

OPTIONS FOR ANDERSON COUNTY SCHOOL DISTRICTS

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OPTIONS FOR ANDERSON COUNTY SCHOOL DISTRICTS: SUMMARY

Anderson County Trends and Study Rationale

This study of options for Anderson County, South Carolina's five school districts was undertaken in response to several important developments. Since these districts were created, Interstate 85 and Lake Hartwell dramatically changed the face of the county and the locus of economic and residential growth, which is now concentrated along that highway and shorefront as well as around the city of Anderson. The five districts, which were roughly equal in student enrollment and tax base when they were created by consolidation in 1952, are very unequal today.

In fiscal year 2008-09, these districts range in size from 2,587 students in Anderson School District Three to 12,055 students in Anderson School District Five. Growth in the number of pupils enrolled in the five school districts has been very unequal, even in the last 10 years. Enrollment in District One grew rapidly at almost 30 percent over the decade. Enrollment in Districts Four and Five increased by 14 percent and 12 percent, respectively, while District Two (6.5 percent) and District Three (one percent) grew much more slowly.

Tax bases and tax rates are also unequal among the five districts. In tax year 2008, District Two has only \$14,190 in assessed (taxable) property value per pupil while District Four has \$33,719 in assessed value per pupil (fee in lieu of tax payments excluded). Property tax rates for district operations in fiscal year 2008-09 ranged from 144.4 mills in Anderson School District One to 190.8 mills in Anderson School District Two (mills include countywide levies). These inequalities among districts are likely to increase in the next twenty years. Anticipated growth of all kinds—in taxable resources, pupils and local revenue—remains highest for District One, District Four and District Five, with slower growth expected in Districts Two and Three.

Yet these students and their families are all citizens of one county. The industrial and commercial development that contributes heavily to the support of the schools is recruited by county officials, but benefits some districts more than others simply on the basis of where it is located. Anderson County Board of Education, which oversees budgets and addresses common concerns for all five districts, requested this study in order to see how the county might best balance the desire for autonomy and diversity represented by five districts and the need to provide equal educational opportunities for all of Anderson County's children.

Other Developments Affecting School District Organization

Other developments have put the issue of options for education on the front burner as well. There have been dramatic changes in the way the state provides funds to education in the last 50 years: the Education Finance Act of 1977, the Education Improvement Act of 1984, the Education Accountability Act of 1998, homeowner property tax relief in 1994, and expanded homeowner property tax relief from Act 388 in 2006. Budget problems at the state level have periodically reduced state aid to schools while millage restrictions and assessment caps have

made it difficult for school districts to pick up the shortfall with their primary local revenue source, the property tax.

There is also pressure from Columbia to consolidate school districts, although even the smallest districts in South Carolina are not small compared to those in many other states. South Carolina has 85 school districts. Twenty-nine counties have a single school district, including the very large single-county districts of Greenville, Charleston and Horry counties. The other 17 counties have two to seven districts each. National research suggests that a cost-efficient operating scale is reached somewhere in the range of 1,600 to 3,000 students. All of Anderson County's five districts are within or above that range.

Higher per pupil costs associated with smaller districts are primarily a function of population density. Districts Three and Four are both well below the state's average of 23.1 students per square mile in 2008-09. Rural school districts tend to have smaller schools and smaller classes because fewer, larger schools would lengthen the time children spend on buses and the number of miles driven. Transportation costs are high in small, rural districts, which pick up fewer, more scattered groups of students. Consolidation would not change this problem.

School and/or district consolidation would adversely affect student performance, which declines with longer bus trips. Furthermore, national research suggests that most cost savings from consolidating districts are achieved at fairly modest size levels, while larger districts (and larger schools) often produce less satisfactory results in terms of student performance, especially among minority students and students from low-income households. So while we do carefully consider options for consolidation and/or redistricting in this paper, we looked at other possibilities as well.

There have also been new opportunities that have arisen to improve quality and/or reduce costs. Education delivery has changed dramatically in 50 years, with computers, smart classrooms, on-line classes, distance education, and other innovations. There has been insightful research into what works as well as practical experience in innovative ways to share services in other states that might offer some good choices for Anderson County's school districts.

Seeking a balance between the benefits and drawbacks of larger districts has led many states to create structures that centralize some services and delegate others not just to the district but often to the school level, making the principal both more empowered and more accountable. How districts can centralize and decentralize various functions and how districts can share services are two alternatives to redistricting that we explore in this paper.

Equalizing financial resources among students is often a primary purpose for consolidating school districts. A larger district will usually have a broader range of incomes and a more diverse local tax base. In some states, the increased role of the state in funding education has resulted in greater equality of educational resources per pupil, reducing the pressure to consolidate for that purpose. But as long as the local property tax continues to play a substantial role in funding education, the issue of equal access to educational resources will be a factor in any decisions about what to do with school districts. So yet another alternative to

redistricting that emphasizes equal access is some form of tax base sharing across districts within the county.

How are the Five Districts Doing?

Before looking at these options, it was important to establish a baseline of how Anderson County's five school districts are doing now. We selected a group of peer counties for each of the five districts based on size (student enrollment) and resources (assessed value per pupil and county personal income). We then compared Districts One through Five—not to each other or a shared group of peers—but to districts that were similar in size and resources. We compared various measures of effort such as mill rates and operating and instructional expenditures per pupil. Data used are for fiscal year 2006-07. Mill rates include levies for the Districts One and Two Career and Technology Center in those two districts and for county equalization and the county board in all five districts. We also compared student performance measures: PACT scores, SAT scores, and graduation rates.

District One was below the average of its seven peer districts in operating millage and right at the average in debt millage in 2006-07. District One had the lowest per pupil operating expenditures of the eight districts, more than \$1,000 below the average. Yet District One also had a lower percentage of pupils scoring below basic on the PACT test in math and English than any of its peers. District One students also scored above the peer group average on all three parts of the SAT, and had a high school graduation rate that was the highest of the eight.

District Two was above the average of its peer districts in both operating millage and debt millage, but with a weak tax base, it had the lowest per pupil expenditure in its group, \$854 below the average. District Two was much closer to the average in instructional spending per pupil. However, like District One, District Two turned in a good performance. District Two had a lower percent below basic in both math and English and exceeded the peer group average on all three parts of the SAT. Its high school graduation rate was right at the peer district average.

District Three had the second lowest operating millage of its group of nine peer districts—the lowest when debt service is included. District Three ranked in the bottom half of the distribution in operating expenditures per pupil, \$765 below the average, and third from last in instructional expenditures per pupil. The district was about average among peers in percent below basic on the PACT test in math and English. District Three students scored above the peer group average on the reading and math parts of the SAT, but slightly below average in writing. Its graduation rate was near the nine district average.

District Four, with a very strong tax base per pupil had below-average operating millage compared to its peers, although combined operating and debt millage was close to average. District Four was also very close to its peers in operating and instructional spending per pupil. The district had a strong performance record on PACT tests compared to peer districts and ranked third among these eight districts in SAT reading and math scores and fourth in writing scores. The district's graduation rate of close to 77 percent was above the average.

District Five was above the average of its peers in operating millage, and ranked fourth among the ten districts in operating spending per pupil and third in instructional spending per pupil. District Five's percentage of students below basic on both PACT test was similar to its peers but not as good as three of the other four Anderson county districts. SAT scores on all three parts were above the average of the peers, while the district's high school graduation rate of 70.6 percent was below the peer group average.

Overall, Anderson's five districts compared favorably with their peers on outcomes. As expected, those Anderson County districts with weaker tax bases levied higher millage than their peers. Operating and instructional spending per pupil was close to that of peer districts in Districts Four and Five, below average for Districts One, Two, and Three.

The Pros and Cons of School District Consolidation/Redistricting

Consolidation in this paper refers only to consolidation of school districts, not schools, which is an entirely separate issue. We also use the term redistricting, which means redrawing district lines that may result in more, fewer, or the same number of districts as before but with more nearly equal resources and student populations. Advocates of school district consolidation argue that it will generate economies of scale with lower cost per student by spreading the administrative overhead and the cost of specialized personnel over a larger number of students. While these economies are real, they are largely achieved at student populations in or below the range of sizes of the current Anderson County school districts.

It is easier to equalize resources and educational opportunities within a district where there is a shared tax base and the same state aid per pupil. A few multi-district counties in South Carolina have tried to equalize financial resources between districts, but state law and funding formulas make it difficult. For Anderson County, one of only four counties in the state with a coordinating entity for school districts, the County Board of Education's power to levy countywide millage does offer some non-consolidation options for equalization.

A larger school district can also reach a critical mass for the efficient use of specialized services. For students, these include special education, vocational education, advanced placement programs, gifted and talented programs, specialized classes, summer and remedial programs, and/or larger and more diverse media centers. For teachers and administrators, critical mass might include human resources, payroll, building maintenance, and professional development.

Changes in technology and innovative ways of providing such services have developed methods of sharing services across districts that were not an option until quite recently. So while all three of these issues—economies of scale, equal access to resources, and critical mass for specialized programs and services—are important, they do not necessarily point to consolidation or redistricting as the only option, merely one among several to be considered.

The arguments against school district consolidation/redistricting are based primarily on the community-building role of schools and school districts, and the value of local ownership and control as a way of engaging the community to support the schools and the students. Whether it is athletic competition, academic success, or just having a place for public meetings and where neighbors encounter each other, the identification with neighborhood schools extends to

neighborhood districts. One's voice is more likely to be heard in a smaller district. A large district, headquartered at some distance, is more likely to be unresponsive.

There are also diseconomies of scale in very large districts, although even a single countywide district in Anderson County would not be large enough to encounter those higher average costs. There is also some evidence that consolidation adversely affects low-income and minority students, although that effect seems to be more related to school size than district size. Finally, there is the upheaval of change. Change may be worth the cost if it is the only feasible alternative, but increasingly other states focus on consolidating rural schools and very small districts and turn to other methods for providing cost-efficiency, specialized programs, and equalization.

If Anderson County does choose to pursue school district consolidation/redistricting, it is in a more favorable situation than most other counties because of the powers vested in the County Board of Education. The County Board is authorized to call for a popular referendum for that purpose. In most other counties in South Carolina, the power to redraw district lines still rests with the county's legislative delegation.

Consolidation/Redistricting Options for Anderson County School Districts

A number of consolidation/redistricting options were explored, using Geographic Information Systems (GIS) technology to draw new school district lines based on tax and population data. Criteria included respecting attendance lines and equalizing size and taxable resources to the extent possible. We explored the option of keeping five districts but redrawing the lines to make them more nearly equal in size and resources, but it turned out to be infeasible due to county geography and development patterns.

Of the many school district consolidation/redistricting options presented to the County Board of Education, three were chosen for further development. The first option consolidated all five districts to create a single countywide district. The second option combined District One with the T.L. Hanna High School half of District Five into a new northeastern district, and joined Districts Two, Three, Four, and the Westside High School half of District Five into a new southwestern district. The third consolidation option considered combined Districts One and Four (Townville area excluded) into a new northern district. District Two joined with the T.L. Hanna High School half of District Five to create a new eastern district, and District Three joined with the Westside High School portion of District Five and the Townville portion of District Four to create a new western district.

All three consolidation/redistricting options would accomplish three key project goals: equalizing pupils and the tax base among districts, and improving pupil access to specialized programs such as career and technology education.

A consolidated countywide district would be one of the largest districts in the state and at over 30,000 pupils and growing, at the top of the recommended size range for efficient school district operation. A countywide district would also have few suitable peer districts from a fiscal standpoint. Even districts with just under 30,000 pupils tend to be located in counties that are

much larger and wealthier than Anderson County. Consolidation of Anderson County's five districts could be accomplished under existing law.

The two district option splits the county into a Northeast District and a Southwest District. These two new districts would be very close in student population—about 15,000 pupils in 2008-09. Assessed value per pupil in the two districts is quite close, which should minimize differences in tax rates for property owners between the districts. These districts are estimated to have assessed value per pupil slightly lower than in their peer districts. The districts would be of moderate size compared to other South Carolina school districts, and within the size range for efficient operation.

The new three district option has more variation in student population in each district than in the two district option: 8,900 to almost 11,400 in 2008-09. Assessed value per pupil also shows more variation, but is similar to that estimated for the two district option. Assessed value per pupil in the new North, East, and West Districts is expected to be close their peer district average. Both the two district and three district options may require changes to state law.

All of these consolidation/redistricting options would face implementation challenges, including assigning responsibility for existing debt service, ownership transfer of physical assets, and expanding or augmenting existing career campuses to accommodate higher demand.

Alternatives to Consolidation/Redistricting

Redrawing school district lines is only one option for Anderson County. There are other strategies for equalizing resources and improving opportunities for students that can be explored. In this paper, we consider three: re-mixing the pattern of centralization and decentralization of decision-making authority, tax base sharing, and service sharing. A fourth option that always must be considered is to do nothing, *i.e.*, to stick with the status quo.

Centralization and decentralization. In deciding the level at which particular functions are to be performed, an important consideration for any service providing organization is striking the right balance between economies of scale and quality of service. Quality of service means adapting to the specific needs and desires of the local market and being responsive to customers at that level. Management guru William Ouchi recommends neither more centralization nor decentralization for school systems, but rather an intermediate form which he calls an M-shaped organization.

In Ouchi's model, many functions that are not related to the quality of educational service can be centralized, while those that need to respond to the particular community and the particular service need to be left more to the discretion of the school principal and the district superintendent. Food service, for example, can benefit from some centralization in purchasing and in personnel management, but the district and even the schools need some discretion in purchasing from local farmers and adapting the menu to the needs of their students' tastes and ethnic backgrounds. Ouchi argues that instructional services are similar in lending themselves to a mix of centralization and decentralization that reflects the need for a common curriculum and the value of tailoring the mix to the particular school community.

Ouchi's ideas are worth exploring for the many kinds of services that are offered by Anderson County schools, school districts, and the County Board of Education. The next two options incorporate some elements of his thinking on the appropriate locus of decision making for taxes and for various services.

Tax base sharing. A non-consolidation option that focuses on equalizing financial resources is tax base sharing. Although there are legal obstacles to sharing tax revenue in most multi-district counties, the county's legislative delegation can and does approve a countywide levy for tax equalization purposes. Currently the countywide levy is 14.7 mills. The revenue is distributed back to the districts on a per pupil basis. The legislative delegation also approves the County Board of Education's tax levy, which is used for board operations and to provide selected services to school districts.

Either levy could be expanded to provide more nearly equal local resources per pupil throughout the county. Raising countywide millage might require lowering millage in the districts because of millage caps under Act 388, but that issue should not be too difficult to address. Countywide millage could be used to pay for certain categories of district services or to centralize certain kinds of services so that all districts have equal access to those services (e.g., payroll, professional development, building maintenance, purchasing).

Service sharing. The primary goal of service sharing is to provide specialized services that are costly for small districts at a lower cost by serving multiple districts. The simplest arrangement is sharing across districts, perhaps combining vocational education for two or three districts or offering an advance placement class through distance education. This kind of arrangement is most common with instructional services.

A second possibility is to centralize the provision of certain services at the county level. The Anderson County Board of Education is one resource that could be used for that purpose, although there are other options. The third possibility is to create a new service-providing entity or to contract with a private provider or with a county or municipality to offer those services. South Carolina examples of the third option include a joint high school-community library in Ware Shoals and a gymnasium at Clemson Elementary School financed jointly by the school district and the city of Clemson. Sharing facilities saves costs for the school district and the outside users, often a municipality.

There is much to learn from the experience of other states in using some of these options, especially in using third party providers created for that purpose. In Texas, for example, shared non-instructional service options include business services for most districts, such as accounting, purchasing, invoice processing, preparing financial reports, investing funds, board reporting, payroll processing, benefits reporting, and budgeting. Schools and school districts in Texas have the option of providing their own services, having business services provided by a regional education service center or on a multiregional basis, using shared personnel, or outsourcing to the private sector. A separate entity such as New York State's Boards of Cooperative Educational Services (BOCES) can offer both instructional and non-instructional services, depending on the needs of participating districts. The most common arrangement is

for a BOCES to offer an array of services and let districts decide what to purchase. Similar arrangements exist in a number of other states.

In general, shared instructional services are provided either by inter-district cooperation or by contract with a specialized entity or other educational institution. These shared services are most likely to include special education, vocational education, and courses with limited enrollment (such as advanced placement). Instructional services are a particularly promising candidate for service sharing because small districts may lack the resources to offer a wide range of advanced or vocational courses.

The status quo option. Doing nothing is always an option. It is not a particularly attractive option for Anderson County's five school districts because the current pattern of very uneven growth in population and tax base is expected to continue into the future. If the county chooses to leave things as they are, the children of Anderson County will have very different educational opportunities, depending on the school district in which their families live. The status quo option does not meet the mandate given to the research team by the County Board of Education to explore ways to equalize educational opportunities for the county's public school students.

Conclusion

Anderson County schools are not in crisis, but in these difficult financial times it is important to explore every option for providing a high quality of service for the lowest possible cost. Challenges at all levels also represent an opportunity to rethink the way the school districts are organized and operated.

School district consolidation/redistricting is certainly a viable option; a three district model offers the best fit for Anderson County in terms of more nearly equal student population, assessed value per pupil, and growth potential in order to achieve a more uniform allocation of resources among districts. If that option were chosen, consideration should be given to revisiting district lines after every decennial census, starting in 2020, so that disparities among districts do not grow the extent that they have in the past 50+ years.

Reviewing centralization and decentralization of decision making can help balance concerns about larger-sized districts with community responsiveness and accountability. Expanded tax base sharing can provide more equalization without consolidation. Service sharing among districts, through the County Board of Education, or with other entities such as higher education institutions and municipalities is also well worth exploring. All four options, individually or in combination, would move Anderson County toward equal access, now and in the future, to a high quality education for all of its students in all of its districts.

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INTRODUCTION

According to the Anderson County Board of Education, the citizens of Anderson County are committed to providing all of the county's children with an adequate 21st century education. To that end, researchers from the Strom Thurmond Institute were asked to explore policy options that might lead to cost savings, more effective use of resources, and/or enhance student performance, while at the same time ensuring more equal access to educational resources to students in all five of Anderson County's school districts. Specifically, the research team was asked to explore redrawing school district boundaries as well as service sharing or tax base sharing as options toward attaining that goal.

Anderson County is one county but contains five school districts. Of the state's 46 counties, 29 have a single school district, while the other 17 have two or more. In every case, the county is responsible for encouraging economic development, spending taxpayer resources from all of its school districts to enhance the county tax base.

But some of Anderson County's five districts have experienced considerably more economic development than others. There are significant differences among the five districts in taxable resources per pupil, in student density, in mill rates, and in access to certain kinds of specialized educational programs. Those areas that have access to I-85, are closer to Greenville, or are part of the Anderson urban area have experienced and will continue to experience more rapid growth than more rural parts of the county.

The question of how to provide a good education at a reasonable cost for all children in a district or a county is not unique to South Carolina. Policy makers, educators, and academic researchers have been exploring these questions for several decades. For many decades the single, and somewhat simplistic, answer to the question of cost and access to programs was to consolidate districts and/or schools to a more "efficient" size. We explore the issue of district consolidation and/or redistricting (redrawing district lines) in this paper along with other options.

More recently, research suggests that most cost savings from consolidating small districts into larger ones are achieved at fairly modest size levels, while larger districts (and larger schools) often produce less satisfactory results in terms of student performance, especially minority students and students from low-income households. Seeking a balance between the benefits and drawbacks of larger districts has led many states to create structures that centralize some services and delegate others not just to the district but often to the school level, making the principal both more empowered and more accountable. Shared services and centralization of some services is another set of options we explore in this paper.

Equalizing resources among students is often the primary purpose of consolidating school districts. A larger district will usually have a broader range of incomes and a more diverse local tax base. In some states, the increased role of the state in funding education has resulted in greater equality of educational resources per pupil, reducing the pressure to consolidate for

purposes of equalization. As long as the local property tax continues to play a substantial role in funding education, the issue of equal educational resources will be a factor in any decisions about what to do with school districts. So another option is some form of tax base sharing across districts within the county.

ANDERSON COUNTY THEN AND NOW

Anderson County has five school districts that emerged from the consolidation of 74 smaller districts in 1952 (Figure 1). At that time, the five newly consolidated districts each had approximately the same number of pupils and also more or less equal taxable resources. Today that picture has changed significantly.

