



## Legislative Testimony

## Assembly Bill 394: Reconfiguration of School Districts

March 30, 2015

### Testimony before the Assembly Committee on Education

*Prepared Statement of the Kenny Guinn Center for Policy Priorities*

#### Introduction

In February 2015, the Guinn Center (in collaboration with Nevada Succeeds) published a report titled, *Examining Nevada's Education Priorities: Which Initiatives are Worth the Investment?*, in which we examined the proposal to allow reconfiguration of school districts. Based on our findings, we offer the following for consideration.

#### Legislature has explored school district reconfiguration in the past

- In 1995, the Nevada Legislature adopted SCR 30, which directed the Legislative Commission to study the feasibility of reconfiguring the structure of school districts in Nevada.<sup>1</sup> Following the completion of the study, no further action was taken by the Legislature.
- In 1997, AB 596 proposed to create a separate school district for Incline Village. Governor Bob Miller vetoed this measure.<sup>2</sup>

#### Data is inconclusive on impact of reorganization on student achievement

- Many states and cities have explored the reconfiguration of school districts. National comparative research is inconclusive on how the initial size or subsequent reconfiguration of school districts impacts student outcomes. Efforts and resources to significantly impact student outcomes and modernize the educational system could be misplaced by focusing on the size of the district.
- In 2014, a public policy research group using statistical analysis found little to no correlation between school district size, education spending levels and student proficiency.<sup>3</sup>
- A 2003 study of California school districts found that larger district size appears to hinder educational achievement, having its biggest impact on middle school student performance.<sup>4</sup>
- In Texas, the consolidation of rural school districts led to higher per-pupil expenditures and lower student achievement for the bigger school district absorbing the smaller district.<sup>5</sup>
- A study examining consolidation in Arkansas found that consolidation had a "positive, yet practically insignificant performance impact on students from consolidating districts and a small negative performance impact for students in districts that merged with consolidating districts."<sup>6</sup>
- A recent Brookings Institution report found that "very little of the total variation in student achievement, only about 1 percent to 2 percent, lies at the level of the school district."<sup>7</sup>

<sup>1</sup> Legislative Counsel Bureau. January 1997. Reconfiguring the Structure of School Districts. Bulletin 97-4.

<http://www.leg.state.nv.us/Division/Research/Publications/InterimReports/1997/Bulletin97-04.pdf>

<sup>2</sup> Nevada Legislature. 1997. History of AB 596-1997.

<http://www.leg.state.nv.us/Division/Research/Library/LegHistory/LHs/1997/AB596,1997.pdf>

<sup>3</sup> Tom Pelham and Benjamin Kinsley. 2014. Education Outcomes and Spending: A Data Driven Analysis.

<http://www.campaignforvermont.org/wp-content/uploads/2014/09/Report-on-Education-Spending-and-Outcomes.pdf>

<sup>4</sup> Donna Driscoll, Dennis Halcoussis, and Shirley Svorny. 2003. School district size and student performance. *Economics of Education Review*. Vol 22: 193–201. <http://www.csun.edu/~vcecn007/publications/SchoolDistrictSize.pdf>

<sup>5</sup> Dwight Colley and Kay Floyd. Small Rural School District Consolidation in Texas: An Analysis of its Impact on Cost and Student Achievement. *Administrative Issues Journal, Education Practice, and Research*. Volume 3. Issue 1 <http://www.swosu.edu/academics/aij/2013/v3i1/cooley-floyd.pdf>

<sup>6</sup> Jonathan Mills et. al. March 2013. An Analysis of the Effect of Consolidation on Student Achievement: Evidence from Arkansas <http://www.uaedreform.org/wp-content/uploads/2013/03/Mills-McGee-Greene-2013-Consolidation-and-Student-Achievement-EDRE-WP-2013-02.pdf>



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- Conclusion: The existing body of research does not find a strong positive correlation between the reconfiguration of school districts and improved student outcomes.

### Consolidation of rural districts may have fiscal benefits

- Operations Funding:
  - Rural school districts receive varying levels of funding from State, local, and Federal sources for operations, primarily due to differences in revenue from Net Proceeds of Minerals Taxes and the structure of the K-12 funding formula.
  - In FY 2014, Eureka County School District had the highest per pupil funding level at \$41,473. The rural school district with the lowest per-pupil funding amount was Humboldt County School District, which received \$8,671 per pupil.<sup>8</sup>
- Facilities Funding: Twelve rural school districts have voter-approved taxes for facilities. However, the assessed valuation in these districts is limited and makes it difficult for a single district to generate sufficient bond funding to replace aging facilities.<sup>9</sup>
- Conclusion: Consolidating rural school districts could help address funding disparities and pool resources together for capital projects.

### Recommendations

1. The Legislature should create a task force to review previous studies and examine the fiscal impacts of either consolidating and/or splitting up school districts in Nevada. The Task Force should examine and compare the fiscal impact and effect on student performance in other states that have taken similar measures.
2. The Legislature should include this proposal in discussions about a new K-12 funding formula and capital needs.

**See full report:** Examining Nevada's Education Priorities: Which Initiatives are Worth the Investment?  
<http://guinncenter.org/wp-content/uploads/2015/02/Guinn-Center-Nevada-Succeeds-Education-Priorities-FINAL.pdf>

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<sup>7</sup> Grover J. "Russ" Whitehurst, Matthew M. Chingos, and Michael R. Gallaher. March 2013. Do School Districts Matter? Brown Center on Education Policy at Brookings Institution The same study also suggests that despite that, differences between school districts in effectiveness are large enough at the extremes to represent more than a half-year difference in schooling. [http://www.brookings.edu/~media/research/files/papers/2013/3/27%20school%20district%20impacts%20whitehurst/districts\\_report\\_03252013\\_web](http://www.brookings.edu/~media/research/files/papers/2013/3/27%20school%20district%20impacts%20whitehurst/districts_report_03252013_web)

<sup>8</sup> For more on this topic, see the Guinn Center's Nevada K-12 Education Finance Factsheet. <http://guinncenter.org/wp-content/uploads/2015/02/Guinn-Center-K-12-Education-Finance-Fact-Sheet.pdf>

<sup>9</sup> For more on this topic, see the Guinn Center's Expanding Financing Options for Nevada's K-12 Facilities. <http://guinncenter.org/wp-content/uploads/2015/02/Guinn-Center-K-12-Education-Facilities-Policy-FINAL.pdf>