

State of Washington
Joint Legislative Audit & Review Committee (JLARC)



School District Cost and Size Study

Report 10-6

June 16, 2010

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Joint Legislative Audit and Review Committee

1300 Quince St SE

PO Box 40910

Olympia, WA 98504

(360) 786-5171

(360) 786-5180 Fax

www.jlarc.leg.wa.gov

Committee Members

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Janéa Holmquist

Jeanne Kohl-Welles

Eric Oemig, *Assistant Secretary*

Linda Evans Parlette, *Vice Chair*

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JLARC's non-partisan staff auditors, under the direction of the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other analyses assigned by the Legislature and the Committee.

The statutory authority for JLARC, established in Chapter 44.28 RCW, requires the Legislative Auditor to ensure that JLARC studies are conducted in accordance with Generally Accepted Government Auditing Standards, as applicable to the scope of the audit. This study was conducted in accordance with those applicable standards. Those standards require auditors to plan and perform audits to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. The evidence obtained for this JLARC report provides a reasonable basis for the enclosed findings and conclusions, and any exceptions to the application of audit standards have been explicitly disclosed in the body of this report.

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Committee Approval

On June 16 2010, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

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STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

STUDY TEAM
Mark Fleming

PROJECT SUPERVISOR
Keenan Konopaski

LEGISLATIVE AUDITOR
Ruta Fanning

Copies of Final Reports and Digests
are available on the JLARC website
at:

www.jlarc.leg.wa.gov

or contact

Joint Legislative Audit & Review
Committee
1300 Quince St SE
Olympia, WA 98504-0910
(360) 786-5171
(360) 786-5180 FAX

REPORT SUMMARY

As part of the 2009-11 Operating Budget, the Legislature directed JLARC to provide information about the relationship between school district costs and their enrollment size (ESHB 1244). JLARC conducted the study using school district revenue, expenditure and enrollment data reported to the Office of Superintendent of Public Instruction (OSPI) and provided by the Legislative Evaluation and Accountability Program (LEAP). The study examines total and per pupil revenue and expenditures in Washington's 295 school districts during the 2007-08 school year. As directed by the Legislature, the study also provides information about changes in finances at districts supervised by OSPI and information about the nonfinancial benefits and impacts associated with school and school district size.

State Appropriations Provide the Largest Share of School District Funds

Washington school districts received and spent approximately \$9.2 billion in 2007-08. Most (71 percent) school district revenue is provided by the state, with smaller proportions provided by local (20 percent) and federal (9 percent) sources. The majority of state funding is provided through general apportionments, which account for 50 percent of school district funds statewide. The state provides general apportionments to each district by formula based on each district's full time equivalent (FTE) enrollment and the education and experience of its certificated staff. Apportionment revenue is provided based upon provision of a minimum number of instructional hours to students and is subject to overall staffing compliance requirements. Once these standards are met, the district retains local control in determining the use of these funds.

Three Key Results from the Analysis of School District Expenditures and Size

- **The highest expenditures per FTE pupil are found in small school districts.** All of the 85 districts with high (defined for this study as exceeding the statewide average by more than 25 percent) expenditures per pupil enrolled fewer than 1,000 students. The average expenditure per pupil in 2007-08 for these districts was \$14,694, or 57 percent more than the statewide average of \$9,380 in that year. The district with the highest per pupil expenditure was more than five times the 2007-08 statewide average. However, not all small school districts had high expenditures per pupil. Sixty-six small districts reported per pupil expenditures that were within 25 percent of the statewide average.

- **But districts with the highest expenditures per pupil represent a small portion of all school district expenditures.** The 85 districts identified above represent 2.5 percent of total 2007-08 school district expenditures in Washington. If these districts' expenditures per pupil were no more than 25 percent above the statewide average, the difference would equal approximately \$47 million, or 0.5 percent of total school district expenditures.
- **High per pupil expenditures in small districts are due largely to the state general apportionment funding formula.** The general apportionment funding formula includes enhancements for small districts and districts with small high schools. The majority of these enhancements provides a minimum level of teaching staff in small schools and resulted in per pupil apportionments that exceeded 25 percent of the statewide average to 76 districts. However, if these districts' apportionments did not exceed the statewide average by more than 25 percent, the difference would equal \$26 million or 0.6 percent of the 2007-08 general apportionment distributions.

State Supervision Provides Opportunity for Financially Troubled School Districts to Re-Align Revenue and Expenditures

Washington law directs OSPI to supervise school districts and requires districts to comply with binding conditions when they are unable to balance their budgets. Ten school districts placed under state supervision since 2000 increased revenue during the supervision period. Six districts also increased expenditures during that time. Four reduced expenditures. One additional supervised district, the Vader School District, ceased operations. Its students transferred to the neighboring districts, including the Castle Rock School District, which also received Vader's assets and liabilities. Castle Rock School District expenditures per pupil have increased in the two years since the merger. Officials involved in the Vader dissolution cite numerous challenges that they believe hindered the process.

Research Does Not Identify Optimal School and School District Size

Although research on school and school district size is extensive, the literature does not offer definitive conclusions about the benefits of school and school district size. Numerous studies, articles and abstracts show that large and small districts offer advantages and disadvantages. In the words of one summary study: "Multiple factors interact to form a student's educational experience and no single enrollment number has been found that can maximize all of them. No individual study presents conclusive evidence of the 'best' size for a school or the district in which it is located."¹

¹ *School and School District Consolidation: Major Concepts*, Catherine Reilly, University of Maine (2004), p 5.

PART I: INTRODUCTION TO WASHINGTON SCHOOL DISTRICT FINANCE

The Joint Legislative Audit and Review Committee (JLARC) conducted a study of the relationship between school district costs and their enrollment size. This study was mandated by the 2009-11 Operating Budget, which directed JLARC to:

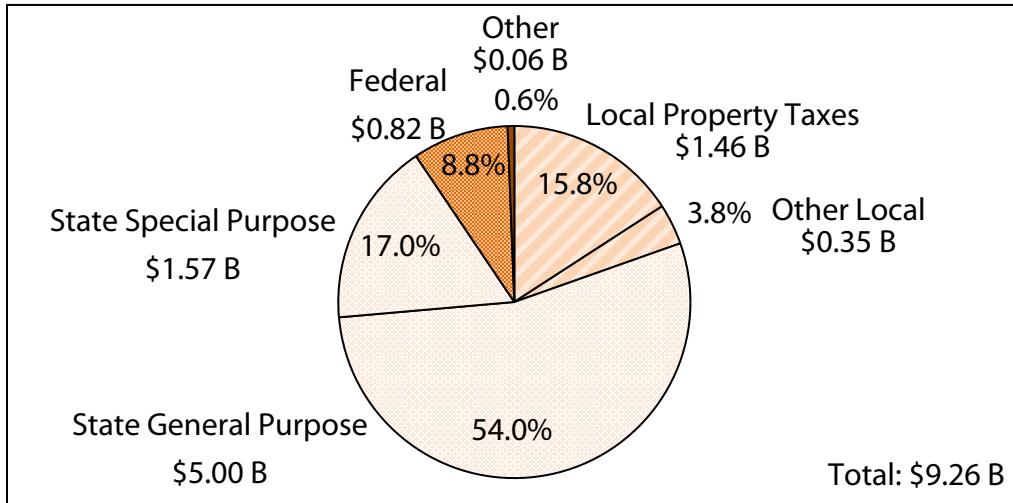
- Analyze how categories of costs, including instruction, administration, transportation, and facility costs, vary related to size;
- Review other factors that may impact costs, such as revenues from local and other sources, geographic dispersion, demographics, services received from educational service districts, and whether districts operate a high school;
- Present case studies on the change in cost patterns occurring after school district consolidation and for school districts operating under state oversight conditions specified in RCW 28A.505.110; and
- Review available research on nonfinancial benefits and impacts associated with school and school district size.

The information provided in this review is based on analysis of school district revenue, expenditures, and enrollment reported to the Office of Superintendent of Public Instruction (OSPI) for the 2007-08 school year and maintained by the Legislative Evaluation and Accountability Program. The 2007-08 school year was the most current information available when this review began. Since information for the 2008-09 school year only became available midway during this review, it is used for limited purposes. Analysis of the 2008-09 data shows that the only major difference between the two years is a reduction of state revenue and a corresponding increase in federal revenue to offset the state revenue losses during the recession. While this report relies primarily on 2007-08 data, expenditure patterns have been very consistent since 2000.

Public Education is a Major State Responsibility

Washington's Constitution establishes education as the state's "paramount duty" and requires the Legislature to "provide for a general and uniform system of public schools." The 2009-11 Operating Budget provides \$15.6 billion for K-12 education, or 27 percent of the total statewide Operating Budget. As shown in Exhibit 1, Washington's 295 school districts received \$9.26 billion from a variety of sources during the 2007-08 school year. State funds accounted for 71 percent of this revenue. School taxes and other local funds contributed 20 percent. Federal monies and other sources accounted for the remaining 9 percent.

Exhibit 1 – State Funds Provide Most School District Revenue



Source: JLARC analysis of school district F-196 2007-08 financial report data provided by LEAP.

The Largest State Funding Source for School Districts is General Purpose Apportionments

School district financial reports identify 112 individual revenue sources, 12 of which accounted for 92 percent of school district revenue in 2007-08. The largest source is state general purpose revenue, which provided \$5 billion to Washington school districts in that year. This revenue amounted to 54 percent of all funds received by districts.

Virtually all of the \$5.0 billion of state general purpose revenue is distributed to school districts as general purpose apportionments, which totaled \$4.6 billion in 2007-08. The state provides general purpose apportionment revenue to districts through a formula based on pupil enrollment and the on the education and experience of certificated instructional and administrative staff. Although the formula uses prescribed staff ratios and salary schedules as a basis for calculating apportionment amounts, the formula does not mandate specific operational functions of school districts. However, districts must comply with statutory requirements governing total hours of instruction during the school year and minimum and average salary levels for certificated personnel. Within these statutory requirements, districts retain local control in determining individual staff salaries and duty assignments.

In its simplest form, the main portion of the apportionment formula works like this:

Student enrollment X staff ratios X salary scale = general apportionment.

Student enrollment is the average monthly full-time equivalent (FTE) pupil enrollment. An FTE pupil is one enrolled at least four hours per day in grades 1-3 and five hours per day in grades 4-12. The staff ratios and salary scale are established by the Legislature in the state operating budget. The formula also apportions funds for non-certificated staff and for non-employee related costs, which are primarily enrollment-based. As explained in more detail later in this report, the funding formula also includes enhancements for small school districts and for districts with small high schools.

In addition to general apportionments, the state provides general purpose revenue through the Local Effort Assistance (LEA) program, which assists school districts that have low property valuations. LEA revenue was \$206 million in 2007-08. The state distributes LEA revenue on the basis of district levy rates compared to statewide average levy rates, and does not require the funds to be used for specific purposes. Altogether, state general apportionment, LEA, and other general purpose revenue from the state amounted to 54 percent of total school district revenue in 2007-08.

School Districts Also Receive State Special Purpose Revenue

In addition, the state also provides revenue to school districts through 18 special purpose sources. Special purpose revenue comes with requirements regarding how students are to be served and/or how the funds must be used.

State special purpose revenue for school districts totaled \$1.57 billion or 17 percent of total revenue, in 2007-08. Special purpose revenue categories include:

- Special Education: \$574 million,
- Student Achievement: \$436 million,
- Transportation Operations: \$251 million
- Learning Assistance: \$94 million, and
- Other (14 programs): \$214 million.

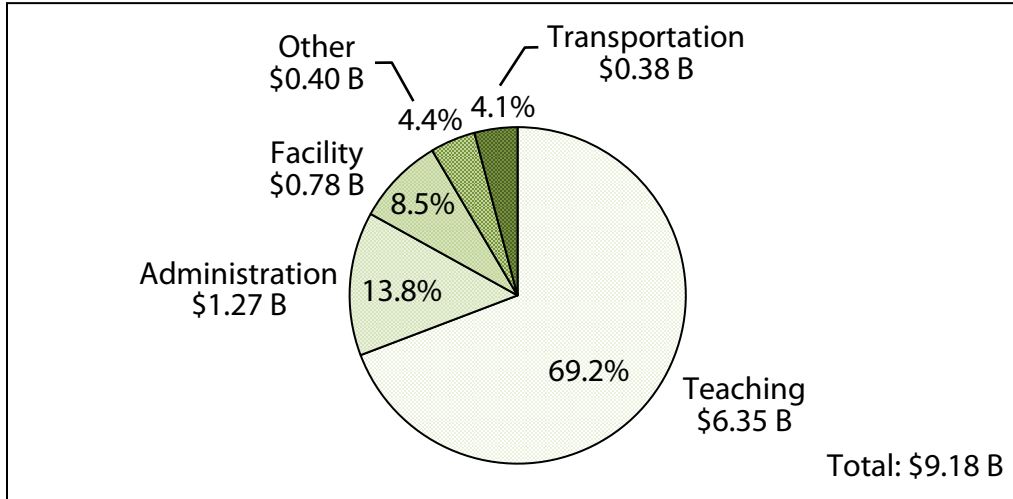
Student Achievement funds are provided for a variety of purposes such as class size reduction, extended learning opportunities for students, and professional development. The Learning Assistance program funds district activities to assist students who are achieving below grade level.

School Districts Have Latitude in Determining How to Use Revenue

School districts have discretion in determining how to use approximately 70 percent of available revenue. As noted above, 54 percent of district revenue is provided by the state with statutory provisions that establish minimum requirements, but do not mandate specific staff assignments or salaries. In addition, all but 15 districts collected local property taxes for maintenance and operation (M&O) levies which amounted to \$1.46 billion in 2007-08. Decisions to seek voter approval for a tax levy and how the levy funds will be used are wholly local decisions. Altogether, these state general purpose and local levies sources accounted for approximately 70 percent of school district revenue in 2007-08.

How school districts exercised their latitude may be seen in their actual expenditures as shown in Exhibit 2. During 2007-08, districts spent \$9.18 billion, or 99 percent of available revenue. Teaching is the major expenditure category, accounting for 69.2 percent of expenditures statewide. District and school administration are a distant second (13.8 percent), followed by facility operation (8.5 percent), and student transportation (4.1 percent). A complete list of activities in each category may be found in Appendix 3.

Exhibit 2 – Most School District Expenditures are for Teaching

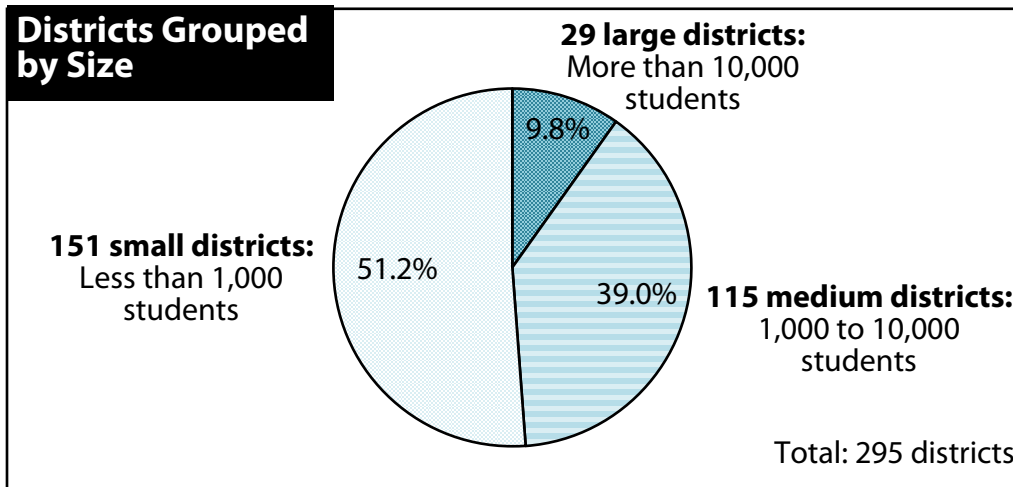


Source: JLARC analysis of school district F-196 2007-08 financial report data provided by LEAP.

Washington’s School Districts Vary in Size

Most Washington school districts are small. Over half of the 295 school districts enrolled fewer than 1,000 students in 2007-08 as shown in Exhibit 3. Forty of these districts had enrollments of fewer than 100 students. Washington has relatively few large districts; only 29 districts enrolled 10,000 or more students in 2007-08.

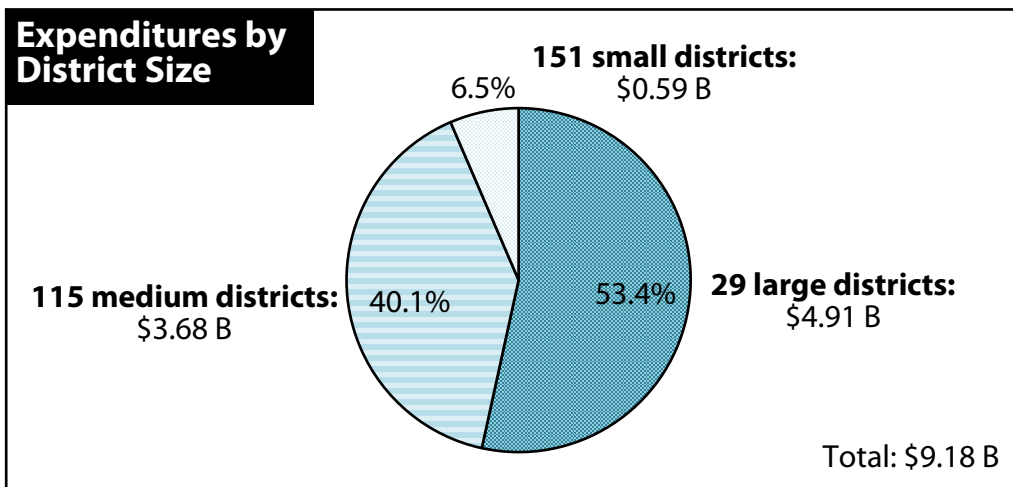
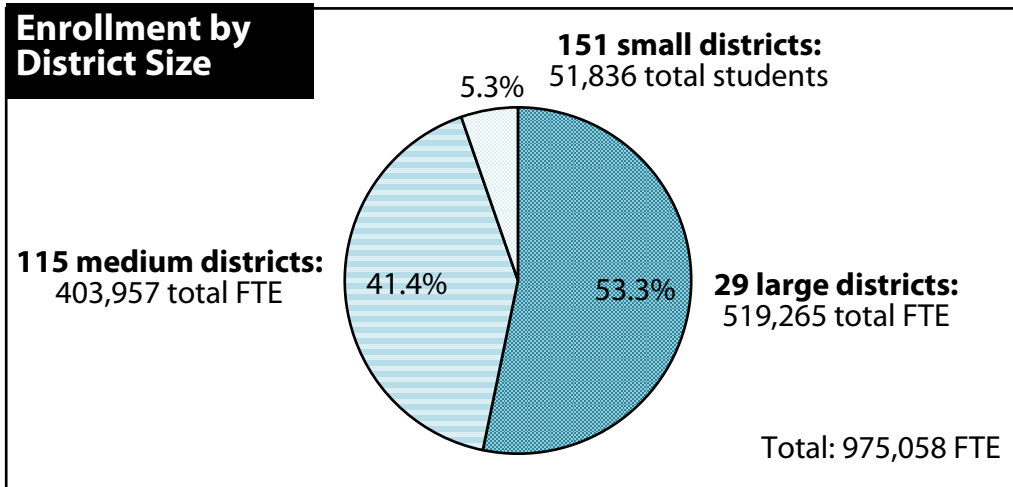
Exhibit 3 – Most Washington School Districts are Small



Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Although small districts represent the majority of Washington’s school districts, they account for a small share of students and total school district expenditures. As shown in Exhibit 4, small districts enrolled 5.3 percent of all students and in 2007-08. In contrast, the 29 large districts accounted for over half of both students and total school district expenditures.

Exhibit 4 – Large Districts Accounted for Over Half of Students and Total District Expenditures, 2007-08



Note: Small school districts enroll fewer than 1,000 students. Medium districts enroll 1,000 to 10,000 students. Large districts enroll more than 10,000 students.

Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

PART II: DISTRICTS WITH THE HIGHEST EXPENDITURES PER PUPIL REPRESENT A SMALL PORTION OF TOTAL EXPENDITURES BY WASHINGTON SCHOOL DISTRICTS

JLARC analysis of the relationship between school district expenditures and enrollment size shows that many of Washington's smallest school districts spent well above the average per FTE student in 2007-08. However, these districts' expenditures represent only a small portion of all school district expenditures in Washington.

In calculating expenditures per pupil, JLARC used full-time equivalent (FTE) student enrollment data reported to OSPI by school districts. All references in this report to pupils or students refer to FTE pupils. JLARC defined high per FTE pupil expenditures in 2007-08 as more than 25 percent above the statewide average in that year. This criterion is consistent with statistical analysis of expenditures per pupil among all school districts in 2007-08 and allows for reasonable variation from the statewide average while still identifying high and low expenditures per pupil.

