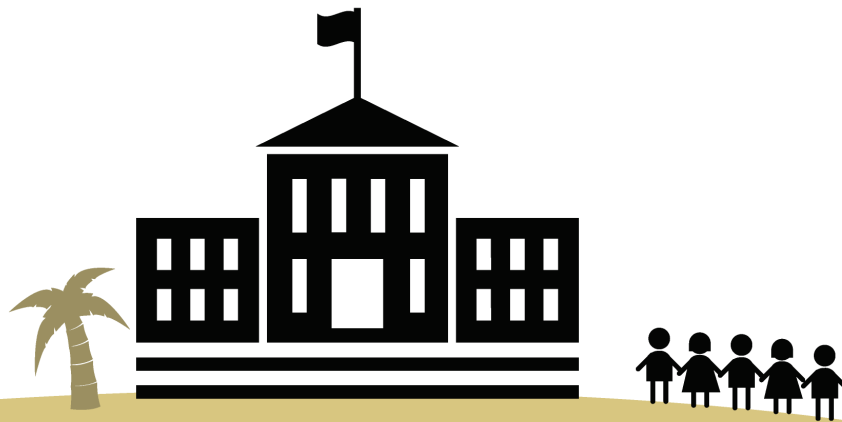


# stranded:

how states maroon districts in financial distress



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## Executive Summary

Over 21 million school-age children live within the bounds of a high-poverty school district, and many are still separated from educational resources by school district borders that segregate by socioeconomic status.<sup>1</sup> In some areas, walking across a district boundary can mean a jump in the student poverty rate by as much as forty percentage points—the difference between Aspen, Colorado and Flint, Michigan.<sup>2</sup>

In 1973, the U.S. Supreme Court heard *San Antonio v. Rodriguez*, a challenge to Texas's school funding policy. That policy drew heavily upon local property wealth for education dollars, disadvantaging students in poor communities. The Supreme Court ruled in *Rodriguez* that the system did indeed harm those students, but the federal government had no right to intervene and remedy inequitable state funding formulas. Since then, states have mostly continued to use wealth-based systems like the Texas policy that prompted the challenge. Today, 46% of school funding nationwide is drawn from local sources, where what matters most is the value of the property inside a given district boundary.<sup>3</sup> As a consequence, communities with greater property wealth can generally provide better-resourced schools for their students, even if they tax themselves at lower rates. Meanwhile, school districts in persistently impoverished areas, or in places experiencing economic decline, are left without the resources they need to support their students. As long as states ground their school funding systems in local property taxes, they are almost sure to fall short of finding resources to level the playing field.

### *Struggling school systems must go hat in hand to wealthier neighbors, who can decide whether to take or leave the merger*

Within this flawed framework, one means of addressing the inequity is to help struggling districts merge with their financially healthier neighbors, widening their tax bases so that they have access to more local dollars. But many states make it nearly impossible for lower-wealth districts to consolidate with better-off neighbor districts. The vast majority of states—thirty-nine in all—have given themselves no power to trigger school district mergers. Instead, consolidation is purely voluntary, and struggling school systems must go hat in hand to wealthier neighbors, who can decide whether to take or leave the merger. Twenty-six states do offer financial incentives for mergers, but most are modest, and even the most generous often fail to spur consolidations for the districts that need it most. Only nine states have the power to force consolidations in limited circumstances, but these actions are vanishingly rare. In the vast majority of cases, the state does nothing.

Because locally rooted funding systems do so much to advantage small and wealthy school districts, the incentives of our education funding system dictate that financially distressed districts seeking consolidation will almost always be turned away by their neighbors. Unless states intervene to directly bring about consolidations, merger efforts will generally fail and students in districts underfunded by the school finance system will be left stranded, with no escape route.

## Introduction

In 1968, over 22,000 students, mostly Mexican-American, were enrolled in Edgewood Independent School District in Texas.<sup>4</sup> Their schools were deeply underfunded—the high school, for example, had broken windows and no hot water.<sup>5</sup> The school system certainly could not muster the materials and personnel necessary to offer the same sort of opportunity to Edgewood students that their affluent neighbors received in the heavily segregated San Antonio area. That spring, 400 students walked out of Edgewood High School, carrying signs reading “We Want Equal Education.”



Years of state policies had worked to structurally disadvantage the minority students who were clustered in Edgewood due to residential segregation.<sup>6</sup> In the 1940s, the Texas State Legislature sought to consolidate its more than 4,500 districts by encouraging local school systems to merge and form “independent school districts,” with the authority to levy their own property taxes and retain the proceeds within their new borders.<sup>7</sup> Edgewood’s better-off neighbors banded

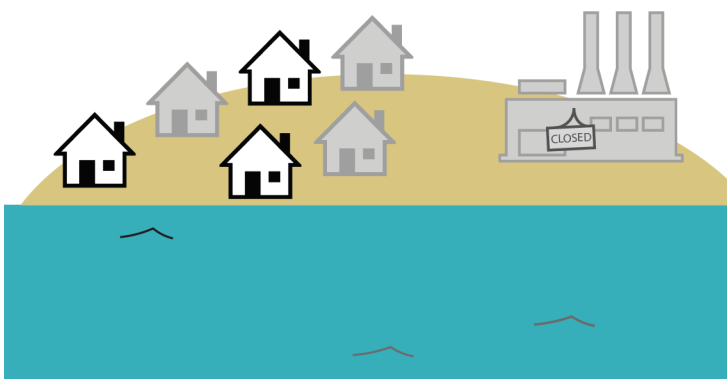
together, often combining their tax bases in order to pool and keep their property tax revenue under this new funding system that advantaged the wealthy. These new independent districts included San Antonio, which in 1954 had a property tax base of \$10,000 per student, and Alamo Heights, which had \$18,000 per student in property value.<sup>8</sup> Low-wealth Edgewood, though, was unable to find a partner for consolidation. Left with no other option, the city became an independent school district on its own in 1950, attempting to make ends meet on its meager tax base. By 1954, Edgewood’s entire tax base was worth just \$2,000 per student.

After eighteen years of being stranded in impoverished schools, the parents and students of Edgewood had had enough. Driven to desperation, the Edgewood Concerned Parent Association turned to the courts on behalf of their children.<sup>9</sup> The lawsuit, which was initially filed against the neighboring districts that refused to partner with the city, alleged that the state’s system of partially financing public education through local property taxes deprived the children in property-poor Edgewood of their right to an equal education.<sup>10</sup>

The case would become *San Antonio Independent School District v. Rodriguez*, and The United States Supreme Court would ultimately rule on the case less than five years later. The Court agreed that students in low-wealth districts were disadvantaged by the system—but decided that this type of systemic disadvantage was not worthy of special consideration under federal law, because education is not a fundamental right under the U.S. Constitution.<sup>11</sup> In essence, the nation’s highest court bestowed its blessing on funding structures that, then and now, rely heavily on local property taxes to finance public education. The ruling acknowledged the undeniable funding disparities between the schools serving communities at the top and bottom of the economic distribution but offered no federal remedy. The problem was left to be solved by the states.

Today, school district borders serve to create gulfs between the haves and have-nots. In some areas, walking

across a district boundary can mean a jump in the student poverty rate by as much as forty percentage points—the difference between Aspen, Colorado and Flint, Michigan.<sup>12</sup> This segregation is motivated and exacerbated by school funding policies that rely on local property tax revenue. Nationwide, revenue that is locally raised and locally governed accounts for 46% of all school funding. Because our children’s education hinges in large part on local property values, affluent communities have an interest in maintaining school district borders that fence in their wealth so that revenues can be kept for their hyper-local schools. In the meantime, worse-off areas are walled out—keeping low-value properties from diluting the tax base and excluding poor students with resource-intensive needs. Affluent families who find themselves on the low-wealth side of the line may then seek better-resourced schools for their children by doing what their neighbors cannot: moving across the district border and gaining access to well-funded school districts for the price of a more expensive home. (This serves to further concentrate poverty in the districts they leave behind.) In some cases, the wealthier corners of larger school districts even redraw boundaries to cordon off new districts, ensuring that their children attend well-resourced schools and that they will not bear the tax burden of funding schools in the wider community.<sup>13</sup> The majority of communities that have formed their own school districts in this way are wealthier than the school district they have left behind, and often include fewer minority students.



Economic isolation and misfortune can also come to school districts more gradually, when local financial troubles set off a downward spiral. A major employer closing or a regional recession can cause a drop in employment. The loss of opportunity spurs people to leave the area, and as a consequence, home values decrease. This leads to a diminished tax base and poorer levels of school funding, even as the district must serve a needier student body. The school system’s struggles can in turn prompt further

departures, leading to the worsening of the town’s economic problems. Since the school district’s borders define not just the community it serves but also its taxing jurisdiction, the downward slide leaves the district trapped, unable to access the additional resources needed to arrest the cycle of decline. Budgets dwindle, and the students remaining in the district lose out.

It is only to be expected that districts in such circumstances will seek to alter their borders in order to change their fortunes. But when a struggling district seeks to broaden its property tax base by merging with another district, it is usually spurned by its better-off neighbors. School district mergers are difficult propositions in any context, but within funding systems that rely on local wealth, financially healthy school districts have a clear interest in maintaining the boundaries that separate them from their property-poor neighbors. The same funding framework that places worse-off districts on the path to financial distress also makes it more likely that they will be left stranded—and their students stranded within them—when neighbor districts refuse to merge.

## The State Role In Saving Districts

Public schooling may not be a recognized federal right, but the provision of free public education is included in every one of the fifty state constitutions. This means that states must take ultimate responsibility for ensuring that all their children have access to a high-quality education.

In the realm of funding, states can do this first and foremost by severing the link between local wealth and school budgets. When state school finance policies rest on a basis of local property tax revenues, there are inevitable resource divides along school district borders. For instance, the city of Milwaukee, Wisconsin generated \$4,260 per student in local revenue in the 2014–15 school year.<sup>14</sup> Just across its northern border, the district of Mequon-Theinsville generated \$10,420—nearly 2.5 times as much money per student—at a tax rate only 67% of Milwaukee's.<sup>15</sup> There is no need to use unequal revenue source as the base of school funding; Hawaii, for instance, distributes all education dollars from the state level, eliminating the problem before it arises. In most states, though, school finances start from this unlevel foundation. States can resolve the problem by closing funding gaps with state dollars, and most do try, but they are generally unsuccessful. Even with state aid, high-need districts tend to have fewer resources than more privileged communities, even as their students require more resources to succeed.<sup>16</sup> On average across the country, the highest-poverty districts in each state have 6% less state and local funding than the lowest-poverty districts.<sup>17</sup> State funding systems are broadly failing to provide all students with equal access to a well-resourced education.

In light of this failure, states have a responsibility to aid the students in those districts that are disadvantaged by their school finance policies. One key avenue of recourse for distressed districts is to seek a wider tax base through consolidation with a neighbor district. But most states effectively close off this possibility for the districts that need it; generally, school district consolidation is purely voluntary, and the state does nothing at all to compel mergers, even in cases where it would help rescue students marooned in insolvent districts. Some states do offer financial incentives for merger, but usually they're ineffective at actually bringing about consolidation, and no more assertive action is taken. In just a handful of states is there even the legal authority for the state to step in and require a consolidation, and it is extremely unusual for states to do so in order to save districts, and their students, from financial ruin. In almost all cases, struggling districts are left to go it alone.

