

**EXHIBIT E**

Impact of School and District Size: Educational and Extracurricular Impacts

Robert Schoch, Education Finance Decisions

Presentation to the Senate Committee on Education
and the House Committee on Education

Little Rock, Arkansas

July 6, 2020

Research Questions and Methodology

- **Research Questions**

- How do the sizes of schools and school districts impact the educational and extracurricular programs?
- What is the impact of school and school district size on the community?

- **Research Methodology**

- Review of research findings and practices regarding school and district size
- Analysis of relevant information from the ADE Data Center correlated with school district and school size information
- Analysis of extracurricular information collected by the Arkansas Activities Association for both athletic and non-athletic activities

Presentation Overview

- Background information
- District size
 - National research
 - Arkansas compared to national research (preview of findings before data shown)
 - Data analysis – selected analysis
- School size
 - National research
 - Arkansas compared to national research (preview of findings before data shown)
 - Data analysis – selected analysis
- Appendix – extensive analysis

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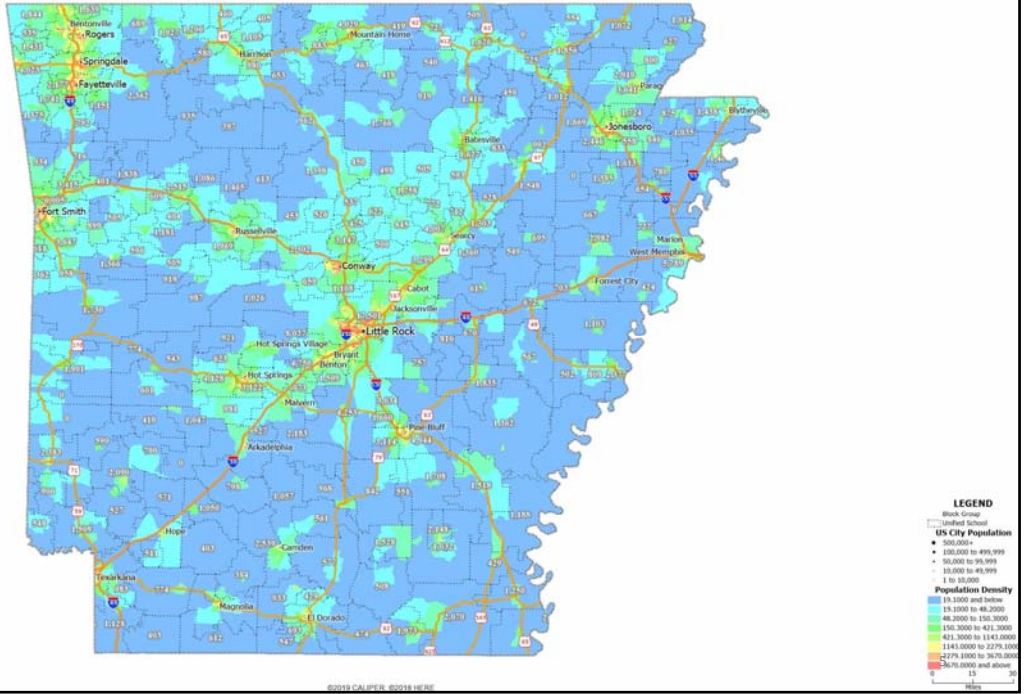
Background Information

- District size (enrollment) is constantly changing
 - Population increases/decreases
 - Birth rate varies from year to year, economic opportunities change
 - Enrollment projections – updated by consultant annually, used in districts' Master Plans, accurate in the short-term
 - Consolidation of districts
- School Size
 - School size depends on:
 - Grade level configuration
 - Enrollment trends
 - Population density – travel time/distance from homes to schools

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Population Density of School Districts

Density affects both school district and school size and many factors impacting districts and schools.

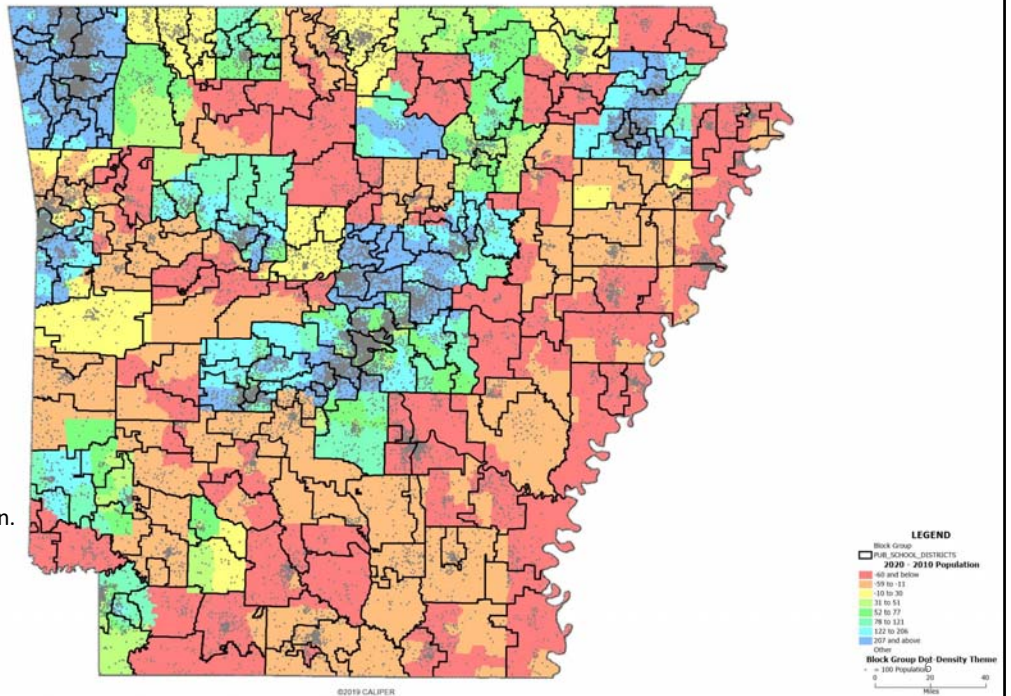


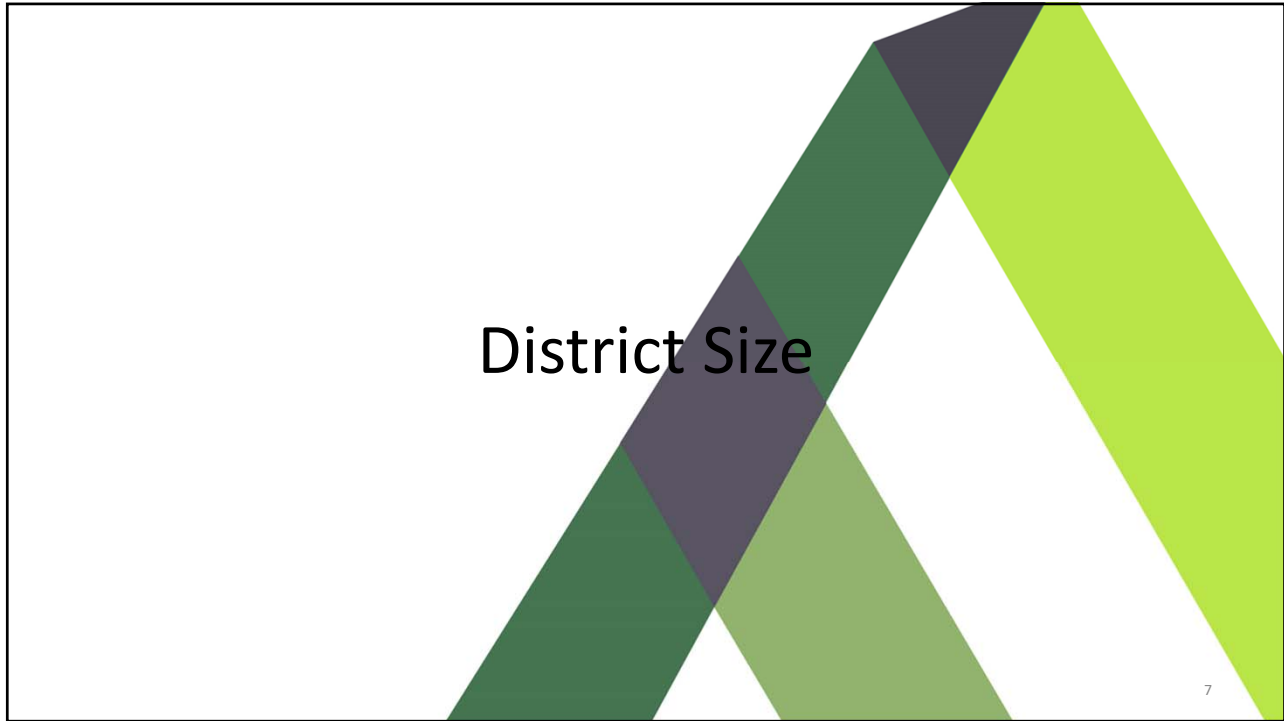
Population Density Map

Combines School Data and US Census Data Updated Annually by ACS (American Community Survey)

Colors show 10 year population change.

Black dots represent Population density. Red districts are losing population, while green and blue districts are gaining in total population.





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District Size - Arkansas Compared to National Data

Year	Enrollment size of district									
	Total	25,000 or more	10,000 to 24,999	5,000 to 9,999	2,500 to 4,999	1,000 to 2,499	600 to 999	300 to 599	1 to 299	Size not reported
Number of districts										
National, 2014-15	13,601	288	609	1,046	1,898	3,221	1,766	1,880	2,687	206
Percentage distribution of districts										
National, 2014-15	100.0	2.1	4.5	7.7	14.0	23.7	13.0	13.8	19.8	1.5
Arkansas, 2018-19	100.0	0	3.0	3.0	11.4	28.0	25.8	22.3	6.4	
Percentage distribution of students										
National, 2014-15	100.0	35.7	19.2	15.0	13.9	10.8	2.9	1.7	0.8	
Arkansas, 2018-19	100.0	25.7	11.6	21.2	24.0	11.2	5.7	0.6	0.0	

SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "Local Education Agency Universe Survey," 1979-80 through 2014-15. (This table was prepared November 2016.)

Public School Districts in the United States

1940 - 117,108	1950 - 83,718	1960 - 40,520
1970 - 17,995	1980 - 15,944	1990 - 15,367
2000 - 14,928		

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Research on District Size

- Numerous studies have reviewed the impact of school and district size on:
 - Curricular diversity: comprehensive and diverse offerings
 - Extracurricular programs: comprehensive offerings and participation
 - Operational efficiency: economies of scale
 - Academic achievement
 - Other variables: daily attendance, dropout rates, discipline issues
- Research conclusions vary and are subject to bias by advocates or opponents of consolidation
- No consensus exists on whether large districts offer a better educational program and economic efficiency
- Economic efficiency has been found to increase to an optimal enrollment, then remain constant or even increase with size increases, forming a U-shaped curve
- Educational and financial gains expected through consolidation of smaller school districts in larger districts often do not match actual outcomes
- Student achievement is related to many factors, particularly socioeconomic factors of the school community

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Research on Optimal District Size

- Some recent studies indicate:
 - Optimal minimum size of a school district ranges from 400 to 2,000 students
 - Optimal maximum size ranges from 4,000 to 6,000 students

(Bingler et al., 2002; Duncomb, 2007; Nguyen-Hoang and Yinger, 2014; Howley et al. 2011, Indiana State Legislature, 2007; Inerman and Ottho, 2003; Preston et al., 2013)

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District Size - Arkansas Compared to Research

- Over 100 variables were analyzed to determine the relationship of each to district size
- The variables were categorized and analyzed using the capabilities of the ADE Data Center
- One or two variables in each category will be presented today, first by school district size, then by school size. A lengthy Appendix is provided with the other variables in each category that were analyzed
- The specific and general findings are presented today in a summary table for each category

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Use of ADE Data Center Information to Correlate School and District Size with Numerous Variables

Source: ADE Data Center-School District Variables

Some analyses are useful in the identification of best practice school districts or schools.

District Variables-General and Student Categories	Count of Variable	Category
Arkansas Better Chance (ABC) Enrollment	10	
Attendance Rates	20	
Average Daily Membership	5	
Career Education Completers	16	Curriculum Diversity
Computer Science Enrollment by Grade & Race (Act 187 of 2015*)	32	Curriculum Diversity
Course Enrollment	12	Curriculum Diversity
Demographics	18	
Demographics Percentage	17	
Disciplinary Actions	18	Climate
Disciplinary Infractions	24	Climate
Dropouts & Withdrawals	21	Performance
Enrollment by Grade & Race	26	
Free/Reduced Paid Lunch Counts	7	
Free/Reduced Paid Lunch Percentages	2	
General	10	
Gifted & Talented	10	Curriculum Diversity
Graduates	10	Performance
Graduation Rates	17	Performance
Health - Hearing	5	Program Evaluation
Health - Vision	5	Program Evaluation
High School Computer Science Enrollment by Course (2014-2017)	22	
High School Computer Science Enrollment by Course (2018-2020)	78	Curriculum Diversity
Homeless	10	
Immunization Exemptions - Act 676 of 2019	3	Program Evaluation
Military Dependents	14	
Pre-Kindergarten Enrollment	10	Program Evaluation
Retention	10	Performance
School Choice	15	
Student Home Language	2	
Grand Total	449	

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Correlations - How to Interpret a Scattergram

- Horizontal axis is enrollment, district or school, increasing from bottom to top
- Vertical axis is variable being analyzed, increasing from left to right
- Dots identify a school district's value on both variables
- Correlation coefficient – a statistical measure of the strength of the relationship between the relative movements of two variables. The values range between -1.0 and 1.0. The degree of correlation:
 - Perfect: If the value is near ± 1 , then it is a perfect correlation: as one variable increases, the other variable tends to also increase (if positive) or decrease (if negative).
 - High degree: If the coefficient values is over ± 0.70 , it is a strong correlation.
 - If the coefficient value is between ± 0.50 and ± 0.7 , it is a moderate correlation.
 - If the coefficient values is below ± 0.40 , it is a weak correlation.
- Trendlines-steeper, up or down, show a stronger relationship
- Identification of outliers-often unique circumstances, sometimes indicative of a best practice

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Selected Variables to Present of 100+ Analyzed

- | | |
|--|--|
| <ul style="list-style-type: none"> • Operational Efficiency <ul style="list-style-type: none"> – Total cost per pupil vs. total school district enrollment – Regular education program costs per pupil vs. district enrollment – District administration cost per pupil vs. district enrollment • Curriculum Diversity <ul style="list-style-type: none"> – Pre-school programs – Advanced Placement (AP) Courses – Career Education Completers <ul style="list-style-type: none"> • Science, Technology, Engineering, Math • Transportation, Distribution, Logistics | <ul style="list-style-type: none"> • Extracurricular Diversity <ul style="list-style-type: none"> – Athletic activities – Non-athletic activities • Personnel and Workforce <ul style="list-style-type: none"> – Average Years of Teaching Experience – Workforce Stability • Student Discipline-Infractions and Disciplinary Actions <ul style="list-style-type: none"> – Expulsions • Other Variables <ul style="list-style-type: none"> – Special Program Requirements <ul style="list-style-type: none"> • English Learners • Special Education |
|--|--|

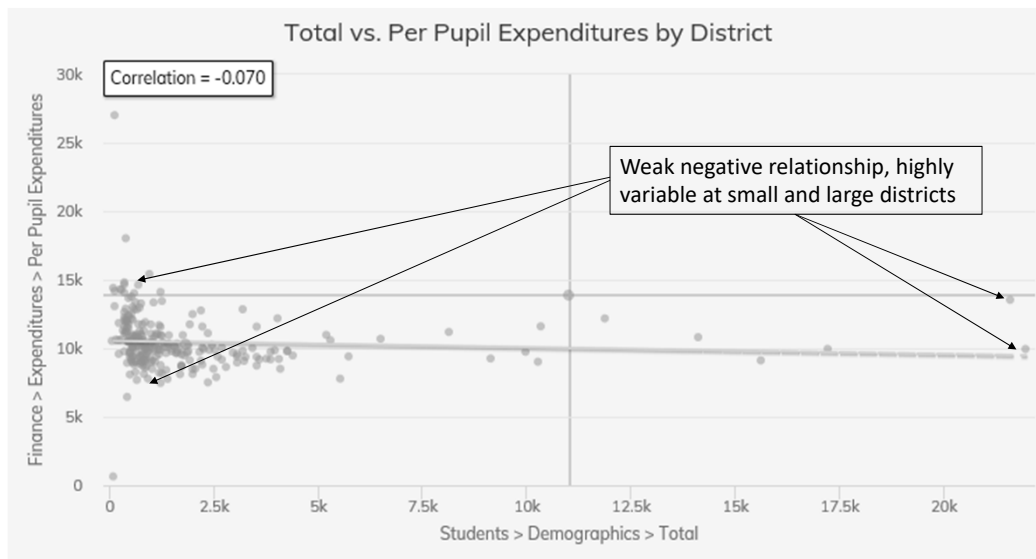
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Operational Efficiency

