

SPECIAL
REPORT



EDUCATION



STRONGER TOGETHER

Expanding Opportunity Through School District Consolidation

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SEPTEMBER 2018



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EXECUTIVE SUMMARY

KEY TAKEAWAYS FROM THIS REPORT...

- 1.** South Carolina has moved beyond its historical “fend for yourself” localism of the Tillman Era (p.5) with seminal legislation like the Education Finance Act (p.6), but education funding is a partnership. If the state is to continue to invest heavily in public education, local authorities must meet their fiduciary responsibilities as well.
- 2.** An openness to consolidation of school districts is a part of that fiduciary responsibility. Consolidation is supported by common sense (p.17), academic studies (p. 22), consultant analysis (p.26) and the experience of the states to which we aspire (p.25).
- 3.** Districts that are small (p.12) or shrinking (p.13) or both (p.15) are simply not cost-effective. Even some larger, wealthier counties with districts that are moderate in size could benefit financially from consolidation (p.26).
- 4.** Piecemeal solutions of the past that are alternatives to full consolidation have been expensive and ineffective.
- 5.** Each multi-district county is unique (p.18-21). But all can achieve some consolidation in a manner appropriate for that county. With consolidation, parents and communities can build relationships across existing district lines that will provide more diversity and capacity as well as more effective leadership—that’s the formula for educational success. Consolidation among neighboring districts will not destroy communities, but build them. Working together as one region will allow communities with shallower tax bases to share the financial burden for world-class schools that prepare students to meet the challenges of the ambitious **Profile of the South Carolina Graduate**.
- 6.** Consolidation is not a panacea. Accompanying redesigns and reforms, such as school finance reform that returns to the principles of the Education Finance Act (EFA) and addresses assessment variation, will be necessary (p.3,28).
- 7.** Districts that are **both** shrinking and small are ripe for consolidation and serve as a place to begin our efforts as a state (p.15).
- 8.** Orangeburg County legislators and school leaders (as well as those of Sumter, Dillon and Marion Counties shortly before) have shown the way for how consolidation can be accomplished, reaching across race, party, and community to resist myopia and put children first (p.30).
- 9.** The next legislative session (2019-2020) with a newly-elected governor, is the time to make consolidation a reality, but conversations must begin now (Fall 2018) and county legislative delegations must step up with courage.
- 10.** Funds saved through consolidation should be reinvested into the classroom, not administration. Classrooms and schools are the units of change, not district offices.

STRONGER TOGETHER: EXPANDING OPPORTUNITY THROUGH SCHOOL DISTRICT CONSOLIDATION

ORAN P. SMITH, PH.D, PALMETTO PROMISE INSTITUTE

During the 2017-2018 legislative session, an old proposal became new again: the idea of merging several of South Carolina's smaller school districts together with neighboring districts to form larger ones. This short paper seeks to gather facts, statistics, and previous comprehensive studies on the issue to find answers to the question "Should some South Carolina school districts be consolidated with others?"

WHAT IS CONSOLIDATION?

In the history of education in the United States, the term "consolidated," "consolidation," or "union" is often applied to high schools or school districts that were formed as a result of mergers with student populations from other schools or districts. Consolidation has even made its way into popular culture, particularly the culture of the American South, where consolidation was all but required due to fiscal pressures. The characters in *The Andy Griffith Show* extol the good old days at "Mayberry Union High" and rural Mississippi of comedian Jerry Clower tells yarns from his youth in the halls of East Fork Consolidated High School. In broader American culture, Stephen King set his novel *Carrie*, among the unfortunate students of "Ewen Consolidated High School."

A number of these "merged" sounding designations still exist. Glendale Union High School District in Arizona is just one of the subdivisions in that state that continues to use the full name. Here in South Carolina, schools with the word consolidated in their names, such as the former Grays Consolidated High School in the Grays Community in Jasper County signal institutions that were born out of attempts to reduce the number of school districts and/or schools.



Grays Consolidated High School (Jasper County, South Carolina)

Before we continue, we should state at the outset that because the work of Palmetto Promise Institute is directed primarily at state issues, our interest in this policy area is strictly in the possibilities that exist for school *district* consolidation, which we consider to be a legitimate matter for both state and local authorities. Much of the interest on the part of PPI in consolidation grew out of our partnership with Dr. Rebecca Gunnlaugsson. Dr. Gunnlaugsson has made very specific proposals on our behalf about funding redesign and the efficiencies that come with returning to the principles of the Education Finance Act (EFA). (Please see our website for more details on our proposal.)

This is in contrast with the consolidation of schools, which perhaps with some exceptions, is a purely local matter and beyond the scope of this project. The literature is filled with analyses of the effects on

schools and communities of larger versus smaller *schools* and consolidation of schools. One resource we recommend is “Growing Pains: The School Consolidation Movement and Student Outcomes” (Berry).

FIGURE 1A: NUMBER OF SCHOOL DISTRICTS IN SOUTH CAROLINA

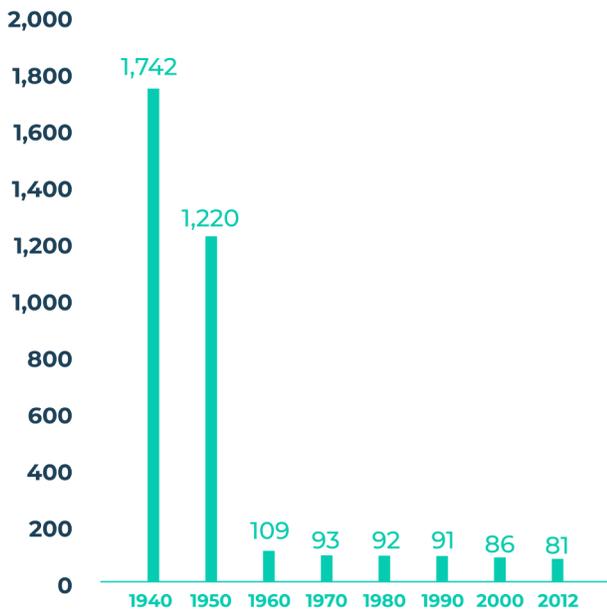
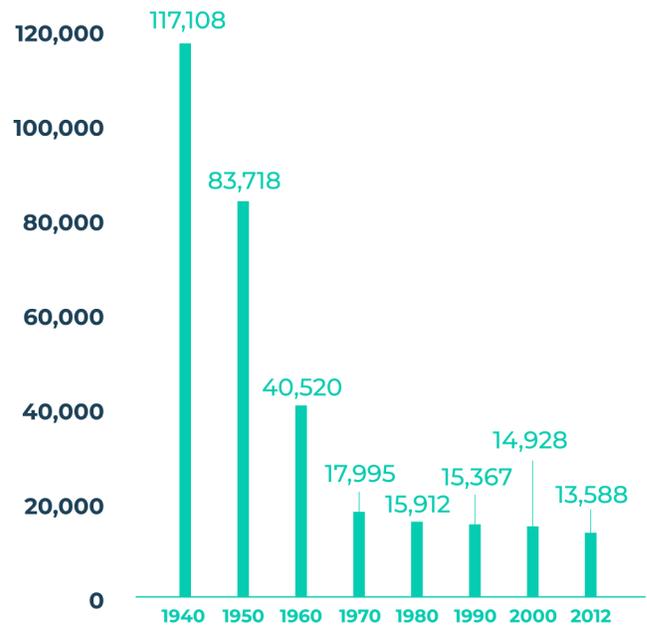


FIGURE 1B: NUMBER OF SCHOOL DISTRICTS IN UNITED STATES



Source: *Education in the Palmetto State (2011) with author's updates*

TILLMAN STATUTES: SOUTH CAROLINA’S DARK EDUCATION PAST

No matter what the state policy, there are policies and there are the deeper meanings behind those policies. This may be truer of South Carolina than other places. There are cold hard numbers and statistics, then there is the unspoken back story. The need for this historical context seems particularly important for understanding state education policy. The oddities of the Palmetto State that leave advocates of best practices puzzled means that much like an iceberg, there is likely more below the surface than above. Some of these peculiarities are not unique to the Palmetto State. For example, the facts show (see Figure 1a) that South Carolina is currently divided into 46 counties and 81 school districts (82 districts if the South Carolina Public Charter District is counted in the total). That’s a significantly reduced number from the 1,742 school districts that existed in the state in 1940. But as Figure 1b shows, reduction in number of school districts over time was and is both a state and a national trend. The United States has 103,520 fewer school districts than it did in 1940. We shall discuss this history in greater depth shortly, but the modern mentality is entirely different from pre-World War II era thinking that led to a district for every crossroad.¹

Like every other policy issue, there is a funding philosophy at work as well. For South Carolina, the issue of school districts and school funding tracks nearly seamlessly with the particular political bent of the party or faction in power. In our earliest days as a Proprietor’s and then a Royal colony and a state, there was no true “public” education. There were “pauper schools” that first received state funds

¹ High School yearbooks from this era feature an Administration page. Pictured are not only a Principal for the high school but a Superintendent and a group of local trustees.

in 1811, but education was the domain of the family (and in some cases, the church). It was not as we say today a “core function” for appropriations from the public treasury. Poor people were buried in “pauper’s graves” and sent to “pauper’s schools” if at all. School was more of an option in an economy where the default was to manual labor in cotton, timber and tobacco. In the 18th and into the 19th Century, schooling was like fine furniture or tailored clothes---those who could afford it acquired it. Perhaps like a second home today. This changed in the years immediately after the Civil War, when Reconstruction governments in South Carolina dominated by Northerners began to take the more progressive view toward education common in New England—that education was not only an appropriate activity for government in general, but a responsibility of the statewide government in particular. A statewide property tax for schools was instituted and proceeds were “distributed to school districts based on enrollment” (Bosch).

But the free schooling program of Reconstruction was short-lived. After the federal Hayes-Tilden election was decided in favor of Hayes and federal troops left the state, came an interregnum when ex-Confederates were re-enfranchised and the patrician moderate Wade Hampton III was elected governor. A number of the reforms instituted under Reconstruction were reversed or modified. In 1878, education began to be a local funding responsibility when a local property tax replaced the statewide one. Following Hampton and several other Bourbon governors, who governed under the Reconstruction Constitution of 1865, came the Tillman era.



South Carolina Governor and U.S. Senator Ben Tillman

BENJAMIN RYAN TILLMAN (1847-1918) was Governor of South Carolina from 1890-1894 and instigated the adoption of a new state constitution while a U.S. Senator (1895). The Constitution he championed was built on the cornerstone of the disenfranchisement of black voters, leading him to proclaim at the Constitutional Convention that restricting black voting rights was “the sole cause of our being here.” Tillman’s populist and white supremacist agenda carried over into education policy and funding as well, turning Reconstruction policies on their head and instituting a return to extreme localism. The responsibility for educating the children of the state would technically be a state priority again, but schools would receive little statewide funding, be segregated by race, and exist with a state-required attendance period of only three months. The smallest entity of educational governance possible would be the standard. School districts often did not include all grades 1-12 (actually 1-11 for much of that time), with some “districts” having no high schools or junior high schools. For funding, poor rural districts dominated by African-American students would operate under what could easily be called a “fend for yourself” funding model.

