

POLICY BRIEF
An electronic publication of
The Allegheny Institute for Public Policy

August 14, 2009

Volume 9, Number 48

What Would PA Gain by Consolidating School Districts?

Could Pennsylvania see another reduction in the number of school districts in coming years? If it does, would the reduction be of the magnitude of the late 1950s and early 1960s when the district count fell from 2,700 to 600 (a 77% decrease)? Would the downsizing be mandatory or would there be positive incentives to encourage districts to merge? Above all, would the benefits for taxpayers and families with school-age children outweigh the costs?

These were just some of the themes discussed at a Senate Education Committee hearing on school district consolidation this past week, a hearing at which the Allegheny Institute delivered testimony. Since there are numerous questions, including the ones above, regarding what consolidation would look like and what its effects would be, our testimony focused on how Pennsylvania compares to other states around the country that have independently elected school districts, 45 in all including Pennsylvania. Here's how the state measures up:

- In terms of school district count, ten states have more districts than Pennsylvania's 500. This group includes the nearby states of New York (682), Ohio (612), and New Jersey (549).
- Using the state's total enrollment and total number of districts to arrive at an average enrollment per district, Pennsylvania averages 3,661 students, 21st out of 45 states. The 45 state average is just over 8,000, meaning Pennsylvania would have to reduce the number of districts by half in order to get to the average.
- In the ten years between 1992 and 2002, 24 states reduced the number of districts with four states seeing reductions of 30 percent of their total. Nine states increased the district count while twelve made no change.

Nationally, Pennsylvania does not have the most school districts, nor is it terribly out of line when considering the typical size of a district based on average enrollment—it is in the middle. Plus, there is no widespread trend of other states making large reductions to the number of districts in recent years.

So why do it? The strongest proponent for consolidation, or at least putting together a commission to study the idea put forward by the Governor to merge 500 districts into 100 districts, was the Secretary of Education. Citing three main reasons for his support—that

larger districts would achieve economies of scale, allow for better educational offerings, and end bureaucratic redundancy that exists with 500 districts—the thrust seems to be that “bigger can be better”. Where this point fell short in the hearing was first, why 100 districts was the settled-upon target and second, why the system of Intermediate Units are not adequately performing the role of garnering savings and cutting through duplication at the school district level.

But a quick look at several existing districts shows that a large enrollment does not translate into an elimination of layers of bureaucracy. The Pittsburgh Public Schools, according to their recent financial documents, have roughly 2,500 employees classified as something other than “teachers”. Based on an enrollment of 27,680, that translates into 91 non-teaching personnel for every 1,000 students. Five other districts in Allegheny County were selected to examine their ratio of non-teaching personnel: on average, the ratio was 67, a 35 percent difference between these districts and the largest in the County. This sample shows that there is a possibility that consolidations might not wring out efficiencies in the administrative side of districts.

Comparison of Non-teaching Personnel in County Districts

District	Non-Teaching Employees per 1000 Students
Pittsburgh	91
Allegheny Valley	74
Bethel Park	71
North Allegheny	57
North Hills	77
Mt. Lebanon	56
<i>Non-Pittsburgh Average</i>	<i>67</i>

A similar examination of the state’s largest district (Philadelphia) and the small district where the hearing was held (Penn-Cambria) likewise found a near 30 percent difference in the ratio of non-teaching personnel (86 to 67 per 1,000, respectively).

So what is the end goal of the Governor’s (and other) proposals to shrink the number of districts if (1) Pennsylvania is not too out of line with other states (2) the state has the Intermediate Units to perform broad-based services and (3) our large districts have failed to demonstrate they can or will deliver savings on non-instructional costs? It sounds like the current push for more school consolidation might be a solution in search of a problem. Or could it be another diversionary tactic, like graduation exams, to take the public’s eyes off the real problems that massive increases in education spending over recent years are not fixing?

That being said, there really should not be any obstacles to districts that want to voluntarily merge, just like the Beaver County districts of Monaca and Center did in recent months. There were a lot of points along the way where there was uncertainty in how to proceed, how to resolve tax issues, etc. If the state is looking for a positive incentive for such efforts, maybe they could award \$1 for every \$2 in demonstrable savings from a merger for a limited time frame, maybe three years or so. The money

would be dedicated to property tax reductions in the merged district. That might prove to be more fruitful and offer real incentive and encourage for voluntary, sensible mergers.

Eric Montarti, Senior Policy Analyst

Policy Briefs may be reprinted as long as proper attribution is given.

For more information about this and other topics, please visit our website:

www.alleghenyinstitute.org

<p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd. * Suite 208* Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: aipp@alleghenyinstitute.org</p>
--