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School District Consolidation

Debates over school district consolidation are currently heating up in Vermont. Rising property taxes have led legislators to consider ways that the state can save money on education, and school district consolidation is a popular and controversial idea. In May, 2006 Vermont Education Commissioner, Richard Cate, offered a proposal to reorganize the educational system of Vermont. The proposal included reducing the number of school districts from 280 to 58, eliminating the supervisory unions and replacing them with districts, and the creation of school boards to oversee these districts. In the formal proposal itself he doesn't specify whether the plan would involve closing small schools, but he does identify disadvantages that come with small schools. Education Commissioner Cate's proposal is similar to the proposal put forth by Maine's Gov. Baldacci.

The most important issues surrounding district consolidation are whether it actually saves money and its impact on the quality of education. A look at the vast amount of research on the topic provides fairly uniform if slightly complex answers to these questions. Generally, the evidence suggests that district consolidation can save money for school districts, but is often undertaken in such a way that has negative effects on student performance. This is largely because there is a positive correlation between school district size and school size (Berry, 2006) and most researchers agree that large schools lead to a lower quality of education. Generally speaking, most researchers argue for a number of students somewhere between 1500 and 6000 students per district.

It is important to distinguish between administrative consolidation and educational consolidation. Administrative consolidation can be undertaken without affecting the size of schools, simply by streamlining the amount of highly paid administrators in a given district. Educational consolidation amounts to consolidation of two or more schools into one. School district consolidation inherently implies administrative consolidation and is often, but not always, accompanied by educational consolidation. The literature is highly critical of consolidation of schools, but less so on administrative consolidation. It seems that the trick to school district consolidation is streamlining administration without negatively impacting education quality. This report will go through some of the best academic and government papers on the topic of school district consolidation to identify the positives and negatives of such a policy. It will also look at what different states have done in terms of district consolidation.

Reasons for Consolidation of School Districts

Economies of Scale

An argument in favor of district consolidation is that a wide range of numbers of students can be served by roughly the same amount of administrators (Duncombe and Yinger, 2005). This argument holds especially true for central administration, as an effective central administration would only have to increase its staff incrementally as the number of students enrolled increases. Central administration is a very costly aspect of a school budget, as the people who are acceptably qualified to run schools and districts will often not accept low pay rates. Thus limiting the number of central administrators is an important issue for districts trying to save money. In practice, however, school consolidation does not necessarily lead to savings in this area (see discussion below).

A similar argument is one based on the assembly line model (Duncombe and Yinger, 2005). Students will be better served if they are in a school that is run like a large machine, with faculty and administrators each performing specialized tasks. A related issue is that of class choice. Larger school districts will be able to offer more specialized classes (AP classes, Special Education, etc.) at a lower cost. If students from one school want to take certain classes, they can just be shipped over to the school that offers them.

Transportation

Many in favor of school district consolidation argue that district consolidation can help rural schools save money on transportation. The argument goes that district consolidation will allow the new, larger districts to better coordinate transportation and buses. A prominent method of accomplishing this is to stagger school start times so that the same buses can be used for multiple schools. Consolidating schools themselves will also theoretically save money for districts as that will create a central point around which to coordinate transportation. One study found that in most cases of school consolidation (not district consolidation) transportation costs decreased in the first year after consolidation, and in the years after consolidation increased at rates similar to those prior to consolidation, which means a net increase in actual savings (Gritter, Silvernail, and Sloan, 2007).

Supplies

Perhaps the most solid fiscal argument in favor of school district consolidation is that schools would be able to take advantage of economies of scale by buying food and school supplies in bulk (Duncombe and Yinger, 2005). While this is a very strong point, it is difficult to see why school districts couldn't achieve this same effect simply by cooperating on this one issue.

Reasons for Limiting Size of School Districts

Transportation

For rural school districts, the cost benefits of consolidation can often only be gained by consolidating schools as well as districts (Duncombe and Yinger, 2006). Larger schools provide a hub from which districts can coordinate bus services, but this forces one or more groups of students to use longer, more costly forms of daily transportation. Longer commutes can also potentially reduce student attendance and performance. A 1973 study found that for every hour spent on a bus, elementary students lost 2.6 achievement points (Lu and Tweeten, 1973). While there is no recent data that conclusively demonstrates reduced performance as a result of longer bus rides, Howley and Howley (2001) describe the findings of a recent study (Fox, 1996) as follows:

Fox found that long rides reduced the number and variety of household activities and reduced students' sleep time, recreational time, academic attentiveness, and extracurricular participation. Moreover, Fox found that rural farm families were the ones most seriously inconvenienced, because their schedules were the least adaptable.

Effects on School Size

There is a very strong correlation between large school districts and large schools (Berry, 2006). For many rural districts, the decision to consolidate is often hinged on combining two high schools. In Vermont, this means the creation of “union” high schools that would result in the closing of the high school in one district, and the expansion of one in another to accommodate the students from the closed school. The research generally agrees that large schools can be quite detrimental to quality of education.

A study by Cotton (1996) demonstrates that larger schools often result in lowered motivation for both students and teacher. Drawing on her own research, and that of others, she finds that smaller schools almost always result in better student attitudes, a better sense of belonging among the students, and more effective and integrated teaching methods. Furthermore, large schools have been demonstrated to be especially damaging to educational quality in areas with high poverty rates (Johnson, Howley and Howley, 2002). Thus district consolidation can do the most damage to the students who need the help of their public schools the most.

