



Analysis of the Jan. – March 2010 meetings of the Governor's Commission on Education Structure

Southern Echo, Inc.
1350 Livingston Lane
Jackson, MS 39213
Phone: 601-982-6400
Email: souecho@southernecho.org
Website: www.southernecho.org

Members of the Governor's Commission on Education Structure -- 2010

Aubrey Patterson, Chair, Chairman of Bancorp South

House Education Chairman Cecil Brown

Senate Education Chairman Videt Carmichael

Senate Universities and Colleges Chairman Doug Davis

Rep. Robert Johnson

Rep. Herb Frierson

Sen. Sampson Jackson

Tom Burnham, State Supt. of Education

Hank Bounds, Commissioner, Institutions of Higher Learning

Howell Gage, State Board of Education

Sue Matheson, State Board of Education; Supt., Pass Christian School District

Claiborne Barksdale, CEO, Barksdale Reading Institute CEO

Mike Kent, Supt., Madison County School District

Katherine Tankson, Supt., South Delta School District

Socrates Garrett, Jackson businessman

Stephen Renfroe, Gulf Coast businessman

Mary Peavey, Meridian businesswoman

Reggie Barnes, former Supt., Tallahatchie County School District

Jim Keith, Attorney, MS School Boards Association

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Overview of 1st meeting of the Governor's Commission on Education Structure: 1/18/10

The Governor's Commission on Education Structure (read School Consolidation) held its first meeting today, January 18, 2010, in Room 216 at the Capitol. Here is a summary and some commentary:

Part One:

1. The next meeting of the Commission will be held on Monday, February 1, 2010 from 1:00 pm to 3:00 pm in Room 216 at the Capitol.
2. The only formal act taken by the Commission was to vote to authorize a \$72,000 contract with Augenblick, Palaich and Associates, Inc. of Denver, Colorado. The contract calls for Augenblick to meet with the Commission, do a data-driven study on school consolidation focused on economies of scale and improvement in the quality of public education, issue a report to the Commission, and recommend to the Commission policies based on the research and legislation to implement the recommendations. Augenblick was the firm that assisted the state to develop the first MAEP formula in the mid-1990s, and then came several years ago to develop the revision of the MAEP formula.
3. There are 6 legislators on the Commission: Rep. Cecil Brown, Sen. Videt Carmichael, Rep. Herb Frierson, Rep. Doug Davis, Rep. Robert Johnson and Sen. Sampson Jackson. Both State Supt. of Education Tom Burnham and IHL Commission Hank Bounds are on the Commission. Also on the Commission are the Superintendents of Madison County and South Delta and retired West Tallahatchie School Supt. Reggie Barnes. Jim Barksdale of the Barksdale Reading Institute is also on the Commission.
4. The Chair of the Commission is Aubrey Patterson, who has been Chairman and CEO of BancorpSouth, Inc. in Tupelo since 1990. Patterson has also been Chair of the American Bankers Association and is a member of the Board of Directors of Mississippi Power Company.
5. A lot of interesting data was provided at the hearing for the Commission members and the public. I will try to get digital copies of the data and other information so that we can send all of the info to each of you.
6. There were at least three important questions lifted up at the meeting, for which there were no immediate answers:
 - a. What happens if two or more school districts are consolidated into one and each of the districts has a significantly different millage rate and a significantly different value for each mill raised through taxation? Can this be done? If so, how are all of the complexities resolved?
 - b. If school boundaries are altered through consolidation two forms of pre-clearance will be required: under Section 5 of the 1965 Voting Rights Act the Justice Dept. will have to pre-clear any such changes; under most federal court school desegregation orders a federal court will have to approve and district or school zone boundary changes. How will such complexities delay or nullify the implementation of a consolidation plan?
 - c. If two or more school districts are consolidated into a single district how will the decision be made as to which superintendent survives and which lose their jobs, which principals and teachers are retained, and which lose their jobs, and so on?

7. During his presentation Gov. Barbour contended that school consolidation would save Mississippi approximately \$65 million out a \$4 billion plus education budget. No one asked the Governor how he arrived at the \$65 million figure, or what the research-based evidence is to support such a claim.
8. There are no community voices represented on the Commission, in terms of parents, students or organizations that have been working diligently for the past 20, 10 or 5 years on all of these education issues.
9. We need to stay vigilant on this playing field!

Part Two:

1. The Governor addressed the Commission to give it a “charge” as to what it is supposed to do.
2. In his “charge” the Governor was careful NOT to ask the Commission to investigate and evaluate *whether or not* school consolidation would actually save money and *whether or not* consolidation would improve the delivery of quality education. Rather, the Governor stated that the role of the Commission is to answer the questions, “IF there is going to be school consolidation, what are the standards and benchmarks to be used ...”
3. The Governor’s framing of the “charge” is significant because it determines the premises on which the Commission is asked to proceed and pushes a mindset that consolidation *ought* to happen – *before* any research-based evidence is presented. Further, it suggests that the mandate given to the Augenblick consulting firm that will guide the work of the Commission will be to assume that consolidation is a political necessity and to focus on data and policy recommendations that conform to such a premise. Augenblick is an experienced and skilled firm – one of the few nationally recognized firms in the nation that specializes in these profound and complex education studies. Part of the skill of an effective consultant is to know on which side of the bread there is butter.
4. The Governor’s suppositions about cost savings, if you will remember, fly in the face of the presentation to the Legislative Task Force on Underperforming Schools in late 2009 by Dr. Gale Gaines, Vice-President for State Affairs of the Southern Regional Education Board. She testified that the national studies show that school consolidations show limited savings when smaller schools increase to a certain larger size, but when the districts get any bigger than a certain size, the costs begin to increase rather than decrease. Since the average size of Mississippi school district are already at the average of school districts nationally, she noted, it is questionable whether significant cost savings can be achieved by consolidation in Mississippi. That is why we ought to have the research-based evidence first, before we *assume* that the process will be cost-effective in Mississippi.
5. The Governor went out of his way to be clear as to his motivation. He said his driving consideration was to save money. That is when he threw out the \$65 million amount of savings he anticipated. But, he noted, this process can also improve the delivery of quality education. So, in my view – *before* any policy decisions are made about *how* to consolidate, there are two primary questions for investigation: does school consolidation actually save money, and does school consolidation actually improve the delivery of education?
6. During his “charge” the Governor suggested that the Commission focus its attention on two kinds of criteria for schools that should be identified for consolidation: failing schools and financially-

distressed schools. The Governor noted, as so many others have before him, that failure of leadership at the superintendent and principal levels are a major factor in why some school districts are failing and others are not. This was a major theme of Dr. Bounds throughout his tenure as State Supt. of Education. The implication of the Governor's analysis appeared to be that you could get rid of the failing school problem caused by poor leadership by absorbing the failing school districts into nearby successful school districts. The Governor didn't mention the importance of the new Turnaround Process under Children First 2009, nor did he mention that wholesale consolidation would thoroughly disrupt the Turnaround Process before it got started.

