



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

**TO:** State Aid Subcommittee  
**FROM:** Ken Slentz   
**SUBJECT:** Regional High Schools  
**DATE:** March 13, 2012  
**AUTHORIZATION(S):**

## SUMMARY

### **Issue for Discussion**

Do the Regents support the development of a legislative proposal for regional high schools, as described in Attachment A?

### **Reason(s) for Consideration**

Review of Policy.

### **Proposed Handling**

This question will come before the State Aid Subcommittee for discussion at the March 2012 Regents meeting.

### **Procedural History**

The Regents have asked staff to explore opportunities for cost containment while increasing educational opportunities for students across the State. Attachment A focuses on regional high schools as an option for addressing the limitations experienced by small, primarily rural, high schools which cannot offer the scope and quantity of enhanced course offerings that larger high schools are able to provide. Policy discussion questions are included.

## **Background Information**

The economic recession has led to the decline of educational opportunities, especially for high school students seeking advanced coursework in small, primarily rural, high schools. For the past three years State aid has been frozen or reduced and school districts have cut spending on administration and non-personal services and, to an increasing degree, educational programs. The Regents 2012-13 State Aid proposal attempts to make decisions on the distribution of aid given the State's fiscal capacity and school districts' needs. As part of a solution for many rural school districts facing a reduction in program offerings, some school districts have been exploring the potential to implement a regional high school. The Board of Regents has endorsed the concept in its legislative program. Attachment A provides a proposal for regional high schools. Appendix 1 shows the distribution of high school enrollment in school districts and Appendix 2 shows the distribution of enhanced course offerings around the State. Appendix 3 gives a summary of research and key policy questions on regional high schools and school district reorganization.

## **Timetable for Implementation**

This conversation will inform discussion for the development of the Regional High School Legislative Proposal.

## Support for Regional High Schools

The primary reasons for encouraging the regionalization of small high schools are:

- Concern about equity of educational opportunities for a critical mass of students who could benefit from higher level high school coursework to be successful in college and careers;
- Concerns for the educational solvency of school districts with small secondary populations, especially during a continued economic downturn, coupled with declining enrollments; and
- The growing demands to prepare students for college and career readiness for full global competitiveness.

While school size may be only one of several factors associated with advanced course offerings, students who attend small, typically rural, high schools may be at a disadvantage if course offerings are related to factors such as size, setting, or wealth of district.<sup>1</sup> Further, Advanced Placement and International Baccalaureate coursework at the high school level plays an increasingly important role in college and career readiness including the college application and acceptance/enrollment process.<sup>2</sup>

Currently, expanded educational opportunities in many districts reflect the small number of students within any given grade able to participate in advanced level coursework, coupled with increasingly reduced staffing and teaching specialization required for advanced courses. The map in Appendix 1 shows the enrollment of high schools around the State. It is apparent that there are regions of the State that are entirely comprised of high schools with small enrollments. Appendix 2 shows the distribution of enhanced coursework around the State, and illustrates the many school districts where high schools are not able to offer expanded coursework to the same degree that more populated areas with larger high schools are able to offer.

Regional high school models are not new within New York State, however, diminished fiscal capacity within many districts, especially rural, low wealth districts, coupled with the disparity in educational opportunities available within many of the same districts, highlights the needs for a renewed examination of this issue. Appendix 3 provides a

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<sup>1</sup> Haller, Emile J. and Monk, David H. (1993) *American Education Research Journal*, Volume 30, Number 1, pages 3-21.

<sup>2</sup> Iatarola, Patrice, Conger, Dylan, and Long, Mark C. (2011) Determinants of High Schools' Advanced Course Offerings. *Educational Evaluation and Policy Analysis*, Volume 33, Number 3, pages 340-359.

summary of different high school models and key policy questions related to regional high schools, as presented to the Board of Regents in June 2009.

**What legislative, regulatory and/or fiscal changes are needed to spur development in this area?** The Suffolk County regional high school district model and the BOCES-operated Tech Valley High, both described in Appendix 3, provide options for organizing and implementing regional high schools. Additional alternate proposals for school districts to share high schools without merger should also be considered.

Staff offer for Regents consideration a framework for the development of a legislative proposal for regional high schools that seeks to provide greater educational opportunity in a manner that is fiscally responsible and sustainable. Some basic ground rules and fiscal options for discussion purposes include:

- Requiring that a minimum number of three districts be allowed to combine to form a high school program.
- Addressing important transportation issues.
- Operating the regional high school by a host school district or a BOCES with adjustments to funding formulas to provide support for the high school by the local school districts and the State.
- Providing flexibility for which grade levels could constitute a high school, e.g., 7-12; 6-12; or 9-12. Once grades are determined and approved by voters, participating districts stop providing education for the grades of the regional high school which will serve all students from participating school districts.
- Allowing districts to retain their original status while participating in the regional high school. This avoids the need to address teacher contract and compensation issues.
- Allowing regional high school implementation for a maximum of five years based on a vote of the voters from each district. At the conclusion of the contract, require voters from the participating districts to decide which of three options to advance:
  - 1) Return to separate high schools for each participating district; or
  - 2) Continue the regional high school; or
  - 3) Merge the participating districts into a single district.
- Containing costs by ensuring that efficiencies from the regional high school model offset the costs of enhanced cost offerings. Develop and recommend State Aid changes to provide State support for this purpose, in a manner that