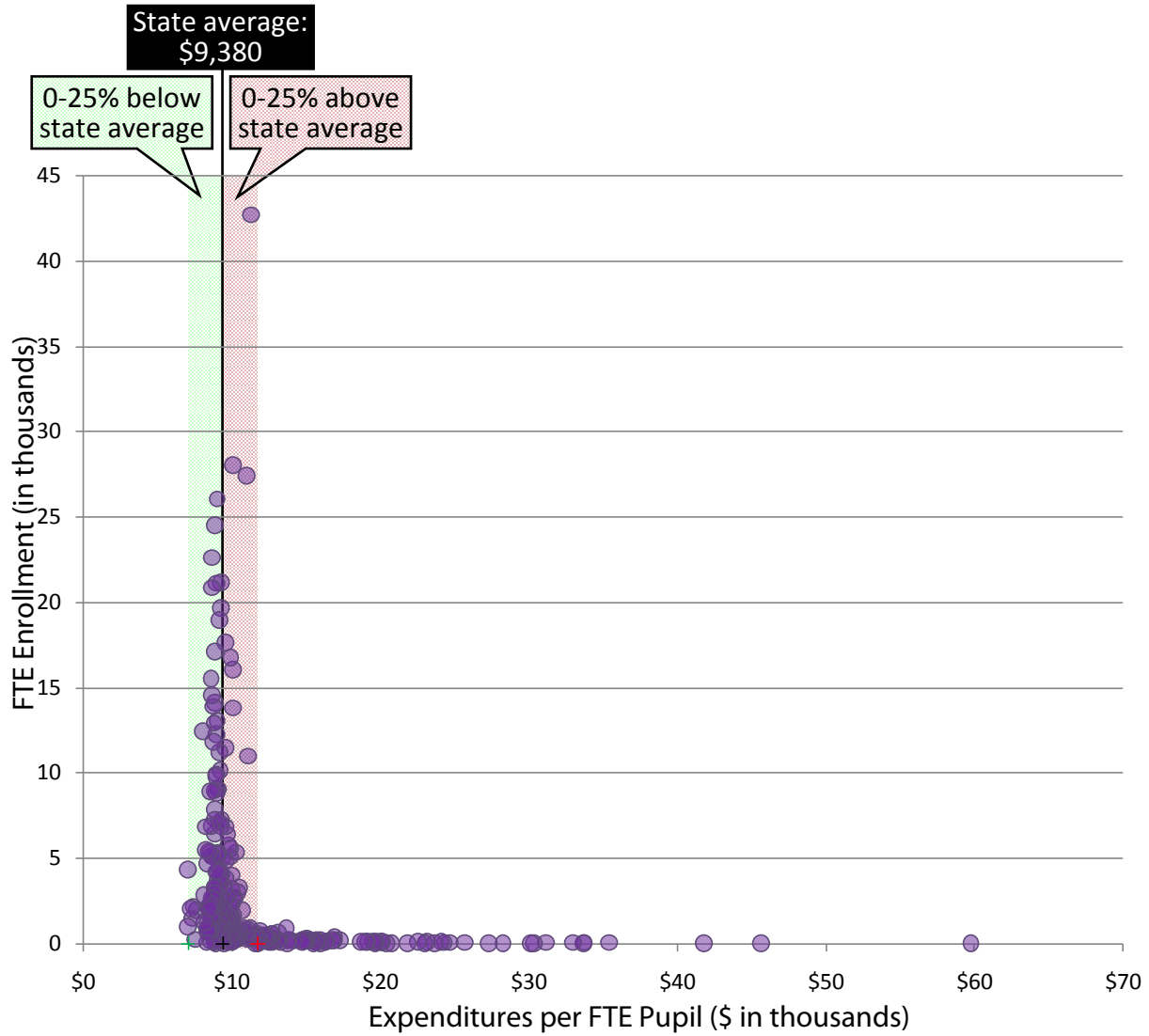
Although Expenditures per Pupil Are Highest in Districts with Small Enrollments, Not All Small Districts Have High Expenditures per Pupil

Per pupil expenditures in small school districts are often dramatically high. The highest 2007-08 expenditures per pupil among Washington's 295 school districts were in 85 small districts enrolling fewer than 1,000 students. Expenditures per pupil in these 85 districts ranged from \$11,731 to \$59,749 in 2007-08, well above that year's \$9,380 statewide average. In contrast, all districts with more than 1,000 students reported expenditures per pupil within 25 percent of the statewide average as shown in Exhibit 5. Per pupil expenditure information for all 295 Washington school districts is presented in Exhibits 20 and 21 in Appendix 4.

Exhibit 6 illustrates the pattern of expenditures per pupil among districts with fewer than 1,000 students in 2007-08. Two patterns are evident. First, the greatest variation is found among districts with fewer than 300 students; 70 of the 85 high expenditure districts reported enrollments less than 300 students. Second, not all small district expenditures per FTE pupil are high; 66 districts with fewer than 1,000 students reported expenditures per pupil that did not exceed 25 percent of the statewide average.

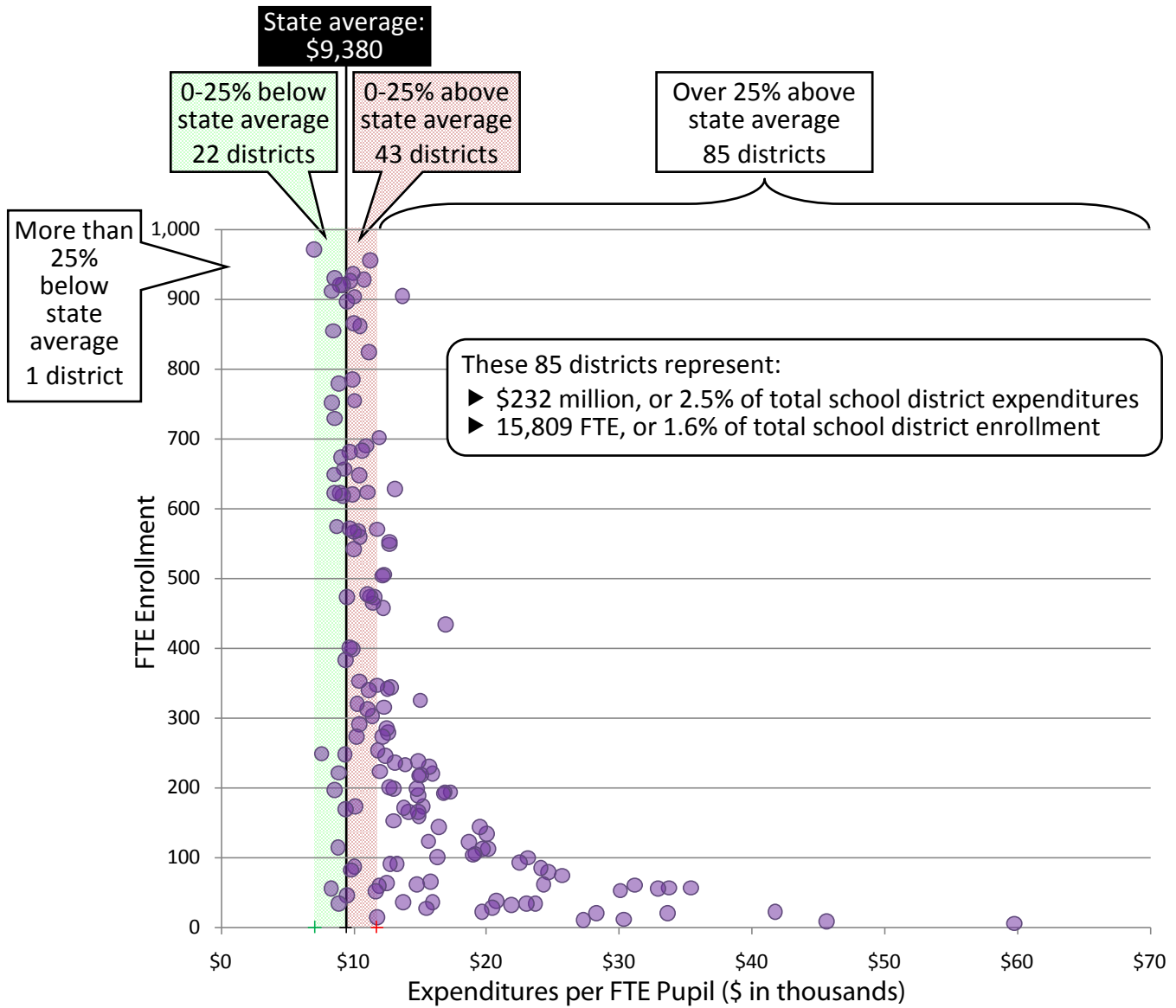
Districts with high expenditures per pupil are located throughout Washington, as shown in Exhibit 7. Although these districts are primarily rural, Exhibit 7 also shows that rural and remote locations are not uniformly high per pupil expenditure districts. Some small districts often reduce expenditures by employing part-time superintendents or sharing costs with other districts through cooperative arrangements for services such as transportation and special education.

Exhibit 5 – Expenditures per FTE Pupil in Most Districts are within 25 Percent of the Statewide Average (n = 295 districts)



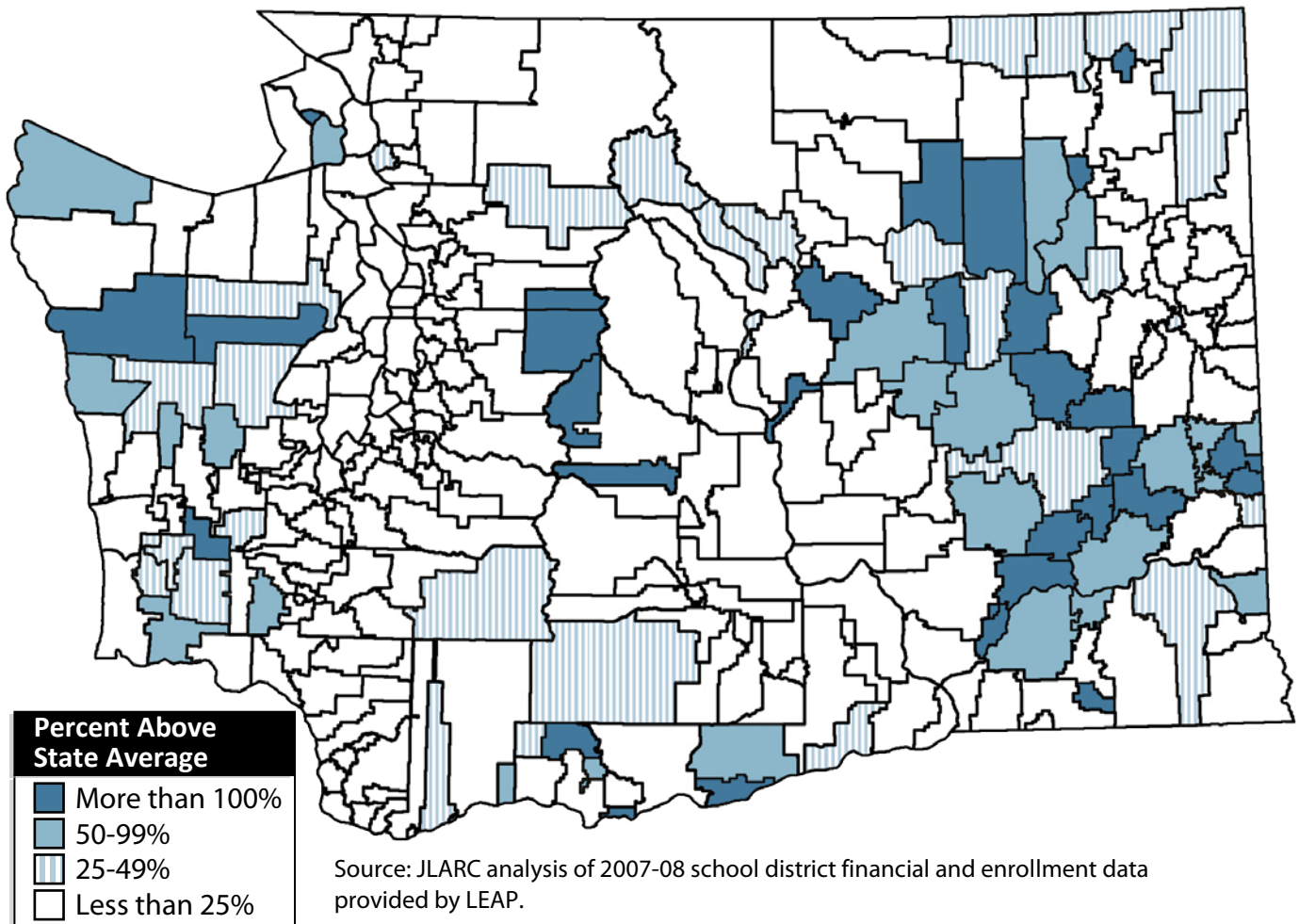
Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Exhibit 6 – Highest Expenditures per FTE Pupil are in Districts with Fewer Than 1,000 Students (n = 151 districts)



Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Exhibit 7 – School Districts with the Highest Expenditures per Pupil are Located throughout Washington



Expenditures for Major Activities Follow a Pattern Similar to Total Expenditures per Pupil

In addition to analyzing total expenditures, JLARC also examined the relationship between expenditures and enrollment size for the major activity categories of teaching, administration, transportation, and facility operation. Expenditures per pupil for each of these activities vary in much the same manner as total expenditures per pupil (see Appendix 3).

Exhibits 8a and 8b illustrate how district expenditures per FTE pupil for major activities varied among districts in 2007-08. As shown in Exhibit 8a, few medium and large districts report expenditures per pupil for any major activity that exceeded the statewide average by more than 25 percent. In contrast, Exhibit 8b shows that for all activities other than teaching, expenditures per pupil in the majority of small districts were more than 25 percent above the statewide average. For teaching expenditures per pupil, 44 percent of the small districts exceeded the statewide average by more than 25 percent.

Exhibit 8a – Medium and Large District Expenditures per Pupil for Major Activities Tend Toward the Statewide Average (n=144)

Activity	Average Expenditure per FTE Pupil	More than 25% below average	25% below to 25% above average	More than 25% above average
Teaching	\$6,440	2	142	0
Administration	\$1,281	5	132	7
Facility	\$779	3	135	6
Transportation	\$377	71	45	28
Other	\$399	10	112	22
All Expenditures	\$9,276	1	143	0

Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Exhibit 8b – Small District Expenditures per Pupil for Major Activities Often Exceed Statewide Average by More than 25% (n=151)

Activity	Average Expenditure per FTE Pupil	More than 25% below average	25% below to 25% above average	More than 25% above average
Teaching	\$7,235	2	83	66
Administration	\$1,670	5	48	98
Facility	\$1,125	5	40	106
Transportation	\$600	14	35	102
Other	\$591	11	31	109
All Expenditures	\$11,221	1	65	85

Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Districts with High per FTE Pupil Expenditures Represent a Small Portion of Total School District Expenditures

Although the high per pupil expenditures observed in the preceding sections are dramatic, their impact on the overall cost of public education is limited. The 85 districts with expenditures per FTE pupil exceeding the statewide average represent 2.5 percent of public school expenditures and 1.6 percent of statewide enrollment in 2007-08. If these districts' expenditures were no more than 25 percent above the statewide average, the difference would equal approximately \$47 million, equivalent to 0.5 percent of school district expenditures in 2007-08. Teaching expenditures represent \$17.3 million of this difference. The remaining \$29.6 million encompasses all other activities, including an estimated \$9.5 million difference in administrative expenditures.

Part II: High per Pupil Expenditures Represent a Small Portion of All School District Expenditures

PART III: HIGH PER PUPIL EXPENDITURES IN SMALL DISTRICTS ARE DUE LARGELY TO THE STATE GENERAL APPORTIONMENT FUNDING FORMULA

Expenditures per FTE pupil vary among school districts because each district receives differing amounts of funding from a variety of sources. As noted in Part I, Washington school districts receive funding from many sources. Each district's expenditures closely match the funds available to it. Over the past two decades, school district expenditures averaged 99 percent of revenues received. Therefore, understanding why expenditures per pupil vary requires understanding districts' revenue streams.

JLARC's analysis of school district revenue looks first at state general purpose apportionments. Not only is this revenue the largest single funding source for districts, but the distribution of general purpose apportionment funds was also closely related to expenditures, both in total and per FTE pupil. Moreover, the Legislature controls the distribution of these funds through the biennial operating budget. State control over other funds is more limited. Local tax levies are determined by school district voters. Federal and state special purpose funds tend to reflect special student populations or district characteristics and often require funds to be used for specific students or purposes.

Small School Districts Receive the Highest State General Apportionment Revenue per Pupil Because of Formula Enhancements

The distribution of general apportionment revenue per pupil is similar to the pattern noted in Part II for total expenditures per pupil. Seventy-six districts received state general apportionment revenue in 2007-08 that exceeded the statewide average by more than 25 percent. All of these districts enrolled fewer than 500 students. General apportionment revenue among these districts ranged from \$5,975 to \$35,826 compared to the statewide average in 2007-08 of \$4,767 per FTE pupil.

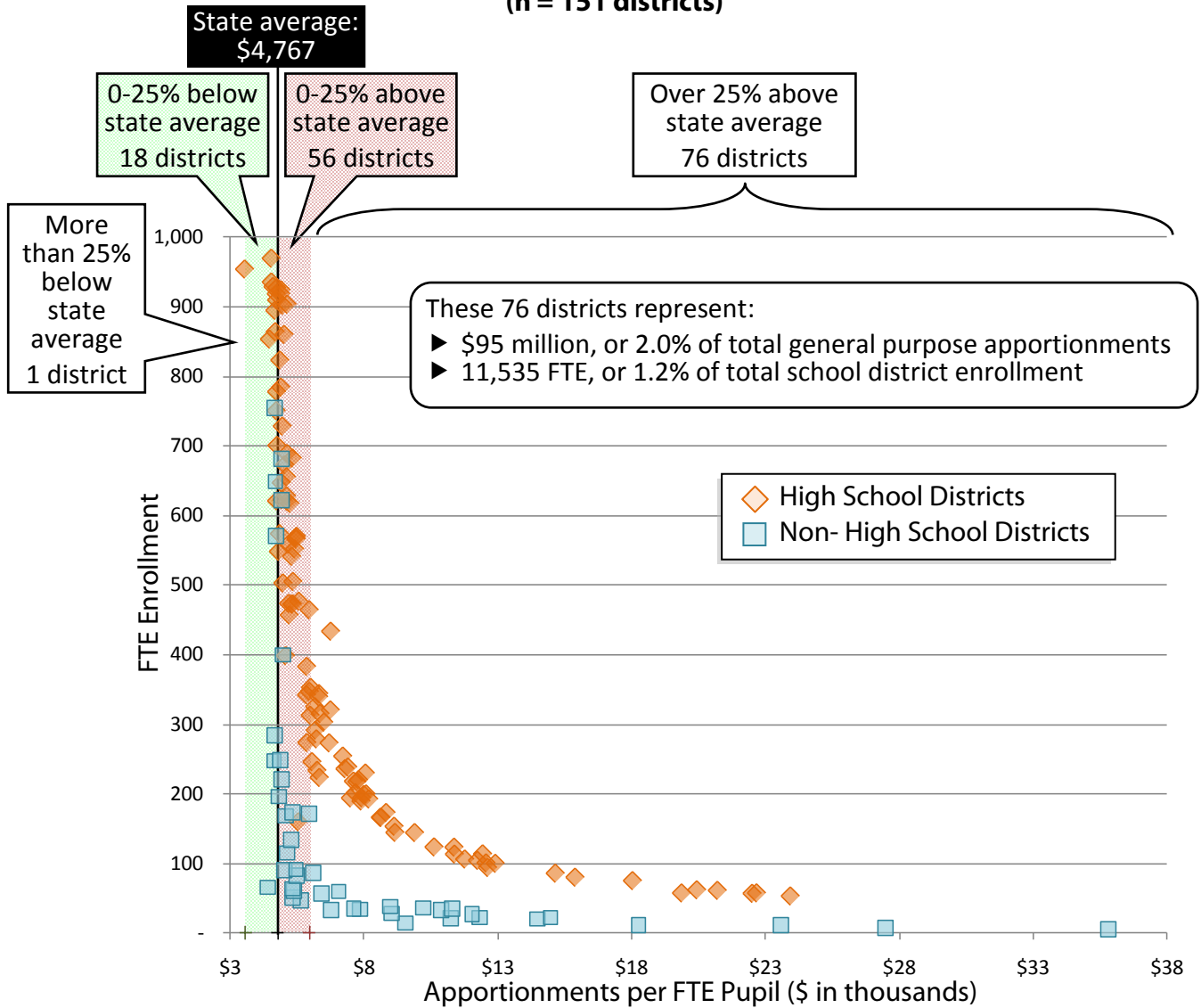
Formula Enhancements Increase State Apportionments to Small Districts

The state apportionment formula provides enhanced funding for small school districts and small high schools. The enhancements provide small districts with minimum numbers of certificated instructional and administrative staff beyond what they would receive under the formula applicable to larger districts. One enhancement applies to districts with fewer than 25 pupils. A second enhancement provides minimum staff to districts with between 26 and 100 pupils. A third enhancement provides an additional 0.5 instructional staff to non high school districts with enrollments between 50 and 180 FTE pupils (K-6 or 1-6 districts) or between 70 and 180 FTE pupils (K-8 districts).

The small high school enhancement applies to districts operating one or two high schools (grades 9-12) not exceeding 300 FTE pupils. All districts that operate high schools with 300 or fewer FTE pupils receive funding for at least 9 certificated instructional and 0.5 certificated administrative staff.

