

## SCHOOL CONSOLIDATION: AN INEFFECTIVE WAY OF IMPROVING EDUCATION

BY JOHN R. LAPLANTE

School consolidation has been a heated topic in Kansas history, and the ongoing debate over school funding, fueled by rulings of the Kansas Supreme Court, has only brought the topic to the forefront again. In urban areas, the talk is of saving money by consolidating rural districts. At least one advocate of rural areas has returned the favor by asking for consolidation of urban districts.<sup>1</sup>

But is consolidation a good policy, especially if it is driven by state lawmakers or the courts? A look at history and the research into school consolidation shows that bigger is not always better. Consolidation can be an ineffective and even counterproductive method of saving money and improving education. There are better ways of improving the delivery of education.

### History of Consolidation

Calls for consolidation are nothing new. In fact, two scholars observe that “consolidation has been a defining characteristic of educational history throughout the twentieth century.”<sup>2</sup> Centralization held the upper hand for a good portion of that time. Industrialization, urbanization, and a belief that bigger is more efficient and more professional fueled the drive for consolidation across the country.

Kansas has already seen a great deal of consolidation. As part of the Consolidation Act of 1886, for example, nine schools in the Kansas City, Kansas area were merged to form one district.<sup>3</sup> Even with this merger, the number of school authorities was quite large in the 19<sup>th</sup> century, reaching a peak of 9,284 in 1886.<sup>4</sup>

A 1945 law aimed at reducing the number of districts by a third, from 8,112 down to 5,411, was eventually declared unconstitutional, but it set the stage for further consolidation. As a result of the further laws and the landmark case *Tecumseh School District vs. Throckmorton*, the number of districts was reduced to 311 by 1969.<sup>5</sup>

Though the pace of consolidation has slowed down since then, it hasn't stopped entirely. Today the number hovers around 300, and it is on schedule to go lower. On November 2, 2005, the school boards in two Washington county districts, USD 221 (North Central) and USD 222 (Washington), agreed to merge their districts. The public will have the final say in a vote in 2006.<sup>6</sup> A few days later, in Jewell county, voters in USD 278 (Mankato) and USD 104 (White Rock) approved a plan to merge their public school districts.<sup>7</sup>



## Arguments in Favor of Consolidation

The case for consolidation rests on two major pillars: economics, and educational opportunity. Both arguments go back at least to the early 20<sup>th</sup> century.<sup>8</sup> The economic rationale is that consolidation will promote efficiency. Two can live cheaper than one, the thought goes. Bulk purchases allow administrators to save money. Districts can close older, inefficient and costly-to-repair buildings. Taxpayers can save money because there will be a need for fewer administrators. In short, the argument goes, consolidation makes economic sense. It is therefore good, if not required, especially in rural areas with low population growth or population decline, to consolidate schools and districts.

But economic efficiencies are not the only selling point of consolidation's advocates. Consolidation is said to contribute to educational quality by establishing the base for more diversified and specialized services and offerings. The larger student population creates more opportunities for support staff, such as counselors and reading specialists. Larger enrollments might allow for specific classes that might not be feasible with smaller schools. A further argument for consolidation is that teachers can be paid more if they work in a larger, better-funded district.

## Arguments Against Consolidation

While cost savings and increased professionalization of staff have been touted as benefits of consolidation, opposition to the idea has found great support from an appeal to community, and by extension, personal identity. As Kansas State professor David C. Thompson summarized the position, "People will see the loss of a school as taking a shot at the heart of the community."<sup>9</sup>

## Academic problems

There are other reasons to be wary of consolidation, though, including its effects on learning. At its best, consolidation does little to boost student achievement. There is, in fact, evidence that it harms students. Louisiana State University professor David Brasington, for example, found that a doubling of school size would cause test scores to fall by one percentage point.<sup>10</sup> University of Chicago professor Christopher Berry discovered that increasing the average size of a school within a state by 100 students was associated with a 3.7 percent decline in the earnings of that state's high school graduates. While the finding does not address academic performance directly, it does suggest that consolidation does not help prepare students for life after school.<sup>11</sup>

One way that consolidation can harm academic performance is through reducing competition among schools. When Harvard economist Carolyn Hoxby examined school performance by comparing thousands of dollars spent per pupil with increases in national assessment scores, she found that "Public schools do respond constructively to competition, by raising their achievement and productivity."<sup>12</sup> Consolidation of schools and school districts, on the other hand, necessarily reduces the number of competitors in a given locale.