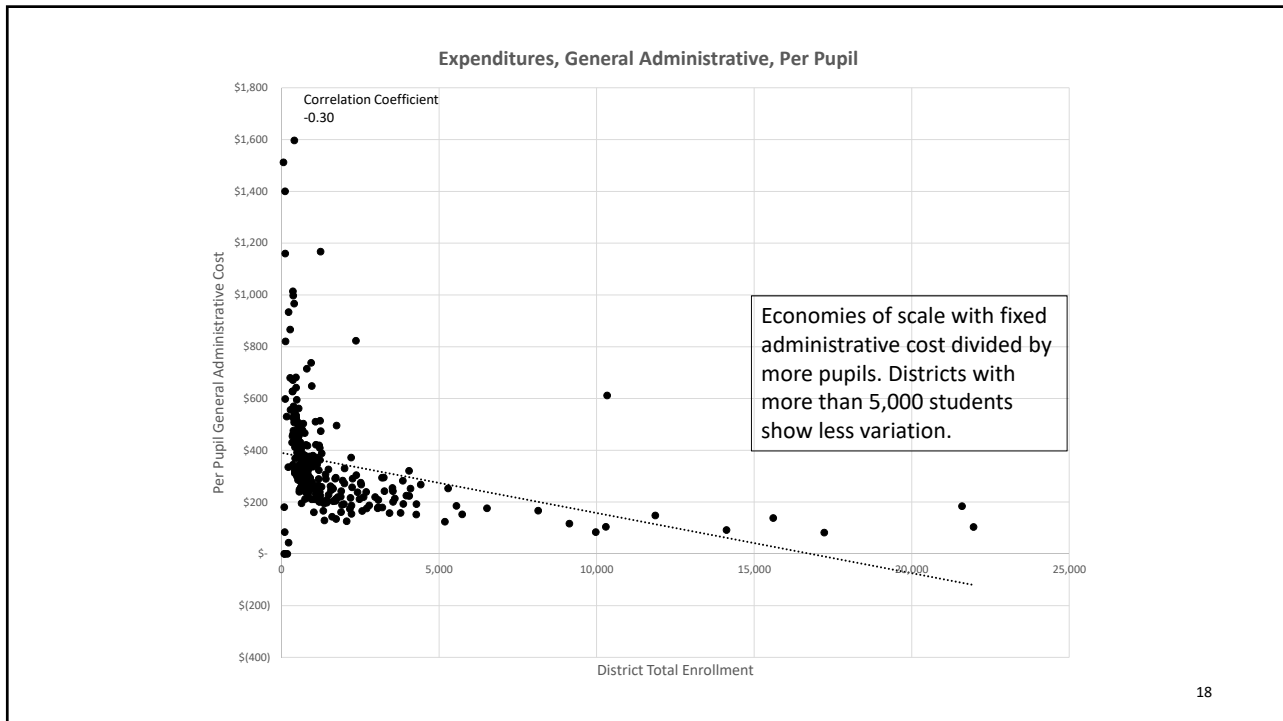
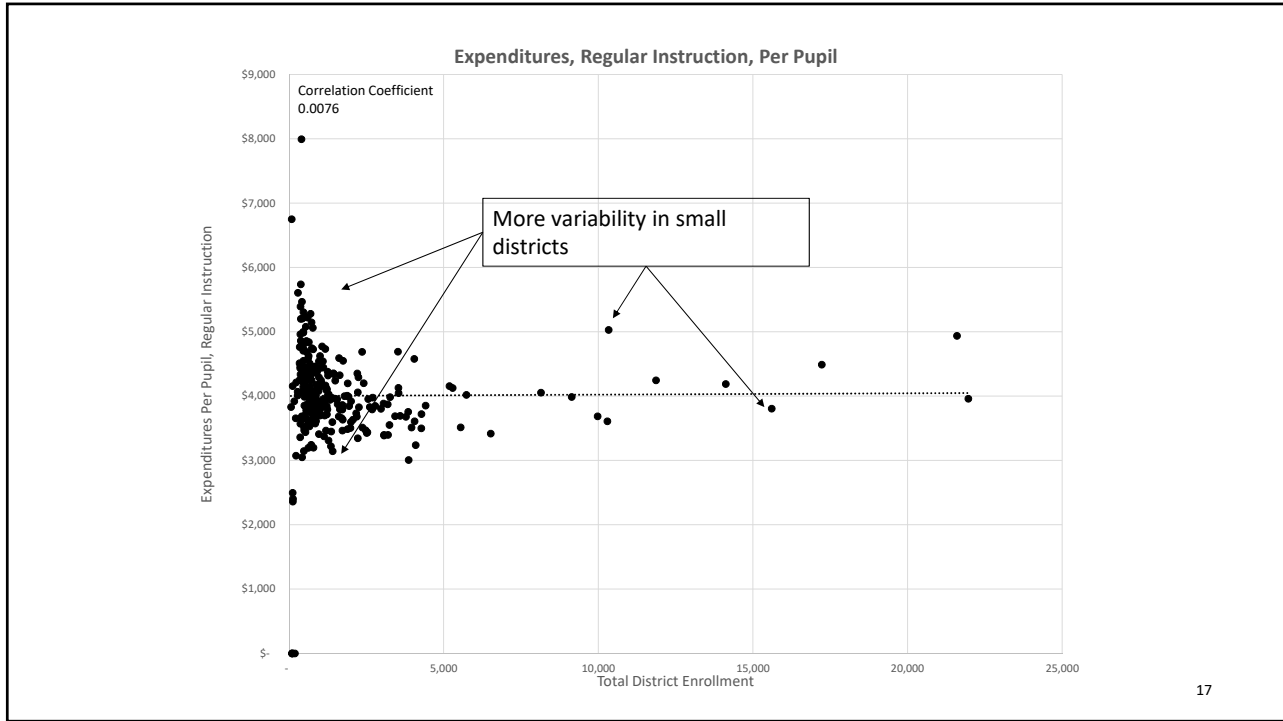
- Questions: Are larger districts more efficient operationally due to economies of scale?
- Analysis: Weak negative relationships exist for some variables for larger districts due to economies of scale. For other variables, such as special education costs, a weak positive relationship exists, possibly because of identification methods or more advocacy by parents.

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Operational Efficiency – Total Expenditures Per Pupil



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Summary Table – Operational Efficiency Per Pupil Cost vs. District Enrollment

Variable	Correlation Coefficient	Strength of Relationship	Analysis, Possible Reasons
District Total Per Pupil Cost	-0.07	Very weak relationship, negative	Minimal economies of scale
Regular Instruction Cost	0.01	Very weak relationship, positive	Savings from teacher utilization offset by higher salaries
Transportation Cost	-0.07	Very weak relationship, negative	Minimal economies of scale
Special Education Cost - Total District Cost Special Education/Total District Enrollment	0.25	Weak relationship, positive	Identification methods, advocacy by parents for identification and services
General Administrative Cost	-0.30	Weak relationship, negative	Economies of scale
Non-instructional cost	-0.09	Very weak relationship, negative	Minimal economies of scale

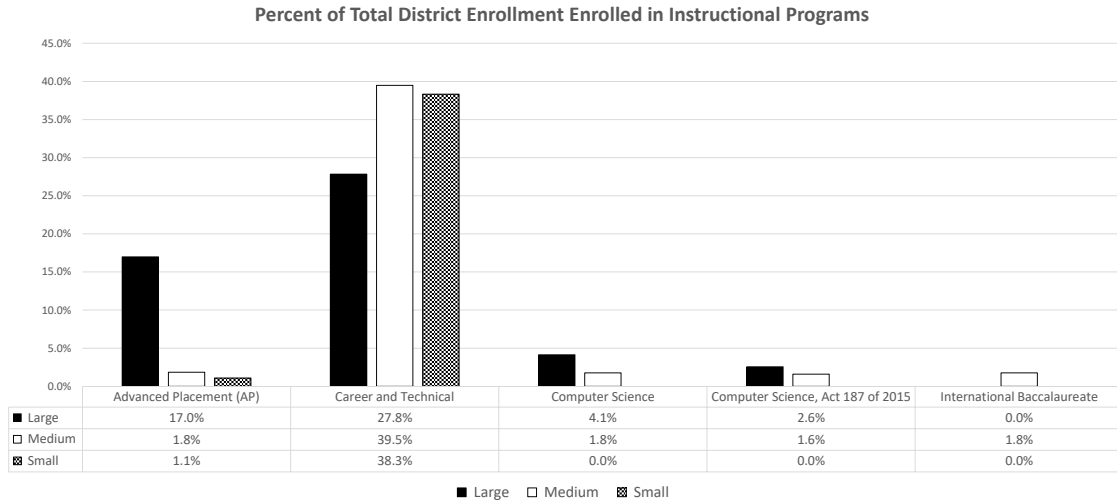
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Curriculum Diversity

- Question: Do larger districts offer a more comprehensive and diverse curriculum? For example, in:
 - Pre-school programs, Career Education programs, Advanced Placement (AP) programs, International Baccalaureate (IB) programs, specialized computer science programs
- Analysis: Although there is a weak positive relationship for larger districts offering more programs, the data show many small districts with high percentages of diverse curriculum

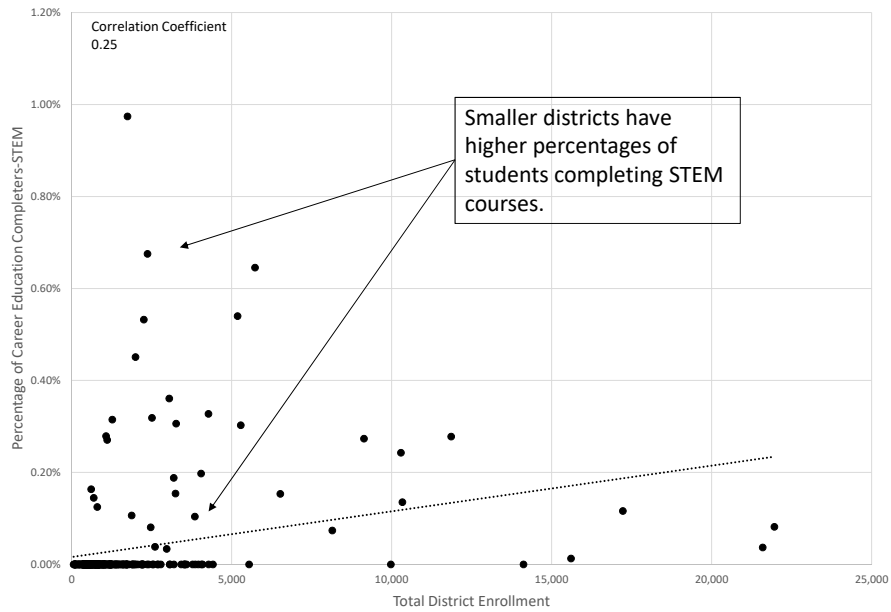
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Instructional Program Participation – 3 Sample Districts: Large (21,595 students), Medium (3,532 students), Small (553 students)

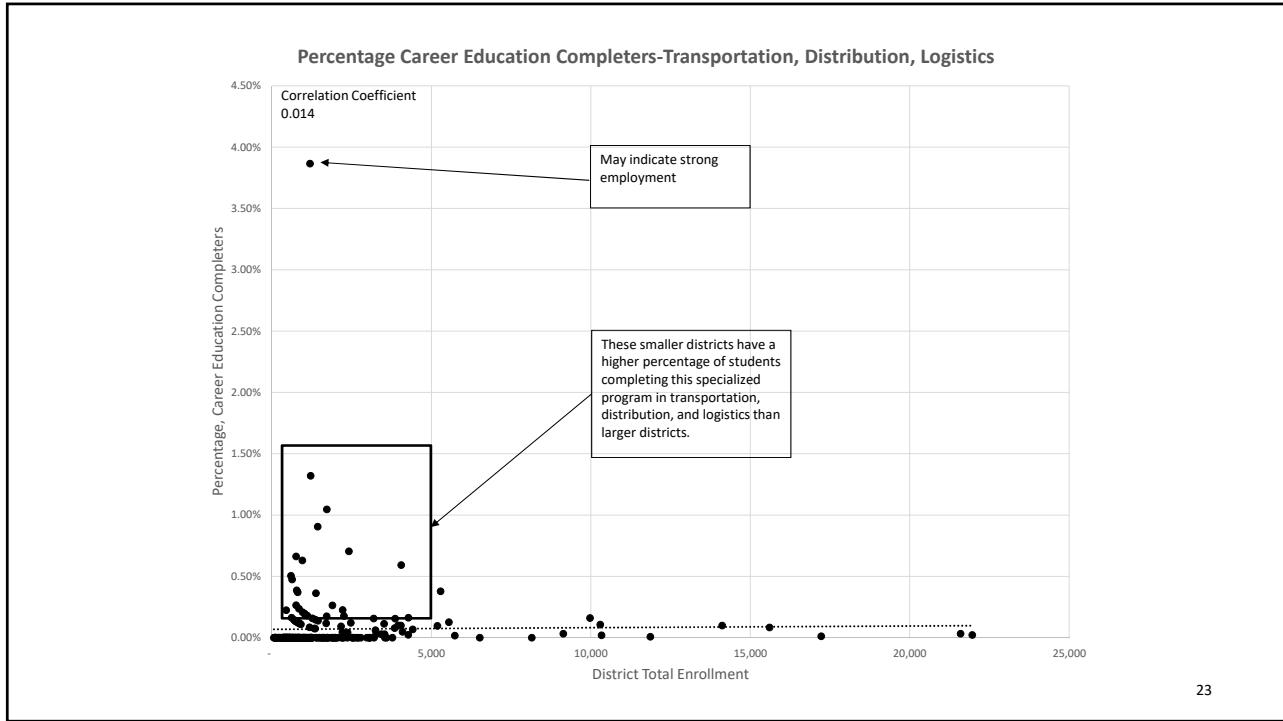


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Percentage of Career Education Completers-STEM (Science, Technology, Engineering, Math)



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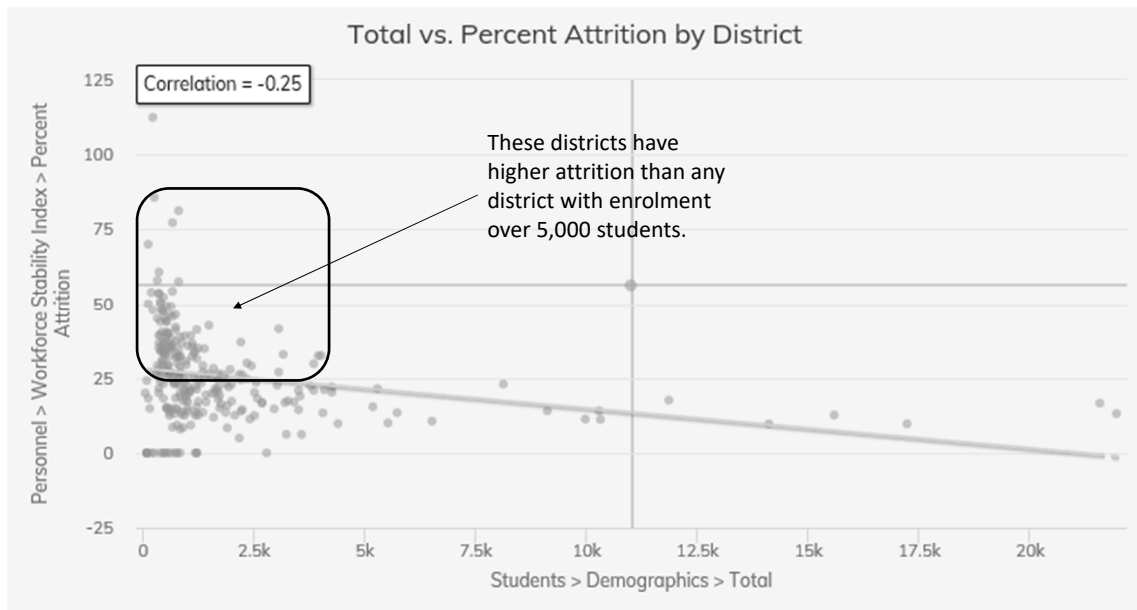
Summary Table – Curriculum Diversity Courses Offered vs. District Enrollment

Variable	Correlation Coefficient	Strength of Relationship	Analysis, Possible Reasons
Career Education Completers			
STEM-% of Total District Students	0.25	Weak relationship, positive	Small districts can provide diverse curriculum
Transportation, Distribution, Logistics-% of Total District Students	0.014	Very weak relationship, positive	
Health Sciences	0.11	Weak relationship, positive	
Information Technology	0.064	Weak relationship, positive	
Hospitality and Tourism	0.09	Weak relationship, positive	

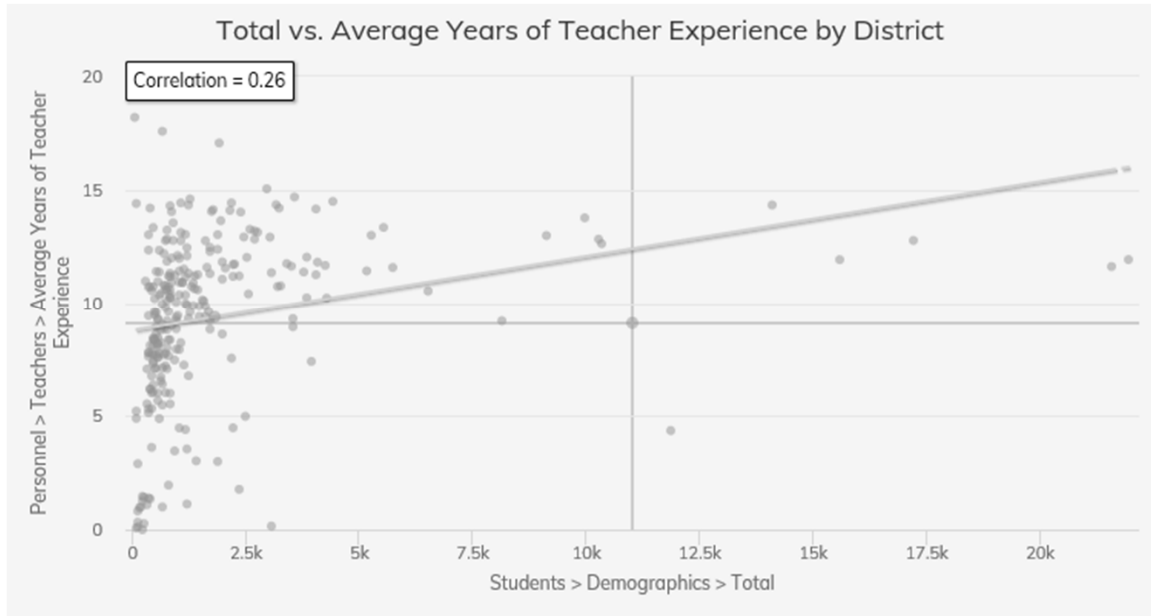
Personnel and Workforce

- Question: Do larger districts attract and retain more highly trained staff?
- Analysis: Examined four variables and found weak positive relationships on most, the workforce stability/attrition variable was weak but showed that larger districts have less attrition

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Summary Table – Personnel and Workforce

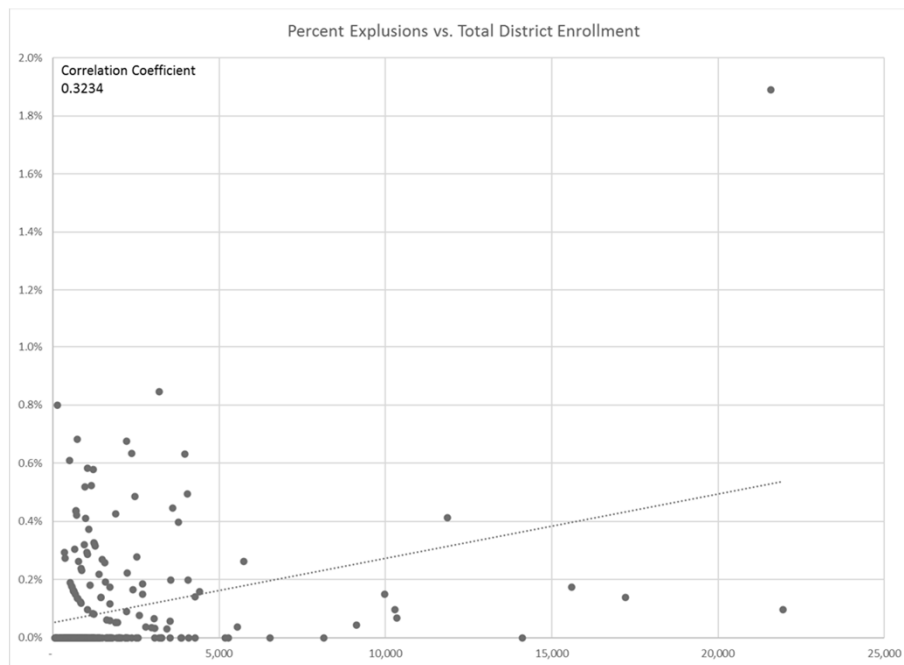
Variable	Correlation Coefficient	Strength of Analysis	Analysis, Possible Reasons
Average Years Teaching Experience	0.26	Weak, positive	Lower turnover due to higher pay in mid-career
% Teachers Completely Certified (licensed)	0.10	Very weak, positive	
Teachers with Advanced Degrees	0.19	Weak, positive	Better compensation for advanced degrees
Percent Attrition, Workforce Stability Index	-0.25	Weak, negative	Smaller districts have higher turnover for many reasons

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Student Discipline – Infractions and Disciplinary Actions

- Questions: Does the size of district impact the incidence of behavioral issues?
- Analysis: Examined eight variables and found a general positive relationship between larger districts and higher incidences. Most of the relationships were weak.

