the new system budget.

Further details on department-level costs savings are provided in Chapter 4 and on overall cost savings potential in Chapter 5.

Consolidation Consideration – Collaboration

There is little interaction between ACS and BCS currently, from the leadership levels down. This has a potentially negative impact on the current operations of each system, as they face a number of common challenges and could likely join forces to better address them. They could explore more shared services in several areas in order to improve efficiency. Considering consolidation, the current lack of collaboration would mean that the 2 systems would have to engage in a much longer discovery process than County leaders might have expected.

Further details on collaboration are provided in various sections of Chapters 3-6.

Consolidation Consideration – Culture

Concerns over differing “cultures” were raised in interviews, community focus groups, community forums, and constituent surveys. Various constituents defined “culture” in different ways, and most described perceived cultural differences between ACS and BCS. While both ACS and BCS leaders spoke positively of the cultures of their own systems, none expressed a desire to become more like the other system in any substantive way. Considering consolidation, addressing the perceptions and potential realities around the issue of culture would mean that the completion of consolidation will likely take longer than County leaders might have expected.

Further details on culture are provided in various sections of Chapters 3, 4, and 6.

Consolidation Consideration – Constituent Support for Consolidation

There is little local appetite for consolidation. While constituents frequently approached conversations on the topic with an open mind, they wanted to know specifics of what a consolidated system would like look and whether there was strong evidence that consolidation would lead to improved student outcomes or financial standing.

Among those who voiced support for consolidation, it was generally phrased as “things are not great now, so trying something new might work.” Others expressed support for consolidation because the historical leadership turnover problems in ACS and persistent achievement gaps were felt to be insurmountable challenges. Prismatic did not find any of these 3 opinions to be a compelling argument for consolidation. There are many other efforts to which ACS and BCS might apply themselves that could also lead to improvements. At this point, ACS seems to have addressed its leadership turnover problems; moreover, it only recently switched an all-elected board and that board should be given time to prove itself. Finally, both ACS and BCS have persistent achievement gaps; combining the systems would not clearly address this problem.

Further details on constituent opinions are provided in Chapter 3.

Recommendation

Based on the literature review, constituent input, local environmental factors, the current operations and academic outcomes of each school system, **Prismatic does not recommend consolidation of ACS and BCS.**