Exhibit 9 illustrates the impact of these formula enhancements for small school districts. The distribution of per pupil apportionments follows two distinct patterns: one for districts that operate high schools and one for districts that do not offer high school grades. Among high school districts, the apportionment per pupil begins to exceed the statewide average just under 500 FTE students and remains generally uniform, ranging from 25 percent to approximately 45 percent above the state average, as enrollment approaches 300. Small high school funding enhancements are most noticeable when enrollment dips below 300, and the apportionment per pupil increases as enrollments decrease. The per pupil apportionment increases to more than twice the state average as district enrollment falls below 150 FTE pupils. High school districts with fewer than 60 FTE pupils receive per pupil apportionments that exceed the state average by 300 to 400 percent because all high school districts with fewer than 60 FTE students receive apportionment funding for the same minimum number of staff regardless of their enrollment.

**Exhibit 9 – Smaller Districts Received Higher Apportionments per FTE Pupil
(n = 151 districts)**



Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Non high school districts exhibit a different pattern. All non high school districts with more than 100 FTE pupils receive per pupil state apportionments that fall within 25 percent of the statewide average. Non high school districts with fewer than 100 FTE pupils are eligible for formula enhancements, and all non high school districts enrolling fewer than 60 FTE students are eligible for minimum staffing. As a result, apportionments per pupil increase dramatically for most all non high school districts with fewer than 50 FTE pupils.

Although the enhancements for small high schools and small school districts are formula based, additional factors may cause districts with similar enrollments to receive different apportionment amounts per pupil. Each district’s apportionment will vary depending on its staff mix, which reflects the education and experience of certificated staff, and adjustments such as deductions for in-lieu taxes and forest revenues. The various factors interact with each other, and their impact is

especially evident in districts with small enrollments. The differences are the result of individual school district circumstances rather than systemic causes.

Small District Enhancements are a Small Portion of State Apportionment Funds

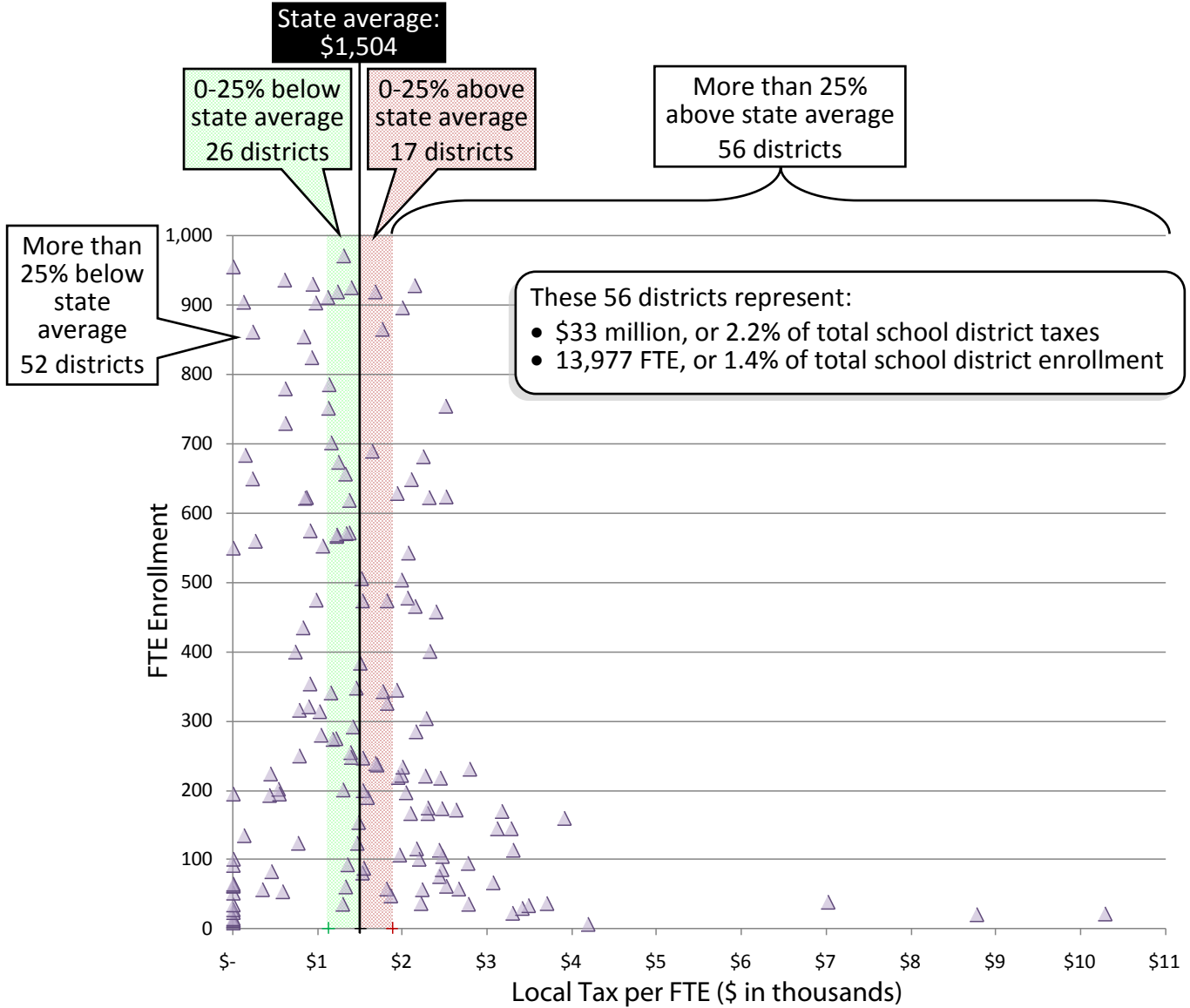
The 76 districts that received high per pupil general apportionment revenue in 2007-08 accounted for 2 percent of that year's general apportionment distributions. Total enrollment for these districts was 11,535 FTE pupils. If these districts' apportionments did not exceed the statewide average by more than 25 percent, the difference would equal \$26 million or 0.6 percent of 2007-08 general apportionment distributions.

Local Tax Revenue Also Contributes to Higher per FTE Pupil Expenditures in Some School Districts

Local tax revenue, which accounted for 15.8 percent of school district revenue statewide, may also add to the differences in per FTE pupil expenditures in some school districts. Significant local tax revenue increases a district's ability to fund programs. The amount of local tax revenue per pupil is positively related to per pupil expenditures and its impact can be especially evident in districts with small enrollments. Forty-two of the 85 districts with the highest expenditures per pupil districts also ranked among the 85 highest local tax revenue per pupil in 2007-08.

As shown in Exhibit 10, local tax revenue per pupil varies widely in small districts. (See Exhibit 22 in Appendix 5 for a scatter chart of all districts.) However, the overall pattern suggests that some small school districts with the highest expenditures per pupil also contribute the highest local tax revenue per pupil to fund their operations.

Exhibit 10 – Some Small Districts Receive Above Average Local Tax Revenue per Pupil but Pattern is Mixed (n=151 districts)



Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Although the overall pattern of local tax revenue per FTE pupil is mixed, high per FTE pupil expenditures in some small districts are supported with high local taxes per pupil. Most of the Washington school districts reporting the highest local tax revenue per FTE pupil in 2007-08 were small districts. Sixty-five districts collected per pupil local tax revenue that exceeded 25 percent of the state average. Fifty-six of these districts enrolled 1,000 or fewer students, including 33 districts with enrollments under 200.

Most districts above 1,000 students did not report local tax revenue that exceeded the state average by more than 25 percent. However, three large districts (over 10,000 students) and six medium districts (1,000 to 10,000 students) were among the highest per pupil tax revenue districts.

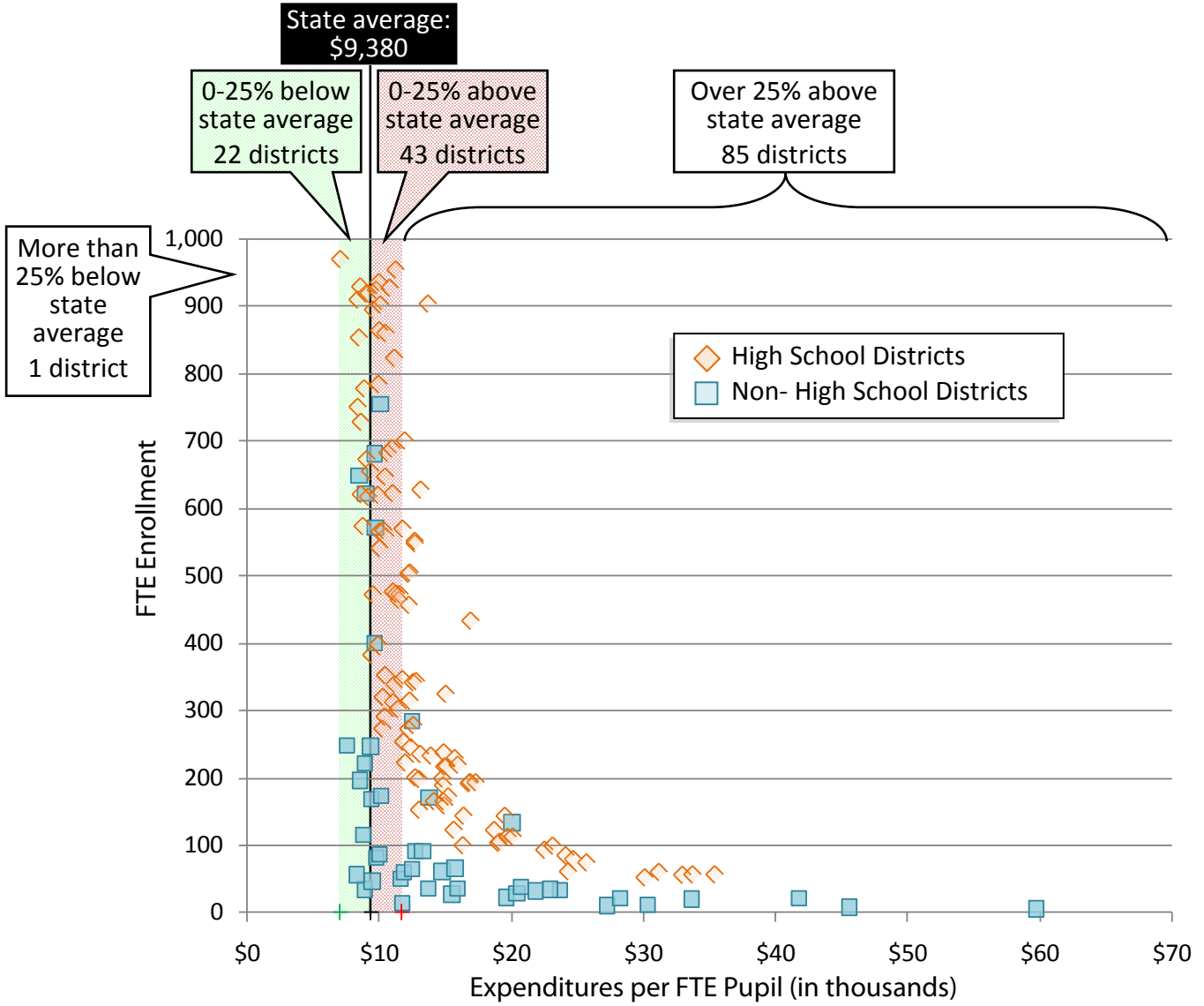
Other Factors Have Limited Impact on per Pupil Expenditures

The Legislature directed JLARC to review factors other than enrollment size that may impact costs. The preceding sections of this report focused on the two most significant factors: state general apportionment revenue and revenue available from other sources such as local levies. JLARC analyses examined other factors identified in the study mandate with the following results:

Operating a High School Has Some Impact on per Pupil Expenditure Patterns

Although small districts operating high schools are more likely to spend higher amounts per pupil than small districts not offering high school grades, the high per pupil expenditure districts are more associated with district enrollment size. As shown in Exhibit 11, small high school districts and small non high school districts both report per pupil expenditures that exceed the statewide average. The primary difference between the high school and non high school districts is that the per pupil expenditures among high school districts begin to exceed the statewide average at higher enrollment levels than do per pupil expenditures among non high school districts.

Exhibit 11 – The Smallest High School and Non High School Districts Both Report the Highest Expenditures per FTE Pupil (n=151 Districts)



Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

No Strong Relationship between District Demographic or Geographic Characteristics and Expenditures per FTE Pupil

JLARC analyzed the relationship between school district demographic characteristics and per FTE pupil expenditures. Demographic characteristics included percent minority enrollment, special education enrollment, free and reduced meal eligibility enrollment, migrant enrollment, and transitional bilingual enrollment. None of these analyses identified strong relationships that indicate clear linkage between the demographic characteristics and per FTE pupil expenditures. Although federal funds are often based on minority and special student populations, these funds represent a relatively small proportion of school district revenue and are unlikely to have a noticeable impact on total expenditures per FTE pupil.

Similar analyses of geographic factors, such as district area and pupil density did not identify strong relationships with expenditures per pupil. The analyses identified a very weak negative relationship between pupil density and transportation expenditures per pupil, suggesting that pupil transportation expenditures increase as pupil density decreases. However, the weak relationship suggests that the impact is limited.

Services from Educational Service Districts Do Not Significantly Impact Expenditures per FTE Pupil

Analysis of services by Educational Service Districts (ESDs) did not identify any strong relationship between those services and school district expenditures per FTE pupil. Since ESDs do not track much of their activity by individual school districts served, JLARC measured ESD services on the basis of ESD estimates of expenditures at school districts within their respective service areas. The relationships observed between ESD expenditures and school district expenditures suggest that ESD services are more likely to focus on smaller districts, but the weakness of the relationships indicate that the impact of ESD services is more likely to be qualitative rather than quantitative. For example, ESDs provide business services for many small school districts or administer multi-district service cooperatives. Perhaps the clearest indication of the ESD's impact on school district expenditures is the fact that ESD activities are very small (2.4 percent in 2007-08) compared to total school district expenditures and are, therefore unlikely to exert a strong influence on school district expenditure patterns across the state.

PART IV: STATE SUPERVISION PROVIDES OPPORTUNITY FOR FINANCIALLY TROUBLED SCHOOL DISTRICTS TO RE-ALIGN REVENUE AND EXPENDITURES

Washington school districts are required by law to balance their annual budgets. When a district is unable to fund expenditures with revenue or fund balances available during a school year, RCW 28A.505.110 establishes a process whereby the district may request permission from OSPI to include revenue from future years to bring the budget into balance. This law also directs OSPI to establish binding conditions that require districts to take specific actions to monitor revenue and control expenditures.

The Legislature directed JLARC to develop case studies on the change in cost patterns occurring after school district consolidation and for school districts operating under state oversight condition specified in RCW 28A.505.110. As shown in Exhibit 12, 12 districts, including three medium-size districts, have operated under state supervision since 2000. Three of these districts reported expenditures per pupil that exceeded 25 percent of the statewide average in the school year prior to the initiation of state supervision.

Exhibit 12 – 12 School Districts Under State Supervision Since 2000-01

District	FTE Pupil Enrollment*	Supervision Began	Supervision Ended	Duration (as of May 2009)
Pe Ell	310	July 2000	December 2005	5 years, 5 months
Riverside	1,897	September 2000	December 2002	2 years, 3 months
Morton	377	August 2004	December 2008	4 years, 4 months
Onalaska	846	August 2005	Not ended	4 years, 9 months
Southside	241	August 2005	February 07	1 year, 6 months
Shoreline	8,597	August 2006	Not ended	3 years, 9 months
Vader	79	August 2006	District dissolved August 2007	1 year
Oakville	262	July 2007	Not ended	2 years, 10 months
Wilbur	236	March 2008	August 2009	1 year, 5 months
Evaline	38	July 2008	Not ended	1 year, 10 months
White River	4,050	July 2008	Not ended	1 year, 10 months
Montesano	1,241	May 2009	Not ended	1 year

*In final or most recent year of supervision.

Source: OSPI, School Apportionment and Financial Services.

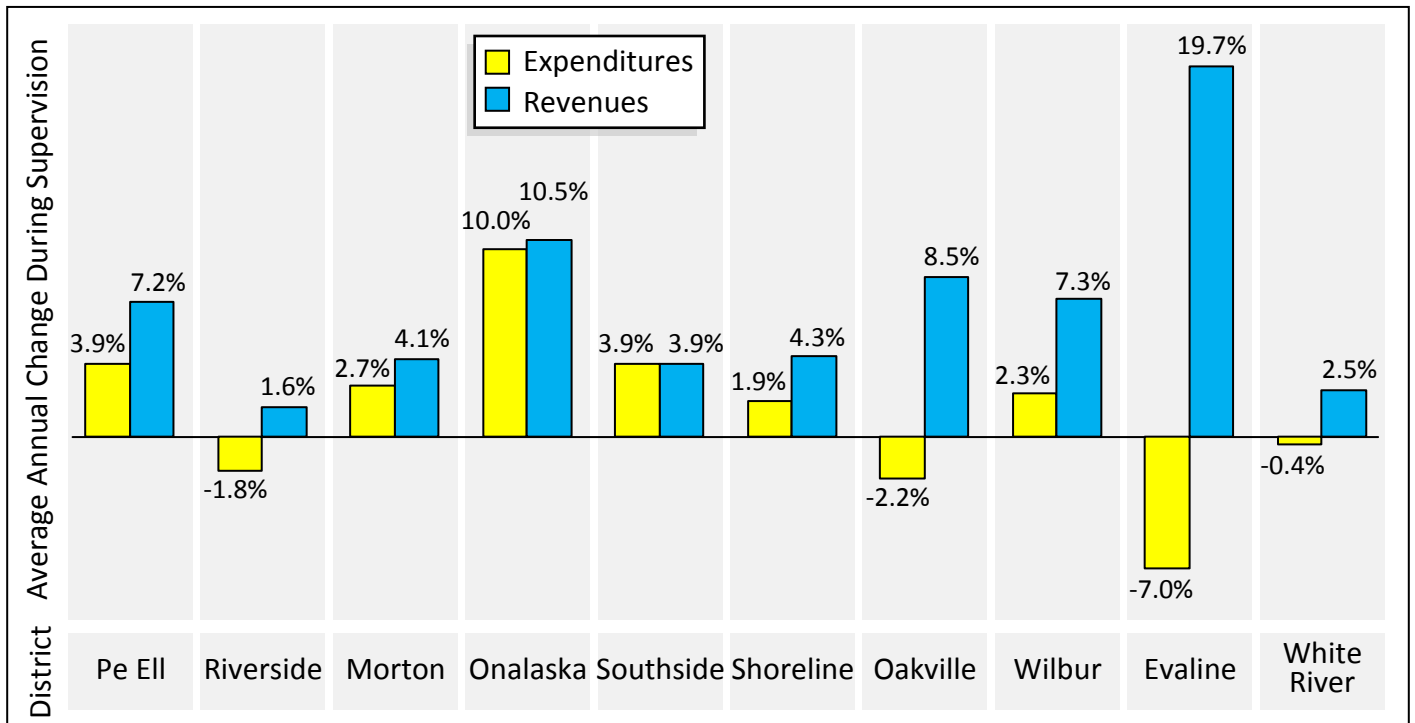
Five of these districts have been released from supervision. One district ceased operation. Six remain under supervision. This analysis summarizes the impact of state supervision on ten districts' revenue and expenditures. Details for each supervised district are presented in Appendix 6.

Two districts are excluded from this analysis. The Montesano School District was placed under state supervision in May 2009, and actual expenditure data is not yet available for the 2009-10 school year. The Vader School District dissolved after one year of supervision and its service area is now part of the Castle Rock School District. The impact of this change is examined separately.

State Supervision Does Not Always Lead to Reduced Expenditures

As shown in Exhibit 13, districts under state supervision address their respective financial situations differently. However, six out of ten districts did not reduce expenditures during supervision. All ten districts increased revenue while under state supervision. Revenue increases were substantially greater than expenditure increases in four of these districts while two districts experienced substantially equal growth in revenues and expenditures. Four districts reduced expenditures during state supervision while also increasing revenue.

Exhibit 13 – Six of Ten Districts Under State Supervision Since 2000 Increased Both Revenue and Expenditures



Source: JLARC analysis of school district F-196 financial reports provided by LEAP.

Interviews with school district officials and ESD staff who monitor school districts under state supervision indicate that the length of time a district remains under supervision depends on the strategy adopted by each district for addressing the imbalance between revenues and expenditures. Although districts must comply with binding conditions established by OSPI, district officials retain considerable discretion in determining how to address their financial problems. Typical short term approaches include leaving vacant positions unfilled and reducing travel, equipment purchases, and maintenance. Longer term strategies may include seeking increased local revenue levies and renegotiating labor contracts.

State law does not limit the length of time a district may remain under state supervision. That decision is left to OSPI with input from the ESD staff who monitor district finances for OSPI. One district reviewed was released from supervision after one year. Another district required six years to emerge from supervision. One district is currently operating in its fifth year of supervision.

