

Response to House Resolution 54

**Feasibility Study for County Wide School Districts
In
Kent and Sussex Counties**

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Executive Summary

House Resolution 54, which is included as Appendix A, requested the Secretary of Education to study the feasibility of establishing county school districts in Kent and Sussex counties. This report represents an initial review of the feasibility of district consolidation in Kent and Sussex counties. Due to the requested timeline for submitting this report, September 30, 2002, much of the research was done in an independent manner without convening a broad range of educational stakeholders. Should there be a need to further explore this issue, more time would need to be allocated to reviewing specific issues in greater detail and with a more diverse group of public education stakeholders.

Based upon the research conducted and referenced in this report, there is not a compelling case to consolidate existing districts into county-wide districts in Kent and Sussex counties to achieve cost savings. Surprisingly, Delaware school districts are on average significantly larger than other districts throughout the nation (Appendix B). While the mean 2000-2001 school district size in Delaware was 5,898 the national average was only 3,210. Furthermore, over 90% of all school districts in the nation had enrollments equal to or less than 6,190 students. While there is minimal research that attempts to define an optimal size school district, the research referenced by this report indicates that rural districts may have an optimal enrollment range of 1,500 to 6,000 students. Of course this optimal range will vary based upon the demographics of the geographical area being served. Certainly districts in highly populated urban areas will be larger than districts in less densely populated rural areas. When considering the demographics of Kent and Sussex counties, the existing student enrollments are generally larger than other similar districts across the nation.

The most thorough study on the potential cost savings to be achieved through district consolidation indicates that cost savings only occur when the districts being consolidated have enrollments of fewer than 1,500 students. Delaware has only one district, Delmar, that has an enrollment of fewer than 1,500 students. In addition, county-wide school districts have been attempted twice in Delaware, once statewide in 1919 and

again in 1978 in New Castle County only. On both occasions, the county-wide districts were abandoned quickly in favor of smaller and more locally controlled districts.

While this study does not find a compelling case to create county-wide school districts in Kent and Sussex counties, there are compelling reasons to further explore the feasibility of consolidating specific functions within the county and within the state. For example, transportation services have become more and more decentralized, particularly with the increase in the number of charter schools, and this decentralized system is leading to the inefficient utilization of resources. In addition, there are highly specialized functions such as providing services to high need special education students that may be better provided in a centralized manner. These and other functions, such as centralized purchasing and professional development initiatives, can be implemented without the need to consolidate districts. As a small state, Delaware has a unique opportunity to maintain local control and community-based school districts, while also taking advantage of centralizing services when they can be operated more efficiently.

Much of the interest in consolidating districts is based upon the potential to cut costs, and to minimize inequities in the allocation of resources. While this study concludes that the consolidation of districts with enrollments of greater than 1,500 students is not justified for purely cost cutting reasons, consolidation would improve the equitable allocation of resources. A county-wide consolidation plan would resolve the inequities that currently exist within counties, but inequities would continue to exist across the remaining county districts. Consolidation would also have the positive impact of greatly reducing the amount of time spent negotiating individual district union contracts not to mention the inefficiencies created by staff members moving from one district to another because of substantially different pay scales across districts. More importantly, however, is that in the era of accountability it is critical that districts have adequate resources to compete on a level playing field with their neighboring districts. The issue of funding equity is a valid concern, but this study concludes that funding equity can be more readily addressed by implementing the recommendations of the state equalization committee. Pursuing modifications to the equalization formula and

reassessing property on a routine basis can have the impact of minimizing funding inequities without the need for district consolidation.

Within the context of Delaware’s existing system of funding education, consolidating districts to county-wide districts in Kent and Sussex counties would have an estimated net annual cost of \$7.2 million. While many administrative positions would be eliminated (such as 22 Superintendent and Administrative Assistant positions) these reductions would be significantly offset by increases in the number of other administrative positions (such as 18 Assistant Superintendent and Director positions). The estimated net cost reduction derived as a result of fewer unit generated positions is \$1,375,000. This cost reduction, however, would be overridden by the cost of “leveling-up” salaries in each district to that of the highest paid district in each county. While one could argue that the county-wide district salary scales could be established at rates lower than that of the highest paid existing district, it is believed that such an implementation strategy would ultimately prove unsuccessful. Clearly the estimated net cost of consolidation could be reduced through improved operating efficiencies in areas such as purchasing and transportation, but such amounts are more difficult to estimate and are not expected to dramatically reduce the projected net cost.

Estimated Annual Savings From Fewer Positions	Estimated Annual Cost of Leveling-Up Salaries	Estimated Annual Net Cost of Consolidation
\$1,375,000	\$8,542,857	\$7,167,857

Finally, there have been numerous studies in the past that have reviewed the manner in which Delaware funds public education. Virtually all of these studies have concluded that Delaware’s system is fundamentally sound, and requires only marginal adjustments rather than a significant overhaul. This study reaches the similar conclusion that the existing district configuration is essentially sound and only marginal adjustments should be further explored. The issues meriting further review are summarized as follows:

- 1) Address funding equalization concerns through implementation of the recommendations made by the state equalization committee.

2) Explore ways to centralize specific services, either statewide or countywide when operational efficiencies can be achieved (i.e. transportation, purchasing, professional development).

3) Consider consolidation options for districts with fewer than 1,500 students.

I. School Districts in the United States

School districts in the United States serve over 53 million students and the individual characteristics of these districts vary greatly. The major areas of difference are: physical area covered, enrollment size, education provided (K-12, elementary, secondary, special and/or vocational), taxing authority, relationship to other governmental entities, proportion of state funding, and appointed/elected boards. It could be said that school districts, when compared state to state, are more different than alike. Even within some states there are significant differences among the districts: some districts may only serve elementary or only secondary students; while some county districts have independent city school districts within the county district.

The number of school districts has been dropping for the last 60 years. School consolidation brought this change (Duncombe & Yinger, 2001, p.1). In 1938 there were over 119,000 school districts in the United States. In 1999 there were 14,891 school districts, which operated 91,062 public schools (U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics*, 2001, p. 95), about six schools per district, a dramatic change. In 2000 there were 88% fewer school districts in the country than there were sixty years before.

The difference in the number of school districts and enrollment also varies greatly across individual states. Hawaii, for example, has a state-wide school district. Many states, like Maryland, have county-wide districts. Texas has the largest number of districts, 1,040. These examples show the variance across states. Within states the enrollment variance is also large. Some districts in the rural west have so few students that they may have no schools; these districts send their students to a neighboring district. Also, many one-school districts remain in the western states. The latest National Center for Education Statistics (NCES) data (2001, p. 95) report that 463 schools remain one-teacher schools. On the other hand, large urban districts have hundreds of thousands of students and the largest school district in the United States is New York City with over one million students.

The longstanding trend to consolidate school districts continues because it is believed that it is a way for districts to cut costs (Duncombe & Yinger, 2001, p.1). Combined with this premise, in the latter part of the 1900's, was the move to larger districts so that a full range of instructional programs and services could be provided. Often states established minimum instructional offerings for school districts. The implication of these standards was that most small districts had to join with their neighbors to establish a district that was large enough to deliver the required courses and/or services. Combining the economies-of-scale with wider programmatic offerings was a powerful rationale for school district consolidation after World War II.

Small school districts have often joined to better serve specific populations or to provide specific services. These arrangements range from informal agreements to solve local problems or reduce costs to formal state sanctioned organizations like New York State's Bureaus of Educational Services (BOCES) which are governed by state-local boards and provide services such as special education and related student services.

Enrollment variance across school districts makes using average enrollment quite misleading. For instance, in 2001 the mean enrollment of a school district in the United States was 3,210, but half of the districts had fewer than 1,033 students and three-quarters of the districts had fewer than 2,707 students. Ninety percent of the districts had fewer than 6,190 students in that year (U.S. DOE, NCES, *Local Education Agency Universe Survey*, 2000-2001).