Meanwhile, the benefits of small schools is one of the promising areas of research in education. The findings have been strong enough to convince the Bill and Melinda Gates Foundation to invest \$745 million in touting the benefits of smaller schools, whether in rural or urban settings. With the financial help of the Gates Foundation, some school districts across the country are actually creating smaller, not larger schools.<sup>13</sup>



Smaller schools offer several benefits, such as more opportunities for students to participate in leadership activities, and more social cohesion, which is associated with greater learning. “Effective-schools research indicates that achievement is stronger where schools establish a clear identity for students—a community of interest,” says education researcher John T. Wenders, of the University of Idaho.<sup>14</sup> G. Edward Mills, of Fort Hays State University, says that in smaller schools, students have “higher achievement, better discipline and attendance, and higher graduation rates. Additionally, students and parents from those small schools reported a high level of satisfaction with the schools.”<sup>15</sup>

The adverse impact of larger *districts* is not as strongly established in the research as the effects of larger schools. The arguments in favor of consolidation, however, also favor larger districts along with larger schools. Further, we have already seen a large measure of district consolidation, with little perceptible gain in academic achievement. Since 1930, the number of districts in the country has declined by 90 percent.<sup>16</sup> If consolidation was an important contributor to achievement, we would not be, in the words of the oft-cited report from 1983, “A nation at risk.”

### ***Minimal cost savings***

While bigness at the school level is harmful, and consolidation at the district level is of questionable benefit, the economic benefits of consolidation are illusory. While consolidation sounds like an idea that could save a lot of money, the reality in many cases is something different. Dale Ballou, a professor at the University of Massachusetts, found that increasing the average size of a school within a district by 100 students could indeed produce a cost savings—of three-tenths of one percent of

current spending.<sup>17</sup> Two other researchers, who reviewed academic literature in light of a proposal to consolidate districts in Arizona, concluded that “Decades of empirical evidence show consolidation leads to administrative bloat, not streamlining.”<sup>18</sup>

Why might not consolidation produce economic gains? One reason is that it strengthens the market power of a particular school district, reducing the incentive to be more efficient. Currently, schools are in a weakly competitive market. Some families are able to choose a different school, because they can afford the financial and other costs of moving to a different district. But consolidation, by design, increases the geographic scope of a school district, and thus weakens the power of competition. If school district A and B merge, parents unhappy with A certainly cannot move to B. So without the discipline imposed by the threat of family departures, the negative developments that typically accompany large-scale schooling, such as an increase in the number and scope of administrators and bureaucratic rules, can increase without any market check.

Wenders offers one bleak scenario of what happens in consolidation: “Schools tend to become larger and more remote from parents. Research shows that consolidation reduces competition among urban school districts and widens the span of district-wide collective bargaining. This, in turn, increases the clout of the teachers’ unions, raises per-pupil costs, and reduces student performance.”<sup>19</sup>

In short, increasing the size of schools, and districts, poses significant risks, and offers little in return. Consolidation is not a significantly useful form of effective school reform.



## Alternatives to Consolidation

If academic quality and cost savings are what policy makers and the public desire, there are a number of alternatives to school and district consolidation. If we want to increase the educational opportunities of students in remote areas, **distance learning** can be used or expanded. Distance learning has proved itself at the college level. Fort Hays State University, for example, offers a virtual college, granting degrees at the associate's, bachelor's, and master's levels. Other, newer technologies such as desktop video conferencing will build on distance learning.

At the elementary and secondary level as well, new technologies are taking hold. The private company K12, for example, offers a curriculum that can be used in a **virtual charter school** setting that makes use of the Internet.<sup>20</sup> Even public school districts are buying into this approach, and becoming competitive—at least until other districts complain. The Lawrence Public Schools, for example, offers a virtual school.<sup>21</sup> The principal of that school even started a series of open houses across the state, offering information about the school. The series was cancelled after officials from Hutchinson and other school districts objected.<sup>22</sup> The incident is instructive: rather than embrace competition as a means of improving education, some officials feared it, and sought to squelch it. This approach has a significant downside: by protecting one particular means of educating children (the traditional school system, with only weak competition), it places the emphasis on structures rather than outcomes.

