



UPDATE: Consolidation of School Districts in WA State



**WSSDA Annual Conference
Spokane, WA**

► Presenters



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▶ Goals & Objectives of this Session:

- ✓ Provide you an understanding of why school district consolidation continues to be advocated by some as a way to save state dollars
- ✓ Provide you with a understanding of what the research says regarding school consolidation
- ✓ Provide you with strategies that will help advocate the important role of small school districts in the communities they serve
- ✓ Provide time for questions and answers!



Quick Review of Consolidation Efforts to Date in Washington State

- ▶ Between 1910 & 1994, the number of districts in WA State declined from **2,710 to 296**
- ▶ 1993 Legislative Session: A measure was introduced (but not passed) that would have dissolved school districts (not schools) **with enrollments of 150 or less in grades K-8**

Quick Review of Consolidation Efforts to Date in Washington State

- ▶ Following the 1991 legislative session, the State Board of Ed. created a **School District Reorganization Committee** that met from Oct. 1993 to Dec. 1994
- ▶ See report of this committee..
- ▶ Here are some interesting conclusions from the SBE report...

Quick Review of Consolidation Efforts to Date in Washington State

- ▶ “Looking back on the history of consolidation in WA, it is quite reasonable to conclude that further reductions in the number of school districts is unlikely...especially if the goal is to save money or redirect anticipated savings into classrooms.”

Quick Review of Consolidation Efforts to Date in Washington State

- ▶ “The state has essentially reached the end of the line on significant savings through consolidation.”
- ▶ “One of the primary aims of education restructuring is more community involvement...forced consolidation is the wrong flow given the direction of ESHB 1209”

Quick Review of Consolidation Efforts to Date in Washington State

- ▶ “For the reasons outlined in this report, the School District Reorganization Committee strongly recommend **that the state not make any changes in law which would further mandate school district consolidations**”



Loss of a school district: an example...

- ▶ In 2007—the total number of school districts is reduced by one...
 - ▶ Vader School District (K-8) is “eliminated”



Quick Review of Consolidation Efforts to Date in Washington State

▶ 2009 Legislative Session

- ▶ Governor Gregoire includes in her budget proposal language stating that the OSPI superintendent shall make recommendation for a **streamlined school district consolidation process** to:
 - ▶ Reduce operating costs
 - ▶ Reduce **administrative duplication**
 - ▶ Create efficiencies to offer better programmatic opportunities for students
 - ▶ Recommendations shall also **include specific proposals for realigned school districts**

Quick Review of Consolidation Efforts to Date in Washington State

▶ 2010 Legislative Session

▶ Rep. Sam Hunt introduces HB 2616

- ▶ Would create a commission on statewide school district reorganization
- ▶ This commission shall develop and recommend a comprehensive plan that shall result in no more than 150 school districts
- ▶ The plan shall also result in reorganization of the number & boundaries of ESDs

▶ SB 6444 (Senate Budget Bill)

- ▶ Included language that creates a commission on statewide school district reorganization
- ▶ Establishes a School District Reorganization Commission that is directed to develop and recommend a comprehensive plan to reorganize and reduce school districts in our state

Quick Review of Consolidation Efforts to Date in Washington State

- ▶ 2010 Legislative Session
 - ▶ SB 6444 is **Passed** by the Legislature
 - ▶ On May 4th the Governor **Vetoes** the Language that would have created the “consolidation commission”
 - ▶ View Governor’s comments during press conference right after she signed the final budget...



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Governor Gregoire Bill Signing Ceremony



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EVENT INFORMATION

Event Date:

May 04, 2010 12:00pm

Event Description:

Governor Gregoire takes action on the following legislation: 2561, 2836, 6444, 6872.

RUNTIME:41 min

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Quick Review of Consolidation Efforts to Date in Washington State

▶ Summer of 2010

- ▶ The Joint Legislative Audit Review Committee (JLARC) releases a final report regarding the relationship between the cost of school districts and their enrollment size...
- ▶ OFM & Governor's Office...public hearings on "transforming Washington's budget"
- ▶ Oct. 14: Governor Gregoire is interviewed & makes some interesting comments..