## Voluntary Consolidation

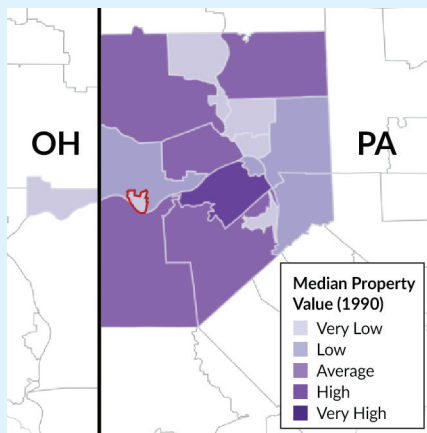
The most common form of school district consolidation policy is for a state to permit, but never require, districts to consolidate. In thirty-nine states, consolidation may generally only happen if both districts agree to the merger. In some cases, this takes the form of voter approval, while in others, the decision is left to the school boards of each district. While all thirty-nine states depend on local will to help financially struggling districts through mergers, some states make it more difficult than others.

In Indiana, school districts can voluntarily consolidate with a simple agreement between the governing bodies

# Midland, Pennsylvania: When Districts Are Left On Their Own

*Midland Borough School District in Pennsylvania, facing economic troubles, tried and failed to secure a merger with any of its neighbors. The district closed its only high school and was eventually forced to send its students out of state to learn. This story has echoes throughout Pennsylvania, where voluntary consolidation policies leave struggling districts nowhere to turn.*

Midland, Pennsylvania fell on hard times in the 1980s. Its steel mill—the town’s largest employer—closed in 1982, and the local economy went into a tailspin.<sup>i</sup> Property values in the town plummeted, from a median home value of \$71,000 in 1980 to just \$49,000 a decade later (both in 2016 dollars).<sup>ii</sup> This decline made an immediate dent in school system finances: One 1986 news report estimated that the district had lost half a million dollars in tax revenue every year since the mill closure.<sup>iii</sup> The town also lost 23% of its population from 1980 to 1990, leaving an aging population increasingly living on fixed incomes.<sup>iv</sup> Enrollment in public schools fell to just 216 by the 1989-90 school year.<sup>v</sup>



The district saw the writing on the wall. In order for its schools to survive, it needed access to a wider and healthier tax base, so Midland started approaching its neighbor-districts in the hopes of securing a merger.<sup>vi</sup> But in Pennsylvania, school district mergers require the approval of each local school board, and Midland’s better-off neighbors were little inclined to take on the struggling district.<sup>vii</sup> By 1983, Midland had sent merger requests to all fourteen other school districts in Beaver County, without success.<sup>viii</sup> Without a partner, Midland had no choice but to shutter its only high school in 1985.<sup>ix</sup>

At first, Midland students attended the high school in nearby Beaver Area school district under a tuition-based arrangement between the two school boards.<sup>x</sup> But Midland students, many of whom were nonwhite and from poorer homes, encountered hostility in their new school.<sup>xi</sup> Beaver Area board members held contentious discussions about whether to renew the tuition agreement, and some even used racial slurs to refer to Midland students. “I know the majority of us felt like we weren’t wanted,” said one black student.

Meanwhile, Midland continued to try to shore up its finances. It dramatically increased tax property rates over this period, from 3.048% in 1984 to 5.275% in 1987.<sup>xii</sup> The extra effort accomplished little, though. By 1993, Midland’s low property values meant that each 1% of property tax raised just \$250,000 in Midland, compared to \$1.58 million in Beaver Area.<sup>xiii</sup>

In 1990, a faction of Beaver Area school board candidates successfully ran on a platform that included ousting Midland students.<sup>xiv</sup> Without state policies that would intervene on its behalf, and no other willing partners in the county, the district finally made a tuition agreement to send its students to East Liverpool, Ohio in 1994. “I think it’s sad that we don’t have a school to call our own,” said one sophomore, “but I’m so glad somebody at least took us in.”<sup>xv</sup> For over twenty years, Midland sent students, and tuition dollars, across state lines to Ohio. But in 2015, East Liverpool’s school board voted to end the tuition agreement.<sup>xvi</sup> Today, Midland students complete high school through a patchwork of charter school options and a smaller, renewed agreement with Beaver Area.<sup>xvii</sup>

District	School-age poverty rate (2016) <sup>xviii</sup>	Median property value (2016) <sup>xix</sup>	Tax rate (2015-2016) <sup>xx</sup>	Local revenue per pupil (2016) <sup>xxi</sup>	State revenue per pupil (2016) <sup>xxii</sup>
Midland	31%	\$65,600	3%	\$4,704	\$12,980
Beaver Area	7%	\$166,600	7.2%	\$9,196	\$4,668
East Liverpool, Ohio	36%	\$66,100	3.8%	\$2,676	\$8,801
South Side	7%	\$159,500	5.5%	\$7,800	\$12,524
Western Beaver	9%	\$120,100	5.4%	\$5,602	\$10,600

This instability, arising from Midland’s inability to merge and access a broader tax base, has continued to hurt both its children and the local economy. Home values still haven’t rebounded to 1980 levels; in 2016, the district’s median house was worth \$66,000, compared with \$120,000 and \$160,000, respectively, in neighbor districts Western Beaver and South Side.<sup>xxiii</sup> And today, further financial crisis looms: Another large employer, Beaver Valley Nuclear Power Station, is now slated to close, with far-reaching potential consequences for Midland families.<sup>xxiv</sup>

Midland isn’t alone. Since the 1960s, only one Pennsylvania district has succeeded in consolidating with a neighbor.<sup>xxv</sup> Dozens more have tried and failed—an almost-inevitable consequence of the school finance system. When a district is struggling with low property values and declining tax receipts, it may have reason to seek a merger, but no better-off district has reason to open its borders in partnership.



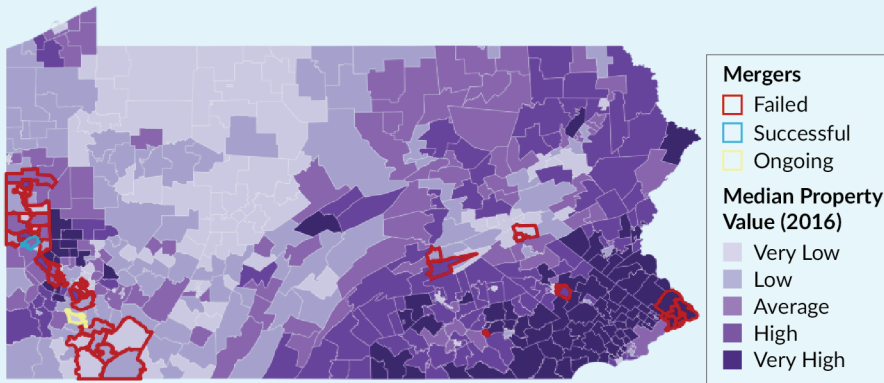
# Midland, Pennsylvania: When Districts Are Left On Their Own

One recent case in point is Carlynton, Pennsylvania, just to the west of Pittsburgh. In 2011, facing state aid cuts, Carlynton closed one elementary school and then reached out to other local districts in hope of a merger.<sup>xxvi</sup> The district, which has both a higher poverty rate and lower property values than any of its suburban neighbor districts, was broadly rebuffed. The superintendent of Montour, the best-off of Carlynton’s neighbors, was clear as to why, saying, “No district is going to meet with others and raise taxes so they can merge with them.”<sup>xxvii</sup>

District	School-age poverty rate (2016) <sup>xxviii</sup>	Median property value (2016) <sup>xxix</sup>	Tax rate (2015-2016) <sup>xxx</sup>	Local revenue per pupil (2016) <sup>xxxi</sup>	State revenue per pupil (2016) <sup>xxxii</sup>
Carlynton	16%	\$112,300	2.1%	\$11,369	\$5,834
Montour	6%	\$158,500	1.7%	\$16,979	\$3,963
Chartiers Valley	7%	\$143,900	1.6%	\$13,323	\$4,096
Keystone Oaks	15%	\$128,600	1.9%	\$15,405	\$5,421

Carlynton remains stranded today. Its property taxes are the highest of the group, but its per-pupil funding, including all state aid, remains the lowest.<sup>xxix</sup>

Carlynton is just one of the eighteen Pennsylvania districts that have sought consolidation since 2000—unsuccessfully in all but one case. This map shows all current Pennsylvania school districts, colored by median property value. Districts outlined in red were involved in a failed merger attempt, those outlined in yellow are engaged in ongoing attempts to merge, and the one district formed through consolidation is outlined in blue.



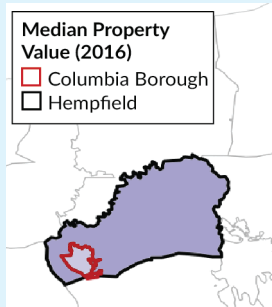
(See Appendix B for a table of all consolidation attempts in Pennsylvania since 2000.)

However, it is likely that these data actually understate the problem. There is reason to believe that some districts that would benefit from merger are discouraged before they even make an official attempt. One example is Columbia Borough, a high-poverty school district about thirty miles downriver from Harrisburg. After an infamous failed merger attempt in the 1960s, the district grew needier.<sup>xxxiv</sup> Its school-age poverty rate jumped from 17% in 2000 to 29% in 2016, and over a quarter of its students have special education needs.<sup>xxxv</sup> Despite repeated

property tax increases—average yearly hikes of 6.5% between 2007 and 2014—budgets have not kept up.<sup>xxxvi</sup> Columbia has roughly one-tenth the tax base of low-poverty Hempfield, and it raises just a fraction of the revenue even with taxes that are 50% higher.

District	School-age poverty rate (2016) <sup>xxxvii</sup>	Median property value (2016) <sup>xxxviii</sup>	Tax rate (2015-2016) <sup>xxxix</sup>	Local revenue per pupil (2016) <sup>xl</sup>	State Revenue per pupil (2016) <sup>xli</sup>
Columbia Borough	29%	\$102,100	2.9%	\$8,206	\$7,804
Hempfield	9%	\$200,700	2.0%	\$11,893	\$4,125

This pair would seem an ideal candidate for merger, and indeed, Columbia went so far as to commission a research brief in 2017 about what consolidation would entail.<sup>xlii</sup> But the report made clear that the state’s procedure would require agreement from all involved districts, and conversations between the districts’ superintendents revealed that there was no hope of that.<sup>xliii</sup> Without any prospect of success, Columbia has not moved forward with a formal consolidation proposal.

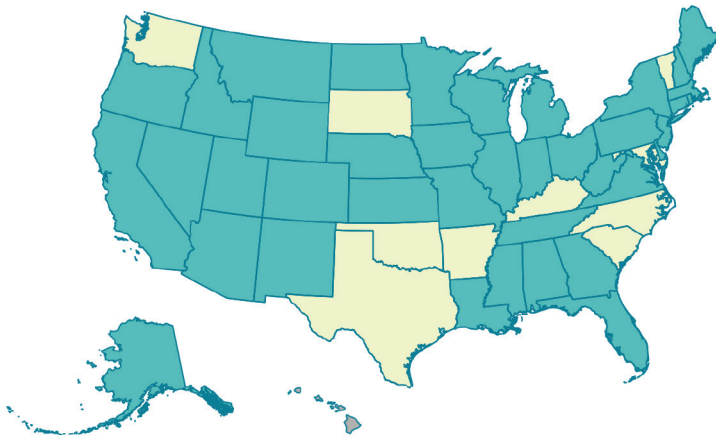


All of these stories are proof that voluntary consolidation policies leave districts to sink or swim on their own. But Pennsylvania’s voluntary approach to consolidation is typical of the country as a whole: thirty-nine states have such policies, and generally require all involved districts to agree for mergers to proceed. As a result, the more fortunate district holds the power to throw a lifeline or to withhold one. And without the prospect of any real benefit, well-off districts will almost certainly choose to maintain the status quo, leaving their neighbors stranded.



of the school districts involved.<sup>18</sup> However, residents in either affected district have the ability to override any agreement with a voter petition that would require a majority vote in both districts in the next election.<sup>19</sup> In Colorado, by contrast, state education authorities must approve a voluntary plan to consolidate, and neighbors can only merge once a majority of voters in both affected areas have approved the agreement.<sup>20</sup> In Kansas, all three levers must be pulled: approval by the governing bodies of the districts, the state Department of Education, and the majority of voters in the consolidated district.<sup>21</sup> (See Appendix A for a description of each state’s consolidation policy, including the approval steps required.)