In short, in the Tillman-haunted era, in rural areas— in particular those that were least able to fund schools and those least capable of ensuring a quality educational program—were running their districts as best they could.

How bad was it in the days of extreme localism? To put us in the picture, here are two descriptions provided by Professor Robert Bosch in his chapter on the history of education in South Carolina from Professor Charlie Tyer’s *Government in the Palmetto State*:

Legislators were reluctant to levy the state tax needed to fund education, leading the state superintendent of education in 1900 to complain about the absence of a levy and about the minimal school term required by the state—three months! Black schools, in particular, suffered great hardships since local officials were not required to share local tax money equally between black and white schools.

Bosch goes on to reproduce a quotation from a report from the State Superintendent of Education to the General Assembly (1900):

It is a misnomer to say that we have a system of public schools. In the actual working of the great majority of schools in this state, there is no system or orderly organization. Each county supports its own schools with practically no help from the state. Each district has as poor schools as its people will tolerate — and in some districts anything will be tolerated.

The middle years were not much better. Again, from Bosch:

During the early part of the twentieth century, public education was delivered through a maze of local schools and school districts. Often each school had its own district and trustees. [Author William J.] Blough reports that as late as 1949 there were 1,361 school districts and 3,359 schools in South Carolina. Spartanburg County for instance, had ninety-six districts. Kershaw County had thirty-five, a number that was about average for a county. State law provided for a county board of education appointed by the local state legislative delegation that, in turn, appointed local school district trustees. The delegations passed so many exceptions for individual districts, however, that any degree of uniformity in the state rapidly disappeared.

The direct connection between poor quality, poor state funding and a plethora of school districts is not hard to see.

PROGRESS

Fast forward a generation or two to the modern era. With the state stepping up with a greater share of equity funding, governance at the crossroads level has given way. The Education Finance Act (1977) was a key factor.

As for the number of local districts, some consolidation has taken hold at the margins. As mentioned at the outset, from 1930-1970, consolidation eliminated 90% of school districts in the United States. The number dropped from 120,000 school districts to fewer than 20,000.

Reformers have also been successful achieving progress on consolidation in South Carolina in very recent years. As Figure 2 illustrates, Dorchester, Orangeburg, Marion, Dillon, and Sumter have seen district consolidations. Dorchester merged three into two (1987), Orangeburg eight districts into one (1997, 2019), Marion four into one (2001, 2012), Dillon three into two (2011) and Sumter merged two districts into one (2011). The result has been shaving off about 13 districts. That's thirteen districts, thirteen superintendents, thirteen administrative units with the accompanying overhead, and thirteen school boards no longer supported by taxpayers.

FIGURE 2: RECENT CONSOLIDATIONS

District	Year	Old #	New #
Dorchester	1987	3	2
Orangeburg	1997, 2019	8	1
Marion	2001, 2012	4	1
Dillon	2011	3	2
Sumter	2011	2	1
		20	7
Reduction	13		

Source: SCDE, scstatehouse.gov, news reports, author's calculations

In Orangeburg, the legislative delegation successfully drove passage of a bill (S. 662; R.127) to merge the remaining three districts into one (2018). That merger will take place in 2019. As we will see shortly, school districts are unique creatures in their relationship to their legislative delegations in South Carolina. Unlike counties, or even cities, the legislative delegation possesses enormous power over school districts. Perhaps that's why the Senate sided with the Orangeburg delegation and overrode a Governor McMaster veto of consolidation by a lopsided vote of 35-2 on January 9, 2018 and the House followed suit that same day by a margin of 86-3.

WHY CONSOLIDATE?

The McMaster veto and its override is a proper segue into our consolidation analysis. In his veto message to the General Assembly on S.662/R.127, the Governor made it clear that he was supportive of consolidation. But in doing so, he cited what some viewed as an unlikely source, the Supreme Court ruling that had interfered in the minds of many into the education policy and funding process, a constitutional role for the legislature alone. McMaster wrote:

This fractured arrangement [too many school districts] has led to precisely the kind of wastefulness alluded to by the Supreme Court of South Carolina in the Abbeville litigation—namely, “administrative costs which are disproportionate to the number of students served by [each] district and which divert precious funding and resources from the classroom.” Abbeville Cty. School Dist, v. State (Abbeville II), 410 S.C. 619, 649, 767 S.E.2d 157, 172-173 (2014). (McMaster)

There were some problems with the *Abbeville* decision(s) to be sure, but the courts had it right on this very intuitive point: too many small districts create extra layers of administration that is expensive, especially for poorer communities.

A study of the possibility of combining districts in Illinois put it this way:

Not only do taxpayers fund the principals, administrators, teachers and buildings at the school level, but they also pay for an additional — and often duplicative — layer of administration at the school district level. The cost of administrative staffs at school districts adds up quickly. Nearly all of these districts have superintendents and secretaries, as well as additional personnel in human resources, special education, facilities management, business management, and technology. Many districts retain at least one assistant superintendent as well. Often, these administrative staffs support school districts that have either too few students or too few schools to warrant so much bureaucracy (Dabrowski).

Using a South Carolina example, according to the *Spartanburg Herald Journal*, from an article dated 2015 accessed in 2018, Cherokee County School District 1 had four employees making more than \$100,000. Union had 1. Spartanburg Districts 1-7 had a total of 46 (District 1 had 1, District 2 had 6, District 3 had 5, District 4 had 6, District 5 had 6, District 6 had 10, and District 7 had 12) (GoUpstate.com).

For a back of the envelope estimate, assume we have twenty (20) too many districts statewide with two (2) employees earning \$100k (or \$125k with basic fringe benefits) in each of those districts. That's a \$5 million savings from the reduction of only two top level salaries. Savings really pile up when salaries under \$100k are taken into account. Again, using the *Herald-Journal* database as our source, we see that Spartanburg School District 1 has 235 employees earning more than \$50,000 per year. Researchers in the area also encourage inclusion of additional fringe beyond Social Security and Medicare match and health insurance, like pensions. Pensions can be paid for decades. When the costs to the state of an employee's pension are included, the savings realized by having fewer employees skyrocket. (Palmetto Promise Institute research on our state's pension crisis is available on our website.)

But we can do better than back of an envelope calculating. Continuing with the Spartanburg example, there are ways to drill down better on the issue of overhead. The South Carolina Department of Education (SCDE) In\$ite system, developed with a national accounting firm with the support of the state business community, provides a method of tracking spending of each school district over time in every spending category. In\$ite is not perfect, as it depends on accurate inputs and accurate coding of expenses by the school districts, but a review of this data is revealing even within a margin of error.

As Figure 3 shows, Spartanburg County has seven (7) school districts. Neighboring Greenville has one. Spartanburg has a student population of 47,228. Greenville's number is 76,341. But with significantly more students, Greenville spends significantly less in two key categories reflecting overhead costs: Program Management and District Management. Program Management captures expenses like Deputies, Senior Administrators, Researchers and Program Evaluators. District Management is composed of Superintendent expenses and school board expenses. For Program Management, Greenville spends \$2,805,521. Spartanburg's combined costs are \$3,818,015. For District Management, Spartanburg spends \$5,080,166 and the larger Greenville consolidated district comes in at \$3,780,911.

FIGURE 3. LEADERSHIP COSTS: SPARTANBURG 1-7 VS. GREENVILLE COUNTY SCHOOL DISTRICT, 2015 - 2016

Number of Students	School District	Program Management	District Management	Total P&D Mgmt	Program and District Mgmt Percentage of Budget
5,019	Spartanburg 1	\$138,317	\$589,634	\$727,951	1.43%
10,025	Spartanburg 2	\$1,082,510	\$636,820	\$1,719,330	1.91%
2,915	Spartanburg 3	\$370,932	\$544,445	\$915,377	2.52%
2,816	Spartanburg 4	\$172,702	\$570,661	\$743,363	3.02%
8,141	Spartanburg 5	\$118,810	\$786,191	\$905,001	1.13%
11,201	Spartanburg 6	\$869,839	\$755,986	\$1,625,825	1.48%
7,111	Spartanburg 7	\$1,064,905	\$1,196,429	\$2,261,334	2.29%
47,228	Total Spartanburg	\$3,818,015	\$5,080,166	\$8,898,181	1.97%
76,341	Total Greenville	\$2,805,521	\$3,780,911	\$6,586,432	1.01%
(29,113)	Difference	\$1,012,494	\$1,299,255	\$2,311,749	0.96%

Source: SCDE in\$ite data with author's calculations

Rural school districts are even more likely to overspend the state average on overhead. As indicated by Figure 4, several of the most rural, small and poor districts are also the most administration heavy. The state average for spending on Senior Administration, Superintendent, Board and Legal is 1.79%. But Hampton 2 spends 8.87% of its budget on administration, Bamberg 2 spends 8.75%, Florence 4 6.72%, and Barnwell 19 6.60%.

Our Spartanburg example and our rural South Carolina example are not meant to point fingers at officials in these counties in a menacing way or suggesting waste and fraud. Sometimes the economies of scale are just not there despite their best efforts.²

² That said, one of the benefits of “right-sizing” school districts is a lower likelihood of debt, duplication, waste, nepotism, corruption and a particularly dangerous brand of myopia that harkens back to the darker days of our state history.

FIGURE 4. DISTRICTS WITH HIGHEST LEADERSHIP COSTS, 2015-2016

District	Program Management	Superintendent & School Board	Legal	District Totals	% > State Ave*
Hampton 2	3.98%	4.17%	0.72%	8.87%	7.08%
Bamberg 2	4.76%	3.58%	0.41%	8.75%	6.96%
Florence 4	2.78%	3.61%	0.34%	6.72%	4.93%
Barnwell 19	2.97%	3.26%	0.38%	6.60%	4.81%
Allendale	3.35%	2.77%	0.27%	6.39%	4.60%
Bamberg 1	3.51%	2.27%	0.22%	6.00%	4.21%
Barnwell 29	2.24%	3.37%	0.25%	5.85%	4.06%
McCormick	2.27%	3.02%	0.54%	5.84%	4.05%
Jasper	2.43%	2.14%	0.69%	5.27%	3.47%
Clarendon 1	2.94%	2.06%	0.07%	5.07%	3.28%
Dillon 3	1.41%	3.56%	0.04%	5.01%	3.22%
Florence 2	1.76%	2.50%	0.13%	4.40%	2.61%
Greenwood 52	1.13%	2.73%	0.42%	4.29%	2.50%
Hampton 1	2.00%	1.79%	0.27%	4.06%	2.26%
Dillon 4	1.71%	2.12%	0.05%	3.89%	2.09%
Lee	1.96%	1.71%	0.16%	3.83%	2.04%
Chester	1.13%	2.28%	0.40%	3.81%	2.02%

*the state average for Administration (which we define as Program Management + Superintendent/ School Board) + Legal) is 1.79%. These figures represent the percentage spent greater than that state average.