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Summary Table – Student Discipline

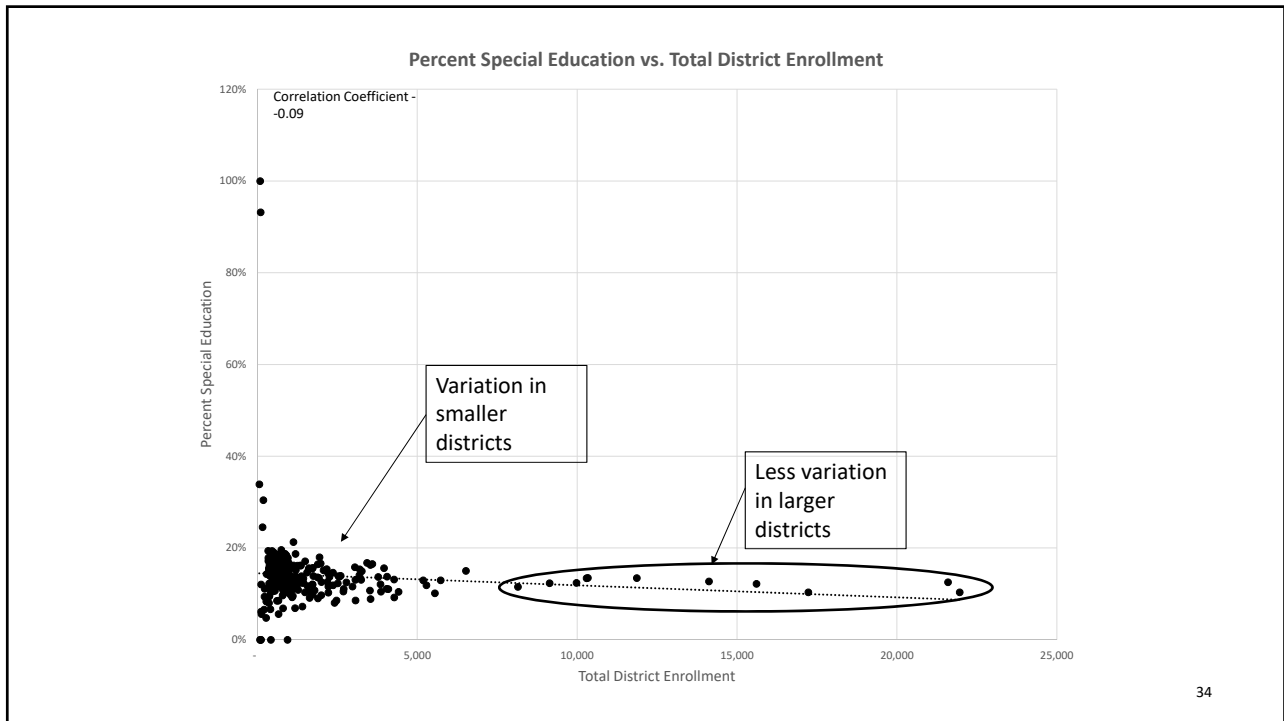
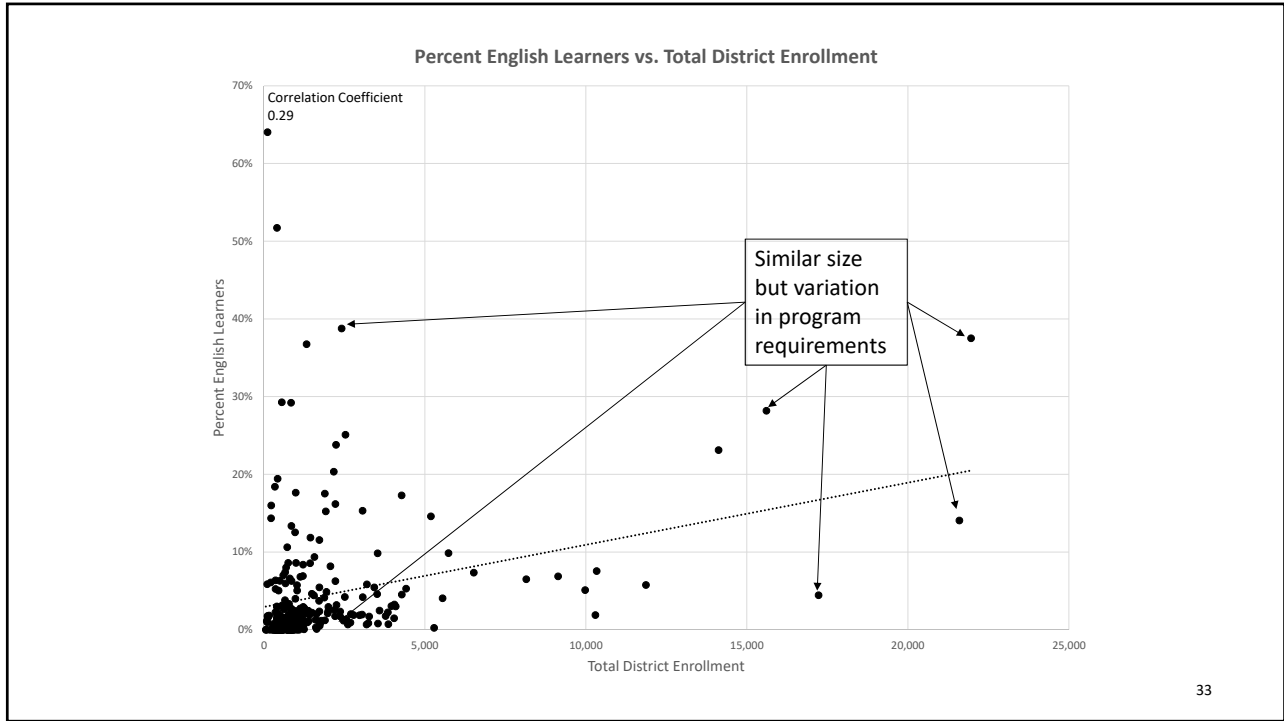
Variable	Correlation Coefficient	Strength of Analysis	Analysis, Possible Reasons
Disciplinary Infractions			
Bullying	-0.063	Very weak, negative	
Staff Assaults	0.64	Moderate, positive	More incidents or bigger district staff trained to report
Fighting	-0.013	Very weak, negative	
Vandalism	0.015	Very weak, positive	
Disciplinary Actions per 100 pupils			
Expulsion	0.12	Weak, positive	
In School Suspension	0.00049	None	
Out of School Suspension	0.078	Very weak, positive	
Exclusionary Discipline	0.089	Very weak, positive	

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Specialized Program Requirements

- Specialized program requirements differ by district size based on the characteristics of the community in each school district
 - English learners
 - Special education students
 - Handicapped students
 - Homeless students
 - Migrant students
 - Gifted and talented students

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Summary Table – Specialized Program Requirements

Variable	Correlation Coefficient	Strength of Analysis	Analysis, Possible Reasons
English Learners, %	0.29	Weak, positive	New immigrants in larger population centers
Special Education, %	-0.09	Very weak, negative	
Handicapped	-0.025	Very weak, negative	
Homeless	0.58	Moderate, positive	Large urban areas with poverty have more homeless students
Migrants	-0.064	Very weak, negative	
Gifted and Talented, %	0.1	Very weak, positive	

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District Size Conclusions

- Economies of scale resulted in some negative relationships for operational efficiency due to large districts having lower costs
- For most variables, small districts showed little impact due to district size, meaning that small districts can offer strong programs and opportunities for students

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School Size

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Research on School Size- National Research

- **Operational Efficiency**

- In some studies, operational efficiency, measured by cost per student, has been found to increase to an optimal enrollment, then remain constant, eventually increasing as enrollment increases (Slate & Jones, 2005). Possible reasons:
 - More students allow better utilization of staffing in regular classrooms and small group programs. For example, in a small school with 30 students per grade level, two teachers are required because 30 students/teacher is too high. In a school twice as large with 60 students per grade level, three teachers can result in 20 students/teacher, an acceptable ratio, rather than four teachers.
 - Population density is an important factor because low density can greatly increase costs of transporting students. (Fox, 1980,1981)

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Research on School Size- National Research (continued)

- **Curricular Diversity**

- Large schools often add more sections of the same course, not more courses. Small schools provide broader learning experiences than published course offerings suggest. (Unks, 1989)
- Relationship between school size and curricular diversity begins to decrease with enrollments above 400 students (Monk, 1987); relatively small high schools may provide as diverse a curriculum, taught in general courses rather than more specialized courses.
- Online offerings will continue to expand opportunities.

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Research on School Size- National Research (continued)

- **Extracurricular Diversity**

- While larger schools may offer more programs, smaller schools often have higher participation

- **Student Achievement**

- Student achievement is related to many factors, particularly socioeconomic factors of the school community. Some studies have found no relationship between school size and academic achievement in general, but significant relationship for subgroups of learners, including students with learning disabilities and those who are socioeconomically disadvantaged. (Gershenson & Langbein, 2015)

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Methodological Concerns with School Size Studies

- Large scale studies with random assignment of students are not available, meaning causal conclusions are weak at best
- Researchers are trained not to draw causal conclusions from correlational data, but decision makers are often forced to draw conclusions using the best data available
- Use of an advocacy research style due to advocating for or against consolidation (Johnston & Pennypacker, 1993)
- Weighting of each factor is a value judgment, not an empirically derived weight

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Preview of General Research Findings - School Size in Arkansas

- **Operational efficiency**
 - Weak relationships between school size and per student costs
 - No clear evidence of optimal size at any grade level configuration
- **Curriculum diversity**
 - Many small schools are offering diverse curriculum
- **Extracurricular program diversity**
 - As expected, larger schools can offer more activities, both athletic and non-athletic

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Selected Variables to Present of 100+ Analyzed

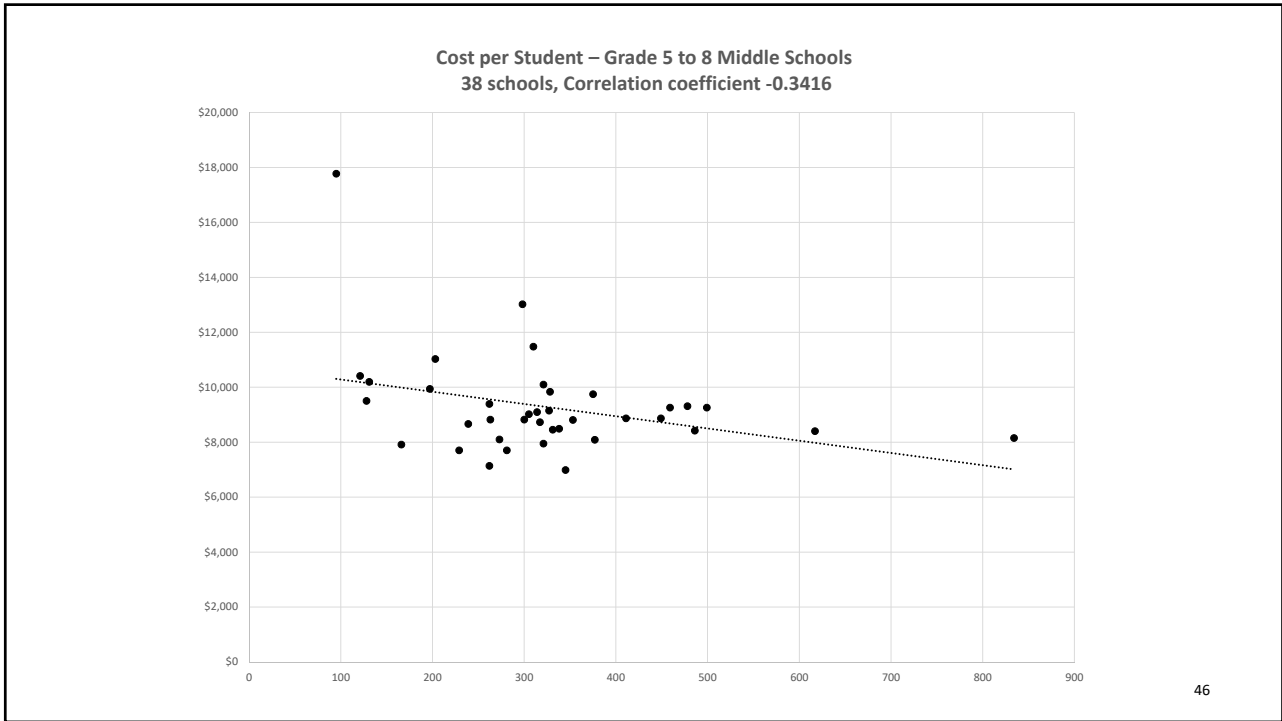
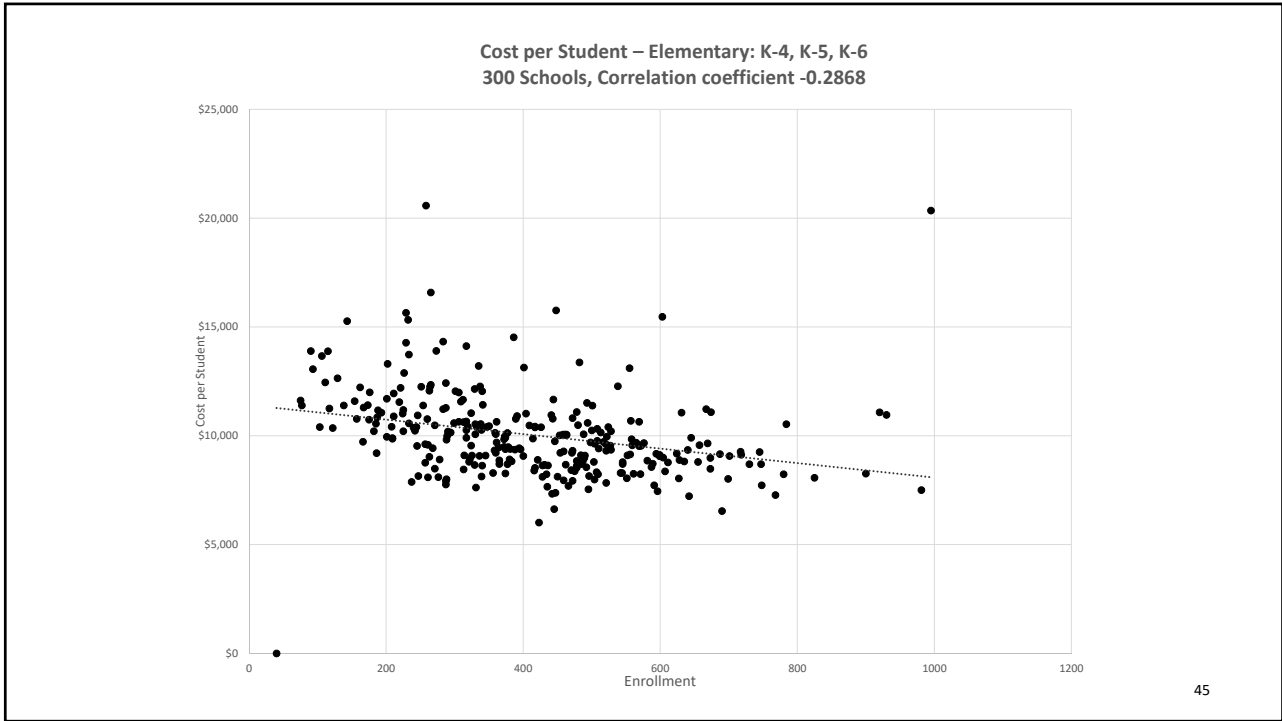
- **Operational Efficiency**
 - Total cost per student vs. school enrollment: elementary, middle, and high schools
 - School administration cost vs. school enrollment
- **Curriculum Diversity**
 - Advanced Placement courses taken
 - Career Education Completers, Health
- **Extracurricular Diversity**
 - Preliminary analysis of data from Arkansas Activities Association - athletic and non-athletic activities
- **Academic Achievement**
 - ACT Aspire: Meets/Exceeds Standards, Literacy
 - Value Added, Math
 - AP Tests Scored 3,4,5
 - Graduation rates
- **Other – potentially useful for program analysis**
 - Average Years Teacher Experience
 - Teacher Completely Certified (licensed)
 - Disciplinary – Exclusion