States Where Consolidations May Only Happen Voluntarily ■



Because financial distress may be a primary reason for a school district to seek consolidation, these voluntary-only policies mean that under-resourced school districts are generally left at the mercy of their more affluent neighbors, who may take or leave a proposed merger. But the local funding component of education formulas provides an inherent disincentive for taxpayers to take on the economic distress of their neighbors. Better-off school systems are

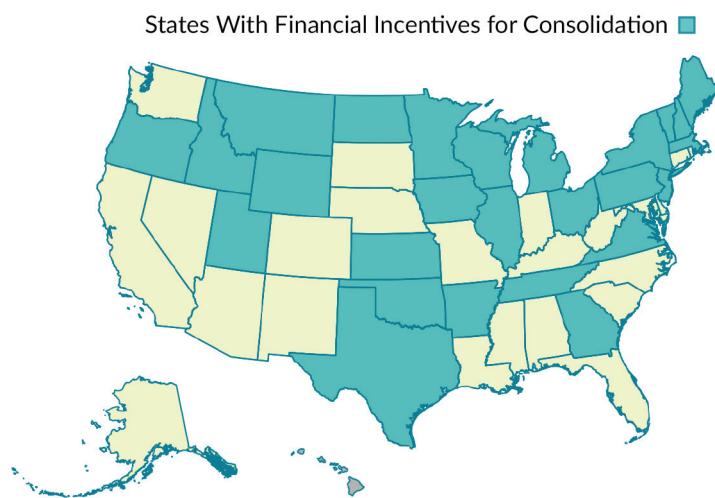
understandably disinclined to merge with neighbors with depleted school district coffers, plummeting property values, and high-need student populations. Voters in a financially sound district will see no reason to vote for a merger that may increase their taxes, only for the money to be spread across a larger number of students rather than being kept for own their children.

One powerful American idea that runs counter to these incentives is that education is a common good—one that should be supported by the greater public for all children, rather than by narrow communities only for their own. That argument falls flat, though, when states fail to live up to that concept, and when their funding structures actually imply the opposite. State policies explicitly tie school funding to district tax bases, making many school resources a local, rather than shared, enterprise. If, instead, funding were raised equitably from all districts and distributed based on student need, these types of mergers would certainly see far less opposition, because students with higher needs would come with more resources, and the agreement to merge would have no impact on tax rates. But more importantly, this kind of consolidation would become largely unnecessary, as school district borders would cease to determine districts’ access to resources.

## Financial Incentives for Consolidation

When consolidations are considered, especially when they are pursued as a lifeline for financially struggling districts, there will always be “winners” and “losers.” Those districts that don’t stand to gain monetarily from

consolidation—the ones that start out with greater wealth—are hardly incentivized to help struggling neighbors. However, while the majority of states do leave matters of consolidations up to local districts, some do recognize these barriers and attempt to encourage consolidation by offering financial incentives. Some incentives are intended to actively encourage mergers, while others merely serve to mitigate losses that might result from consolidation.



Twenty-six states provide some form of financial assistance for districts that merge, whether in the form of a flat grant, a temporary boost to formula funding, or a reduction in the local tax rate that districts are expected to impose. Incentive-aid policies vary in their generosity. Some are modest, only mitigating for a short time a potential financial downside of consolidation. For example, New Jersey's incentive aid policy provides a single year of financial

aid to help districts offset the loss of funding that may occur when prior tuition-based partnership agreements between districts end due to new consolidations.<sup>22</sup> By contrast, neighbor state New York's incentive policy is far more extensive. It gives consolidated districts an additional 40% of their 2006-07 funding level for five years, phasing out over an additional nine years, as well as a 30% boost in aid for any construction projects undertaken in the first ten years after consolidation.<sup>23</sup> (See Appendix A for a description of each state's consolidation policy, including any incentives offered.)

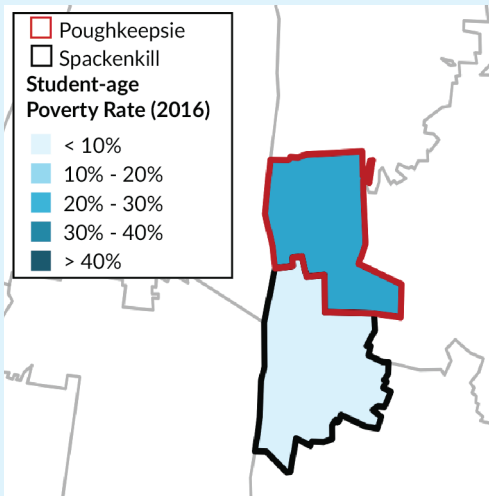
But even when financial incentives are substantial, they seldom achieve the purpose of bringing about more consolidations. Incentives generally fall short of the amount needed to compensate for the loss of revenue that can come when consolidation occurs between school systems of very different wealth levels. If the less-wealthy district has little local funding to offer in a merger, while the local funds of the wealthier district must be spread thin across the new merger district, that will naturally reduce the per-pupil revenue. In order to compensate, the incentive must be great enough to more than make up for this reduction, and that is often not the case.

Additionally, in almost all states, financial incentives for consolidation come with an expiration date. It is unreasonable to expect longtime community residents to weight short-term aid more heavily than long-term financial consequences. Even when a state does offer generous financial incentives, their temporariness places the ultimate responsibility for ensuring quality education in a struggling district on its neighbors rather than on the state as a whole—and the state's policies, regarding both funding and consolidation, actively work to shift the responsibility. The only sufficient incentive is the knowledge that the state will consistently and permanently

# Poughkeepsie, New York: When Incentives Don't Work

*New York offers very generous financial incentives for consolidation—and they are broadly unsuccessful at spurring mergers. The failure of such liberal incentives is especially illustrative of the strategy's inability to remedy a broken school funding system. This is particularly clear in the case of Poughkeepsie City School District, which has been unable to join with neighboring Spackenkill Union Free School District for more than seventy years.<sup>xliv</sup>*

In the early 1940s, much of the Upstate New York region was suffering from the aftermath of the Great Depression. Hudson Valley communities saw industrial employers leave the riverfront one by one, including Poughkeepsie Iron Works.<sup>xlv</sup> One of Poughkeepsie's immediate neighbors, though, had the opposite occur: The hamlet of Spackenkill saw a new IBM plant open in 1942.<sup>xlvi</sup> The facility attracted educated professionals to Spackenkill, where they bought homes and boosted local income levels and property values. By 1960, the average household income was over 20% higher in suburban Spackenkill than in the city of Poughkeepsie.



Over this period, Spackenkill and Poughkeepsie ran independent school districts for their elementary and middle schools, but shared a high school, which was located in Poughkeepsie.<sup>xlvii</sup> Seeing an obvious opportunity to streamline operations, the state issued a master plan document that called for full consolidation of the Spackenkill and Poughkeepsie school districts, including all grade levels. While New York did not have the power to order the merger outright, it did support its recommendation with an incentive: The state promised the new district a 10% increase in operating dollars for its first five years.<sup>xlviii</sup>

Spackenkill, though, was unmoved by this inducement. Not only did the Spackenkill Board of Education decline to move forward with a merger, but the town actually put forth the opposite plan, proposing in 1956 to build its own high school so that it could split from Poughkeepsie entirely.<sup>xlix</sup> Spackenkill residents broadly supported the

move. The Poughkeepsie Board of Education, meanwhile, supported consolidation, but without a willing partner, it could do nothing to effect a merger.

District	School-age poverty rate (2016)	Median property value (2016)	Tax rate (2015-2016)	Local revenue per pupil (2016)	State Revenue per pupil (2016)
Poughkeepsie	27%	\$193,100	2.88%	\$6,118	\$14,605
Spackenkill	6%	\$266,700	1.97%	\$21,569	\$7,276

It is no surprise that Spackenkill was not motivated by the state's financial incentive for merger; there was a greater financial interest weighing on the other side. The town's property values were rising during this period. When Spackenkill reassessed its properties in 1964, it added \$2,500,000 in value to the tax rolls.<sup>i</sup> By remaining a distinct district, Spackenkill could keep all the dollars raised from its healthy local tax base rather than sharing the wealth with the city's children. This enabled Spackenkill to increase its budget each year throughout the 1960s without having to substantially change property tax rates.<sup>ii</sup>

Poughkeepsie didn't fare as well under the continued separation, however. By the mid-1960s, none of the county's major manufacturing plants were located within Poughkeepsie city limits, and many city residents commuted elsewhere for work.<sup>iii</sup> As a consequence, the tax base that supported Poughkeepsie City School District was far less robust than Spackenkill's, creating a wide financial gulf between the two districts.

Given the clear financial interest in achieving full independence from Poughkeepsie, Spackenkill sought to proceed with the construction of its new high school. Because the districts were listed in New York's master consolidation plan, though, the state would not provide monetary support for the project.<sup>iiii</sup> In 1964, the Spackenkill board appealed the districts' inclusion in the state plan; a state official charged in return that Spackenkill had essentially become "a private school system."<sup>iv</sup> The merger recommendation remained in the state's master plan. Undeterred, the district held a vote to approve the purchase of land for a new high school, which succeeded by a wide margin.<sup>lv</sup>

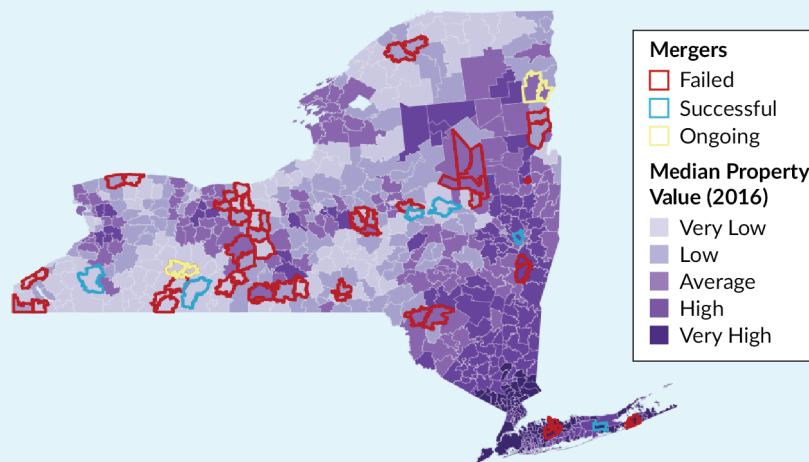
## Poughkeepsie, New York: When Incentives Don't Work

In one last effort to push the merger forward, the State Commissioner of Education declared that not only would New York deny aid for the construction, but it would also refuse to register the new high school or allow it to operate. A years-long legal battle ensued, and in 1969, the state's Court of Appeals found that while the school could be denied construction aid, it couldn't be barred from opening. The way cleared, Spackenkill began to finance the high school on its own.

Meanwhile, Poughkeepsie continued to deteriorate. Taxable property values steadily declined, and even after raising school tax rates by 17% between 1970 and 1971, the district still struggled and began to discuss increasing teacher workloads to save money.<sup>lv</sup> In the shadow of this distress next door, Spackenkill opened its new high school in 1973, fully severing the districts and ending any talk of a merger.<sup>lvii</sup>

Spackenkill and Poughkeepsie remain separate districts today, divided by both borders and fortunes. Poughkeepsie's students are far more disadvantaged: One in four Poughkeepsie children lives below the poverty line, and 91% of the district's 4,500 students are nonwhite.<sup>lviii</sup> In Spackenkill, meanwhile, just 6% of children live in poverty, and only about one-third of the 1,400 enrolled students are nonwhite. The districts' finances do not match these differences in need: Poughkeepsie must make do with per-pupil funding levels 40% lower than Spackenkill's, a divide of \$8,000 per student.<sup>lix</sup> The difference is starkest in the funds that are raised locally. Today, Spackenkill collects almost \$22,000 per student from local taxes, while Poughkeepsie brings in only \$6,000. It is clear why New York's promised incentive for consolidation—a 10% increase in funding for the first five years of the new district's operation—was insufficient to sway the wealthier district.