Inside Olympia

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EVENT INFORMATION

Event Date:

October 14, 2010 7:00pm

Event Description:

Austin Jenkins hosts Governor Chris Gregoire for an in-depth one-hour interview on the fiscal crisis, state budget hole, government service cuts, efforts to reform state government, and the governor's recent trade mission to Asia.

RUNTIME: 58 min

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Recently, this publication was released...



***GOVERNOR'S COMMITTEE ON
TRANSFORMING WASHINGTON'S BUDGET***

RESTRUCTURING IDEAS

1. **School and district consolidation**, efficiency and partnership. Increase inter-district cost-sharing through effective use of Educational Service Districts (ESD) and other entities or mechanisms. Look at ways to improve ESDs and use them to achieve greater cross-district efficiencies and effectiveness. **Consider state funding formula changes to increase local pressure toward consolidation of districts**, schools and/or programs. (Education)




**GOVERNOR'S COMMITTEE ON
TRANSFORMING WASHINGTON'S BUDGET**


RESTRUCTURING IDEAS

2. Decide whether we want state or local control. **State control - focus on consolidation** and use a master compensation contract for all teachers (much like recommended by Dan Grimm in the January 2009 education reform report). Local levies only used for extracurricular programs. Facilities would be a state responsibility. OSPI becomes a cabinet agency for direct accountability to the Governor. Local control - switch to funding the students directly versus the education infrastructure with funding weighted for particular needs. The dollars would follow the child to the public school of their choice. A school could lose the ability to receive the state funds if it doesn't meet certain performance requirements. Districts decide personnel and compensation and only are subject to the regulations that private school currently are. Parents would be required to notify districts/OSPI of the school of their choice in May so teacher staffing decisions could be made for the next school year. In either case, any school that graduates a child that requires remedial education at the two- or four-years would be responsible for the cost of the remedial education.
(Education)



Quick Review of the Research

 **What Works in Washington State**
Focus on Rural School Graduation Rates (DRAFT)



This is the first of four briefs translating research into practice for interested stakeholders. The goal of the briefs is to provide information for making informed decisions with regard to What Works in Washington State Rural Schools.

Washington State rural schools last year reported the highest average and median percent of on-time graduates. The leading schools in the State, with the highest graduation rates were those from census defined rural and remote schools "more than 25 miles from an urbanized area and is also more than 10 miles from an urban cluster".¹ These 77 schools reported on-time graduation rates of 77.4% with a median rate of 84.1%. The 69 rural and distant schools were next, averaging 66.8% with a median rate of 78.6% for graduating student's on-time. The State's third highest rate of on-time graduation rates were reported by the 27 schools locally described as in town and distant graduating 64.2% on average with a median rate of 72.0%.

Research regarding the consequences for students not graduating from high school have found that over their lifetime these student will earn \$260,000 less than an individual with a high school diploma.² Based on the Office of Superintendent of Public Instruction (OSPI) reports of Washington State schools during 2007-2008 there were 22,938 students who dropped out of school in grades 7-12.³

By these students not graduating,
Washington State's loss of income from these
students over a lifetime equates to
\$5,963,880,000

¹ Office of Management and Budget (2000). Standards for Defining Metropolitan and Micropolitan Statistical Areas; Notice, Federal Register (05) No. 248.

² Bousa, C. E. (2005). The labor market consequences of an inadequate education. Paper presented at the Symposium on the social costs of inadequate education, Teachers College, Columbia University, New York, October 24-25. Retrieved October 12, 2009, from <http://www.tc.columbia.edu/ceterns/EquitySymposium/symposium/resource.asp>

³ OSPI (2009). Graduation rates by schools 2009 data file. Retrieved October 20, 2009 at <http://reportcard.ospi.k12.wa.us/DataDownload.aspx>

What are the consolidation issues?