Delaware District Size

2001-2002 Delaware School Year Enrollment

<i>Sussex County Districts</i>	<i>Sussex County Enrollment</i>	<i>Kent County Districts</i>	<i>Kent County Enrollment</i>	<i>New Castle County Districts</i>	<i>New Castle County Enrollment</i>
Cape Henlopen	4158	Caesar Rodney	5888	Appoquinimink	5821
Delmar	977	Capital	6255	Brandywine	10557
Indian River	7476	Lake Forest	3406	Christina	19707
Laurel	1945	Milford	3683	Colonial	10447
Seaford	3376	Smyrna	3492	Red Clay	15780
Woodbridge	1888	POLYTECH	1068	NCC VoTech	3340
Sussex Technical	1190				
TOTAL	21010	TOTAL	23792	TOTAL	65652

Source: September 30th Unit Count, 2001

Each of Delaware's neighboring states has a different arrangement for its school districts. Maryland has county school districts. Pennsylvania has districts based on jointures of sub-county political entities (townships, boroughs and/or small towns) and city schools. New Jersey has regional high school districts that are fed by local elementary districts as well as comprehensive school districts. Virginia, on the other hand, has county districts that may have independent city districts within the county district.

Delaware's Closest Neighbors

The median size of school districts in Delaware's contiguous states are:
Maryland, 16,038
(24 districts, range 10th percentile to maximum size: 3,063 to 134,180);
Pennsylvania 2,389
(500 districts range 10th percentile to maximum size: 996 to 201,190);
New Jersey, 1,161
(581 districts range 10th percentile to maximum size: 237 to 42,150)

As one looks to other states for comparative or normative statistics about school districts the comparisons soon become less than robust. The differences of enrollment size, the nature of the region served, population density, funding and governance arrangements and grades of students served all degrade a strong relationship for a state to state comparison.

Maryland's Contiguous School Districts as a comparison set

Perhaps the best comparison that one can make to Kent and Sussex county school districts is to compare them to the six contiguous Maryland counties. These Maryland districts have numerous similarities: rural areas on the eastern shore, agricultural based economy with enlarging recreation and vacation options and/or communities, and the enrollment in most of the counties approximates the present Kent and Sussex school districts (NCES, 2000-2001). The contiguous Maryland county details follow:

Caroline County	5,557 students	10 schools
Dorchester County	4,869 students	14 schools

Kent County	2,795 students	8 schools
Queen Annes County	7,217 students	13 schools
Wicomico County	14,138 students	27 schools
Worchester County	6,892 students	14 schools

These enrollments are not drastically different than the enrollment sizes that are found in most Kent and Sussex county school districts. This is true despite the fact that Maryland has the largest median size school districts of any state in the country, with the exception of Hawaii, which operates a state-wide school district.

II. Delaware School Districts

A Short History

The establishment of free public schools in Delaware had its origin in the General Assembly appropriating funds for schools in 1829 (Delaware Department of Public Instruction, *History of Education in Delaware*, 1969). The following year local districts were permitted to levy taxes for schools, if a majority of voters approved. By 1833, 131 school districts were drawing state aid, 72 of these districts were in the two lower counties. School districts continued to be established by communities throughout the remainder of the century.

County School Boards came into existence in 1919 and were eliminated soon thereafter. Major revisions were made to the School Code in the early quarter of the twentieth century. The Code was revised in 1919 and again in 1921. County School Boards and County Superintendents were established in 1919. The establishment of County School Boards caused considerable debate and opposition. Part of the concern centered on the “loss of local control and centralization of authority” (Delaware Department of Public Instruction, 1969, p. 24). “A considerable part of this opposition came from the downstate rural elements of Kent and Sussex counties where the schools were very small...” (DPI, 1969, p.14). Within two years the Code was revised and the county system of education was replaced with Local Boards authorized to appoint their own teachers.

The 1919 Code also created “Special School Districts” from the “larger and more responsible incorporated districts” of the prior era (Delaware Department of Public Instruction, *Delaware School District Organization and Boundaries*, 1974, p.4). Vestiges of these Special School Districts remain and continue to have significant name recognition, such as: Dover, Caesar Rodney, Harrington, Laurel, and Seaford. All other districts were established as “School Attendance Districts” and operated by the State Board of Education. These, second tier districts, became known as “State Board Units” (DPI, 1974, p.5).

Thirty-three years ago, July 1969, fifty years after the 1919 legislation, a completely new School Code for education was implemented with 23 Reorganized School Districts being established from the Special School Districts and the State Board Units. Therefore, the 1969 legislation brought significant consolidation of the school districts in the state. From the Special School Districts and the State Board Units (with their hundreds of antecedent school districts) and from the “Colored School” system, 23 comprehensive school districts were established in the state; 11 of these were in Kent and Sussex counties.

It is instructive to recognize that the 1969 consolidation in Kent and Sussex merged over 27 Special School Districts and State Board Units into 11 Reorganized School Districts. However, these 11 districts represented an amalgam of over 300 older school districts, some of which were established in 1919 from school districts from the previous century.

The Federal Court order to desegregate the schools in New Castle County in 1978 ushered in the second attempt to operate county-wide school systems in Delaware. At the time of the court order there were ten suburban districts and one city school district in operation. After a few years of trying to operate a county-wide system (operating with four administrative areas), the court, in 1981, granted a petition to create four districts to replace the county-wide system. The consolidation effort led to a county-wide teacher strike in which one of the primary causes was the issue of leveling-up teacher salaries to that of the highest paying district prior to county consolidation.

As it stands in 2002, Delaware schools operate through 19 school districts (three of which are county-wide vocational districts). Historically, schools and districts evolved from the locus of the students (as in the case of the small rural schools of the nineteenth century and early part of the twentieth century) and from established communities (such as the Rehoboth Special district or from Houston #125 school). School districts are not established to be consistent with political boundaries. Districts may include a number of political entities, like Camden and Wyoming in Caesar Rodney, and/or cross county lines as in the case of Smyrna, Milford and the Woodbridge School Districts. Presently there

is no official connection between school districts and established local or county government.

County school districts for kindergarten (or in earlier years, grade one) through grade twelve were attempted twice in Delaware, statewide in 1919-1921 and in the late 1970's in New Castle County (exclusive of the Appoquinimink portion of the county). Both attempts were quickly abandoned and smaller more locally controlled school systems reemerged.

III. Kent and Sussex County School Districts A Contemporary Overview

The primary drivers of school district current expense costs include the number of students and the type of students served. For example, special education students are more expensive to serve than are regular education students. State funding formulae, through varying unit sizes, compensate for the majority of this difference. The local supplement to the state salary schedule, a negotiated element of the compensation package, and additions to the state provided fringe benefit package also drive school district costs. Other areas such as food service, facility maintenance and staffing in excess of state-formulae-provided staff may enlarge the district costs.

Revenue for current expenses is provided from three sources, state funds, local taxes and federal funds. State funding covers approximately two-thirds of the average district's current operating costs. Federal funding comes through entitlement as well as competitive grants which provide approximately 8% of the current expense revenue for the average district. Local funds which account for approximately 25% of total current expense costs for the average district are generated through local property taxes. The amount of money raised in each district is a function of the tax rate the voters approved, the taxable property in the school district and the assessment rates in effect. To raise the same amount of money per pupil a "poorer" district, one with less aggregate taxable property wealth, would have to have a higher tax rate than a district with more valuable property to tax (assuming the same assessment rates were in effect).

The average teacher salary is influenced by both the experience and formal education of each teacher. An experienced faculty with a high proportion of teachers with Masters Degrees will have a higher average salary than a younger, less well-degreed faculty. Since the state salary schedule recognizes both experience and education, the salary variability is somewhat mitigated since only the local portion of the salary is at the discretion of the school districts. While the variance in average salaries across districts in Delaware may be less than the variance across districts within other states, these differences are still significant and lead to an inefficient use of resources. The fact that 19 individual school districts must negotiate 19 unique bargaining agreements and that

education employees routinely move from one district to another in search of increased compensation results in resources being utilized for minimal benefit. A county-wide district with one negotiated bargaining agreement and one salary scale would substantially reduce the current inefficiencies in these personnel related areas.

The county-wide vocational-technical (VT) school districts are quite different from the other school districts in a county. These districts have the tax base of the entire county at their disposal, they recruit students from the other county school districts, they do not need to have referenda for voter approval of tax rates and their boards are appointed, not elected. The districts provide general as well as career focused courses to high school age students. The enrollment, therefore, is smaller than the comprehensive K-12 school districts. The VT districts also provide vocational and general education for adults in each county (the adult activities operate as a separate division and are accounted for separately from the day school programs). The VT districts are germane to any discussion about reorganizing school districts within a county. Germane, because if a county-wide school district is considered, discussion must involve the pros and cons of incorporating the VT district with the comprehensive districts. If not combined, two distinct county-wide school districts would exist in a county.

Equalization:

The profound effect that the differences in property value in the districts have is somewhat mitigated by the state's effort to equalize district funding. Delaware's equalization funding program began in the 1969-1970 school year and continues with annual reviews and recommended adjustments. In the initial year equalization funding totaled \$1.1 million; equalization for FY 2002 amounted to \$58.9 million, which now equates to 7.6% of the state education budget.