In the years since Spackenkill first defied the state's consolidation plan, New York's incentive aid policies have only grown more generous. The state boosted the additional operating aid in 1983, and again in 1992.<sup>lx</sup> Today, school districts that consolidate in New York receive an additional 40% in operating aid for five years, phasing out over a further nine years. That means that if Poughkeepsie and Spackenkill were to merge today, the new district would pull in over \$1,200 per student in incentive dollars in the first year alone.<sup>lxi</sup> The state also pledges a 30% increase in construction aid for any projects begun in the first ten years of the new district.<sup>lxii</sup> But despite these generous incentives, successful school district mergers in New York are extremely rare. Of at least forty-four attempts since 2000, just six have resulted in a successful consolidation.



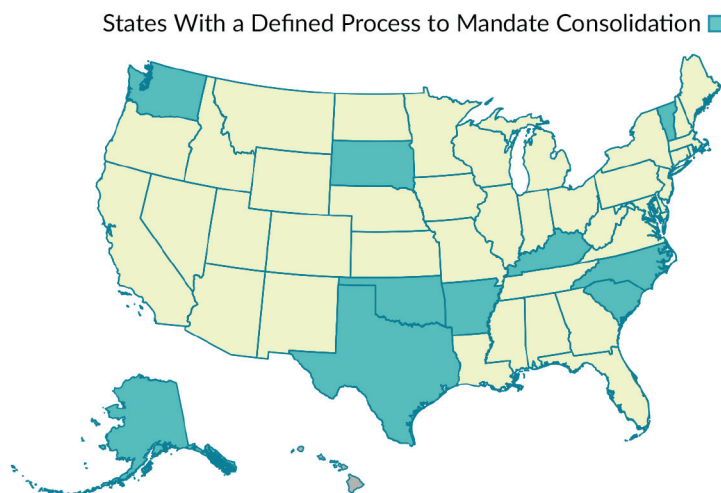
(See Appendix C for a table of all consolidation attempts in New York since 2000.)

The story of Spackenkill, and of New York's thirty-eight consolidation failures since 2000, demonstrates how ineffective financial incentives are at bringing about mergers. Because so much of school funding is drawn from local property taxes, wealthy districts are always incentivized to keep borders narrowly drawn, keeping their dollars in and additional students out. Even in the twenty-six states that offer some form of financial incentives for consolidation, these policies are structured so that extra dollars phase out over time, eventually leaving the wealthier former districts with either less per-pupil revenue or higher taxes. New York's consolidation aid policy is perhaps the country's most generous, and its failure to spur mergers is the best possible evidence that this kind of inducement is not enough to overcome the financial facts on the ground. State funding systems that are rooted in local property tax revenues will always create haves and have-nots, and the built-in incentives are for the haves to keep borders as they are, conserving their advantages and leaving neighboring communities—and their students—to fend for themselves.

compensate for ground-level inequalities. If states were willing to do right by lower-income communities and commit to fill the funding gaps created by faltering economies, this alone would mitigate the concerns that high-wealth districts have about consolidation. Such policies, though, would also lessen the reliance on locally raised and locally governed taxes, diminishing the importance of districts' individual tax bases and obviating the need for many consolidations in the first place.

## State-Mandated Consolidation

If states are unwilling to replace funding systems that are highly dependent on local wealth, it is incumbent upon them to find solutions for districts where local economic conditions are starving classrooms and leaving students behind. Although state-imposed consolidations are far from perfect, they can make sense in certain circumstances. Short of full state funding, in other words, a next-best option is expanding the local tax base from which so much of school funding is generated.



Only nine states in the country have given explicit authority to a state-level entity to mandate consolidations. Among these states, the extent of that power varies greatly. The North Carolina State Board has broad authority merge neighboring county school districts for any reason, limited only by ability of the state's General Assembly to override the decision.<sup>24</sup> Oklahoma's power to consolidate districts is more modest; when a district is having severe academic

troubles or is not operating a school, the State Board of Education may mandate that it be annexed by a neighboring district.<sup>25</sup> Kentucky's rule regarding state-ordered mergers is perhaps the most constricted such policy in the country: The State Board may only step in to effect a consolidation when an independent district is unable to meet its operating expenses and seeks to merge with a county school district but is ultimately unable to negotiate an agreement on its own.<sup>26</sup> It is more common for a state to have narrow and situational authority over consolidation than to have wide discretion to merge districts. (See Appendix A for a description of each state's consolidation policy, including the circumstances under which it can order a district merger.)

Within the context of school funding systems built on a foundation of unequal local dollars, school system mergers are an important means of expanding district tax bases and giving children access to more equal educational resources. States bear significant responsibility for creating the inequitable financial environment, but very few states have taken on a substantial role in bringing about consolidations of under-resourced districts with better-off ones. More states would do well to adopt policies that allow them to be more interventionist in these cases,

requiring consolidation to ensure fairness when the finance system falls short.

## The National Picture

When districts struggle as a result of local economic misfortune, their students lose out, victims of school funding systems grounded in local property taxes. States could address this problem at its root, adopting funding schemes that are state-based and avoid this foundational inequality—and, in fact, a few states, including Hawaii and Vermont, have chosen to do just that. But the overwhelming majority of states persist in using funding systems that tie district budgets to local wealth levels, and as such, it is their responsibility to deal with the resulting resource divides. One key way of addressing the problem would be to actively widen local tax bases by merging school districts when one cannot sustain itself financially.

Very few states are taking this step, however. Only nine states grant the legal authority to a state entity to require a merger, even when districts fall into insolvency. In most of these cases, this power is quite narrow and can be exercised only in very specific circumstances. On the other hand, thirty-nine states have exclusively voluntary pathways for consolidation, leaving merger decisions entirely in the hands of local school districts and generally allowing well-off school systems to turn away struggling neighbors. Of these thirty-nine states with only voluntary consolidation, seventeen do not even offer incentives to encourage mergers. (Twenty-six states in total offer some financial incentive for consolidation; of these, four also have state-mandated paths to consolidation, while twenty-two have only voluntary consolidation processes.) Even when states do offer financial support for mergers, however, this aid is rarely sufficient to effectively encourage consolidation in cases of serious financial trouble. (See the table below for a full accounting of which states have voluntary, mandatory, and incentive-supported consolidation policies.)

# CONSOLIDATION POLICY SUMMARY

State	Voluntary Consolidation Policy?	Incentive Aid?	State Mandate Policy?	Voluntary Only, No Incentive?	Exclusively Voluntary, With or Without Incentive?
Alabama					
Alaska					
Arizona					
Arkansas					
California					
Colorado					
Connecticut					
Delaware					
Florida					
Georgia					
Hawaii*					
Idaho					
Illinois					
Indiana					
Iowa					
Kansas					
Kentucky					
Louisiana					
Maine					
Maryland					
Massachusetts					
Michigan					
Minnesota					
Mississippi					
Missouri					
Montana					
Nebraska					
Nevada					
New Hampshire					
New Jersey					
New Mexico					
New York					
North Carolina					
North Dakota					
Ohio					
Oklahoma					
Oregon					
Pennsylvania					
Rhode Island					



# CONSOLIDATION POLICY SUMMARY

State	Voluntary Consolidation Policy?	Incentive Aid?	State Mandate Policy?	Voluntary Only, No Incentive?	Exclusively Voluntary, With or Without Incentive?
South Carolina					
South Dakota					
Tennessee					
Texas					
Utah					
Vermont					
Virginia					
Washington					
West Virginia					
Wisconsin					
Wyoming					
<b>Total of YES</b>	<b>47</b>	<b>26</b>	<b>9</b>	<b>17</b>	<b>39</b>

\* The state of Hawaii operates as a single school district.

## Conclusion

Forty-five years after the U.S. Supreme Court ratified Texas's unequal education funding system in *San Antonio v. Rodriguez*, school revenues are still tied to local property wealth in nearly every state. This creates an unfortunate and inevitable divide between haves and have-nots: students whose communities can afford to provide the best educational resources and those from neighborhoods that cannot.

This is the flaw at the heart of nearly every state's school funding system. And though states have not fundamentally undone the damage by moving away from locally rooted school funding systems, they have tried to mitigate it. Against the backdrop of numerous state-level school funding court challenges following the federal retreat in *Rodriguez*, states have enacted a patchwork of policies to partially address school funding inequality. The most prevalent approach has been to provide more state dollars to low-wealth districts in an attempt to fill the financial gap between wealthier and needier school systems. This method usually falls short, however; in a majority of states, students in the highest-poverty districts still have fewer educational resources than their peers in the least-poor districts.<sup>27</sup> States simply cannot or will not keep up with the growing funding divide.



Faced with persistent shortfalls, districts with meager tax bases have limited options. Consolidation with a better-off neighbor, while far from a perfect solution, is one of the most direct ways that these districts can access greater resources within a system that ties

opportunity to local wealth. However, financially healthy districts have little motivation to accept a merger with a struggling district, so in the vast majority of states, where consolidation is purely voluntary, this approach is unlikely to succeed. States bear ultimate responsibility for school funding, so it is only appropriate that they step in to require a merger when it would provide a way to financial health. But just nine states give a state-level authority the power to mandate a consolidation, and even in these states, this power is quite constrained and can only rarely be exercised. As a result, students around the country may be left stranded in underfunded districts, unable to access greater local resources unless wealthier neighbor districts agree to take them in.

American society feels all too fractured today, and our school district borders are emblematic of what happens when we lose sight of our common civic purpose. By allowing our public education system to be separated into territories of haves and have-nots, we reproduce our wider social inequality in the schools that should be the opposite: the ladder that enables mobility, and greater equality for all. Instead, we permit segregation to develop as the wealthy sort themselves into advantaged districts, leaving the needy behind. We see fiefdoms appear as those with means draw new school system borders that align with their own narrow interests, at others' expense. And we see students left to wither on the vine in districts that fall on hard times, setting off a downward slide that cannot be broken without state intervention that never comes.

States have an opportunity to help knit our fragmented school system back together. They can level the school resources playing field for all students—most fundamentally, through better and fairer education funding systems, but also by creating pathways and incentives that help school districts come together, not break apart. If states take true responsibility for educational equity, they can overcome the inequality we see in the wider world, and no student will be left stranded.

The only true solution is to attack the problem at its source: the local roots of school funding. Because local education funding stops at the district border, students can find themselves marooned on the wrong side of the line, unable to access the resources they need. Until and unless states take full responsibility for school funding (raising education dollars at the state level and allocating them fairly across school districts), there will always be inequality. Just as a child's access to a well-resourced education should not hinge on the price of her parents' home or the wealth of her community, it should also not rest on the will of the wealthy or the whims of her neighbors.

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- lxi. NY CLS Educ. § 3602(14)(d), § 3602(14)(d-1); Mayfield Central School District and Northville Central School District, Reorganization Incentive Aid: Estimate if the Communities Decided to Reorganize the Two into One District, (Mayfield, NY: Mayfield Central School District, July 2011), <http://www.mayfieldk12.com/Mayfield/district/PDFs/Merger%20PDFs/Estimated%20Reorganization%20Operating%20Aid%20may%20north.pdf>;  
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- lxii. NY CLS Educ. § 3602(14)

# APPENDIX A: STATE CONSOLIDATION POLICIES

## Alabama

Alabama's state laws do not provide a way for the state to mandate school district consolidation.