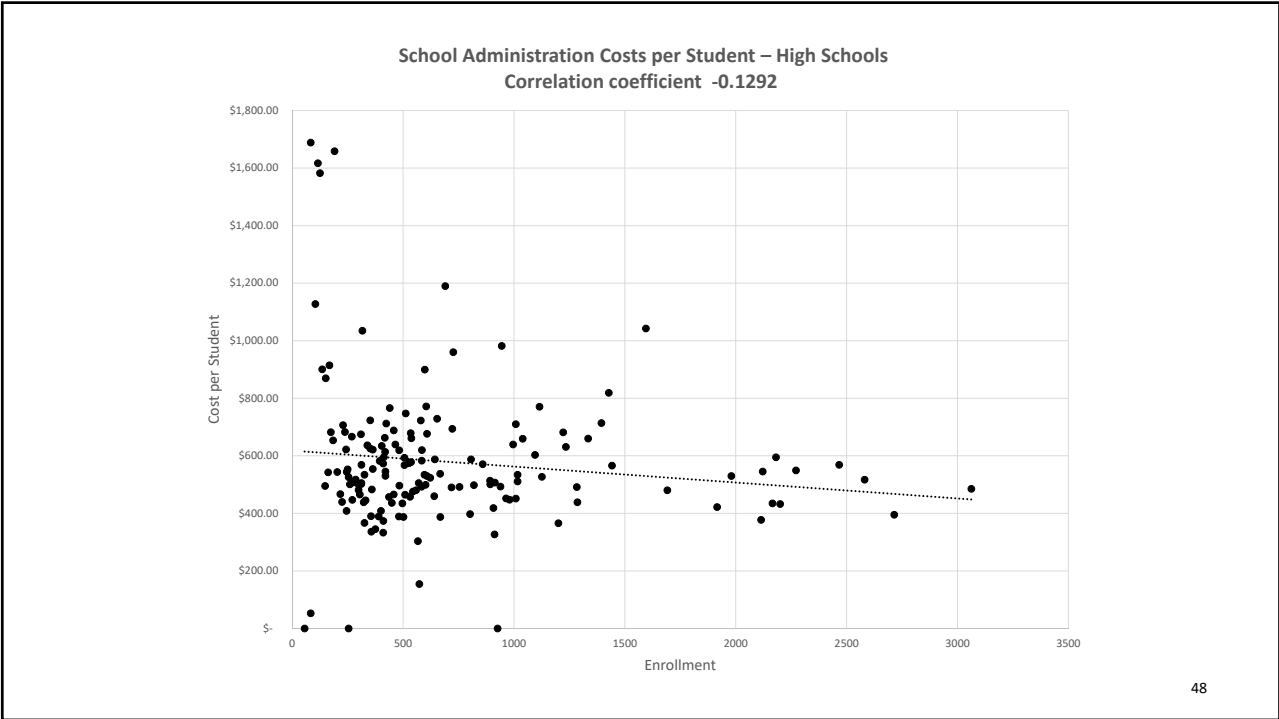
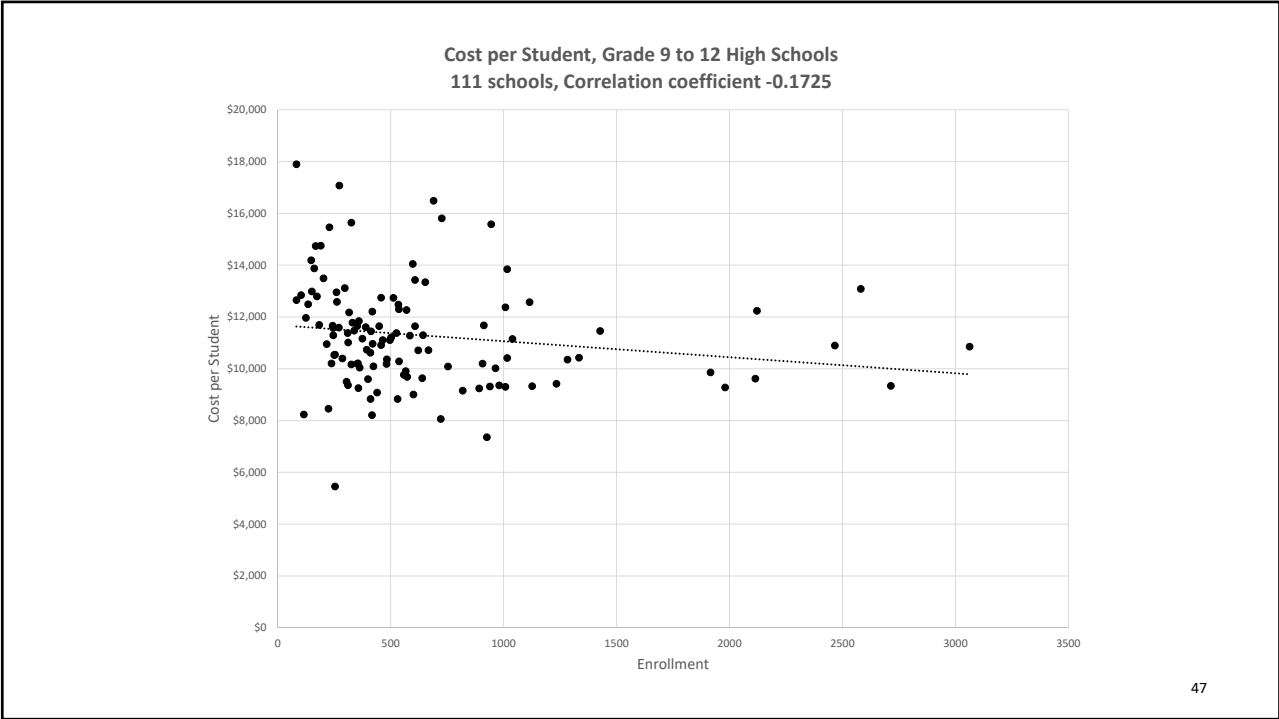
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Operational Efficiency Expenditures per Pupil

- Question: What is the relationship between school size and expenditures per pupil at the school level?
- Analysis: Examined expenditures per pupil by different grade spans
 - Weak relationships between school size and per student costs
 - No clear evidence of optimal size at any grade level configuration

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Summary Table – School Spending

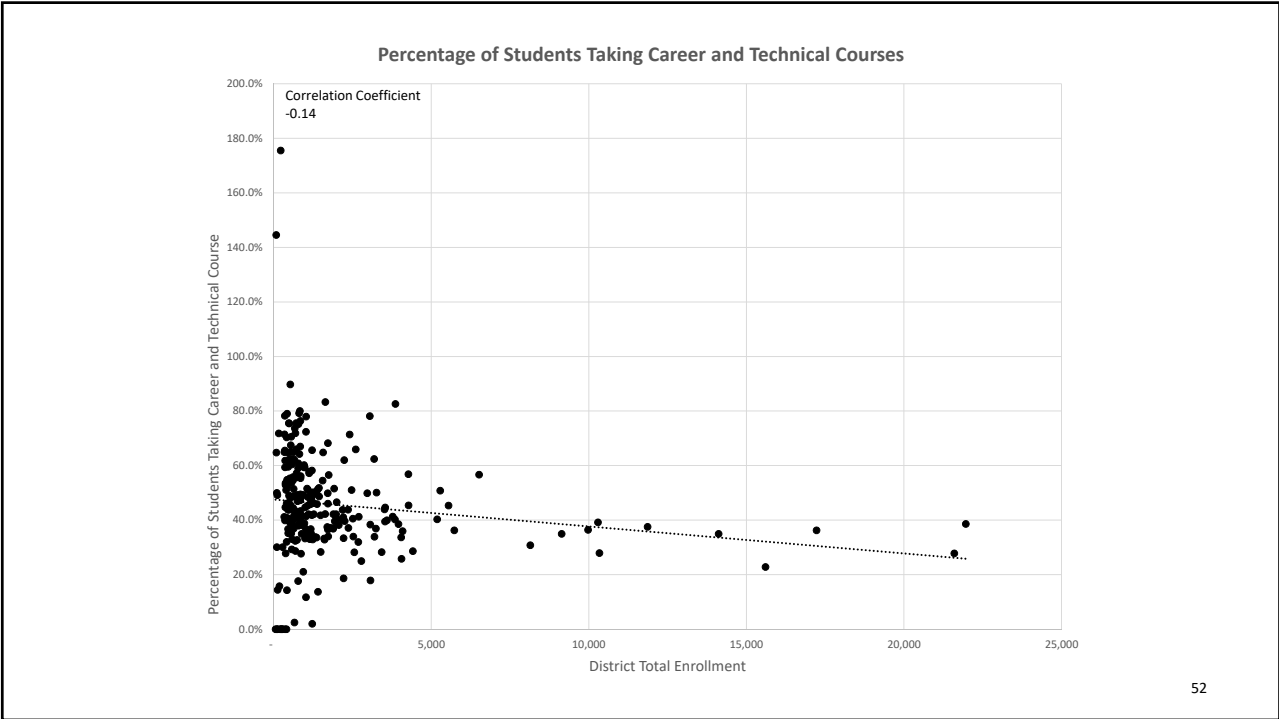
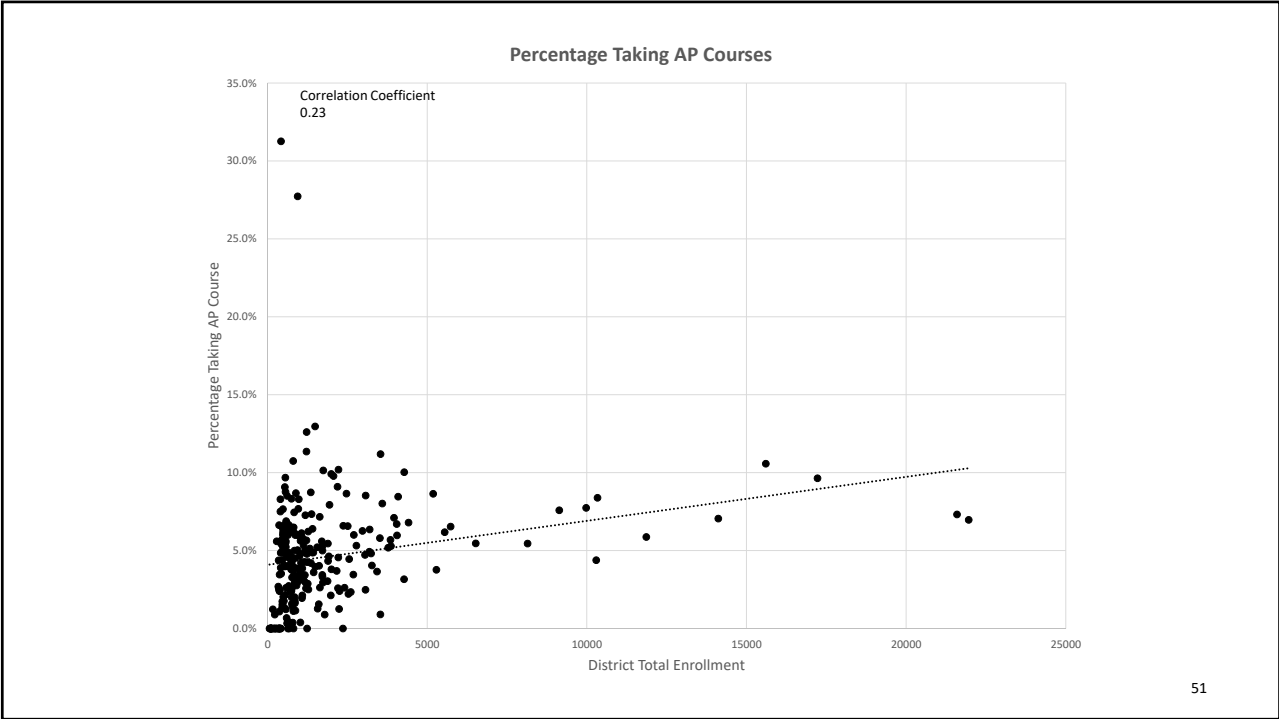
Variable	Correlation Coefficient	Strength of Relationship	Analysis, Possible Reasons
Elementary, K-4, K-5, K-6 (300 schools)	-0.29	Weak relationship, negative	Economies of scale
Middle - Grades 5-8 (38 schools)	-0.34	Weak relationship, negative	Economies of scale
Middle - Grades 6-8 (60 schools)	-0.0025	Very weak relationship, negative	
High School - Grades 7-12 (116 schools)	-0.35	Weak relationship, negative	Economies of scale
High School - Grades 9-12 (111 schools)	-0.17	Weak relationship, negative	
All High Schools	-0.13	Weak relationship, negative	
School Administrative Costs, Per Pupil, High Schools	-0.13	Weak relationship, negative	

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Curriculum Diversity

- Question: Does the size of school impact the availability of course/program offerings for students?
- Analysis: Examined the percentage of students taking and/or completing courses/programs. Many small schools are offering diverse curriculum.

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Summary Table- Curricular Diversity vs. Enrollment

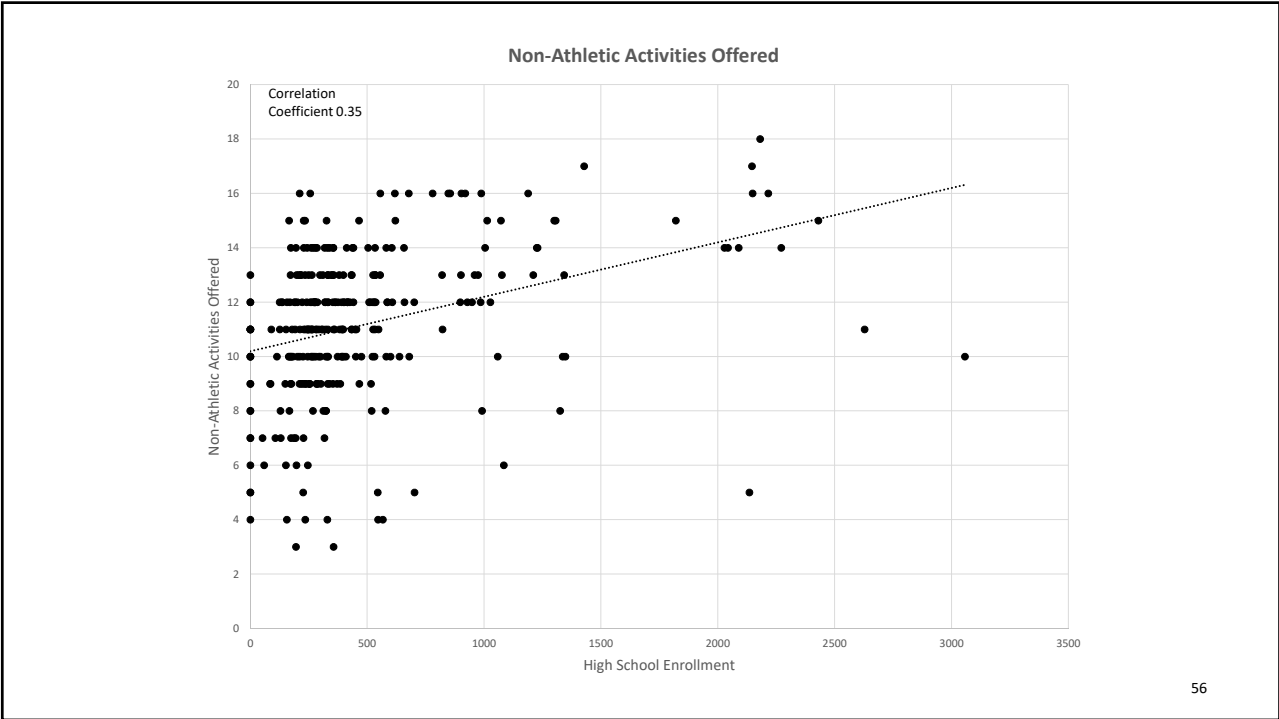
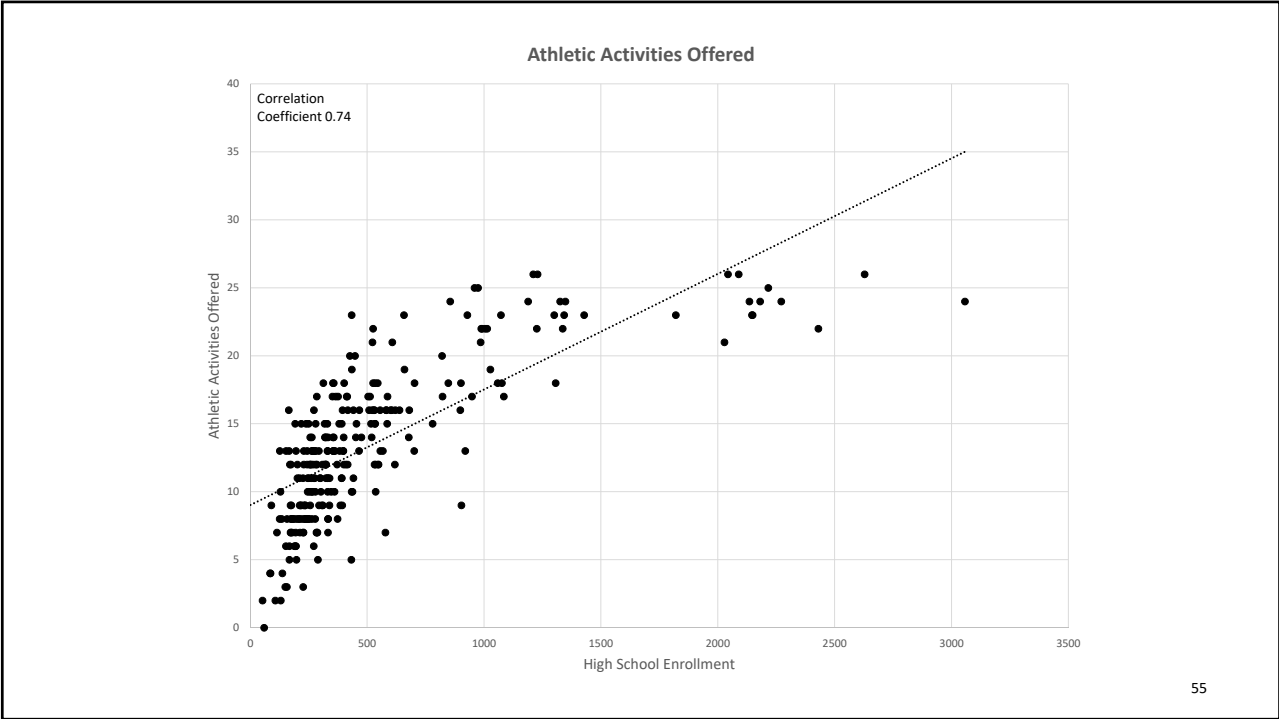
Variable	Correlation Coefficient	Strength of Relationship	Analysis, Possible Reasons
Percentage of Students Taking AP Courses	0.23	Weak, positive	Small districts offer diverse curriculum
Percentage of Students Taking Career and Technical Courses	-0.14	Weak, negative	
Percentage Career Education Completers-Health Sciences	0.11	Weak, positive	Small districts offer diverse curriculum
Percentage Career Education Completers-Information Technology	0.064	Very weak, positive	Small districts offer diverse curriculum
Percentage Career Education Completers-Hospitality and Tourism	0.09	Weak, positive	Small districts offer diverse curriculum