The latest report from the Equalization Committee (May 2002) noted that while the Delaware funding system is "sound" and "positive" it can be improved. A concern, documented by the committee was "Existing deficiencies [in the school financing system] have created some potential legal challenges by school districts and/or local

interest groups. These groups continue to become more vocal as student and school accountability measures take effect.”

“For several years, the Committee has struggled with the effects of shifts in relative wealth of districts as determined by annual revisions to the assessment to sales ratios.” Further, “the lack of a statewide reassessment policy means that tax base (i.e. assessed value) has not been changing,” not increasing with its market value. The report documents that Kent County property has not been reassessed since 1986 (sixteen years ago), Sussex County, not since 1974 (twenty-eight years ago) and New Castle County, not since 1983 (nineteen years ago).

The Equalization Committee has consistently recommended that the state implement a reassessment policy. As noted this policy “would provide more reliable data on district wealth, provide equity among taxpayers and allow for the equalization model to function as intended.”

The FY 2001 assessed property value “behind” each pupil varies greatly across districts. In Kent County the five comprehensive school districts range in full valuation per pupil from \$213,870 (Caesar Rodney) to \$374,499 (Capital). Polytech has \$5,369,493 assessed value for each of its students since the entire county comprises its tax base. Sussex County has a wider range within its comprehensive districts: Cape Henlopen has \$1,063,661 in assessed valuation for each of its pupils while Delmar has only \$289,593. The vocational-technical district has \$11,909,915 assessed value for each of its students. The above data are from the Department of Education’s *Report of Education Statistics, 2000-2001* (pp.12-31).

IV. Review of the Literature

Delaware Reports:

Over the past decade a number of reports and/or studies about Delaware education have been issued. Some reports such as the reports of the Equalization Committee are issued annually. Other reports, such as this report and the *Report of the Delaware Education Finance Reform Committee* (March, 1999), result from specific legislation or resolutions. The Education Improvement Commission's report, *Empowering Schools for Excellence* (September, 1995) was the result of a commission established by Governor Carper. *Empowering Schools for Excellence* has its antecedent, the *Gap Analysis* (Hornbeck & Anderson, 1993), a report from the Business/Public Education Council, a nongovernmental organization (NGO). Additionally, one of the publications reviewed was the *Report on Delaware Public School Finances of the Task Force on Education Finance* (October, 1987).

The *Report on Delaware Public School Finances of the Task Force on Education Finance* (October, 1987) was the result of a prior President of the State Board of Education appointing a task force to study how Delaware financed public education, where the funds were expended, and how effectively they were utilized. Much of this study is still relevant since the school district configuration and funding pattern is still the same.

The Task Force believed that the funding pattern for the public school system should be such as to “result in reasonable uniformity of funding of public school operations throughout the State, provide substantial opportunity for local participation in affairs of the schools of the local community, and strongly encourage control of costs (1987, p. 4).” One could conclude that this belief has not changed. The Task Force studied several options to meet these goals. One option was the possibility of merging the regular school districts in each county into a single school district. The Task Force excluded the New Castle County because of its relatively large size. The Task Force estimated that there would be a savings of administrative costs approaching \$1 million a year. However, they believed that the “need to level-up salaries of other personnel to, or

toward, the highest rates now prevailing in the county, would probably more than offset savings in administrative costs (1987, p.7).” This report also expressed the concern, “the ‘wealth’ (property values as a basis for property taxes) of the individual school districts in Kent and Sussex counties varies quite considerably, and very substantial and difficult problems regarding equity to taxpayers would arise in attempting to arrange a merger into a single district in each county (1987, p. 7).”

Another alternative method of funding that was explored was full funding by the State. The Task Force expressed their position that this would “eliminate uncertainties in the local districts associated with referendums seeking approval of increases in property tax rates to meet financial needs (1987, p. 5).” However, the Task Force highlighted other negative factors related to full funding, including the reduced incentive for local districts to control costs, and a lessened opportunity for the local districts to shape utilization of their financial resources to respond to local interests and concerns, and the fact the State would need to provide a large amount of additional funds (1987, p.6). Ultimately, the Task Force found “no compelling reason to change the basic funding approach and concludes that it should be continued (1987, p. 8).” The report continued, “this is not intended to preclude appropriate ‘fine-tuning’ of specific procedures of the present system in the interest of providing incentives to the local districts for increased efforts to control expenditures of funds provided by the State (1987, p. 8).”

Procurement practices were reviewed in the *Report on Delaware Public School Finances of the Task Force on Education Finance (1987)* and in the Education Improvement Commission’s (EIC) report, *Empowering Schools for Excellence (1995)*. The 1987 task force reviewed the purchasing methods of the public school system in Delaware. It was noted that the Department of Administrative Services operates a central purchasing function for the State. The report stated, “all purchases by State organizations (including school districts) must be processed through this central purchasing group, unless (1) the central purchasing group has not arranged a contract for an item in the volume desired, or (2) better terms can be obtained by dealing directly with a vendor (1987, p. 41).” It was noted, “the individual school districts purchase some items through the State central purchasing group, but, by far, the bulk of their purchases are by dealing

directly with vendors (1987, p. 41).” Both reports recommended the move toward assessing the value of implementing a statewide or countywide centralized bid process for district purchasing modeled after the New Castle County Data Center (1995, p. 25). Currently the four northern districts participate in collaborative purchasing through their Data Service Center.

Transportation is an area where consolidation of services may be beneficial on a county-wide basis. Two areas that were reviewed in the 1987 report included the areas of insurance and district maintenance facilities. At that time, buses operated through the school districts were insured through self-insurance by the State. The formula for contractor buses included an insurance allowance for the cost to contractors for insurance. At that time, the cost of insurance was rapidly escalating, which is also the case today. One recommendation was to have the State self-insure all school buses in the state, including contractor buses (*Report on Delaware Public School Finance*, 1987, p. 35). The report also noted that the four large New Castle County school districts, which operate most of the district owned buses, each have their own maintenance facilities and perform their own maintenance. The report suggests that a central maintenance operation for the four separate districts would eliminate the need for four separate sets of maintenance equipment, four inventories of parts, supplies, engines, and staff (1987, p.35). Central maintenance operation could perform major repairs and scheduled maintenance, with each district handling its own minor repair and maintenance items.

Professional Development could be considered a support service and may be enhanced by a county-wide approach. *The Missing Link Report: Connecting Professional Development with Accountability to Improve Student Learning In Delaware*, published by the Business/Public Education Council and Delaware Education Research & Development Center in 1997 (Perry & Fine), stated that one of the concerns of a smaller district is the ability to conduct effective professional development. The report stated that in order for the smaller districts to be able to deliver the required level and quality of professional development programs, “Delaware schools should embark upon a major effort to share, pool, and otherwise combine resources (human and fiscal) for greater efficiency and effectiveness (1997, p.33).” This report noted that there was a “lack of

such collaboration throughout the schools generally- within schools, among schools, and among 19 generally isolated school districts (1997, pp. 33-34).” The report stated, “to encourage more collaboration and sharing, some professional development funding should be limited to districts and schools that form consortia to share resources and expertise (1997, p. 34).” There has been movement over the last couple of years for professional development initiatives to expand beyond district lines.

Related Ideas and Recommendations: In 1995, the Delaware Education Improvement Commission (EIC) issued their final report and recommendations in the report, *Empowering Schools for Excellence*. There were five fundamental goals underlying the recommendations in the report which included, a focus on student achievement, empowering school communities, sharing accountability for student achievement, recognizing that real improvement takes time, and building on what works and supporting innovation (1995, p. ii). The key strategies in the report that may correlate with the study of county-wide school districts include: scaling back the operations of district offices and the Department of Public Instruction (currently the Department of Education); attaining greater levels of efficiency and productivity by reallocating existing resources at local and State levels to support priorities associated with school improvement; providing greater flexibility for school operations and the use of resources through deregulation and simplification of the current education funding system (1995, p. ii).