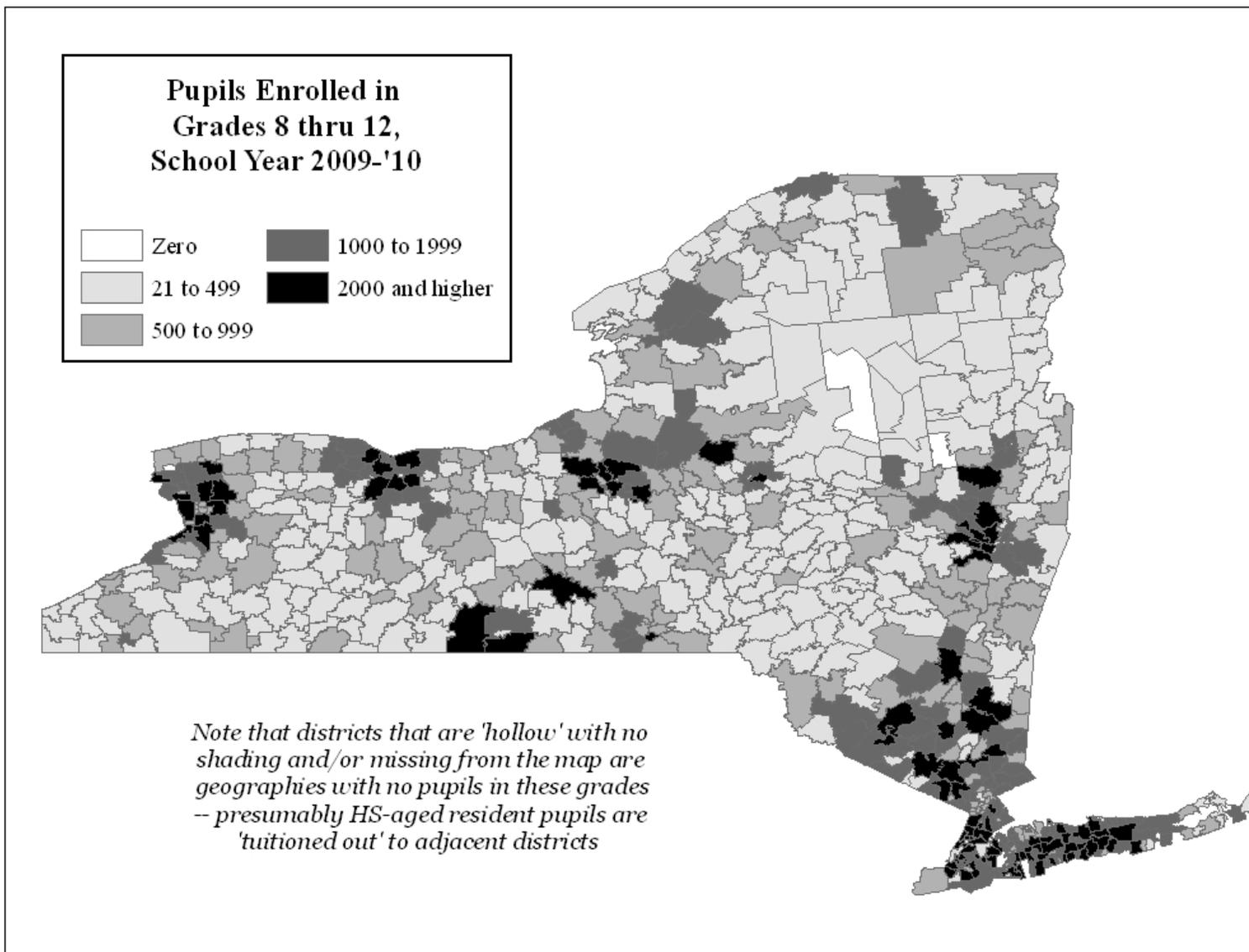
allows for a State and local share and ensures that costs, including aid, do not exceed prior expenditures. The goal is for additional higher level course offerings in support of educational opportunities, as well as future, if not current, monetary savings.

- Requiring the use of existing facilities where feasible.
- Examining fiscal models wherein the sending school districts would levy taxes to support the high school program and use State Aid for a portion of the costs of the regional high school. State aid changes could be designed to mitigate barriers to participation and reflect the characteristics of the student's home districts.

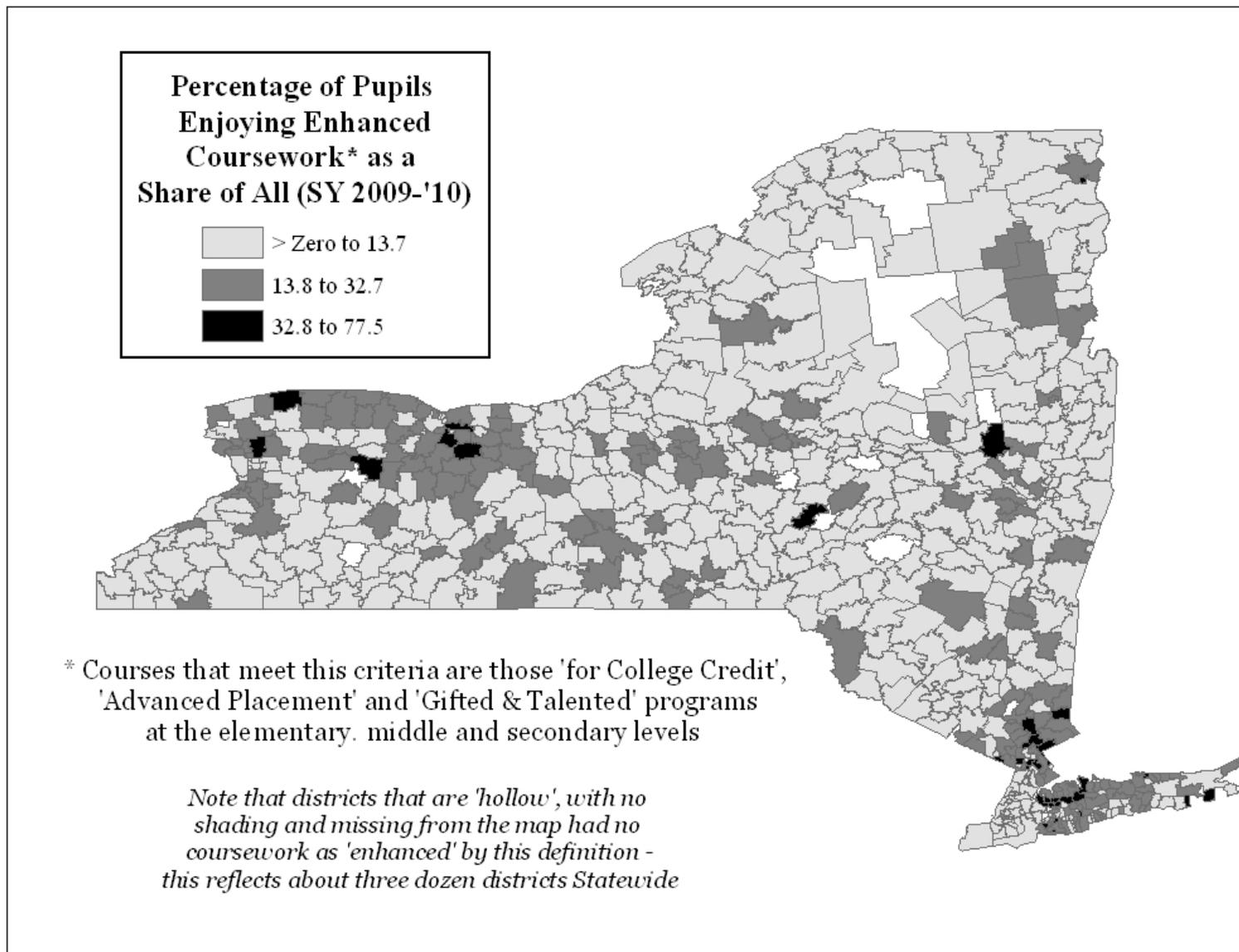
Currently, legislative bills have been introduced to address regional high schools and provide some elements of the basic ground rules and fiscal options presented above for discussion purposes. These include:

- S. 5184-B (Young), which is the same as A. 8002-A (Nolan), authorizes two or more school districts, by a majority vote of their respective boards of education, to enter into a contract to establish and operate a regional high school provided that all participating districts are wholly contained within the following BOCES supervisory districts: Cattaraugus-Allegany-Erie-Wyoming; Erie 2 Chautauqua-Cattaraugus; and/or the Greater Southern Tier. Eligible districts include districts which are city school districts in cities with fewer than 125,000 residents, central school districts, union free school districts and/or common school districts.
- S. 5247-A (Young), which is the same as A. 8003 (Nolan), authorizes two or more school districts, which are city school districts in cities with fewer than 125,000 residents, central school districts, union free school districts and/or common school districts, to establish and operate a regional high school provided that all participating districts are wholly contained within the same BOCES supervisory district.
- S. 5255-C (Young), which is the same as A. 8224 (Goodell), authorizes two or more school districts, which are city school districts in cities with fewer than 125,000 residents, central school districts, union free school districts and/or common school districts within certain counties to establish and operate a regional high school provided that all participating districts are wholly contained within the same BOCES supervisory district and within a county having between 134,903 and 134,907 residents.
- S. 6257-C would amend Section 1920 of Education Law by adding a new article 39-A. This language is contained within the Senate's Education, Labor and Family Assistance "one-house" Article VII bill. It mirrors S. 5184-B (Young)/A. 8002-A (Nolan), but provides for Commissioner involvement and includes incentive operating aid for regional high schools.

## High School Enrollment Varies Around the State Entire Regions have Small High School Enrollments



**Access to Enhanced Course Offerings Varies Around the State  
There are Regions with Limited or No Access**



**SCHOOL DISTRICT REORGANIZATION  
AND REGIONAL HIGH SCHOOLS  
JUNE 2009 REPORT TO THE REGENTS**

Subsequent to a review of 2008 statewide commission reports on property tax relief and local government efficiency and competitiveness, the Regents began a review of proposals to maximize school resources through the regionalization of educational and ancillary services. Possible strategies include regionalization of high schools, both rural and suburban; regional student transportation services; and the expansion of central business office services provided by BOCES and serving two or more school districts.

This paper will review statewide reorganization efforts and explore the potential benefits of regional high schools by investigating the following questions:

- Are there cost savings to be gained from regionalization of high schools?
- Will regionalization lead to increased educational opportunities, such as, greater access to enriched coursework?
- Can regionalization lead to greater achievement and improved graduation rates?

**Brief History of Reorganization: A Context for High School Regionalization**

School district boundaries are established in law and are not co-terminus with county lines. In fact more than a dozen school districts have territory in as many as four counties. A large number of reorganizations have occurred in New York State since 1870 when there were approximately 11,400 school districts. By 1940 there were about 6,400 districts, in 1980 fewer than 740 districts, and by 2000, about 700 districts in the State. See Figure 1. As of July 2007, New York State had a student enrollment of 2,715,068 in 698 school districts.

The process of school district reorganization encompasses consolidations, mergers and annexations. Appendix I delineates the range of procedures covered by the term reorganization.

The Commissioner of Education's powers for restructuring school districts are currently limited to proposing and overseeing reorganizations. The 2008 Executive Commission reports made recommendations to change State law and grant the Commissioner powers not currently held, such as ordering reorganization for school districts with certain characteristics. Historically and presently, some type of local approval, such as

a vote, a permissive referendum, and/or board approval is required in all reorganizations.

Figure 1: History of School District Reorganization Since 1870

Year	Number of Districts	Decrease
1870....	11,372	
1890....	11,216	- 156
1910....	10,565	- 651
1930....	9,118	-1,447
1940....	6,397	-2,721
1950....	3,189	-3,208
1960....	1,293	-1,896
1970....	760	- 533
1980....	739	- 21
1990....	720	- 19
2000....	704	- 16

Although the Commissioner may propose reorganization at any time, he only does so after:

- A Feasibility Study: The school district boards agree to undertake a study of reorganization to determine the costs and benefits of reorganization as well as how it would be implemented;
- The Public is Informed: The public is informed about the proposed reorganization; and
- Public Support: There is evidence of support in each district for the reorganization, which can take the form of petitions or straw polls (advisory referendums).

Once the Commissioner has proposed a reorganization, the steps vary depending on the type of reorganization. See Appendix I. Under this existing legal framework, the State has experienced on average only about one merger or annexation of districts every other year for the last decade.

The map displayed in Figure 2 reveals that more than half (58.5 percent) of the State's school districts have fewer than 2,000 pupils and that over 200 districts (the groups of districts in dark pink) have fewer than 1,000 pupils. They are largely in the Southern Tier and North Country regions of the State, although they are represented on Long Island

as well. Of these 200 districts, there are 65 which have enrollments of fewer than 500 students.

Rural high schools have an average of 424 pupils, while non-rural districts, i.e., suburban and cities, have 991. Thirty districts tuition their students to another district. One operates only a k-two program; two a k-four. There are three central high school districts in Nassau County which serve students in grades seven to twelve only.

### **Potential Cost Savings Related to Reorganization:**

*Are there parallels to cost savings to be gained from regionalization of high schools?*