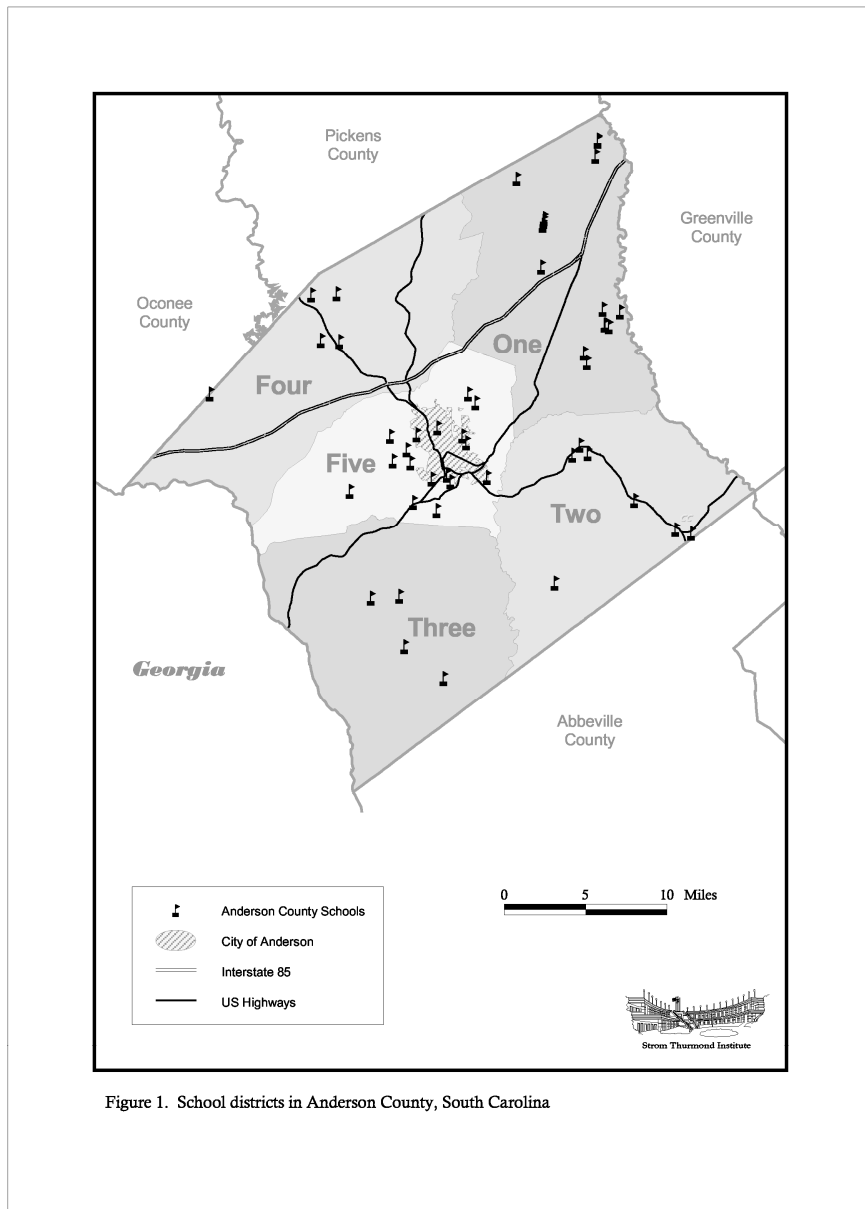


Figure 1. School districts in Anderson County, South Carolina

Figure I. School Districts in Anderson County, South Carolina

Table I summarizes the comparative fiscal condition and district size of Anderson County's five school districts. Consider the following dramatic differences between the five districts in 2008-09:

- The number of students in average daily membership (ADM) per district ranged from 2,587 in District Three to 12,055 in District Five.
- Property tax rates for school district operations ranged from 144.4 mills in District One to 190.8 in District Two (countywide levies and CTC included).
- Assessed property value per pupil ranged from \$14,190 in District Two to \$33,719 in District Four.
- An additional mill raised only about \$14 per pupil in District Two but generated close to \$34 per pupil in District Four.
- District Two had the lowest value of fee in lieu of tax (FILOT) payments at just over \$23 per pupil, while Districts Three and Four had FILOT revenue of \$199 and \$260 per pupil, respectively.

Table I. Fiscal and Size Comparisons, Anderson County School Districts, 2008-09

District	Pupils (45-day ADM)	Pupils Per Square Mile	Mills for School Operations*	Total Assessed Value Per Pupil**	Value of a Mill Per Pupil for Operations**	FILOT Revenue Per Pupil (Budgeted)
Anderson 1	9,024	57	144.4	\$18,328	\$18.33	\$58.07
Anderson 2	3,685	25	190.8	14,190	14.19	23.35
Anderson 3	2,587	15	154.8	14,842	14.84	199.32
Anderson 4	2,836	17	153.1	33,719	33.72	260.93
Anderson 5	12,055	101	165.4	22,990	22.99	57.98
Total	30,187	40	n/a	n/a	n/a	n/a
Average	6,037	40	161.7	\$20,832	\$20.83	\$84.96

*Includes 14.7 mills for county revenue equalization, 2 mills for the alternative school, 1 mill for the County Board in all districts and an additional 14.7 mills in Districts One and Two for the Career & Technology Center. One mill equals 1/1000 of a dollar of taxable property value.

**Owner-occupied residential property was excluded from the tax base for school operations starting in tax year 2007. State homeowner tax relief payments replaced most of the revenue in each district that would have been generated from the owner-occupied residential tax base.

The existing inequalities among districts are likely to continue to increase. Districts One and Five together now educate over two-thirds of the county's public school students. The number of students attending District One increased 29 percent between 1999 and 2009, and growth in Districts Four and Five exceeded ten percent over this period as well. Future growth in the tax base is expected to be strongest in these three districts as well (Table 2).

In 2005, the South Carolina Department of Education projected pupil counts for all school districts through 2010.¹ In 2008-09, Districts One and Five already exceeded those projections by almost 560 and 300 pupils, respectively. Population projections for Anderson County call for

¹ <http://ed.sc.gov/agency/Accountability/Data-Management-and-Analysis/old/research/DailyMembership.html>

an increase in the county population to about 219,000 people in 2030, which could bring 5,500 additional pupils to the county's school districts over the next 20 years.²

Table 2. Pupil Growth in Anderson County School Districts, 1989-2009

District	Pupils 1988-89	Pupils 1998-99	Pupils 2008-09	Increase 1989-99	Increase 1999-2009	Increase 1989-2009
Anderson 1	6,184	6,986	9,024	13.0%	29.2%	45.9%
Anderson 2	3,526	3,460	3,685	-1.9%	6.5%	4.5%
Anderson 3	2,378	2,559	2,587	7.6%	1.1%	8.8%
Anderson 4	2,414	2,492	2,836	3.2%	13.8%	17.5%
Anderson 5	11,053	10,760	12,055	-2.7%	12.0%	9.1%
Total	25,555	26,257	30,187	2.7%	15.0%	18.1%

Note: Pupil counts are 135-day average daily membership except for 2008-09, which is 45-day ADM.

Recent and pending changes in how the state funds elementary and secondary education—especially the replacement of local property tax revenue from owner-occupied residential property with state sales tax revenue—and projected further divergence among Anderson's five districts in student population and taxable resources suggest that the time is ripe to reconsider the current structure and local funding of Anderson County schools. It is also a good time to explore alternatives to ensure that every child in Anderson County has access to the resources needed to provide an adequate 21st Century education.

HIGHLIGHTS: ANDERSON COUNTY THEN AND NOW

- Anderson County's five school districts have diverged in size and tax base from when they were established in the 1950s.
- Today, Districts One and Five together educate over two-thirds of the county's public school pupils, and Districts Two, Three, and Four combined educate less than one-third of the total.
- The amount of revenue that each district can raise from its property tax base per pupil varies more than two-fold within the county.
- Districts One, Four, and Five are likely to see the highest growth in pupils and tax base in the coming years.

² South Carolina Budget and Control Board population projections, based on the U.S. Census Bureau's 2007 estimates.

SCHOOL DISTRICTS IN SOUTH CAROLINA

History and Characteristics

South Carolina currently has 85 school districts. In 1950 the state had 1,220 school districts, but a wave of consolidations left the state with only 108 districts by 1960, in line with national trends toward fewer, larger school districts. There have been only three school district consolidations in the past 20 years, in Dorchester (1987), Marion (2001) and Orangeburg (1997).

Most recent is the pending consolidation of Sumter's two school districts, which is scheduled to be completed July 1, 2011. This pending consolidation was effected by local legislation in 2008, despite polls showing 82 percent of the county's residents opposed. Consolidation discussions are ongoing in several other counties, including Spartanburg. South Carolina Representative Davenport introduced legislation in 2008 to reduce the number of Spartanburg County school districts from seven to four.

Twenty-nine of the state's 46 counties have a single school district, including Anderson County's neighbors—Oconee, Pickens, Greenville, and Abbeville. Laurens County has two districts, and Greenwood has three. The 17 multidistrict counties in South Carolina contain from two to seven districts with an average of three to four districts per county. Seven counties have only two districts. Spartanburg County has the largest number of districts with seven, followed by Anderson, Lexington, and Florence with five each.

There appears to be little correlation between the size of the county and the number of districts, whether measured by population or square miles. Tiny Marion County has consolidated from four to three districts with a total enrollment of 5,651 in all three districts. Dillon County's three school districts have a combined enrollment of only 5,781. Lexington's five districts contain 50,400 students, while Richland's two districts have 45,683 students. Table 3 shows the range of district enrollments along with spending per pupil and tax bases, both total and per pupil, for South Carolina. Data are for fiscal year 2006-07, the most recent year for which financial data on all South Carolina districts is available (SC Dept. of Education, 2007).

The size of a school district embraces two variables: number of students and geographic area served. A district with a large geographic area relative to the number of students will have higher transportation costs and lower average class size than a district with higher student density. Table 4 shows the number of students, area in square miles, and student density for the five Anderson districts in 2006-07 compared to the neighboring districts of Pickens, Oconee and Greenville. For the state as a whole, the range of school district size in land area is from only 49 square miles in Sumter 17 (before consolidation) to 1,227 square miles in Berkeley's single school district (Miley & Associates, 2003).

Table 3. South Carolina School District Comparisons, 2006-2007

District	Pupils (ADM)	Total Revenue Per Pupil	Operations Expenditures Per Pupil	Mills for School Operations* TY 2006	Assessed Value Per Pupil TY 2006
Smallest					
Marion 7	792	\$12,903	\$12,425	171.0	\$13,015
Dillon 1	809	9,864	9,330	155.5	11,124
Barnwell 19	840	11,114	10,230	150.0	11,109
McCormick	888	13,538	9,211	127.9	42,939
Bamberg 2	899	12,696	11,814	248.0	14,017
Largest					
Aiken	24,199	\$8,442	\$7,880	126.9	\$19,744
Berkeley	27,140	9,746	8,084	143.0	20,103
Horry	34,749	11,095	9,270	107.3	46,695
Charleston	40,555	11,975	10,338	91.8	44,187
Greenville	66,239	9,508	8,029	113.9	25,762
Anderson					
Anderson 1	8,706	\$7,800	\$7,022	145.8	\$15,697
Anderson 2	3,645	8,834	8,217	187.0	13,301
Anderson 3	2,544	9,111	8,425	146.0	13,637
Anderson 4	2,771	11,040	9,287	150.7	28,782
Anderson 5	11,886	9,468	8,882	165.1	20,263

*For Anderson districts, includes mills for school operations, 14.7 mills for county equalization, 2 mills for alternative school, and one mill for County Board, and an additional 15 mills in Districts One and Two for the Career and Technology Center.

The average district in South Carolina enrolled 7,992 students in 2006-07, more than twice the national average of 3,151 (National Education Association, 2007). While only two of Anderson County's five districts are above the state average in size (District One and District Five), the other three (Districts Two, Three, and Four) are at least close to the national average. The relatively large average size for the average district in South Carolina is actually misleading, as four very large single-district counties, Greenville, Charleston, Horry and Berkeley raise the state average considerably. The median South Carolina school district (a more accurate measure than the average for this purpose) had 4,616 pupils in 2006-07. This figure is closer to the enrollments in Districts Two, Three, and Four, although they remain below the median.

Table 4. Average Daily Membership and Density,
Anderson County and Neighboring School Districts, 2006-07

School District	ADM	Land area (square miles)	Pupils Per Square Mile
Anderson 1	8,706	158.0	55.1
Anderson 2	3,645	147.3	24.7
Anderson 3	2,544	167.7	15.2
Anderson 4	2,771	164.5	16.8
Anderson 5	11,886	119.9	99.1
Pickens	16,108	496.9	32.4
Oconee	10,387	625.1	16.6
Greenville	66,239	792.1	83.6
South Carolina	679,328	30,111	22.6

Anderson County School Districts in Statewide Perspective

Average daily school district membership in Anderson County was 29,552 in 2006-07 and 30,187 in Fall 2008. That total could theoretically be divided among five districts of approximately equal size, each larger than the state median district. Alternatively, the county could be split into two or three districts of approximately equal size that would exceed not only the state median but also the state average enrollment. A single countywide district in Anderson County would be the fourth largest school district in the state.

While our focus in this paper is on districts, not schools, it is worth noting that individual Anderson County schools are generally close to average in student population compared to the rest of the state. There are more than 800 elementary and middle schools in South Carolina. Enrollment in most elementary schools is around 500 pupils or less, and enrollment in most middle schools is under 1,000. The average Anderson County elementary and middle school enrollment is close to the state average in all five districts. The three smallest elementary schools are Pelzer (to be closed in 2009-10), Townville, and Wright. As in other school districts in South Carolina, keeping these smaller elementary schools open reflects a desire to minimize both transportation costs and transportation time, especially for young children in rural areas of the state.

Research shows that school performance is negatively related to the amount of time the child spends being transported to and from school. For example, a study by Lu and Tweeten found that, for fourth graders, achievement scores dropped 2.6 points for every hour spent riding on a bus.³ Smaller schools may be less than efficient in size, but are not usually candidates for consolidation because of the effect of excessive travel time for students.

³ Cited in Bard, Gardener and Wieland, 2005.

The state's nearly 200 high schools have an average enrollment of more than 1,000 students. Four of Anderson County's seven high schools are also within reasonably close range of the state average of about 1,000, even in the smaller districts. Hannah and Westside High Schools in District Five and Wren High School in District One are actually substantially larger than the state average, each with over 1,600 students. Thus, school size is not a significant issue in Anderson County in planning for the future of public education, although some of the high schools may be larger than desirable.

Coordination in Counties with Multiple School Districts

Originally, every county had a county board of education, but once 29 of the 46 counties had consolidated their school systems into a single countywide district, the coordination issue was important only in the remaining 17 counties. Only four county boards remain— Anderson, Marion, Clarendon, and Dillon— although Orangeburg County has had a coordinating entity called a commission since its county board was dissolved in 2005. In Clarendon and Dillon and Marion Counties, the county board appoints the school district boards: three in Dillon, two in Clarendon, and three in Marion (SC School Boards Association, 2008). Anderson and Marion Counties are the only counties with elected county boards of education. The county legislative delegation appoints county board members in Clarendon and Dillon Counties.

Some single district counties have geographic divisions within the county that have some of the characteristics of districts. Aiken County has five administrative areas with appointed advisory councils. Charleston County has eight elected constituent boards serving distinct geographic areas, and Chesterfield County has six elected advisory councils. These boards have limited responsibilities and no budgetary authority (SC School Boards Association, 2008). Even without a county board, there is often some coordination or resource sharing among school districts within a county. Laurens County's two districts have a tax sharing arrangement that attempts to equalize per pupil resources between the two districts. Like Anderson County, Spartanburg County has some limited tax sharing among its seven districts, and is considering consolidation.

HIGHLIGHTS: SCHOOL DISTRICTS IN SOUTH CAROLINA

- South Carolina had 1,220 school districts in 1950, which were reduced by consolidation to 108 districts in 1960 and to 85 districts today.
- Seventeen counties in South Carolina have from two to seven school districts each, while 29 counties have a single countywide school district.
- South Carolina's smallest school districts have less than 1,000 students. The state's largest school districts have over 25,000 students.
- Anderson County School Districts One and Five are well above the state median school district size. Districts Two, Three, and Four are below the median.
- Only four county boards of education remain in the 17 counties with multiple school districts: Anderson, Clarendon, Dillon and Marion.

PEER COMPARISONS FOR ANDERSON COUNTY SCHOOL DISTRICTS

The goal of this study is to explore ways to equalize educational opportunities and resources for the children of Anderson County. The baseline for measuring any prospective improvement must, therefore, be the current levels of resources, effort, and student performance in each of Anderson's five districts in comparison to their peers—districts of similar student population and tax base.

There are four dimensions across which we compared school districts: size, resources, fiscal effort, and performance. Size, or the number of students served, is measured by average daily membership (ADM) and weighted pupil units (WPU). Size in ADM was the primary factor in selecting peer districts.

Resources that districts can tap for educational purposes are measured by county personal income per capita and assessed (taxable) property value per pupil. County personal income per capita is used rather than district family income because recent income figures are available only at the county level. We used a weighted average of the two resource measures as a resource index along with student enrollment (ADM) to finalize the list of peer districts for current Anderson County school districts and for hypothetical alternatives, which are considered later in the report. These two criteria resulted in the selection of seven to nine peers for each of the current Anderson County school districts that are in the same size range and are also similar in income and/or tax base.

Peer Comparisons: Resources and Outcomes

The fiscal comparison measures are the tax year 2006 operating millage and total millage, the per pupil expenditures for operations and for instruction, and the share of revenue from federal, state, and local sources in fiscal year 2006-07. These measures indicate how much input the district provides to the educational process. Mill rates are a measure of tax effort, while expenditures per pupil measure the resources actually available for education. Most of those resources come from state and local sources. Districts with more children in Title I schools receive a larger share of federal funds.

The data on school district revenues and expenditures in this report may not exactly match those reported elsewhere by Anderson County school districts or other school districts. We could only compare Anderson County school districts with their peers around the state by using data from a single, standardized source. That source was the South Carolina Department of Education.

Tax rates for school operations in Anderson County districts include the countywide levy of 14.7 mills for county equalization, two mills for the alternative school, and one mill for the County Board. Equalization revenue is redistributed to districts based on ADM. Tax rates for Districts One and Two also include 15 mills for the Career and Technology Center. Tax rates

for all other South Carolina school districts are from the South Carolina Department of Education

The South Carolina Education Finance Act's index of taxpaying ability (ITA) used for fiscal year 2006-07 is also included as a supplementary measure of district fiscal resources, although it was not used to select peers because of the two year lag between assessed values and computation of the ITA⁴. Again, these eight districts were very similar to District One on both criteria.

The final set of comparisons measures performance or outcomes. These measures are Palmetto Achievement Challenge Test (PACT) test results (percent scoring below basic), Scholastic Aptitude Test (SAT) scores, and the high school graduation rate.

Anderson School District One

Anderson School District One is located in the northeast segment of Anderson County and has experienced rapid growth because of its proximity to Greenville. The district increased its enrollment by over 300 students since 2006-07, our peer comparison year, to 9,024 in 2008-09. It is the second largest district in student population in the county, with two high schools, three middle schools and nine primary/elementary schools.

District One is served by the Anderson Districts I & II Career and Technology Center, which is funded in part by dedicated property taxes and in part by tuition payments from the two districts for participating students. District One is in the middle of an extensive building program, which includes a new high school, classroom and athletic facility additions and other improvements to many of the district's existing schools. Most of District One's peers are located in upstate South Carolina (Table 5).

Table 5. Anderson One and Peer Districts: Students and Resources, 2006-07

District	ADM	WPU	Free & Reduced Lunch (%)	Assessed Value Per Pupil, 2006	Income Per Capita 2007	Index of Taxpaying Ability
Chesterfield	7,805	9,804	62.7	\$13,954	\$23,208	0.00666
Sumter 17	8,549	10,762	64.3	16,745	26,242	0.00765
Sumter 2	8,656	10,981	70.3	14,159	26,242	0.00675
Anderson I	8,706	10,921	36.2	15,697	27,955	0.00852
Cherokee	8,895	10,950	57.6	16,685	23,682	0.00975
Greenwood 50	9,056	11,414	55.1	16,889	26,529	0.01062
Spartanburg 2	9,219	11,375	43.1	15,614	28,261	0.00785
Spartanburg 6	9,725	12,153	49.1	22,214	28,261	0.01311
Average	8,826	11,045	54.8	\$16,495	\$26,298	0.00886

Note: Income is 2007 county personal income per capita.

⁴ The index of taxpaying ability is used to determine the state-local funding split for Education Finance Act funds and represents the district's share of assessed value in the state.

District One is right at the center of the distribution and very close to the mean on both measures, falling just 156 students below mean ADM in its peer districts and 124 students below mean WPU. It should be noted that all eight districts have about the same ratio of WPU to ADM, indicating that none of them are very different from the others in terms of students with special needs or who are more expensive to educate.

Chesterfield at the low end and Spartanburg 6 at the high end represent the extremes in terms of tax resources. Anderson County is at the upper end of the range for these districts in county personal income per capita. District One is also very close to the average index of taxpaying ability among these eight districts. Overall, this set of districts makes a reasonable group of peers for comparison purposes.

District One is well below the average of these eight districts in operating millage and right at the average in debt millage (Table 6). District One has the lowest per pupil operating expenditures of the eight districts, more than \$1,000 below the eight-district average. However, it is much closer to its peers in instructional spending per pupil, only \$407 below average.

District One also receives a much lower share of its operating revenue from the federal government than most of the other peer districts, except for the two Spartanburg districts. These three districts have less than 50% of pupils eligible for free and reduced lunches. Because much federal aid is targeted to poverty and special needs, these districts probably do not qualify for as much assistance as the others. The above-average state share of operating expenditures (54.3% compared to an average of 51.3%) does not translate into more state dollars per pupil, because District One has such low operating expenditures per pupil.

Table 6. Anderson One and Peer Districts: Tax Effort and Spending, 2006-07

District	Oper. Mills 2006	Debt Mills 2006	Total Mills 2006	Operations Expenditures Per Pupil	Instructional Expenditures Per Pupil	Local Rev. % Share	State Rev. % Share	Fed. Rev. % Share
Chesterfield	166.3	7.7	173.9	\$8,274	\$4,869	32.2	55.3	12.0
Sumter 17	145.1	46.0	191.1	8,427	4,908	30.8	53.4	15.4
Sumter 2	134.8	36.0	170.8	8,415	4,524	31.0	53.1	15.8
Anderson 1*	145.8	31	179.8	7,022	4,228	38.5	54.3	7.2
Cherokee	156.0	11.6	168.0	8,919	5,058	41.2	47.9	10.8
Greenwood 50	182.0	61.4	243.4	8,385	4,690	44.8	45.8	9.4
Spartanburg 2	183.9	19.1	203.0	7,053	3,974	38.1	53.9	7.9
Spartanburg 6	129.6	28.4	158.0	7,924	4,856	46.0	46.3	7.0
Average	155.4	30.2	186.0	\$8,043	\$4,635	37.8	51.3	10.7

*For Anderson districts, includes mills for school operations, 14.7 mills for county equalization, 2 mills for alternative school, and one mill for County Board, and an additional 15 mills in Districts One and Two for the Career and Technology Center.

