The Effectiveness, Value, and Importance of Small School Districts

September 17, 2008

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In consultation with the Massachusetts Association of School Superintendents' Small and Rural School District Task Force

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EXECUTIVE SUMMARY

Background

The MASS Small and Rural School District Task Force work was supported by the Massachusetts Association of School Superintendents. The establishment of the Task Force was motivated by concerns about the ability of small school districts to meet the needs of all students in the current climate of accountability and diminishing resources. Additionally, there exists in Massachusetts a political current to consolidate small school districts as a means of addressing fiscal constraints in educational spending. In light of this recent interest in school consolidation, and in the midst of fiscal constraints, the task force set out to investigate economic efficiency as well as student learning outcomes in small school districts. To this end, the task force investigated the existing literature from across the nation and then specifically investigated the economic and student learning outcomes in small districts (2000 students or less) in Massachusetts.

What Was Learned from the Research (Nationally and in Massachusetts)

Student Success

The task force found the research on small school effectiveness overwhelmingly supportive. Regarding indicators of student success such as graduation rate, dropout rate, post graduation plans and attendance, small schools/districts examined in the national research as well as those studied in Massachusetts schools all fared better than larger schools. Our Massachusetts sample of small schools showed that as compared to the average rate of Massachusetts Districts:

- The graduation rate was 6.5% better (see Figure 1)
- The dropout rate in the small districts was 2.5% lower (see Figure 2)
- The attendance rate was 2.1% better (see Figure 3)
- 3.7% more students enroll in colleges after graduation (see Figure 4)

Several researchers promote per-graduate cost versus per-pupil rate as a more accurate indicator of financial comparisons. If this were the determinant of fiscal economy, small school districts would be seen as more economical than their larger counterparts in the long run.

In regards to student achievement, research is mixed, with some studies showing no difference and some showing superiority. However, our literature research

found no evidence that larger schools perform better. In our analysis of Massachusetts school districts, using Adequate Yearly Progress (AYP) date, we found that:

- Statewide, 20 percent of the state's districts are "in status"- that is, not making sufficient progress in improving the performance of their students either as a whole or for certain subgroups. However, in our sample of small districts we discovered that only 6 percent are "in status". (See Figure 5.)

Other School Success Indicators

The research, particularly as reported by Cotton (1996 and 2001) and Jimerson (2006), indicated that small schools:

- are safer (NCES 2000);
- have students more involved in extra-curricular activities;
- generate a better sense of belonging and well being for students, and, since students are better known to the adults in the building, they experience less alienation;
- have a teacher force that has higher morale (shown to be linked to higher student achievement), longevity, and better attitudes toward their teaching responsibilities and students;
- allow teachers a greater opportunity to work together collegially in ways that are not only beneficial to improving curriculum offerings to students, but in ways that are fulfilling and reflective of their practice;
- have more active parent and community involvement where generations come together for a variety of activities; and
- have ownership and pride in their schools, are less intimidated, and feel more comfortable in schools where they and their children are known to the staff.

In our Massachusetts small district sample we learned that the mean percentage of teachers classified as highly qualified exceeds the state average by 1.6 percent and the mean student/teacher ratio improves on the state average by almost 1 less per teacher.

School Consolidation

The most powerful rationale for consolidation is economic efficiency followed by increased curricular offerings. However, neither of these rationales have any strong support in research. Several studies over the past 50 years (Eyre,2002; Gritter & Silvernail, 2007; Hirsch,1960; Jewel,1989; Kennedy,1989; Rural School and Community Trust, 2003; Strifel,1998; Valencia,1984; Yan, 2006) have shown that over time consolidation has not resulted in any significant savings and reductions in per-pupil costs have been very little if at all.

Some findings from these studies indicate that:

- The only area where there were statistically significant savings was in administrative costs in the first year; however, these savings were often offset by increases in other costs related to larger and sometimes more impersonal schools (more guidance and discipline services, maintenance, security, and new levels of administration such as coordinators). Interestingly, the research suggests that early administrative savings tend to be very short-term only, as larger organizations have a strong tendency toward creating more extensive and costly administrative bureaucracy within a few years; thus explaining why administrative savings are typically lost within the second year.

- Transportation costs can show an initial savings; however, in rural school districts they often increase due to longer distances and restraints upon seat time.