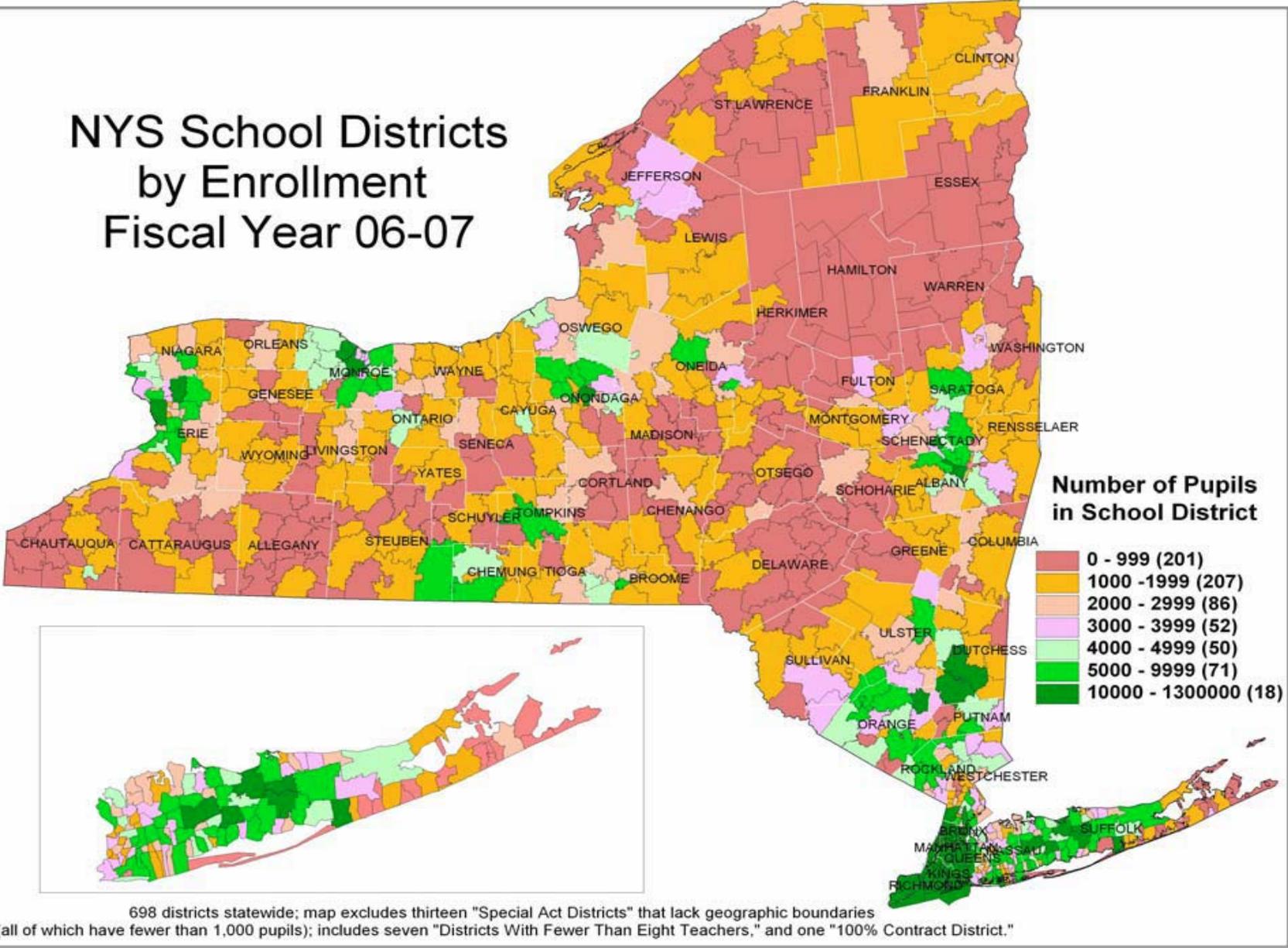
The actual cost of educating students across New York State varies widely depending on several variables, including student need and regional cost differences, e.g., salaries, facility costs, and other educational and related costs. Per pupil expenditures are displayed in Appendix II by Need/Resource Capacity (NRC) and geographic region of the state. Any potential cost savings to be gained by implementing a regional approach to high schools in rural areas is framed by data that shows rural districts already tend to spend less than many other geographic regions of the state. However, the average costs shown for rural districts minimize the very high per pupil costs found in some extremely small districts, such as remote towns in the Adirondacks.

The question of whether there are cost savings from high school regionalization is debatable, since studies have examined cost savings resulting from reorganization of districts and did not specifically address the combining of high schools. However, regionalization can be discussed in relation to merging of districts, which remains an important issue in state educational policy.

State Education Department staff studied potential cost savings in 1992 in a paper titled *Analysis of Change in Expenditure Following School District Reorganization*. The study reviewed the rich aid incentives associated with reorganization, as well as other factors, such as additional Regents requirements and facility needs, resulting in an increased number of reorganizations in the mid to late 1980s. Reorganization Incentive Operating Aid which the State provides to reorganized school districts doubled from ten percent to 20 percent during this period. As operating aid is wealth equalized, there was a much more immediate benefit from reorganization available to low wealth districts than to high wealth school districts. Therefore, while costs to district residents may have lowered due to reduced tax rates, there is not evidence that overall expenditures were lower. Alternatively, in four of the reorganizations, expenditures were at least five percent higher than county or regional averages, and as much as 21 percent higher. In every case studied, reorganized districts leveled up teacher salaries such that the higher salary schedule was applied to the new district. In addition, expenditures from debt

Figure 2

# NYS School Districts by Enrollment Fiscal Year 06-07



service were a contributing factor as reorganized districts began building and renovation projects, in addition to aid for expanded instructional costs. Overall, based on the limited data it was concluded that expenditures were not reduced as a result of school district reorganization. However, local residents did pay fewer taxes largely due to reorganization incentive aid for both general operations and construction or renovation.

Duncombe and Yinger's (2000) study examined the cost implications of 12 pairs of rural school district reorganizations within the State from 1985-1997 (including some of the above districts). All other rural school districts served as the comparison group. Factors including student performance and teacher salaries were held constant. Findings indicated that reorganizations did cut costs for small, rural school districts and the savings appear to be driven almost entirely by economies of scale. Initial increased spending was offset by later cost savings. They concluded that reorganization is likely to cut the costs of two 300-pupil districts by over 20 percent; two 900-pupil districts by seven to nine percent; and would have little if any net impact on the costs of two 1,500 pupil districts that reorganized. The study concluded that cost impacts of reorganization can be evaluated and shown to significantly lower costs in certain school districts. It recommended that a state program should encourage reorganization among small, rural school districts, but eliminate financial incentives for reorganization of other types of school districts. It proposed that future studies consider the impact of reorganization on students' commuting times and on measures of student performance other than test scores.

## **Executive Commission Reports**

Executive Commission reports, issued in 2008 by blue ribbon panels, both came to the conclusion that small school districts should reorganize. One panel was led by former Lieutenant Governor Stan Lundine on Local Government Efficiency and Competitiveness, and the other by Nassau County Executive Thomas Suozzi, on Property Tax Relief.

The Lundine report recommended:

- Empowering the Commissioner of Education to order reorganizations;
- Setting up local restructuring committees to examine service sharing and reorganizations;
- Authorizing regional collective bargaining contracts for new hires (phased in at local option); and
- Facilitating consolidation of business office services and regional high schools.

The report of the Suozzi Commission made similar recommendations, including:

- Requiring the reorganization of districts with fewer than 1,000 pupils;

- Granting the Commissioner of Education discretionary authority to order reorganizations of districts with fewer than 2,000 pupils;
- Establishing objective factors that the State Education department should use to guide this review process including pupil enrollment trends, geography, breadth of educational programs, potential cost savings and tax burden; and
- Forming committees within each BOCES region to evaluate restructuring opportunities for districts.

### **Regionalization Efforts in Suburban Counties: Lessons from Other States**

Economy of scale has been identified as one barrier to the efficient delivery of adequate and necessary educational programming. A possible remedy therefore is to deliver services at a larger level of geography. Two county wide districts in suburban Washington, D.C. have undertaken such a large scale reorganization effort. While the ability to generalize from these large, wealthy county-wide suburban districts is not uniformly possible for several reasons, especially when discussing rural, less affluent non-county wide districts, members of the Regents Subcommittee on State Aid specifically requested that staff examine these two systems to ascertain what information may be applicable.

#### Fairfax County, Virginia

Fairfax County, with a population of just over one million residents is located in the northern Virginia suburbs of Washington, D.C. The school district converted to a cluster system in 1993. With an enrollment of 164,000 pupils, they estimated they will spend \$13,407 per pupil in fiscal year 2008. There are eight groupings in the cluster: three high schools, three middle schools, and 11-16 elementary schools, and one to two special schools. The cluster structure enabled district officials to implement the following improvements in the cost-effective delivery of educational services:

- Significant reduction in middle managers;
- Consistency of message;
- Centralized support;
- Equalization/distribution of services to meet student needs; and
- One person supervises 20 to 25 principals.