The first two columns of Table 7 show the percentage of pupils scoring below basic on the Palmetto Achievement Challenge Test (PACT) in mathematics and English.⁵ District One had far better scores than any of its peers on both of these measures. District One students also scored above the peer group average on all three parts of the SAT, and had a high school graduation rate that was the highest of the eight, although Spartanburg 2, Chesterfield, and Sumter 2 were very close behind. Despite a modest local tax effort, low per pupil spending, and limited federal aid, District One's students seem to be performing well in comparison to their peers.

Table 7. Anderson One and Peer Districts: Outcomes, 2006-07

District	PACT Math %	PACT Eng. %	SAT Reading	SAT Math	SAT Writing	Grad. Rate %
Chesterfield	29.5	31.4	475	489	472	76.2
Sumter 17	29.5	27.7	497	486	475	75.2
Sumter 2	28.6	29.2	454	462	443	76.3
Anderson I	12.1	12.4	505	529	490	76.8
Cherokee	27.9	30.7	474	502	455	66.1
Greenwood 50	23.6	26.5	483	508	473	72.3
Spartanburg 2	16.5	17.5	476	499	464	76.5
Spartanburg 6	21.9	23.8	510	523	504	73.1
Average	23.7	24.9	484	500	472	74.1

Note: PACT results are the percentage of pupils scoring below basic in grades 3-8.

Anderson School District Two

Anderson School District Two is located at the southeastern end of the county, comprising two towns, four elementary schools, two middle schools and one high school. District One is served by the Anderson Districts I & II Career and Technology Center, which is funded in part by dedicated property taxes and in part by tuition payments from the two districts for participating students. District Two has suffered from a loss of tax base with the closing of textile plants, and has experienced slow growth of population in general and school population in particular.

District Two is right at the center of distribution for its peer districts on both measures, falling just 165 students below the mean ADM and 38 students below the mean WPU (Table 8). Seven of the eight peer districts have similar ratios of WPUs to ADM, indicating that none of them are substantially different from the others in students with special needs or who are more expensive to educate. The number of WPUs in these eight districts exceeded the ADM by a range from 25.7 percent (Orangeburg 4) to 29.8 percent, with both Anderson 2 and Florence 3 at the top of the range. District Two and its peers all have a higher share of "more expensive" students in their districts than District One and its peers.

⁵ The PACT was replaced in 2008-08 with a different test.

District Two's peers are more diverse than District One's. The range of assessed property value per pupil was \$5,191, or about one third of the average. Edgefield and Abbeville have the strongest tax bases, with District Two falling \$1,646 below the mean and coming in next to last among its peers. Only Florence 3 had a lower assessed property value per pupil. However, District Two is also part of a county with a higher personal income, with only Florence 3 outranking it on this score. Averaging these two resource factors together, District Two has a resource index that is slightly above the eight-county average. District Two's index of taxpaying ability is also very close to the mean for the eight districts in this group. Since it is easier to tap the property tax base than personal income for school purposes, District Two is challenged to provide the needed local support for its students compared to similar districts around the state.

Table 8. Anderson Two and Peer Districts: Students and Resources, 2006-07

District	ADM	WPU	Free & Reduced Lunch (%)	Assessed Value Per Pupil, 2006	Income Per Capita 2007	Index of Taxpaying Ability
Laurens 56	3,107	4,016	66.8	\$15,450	\$25,155	0.00263
Orangeburg 3	3,158	4,085	75.5	15,670	25,528	0.00345
Abbeville	3,483	4,449	62.5	16,500	23,172	0.00343
Florence 3	3,626	4,707	83.3	12,187	30,334	0.00314
Anderson 2	3,645	4,732	48.7	13,301	27,955	0.00317
Edgefield	3,993	5,082	63.7	17,378	24,620	0.00346
Orangeburg 4	4,056	5,098	70.7	15,095	25,528	0.00375
Union	4,616	5,987	62.2	13,996	25,320	0.00383
Average	3,710	4,770	66.7	\$14,947	\$25,952	0.00336

Note: Income is 2007 county personal income per capita.

In terms of tax rates, District Two is well above the average of the eight districts in operating millage and somewhat higher in debt millage (Table 9). District Two has the lowest per pupil expenditure in fiscal year 2006-07, although the gap between District Two and the eight district average is much smaller than for District One—\$854. District Two is much closer to the average in instructional spending per pupil, only \$177 below the average and ranked fifth among the eight districts. District Two has a lower share of its pupils in poverty than the other peer districts and receives a much lower share of its operating revenue from the federal government. As a result, District Two's local and state shares are both slightly above the peer district average.

The first two columns of Table 10 show the percentage of students scoring below basic on the PACT test in mathematics and English. Like District One, District Two had far better scores than any of its peers on both of these measures. District Two students also scored above the peer group average on all three parts of the SAT. Its graduation rate was right at the peer district average. Except for the graduation rate, which is at least average, and in spite of the

district's handicap in tax base, District Two's students are performing well in comparison to their peers in similar districts.

Table 9. Anderson Two and Peer Districts: Tax Effort and Spending, 2006-07

District	Oper. Mills 2006	Debt Mills 2006	Total Mills 2006	Operations Expenditures Per Pupil	Instructional Expenditures Per Pupil	Local Rev. % Share	State Rev. % Share	Fed. Rev. % Share
Laurens 56	156.0	24.0	180.0	\$9,112	\$4,813	32.0	52.6	15.1
Orangeburg 3	155.0	68.0	223.0	10,694	5,143	37.2	47.6	13.1
Abbeville	169.0	37.1	206.1	8,906	5,234	31.7	56.5	11.2
Florence 3	158.9	11.9	170.8	9,546	4,927	22.9	54.4	22.3
Anderson 2	187.0	40.0	230.0	8,217	4,937	35.5	55.0	9.5
Edgefield	170.0	27.8	197.8	8,945	4,915	35.0	54.8	10.0
Orangeburg 4	129.0	60.0	189.0	8,823	5,704	37.5	50.8	11.5
Union	167.9	0.0	167.9	8,685	5,255	28.2	59.2	12.3
Average	161.6	33.6	195.6	\$9,071	\$5,114	32.5	53.9	13.1

*For Anderson districts, includes mills for school operations, 14.7 mills for county equalization, 2 mills for alternative school, and one mill for County Board, and an additional 15 mills in Districts One and Two for the Career and Technology Center.

Table 10. Anderson Two and Peer Districts: Outcomes, 2006-07

District	PACT Math %	PACT Eng. %	SAT Reading	SAT Math	SAT Writing	Grad Rate %
Laurens 56	28.8	33.6	436	471	439	65.4
Orangeburg 3	36.5	42.3	454	443	450	56.8
Abbeville	20.2	23.4	477	504	464	77.4
Florence 3	39	38	401	418	386	69.9
Anderson 2	14.3	17.9	483	503	480	69.1
Edgefield	21.8	20.6	495	521	489	70.0
Orangeburg 4	42.6	38.2	414	435	418	69.8
Union	28.9	29.7	458	454	455	73.9
Average	29.0	30.5	452	469	448	69.0

Note: PACT results are the percentage of pupils scoring below basic in grades 3-8.

Anderson School District Three

Anderson School District Three is located in the southwestern part of Anderson County, comprising two towns, three elementary schools, one middle school and one high school. Like District Two, District Three has suffered from a loss of tax base with the closing of textile plants, and has little growth of population in general and school population in particular.

Compared to its peers, District Three is right at the center of the distribution and very close to the mean on both measures, with just seven students above the mean average daily

membership and 73 students above the mean weighted pupils. However, these districts vary considerably in their ratios of WPU to ADM. District Three had the highest ratio in the group with 29 percent more WPUs than ADM, which indicates that it has more students with special needs and/or who are more expensive to educate than its peers. Hampton I had the lowest ratio at 23.6 percent more WPUs than ADM; the group average was 26.5 percent (Table 11).

District Three's peer districts have an exceptionally large spread from the lowest to the highest assessed property value per pupil, ranging from \$11,658 in Hampton 2 to \$21,435 in Dorchester 4. District Three ranks sixth out of nine districts in assessed value per pupil. Anderson County's level of personal income per capita is above the average for the nine districts, so the overall resource index for District Three is close to the nine district average. The index of taxpaying ability, which has a two year lag from assessment to index, places District Three slightly above the average of the nine districts. Because it is easier to tap the property tax base than personal income for school purposes, District Three is challenged to provide the needed local support for its students compared to similar districts around the state.

Table 11. Anderson Three and Peer Districts: Students and Resources, 2006-07

District	ADM	WPU	Free & Reduced Lunch (%)	Assessed Value Per Pupil, 2006	Income Per Capita 2007	Index of Taxpaying Ability
Lexington 3	2,062	2,625	61.6	\$18,313	\$33,645	0.00214
Saluda	2,118	2,674	63.4	19,008	27,603	0.00208
Dorchester 4	2,172	2,733	75.4	21,435	27,408	0.00288
Lee	2,534	3,256	81.4	12,650	21,601	0.00191
Anderson 3	2,544	3,282	57.3	13,637	27,955	0.00237
Hampton I	2,648	3,273	63.3	11,658	22,668	0.00171
Spartanburg 4	2,867	3,559	54.5	14,178	28,261	0.00024
Marion I	2,897	3,674	78.1	13,290	21,608	0.00214
Spartanburg 3	2,994	3,809	51.0	18,024	28,261	0.00350
Average	2,537	3,209	65.1	\$15,799	\$26,557	0.00211

Note: Income is 2007 county personal income per capita.

District Three has the second lowest operating millage of the nine districts, and the lowest including debt service (Table 12). The district's tax rate of 146 mills for operations is 37 mills lower than the nine district average. District Three ranks in the bottom half of the distribution in operating expenditures per pupil, \$765 below the average. It also ranks third to last in instructional expenditures per pupil. District Three receives a share of federal aid similar to that in four peer districts. The peer district average is pulled up by high federal aid shares in Lee and Marion I, which each have around 80 percent of pupils eligible for free and reduced lunches.

Table 12. Anderson Three and Peer Districts: Tax Effort and Spending, 2006-07

District	Oper. Mills 2006	Debt Mills 2006	Total Mills 2006	Operations Expenditures Per Pupil	Instructional Expenditures Per Pupil	Local Rev. % Share	State Rev. % Share	Fed. Rev. % Share
Lexington 3	235.9	36.5	272.4	\$10,977	\$5,861	43.9	44.0	10.7
Saluda	148.2	36.4	184.6	8,092	4,169	34.1	54.7	11.3
Dorchester 4	219.0	30.0	249.0	11,527	6,123	43.4	43.4	12.8
Lee	137.5	49.5	187.0	9,928	5,082	22.7	59.8	16.0
Anderson 3*	146.0	30.0	179.0	8,425	4,749	34.8	54.3	11.0
Hampton I	202.0	19.0	221.0	9,028	5,224	27.7	58.3	13.7
Spartanburg 4	187.1	0.0	187.1	7,534	4,308	40.2	50.9	7.7
Marion I	169.0	12.0	181.0	8,251	4,834	24.5	57.4	17.6
Spartanburg 3	200.9	17.9	218.8	9,704	5,141	45.4	46.3	8.1
Average	182.8	25.7	208.9	\$9,190	\$5,025	35.2	52.1	12.1

*For Anderson districts, includes mills for school operations, 14.7 mills for county equalization, 2 mills for alternative school, and one mill for County Board, and an additional 15 mills in Districts One and Two for the Career and Technology Center.

District Three's peers varied widely in student performance, especially on the PACT. District Three was in the middle of the distribution on the percentage of students scoring below basic on the mathematics and English portions of the PACT (Table 13), which placed them better than (below) the average. District Three students scored well above the peer group average on the reading and mathematics parts of the SAT, but slightly below average in writing. Its graduation rate was near the nine-district average. Overall, student outcomes in District Three are average to above average relative to peer districts, but not as high as other Anderson County school districts.

Table 13. Anderson Three and Peer Districts: Outcomes, 2006-07

District	PACT Math %	PACT-Eng. %	SAT Reading	SAT Math	SAT Writing	Grad Rate %
Lexington 3	27.8	37.1	468	513	453	77.8
Saluda	21.5	29.1	474	477	465	83
Dorchester 4	18.8	16.5	497	518	481	64.3
Lee	52.5	51.2	409	405	402	60.3
Anderson 3	27.1	26.6	500	511	447	72.3
Hampton I	33.4	33.8	455	450	449	71.1
Spartanburg 4	17.6	24.4	502	516	489	89.4
Marion I	46.4	44.8	458	482	451	65.5
Spartanburg 3	18.5	20.3	471	491	467	76.5
Average	29.3	31.5	470	485	456	73.4

Note: PACT results are the percentage of pupils scoring below basic in grades 3-8.

Anderson School District Four

Anderson School District Four is a long district running across much of the county's northern end, with Pendleton as the only municipality of any size in the district. Although it is the second smallest district in enrollment, District Four has benefitted from the presence of a Michelin plant, a section of I-85 with some commercial development, and spillover development from Clemson University that has strengthened its tax base in recent decades. The district has one high school, one middle school, and four elementary schools.

District Four's peer districts are drawn from all sections of the state. District Four is very close to its peer group average in both ADM and WPU. District Three appeared in the peer group but was eliminated to avoid making comparisons within the county (Table 14).

District Four has the second highest assessed property value per pupil of its peers, \$8,333 above the average. Anderson County personal income per capita is about \$900 above the peer average. The combination of tax base and income puts District Four in a strong position to provide an adequate level of educational resources for its students. Its index of taxpaying ability is the highest of the eight district peer group. This peer group had large differences in tax bases despite similarities in district size and income.

Table 14. Anderson Four and Peer Districts: Students and Resources, 2006-07

District	ADM	WPU	Free & Reduced Lunch (%)	Assessed Value Per Pupil, 2006	Income Per Capita 2007	Index of Taxpaying Ability
Saluda	2,118	2,674	63.4	\$19,008	\$27,603	0.00208
Dorchester 4	2,172	2,733	75.4	21,435	27,408	0.00288
Anderson 4	2,771	3,551	44.6	28,782	27,955	0.00534
Spartanburg 4	2,867	3,559	54.5	14,178	28,261	0.00024
Spartanburg 3	2,994	3,809	51.0	18,024	28,261	0.00350
Jasper	3,011	3,777	85.5	31,046	26,247	0.00465
Laurens 56	3,107	4,016	66.8	15,450	25,155	0.00263
Orangeburg 3	3,158	4,085	75.5	15,670	25,528	0.00345
Average	2,775	3,526	64.6	\$20,449	\$27,052	0.00310

Note: Income is 2007 county personal income per capita.

District Four has below-average operating millage, although it is close to the average for combined operating and debt millage (Table 15). Per pupil spending on operations and instruction is close to the peer average. Like other Anderson County districts, the federal share of operating revenue is well below average, as is District Four's share of pupils eligible for free and reduced lunch. District Four's strong index of taxpaying ability results in a below-average state revenue share and an above-average local revenue share compared to peer districts.

Table 15. Anderson Four and Peer Districts: Tax Effort and Spending, 2006-07

District	Oper. Mills 2006	Debt Mills 2006	Total Mills 2006	Operations Expenditures Per Pupil	Instructional Expenditures Per Pupil	Local Rev. % Share	State Rev. % Share	Fed. Rev. % Share
Saluda	148.2	36.4	184.6	\$8,092	\$4,169	34.1	54.7	11.3
Dorchester 4	219.0	30.0	249.0	11,527	6,123	43.4	43.4	12.8
Anderson 4*	150.7	40.0	193.7	9,287	5,010	54.0	37.5	8.5
Spartanburg 4	187.1	0.0	187.1	7,534	4,308	40.2	50.9	7.7
Spartanburg 3	200.9	17.9	218.8	9,704	5,141	45.4	46.3	8.1
Jasper	112.5	0.0	112.5	9,571	5,071	33.0	43.5	14.0
Laurens 56	156.0	24.0	180.0	9,112	4,813	32.0	52.6	15.1
Orangeburg 3	155.0	68.0	223.0	10,694	5,704	37.2	47.6	13.1
Average	166.2	27.0	193.6	\$9,436	\$5,045	39.9	47.1	11.3

*For Anderson districts, includes mills for school operations, 14.7 mills for county equalization, 2 mills for alternative school, and one mill for County Board, and an additional 15 mills in Districts One and Two for the Career and Technology Center.

District Four has a strong performance record on PACT tests compared to peer districts, close to the two Spartanburg districts and Dorchester, and well above the average and the other four districts in the peer group (Table 16). The district ranks third among its peers in SAT reading and mathematics scores and fourth in writing scores, all above the peer group average. District Four's graduation rate of 76.8 percent is above the average and ranks behind only Spartanburg 4 and Saluda in its peer group.

Table 16. Anderson Four and Peer Districts: Outcomes, 2006-07

District	PACT Math %	PACT Eng. %	SAT Reading	SAT Math	SAT Writing	Grad Rate %
Saluda	21.5	29.1	474	477	465	83.0
Dorchester 4	18.8	16.5	497	518	481	64.3
Anderson 4	18.8	19.2	480	491	461	76.8
Spartanburg 4	17.6	24.4	502	516	489	89.4
Spartanburg 3	18.5	20.3	471	491	467	76.5
Jasper	55.4	52.3	397	404	400	62.2
Laurens 56	28.8	33.6	436	471	439	65.4
Orangeburg 3	36.5	42.3	454	443	450	56.8
Average	27.0	30.0	464	476	457	71.8

Note: PACT results are the percentage of pupils scoring below basic in grades 3-8.

Anderson School District Five

Anderson School District Five is the largest of the five districts in Anderson County, centered in the City of Anderson and taking in some of the surrounding area as well. The district has two large high schools, a career center, three middle schools, and 10 elementary schools, including

Calhoun Academy of the Arts. District Five has a strong tax base, encompassing some of the most populous and developed areas of the county.

District Five's ten peer districts range in size from 9,056 students (Greenwood 50) to 16,567 (Lexington 5), with an average of 11,973. District Five has only 87 students less than the average, and 160 WPUs more than average. District Five has a slightly higher ratio of WPUs to ADMs than average, implying more students with special needs ranging from developmentally disabled to vocational students to gifted and talented. The mix of districts includes four from the Upstate, two from the Midlands, and three from the Pee Dee region (Table 17).

District Five is not only average in student population compared to its peers but also in assessed property value and income. District Five is only \$46 below the average assessed property value per pupil and \$5 above average county personal income per capita. District Five's index of taxpaying ability is slightly higher than the average of all ten districts. Lexington 5 had the highest average income and the second highest assessed value per pupil. Greenwood 50 and Spartanburg 2 were about average in income but well below the average of the peer group in assessed value. Many of these districts, like District Five, have one larger city that forms the commercial and residential core.

Table 17. Anderson Five and Peer Districts: Students and Resources. 2006-07

District	ADM	WPU	Free & Reduced Lunch (%)	Assessed Value Per Pupil, 2006	Income Per Capita 2007	Index of Taxpaying Ability
Greenwood 50	9,056	11,414	55.1	\$16,889	\$26,529	0.01062
Spartanburg 2	9,219	11,375	43.1	15,614	28,261	0.00785
Spartanburg 6	9,725	12,153	49.1	22,214	28,261	0.01311
Kershaw	10,129	12,745	49.5	18,564	30,067	0.01065
Darlington	10,958	14,023	69.9	18,800	27,361	0.01215
Lancaster	11,171	14,006	50.4	20,928	21,497	0.01123
Anderson 5	11,886	15,230	51.0	20,263	27,955	0.01510
Florence 1	14,908	19,021	55.7	21,529	30,334	0.01915
Pickens	16,108	20,075	42.8	25,146	25,591	0.02030
Lexington 5	16,567	20,662	24.6	23,140	33,645	0.02052
Average	11,973	15,070	49.1	\$20,309	\$27,950	0.01407

Note: Income is 2007 county personal income per capita.

District Five is above average in operating millage, but much lower than three of the peer districts and considerably higher than two others, Pickens and Lancaster (Table 18). District Five ranks fourth among the ten districts in operating spending per pupil and third in instructional spending per pupil, above average on both measures. District Five receives a higher-than-average share of its operating revenue from the federal government, but it also has

a higher share of pupils eligible for free and reduced lunch than six of the nine peer districts. The local and state shares are close to the peer group average.

Table 18. Anderson Five and Peer Districts: Tax Effort and Spending, 2006-07

District	Oper. Mills 2006	Debt Mills 2006	Total Mills 2006	Operations Expenditures Per Pupil	Instructional Expenditures Per Pupil	Local Rev. % Share	State Rev. % Share	Fed. Rev. % Share
Greenwood 50	182.0	61.4	243.4	\$8,385	\$4,690	44.8	45.8	9.4
Spartanburg 2	183.9	19.1	203.0	7,053	3,974	38.1	53.9	7.9
Spartanburg 6	129.6	28.4	158.0	7,924	4,856	46.0	46.3	7.0
Kershaw	141.0	24.3	165.3	8,330	4,918	40.2	50.4	9.5
Darlington	152.0	25.5	177.5	9,092	5,019	41.7	46.1	12.2
Lancaster	119.0	38.5	157.5	8,277	4,928	36.9	50.2	12.3
Anderson 5*	165.1	32.0	200.1	8,882	5,057	41.7	47.5	10.8
Florence I	151.0	16.6	167.6	9,054	5,152	40.5	47.4	11.3
Pickens	109.0	19.0	128.0	7,792	4,630	42.2	48.9	8.6
Lexington 5	190.9	40.2	231.1	9,242	5,231	51.2	43.9	4.9
Average	152.4	30.5	183.2	\$8,466	\$4,881	42.3	48.0	9.4

*For Anderson districts, includes mills for school operations, 14.7 mills for county equalization, 2 mills for alternative school, and one mill for County Board, and an additional 15 mills in Districts One and Two for the Career and Technology Center.

District Five's share of students below basic on both PACT test is similar to its peers. SAT scores on all three parts are above the average of the peers, while the graduation rate of 70.6 percent is below average (District Five ranks eighth among 10 districts). Overall, outcomes for District Five compared to its peers are mixed, with more positives than negatives (Table 19).