If saving money is a prime motivation for consolidation, schools districts can explore **further consolidation of services**<sup>23</sup> as a way to save money. Every dollar spent on support services is a dollar not spent in the classroom.

According to the National Center for Education Statistics, less than 60 percent of the education dollars in Kansas makes it to the classroom.<sup>24</sup> That calculation reflects only current operating expenses, and excludes debt service and some other factors. In other words, there's a lot of overhead. Obviously some overhead is necessary, but **putting non-instructional services up for competitive bidding** is a way to reduce the money spent in that category, and helps schools get more from that money. Not only does competitive bidding let schools save money, it also lets them draw on the specialized skills and management expertise of outside firms. Transportation, food service, and human resources are just a few of the services that school districts are turning over to private firms. The list of services that can be delivered through competitive bidding is long, and it keeps growing with time.<sup>25</sup>

Finally lawmakers can address cost concerns by **expanding the role of competition** in schooling itself. Competition brings service improvements and cost containment throughout our economy. It can also produce better management in education. When schools face increased competition for students, they will find ways to improve economic efficiency and use the budget they have in the most effective and efficient way possible. The alternative is to lose students and the dollars they bring.

Several means of providing competition among schools are available, such as vouchers or tuition tax credits. The benefits of competition can also be advanced by reducing the various barriers that exist to the increased use of charter schools.

School district boards that promote their services and make them available across district lines, as Lawrence did with the virtual charter school, should be applauded, not condemned.



## Conclusion

Many reasons given in support of consolidation are laudable, at least in part. The results of consolidation, too often, are not.

It's good to want students to have access to an expanded offering of courses. But old and new technologies alike can increase the number of subjects available to students, without the academic and financial costs of consolidation.

It's good to promote the economic efficiency of school administration. But school and district consolidation has a history of breeding inefficiencies, not better use of funds.

It's a good idea to allow some teachers to earn more money. But there are more targeted ways

that reward good teaching, such as introducing merit pay for outstanding teachers.

Innovation and reform are essential if we want students to succeed academically, and if we want taxpayers to get a good return on their money. Consolidation is at best a distraction from other reforms. Many of the goals cited in support of consolidation can be better achieved through other ways that do not carry the social, economic, and academic costs of bulking up schools and reducing the role of competition.



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## Notes:

<sup>1</sup> For the rural view, see Sarah Kessinger and Chris Grenz, "Dealing with a hot potato issue," Harris News Service, December 17, 2004, <http://wire.dailynews.net/HNS/govt/HNSpotato.html>. For an urban view, see "C Word: Consolidation makes sense but is no cure-all," *Wichita Eagle*, October 29, 2004, <http://www.kansas.com/mld/eagle/news/editorial/10040563.htm?template=contentModules/printstory.jsp>.

<sup>2</sup> Paul Theobald and Paul Hachtigal, (1995), "Culture, community and the promise of rural education," *Phi Delta Kappan*, October 1995, 132-135, cited in National Rural Education Association Executive Board, "Rural School Consolidation Report," April 2005, [www.nrea.net/awards%20&%20other/Consolidation\\_cover\\_sheet1.doc](http://www.nrea.net/awards%20&%20other/Consolidation_cover_sheet1.doc).

<sup>3</sup> Kansas City, Kansas Public Schools, "History Overview," [http://www.kckps.org/disthistory/history\\_overview.htm](http://www.kckps.org/disthistory/history_overview.htm), accessed November 16, 2005.

<sup>4</sup> Kansas Association of School Boards, "Brief of Amicus Curie," submitted to the Supreme Court of the State of Kansas, Number 04-92-032-S, p. 26, <http://www.kasb.org/amicusbrief.pdf>, accessed November 16, 2005.

<sup>5</sup> Kansas Association of School Boards, "Brief of Amicus Curie," submitted to the Supreme Court of the State of Kansas, Number 04-92-032-S, p. 26, <http://www.kasb.org/amicusbrief.pdf>, accessed November 16, 2005.

<sup>6</sup> Dan Thallmann, "Area districts to vote on consolidation," *Marysville Advocate*, November 5, 2005, <http://www.mvleadvocate.com/web/bsite.dll?1131563249421>.