Most Prevalent Reasons

BENEFITS

- ▶ More efficient use of public funds through economies of scale
- ▶ Lower per-pupil costs
- ▶ Expanded curriculum
- ▶ Expanded extra-curricular activities
- ▶ Higher salaries/benefits for teachers
- ▶ More specialized teachers and staff
- ▶ Better instructional materials and equipment
- ▶ More resources for advanced and special needs students
- ▶ Greater cultural diversity
- ▶ Lower teacher turnover
- ▶ Student achievement and engagement

LIABILITIES

- ▶ Higher transportation costs
- ▶ Time lost to busing
- ▶ Less parent-teacher interaction
- ▶ Less community support for schools and education bond issues
- ▶ Adverse community economic consequences: lower housing values, more pressure on property tax base
- ▶ Declines in enrollment over time
- ▶ Failure to achieve significant long-term savings from economies of scale
- ▶ Significant one-time costs: signage, uniforms, stationary, websites

“In places where the school is the sole source of community services, loss of the schools would be greatly felt. School officials in such cases should be reluctant to consolidate.”

What does it all mean?

Overall, the research can be summarized as follows:

1. Research supports that each case should be reviewed on its own merits:
 - **Economy of size is greatest when small districts merge, but there is a “point of diminishing returns.”**
 - **Student performance is equal or better in smaller schools.**
 - **Considerations beyond finances should be part of the consolidation deliberation.**
2. Consolidation should be locally driven:
 - **Districts must weigh factors such as tax increases, salary increases, loss of State aid, etc.**
 - **Boards should meet to determine if there are sufficient benefits.**
 - **Conduct a comprehensive feasibility study to examine the issue.**
3. Legislative Policies, State Support, and Regional Support are critical:
 - **Financial incentives supporting districts when economic and educational may exist for consolidation.**
 - **State funds for district start-ups seem appropriate under certain circumstances that include funds for feasibility studies.**
 - **Provide special aid to districts on a recurring, not just a one-time basis when economic and educational benefits exist for consolidation.**
 - **Study should be given to the viability of region-wide servicing of functions (i.e. printing, technology, bulk purchasing, sharing staff, data analysis, etc.).**

“evidence suggests that the growing monopolization of the public education market through school district consolidation has led to a deterioration in the quality of public schools.”

Marlow, M. (1997). Public education supply and student performance. *Applied Economics* 29, p. 617- 626.

Sample of Research Findings

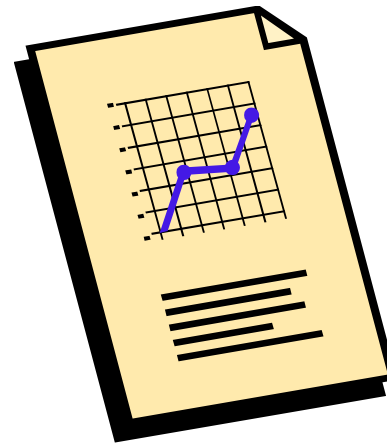
- ▶ See page 3 of Dr. Bill Keim’s “Policy Considerations” handout for a summary of the research in these areas:

