



Connecticut General Assembly
SENATE DEMOCRATS

Legislative Office Building, Room 3300
Hartford, Connecticut 06106-1591

**Testimony of State Senate Majority Leader Bob Duff and Senator Cathy Osten
in Support of
Senate Bill 457 An Act Concerning the Size of School Districts
Education Committee
March 1, 2019**

Senator McCrory, Representative Sanchez, Senator Berthel, Representative McCarty and distinguished members of the Education Committee, we are here to testify today in favor of Senate Bill 457, *An Act Concerning the Size of School Districts*.

In the past 10 years, Connecticut's student population has declined nearly seven percent, and the rate of this decline is faster than initially projected. With an enrollment of over 500,000 students, this means we have lost approximately 35,000 students in ten years.

Research indicates very small districts may not be able to provide comprehensive educational programs to students, including extracurricular activities and Advanced Placement courses. In addition, research also suggests that economic efficiency is expected when small school districts consolidate, and in peer states optimal school district size for these efficiencies is approximately 1,500-3,000 students.^{1 2}

We would also like to specify that the issue at hand is district consolidation, not school consolidation. District consolidation is the combination of two or more previously independent school districts into one new and larger school district, resulting in a single district oversight board and administration. District consolidation involves the merger of administrative functions, the combining of non-instructional services—such as IT, HR, finance, after school services and procurement including transportation (i.e. not bus routes but provider contracts).

¹ Duncombe, W., & Yinger, J. (2007). Does School District Consolidation Cut Costs? *Education Finance and Policy*, 2(4), 341-375. Retrieved from

<http://www.jstor.org/stable/educfinapoli.2.4.341>

² *The optimal school district size for cost-efficiency, as modeled in economic research, is heavily dependent on geography, and ranges from approximately 1,900 students in Indiana to approximately 47,000 students in Texas.*

Zimmer, T., DeBoer, L., & Hirth, M. (2009). Examining Economies of Scale in School Consolidation: Assessment of Indiana School Districts. *Journal of Education Finance*, 35(2), 103-107. Retrieved from

https://www.researchgate.net/profile/Tim_Zimmer/publication/236747805_Examining_Economies_of_Scale_in_School_Consolidation_Assessment_of_Indiana_School_Districts/links/558d579908ae6071ec3abaf2.pdf

Gronberg, T.J., Jansen, D.W., Karakaplan, M.U., & Taylos, L.L. (2015). School District Consolidation: Market Concentration and the Scale-Efficiency Tradeoff. *Southern Economic Journal*, 82(2), 580-597.

Academic research on the fiscal impacts of school district consolidations show economies of scale are likely to occur when smaller districts combine to form a single, larger school district. Although there is a lack of agreement in academia on the methodologies for determining the most efficient school district size, there is substantial evidence—across research methodologies—that cost efficiency is expected to increase when small school districts consolidate.

Controlling for District Reference Groups (DRGs), an analysis published in 2010 found the ideal district size for output efficiency in Connecticut was 2,789 students and the ideal district size for input efficiency was 2,782. However, today Connecticut has 166 school districts, and of that total number of districts 84—about 50%—have less than 2,000 students enrolled.³

In a 2014 analysis of efficiency of Massachusetts' school districts indicates the optimal school district size for cost efficiency in Massachusetts is somewhere near 3,000 students. The results of this analysis showed “almost all of the school districts in Massachusetts would be able to save if they merged with one or more of their neighboring school districts.” Analysis showed the highest rate of cost savings (24.8 percent) occurring for districts with enrollments between 100 and 3,000 students, and a sharp decrease in the rate of savings occurring for districts with enrollments between 3,000 and 5,000 students.”⁴

Similar cost savings can be made in Connecticut, without reducing local control over school decision-making and with optimizing student achievement and access to a higher quality education. What Senate Bill 457 does is to require small districts to look at consolidating and if they decide it is not feasible to justify that reason to the State Department of Education in writing. There may be districts where it just doesn't make any sense to merge. And that is ok, but at least articulate why it doesn't make sense.

We thank the committee for having a hearing on this bill and ask that you give it a favorable report. We look forward to working with you as this bill moves forward.

³ B Cullen, J.P. (2010). A Comparison of the Academic Performance of College Bound High School Students in Regional vs. Community High Schools in Connecticut. *Current Issues in Education*, 13(2). Retrieved from <https://cie.asu.edu/ojs/index.php/cieatasu/article/view/399/116>.

⁴ Nguyen-Hoang, P., & Yinger, J. (2014). Education Finance Reform, Local Behavior, and Student Performance in Massachusetts. *Journal of Education Finance*, 39(4), 297-322.