#### Montgomery County, Maryland

Montgomery County, Maryland is primarily a wealthy county, with pockets of poverty, and has approximately 875,000 residents. Like Fairfax County, its county and school district boundaries are coterminous. The county pursued desegregation and equitable school funding by implementing a county-wide educational system. Key reform efforts have narrowed the achievement gap at the elementary levels and are underway at the middle and high school levels. Reform efforts include:

- Organizational restructuring;
- Differentiated approach to instruction but uniform approaches toward curriculum and instruction, augmented by common professional development;
- Centralization of technology and data assessment; and
- Competitive magnet middle and high schools, and a consortium of high schools students can choose to attend.

## **Regional High School Efforts in New York State**

New York State has a historical context for suburban regional high school development.

### Nassau County

In February of 1925, in response to a voter petition, the Commissioner authorized the creation of a Central High School District in Valley Stream. This was made possible by a 1917 provision of law legalizing the formation of central high school districts, serving grades seven to twelve, by residents of two or more adjacent elementary school districts. Residents created a limited number of such districts throughout the State before the law was revoked in 1944, as an ineffective form of reorganization, and replaced by a provision for centralization on a K-12 basis. The other two Nassau County central high school districts that residents formed, and which are still in existence, are Sewanhaka and Bellmore-Merrick.

### Suffolk County

The law authorizing Central High School Districts, revoked in 1944, was reinstated in 1981 to enable the formation of a central high school district in Suffolk County only. In 1999, one school district was formed from the reorganization of two local districts, Eastport Union Free School District and South Manor Union Free School District. This was viewed, by some, as an ineffective form of reorganization because it created more districts while the Master Plans for School District Reorganization in New York State of 1948 and 1957 call for a reduction in the number of districts. The Master Plans promote combining small districts to result in larger districts containing a stronger tax base and enlarged pupil population to establish more effective and economic districts.

### Tech Valley High

Tech Valley High, located in the Capital Region, was created in 2007 to provide students with a program emphasizing math, science and technology. Currently about 75 students attend this BOCES operated and aided program. Regents and/or Advanced Regents Diplomas are awarded by the home school district. Many students also take courses that qualify them for college credits. All eighth grade students from participating component districts can apply, however space is limited. In addition to BOCES aid, the school receives grants and professional development provided by private-sector sources, including the Gates Foundation. The school also partners with educators in all grade levels, businesses, organized labor, the government and colleges. Busing is

provided by the home district and students may continue to be involved in playing sports in their home districts.

### **Inter-district Collaboration through Tuitioning High School Students**

School districts may admit nonresident students based on terms specified in district policy and including the payment of tuition by parents or guardians. Commissioner's regulations (Education Law sections 1709(3), (13); 3202(2); 8NYCRR Part 174) provide a formula for the calculation of tuition. School districts can, under existing law, tuition to another district, thus creating another option for a regional high school. The tuitioning of an entire grade of students (such as all the twelfth graders) requires a positive vote of the residents of the district.

### **Regionalization of High Schools in Rural Counties:**

*Will regionalization lead to increased educational opportunities, such as, greater access to enriched coursework?*

While there is a national debate about the relative merit of large schools versus small schools, the student achievement results of rural school districts in New York State have been generally positive. However, declining enrollments and tax bases in rural New York State have caused rural communities to be concerned about the very existence of their schools and by extension their communities.

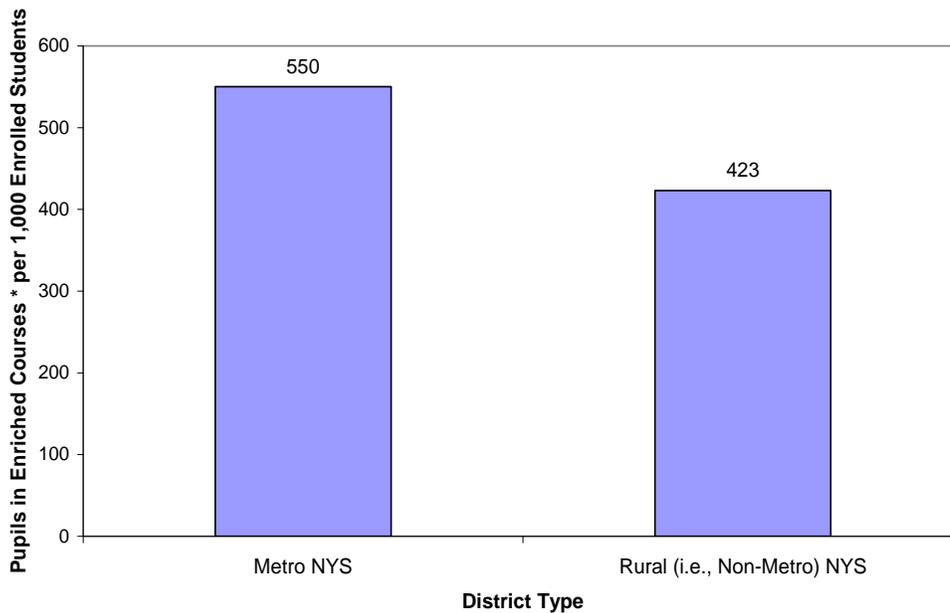
Declining enrollments and tax bases are important insofar as they are measures of fiscal capacity and proxies for economic growth. For example, over the last six years for which data are available (2000 to 2006), rural New York districts have experienced enrollment declines four and a half times greater than those of metropolitan districts. Because of school district reliance on taxing property to fund education, without strong growth in property values, a rural district may be reluctant to raise tax rates because of the local burden it will impose and the relatively small amount of revenue it will raise. This in turn, may lead to depriving the district of the revenue to support academic enrichment.

One argument in favor of regional, and thus larger, high school districts is a widely held perception that rural high schools lack the vast array of enriched courses of other districts. One factor is the small, and further declining, enrollment base of so many rural districts. Small high schools may not have the resources to purchase the services of instructors to teach Advanced Placement (AP) classes for only a few students. However, in larger schools and districts, where the number of students seeking enrichment is likely to be greater, the per-pupil unit cost of hiring an AP teacher will be significantly less.

Figure 3 displays data on pupils benefiting from enriched courses as a ratio of total enrollments for school year 2001-02, by rural and non-rural counties. It appears that rural pupils have thirty percent fewer enriched course offerings than their urban and

suburban counterparts. With the wide growth in adoption of Advanced Placement, International Baccalaureate (IB) and other enhanced academic coursework in recent years, we have reason to believe that this trend of rural and metro disparity has continued or widened.