The Vader School District Dissolution Merger Had Some Impact on Castle Rock District Revenues and Expenditures

One supervised district, the 80-student Vader School District, was unable to sustain operations after the 2006-07 school year. The district experienced a series of financial difficulties prior to a levy failure in 2007. The district's buildings were declared unsafe by Lewis County and the district lacked the funds for repair or replacement. Vader School District ceased operation in August 2007 and became part of the much larger Castle Rock School District, which assumed responsibility for Vader district liabilities and assets. However, Castle Rock's enrollment declined each year following Vader's dissolution. The declining enrollment was typical of the area. Castle Rock and the three other districts that bordered Vader experienced a 3.7 percent decline in their total enrollment during this period.

Analysis of Castle Rock and Vader financial information prior to and after the Vader dissolution shows some impact (Exhibit 14). Castle Rock district revenue in the first year following the dissolution was 1.9 percent above the total revenue for the two separate districts while Castle Rock expenditures were 4 percent less than the two districts' 2006-07 total. This trend continued through the second year, with revenues 6.2 percent above and expenditures 5 percent below the combined 2006-07 totals.

Exhibit 14 – Castle Rock per Pupil Expenditures Increased After the Dissolution of the Vader School District

		FTE Enrollment	Revenue	Expenditures	Expenditures per FTE Pupil
2006-07 Before Vader Dissolution	Vader	79	\$1,006,674	\$1,010,871	\$12,796
	+ Castle Rock	1,354	\$11,012,088	\$11,651,930	\$8,606
	= Combined Totals 2006-07	1433	\$12,018,762	\$12,662,801	\$8,837
2007-08 First year after Vader Dissolution	Castle Rock	1327	\$12,252,159	\$12,150,405	\$9,156
	% change from Combined Totals 2006-07	-7.4%	1.9%	-4.0%	3.6%
2008-09 Second year after Vader Dissolution	Castle Rock	1292	\$12,760,886	\$12,030,501	\$9,312
	% change from Combined Totals 2006-07	-9.8%	6.2%	-5.0%	5.4%

Source: JLARC analysis of Castle Rock and Vader School Districts financial and enrollment data provided by LEAP.

Despite the expenditure reductions in each of the two years following the Vader dissolution, Castle Rock expenditures per pupil increased in each year, largely due to enrollment declining at a greater rate than expenditures. Castle Rock expenditures per pupil were 5.4 percent higher in 2008-09 than the combined expenditures per pupil for the two districts in 2006-07. However, the rate of increase is less. Castle Rock expenditures per pupil grew at an average rate of 9.5 percent in the two years prior to the Vader dissolution.

Although the impact on Castle Rock School District finances appears minimal, officials who managed the dissolution and transfer of Vader’s assets and liabilities cite numerous problems in executing the merger. These problems primarily involve the ambiguous legal authority for the dissolution and merger, the timing of the Vader dissolution, which left the Castle Rock district unable to collect Vader tax levies, and the transfer of assets and liabilities. OSPI commissioned a review of the circumstances that left Vader unable to sustain operations and the problems involved in carrying out the merger.² The report was completed in November 2009; its recommendations focus on providing more timely warning for potential financial crises at school districts and developing the legal framework to govern future mergers.

² *The Vader School District Closing In Retrospect*, John Molohon, OSPI (2009).

PART V: RESEARCH DOES NOT CLEARLY IDENTIFY OPTIMAL SCHOOL OR SCHOOL DISTRICT SIZE

School district and school size has been the subject of extensive debate and research. During much of the 20th Century, educators and public officials promoted school district consolidation as a means for improving curricula, student opportunity, and cost effectiveness. More recently, however, researchers have asserted that small schools and school districts are often competitive with their larger counterparts in the quality of education offered.

ESHB 1244 directed JLARC to review available research on the nonfinancial benefits and impacts associated with school and school district size. A considerable body of literature documents a lively debate about school and school district size, a debate that is far from settled (see Appendix 7 for references). Although much of that debate centers on financial benefits such as cost savings and efficiency, key points also focus on outcomes and results. These include academic quality and performance, cost effectiveness, and community involvement.

The Number of School Districts Has Declined Nationwide and in Washington

The number of school districts in the United States has declined from approximately 117,000 in 1940 to around 15,000 in 1980, a number that has remained relatively stable since that time. Washington had 1,609 school districts in 1937; the current number of districts is 295. The national trend toward fewer, larger districts since the 1940s is the result of a number of factors:

- Urbanization, combined with improved transportation in the years following World War II made larger districts and school service areas more feasible.
- Many educational and community leaders believed that small schools were not capable of providing the diverse and challenging curricula necessary for educating students to compete in a world economy marked by rapid and steady technological change.
- The perceived efficiency of large-scale industrial organizations suggested that educators could achieve economies of scale by offering the expanded curricula in larger rather than smaller schools and school districts.

These trends led to the elimination of over 53,000 school districts in the United States between 1951 and 1971. Research published in 2001 found that district consolidation substantially lowered operating costs in some districts. The largest reductions were found in the smallest districts and declined as district enrollment increased to 1,500 students. Little impact was evident among districts with larger enrollments. A recent review of potential savings from consolidation in Maine found similar results.

The Research on School and School District Size is Inconclusive

Research does not offer a definitive conclusion on overall benefits of school or school district size. JLARC's review of summaries, articles, and abstracts of individual research projects on the impact of school and school district size suggests that cost is only one factor to consider when evaluating school and school district size. Perhaps the best source of information encountered is the research prepared for the Colorado School Finance Project in 2009. This publication provides a comprehensive overview of the issues and research on school and school district size. The authors conclude that:

The literature on district size, consolidation, and academic achievement is mixed. The research suggests that smaller districts often produce higher academic achievement. However, course offerings and extracurricular opportunities may be much greater in larger districts. Small remote districts may also have a difficult time recruiting, retaining, and providing professional development to teachers. As a result, it is unclear whether district consolidation would be academically beneficial to students.³

Proponents of consolidation contend that it will improve academic performance, provide additional academic opportunities for all students, and improve instructional quality. The Colorado School Finance Project concluded that research shows that consolidation "...is likely to expand curriculum and extracurricular opportunities for students." However, the study also found that "...research does not indicate that larger districts have higher student performance and a number of studies demonstrate that smaller districts tend to exhibit higher academic performance."⁴ Further, the ability of larger districts to attract and retain high quality staff with higher pay and greater professional opportunities may be counterbalanced by the unique characteristics of the small school environment that offer more personal contact between teachers and students.⁵

The trend toward larger schools and school districts has produced a strong response by advocates of smaller schools and school districts. Much of the research reviewed for this study shows that smaller schools and school districts offer a variety of nonfinancial benefits. A partial list of these benefits includes:

- Higher graduation rates (Washington Rural Education Center, 2010);
- Comparable performance in college (Gallagher, 1986);
- Increased opportunity for students to participate in extra-curricular activities (Cotton, 1996; Jimerson, 2006; Holloway, 2000; Black, 2002);
- Greater teacher collaboration and team teaching (Lee & Smith, 1994); and
- Higher level of parental involvement (Thorkildsen & Stein, 1998).

The research demonstrates that small schools and school districts can compete with larger districts in many areas of educational performance even if they are unable to achieve the economies of scale

³ *An Exploration of District Consolidation*, J. Augenblick & K. Rooney, K., Augenblick, Palaich & Associates, Denver CO (2009), p. 18.

⁴ *Ibid*, p. 16.

⁵ *Ibid*, p. 17.

available to larger districts. However, the research provides no clear conclusion about the relative merits of small versus large schools and school districts.

The conclusion of the Maine review of school district consolidation echoes that made by the Colorado School Finance Project quoted above and provides an appropriate conclusion regarding the nonfinancial benefits of school and school district size:

In all, the literature on school and district size presents mixed findings. Education researchers have not reached consensus on these issues. Multiple factors interact to form a student's educational experience and no single enrollment number has been found that can maximize all of them. No individual study presents conclusive evidence of the "best" size for a school or the district in which it is located.⁶

⁶ *School and School District Consolidation: Major Concepts*, Catherine Reilly, University of Maine (2004), p 5.

APPENDIX 1 – SCOPE AND OBJECTIVES

SCHOOL DISTRICT COST & SIZE STUDY

SCOPE AND OBJECTIVES

DECEMBER 1, 2009



STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMITTEE

STUDY TEAM
Mark Fleming

PROJECT SUPERVISOR
Keenan Konopaski

LEGISLATIVE AUDITOR
Ruta Fanning

Joint Legislative Audit &
Review Committee
1300 Quince St SE
Olympia, WA 98504-0910
(360) 786-5171
(360) 786-5180 Fax

Website:
www.jlarc.leg.wa.gov
e-mail:
neff.barbara@leg.wa.gov

Why a JLARC Study of the Cost of School Districts and Their Enrollment Size?

The 2009-11 Operating Budget (ESHB 1244) directs the Joint Legislative Audit and Review Committee (JLARC) to conduct a study of the relationship between the cost of school districts and their enrollment size. The mandate directs JLARC to analyze how enrollment size affects costs for activities such as instruction, administration, transportation, and facility operations. The legislation further directs JLARC to review other factors that may impact costs, to examine changes in cost patterns resulting from district consolidation or state oversight, and to review available research on nonfinancial benefits and impacts associated with school district size.

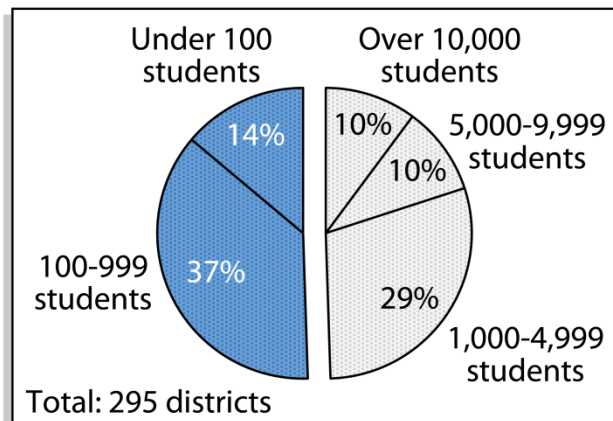
Public Education is a Major State Responsibility

Washington's Constitution establishes education as the state's "paramount duty" and requires the Legislature to "provide for a general and uniform system of public schools." The 2009-11 Operating Budget provides \$15.6 billion for K-12 education, or 27 percent of the total statewide Operating Budget. State funds accounted for approximately 70 percent of school district budgets for the 2008-09 school year. Local funds contributed 20 percent. Federal monies and other sources accounted for the remaining 10 percent.

School District Enrollment Varies Greatly

Although the state provides most of the funding for public education in Washington, 295 local school districts actually carry out this responsibility.

Half of Washington School Districts Enroll Fewer than 1,000 Students



Source: JLARC analysis of 2008-09 OSPI enrollment data.

Washington's school districts vary in size from six students to over 43,000 students. Half of the state's school districts enroll 1,000 or fewer students, including 41 districts with fewer than 100 students. Thirty large districts have enrollments exceeding 10,000 students.

Study Scope

JLARC will examine the relationship between district costs and enrollment across Washington’s school districts. The analysis will develop per-pupil expenditure data for major categories of educational service delivery and will identify other factors that may affect costs. In addition, JLARC will review available research on the benefits and impact associated with school district size.

Objectives

This JLARC review will analyze the relationship between school district cost and enrollment size by answering the following questions:

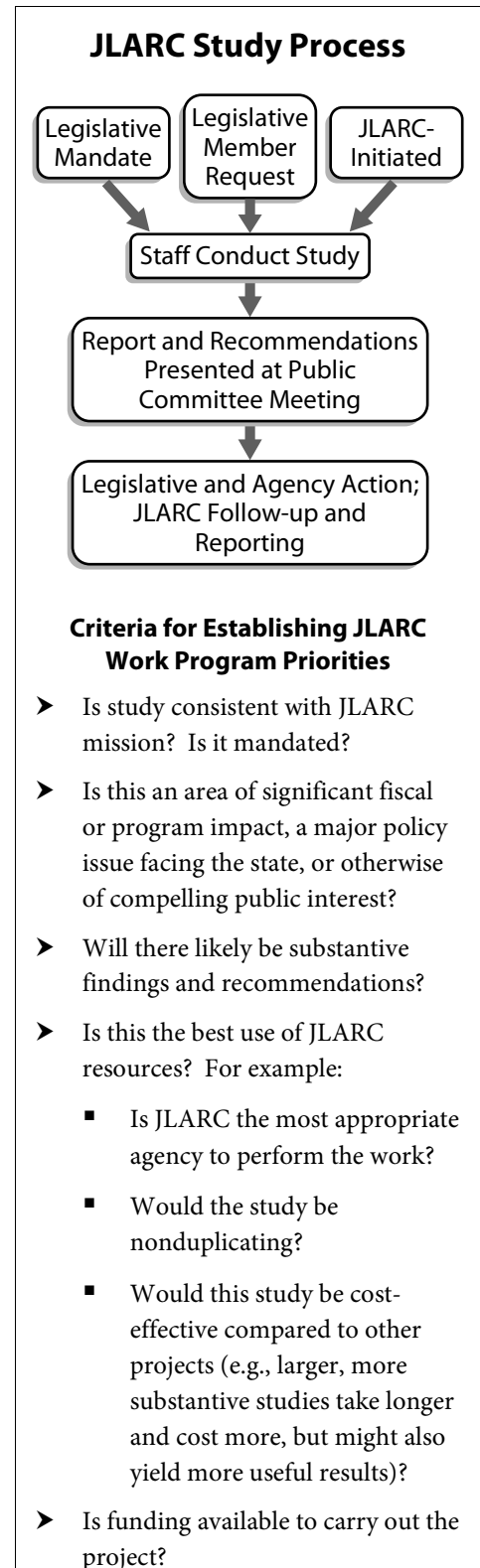
- 1) How does the cost of providing instructional services vary by the number of students served by a school district?
- 2) How do administrative, transportation, and facility costs vary by the size of the school district?
- 3) How do other factors, such as local funding, geography, student demographics, or services from educational service districts relate to the cost of providing instruction and ancillary services?
- 4) Do district expenditure patterns change as a result of consolidation or state oversight conditions required by RCW 28A.505.110?
- 5) What nonfinancial benefits and costs are associated with school district size?

Timeframe for the Study

Staff will present the preliminary and final reports at the May and June 2010 JLARC meetings.

JLARC Staff Contact for the Study

Mark Fleming (360) 786-5181 fleming.mark@leg.wa.gov



APPENDIX 2 – AGENCY RESPONSES

- OSPI
- Washington Association of Educational Service Districts
- Washington Association of School Administrators
- Washington State School Directors Association

Note: JLARC also requested a response from the Office of Financial Management (OFM). OFM responded that they did not have comments on this report.



SUPERINTENDENT OF PUBLIC INSTRUCTION

Randy I. Dorn Old Capitol Building · PO BOX 47200 · Olympia, WA 98504-7200 · <http://www.k12.wa.us>

May 28, 2010

Ruta Fanning
Legislative Auditor
Joint Legislative Audit and Review Committee
PO Box 40910
Olympia, WA 98504-0910

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JLARC

Dear Ms. Fanning:

Thank you for the opportunity to comment on the Study of School District Cost and Size report. We appreciate the thorough analysis and research that is represented by this report and we generally concur with the report's conclusions.

We strongly agree with the conclusion that available research does not identify optimal school and school district size. There are many independent factors that have led to current school and school district configurations, boundaries, and enrollment sizes. We know that there have been multiple reports and articles published on the advantages and economies of scale that can be derived by larger schools and school districts – but your report provides some clear data that should not be ignored:

- While there are some small districts that have high per pupil expenditures, their impact on the overall cost of public education is limited.
- The 85 school districts with expenditures per FTE exceeding the statewide average represent only 2.5% of total expenditures and 1.6% of statewide enrollment. If these districts were closer to average, the difference would be approximately \$47 million statewide, with less than \$10 million of that difference being administrative in nature.

In addition, the report states that high per pupil expenditures in small districts are due largely to funding formula reasons. While we agree there is a clear correlation, the identification of a causal link between funding and expenditures ignores factors that make funding formula enhancement both necessary and reasonable – and ultimately important for student learning to occur in these small districts. While the funding formula enhancements provided to these small districts are not perfectly linked to specific student population needs, there are underlying factors that require additional per pupil funding in small districts. For instance, in a district with a small number of students – the funding generated to cover non employee related costs, such as heat and lights is inappropriately low.

Finally, the report also provides case study data regarding school districts that have experienced financial difficulties and were under binding conditions. Of the districts shown

Ruta Fanning
May 28, 2010
Page 2

to have been under state supervision, only Montesano, Onalaska, and Evaline continue to be under binding conditions. While the report makes no specific recommendations regarding the process, the data suggests that state oversight does allow districts to eventually work their way out of financial difficulties, but that some districts take significantly more time to improve their financial condition than others. OSPI plans to examine the current process and evaluate if additional laws or rules are necessary to speed up the process to improve financial conditions in these districts and thereby reduce the duration that state supervision is required.

Again, thank you for investing your agency's time and resources in this report.

Sincerely,



Randy I. Dorn
State Superintendent
of Public Instruction



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May 24, 2010

Ruta Fanning, Legislative Auditor
Joint Legislative Audit and Review Committee
P.O. Box 40910
Olympia, WA 98504-0910

Dear Ms. Fanning,

First of all, let us express our appreciation for allowing us to respond to your Preliminary Report on the legislatively directed work on the School District Cost and Size Study. The AESD (Association of Educational Service Districts) provides this response on behalf of the nine educational service districts (ESDs) that provide services and support to all of the 295 public school districts and to the state-approved private schools in the state of Washington.

Overall, we agree with the observations and conclusions contained within the report prepared by Mark Fleming under the supervision of Keenan Konopaski and your direction. That said, we offer the following comments that would possibly serve to present a more complete picture.

1. On page 25 of the draft report, while there is a clear indication that the state's nine ESDs provide financial oversight to districts under binding conditions, we suggest that this fact, using similar language as on page 25, be included on page two for districts under state supervision within the auspices of OSPI (Office of Superintendent of Public Instruction) oversight.
2. We appreciate the observation on page nine that "...rural and remote locations [school districts] are not uniformly high expenditure districts" since "Some small districts often reduce expenditures by employing part-time superintendents or sharing costs with other school districts through cooperative arrangements for services such as transportation and special education." We feel that currently there is a misconception that school districts have not already implemented cost saving measures to ensure operations are conducted in the most efficient and effective manner in order to move as much funding as possible to the classroom level. Furthermore, we want to stress that cost saving solutions are not carried out only by rural and remote school districts, but also medium and large districts. Prime examples include participation in public entity risk pools, ranging from liability and property/casualty to workers' compensation.

3. It is also refreshing to see objective data that in relation to smaller districts with higher per pupil expenditures, the “...impact on the overall cost of public education is limited” (p. 13). Some individuals seem to think that funding smaller districts somehow detracts from larger districts, but given the data, this is clearly not the case.
4. In Part III of the report, there is recognition that different school districts have different funding streams. While this fact could have dramatic effects on how the current lawsuit against the state plays out, we think it is important that there be a clear recognition that almost 30% of school district funding is beyond the state’s purview. The natural question that follows is why these funding streams are included in this state-mandated analysis and report, since this causes the Per FTE Pupil expenditures to be substantially overstated as related to state legislative funding (Appendix 4, Exhibits 20 and 21).
5. We strongly agree with your conclusion, after considerable research, “...that cost is only one factor to consider when evaluating school and school district size” (p. 28). Your partial listing of nonfinancial benefits is more important than simply examining the cost per student. We respectfully request that if additional work is done in the future, social costs such as unemployment, under-employment, incarceration, etc. are included in any analyses.

Thank you again for allowing us to respond to this draft report. ESD fiscal staff from across the state enjoyed working with Mr. Fleming during this study; and would welcome the opportunity to do so in the future.

Sincerely,



Charles Staadecker, President
Association of Educational Service Districts



COMMITTED TO LEADERSHIP FOR PUBLIC SCHOOLS

May 25, 2010

Mark Fleming
Joint Legislative Audit and Review Committee
PO Box 40910
Olympia, WA 98504-0910

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Dear Mark:

Thank you for the opportunity to respond to the School District Cost and Size Study Preliminary Report for the Joint Legislative Audit & Review Committee. The Washington Association of School Administrators offers the following comments regarding the report:

- In Part II—if all 85 identified districts were reduced to funding and expenditures that fall within 25% of the state-wide average, the aggregated reduction amounts to only 0.5% of statewide expenditures for K–12 education. If consolidation were offered as the method to capture those minimal savings, the added cost of transportation and the administrative costs of accomplishing those efforts would likely consume most, if not all, of the savings. In addition, in our opinion the disruption, resentment and confusion within communities would far outweigh the limited possible cost savings.
- The possible cost savings associated with the consolidation of school districts should not include schools and districts that are determined by the state to be “remote and necessary”. They are actually “outliers” and should not be used as examples.
- Part III of the study describes how the funding formulas result in significantly more funding of K–12 districts compared to non-high districts. State policy requires subject area endorsements for teachers at the secondary level and results in the need for additional staff to offer a mandated comprehensive curriculum. This funding characteristic should be specifically noted as contributing to the cost difference.
- While the study reports costs and benefits associated with small districts it does not attempt to analyze the benefits. For example, the research references describe the small district benefits of high graduation rates, comparable performance in college, increased opportunity for student to participate in extra-curricular activities, greater teacher collaboration and team teaching and higher levels of parental involvement but does not translate this into how these results positively impact individual student learning and overall progress by our state to meet the goals of education reform; i.e. keeping students in school through graduation is a cost savings.