Increasing the efficiency and effectiveness of resources is one of the primary driving forces behind the concept of consolidating Kent and Sussex school districts. One could make the argument that it is the district’s responsibility to utilize their resources the best way possible. The EIC report offered suggestions for increasing the effective use of resources. Two such suggestions included, “require county governments to conduct assessments in accordance with national standards, adopt computerized mass appraisal procedures, and adjust tax rates annually following mass appraisal to ensure revenue neutrality” and “decouple special county government property tax exemptions from school district property taxes and establish uniform school tax exemptions statewide (1995, p. 26).” One major recommendation by the EIC included a change in the

referenda process. The recommendation stated, “school districts have the authority to adjust local property taxes, for current expenses only, in accordance with an inflationary adjustment mechanism without seeking referendum approval (Minor Capital Improvement, Debt Service, and Tuition Taxes would not be affected by this proposal) ([EIC]Appendix J).”

The Delaware Education Finance Reform Committee was a result of House Joint Resolution 28. This Committee issued the *Report of the Delaware Education Finance Reform Committee* in March 1999. The charge of this committee was to conduct a “thorough examination of Delaware’s school finance and government system (1999, p.2).” One important finding by this committee was that “Delaware ranks among the nation’s leaders in the adequacy and equity of its system of education finance, while maintaining relatively low property tax burdens (1999, p. 2).” However, this committee found areas of improvement similar to those mentioned in other reports. The recommendations outlined in this report included proposals to address four major areas. These areas included: “the problems associated with passing local referenda; improving equity across school districts; providing inflation sensitive financing for local expenses; and/or to change the allocation of funding between the state and local school district so as to reduce the local burden on taxpayers (1999, p. 5).”

The *Delaware Gap Analysis* (Hornbeck & Anderson, B/PEC) in 1993, generally referred to as the Gap Report, was the result of an analysis of the gaps found in Delaware between education policy and practice and the “Essential Components” (1993, p. 3). The Business Roundtable, a national organization of over 200 chief executive officers, developed the “Essential Components”. One of the 17 recommendations presented in this report was to study the consolidation of school districts to save on the potential administrative overhead of the 19 school districts. However, the thought at that time was that “there is no compelling reason to reorganize at the same time the major changes recommended in this report are being instituted (1993, p. 62).” Much of the report focused on school financing.

Other Reports

An exhaustive review of the literature would reveal that there are hundreds of reports about the cost and various effects related to school size. The literature is much thinner when one focuses on the size of school districts. This may result from the fact that districts are generally created by statute and therefore, difficult to change. Schools, as creatures of districts, can be readily changed or consolidated. For the purposes of this report primary review will be devoted to reports that focus on school district size and secondary review will be accorded reports about school size where these reports are relevant to district size considerations.

The most informative and recent policy paper reviewed was the *CPR Working Papers Series No. 33, Does School District Consolidation Cut Costs?* (Duncombe & Yinger, 2001). This paper focused on school district consolidation in rural New York from 1985-1997. Although this paper was specific to New York, the study was encompassing enough to make some similar comparisons to the consolidation of Kent and Sussex school districts. Unfortunately, one of the overarching themes of the paper was the relative lack of research on the cost consequences of school district consolidation. As noted previously, however, there is a great deal of research on the consequences of school size.

What the CPR paper (Duncombe & Yinger, 2001) found in their research was the observation of a curvilinear relationship between the size of the district and costs savings. The authors found:

“Holding student performance constant, we find evidence that school district consolidation substantially lowers operating costs, particularly when small districts are combined. The operating cost savings ranges from 22 percent for two 300-pupil districts to 8 percent for two 1,500-pupil districts. In contrast, consolidation lowers capital costs only for relatively small districts, and capital costs increase substantially when two 1,500-pupil districts come together. Overall, consolidation is likely to lower the costs of two 300-pupil districts by over 20 percent, to lower the costs of two 900-pupil districts by 7-9 percent, and to have little, if any, impact on the costs of two 1,500-pupil districts (Duncombe & Yinger, 2001, p. 29).”

Although the districts are smaller in this study than in the analysis of the consolidation of Kent and Sussex counties, there is an ability to analyze the similar components of economies and diseconomies outlined in the study. In the study the one overriding policy question was: “Can consolidation help districts lower the per-pupil cost of obtaining a given student performance?” It is important to note that the issue of sustaining and increasing student performance is also paramount to any movement toward school district consolidation in Delaware.

The researchers looked at the concept of economies of size and its link to school district consolidation (Duncombe & Yinger, 2001, p. 2). This concept is important when considering any type of consolidation, since the assumption is that resources can be combined and duplication of services can be eliminated. However, the authors found that one issue that distorts economies of scale is the relationship between average costs and output. Education as an output is “a difficult concept to define because educational services are multi-dimensional and involve the actions of many personnel (Duncombe & Yinger, 2001, p. 2).” This research was based on economies of size as defined by the relationship between per-pupil expenditure and enrollment, after accounting for other factors that influence spending (Duncombe & Yinger, 2001, p. 3).

The New York study referenced five sources of long-run economies of size including: indivisibilities, increased dimension, specialization, price benefits of scale, and learning and innovation. These five areas warrant review in the context of the consolidation of Kent and Sussex counties.

Indivisibility refers to the observation that the quality of services provided by certain educational professionals do not diminish as the number of students increase. However, the authors noted that there is a limit to this range (Duncombe & Yinger, 2001, p.3). One could make the case that the consolidation of the districts would eliminate several of the district superintendents and administrative assistants. However, other personnel (directors and supervisors) would be added since district staffing is formula-driven in Delaware.

Increased dimension refers to the efficiencies associated with larger units of capital (DUncombe & Yinger, 2001, p. 4). As part of the Delaware review we have made the assumption that the number of schools would remain constant. There would be a savings if the district offices were closed and consolidated. Consolidating schools may also save money.

Specialization refers to the economies of size; larger schools are able to employ more specialized labor, such as science or math teachers (Duncomber & Yinger, 2001, p. 4). The authors note, “the potential gains from specialization may provide a particularly compelling justification for consolidation in an era of rising standards, with its call for more demanding and specialized classes at the high school level (2001, p. 4).” The Delaware districts in question are larger than those studied in New York and schools would have to be consolidated to increase specialization.

Price Benefits of Scale refers to the ability of larger districts to decrease the per item cost of supplies and equipment by virtue of bulk purchases. This area of savings is exhibited by the Data Service Center’s purchasing efforts for the four northern Delaware school districts. Coordinated purchasing could also save money in Kent and Sussex counties.

Diseconomies of Consolidation

The authors of the New York paper also found research on five sources of diseconomies related to school district consolidation. The diseconomies include: higher transportation costs, labor relations effects, lower staff motivation and effort, lower student motivation and effort, and lower parental involvement (Duncombe & Yinger, 2001, p. 5).

Higher transportation costs refers to a higher cost of transportation because of longer commuting times. This cost could materialize if schools were consolidated and students would have a longer travel time to school. This would not be a factor in the consolidation of Kent and Sussex school districts since one of the assumptions included

the same number of schools; there could even be a savings from having fewer “dead end runs” to the district border.

Labor Relations Effects refers to the cost of leveling up wages to the highest district. The authors also noted, “the potential for monopsony (sic) [read monopoly] power of larger districts may be counteracted by the increased likelihood of an active teacher’s union because larger districts are easier to organize and stronger unions may also prevent staff layoffs, which eliminates one of the major sources of cost savings associated with consolidation (Duncombe & Yinger, 2001, p. 6).” As noted in the review of Delaware salary calculations, there would be an increase in costs related to salaries, even with a decrease in personnel.

Lower Staff Motivation and Effort refers to the concept that smaller organizations are “flatter” organizations with fewer layers of middle management between the teacher or principal and the superintendent, therefore encouraging more input from all school personnel (Duncombe & Yinger, 2001, p. 6). The larger the district the more layers between the building staff and the superintendent and the more difficult to communicate.

Lower Student Motivation and Effort includes the observation that “students in smaller schools may have a greater sense of belonging to the school community...they are more apt to participate in extracurricular school activities (Duncombe & Yinger, 2001, p. 6).” The authors also noted that school personnel would be more apt to know the students by name and be able to identify and assist students at risk in smaller schools. Again, in the Delaware review, the consolidation would not include the closure of schools and the move to larger schools.

Lower Parental Involvement is important to the Delaware discussion of the consolidation of school districts in Kent and Sussex County. The New York authors note that the “role of parents is linked to economies of size whenever parents find participation less rewarding or personal contacts more difficult in larger school districts (Duncombe & Yinger, 2001, p. 6).” Much has been written regarding the importance of parental and

community engagement and participation in the schools. At an intuitive level most believe that more parental involvement is better. Any discussion of district consolidation must consider the potential diminution of parent involvement as a “cost”. Currently, each Delaware district has its own “personality” which allows for a sense of community and identification with the district.