Cost-Effectiveness

Student Achievement

Program Quality

Related Social & Community Impacts



Administrative Staffing

Historical Trends

Small School Survey Results

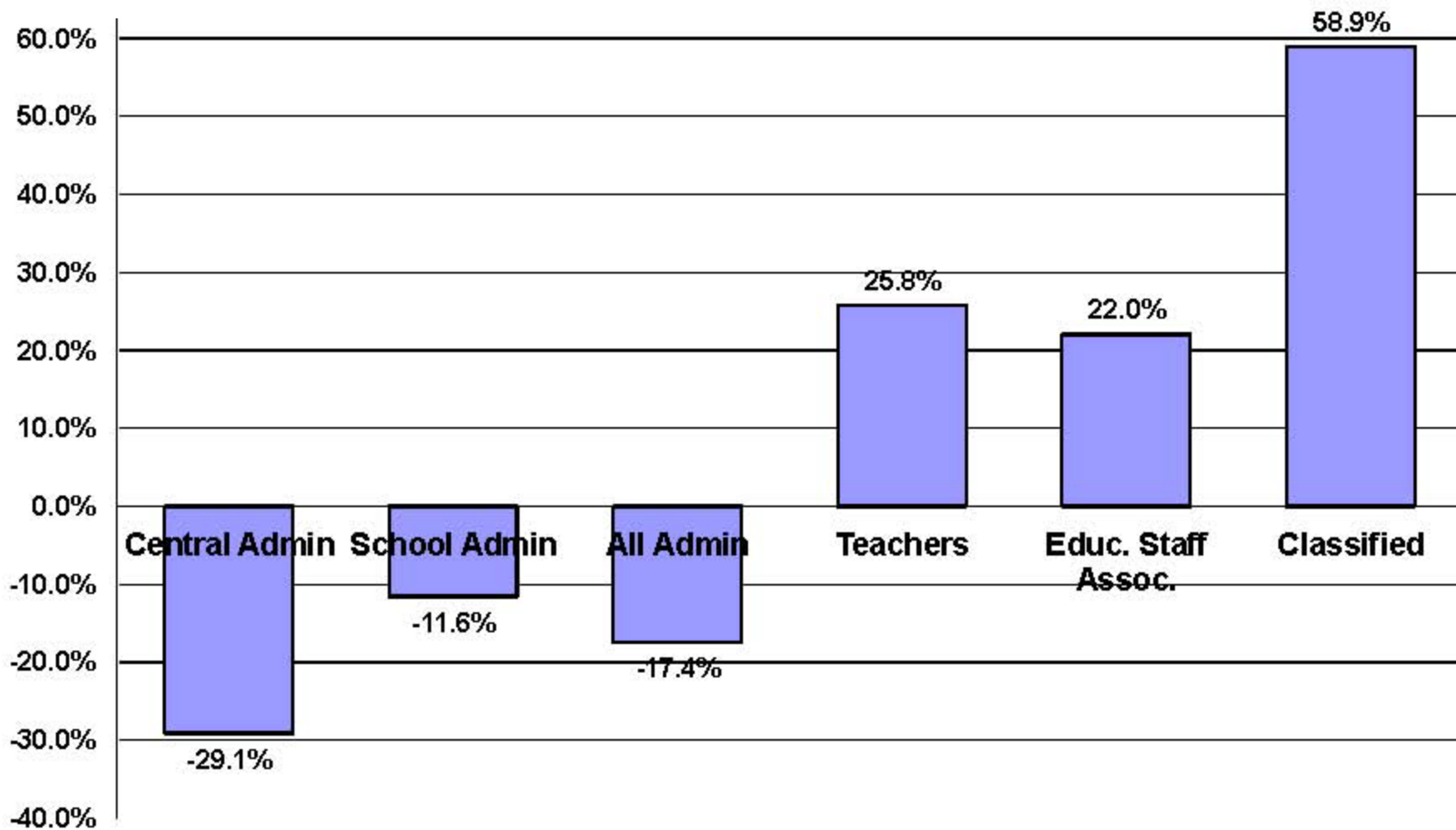
Mapping Consolidation

Size vs. Proximity

Conclusions

Washington State Education Staffing

Percent Change in FTE/1000 students from 1973-74 to 2009-10
Source: OSPI Preliminary School District Personnel Summary Reports 2009-10 School Year