7. Regarding financially-distressed schools, the Governor noted that school districts can be distressed for different reasons. Some school districts, he said, are financially strapped because they have so few resources and such a low tax base. Other school districts are financially distressed because they have sufficient resources but mis-manage them. Still other school districts have insufficient resources, he noted, but also mis-manage what little they have. The implication again was that these are the school districts to which the Commission should look as ripe for consolidation with their neighbors.
8. The Governor said that he was not wedded as an outcome to an exact number of school districts that ought to be the final number. It could vary from 85 to 120, he said. He stated that he was not wedded to the idea of a school district being congruent with a county, or any other particular geography. And, he said, a consolidated school district might be appropriate which encompassed geography larger than a single county. All of this was up to the Commission, he said. However, he did say that the 152 school districts made no sense in a state with only 82 counties. So it appears that even before the research-based evidence is in that it is *not* up to the Commission to conclude that 152 school districts is an appropriate number.
9. The Governor said that it was important to take the understandable emotion and politics off the table. He said that he understood how difficult it is for legislators to support consolidation because it is always so politically unpopular at home and is a good way to be "retired" by the voting constituency. He said the work of the Commission is to give as much political cover as possible to the legislators by making the tough decisions that are so fraught with political risk. The Governor also said that he understood the emotional basis, but that is why the analysis needs to be data-driven and that data, not emotion, ought to be the focus of the Commission.
10. The Governor also noted that public education should be about the children, and that the schools should not be seen as an employment agency for the local community. So, he appeared to suggest, it will be necessary to terminate a lot of teachers, administrators, and other personnel to achieve substantial savings through consolidation, and if that is the case, so be it. Hmmm. Here is the great dilemma: in many small, low-wealth rural communities (Mississippi is one of the most rural states in the nation) the school district is the primary employer and a major stimulus in the local economy. Employment dollars paid out by the local school district turn over six or seven times in the rest of the local economy. In hard times such as these, when alternative employment is near non-existent in these small, rural low-wealth communities, and small local businesses are on the margin of survival, it is *cold* to say "Too bad!" The Governor did not even suggest a passing interest in building into any consolidation plan a safety net for the economic hardship that may befall these communities as a consequence of consolidation.
11. This is why the politics of consolidation is fierce and the emotions run so high. It is at least partly about individual, family and community survival. It is easier to gore the ox when it is not your ox that is being done in. My comment is not about sticking my head in the sand and proposing to do

nothing when so much needs to be done. But it is about fairness and equity in any policy process, and distributing the hardships fairly among everybody. It is not fair and equitable to simply shut doors on schools and kick folks to the curb as if doing so in the name of the children makes it all okay. After all, in these small rural communities where do we think so many of the parents and family members of these children are employed? And what happens to the children when we put their parents and family members out of work? Do we need to have a compensation package for those who lose their jobs due to school consolidation in the same way that we require notice and compensation when a firm moves its factory overseas? But where will the funding come for that in these budget-squeezed hard times?

12. On another point, when the issue arose in the meeting as to what constitutes the existing consolidation law, IHL Commissioner Hank Bounds noted that the MS Dept. of Education discovered a few years ago that the existing state school consolidation laws were not ever actually pre-cleared by the US Dept. of Justice. No one asked whether the failure to obtain pre-clearance brings into question the legitimacy of any voluntary consolidations that have occurred since the passage of the consolidation laws some 30 to 40 years ago (Natchez-Adams? South Delta? And so on....)

Mike Sayer
Southern Echo

Overview of the 2nd meeting of the Governor's Commission on Education Structure: 2/1/10

The **headlines** from the 2nd meeting of the Governor's school consolidation commission on Monday, Feb. 1, 2010 are:

1. Commission consultant **John Augenblick** told the Commission that no research data will be able to "prove" that school consolidation strategies will save significant amounts of money, will operate the schools more efficiently, or improve the education provided to students.
2. At the same time, Mr. Augenblick contended, **no** research data will "prove" that a consolidation strategy will be "wrong". So, he concluded, the Commission can do whatever it wants to do as long as it is "logical", without fear that anyone can produce research data that will "prove" that the Commission made the wrong set of recommendations.
3. Commission consultant **Justin Silverstein**, of the Augenblick firm, told Commission members that the research shows that students in smaller schools tend to outperform students in larger schools, and that low wealth students and students of color tend to do better in smaller schools than in larger schools.
4. Consultant John Augenblick asserted to the Commission members that there are two kinds of studies, *research-based studies* and *advocacy-based studies*. Augenblick suggested that most all studies in the field of school consolidation are really *advocacy* rather than objective analysis, but that the work of the Augenblick firm for the Commission would be objective, research-based and data driven.
5. Under questioning from Commission member **Claiborne Barksdale**, who is paying a portion of the consultant's fee, Mr. Augenblick said that his research data for the Commission can be used to understand, guide and rationalize the choices the Commission decides to make, but the data will **not** be able to provide a definitive, reliable prediction of the outcomes of alternative school consolidation strategies.

More of what happened below ... but first:

Please Note: The next 2 meetings of the Commission are on **Monday, March 8, 2010 from 1:00 pm to 3:00 pm in Room 216** at the Capitol and **Monday, March 29, 2010 from 1:00 pm to 3:00 pm in Room 216** at the Capitol.

Format of the hearing:

The first presentation by the Augenblick firm focused on the history and evolution of school consolidation across the nation. The second presentation focused on a comparison of Mississippi school districts regarding the size of school districts and the level of expenses for instruction, student and teacher support, and administration with national averages and the data from each of the other states in the nation

The meeting also featured a presentation by State Supt. of Education **Tom Burnham** on the history of school consolidation in Mississippi that he noted was written for him by former MDE Director Steve Williams.