However, school districts may voluntarily consolidate, typically joining city and county school districts. Depending on the type of consolidation, and if voters petition, the consolidation may require voter approval.<sup>1</sup> State laws do not provide financial incentives for school districts that consolidate.

## Alaska

Alaska's state laws do not provide a way for the state to mandate school district consolidation.

However, school districts in Alaska may voluntarily consolidate, typically by making changes to municipal or borough boundaries.<sup>2</sup> Doing so typically requires a voter petition and referendum process or obtaining approval from the state legislature.<sup>3</sup> State laws do not provide financial incentives for school districts that consolidate. However, cities and boroughs do receive transitional aid for incorporating, which may sometimes result in consolidation.<sup>4</sup>

## Arizona

Arizona's state laws do not provide a way for the state to mandate school district consolidation.

However, school districts in Arizona may voluntarily consolidate, typically with approval from the majority of voters in each district.<sup>5</sup> State laws do not provide financial incentives for school districts that consolidate, except for "transitional costs," like the costs of changing signage or stationary.<sup>6</sup>

## Arkansas

The Arkansas State Board of Education may mandate a school district merger if a school district's student count falls below 350 for two consecutive years, or if a school district fails to meet accreditation standards, fiscal distress requirements, facilities distress requirements, or academic requirements.<sup>7</sup>

School districts in Arkansas may also voluntarily merge with another district with the approval of the State Board of Education.<sup>8</sup> The merger may be requested by either the school boards or a majority of voters in the affected districts. Districts that merge in Arkansas will receive financial incentives based on a funding factor as determined by the Arkansas Department of Education.<sup>9</sup>

## California

California's state laws do not provide a way for the state to mandate school district consolidation. However, lapsed school districts, including elementary school districts with fewer than six students and secondary or

1 Ala. Code § 16-8-17; Ala. Code § 16-13-195; Ala. Code § 16-13-199.

2 Alaska Stat. § 14.12.010.

3 Local Boundary Commission and Alaska Department of Education and Early Development, School Consolidation: Public Policy Considerations and a Review of Opportunities for Consolidation, joint report to the Alaska Legislature, February 2004, [https://www.commerce.alaska.gov/web/Portal/4/pub/LBC/2004%20School\\_Consolidation\\_Rpt%20Reduced%20for%20web.pdf](https://www.commerce.alaska.gov/web/Portal/4/pub/LBC/2004%20School_Consolidation_Rpt%20Reduced%20for%20web.pdf) Alaska Const. art. X, § 12.

4 Alaska Stat. § 29.05.180, Alaska Stat. § 29.05.190, Alaska Stat. § 29.05.200.

5 Ariz. Rev. Stat. Ann. § 15-459.

6 Ariz. Rev. Stat. Ann. § 15-912; Ariz. Rev. Stat. Ann. § 15-947.

7 Ark. Code Ann. § 6-13-1602 et seq.; Ark. Code Ann. § 6-15-201 et seq.; Ark. Code Ann. § 6-20-1901 et seq.; Ark. Code Ann. § 6-21-801 et seq.; Ark. Code Ann. § 6-15-2901 et seq.

8 Ark. Code § 6-13-1403; Ark. Code § 6-13-1404.

9 Arkansas Department of Education, Rules Governing Consolidation and Annexation of School Districts, Little Rock, AR: Arkansas Department of Education, December, 2015. <http://170.94.37.152/REGS/005.01.15-002F-16282.pdf>



# APPENDIX A: STATE CONSOLIDATION POLICIES

unified school districts with fewer than eleven, districts with fewer than six registered electors, and districts maintaining no school facilities or sites, are automatically attached to neighboring districts.<sup>10</sup> Moreover, the state constitution assigns general power over school district boundaries to the legislature.<sup>11</sup>

School districts in California may voluntarily consolidate with the approval of the State Board of Education and the majority of voters in the affected districts.<sup>12</sup> State laws do not provide financial incentives for school districts that consolidate.

## Colorado

Colorado's state laws do not provide a way for the state to mandate school district consolidation. However, the state constitution provides that the General Assembly is generally responsible for the organization of school districts of "convenient size."<sup>13</sup>

School districts in Colorado may voluntarily consolidate with approval by the Commissioner of Education and a majority of voters in each affected district.<sup>14</sup> State laws do not provide financial incentives for school districts that consolidate.

## Connecticut

Connecticut's state laws do not provide a way for the state to mandate school district consolidation.

However, school districts may voluntarily consolidate by forming a regional school district. This requires action of legislative bodies of each town involved, voter approval in each town involved, and the approval of the State Board of Education.<sup>15</sup> State laws do not provide financial incentives for school districts that consolidate.

## Delaware

Delaware's state laws do not provide a way for the state to mandate school district consolidation. Moreover, the state constitution prohibits the General Assembly from passing a law creating or changing school district boundaries that is directed at a particular district or area.<sup>16</sup>

However, school districts in Delaware may voluntarily consolidate, with action from the State Board of Education and voter approval in each affected district.<sup>17</sup> State laws do not provide financial incentives for school districts that consolidate.

## Florida

Florida's state laws do not provide a way for the state to mandate school district consolidation. Florida's state constitution specifies that each county will constitute a school district.<sup>18</sup>

However, county school districts in Florida may voluntarily merge with one another with the approval of

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10 Cal. Edu. Code § 35780 et seq.  
11 Cal. Const. Art. IX, § 14.  
12 Cal. Edu. Code § 35753; Cal. Edu. Code § 35764.  
13 Colo. Const. Art. IX, Sec. 15.  
14 Colo. Rev. Stat. Ann. § 22-30-117.  
15 Conn. Gen. Stat. § 10-39; Conn. Gen. Stat. § 10-43; Conn. Gen. Stat. § 10-45.  
16 Del. Const. ar. II, § 19.  
17 Del. Code Ann. tit. 14, § 1027.  
18 Fla. Const. art. IX, § 4.

# APPENDIX A: STATE CONSOLIDATION POLICIES

a majority of voters in each county district.<sup>19</sup> State laws do not provide financial incentives for school districts that consolidate.

## Georgia

Georgia's state laws do not provide a way for the state to mandate school district consolidation. However, the state constitution does state that the General Assembly has the authority to prescribe school district consolidation, with the approval of a majority of voters in each affected district.<sup>20</sup>

School districts in Georgia may voluntarily consolidate. A municipal or independent school district may merge with its county district with a petition and approval by a majority of voters in the municipal or independent school district.<sup>21</sup> Georgia provides financial incentives for consolidation, in the form of state financial assistance to construct facilities necessary for the merger.<sup>22</sup>

## Hawaii

Hawaii is a single school district.<sup>23</sup> It is therefore impossible to consolidate.

## Idaho

Idaho's state laws do not provide a way for the state to mandate school district consolidation. However, the Idaho State Board of Education may order annexation if a district fails to meet basic requirements like operating schools each year, maintaining a student count of more than five, and having a sufficient number of board members to conduct business.<sup>24</sup>

School districts in Idaho may voluntarily consolidate with approval from the State Board and from voters in each affected district.<sup>25</sup> Idaho provides financial incentives for consolidation: Districts that consolidate receive state aid that is at least the sum of what the districts would have received had they not consolidated for seven years.<sup>26</sup> The state also provides financial assistance towards the cost of a feasibility study for consolidation.<sup>27</sup>

## Illinois

Illinois' state laws do not provide a way for the state to mandate school district consolidation.

However, school districts in Illinois may voluntarily merge. School districts may consolidate with approval from the state superintendent and voters in each affected district.<sup>28</sup> Alternatively, school districts may annex one another with the approval of a regional board of school trustees and voters in each district.<sup>29</sup> Illinois provides several forms of financial incentives for districts that merge: The state pays the difference in state aid for four years if the merger reduces the combined state aid due to the districts, reimburses the difference in total salaries paid before the merger and after, and awards further supplementary and financial incentives.<sup>30</sup>

19

Ibid.

20 Ga. Const. art. VIII, § 5, para. I.

21 Ga. Code Ann. § 20-2-370.

22 Ga. Code Ann. § 20-2-291.

23 Reinventing Education Act of 2004, Sen. SB 3238, 22nd H.A. Legislature (2004).

24 Idaho Code Ann. § 33-309.

25 Idaho Code Ann. § 33-311.

26 Idaho Code Ann. § 33-1003.

27 Idaho Code Ann. § 33-310B.

28 105 Comp. Stat. § 5/11E-35; 105 Ill. Comp. Stat. § 5/11E-50; Ill. Comp. Stat. § 5/11E-65.

29 105 Comp. Stat. § 5/7-1; 105 Ill. Comp. Stat. § 5/7-6; 105 Ill. Comp. Stat. § 5/7-7.7.

30 105 Ill. Comp. Stat. § 5/11E-135.

# APPENDIX A: STATE CONSOLIDATION POLICIES

## Indiana

Indiana's state laws do not provide a way for the state to mandate school district consolidation.

However, school districts in Indiana may voluntarily consolidate, with action from the governing bodies of the districts involved or a voter petition.<sup>31</sup> If voters petition to stop the consolidation, consolidation requires majority approval in a referendum in each district. State laws do not provide financial incentives for school districts that consolidate.

## Iowa

Iowa's state laws do not provide a general way for the state to mandate school district consolidation. Iowa does have a statute mandating the annexation of districts that do not serve kindergarten and all twelve grades, with some exceptions.<sup>32</sup> However, there are no elementary or secondary districts remaining that would be subject to this mandate. As a result, this statute does not provide an active avenue for state-mandated consolidation.

School districts in Iowa may voluntarily consolidate, with a voter petition and the approval of a majority of voters in at least three fourths of the districts involved and a majority of voters overall.<sup>33</sup> Iowa provides financial incentives for consolidation in the form of a reduction in the district's expected local contribution that is phased out over four years.<sup>34</sup> Additionally, districts with a formal grade-sharing agreement that seek to fully consolidate receive a financial incentive in the form of an additional weight added to their state aid allocation for up to three years.<sup>35</sup>

## Kansas

Kansas' state laws do not provide a way for the state to mandate school district consolidation.

School districts in Kansas may voluntarily consolidate with an agreement by the districts' boards of education and with approval from the State Board of Education and a majority of voters overall residing in the territory that will comprise the consolidated district (unless the agreement requires that the proposal gain the approval of a majority of voters in *each* district to be consolidated).<sup>36</sup> State laws provide financial incentives for school districts that consolidate; newly consolidated school districts receive the greater of the combined amount the districts received in the year the consolidation was complete, or the amount the new school district would now receive, for a period of two to four years, depending on the size and number of districts involved in the consolidation.<sup>37</sup>

## Kentucky

Kentucky's state laws provide a way for the state to mandate school district consolidation. If an independent school district cannot meet its current operating expenses and seeks a consolidation with a county school district, and if the two districts' school boards cannot agree to the terms of the consolidation, the merger can be effectuated by the State Board of Education.<sup>38</sup>

School districts in Kentucky may voluntarily consolidate. Contiguous school districts may merge with concurrent

31 Ind. Code Ann. § 20-23-6-3; Ind. Code Ann. § 20-23-6-5.5.

32 Iowa Code § 275.1.

33 Iowa Code § 275.12; Iowa Code § 275.14; Iowa Code § 275.15; Iowa Code § 275.20.

34 Iowa Code § 257.3.

35 Iowa Code § 257.11; Iowa Code § 257.11A.

36 Kan. Stat. Ann. § 72-8701; Kan. Stat. Ann. § 72-8702; Kan. Stat. Ann. § 72-8703.

37 Kan. Stat. Ann. § 72-5141.

38 Ky. Rev. Stat. Ann. § 160.041.

# APPENDIX A: STATE CONSOLIDATION POLICIES

board action.<sup>39</sup> An independent school district may also merge with its county school district by board action; if the boards cannot agree on the terms of the merger, the consolidation can still go forward but will in most cases require voter approval in a referendum.<sup>40</sup> State laws do not provide financial incentives for school districts that consolidate.