This CPR Working Paper carefully outlined the education cost functions and reviewed other studies on the subject. The finding was that as enrollment increased there was a U-shaped cost curve for most types of expenditures (Duncombe & Yinger, 2001). One of the conclusions of the research included the following:

“Despite the variety of measures used and geographic areas examined in these studies, a surprising level of consensus emerges. To be specific, almost all the studies find economies of size over some range of enrollment. The “optimal” (that is, lowest-cost) district enrollment is approximately 6,000 students for total costs, 1,500 to 3,500 students for operating or instructional costs, and just over 1,000 students for transportation costs...Even for total costs,...90 percent of the cost savings are exhausted when a district reaches 1,500 (Duncombe & Yinger, 2001, p.7).”

Administration vs. Instruction cost

The National Center for Educational Statistics (NCES), a component of the United States Department of Education, collects and analyzes financial data from school districts throughout the nation. One of the analyses performed is computing the ratio of administrative costs to instructional costs for each school district. This ratio is of concern to the consolidation under consideration because it is posited that creating county school districts will lower administrative costs. The latest data on the NCES web site (2002) is for 1997-1998, but since the ratios are not expected to be time sensitive the ratios will be considered relevant. The ratio is the total administrative staff cost divided by the total instructional staff cost as reported to NCES. Administrative cost includes principals, assistant principals, school board office staff, superintendents, and the other central office staff. Instructional expenditures include teachers and teacher aides.

Delaware Expenditure Ratios

For the Delaware school districts the NCES administrative ratios have a mean of 11.6%; the administrative costs were 11.6% of the instructional costs. The overall range was from 8.5% to 17.1%. Generally as enrollment increases the ratio decreased.

For Delaware's smallest districts, those under 3,000 enrollees, the average ratio was 13.8%. For the districts with more than 10,000 students the average ratio was 9.8%. Delaware's larger districts appear to spend a smaller proportion of their staff costs on administration, when compared to what they spend for instruction. Therefore, within our unit system, having county districts may result in a lower ratio of administrative costs when compared to the present configuration.

National comparison

Since the NCES data are available for all states, other states' data will be reviewed for comparison. For the 13,036 districts in the NCES data base the average ratio was **15.2%**. The NCES administration ratio data are available by ranges of district enrollment; these ranges will be used to present the national perspective:

Enrollment	Number of Districts	Administration Ratio
1,000 -1,499	1,327	14.8%
1,500 -1,999	965	13.8%
2,000 – 2,499	785	13.3%
2,500 – 4,999	1,986	12.3%
5,000 – 7,499	683	11.5%
7,500 – 9,999	334	11.7%
10,000 – 14,999	333	12.1%
15,000 – 24,999	233	11.7%
25,000 – 39,999	115	11.9%

The national data present a relationship that is similar to Delaware's; as the districts get larger the relationship between administration staff cost and instructional staff cost changes. Large districts spend a lower proportion of cost on administration. The

decrease is most dramatic in the smaller districts. Districts with 1,000 – 1,499 students had a ratio of 14.8% while districts between 5,000 and 39,999 had ratios in the 11% -12% range.

Delaware's larger districts, those with more than 10,000 enrolled, have a lower administration cost ratio than the national set of districts in the 10,000 to 24,999 range. Delaware's largest districts' average ratio was 9.8% while the national set's average ratio for administration cost in this district size range was 11.9%.

V. Units and Positions for County Districts

HR 54 has as a primary rationale the possible cost savings that would accrue from having county-wide school districts in Kent and Sussex Counties. Therefore, the core analysis for this review is the cost savings that would result from creating a single district in each county.

State funded positions in public education are determined by the “unit system”. The system has as its base the enrollment in a district and the various types of students and programs that are operated by the district. There are sixteen student unit categories into which students are classified. Further, vocational units are funded in the secondary schools. Student units equate to teaching positions. Each teaching unit yields funding for salary, supplies and other costs. In FY 2002 the average state cost of a teaching unit was approximately \$55,000. State units (positions) are awarded as whole units; therefore, due to rounding the county total will be different from the sum of the districts’ student units. The enrollment/units also determine the number of building and district administrators that the state will support (state portion of salary only). Some supervision and support positions, like psychologists, are prorated, until the unit size is attained. Each district is authorized a superintendent and an administrative assistant regardless of enrollment size.

The analysis of the staff savings (based on FY 2002 information) from combining districts is straight-forward: simply combine the enrollments in each unit category and recalculate the number of positions that would be supported by state funds. Some types of positions will have fewer staff (teaching positions, superintendents and administrative assistants) other positions may have more or fewer numbers once enrollment is combined. If the number of total positions is smaller than the aggregate of the individual county school districts’ number, there will be a salary savings. See Appendix C for district by district details.

Assumptions for the analysis follow:

1. Milford and Smyrna were included in Kent County
2. Woodbridge was included in Sussex County
3. The county vocational districts would be part of the county district

4. School buildings and building level administrators remain the same
5. Driver education positions remain as they are
6. Custodial positions remain as they are
7. Cafeteria managers and workers remain as they are
8. Vocational course offerings remain as they are
9. The 'Unit System' remains unchanged

Kent County as a single school district:

The 23,792 students, when combined into a single school district would have earned eleven fewer (-11) teaching units.

Central office administrators would have been reduced by 0.53 positions (superintendents and administrative assistants: -10 positions; assistant superintendents +2 positions; directors: +6 positions; and 11-month supervisors: +1.47 positions) under the county school district.

Support positions would have increased by 1.94 positions (transportation: -.05; psychologists: +1.47; speech/hearing: +2.44; visiting teacher: +.08; nurse: +3; academic excellence: +.01; clerical: -5; related service: -.01).

The net position difference, from combining all school districts in Kent County would have been a reduction of 9.59 positions using FY 2002 data and the noted assumptions.

Sussex County as a single school district:

The 21,010 students, when combined into a single school districts would have earned eleven fewer (-11) teaching units.

Central office administrators would have been reduced by 1.56 positions (superintendents and administrative assistants: -12 positions; assistant superintendents +3 positions; directors: +7 positions; and 11-month supervisors: +.44 positions) under the county school district.

Support positions would have reduced by 2.49 positions (transportation: -.083; psychologists: +.44; speech/hearing: +1.26; visiting teacher: +.63; nurse: +4; academic excellence: +.01; clerical: -8).

The net position difference, from combining all school districts in Sussex County would have been a reduction of 15.05 positions using FY 2002 data and the noted assumptions.

Summary of state salary changes from having county school districts in Kent and Sussex counties:

The combined number of state positions eliminated by creating county school districts in these counties is estimated to be 25. It must be noted that teaching positions are the most effected; these combinations of districts eliminate 22 teaching positions. Central office administrative positions are little effected by the combination. For central office administrators the positions are shifted from superintendents and administrative assistants to assistant superintendents and directors. In the support area, clerical positions are lost.

It is instructive to review how little the total staffing in each county would change as the districts are combined. Kent County would lose 9.59 positions out of 2,065.88 positions, a loss of less than one-half of one percent of the positions. Sussex County's loss would be slightly higher, but still less than one percent of their positions. The state unit and position funding system appears to be a fair system; large and small school districts seem to be treated as required to operate their districts. All districts earn teachers as determined by the same formulae and a basic complement of administrators is provided to each district. As districts get larger more directors and supervisors and support positions are forthcoming.

Actual cost savings of reducing teaching staff and shifting administrators among various position classifications is difficult to calculate. Since 22 teaching positions would be eliminated, it is fair to use the average cost of a teaching unit (division I, II, and III funding) for the estimate, \$55,000. Therefore 25 fewer staff at \$55,000 would save \$1,375,000, if no other changes were made.

Combining school districts' staff presents a much larger dilemma; the salary schedules for each district are different. The only reasonable method of resolving this so no one has a reduced compensation is to "level-up" the salaries within each county. The Vocational-technical school districts in each county have the highest local salary supplement (average district salary may be higher or lower than the VT district's average

because of the age and experience mix in the district is different from that of the VT district). Salary schedules; would most likely have to be brought up to these schedules to have a county school district. See Appendix C.

For Kent County the cost to level up salaries for the 2,065.88 positions is estimated to be \$1,547,324. The average cost per position to level-up ranges from \$2,204 in Lake Forest to \$19 in Capital.

For Sussex County the cost to level-up is estimated to be over four times that of Kent County, \$6,995,534. The average cost per position to level-up ranges from \$5,198 in Delmar to \$793 in Cape Henlopen.