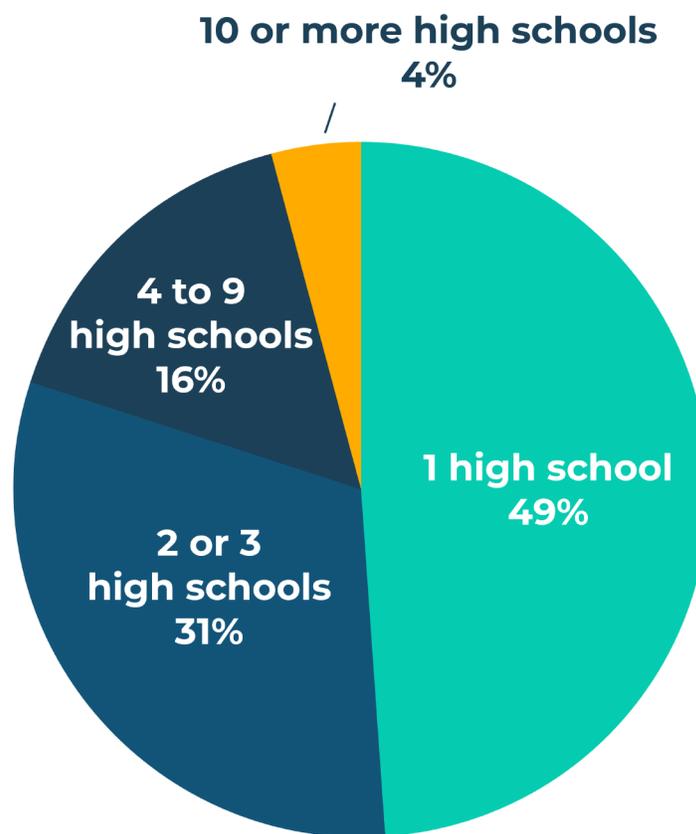
Source: SCDE in\$ite data with author's calculations

CURRENT SITUATION: THE BIG, THE SMALL AND THE SHRINKING

One observer of education in South Carolina once said that based on student population (Average Daily membership or ADM) certain districts are “ripe for consolidation.” How do we visualize this easily?

First, following the theme touched on earlier, we need to see the number of high schools in each district. As Figure 5 indicates, of the 81 school districts in South Carolina, 40 (49%) have only one (1) high school serving the district. Exactly 80% of school districts have 1-3 high schools. The outliers by far are Charleston, Greenville and Horry, large countywide districts that have ten (10) or more high schools and a large number of middle, elementary and primary schools as well.

FIGURE 5: HIGH SCHOOLS PER DISTRICT



Source: SCDE in\$ite data with author's calculations

Figure 6 shows districts that are the *smallest* in the state. The smallest eight: Barnwell 19, Florence 4, Bamberg 2, Hampton 2, Clarendon 1, McCormick, Barnwell 29, and Greenwood 51 all have ADM of fewer than 1,000 students. The next ten, Florence 2, Allendale, Clarendon 3, Florence 5, Bamberg 1, Greenwood 52, Dillon 3, Calhoun, Lexington 3, and Lee have fewer than 2,000 students according to data from the South Carolina Department of Education.³

³ Most of the raw data for this report was downloaded from the SCDE website or provided by the Department at our request. The Department is not responsible for our sorting, analysis or interpretation of that data.

**FIGURE 6. TOP 20 SMALLEST SCHOOL DISTRICTS
[<2000 STUDENTS]**

Rank	District	1997-1998	2016-2017	Change #	Change %	# of Schools*	Communities
1	Barnwell 19	1143.46	627.19	-516.27	-45%	2	Blackville Hilda
2	Florence 4	1176.58	649.80	-526.78	-45%	3	Timmonsville
3	Bamberg 2	1158.25	668.64	-489.61	-42%	3	Denmark Olar
4	Hampton 2	1496.71	725.94	-770.77	-51%	3	Estill
5	Clarendon 1	1324.98	740.60	-584.38	-44%	4	Summertown
6	McCormick	1274.57	744.91	-529.66	-42%	3	McCormick
7	Barnwell 29	1025.37	873.31	-152.06	-15%	3	Williston Elko
8	Greenwood 51	1208.68	892.82	-315.86	-26%	3	Ware Shoals
9	Florence 2	1172.24	1112.26	-59.98	-5%	2	Hannah Pamplico
10	Allendale	2111.17	1149.00	-962.17	-46%	4	Allendale Fairfax
11	Clarendon 3	1169.02	1190.94	21.92	2%	2	Turbeville
12	Florence 5	1434.43	1272.17	-162.26	-11%	3	Johnsonville
13	Bamberg 1	1839.41	1326.89	-512.52	-28%	3	Bamberg Ehrhardt
14	Greenwood 52	1569.82	1546.50	-23.32	-1%	4	Ninety Six
15	Dillon 3	1410.37	1584.34	173.97	12%	3	Latta
16	Calhoun	2084.87	1648.26	-436.61	-21%	3	St Matthews Sandy Run
17	Lexington 3	2332.05	1950.84	-381.21	-16%	4	Batesburg Leesville
18	Lee	3198.62	1959.66	-1238.96	-39%	6	Bishopville et al.
19	Barnwell 45	2740.73	2142.20	-598.53	-22%	4	Barnwell et al.
20	Dorchester 4	2412.28	2153.68	-258.60	-11%	6	St. George Reevesville et al.

*some middle and high schools co-located;includes centers but not charters.

Source: SCDE in\$ite data with author's calculations

Figure 7 shows the districts that have *shrunk* the fastest over the last twenty years. Of those that have lost 20% of their population or more, many are the same districts that are among the smallest in size, but several of the fastest shrinking districts show up first here, like Williamsburg, Orangeburg 3, Fairfield, Marlboro, and Spartanburg 7. Losing less than 25% but greater than 20% are: Union, Chester, Clarendon 2, Abbeville, Barnwell 45, Colleton, Calhoun and Orangeburg 5.

FIGURE 7: SHRINKING SCHOOL DISTRICTS [$\geq 20\%$] 1997-2017

Rank	District	1997-1998	2016-2017	Change #	Change %
1	Hampton 2	1496.71	725.94	-770.77	-51%
2	Allendale	2111.17	1149.00	-962.17	-46%
3	Barnwell 19	1143.46	627.19	-516.27	-45%
4	Florence 4	1176.58	649.80	-526.78	-45%
5	Clarendon 1	1324.98	740.60	-584.38	-44%
6	Bamberg 2	1158.25	668.64	-489.61	-42%
7	McCormick	1274.57	744.91	-529.66	-42%
8	Williamsburg	6671.28	3963.61	-2707.67	-41%
9	Lee	3198.62	1959.66	-1238.96	-39%
10	Orangeburg 3	4133.45	2637.41	-1496.04	-36%
11	Fairfield	3628.35	2511.19	-1117.16	-31%
12	Marlboro	5443.96	3918.71	-1525.25	-28%
13	Bamberg 1	1839.41	1326.89	-512.52	-28%
14	Greenwood 51	1208.68	892.82	-315.86	-26%
15	Spartanburg 7	9327.99	7032.45	-2295.54	-25%
16	Union	5122.63	3871.05	-1251.58	-24%
17	Chester	6611.29	5039.59	-1571.70	-24%
18	Clarendon 2	3666.20	2799.49	-866.71	-24%
19	Abbeville	3786.73	2918.55	-868.18	-23%
20	Barnwell 45	2740.73	2142.20	-598.53	-22%
21	Colleton	6961.24	5486.41	-1474.83	-21%
22	Calhoun	2084.87	1648.26	-436.61	-21%
23	Orangeburg 5	7982.28	6315.49	-1666.79	-21%
24	Florence 3	4408.59	3522.93	-885.66	-20%

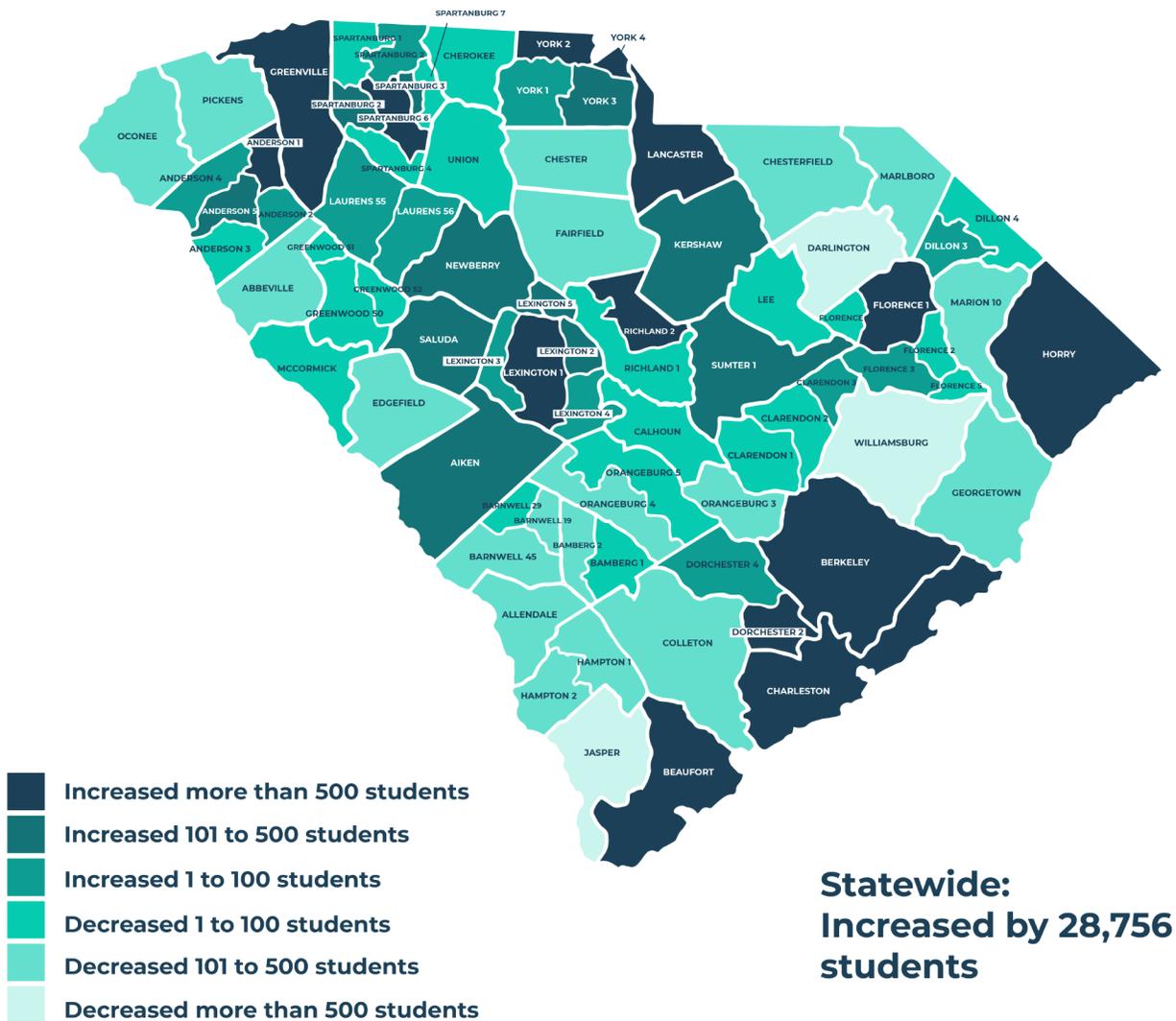
Change % = change in average daily membership (ADM) 1997 to 2017 divided by 1997-1998 ADM.