## Louisiana

Louisiana's state laws do not provide a way for the state to mandate school district consolidation.

School districts in Louisiana may voluntarily consolidate with the approval of voters in each affected school district.<sup>41</sup> However, a provision of the state constitution limits taxing authority to only parish school districts, city school districts, and other districts listed by name in the relevant section of the state constitution.<sup>42</sup> State laws do not provide financial incentives for school districts that consolidate.

## Maine

Maine's state laws do not provide a way for the state to mandate school district consolidation. However, beginning in 2007 and ending in 2011, Maine identified school districts for consolidation, primarily for reasons of size, and offered related incentives and penalties for these consolidations.<sup>43</sup>

School districts in Maine may voluntarily consolidate, with the approval of the state Commissioner of Education and voters in a referendum.<sup>44</sup> Maine offers financial incentives for school districts that consolidate: Districts may apply to receive grant funding to help implement the consolidation.<sup>45</sup>

## Maryland

Maryland's state laws do not provide a way for the state to mandate school district consolidation.

Maryland state laws do not offer a path for school districts to voluntarily consolidate. The state's school districts are already county-based, with the exception of Baltimore, which is treated as a county school district for statutory purposes.<sup>46</sup>

## Massachusetts

Massachusetts' state laws do not provide a way for the state to mandate school district consolidation.

However, school districts in Massachusetts may voluntarily consolidate by becoming a regional school district with the approval of voters in each affected town.<sup>47</sup> Massachusetts provides financial aid for districts that consolidate. New regional districts receive the same level of state aid as the combined state aid provided to the affected towns prior to consolidation.<sup>48</sup> Regional districts also receive additional aid for school construction and

39 Ky. Rev. Stat. Ann. § 160.040.

40 Ky. Rev. Stat. Ann. § 160.041.

41 La. Const. art. VIII, § 10; La. Rev. Stat. Ann. § 17:1379.

42 La. Const. art. VIII, § 13.

43 Maine Department of Education, "Summary of Reorganization Law," July 18, 2008, <http://www.maine.gov/education/reorg/lawsummary.html>; Me. Rev. Stat. Ann. § 20-A-15696 (2010; 2011); Me. Rev. Stat. Ann. § 20-A-15686 (2010).

44 Me. Rev. Stat. Ann. § 20-A-1461.

45 Me. Rev. Stat. Ann. § 20-A-2651; Maine Department of Education, RFP #201708145 Fund for the Efficient Delivery of Educational Services, (Augusta, ME: Maine Department of Education), <http://www.maine.gov/tools/whatsnew/attach.php?id=765472&an=1>

46 Md. Code Ann., Educ. Law, §4-108; Md. Code Ann., Educ. Law §1.101, Md. Code Ann., Educ. Law §1.202, Md. Code Ann., Educ. Law §3.101.

47 Mass. Gen. Laws Ann. ch. 71, § 14 et. seq.; Mass. Gen. Laws Ann. ch. 71, § 15.

48 Mass. Gen. Laws Ann. ch. 71, § 16D.

# APPENDIX A: STATE CONSOLIDATION POLICIES

transportation costs.<sup>49</sup>

## Michigan

Michigan's state laws do not provide a way for the state to mandate school district consolidation.

However, school districts in Michigan may voluntarily merge. Consolidation and annexation, where the annexing district takes on the annexed district's bonded debt, requires the approval of a majority of voters in all affected districts.<sup>50</sup> Annexation, when the annexing district is not taking on debt, only requires the approval of the school board of the annexing district and the approval of voters in the district to be annexed.<sup>51</sup> Michigan provides financial incentives for districts that merge in the form of an inflated formula amount.<sup>52</sup>

## Minnesota

Minnesota's state laws do not provide a way for the state to mandate school district consolidation. However, a district not maintaining a classified school must be dissolved and attached to another district, with some exceptions.<sup>53</sup>

School districts in Minnesota may voluntarily merge. School districts may consolidate with the approval of the Commissioner of Education and school boards of the affected districts; If voters petition, the consolidation will also require voter approval in a referendum.<sup>54</sup> A district may also annex another district with action of the county board, petition from the voters in the district to be annexed, or voter approval in the district to be annexed.<sup>55</sup> Minnesota provides financial incentives for districts that consolidate, in the form of a \$200 per-pupil payment in the year of the consolidation and a further \$100 per-pupil payment in the following year, to be used for early retirement incentives, operating debt, other costs incurred in the consolidation, and to enhance learning opportunities in the new district.<sup>56</sup> The law also provides specifically for borrowing and levies related to transition expenses.<sup>57</sup>

## Mississippi

Mississippi's state laws do not provide a general way for the state to mandate school district consolidation. However, the state ordered the one-time consolidation of districts meeting certain criteria in 2012.<sup>58</sup> Additionally, Mississippi has passed several statutes mandating the consolidation of particular, named school districts into county school districts.<sup>59</sup>

School districts in Mississippi may voluntarily consolidate. Voluntary consolidation requires an order of the school boards involved and approval by the State Board of Education, unless voters petition to hold an election, in which case the consolidation also requires the approval of a majority of voters in each affected district.<sup>60</sup> State laws do not provide financial incentives for school districts that consolidate.

49 Mass. Gen. Laws Ann. ch. 71, § 16C; Mass. Gen. Laws Ann. ch. 71, § 16D.

50 Mich. Comp. Laws § 380.851 et seq.; Mich. Comp. Laws § 380.901; Mich. Comp. Laws § 380.904; Mich. Comp. Laws § 380.907.

51 Mich. Comp. Laws § 380.901.

52 Mich. Comp. Laws § 388.1620.

53 Minn. Stat. Ann. § 123A.60 et seq.

54 Minn. Stat. Ann. § 120A.05; Minn. Stat. Ann. § 123A.48.

55 Minn. Stat. Ann. § 123A.46.

56 Minn. Stat. Ann. § 123A.485.

57 Minn. Stat. Ann. § 123A.76.

58 Miss. Code Ann. § 37-7-104.

59 Miss. Code Ann. § 37-7-104.1 et seq.

60 Miss. Code Ann. § 37-7-105.

# APPENDIX A: STATE CONSOLIDATION POLICIES

## Missouri

Missouri's state laws do not provide a way for the state to mandate school district consolidation. However, the State Board of Education must order annexation if other boundary changes leave a district with fewer than twenty school-age children or without a school.<sup>61</sup>

School districts in Missouri may voluntarily consolidate with majority approval of voters in each affected district.<sup>62</sup> State laws do not provide financial incentives for school districts that consolidate.

## Montana

Montana's state laws generally do not provide a way for the state to mandate school district consolidation. A Montana law does mandate that when an elementary district and a high school district have the same boundaries, the two districts must be converted into a single K-12 district unless one of the districts receives federal impact aid.<sup>63</sup> However, district boundaries would not have to be redrawn in order for this to occur. Additionally, the state requires the county superintendent to mandate annexation if a district fails to meet basic requirements, such as failing to operate schools or having an insufficient number of residents that can serve as board members.<sup>64</sup>

School districts in Montana may voluntarily merge. Consolidation requires the approval of a majority of voters in each affected district. Annexation requires the approval of a majority of voters in the annexed district and the approval of the trustees in the annexing district.<sup>65</sup> Montana provides financial incentives for districts that consolidate by allowing districts to receive state aid at pre-consolidation levels for three years and tapering down over a further three years.<sup>66</sup>

## Nebraska

Nebraska's state laws do not provide a way for the state to mandate school district consolidation.

School districts in Nebraska may voluntarily consolidate. School districts may be consolidated either with the approval of the local school boards and the State Committee for Reorganization of School Districts or with the approval of voters in a petition and referendum process and the State Committee.<sup>67</sup> Certain school districts may also be dissolved and attached to another district with a petition, approval by the State Committee, and voter approval, though this avenue for consolidation will be closed as of the beginning of 2019.<sup>68</sup> State laws do not provide financial incentives for school districts that consolidate.

## Nevada

Nevada's state laws do not provide a way for the state to mandate school district consolidation.

Contiguous school districts may voluntarily consolidate if the affected school boards enter into an agreement.<sup>69</sup> However, Nevada has had only county school districts since 1956, with the exception of Carson City, which is treated as a county school district for statutory purposes.<sup>70</sup> State laws do not provide financial incentives for school districts that consolidate.

61 Mo. Rev. Stat. Ann. § 162.071.

62 Mo. Rev. Stat. Ann. § 162.223.

63 Mont. Code Ann. § 20-6-701.

64 Mont. Code Ann. § 20-6-209; Mont. Code Ann. § 20-6-307.

65 Mont. Code Ann. § 20-6-422; Mont. Code Ann. § 20-6-423.

66 Mont. Code Ann. § 20-9-311.

67 Neb. Rev. Stat Ann. § 79-413; Neb. Rev. Stat Ann. § 79-415; Neb. Rev. Stat Ann. § 79-447 "School District Reorganization Frequently Asked Questions," Nebraska Department of Education, School Finance and Organization Service, January 5, 2017, <https://www.education.ne.gov/fos/OrgServices/Reorganization/Downloads/FAQ.pdf>

68 Neb. Rev. Stat Ann. § 79-452; Neb. Rev. Stat Ann. § 79-453; Neb. Rev. Stat Ann. § 79-455.

69 Nev. Rev. Stat. Ann. § 277.045; Nev. Rev. Stat. Ann. § 277.103; Nev. Rev. Stat. Ann. § 277.105.

70 Nev. Rev. Stat. Ann. § 386.010.

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## New Hampshire

New Hampshire's state laws do not provide a way for the state to mandate school district consolidation. School districts in New Hampshire may voluntarily consolidate to form a cooperative school district with the approval of the board of each affected district and voters in each district.<sup>71</sup> New Hampshire provides financial incentives for districts that consolidate by guaranteeing that the new district receives state aid equal to the sum of what the affected districts received prior to consolidation.<sup>72</sup>

## New Jersey

New Jersey's state laws do not provide a way for the state to mandate school district consolidation. However, county superintendents may mandate the elimination of non-operating districts through consolidation with operating districts.<sup>73</sup>

School districts in New Jersey may voluntarily consolidate by creating a regional school district with the approval of the state Commissioner of Education, the school boards of each affected district, and voters in each affected district.<sup>74</sup> New Jersey provides financial incentives for school districts that consolidate in the form of additional state aid for one year for districts that experience a loss of tuition resulting from the end of a sending-receiving relationship as a result of the regionalization.<sup>75</sup>

## New Mexico

New Mexico's state laws do not provide a way for the state to mandate school district consolidation. However, the State Board of Education may bring an action in court to consolidate a district that has had its accreditation status revoked.<sup>76</sup>

However, school districts in New Mexico may voluntarily consolidate with action from each affected local school board, action from a district court that follows action by both the affected local boards and the state board, or the recommendation of a school district survey committee formed on the request of a local school board.<sup>77</sup> State laws do not provide financial incentives for school districts that consolidate.

## New York

New York's state laws do not provide a way for the state to mandate school district consolidation.

However, school districts in New York may voluntarily consolidate. The process for consolidation depends on the types of districts involved, but it typically requires the approval of the state Commissioner of Education and the approval of voters in each affected district.<sup>78</sup> New York provides financial incentives for districts that consolidate. Consolidated districts receive an additional 40% of the state aid they received in 2006-07 for five years, phasing out over a further nine years, and an additional 30% in building aid in the first decade after consolidation.<sup>79</sup>

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71 N.H. Rev. Stat. Ann. § 195:1; N.H. Rev. Stat. Ann. § 195:18.