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Extracurricular Programs Offered

- Questions: How does the size of a school impact the extracurricular programs offered to students?
- Analysis: Evaluated information from the Arkansas Activities Association for both athletic and non-athletic activities, based on 2018-19 school year
 - As expected, larger schools can offer more activities, both athletic and non-athletic
 - The amount of non-athletic activities is less than athletic activities and has a weaker relationship to school size

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Summary Table – Extracurricular Activities Offered vs. High School Enrollment

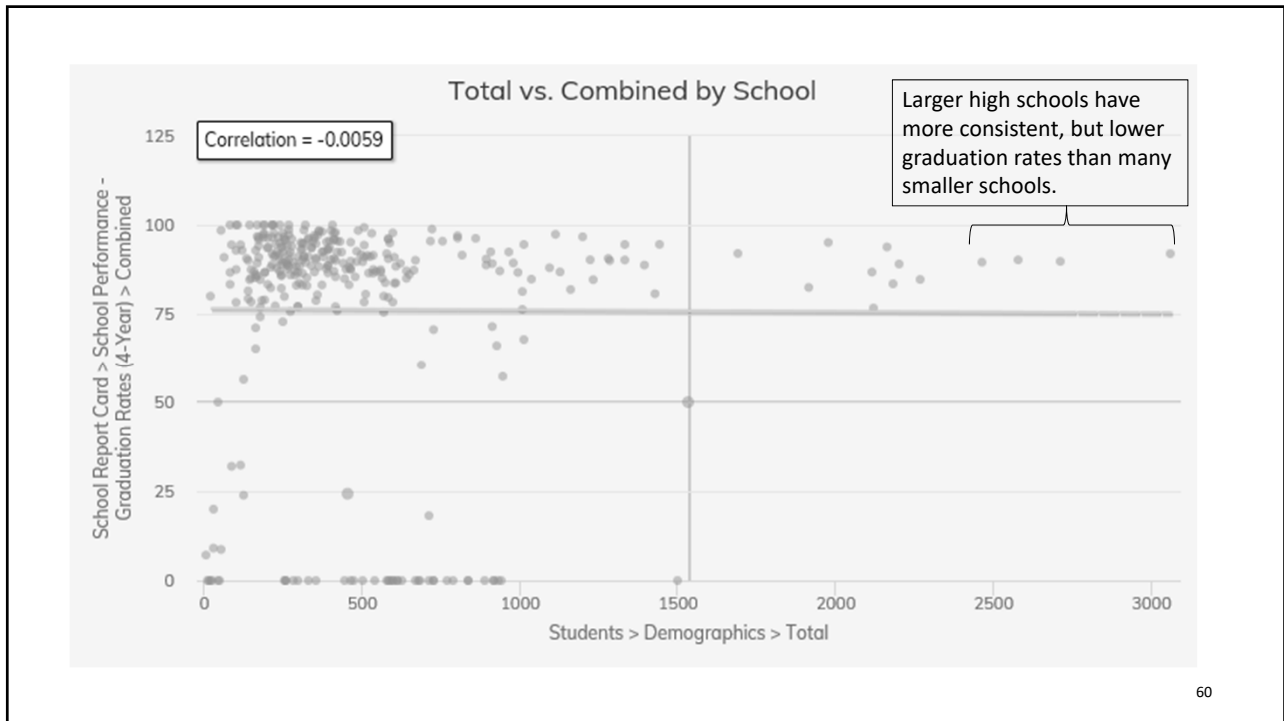
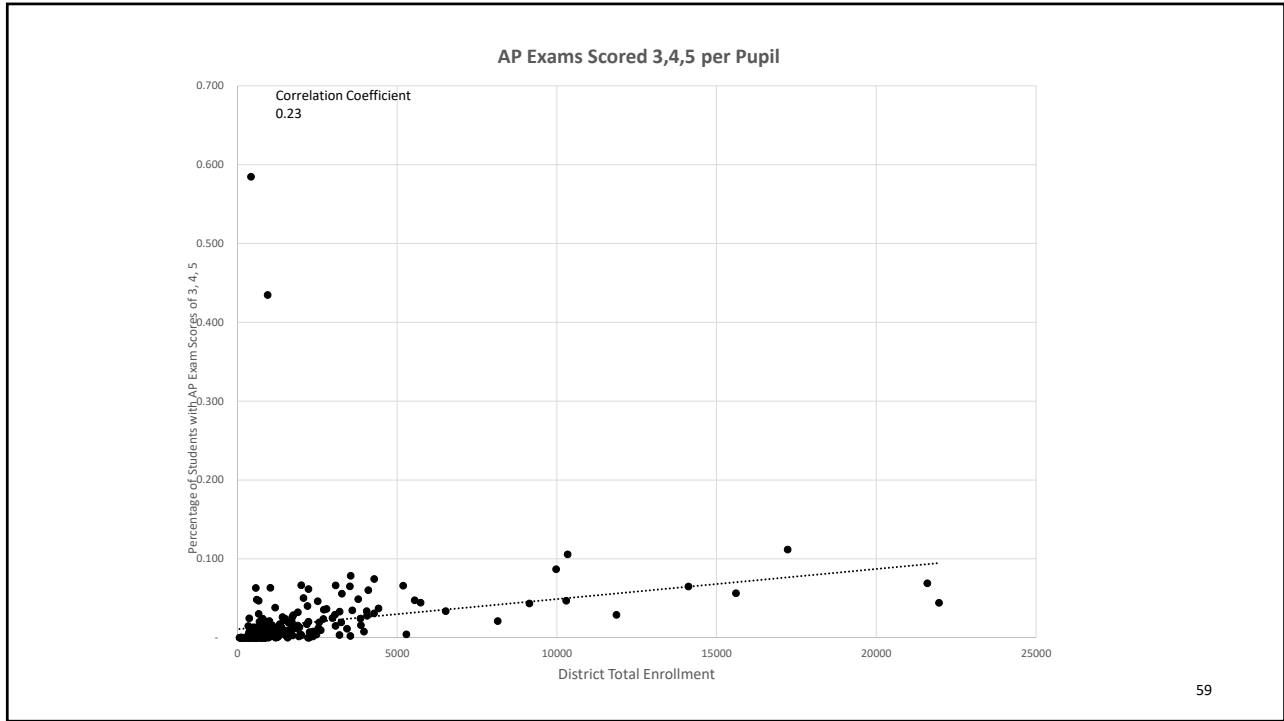
Variable	Correlation Coefficient	Strength of Relationship	Analysis, Possible Reasons
Athletics	0.74	Strong relationship, positive	More students to fill more teams
Non-Athletics	0.35	Weak relationship, positive	More students to participate in more activities

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School Performance

- Question: Can larger schools outperform smaller schools?
- Analysis:
 - Larger districts show more consistent, but lower graduation rates than smaller districts that have more variation in graduation rates
 - Although there is a weak, positive relationship between district size and certain measures, such as AP test scores, many small districts show equally good results
- Note: Other components of this study will address student assessment outcomes

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Summary Table – School Performance vs. Enrollment

Variable	Correlation Coefficient	Strength of Relationship	Analysis, Possible Reasons
AP Exams scored 3, 4, 5 per Pupil	0.23	Weak, positive	Small schools offer strong instructional programs
Graduation Rates (4 year)	-0.006	None	

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Conclusions and Possible Recommendations

- General
 - For most variables, this research indicates that small districts and schools can perform as well as larger districts and schools
 - Very specific reasons explain why some variables show positive or negative relationships to size
- Optimal size for school districts and schools is hard to define due to many weak relationships as well as different perspectives on the importance of the variables ranging from operational efficiency to school performance

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Questions?

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Appendix – Many More Variables Analyzed

- These variables have been analyzed and are included in Summary Tables
- Variables in the Appendix are organized into two sections:
 - District Size
 - School Size

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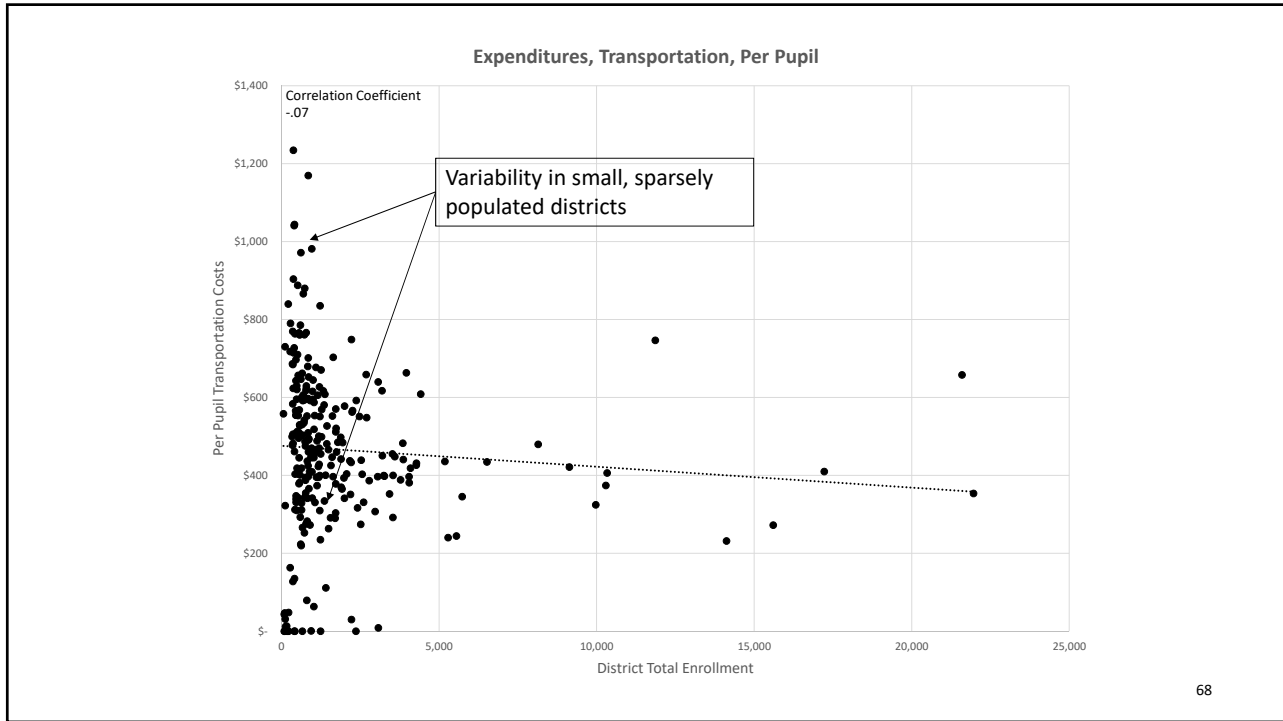
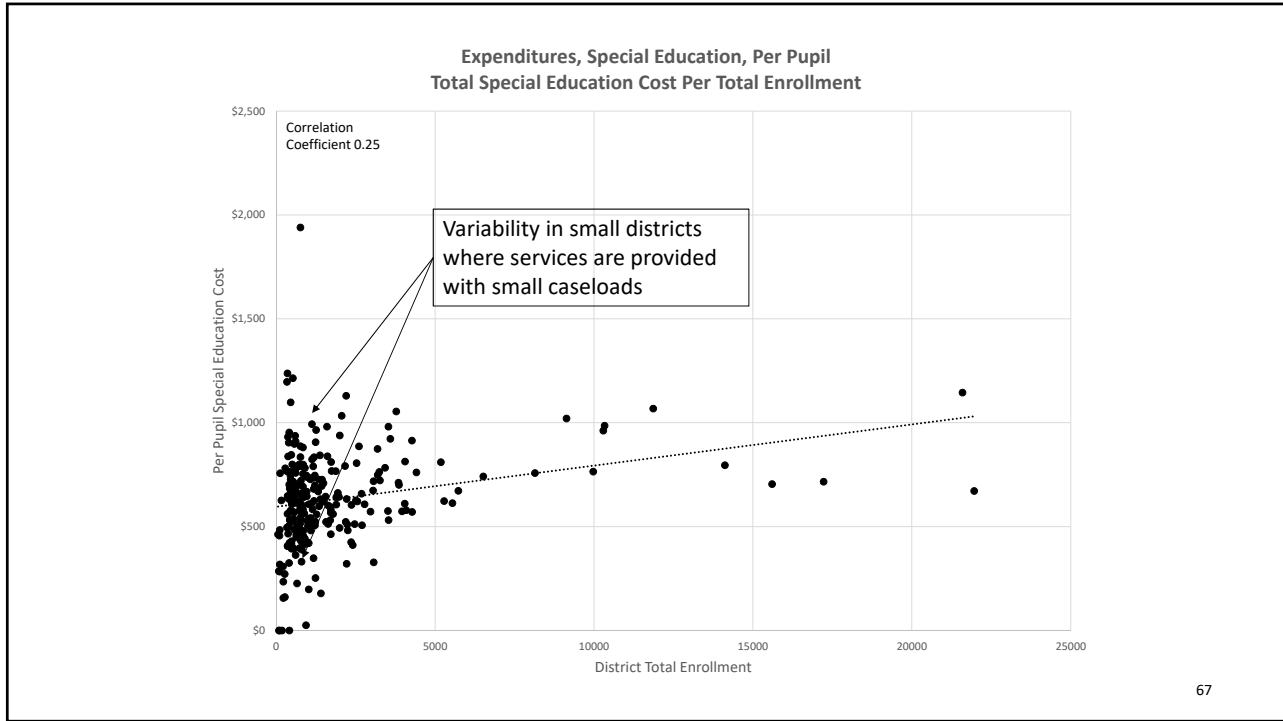
Appendix – District Size Analysis

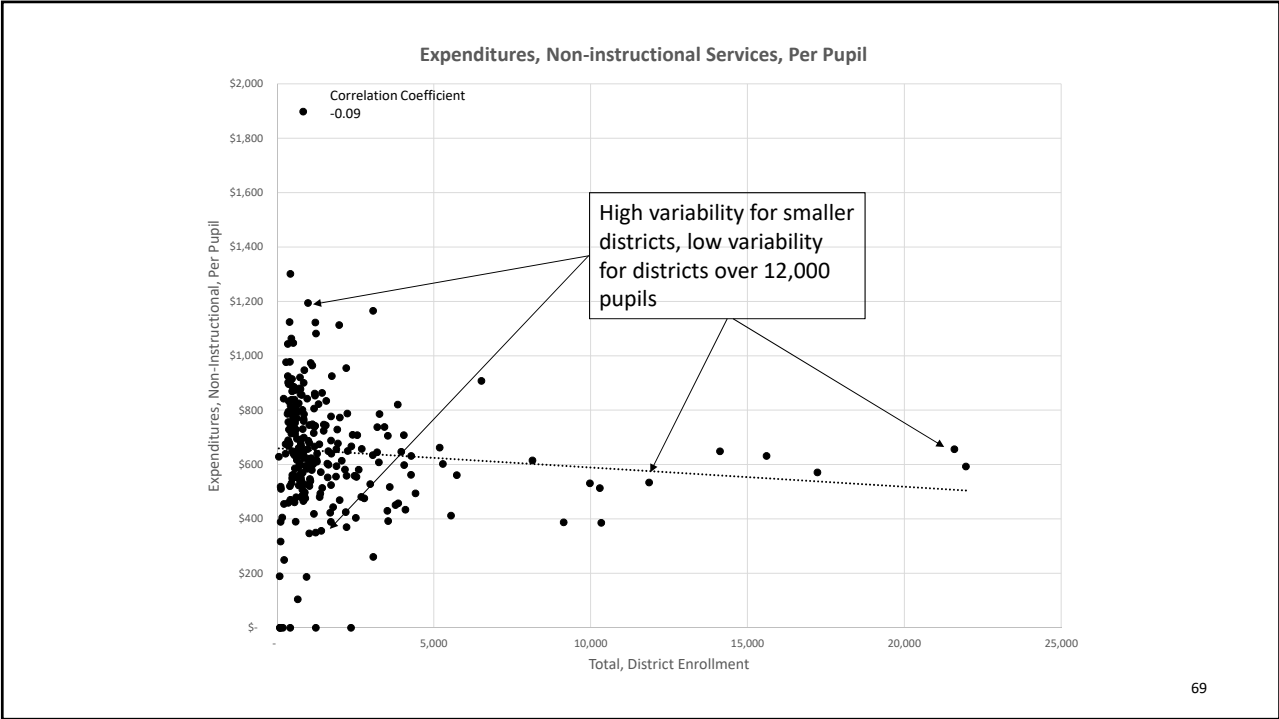
Variable Category	Slide Numbers
District	
Operational Efficiency	66-68
Personnel and Workforce	70-71
Student Discipline – Infractions	73-76
Student Discipline – Disciplinary Actions	78-81
Curricular Diversity – Courses Taken	83-85
Specialize Program Requirements and Program Evaluation	87-92