Source: SCDE in\$ite data with author's calculations

Some of this data becomes clearer in map form. Figure 8, tells us a number of things. The big keep getting bigger. Greenville, Horry, Charleston, Berkeley, Dorchester 2, York 4, Richland 2, and Lexington 1 are among the large and/or growing districts. The chart also reveals that many of the smaller and shrinking districts are adjacent to other small districts.

FIGURE 8: SC AVERAGE DAILY MEMBERSHIP CHANGE BY SCHOOL DISTRICT

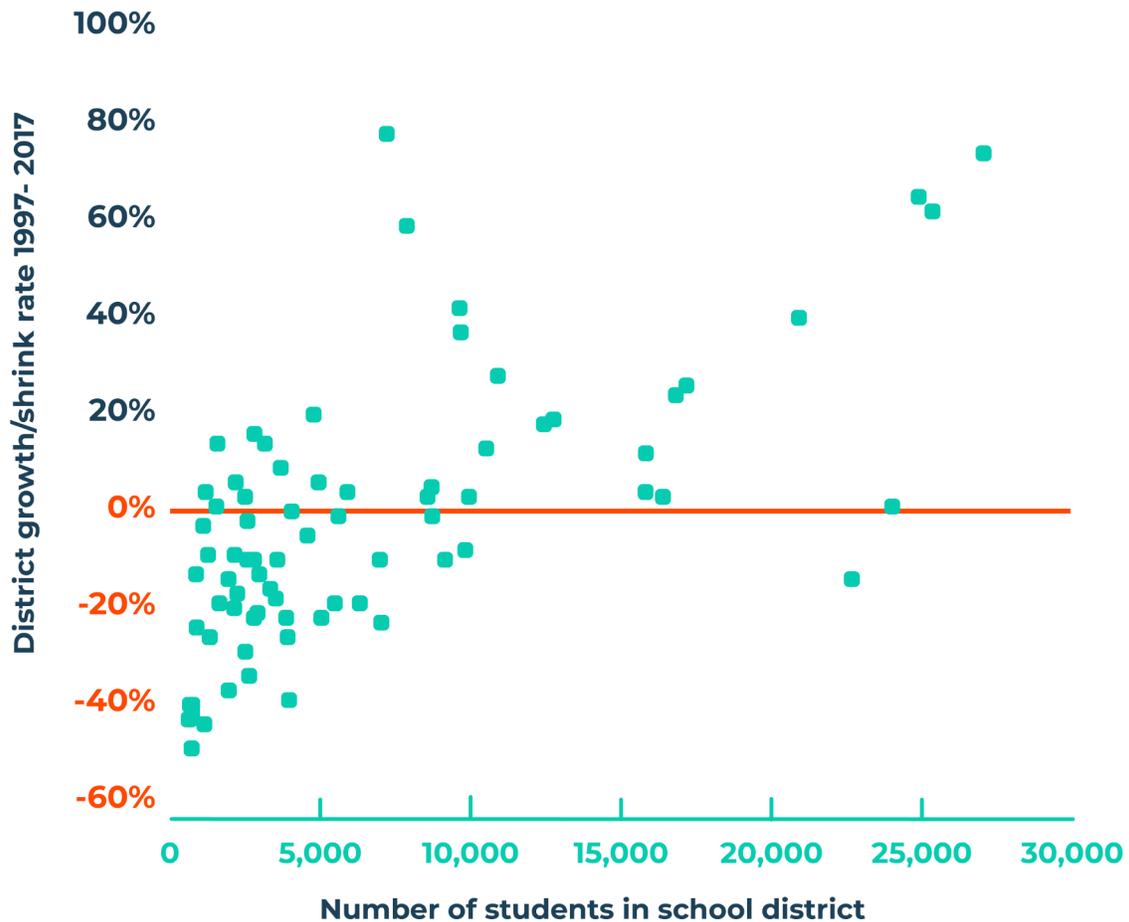
Five year Net Change: FY 2012 to FY 2017



Source: S.C. Revenue and Fiscal Affairs Office

Figure 9A + 9B summarizes this data even better, showing the districts that are both small and shrinking. This Roadmap for Consolidation shows districts that are shrinking but also smaller in size than 2,500 students. Shrinkage is shrinkage, but we will return to the rightsizing question shortly.

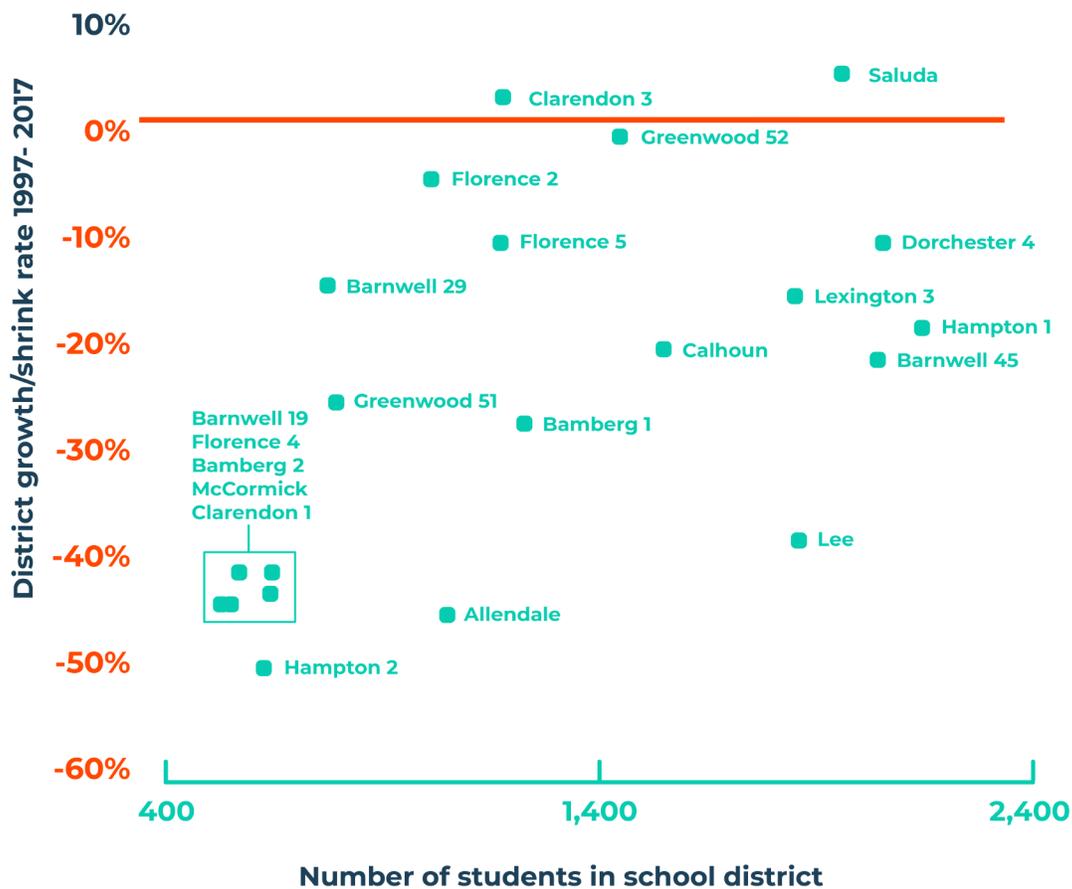
FIGURE 9A. ALL DISTRICTS BY SIZE 2017* AND DECLINE IN AVERAGE DAILY MEMBERSHIP, 1997-2017



*excluding four largest school districts

Source: Author's calculations using SCDE data

FIGURE 9B. DISTRICTS SHRINKING IN SIZE SINCE 1997 WITH FEWER THAN 2,500 STUDENTS 2017



Source: Author's calculations using SCDE data

CONSOLIDATION VS. REDISTRICTING: HOME RULE HAS ITS LIMITS

The relationship between local governance and state governance started a slow Titanic-like turn in 1964 that took twenty years to complete. It was in that year that the Earl Warren Supreme Court handed down *Reynolds v. Sims*, ordering state senates to be apportioned by population rather than county lines. Gone was the relationship to the federal system where the SC House represented people based on “one man, one vote” (equally populated districts) and the SC Senate in essence represented land.

Also gone (eventually) was the role of the State Senator as county boss. Until “Home Rule” passed in 1974, each county had a Senator, and each Senator sat with the House members for that county to govern the affairs of the county. The county legislative delegation passed and oversaw county budgets, some city budgets and school budgets. When the General Assembly passed, the Governor signed, and the people approved Amendments to the State Constitution in 1974, much about the system that gave legislative leaders local authority changed, except in one area: schools. Though new city and county governments became somewhat sovereign, and legislation directed at one county was deemed out of order as “local legislation,” school governance retained significant legislative oversight.⁴

⁴ To this day, the State Senate has in its governing bylaws Rule 51 Local Matters, Section D, protecting Senatorial

The breakdown of responsibilities in local vs. state is generally that the state (State Department of Education, State Superintendent of Education and General Assembly) provide funding and set standards. Local districts provide funding, build buildings and hire teachers. More specifically, according to Professor Holly Ulbrich's "School District Organization and Governance in South Carolina:"

- **[LOCAL SCHOOL DISTRICT] BOARDS OF TRUSTEES** *provide school buildings, employ teachers and set their salaries, set scholastic standards and standards of conduct, and establish the calendar.*
- *The **STATE DEPARTMENT OF EDUCATION** has both academic and fiscal responsibilities. The Superintendent of Education has general supervision and management of all public school funds provided by the state and federal government.*
- *At the state level, governance is the responsibility of the State Department of Education, led by an elected **SUPERINTENDENT OF EDUCATION. A STATE BOARD OF EDUCATION** is responsible for establishing minimum standards for schools, prescribing and enforcing rules for certifying teachers, prescribing the courses of study for public schools and adopting textbooks and other instructional materials to be used in public schools. The board's 17 members are elected by the legislative delegations in the judicial circuits, with one member at large appointed by the governor.*
- *The **GENERAL ASSEMBLY** provides a significant share of the funding and a fair amount of direction about how it may be used. The General Assembly also sets the parameters for the use of the property tax as the primary local funding source for school districts. Finally, the General Assembly has a significant impact on the structure and governance of school districts through local legislation.*
- *But power was vested in the **LEGISLATIVE DELEGATION** to change school district lines, consolidate districts, and in some counties appoint school board members.⁵*

The key factor in this division of responsibilities for our policy consideration is that any redrawing of school district lines must flow through the local delegation of the General Assembly.