Table 19. Anderson Five and Peer Districts: Outcomes, 2007

District	PACT Math %	PACT Eng. %	SAT Reading	SAT Math	SAT Writing	Grad Rate %
Greenwood 50	23.6	26.5	483	508	473	72.3
Spartanburg 2	16.5	17.5	476	499	464	76.5
Spartanburg 6	21.9	23.8	510	523	504	84.3
Kershaw	20.5	20.6	502	511	496	69.7
Darlington	29.2	33.7	466	476	457	66.3
Lancaster	22.0	27.9	458	474	483	70.7
Anderson 5	21.3	21.1	505	529	490	70.6
Florence I	23.9	24.5	468	463	448	68.5
Pickens	18.6	18.8	504	513	493	75.4
Lexington 5	12.1	15	521	544	513	83.5
Average	21.0	22.9	489	504	482	73.8

Note: PACT results are the percentage of pupils scoring below basic in grades 3-8.

HIGHLIGHTS: PEER COMPARISONS FOR ANDERSON COUNTY SCHOOL DISTRICTS

- Students in Anderson County's current five school districts are doing well in the light of the resources available for their education (Tables 20 and 21).
- Three Anderson County school districts were below their peer averages in tax base per pupil, one was just about average, and one was above average.
- Student outcomes in Anderson County's school districts compare very favorably with their peers, with average to better-than-average performance on the PACT mathematics and English subtests, the SAT, and the high school graduation rate.

Table 20. Summary of Fiscal Comparisons to Peer Group Averages, 2006-07

Category	District One	District Two	District Three	District Four	District Five
Pupils (135-day ADM)	About Average	About Average	Average	Average	About Average
Assessed value per pupil 2006	Lower	Much Lower	Much Lower	Much Higher	About Average
Personal income per capita 2007 (county)	Higher	Higher	Lower	About Average	Lower
Operations millage 2006	Lower	Much Higher	Much Lower	Lower	Higher
Operations spending per capita	Much Lower	Lower	Lower	About Average	Higher
Instructional spending per capita	Much Lower	About Average	Lower	About Average	Higher

Table 21. Summary of Performance Comparisons to Peer Group Averages, 2006-07

Category	District One	District Two	District Three	District Four	District Five
PACT Math (% below basic)	Much Lower	Much Lower	Lower	Much Lower	About Average
PACT English (% below basic)	Much Lower	Much Lower	Lower	Much Lower	About Average
SAT Reading	Much Higher	Much Higher	Much Higher	Higher	Higher
SAT Math	Much Higher	Much Higher	Much Higher	Higher	Higher
SAT Writing	Higher	Much Higher	About Average	About Average	About Average
Graduation Rate (%)	Higher	Average	About Average	About Average	Lower

THE NATIONAL CONSOLIDATION MOVEMENT

Between the beginning of the 20th century and the 1930s Depression, the number of school districts nationally fell from 200,000 to 30,000. By 2006-07 the nation had only 15,190 school districts with an average enrollment of 3,219. South Carolina's school district consolidations came in the later part of this wave, in the 1950s. In 2006-07, South Carolina's 85 districts had an average enrollment of 7,927 (National Education Association, 2007).

Kenny and Schmidt (cited in Berry, 2003) found that the consolidation wave from 1950 to 1980 was driven by declining farm employment, lower transportation costs, and increased state funding for education. The authors note that state funding is intended to reduce variation in quality by equalizing education resources to some degree, but it also limits opportunities for local communities to tailor schools to their particular community's needs and preferences.

Proponents of consolidation claimed that fewer, larger districts would offer a broadened curriculum, enhanced diversity, greater funding, and increased staffing. The Conant report in the 1950s represented the peak of this consolidation movement, recommending larger districts and larger, full service high schools. In general, school officials favored consolidation: one study of 392 consolidations in New York from the perspective of the (surviving) superintendents indicated that community anger lasted for three years or so while students gained academic and social opportunities, and districts gained expanded resources and staff, and more efficiency (Alsbury and Shaw, 2005). By the 1960s, some voices from the margin began questioning the value of increased size, particularly the ability of large districts to be responsive to parents and citizens and the ability of larger schools to meet the needs of minority and low-income students.

The arguments offered for consolidation during this period were the expected benefits of a broadened curriculum, enhanced diversity, greater funding, and increased staffing. By the 1960s, critics were beginning to question the value of size, particularly the effect on efforts to provide a positive educational experience for marginalized populations of all kinds (Alsbury and Shaw, 2005). However, many states continued to aggressively pursue consolidation of districts, particularly in states with very small districts in the northeast and upper Midwest. There has been less pressure to consolidate in South Carolina, which has only 85 districts compared to the national average of 332 per state (Louisiana Department of Education, 2003).

Consolidation and Redistricting

National studies use a number of different terms to describe changes in school district lines. Consolidation is the term used for combining two or more districts into a single district. Unification is the term used in states that have some separate elementary school districts (K-5, K-6, or K-8) that are being combined with the middle and high school(s) serving their older students. Reorganization is a generic term that is used to describe redrawing of district lines or division of a large district into two or more districts as well as consolidating districts.

While reorganization comes closer to describing the options under consideration in Anderson County, we choose to describe the process as *redistricting*, a term that reflects the similar process of redrawing electoral districts after the decennial census to reflect population shifts.

Redistricting will be the term used to cover all the options to be considered in Anderson County. At the national level, however, we will follow the custom in most of the literature on this subject and use the term consolidation.

In reviewing the history of district consolidation across the nation, Strang (1987, p353) notes that

“From a central perspective, large, bureaucratic organizations make sense. They are big enough and standardized enough for information and influence to flow smoothly to and from the center...From the local point of view, the reverse is true. Smaller and less formally organized districts facilitate linkages to the community and match the heterogeneity of local conditions, while large, bureaucratic organizations are difficult to penetrate.”

Recent School District Consolidations in Other States

In recent years, Arkansas and Michigan have encouraged or required consolidation of districts with mixed results. Arkansas requires that a district have a 350 student minimum size (Crone, 2006). New York encouraged consolidation of very small upstate rural districts with some cost savings. In 2006 the Commissioner of the Vermont Department of Education proposed reducing the number of districts in the state from 284 to 63 (Vermont Department of Education, 2006).

Around the same time, the governor of Maine proposed consolidation of 290 districts into 26, expecting to save \$250 million over three years. The legislature countered with a proposal to consolidate to 80 districts with a 2,500 minimum size (Quimby, 2007). The outcome was a deadline of July 2009 to consolidate into districts with a minimum size of 1,200 in rural areas and 2,500 in urban areas (Sun Journal/Maine News, 2007). Improving efficiency and reducing administrative costs are an explicit requirement of the legislation.⁶

In Wisconsin, the state offered incentives for school consolidation and also took steps to make the process easier. Many districts could initiate consolidation by simply adopting resolutions in the consolidating districts, although some districts may still need referenda. Wisconsin was one of the few states to lay out a clear process for consolidating, including a joint interim school board and a lengthy list of criteria that must be assessed. These criteria include geographical factors (travel time), educational needs and programs, socioeconomic and racial mix, the proportion of children at risk, and the effect of moving territory from one district to another on the losing districts. Other guidelines include soliciting public input and assessing the fiscal impact (Kava and Merrifield, 2006).

Some states are bucking the consolidation trend. Louisiana focused not on some hypothetical ideal size for districts, but rather on the four factors that affect student achievement—smaller school size, smaller class size, challenging curriculum and more qualified teachers. In general, they found that the largest schools and districts had the worst outcomes, and that low income students perform better in smaller districts, a finding replicated in other states (Louisiana Department of Education, 2003).

⁶ <http://www.maine.gov/education/reorg/lawsummary.html>

There also have been proposals to subdivide very large districts in Oregon, California, and Nevada, including the very large Los Angeles Unified School District with close to one million students (Murray and Groen, 2004). A report by Andrew Coulson of the Cato Institute (2007) on the prospects for school consolidation in Michigan claims that greater savings would result from breaking up large districts than consolidating small ones, and that district size only accounts for about 2 percent of the variation in per pupil spending across districts. He argues that a district of 2,900 students is the most efficient size in terms of spending per pupil.

In South Carolina, a School District Study Committee was created at the state level in 2005 to make recommendations about consolidation of South Carolina school districts. The committee, which recommended a single district per county, found significant differences in spending per pupil at the district management and program management level (but not in classroom instruction) between the 20 smallest and 20 largest districts in the state. The estimated average difference in that group of costs was \$277 per pupil. The committee calculated potential savings from having one district per county by taking lowest district per pupil expenditure in each multidistrict county and multiplied that figure by the number of districts in the county. Based on this rather simplistic methodology, the committee anticipated savings of \$1.1 million or \$1,022 per teacher, \$46 per pupil (School District Study Committee, 2006).⁷

All but one of Anderson's five districts fell below the state average on this cost measure (districts and program management) in 2004, the year for which the computations were made. District Two was about 10 percent above the state average expenditure of \$277, while the other four districts were lower: District One came in at \$88 lower, District Three at \$161 lower, District Four at \$211 lower, and District Five at \$132 below the state average (School District Study Committee, 2006). Thus, study committee's rationale for consolidating all districts in a county into one does not hold for Anderson County.

Consolidating Districts versus Consolidating Schools

School size (measured by enrollment) and district size are related but separable issues. School size is affected primarily by changing population density within a district or attendance area. The school population needs to be large enough to spread the fixed costs of the physical plant and administrative staff over a reasonably large number of pupils. A larger school can also offer a broader curriculum.

Another factor moving schools toward larger size is that the cost of expanding an existing school is usually less than the expense of building another school, although a second school may result in a more satisfactory size and reduced transportation time and expense. Sometimes, however, an inadequate site and/or limited capacity for expansion of an existing school may be the primary considerations in constructing a new school to accommodate growth in student population rather than keeping the school in the desired size range.

At the same time, there is generally a community preference for neighborhood schools where children get to know all or most of their age mates, so there is also a maximum desired size

⁷ If the state of South Carolina intends to pursue consolidation, they might benefit from the experience of Arizona (School District Redistricting Commission 2008). Arizona used a redistricting commission to carry out school district consolidations.

before a district sees the need to build an additional school. National studies also show that student performance is better in smaller schools, especially among minority students or those from low-income households. Optimal school size for student performance is generally found to be in the range of 300 to 500 students at the elementary level and 600 to 900 students at the secondary level (Andrews, Duncombe and Yinger, 2002).

Cotton (1996) summarized 103 studies that identified a relationship between school size and achievement, attitudes, behavior problems, extracurricular participation, attendance, dropout rate and other measures of student satisfaction and performance. In general, small schools do as well as larger schools on most measures, especially dropouts, attendance and extracurricular participation, Cotton cites other research that affirms an optimal school size of 300 to 400 pupils for elementary, and 400 to 800 pupils for secondary.

Why Consolidate?

Three reasons are most commonly offered for consolidating school districts:

1. Economies of size or scale,
2. Improving student outcomes, and
3. Equalization of educational resources among students, including both fiscal resources and access to specialized programs.

These reasons are the primary concerns of this study. Most of the national studies have focused on the first question, cost savings through scale economies, and to a somewhat lesser degree on the effect of consolidation on student performance. Relatively little attention is paid in the consolidation literature to the issue of equalization of financial resources. While equalization can be accomplished in other ways discussed later in this paper, a movement in the direction of greater equality can also be accomplished through consolidation (or redistricting).⁸

Patterson (2006, p. 2) summarizes the national research on consolidation for a Texas education study as follows:

”Consolidation of schools and districts represents one of the most comprehensively researched aspects of educational reform, with research spanning 50 years. ...With few exceptions, research describes the economic and educational advantages of large schools and districts as exaggerated, and in many studies there is evidence that consolidation worsened financial, academic and social outcomes....Research has defined an optimal size for schools and districts where both economic efficiency and improved student outcomes are achieved. The optimal size for schools ranges between 400 and 600 students, while optimal size for districts is about 6,000....Research on small rural district consolidation generally offers little evidence of cost savings because a substantial portion of non-instructional spending represents uncontrollable costs related to geographical isolation.”

⁸ One financial benefit from consolidation is that federal Title I aid is structured in a way that sends proportionally more funds to larger districts, because poverty can be counted either as absolute numbers or percent of enrollment for Title I purposes. The larger the district, the larger the absolute number of students in poverty (Rural School and Community Trust 2004).

In a study of consolidation of rural school districts in New York, Duncombe and Yinger (2007) identified five possible benefits of having larger school districts: indivisibilities, increased dimension, specialization, price benefits, and learning and innovation. Increased dimension refers to the size of school buildings, but the other four benefits can be associated with larger districts.

Indivisibilities are the fixed costs per district such as central administration—a superintendent and staff, a transportation coordinator, etc. Spreading those costs over more students reduces average cost up to a point. Specialization can occur at either the school or district level, especially if there is resource-sharing within the district in services such as special education, vocational education, advanced placement, etc. Price benefits result from being able to make purchases in bulk at a lower unit cost. Learning and innovation may be less costly in a larger district because teachers learn from their colleagues and the costs of innovation can be spread over more participating students.

Optimal Size

Duncombe and Yinger (2007) found that operating costs per pupil drop sharply when very small districts consolidate, but the savings are less when the consolidating districts are larger—more than 1,500 students. Most of the consolidating districts in their study were smaller than any of the districts in Anderson County.

An Arizona study of school consolidation found that one of the greatest benefits of larger districts was lower average per pupil administrative costs for larger districts (Arizona Department of Education, 2008). Authors of that study recommended that school districts be combined to serve from 6,000 to 30,000 students in order to reduce administrative costs, a range that has been widely quoted by others.

Some of the work on which that recommendation was based argued that about 6,000 was an optimal size for a district from the standpoint of efficiency, and that increasing the size beyond that level would not generate substantial additional cost savings. However, this study also notes that 52 percent of administrative costs are at the school level rather than the district level, so that the savings to be expected from a consolidation of districts only (not schools) would be much smaller. Business and central support services make up 33 percent of administrative costs, mainly at the district level, while governing boards and superintendents' offices are only 15 percent of the total.

A 2005 summary of studies by Bard, Gardener and Wieland found a number of estimates of optimal size from a fiscal standpoint, most of them under 6,000 students. Lawrence *et al.* (2002) recommended a 4,000 to 5,000 pupil maximum and Augenblick and Myers (2001) recommended no more than 3,000 pupils.

The consolidation study for Michigan cited earlier (Coulson, 2007) argued that there may be greater potential savings from breaking up large districts than consolidating small ones. In any case, the study argues, gains from consolidation are likely to be modest, since district size accounts for only about two percent of the variation in per pupil spending across Michigan

districts. Coulson, the author of the report, contends that 2,900 pupils are about the most efficient district size in terms of spending per pupil. Another study by Andrews, Duncombe and Yinger (2002) claims that, while substantial cost savings in instructional and administrative costs may result from moving from a district with less than 500 students to a district of 2,000 to 4,000 students, there are fewer gains after that point. Diseconomies of scale set in beyond a student enrollment of 15,000.

A Louisiana researcher found no universal agreement on ideal size for districts when both fiscal factors and student achievement effects are taken into account. Like some other studies, this report found that the minimum size to achieve cost savings from scale economies was about 1,000 students (Louisiana Department of Education, 2003).

This report identified four positive factors affecting student achievement: smaller school size, smaller class size, a challenging curriculum, and more qualified teachers. In Louisiana, the largest schools and districts had worst outcomes, with low income students generally performing better in smaller districts. Like other recent research, the Louisiana study stresses alternatives to consolidation: sharing services such as personnel, programs, equipment, instructional materials, teachers, ancillary services, transportation, staff development, counseling services, and special education and vocational education, as well as greater use of distance learning to provide core and advanced courses for small districts.

A study by Cox (2002) for Utah school districts showed no significant difference among districts in cost per student once the district size exceeded 1,000 students. Research for Arkansas, using 2001-02 data, found that small districts generally have lower costs, and that districts with higher costs have a higher proportion of high risk students, so that the composition of the student population matters more than district size (Rural School and Community Trust, 2003a).

Another Arkansas study by Dodson and Garrett (2003) found that the minimum efficient scale is variable: 3,500 students in order to minimize total costs, 1,850 students to minimize teacher salary costs, and 525 students to minimize supply costs. The difference in savings between total district costs and teacher salary and supply costs is attributed to spreading the overhead cost of district administration over more students. Transportation costs are highly variable across districts, but seem to meet a minimum efficient scale between 500 and 1,000 students.

Still other studies found similar results for district size. Deller and Rudnicki (1993) found that minimum efficient scale for total cost in Maine districts was 2,000 students. Duncombe, Miner, and Ruggiero (1995) found that the minimum efficient scale for total cost in New York districts was 6,500 students, with much lower figures for instructional costs (1,800 students) and transportation costs (1,200 students). Taken together, all of these studies suggest that Anderson County's current districts are well within range of efficient size.

Most of these studies on district size are based on comparing current performance in districts of different size. Seven studies from 1960 through 2002 took a comparative approach, examining cost changes before and after district consolidation. These studies consistently found that consolidation resulted in lower fiscal benefits and greater fiscal costs than had been

predicted. Some administrative costs fell, but spending on transportation rose (Rural School and Community Trust, 2003b). A 2006 report by the Rural School and Community Trust also notes that studies of consolidation after the fact found few if any cost savings.

The answer to the question “what is the optimal school district size?” is more complex than just dividing costs by the number of pupils (average cost) and comparing that to district size. The 2003 Miley study for the South Carolina legislature’s Education Oversight Committee summarized a number of other studies concerning the relationship between school district size and fiscal efficiency. Quality factors may enter into the equation. The cost drivers may be different for smaller, low-density districts (small schools and class sizes, higher transportation costs) than for larger, more densely populated districts where there may be inefficiencies associated with large size, urban problems that generate more special needs students or demand for more non-instructional services, or other factors. The size requirements for efficiency, however, tend to be relatively low. Some studies find the minimum efficient school district size as low as 1,000 students, others up to 5,000 students.

Consolidation and Rural Districts

The 2007 Rural School and Community Trust study also observes that state policies favor urban and suburban (higher density) districts over rural districts in many ways. Unfunded mandates are harder on rural schools, because the cost is often not related to the size of the district, so the cost per pupil is higher. High school curriculum requirements and higher graduation requirements without additional funding can impose a burden on smaller schools and districts, especially if the state does not support, encourage, or even allow the use of alternative delivery systems. State aid for school construction often sets high minimum enrollment or space requirements, another challenge for low density or rural districts (Crone, 2006).

Some states do target additional help to rural schools and districts. Both North Dakota and California give additional funding to districts that are small, sparsely populated districts, and/or experiencing declining enrollment. Kansas offers incentives for service sharing among small districts, an alternative to consolidation (Crone, 2006).

Consolidation and Student Achievement

The primary argument against consolidation is the impact on student achievement. In a summary of the relevant literature, Small schools seem to particularly benefit minority students and students of low socioeconomic status, according to Kathleen Cotton of the Northwest Regional Laboratory (cited in Murray and Groen (2004, pp20-21)).

Plucker *et al.* (2007) found that most studies indicate that student achievement is best served by smaller schools (300 to 500 students), smaller class size in elementary schools, and a challenging curriculum and highly qualified teachers. Larger schools and districts tend to lead to lower student achievement.

”...about half of the student achievement research indicates that there is no difference between the achievement levels of students in large and small schools, and the other half of

the research indicates that student achievement in small schools tends to be superior to that of students attending large schools. ...This may be due to the fact that school consolidation may result in less participation in decision-making by teachers and administrators; more tension between teachers and students; more time, effort and money devoted to discipline problems; less parent-teacher involvement; and less human contact, thereby producing frustration and alienation and a weakening morale of both students and school staff.... Consolidation often becomes politically unpopular, reduces local control, and negligibly impacts educational outcomes. As a result, consolidation may not be the most effective strategy to help drive more money into the classroom.” (*ibid.*, p2)

As noted earlier, cost is also not the only consideration in deciding on an optimal size. Miley (2003) observed that “the appropriate-sized district in a fiscal efficiency sense may not be the most appropriate for promoting student performance.” Most of the literature on student performance is related to school size rather than district size, but there have been some studies that focus on the district as the relevant unit.

A Utah school district study (Cox 2002) found that after adjusting for differences in the socioeconomic status of students, the smallest districts (1,200 students or less) scored highest on performance tests for grades five and eight within their expected range, followed by medium size districts (1,200-6,000), then medium-large districts (6,000-15,000), with the largest districts (15,000 students or more) coming in last. The results were not as clearly in favor of small districts at the high school level. Cotton (1996) surmised that the higher dropout rates for larger schools and larger districts may have led to better test results for the remaining student cohort in larger districts.

Consolidation and Home Values

An interesting fiscal side effect of district consolidation is its impact on house prices and rents. Bayer, Ferreira and McMillan (2004) found that school quality plays a significant role in household location choice. Hu and Yinger (2007) found that district consolidation increased house prices and rents about 25 percent in small school districts (less than 1,700 pupils). However, there was a negative impact of consolidation on the value of the most expensive housing that might be attributed to the loss of local control.

A study by Crone (2006) on the relationship of schools to home values found that home values are affected by student achievement at a district level, with high school performance having more effect than elementary. If consolidations generate positive cost savings but negative student performance results, the effect on home values may be difficult to assess.

Efficiency and School Consolidation

Duncombe and Yinger (2007) offer some compelling efficiency arguments against consolidation, including higher transportation costs, labor relations effects (larger districts are more likely to have an effective teachers’ union), lower staff motivation and effort (because small schools have more flexibility and less hierarchy), lower student motivation and effort (students don’t get “lost in the crowd”), and lower parental involvement. All of their arguments, however, except for the teachers’ unions, apply primarily to consolidation of schools rather than districts. While

there may be some diseconomies of large scale associated with managing a school bureaucracy, most of the concerns about creating very large school districts involve such hard-to-measure effects as citizen/parent responsiveness and involvement, local ownership and control, the opportunity to have diversity within the public school system, and sometimes student performance.