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Operational Efficiency

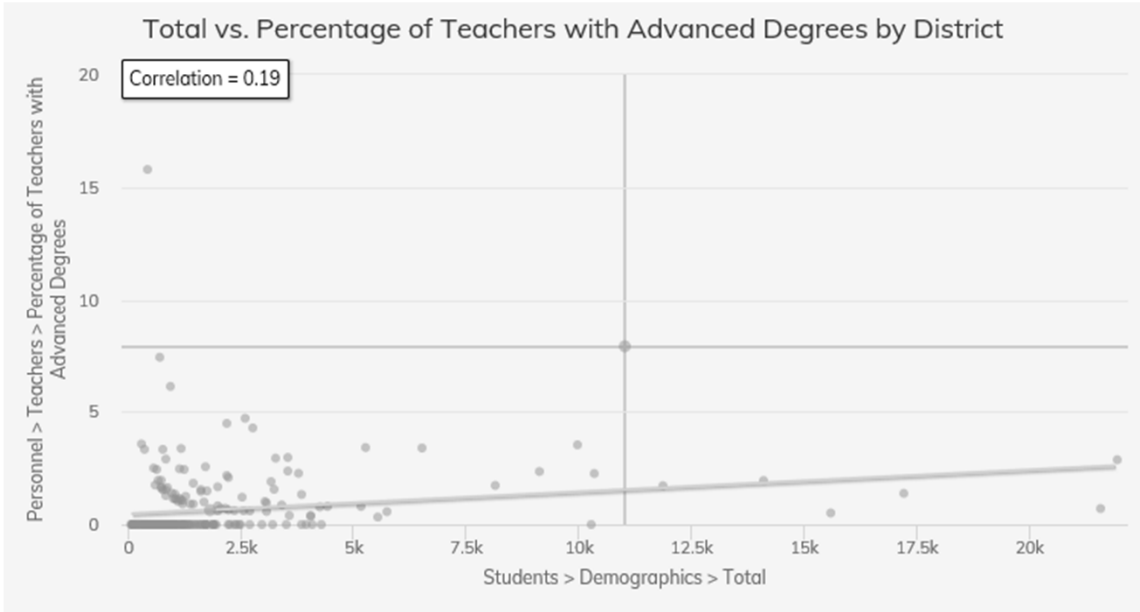
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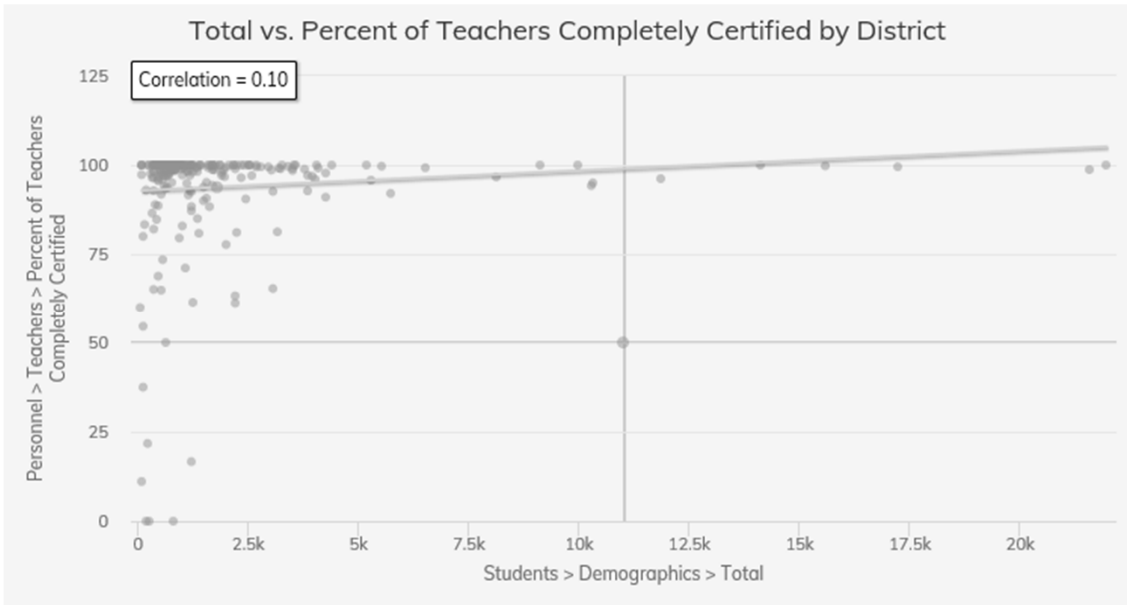


Personnel and Workforce

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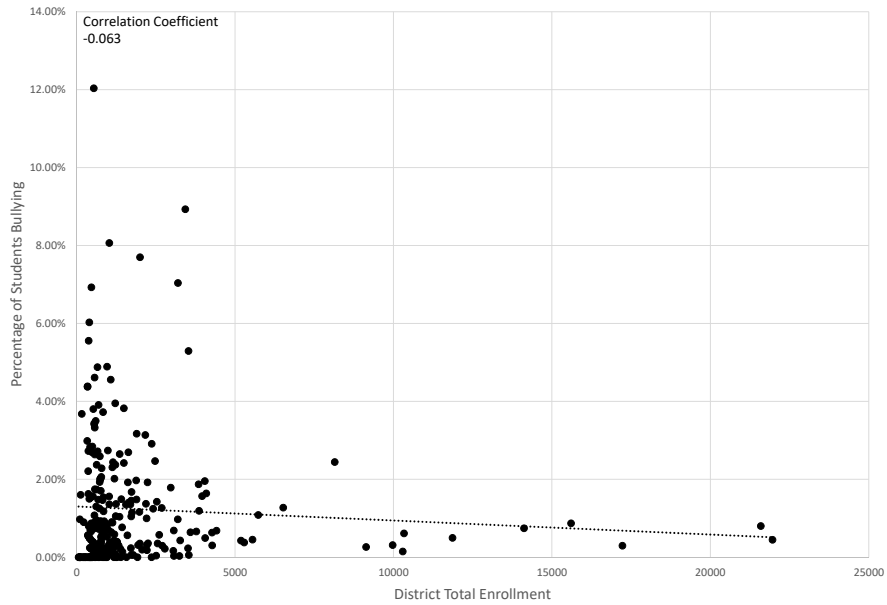


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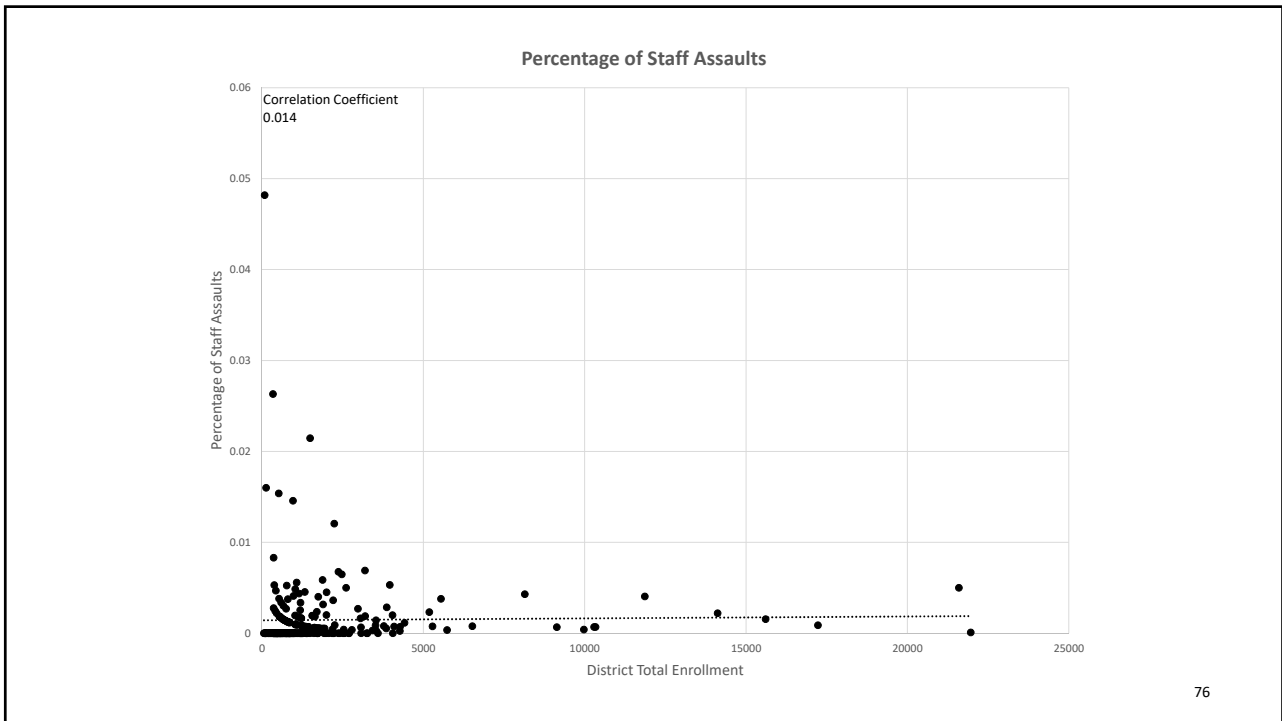
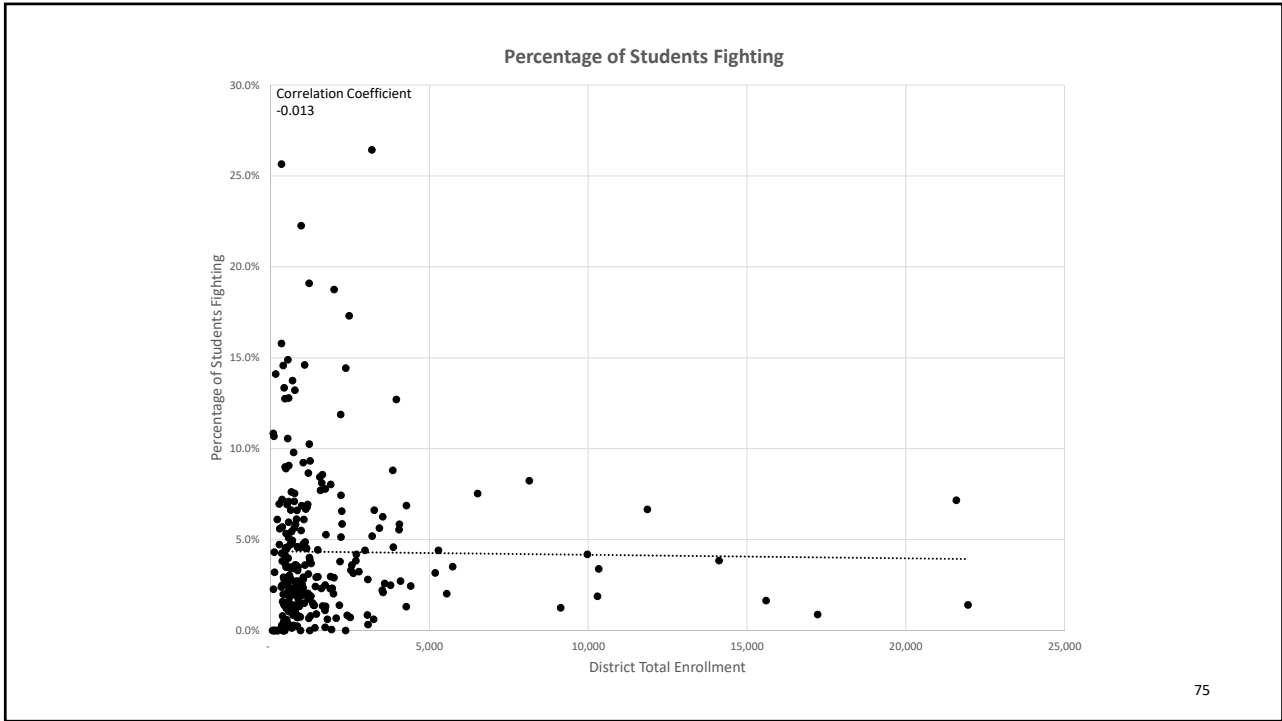
Student Discipline - Infractions

