



ALTERNATIVE WAYS TO ACHIEVE COST-EFFECTIVE SCHOOLS

There are legitimate concerns about the administrative costs of running small school districts. It has been widely assumed that the only way to reduce these costs is to achieve economies of scale by eliminating school districts through consolidation. Proposals to consolidate districts often include assurances that closing districts does not mean that schools have to close. The idea is that we can reduce administrative costs without losing the educational benefits of small schools.

But the district is the basic unit of school governance, the level where major decisions are made and where resources are allocated. Consolidating districts makes decision-making more remote from each school, community, and student, and affects performance in a number of ways.

District size affects student performance.

Research in many states has concluded that the poorer a community served by a school, the better children do in smaller schools. In Arkansas and Georgia, research has also indicated that the size of the district, as well as the size of the school, is a powerful factor in student achievement. In summary, these two studies indicate:

- The larger the district, the worse students from poorer communities performed on tests.
- Smaller districts cut poverty's power over student achievement by more than half compared to larger districts.
- Smaller schools are most effective at combating the negative effect of poverty when they are located in districts that are also small. Smaller schools operating in smaller districts cut poverty's power twice as much as smaller schools operating in larger districts.

Top Achieving States Have Decentralized Governance Structures

With those kinds of results for small schools and districts, it should come as no surprise that states whose students perform very well on the rigorous National Assessment of Educational Progress (NAEP) tests tend to have decentralized governance structures. For example, only nine states¹ scored above the national average in *both* 8th grade mathematics and 8th grade science on the most recent test. All of these states have highly decentralized governance structures with many small local schools, many locally elected school boards, and many local superintendents.

¹ Connecticut, Indiana, Maine, Massachusetts, Minnesota, North Dakota, Ohio, Vermont, Nebraska

Eliminating Districts Almost Always Results in Eliminating Schools

Best intentions and promises aside, eliminating districts almost always results in closing and consolidating schools, as well. That is because the district is most often the political subdivision that protects small schools from closure, especially in a district that has only one school or only one school at each grade level. Consolidating districts eliminates school boards and takes adults who want to keep schools open out of the decision-making.

Eliminating Districts Means Less Democratic Accountability

The school board is the democratic institution where school meets community and where professional educators are held accountable to the communities they serve. Larger, more far-flung districts dilute democratic participation in schools and distance schools from the communities they serve. This is especially a problem when the district that is eliminated primarily serves a poor and minority population. Any plan to increase the cost-effectiveness of school districts should not be at the expense of democratic accountability.

There are Other Ways to Achieve Cost-Effective Administration

There are many other ways to consolidate specific aspects of school business operations to achieve cost-effective administration—without distancing schooling from communities or diminishing democratic governance.

The examples that follow are based on composite descriptions of approaches used in many states, arranged from most decentralized to most centralized.

- ***Cooperative Superintendency.*** Two or more local school boards enter into an interlocal agreement to retain a single superintendent who will serve both boards. The agreement specifies the terms of employment, the sharing of expenses for maintaining a single office, if desired. This arrangement is commonly used in many states that have small districts in sparsely settled regions.
- ***Regional Educational Service Agencies.*** In general, these are cooperatives governed by separate boards that collaborate with local member school districts and act to serve and support them. Membership in these regional service centers is voluntary and fees for services rendered by the regional agency may be assessed in a variety of ways. They may provide accounting services, grant writing, technology support, or other specialty services often performed by under-prepared or unqualified administrative staff in small districts. These agencies usually serve geographically defined regions, but they could just as well serve groups of districts based on shared characteristics such as enrollment, population density, curriculum needs, or other factors that might influence the selection of services offered.
- ***Educational Service Districts.*** Known by various names, the educational service district is a special purpose school district that consists of member local school districts within a specific geographic area. It is a subdivision of the state and as such, may or may not have

independent taxing authority. “Membership” or participation is likely to be required of local districts. The educational service district board is appointed by the member districts and it operates a central office providing shared services to local districts such as advertising for staff vacancies, maintaining all personnel files, coordination of professional development, fiscal management services, special education administration, grant writing, technology support, group purchasing of supplies (especially technology), employment services, maintaining substitute lists, and letting unified bids for transportation, food services, and heating fuel. Service districts may also have a curriculum director who helps local schools develop and implement course content, and some even negotiate with the teachers' union as a group for all the member districts. Each regional service district is headed by a director selected by the regional service district's governing board. Local districts keep their school board and their superintendent.

- ***Regional Supervisory Districts.*** These are like the regional service districts but in addition to providing an array of services, supervisory districts also provide a common superintendency that serves all the local member districts. The member districts may be K-12 districts or combinations of a regional high school district and the elementary districts that feed it. Each member district retains its independent taxing authority (within the constraints of state law), hires and fires its own principals and teachers, and manages its own budget. But the superintendent for all the districts is employed by the Regional Supervisory District whose governing board is appointed by the member district boards and is responsible for hiring and firing the superintendent.

Conclusion

Consolidation has an unproven record of cost-saving benefits and clearly poses substantial potential harm to communities and students. Effective alternatives exist and should be explored. Strengthening regional educational service centers and utilizing technology effectively offer great promise to achieve cost savings and expand educational opportunity without diminishing democratic decision making and community accountability.

Some Regional Approaches to School Administration

Type Of Unit	Governance	Membership Basis	Services Provided	Taxing Authority
Cooperative Superintendency	Cooperative agreement entered into by two or more local districts	Voluntary	Joint hiring of superintendent serving all local districts; other administrative services as determined by agreement	None
Regional Educational Service Agency	Non-profit organization, interlocal government agency, or quasi-public corporation.	Voluntary, but may be restricted to local districts within a defined service area.	Any as mutually agreed, including advertising for staff vacancies, maintaining personnel files, coordinating professional development, fiscal management services, special education admin., grant writing, technology support, group purchasing of supplies (especially technology), employment services, maintaining substitute lists, letting unified bids for transportation, food services, and heating fuel, curriculum development, teacher contract negotiation.	Usually None
Educational Service Districts	Public agency, usually subdivision of the state.	Usually mandated by statute.	Any authorized by law, including advertising for vacancies, maintaining personnel files, coordinating professional development, fiscal management, special education admin., grant writing, technology support, group purchasing (especially technology), employment services, maintaining substitute lists, letting unified bids for transportation, food services, and heating fuel, curriculum development, teacher contract negotiation	May have authority as provided by law
Regional Supervisory District	Public officials either elected by voters or boards of member districts.	Voluntary or mandatory, as provided by law	Joint superintendency, fiscal agency, including LEA status under federal law. May provide any of the services a local district provides.	May have authority as provided by law