Application to Anderson County

Consolidation of Anderson County school districts into a single district or reorganizing districts to be more equal in number of students and taxable resources by redrawing district lines could provide the county's students with approximately equal educational resources and access to programs and services. Later in this paper, we will explore other ways of accomplishing greater educational equality within the county without redrawing district lines.

If Anderson County retained five school districts, but made them equal in enrollment, the average district would have 6,036 students, above the state median district size (based on 2008-09 ADM) and well within recognized size ranges for efficient operation. Three districts of equal size would each have a little over 10,000 students each, above the state average as well as the state median. A single countywide district with 30,184 students would make Anderson the fourth largest school district in the state, a size that may be larger than optimal.

If the Anderson County tax base could be divided equally, in all three cases taxable resources would be just over \$18,200 per pupil in 2006-07,⁹ compared to a state average of \$26,055 per pupil (\$16,889 = median). At the average Anderson County property tax rate for school district operations of 158.9 mills in 2006-07,¹⁰ it would be possible to generate about \$2,900 in local operating revenue per pupil in each district from the property tax, compared to a state average of \$3,984 (\$2,582 using median taxable resources per pupil). Clearly there are sufficient resources to provide a quality education for all Anderson County children if they are shared in a more equitable manner either through redistricting or through other methods explored below.

In the event that Anderson County chooses to consolidate or redraw school district lines, experience in Wisconsin offers some useful guidelines. In Wisconsin, the state offered incentives for school district consolidation as well as outlining a process. District boards in the combining districts could initiate consolidation by adoption of appropriate enabling resolutions. In some cases, a public referendum would be required. The combined districts would operate in the transition process with a joint interim school board. The study offered a lengthy list of criteria that must be assessed in any reorganization including geographical factors (travel time), educational needs and programs, the effect of moving territory from one district to another on the losing districts. The process should provide for comments from the public, assessment of fiscal effects, evaluating changes in the socioeconomic and racial mix, and considering how the consolidation might affect the proportion of children at risk (Kava and Merrifield, 2006).

⁹ \$20,832 per pupil in 2008-09; other district comparisons for this year are unavailable.

¹⁰ Includes countywide levies for equalization, alternative school and County Board. Also includes mills for the Career & Technology Center in Districts One and Two.

Highlights: The National Consolidation Movement

- Three reasons are most commonly offered for consolidating school districts: 1) economies of size or scale; 2) improving student outcomes; and 3) equalization of educational resources among students, including both fiscal resources and access to specialized programs. States actively consolidated school districts throughout the first half of the 20th Century.
- Concerns about the ability of large districts to be responsive to students and parents emerged in the 1960s. Some states with very small districts are currently pursuing consolidation, and some states have explored subdividing very large districts.
- Studies of school district consolidation around the country suggest that costs savings resulting from consolidation diminish when the new district's size exceeds about 1,000 to 3,500 students, depending on the area of cost saving targeted.
- Student achievement appears to be more dependent on the size of the school rather than the size of the district. Students, especially minority and socioeconomically disadvantaged students, tend to perform better in small schools than in large ones.
- Anderson County's five school districts are larger than those expected to achieve efficiency gains through consolidation.

THE PROCESS FOR REALIGNING SCHOOL DISTRICTS IN SOUTH CAROLINA

The legislation that provides for consolidation of school districts dates back to the pre-Home Rule era.¹¹ Home rule came to South Carolina counties and municipalities (but not school districts) as a result of federal court decisions that required both Senate and House districts in the state to be apportioned by population rather than by county lines. The result of that reapportionment was that there was no longer a clearly defined county delegation to manage county and school district affairs. Some counties did not have a resident senator, others had more than one. Representatives found themselves in districts that cut across two or sometimes three counties. Constitutional amendments passed in 1974 provided for the creation of county governments and also set forth the structural options for municipal governments.

After 1974, counties were required to choose from among alternative structures via referenda that established the size of their councils, the mix of at-large seats and single member districts, and whether to have a manager, an administrator, or (for counties) a supervisor and (for cities) a mayor who was also chief executive officer. Municipalities already had considerable fiscal home rule, but counties began managing their own fiscal affairs for the first time instead of being governed by the county delegation.

Because school districts receive a substantial share of their revenue from the state, they were treated differently from other elected local governments. Even with the change in district lines across counties (and school districts), legislative delegations still retain considerable power over the makeup and fiscal operations of school boards. In particular, school districts did not receive structural home rule in determining the size of the school board, the mix of at-large seats and single member districts, and other governance matters, including alteration of district boundaries to reflect changes in population and/or tax bases. The power to make such structural changes is with either the legislative delegation or, in a few counties, with the county board of education. With the abolition of most county boards of education, the legislative method has become the common method of making changes in either district lines or the composition of school boards (South Carolina School Boards Association, 2008).

A change in the law governing school districts, school boards, or county boards of education takes place when members of the county's legislative delegation introduce local legislation—an act of the General Assembly that only applies to the particular county or school district or districts, introduced by members of the county legislative delegation. Usually such legislation passes routinely if endorsed by a majority of the delegation in each house. In the Senate, if the county contains parts of more than one Senate district, the votes are divided according to the proportion of the county that each Senator represents. The governor sometimes signs such legislation, but even if he does not, the General Assembly generally overrides his veto.

¹¹ South Carolina Code, sections 59-17-20 to 59-17-90.

The less frequently used method allows the county board (where one exists) to make such a change under one of three conditions. In general, county boards can alter district boundaries with

- EITHER written approval from all of the county's legislative delegation
- OR written petition signed by at least 80 percent of the qualified electors in each affected school district
- OR written petition by at least one-third of the qualified electors in each affected school district, followed by a referendum in which the proposed change receives a majority vote in every affected district.

The difficulty of altering district boundaries provides important protections for minority concerns under the petition or referendum method, but offers less protection when the local legislation approach is adopted.

Anderson County is fortunate in still having a county board of education, which broadens its options compared to most other multidistrict counties, or single-district counties that would like to split the county into more school districts. Local legislation in 1982 delegated the authority to consolidate districts in Anderson County to the county board, subject to a referendum by the voters. A copy of that legislation is attached to this paper as an appendix. The options for other counties vary depending on what happened to the power to alter district boundaries when the county board was dissolved.

The South Carolina School Boards Association (2008) agrees that such a referendum should be a part of the process. According to the association:

“SCSBA supports consolidation or deconsolidation of school districts provided that in each district affected a referendum is held and a majority of the voters voting in the referendum in each affected district authorizes consolidation or deconsolidation. Each district shall have equal voice in the consolidation or deconsolidation question.”

Some of the options that Anderson County may choose to explore, including redistricting, may require changes in state law. State law is very unclear about altering district lines by any means other than consolidating two or more districts into one. Enabling legislation might be needed in order to redraw district lines in any way other than by consolidation of existing districts.

Highlights: The Process for Realignment School Districts in South Carolina

- The legislative method has become the common method of making changes in either district lines or the composition of school boards. The county's legislative delegation proposes local legislation. Usually such legislation passes routinely if endorsed by a majority of the delegation in each house.
- Where a county board of education exists, state law allows the board to change district lines if one of three conditions is met: 1) the county legislative delegation approves in writing, 2) 80% of the qualified voters sign a petition, or 3) one-third of the voters sign a petition, followed by a successful referendum.
- State law is unclear as to whether the consolidation process also applies to redrawing districts.

POSSIBLE ALTERNATIVE CONFIGURATIONS OF ANDERSON COUNTY SCHOOL DISTRICTS

There are many possibilities for reorganizing the existing five school districts in Anderson County in order to better equalize resources and student population. We considered a number of possibilities in this study with the assistance of Geographic Information Systems technology. This technology utilizes data on population, school locations and attendance areas, and taxable property to develop alternative configurations of school districts that meet certain criteria, such as geographic compactness, similar student populations, or similar tax bases.

Choices were constrained by other factors, however. We attempted to ensure that all reconfigured districts share the areas of the county with the greatest growth potential. We also respected current school attendance areas, and looked for ways to create larger districts that included more diversity of student populations and economic base.

One possibility was a single county-wide district, like 29 other counties. A second option was to create two to four districts that were more equal in terms of tax base and student population, so as to ensure that the resulting districts had a more equitable share of current taxable resources and growth potential. The final possibility was to retain five districts but redraw the district lines in the interest of greater equality of student population and tax base. The four- and five-district options were rejected because of geographic challenges, disruption of attendance lines, and other factors that made it extremely difficult to create four or five districts that were compact, contiguous, and approximately equal in size and tax base. Of the various options created for two districts and three districts, those presented here were considered the “best” in terms of criteria by the authors and the subcommittee of the County Board of Education that worked with the authors in preparing this report.

For comparison purposes, peer districts were chosen for each alternative district configuration based on size and resources. Where possible, data from the current districts was used to approximate fiscal measures for the redrawn districts. As with the peer comparisons made earlier in this report for the existing five school districts in Anderson County, data available from the South Carolina Department of Education is for fiscal year 2006-07.

Pupil and tax base data is provided for the redrawn Anderson County districts for 2008-09. Assessed property value for tax year 2008 includes that year’s countywide reassessment, but not all revaluations resulting from appeals. Assessed value linked to parcel data was used with Geographical Information Systems mapping to generate estimates of the 2008 tax base for alternative district configurations.

County Development Patterns

Projected development patterns were an important factor in evaluating alternative configurations of Anderson County school districts. Recent work at the Strom Thurmond Institute forecast the growth and location of future developed land in eight counties in Upstate

South Carolina.¹² Figure 2 shows the extent of developed land in Anderson County in 2000 and projected growth in developed land in Anderson County to 2030. Growth in developed land area is predicted to take place in all existing school districts, but Districts One, Four, and Five are predicted to see more growth than Districts Two and Three.

Population growth accompanies growth in developed land area. The South Carolina Budget and Control Board's population projections for Anderson County, based on the Census Bureau's 2007 estimates, have the county population at about 219,000 people in 2030. The school age population in 2030 could add 5,500 additional pupils to the schools above 2008-09 levels. In 2005, the South Carolina Department of Education made membership projections for all school districts through 2010.¹³ In 2008-09, Districts One and Five already exceeded the 2010 projections by almost 560 and 300, respectively.

The Anderson County Tax Base and the 2008 Reassessment

Property in Anderson County was reassessed in 2008. The reassessment occurred at a challenging time. Market values on some properties had fallen due to the national mortgage crisis and recession, and the rate of appreciate of other properties slowed. In addition, county officials now needed to cap the increase in individual property values at 15 percent for those properties appreciating more than that amount over the reassessment period. So what does the county tax base look like now?

Assessed property value in Anderson County at year-end 2008 was a little over \$20,800 per pupil (FILOT revenue excluded). Only about \$13,500 per pupil in assessed value is now taxable, however; Act 388 of 2006 exempted owner-occupied residential property from taxes for school operations beginning in tax year 2007. That revenue stream was replaced with revenue from an increase in the state sales tax. Anderson County's tax base is over one-third owner-occupied residential property. In this report we use total assessed value as a proxy for a district's current tax base—taxable nonresidential property plus revenue from the state's homeowner tax reimbursement.

To estimate assessed value in the new district options discussed in this report, we used assessed value as of December 31, 2008 provided by the Anderson County Assessor and Auditor. Assessed values were linked to individual parcels within the county using Geographical Information System (GIS) technology. The GIS system allowed us to add up the parcel-level data for residential, commercial, rental and agricultural property to estimate the total assessed value of the reconfigured school districts. Parcel-level data for the assessed value of state-assessed property (manufacturing, utility, and business personal property) and county-assessed personal property (cars) was not available to link with the GIS system, so we spread its value over all parcels within the smallest tax district known. The imputed value of FILOT payments were excluded from inclusion in the assessed value estimate.

The value of the property tax base in Anderson County, and other counties, is continually in flux as new properties are added to the books and as property owners appeal the county's

¹² http://www.strom.clemson.edu/teams/dctech/upstate_growth

¹³ <http://ed.sc.gov/agency/Accountability/Data-Management-and-Analysis/old/research/DailyMembership.html>

valuation, especially after reassessment. More precise estimates of the tax base of any reconfigured district should be determined with the assistance of the Anderson County Assessor and Auditor.

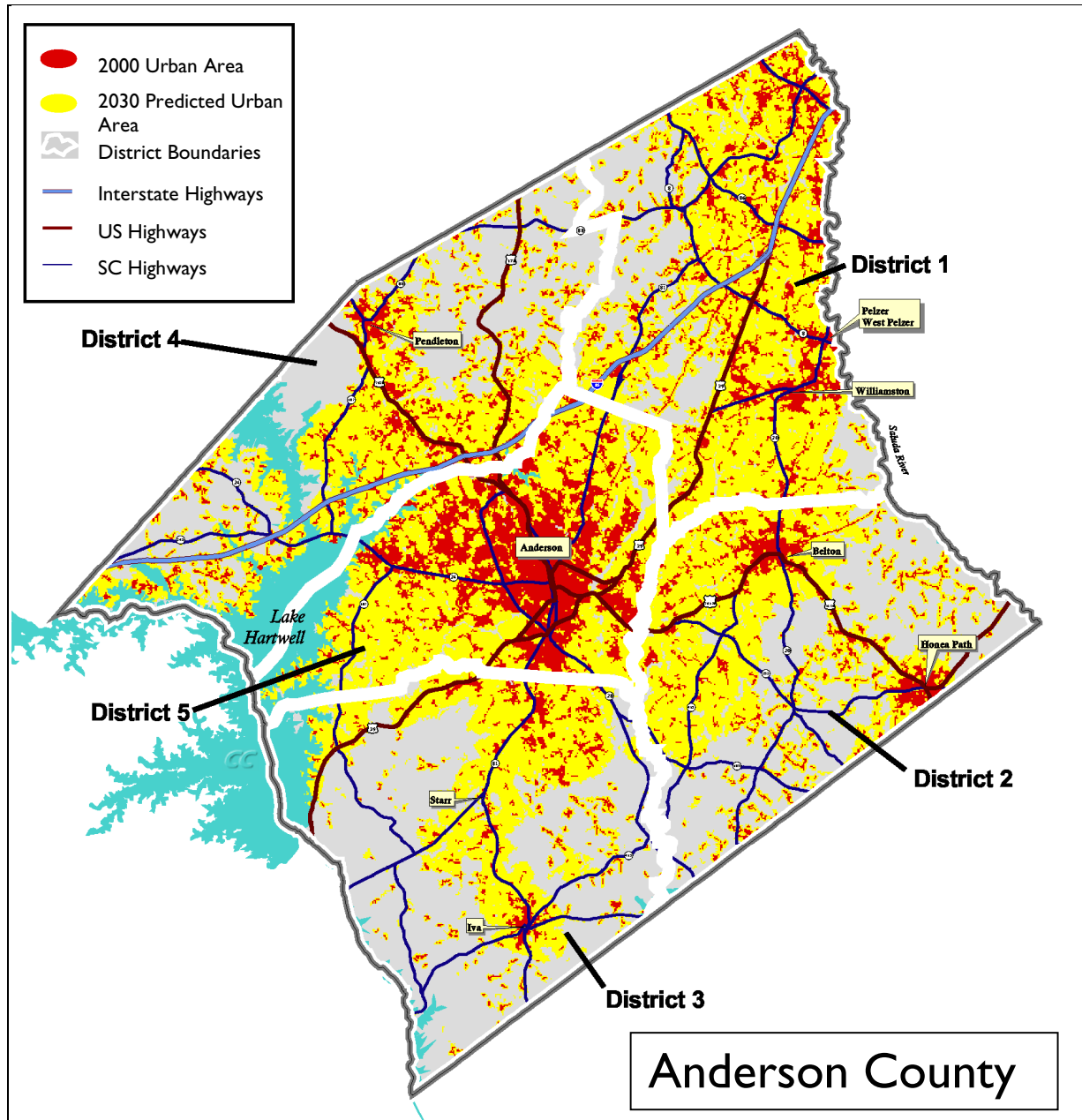


Figure 2. Anderson County School Districts, 2030 Predicted Urban Area

A Single Anderson County School District

Consolidating all five districts into one would equalize resources per pupil and would preempt any future countywide consolidation required by the General Assembly. As a single district, Anderson County would be the fourth largest district in South Carolina in 2008-09.

The peers for a single Anderson County school district would be very different from the peers for any of the current districts in terms of students and resources, even those for District Five. The peer group chosen based on size and resources includes six smaller districts and one larger (Horry). Size goes up rapidly beyond Horry (Greenville has more than 66,000 students, and Charleston more than 40,000). So do income and wealth, the other two criteria used for selecting peer districts. As a single district, Anderson would be larger all than but one of its peers in both membership and weighted pupils (Table 22).

Anderson as a single district would have the second highest student population but the lowest assessed property value per pupil among this group of peers. While District Four and District Five have relatively strong tax bases, the other three districts do not, pulling down the countywide average. Anderson County's per capita personal income is very close to the average of its peers, however. Its index of taxpaying ability is also just a shade above the average. Horry County's assessed value per pupil and index of taxpaying ability somewhat distort the average. However, deleting Horry from the peer group would leave Anderson County being compared to six smaller districts and no larger ones.

Characteristics: A Countywide District

- 30,187 pupils in 2008-09
- 7 high schools (8 in 2011)
- 2 career campuses
- Assessed value of \$20,832 per pupil (estimated for tax year 2008)

Advantages: A Countywide District

- The countywide district option will accomplish two of the project's goals: equalizing pupils and equalizing the tax base in the district. The new district will benefit from the entire county tax base.
- The countywide district option will accomplish a third project goal by improving pupil access to dedicated facilities for career and technology education in the former Districts Three and Four.
- A single school district administration can implement consistent policies throughout the county.
- Students in any location in Anderson County will have equal access to district programs.
- Property owners in Anderson County will have a single tax rate for school operations and debt service, which will eliminate any intra-county competition for new business and industrial development.
- Consolidation of the five Anderson County school districts into a single countywide district can take place under existing law.

Challenges: A Countywide District

- Consolidation of the five Anderson County school districts into a single district is unlikely to achieve cost savings, according to national research. A countywide district in Anderson County will be at or above maximum recommended school district size.
- A single district with over 30,000 pupils dispersed over a large area may not do as well at addressing local community concerns as smaller districts.
- Law governing access to and separate millage for the District One & Two Career and Technology Center may need to be changed. Existing facilities for career and technology education may require expansion, and new facilities may be needed in areas that are currently underserved.
- Plans for future facility construction will be affected by existing funding obligations and capital improvements underway in the current five districts.
- A new school board of trustees will need to be elected.
- A countywide district would have few suitable peer districts within South Carolina for purposes of comparison.

Table 22. Anderson Single District and Peer Districts: Students and Resources, 2006-07

District	ADM	WPU	Free & Reduced Lunch (%)	Assessed Value Per Pupil, 2006	Income Per Capita 2007	Index of Taxpaying Ability
Lexington I	19,705	24,698	30.0	\$18,386	\$33,645	0.01914
Dorchester 2	19,833	24,662	33.5	18,119	27,408	0.01735
Richland 2	22,025	27,322	40.0	19,127	33,157	0.04121
Richland I	23,658	29,919	64.5	29,082	33,157	0.02179
Aiken	24,199	30,162	54.9	19,744	29,912	0.02732
Berkeley	27,140	34,324	50.7	20,103	27,069	0.02925
Anderson	29,552	37,716	48.4	17,563	27,955	0.03450
Horry	34,749	44,333	54.6	46,695	27,809	0.07534
Average	25,108	31,642	47.1	\$23,602	\$30,014	0.03324

Note: Income is 2007 county personal income per capita.

The peer districts for a single Anderson district have a wide range of tax rates (Table 23). These seven peer districts average 168.4 mills for operations—from 107.3 in Horry to 228.1 in Lexington I. Low millage in Horry County schools reflect that county's high tax base, while higher millage in other peer districts with tax bases closer to Anderson County's may reflect a local choice to make a greater effort. Millage in most of the existing Anderson County districts is below the average tax rate for these larger peer districts.

We constructed countywide figures for a single Anderson County district in order to compare the new district against peers in other measures of income and education spending. As a single district, Anderson County in 2006-07 spent an average of \$8,251 per pupil for school operations, somewhat less than the average of its peers but fourth among the eight districts,

which are very diverse in spending levels. Spending on instruction in a single Anderson district would compare unfavorably with the eight-district average, at \$553 lower.

Table 23. Anderson Single District and Peer Districts: Tax Effort and Spending, 2006-07

District	Oper. Mills 2006	Debt Mills 2006	Total Mills 2006	Operational Expenditures Per Pupil	Instructional Expenditures Per Pupil
Lexington 1	228.1	59.0	287.1	\$8,760	\$5,290
Dorchester 2	156.8	29.8	186.6	7,366	4,558
Richland 2	205.2	68.3	273.5	9,195	5,318
Richland 1	211.8	49.0	260.8	11,728	6,897
Aiken	126.9	27.8	154.7	7,880	4,866
Berkeley	143.0	42.0	185.0	8,084	4,493
Anderson*	145-187	31-40	179-230	8,251	4,767
Horry	107.3	28.0	135.3	9,270	5,611
Peer Average	168	43	211	\$8,836	\$5,320

*Mill ranges for Anderson County district operations include 14.7 mills for county equalization, 2 mills for alternative school, and one mill for County Board, and an additional 15 mills in Districts One and Two for the Career & Technology Center.

Redistricting: Two Anderson County School Districts

The second redistricting option creates two medium-large school districts within Anderson County. These two new districts are created by consolidation of some districts and redrawing district lines in others (Figure 3).

- The new Northeast District is made up of District One and the eastern half of District Five (T.L. Hanna High school attendance area).
- The new Southwest District is made up of Districts Two, Three, Four, and the western half of District Five (Westside High School attendance area).