There have been improvements to the domination of the local legislative delegations, but some Byzantine systems still exist. According to the South Carolina School Boards Association, in Dillon County, the legislative delegation appoints a countywide school board. That board in turn appoints the seven members of the Dillon 3 and the seven members of the Dillon 4 school boards. Clarendon County is even more unusual. It has a county school board appointed by the legislative delegation, but there are three districts with their own boards in the county. The countywide board appoints all nine members of Clarendon 2, four of nine members of Clarendon 1 but none of Clarendon 3. All seven members of Clarendon 3 are elected. A final interesting case is Anderson County, where members of a single countywide board of education are elected and have fiscal authority over the five school district boards, which are also elected.

oversight of local issues, specifically consolidations: "For purposes of this Rule, when a general bill of local application affects consolidation of school districts or municipalities within a county, then that bill cannot be moved from the local uncontested calendar to the local contested calendar unless approved by a vote of three-fifths (3/5) of the Senators of at least one of the affected school districts or municipalities. Upon motion, the Clerk of the Senate shall prepare a list for each affected school district or municipality the percentage of the population of that school district or municipality that a Senator represents."

5 All four bullets are direct quotes from Ulbrich.

APPROACH #1: A COMMON-SENSE DEMOGRAPHIC APPROACH

Before reviewing some of the more intricate analysis of experts in the field of education on school district consolidation, a common-sense approach seems prudent. For such an approach to which South Carolina school districts should be consolidated, one need look no farther than a series of four simple maps prepared by the South Carolina Department of Revenue and Fiscal Affairs (RFA). These maps are publicly available on the RFA website. One of those schematics, reproduced here as Figure 8, color-codes the school districts that have shrunk in the past ten years in terms of 135-day Average Daily Membership (ADM) numbers. The color coding makes it unmistakable which districts are losing population.

But, as stated earlier, coded maps and statistics are useful, but they don't show the historical cloud that hovers invisibly over logic, emanating from old rivalries or the desire to maintain power or position or patronage. Then there are the third rails of South Carolina culture: race and football (athletics). Do these factors make consolidation culturally impossible? The answer to that question should always be no.

Figure 10 shows the real-life communities of **Bamberg** County. Bamberg School District 2 is the third smallest school district in the state and the sixth fastest shrinking. Bamberg 1 isn't farther behind, being ranked in the top 20 in both categories as well. Each district has just one school at each level—elementary, middle, and high school. There is no reason the communities of Denmark and Ehrhardt cannot share a school district.

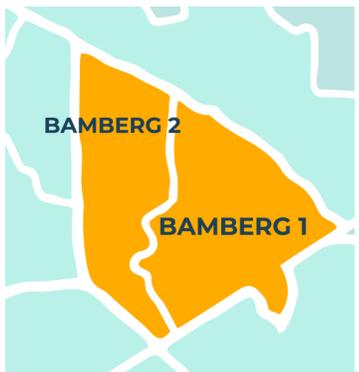


FIGURE 10: BAMBERG COUNTY SCHOOL DISTRICTS

Size Rank	Shrink Rank	District	1997-1998	2016-2017	Change #	Change %	# of Schools
13	13	Bamberg 1	1839.41	1326.89	-512.52	-28%	3
3	6	Bamberg 2	1158.25	668.64	-489.61	-42%	3

Bamberg 1 is composed of the communities of Midway and Ehrhardt. The communities in **Bamberg 2** are Denmark, Govan, Olar, and the campus of Voorhees College.

Next is **Barnwell**. Figure 11 shows Barnwell School District 19 is the smallest school district in the state and the third fastest shrinking. Barnwell 29 is seventh smallest but not in the top 25 with shrinking district population. Barnwell 45, which comprises the county seat, isn't large or thriving in numbers, but is in a stronger numerical position than its neighbors and has a primary school as well as elementary, middle and high schools. The three corners of this small county could be stronger together.



FIGURE 11: BARNWELL COUNTY SCHOOL DISTRICTS

Size Rank	Shrink Rank	District	1997-1998	2016-2017	Change #	Change %	# of Schools
1	3	Barnwell 19	1143.46	627.19	-516.27	-45%	2
7	-	Barnwell 29	1025.37	873.31	-152.06	-15%	3
19	20	Barnwell 45	2740.73	2142.20	-598.53	-22%	4

Barnwell 19 is composed of the Blackville and Hilda communities. **Barnwell 29** is Williston and Elko. The communities in **Barnwell 45** are Barnwell, Snelling, Yenome and Kline.

Figure 12 shows **Clarendon** County. Clarendon 1 makes the top five list in terms of small size and losing student population. It is small and shrinking. The other two Clarendon districts each show up in only one top 25 category. Clarendon 3 is the eleventh smallest and Clarendon 2 has lost a quarter of its student base in the last 20 years.



FIGURE 12: CLARENDON COUNTY SCHOOL DISTRICTS

Size Rank	Shrink Rank	District	1997-1998	2016-2017	Change #	Change %	# of Schools
5	5	Clarendon 1	1324.98	740.60	-584.38	-44%	4
-	18	Clarendon 2	3666.20	2799.49	-866.71	-24%	5
11	-	Clarendon 3	1169.02	1190.94	21.92	-2%	2

Clarendon 1 is composed of the communities of Rimini, Panola, Summerton, Davis Station, White Oak, and the shores of Lake Marion. **Clarendon 2** is composed of the communities of Paxville, Manning, and portions of Wilson’s Landing. **Clarendon 3** is composed of Turbeville, New Zion, Sardinia, and Gable.

With the City of **Florence** in its boundaries, Florence 1 is the dominant district in Florence County (Figure 13). Florence 1 has grown 10% in the last twenty years and has a total of 23 schools. Lake City-based Florence 3 is of adequate size but has lost a fifth of its population. Florence 2 and 5 are small. Florence 4 is 45% smaller than it was 20 years ago. Florence 3 has experienced the Darla Moore Effect, the improvement in academic achievement that has come from the focus and energy of a successful native who has proved you can go home again. The other Florence districts could no doubt benefit from the experiences of Florence 3. Florence 4, is of course now run by the State Department of Education, powerfully making our point about the need for expertise from close neighbors that could come with consolidation.

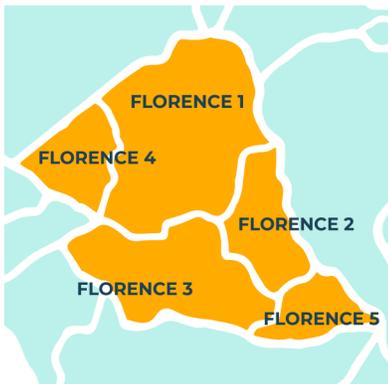


FIGURE 13: FLORENCE COUNTY SCHOOL DISTRICTS

Size Rank	Shrink Rank	District	1997-1998	2016-2017	Change #	Change %	# of Schools
-	-	Florence 1	14422.08	15826.35	1404.27	10%	23
9	39	Florence 2	1172.24	1112.26	-59.98	-5%	2
-	24	Florence 3	4408.59	3522.93	-885.66	-20%	8
2	4	Florence 4	1176.58	649.80	-526.78	-45%	3
12	-	Florence 5	1434.43	1272.17	-162.26	-11%	3

Florence 1 is composed of the communities of Quinby, Florence, Danwood, and Effingham. **Florence 2** is composed of the community of Pamplico and rural areas. **Florence 3** is composed of the communities of Coward, Olanta, Lake City, Scranton and Mckenzie Crossroads. **Florence 4** is composed of the communities of Timmons ville, Cartersville, Sardis, Peniel Crossroads and Sansbury Crossroads. **Florence 5** is composed of the communities of Poston and Johnsonville.

Source: SCDE data with author’s calculations

Greenwood County, as shown in Figure 14, is dominated by one school district. The numbers and the map show the wide disparity between the City of Greenwood-based Greenwood 50 and the other two districts in Greenwood County. Both Greenwood 51 and Greenwood 52 are in the top fifteen smallest districts in the state.



FIGURE 14: GREENWOOD COUNTY SCHOOL DISTRICTS

Size Rank	Shrink Rank	District	1997-1998	2016-2017	Change #	Change %	# of Schools
-	-	Greenwood 50	8478.97	8702.42	223.45	3%	14
8	14	Greenwood 51	1208.68	892.82	-315.86	-26%	3
14	-	Greenwood 52	1569.82	1546.50	-23.32	-1%	4

Greenwood 50 is composed of the communities of Greenwood, Hodges, and Troy. **Greenwood 51** is composed of the communities of Ware Shoals, Poplar Springs and Shoals Junction. **Greenwood 52** is composed of the communities of Ninety Six and Cambridge.

In **Hampton**, as shown in Figure 15, Hampton 2 is the fastest shrinking district and the fourth smallest. Hampton 1 has lost about a fifth of its student population but is not among the very smallest or the fastest shrinking.



FIGURE 15: HAMPTON COUNTY SCHOOL DISTRICTS

Size Rank	Shrink Rank	District	1997-1998	2016-2017	Change #	Change %	# of Schools
22	25	Hampton 1	2765.45	2244.04	-521.41	19%	7
4	1	Hampton 2	1496.71	725.94	-770.77	-51%	3

Hampton 1 is composed of the communities of Brunson, Pond Town, Crockettville, Miley, Hampton, Varnville, Fechtig, Early Branch, McPhersonville, and Yemassee. **Hampton 2** is composed of the communities of Gifford, Estill, Scotia, Brighton, Luray, Nixonville, Furman and Garnett.

To summarize, of the Top 20 smallest school districts in South Carolina, 16 are districts that are unnecessarily small due to multiplicity of districts per county (see Figure 16). The only small countywide districts are McCormick, Allendale, Calhoun and Lee. Countywide districts that make the Top 10 for shrinking dramatically are much the same: Allendale, McCormick, and Lee.