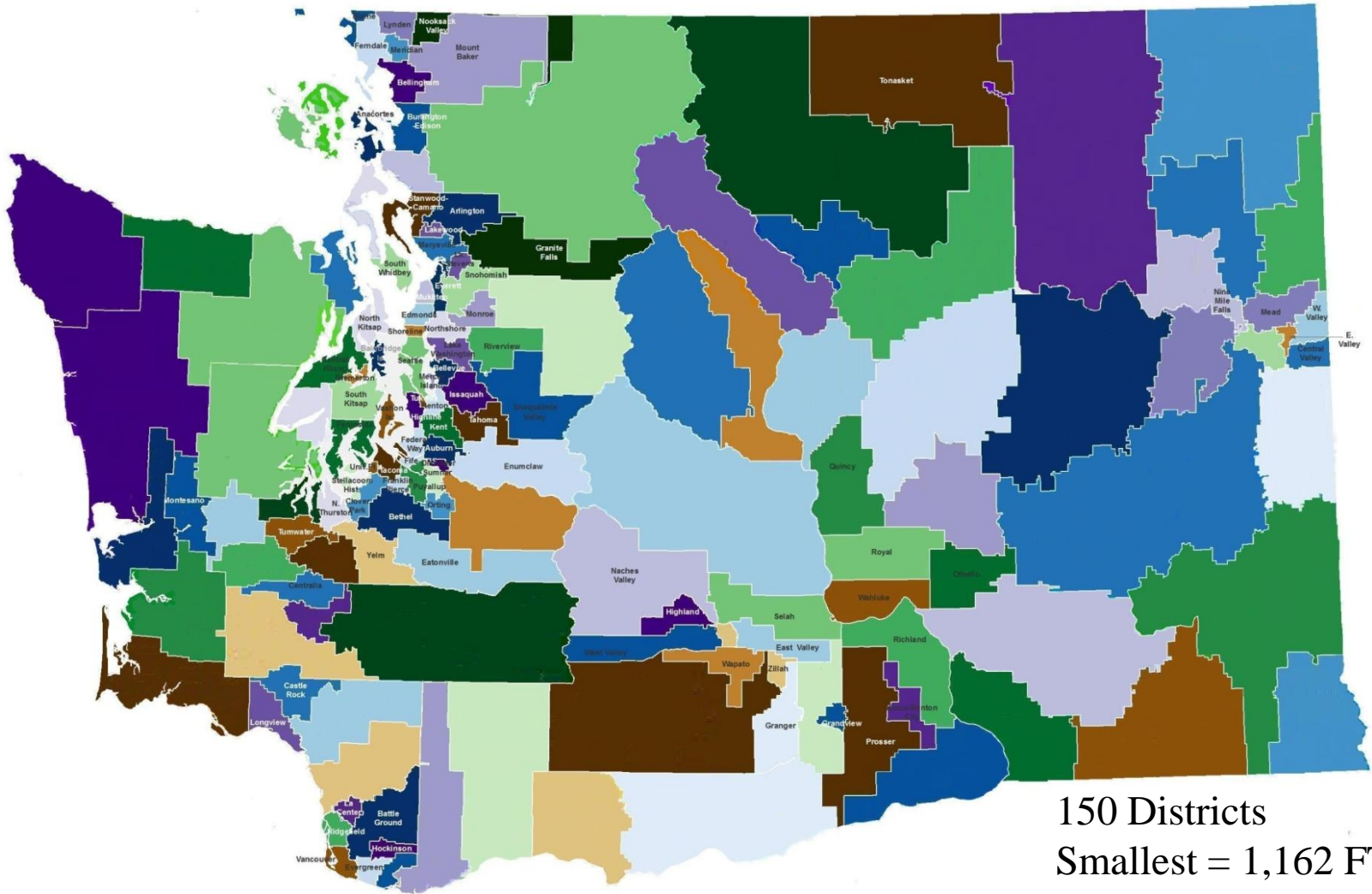


Small Schools' Survey Results

- Survey conducted for districts <1000 FTEs
- Of 146 districts – Responses from 135 = 92%
- Questions Regarding Admin Staffing & Responsibilities
- Preliminary Conclusions:
 - In districts <500
 - 69% of Supts. Evaluate Teachers
 - 60%+ Supervise Transportation
 - 50%+ Supervise Child Nutrition
 - 52% of the cost of administrative salaries in districts <1000 is paid by state administrative allocations. 48% is paid through local and other sources.