As the legislature examines this study for the basis of policy decisions, we strongly recommend a careful review of the financial and nonfinancial costs associated with any reduction in the number of school districts.

Sincerely,

A handwritten signature in blue ink that reads "Barbara L. Mertens".

Barbara L. Mertens, Ed.D.
Assistant Executive Director

WASHINGTON ASSOCIATION OF SCHOOL ADMINISTRATORS

825 FIFTH AVENUE SE • OLYMPIA, WASHINGTON 98501 • 360-943-5717 • 800-859-9272 • FAX 360-352-2043 • WWW.WASA-OLY.ORG

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TOLL FREE 800.562.8927
FAX 360.493.9247

May 27, 2010

Mr. Mark Fleming
Joint Legislative Audit and Review Committee
PO Box 40910
Olympia, WA 98504-0910

Dear Mr. Fleming:

Thank you for the opportunity to provide comments on JLARC’s School District Cost and Size Study Preliminary Report. School funding, the effort to find further “efficiencies” within schools and the ongoing discussion of school district consolidation are issues of major importance to the Washington State School Directors’ Association and our 1,477 locally elected school board members. We offer the following observations and remarks:

PART I: INTRODUCTION TO WASHINGTON SCHOOL DISTRICT FINANCE

Public Education is a Major State Responsibility (pg. 3)

The first sentence of this section states: “Washington’s Constitution establishes education as the state’s ‘paramount duty’ and requires the Legislature to ‘provide for a general and uniform system of public schools.’” This sentence, explaining the very strong paramount duty clause contained in Washington’s Constitution stands on its own; however, the heading to this section does not convey the same level of magnitude. Public education is not just a “major” state responsibility—public education is, in fact, the state’s primary priority. This should be reflected in the heading—and throughout the body of the report.

School Districts Have Latitude in Determining How to Use Revenue (pg. 5)

While Washington has traditionally been a “local control” state and school districts do have flexibility in spending, this heading probably overstates the reality in schools and will send a confusing message to legislators and other readers of the report. In a strict technical sense, school districts do have “discretion in determining how to use approximately 70 percent of available revenue.” However, a school district’s spending flexibility is greatly impaired by multiple layers of requirements or mandates in which they must comply. Statutory minimum requirements for staffing and specific legal requirements for special education or transportation, for example, further limit a school district’s latitude in spending.

221 College Street NE
Olympia, Washington 98516
wssda.org

Mr. Mark Fleming
Page Two
May 27, 2010

Additionally, this section explains the determination of how additional local revenue from Maintenance & Operation levies (in all but 15 of the state's 295 school districts) will be used are "wholly local decisions." Again, this overstates the case because of the numerous mandates in which school districts must comply—to say nothing of the chronic underfunding of Basic Education, which forces school districts to use local, "extra" funding to backfill the state's unmet funding responsibility.

Washington's School Districts Vary in Size (pg. 6)

The report states that "most Washington school districts are small." This is true regardless of your definition of "small." (For example, WSSDA breaks school districts into categories of small, medium and large; districts with less than 2,000 students are designated as small.) The report, however, fails to provide any rationale for why so many of our school districts are small. Stating that 151 school districts are small is presented as a fact—without any discussion of why this is the case. Providing some context to such a statement of fact would be helpful to both legislators and the casual reader. The number of small school districts in Washington reflects both the rural character of a substantial portion of our state and the tradition of community schools and local control on which our public education system rests. Depending on your own perspective, that statement can be either positive or negative, but it is based in fact and provides some context for the broad statement: "Most Washington school districts are small."

PART II: DISTRICTS WITH THE HIGHEST EXPENDITURES PER PUPIL REPRESENT A SMALL PORTION OF TOTAL EXPENDITURES BY WASHINGTON SCHOOL DISTRICTS

This section—and its appropriate title—gets to the heart of the school size and school cost question. This reality is emphasized throughout the report and it is appreciated. The state's 151 smallest school districts enroll 5.3 percent of the state's students and expend 6.5 percent of total district expenditures. This is just a slight difference from the enrollment/expenditure ratios for medium and large districts.

This section also details that 85 of the smallest 151 districts that have expenditures per FTE pupil exceeding the statewide average only represent 2.5 percent of public school expenditures. Further, the section explains that if these districts' expenditures were no more than 25 percent above the statewide average, the difference would equal approximately \$47 million—equivalent to 0.5 percent of K-12 expenditures during the timeframe studied. As consolidation is raised as a possible solution to capture these minimal savings, we argue the added cost of transportation and the additional administrative costs of accomplishing those efforts would likely consume most of the savings. The disruption and confusion within communities and the potential negative impacts on students and student achievement would far outweigh the limited possible cost savings.

PART III: HIGH PER PUPIL EXPENDITURES IN SMALL DISTRICTS ARE DUE LARGELY TO THE STATE GENERAL APPORTIONMENT FUNDING FORMULA

This section describes how the current funding formulas result in significantly more funding of K-12 school districts compared to non-high (K-6 or K-8) districts. Again, this information is simply relayed and not put into context. It is not explained why small high school enhancements are provided: state law requires subject area endorsements for teachers at the secondary level and this results in the need for additional staff to offer a state-mandated comprehensive curriculum. This funding characteristic should be specifically noted as contributing to the cost difference.

Mr. Mark Fleming
Page Three
May 27, 2010

Similar to Part II, the report clarifies the districts that received the highest per pupil general apportionment revenue accounted for only 2.1 percent of total general apportionment distributions. If these 76 districts' apportionment payments did not exceed the statewide average by more than 25 percent, the difference would equal \$26 million or 0.6 percent of general apportionment distributions. Again, we argue mandating consolidation would minimize the ability to capture these savings and the high cost of community and student upheaval would outweigh the savings.

It is important to note that 61 of the state's smallest districts receive less than 1.0 FTE administrative funding through state apportionment. This is an example of how many small districts are adversely impacted in funding due to size. These school districts must supplement their apportionment dollars with levy or other funds in order to provide the necessary leadership the district requires. Specifically describing this type of scenario should be included in the JLARC final report.

PART V: RESEARCH DOES NOT CLEARLY IDENTIFY OPTIMAL SCHOOL OR SCHOOL DISTRICT SIZE

We agree that research is varied and does not clearly pinpoint the “best” size for schools or school districts. However, Part V, while describing some of the nonfinancial benefits of small schools/districts (including higher graduation rates; comparable college performance; additional student activities opportunities; greater teacher collaboration; and increased parental involvement), there is no attempt to analyze these benefits. We argue that some of these nonfinancial benefits can have a large, positive impact on finances. For example, keeping students in school through graduation and high numbers of those students attaining college degrees reduces the need for corrections, health care and other social services. At the same time, employment of these students allows them to buy goods, helping to drive the state's economic engine with tax revenue.

Numerous shared services are already in place among school districts of all sizes across the state. These shared services achieve both cost and service delivery efficiencies—and have been determined to be in the best interests of the district and its patrons. We hope these district-determined examples will be further highlighted in the final report.

As JLARC finalizes its report and the Legislature continues this conversation, we firmly believe decisions about school size and/or district consolidation should be made by local districts with input by local communities and not mandated by policymakers in Olympia. Further, those decisions should be based on the best interests of the affected students, the local community and the individual school district and not solely judged on finances.

Sincerely yours,



Kevin Laverty
President

cc: Ms. Ruta Fanning, Legislative Auditor

APPENDIX 3 – DETAIL CHARTS FOR MAJOR ACTIVITIES

ESHB 1244 directed JLARC to analyze how categories of costs vary related to size, including educational costs, administrative costs, facility costs and transportation costs. JLARC’s analysis of total expenditures and expenditures in each of these activity areas in 2007-08 found that the relationship between expenditures and enrollment size is nearly identical in all cases. Exhibit 15 identifies the specific activities included in each category. Exhibits 16 through 19 display per FTE pupil expenditures for Washington school districts for each of the major activities identified in ESHB 1244.

Exhibit 15 – Activities for Major Expenditure Categories

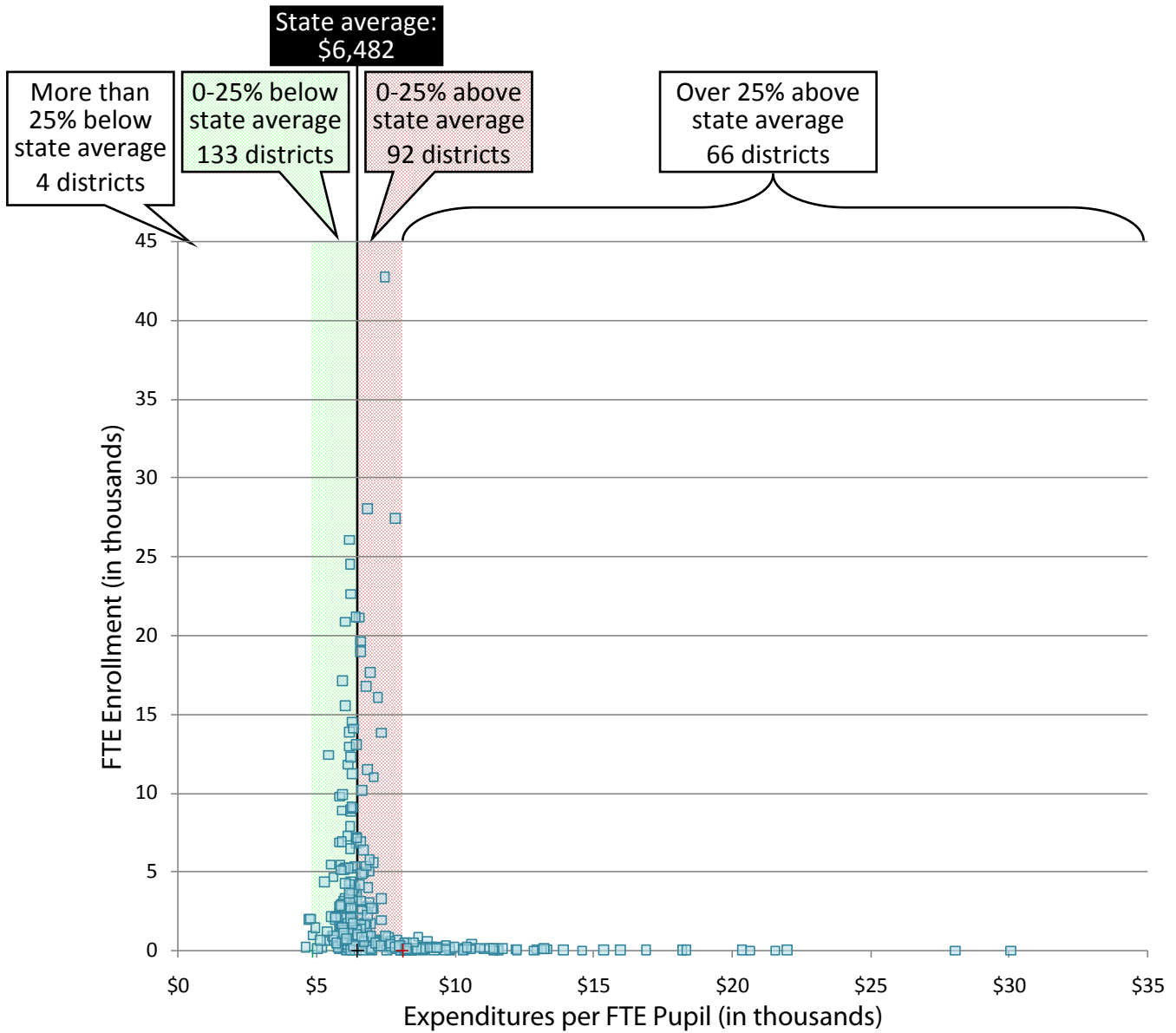
Expenditure Category	Activity Code	Activity Description
All Teaching	22	Learning Resources
	24	Guidance & Counseling
	25	Pupil Management & Safety
	26	Health Related
	27	Teaching
	28	Extracurricular
	29	Payments to Other Districts
Administration	11	Board of Directors
	12	Superintendent's Office
	13	Business Office
	14	Human Resources
	15	Public Relations
	21	Supervision - Instruction
	23	Principal's Office
	61	Supervision - Maintenance & Operation
	72	Information Systems
	73	Printing
	74	Warehousing & Distribution
	75	Motor Pool
Transportation	51	Supervision
	52	Operations
	53	Maintenance
	56	Insurance
	59	Transfers
Facility	62	Grounds Maintenance
	63	Operation of Buildings
	64	Maintenance-Plant & Equipment
	65	Utilities
	67	Building & Property Security

Appendix 3 – Detail Charts for Major Activities

Expenditure Category	Activity Code	Activity Description
Other	41	Supervision-Nutrition Services
	42	Food
	44	Food Service Operations
	49	Food Services Transfers
	68	Insurance- Except Transportation
	83	Other Interest
	85	Debt Related Expenditures
	91	Public Activities

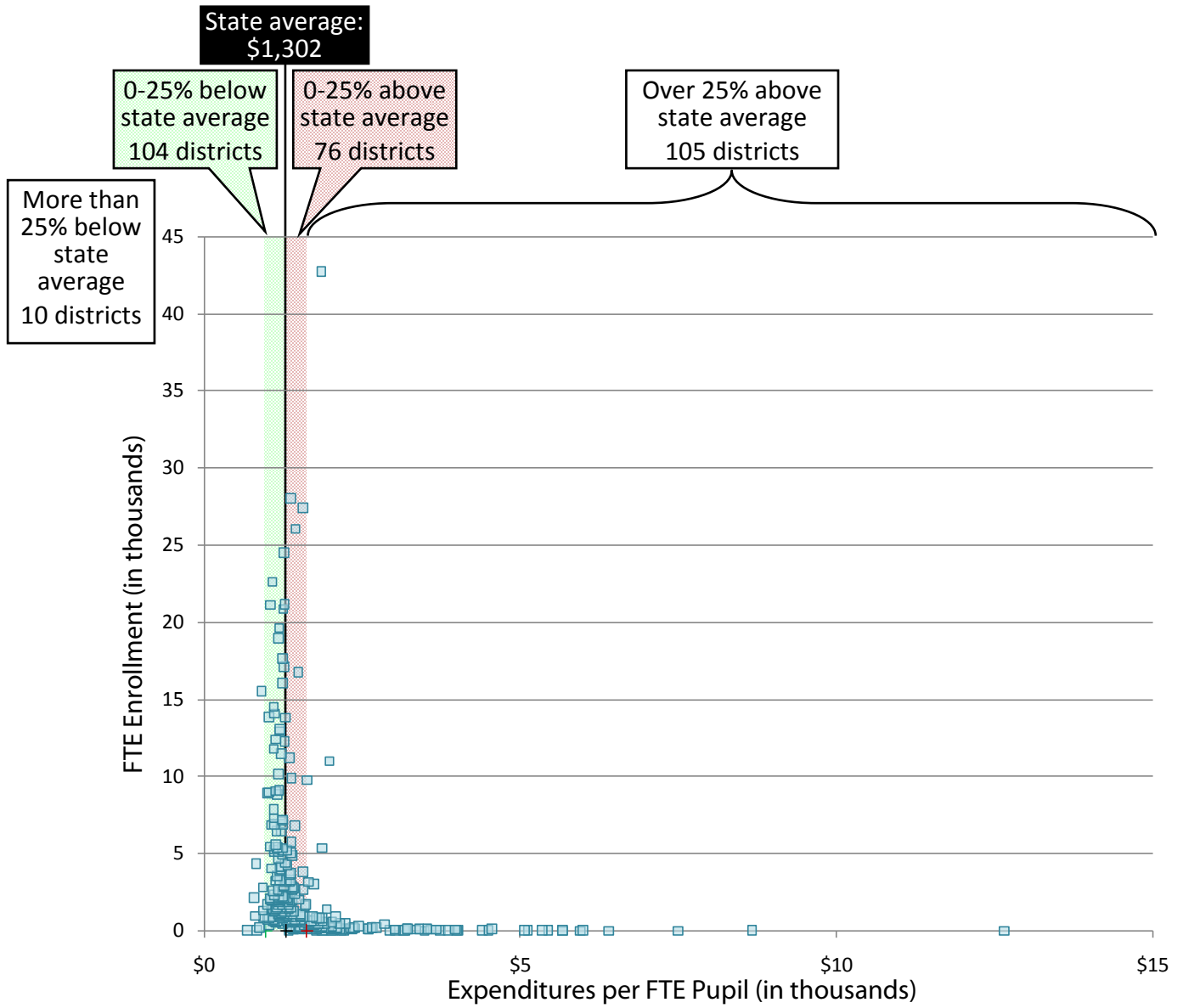
Source: OSPI, Accounting Manual for School Districts, 2007-08.

Exhibit 16 – Teaching Expenditures per FTE Pupil, 2007-08



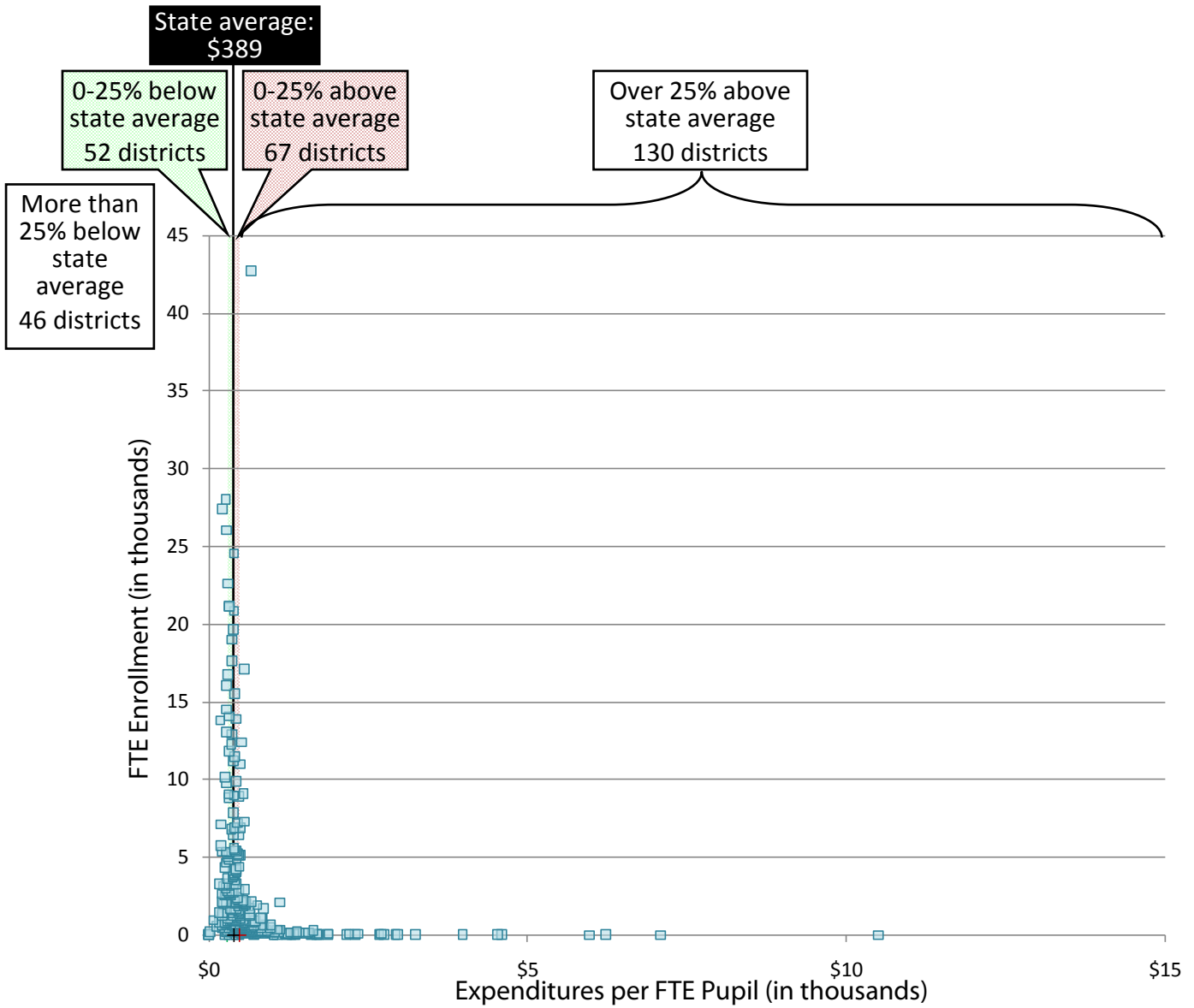
Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Exhibit 17 – Admin Expenditures per FTE Pupil, 2007-08