These two new districts are approximately equal in estimated student population and tax base in 2008-09. They also combine the county's two small and less affluent southern districts with areas with stronger tax bases and more growth potential (Figure 4).

Characteristics: Northeast District

- 15,204 pupils in 2008-09
- 3 high schools (4 in 2011)
- 2 career campuses (one shared)
- Assessed value of \$20,276 per pupil
- Assessed value of \$308.3 million (est.)

Characteristics: Southwest District

- 14,983 pupils in 2008-09
- 4 high schools
- 1 career campus (shared)
- Assessed value of \$21,396 per pupil
- Assessed value of \$320.6 million (est.)

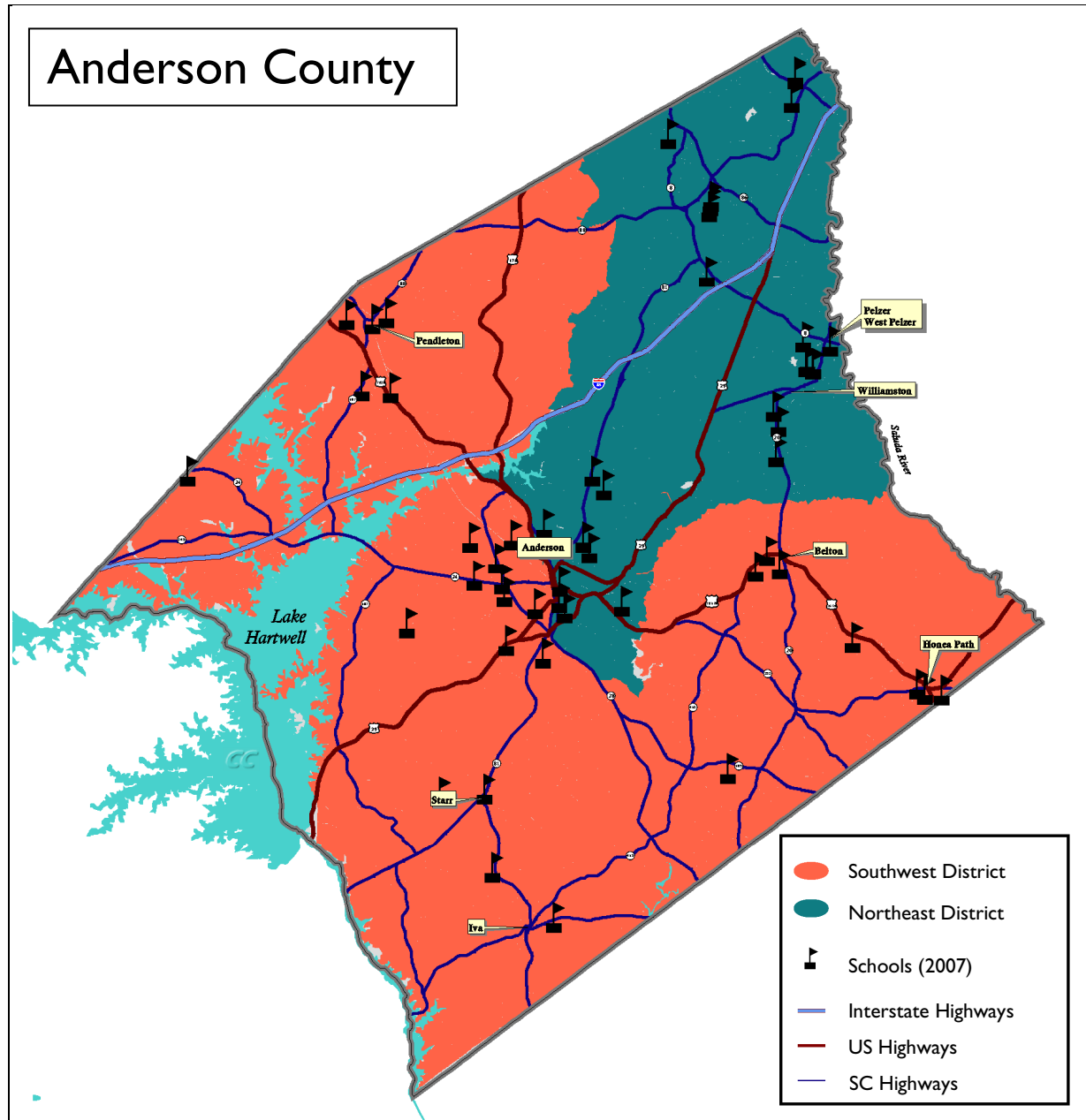


Figure 4. Two District Option

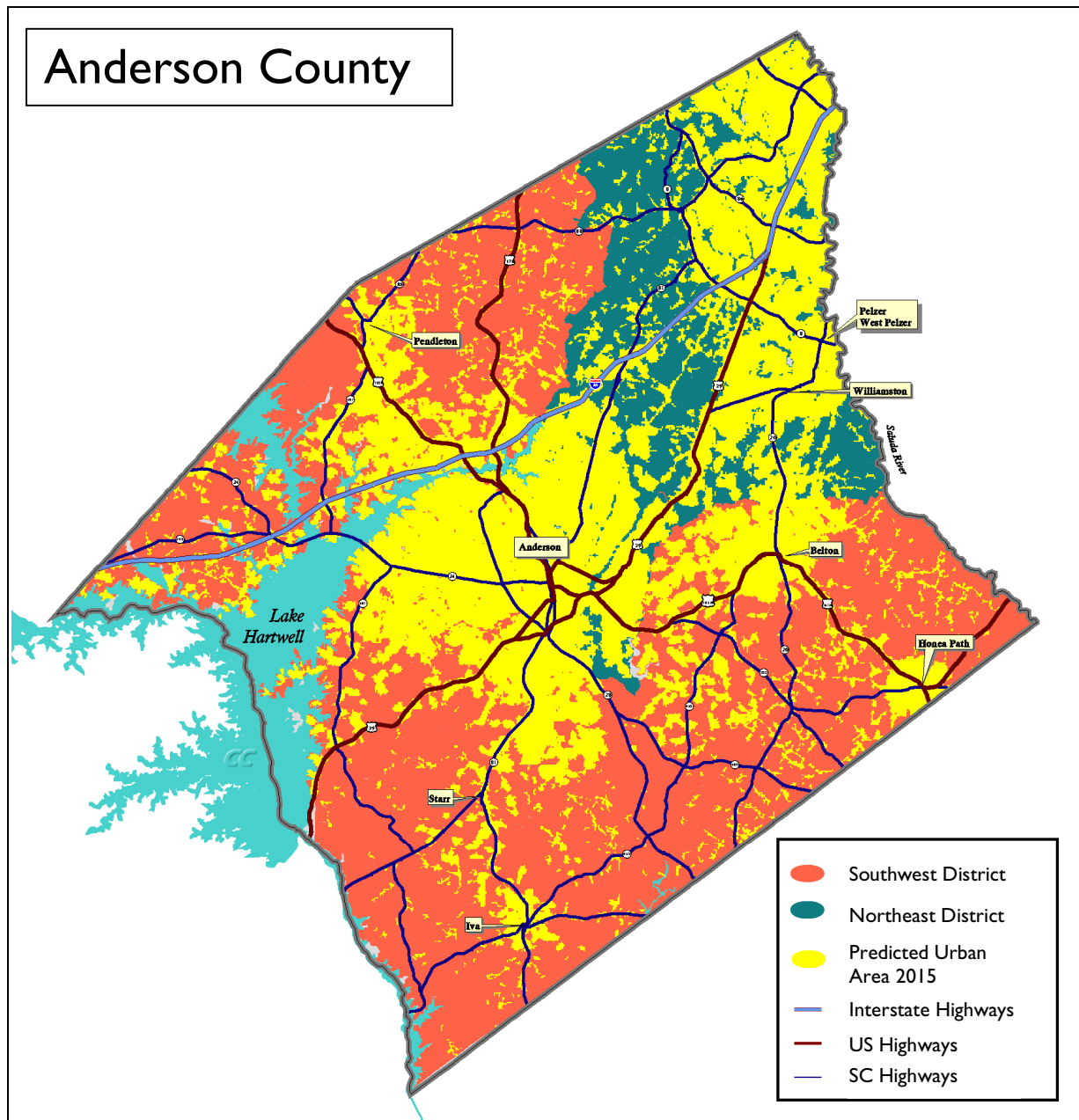


Figure 4. Two District Option Plus 2015 Predicted Urban Area

The new Northeast and Southwest Districts are expected to compare favorably with their peer districts on fiscal measures—just a little below the average (Table 24). Because the new districts are now larger than the existing districts, some of their new peers are from larger, more urban counties with higher incomes and stronger, more diverse tax bases. The two new districts do equalize taxable resources within the county, but assessed value per pupil in Anderson County still lags slightly behind some of its larger peers. Mill rates in the existing five school districts were a little above the peer district average in tax year 2006, but the range among the peer districts is large and the Anderson County districts are well within those limits.

Table 25 suggests that spending per pupil on school operations and instruction in the new districts is likely to be similar to that in the peer districts.

Advantages: Two Districts

- The two district option will accomplish two of the project's goals: equalizing pupils and equalizing tax bases among the districts. The Northeast District combines the stronger, more diverse tax base of the eastern half of District Five with the below average tax base of District One. (District One has the highest percentage of owner-occupied residential property in the county.). The Southwest District combines the stronger tax bases of District Four and the western half of District Five with the weaker tax bases in Districts Two and Three.
- The two district option will accomplish a third project goal by improving pupil access to dedicated facilities for career and technology education in the former Districts Three and Four.
- The two new districts will each include areas of high projected growth within the county.
- The two new districts will each combine stronger, more diverse tax bases with weaker tax bases.
- Because the two new districts will have tax bases of similar value, property owners in each district can expect to see only small differences in tax rates for school operations, which will minimize intra-county competition for new business and industrial development
- The two new districts will be of an efficient size in comparison to other SC districts and school districts nationwide.
- Existing school attendance zones are retained in each new district.

Challenges: Two Districts

- Redistricting (as opposed to simple consolidation) may require changes to state law. New school boards of trustees will have to be elected.
- Redistricting Anderson County's five school districts into two school districts is unlikely to achieve cost savings, according to national research.
- Pupils in the new Southwest District will be dispersed over a large geographic area and that district may not do as well addressing local community concerns as smaller districts (the new Northeast District is more compact).
- Access to the existing career campuses may need to be negotiated because both physical facilities are located in the Northeast District. Law governing access to and separate millage for the District One & Two Career and Technology Center may need to be changed. Existing facilities for career and technology education may require expansion, and new facilities may be needed in areas that are currently underserved.
- Plans for future facility construction will be affected by existing funding obligations and capital improvements underway in the current five districts.

Table 24. Anderson Northeast and Southwest and Peer Districts in a Two District Model: Students and Resources, 2006-07

District	ADM	WPU	Free & Reduced Lunch Eligible (%)	Assessed Value Per Pupil, 2006	Income Per Capita 2007	Index of Taxpaying Ability
Darlington	10,958	14,023	69.9	\$18,800	\$27,361	0.01215
Lancaster	11,171	14,006	50.4	20,928	21,497	0.01123
Florence I	14,908	19,021	55.7	21,529	30,334	0.01915
And. SW	14,983	n/a	n/a	n/a	27,955	n/a
And. NE	15,204	n/a	n/a	n/a	27,955	n/a
Pickens	16,108	20,075	42.8	25,146	25,591	0.02030
Lexington 5	16,567	20,662	24.6	23,140	33,645	0.02052
York 3	16,660	20,993	29.3	22,255	31,657	0.01957
Lexington I	19,705	24,698	30.0	18,386	33,645	0.01914
Dorchester 2	19,833	24,662	33.5	18,119	27,408	0.01735
Peer Average	15,739	19,768	42.025	\$21,038	\$28,892	0.01743

Note: Income is 2007 county personal income per capita

Table 25. Anderson Northeast and Southwest in a Two District Model and Peer Districts: Tax Effort and Spending, 2006-07

District	Operations Mills 2006	Debt Mills 2006	Total Mills 2006	Operations Expenditures Per Pupil	Instructional Expenditures Per Pupil
Darlington	152.0	25.5	177.5	\$9,092	\$5,019
Lancaster	119.0	38.5	157.5	8,277	4,928
Florence I	151.0	16.6	167.6	9,092	5,152
Pickens	109.0	19.0	128.0	7,792	4,630
And. SW*	146-187	30-40	179-230	n/a	n/a
And. NE*	145-165	31-32	179-200	n/a	n/a
Pickens	109.0	19.0	128.0	7,792	4,630
Lexington 5	190.9	40.2	231.1	9,242	5,231
York 3	122.9	46.7	169.6	8,298	4,828
Lexington I	228.1	59.0	287.1	8,760	5,290
Dorchester 2	156.8	29.8	186.6	7,366	4,558
Peer Average*	148.7	32.7	181.4	\$8,412	\$4,918

*Mill ranges for Anderson County district operations include 14.7 mills for county equalization, 2 mills for alternative school, and one mill for County Board, and an additional 15 mills in Districts One and Two for the Career & Technology Center.

Redistricting: Three Anderson County School Districts

The third redistricting option creates three moderate-sized school districts within Anderson County. These three new districts are created by consolidation of some districts and redrawing district lines in others (Figures 5 and 6).

- The new North District is made up of District One and District Four (Townville Elementary attendance area excluded).
- The new East District is made up of District Two and the eastern half of District Five (T.L. Hanna High School attendance area only)
- The new West District is made up of District Three, the western half of District Five (Westside High School attendance area), and District Four (Townville Elementary attendance area only).

These three new districts are close in estimated student population and tax base in 2008-09, but with a larger range than in the two district option. The new East District and West District combine the county's two small and less affluent southern districts with areas with stronger tax bases and more growth potential. The new North District brings the strength of District Four's tax base to District One's weaker tax base but larger student base. The new North, East, and West Districts are expected to compare quite closely with their peer districts on fiscal measures (Tables 26 and 27).

Characteristics: North District

- 11,388 pupils in 2008-09
- 3 high schools (4 in 2011)
- 1 career campus (shared with East)
- Assessed value of \$20,438 per pupil
- Assessed value of \$232.7 million

Characteristics: East District

- 9,865 pupils in 2008-09
- 2 high schools
- 2 career campus (1 shared with North)
- Assessed value of \$19,785 per pupil
- Assessed value of \$195.2 million

Characteristics: West District

- 8,934 pupils in 2008-09
- 2 high schools
- No career campus
- Assessed value of \$22,490 per pupil
- Assessed value of \$200.9 million

Table 26. Anderson North, East, and West and Peer Districts in a Three District Model: Students and Resources, 2006-07

District	ADM	WPU	Free & Reduced Lunch (%)	Assessed Value Per Pupil, 2006	Income Per Capita 2007	Index of Taxpaying Ability
Cherokee	8,895	10,950	57.6	\$16,685	\$23,682	0.00975
And. West	8,934	n/a	n/a	n/a	27,955	n/a
Greenwood 50	9,056	11,414	55.1	16,889	26,529	0.01062
Spartanburg 2	9,219	11,375	43.1	15,614	28,261	0.00785
Spartanburg 6	9,725	12,153	49.1	22,214	28,261	0.01311
And. East	9,865	n/a	n/a	n/a	27,955	n/a
Kershaw	10,129	12,745	49.5	18,564	30,067	0.01065
Darlington	10,958	14,023	69.9	18,800	27,361	0.01215
Lancaster	11,171	14,006	50.4	20,928	21,497	0.01123
And. North	11,388	n/a	n/a	n/a	27,955	n/a
Florence I	14,908	19,021	55.7	21,529	30,334	0.01915
Peer Average	10,508	13,211	53.8	\$18,903	\$26,999	.01181

Note: Income is 2007 county personal income per capita.

Table 27. Anderson North, East, and West and Peer Districts in a Three District Model: Tax Effort and Spending, 2006-07

District	Operations Mills 2006	Debt Mills 2006	Total Mills 2006	Operations Expenditures Per Pupil	Instructional Expenditures Per Pupil
Cherokee	156.0	11.6	168.0	\$8,919	\$5,058
And. West	146-165	30-40	179-200	n/a	n/a
Greenwood 50	182.0	61.4	243.4	8,385	4,690
Spartanburg 2	183.9	19.1	203.0	7,053	3,974
Spartanburg 6	129.6	28.4	158.0	7,924	4,856
And. East	165-187	32-40	200-230	n/a	n/a
Kershaw	141.0	24.3	165.3	8,330	4,918
Darlington	152.0	25.5	177.5	9,092	5,019
Lancaster	119.0	38.5	157.5	8,277	4,928
And. North	145-150	31-40	179-193	n/a	n/a
Florence I	151.0	16.6	167.6	9,092	5,152
Peer Average*	151.8	28.2	180.0	\$8,384	\$4,824

*Mill ranges for Anderson County district operations include 14.7 mills for county equalization, 2 mills for alternative school, and one mill for County Board, and an additional 15 mills in Districts One and Two for the Career & Technology Center.

