

Study looks at spending in countywide school district setups

January 22 2015, by Mike Krings

States that use countywide school districts save money on administrative costs, but their counterparts that use local community-centered districts tend to spend more on classroom instruction, a new study by a University of Kansas professor shows. The study extends an <u>earlier article</u> describing Michigan schools that consolidated noninstructional services to the county level and examines the potential scale economies gained in countywide districts to increase efficiencies using a national data set.

Thomas DeLuca, assistant professor of educational leadership and policy studies, conducted a study in which he analyzed National Center for Education Statistics and Common Core of Data from all 50 states to compare spending for states that use a countywide model, such as Florida and Maryland, and those that have multiple local districts per county, such as Kansas, New York, Michigan and others.

"What I wanted to see was, 'Do they spend less per pupil on general <u>administrative costs</u> in countywide states?," DeLuca said. "And if so, do they allocate those dollars to instruction? It turns out they do tend to save money, but the idea of those savings being transferred to instruction is not the case."

Thirty-six states use a multiple district model, while four use a county-wide. Nine states have a mix of both. For the study, DeLuca combined the county-wide and mixed models. The study will be published in the *Journal of Education Finance*, and DeLuca presented his findings in March at the Association for Education Finance and Policy conference



and in April at the National Education Finance Conference.

While multiple-district counties have consistently spent almost 60 percent of their budgets on instruction since the 1980s, DeLuca unexpectedly found comparable spending patterns in countywide districts. What is potentially troublesome is that countywide districts did show that they were saving money by consolidating services such as accounting, transportation, custodial services and others, but those savings did not transfer to instruction.

As school districts across the country face tightening budgets, there is continually more pressure to ensure spending on instruction remains adequate, DeLuca said. That has led to a trend of more states considering consolidation of nonteaching services in models similar to those in states such as Florida and Maryland. DeLuca previously analyzed data from Michigan, which continues with this transition and had similar findings. Economies of scale—or bigger, more efficient models with consistent or increased quality—were achieved, but that did not equal increased spending on instruction.

"Those states do have economies of scale," DeLuca said. The question is what are they doing with those savings if they are not being transferred to instruction? And how much does the state itself, and the region of the country that the state is in, play into that?"

In future research, DeLuca hopes to examine the role of state politics, culture and other influences as well as regional effects play in such school budget decisions. He also hopes to examine if there is a connection between instructional spending and educational outcomes. In analyzing National Assessment of Educational Progress scores for the study, DeLuca noted that students in multiple-district states consistently scored from 3 to 5 percentage points higher in reading and math scores than their peers in countywide district states, but he was quick to point



out the correlation did not prove spending levels or district organization were the cause of the score differences.

The findings are important, however, as policymakers continue to look for new ways to achieve efficiencies in school spending, and state and local education officials are under continued pressure to find ways to increase spending on instruction.

"While many state and local policy makers try to address ongoing fiscal pressure among K-12 school districts, they frequently make recommendations and decisions based on intuitive assumptions rather than empirical evidence that supports or refutes these intuitive assumptions," DeLuca wrote. "Further investigation likely will inform policy makers' decision making process to effectively organize school district services in ways that will allow local administrators to reallocate funding from noninstructional services to instruction."

Provided by University of Kansas

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