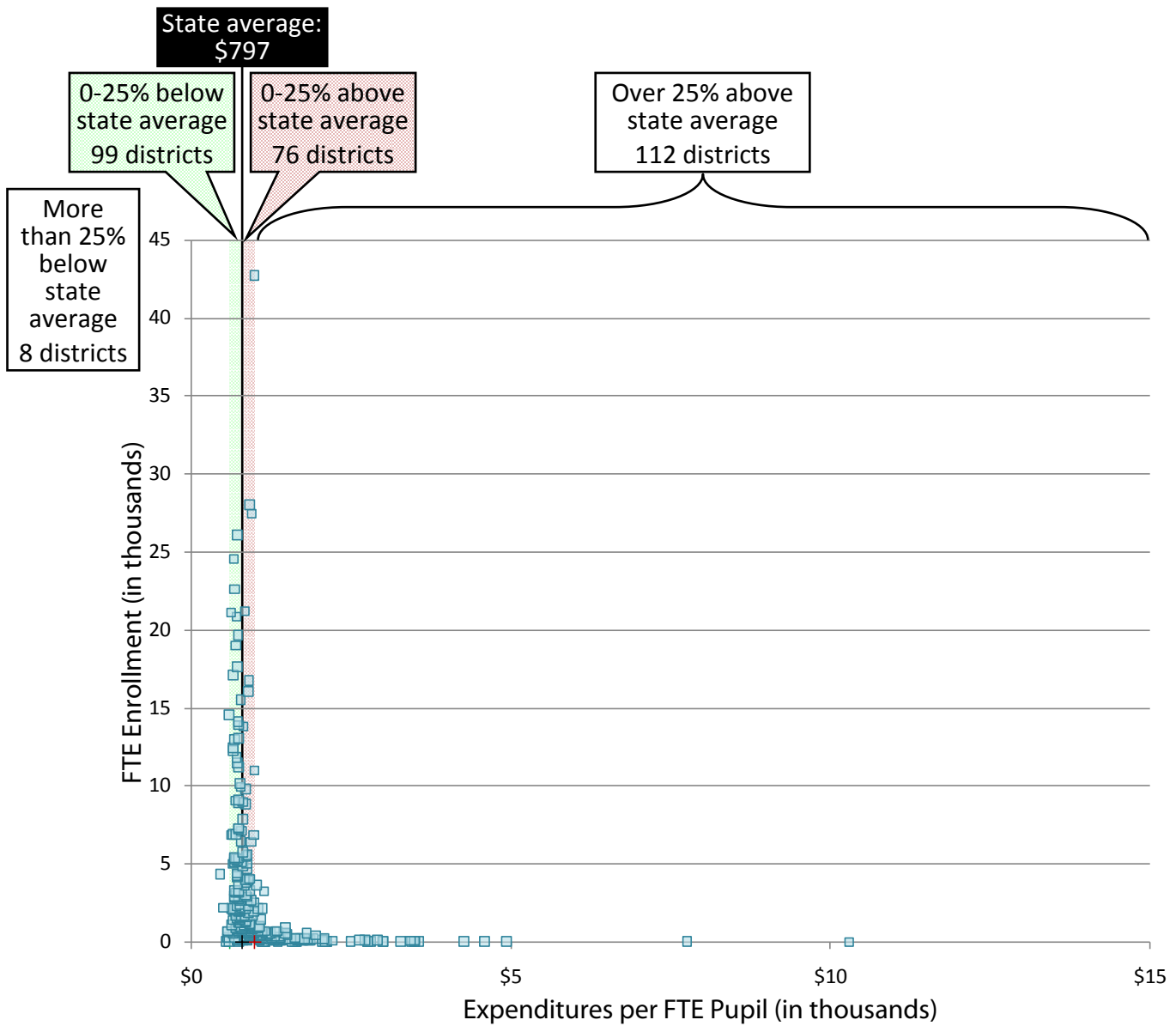
Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Exhibit 18 – Transportation Expenditures per FTE Pupil, 2007-08



Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

Exhibit 19 – Facility Expenditures per FTE Pupil, 2007-08



Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

APPENDIX 4 – SCHOOL DISTRICT REVENUE AND EXPENDITURES

The following two exhibits present key data used in the JLARC study of school district cost and size. Exhibit 20 lists districts alphabetically and shows FTE enrollment, total and per FTE pupil revenue from all sources, total and per FTE pupil general apportionment revenue, and total and per FTE pupil expenditures for each district in 2007-08. Exhibit 21 ranks districts by 2007-08 expenditures per FTE pupil from highest to lowest and also presents FTE pupil enrollment for each district.

Exhibit 20 – School District Revenue and Expenditures, 2007-08

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Aberdeen	3301.85	\$34,616,176	\$10,484	\$15,653,971	\$4,741	\$34,588,310	\$10,475
Adna	574.22	\$5,512,302	\$9,600	\$2,793,066	\$4,864	\$5,006,660	\$8,719
Almira	74.73	\$2,053,662	\$27,481	\$1,348,783	\$18,049	\$1,918,741	\$25,676
Anacortes	2796.04	\$27,527,944	\$9,845	\$14,434,454	\$5,162	\$27,039,960	\$9,671
Arlington	5239.56	\$45,579,812	\$8,699	\$23,428,759	\$4,472	\$47,283,011	\$9,024
Asotin-Anatone	568.22	\$5,881,303	\$10,350	\$3,112,880	\$5,478	\$5,849,818	\$10,295
Auburn	13899.98	\$124,143,930	\$8,931	\$64,917,041	\$4,670	\$121,250,029	\$8,723
Bainbridge Island	3943.91	\$35,835,050	\$9,086	\$19,085,983	\$4,839	\$36,259,410	\$9,194
Battle Ground	12428.08	\$97,350,963	\$7,833	\$58,812,744	\$4,732	\$99,817,908	\$8,032
Bellevue	16052.07	\$159,097,464	\$9,911	\$73,482,078	\$4,578	\$161,126,460	\$10,038
Bellingham	10186.91	\$94,484,553	\$9,275	\$47,851,098	\$4,697	\$93,895,751	\$9,217
Benge	5.61	\$375,254	\$66,890	\$200,986	\$35,826	\$335,194	\$59,749
Bethel	17106.09	\$153,543,713	\$8,976	\$80,048,676	\$4,680	\$151,223,675	\$8,840
Bickleton	100.32	\$1,685,059	\$16,797	\$1,261,771	\$12,577	\$1,635,741	\$16,305
Blaine	2134.37	\$20,067,678	\$9,402	\$10,197,700	\$4,778	\$20,084,910	\$9,410
Boistfort	66.24	\$1,072,222	\$16,187	\$292,833	\$4,421	\$1,042,693	\$15,741
Bremerton	5080.43	\$51,281,376	\$10,094	\$24,690,902	\$4,860	\$50,398,322	\$9,920
Brewster	824	\$9,128,523	\$11,078	\$4,017,510	\$4,876	\$9,155,674	\$11,111
Bridgeport	682.92	\$7,265,137	\$10,638	\$3,652,990	\$5,349	\$7,240,991	\$10,603
Brinnon	37.98	\$912,066	\$24,014	\$341,673	\$8,996	\$787,672	\$20,739
Burlington-Edison	3756.67	\$34,296,386	\$9,129	\$17,426,594	\$4,639	\$34,102,136	\$9,078
Camas	5418.51	\$45,909,098	\$8,473	\$25,310,506	\$4,671	\$45,803,530	\$8,453
Cape Flattery	433.76	\$7,962,781	\$18,358	\$2,938,013	\$6,773	\$7,326,822	\$16,891
Carbonado	173.95	\$1,864,590	\$10,719	\$925,524	\$5,321	\$1,758,117	\$10,107
Cascade	1253.7	\$11,547,804	\$9,211	\$6,116,644	\$4,879	\$11,618,330	\$9,267
Cashmere	1405.38	\$12,126,970	\$8,629	\$6,824,508	\$4,856	\$12,110,289	\$8,617
Castle Rock	1326.83	\$12,252,159	\$9,234	\$6,161,875	\$4,644	\$12,150,405	\$9,157

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Centerville	87.22	\$1,020,432	\$11,700	\$531,736	\$6,096	\$874,876	\$10,031
Central Kitsap	11507.96	\$110,846,950	\$9,632	\$55,277,028	\$4,803	\$109,876,289	\$9,548
Central Valley	11816.67	\$103,741,891	\$8,779	\$55,508,773	\$4,697	\$103,529,498	\$8,761
Centralia	3259.96	\$31,023,924	\$9,517	\$14,620,722	\$4,485	\$30,874,981	\$9,471
Chehalis	2645.57	\$26,810,681	\$10,134	\$12,763,320	\$4,824	\$26,731,218	\$10,104
Cheney	3590	\$33,756,493	\$9,403	\$16,871,286	\$4,700	\$33,310,800	\$9,279
Chewelah	1033.16	\$9,606,605	\$9,298	\$5,060,154	\$4,898	\$9,739,438	\$9,427
Chimacum	1109.48	\$10,982,827	\$9,899	\$4,913,457	\$4,429	\$10,636,279	\$9,587
Clarkston	2554.96	\$24,839,361	\$9,722	\$12,186,076	\$4,770	\$24,255,960	\$9,494
Cle Elum-Roslyn	919.41	\$8,375,406	\$9,110	\$4,363,718	\$4,746	\$8,260,064	\$8,984
Clover Park	11002.14	\$123,521,676	\$11,227	\$52,008,743	\$4,727	\$121,697,352	\$11,061
Colfax	655.94	\$6,239,948	\$9,513	\$3,362,107	\$5,126	\$6,098,555	\$9,297
College Place	754.28	\$8,486,231	\$11,251	\$3,503,568	\$4,645	\$7,583,371	\$10,054
Colton	165.92	\$2,383,781	\$14,367	\$1,432,072	\$8,631	\$2,342,304	\$14,117
Columbia (Stevens)	192.22	\$3,316,998	\$17,256	\$1,575,873	\$8,198	\$3,222,557	\$16,765
Columbia (Walla Walla)	895.58	\$8,601,922	\$9,605	\$4,202,022	\$4,692	\$8,511,688	\$9,504
Colville	2146.34	\$18,251,355	\$8,503	\$10,500,748	\$4,892	\$18,348,838	\$8,549
Concrete	689.39	\$7,765,321	\$11,264	\$3,550,344	\$5,150	\$7,541,005	\$10,939
Conway	400.16	\$4,100,997	\$10,248	\$1,995,387	\$4,986	\$3,870,621	\$9,673
Cosmopolis	168.88	\$1,890,806	\$11,196	\$855,395	\$5,065	\$1,588,365	\$9,405
Coulee-Hartline	165.73	\$2,853,307	\$17,217	\$1,434,951	\$8,658	\$2,457,084	\$14,826
Coupeville	1110.09	\$9,815,422	\$8,842	\$5,371,447	\$4,839	\$9,497,822	\$8,556
Crescent	273.5	\$2,947,952	\$10,779	\$1,610,009	\$5,887	\$2,794,094	\$10,216
Creston	105.79	\$2,046,182	\$19,342	\$1,246,523	\$11,783	\$2,023,031	\$19,123
Curlew	223.26	\$2,600,960	\$11,650	\$1,417,571	\$6,349	\$2,664,895	\$11,936
Cusick	278.75	\$3,519,243	\$12,625	\$1,739,151	\$6,239	\$3,501,133	\$12,560
Damman	34.61	\$408,758	\$11,810	\$271,996	\$7,859	\$307,655	\$8,889
Darrington	503.2	\$5,980,809	\$11,886	\$2,511,720	\$4,991	\$6,131,979	\$12,186

Appendix 4 – School District Revenue and Expenditures

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Davenport	566.19	\$5,668,600	\$10,012	\$3,105,091	\$5,484	\$5,661,762	\$10,000
Dayton	473.14	\$5,405,475	\$11,425	\$2,529,668	\$5,347	\$5,454,181	\$11,528
Deer Park	2342.61	\$20,221,559	\$8,632	\$11,009,891	\$4,700	\$19,974,219	\$8,526
Dieringer	1186.61	\$11,737,721	\$9,892	\$5,853,235	\$4,933	\$10,625,693	\$8,955
Dixie	21	\$654,708	\$31,177	\$236,161	\$11,246	\$593,262	\$28,251
East Valley (Spokane)	4024.62	\$38,784,503	\$9,637	\$19,692,269	\$4,893	\$37,344,778	\$9,279
East Valley (Yakima)	2624.83	\$23,096,568	\$8,799	\$12,262,902	\$4,672	\$22,884,649	\$8,719
Eastmont	5366.25	\$49,358,090	\$9,198	\$26,849,314	\$5,003	\$48,633,701	\$9,063
Easton	103.91	\$1,931,857	\$18,592	\$1,273,860	\$12,259	\$1,973,555	\$18,993
Eatonville	2008.34	\$17,713,795	\$8,820	\$9,131,280	\$4,547	\$17,183,262	\$8,556
Edmonds	19651.34	\$178,835,242	\$9,100	\$92,020,125	\$4,683	\$181,454,571	\$9,234
Ellensburg	2884.06	\$26,280,428	\$9,112	\$13,582,162	\$4,709	\$25,543,556	\$8,857
Elma	1711.66	\$16,418,455	\$9,592	\$8,172,890	\$4,775	\$16,853,097	\$9,846
Endicott	85.43	\$2,120,677	\$24,824	\$1,295,605	\$15,166	\$2,058,696	\$24,098
Entiat	352.95	\$3,787,072	\$10,730	\$2,126,444	\$6,025	\$3,676,888	\$10,418
Enumclaw	4395.86	\$40,318,778	\$9,172	\$21,038,837	\$4,786	\$40,056,770	\$9,112
Ephrata	2159.76	\$20,132,374	\$9,322	\$10,285,160	\$4,762	\$19,808,971	\$9,172
Evaline	46.72	\$443,598	\$9,495	\$262,806	\$5,625	\$441,420	\$9,448
Everett	17646.77	\$168,667,585	\$9,558	\$86,640,842	\$4,910	\$169,278,470	\$9,593
Evergreen (Clark)	24549.56	\$217,553,475	\$8,862	\$115,026,686	\$4,685	\$216,688,860	\$8,827
Evergreen (Stevens)	8.22	\$360,625	\$43,872	\$225,812	\$27,471	\$374,781	\$45,594
Federal Way	21128.07	\$190,083,080	\$8,997	\$95,149,470	\$4,503	\$188,589,943	\$8,926
Ferndale	4999.91	\$46,850,007	\$9,370	\$23,266,065	\$4,653	\$47,026,148	\$9,405
Fife	3313.84	\$29,587,878	\$8,929	\$15,889,801	\$4,795	\$29,163,851	\$8,801
Finley	925.03	\$8,942,914	\$9,668	\$4,553,838	\$4,923	\$9,003,260	\$9,733
Franklin Pierce	7236.79	\$67,610,422	\$9,343	\$33,152,215	\$4,581	\$67,389,651	\$9,312
Freeman	919.33	\$8,383,025	\$9,119	\$4,512,978	\$4,909	\$8,410,395	\$9,148
Garfield	99.64	\$2,392,335	\$24,010	\$1,287,675	\$12,923	\$2,303,247	\$23,116

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Glenwood	57	\$1,694,725	\$29,732	\$1,133,247	\$19,882	\$1,921,806	\$33,716
Goldendale	1024.74	\$10,062,642	\$9,820	\$4,928,500	\$4,810	\$9,964,105	\$9,724
Grand Coulee Dam	701.26	\$8,406,064	\$11,987	\$3,343,956	\$4,768	\$8,347,319	\$11,903
Grandview	3172.25	\$29,779,936	\$9,388	\$15,330,723	\$4,833	\$28,897,993	\$9,110
Granger	1400.94	\$14,410,373	\$10,286	\$6,822,390	\$4,870	\$13,998,666	\$9,992
Granite Falls	2219.87	\$19,892,803	\$8,961	\$9,905,958	\$4,462	\$19,337,161	\$8,711
Grapeview	196.44	\$1,836,113	\$9,347	\$943,306	\$4,802	\$1,675,105	\$8,527
Great Northern	35.73	\$538,115	\$15,061	\$271,972	\$7,612	\$489,440	\$13,698
Green Mountain	115.16	\$1,255,784	\$10,905	\$591,801	\$5,139	\$1,012,839	\$8,795
Griffin	621.79	\$6,378,247	\$10,258	\$3,051,165	\$4,907	\$5,584,086	\$8,981
Harrington	113.26	\$2,321,047	\$20,493	\$1,410,201	\$12,451	\$2,275,298	\$20,089
Highland	1087.29	\$10,202,549	\$9,383	\$5,063,554	\$4,657	\$10,045,049	\$9,239
Highline	16781.84	\$165,181,462	\$9,843	\$78,226,212	\$4,661	\$166,701,314	\$9,933
Hockinson	1984.6	\$16,854,150	\$8,492	\$9,197,739	\$4,635	\$15,066,329	\$7,592
Hood Canal	284.45	\$4,093,285	\$14,390	\$1,326,754	\$4,664	\$3,542,199	\$12,453
Hoquiam	1923.87	\$18,880,462	\$9,814	\$9,118,375	\$4,740	\$18,183,307	\$9,451
Inchelium	194.03	\$3,180,772	\$16,393	\$1,539,181	\$7,933	\$3,270,359	\$16,855
Index	20.39	\$651,760	\$31,965	\$295,275	\$14,481	\$685,834	\$33,636
Issaquah	15555.31	\$136,409,271	\$8,769	\$72,053,644	\$4,632	\$133,875,525	\$8,606
Kahlotus	60.69	\$1,885,223	\$31,063	\$1,287,777	\$21,219	\$1,891,230	\$31,162
Kalama	970.61	\$7,710,389	\$7,944	\$4,421,770	\$4,556	\$6,809,207	\$7,015
Keller	33.83	\$1,054,497	\$31,170	\$229,444	\$6,782	\$800,674	\$23,668
Kelso	4887.57	\$45,204,203	\$9,249	\$22,921,310	\$4,690	\$46,846,664	\$9,585
Kennewick	14540.32	\$132,728,214	\$9,128	\$70,445,729	\$4,845	\$125,598,583	\$8,638
Kent	26066.98	\$230,748,559	\$8,852	\$118,941,042	\$4,563	\$234,876,640	\$9,011
Kettle Falls	785.14	\$7,737,996	\$9,856	\$3,857,513	\$4,913	\$7,785,400	\$9,916
Kiona-Benton City	1463.86	\$13,751,014	\$9,394	\$6,862,151	\$4,688	\$13,413,816	\$9,163
Kittitas	751.23	\$6,578,389	\$8,757	\$3,561,971	\$4,742	\$6,265,657	\$8,341

Appendix 4 – School District Revenue and Expenditures

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Klickitat	123.25	\$2,142,623	\$17,384	\$1,310,849	\$10,636	\$1,924,506	\$15,615
La Center	1482.31	\$12,518,856	\$8,446	\$7,306,358	\$4,929	\$10,850,145	\$7,320
La Conner	628.4	\$8,789,857	\$13,988	\$3,224,405	\$5,131	\$8,236,543	\$13,107
Lacrosse	144.16	\$2,465,462	\$17,102	\$1,322,681	\$9,175	\$2,358,705	\$16,362
Lake Chelan	1280.39	\$13,382,057	\$10,452	\$6,671,128	\$5,210	\$12,795,488	\$9,993
Lake Stevens	7299.81	\$63,441,774	\$8,691	\$33,695,702	\$4,616	\$64,733,869	\$8,868
Lake Washington	22628.96	\$199,348,914	\$8,809	\$105,943,787	\$4,682	\$195,858,884	\$8,655
Lakewood	2395.81	\$21,876,800	\$9,131	\$10,963,709	\$4,576	\$21,558,693	\$8,998
Lamont	32.66	\$718,194	\$21,990	\$355,211	\$10,876	\$713,494	\$21,846
Liberty	476.95	\$5,409,272	\$11,341	\$2,661,995	\$5,581	\$5,254,296	\$11,016
Lind	218.01	\$3,193,044	\$14,646	\$1,662,658	\$7,627	\$3,285,683	\$15,071
Longview	6844.31	\$64,816,986	\$9,470	\$32,700,483	\$4,778	\$65,762,510	\$9,608
Loon Lake	248.98	\$2,015,654	\$8,096	\$1,213,340	\$4,873	\$1,882,011	\$7,559
Lopez Island	229.61	\$3,735,188	\$16,268	\$1,853,560	\$8,073	\$3,603,596	\$15,694
Lyle	320.48	\$3,771,905	\$11,770	\$2,167,549	\$6,763	\$3,284,489	\$10,249
Lynden	2684.34	\$23,128,711	\$8,616	\$12,686,872	\$4,726	\$23,186,101	\$8,638
Mabton	860.94	\$9,230,166	\$10,721	\$4,335,107	\$5,035	\$8,994,661	\$10,447
Mansfield	79.67	\$2,139,824	\$26,859	\$1,266,860	\$15,901	\$1,966,012	\$24,677
Manson	570.38	\$6,968,613	\$12,217	\$3,136,215	\$5,498	\$6,697,941	\$11,743
Mary M. Knight	172.79	\$2,607,752	\$15,092	\$1,528,194	\$8,844	\$2,626,927	\$15,203
Mary Walker	559.06	\$5,718,590	\$10,229	\$2,908,455	\$5,202	\$5,837,559	\$10,442
Marysville	11205.57	\$103,621,387	\$9,247	\$55,190,416	\$4,925	\$102,435,575	\$9,141
McCleary	247.41	\$2,444,854	\$9,882	\$1,148,576	\$4,642	\$2,305,289	\$9,318
Mead	8915.16	\$76,221,207	\$8,550	\$42,390,050	\$4,755	\$76,135,110	\$8,540
Medical Lake	2043.56	\$19,915,854	\$9,746	\$9,427,644	\$4,613	\$18,823,393	\$9,211
Mercer Island	3844.89	\$37,019,294	\$9,628	\$18,113,383	\$4,711	\$36,822,406	\$9,577
Meridian	1572.04	\$13,943,661	\$8,870	\$7,412,707	\$4,715	\$13,428,899	\$8,542
Methow Valley	541.56	\$5,939,190	\$10,967	\$2,880,044	\$5,318	\$5,412,262	\$9,994