Source: SCDE data with author's calculations

FIGURE 16. DISTRICTS AND COUNTIES

Type of District	#	%
Single Countywide District	31	38%
Multiple Districts in County	50	62%
	81	100%

Source: SCDE data with author's calculations

What about the rest of the districts in multiple district counties? Should **Anderson, Dorchester, Laurens, Lexington, Orangeburg, Richland, Spartanburg** and **York** consolidate along county lines? Though the lack of resources that plagues rural districts is not as much of a factor in these more urban-rural mix districts (with perhaps the exception of Lexington Three which shows up on the small list per Figure 6), each of those multi-district counties have at least one district that is shrinking. Orangeburg has certainly done its part consolidating already. We have shown the inefficiency of Spartanburg as an example, though both **Spartanburg** and **Laurens** (and to some extent **Greenwood**) should be commended for having some sharing agreements and practices in place.

Using this initial common-sense approach, **Anderson** and **Lexington** clearly don't need five districts each.

A word about consolidating across county lines. Returning to Figure 8 (on page 14) with a different set of glasses, it is hard to ignore the possibilities presented by an option of consolidation crossing county lines. Such a strategy harkens back to an approach recommended by Palmetto Promise Institute previously. That is the creation of a Turnaround or Achievement School District. With this option, the State Superintendent would have the authority to band together schools and districts that are struggling to create an Achievement District. A Superintendent would be recruited and appointed who has demonstrated success in raising achievement levels of children in rural areas who suffer from poverty. Such a leader and his or her team (many if not all of whom would live in the new district), could rally parents and community leaders around a culture that makes learning a priority. The Achievement District Superintendent would need broad authority and not be micromanaged from Columbia. With vision and focus, the attitude of indifference to their plight from the rest of the state would be irrelevant. The Corridor of Shame could become The Corridor of Hope.

A proposal that would cross county lines could seek to follow some of the lines of Councils of Government or Regional Planning Councils. Or, if regional economic development entities, like the Southern Carolina Alliance (Allendale, Bamberg, Barnwell, Beaufort, Colleton, Hampton and Jasper Counties) or the North Eastern Strategic Alliance (Chesterfield, Darlington, Dillon, Florence, Georgetown, Horry, Marion, Marlboro and Williamsburg Counties) were to take a lead role, businesses and elected officials would likely follow.

The Common-Sense Approach points to very specific targets for consolidation and suggests a workable average size.

APPROACH #2: A NATIONAL AND STATE “RIGHT SIZE” RESEARCH APPROACH-

Figure 17 shows South Carolina’s 81 school districts sorted in order of Average Daily Membership. Though a mean size produces a relatively large number (9,212), this number is inflated significantly by Charleston (49,415), Greenville (76,585) and Horry (43,724). Removing the three largest districts produces an average district size of 7,390. An even better method of grasping district size is assessing the median district. In our case, with 81 districts, the media is Dillon 4 with 4,158 students.

FIGURE 17. DISTRICT ENROLLMENT WITH STATEWIDE MEDIAN

District	Total # Actively Enrolled Students	Rank	District	Total # Actively Enrolled Students	Rank	District	Total # Actively Enrolled Students	Rank
Greenville 01	76,585	1	Spartanburg 05	8,302	29	Orangeburg 03	2,781	27
Charleston 01	49,415	2	York 02	7,524	30	Fairfield 01	2,771	26
Horry 01	43,724	3	Spartanburg 07	7,393	31	Spartanburg 04	2,736	25
Berkeley 01	34,490	4	Chesterfield 01	7,170	32	Jasper 01	2,724	24
Richland 02	27,774	5	Orangeburg 05	6,657	33	Anderson 03	2,591	23
Dorchester 02	25,950	6	Newberry 01	6,130	34	Hampton 01	2,335	22
Lexington 01	25,616	7	Laurens 55	5,895	35	Dorchester 04	2,286	21
Aiken 01	24,622	8	Colleton 01	5,721	36	Saluda 01	2,258	20
Richland 01	23,840	9	Chester 01	5,210	37	Barnwell 45	2,220	19
Beaufort 01	21,826	10	York 01	5,197	38	Lexington 03	2,046	18
York 03	17,764	11	Spartanburg 01	5,075	39	Lee 01	2,033	17
Lexington 05	17,330	12	Marion 10	4,779	40	Calhoun 01	1,765	16
Sumter 01	17,030	13	Dillon 04	4,158	41	Dillon 03	1,662	15
Florence 01	16,358	14	Marlboro 01	4,101	40	Greenwood 52	1,589	14
Pickens 01	16,243	15	Williamsburg 01	4,079	39	Bamberg 01	1,360	13
York 04	14,145	16	Union 01	4,029	38	Florence 05	1,300	12
Anderson 05	12,997	17	Anderson 02	3,793	37	Clarendon 03	1,238	11
Lancaster 01	12,901	18	Orangeburg 04	3,716	36	Allendale 01	1,234	10
Spartanburg 06	11,375	19	Florence 03	3,654	35	Florence 02	1,159	9
Kershaw 01	10,676	20	Lexington 04	3,557	34	Greenwood 51	964	8
Oconee 01	10,363	21	Edgefield 01	3,479	33	Barnwell 29	890	7
Darlington 01	10,118	22	Laurens 56	3,036	32	McCormick 01	802	6
Spartanburg 02	10,006	23	Abbeville 60	3,020	31	Clarendon 01	775	5
Anderson 01	9,988	24	Clarendon 02	2,948	30	Hampton 02	743	4
Georgetown 01	9,503	25	Spartanburg 03	2,938	29	Bamberg 02	710	3
Cherokee 01	8,942	26	Anderson 04	2,884	28	Florence 04	679	2
Greenwood 50	8,935	27				Barnwell 19	638	1
Lexington 02	8,926	28						

Note: This SCDE data is a more recent extraction than data used elsewhere in this report.

There have been several right-sizing studies conducted in recent years that have become standard in this body of research. Some assess the effect of size, others go a bit farther by suggesting an optimum size for a school district. (The goals here, articulated best in Ulbrich, are to maximize the “four factors of optimal size”: cost, student performance, equalization of resources, and integrity of communities.) Diversity and stability, values important to society and to business, are also factors worth considering, though not as quantifiable.

Christopher Berry of the University of Chicago and Martin West of Harvard (Berry & West, 2008) looked at data from 1930-1970 with an eye to student outcomes, outcomes being not only results of academic testing but of quality of life measures like earnings. Their findings showed clearly that consolidation of districts was good for students: dropout rates were lower, college attendance rates were higher, and earnings were greater (Berry).

William Duncombe and John Yinger (2005) looked at rural New York district consolidation from 1987 to 1995. Their research is also positive toward consolidation but notes that districts could be too large, and that incentives for consolidating could backfire if not monitored carefully for their cost. Districts should not be, in essence, expensively “bought off” to merge with others (Duncombe).

A Michigan study (Coulston) “empirically test[ed] the notion that consolidating smaller public school districts will save taxpayers money. Multiple regression analyses [were] employed to analyze the relationship between district size and per-pupil expenditures in the state of Michigan, focusing on the five most recent school years for which data [were] available.” It found that:

Based on the model developed for this paper, the most cost-effective size for school districts in Michigan is roughly 2,900 students. Both smaller and larger districts are likely to spend more per pupil, other things being equal. In light of this finding, it is correct to surmise that some Michigan public school districts are probably too small, and others too large, to operate with optimal cost efficiency.

On optimal size, there is a disparity in the view of the experts, but a summary of studies in the form of Figure 18 shows that optimal size is within a relatively small window considering South Carolina has districts from fewer than 1,000 pupils to more than 75,000. Duncombe and Yinger posited by the far the largest optimum size at 6,500 with a South Carolina study by Harry Miley yielding the widest variation, from 6,000 to 1,000.

In “Size Matters,” Ulrich Boser refers to his own meta-analysis:

Over the years a great deal of research has been done on the ideal size for a school district, and a summary of several major studies showed that while there is no clear consensus, the data suggest that the optimal school-district size is around 2,000 students to 4,000 students.

Given these standards derived by experts, eight (8) districts, or 10% of South Carolina school districts are easily smaller than advisable. Another ten (10) would be too small according to most experts consulted. These eighteen (18) would be the place to start for seeking consolidation of districts.

FIGURE 18. OPTIMAL SIZE FOR A SCHOOL DISTRICT WITH SC DISTRICT SIZES

Peer-Reviewed Study	Recommended Size	Students in District	Number of Districts	Percentage of Districts	Districts Below Study's Optimal Size
		>6,500	32	40%	
Duncombe	6,500	6,500 to 5,001	5	6%	49
Bard (high)	6,000				
Miley (high)	6,000				
Lawrence (high)	5,000	5,000 to 4,001	4	5%	44
Andrews (high)	4,000	4,000 to 3,001	8	10%	40
Boser (high)	4,000				
Lawrence (low)	4,000				
Average of Studies	3,660				36
Arkansas	3,500				
Augenblick	3,000	3,000 to 2,001	14	17%	32
Bard (low)	3,000				
Coulston	2,900				
Andrews	2,000	2,000 to 1,001	10	12%	18
Boser (low)	2,000				
Deller	2,000				
Miley (low)	1,000				
		Under 1,000	8	10%	8
Total Districts			81	100%	

Source: peer reviewed studies and SCDE data with author's calculations

APPROACH #3: AN ASPIRANT APPROACH

The approach taken in Figure 19 is similar to that utilized successfully in higher education, what we will call here the “aspirant” approach.

Using this measuring stick, we look at the states we are most like in terms of student population characteristics, socioeconomics, and region of the country and compare and contrast. Showing our desire to reach for higher standards beyond our peers, we compare ourselves to where we want to be: states that are on a higher rung of achievement than South Carolina but worthy of our aspiration. Figure 19 shows our aspirants in terms of number of students per district.

FIGURE 19. STUDENTS AMONG ASPIRANT STATES AND SOUTH CAROLINA, 2013-2014

State	Total student enrollment	Total number of school districts	Students per district
Florida	2,708,062	67	40,419
North Carolina	1,441,447	115	12,534
Virginia	1,279,544	132	9,694
South Carolina	746,015	81 (current)	9,212
South Carolina	746,015	75 (future?)	10,000
South Carolina	746,015	36 (future?)	20,882

Source: NEA Rankings and Estimates

Our *peers* in the region are the states that are members of SREB—the Southern Regional Education Board. The SREB includes states from Florida to Delaware, and as far west as Texas, a “Greater South.” SREB states have an average of 9,888 students per district, South Carolina is slightly below the average with 9,212. But, with Charleston, Greenville and Horry removed, the average of South Carolina school districts is 2,500 students or so below the average Southeastern and Southwestern state.