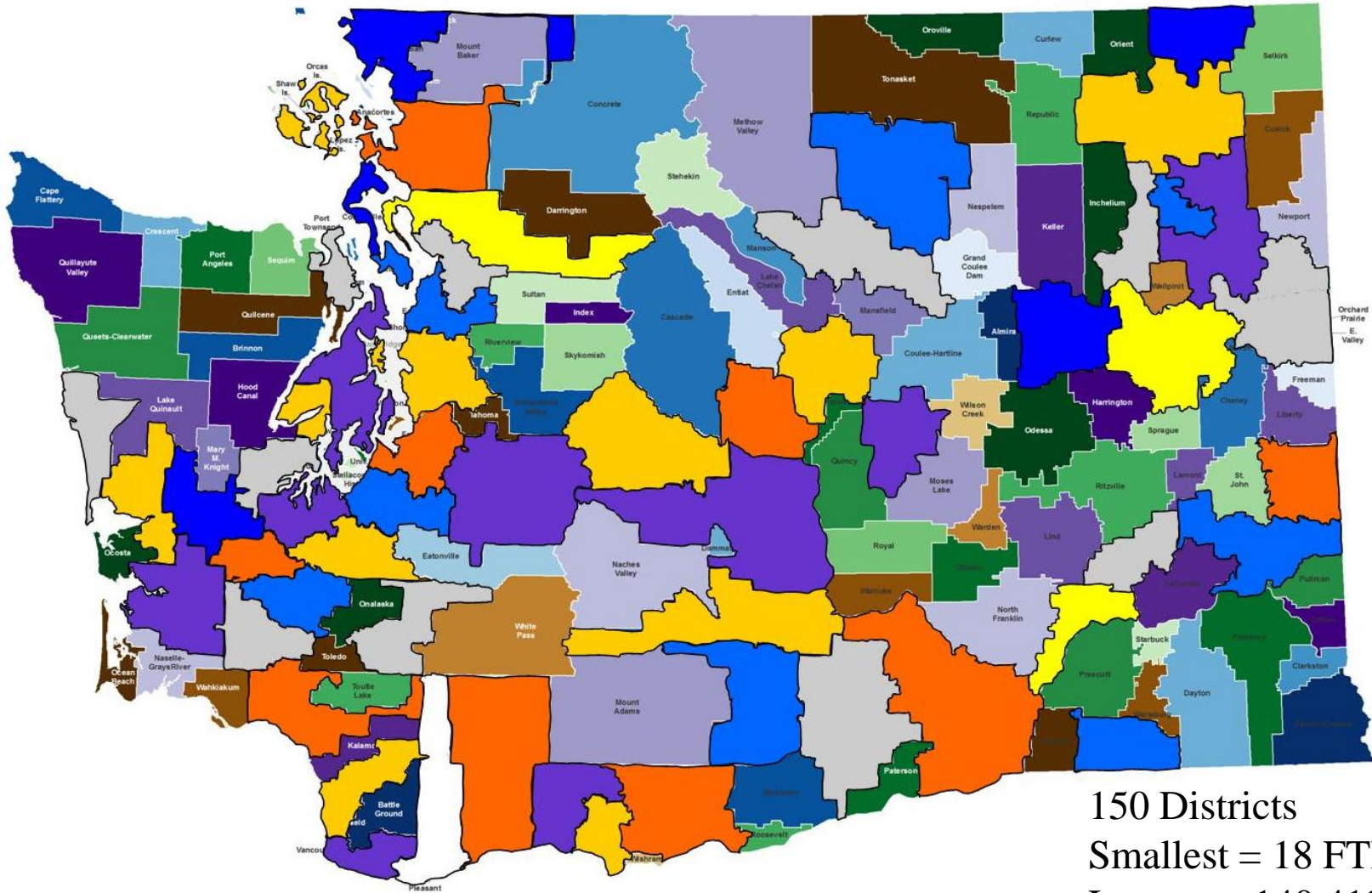
Consolidation by Size - Illustration



150 Districts
Smallest = 1,162 FTEs
Largest = 43,772 FTEs
203 Districts Affected



Consolidation by Proximity - Illustration



150 Districts
Smallest = 18 FTEs
Largest = 140,412 FTEs
201 Districts Affected

Myth # 1

We can save 10's of millions of dollars by consolidating schools.

In Washington state, it is said these savings will be achieved by cutting “administrative duplication”, but **the reality is that the 61 smallest districts are only funded by the state for less than one full-time administrator** (in fact the smallest 27 districts receive funding for less than 1/3 of an administrator).