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Mill A	61.49	\$994,001	\$16,165	\$331,253	\$5,387	\$906,603	\$14,744
Monroe	6867.43	\$57,078,237	\$8,311	\$31,809,994	\$4,632	\$56,421,431	\$8,216
Montesano	1253.9	\$10,878,262	\$8,676	\$5,997,975	\$4,783	\$10,890,854	\$8,686
Morton	383.06	\$4,252,089	\$11,100	\$2,251,511	\$5,878	\$3,593,465	\$9,381
Moses Lake	6899	\$64,315,088	\$9,322	\$33,271,063	\$4,823	\$63,701,366	\$9,233
Mossyrock	621.5	\$5,852,564	\$9,417	\$2,955,521	\$4,755	\$5,333,013	\$8,581
Mount Adams	904.46	\$12,709,856	\$14,052	\$4,655,780	\$5,148	\$12,355,407	\$13,661
Mount Baker	2092.62	\$21,135,836	\$10,100	\$8,790,031	\$4,200	\$20,579,070	\$9,834
Mount Pleasant	51.34	\$639,615	\$12,458	\$273,796	\$5,333	\$596,246	\$11,614
Mount Vernon	5591.96	\$56,730,065	\$10,145	\$26,577,674	\$4,753	\$55,492,839	\$9,924
Mukilteo	14102.98	\$127,320,033	\$9,028	\$66,755,158	\$4,733	\$124,753,530	\$8,846
Naches Valley	1427.98	\$12,564,215	\$8,799	\$6,723,868	\$4,709	\$12,605,887	\$8,828
Napavine	728.99	\$6,339,837	\$8,697	\$3,621,310	\$4,968	\$6,252,150	\$8,576
Naselle-Grays River	325.16	\$5,382,599	\$16,554	\$2,009,733	\$6,181	\$4,879,723	\$15,007
Nespelem	133.99	\$2,596,783	\$19,380	\$709,045	\$5,292	\$2,683,732	\$20,029
Newport	1082.12	\$10,368,578	\$9,582	\$5,074,298	\$4,689	\$10,201,515	\$9,427
Nine Mile Falls	1676.22	\$14,588,069	\$8,703	\$8,066,041	\$4,812	\$14,448,185	\$8,620
Nooksack Valley	1573.9	\$16,042,415	\$10,193	\$7,236,974	\$4,598	\$15,705,585	\$9,979
North Beach	647.71	\$6,934,085	\$10,706	\$3,195,457	\$4,933	\$6,745,331	\$10,414
North Franklin	1715.66	\$17,874,719	\$10,419	\$8,022,493	\$4,676	\$17,259,001	\$10,060
North Kitsap	6421.43	\$61,146,484	\$9,522	\$31,182,298	\$4,856	\$62,415,718	\$9,720
North Mason	2174.13	\$19,770,108	\$9,093	\$10,018,092	\$4,608	\$19,005,947	\$8,742
North River	52.65	\$1,615,248	\$30,679	\$1,260,666	\$23,944	\$1,584,393	\$30,093
North Thurston	12946.29	\$114,173,567	\$8,819	\$62,195,719	\$4,804	\$113,785,525	\$8,789
Northport	201.18	\$2,600,295	\$12,925	\$1,548,921	\$7,699	\$2,554,898	\$12,700
Northshore	19003.8	\$176,704,518	\$9,298	\$91,843,734	\$4,833	\$174,103,396	\$9,162
Oak Harbor	5297.83	\$46,531,252	\$8,783	\$24,808,195	\$4,683	\$44,946,931	\$8,484
Oakesdale	112.92	\$2,234,500	\$19,788	\$1,287,064	\$11,398	\$2,224,304	\$19,698

Appendix 4 – School District Revenue and Expenditures

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Oakville	254.01	\$3,609,335	\$14,209	\$1,835,764	\$7,227	\$2,997,254	\$11,800
Ocean Beach	928.01	\$9,977,584	\$10,752	\$4,417,581	\$4,760	\$9,985,693	\$10,760
Ocosta	623.1	\$7,049,563	\$11,314	\$3,089,465	\$4,958	\$6,849,002	\$10,992
Odessa	217.23	\$3,179,686	\$14,637	\$1,686,049	\$7,762	\$3,238,814	\$14,910
Okanogan	936.43	\$9,358,195	\$9,993	\$4,269,790	\$4,560	\$9,313,644	\$9,946
Olympia	8845.84	\$79,126,438	\$8,945	\$42,827,484	\$4,842	\$78,977,399	\$8,928
Omak	1640.22	\$16,506,781	\$10,064	\$7,632,159	\$4,653	\$15,995,019	\$9,752
Onalaska	854.19	\$7,658,838	\$8,966	\$3,834,732	\$4,489	\$7,207,936	\$8,438
Onion Creek	34.67	\$851,876	\$24,571	\$391,723	\$11,299	\$796,543	\$22,975
Orcas Island	464.52	\$5,408,922	\$11,644	\$2,775,505	\$5,975	\$5,320,940	\$11,455
Orchard Prairie	59.99	\$693,058	\$11,553	\$423,406	\$7,058	\$713,412	\$11,892
Orient	90.8	\$1,135,057	\$12,501	\$455,980	\$5,022	\$1,154,471	\$12,714
Orondo	171.17	\$2,879,626	\$16,823	\$1,019,727	\$5,957	\$2,357,364	\$13,772
Oroville	620.63	\$6,315,552	\$10,176	\$3,198,194	\$5,153	\$6,128,831	\$9,875
Orting	2055.79	\$17,467,409	\$8,497	\$9,804,941	\$4,769	\$17,324,663	\$8,427
Othello	3161.45	\$29,759,299	\$9,413	\$14,881,508	\$4,707	\$27,870,016	\$8,816
Palisades	28.56	\$685,489	\$24,002	\$257,812	\$9,027	\$582,552	\$20,397
Palouse	198.61	\$2,780,035	\$13,997	\$1,591,366	\$8,013	\$2,576,610	\$12,973
Pasco	12279.72	\$114,961,941	\$9,362	\$56,302,053	\$4,585	\$109,715,262	\$8,935
Pateros	273.07	\$3,306,227	\$12,108	\$1,833,780	\$6,715	\$3,328,395	\$12,189
Paterson	91.78	\$1,290,897	\$14,065	\$501,166	\$5,461	\$1,216,605	\$13,256
Pe Ell	312.85	\$3,523,804	\$11,264	\$1,879,877	\$6,009	\$3,449,342	\$11,026
Peninsula	8980.61	\$80,060,466	\$8,915	\$43,526,100	\$4,847	\$79,118,400	\$8,810
Pioneer	681.38	\$7,158,453	\$10,506	\$3,346,739	\$4,912	\$6,595,482	\$9,680
Pomeroy	347.05	\$4,254,599	\$12,259	\$2,075,385	\$5,980	\$4,071,081	\$11,731
Port Angeles	4184.71	\$39,853,838	\$9,524	\$19,644,333	\$4,694	\$38,762,028	\$9,263
Port Townsend	1423.52	\$13,465,703	\$9,459	\$6,123,046	\$4,301	\$13,606,846	\$9,559
Prescott	219.86	\$3,514,753	\$15,986	\$1,718,508	\$7,816	\$3,500,487	\$15,921

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Prosser	2755.05	\$26,158,782	\$9,495	\$13,302,275	\$4,828	\$25,373,187	\$9,210
Pullman	2153.58	\$19,313,968	\$8,968	\$10,359,386	\$4,810	\$18,902,265	\$8,777
Puyallup	20867.68	\$181,693,255	\$8,707	\$99,446,644	\$4,766	\$181,168,422	\$8,682
Queets-Clearwater	22.35	\$1,058,995	\$47,382	\$334,551	\$14,969	\$933,026	\$41,746
Quilcene	245.94	\$3,090,130	\$12,565	\$1,494,474	\$6,077	\$3,036,757	\$12,348
Quillayute Valley	2177.55	\$16,132,193	\$7,408	\$9,367,714	\$4,302	\$16,080,275	\$7,385
Quinault	233.42	\$3,326,990	\$14,253	\$1,462,430	\$6,265	\$3,239,493	\$13,878
Quincy	2273.63	\$23,061,650	\$10,143	\$10,982,856	\$4,831	\$22,778,229	\$10,018
Rainier	910.6	\$7,658,934	\$8,411	\$4,333,379	\$4,759	\$7,595,292	\$8,341
Raymond	505.31	\$6,224,815	\$12,319	\$2,712,033	\$5,367	\$6,210,972	\$12,291
Reardan	673.47	\$6,390,258	\$9,489	\$3,407,344	\$5,059	\$6,065,429	\$9,006
Renton	13064.22	\$118,255,467	\$9,052	\$59,552,184	\$4,558	\$117,739,012	\$9,012
Republic	398.52	\$4,026,336	\$10,103	\$2,028,582	\$5,090	\$3,939,351	\$9,885
Richland	9781.74	\$89,284,441	\$9,128	\$46,015,822	\$4,704	\$87,090,196	\$8,903
Ridgefield	2034.04	\$16,659,338	\$8,190	\$9,797,525	\$4,817	\$14,749,337	\$7,251
Ritzville	344	\$4,257,779	\$12,377	\$2,178,857	\$6,334	\$4,388,893	\$12,758
Riverside	1709.91	\$16,822,537	\$9,838	\$8,107,723	\$4,742	\$16,127,559	\$9,432
Riverview	2942.06	\$26,412,896	\$8,978	\$13,616,032	\$4,628	\$25,858,167	\$8,789
Rochester	1954.25	\$20,526,083	\$10,503	\$9,024,988	\$4,618	\$20,916,420	\$10,703
Roosevelt	22.72	\$491,141	\$21,617	\$279,804	\$12,315	\$446,379	\$19,647
Rosalia	238.29	\$3,393,767	\$14,242	\$1,767,447	\$7,417	\$3,539,811	\$14,855
Royal	1316.52	\$13,062,694	\$9,922	\$6,362,045	\$4,832	\$12,303,744	\$9,346
San Juan Island	864.9	\$8,188,424	\$9,467	\$4,067,806	\$4,703	\$8,623,903	\$9,971
Satsop	56.45	\$561,467	\$9,946	\$361,334	\$6,401	\$468,521	\$8,300
Seattle	42724.83	\$482,955,601	\$11,304	\$204,747,295	\$4,792	\$481,243,117	\$11,264
Sedro-Woolley	4203.7	\$39,076,860	\$9,296	\$16,602,218	\$3,949	\$37,651,869	\$8,957
Selah	3277.36	\$29,943,248	\$9,136	\$15,590,077	\$4,757	\$28,813,134	\$8,792
Selkirk	315.17	\$3,839,706	\$12,183	\$2,010,075	\$6,378	\$3,866,719	\$12,269

Appendix 4 – School District Revenue and Expenditures

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Sequim	2814.84	\$23,382,049	\$8,307	\$13,132,838	\$4,666	\$22,830,580	\$8,111
Shaw Island	12.05	\$498,522	\$41,371	\$284,084	\$23,575	\$365,327	\$30,318
Shelton	4041.88	\$40,643,099	\$10,055	\$19,196,871	\$4,749	\$40,211,770	\$9,949
Shoreline	9070.44	\$87,609,556	\$9,659	\$42,538,279	\$4,690	\$82,124,046	\$9,054
Skamania	64.27	\$894,385	\$13,916	\$341,835	\$5,319	\$801,495	\$12,471
Skykomish	56.43	\$1,791,583	\$31,749	\$1,270,634	\$22,517	\$1,859,188	\$32,947
Snohomish	9123.02	\$81,538,957	\$8,938	\$42,687,750	\$4,679	\$82,189,059	\$9,009
Snoqualmie Valley	5468.21	\$45,402,706	\$8,303	\$25,283,352	\$4,624	\$45,052,556	\$8,239
Soap Lake	473.82	\$5,288,666	\$11,162	\$2,468,287	\$5,209	\$5,332,845	\$11,255
South Bend	552.11	\$6,931,749	\$12,555	\$2,998,486	\$5,431	\$6,992,102	\$12,664
South Kitsap	9933.87	\$88,510,658	\$8,910	\$46,716,175	\$4,703	\$88,879,405	\$8,947
South Whidbey	1851.32	\$17,718,412	\$9,571	\$9,162,634	\$4,949	\$17,338,236	\$9,365
Southside	221.11	\$2,159,113	\$9,765	\$1,083,915	\$4,902	\$1,964,070	\$8,883
Spokane	28041.2	\$284,018,343	\$10,129	\$135,445,160	\$4,830	\$282,426,668	\$10,072
Sprague	93.62	\$2,055,311	\$21,954	\$1,183,053	\$12,637	\$2,105,901	\$22,494
St. John	189.38	\$2,810,631	\$14,841	\$1,497,793	\$7,909	\$2,805,639	\$14,815
Stanwood-Camano	5168.2	\$45,758,731	\$8,854	\$24,589,910	\$4,758	\$44,874,598	\$8,683
Star	11.06	\$317,628	\$28,719	\$201,864	\$18,252	\$301,660	\$27,275
Starbuck	27.33	\$545,458	\$19,958	\$329,206	\$12,046	\$423,168	\$15,484
Stehekin	14.22	\$169,426	\$11,915	\$135,495	\$9,528	\$167,003	\$11,744
Steilacoom Historical	4345.21	\$31,446,086	\$7,237	\$20,272,406	\$4,665	\$30,466,601	\$7,012
Steptoe	36.17	\$633,387	\$17,511	\$369,471	\$10,215	\$575,686	\$15,916
Stevenson-Carson	955.01	\$11,603,078	\$12,150	\$3,400,825	\$3,561	\$10,712,641	\$11,217
Sultan	2055.82	\$18,713,425	\$9,103	\$8,907,858	\$4,333	\$18,339,088	\$8,921
Summit Valley	82.45	\$864,156	\$10,481	\$451,029	\$5,470	\$805,049	\$9,764
Sumner	7893.53	\$70,571,651	\$8,940	\$36,750,223	\$4,656	\$70,000,089	\$8,868
Sunnyside	5366.97	\$57,856,694	\$10,780	\$24,595,830	\$4,583	\$55,281,414	\$10,300
Tacoma	27452.74	\$299,442,200	\$10,908	\$129,752,210	\$4,726	\$301,308,009	\$10,976

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Taholah	193.81	\$3,968,442	\$20,476	\$1,456,432	\$7,515	\$3,349,700	\$17,283
Tahoma	6892.62	\$59,863,027	\$8,685	\$32,338,787	\$4,692	\$59,319,355	\$8,606
Tekoa	199.5	\$2,951,018	\$14,792	\$1,615,419	\$8,097	\$2,941,786	\$14,746
Tenino	1283.58	\$12,257,058	\$9,549	\$6,016,194	\$4,687	\$11,837,188	\$9,222
Thorp	143.92	\$2,891,319	\$20,090	\$1,426,310	\$9,910	\$2,805,075	\$19,491
Toledo	929.86	\$8,385,168	\$9,018	\$4,298,300	\$4,623	\$7,940,523	\$8,539
Tonasket	1023.24	\$9,889,338	\$9,665	\$4,767,301	\$4,659	\$10,014,084	\$9,787
Toppenish	3033.3	\$32,334,812	\$10,660	\$14,876,550	\$4,904	\$31,473,732	\$10,376
Touchet	302.73	\$3,523,167	\$11,638	\$1,973,397	\$6,519	\$3,444,720	\$11,379
Toutle Lake	617.73	\$6,247,857	\$10,114	\$3,245,147	\$5,253	\$5,645,706	\$9,139
Trout Lake	153.01	\$2,243,641	\$14,663	\$1,398,996	\$9,143	\$1,987,889	\$12,992
Tukwila	2684.83	\$27,530,238	\$10,254	\$12,304,943	\$4,583	\$27,408,853	\$10,209
Tumwater	6456.12	\$57,612,149	\$8,924	\$31,497,713	\$4,879	\$57,156,481	\$8,853
Union Gap	571.16	\$5,852,610	\$10,247	\$2,686,429	\$4,703	\$5,542,132	\$9,703
University Place	5240.42	\$47,217,360	\$9,010	\$24,427,181	\$4,661	\$46,840,265	\$8,938
Valley	648.62	\$6,354,692	\$9,797	\$3,037,701	\$4,683	\$5,507,579	\$8,491
Vancouver	21201.94	\$198,251,648	\$9,351	\$99,240,664	\$4,681	\$196,219,803	\$9,255
Vashon Island	1518.07	\$13,580,579	\$8,946	\$7,266,071	\$4,786	\$13,314,161	\$8,770
Wahkiakum	472.64	\$4,904,052	\$10,376	\$2,518,050	\$5,328	\$4,486,055	\$9,491
Wahluke	1722.41	\$17,682,095	\$10,266	\$8,119,870	\$4,714	\$16,631,025	\$9,656
Waitsburg	339.53	\$3,886,333	\$11,446	\$2,148,406	\$6,328	\$3,781,746	\$11,138
Walla Walla	5751.42	\$56,855,434	\$9,885	\$27,305,283	\$4,748	\$56,169,151	\$9,766
Wapato	3169.72	\$33,027,075	\$10,420	\$14,904,827	\$4,702	\$31,654,553	\$9,987
Warden	903.1	\$9,474,535	\$10,491	\$4,504,522	\$4,988	\$9,077,020	\$10,051
Washougal	2888.66	\$26,284,331	\$9,099	\$13,336,456	\$4,617	\$25,992,003	\$8,998
Washtucna	57.1	\$2,043,199	\$35,783	\$1,295,136	\$22,682	\$2,021,325	\$35,400
Waterville	291.45	\$3,304,594	\$11,338	\$1,807,562	\$6,202	\$3,028,271	\$10,390
Wellpinit	548.63	\$7,296,603	\$13,300	\$2,647,678	\$4,826	\$6,953,375	\$12,674

Appendix 4 – School District Revenue and Expenditures

District	FTE Enrollment	Revenue				Expenditures	
		All Sources	Per FTE Pupil	State General Purpose Apportionment	Per FTE Pupil	Total (excluding payments to other districts)	Per FTE Pupil
Wenatchee	7130.92	\$67,109,711	\$9,411	\$33,583,088	\$4,710	\$65,514,725	\$9,187
West Valley (Spokane)	3650.94	\$34,213,408	\$9,371	\$17,363,105	\$4,756	\$33,626,432	\$9,210
West Valley (Yakima)	4673.21	\$39,905,852	\$8,539	\$22,047,390	\$4,718	\$38,860,964	\$8,316
White Pass	457.12	\$5,829,316	\$12,752	\$2,390,379	\$5,229	\$5,585,116	\$12,218
White River	4262.17	\$39,140,008	\$9,183	\$20,212,140	\$4,742	\$38,429,955	\$9,017
White Salmon	1111.88	\$11,374,155	\$10,230	\$5,140,282	\$4,623	\$10,059,305	\$9,047
Wilbur	235.88	\$3,245,268	\$13,758	\$1,724,180	\$7,310	\$3,084,200	\$13,075
Willapa Valley	342.22	\$4,350,133	\$12,712	\$2,009,922	\$5,873	\$4,289,661	\$12,535
Wilson Creek	122.96	\$2,318,398	\$18,855	\$1,399,787	\$11,384	\$2,297,160	\$18,682
Winlock	778.63	\$7,249,789	\$9,311	\$3,704,539	\$4,758	\$6,878,262	\$8,834
Wishkah Valley	159.44	\$2,166,448	\$13,588	\$886,747	\$5,562	\$2,376,971	\$14,908
Wishram	61.52	\$1,599,639	\$26,002	\$1,258,077	\$20,450	\$1,494,139	\$24,287
Woodland	2129.71	\$19,512,636	\$9,162	\$9,823,711	\$4,613	\$19,092,183	\$8,965
Yakima	13825.32	\$142,140,717	\$10,281	\$67,338,760	\$4,871	\$139,493,406	\$10,090
Yelm	5126.12	\$44,379,697	\$8,658	\$23,536,835	\$4,592	\$44,353,977	\$8,653
Zillah	1239.2	\$10,392,849	\$8,387	\$5,810,004	\$4,689	\$10,106,751	\$8,156
Statewide	975058.22	\$9,255,294,942	\$9,492	\$4,647,877,616	\$4,767	\$9,146,020,868	\$9,380

Source: School District F-196 Financial reports provided by LEAP.