But more importantly than our peers, we should look at the states in our region that have the highest achievement in education. What is the average district size of the states to which we *aspire*—the states near us who have been assessed as among the best in the nation?

No matter what organization conducts the rating and ranking, from *US News & World Report’s* “Best States for Education” to *Education Week’s* “Quality Counts 2018,” the same Southern states finish as top. Those are **Virginia** (USN #10; EdWeek #14), **North Carolina** (USN #21; EdWeek #40) and **Florida** (USN #29; EdWeek #30). As Figure 19 indicates, our closer neighbors Florida and North Carolina have average district sizes of **40,419** and **12,534** respectively. Virginia is closer in average to our average at **9,694**. The average of the three aspirant states, driven by Florida’s large average size, is **20,647**. Again, the Palmetto State is at **9,212** with large districts included, and **7,390** without Charleston, Greenville and Horry figured into the average, has a smaller average size.

Another way to evaluate South Carolina in relation to our peers and aspirants is the ratio of counties to school districts. While most all our neighbors, peers and aspirants have more school districts than counties, the ratio is very different from South Carolina:

As we are using several methods to evaluate proper district size, we need not overstate the meaning of comparisons to other states. But it is clear that our peers and our aspirants lean in the direction of larger districts.

A CONSULTANT'S TAKE

In 2017, efficiency reviews of South Carolina school districts were conducted for 79 of the state's 82 school districts in two phases. Each phase took approximately nine weeks. Phase 1 consisted of reviews of 32 districts (Abbeville plaintiff districts). Phase 2 examined 47 districts. (Three districts, Clarendon 1, Lexington 4 and Dorchester Two did not participate due to previously conducted efficiency studies.) The reviews were conducted in compliance with Proviso 1.92 of that year's General Appropriations Act.

The study, conducted by the firm Alvarez & Marsal, concerned itself with: (1) finance; (2) human resources; (3) procurement; (4) transportation; and (5) overhead. Instructional, food, facilities and technology functions were "outside the scope" of the reviews. Using Florence 2 as an example, only \$2.4 million of the district's \$13.2 million budget was reviewed. A full 82% of district spending was "out of scope."

Alvarez & Marsal showed that for Phase 1 districts, estimated annual savings from "collaboration" would be between \$7.2 million and \$18.5 million. Over five years, for districts examined, between \$35 million and \$89 million could be saved through modernization and collaboration. The full study report showed possible savings of \$338 million over five years. Imagine those dollars transferred from administration to the teachers and students in the classroom.

Imagine also if the consultant had been allowed to consider consolidation, a matter clearly beyond the scope of the study as the word "consolidation" and "merge" do not appear in the Phase 1 studies. "Collaborate" or "collaboration" appear 43 times. The portion of the proviso on efficiency studies did not appear to leave the door open for any consideration of consolidation either:

The Efficiency Studies shall include, at a minimum: (1) overhead; (2) human resources; (3) procurement; (4) financial management; and (5) transportation and must be aligned to any diagnostic review that may be conducted in the district to avoid duplication.

Alvarez and Marsal knew that recommending consolidation was a bridge too far for a consultant. But it is not for a policymaker.

HOW COULD CONSOLIDATION BE ACCOMPLISHED?

- According to state law, there are a number of methods for effecting consolidation (see Figure 20). The petition method won't work, so a **legislative delegation-led method** will be required. The Orangeburg, Marion, Dillon and Sumter delegations have shown the way. Schemes that dodge the leadership required by passing the buck to the public, like referendums, should be avoided.

FIGURE 20. STATUTORY METHODS FOR CONSOLIDATION, AUTHORITY

Method	Body
Local Legislation	Legislature
Unanimous written approval by legislative delegation	County Board of Education*
Petition of 80% of electors	County Board of Education*
Petition of 1/3 of electors with referendum majority	County Board of Education*

*Only four counties still have county boards of education: Anderson, Marion, Clarendon and Dillon.

Source: based on Ulbrich (2010)

- Department** leadership will also be required. The State Department of Education (SCDE) should recommend a set of core principles that includes: reducing administration and duplication, providing equity, and protecting taxpayers. The Department could also recommend financial arrangements for encouraging mergers by assuming debt, adjusting EFA formulas for mergers of richer and poorer districts (or those with fiscal autonomy and those without if applicable), etc. Finally, the Department could help reduce pure politics for politics sake (control) at the most local of levels and assist with redrawing district lines and attendance boundaries.
- Local and community leaders** must be involved, including Councils of Government, Regional Planning Councils and Regional economic development agencies. The importance of economic development and its connection to consolidation is essential. Local and community leaders from districts that have successfully merged (see Appendix A for Orangeburg legislation) could serve as resources.

TIMING 2019

In the last decade or so, a number of efforts have been launched to do more than tinker. In 2006, Governor Sanford's "Education Reform Council" Report called for larger districts. In 2007, Rep. Ken Kennedy (D-Williamsburg County) filed H.3262 calling for districts to be consolidated along county lines. Kennedy attracted a bipartisan group of 13 co-sponsors, but the bill never made it out of the House Education & Public Works Committee.

For the most recent legislature (the 122nd South Carolina General Assembly 2017-2018), there were at least three bills dealing with consolidation. S.36, filed by Senators Tom Young and Greg Gregory, sets a floor of 2,500 students in order to receive state appropriations. H.3032, filed by Reps. Heather Crawford, Russell Fry and Brandon Newton requires the General Assembly to pass a local law by July 1, 2019 to order that "the area of each county of this State also must be constituted as a school district." H.3023 filed by Reps. Cobb-Hunter, Brandon Newton and Terry Alexander would create a committee to:

study the feasibility and cost effectiveness of consolidating the school districts within the individual counties of this State. In making its determinations, the study committee shall consider potential savings that may occur from the centralization of the administrative and programmatic functions of the several districts.

By their sponsorship, two Republicans and a Democrat for one and two Democrats and a Republican for another, these bills from 2017-2018 shows bipartisan support for consolidation.

In the Executive branch, Governor McMaster reiterated his support for consolidation in his first State of the State speech in January:

The Abbeville Court's observation about administrative costs being disproportionate to school district size remains both accurate and astute. Spiraling administrative costs have a direct impact on educational outcomes. Consolidating small districts will reduce costs, limit duplication and put more money and resources where they belong: in the classrooms.

As for State Superintendent of Education Molly Spearman, who not long ago joked that she had trouble even speaking the word "consolidation" in public, had this to say when she released the results of the school district efficiency study:

This report clearly shows that consolidation and collaboration of services should be a top agenda item for districts. I am looking forward to working with educators, the General Assembly and communities to ensure that we maximize the use of taxpayer dollars while serving students at the highest level in a positive, sustainable school environment.

From 2017 to 2018, the Superintendent seemed to be moving from a "Consolidation Lite" where districts work together for procurement, professional development, etc. to actual consolidation, Consolidation Lite is actually called "Service Sharing." It has worked in other states, and for some districts and their neighbors, this may be the correct solution. But for most districts, this is merely delaying real reform. Legislative leaders of both parties, the Governor and the State Superintendent know our needs. Reducing administration through consolidation puts us on the path to these goals.

OPPOSITION

In a guest editorial in *The Greenville News*, South Carolina School Boards Association President Scott Price opposed the consolidation movement for several reasons:

There are other potential costs created by district consolidations. These occur when states provide transition funds to merging districts in the form of teacher salary equalizations, operating subsidies and new facility funding. Other potential costs to taxpayers can occur when consolidation affects property values and property taxes (Price).

These concerns are real, but can be overcome. If designed correctly, transitional funds can be repaid almost immediately and over a short time through cost savings, and more importantly, a portion of those cost savings will come from fewer administrators. Orangeburg knew these concerns going in, but had the courage to move forward.

CONCLUSIONS

Compared to other states, South Carolina is relatively poor economically, ranking in the 40s out of 50 states in median household income. That means every dollar of the nearly \$9 billion spent by state, local and federal government on education in South Carolina should be invested wisely. There is little margin for error. To not consolidate districts is to pick the pockets of the children (and teachers) of South Carolina.

Chester Finn of the Thomas B. Fordham Institute put it best when he said of Arkansas that their goal in consolidation was to: “introduce administrative efficiencies without endangering the quality of the educational experience that can be realized in an intimate setting surrounded by a supportive community.”

It is time.

APPENDIX

HOW ORANGEBURG DID IT: KEY PROVISIONS OF ORANGEBURG COUNTY SCHOOL DISTRICT CONSOLIDATION LEGISLATION (R127, S662)

ORANGEBURG COUNTIES THREE PRESENT SCHOOL DISTRICTS CONSOLIDATED INTO ONE SCHOOL DISTRICT

SECTION 1.

- (A) Effective July 1, 2019, Orangeburg County shall consist of one school district to be known as the Orangeburg County School District. To provide for continuity of representation throughout the consolidation process, the school district elections scheduled for 2017 are suspended, and a member's term that would have expired following the 2017 school district elections is extended until July 1, 2019.
- (B) The three present school districts of the county must be abolished on July 1, 2019, and the powers and duties of the respective boards of trustees of each district devolved upon the board of trustees for the school district.
- (C) A current district level administrator whose position will be eliminated due to the creation of an equivalent position in the consolidated district has priority consideration for the equivalent position if the administrator remains in his or her role at the time of hiring for the consolidated district and desires to be considered for the new position. Priority consideration is limited to application review or an interview but does not mean a job must be offered. For purposes of this section, current means as of the date of bill passage; district level administrator includes superintendents, chief academic officers, associate superintendents, assistant superintendents, and district directors; and an equivalent position is to be determined based on title and job responsibilities.

ORANGEBURG COUNTY SCHOOL DISTRICT BOARD OF TRUSTEES, ELECTION

SECTION 2.