72 N.H. Rev. Stat. Ann. § 195:15.

73 N.J. Rev. Stat. Ann. § 18A: 8-44.

74 N.J. Rev. Stat. Ann. § 18A: 13-34; N.J. Rev. Stat. Ann. § 18A: 13-35.

75 N.J. Rev. Stat. Ann. § 18A: 58-11.1

76 N.M. Stat. Ann. § 22-4-3.

77 N.M. Stat. Ann. § 22-4-3; N.M. Stat. Ann. § 22-4-6.

78 N.Y. C.L.S. Educ. § 1801 et seq.; N.Y. C.L.S. Educ. § 1705; N.Y. C.L.S. Educ. § 1510 et seq.; N.Y. C.L.S. Educ. § 1524.

79 N.Y. C.L.S. Educ. § 3602; New York State Education Department, 2017-18 State Aid Handbook, (Albany, NY: New York State Education Department, 2017), [https://stateaid.nysed.gov/publications/handbooks/handbook\\_2017.pdf](https://stateaid.nysed.gov/publications/handbooks/handbook_2017.pdf).



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## North Carolina

The North Carolina State Board of Education may merge contiguous county school districts, subject to override by the General Assembly.<sup>80</sup>

School districts in North Carolina may also voluntarily consolidate in one of several ways: City school districts may merge with neighboring city or county school districts with the approval of the school boards and the approval of the State Board and their Board of County Commissioners; or city school districts may merge with a county school district by dissolving their school board.<sup>81</sup> Contiguous county school districts may merge on the order of their school boards with the approval of the State Board.<sup>82</sup> A county with multiple school districts may merge the districts into a single county school district with action from the Board of County Commissioners and the State Board.<sup>83</sup> State laws do not provide financial incentives for school districts that consolidate.

## North Dakota

North Dakota's state laws do not provide a way for the state to mandate school district consolidation.

School districts in North Dakota may voluntarily consolidate, with approval from the school boards of each affected district, the county committees of counties containing affected districts, the State Board of Education, and a majority of voters in each affected district.<sup>84</sup> School districts may also voluntarily dissolve, upon the decision of the local school board and the approval of a county committee, which would result in attachment to neighboring districts.<sup>85</sup> North Dakota provides financial incentives for districts that consolidate by applying a weighting factor to the consolidated district's formula amount for the first six years of its existence.<sup>86</sup>

## Ohio

Ohio's state laws do not provide a way for the state to mandate school district consolidation.

School districts in Ohio may voluntarily consolidate. One district may be annexed by another with the approval of both the majority of voters in the annexed district and the approval of the school board of the annexing district.<sup>87</sup> Alternatively, if the annexation is initiated by the State Board of Education, the annexation requires the approval of a majority of voters in the affected area as a whole.<sup>88</sup> Ohio provides financial incentives for districts that consolidate: Consolidated districts are guaranteed state aid no less than the sum of those received by the affected districts for three years, and in some cases, the district's debt to the state solvency assistance fund is cancelled.<sup>89</sup>

## Oklahoma

The Oklahoma State Board of Education may mandate the annexation of districts that are "academically at risk," are not accredited by the state board, or fail to maintain a school.<sup>90</sup>

80 N.C. Gen. Stat. Ann. § 115C-66.5.

81 N.C. Gen. Stat. Ann. § 115C-67; N.C. Gen. Stat. Ann. § 115C-68.2.

82 N.C. Gen. Stat. Ann. § 115C-68.

83 N.C. Gen. Stat. Ann. § 115C-68.1.

84 N.D. Cent. Code Ann. § 15.1-12-09; N.D. Cent. Code Ann. § 15.1-12-10; N.D. Cent. Code Ann. § 15.1-12-11.

85 N.D. Cent. Code Ann. § 15.1-12-26; N.D. Cent. Code Ann. § 15.1-12-27.

86 N.D. Cent. Code Ann. § 15.1-27-17.

87 Ohio Rev. Code Ann. § 3311.231.

88 Ohio Rev. Code Ann. § 3311.38.

89 Ohio Rev. Code Ann. § 3311.231; Ohio Rev. Code Ann. § 3311.241.

90 Oklahoma State Department of Education, "Oklahoma School Finance Technical Assistance Document," October 2017, [http://sde.ok.gov/sde/sites/ok.gov.sde/files/documents/files/FY%202018%20TAD%20toc%20updated%20mp\\_rm\\_1.pdf](http://sde.ok.gov/sde/sites/ok.gov.sde/files/documents/files/FY%202018%20TAD%20toc%20updated%20mp_rm_1.pdf)

# APPENDIX A: STATE CONSOLIDATION POLICIES

School districts in Oklahoma may also voluntarily merge. School districts may consolidate with the approval of voters in each affected district and the fulfillment of any other requirements that may be specified by the State Board of Education.<sup>91</sup> A school district may be annexed with voter approval from the annexing district or with both board approval of the annexed district and voter approval in the area being annexed.<sup>92</sup> An annexation election is only held upon approval from the school boards of both affected districts or by order of the Superintendent of Public Instruction in response to a petition from the majority of voters in the district to be annexed. Oklahoma provides financial incentives for districts that consolidate in the form of payments from a dedicated state fund, subject to legislative appropriations.<sup>93</sup>

## Oregon

Oregon's state laws do not provide a way for the state to mandate school district consolidation. In Oregon, district boundary boards, established by counties, are responsible for school district boundaries. They may mandate consolidation based on consideration of geographical factors, enrollment, sparsity, and capacity to operate a school.<sup>94</sup>

School districts in Oregon may also voluntarily consolidate with the approval of the local district boundary board.<sup>95</sup> Oregon provides financial incentives for some districts that consolidate. School districts that did not previously operate a high school receive increased per-student allocation for the first three years after merging with a K-12 district.<sup>96</sup>

## Pennsylvania

Pennsylvania's state laws do not provide a way for the state to mandate school district consolidation.

School districts in Pennsylvania may voluntarily consolidate with the approval of each affected school board and the State Board of Education.<sup>97</sup> Pennsylvania provides financial incentives<sup>98</sup> for districts that consolidate. Districts that received small district assistance prior to the consolidation will continue to receive it for five years.<sup>98</sup>

## Rhode Island

Rhode Island's state laws do not provide a way for the state to mandate school district consolidation.

School districts in Rhode Island may voluntarily consolidate by forming a regional school district with the positive recommendation of the State Board of Regents and the approval of voters in each affected district.<sup>99</sup> Additionally, the Commissioner of Elementary and Secondary Education must create a planning board for the formation of a regional school district if the district sees its high school enrollment fall below one hundred students, spends less than 66% of the state average per pupil spending for three years, or lacks the capacity to provide services consistent with state requirements.<sup>100</sup> In such cases, the establishment of the district would still require voter approval in each affected district.<sup>101</sup> State laws do not provide financial incentives for school districts that consolidate.

91 Okla. Stat. Ann. tit. 70 § 7-105.

92 Okla. Stat. Ann. tit. 70 § 7-101.

93 Okla. Stat. Ann. tit. 70 § 7-203.

94 Or. Rev. Stat. Ann. §330.090.

95 Or. Rev. Stat. Ann. §330.090; Or. Rev. Stat. Ann. §330.095.

96 Or. Rev. Stat. Ann. §327.152.

97 24 Pa. Stat. and Cons. Stat. Ann. § 2-224.

98 24 Pa. Stat. and Cons. Stat. Ann. § 2-233.

99 R.I. Gen. Laws Ann. § 16-3-5; R.I. Gen. Laws Ann. § 16-3-7; Gen. Laws Ann. § 16-3-8; Gen. Laws Ann. § 16-3-9; R.I. Gen. Laws Ann. § 16-3-10.

100 R.I. Gen. Laws Ann. § 16-3-3.1.

101 R.I. Gen. Laws Ann. § 16-3-10.

# APPENDIX A: STATE CONSOLIDATION POLICIES

## South Carolina

The South Carolina State Superintendent may mandate consolidation if a state of emergency is declared in the district, which may be done on academic or financial grounds.<sup>102</sup> A county board of education may also consolidate districts within the county if it promotes “the best interests of the cause of education in the county.”<sup>103</sup>

South Carolina’s state laws do not provide a way for the school districts to voluntarily consolidate. State laws do not provide financial incentives for school districts that consolidate.

## South Dakota

South Dakota generally mandates consolidation of districts that serve fewer than one hundred students, are not identified as sparse, and have not entered into service-sharing agreements with other districts.<sup>104</sup>

School districts in South Dakota may voluntarily consolidate with approval of the state Secretary of Education and the majority of voters in each affected district.<sup>105</sup> State laws do not provide financial incentives for school districts that consolidate.

## Tennessee

Tennessee’s state laws do not provide a way for the state to mandate school district consolidation.

School districts in Tennessee may voluntarily consolidate. Municipal or special school districts may be annexed onto the county school system with the approval its governing body and a majority of municipal or special school district voters.<sup>106</sup> All districts within a county may be consolidated into a unified county school district with approval from the Department of Education, the governing body of each affected district, the school boards of each affected district, and the majority of voters in each district.<sup>107</sup> County school districts may consolidate to form multi-county school districts with the approval of the governing body of each affected county.<sup>108</sup> Tennessee provides financial incentives only for consolidations to form multi-county school districts in the form of a 5% funding bonus for the first five years.<sup>109</sup>

## Texas

The Texas Commissioner of Education may mandate the annexation of districts that have been rated “academically unacceptable” for two years or have lost their accreditation due to financial or academic factors.<sup>110</sup>

School districts in Texas may also voluntarily merge. School districts may consolidate with the approval of voters in each affected district.<sup>111</sup> An area may be annexed by another with a petition from voters in the territory to be annexed and approval by the boards of each affected district.<sup>112</sup> Texas provides financial incentives for districts that consolidate, by providing state aid equal to what the districts would have received had they not consolidated

102 S.C. Gen. Ass. H.B. 3720, 122nd Reg. Sess. (2017).  
103 S.C. Code Ann. § 59-17-50.  
104 S.D. Codified Laws § 13-6-97.  
105 S.D. Codified Laws § 13-6-18; S.D. Codified Laws § 13-6-41; S.D. Codified Laws § 13-6-47.  
106 Tenn. Code Ann. § 49-2-1002; Tenn. Code Ann. § 49-2-502.  
107 Tenn. Code Ann. § 49-2-1201; Tenn. Code Ann. § 49-2-1206.  
108 Tenn. Code Ann. § 49-2-1257.  
109 Tenn. Code Ann. § 49-2-1262.  
110 Tex. Educ. Code § 13.054; Tex. Educ. Code § 39A.005; Tex. Admin. Code § 97.1055.  
111 Tex. Educ. Code § 13.151 et seq.  
112 Tex. Educ. Code § 13.051.

# APPENDIX A: STATE CONSOLIDATION POLICIES

for up to ten years.<sup>113</sup>

## Utah

Utah's state laws do not provide a way for the state to mandate school district consolidation.