These are some of the key points that emerged from the slide shows, oral presentations and the discussion that followed:

Some historical background of consolidation:

- Mr. Augenblick emphasized that historically state legislatures have the authority to create school districts; legislatures authorized towns and counties to levy taxes to support public

education; and that state legislatures eliminated tuition payments by students in favor of a mandatory free public education for all children.

- Mr. Augenblick noted that no state has forced school districts to consolidate, but rather have legislated parameters and delegated the decision to consolidate to the individual school districts. In some states the legislatures have created incentives to consolidate and established penalties for failure to do so.
- Mr. Silverstein reported briefly on the school consolidation experiences in Arkansas, Nebraska and Maine to illustrate that the goals in each of these states were quite different from each other, and that in each case the results were mixed when compared with the goals each state had set for consolidation.
- State Supt. of Education reviewed the history of MS school consolidation, as outlined by Steve Williams. In short, there was a time when MS had more than a 1,000 school districts. School consolidation efforts during the past 30 years reduced the number of districts to 152. Efforts in the late 1980s to consolidate further to bring the number down to approximately 90 districts were rejected by the legislature. The current number is 152 school districts, which includes the 3 agricultural high school-based districts. *[Mike's note: The evolution of school consolidation in Mississippi is also outlined in the excellent recent history of MS education by Charles Bolton, "The Hardest Deal of All: Mississippi education from 1880-1980".]*

Key Points on what research has shown:

- Mr. Silverstein, of the Augenblick firm, noted that smaller schools tended to result in higher performance by students on standardized tests than by students in larger schools.
- At the same time, Mr. Silverstein noted that smaller schools rather than larger schools tend to benefit low income students.
- However, Silverstein said, larger schools tend to provide more opportunities for teacher development than do smaller schools

Key Points on the limitations of research and the data that results from it:

- Mr. Augenblick said, "You can find a study to prove anything you want."
- Mr. Augenblick told the Commission, in a somewhat sarcastic tone, "Tell me what you want as an outcome, and I will find the data to prove it." He wasn't actually offering to do that. His point was to highlight the importance of an attitude of humility toward the use of statistical data as a basis for public policy formation.

Elements to include when considering consolidation strategies:

- Mr. Augenblick laid out 4 elements that he thinks the Commission ought to consider in deliberating about school consolidation: Spending; School District size and School size; Student Performance; and Education and Teacher Development Programs.
- Mr. Augenblick said that since research will not justify speculation as to outcomes, and there is no readily obvious answer as to what to do, the Commission may need to consider the possibility that in this diverse state a number of different models may be needed at the same time in different parts of the state.
- Commission member **Socrates Garrett** lifted a flag of caution for the Commission to consider. In response to a proposal by another Commission member, Mr. Garrett noted that the creation of a regional purchasing consortium among several school districts that would remove local purchasing capacity from individual districts could kill local businesses in small rural communities where the school district is the primary business entity and the main consumer of their local goods and services. Mr. Garrett expressed concern that the Commission needed to

be mindful of the impact of consolidation models on the continuing vitality and health of local communities.

- Commission member **Howell Gage**, a member of the State Board of Education, lifted up the point that studies show that school-level leadership has a major impact on the performance of the school districts and this needs to be taken into account. In response to a direct question by a Commission member, Mr. Augenblick was clear that there is no way to generate statistical data that can account for the impact of leadership on the performance of school districts.
- Commission member **Reggie Barnes** noted several times that the cultures, economies, social and historical circumstances among the school districts in different parts of the state vary widely, that it is inconceivable that “one model fits all”, and that these fundamental differences must be accounted for when assessing whether school consolidation is an appropriate remedy for the problems challenging Mississippi school districts.
- Commission member **Robert Johnson**, state representative from Adams County, honed in on the problem of “gentrification” of some of the school districts. Although he didn’t mention a specific county by name during the meeting, Rep. Johnson noted there are counties with one tax base under the control of the county board of supervisors that have two school districts, with one of the districts wealthy and higher performing and the other desperately low-wealth, under-resourced and low-performing or failing. He said this is unconscionable and is related to “race”. *[Mike’s note: Counties which fit this description, for examples, are North and South Panola school districts; Madison County and Canton school districts; and Oktibbeha County and Starkville school districts.]*
- Commission member **Socrates Garrett** also raised the issue that in any strategy for consolidation it will be imperative to account for the requirement that there be genuine equity funding for all school districts, which we still do not have.
- Commission Chair **Aubrey Patterson** agreed with the comments of several Commission members that serious consideration will have to be given to compliance with federal court desegregation orders, compliance with the Voting Rights Act, and the complexities caused by the existing bonded indebtedness of each school district.

There was lot more discussion of many different points, but I will stop here.

Mike’s takeaway (in part):

What is very significant to me is that once Mr. Augenblick removed the all-powerful and sanctified status of “research data”, it created a more open and safe space for the Commission members, and a legitimacy for consideration by Commission members of a wider range of elements than the original 4 proposed by Mr. Augenblick.

What is still missing, among other things, is any opportunity for members of the audience to ask questions or make comments, even at the end of the meeting. Also, the email addresses of the Commission members are not being made available so that the public can communicate with them during this process. Nor is there any plan to provide a Commission meeting or hearing where the public can “testify” on this extraordinarily important issue. This model is quite different than and an unfortunate departure from the way the legislative task forces on education issues have been conducted during the past 5 or 6 years.

Mike Sayer
Southern Echo

Overview of the 3rd Meeting of the Governor's Commission on Education Structure: 3/8/10

On Monday, March 8, 2010, the Governor's Commission on Education Structure held its 3rd meeting in Room 216 at the Capitol.

PLEASE NOTE: **The previously scheduled March 29th meeting has been postponed.** The new date and time has not yet been determined. It will be announced. So it is clear that the date for completion of the Commission's work has also been delayed.