The rationale of saving state money through creating county school districts in Kent and Sussex counties is not supported by this analysis of units and positions under the assumptions used. To the contrary, creating these districts and a salary schedule for each would cost about 7.2 million additional dollars (\$7,167,857) in the initial year and a similar amount in succeeding years. Economies-of -scale in such areas as purchasing and transportation may yield some savings but the additional salary costs are expected to far outweigh these savings.

VI. Delaware: A Quasi State School System

Next to Hawaii, a state with a single school system, Delaware may have the next closest thing to a state school system. Structurally, Delaware has 16 school districts with locally elected boards of education (plus three vocational districts with appointed boards) and a state Cabinet level Secretary of Education with a state staff, the Department of Education. What is unique in Delaware is (1) the high degree of state funding and (2) the state services and regulations in areas that are traditionally prerogatives of local school districts.

The state provides, on average, two-thirds of the current expense costs for the school districts; funds a majority of the cost of constructing schools; and reimburses nearly 100% of pupil transportation costs. Further, the state has a salary schedule for educators that provides approximately two-thirds of the total salary cost. The state also provides full funding for the basic health benefit package that all state employees receive. The state salary schedule and the health benefit package may be supplemented by local funds as negotiated with the educators.

In Delaware all school district employees are essentially considered “state employees” are part of the state pension system and receive their salary checks from the State Treasurer. Local, federal and state funding is deposited with the State Treasurer (districts do not maintain accounts outside of the state system). All state agencies, including the school districts, manage their personnel and fiscal accounting through automated systems provided and operated by the state. The state also provides a state system for pupil accounting and issues statewide unique student identification numbers, issues graduation diplomas and maintains a historical diploma register for the school districts. Delaware, as in other states, regulates licensure and certification for the school district employees. However, unlike others, the state also specifies procedures for evaluating teachers and allows appeals to the state level. On the student side, expulsions and other perceived inequities can be appealed to the State Board of Education.

In the area of curriculum, while the state does not have a “state curriculum”, the state specifies that State Standards shall guide instruction. Further, the state testing and

accountability programs are focused on how well district students perform when measured against the state standards.

The primary local roles relate to: hiring and managing the district employees; implementing the instructional program based on the standards; monitoring the educational process; conducting referenda to supplement the state and federal funding; managing the building and grounds; planning and overseeing new construction; preparing annual budgets; seeing that state and federal regulations are addressed; applying for grants and setting local policy.

Delaware is not a state school system. However, because of the substantial state role in funding, managing and regulating the local districts, Delaware has much more of a state system than most states in the country. Also, Delaware, because of the substantial state aide to education, has less variance in per pupil funding across its district than most other states.

VII. Summary and Conclusions

Summary:

Over the years many Delaware studies and reports have investigated topics that relate to consolidating school districts. However, there was no clear rationale advanced for consolidating and often it was noted that this should be studied further. On occasion the concept of having “service centers” related to education was discussed in reports, usually for student services. The more recent reports focused on school site-based management and improving school-community interactions and community support, which may run counter to having larger districts.

The Delaware unit and position funding system allocates teachers, administrators and support staff on a more or less prorated basis, based on district size. Therefore, combining districts provides little in the way of staff savings. Less than one percent of the staff would be released by combining districts into a county system. Further, the released staff would be primarily teaching staff, as central office staff would essentially replace lost superintendent and administrative assistant positions with additional assistant superintendents, directors and supervisors.

It appears that the smallest districts, those under 1,500 in enrollment, have a higher ratio of administration to instructional costs than do larger districts and research indicates that consolidating districts in this enrollment range would likely yield overall cost savings. Consolidating districts larger than 1,500 in an effort to reduce costs is not supported by the research associated with this study.

Many of the cost savings that are generally associated with combining smaller school districts into larger school districts have been realized in Delaware as a result of the state systems and policies that have been implemented over many years. Therefore, economies of scale in many areas have already been achieved. This is not to say that additional savings would not accrue to larger districts, but the savings would be marginal since the state provides the basic systems at no cost to the districts.

Smaller school districts presently work together by jointly supporting staff which could not otherwise be supported. Professional Development programs are examples of how cross-district cooperation can improve operational efficiencies. County-wide programs for students with severe disabilities have already been established and serve as models for the need to centralize specific specialized services. Consideration should be given to what other specialized services could be more efficiently provided in a more centralized manner.

Perhaps the largest benefit of consolidating school districts in Kent and Sussex counties is the potential to mitigate gaps in funding equity across districts. In the climate of high stakes accountability it is imperative that all districts compete on a level playing field. Equalization issues, however, can be addressed independent of district consolidation proposals. If funding equity is the underlying concern, alternative approaches, which are addressed annually by the State Equalization Committee should be considered prior to considering district consolidation proposals. For example, the issue of having reassessment on a more regular basis remains; it is independent of having county school districts.

Having a single school system in a county implies having a single salary schedule. This analysis concluded that to level-up salaries in the two counties, after the savings for reduced positions, would yield a net cost of \$7.2 million initially and on a continuing basis thereafter.

Conclusions:

Having county school systems in Kent and Sussex counties would provide a more equitable education resource base within each county. Few positions would be eliminated under the present unit position funding system and the increased salary cost of the county systems would be substantial and ongoing.

Through the process of developing this report it became clear that some things, short of creating county systems, may be done to improve equity (fiscal and service) within the county school districts. These include review of the smallest school districts to determine if consolidating them would be an improvement for students and/or costs; study areas wherein county level services could benefit students and/or save costs; reassess property in the counties and pursue other consistent recommendations of the Equalization Committee.

Therefore, the issues for further consideration are:

1. Study the potential of merging the smallest school districts, those with enrollments of fewer than 1,500 students with their neighbors to reduce administrative costs, and to improve equity and services.
2. Support the need to reassess property on an ongoing basis.
3. Pursue implementation of recommendations made by the Equalization Committee.
4. Pursue the study, development and implementation of further cross-district and/or county wide cooperation to save costs: transportation, purchasing, staff development, selected student services.

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Appendix

- A. House Resolution 54
- B. Distribution of Regular Public School Districts Providing Instruction by Enrollment and by State for School Year 2000-2001
- C. Fiscal Impact of County Consolidation

Appendix A

Text of House Resolution No. 54

WHEREAS, it is increasingly difficult for some local school boards to gain referendum approval for tax increases for district costs; and

WHEREAS, the administrative costs for several districts could be reduced by merging all the districts in the county and having a county school district similar to what is currently in place for vocational technical school districts; and

WHEREAS, special services costs may also be reduced if performed county wide; and

WHEREAS, a cost savings may result if the school districts are combined county wide.

NOW, THEREFORE:

BE IT RESOLVED by the House of Representatives of the 141st General Assembly of the State of Delaware that we hereby request the Secretary of Education to conduct a feasibility survey of county wide school districts in Kent and Sussex counties.

BE IT FURTHER RESOLVED that the Secretary of Education shall report back to the House by September 30, 2002.

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Overview of Public Elementary and Secondary Schools and Districts: School Year 2000-01

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Table A-2.-Distribution of regular public school districts providing instruction, by membership size and by state: School year 2000-01

State	Districts having student membership	Distribution of districts by membership size						
		Mean	10th percentile	25th percentile	Median	75th percentile	90th percentile	Maximum
United States	14,514	3,210	120	342	1,033	2,707	6,190	1,066,516
Alabama	128	5,692	1,436	2,261	3,163	6,054	9,528	64,976
Alaska	53	2,490	132	248	495	1,735	3,695	49,526
Arizona	372	2,344	55	120	281	1,475	5,031	73,587
Arkansas	310	1,451	259	428	733	1,479	3,047	25,502
California	985	6,068	106	378	1,659	6,008	14,821	721,346
Colorado	176	4,112	142	296	687	2,502	8,639	87,703
Connecticut	166	3,238	335	862	2,197	4,126	7,266	22,543
Delaware	19	5,898	1,062	2,108	3,777	6,765	10,953	19,882
District of Columbia	1	68,925	‡	‡	‡	‡	‡	68,925
Florida	67	36,297	2,228	4,566	12,624	34,566	79,477	368,625
Georgia	180	8,027	1,281	1,909	3,393	7,048	16,965	110,075
Hawaii	1	184,360	‡	‡	‡	‡	‡	184,360
Idaho	113	2,168	176	337	949	2,133	4,512	26,598
Illinois	894	2,266	202	458	921	1,917	3,883	435,261
Indiana	292	3,383	877	1,281	1,906	3,581	7,256	41,008
Iowa	373	1,327	287	453	691	1,245	2,205	32,435
Kansas	304	1,541	182	338	572	1,183	2,865	48,228
Kentucky	176	3,658	685	1,193	2,316	3,761	6,680	96,860
Louisiana	78	9,494	266	2,384	4,502	10,215	19,774	77,610
Maine	280	754	17	87	320	928	2,296	7,781