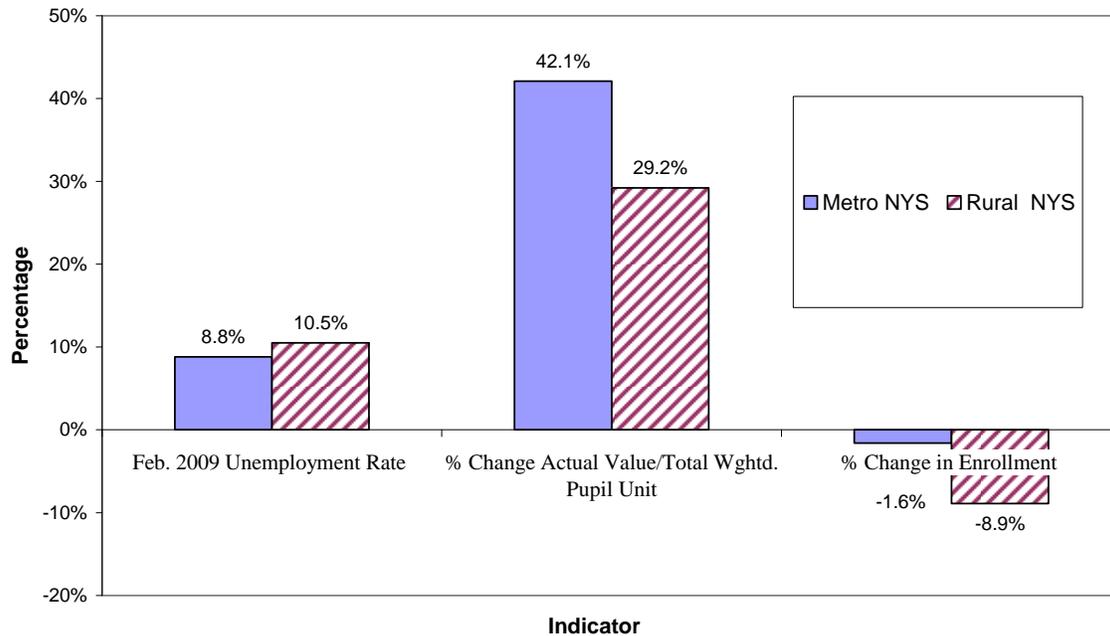
Figure 3: Enriched High School Course Offerings, Rural vs. Metro New York School Districts, SY 2001-02



\* Where 'enriched courses' include those: for college credit, advanced, accelerated or Advanced Placement

The reduced access to enhanced and enriched courses in rural school districts is, at least in part, attributable to diminished fiscal capacity. Figure 4 displays evidence that supports this finding of weaker economic conditions in rural parts of the State. As of February, 2009, rural counties have experienced disproportionate job losses in the current recession. Their unemployment rate of 10.5 percent is almost 20 percent higher than metropolitan counties in New York. Moreover, in the six years from 2000 to 2006, counties in rural areas experienced 44 percent less growth in property values relative to metro counties.

Figure 4: Demographic and Economic Data by Metro and Rural NYS Counties



Sources: 1) NYS Department of Labor  
2) SED Fiscal Profiles, Percentage Change 2000 to 2006

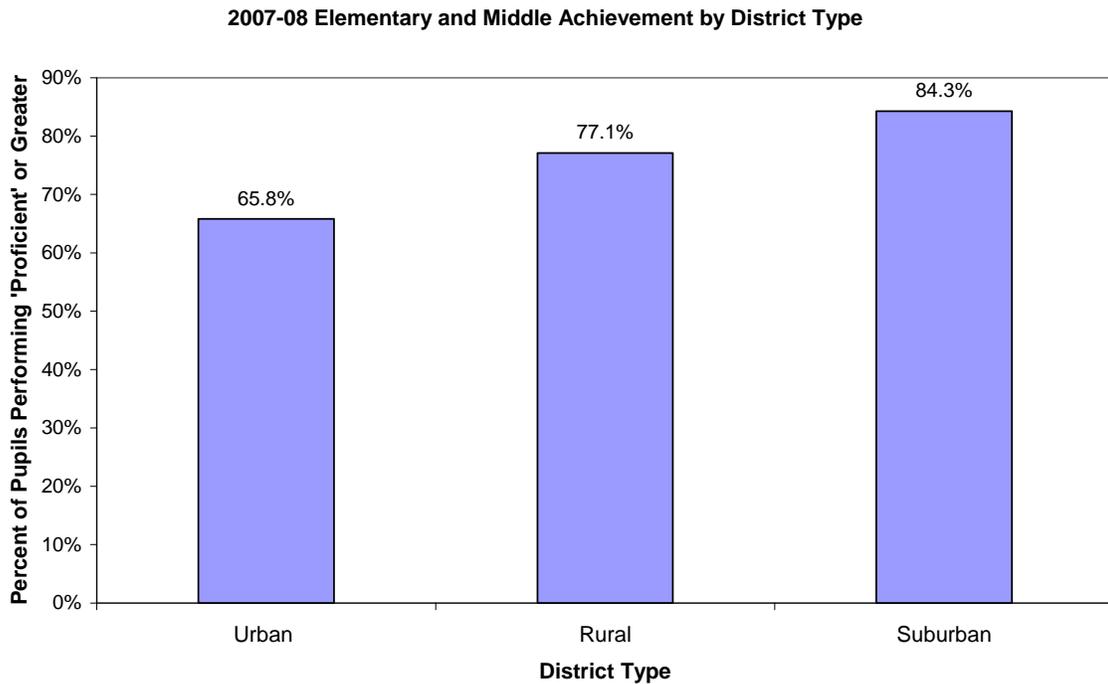
### Relationship between Size and Achievement:

*Can regionalization lead to greater achievement and improved graduation rates?*

Evidence has been presented in favor of larger districts in order to yield economies of scale. However, there is substantial achievement literature which says that smaller aggregations, particularly at the secondary level are desirable because of the close relationship that can develop between pupils and between pupils and teachers. In turn, this relationship has been found to lead to greater pupil engagement with their

coursework, particularly when it is accompanied by rigorous and relevant content<sup>3</sup>. This literature for example is the empirical foundation for small learning communities, ninth grade academies and other program options that are incorporated into the middle and high school restructuring programs allowable under the Contracts for Excellence (C4E). Figure 5 reflects the achievement of students by the type of geographic district type and Figure 6 reflects graduation rate. It may be that mid size high schools, achieved through regionalization, best accomplish both the goals for maintaining a reasonable size and the ability to offer additional enrichment.