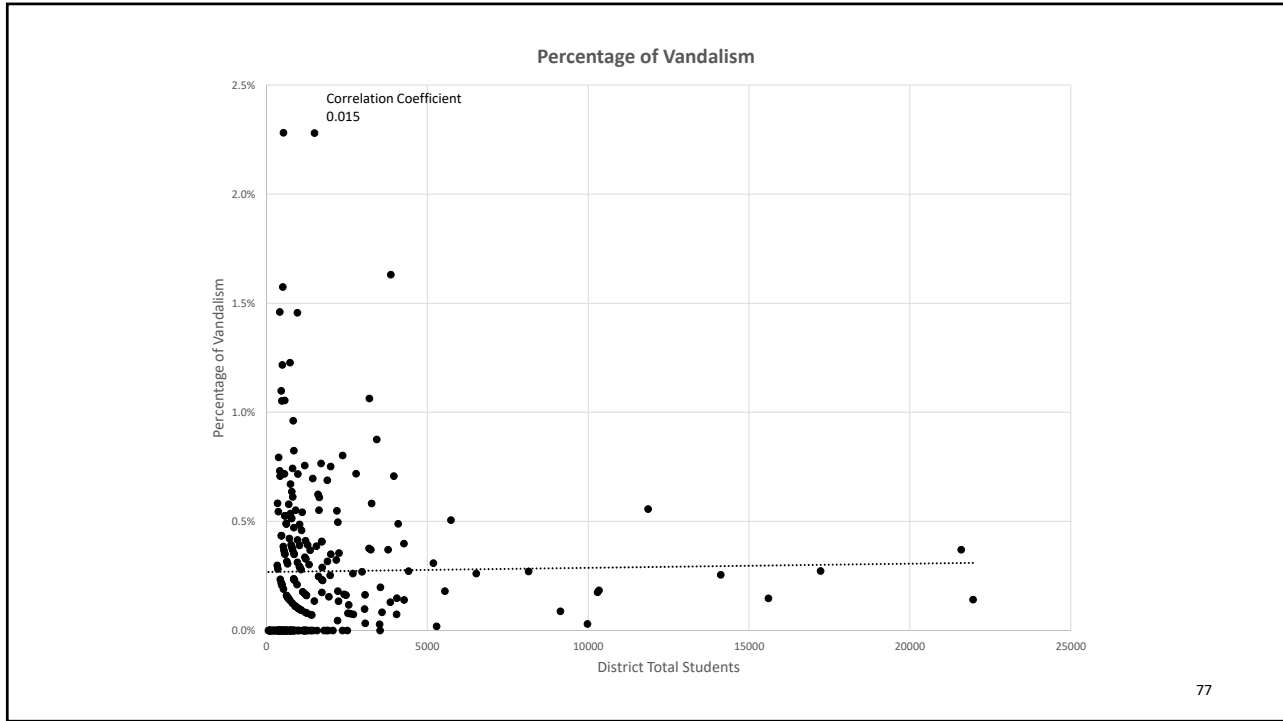
73

Percentage of Students Bullying



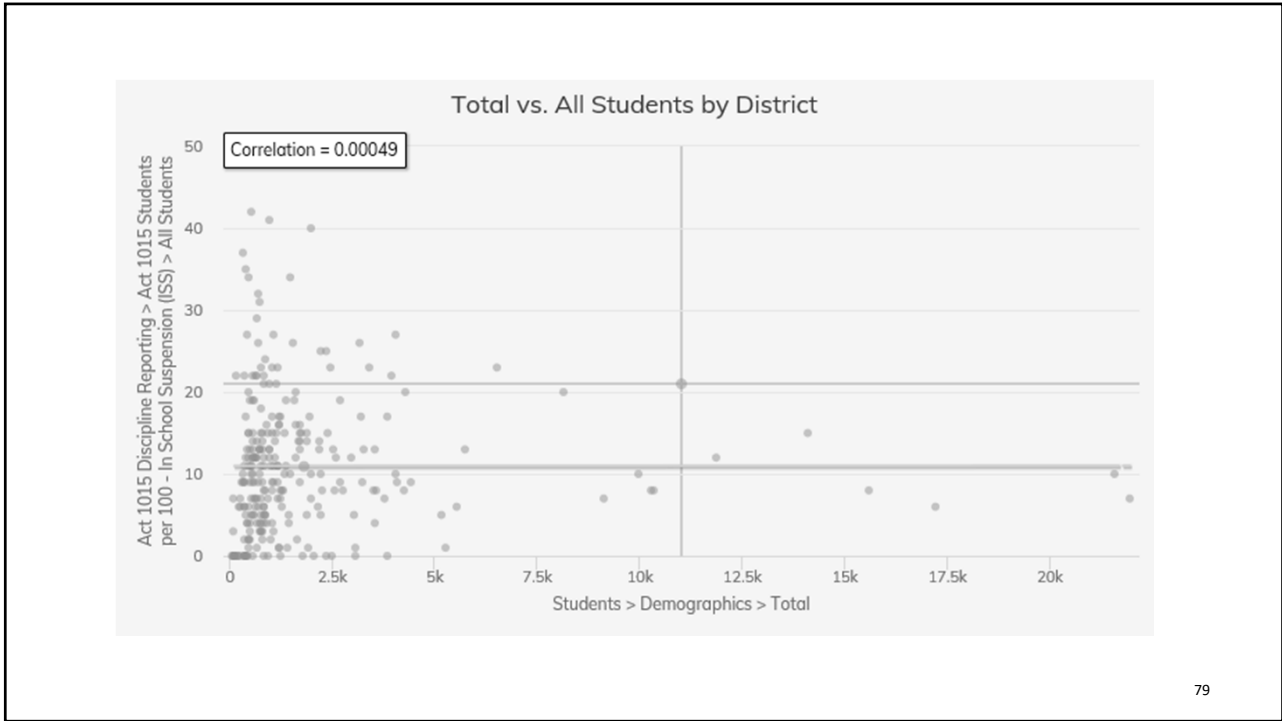
74



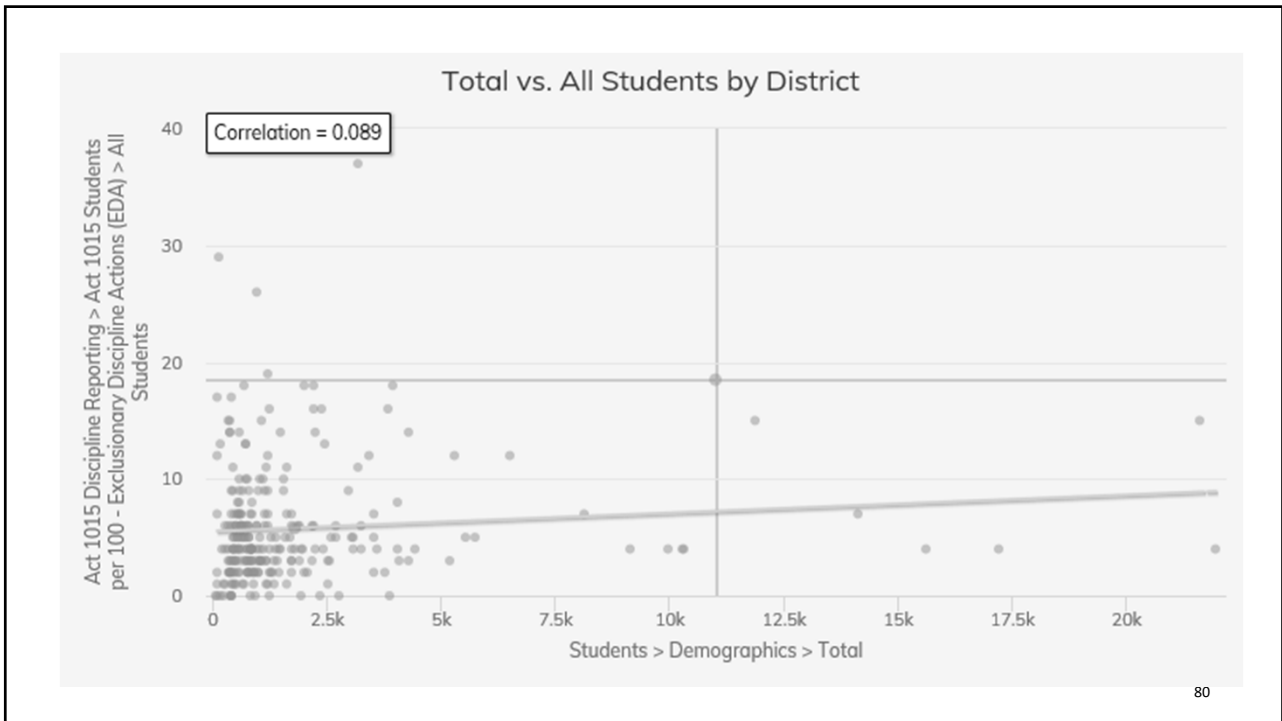


Disciplinary Action

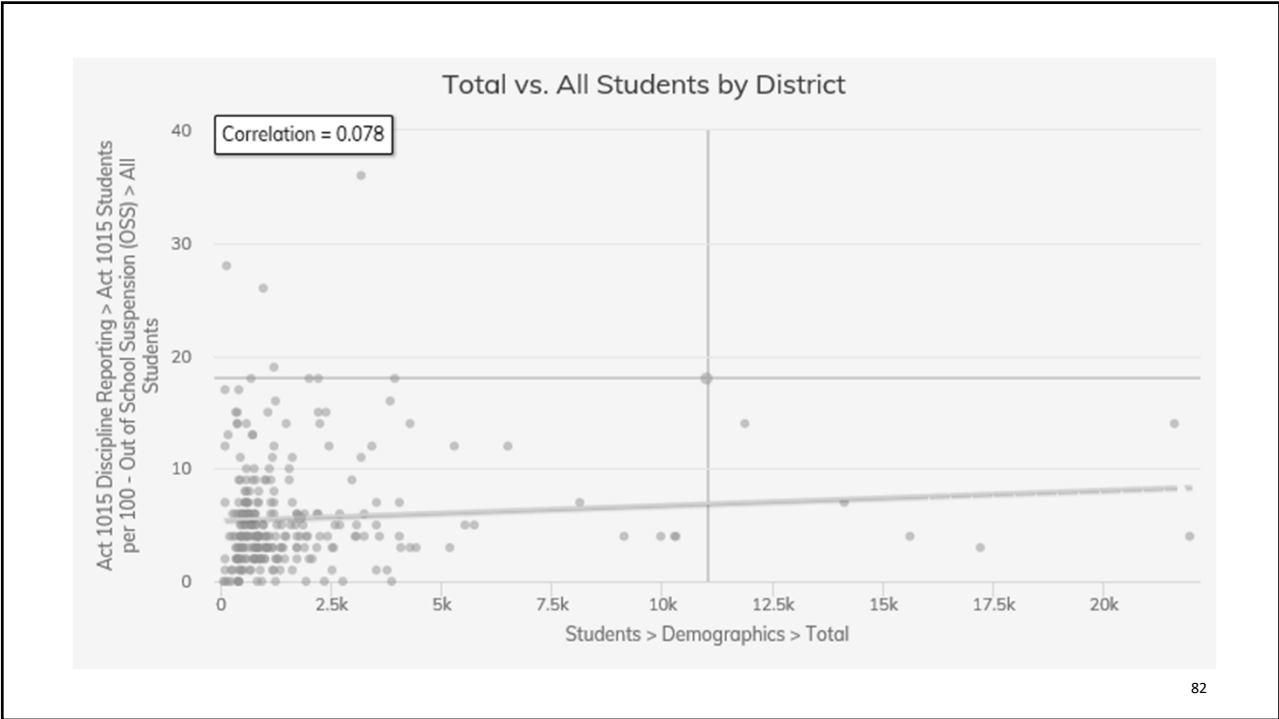
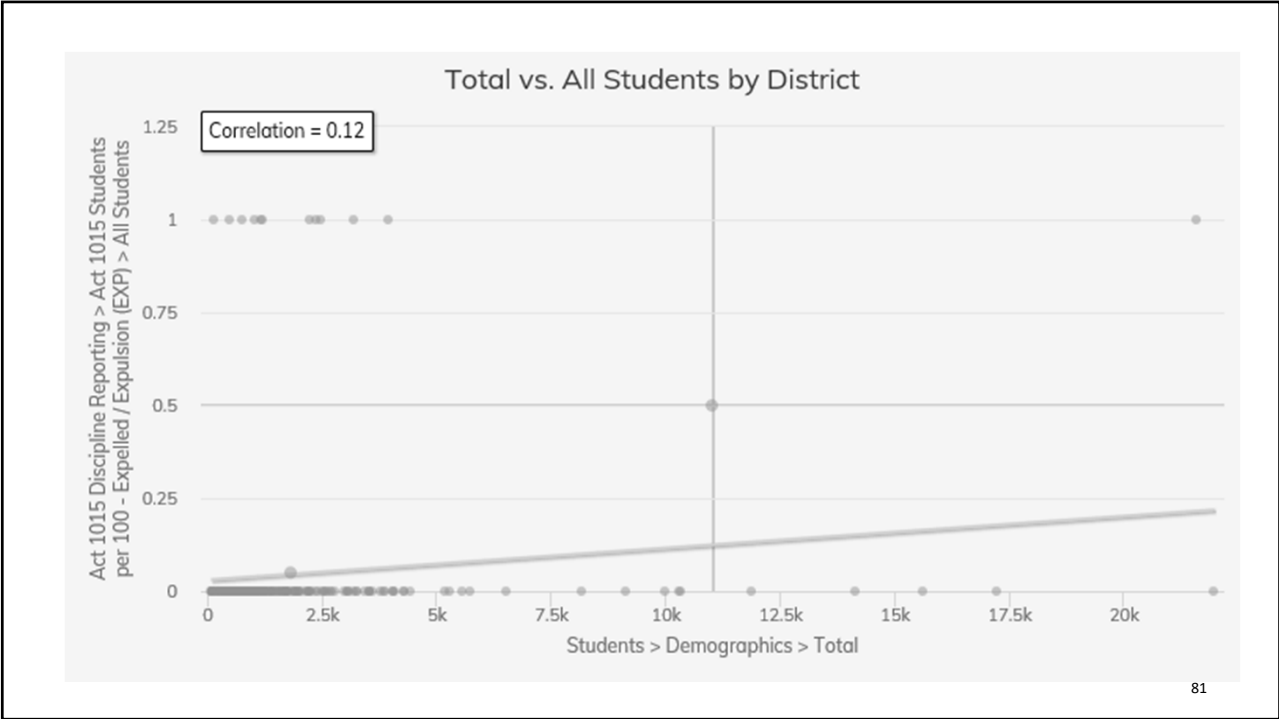
78



79



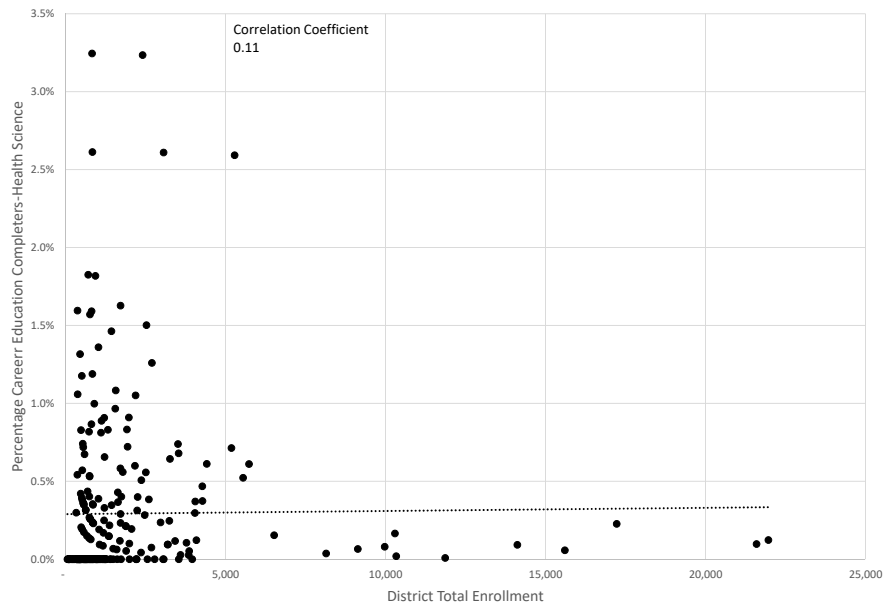
80



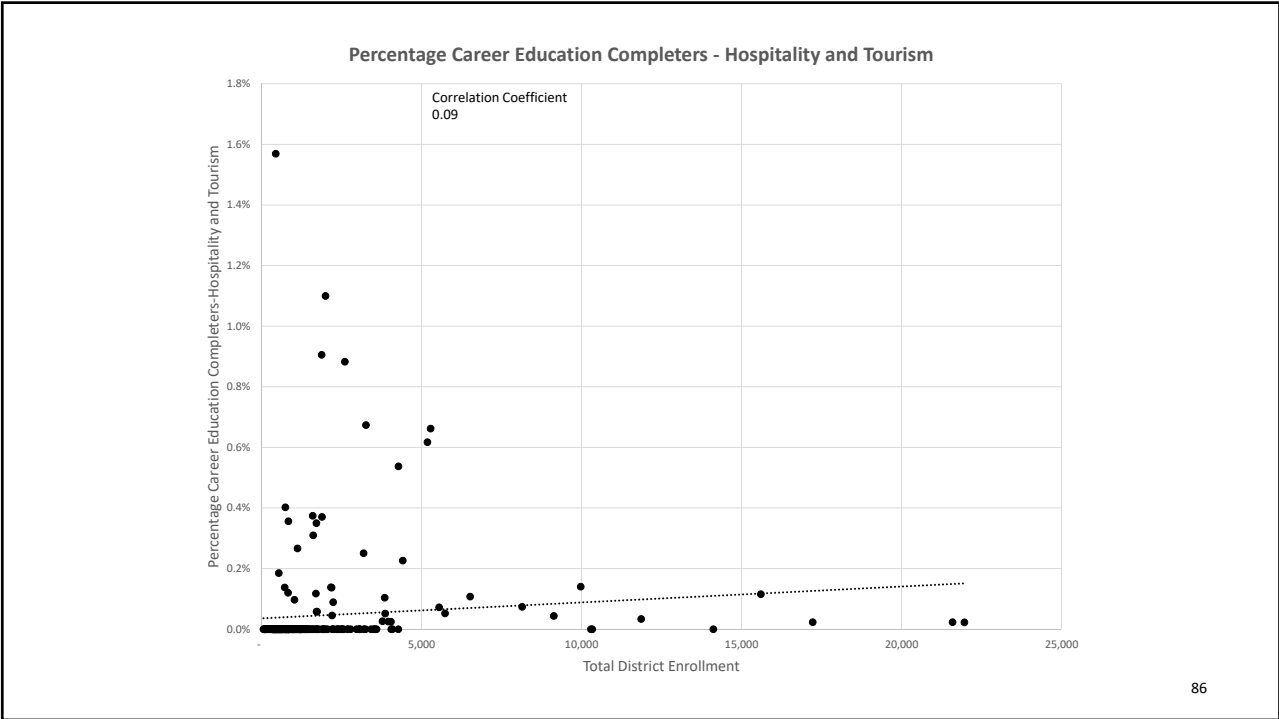
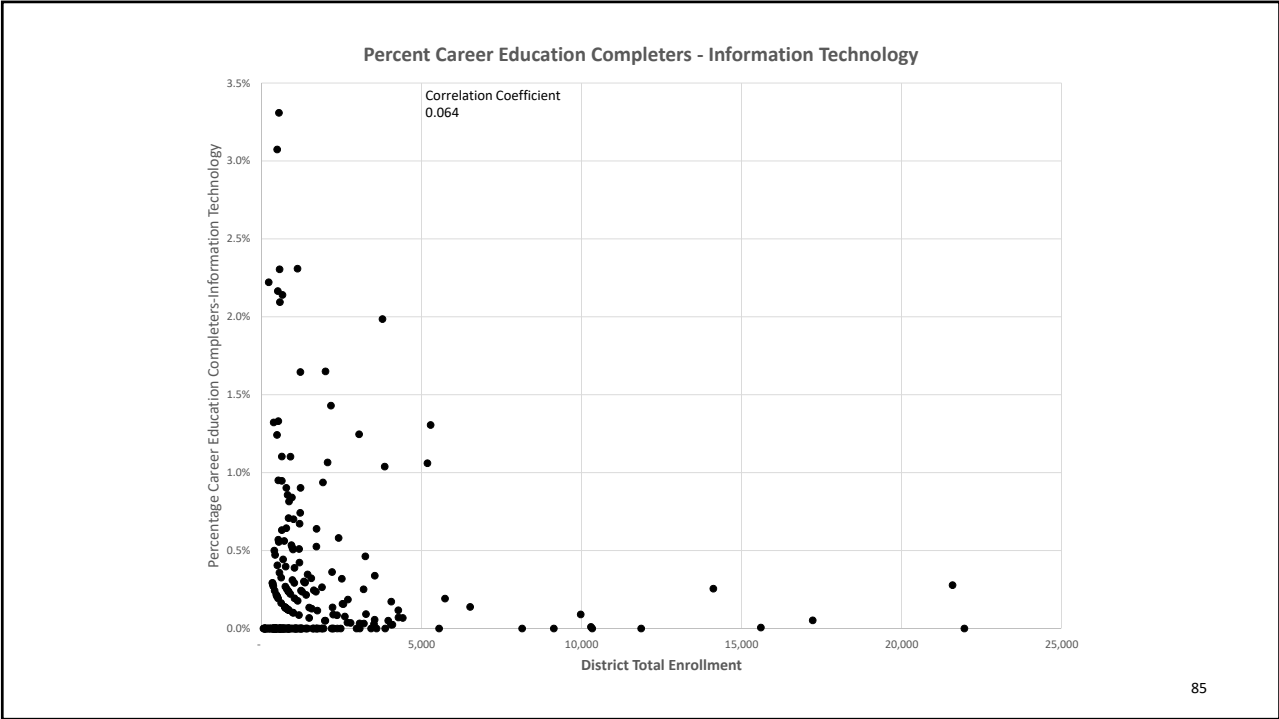
Curricular Diversity