On March 8 the consulting firm of Augenblick and Palaich made its data-driven presentation with a power point presentation and 4 complex tables. John Augenblick and Justin Silverstein provided a brief introduction to statistical concepts and then took the Commission members through a review of the data. [\[See the attached slide show and tables presented by the consultants at this meeting.\]](#)

To summarize some of the meeting highlights:

1. The consultants identified correlations among 3 elements: the size of school district enrollment; Quality Distribution Index (QDI) ratings under the new state assessment system; and the level of school district administration costs. The "correlation" is that school districts with higher QDI ratings tend to have larger student enrollments and lower administration costs per student. Similarly, school districts with lower QDI ratings tend to have smaller student enrollments and higher administration costs per student.
2. At the same time, the consultants noted, total expenditures of the school district, per student, were about the same among all of the school districts.
3. Under questioning from the Commission members the consultants acknowledged that this correlation among QDI status, size of enrollments and level of administration costs per student did **not** represent causation, or cause and effect.
4. The consultants conceded there are a number of other significant factors that affect the quality of school performance, but that they deliberately did not attempt to account for them in order to keep low the number of factors for which they had to account in their study of the data. The consultants contended that these "other factors" are not necessarily the same or measurable among all of the school districts. Therefore, there would be no way to construct data that accurately accounted for them, even if these "other factors" are significant. The consultants stated that dealing with such other factors was the role of the Commission, not the consultants.
5. Under questioning from the Commission members the consultants conceded school districts with lower enrollments would naturally have higher administration costs per student [or in business terms, higher costs per unit] because there are fewer students across which to apportion such costs.
6. The consultants chose arbitrary cut points for each of the 3 factors on which they focused and then projected how many school districts were below each of the cut points separately and in combination. The 3 cut points are: a student enrollment of 2,000; a QDI score of 127 (using the current 2009-2010 scoring formula); and \$463 per student cost of school district administration.
7. One readily apparent paradox emerged in the presentation by the consultants: the consultants concede publicly and privately that studies show that school consolidation does not result in significant savings in education funding. This is reinforced by the data presented by the

consultants that the overall expenditures of school districts are substantially similar. At the same time, the consultants went out of their way to press the point that the differences in school district “administration” costs, although small per student, would add up to “a lot of money” when multiplied over thousands of students. As a consequence, the impression created for me was that the consultants were working hard to sell to the Commission a very weak part of their analysis.

8. The consultants presented a table to show how school districts would be impacted by the use of these 3 cut points. The table showed how many school districts would be affected by using only one cut point, or by using a combination of two or three of these cut points. The consultants did **not** create additional tables to show what would happen if different cut points were used to enable the Commission to compare and choose among different cut points.
9. **NO SCHOOL DISTRICTS WERE IDENTIFIED BY NAME IN THIS REPORT**, consistent with the request of the Commission members at this time. But it was evident from the discussion among Commission members during the meeting that the members are going to want to know which school districts would be targeted in order to evaluate how best to proceed, if they are going to want to proceed at all.
10. So – the consultants noted that **88 school districts** are on the downside of at least one of the three cut points: either an enrollment below 2,000; a QDI score of less than 127; or an administration cost per student greater than 463. When all 3 cut points are used, **14 school districts** have an enrollment less than 2,000, a QDI score less than 127, and a cost per student administration cost above \$463. When only 2 cut points are used together, **31 school districts** have both enrollments less than 2,000 and a QDI score less than 127.
11. My assessment is that many of the Commission members were not enthusiastic about the analysis provided to them. Although the consultants pounded away about the importance of a data-driven analysis and that this analysis represented the best practices in data analysis, many of the Commission members appeared skeptical about the analytical matrix and the inferences drawn by the consultants.
12. The consultants defended their approach by distinguishing between their role as consultants and the role of the Commission. The consultants contended that their role was to present the research-based data and that it is for the Commission members to decide whether they think the inferences drawn from the data will improve the delivery of education.
13. The quandary for Commission members is that the consultants contend that the correlation of the data is “statistically significant”, but not “cause and effect”; that the consultants have taken a position that the use of the 3 cut points as a framework for policy decision-making is essential, but they agree that the three factors are only a portion of the considerations which they need to take into account when making policy; and that there is no nationally-recognized research that supports the contention that school consolidation improves educational outcomes or results in any substantial savings in school funding.
14. Near the end of the meeting Senate Education Chair Videt Carmichael noted that if the real goal is to address the needs of failing school districts, the state already has the power to consolidate failed districts under the state takeover and conservator law and the Children First Act of 2009, which we need to give a chance to work, and that dealing with the school consolidation policy conundrum may, therefore, be unnecessary.

15. It does not appear to me that many of the Commission members are buying the notion that school consolidation can be boiled down to a mathematical formula. The consultants conceded that any evidence of successful school consolidation efforts elsewhere in the nation are few and far between.
16. I have twice each asked Mr. Johnnie Franklin, the Governor's Education Policy Advisor, and Mr. Aubrey Patterson, the Commission Chair, about holding a meeting at which education stakeholders can present their views to the Commission. This is what the legislative task forces have provided for several years. Thus far I have only received a non-committal response from each of them that the two of them would have to talk with each other and would let me know. Hmmm!

Mike Sayer
Southern Echo

SCHOOL DISTRICT ORGANIZATION: EFFICIENCY AND EFFECTIVENESS

Dr. John Augenblick and Justin Silverstein
Augenblick, Palaich and Associates

February 2010

Discussion Items

- The historical development of school districts in the U.S. -- how the number of schools and school districts has changed over time
- The historical pattern of school districts in Mississippi
- Recent activity in other states in regard to school district consolidation
- Research about school district consolidation
- Criteria that could be used as the basis for reorganizing school districts in Mississippi

School District History

- 350 years ago, colonial towns were required to provide primary education; soon thereafter, towns were given the authority to collect taxes to support primary education.
- 150 years ago, states formed school districts (towns in the North, counties in the South), gave them authority to tax, provided state support, abolished tuition, and required compulsory attendance.
- 60 years ago, a consolidation movement dramatically reduced the number of districts in many states.