Figure 5: Achievement by Geographic School District Type, SY 2007-'08

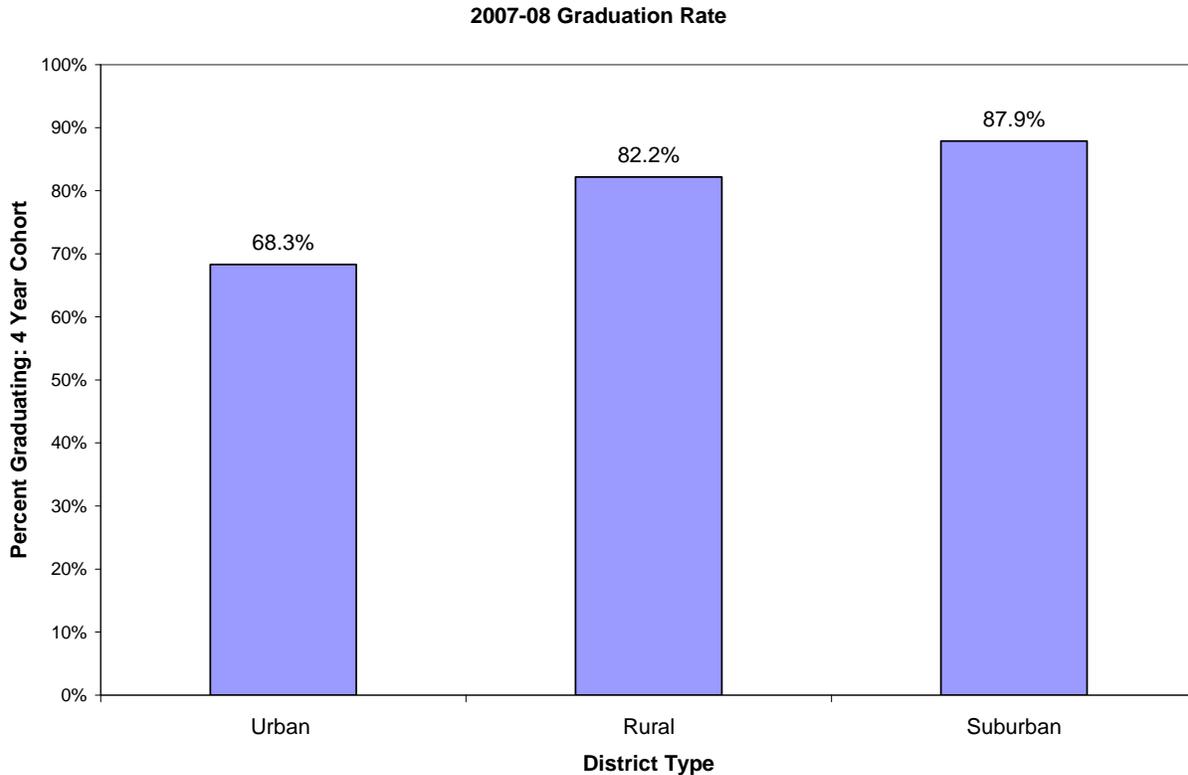


\* This measure reflects the rate or percentage at which elementary and middle school pupils achieved at least a Level '3' on all their respective State assessments during the 2007-08 SY

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<sup>3</sup> For this reason, many secondary educational policy experts have referred to the 'Three Rs' as very promising high school interventions; Rigor (in terms of content offerings), Relevance (of those academic offerings) and Relationship (between pupils and their work, other students and their teachers). This literature had been previously addressed by the Regents in the past work on the High School Initiative during 2005 and 2006. This site: <http://www.ncsl.org/programs/employ/slc.htm> discusses the research and these issues in greater depth.

Figure 6: Graduation Rate by Geographic School District Type, SY 2007-'08



## Conclusion

This paper concludes by answering the questions that were posed in the introduction and then summarizes the pros and cons of this complex educational issue.

- *Are there cost savings to be gained from regionalization of high schools?*

There is a potential for savings over the long term.

- *Will regionalization lead to increased educational opportunities, such as, greater access to enriched coursework?*

It is expected that reorganization will lead to greater access to enriched courses by students.

- *Can regionalization lead to greater achievement and improved graduation rates?*

To the extent that regionalization will lead to greater access to enriched course offerings, achievement and college readiness will be improved.

The following factors lend support to paying further attention to rural schools as a public policy concern:

- A paucity of enriched course offerings available in rural high schools, depriving students of a higher quality instructional program needed to succeed in a global economy;
- Declining enrollments and fiscal capacity in rural areas due to a shrinking tax and income base; and
- The fiscal environment engendered by the recent recession, arguing for cost savings, scale economies and cost-effective best practices.

There are simultaneously mitigating factors working against regionalization:

- Regional high school districts add to the number of districts rather than reducing them and counter the State Master Plan calling for a reduction in the number of districts.;
- There is no guarantee of costs savings, and more possibly increased costs may be associated with regionalization in the short term;
- Geographic sparsity which would add time and distance to student daily travel to and from school; and
- Local communities have a long standing and deep tradition of local control. A strong identification with the school district and high school sports teams are magnets for community support. Rural communities with declining enrollments equate the loss of their school district with the loss of their community.

### **Regents Policy Discussion**

At the June meeting, the Regents Subcommittee on State Aid will discuss the policy implications of this report and directions for further work, as appropriate.

## References

Duncombe, William D. and John Yinger. 2001. "Does School District Consolidation Cut Costs?" Center for Policy Research Working Paper No. 33, The Maxwell School. Syracuse, NY: Syracuse University, January.

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Spear, Suzanne. *Analysis of Change in Expenditure Following School District Reorganization*. Prepared for the New York State Education Department. Albany, NY, 1992.

Suozzi, Thomas R., Chairman, 2008. "New York State Commission on Property Tax Relief". Final Report to Governor David A. Paterson.

## **Summary and Policy Questions** **Regional High Schools and School District Reorganization**

A June 2009 report to the Regents examined this topic and answered the following questions:

- *Are there cost savings to be gained from regionalization of high schools?*  
There is a potential for savings over the long term.
- *Will regionalization lead to increased educational opportunities, such as, greater access to enriched coursework?*  
It is expected that reorganization will lead to greater access to enriched courses by students.
- *Can regionalization lead to greater achievement and improved graduation rates?*  
To the extent that regionalization will lead to greater access to enriched course offerings, achievement and college readiness will be improved.

The report noted that the following factors lend support to paying further attention to rural schools as a public policy concern:

- A paucity of enriched course offerings available in rural high schools, depriving students of a higher quality instructional program needed to succeed in a global economy;
- Declining enrollments and fiscal capacity in rural areas due to a shrinking tax and income base; and
- The fiscal environment engendered by the recent recession, arguing for cost savings, scale economies and cost-effective best practices.

There are simultaneously mitigating factors working against regionalization:

- There is no guarantee of costs savings, and more possibly increased costs may be associated with regionalization in the short term;
- Local communities have a long standing and deep tradition of local control. A strong identification with the school district and high school sports teams are magnets for community support. Rural communities with declining enrollments equate the loss of their school district with the loss of their community. Differences in wealth and ethnic makeup add to local opposition to reorganization in both smaller and larger communities;
- Geographic sparsity which would add time and distance to student daily travel to and from school; and
- Regional high school districts add to the number of districts rather than reducing them and counter the State Master Plan calling for a reduction in the number of districts.