Exhibit 21 – Districts by Expenditure per FTE Pupil, 2007-08

District	FTE Enrollment	Expenditure Per FTE Pupil
Benge	5.61	\$59,749
Evergreen (Stevens)	8.22	\$45,594
Queets-Clearwater	22.35	\$41,746
Washtucna	57.1	\$35,400
Glenwood	57	\$33,716
Index	20.39	\$33,636
Skykomish	56.43	\$32,947
Kahlotus	60.69	\$31,162
Shaw Island	12.05	\$30,318
North River	52.65	\$30,093
Dixie	21	\$28,251
Star	11.06	\$27,275
Almira	74.73	\$25,676
Mansfield	79.67	\$24,677
Wishram	61.52	\$24,287
Endicott	85.43	\$24,098
Keller	33.83	\$23,668
Garfield	99.64	\$23,116
Onion Creek	34.67	\$22,975
Sprague	93.62	\$22,494
Lamont	32.66	\$21,846
Brinnon	37.98	\$20,739
Palisades	28.56	\$20,397
Harrington	113.26	\$20,089
Nespelem	133.99	\$20,029
Oakesdale	112.92	\$19,698
Roosevelt	22.72	\$19,647
Thorp	143.92	\$19,491

District	FTE Enrollment	Expenditure Per FTE Pupil
Creston	105.79	\$19,123
Easton	103.91	\$18,993
Wilson Creek	122.96	\$18,682
Taholah	193.81	\$17,283
Cape Flattery	433.76	\$16,891
Inchelium	194.03	\$16,855
Columbia (Stevens)	192.22	\$16,765
Lacrosse	144.16	\$16,362
Bickleton	100.32	\$16,305
Prescott	219.86	\$15,921
Steptoe	36.17	\$15,916
Boistfort	66.24	\$15,741
Lopez Island	229.61	\$15,694
Klickitat	123.25	\$15,615
Starbuck	27.33	\$15,484
Mary M. Knight	172.79	\$15,203
Lind	218.01	\$15,071
Naselle-Grays River	325.16	\$15,007
Odessa	217.23	\$14,910
Wishkah Valley	159.44	\$14,908
Rosalia	238.29	\$14,855
Coulee-Hartline	165.73	\$14,826
St. John	189.38	\$14,815
Tekoa	199.5	\$14,746
Mill A	61.49	\$14,744
Colton	165.92	\$14,117
Quinalt	233.42	\$13,878
Orondo	171.17	\$13,772

Appendix 4 – School District Revenue and Expenditures

District	FTE Enrollment	Expenditure Per FTE Pupil
Great Northern	35.73	\$13,698
Mount Adams	904.46	\$13,661
Paterson	91.78	\$13,256
La Conner	628.4	\$13,107
Wilbur	235.88	\$13,075
Trout Lake	153.01	\$12,992
Palouse	198.61	\$12,973
Ritzville	344	\$12,758
Orient	90.8	\$12,714
Northport	201.18	\$12,700
Wellpinit	548.63	\$12,674
South Bend	552.11	\$12,664
Cusick	278.75	\$12,560
Willapa Valley	342.22	\$12,535
Skamania	64.27	\$12,471
Hood Canal	284.45	\$12,453
Quilcene	245.94	\$12,348
Raymond	505.31	\$12,291
Selkirk	315.17	\$12,269
White Pass	457.12	\$12,218
Pateros	273.07	\$12,189
Darrington	503.2	\$12,186
Curlew	223.26	\$11,936
Grand Coulee Dam	701.26	\$11,903
Orchard Prairie	59.99	\$11,892
Oakville	254.01	\$11,800
Stehekin	14.22	\$11,744
Manson	570.38	\$11,743
Pomeroy	347.05	\$11,731

District	FTE Enrollment	Expenditure Per FTE Pupil
Mount Pleasant	51.34	\$11,614
Dayton	473.14	\$11,528
Orcas Island	464.52	\$11,455
Touchet	302.73	\$11,379
Seattle	42724.83	\$11,264
Soap Lake	473.82	\$11,255
Stevenson-Carson	955.01	\$11,217
Waitsburg	339.53	\$11,138
Brewster	824	\$11,111
Clover Park	11002.14	\$11,061
Pe Ell	312.85	\$11,026
Liberty	476.95	\$11,016
Ocosta	623.1	\$10,992
Tacoma	27452.74	\$10,976
Concrete	689.39	\$10,939
Ocean Beach	928.01	\$10,760
Rochester	1954.25	\$10,703
Bridgeport	682.92	\$10,603
Aberdeen	3301.85	\$10,475
Mabton	860.94	\$10,447
Mary Walker	559.06	\$10,442
Entiat	352.95	\$10,418
North Beach	647.71	\$10,414
Waterville	291.45	\$10,390
Toppenish	3033.3	\$10,376
Sunnyside	5366.97	\$10,300
Asotin-Anatone	568.22	\$10,295
Lyle	320.48	\$10,249
Crescent	273.5	\$10,216

District	FTE Enrollment	Expenditure Per FTE Pupil
Tukwila	2684.83	\$10,209
Carbonado	173.95	\$10,107
Chehalis	2645.57	\$10,104
Yakima	13825.32	\$10,090
Spokane	28041.2	\$10,072
North Franklin	1715.66	\$10,060
College Place	754.28	\$10,054
Warden	903.1	\$10,051
Bellevue	16052.07	\$10,038
Centerville	87.22	\$10,031
Quincy	2273.63	\$10,018
Davenport	566.19	\$10,000
Methow Valley	541.56	\$9,994
Lake Chelan	1280.39	\$9,993
Granger	1400.94	\$9,992
Wapato	3169.72	\$9,987
Nooksack Valley	1573.9	\$9,979
San Juan Island	864.9	\$9,971
Shelton	4041.88	\$9,949
Okanogan	936.43	\$9,946
Highline	16781.84	\$9,933
Mount Vernon	5591.96	\$9,924
Bremerton	5080.43	\$9,920
Kettle Falls	785.14	\$9,916
Republic	398.52	\$9,885
Oroville	620.63	\$9,875
Elma	1711.66	\$9,846
Mount Baker	2092.62	\$9,834
Tonasket	1023.24	\$9,787

District	FTE Enrollment	Expenditure Per FTE Pupil
Walla Walla	5751.42	\$9,766
Summit Valley	82.45	\$9,764
Omak	1640.22	\$9,752
Finley	925.03	\$9,733
Goldendale	1024.74	\$9,724
North Kitsap	6421.43	\$9,720
Union Gap	571.16	\$9,703
Pioneer	681.38	\$9,680
Conway	400.16	\$9,673
Anacortes	2796.04	\$9,671
Wahluke	1722.41	\$9,656
Longview	6844.31	\$9,608
Everett	17646.77	\$9,593
Chimacum	1109.48	\$9,587
Kelso	4887.57	\$9,585
Mercer Island	3844.89	\$9,577
Port Townsend	1423.52	\$9,559
Central Kitsap	11507.96	\$9,548
Columbia (Walla Walla)	895.58	\$9,504
Clarkston	2554.96	\$9,494
Wahkiakum	472.64	\$9,491
Centralia	3259.96	\$9,471
Hoquiam	1923.87	\$9,451
Evaline	46.72	\$9,448
Riverside	1709.91	\$9,432
Chewelah	1033.16	\$9,427
Newport	1082.12	\$9,427
Blaine	2134.37	\$9,410
Cosmopolis	168.88	\$9,405

Appendix 4 – School District Revenue and Expenditures

District	FTE Enrollment	Expenditure Per FTE Pupil
Ferndale	4999.91	\$9,405
Morton	383.06	\$9,381
Statewide	975058.22	\$9,380
South Whidbey	1851.32	\$9,365
Royal	1316.52	\$9,346
McCleary	247.41	\$9,318
Franklin Pierce	7236.79	\$9,312
Colfax	655.94	\$9,297
Cheney	3590	\$9,279
East Valley (Spokane)	4024.62	\$9,279
Cascade	1253.7	\$9,267
Port Angeles	4184.71	\$9,263
Vancouver	21201.94	\$9,255
Highland	1087.29	\$9,239
Edmonds	19651.34	\$9,234
Moses Lake	6899	\$9,233
Tenino	1283.58	\$9,222
Bellingham	10186.91	\$9,217
Medical Lake	2043.56	\$9,211
Prosser	2755.05	\$9,210
West Valley (Spokane)	3650.94	\$9,210
Bainbridge Island	3943.91	\$9,194
Wenatchee	7130.92	\$9,187
Ephrata	2159.76	\$9,172
Kiona-Benton City	1463.86	\$9,163
Northshore	19003.8	\$9,162
Castle Rock	1326.83	\$9,157
Freeman	919.33	\$9,148
Marysville	11205.57	\$9,141

District	FTE Enrollment	Expenditure Per FTE Pupil
Toutle Lake	617.73	\$9,139
Enumclaw	4395.86	\$9,112
Grandview	3172.25	\$9,110
Burlington-Edison	3756.67	\$9,078
Eastmont	5366.25	\$9,063
Shoreline	9070.44	\$9,054
White Salmon	1111.88	\$9,047
Arlington	5239.56	\$9,024
White River	4262.17	\$9,017
Renton	13064.22	\$9,012
Kent	26066.98	\$9,011
Snohomish	9123.02	\$9,009
Reardan	673.47	\$9,006
Lakewood	2395.81	\$8,998
Washougal	2888.66	\$8,998
Cle Elum-Roslyn	919.41	\$8,984
Griffin	621.79	\$8,981
Woodland	2129.71	\$8,965
Sedro-Woolley	4203.7	\$8,957
Dieringer	1186.61	\$8,955
South Kitsap	9933.87	\$8,947
University Place	5240.42	\$8,938
Pasco	12279.72	\$8,935
Olympia	8845.84	\$8,928
Federal Way	21128.07	\$8,926
Sultan	2055.82	\$8,921
Richland	9781.74	\$8,903
Damman	34.61	\$8,889
Southside	221.11	\$8,883

District	FTE Enrollment	Expenditure Per FTE Pupil
Lake Stevens	7299.81	\$8,868
Sumner	7893.53	\$8,868
Ellensburg	2884.06	\$8,857
Tumwater	6456.12	\$8,853
Mukilteo	14102.98	\$8,846
Bethel	17106.09	\$8,840
Winlock	778.63	\$8,834
Naches Valley	1427.98	\$8,828
Evergreen (Clark)	24549.56	\$8,827
Othello	3161.45	\$8,816
Peninsula	8980.61	\$8,810
Fife	3313.84	\$8,801
Green Mountain	115.16	\$8,795
Selah	3277.36	\$8,792
North Thurston	12946.29	\$8,789
Riverview	2942.06	\$8,789
Pullman	2153.58	\$8,777
Vashon Island	1518.07	\$8,770
Central Valley	11816.67	\$8,761
North Mason	2174.13	\$8,742
Auburn	13899.98	\$8,723
Adna	574.22	\$8,719
East Valley (Yakima)	2624.83	\$8,719
Granite Falls	2219.87	\$8,711
Montesano	1253.9	\$8,686
Stanwood-Camano	5168.2	\$8,683
Puyallup	20867.68	\$8,682
Lake Washington	22628.96	\$8,655
Yelm	5126.12	\$8,653

District	FTE Enrollment	Expenditure Per FTE Pupil
Kennewick	14540.32	\$8,638
Lynden	2684.34	\$8,638
Nine Mile Falls	1676.22	\$8,620
Cashmere	1405.38	\$8,617
Issaquah	15555.31	\$8,606
Tahoma	6892.62	\$8,606
Mossyrock	621.5	\$8,581
Napavine	728.99	\$8,576
Coupeville	1110.09	\$8,556
Eatonville	2008.34	\$8,556
Colville	2146.34	\$8,549
Meridian	1572.04	\$8,542
Mead	8915.16	\$8,540
Toledo	929.86	\$8,539
Grapeview	196.44	\$8,527
Deer Park	2342.61	\$8,526
Valley	648.62	\$8,491
Oak Harbor	5297.83	\$8,484
Camas	5418.51	\$8,453
Onalaska	854.19	\$8,438
Orting	2055.79	\$8,427
Kittitas	751.23	\$8,341
Rainier	910.6	\$8,341
West Valley (Yakima)	4673.21	\$8,316
Satsop	56.45	\$8,300
Snoqualmie Valley	5468.21	\$8,239
Monroe	6867.43	\$8,216
Zillah	1239.2	\$8,156
Sequim	2814.84	\$8,111

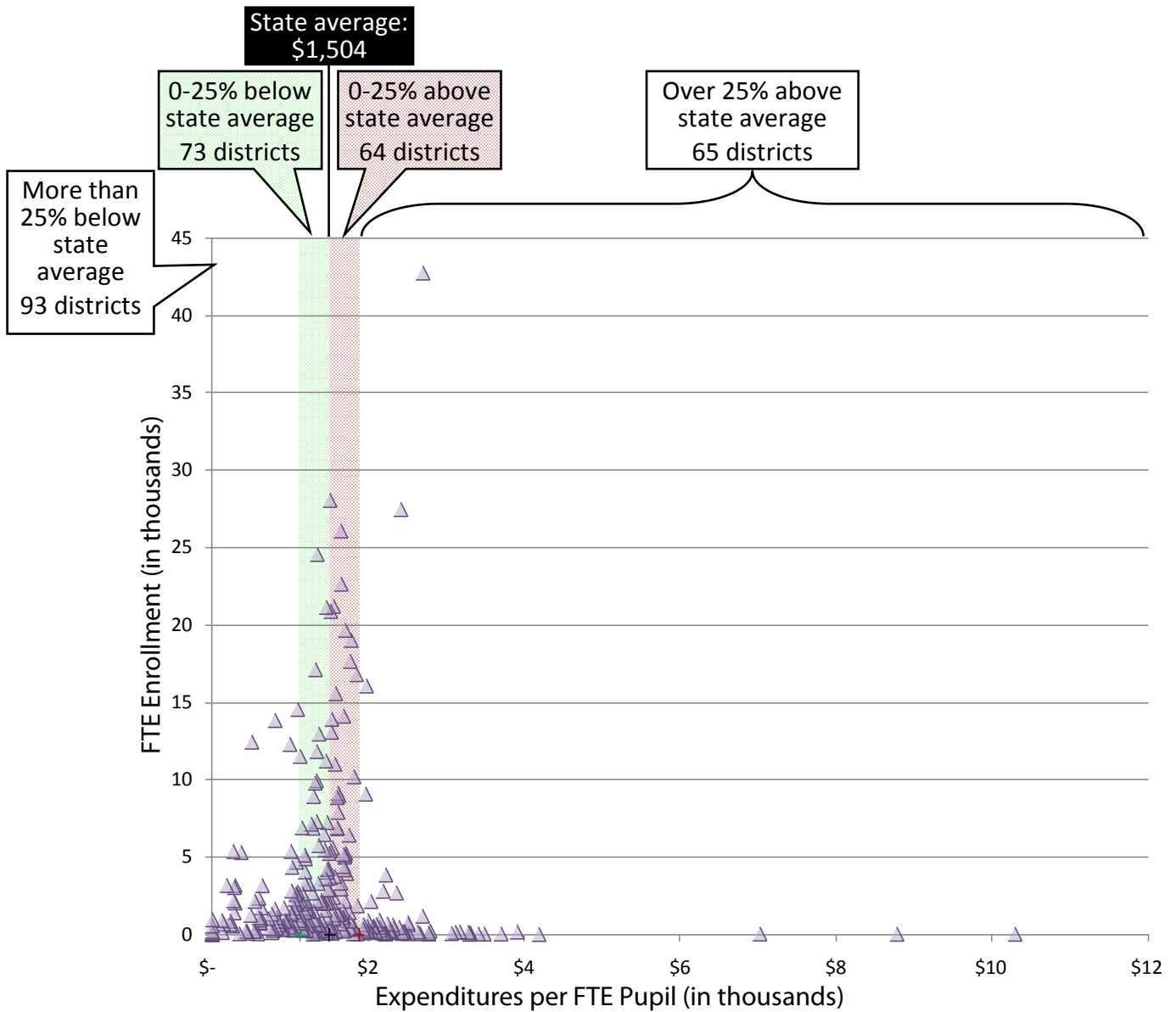
Appendix 4 – School District Revenue and Expenditures

District	FTE Enrollment	Expenditure Per FTE Pupil
Battle Ground	12428.08	\$8,032
Hockinson	1984.6	\$7,592
Loon Lake	248.98	\$7,559
Quillayute Valley	2177.55	\$7,385
La Center	1482.31	\$7,320
Ridgefield	2034.04	\$7,251
Kalama	970.61	\$7,015
Steilacoom Historical	4345.21	\$7,012

APPENDIX 5 – LOCAL TAX REVENUE

Exhibit 22 displays local tax revenue per pupil for each of Washington’s 295 districts. Greater detail for districts enrolling fewer than 1,000 students is presented in Exhibit 10 on page 19 of the report.

Exhibit 22 – Local Tax Revenue per FTE Pupil, 2007-08 (n=295)



Source: JLARC analysis of 2007-08 school district financial and enrollment data provided by LEAP.

APPENDIX 6 – SUMMARY STATISTICS FOR SCHOOL DISTRICTS UNDER STATE SUPERVISION, 2000-01 THROUGH 2008-09

Pe Ell School District Supervision began July 2000 State supervision ended in December 2005	Beginning Year 2000-01	Ending Year 2005-06
FTE Enrollment	316	310
Revenue	\$2,304,014	\$3,084,020
Expenditures	\$2,465,891	\$3,037,701
Year end balance as percent of expenditures	-1.3%	2.2%
Annual change in revenue during supervision (a)		7.2%
Annual change in expenditures during supervision (a)		3.9%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of Pe Ell School District financial and enrollment data provided by LEAP.

Riverside School District Supervision began September 2000 Supervision ended in December 2002	Beginning Year 2000-01	Ending Year 2002-03
FTE Enrollment	1,977	1,897
Revenue	\$14,328,773	\$14,695,188
Expenditures	\$13,515,538	\$13,911,517
Year end balance as percent of expenditures	2.1%	13.7%
Annual change in revenue during supervision (a)		1.6%
Annual change in expenditures during supervision (a)		-1.8%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of Riverside School District financial and enrollment data provided by LEAP.

Morton School District Supervision began August 2004 Supervision ended December 2008.	Beginning Year 2004-05	Ending Year 2008-09
FTE Enrollment	421	377
Revenue	\$3,468,302	\$4,287,555
Expenditures	\$3,598,232	\$4,013,970
Year end balance as percent of expenditures	-6.7%	22.0%
Annual change in revenue during supervision (a)		4.1%
Annual change in expenditures during supervision (a)		2.7%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of Morton School District financial and enrollment data provided by LEAP.

Appendix 6 – Summary Statistics for School Districts Under State Supervision

Onalaska School District Supervision began August 2005	Beginning Year 2005-06	Supervision continuing through 2008-09
FTE Enrollment	868	846
Revenue	\$6,591,925	\$8,148,310
Expenditures	\$6,596,913	\$8,055,379
Year end balance as percent of expenditures	-2.1%	1.9%
Annual change in revenue during supervision (a)		10.5%
Annual change in expenditures during supervision (a)		10.0%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of Onalaska School District financial and enrollment data provided by LEAP.

Southside School District Supervision began August 2005 Supervision ended February 2007	Beginning Year 2005-06	Ending Year 2006-07
FTE Enrollment	240	241
Revenue	\$2,009,021	\$2,099,433
Expenditures	\$1,975,924	\$2,076,277
Year end balance as percent of expenditures	4.3%	5.2%
Annual change in revenue during supervision (a)		3.9%
Annual change in expenditures during supervision (a)		3.9%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of Southside School District financial and enrollment data provided by LEAP.

Shoreline School District Supervision began August 2006	Beginning Year 2006-07	Supervision continuing through 2008-09
FTE Enrollment	9,057	8,597
Revenue	\$83,602,837	\$91,230,370
Expenditures	\$81,377,707	\$87,928,340
Year end balance as percent of expenditures	-0.4%	9.5%
Annual change in revenue during supervision (a)		4.3%
Annual change in expenditures during supervision (a)		1.9%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of Shoreline School District financial and enrollment data provided by LEAP.

Appendix 6 – Summary Statistics for School Districts Under State Supervision

Oakville School District Supervision began July 2007	Beginning Year 2007-08	Supervision continuing through 2008-09
FTE Enrollment	254	262
Revenue	\$3,069,335	\$3,874,758
Expenditures	\$2,997,254	\$3,335,472
Year end balance as percent of expenditures	12.3%	27.1%
Annual change in revenue during supervision (a)		8.5%
Annual change in expenditures during supervision (a)		-2.2%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of Oakville School District financial and enrollment data provided by LEAP.

Wilbur School District Supervision began March 2008 Supervision ended August 2009	Single Year of Supervision 2008-09
FTE Enrollment	236
Revenue	\$3,481,825
Expenditures	\$3,154,668
Year end balance as percent of expenditures	11.9%
Annual change in revenue during supervision (a)	7.3%
Annual change in expenditures during supervision (a)	2.3%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of Wilbur School District financial and enrollment data provided by LEAP.

Evaline School District Supervision began July 2008	Supervision continuing through 2008-09
FTE Enrollment	38
Revenue	\$530,973
Expenditures	\$451,114
Year end balance as percent of expenditures	7.4%
Annual change in revenue during supervision (a)	19.7%
Annual change in expenditures during supervision (a)	-7.0%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of Evaline School District financial and enrollment data provided by LEAP.

White River School District Supervision began July 2008	Supervision continuing through 2008-09
FTE Enrollment	4,050
Revenue	\$40,129,340
Expenditures	\$38,643,004
Year end balance as percent of expenditures	5.3%
Annual change in revenue during supervision (a)	2.5%
Annual change in expenditures during supervision (a)	-0.4%

(a) Base expenditures are year prior to start of supervision.

Source: JLARC analysis of White River School District financial and enrollment data provided by LEAP.

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