Table 1: Change Over Time in Numbers of Students, School Districts and Schools in the United States

Year	Students		School Districts			One-Teacher Schools		Elementary Schools		Secondary Schools	
	Number (In millions)	% Change from Prior Period	Number	% Change from Prior Period	Average Size	Number	% Change from Prior Period	Number	% Change from Prior Period	Number	% Change from Prior Period
1919-20	21.6		--			187,948		--		--	
1939-40	25.7	19.0%	117,108		190	113,600	-39.6%	--		24,542	
1959-60	36.1	40.5%	40,520	-65.4%	640	20,213	-82.2%	71,640		25,784	5.1%
1970-71	45.9	27.1%	17,995	-55.6%	2,010	1,815	-91.0%	63,985	-10.7%	25,352	-1.7%
1980-81	40.9	-10.9%	15,912	-11.6%	2,890	921	-49.3%	60,148	-6.0%	24,362	-3.9%
1990-91	41.2	0.7%	15,358	-3.5%	2,670	617	-33.0%	60,723	1.0%	23,460	-3.7%
1995-96	44.4	7.8%	14,766	-3.9%	2,800	474	-23.2%	63,487	4.6%	23,793	1.4%
2000-01	46.6	5.0%	14,859	0.6%	2,990	411	-13.3%	65,286	2.8%	27,090	13.9%
2005-06	48.0	3.0%	14,166	-4.7%	3,290	335	-18.5%	72,663	11.3%	29,507	8.9%

Table 2: Distribution of Districts and Students in the United States by District Size in 2005-06

	District Enrollment Size Group							
	>25,000	10,000-24,999	5,000-9,999	2,500-4,999	1,000-2,499	600-999	300-599	<300
Number of Districts	269	594	1,066	2,015	3,335	1,768	1,895	2,857
Percentage of All Districts	1.9%	4.3%	7.7%	14.6%	24.2%	12.8%	13.7%	20.7%
Number of Students	16,376,213	9,055,547	7,349,010	7,114,942	5,442,588	1,391,314	835,430	403,887
Percentage of All Students	34.1%	18.9%	15.3%	14.8%	11.3%	2.9%	1.7%	0.8%
Average Size of Districts	60,878	15,245	6,894	3,531	1,632	787	441	141



Distribution of Districts by Size Across States

- See Table 3 (Handout)



Operating Expenditures by Function

- See Table 4 (Handout)

Recent State Activity in Regard to School District Consolidation

- Arkansas
- Nebraska
- Maine
- Other states that have thought about consolidating school districts
- Examples of large school districts breaking apart
 - East Baton Rouge, LA – 3 districts
 - Albuquerque, NM – 2 districts

Arkansas and Nebraska

- Arkansas
 - HB1109 required annexation or consolidation of districts with under 350 students
 - 44 districts were annexed by 41 districts and 23 districts consolidated.
 - Numerous schools closed and some interpreted the speed with which this happened as the primary purpose of the law.
- Nebraska
 - Purpose was to create K-12 districts and to eliminate stand-alone elementary districts
 - Reduced number of districts from xxx to xxx

Maine

- P.L. 2007, Chapter 240 (LD499 of June 11, 2007) and P.L. 2007, Chapter 668 (LD2323 of April 18, 2008)
- Objective was to form regional school units of at least 2,500 resident students (or 1,200 students where 2,500 is impractical with exceptions for isolated, rural communities – even then, no fewer than 1,000 students)
- Other exceptions: districts rejected by other districts from merger and efficient (< 4% admin cost)-high performing districts

Maine

- Penalties: 50% reduction in administration allocation and increase of 2 percent in millage rate
- Districts must develop their own reorganization plans, which are subject to approval by voters.
- Objective was to reduce from 285 to 80 districts
- A vote to overturn the effort (Nov. 2009) lost 59%-41%
- Results
 - 95 districts have reorganized into 25 districts (9x2 districts, 7x3 districts, 4x4 districts, 1x5 districts, 2x8 districts, 1x9 districts, and 1x10 districts)
 - 100 districts have voted against initial consolidation plans

Other States That Have Thought About Consolidation

- Indiana
 - Proposed that all districts to be at least 2,000 students and that purchasing to be done through regional organizations (e.g. BOCES)
- Kansas
 - Identified districts that “should” consolidate and made it easier for them to do so. A few very small ones have consolidated.
- New Jersey
 - Sought to strengthen county superintendents to create K-12 districts and provide administrative services to districts
- Vermont
 - Hoped to push districts with fewer than 1,500 students to merge with a larger district



Research on Consolidation

- Research vs. advocacy for/against
- The old economist joke (“on the one hand ...)
- Overview
 - Economies of scale and optimal size
 - Academic quality
 - Return on investment (cost of a graduate)

Economies of Scale and Optimal District Size

- People agree that a “backward J” curve characterizes the relationship between per student expenditures and school district size.
- There is no agreement on the “optimal” size of school districts.
 - Optimal what? (spending or student performance)
 - Research generally finds numbers 1,500 - 4,500
- There is little agreement on the magnitude of the savings associated with consolidation (no controlled studies have been done).
- Some researchers argue that analysis should be based on cost per graduate (for schools this produces an upside down “U”)

School District Size and Professional Development

- There is a relationship between size and teacher professional development (NCES, 2003-04):
 - Opportunities for teachers to serve as mentors (58% in 250 or less, 77% in 1,000-2,000, 90% in 10,000 or more)
 - Participation in strategic planning retreats (32% in 250 or less, 57% in 1,000-2,000, 70% in 10,000 or more)
 - Administrative internships (39% in 250 or less, 48% in 1,000-2000, 67% in 10,000 or more)
 - Networking opportunities (55% in 250 or less, 70% in 1,000-2000, 81% in 10,000 or more)

School District Size and Academic Quality

- Studies of district size find that students in smaller districts often outperform students in larger districts
- Low-income students tend to benefit more than high-income students from small district size
- Academic and extracurricular opportunities are generally more extensive in larger districts
- Small remote districts can have trouble recruiting high quality teachers
- Larger districts tend to offer more opportunities for teacher professional development and collaboration

Miscellaneous Research-Based Conclusions

- “We conclude that doubling enrollment cuts costs per student by 28 percent for a 300-student district...consolidation is an effective cost-reduction strategy for rural school districts, particularly when they are very small.” Duncombe and Yinger (Syracuse University, NY)
- School district consolidation is “unlikely to produce the hoped-for fiscal savings” because it increases administrative costs and reduce student achievement. Goldwater Institute (Phoenix, AZ)
- Sharing services is a better option than consolidation for many school districts because it makes it possible to educate students like a small districts and still have the economies of scale and buying power of a large district. Deloitte Research
- “It seems that the trick to school district consolidation is streamlining administration without negatively impacting education quality.” Vermont Legislative Research Shop (University of Vermont)

Options

- Require school districts to consolidate based on explicit criteria (such as size or spending)
- Encourage districts to consolidate by providing incentives and technical assistance
- Require regionalization in which individual districts are maintained but groups of districts must prepare a single budget
- Create a system to share services across districts (e.g. BOCES) and require multi-district entities to share particular services such as administration

Criteria that Could be Used as the Basis for Consolidating School Districts

1. School district enrollment (set a minimum size)
2. Per student administrative expenditures or numbers of personnel per 1,000 students (set a cut point or set a percentage of total current operating spending)
3. Per student total expenditures or numbers of personnel per 1,000 students (set a cut point or identify districts spending over what they would be expected given their characteristics)
4. Student performance (set a cut point or identify districts performing below what they would be expected given their characteristics)
5. Some combination



Discussion of Approach and Criteria

Commission on Mississippi Educational Structure

March 8, 2010

1:00 p.m.