The school district must be governed by a board of trustees of nine members, one of whom must be elected from each of the same seven defined single-member election districts as are members of the Orangeburg County Council. These seven board members' numeric district designations shall match that of the corresponding county council district from which the consolidated school district board member is elected, and a consolidated school district board member also must be a resident of the election district from which he is elected. In addition to the seven members elected from the single-member districts described above, two additional members must be elected from Orangeburg County at large. These at-large board members shall hold seats bearing designations eight and nine. The board member holding at-large seat eight must be a resident of Orangeburg County Council District One, Two, Three, or Four, and the board member holding at-large seat nine must be a resident of Orangeburg County Council District Five, Six, or Seven. Beginning in 2018, members of the board must be elected at nonpartisan elections to be conducted at the same time as the general election. Members of the board must be elected for four-year terms and until their successors are elected and qualify, except that of the nine members of the board elected in 2018, the members elected from election districts one, three, five, seven, and at-large seat nine shall serve for initial terms

to expire in November 2022, when their successors elected at the 2022 election qualify and take office. The members elected from election districts two, four, six, and atlarge seat eight shall serve for initial terms to expire in November 2020, when their successors elected at the 2020 election qualify and take office. In the event of a vacancy on the board occurring for any reason other than the expiration of a term, the vacancy must be filled for the unexpired term through appointment by the county legislative delegation. All persons desiring to qualify as a candidate shall file written notice of candidacy with the county election commission on forms furnished by the commission. This notice of candidacy must be a sworn statement and must include the candidate's name, age, election district in which he resides and from which he seeks election, voting precinct, period of residence in the county and election district, and other information that the county election commission requires. The county commissioners of election shall conduct and supervise the elections for members of the board in the manner governed by the election laws of this State, mutatis mutandis. The commissioners shall prepare the necessary ballots, appoint managers for the voting precincts, and do all things necessary to carry out the elections, including the counting of ballots and declaring the results. The commission shall publish notices of the elections pursuant to Section-7-13-35. The results of the elections must be determined by the nonpartisan plurality method contained in Section-5-15-61. The members of the board elected in these nonpartisan elections shall take office one week following certification of their election pursuant to Section-59-19-315.

BOARD OF TRUSTEES' DUTIES, POWERS, AND RESPONSIBILITIES

SECTION 3.

- (A)** The members of the board shall elect a chairman and other officers necessary to serve for terms of two years in these capacities.
- (B)** The board of trustees of the district has the power, duty, and responsibility provided by law including to:
 - (1)** employ a superintendent as the chief executive officer;
 - (2)** establish other administrative departments upon the recommendation of the superintendent;
 - (3)** adopt the proposed budget of the school district;
 - (4)** inquire into the conduct of an office, department, or agency of the school district;
 - (5)** adopt attendance zones of schools within the school district except that, through school year 2021–2022, existing attendance zones cannot be changed unless the federal court order regarding attendance zones is rescinded or amended during this period. However, no elementary, middle, or high school may be closed until three public hearings are held at least two weeks apart within the affected attendance area, with information to include, among other things, a delineation of the cost factors involved in keeping the school open and transporting the students to another school. In addition to the public hearings requirement, if a school in an attendance area that existed before consolidation is to be closed and the students of that school moved to a school in another attendance area, the qualified electors within the attendance area where the school is to be closed also first must approve the closing by referendum. This referendum may not be held at the same time as a school bond referendum. A school building that is the responsibility

of the board of trustees of the school district must be maintained in conformity with all applicable building code standards and requirements to protect and ensure the health, safety, and welfare of students, faculty, administrators, and the general public;

- (6) provide for an independent annual audit of the books and business affairs of the school district and for a general survey of school district business;
- (7) cooperate to establish and maintain a central purchasing system for the purchase of contractual services, equipment, and supplies;
- (8) cooperate to establish and maintain educational consortia;
- (9) be responsible for policymaking action and the review of regulations established to put these policies into operation; and
- (10) set by majority vote of the board a salary that each member shall receive for attending meetings of the board, which on an annual basis shall not exceed six thousand five hundred dollars. The salary set by the board may be paid on a per meeting, monthly, annual, or other basis so long as the total paid to a member for any year does not exceed the limits provided above.

SCHOOL DISTRICT SUPERINTENDENT, DUTIES AND RESPONSIBILITIES

SECTION 4.

The district superintendent is the chief operating officer of the district and is responsible to the board for the proper administration of all affairs of the district and subject to all other provisions of law relating to his or her duties. He or she shall:

- (1) appoint and, when necessary for the good of the district, remove an appointive officer or employee of the district and fix the salaries of these officers and employees, unless otherwise provided by law and except as he or she may authorize the head of a department or office to appoint and remove subordinates in the department or office;
- (2) prepare the budget annually, submit it to the board, and be responsible for its administration after adoption;
- (3) prepare and submit to the board at the end of each fiscal year a complete annual report on the finances and administrative activities of the board for the preceding year and make other financial reports from time to time that may be required by the board or by law;
- (4) keep the board advised of the financial condition and future needs of the district and make recommendations that seem desirable;
- (5) perform other duties prescribed by law or required of him or her by the board not inconsistent with the provisions of law; and
- (6) centralize all administrative functions, including, but not limited to, human resources, accounting, procurement, transportation, school bus services, and maintenance.

BOARD OF TRUSTEES RESPONSIBLE FOR PREPARING ANNUAL BUDGET

SECTION 5.

- (A) The board of trustees of the school district, before July first of each year, shall prepare a school district budget for the ensuing school year. Before September second of each year, the board shall notify the county auditor and treasurer in writing of the millage required for the operation of the schools in the district for the ensuing school year. The notice by the board constitutes authority for the levying and collection of the millage upon all of the real and personal property within the school district. The levy must be placed to the credit of the district and expended for the district. Beginning in 2019, the school district may raise its millage by no more than two mills over that levied for the previous year, in addition to any millage needed to adjust for the EFA inflation factor and sufficient to meet the requirements of Section 59-21-1030. An increase above this two mills for operations may be levied only after a majority of the registered electors of the district vote in favor of the millage increase in a referendum called by the district school board and conducted by the county election commission.
- (B) The board shall hold a public hearing prior to its final approval of the budget for the district. Notice of this public hearing must be placed in a newspaper of general circulation in the district at least fifteen days before the public hearing.
- (C) For purposes of determining the previous year's millage of the district upon its creation, the millage levy for the district must be determined and calculated by the board based on the 2018 levy in each of the three districts and the value of a mill in each district as well as the 2018 countywide school millage levy and the value of a mill in the county.

ASSETS AND LIABILITIES OF THE THREE PRESENT SCHOOL DISTRICTS TRANSFERRED TO THE CONSOLIDATED DISTRICT ON JULY 1, 2019

SECTION 6.

- (A) On July 1, 2019, the assets and liabilities of the three present school districts must be transferred to the district. The records and employees of the three present school districts of the county must be transferred to and, if applicable, assumed by the school district.
- (B) The constitutional debt limitation on the issuance of general obligation bonds applicable to the district is to be computed based on the assessed value of all taxable property in the county minus that bonded indebtedness of each of the present school districts made a part of the district that was includable against the constitutional debt limitation of those present school districts.
- (C) During the transition period, from July 1, 2017, to July 1, 2019, no new general obligation bonds may be issued against the constitutional debt limitation of the present three districts, except in the case of an emergency. If new general obligation bonds are issued, then the board of trustees of the issuing school district must adopt an ordinance declaring the emergency and specifying the necessity of the issue.

ORANGEBURG COUNTY'S THREE PRESENT SCHOOL DISTRICTS ABOLISHED ON JULY 1, 2019

SECTION 7.

- (A) The three present school districts of Orangeburg County are abolished on July 1, 2019, at which time the school district of the county must be established as provided in this act. The terms of all members of the boards of trustees of the three present school districts of the county will expire on this date. However, members of the board of trustees of the school district elected at the 2018 nonpartisan election shall take office one week following certification of their election pursuant to Section 59-19-315. From this date and until July 1, 2019, the boards may organize, begin planning for the changeover to the district, enter into contracts to effectuate these purposes, and perform other related matters, except that the responsibility and authority to manage the schools of the county rest solely with the individual boards for each of the three present districts until July 1, 2019, and the board may not interfere with this authority.
- (B) Funding for the activities of the board, from the date the members assume office until July 1, 2019, must be provided from funds available to the three present school districts for operating purposes, each paying their portion based on their proportionate average daily membership report for 2018.
- (C) A member of one of the three present school boards of the county may seek election to the school district board of trustees in 2018. However, if he is elected to the Orangeburg County School District Board of Trustees, prior to assuming the duties of this board, then he must first resign as a member of the present board. In this event and notwithstanding another provision of law, the vacancy on the present board that is vacated must be filled for the remainder of the unexpired term by appointment of the county legislative delegation.

ORANGEBURG CONSOLIDATION TRANSITION COMMITTEE ESTABLISHED

SECTION 8.

- (A) There must be created, within sixty days of the effective date of this act, the Orangeburg Consolidation Transition Committee with the purpose to coordinate the consolidation of the three present districts into the Orangeburg County School District. The committee must be composed of the following eleven voting members:

 - (1) chairmen of the present three districts or their designees;
 - (2) one board member from each of the present three districts, appointed by each board; and
 - (3) five at-large members appointed by the Orangeburg County Legislative Delegation. These five members must be appointed from Orangeburg County at large and shall possess experience in or professional or acquired knowledge of public education, finance, business, or legal matters.

In addition to the eleven voting members of the committee, the three superintendents from the present three school districts shall serve as nonvoting, ex officio members. One parent from each of the three present districts also must be appointed by the Orangeburg County Legislative Delegation to serve as nonvoting members.

- (B) Names of the members of the transition committee must be submitted to the county legislative delegation within sixty days of this act being signed by the Governor. The committee shall elect a chairman from one of the five at large voting members appointed by the legislative delegation. A vacancy on the committee must be filled for the unexpired term in the same manner as the committee member whose departure from the committee created the vacancy.
- (C) The committee may organize, begin planning for the changeover to the district, enter into contracts to effectuate these purposes, and perform other related matters. The committee also shall examine and make appropriate recommendations to the consolidated district board of trustees regarding the foreseeable consequences of school district consolidation on:
 - (1) Orangeburg County's special needs students; and
 - (2) intradistrict transfers.
- (D) No later than November first, the Orangeburg Consolidation Transition Committee shall prepare a budget to be submitted to the county legislative delegation. When approved by the delegation, the budget must be funded by the school districts, each paying their portion based on their proportionate average daily membership report for 2017, from funds provided by the districts from their respective budgets. The consolidated school district fiscal commission may increase the districts' budgets to meet these requirements.
- (E) The committee must be insured and indemnified in the same manner as the present school districts are insured and indemnified.
- (F) Members of the committee shall receive per diem allowed by law for members of state boards, committees, or commissions but are not entitled to mileage and subsistence.
- (G) The committee must be abolished after making its recommendations to the consolidated district board of trustees.
- (H) The administrations and staffs of the present three school districts are expected and encouraged to cooperate with the transition committee and the board of the school district.
- (I) In creating the Orangeburg County School District, it is anticipated that there will be savings in the total district level administrative costs from the former individual districts. The committee shall review the current administrations and recommend to the board the number and type of positions needed for the consolidated district level administration.

ALL INCONSISTENT LOCAL ACTS REPEALED ON JULY 1, 2017

SECTION 9.

All local acts concerning a school district of Orangeburg County inconsistent with the provisions of this act are repealed as of July 1, 2017, it being the intent of the General Assembly to have this act and

the general law be the only provisions of law governing the school district of the county.

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www.palmettopromise.org

National Rural Education Association

www.nrea.net

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