Appendix B

Maryland	24	35,538	3,063	6,225	16,038	42,233	106,898	134,180
Massachusetts	244	3,382	255	847	2,351	4,184	6,396	63,024
Michigan	728	2,342	133	396	1,173	2,572	4,841	162,194
Minnesota	410	2,069	111	324	802	1,753	4,421	48,834
Mississippi	152	3,267	877	1,591	2,417	3,785	6,154	31,351
Missouri	523	1,743	136	293	637	1,501	3,821	44,412
Montana	447	346	9	33	108	281	708	10,166
Nebraska	544	524	6	14	119	348	737	45,197
Nevada	17	20,042	305	872	3,805	7,033	10,100	231,655
New Hampshire	164	1,271	78	206	620	1,539	2,862	17,407
New Jersey	581	2,233	237	495	1,161	2,503	5,278	42,150
New Mexico	89	3,599	158	346	823	3,478	8,342	85,276
New York	701	4,078	372	874	1,568	3,225	5,732	1,066,516
North Carolina	120	10,646	1,642	3,122	6,113	11,365	21,159	103,336
North Dakota	227	479	24	82	188	337	673	11,443
Ohio	611	2,979	789	1,170	1,852	3,079	5,640	75,684
Oklahoma	544	1,145	122	232	413	932	1,942	42,812
Oregon	197	2,765	70	255	910	2,837	6,496	53,141
Pennsylvania	500	3,543	996	1,460	2,389	3,766	6,424	201,190
Rhode Island	36	4,341	645	1,994	3,365	4,407	6,756	26,937
South Carolina	89	7,637	1,180	2,200	4,230	9,332	16,678	59,875
South Dakota	173	740	120	193	298	606	1,375	19,097
Tennessee	137	6,539	920	1,678	3,356	6,060	10,695	113,730
Texas	1,040	3,867	168	370	910	2,657	7,273	208,462
Utah	40	11,935	512	1,493	4,040	13,001	37,450	73,158
Vermont	246	410	62	111	233	507	961	3,666
Virginia	132	8,665	1,118	1,999	3,707	7,925	18,870	156,412
Washington	296	3,395	88	264	1,078	3,507	9,683	47,575
West Virginia	55	5,196	1,318	2,101	4,326	5,892	11,495	29,250
Wisconsin	431	2,035	343	574	990	1,944	3,657	97,985
Wyoming	48	1,869	261	468	865	2,164	3,262	13,315
Outlying areas, DoD Dependents Schools, and Bureau of Indian Affairs*								
DODDS: DoDs Overseas	11	6,685	3,684	4,531	5,520	8,510	9,395	11,095

Appendix B

DDESS: DoDs Domestic	17	2,010	351	758	1,228	3,144	4,272	4,686
Bureau of Indian Affairs	23	2,041	731	939	1,649	2,596	3,562	5,438
American Samoa	1	15,747	‡	‡	‡	‡	‡	15,747
Guam	1	32,473	‡	‡	‡	‡	‡	32,473
Northern Marianas	1	10,004	‡	‡	‡	‡	‡	10,004
Puerto Rico	1	612,725	‡	‡	‡	‡	‡	612,725
Virgin Islands	1	19,459	‡	‡	‡	‡	‡	19,459

‡ Not applicable.

* Table includes 28 Department of Defense and 24 Bureau of Indian Affairs school districts that are technically federally-operated agencies; this is in order to report data for these agencies in the table.

NOTE: Distributions cannot be calculated for states and outlying areas that have a single district. Table excludes agencies for which no students were reported in membership. U.S. totals include the 50 states and the District of Columbia. The mean is the average. If all districts were ranked by size from smallest to largest, half of the districts would fall below the median. For example, dividing the total number of students by the total number of districts yields an average district size of 3,210 students (mean), while half of the districts in the United States have 1,033 or fewer students (median). The percentile indicates what percent of cases a value exceeds; for example, 10 percent of districts have fewer than 120 students.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data, "Local Education Agency Universe Survey," 2000-01.

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National Center for Education Statistics

Office of Educational Research & Improvement, [U.S. Dept. of Education](#)
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Fiscal Impact of County Consolidation

Cost of Leveling Up Salary Based Upon FY 2002 Average Salary Data

	Cape Henlopen	Delmar	Indian River	Laurel	Seaford	Sussex Technical	Woodbridge
Total Positions =	375.24	85.95	655.82	173.62	290.09	126.63	160.28
Average Cost to Level Up Salary =	\$793	\$5,198	\$4,360	\$4,653	\$2,432	\$0	\$4,875
Total Cost to Level Up Salary =	\$297,565	\$446,768	\$2,859,375	\$807,854	\$705,499	\$0	\$781,365
Other Employment Costs (18.60%) =	\$55,347	\$83,099	\$531,844	\$150,261	\$131,223	\$0	\$145,334
Grand Total Leveling Up Salary =	\$352,912	\$529,867	\$3,391,219	\$958,115	\$836,722	\$0	\$926,699
Total County Cost =	\$6,995,534						

**Cost of Leveling Up Salary
Based Upon FY 2002 Average Salary Data**

	Caesar Rodney	Capital	Lake Forest	Milford	Polytech	Smyrna
Total Positions =	505.66	549.65	288.21	313.82	110.69	297.85
Average Cost to Level Up Salary =	\$178	\$19	\$2,204	\$715	\$0	\$1,157
Total Cost to Level Up Salary =	\$90,007	\$10,443	\$635,215	\$224,381	\$0	\$344,612
Other Employment Costs (18.60%) =	\$16,741	\$1,942	\$118,150	\$41,735	\$0	\$64,098
Grand Total Leveling Up Salary =	\$106,748	\$12,385	\$753,365	\$266,116	\$0	\$408,710
 Total County Cost =	 \$1,547,324					

Average Salary Comparison

FY 2002 Average Teacher Salary					FY 2002 Average Salary When Leveled Up to Highest in County			
	Total	State	Local	Local Percentage		Total	Local	Local Increase
Caesar Rodney	\$44,416	\$32,030	\$12,386	27.9%		\$44,594	\$12,564	\$178
Capital	\$46,334	\$33,293	\$13,040	28.1%		\$46,352	\$13,059	\$19
Lake Forest	\$41,879	\$31,663	\$10,216	24.4%		\$44,083	\$12,420	\$2,204
Milford	\$46,965	\$34,247	\$12,718	27.1%		\$47,680	\$13,433	\$715
Polytech	\$47,568	\$34,166	\$13,402	28.2%		\$47,568	\$13,402	\$0
Smyrna	\$45,180	\$33,283	\$11,897	26.3%		\$46,337	\$13,055	\$1,157
Cape Henlopen	\$51,279	\$34,574	\$16,705	32.6%		\$52,072	\$17,499	\$793
Delmar	\$42,376	\$31,587	\$10,789	25.5%		\$47,574	\$15,987	\$5,198
Indian River	\$46,184	\$33,559	\$12,625	27.3%		\$50,544	\$16,985	\$4,360
Laurel	\$43,080	\$31,692	\$11,388	26.4%		\$47,732	\$16,040	\$4,653
Seaford	\$48,182	\$33,605	\$14,577	30.3%		\$50,614	\$17,009	\$2,432
Sussex								
Technical	\$50,490	\$33,523	\$16,967	33.6%		\$50,490	\$16,967	(\$0)
Woodbridge	\$44,564	\$32,826	\$11,739	26.3%		\$49,439	\$16,614	\$4,875

