Chairmen McCrory and Sanchez, Ranking Members Bethel and McCarty, and distinguished members of the Education Committee:

Thank you for the opportunity to submit testimony regarding school district consolidation, and the research that has been conducted on this subject, as you consider and discuss Proposed S.B. 457 from Senators Duff and Osten, Proposed S.B. 738 from Senator Looney, and S.B. 874 proposed by Governor Lamont.

My name is Katie Roy and I am the executive director and founder of the Connecticut School Finance Project, a nonpartisan, nonprofit policy organization based in New Haven that works to identify solutions to Connecticut’s school and state funding challenges that are fair to students, taxpayers, and communities.

As each member of the Committee knows, the introduction of several pieces of proposed legislation this legislative session concerning the consolidation of school districts has sparked significant interest as well as concerns and questions. Although a difficult and politically challenging conversation, I sincerely appreciate the willingness of Committee members to discuss these proposals and have a constructive and honest dialogue about ways Connecticut can possibly improve public education.

My testimony is not in support of or in opposition to any of the bills that have been proposed concerning school district consolidation. Rather, the sole focus of my written testimony is to provide nonpartisan, research-based information about school district consolidation for you to have and draw from as you continue your conversations as a Committee about this important subject.

Additionally, to prevent any confusion, or conflation with different proposals or definitions, when I refer to “school district consolidation” in my testimony, I am referring to two or more previously independent school districts combining into one new and larger school district, resulting in a single district oversight board and administration.

**Review of Academic Research on School District Consolidation**

The Connecticut School Finance Project recently completed a comprehensive review of academic research regarding the costs and benefits of school district consolidation. This literature review examined academic research related to school district...
consolidation and student outcomes, as well as research focused on district consolidation and economic efficiency. In total, 40 academic articles related to school district size, consolidation, and other types of school district regionalization were included in the literature review.

The literature review examined academic works published from 2007 to 2018, with nearly all of the research pieces coming from peer-reviewed academic journals. Additionally, our research review included policy papers, white papers, and working papers that analyze recent trends in policy, or state-specific circumstances regarding the outcomes of different regionalization strategies.

Our full review of academic research on school district consolidation is available on our website at www.ctschoolfinance.org/assets/uploads/files/Review-of-Research-on-District-and-School- Consolidation.pdf.

The literature review revealed several key findings, including that research indicates very small schools and districts may not be able to provide comprehensive educational programs to students, such as extracurricular activities and Advanced Placement courses.

In addition, research suggests that 1) economic efficiency is expected to increase when small school districts consolidate, and 2) for Connecticut’s peer states, the optimal school district size for these efficiencies is approximately 1,500-3,000 students. For comparison, there are currently 84 local and regional school districts in Connecticut serving fewer than 2,000 students. Information about these districts, as well as maps of where these districts are located in the state, can be found attached to this testimony.

In addition to these two key points, the review of academic research on school district consolidation also yielded several additional findings related to the impacts of consolidation on student outcomes and financial efficiency.

Impact of School District Consolidation on Student Outcomes
Based on the academic research that has been conducted and published, there is no conclusive evidence that school district consolidation positively or negatively impacts students’ academic performance.

However, arguments can be made that access to educational opportunities such as Advance Placement courses, elective courses, and athletics is improved by consolidating very small school districts. In studies where student performance was shown to be negatively correlated with school district size, other variables, such as student income and student-teacher ratios, have much stronger effects on student achievement than the size of school districts.

As I know you have a number of people submitting testimony and testifying before, I will not go into the details for each piece of research and the specific findings.

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However, for your convenience, there is a one-pager attached to my testimony providing examples and findings from research in Connecticut and comparison states on the impacts of school district consolidation on student outcomes. This one-pager is also available on our website at www.ctschoolfinance.org/assets/uploads/files/School-District-Consolidation.pdf.

**Impact of School District Consolidation on Financial Efficiency**

Academic research on the fiscal impacts of school district consolidations shows economies of scale are likely to occur when smaller districts combine to form a single, larger school district.\(^2\)

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 smaller school districts consolidate.

Examples and specific findings from research in Connecticut and comparison states on the impacts of school district consolidation on financial efficiencies are listed on the one-pager attached to my testimony and available at the link above.

Additionally, the Connecticut School Finance Project is happy to provide further information about specific pieces of research or findings should you have any questions.

Thank you again for allowing me the opportunity to provide written testimony on Proposed S.B. 457, Proposed S.B. 738, and S.B. 874, and please feel free to reach out to me via the contact information below should you have any questions or would like more information.