## **Executive Commission Reports**

Executive Commission reports, issued in 2008 by blue ribbon panels, both came to the conclusion that small school districts should reorganize. One panel was led by former Lieutenant Governor Stan Lundine on Local Government Efficiency and Competitiveness, and the other by Nassau County Executive Thomas Suozzi, on Property Tax Relief.

The Lundine report recommended:

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- Setting up local restructuring committees to examine service sharing and reorganizations;
- Authorizing regional collective bargaining contracts for new hires (phased in at local option); and
- Facilitating consolidation of business office services and regional high schools.

The report of the Suozzi Commission made similar recommendations, including:

- Requiring the reorganization of districts with fewer than 1,000 pupils;
- Granting the Commissioner of Education discretionary authority to order reorganizations of districts with fewer than 2,000 pupils;
- Establishing objective factors that the State Education department should use to guide this review process including pupil enrollment trends, geography, breadth of educational programs, potential cost savings and tax burden; and
- Forming committees within each BOCES region to evaluate restructuring opportunities for districts.

## **Regionalization Efforts in Suburban Counties: Lessons from Other States**

### Fairfax County, Virginia

Fairfax County, with a population of just over one million residents is located in the northern Virginia suburbs of Washington, D.C. The school district converted to a cluster system in 1993. With an enrollment of 164,000 pupils, they estimated they will spend \$13,407 per pupil in fiscal year 2008. There are eight groupings in the cluster: three high schools, three middle schools, and 11-16 elementary schools, and one to two special schools. The cluster structure enabled district officials to implement the following improvements in the cost-effective delivery of educational services:

- Significant reduction in middle managers;
- Consistency of message;
- Centralized support;
- Equalization/distribution of services to meet student needs; and
- One person supervises 20 to 25 principals.

### Montgomery County, Maryland

Montgomery County, Maryland is primarily a wealthy county, with pockets of poverty, and has approximately 875,000 residents. Like Fairfax County, its county and school district boundaries are coterminous. The county pursued desegregation and equitable school funding by implementing a county-wide educational system. Key reform efforts have narrowed the achievement gap at the elementary levels and are underway at the middle and high school levels. Reform efforts include:

- Organizational restructuring;
- Differentiated approach to instruction but uniform approaches toward curriculum and instruction, augmented by common professional development;
- Centralization of technology and data assessment; and
- Competitive magnet middle and high schools, and a consortium of high schools students can choose to attend.

### **Regional High School Efforts in New York State**

New York State has a historical context for suburban regional high school development.

#### Nassau County

In February of 1925, in response to a voter petition, the Commissioner authorized the creation of a Central High School District in Valley Stream. This was made possible by a 1917 provision of law legalizing the formation of central high school districts, serving grades seven to twelve, by residents of two or more adjacent elementary school districts. Residents created a limited number of such districts throughout the State before the law was revoked in 1944, as an ineffective form of reorganization, and replaced by a provision for centralization on a K-12 basis. The other two Nassau County central high school districts that residents formed, and which are still in existence, are Sewanhaka and Bellmore-Merrick.

#### Suffolk County

The law authorizing Central High School Districts, revoked in 1944, was reinstated in 1981 to enable the formation of a central high school district in Suffolk County only. In 1999, one school district was formed from the reorganization of two local districts, Eastport Union Free School District and South Manor Union Free School District. This was viewed, by some, as an ineffective form of reorganization because it created more districts while the Master Plans for School District Reorganization in New York State of 1948 and 1957 call for a reduction in the number of districts. The Master Plans promote combining small districts to result in larger districts containing a stronger tax base and enlarged pupil population to establish more effective and economic districts.

#### Tech Valley High

Tech Valley High, located in the Capital Region, was created in 2007 to provide students with a program emphasizing math, science and technology. Currently about 75 students attend this BOCES operated and aided program. Regents and/or Advanced Regents Diplomas are awarded by the home school district. Many students also take courses that qualify them for college credits. All eighth grade students from participating

component districts can apply, however space is limited. In addition to BOCES aid, the school receives grants and professional development provided by private-sector sources, including the Gates Foundation. The school partners with educators in all grade levels, businesses, organized labor, the government and colleges. Busing is provided by the home district and students may continue to be involved in playing sports in their home districts.

### **Inter-district Collaboration through Tuitioning High School Students**

School districts may admit nonresident students based on terms specified in district policy and including the payment of tuition by parents or guardians. Commissioner's regulations (Education Law sections 1709(3), (13); 3202(2); 8NYCRR Part 174) provide a formula for the calculation of tuition. School districts can, under existing law, tuition to another district, thus creating another option for a regional high school. The tuitioning of an entire grade of students (such as all the twelfth graders) requires a positive vote of the residents of the district. The State pays aid for the education of tuitioned students based on the characteristics of the district that provides the education. As a result, when the district that provides the high school program is wealthier than sending districts, this fiscal arrangement can be a disincentive for participation by less-wealthy districts that will lose State Aid in the process.

### **Regional High School Legislation**

Senator Catherine Young has advanced legislation for four districts in Western New York to form a regional high school. Repeated efforts at reorganization have failed to pass the public vote in these communities. The bill proposes a vote of the respective boards of education to enter into the regional high school. An arrangement is proposed wherein three districts would send their high school students to the fourth school for their high school education. The bill proposes a reorganization incentive aid although the districts do not reorganize.

Department staff have explored a variety of options to assist in the development of legislation on regional high schools including: better defining the treatment of students with disabilities consistent with federal and State law; considering options for a local vote; implications for the sending districts if costs increase under the Property Tax Cap; and providing a type of incentive aid specifically for regional high schools. Department staff continue to participate in discussions to recommend legislation allowing regional high schools statewide and to promote the benefits of regional high schools to provide the Common Core and more advanced placement course offerings and to prepare students to be successful in college and careers.

### **Research on Cost Savings**

Duncombe and Yinger's (2000) study examined the cost implications of 12 pairs of rural school district reorganizations within the State from 1985-1997 (including some of the above districts). All other rural school districts served as the comparison group. Factors including student performance and teacher salaries were held constant. Findings indicated that reorganizations did cut costs for small, rural school districts and the savings appear to be driven almost entirely by economies of scale. Initial increased

spending was offset by later cost savings. They concluded that reorganization is likely to cut the costs of two 300-pupil districts by over 20 percent; two 900-pupil districts by seven to nine percent; and would have little if any net impact on the costs of two 1,500 pupil districts that reorganized. The study concluded that cost impacts of reorganization can be evaluated and shown to significantly lower costs in certain school districts. It recommended that a State program should encourage reorganization among small, rural school districts, but eliminate financial incentives for reorganization of other types of school districts. It proposed that future studies consider the impact of reorganization on students' commuting times and on measures of student performance other than test scores.