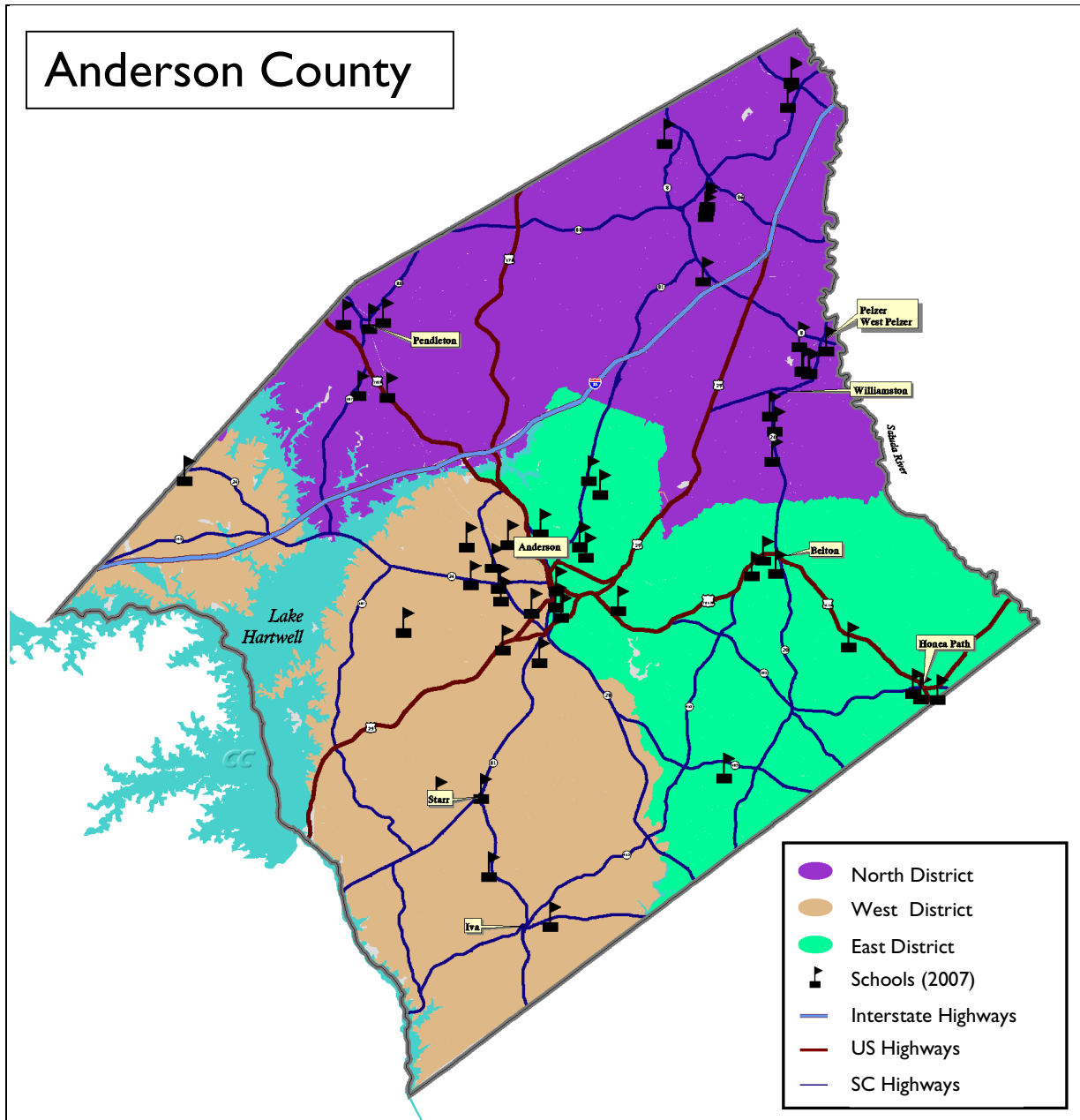


Figure 5. Three District Option

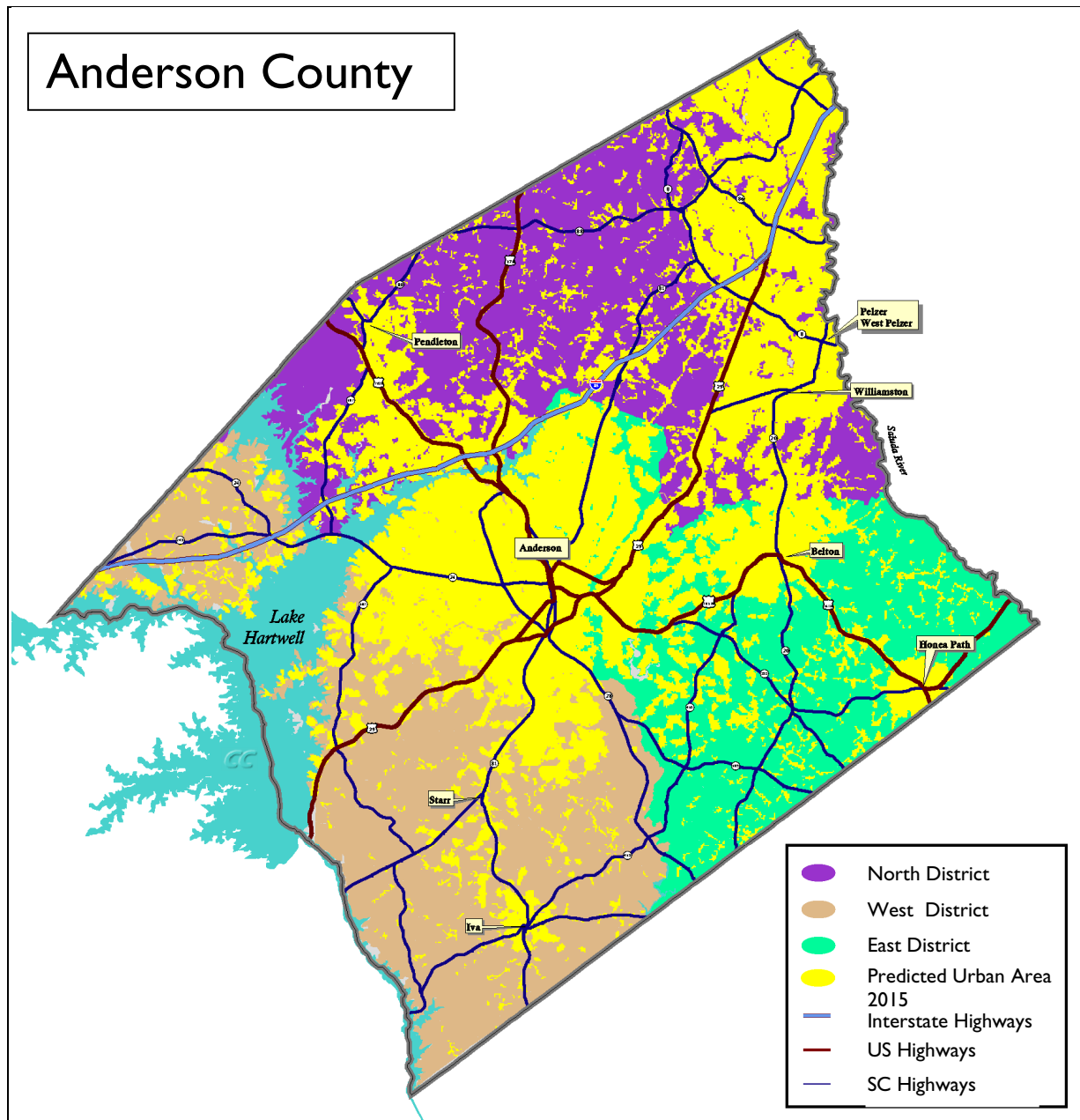


Figure 6. Three District Option Plus 2015 Predicted Urban Area

Advantages: Three Districts

- The three new districts will come close to accomplishing two of the project's goals: equalizing pupils and equalizing tax bases among the districts. The North District will bring the strength of District Four's tax base to District One's weaker tax base and larger student base (District One has the highest percentage of owner-occupied residential property in the county.). The East District and West District will combine the county's two small and less affluent southern districts with areas with stronger tax bases and more growth potential. Including students and facilities in the Townville Elementary attendance area in the new West District increases student population without affecting the average travel distance to middle and high schools.
- The North and East Districts will accomplish a third project goal by improving pupil access to dedicated facilities for career and technology education in the former Districts Three and Four.
- The three new districts will each include areas of projected high growth within the county.
- The three new districts will each combine stronger, more diverse tax bases with weaker tax bases.
- Because the three new districts will have tax bases of similar value, property owners in each district can expect to see only small differences in tax rates for school operations, which will minimize intra-county competition for new business and industrial development.
- The three new districts will be of efficient size in comparison to other SC districts and school districts nationwide.
- Existing school attendance zones are retained in each new district.

Challenges: Three Districts

- Redistricting (as opposed to simple consolidation) may require changes to state law. New school boards of trustees will have to be elected.
- Redistricting Anderson County school districts into three districts is unlikely to achieve cost savings, according to national research.
- Access to the existing career campuses may need to be negotiated because the two dedicated facilities are located in the North and East Districts. Law governing access to and separate millage for the District One & Two Career and Technology Center may need to be changed. Existing facilities for career and technology education may require expansion, and new facilities may be needed in areas that are currently underserved.
- Plans for future facility construction will have to be coordinated with existing funding obligations and capital improvements underway in the current five districts.

ALTERNATIVES TO REDISTRICTING: ORGANIZATION STRUCTURE AND TAX SHARING

Consolidation or redistricting is not the only or even necessarily the best way to contain costs, improve outcomes, and share educational resources more equitably. In Michigan, Johnson and Moser (2002) identified six habits of fiscally responsible school districts that did not depend on size: minimize administrative costs, outsource non-instructional services, manage health benefits wisely, structure capital costs effectively, permit school choice across districts, and reform collective bargaining.

While South Carolina does not have collective bargaining, the other five “habits” might be worth further exploration. The first four all could involve a certain amount of centralizing services at the county level or sharing resources across districts or with nonschool entities. The fifth is an option that the South Carolina Department of Education is strongly encouraging and that can be explored separately in Anderson County.

However, there is more to exploring alternatives to redistricting than just the fiscal dimension. Any restructuring of the way educational services are delivered in Anderson County needs to also consider the issues of equal access to resources, which is partly addressed by school choice but also by service sharing arrangements and centralization of certain functions. Any restructuring also needs to protect a sense of local ownership and flexibility and accountability at the school level.

There are at least three options that can be explored to manage fiscal resources more effectively and equalize educational resources and access to programs for all students in Anderson’s five districts without consolidation or redrawing district lines. These three options are not mutually exclusive; they can be used in any combination.

- Reassign responsibilities within districts to have greater flexibility and accountability in some functions at the school level while shifting some school level functions to the level of the district or the county board. This option could be exercised independently of other options or in conjunction with redistricting.
- Redistribute property tax revenue among districts through the Anderson County Board of Education.
- Share services among school districts and/or share services between school districts and other entities, including but not limited to municipalities, the county, nonprofits, and possibly private business firms.

The first two options are explored in this section; the third option—service sharing—is examined in the next section.

Rethinking Organizational Structure: William Ouchi

Delegating authority to the school level makes principals both more empowered and more accountable. In studies of successful school districts by management consultant William Ouchi and others, it is this combination of centralization of some functions and decentralization of

others that most effectively addresses both the efficiency concerns and the need to tailor programs to the needs of particular student populations in order to get better student achievement. Delegating to the school level makes principals both more empowered and more accountable.

In studies of successful school districts by William Ouchi and others, it is this combination of centralization of some functions and decentralization of others that most effectively addresses both the efficiency concerns and the need to tailor programs to the needs of particular student populations in order to get better student achievement. In 2003, management consultant William Ouchi and others examined the problems of poor performance in reading and math in California schools, particularly cases where there were substantial differences in performance across schools and districts for students with the same racial, ethnic, and/or socioeconomic background. Ouchi, Cooper and Segal noted:

“...among schools, as is true for companies, an organizational approach that balances local autonomy with clear accountability produces superior results...each child is unique, and each collection of children poses a unique challenge in staffing, curriculum, and teaching approach. If a school district operates in a top-down, centralized fashion, each local school is handcuffed and cannot easily make adaptations that fit the needs of the community.” (2003, p5)

His team undertook a comprehensive study based on the three largest districts, three radically decentralized urban districts, and three urban parochial school systems, as well as a set of independent schools. Out of that study emerged his three alternative organizational models: the U-form, the H-form and M-form of organization. The first model (U-form) centralizes functions, with every function reporting to a central head. The second (H-form) is a loose, largely decentralized organization, with much power and authority delegated to the school level—typical of parochial school systems.

The third (M-form) is a mixed form that separates functions into those that should be centralized in order to achieve scale economies—insurance, payroll, information technology—and those that need to be decentralized in order to customize programs and services to the needs of the unique population being served, usually at the school level. These decisions include staffing, curriculum, and selection of textbooks. Although it does not use Ouchi’s terminology, Figure 7 provides examples of the qualities of centralized, decentralized, and shared school functions.

The M-form provides the best of both of the other two models, because it will centralize what needs centralizing and decentralize everything else. The M-form is also more accountable because schools are largely self contained. Economist Oliver Williamson, the guru of organizational forms, argues that the M-form will outperform the others. Ouchi’s study confirms that expectation, defining the M-form for schools in terms of the number of full-time equivalent employees subject to a central office and the percentage of the school’s budget that is controlled by the principal. (In a U-form structure, local fiscal control averaged 10.7 percent; in an M-form, 76.5 percent.)

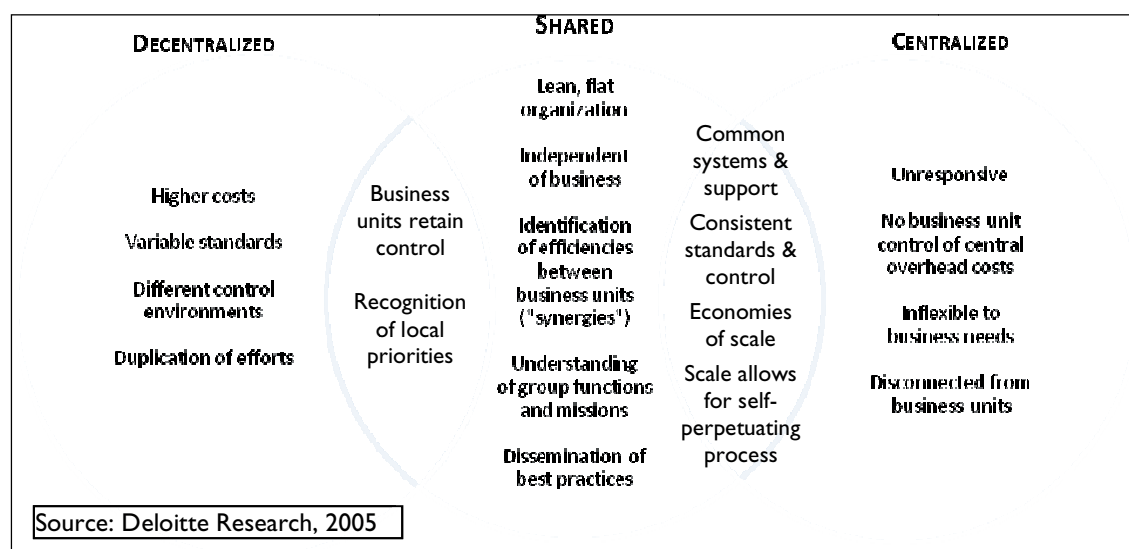


Figure 7. Organizational Structures in School Districts

Ouchi consistently found better student outcomes and greater fiscal efficiency in an M-form as opposed to an H-form or a U-form structure, affirming the value of centralizing some services while giving greater autonomy at the school level in instructional and personnel matters. Ouchi argues that the better results are based on giving principals both the authority and the responsibility/accountability for level of inputs and student outcomes. Yet, he notes, most school districts are U-form today rather than M-form.

Implementation of some of Ouchi's ideas in Anderson County could be undertaken on its own or in conjunction with some of the other options, including redistricting, that are explored in this paper. It would require open and thoughtful dialogue among district boards and superintendents, principals, and the county board in order to identify and explore possible reassignment of responsibility for various kinds of decisions, both in instruction and classroom management and in support services.

Tax/Resource Sharing Across Districts

While tax sharing (or revenue sharing of other kinds, such as fees) is practiced in many parts of the nation, it is relatively uncommon in South Carolina. The 14.7 mills collected by the Anderson County Board of Education and shared among the county's five districts is one example of tax sharing. At least three other multidistrict counties have some kind of sharing arrangement, Laurens with two districts, Spartanburg with seven districts, and Greenwood with three districts.

The experience of Laurens County in resource sharing between its two districts is particularly informative. The county has been redistributing tax revenue on a per-pupil basis from the wealthier to the poorer district for more than 40 years. Laurens County's two school districts are committed to equalizing fiscal resources per pupil, but have run into obstacles in state law and particularly distribution of EFA and other state funds on the basis of the index of taxpaying ability. The attempt to equalize is partly offset by the higher per-pupil funding received by the

poorer district from the state. (Laurens 55 and 56 have switched “richer” and “poorer” roles with each other several times over the many years that this tax equalization program has been in effect.)

The motivation for Laurens County’s tax sharing policy came from county economic development. New industrial property resulted from countywide recruitment efforts, so county and school officials agreed that a new plant or other major business in the tax base should benefit all children in the county, not just the one in which the firm was located. The same situation exists in Anderson County. County government is responsible for economic development, but much of the tax benefit of successful recruiting accrues to the school district in which the firm decides to locate.

Spartanburg County, with seven school districts, also has some limited tax base sharing on a per pupil basis. A 13 mill levy is applied to all property in the county for school operations (excluding homeowner property after Act 388 took effect). This 13 mill levy is collected by the treasurer and placed in a separate account. The Spartanburg County Board of Education distributed the revenue to school districts prior to its dissolution. Now, staff in Spartanburg 6 calculates the distribution based on total number of pupils in the county and the average daily attendance in each of the seven districts. The county treasurer distributes funds to the districts each quarter.

Greenwood County’s tax sharing arrangement is simpler. Revenue from four mills levied in large, urban Greenwood 50 and small but relatively wealthy Greenwood 52 is transferred to Greenwood 51, a small district with a low tax base. This action helps to keep the mill rate down in Greenwood 51, where one mill raises much less revenue than in the other two districts. It also allows that district to share somewhat in the tax base elsewhere in the county.

As Table 1 indicated, there are very large differences in taxable wealth among Anderson’s five school districts, ranging from \$13,301 per pupil in District Two to \$28,702 per pupil in District Four in 2008-09. Those existing differences are aggravated by Act 388 of 2006, which essentially removes owner-occupied property from the school tax base for operating purposes and replaces it with a property tax relief check from the state that increases slightly from year to year but not in relation to the growth in the value of owner-occupied property. As a result, Anderson County’s five districts are about to experience a significant shift in local property tax revenue (including state-funded property tax relief) among the five districts based on the share of their total tax base that consists of owner-occupied housing.

Anderson County’s options are broader relative to other counties because it has an elected countywide entity, the Anderson County Board of Education, which has some powers to address the issue of fiscal equalization. Currently 14.7 mills is collected countywide and redistributed to school districts on a per pupil basis. Shifting some additional operating school tax millage from the districts to the tax equalization millage would accomplish some redistribution of revenue without requiring consolidation of districts. Alternatively, County Board of Education mills could be raised and used to pay for selected expenses on a per pupil basis.

The most equalizing alternative would be a single countywide levy for school operations that was collected in all five districts and shared among them on a per pupil basis. Whether total equalization through uniform operating millage or partial equalization through raising the county millage and reducing district millage is desired, the approval of the county legislative delegation would be required. A possible legal obstacle that such a procedure might encounter is the limitation on increasing millage in Act 388. However, it might be possible to pass general legislation that applies the millage increase limitation to the combined county board and district levy rather than to each separately.

The South Carolina Department of Education has put forth a proposed modification of the formula approach to distribution of state aid that, if adopted, would alleviate much of the existing inequality among districts that is caused by differences in local taxable resources and only partially alleviated (and occasionally aggravated!) by the distribution of state funds. That proposal calls for a required uniform minimum millage to be levied in each district to satisfy the local revenue match requirements of EFA. Local districts would still, however be permitted to levy additional millage to meet the needs of their students. If approved by the General Assembly, this legislation might also move Anderson County in the direction of greater equality of financial resources among its five districts.

Highlights:

Alternatives to Redistricting: *Organizational Structure and Tax Sharing*

- Experience in other states and elsewhere in South Carolina suggests a number of other steps besides redistricting that would promote the goal of equal access to educational resources at a reasonable cost.
- One alternative to redistricting is to reassign responsibilities among the three levels: school, district, and county board. Functions that require some equalization across districts can be assigned to the county board; those with scale economies to either the district or the county board; and those that are best tailored to local needs and preferences, to the school level. The result should be better outcomes for students and greater fiscal efficiency.
- A second alternative to redistricting is tax sharing across districts. Anderson County already has limited tax base sharing through the current 14.7 mill county-wide levy. Three other counties in South Carolina with multiple districts also have some form of tax base sharing: Greenwood, Laurens, and Spartanburg.
- The current tax base sharing in Anderson County could be expanded and either distributed to districts on a per-pupil basis or used to finance shared services across districts. Such a countywide levy would help to offset the effects of the large differences in taxable wealth per pupil between the five districts.
- The state is also considering changes in the way that education is financed that might have the same effect as tax sharing. If the state enacts a uniform minimum millage requirement for the local match for state funding, it would alleviate existing differences in educational resources across districts.

ALTERNATIVES TO REDISTRICTING: SERVICE SHARING

Of the non-consolidation options identified for school districts, sharing services is by far the most widely used in other states. As defined in this paper, “sharing services” means coordinating an area of service between and among two or more districts so as to save money, use funds more efficiently, and/ or expand educational opportunities for students. A comprehensive study of shared educational service options by a national accounting firm stated that

“...consolidation may not be the most effective strategy to help districts direct more money into the classroom....Small districts can band together to share everything from transportation services to building gymnasiums, creating the purchasing power and economies of scale of medium-sized districts...Sharing services is a technique that both the private and public sectors have employed for decades and has been growing rapidly in popularity in recent years due to its proven ability to reduce costs....The way the consolidation debate is often framed, parents and school districts are left with the false choice of strong local control and high per-student costs by keeping school districts small or potentially lower per pupil costs but having to give up local control through school district consolidation....It's possible to educate students like a small district and still have the economies and buying power of a large district. How? By implementing shared services.” (Deloitte Research, 2005, p10).

Two tasks directed this project's investigation of shared services among school districts:

1. Identify where there were gaps in services among Anderson districts that could be addressed through shared services.
2. Identify service-sharing models and practices used in other states or elsewhere in South Carolina than may be of interest in Anderson County school districts.

Non-instructional Service Sharing in Anderson County School Districts

In order to facilitate thinking about service sharing options, a survey was given to each of the Anderson County school district superintendents that asked about current service sharing. The superintendents were also asked to prioritize the top five areas they would consider.

A degree of service sharing already exists among the Anderson County school districts. Not all districts reported the same shared services even when they were already in place. Results about current efforts included the following:

- The finance officers from all five districts meet monthly
- Districts One and Two share the Career and Technology Center
- Districts One, Two, Four and Five have collaborated to garner external funding
- All districts have collaborated for teacher training
- All districts are members in the South Carolina Food Service Alliance, which increases district purchasing power

The Anderson County Board of Education is also involved in service sharing. The county board funds and provides the following services to Districts One through Four:

- Food service planning and purchasing
- Mental health services (short term intervention)
- Truancy reporting

A second survey question asked the superintendents to comment on the top five services they would be interested in coordinating with one or more other districts. Only three of the five districts answered this question, but the results were very similar:

- All three districts chose purchasing as the top priority for shared services.
- While there were different priorities assigned, all three districts chose Assessment and Student Testing as well as Technology Services.
- Two of the three districts chose Business & Financial Affairs, Special Academic Offerings, and Capital Planning.
- No district selected Human Resources, Transportation, or Athletics.

Based on the survey results, there is some interest in Anderson County school districts in sharing services beyond the current level. With the county board as a potential facilitating agent, there would be some possibility of creating an organization similar to that of the Western Piedmont Education Consortium, perhaps with a similar charge and finance structure.

A move towards shared services can be mandated, voluntary, or somewhere in between given appropriate fiscal incentives. For example, if the county board were to fund a consortium, there is a greater chance that the districts would seek to extract value from it, which would result in greater financial savings.

Instructional Service Sharing in Anderson County School Districts

The primary forms of instructional service sharing in Anderson County are in vocational and career education, and in dual enrollment college classes. Districts One and Two share a career center, which is located in Williamston, close to the boundary of the two districts. The Career & Technology Center (CTC) provides opportunities for students in both districts. The center is supported in part by additional millage levied in the two districts, and tuition paid by each district for each student that attends the center. Whether or not some school districts are consolidated or redrawn in Anderson County, students in Districts Three and Four—which do not currently have access to a dedicated career center—would benefit from that access.

Another form of instructional service sharing in Anderson County is dual enrollment in college-level courses in cooperation with TriCounty Technical College (TCTC).¹⁴ In Fall 2008, a total of 157 students in three high schools and the CTC took advantage of this opportunity, with total enrollments of 218 (including students taking more than one class). Two other high schools—Belton-Honea Path and Crescent—and the Hanna-Westside Extension campus had no students

¹⁴ Information on dual enrollment in courses at Anderson University was not available.

enrolled in dual enrollment courses offered onsite, however (Table 28). Another 51 students took 65 dual enrollment classes either at TCTC or on-line (Table 29). All seven of the county's high schools had at least some participation in these classes, but enrollments in Fall 2008 were low except at Wren High School.

Table 28. Dual Enrollment Courses Taken at High School or Career Center, Fall 2008

Location	Total Sections	Total Enrollments	Total Students
Wren H.S.	7	143	89
Palmetto H.S.	1	16	16
Dist. I&2 CTC	3	35	35
Belton-HP H.S.	0	0	0
Crescent H.S.	0	0	0
Pendleton H.S.	2	24	17
Hanna-Westside Ext.	0	0	0

Source: TCTC, Secondary Transition Enrollment Report, Fall 2008

Table 29. Dual Enrollment Courses Taken at TCTC Campus or Online, Fall 2008

Location	Total Students	Total Enrollments	Internet Courses
Wren H.S.	23	30	30
Palmetto H.S.	5	5	4
Belton-HP H.S.	1	2	1
Crescent H.S.	5	11	0
Pendleton H.S.	5	8	1
T. L. Hanna H.S.	5	6	3
Westside H.S.	2	3	2

Source: TCTC, Secondary Transition Enrollment Report, Fall 2008

In many states, instructional sharing is used for programs where the schools and/or districts do not have enough students to develop and support a full-fledged single district program. Two of the areas that are commonly targeted for inter-district or third party instructional collaboration are gifted and talented programs and advanced placement (AP) courses.

