ED-RED Member Meeting
Monday, March 21, 2011
SCHOOL CONSOLIDATION
Introduction

• The potential cost savings of consolidation must consider the impact to students.
• States facing an aggregate budget gap of $83 billion this year.
• School and School District Consolidation is being debated across the country as a potential source of cost savings for local and state governments.
Research


• Mackinac Center for Public Policy, *School District consolidation, size and spending: An evaluation*.

• Harvard University, *School District Consolidation and Student Outcomes: Does Size Matter?*
Harvard University

• Studies school district consolidation and student outcomes.
• Modest financial gains associated with larger districts are likely to be outweighed by the harmful effects to student outcomes.
• Trend in educational governance over the past century is concentration of authority rather than decentralization. Larger districts host larger schools.
Center for Evaluation & Education Policy

• Maine – mandated consolidation through statewide legislation. High performing districts were exempt from the legislation and the study concluded that there were no cost savings or student achievement increases.

• Indiana – provided incentives for consolidation feasibility studies. Results showed a number of areas where increased collaboration between school districts may be more efficient than consolidation.

• The study concluded that further savings and efficiencies can likely be realized through shared services and joint purchasing by school districts.
• Economies of Scale - larger districts have lower per-pupil operating expenditures than their smaller counterparts.

• There is an optimal size of school district beyond which per-pupil expenditures begin to rise.

• Greater savings from reorganizing excessively large school districts than consolidating smaller school districts.

• The author estimates that the potential savings from consolidating excessively small districts is about 12 times smaller than the potential savings from breaking up excessively large ones.
Illinois by the numbers

- **170** districts with less than 300 students
- **300** districts with less than 500 students
- **500** districts with less than 1,000 students
- **18** districts with enrollment between 10,000-20,000 students
Five largest districts

- Rockford 205 – 27,115
- Plainfield 202 – 28,223
- Indian Prairie 204 – 28,868
- U-46 (Elgin) – 39,623
- Chicago 299 – 379,553
Questions on Consolidation Legislation

• Who conducts the study?
• What they are charged to study?
• Do they need to make specific recommendations on areas to consolidate?
• What is the timeline for reporting?
• What role does the legislature play in the process?
• How will local districts be involved?
Pending Legislation

• **Governor Quinn** - reduce to 300 districts, save $100 million
• **HB 1216** - School District Realignment and Consolidation Commission
• **HB 1886** – countywide school districts
• **SB 1324** – ISBE consolidation study; recommendations are implemented if the legislature does not take action
• **SB 2134** – shared services through ROEs/ISCs