State Capitol, Room 216

Jackson, Mississippi

AGENDA

Welcome and Introductions.....Aubrey Patterson
Chair, Commission on Mississippi Educational Structure

Review of Minutes from February 1, 2010, Meeting.....Aubrey Patterson

Using School District Data to Develop Criteria for Reorganization....Dr. John Augenblick
President, Augenblick, Palaich and Associates, Inc.

Justin Silverstein
Vice President, Augenblick, Palaich and Associates, Inc.

Discussion of Next Steps.....Aubrey Patterson

USING SCHOOL DISTRICT DATA TO DEVELOP CRITERIA FOR REORGANIZATION

Dr. John Augenblick and Justin Silverstein
Augenblick, Palaich and Associates

March 2010

Focus of Presentation/Discussion

- Analyze data for Mississippi school districts to help select criteria to use in identifying districts that might be reorganized.
- We use four tables to organize the analysis:
 - Table 1: basic statistics for all variables
 - Table 2: correlations between all variables and several specific variables
 - Table 3: differences in average values between groups of districts selected as being relatively high or low
 - Table 4: an example of how many districts are selected using a specific set of criteria

Some Basics

- The data are for 149 districts (three agricultural high school districts are excluded – Coahoma County AHS, Forrest County AHS, and Hinds County AHS).
- We looked at seven types of data:
 - Student demographics
 - Student performance
 - Wealth and tax effort
 - Spending by function
 - Numbers of personnel
 - Teacher salary
 - Courses taken
- Our focus is on data for 2008-09 but in the first table we include some data for 2003-04.

Important Data Definitions

- We measure spending and personnel relative to *weighted students*, not enrollment.
- *Weighted students* reflect the recognized need to provide more resources to students with certain characteristics.
- If all students count as 1.0, then the added weights for students with particular characteristics are as follows:
 - Free lunch = .4
 - English language learners = .9
 - Low cost special education = .6
 - Moderate cost special education = 1.7
 - High cost special education = 5.0
- The ratio of weighted students to enrollment = “need”
 - If weighted students = 2,000 and enrollment = 1,500, then “need” = 1.33

A Brief Review of Statistics

- We use *simple* average, standard deviation, coefficient of variation (standard deviation divided by average) and correlation coefficient.
- *Simple* means: *unaffected by enrollment* (since we are concerned about districts, a district with 800 students has the same impact on a statistic as a district with 25,000 students).
- Standard deviation assumes a “normal” distribution of values, where one standard deviation away from the average includes about 34% of all cases on each side of the average (one half of a standard deviation includes about 19% of all cases on each side of the average).
- Correlation measures the relationship between two variables (from 0 to 1, plus or minus).

Table 1

- Table 1 shows minimum, maximum, average, and coefficient of variation for each of variables.
- Coefficient of variation starts to be “high” at .300 (shaded figures); that is, variation across districts is large (sometimes range of minimum and maximum can be misleading because they are outliers).
- Note the following:
 - Large variation in enrollment (row 1.1, columns 4 and 8)
 - Very small variation in need (row 1.8, columns 4 and 8)
 - Large and growing variation in spending for district administration (row 4.4, columns 4 and 8) despite small variation in total current spending (row 4.7, columns 4 and 8)
 - Variation in district administrative personnel (row 5.1, columns 4 and 8)
 - Large variations in courses taken (rows 7.1-7.5, column 8)

Table 2

- The figures shown are correlation coefficients. Correlations are considered to be of moderate strength at about .300.
- Note the five factors with which the variables are being correlated (Enrollment, Need, Wealth, Tax Effort, and QDI)
- Note the following correlations:
 - Indicators of student performance with need (rows 2.1-2.4 and column 2) and QDI (rows 2.2-2.4 and column 5). QDI and ACT are strongly correlated.

Table 2 (Continued)

- Note:
 - Courses taken and enrollment (rows 7.1-7.5 and column 1)
 - Courses taken and Need (rows 7.1-7.5 and column 2)
 - Courses taken and QDI (rows 7.1-7.5 and column 5)
 - Positive correlation with need and negative correlation with QDI for district administration spending (row 4.4 and columns 2 and 5)
 - Positive correlation with need and negative correlation with QDI for district administrative personnel (row 5.1 and columns 2 and 5)

Table 3

- Even when correlations are not strong, a relationship may exist between a variable and a factor.
 - We examine this in Table 3 by dividing districts into two groups (high and low) in terms of three criteria and then seeing whether there are differences in the magnitudes of each variable.
 - We only show numbers when the differences are at least one half of one standard deviation.
- Note the following:
 - Smaller districts had larger decreases in enrollment, higher needs, lower QDI and ACT scores, spent more for district administration, employed more district administrative personnel, had lower salaries, and had fewer courses taken than larger districts.

Table 3 (Continued)

- Note:
 - Districts with higher levels of administrative spending were smaller, had higher decreases in enrollment, had higher needs, had lower QDI and ACT scores, were wealthier, spent more, employed more people, paid lower salaries, and had fewer courses taken than districts that had lower levels of administrative spending.
 - Districts with lower QDI scores had higher decreases in enrollment, higher needs, lower ACT scores and High School Completion Indices, spent more for district administration, employed more district administrators, and fewer teachers, paid teachers less, and had fewer courses taken.

Setting Criteria for School District Reorganization

- Based on the analysis of Mississippi school district data, we believe that some combination of enrollment (small size), district administrative spending (relatively high), and student performance (relatively low QDI score) can be used to identify school districts that should reorganize.
- See Table 4 to view counts of districts that meet combinations of the three criteria.
- It is possible to set different levels of low-high for each criteria.