In fact, studies of consolidation efforts across the nation have consistently shown that savings do not materialize, as noted in the 10/25/10 Newsweek article "Consolidation's Failing Grade in Indiana"

"Promising to 'cut the fat' is often better politics than policy, as lawmakers pushing to consolidate school districts may soon learn. The idea—floated in at least a dozen states and backed by the National Governor's Association"—calls for absorbing smaller districts into larger ones to reduce overhead costs, and ultimately, fund better student performance."

“But consolidation fails on both fronts, according to a new Indiana University study.”

“Researchers crunched testing and budget data to conclude that of the Hoosier state’s 292 districts, the 49 with fewer than 1000 students are, on average, the top-performing and the most efficient.”

Myth #2

Educating kids in small districts costs way more than in larger, more efficient, districts

The JLARC study completed last summer showed that it cost 6.5% of the education budget to educate 5.3% of Washington's students who attend the smallest schools, a difference of 1.2%.

And, of course there would be significant increases in costs for transporting students, upgrading & expanding facilities, increasing staff to higher contract rates paid in larger districts.

Myth #3

Small schools don't offer sufficient educational opportunities to enable their students to succeed in a global economy.

Small schools have higher graduation rates, are more successful with low income students, and have a higher percentage of kids entering college.

Small districts were pioneers in the use of technology, and today they partner with ESD's and each other to offer Advanced Placement, college in the high school, and a wide variety of exciting learning alternatives.

Myth #4

We're not talking about consolidating small schools; we are targeting medium to large districts like Olympia, Tumwater and North Thurston, and East, West, and Central Valley in Spokane

It is certainly true that a move to reduce the number of school districts in Washington from 295 to 150 would have an effect on many larger districts, but **anyone who suggests that the smallest districts won't be the first to disappear is not being realistic.**

Myth #5

“We’re not talking about closing schools, just getting rid of costly district administrative structures.”

First of all, significant portions of administrative salaries are supported locally, so few savings will accrue to the state.

Second, if you aren’t going to close schools, then you are going to need a principal, who may be paid more than the current administrator who is serving as superintendent and principal.

But, most important, once you consolidate a district, only the district that absorbs that district will determine if their schools stay open . . .

- ▶ ...And in many cases, that will be economically challenging for the receiving district, especially if they have extra student capacity, or if formula enhancements for small schools are eliminated or altered. So schools will close, and more communities and their residents will lose their economic, social and cultural base.

Myth #6

If the Legislature waves its magic wand, and decides that Washington will have 150 school districts, the gains we are making in student achievement will continue and even increase . . .

Not only will the higher achievement of students from small schools be lost when they and their families are forced to participate in distant, larger districts, but the system will be bogged down in the incredible bureaucratic and legal process of closing facilities, transferring levies and bonded indebtedness, renegotiating employee contracts, and on and on . . .

Reconfiguring Washington's public education system into half as many districts will be the ultimate

DISTRACTION from our primary goal of providing the best possible education for our children!

If the Governor and the Legislature want an idea of the disruption this change will cause, they should talk with representatives of ESD 113 or the Castle Rock District into which Vader was consolidated. **And, this doesn't even take into consideration the political uproar that will erupt when peoples' community schools are closed!**

Strategies

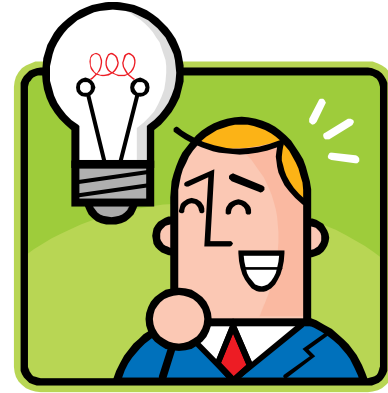
▶ **“Tell Your Story!”**

- ▶ Your successes!
- ▶ The cooperative strategies you are already using
- ▶ The efficiency measures you have put in place
- ▶ The economic impact of your district on your community
- ▶ The community support you receive
- ▶ The “real story” regarding how your administrator(s) are paid

▶ **Get your local legislators to visit your school district!**

Strategies

► Ideas from you...



Questions?