- Larger districts can offer a wider variety of course offerings such as advanced placement courses; however, achievement levels in small schools are as good as, if not better than, larger ones. Interestingly, there are a number of small districts that offer full advanced placement programs as well, despite their size: thus school and district size is not necessarily a determiner of the scope of curricular offerings available to students.

- Teacher salary scales can increase when districts are combined and thus negate any staffing savings.

- There are instances when consolidation does work- usually when voluntarily and thoughtfully planned and initiated, and when the resulting size is not too large.

- Per-pupil expenditures exhibit a U-shaped association with size, with the largest and smallest schools showing diseconomies of scale (Fox, 1980).

- Small schools fear that once a larger district is formed the smaller communities lose their voice on school committees and risk school closings. This seems to have been proven in Arkansas and West Virginia (Johnson, 2006; Rural School and Community Trust, 2002).

- Other states across the country are investigating and implementing legislatively mandated school consolidation plans. The research regarding the effectiveness of these legislatively forced plans is not encouraging. In our neighboring states of Vermont and Maine there is much citizen dissatisfaction with such plans. Maine, in particular, which just this year implemented such a plan, is experiencing much citizen push-back through a citizen petition drive, as well as many bills filed to amend or repeal the law.

Financial

All school districts in Massachusetts are struggling with decreasing resources and a greater reliance upon the municipal revenues. From 2002 to 2006, the commonwealth's proportion of school funding has dropped from 34 to 30 percent. Fixed costs such as insurance and utilities, as well as growing special education costs, have forced school systems to cut other areas of their budget. School districts have had to ask more and more fiscal support form their cities and towns; and are often forced to try to fund their schools through over-ride votes, which are difficult to pass due to a declining economy and taxpayer fatigue. Declining enrollment has pushed school systems to face the daunting task of closing much loved and effective schools, particularly in the more rural parts of the state. The foundation budget categories have not kept up with the realities of school funding in Massachusetts, and it does not seem likely that a great infusion of financial resources is going to be available in the near future.

In our small district sample we learned that:

- In all but two districts the actual versus required spending is in excess of 100 per cent, much like those of other districts across the commonwealth (refer to Massachusetts Department of Education School Funding Report dated January 2008).

- The average spending levels of these districts exceeds the state required level by 30 percent (of those districts filing a report).{It is, however, noteworthy that a relatively small handful or particularly wealthy small districts have skewed the mean findings. Many small districts are operating quite economically at or new the net school-spending minimum.}

- The mean per-pupil cost of the sample exceeded the state average by $165.00.

- Stand-alone small districts spent less per pupil than regional academic districts in the sample.

Essential Conclusions

- Small school districts are successful. Our sample of small districts outperformed the state average on all of the DOE indicators investigated (attendance rate, drop-out rate, AYP status graduation rate, pursuit of post secondary education, percentage of highly qualified teachers, and staff/ pupil ratio).

- Small districts must make all efforts to insure that they are working to maximum fiscal efficiency. Through working with already established educational collaboratives and forming inter-local sharing compacts between neighboring districts, greater economies of scale can be created to expedite greater efficiencies in many aspects of educating students. Such areas as purchasing, maintenance, staff sharing, professional development, and curriculum programming should be explored.

- The success of small districts, as determined by this report, suggests that challenges such as declining enrollments and higher per-pupil costs should be incorporated into the discussion of the revision of the Chapter 70 formula.

- The state should provide incentives and grants to assist small districts in acquiring newer technologies such as regional web-based clearing houses to assist collaboration and sharing. Regional technological centers established to assist with data warehousing and student data analysis should also be supported.

- Given the success of small districts, it is incumbent upon the Massachusetts Department of Elementary and Secondary Education to not only preserve what is working so well, but to provide assistance in replicating successes across the commonwealth by putting into place appropriate support mechanisms, financial and otherwise.

- According to our findings, consolidation efforts work best when they are voluntary and supported with state incentives. Forced consolidation should not be part of any cost saving plan initiated by the state, especially in light

of the research that suggests consolidation efforts may well result in no fiscal savings.

- We endorse a conceptual shift whereby the definition of school efficiency gives equal weight to effectiveness (as measured by student success) as that given to operational economy.