TABLE 1
DESCRIPTIVE STATISTICS FOR MISSISSIPPI SCHOOL DISTRICT-LEVEL INFORMATION IN 2003-04 AND 2008-09

Information Category	2003-04				2008-09			
	Minimum	Maximum	Simple Average	Simple Coefficient of Variation	Minimum	Maximum	Simple Average	Simple Coefficient of Variation
	1	2	3	4	5	6	7	8
1. Student Demographics								
1.1 Enrollment	228	31,640	3,298	1.121	154	30,616	3,290	1.229
1.2 Change in Enrollment					-32%	30%	-4%	0.240
1.3 Percent Free Lunch	15%	100%	65%	0.354	22%	100%	67%	0.299
1.4 Percent ELL	0%	6%	0%	2.040	0%	8%	1%	1.420
1.5 Percent Special Education - Low Cost	5%	24%	12%	0.260	6%	19%	11%	0.230
1.6 Percent Special Education - Moderate Cost	0%	4%	2%	0.370	1%	5%	3%	0.290
1.7 Percent Special Education - High Cost	0%	1%	0%	0.700	0%	2%	0%	0.600
1.8 Need (Ratio of Weighted to Unweighted)*	1.17	1.60	1.38	0.072	1.22	1.65	1.41	0.057
2. Student Performance								
2.1 QDI	--	--	--	--	85	203	141	0.194
2.2 Percent Meeting ACT Benchmark in Four Curricular Areas: Sum of z-Scores					-6.12	8.33	-	0.459
2.3 Graduation Rate	--	--	--	--	52%	99%	75%	0.114
2.4 High School Completion Index	--	--	--	--	65	292	188	0.236
3. Wealth and Tax Effort								
3.1 Net Assessed Value per Weighted Student	\$7,373	\$78,613	\$24,157	0.429	\$10,445	\$79,767	\$29,785	0.455
3.2 Implied Current Operating Property Tax Rate (mills)	19.45	68.91	41.52	0.227	26.34	64.98	43.18	0.201
4. Spending per Weighted Student								
4.1 Instruction	\$2,559	\$4,340	\$3,284	0.112	\$3,237	\$5,809	\$4,126	0.122
4.2 Support	\$208	\$679	\$328	0.203	\$272	\$712	\$408	0.179
4.3 School Administration	\$136	\$438	\$255	0.204	\$153	\$592	\$339	0.197
4.4 District Administration	\$101	\$1,090	\$285	0.471	\$126	\$1,635	\$367	0.505
4.5 Facilities Maintenance and Operation	\$224	\$1,062	\$442	0.311	\$264	\$2,321	\$597	0.408
4.6 Transportation	\$5	\$520	\$202	0.377	\$8	\$974	\$273	0.382
4.7 Total Current Expenditures	\$3,656	\$7,762	\$4,864	0.129	\$4,694	\$9,569	\$6,195	0.141
4.8 Capital	\$4	\$533	\$67	0.895	\$1	\$699	\$85	1.215
5. Personnel per 1,000 Weighted Students								
5.1 District Administration	0.8	14.2	3.2	0.534	0.7	7.9	2.8	0.443
5.2 School Administration	1.0	4.8	2.2	0.224	0.3	4.5	2.5	0.235
5.3 Teachers	33.9	63.1	48.4	0.111	35.8	64.4	51.3	0.102
5.4 Other Certified Support	0.8	7.0	2.8	0.321	1.7	9.5	4.2	0.288
5.5 Non-Certified Support	11.6	39.8	22.1	0.201	12.3	39.6	23.0	0.217
5.6 Library and Media Staff	0.7	4.6	1.7	0.361	0.5	5.6	1.6	0.390
5.7 Nurses	0.0	1.5	0.4	0.847	0.0	1.8	0.6	0.757
5.8 Facilities Maintenance and Operation	0.0	9.6	5.1	0.344	0.0	10.9	5.5	0.365
5.9 Transportation	0.0	18.4	7.1	0.457	0.0	30.2	7.2	0.501
6. Classroom Teacher Salary								
6.1 Average Salary	\$31,444	\$42,667	\$35,568	0.053	\$35,626	\$48,367	\$40,563	0.049
6.2 Average Years of Experience	--	--	--	--	5.5	19.0	12.2	0.144
6.3 Percent with Masters Degree or Higher	--	--	--	--	16%	69%	37%	0.230
7. Courses Taken								
7.1 Advanced Placement	--	--	--	--	--	20	4.2	0.907
7.2 English	--	--	--	--	2	31	11.2	0.460
7.3 Mathematics	--	--	--	--	3	15	8.4	0.256
7.4 Science	--	--	--	--	2	25	10.0	0.394
7.5 Foreign Language	--	--	--	--	0	13	3.3	0.862

* Need is based on applying weights to student characteristics as follows: free lunch = 1.4; ELL = 1.9; low cost special education = 1.6; moderate cost special education = 2.7; and high cost special education = 6.0.

Anything above .289 is a high variable or difference

TABLE 2
CORRELATIONS BETWEEN MISSISSIPPI SCHOOL DISTRICT-LEVEL INFORMATION AND DISTRICT SIZE, NEED, WEALTH, TAX EFFORT, AND STUDENT PERFORMANCE IN 2008-09