Local Concerns

One of the arguments that opponents of district consolidation emphasize is that consolidation will weaken local input in the way that schools function. For example, Ilvento (1990) finds that the local school is an important pillar of rural communities both socially and economically. Parents generally appreciate the ability to influence their children's education, and the personal effects of community based schools are thought to have similar benefits to those of small schools. These fears have been voiced by many Mainers in response to Gov. Baldacci's proposal (Wallack 2007).

Another fear regarding district consolidation is about loss of identity. The fear is that school consolidation will lead to a withering away of community and community identity (Rink and Ward, 1992). Rural schools are widely seen as pillars of rural communities, and the fear of loss of control corresponds closely with a fear of loss of community identity.

Administrative Costs

In general, district consolidation has also been shown to increase administrative costs per-pupil while decreasing the amount spent on supplies and teachers (Duncombe and Yinger, 2005). It seems that one of the main risks of district consolidation is indeed the growth of costly and sprawling administrations. Duncombe and Yinger (2005) argue that while this is a serious risk, good management and administration can limit the trend, and maintain the savings gained through consolidation.

Effects on Labor Relations

There are possible negative effects on labor relations that can result from school district consolidation. According to Tholkes (1991), teacher costs in a consolidated district can increase for a variety of reasons including more powerful unions which can both negotiate for higher wages and prevent staff layoffs. And the “leveling up” of wages district-wide to that of the most generous school (Duncombe and Yinger, 2005).

Effects on Housing Values

One study of the effects of school district consolidation (Brasington 1998) found that district consolidation has a negative impact on housing values. Brasington finds that “doubling the size of a school lowers student proficiency passage rates by 1%,” which has the effect of lower housing prices by an average of four hundred dollars. The reasons for this are fairly clear. Housing values are often influenced by proximity to quality schools, and school consolidation will reduce the number of homes that are close to schools. Brasington points out that by lowering the housing costs of a given area, the area only serves to lower its own tax revenue, countering the savings incurred by district consolidation. One way to counter this would be to shift school funding away from property values.

Thus, the extant research on school consolidation finds that:

School consolidation produces less fiscal benefit and greater fiscal cost than it promises. While some costs, particularly administrative costs may decline in the short run, they are replaced by other expenditures, especially transportation and more specialized staff. The loss of a school also negatively affects the tax base and fiscal capacity of the district. These costs are often borne disproportionately by low-income and minority communities. (Rural School and Community Trust, 2004)

Policies in Other States

New York

A report conducted by Duncombe and Yinger (2005) at the Center for Policy Research, Maxwell School of Citizenship and Public Affairs at Syracuse University, surveyed rural schools from 1985 to 1997 in New York to discover the effectiveness of school consolidation. The report found that consolidating districts was cost effective for relatively small consolidations; however, as numbers increase in a given district, both cost effectiveness and educational effectiveness drops off significantly.

To demonstrate this, the report sought to examine costs and performance both before and after consolidation. Costs were measured by the total operating budget of the school districts (combined or otherwise), while performance was measured mostly by exam results and graduation rates. The authors acknowledge that a random sample is not possible in this case, as local voters had to improve consolidation measures, which may imply certain institutional similarities between the districts that were examined. All of the districts examined were rural, which gives the study extra pertinence for those who are interested in Vermont. In 1985 the districts in question enacted their consolidation programs, and in the process reduced their spending per-pupil. Duncombe and Yinger (2005) find that by 1997 the consolidating districts were spending more per-pupil than their non-consolidating counter parts.

A 2001 version of Duncombe and Yinger's paper argues vehemently against school district consolidation, but an update from 2005 moderates these views. In the updated paper, they argue that the data above demonstrates the dangers of allowing administrative costs to mushroom in consolidated districts. They believe that school district consolidation can be an effective tool to help lower administrative costs, as long as all of the risks to education quality are taken into account and negated. They also conclude that because district consolidation must be voted on in New York, the cost-savings that they found must be acceptable to the population at large.

Pennsylvania

A study conducted by The Center for Rural Pennsylvania found that district consolidation did not show any significant savings of money (Yan and Wenfan, 2006). This report recommends seeking other means of saving money as a result of the study. It also makes an important distinction between rural and urban schools that is often neglected in academic studies. Consolidating urban schools, according to Yan and Wenfan's research, can be more profitable than consolidating rural schools, and the neglect of this distinction is posited by the study as a reason for the commonly held view that consolidation saves money across the board. "However, the same benefits may not be applicable to rural settings. Certainly, such benefits have not been witnessed in this study (Yan and Wenfan, 2006)."

Maine

Governor Baldacci has proposed a plan to significantly reorganize the administration Maine school districts. His plan would consolidate 152 school administrative districts into 26 “mega-districts”.

The effort is aimed at reducing statewide school administrative costs from an average of \$396 per pupil to the national average of \$186 per pupil. Since Maine has a ratio of 1 administrator per 393 students, compared to the national ratio of 1 administrator per 816 students, consolidation in Maine would eliminate 1,255 positions, including more than 100 superintendents, by 2008 (Bowley, 2007).

This plan has received a considerable amount of negative feedback. "Hundreds of people—many employed by state school systems or serving on school boards—came to Augusta Monday to denounce Gov. John Baldacci's plan to reduce the number of districts in the state from 290 to 26, with some saying his hidden agenda is to close small schools" (Wallack 2007).

The governor claims that this program will save \$250 million over a three year period, starting in 2009. He also claims that no schools will be closed as a result of the implementation of the program. Many doubts have been expressed about this latter claim, because the closing of schools would be in the hands of more distant regional school boards, the members of which would have less of a personal interest in keeping local schools open. "The biggest drawback of the governor's proposal, according to [State Senator] Nutting, is that it will force small, rural communities with low property values in with urban communities with high property values, which could spell disaster for rural Maine" (Bowley, 2007).

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