83

Percent Career Education Completers - Health Science



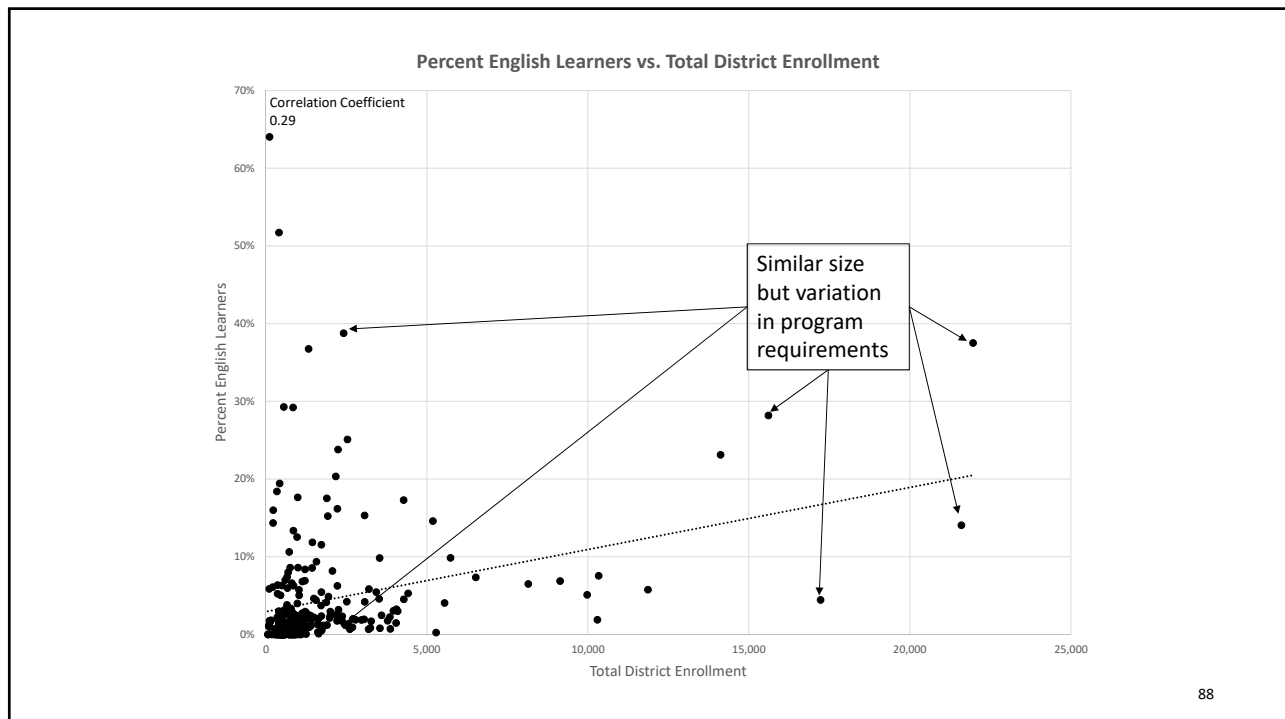
84

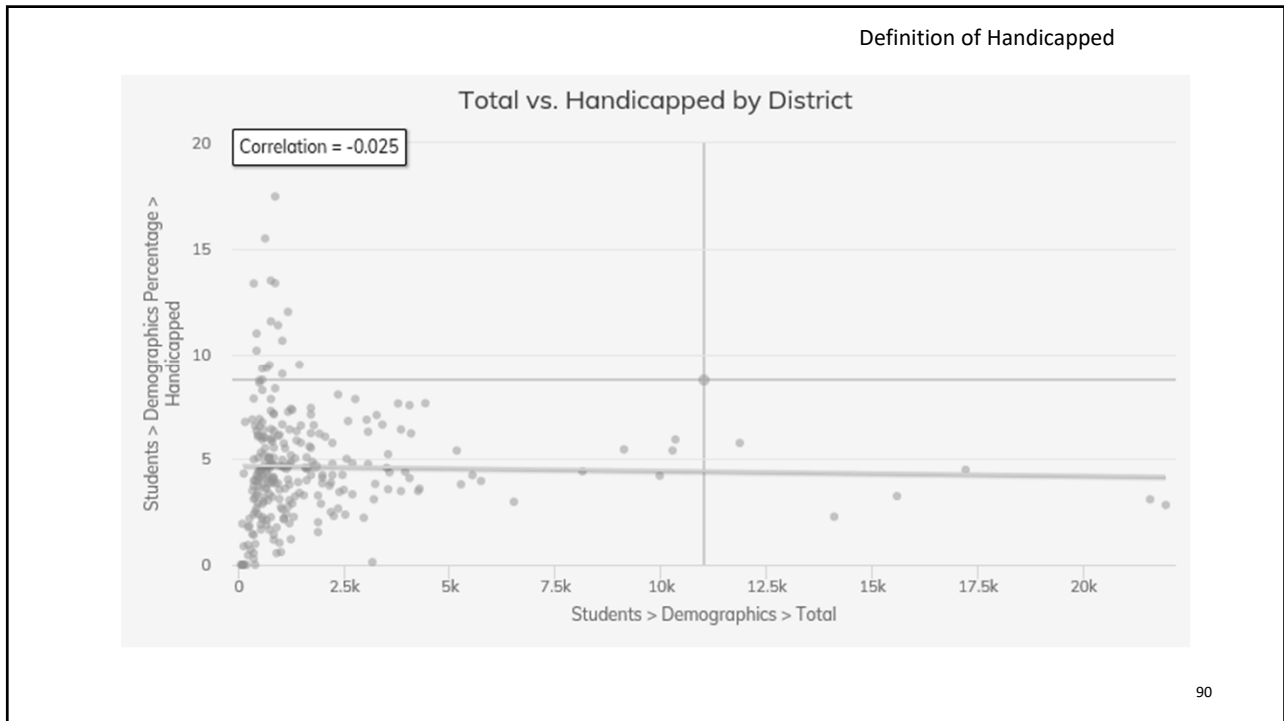
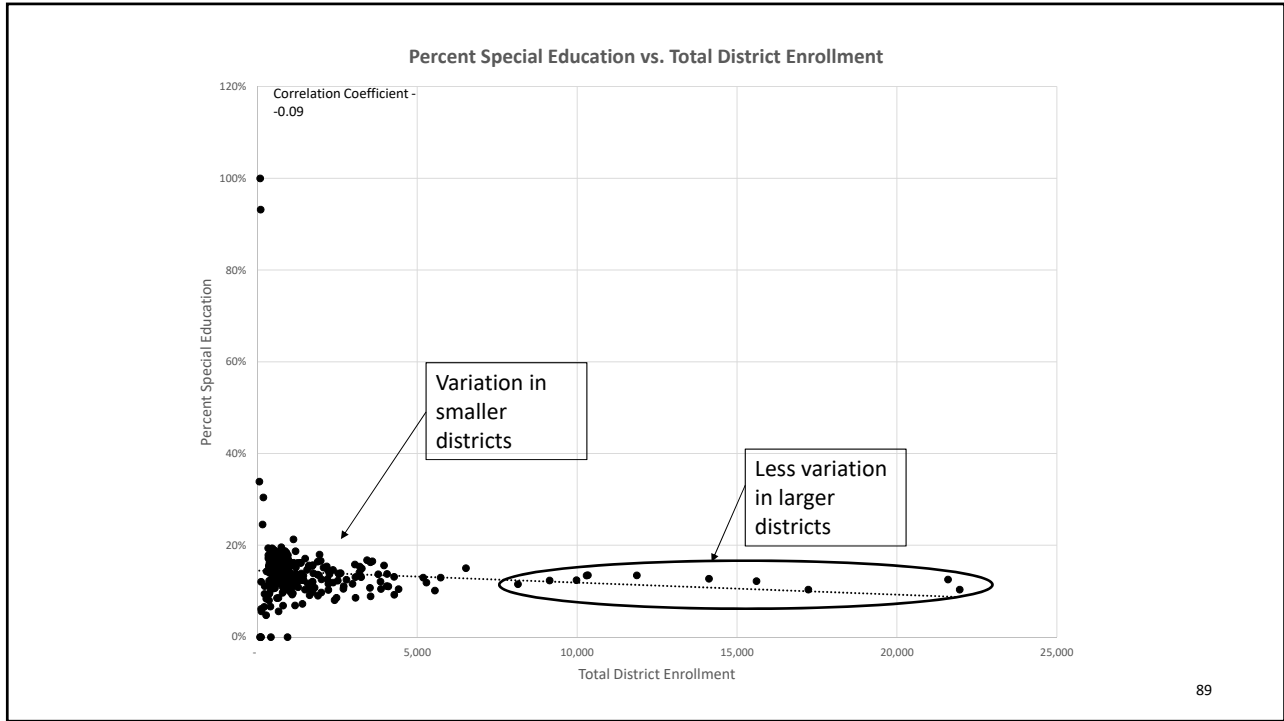


Specialized Program Requirements and Program Evaluation Variables

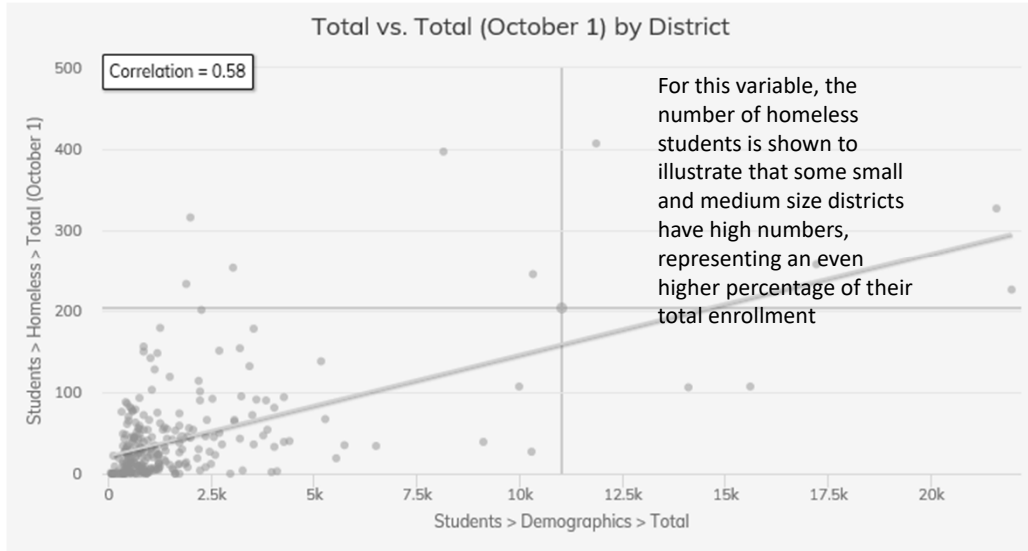
- Specialized program requirements differ by district size based on the characteristics of the community in each school district
 - English learners
 - Special education students
 - Handicapped students
 - Homeless students
 - Migrant students
 - Gifted and talented students

87

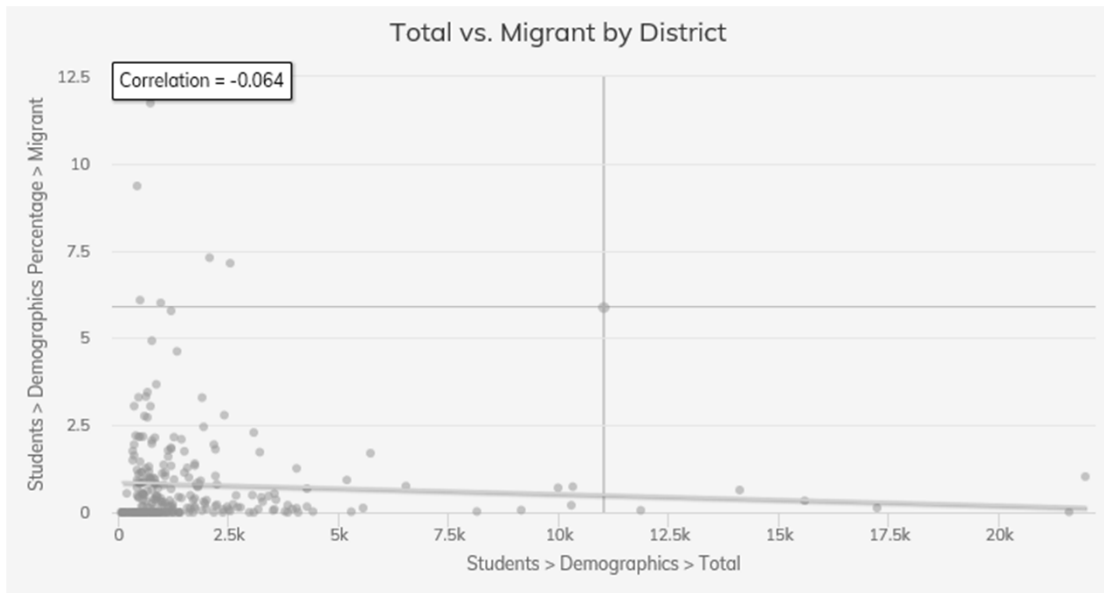




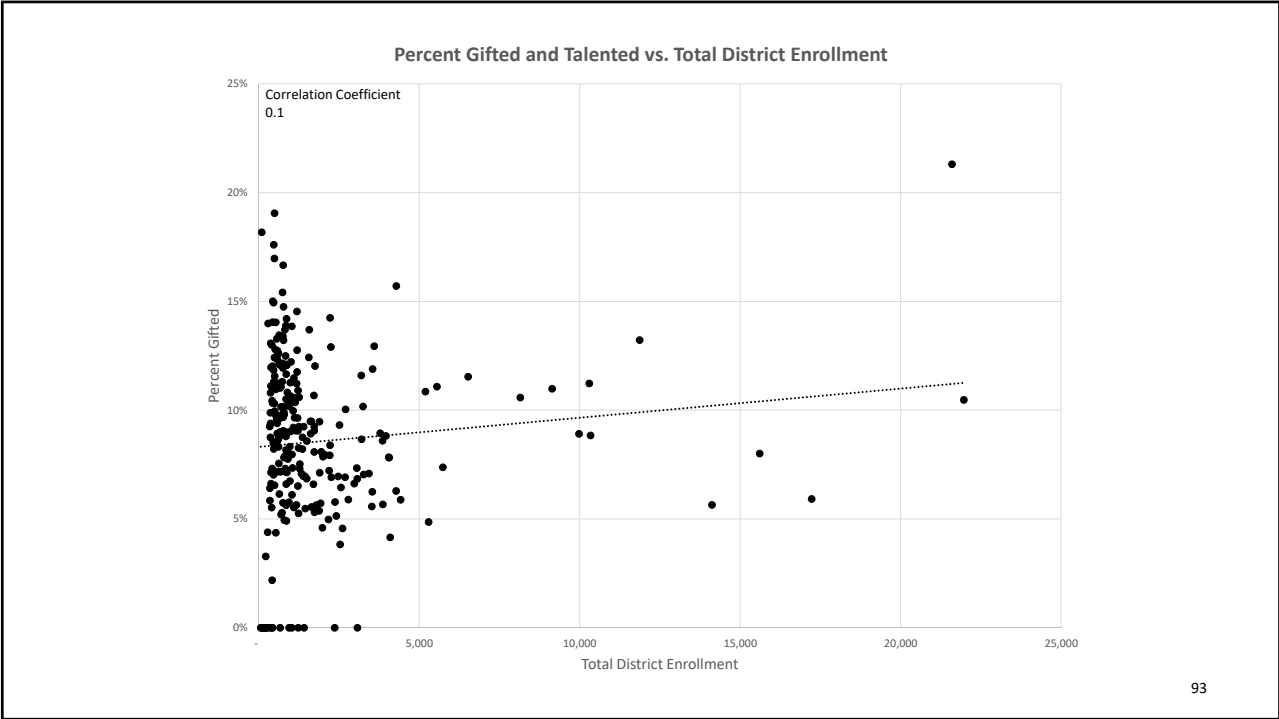
Homeless Students



91



92



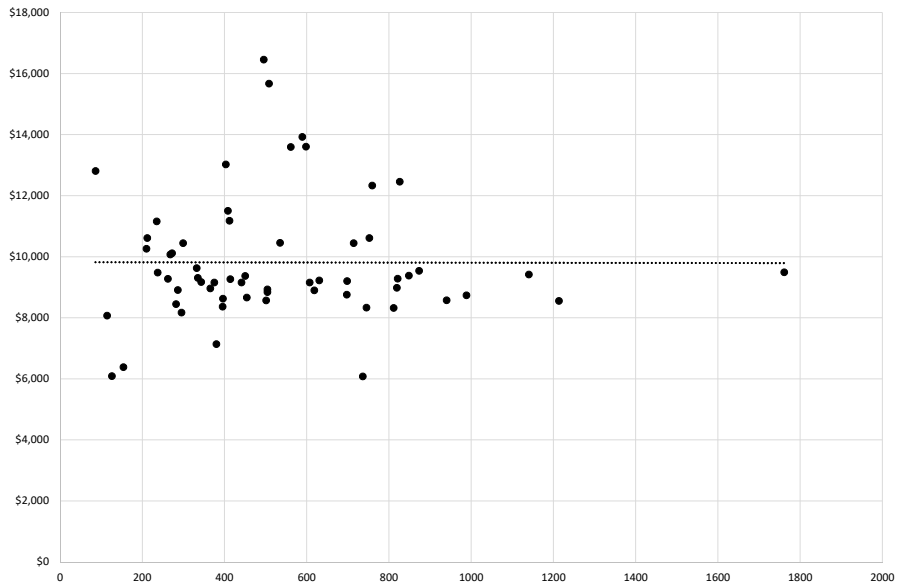
Appendix – School Size Analysis

Category	Slides
Operational Efficiency	95-97
Dropouts and Withdrawals	98-100

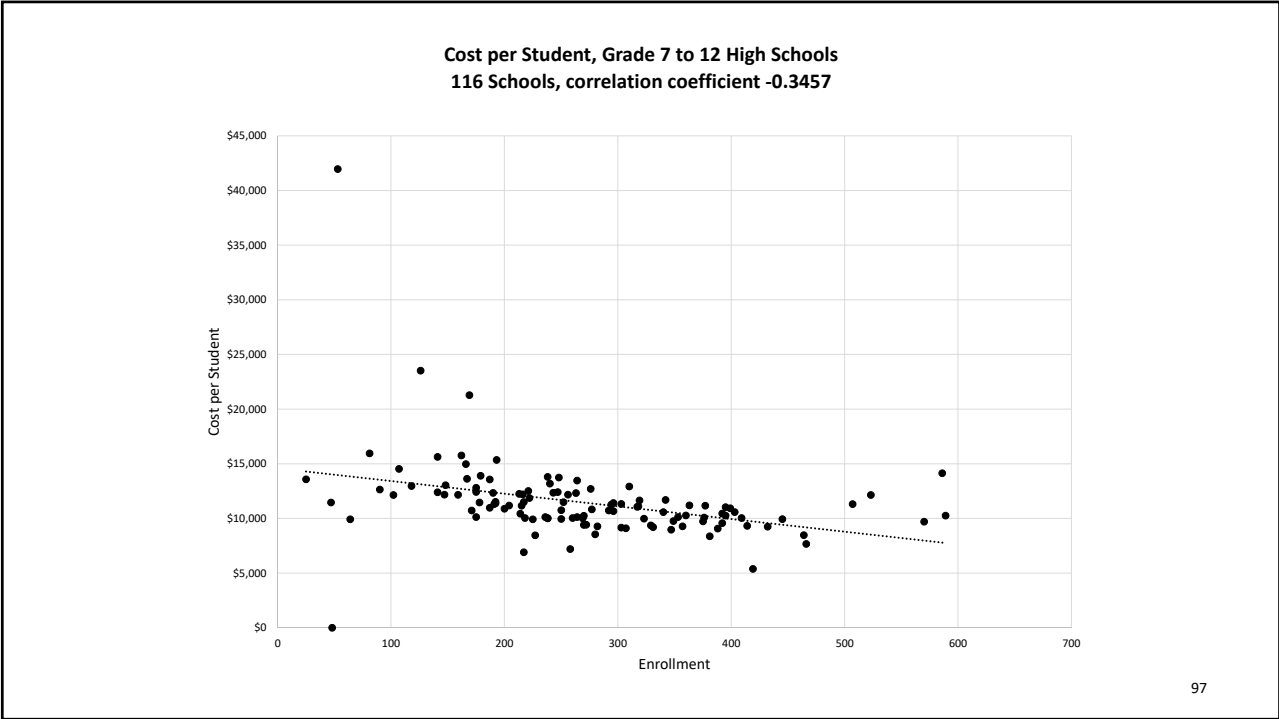
Operational Efficiency – School Size

95

Cost per Student Grade 6 to 8 Middle Schools
60 schools, Correlation coefficient -0.0025



96



Dropouts and Withdrawals

98