Information Category	Correlation Coefficients (-1.00 to +1.00)				
	Enrollment	Need	Wealth*	Tax Effort	QDI
	1	2	3	4	5
1. Student Demographics					
1.1 Enrollment		-0.311	0.191	0.141	0.246
1.2 Change in Enrollment	0.387	-0.594	-0.113	0.078	0.427
1.3 Percent Free Lunch					
1.4 Percent ELL					
1.5 Percent Special Education - Low Cost					
1.6 Percent Special Education - Moderate Cost					
1.7 Percent Special Education - High Cost					
1.8 Need (Ratio of Weighted to Unweighted)**	-0.311		-0.061	-0.058	-0.785
2. Student Performance					
2.1 QDI	0.246	-0.785	0.217	0.120	
2.2 Percent Meeting ACT Benchmark in Four Curricular Areas: Sum of z-Scores	0.276	-0.799	0.290	0.186	0.880
2.3 Graduation Rate	0.129	-0.368	0.121	0.039	0.422
2.4 High School Completion Index	0.086	-0.350	0.055	0.106	0.433
3. Wealth and Tax Effort					
3.1 Net Assessed Value per Weighted Student	0.191	-0.061		-0.111	0.217
3.2 Implied Current Operating Property Tax Rate (mills)	0.141	-0.058	-0.111		0.120
4. Spending per Weighted Student					
4.1 Instruction	-0.092	-0.029	0.473	0.230	0.179
4.2 Support	-0.278	0.450	0.029	-0.039	-0.459
4.3 School Administration	0.006	-0.004	0.457	0.113	0.026
4.4 District Administration	-0.280	0.477	0.290	0.082	-0.298
4.5 Facilities Maintenance and Operation	0.052	0.103	0.506	0.155	0.139
4.6 Transportation	-0.050	0.096	0.318	-0.118	-0.080
4.7 Total Current Expenditures	-0.127	0.165	0.570	0.186	0.037
4.8 Capital	-0.001	0.029	0.172	0.016	0.035
5. Personnel per 1,000 Weighted Students					
5.1 District Administration	-0.222	0.500	0.185	0.011	-0.390
5.2 School Administration	-0.109	0.114	0.251	0.040	-0.072
5.3 Teachers	-0.143	-0.292	0.286	0.217	0.344
5.4 Other Certified Support	-0.071	-0.093	0.148	0.111	0.113
5.5 Non-Certified Support	-0.008	0.325	0.182	0.123	-0.265
5.6 Library and Media Staff	-0.077	0.252	0.147	0.157	-0.244
5.7 Nurses	-0.109	-0.093	0.105	0.027	0.075
5.8 Facilities Maintenance and Operation	-0.051	0.354	0.056	0.301	-0.293
5.9 Transportation	-0.111	0.048	0.020	-0.065	-0.045
6. Classroom Teacher Salary					
6.1 Average Salary					
6.2 Average Years of Experience	-0.098	-0.188	-0.060	-0.115	0.155
6.3 Percent with Masters Degree or Higher	0.138	-0.295	0.226	0.090	0.281
7. Courses Taken					
7.1 Advanced Placement	0.714	-0.387	0.363	0.222	0.389
7.2 English	0.608	-0.441	0.349	0.196	0.423
7.3 Mathematics	0.571	-0.484	0.251	0.180	0.445
7.4 Science	0.691	-0.539	0.293	0.204	0.503
7.5 Foreign Language	0.691	-0.442	0.498	0.215	0.449

* Wealth is property value per weighted student.

** Need is based on applying weights to student characteristics as follows: free lunch = 1.4; ELL = 1.9; low cost special education = 1.6; moderate cost special education = 2.7; and high cost special education = 6.0.

TABLE 3
COMPARISON OF VARIABLE AVERAGES THAT ARE SIGNIFICANTLY DIFFERENT BETWEEN GROUPS OF MISSISSIPPI SCHOOL DISTRICTS BASED ON ENROLLMENT, PER WEIGHTED

Information Category	Enrollment		District Admin. Spending per		QDI	
	2000		\$460		127.6	
	Less than	More than	More than	Less than	Less than	More than
	1	2	3	4	5	6
1. Student Demographics						
1.1 Enrollment	1,270	4,896	1,579	3,618		
1.2 Change in Enrollment	-8.2%	-0.4%	-13.8%	-1.9%	-9.0%	-0.9%
1.8 Need (Ratio of Weighted to Unweighted)*	1.45	1.37	1.48	1.39	1.48	1.37
2. Student Performance						
2.1 QDI	132.6	148.3	125.9	144.3	111.3	157.9
2.2 Percent Meeting ACT Benchmark in Four Curricular Areas: Sum of z-Scores	-1.55	1.23	-2.37	0.46	-3.54	1.96
2.3 Graduation Rate						
2.4 High School Completion Index					170.86	194.86
3. Wealth and Tax Effort						
3.1 Net Assessed Value per Weighted Student			\$36,384	\$28,518		
3.2 Implied Current Operating Property Tax Rate (mills)						
4. Spending per Weighted Student						
4.1 Instruction			\$4,439	\$4,065		
4.2 Support			\$456	\$398	\$440	\$390
4.3 School Administration						
4.4 District Administration	\$463	\$292	\$676	\$308	\$438	\$329
4.5 Facilities Maintenance and Operation			\$733	\$571		
4.6 Transportation			\$333	\$262		
4.7 Total Current Expenditures			\$7,111	\$6,019		
4.8 Capital						
5. Personnel per 1,000 Weighted Students						
5.1 District Administration	3.25	2.46	3.67	2.64	3.41	2.47
5.2 School Administration			2.83	2.45		
5.3 Teachers			53.62	50.80	49.24	52.37
5.4 Other Certified Support						
5.5 Non-Certified Support					25.22	21.78
5.6 Library and Media Staff			2.17	1.51		
5.7 Nurses						
5.8 Facilities Maintenance and Operation					6.12	5.10
5.9 Transportation						
6. Classroom Teacher Salary						
6.1 Average Salary	\$39,918	\$41,076	\$39,716	\$40,725	\$39,908	\$40,924
6.2 Average Years of Experience						
6.3 Percent with Masters Degree or Higher						
7. Courses Taken						
7.1 Advanced Placement	2.0	5.9			2.8	4.9
7.2 English	7.7	13.9	7.8	11.8	9.1	12.3
7.3 Mathematics	7.0	9.4	6.7	8.7	7.5	8.8
7.4 Science	7.4	11.9	7.3	10.4	7.9	11.0
7.5 Foreign Language	1.7	4.6			2.2	3.9

NOTE: Rows in which no numbers appear indicate that the differences between the two groups were not significant for any of the three factors.

* Need is based on applying weights to student characteristics as follows: free lunch = 1.4; ELL = 1.9; low cost special education = 1.6; moderate cost special education = 2.7; and high cost special education = 6.0.

TABLE 4
 NUMBER OF MISSISSIPPI SCHOOL DISTRICTS THAT MEET COMBINATIONS OF REORGANIZATION SELECTION CRITERIA BASED ON LOW ENROLLMENT, STUDENT PERFORMANCE, AND SPENDING FOR DISTRICT ADMINISTRATION*

	Combination of Selection Criteria						
	Low Enrollment Only	Low QDI Only	High District Admin. Spending Only	Low Enrollment and Low QDI	Low Enrollment and High District Admin. Spending	Low QDI and High District Admin. Spending	Low Enrollment, Low QDI, and High District Admin. Spending
Number of Districts	66	53	24	31	21	15	14

* Criteria definitions:

- Low enrollment = less than 2,000 students
- Low QDI = less than 127.6 (one half of one standard deviation below the statewide simple school district average)
- High District Admin. Spending = over \$460 per weighted student (one half of one standard deviation above the statewide simple school district average)