**Enrollment and Units
September 30, 2001**

	Cape Henlopen	Delmar	Indian River	Laurel	Seaford	Sussex Technical	Woodbridge	County Total	County Proposal	Difference
# of Students =	4,158.00	977.00	7,476.00	1,945.00	3,376.00	1,190.00	1,888.00	21,010.00	21,010.00	0.00
Number of regular students 7 - 12 =	1,531.03	751.80	2,608.13	759.08	1,436.00	1,059.61	719.34	8,864.99	8,864.99	0.00
Number of regular students 4 - 6 =	892.82	122.00	1,526.71	415.00	654.69	0.00	453.00	4,064.22	4,064.22	0.00
Number of regular students 1 - 3 =	847.57	0.00	1,722.33	444.45	672.34	0.00	445.00	4,131.69	4,131.69	0.00
Number of Kindergarten students =	272.00	0.00	515.83	134.00	211.00	0.00	99.00	1,231.83	1,231.83	0.00
Number of EMH students =	23.00	0.00	44.00	38.00	40.00	10.00	10.00	165.00	165.00	0.00
Number of SED students =	8.00	0.00	29.67	6.00	10.00	0.00	6.50	60.17	60.17	0.00
Number of LD students =	313.03	86.20	692.41	108.47	254.97	120.39	140.16	1,715.63	1,715.63	0.00
Number of TMH students =	4.00	0.00	72.00	4.00	1.00	0.00	4.00	85.00	85.00	0.00
Number of SMH students =	0.00	0.00	29.00	0.00	0.00	0.00	0.00	29.00	29.00	0.00
Number of PI students =	17.05	11.00	93.52	5.00	54.00	0.00	0.00	180.57	180.57	0.00
Number of HHPD students =	4.43	0.00	13.73	0.00	10.00	0.00	0.00	28.16	28.16	0.00
Number of BLIND students =	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of PTST students =	0.00	0.00	0.67	0.00	1.00	0.00	0.00	1.67	1.67	0.00
Number of ATSTC students =	89.07	0.00	0.00	0.00	4.00	0.00	0.00	93.07	93.07	0.00
Number of DFBLD students =	0.00	0.00	11.00	0.00	0.00	0.00	0.00	11.00	11.00	0.00
Number of ILC students =	156.00	6.00	117.00	31.00	27.00	0.00	11.00	348.00	348.00	0.00
# of Div I Units Generated =	274.00	63.00	478.00	118.00	208.00	89.00	114.00	1,344.00	1,333.00	(11.00)
Superintendent=	1.00	1.00	1.00	1.00	1.00	1.00	1.00	7.00	1.00	(6.00)
Assistant Superintendent=	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00	4.00	3.00
Director =	1.00	0.00	3.00	0.00	1.00	0.00	0.00	5.00	12.00	7.00
Administrative Assistant =	1.00	1.00	1.00	1.00	1.00	1.00	1.00	7.00	1.00	(6.00)
Percentage 11 Month Supervisor =	1.00	0.42	3.00	0.79	1.00	0.59	0.76	7.56	8.00	0.44
Percentage Transportation Supervisor =	0.60	0.12	0.98	0.25	0.46	0.17	0.25	2.83	2.00	(0.83)
Principal =	-	-	-	-	-	-	-	-	-	-
Assistant Principal =	-	-	-	-	-	-	-	-	-	-
Percentage Psychologist =	1.00	0.42	3.00	0.79	1.00	0.59	0.76	7.56	8.00	0.44
Percentage Speech/Hearing =	1.00	0.45	3.00	0.84	1.00	0.64	0.81	7.74	9.00	1.26
Percentage Visiting Teacher =	1.00	0.25	1.00	0.47	0.83	0.36	0.46	4.37	5.00	0.63
Percentage Driver Education Teacher =	-	-	-	-	-	-	-	-	-	-
Nurse =	6.00	1.00	11.00	2.00	5.00	2.00	2.00	29.00	33.00	4.00
Academic Excellence Units =	16.63	3.91	29.90	7.78	13.50	4.76	7.55	84.03	84.04	0.01
Clerical Units =	24.00	6.00	41.00	11.00	19.00	8.00	11.00	120.00	112.00	(8.00)
Custodial Units =	45.00	8.00	75.00	29.00	36.00	18.00	20.00	231.00	231.00	0.00
Cafeteria Manager =	-	-	-	-	-	-	-	-	-	-
Cafeteria Worker =	-	-	-	-	-	-	-	-	-	-
Related Service Specialist =	2.01	0.38	3.94	0.70	1.30	0.52	0.69	9.54	9.54	0.00
Total Positions =	375.24	85.95	655.82	173.62	290.09	126.63	160.28	1,867.63	1,852.58	(15.05)

**Enrollment and Units
September 30, 2001**

	Caesar Rodney	Capital	Lake Forest	Milford	Polytech	Smyrna	County Total	County Consolidation	Difference
# of Students =	5,888	6,255	3,406	3,683	1,068	3,492	23,792	23,792	0.00
Number of regular students 7 - 12 =	2,414.24	2,240.85	1,310.58	1,414.62	979.00	1,334.17	9,693.46	9,693.46	0.00
Number of regular students 4 - 6 =	1,214.83	1,276.74	732.01	732.73	0.00	718.58	4,674.89	4,674.89	0.00
Number of regular students 1 - 3 =	1,194.13	1,403.00	764.84	798.51	0.00	792.24	4,952.72	4,952.72	0.00
Number of Kindergarten students =	316.00	472.00	244.00	265.00	0.00	227.00	1,524.00	1,524.00	0.00
Number of EMH students =	114.36	54.00	38.50	42.79	0.00	53.03	302.68	302.68	0.00
Number of SED students =	26.34	12.00	6.53	37.59	0.00	8.08	90.54	90.54	0.00
Number of LD students =	309.37	551.71	284.24	349.24	79.00	309.29	1,882.85	1,882.85	0.00
Number of TMH students =	91.00	6.00	0.00	0.00	0.00	1.00	98.00	98.00	0.00
Number of SMH students =	33.00	0.00	0.00	0.00	0.00	0.00	33.00	33.00	0.00
Number of PI students =	64.66	109.70	24.30	29.52	10.00	21.32	259.50	259.50	0.00
Number of HHPD students =	0.07	13.00	0.00	5.00	0.00	3.19	21.26	21.26	0.00
Number of BLIND students =	3.00	0.00	1.00	0.00	0.00	0.07	4.07	4.07	0.00
Number of PTST students =	1.00	1.00	0.00	0.00	0.00	0.00	2.00	2.00	0.00
Number of ATSTC students =	46.00	3.00	0.00	0.00	0.00	2.03	51.03	51.03	0.00
Number of DFBLD students =	3.00	9.00	0.00	0.00	0.00	0.00	12.00	12.00	0.00
Number of ILC students =	57.00	103.00	0.00	8.00	0.00	22.00	190.00	190.00	0.00
# of Div I Units Generated =	374.00	395.00	205.00	228.00	79.00	217.00	1,498.00	1,487.00	(11.00)
Superintendent=	1.00	1.00	1.00	1.00	1.00	1.00	6.00	1.00	(5.00)
Assistant Superintendent=	1.00	1.00	0.00	0.00	0.00	0.00	2.00	4.00	2.00
Director =	2.00	2.00	1.00	1.00	0.00	1.00	7.00	13.00	6.00
Administrative Assistant =	1.00	1.00	1.00	1.00	1.00	1.00	6.00	1.00	(5.00)
Percentage 11 Month Supervisor =	2.00	2.00	1.00	1.00	0.53	1.00	7.53	9.00	1.47
Percentage Transportation Supervisor =	0.74	0.74	0.47	0.47	0.15	0.48	3.05	3.00	(0.05)
Principal =	-	-	-	-	-	-	-	-	-
Assistant Principal =	-	-	-	-	-	-	-	-	-
Percentage Psychologist =	2.00	2.00	1.00	1.00	0.53	1.00	7.53	9.00	1.47
Percentage Speech/Hearing =	2.00	2.00	1.00	1.00	0.56	1.00	7.56	10.00	2.44
Percentage Visiting Teacher =	1.00	1.00	0.82	0.91	0.32	0.87	4.92	5.00	0.08
Percentage Driver Education Teacher =	-	-	-	-	-	-	-	-	-
Nurse =	9.00	9.00	5.00	5.00	1.00	5.00	34.00	37.00	3.00
Academic Excellence Units =	23.55	25.02	13.62	14.73	4.27	13.97	95.16	95.17	0.01
Clerical Units =	32.00	34.00	18.00	20.00	7.00	19.00	130.00	125.00	(5.00)
Custodial Units =	52.00	71.00	38.00	37.00	15.00	34.00	247.00	247.00	0.00
Cafeteria Manager =	-	-	-	-	-	-	-	-	-
Cafeteria Worker =	-	-	-	-	-	-	-	-	-
Related Service Specialist =	2.37	2.89	1.30	1.71	0.33	1.53	10.13	10.12	(0.01)
Total Positions =	505.66	549.65	288.21	313.82	110.69	297.85			(9.59)