However, school districts in Utah may voluntarily consolidate. They may do so through either action by the affected school boards or the approval of a majority of voters in each affected district.<sup>114</sup> Utah provides financial incentives for districts that consolidated by state aid equal to what the districts would have received had they not consolidated for five years.<sup>115</sup>

## Vermont

Vermont's State Board of Education may mandate consolidation for school districts that have not already done so by November 2018.<sup>116</sup>

School districts may also voluntarily consolidate with the approval of the State Board of Education and the majority of voters in each district.<sup>117</sup> Vermont currently provides financial incentives for districts that consolidate, including reduced tax rates, a grant equal to the small district support they currently receive, and a transition facilitation grant.<sup>118</sup>

## Virginia

Virginia's state laws do not provide a way for the state to mandate school district consolidation. However, the state's Board of Education may consolidate districts with the approval of the affected school boards and the governing bodies of the affected cities, counties, or towns.<sup>119</sup>

School districts may also voluntarily consolidate by submitting proposals for consolidation to the Board of Education.<sup>120</sup> Virginia provides financial incentives for districts that consolidate in the form of pre-consolidation state funding for fifteen years following consolidation.<sup>121</sup>

## Washington

Washington's state laws provide a way for the state to mandate school district consolidation. The Superintendent of Public Instruction may order the annexation of a financially insolvent district for which a financial oversight committee has been convened, with the details of the annexation agreement to be determined at the local or regional level.<sup>122</sup> Additionally, a regional committee must dissolve districts with fewer than five K-8 pupils and those that have not maintained the minimum number of school days required by law, annexing them to one or more other districts.<sup>123</sup>

113 Tex. Educ. Code § 13.281; Tex. Educ. Code § 13.282.

114 Utah Code Ann. § 53A-2-102.

115 Utah Code Ann. § 53A-2-113.

116 Vt. Gen. Ass. No. 46, Reg. Sess (2015), <https://legislature.vermont.gov/assets/Documents/2016/Docs/ACTS/ACT046/ACT046%20As%20Enacted.pdf>

117 Vt. Stat. Ann. tit. 16, § 706c; Vt. Stat. Ann. tit. 16, § 706d.

118 Vt. Gen. Ass. No. 46, Reg. Sess (2015), <https://legislature.vermont.gov/assets/Documents/2016/Docs/ACTS/ACT046/ACT046%20As%20Enacted.pdf>

119 Va. Const. art. VIII, § 5; Va. Code Ann. § 22.1-25.

120 Va. Code Ann. § 22.1-25.

121 Va. Code Ann. § 15.2-1302.

122 Rev. Code Wash. § 28A.315.225; Rev. Code Wash. § 28A.315.199; Rev. Code Wash. § 28A.315.205

123 Wash. Rev. Code Ann. § 28A 315-225.

# APPENDIX A: STATE CONSOLIDATION POLICIES

School districts in Washington may voluntarily consolidate with a voter petition and majority voter approval in a special election.<sup>124</sup> In addition, a financially insolvent district may be annexed by one or more adjacent districts if the districts come to agreement and the agreement is approved by a financial oversight committee.<sup>125</sup> State laws do not provide financial incentives for school districts that consolidate.

## West Virginia

West Virginia's state laws do not provide a way for the state to mandate school district consolidation. However, the state constitution dictates that the state's current system of school districts cannot be altered without an act of the legislature.<sup>126</sup>

School districts in West Virginia may voluntarily consolidate. By law, all school districts in West Virginia are county school districts; counties themselves may consolidate with approval from 55% of voters in each affected county.<sup>127</sup> However, the formation of a new school district in this way may also require legislative approval.<sup>128</sup> State laws do not provide financial incentives for school districts that consolidate.

## Wisconsin

Wisconsin's state laws do not provide a way for the state to mandate school district consolidation.

School districts in Wisconsin may voluntarily consolidate with a resolution by the affected districts and a voter referendum, if any affected school board or a voter petition demands one.<sup>129</sup> Wisconsin provides financial incentives for districts that consolidate by providing the total amount of state aid that each district received prior to the consolidation for five years.<sup>130</sup> Additional incentive aid will be paid to newly consolidated districts beginning on July 1, 2019.<sup>131</sup>

## Wyoming

Wyoming's state laws do not provide a way for the state to mandate school district consolidation. However, Wyoming mandates that annexation proposals be prepared and submitted to the state for districts that fail to maintain a school for six months in any year.<sup>132</sup>

School districts in Wyoming may voluntarily consolidate, though they may not instigate a consolidation process. District boundary boards at the county level may consolidate school districts but only with the approval of each affected school board and a state committee.<sup>133</sup> Wyoming provides financial incentives for districts that consolidate, by providing state aid equal to what the districts would have received had they not consolidated for first two years and tapering down over an additional two years, and reimbursement for expenses associated with consolidation up to \$100,000.<sup>134</sup>

124 Wash. Rev. Code Ann. § 28A 315-235.

125 Wash. Rev. Code Ann. § 28A 315-225.

126 W. Va. Const. Art. XII, § 6.

127 W. Va. Code Ann. § 18-1-3; W. Va. Code Ann. § 7A-6-4.

128 W. Va. Const. Art. XII, § 6

129 Wis. Stat. Ann. § 117.08.

130 Wis. Stat. Ann. § 121.105.

131 Wis. Stat. Ann. § 117.08.

132 Wyo. Stat. Ann. § 21-6-209.

133 Wyo. Stat. Ann. § 21-6-203; Wyo. Stat. Ann. § 21-6-207; Wyo. Stat. Ann. § 21-6-211.

134 Wyo. Stat. Ann. § 21-6-219.

## APPENDIX B: CONSOLIDATION ATTEMPTS SINCE 2000 (PA)

Pennsylvania County	District(s) seeking consolidation	Parent district(s)	Year	Succeeded
Allegheny	Clairton	Elizabeth Forward	2011	No <sup>i</sup>
Allegheny	Clairton	West Mifflin Area	2011	No <sup>ii</sup>
Allegheny	Clairton	South Allegheny	2011	No <sup>iii</sup>
Allegheny	Clairton	West Jefferson Hills	2011	No <sup>iv</sup>
Allegheny	Carlynton	Chartiers Valley	2011	No <sup>v</sup>
Allegheny	Carlynton	Keystone Oaks	2011	No <sup>vi</sup>
Allegheny	Carlynton	Montour	2011	No <sup>vii</sup>
Allegheny	Duquesne	West Mifflin	2000	No <sup>viii</sup>
Allegheny	Moon Area	Cornell	2014	No <sup>ix</sup>
Beaver	Ambridge Area	Freedom Area	2011	No <sup>x</sup>
Beaver	Beaver Area	Blackhawk	2010	No <sup>xi</sup>
Beaver	Beaver Area	Central Valley	2010	No <sup>xii</sup>
Beaver	Beaver Area	New Brighton Area	2010	No <sup>xiii</sup>
Beaver	Beaver Area	Rochester Area	2010	No <sup>xiv</sup>
Beaver	Beaver Area	Western Beaver	2010	No <sup>xv</sup>
Beaver	Center Area, Monaca		2009	Yes <sup>xvi</sup>
Beaver	Ellwood City Area	Riverside	2011	No <sup>xvii</sup>
Berks	Antietam	Exeter	2013	No <sup>xviii</sup>
Bucks	Morrisville	Bensalem	2014	No <sup>xix</sup>
Bucks	Morrisville	Bristol Borough	2014	No <sup>xx</sup>
Bucks	Morrisville	Bristol Township	2014	No <sup>xxi</sup>
Bucks	Morrisville	Council Rock	2014	No <sup>xxii</sup>
Bucks	Morrisville	Neshaminy	2014	No <sup>xxiii</sup>
Bucks	Morrisville	Pennsbury	2014	No <sup>xxiv</sup>
Bucks	Morrisville	Pennsbury	2004	No <sup>xxv</sup>
Dauphin	Halifax Area	Millersburg Area	2009	No <sup>xxvi</sup>
Lancaster	Columbia Borough		2017	Ongoing <sup>xxvii</sup>
Lawrence	Neshannock Township	Wilmington Area	2010	No <sup>xxviii</sup>
Lawrence	New Castle Area	Union Area	2010	No <sup>xxix</sup>
Lawrence	Mohawk Area	Union Area	2010	No <sup>xxx</sup>
Schuylkill	Pottsville Area, Saint Clair Area		2015	No <sup>xxxi</sup>
Westmoreland	Monessen	Charleroi	2017	Ongoing <sup>xxxii</sup>

## APPENDIX C: CONSOLIDATION ATTEMPTS SINCE 2000 (NY)

New York County	District(s) seeking consolidation	Year	Succeeded
Albany	Maplewood, North Colonie	2008	Yes <sup>xxxiii</sup>
Allegany	Arkport, Canaseraga	2017	Ongoing <sup>xxxiv</sup>
Allegany	Arkport, Canaseraga, Alfred-Almond	2015	No <sup>xxxv</sup>
Allegany	Scio, Wellsville	2010	No <sup>xxxvi</sup>
Allegany, Steuben	Canisteo, Greenwood	2004	Yes <sup>xxxvii</sup>
Broome	Chenango Forks, Chenango Valley	2013	No <sup>xxxviii</sup>
Cattaraugus	Cattaraugus, Little Valley	2000	Yes <sup>xxxix</sup>
Chautauqua	Brocton, Westfield	2013	No <sup>xl</sup>
Chautauqua	Clymer, Panama	2017	No <sup>xli</sup>
Chemung	Horseheads, Elmira Heights	2015	No <sup>xlii</sup>
Columbia, Rensselaer	Kinderhook, Schodack	2012	No <sup>xliii</sup>
Essex	Crown Point, Ticonderoga	2013	No <sup>xliv</sup>
Essex	Elizabethtown-Lewis, Westport	2017	Ongoing <sup>xlv</sup>
Fulton	Mayfield, Northville	2014	No <sup>xlvi</sup>
Hamilton	Lake Pleasant, Wells	2011	No <sup>xlvii</sup>
Herkimer	Herkimer, Frankfort-Schuyler	2013	No <sup>xlviii</sup>
Herkimer	Herkimer, Ilion, Mohawk	2012	No <sup>xlix</sup>
Herkimer	Herkimer, Frankfort-Schuyler, Ilion, Mohawk	2012	No <sup>l</sup>
Herkimer	Ilion, Mohawk	2013	Yes <sup>li</sup>
Madison	Madison, Stockbridge Valley	2013	No <sup>lii</sup>
Madison	Hamilton, Morrisville Eaton	2013	No <sup>liii</sup>
Montgomery	Oppenheim-Ephratah, St. Johnsville	2012	Yes <sup>liv</sup>
Orleans	Barker Central, Lyndonville	2011	No <sup>lv</sup>
Schuyler, Steuben	Bradford, Campbell-Savona	2005	No <sup>lvi</sup>
Seneca	Seneca Falls, Waterloo	2013	No <sup>lvii</sup>
Seneca	Seneca Falls, Waterloo	2005	No <sup>lviii</sup>
Seneca	Romulus, South Seneca	2013	No <sup>lix</sup>
Suffolk	Eastport, South Manor	2004	Yes <sup>lx</sup>
Suffolk	Elwood, Commack Union	2010	No <sup>lxi</sup>
Suffolk	Elwood, Half Hollow Hills	2010	No <sup>lxii</sup>
Suffolk	Elwood, Harborsfield Central	2010	No <sup>lxiii</sup>
Suffolk	Elwood, Northport-East Northport	2010	No <sup>lxiv</sup>
Suffolk	Elwood, South Huntington	2010	No <sup>lxv</sup>
Suffolk	Southampton, Tuckahoe Common	2013	No <sup>lxvi</sup>
Sullivan	Roscoe, Livingston Manor	2011	No <sup>lxvii</sup>
St. Lawrence	Canton, Potsdam	2014	No <sup>lxviii</sup>
Tioga	Candor, Spencer Van Etten	2013	No <sup>lxix</sup>
Warren	Glen Falls City, Glen Falls Common	2013	No <sup>lxx</sup>
Wayne	Newark, Lyons	2012	No <sup>lxxi</sup>
Wayne	Newark, Marion	2012	No <sup>lxxii</sup>
Wayne	Newark, Palmyra-Macedon	2012	No <sup>lxxiii</sup>
Wayne	Newark, Phelps-Clifton Springs	2012	No <sup>lxxiv</sup>
Wayne	Newark, Sodus	2012	No <sup>lxxv</sup>
Yates	Penn Yan, Dundee Central	2017	No <sup>lxxvi</sup>



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