At least two of Anderson County's school districts are small enough that it may be difficult for them to offer a comprehensive program for gifted and talented students. In District Three and District Four there are 362 and 344 gifted and talented eligible students, respectively (Table 30). This pool of students may look large, but it is spread across grades three through twelve and across all the schools in the district. Thus, the average grade at the average school in one of these districts may have less than ten students eligible to participate in a gifted and talented program at any given grade level. Shared instruction through smart classrooms or other

methods might make it possible to provide these students with the same kind of opportunity that is available in larger districts and/or larger schools.

For advanced placement (AP) courses, the challenge is even greater. There is a large number of potential AP courses for which there might be very limited demand in a given high school or district. In Fall 2008, participation in AP courses was particularly low in Anderson Two, with only 8.7 percent of students taking AP courses and only 51 students taking one or more AP exams. Anderson Three had a higher participation rate but, with only 47 exams taken, still lacks the critical mass for offering much variety in AP course offerings. AP courses are a particularly promising opportunity for instructional service sharing across districts in Anderson County.

Table 30. Gifted & Talented Eligible Pupils and AP Course Participation, 2008

District	Gifted & Talented Eligible	Gifted & Talented Share	AP Course Participation	AP Exams Taken*
Anderson 1	1,890	20.6%	12.6%	191
Anderson 2	656	17.4%	8.7%	51
Anderson 3	362	13.7%	13.4%	47
Anderson 4	344	12.1%	21.5%	127
Anderson 5	1,412	11.4%	14.8%	324

Source: SC Dept. of Education. *More than one exam may be taken by one student.

Service Sharing in South Carolina

In South Carolina, the Western Piedmont Education Consortium (WPEC) is a shared services arrangement. This consortium of 10 districts in seven counties in upper western South Carolina has been operating for more than 10 years. A meeting with the consortium's director provided useful information that may offer some guidance for Anderson County.

There are two primary focal points to the consortium. The first is creation of "job alike" groups that come together to discuss issues and, in some cases, standardize responses to state reporting mandates. Within the last year, special education teachers from Anderson County school districts have participated in some of these meetings.

WPEC's second focus is lobbying in the General Assembly for its constituent school districts. The director spends most of the legislative session in Columbia, and serves on several statewide committees, expanding the visibility of these small districts and increasing their state-level influence. The consortium office is paid for by the participating districts (~\$6 per pupil in ADM per year) and through the sale of services, such as a recently created legal video and a purchasing agreement for a curriculum product.

WPEC has not progressed to sharing services as a group beyond its lobbying function, although there are shared services among some of its member districts, primarily where more than one district serves a single county, as in Anderson. There are shared teacher services through WPEC, although it is not clear that any financial savings have been realized. The WPEC director

referred to turf and political issues that had not yet been overcome, such as students being unable to participate in video conference classes with Piedmont Technical College because the districts involved couldn't resolve scheduling differences. Video classes would open up new courses for students, save on personnel costs, and take advantage of a growing technology, but issues of control and competition have limited the utilization of this opportunity thus far.

Other, scattered examples of service sharing can be found in South Carolina school districts. Two examples in the upstate are the shared community-high school library in Ware Shoals, a partnership between the school district and the county; and the cafeteria/gymnasium at Clemson Elementary School, partly funded by the city and used for city summer day camps as well.

National Trends in Service Sharing

Anderson County does not need to reinvent the wheel when it comes to service sharing. There is an extensive literature on the trend toward service sharing in other states. This section summarizes the experience of school districts around the country as they have attempted to balance equalization with fiscal responsibility and local control of schools. Most of the time, service-sharing is seen as an alternative to consolidation or redistricting, but it can also be used in conjunction with redistricting.

There is no single model for shared service provision. Meyers (2007 and 2008a) identifies several models, including:

- A new entity that provides services to others,
- One agency or district selling services to others, and
- One agency or district buying from the private sector and reselling to others, to a co-operative that buys from private sellers, or to a joint venture.

In any case, formal service level agreements are essential. Participants may also need to address governance issues, perhaps even creating a board with management responsibilities (Meyers, 2008b).

Librera (2005) found that districts in New Jersey were sharing transportation, child study team services, special education, purchasing gas and oil, and buying office equipment, using local educational service commissions. Some of these commissions are set up on a regional basis, while others serve just a few districts. Districts also partner with municipalities for some services. Sharing includes curriculum supervisors, textbooks and textbook purchases, recreation programs, after school care, administrative offices, website design and maintenance, electrical, plumbing, custodial and computer technician services, lawn and athletic field maintenance, office furnishings, and parking lot and sidewalk maintenance.

The Deloitte (2005) study also noted that the shared services center is typically an independent unit, as is the case in both New York and New Jersey, which have had extensive experience with shared services. New York State has created Boards of Cooperative Educational Services, or BOCES, which are regional education service providers for small districts. Each BOCES has

its own board, made up of past school board members from the districts it serves. Initially created in 1955, there are currently 37 BOCES in existence.

Shared services under BOCES include special education, career and technical education, itinerant personnel, general education, instructional support and technology, and administrative management services, all implemented by shared service contracts with participating districts. Different districts contract for different combinations of services (New York State Education Department, 2001; Orange-Ulster BOCES, undated).

The most widely used BOCES service is special education (38 percent), followed by instructional support (18 percent) and occupational education (14 percent). General education, including summer school, alternative education, interactive and non-interactive distance education, arts education and gifted programs, is about 8 percent and growing, although recent growth in shared services has been fastest in the technology area. There is also substantial use of non-instructional support services for management and operations such as payroll, accounting, student census, scheduling, risk management, transportation, and contract negotiations.

BOCES operate from limited state funds but also from district funds, put into the organization in return for coordinating services, which each district could choose annually. In fact, that was one unique part of the organization – that services chosen could change based on district needs. The two primary offerings are special education and occupational education, both areas that require teachers with special training and usually special equipment. Particularly for occupational therapy, coordination of programs allows for an exceptional experience for students rather than a more limited program that would result from individual (and more costly) programs.

In Chautauqua County, New York, districts are developing a culture of sharing with both other districts and municipalities. A central business office offers districts such services as payroll, leave accounting, accounts payable, claims auditing, bidding, purchasing, postal processing, accounting, monthly reporting, state and federal reporting, and cash management as well as support for budget development and human resource/fringe benefit record-keeping. Other services that were considered but did not attract interest were athletic management and facilities management, although there was interest in sharing field maintenance and safety risk management. There is also some shared leadership in special education and transportation management (Rural Schools Association of New York, 2007).

In New Jersey, a Rutgers study (Institute on Education Law and Policy, 2007) explored service sharing with municipalities. Services included purchase, storage and distribution of gas and diesel fuel; road, parking lot, sidewalk repair; office repair/construction; purchase of office furniture; use and maintenance of athletic fields and lawn maintenance; computer technician services; safety/D.A.R.E. programs; vehicles/vehicle maintenance; electrical, plumbing, and custodial services; website design and maintenances; transportation; shared office space; energy conservation; cable/telephone; facility planning; recycling electronics; recreation programs; and before and after school programs. A shared facility for a youth center in one

district/municipality provided additional classrooms for pre-K, freeing up space for special education (South Bergenite, 2007).

New Jersey also has some regional centers that serve multiple districts. Monmouth County districts share academic services, data processing, purchasing cooperatives, special education and transportation management through a regional arrangement. A particular concern in this district has been placement of students with disabilities, because the district has a rate of separate placements that is three times the national average (Hiller and Spradlin, 2007). Morris County, New Jersey created an independent authority (Morris County Improvement Authority, 2007) to address issues across school districts and to act as an independent economic catalyst for the area. The school focus has been on capital savings, both refinancing debt and managing equipment leasing. According to their web site, the authority seems to address about four school district projects of varying sizes each year. The authority states that its independence increases its flexibility and increases savings to participants.

Texas is another state with considerable experience in service sharing. Shared service opportunities include business services for most districts--accounting, purchasing, invoice processing, bank reconciliations, fixed asset management, preparing financial reports, investing funds, cash flow analysis, food service accounting, PEIMS reporting, board reporting, payroll processing, benefits reporting, state aid calculations, grant reporting, student enrollment projections, budgeting, student activity fund accounting, personnel reporting, long range budgeting, managing and supervision, tax assessing and collecting. Schools and school districts have the option of providing their own services, having business services provided by a regional education service center or on a multiregional basis, using shared personnel, or outsourcing to the private sector (Texas Comptroller of Public Accounts, 2001)

Regional Service Center 17 in Lubbock, Texas provides payroll and accounting services to several small districts. Services offered include transportation, technology, library services, food services, curriculum development, teacher training, special education, academic programs, custodial services and purchasing. Some districts share personnel, including administrators, teachers, health care professionals, and technical experts. Sharing takes place not only between schools and districts but also with various public, government and private sector entities (Patterson, 2006).

The Louisiana study cited earlier recommended sharing services among smaller districts as a cost-saving alternative to consolidation, including shared personnel, programs, equipment, instructional materials, teachers, ancillary services, transportation, staff development, counseling services, special education and vocational education. That study also suggested that small, rural districts make greater use of distance learning to provide core and advanced courses (Louisiana Department of Education, 2003).

A similar approach to shared services in Pennsylvania called Common Cents involved the use of a professional consultant to examine options for service sharing. The areas recommended for consideration included instructional services, transportation, food services and nutrition, safety and security, administration, purchasing, human resources, finances and payroll, technology series, facilities and real estate, and health services (Pennsylvania State Government, 2007).

In Indiana, there are nine education service centers that serve multiple districts, funded by a mix of state education funds, membership fees and entrepreneurial activities. According to their annual reports, the most common consolidated purchases were natural gas, insurance, educational/office supplies, food supplies/services, and school buses. The most common shared services were special education and vocational education (Hiller and Spradlin, 2007). Indiana University's Center for Evaluation and Education Policy (Plucker *et al.*, 2007) studied the possible benefits of school consolidation and sharing services for the state. Researchers determined that there was neither achievement nor financial benefit to consolidation. However, they did find financial benefits to sharing services across districts. Two of the areas highlighted in the report were insurance and bulk purchasing.

Benefits of Service Sharing

Based on the Deloitte study mentioned earlier and additional research, there are eight potential benefits to sharing services:

1. **Save money.** Lower capital costs were seen from sharing facilities and transportation. Lower insurance costs were also found when policies were coordinated. Dollar savings are likely to be small and cumulative over five to ten years, not immediate.
2. **Gain economies of scale.** Coordinating purchasing can enhance purchasing power. This process, however, is a more long-term gain and may not appear large-scale upon first glance.
3. **Standardize processes.** When teachers and leaders come together, there is strength in numbers to help standardize responses to state or federal mandates. If one school district or teacher excels at this type of process, then all can benefit and allow areas to focus on other matters.
4. **Attract highly qualified staff.** Pooling financial resources can allow poorer districts to match salaries offered by more wealthy districts. In addition, collaboration and coordination can be very attractive to potential employees who see benefits in not being isolated in a single district.
5. **Retain local control and achieve scale.** Most coordinated service agreements represent a minority of district budgets, keeping most of the district's money at home but allowing for selective "contributions" to increase each dollar's buying power. A criticism leveled at the shared services process is that it removes local control; the truth seems to be, from the literature, that local control is almost always retained.
6. **Flatten out peaks and troughs.** Along with purchasing power, there are gains to be seen by leveling the often uneven supply and demand cycle of certain school services, such as special education or occupational therapy programs.
7. **Lessen political opposition.** Especially in tough economic times, the public reacts favorably to districts sharing services. In addition, the state may respond positively, particularly when cost savings can be quantified.
8. **Obtain state level cooperation.** Districts working together are less likely to work in opposition to each other, less likely to lobby against a partner district.

Getting Started

Service sharing is a process that has to develop over time as relationships are cultivated, experiments are tried, and trust develops among the partners. In Anderson County, it might be desirable to demonstrate the potential of service sharing with some high visibility services such as AP instruction through distance education in smart classrooms.

The recommended steps in developing a service-sharing (or facilities-sharing) program of some kind are (Plucker *et al.*, 2007):

1. Conduct an assessment,
2. Develop a business case for change,
3. Communicate to staff and stakeholders early and often,
4. Carefully design the requirements,
5. Create a governance board; and
6. Achieve the right balance between accountability and flexibility.

The Status Quo Option

The final option for Anderson County is to make no changes. In that case, past experience and projected future growth suggests that the five school districts will become increasingly unequal in size and resources. Such a process tends to accelerate. New residents will gravitate toward those school districts with more resources, better test scores, lower mill rates and a broader offering of specialized programs and activities. With the growth in Anderson County projected to continue to cluster around the City of Anderson, the Greenville suburbs, Interstate 85 and Lake Hartwell, Anderson Districts Two and Three will not be able to continue to provide their students with an educational experience comparable to what the other three districts can provide.

Highlights: Alternatives to Redistricting: *Service Sharing*

- The third alternative to redistricting is service sharing. Currently there is limited service sharing in Anderson County in such areas as teacher training, dual enrollment college credit courses, food service, mental health services, and truancy reporting. Other services could be added.
- The Western Piedmont Educational Consortium in the Greenwood area is an example of a multidistrict entity that provides a vehicle for collaboration. Many other states have such entities, such as the BOCES (Boards of Cooperative Educational Services) in New York that offer multiple small districts both instructional services (such as special education, gifted and talented, and advanced placement, which serve a limited number of students); and non-instructional services.
- Non-instructional services in other states range from professional development to human resources, food service management, grounds maintenance, purchasing, transportation, and technology services.
- Facilities sharing with other entities, such as libraries (in Ware Shoals) and gymnasiums (in Clemson) are common in South Carolina and in other states, in partnership with counties, cities, and/or private entities.
- Individual districts can partner with each other to attain critical mass for either instructional or non-instructional shared services.
- Service sharing can save money by taking advantage of economies of scale, provide students in small districts access to specialized programs and services, and allow beneficial innovations to spread from one district to another.
- The final option in Anderson County is to retain the present system of five school districts and make no additional effort to share either resources or services. That option would increase the inequities across districts in Anderson County in the next few decades as population and economic growth becomes increasingly concentrated in the northern and central parts of the county and along I-85 and Lake Hartwell.

CONCLUSION

Every challenge is also an opportunity. The challenge of providing equal educational opportunities for Anderson County's children while respecting the need and desire for local control and ownership of schools to some degree and also making wise use of limited financial resources has prompted a fruitful exploration of alternatives. There is no doubt that the resources available to a child—not just dollars per student but physical facilities and special programs—vary greatly from school to school and district to district. Yet the county, and particularly the County Board of Education, is accountable to and for all of the county's students. What is the best way to meet the goals of equalized access to resources, providing local input and control, and getting the best education for the lowest possible cost?

We identified two types of options. The first is redistricting, which is a more appropriate name than consolidating, because the lines can be redrawn in ways that respect attendance areas while rebalancing student populations and taxable resources right now while ensuring that all districts have similar growth potential. Of the options identified, the three-district option presented in this paper appears to most effectively meet those goals.

The other options involve sharing—sharing authority, sharing tax base, sharing resources. All of these options can be undertaken alone, together, or in conjunction with redistricting. The Ouchi M-shaped model reconsiders the locus of decision-making, moving some decisions down to the school level to tailor them to the particular population, others to the county level, and leaves others at the district level. This option may be the most challenging to implement but also has the greatest potential for creating schools and districts that are truly both local and equal.

Sharing tax base is already present in Anderson County with the countywide millage that is shared between districts and used to provide shared services as well as to support the work of the elected county board. It is possible to expand the millage that is countywide relative to district millage in ways that further equalize financial resources.

Finally, there is a dazzling array of models and options for sharing services across districts, ranging from district-district sharing to contracting with the county, municipalities, nonprofits, for-profit service providers, higher education institutions, and/or the County Board of Education. It is even possible to create a new entity to identify and offer services that can be shared across districts to improve access and/or reduce costs. While instructional services ranging from special education to advanced placement to dual enrollment college courses to vocational education are frequently in the spotlight, non-instructional services can benefit from such arrangements as well. In other states, districts share or contract such diverse services as payroll, professional development, facilities maintenance, purchasing, and food services.

In these difficult financial times, it is important to explore every option for providing a high quality of service for the lowest possible cost. Challenges at all levels are also an opportunity to rethink the way the school districts are organized and operated. School district consolidation/redistricting is certainly a viable option, with a three district model being the best

fit for Anderson County in terms of equalizing student population, assessed value per pupil, and growth potential to achieve a more uniform allocation of resources among districts. Expanded tax base sharing can provide more equalization without consolidation. Service sharing among districts, through the County Board of Education, or with other entities such as higher education institutions and municipalities is also well worth exploring. The one unacceptable option is to do nothing, which will exacerbate the existing inequalities among the county's school children over the years. But the other options offered in this paper, individually or in combination, would move Anderson County toward equal access, now and in the future, to a high quality education for all of its students in all of its districts.

APPENDIX: SOUTH CAROLINA LOCAL LEGISLATION CREATING THE ANDERSON COUNTY BOARD OF EDUCATION

(A510, R424, S720)

AN ACT TO PROVIDE FOR THE POWERS, DUTIES, AND ELECTION OF THE ANDERSON COUNTY BOARD OF EDUCATION; ABOLISH THE OFFICE COUNTY SUPERINTENDENT OF EDUCATION, AND DEVOLVE ITS DUTIES UPON THE BOARD; TO PROVIDE FOR APPEALS FROM DECISIONS OF THE BOARD; AND TO PROVIDE THAT SCHOOL DISTRICTS MAY NOT CONSOLIDATE UNLESS REGISTERED ELECTORS OF THE COUNTY VOTING IN A REFERENDUM AUTHORIZE THE CONSOLIDATION.

Be it enacted by the General Assembly of the State of South Carolina:

Composition of board of education

Section 1. Notwithstanding any other provision of law, the Anderson County public school system shall be governed by the county board of education, which shall be composed of seven members. The members shall not hold any official position with the public schools of the county or receive compensation for any goods or services rendered to such schools and their powers and duties shall be as hereinafter provided. Five of the members shall be elected from numbered seats, which shall correspond in area and number to the five school districts of the county. Two members shall be elected from the county at large and their seats shall be numbered seat six and seat seven. The members from seats one through five shall be qualified electors and legal residents of the school district from which they are elected for four-year terms in the general election of 1982 except that the initial term for the members from seats one, two and six shall be for a period of two years. Terms of the members shall commence on the first day of January following the general election and members shall serve until their successors are elected and qualify. Vacancies on the county board of education shall be filled by appointment by the Anderson County legislative delegation and such appointees shall serve until the next general election after which a successor shall be elected.

Meetings

Section 2. Notwithstanding any other provision of law, the county board shall hold a regular meeting on the third Monday of each month and such special meetings, as it deems necessary. All meetings shall be open to the public. Minutes of all regular meetings shall be kept by the secretary and filed in a permanent record.

Officers of board

Section 3. Notwithstanding any other provision of law, the county board shall elect from its membership a chairman, vice chairman, and secretary. Officers of the board shall be elected annually at the first meeting of each year. Members of the board shall be reimbursed for any travel expenses incurred in carrying on official business of the board in the same manner and amount as provided for school trustees.

Powers and duties

Section 4. Notwithstanding any other provision of law, the county board shall have general supervision of all phases of the public school program in Anderson County except as may be otherwise vested in boards of trustees of local school districts.

The board shall employ such personnel as may from time to time be provided for by annual appropriation, including an executive secretary who shall administer the county department of education office.

The county board of education shall set up qualifications and make rules governing the personnel of the county board. Such rules shall have the effect of law.

All powers and duties of the County Superintendent of Education are devolved upon the board and that office is abolished. The County Superintendent of Education on the effective date of this act shall serve as executive secretary until the date on which his term as County Superintendent of Education would have expired or until his resignation or death. The board shall exercise the duties and powers of the County Superintendent of Education through the executive secretary or by such other means as it may determine.

State funds for the office of County Superintendent of Education shall be used by the board for the performance of former functions of the office now performed by the board and its appointees.

Department to submit annual budget

Section 5. The Anderson County Department of Education shall annually submit its budget together with the total millage for the forthcoming fiscal year to the Anderson County Legislative Delegation not later than March fifteenth.

Appeals from decision of board

Section 6. Notwithstanding any other provision of law, appeals from all decisions of the county board shall be to the court of common pleas and thence by certiorari to the Supreme Court.

Board may advise county auditor

Section 7. Notwithstanding any other provision of law, that county board of education shall have the authority to advise the Anderson County auditor in determining the annual millage needed to retire school bonds issued by the districts.

Consolidation of school districts upon favorable referendum

Section 8. Notwithstanding any other provision of law, the Anderson County Board of Education may not consolidate any of the school districts of the county unless the registered electors of the county voting in a referendum authorize the consolidation.

Board and local districts to comply with Education Finance Act of 1977

Section 9. Notwithstanding any other provision of law, the Anderson County Board of Education and the local school districts of Anderson County shall be required to comply with the provisions of the Education Finance Act of 1977; however, the Anderson County Board of Education shall be vested with

the power to review and approve the budget of the school districts and shall be vested with the power to review and approve requests by the school districts for any increase or decrease in taxation or millage in keeping with the needs of each school district and the requirements of the aforesaid Education Finance Act.

Time effective

Section 10. This act shall take effect upon the approval by the Governor.

Act 510 was signed by the Governor on May 10, 1982

(A511, R445, S1007)

Act 511 of 1982 was a Joint Resolution to provide for an advisory referendum in Anderson County to determine if the electors favor an elected County Board of Education with review authority over local school district boards' budgets. Act 511 was signed into law on May 25, 1982.

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