Sincerely,

Katie Roy
Executive Director & Founder
Connecticut School Finance Project
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\(^2\) 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.


About the Connecticut School Finance Project
Founded in June 2015, the Connecticut School Finance Project is a nonpartisan, nonprofit organization that strives to be a trusted and independent source of accurate data and information about how Connecticut funds its public schools. The Connecticut School Finance Project aims to incorporate the viewpoints and perspectives of stakeholders to develop fair, well-thought-out solutions that help create a sensible and equitable school funding system that meets the needs of Connecticut and all of its public school students.

In addition to the organization’s school finance work, in November 2017, the Connecticut School Finance Project expanded its work to examine Connecticut’s fiscal and economic health. This work includes taking an in-depth look into the State of Connecticut’s tax revenue, spending, and long-term pension and debt obligations, with a mission to serve as a nonpartisan resource for state and local policymakers, community leaders, and all Connecticut citizens looking for transparent, accessible, and approachable information about the State’s budget and finances.

For more information about the Connecticut School Finance Project, visit www.ctschoolfinance.org/about.
FAQs: School District Consolidation

Issue Summary
Connecticut’s student population has declined nearly seven percent in the past 10 years, and the rate of this decline is faster than initially projected.1,2 Currently, Connecticut has a relatively large number of school districts for its geographic size and student population, including 84 local and regional school districts serving fewer than 2,000 students.3 Research indicates very small schools and 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 the optimal school district size for these efficiencies is approximately 1,500-3,000 students.

Q: What is district consolidation?
A: 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. This is different from school consolidation, which is the merging of two or more schools, resulting in the closure of at least one school.

Q: What is the fiscal impact of school district consolidation?
A: Academic research on the fiscal impacts of school district consolidations shows economies of scale are likely to occur when smaller districts combine to form a single, larger school district.4 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 smaller school districts consolidate.

Examples from Connecticut and Comparison States
Connecticut5
- 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.
- Outputs were defined as differences in performance, relative to average performance, in SAT and Connecticut Mastery Test scores, and district size.
- Inputs were defined as teachers, administrators, and computers per 100 students.

Massachusetts6
- Analysis of efficiency of Massachusetts’ school districts indicates the optimal school district size for cost efficiency in Massachusetts is somewhere near 3,000 students.
- Results of 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.”

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4 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.

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• 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.

New York?
• Analysis published in 2007 found that, in New York, consolidating districts from 300 students to 600 students would yield cost savings of 56.04 percent; from 900 students to 1,800 students would yield cost savings of 48.6 percent; and from 1,500 students to 3,000 students would yield savings of 45.07 percent.
• Analysis also revealed that consolidation leads to increased capital spending, which can lead to some mitigation of cost savings.

Q: What is the impact of school district consolidation on student outcomes?
A: There is no conclusive evidence that school district consolidation positively or negatively impacts students’ academic performance. However, arguments can be made that access to educational opportunities such as Advanced Placement courses, elective courses, and athletics is improved by consolidating very small school districts. In studies where student performance was shown to be negatively correlated with school district size, other variables, such as student income and student-teacher ratios, have much stronger effects on student achievement than the size of school districts.

Examples from Connecticut and Comparison States
Connecticut
• An analysis published in 2010 comparing, within DRGs, academic performance in regional high schools to community high schools in Connecticut, found students in regional high schools outperformed their community high school counterparts within the same DRG in 15 of 16 pairs, using SAT I outcomes as the performance metric.

Vermont
• A 2015 report focused on the State of Vermont’s public schools found there is a positive correlation between school size and the number of Advanced Placement classes offered, and argued educational program breadth and depth may be compromised in Vermont’s very small high schools, as “data appear similar for athletics opportunities.”

Maine
• A qualitative study released in 2013 on the impacts of Maine’s school district consolidation, which occurred after statewide legislation passed in 2007, focused on the equity of educational opportunities in 24 newly-formed regional school districts.
• Of the districts surveyed, 22 reported changes to some aspect of the delivery or content of their programs of education, which included “expanded technology; increased gifted and talented programs; expanded prekindergarten or kindergarten programming; alignment of special education services; perceived improvements in education programming in certain subject areas; and improved professional development for teachers.”
• However, these expanded services did not occur with uniformity, and “about a third of the districts... described only modest changes.”
• In terms of equity, as defined by a redistribution of resources among partnering districts, two thirds of responding districts noted “improved or increased equity of educational opportunity in some aspect of their programming,” although these changes also varied in breadth and scope.

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