<sup>7</sup> Associated Press: "Jewell County voters approve consolidation," *Kansas City Star*, November 9, 2005, <http://www.kansascity.com/mld/kansascity/news/local/13121764.htm>.

<sup>8</sup> See, for example, Ellwood P. Cubberly, (1868-1941) a Stanford professor noted as a leading education reformer. Cubberly's legacy is discussed in Christopher Berry, "School Inflation," *Education Next*, Fall 2004, <http://www.educationnext.org/20044/56.html>.

<sup>9</sup> Kansas State University, "K-State Education professor discusses pros and cons of school district consolidation," <http://www.mediarelations.ksu.edu/WEB/News/NewsReleases/consolidation62705.html>, accessed November 16, 2005.

<sup>10</sup> Joshua Hall, "Will OEA Lawsuit Threaten Local Control?," Oklahoma Council of Public Affairs, October 2004, <http://www.ocpathink.org/ViewPerspectiveStory.asp?ID=532>.

<sup>11</sup> Christopher Berry, "School Inflation," *Education Next*, Fall 2004, <http://www.educationnext.org/20044/56.html>.



<sup>12</sup> Carolyn Hoxy, "School Choice and School Competition: Evidence from the United States," 2003, *Swedish Economic Policy Review*, [http://post.economics.harvard.edu/faculty/hoxby/papers/hoxby\\_2.pdf](http://post.economics.harvard.edu/faculty/hoxby/papers/hoxby_2.pdf).

<sup>13</sup> Julia Silverman, "Can Small Schools Make a Difference?" AP Wire, October 12, 2004, <http://www.smallschoolsworkshop.org/tap101204jsilverman.html>. The web site of the small schools project of the Bill & Melinda Gates Foundation is <http://whatkidscando.org/portfoliosmallschools/portfoliohome.html>.

<sup>14</sup> John T. Wenders, "Consolidation is a Bad Idea," Thomas B. Fordham Institute, April 10, 2003, <http://www.edexcellence.net/institute/gadfly/issue.cfm?id=17#225>.

<sup>15</sup> G. Edward Mills, "Preserving the future of rural schools and communities on the High Plains," Academic Leadership, [http://www.academicleadership.org/articles/4/4\\_full.html](http://www.academicleadership.org/articles/4/4_full.html), accessed November 16, 2005.

<sup>16</sup> Berry.

<sup>17</sup> Hall.

<sup>18</sup> Vicki Murry and Ross Groen, "Competition or Consolidation? The School District Consolidation Debate Revisited," Goldwater Institute, January 12, 2004, <http://www.goldwaterinstitute.org/article.php/401.html>.

<sup>19</sup> Kate McGreevy, "District Consolidation Could Affect School Choice, Competition," *School Reform News*, May 2005, <http://www.heartland.org/Article.cfm?artId=16882>.

<sup>20</sup> See Fort Hays State University, <http://www.fhsu.edu/virtualcollege/>, and K12, <http://www.k12.com> for examples of virtual colleges and virtual charter schools.

<sup>21</sup> Information about the Lawrence Virtual School is available online at <http://www.usd497.org/schools/virtual/index.cfm>.

<sup>22</sup> Sarah Fox, "Virtual school recruits students from across state," Lawrence Journal-World, February 5, 2005, [http://www2.ljworld.com/news/2005/feb/07/virtual\\_school\\_recruiting/](http://www2.ljworld.com/news/2005/feb/07/virtual_school_recruiting/), and Alicia Henrikson, "Recruiting signals 'A new mind set,'" Lawrence Journal-World, April 5, 2005, [http://www2.ljworld.com/news/2005/apr/08/recruiting\\_signals\\_a/](http://www2.ljworld.com/news/2005/apr/08/recruiting_signals_a/).

<sup>23</sup> William D. Eggers et al., "Driving More Money into the Classroom: The Promise of Shared Services," Reason Foundation/Deloitte Research, October 2005, <http://www.reason.org/ps339.pdf>.

<sup>24</sup> National Center for Education Statistics, "State Education Data Profiles: Kansas," <http://nces.ed.gov/programs/stateprofiles/sresult.asp?mode=full&displaycat=2&s1=20>, accessed November 16, 2005.

<sup>25</sup> For a review of the benefits of competitive bidding and shared services, see Eggers et al.

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